



Infosys

Transforming Life & Annuities BPS with End-to-End Digitalization

**Vendor Assessment
Report Abstract**

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12 pages





Who Is This Vendor Assessment For?

NelsonHall's comprehensive assessment of Infosys' life and annuities (L&A) business process service (BPS) offerings and capabilities is designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of business process outsourcing and identifying vendor suitability for RFPs
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the support services sector.



Key Findings & Highlights

Infosys' insurance business resides within Infosys' largest vertical group, financial services. Within the insurance group over 50% of revenue is generated by L&A, with the remainder generated by P&C, reinsurance and health insurance.

Infosys entered the life insurance business process service (BPS) market in November 2009 with the acquisition of McCamish Systems (now 'Infosys McCamish'). The McCamish brand remains a significant asset and component of the Infosys L&A business today.

- Established in 1996, McCamish had provided BPS services to the U.S. life and annuities (L&A) industry, utilizing its proprietary core processing platforms, VPAS (policy administration system) and PMACS (producer management and compensation systems)
- In September 2012, Infosys McCamish acquired Voluntary Group Business from Marsh BPO including group administration, enrollment, claims processing, call center and accounting unit of insurance brokerage Marsh & McLennan. This added about 90 FTEs in Des Moines and six life insurance BPO clients, with 600k policies among them
- McCamish has been enjoying strong revenue growth in recent years: in FY18 the subsidiary generated revenues of \$111m, a growth of 59%, following 28.4% growth the previous year. Revenues come from BPS, consulting services, software subscriptions or licenses & maintenance. The business is also beginning to become more profitable, with operating margin in FY18 reached 6.7% (up 2.5 pts y/y).

In 2018, Infosys restructured its BPS practice to be better integrated with the rest of its business. Previously, BPS capabilities had been aligned solely with vertically oriented strategies and GTM teams. Now, however, BPS capabilities are matrixed with both horizontal and vertical leadership, which is supposed to better integrate its horizontal enterprise investments, its vertical life and annuities (L&A) offerings, and its digital offerings.

Revenues

NelsonHall estimates that Infosys' CY 2019 revenue from L&A BPS at:

- Open book: 27%
- Closed book: 73%

Total revenues: \$55m

Strategy

Closed block business: Infosys strategy is to leverage its IT strengths to successfully convert closed block business and then process it using its well-regarded and recently updated VPAS platform. Cross-sales from current BPS clients and from current VPAS clients is the most likely avenue for expansion of this business, although Infosys does have an appetite for acquiring new logos, in the U.S. and in the rest of the world.

Open block business: Infosys has ramped up acquisition of "digital" talent and upskilling of its current workforce to provide the basis for delivering on agency/broker support, new business acquisition, and for policy/claim administration through digital channels. Capacity does not yet appear to have been filled with client business, however, suggesting that Infosys may be lagging behind its peers.

Scope of the Report

The report comprehensively analyzes the company's L&A BPS practice:

- Strategy, emphases and new developments
- Strengths, weaknesses and outlook
- Target market
- Offerings and associated technology capabilities
- Delivery organization, including locations and partnerships
- Breakouts of L&A BPS specific revenue and delivery resources.

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