



# State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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## 2008 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 2008 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 299 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	10.9%
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	65.9%
Ratio 4. The number of policies with loan balances exceeding 25% compared to the number of policies in force	5.5%
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	0.6%
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	0.388#

	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	46	22	15	14	9	10	4	2	1	1	3
Ratio 2	172	42	18	10	12	5	4	2	1	1	2	3
Ratio 3	26	15	21	16	15	10	7	5	2	4	8	143
Ratio 4	58	182	28	2	2	0	0	0	0	0	0	0
Ratio 5	220	38	10	2	1	0	0	1	0	0	0	0
Ratio 6	243	24	1	1	0	1	1	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	159	25	20	17	11	15	10	4	3	1	0	7

**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	20.2%
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	1.6%
Ratio 3. The number of claims denied, resisted or compromised compared to the number of claims closed	4.2%
Ratio 4. Number of complaints per 1,000 policies in force	0.294#

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	140	25	25	19	17	7	3	1	0	0	0	1
Ratio 2	220	8	3	3	0	0	0	1	0	0	3	0
Ratio 3	221	5	2	2	2	2	1	0	0	0	3	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	188	13	11	3	11	6	1	1	0	1	0	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	1.3%
Ratio 2. The number of claims denied, resisted or compromised compared to the number of claims closed	1.5%
Ratio 3. Number of complaints per 1,000 policies in force	0.714#

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	130	24	2	4	0	3	0	0	0	0	2	0
Ratio 2	136	26	1	1	1	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	140	1	1	0	1	1	1	0	1	1	0	18

**Schedule 4: Individual Fixed Annuities**

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	38.9%
Ratio 2. The number of 1035 exchanges to the number of policies issued	24.9%
Ratio 3. The number of surrenders compared to the number of policies issued	69.9%
Ratio 4. Number of complaints per 1,000 policies in force	0.991#

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	110	7	13	17	14	16	6	5	7	1	1	5
Ratio 2	113	17	34	17	6	2	0	4	0	0	3	6
Ratio 3	40	8	12	9	7	7	6	8	2	4	10	89

  

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	149	3	9	8	6	14	4	2	4	1	0	2

**Schedule 5: Individual Variable Annuities**

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	30.3%
Ratio 2. The number of 1035 exchanges to the number of policies issued	15.8%
Ratio 3. The number of surrenders compared to the number of policies issued	95.8%
Ratio 4. Number of complaints per 1,000 policies in force	0.454#

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	45	7	3	10	15	8	3	5	1	3	3	1
Ratio 2	46	14	14	8	6	4	2	0	2	2	4	2
Ratio 3	15	0	1	5	5	7	0	0	4	2	3	62

  

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	58	4	10	9	6	12	2	0	1	1	0	1