

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



## **Notes to Tables**

The financial information was obtained from the NAIC database downloaded on May 5, 2014, 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, 2013, and the results of their 2013 operations. Companies in rehabilitation and liquidation may not be included in the financial data.

Table A includes individual entities which may possess multiple licenses. An example would be entities which have a Service Contract Provider, Warranty Plan Administrator, and Vehicle Protection Plan license. Risk Retention Groups are required to register with this office pursuant to the Federal Liability Risk Retention Act of 1986. They are not issued a license to write direct business in Wisconsin.

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 2013. The “*Nationwide Operations*” columns report the net premiums and losses for all operations for 2013.

“*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, 2013**  
**Counts by Type and Domicile**

TYPE OF COMPANY	DOMESTIC COMPANIES	NONDOMESTIC COMPANIES	TOTAL
<b>REGULATED ENTITIES</b>			
STOCK LIFE AND HEALTH	24	390	414
MUTUAL LIFE AND HEALTH	3	22	25
FRATERNALS	5	39	44
HEALTH MAINTENANCE ORGANIZATIONS	21	0	21
OTHER HEALTH INSURERS	16	0	16
STOCK PROPERTY AND CASUALTY	78	777	855
MUTUAL PROPERTY AND CASUALTY	32	61	93
RECIPROCAL EXCHANGES	0	17	17
TOWN MUTUALS	59	0	59
SUBTOTAL	238	1,306	1,544
<b>OTHER ENTITIES SUBJECT TO LIMITED REGULATION *</b>			
CARE MANAGEMENT ORGANIZATIONS	8	0	8
CONTINUING CARE RETIREMENT COMMUNITIES	23	1	24
GIFT ANNUITIES	91	197	288
LIFE SETTLEMENT PROVIDER	0	9	9
MOTOR CLUBS	0	26	26
SERVICE CONTRACT PROVIDER	5	37	42
VEHICLE PROTECTION PLANS	0	24	24
WARRANTY PLANS	12	126	138
SUBTOTAL	139	420	559
<b>GRAND TOTAL</b>	<b>377</b>	<b>1,726</b>	<b>2,103</b>

**TABLE B**  
**2013 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	\$13,123,104,151	\$12,314,069,057	
MUTUAL LIFE AND HEALTH	1,555,236,910	1,356,299,551	
FRATERNALS	924,023,197	652,989,814	
<b>TOTALS</b>	<b>\$15,602,364,258</b>	<b>\$14,323,358,422</b>	
TYPE OF COMPANY	DIRECT PREMIUMS EARNED	DIRECT LOSSES PAID	LOSS RATIO
HEALTH MAINTENANCE ORGANIZATIONS	\$ 7,722,184,764	\$ 7,008,001,989	91
OTHER HEALTH INSURERS	1,235,018,101	1,072,999,080	87
STOCK PROPERTY AND CASUALTY	5,545,494,108	3,482,679,651	63
MUTUAL PROPERTY AND CASUALTY	3,399,143,491	1,913,864,640	56
RECIPROCAL EXCHANGES	290,517,348	167,863,841	58
TOWN MUTUALS	63,761,824	31,792,038	50
<b>TOTALS</b>	<b>\$18,256,119,636</b>	<b>\$13,677,201,239</b>	<b>75</b>

\* See Notes to Tables.

**TABLE C**  
**2013 Summary of Nationwide**  
**Financial Operations of Wisconsin Insurers**

❖ **LIFE AND HEALTH INSURERS** ❖

ASSETS	\$314,195,179,633
CAPITAL AND SURPLUS	29,374,050,039
NET PREMIUMS AND ANNUITY CONSIDERATIONS	49,652,534,892
NET BENEFITS INCURRED	44,580,933,116
NET INCOME	2,498,882,479
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	51,052,664,645

❖ **PROPERTY AND CASUALTY INSURERS** ❖

ASSETS	\$ 71,275,361,250
CAPITAL AND SURPLUS	27,139,529,394
NET EARNED PREMIUMS	21,343,229,656
NET LOSSES INCURRED	13,096,333,969
NET INCOME	1,541,328,959
DIRECT PREMIUMS WRITTEN	27,486,472,094

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

ASSETS	\$ 2,705,170,533
CAPITAL AND SURPLUS	1,413,247,205
NET EARNED PREMIUMS	8,973,896,947
NET LOSSES INCURRED	8,028,961,520
NET INCOME	106,623,840
DIRECT PREMIUMS WRITTEN	8,986,622,893

❖ **ALL INSURERS COMBINED** ❖

ASSETS	\$388,175,711,416
CAPITAL AND SURPLUS	57,926,826,638
NET PREMIUMS AND ANNUITY CONSIDERATIONS	49,652,534,892
NET BENEFITS INCURRED	44,580,933,116
NET EARNED PREMIUMS	30,317,126,603
NET LOSSES INCURRED	21,125,295,489
NET INCOME	4,146,835,278
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	\$ 87,525,759,632

**TABLE D**  
**2013 Summary of Wisconsin Operations**  
**of All Insurers by Line of Insurance**

LINE OF INSURANCE	DIRECT PREMIUMS AND DEPOSITS*		
LIFE INSURANCE			
ORDINARY	\$2,567,027,507		
CREDIT	11,567,803		
GROUP	598,250,134		
INDUSTRIAL	3,380,137		
TOTAL	\$3,180,225,581		
ANNUITIES	\$5,508,130,180		
DEPOSITS	531,045,677		
OTHER	1,066,401,100		
BENEFIT TYPE	DIRECT BENEFITS AND DIVIDENDS PAID*		
DIVIDENDS	\$ 558,418,549		
DEATH BENEFITS	1,648,004,790		
ANNUITY BENEFITS	1,682,181,588		
ALL OTHER BENEFITS	6,326,240,504		
LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ACCIDENT AND HEALTH			
GROUP	\$10,130,948,533	\$ 8,738,480,925	86
CREDIT	17,284,926	8,535,120	49
INDIVIDUAL	4,581,496,081	3,926,964,935	86
TOTAL	\$14,729,729,540	\$12,673,980,980	86
MULTIPLE PERIL			
FARMOWNERS	\$ 150,740,421	\$ 72,188,596	48
HOMEOWNERS	1,180,875,866	578,372,569	49
COMMERCIAL	608,507,091	361,231,032	59
TOTAL	\$ 1,940,123,378	\$ 1,011,792,197	52
AUTOMOBILE			
PRIVATE PASSENGER CARS	\$ 2,503,538,319	\$ 1,642,146,933	66
COMMERCIAL VEHICLES	465,327,106	256,013,174	55
TOTAL	\$ 2,968,865,425	\$ 1,898,160,107	64

\* See Notes to Tables.

**TABLE D (continued)**

<b>LINE OF INSURANCE</b>	<b>DIRECT PREMIUMS EARNED</b>	<b>DIRECT LOSSES INCURRED</b>	<b>LOSS RATIO</b>
ALL OTHER LINES			
FIRE	\$ 166,279,881	\$ 77,347,230	47
MEDICAL MALPRACTICE	72,743,869	4,077,592	6
WORKERS COMPENSATION	1,736,516,701	1,145,443,938	66
EXCESS WORKERS COMPENSATION	7,290,620	-368,538	-5
OTHER LIABILITY	725,283,354	271,023,660	37
FIDELITY	21,390,818	13,706,924	64
SURETY	50,524,307	8,548,176	17
CREDIT	20,527,262	21,635,771	105
TITLE	169,803,153	941,773	1
MORTGAGE GUARANTY	85,396,554	59,334,268	69
ALL OTHER	878,861,557	692,610,727	79
<b>TOTAL</b>	<b>\$ 3,934,618,076</b>	<b>\$ 2,294,301,521</b>	<b>58</b>