



# 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.

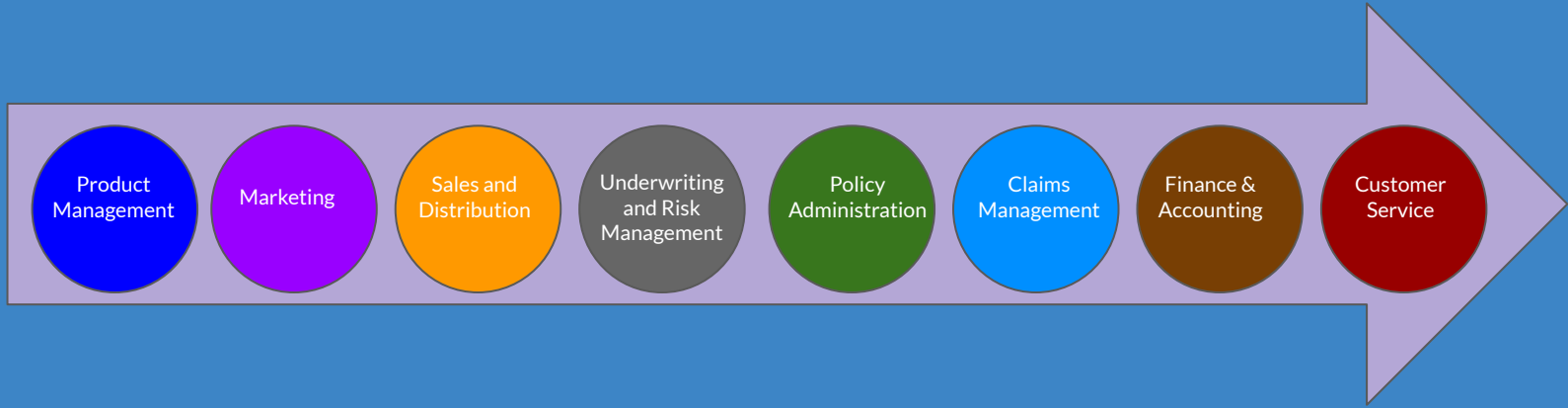
This document describes the business outcomes and key measures across the insurance value chain, and detailed outcomes and measures for the Insurance Underwriting Function or area.



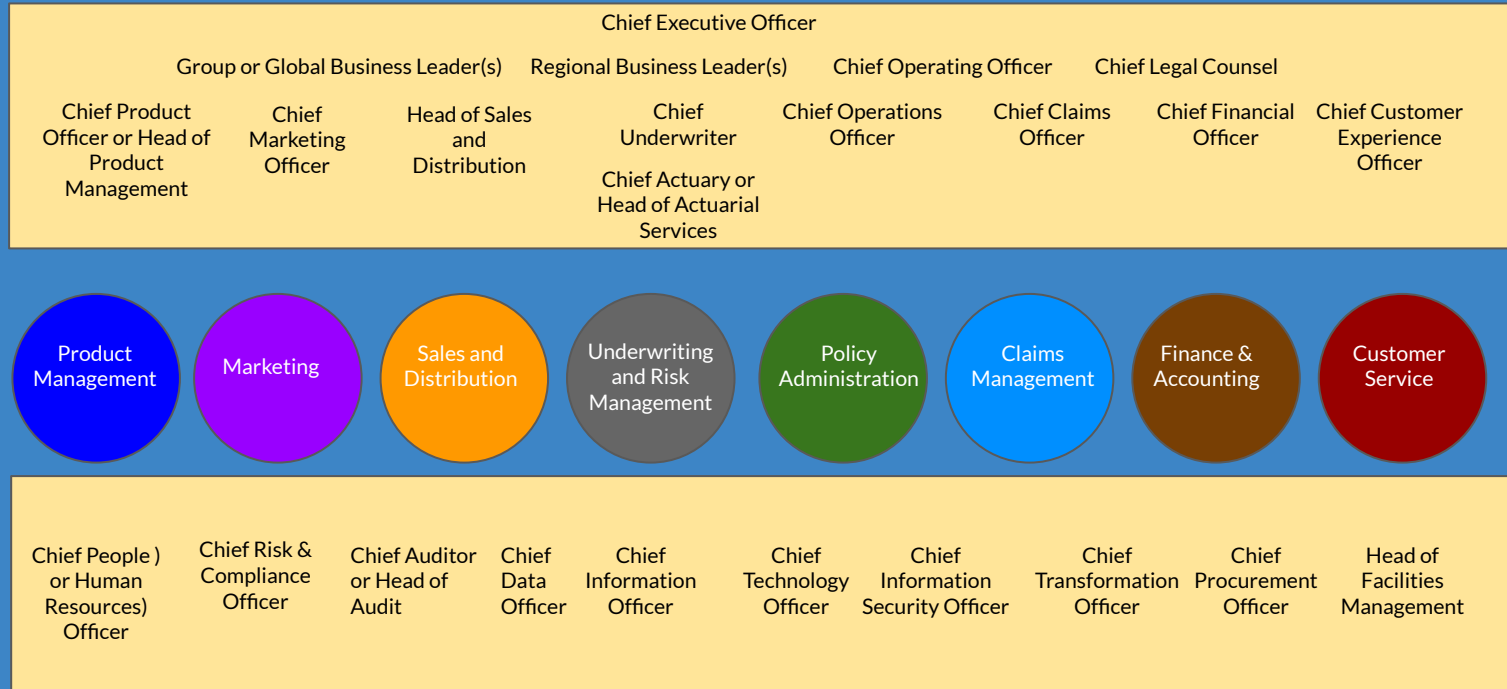
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# Value Chain in a Typical Insurance Business



# Leadership Structure in a Typical Insurance Business



# Sample Insurance CEO Scorecard

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



# Sample Business Outcomes by Functional Area



# Anatomy of a Typical Insurance Business





# Detailed Business Outcomes and Key Measures for the Insurance Underwriting Function



# Underwriting and Risk Management

- Underwriting Results and Profitability
- Underwriting Speed
- Technical Pricing
- Underwriting Effectiveness
- Actuarial Accuracy
- Speed in Modeling, Pricing, and Underwriting New Risks
- Reserving Accuracy
- Reinsurance Cover



# Thank You!

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