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2017 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 2017 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 249 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.

Individual Life Cash Value Products	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	8.20%
Ratio 2. The number of replacements where insureds age >= 65 to total replacements	24.47%
Ratio 3. The number of policies surrendered compared to the number of policies issued	39.84%
Ratio 4. The number of policies surrendered under 10 years from policy issuance to total policies surrendered	35.88%
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	1.25%
Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed	0.39%
Ratio 7. Number of complaints received from consumers per 1,000 policies in force	0.18#

	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	52	27	12	10	7	0	1	0	0	0	1
Ratio 2	17	14	23	9	9	9	5	6	9	1	10	0
Ratio 3	4	25	21	19	14	9	10	5	5	7	3	39
Ratio 4	56	22	24	17	16	16	6	10	16	11	30	0
Ratio 5	157	40	8	1	3	0	0	0	0	0	1	0
Ratio 6	177	30	2	1	0	0	0	0	0	0	0	0

	Number of complaints received from consumers 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	27	18	8	2	5	3	2	0	2	0	3

Individual Life Non-Cash Value Products

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of policies issued	16.87%
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	2.61%
Ratio 6. The number of claims denied, resisted or compromised compared to the number of claims closed	2.65%
Ratio 7. Number of complaints received from consumers per 1,000 policies in force	0.15#

	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	31	20	20	21	14	1	1	0	0	0	2	0
Ratio 5	103	7	4	1	0	2	0	0	0	0	1	0
Ratio 6	106	4	7	0	0	1	0	0	0	0	0	0
Number of complaints received from consumers 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	165	7	9	4	5	3	1	2	1	3	0	2

Individual Fixed Annuities

	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of contracts issued	24.77%
Ratio 2. The number of replacements for annuitants age > 80 to total replacements	11.97%
Ratio 3. The number of deferred contracts issued to annuitants age > 80 to total deferred contracts issued	8.84%
Ratio 4. The number of contract surrenders < 10 years from contract issuance to total contract surrenders	57.03%
Ratio 7. Number of complaints received from consumers per 1,000 contracts in force	0.29#

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	21	7	15	13	22	6	4	3	0	0	0	0
Ratio 2	26	15	10	10	4	4	0	0	0	0	1	0
Ratio 3	28	33	19	1	2	3	0	1	0	0	1	0
Ratio 4	12	2	3	8	9	16	7	13	14	9	20	0
Number of complaints received from consumers per 1,000 contracts 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	98	3	7	7	3	4	1	0	0	0	1	0

Individual Variable Annuities	Statewide Average Ratio
Ratio 1. The number of replacements issued compared to the number of contracts issued	32.02%
Ratio 2. The number of replacements for annuitants age > 80 to total replacements	7.04%
Ratio 3. The number of deferred contracts issued to annuitants age > 80 to total deferred contracts issued	3.34%
Ratio 4. The number of contract surrenders < 10 years from contract issuance to total contract surrenders	52.28%
Ratio 7. Number of complaints received from consumers per 1,000 contracts in force	0.30#

	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	10	4	2	4	6	3	4	2	3	2	3	0
Ratio 2	8	17	7	0	0	1	0	0	0	0	0	0
Ratio 3	16	23	3	0	1	0	0	0	0	0	0	0
Ratio 4	13	4	5	4	9	12	6	11	5	1	4	0

	Number of complaints received from consumers per 1,000 contracts 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	58	9	4	4	0	3	1	1	0	0	0	0

Users of the MCAS Scorecard data should be aware of the following: (1) Only companies that meet the Market Conduct Annual Statement (MCAS) reporting threshold are required to submit MCAS data. (2) Reporting companies may revise their reported data when errors are discovered. Consequently, statewide ratios reported for one year may change as revised data are submitted by reporting companies. (3) While the jurisdictions that participate in the MCAS and the National Association of Insurance Commissioners (NAIC) make every effort to ensure that reporting companies submit complete and accurate data, the NAIC and the jurisdictions that participate in the MCAS make no representations, guarantees or warranties with respect to the accuracy or completeness of the data and statistics in scorecards. (4) The NAIC and the jurisdictions participating in the MCAS are not responsible for any calculations or products based upon the scorecard data and any use of these scorecard data must be accompanied by a statement, 'The NAIC and individual states do not endorse any calculation or subsequent use of the MCAS scorecard data.'