

# Everest Group PEAK Matrix™ for Property and Casualty (P&C) Insurance BPO Service Providers 2019

Focus on Cognizant  
April 2019



# Introduction and scope

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Everest Group recently released its report titled “[Property and Casualty \(P&C\) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019](#)”. This report analyzes the changing dynamics of the P&C insurance BPO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 26 service providers on the Everest Group PEAK Matrix™ for P&C insurance BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of P&C insurance BPO service providers based on their absolute market success and delivery capability. Everest Group also identified 5 service providers as the “2019 P&C insurance BPO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **Cognizant emerged as a Leader and Star Performer**. This document focuses on **Cognizant’s** P&C insurance BPO experience and capabilities and includes:

- Cognizant’s position on the P&C insurance BPO PEAK Matrix
- Cognizant’s year-on-year movement on the P&C insurance BPO PEAK Matrix
- Detailed P&C insurance BPO profile of Cognizant

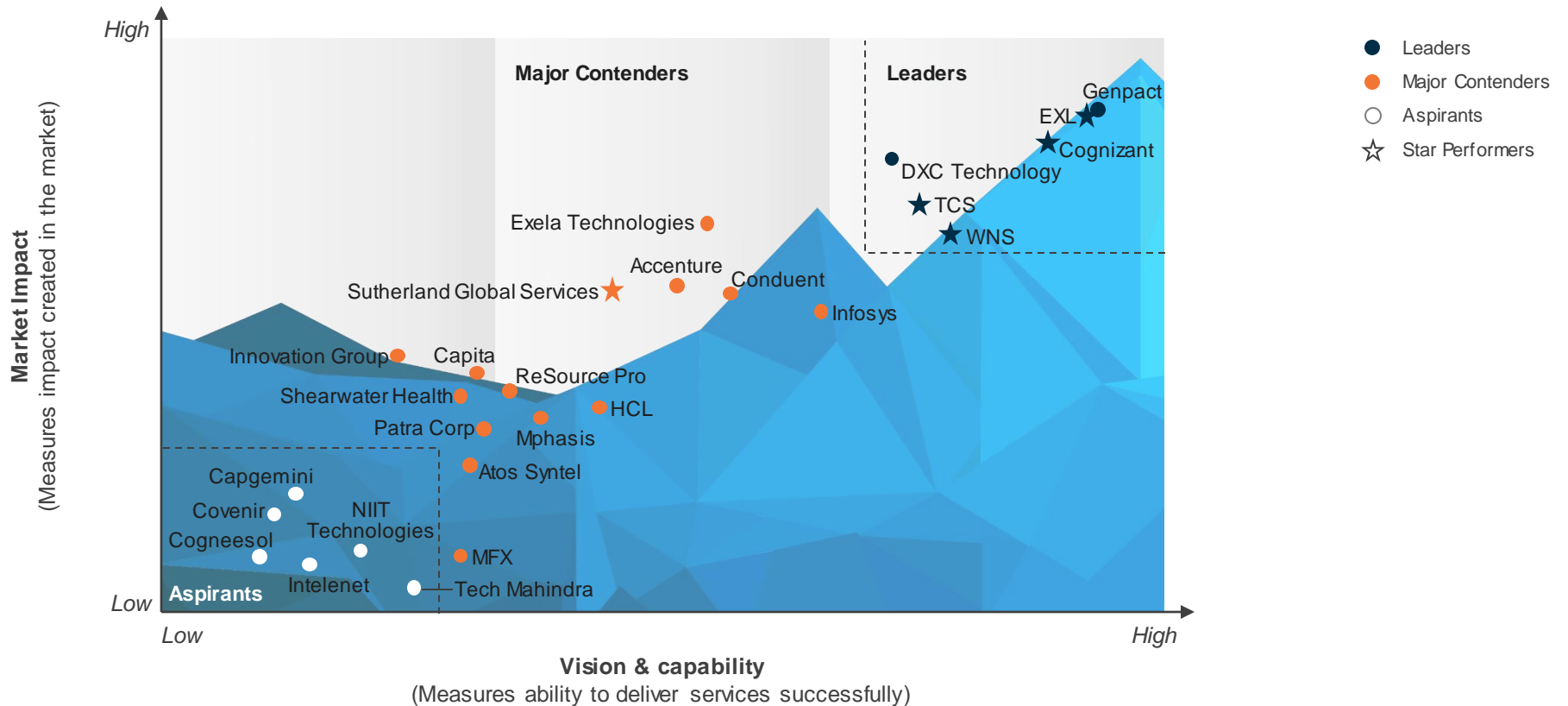
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2019) unless cited otherwise

# Everest Group PEAK Matrix™

## P&C insurance BPO Services PEAK Matrix™ Assessment 2019 | Cognizant positioned as Leader

Everest Group P&C Insurance BPO Services PEAK Matrix™ Assessment 2019



Note 1: Service providers scored using Everest Group's proprietary scoring methodology given on pages 10 and 11

Note 2: Assessment for Accenture, Atos Syntel, Capgemini, Capita, Cognesol, Covenir, DXC Technology, HCL, Innovation Group, Intelenet, MFX, NIIT Technologies, Patra Corp, ReSource Pro, Shearwater Health, and Tech Mahindra excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers

Source: Everest Group (2019)

## Overview

### Company overview

Cognizant is an IT, consulting, and Business Process Outsourcing (BPO) service provider with 281,600+ associates globally. It has a large insurance practice in the industry supported by 39,400+ associates, delivering services for 220+ clients from 100+ delivery centers across North America, Europe, and Asia Pacific. The P&C practice consists of 17,700+ associates with eight of the top 10 U.S. P&C insurers as its clients.

### Key leaders

- Brian Humphries, CEO
- Sumithra Gomatam, Global Head, Digital Operations
- Vipul Khanna, Global Head, Digital Operations, Markets
- Krishnan Iyer, Global Head, Digital Operations, Delivery
- PVL Narasimhan, Global Head, Insurance & Life Sciences Digital Operations, Markets
- Shankar Balakrishnan, P&C SBU Head, Insurance Digital Operations, Markets
- Rishi Sardana, Head, Insurance Digital Operations, Delivery

**Headquarter:** Teaneck, New Jersey, United States

**Website:** [www.cognizant.com/insurance](http://www.cognizant.com/insurance)

### Suite of services

- **Personal lines:** full cycle policy administration, underwriting support, new business and renewals, distribution management, customer service, claims management, and clinical & billing
- **Commercial lines:** full cycle policy administration, new business & renewals, underwriting & audits support, claims management, distribution management, and clinical & billing
- **Workers' compensation:** claims setup, investigation, medical & disability management, and claim resolution & recovery
- **Reinsurance:** treaty management, correspondence & maintenance, reporting & reconciliations, and payment execution

| P&C insurance BPO      | 2016          | 2017 | 2018 (H1) |
|------------------------|---------------|------|-----------|
| Revenue (US\$ million) | Not disclosed |      |           |
| Number of FTEs         |               |      |           |
| Number of clients      |               |      |           |

### Recent acquisitions and partnerships

- **2018:** partnered with AntWorks to leverage its ML-based data extraction platform
- **2017:** Acquired Softvision, LLC, a privately held digital engineering and consulting company focused on agile development of innovative software solutions and platforms
- **2017:** Acquired SaaSfocus, a privately held consulting firm specializing in digital transformation, leveraging the salesforce platform to broaden its digital transformation portfolio in India and Australia
- **2017:** Acquired Hedera Consulting, a Belgian advisory and analytics company to enhance consulting capabilities in Belgium and the Netherlands

### Recent developments

- **Proactive property protection:** end-to-end IoT-based home protection solution for protecting and mitigating commercial property risks through continuous monitoring using smart sensors
- **Conversational AI:** voice controlled AI-based personal assistant to provide insurance services to improve customer experience
- **Claims severity prediction:** predicts claims severity for early interventions and triaging
- **Cog9:** a process optimization solution that blends the AI automation and creativity of human experts in the areas that are hard to automate
- **Optima Utilization Review:** an end-to-end BPaaS solution for Utilization Review (UR) on a proprietary platform that streamlines and automates the UR process to accelerate review decisions

Key delivery locations



# Cognizant | P&C insurance BPO profile (page 3 of 5)

## Capabilities and key clients

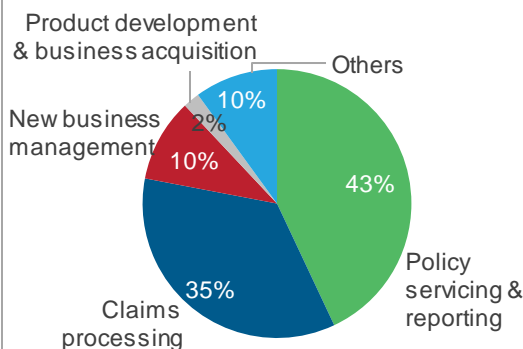
### Key P&C insurance BPO engagements

| Client name  | Region        | Client since |
|--|---------------|--------------|
| A leading global insurer from Australia                        | Asia Pacific  | 2018         |
| An American diversified global insurer                         | North America | 2017         |
| A leading U.S. insurer of automobile and homeowner's insurance | North America | 2017         |
| A U.S.-based leading mutual insurance company                  | North America | 2016         |
| An American multinational insurance corporation                | North America | 2016         |
| A leading Scandinavian insurance company                       | Europe        | 2016         |
| A global leader in P&C insurance                               | North America | 2015         |

### P&C insurance BPO FTE mix by processes covered

FTEs in numbers

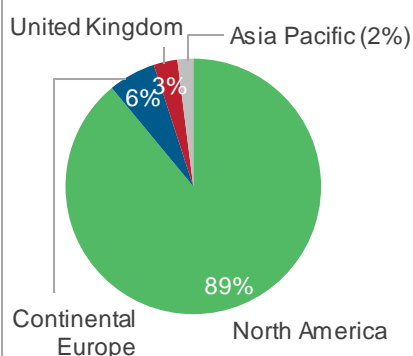
100% = Not disclosed



### P&C insurance BPO revenue mix by geography

Revenue in US\$ million

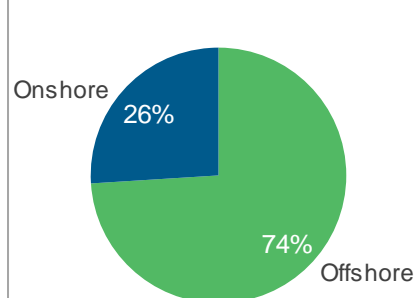
100% = Not disclosed



### P&C insurance BPO FTE split by delivery location

FTEs in numbers

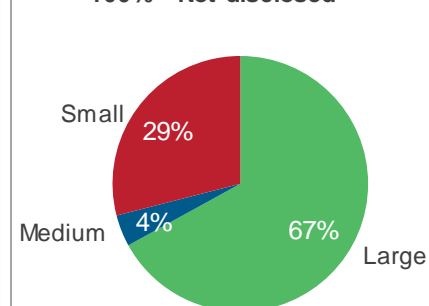
100% = Not disclosed



### P&C insurance BPO revenue mix by buyer size

Revenue in US\$ million

100% = Not disclosed



1 Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Note: Based on contractual and operational information as on June 2018

# Cognizant | P&C insurance BPO profile (page 4 of 5)

## Technology solutions/tools










*NOT EXHAUSTIVE*

| Tools                     | Processes covered  | Year launched | Solution description   | No. of clients |
|---------------------------|--|---------------|--|----------------|
| ConverseGenie             | New business management, policy servicing & reporting, and claims processing | 2018          | Speech to text tool that helps in building custom algorithms so the text can be formatted based on client requirement  | 0              |
| Checker bot               | New business management and policy servicing & reporting                     | 2017          | The bot monitors the work queue and identifies the items that are locked for more than a certain time and proactively alerts the control room to take action | 1              |
| Accord Intake bot         | New business management, policy servicing & reporting, and claims processing | 2017          | It is a standardized framework for data extraction and mapping for ACORD forms across the P&C landscape  | 4              |
| Cog9                      | New business management, policy servicing & reporting, and claims processing | 2017          | A process optimization solution that blends deep learning AI automation and creativity of human experts in the areas that are hard to automate               | 2              |
| Optima Utilization Review | Policy servicing & reporting and claims processing                           | 2017          | A BPaaS solution for end-to-end Optima UR services on a proprietary platform that enables a streamlined and automated UR to accelerate review decisions      | 2              |
| Automation-as-a-service   | New business management, policy servicing & reporting, and claims processing | 2017          | RPA solution built leveraging DuckCreek platform to deliver end-to-end services and an integrated platform experience  | 2              |
| P&C BPaaS solution        | Policy servicing & reporting and claims processing                           | 2017          | A BPaaS solution leveraging partnerships with DuckCreek & Guidewire platforms to deliver BPaaS offerings across P&C insurance                                | 3              |
| Cognizant AssureEngage™   | New business management and policy servicing & reporting                     | 2016          | An engagement platform for general insurers that offers an omnichannel experience across new business and servicing functions for multiple lines             | 1              |
| Cognizant Optima MedWise™ | Policy servicing & reporting and claims processing                           | 2015          | It helps reduce leakages and control costs by building “treatment plans” for different injuries that are referenced while processing claims                  | 1              |
| Cognizant WorkActivate™   | Policy servicing & reporting and claims processing                           | 2014          | The solution helps reduce workers’ compensation losses by enabling faster return to work using SMAC technologies   | 14             |
| Cognizant Optima Intake™  | New business management and policy servicing & reporting                     | 2013          | Patented solution that automates submission intake from all document types & formats and helps in improving the efficiency of the submission intake process  | 25             |
| Mobile Claims Adjustor    | Claims processing  | 2012          | It offers claims management by empowering clients, claims adjustors, and back-office through improved connectivity and churned-out information               | 21             |

# Cognizant | P&C insurance BPO profile (page 5 of 5)

## Everest Group assessment – Leader

Measure of capability:  High  Low

| Market impact   |   |   |   | Vision & capability   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| Market adoption   | Portfolio mix   | Value delivered   | Overall   | Scope of services offered   | Innovation and investments  | Delivery footprint  | Vision and strategy   | Overall   |
|  |  |  |  |  |  |  |  |  |

### Strengths

- Cognizant is one of the largest players by revenue and number of FTEs in the P&C insurance BPO market. Its scale of operations allows it to make large investments in solutions and services enabling digital transformations. Their insurance-focused digital solutions such as leveraging IoT for risk monitoring & assessment, analytics for faster claims processing, and platform for omnichannel customer experience reinforce their digital focus
- From a delivery capability standpoint, Cognizant services the entire breadth of P&C insurance value chain for multiple lines of business; delivery centers spread across onshore, offshore, and nearshore locations, thus enabling support in multiple languages, and services for clients' operations across various geographies
- Cognizant has been building various partnerships that are leveraged for two major consequent purposes – expanding its capabilities, specifically on the digital front and strengthening their services in specific geographies, particularly non-mature ones, thus allowing it to enhance their competitive positioning in these markets

### Areas of improvement

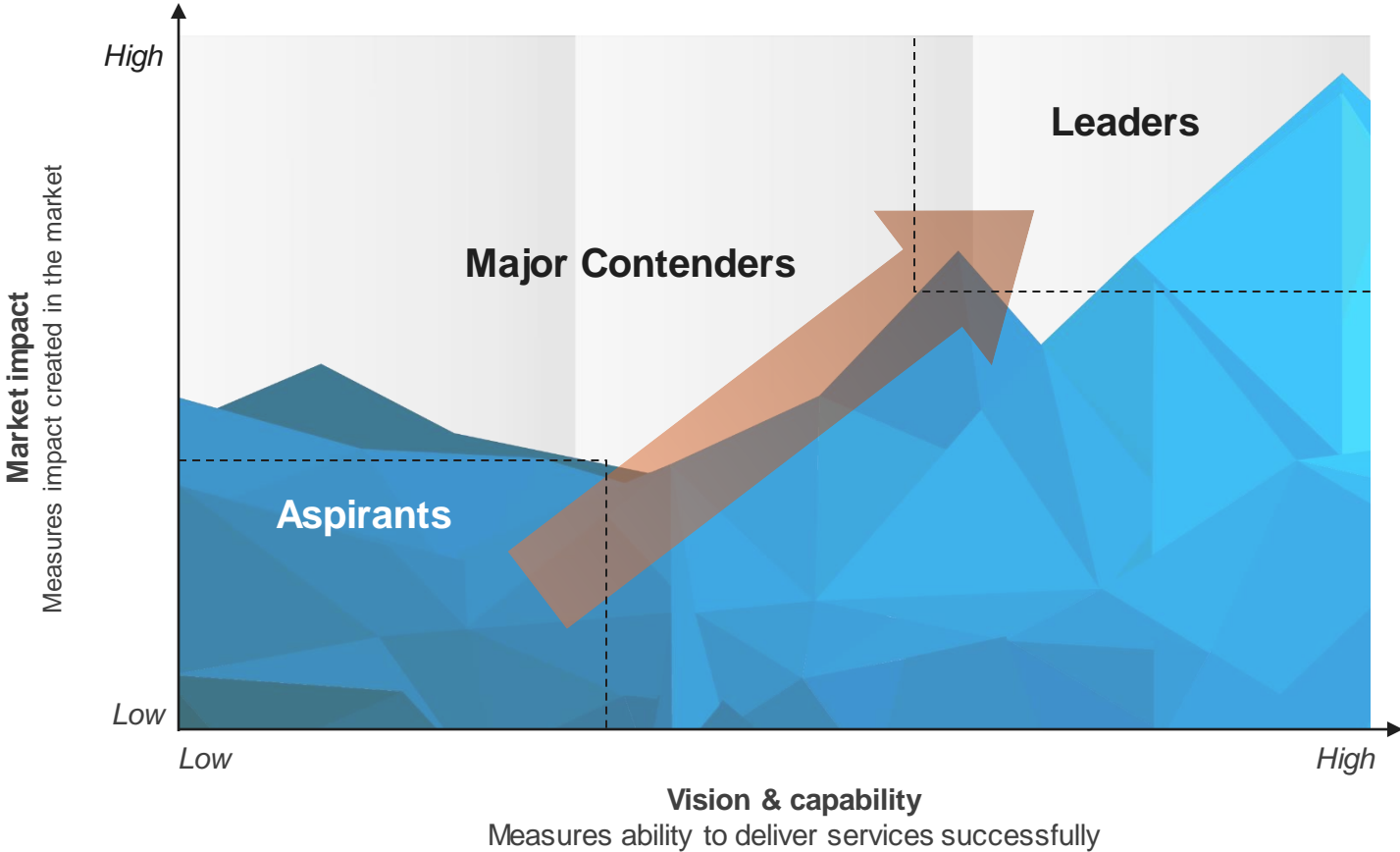
- While Cognizant has capabilities across the breadth of the value chain, but in order to truly expand its scope of services, it needs to cover the value chain in more depth as well. This could be critical given that several competitors are now developing end-to-end capabilities, specifically in the underwriting and claims segment
- As Cognizant strengthens its positioning in regards to digital, it should also invest in building the right resource base, both digitally proficient and domain versed, which would enable it to provide end-to-end digital implementation support to its BPO clients
- Cognizant's delivery mix is relevant for its present scope of BPO services. However, its competing providers are expanding their capabilities into more judgment-intensive support. Thus, it would also need to expand its onshore/nearshore delivery capabilities to effectively address competition



# Appendix

# Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



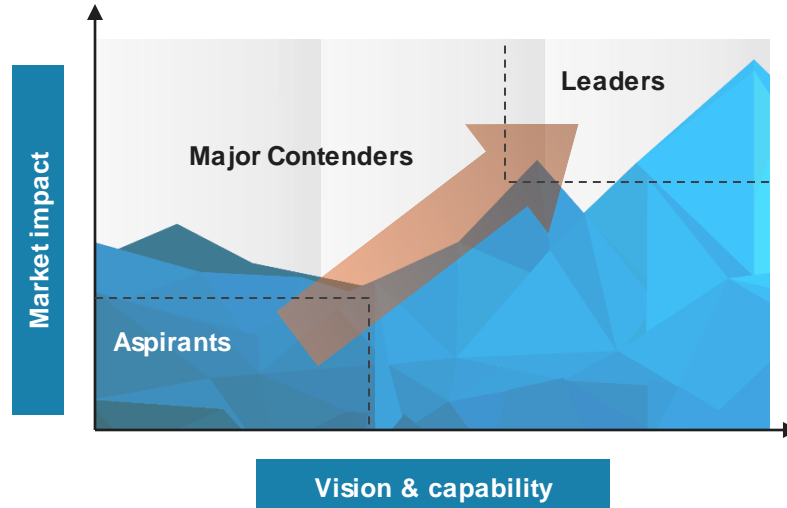
# Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

**Market adoption**  
No. of clients, revenue base, and YOY growth, deal value/volume

**Portfolio mix**  
Diversity of client/revenue base across geos and type of engagements

**Value delivered**  
Value delivered to the client based on customer feedback and transformational impact



Measures ability to deliver services successfully. This is captured through four subdimensions

**Vision and strategy**  
Vision for the client and itself; future roadmap and strategy

**Scope of services offered**  
Depth and breadth of services portfolio across service sub-segments / processes

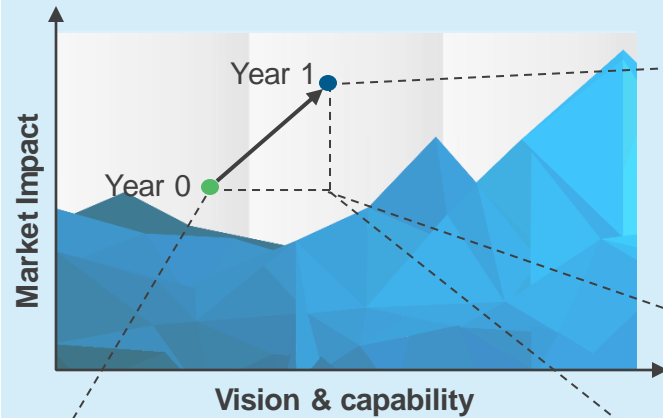
**Innovation and investments**  
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

**Delivery footprint**  
Delivery footprint and global sourcing mix

# Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

## Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

**Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment**

*The Star Performers title relates to YOY performance for a given service provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.*

## **Does the PEAK Matrix™ assessment incorporate any subjective criteria?**

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

## **Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?**

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

## **What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?**

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

## **What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?**

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

## **What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?**

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
  - Issue a press release declaring their positioning. See [citation policies](#)
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

## **Does the PEAK Matrix evaluation criteria change over a period of time?**

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

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