



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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2009 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 2009 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	9.6%
Ratio 2. The number of 1035 exchanges to the number of policies issued	5.2%
Ratio 3. The number of surrenders compared to the number of policies issued	68.0%
Ratio 4. The number of policies with loan balances exceeding 25% compared to the number of policies in force	6.7%
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	0.5%
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	0.374#

	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	148	49	21	13	13	11	5	5	1	0	2	1
Ratio 2	183	37	13	12	8	6	5	0	0	1	1	3
Ratio 3	43	16	17	15	13	8	5	5	7	3	0	137
Ratio 4	58	182	25	2	0	0	1	0	0	0	0	1
Ratio 5	219	34	5	3	3	2	0	0	0	0	3	0
Ratio 6	242	24	2	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 7	162	21	22	21	2	23	6	2	1	3	3	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	21.1%
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	2.9%
Ratio 3. The number of claims denied, resisted or compromised compared to the number of claims closed	1.5%
Ratio 4. Number of complaints per 1,000 policies in force	0.255#

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	138	21	23	16	22	3	4	2	1	0	0	2
Ratio 2	216	5	4	2	2	1	0	0	0	0	2	0
Ratio 3	219	5	4	0	0	0	0	1	1	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	178	14	9	10	4	6	4	1	2	0	0	4

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	1.4%
Ratio 2. The number of claims denied, resisted or compromised compared to the number of claims closed	1.4%
Ratio 3. Number of complaints per 1,000 policies in force	0.955#

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	23	3	2	1	0	0	0	0	0	2	0
Ratio 2	136	22	1	1	0	1	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	127	2	2	1	1	2	0	0	0	1	1	24

Schedule 4: Individual Fixed Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	27.0%
Ratio 2. The number of 1035 exchanges to the number of policies issued	13.9%
Ratio 3. The number of surrenders compared to the number of policies issued	51.9%
Ratio 4. Number of complaints per 1,000 policies in force	0.627#

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	104	14	17	24	17	12	5	2	2	2	1	2
Ratio 2	112	35	27	8	8	2	3	0	1	1	1	4
Ratio 3	49	16	15	13	6	4	7	6	5	3	8	70
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	152	4	11	9	4	10	5	1	2	0	0	4

Schedule 5: Individual Variable Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	22.2%
Ratio 2. The number of 1035 exchanges to the number of policies issued	10.5%
Ratio 3. The number of surrenders compared to the number of policies issued	75.8%
Ratio 4. Number of complaints per 1,000 policies in force	0.501#

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	50	5	16	16	4	1	2	3	2	0	1	1
Ratio 2	49	23	17	1	3	1	0	1	0	1	2	3
Ratio 3	14	0	3	3	7	2	5	2	4	0	3	58
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	61	11	9	3	3	10	2	0	0	0	0	2