

VI. Financial and Statistical Data



Notes to Tables

The financial information was obtained from the NAIC database downloaded on June 5, 2013, for those companies filing electronically with the NAIC and annual statements filed with OCI for those companies not filing electronically with the NAIC. The tables report the financial position of companies licensed to do business in Wisconsin as of December 31, 2012, and the results of their 2012 operations. Companies in rehabilitation and liquidation may not be included in the financial data.

Table A includes Risk Retention Groups and Vehicle Protection Plans as authorized insurers. Neither group of entities is technically authorized as they are not issued a certificate of authority to write business. Risk Retention Groups are required to register with this office pursuant to the Federal Liability Risk Retention Act of 1986. Vehicle Protection Plans register with this office pursuant to the requirements of s. 100.203, Wis. Stat., and ch. Ins 14, Wis. Adm. Code. Table A includes individual entities which may possess multiple licenses. An example would be entities which have both a Service Contract Provider and Warranty Plan Administrator license.

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

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

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

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

Explanation of Terms Used in Tables

The “*Wisconsin Operations*” columns report the direct premiums and losses for Wisconsin only business for 2012. The “*Nationwide Operations*” columns report the net premiums and losses for all operations for 2012.

“*Direct*” business refers to business for which the insurer issued an insurance policy and accepted the premium. “*Net*” business is direct business plus reinsurance assumed and less reinsurance ceded.

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

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

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

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

Loss adjustment expenses are also included in the losses incurred for nationwide operations of title companies.

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

“*Deposits*” are amounts placed with the insurer that do not incorporate risk from the death or disability of the policyholder and are more comparable to financial or investment instruments than insurance contracts.

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

The “*Net Loss Ratio*” is equal to net losses incurred plus net loss adjustment expenses incurred, divided by net premiums earned. The “*Expense Ratio*” is equal to underwriting expenses divided by net premiums written. The loss ratio is determined based on net premiums earned as losses occur randomly throughout the policy term which matches the period the premiums are earned. The expense ratio is determined using net premiums written, because most underwriting expenses (commissions, home office underwriting, and clerical expenses) are incurred at the time the policy is written, not evenly throughout the policy term.

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

TABLE A
Summary of Insurers Authorized to Write Insurance in Wisconsin
as of December 31, 2012
Counts by Type and Domicile

TYPE OF COMPANY	DOMESTIC COMPANIES	NONDOMESTIC COMPANIES	TOTAL
REGULATED ENTITIES			
STOCK LIFE AND HEALTH	26	389	415
MUTUAL LIFE AND HEALTH	3	25	28
FRATERNALS	5	39	44
HEALTH MAINTENANCE ORGANIZATIONS	23	0	23
OTHER HEALTH INSURERS	14	0	14
STOCK PROPERTY AND CASUALTY	79	784	863
MUTUAL PROPERTY AND CASUALTY	32	64	96
RECIPROCAL EXCHANGES	0	18	18
TOWN MUTUALS	60	0	60
SUBTOTAL	242	1,319	1,561
OTHER ENTITIES SUBJECT TO LIMITED REGULATION *			
CARE MANAGEMENT ORGANIZATIONS	9	0	9
CONTINUING CARE RETIREMENT COMMUNITIES	23	1	24
GIFT ANNUITIES	90	192	282
LIFE SETTLEMENT PROVIDER	0	9	9
MOTOR CLUBS	0	27	27
SERVICE CONTRACT PROVIDER	0	8	8
VEHICLE PROTECTION PLANS	0	19	19
WARRANTY PLANS	12	129	141
SUBTOTAL	134	385	519
GRAND TOTAL	376	1,704	2,080

TABLE B
2012 Summary of Wisconsin Operations of All Insurers by Type of Company

TYPE OF COMPANY	DIRECT PREMIUMS AND DEPOSITS *	DIRECT BENEFITS AND DIVIDENDS PAID *	
STOCK LIFE AND HEALTH	\$13,899,481,104	\$11,926,936,202	
MUTUAL LIFE AND HEALTH	1,507,547,663	1,253,474,146	
FRATERNALS	962,229,081	650,502,768	
TOTALS	\$16,369,257,848	\$13,830,913,116	

TYPE OF COMPANY	DIRECT PREMIUMS EARNED	DIRECT LOSSES PAID	LOSS RATIO
HEALTH MAINTENANCE ORGANIZATIONS	\$ 7,449,081,803	\$ 6,745,746,758	91
OTHER HEALTH INSURERS	736,830,285	641,795,890	87
STOCK PROPERTY AND CASUALTY	5,269,973,018	3,155,866,349	60
MUTUAL PROPERTY AND CASUALTY	3,378,318,865	1,819,637,777	54
RECIPROCAL EXCHANGES	274,944,767	157,864,927	57
TOWN MUTUALS	61,443,438	35,095,565	57
TOTALS	\$17,170,592,176	\$12,556,007,266	73

* See Notes to Tables.

TABLE C
2012 Summary of Nationwide
Financial Operations of Wisconsin Insurers

❖ **LIFE AND HEALTH INSURERS** ❖

ASSETS	\$294,752,990,536
CAPITAL AND SURPLUS	26,348,323,033
NET PREMIUMS AND ANNUITY CONSIDERATIONS	46,489,922,154
NET BENEFITS INCURRED	42,899,854,643
NET INCOME	2,065,583,287
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	48,100,020,525

❖ **PROPERTY AND CASUALTY INSURERS** ❖

ASSETS	\$ 66,938,913,661
CAPITAL AND SURPLUS	23,580,590,805
NET EARNED PREMIUMS	19,507,775,756
NET LOSSES INCURRED	13,904,895,013
NET INCOME	753,615,833
DIRECT PREMIUMS WRITTEN	27,397,196,790

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

ASSETS	\$ 2,408,787,205
CAPITAL AND SURPLUS	1,247,292,345
NET EARNED PREMIUMS	8,193,951,947
NET LOSSES INCURRED	7,307,918,181
NET INCOME	51,683,117
DIRECT PREMIUMS WRITTEN	8,206,702,653

❖ **ALL INSURERS COMBINED** ❖

ASSETS	\$364,100,691,402
CAPITAL AND SURPLUS	51,176,206,183
NET PREMIUMS AND ANNUITY CONSIDERATIONS	46,489,922,154
NET BENEFITS INCURRED	42,899,854,643
NET EARNED PREMIUMS	27,701,727,703
NET LOSSES INCURRED	21,212,813,194
NET INCOME	2,870,882,237
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	\$ 83,703,919,968

TABLE D
2012 Summary of Wisconsin Operations
of All Insurers by Line of Insurance

LINE OF INSURANCE	DIRECT PREMIUMS AND DEPOSITS*
LIFE INSURANCE	
ORDINARY	\$2,528,409,337
CREDIT	12,079,231
GROUP	563,266,523
INDUSTRIAL	3,915,100
TOTAL	\$3,107,670,191
ANNUITIES	\$5,774,617,353
DEPOSITS	722,688,222
OTHER	1,102,228,566

BENEFIT TYPE	DIRECT BENEFITS AND DIVIDENDS PAID*
DIVIDENDS	\$ 569,400,938
DEATH BENEFITS	1,422,442,929
ANNUITY BENEFITS	1,631,318,473
ALL OTHER BENEFITS	5,682,863,926

LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ACCIDENT AND HEALTH			
GROUP	\$ 9,988,087,208	\$ 8,840,091,784	89
CREDIT	18,230,280	10,104,602	55
INDIVIDUAL	4,400,394,512	3,610,752,180	82
TOTAL	\$14,406,712,000	\$12,460,948,566	86
MULTIPLE PERIL			
FARMOWNERS	\$ 140,850,737	\$ 76,380,384	54
HOMEOWNERS	1,104,563,091	471,727,753	43
COMMERCIAL	581,367,542	242,267,336	42
TOTAL	\$ 1,826,781,370	\$ 790,375,473	43
AUTOMOBILE			
PRIVATE PASSENGER CARS	\$ 2,415,025,779	\$ 1,532,081,275	63
COMMERCIAL VEHICLES	448,705,875	234,452,206	52
TOTAL	\$ 2,863,731,654	\$ 1,766,533,481	62

* See Notes to Tables.

TABLE D (continued)

LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ALL OTHER LINES			
FIRE	\$ 156,226,747	\$ 79,340,344	51
MEDICAL MALPRACTICE	75,226,437	-21,801,125	-29
WORKERS COMPENSATION	1,696,941,758	1,115,437,757	66
EXCESS WORKERS COMPENSATION	7,778,950	6,120,196	79
OTHER LIABILITY	672,254,957	209,796,298	31
FIDELITY	20,422,877	26,448,610	130
SURETY	47,440,340	4,678,536	10
CREDIT	20,238,573	34,297,289	169
TITLE	137,849,389	1,354,635	1
MORTGAGE GUARANTY	82,311,492	119,315,718	145
ALL OTHER	829,455,237	538,794,359	65
TOTAL	\$ 3,746,146,757	\$ 2,113,782,617	56