

Benchmarking for Claims Operations at P&C Insurers

Our Ward benchmarking data and industry insights uncover opportunities to improve the cost and efficiency of your Claims operation.

Optimizing the competing forces of claims severity, expenses, and service is a challenge for many insurance companies. Benchmarking claims operations helps insurance companies define measurable objectives, and identify and capitalize on improvement opportunities in the claims function. More than ever, we hear company leaders asking:

- How do we define measurable objections for claims output?
- Is our operating model cost effective and efficient?
- Do we have the right productivity standards?

Benchmarking sharpens your perspective on performance

Benchmarking is a key component in capturing the full picture of where you stand compared to your peers and is integral to your continuous improvement strategy. We are 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.

Industry specific data to measure the performance of your Claims operations

Our Ward benchmarking solutions are specific to the insurance industry. Our Claims benchmarking program delivers data specific to the insurance Claims function that empowers you to:



Assess the organizational structure and operating practices of the claims operation.



Analyze staffing levels, expenses, and work loads within the claims operation compared to other insurance companies.



Implement a methodology and framework to diagnose, improve, and monitor claims quality, efficiency, and service.



Optimize the cost and operational effectiveness of your claims operation and maximize the use of your resources.

We're here to empower results

Contact us for more information:

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We dive deep into your claims operation to deliver meaningful and actionable data

26 areas are analyzed within the claims function

Claims Support

- Loss Reporting
- Support

Adjusting and Appraising

- Homeowner
- Commercial Property
- Commercial Liability / Casualty
- Workers' Compensation
- Personal Auto Physical Damage
- Commercial Auto Physical Damage
- Personal Auto Bodily Injury
- Commercial Auto Bodily Injury
- Bond

Legal

- Litigation
- Legal Support
- Legal Management
- Legal Bill Review

Claims Program

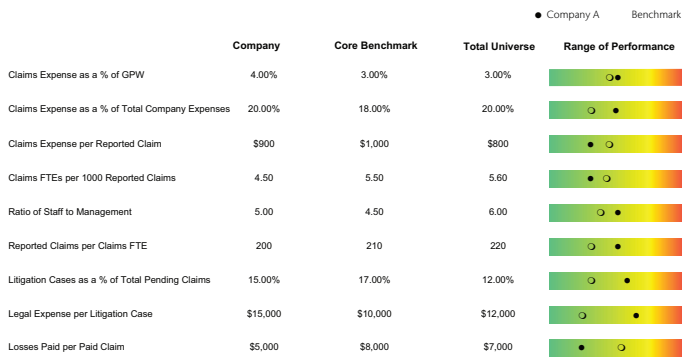
- Salvage
- Subrogation
- Fraud Investigation
- Medical Management
- Medical Bill Review

General

- Medical Provider Network
- Auto Repair Network
- Claims Audit
- Claims Training
- Analysis
- Executive

Sample deliverables

Quickly assess the overall performance of your claims operation with a snapshot view of key claims metrics



Measure your claims operations compared to select benchmark groups

Select Performance Metrics	Total Company	Core Benchmark Group	Overall Benchmark
Claims Expense as a % of Premium	4.00%	3.00%	2.00%
Claims FTEs per \$100M of Premium	10.0	13.0	15.0
Claims Expense per Total FTE	\$35,000	\$29,000	\$27,000
Ratio of Staff to Mgmt - Span of Control	4.00	4.00	6.00
Claims FTEs per 100 Total FTEs	18.00	20.00	10.00
External Adjusting Expense as a % of Premium	0.60%	0.55%	0.50%
External CAT Expense as a % of Premium	0.40%	0.30%	0.20%
Claims Litigation Expense as a % of Premium	2.00%	1.50%	3.00%

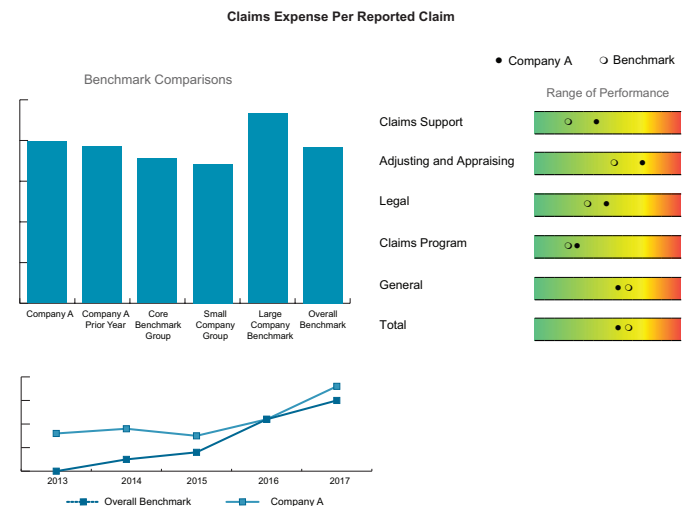
Get clear perspective of your improvement opportunities

- Most Opportunity (+25%)
- Some Opportunity (up to 24%)
- Least Opportunity (0 or less)

Functional Area	Cost Driver	Cost Cap				Staffing Cap			
		Company	Benchmark	Expense (000s)	Indicator	Company	Benchmark	Staffing Gap	Indicator
1. Loss Reporting	Total Premiums	0.10%	0.06%	\$160	●	1.53	0.93	2.40	●
2. Support	Total Premiums	0.13%	0.19%	-\$240	●	2.05	2.81	-3.04	●
Total Support				-\$80				-0.64	
3. Homeowners' Adjusting	Homeowners' Premium	2.80%	3.80%	-\$600	●	21.74	21.68	0.04	●
4. Commercial Property Adjusting	Commercial Property Premium	4.08%	2.49%	\$1,272	●	23.04	14.97	6.46	●
5. Commercial Liability/Casualty Adjusting	Commercial Liability/Casualty Premium	3.11%	2.93%	\$135	●	17.30	14.65	1.99	●
6. Workers' Compensation Adjusting	Workers' Compensation Premium	2.71%	2.82%	-\$99	●	22.88	22.04	0.76	●
7. Personal Auto Physical Damage Adjusting	Personal Auto PD Premium	3.29%	4.16%	-\$548	●	26.04	33.35	-2.92	●
8. Commercial Auto Physical Damage Adjusting	Commercial Auto PD Premium	3.81%	5.55%	-\$522	●	28.61	44.78	-4.85	●
9. Personal Auto Bodily Injury Adjusting	Personal Auto BI Premium	4.67%	3.87%	\$240	●	42.13	30.60	3.46	●
10. Commercial Auto Bodily Injury Adjusting	Commercial Auto BI Premium	2.42%	2.47%	-\$15	●	20.22	15.01	1.55	●
11. Bond Adjusting	Bond Premium	0.00%	8.73%	50	●	0.00	16.30	0.00	●
Total Adjusting and Appraising				\$63				6.48	
12. Litigation	Total Premiums	2.42%	2.94%	-\$2,080	●	0.00	0.23	-0.92	●
13. Legal Support	Total Premiums	0.43%	0.22%	\$840	●	0.00	0.17	-0.68	●
14. Legal Management	Total Premiums	0.34%	0.22%	\$480	●	2.72	1.46	3.44	●
15. Legal Bill Review	Total Premiums	0.02%	0.04%	-\$80	●	0.11	0.30	-0.76	●
Total Legal				-\$840				1.08	
16. Salvage	Property Premium	0.03%	0.09%	-\$9	●	0.47	0.91	-0.07	●
17. Subrogation	Total Premiums	0.16%	0.10%	\$240	●	1.67	0.81	3.44	●
18. Fraud Investigation	Total Premiums	0.04%	0.07%	-\$120	●	0.14	0.58	-0.56	●
19. Medical Management	Liability and Casualty Premium	0.57%	0.52%	\$75	●	0.43	0.46	-0.05	●
20. Medical Bill Review	Liability and Casualty Premium	0.18%	0.19%	-\$15	●	0.84	0.71	0.30	●
Total Claims Programs				\$171				2.96	
21. Medical Provider Network	Liability and Casualty Premium	0.31%	0.21%	\$150	●	0.00	0.03	-0.05	●
22. Auto Repair Network	Auto Physical Damage Premium	0.06%	0.14%	-\$60	●	0.14	1.36	-0.54	●
23. Claims Audit	Total Premiums	0.03%	0.10%	-\$280	●	0.27	0.71	-1.76	●
24. Claims Training	Total Premiums	0.04%	0.04%	50	●	0.34	0.30	0.16	●
25. Analysis	Total Premiums	0.00%	0.06%	-\$240	●	0.00	0.43	-1.72	●
26. Executive	Total Premiums	0.17%	0.15%	-\$80	●	0.47	0.36	0.44	●

all data is illustrative

Analyze the efficiency of your claims function and track performance year-over-year



For more information, please visit wardinc.com.