Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024

Focus on **NTT DATA**

August 2024

Introduction

The L&A insurance industry is transforming rapidly driven by technological advances and changing customer expectations. As organizations grapple with legacy systems, changes in regulatory compliance, and evolving market dynamics, IT services providers play a pivotal role in addressing critical challenges for insurance carriers. L&A insurers need support from IT services providers to accelerate their digital transformation journeys, enabling data-driven workflow, seamless digital experiences across stakeholders, and faster time-to-market.

In the early stages of technology modernization, insurance carriers focused on adopting hybrid/cloud infrastructure, automating processes, and minimizing data silos. With the recent challenges in economic sentiment revival and long-term growth - insurers are also looking favorably at seeking quick wins along their long-term modernization journeys. This change in carriers' priorities is leading to a shift in IT engagements toward a preference for business-oriented outcomes such as empowering insurance intermediaries and improving customer experience – enabling omnichannel digital experiences and providing a wider range of voluntary benefits (for group life).

IT services providers are developing in-house solutions and collaborating with technology providers and InsurTechs

across the globe to serve such evolving demand scenarios. They are also focusing on integrating AI and gen AI solutions in core offerings.

In the research, we present an assessment of 24 leading IT service providers featured on the [Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024](#). The assessment is based on Everest Group's annual RFI process for the calendar year 2024, interactions with leading insurance IT services providers, client reference checks, and ongoing analysis of the Insurance IT services market.

The full report includes the profiles of the following 24 leading insurance IT service providers featured on the Life & Annuity (L&A) Insurance IT Services PEAK Matrix Assessment 2024:

- **Leaders:** Accenture, Cognizant, Deloitte, EY, Infosys, NTT DATA, PwC, TCS, and Wipro

- **Major Contenders:** Capgemini, Coforge, CGI, DXC Technology, HCLTech, LTIMindtree, Mphasis, Persistent Systems, Tech Mahindra, Virtusa, and Zensar Technologies

- **Aspirants:** Comarch, Aspire Systems, GFT Technologies, and EPAM Systems

Scope of this report

Geography: Global

Industry: Market activity and investments of 31 leading IT services providers

Services: Open banking IT services

Life & Annuity (L&A) Insurance IT Services PEAK Matrix® characteristics

Leaders

Accenture, Cognizant, Deloitte, EY, Infosys, NTT DATA, PwC, Wipro, and TCS

- Leaders have made significantly large investments in next-generation technology to enhance/infuse gen AI, AI/ML, and automation in their solution portfolio across different elements of life, annuity, and retirement value chain

- Majority of them have shown differentiation by delivering niche innovative solutions in L&A closed book migration, retirement and pensions core modernization, Pension Risk Transfer (PRT), and adopting gen AI in Software Development Lifecycle (SDLC)

- Leaders are able to leverage proprietary data sets to create solutions for carriers that are launching innovative personalized products for customers; exhibit deep domain expertise around the intersection of insurance, wealth management, and retirement/pension products

Major Contenders

Capgemini, Coforge, CGI, DXC Technology, HCLTech, LTIMindtree, Mphasis, Persistent Systems, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders have significantly invested in enhancing their capabilities to serve previously underserved geographies and strengthened their delivery footprint in these regions

- They prove to be dependable partners for infrastructure services, boasting a well-balanced portfolio across application development services and various Lines of Business (LoBs)

- Most of them have robust partnership ecosystems with core platform providers and InsurTechs along with dedicated CoEs to train resources and strengthen market positioning

Aspirants

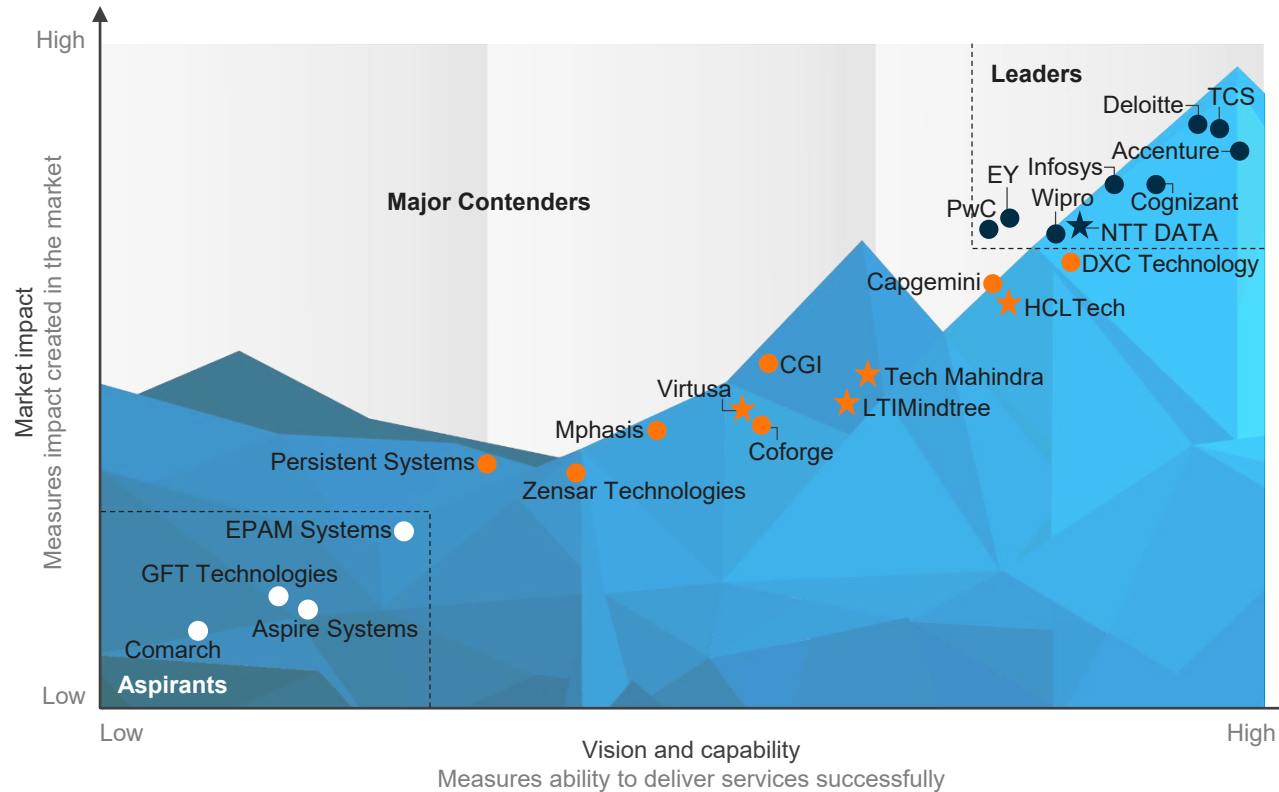Aspire Systems, Comarch, EPAM Systems, and GFT Technologies

Even with their modest size, these companies have successfully secured a niche by delivering personalized services to insurance firms. Insurers choose them for their rapid response, flexibility, and customized offerings. Their lean operations enable quicker expansion compared to the Leaders and Major Contenders

Everest Group PEAK Matrix®

Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024 | NTT DATA is positioned as a Leader and a Star Performer

Everest Group Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024[1]

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Chart — Vision and capability (Measures ability to deliver services successfully) on the x-axis (Low to High) vs Market impact (Measures impact created in the market) on the y-axis (Low to High).

Leaders: Deloitte, TCS, Accenture, Infosys, EY, Wipro, Cognizant, PwC, NTT DATA (Star Performer)

Major Contenders: DXC Technology, Capgemini, HCLTech (Star Performer), CGI, Tech Mahindra (Star Performer), Virtusa, LTIMindtree (Star Performer), Mphasis, Coforge, Persistent Systems, Zensar Technologies

Aspirants: EPAM Systems, GFT Technologies, Aspire Systems, Comarch

NTT DATA profile (page 1 of 7)

Overview

L&A insurance IT services revenue (CY 2023)

<US$200 million	US$200-500 million	**US$500 million-US$1 billion**	>US$1 billion

Number of active clients for L&A insurance IT services

<5	5-14	15-29	**>30**

Delivery footprint

Region	Key countries/cities	No. of FTEs
North America	Lincoln, Plano, Boston, New York, Omaha, Oklahoma City, Nashville, Mexico, and South America (Mexico City, Santiago, Sao Paolo, Buenos Aires)	>1,000
United Kingdom		
Rest of Europe	Madrid, Barcelona, London, Munchen, Milano, and Roma	>1,000
Asia Pacific	Chennai, Coimbatore, Noida, Gurgaon, Bengaluru, Japan, and China (Shenyang, Tokyo, Hangzhou, Osaka, Okinawa)	>1,000
RoW (LATAM, MEA, etc.)	N/A	N/A

L&A insurance IT services revenue mix (CY 2023 (Dec))

● N/A (0%)   ● Low (<15%)   ● Medium (15-30%)   ● High (>30%)

By geography

● North America	● United Kingdom	● Rest of Europe
● Asia Pacific	● RoW	

By Lines of Business (LoB)

● Annuities-fixed	● Annuities-variable	● Life-group
● Life-individual	● Retirement and pensions	

By application services segment

● Application development	● Application maintenance	● Consulting
● System integration	● Quality assurance	● Others

By infrastructure services segment

● Cloud	● Cybersecurity	● Datacenter and maninframe
● Network	● Workplace	● Others

By buyer size

● Small (annual client revenue <US$1 billion)	● Medium (annual client revenue US$1-5 billion)	● Large (annual client revenue US$5-10 billion)
● Very large (annual client revenue US$10-20 billion)	● Mega (annual client revenue >US$20 billion)	

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Case studies

[ILLUSTRATIVE] [NOT EXHAUSTIVE]

CASE STUDY 1

Developed a fully functioning ecosystem that can utilize any Policy Administration System (PAS) and is compatible with data retention and money-handling laws

Business challenge
The client aimed to launch annuities using an existing PAS; however, required additional systems to support non-core activities. While the PAS efficiently managed product setup and financial transactions, it lacked capabilities for handling incoming/outgoing checks, document receipt and mailing, and imaging for archival purposes.

Solution
NTT DATA developed and integrated surrounding systems to complement the PAS, covering incoming and outgoing check processing, as well as incoming and outgoing mail processing.

Impact
- Enhanced the overall functionality of the insurer's operations
- Ensuring smooth processing of financial transactions and document management

CASE STUDY 2

Developed new reporting services

Business challenge
The client needed to offer additional value-add services for companies and organizations to protect the health of employees as a part of the L&A product. Due to the declining birthrate and aging population as well as the declining population in Japan, it was becoming more important to have a workplace where employees could continue to work in good health that would lead to its client company's benefit.

Solution
With NTT DATA's Health Data Bank contributing further to the health management of corporate clients, new reporting services were developed in 2020 in collaboration with the client. The client issued group insurance in April 2021 that introduced a mechanism to discount insurance premiums when the occupancy rate of people rated excellent, calculated by this tool, met certain conditions.

Impact
Feature to analyze and evaluate employee health examination result data was built-in and utilized

CASE STUDY 3

Developed a customer facing solution for customer experience consulting

Business challenge
The client needed to develop a new customer-facing system to support the remote environment. Conventional web conferencing systems such as WebEx, Teams, and Zoom were not meeting those remote business activity needs in the life insurance sales and contract.

Solution
NTT DATA analyzed the issue and developed a system that enables remote-based sales engagement procedures to solve the challenge. The solution allows insurance salespersons to complete a series of sales activities around contract procedures remotely by sharing screens and handing over-screen operations to customers while observing the protection of personal information.

Impact
- Improved customer interactions
- Enhanced operational efficiency

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Key solutions and investments

Top five proprietary solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to L&A insurance clients

Solution name	Details
Automated product information gathering and calibration	It is a tool that uses the LLM-AI tool to retrieve all product information from multiple information sources (technical notes, general conditions) to dispose of a product definition as automated as possible. For core modernization initiatives the tool can propose how to calibrate products to reduce the set up of products in the target system and show the impact of that calibration.
GIDP Smart Contact Center	It is a front-office component that provides maximal productivity and Customer Experience (CX) that can be connected to any back end to accelerate digitalization.
GIDP Data-as-a-Service	It is a data component that enables L&A companies to push its data in the data lake and dispose immediately of a big catalog of reports and advanced analytics and providing an easy way to consume AI-services to increase the data-driven character of its clients.
Insapia	It is a set of pre-trained insurance-agnostic bots. It is an asset that helps companies to improve the CX and optimize the customer care through conversational AI technology. Insapia supports a wide set of life insurance use cases.
Insurance Radar	It is a strategic tool that is using AI to detect trends for insurers and what happens on the FinTech scene and proposes actions to reap the benefit of innovation. This tool is combined with reports generated periodically and client-specific sessions.

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Investments

Top five partnerships/alliances/M&As/JVs leveraged to deliver application and digital services to L&A insurance clients

Solution name	Type of investment	Details
Atidot	Partnership	It partnered with Atidot, a technology company specializing in data-driven insights and predictive analytics for the life insurance industry. The partnership aims to enhance AI/data/analytics capabilities and helps to turn data into proactive actions to enhance customer experience, optimize operational excellence, increase revenue, proactively mitigate risk, and increase channel profitability.
Intra-Mart - BPM solution	Partnership	It partnered with Intra-Mart, an enterprise software platform. The partnership aims to enable an interactive Business Process Management (BPM) system for managing and automating business processes.
Green Partnership	Partnership	It invested in green operation / processing center, Japan's first non-fossil fuel certificate and on-site Power Purchasing Agreement (PPA), utilizing locally produced resources in Okinawa, supporting comprehensive insurance business process operations.

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NTT DATA profile (page 5 of 7)

Overview

Retirement IT services revenue – (CY 2023 (Dec))[1]

<US$20 million	US$20-50 million	US$50-100 million	>US$100 million

Total number of retirements clients in CY 2023 (Dec)[1]

<5	5-14	15-29	>30

Retirements IT services – scale of FTEs[1]

<500	500-750	750-1,000	>1,000

Key partnerships, investments, and offerings

Partnership, investments and offerings	Details
Partnership	AT Global: NTT DATA is the integration partner of the solution Talk, which is the leading group life solution in Belgium for traditional life products, of which retirement products are dominant
Offering	Developed a Center of Competence around the solution UL3 of Vereycken & Vereycken, which is a leading solution in Belgium for defined contribution saving and investm

Retirements IT services revenue by scope of work (CY 2023 (Dec))[1]

● N/A (0%)   ● Low (<15%)   ● Medium (15-30%)   ● High (>30%)

By application services segment

● Application development and maintenance   ● Platform implementation and digital engineering   ● Quality Assurance and Engineering (QA&E)

● Consulting and advisory   ● IT infrastructure services

1 Not Available

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Case studies

CASE STUDY 1

Migration and Core Modernization

Business challenge
The client is a consolidator who bought the Belgian business of an international group and they were obliged to move away from the mainframe for the retirement business to a standard software

Solution
As the standard software provider is relatively small, NTT DATA provided the scalability in order to realize this ambitious core modernization project adequately

Impact
- The most important phase of the project has been delivered and the majority of the schemes have been migrated, there is a remaining set of schemes that will continue to be migrated at a steady pace over the following period
- The good realization of this project has made client opt NTT DATA for application maintenance services as well

CASE STUDY 2

Application maintenance

Business challenge
For a large Spanish insurer for which NTT DATA is providing services for multiple decades over nearly all lines of business of which retirement services is one of them. As the systems are aging and developed in old technology NTT DATA delivers business continuity taking ownership of the full development and maintenance track of this strategic solution as well as continuously improving technological improvements

Solution
Application maintenance on the retirement core system

Impact
- Execution of the services in line with the agreed KPIs
- Scalability and business continuity assured
- Regular exchange with the client to modernize the IT-landscape

NTT DATA (page 7 of 7)

Everest Group assessment – Leader and Star Performer

Measure of capability: ◑ Low ● High

	Market impact			Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◔	◑	◑	◕	◔	◔	◔	●	◕

Strengths

- Meaningful investments in developing internal IP such as augmentation of its Global Insurance Digital Platform (GIDP) offering playbook, the ability to leverage IP datasets (such as Health Data Bank) to offer tailored solutions (especially around underwriting), and strategic alliances with InsurTechs such as Atidot, Intra-Mart, SMARTCOM, and FAST have helped the firm build a comprehensive offerings portfolio for L&A clients

- NTT DATA also demonstrated strong differentiation as part of its offerings due to its focus on consulting and advisory, operations, and IT services. Its capabilities on sustainability-enablement offerings, infrastructure management, datacenter operations, and remote workforce enablement (such as for agents-brokers) have helped it stand out among competitors in the market

Limitations

- NTT DATA needs to focus on stronger market messaging across niche themes such as actuarial modeling, regulatory compliance, and enterprise risk management solutions that some of its larger peers are now starting to double-down on

- NTT DATA needs to focus on expanding its investments in partnerships and IP, based on core retirement/pension platforms in North America and Europe
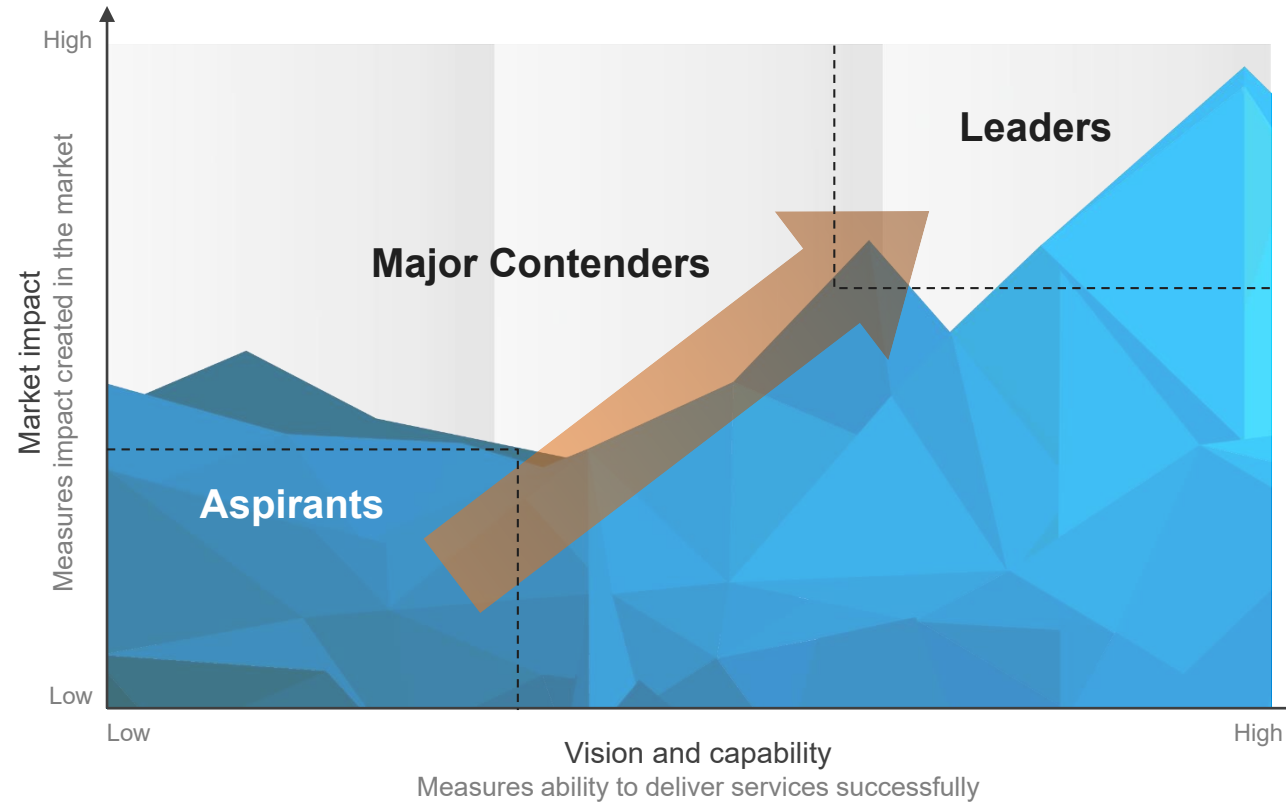
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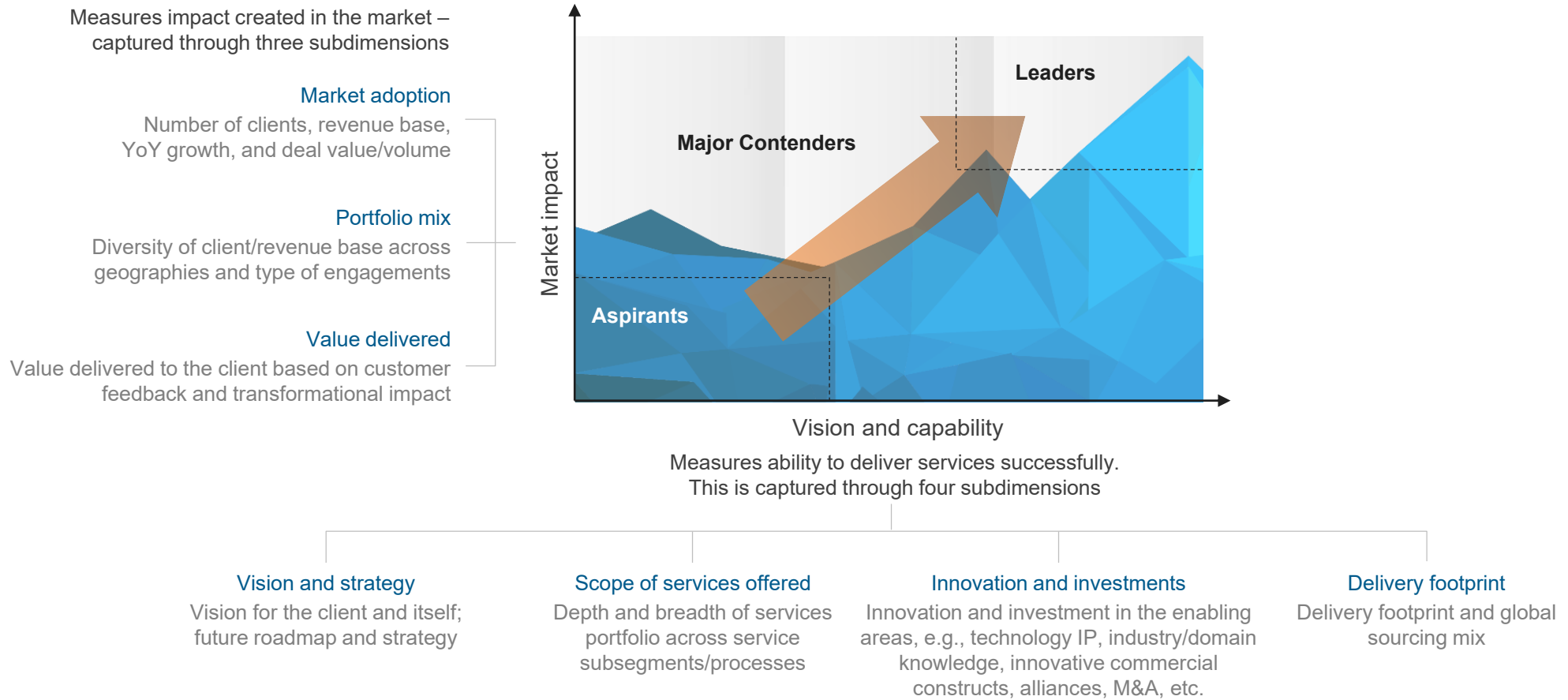# Appendix

PEAK Matrix® framework

FAQs

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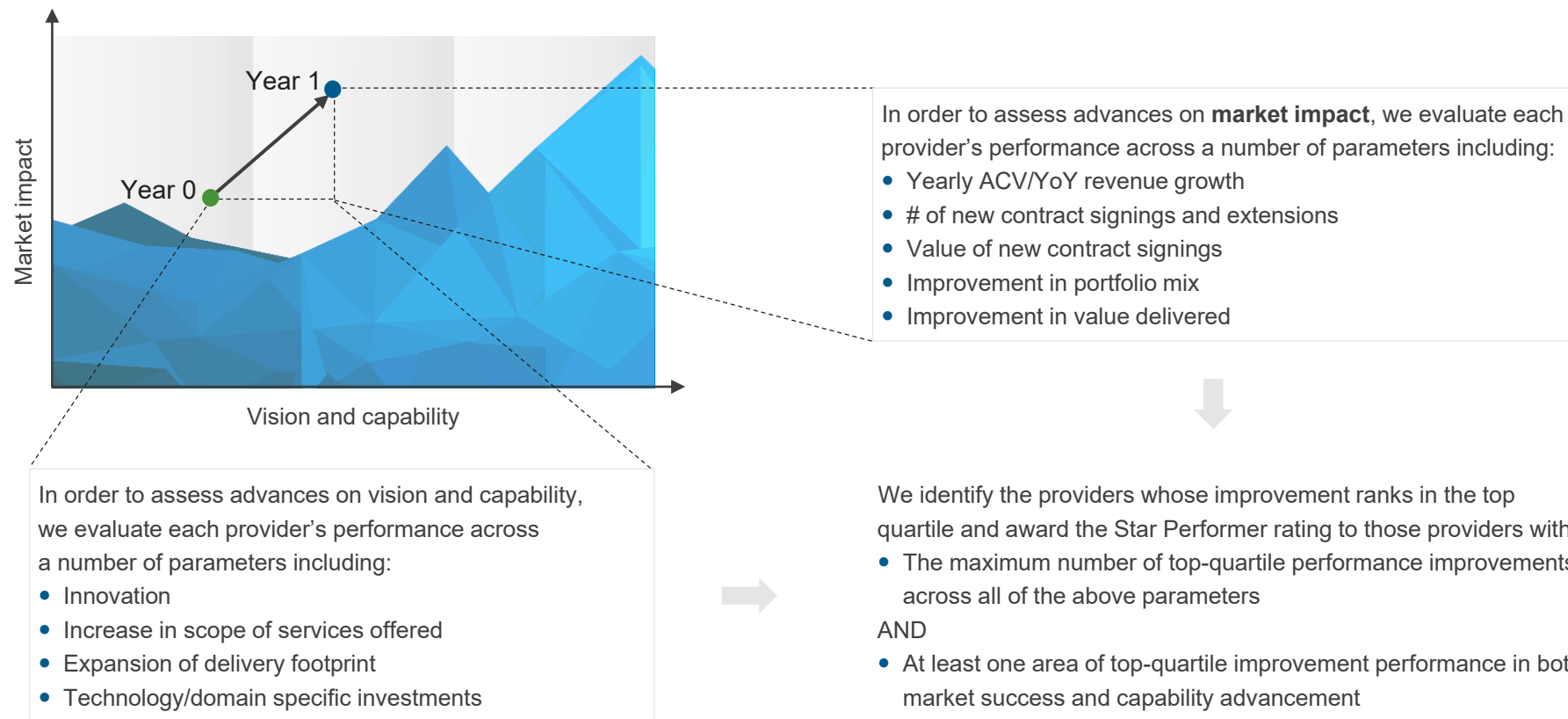
Everest Group PEAK Matrix

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

Leaders

Major Contenders

Aspirants

Market impact

Vision and capability

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 Performer 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 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 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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

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

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: 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.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: 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.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: 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.

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

A: 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

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

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies

- 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 (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 Everest Group; please contact your CD or contact us

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

A: 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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