



Business Outcomes and Key Measures in Insurance Companies

Clarity Thru Simplicity



Overview

Every insurance company has its own set of 'Business Outcomes'. These business outcomes are utilized for various purposes such as setting goals and objectives, aligning strategies and plans, communicating what needs to be accomplished to the workforce, understanding the health of the business, and communicating to the company's stakeholders how the business is doing.

Each business outcome has accompanying 'Key Measures' which serve to quantify and quality the degree to which a business outcome has been achieved, or missed.

Industry analysts, regulators, investors, and other interested parties utilize some of these insurance business outcomes and key measures to compare how an insurance company is performing compared to other insurance businesses selling similar lines of insurance products in the same market, and/or geography. Business Outcomes and Key Measures are analogous to 'Scorecards' or 'Report Cards' because they provide a means of understanding how an insurance business is performing.

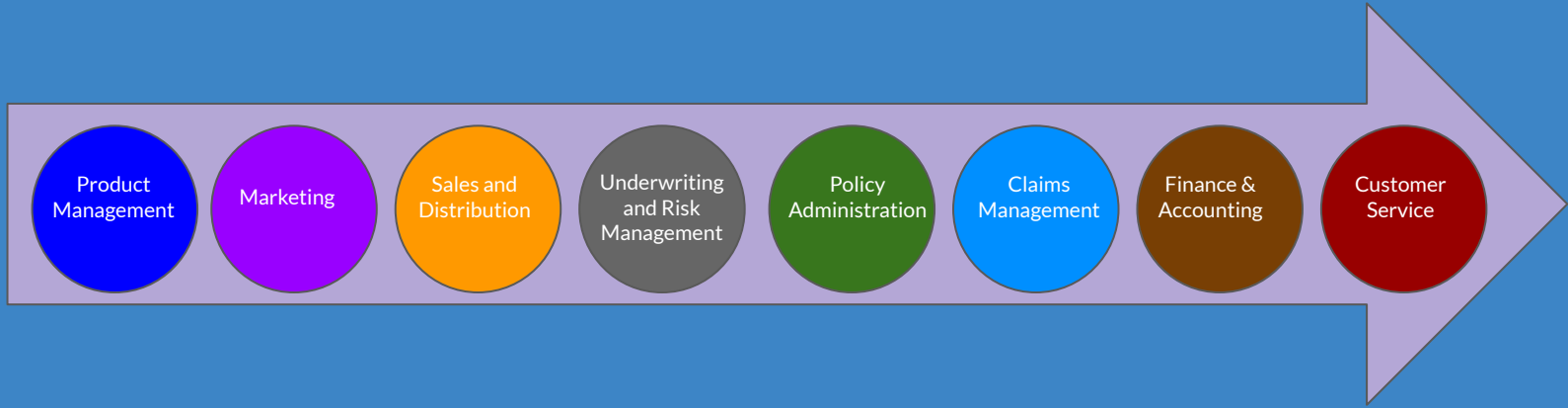
This document describes the business outcomes and key measures across the insurance value chain, and detailed outcomes and measures for the Insurance Claims Management Function or area.



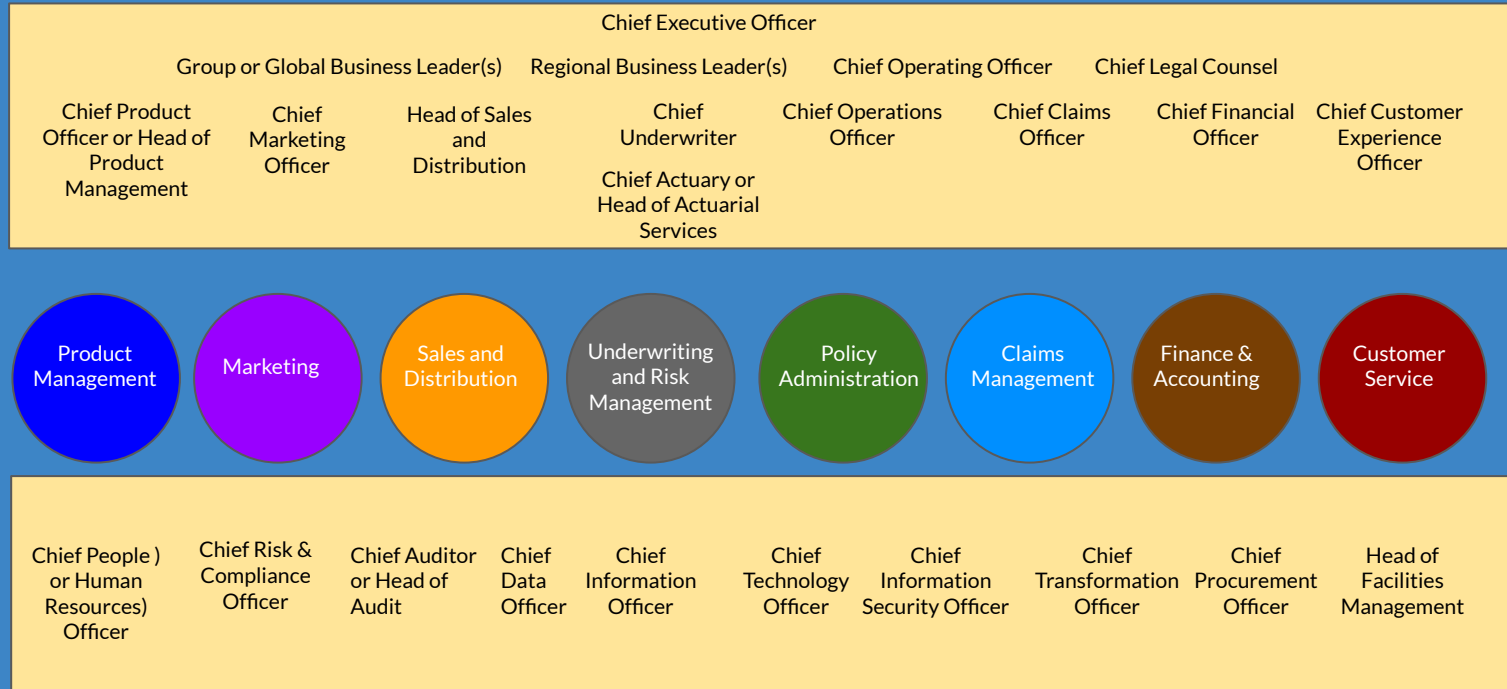
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Value Chain in a Typical Insurance Business



Leadership Structure in a Typical Insurance Business



Sample Insurance CEO Scorecard

Overall <ul style="list-style-type: none">Revenue per PolicyholderAverage Cost per ClaimPolicy Lapse RatioAverage Policyholders SatisfactionAverage Agents, Brokers, Advisors SatisfactionNew Business Sales	Customer & Agent Satisfaction <ul style="list-style-type: none">Overall Policyholder Satisfaction (Net Promoter Score)Time to Fulfill Policyholder Request by Type of Product and ServiceAgent Satisfaction (Net Promoter Score)Time to Fulfill Agent/Broker Request by Type of Product and Service	Service Delivery <ul style="list-style-type: none">Avg. Time to Settle a ClaimUnderwriting Speed and QualityAvg. Time to Issue a PolicyAvg. Time to Complete a RequestCall Center Avg. Handling Time by Type of Request	Financial Management <ul style="list-style-type: none">ProfitabilityCapital AdequacySolvencyAccuracy and Timeliness of Financial Reporting	Major Initiatives and Programs <ul style="list-style-type: none">Mergers and AcquisitionsPartnerships & AlliancesSupply ChainBusiness Transformation ProgramsOperations ProgramsInformations Technology Programs
Products <ul style="list-style-type: none">Time to MarketRevenue per PolicyholderProduct AwardsContribution to Brand Recognition	Markets <ul style="list-style-type: none">Overall Market Penetration by ProductAvg. Policy Size per Product by MarketTotal # of Policies per MarketTotal # of Renewals and Retentions by Product and by Market	Distribution <ul style="list-style-type: none">Total # of Policies per Product Sold by Market and Time PeriodAvg. Amount of PoliciesTotal # of Channels and Avg. Amount by ChannelTotal Cost per Channel	Regulatory Compliance <ul style="list-style-type: none">Product FilingsMarkets & Distribution LicensingConsumer ProtectionSolvencyData Privacy and Cyber Security by State/Country# of Penalties and Penalty Amounts by Regulation	Employee Satisfaction <ul style="list-style-type: none">Employee SatisfactionWorkforce EnablementWorkforce Learning and DevelopmentOrganizational Enhancements



Sample Business Outcomes by Functional Area



Anatomy of a Typical Insurance Business





Detailed Business Outcomes and Key Measures for the Insurance Claims Function



Claims Management

- Avg. Claims Handling or Processing Time
- Cost per Component or Processing Step in the Claims Journey (First Notification, Claims queues, adjudication, litigation/arbitration)
- Avg. Cost per Claim per Policy per Product
- Total # of Fraudulent Claims
- Fraudulent Claims as % of Total Claims
- Fraud Referral Rate
- Fraud Reduction Rate
- Fraud Detection Effectiveness and Efficiency
- Fraud Prevention Effectiveness and Efficiency



Thank You!

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