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

Focus on **Deloitte**

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

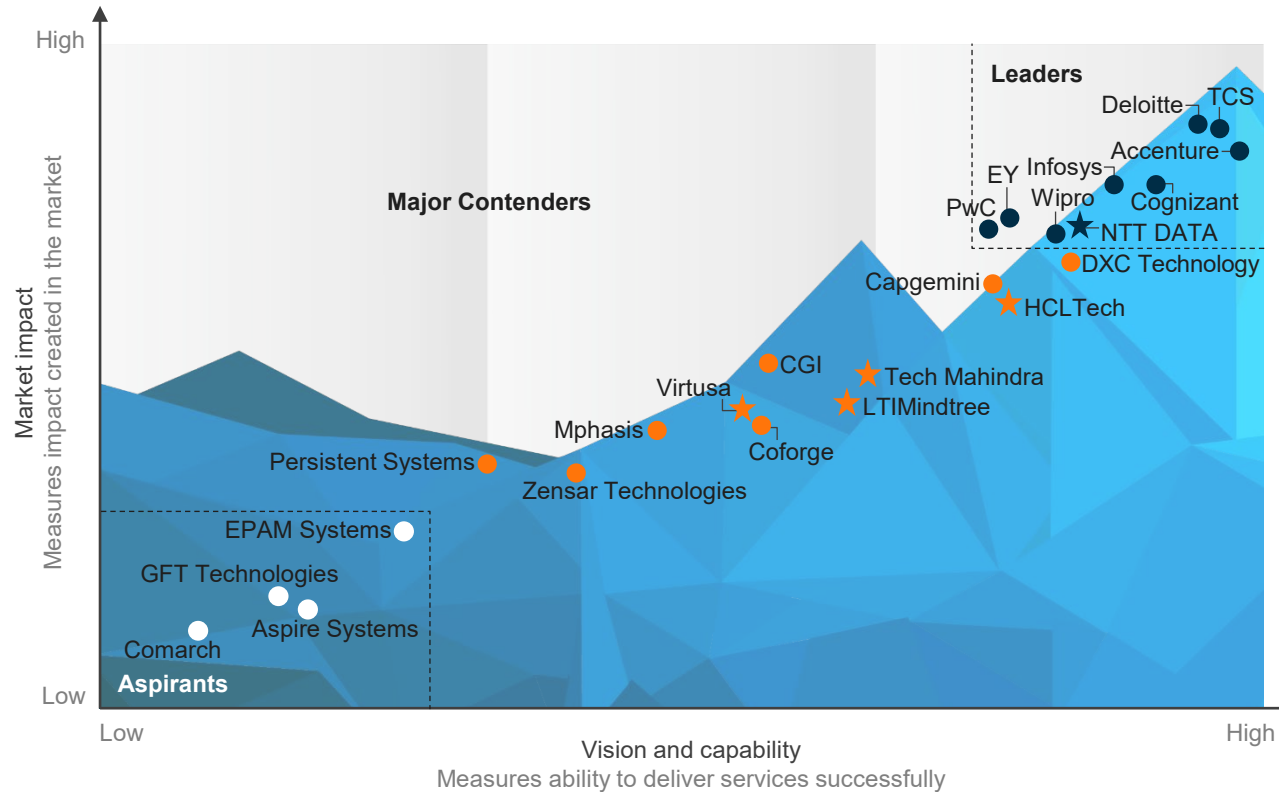Aspire Systems, Comarch, EPAM Systems, and GFT Technologies

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

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Everest Group PEAK Matrix®

Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024 | Deloitte is positioned as a Leader

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

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

(Scatter plot — X axis: Vision and capability (Low to High), "Measures ability to deliver services successfully"; Y axis: Market impact (Low to High), "Measures impact created in the market")

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

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

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

1 Assessments for Comarch and EPAM Systems exclude providers' inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers
The evaluation/assessment for Comarch is before its deal with CVC Capital Partners
Source: Everest Group (2024)

Deloitte 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	US and Canada	>500
United Kingdom	UK	>500
Rest of Europe	Poland, Latvia, Greece, Germany, Spain, and Portugal	>500
Asia Pacific	India, Australia, China, Philippines, and Malaysia	>500
RoW (LATAM, MEA, etc.)	Brazil, Mexico, Saudi Arabia, and South Africa	>500

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 mainframe
● 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

Application modernization, finance and actuarial modernization, Quality Engineering (QE) services, and data lake and Business Intelligence (BI) modernization for a leading global L&A client

Business challenge
A leading global L&A client was looking to modernize applications across multiple LoBs. However, the lack of deep techno-functional expertise required the need for understanding the business implications of new regulation, combined with technical knowledge to deliver Application Maintenance Services (AMS)

Solution
Deloitte helped in application development and maintenance service of the finance data ecosystem as well as accounting and General Ledger (GL) landscape. It delivered enterprise architecture finance and actuarial modernization, accelerated savings in AMS, QE services, and data lake and BI modernization. Deloitte also provided the client with an insights-driven transition, guided by key principles such as consistent experience, digital-first, modern platform, and scalable architecture.

Impact
- 43% decrease in incident volume and 98% application stability
- Enhanced automation-augmented approach to QE
- Unified ledger to support IFRS17 and improved financial data quality
- 80% improvement in journal posting time, 90% improvement in data quality of key attributes, and 95% automation in journey entry (more than 100 thousand per day)
- Three releases of major projects, 50+ epics, 700+ user stories and 3,000+ test cases

CASE STUDY 2

Global digital technology transformation and architecture modernization for a large established Life & Pensions (L&P) company

Business challenge
A large, established L&P client was struggling to meet demand. A successful product launch had exposed the weaknesses of its traditional Target Operating Model (TOM). Business operations were struggling to meet demand and increasing costs were cannibalizing benefits of rapid growth. The client was also facing poor customer and advisory experience, long wait times, and siloed contact channels.

Solution
Deloitte brought an experience-led business transformation creating a new digitally-enabled, omnichannel, straight through operating model. It helped the client abandon its traditional separation of operations and IT in favor of an experience-led approach. Digital technology, underpinned by a modern cloud-based architecture and CRM, was at the heart of this. New digital channels with self-servicing capabilities gave control to customers and advisors while deflecting traffic to operations. Automation allowed operations to focus on exception handling, giving customers and advisors faster transactions

Impact
- 30-day reduction to customer onboarding time
- 8 points increase in Net Promoter Score (NPS)
- 84% automation of manual tasks

CASE STUDY 3

Global SAP implementation for one of the top global insurance clients

Business challenge
A top global insurance client wanted to develop a global integrated support system required from the US, Japan, China, and India to provide cultural fitment and provide high quality services at a competitive rate with a flexible staffing model adjusted to business needs.

Solution
Deloitte developed a global support model integrating the US and Japan regions to help the client in expanding its footprint of SAP within the US and extended the application to Japan, which enabled the company to operate as one global firm. It also resulted in more efficient quarter-end closing, increased standardized processes across the US and Japan and provided post go-live support for ECC, Human Capital Management (HCM), and Business Planning and Consolidation (BPC) with a focus on quickly stabilizing the system to devote more time to system enhancements and improvements.

Impact
- 1,200 enhancements delivered across all environments representing an estimated value to the business of nearly US$4 million
- 25% improvement in planning and budgeting cycles
- 99% closure rates on incidents achieved

Deloitte profile (page 3 of 7)
Key solutions and investments

[ILLUSTRATIVE] [NOT EXHAUSTIVE]

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

Solution name	Details
Industry Advantage	Industry Advantage is a US$2 billion strategic investment to rapidly build industry-focused solutions by leveraging domain experience, coupled with the principles of modern engineering, AI, and cybersecurity. Deloitte is building new industry-specific generative AI-enabled accelerators as well as enhancing its cloud-native Converge™ platforms with generative AI capabilities to support insurance clients. The investment includes an expansion of co-investments with alliance partners and will expand the ecosystem to include emerging AI companies.
TrueServe	It is an integrated contact center solution built on latest technology and infused with service transformation insights and industry-specific accelerators. The asset comes with a library of pre-built industry-agnostic and sector-specific solutions spanning from voice and digital assistants to AI-enabled flows for agents, pre-defined metrics, and analytics.
Insurance Data-as-a-Service (IDaaS)	IDAAS brings together Deloitte's insurance knowledge and skills in data and analytics into a pre-packaged suite of analytic applications, providing pre-built KPIs and integrated insights across all operational areas including data models, code-free data mapping, and code generation tools for automated pipeline build.
OperateEDGE	It is a managed services solution that provides standardization, insights, AI, and automations to optimize delivery. In the marketplace, OperateEdge has been leveraged to enable the following outcomes: reduction in backlog incident, ticket inflow reduction, reduction in critical issues, and all Service Level Agreements (SLAs) and Key Performance Indicator (KPIs) met.

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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
SFL Scientific	M&A (AI)	Acquired SFL Scientific, a leading, award-winning AI strategy and data science consulting firm, enhancing its AI capabilities, industry expertise, and market share in the US. The merger strengthens Deloitte's position in AI consulting and fosters transformative client solutions.
Sapiens	Partnership (L&A platform)	Sapiens delivers a comprehensive, end-to-end policy administration system solution and services for insurers across life, health, wealth, and pensions. The platform provides multi-faceted, comprehensive, and rich functionality that is cloud-first. Deloitte has significant experience implementing a variety of Sapiens solutions for clients including CoreSuite for Life & Pensions, DigitalSuite, AgentConnect, and CustomerConnect.
Unqork	Alliance (InsurTech)	It formed a strategic alliance with a no-code enterprise application platform to enable insurance companies to build functional solutions such as customer-facing eApps, which enable firms to develop and effectively manage an end-to-end insurance platform that seamlessly integrates legacy technologies and external third-party services.
AWS	Alliance (Hyperscaler)	Deloitte's AWS-based business solutions, built on top of a scalable analytics platform, provide data-driven insights for the clients' leadership, re-inforce their key decisions on future opportunities, and identify actionable optimization areas to rapidly capture meaningful, measurable value for their businesses.
Majesco	Partnership (L&A platform)	Majesco L&AH Intelligent Core Suite is a cloud and API-enabled platform that supports individual, group, and voluntary benefits, supporting portability of benefits to an individual product. Majesco solutions for clients includes Intelligent Core Suite, digital solutions, analytics solutions, distribution management software, risk & compliance solutions, and ecosystem.

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Overview

Retirement IT services revenue – (CY 2023 (Dec))

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

Total number of retirements clients in CY 2023 (Dec)

<5	5-14	15-29	>30

Retirements IT services – scale of FTEs

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

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

● 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

Key partnerships, investments, and offerings

Partnership, investments, and offerings	Details
Retirement platform providers	Deloitte has knowledge and experience helping clients to evaluate and implement FIS, SS&C, Ascensus, and other retirement platforms as well as their BPO and ITO services.
Industry Advantage	Industry Advantage is a US$2 billion strategic investment to rapidly build industry-focused solutions by leveraging domain experience, coupled with the principles of modern engineering, AI, and cybersecurity. Deloitte is building new industry-specific generative AI-enabled accelerators as well as enhancing its cloud-native Converge™ platforms with generative AI capabilities to support retirement clients and expanding its ecosystem of emerging AI companies.
TrueServe	It is an integrated contact center solution built on latest technologies and infused with service transformation insights and industry-specific accelerators. The asset comes with a library of pre-built industry-agnostic and sector-specific solutions, spanning from voice and digital assistants to AI-enabled flows for agents, pre-defined metrics, and analytics.
Workplace Value Chain	The Deloitte Workplace Value Chain is a blueprint for organizational assessment, covering the key capabilities that retirement providers need to support plan sponsors, participants, and intermediaries across the different channels. Its value chain includes an extensive library of business requirements that can be used to accelerate development of new capabilities.
InnoWake	Deloitte InnoWake is a proprietary platform that modernizes an organization's applications from legacy technology languages to modern, cloud-native technologies in a low-risk, cost-effective way. Its approach delivers fully automated refactoring and modernization services to help meet critical business objectives.

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Case studies

[ILLUSTRATIVE] [NOT EXHAUSTIVE]

CASE STUDY 1

Operating Model Redesign and Vendor Selection for a Major US-Based Retirement Provider

Business challenge

A U.S. based retirement provider wished to evaluate several strategic growth options and sought opportunities to accelerate platform transformation efforts, enhance existing front/back-end processes and shift resources/capital to market differentiative activities through external partnerships and operating model redesign

Solution

Deloitte conducted stakeholder interviews to align on the vision, strategic priorities and business objectives. It met with functional leads to identify current state capability gaps, service models, manual process, and areas in need of a modernization solution or updated technology. Deloitte then aligned on an enhanced future-state operating model to support the client's US Retirement Business. Finally, it analyzed 10-year cost projections to determine financial viability of enhancement efforts and impact of modernization costs to the end client and built a comprehensive business case outlining financial implications of all opportunities

Impact

- **30% reduction in cost** projected due to the re-design of the operating model
- Market insight, knowledge and **perspective both on potential vendors and the client's future state operating model**
- **Delivery of the agreed upon milestones** within the identified timeline (e.g., SDR delivery/response, vendor office-hours/workshops, evaluation criteria)
- **Key questions answered** regarding what a future state could look like with a vendor (e.g., operating model, building vs buying a platform, timeline for modernization, etc.)

CASE STUDY 2

Transformation of the Defined Contribution Recordkeeping Participant Experience for a leading Retirement Provider

Business challenge

A leading retirement provider desired to completely revamp their defined contribution recordkeeping (DCRK) participant experience. The client had begun to lag competitors when it came to providing a quality digital investment management experience, threatening their position in the market, and needed a partner to help deploy the solution in market within a 12-month period

Solution

Deloitte created a Participant Experience vision through Journey and Innovation labs. It created and groomed user stories to drive design and development as well as a fully prioritized backlog. Deloitte then created on-going Wireframes, Visual Comps, and Prototypes and conducted usability testing and validation of product design outputs through Journey labs. Finally, Deloitte established the IT environment required to build the desired Participant Experience and performed the Front-End and Full-Stack web development. The solution enabled greater personalization and relevance to the user, simplifying navigation, building investor confidence, and enabling the recognition of the Plan Sponsors as the 'hero'.

Impact

- Differentiated end-to-end participant experience in the market
- Future proof technology stack that will improve future time to market
- Faster, iterative releases to get in-market feedback and traction
- Higher RFP/ RFI volume
- Higher conversion and Sponsor retention
- Increased digital "health" resulting in fewer calls and manual workflows
- Reduced need for customization

Deloitte profile (page 7 of 7)

Everest Group assessment – Leader

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

- Clients have appreciated Deloitte's understanding of domain-specific nuances across technology, services, and operations and its ability to effectively manage initiatives tailored to client needs across diverse pain points from product/actuarial transformation, core modernization, to point solutions across the value chain

- Deloitte possesses a well-rounded portfolio of work focused on delivering custom and third-party platform-based solutions for areas such as PRT, retirement/pension omnichannel experience management, L&A distribution channel digitization, and life/group benefits modernization

- Significant investments in building its own IP and industry-specific solutions for analytics/visualization, content management, AI / gen AI-powered use cases have helped it stand apart from competition

Limitations

- While Deloitte focus on building IP on managing open/closed business for L&A carriers, it lags some of the larger peers in its momentum on showcasing comparable success stories on closed block engagements

- With Deloitte's focus on thought leadership on multiple life insurance industry future topics, there is room for it to focus on future themes such as accelerated underwriting via non-invasive medical testing, and sustainability in investment management processes for carriers

- In certain cases, small to midsize carriers have cited the need for a more collaborative engagement approach in working with Deloitte's on-ground implementation teams
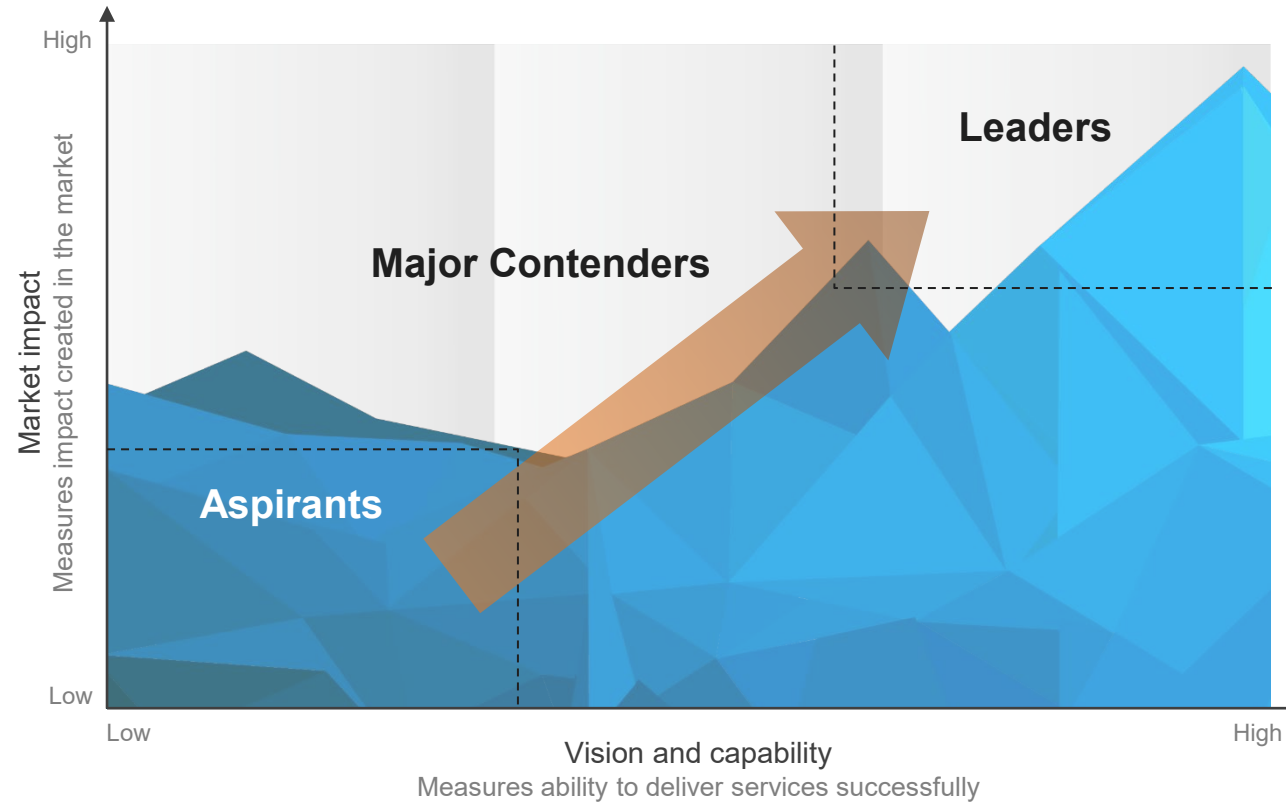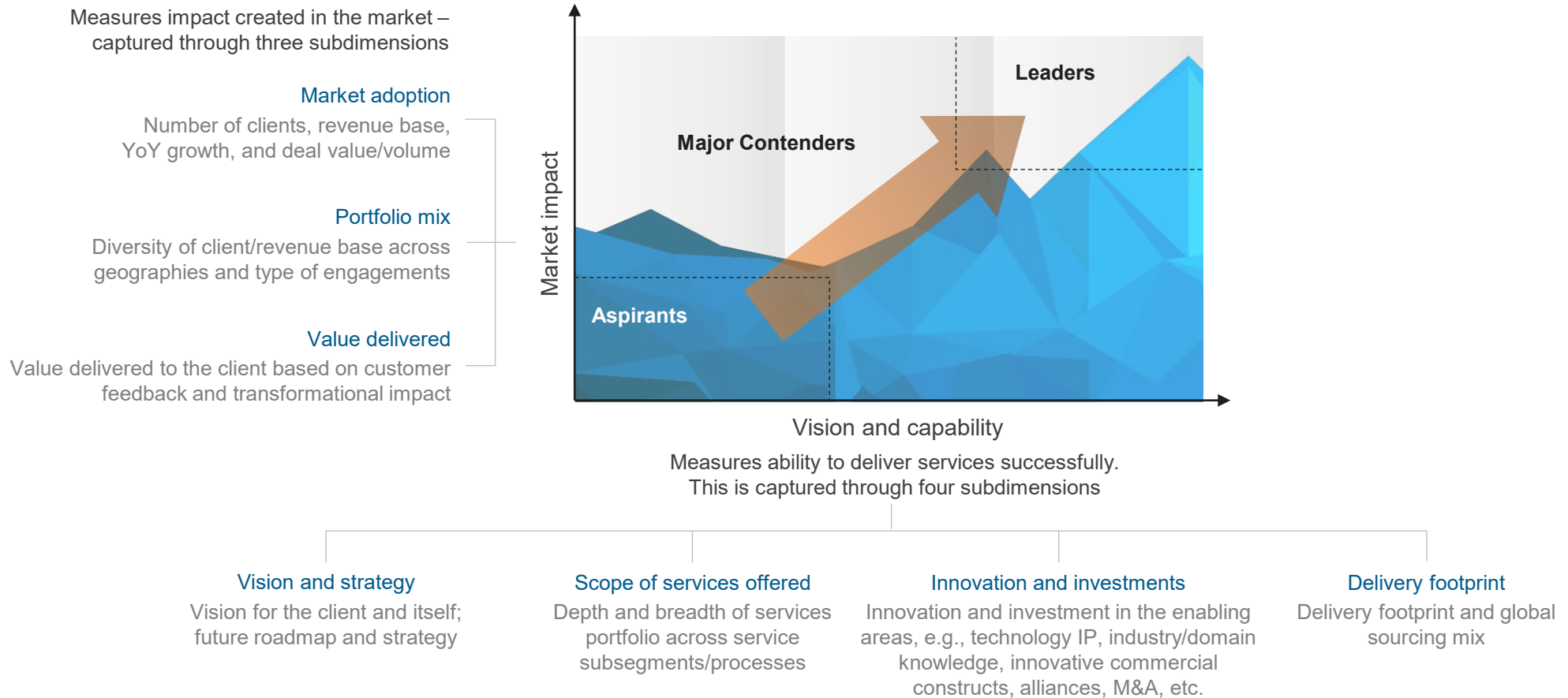
Appendix

PEAK Matrix® framework

FAQs

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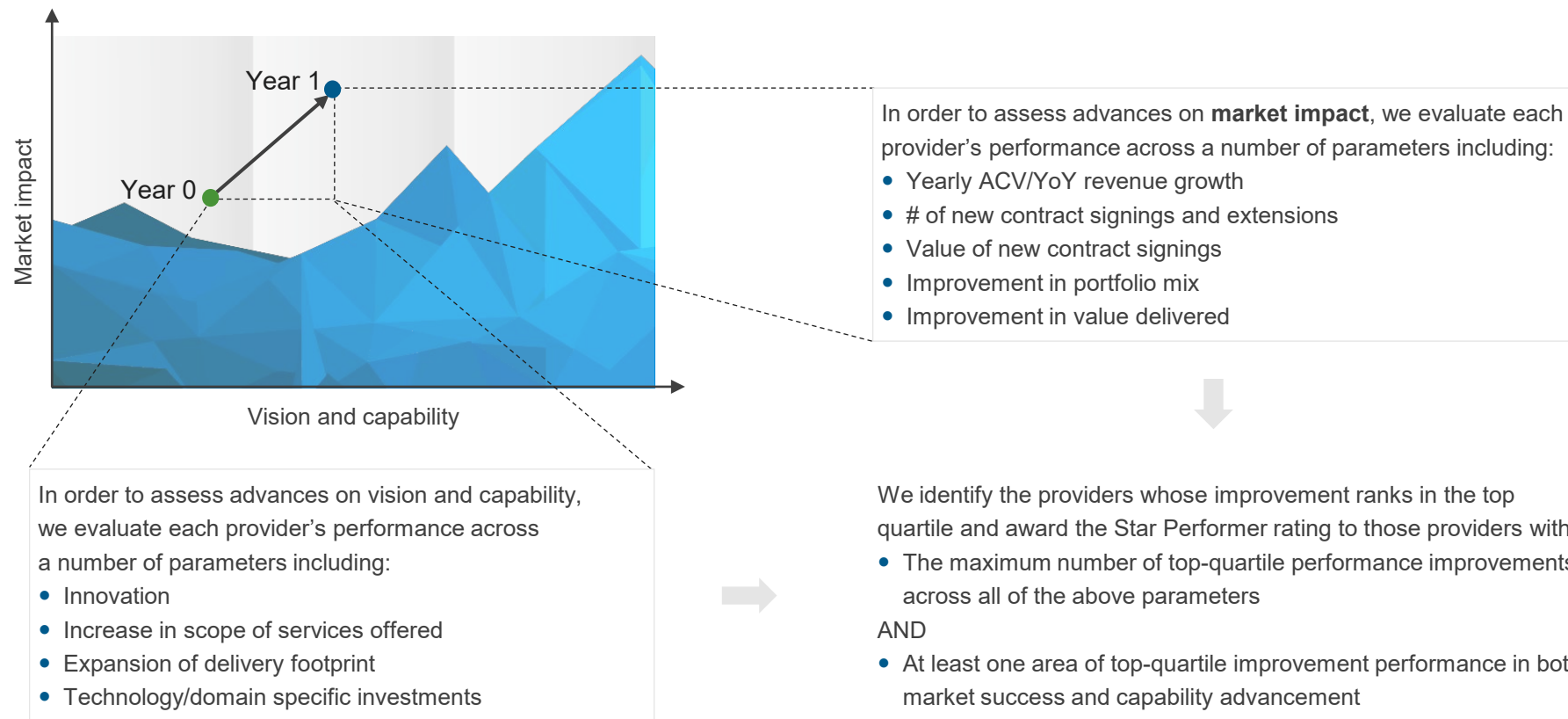
Everest Group PEAK Matrix

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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Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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With you on the journey