

# Performance Benchmarking for Life, Health, Annuity, and Retirement

Ward Group's benchmarking data and industry insights uncover opportunities to improve the efficiency of your company operations, empowering you to increase profitability.

In a *do-more-with-less* environment, our clients find that a competitive advantage is increasingly more difficult to achieve and sustain. In order to get and stay ahead of the curve, insurance companies need better data and insights to identify real opportunities for improvement across all levels of the organization.

More than ever, leaders in the insurance industry are asking:

- Are my staffing levels appropriate?
- Where can I trim expenses and still maintain an efficient operation?
- Where are my best opportunities to improve operating margin?
- What is the return on investment for our IT spend?

## Benchmarking sharpens your perspective on performance

Benchmarking is a key component in capturing the full picture of where your company stands relative to your peers and becomes integral to identifying opportunities to maximize resources and fund your growth strategy. Ward Group is the leading provider of benchmarking studies for the insurance industry. We analyze **expenses, staff levels, compensation, operational metrics, and business practices** for all areas of company operations. From our proprietary data, we deliver industry insights that help you make fact-based decisions about improving your operational performance.

We empower you to:



**Assess** your operational performance compared to other companies



**Analyze** and prioritize improvement opportunities



**Optimize** company resources and maximize efficiency



**Improve** profitability across the organization

## A streamlined and holistic process

Ward Group benchmarking is a streamlined, holistic approach to compare your operations to operations at other companies on an apples-to-apples basis. Our experienced consultants partner with you to provide **an efficient benchmarking process, minimizing the use of your company resources**. Insurance companies operate with different distribution systems, product focus, and operating models. Using our proprietary benchmarking software, we map your expense and headcount data into a common framework. We segment companies by major operations to make the output meaningful for internal and external comparisons, and then meet with you in person to review the data and ensure the integrity of the data source.

Risk. Reinsurance. Human Resources.

We're here to  
empower results

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More than **2,500**  
benchmarking  
engagements  
performed  
since 1991,  
including more  
than half the **top**  
**100** companies.

We analyze 49 functions for life, health, annuity, and retirement

**Acquisition**

- Sales
- Marketing
  - Advertising / Marketing
  - External / Internal Communications
  - Research and Management
- Distribution Management - Agents
  - Sales Support and Training
  - Licensing
- Wholesaling
  - External Wholesalers
  - Internal Wholesalers
  - Sales Support and Training
  - Compensation and Design

**Core Operations**

- Corporate and Product Development
- Underwriting
- New Business
- Policyowner / Client Service
- Claims Administration
- Provider Network Management
- Investment Account Management

**Shared Services**

- General Support
  - Procurement
  - Mail / Postage
  - Imaging
  - Printing
  - Cafeteria and Other General Support
- Finance
  - Accounts Payable
  - Financial Planning and Analysis
  - General Ledger
  - Investment Accounting
  - Tax Reporting
  - Treasury
  - GAAP / STAT / IFRS Reporting
- Human Resources
  - Compensation and Benefits
  - Employee Relations and Admin
  - HR Generalists
  - Payroll Processing
  - Recruiting and Staffing
  - Training
- General Counsel
  - Corporate Compliance
  - Legal
  - Government Relations
- Actuarial
  - Pricing
  - Reserving
  - Analytics
- Auditing
- Enterprise Risk Management
- Executive
- Billing
- Information Technology
- Investment Management
- Occupancy
- Taxes / Assessments

**Illustrative measurements**

Select Performance Metrics	Total Company	Overall Benchmark	Individual Life Benchmark	Individual Annuity Benchmark	Group Retirement Benchmark
Total Expenses as a % of Premium	25.2%	23.2%	32.0%	20.5%	7.64%
FTEs per \$100M of Premium	100.3	105.1	108.2	100.1	23.07
Staff to Management Ratio	5.4	5.0	5.9	4.2	5.5
Policies in Force per FTE	1450	1510	1705	1045	NA
Acquisition Expense as a % of Premium	13.1%	10.0%	16.5%	6.5%	3.11%
Corporate Support Expense as a % of Premium	12.4%	10.5%	14.1%	10.8%	3.78%
IT Expense as a % of Premium	3.5%	3.0%	4.4%	2.0%	1.42%
Financial Expense as a % of Premium	0.51%	0.50%	0.70%	0.27%	0.22%

All data is illustrative

Ward Group is part of Aon Hewitt, a business unit of Aon plc (NYSE: AON).  
For more information, please visit [wardinc.com](http://wardinc.com).