

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.

2008 Major Accomplishments

- Accredited by the National Association of Insurance Commissioners for the maximum five-year term.
- Examined 63 domestic insurers.
- Analyzed the financial statements of over 2,000 insurers.
- Placed 1 domestic insurer into rehabilitation.
- Closed liquidation proceedings on 2 domestic insurers.
- Reviewed and approved the conversion of 1 domestic insurer from a mutual to a stock corporation.
- Licensed 14 nondomestic insurers, 20 gift annuities, and 5 warranty plans.

- Permitted 8 licensed entities to withdraw from Wisconsin.
- Reviewed 1 change of control involving a domestic insurer, pursuant to holding company regulations.
- Reviewed and approved 2 mergers involving domestic insurers.
- 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 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, 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, Risk Assessment, and Valuation of Securities Task Force.

Companies Examined in 2008

All-Star Mutual Ins. Co.	MGIC Reinsurance Corp. of WI
Artisan and Truckers Casualty Co.	MGIC Residential Reinsurance Corp.
Baraboo Mutual Ins. Co.	Millers Classified Ins. Co.
Care Wisconsin Health Plan, Inc.	Mortgage Guaranty Ins. Corp.
Childrens Community Health Plan, Inc.	Mt. Morris Mutual Ins. Co.
Clarno Mutual Ins. Co.	New Hope Mutual Ins. Co.
CMG Mortgage Assurance Co.	Newark Mutual Ins. Co.
CMG Mortgage Ins. Co.	North American Ins. Co.
CMG Mortgage Reinsurance Corp.	Northwestern Long Term Care Ins. Co.
Commercial Loan Ins. Corp.	Northwestern Mutual Life Ins. Co.
Dean Health Ins., Inc.	Northwestern Natl. Ins. Co. of Milwaukee, WI
Dean Health Plan, Inc.	Old Republic Surety Co.
Dental Com Ins. Plan	Paris Mutual Fire Ins. Co.
Doral Dental Plan of WI, Inc.	Partnership Health Plan, Inc.
Esurance Ins. Co.	Progressive Classic Ins. Co.
Esurance Ins. Co. of New Jersey	Progressive Northern Ins. Co.
Fidelity & Guaranty Ins. Underwriters, Inc.	Progressive Universal Ins. Co.
Flyway Mutual Ins. Co.	Sheboygan Falls Mutual Ins. Co.
Green County Mutual Ins. Co.	Southern Life & Health Ins. Co.
Group Health Coop. of Eau Claire	Spring Grove Mutual Ins. Co.
Group Health Coop. of South Central WI	St. Paul Fire & Casualty Ins. Co.
LaPrairie Mutual Ins. Co.	SU Ins. Co.
League of Wis. Municipalities Mutual Ins.	Trade Lake Mutual Ins. Co.
Luck Mutual Ins. Co.	Unimerica Ins. Co.
Madison National Life Ins. Co., Inc.	United National Specialty Ins. Co.
Maple Valley Mutual Ins. Co.	Unitedhealthcare of Wisconsin, Inc.
Medical Associates Clinic Health Plan of WI	Watertown Mutual Ins. Co.
MGIC Assurance Corp.	West Central Mutual Ins. Co.
MGIC Credit Assurance Corp.	Wisconsin Auto and Truck Dealers Ins. Corp.
MGIC Indemnity Corp.	Wisconsin Lawyers Mutual Ins. Co.
MGIC Mortgage Reinsurance Corp.	WMAC Credit Ins. Corp.
MGIC Reinsurance Corp.	

Wisconsin Insurance Corporations Organized and Licensed

January 1, 2008 - December 31, 2008

SeniorDent Dental Plan, Inc. Chicago, IL

Insurance Corporations Domiciled in Other States Admitted

January 1, 2008 - December 31, 2008

American Public Life Ins. Co	Oklahoma City, OK
Berkshire Hathaway Assurance Corp.	Omaha, NE
Envision Ins. Co.	Twinsburg, OH
Gramercy Ins. Co.	Dallas, TX
Hallmark Ins. Co.	Fort Worth, TX
Healthsprings Life & Health Ins. Co., Inc.	Houston, TX
Midwest Ins. Co.	Springfield, IL
North Star Mutual Ins. Co.	Cottonwood, MN
Northeast Investors Title Ins. Co.	Chapel Hill, NC
Savings Bank Life Ins. Co. of Massachusetts, The	Woburn, MA
Traders Ins. Co.	Kansas City, MO
Universal Underwriters of Texas Ins. Co.	Overland Park, KS
Western Ins. Co.	Reno, NV
Work First Casualty Co.	Wilmington, DE

Organizations Licensed to Issue Gift Annuities

January 1, 2008 - December 31, 2008

B'nai B'rith Foundation of the United States	Washington, DC
Boys & Girls Clubs of America	Atlanta, GA
Camp Manito-wish YMCA, Inc.	Boulder Junction, WI
Carleton College	Northfield, MN
Center for Science in the Public Interest	Washington, DC
Concordia College	Moorhead, WI
Doctors Without Borders U.S.A., Inc.	New York, NY
First Church of Christ, Scientist, in Boston, MA	Boston, MA
Foundation Fighting Blindness, Inc.	Owings Mills, MD
Greenpeace Fund, Inc.	Washington, DC
Jane Goodall Institute for Wildlife Research, Education and Conservation, The	Arlington, VA
Marian University	Oconomowoc, WI
Marine Corps Heritage Foundation	Quantico, VA
Muscular Dystrophy Association, Inc.	Tucson, AZ
National Geographic Society	Washington, DC
National Parks Conservation Association	Washington, DC
Swarthmore College	Chicago, IL
Trustees of the University of Pennsylvania	Philadelphia, PA
United Negro College Fund, Inc.	Fairfax, VA

Organizations Licensed to Issue Warranty Plans

January 1, 2008 - December 31, 2008

Dent Wizard International Corporation	Bridgeton, MO
National Automotive Protection Plan, Inc.	Pompano Beach, FL
Safe-Guard Products International, LLC	Atlanta, GA

Organizations Licensed as a Continuing Care Retirement Center

January 1, 2008 - December 31, 2008

Lutheran Home of Oconomowoc, Inc.	Oconomowoc, WI
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**Insurance Corporation Mergers, Consolidations, Dissolutions,
Withdrawals, Rehabilitations, Liquidations, or Redomestications**

January 1, 2008 - December 31, 2008

Conversions from Mutual to Stock

Sheboygan Falls Ins. Co.	12/01/2008
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Withdrawals

Alfa Mutual Ins. Co.	10/27/2008
Balboa Warranty Services Corp.	03/10/2008
Ducks Unlimited, Inc.	05/08/2008
Fidelity Mutual Life Ins. Co.	04/14/2008
Hillsboro Development Co., LLC	02/20/2008
Maximus, Inc.	11/05/2008
MRP Service Agreement Corp.	02/15/2008
Philips Consumer Electronics Co.	01/02/2008
Revios Reinsurance Canada, Ltd.	01/25/2008
Southern-Owners Ins. Co.	08/29/2008

Rehabilitations

Commonwealth Land Title Ins. Co.	12/01/2008
Lawyers Title Ins. Corp.	11/26/2008

Liquidations

Health Plan for Community Living	04/29/2008
Lincoln Memorial Life Ins. Co.	09/22/2008

Mergers

Company Name	Merged Into	Date
Aviva Life Ins. Co.	Aviva Life and Annuity Co.	10/01/2008
Courtland-Springvale Town Ins. Co.	Marcellon-Courtland-Springvale Mutual Ins. Co.	01/01/2008
Forethought Life Assurance Co.	Forethought Life Ins. Co.	10/06/2008
Indianapolis Life Ins. Co.	Aviva Life and Annuity Co.	10/01/2008
Key Life Ins. Co.	Settlers Life Ins. Co.	10/01/2008
Life Investors Ins. Co. of America	Transamerica Life Ins. Co.	10/02/2008
Lodi Mutual Ins. Co.	Merrimac Mutual Ins. Co.	10/01/2008
Transamerica Occidental Life Ins. Co.	Transamerica Life Ins. Co.	10/01/2008
Transnation Title Ins. Co.	Lawyers Title Ins. Corp.	08/31/2008
Voyager Property & Casualty Ins. Co.	American Bankers Ins. Co. of FL	11/01/2008
Voyager Service Programs, Inc.	Federal Warranty Service Corp.	03/31/2008
Westport Ins. Corp.	Employers Reinsurance Corp.	01/01/2008

Redomestications

Company Name	From	To	Effective Date
American Ins. Co., The	NE	OH	12/17/2007
American Merchants Casualty Co.	OH	DE	03/28/2008
Berkley Life and Health Ins. Co.	CA	IA	03/07/2008
General Casualty Ins. Co.	IL	WI	12/31/2007
Globe Life and Accident Ins. Co.	DE	NE	12/12/2007
HealthMarkets Ins. Co.	PA	OK	05/12/2008
Heritage Union Life Ins. Co.	CT	AZ	07/16/2008
Maxum Casualty Ins. Co.	GA	DE	12/04/2007
Selective Ins. Co. of South Carolina	SC	IN	06/30/2008
Selective Ins. Co. of the Southeast	NC	IN	06/30/2008
United American Ins. Co.	DE	NE	12/12/2007
United General Title Ins. Co.	CO	CA	12/19/2007
Universal Surety of America	TX	SD	01/01/2008
Washington International Ins. Co.	AZ	NH	09/30/2008

Insurance Corporations Which Changed Their Names

January 1, 2008 - December 31, 2008

Previous Name	New Name
All Nation Ins. Co.	First Mercury Casualty Co.
Alliance Assurance Co. of America	WRM America Indemnity Co., Inc.
American Skandia Life Assurance Corp.	Prudential Annuities Life Assur. Corp.
AMT Service Corp.	AMT Warranty Corp.
Annuity & Life Reassurance America, Inc.	Heritage Union Life Ins. Co.
AXA Corporate Solutions Reinsurance Co.	Coliseum Reinsurance Co.
AXA Life and Annuity Co.	AXA Equitable Life and Annuity Co.
Buyers Home Warranty Co.	LandAmerica Home Warranty Co.
Commercial Guaranty Casualty Ins. Co.	Max America Ins. Co.
Connie Lee Ins. Co.	Everspan Financial Guarantee Corp.
Conseco Senior Health Ins. Co.	Senior Health Ins. Co. of Pennsylvania
Converium Insurance (North America), Inc.	Allied World Reinsurance Co.
Corporate Health Ins. Co.	Aetna Health Ins. Co.
Employers Reinsurance Corp.	Westport Ins. Corp.
Excess Reinsurance Co.	KnightBrook Ins. Co.
Fidelity Life Ins. Co.	HealthMarkets Ins. Co.
Folksamerica Reinsurance Co.	White Mountains Reins. Co. of America
GE Capital Administrative Services, Inc.	Wachovia Administrative Services, Inc.
General Fire & Casualty Co.	American Farmers & Ranchers Ins. Co.
International Bible Society Foundation	IBS-STL Ministries Foundation
Investors Guaranty Life Ins. Co.	Berkley Life and Health Ins. Co.
Manulife Ins. Co.	John Hancock Life & Health Ins. Co.
Masonic Village on the Square, Inc.	Village on the Square, Inc.
Meriter Retirement Services, Inc.	Capitol Lakes, Inc.
Merrimac Mutual Ins. Co.	Merrimac-Lodi Mutual Ins. Co.
Michigan Construction Industry Mutual Ins. Co.	Michigan Commercial Ins. Mutual
Milwaukee Safeguard Ins. Co.	Unitrin Safeguard Ins. Co.
Physicians Ins. Co. of Wisconsin, Inc.	ProAssurance Wisconsin Ins. Co.
Principal Health Ins. Co.	Principal National Life Ins. Co.
Republic Ins. Co.	Starr Indemnity & Liability Co.
SCOR Life Ins. Co.	Longevity Ins. Co.
SCOR Life U. S. Re Ins. Co.	SCOR Global Life U.S. Re Ins. Co.
Sheboygan Falls Mutual Ins. Co.	Sheboygan Falls Ins. Co.
United Family Life Ins. Co.	IA American Life Ins. Co.
Western Diversified Casualty Ins. Co.	Arch Indemnity Ins. Co.
XL Capital Assurance, Inc.	Syncora Guarantee, Inc.

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 was 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.

During 2008 the segregated account paid \$27,340.45 on a claim, consisting of a Class 4 unearned premium claim in the amount of \$18,152.45 and a Class 7 claim for interest in the amount of \$9,188.00. On October 17, 2008, the segregated account distributed the last of its assets to TPB Holdings, Inc., as a Class 11 proprietary claim in the amount of \$37,144.43.

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.

On Friday, October 31, 2008, the Dane County Circuit Court issued a Final Order and Discharge in the matter of Family Health Plan Cooperative. Per the Omnibus Agreement, Aurora and Crossroads Acquisition Corporation (f/k/a United Wisconsin Services Inc.) paid approved claims in full plus five percent interest from the time of filing.

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 have until August 31, 2009, to file a claim.

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 was 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, 2008, Master Plumbers' reported assets of \$1,109,642, liabilities of \$918,406, and surplus of \$191,236.

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 was 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 81% of the reinsureds representing approximately 82% of the total liabilities of the general account have entered into commutation agreements with NNIC or have otherwise disclaimed the need for any payment.

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.

As of December 31, 2008, the general account of NNIC reported assets of \$60,070,880, liabilities of \$55,570,345, and surplus of \$4,500,535. As of December 31, 2008, the segregated account of NNIC reported assets of \$58,468,640, liabilities of \$53,968,105, and surplus of \$4,500,535.

Bureau of Market Regulation (Bureau)

In 2008, 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 8,818 written consumer complaints and inquiries and answered 35,000 telephone inquiries during 2008. The Bureau also processed 3,438 rate and rule filings and received 7,597 policy form filings during 2008.

There were two major changes that affected policy form filings in 2008. On March 26, 2008, Wisconsin became the 33rd state to join the Interstate Insurance Product Regulation Commission (IIPRC). Once the product standards are approved, insurers can file life, annuity, disability income and long-term care insurance products with the IIPRC for use in Wisconsin. The second change occurred on July 1, 2008, when Wisconsin changed from prior approval of policy forms to file and use for most policy forms.

The Bureau also worked to implement the Long-Term Care Partnership Program in Wisconsin. The Wisconsin Legislature adopted legislation that required the state of Wisconsin Department of Health Services (DHS) to file with the U.S. Department of Health and Human Services (DHSS) amendments to the state Medicaid program. Once approved, the Bureau and DHS worked on the details of implementing the program including working together to approve LTC training programs for agents.

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 2007 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 2007 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 193 companies participated in the project and OCI received 169 private passenger automobile statements and 124 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 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.

2008 Major Accomplishments

- Worked with the Department of Health Services to implement the Long-Term Care Partnership Program, including revising administrative rules, developing consumer information, and preparing agent training programs outlines.
- Worked on changes needed due to the implementation of the Interstate Insurance Product Regulation Commission, 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.

- Developed procedures and implemented a file and use process for most policy form filings, including developing checklists, bulletins and audit procedures.
- Worked closely with CMS and local advocates during the Medicare Part D and Medicare Advantage open enrollment to identify marketing abuses and misleading sales tactics.
- 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 Market Conduct Examinations Standards Working Group to develop standards for market analysis and market conduct examinations and coordinating with other states where appropriate.
- 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, annuity, Medicare Advantage and Medicare supplement insurance to senior citizens and investigated and prepared 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 90% of the filings were submitted through the electronic filing system (SERFF) by the end of 2008.
- Participated in developing administrative rules involving long-term care insurance, Medicare supplement insurance, life insurance and annuity replacement, 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 and the Wisconsin Automobile Insurance Plan meetings and 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 Conduct Annual Statement Subgroup, Market Analysis Working Group, Market Conduct Examinations Standards 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 2007 and 2008. Table I shows the number of policy submissions received in 2007 and 2008 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 2007 and 2008

Product Category	Total for 2007	Total for 2008
Health and Life		
Continuing Care Retirement Community	2	0
Credit Accident & Health	12	4
Credit Life	14	11
Group Accident & Health	435	384
Group Annuity	105	130
Group Life	101	112
Health & Life Other	113	118
Health Maintenance Organization	190	215
Individual Accident & Health	523	528
Individual Annuity	464	476
Individual Life	<u>1,142</u>	<u>1,471</u>
Total Health and Life	<u>3,101</u>	<u>3,449</u>
Property and Casualty		
Aviation	15	43
Bonds	50	42
Commercial Property & Multiperil	513	544
Commercial Motor Vehicle	273	299
Credit Property	18	26
Homeowner's	142	226
Inland Marine	252	318
Liability	1,031	1,286
Mortgage Guaranty	6	7
Other Lines	469	618
Personal Farmowner's	91	76
Personal Motor Vehicle	210	299
Property	228	193
Title	47	15
Worker's Compensation	<u>203</u>	<u>156</u>
Total Property and Casualty	<u>3,548</u>	<u>4,148</u>
Grand Total	<u>6,649</u>	<u>7,597</u>

Table II
Rate Filings Received
By Product Category for 2008

Accident and Health Section	
Credit Accident & Health	24
Credit Life	30
Group Accident & Health	8
Health Maintenance Organization	20
Individual Accident & Health	<u>261</u>
Total Accident and Health Section	<u>343</u>
Property and Casualty Section	
Aviation	8
Bonds	47
Commercial Property & Multiperil	518
Commercial Motor Vehicle	339
Credit Property	30
Homeowner's	291
Inland Marine	84
Liability	727
Mortgage Guaranty	14
Other Lines	221
Personal Farmowner's	91
Property	340
Personal Motor Vehicle	355
Title	12
Worker's Compensation	<u>18</u>
Total Property and Casualty Section	<u>3,095</u>
Grand Total	<u>3,438</u>

Trends in Complaints

OCI continued to receive complaints and inquiries about Medicare supplement insurance, Medicare Part D and Medicare Advantage plans. There was an increase in the number of complaints about long-term care insurance rate increases. OCI continued to receive complaints from consumers concerned about the high cost of health insurance, especially for consumers who were unemployed or who had recently lost their jobs. Consumers complained about the difficulty of finding affordable health insurance that provided the level of coverage they desired. 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. OCI noted a pattern of complaints from consumers and providers about difficulties in contacting and getting responses from health insurers.

OCI noted significant complaints about the suitability of the sale of life insurance and annuities to senior citizens. OCI responded to numerous consumer inquiries about the safety of their life and annuity contracts. 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. Consumers expressed concern about the use of credit information and external sources of information in the underwriting and pricing of homeowner's and automobile 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 2008. Most such inquiries were by telephone, with the remainder being written communications, including e-mail, and "walk-ins."

Table II shows 2007 and 2008 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. Seventy percent of the complaints involved claim problems. Policyholder service was 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
2008	8,818	8,774

	2002	2003	2004	2005	2006	2007	2008
Health	5,220	4,508	3,861	3,766	3,951	4,027	4,684
P&C	3,585	3,082	2,693	2,447	2,257	2,373	2,457
Life	644	617	613	525	511	433	451
Annuities	157	178	186	228	256	248	262

Table II
Complaints Filed By Type of Insurance*

	2007	2008
Accident and Health		
Group Accident and Health	767	942
Individual Accident and Health	308	270
Medicare Supplement	530	496
Long-Term Care	76	89
HMO	397	368
PPO	824	1,173
LSHO	2	3
Credit	35	56
Self-Funded Health Plans	<u>1,088</u>	<u>1,287</u>
Total Accident and Health	<u>4,027</u>	<u>4,684</u>
Property and Casualty		
Automobile	797	707
Homeowner's, Tenant's, Farmowner's	541	624
Fire, Allied Lines, Other Property	114	124
General Liability	73	87
Worker's Compensation	191	195
All Other Lines	<u>657</u>	<u>720</u>
Total Property and Casualty	<u>2,373</u>	<u>2,457</u>
Life, Including Credit and Annuities	<u>760</u>	<u>713</u>
Grand Total	<u>7,160</u>	<u>7,854</u>

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

Table III
Reasons for Complaints*

Basis for Complaint	Through		Through	
	4th Quarter	Percent	4th Quarter	Percent
	2007	of Total	2008	of Total
Claim Handling	4,784	66%	5,595	69.9%
Policyholder Service	962	13	855	10.7
Marketing and Sales	806	11	836	10.4
Underwriting	580	8	518	6.5
Other	163	2	203	2.5

*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 2008, the office assisted complainants in recovering \$5,069,863 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	\$ 454,779	\$ 3,222	\$ 46,588	\$ 539	\$ 0	\$ 505,128
Ind. Accident and Health	186,620	6,380	230,811	452	0	424,263
Ind. Medicare Supplement	73,278	13,773	3,594	0	0	90,645
Long-Term Care	88,365	16,932	496	0	0	105,793
HMO/PPO/LSHO	754,606	7,361	3,731	1,494	0	767,192
Credit Health	19,352	291	15,120	0	0	34,763
Automobile	139,987	1,544	612	1,371	0	143,514
Life, Including						
Credit and Annuities	585,123	190,858	763,003	25,921	2,000	1,566,905
Homeowner's, Tenant's, Farmowner's	374,137	6,622	110,551	592	3,412	495,314
Fire, Allied Lines,						
Other Property	28,266	0	721	0	0	28,987
General Liability	32,913	0	0	0	0	32,913
Worker's Compensation	41,170	1,447	2,630	40,292	8,000	93,539
All Other Lines	<u>756,384</u>	<u>12,657</u>	<u>9,857</u>	<u>0</u>	<u>2,009</u>	<u>780,907</u>
Total	<u>\$3,534,980</u>	<u>\$261,087</u>	<u>\$1,187,714</u>	<u>\$70,661</u>	<u>\$15,421</u>	<u>\$5,069,863</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
2008 Complaint Appeals Filed by Section

	Property & Casualty	Life & Health	Total
Number of Complaint Files Appealed in 2008*	87	75	162

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

Table VI
Complainant Survey
2008

Survey Cards Sent	868
Survey Cards Returned	408
Response Rate	47%

Results

1. How did you hear about the Office of the Commissioner of Insurance?					
Word of Mouth	125				
Insurance Agent	55				
Insurance Company	38				
Phone Book	10				
Lawyer	29				
Health Care Provider	42				
Other	134				
No Answer	65				
		Yes	%	No	%
2. Did we respond to your complaint promptly?		369	90.7%	38	9.3%
3. Do you feel your complaint was handled fairly by our office?		315	77.8%	90	22.2%
4. Do you feel you were given an adequate explanation on your complaint?		303	75.4%	99	24.6%
5. If you called our office, do you feel we treated you courteously?		230	95.8%	10	4.2%
6. If you have another insurance problem, would you contact our office again?		334	89.3%	40	10.7%

Companies Examined in 2008

Allstate Insurance Co.
 American Investors Life
 AVIVA Life and Annuity Co.
 General Casualty
 Jackson National Life Insurance Co.
 Physicians Mutual and Physicians Life
 Progressive Classic and Progressive Northern
 Time Insurance Co.
 United HealthCare of WI, Inc.

Agent Licensing Section

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

During 2008 there were 15,449 tests administered in all lines of insurance to 6,990 candidates seeking a resident agent license. In all, a total of 21,882 new licenses were issued to resident and nonresident agent candidates.

As of December 31, 2008, there were 112,434 licensed insurance agents and 735,907 active appointments by insurance companies authorizing the licensed agents to market and sell their products.

2008 Projects

- 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 in uniformity through increased coordination, automation, standardization, and reciprocity.
- In order to simplify multi-state licensing of insurance producers, Wisconsin adopted rules relating to uniform licensing standards put forth by the NAIC. The rule also created a new limited line for travel insurance.

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 2008. 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 2005 and 2006, 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 2005	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 13,545,812	\$ 7,589,149	\$ 6,165,769	\$15,109,641	\$ 714,816	\$10,549,429	\$ 30,613	\$ 713,829	345,321	\$ 302,550	\$ 151,736
2. Expenses incurred other than loss adjusting expenses	20,226,882	11,332,272	9,206,851	22,562,024	1,067,378	15,752,622	45,712	1,065,903	515,640	451,774	226,575
3. Number of policies written	100,148	37,080	465	38,573	1,898	110,236	74	5,587	1,676	1,339	1,001
4. Direct dollar premium earned	76,530,010	42,876,549	34,834,850	85,365,205	4,038,508	59,601,294	172,956	4,032,930	1,950,965	1,709,322	857,265
5. Average premium per policy	764,169	1,156,325	74,913,657	2,213,082	2,127,770	540,670	2,337,237	721,842	1,164,060	1,276,566	856,408
6. Number of outstanding claims	482	98	18	37	42	56	6	36	10	3	0
7. Direct case reserves for outstanding claims	14,475,803	5,654,599	39,454	15,620,309	271,641	6,934,076	97	394,659	86,162	0	0
8. Liability for claims incurred but not reported	18,029,136	12,648,993	24,069,768	44,645,993	681,861	12,874,253	37,362	871,135	421,395	504,326	209,190
9. Loss adjustment expense liability for open claims	1,073,099	659,956	73,300	21,810	84,935	709,007	2	51,979	55,829	1	10
10. Losses paid	15,200,834	3,556,021	712,006	9,210,963	589,221	6,365,704	34,870	184,899	421,970	0	9,250
11. Pure loss ratio	62.3%	51.0%	71.3%	81.4%	38.2%	43.9%	41.8%	36.0%	47.6%	29.5%	25.5%
12. Allocated loss adjustment expense paid	2,957,000	1,296,673	90,730	108,884	145,036	2,735,327	1,351	239,837	261,883	0	1,009
13. Number of claims paid	4,253	600	7	19	26	312	69	167	95	0	1
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	51,735,872	23,816,242	24,984,523	69,607,959	1,772,693	29,618,367	73,681	1,742,509	1,247,239	504,327	219,459
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	54,064,696	24,888,038	26,108,704	72,740,386	1,852,724	30,951,078	77,022	1,820,985	1,303,371	527,018	229,334
16. Number of claims closed without payment	6,920	763	74	30	62	478	2	104	199	16	0
17. Number of legal actions filed	373	90	11	14	32	45	3	4	22	2	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 2006	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$ 12,506,053	\$ 7,176,826	\$ 5,201,089	\$14,946,193	\$ 472,023	\$10,282,146	\$ 31,657	\$ 661,173	\$ 335,558	\$ 220,283	\$ 173,081
2. Expenses incurred other than loss adjusting expenses	18,674,293	10,716,583	7,766,372	22,317,959	704,834	15,353,509	47,272	987,277	501,062	328,931	258,447
3. Number of policies written	118,171	42,060	453	37,749	2,019	14,681	130	5,647	1,713	1,334	1,108
4. Direct dollar premium earned	70,655,666	40,547,042	29,384,683	84,441,768	2,666,794	58,091,218	178,856	3,735,442	1,895,809	1,244,536	977,856
5. Average premium per policy	597,910	964,029	64,866,849	2,236,927	1,320,849	3,956,898	1,375,814	661,491	1,106,719	932,935	882,542
6. Number of outstanding claims	859	173	26	17	84	179	8	47	12	4	1
7. Direct case reserves for outstanding claims	17,589,216	6,236,545	228,304	5,509,194	545,806	5,459,326	802	719,850	213,905	0	5,000
8. Liability for claims incurred but not reported	36,876,663	19,057,003	20,421,486	53,619,893	1,067,942	29,161,385	89,783	1,875,185	951,662	584,994	523,143
9. Loss adjustment expense liability for open claims	1,819,375	229,767	163,049	2,384	114,142	1,556,619	1	130,297	77,343	1	2,661
10. Losses paid	8,994,328	2,524,088	74,017	1,040,274	47,965	6,220,733	2,814	158,982	145,341	0	17,773
11. Pure loss ratio	89.8%	68.6%	70.5%	71.3%	62.3%	70.3%	52.2%	73.7%	69.1%	47.0%	55.8%
12. Allocated loss adjustment expense paid	2,094,288	558,445	208,846	445,003	47,932	1,694,429	4,038	17,727	102,494	1,595	555
13. Number of claims paid	4,081	601	4	9	9	314	84	173	80	0	9
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	67,373,860	28,605,847	21,094,884	60,616,748	1,823,787	44,092,542	97,437	2,902,040	1,490,745	586,590	549,132
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	70,406,734	29,893,262	22,044,062	63,344,602	1,906,222	46,076,376	101,893	3,032,732	1,557,844	612,976	573,846
16. Number of claims closed without payment	2,593	812	53	20	28	373	5	65	199	12	9
17. Number of legal actions filed	272	65	7	14	40	49	0	0	24	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											
2006	89.8%	68.6%	70.5%	71.3%	62.3%	70.3%	52.2%	73.7%	69.1%	47.0%	55.8%
2005	62.3	51.0	71.3	81.4	38.2	43.9	41.8	36.0	47.6	29.5	25.5%
2004	51.4	50.2	70.5	71.5	46.0	31.6	19.3	77.7	28.0	21.8	12.7%
2003	43.0	48.5	151.3	101.1	27.1	50.1	21.6	31.1	21.3	18.0	11.4%
2002	45.2	43.7	64.9	68.7	11.4	35.3	49.4	125.6	14.3	21.8	6.5%
Five-year average	58.4	52.4	85.7	78.8	37.0	46.2	36.9	68.8	36.1	27.6	22.4
Average Incurred Loss Per Claim											
2006	5,381,284	11,318,648	10,077,355	251,902,604	6,384,636	23,691,802	39,294	3,994,690	3,904,850	10	2,277,300
2005	6,267,505	13,195,730	30,058,425	443,415,568	12,659,731	36,140,707	466,224	2,854,963	4,839,353	41	9,250,000
2004	7,387,163	16,289,140	8,402,651	236,786,018	18,755,216	33,813,730	158,762	8,795,051	3,546,568	0	620,000
2003	5,974,030	19,589,933	534,622,404	678,968,311	13,339,730	59,320,813	513,179	3,361,678	3,520,219	7,965,000	6,665,408
2002	5,958,976	9,954,833	56,814,720	173,841,479	8,400,614	30,653,133	933,839	11,275,444	2,818,794	12,361,455	1,090,419
Five-year average	6,193,792	14,069,657	127,995,111	356,982,796	11,907,985	36,724,037	422,260	6,056,365	3,725,957	4,065,301	3,980,625
Average Case Reserve Per Claim											
2006	20,476,387	36,049,395	8,780,927	324,070,244	6,497,696	30,499,026	100,188	15,315,960	17,825,417	0	5,000,000
2005	30,032,786	57,699,985	2,191,900	422,170,521	6,467,638	123,822,780	16,205	10,962,742	8,616,200	0	0
2004	32,220,627	50,707,518	15,951,056	208,422,902	49,581,889	41,944,476	34,167	26,221,821	101,000	0	0
2003	51,476,665	97,796,189	44,568,000	63,264,777	14,101,800	217,918,200	0	5,860,667	0	0	0
2002	31,849,760	60,905,686	688,953,833	296,824,529	10,027,500	16,267,645	0	44,820,500	0	0	0
Five-year average	33,211,245	60,631,755	152,089,143	262,950,595	17,335,305	86,090,425	30,112	20,636,338	5,308,523	0	2,100
Allocated LAE: Premium Earned											
2006	5.5%	1.9%	1.3%	0.5%	6.1%	5.6%	2.3%	4.0%	9.5%	0.1%	0.3%
2005	5.3	4.6	0.5	0.2	5.7	5.8	0.8	7.2	16.3	0.0	0.1
2004	7.5	6.2	0.3	0.6	9.3	8.7	0.1	33.4	16.1	0.0	0.0
2003	8.8	8.2	1.0	0.1	18.3	7.7	0.6	4.4	9.6	0.0	0.0
2002	10.8	13.1	0.1	0.6	4.1	10.5	13.4	12.4	3.2	0.3	1.1
Five-year average	7.6	6.8	0.6	0.4	8.7	7.7	3.4	12.3	10.9	0.1	0.3
IBNR: Premium Earned											
2006	52.2%	47.0%	69.5%	63.5%	40.0%	50.2%	50.2%	50.2%	50.2%	47.0%	53.5%
2005	23.6	29.5	69.1	52.3	16.9	21.6	21.6	21.6	21.6	29.5	24.4
2004	12.3	21.8	69.6	57.2	12.9	12.2	12.2	12.2	12.2	21.8	12.6
2003	6.7	16.5	54.6	55.5	9.6	6.5	6.5	6.5	6.5	16.5	7.3
2002	5.2	13.9	51.9	52.3	1.6	5.4	5.4	5.4	5.4	13.9	4.9
Five-year average	20.0	25.7	62.9	56.2	16.2	19.2	19.2	19.2	19.2	25.7	20.5
Percentage Change In Premium Earned											
2005 to 2006	-7.7%	-5.4%	-15.6%	-1.1%	-34.0%	-2.5%	3.4%	-7.4%	-2.8%	-27.2%	14.1%
2004 to 2005	-6.8	-9.2	-7.2	1.0	22.8	5.1	-22.0	22.1	-0.3	9.3	-1.7
2003 to 2004	7.3	10.9	6.0	5.2	-10.3	0.2	-24.1	24.6	-14.9	-1.5	8.5
2002 to 2003	12.8	21.7	8.3	14.6	43.1	23.6	56.3	21.9	8.3	-7.8	15.6

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 2009. 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***

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Investment and other income**	\$19,526	\$21,042	\$17,611	\$14,814	\$10,096	\$13,792	\$13,974	\$10,706	\$ 8,183	\$ 17,368	5,158
2. Incurred loss adjustment expense**	885	11,781	14,803	5,106	10,708	21,950	18,030	18,198	29,388	33,613	(419)
3. All other incurred expenses**	14,893	14,806	13,453	11,368	10,899	10,654	16,543	17,556	22,519	13,493	5,788
4. Policies written	31,548	43,098	44,568	46,597	46,577	47,222	47,292	44,133	23,873	14,646	
5. Direct premiums written	66,592	67,310	68,503	57,546	91,321	111,051	104,871	100,747	123,204	67,434	
6. Average written premium per policy	2,111	1,562	1,537	1,235	1,961	2,352	2,218	2,283	5,161	4,604	
7. Number of open claims	0	5	7	5	13	13	56	42	85	205	
8. Direct case reserves for open claims	49,018	48,990	44,470	38,133	29,215	17,388	10,020	11,573	4,150	1,562	
9. Paid claims	1	2	2	2	1	1	1	1	1	0	
10. IBNR reserves	1	303	1	1	1	1	1	1	0	0	
11. Pure loss ratio	73.6%	73.2%	64.9%	66.3%	32.0%	15.7%	9.6%	11.5%	3.4%	2.3%	
12. Claims reported	1,464	2,080	1,653	2,076	1,314	1,200	805	653	501	357	
13. Claims closed without payment	1,059	303,253	1,028	1,170	1,213	1,086	929	725	381	245	
14. Claims closed with payment	729	785	761	778	481	297	161	101	84	34	
15. Legal actions filed	608	773	682	861	643	506	323	224	127	80	
16. Verdicts/judgements for defendants	76	83	90	94	68	63	22	4	1	1	
17. Verdicts/judgements for plaintiffs	92	86	56	41	27	14	2	0	1	0	
18. Amount awarded to plaintiffs	18,774	14,937	8,674	7,829	4,961	2,221	407	0	43	1	

* 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 2009. 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***

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Investment and other income net gain or loss**	\$18,523	\$ 15,400	\$14,399	\$18,106	\$13,366	\$15,283	\$ 24,818	\$ 29,618	\$ 19,327	\$ 9,880	\$10,440
2. Incurred loss adjustment expenses**	9,367	5,047	24,402	51,638	11,048	39,730	105,062	41,717	42,334	30,207	28,975
3. All other incurred expenses**	12,596	12,566	12,843	12,711	19,245	18,159	20,760	17,138	30,678	17,568	18,080
4. Policies written	66,677	65,150	68,647	161,555	66,069	349,711	123,570	116,919	39,928	39,928	
5. Direct written premiums	36,057	36,195	36,807	46,517	60,720	70,553	78,284	66,308	56,181	56,181	
6. Average written premium per policy	541	556	536	288	919	202	634	567	1,407	1,407	
7. Number of open claims	18	32	41	66	65	52	129	105	230	352	
8. Direct case reserves for open claims	283	777	6,016	3,222	1,593	4,403	4,541	3,122	8,173	8,139	
9. Reserves for IBNR Claims	2,134	3,883	5,132	5,078	6,964	7,202	10,689	9,242	13,807	37,109	
10. Amount paid on product liability claims	0	397	3,634	1,667	919	601	3,230	1,525	3,235	4,148	
11. Pure loss ratio	6.7%	14.0%	40.2%	21.4%	15.6%	17.3%	23.6%	20.9%	44.9%	87.9%	
12. Claims reported	11	151	35	53	41	71	80	70	197	1,900	
13. Claims closed without payment	8	14	24	11	11	38	61	70	194	1,506	
14. Claims closed with payment	1	11	16	27	30	23	39	40	116	998	
15. Legal actions filed	9	11	16	15	5	15	18	25	45	27	
16. Verdicts/judgements for defendants	2	0	0	2	0	2	3	3	3	3	
17. Verdicts/judgements for plaintiffs	4	1	2	3	4	7	5	4	2	0	
18. Amount awarded to plaintiffs	5	1	148	6	32	162	219	393	18	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.