

# WISCONSIN INSURANCE SECURITY FUND

## Assessment information for Insurers

### Administrative Account Assessments

- The Fund makes administrative assessments in the odd numbered years.
- The next administrative assessment is projected to occur in Q1 2025.

### Insolvency Account Assessments

#### **Property Casualty (Other Insurance) Account**

- There are currently no plans to make another assessment in 2024.
- There are no authorized or uncalled assessments.

#### **Life & Annuity Account**

(The life and annuity accounts merged in 2024, the assessment bases remain separate. This account now will use the year prior to authorization for its assessment base)

- *If the Colorado Bankers Life liquidation is finalized, WISF projects an \$11 million life insurance liability that may require an assessment as early as 3Q 2024.*
- There are **no authorized or uncalled life insurance assessments** at this time.
- *If Colorado Bankers Life liquidation is finalized, WISF projects a \$20.4 million annuity liability.*
- **An \$8.5 million annuity assessment is authorized contingent on entry of the final liquidation order (appeals exhausted). This assessment will use 2022 as its base year. The assessment will be called immediately after the liquidation effective date. (as early as the 3Q 2024).**

#### **Disability (includes Health) Account**

- There are currently no plans to make an assessment in 2024.
- There are no authorized, or uncalled assessments:

#### **HMO Account**

- There are no active insolvencies in this account.
- There are no authorized, or uncalled assessments.

### Assessment Premium Reporting and Exemption Claims

- Insurers writing life, annuity, accident and health or HMO coverage should utilize the NOLHGA Assessment Data Survey reconciliation with the annual financial statement to report exempt premium (i.e., Medicare, Medicaid and FEHBP).

- Insurers writing property casualty or other covered lines of business who have exempt premium that appears on their annual financial statement should contact the Security Fund for instructions on how to file for a premium exemption.

**Assessment Appeal Rights:** If a company wishes to appeal the assessment it must pay by the due date the full amount shown on the invoice under protest and send separate notice of appeal identifying the company or companies including company NAIC number(s) that states your specific objection to this assessment. Appeal communications should be sent to:

Wisconsin Insurance Security Fund  
2820 Walton Commons Lane Suite 135  
Madison, WI 53718-6797.

The appeal must be sent to us within 30 days of the date of the invoice.

**NOTICE:** The Security Fund Annual Report is no longer mailed to insurers. The last annual report is available on our **website** (<https://www.wilifega.org/>) under the **Additional Info** tab. Other years are available upon request.

### **Guidance for Statutory Reserving**

- Each December, the Fund produces a summary of projected liabilities and account balances by insolvency account to assist companies in their statutory accounting reserve determinations.
- The 2023 YE SAAP Report (issued 1/9/2024) is on the next two pages.
- If you have questions on this report, please send your contact information to [Wisconsin@wisf-madison.org](mailto:Wisconsin@wisf-madison.org) or contact Executive Director Allan Patek at 608-268-4068.

## Wisconsin Insurance Security Fund

### 2023 YE Estimated Liabilities for Statutory Accounting

Account	Active Insolvencies	Active Insolvencies w/Open Estates	Current Assessment Base (2022)	Current Account Balance	Current Projected Future Liabilities	Net Account Position
Property & Casualty	26	22	\$ 12,121,333,884	\$ 19,756,627	\$ 26,809,414	\$ (7,052,787)
Life	3	2	\$ 2,833,586,454	\$ (976,005)	\$ 32,550	\$ (1,008,555)
Annuity	1	0	\$ 6,036,615,539	\$ 5,335,486	\$ 71,255	\$ 5,264,231
Disability (Health)	4	4	\$ 5,895,994,295	\$ 11,897,758	\$ 12,928,891	\$ (1,031,133)
HMO	0	0	<u>\$ 5,580,258,467</u>	\$ -	\$ -	\$ -
<b>Fund (all accounts)</b>				\$ 36,013,866	\$ 39,842,110	\$ (3,828,244)

**P&C, Disability and HMO accounts** use the year prior to assessment authorization. There is a \$7 million outstanding authorized assessments for the property casualty account that will be called in January.

**Life and Annuity accounts** use the three years prior to liquidation. However, a pending legislative change will modify that to the year prior to authorization. There are no outstanding uncalled assessments in these accounts. However, this would change substantially if the Colorado Bankers liquidation become final.

**All amounts indicated for future liabilities are estimates and are subject to change.**

1. The timing of assessments is determined, and will be dependent upon, by the cash flow needs of the Fund related to insolvency estates.
2. The amount assessed may be reduced by distributions from open liquidation estates, investment income and premium revenue. New this year, the P&C projected liabilities reflects the beneficial effect of net worth recoveries.
3. The Fund can't predict whether future insolvencies will occur that require assessments.

## Wisconsin Insurance Security Fund

### Column Descriptions

**Active Insolvencies** include all liquidations where the Fund continues to maintain estate level tracking and has projected liabilities. Open estates range widely with the oldest remaining P&C estates dating from 1985, oldest life estate is from 1981 and disability account estate is from 2010.

**Active Open Estates** includes only estates when the liquidation estate is also still open. This is significant because in many cases the bar dates have not been set and administrative costs are reimbursed and estate distribution continue.

**Current Assessment Base** shows the preliminary assessment base for the most current year. The Life, Annuity and Disability account information comes from the annual statement reconciliation and NOLHGA Assessment Data Survey (results usually available by September 30th). P&C and HMO account information comes from the annual statements through OCI (results usually available by June 1st)

**Current Account Balance** shows the funds currently held in each account for all liquidation estates. These funds are receipts (assessments, early access, estate distributions, premium, recoveries and investment income) after all expenses (claims, adjustment costs and allocated administrative expenses) have been subtracted.

**Current Projected Future Liabilities** includes claims and claims adjustment reserves, but does not include allocated administrative expenses. The Fund annually allocates between 70 - 80% of its approximately \$1,241,000 annual administrative budget through a time/effort based allocation formula.

**For additional information or clarification, contact the Fund's Executive Director Allan Patek**

1/9/2024