



## INSURANCE EXPENSE EXHIBIT FOR THE YEAR ENDED June 30, 2013 (To Be Filed by April 1)

OF THE Local Government Property Insurance Fund Year Ended 6/30/2013

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ADDRESS (City, State and Zip Code) 559 D'Onofrio Drive, Suite 10, Madison, WI 53719

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NAIC Group Code \_\_\_\_\_ NAIC Company Code 10327 Federal Employer's Identification Number (FEIN) 39-6006451

Contact Person Sarah Hartman Title Contracted Administrator Telephone (517)381-7966

## INTERROGATORIES

1. Change in reserve for deferred maternity and other similar benefits are reflected in:

- 1.1 Premiums Earned
- 1.2 Losses Incurred
- 1.3 Not Applicable

Yes  No   
 Yes  No   
 Yes  No

2. Indicate amounts received from securities subject to proration for federal tax purposes. Report amounts in whole dollars only:

- 2.1 Amount included on Exhibit of Net Investment Income, Line 1.1, Column 2
- 2.2 Amount included on Exhibit of Net Investment Income, Line 2.1, Column 2
- 2.3 Amount included on Exhibit of Net Investment Income, Line 2.11, Column 2
- 2.4 Amount included on Exhibit of Net Investment Income, Line 2.2, Column 2
- 2.5 Amount included on Exhibit of Net Investment Income, Line 2.21, Column 2

\$ ..... 0  
 \$ ..... 0  
 \$ ..... 0  
 \$ ..... 0  
 \$ ..... 0

3. Indicate amounts shown in the Annual Statement for the following items. Report amounts in whole dollars only:

- 3.1 Net Investment Income, Page 4, Line 9, Column 1
- 3.2 Net Realized Capital Gain or (Loss), Page 4, Line 10, Column 1

\$ ..... 58,197  
 \$ ..... 0

4.1 The information provided in the Insurance Expense Exhibit will be used by many persons to estimate the allocation of expenses and profit to the various lines of business. Are there any items requiring special comment or explanation?

Yes  No   
 Yes  No

4.2 Are items allocated to lines of business in Parts II and III using methods not defined in the instructions? Statement may be attached.

4.3 If yes, explain

**PART I - ALLOCATION TO EXPENSE GROUPS**

(000 OMITTED)

Operating Expense Classifications	1 Loss Adjustment Expense	Other Underwriting Expenses			5 Investment Expenses	6 Total Expenses
		2 Acquisition, Field Supervision and Collection Expenses	3 General Expenses	4 Taxes, Licenses and Fees		
1. Claim adjustment services:						
1.1 Direct	753					753
1.2 Reinsurance assumed						
1.3 Reinsurance ceded	26					26
1.4 Net claim adjustment services (Lines 1.1 + 1.2 - 1.3)	727					727
2. Commission and brokerage:						
2.1 Direct excluding contingent		70				70
2.2 Reinsurance assumed excluding contingent						
2.3 Reinsurance ceded excluding contingent						
2.4 Contingent - direct						
2.5 Contingent - reinsurance assumed						
2.6 Contingent - reinsurance ceded						
2.7 Policy and membership fees						
2.8 Net commission and brokerage (Lines 2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		70				70
3. Allowances to managers and agents						
4. Advertising						
5. Boards, bureaus and associations			833			833
6. Surveys and underwriting reports						
7. Audit of assureds' records						
8. Salary related items:						
8.1 Salaries	24		97			121
8.2 Payroll taxes						
9. Employee relations and welfare						
10. Insurance						
11. Directors' fees						
12. Travel and travel items						
13. Rent and rent items						
14. Equipment						
15. Cost or depreciation of EDP equipment and software						
16. Printing and stationery						
17. Postage, telephone and telegraph, exchange and express			26			26
18. Legal and auditing						
19. TOTALS (Lines 3 to 18)	24		956			980
20. Taxes, licenses and fees:						
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0						
20.2 Insurance department licenses and fees				151		151
20.3 Gross guaranty association assessments						
20.4 All other (excluding Federal and foreign income and real estate)						
20.5 TOTAL taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4)				151		151
21. Real estate expenses						
22. Real estate taxes						
23. Reimbursements by uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X
24. Aggregate write-ins for Miscellaneous Operating Expenses	178		780		11	969
25. TOTAL EXPENSES INCURRED	930	70	1,736	151	11	2,898
<b>DETAILS OF WRITE-INS</b>						
2401. Fund Administration Contracted Management Fees	178		713			891
2402. Actuary			67			67
2403. Investment Board Fees					11	11
2498. Summary of remaining write-ins for Line 24 from overflow page						
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	178		780		11	969

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE	Premiums Written (Page 8, Part 1B, Column 6)		Premiums Earned (Page 6, Part 1, Column 4)		Dividends to Policyholders (Page 4, Line 17)		Incurred Loss (Page 9, Part 2, Column 7)		Loss Adjustment Expense				Unpaid Losses (Page 10, Part 2A, Column 8)		Loss Adjustment Expense				Unearned Premium Reserves (Page 7, Part 1A, Column 5)		Agents' Balances	
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		13 Amount	14 %	Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		19 Amount	20 %	21 Amount	22 %
									9 Amount	10 %	11 Amount	12 %			15 Amount	16 %	17 Amount	18 %				
1. Fire	3,625	X X X	3,521	100.0			3,287	93.4	8	0.2	281	8.0	1,142	32.4			29	0.8	782	22.2	198	5.6
2.1 Allied Lines	9,651	X X X	9,257	100.0			7,912	85.5	18	0.2	476	5.1	6,247	67.5			144	1.6	2,081	22.5	528	5.7
2.2 Multiple Peril Crop		X X X		100.0																		
2.3 Federal Flood		X X X		100.0																		
3. Farmowners Multiple Peril		X X X		100.0																		
4. Homeowners Multiple Peril		X X X		100.0																		
5.1 Commercial Multiple Peril (Non-Liability Portion)		X X X		100.0																		
5.2 Commercial Multiple Peril (Liability Portion)		X X X		100.0																		
6. Mortgage Guaranty		X X X		100.0																		
8. Ocean Marine		X X X		100.0																		
9. Inland Marine	1,078	X X X	1,167	100.0			310	26.6			18	1.5	267	22.8			2	0.2	232	19.9	59	5.1
10. Financial Guaranty		X X X		100.0																		
11. Medical Professional Liability		X X X		100.0																		
12. Earthquake		X X X		100.0																		
13. Group A & H (See Interrogatory 1)		X X X		100.0																		
14. Credit A & H		X X X		100.0																		
15. Other A & H (See Interrogatory 1)		X X X		100.0																		
16. Workers' Compensation		X X X		100.0																		
17.1 Other Liability - occurrence		X X X		100.0																		
17.2 Other Liability - claims-made		X X X		100.0																		
17.3 Excess Workers' Compensation		X X X		100.0																		
18. Products Liability		X X X		100.0																		
19.1 19.2 Private Passenger Auto Liability		X X X		100.0																		
19.3 19.4 Commercial Auto Liability		X X X		100.0																		
21.1 Private Passenger Auto Physical Damage		X X X		100.0																		
21.2 Commercial Auto Physical Damage	2,576	X X X	2,647	100.0			2,301	86.9			129	4.9	1,092	41.3			17	0.6	557	21.0	141	5.3
22. Aircraft (all perils)		X X X		100.0																		
23. Fidelity		X X X		100.0																		
24. Surety		X X X		100.0																		
26. Burglary and Theft	175	X X X	179	100.0			0	0.3					26	14.5					37	20.6	9	5.0
27. Boiler and Machinery		X X X		100.0																		
28. Credit		X X X		100.0																		
29. International		X X X		100.0																		
30. Warranty		X X X		100.0																		
31. , 32. 33 Reinsurance-Nonproportional Assumed		X X X		100.0																		
34. Aggregate write-ins for Other Lines of Business		X X X		100.0																		
35. TOTAL (Lines 1 through 34)	17,105	X X X	16,771	100.0			13,811	82.4	26	0.2	904	5.4	8,773	52.3			192	1.1	3,689	22.0	935	5.6
<b>DETAILS OF WRITE-INS</b>																						
3401.		X X X																				
3402.		X X X																				
3403.		X X X																				
3498. Summary of remaining write-ins for Line 34 from overflow page		X X X		100.0																		
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)		X X X		100.0																		

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**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE (Continued)**

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE	Other Underwriting Expenses																			
	Commission and Brokerage Expenses Incurred (IEE Part I, Line 2.8, Column 2)		Taxes, Licenses and Fees Incurred (IEE Part I, Line 20.5, Column 4)		Other Acquisitions, Field Supervision, & Collection Expenses Incurred (IEE Part I, Line 25 - 2.8, Col. 2)		General Expenses Incurred (IEE Part I, Line 25, Column 3)		Other Income Less Other Expenses (Page 4, Line 15 minus Line 5)		Pre-Tax Profit or Loss Excluding All Investment Gain		Investment Gain on Funds Attributable to Insurance Transactions		Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus		Investment Gain Attributable to Capital and Surplus		Total Profit or Loss	
	23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %	35 Amount	36 %	37 Amount	38 %	39 Amount	40 %	41 Amount	42 %
1. Fire	15	0.4	32	0.9			368	10.5			(471)	(13.4)	8	0.2	(463)	(13.1)	7	0.2	(456)	(12.9)
2.1 Allied Lines	39	0.4	85	0.9			980	10.6			(253)	(2.7)	16	0.2	(237)	(2.6)	17	0.2	(220)	(2.4)
2.2 Multiple Peril Crop																				
2.3 Federal Flood																				
3. Farmowners Multiple Peril																				
4. Homeowners Multiple Peril																				
5.1 Commercial Multiple Peril (Non-Liability Portion)																				
5.2 Commercial Multiple Peril (Liability Portion)																				
6. Mortgage Guaranty																				
8. Ocean Marine																				
9. Inland Marine	4	0.3	10	0.9			109	9.3			716	61.4	1	0.1	717	61.4	2	0.1	719	61.6
10. Financial Guaranty																				
11. Medical Professional Liability																				
12. Earthquake																				
13. Group A & H (See Interrogatory 1)																				
14. Credit A & H																				
15. Other A & H (See Interrogatory 1)																				
16. Workers' Compensation																				
17.1 Other Liability - occurrence																				
17.2 Other Liability - claims-made																				
17.3 Excess Workers' Compensation																				
18. Products Liability																				
19.1 19.2 Private Passenger Auto Liability																				
19.3 19.4 Commercial Auto Liability																				
21.1 Private Passenger Auto Physical Damage																				
21.2 Commercial Auto Physical Damage	11	0.4	23	0.9			261	9.9			(78)	(2.9)	3	0.1	(75)	(2.8)	4	0.2	(71)	(2.7)
22. Aircraft (all perils)																				
23. Fidelity																				
24. Surety																				
26. Burglary and Theft	1	0.6	1	0.6			18	10.1			158	88.6	0	0.1	159	88.6	0	0.1	159	88.7
27. Boiler and Machinery																				
28. Credit																				
29. International																				
30. Warranty																				
31. , 32, 33 Reinsurance-Nonproportional Assumed																				
34. Aggregate write-ins for Other Lines of Business																				
35. TOTAL (Lines 1 through 34)	70	0.4	151	0.9			1,736	10.4			73	0.4	28	0.2	101	0.6	30	0.2	131	0.8
<b>DETAILS OF WRITE-INS</b>																				
3401.																				
3402.																				
3403.																				
3498. Summary of remaining write-ins for Line 34 from overflow page																				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)																				

NOTE: THE ALLOCATION OF INVESTMENT INCOME FROM CAPITAL AND SURPLUS BY LINE OF BUSINESS MAY NOT ACCURATELY REFLECT THE PROFITABILITY OF A PARTICULAR LINE FOR USE IN THE RATE MAKING PROCESS.

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN**

(000 OMITTED)

	PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN	Premiums Written (Page 8, Part 1B, Column 1)		Premiums Earned (Schedule T, Line 59, Column 3)		Dividends to Policyholders		Incurred Loss (Schedule T, Line 59, Column 6)		Loss Adjustment Expense				Unpaid Losses (Schedule T, Line 59, Column 7)		Loss Adjustment Expense				Unearned Premium Reserves		Agents' Balances	
		1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		13 Amount	14 %	Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		19 Amount	20 %	21 Amount	22 %
										9 Amount	10 %	11 Amount	12 %			15 Amount	16 %	17 Amount	18 %				
1.	Fire	5,246	X X X	4,972	100.0			4,232	85.1	8	0.2	281	5.7	1,692	34.0			29	0.6	1,998	40.2	198	4.0
2.1	Allied lines	13,964	X X X	12,941	100.0			8,997	69.5	18	0.1	476	3.7	7,338	56.7			144	1.1	5,315	41.1	528	4.1
2.2	Multiple Peril Crop		X X X		100.0																		
2.3	Federal Flood		X X X		100.0																		
3.	Farmowners Multiple Peril		X X X		100.0																		
4.	Homeowners Multiple Peril		X X X		100.0																		
5.1	Commercial Multiple Peril (Non-liability Portion)		X X X		100.0																		
5.2	Commercial Multiple Peril (Liability Portion)		X X X		100.0																		
6.	Mortgage Guaranty		X X X		100.0																		
8.	Ocean Marine		X X X		100.0																		
9.	Inland Marine	1,559	X X X	1,785	100.0			310	17.4			18	1.0	267	14.9			2	0.1	594	33.3	59	3.3
10.	Financial Guaranty		X X X		100.0																		
11.	Medical Professional Liability		X X X		100.0																		
12.	Earthquake		X X X		100.0																		
13.	Group A & H (See Interrogatory 1)		X X X		100.0																		
14.	Credit A & H		X X X		100.0																		
15.	Other A & H (See Interrogatory 1)		X X X		100.0																		
16.	Workers' Compensation		X X X		100.0																		
17.1	Other Liability - occurrence		X X X		100.0																		
17.2	Other Liability - claims-made		X X X		100.0																		
17.3	Excess Workers' Compensation		X X X		100.0																		
18.	Products Liability		X X X		100.0																		
19.1	19.2 Private Passenger Auto Liability		X X X		100.0																		
19.3	19.4 Commercial Auto Liability		X X X		100.0																		
21.1	Private Passenger Auto Physical Damage		X X X		100.0																		
21.2	Commercial Auto Physical Damage	3,731	X X X	3,904	100.0			2,301	58.9			129	3.3	1,092	28.0			17	0.4	1,423	36.5	141	3.6
22.	Aircraft (all perils)		X X X		100.0																		
23.	Fidelity		X X X		100.0																		
24.	Surety		X X X		100.0																		
26.	Burglary and Theft	252	X X X	260	100.0			0	0.2					26	10.0					94	36.2	9	3.5
27.	Boiler and Machinery		X X X		100.0																		
28.	Credit		X X X		100.0																		
29.	International		X X X		100.0																		
30.	Warranty		X X X		100.0																		
34.	Aggregate write-ins for Other Lines of Business		X X X		100.0																		
35.	TOTAL (Lines 1 through 34)	24,752	X X X	23,862	100.0			15,840	66.4	26	0.1	904	3.8	10,414	43.6			192	0.8	9,424	39.5	935	3.9
<b>DETAILS OF WRITE-INS</b>																							
3401.			X X X																				
3402.			X X X																				
3403.			X X X																				
3498.	Summary of remaining write-ins for Line 34 from overflow page		X X X		100.0																		
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)		X X X		100.0																		

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**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN (Continued)**

(000 OMITTED)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN	Other Underwriting Expenses								Other Income less Other Expenses		Pre-Tax Profit or Loss Excluding All Investment	
	Commission and Brokerage Expenses Incurred		Taxes, Licenses and Fees Incurred		Other Acquisitions, Field Supervision, and Collection Expenses Incurred		General Expenses Incurred					
	23	24	25	26	27	28	29	30	31	32	33	34
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Fire	15	0.3	32	0.6			368	7.4			36	0.7
2.1 Allied Lines	39	0.3	85	0.7			979	7.6			2,347	18.1
2.2 Multiple Peril Crop												
2.3 Federal Flood												
3. Farmowners Multiple Peril												
4. Homeowners Multiple Peril												
5.1 Commercial Multiple Peril (Non-Liability Portion)												
5.2 Commercial Multiple Peril (Liability Portion)												
6. Mortgage Guaranty												
8. Ocean Marine												
9. Inland Marine	4	0.2	10	0.5			109	6.1			1,334	74.7
10. Financial Guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group A & H (See Interrogatory 1)												
14. Credit A & H												
15. Other A & H (See Interrogatory 1)												
16. Workers' Compensation												
17.1 Other Liability - occurrence												
17.2 Other Liability - claims-made												
17.3 Excess Workers' Compensation												
18. Products Liability												
19.1 19.2 Private Passenger Auto Liability												
19.3 19.4 Commercial Auto Liability												
21.1 Private Passenger Auto Physical Damage												
21.2 Commercial Auto Physical Damage	11	0.3	23	0.6			261	6.7			1,180	30.2
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and Theft	1	0.3	2	0.6			18	6.9			239	92.0
27. Boiler and Machinery												
28. Credit												
29. International												
30. Warranty												
34. Aggregate write-ins for Other Lines of Business												
35. TOTAL (Lines 1 through 34)	70	0.3	151	0.6			1,735	7.3			5,136	21.5
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)												

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