

# Loss Ratio (P&C)

*Benchmarks, Definition & Measurement Details*

**SAMPLE  
CONTENT & DATA**



# Loss Ratio (P&C)

## Definition & Measurement Details



### What is Loss Ratio (P&C)?

The total amount of property and casualty (P&C) insurance claims paid out to policyholders plus any loss adjustment expenses (LAE) divided by total P&C premium earned over the same period of time, as a percentage. Loss Ratio is a publicly-reported metric (for any publicly-traded insurance company)

### Why should this KPI be measured?

Loss Ratio is a major, industry-standard measure of an insurer's overall profitability and the procedures/processes they have in place to manage overall paid losses (and related loss adjustment expenses). Loss Ratio

### How is this KPI calculated?

Two values are used to calculate this KPI: (1) the sum of the dollar amount of P&C insurance claims paid and loss adjustment expenses (LAE) and (2) the total P&C premium earned.

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# Loss Ratio (P&C)

Benchmarks & Characteristics of High Performers



## Loss Ratio (P&C)

$((\text{Total Claims Paid Out} + \text{Total Loss Adjustment Expense}) / \text{Total Premium Earned}) * 100$



### Characteristics of High Performers

- KPIs are well-defined, tracked and tied to performance reviews
- Robust self-service options for customer

Sample Size: XX

KPI Type: XX

Unit: XX

Is High or Low Best?: XX

**How to read this chart:** This chart summarizes the performance gaps between high (Top 5%), mid (Median) and low (Bottom 5%) performers for this Key Performance Indicator (KPI). For example, the column labeled "Top 5%" represents a company that outperformed 95% of the peer group observed for this metric.

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