



# KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for  
**INSURANCE**



# Table of Contents

Insurance KPI Encyclopedia

---

## Insurance Metric Definitions

Insurance .....	2
<b>Back Office Operations*</b>	
Claims Processing .....	5
New Business Processing .....	8
Policyholder Services .....	12
Payments & Commissions .....	17
<b>Lines of Business</b> .....	19
<b>Agency Operations</b> .....	21

*This content may not be copied, distributed, republished, uploaded, posted or transmitted in any way without the prior written consent of OpsDog, Inc.*

# Insurance

---

## Insurance

Back Office Operations\*

Lines of Business

Agency Operations

*\* Some sections within these groups are not included in this document.*

*Insurance is a means to manage a contingent loss through which responsibility for a risk is transferred to another party in exchange for payment before the loss. The cost of insurance is based upon the insurance company's pooling of similar risks, occurrences that can be estimated using statistical modeling (actuarial analysis). An insurance company earns revenue from premiums, as well as the investment of those premiums in various financial instruments/markets. Insurance can be purchased by individuals for life, health, property and liability losses. Corporations purchase insurance to cover liability, property, business and executive health and life risks. Insurance can be purchased directly from a company, through "captive" agents working for a single firm or through independent insurance agents who sell products from multiple insurance providers.*



# Insurance

## Cost

- **Combined Ratio** – Combined Ratio is the sum of loss ratio (claims paid out divided by premium earned; referred to as "Medical Loss Ratio" for health insurance providers) and expense ratio (cost of sales, underwriting and customer service divided by premium earned).
- **Expense Ratio** – The total operating expense incurred by the insurer (NOT including claims paid out) divided by the total amount of premium earned over the same period of time, as a percentage.
- **Total Expense: Claims, Benefits and Operations** – The total benefits and claims paid out to policyholders, plus total operating expenses incurred by the insurance firm over a certain period of time.
- **Combined Ratio: Commercial Lines** – The sum of the loss ratio (claims paid out divided by the premium earned) and expense ratio (cost of sales, underwriting and customer service divided by the premium earned) incurred over the same period of time for commercial insurance products only, as a percentage.
- **Combined Ratio: Personal Lines** – The sum of the loss ratio (claims paid out divided by the premium earned) and expense ratio (cost of sales, underwriting and customer service divided by the premium earned) incurred over the same period of time for personal insurance products only, as a percentage.
- **Loss Ratio** – The total amount of claims paid out to policyholders divided by total premium earned over the same period of time, as a percentage.

## Organizational

- **Employees per \$100M of Total Premium Written** – The total number of employees working for the company divided by each \$100 million in gross premiums written.
- **Management Levels: Insurance** – The total number of management levels, or layers, within the insurance company.
- **Insurance Policyholders per Employee** – The total number of active members/policyholders divided by the total number of company-wide employees. A single policyholder may hold multiple insurance policies (life, auto, home) and have multiple insured individuals (sometimes referred to as "riders") tied to those policies.
- **Revenue per Insurance Policyholder** – The total revenue earned by the company divided by the total number of active policyholders.

## Organizational (Cont.)

- **AUM per Investments Employee** – The total value of assets owned by the company divided by the total number of global investment employees.
- **Investments Headcount Ratio** – The number of company-wide, full-time equivalent employees (FTEs) divided by the total number of Investment function employees.

## Productivity

- **Policies and Certificates In-Force per Insurance Agent** – The total number of active insurance policies and certificates (proof of insurance) managed by the insurance firm at a certain point in time, divided by the number of agents (captive and independent) selling the firm's products.
- **Policies In-Force per Employee** – The total number of active insurance policies (across all insurance products/lines) managed by the insurance firm at a certain point in time divided by the number of company-wide employees working for the firm.

## Revenue

- **Percentage of Revenue from Operations** – The percentage of total revenue earned directly through company's operations, rather than sale of investments or assets.
- **Gross Premiums Written** – The total written premium for the insurance firm over a certain period of time, which includes total premium to be paid by policyholders before ceded reinsurance fees and commissions are subtracted.
- **Gross Premiums Written Plus Policy Fees** – The total written premium plus any policy fees collected by the insurance firm over a certain period of time. Gross Premiums Written includes total premium to be paid by policyholders before ceded reinsurance fees and commissions are subtracted.
- **Net Premiums Written** – The total written premium for the insurance company, minus ceded reinsurance and commissions, over a certain period of time.
- **Gross Premiums Written per Employee** – Total written premium for the insurance firm over a certain period of time divided by the number of company-wide employees. Gross Premiums Written includes total premium to be paid by policyholders before ceded reinsurance fees and commissions are subtracted.

# Insurance (Cont.)

KPI Encyclopedia

## Revenue (Cont.)

- **Total Revenue per Insurance Agent** – The total revenue generated by the insurance firm (across all insurance products/lines) over a certain period of time divided by the number of insurance agents (captive and independent) selling the firm's products.
- **Total Revenue per Captive Insurance Agent** – The total revenue generated by the insurance firm (across all insurance products/lines) over a certain period of time divided by the number of captive insurance agents selling the firm's products.
- **Total Revenue: Commercial Lines** – Total revenue generated through the firm's commercial (non-personal) insurance products over a certain period of time.
- **Total Revenue: Personal Lines** – Total revenue generated through the firm's personal insurance products over a certain period of time.
- **Total Premium Earned** – Total premiums paid by policyholders to the insurer over a certain period of time that apply to the "expired" portion of the insurance policy. For example, at the end of the sixth month of a twelve month insurance policy, six months of premium have been "earned" by the insurer.

Downloaded from [Insurance Revenue Metrics](#)

## Volume (Cont.)

- **Policies In-Force: Total** – The total number of active insurance policies (across all insurance products/lines) managed by the insurance firm at a certain point in time.
- **Policies In-Force: Auto** – The total number of active auto insurance policies managed by the insurance firm at a certain point in time.
- **Policies In-Force: Commercial Lines** – The total number of active commercial insurance policies managed by the insurance firm at a certain point in time.
- **Policies In-Force: Fire** – The total number of active fire insurance policies managed by the insurance firm at a certain point in time.
- **Policies In-Force: Health** – The total number of active health insurance policies managed by the insurance firm at a certain point in time.
- **Policies In-Force: Life** – The total number of active life insurance policies managed by the insurance firm at a certain point in time.
- **Policies In-Force: Personal Lines** – The total number of active personal insurance policies managed by the insurance firm at a certain point in time.

Downloaded from [Assets Under Management \(AUM\) - The Total Policy](#)

**To download the full document,  
add this product to your shopping cart  
and complete the purchase process.**

