

Key performance indicators	Relevance
Shareholder value	
<ul style="list-style-type: none"> • Top quartile total shareholder return relative to peer groups. • Average cross cycle return on equity >15%. • Dividends per share growth. 	<ul style="list-style-type: none"> • Measures the total value created for shareholders, including cash returns and share price performance. • Measures how effectively we use capital. • Reflects the cash returned to shareholders.
Underwriting	
<ul style="list-style-type: none"> • Gross written premium > plan. • Combined ratio < plan. • Rate movement within 2.5% of plan. 	<ul style="list-style-type: none"> • Measures Amlin's gross underwriting income against expectations. • Measures Amlin's underwriting profitability against expectations. • Reflects the impact of price changes on Amlin's expected profitability.
Clients	
<ul style="list-style-type: none"> • Retention ratio > plan. • > 85% of policies contract certain. • 90% of claims turned around < 4 days. 	<ul style="list-style-type: none"> • Indicates the level of customer satisfaction. • Indicates quality of service provided to customer. • Key driver of customer satisfaction.
Risk management	
<ul style="list-style-type: none"> • Incurred claims ratio within 5% variance from expectation. • Realistic disaster scenarios remain within risk appetite . 	<ul style="list-style-type: none"> • Incurred ratios are a measure of variability of plan against actuarial best estimate. • RDS modelling and clear risk appetite principles control risk exposure.
People	
<ul style="list-style-type: none"> • Staff turnover < 15%. • Senior underwriter turnover < 10%. • Average years insurance experience of senior underwriters > 15 years. • Training expenditure targeted at 3% of salary costs. 	<ul style="list-style-type: none"> • Measures staff motivation and retention of expertise. • Measures senior underwriter motivation and retention of expertise. • Shows depth and experience of underwriting resource. • Measures the extent of personal and professional development.
Financial management	
<ul style="list-style-type: none"> • Return on equity within 5% of plan. • Cash and investments at least double shareholders' equity. 	<ul style="list-style-type: none"> • Measures how effectively we use capital. • Reflects profitable trading, liquidity and the ability to pay large claims quickly.

Source: Amlin Annual Report 2007