

# Everest Group Property and Casualty (P&C) Insurance BPS PEAK Matrix® Assessment 2023

Focus on Cognizant
October 2023



# Introduction

Enterprises have been increasingly turning to P&C insurance BPS providers during the recession to address elevated operating costs resulting from heightened inflation, which has led to increased claims expenses and rate adjustments for various P&C products. Cost reduction has once again become the foremost reason for outsourcing, along with the pursuit of operational efficiency to achieve improved business results. Additionally, there have also been delays in decision-making from key enterprise leaders for handing out transformational projects.

Nevertheless, P&C insurance BPS providers are actively seeking opportunities for expansion by enhancing their capabilities in less frequently outsourced areas such as underwriting, actuarial analysis, and claims processing, all of which represent substantial cost centers for enterprises. Additionally, they are presenting transformational initiatives to initial adopters of outsourcing that have yet to fully realize the advantages of partnering with BPS providers to boost efficiency and cut costs, enabling them to sustain and improve growth in a challenging environment.

In this research, we present an assessment and detailed profiles of 21 P&C insurance BPS providers featured on the <u>Property and Casualty (P&C) Insurance BPS PEAK Matrix® Assessment 2023</u>. Each provider profile presents a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading P&C insurance BPS providers, client reference checks, and an ongoing analysis of the P&C insurance BPS market.

The full report includes the profiles of the following 21 leading ABC providers featured on the P&C insurance BPS PEAK Matrix®:

- Leaders: Cognizant, EXL, Genpact, Sutherland Global Services, and WNS
- Major Contenders: Accenture, Coforge, Cogneesol, DXC Technology, HCLTech, Infosys, Patra Corp, ReSource Pro, TCS, and Xceedance
- Aspirants: Atos, Conduent, Exela Technologies, Innovation Group, Mphasis, and Solartis

### Scope of this report



**Geography** Global



#### **Providers**

Accenture, Atos, Coforge, Cognesol, Cognizant, Conduent, DXC Technology, Exela Technologies, EXL, Genpact, HCLTech, Infosys, Innovation Group, Mphasis, Patra Corp, ReSource Pro, Solartis, Sutherland Global Services, TCS, WNS, and Xceedance



#### Services

The report covers P&C insurance BPS and does not cover horizontal business processes, such as Finance and Accounting (F&A), Human Resource (HR), procurement, and contact center

# P&C insurance BPS PEAK Matrix® characteristics

Everest Group classified 21 P&C insurance BPS providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix<sup>®</sup> is a framework to assess the overall vision and capability and market impact of service providers.

#### Leaders

There are five service providers in the Leaders category – Cognizant, EXL, Genpact, WNS, and Sutherland Global Services.

## **Major Contenders**

The Major Contenders category has 10 service providers – Accenture, Coforge, Cogneesol, DXC Technologies, HCLTech, Infosys, Resource Pro, Patra Corp, TCS, and Xceedance.

#### **Aspirants**

Atos, Conduent, Exela Technologies, Innovation Group, Mphasis, and Solartis are the Aspirants on the P&C insurance BPS PEAK Matrix®.

# **Everest Group PEAK Matrix®**

# Property and Casualty (P&C) Insurance BPS PEAK Matrix<sup>®</sup> Assessment 2023 | Cognizant is positioned as a Leader

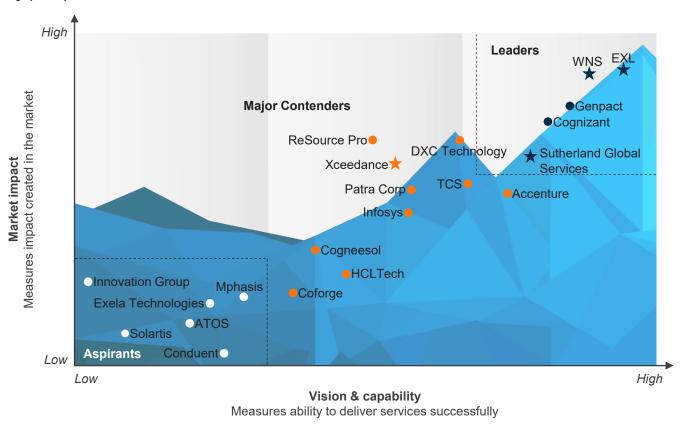


Leaders

Aspirants
Star Performers

**Major Contenders** 

Everest Group Property and Casualty (P&C) Insurance BPS PEAK Matrix® Assessment 20231



<sup>1</sup> Assessments for Atos, Conduent, Exela Technologies, Innovation Group, and Solartis excludes service provider inputs and are 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 (2023)



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# **Cognizant profile** (page 1 of 6)

# Overview

#### Company overview

Cognizant is an Information Technology (IT), consulting, and Business Process Outsourcing (BPO) service provider with 355,000+ associates globally. It has a sizable insurance presence, delivering services from 100+ delivery centers across North America, Europe, and Asia Pacific. Cognizant counts 8 of the top 10 US P&C insurers among its clients.

Headquarters: Teaneck, New Jersey, US Website: www.cognizant.com

#### **Kev leaders**

- Ravi Kumar, Chief Executive Officer
- Ganesh Ayvar, President, Intuitive Operations and Automation (IOA)
- Samir Malhotra, Global Head, Intuitive Operations and Automation (IOA), Delivery
- Sailaja Josyula, Global Head, BFSI Intuitive Operations and Automation (IOA), Delivery
- Binesh Nambiar, P&C Insurance Operations, Market Leader
- Ajay Sharma, P&C Insurance Operations, Delivery Leader

#### Suite of services

- Personal lines products auto, personal injury, recreational vehicles, boat, yacht, condominium, pets, home and renters, travel, specified personal belongings and umbrella policies
- Personal lines services full-cycle policy administration, underwriting support, new business and renewals, agent and broker management, and claims
- Commercial lines products commercial auto, small and medium business, business interruption, cyber risk, property, general liability, Accident and Health (A&H), and umbrella policies
- Commercial lines services full-cycle policy administration, new business, underwriting support, renewals, claims, and F&A
- Workers' compensation products medical, absence management, utilization review and wage
- Workers' compensation services claims setup, investigation, and medical and disability management
- Bonds and specialty and excess casualty products contract and commercial surety bonds, professional liability, farm, excess and surplus, marine (ocean and inland), hull, P&I, D&O, E&O, crime, and cargo
- Bonds and specialty and excess casualty services full-cycle policy administration, new business, and renewals
- Reinsurance: treaty management, correspondence and maintenance, reporting and reconciliations, reinsurance accounting, and payment execution

| P&C insurance BPS      | 2020          | 2021          | 2022          |  |
|------------------------|---------------|---------------|---------------|--|
| Revenue (US\$ million) |               |               | Not disclosed |  |
| Number of FTEs         | Not disclosed | Not disclosed |               |  |
| Number of clients      |               |               |               |  |

#### Recent acquisitions and partnerships

- 2022: partnered with TPA for underwriting and claims adjudication
- 2022: partnered with InsurTech Coherent, a platform that converts complex business logic from spreadsheets to API services
- 2022: partnered with InsurTech Claimgenius, which offers auto damage estimation through image analytics
- 2022: partnered with InsurTech Attestiv, an Al-powered platform that reduces digital media risk through digital media ingestion and authenticity validation.
- 2022: partnered with InsurTech Convr. a platform that digitizes commercial U/W submission intake, augments it with third-party data, and provides a 360-degree view of risk
- 2022: partnered with Austin CSI, a consulting firm specializing in enterprise cloud and data analytics advisory services
- 2022: partnered with Expert ai to implement knowledge extraction and linguistic analysis solution to assist risk engineers
- 2021: partnered with InsurTech Cognitive Bordereaux Management to introduce a solution for automates data cleansing, validation and reconciliation from bordereaux and SOVs
- . 2021: acquired Servian, significantly expanding its integrated and end-to-end digital transformation capabilities in the ANZ region
- 2021: acquired TQS Integration, significantly expanding its data intelligence capabilities in European

#### Recent developments

- Launched Mobica, a UK-based IoT software engineering services provider with expertise across the entire technology stack
- Launched Submission Intake Optimizer, which leverages fuses exposure data with third-party data and provides underwriting insights to speed the underwriting process
- Launched Cognizant Neuro, an intelligent automation fabric a layer that connects technology, process, data, and people to enable digital transformation of processes and operations end-to-end
- Launched The Commercial Underwriting Solution, a suite of targeted interventions leveraging embedding Al-ML technologies to enable scalability, flexibility, and fluidity across the end-to-end commercial underwriting value chain
- Launched Cognizant Neuro™ Bot Store, a pre-built app store that helps enterprises scale and democratize automation by rendering both technical and functional assets readily available for use
- Launched Claim Severity Prediction, an ML-based solution to predict the likelihood of claims becoming severe over their lifetimes; prediction is done at FNOL and in future time periods, over the life of the claim
- Launched a platform for Information Value Management™, a proprietary platform for delivery automation across the delivery life cycle, orchestrating delivery best practices for faster turnaround times
- Launched Cognizant open claims audit, which improves claims accuracy by facilitating automatic real-time claims reviews and reduces errors that could lead to financial losses for the carrier
- Launched Cognizant property insights, which speeds the processing of catastrophe claims by applying proprietary deep learning algorithms on satellite and aerial imagery

# Cognizant profile (page 2 of 6)

# Key delivery locations



# **Cognizant profile** (page 4 of 6) Technology solutions/tools

| Application  | Processes covered  | Year launched | Description  | No. of clients |
|--|--|---------------|--|----------------|
| Injury Claims<br>transformation                                      | Claims processing, new business management                                     | 2022          | Entails leveraging domain expertise and applying the power of Artificial Intelligence (AI) to enhance injury claims assurance processes; by effectively engaging knowledge workers, it aims to deliver exceptional value to customers  | Not disclosed  |
| MyVishwa   | Claims processing  | 2022          | A data extraction tool   | Not disclosed  |
| Workato  | Policy servicing and reporting   | 2022          | A unified platform designed to streamline integration and workflow automation.   | Not disclosed  |
| Submission Intake<br>Optimizer                                       | New business management, policy servicing & reporting                          | 2022          | The lack of complete submissions and the manual extraction of exposure data have resulted in unsatisfactory profitability and a subpar customer experience. To address these challenges, the Submission Intake Optimizer utilizes a partner's capabilities to integrate exposure data with third-party data, which enables the generation of valuable underwriting insights, significantly expediting the entire underwriting process. | Not disclosed  |
| Digital Damage<br>Assessment   | Claims processing  | 2021          | A touchless claims solution that provides instant damage estimates and rapid claims processing to reduce claims processing time, increase carrier profitability, and revolutionize the claims experience   | Not disclosed  |
| Cognizant Neuro™<br>Claim Automation<br>Solution for P&C<br>insurers | Claims processing  | 2021          | Receives claims forms as scanned images and uses a cloud-based extraction engine to extract relevant fields such as first name, last name, and date of incident and then logs in to the Guidewire ClaimCenter application and uses the extracted fields to file a new claim  | Not disclosed  |
| Mixed Reality for Risk<br>Assessment                                 | New business management, policy servicing & reporting, and claims processing   | 2020          | A commercial property risk assessment tool that uses HoloLens; key features include live-grid scanning of environments, live 3D simulations, holographic workspaces, interaction over a shared virtual workspace, and gesture and gaze capture   | Not disclosed  |
| Cognizant Neuro™<br>Smart Email<br>Classification                    | New business management, policy servicing & reporting, and claims processing   | 2020          | A visual representation of data provided by digital workers to gather useful insights; provides APIs to pull data from digital workers or bots on a regular basis  | Not disclosed  |
| Digital Sales and<br>Service   | New business management, policy servicing and reporting, and claims processing | 2020          | A digital customer service solution that brings the in-person experience to all customer/agent interactions through live viewing, Al and bot-driven chat, human chat, co-browsing, messaging, voice, video, and screen sharing   | Not disclosed  |

# **Cognizant profile** (page 5 of 6) Technology solutions/tools

| Application                                     | Processes covered  | Year launched | Description  | No. of clients |
|---|--|---------------|--|----------------|
| Facets Automation<br>Solution Toolkit<br>(FAST) | Claims processing  | 2019          | A pre-built and ready-to-use claims automation solution on the Cognizant Facets platform; Cognizant initially partnered with UiPath and is expanding its capabilities by introducing other technologies and RPA tool vendors   | Not disclosed  |
| CogniLogiX                                      | New business management, policy servicing and reporting, and claims processing | 2018          | A multi-channel analytics tool that analyzes phrases, emotions, and sentiments on all recorded interactions and provides operational insights to improve customer experience, enhance process efficiency, and digitize quality function                                | Not disclosed  |
| Proactive Property<br>Protection                | New business management, and claims processing                                 | 2018          | Used to derive meaningful insights from IoT sensors installed at the policyholder's home / commercial building to understand the loss behavior and offer personalized recommendations and services, thereby shifting the paradigm from compensation to loss prevention | Not disclosed  |
| Optima Utilization<br>Review (UR)               | Policy servicing and reporting, and claims processing                          | 2017          | A BPaaS solution for end-to-end UR services on a proprietary platform that enables an automated UR to accelerate review decisions  | Not disclosed  |
| Cognizant Maximus platform                      | Claims processing  | 2016          | A geospatial intelligence customer insight platform with ready-to-deploy insurance models for customer segmentation, lead management, upsell/cross-sell, and distribution analytics  | Not disclosed  |
| Personalized interactive video                  | Policy servicing and reporting and claims processing                           | 2016          | Used to compile personalized videos on the fly based on user-specific requirements from a combination of static video/audio/text content, user input, internal systems (policy, billing, claims, etc.), and external data providers (demographics, weather, etc.)      | Not disclosed  |
| Cognizant workers' compensation care analysis   | Policy servicing and reporting and claims processing                           | 2015          | Helps to reduce leakage and control costs by building treatment plans for different injuries that are referenced while processing claims.  | Not disclosed  |
| Cognizant insurance intake automation           | New business management and policy servicing and reporting                     | 2013          | A patented solution that automates submission intake from all document types and formats and helps in improving the efficiency of the submission intake process  | Not disclosed  |

# **Cognizant profile** (page 6 of 6) Everest Group assessment – Leader

Measure of capability: Low







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

#### **Strengths**

- Cognizant has repositioned itself by transitioning from a traditional BPS provider to a transformation partner through its Intuitive Operations and Automation (IOA) strategy consisting of customized solutions across Business process outsourcing (BPO), transformation services (intelligent process automation, consulting, and analytics), BPaaS, platform solutions, and Third-party administrator (TPA) services
- It has been increasing its delivery footprint by expanding into growing regions that have new demand such as Australia and Middle East and North Africa (MENA), along with providing advisory solutions to set up nearshore delivery capabilities to drive growth across Western Europe
- Cognizant has diversified its services portfolio by partnering with many InsurTechs such as Claimgenius, Attestiv, Coherent, Ungork, and more, along with expanding its solutioning capabilities into niche areas of underwriting and claims support for Excess and surplus (E&S) and specialty enterprises
- From a product standpoint, workers' compensation continues to be a strong growth driver

#### Limitations

- From a buyer size standpoint, Cognizant's portfolio is significantly skewed toward large buyers and there is merit in expanding more across small and midsized enterprises to mitigate the risk with over-reliance on a limited number of buyers
- Referenced clients have highlighted that Cognizant's impact on their top-line growth has been limited along with gaps in their domain capabilities affecting utilization
- · Additionally, buyers have highlighted concerns arising from issues related to proactiveness and relationship management, with a high attrition rate affecting operations
- From a technology standpoint, Cognizant can enhance its investment in next-generation technological capabilities across tools such as generative AI, with net new use cases for insurance operations that can be integrated with its neuro platform to enhance its credibility



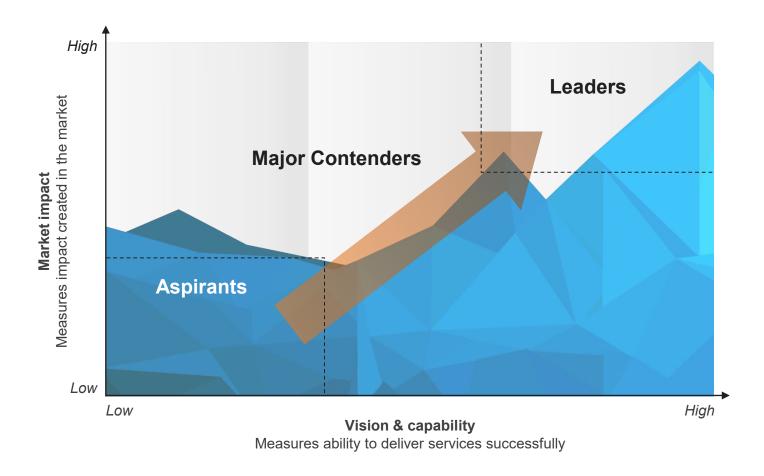
# **Appendix**



# **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**

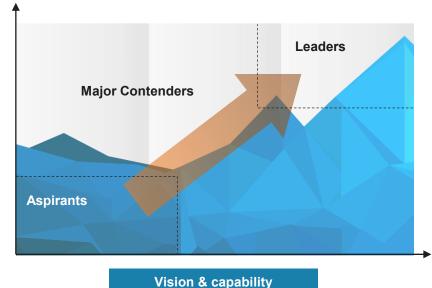
Number of clients, revenue base, YoY growth, and deal value/volume

#### Portfolio mix

Diversity of client/revenue base across geographies 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

Market impact

Depth and breadth of services portfolio across service subsegments/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

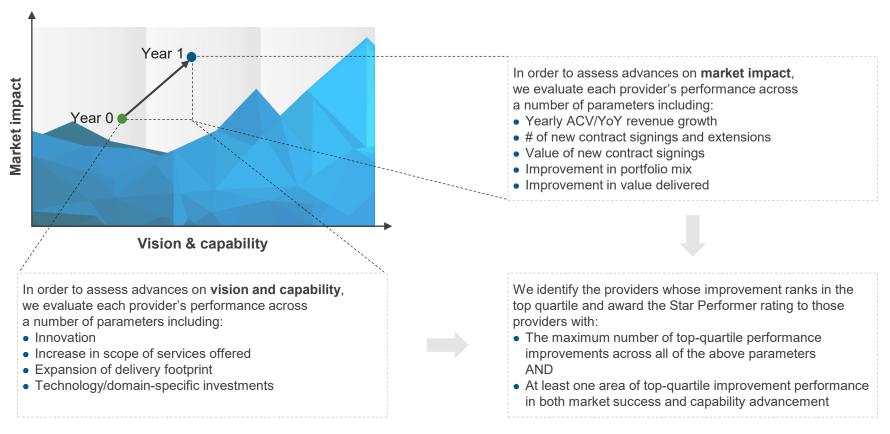


# **Everest Group confers the Star Performers title on providers that demonstrate** the most improvement over time on the PEAK Matrix<sup>®</sup>



Methodology

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



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



# **FAQs**

#### Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

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

- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database without participation, it is difficult to effectively match capabilities to buyer inquiries
- In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

## What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
- Issue a press release declaring positioning; see our <u>citation policies</u>
- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
- Use PEAK Matrix badges for branding across communications (email 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 Everest Group; please contact your CD or contact us

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

PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.







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