

Expense Benchmarking for Property-Casualty Insurers

Our Ward 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. 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.

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

Our Ward 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.

We're here to empower results

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More than **3,000** 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 and Customer Experience
- Distribution Management
- Sales Support and Training
 - Licensing

Loss Adjustment

- Corporate Claims
- Claims Reporting / Support
- Claims Adjusting and Appraising
- 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
- 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
 - BI and Analytics
 - Statistical Reporting and Support
- Auditing
- Enterprise Risk Management
- Executive
- Leadership (CEO, EVP, CAO, COO)
 - Corporate Strategy and Effectiveness
- Billing and Collections
- 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 a % 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

For more information, please visit wardinc.com.

