

INSURANCE DATA TO ASSESS PRODUCT VALUE

RATIO	HOW TO MEASURE IT	WHAT IT TELLS YOU
Product uptake	Number of new policies purchased in a time period	Client interest in the product and the success of your sales and marketing strategy. It is important to look at this number in the context of the renewal rate (below), as renewal is a better indicator of product value.
Incurred claims ratio	Total amount of Claims paid out to clients/total (unsubsidized) premium collected by insurer	The average proportion of premium that is returned to the insured in the form of benefits. The higher the ratio, the more certain you can be that the product benefits clients. If the claims ratio for life insurance is below 60%, ask the insurance provider to justify the reason. (3.B.3.6.4)
Claims rejection ratio	Number of claims rejected/Number of claims in the sample	The proportion of claims that have been disqualified for benefit payment, for any reason. If this ratio is high, it can indicate that clients do not understand the product and/or that it does not cover scenarios that are common to your target clients—i.e., too many exclusions.
Renewal rate ⁷⁵	Number of renewals/Number of potential renewals ⁷⁶	The value of the product as perceived by the client. It applies specifically to term products (products with a fixed term of coverage such as one year). If the client is satisfied with the quality of the product and the services, and the product is well-adapted in terms of client capacity to pay, they are more likely to renew.
Coverage ratio	Number of active insured clients/Target market ⁷⁷	How difficult the product is to sell; how easily clients understand the product and desire to buy it.

Promptness of claims settlement ratio	The percentage of claims paid within each of the following intervals: 0-7 days; 8 to 30 days; 31 to 90 days; more than 90 days	How quickly client claims are settled. Insurance should provide cash during clients' time of need. If claims are not settled quickly, the product will not be as valuable for clients.
Complaints ratio	Number of complaints registered/Total number of policies	Overall client satisfaction levels, as well as the ease with which clients can submit a complaint. If this number is too low, it is likely that clients do not know how to submit a complaint, or it is too difficult. Couple this indicator with client satisfaction data for a more complete picture of clients' experience with insurance.
Reasons for lapses in coverage	Data from client interviews on reasons for non-renewal. Gather this data on a sample of lapsed clients.	Understand whether there are problems with the product that lead to clients dropping the product, and whether product changes could improve uptake and renewal.
Reasons for rejections of claims	Data from rejections database. This data should be recorded and analyzed by either the insurer or your institution.	Understand gaps in customer knowledge and gaps in coverage. Claim rejection generally decreases as customer understanding of coverage increases.
Demographics of those covered	Demographic data related to your target clients (e.g., gender, age, location, business type).	Compare demographic data to your targets to understand whether you are reaching your target clients.