

# Performance Benchmarking for Property-Casualty Insurers

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

In the changing business environment, our clients achieve a competitive expense advantage to stay ahead of the curve. Insurance companies rely on our data and insights to identify real opportunities for improvement across all levels of the organization. We analyze operational performance across the entire enterprise providing a holistic view of how your operations compare to other companies.

We provide expertise to:

- Identify cost reduction
- Assess the impact of projected staffing and expense reductions against revenue projections
- Provide an independent assessment of workload benchmarks
- Develop a road map to achieve efficiency gains that are sustainable

## 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 insurance companies on an apples-to-apples basis while taking into consideration different distribution systems, product focus, and operating models. Our experienced consultants partner with you to provide **an efficient benchmarking process, minimizing the use of your company resources**. 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 55 functions for property-casualty

### Acquisition and Marketing

- Sales
- Marketing
  - Advertising / Marketing
  - Communications
  - Research
- Distribution Management
  - Sales Support and Training
  - Licensing

### Loss Adjustment

- Corporate Claims
- Claims Reporting / Support
- Claims Adjusting
- Claims Legal

### Commercial Lines

- Corporate Underwriting
  - Oversight
  - Product Development
  - Pricing
- Commercial Underwriting
- Commercial Policy Processing
- Risk Management / Loss Control
- Premium Audit

### Personal Lines

- Corporate Underwriting
  - Oversight
  - Product Development
  - Pricing
- Personal Underwriting
- Personal Policy Processing

### Shared Services

- General Support
  - Procurement
  - Mail
  - Imaging
  - Printing
  - Cafeteria / 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 & Admin
  - HR Generalists
  - Payroll Processing
  - Recruiting and Staffing
  - Corporate Training
- General Counsel
  - Corporate Compliance
  - Legal
  - Government Relations
- Actuarial
  - Reserving
  - Research and Analytics
  - Statistical Reporting and Support
- Auditing
- Enterprise Risk Management
- Executive
  - Leadership (CEO, EVP, CAO, COO)
  - Corporate Strategy and Effectiveness
- Billing
- Information Technology
- Investment Management
- Occupancy
- Taxes / Assessments

## Illustrative measurements

Select Performance Metrics	Total Company	Independent Agent Benchmark	Large Company Benchmark	Product Line Benchmark	Overall Benchmark
Total Expenses as % of Premium	28.2%	29.4%	32.0%	10.8%	41.7%
FTEs per \$100M of Premium	128.8	108.2	173.1	147.1	125.2
Staff to Management Ratio	2.8	5.9	4.2	4.6	8.0
Policies in Force per FTE	489	782	274	233	587
Acquisition Expense as a % of Premium	17.4%	16.5%	14.0%	3.5%	17.0%
Corporate Support Expense as a % of Premium	8.9%	10.2%	12.8%	4.9%	9.3%
IT Expense as a % of Premium	4.1%	2.5%	4.2%	1.5%	5.8%
Financial Expense as a % of Premium	0.47%	0.35%	0.72%	0.18%	0.41%

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).

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