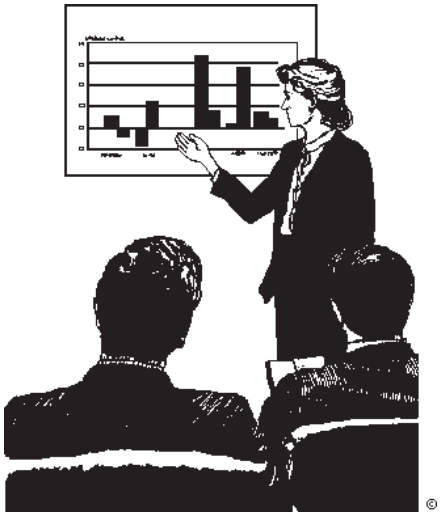
Division of Regulation and Enforcement



The Division of Regulation and Enforcement, through its Bureau of Financial Analysis and Examination and Bureau of Market Regulation, and in conjunction with the office's Legal Unit, is responsible for enforcing the state's insurance laws. In addition, the Division has primary responsibility in developing and maintaining the office's consumer publications and providing information and material to the office's Web site. In compliance with s. 601.01(5), Wis. Stat., the Division works with other state and federal regulatory agencies in carrying out the purposes of the Wisconsin insurance laws and the mission of the office.

Bureau of Financial Analysis and Examinations

The principal function of the Bureau of Financial Analysis and Examinations is to monitor the financial condition of all insurers licensed to market insurance in Wisconsin and determine whether an insurer's financial solidity is acceptable for continued operation in Wisconsin. Monitoring includes the examination of the accounts and records of companies and the analysis of financial statements submitted to OCI, the review of CPA audit reports, and updates to the company profile database.

The bureau maintains and reviews holding company filings required by ch. Ins 40, Wis. Adm. Code, reviews financial reports for surplus lines insurers, administers insurer applications for admission to Wisconsin, merger and acquisition plans, and holding company transactions.

Among the major accomplishments in 2001 were:

- Examination of 54 domestic insurers.
- Analysis of the financial statements of over 1,800 insurers.
- Licensed 21 nondomestic insurers, 16 gift annuities, 19 warranty plans, 3 domestic insurers, and 2 continuing care retirement communities.
- Reviewed and amended the Wisconsin certificate of authority for 10 nondomestic insurers that converted from mutual to stock form.
- Reviewed and approved changes of control of 13 domestic insurers, pursuant to holding company regulations.
- Approved 3 changes of domicile into Wisconsin and 1 change of domicile out of Wisconsin.
- Completion of the proposed conversion of Blue Cross & Blue Shield United of Wisconsin from a nonprofit service insurance corporation to a stock insurance corporation.
- Reviewed and enhanced procedures for financial analysis and monitoring of licensed insurers.
- Continued use of the revised NAIC Examiner Handbook and the continued use of risk assessment and materiality considerations in setting examination scopes.
- Completion of the proposed conversion of Employers Insurance of Wausau from a mutual to a stock insurance corporation under a mutual holding company plan.
- Continued use of TeamMate 2000, electronic workpaper software, to facilitate the financial examination process.
- Continued use of ACL, an audit software tool, in the financial examination process.
- Working on pilot project for companies to file Wisconsin-specific forms electronically over the Internet.
- Continued development of automated applications used in financial analysis and examinations.
- Maintained insurer financial and demographic data on the OCI Internet Web site.
- Maintained qualification for accreditation pursuant to the Financial Regulation Standards by the NAIC.
- Continued use of actuarial consulting firms on examination of major companies.
- Reviewed and enhanced examination procedures to ensure quality control.
- Continued use of Access software to download financial data from the NAIC annually and quarterly.
- Continued participation in OCI Information Technology Planning and Standards Committee charged with the development of comprehensive plans and standards for bureau and department-wide LANs.
- Continued implementation of, and staff training on, the NAIC I SITE Program. The PC-based technology improves and expedites access by examiners to the NAIC database, through applications which produce reports for financial analysis and examinations.
- Continued reengineering of OCI financial database and applications (with IT bureau).
- Participation in NAIC task forces and working groups, including: Accounting Practices and Procedures Task Force, Examination Oversight Task Force, Risk-Based Capital Task Force,

Analyst Team System Oversight, Audit Software, Emerging Accounting Issues, Financial Analysis Handbook (Chair), Financial Analysis Working Group, Financial Analysis Research and Development (Chair), Financial Examiners Handbook, Health Entities, Health Risk-Based Capital, Insurance Group Review, Insurance Holding Company, Life Risk-Based Capital, Property and Casualty Risk-Based Capital, Property and Casualty Reinsurance, Statutory Accounting Principles, Risk Assessment, Risk Assessment Confidentiality.

- Annual and quarterly statement forms, tax forms, application packets, examination reports, demographic data, and financial information of insurers available on the OCI Internet Web page.

Companies Examined

American Dental Plan of WI
Blue Cross & Blue Shield United of WI
Bloomington Farmers Mutual Ins. Co.
Caledonia Mutual Fire Ins. Co.
Catholic Knights
Chiropractic Services Network, Inc.
Columbus Mutual Town Ins. Co.
Compcare Health Services Ins. Corp.
Cumis Ins. Society, Inc.
CUNA Mutual Ins. Society
Dental Protection Plan, Inc.
Eagle Point Mutual Ins. Co.
Ellington Mutual Ins. Co.
Equitable Reserve Association
Ettrick Mutual Ins. Co.
Eye Care of WI, Inc.
Fall Creek Mutual Ins. Co.
Farmers Town Mutual Ins. Co.
Farmington Mutual Ins. Co.
Fidelity & Guaranty Ins. Underwriters
Fireman's Fund Ins. Co. of WI
First Commonwealth Limited Health
General Casualty Co. of WI
Gundersen Lutheran Health Plan, Inc.
Holland Mutual Fire Ins. Co.
HumanaDental Ins. Co.
Ixonia Mutual Ins. Co.
Jamestown Mutual Ins. Co.
Medica Health Plans of WI
Members Life Ins. Co.
Midwest Security Life Ins. Co.
National Guardian Life Ins. Co.
NGL American Life Ins. Co.
NN Ins. Co.
Northwestern National Casualty Co.
Omaha Indemnity Co., The
Physicians Ins. Co. of WI, Inc.
Professional Dental Plan, Inc.
Protective Dentalcare, Inc.
Regent Ins. Co.
Sheboygan Falls Mutual Ins. Co.
Touchpoint Ins., Co., Inc.
Touchpoint Health Plan, Inc.
Tower Ins. Co., Inc.
Tri County Mutual Town Ins.
Union Mutual Fire Ins. Co.
UnitedHealthcare of Wisconsin, Inc.
United Heartland Life Ins. Co.
United Wisconsin Ins. Co.
Verex Assurance, Inc.
Vision Ins. Plan of America, Inc.
Waukesha County Mutual Ins. Co.
Western Diversified Casualty Ins.
Winterthur International America, Inc.

Wisconsin Insurance Corporations Organized and Licensed

January 1, 2001 - December 31, 2001

Meriter Health Ins. Co.	Madison, WI
Network Health Ins. Corp.	Menasha, WI
Wisconsin Auto and Truck Dealers Ins. Corp.	Madison, WI

Insurance Corporations of Other States Admitted

January 1, 2001 - December 31, 2001

ARAG Ins. Co.	Des Moines, IA
Admiral Indemnity Co.	Cherry Hill, NJ
AmGuard Ins. Co.	Wilkes-Barre, PA
Atlantic Specialty Ins. Co.	New York, NY
Avomark Ins. Co.	Fairfield, OH
Builders Mutual Ins. Co.	Raleigh, NC
Coventry First LLC	Ft. Washington, PA
EastGuard Ins. Co.	Wilkes-Barre, PA
First Colonial Ins. Co.	Jacksonville, FL
GMAC Ins. Co. Online, Inc.	St. Louis, MO
Granite, Re., Inc.	Oklahoma City, OK
Harleysville Life Ins. Co.	Harleysville, PA
Home-Owners Ins. Co.	Lansing, MI
Minnesota Lawyers Mutual Ins. Co.	Minneapolis, MN
NLC Mutual Ins. Co.	Washington, DC
NorGuard Ins. Co.	Wilkes-Barre, PA
Planet Indemnity Co.	Peoria, IL
Property-Owners Ins. Co.	Lansing, MI
Sentinel Ins. Co., Ltd.	Hartford, CT
Shenandoah Life Ins. Co.	Roanoke, VA
Southern-Owners Ins. Co.	Lansing, MI

Organizations Licensed as Continuing Care Retirement Communities

January 1, 2001 - December 31, 2001

Hillsboro Development Co., LLC	Middleton, WI
Newcastle Place, Inc.	Milwaukee, WI

Organizations Licensed to Issue Gift Annuities

January 1, 2001 - December 31, 2001

Catholic Church Extension Society of the United States of America, The	Chicago, IL
Disabled American Veterans Charitable Service	Cold Springs, KY
Habitat for Humanity International, Inc.	Americus, GA
Juvenile Diabetes Foundation International	New York, NY
Lafayette College	Easton, PA
Leukemia & Lymphoma Society, Inc., The	White Plains, NY
Milwaukee Jewish Federation, Inc.	Milwaukee, WI
National Multiple Sclerosis Society	Denver, CO
National Spiritual Assembly of the Baha'is of the United States	Evanston, IL
Nature Conservancy, The	Arlington, VA
People for the Ethical Treatment of Animals, Inc.	Norfold, VA
Rawhide, Inc.	New London, WI
Roman Catholic Diocese of Madison	Madison, WI
Sheboygan County Young Men's Christian Assoc.	Sheboygan, WI
UWM Foundation, Inc., The	Milwaukee, WI
Watchtower Bible and Tract Society of NY, Inc.	Brooklyn, NY

Organizations Licensed to Issue Warranty Plans

January 1, 2001 - December 31, 2001

Automotive Warranty Services of Florida, Inc.	Glenview, IL
Capital Warranty Services, Inc.	Pompano Beach, FL
Corniche Group, Inc.	Euless, TX
GE Capital Administrative Services, Inc.	Lakewood, CO
GE-Zurich Warranty Management, Inc.	Schaumburg, IL
GMAC Service Agreement Corp.	Southfield, MI
Home Buyers Resale Warranty Corp.	Aurora, CO
Home Warranty of America, LLC	Northbrook, IL
Insurance Administration Services, Inc.	Hillside, IL
MRP Service Agreement Corp.	Southfield, MI
Metris Warranty Services, Inc.	Minnetonka, MN
National Auto Care Corp.	Westerville, OH
Nissan North America, Inc.	Gardena, CA
Subaru of America, Inc.	Cherry Hills, NJ
United States Warranty Corp.	Pompano Beach, FL
Voyager Service Programs, Inc.	Fort Worth, TX
Warranty Business Service Corp.	St. Louis, MO
Warranty Support Services, Inc.	Norcross, GA
Zurich Services Corp., The	Schaumburg, IL

Insurance Corporation Mergers, Consolidations, Dissolutions, Withdrawals, Rehabilitations, Liquidations, or Redomestications

January 1, 2001 - December 31, 2001

Conversions from Mutual to Stock

American Physicians Assurance Corp.	02/01/2001
American United Life Ins. Co.	02/01/2001
Baltimore Life Ins. Co., The	03/28/2001
Blue Cross & Blue Shield United of Wisconsin	03/22/2001
Employers Ins. Co. of Wausau	11/21/2001
Indianapolis Life Ins. Co.	07/27/2001
Lafayette Life Ins. Co., The	07/27/2001
Liberty Mutual Ins. Co.	01/29/2001
Lincoln Direct Life Ins. Co.	02/06/2001
National Ins. Underwriters	10/18/2001
Phoenix Life Ins. Co.	08/13/2001
Western and Southern Life Ins. Co., The	02/05/2001

Dissolution

NCL Coop	12/20/2001

Withdrawals

CD Serve, Inc.	07/24/2001
Covenant Insurance Co.	12/07/2001
First Protection Corp.	03/31/2001
Penn-Star Ins. Co.	09/13/2001

Liquidations

Acceleration National Ins. Co.	02/28/2001
Amwest Surety Ins. Co.	06/07/2001
Associated Physicians Ins. Co.	08/16/2001
Credit General Ins. Co.	01/02/2001
Far West Ins. Co.	11/09/2001
Great States Ins. Co.	05/08/2001
HIH American Compensation & Liability Ins. Co.	04/13/2001
International Indemnity Co.	01/18/2001
Reliance Insurance Co.	10/03/2001
United Capitol Ins. Co.	11/14/2001

Mergers

Company Name	Merged Into	Date
Berkshire Life Ins. Co.	Guardian Life Ins. Co. of America, The	07/01/2001
Paul Revere Protective Life Ins. Co., The	Paul Revere Life Ins. Co., The	04/30/2001
Reliance National Ins. Co.	Reliance Insurance Co.	03/06/2001
Reliance National Indemnity Co.	Reliance Insurance Co.	02/01/2001
Reliance Surety Co.	Reliance Insurance Co.	03/06/2001
Frontier National Life Ins. Co.	Conseco Health Ins. Co.	07/01/2001
Meridian Mutual Ins. Co.	State Automobile Mutual Ins. Co.	06/01/2001
Concordia Mutual Life Association	National Mutual Benefit	01/01/2001
Fremont Casualty Ins. Co.	Fremont Indemnity Co.	03/31/2001
American Merchants Life Ins. Co.	Reassure America Life Ins. Co.	09/30/2000
Humana Insurance Co.	Employers Health Ins. Co.	12/31/2001
Vulcan Life Ins. Co.	Conseco Annuity Assurance Co.	04/01/2001
United Pacific Ins. Co.	Reliance Insurance Co.	02/13/2001
Freemont Indemnity Co.	Fremont Industrial Indemnity Co.	11/06/2001
Swiss Re Life & Health America, Inc.	Life Reassurance Corp. of America	12/21/2000
Pierce National Life Ins. Co.	Fortis Benefits Ins. Co.	07/01/2001
General Life Ins. Co. of America	General Life Ins. Co.	07/31/2001
Reliance Universal Ins. Co.	Reliance Insurance Co.	02/13/2001
Reliance Direct Ins. Co.	Reliance Insurance Co.	02/13/2001

Redomestications

Company Name	From	To	Effective Date
Acceptance Casualty Ins. Co.	TX	NE	06/30/2000
Affirmative Ins. Co.	OH	IL	07/16/2001
Allstate Fire and Casualty Ins. Co.	CA	IL	03/28/2001
American Horizon Ins. Co.	AZ	IL	12/21/2001
Berkshire Life Ins. Co. of America	TN	MA	05/23/2001
CNA Group Life Assurance Co.	MO	IL	11/07/2001
Delta Life and Annuity Co.	IA	KS	03/01/2001
Federal Home Life Ins. Co.	IN	VA	12/31/2000
Gulf Ins. Co.	MO	CT	10/01/2001
Insura Property and Casualty Ins. Co.	OH	IL	07/16/2001
Liberty Bankers Life Ins. Co.	WI	IA	07/01/2001
Midwest Employers Casualty Co.	OH	DE	07/31/2001
National Ins. Underwriters	MO	AR	09/30/2000
Peninsular Life Ins. Co.	NC	FL	01/01/2001
Podiatry Ins. Co. of America	TN	IL	08/01/2001
Reliant Ins. Co.	MI	PA	12/20/2000
Rock River Ins. Co.	IL	WI	01/01/2001
Sentry Casualty Co.	IL	WI	01/01/2001
Sentry Select Ins. Co.	IL	WI	01/01/2001
Shelby Ins. Co., The	OH	IL	07/16/2001
State National Specialty Ins. Co.	FL	TX	10/25/2001
Transamerica Occidental Life Ins. Co.	CA	IA	12/31/2000
Travelers Commercial Casualty	MO	CT	10/01/2001

Insurance Corporations Which Changed Their Names

January 1, 2001 - December 31, 2001

Previous Name	New Name
AXA Nordstern Art Ins. Corp.	AXA Art Ins. Corp.
Allegiance Ins. Co.	Horace Mann Property & Casualty Ins. Co.
American Continental Life Ins. Co.	CNA Group Life Assurance Co.
American Fire and Indemnity Co.	United Fire & Indemnity Co.
American Spirit Ins. Co.	Great American Spirit Ins. Co.
Associates Ins. Co.	CitiCapital Ins. Co.
Baltica-Skandinavia Reinsurance Co. of America	ICM Ins. Co.
Bradford National Life Ins. Co.	ULLICO Life Ins. Co.
Brickell Financial Services	Brickell Financial Services Motor Club, Inc.
CGU Ins. Co.	OneBeacon Ins. Co.
CGU Ins. Co. of New Jersey	Camden Fire Ins. Association, The
Capitol Bankers Life Ins. Co.	Annuity & Life Reassurance America, Inc.
Chrysler Ins. Co.	DaimlerChrysler Ins. Co.
Commercial Union Ins. Co.	OneBeacon America Ins. Co.
Commercial Union Midwest Ins. Co.	OneBeacon Midwest Ins. Co.
Cova Financial Services Life Ins. Co.	MetLife Investors Ins. Co.
Employers Ins. of Wausau, A Mutual Co.	Employers Ins. Co. of Wausau
Eagle American Ins. Co.	Great American Security Ins. Co.
Employers Health Ins. Co.	Humana Ins. Co.
Enhance Life Benefits LLC	Life Settlements International LLC
Forestview Mortgage Ins. Co.	Allstate Fire and Casualty Ins. Co.
Freemont Industrial Indemnity Co.	Freemont Indemnity Co.
General Accident Ins. Co.	Pennsylvania General Ins. Co.
Grange Guardian Ins. Co.	Grange Indemnity Ins. Co.
Great Pacific Ins. Co.	First American Property & Casualty Ins. Co.
Greater La Crosse Health Plans, Inc.	Health Tradition Health Plan
Hallmark Ins. Co., Inc.	United National Specialty Ins. Co.
Healthcare Underwriters Mutual Ins. Co.	Medical Liability Mutual Ins. Co.
Healthsource Ins. Co.	Berkshire Life Ins. Co. of America
Heritage Mutual Ins. Co.	ACUITY, A Mutual Ins. Co.
Lake States Ins. Co.	Harleysville Lake States Ins. Co.
Life Reassurance Corp. of America	Swiss Re Life & Health America, Inc.
London Assurance of America, Inc. The	XL Capital Assurance, Inc.
Milwaukee Foundation Corp., The	Greater Milwaukee Foundation, Inc.
Milwaukee Protestant Home	Eastcastle Place, Inc.
Minnesota Fire and Casualty Co.	Harleysville Ins. Co.
NAC Reinsurance Corp.	XL Reinsurance America, Inc.
Nippon Fire & Marine Ins. Co., Ltd. U.S. Branch	NIPPONKOA Ins. Co., Ltd (US Branch)
Nobel Ins. Co.	Stonington Ins. Co.
North Central Health Protection Plan	NCL Coop
Ohio Life Ins. Co., The	Chase Life & Annuity Co.
PFL Life Ins. Co.	Transamerica Life Ins. Co.
Phoenix Home Life Mutual Ins. Co.	Phoenix Life Ins. Co.
Security First Life Ins. Co.	MetLife Investors USA Ins. Co.
Seven Hills Ins. Co.	Alea North America Ins. Co.
Sumitomo Marine & Fire Ins. Co. Ltd (US Branch)	Sumitomo Marine & Fire Ins Co. of America
Travelers Indemnity Co. of Missouri, The	Travelers Commercial Casualty Co.

Insurance Corporations Which Changed Their Names (continued)

Previous Name	New Name
Unified Life Ins. Co.	Americom Life & Annuity Ins. Co.
United States Life Ins. Co. of New York, The	United States Life Ins. Co. in the City of New York
Villa Clement, Inc. (Clement Manor Retirement Community)	Clement Manor, Inc.
Waterford Ins. Co.	Nationwide Affinity Ins. Co. of America

Companies in Liquidation

American Star Insurance Company, In Liquidation

American Star Insurance Company was placed into liquidation on November 16, 1992. Matthew C. Mandt is appointed as special deputy liquidator.

American Star is headquartered in Lafayette, California, and had business in force mainly in Arizona, California, Idaho, Nevada, Oregon, and Washington state. There was no business in force in Wisconsin. American Star wrote commercial multi-peril, property, auto, liability, and surety business.

American Star filed a September 30, 1992, quarterly financial statement indicating capital and surplus of approximately $5.5 million. A preliminary review of American Star's reserves for losses and loss adjustment expenses showed them to be deficient by about $15.9 million, implying a negative net worth of about $10.4 million. Furthermore, American Star had not obtained reinsurance coverage for policies it had written or renewed for December 1, 1992. Due to the foregoing factors, further transaction of business was hazardous to its policyholders and the general public, and American Star's owners consented to the liquidation.

Under the liquidation order, policies in force were terminated the earliest of: December 1, 1992, the date the policy expired, or the date new coverage was obtained by the agent. Certain guaranty funds extended the period of coverage for residents of their respective states, if such extension was required by law or administrative action. Ancillary liquidation proceedings were established in California, Idaho, Oregon, and New Mexico, and all have now been closed. The California ancillary liquidation proceeding was reopened on March 30, 2001, to allow a distribution of Proposition 103 rebates to California policyholders in the amount of $1,750,000, but has since been closed. The Proposition 103 settlement was substantially below the $10,362,838 reserved as of December 31, 1999.

At least 64,511 notices were mailed to agents, policyholders, state insurance commissioners, guaranty funds, claimants, former policyholders, and other parties whose interests may in some way be affected by the liquidation. The deadline for filing claims with the liquidator was November 16, 1993. Unexcused late filings will not be considered for payment.

On January 28, 1994, the liquidation court approved a plan to provide state guaranty funds with $20,000,000 in early access payments to be used for the return of unexpired premiums to policyholders and payment of claims. Early access payments were made during 1994 after each participating guaranty fund gave its written assent to the terms of the plan. Altogether the estate has advanced $34,256,799.62 to participating guaranty funds under four early access agreements, of which $29,403,159.43 has been converted into nonrefundable dividends.

The liquidation court has approved additional dividends, over and above the foregoing $29,403,159.43, for full or partial payment of various class 1, 3, 4, 5, and 7 claims filed with state guaranty funds and directly with the estate, as recommended by the liquidator. Such additional dividends aggregated to $11,051,238.17 as of December 31, 2000.

The liquidator has recommended partial payment or denial of certain class 1, 3, 5 and 8 claims filed directly with the estate. The liquidator reviews objections to partial payments or denials in the normal course of the run-off, and hearings are held before the liquidation court to adjudicate objections when necessary. In 2000, the liquidator resolved the last remaining claims listed in the first comprehensive Report on Claims filed with the liquidation court on December 9, 1997.

The second and comprehensive Report on Claims was filed on December 14, 1999. This report includes the liquidator's recommendations for full payment, partial payment, and denial on certain class 3, 5, and 7 claims. Pursuant to s. 645.65(1), Wis. Stat., the liquidator forwarded notice of recommendations for partial payment or denial to all affected claimants and advised them that they had 60 days to object to the recommendations. Three claimants objected. By the end of 2001, the liquidator resolved all but one of the remaining claims listed in the second comprehensive Report on Claims.

The third and most recent comprehensive Report on Claims was filed on March 27, 2002. This report includes the liquidator's recommendations for full payment, partial payment, and denial on certain class 5 and 8 claims. Once again the liquidator forwarded notice of recommendations for partial payment or denial to all affected claimants and advised them that they had 60 days to object to the recommendations. The liquidator will schedule hearings with respect to the claims of those claimants who file objections.

As of September 30, 2001, the estate reported assets of $44,315,645. Claims in classes 1 through 10 were estimated at $28,913,734, resulting in an estimated surplus of $15,401,912.

Family Health Plan Cooperative, In Liquidation

Family Health Plan Cooperative was placed into liquidation on October 16, 2000. Matthew C. Mandt was appointed as special deputy liquidator.

Family Health Planwas headquartered in Brookfield, Wisconsin, and had business in force only in Wisconsin. Family Health Plan wrote health maintenance organization business and had just over 72,000 enrollees.

Under the liquidation order, policies in force were terminated the earliest of November 1, 2000, the date the policy expired, or the date new coverage was obtained by the enrollee. The liquidator assumed an Omnibus Agreement by and among Family Health Plan, Aurora Health Care (Aurora), United Wisconsin Services, Inc. (UWS), and Family Health Systems, Inc. The following provisions of the Omnibus Agreement approved by the court and the liquidator proceeded to:

- Transfer the assets of Family Health Plan to Aurora and/or UWS as set forth in the agreement;
- Transfer of certain liabilities to Aurora and UWS;
- Retention by the liquidator of certain designated excluded liabilities;
- Established claims procedures and other provisions of the agreement.

On October 31, 2000, 6,958 notices were mailed to creditors and other parties whose interests may in some way be affected by the liquidation. The deadline for filing claims with the liquidator was May 1, 2001.

Pre-liquidation claims for benefits under Family Health Plan policies, with the exception of Medicare select policies, were assumed by Compcare Health Services Insurance Corporation. Medicare select policies were assumed by Blue Cross Blue Shield United of Wisconsin. Virtually all these claims have been settled.

Forty-nine claims have been filed for liabilities not related to insurance policy benefits. These claims are currently under review to determine Family Health Plan's liability.

Master Plumbers' Limited Mutual Liability Company, In Rehabilitation

Master Plumbers' Limited Mutual Liability Company was placed in rehabilitation on March 29, 1994, by the Circuit Court for Dane County, Wisconsin. Matthew C. Mandt was appointed as Special Deputy Rehabilitator. Society Insurance, a Mutual Company, performs claim adjustment and administrative services for the rehabilitator pursuant to a contract approved by the court.

Master Plumbers' issued assessable policies and was licensed only in Wisconsin. The company wrote worker's compensation, other liability, and auto liability coverage for plumbers. All policies were written on an annual basis with January 1 effective dates.

In December 1993, pursuant to an order issued by the Commissioner, the company levied an assessment upon its policyholders equal to one additional annual premium. Collection of this assessment has been deferred until such future time as the funds may be needed. It has not been necessary to collect this assessment to date.

As of December 31, 2001, Master Plumbers' reports assets of $1,294,337, liabilities of $1,314,315 and a deficit of $19,978. Liabilities include a provision of $300,000 for 1993 and prior losses that may have occurred but have not yet been recorded.

Bureau of Market Regulation

The Bureau of Market Regulation (Bureau) consists of five sections: Complaints and Central Services, Accident and Health Insurance, Health and Life Insurance, Property and Casualty Insurance, and Agent Licensing. Agent licensing activities are described in a separate section.

The Bureau is responsible for the administration and enforcement of laws and rules relating to all market conduct activities of insurers and agents. In order to fulfill its duties the Bureau conducts targeted market conduct examinations of insurers in the areas of underwriting and rating; marketing, advertising and sales; claims; and policyholder services and grievances. The Bureau is also responsible for investigating and resolving approximately 10,000 written consumer complaints each year and answering 45,000 telephone inquiries. The Bureau also processes 2,000 rate and rule filings and approves 10,000 policy form filings each year.

During 2001, the Bureau was reorganized to better address the focus on market conduct analysis and more uniformity in the market conduct examination process. A new tool for organizing examination workpapers, TeamMate 2000, was introduced and will be used on all examinations. Two advanced examiner positions are dedicated full-time to the market conduct process. One position has an emphasis on data and serves as the expert on ACL, a software package used to sample data, and sampling. The second position will focus on quality control reviews and recommending and helping draft audit guides.

The Life and Health section was divided into two sections each reporting to a section chief. One section will address life insurance and some health insurance areas, the other section focuses exclusively on accident and health insurance. A new examiner position with job duties involving investigation of electronic commerce complaints was authorized and filled in late 2001. This position will monitor insurer and agent activity on the Internet and develop expertise in electronic commerce.

Among the major accomplishments in 2001 were:

- Made significant improvements in customer service by implementing a new complaint system including an imaging system to match correspondence electronically.
- Continuing to improve the market conduct examination program including allocating an advanced examiner position whose duties were to develop and perform quality control reviews of examination workpapers; continuing to automate market conduct examination processes through the use of tools such as ACL and TeamMate 2000; and improving the examination process through the use of uniform data calls, audit guides, spreadsheets and report formats.
- In February 2001, became one of the first states to accept rate and form filings in all lines of insurance electronically through the System for Electronic Rate and Form Filing (SERFF).
- Successfully implemented a new system for tracking rates and forms and an imaging system to store electronic copies of approved forms and filed rates for easier public access.
- Successfully obtained a new position in the budget process to develop expertise in electronic commerce and to monitor insurer and agent activities, investigate consumer complaints and to carry out a workplan to monitor and develop policy on regulation and enforcement of insurance electronic commerce activities.
- Participated in promulgating rules on independent review organizations and grievances; Medicare supplemental and long-term care insurance; privacy; and producer licensing and continuing education.
- Significantly changed manual and system procedures for producer licensing, complaints, and rates and forms to conform to the requirements of COSMOS to update the procedures and systems to improve service and quality.
- Continued the urban outreach project by participating as liaison to the Insurance Services Committee of the Neighborhood Housing Services, providing staff to conduct training sessions for consumer groups in cooperation with the Community Insurance Information Center in Milwaukee and facilitated meetings between insurers and consumer groups.
- Participated in the Wisconsin Insurance Plan and the Wisconsin Automobile Insurance Plan meetings; quarterly meetings with the Worker's Compensation Rating Bureau and the Department of WorkForce Development; and provided technical assistance to the Small Employer Insurance Task Force.

- Served on the following NAIC committees, task forces and working groups: the System for Electronic Rate and Form Filing (SERFF) Working Group, Information for State-Based Systems subgroup, Speed to Market Working Group, Market Conduct Examination Oversight Task Force, the Producer Licensing Model Act Working Group, the Uniform Producer Licensing Working Group, the Senior Counseling Activities Working Group, the Life and Annuity Handbook Working Group, the Property and Casualty Examination Handbook Working Group and the SERFF Board of Directors.

Policy Form Submission

The following tables summarize the policy form submission data for 2000 and 2001. Table I shows the number of policy forms received in 2000 and 2001 by line of business for each type of insurance. Table II shows the number of policy forms received in 2001 by type of filing for each type of insurance. Table III shows the number of policy forms approved in 2000 and 2001 by line of business for each type of insurance.

Table I
Number of Policy Forms Received
By Line of Business in 2000 and 2001

	2000	2001
Health and Life		
Continuing Care Retirement Community	0	1
Credit Accident & Health	168	103
Credit Life	217	168
Group Accident & Health	2,858	4,112
Group Annuity	252	179
Group Life	1,004	790
Health & Life Miscellaneous	241	154
Health Maintenance Organization	704	762
Individual Accident & Health	1,694	1,780
Individual Annuity	845	864
Individual Life	2,838	2,167
Limited Service Health Organization	58	12
Preferred Provider Plan	226	603
Variable	781	1,207
Viatical	16	0
Total Health and Life	11,902	12,902
Property and Casualty		
Aviation	1,137	1,712
Bonds	475	362
Commercial Property & Multiperil	11,859	9,130
Commercial Motor Vehicle	2,407	1,873
Credit Property	255	175
Credit Unemployment	24	31
Excess Managed Care	24	1
Legal Expense	65	162
Liability	15,847	10,599
Mechanical Breakdown	51	54
Mortgage Guaranty	75	78
Motor Clubs	23	12
Other Personal Property	115	22
Personal Property, Multiperil, Farm	3,038	2,850
Personal Motor Vehicle	1,051	1,156
Title	173	78
Travel Accident	4	2
Warranty and Vehicle Service	477	523
Worker's Compensation	7	14
Total Property and Casualty	37,107	28,834
Grand Total	49,009	41,736

Table II
Number of Policy Forms Received
By Type of Filing For 2001

Type of Filing	Type of Business: Property & Casualty	Type of Business: Life & Health	Total
Application	1,254	2,272	3,526
Binder	66	1	67
Certificate	114	642	756
Declaration/Schedule/Data Page	2,617	397	3,014
Informational Filing	34	515	549
Jacket	434	9	443
Matrix	1	1,264	1,265
Notice	233	194	427
Outline of Coverage	173	440	613
Policy	1,939	1,684	3,623
Rider/Endorsement/Amendment	21,910	4,315	26,225
Single Page	31	1,150	1,181
Totals	28,806	12,883	41,689

Table III
Policy Forms Approved By Line of Business
For 2000 and 2001

	2000	2001
Health and Life		
Credit Accident & Health	162	86
Credit Life	214	135
Group Accident & Health	3,025	3,891
Group Annuity	230	170
Group Life	908	658
Health & Life Miscellaneous	76	130
Health Maintenance Organization	812	699
Individual Accident & Health	1,357	1,547
Individual Annuity	794	814
Individual Life	2,620	1,932
Limited Service Health Organization	61	12
Preferred Provider Plan	364	584
Variable	681	1,163
Viatical	1	0
Total Health and Life	11,304	11,821

(continued on next page)

Table III (continued)
Policy Forms Approved By Line of Business
For 2000 and 2001

	2000	2001
Property and Casualty		
Aviation	491	386
Bonds	518	356
Commercial Property & Multiperil	11,954	9,077
Commercial Motor Vehicle	2,437	1,870
Credit Property	236	167
Credit Unemployment	19	29
Excess Managed Care	24	1
Legal Expense	65	151
Liability	15,643	10,519
Mechanical Breakdown	39	54
Mortgage Guaranty	75	78
Motor Clubs	20	11
Other Personal Property	113	21
Personal Property, Multiperil, Farm	2,176	2,725
Personal Motor Vehicle	942	1,125
Title	173	73
Travel Accident	3	1
Warranty and Vehicle Service	394	469
Worker's Compensation	2	14
Total Property and Casualty	35,324	27,127
Grand Total	46,628	38,948

Trends in Complaints

In 2001, there were an increased number of complaints involving illegal multiple employer welfare associations (MEWA), agent-related problems in sales to the elderly, the use of credit history in underwriting auto and homeowners insurance, claim handling related to storm damage and concerns about the rapidly increasing price of health insurance for individuals and small employers. The MEWA and agent complaints resulted in administrative actions.

The following tables summarize the bureau's complaint data. Table I shows a comparison of complaint activity over the last six years. A complaint is defined as a written expression of dissatisfaction with an insurance company or agent. Complaints may initially be received either in person, by telephone, by e-mail, or in writing. To be considered a formal complaint that initiates an inquiry or investigation, a complaint should be in writing. The data presented is based upon formal complaints.

In addition to the formal complaints, the Bureau also handled over 42,000 general inquiries or requests for information in 2001. Most such inquiries were by telephone, with the remainder being written communications, including e-mail, and "walk-ins."

Table II shows 2000 and 2001 complaints by type of insurance. When reviewing this information, it is important to note that a complaint may involve more than one type of insurance. Table III shows the area of insurance operations that generated the complaint. As with Table II, a complaint may involve more than one area of insurance operations.

Table III shows the basis for complaints. Over half the complaints involve claim problems. Policyholder service is the second most common reason for filing a complaint.

Table I
Total Complaint Files

Year	Received	Closed
1996	9,135	8,407
1997	9,169	9,294
1998	8,834	9,551
1999	9,559	9,506
2000	9,295	9,005
2001	9,265	8,874

	1996	1997	1998	1999	2000	2001
Health	4,889	4,876	4,810	5,495	5,118	5,182
P&C	3,313	3,339	3,327	3,350	3,482	3,448
Life	1,150	1,122	867	896	838	840

Table II
Complaints Filed By Type of Insurance*

	2000	2001
Accident and Health		
Group Accident and Health	208	334
Individual Accident and Health	226	397
Medicare Supplement	259	299
Long-Term Care	62	75
HMO	1,083	832
PPO	1,860	1,621
LSHO	38	21
Credit	168	121
Self-Funded Health Plans	1,214	1,482
Total Accident and Health	5,118	5,182
Property and Casualty		
Automobile	1,270	1,364
Homeowner's, Tenant's, Farmowner's	810	953
Fire, Allied Lines, Other Property	155	244
General Liability	95	84
Worker's Compensation	631	344
All Other Lines	521	459
Total Property and Casualty	3,482	3,448
Life, Including Credit and Annuities	838	840
Grand Total	9,438	9,470

*A complaint may involve more than one type of insurance.

Table III
Reasons for Complaints*

Basis for Complaint	Through 4th Quarter 2000	Percent of Total	Through 4th Quarter 2001	Percent of Total
Claim Handling	6,036	59%	7,112	61%
Policyholder Service	1,604	16	1,837	16
Marketing and Sales	945	9	1,170	10
Underwriting	1,307	13	1,432	12
Other	336	3	160	1

*A complaint may have more than one basis.

The Bureau keeps track of the amount of money recovered by complainants who filed a complaint with our office. From January 1 through the 4th quarter of 2001, the office assisted complainants in recovering $3,732,647 from insurers as follows:

Table IV
Amounts Recovered for Complainants by Types of Coverage and Complaint Reason

Coverage Type	Claim Handling	Policyholder Service	Marketing and Sales	Underwriting	Other	Total
Group Health	$ 57,913	$ 2,672	$ 497	$ 0	$ 0	$ 61,082
Ind. Accident and Health	104,167	3,655	1,055	3,629	0	112,506
Ind. Medicare Supplement	98,013	7,250	5,206	1,335	0	111,804
Long-Term Care	17,751	5,406	415	4,279	0	27,850
HMO/PPO/LSHO	537,060	2,135	5,293	210	46	544,744
Credit Health	18,441	2,524	220	0	0	21,185
Self-Funded Health	72,401	103	0	0	0	72,504
Automobile	273,574	10,800	5,954	30,329	115	320,772
Life, Including Credit and Annuities	673,762	115,707	232,078	43,551	0	1,065,098
Homeowner's, Tenant's, Farmowner's	352,040	3,340	47,130	36,417	0	438,927
Fire, Allied Lines, Other Property	299,049	18,636	26,525	844	0	345,054
General Liability	3,067	6,149	16,247	9,092	0	34,555
Worker's Compensation	6,090	8,126	750	121,858	0	136,824
All Other Lines	429,413	3,774	969	5,586	0	439,742
Total	$2,942,741	$190,277	$342,339	$257,129	$161	$3,732,647

Complainants may appeal the results of the Bureau's determination on their complaints when the complaints were not resolved as originally requested. The appeal gives the complainants an opportunity to have their complaints reviewed by the office's management staff or to provide additional information on their complaint to office management. Table V reflects the complaint appeal activity.

Table V
2001 Complaint Appeals Filed by Section

	Property & Casualty	Life & Health	Complaints	Total
Number of Complaint Files Appealed in 2001*	99	118	2	219
Appealed Complaint Files Reopened	40	23	1	64

*An appeal may be on a file closed prior to the period under review.

Table VI
Complainant Survey
2001

Survey Cards Sent	1,677
Survey Cards Returned	857
Response Rate	51%

Results

1. How did you hear about the Office of the Commissioner of Insurance?

Word of Mouth	255
Insurance Agent	135
Insurance Company	84
Phone Book	30
Lawyer	51
Health Care Provider	70
Other	272
No Answer	117

	Yes	%	No	%
2. Did we respond to your complaint promptly?	774	92%	68	8%
3. Do you feel your complaint was handled fairly by our office?	634	79%	164	21%
4. Do you feel you were given an adequate explanation on your complaint?	598	77%	183	23%
5. If you called our office, do you feel we treated you courteously?	534	98%	13	2%
6. If you have another insurance problem, would you contact our office again?	691	91%	70	9%

Companies Examined in 2001

Allstate Ins. Co.
American Dental Plan of Wisconsin, Inc.
Compcare Health Services Ins. Corp.
Conseco Senior Health Ins. Co.
Deerbrook Ins. Co.
Employers Health Ins. Co.
Midwest Security Life Ins. Co.
Mt. Morris Mutual Ins. Co.
Network Health Plan of Wisconsin
North American Ins. Co.
Prevea Health Ins. Plan Inc.
Professional Dental Plan, Inc.
SECURA Ins. A Mutual Co.
Wisconsin Automobile Ins. Plan
Wisconsin Compensation Rating Bureau
Wisconsin Physicians Service

Agent Licensing Section

The Agent Licensing Section conducts licensing examinations for insurance agents; licenses agents, reinsurance intermediaries, managing general agents, certain corporations and firms, employee benefit plan administrators, viatical settlement brokers; and reviews and approves prelicensing and continuing education providers and courses.

During 2001, there were 9,245 tests administered in all lines of insurance to candidates seeking a resident agent license. In all, a total of 15,536 new licenses were issued to resident and nonresident agent candidates.

As of December 31, 2001, there were 78,406 licensed insurance agents and 614,541 active appointments by insurance companies authorizing the licensed agents to market their products.

Projects within the section for 2001 included:

- Successfully converted all agent data to a new computer database. COSMOS was purchased and implemented in October of 2001.

- Proposed changes to the administrative rules for agents to be reciprocal and more uniform under the Gramm-Leach-Bliley Act and the NAIC Producer Model.

- The fourth continuing education biennial reporting period for agents began January 1, 2001. Assessment Systems, Inc. (ASI), continues to administer the entire program, which includes provider, instructor, and course approval, as well as course tracking. To satisfy the biennial requirements, agents affected must earn 24 credit hours by February 15, 2003.

- Continued involvement with the NAIC in the development of a National Producer Database. The database will speed up and simplify the licensing process and provide benefits to both regulators and industry. Wisconsin participated as a pilot state for the project, and provides daily updates to the database along with 44 other states.

- Continued participation in the NAIC's Producer Information Network (PIN) Project. The goal of this committee, comprised of state regulators and industry representatives, is to improve the effectiveness and efficiency of the state licensing process through increased coordination, automation, standardization, and reciprocity.

  Wisconsin is one of 40 states to sign a Declaration of Uniform Treatment through the NAIC. This Declaration provides for the use of a national application for major-line nonresident licensing.

Commercial Liability Insurance Reports

Section 601.422, Wis. Stat.

The following tables summarize the reports on commercial liability insurance required by s. 601.422, Wis. Stat., that were received in 2001. All of the information is for commercial liability insurance written in Wisconsin by authorized insurers. The data required by this statute were collected from the following three sources:

1. the insurers themselves,
2. statistical agents utilized by the insurers, and
3. the NAIC database.

Reporting threshholds were established by this office in conjunction with the statistical agents to eliminate insurers who write marginal amounts of insurance.

Tables IA and IB include information required for policy years 1998 and 1999, respectively. Lines one and two were calculated by applying the ratios of investment gain and other expenses to net premium earned for other liability as reported in the Insurance Expense Exhibit to direct premiums earned. The Insurance Expense Exhibit information is on a calendar year basis, therefore the ratios applied represent the average of the two calendar years included in the applicable policy year. The number of policies written, the number of claims closed without payment, and the number of legal actions filed were provided by the insurers. The remaining policy year information was provided by statistical agents.

It should be noted that the liability for claims incurred but not reported (IBNR) is calculated differently depending on the market. In particular, approximations for the IBNR liability for excess and umbrella insurance are based on the general liability expected loss ratio. The long-tailed nature of these two lines can create difficulty when attempting to establish an accurate liability for claims IBNR even after three or four years of development.

As noted previously, much of the data is from individual insurers and the statistical agents they utilize. These reports have been accepted by this office without audit.

Table II summarizes key ratios and averages for supplemental commercial liability data for the most recent five policy years. Several cells in this table are incomplete due to lack of activity for selected categories in certain policy years. Incomplete cells are indicated by an asterisk.

TABLE IA
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING COMMERCIAL LIABILITY INSURANCE IN WISCONSIN*

Policy Year 1998	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Profes-sional	All Other Profes-sional	Day Care	Recrea-tional	Municipal	Pollution	Liquor Liability
1. Investment gain	$17,990	$6,950	$2,886	$14,157	$2,151	$9,711	$126	$686	$1,336	$348	$177
2. Expenses incurred other than loss adjusting expenses	30,370	11,733	4,872	23,899	3,632	16,394	212	1,159	2,255	588	299
3. Number of policies written	95,898	34,157	2,594	28,188	1,930	17,929	1,162	2,892	1,615	712	963
4. Direct dollar premium earned	102,915	39,761	16,511	80,987	12,308	55,555	719	3,926	7,642	1,991	1,014
5. Average premium per policy	1,073	1,164	6,365	2,873	6,377	3,099	618	1,358	4,732	2,796	1,053
6. Number of outstanding claims	786	216	42	35	83	124	5	15	45	5	3
7. Direct case reserves for outstanding claims	18,907	6,725	2,728	8,530	2,657	5,162	587	458	454	355	4
8. Liability for claims incurred but not reported	24,004	18,649	6,713	27,179	3,469	12,605	138	754	1,383	870	232
9. Loss adjustment expense liability for open claims	2,396	559	343	214	811	1,344	9	46	340	78	2
10. Losses paid	6,276	1,215	2,175	14,975	445	3,137	13	78	308	0	1
11. Pure loss ratio	47.8%	66.9%	70.4%	62.6%	53.4%	37.6%	102.6%	32.9%	28.1%	61.5%	23.4%
12. Allocated loss adjustment expense paid	703	355	71	196	250	1,225	0	8	11	6	2
13. Number of claims paid	9,717	1,127	52	48	58	444	66	290	719	2	14
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	76,315	33,282	38,043	55,529	9,431	31,776	897	2,201	4,159	1,298	267
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	81,281	35,712	40,720	58,914	10,313	33,476	960	2,359	4,593	1,383	286
16. Number of claims closed without payment	5,105	985	38	40	71	711	428	127	748	69	4
17. Number of legal actions filed	686	113	12	180	38	300	0	11	44	8	1

* 000's omitted in items 1, 2, 4, 7, 8, 9, 10, 12, 14, and 15.

TABLE IB
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING COMMERCIAL LIABILITY INSURANCE IN WISCONSIN*

Policy Year 1999	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Profes-sional	All Other Profes-sional	Day Care	Recrea-tional	Municipal	Pollution	Liquor Liability
1. Investment gain	$16,483	$7,107	$2,835	$12,820	$2,054	$9,316	$110	$685	$1,259	$263	$161
2. Expenses incurred other than loss adjusting expenses	28,989	12,500	4,985	22,548	3,613	16,385	193	1,205	2,214	462	283
3. Number of policies written	99,318	34,721	2,625	31,838	1,532	19,615	336	2,730	1,651	806	1,263
4. Direct dollar premium earned	98,102	42,300	16,871	76,303	12,225	55,449	653	4,079	7,493	1,563	958
5. Average premium per policy	988	1,218	6,427	2,397	7,980	2,827	1,942	1,494	4,538	1,939	758
6. Number of outstanding claims	1,411	411	35	77	131	373	6	40	88	3	4
7. Direct case reserves for outstanding claims	22,494	7,960	37,252	21,928	2,624	7,235	170	1,020	532	522	105
8. Liability for claims incurred but not reported	42,041	34,078	8,927	15,479	3,120	21,361	244	1,504	2,452	1,163	364
9. Loss adjustment expense liability for open claims	2,432	601	26	944	981	2,115	3	150	446	20	31
10. Losses paid	3,781	1,480	150	2,684	153	767	18	208	15	1	0
11. Pure loss ratio	69.6%	102.9%	274.6%	52.5%	48.2%	53.0%	66.2%	67.0%	40.0%	107.9%	49.0%
12. Allocated loss adjustment expense paid	332	73	10	177	64	689	3	4	1	8	0
13. Number of claims paid	7,840	944	13	55	24	406	36	257	775	7	5
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	86,716	48,696	46,405	51,767	7,530	36,277	897	3,200	4,935	1,687	547
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	92,385	52,117	49,723	114,751	8,286	38,684	962	3,434	5,460	1,819	585
16. Number of claims closed without payment	3,934	683	21	19	23	480	3	135	256	21	39
17. Number of legal actions filed	180	56	10	5	21	246	0	1	16	2	1

* 000's omitted in items 1, 2, 4, 7, 8, 9, 10, 12, 14, and 15.

TABLE II
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
SUMMARY OF SUPPLEMENTAL DATA

	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Profes-sional Liability	All Other Profes-sional Liability	Day Care	Recrea-tional	Municipal	Pollution	Liquor Liability
Loss Ratios											
1999	69.6%	102.9%	274.6%	52.5%	48.2%	53.0%	66.2%	67.0%	40.0%	107.9%	49.0%
1998	47.8	66.9	70.4	62.6	53.4	37.6	102.6	32.9	28.1	61.5	23.4
1997	30.7	57.1	46.7	59.5	37.0	40.9	15.5	41.5	15.0	33.0	13.3
1996	25.7	35.4	38.9	49.6	37.6	22.6	6.6	12.5	9.8	39.4	13.0
1995	18.1	42.2	41.1	25.0	12.7	13.0	3.2	6.6	14.1	22.5	8.1
Five-year average	37.4	60.4	103.3	49.3	35.6	33.6	27.6	30.8	21.3	49.3	21.3
Average Incurred Loss Per Claim											
1999	2,840	6,966	779,204	186,456	17,913	10,273	4,480	4,134	634	52,304	11,717
1998	2,398	5,912	52,160	283,188	21,999	14,611	8,445	1,755	998	50,717	266
1997	2,046	5,631	5,178	281,037	15,992	30,026	944	4,756	683	8	167
1996	1,849	4,062	12,496	110,348	15,049	16,815	534	957	54	34,587	1,693
1995	1,346	6,912	9,756	53,543	7,000	10,745	82	526	1,602	4,546	539
5-year average	2,065	5,917	134,371	178,106	14,773	16,229	2,345	2,249	433	22,273	2,390
Average Case Reserve Per Claim											
1999	15,942	19,366	1,064,335	284,783	20,028	19,398	28,292	25,494	6,050	174,015	26,356
1998	24,055	31,136	64,951	243,702	32,013	41,627	117,300	30,505	10,099	71,004	1,167
1997	46,063	45,133	119	335,781	39,743	90,847	50,000	222,591	26,425	28	*
1996	73,113	57,790	71,682	82,187	51,746	88,139	10,000	99,300	13,324	21	0
1995	77,250	64,780	131,252	19,777	29,519	70,164	*	1	4,500	100,000	*
5-year average	26,484	30,590	431,656	230,535	30,828	42,029	63,002	47,133	9,563	75,167	12,103
Allocated LAE: Premium Earned											
1999	2.8%	1.6%	0.2%	1.5%	8.5%	5.1%	0.9%	3.8%	6.0%	1.8%	3.2%
1998	3.0	2.3	2.5	0.5	8.6	4.6	1.3	1.4	4.6	4.2	0.4
1997	2.8	3.3	0.2	3.1	5.4	10.4	2.2	1.6	3.2	2.2	0.0
1996	8.7	2.1	0.3	0.3	9.8	5.5	0.2	0.8	3.8	15.2	0.6
1995	3.0	3.9	0.0	0.3	6.4	5.3	0.1	0.4	3.0	0.5	0.0
5-year average	4.1	2.6	0.7	1.1	7.7	6.2	0.7	1.5	4.1	4.7	0.8
IBNR: Premium Earned											
1999	69.6%	102.9%	274.6%	52.5%	48.2%	53.0%	66.2%	67.0%	40.0%	107.9%	49.0%
1998	47.8	66.9	70.4	62.6	53.4	37.6	102.6	32.9	28.1	61.5	23.4
1997	11.0	38.2	42.8	18.3	20.0	9.2	8.6	8.6	9.3	33.0	13.2
1996	7.4	23.3	34.9	36.3	12.0	3.8	4.3	4.3	7.4	19.7	10.5
1995	5.1	22.1	37.1	17.7	4.1	2.3	2.5	2.5	2.2	18.5	7.3
5-year average	17.2	41.8	42.2	25.2	16.5	15.5	10.6	13.6	14.0	35.4	18.4
Percentage Change In Premium Earned											
1998 to 1999	-4.7%	6.4%	2.2%	-5.8%	-0.7%	-0.2%	-9.2%	3.9%	-2.0%	-21.5%	-5.5%
1997 to 1998	2.1	1.8	36.4	-1.0	-17.7	0.5	-0.8	-7.1	-3.4	13.4	-3.8
1996 to 1997	-10.5	-9.1	-6.3	-3.6	-12.6	0.6	-50.9	0.0	0.0	-9.1	1.6
1995 to 1996	-3.6	-7.3	-3.0	-5.1	-8.2	4.7	-8.7	-16.7	13.6	-23.5	17.4

*Information incomplete. See narrative.

Medical Malpractice Insurance Reports

Section 601.427, Wis. Stat.

The following table summarizes the reports on medical malpractice insurance required by s. 601.427, Wis. Stat., that were received in 2001. All of the information is for medical malpractice insurance written in Wisconsin by authorized insurers. Insurers that wrote less than $300,000 annually in medical malpractice insurance premiums in Wisconsin were not required to report.

The first three lines are for the calendar years indicated by the column headings. The Average Written Premium per Policy is calculated from the entries in the previous two lines. The next fifteen lines are for the policy years shown by the column headings.

This report includes the experience of the Wisconsin Health Care Liability Insurance Plan. It does not include the experience of the Patients Compensation Fund.

It should be noted that the data are from individual insurer reports and have been accepted by this office without audit. In addition, the data do not separate occurrence policy experience from claims-made policy experience. These two types of policies have different claims payment experience patterns.

This report combines the experience for all physician and surgeon classifications, other health care professionals, hospital, and other health care facilities. The individual classification reports by company, from which the summary table was derived, have been maintained in this office.

MEDICAL MALPRACTICE INSURANCE REPORT, S. 601.427, WIS. STAT.
ENTRIES ARE

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000**
1.	Investment and other income net gain or loss***	$22,515	$23,966	$26,493	$26,674	$22,677	$27,149	$24,736	$22,015	$19,545	$21,850	$16,972
2.	Incurred loss adjustment expense***	23,304	24,015	30,798	22,723	23,389	17,647	15,944	13,019	6,937	11,592	14,600
3.	All other incurred expenses***	10,528	11,869	12,730	13,783	14,377	13,887	16,432	15,151	15,821	15,421	13,261
4.	Number of policies written	30,087	31,148	31,164	32,305	32,212	29,748	17,540	31,629	43,160	44,568	
5.	Total dollar amount of direct written premium	71,087	71,914	82,720	78,171	73,253	71,471	69,875	68,993	70,060	68,503	
6.	Average written premium per policy	2,363	2,309	2,654	2,420	2,274	2,403	3,984	2,181	1,623	1,537	
7.	Number of open claims	4	5	4	19	32	57	152	228	277	425	
8.	Direct case reserves on open claims	34	604	74	1,535	1,645	5,021	10,211	14,759	12,484	13,110	
9.	Amount paid on medical malpractice claims	18,868	19,236	23,645	24,219	19,206	18,059	17,109	15,801	4,172	1,338	
10.	Reserves established for incurred but not reported claims	2,652	6,240	4,320	5,271	5,496	6,471	9,996	15,073	21,030	21,660	
11.	Pure loss ratio	30.3%	36.3%	33.9%	39.7%	36.0%	41.3%	53.4%	66.1%	53.8%	52.7%	
12.	Total number of claims reported	1,500	1,692	1,887	1,589	1,359	21,458	1,320	772	1,057	580	
13.	Total number of claims closed without payment	1,134	1,292	1,640	1,428	1,104	1,215	919	735	696	432	
14.	Total number of claims closed with payment	344	401	337	283	291	315	278	278	164	104	
15.	Total number of legal actions filed	406	424	444	396	395	438	388	263	264	158	
16.	Total number of verdicts/ judgments for defendant	153	151	140	125	92	78	60	35	23	9	
17.	Total number of verdicts/ judgments for plaintiff	37	42	39	29	26	16	8	8	1	0	
18.	Total amount awarded to plaintiffs	4,641	3,710	4,342	3,247	6,431	4,150	1,531	3,383	793	0	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.
** Policy year 2000 was not complete at time of writing.
*** These elements are reported on a calendar year basis; all other rows are on a policy year basis.

Product Liability Insurance Reports

Section 601.425, Wis. Stat.

The following table summarizes the reports on product liability insurance required by s. 601.425, Wis. Stat., that were received in 2001. All of the information is for product liability insurance written in Wisconsin by authorized insurers. Insurers that wrote less than $50,000 annually in product liability insurance premiums in Wisconsin were not required to report.

The first three lines are for the calendar years indicated by the column headings. The Average Written Premium per Policy is calculated from the entries in the previous two lines. The next fifteen lines are for the policy years shown by the column headings.

It should be noted that the data are from reports provided by individual insurers. These reports have been accepted by this office without audit. In addition, the data do not separate occurrence policy experience from claims-made policy experience. These two types of policies have different claims payment experience patterns.

PRODUCT LIABILITY INSURANCE REPORT, S. 601.425, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING PRODUCT LIABILITY INSURANCE IN WISCONSIN*

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000**
1.	Investment and other income net gain or loss***	$9,336	$10,826	$12,561	$12,688	$12,185	$12,197	$19,766	$20,162	$18,523	$15,400	$14,399
2.	Incurred loss adjustment expense***	15,238	19,940	21,648	21,803	16,244	16,491	15,691	6,948	9,367	5,047	24,402
3.	All other incurred expenses***	17,151	18,813	27,440	15,627	16,846	14,825	19,094	8,877	12,596	12,566	12,843
4.	Number of policies written	33,144	43,015	41,827	40,924	39,948	85,764	121,228	75,136	66,677	65,150	
5.	Total dollar amount of direct written premium	44,406	45,835	48,188	47,946	48,164	53,924	50,932	45,281	36,057	36,195	
6.	Average written premium per policy	1,340	1,066	1,152	1,172	1,206	629	420	603	541	556	
7.	Number of open claims	14	31	70	52	58	56	99	144	203	372	
8.	Direct case reserves on open claims	348	886	1,346	589	1,513	4,248	3,709	6,647	8,192	13,923	
9.	Amount paid on product liability claims	18,626	24,568	17,504	26,760	15,436	23,467	13,548	11,841	9,694	16,807	
10.	Reserves established for incurred but not reported claims	3,225	2,072	3,445	2,584	3,038	3,699	4,245	5,809	7,912	17,494	
11.	Pure loss ratio	50.0%	60.1%	46.3%	62.4%	41.5%	58.3%	42.2%	53.7%	71.5%	133.2%	
12.	Total number of claims reported	385,319	69,477	26,079	24,742	5,602	4,806	4,617	37,647	340,401	2,898	
13.	Total number of claims closed without payment	1,302	1,515	1,535	1,784	1,540	1,897	1,787	1,447	1,390	1,277	
14.	Total number of claims closed with payment	1,471	1,733	1,647	1,766	1,605	3,536	1,491	1,348	994	1,027	
15.	Total number of legal actions filed	853	1,036	620	678	3,578	521	693	266	145	90	
16.	Total number of verdicts/ judgments for defendant	34	26	28	41	36	19	23	13	6	1	
17.	Total number of verdicts/ judgments for plaintiff	21	25	31	31	35	21	18	6	0	1	
18.	Total amount awarded to plaintiffs	1,897	2,075	641	1,137	1,439	618	300	42	0	21	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.
** Policy year 2000 was not complete at time of writing.
*** These elements are reported on a calendar year basis; all other rows are on a policy year basis.

Consumer Publications

The following consumer publications are available from OCI. Copies of all brochures are available on-line on OCI's Web site: http://oci.wi.gov/pub_list.htm.

HEALTH

Long-Term Care

- **Guide to Long-Term Care (PI-047)—**Explains different types of long-term care insurance and the types of policies sold in Wisconsin to cover long-term care expenses.
- **Long-Term Care Insurance Approved Policies in Wisconsin (PI-046)—**Lists individual, group and tax-qualified long-term care insurance policies, nursing home policies, and home health care policies including information regarding benefits and sample premiums.

Medicare Supplement

- **Medicare Supplement Insurance Approved Policies (PI-010)—**Lists all policies available in Wisconsin including benefits and current premiums.
- **Medicare+Choice - Questions and Answers (PI-099)—**Explains new options available to persons age 65 and over, and some disabled individuals under age 65, who are looking for information about the Medicare+Choice program.
- **Wisconsin Guide to Health Insurance for People with Medicare (PI-002)—**Explains Medicare and supplemental insurance to cover those expenses not paid by Medicare.

General

- **ANSI Claim Adjustment Reason Code (OCI 17-007)—**Claim adjustment reason codes that must be used by providers and their narrative explanation.
- **A Guide to Health Insurance and Worker's Compensation Insurance for Farm Families (PI-072)—**Provides information about health insurance and limitations for work-related injuries.
- **A Shopper's Guide to Cancer Insurance (PI-001)—**Describes cancer insurance policies and the limitations many of these policies have.
- **Consumer's Guide to Managed Care Health Plans in Wisconsin (PI-044)—**Provides information on all HMO and Limited Service Health Organization Plans in Wisconsin.
- **Fact Sheet on Continuation and Conversion in Health Insurance Policies (PI-023)—**Describes a consumer's rights under Wisconsin law and the federal COBRA law to continue or convert group health insurance coverage after losing previous eligibility for health insurance coverage.
- **Fact Sheet on Managed Care Consumer Protections in Wisconsin (PI-102)—**Describes consumer protections available to Wisconsin residents enrolled in managed care plans.
- **Fact Sheet on Mandated Benefits in Health Insurance Policies (PI-019)—**Gives a brief description of current mandated benefits.
- **Fact Sheet on Mandated Benefits for the Treatment of Nervous and Mental Disorders, Alcoholism and Other Drug Abuse (PI-008)—**Summarizes required coverages in group health insurance policies.
- **Group Health Insurance Index (PI-081)—**Survey results listing the monthly premiums for group health insurance policies for three hypothetical groups.
- **Health Insurance Coverage in Wisconsin (PI-094)—**Survey results listing the number of people covered by an HMO, Preferred Provider Organization, Point-of-Service Plan and traditional health insurance in Wisconsin.
- **The Health Insurance Portability and Accountability Act of 1996 and 1997 Wisconsin Act 27 (PI-096)—**Provides a general overview of the new federal law as well as the changes made to state health insurance laws.
- **HMO Quarterly Statement Summary—**Summarizes HMO information contained in the quarterly financial statement.
- **Insurance Coverage and AIDS (PI-064)—**Summarizes rules regarding health and life insurance underwriting and coverage for AIDS and includes Resources for Persons with a Positive HIV Test/The Implications of Testing Positive for HIV (OCI 17-001).
- **Mammograms: Mandated Insurance Coverage (PI-056)—**Summarizes required coverage for mammograms under health insurance policies.

LIFE INSURANCE AND ANNUITIES

- **NAIC Life Insurance Buyer's Guide—**Explains types of life insurance and provides consumer information.
- **State Life Insurance Fund—**Information about the State Life Insurance Fund that offers life insurance to Wisconsin residents. This also includes a rate table and an application.
- **Wisconsin Buyer's Guide to Annuities (PI-016)—**Describes annuities and provides consumer information.

PROPERTY AND CASUALTY

- **Buying a Home and Your Insurance Needs (PI-100)—**Provides information on title, homeowner's, flood and private mortgage insurance and discusses other insurance options to consider when buying a home.
- **Consumer's Guide to Auto Insurance (PI-057)—**Explains the types of coverage provided in an auto insurance policy, how to shop for insurance, collision damage waiver coverage for rental cars, and contains premiums for five hypothetical examples.
- **Consumer's Guide to Commercial Liability Insurance (PI-045)—**Contains basic information on commercial liability insurance, risk management, legal protections, required coverages, and optional coverages.
- **Consumer's Guide to Day Care Liability Insurance (PI-054)—**Answers questions about liability insurance coverage for day care facilities.
- **Consumer's Guide to Homeowner's Insurance (PI-015)—**Explains the basic coverages included in homeowner's and renter's insurance policies, the types of policies, what you should do if you have a loss, the Wisconsin Insurance Plan, and contains premium tables for four hypothetical examples.
- **Consumer's Guide to Insurance for Small Business Owners (PI-085)—**Provides information about business, worker's compensation, health, and auto insurance.
- **Consumer's Guide to Worker's Compensation Insurance for Employers (PI-065)—**Provides information on worker's compensation insurance requirements and answers frequently asked questions.
- **Fact Sheet on Foster Parent Liability Insurance (PI-048)—**Answers questions about liability insurance coverage for foster children.
- **Guía del Consumidor para Seguros de Vivienda (PI-115)**—Explica las coberturas básicas incluidas en las pólizas de seguros de propietarios de viviendas e inquilinos, los tipos de pólizas, qué debe hacer en caso de pérdida, el plan de seguros de Wisconsin y contiene tablas de tarifas para cuatro ejemplos hipotéticos.
- **Information Sheet on Surplus Lines Insurers and Agents (PI-026)—**Answers questions about surplus lines insurance and procedures for placing surplus lines insurance.
- **Settling Property Insurance Claims (PI-084)—**Provides information on what to do after a loss, how to settle an insurance claim, flood insurance, and tips on what to do before a loss.
- **Teenagers and Auto Insurance (PI-200)** —Provides information on buying car insurance, saving money, and how underage drinking affects your insurance premium.
- **Warranties (PI-069)—**Discusses the Magnuson-Moss Warranty Act, the federal law that covers warranties, and answers questions about extended warranties.

OTHER

- **Consumer's Guide to Insurance (PI-051)—**Provides general information about health, life, auto, homeowner's, and worker's compensation insurance.
- **Fact Sheet on Insurance Terminations, Denials, and Cancellations (PI-024)—**Summarizes the laws dealing with notice requirements when insurance coverage is terminated.
- **Fact Sheet on Standard Health Insurance Forms (PI-083)—**Describes the requirements for billing formats to be used by providers and explanation of benefits and remittance advice forms used by insurers to explain claim payments.
- **Insurance Complaints and Administrative Actions (PI-030)—**An annual report listing companies with an above-average number of complaints in individual and group health, life and annuities, automobile, and homeowner's and tenant's insurance.
- **Learning about the Office of the Commissioner of Insurance on the World Wide Web (PI-095)—**Provides information about OCI's home site on the Internet.
- **Other Sources of Help (OCI 51-051)**—Provides information on Small Claims Court.
- **The Wisconsin Office of the Commissioner of Insurance (PI-059)—**Summarizes OCI's main functions, discusses employment opportunities, the civil service system, and pay and employee benefits.