

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



## **Notes to Tables**

The financial information was obtained from the NAIC database downloaded on April 8, 2015, 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, 2014, and the results of their 2014 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.

Tables B, D, and G include non-health premiums written and benefits paid reported for Life insurers filing on the health blank. In Table D, the premiums written were included in Other and benefits paid were included in All Other Benefits due to lack of detail of the information filed. Life premiums totaling \$3,319,789 were not included in Table E due to the lack of detail in the information provided.

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 2014. The “*Nationwide Operations*” columns report the net premiums and losses for all operations for 2014.

“*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, 2014**  
**Counts by Type and Domicile**

TYPE OF COMPANY	DOMESTIC COMPANIES	NONDOMESTIC COMPANIES	TOTAL
<b>REGULATED ENTITIES</b>			
STOCK LIFE AND HEALTH	23	386	409
MUTUAL LIFE AND HEALTH	3	22	25
FRATERNALS	5	38	43
HEALTH MAINTENANCE ORGANIZATIONS	22	0	22
OTHER HEALTH INSURERS	18	0	18
STOCK PROPERTY AND CASUALTY	78	776	854
MUTUAL PROPERTY AND CASUALTY	32	59	91
RECIPROCAL EXCHANGES	0	17	17
TOWN MUTUALS	58	0	58
SUBTOTAL	239	1,298	1,537
<b>OTHER ENTITIES SUBJECT TO LIMITED REGULATION *</b>			
CARE MANAGEMENT ORGANIZATIONS	7	0	7
CONTINUING CARE RETIREMENT COMMUNITIES	23	1	24
LIFE SETTLEMENT PROVIDER	0	8	8
MOTOR CLUBS	0	26	26
SERVICE CONTRACT PROVIDER	39	62	101
VEHICLE PROTECTION PLANS	0	25	25
WARRANTY PLANS	12	123	135
SUBTOTAL	81	245	326
<b>GRAND TOTAL</b>	<b>320</b>	<b>1,543</b>	<b>1,863</b>

**TABLE B**  
**2014 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	\$13,045,612,344	\$12,630,743,820	
MUTUAL LIFE AND HEALTH	1,608,657,243	1,402,017,806	
FRATERNALS	956,331,924	687,076,244	
<b>TOTALS</b>	<b>\$15,610,601,511</b>	<b>\$14,719,837,870</b>	
TYPE OF COMPANY	DIRECT PREMIUMS EARNED	DIRECT LOSSES PAID	LOSS RATIO
HEALTH MAINTENANCE ORGANIZATIONS	\$ 7,999,984,812	\$ 7,099,636,973	89
OTHER HEALTH INSURERS	1,510,860,310	1,402,766,197	93
STOCK PROPERTY AND CASUALTY	5,704,352,690	3,417,531,642	60
MUTUAL PROPERTY AND CASUALTY	3,540,820,425	2,076,951,189	59
RECIPROCAL EXCHANGES	304,924,525	181,388,060	59
TOWN MUTUALS	64,821,625	33,538,731	52
<b>TOTALS</b>	<b>\$19,125,764,387</b>	<b>\$14,211,812,792</b>	<b>74</b>

\* See Notes to Tables.

**TABLE C**  
**2014 Summary of Nationwide**  
**Financial Operations of Wisconsin Insurers**

**LIFE AND HEALTH INSURERS**

ASSETS	\$333,608,149,132
CAPITAL AND SURPLUS	32,281,383,232
NET PREMIUMS AND ANNUITY CONSIDERATIONS	53,532,822,104
NET BENEFITS INCURRED	48,399,905,344
NET INCOME	2,280,386,439
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	55,048,703,324

**PROPERTY AND CASUALTY INSURERS**

ASSETS	\$ 71,759,716,497
CAPITAL AND SURPLUS	27,787,230,592
NET EARNED PREMIUMS	22,505,443,407
NET LOSSES INCURRED	12,838,176,174
NET INCOME	2,712,542,726
DIRECT PREMIUMS WRITTEN	27,452,252,193

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

ASSETS	\$ 2,916,560,232
CAPITAL AND SURPLUS	1,467,900,982
NET EARNED PREMIUMS	9,534,014,099
NET LOSSES INCURRED	8,323,945,966
NET INCOME	27,349,003
DIRECT PREMIUMS WRITTEN	9,547,749,211

**ALL INSURERS COMBINED**

ASSETS	\$408,284,425,861
CAPITAL AND SURPLUS	61,536,514,806
NET PREMIUMS AND ANNUITY CONSIDERATIONS	53,532,822,104
NET BENEFITS INCURRED	48,399,905,344
NET EARNED PREMIUMS	32,039,457,506
NET LOSSES INCURRED	21,162,122,140
NET INCOME	5,020,278,168
DIRECT PREMIUMS, ANNUITY CONSIDERATIONS, AND DEPOSITS	92,048,704,728

**TABLE D**  
**2014 Summary of Wisconsin Operations**  
**of All Insurers by Line of Insurance**

LINE OF INSURANCE	DIRECT PREMIUMS AND DEPOSITS*		
LIFE INSURANCE			
ORDINARY	\$2,517,729,346		
CREDIT	10,360,880		
GROUP	600,865,126		
INDUSTRIAL	3,297,705		
TOTAL	\$3,132,253,057		
ANNUITIES	\$5,512,608,440		
DEPOSITS	524,649,437		
OTHER	1,065,227,871		
BENEFIT TYPE	DIRECT BENEFITS AND DIVIDENDS PAID*		
DIVIDENDS	\$ 568,340,325		
DEATH BENEFITS	1,655,113,345		
ANNUITY BENEFITS	1,590,241,599		
ALL OTHER BENEFITS	6,667,492,955		
LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ACCIDENT AND HEALTH			
GROUP	\$ 9,669,407,609	\$ 8,294,226,101	86
CREDIT	16,374,487	7,664,217	47
INDIVIDUAL	5,685,958,628	4,899,546,096	86
TOTAL	\$15,371,740,724	\$13,201,436,414	86
MULTIPLE PERIL			
FARMOWNERS	\$ 160,532,197	\$ 84,031,644	52
HOMEOWNERS	1,256,425,895	684,639,895	54
COMMERCIAL	634,299,941	343,026,760	54
TOTAL	\$ 2,051,258,033	\$ 1,111,698,299	54
AUTOMOBILE			
PRIVATE PASSENGER CARS	\$ 2,625,285,299	\$ 1,754,006,773	67
COMMERCIAL VEHICLES	500,223,577	275,887,633	55
TOTAL	\$ 3,125,508,876	\$ 2,029,894,406	65

\* See Notes to Tables.

**TABLE D (continued)**

LINE OF INSURANCE	DIRECT PREMIUMS EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
ALL OTHER LINES			
FIRE	\$ 169,669,595	\$ 144,099,393	85
MEDICAL MALPRACTICE	72,315,990	2,509,479	3
WORKERS COMPENSATION	1,758,924,911	1,150,232,635	65
EXCESS WORKERS COMPENSATION	9,047,315	8,402,824	93
OTHER LIABILITY	759,274,272	287,937,694	38
FIDELITY	22,785,666	12,714,793	56
SURETY	56,961,958	1,376,130	2
CREDIT	17,606,471	11,854,845	67
TITLE	147,168,797	2,016,638	1
MORTGAGE GUARANTY	91,059,237	33,937,652	37
ALL OTHER	880,339,031	544,091,004	62
<b>TOTAL</b>	<b>\$3,985,153,243</b>	<b>\$2,199,173,087</b>	<b>55</b>