



Everest Group PEAK Matrix™ for Property and Casualty Insurance BPO Service Providers

Focus on Cognizant
April 2017



Everest Group recently released its report titled “[Property and Casualty Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2017](#)”. This report analyzes the changing dynamics of the P&C insurance BPO landscape and assesses service providers across several key dimensions.

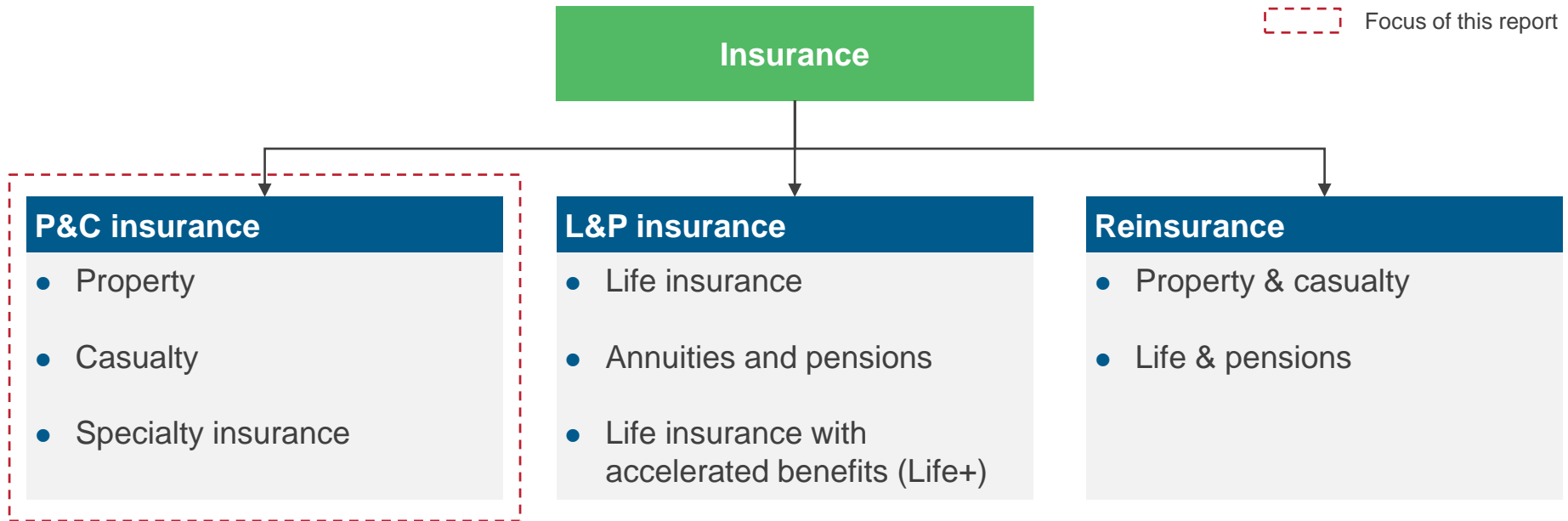
As a part of this report, Everest Group updated its classification of 18 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Property and Casualty (P&C) insurance BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of P&C insurance BPO service providers based on their absolute market success and delivery capability.

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

- Cognizant’s position on the Everest Group 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.

Everest Group's definition of insurance includes the following three segments



Notes

- There are multiple operating-model alternatives, ranging from internal shared services / Global In-house Centers (GICs) to third-party outsourcing. This report focuses primarily on the third-party models
- This report covers vertical-specific BPO within the P&C insurance space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers
- Health insurance BPO is not covered in this report

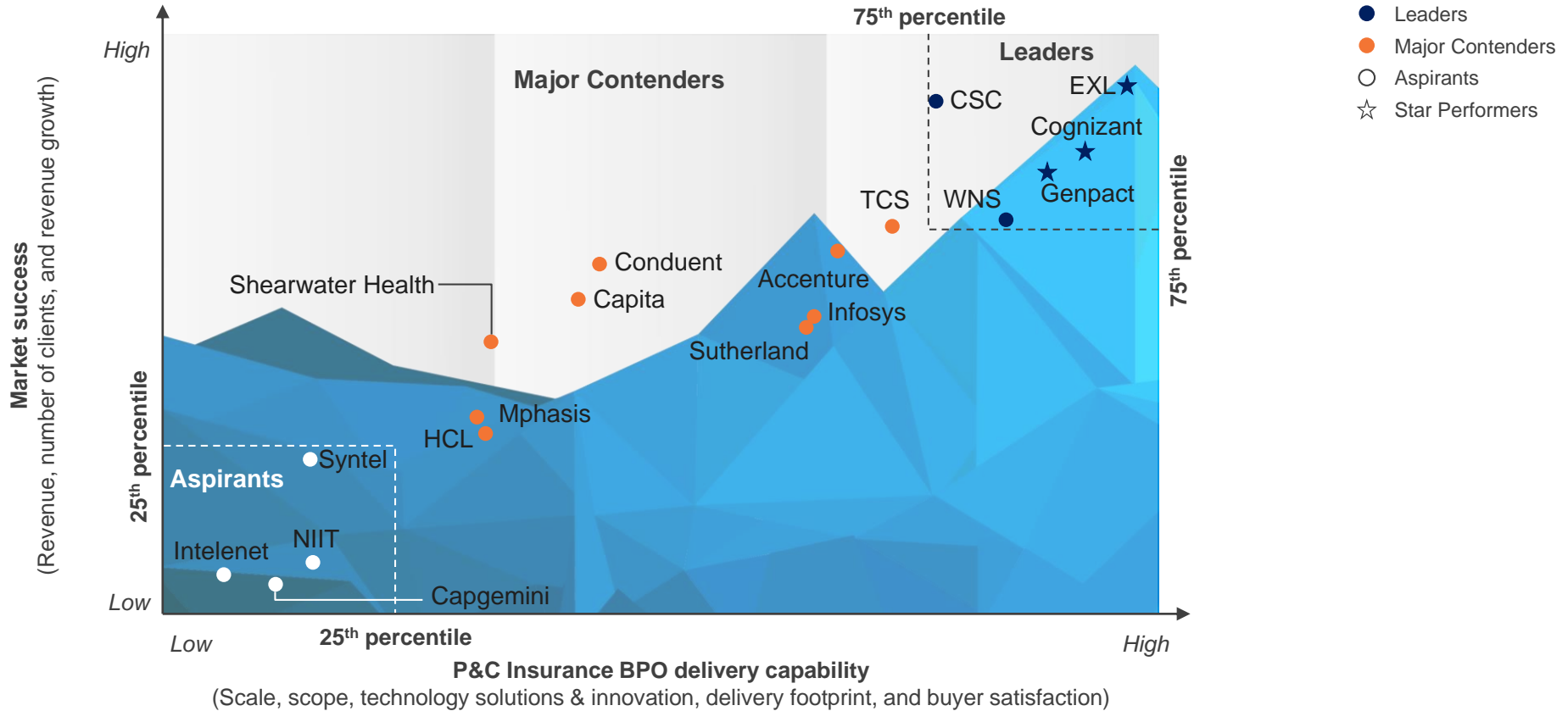
1 Business-to-Consumer relationships

2 Business-to-Business relationships

Everest Group PEAK Matrix – 2017 P&C Insurance BPO market positions

Performance | Experience | Ability | Knowledge

Everest Group PEAK Matrix for P&C Insurance BPO¹



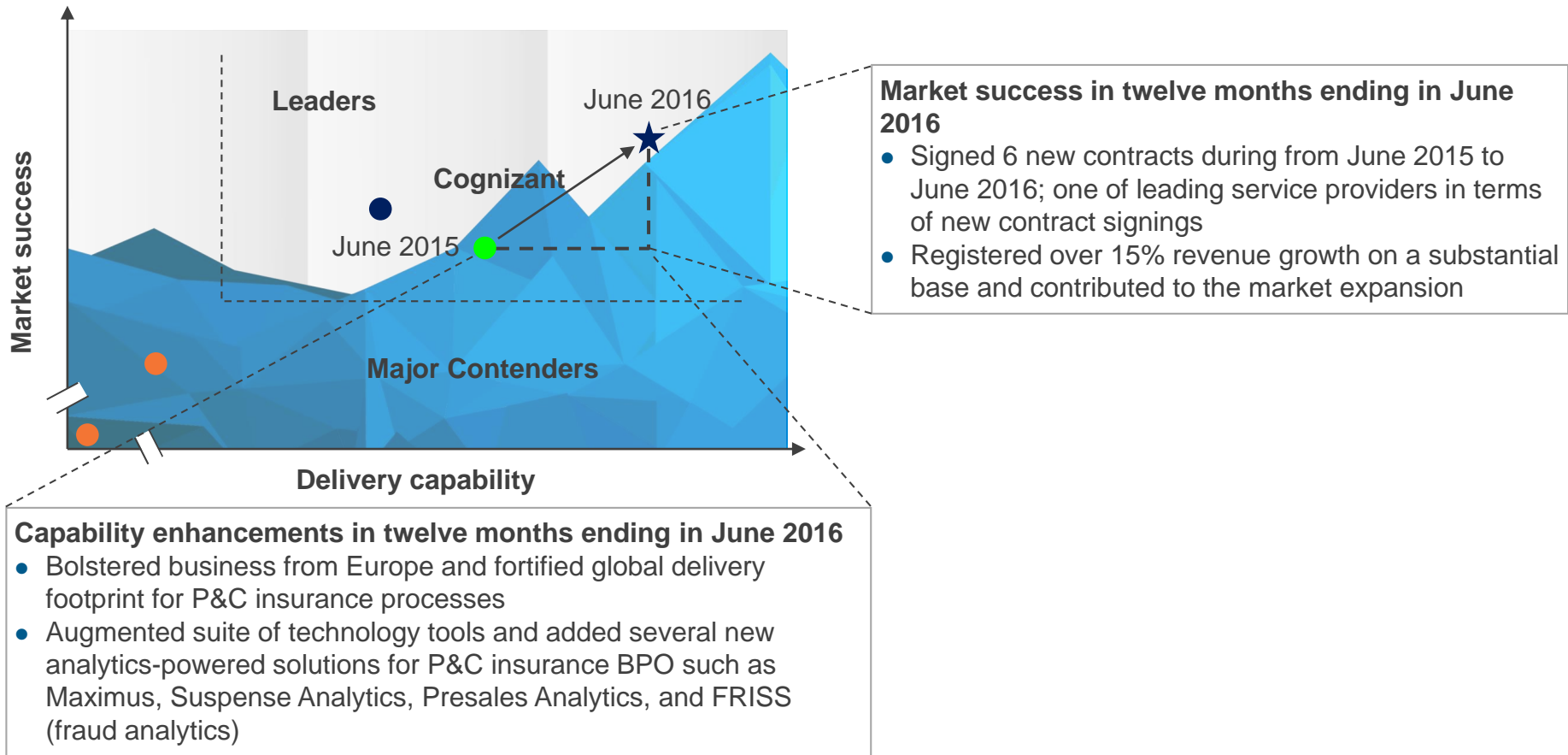
¹ Service providers scored using Everest Group’s proprietary scoring methodology given on page 15

Notes: Assessment for Accenture, Capgemini, Capita, CSC, Intelenet, Mphasis, and Syntel excludes service provider inputs on this particular study and is based on Everest Group’s estimates, which leverage Everest Group’s proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers.

Source: Everest Group (2017)

Cognizant is a P&C insurance BPO Star Performer based on strong forward and upward movement over time on the Everest Group PEAK Matrix

Change in Cognizant's positioning on the Everest Group PEAK Matrix for P&C Insurance BPO



Source: Everest Group (2017)

Cognizant (page 1 of 5)

Everest Group assessment¹

Measure of capability: ● Best-in-class ○ Not mature ■ Leaders ■ Major Contenders ■ Aspirants

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
●	●	●	●	●	●	○

Strengths

- Cognizant’s substantial market share, referenceable client base, and sustained growth in P&C insurance BPO has strengthened its foothold in North American P&C market
- Robust capabilities in analytics, regulatory reporting, and risk management complement the technology-aided P&C insurance BPO delivery resulting in a strong value proposition
- High buyer satisfaction along with continued investments to further strengthen the strong suite of technology and automation tools is expected to boost its growth

Areas of improvement

- Cognizant’s clientele is concentrated around small- and large-sized buyers. It needs to gain traction in mid-sized buyers to have a more diversified client portfolio
- Being among the Leaders, it is imperative for Cognizant to position itself as a one-stop solution for buyers by offering end-to-end coverage of value chain including processes that are judgment intensive and specialized in nature
- While Cognizant rates high on buyer satisfaction index, referenced buyers expect higher leverage of RPA and automation and better stakeholder management

¹ Based on contractual and operational information as of June 2016
 Source: Everest Group (2017)

Cognizant (page 2 of 5)

P&C insurance BPO – overview

Company overview

Cognizant is a global provider of IT, consulting, and business process outsourcing services. The company has one of the largest insurance practice in the industry with 34,650+ associates, delivering services to 150+ clients from 100+ delivery centers across North America, Europe and Asia-Pacific. P&C insurance practice (IT and business process outsourcing) consists of 15,400+ associates.

Key leaders

- Francisco D'Souza, CEO
- Rajiv Mehta, President
- Sumithra Gomatam, President, Global Head - Digital Operations
- Vipul Khanna – EVP, Global Head - Digital Operations, Markets
- Krishnan Iyer – Senior Vice President, Global Head, Digital Operations, Delivery
- Banwari Agarwal, Vice President, Global Head, Digital Operations, Insurance

Headquarters: Teaneck, New Jersey, United States

Website: <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 and renewals; underwriting and audit support; claims management; distribution management; and clinical & billing

1 Not disclosed

Source: Everest Group (2017)

	2014	2015	2016 (H1)
Revenue (US\$ million)			
Number of FTEs		N/D	
Number of clients			

Recent acquisitions and partnerships

- Partnered with **Measure** - Provides Drones as a Service. Enables Insurers to acquire, process, and deliver actionable aerial data to enterprise customers
- Partnered with **Guidewire** - Leading software provider of P&C. Guidewire Partnership commenced in 2012. In 2016, we expanded into executing their cloud partner program agreement for Nordics region
- Partnered with **Blueprint** - Cloud based requirement management platform provider. Partnership alignment includes all avenues, consulting, end to end system integration, resell etc.
- Acquired **idea couture** - Strengthens Cognizant's capabilities and enables clients to transform its business environment

Recent developments

- **AssureEngage** - A unified platform of engagement for Insurers, agents and customers to offer sales & service of P&C Insurance products. Designed with a "Mobile-first" approach, supports desktop and web as well
- **U-Whiz** - An interactive Virtual Assistant enabled with Artificial Intelligence, voice and touch based commands. It provides intelligent risk analytics and consolidated view of historical data, enabling in decision making and bringing consistency in the way decisions are taken
- **OptimaMediwise** - Helps reduce leakages and control costs by building "Treatment plans" for different injuries that are used as a reference while processing the incoming claims
- **Unified Insurance Platform (UIP)** - E2E P&C insurance solution built using Exigen platform comprising of pre-configured core & supporting software, hosting, and business & IT operations support
- **Blockchain platform** - Digital platform that hosts and shares the ledger of transactions across the network, enables insurers in automated underwriting, dynamic pricing, claims adjusting & much more
- **Analytics frameworks** - Integrating various analytics tools like iVALUE for P&C Insurance carriers
- **Process ONE framework** - A proprietary quality framework for ensuring overall operational quality and creating a journey for clients from process excellence to reimagining processes. Brings together core components of value stream mapping, developing business outcomes, and industry maps to create an automated and intelligent process



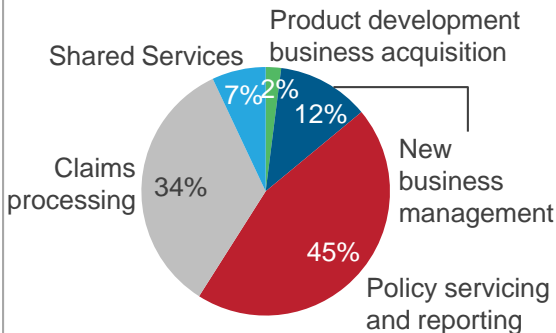
Key P&C insurance BPO engagements

Client name	Region	Client since year
Leading regional P&C insurance company in the United States	North America	2016
A global leader in P&C insurance	North America	2015
Leading provider of specialized cost containment services to the WC industry	North America	2014
Provider of claims management solutions	Asia Pacific	2014
One of the largest insurance companies in the NORDIC countries	Europe	2014
Leading U.S.-based P&C insurer	North America	2013
A leading Fortune 500 P&C insurer in the United States	North America	2008

P&C insurance BPO FTE mix by Processes covered

FTEs in numbers

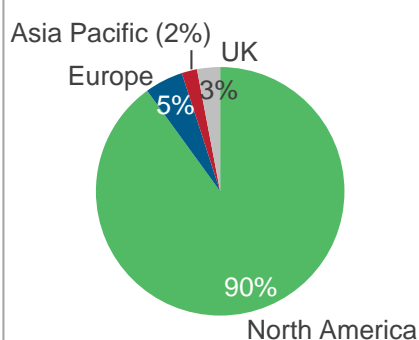
100% = N/D¹



P&C insurance BPO revenue mix by geography

Revenue in US\$ million

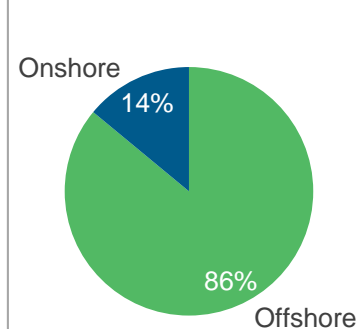
100% = N/D



P&C insurance BPO FTE split by delivery location

FTEs in numbers

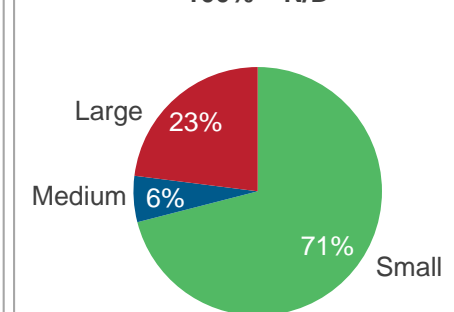
100% = N/D



P&C insurance BPO number of contracts by buyer size²

Number of active contracts

100% = N/D



1 Not disclosed

2 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 2016

Source: Everest Group (2017)

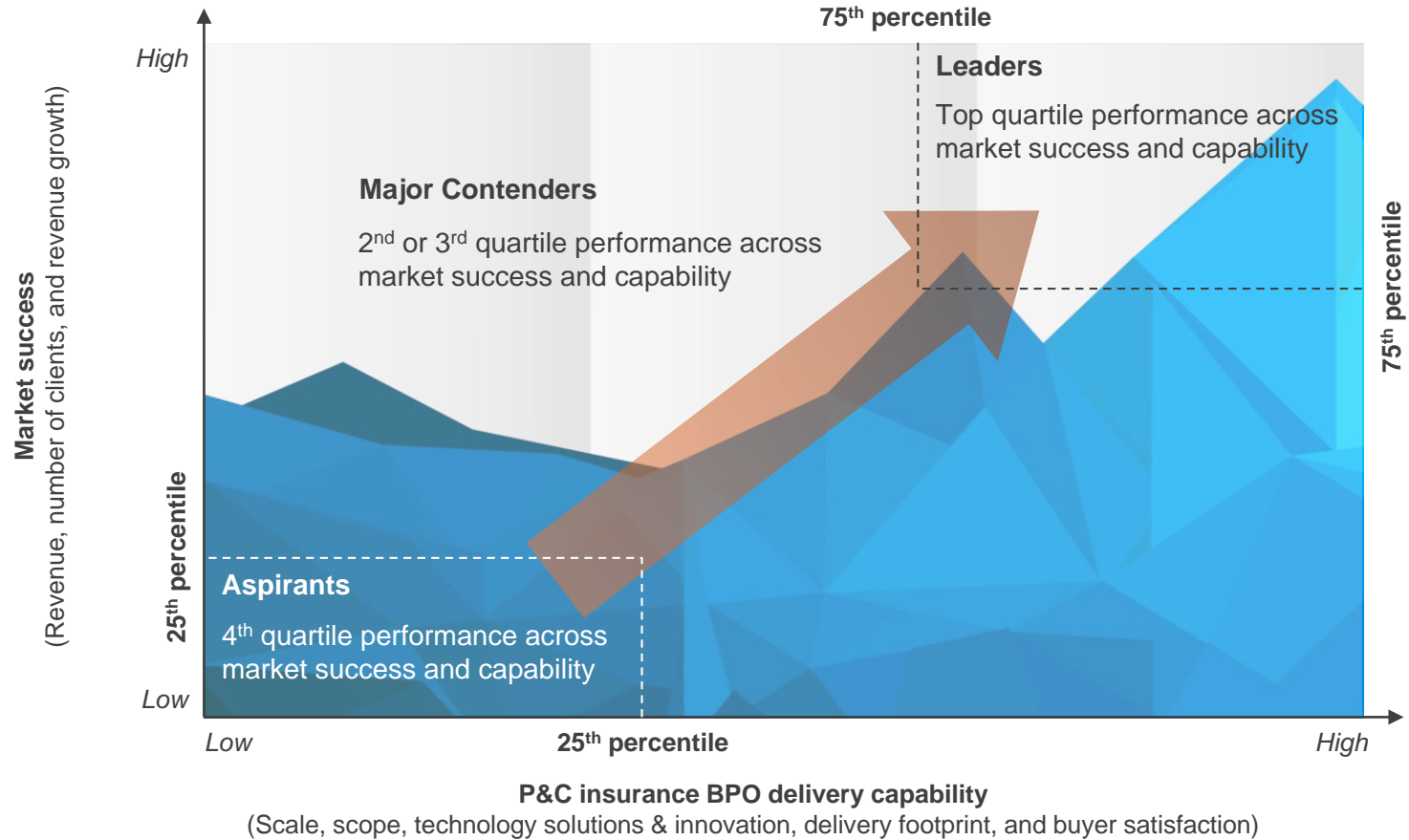
NOT EXHAUSTIVE

Tools	NLP Extractor	Assure Engage	Unified Insurance Platform	Return to Work Solution	OptimaWrite Suite	Mobile Claims Adjustor
Solution description	This tool helps in extracting, searching, analyzing, and organizing unstructured data across multiple formats	An engagement platform for general insurers, offering an Omni-channel experience across the New Business and Servicing functions for multiple LOBs	End-to-end P&C insurance solution built using Exigen platform, comprising preconfigured core and supporting software, hosting, and business and IT operations support	Solution helps reduce workers' compensation losses by enabling faster return to work using SMAC technologies	OptimaWrite (OptimaPrice, OptimaRisk, OptimaIntake and OptimaQuote) offers an underwriting solution suite that delivers a portfolio of offerings to address critical business needs	It offers claims management by empowering clients, claims adjustors and back-office through improved connectivity and churned-out information
Year launched	2016	2016	2015	2014	2013	2012
Processes covered	New business management, policy servicing, and claims processing	New business management and policy servicing	Policy servicing and claims processing	Policy servicing, reporting, and claims processing	New business management and policy servicing	Claims processing
Number of clients	1	1	2	14	22	17

Appendix

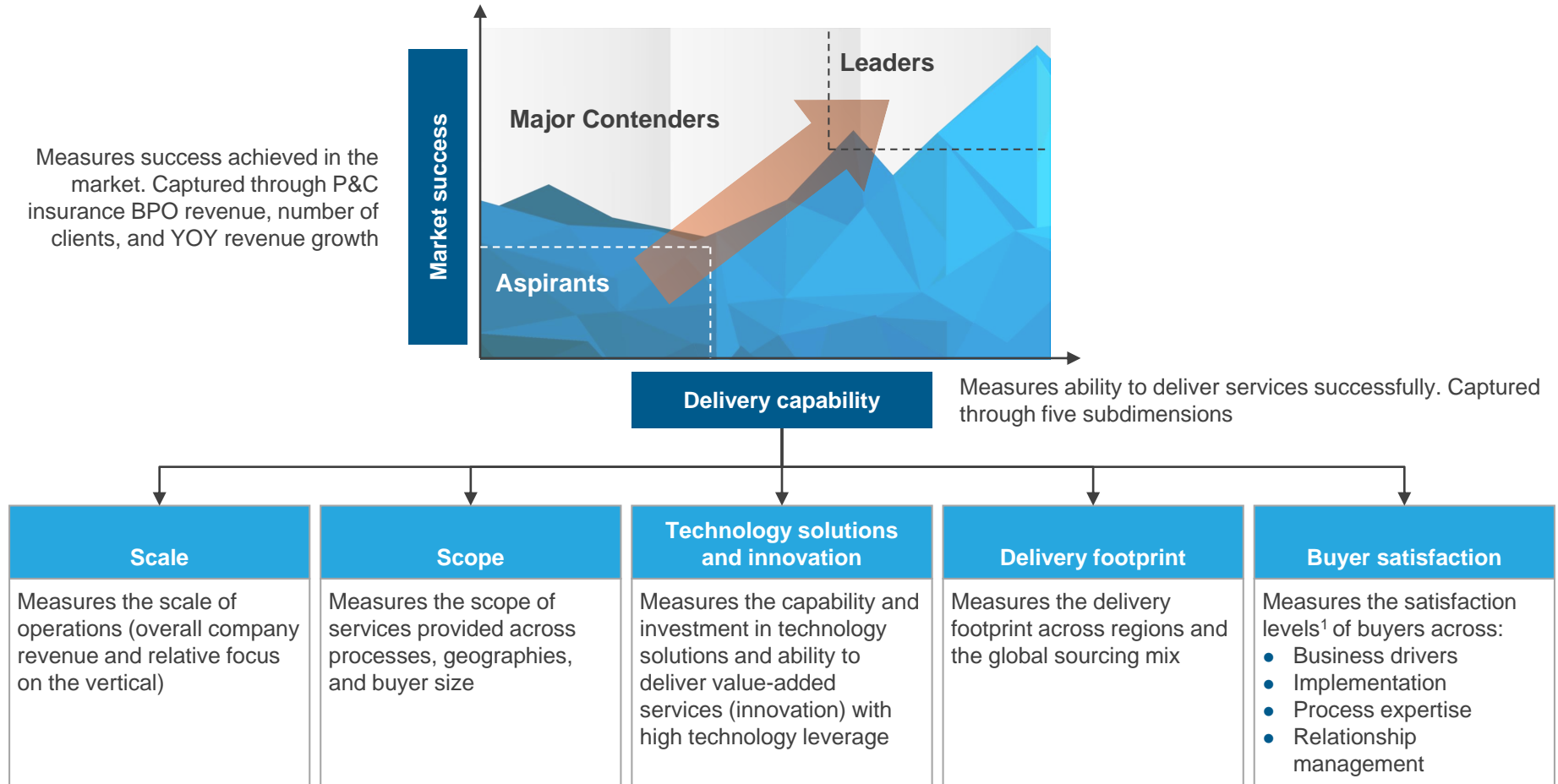
Everest Group classifies the P&C insurance BPO service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

Everest Group PEAK Matrix¹ for P&C insurance BPO



¹ Service providers scored using Everest Group's proprietary scoring methodology on pages 15 and 16 in its main report
 Source: Everest Group (2017)

Service providers are positioned on the PEAK Matrix based on evaluation across two key dimensions



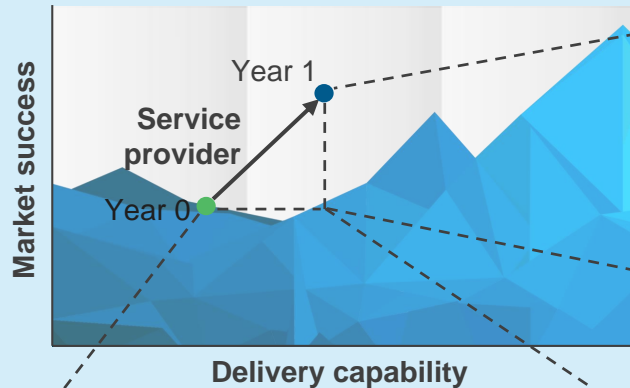
¹ Measured through responses from referenced buyers for each service provider

Source: Everest Group (2017)

Additionally, Everest Group confers the “Star Performers” title on the providers that demonstrate the strongest forward movement over time on the PEAK Matrix

Methodology

Everest Group selects Market Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix



In order to assess advancements on market success, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Yearly ACV growth
- Number of new contract signed
- Value of new contract signed

In order to assess advancements on **capability**, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Annual growth in scale
- Increase in scope of services
- Expansion of delivery footprint
- Technology / domain-specific investments

The top quartile performers on each of the specified parameters are identified and the “Star Performer” title is awarded to the service providers with:

- The maximum number of top quartile performances across all the parameters above, and
- At least one area of top quartile performance advancement in either of the dimensions

2017 P&C insurance
BPO Star Performers

The “Star Performers” title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Aspirants.”

Does the PEAK Matrix assessment incorporate any subjective criteria?

- The Everest Group’s PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and the 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 briefings

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

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical. 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 in itself a favorable recognition

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

- The PEAK Matrix position is only one aspect of the 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 to the buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

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

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers 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 to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK Matrix positioning in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from the Everest Group’s analysts could be disseminated to the media
 - Leverage the 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**



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 empowers 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.

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