

# Financial and Statistical Data 2021



## Table C

Nationwide Financial Operations of Wisconsin Insurers

# Financial and Statistical Data

## Notes to Table C

The financial information was obtained from the National Association of Insurance Commissioners (NAIC) database downloaded on June 8, 2022, for those companies filing electronically with NAIC and annual statements filed with OCI for those companies not filing electronically with NAIC. The tables report the financial position of companies licensed to do business in Wisconsin as of December 31, 2021, and the results of their 2021 operations. Companies in rehabilitation and liquidation may not be included in the financial data.

Table C does not contain financial data for the Other Entities Subject to Limited Regulation.

Direct business written in Wisconsin by Domestic Surplus Lines insurers on an unauthorized basis is excluded from Tables B, D, E, and the Wisconsin portion of Table F. These premiums were included in the nationwide amounts reported in Table C.

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## Explanation of Terms Used in Tables

**Wisconsin Operations** columns report the direct premiums and losses for Wisconsin-only business for the year.

**Nationwide Operations** columns report the net premiums and losses for all operations for the year.

**Direct Business** refers to business for which the insurer issued an insurance policy and accepted the premium.

**Net** business is direct business plus reinsurance assumed and less reinsurance ceded.

**Reinsurance** is the transfer of risk between insurance companies. Almost all direct writing companies use reinsurance to transfer a portion of the risk associated with their direct policies. Reinsurance assumed is accepting the risk of other insurers, while reinsurance ceded is transferring the risk to other insurers. Some companies specialize in providing reinsurance to other companies versus writing business directly.

**Premium Written** is usually defined as premium billed by fire and casualty companies. Rules of life insurance accounting require reporting premiums actually collected. Premium written is a measure of sales activity for the year.

**Premium Earned** is the result of premiums written in the current and previous years and, in some instances, premiums to be written in the future for current coverages. It is approximately the pro rata portion of the premium charged for each policy for the portion of coverage provided within the calendar year.

**Losses Incurred** equals losses paid, plus an estimate at the close of the current year of the amounts to be paid in the future for all unsettled claims as of the financial statement date, less the corresponding estimate made at the end of the prior year. If the estimates were exactly correct, then the incurred losses would be the actual cost of all claims arising from coverage provided during the current year. The estimates would also include amounts for IBNR claims (incurred but not reported). Loss adjustment expenses are also included in the losses incurred for nationwide operations of title companies.

**Annuity Considerations** is revenue received for annuity contracts during the year. The amount corresponds to premiums written on insurance contracts.

**Deposits** are amounts placed with the insurer that do not incorporate risk from the death or disability of the

policyholder and are more comparable to financial or investment instruments than insurance contracts.

**Other Considerations** are annuity considerations or other deposits which are not allocated to a specific policy but include an insurable risk.

**Net Loss Ratio** is equal to net losses incurred plus net loss adjustment expenses incurred, divided by net premiums earned.

**Expense Ratio** is equal to underwriting expenses divided by net premiums written. The loss ratio is determined based on net premiums earned as losses occur randomly throughout the policy term which matches the period the premiums are earned. The expense ratio is determined

using net premiums written, because most underwriting expenses (commissions, home office underwriting, and clerical expenses) are incurred at the time the policy is written, not evenly throughout the policy term.

**Wisconsin Direct Loss Ratio** is a pure loss ratio equal to the direct losses incurred divided by the direct premiums earned for Wisconsin business. This ratio does not include Loss Adjustment Expenses. For insurers with small direct premiums earned, this ratio may not be a meaningful representation of their overall operations. Negative losses incurred would result from the company overestimating the cost to settle open claims as of the end of the prior year or the receipt of salvage or other recoveries from claims paid in prior years which were in excess of amounts incurred for the current year claims.

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## Additional Reports

The Office of the Commissioner of Insurance submits reports to the governor and to the legislature each year providing overviews of the insurance industry, the operations of OCI, and important *Financial and Statistical Data* on the insurers doing business in Wisconsin.

The *Directory of Licensed Insurers* includes all companies, fraternal benefit societies, associations, and town mutuals

licensed or otherwise authorized to transact the business of insurance in Wisconsin as of December 31 of the year of the *Wisconsin Insurance Report*.

All of these reports can be viewed and downloaded on the OCI website at [oci.wi.gov/Pages/AboutOCI/WisconsinInsuranceReport.aspx](https://oci.wi.gov/Pages/AboutOCI/WisconsinInsuranceReport.aspx).

**TABLE C**  
**2021 Summary of Nationwide Financial Operations of Wisconsin Insurers**

**LIFE AND HEALTH INSURERS**

ASSETS	\$	487,868,553,500
CAPITAL AND SURPLUS	\$	51,644,470,316
NET PREMIUMS AND ANNUITY CONSIDERATIONS	\$	66,694,981,615
NET BENEFITS INCURRED	\$	65,346,818,180
NET INCOME	\$	4,550,182,078
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	\$	69,461,575,350

**PROPERTY AND CASUALTY INSURERS**

ASSETS	\$	117,491,578,958
CAPITAL AND SURPLUS	\$	41,903,021,443
NET PREMIUMS EARNED	\$	37,058,340,466
NET LOSSES INCURRED	\$	21,451,017,293
NET INCOME	\$	3,039,166,118
DIRECT PREMIUMS WRITTEN	\$	35,911,001,953

**HEALTH MAINTENANCE ORGANIZATIONS AND OTHER HEALTH INSURERS**

ASSETS	\$	7,113,415,707
CAPITAL AND SURPLUS	\$	3,342,750,005
NET PREMIUMS EARNED	\$	25,651,399,368
NET LOSSES INCURRED	\$	18,275,435,247
NET INCOME	\$	866,233,192
DIRECT PREMIUMS WRITTEN	\$	25,733,638,461

**ALL INSURERS COMBINED**

ASSETS	\$	612,473,548,165
CAPITAL AND SURPLUS	\$	96,890,241,764
NET PREMIUMS AND ANNUITY CONSIDERATIONS	\$	66,694,981,615
NET BENEFITS INCURRED	\$	65,346,818,180
NET PREMIUMS EARNED	\$	62,709,739,834
NET LOSSES INCURRED	\$	39,726,452,540
NET INCOME	\$	8,455,581,388
DIRECT PREMIUMS WRITTEN, ANNUITY CONSIDERATIONS, AND DEPOSITS	\$	131,106,215,764



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