

Claim Disposal Ratio

A Key Metric for Monitoring Claim Processing

A B C = A + B

Claim Counts as of Evaluation Date

Eval Date	Open	Closed	Reported
12/31/2017	100	80	180
12/31/2018	115	175	290
12/31/2019	125	272	397
12/31/2020	142	378	520
12/31/2021	138	480	618
12/31/2022	155	592	747
12/31/2023	150	676	826

A **claim disposal ratio** measures the **number of claims closed** in a calendar period **relative to** the **number of claims available to be closed** in the calendar period.

This metric is measures closing rate *relative to the total claim inventory*, rather than claims reported during a calendar period.

D E F = D + E G H = D + E - G I = G / F

(Based on A) (Based on C) (Based on B)

Calendar Year	Open at Beginning of Cal Year	Reported in Cal Year	Total Inventory Available for Closing in Cal Year	Closed in Cal Year	Open at End of Cal Year	Claim Disposal Ratio
2018	100	110	210	95	115	45.2%
2019	115	107	222	97	125	43.7%
2020	125	123	248	106	142	42.7%
2021	142	98	240	102	138	42.5%
2022	138	129	267	112	155	41.9%
2023	155	79	234	84	150	35.9%

Material decrease in ratio indicates possible issue in claim handling process.

$$\text{Claim Disposal Ratio} = \frac{\text{Claims closed in calendar period}}{\text{Total inventory available for closing in calendar period}}$$

$$\text{Total inventory available for closing in calendar period} = \text{Claims open at beginning of calendar period} + \text{Claims reported in calendar period}$$