



**\*ISG** Provider Lens™

2021

Insurance BPO Services  
2021 – Life and Retirement  
& Property and Casualty:  
U.S. and Australia

imagine your future®

ISG (Information Services Group) (NASDAQ: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including 75 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; technology strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006 and based in Stamford, Conn., ISG employs more than 1,300 professionals operating in more than 20 countries — a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit [www.isg-one.com](http://www.isg-one.com).



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# Definition

Insurance coverage can be invaluable to policyholders; however, it is not a tangible product but a contract between insurer and insured. Insurance is a risk management plan for businesses, individuals and other entities that pay premiums to offset financial exposure due to a potential future event or circumstance or to ensure a financial payout in the event of a loss of life or damage to property.

A homeowner's policy, for instance, can give policyholders some peace of mind that they are covered if their home is damaged by a weather event and protects them from personal liability if someone is injured on their property. Some types of policies are not just encouraged but mandated by law. In all states, individuals cannot legally drive without insurance that protects them from damages or liability if they have an accident. And while life insurance isn't required, a life policy can provide a specific sum of money to beneficiaries after the policyholder's death to support survivors and take care of final expenses.

**Property insurance** provides an individual or other entity with financial protection or reimbursement in an event of losses or damage to property caused by fire, theft, weather or catastrophic events.

**Casualty insurance** is a broad category of insurance coverage that protects individuals and entities against financial losses if they are legally liable for an accident or other event that results in personal injury or property damage.

**Life insurance** provides financial protection for beneficiaries and survivors. Life insurance payouts can also be used to accomplish other financial objectives of the insured upon their demise such as making gifts to charities or funding relatives' education.

**Retirement products** include annuities that can provide a retiree with regular, planned financial payouts, supplemental medical insurance that can cover medical expenses not covered by Medicare, and long-term care insurance that can help ensure that aging individuals will be able to cover their personal care as they age.

Insurance organizations strive to provide the market with relevant, personalized products and service offerings, while maintaining profitability and achieving growth. Both life and retirement (L&R) and property and casualty (P&C) insurers must meet the needs of increasingly demanding customers with an easy and seamless customer experience, from the purchasing and onboarding process to after-sales services and claims via any contact channel. In a heated and competitive marketplace, insurance organizations want to develop innovative products and services and get them to market quickly. These companies also want to achieve operational efficiencies and hold down costs.

Insurance companies look to advanced technologies to help them achieve their goals. Acknowledging the value of digital technologies, insurers are in various stages of digital transformation and adopting and implementing automation, artificial intelligence and cloud solutions, for instance. These organizations are increasingly turning to outsourcing partners to help them realize their objectives. Whether they provide L&R products, including individual and group supplemental products, or P&C products, enterprises recognize the value that external providers can offer.

The current outsourcing landscape is changing and is not limited to merely backend services. Carriers are partnering with providers that can help them transform and grow their businesses. Insurance enterprises are becoming increasingly open to forming long-term, mutually beneficial relationships.

Digital transformation has become a priority for insurers, and most organizations are in some stage of their digital journey. To stay relevant, insurers must embrace digital technologies such as automation, AI and cloud solutions.

## Definition (cont.)

ISG will also evaluate outsourcing providers in terms of their ability to support insurance companies in the following areas:

- **Business Process Outsourcing (BPO)** services such as customer care centers, new business support, policyholder services, claims processing, actuarial and support for other insurance processes.
- **Policy Administration System (PAS)** software that provides the processing platform for insurance policy administration either as a software license or via a software-as-a-service (SaaS) model.
- **Business Process-as-a-Service (BPaaS)** services are bundled together to provide insurance companies with an all-encompassing BPaaS, typically through a licensed provider or third-party administrator (TPA).

The ISG Provider Lens™ study offers insurance carrier decision-makers the following:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by product segments and functional services
- Information on each provider's transformation and digital-enabling capabilities
- A perspective on the U.S. And Australian market

The study serves as an important decision-making basis for positioning and go-to-market considerations. ISG advisors and enterprise customers also use information from these reports to evaluate their current and potential new service provider relationships.

# Quadrants Research

The ISG Provider Lens™ Insurance BPO Services Solutions 2021 – Life and Retirement and Property and Casualty: BPO Services Providers study will contain the following quadrants:

Insurance BPO Services - U.S.		
Insurance BPO Services		BPaaS and TPA Insurance Services
Life & Retirement Insurance BPO Services	Property & Casualty Insurance BPO Services	BPaaS/ TPA Insurance Services
Insurance BPO Services - Australia		
Insurance BPO Services		
Life Insurance BPO Services	Retirement Insurance BPO Services	Property & Casualty Insurance BPO Services

Source: ISG 2021

# Quadrant Research – U.S. Study

As a part of this ISG Provider Lens™ quadrant study, we will assess two types of insurance services related to insurance outsourcing functions — BPO and BPaaS/TPA.

## Life and Retirement

Life and retirement (L&R) insurance covers outsourcing services such as consulting, technology enablement, policy administration systems and managed services for insurance types such as life, annuity and supplemental healthcare products. We will evaluate L&R outsourcing providers based on the extent of the support they offer across various areas, including providing backend services, front and middle office support, and technology enablement services by different product categories (life vs. annuities vs. supplemental). With enterprises looking to modernize their services and improve customer management and technology enablement in each functional area, we will focus on these offerings as they are critical to improving customer experience across the L&R lifecycle, which ranges from purchasing to post-sales services. Providers that enable transformation by introducing omnichannel, analytics, cloud, automation and other service offerings can significantly boost customer experience and improve L&R services.

Our study will cover an array of life insurance, annuities and supplemental benefits products and services including:

Life insurance	Annuities	Supplemental Insurance
Term life	Fixed annuities	Accidental death & dismemberment
Whole life	Variable annuities	Critical illness
Universal or adjustable life	Fixed indexed annuities	Hospital indemnity
Variable life	Immediate annuities	Short- and long-term disability
Variable-universal life	Deferred annuities	Dental
		Vision
		Cancer
		Others

Source: ISG 2021

### Eligibility criteria:

- Provides managed services for L&R that cover one or more products specified in the preceding table
- Manages end-to-end L&R processes and demonstrates strong domain expertise
- Possesses expertise in enablement with digital technologies such as automation, cloud technologies and applications
- Offers industry solutions and forms industry partnerships

# Quadrant Research – Australia Study

For the Australian report, all eligibility criteria and definitions remain the same. However, due to the structure of the local market, we will evaluate providers of life BPO services and providers of annuity (retirement) BPO Services as separate quadrants. In addition, we will not evaluate TPA insurance services providers in our Australia study.

## Property and Casualty Insurance (P&C): U.S. Study and Australia

Property and casualty (P&C) outsourcing services include consulting, technology enablement and managed services across coverage areas that include auto, theft, property and natural catastrophes. ISG will evaluate P&C outsourcing providers based on the extent of support offered across various areas that include backend services, front and middle office support, and other support services. With enterprises looking to modernize their services and improve customer management, we will focus heavily on technology enablement, as this is a key to enhancing customer experience across the P&C lifecycle. Providers that offer omnichannel, analytics, cloud, automation and similar services to facilitate transformation can make a dramatic difference in insurance organizations’ efforts to boost customer experience and improve insurance services.

ISG examines a range of P&C insurance products and services including:

Personal Lines	Commercial Lines
Homeowners	Surety
Renters	Property
Recreational vehicle	Workers’ compensation
Boat	Marine
Auto	General liability
Motorcycle	Commercial auto
Flood	Errors and omissions
Mortgage protection	Business interruption insurance
Identity theft protection	Crop-hail damage

Source: ISG 2021

### Eligibility criteria:

- Provides transaction processing or managed services for P&C services that cover one or more products specified in the preceding table
- Manages end-to-end P&C insurance processes and demonstrates strong domain expertise
- Possesses expertise in enablement with digital technologies, including automation, cloud technologies and applications
- Offers industry solutions and forms industry partnerships



# Quadrants by Region

Quadrants	Global	U.S.	Australia
Life & Retirement Insurance - BPO	Overview	✓	✓
Property & Casualty Insurance - BPO	Overview	✓	✓
BPaaS & TPA - BPO	Overview	✓	
Archetype Report	Overview		

Source: ISG 2021

## Business Process as a Service (BPaaS) and Third-Party Administration (TPA)

ISG defines business process-as-a-service (BPaaS) as a type of business process outsourcing that encompasses the policy administration system (PAS), the ongoing technology support of the PAS, and the business processing support of the insurance products. BPaaS providers typically offer personnel and processes via Internet-based, often automated technologies that enable them to operate on a pay-per-policy service model. As pricing is based on consumption, BPaaS can allow insurers to have a variable cost structure that reduces headcount and labor costs and scale as necessary, potentially leading to significant cost savings.

Most BPaaS solutions are offered by licensed third-party administrators (TPAs). TPAs can vary significantly based on size, scope of offerings and experience. They offer services that range from basic policyholder services and claims administration for closed blocks of business to full end-to-end insurance operations and administration for open blocks of business that encompass all aspects of the people, processes and technologies, including actuarial, product development, underwriting, collections and billing, new business acquisition, and enrollment.

ISG will assess BPaaS/TPA providers by criteria that include the extent of support offered across insurance types, including life, annuity and supplemental with the following eligibility criteria:

- Ability to provide TPA services for L&R (life, annuity and supplemental) products that cover a variety of services
- Ability to manage end-to-end processes, demonstrating strong domain expertise
- Possesses technology enablement expertise through a processing platform and digital technologies such as automation, cloud and other applications
- Offers industry solutions and forms partnerships

# Archetype Report

In this report, we identify and classify the typical buyers of L&R insurance and P&C insurance. As a part of this exercise, we have identified four major buyer segments:

**Transactional buyers:** This archetype represents buyers that purchase point solutions for non-critical transactions and/or a specific vertical of insurance processes. When it comes to insurance outsourcing, buyers in this segment strive to reduce the cost of transaction processing by leveraging offshore labor arbitrage. These buyers also may look for solutions and frameworks that are specific to their verticals and can help them address and meet regulatory requirements.

**Automation-driven services buyers:** These buyers focus on cost savings, accuracy and achieving higher efficiencies. Their processes are sufficiently mature, allowing them to implement robotic process automation (RPA). These clients are a step ahead of transactional services buyers, whose processes can accommodate basic rule-based automation, and they have the potential to automate several processes. They are inclined to leverage cognitive technologies for better insights and analytics.

**Digitally evolved insurance buyers:** These digitally evolved buyers are looking to accelerate their digital journey. Their processes have already matured, they have little or no legacy burden, or they may be interested in starting new digital-enabled offerings. These buyers seek providers that can deliver digital solutions to improve processes. They are open to leveraging emerging technological solutions such as cloud platforms and RPA and want to incorporate elements of Internet of things (IoT) and cognitive technologies extensively.

**Integrated insurance solutions buyers:** With a main objective of achieving a better outcome through minimal enterprise investment, these buyers turn to outsourcers for end-to-end insurance services, including complex functions, typically through a business process-as-a-service (BPaaS)/third-party administrator (TPA) provider. They may want to offload closed blocks and/or use the provider's digital platform for future open blocks. These clients actively seek strategic partnerships. With a long-term roadmap for digital transformation, these buyers want to leverage emerging technologies such as big data and analytics to enable better decision-making and manage customers more effectively.

# Schedule

The research phase is between **October 2021** and **November 2021**, when the survey, evaluation, analysis and validation will take place. The results will be presented to the media in **March 2022**.

<b>Milestones</b>	<b>Beginning</b>	<b>End</b>
Launch	October 13, 2021	
Survey Phase	October 13, 2021	November 15, 2021
Sneak preview	February 10, 2022	
Press release	March 18, 2022	

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2021 research agenda:

## Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

## Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

# ISG Star of Excellence™ – Call for nominations.

The Star of Excellence is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.” The Star of Excellence is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply. Here is the email address: [ISG.star@isg-one.com](mailto:ISG.star@isg-one.com)

# List of companies under consideration for participation:

If your company appears in the following list, or if your company is not listed but you believe it to be a relevant provider, please contact us for consideration in our research.

3i Infotech Ltd	DXC Technology	Patra Corp
Aspiresys	Exela Technologies	ReSource Pro
Accenture	EXL	SE2
Actuarial Management Resources	Genpact	Sikich
Atos	HCL Technologies	Sutherland
Capgemini	Hexaware	TCS
Coforge	Infosys	Tech Mahindra
Cogneesol	Innovation Group	Teleperformance
Cognizant	Kane LPI Solutions	West Point Insurance Services
Concentrix	LTCG	Wipro
Conduent	MFX Services	WNS
Crawford & Company	Mphasis	York Risk Services Group
Datamatics	NTT Data	

# Contacts for this study



Peggy Bresnick Kendler  
Lead Analyst - U.S.



Jarrod Magill  
Service Line Director - Australia



Craig Baty  
Lead analyst - Australia



Sandhya Navage  
Enterprise Context and Research  
Analyst



Dennis Winkler  
Director, Insurance – U.S.



Dhananjay Koli  
Global Project Manager

## Do you need any further information?

If you have any questions, please contact us at [isglens@isg-one.com](mailto:isglens@isg-one.com).