

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.

2010 Major Accomplishments

- Maintained accreditation by the National Association of Insurance Commissioners.
- Examined 48 domestic insurers.
- Analyzed the financial statements of over 2,000 insurers.
- Continued oversight of 1 company in liquidation and 3 companies in rehabilitation.
- Licensed 5 new domestic insurers.
- Licensed 15 nondomestic insurers, 16 gift annuities, and 15 warranty plans.
- Issued permits to 9 Care Management Organizations, under the recently enacted ch. 648, Wis. Stat.
- Permitted 11 licensed entities to withdraw from Wisconsin.
- Reviewed changes of control involving 5 domestic insurers, pursuant to holding company regulations.
- Reviewed and approved 6 mergers involving domestic insurers.
- Licensed 3 life settlement providers under ch. 632, Wis. Stat.
- Redomiciled 1 licensed insurer into 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.
- Made available 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.
- Participated in NAIC task forces and working groups, including:
 - Accounting Practices and Procedures Task Force
 - Capital Adequacy Task Force
 - Examination Oversight Task Force
 - Reinsurance Task Force
 - Solvency Modernization Initiative Task Force
 - Valuation of Securities Task Force
 - Analyst Team System Oversight
 - Audit Software
 - Emerging Accounting Issues
 - Financial Analysis Handbook (Chair)
 - Financial Analysis Research and Development (Chair)
 - Financial Analysis Working Group (Chair)
 - Financial Examiners Handbook
 - Group Solvency Issues
 - Health Reform Solvency Impact
 - International Solvency
 - International Accounting Standards
 - P&C Risk-Based Capital
 - Statutory Accounting Principles

Companies Examined in 2010

Acuity A Mutual Ins. Co.	Milwaukee Ins. Co.
Alpha Property & Casualty Ins. Co.	National Ins. Co. of WI, Inc.
Arlington Mutual Fire Ins. Co.	National Mutual Benefit
Bankers Reserve Life Ins. Co. of WI	Pacific Star Ins. Co.
Blue Cross Blue Shield of WI	Partners Mutual Ins. Co.
Capitol Indemnity Corp.	Price County Town Mutual Ins. Co.
Capitol Specialty Ins. Corp.	Racine County Mutual Ins. Co.
Community Care of Central Wisconsin	Rosendale Mutual Ins. Co.
Compcare Health Services Ins. Corp.	Rural Mutual Ins. Co.
Direct Dental Service Plan, Inc.	Security Health Plan of WI Inc.
Dupont Mutual Ins. Co.	Society Ins. A Mutual Co.
Employers Ins. Co. of Wausau	Southwest Family Care Alliance
Fidelity & Guaranty Ins. Underwriters, Inc.	St. Paul Fire & Casualty Ins. Co.
Fountain City Mutual Ins. Co.	Thrivent Financial for Lutherans
Germantown Mutual Ins. Co.	Transit Mutual Ins. Corp. of WI
Gundersen Lutheran Health Plan, Inc.	United Wisconsin Ins. Co.
Henrietta Greenwood & Union Mutual Fire Ins. Co.	Unitrin Safeguard Ins. Co.
Holland Mutual Fire Ins. Co.	Vision Care Network Ins. Corp.
Integrity Mutual Ins. Co.	Wausau Business Ins. Co.
Integrity Property & Casualty Ins. Co.	Wausau General Ins. Co.
Liberty Mutual Fire Ins. Co.	Wausau Underwriters Ins. Co.
Managed Health Services Ins. Corp.	Wausau-Stettin Mutual Ins. Co.
Merrimac Lodi Mutual Ins. Co.	West Bend Mutual Ins. Co.
McMillan-Warner Mutual Ins. Co.	Western Wisconsin Cares

Wisconsin Insurance Corporations Organized and Licensed

January 1, 2010 - December 31, 2010

MIC Reinsurance Corporation	Milwaukee, WI
MIC Reinsurance Corporation of Wisconsin	Milwaukee, WI
Momentum Ins. Plans, Inc.	Fitchburg, WI
Mortgage Assurance Reinsurance Inc. One	Middleton, WI
Mortgage Assurance Reinsurance Inc. Two	Middleton, WI

Insurance Corporations Domiciled in Other States Admitted

January 1, 2010 - December 31, 2010

American Strategic Ins. Corp.	St. Petersburg, FL
Axis Specialty Ins. Co.	Alpharetta, GA
Bankers Ins. Co.	St. Petersburg, FL
CampMed Casualty & Indemnity Co., Inc. of MD	Vienna, VA
CompWest Ins. Co.	San Francisco, CA
EnTitle Ins. Co.	Independence, OH
Fremont Ins. Co.	Fremont, MI
Hamilton Mutual Ins. Co.	Des Moines, IA
OneCIS Ins. Co.	Davie, FL
Permanent General Assurance Corp. of Ohio	Nashville, TN
Preserver Ins. Co.	New York, NY
Reserve National Ins. Co.	Oklahoma City, OK
Union Ins. Co. of Providence	Des Moines, IA
United Security Assurance Co. of PA	Souderton, PA
Westcor Land Title Ins. Co.	Winter Park, FL

Organizations Licensed to Issue Gift Annuities

January 1, 2010 - December 31, 2010

Ball State University Foundation, Inc.	Muncie, IN
Cedarville University, The	Cedarville, OH
Claretians, Inc.	Chicago, IL
Compassion International, Inc.	Colorado Springs, CO
Curators of the University of Missouri, The	Columbia, MO
Fred Hutchinson Cancer Research Center	Seattle, WA
Gideons International, The	Nashville, TN
Gillette Children's Hospital Foundation	St. Paul, MN
Jews for Jesus	San Francisco, CA
Kenosha Community Foundation	Kenosha, WI
NAACP Legal Defense and Educational Fund, Inc.	New York, NY
Northwestern University	Evanston, IL
Open Doors with Brother Andrew, Inc.	Santa Ana, CA
Orchard Foundation, The	Colorado Springs, CO
Western Adventist Foundation	Tempe, AZ
Wisconsin Historical Foundation, Inc.	Madison, WI

Organizations Licensed to Issue Warranty Plans

January 1, 2010 - December 31, 2010

American Honda Finance Corp.	Torrance, CA
American Honda Protection Products Corp.	Torrance, CA
Asurion Service Plans, Inc.	Chicago, IL
Dent Zone Companies, Inc.	Irving, TX
Express Systems, Inc.	Irvine, CA
Lowe's Home Centers, Inc.	Mooresville, NC
Midwest Warranty Corp.	Pompano Beach, FL
Montage, Inc.	Roseville, MN
N.E.W. Administrative Services Co., Inc.	Sterling, VA
N.E.W. Customer Protection Co., Inc.	Sterling, VA
National Electronics Warranty, LLC	Sterling, VA
Service Net Warranty, LLC	Jeffersonville, IN
Sidecars, Inc.	Joplin, MO
Valspar Corporation, The	Grand Rapids, MI
Vehicle Protection, Inc.	Lees Summit, MO

Organizations Licensed as Life Settlement Providers

January 1, 2010 - December 31, 2010

Credit Suisse Life Settlements, LLC	New York, NY
Legacy Benefits, LLC	New York, NY
Q Capital Strategies, LLC	New York, NY

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

January 1, 2010 - December 31, 2010

Withdrawals

Arrowood Warranty Services, Inc.	02/23/2010
Bonded Builders Service Corp.	06/17/2010
Christian and Missionary Alliance, The	09/07/2010
Equiguard, Inc.	02/03/2010
International Crane Foundation, Inc.	03/11/2010
Lutheran Home of Oconomowoc Charitable Foundation	01/15/2010
ProGuard International, Inc.	01/14/2010
Sears, Roebuck and Co.	01/14/2010
Service Net Solutions, LLC	06/09/2010
Signal, The	08/04/2010
Warranty Support Services, LLC	05/17/2010

Rehabilitations

Ambac Assurance Corp. Segregated Account	03/24/2010
American Community Mutual Ins. Co.	04/08/2010
Atlantic Mutual Ins. Co.	09/14/2010
Centennial Ins. Co.	09/14/2010
Professional Liability Ins. Co. of America	04/30/2010

Liquidations

Imperial Casualty and Indemnity Co.	05/12/2010
Insurance Corporation of New York	03/10/2010
National States Ins. Co.	11/15/2010
Pegasus Ins. Co.	08/12/2010

Mergers

Company Name	Merged Into	Date
Avomark Ins. Co.	West American Ins. Co.	02/23/2010
Capital Markets Assurance Corp.	MBIA Ins. Corp.	09/30/2010
Catholic Family Life Ins. Co.	Catholic Financial Life	04/01/2010
Children's Community Health Plan, Inc.	CC Health Plan, Inc.	01/01/2010
Conseco Health Ins. Co.	Washington National Ins. Co.	10/01/2010
Conseco Ins. Co.	Washington National Ins. Co.	10/01/2010
Lawyers Title Ins. Co.	Fidelity National Title Ins. Co.	06/30/2010
Nations Title Ins. Co. of New York	Fidelity National Title Ins. Co.	03/31/2010
N.E.W. Warranty Services, Inc.	National Electronics Warranty LLC	01/06/2010
Pacific Northwest Title Ins. Co.	First American Title Ins. Co.	06/30/2010
Redland Ins. Co.	Praetorian Ins. Co.	03/31/2010
Security Union Title Ins. Co.	Chicago Title Ins. Co.	06/30/2010
Ticor Title Ins. Co.	Chicago Title Ins. Co.	06/30/2010
Ticor Title Ins. Co. of Florida	Chicago Title Ins. Co.	05/31/2010
WMAC Credit Ins. Corp.	PMI Mortgage Assurance Co.	01/01/2010
Watertown Mutual Ins. Co.	Ixonia Mutual Fire Ins. Co.	01/01/2010
W.G. & R. Furniture Co.	W. G. & R Extended Services, LLC	02/05/2010

Redomestications

Company Name	From	To	Effective Date
Addison Ins. Co.	IL	IA	07/01/2010
Alterra American Ins. Co.	IN	DE	11/04/2010
American Farmers & Ranchers Ins. Co.	ID	OK	04/22/2010
American Federation Ins. Co.	FL	MI	05/28/2010
Amerin Guaranty Corp.	IL	PA	04/13/2010
CIGNA Health & Life Ins. Co.	IN	CT	03/05/2010
Great Midwest Ins. Co.	MI	TX	08/31/2010
Guggenheim Life & Annuity Co.	IA	DE	06/01/2010
Horace Mann Property & Casualty Ins. Co.	CA	IL	09/16/2010
John Deere Ins. Co.	IN	IA	03/19/2010
Liberty Life Assur. Co. of Boston	MA	NH	07/01/2010
Merastar Ins. Co.	IN	IL	09/30/2010
National Farmers Union Property and Casualty Co.	CO	WI	10/01/2010

Redomestications (cont.)

Company Name	From	To	Effective Date
*National Public Finance Guarantee Corp.	IL	NY	12/01/2009
North Point Ins. Co.	MI	PA	09/23/2010
*Response Ins. Co.	CT	IL	12/16/2009
*Response Worldwide Direct Auto Ins. Co.	CT	IL	12/16/2009
Response Worldwide Ins. Co.	CT	IL	03/31/2010
*Standard Life & Accident Ins. Co.	OK	TX	12/15/2009
Sstonewall Ins. Co.	RI	NE	09/16/2010
Torus National Ins. Co.	CA	DE	07/01/2010
*United States Fidelity & Guaranty Co.	MD	CT	12/15/2009
Washington National Ins. Co.	IL	IN	09/30/2010

* Did not appear in the Wisconsin Insurance Report Business of 2009.

Insurance Corporations Which Changed Their Names

January 1, 2010 - December 31, 2010

Previous Name	New Name
ACE Indemnity Ins. Co.	Westchester Fire Ins. Co.
AGL Life Assurance Co.	Philadelphia Financial Life Assurance Co.
AIG Advantage Ins. Co.	21st Century Advantage Ins. Co.
AIG Centennial Ins. Co.	21st Century Centennial Ins. Co.
AIG Indemnity Ins. Co.	21st Century Indemnity Ins. Co.
AIG Life Ins. Co.	American General Life Ins. Co. of Delaware
AIG National Ins. Co., Inc.	21st Century National Ins. Co.
AIG Premier Ins. Co.	21st Century Premier Ins. Co.
AIG Warranty Guard, Inc.	Chartis WarrantyGuard, Inc.
Alta Health & Life Ins. Co.	CIGNA Health & Life Ins. Co.
American International Ins. Co.	21st Century North America Ins. Co.
American International Ins. Co. of Delaware	21st Century Assurance Co.
Bethesda Lutheran Home Foundation, Inc.	Bethesda Lutheran Foundation, Inc.
Bethesda Lutheran Homes and Services, Inc.	Bethesda Lutheran Communities, Inc.
Cardif Life Ins. Co.	Financial American Life Ins. Co.
Carroll College, Inc.	Carroll University, Inc.
Catholic Aid Association, The	Catholic United Financial
Catholic Knights	Catholic Financial Life
Children's Hospital Foundation, Inc.	Children's Hospital and Health System Foundation, Inc.
Doral Dental Plan of Wisconsin, Inc.	DentaQuest Dental Plan of Wisconsin, Inc.
FFG Ins. Co.	Aspen American Ins. Co.
Financial Security Assurance, Inc.	Assured Guaranty Municipal Corp.
Harbor Point Reinsurance U.S., Inc.	Alterra Reinsurance USA, Inc.
HCC Ins. Co.	John Deere Ins. Co.
Ixonia Mutual Ins. Co.	Forward Mutual Ins. Co.
Kemper Casualty Ins. Co.	Lumbermens Casualty Ins. Co.

Insurance Corporations Which Changed Their Names (cont.)

January 1, 2010 - December 31, 2010

Previous Name	New Name
Kemper Investors Life Ins. Co.	Zurich American Life Ins. Co.
Maryland Ins. Co.	Capson Physicians Ins. Co.
Max America Ins. Co.	Alterra America Ins. Co.
Merrimac-Lodi Mutual Ins. Co.	Merrimac Lodi Mutual Ins. Co.
Merrill Lynch Life Ins. Co.	Transamerica Advisors Life Ins. Co.
Midwest Medical Ins. Co.	MMIC Ins., Inc.
National Jewish Medical and Research Center	National Jewish Health
New Hampshire Indemnity Co., Inc.	21 st Century Security Ins. Co.
Northeast Investors Title Ins. Co.	National Investors Title Ins. Co.
PMA Capital Ins. Co.	Excalibur Reinsurance Corp.
Peer Review Systems, Inc.	Permedion, Inc.
Shriners Hospitals for Crippled Children	Shriners Hospitals for Children
SUA Ins. Co.	CastlePoint National Ins. Co.
TIG Indemnity Co.	Torus National Ins. Co.
Union Standard Ins. Co.	Berkley National Ins. Co.
VantisLife Ins. Co.	Vantis Life Ins. Co.
Warranty America, LLC	American Auto Shield, LLC
Wisconsin Lutheran College Conference, Inc.	Wisconsin Lutheran College, Inc.
XL Re Life America, Inc.	SCOR Global Life Reinsurance Co. of America

Companies in Liquidation or Rehabilitation

Ambac Assurance Corporation Segregated Account, in Rehabilitation

Ambac Assurance Corporation Segregated Account was placed in rehabilitation on March 24, 2010, by William D. Johnston, a Lafayette County Circuit Court Judge, presiding by a judicial assignment order of the Circuit Court for Dane County, Wisconsin. Kimberly A. Shaul was appointed as special deputy rehabilitator, but was replaced in this capacity by Roger A. Peterson, Deputy Administrator of the Division of Regulation and Enforcement at the Office of the Commissioner of Insurance, effective January 14, 2011. Current and more detailed information regarding the rehabilitation is available at ambacpolicyholders.com.

Ambac Assurance Corporation (Ambac), headquartered in New York, New York, is the successor to American Municipal Bond Assurance Corporation, which was incorporated in Wisconsin on September 29, 1970. The company's present corporate organization was established in connection with a corporate restructuring executed on June 18, 1985, under the supervision of the Wisconsin Commissioner of Insurance. Under the 1985 restructuring, the business of the company's predecessor legal entity, American Municipal Bond Assurance Corporation, was transferred to a successor legal entity, AMBAC Indemnity Corporation, which was subsequently renamed Ambac Assurance Corporation. The company operates as a financial guaranty insurer, and its principal business is the guaranty of timely payment of principal and periodic interest when due on credit obligations. The company is licensed in all U.S. states, the District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands.

From its founding in 1970 until the 1990s, Ambac's business was almost exclusively related to traditionally low-risk, low-margin public finance bonds. In the mid-1990s, however, Ambac began to diversify by offering financial guaranty insurance on riskier, higher-margin private "structured finance" investments, including residential mortgage-backed securities (RMBS) and collateralized debt obligations of asset-backed securities (CDOs of ABS).

When the riskier insured structured finance investments began to deteriorate en masse during the economic crisis of 2008, Ambac's projected future liabilities grew while its credit ratings and statutory surplus plummeted. Consequently, its prospects for writing new business evaporated, it stopped writing new policies, and it initiated an informal run-off.

These events created a hazard for policyholders. At the time of rehabilitation, Ambac's investment portfolio assets had a current market value of approximately \$8 to \$9 billion, plus an estimated \$1.5 to \$2 billion in future unearned premiums discounted to present value. Many of Ambac's assets would not yield fair value if liquidated immediately and used to pay short-term claims. The inopportune sale of Ambac's long-term, presently undervalued assets would result in a net loss of claims-paying resources available to all policyholders – a "fire sale" as opposed to a fair and equitable distribution for the benefit of policyholders as a whole.

Absent restructuring efforts, there was an increasing risk that Ambac might not have been able to satisfy all claims made under the company's policies as they developed over the next thirty years. Without restructuring, there was an increasing risk that policyholders who presented short-tail claims in the next several years would have received payment for a larger percentage of their claims than policyholders who presented claims in the more distant future.

As part of the restructuring and with the approval of the Office of the Commissioner of Insurance, Ambac established an optional segregated account pursuant to s. 611.24, Wis. Stat., effective March 24, 2010, for the purpose of segregating certain segments of its liabilities and consenting to the subsequent rehabilitation of the Segregated Account under ch. 645, Wis. Stat. Policies allocated to the Ambac Assurance Corporation Segregated Account (Segregated Account) are primarily those policies with material projected impairments, including the books of RMBS, most of which will mature within approximately four years, and certain CDOs of ABS policies, most of which will not mature for 20 or more years, as well as certain other policies with provisions that could result in loss of control rights or demands to pay noneconomic, accelerated damages at the expense of other policyholders of Ambac. Ambac allocated to the Segregated Account all liabilities assumed as reinsurer under reinsurance agreements. To support the Segregated Account, Ambac also allocated to it a \$2 billion secured note and a last-dollar reinsurance policy limited only by the assets of the General Account of Ambac. Ambac also allocated to the Segregated Account its limited liability interest in Ambac Credit Products, LLC, Ambac Conduit Funding LLC, Aleutian Investments LLC and Juneau Investments LLC.

Ambac Assurance Corporation Segregated Account, in Rehabilitation (continued)

All assets within the Segregated Account will be available exclusively for satisfying liabilities attributable to the Segregated Account. Pursuant to s. 611.24 (3) (b), Wis. Stat., any income, gains and losses, whether or not realized, from assets and investments attributable to the Segregated Account, if any, will be credited to or charged against the Segregated Account without regard to other income, gains or losses of Ambac's General Account.

Ambac was appointed as a Management Services Provider to the Segregated Account under a Management Services Agreement for so long as such agreement is in effect. Nothing prevents the Segregated Account from retaining additional service providers. In addition, pursuant to the terms of a Cooperation Agreement, Ambac and the Segregated Account have agreed on certain matters related to decision making, information sharing, tax compliance and allocation of expenses.

A rehabilitation plan was approved by Judge Johnston on January 24, 2011, and it is anticipated that claim payments could resume as early as May 2011. Procedures for submitting claims have been communicated to the applicable trustees and are posted on the Web site, ambacpolicyholders.com. Counterparties on credit default swaps may not trigger and submit market-to-market claims, but may submit scheduled payment claims.

Ambac Assurance Corporation's General Account is not in any form of receivership proceeding.

As of December 31, 2010, the Ambac Assurance Corporation Segregated Account reported assets of \$1,934,716,408, liabilities of \$1,884,537,313, and surplus of \$50,179,095.

Health Plan for Community Living, Inc., In Liquidation

Health Plan for Community Living, Inc., was placed into liquidation on April 29, 2008. Roger A. Peterson was appointed as special deputy liquidator.

Health Plan for Community Living, Inc., was headquartered in Madison, Wisconsin, and had business in force only in Wisconsin. Health Plan for Community Living, Inc., contracted with the Department of Health Services to provide managed health and long-term care support to participants in the Family Care Partnership Program, a comprehensive program of services for older adults and people with physical disabilities. The 369 members were transitioned into another partnership program prior to May 1, 2008.

On May 13, 2008, 797 notices were mailed to members, creditors and other parties whose interests may in some

way be affected by the liquidation. The deadline for filing claims with the liquidator was November 20, 2008. On February 19, 2009, 51 additional notices were sent out to creditors that were not included on the May 13, 2008, mailing. These creditors had until August 31, 2009, to file a claim. On August 7, 2009, the liquidator was ordered to make a 35% distribution on processed claims. Checks totaling \$1,219,729 were distributed to creditors.

On May 25, 2010, the liquidator was ordered to make a final distribution to creditors and to settle disputed claims. Including the partial payment, claimants received 100% of the allowed claims plus 5% interest.

As of December 31, 2010, Health Plan for Community Living, Inc., reported assets of \$447,765, liabilities of \$25,000, and surplus of \$422,765.

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, 2010, Master Plumbers' reported assets of \$1,153,376, liabilities of \$425,846, and surplus of \$727,531.

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 established 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, are to 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 82% of the total number of reinsureds representing approximately 81% 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 completed distribution of initial commutation payments under the terms of the rehabilitation plan in December 2008. Another commutation payment to reinsureds was made in December 2010. Upon conclusion of a limited number of claim matters, it is anticipated that the company will be released from rehabilitation.

As of December 31, 2010, the general account of NNIC reported assets of \$53,070,512, liabilities of \$48,015,810, and surplus of \$5,054,702. As of December 31, 2010, the segregated account of NNIC reported assets of \$51,914,289, liabilities of \$46,859,587, and surplus of \$5,054,702.

Bureau of Market Regulation (Bureau)

In 2010, the Bureau of Market Regulation consisted 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 7,399 written consumer complaints and inquiries and answered 35,000 telephone inquiries during 2010. The Bureau also processed 3,481 rate and rule filings and received 7,108 policy form filings.

Market Conduct Annual Statement

The Market Conduct Annual Statement (MCAS) was developed through the National Association of Insurance Commissioners (NAIC) with the input of state regulators and representatives from the industry. 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 2009 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 292 companies participated in the project by filing statements with OCI. For the 2009 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 197 companies participated in the project and OCI received 171 private passenger automobile statements and 133 homeowner's statements.

Level 1 and Level 2 Market Analysis

Wisconsin conducted analysis on insurance companies for five lines of business: homeowner's, personal auto, group health, individual health, and life. The analysis follows 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). Examiners used a comprehensive guide to complete a detailed analysis of the company in up to 21 areas of review. This process was used to identify companies for further review up to and including market conduct examinations.

2010 Major Accomplishments

- Conducted eight on-site market conduct examinations and three in-office market analysis projects.
- Worked with federal regulators to address questions and implementation issues related to the Patient Protection and Affordable Care Act. Activities included applying for a grant to review rate handling processes for health insurance policies.
- Worked closely with the Centers for Medicare & Medicaid Services (CMS) and the Wisconsin Medicare Part D Task Force during the Medicare Part D and Medicare Advantage open enrollment to identify marketing abuses and misleading sales tactics including participating in calls with the regional CMS office, reviewing CMS complaints and responding to requests for agent investigations.
- Worked on changes needed due to the implementation of the Interstate Insurance Product Regulation Commission (IIPRC), including participating in the NAIC National Standards Working Group and the IIPRC Product Standards Committee, reviewing product standards, developing procedures to monitor Compact filings, and providing staff support to the Commissioner and technical assistance to the IIPRC staff.

- Continued to improve the market analysis and the market conduct examination program by working with other states through the NAIC Market Information Systems Task Force, Market Analysis Working Group, the Market Conduct Examination Standards Working Group, the Market Analysis Procedures Working Group, and the Complaint Issues 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, and 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.
- Participated in developing administrative rules involving life settlements, uniform individual health insurance applications, coverage of dependents, treatment of autism, medicare supplement insurance, continuation of health insurance, policy form filing and exemptions from the requirement to offer uninsured and underinsured motorist coverage.
- 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 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 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, Market Information Systems Task Force, Operational Efficiencies Working Group, the Interstate Compact National Standards Working Group, the Market Analysis Procedures Working Group, the Market Conduct Examination Handbook Working Group, Complaint Issues Working Group, and the Consumer Information subgroup.

Policy Submissions and Rate Filings

The following tables summarize the policy submission data for 2009 and 2010. Table I shows the number of policy submissions received in 2009 and 2010 by line of business for each type of insurance. Table II shows the number of rate filings received for each type of insurance.

Table I
Number of Policy Submissions Received
By Line of Business in 2009 and 2010

Product Category	Total for 2009	Total for 2010
Health and Life		
Continuing Care Retirement Community	2	2
Credit Accident & Health	0	0
Credit Life	7	13
Group Accident & Health	482	532
Group Annuity	86	93
Group Life	75	77
Health & Life Other	221	525
Health Maintenance Organization	288	282
Individual Accident & Health	776	632
Individual Annuity	516	421
Individual Life	<u>1,180</u>	<u>970</u>
Total Health and Life	<u>3,633</u>	<u>3,547</u>
Property and Casualty		
Aviation	26	41
Bonds	76	59
Commercial Property & Multiperil	520	437
Commercial Motor Vehicle	397	305
Credit Property	32	20
Homeowner's	154	141
Inland Marine	239	243
Liability	1,312	1,123
Mortgage Guaranty	12	8
Other Lines	597	544
Personal Farmowner's	74	64
Personal Motor Vehicle	302	195
Property	221	186
Title	9	10
Worker's Compensation	<u>162</u>	<u>185</u>
Total Property and Casualty	<u>4,133</u>	<u>3,561</u>
Grand Total	<u>7,766</u>	<u>7,108</u>

Table II
Rate Filings Received
By Product Category for 2010

Accident and Health Section	
Credit Accident & Health	6
Credit Life	5
Health Maintenance Organization	37
Individual Accident & Health	<u>256</u>
Total Accident and Health Section	<u>301</u>
Property and Casualty Section	
Aviation	9
Bonds	115
Commercial Property & Multiperil	508
Commercial Motor Vehicle	356
Credit Property	18
Homeowner's	261
Inland Marine	83
Liability	706
Mortgage Guaranty	35
Other Lines	248
Personal Farmowner's	75
Property	320
Personal Motor Vehicle	419
Title	13
Worker's Compensation	<u>14</u>
Total Property and Casualty Section	<u>3,180</u>
Grand Total	<u><u>3,481</u></u>

Trends in Complaints

OCI received the highest number of calls and complaints about the laws mandating increased health insurance coverage for dependents to age 27 and mandatory automobile insurance and changes in coverage requirements for uninsured and underinsured motorist coverage. There were also complaints and inquiries from consumers who were losing their group health insurance coverage. There were complaints and inquiries about premium increases in automobile, health and long-term care insurance. OCI also received complaints and inquiries about alternatives to health insurance, primarily discount plans that provided little coverage for the consumers who purchased the plans. There were also complaints and inquiries about Medicare Advantage products due to companies dropping out of the market, changing service areas, and modifying benefits during open enrollment.

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 2010. Most such inquiries were by telephone, with the remainder being written communications, including e-mail, and "walk-ins."

Table II shows 2009 and 2010 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. Sixty percent of the complaints involved claim problems. Underwriting and rating was the second most common reason for filing a complaint.

Table I
Total Complaint Files

Year	Received	Closed
2005	8,186	8,688
2006	8,094	8,282
2007	8,195	8,840
2008	8,818	8,774
2009	8,398	9,564
2010	7,399	8,431

	2005	2006	2007	2008	2009	2010
Health	3,766	3,951	4,027	4,684	4,350	3,393
P&C	2,447	2,257	2,373	2,457	2,096	2,371
Life	525	511	433	451	489	497
Annuities	228	256	248	262	178	160

Table II
Complaints Filed By Type of Insurance*

	2009	2010
Accident and Health		
Group Accident and Health	832	806
Individual Accident and Health	332	316
Medicare Supplement	509	344
Long-Term Care	68	119
HMO	327	303
PPO	994	631
LSHO	2	2
Credit	53	38
Self-Funded Health Plans	<u>1,233</u>	<u>834</u>
Total Accident and Health	<u>4,350</u>	<u>3,393</u>
Property and Casualty		
Automobile	663	784
Homeowner's, Tenant's, Farmowner's	491	619
Fire, Allied Lines, Other Property	114	127
General Liability	67	79
Worker's Compensation	170	168
All Other Lines	<u>591</u>	<u>594</u>
Total Property and Casualty	<u>2,096</u>	<u>2,371</u>
Life, Including Credit and Annuities	<u>667</u>	<u>657</u>
Grand Total	<u>7,113</u>	<u>6,421</u>

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

Table III
Reasons for Complaints*

Basis for Complaint	Through	Percent	Through	Percent
	4th Quarter		4th Quarter	
	2009	of Total	2010	of Total
Claim Handling	4,940	69.4%	3,683	59.1%
Policyholder Service	736	10.3	725	11.6
Marketing and Sales	686	9.6	710	11.4
Underwriting	606	8.5	779	12.5
Other	152	2.1	340	05.5

*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 2010, the office assisted complainants in recovering \$5,111,461 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	\$ 302,150	\$ 7,817	\$ 3,294	\$ 1,652	\$ 2,511	\$ 317,424
Ind. Accident and Health	75,188	2,193	6,657	5,985	0	90,023
Ind. Medicare Supplement	32,202	12,093	12,313	1,624	0	58,232
Long-Term Care	41,512	299	605	593	0	43,009
HMO/PPO/LSHO	610,032	5,331	5,873	30,379	0	651,615
Credit Health	1,895	30	0	0	0	1,925
Automobile	347,310	7,746	74,392	3,210	0	432,658
Life, Including						
Credit and Annuities	741,068	229,651	1,315,433	0	0	2,286,152
Homeowner's, Tenant's, Farmer's	558,167	1,078	19,975	94	0	579,314
Fire, Allied Lines, Other Property	153,526	0	16,842	338	0	170,706
General Liability	16,314	625	0	0	0	16,939
Worker's Compensation	59,323	11,739	3,024	16,865	0	90,951
All Other Lines	<u>331,935</u>	<u>5,221</u>	<u>7,001</u>	<u>28,356</u>	<u>0</u>	<u>372,513</u>
Total	<u>\$3,270,622</u>	<u>\$283,823</u>	<u>\$1,465,409</u>	<u>\$89,096</u>	<u>\$2,511</u>	<u>\$5,111,461</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
2010 Complaint Appeals Filed by Section

	Property & Casualty	Life & Health	Total
Number of Complaint Files Appealed in 2010*	90	68	158

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

Table VI
Complainant Survey
2010

Survey Cards Sent	758
Survey Cards Returned	333
Response Rate	44%

Results

1. How did you hear about the Office of the Commissioner of Insurance?					
Word of Mouth	93				
Insurance Agent	54				
Insurance Company	22				
Phone Book	14				
Lawyer	20				
Health Care Provider	29				
Other	125				
No Answer	47				
		Yes	%	No	%
2. Did we respond to your complaint promptly?		303	90.7%	31	9.3%
3. Do you feel your complaint was handled fairly by our office?		252	76.1%	79	23.9%
4. Do you feel you were given an adequate explanation on your complaint?		259	77.8%	74	22.2%
5. If you called our office, do you feel we treated you courteously?		181	94.8%	10	5.2%
6. If you have another insurance problem, would you contact our office again?		276	90.5%	29	9.5%

Companies Examined in 2010

Dean Health Plan Inc.
 Guarantee Trust Life Ins. Co.
 Health Tradition Health Plan
 Globe Life & Accident Ins. Co.
 Progressive Northern Ins. Co.
 Progressive Classic Ins. Co.
 Farmers Insurance Exchange
 Auto Club Insurance Association

Agent Licensing Section

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

During 2010 there were 10,416 tests administered in all lines of insurance to 4,737 candidates seeking a resident agent license. In all, a total of 23,595 new licenses were issued to resident and nonresident agent candidates.

As of December 31, 2010, there were 118,203 licensed insurance agents and 735,676 active appointments by insurance companies authorizing the licensed agents to market and sell their products.

2010 Projects

- Concluded the transition period related to the addition of the major line of variable life/variable annuities. Existing agents soliciting these products were required to add this qualification to their existing license by April 1, 2010.

- Implemented an electronic fingerprinting process whereby resident agent candidates are required to submit fingerprints so that an FBI criminal history check can be conducted as part of the application process.
- Converted existing Viatical Settlement Broker licenses to Life Settlement Broker licenses in accordance with newly enacted legislation regarding Life Settlement business (s. 632.69, Wis. Stat.).
- 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.
- Continued participation in the NAIC's Producer Licensing Working Group and the Producer Licensing Task Force. The goal of these committees is to improve the effectiveness and efficiency of the state licensing process resulting in 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 2010. 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 2007 and 2008, 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 2007	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 15,692	\$ 5,682	\$ 5,188	\$ 14,664	\$ 957	\$ 9,903	\$ 218	\$ 835	\$ 237	\$ 223	\$ 149
2. Expenses incurred other than loss adjusting expenses	40,660	14,721	13,443	37,995	2,479	25,660	566	2,164	613	577	387
3. Number of policies written	107,707	40,085	2,096	49,825	1,855	13,128	959	4,440	1,718	1,265	1,357
4. Direct dollar premium earned	132,312	47,906	43,746	123,641	8,066	83,502	1,840	7,042	1,996	1,879	1,258
5. Average premium per policy	1,228	1,195	20,871	2,482	4,348	6,361	1,919	1,586	1,162	1,485	927
6. Number of outstanding claims	545	95	17	29	28	81	11	37	14	1	0
7. Direct case reserves for outstanding claims	22,729	4,485	583	6,489	1,472	8,667	221	2,187	225	0	0
8. Liability for claims incurred but not reported	33,374	10,646	2,862	10,010	1,361	23,716	513	1,994	531	533	286
9. Loss adjustment expense liability for open claims	1,248	185	119	99	538	1,732	15	61	156	0	0
10. Losses paid	27,375	4,633	4,741	12,904	2,040	5,944	170	706	304	0	14
11. Pure loss ratio	63.1%	41.3%	18.7%	23.8%	60.4%	45.9%	49.2%	69.4%	53.1%	28.4%	23.8%
12. Allocated loss adjusting expense paid	4,588	1,260	261	397	751	3,534	137	284	293	0	1
13. Number claims paid	4,925	568	9	21	26	404	128	217	75	1	4
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	89,313	21,208	8,525	29,897	6,161	43,592	1,057	5,233	1,509	533	302
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	90,045	43,308	4,957	31,229	6,710	45,634	1,137	5,597	1,593	546	319
16. Number of claims closed without payment	3,366	1,060	46	46	116	447	22	66	262	16	2
17. Number of legal actions filed	421	107	10	12	47	66	0	3	39	3	0

* 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 2008	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 14,588	\$ 5,653	\$ 6,047	\$ 14,834	\$ 1,319	\$ 9,927	\$ 253	\$ 854	\$ 215	\$ 225	\$ 168
2. Expenses incurred other than loss adjusting expenses	37,798	14,648	15,668	38,435	3,417	25,720	655	2,212	558	583	434
3. Number of policies written	119,111	49,610	2,173	59,865	1,499	14,220	895	3,127	1,856	1,763	1,476
4. Direct dollar premium earned	123,002	47,667	50,986	125,073	11,119	83,698	2,131	7,199	1,815	1,898	1,413
5. Average premium per policy	1,033	961	23,463	2,089	7,418	5,886	2,381	2,302	978	1,077	957
6. Number of outstanding claims	1,217	156	23	42	92	249	14	75	20	1	1
7. Direct case reserves for outstanding claims	27,318	5,899	5,193	16,103	1,688	6,701	198	634	489	10	56
8. Liability for claims incurred but not reported	66,793	24,001	2,957	10,095	3,492	50,861	1,300	4,392	1,055	1,016	688
9. Loss adjustment expense liability for open claims	1,781	537	72	169	533	1,820	0	9	185	15	3
10. Losses paid	17,169	4,175	973	8,806	398	3,997	93	536	169	0	1,014
11. Pure loss ratio	90.5%	71.5%	17.9%	28.0%	50.2%	73.5%	74.7%	77.2%	94.3%	54.1%	124.4%
12. Allocated loss adjusting expense paid	2,444	1,046	195	62	192	2,085	12	84	147	0	24
13. Number claims paid	4,608	558	7	11	16	201	79	223	62	30	2
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	115,505	35,659	9,391	35,235	6,304	65,456	1,603	5,654	2,044	1,042	1,784
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	113,667	78,412	5,345	36,211	5,841	68,448	1,601	6,129	2,138	1,074	1,879
16. Number of claims closed without payment	2,818	929	52	36	66	476	18	58	200	13	2
17. Number of legal actions filed	241	103	12	12	38	104	0	1	30	2	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											
2008	90.5%	71.5%	17.9%	28.0%	50.2%	73.5%	74.7%	77.2%	94.3%	54.1%	124.4%
2007	63.1	41.3	18.7	23.8	60.4	45.9	49.2	69.4	53.1	28.4	23.8
2006	50.1	36.6	12.0	11.7	35.0	53.4	59.8	30.2	23.4	23.0	21.5
2005	36.5	40.2	15.5	28.7	34.2	31.8	33.7	29.8	27.7	18.7	8.0
2004	39.8	41.1	6.5	25.3	25.9	28.3	24.1	85.3	41.8	15.4	29.9
Five-year average	56.0	46.1	14.1	23.5	41.1	46.6	48.3	58.4	48.1	27.9	41.5
Average Incurred Loss Per Claim											
2008	\$ 7,637	\$14,110	\$205,554	\$469,982	\$19,313	\$23,773	\$ 3,134	\$ 3,925	\$ 8,025	323	356,477
2007	9,160	13,752	204,760	387,844	65,047	30,125	2,816	11,392	5,949	-61	3,587
2006	9,685	13,801	191,362	189,445	73,301	72,832	6,595	7,027	2,976	41	2,277
2005	8,810	19,567	334,360	590,149	53,681	45,101	14,365	10,739	4,991	0	9,250
2004	11,042	20,077	45,777	542,256	35,766	40,565	4,649	24,638	10,107	0	120,500
Five-year average	9,267	16,261	196,363	435,935	49,422	42,479	6,312	11,544	6,410	61	98,418
Average Case Reserve Per Claim											
2008	\$22,447	\$ 37,816	\$225,788	\$383,403	\$18,351	\$ 26,910	\$14,157	\$ 8,447	\$24,470	\$10,012	\$55,501
2007	41,704	47,211	34,265	223,745	52,575	106,995	20,098	59,119	16,082	-122	0
2006	61,008	56,143	150,374	64,321	15,372	97,863	15,000	26,726	11,200	0	0
2005	76,675	156,298	361,546	419,873	42,647	127,153	0	48,750	0	0	0
2004	61,460	78,460	195,546	158,955	18,924	1,028	0	500,000	0	0	0
Five-year average	52,659	75,185	193,504	250,059	29,574	71,990	9,851	128,609	10,350	1,978	11,100
Allocated LAE: Premium Earned											
2008	3.4%	3.3%	0.5%	0.2%	6.5%	4.7%	0.6%	1.3%	18.3%	0.8%	1.9%
2007	4.4	3.0	0.9	0.4	16.0	6.3	8.2	4.9	22.5	0.0	0.1
2006	8.5	5.4	1.3	0.5	6.9	7.9	2.8	2.6	11.1	0.1	0.1
2005	7.1	8.2	1.0	0.2	11.3	15.4	1.2	8.1	15.5	0.0	0.1
2004	8.8	12.2	2.8	0.3	6.6	8.8	9.3	32.3	13.8	0.0	3.1
Five-year average	6.4	6.4	1.3	0.3	9.5	8.6	4.4	9.8	16.2	0.2	1.1
IBNR: Premium Earned											
2008	54.3%	50.4%	5.8%	8.1%	31.4%	60.8%	61.0%	61.0%	58.1%	53.5%	48.7%
2007	25.2	22.2	6.5	8.1	16.9	28.4	27.9	28.3	26.6	28.4	22.7
2006	16.3	17.1	4.6	5.7	7.9	12.3	11.8	12.0	11.4	23.0	19.6
2005	7.1	16.3	2.4	4.4	5.2	7.0	6.5	6.5	6.1	18.7	7.1
2004	5.3	13.9	3.4	5.7	1.8	6.3	6.0	6.0	5.6	15.4	5.0
Five-year average	21.6	24.0	4.6	6.4	12.6	23.0	22.6	22.8	21.5	27.8	20.6
Percentage Change In Premium Earned											
2007 to 2008	-7.0%	-0.5%	16.6%	1.2%	37.9%	0.2%	15.8%	2.2%	-9.1%	1.0%	12.3%
2006 to 2007	-3.8	-7.0	-6.4	-0.3	-19.2	6.1	-0.8	-8.6	-11.3	9.9	6.9
2005 to 2006	0.0	-4.5	14.5	-3.8	14.5	14.9	-86.4	-4.8	-0.7	-18.2	14.6
2004 to 2005	1.3	-5.5	-7.9	-5.1	10.5	6.1	30.2	15.8	-5.6	10.5	6.0

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 2011. 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***

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Investment and other income**	\$ 18,368	\$14,709	\$10,040	\$14,316	\$ 14,500	\$ 11,017	\$ 8,067	\$17,354	\$ 5,158	\$ 3,570	\$10,895
2. Incurred loss adjustment expense**	15,040	5,796	10,507	21,856	17,790	18,746	29,433	33,680	(419)	10,851	24,090
3. All other incurred expenses**	13,995	11,652	10,835	10,912	16,448	18,326	23,803	13,480	5,788	5,114	13,840
4. Policies written	44,551	46,586	46,577	47,222	47,292	44,133	23,873	14,646	27,528	31,628	
5. Direct premiums written	68,467	57,527	91,321	111,051	104,871	100,747	123,204	67,434	109,600	106,960	
6. Average written premium per policy	1,537	1,235	1,961	2,352	2,218	2,283	5,161	4,604	3,981	3,382	
7. Number of open claims	5	6	8	13	20	35	107	109	179	408	
8. Direct case reserves for open claims	48,792	38,251	29,485	19,609	17,360	17,301	11,316	11,731	4,673	3,633	
9. Paid claims	2	2	1	1	1	1	1	205	1	1	
10. IBNR reserves	1	1	1	1	1	1	1	0	0	0	
11. Pure loss ratio	71.3%	66.5%	32.3%	17.7%	16.6%	17.2%	9.2%	17.7%	4.3%	3.4%	
12. Claims reported	1,654	2,080	1,322	1,213	845	732	665	204,763	574	764	
13. Claims closed without payment	1,031	1,122	1,224	1,170	1,001	816	523	470	466	476	
14. Claims closed with payment	760	778	485	304	176	125	127	84	100	94	
15. Legal actions filed	682	861	649	514	351	271	213	168	186	156	
16. Verdicts/judgements for defendants	90	95	69	65	28	6	6	6	5	1	
17. Verdicts/judgements for plaintiffs	57	41	27	15	3	1	1	0	1	1	
18. Amount awarded to plaintiffs	10,802	7,829	4,961	2,946	897	28	43	21	3,762	3,812	
19. Average claim paid	2	3	3	4	5	6	5	2,438	6	8	

* 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 2011. 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***

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Investment and other income net gain or loss**	\$14,399	\$ 18,106	\$ 13,366	\$15,283	\$ 24,818	\$ 29,618	\$ 19,327	9,880	\$10,440	\$ 13,542	\$13,374
2. Incurred loss adjustment expenses**	24,402	51,638	11,048	39,730	105,062	41,717	42,334	30,207	28,975	13,673	37,229
3. All other incurred expenses**	12,843	12,711	19,245	18,159	20,760	17,138	30,678	17,568	18,080	13,440	13,629
4. Policies written	68,647	161,555	66,069	349,711	123,570	116,919	124,246	39,928	187,741	128,028	
5. Direct written premiums	36,807	46,517	60,720	70,553	78,284	66,308	51,401	56,181	58,657	52,574	
6. Average written premium per policy	536	288	919	202	634	567	414	1,407	312	411	
7. Number of open claims	16	53	43	32	39	57	76	125	201	440	
8. Direct case reserves for open claims	97	666	685	2,818	555	1,575	3,435	7,646	7,154	15,718	
9. Reserves for IBNR Claims	735	1,722	2,491	3,615	6,123	4,654	6,472	5,949	13,387	38,697	
10. Amount paid on product liability claims	1,006	67	129	205	1,088	1,441	1,563	4,224	2,228	3,914	
11. Pure loss ratio	5.0%	5.3%	5.4%	9.4%	9.9%	11.6%	22.3%	31.7%	38.8%	110.9%	
12. Claims reported	10	51	29	21	42	41	57	131	305	1,794	
13. Claims closed without payment	6	14	10	13	21	31	54	95	224	710	
14. Claims closed with payment	2	13	21	15	26	28	61	63	108	774	
15. Legal actions filed	6	2	11	10	12	12	19	35	122	108	
16. Verdicts/judgements for defendants	0	0	0	0	1	2	5	4	4	0	
17. Verdicts/judgements for plaintiffs	0	1	0	0	1	3	7	5	10	3	
18. Amount awarded to plaintiffs	0	2	0	0	1	139	41	431	405	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.

