

## **VI. Financial and Statistical Data**



## **Notes to Tables**

The financial information was obtained from the NAIC database downloaded on April 29, 2008, for those companies filing electronically with the NAIC and annual statements filed with OCI for those companies not filing electronically with the NAIC. The tables report the financial position of companies licensed to do business in Wisconsin as of December 31, 2007, and the results of their 2007 operations. Companies in rehabilitation and liquidation may not be included in the financial data.

Table A includes Risk Retention Groups and Vehicle Protection Plans as authorized insurers. Neither group of entities is technically authorized as they are not issued a certificate of authority to write business. Risk Retention Groups are required to register with this office pursuant to the Federal Liability Risk Retention Act of 1986. Vehicle Protection Plans register with this office pursuant to the requirements of s. 100.203, Wis. Stat., and ch. Ins 14, Wis. Adm. Code.

Tables B-I do not contain financial data for the Other Entities Subject to Limited Regulation.

Direct premiums and deposits for life business reported in Tables B and D includes direct premiums written, annuity, deposit, and other considerations and policyholder dividends used for renewals and paid-up additions. Direct premiums written reported in Table E excludes dividends, and deposit and other considerations. Direct benefits and dividends paid includes both benefits paid and dividends paid or applied during the year.

Direct premiums written in Table E includes insurers with negative premiums written. This results in premiums written for the 20 ranked insurers in certain lines of business to be greater than all insurers writing that line of business.

All of the amounts in Tables F-I, except ratio amounts, have been rounded to thousands. Ratios in excess of 999% were reported as "999" and ratios less than 0 were reported as "0". Ratio results outside these thresholds are meaningless.

### Explanation of Terms Used in Tables

The “*Wisconsin Operations*” columns report the direct premiums and losses for Wisconsin only business for 2007. The “*Nationwide Operations*” columns report the net premiums and losses for all operations for 2007.

“*Direct*” business refers to business for which the insurer issued an insurance policy and accepted the premium. “*Net*” business is direct business plus reinsurance assumed and less reinsurance ceded.

“*Reinsurance*” is the transfer of risk between insurance companies. Almost all direct writing companies use reinsurance to transfer a portion of the risk associated with its direct policies. Reinsurance assumed is accepting the risk of other insurers, while reinsurance ceded is transferring the risk to other insurers. Some companies specialize in providing reinsurance to other companies versus writing business directly.

“*Premium Written*” is usually defined as premium billed by fire and casualty companies. Rules of life insurance accounting require reporting premiums actually collected. Premium written is a measure of sales activity in the state for the year.

“*Premium Earned*” is the result of premiums written in the current and previous years, and in some instances, premiums to be written in the future for current coverages. It is approximately the pro-rata portion of the premium charged for each policy for the portion of coverage provided within the calendar year.

“*Losses Incurred*” equals losses paid, plus an estimate at the close of the current year of the amounts to be paid in the future for all unsettled claims as of the financial statement date, less the corresponding estimate made at the end of the prior year. If the estimates were exactly correct, then the incurred losses would be the actual cost of all claims arising from coverage provided during the current year. The estimates would also include amounts for IBNR claims (incurred but not reported). Loss

adjustment expenses are also included in the losses incurred for nationwide operations of Title Companies.

“*Annuity Considerations*” is revenue received for annuity contracts during the year. The amount corresponds to premiums written on insurance contracts.

“*Deposits*” are amounts placed with the insurer that do not incorporate risk from the death or disability of the policyholder and are more comparable to financial or investment instruments than insurance contracts.

“*Other Considerations*” are annuity considerations or other deposits, which are not allocated to a specific policy, but include an insurable risk.

The “*Net Loss Ratio*” is equal to net losses incurred plus net loss adjustment expenses incurred, divided by net premiums earned. The “*Expense Ratio*” is equal to underwriting expenses divided by net premiums written. The loss ratio is determined based on net premiums earned as losses occur randomly throughout the policy term which matches the period the premiums are earned. The expense ratio is determined using net premiums written, because most underwriting expenses (commissions, home office underwriting, and clerical expenses) are incurred at the time the policy is written, not evenly throughout the policy term.

The “*Wisconsin Direct Loss Ratio*” is a pure loss ratio equal to the direct losses incurred divided by the direct premiums earned for Wisconsin business. This ratio does not include Loss Adjustment Expenses. For insurers with small direct premiums earned, this ratio may not be a meaningful representation of their overall operations. Negative losses incurred would result from the company overestimating the cost to settle open claims as of the end of the prior year or the receipt of salvage or other recoveries from claims paid in prior years which were in excess of amounts incurred for the current year claims.

**TABLE A**  
**Summary of Insurers Authorized to Write Insurance in Wisconsin**  
**as of December 31, 2007**  
**Counts by Type and Domicile**

TYPE OF COMPANY	DOMESTIC COMPANIES	NONDOMESTIC COMPANIES	TOTAL
<b>REGULATED ENTITIES</b>			
STOCK LIFE AND HEALTH	26	405	431
MUTUAL LIFE AND HEALTH	3	28	31
FRATERNALS	8	40	48
HEALTH MAINTENANCE ORGANIZATIONS	24	0	24
OTHER HEALTH INSURERS	13	0	13
STOCK PROPERTY AND CASUALTY	77	765	842
MUTUAL PROPERTY AND CASUALTY	35	68	103
RECIPROCAL EXCHANGES	0	17	17
TOWN MUTUALS	68	0	68
<b>SUBTOTAL</b>	<b>254</b>	<b>1,323</b>	<b>1,577</b>
<b>OTHER ENTITIES SUBJECT TO LIMITED REGULATION *</b>			
CONTINUING CARE RETIREMENT COMMUNITIES	24	0	24
GIFT ANNUITIES	88	138	226
MOTOR CLUBS	0	28	28
VEHICLE PROTECTION PLANS	0	15	15
VIATICALS	0	4	4
WARRANTY PLANS	11	109	120
<b>SUBTOTAL</b>	<b>123</b>	<b>294</b>	<b>417</b>
<b>GRAND TOTAL</b>	<b>377</b>	<b>1,617</b>	<b>1,994</b>

**TABLE B**  
**2007 Summary of Wisconsin Operations of All Insurers by Type of Company**

TYPE OF COMPANY	DIRECT PREMIUMS AND DEPOSITS *	DIRECT BENEFITS AND DIVIDENDS PAID *	
STOCK LIFE AND HEALTH	\$14,753,978,739	\$13,732,826,727	
MUTUAL LIFE AND HEALTH	1,547,698,487	1,303,059,769	
FRATERNALS	601,075,183	743,931,045	
<b>TOTALS</b>	<b>\$16,902,752,409</b>	<b>\$15,779,817,541</b>	

  

TYPE OF COMPANY	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
HEALTH MAINTENANCE ORGANIZATIONS	\$ 4,957,177,544	\$4,526,335,367	91
OTHER HEALTH INSURERS	644,709,004	532,969,670	83
STOCK PROPERTY AND CASUALTY	4,664,871,222	2,832,064,609	61
MUTUAL PROPERTY AND CASUALTY	3,168,068,431	1,891,650,925	60
RECIPROCAL EXCHANGES	243,073,577	170,550,650	70
TOWN MUTUALS	69,548,763	36,344,900	52
<b>TOTALS</b>	<b>\$13,743,674,659</b>	<b>\$9,989,916,121</b>	<b>73</b>

\* See Notes to Tables.

**TABLE C**  
**2007 Summary of Nationwide**  
**Financial Operations of Wisconsin Insurers**

❖ **LIFE AND HEALTH INSURERS** ❖

ASSETS	\$228,706,430,165
CAPITAL AND SURPLUS	21,025,965,392
NET PREMIUMS AND ANNUITY CONSIDERATIONS	35,102,001,242
NET BENEFITS INCURRED	31,897,771,385
NET INCOME	2,380,142,735
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	36,314,998,153

❖ **PROPERTY AND CASUALTY INSURERS** ❖

ASSETS	\$ 68,935,889,119
CAPITAL AND SURPLUS	24,120,773,928
NET EARNED PREMIUMS	20,516,027,282
NET LOSSES INCURRED	13,537,493,787
NET INCOME	2,072,971,960
DIRECT PREMIUMS WRITTEN	28,339,166,461

❖ **HEALTH MAINTENANCE ORGANIZATIONS** ❖  
❖ **AND OTHER HEALTH INSURERS** ❖

ASSETS	\$ 1,646,436,813
CAPITAL AND SURPLUS	873,293,436
NET EARNED PREMIUMS	5,556,394,884
NET LOSSES INCURRED	4,929,763,003
NET INCOME	111,298,542
DIRECT PREMIUMS WRITTEN	5,617,838,423

❖ **ALL INSURERS COMBINED** ❖

ASSETS	\$299,288,756,097
CAPITAL AND SURPLUS	46,020,032,756
NET PREMIUMS AND ANNUITY CONSIDERATIONS	35,102,001,242
NET BENEFITS INCURRED	31,897,771,385
NET EARNED PREMIUMS	26,072,422,166
NET LOSSES INCURRED	18,467,256,790
NET INCOME	4,564,413,237
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	70,272,003,037

**TABLE D**  
**2007 Summary of Wisconsin Operations**  
**of All Insurers by Line of Insurance**

LINE OF INSURANCE	DIRECT PREMIUMS AND DEPOSITS*
LIFE INSURANCE	
ORDINARY	\$2,468,843,677
CREDIT	28,669,429
GROUP	732,199,137
INDUSTRIAL	5,456,623
<b>TOTAL</b>	<b>\$3,235,168,866</b>
ANNUITIES	\$5,616,145,999
DEPOSITS	921,105,386
OTHER	1,432,099,721
	<b>DIRECT BENEFITS AND DIVIDENDS PAID*</b>
BENEFIT TYPE	
DIVIDENDS	\$ 620,183,454
DEATH BENEFITS	1,208,777,020
ANNUITY BENEFITS	1,508,849,067
ALL OTHER BENEFITS	7,977,524,087

LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ACCIDENT AND HEALTH			
GROUP	\$ 8,756,098,930	\$7,697,997,543	88
CREDIT	45,180,890	20,305,804	45
INDIVIDUAL	2,827,903,186	2,219,080,601	78
<b>TOTAL</b>	<b>\$11,629,183,006</b>	<b>\$9,937,383,948</b>	<b>85</b>
MULTIPLE PERIL			
FARMOWNERS	\$ 107,970,826	\$ 70,636,417	65
HOMEOWNERS	845,399,693	562,190,677	66
COMMERCIAL	600,059,571	290,676,884	48
<b>TOTAL</b>	<b>\$ 1,553,430,090</b>	<b>\$ 923,503,978</b>	<b>59</b>
AUTOMOBILE			
PRIVATE PASSENGER CARS	\$ 2,223,306,329	\$1,428,453,057	64
COMMERCIAL VEHICLES	510,910,795	265,207,575	52
<b>TOTAL</b>	<b>\$ 2,734,217,124</b>	<b>\$1,693,660,632</b>	<b>62</b>

\* See Notes to Tables.

**TABLE D (continued)**

<b>LINE OF INSURANCE</b>	<b>DIRECT PREMIUMS EARNED</b>	<b>DIRECT LOSSES INCURRED</b>	<b>LOSS RATIO</b>
ALL OTHER LINES			
FIRE	\$ 132,264,849	\$ 53,823,664	41
MEDICAL MALPRACTICE	102,993,963	62,989,824	61
WORKERS COMPENSATION	1,655,016,389	1,056,648,335	64
OTHER LIABILITY	624,566,754	356,490,658	57
FIDELITY	20,375,551	5,780,075	28
SURETY	42,569,864	-16,789,549	-39
CREDIT	22,721,842	34,965,874	154
TITLE	112,962,649	16,529,769	15
MORTGAGE GUARANTY	94,363,478	70,101,828	74
ALL OTHER	715,495,616	327,592,072	46
<b>TOTAL</b>	<b>\$3,523,330,955</b>	<b>\$1,968,132,550</b>	<b>56</b>