Everest Group PEAK Matrix® for Application and Digital Service Providers in Life and Annuities (L&A) Insurance 2021

Focus on Mindtree
June 2021
Background of the research

Life and Annuities (L&A) insurers are facing dual pressures – significant profitability pressures due to interest rate depressions around the globe and increasing legacy technology costs due to outdated core systems and modernization as compared to their Property and Casualty (P&C) counterparts. This has accelerated the need to rapidly adopt modern core systems, leverage analytics and current technology to rationalize costs, seek insights from existing data to develop new and innovative products with a shorter time-to-market cycle, and at the same time deal with increasing regulatory pressures to be compliant and undertake best-interest sales. The writing on the wall is clear, the time for L&A insurers to change is now.

In this research, we present an assessment and detailed profiles of 21 leading IT service providers on the Application and Digital Services in L&A insurance PEAK Matrix®. Each service provider profile provides 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 2020, interactions with leading insurance IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report features the profile of Mindtree as covered in the Application and Digital Services in L&A Insurance PEAK Matrix® Assessment 2021.
L&A insurance application and digital services PEAK Matrix® characteristics

Leaders:
Accenture, Capgemini, Cognizant, Infosys, TCS, and Wipro
- Leaders are preferred partners for L&A insurance firms globally to work on large end-to-end transformation engagements. Leaders provided the scaled talent pool and solutions needed for digital transformation as well as automation and services delivery optimization solutions to be run partners for their IT applications estate.
- Leaders are investing to bulk up their domain advisory and solutions capabilities. However, the scale and depth of these capabilities vary across providers, with consulting heritage players such as Accenture and Capgemini having an edge.
- Leaders have provided more aggressive commercial models as well as pursued large asset takeover deals to fund the cost transformation agenda of L&A insurance firms and thus, have expanded their footprint in large accounts.

Major Contenders:
Atos, Coforge, DXC Technology, HCL, IBM, LTI, Mindtree, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and Zensar Technologies
- Major Contenders have solidified their play in the market by offering differentiated digital solutions and partnering with technology players and InsurTechs to help insurers reduce costs, modernize operations, and provide point solutions in areas such as customer experience, claims management, underwriting, and intelligent automation.
- This bucket consists of multiple large and mid-sized firms with unique sets of capabilities; large players, such as DXC Technology, have a strong product portfolio with associated digital services; IBM has a strong cloud-focused offering and analytics heritage; Coforge, Mindtree, and Virtusa have demonstrated strong digital capabilities in mobile application development, workflow automation, and advanced analytics capabilities; mid-sized players like Tech Mahindra have demonstrated traction in the market owing to their new InsurTech partnerships and several large deal wins; Zensar Technologies was able to add new clients in South Africa and the UK on the back of its capabilities in assisting insurers across the value chain.

Aspirants:
Damco Solutions, RapidValue Solutions, and Value Momentum
- Aspirants have gained niche standing in the market owing to their focus on specific technologies, use cases, and geographies.
- Damco Solutions has a strong presence in the LATAM region and has built credible capabilities in front-office solutions for insurers; Value Momentum has strong analytics, customer experience, and digital practice.
Everest Group PEAK Matrix®
Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance PEAK Matrix®
Assessment 2021 | Mindtree positioned as a Major Contender

Everest Group Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021¹,²

¹ Assessments for IBM and ValueMomentum 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
² Analysis for RapidValue Solutions, is based on its capabilities; before its acquisition by Aspire Systems

Source: Everest Group (2020)
Overview

Vision for Application and Digital Services (ADS) in L&A insurance practice: Mindtree will build on its existing strengths and capabilities in digital technologies to help L&A insurers in their transformation journey. The firm aims to focus on building deeper client relationships with domain at the core, in collaboration with its ecosystem partners, product partners, analysts, and advisors.

Application and digital services in L&A insurance revenue (2019)

|--------------------|----------------|------------------|-------------------|----------------|
| Number of active L&A insurance clients for application and digital services (2019)

<table>
<thead>
<tr>
<th>Client Size</th>
<th>&lt;10</th>
<th>10-30</th>
<th>30-50</th>
<th>&gt;50</th>
</tr>
</thead>
</table>

By lines of business

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Term life</th>
<th>Whole life</th>
<th>Universal life</th>
<th>Variable annuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By services scope

<table>
<thead>
<tr>
<th>Service Scope</th>
<th>Application development</th>
<th>Consulting</th>
<th>System integration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Application maintenance</td>
<td>Quality assurance</td>
<td></td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

By buyer size

<table>
<thead>
<tr>
<th>Buyer Size</th>
<th>Small (annual client revenue &lt; US$1 billion)</th>
<th>Medium (annual client revenue US$1-5 billion)</th>
<th>Large (annual client revenue US$5-10 billion)</th>
<th>Very large (annual client revenue US$10-20 billion)</th>
<th>Mega (annual client revenue &gt; US$20 billion)</th>
</tr>
</thead>
</table>

Delivery footprint

<table>
<thead>
<tr>
<th>Region</th>
<th>Key cities</th>
<th>Ranges for FTEs:</th>
<th>No. of FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>Warren, Atlanta, Chicago, Minneapolis, New York</td>
<td>250, 750-1,500,</td>
<td>&gt;1,500</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>London, Stratford-upon-Avon</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Europe (excluding UK)</td>
<td>-</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>Bangalore, Chennai, Sydney, Pune, Melbourne</td>
<td>750-1,500</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>-</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>Dubai</td>
<td>250</td>
<td></td>
</tr>
</tbody>
</table>

1 Includes independent testing services
2 System integration includes package implementation
3 AR/VR, blockchain, social media, etc.
4 The list of cities is not exhaustive
### Client success stories

<table>
<thead>
<tr>
<th>Case study 1</th>
<th>Case study 2</th>
<th>Case study 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business challenge</strong></td>
<td><strong>Business challenge</strong></td>
<td><strong>Business challenge</strong></td>
</tr>
<tr>
<td>The client was facing complex enrollment flow resulting in longer cycle times and needed multi-channel engagement and integration with third-party platform to support group products. The insurer was facing longer product development cycle and architecture restrictions, preventing platform scalability and enhancements.</td>
<td>The client was facing long cycle times to complete the interview process. The telephonic process being manual, lacked integration with UW system, which caused customers inconvenience to disclose personal medical details over phone. Due to this, the client incurred high operational cost.</td>
<td>The client was facing lack of granularity and consistency in KPI definitions across the globe, making it difficult to internally benchmark. Measurement was focused on operational KPIs and there was no correlation between lead and lag measurement. The ongoing reporting process was static (canned), and manually intensive, leading to issues with quality.</td>
</tr>
<tr>
<td><strong>Solution</strong></td>
<td><strong>Solution</strong></td>
<td><strong>Solution</strong></td>
</tr>
<tr>
<td>Mindtree redesigned the benefit administration platform providing services to 52 states/territories in the US for around seven million members (employees), 470,000 groups (employers), and over 80,000 agents &amp; brokers across 44 different products, processing over US$1.2 billion in premium through platform.</td>
<td>Mindtree enabled customers to submit personal information online for accelerated underwriting through a cloud-based application.</td>
<td>Mindtree provided business consulting services to define the global operations measurement framework.</td>
</tr>
<tr>
<td>Provided real-time data exchanges with multiple carriers, employers, agents/brokers, and third-party providers.</td>
<td>Simplified underwriting process with customer-centric and mobile-friendly features and the ability to monitor the progress of application throughout the submission journey.</td>
<td>Transitioned from traditional reporting to on-demand data-driven forecasting.</td>
</tr>
<tr>
<td>Provided enhanced UI/UX, delivering consistent experience across platforms for all users.</td>
<td>Empowered customers with 24/7 online chat and support options.</td>
<td>KPI framework comprising views across strategy, experience, customer journey, and capability.</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td><strong>Impact</strong></td>
<td><strong>Impact</strong></td>
</tr>
<tr>
<td>Part of enabling 40X growth journey in terms of premium written through platform, growth from US$32 million to 1.2 billion in five years.</td>
<td>Reduced cycle time to complete application to policy issuance time from weeks to hours.</td>
<td>Achieved KPI framework for enterprise; 250+ to-be KPIs defined for operations business function.</td>
</tr>
<tr>
<td>Improvement in enrollment cycle time by 10 times.</td>
<td>Increase in customer adoption by 50% due to ease of use and superior online experience.</td>
<td>Led to 30% reduction in costs targeted and alignment of executive leadership (change management) to the target state vision and enabling progress to next steps.</td>
</tr>
</tbody>
</table>
| Faster time-to-market for new product launch. | Reduced operational cost as applicants are empowered to complete the interview process faster and in private. | }
**Key offerings and investments**

### Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to L&A insurance clients

<table>
<thead>
<tr>
<th>Name</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>MiPronto</td>
<td>MiPronto brings together management of applications and quality engineering in L&amp;A carriers using a tool-driven and automation-first approach. MiPronto follows a building block approach to reuse product configuration definitions and test scenarios, enabling consolidation of product knowledge, quick view of product launch impact and changes across application ecosystem, and consolidated test scenarios based on assembly of product and coverage features</td>
</tr>
<tr>
<td>Insurance KPI library</td>
<td>Used for transforming performance measurement and management through a comprehensive set of insurance KPIs across functions. It is supported by a reference industry data model and visualization samples. It helps accelerate the data strategy execution for insurance companies</td>
</tr>
<tr>
<td>Insurance API catalog</td>
<td>It is used for modernizing legacy platforms &amp; digitizing business processes as it is one of the key focus areas for L&amp;A carriers. One of the strategies adopted is gradually modernizing legacy systems through a microservices architecture and exposing them as APIs for consumption by both internal and marketplace digital apps</td>
</tr>
<tr>
<td>Insurance conversational models (Cognitive Contact Center)</td>
<td>A key area of focus for L&amp;A carriers is to augment their customer service by using cognitive solutions such as a chat &amp; voice bot program, even before the pandemic, and which continues after the pandemic as well</td>
</tr>
<tr>
<td>Policyholder &amp; producer experience transformation</td>
<td>Transforming engagement experience through a design thinking-led approach across value chain (new business, servicing, claims, partner onboarding) for policyholders, agents/brokers, claimants &amp; providers. Supported by requirements accelerators and prototypes for visualization</td>
</tr>
</tbody>
</table>

### Key partnerships/alliances/M&As/JVs leveraged to deliver application and digital services in L&A Insurance

<table>
<thead>
<tr>
<th>Name</th>
<th>Type of investment (year)</th>
<th>Details of investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnet 360 – Salesforce</td>
<td>M&amp;A (2016)</td>
<td>A Salesforce consulting and implementation partner to enhance its digital transformation capability using Salesforce. Mindtree has set up design labs, and focused Salesforce CoE/practice with certified practitioners</td>
</tr>
<tr>
<td>Vitech</td>
<td>Partnership (2020)</td>
<td>Administration platform for group, voluntary, and worksite benefits, complemented by setup of a platform CoE and certified resources with experience on the Vitech platform</td>
</tr>
<tr>
<td>Databricks</td>
<td>Partnership (2018)</td>
<td>Partnership to bring business value in data engineering, data science, deep learning, and ML business outcomes</td>
</tr>
<tr>
<td>Adobe</td>
<td>Partnership (2017)</td>
<td>A full suite of customer experience transformation services and Adobe experience cloud solutions to accelerate digital transformation</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Alliance partner (2002)</td>
<td>A range of solutions for Azure migration, customer experience, digital marketing, and intelligent insights</td>
</tr>
</tbody>
</table>

**Source:** Everest Group (2021)
Mindtree | application and digital services in L&A insurance profile (page 4 of 4)
Enterprise sourcing considerations – Major Contender

**Strengths**
- Mindtree possesses a diversified and well-balanced portfolio across L&A insurance LoBs and is well-poised to capitalize on the significant demand and growth momentum from annuities products.
- Mindtree has demonstrated strong capabilities in stitching together best of breed solutions in a bolt-on manner to meet insurer’s needs and leveraging its strong partner ecosystem of players such as Microsoft, UiPath, and Salesforce.
- Mindtree’s dedicated investments in partnering with market-leading core system platform players such as Vitech on the life side, jointly developing GTM, as well as setting up a platform CoE have beefed up its core modernization credentials.
- Mindtree has witnessed top quartile growth in its L&A insurance applications and digital services business segment.

**Limitations**
- Mindtree has an offshore-heavy presence, and it should look to expand beyond the APAC region for delivery to other onshore locations in order to improve client relationships. This investment should include domain-advisory and technology-consulting talent, in addition to bulking up engineering capabilities in key onshore locations.
- Mindtree’s current portfolio is heavily concentrated toward the North American and Asia Pacific regions, and it should expand and diversify more toward Continental Europe and the UK markets in order to capture the growth momentum of those regions.
- Some clients have observed that Mindtree needs to proactively bring in industry best practices and thought capital in order to enhance the value addition and innovation quality of the engagement.
Appendix
**Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability**

Everest Group PEAK Matrix

![Diagram showing the PEAK Matrix with quadrants for Leaders, Major Contenders, Aspirants, and Low Impact and Low Vision & Capability.]

- **Market Impact**: Measures impact created in the market.
- **Vision & Capability**: Measures ability to deliver services successfully.

Quadrants:
- **Leaders**: High Market Impact and High Vision & Capability
- **Major Contenders**: High Market Impact and Low Vision & Capability
- **Aspirants**: Low Market Impact and High Vision & Capability
- **Low Impact and Low Vision & Capability**: Low Market Impact and Low Vision & Capability
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**
  - 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®

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

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

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

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 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.

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