HFS

Insurance Services, 2025

An assessment of the insurance service provider landscape

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Excerpt for EY

" The insurance industry stands at a pivotal crossroads, where operational efficiency, enhanced stakeholder experiences, and ecosystem-driven innovation are no longer optional—they are the defining horizons for carriers looking to lead in a rapidly evolving market. "
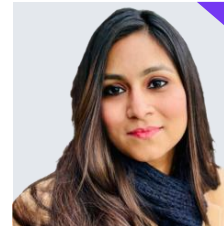
Reetika Fleming
Executive Research Leader, HFS Research

" The future of insurance lies in smart innovation, streamlined operations, and strong ecosystem alliances, which are the key factors for success in an increasingly dynamic market. "

Hridika Biswas
Senior Analyst, HFS Research

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Introduction and research methodology

Excerpt for EY

Introduction to HFS Horizons – Insurance Services, 2025

As 2024 progresses, the insurance industry is undergoing a significant transformation. Innovative disruptors push incumbents by utilizing generative AI (GenAI), cloud technologies, and automation to enhance customer experience (CX). The competition has intensified, with a strong emphasis on personalization, efficiency, and agility. As a result, service providers have shifted from merely offering support to becoming strategic partners tasked with delivering a tailored combination of cutting-edge IT capabilities and industry expertise to produce real business outcomes and help insurers stay competitive in this evolving environment.

Welcome to our **HFS Horizon – Insurance Services, 2025** study. Horizons are HFS Research's vendor evaluation research vehicle designed to assess the innovation and value potential of service provider capabilities across three distinct horizons:
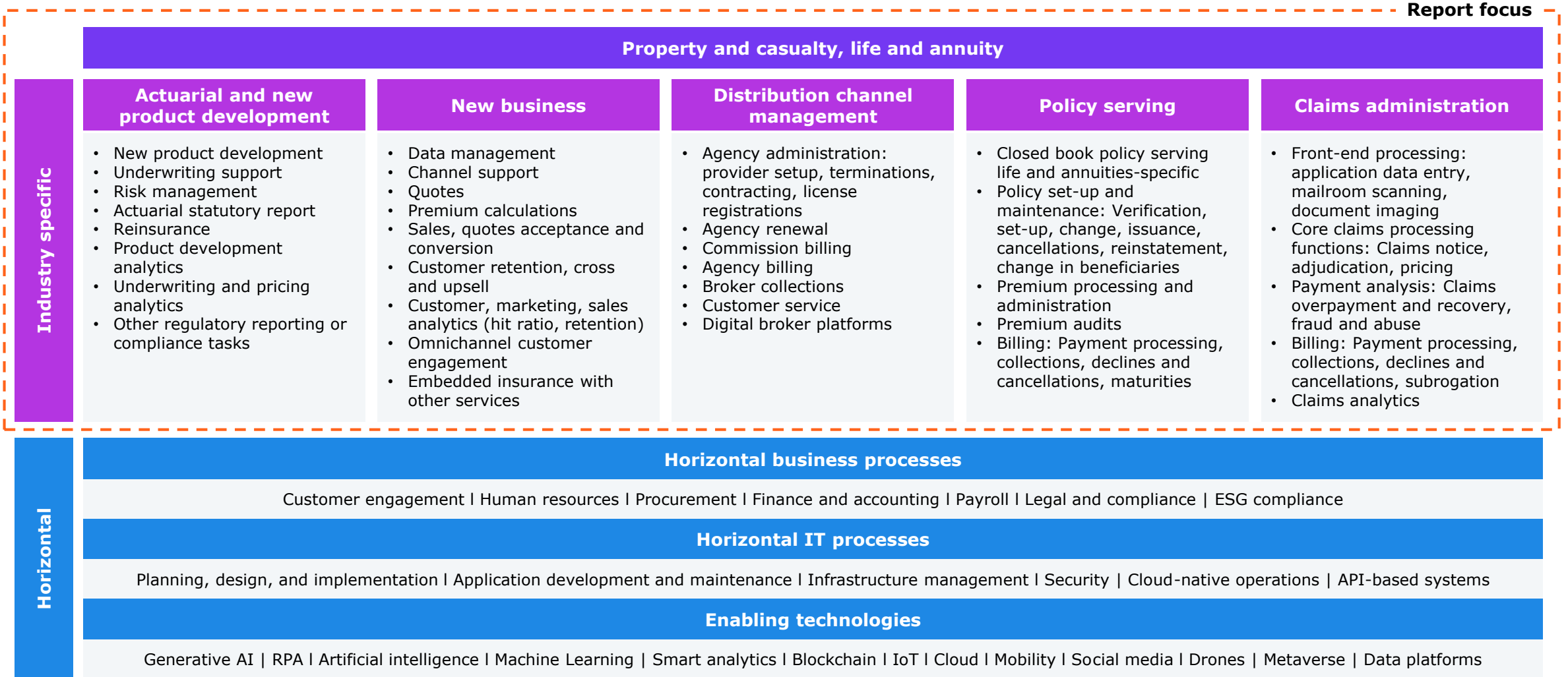
- **Horizon 1:** Ability to drive functional transformation by driving cost reduction, speed, efficiency, and regulatory compliance improvements

- **Horizon 2:** Horizon 1 + ability to drive the 'OneOffice' mindset, enhancing customer and intermediary experiences through digital technologies and services transformation

- **Horizon 3:** Horizon 2 + ability to drive the 'OneEcosystem' approach, finding new sources of value across the entire insurance ecosystem

This research will assess how well service providers help their clients embrace insurance services to drive innovation and realize value. The study evaluates the capabilities of providers across the insurance services value chain based on a range of dimensions to understand the **_why, what, how, and so what_** of their service offerings.

Inclusion criteria:

- Annual insurance revenue of at least $100 million

- An existing portfolio covering both industry-specific and horizontal services aimed at improving client experience

HFS' insurance services value chain

Property and casualty, life and annuity

Industry specific	Actuarial and new product development	New business	Distribution channel management	Policy serving	Claims administration
	• New product development • Underwriting support • Risk management • Actuarial statutory report • Reinsurance • Product development analytics • Underwriting and pricing analytics • Other regulatory reporting or compliance tasks	• Data management • Channel support • Quotes • Premium calculations • Sales, quotes acceptance and conversion • Customer retention, cross and upsell • Customer, marketing, sales analytics (hit ratio, retention) • Omnichannel customer engagement • Embedded insurance with other services	• Agency administration: provider setup, terminations, contracting, license registrations • Agency renewal • Commission billing • Agency billing • Broker collections • Customer service • Digital broker platforms	• Closed book policy serving life and annuities-specific • Policy set-up and maintenance: Verification, set-up, change, issuance, cancellations, reinstatement, change in beneficiaries • Premium processing and administration • Premium audits • Billing: Payment processing, collections, declines and cancellations, maturities	• Front-end processing: application data entry, mailroom scanning, document imaging • Core claims processing functions: Claims notice, adjudication, pricing • Payment analysis: Claims overpayment and recovery, fraud and abuse • Billing: Payment processing, collections, declines and cancellations, subrogation • Claims analytics

Horizontal

Horizontal business processes

Customer engagement l Human resources l Procurement l Finance and accounting l Payroll l Legal and compliance | ESG compliance

Horizontal IT processes

Planning, design, and implementation l Application development and maintenance l Infrastructure management l Security | Cloud-native operations | API-based systems

Enabling technologies

Generative AI | RPA l Artificial intelligence l Machine Learning | Smart analytics l Blockchain l IoT l Cloud l Mobility l Social media l Drones | Metaverse | Data platforms

The HFS insurance operations value chain defined

The industry value chain for insurance operations provides a comprehensive overview of services for the insurance sector focused on the property and casualty (P&C) and life and annuity (L&A) segments, as well as reinsurance and brokers and other intermediaries.

The insurance value chain includes the following industry-specific processes:

- **Actuarial and new product development**: Services focused on optimizing actuarial functions and risk management, including ESG-compliant product development and cyber-risk models to meet emerging market needs and regulations.

- **New business:** Aims to create business opportunities through data management, customer retention, and omnichannel engagement, with a focus on embedded insurance to expand market reach in 2025.

- **Distribution channel management:** Optimizes insurance distribution networks using AI/ML-based agent lifecycle management and digital broker platforms for enhanced efficiency and reach.

- **Policy serving:** Supports policyholders through the lifecycle of insurance coverage, including policy setup, premium processing, and billing, with increased reliance on AI and automation for faster, personalized service.

- **Claims administration:** Processes focused on the claims lifecycle, including front-end processing and payment analysis with AI-powered claims processing, enhancing speed, accuracy, fraud detection, and customer satisfaction.

- **Horizontal IT and business processes:** Enterprises across all sectors rely on standardized business and IT processes, known as horizontal processes, essential for daily operations. In insurance, the focus is on unique innovations such as cloud-based business process as a service (BPaaS), telematics-based products, cognitive agents, and drone-assisted claims. Additionally, GenAI is transforming horizontal processes by automating customer engagement, data analysis, and compliance, driving real-time insights, personalized recommendations, and more efficient operations.

- **Enabling technologies:** Intelligent automation, IoT, and smart analytics among other technologies are key to optimizing operations and unlocking new revenue streams. These are horizontal and applicable across both industry-specific and general processes. The focus is on how insurance firms are utilizing these technologies, which service providers are offering them, and the real business impacts they are driving. GenAI also plays a critical role by automating workflows, improving decision-making, and enhancing customer experiences across the insurance value chain.

Focus of HFS Horizons – Insurance Services, 2025

Customer engagement

How are you helping insurance clients enhance customer engagement through your services? How will this evolve with the latest advancements in AI/GenAI?

Technology integration and scalability

How do you implement scalable, flexible technology platforms such as cloud, AI, and APIs to help insurers adapt to market changes and expand their services?

Innovation and ecosystem integration

How do you foster innovation through collaboration with clients and partners and integrate emerging technologies such as GenAI, IoT, and blockchain into future-proof business models?

Operational efficiency and automation

How do you use technologies such as RPA, AI, and machine learning (ML) to drive automation and streamline core insurance functions such as claims processing, policy servicing, and underwriting?

Data-driven decision making

How do you help insurers leverage data analytics, AI, and predictive models for smarter decision-making in risk management, product development, and pricing?

Regulatory compliance and risk management

How do service providers help insurers meet regulatory requirements, manage cyber risks, and incorporate ESG initiatives into their operations and offerings?

Executive summary (1/2)

The insurance industry is increasingly adopting AI-driven analytics and cloud solutions to enhance underwriting, claims processing, and CX. Service providers are focused on operational efficiency and data-driven decision-making to offer personalized products and improve risk management.

Despite these technological advancements, challenges related to complex legacy infrastructure, workforce skill gaps, and regulatory pressures persist. Providers are investing in strategic partnerships and upskilling their workforce to ensure continued success and differentiation in a highly competitive market.

1 **Horizon leaders**

There are 10 Horizon 3 leaders (Accenture, Capgemini, Cognizant, Deloitte, EXL, EY, IBM, Infosys, PwC, and TCS) in the insurance services space for 2025. These service providers are setting themselves apart by combining industry-specialized platforms, end-to-end transformation capabilities, and co-innovation models. They are modernizing legacy systems and driving outcomes through GenAI pilots, embedded distribution, advanced analytics, and ecosystem orchestration. Their ability to bridge consulting, technology, and operations at scale makes them strategic transformation partners across P&C and L&A.

2 **Hybrid delivery models**

Insurance service providers are increasingly adopting hybrid delivery models, combining cloud-first strategies, AI-driven automation, and end-to-end solutions. They are leveraging nearshoring to optimize talent, integrate cross-functional teams for comprehensive service delivery, and focus on regulatory compliance and data strategy to meet evolving market demands and enhance operational efficiency.

3 **Growing InsurTech partnerships**

Insurance service providers are increasingly collaborating with InsurTech platforms to drive innovation and scalability. These partnerships enable the development of AI-powered solutions, cloud-based infrastructures, and automated claims systems, helping insurers enhance efficiency, bridge the talent gap, and accelerate digital transformation. By leveraging InsurTech ecosystems, providers can facilitate faster solution development, industry-specific R&D, and personalized CX.

4 **Core insurance platforms**

Core insurance platforms such as Duck Creek Technologies and Guidewire enable insurers to modernize their operations by providing cloud-based, modular solutions for policy administration, claims management, and billing. These platforms also help them streamline workflows, improve data integration, and enhance customer engagement—thereby driving digital transformation, enhancing operational efficiency, and accelerating time-to-market for new products.

Executive summary (2/2)

5   **L&A trends**   Insurers are embracing AI-driven personalization and cloud-based platforms to enhance customer engagement, improve underwriting accuracy, and offer tailored annuity products. The growing focus on predictive analytics and data-driven risk models pushes L&A providers to streamline their operations, improve product flexibility, and deliver better financial solutions to customers, all while addressing challenges such as regulatory compliance and talent shortages.

6   **P&C trends**   Insurers are adopting AI and automation to accelerate claims processing, enhance fraud detection, and improve risk prediction. With the rise of cloud platforms and data analytics, P&C providers are able to offer dynamic pricing models and real-time policy adjustments, driving operational efficiency and better managing risk exposure. These advancements help address critical challenges in ensuring scalable infrastructure, regulatory compliance, and enhanced CX.

7   **Talent and workforce strategies**   As the insurance industry embraces digital transformation, there's a growing need for specialized talent in AI, data analytics, and cloud technologies. Insurers are investing in upskilling and reskilling programs, industry-specific training, and cross-functional collaboration to bridge the talent gap. Strategic initiatives in nearshoring, ecosystem partnerships, and workforce diversification are also critical for driving innovation, improving operational efficiency, and ensuring sustained growth in a competitive market.

8   **Tech-driven transformation initiatives**   The insurance industry is rapidly adopting cloud technologies, AI-driven solutions, and advanced analytics to streamline operations, enhance CX, and improve risk management. These technologies are enabling insurers to offer more personalized products, automate claims processing, and predict market trends, driving both efficiency and innovation.

9   **Voice of customers and partners**   Clients value domain expertise and innovative solutions in AI, risk management, and cloud technologies. However, challenges such as slower proposal delivery, high pricing, and the need for more emerging tech insights persist. Clients also seek greater flexibility, collaboration, and strategic partnerships to address industry challenges and drive success. Partners value innovation, domain expertise, and global reach but look for faster contracting, scalable solutions, and increased collaboration. They also emphasize the need for strategic alignment, consistent resources, and joint marketing efforts to drive growth.

24 service providers have been evaluated in this report

accenture

Capgemini

Coforge

cognizant

Deloitte.

DXC TECHNOLOGY

EXL

EY
Shape the future with confidence

genpact

HCLTech

Hitachi Digital Services

IBM

Infosys

KPMG

LTIMindtree

Mphasis
The Next Applied

pwc

SUTHERLAND

tcs TATA CONSULTANCY SERVICES

TECH mahindra

virtusa

wipro

WNS

xceedance

Note: All service providers are listed alphabetically

Sources of data

This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the service capabilities of the participating organizations covered in our study. Sources are as follows:

Briefings and information gathering

HFS conducted detailed **briefings** with the engineering R&D leadership from each vendor.

Each participant submitted a specific set of **supporting information** aligned with the assessment methodology.
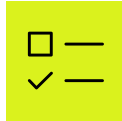
Reference checks

We conducted reference checks with **35 active clients and 31 active partner references** of the study participants via surveys and interviews.

Other data sources

Public information such as news releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.
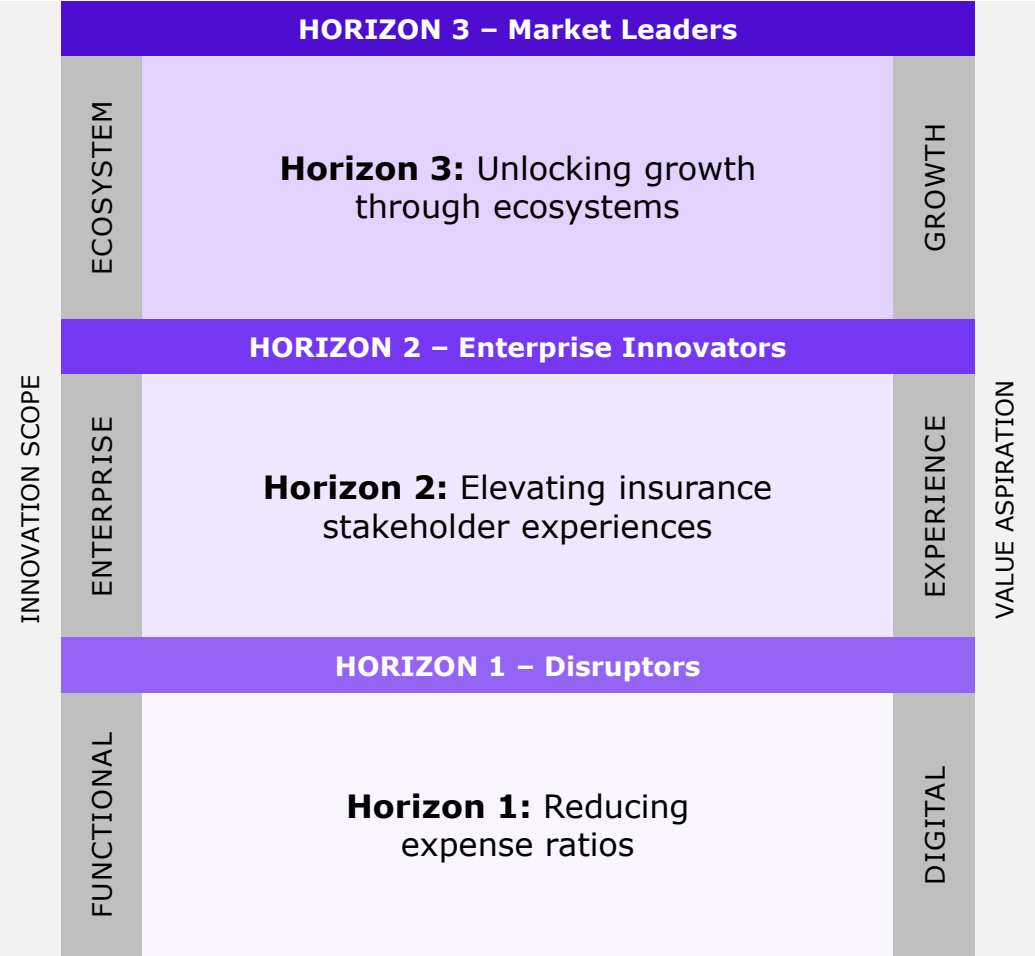
Horizons assessment methodology

The **HFS Horizons: Insurance Services, 2025** report evaluated the capabilities of service providers across a range of dimensions to understand the *why, what, how, and so what* of their insurance offerings. Our assessment will be based on client, partner, and employee inputs and augmented with analyst perspectives. The following illustrates how we will assess your capabilities:

⟵ **Distinguishing service provider characteristics** ⟶

Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The why? (25%)	• Strategy and roadmap • Clarity of vision for insurance services and nature of outcomes • Differentiators: Why clients work with you	• Ability to deliver functional optimization in core insurance processes such as underwriting, policy serving, and claims management	• Horizon 1 + ability to deliver real business outcomes across customer and policyholder experiences while driving experience-led insurance transformations	• Horizon 2 + ability to drive ecosystem-wide insurance transformations, enabling new sources of value and collaboration across the insurance value chain
Execution and innovation capabilities: The what? (25%)	• Breadth and depth: Formalized insurance capabilities including offerings, leadership, sector experience, and delivery abilities • Strength of talent pool • Innovative solutions (industry-specific, ESG, etc.) • Cultivation of internal IP, patents, insurance solutions combos, use of best-of-breed partner technologies, R&D investments	• Demonstrate strong fundamentals in driving transformational value across core insurance pillars such as actuarial functions, claims, and policy servicing • Emphasize cost-effectiveness and efficiency gains	• Horizon 1 + ability to measure and demonstrate enterprise transformation by improving customer engagement and business value • Global insurance capabilities with solid industry knowledge	• Horizon 2 + • Strategy and execution capabilities at scale • Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
Go-to-market strategy: The how? (25%)	• What insurance services are you pitching to clients and how? • Nature of investments in your insurance business (M&A, training, R&D) • Co-innovation and collaboration approaches with customers and partners including creative commercial models • Assuring outcomes • Voice of the partner	• Robust fundamentals of insurance services • Technology and capability focus, with partnerships playing a critical role	• Horizon 1 + proven and leading-edge proprietary assets, including industry-led solutions • Multiple partnerships leading to co-innovation and collaboration	• Horizon 2 + • Driving co-creation with clients and ecosystem partners • Effectively envisioning outcomes and providing business assurance for insurance services
Market impact: The so what? (25%)	• Scale and growth of insurance business: Revenue, clients, and headcount • Proven outcomes showcasing insurance services driving transformation • Voice of the customer	• Referenceable and satisfied clients for the ability to execute insurance services	• Horizon 1 + referenceable and satisfied clients for the ability to drive business transformation and innovation	• Horizon 2 + referenceable and satisfied clients demonstrating innovation and new insurance business models based on ecosystem partnerships

Excerpt for EY

Introducing HFS Horizons – Insurance Services

Horizon 3: Unlocking growth through ecosystems
Horizon 3 service providers demonstrate:
- Horizon 2 + ability to drive the 'OneEcosystem' approach, finding new sources of value across the entire insurance ecosystem
- Co-creation with clients and ecosystem partners to transform the insurance value chain into a fully integrated ecosystem
- Ecosystem transformation across key areas, including underwriting, claims processing, and distribution
- Advanced capabilities in driving talent, technology, and adaptive process changes
- Referenceable and satisfied clients demonstrating innovation and new insurance business models based on ecosystem partnerships

Horizon 2: Elevating insurance stakeholder experiences
Horizon 2 service providers demonstrate:
- Horizon 1 + ability to drive the 'OneOffice' mindset, enhancing customer and intermediary experiences through digital technologies and services transformation
- Capability to deliver multi-year managed services across key insurance areas such as underwriting, claims management, policy servicing, and distribution
- Support clients in improving policyholder, employee, and intermediary engagement and experiences
- Global insurance capabilities with solid industry knowledge
- Proven proprietary tools, frameworks, and advanced AI and GenAI models for process automation
- Referenceable and satisfied clients for the ability to innovate

Horizon 1: Reducing expense ratios
Horizon 1 service providers demonstrate:
- Ability to drive functional transformation by driving cost reduction, speed, efficiency, and regulatory compliance improvements
- Demonstrate strong fundamentals in driving transformational value across core insurance pillars such as claims and policy servicing
- Global delivery capabilities and client footprint
- Referenceable and satisfied clients for the ability to execute

Excerpt for EY

Demonstrating value across the Insurance Services Horizons

INNOVATION SCOPE

VALUE ASPIRATION

HORIZON 3 – Unlocking growth through ecosystems

ECOSYSTEM

GROWTH

Innovation focus: Expanding into new markets, developing innovative insurance products, and leveraging ecosystem partnerships for growth

Insurance outcomes impacted: Premium growth, return on equity, investment yield, combined ratio

HORIZON 2 – Elevating insurance stakeholder experiences

ENTERPRISE

EXPERIENCE

Innovation focus: Enhancing customer and intermediary experiences through digital technologies and services transformation

Insurance outcomes impacted: Retention ratio, NPS, claims resolution time, premium growth, policyholder lifetime value, persistency rates, claims frequency

HORIZON 1 – Reducing expense ratios

FUNCTIONAL

DIGITAL

Innovation focus: Driving operational efficiencies and effectiveness, reducing operational costs, and improving risk assessments

Insurance outcomes impacted: Expense ratio, combined ratio, loss ratio, total cost to serve, customer acquisition cost

Excerpt for EY

2 Market dynamics

Excerpt for EY

Top challenges for insurers in 2025

Legacy system integration
1

Many insurers face challenges with legacy systems, leading to inefficiencies and difficulty in adapting to market changes. They also struggle with slow product launches and automated underwriting concerns due to outdated systems.

Inefficient claims processing
2

Traditional claims processing methods are labor-intensive, prone to errors, and result in delays. This is compounded by manual tasks, such as reading and tagging medical documents, leading to higher operational costs.

Data management and standardization
3

Insurers struggle with handling large volumes of unstructured data from various sources, including quotes and claims. Lack of standardization in data formats leads to inconsistent data handling and inefficient workflows, further complicating the decision-making process.

CX challenges
4

Long wait times and high call volumes in customer service are major pain points, leading to decreased customer satisfaction. The difficulty in managing data and integrating systems across platforms exacerbates these issues, reducing operational efficiency.

Manual underwriting and risk assessment
5

Underwriting processes are often still manual, leading to longer turnaround times and inefficient risk assessment. The lack of automation in underwriting increases the potential for errors and missed opportunities.

Fraud prevention and detection
6

Insurers face issues with fraud detection due to outdated processes and lack of integrated data across insurers. This leads to delayed claims and increased operational costs.

Key trends in insurance services (1/2)

1   **AI/GenAI integration**

GenAI is being integrated into critical insurance functions such as underwriting, claims processing, fraud detection, and customer service. AI-driven solutions are being used to improve decision-making, optimize workflows, and enhance CX through personalized services. AI is also being employed in claims prediction, risk assessments, and underwriting to identify patterns and optimize pricing, improving overall operational efficiency.

2   **Cloud transformation and hybrid cloud adoption**

Insurers are adopting cloud-based solutions to modernize legacy systems and streamline operations. Hybrid cloud models are becoming increasingly important as insurers move toward more flexible, scalable infrastructure while maintaining some on-premise systems. This shift enables insurers to centralize data, improve data accessibility, and drive greater agility across their operations.

3   **Legacy system modernization**

The shift from legacy systems is a key trend, with insurers modernizing core systems to enhance agility, improve data access, and enable faster responses to market changes. API-led integration and cloud-native solutions enable insurers to update their infrastructures without overhauling entire systems. Modernization efforts involve adopting microservices architecture, allowing for more scalable and flexible solutions that can easily adapt to technological advancements.

4   **Platform ecosystems and modular solutions**

The use of modular platforms is on the rise, with insurers seeking customizable solutions designed to meet specific needs. These platforms integrate various functionalities such as underwriting, claims processing, policy management, and customer engagement into a seamless system. Ecosystem partnerships are becoming essential, as insurers work with technology providers and other partners to offer end-to-end solutions that improve CX and operational efficiency.

5   **Automation of core insurance functions**

Intelligent automation is being applied across various processes such as claims intake, underwriting, and policy issuance to reduce manual intervention, improve accuracy, and accelerate service delivery. The goal is to enhance straight-through processing (STP), allowing insurers to streamline workflows, reduce operational costs, and improve efficiency in managing claims and underwriting.

    Excerpt for EY

Key trends in insurance services (2/2)

6 **Data analytics and predictive risk models**

Insurers are increasingly relying on data analytics to drive business insights. Predictive modeling techniques are being used to analyze customer data, improve risk assessments, and create personalized products. Big data and machine learning (ML) help insurers identify emerging risks, optimize underwriting processes, and predict claims outcomes, leading to better pricing models and risk management strategies.

7 **Sustainability and ESG integration**

Environmental, social, and governance (ESG) factors are increasingly integrated into insurance operations. Insurers are using ESG data to evaluate risk profiles, particularly in sectors such as P&C, where climate change impacts are becoming more apparent. Companies are also focusing on sustainable practices, both internally and in their products, to meet growing regulatory requirements and stakeholder expectations around sustainability.

8 **Enhanced CX through digital transformation**

Improving CX is a top priority, with insurers investing in digital platforms to offer seamless, multi-channel interactions. These include mobile apps, self-service portals, and chatbots that enable customers to manage their policies, file claims, and get support with minimal human interaction. Personalization through AI-driven insights is helping insurers offer tailored products and services, enhancing customer engagement and satisfaction.

9 **Cybersecurity and quantum computing**

As insurers handle an increasing volume of sensitive data, cybersecurity is a primary concern. They are investing in advanced security solutions to protect against data breaches, fraud, and cyberattacks. The exploration of quantum computing (by service providers such as IBM) for insurance-specific use cases is growing, particularly in cryptography and data security. This prepares insurers to tackle future technological challenges while safeguarding client data from evolving threats. Cybersecurity is a key focus for service providers such as TCS, Infosys, and Cognizant.

Excerpt for EY

2025 strategic insurance transformation framework

Digital resilience

Modernize legacy systems via cloud-native architectures and AI analytics for real-time decision-making

Operational agility

Accelerate efficiency through intelligent automation and API-driven process redesign to achieve STP

Customer centricity

Enhance omnichannel, self-service experiences with personalized products driven by advanced data and insights
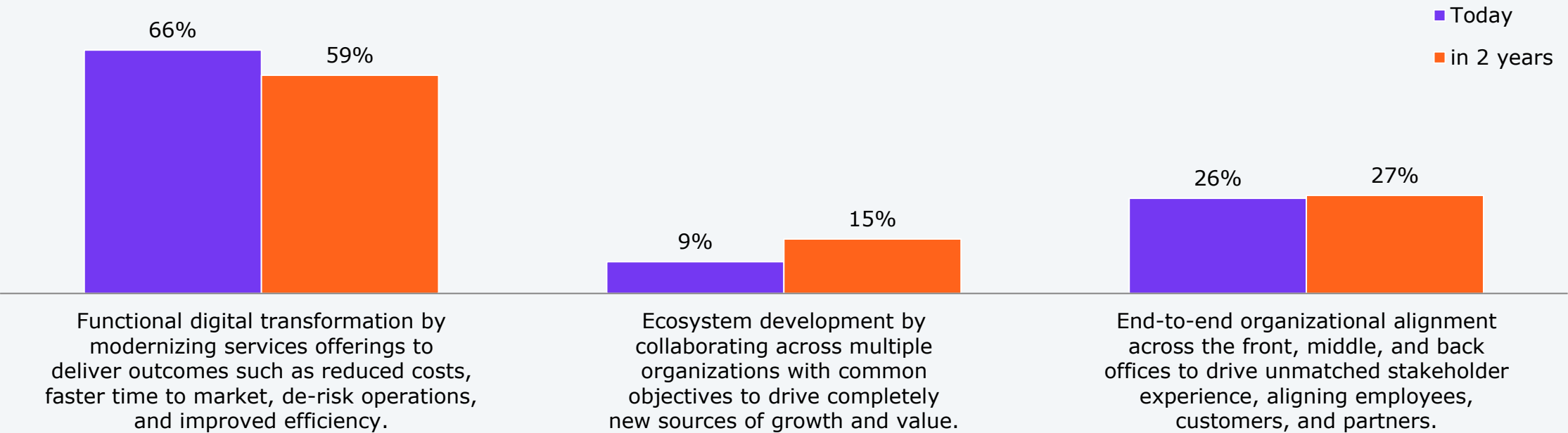
Advanced risk management

Leverage predictive analytics and actuarial expertise to optimize underwriting, embed ESG, and ensure regulatory compliance

Clients believe service providers remain more focused on functional digital transformation—a trend that is expected to continue for two years alongside an increase in ecosystem development
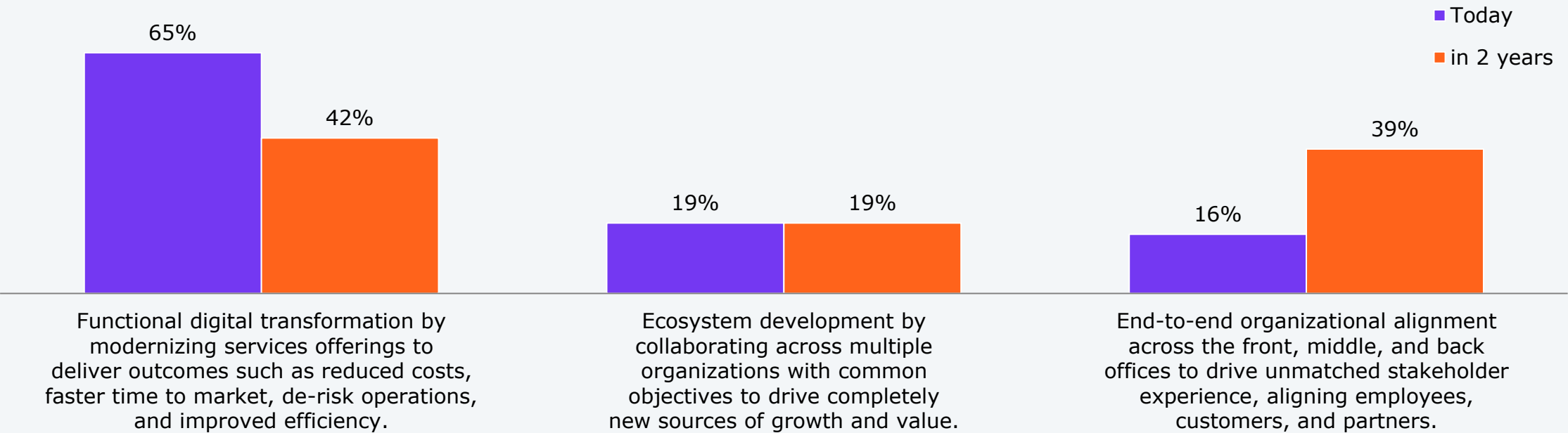
Customer ratings of service providers for delivery capabilities
(average of 10)

Legend:
- ■ Today
- ■ in 2 years

66% / 59% — Functional digital transformation by modernizing services offerings to deliver outcomes such as reduced costs, faster time to market, de-risk operations, and improved efficiency.

9% / 15% — Ecosystem development by collaborating across multiple organizations with common objectives to drive completely new sources of growth and value.

26% / 27% — End-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience, aligning employees, customers, and partners.

Excerpt for EY

Partners believe service providers remain more focused on functional digital transformation—they expect more end-to-end organizational alignment in the next two years

Customer ratings of service providers for delivery capabilities
(average of 10)

Legend:
- ■ Today
- ■ in 2 years

Bar values:
- Functional digital transformation by modernizing services offerings to deliver outcomes such as reduced costs, faster time to market, de-risk operations, and improved efficiency. — Today: 65%, in 2 years: 42%
- Ecosystem development by collaborating across multiple organizations with common objectives to drive completely new sources of growth and value. — Today: 19%, in 2 years: 19%
- End-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience, aligning employees, customers, and partners. — Today: 16%, in 2 years: 39%

Sample: 31 customer references provided as part of the survey for this report
Source: HFS Research, 2025

Excerpt for EY

3 Horizons results: Insurance Services, 2025

Excerpt for EY

HFS Horizons

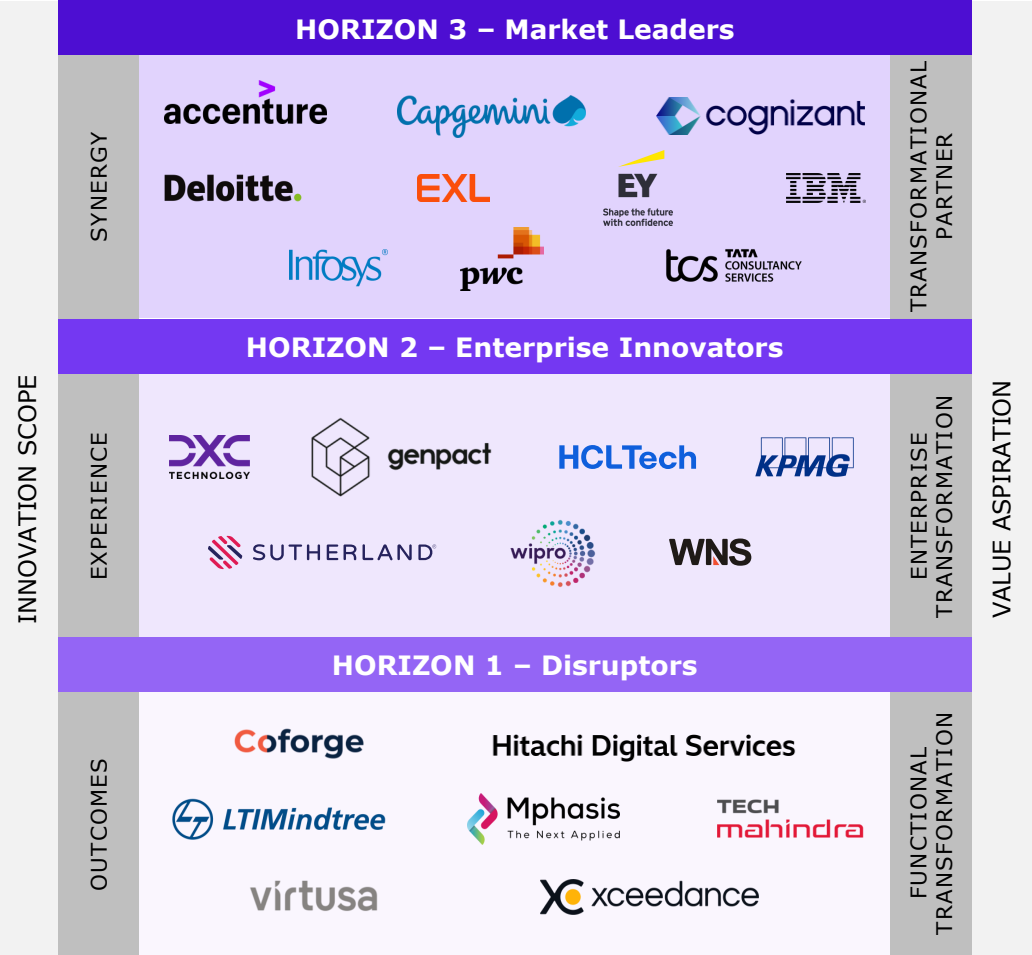# HFS Horizons: Insurance Services, 2025 – summary of providers assessed in this report

Providers (alphabetical order)	HFS point of view
Accenture	Leading across consulting, technology, operations, and AI
Capgemini	Enabling end-to-end insurance modernization with business-led, tech-driven solutions
Coforge	A growing insurance portfolio driven by platform partnerships
Cognizant	A global technology and operations service provider with domain expertise, particularly in P&C and customer-focused innovation
Deloitte	Winning across insurance strategy, AI, and technology transformation
DXC Technology	Modernizing insurance with scale, heritage, and innovative new offering constructs
EXL	AI agents and data insights powering smarter insurance operations
EY	A true Horizon 3 thought leader transforming insurance through AI, ecosystems, and actuarial excellence
Genpact	Accelerating insurance transformation with data, AI, and talent
HCLTech	Driving measurable improvements in insurance outcomes with a razor-sharp focus on client needs
Hitachi Digital Services	Enabling insurance transformation with InsurTech as a Service for improved risk management and efficiency
IBM	Optimizing insurance with data, AI, and hybrid cloud

Providers (alphabetical order)	HFS point of view
Infosys	Large-scale insurance transformation provider investing in driving speed, accuracy, and trust in the industry
KPMG	A trusted advisor driving innovation and risk management in the insurance sector
LTIMindtree	Modernizing insurance through platforms and AI experience
Mphasis	A challenger brand bringing agility and deep AI R&D to insurance clients
PwC	A strategy leader with deep technology partnerships in insurance
Sutherland	Taking a fresh approach to solving age-old insurance challenges
TCS	One of the largest insurance service providers, working across the value chain on large, complex insurance engagements
Tech Mahindra	Redefining insurance transformation with Gen AI, sustainability, and global expertise
Virtusa	Strengthening its position in AI-driven insurance technology and migration solutions
Wipro	Strategic acquisition-driven growth in insurance
WNS	Focus on insurance outcomes, backed by deep domain and actuarial expertise
Xceedance	An insurance market challenger with a strong heritage of talent from the industry

Note: All service providers are listed alphabetically

HFS Horizons: Insurance Services, 2025

HORIZON 3 – Market Leaders
(SYNERGY / TRANSFORMATIONAL PARTNER)

accenture · Capgemini · cognizant · Deloitte. · EXL · EY Shape the future with confidence · IBM. · Infosys · pwc · tcs TATA CONSULTANCY SERVICES

HORIZON 2 – Enterprise Innovators
(EXPERIENCE / ENTERPRISE TRANSFORMATION)

DXC Technology · genpact · HCLTech · KPMG · SUTHERLAND · wipro · WNS

HORIZON 1 – Disruptors
(OUTCOMES / FUNCTIONAL TRANSFORMATION)

Coforge · Hitachi Digital Services · LTIMindtree · Mphasis The Next Applied · TECH mahindra · virtusa · xceedance

INNOVATION SCOPE / VALUE ASPIRATION

Horizon 3: Unlocking growth through ecosystems
Horizon 3 service providers demonstrate:
- Horizon 2 + ability to drive the 'OneEcosystem' approach, finding new sources of value across the entire insurance ecosystem
- Co-creation with clients and ecosystem partners to transform the insurance value chain into a fully integrated ecosystem
- Ecosystem transformation across key areas, including underwriting, claims processing, and distribution
- Advanced capabilities in driving talent, technology, and adaptive process changes
- Referenceable and satisfied clients demonstrating innovation and new insurance business models based on ecosystem partnerships

Horizon 2: Elevating insurance stakeholder experiences
Horizon 2 service providers demonstrate:
- Horizon 1 + ability to drive the 'OneOffice' mindset, enhancing customer and intermediary experiences through digital technologies and services transformation
- Capability to deliver multi-year managed services across key insurance areas such as underwriting, claims management, policy servicing, and distribution
- Help clients improve policyholder, employee, and intermediary engagement and experiences
- Global insurance capabilities with solid industry knowledge
- Proven proprietary tools, frameworks, and advanced AI and GenAI models for process automation
- Referenceable and satisfied clients for the ability to innovate

Horizon 1: Reducing expense ratios
Horizon 1 service providers demonstrate:
- Ability to drive functional transformation by driving cost reduction, speed, efficiency, and regulatory compliance improvements
- Demonstrate strong fundamentals in driving transformational value across core insurance pillars such as claims and policy servicing
- Global delivery capabilities and client footprint
- Referenceable and satisfied clients for the ability to execute

Note: All service providers are listed alphabetically

Excerpt for EY

4

EY profile: Insurance Services, 2025

EY: A true Horizon 3 thought leader transforming insurance through AI, ecosystems, and actuarial excellence

HORIZON 3 – Market Leader
EY Shape the future with confidence
HORIZON 2 – Enterprise Innovator
HORIZON 1 – Disruptor

Strengths

- **Leading via embedded insurance and ecosystem thinking:** EY is shaping the future of embedded insurance with platform offerings leveraging AI-driven pricing, climate risk modeling, and real-time IoT data. Its ecosystem approach enables insurers to expand into new markets and enhance risk assessment capabilities.
- **Advanced AI tools:** EY's Insurance AI Studio enables insurers to automate workflows with AI. Its Nexus Underwriting Workbench improves underwriting efficiency, while Nexus for Climate Risk helps assess and manage climate-related risks.
- **Expanding managed services:** EY has built a strong capability to transform managed services, especially in policy and claims IT. This is now being extended to underwriting and distribution, helping insurers streamline their operations.
- **Experienced actuarial expertise:** EY's actuarial team, with an average of 15 years of experience, brings deep industry knowledge, advanced analytics, and risk assessment capabilities to deliver tailored, compliance-driven solutions for insurers.
- **Accelerating mid-market product launch:** EY helped a mid-market life insurer cut testing time by 40% and accelerate product launches by 45%, delivering 85+ new features. The implementation of 30+ technology enablers improved governance, transparency, and execution efficiency.
- **Client and partner kudos:** Clients laud EY's reliability, flexibility, and deep domain expertise. A partner mentioned that EY possesses deep knowledge in both insurance and technology and provides specialized solutions.

Development opportunities

- **Continuing to develop managed services:** While EY has strong middle-office and actuarial managed services, it will face intense competition from system integrators (SIs) for a piece of the managed services pie as it expands from consulting. The company should continue to educate the market on its growing role in the 'run' part of the business and how to differentiate against traditional SIs.
- **Growing ESG and climate risk solutions:** EY should leverage its strong brand in ESG solutions across risk modeling, investment analysis, and regulatory compliance to bring Nexus for Climate Risk for insurers to rethink how they underwrite climate risks.
- **Client and partner critiques:** A client would like to see more client-driven cost models, while another is looking for more thought leadership. A partner mentioned that EY should strengthen its internal communication to ensure seamless coordination and quicker decision-making across different teams and regions.

Acquisitions and partnerships

Key acquisitions: ifb SE, Unemployment Solutions for You, LLC (2022)

Key partners: Guidewire, FAST, Snowflake, Microsoft, ServiceNow, Databricks, SAP

Clients

Number of clients: 550+

Key clients: Served over 95% of insurance companies on the 2024 Fortune Global 500

Global operations and resources

Headcount: 24,500+ globally

Delivery and innovation locations by major geo: 18 global delivery centers across Argentina, China, Hungary, India, Mexico, Philippines, Poland, Spain, Sri Lanka

Flagship internal IP

- Insurance Nexus: Cloud-native open insurance platform
- Insurance AI Studio: Framework for building GenAI workflows
- Underwriting Workbench: Tool to streamline underwriting
- Smart Claims: Platform to digitize claims operations
- Insurance Insights Platform: Real-time insurance analytics
- Connected Claims: Automates claims using external data
- Nexus for Pensions: Platform for pension modernization
- Open Commerce Platform: Digital product configuration and sales
- Connected Underwriting: Enhances data-driven risk decisions
- Digital Agent: AI agent for insurance customer service

5 HFS Research authors

Excerpt for EY

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Reetika Fleming leads coverage for smart analytics, insurance, finance, and accounting at HFS Research. She studies the broad use of data and analytics within enterprises, with a focus on emerging strategies to institutionalize machine learning and other AI techniques. Her research extends to the impact of digital business models, IoT, smart analytics, and AI on business process services for insurance, specifically and finance and accounting broadly.

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Hridika joined HFS Research in 2021. She focuses on the F&A and general and business process outsourcing domains. She also analyzes how emerging tech, mainly process intelligence, intelligent document processing (IDP), and artificial intelligence (AI) enables enterprises to reach their transformation goals.

Hridika has seven years of experience in quantitative research and analysis with Kantar. She also worked with British American Tobacco, catering to the company's primary and secondary research needs worldwide.

Excerpt for EY

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