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Key performance indicators

KPIs for client value for farmers

KPIs	FORMULAE OF KPIs	RELEVANCE OF KPIs	EXAMPLE BENCHMARKS FOR MONITORING
1. Socioeconomic data on target group	<ul style="list-style-type: none"> - Average landholding; - Estimated seasonal income; - Family size; - Age distribution; - Gender distribution; - Type of crops; - Type of value-chain 	<ul style="list-style-type: none"> - Important to understand the nature of the target customers and whether customers include marginalized/ ultra-poor/ women and youth farmers as well. - Also, to understand diversification (or concentration by crop type and by the type of aggregation model) 	-
2. Renewal ratio	Number of renewed farmers in period T / No. of farmers eligible for renewal at the end of the period T-1	Measure of the following: <ul style="list-style-type: none"> - Client value; - Client awareness of product; - Client awareness that renewal is needed; - Effectiveness of renewal process; - Quality of service delivery for farmers 	50%-100%
3. Rejection ratio	No. of claims rejected/ No. of claims in the sample	Should be minimal, ideally. A high rejection ratio indicates that the process may be too complex or people may have misunderstood products.	0-10%
4. Complaints ratio	No. of complaints/ No. of in-force farmers or claims	Indicates client unhappiness with the product and misunderstanding of the product / potentially mis-selling as well.	0-10%
5. Adequacy of coverage	(Sum Insured/ Full Cost of production) OR (Sum Insured/Cost of Key Agriculture Inputs)	Indicates the extent to which the sum insured provides adequacy of coverage to the farmers. Varies significantly depending on the distribution channel	20%-100%
6. Awareness of product	Percentage of insured farmers trained OR percentage of (relevant) field operatives trained	The extent of awareness raising done about the product	Should ideally be at least 10% of all insured farmers/ relevant field staff. Should increase every season.
7. Associated Value Add Services	VAS's can include the following: <ul style="list-style-type: none"> -Weather advisories; -Crop advisories; -Price information; etc. 	A good measurement of the 'tangibility' of insurance, beyond the insurance mechanism only	Varies but ideally at least 1 type of VAS should be delivered if possible. Cost of providing VAS should also be quantified and monitored.
8. Social Investment Ratio	Documented case studies through audio and video interviews with farmers, aggregators, and aggregators' field staff, ideally via mystery shopping visits by a 3rd party	Important to understand the social benefits of insurance, e.g. did having insurance help the farmer to keep her children in school even during the dry season, after a drought?	No fixed standard for now, but documenting the case studies and how insurance helps both before and after a claim pay-out/insured event occurring