



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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2006 Life & Annuity Market Conduct Annual Statement

The Market Conduct Annual Statement (MCAS) is an analysis tool that states can use to review market activity of the entire insurance marketplace in a consistent manner and to identify companies whose practices are outside normal ranges. For the 2006 Life & Annuity MCAS, licensed companies with at least \$50,000 in subject life insurance premium and/or annuity considerations were required to participate in the project in Wisconsin. A total of 304 companies participated in the project.

Statewide averages are calculated for up seven categories depending on the type of insurance reported in the Life & Annuity MCAS. The following statewide averages and charts indicating where the number of reporting companies whose ratios fall within various ranges are for informational purposes only and do not represent standards for market behavior. This information does not establish compliance or non-compliance. Companies may not use this information in any form of company advertising or marketing.

Schedule 1: Individual Life Cash Value Products

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	9.1%
Ratio 2. The number of 1035 exchanges to the number of policies issued	6.2%
Ratio 3. The number of surrenders compared to the number of policies issued	54.2%
Ratio 4. The number of policies with loan balances exceeding 25% compared to the number of policies in force	5.7%
Ratio 5. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid	0.7%
Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed	0.3%
Ratio 7. Number of complaints per 1,000 policies in force	0.324#

	Number of companies with ratios falling in the range:											
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	152	52	21	17	11	10	7	4	4	0	4	6
Ratio 2	182	50	15	11	9	7	5	2	0	1	4	2
Ratio 3	37	26	17	18	12	8	9	6	8	5	3	139
Ratio 4	61	193	30	2	0	1	0	0	0	0	0	1
Ratio 5	230	38	9	4	4	2	0	0	0	0	1	0
Ratio 6	257	21	6	1	2	0	0	0	0	0	1	0
Ratio 7	Number of complaints per 1,000 policies in force											
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 7	170	20	31	20	12	14	11	4	0	1	2	3

Schedule 2: Individual Life Non-Cash Value Products

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	19.2%
Ratio 2. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid	2.3%
Ratio 3. The number of claims denied, resisted or compromised compared to the number of claims closed	1.2%
Ratio 4. Number of complaints per 1,000 policies in force	0.291#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	145	34	21	21	17	7	0	0	2	1	0	1
Ratio 2	233	5	3	1	2	1	1	0	0	0	3	0
Ratio 3	234	8	2	2	0	1	0	1	0	0	1	0

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	195	11	13	6	3	7	3	2	0	3	1	5

Schedule 3: Group Life Products

	Statewide Average Ratio
Ratio 1. The number of claims paid beyond 60 days from the date of due proof of loss compared to the number of claims paid	1.9%
Ratio 2. The number of claims denied, resisted or compromised compared to the number of claims closed	2.0%
Ratio 3. Number of complaints per 1,000 policies in force	0.270#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	131	22	9	3	2	1	0	0	0	0	2	0
Ratio 2	137	26	6	1	0	0	0	0	0	0	0	0

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 3	148	2	0	3	0	1	1	1	0	0	2	12

Schedule 4: Individual Fixed Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	46.2%
Ratio 2. The number of 1035 exchanges to the number of policies issued	29.5%
Ratio 3. The number of surrenders compared to the number of policies issued	109.0%
Ratio 4. Number of complaints per 1,000 policies in force	0.895#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	134	10	5	9	11	22	14	7	4	8	7	4
Ratio 2	137	20	16	16	13	10	3	6	4	1	5	4
Ratio 3	60	6	5	11	7	6	7	9	5	2	6	111

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	178	2	6	7	8	15	5	5	0	3	1	5

Schedule 5: Individual Variable Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	44.8%
Ratio 2. The number of 1035 exchanges to the number of policies issued	25.5%
Ratio 3. The number of surrenders compared to the number of policies issued	97.9%
Ratio 4. Number of complaints per 1,000 policies in force	0.495#

Number of companies with ratios falling in the range:												
	0%	>0% to 10%	>10% to 20%	>20% to 30%	>30% to 40%	>40% to 50%	>50% to 60%	>60% to 70%	>70% to 80%	>80% to 90%	>90% to 100%	>100%
Ratio 1	51	3	5	6	4	13	8	3	3	2	5	4
Ratio 2	45	8	16	11	5	4	1	2	0	1	5	9
Ratio 3	11	3	3	4	3	4	1	3	7	1	1	66

Number of complaints per 1,000 policies in force												
	0	>0 to 0.25	>0.25 - 0.5	>0.5 to 0.75	>0.75 to 1	>1 to 2	>2 to 3	>3 to 4	>4 to 5	>5 to 6	>6 to 7	>7
Ratio 4	68	5	10	7	1	9	2	0	2	0	1	2