



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.

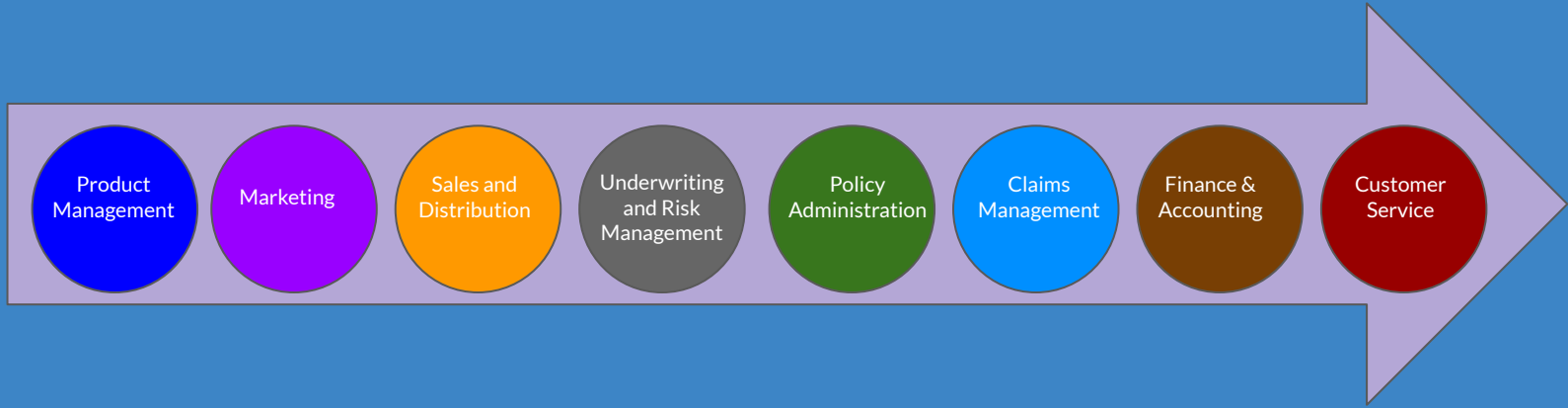
This document describes the business outcomes and key measures across the insurance value chain, and detailed outcomes and measures for the Insurance Sales and Distribution Function or area.



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For the Insurance Sales and Distribution Function

Value Chain in a Typical Insurance Business



Leadership Structure in a Typical Insurance Business



Sample Insurance CEO Scorecard

<p>Overall</p> <ul style="list-style-type: none"> Revenue per Policyholder Average Cost per Claim Policy Lapse Ratio Average Policyholders Satisfaction Average Agents, Brokers, Advisors Satisfaction New Business Sales 	<p>Customer & Agent Satisfaction</p> <ul style="list-style-type: none"> Overall Policyholder Satisfaction (Net Promoter Score) Time to Fulfill Policyholder Request by Type of Product and Service Agent Satisfaction (Net Promoter Score) Time to Fulfill Agent/Broker Request by Type of Product and Service 	<p>Service Delivery</p> <ul style="list-style-type: none"> Avg. Time to Settle a Claim Underwriting Speed and Quality Avg. Time to Issue a Policy Avg. Time to Complete a Request Call Center Avg. Handling Time by Type of Request 	<p>Financial Management</p> <ul style="list-style-type: none"> Profitability Capital Adequacy Solvency Accuracy and Timeliness of Financial Reporting 	<p>Major Initiatives and Programs</p> <ul style="list-style-type: none"> Mergers and Acquisitions Partnerships & Alliances Supply Chain Business Transformation Programs Operations Programs Informations Technology Programs
<p>Products</p> <ul style="list-style-type: none"> Time to Market Revenue per Policyholder Product Awards Contribution to Brand Recognition 	<p>Markets</p> <ul style="list-style-type: none"> Overall Market Penetration by Product Avg. Policy Size per Product by Market Total # of Policies per Market Total # of Renewals and Retentions by Product and by Market 	<p>Distribution</p> <ul style="list-style-type: none"> Total # of Policies per Product Sold by Market and Time Period Avg. Amount of Policies Total # of Channels and Avg. Amount by Channel Total Cost per Channel 	<p>Regulatory Compliance</p> <ul style="list-style-type: none"> Product Filings Markets & Distribution Licensing Consumer Protection Solvency Data Privacy and Cyber Security by State/Country # of Penalties and Penalty Amounts by Regulation 	<p>Employee Satisfaction</p> <ul style="list-style-type: none"> Employee Satisfaction Workforce Enablement Workforce Learning and Development Organizational Enhancements



Sample Business Outcomes by Functional Area



Anatomy of a Typical Insurance Business





Detailed Business Outcomes and Key Measures for the Insurance Sales and Distribution Function



Insurance Sales and Distribution

- Total # of Policies per Product Sold per Market per Period
- Average Amount of Policies
- Total # and average amount by Channel
- Total Cost per Channel
- Lead Generation/# of Leads Generated per Period
- Closure Rate
- Time to Sell New Policy
- Revenue, Cost, and Profit per Salesperson
- # of New Policies by Channel and By Customer
- Revenue per Channel, per Customer, per Policy
- Cost per Channel, per Customer, per Policy
- Lifetime Value per Customer
- Total # of New Policies
- Total # of Policies from Cross-Selling



Thank You!

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