



# **Tata Consultancy Services Transforming Life & Annuities BPS with End-to-End Digitalization**

**Vendor Assessment  
Report Abstract**

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## Who Is This Vendor Assessment For?

NelsonHall's comprehensive assessment of Tata Consultancy Services' (TCS') 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

Banking, Financial Services & Insurance (BFSI) is by far TCS' largest vertical. FY19 revenue for services to these sectors in major markets was \$6,096m (31% of total revenue) driven by large L&A related deals in insurance in the U.S. (Transamerica) and the U.K. (Prudential, Scottish Widows). TCS also generates revenues from its BaNCS platform business, which performs much of the processing required by TCS' very large closed blocks of business.

In the last two years, TCS has almost doubled revenue for its L&A business, and nearly tripled its U.S. L&A business. It has taken new contracts in the U.K. (Prudential) and, just as importantly, in the U.S. In 2018, TCS signed more than one new U.S. L&A contract, but by far the most sizeable is the Transamerica contract. TCS reports this contract is its largest ever in terms of annual revenue. As a result, almost 50% of TCS BPS revenue is now generated by U.S. L&A clients. Where TCS had formerly been a U.K.-focused L&A BPS vendor with about 80% of revenue generated by U.K. clients, TCS is now much more evenly balanced with the U.S. NelsonHall estimates that the U.K. now generates ~50% of L&A BPS revenue.

In November 2018, TCS acquired BridgePoint Group, a management consultancy based in Gainesville, GA, specializing in institutional and retail retirement services and state retirement programs with (we estimate) ~35 employees. This followed its \$2bn BPO deal with Transamerica, TCS' first BPS foray into the U.S.

### Revenues

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

- Open book: 24%
- Closed book: 76%

Total revenues: \$632m

In the short- to medium-term, TCS will likely focus on successfully integrating very large new contracts and converting millions of policies along with growing its client footprint or the total number of policies under administration.

TCS's Cognitive Business Operations and its Technology & Innovation functions are geared to support clients across any geography.

TCS expects that advanced analytics and machine learning technology will become more important with L&A clients. TCS continues to invest in industry and academic partnerships - in addition to innovation accelerators - that support practical application of this technology.

TCS expects to leverage partnerships with Fintechs to create and go to market with solutions for:

- Claims settlement
- Loss assessment
- Document intake and triaging
- Omni-channel interaction
- Digital customer journey mapping.

In terms of new business initiatives, TCS' strategy is largely reliant on the expansion of the BaNCS platform for bundled services. It is enhancing BaNCS U.S. market fit with the help of third parties, which are also involved in POCs with some of TCS' clients.

TCS will also expect to drive organic growth through its recent Bridgepoint acquisition. The company's expertise lies in defined benefits and contributions, and is now responsible for driving platform-led business in that space with industry knowledge.

## 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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