

NEAT EVALUATION FOR DXC TECHNOLOGY:

P&C Operations Transformation

Market Segments: New Business Setup/Underwriting Capability,
Customer/Distribution Service Administration Capability,
Claims Administration Capability

Introduction

This is a custom report for DXC Technology (DXC) presenting the findings of the NelsonHall NEAT vendor evaluation for *P&C Operations Transformation* in all market segments: *New Business Setup/Underwriting Capability*, *Customer/Distribution Service Administration Capability*, and *Claims Administration Capability*. It contains the NEAT graphs of vendor performance, a summary vendor analysis of DXC for P&C operations transformation, and the latest market analysis summary.

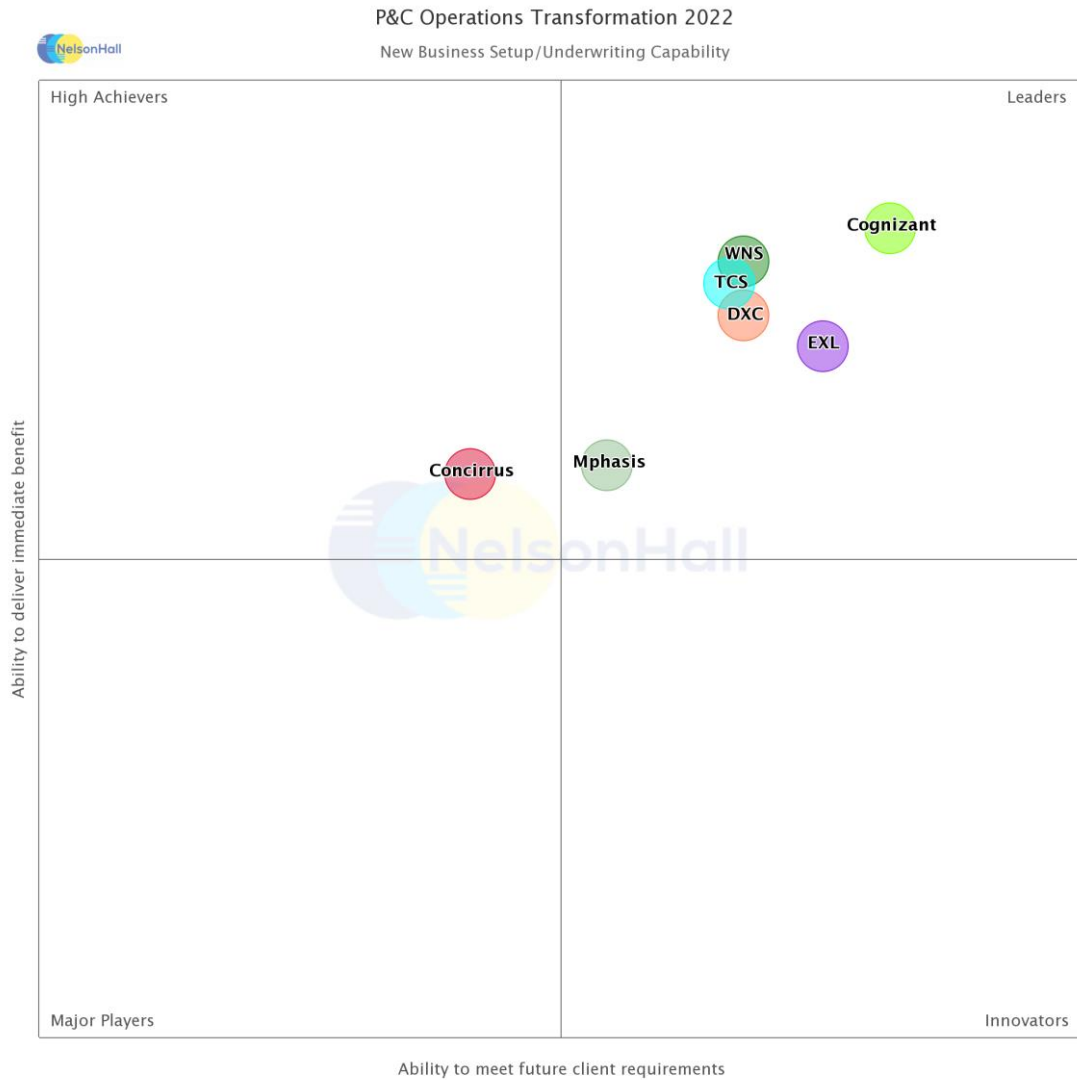
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering property & casualty (P&C) insurance operations transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors with specific capability in new business setup/underwriting, customer/distribution service administration, and claims administration.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Vendors evaluated for this NEAT are: Cognizant, Concirrus, DXC Technology, EXL, Mphasis, TCS, and WNS. Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: P&C Operations Transformation (New Business Setup/Underwriting Capability)



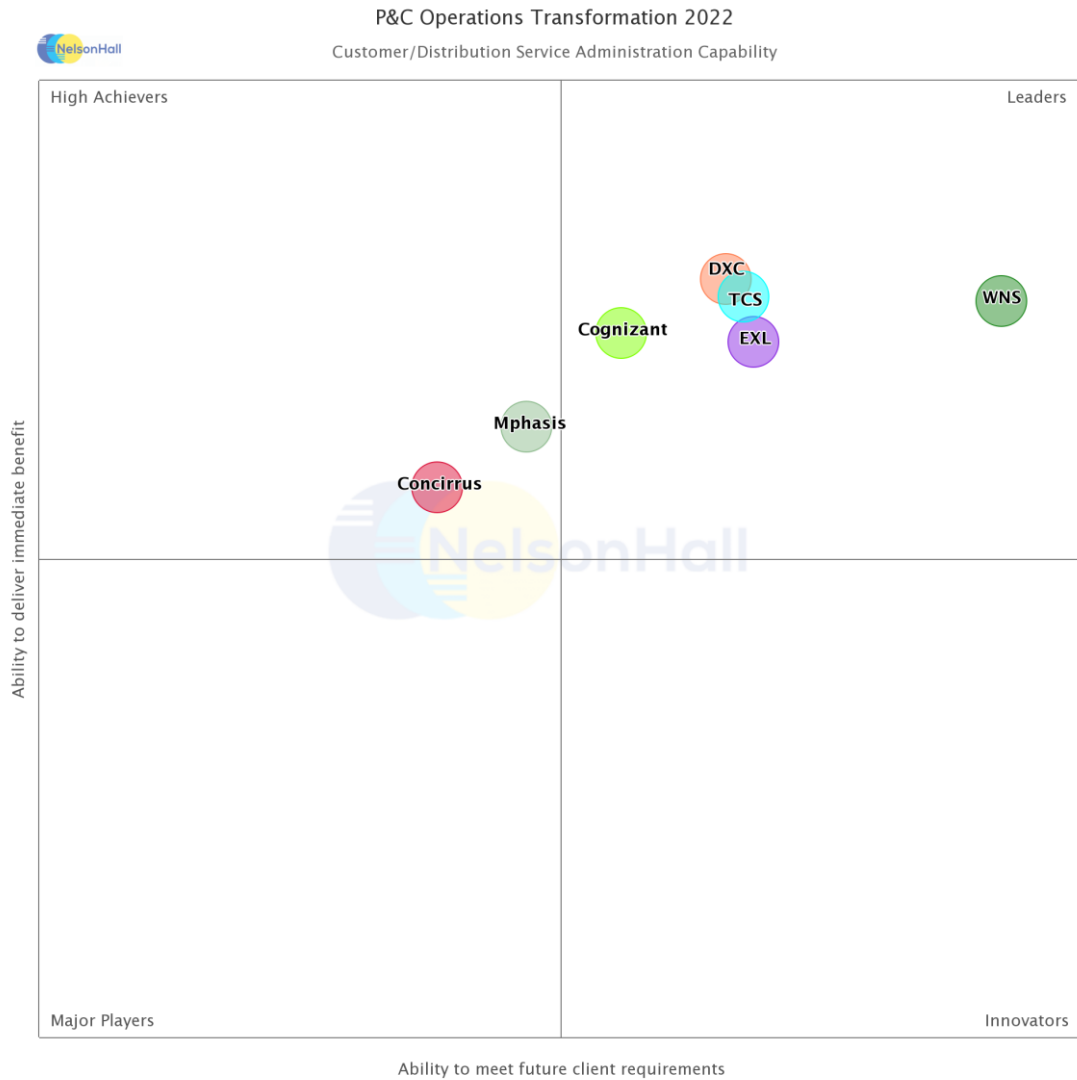
NelsonHall has identified DXC as a Leader in the *New Business Setup/Underwriting Capability* market segment, as shown in the NEAT graph. This market segment reflects DXC’s ability to meet future client requirements as well as delivering immediate benefits to its P&C clients with specific capability in new business setup and underwriting.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *P&C Operations Transformation* NEAT tool (*New Business Setup/Underwriting Capability*) [here](#).



NEAT Evaluation: P&C Operations Transformation (Customer/Distribution Service Admin Capability)

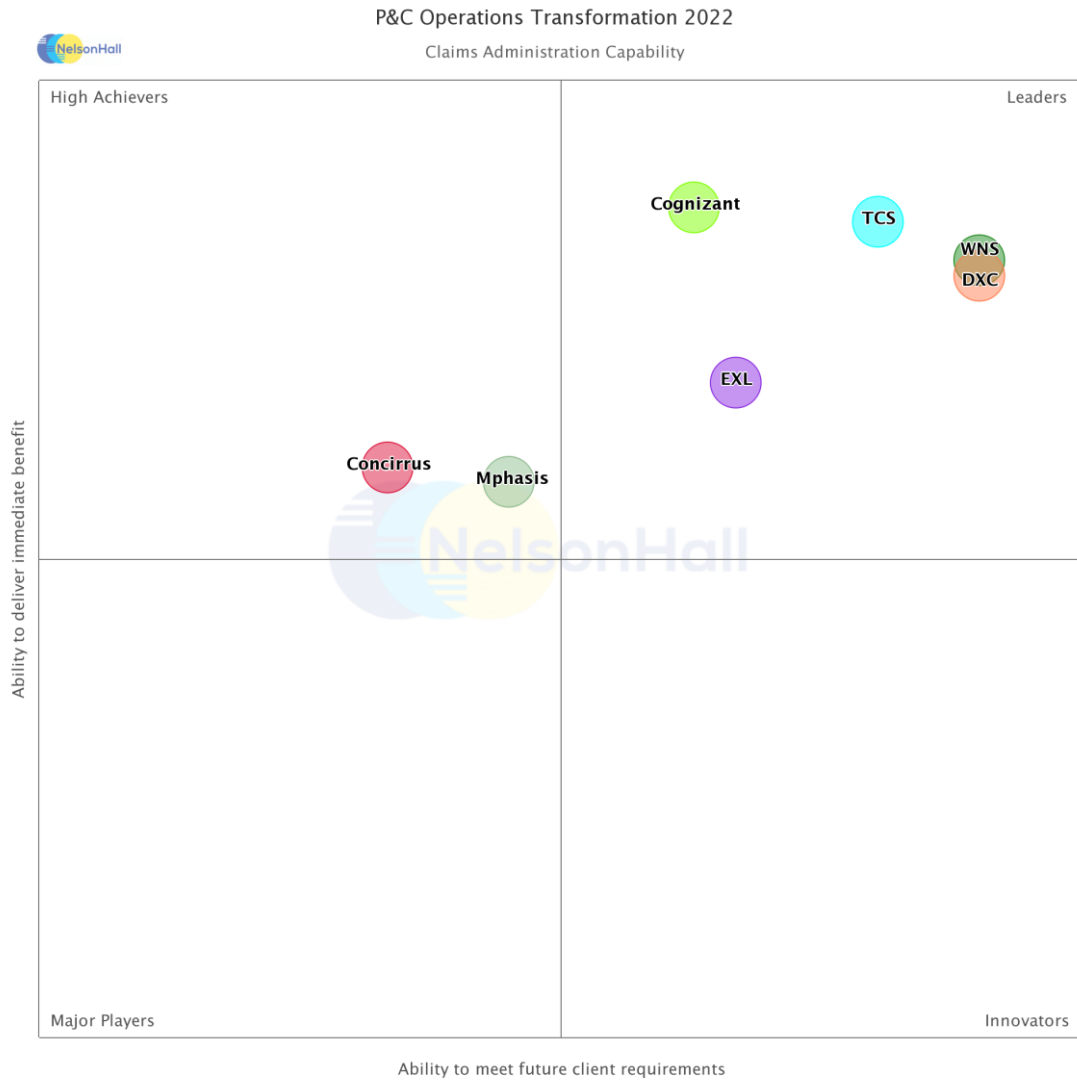


NelsonHall has identified DXC as a Leader in the *Customer/Distribution Service Administration Capability* market segment, as shown in the NEAT graph. This market segment reflects DXC's ability to meet future client requirements as well as delivering immediate benefits to its P&C clients with specific capability in customer/distribution service administration.

Buy-side organizations can access the *P&C Operations Transformation* NEAT tool (*Customer/Distribution Service Administration Capability*) [here](#).



NEAT Evaluation: P&C Operations Transformation (Claims Administration Capability)



NelsonHall has identified DXC as a Leader in the *Claims Administration Capability* market segment, as shown in the NEAT graph. This market segment reflects DXC's ability to meet future client requirements as well as delivering immediate benefits to its P&C clients with specific capability in claims administration.

Buy-side organizations can access the *P&C Operations Transformation* NEAT tool (*Claims Administration Capability*) [here](#).



Vendor Analysis Summary for DXC

Overview

DXC provides services to insurance carriers that enable them to achieve their business outcomes and efficiently transform operations. In 2021, DXC reported ~1,900 insurance clients across its health insurance, life insurance, annuities, reinsurance, and P&C insurance subsegments. Of these, NelsonHall estimates DXC has ~850 P&C clients.

Its software products across the insurance value chain for the various subsegments are built upon the DXC Assure Digital Platform, a cloud-enabled, microservice-constructed solution. Additions and adjustments are made to tailor AI, ML, and RPA capabilities within the platform for each of its insurance subsegments.

DXC has over 40 years' experience working with global P&C carriers, covering personal, commercial, and specialty lines. It offers a full suite of software products and related services within the DXC Assure portfolio, along with comprehensive Business Process Services (BPS), including insurance-specific BPaaS and SaaS model engagements.

DXC is investing in expanding its partner and insurtech ecosystem to provide further comprehensive services to P&C carriers.

Services include:

- *New business setup, underwriting, actuarial* – services and solutions in new business setup, underwriting, and product configuration
- *Marketing and acquisition* – support for marketing and acquisition of new customers through various offerings within the DXC Assure portfolio, including digital capabilities for document intake
- *Customer service administration* – customer service support, with ~7m customer interactions in 2021. DXC also offers policy administration support through proprietary solutions with DXC Assure Policy and DXC Assure for Commercial and Specialty
- *Claims administration* – DXC's Assure Claims solution and DXC Assure for Commercial and Specialty offer digital capabilities to provide efficiencies to carriers in addition to service support in P&C claims administration. DXC Assure Claims solution enables claims intake, processing, calculation, and adjustment through APIs, RPA, and AI/ML
- *Broker management* – service support in the setup, administration, and reporting of broker contracts and commissions
- *Internet of Things (IoT)* – integration with internet-connected devices.

In 2021, DXC reported ~3300 FTEs dedicated to P&C services and solutions, including licensed underwriters. Approximately one-third of these FTEs are located in India.

In BPS engagements, DXC employs a digital-first strategy in service and solution capacity to support carrier engagements rather than the traditional expansion of the FTE workforce. DXC's solution with the partner ecosystem provides approximately six years of knowledge-based ML decision engines with published APIs.

DXC invests in talent acquisition and development through its Insurance Academy to skill staff at the portfolio and client level. Additionally, DXC employs gamification tools to enable employee engagement and development.



Financials

NelsonHall estimates DXC's P&C insurance revenue (including software) to be \$750m in 2021, with the operations transformation component being \$250m.

Strengths

- Collaborative partnership with Mosaic Insurance, building an innovative digital-first insurtech platform for specialty lines. This provides Lloyd's capacity to globally dispersed underwriting hubs and expands digital capability portfolio
- Development of gamification tools in talent retention/engagement/development, with the long-term goal to offer to P&C carriers
- Comprehensive offerings through IP, services, and partnered solutions provided through SaaS, BPaaS, and BPS model engagements
- Published REST APIs to facilitate partner integration for clients' systems
- Investment in DXC Assure Digital Platform with globally relevant capabilities in compliance and regional regulations
- IBM Watson visual recognition and insurance knowledge base enabling DXC platforms' decision engines in quote generation and claims administration
- Analytics-as-a-Service offering
- DXC exerts a powerful combination of experience and innovation using its software and services.

Challenges

- Can expand implementations of marketing and acquisition solution offerings
- Can focus investment and partnerships in IoT offerings and integration capabilities
- Can develop implementations of microinsurance solutions and models in North America
- Can expand actuarial team available to carrier clients as FTE support.

Strategic Direction

DXC continues to expand its global delivery model by investment in IP and international talent development and skilling. DXC relaunched its brand in 2021 with a new logo, website, and messaging and a greater focus on insurance software and BPS. DXC's strategy continues to be digital-first to improve carriers' customer engagement, improve operational efficiency, and enable growth. This strategy is supported by DXC's continued internal development of digital solutions and continued investment in relationships with technology firms and insurtechs.

Additionally, DXC expands digital capabilities through its invitationals with insurtechs, DXC COEs, and carrier customer focus groups.



Outlook

DXC continues to develop its proprietary platform and related solution suite to offer enhanced digital capabilities for P&C service offerings. In conjunction with the internal development of digital tools, DXC continues to expand and establish relationships with insurtechs and technology firms to further develop the digital portfolio provided to carriers. Expect to see an expanding insurtech collaboration with Mosaic Insurance, bringing to market new solutions and policy models in specialty insurance, and a renewed push by DXC to demonstrate and market its capabilities as an experienced software and services provider in the insurance industry.



P&C Operations Transformation Market Summary

Overview

P&C carriers report high levels of self-sufficiency in defining new operations process models but need help in delivering new operations and implementing the transformation.

Service usage is still concentrated in claims administration, but this is changing.

Vendor offerings to personal lines insurance engagements are currently focused on contact center support and AI-enabled digital personalization, while offerings for commercial lines insurance engagements are focused on digitalization to bring efficiencies in processing times and mitigation of leakage.

Since 2020, there has been a shift to assist vendors in digitalizing property assessments, quote generations, and customer communication and moving away from in-person and print materials.

Vendors are increasing investment in digital capabilities to enhance consumer self-service functionality, and there is increased focus on analytics and AI-driven solutions to support straight-through processing and enable proactive claims management. Vendors have increased offerings in implementing automation within the underwriting process and APIs to the carrier's agent web portals.

Buy-Side Dynamics

Global P&C carriers need digital solutions with analytics and AI capabilities in underwriting, CX, and claims administration. Specifically, they need:

- Digital solutions and service support to enable the provision of direct-to-consumer policies for carriers to pilot offerings without disrupting traditional business
- Enhanced digitalization of customer interaction channels, specifically in remote property assessments, quote generation, and claims fulfillment
- Continued enhancement and application of intelligent automation tools to increase efficiencies in processing and turnaround times to increase volume handling and reduce costs
- Digital solution support in actuarial and underwriting services, focusing on automation
- Enhanced digital experience for agents to facilitate carrier interaction and portfolio management
- Proprietary or partnered multi-tenant cloud-based P&C insurance solutions
- Regional advisory services and domain knowledge in compliance policy and quote generation
- Advanced analytics applied in customer administration and claims management processes.



Market Size & Growth

The global P&C BPS market is ~\$11,817m in 2021, and is expected to grow ~4.6% CAAGR to reach ~\$14,148m by 2025.

Challenges & Success Factors

Key challenges for P&C operations transformation services vendors include developing:

- Investments and partnerships with technology firms to accelerate proprietary solution development
- Intelligent automation tools to enhance efficiencies in back-office processes to increase turnaround times and enable proactive claims management
- Collaboration of partnered solutions and IP to provide comprehensive digital services and solutions to P&C carriers
- Mix of AI and analytic-driven solutions to enable shorter go-to-market times for new policy lines and the provision of micro-insurance policies to carriers' customers
- Investments and partnerships in data security and cloud infrastructure to enable data sharing and integrations to assist carriers in overcoming the uncertainties in digital information sharing
- AI-driven virtual self-service tools with live agent support to ensure customer satisfaction in higher emotive interactions and more personalized communication
- Digital solutions providing automation to underwriting, quote generation, and illustrations that integrate seamlessly with carrier and distribution systems to ensure agent satisfaction and support new member acquisition.

The key success factors for P&C operations transformation services vendors include:

- Strong operational domain and process understanding
- Ability to rethink operational process boundaries and use of design thinking to reimagine processes and operating models
- Ability to offer cloud-based industry process transformation solutions including proprietary tools and industry platforms
- Advanced analytics capability, including machine learning & deep learning
- Blockchain capability.

Outlook

There is increasing need to improve efficiency and proactive claims management, to be less susceptible to environmental and volume impacts. Also, looking ahead:

- Conversational, multi-threaded virtual agents will help customers feel at ease and share the amount of data necessary to provide a full experience
- There will be a deceleration in the establishment of offshore delivery centers, with an increased focus on replacing outsourced manual process steps with intelligent automation



- Direct-to-consumer policies – digitalization is allowing carriers to pilot offerings such as direct-to-consumer without disrupting traditional business
- Investment in solution-agnostic digital capabilities and channel interoperability will increase
- There will be increased adoption of outcome-based and gainshare pricing models between vendors and P&C carriers.



NEAT Methodology for P&C Operations Transformation

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> New business set up/underwriting support Customer service administration Marketing & acquisition Broker management Claims administration Internet of Things
Delivery	<ul style="list-style-type: none"> Scale of delivery capacity/FTEs Percentage of off-shore workforce Use of advanced analytics Use of digital transformation Use of proprietary platforms(s) Use of multi-channel/mobile application Ability to reimagine service/process Access to sector knowledge and skills
Presence	<ul style="list-style-type: none"> Number of P&C clients Corporate stability
Benefits Achieved	<ul style="list-style-type: none"> Perceived administrative cost reduction Perceived reduction in processing and turnaround times Perceived reduction in leakage Perceived improvement in volume handling Perceived improvement in customer satisfaction Perceived quality improvement Perceived flexibility with pricing Perceived value for money Overall satisfaction



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Future Offerings and Delivery	Level of investment in P&C operation transformation Perceived future suitability in new business setup/underwriting/actuarial Perceived future suitability in customer service administration and multi-channel communications/mobile application Perceived future suitability in claims management Perceived future suitability in broker management Perceived future suitability in Internet of Things
Future Use of Technology	P&C platform(s) Ability to apply new technologies
Market Momentum	Outlook for revenue expansion Strength of partnership

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



research.nelson-hall.com

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
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