

V. Division of Regulation and Enforcement



The Division of Regulation and Enforcement, through its Bureau of Financial Analysis and Examinations 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, it assists with the office's consumer education program by providing technical expertise in the development and publication of the office's consumer education publications. 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 (Bureau)

The principal function of the Bureau of Financial Analysis and Examinations is to monitor the financial condition of all insurers licensed to do business in Wisconsin and determine whether their financial condition meets the minimum requirements for continued operation in Wisconsin. Monitoring includes the examination of the accounts and records of insurance companies organized under Wisconsin law and the analysis of financial statements of all insurers licensed to do business in the State of Wisconsin, 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, and processes merger and acquisition plans. The Bureau also collects and processes all premium taxes submitted by insurers.

2007 Major Accomplishments

- Examined 54 domestic insurers.
- Analyzed the financial statements of over 2,000 insurers.
- Licensed 3 new domestic insurers, 28 nondomestic insurers, 15 gift annuities, and 1 warranty plan.
- Reviewed and amended the Wisconsin certificate of authority for a nondomestic insurer that converted from mutual to stock form and permitted 11 licensed entities to withdraw from Wisconsin.
- Reviewed changes of control of 9 domestic insurers, pursuant to holding company regulations.
- Reviewed and approved 2 mergers involving domestic insurers.
- Approved 1 change of domicile into Wisconsin and 3 changes of domicile out of Wisconsin.
- Reviewed and enhanced the procedures for financial analysis and monitoring of licensed insurers.
- Enhanced the process for insurance companies to file Wisconsin-specific forms electronically with OCI.
- Continued the development of automated applications used in financial analysis and examinations.
- Continued the development of insurer financial and demographic data on the OCI Internet Web site.
- Continued participation in the IT Strategic Planning Committee charged with the development of comprehensive plans and standards for the agency and Bureau.
- Continued the reengineering of OCI's financial database and applications (with Information Services Section).
- Participated in the office's Web Committee in order to continually update the office's Web site pertaining to Bureau processes and procedures.
- Participated in NAIC task forces and working groups, including: Accounting Practices and Procedures Task Force, Examination Oversight Task Force, Reinsurance Task Force, Capital Adequacy Task Force, Analyst Team System Oversight, Audit Software, Emerging Accounting Issues, Financial Analysis Handbook (Chair), Financial Analysis Working Group (Chair), Financial Analysis Research and Development (Chair), Financial Examiners Handbook, International Solvency and Accounting, National Treatment, Statutory Accounting Principles, and Risk Assessment.

Companies Examined in 2007

Alpha Property & Casualty Ins. Co.	Milwaukee Safeguard Ins. Co.
Ambac Assurance Corp.	National Casualty Co.
American Family Life Ins. Co.	Nationwide Assurance Co.
American Family Mutual Ins. Co.	Nationwide Ins. Co. of America
American Medical Security Life Ins. Co.	Network Health Ins. Corp.
American Standard Ins. Co. of WI	Network Health Plan
Ashland County Town Ins. Co.	Northeastern Mutual Ins. Co.
Berry & Roxbury Mutual Ins. Co.	Omaha Indemnity Co., The
Calumet Equity Mutual Ins. Co.	OneBeacon Midwest Ins. Co.
Care Plus Dental Plans, Inc.	Pella Mutual Ins. Co.
Catholic Family Life Ins.	Pacific Indemnity Co.
Connie Lee Ins. Co.	Physicians Ins. Co. of WI, Inc.
Delta Dental of WI, Inc.	Physicians Plus Ins. Corp.
Epic Life Ins. Co., The	Policyholders Mutual Ins. Co.
First Auto & Casualty Ins. Co.	Southeast Mutual Ins. Co.
Franklin Farmers' Mutual Ins. Co.	Stockholm Town Mutual Ins. Co.
Gundersen Lutheran Health Plan, Inc.	Unity Health Plans Ins. Corp.
Health Plan for Community Living, Inc.	Washington Town Mutual Ins. Co.
Helenville Mutual Ins. Co.	WEA Property & Casualty Ins. Co.
Independent Care Health Plan	WEA Ins. Corp.
Integrity Property & Casualty Ins. Co.	Wisconsin American Mutual Ins. Co.
Lebanon Clyman Mutual Ins. Co.	Wisconsin Physicians Service Ins. Corp.
Liberty Mutual Fire Ins. Co.	Wisconsin Reinsurance Corp.
Local Government Property Ins. Fund	Wisconsin Vision Service Plan, Inc.
Middleton Ins. Co.	WPS Health Plan, Inc.
Milwaukee Casualty Ins. Co.	Wyssta Ins. Co., Inc.
Milwaukee Ins. Co.	Yorkville & Mt. Pleasant Mutual Ins. Co.

Wisconsin Insurance Corporations Organized and Licensed

January 1, 2007 - December 31, 2007

Integrity Property & Casualty Ins. Co.	Appleton, WI
UCare Wisconsin, Inc.	Minneapolis, MN
Trilogy Health Ins., Inc.	Brookfield, WI

Insurance Corporations of Other States Admitted

January 1, 2007 - December 31, 2007

AmCOMP Preferred Ins. Co.	North Palm Beach, FL
American Republic Corp. Ins. Co.	Omaha, NE
Assured Guaranty Corp.	New York, NY
California Ins. Co.	Omaha, NE
Donegal Mutual Ins. Co.	Marietta, PA
Eastern Alliance Ins. Co.	Lancaster, PA
Erie Ins. Co. of New York	Rochester, NY
Firemen's Ins. Co. of Washington, DC	Richmond, VA
Harleysville Worcester Ins. Co.	Harleysville, PA
Industrial Alliance Pacific Ins. and Financial Services, Inc.	Blaine, WA
MEMIC Indemnity Co.	Manchester, NH
Ohio Mutual Ins. Co.	Bucyrus, OH
Pacific Northwest Title Ins. Co.	Seattle, WA
Pioneer Specialty Ins. Co.	Minneapolis, MN
ProCentury Ins. Co.	Columbus, OH
Progressive Advanced Ins. Co.	Cleveland, OH
Sequoia Ins. Co.	Monterey, CA
SilverScript Ins. Co.	Nashville, TN
Sterling Life Ins. Co.	Bellington, WA
Tower Ins. Co. of New York	New York, NY
Union Standard Ins. Co.	Irving, TX
United Ohio Ins. Co.	Bucyrus, OH
USPlate Glass Ins. Co.	Westchester, IL
Wadena Ins. Co.	West Des Moines, IA
Wellcare Prescription Ins., Inc.	Tampa, FL
World Corp Ins. Co.	Omaha, NE
Zale Indemnity Co.	Irving, TX
Zale Life Ins. Co.	Irving, TX

Organizations Licensed to Issue Gift Annuities

January 1, 2007 - December 31, 2007

Attic Angel Association	Madison, WI
Back to the Bible Foundation	Lincoln, NE
Bethesda Lutheran Home Foundation, Inc.	Watertown, WI
Community Foundation of North Central Wisconsin, Inc.	Wausau, WI
Ducks Unlimited, Inc.	Memphis, TN
EngenderHealth, Inc.	New York, NY
General Federation of Women's Clubs	Washington, DC
John Hopkins University, The	Baltimore, MD
Judicial Watch, Inc.	Washington, DC
Lutheran Homes of Oconomowoc Charitable Foundation	Oconomowoc, WI
National Foundation for Cancer Research, Inc.	Bethesda, MD
New York Province of the Society of Jesus, The	New York, NY
Northland Mission, Inc.	Dunbar, WI
Three Angels Broadcasting Network, Inc.	West Frankfort, IL
Window to the World Communications, Inc.	Chicago, IL

Organizations Licensed to Issue Warranty Plans

January 1, 2007 - December 31, 2007

Preferred Capital Holding, LLC	Appleton, WI
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**Insurance Corporation Mergers, Consolidations, Dissolutions,
Withdrawals, Rehabilitations, Liquidations, or Redomestications**

January 1, 2007 - December 31, 2007

Conversions from Mutual to Stock

Fidelity Life Association, A Legal Reserve Life Ins. Co.	07/25/2007
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Withdrawals

African Inland Mission	07/30/2007
Central National Ins. Co. of Omaha	10/05/2007
CM Assurance Co.	01/08/2007
Crossings at Tudor Oaks, The	10/02/2007
Dimension Holdings, Inc.	03/12/2007
Florida College, Inc.	04/16/2007
Free Methodist Foundation, The	06/05/2007
Insurance Administration Services, Inc.	02/19/2007
MIC Services Corporation	03/02/2007
Sisters of St. Benedict of Madison, Wisconsin, Inc.	04/30/2007
Trustees of Princeton University, The	10/29/2007

Rehabilitations

Newark Ins. Co.	01/29/2007
Northwestern National Ins. Co. of Milwaukee, WI	03/08/2007
Northwestern National Ins. Co. of Milwaukee, WI Segregated Account	03/08/2007

Liquidations

Automotive Professionals, Inc.	03/02/2007
RISCORP National Ins. Co.*	01/22/2006

Mergers

Company Name	Merged Into	Date
Americom Life & Annuity Ins. Co.	OM Financial Life Ins. Co.	09/30/2007
Ameritas Variable Life Ins. Co.	Ameritas Life Ins. Corp.	05/01/2007
Chase Ins. Life & Annuity Co.	Protective Life Ins. Co.	04/01/2007
Chase Ins. Life Co.	Protective Life Ins. Co.	04/01/2007
Chase Life & Annuity Co.	Protective Life Ins. Co.	01/01/2007
Coregis Ins. Co.	Westport Ins. Corp.	03/23/2007
CUNA Mutual Life Ins. Co.	CUNA Mutual Ins. Society	12/31/2007
Empire General Life Assurance Corp.	Protective Life Ins. Co.	01/01/2007
Farmers & Traders Life Ins. Co.	Columbian Mutual Life Ins. Co.	10/01/2007
Fidelity Home Life Ins. Co.	Genworth Life & Annuity Ins. Co.	01/01/2007
First Colony Life Ins. Co.	Genworth Life & Annuity Ins. Co.	01/01/2007
GE Reinsurance Corp.	Swiss Reinsurance America Corp.	01/01/2007
Hartford Life Group Ins. Co.*	Hartford Life and Accident Ins. Co.	12/31/2006
Jefferson Pilot Financial Ins. Co.	Lincoln National Life Ins. Co.	07/02/2007
Jefferson Pilot Life Ins. Co.	Lincoln National Life Ins. Co.	04/03/2007
MassWest Ins. Co., Inc.	General Casualty Ins. Co. of WI	12/31/2007
MetLife Life and Annuity Co. of CT	MetLife Ins. Co. of CT	12/07/2007
Mutual Service Life Ins. Co.	Country Life Ins. Co.	11/01/2007
Peoples Benefit Life Ins. Co.	Monumental Life Ins. Co.	10/01/2007
Reassure America Life Ins. Co.	Valley Forge Life Ins. Co.	09/30/2007
Security Financial Life Ins. Co.	Assurity Life Ins. Co.	01/01/2007
Security Ins. Co. of Hartford	Arrowood Indemnity Co.	09/30/2007
Transcontinental Ins. Co.	National Fire Ins. Co. of Hartford	12/31/2007
Veterans Life Ins. Co.	Stonebridge Life Ins. Co.	07/01/2007

* Did not appear in the Wisconsin Insurance Report Business of 2006.

Redomestications

Company Name	From	To	Effective Date
Accendo Ins. Co.	IA	UT	11/08/2007
American Equity Specialty Ins. Co.	CA	CT	07/31/2007
American Safety Casualty Ins. Co.	DE	OK	05/24/2007
Ameritrust Ins. Corp.	FL	MI	06/11/2007
Argonaut Ins. Co.*	CA	IL	12/31/2006
Carolina Casualty Ins. Co.	FL	IA	06/22/2007
Centurion Life Ins. Co.*	MO	IA	12/31/2006
Chicago Title Ins. Co.	MO	NE	09/28/2007
Continental Indemnity Co.*	OH	IA	12/31/2006
Cumis Ins. Society, Inc.	WI	IA	05/03/2007
CUNA Mutual Ins. Society	WI	IA	05/03/2007
General Casualty Ins. Co. of Illinois	IL	WI	12/31/2007
GeoVera Ins. Co.	MD	CA	01/01/2007
Great Northern Ins. Co.	MN	IN	11/30/2007
Guarantee Ins. Co.*	SC	FL	12/29/2006
Harleysville Ins. Co.*	MN	PA	12/31/2006
LifeSecure Ins. Co.	TX	MI	03/30/2007
Lincoln Life & Annuity Co. of NY	NJ	NY	04/02/2007
Members Life Ins. Co.	WI	IA	05/03/2007
Modern Service Ins. Co.*	MN	IL	10/28/2006
Monumental Life Ins. Co.	MD	IA	04/01/2007
North American Co. for Life & Health	IL	IA	09/27/2007
Pegasus Ins. Co.*	NE	OK	10/12/2006
Response Ins. Co.	DE	CT	05/31/2007
SCOR Global Life Re Ins. Co. of TX	CA	TX	11/14/2007
Significa Ins. Group, Inc.	FL	PA	04/19/2007
Templeton Funds Annuity Co.*	FL	MN	12/15/2006
Ticor Title Ins. Co.	FL	NE	09/28/2007
Union Ins. Co.*	NE	IA	12/27/2006
USAA Direct Life Ins. Co.	DE	NE	09/14/2007
Valiant Ins. Co.	IA	DE	11/15/2007
Williamsburg National Ins. Co.	CA	MI	06/18/2007
XL Re Life America, Inc.*	CT	DE	09/18/2006

* Did not appear in the Wisconsin Insurance Report Business of 2006.

Insurance Corporations Which Changed Their Names

January 1, 2007 - December 31, 2007

Previous Name	New Name
American Central Ins. Co.	Essentia Ins. Co.
American Employers' Ins. Co.	SPARTA Ins. Co.
American Live Stock Ins. Co.	Hiscox Ins. Co., Inc.
American Standard Warranty Co.	Standard Trane Warranty Co.
AmerUs Life Ins. Co.	Aviva Life and Annuity Co.
AXA Re America Ins. Co.	PARIS Re America Ins. Co.
Columbia Foundation, Inc.	Columbia St. Mary's Foundation, Inc.
Columbia Universal Life Ins. Co.	LifeSecure Ins. Co.
Community Foundation of South Wood County, Inc.	Community Foundation of Greater South Wood County, Inc.
Continental National Indemnity Co.	Continental Indemnity Co.
Converium Reinsurance (North America) Inc.	Finial Reinsurance Co.
Elder Care Health Plan, Inc.	Care Wisconsin Health Plan, Inc.
Fidelity Life Association	Fidelity Life Association, A Legal Reserve Life Ins. Co.
Financial American Life Ins. Co.	Cardif Life Ins. Co.
Fireman's Fund Ins. Co. of Nebraska	Pegasus Ins. Co.
General Casualty Ins. Co. of Illinois	General Casualty Ins. Co.
Genworth Life and Health Ins. Co.	Sun Life and Health Ins. Co. (U.S.)
Greatway Ins. Co.	Pacific Star Ins. Co.
Holy Family Society of the United States of America	Catholic Holy Family Society
Infinity National Ins. Co.	Hillstar Ins. Co.
Industrial-Alliance Pacific Life Ins. Co.	Industrial Alliance Pacific Ins. and Financial Services, Inc.
Jefferson Pilot LifeAmerica Ins. Co.	Lincoln Life & Annuity Co. of New York
Mapfre Reinsurance Corp.	Mapfre Ins. Co.
Marcellon Town Mutual Fire Ins. Co.	Marcellon-Courtland-Springvale Mutual Ins. Co.
Mutual Service Casualty Ins. Co.	Stockbridge Ins. Co.
National Alliance Ins. Co.	Plaza Ins. Co.
Nutmeg Life Ins. Co.	Accendo Ins. Co.
Peninsular Life Ins. Co.	Significa Ins. Group, Inc.
Private Residential Mortgage Ins. Corp.	Genworth Financial Assurance Corp.
Quadrant Indemnity Co.	Harbor Point Reinsurance U.S., Inc.
Reliance Life Ins. Co.	USAA Direct Life Ins. Co.
Residential Guaranty Co.	PMI Ins. Co.
Revios Reinsurance U.S. Inc.	SCOR Global Life Re Ins. Co. of TX
Royal Indemnity Co.	Arrowood Indemnity Co.
Royal Warranty Services	Arrowood Warranty Services, Inc.
Servus Life Ins. Co.	XL Re Life American, Inc.
Stockbridge Ins. Co.	Ironshore Indemnity, Inc.
Templeton Funds Annuity Co.	Allianz Life and Annuity Co.
Ulico Casualty Co.	ULLICO Casualty Co.
Valley Forge Life Ins. Co.	Reassure America Life Ins. Co.

Companies in Liquidation or Rehabilitation

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 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, but have all now been closed.

On January 28, 1994, the liquidation court approved a plan to provide state guaranty funds with early access payments to be used for the return of unexpired premiums to policyholders and payment of claims. Altogether, the estate advanced \$34,256,799.62 to participating guaranty funds under four early access agreements, all of which have been converted into nonrefundable dividends.

The liquidation court has approved dividends for full and partial payment of various class 1, 3, 4, 5, 7 and 8 claims filed with state guaranty funds and directly with

the estate, as recommended by the liquidator. Such dividends aggregated to \$55,796,604 as of December 31, 2007.

On December 3, 2003, the estate made a distribution of \$11,606,892.07, representing full payment of principal and interest on the Class 10 surplus note claim.

On December 19, 2006, the liquidation court approved a motion to establish a segregated account, a petition to establish a rehabilitation proceeding, and a motion for approval of a rehabilitation plan and termination of the rehabilitation estate. Under the terms of the motions and petition, the liquidator established a segregated account for satisfaction of any and all remaining known claims against the liquidation estate and for subsequent administrative expenses, including wind-up costs, with the remainder of funds to be reallocated to American Star's general account for the benefit of its sole shareholder upon termination of the segregated account. In a parallel rehabilitation proceeding, the liquidator contributed \$17,934,039 to the general account from the segregated account and assigned to it American Star's corporate charter. Since no further administration of the general account appeared necessary, the general account of American Star Insurance Company was released from rehabilitation to the control of its sole shareholder, TPB Holdings, Inc., a wholly owned subsidiary of City National Bank. The general account of American Star Insurance Company was dissolved on September 24, 2007.

On November 20, 2007, the liquidation court issued the final order and discharge. In December 2007, the liquidator distributed \$5,702,646.05 to TPB Holdings, Inc., as payment of a Class 11 proprietary claim.

The liquidator expects to close the segregated account during 2008. Activity in 2008 will relate principally to resolution of unclaimed property matters.

As of December 31, 2007, the estate reported assets of \$62,613. Claims in classes 1 through 10 were estimated at \$0, resulting in an estimated surplus of \$62,613. All of the surplus is intended for distribution to TPB Holdings, Inc., as a Class 11 proprietary claim.

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 Plan was 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 provisions of the Omnibus Agreement were approved by the court and the liquidator proceeded to:

- Convey the assets of Family Health Plan to Aurora and UWS as set forth in the agreement;
- Assign certain liabilities to Aurora and UWS as set forth in the agreement;
- Retain certain designated excluded liabilities of the estate of Family Health Plan; and
- Establish claims procedures and other liquidation processes.

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 of Wisconsin. Virtually all these claims have been settled.

Forty-nine claims were filed relating to potential liabilities not related to insurance policy benefits. Twenty-two claims were approved by the Court for payment, three claims were approved in part and the remaining claims were denied. Seven claimants filed objections to the Court's denial. One of the denied claims has been settled and the Court has dismissed four other denied claims. Three other actions are currently proceeding outside of the Liquidation Court relating to medical malpractice claims. Hearings will be held to resolve the remaining claims to which objections have been received.

Discussions have been initiated with parties of the Omnibus Agreement to help facilitate the payment of claims. Documents are being prepared to petition the Court for a final distribution in 2008.

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. Roger A. Peterson is 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 time as funds may be needed. To date, it has not been necessary to collect this assessment.

As of December 31, 2007, Master Plumbers' reported assets of \$1,226,022, liabilities of \$783,203, and surplus of \$442,819.

Northwestern National Insurance Company of Milwaukee, Wisconsin, In Rehabilitation

Northwestern National Insurance Company of Milwaukee, Wisconsin, (NNIC) was placed in rehabilitation on March 12, 2007. Roger A. Peterson is appointed as special deputy rehabilitator.

NNIC was incorporated as a Wisconsin domestic stock property and casualty insurance corporation on February 20, 1869. NNIC wrote both direct insurance and reinsurance. In 1986, the company began a run-off operation. Since that time, except for mandatory writings, including guaranteed renewable accident and health insurance policies, assignments, and retroactive adjustments and endorsements to prior year policies, NNIC has written no new business.

Affiliates, Universal Reinsurance Corporation and Bellefonte Underwriters Insurance Company, were merged with and into NNIC effective January 1, 1991, and June 30, 1991, respectively. These affiliated insurers were also in run-off prior to the mergers.

By a stipulation and order dated May 13, 2004, the Commissioner and NNIC agreed that, pursuant to a restructuring plan, NNIC would establish a segregated account from which it would satisfy its obligations to its direct policyholders and certain other obligations. All other obligations of NNIC, including reinsurance obligations, would be satisfied from NNIC's remaining funds in its general account.

As part of the restructuring plan, NNIC offered reinsureds an opportunity to voluntarily commute all business ceded by the reinsureds to its general account. Approximately 75% of the total number of reinsureds representing approximately 71% of the total liabilities of the general account have entered into commutation agreements with NNIC.

On or about April 18, 2007, a Notice of Appeal was filed with the Wisconsin Court of Appeals raising certain challenges to the rehabilitation order and plan of rehabilitation. On August 30, 2007, the Wisconsin Court of Appeals entered an order dismissing the appeal, thereby enabling the rehabilitator and his delegates to proceed in implementing the rehabilitation plan. Due to the delay occasioned by the appeals process, the rehabilitation court amended the effective date of the plan from March 12, 2007, to September 1, 2007, and set October 31, 2007, as the deadline for the distribution of discounted liability calculations to reinsureds that had not voluntarily commuted all business they had ceded to NNIC's general account. The rehabilitation commenced distribution of initial payments under the terms of the rehabilitation plan.

As of December 31, 2007, the general account of NNIC reported assets of \$69,448,433, liabilities of \$72,225,112, and surplus of \$(2,776,679). As of December 31, 2007, the segregated account of NNIC reported assets of \$64,356,480, liabilities of \$55,693,088, and surplus of \$8,663,392.

Bureau of Market Regulation (Bureau)

The Bureau of Market Regulation 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 of Market Regulation is responsible for the administration and enforcement of laws and rules relating to all market conduct activities of insurers and agents. In order to complete its duties, the Bureau conducts market analysis and 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 investigated and resolved 8,840 written consumer complaints and inquiries and answered 35,000 telephone inquiries during 2007. The Bureau also processed 3,268 rate and rule filings and approved 6,705 policy form filings during 2007.

During 2007, the Bureau of Market Regulation enhanced the market analysis process by conducting in depth analysis on selected companies and participating in the market conduct annual statement program for life and personal lines insurance. Health examiners spent considerable time assisting consumers with questions about plan year changes in Medicare Part D and Medicare Advantage plans. Property and Casualty examiners handled complaints about the use of credit scoring and handled filings on Terrorism Risk Insurance Program Reauthorization Act of 2007. Bureau staff provided assistance to the legal staff in investigating complaints involving unsuitable sales of annuities and Medicare Part D and Medicare Advantage policies to senior citizens.

Market Conduct Annual Statement

The Market Conduct Annual Statement (MCAS) was developed through the National Association of Insurance Commissioners with the input of state regulators and representatives from the industry. It is a permanent project in which 29 states, including Wisconsin, are currently participating. The 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. The project collects data on an industry-wide basis and is comprised of two major components: a Life & Annuity statement and a Property & Casualty statement. The Property & Casualty statement is further divided into two subsections: a Private Passenger Automobile section and a Homeowner's section.

For the 2006 Life & Annuity MCAS, licensed companies with at least \$50,000 in subject life premium and/or annuity considerations were required to participate in the project in Wisconsin. A total of 304 companies participated in the project by filing statements with OCI. For the 2006 Property & Casualty MCAS, licensed companies with at least \$50,000 in subject homeowner's and/or private passenger automobile premium were required to participate in the project in Wisconsin. A total of 200 companies participated in the project and OCI received 176 private passenger automobile statements and 124 homeowner's statements.

Level 1 and Level 2 Market Analysis

Wisconsin conducted analysis on 116 companies for five lines of business: homeowner's, personal auto, group health, individual health, and life. The analysis followed a uniform process that included reviews of complaints and information collected in the financial statements and other NAIC databases. Analysts in each state identified companies for further action and recorded the results of the reviews in the NAIC Market Analysis Review System (MARS). In 2007, examiners identified 89 companies for a more detailed analysis. Examiners used a comprehensive guide to complete a detailed analysis of the company in up to twenty-one areas of review.

2007 Major Accomplishments

- Worked closely with the Wisconsin Medicare Part D Task Force to provide training, technical assistance and resources on the insurance aspects of the changes resulting from the Medicare Modernization Act of 2003 and the annual open enrollment for the Medicare prescription drug plans.
- Continued to improve the market analysis and the market conduct examination program by working with other states through the NAIC Market Analysis Working Group, the Market Analysis Priorities Working Group, the Market Analysis Research and Development Subgroup, the Market Conduct Annual Statement Subgroup, and the Uniformity Working Group to develop standards for core competencies, coordinate examinations, improve uniformity in the process, work collaboratively with other states, and shorten the timelines to complete and adopt examination reports.

- Participated in the Market Conduct Annual Statement program, collecting and analyzing data on claims and underwriting in life, annuities, homeowner's and auto insurance and using the data as part of the market analysis program.
- Identified consumer complaints about sales of life insurance and annuities to senior citizens by identifying incoming calls and complaints and referring them to assigned investigators to contact consumers and investigating and preparing actions against insurance agents who were targeting elderly consumers.
- Increased the number of rate and form filings submitted electronically resulting in more expeditious review and approval of filings. Over 80% of the filings were submitted through the electronic filing system (SERFF) by the end of 2007.
- Participated in developing administrative rules involving long-term care insurance and sale of life insurance to the military and annuities.
- Continued the urban outreach project by 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, 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 Wisconsin Emergency Management and the Health Insurance Risk-Sharing Plan (HIRSP).
- Served on the following NAIC committees, task forces and working groups: Senior Issues Task Force, Speed to Market Task Force, Operational Efficiencies Working Group, the Interstate Compact National Standards Working Group, the Market Analysis Priorities Working Group, the Market Analysis Handbook Working Group, the Market Conduct Annual Statement Subgroup, Market Analysis Working Group, Market Conduct Uniformity Working Group, Market Analysis Research and Development Subgroup, Consumer Complaint Handling Working Group, the SERFF Board of Directors, and the Producer Licensing Working Group.

Policy Submissions and Rate Filings

The following tables summarize the policy submission data for 2006 and 2007. Table I shows the number of policy submissions received in 2006 and 2007 by line of business for each type of insurance. Table II shows the number of policy submissions approved in 2006 and 2007 by line of business for each type of insurance. Table III shows the number of rate filings received for each type of insurance.

Table I
Number of Policy Submissions Received
By Line of Business in 2006 and 2007

Product Category	Total for 2006	Total for 2007
Health and Life		
Continuing Care Retirement Community	1	2
Credit Accident & Health	9	12
Credit Life	8	14
Group Accident & Health	443	435
Group Annuity	89	105
Group Life	93	101
Health & Life Other	155	113
Health Maintenance Organization	170	190
Individual Accident & Health	630	523
Individual Annuity	543	464
Individual Life	<u>1,262</u>	<u>1,142</u>
Total Health and Life	<u>3,403</u>	<u>3,101</u>
Property and Casualty		
Aviation	18	15
Bonds	42	50
Commercial Property & Multiperil	566	513
Commercial Motor Vehicle	271	273
Credit Property	19	18
Homeowner's	176	142
Inland Marine	197	252
Liability	1,002	1,031
Mortgage Guaranty	8	6
Other Lines	362	469
Personal Farmowner's	71	91
Personal Motor Vehicle	163	210
Property	155	228
Title	22	47
Worker's Compensation	<u>94</u>	<u>203</u>
Total Property and Casualty	<u>3,166</u>	<u>3,548</u>
Grand Total	<u>6,569</u>	<u>6,649</u>

Table II
Policy Submissions Approved By Line of Business
For 2006 and 2007

Product Category	Total for 2006	Total for 2007
Health and Life		
Continuing Care Retirement Community	1	5
Credit Accident & Health	7	13
Credit Life	5	15
Group Accident & Health	397	430
Group Annuity	85	80
Group Life	81	96
Health & Life Other	145	97
Health Maintenance Organization	162	181
Individual Accident & Health	432	485
Individual Annuity	484	436
Individual Life	<u>813</u>	<u>1,111</u>
Total Health and Life	<u>2,612</u>	<u>2,949</u>
Property and Casualty		
Aviation	18	13
Bonds	21	47
Commercial Property & Multiperil	385	516
Commercial Motor Vehicle	174	263
Credit Property	18	17
Homeowner's	162	147
Inland Marine	125	258
Liability	663	1,038
Mortgage Guaranty	5	6
Other Lines	337	409
Personal Farmowner's	68	85
Personal Motor Vehicle	147	230
Property	82	516
Title	15	49
Worker's Compensation	<u>2</u>	<u>162</u>
Total Property and Casualty	<u>2,222</u>	<u>3,756</u>
Grand Total	<u>4,834</u>	<u>6,705</u>

Table III
Rate Filings Received
By Product Category for 2007

Accident and Health Section	
Credit Accident & Health	14
Credit Life	4
Group Accident & Health	8
Health Maintenance Organization	22
Individual Accident & Health	<u>307</u>
Total Accident and Health Section	<u>355</u>
Property and Casualty Section	
Aviation	8
Bonds	59
Commercial Property & Multiperil	511
Commercial Motor Vehicle	271
Credit Property	27
Homeowner's	278
Inland Marine	105
Liability	678
Mortgage Guaranty	44
Other Lines	178
Personal Farmowner's	87
Property	266
Personal Motor Vehicle	364
Title	19
Worker's Compensation	<u>21</u>
Total Property and Casualty Section	<u>2,916</u>
Grand Total	<u>3,271</u>

Trends in Complaints

OCI received an increased number of complaints and inquiries about delays in the payment of health insurance claims. There were numerous inquiries about Medicare supplement, Medicare Part D and Medicare Advantage plans. OCI continued to receive complaints from consumers concerned about the high cost of health insurance. Consumers complained about the difficulty of finding affordable health insurance that provided the level of coverage they desired. There were complaints and inquiries about alternatives to health insurance, primarily discount plans that provided little coverage for the consumers who purchased the plans. There were inquiries about high deductible plans including medical savings accounts and health savings accounts. There were also complaints about the increase in the rates for long-term care and Medicare supplement insurance.

OCI received complaints about the suitability of the sale of life insurance and annuities to senior citizens. There were also complaints about the difficulty in finding some types of property and casualty insurance and improper notices of nonrenewal. In the personal lines area, there were complaints about claims settlement practices and underwriting. There was an increase in the number of complaints about the use of credit information to determine the price consumers paid for homeowner's insurance.

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 35,000 general inquiries or requests for information in 2007. Most such inquiries were by telephone, with the remainder being written communications, including e-mail, and "walk-ins."

Table II shows 2006 and 2007 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
2002	9,165	10,585
2003	7,961	8,879
2004	7,940	8,678
2005	8,186	8,688
2006	8,094	8,282
2007	8,195	8,840

	2002	2003	2004	2005	2006	2007
Health	5,220	4,508	3,861	3,766	3,951	4,027
P&C	3,585	3,082	2,693	2,447	2,257	2,373
Life	644	617	613	525	511	433
Annuities	157	178	186	228	256	248

Table II
Complaints Filed By Type of Insurance*

	2006	2007
Accident and Health		
Group Accident and Health	731	767
Individual Accident and Health	440	308
Medicare Supplement	405	530
Long-Term Care	62	76
HMO	417	397
PPO	804	824
LSHO	1	2
Credit	83	35
Self-Funded Health Plans	<u>1,008</u>	<u>1,088</u>
Total Accident and Health	<u>3,951</u>	<u>4,027</u>
Property and Casualty		
Automobile	771	797
Homeowner's, Tenant's, Farmowner's	438	541
Fire, Allied Lines, Other Property	163	114
General Liability	62	73
Worker's Compensation	199	191
All Other Lines	<u>624</u>	<u>657</u>
Total Property and Casualty	<u>2,257</u>	<u>2,373</u>
Life, Including Credit and Annuities	<u>767</u>	<u>760</u>
Grand Total	<u>6,975</u>	<u>7,160</u>

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

Table III
Reasons for Complaints*

	Through 4th Quarter 2006	Percent of Total	Through 4th Quarter 2007	Percent of Total
Claim Handling	4,474	65%	4,784	66%
Policyholder Service	929	13	962	13
Marketing and Sales	762	11	806	11
Underwriting	534	8	580	8
Other	217	3	163	2

*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 2007, the office assisted complainants in recovering \$8,069,784 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	\$ 400,104	\$ 6,468	\$ 15,148	\$ 1,833	\$ 0	\$ 423,553
Ind. Accident and Health	226,613	9,674	3,842	10,188	0	250,317
Ind. Medicare Supplement	107,105	4,709	281	0	0	112,095
Long-Term Care	104,374	14,674	0	0	0	119,048
HMO/PPO/LSHO	903,901	4,216	11,262	2,736	1,132	923,247
Credit Health	4,322	0	0	0	0	4,322
Automobile	267,568	4,174	462	1,101	0	273,305
Life, Including						
Credit and Annuities	242,058	846,214	3,996,874	10,000	0	5,095,146
Homeowner's, Tenant's, Farmer's	424,021	3,791	59,415	1,246	0	488,473
Fire, Allied Lines, Other Property	21,353	6,477	1,368	0	0	29,198
General Liability	28,462	0	0	0	0	28,462
Worker's Compensation	62,967	1,500	0	54,976	0	119,443
All Other Lines	<u>176,545</u>	<u>5,746</u>	<u>20,535</u>	<u>349</u>	<u>0</u>	<u>203,175</u>
Total	<u>\$2,969,393</u>	<u>\$907,643</u>	<u>\$4,109,187</u>	<u>\$82,429</u>	<u>\$1,132</u>	<u>\$8,069,784</u>

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. The low number of complaint appeals makes trend analysis difficult. However, complaint appeals are reviewed by agency management to ensure consumers are provided a complete explanation of the decision surrounding their complaint.

Table V
2007 Complaint Appeals Filed by Section

	Property & Casualty	Life & Health	Total
Number of Complaint Files Appealed in 2007*	75	71	146

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

Table VI
Complainant Survey
2007

Survey Cards Sent	880
Survey Cards Returned	481
Response Rate	55%

Results

1. How did you hear about the Office of the Commissioner of Insurance?					
Word of Mouth	149				
Insurance Agent	64				
Insurance Company	39				
Phone Book	13				
Lawyer	19				
Health Care Provider	41				
Other	159				
No Answer	55				
		Yes	%	No	%
2. Did we respond to your complaint promptly?		427	93.4%	30	6.6%
3. Do you feel your complaint was handled fairly by our office?		361	80.4%	88	19.6%
4. Do you feel you were given an adequate explanation on your complaint?		349	78.8%	94	21.2%
5. If you called our office, do you feel we treated you courteously?		230	96.6%	8	3.4%
6. If you have another insurance problem, would you contact our office again?		384	91.9%	34	8.1%

Companies Examined in 2007

Humana Insurance Company
 Erie Insurance Exchange

Agent Licensing Section

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

During 2007, there were 14,960 tests administered in all lines of insurance to candidates seeking a resident agent license. In all, a total of 21,359 new licenses were issued to resident and nonresident agent candidates.

As of December 31, 2007, there were 114,622 licensed insurance agents and 712,036 active appointments by insurance companies authorizing the licensed agents to market their products.

2007 Projects

- In cooperation with our testing vendor, created an electronic interface with the Wisconsin Department of Justice to complete on-line Crime Information Bureau reports at the time an individual makes their examination reservation. This has completely eliminated the paper crime information bureau reports previously required. Results are downloaded to us electronically at the time the scores are reported and are folded into the application when the individual applies

on-line. This enterprise initiative is now available for use by all state agencies.

- All prelicensing schools are now required to bank course completion information electronically. This eliminated all paper requirements for resident candidates and significantly reduced the amount of time required to review applications and ultimately grant a license. All information is folded into the application when the individual applies on-line.
- Continued involvement with the NAIC in the enhancement of the National Insurance Producer Registry (NIPR). The database is speeding up and simplifying the licensing process and provides benefits to both regulators and industry. Wisconsin participated as a pilot state for the project, and provides daily updates to the database along with all other states.
- Continued participation in the NAIC's Producer Working Group. The goal of this committee, comprised of state regulators and industry representatives, is to improve the effectiveness and efficiency of the state licensing process and resulting uniformity through increased coordination, automation, standardization, and reciprocity.

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 2007. 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 thresholds 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 2004 and 2005, 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 2004	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 8,119,785	\$4,025,711	\$2,882,961	\$6,897,005	\$392,536	\$4,775,236	\$28,040	\$411,031	\$135,418	\$110,854	\$ 89,510
2. Expenses incurred other than loss adjusting expenses	29,936,597	14,842,276	10,629,104	25,428,365	1,447,231	17,605,678	103,381	1,515,418	499,267	408,703	330,011
3. Number of policies written	100,335	36,030	1,926	26,100	2,226	200,131	43	8,267	1,628	1,202	779
4. Direct dollar premium earned	118,062,685	58,534,340	41,918,609	100,283,310	5,707,527	69,432,525	407,709	5,976,442	1,968,989	1,611,824	1,301,483
5. Average premium per policy	1,176,685	1,624,600	21,764,595	3,842,272	2,564,028	346,935	9,481,605	722,928	1,209,452	1,340,952	1,670,710
6. Number of outstanding claims	568	136	24	44	41	84	10	25	9	2	0
7. Direct case reserves for outstanding claims	18,223,137	7,111,140	203,907	6,779,561	532,589	21,709,575	154	666,377	110,422	122,500	0
8. Liability for claims incurred but not reported	24,668,469	17,443,371	29,509,495	60,271,347	1,163,696	14,164,427	83,173	1,219,198	401,663	480,402	282,422
9. Loss adjustment expense liability for open claims	1,811,725	731,953	41,409	400,225	90,897	815,670	1	47,923	48,729	25,001	7
10. Losses paid	21,541,705	6,432,195	114	3,172,490	1,159,707	7,449,075	44,883	1,630,188	274,351	0	1,440
11. Pure loss ratio	54.6%	52.9%	70.9%	70.0%	50.0%	62.4%	31.4%	58.8%	39.9%	37.4%	21.8%
12. Allocated loss adjustment expense paid	4,376,398	1,094,283	15,283	14,431	217,146	2,170,804	6,995	688,857	281,500	0	130
13. Number of claims paid	5,486	801	24	13	56	278	106	293	80	4	7
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	70,621,435	32,812,941	29,770,209	70,638,053	3,164,035	46,309,319	135,205	4,252,542	1,116,665	627,903	283,999
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	74,152,930	34,453,395	31,258,582	74,169,673	3,322,593	48,624,863	141,984	4,465,211	1,172,513	659,289	298,199
16. Number of claims closed without payment	3,252	660	29	54	71	484	1	97	158	10	3
17. Number of legal actions filed	348	116	13	20	39	59	1	6	31	1	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 2005	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 7,390,204	\$3,806,581	\$2,547,625	\$7,009,760	\$452,381	\$4,811,370	\$24,211	\$ 435,581	\$ 134,701	\$ 120,802	\$ 77,691
2. Expenses incurred other than loss adjusting expenses	27,246,725	14,034,371	9,392,763	25,844,077	1,667,869	17,738,898	89,264	1,605,932	496,627	445,380	286,435
3. Number of policies written	113,028	41,003	504	35,270	2,398	108,156	64	5,486	1,680	1,100	1,004
4. Direct dollar premium earned	107,454,481	55,348,159	37,042,779	101,922,777	6,577,670	69,957,914	352,037	6,333,405	1,958,576	1,756,471	1,129,631
5. Average premium per policy	950,689	1,349,856	73,497,577	2,889,787	2,742,982	646,824	5,500,571	1,154,467	1,165,819	1,596,791	1,125,130
6. Number of outstanding claims	1,163	189	24	33	120	182	19	59	18	2	1
7. Direct case reserves for outstanding claims	26,878,595	5,901,444	766,830	14,489,615	970,550	4,012,716	75,366	478,926	146,332	41	43,991
8. Liability for claims incurred but not reported	48,995,876	32,655,404	25,447,507	59,014,620	2,096,954	31,760,194	159,824	2,875,361	889,161	1,036,336	503,814
9. Loss adjustment expense liability for open claims	1,811,726	508,366	241,680	496,119	119,744	965,459	1	46,827	92,847	1	9
10. Losses paid	13,138,022	4,254,922	0	722,671	407,850	4,200,091	31,713	246,350	264,929	0	250
11. Pure loss ratio	82.8%	77.3%	70.8%	72.8%	52.8%	57.1%	75.8%	56.9%	66.4%	59.0%	48.5%
12. Allocated loss adjustment expense paid	1,665,538	1,340,300	3,832	43,983	131,200	1,258,773	7,523	59,117	95,944	0	1,009
13. Number of claims paid	5,169	637	9	8	20	249	71	222	88	0	8
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	92,740,244	44,660,436	26,459,849	74,767,008	3,726,298	42,197,231	274,427	3,706,582	1,489,211	1,036,378	549,073
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	97,378,006	46,893,272	27,782,750	78,505,186	3,913,060	44,306,962	288,182	3,892,003	1,563,678	1,088,187	576,527
16. Number of claims closed without payment	2,785	669	64	15	43	374	1	96	187	7	0
17. Number of legal actions filed	239	85	8	10	38	32	3	6	21	1	0

* 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 Lawyers Profes- sional	All Other All Other Profes- sional	Day Care	Recrea- tional	Municipal	Pollution	Liquor Liability
Loss Ratios											
2005	82.8%	77.3%	70.8%	72.8%	52.8%	57.1%	75.8%	56.9%	66.4%	59.0%	48.5%
2004	54.6	52.9	70.9	70.0	50.0	62.4	31.4	58.8	39.9	37.4	21.8%
2003	48.7	56.3	121.2	95.9	45.8	52.6	99.3	37.1	26.5	28.3	15.6%
2002	50.4	54.1	71.1	69.8	31.8	38.3	60.5	103.7	31.6	32.6	13.9%
2001	56.5	68.8	111.5	70.4	174.9	62.3	25.7	30.7	20.7	27.4	7.7%
Five-year average	58.6	61.9	89.1	75.8	71.1	54.5	58.5	57.4	37.0	36.9	21.5%
Average Incurred Loss Per Claim											
2005	6,319,744	12,295,843	23,237,273	371,031,364	9,845,715	19,055,236	1,189,769	2,581,053	3,879,814	20,521	4,915,667
2004	6,568,358	14,453,932	4,250,452	174,597,384	17,446,360	80,548,757	388,249	7,221,900	4,323,290	20,416,667	205,714
2003	6,547,358	18,438,175	277,773,730	588,159,449	18,329,084	56,286,876	4,148,371	4,896,065	3,489,889	7,965,000	5,721,173
2002	6,159,985	10,078,096	3,712,971	134,426,539	14,885,178	33,190,179	1,993,348	11,958,495	2,829,760	13,597,600	3,577,146
2001	5,909,007	11,644,994	115,692,222	279,898,720	73,021,714	50,602,412	700,082	2,849,931	1,713,683	4,564,143	525,750
5-year average	6,300,891	13,382,208	84,933,330	309,622,691	26,705,610	47,936,692	1,683,964	5,901,489	3,247,287	9,312,786	2,989,090
Average Case Reserve Per Claim											
2005	23,111,431	31,224,573	31,951,250	439,079,253	8,087,920	22,047,887	3,966,648	8,117,385	8,129,528	0	43,991,000
2004	32,082,987	52,287,791	8,496,138	154,080,938	12,989,986	258,447,321	15,366	26,655,064	12,269,111	0	0
2003	45,725,993	65,751,661	42,892,714	120,690,152	21,828,116	103,886,200	64,255,691	21,920,333	13,776,500	0	0
2002	53,669,381	40,561,398	15,876,142	112,432,752	12,516,000	72,139,234	0	114,815,000	0	0	0
2001	101,814,448	295,531,231	199,443,154	1,027,209,452	13,028,846	32,665,224	0	25,000,000	0	0	0
5-year average	51,280,848	97,071,331	59,731,880	370,698,509	13,690,173	97,837,173	13,647,541	39,301,557	6,835,028	0	2,100
Allocated LAE: Premium Earned											
2005	3.2%	3.3%	0.7%	0.5%	3.8%	3.2%	2.1%	1.7%	9.6%	0.0%	0.1%
2004	5.2	3.1	0.1	0.4	5.4	4.3	1.7	12.3	16.8	1.6	0.0%
2003	7.5	7.6	1.0	0.2	17.4	9.5	21.0	5.7	9.6	0.9	0.0%
2002	9.3	11.8	0.1	0.4	3.8	9.5	7.9	8.8	8.0	0.3	1.0%
2001	15.5	18.3	1.9	1.0	25.2	17.2	0.6	4.3	1.6	0.3	0.0%
5-year average	8.2	8.8	0.7	0.5	11.1	8.7	6.7	6.6	9.1	0.6	0.2%
IBNR: Premium Earned											
2005	45.6%	59.0%	68.7%	57.9%	31.9%	45.4%	45.4%	45.4%	45.4%	59.0%	44.6%
2004	20.9	29.8	70.4	60.1	20.4	20.4	20.4	20.4	20.4	29.8	21.7%
2003	12.0	26.8	69.8	58.5	18.5	11.9	11.9	11.9	11.9	26.8	12.5%
2002	8.5	25.0	70.3	58.5	13.2	9.0	9.0	9.0	9.0	25.0	7.9%
2001	7.8	23.1	65.4	46.2	7.8	8.1	8.1	8.1	8.1	23.1	7.4%
5-year average	19.0	32.7	68.9	56.2	18.3	19.0	19.0	19.0	19.0	32.7	18.8%
Percentage Change In Premium Earned											
2004 to 2005	-9.0%	-5.4%	-11.6%	1.6%	15.2%	0.8%	-13.7%	6.0%	-0.5%	9.0%	-13.2%
2003 to 2004	8.3	8.1	12.4	2.8	0.0	-0.3	-15.8	24.6	-14.9	-1.9	16.8%
2002 to 2003	13.1	22.1	8.3	14.1	61.8	30.7	21.4	22.5	164.3	-8.4	24.5%
2001 to 2002	1.9	16.7	104.7	27.6	9.1	30.4	5.4	8.4	-70.6	20.0	9.9%

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 2008. 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 Injured Patients and Families 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 FOR INSURERS REPORTING MEDICAL MALPRACTICE INSURANCE IN WISCONSIN***

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Investment and other income**	\$22,061	\$19,531	\$21,230	\$17,880	\$ 14,548	\$ 9,721	\$14,164	\$15,053	\$ 11,982	\$ 7,960	\$17,354
2. Incurred loss adjustment expense**	16,430	746	12,134	14,861	5,056	10,554	22,444	19,545	20,413	29,433	33,680
3. All other incurred expenses**	14,590	14,943	14,698	13,604	11,384	10,613	10,912	16,892	19,279	22,381	13,480
4. Policies written	17,470	31,548	43,098	44,568	46,597	46,577	47,222	47,292	44,133	23,873	
5. Direct premiums written	66,182	66,592	67,310	68,503	57,546	91,321	111,051	104,871	100,747	123,204	
6. Average written premium per policy	3,788	2,111	1,562	1,537	1,235	1,961	2,352	2,218	2,283	5,161	
7. Number of open claims	2	2	4	21	26	46	91	164	164	360	
8. Direct case reserves for open claims	42,780	46,372	43,816	37,475	35,153	25,891	15,318	7,532	5,070	2,816	
9. Paid claims	2	1	2	2	2	1	1	1	1	0	
10. IBNR reserves	1	1	303	1	1	1	1	1	1	0	
11. Pure loss ratio	64.6%	69.6%	65.5%	54.7%	61.1%	28.4%	13.8%	7.2%	5.0%	2.3%	
12. Claims reported	2,127	1,354	1,975	1,510	1,872	1,312	1,118	724	592	451	
13. Claims closed without payment	1,181	1,016	303,220	1,170	1,032	1,127	1,034	864	680	313	
14. Claims closed with payment	863	662	714	670	657	420	265	135	78	71	
15. Legal actions filed	637	498	668	539	658	501	425	241	172	89	
16. Verdicts/judgements for defendants	88	76	83	90	93	67	62	17	3	0	
17. Verdicts/judgements for plaintiffs	134	92	86	56	41	27	14	2	0	1	
18. Amount awarded to plaintiffs	15,903	18,774	14,937	6,546	7,579	4,961	1,582	332	0	25	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.

** 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 2008. 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***

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Investment and other income net gain or loss**	\$20,162	\$18,523	\$15,400	\$14,399	\$18,106	\$13,366	\$ 15,283	\$24,818	\$ 29,618	19,327	13,626
2. Incurred loss adjustment expenses**	6,948	9,367	5,047	24,402	51,638	11,048	39,730	105,062	41,717	42,334	72,170
3. All other incurred expenses**	8,877	12,596	12,566	12,843	12,711	19,245	18,159	20,760	17,138	30,678	15,062
4. Policies written	75,136	66,677	65,150	68,647	161,555	66,069	349,711	123,570	116,919	124,246	
5. Direct written premiums	45,281	36,057	36,195	36,807	46,517	60,720	70,553	78,284	66,308	51,401	
6. Average written premium per policy	603	541	556	536	288	919	202	634	567	414	
7. Number of open claims	24	19	39	46	95	93	50	111	180	298	
8. Direct case reserves for open claims	1,048	118	1,047	1,833	5,767	2,061	1,421	5,035	4,411	5,165	
9. Amount paid on product liability claims	25	52	935	1,667	1,095	2,142	6,071	1,765	802	3,553	
10. Reserves for IBNR Claims	2,903	4,663	6,494	6,669	7,519	7,183	6,539	11,173	12,333	20,528	
11. Pure loss ratio	8.8%	13.4%	23.4%	27.6%	30.9%	18.8%	19.9%	23.0%	26.5%	56.9%	
12. Claims reported	34	52	25	38	50	58	73	99	143	1,638	
13. Claims closed without payment	21	40	15	11	11	42	72	66	171	963	
14. Claims closed with payment	4	10	18	22	30	50	56	41	88	775	
15. Legal actions filed	11	13	7	14	25	9	-19	22	17	39	
16. Verdicts/judgements for defendants	0	0	0	2	1	1	6	7	3	8	
17. Verdicts/judgements for plaintiffs	0	0	1	1	1	1	0	0	0	3	
18. Amount awarded to plaintiffs	404	0	1,000	124	202	0	37	8	0	2	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.

** These elements are reported on a calendar year basis; all other rows are on a policy year basis.