

## **VI. Financial and Statistical Data**



## **Notes to Tables**

The financial information was obtained from the NAIC database downloaded on June 12, 2007, for those companies filing electronically with the NAIC and annual statements filed with OCI for those companies not filing electronically with the NAIC. The tables report the financial position of companies licensed to do business in Wisconsin as of December 31, 2006, and the results of their 2006 operations. Companies in rehabilitation and liquidation may not be included in the financial data.

Table A includes Risk Retention Groups and Vehicle Protection Plans as authorized insurers. Neither group of entities is technically authorized as they are not issued a certificate of authority to write business. Risk Retention Groups are required to register with this office pursuant to the Federal Liability Risk Retention Act of 1986. Vehicle Protection Plans register with this office pursuant to the requirements of s. 100.203, Wis. Stat., and ch. Ins 14, Wis. Adm. Code.

Tables B-I do not contain financial data for the Other Entities Subject to Limited Regulation.

Direct premiums and deposits for life business reported in Tables B and D includes direct premiums written, annuity, deposit, and other considerations and policyholder dividends used for renewals and paid-up additions. Direct premiums written reported in Table E excludes dividends, and deposit and other considerations. Direct benefits and dividends paid includes both benefits paid and dividends paid or applied during the year.

Direct premiums written in Table E includes insurers with negative premiums written. This results in premiums written for the 20 ranked insurers in certain lines of business to be greater than all insurers writing that line of business.

All of the amounts in Tables F-I, except ratio amounts, have been rounded to thousands. Ratios in excess of 999% were reported as "999" and ratios less than 0 were reported as "0". Ratio results outside these thresholds are meaningless.

### Explanation of Terms Used in Tables

The “*Wisconsin Operations*” columns report the direct premiums and losses for Wisconsin only business for 2006. The “*Nationwide Operations*” columns report the net premiums and losses for all operations for 2006.

“*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 its 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 in the state 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.

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

The “*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.

**TABLE A**  
**Summary of Insurers Authorized to Write Insurance in Wisconsin**  
**as of December 31, 2006**  
**Counts by Type and Domicile**

TYPE OF COMPANY	DOMESTIC COMPANIES	NONDOMESTIC COMPANIES	TOTAL
<b>REGULATED ENTITIES</b>			
STOCK LIFE AND HEALTH	26	412	438
MUTUAL LIFE AND HEALTH	4	31	35
FRATERNALS	8	40	48
HEALTH MAINTENANCE ORGANIZATIONS	25	0	25
OTHER HEALTH INSURERS	14	0	14
STOCK PROPERTY AND CASUALTY	78	750	828
MUTUAL PROPERTY AND CASUALTY	35	67	102
RECIPROCAL EXCHANGES	0	17	17
TOWN MUTUALS	68	0	68
<b>SUBTOTAL</b>	<b>258</b>	<b>1,317</b>	<b>1,575</b>
<b>OTHER ENTITIES SUBJECT TO LIMITED REGULATION *</b>			
CONTINUING CARE RETIREMENT COMMUNITIES	26	1	27
GIFT ANNUITIES	84	132	216
MOTOR CLUBS	0	28	28
VEHICLE PROTECTION PLANS	0	13	13
RISK RETENTION GROUPS*	0	47	47
VIATICALS	0	4	4
WARRANTY PLANS	11	114	125
<b>SUBTOTAL</b>	<b>121</b>	<b>339</b>	<b>460</b>
<b>GRAND TOTAL</b>	<b>379</b>	<b>1,656</b>	<b>2,035</b>

**TABLE B**  
**2006 Summary of Wisconsin Operations of All Insurers by Type of Company**

TYPE OF COMPANY	DIRECT PREMIUMS AND DEPOSITS *	DIRECT BENEFITS AND DIVIDENDS PAID *	
STOCK LIFE AND HEALTH	\$13,274,862,776	\$11,250,523,573	
MUTUAL LIFE AND HEALTH	1,499,155,157	1,272,278,138	
FRATERNALS	604,878,059	689,886,739	
<b>TOTALS</b>	<b>\$15,378,895,992</b>	<b>\$13,212,688,450</b>	
TYPE OF COMPANY	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
HEALTH MAINTENANCE ORGANIZATIONS	\$ 4,537,374,154	\$4,126,596,265	91
OTHER HEALTH INSURERS	632,385,866	519,033,799	82
STOCK PROPERTY AND CASUALTY	4,656,616,554	2,778,672,552	60
MUTUAL PROPERTY AND CASUALTY	3,182,489,333	2,053,227,677	65
RECIPROCAL EXCHANGES	231,017,143	161,453,135	70
TOWN MUTUALS	70,055,112	33,704,055	48
<b>TOTALS</b>	<b>\$13,309,938,162</b>	<b>\$9,672,687,483</b>	<b>73</b>

\* See Notes to Tables.

**TABLE C**  
**2006 Summary of Nationwide**  
**Financial Operations of Wisconsin Insurers**

❖ **LIFE AND HEALTH INSURERS** ❖

ASSETS	\$219,420,164,144
CAPITAL AND SURPLUS	20,386,962,037
NET PREMIUMS AND ANNUITY CONSIDERATIONS	32,693,607,132
NET BENEFITS INCURRED	29,839,067,777
NET INCOME	1,971,218,797
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	34,526,143,609

❖ **PROPERTY AND CASUALTY INSURERS** ❖

ASSETS	\$ 69,078,383,341
CAPITAL AND SURPLUS	24,358,192,770
NET EARNED PREMIUMS	21,487,556,663
NET LOSSES INCURRED	12,303,099,347
NET INCOME	2,737,911,924
DIRECT PREMIUMS WRITTEN	27,879,603,891

❖ **HEALTH MAINTENANCE ORGANIZATIONS** ❖  
❖ **AND OTHER HEALTH INSURERS** ❖

ASSETS	\$ 1,470,833,899
CAPITAL AND SURPLUS	803,743,827
NET EARNED PREMIUMS	5,145,595,463
NET LOSSES INCURRED	4,526,132,807
NET INCOME	109,933,899
DIRECT PREMIUMS WRITTEN	5,163,015,168

❖ **ALL INSURERS COMBINED** ❖

ASSETS	\$289,969,381,384
CAPITAL AND SURPLUS	45,548,898,634
NET PREMIUMS AND ANNUITY CONSIDERATIONS	32,693,607,132
NET BENEFITS INCURRED	29,839,067,777
NET EARNED PREMIUMS	26,633,152,126
NET LOSSES INCURRED	16,829,232,154
NET INCOME	4,819,064,620
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	67,568,762,668

**TABLE D**  
**2006 Summary of Wisconsin Operations**  
**of All Insurers by Line of Insurance**

LINE OF INSURANCE	DIRECT PREMIUMS AND DEPOSITS*		
LIFE INSURANCE			
ORDINARY	\$2,325,399,990		
CREDIT	25,259,454		
GROUP	439,394,473		
INDUSTRIAL	5,589,702		
<b>TOTAL</b>	<b>\$2,795,643,619</b>		
ANNUITIES	\$5,079,754,211		
DEPOSITS	864,878,821		
OTHER	1,577,761,155		
BENEFIT TYPE	DIRECT BENEFITS AND DIVIDENDS PAID*		
DIVIDENDS	\$ 562,870,032		
DEATH BENEFITS	1,120,007,900		
ANNUITY BENEFITS	1,713,646,605		
ALL OTHER BENEFITS	5,991,621,321		
LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ACCIDENT AND HEALTH			
GROUP	\$ 8,445,399,636	\$7,344,986,488	87
CREDIT	49,877,309	23,250,529	47
INDIVIDUAL	2,073,565,840	1,538,735,003	74
<b>TOTAL</b>	<b>\$10,568,842,785</b>	<b>\$8,906,972,020</b>	<b>84</b>
MULTIPLE PERIL			
FARMOWNERS	\$ 107,800,336	\$ 58,773,834	55
HOMEOWNERS	833,465,036	704,956,378	85
COMMERCIAL	607,743,373	288,608,182	47
<b>TOTAL</b>	<b>\$ 1,549,008,745</b>	<b>\$ 1,052,338,394</b>	<b>68</b>
AUTOMOBILE			
PRIVATE PASSENGER CARS	\$ 2,248,548,026	\$ 1,356,692,328	60
COMMERCIAL VEHICLES	551,659,115	244,512,540	44
<b>TOTAL</b>	<b>\$ 2,800,207,141</b>	<b>\$ 1,601,204,868</b>	<b>57</b>

\* See Notes to Tables.

**TABLE D (continued)**

<b>LINE OF INSURANCE</b>	<b>DIRECT PREMIUMS EARNED</b>	<b>DIRECT LOSSES INCURRED</b>	<b>LOSS RATIO</b>
ALL OTHER LINES			
FIRE	\$ 134,576,977	\$ 55,544,744	41
MEDICAL MALPRACTICE	99,346,542	45,549,058	46
WORKERS COMPENSATION	1,644,325,865	1,093,396,918	66
OTHER LIABILITY	612,051,356	432,346,976	71
FIDELITY	19,973,915	3,663,781	18
SURETY	45,017,436	8,232,418	18
CREDIT	29,166,975	19,631,956	67
TITLE	135,802,267	6,205,055	5
MORTGAGE GUARANTY	88,020,646	38,314,319	44
ALL OTHER	654,500,627	354,498,843	54
<b>TOTAL</b>	<b>\$3,462,782,606</b>	<b>\$2,057,384,068</b>	<b>59</b>