

PERSPECTIVES FOR HIGH PERFORMANCE CRITICAL PERFORMANCE INDICATORS

Ratio Name	Significance
Reward Ratio	Provides a comparison between firms regardless of whether profits are paid out in various forms to owners or retained as tangible net worth
Servicing Costs per Dollar of Commission*	Measures cost of service against overall productivity performance
Employee Marginal Profitability	Contribution per employee to the overhead and profit of the firm
Contingent and Override Consistency Ratio	Measures consistency in contingent and override income
Sales Velocity	Measures new business rate
Total Commissions and Fees Growth Rate	Measures growth rate
New Business Dollars per Production Person	Average new business per production person
Net Unvalidated Producer Payroll (NUPP)	Measures a firm's investment in unvalidated producers
Revenue per Employee	Measures employee productivity
Total Commissions and Fees per Production Person	Average book of business per production person
Total Commissions and Fees per Service Person	Average book of business per service person
Support Staff as % Total Personnel*	Indicates the productivity of a firm's support staff or the extent to which there is overstaffing
Debt Service Coverage Ratio	Measures ability to produce enough cash to cover debt payments
Trust Ratio	Measures ability to meet payments owed to insurance carriers
Defensive Interval	Measures how many days of working capital an agency has
Weighted Average Shareholder Age*	Average of the shareholders' ages weighted by the percentage of stock they own

*Lowest performance is best

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