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## Ward Group Names 2012 Ward's 50 Top Performing Insurance Companies

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CINCINNATI, OH--(Marketwire - Jul 17, 2012) - The list of Ward's 50® top performing insurance companies was released by Ward Group, an operational consulting firm and leading provider of benchmarking and best practices services to the insurance industry.

Annually, Ward Group analyzes the financial performance of over 3,000 property-casualty insurance companies and nearly 800 life-health insurance companies domiciled in the United States and identifies the top performers in each segment. This group is called the Ward's 50 for the year. Each Ward's 50 company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 22<sup>nd</sup> year Ward Group has conducted the analysis.

The Ward's 50 property-casualty group of insurance companies produced an 11.2% statutory return on average equity from 2007 to 2011 compared to 5.9% for the property-casualty industry overall. The Ward's 50 life-health group of insurance companies produced a 19.0% statutory return on average equity from 2007 to 2011 compared to 3.4% for the life-health industry overall.

"Financial returns for insurers declined in 2011 due to many factors including severe catastrophes, competitive pricing, low interest rates, high unemployment and sluggish economic growth," explains Jeff Rieder, Partner and Head of Ward Group. "Although results declined in nearly every sector of the industry, policyholder surplus and overall financial stability for the industry remains very strong. Companies are investing in new systems, improving internal processes and focusing on developing new capabilities to meet customer demands. In selecting the Ward's 50, we identify companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

### Safety and Consistency Tests

Insurance companies are evaluated and must pass minimum thresholds to be considered for the Ward's 50 designation. Each company must pass primary safety and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the five years analyzed
- Net income in at least four of the last five years (property-casualty)
- Adjusted net income in at least four of the last five years (life-health)
- Compound annual growth in premiums between -10% and +40%

### **Performance Measurements**

Companies that pass the safety and consistency tests are measured and scored on the following elements:

- Five Year Average Return on Average Equity
- Five Year Average Return on Average Assets
- Five Year Average Return on Total Revenue
- Five Year Growth in Revenue
- Five Year Improvement in Surplus to Written Premium (property-casualty)
- Five Year Average Combined Ratio (property-casualty)
- Five Year Growth in Surplus (life-health)

### **Key Performance Benchmarks**

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 life-health group of companies outpaced the industry for five year policyholder surplus growth (45.6% compared to 22.2%) and net premium income growth (42.0% compared to 5.0%). The Ward's 50 property-casualty group compared 10.0 points lower for the five year combined ratio (92.8% compared to 102.8%) and grew policyholder surplus by 26.4% compared to 8.6% for the industry since 2007. Net premiums written for the Ward's 50 property-casualty group grew 11.8% compared to the industry's 2.1% growth.

In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The expense ratio has been declining slowly for both the life-health and property-casualty industries but still remains higher than historical levels. Our research finds the Ward's 50 benchmarks gain significant advantages by effectively managing expenses," says Mr. Rieder. In 2011, expenses relative to revenue were 7.3% lower for the Ward's 50 property-casualty group of companies and 4.6% lower for the Ward's 50 life-health group.

For a complete list of the 2012 Ward's 50 companies, visit [www.wardinc.com](http://www.wardinc.com). Comparisons based on benchmarks set by Ward's 50<sup>®</sup> companies are available in *Ward's Results*<sup>®</sup>, an insurance industry financial reference series. Customized reports of select *Ward's 50 Benchmark Group comparisons* for individual companies can also be ordered at [www.wardinc.com](http://www.wardinc.com).

### **About Ward Group<sup>®</sup>**

Ward Group is the leading provider of benchmarking and best practices research studies for insurance companies. The firm analyzes staff levels, business practices and expenses for all areas of insurance company operations to help companies measure results, optimize performance and be more profitable.

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