



State of Illinois
Illinois Department of Insurance

2018

**Cost Containment Annual Report
to the General Assembly**

Bruce Rauner
Governor

Jennifer Hammer
Director



Illinois Department of Insurance

BRUCE RAUNER
Governor

JENNIFER HAMMER
Director

July 1, 2018

To the Honorable Members of the General Assembly:

The Illinois Insurance Cost Containment Act requires the Director of Insurance to submit an annual report to the General Assembly containing an analysis of portions of the Illinois insurance market and the data collected pursuant to the Act (Article XLII, 215 ILCS 5/1200 et al.).

In accordance with the Illinois Insurance Cost Containment Act, I am pleased to submit the Annual Report to the General Assembly on Insurance Cost Containment for 2018. The report contains significant information from a national and Illinois perspective regarding the current condition of the property/casualty insurance industry.

Sincerely,

A handwritten signature in blue ink, reading "Jennifer Hammer".

Jennifer Hammer
Director of Insurance

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Overview

The report analyzes the Illinois insurance market based on companies licensed to conduct business in the State.

Section 1: OVERALL PROPERTY/CASUALTY INDUSTRY SUMMARY

Compares the Illinois property/casualty marketplace to countrywide data. It also provides a breakdown of all property/casualty premiums written on a regional basis and by significant line of business within Illinois.

Section 2: INDIVIDUAL LINE OF COVERAGE ANALYSIS

Provides a detailed review of each of the following areas of insurance within the state of Illinois:

- Homeowners
- Private Passenger Auto Liability
- Private Passenger Auto Physical Damage
- Commercial Auto Liability
- Medical Malpractice
- Other Liability
- Workers' Compensation

One aspect of each line of business monitored by the Department is market concentration. The Herfindahl/Hirschmann Index or (HHI) is a measure of the size of companies and is widely accepted as an accurate indicator of the amount of competition among individual companies in any given marketplace. The HHI is calculated by the summation of the squares of each company's individual market share. Generally, an HHI of 1800 or above is an indication that the given market may be highly concentrated and may possibly reflect anti-competitive characteristics. The section also contains a historical graph of the HHI for each of the lines of business indicated above. For all lines studied, only the medical malpractice line continues to be considered highly concentrated in Illinois. The situation is not new and continues to be monitored by the Department.

Section 3: RESIDUAL MARKET MECHANISMS

Residual Market Mechanisms are established to provide specific insurance coverages to Illinois consumers who are unable to buy coverage in the open or voluntary markets. Coverages available to Illinois consumers through residual markets include property coverage, automobile coverage, and workers' compensation coverage.

The residual markets (FAIR Plan, Auto Plan, and Workers' Compensation Assigned Risk Pool) all have very small shares of the market which indicates healthy competition. The workers' compensation assigned risk market continues to be the largest residual market.

Illinois consumers unable to obtain coverage in either the voluntary market or the residual market mechanisms may be able to obtain coverage in the surplus lines market. The Department has little regulatory control regarding coverage placed in the surplus lines market; however, the section details recent activities of the surplus lines market in addition to residual market mechanisms. The report reflects nothing of concern with the surplus lines market mechanisms.

Section 4: OVERALL MARKETPLACE CONDITIONS

The report identifies and examines several financial principles that are generally accepted as measurements of market reliability and profitability. The Department monitors all available data related to the property/casualty insurance industry to encourage a healthy, competitive, and reliable insurance market for all Illinois consumers.

SECTION 1: OVERALL PROPERTY/CASUALTY INDUSTRY SUMMARY

The following provides a breakdown of total direct written premiums and incurred losses for the property/casualty industry by state. Illinois is ranked 5th with a direct written premium totaling \$24.9 billion in 2017, representing 3.9 percent of the total written premium countrywide. The loss ratio in Illinois is considerably lower than the countrywide average as reflected below. The Illinois loss ratio decreased 1.6 points from 2016 to 2017 even though the countrywide loss ratio increased 6.6 points during the same time period.

Total US Property/Casualty Industry State Distribution and Loss Experience (\$ in millions)

Rank	State	2017 Direct Written Premium	% of Total Direct Written Premium		Direct Pure Loss Ratio (%)	
			2017	2016	2017	2016
1	California	\$75,704M	11.9%	12.0%	59.8%	78.3%
2	Texas	\$54,443M	8.6%	8.4%	73.7%	95.4%
3	Florida	\$50,387M	7.9%	7.8%	55.1%	80.1%
4	New York	\$46,324M	7.3%	7.4%	58.4%	56.8%
5	Illinois	\$24,906M	3.9%	4.0%	56.0%	57.6%
6	Pennsylvania	\$24,313M	3.8%	3.9%	57.8%	53.1%
7	New Jersey	\$20,637M	3.3%	3.4%	57.5%	55.6%
8	Georgia	\$19,951M	3.1%	3.0%	68.3%	67.8%
9	Michigan	\$19,151M	3.0%	3.0%	66.6%	65.0%
10	Ohio	\$16,488M	2.6%	2.6%	52.5%	50.8%
11	North Carolina	\$15,681M	2.5%	2.5%	61.0%	55.2%
12	Massachusetts	\$14,926M	2.4%	2.4%	50.7%	47.4%
13	Virginia	\$13,534M	2.1%	2.1%	60.3%	58.1%
14	Colorado	\$12,295M	1.9%	1.9%	72.9%	76.9%
15	Washington	\$11,892M	1.9%	1.8%	58.8%	59.6%
16	Maryland	\$11,669M	1.8%	1.8%	60.1%	59.7%
17	Minnesota	\$11,586M	1.8%	1.9%	51.3%	61.3%
18	Missouri	\$11,572M	1.8%	1.8%	61.7%	64.3%
19	Louisiana	\$11,402M	1.8%	1.8%	86.7%	53.6%
20	Tennessee	\$11,366M	1.8%	1.8%	64.0%	59.3%
	All Other	\$156,676M	24.4%	24.6%	64.2%	58.1%
	Total/Average	\$634,902M	100%	100%	67.1%	60.5%

Direct Pure Loss Ratio is calculated by dividing direct losses incurred by direct earned premium.
Source: NAIC State Data Network; aggregate Schedule T for all property/casualty insurers.

Distribution of Direct Written Premium & Loss Ratios by Region

The following identifies the percentage of total written premium, direct loss ratio, and the five-year average loss ratio for the property/casualty industry in the ten regions of the United States and its territories during 2017.



Pacific, Mountain, and the southern coastal regions along with Other* reported a higher loss ratio in 2017 than their five-year average; while New England, Mid Atlantic and the northern regions reported a lower loss ratio in 2017 than their five-year average. Other* includes the areas of the country that were devastated by the tropical storms in 2017 which caused their numbers to show a substantial and uncommon increase.

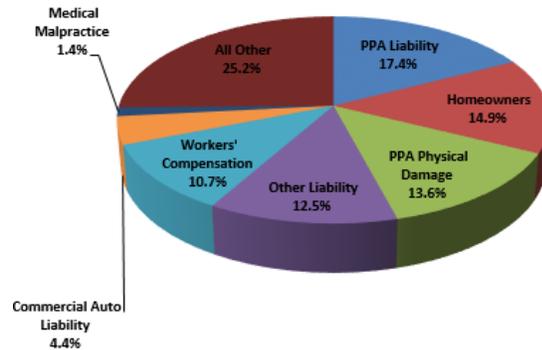
2017	Pacific	Mountain	Northwest Central	Southwest Central	Northeast Central	Southeast Central	Mid-Atlantic	South Atlantic	New England	Other*	Total All Regions
% Total DPW	15.5%	7.0%	7.2%	12.4%	13.0%	5.1%	14.0%	20.2%	5.1%	0.4%	100.0%
Direct Loss Ratio	61.4%	63.1%	59.7%	63.7%	56.9%	59.0%	55.2%	60.6%	48.9%	285.8%	67.1%
5 Year Average Loss Ratio	53.9%	61.3%	60.5%	61.4%	58.8%	57.0%	56.7%	56.8%	51.9	97.7%	61.6%

NAIC State Data Network, 2017 Illinois State Page Exhibit

*Other includes Puerto Rico and the U.S. Virgin Islands, Canada, American Samoa, Guam and N. Mariana Islands

Percent of All Property/Casualty Premiums Written in Illinois by Line (2017)

The chart reflects the distribution of all Illinois property/casualty insurance premiums written during 2017. Personal lines of insurance include homeowners, private passenger automobile liability, and private passenger automobile physical damage coverage. Combined, these coverages make up approximately 45.9 percent of the overall property/casualty insurance written in the State of Illinois.



NAIC State Data Network, 2017 Illinois State Page Exhibit

SECTION 2: INDIVIDUAL LINE OF COVERAGE ANALYSIS

The section provides a detailed review of insurance within the state of Illinois. The Department monitors the shifts in premiums, losses and market share from year to year. The Herfindahl/Hirschmann Index (HHI) is used to monitor the market concentration and is accepted as an accurate indicator of the volume of competition among insurance companies.

HOMEOWNERS

The following compares homeowners insurance written in Illinois to the countrywide market. Written premium in both Illinois and countrywide continues to grow. In 2017, total written premiums for homeowners coverage written in Illinois increased 2.0 points from 2016. Countrywide, homeowners premiums increased 3.3 points during the same period.

Homeowners Underwriting Results (2017)

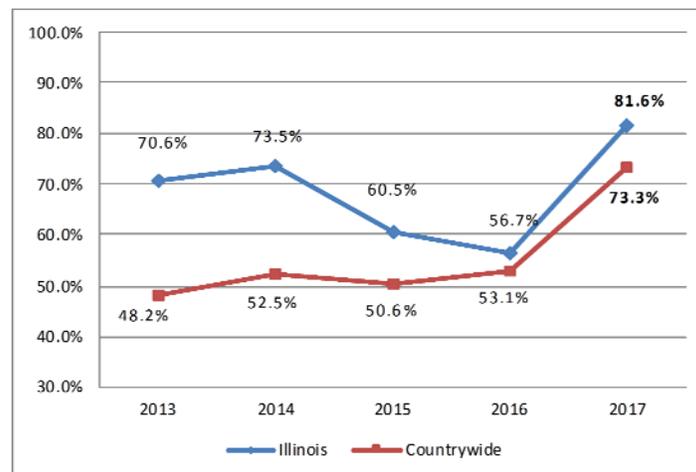
Homeowners	Illinois	Countrywide*
Direct Written Premiums	\$3,554,656,343	\$68,724,885,262
Direct Earned Premiums	\$3,520,249,276	\$67,661,929,062
Expenses (% premium)		
Incurred Losses	81.6%	73.3%
Defense & Cost Containment Expenses Incurred	1.2%	1.6%
Commissions and Brokerage Expenses	12.5%	12.3%
Taxes, Licenses & Fees	1.9%	2.4%

NAIC State Data Network, 2017 Illinois State Page Exhibit

*Illinois-licensed Insurers

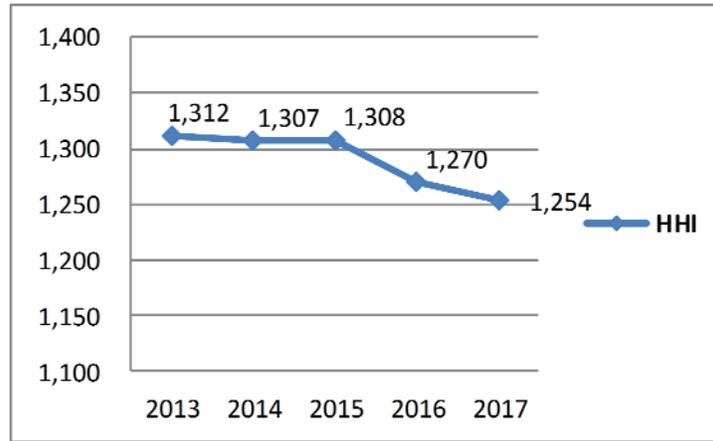
The following provides a comparison of incurred loss ratio for homeowners insurance over the past five years. The loss ratio in Illinois increased in losses of 24.9 percentage point compared to a loss of 20.2 percentage point increase countrywide.

Homeowners Losses as a Percent of Earned Premium (2013 – 2017)



Illinois Homeowners Insurance Market Concentration

The following graph reflects the Herfindahl/Hirschmann Index or (HHI) for Illinois homeowners insurance from 2013 through 2017. The HHI is a measure of the size of companies and is widely accepted as an accurate indicator of the amount of competition among individual companies in any given marketplace. Generally, an HHI of 1800 or above is an indication a given market may be highly concentrated and may be approaching anti-competitive behavior. As the chart shows, the homeowners insurance market available to Illinois consumers continues to exhibit a healthy, stable level of competition for Illinois consumers.



Top 10 Homeowners Insurers in Illinois

The following identifies the top ten writers of homeowners insurance in Illinois based on written premium in 2017. The ten companies identified wrote almost \$2.3 billion in written premium and combined for a total of 66 percent of the Illinois market share in 2017.

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
State Farm Fire & Casualty Company	1,165,708,633	1,149,622,219	32.8%	33.0%	98.3%	66.4%
Country Mutual Insurance Company	297,848,178	299,401,914	8.4%	8.6%	77.0%	59.4%
Allstate Vehicle & Prop Ins Company	152,353,521	128,798,953	4.3%	3.7%	80.2%	53.4%
Farmers Insurance Exchange	150,027,508	144,477,516	4.2%	4.1%	86.2%	54.1%
American Family Mutual Insurance Co, S. I	145,256,501	152,544,271	4.1%	4.4%	67.2%	43.2%
Allstate Indemnity Company	127,217,240	140,748,676	3.6%	4.0%	62.4%	54.2%
Allstate Insurance Company	86,499,926	91,627,793	2.4%	2.6%	53.8%	44.3%
Travelers Home & Marine Insurance Company	83,318,046	74,044,085	2.3%	2.1%	73.6%	43.3%
Liberty Insurance Corporation	75,760,840	61,858,957	2.1%	1.8%	83.7%	58.5%
Safeco Insurance Company of Illinois	59,987,876	60,914,088	1.7%	1.7%	50.7%	38.0%

Pursuant to Title 50 Illinois Administrative Code Part 4203 (Part 4203) and as authorized by the Illinois Insurance Cost Containment Act, 215 ILCS 5/1200 *et seq*, the Department collects homeowners' data based on the geographical location of the insured. The data allows the Department to identify and compare the 2016 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company.

Please note that due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2016.

<i>Company</i>	<i>2016 Statewide Market Share</i>	<i>2016 City of Chicago Market Share</i>	<i>2016 Remainder of State Market Share</i>
State Farm Fire & Casualty Company	33.0%	36.8%	31.3%
Country Mutual Insurance Company	8.6%	2.1%	9.4%
Allstate Vehicle & Property Insurance Company	3.7%	4.0%	3.5%
Farmers Ins Exchange	4.1%	3.4%	4.1%
American Family Mutual Insurance Co, S.I.	4.4%	4.6%	4.1%
Allstate Indemnity Company	4.0%	7.3%	3.2%
Allstate Insurance Company	2.6%	5.1%	2.0%
Travelers Home & Marine Insurance Company	2.1%	2.3%	2.0%
Liberty Insurance Corporation	1.8%	2.1%	1.6%
Safeco Insurance Company of Illinois	1.7%	2.2%	1.6%

2016 Illinois Homeowners Premium by Coverage Types

The following table summarizes the amount of written premium paid by Illinois homeowners during 2016 for each of the coverage types identified on this page.

Homeowners Insurance is generally purchased in one of several standard coverage types. The coverage types acknowledged as industry standards include HO-1, HO-2, HO-3, HO-4, HO-5, HO-6, and HO-8:

Basic Form (HO-1) - The most basic coverage type providing coverage against 11 specific factors or perils: fire, lightning, smoke, vandalism, theft, ice, snow, windstorm, hail, riot, and volcano eruption. The popularity of this policy has diminished over the years due to the policies extensive coverage gaps.

Broad Form (HO-2) - This policy is also considered a basic coverage but with a wider scope of coverage than the HO-1. Coverage under an HO-2 policy is limited to 17 perils specifically listed in the policy.

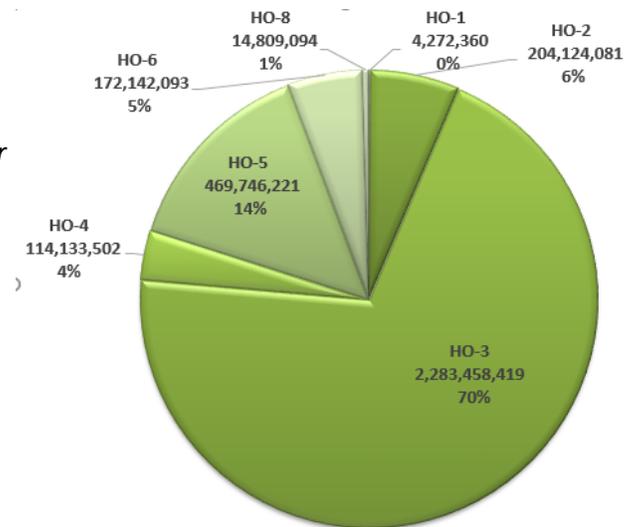
Special Form (HO-3) - Offers property and liability coverage for the dwelling, other structures, and loss of use of the dwelling and other structures for all perils specifically listed in the policy (e.g., fire, lightning, windstorm and hail, falling objects, etc.). Personal property is also covered for perils listed in the policy. HO-3 covers more perils than an HO-2 policy.

Tenants Form (HO-4) - Provides coverage for a renter's personal property, liability, and additional living expenses.

Comprehensive Form (HO-5) - Covers your home and personal property for everything that is not specifically excluded in your policy. This type of policy provides the broadest coverage available but is not offered by all insurers and is usually more expensive. Personal property coverage under an HO-5 is generally broader than an HO-3 policy.

Condominium Form (HO-6) - Covers a condominium owner's personal property and any additions and alterations made to the inside of the owner's unit. Condominium owners can also buy endorsements to protect property and for liability associated with their shares in the condominium association's common ownership.

Modified Coverage Form (HO-8) - Provides coverage when an older home's replacement cost far exceeds its market value. This form allows the policyholder to carry lower limits of insurance rather than try to maintain 80% of replacement cost. The HO-8 policy provides varying methods of loss payment depending on whether the damaged or destroyed building is repaired or replaced.



PRIVATE PASSENGER AUTOMOBILE LIABILITY

Private Passenger Automobile Liability Underwriting Results (2017)

The following table compares underwriting results for private passenger auto liability insurance written in Illinois with that written countrywide during 2017. The amount of premium written in Illinois and countrywide both reflected an increase; however, the average Incurred Losses show a decrease from 2016.

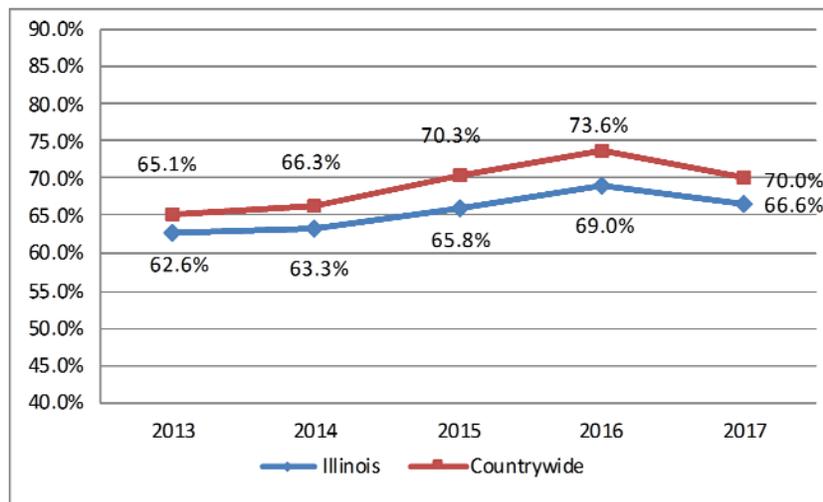
PPA Liability	Illinois	Countrywide*
Direct Written Premiums	\$4,171,536,805	\$95,763,392,660
Direct Earned Premiums	\$4,105,410,047	\$93,524,269,012
<i>Expenses (% premium)</i>		
Incurred Losses	66.6%	70.0%
Defense & Cost Containment Expenses Incurred	4.0%	3.8%
Commissions and Brokerage Expenses	10.1%	7.8%
Taxes, Licenses & Fees	0.9%	2.3%

NAIC State Data Network, 2017 Illinois State Page Exhibit

*Illinois-licensed insurers

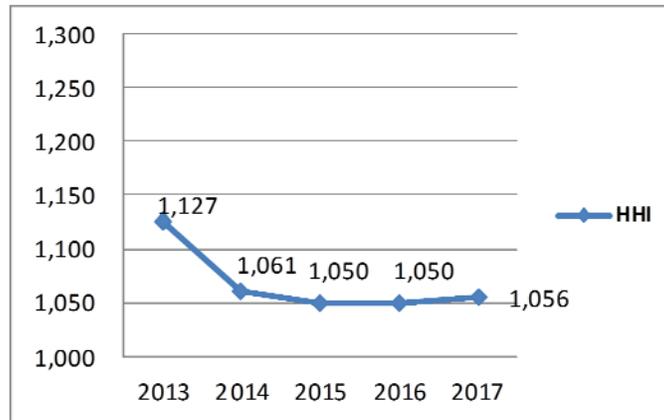
Private Passenger Automobile Liability Losses as a Percent of Earned Premium (2013 – 2017)

As reflected in the following chart, the loss ratios for private passenger automobile liability insurance decreased of 3.6 percentage points and 2.4 percentage points in Illinois and countrywide in 2017, respectively.



Illinois Private Passenger Auto Liability Insurance Market Concentration

An HHI of 1800 or above can be an indication of a highly concentrated and possibly anti-competitive market. As reflected below, the private passenger automobile liability insurance market in Illinois continues to remain stable and highly competitive.



Top 10 Private Passenger Automobile Liability Insurers in Illinois

The following identifies the top ten writers of private passenger automobile liability insurance in Illinois based on written premium in 2017. In summary, the ten companies identified wrote nearly \$2.6 billion in premium and combined for a total of 63 percent of the Illinois market share in 2017.

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
State Farm Mutual Auto Insurance Company	1,237,720,096	1,167,683,196	29.7%	29.8%	66.8%	68.2%
Allstate Fire & Casualty Insurance Company	311,874,300	275,362,224	7.5%	7.0%	56.5%	76.9%
Geico Casualty Company	207,386,293	164,194,637	5.0%	4.2%	79.2%	74.6%
Country Preferred Insurance Company	179,470,078	167,105,312	4.3%	4.3%	63.0%	71.1%
Illinois Farmers Insurance Company	168,712,279	165,303,743	4.0%	4.2%	66.6%	64.4%
Progressive Universal Ins Company	130,041,660	104,208,845	3.1%	2.7%	52.7%	56.8%
American Family Mutual Insurance Co, S.I.	122,230,225	130,483,358	2.9%	3.3%	65.5%	57.3%
Progressive Northern Insurance Company	119,685,331	103,640,380	2.9%	2.6%	61.1%	58.9%
State Farm Fire & Casualty Company	89,284,641	96,988,700	2.1%	2.5%	78.0%	84.8%
Country Mutual Insurance Company	78,112,203	79,204,621	1.9%	2.0%	75.2%	70.0%

The Department collects private passenger auto liability insurance data based on the geographical location of the insured. This data allows the Department to identify and compare the 2016 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company.

Please note that due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2016.

<i>Company</i>	<i>2016 Market Share Statewide</i>	<i>2016 City of Chicago Market Share</i>	<i>2016 Remainder of State Market Share</i>
State Farm Mutual Auto Insurance Company	29.8%	31.9%	29.4%
Allstate Fire & Casualty Insurance Company	7.0%	8.8%	6.7%
Geico Casualty Company	4.2%	5.7%	3.9%
Country Preferred Insurance Company	4.3%	0.7%	4.9%
Illinois Farmers Insurance Company	4.2%	2.7%	4.5%
Progressive Universal Insurance Company	2.7%	2.4%	2.7%
American Family Mutual Insurance Co, S.I.	3.3%	2.9%	3.4%
Progressive Northern Insurance Company	2.6%	1.6%	2.8%
State Farm Fire & Casualty Company	2.5%	3.1%	2.4%
Country Mutual Ins Company	2.0%	0.2%	2.3%

PRIVATE PASSENGER AUTOMOBILE PHYSICAL DAMAGE

The following table compares underwriting results for private passenger physical damage insurance written in Illinois to statistics reflecting the same market countrywide. The physical damage market in Illinois experienced an increase of 4.3 percent in written premium during 2017, while the market experienced a 7.1 percent increase on a countrywide basis.

Private Passenger Automobile Physical Damage Underwriting Results (2017)

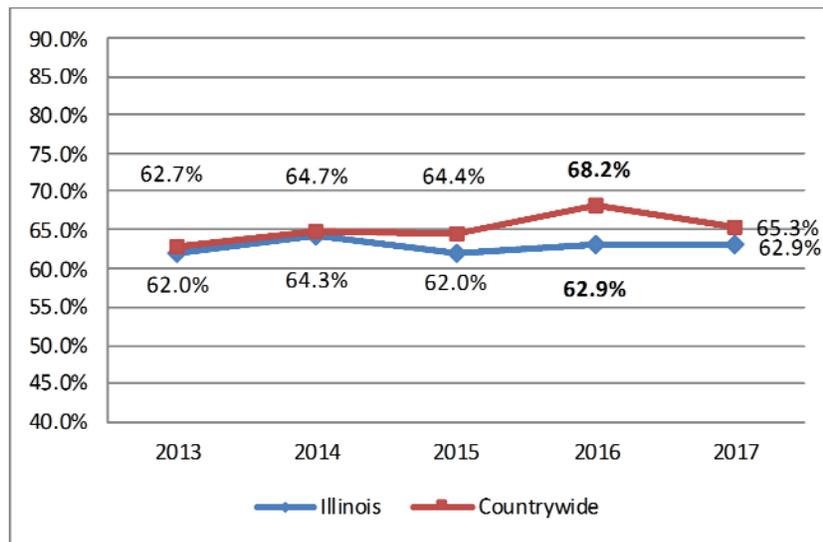
PPA Physical Damage	Illinois	Countrywide*
Direct Written Premiums	\$3,242,430,041	\$72,574,476,621
Direct Earned Premiums	\$3,199,848,659	\$71,121,671,140
Expenses (% premium)		
Incurring Losses	62.9%	65.3%
Defense & Cost Containment Expenses Incurred	0.3%	0.3%
Commissions and Brokerage Expenses	10.0%	8.0%
Taxes, Licenses & Fees	10.0%	2.2%

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*Illinois-licensed insurers

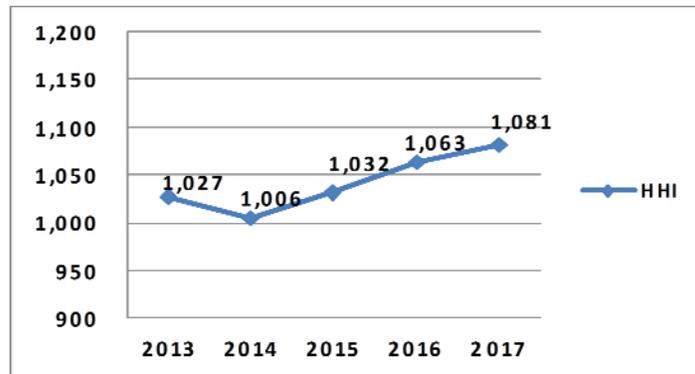
The private passenger physical damage loss ratio countrywide decreased of 2.9 percentage points while the loss ratio in Illinois demonstrates no change as reflected below.

Private Passenger Automobile Physical Damage Losses as a Percent of Earned Premium (2013 – 2017)



As private passenger liability insurance and private passenger physical damage insurance are closely associated and generally marketed jointly, the market concentration of the two lines of coverage are expected to be closely related. As reflected in the following chart, Department research continues to indicate Illinois consumers are experiencing a healthy and competitive automobile physical damage market.

Illinois Private Passenger Auto Physical Damage Insurance Market Concentration



The following table identifies the top ten writers of private passenger physical damage insurance in Illinois based on written premium in 2017. In summary, the ten companies identified wrote a total of \$2.0 billion in premium and combined for a total of 63 percent of the Illinois market in 2017.

Top 10 Private Passenger Automobile Physical Damage Insurers in Illinois

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
State Farm Mutual Auto Insurance Company	974,663,730	923,057,387	30.1%	29.7%	66.7%	70.7%
Allstate Fire & Casualty Insurance Company	267,021,308	267,102,529	8.2%	8.6%	51.9%	52.6%
Country Preferred Insurance Company	148,694,471	142,966,910	4.6%	4.6%	63.2%	63.7%
Geico Casualty Company	139,403,953	112,152,390	4.3%	3.6%	86.0%	82.2%
Illinois Farmers Insurance Company	115,205,658	112,904,527	3.6%	3.6%	61.4%	62.3%
American Family Mutual Insurance Co, S.I.	92,202,708	100,325,322	2.8%	3.2%	59.9%	58.1%
Progressive Universal Insurance Company	83,801,399	67,699,576	2.6%	2.2%	64.3%	70.7%
Progressive Northern Insurance Company	79,937,839	71,835,357	2.5%	2.3%	57.7%	59.7%
Country Mutual Insurance Company	78,716,984	81,494,347	2.4%	2.6%	54.6%	56.6%
Allstate Insurance Company	74,560,841	79,588,797	2.3%	2.6%	20.0%	22.5%

The Department also collects private passenger auto physical damage insurance data pursuant to Title 50 Illinois Administrative Code Part 4203 as authorized by the Illinois Insurance Cost Containment Act, 215 ILCS 5/1200 *et seq.* The data allows the Department to identify and compare the 2016 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company. As mentioned previously, due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2016.

<i>Company</i>	<i>2016 Market Share Statewide</i>	<i>2016 City of Chicago Market Share</i>	<i>2016 Remainder of State Market Share</i>
State Farm Mutual Auto Insurance Company	29.7%	32.2%	29.3%
Allstate Fire & Casualty Insurance Company	8.6%	10.1%	8.3%
Country Preferred Insurance Company	4.6%	0.7%	5.3%
Geico Casualty Company	3.6%	5.5%	3.3%
Illinois Farmers Insurance Company	3.6%	2.5%	3.9%
American Family Mutual Insurance Co, S.I.	3.2%	2.8%	3.3%
Progressive Universal Insurance Company	2.2%	3.1%	2.0%
Progressive Northern Insurance Company	2.3%	1.6%	2.4%
Country Mutual Insurance Company	2.6%	0.3%	3.0%
Allstate Insurance Company	2.6%	2.1%	2.6%

COMMERCIAL AUTOMOBILE LIABILITY

The following table compares underwriting results for commercial automobile liability insurance written in Illinois with that written countrywide during 2017. The commercial automobile market premiums increased in both Illinois and countrywide by 4.0 percent and 7.4 percent, respectively.

Commercial Auto Liability Underwriting Results (2017)

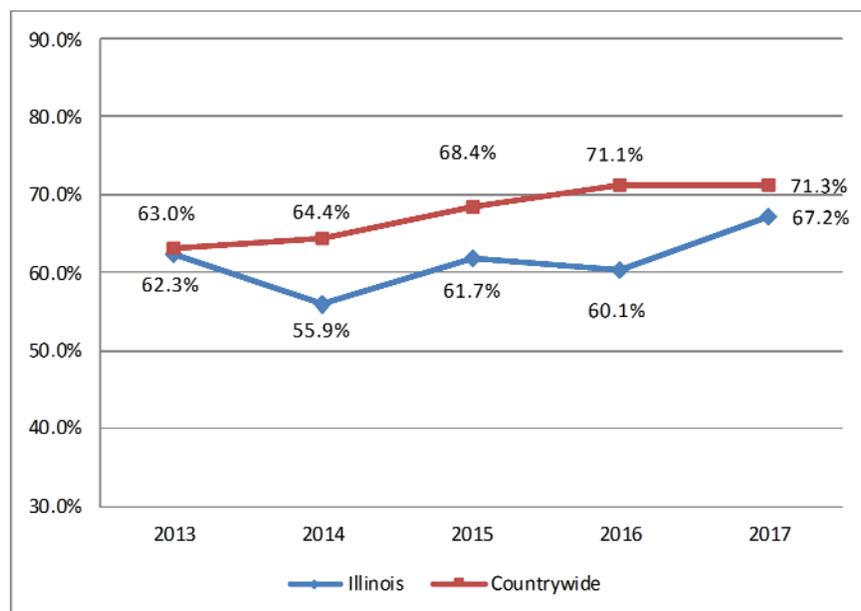
Commercial Auto Liability	Illinois	Countrywide*
Direct Written Premiums	\$1,041,976,152	\$21,104,203,857
Direct Earned Premiums	\$1,018,146,574	\$20,471,896,530
Expenses (% premium)		
Incurred Losses	67.2%	71.3%
Defense & Cost Containment Expenses Incurred	8.0%	7.8%
Commissions and Brokerage Expenses	13.8%	14.3%
Taxes, Licenses & Fees	1.6%	2.6%

NAIC State Data Network, 2017 Illinois State Page Exhibit

*Illinois-licensed insurers

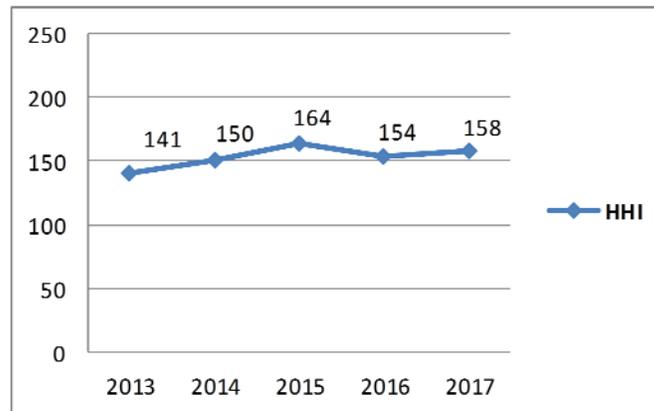
The commercial automobile liability loss ratio in Illinois increased 7.1 percentage points while the loss ratio countrywide increased 0.2 points.

Commercial Auto Liability Losses as a Percent of Earned Premium (2013 - 2017)



As reflected in the following graph, the very low and stable HHI for the Illinois commercial automobile liability market continues to confirm a competitive market remains available to Illinois consumers. Based on these results, the system for cost containment appears to be appropriate for Illinois consumers in this market.

Illinois Commercial Auto Liability Insurance Market Concentration



The following table identifies the top ten writers of commercial automobile liability insurance in Illinois based on written premium in 2017. In summary, the ten companies identified wrote a total of over \$314 million in premium and combined for a total of 30.2 percent of the total Illinois market share in 2017.

Top 10 Commercial Automobile Liability Insurers in Illinois

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
Artisan & Truckers Casualty Company	58,622,717	60,281,094	5.6%	6.0%	73.5%	49.7%
Great West Casualty Company	43,547,770	36,996,640	4.9%	3.7%	53.2%	81.5%
Northland Insurance Company	42,186,259	37,867,255	4.0%	3.8%	54.3%	74.6%
Transguard Insurance Company of America, Inc	28,051,708	28,209,347	2.7%	2.8%	32.7%	19.4%
Zurich American Insurance Company	28,048,053	25,823,474	2.7%	2.6%	89.6%	54.0%
Acuity, A Mutual Insurance Company	24,847,619	24,931,634	2.4%	2.5%	74.0%	55.1%
Pekin Insurance Company	24,292,139	22,986,055	2.3%	2.3%	68.8%	102.5%
National Continental Insurance Company	22,133,797	14,179,720	2.1%	1.4%	122.9%	142.3%
American Inter Fidelity Exchange	21,572,410	14,863,455	2.1%	1.5%	107.0%	52.1%
Country Mutual Insurance Company	21,070,255	20,476,563	2.0%	2.0%	83.3%	34.4%

Pursuant to Part 4203, the Department collects data for classes of commercial automobile liability insurance in several specific areas: Trucks, Tractors, & Trailers; and Taxicabs & Public Livery. The market share data below represents the percent of overall premium for each group during 2016.

<i>Trucks, Tractors, & Trailers Insurers</i>	<i>2016 Market Share</i>
Artisan and Truckers Casualty Company	10.09%
Northland Insurance Company	5.89%
Acuity, A Mutual Insurance Company	3.91%
Country Mutual Insurance Company	3.84%
National Liability & Fire Insurance Company	3.21%
American Inter-Fidelity Exchange	3.02%
First Chicago Insurance Company	2.89%
Cincinnati Insurance Company The	2.45%
Great West Casualty Company	2.33%
Erie Insurance Exchange	1.96%

<i>Taxicab & Limousine Insurers</i>	<i>2016 Market Share</i>
Echelon Property & Casualty Insurance Company	18.65%
American Country Insurance Company	17.34%
American Service Insurance Company Inc	14.39%
Prime Property & Casualty Insurance Inc	9.03%
Canal Insurance Company	8.09%
Lancer Insurance Company	7.60%
New York Marine And General Insurance Company	4.49%
Pennsylvania Manufacturers Association Insurance Co	4.44%
Falls Lake National Insurance Company	4.17%
Selective Insurance Company of SC	2.48%

MEDICAL MALPRACTICE LIABILITY

The following table compares underwriting results for medical malpractice liability coverage written in Illinois with that written countrywide during 2017. The premiums in Illinois decreased of approximately \$42 million or 11.3 percent compared to 2016. The countrywide written premiums an increased by \$129 million or 3.2 percent compared to 2016.

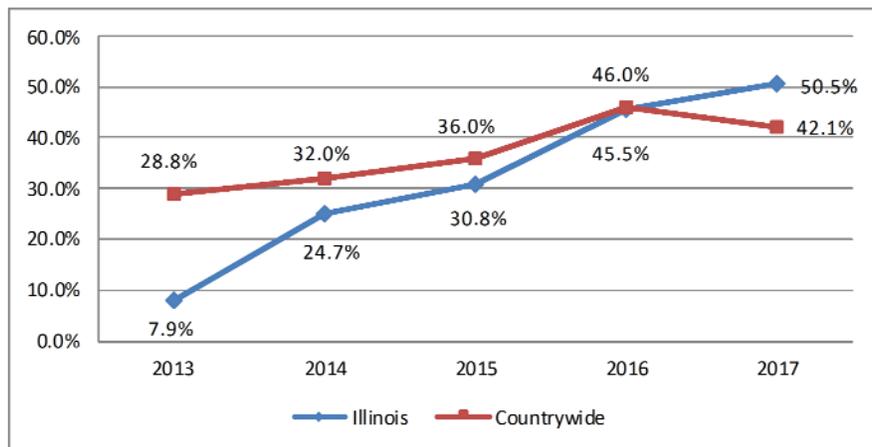
Medical Malpractice Liability Underwriting Results (2017)

Medical Malpractice	Illinois	Countrywide*
Direct Written Premiums	\$333,771,637	\$4,203,234,979
Direct Earned Premiums	\$355,948,180	\$4,221,039,208
Expenses (% premium)		
Incurred Losses	50.5%	42.1%
Defense & Cost Containment Expenses Incurred	22.1%	21.1%
Commissions and Brokerage Expenses	11.0%	10.8%
Taxes, Licenses & Fees	1.6%	1.9%

NAIC State Data Network, 2017 Illinois State Page Exhibit
*Illinois-licensed insurers

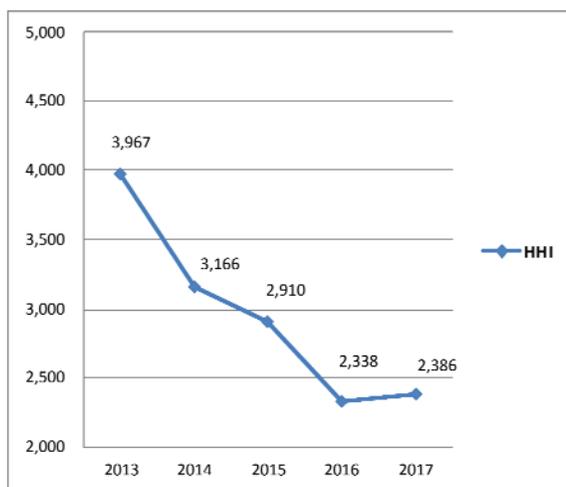
The loss ratio for the medical malpractice market continues to increase in Illinois. The loss ratio grew 5.0 points in Illinois while the loss ratio decreased 3.9 points countrywide. The increasing ratio in Illinois could be attributed to the Illinois Supreme Court decision in 2010, which held Public Act 94 - 677 unconstitutional. Although the ratios have been increasing since 2013, they are still lower than ratios before the regulatory reforms in 2005. The Department will continue to monitor the market results in Illinois in future years.

Medical Malpractice Liability Losses as a Percent of Earned Premium (2013 – 2017)



The following graph highlights the market concentration for medical malpractice carriers in Illinois from 2013 through 2017. Although the medical malpractice market in Illinois remains highly concentrated, the 2017 HHI is lower than it has been in recent years.

Illinois Medical Malpractice Liability Insurance Market Concentration



The table identifying the top ten writers of medical malpractice insurance in Illinois is based on written premium during 2017. The ten companies identified wrote a total of nearly \$283 million in premium and combined for 84.9 percent of market share in Illinois in 2017. Consistent with most states, the largest writer of medical malpractice insurance in Illinois remains a physician-affiliated company. ISMIE Mutual Insurance Company (ISMIE) wrote 46 percent of the medical malpractice coverage in 2017. The second and third largest medical malpractice insurers were Medical Protective Company and the Doctors Company, which wrote 7.6 percent and 6.4 percent of the Illinois market, respectively.

Top 10 Medical Malpractice Insurers in Illinois

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
ISMIE Mutual Insurance Company	155,950,892	173,955,287	46.7%	46.2%	38.7%	27.9%
Medical Protective Company	25,477,999	25,801,051	7.6%	6.9%	18.8%	97.6%
The Doctors Company, An Interinsurance Exchange	21,190,601	25,281,567	6.4%	6.7%	39.8%	72.9%
Norcal Mutual Insurance Company	17,380,797	19,718,476	5.2%	5.2%	118.7%	47.1%
Medical Alliance Insurance Company	13,459,779	13,505,312	4.0%	3.6%	61.3%	62.2%
Columbia Casualty Company	12,554,761	5,753,631	3.8%	1.5%	46.7%	9.8%
ProAssurance Casualty Company	12,196,825	14,847,158	3.7%	3.9%	-7.2%	-12.4%
Professional Solutions Insurance Company	10,682,547	10,623,526	3.2%	2.8%	10.3%	13.5%
Preferred Professional Insurance Company	8,420,144	7,849,631	2.5%	2.1%	69.6%	97.4%
Illinois Union Insurance Company *	5,956,533	13,735,287	1.8%	3.7%	114.4%	75.0%

*Surplus lines insurer

Pursuant to Part 4203, the Department collects data for several various medical malpractice coverages. The following data reflects the top ten companies by market share based on the specific coverage type indicated. Surplus lines insurers and accredited reinsurers are excluded from this summary.

<i>Medical Malpractice / Surgery</i>	<i>2016 Market Share</i>
ISMIE Mutual Insurance Company	49.9%
Doctors' Company, The	11.6%
Medical Protective Company, The	9.5%
Norcal Mutual Insurance Company	5.8%
ProAssurance Casualty Company	4.5%
Preferred Professional Insurance Company	3.7%
Medical Alliance Insurance Company	3.7%
Professional Solutions Insurance Company	2.3%
Doctors Direct Insurance Inc	2.2%
OMS National Insurance Company, RRG	1.6%

<i>Medical Malpractice / Non-Surgery</i>	<i>2016 Market Share</i>
ISMIE Mutual Insurance Company	64.7%
Medical Alliance Insurance Company	23.1%
Norcal Mutual Insurance Company	3.3%
Doctors' Company, The	2.6%
Medical Protective Company, The	2.1%
ProAssurance Casualty Company	1.9%
Preferred Professional Insurance Company	0.8%
Professional Solutions Insurance Company	0.6%
Galen Insurance Company	0.4%
Aspen American Insurance Company	0.2%

<i>Medical Malpractice / Other</i>	<i>2016 Market Share</i>
ISMIE Mutual Insurance Company	48.6%
Norcal Mutual Insurance Company	15.9%
Medical Protective Company The	6.9%
ProAssurance Casualty Company	5.6%
Professional Solutions Insurance Company	3.9%
American Casualty Company of Reading PA	3.7%
Podiatry Insurance Co of America	3.4%
NCMIC Insurance Company	2.6%
Preferred Professional Insurance Company	1.8%
Allied World Insurance Company	1.2%

OTHER LIABILITY

The following table compares underwriting results for other liability written in Illinois with that written countrywide during 2017. Written premium for other liability coverage in Illinois slightly decreased during 2017. Specifically, written premium in Illinois decreased 1.3 points, or \$40 million, while countrywide written premium increased 3.6 points, or \$1.7 billion, from 2016.

Other Liability Insurance Underwriting Results (2017)

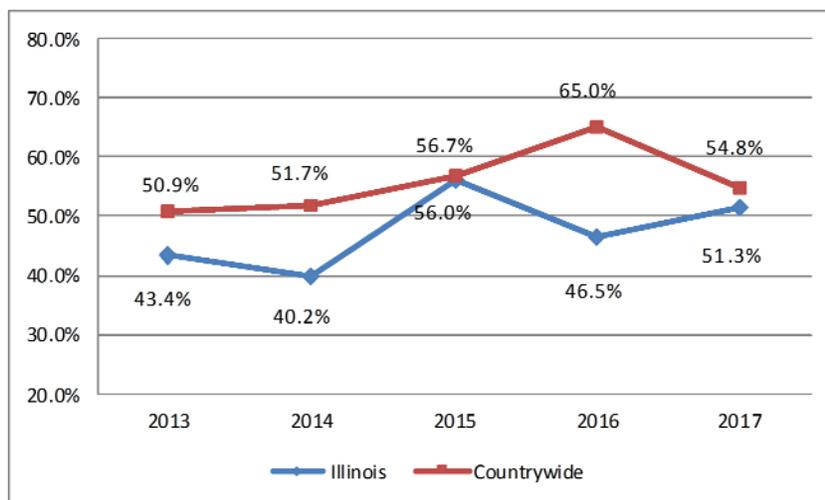
<i>Other Liability</i>	<i>Illinois</i>	<i>Countrywide*</i>
<i>Direct Written Premiums</i>	\$3,038,708,316	\$48,840,397,388
<i>Direct Earned Premiums</i>	\$2,886,927,619	\$47,682,846,019
<i>Expenses (% premium)</i>		
<i>Incurred Losses</i>	51.3%	54.8%
<i>Defense & Cost Containment Expenses Incurred</i>	8.2%	10.8%
<i>Commissions and Brokerage Expenses</i>	10.1%	12.8%
<i>Taxes, Licenses & Fees</i>	1.7%	2.1%

NAIC State Data Network, 2017 Illinois State Page Exhibit

*Illinois-licensed insurers

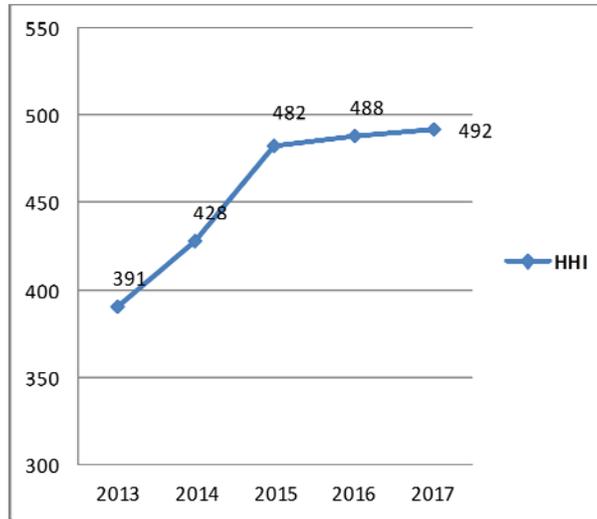
The loss ratio for other liability insurance in Illinois increased 4.8 points, while the loss ratio countrywide decreased 10.2 points. The Illinois loss ratio for other liability has remained below the countrywide ratio since 2011.

Other Liability Losses as a Percent of Earned Premium (2013-2017)



As with all other lines addressed in this report, the Department has determined the HHI for the other liability market available to consumers in Illinois. The following graph confirms the market continues to be very competitive, and the current market regulation system related to this line of insurance appears to remain appropriate for consumers in Illinois.

Illinois Other Liability Insurance Market Concentration



The following table identifies the top ten writers of other liability insurance in Illinois based on written premium in 2017. In summary, the ten companies listed below wrote a total of approximately \$1.38 billion in other liability premium and combined for a total of nearly 45.2 percent of the market share in Illinois for 2017.

Top 10 Other Liability Insurers in Illinois

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
Virginia Surety Company Inc	583,322,720	511,166,108	19.2%	16.6%	59.0%	61.6%
Continental Casualty Company	162,951,923	355,372,626	5.4%	11.5%	26.4%	34.0%
National Fire Insurance Company of Hartford	145,665,673	80,202,181	4.8%	2.6%	91.4%	103.9%
Federal Insurance Company	108,837,769	114,222,437	3.6%	3.7%	12.5%	15.3%
Lexington Insurance Company *	80,888,955	103,832,257	2.7%	3.4%	86.0%	192.8%
Zurich American Insurance Company	62,252,690	64,226,531	2.0%	2.1%	82.3%	26.5%
Illinois National Insurance Company	61,879,846	36,558,454	2.0%	1.2%	42.0%	115.6%
Ace American Insurance Company	58,961,605	54,306,640	1.9%	1.8%	20.7%	25.8%
State Farm Fire & Casualty Company	55,836,418	56,316,109	1.8%	1.8%	83.3%	65.1%
Underwriters at Lloyds London	55,738,250	51,539,222	1.8%	1.7%	34.5%	45.6%

*Accredited reinsurer writing direct business

Pursuant to Part 4203, the Department collects data for a variety of coverage classes within the other liability line of insurance. The market share data below represents the percent of overall premium for each group during 2016.

<i>Liquor Liability</i>	<i>2016 Market Share</i>
Underwriters at Lloyds London	31.8%
Illinois Casualty Company	24.6%
Specialty Risk of America	12.9%
U S Insurance Company of America	8.7%
West Bend Mutual Insurance Company	3.8%
Liberty Mutual Fire Insurance Company	1.9%
Conifer Insurance Company	1.8%
Founders Insurance Company	1.6%
RSUI Indemnity Company	1.1%
Employers Insurance Company of Wausau	1.1%

<i>Lawyers Professional Liability</i>	<i>2016 Market Share</i>
Illinois State Bar Association Mutual Insurance Company	30.7%
Continental Casualty Company	22.8%
Underwriters at Lloyds London	17.5%
AXIS Insurance Company	6.2%
Great Divide Insurance Company	6.0%
Minnesota Lawyers Mutual Insurance Company	3.5%
American Zurich Insurance Company	2.6%
Argonaut Insurance Company	2.4%
Aspen American Insurance Company	1.9%
Catlin Insurance Company Inc	1.5%

<i>Commercial Daycare Liability</i>	<i>2016 Market Share</i>
West Bend Mutual Insurance Company	76.2%
Philadelphia Indemnity Insurance Company	10.2%
GuideOne Mutual Insurance Company	2.8%
Catlin Indemnity Company	2.0%
Cincinnati Insurance Company, The	2.0%
Erie Insurance Exchange	1.7%
Underwriters at Lloyds London	1.1%
Hanover Insurance Company	0.6%
Capitol Indemnity Corporation	0.5%
Cincinnati Indemnity Company, The	0.5%

WORKERS' COMPENSATION INSURANCE

The following table compares underwriting results for workers' compensation coverage written in Illinois with that written countrywide during 2017. Written premium in Illinois decreased by \$1.55 million, or 5.7 percent from 2016. At the same time, written premium countrywide increased \$3.8 billion or 0.8 percent from 2016.

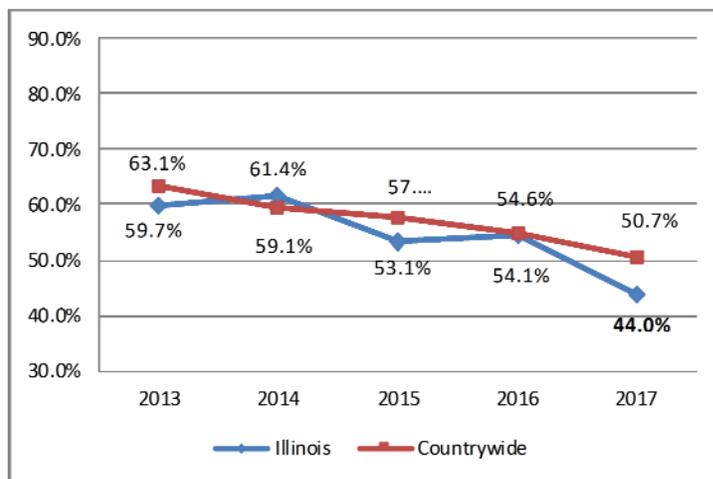
Workers' Compensation Insurance Underwriting Results (2017)

Workers' Compensation	Illinois	Countrywide*
Direct Written Premiums	\$2,565,459,295	\$44,655,467,319
Direct Earned Premiums	\$2,623,796,899	\$44,478,510,163
Expenses (% premium)		
Incurring Losses	44.0%	50.7%
Defense & Cost Containment Expenses Incurred	5.6%	7.2%
Commissions and Brokerage Expenses	8.5%	9.2%
Taxes, Licenses & Fees	2.1%	3.3%

NAIC State Data Network, 2017 Illinois State Page Exhibit
 *Illinois-licensed insurers

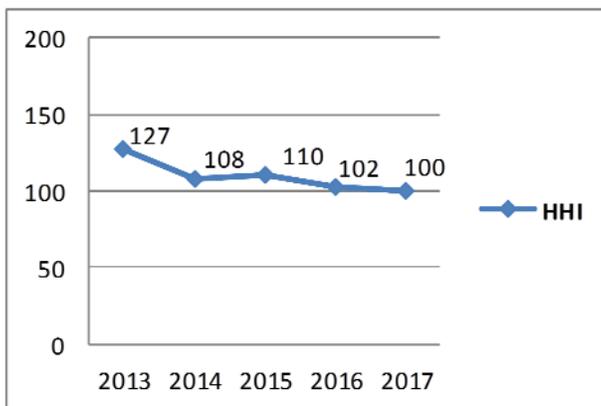
The loss ratio shows a significant decrease in Illinois of 10.1 percentage points. The countrywide loss ratio decreased 3.9 percentage points and continues to experience a gradual decrease since 2013.

Workers' Compensation Insurance Losses as a Percent of Earned Premium (2013 - 2017)



As with all other lines addressed in this report, the Department has determined the HHI for the workers' compensation market available to consumers in Illinois. Based on available data, it appears the Illinois workers' compensation market continues to contain sufficient insurers to maintain a competitive market for employers in Illinois.

Illinois Workers' Compensation Insurance Market Concentration



The following table identifies the top ten writers of workers' compensation insurance in Illinois based on written premium in 2017. In summary, the ten companies identified wrote over \$570 million in premium and combined for a total of 22.2 percent of the workers' compensation market in Illinois for 2017.

Top 10 Workers' Compensation Insurers in Illinois

Company	2017 Written Premium	2016 Written Premium	2017 Market Share	2016 Market Share	2017 Loss Ratio	2016 Loss Ratio
Zurich American Insurance Company	84,218,404	88,954,350	3.3%	3.5%	47.0%	33.3%
Technology Insurance Company Inc	64,905,393	72,662,302	2.5%	3.2%	65.1%	63.9%
Travelers Property Casualty Co of American	62,517,394	60,564,609	2.4%	2.3%	57.4%	53.1%
Country Mutual Ins Company	61,946,616	65,090,448	2.4%	2.5%	57.9%	45.7%
Pekin Insurance Company	56,903,022	60,919,168	2.2%	2.5%	41.7%	54.6%
LM Ins Corp	55,193,949	56,512,868	2.2%	2.1%	69.6%	51.2%
Accident Fund Insurance Co of American	51,759,435	41,835,712	2.0%	1.5%	60.1%	77.8%
West Bend Mutual Insurance Company	47,898,089	45,427,778	1.9%	1.6%	33.9%	59.3%
Insurance Company of The West	43,625,652	48,575,447	1.7%	2.0%	56.3%	75.5%
Acuity A Mutual Insurance Company	41,534,284	55,471,028	1.6%	2.1%	30.2%	41.8%

SECTION 3: RESIDUAL MARKET MECHANISMS

States establish residual market mechanisms to provide coverage for consumers who are unable to buy coverage in the voluntary market. Residual market mechanisms in Illinois provide essential insurance coverage for the hard-to-place risk at rate levels approved by the Department. Illinois has residual market mechanisms for three lines of insurance: property, automobile, and workers' compensation.

PROPERTY

The Illinois FAIR Plan Association (FAIR Plan)

Fire and homeowners insurance may be placed directly through the Illinois FAIR Plan. Both personal and commercial insurance coverage is available to consumers. Illinois insurance companies share in the FAIR Plan's profits and losses in proportion to their voluntary market shares.

In Illinois, property insurance is widely available in the voluntary marketplace, as a result only a very small percentage of consumers obtain coverage through the FAIR Plan. Consumers in Illinois are not at a coverage disadvantage when they buy insurance from the FAIR Plan, as is the case in many other states. Residual market programs typically only offer dwelling fire or basic homeowners policies in other states. Illinois has one of the most progressive plans in the nation. Through the FAIR Plan, consumers in Illinois can buy virtually the same coverages that are available in the voluntary marketplace including guaranteed replacement cost, sewer back-up, earthquake, building ordinance and law endorsements.

The following table summarizes the amount of dwelling and homeowners premium written by the FAIR Plan in Illinois from 2013 through 2017. As reflected in the data, the consistently low market share reflects a very healthy and competitive primary insurance market.

Written Premium for Illinois FAIR Plan (2013 – 2017)

	Amount of Written Premiums	As % of Total Written Premiums
2013	\$7,131,968	0.22%
2014	\$7,343,549	0.23%
2015	\$6,921,129	0.20%
2016	\$6,176,466	0.17%
2017	\$5,032,105	0.14%

Source: Premium amounts provided by Illinois FAIR Plan

AUTOMOBILE

The Illinois Automobile Insurance Plan (Auto Plan)

Private passenger automobile risks are assigned to automobile insurers on a rotational basis in proportion to their share of the voluntary market. Assignments stay with the company and are not shared with other insurers. Commercial automobile risks are placed through servicing companies. Losses are divided among the voluntary writers of commercial automobile insurance in proportion to their share of the voluntary business.

The following table identifies the annual application volume from 2013 through 2017 for the Illinois Automobile Insurance Plan compared to countrywide data. The number of applications in the assigned risk plan continues to decrease in Illinois in comparison to the countrywide application.

The table previously represented the percent of written car-years derived by dividing the number of written car-years insured through the residual market by the total number of written car-years insured. AIPSO no longer captures the data for the number of vehicles insured.

Private Passenger Five Year Application Volume by State in the Illinois Assigned Risk Plan and the United States Composite Automobile Residual Market

State	2013	2014	2015	2016	2017	% Change 2016 to 2017
Illinois	576	461	421	346	298	-17.80%
Total	179,881	167,736	166,087	175,470	188,088	5.65%

*AIPSO administered voluntary market policies included in the totals above

Source: AIPSO Private Passenger Five Year Application Volume by State

WORKERS' COMPENSATION

The Illinois Workers' Compensation Assigned Risk Pool (Pool)

Several insurers act as servicing carriers for the Illinois Workers' Compensation Assigned Risk Pool. Losses are divided among the voluntary writers of workers' compensation in proportion to their shares of the voluntary business.

The following table highlights the percent of workers' compensation premium written through the Pool between 2013 and 2017. As reflected below, based on premium written through the Pool, the workers' compensation market in Illinois continues to remain competitive.

Percent of Illinois Workers' Compensation Written Through the Pool (2013 – 2017)

	2013	2014	2015	2016	2017*
Percent of Total	5.3%	5.1%	4.6%	4.3%	4.5%

Source: National Council on Compensation Insurance (NCCI) * Preliminary

Workers' compensation insurers are assessed a fee to fund the assigned risk plan. The Take-Out Program allows each insurer who removes an employer insured through the Pool to be eligible for a credit against their assessed fee.

The table compares total credits between 2013 and 2017. The table indicates the total number of policies approved increased again in 2017, in contrast with a slight decrease in approved credit amount. This could be the result of larger risks being removed. As indicated by these findings, the workers' compensation market continues to remain competitive at this time.

Illinois Take-Out Credit Results (2013 through 2017)

Year	Total Number of Policies Approved	Approved Credit
2013	2,564	\$20 Million
2014	2,527	\$31 Million
2015	2,789	\$41 Million
2016	3,374	\$39 Million
2017	3,655	\$34 Million

Source: National Council on Compensation Insurance (NCCI)

The following ranks the top ten employment classes by the amount of premium written through the Assigned Risk Plan. The employment class code in bold in the following chart is new to this list in 2017.

Illinois Residual Market Top Ten Classification Codes by Premium Volume for 2017

Rank	Code	Description*	Premium	% of Class Premium
1	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories In Height	\$7,205,401	7.5%
2	7228	Trucking - Local Hauling Only-& Drivers	\$6,676,195	7.0%
3	5551	Roofing - All Kinds & Drivers	\$3,718,540	3.9%
4	5437	Carpentry - Installation of Cabinet Work or Interior Trim	\$3,655,662	3.8%
5	5474	Painting NOC & Shop Operations Drivers	\$3,210,918	3.4%
6	7229	Trucking-Long Distance Hauling-& Drivers	\$3,118,190	3.3%
7	9014	Contractor - Project Manager Construction Executive Construction Manager	\$2,610,530	2.7%
8	5022	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	\$2,600,159	2.7%
9	8868	College: Professional Employees & Clerical	\$2,422,444	2.5%
10	5606	Contractor - Project Manager Construction Executive Construction Manager or Construction	\$2,011,069	2.1%

* Class code descriptions provided are for reference only. For further information, please see NCCI manuals (Basic and/or Scopes Manual).

Source: National Council on Compensation Insurance (NCCI)

SURPLUS LINES ASSOCIATION

Insurance placed in the surplus lines market is written by a non-admitted (unlicensed) insurer through a licensed surplus lines producer. The licensed producer must exercise due diligence in protecting the insured since the Department has little jurisdiction over unlicensed companies and the Illinois Insurance Guaranty Fund provides no protection for the consumer. The surplus lines market relies on the producer's assessment of the company's financial stability and standards of management.

The following table outlines the number of policies written in Illinois from 2013 through 2017 by surplus lines producers for homeowners, private passenger auto liability and physical damage, commercial auto liability, medical malpractice, and other liability coverage. The grand total of all surplus lines policies combined continues to increase since 2013.

The ability to determine the competitiveness and health of the surplus lines market continues to be difficult to assess by the Department since it has little regulatory authority over this market.

Lines of Business	2013 Illinois Policy Count	2014 Illinois Policy Count	2015 Illinois Policy Count	2016 Illinois Policy Count	2017 Illinois Policy Count
Homeowners	3,653	3,897	4,475	5,043	4,701
PPA Liability	34	15	16	1	5
PPA Physical Damage	2,157	1,739	91	6	3
Commercial Auto Liability	294	324	439	575	553
Medical Professional Liability	1,949	1,428	1,470	1,159	1,160
Other Liability	28,830	30,021	33,790	37,734	41,144
Total-all policies	68,984	72,027	80,877	86,116	92,954

SECTION 4: OVERALL MARKET PROFITABILITY AND FINANCIAL REGULATION

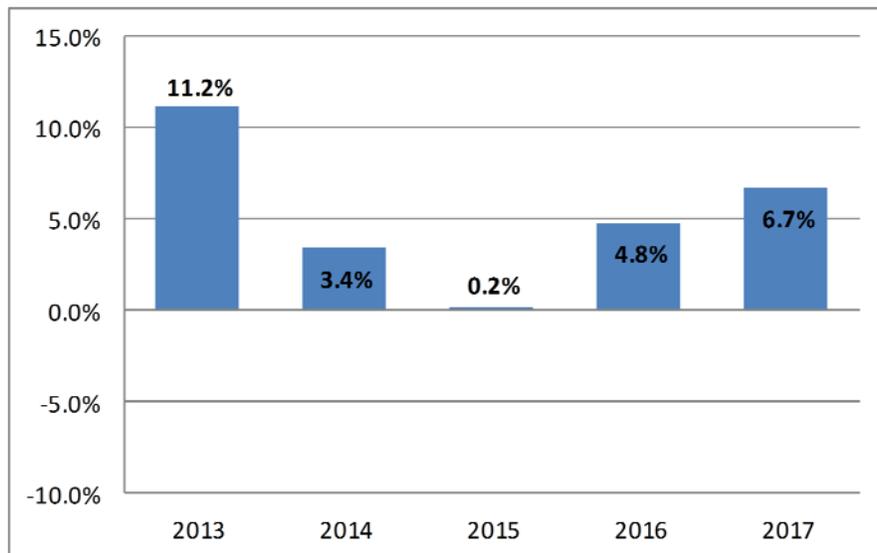
Businesses that provide a financial service must be financially sound. An insurance contract has little value to the insured if there is no confidence that the insurance company will have the money to pay claims when needed. In determining whether the overall marketplace is viable, the Department has considered several factors related to profitability and financial solvency.

PROFITABILITY

One measure of a company's financial performance is its profitability. Any for-profit organization must generate enough profit to survive and succeed. In a given month, if expenses exceed income they must be paid from reserve funds. If the trend continues, reserve funds run out causing the business to collapse. Therefore, it is imperative that insurance companies manage income and expenses to assure profitability and survival. When most insurers in the market are competitive and profitable, the market is considered to be financially strong. Overall, the following measurements indicate a stable market.

One measure of overall profitability is change in policyholders' surplus. This ratio measures a company's ability to increase policyholders' security. Policyholders' surplus is made up of: 1) underwriting gains or losses; 2) investment gains or losses; and 3) net contributed capital and other surplus changes. The following chart summarizes the change in policyholders' surplus for the Illinois-licensed property/casualty industry over the past five years.

**Change in Policyholders' Surplus
(2013 – 2017)**

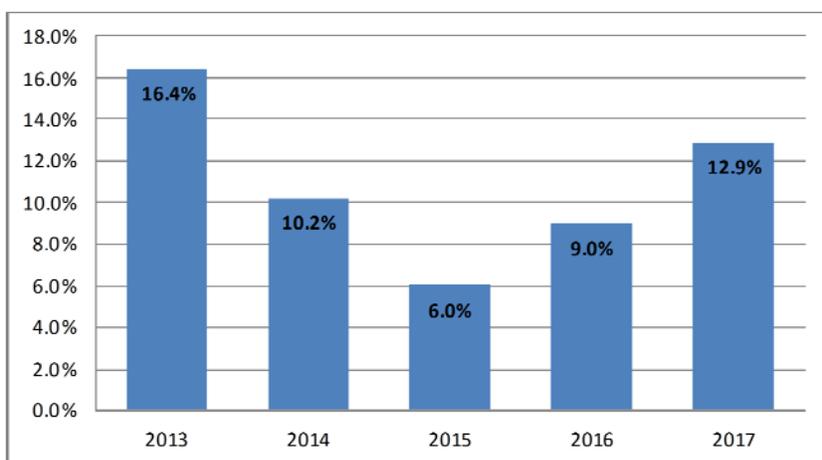


Source: NAIC State Data Network

Another measure of overall profitability is return on policyholders' surplus. The ratio measures a company's overall profitability from underwriting and investment activity after taxes. It represents the financial cushion that protects policyholders in case of unexpectedly high claims. The return on policyholders' surplus is determined as the sum of the net income (after dividends, taxes, and unrealized capital gains) divided by the average of the policyholders' surplus from current year and the prior year.

The following chart summarizes the aggregate return on policyholders' surplus from 2013 through 2017 for the overall Illinois-licensed property/casualty industry. The return on policyholders' surplus has exhibited a 3.9 percentage points increase in 2017.

Return on Policyholders' Surplus (2013 – 2017)



Source: NAIC State Data Network

The following table provides a summary of income from investments, net income, unrealized capital gains/losses and policyholders' surplus from 2013 through 2017 for all property/casualty insurers licensed in Illinois.

Net Investment Income Earned, Net Income, Unrealized Capital Gains/Losses and Policyholders' Surplus (in millions)

	2013	2014	2015	2016	2017
Net Investment Gain	63,754	60,969	54,387	53,110	65,819
Net Income	67,228	59,843	54,996	43,356	40,494
Unrealized Capital Gains/Losses	39,200	11,183	-12,702	22,227	59,870
Policyholders' Surplus	684,102	707,515	707,511	748,911	800,911

Source: NAIC State Data Network

UNDERWRITING EXPERIENCE

The following table identifies the aggregate underwriting gain/loss for Illinois-licensed insurers from 2013 through 2017. Earned premiums continue to show an increasing trend for the past five years although the net underwriting gain/loss continues to decrease since 2013.

Aggregate Net Underwriting Gain/Loss (in millions)

	2013	2014	2015	2016	2017
Premiums Earned	394,536	410,434	425,268	447,266	462,956
Losses Incurred	219,690	235,219	244,322	273,354	299,871
Loss Expenses Incurred	45,928	47,738	49,273	50,848	52,894
Other Underwriting Expenses Incurred	114,221	115,520	120,035	124,833	127,674
Dividends to Policyholders	1,716	1,670	1,709	1,509	1,676
Net Underwriting Gains/Losses	15,167	11,541	10,829	-2,770	-19,036

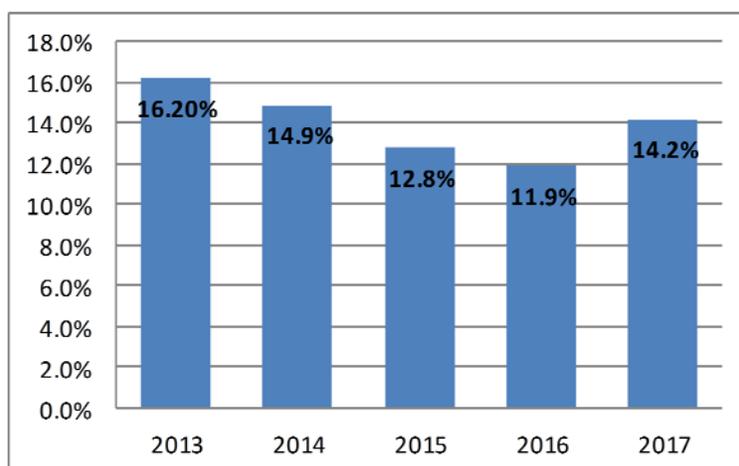
Source: NAIC State Data Network

INVESTMENT INCOME

One component of surplus is income derived from investments. The net investment income ratio measures income from invested assets relative to earned premium. It is calculated by dividing net investment income (income from invested assets less investment expenses and depreciation on real estate) by earned premiums.

The following chart shows the net investment income ratio for Illinois-licensed property/casualty insurers during the last five-year period. The ratio increased 2.3 percentage points in 2017, which indicates the investment income component of overall profitability.

Net Investment Income Ratio



Source: NAIC State Data Network

INSURANCE REGULATION PRINCIPLES

Although the Department cannot guarantee an Illinois-licensed insurer's profitability, we do monitor the financial solvency and strength of Illinois-licensed insurers in several ways including:

1. Maintaining a staff of accountants and specialists trained to identify a company's developing financial difficulties. The Department can then take steps to minimize potential losses to Illinois policyholders;
2. Working closely with insurance companies identified as having financial difficulties to minimize potential risk to policyholders, while attempting to resolve manageable problems or determine the need for rehabilitation or liquidation;
3. Employing field examiners for on-site evaluation of insurance company records;
4. Reviewing operations and compliance issues through scheduled, targeted, and special exams of known or suspected problems;
5. Maintaining a staff of actuaries who monitor the adequacy of loss reserves, cash flow testing, and proper valuation of assets;
6. Licensing and registering the many types of insurers, surplus lines producers, and risk sharing pools authorized by the Illinois Insurance Code and related Acts; and
7. Investigating unauthorized organizations or individuals thought to be conducting illegal insurance operations and taking regulatory action to remove them from the market to protect consumers from fraudulent activities.

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National Council on Compensation Insurance (NCCI) Data

Appendix A - F (National Association of Insurance Commissioners (NAIC))

APPENDIX A – Consolidated Assets of Illinois-licensed Property/Casualty Insurers for the year ending 12/31/2017

ASSETS		Assets Current Year	Non-Admitted Assets Current Year	Net Admitted Assets Current Year	Not Admitted Assets Prior Year
1	Bonds	788,660,911,024	230,059,415	788,430,851,609	786,489,776,678
2.1	Preferred stocks	4,387,093,624	4,426,898	4,382,666,725	9,767,196,208
2.2	Common stocks	538,766,295,558	6,379,971,944	532,386,323,613	468,575,190,116
3.1	First liens - mortgage loans on real estate	15,845,162,212	270,735	15,844,891,478	13,641,211,262
3.2	Other than first liens - mortgage loans on real estate	672,241,627	-	672,241,627	621,848,484
4.1	Properties occupied by the company	7,231,976,645	14,343,541	7,217,633,104	7,143,254,394
4.2	Properties held for the production of income	3,309,237,582	9,416,959	3,299,820,623	2,906,421,019
4.3	Properties held for sale	187,752,453	3,808,864	183,943,589	247,397,341
5	Cash, cash equivalents and short-term investments	96,904,353,088	41,891,622	96,862,461,466	73,838,926,447
6	Contract loans including premium notes	2,740,309	2,740,309	-	-
7	Derivatives	172,312,988	-	172,312,988	467,984,324
8	Other invested assets	149,656,507,448	14,990,437,198	134,666,070,250	125,556,768,830
9	Receivables for securities	1,960,207,731	1,242,627	1,958,965,104	1,502,226,718
10	Securities lending reinvested collateral assets	3,835,215,055	-	3,835,215,055	2,108,085,847
11	Aggregate write-ins for invested assets	7,557,041,643	2,146,321,451	5,410,720,192	4,519,211,959
12	Subtotals, cash and invested assets	1,619,149,048,970	23,824,931,565	1,595,324,117,409	1,497,385,499,623
13	Title plants less charged off	-	-	-	-
14	Investment income due and accrued	7,602,253,934	3,589,903	7,598,664,030	7,965,570,611
15.1	Uncollected premiums and agents' balances in the course of collection	53,117,685,506	2,421,568,159	50,696,117,357	48,174,452,950
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	97,088,963,812	223,538,247	96,865,425,564	88,492,962,722
15.3	Accrued retrospective premiums	3,970,962,176	180,207,352	3,790,754,827	3,695,221,458
16.1	Amounts recoverable from reinsurers	27,838,296,071	1,111,365	27,837,184,706	24,762,907,433
16.2	Funds held by or deposited with reinsured cos.	8,059,952,740	48,092,352	8,011,860,388	7,032,025,311
16.3	Other amounts receivable under reinsurance contracts	2,386,247,421	219,270	2,386,028,151	2,195,787,243
17	Amounts receivable relating to uninsured plans	74,071,893	761	74,071,132	82,026,583
18.1	Current federal and foreign income tax recoverable and interest thereon	7,336,897,541	59,786,228	7,277,111,313	4,675,750,006
18.2	Net deferred tax asset	20,593,843,586	5,191,584,741	15,402,258,850	24,083,529,015
19	Guaranty funds receivable or on deposit	220,134,365	2,637,790	217,496,575	207,528,261
20	Electronic data processing equipment and software	7,103,641,980	5,499,220,934	1,604,421,040	1,601,507,429
21	Furniture and equipment, including health care delivery assets	3,053,489,714	3,049,082,991	4,406,724	4,853,851
22	Net adjustment in assets and liabilities due to foreign exchange rates	25,803,488	-	25,803,488	120,721,989
23	Receivables from parent, subsidiaries and affiliates	19,339,358,028	482,704,378	18,856,653,649	12,287,155,162
24	Health care (\$1) and other amounts receivable	19,976,618	5,333,456	14,643,163	27,514,995
25	Aggregate write-ins for other than invested assets	27,393,946,584	8,512,718,151	18,881,228,433	18,619,312,896
26	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,904,374,574,406	49,506,327,654	1,854,868,246,767	1,741,414,327,525
27	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	31,055,089	21,343,582	9,711,507	8,196,047
28	Totals	1,904,405,629,495	9,527,671,236	1,854,877,958,274	1,741,422,523,572

APPENDIX B – Consolidated Liabilities, Surplus and Other Funds of Illinois-licensed Property/Casualty Insurers for the year ending December 31, 2017

LIABILITIES, SURPLUS AND OTHER FUNDS		Current Year	Prior Year
01	Losses	449,436,684,375	429,825,638,269
02	Reinsurance payable on paid losses and loss adjustment expenses	22,017,108,469	18,722,965,359
03	Loss adjustment expenses	93,139,915,929	92,388,776,753
04	Commissions payable, contingent commissions and other similar charges	6,123,842,025	6,188,858,755
05	Other expenses (excluding taxes, licenses and fees)	25,620,737,328	25,518,419,643
06	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,478,750,645	4,435,532,900
07.1	Current federal and foreign income taxes (including \$(1) on realized capital gains (losses))	2,305,966,006	3,493,696,689
07.2	Net deferred tax liability	23,448,794,200	26,288,180,417
08	Borrowed money \$(1) and interest thereon \$(2)	5,171,184,044	4,246,482,109
09	Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$(1) and including warranty reserves of \$(2))	219,821,042,925	209,013,785,422
10	Advance premium	3,005,367,305	2,830,785,482
11.1	Stockholders (dividends declared and unpaid)	181,267,141	218,132,822
11.2	Policyholders (dividends declared and unpaid)	472,623,815	466,198,283
12	Ceded reinsurance premiums payable (net of ceding commissions)	46,888,315,681	45,965,129,166
13	Funds held by company under reinsurance treaties	29,498,553,450	27,000,416,759
14	Amounts withheld or retained by company for account of others	12,774,637,834	11,787,719,855
15	Remittances and items not allocated	1,445,774,738	1,734,837,237
16	Provision for reinsurance	2,386,509,853	1,976,235,713
17	Net adjustments in assets and liabilities due to foreign exchange rates	552,894,862	744,061,224
18	Drafts outstanding	3,889,140,913	3,459,546,942
19	Payable to parent, subsidiaries and affiliates	13,860,854,145	11,536,818,026
20	Derivatives	610,330,383	615,954,853
21	Payable for securities	3,729,886,292	3,874,419,842
22	Payable for securities lending	4,459,940,932	2,691,002,401
23	Liability for amounts held under uninsured plans	2,484,207	3,478,786
24	Capital notes \$(1) and interest thereon \$(2)	-	-
25	Aggregate write-ins for liabilities	78,644,371,602	55,789,462,296
26	Total liabilities excluding protected cell liabilities	1,053,966,979,105	990,816,535,988
27	Protected cell liabilities	-	-
28	Total liabilities	1,053,966,979,105	990,816,535,988
29	Aggregate write-ins for special surplus funds	87,529,257,833	74,577,389,410
30	Common capital stock	5,076,726,352	5,012,954,547
31	Preferred capital stock	1,231,217,668	1,231,217,668
32	Aggregate write-ins for other than special surplus funds	173,048,500	103,798,040
33	Surplus notes	11,619,147,153	12,018,255,131
34	Gross paid in and contributed surplus	227,655,481,686	224,741,862,400
35	Unassigned funds (surplus)	468,994,517,822	434,282,475,977
36.1	(1) Shares common (value included in common capital stock \$(2)) (less treasury stock at cost)	1,335,655,908	1,336,129,459
36.2	(2) Shares preferred (value included in preferred capital stock \$(2)) (less treasury stock at cost)	32,761,993	25,836,102
37	Surplus as regards policyholders	800,910,979,123	750,605,987,619
38	Totals	1,854,877,958,243	1,741,422,523,608

**APPENDIX C – Consolidated Statement of Income for Illinois-licensed Property/Casualty Insurers for the year ending
December 31, 2017**

UNDERWRITING INCOME		CURRENT YEAR	PRIOR YEAR
1	Premiums earned	462,955,826,535	448,170,079,732
2	Losses incurred	299,871,269,002	273,859,841,793
3	Loss adjustment expenses incurred	52,894,000,807	50,997,913,347
4	Other underwriting expenses incurred	127,673,575,525	125,138,389,107
5	Aggregate write-ins for underwriting deductions	1,553,305,269	1,008,267,204
6	Total underwriting deductions	481,992,150,607	451,004,411,466
7	Net income of protected cells	-	-
8	Net underwriting gain (loss)	-19,036,324,065	-2,834,331,742
INVESTMENT INCOME			
9	Net investment income earned	48,080,186,340	46,479,497,170
10	Net realized capital gains (losses) less capital gains tax of \$(1)	17,738,534,215	6,706,336,157
11	Net investment gain (loss)	65,818,720,560	53,185,833,317
OTHER INCOME			
12	Net gain (loss) from agents' or premium balances charged off	-1,406,930,373	-1,216,206,144
13	Finance and service charges not included in premiums	2,689,618,771	2,491,803,225
14	Aggregate write-ins for miscellaneous income	-7,470,876,272	-865,753,414
15	Total other income	-6,188,187,859	409,843,667
16	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	40,594,208,630	50,761,345,242
17	Dividends to policyholders	1,676,452,745	1,535,409,806
18	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	38,917,755,885	49,225,935,443
19	Federal and foreign income taxes incurred	-1,546,460,998	5,798,956,727
20	Net income	40,464,216,879	43,426,978,721
CAPITAL AND SURPLUS ACCOUNT			
21	Surplus as regards policyholders, December 31 prior year	750,605,987,722	716,356,211,279
22	Net income	40,464,216,879	43,426,978,721
23	Net transfers (to) from protected cell accounts	-	-
24	Change in net unrealized capital gains or (losses) less capital gains tax of \$(1)	59,870,322,828	22,210,045,057
25	Change in net unrealized foreign exchange capital gain (loss)	957,639,856	314,513,358
26	Change in net deferred income tax	-20,880,464,488	725,956,775
27	Change in non-admitted assets	2,583,235,571	-2,878,382,677
28	Change in provision for reinsurance	-410,274,148	93,584,191
29	Change in surplus notes	-396,887,146	-752,707,594
30	Surplus (contributed to) withdrawn from protected cells	-	-
31	Cumulative effect of changes in accounting principles	-525,668,847	-40,271,811
32.1	Capital changes paid in	56,166,888	22,736,030
32.2	Capital changes transferred from surplus (stock dividend)	7,604,917	11,494,200
32.3	Capital changes transferred to surplus	-	-4,500,000
33.1	Surplus adjustments paid in	2,933,086,463	337,749,259
33.2	Surplus adjustments transferred to capital (stock dividend)	-3,855,300	-1,700,500
33.3	Surplus adjustments transferred from capital	1,489,167	4,458,670
34	Net remittances from or (to) home office	11,144,548	86,815,447
35	Dividends to stockholders	-32,809,084,298	-31,348,796,352
36	Change in treasury stock	-6,452,340	318,556
37	Aggregate write-ins for gains and losses in surplus	-1,547,229,050	2,041,485,118
38	Change in surplus as regards policyholders for the year	50,304,991,501	34,249,776,449
39	Surplus as regards policyholders, December 31 current year	800,910,979,215	750,605,987,723

APPENDIX D – Consolidated Exhibit of Premiums & Losses in the State of Illinois for All Illinois-licensed Property/Casualty Insurers during 2017

	1	2	3	4	5	6	7	8	9	10	11	12
Line of Business	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves (deducting salvage)	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expenses Paid	Direct Defense and Cost Containment Expenses Incurred	Direct Defense and Cost Containment Expenses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1 Fire	295,793,211	305,438,883	359,743	151,850,697	161,974,083	119,760,152	107,596,566	2,779,819	1,677,735	3,526,337	34,734,352	6,690,780
2.1 Allied lines	252,753,875	260,853,845	258,207	123,976,171	109,845,962	129,291,841	92,618,987	2,778,487	3,679,199	3,391,762	27,388,860	4,860,757
2.2 Multiple peril crop	674,876,579	705,591,397	0	17,534,770	177,222,075	195,243,952	155,320,830	721,830	368,983	2,591,004	66,843,413	1,545,478
2.3 Federal flood	27,753,282	27,882,442	0	15,397,881	10,984,835	14,047,218	4,578,445	502,609	509,205	31,288	4,278,337	398,475
2.4 Private crop	98,823,487	101,393,106	1,727,408	5,662,759	80,883,541	81,260,126	15,449,151	84,643	123,238	72,051	19,107,705	1,626,442
2.5 Private food	12,629,606	11,790,887	0	6,377,149	4,167,179	11,219,283	11,219,283	17,268	407,204	403,448	569,851	322,643
3 Farmowners multiple peril	179,465,041	178,395,697	5,000	73,741,293	113,539,878	123,021,739	45,510,445	1,258,340	3,222,881	5,703,219	28,110,064	3,433,087
4 Homeowners multiple peril	3,554,656,343	3,520,249,276	5,487,850	1,854,715,367	2,787,250,184	2,871,196,487	853,635,965	38,602,019	43,836,225	67,764,533	445,515,954	66,950,119
Commercial multiple peril (non-liability portion)	1,057,560,369	1,047,632,868	251,837	516,230,732	580,876,981	605,639,037	349,730,605	17,575,276	15,178,939	25,783,672	171,187,352	26,432,739
5.1 Commercial multiple peril	629,357,946	630,746,640	211,510	292,020,226	275,704,613	302,636,632	990,586,729	105,579,045	114,015,583	367,517,747	107,385,932	10,570,739
6 Mortgage guaranty	225,430,366	222,213,818	0	92,408,341	112,999,331	45,437,726	257,656,025	186,712	-1,683	1,001,597	0	5,625,891
8 Ocean marine	89,816,680	92,447,624	8,259	28,509,535	48,737,081	61,274,708	75,895,511	2,100,040	2,083,546	5,416,746	12,486,405	1,436,619
9 Inland marine	807,298,173	801,309,246	336,320	200,353,106	380,943,697	390,513,127	116,790,283	4,667,142	4,873,636	5,934,273	123,575,659	13,686,081
10 Financial guaranty	23,244,264	32,441,406	0	157,904,606	12,386,516	16,916,669	137,287,687	8,852,576	4,969,870	5,630,893	0	297,736
11 Medical professional liability	333,771,367	355,948,180	18,236,383	199,009,562	226,126,791	179,730,746	1,010,329,473	109,789,742	78,552,459	406,289,492	36,717,375	5,866,505
12 Earthquake	56,562,605	56,526,824	118,684	28,548,697	141,405	201,206	623,521	14,541	30,176	31,531	6,961,831	851,128
13 Group accident and health	240,497,742	236,678,200	0	193,122,813	130,141,880	147,805,721	129,694,901	1,870,087	2,457,777	2,089,363	25,909,808	5,120,121
14 Credit A&H (group and individual)	1,047,910	1,422,698	0	433,188	289,690	324,883	439,818	0	155	919	205,809	17,446
15.1 Collectively renewable A&H	1,817	2,459	0	80	-299	-299	-36,175	0	-30	20	231	185
15.2 Non-cancelable A&H	393,945	152,940	0	466,880	0	10,271	10,275	0	541	541	207,805	6,150
15.3 Guaranteed renewable A&H	61,147,264	52,817,961	0	510,797,034	70,105,613	69,474,473	179,044,704	32,366	44,308	105,967	4,099,884	556,015
15.4 Other liability - occurrence	210,831	230,907	1,061	414,518	126,721	-231,547	138,547	0	-1,077	415	17,770	433,109
15.5 Other accident only	816,150	790,306	0	103,729	44,788	158,785	296,115	0	4,968	9,716	184,677	28,529
Medicare Title VIII exempt from state taxes or fees	0	0	0	0	0	0	0	0	0	0	0	0
15.6 All other A&H	26,129,590	25,484,156	0	3,199,965	18,547,990	23,835,612	13,805,815	16,562	182,718	485,403	2,900,524	592,962
Federal employees health benefits program premium	77	77	0	22	0	0	0	0	0	0	0	2
15.8 Workers' compensation	2,555,459,295	2,623,796,899	11,755,292	953,249,952	1,371,536,102	1,154,252,605	6,493,967,976	155,911,758	148,133,938	728,649,420	218,123,529	54,550,538
17.1 Other liability - occurrence	2,128,216,691	1,936,562,343	448,448	1,847,254,276	1,111,008,885	1,127,521,341	3,877,567,141	128,319,114	139,669,972	629,624,613	175,215,666	31,182,933
17.2 Other liability - claims-made	851,464,826	889,463,718	1,505,082	524,101,406	351,855,240	311,319,461	1,916,345,695	94,120,796	95,550,914	390,584,503	126,781,186	14,997,772
17.3 Excess workers' compensation	59,026,799	60,901,558	0	25,372,705	23,907,991	42,610,773	524,270,521	409,810	188,336	17,014,399	4,177,963	1,942,186
18 Products liability	119,979,325	114,484,616	1,430	49,106,516	76,779,786	73,590,904	746,527,166	55,392,900	52,521,744	331,219,865	15,289,672	1,770,722
Private passenger auto no-fault (personal injury protection)	8,576,910	5,745,802	0	2,885,876	3,088,072	3,637,010	7,390,074	436,974	492,923	522,717	1,380,851	91,849
19.2 Other private passenger auto	4,171,536,805	4,105,410,047	4,514,478	1,264,409,780	2,533,516,928	2,732,225,318	3,045,386,744	141,545,759	162,602,460	390,362,218	422,138,576	38,307,046
Commercial auto no-fault (personal injury protection)	76,170	89,363	0	24,834	387,800	541,173	366,398	10,408	36,642	64,568	910	4,015
19.4 Other commercial auto liability	1,041,976,152	1,018,146,574	105,036	436,577,928	580,035,286	684,334,222	1,381,942,782	72,314,393	81,517,070	179,291,903	144,247,205	16,044,831
21.1 Private passenger auto	3,242,430,041	3,199,848,659	4,056,350	984,190,865	1,994,425,045	1,989,889,871	148,446,839	7,270,957	8,058,717	7,230,820	323,973,980	31,554,924
21.2 Commercial auto physical	342,215,241	335,110,630	38,611	133,623,842	191,424,953	195,279,458	40,804,981	3,782,251	3,667,983	5,254,525	45,452,107	5,715,846
22 Aircraft (all perils)	60,338,970	58,726,685	0	22,151,325	38,001,910	-85,592,038	350,339,746	6,116,734	-19,649,653	44,335,665	8,990,493	1,197,423
23 Fidelity	62,040,311	62,085,563	26	39,061,946	11,859,291	12,474,537	58,455,041	525,896	320,049	8,312,483	9,100,648	1,290,865
24 Surety	209,861,634	196,957,177	0	106,105,272	7,316,235	2,087,581	95,833,485	2,420,592	2,172,607	13,701,967	59,902,190	3,550,968
26 Burglary and theft	15,674,584	14,917,268	5,794	8,946,576	1,137,730	2,125,603	5,774,424	38,937	19,703	923,047	2,829,449	329,906
27 Boiler and machinery	65,974,371	66,724,932	1,040	33,927,183	28,294,486	20,912,953	8,583,840	201,627	109,940	419,714	6,459,030	1,571,646
28 Credit	72,148,652	68,982,415	0	29,992,823	30,440,748	22,306,251	22,171,548	438,247	483,146	603,560	10,249,006	1,530,582
30 Warranty	227,218,088	176,390,342	0	465,385,664	101,568,637	104,936,991	16,918,285	336,759	262,431	-10,100	27,087,512	2,147,167
34 Aggregate write-ins for other	34,006,885	36,904,416	0	16,497,589	13,751,664	11,432,661	40,468,074	131,405	197,845	1,261,023	3,946,155	810,180
35 Totals	23,928,260,250	23,639,690,831	49,433,852	11,414,745,478	13,773,369,621	13,798,634,566	23,349,733,365	966,954,399	952,563,311	3,656,145,919	2,723,755,813	365,940,919

Appendix E – Consolidated Exhibit of Premiums and Losses in All States for Licensed Property/Casualty Insurers during 2017
Exhibit of Premiums and Losses during the Year 2017

Line of Business	1	2	3	4	5	6	7	8	9	10	11	12
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expenses Paid	Direct Defense and Cost Containment Expenses Incurred	Direct Defense and Cost Containment Expenses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1 Fire	7,983,298,313	8,092,729,093	14,836,215	4,122,459,831	3,915,324,827	4,743,206,068	4,103,450,255	110,262,508	106,922,429	111,853,374	919,582,722	190,358,915
2.1 Allied lines	7,245,702,425	7,326,436,613	27,768,284	3,494,840,414	5,648,605,572	12,093,440,932	9,973,089,574	104,375,129	238,546,716	248,557,527	760,678,822	157,332,163
2.2 Multiple peril crop	10,059,093,860	10,174,652,878	0	1,086,825,460	5,346,270,386	5,844,445,923	3,419,233,394	7,209,918	7,806,473	18,189,539	935,951,943	16,775,420
2.3 Federal flood	2,380,087,516	2,369,704,231	0	1,306,303,605	5,607,645,723	6,628,693,337	1,761,223,904	47,185,337	47,088,857	7,035,318	410,989,774	50,488,046
2.4 Private crop	1,006,606,991	1,008,909,159	1,727,408	43,492,555	918,915,841	971,446,458	250,151,822	1,493,173	3,270,969	2,595,192	183,658,095	14,439,767
2.5 Private flood	564,430,457	526,928,706	0	275,298,911	388,156,347	826,947,963	517,840,267	3,036,291	6,427,490	4,454,980	29,865,554	15,895,093
3 Farmowners multiple peril	2,253,742,226	2,206,892,868	2,738,509	1,067,567,230	1,503,624,077	1,757,880,500	816,500,291	38,407,009	54,380,293	78,955,449	372,995,306	46,543,424
4 Homeowners multiple peril	68,724,885,262	67,661,929,062	345,452,252	35,886,727,685	42,752,297,751	49,571,660,922	20,821,592,456	920,654,565	1,091,249,769	1,562,043,243	8,431,328,852	1,641,536,205
5.1 Commercial multiple peril (non-liability portion)	20,947,988,988	20,724,823,076	8,606,273	10,125,636,970	11,729,757,419	13,959,625,797	8,857,762,513	360,448,638	328,223,211	729,160,267	3,411,138,357	574,067,211
5.2 Commercial multiple peril (liability portion)	12,738,018,687	12,671,555,229	5,106,187	5,846,134,419	5,284,882,654	5,994,646,141	20,128,194,365	1,940,195,482	2,136,976,508	7,381,835,018	2,202,926,636	301,988,691
6 Mortgage guaranty	4,917,358,044	4,801,438,168	0	2,528,982,365	1,739,366,626	580,984,111	4,618,736,731	8,358,404	6,183,568	18,347,648	236,681	117,153,193
8 Ocean marine	3,095,530,046	3,080,171,202	1,130,055	1,042,583,401	1,980,326,353	2,018,098,672	2,548,748,875	122,213,640	127,333,495	237,777,212	459,335,281	53,974,490
9 Inland marine	21,021,847,662	20,779,163,085	15,538,800	5,323,605,541	10,215,469,897	10,837,512,497	4,245,706,248	121,985,692	133,543,032	194,008,943	3,235,669,291	573,596,070
10 Financial guaranty	450,036,340	1,102,331,737	0	3,709,620,018	1,684,915,127	1,939,239,811	6,154,036,427	179,073,565	191,087,126	163,589,344	-18,956	14,797,952
11 Medical professional liability	4,203,234,979	4,221,039,208	75,020,404	2,333,591,949	2,094,423,110	1,776,344,415	9,603,561,175	1,029,643,355	889,347,987	3,372,438,326	452,826,482	82,289,204
12 Earthquake	1,659,408,169	1,622,233,121	4,672,161	835,582,363	26,571,330	105,046,872	107,265,615	1,724,060	2,496,177	2,463,701	201,870,739	27,731,717
13 Group accident and health	4,847,235,746	4,660,919,343	0	3,348,283,790	2,852,590,575	2,916,881,101	1,980,457,541	38,177,362	42,263,627	38,009,034	595,585,445	102,953,349
14 Credit A&H (group and individual)	188,268,379	187,239,717	0	59,648,093	29,038,482	29,509,510	34,355,600	7,696	44,874	286,706	24,894,974	5,857,565
15.1 Collectively renewable A&H	14,846,362	15,175,557	0	1,646,340	5,336,912	4,396,109	5,122,471	0	-9,103	145,124	6,590,568	519,663
15.2 Non-cancelable A&H	1,039,614	716,673	0	3,615,020	14,826	37,302	27,208	0	1,436	1,484	535,878	26,545
15.3 Guaranteed renewable A&H	1,089,026,022	716,680,481	0	9,682,402,452	1,113,901,862	1,248,394,027	2,952,646,852	492,971	735,311	2,100,057	98,094,693	22,884,498
16 Workers' compensation	2,565,459,295	2,623,796,899	11,755,292	953,249,952	1,371,536,102	1,154,252,605	6,493,967,976	155,911,758	148,133,938	728,649,420	218,123,529	54,550,588
17.1 Other liability-occurrence	2,128,216,691	1,936,562,343	448,448	1,847,254,276	1,111,008,885	1,127,521,341	3,877,567,141	128,319,114	139,669,972	629,624,613	175,215,666	31,182,953
17.2 Other liability-claims-made	851,464,826	889,463,718	1,505,092	524,101,406	351,855,240	311,319,461	1,916,345,695	94,120,796	95,550,914	390,584,503	126,781,186	14,997,772
17.3 Excess workers' compensation	59,026,799	60,901,558	0	25,372,705	23,907,991	42,610,773	524,270,521	409,810	188,336	17,014,399	4,177,963	1,942,186
18 Products liability	119,979,325	114,484,616	1,430	49,106,516	76,779,786	73,590,904	746,527,166	55,392,900	52,521,744	331,219,865	15,289,672	1,770,722
Private passenger auto no-fault (personal injury protection)												
19.1 Other private passenger auto liability	8,576,910	5,745,802	0	2,885,876	3,068,072	3,637,010	7,390,074	436,974	492,923	522,717	1,380,851	91,849
19.2 auto liability	4,171,536,805	4,105,410,047	4,514,478	1,264,409,780	2,533,516,928	2,732,225,318	3,045,386,744	141,545,759	162,602,460	390,362,218	422,138,576	38,307,046

Appendix E — Consolidated Exhibit of Premiums and Losses in All States for Licensed Property/Casualty Insurers during 2017
Exhibit of Premiums and Losses during the Year 2017—continued

	1	2	3	4	5	6	7	8	9	10	11	12
Line of Business	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expenses Paid	Direct Defense and Cost Containment Expenses Incurred	Direct Defense and Cost Containment Expenses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
19 Other private passenger auto liability	95,763,392,660	93,524,269,012	309,717,306	29,342,297,944	60,316,393,943	65,498,119,039	70,735,137,599	2,985,027,525	3,570,486,336	8,723,352,811	7,436,789,235	2,150,334,290
19 Commercial auto no-fault (personal injury protection)	455,605,897	450,074,117	89,886	199,435,791	265,008,909	377,972,424	1,381,418,605	32,517,060	35,723,166	84,020,965	53,910,583	13,694,643
19 Other commercial auto liability	21,104,203,857	20,471,896,530	19,894,936	9,435,004,190	12,389,321,057	14,603,307,422	27,618,887,100	1,354,857,450	1,603,306,918	3,526,506,423	3,009,053,826	523,594,632
21 Private passenger auto physical damage	72,574,476,621	71,121,671,140	272,087,764	22,527,523,641	46,169,405,293	46,467,875,175	3,678,564,175	180,116,437	195,659,396	166,571,848	5,785,496,113	1,587,055,768
21 Commercial auto physical damage	7,250,257,903	7,015,759,269	1,544,279	3,069,778,932	4,588,058,206	4,761,301,500	974,692,347	87,979,167	108,735,058	143,482,997	994,492,966	167,596,075
22 Aircraft (all perils)	1,537,608,276	1,521,556,331	0	730,333,702	815,193,846	827,681,735	2,220,843,967	115,615,459	104,448,972	308,421,748	246,527,844	37,709,467
23 Fidelity	1,181,217,587	1,185,807,000	407,785	701,941,286	499,980,895	473,046,978	1,154,950,812	12,864,331	-4,872,582	151,629,745	177,563,752	27,647,696
24 Surety	6,020,831,632	5,809,661,939	34,899,179	3,367,567,789	693,272,625	828,405,659	2,424,602,997	164,933,963	127,484,669	473,085,696	1,547,079,965	166,414,302
26 Burglary and theft	298,307,455	283,005,946	16,591	166,858,381	31,971,705	27,453,937	133,797,314	3,885,888	5,524,928	20,247,377	56,430,169	6,760,747
27 Boiler and machinery	1,565,382,581	1,597,173,897	33,424	790,413,525	702,993,639	711,118,623	641,197,671	8,680,501	10,475,546	16,506,137	132,582,045	39,036,294
28 Credit	1,783,554,918	1,817,758,962	0	926,275,040	884,826,767	917,180,440	596,604,675	15,914,560	19,745,016	13,835,007	331,285,130	45,165,299
30 Warranty	3,025,288,145	2,521,747,376	0	7,072,943,894	1,442,800,917	1,437,615,143	154,389,496	4,879,279	4,154,178	973,724	237,745,985	68,612,894
34 Aggregate write-ins for other lines of business	1,167,079,701	1,093,605,572	0	771,985,080	546,649,758	327,149,575	388,465,545	36,681,997	52,428,168	70,373,730	121,002,695	28,239,456
35 Totals	498,267,642,953	489,992,465,738	1,635,485,505	218,319,187,494	291,162,969,930	320,939,070,032	496,909,622,501	19,095,475,780	21,033,735,289	68,213,096,318	54,585,016,210	11,664,134,828

**Appendix F – Consolidated Schedule T for all Illinois-Licensed Property/Casualty Insurers for 2017
Schedule T – Exhibit of Premiums Written – Allocated by States and Territories**

State	Gross Premiums Written	Gross Premiums Earned	Dividends Paid to Policy Holders	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid	Finance Charges Not Included	Direct Premiums Written Federal
01 Alabama AL	6,679,329,680	6,618,574,205	19,509,932	3,533,787,261	3,931,936,852	5,350,921,586	51,276,754	17,791,416
02 Alaska AK	1,408,760,274	1,417,177,118	6,437,191	654,963,971	677,917,699	1,299,929,901	6,277,539	3,617,200
03 Arizona AZ	8,512,228,640	8,287,113,059	22,920,156	4,712,302,443	5,282,994,104	6,413,968,167	61,220,367	18,084,466
04 Arkansas AR	3,899,093,206	3,857,163,752	8,124,212	2,450,728,639	2,730,097,953	2,847,799,464	22,690,607	6,920,362
05 California CA	54,363,686,418	53,583,118,190	92,298,161	28,574,924,388	31,779,566,019	58,437,869,623	383,992,150	155,571,777
06 Colorado CO	9,781,466,060	9,625,279,380	32,490,651	6,574,291,476	7,297,612,600	6,695,402,016	58,191,525	20,019,249
07 Connecticut CT	7,396,885,833	7,362,279,463	35,355,398	3,739,455,855	3,816,119,720	7,776,358,703	45,443,454	31,286,496
08 Delaware DE	2,039,692,808	2,016,761,303	5,058,500	1,057,599,601	1,213,578,027	2,337,976,633	12,182,238	5,383,876
09 Dist. Columbia DC	1,534,983,820	1,527,221,893	3,280,261	682,764,961	962,764,297	1,613,946,778	5,269,399	9,340,099
10 Florida FL	30,452,217,771	29,856,452,814	124,051,009	17,191,057,054	18,032,613,734	22,960,888,184	209,935,518	76,398,316
11 Georgia GA	15,505,117,969	15,100,579,458	48,907,929	9,287,049,963	10,392,773,685	11,680,413,927	95,424,885	23,014,050
12 Hawaii HI	1,542,040,846	1,515,417,672	8,853,254	655,291,208	635,620,424	1,185,134,143	8,872,126	5,430,915
13 Idaho ID	1,793,052,954	1,731,142,339	3,963,638	836,200,807	930,623,729	1,155,784,011	16,215,489	4,796,375
14 Illinois IL	23,418,554,238	23,222,423,522	50,907,560	12,864,070,841	12,961,289,900	23,317,586,663	100,852,629	45,018,425
15 Indiana IN	8,936,354,463	8,842,487,155	9,482,451	4,784,456,293	5,120,583,926	6,643,755,011	52,556,498	19,478,504
16 Iowa IA	5,671,091,727	5,552,449,746	33,957,763	2,535,003,584	2,800,360,800	3,988,890,268	23,251,415	18,326,840
17 Kansas KS	5,229,065,382	5,230,349,750	15,714,144	2,421,885,050	2,574,860,773	3,199,102,386	22,123,518	9,306,688
18 Kentucky KY	5,485,479,783	5,441,780,845	8,186,400	3,066,208,566	3,248,122,264	5,146,819,870	28,785,060	16,506,190
19 Louisiana LA	7,582,752,646	7,570,650,523	15,949,135	6,492,525,512	7,279,141,085	6,902,177,678	40,026,131	15,533,756
20 Maine ME	1,684,935,136	1,644,905,055	24,078,940	716,174,026	779,470,268	1,485,191,242	12,482,486	5,953,801
21 Maryland MD	9,758,348,948	9,532,881,039	35,049,243	5,591,373,932	5,772,802,814	8,201,868,949	53,201,280	24,959,696
22 Massachusetts MA	8,535,164,099	8,329,104,524	23,351,893	3,986,849,214	4,220,908,320	9,319,840,867	43,818,001	44,123,261
23 Michigan MI	14,438,576,209	14,332,092,711	27,535,994	7,811,004,085	9,640,831,180	39,813,218,475	49,649,794	31,023,562
24 Minnesota MN	10,122,300,570	10,119,101,390	16,260,138	5,072,165,543	5,181,748,196	7,996,747,946	34,502,142	15,043,093
25 Mississippi MS	3,789,462,830	3,786,058,892	7,740,545	2,020,526,822	2,081,988,435	2,622,615,368	23,491,009	10,457,857
26 Missouri MO	9,848,953,413	9,677,835,770	14,406,379	5,524,490,925	5,974,862,748	7,504,462,108	54,763,668	14,406,699
27 Montana MT	1,767,200,370	1,800,604,051	3,696,688	1,167,412,594	1,260,652,002	1,040,034,152	9,380,205	3,953,101
28 Nebraska NE	4,118,257,520	4,044,005,605	11,033,145	2,410,185,632	2,728,659,642	2,776,925,262	14,432,963	8,313,895
29 Nevada NV	4,263,623,016	4,203,533,971	9,123,624	2,523,017,828	2,927,849,734	4,955,602,802	32,049,344	12,274,764
30 New Hampshire NH	1,909,964,488	1,898,128,055	11,332,543	862,605,718	878,372,170	1,660,293,454	13,051,633	7,309,991
31 New Jersey NJ	13,607,615,108	13,439,337,757	33,800,524	7,672,193,655	7,872,939,751	21,309,633,253	65,439,690	47,399,916
32 New Mexico NM	2,620,561,204	2,593,693,080	8,491,787	1,631,868,004	1,686,654,337	2,122,385,541	20,083,410	8,754,361

**Appendix F – Consolidated Schedule T for all Illinois-Licensed Property/Casualty Insurers for 2017
Schedule T – Exhibit of Premiums Written – Allocated by States and Territories—Continued**

State	Gross Premiums Written	Gross Premiums Earned	Dividends Paid to Policy Holders	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid	Finance Charges Not Included	Direct Premiums Written Federal
33 New York NY	35,449,377,854	35,042,639,114	82,147,846	20,116,724,591	19,980,349,746	47,897,064,077	206,308,484	108,729,581
34 North Carolina NC	12,857,597,971	12,647,805,913	43,976,085	6,962,140,191	6,971,707,999	8,515,982,765	113,139,066	23,642,749
35 North Dakota ND	2,101,505,376	2,101,609,106	1,638,758	1,177,456,973	1,123,961,724	855,980,878	4,931,164	2,242,083
36 Ohio OH	14,989,471,129	14,778,992,086	18,823,078	7,342,171,303	7,528,597,790	9,576,542,970	129,280,823	38,012,008
37 Oklahoma OK	5,973,444,427	5,940,421,885	17,519,421	3,136,565,684	3,005,321,758	4,125,228,404	41,174,993	9,838,855
38 Oregon OR	5,040,389,451	4,947,517,492	12,162,386	2,831,133,928	3,070,266,768	3,921,106,851	32,532,808	15,279,772
39 Pennsylvania PA	21,356,565,229	21,111,993,153	46,088,445	11,358,272,003	11,088,821,144	20,833,215,056	144,632,338	48,651,976
40 Rhode Island RI	1,963,071,957	1,926,459,520	21,207,397	1,039,245,376	989,015,465	1,594,803,243	12,899,877	3,443,956
41 South Carolina SC	8,476,240,069	8,269,966,256	28,828,198	4,955,765,563	5,058,973,032	5,772,358,989	67,735,770	10,912,077
42 South Dakota SD	2,185,692,899	2,174,447,450	3,929,495	1,258,451,024	1,230,691,807	1,268,939,224	6,656,173	3,327,005
43 Tennessee TN	8,806,225,370	8,690,547,880	21,998,129	4,970,999,810	5,053,834,372	7,665,953,285	53,035,563	22,152,021
44 Texas TX	30,687,784,747	29,998,316,628	174,317,567	25,226,254,421	30,341,874,792	29,699,630,429	144,791,338	124,056,053
45 Utah UT	3,759,982,351	3,621,400,598	6,230,285	1,913,448,531	1,937,542,697	2,513,994,984	21,148,051	6,739,964
46 Vermont VT	944,479,007	940,522,120	3,808,768	432,100,288	417,277,759	825,988,692	7,516,379	2,893,474
47 Virginia VA	11,939,758,921	11,762,758,658	77,140,541	6,525,711,194	6,873,166,895	8,767,981,875	94,984,348	44,813,366
48 Washington WA	9,877,734,514	9,644,273,807	30,321,094	5,301,690,636	5,752,643,270	6,709,897,570	76,119,293	18,165,994
49 West Virginia WV	2,725,083,300	2,710,221,404	4,195,849	1,329,590,099	1,375,456,373	2,269,956,050	16,681,699	3,582,854
50 Wisconsin WI	9,783,932,783	9,691,971,385	175,138,355	5,213,938,326	5,334,947,679	8,845,905,149	41,224,772	13,866,506
51 Wyoming WY	994,388,692	978,123,826	2,340,681	556,373,413	549,111,328	468,921,342	6,236,284	1,371,957
52 American Samoa AS	87,914	109,655	0	8,748	-60,581	5,751	75	0
53 Guam GU	56,719,886	57,247,830	628,097	16,803,924	35,750,769	41,567,214	45,883	0
54 Puerto Rico PR	212,887,852	223,072,337	284,022	962,797,704	4,423,523,777	4,688,602,558	53,658	275,935
55 U.S. Virgin Islands VI	21,386,682	21,553,581	217,688	55,678,911	327,283,536	265,558,676	361,385	1,916
56 N. Mariana Islands MP	1,413,642	1,455,572	0	32,317	-185,763	86,474	218	0
57 Canada CAN	2,474,920,213	2,359,478,151	148,089	1,450,923,937	1,115,142,095	4,222,205,181	580,236	0
58 Agg. other alien OT	3,422,067,609	3,487,505,075	404,131	1,653,728,591	1,487,410,173	4,736,080,091	82,034	436
59 Totals	498,267,642,922	489,992,465,751	1,635,485,502	291,162,969,930	320,848,608,000	496,909,622,504	2,985,185,515	1,275,934,363

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