



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

Bureau of Market Regulation
125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
(608) 266-3585 • (800) 236-8517 (WI Only)
Fax: (608) 264-8115
E-Mail: ocicomplaints@wisconsin.gov
Web Address: oci.wi.gov

2007 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 2007 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 292 companies participated in the project.

Statewide averages are calculated for up to 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. MCAS data, company specific ratios and/or statewide averages, may not be used 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	11.0%
Ratio 2. The number of 1035 exchanges to the number of policies issued	7.9%
Ratio 3. The number of surrenders compared to the number of policies issued	66.6%
Ratio 4. The number of policies with loan balances exceeding 25% compared to the number of policies in force	7.0%
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	0.2%
Ratio 7. Number of complaints per 1,000 policies in force	0.369#

	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	149	48	21	10	17	10	3	5	0	0	5	3
Ratio 2	169	48	12	11	13	4	3	2	0	0	1	8
Ratio 3	32	19	19	15	15	11	5	2	6	6	6	135
Ratio 4	54	186	27	2	0	0	0	1	0	0	0	1
Ratio 5	219	38	5	3	2	3	0	1	0	0	0	0
Ratio 6	237	25	7	0	0	1	0	0	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 7	152	25	22	18	14	22	8	3	2	0	0	5

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	18.3%
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	1.6%
Ratio 3. The number of claims denied, resisted or compromised compared to the number of claims closed	3.0%
Ratio 4. Number of complaints per 1,000 policies in force	0.297#

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	137	30	23	21	21	7	0	0	0	0	1	2
Ratio 2	225	9	2	4	0	2	0	0	0	0	0	0
Ratio 3	223	7	3	2	1	3	0	1	0	0	2	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	190	14	11	7	2	6	3	1	1	3	1	3

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	2.6%
Ratio 2. The number of claims denied, resisted or compromised compared to the number of claims closed	3.6%
Ratio 3. Number of complaints per 1,000 policies in force	1.113#

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	25	3	4	1	0	0	1	0	0	2	1
Ratio 2	142	24	2	0	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	134	4	3	1	2	1	0	0	0	2	0	21

Schedule 4: Individual Fixed Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	45.0%
Ratio 2. The number of 1035 exchanges to the number of policies issued	27.1%
Ratio 3. The number of surrenders compared to the number of policies issued	116.3%
Ratio 4. Number of complaints per 1,000 policies in force	1.242#

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	136	9	8	3	11	18	12	15	3	4	6	1
Ratio 2	130	17	17	14	17	8	5	4	1	1	5	7
Ratio 3	48	4	2	6	6	4	5	9	3	5	4	130

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	171	1	4	9	9	13	6	4	1	1	1	6

Schedule 5: Individual Variable Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	39.2%
Ratio 2. The number of 1035 exchanges to the number of policies issued	24.6%
Ratio 3. The number of surrenders compared to the number of policies issued	89.4%
Ratio 4. Number of complaints per 1,000 policies in force	0.390#

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	7	5	6	13	6	6	4	1	3	0
Ratio 2	49	8	14	9	6	5	3	4	2	1	1	3
Ratio 3	9	1	4	7	4	2	0	5	5	2	2	64

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	10	9	4	3	6	1	3	0	1	0	0