

***ISG** Provider Lens™

Insurance Platform Solutions

Life & Retirement Platforms

U.S. 2021

Quadrant Report



A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

DXC TECHNOLOGY

March 2022

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2022 for providers that actively participated as well as for providers that did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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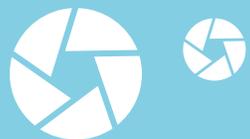
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EXECUTIVE SUMMARY

The Ability to Adapt to a new Normal

In March 2020, when the first confirmed cases of COVID-19 were reported in the U.S., businesses of all types were disrupted. Restaurants shuttered their doors or began offering contactless take-out only. The travel industry ground to a halt, since international borders were closing and people were sheltering in place and leaving their homes only for necessities. Students stayed home and learned via video links, when available. Workers of all types suddenly had to pivot to a remote model, conducting business and performing their duties from laptops on their kitchen tables.

The insurance industry also experienced significant disruptions, of course. As in other industries, insurance organizations were forced to move operations away from the office and into associates' homes. At the same time, policyholders continued contacting their carriers for various reasons, making inquiries, paying their premiums or making claims, for example. Some individuals looked to purchase coverage – especially life policies, as they considered their own mortality in the face of widespread disease and death. Auto insurers were dealing with a public that wanted premium rebates because they were not using their vehicles, but also benefitting from reduced claims when drivers were staying home.

Insurance organizations in both the life and retirement and property and casualty sectors became heavily reliant on technology to conduct and continue business as usual. Insurers that were well along in their digital transformation efforts and already had advanced digital

capabilities when the pandemic hit were in an advantageous position, because they had the ability to move their workforce to a remote model without missing a beat. Carriers that had not made significant progress in their transformations had bumps in the road and needed to catch up with their competition.

While the pandemic posed myriad challenges to insurance organizations, it also served as a catalyst for digital transformation efforts. Many carriers that were lagging behind are now getting up to speed and adapting and deploying technologies that will help them remain agile, even if they are still bogged down by complex legacy environments. These tools and technologies will enable them to respond quickly to changing market conditions, facilitate innovation, more effectively harness the power of their data for actionable insight and gain efficiencies across their organization. The tools and technologies also empower workers, boost productivity, meet regulatory mandates and better meet the changing needs of a more demanding public – even after the pandemic is over. Technologies that carriers adopted during the pandemic will help them function at a higher level, remain competitive and grow as they adjust to a new normal post-COVID.

Platform trends

ISG sees a number of trends in the insurance platform space, but most are existing trends that continue to evolve. The drivers for adopting new platform technology are not new. Insurers have always had to strive to operate efficiently, cut costs, comply with ever-changing regulations and get great products to market quickly and easily. And most importantly, insurers have to grow.

Of course, in order to grow their business, carriers have to successfully outperform their competition in key areas. In addition, traditional insurance organizations now have to deal with significant competition from non-traditional players and startups, which can operate more nimbly because they aren't tied to a burdensome and restrictive legacy environment.

Today's platform providers are helping life and retirement (L&R) and property and casualty (P&C) insurers meet their objectives by including advanced capabilities in their offerings. Some of these are highlighted below.

Process automation: Automating processes can benefit the entire enterprise by reducing operational costs, increasing productivity, boosting reliability and availability and optimizing performance. Platform providers are adding more automation to enable as much end-to-end processing as they can.

Low-code and no-code development. Low-code development capabilities can help professional developers create applications easily, while no-code capabilities can allow business users with no technical background to create websites and apps without needing to write a single line of code.

Cloud: Platform providers are moving to cloud-based or building cloud-native platforms that can provide ample benefits, including scalability, increased agility, reduced project implementation timelines and faster speed to market. Cloud can also help carriers more easily work with a large partner ecosystem, collaborate with InsurTechs and strategic vendors to devise best-of-breed solutions, and quickly deploy new technologies. Cloud technology can accelerate business growth and reduce operating costs.

APIs: Platform providers are adding more application programming interfaces (APIs) that facilitate the connection and communication between two or more applications. API integrations help insurers to easily launch innovative initiatives, automate some tasks and integrate programs and databases with applications.

Artificial intelligence (AI) and machine learning (ML): Carriers in all insurance sectors are turning to AI and machine learning in areas like underwriting, customer service, claims, marketing and fraud detection.

Analytics: Insurers of every type and size are dealing with an overwhelming amount of structured and unstructured data from sources that include social media, sensors, telematics and more. Analytics can help carriers make sense of the data and get deeper insights to inform decisions across the enterprise.

Insurance platform providers 2021

The ISG Provider Lens™ “Insurance Platform Solutions 2021” quadrant study evaluated platform vendors on their market strengths and the attractiveness of their product portfolios. The Leaders in each quadrant typically have a combination of strong market presence, extensive product capabilities and proven success in the marketplace. Market Challengers generally have a strong foothold but could benefit from improving their capabilities in order to move into the Leader quadrant. Product Challengers generally have strong product offerings and capabilities that L&R and P&C insurers need to achieve their strategic objectives, but they may not have a strong presence in the marketplace and may need to win more customers to move into a leadership position. Providers in the Contender category may need to boost product capabilities and strengthen their market presence to improve their positioning.



Introduction

Simplified Illustration



Source: ISG 2021

Definition

ISG defines platforms as networked systems that enable users to access a wide range of policy administration and insurance services, data and capabilities. The most modern insurance platforms are API-enabled web-based applications that are hosted in a cloud environment. Insurers also have the option of deploying platforms on their own premises or in a hybrid model. Platforms can help insurers execute business functions across the insurance lifecycle spanning from quote to claim in a scalable and flexible way. Platforms offer configuration capabilities that can help insurers launch new products and services fast, easily and cost effectively. They can also lead to significant customer experience improvements by facilitating very personalized customer communication and engagement across channels. Platform APIs can enable insurers to seamlessly connect with their policyholders, broker/dealers and other partners. Note: “Platform” is a commonly used term in technology to refer to group of inter-related applications, however for this study, the core policy administration must be part of the platform to be considered herein.

Scope of the Report

ISG assessed platform providers based on the following criteria:

- Number of years in existence
- Number of clients
- Policies under management
- Implementation options
- Platform business capabilities (product lines support and business areas)
- Platform business model
- Platform technology (front end, back end, middleware)
- Platform API capabilities
- Platform features and capabilities
- Digital automation enabled (Internet of Things, AI, machine learning, natural language processing, etc.)

Insurance platforms fall under one of two categories: Life and retirement (L&R), or property and casualty (P&C).



Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Mid Market:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Insurance Platform Solutions - Quadrant Provider Listing 1 of 3

	Life & Retirement Platforms	Property & Casualty Platforms
Accenture	● Leader	● Not In
Andesa	● Contender	● Not In
Appian	● Rising Star	● Rising Star
BriteCore	● Not In	● Leader
Duck Creek	● Not In	● Leader
DXC	● Leader	● Leader
Ebix	● Not In	● Product Challenger
EIS	● Leader	● Rising Star
EXL	● Leader	● Not In
FAST	● Leader	● Not In
Guidewire	● Not In	● Leader

Insurance Platform Solutions - Quadrant Provider Listing 2 of 3

	Life & Retirement Platforms	Property & Casualty Platforms
Illumifin	Rising Star	Not In
Infosys	Leader	Not In
Innovation Group	Not In	Contender
Instanda	Not In	Product Challenger
Insuresoft	Not In	Product Challenger
Insurity	Not In	Leader
LIDP	Contender	Not In
LTCG	Contender	Not In
Majesco	Leader	Leader
Mphasis	Product Challenger	Not In
NTT Data	Product Challenger	Not In

Insurance Platform Solutions - Quadrant Provider Listing 3 of 3

	Life & Retirement Platforms	Property & Casualty Platforms
OneShield	● Not In	● Leader
Oracle	● Market Challenger	● Not In
QL Administrative Solutions	● Contender	● Not In
Sapiens	● Market Challenger	● Product Challenger
Socotra	● Contender	● Not In
Solaris	● Not In	● Contender
TCS	● Product Challenger	● Product Challenger
Vitech	● Leader	● Not In
West Point Insurance Services	● Not In	● Contender



Insurance Platform Solutions Quadrants

ENTERPRISE CONTEXT

Life & Retirement Platforms

This report is relevant to enterprises in the U.S. for evaluating providers that offer life and retirement (L&R) platforms.

In this quadrant report, ISG assesses the current market positioning of providers offering L&R insurance platforms in the region, based on the depth of their offerings and market presence.

Due to the COVID-19 pandemic, enterprises faced challenges related to impacts on certain customer channels, enabling remote working, material impact on their financial performance and stability, increased levels of customer enquiry, high claims volume, elevated financial and cybercrime risks and more. The manual nature of certain processes and capabilities, and legacy IT infrastructure, challenged insurers' ability to respond to the crisis.

To overcome these challenges, enterprises are increasingly turning toward their partners for hyper-personalization, digitization and modernization of legacy systems.

Most U.S. enterprises are also looking to capitalize on the innovations they implemented during the pandemic in terms of going virtual and digital. Enterprises are accelerating digital transformation initiatives and plan to increase spending on data analytics, CRM software upgrades, artificial intelligence and robotic process automation (RPA).

Who should read this report:

Chief information officers (CIOs) should read this report to better understand how the current tech trends in the insurance industry affect enterprises' existing use of legacy systems, plus the potential opportunities and limitations that may exist for adopting and integrating new capabilities.

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of platforms providers that can help them build and manage complex business management systems for improving their underwriting, business data analysis and decision making.

Operations and finance leaders should read this report to understand the relative positioning of service providers and thus engage with the right partner that can ensure high returns on investment and business performance improvements.

Transformation project and delivery leads responsible for transformation and modernization across the insurance ecosystem should read this report to understand the differentiators among the leading insurance platforms providers in the U.S.

LIFE & RETIREMENT PLATFORMS

Definition (cont.)

- **Pension risk transfer** represents a transfer of risks associated with a defined benefit plan, generally taken up by insurance companies
- **Structured settlement**, which are settlements paid over time rather than as a lump sum

Simplified Illustration

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

Source: ISG 2021

LIFE & RETIREMENT PLATFORMS

Eligibility Criteria

- Provides platform for life, annuity, group, supplemental and retirement/pension products in at least one products area
- Platform meets basic digital capabilities (web-enabled, integration ability, etc.)
- Offers end-to-end capabilities in at least one of the insurance business functions (new business/underwriting, policy administration, claims or billing)
- Has a proven customer base, or can demonstrate capabilities
- Identifies the organization as a “product company,” offering capabilities to provide after-sales support, enhancements, upgrades, and consulting, as needed

Observations

- **Accenture's** continuous investment in its ALIP platform, its commitment to improving the SaaS solution by adding new capabilities to help carriers grow their business and achieve efficiencies, along with a renewed focus on this segment help set the company's offering apart in this space.
- **DXC Technology** is a mature player in the L&R insurance arena. Its flexible and fully-featured DXC Assure for Life and Wealth platform can help carriers in this space meet their goals for an engaging and unified customer experience.
- **EIS** brings life and retirement insurers an integrated, cloud-ready, API-first platform with a modular design to help them streamline operations and enable growth.
- With its end-to-end LifePRO® solution that supports the entire policy lifecycle, and its commitment to improving its well-featured platform, **EXL** shines in this market.
- **FAST** stands out in the L&R platforms space, coming to market with a clearly differentiated and unique set of capabilities that help carriers quickly develop and stand up products, improve customer engagement and leverage data for actionable insights.
- Bringing deep industry expertise into all its activities, **Infosys McCamish** brings L&R insurers its highly-scalable VPAS™ platform to support the complete policy lifecycle.

LIFE & RETIREMENT PLATFORMS

Observations (cont.)

- **Majesco** is a major player in the L&R platforms market with significant experience. The company is focused on enhancing its already robust Majesco L&A Group Core Suite offering to provide more extensive capabilities to help carriers meet evolving business challenges.
- With its sole focus on the group benefits space, **Vitech** brings advanced capabilities and proven functionality to life and retirement insurers with its cloud-native V3LOCITY platform.
- Coming to market with a solid low-code automation platform that can help L&R insurers quickly develop apps while enabling process automation for myriad efficiencies, **Appian** is a Rising Star in this year's platforms study.
- **Illumifin** is a Rising Star in this year's L&R platform providers quadrant. After acquiring Concentrix's insurance TPA and software platform in 2021, Illumifin is investing in platform capability improvements and is working with experienced insurance professionals, positioning the company for future success.



DXC TECHNOLOGY

Overview

DXC Technology is headquartered in Virginia and operates in 70 countries. As a service provider, it has more than 134,000 employees across 130-plus global offices. In FY21, the company generated revenue of \$17.7 billion (a 9.4 percent drop from the previous year), with applications as its largest segment. DXC was created by the merger of Computer Sciences Corporation (CSC) and the Enterprise Services business of Hewlett Packard Enterprise in 2017.

Strengths

Customer experience focus: The DXC Assure for Life and Wealth platform is an integrated solution combining capabilities including customer engagement, self-service, analytics and AI for a cost-effective, unified customer experience. The platform is a multichannel system of engagement that enables L&R carriers to create personalized customer journeys and also give their policyholders a completely digital experience.

Designed for flexibility: The DXC L&R platform has built-in flexibility. It is configurable to meet varying carrier needs for core products and services for their environment, and insurers can self-brand the offering. The platform's modular design lets L&R insurers select capabilities and add more in the future. The platform's digital cloud-based capabilities enable insurers to extend their legacy systems.

Specialty insurance innovation: In August 2021, DXC jointly launched an insurance platform with Mosaic Insurance to increase the speed in which specialty insurance is underwritten, sold and serviced. The platform is powered by some of DXC's technology services, including DXC Assure for Commercial and Specialty, business process outsourcing, applications and analytics. The new platform automates interactions throughout the risk lifecycle using machine learning algorithms and natural language processing, blockchain infrastructure, data transparency, open interfaces, robotics and AI.

Caution

The DXC Assure platform can integrate with any of the DXC cloud-native policy admin systems or the legacy DXC systems such as Wealth Management Accelerator. This gives legacy DXC platform users a path to digital modernization, but there are some limitations, especially with supporting new business, based on the underlying policy administration system used.



2021 ISG Provider Lens™ Leader

With its flexible design and laser-focus on customer experience and engagement, the powerful DXC Assure for Life & Wealth Platform sets DXC apart in the L&R platforms space.



Methodology

METHODOLOGY

The research study “ISG Provider Lens™ – Insurance Platform Solutions” analyzes the relevant platforms providers in the U.S. market, based on a multiphased research and analysis process. It positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Insurance Platform Solutions market
2. Use of questionnaire-based surveys of service providers/vendors across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - Strategy and vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements



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