



State of Illinois
Illinois Department of Insurance



**Cost Containment
Annual Report
to the
General Assembly

2019**

JB PRITZKER
Governor

ROBERT MURIEL
Director



Illinois Department of Insurance

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July 1, 2019

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 2019. 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, appearing to read "R. Muriel".

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

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. This section contains a historical graph of the HHI for each of the lines of business indicated above.

Section 3: RESIDUAL MARKET MECHANISMS

This section details activities of the residual market and the surplus lines market.

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.

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.

Section 4: OVERALL MARKETPLACE CONDITIONS

The report 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 \$26 billion in 2018, representing 3.9 percent of the total written premium countrywide. The Illinois loss ratio increased 0.7 points from 2017 to 2018 but remains lower than the countrywide average which decreased 5.4 points during the same time period.

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

Rank	State	2018 Direct Written Premium	% of Total Direct Written Premium		Direct Pure Loss Ratio (%)	
			2018	2017	2018	2017
1	California	\$80,413 M	12.0%	11.9%	72.6%	59.8%
2	Texas	\$58,694 M	8.8%	8.6%	54.7%	73.7%
3	Florida	\$53,824 M	8.0%	7.9%	73.4%	55.1%
4	New York	\$48,352 M	7.2%	7.3%	58.5%	58.4%
5	Illinois	\$26,040 M	3.9%	3.9%	56.7%	56.0%
6	Pennsylvania	\$25,312 M	3.8%	3.8%	58.7%	57.8%
7	New Jersey	\$22,111 M	3.3%	3.3%	59.5%	57.5%
8	Georgia	\$21,541 M	3.2%	3.1%	66.4%	68.3%
9	Michigan	\$19,961 M	3.0%	3.0%	66.3%	66.6%
10	Ohio	\$17,117 M	2.6%	2.6%	49.7%	52.5%
11	North Carolina	\$16,475 M	2.5%	2.5%	77.4%	61.0%
12	Massachusetts	\$15,538 M	2.3%	2.4%	52.4%	50.7%
13	Virginia	\$14,202 M	2.1%	2.1%	59.7%	60.3%
14	Colorado	\$13,339 M	2.0%	1.9%	86.6%	72.9%
15	Washington	\$12,842 M	1.9%	1.9%	56.0%	58.8%
16	Maryland	\$12,173 M	1.8%	1.8%	64.3%	60.1%
17	Missouri	\$12,040 M	1.8%	1.8%	55.9%	61.7%
18	Louisiana	\$11,948 M	1.8%	1.8%	54.1%	86.7%
19	Tennessee	\$11,905 M	1.8%	1.8%	50.7%	64.0%
20	Minnesota	\$11,889 M	1.8%	1.8%	54.5%	51.3%
	All Other	\$164,406 M	24.5%	24.4%	57.5%	64.2%
	Total/Average	\$670,123 M	100%	100%	61.7%	67.1%

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.

5-Year Trend

Illinois total direct written premiums for the property/casualty industry have been trending upward the past 5-year period.



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 2018. Pacific, Mountain, and the east coast regions reported a higher loss ratio in 2018 than their five-year loss ratio average. All central regions along with Other* reported a lower loss ratio in 2018 than their five-year loss ratio average. Other* includes territories devastated by tropical storms in recent years, causing the direct loss ratio to be considerably higher than other regions of the United States. The U.S. Virgin Islands direct loss ratio in 2018 was 390.2%. This is attributed to Hurricane Irma and Hurricane Maria, both occurring in September of 2017.



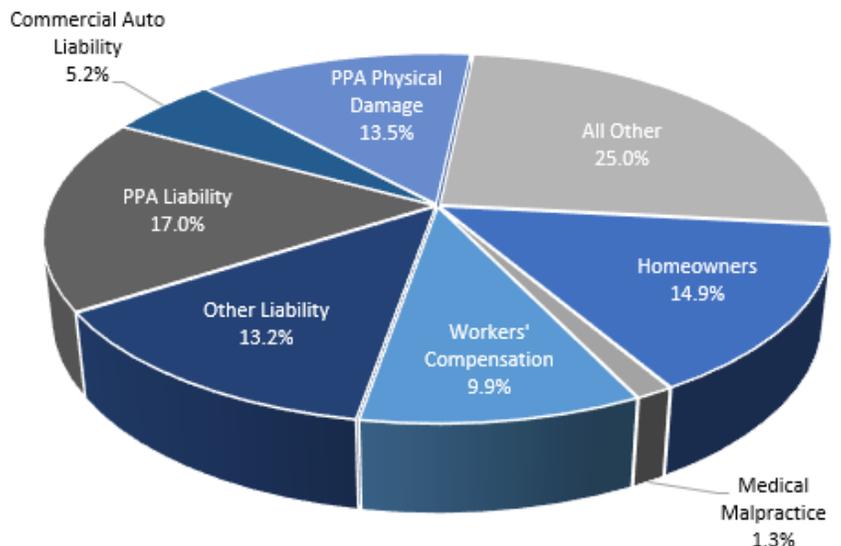
2018	Pacific	Mountain	Northwest Central	Southwest Central	Northeast Central	Southeast Central	Mid-Atlantic	South Atlantic	New England	Other*	Total All Regions
% Total DPW	15.6%	6.9%	7.0%	12.6%	12.8%	5.1%	14.3%	20.3%	5.0%	0.4%	100%
Direct Loss Ratio	68.0%	69.9%	56.4%	54.5%	56.8%	55.5%	58.8%	68.1%	53.7%	114.8%	61.7%
5 Year Average Loss Ratio	63.4%	65.0%	58.3%	65.5%	57.6%	57.4%	57.9%	62.0%	53.2%	196.4%	61.1%

Source: NAIC State Data Network; aggregate Schedule T for all property/casualty insurers.

*Other includes United States territories of American Samoa, Guam, North Mariana Islands, Puerto Rico and the U.S. Virgin Islands.

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

The chart reflects the distribution of all Illinois property/casualty insurance premiums written during 2018. Personal lines of insurance include homeowners, private passenger automobile liability, and private passenger automobile physical damage coverage. Combined, these coverages make up approximately 45.4 percent of the overall property/casualty insurance written in the State of Illinois.



Source: NAIC State Data Network, 2018 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 Illinois and countrywide continues to grow. In 2018, total written premiums for homeowners coverage written in Illinois increased 4.6 percent from 2017. Countrywide, homeowners premiums increased 6.7 percent during the same period.

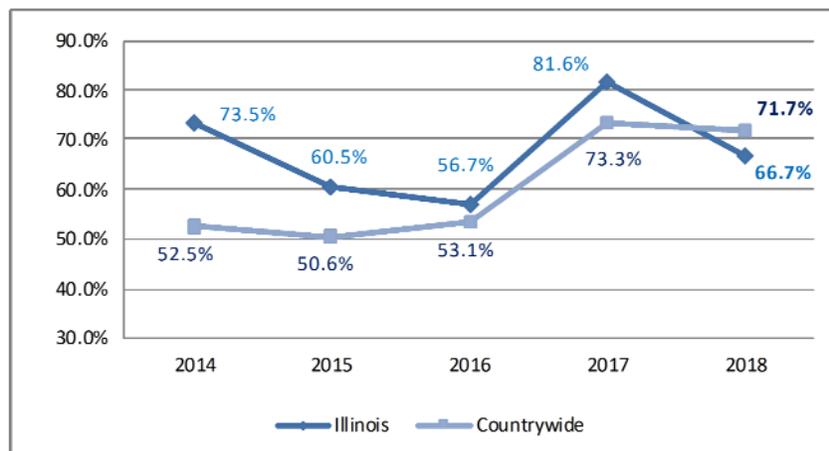
Homeowners Underwriting Results

Homeowners	Illinois	Countrywide*
Direct Written Premiums	\$3,716,860,109	\$73,329,110,391
Direct Earned Premiums	\$3,625,378,709	\$71,478,526,821
<i>Expenses (% of Direct Earned Premium)</i>		
Incurred Losses	66.7%	71.7%
Defense & Cost Containment Expenses Incurred	1.4%	1.6%
Commissions and Brokerage Expenses	12.8%	12.5%
Taxes, Licenses & Fees	2.1%	2.5%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit
*Illinois-licensed Insurers

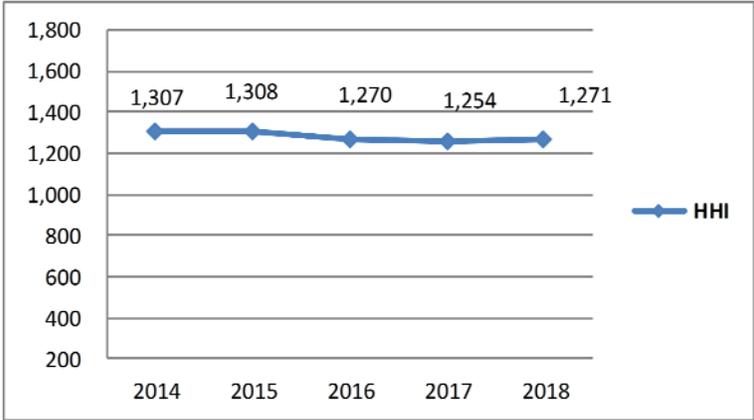
The following shows a five year trend of incurred loss ratios for homeowners insurance. The loss ratio in Illinois decreased 9.9 percentage points in 2018 compared to a loss of 1.6 percentage points countrywide. The Illinois loss ratio dropped below the countrywide loss ratio in 2018, the first time for this line of coverage in the past 5 years.

Homeowners Losses as a Percent of Earned Premium



The following graph reflects the Herfindahl/Hirschmann Index or (HHI) for Illinois homeowners insurance from 2014 through 2018. 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.

Illinois Homeowners Insurance Market Concentration



The following identifies the top ten writers of homeowners insurance in Illinois based on written premium in 2018. The ten companies identified wrote over \$2.4 billion in written premium and combined for a total of 65.9 percent of the Illinois market share in 2018.

Top 10 Homeowners Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
State Farm Fire & Casualty Company	\$1,230,198,662	\$1,165,708,633	33.1%	32.80%	81.4%	98.30%
Country Mutual Insurance Company	\$308,760,379	\$297,848,178	8.3%	8.40%	51.0%	77.00%
Allstate Vehicle & Property Insurance Company	\$183,902,524	\$152,353,521	4.9%	4.30%	68.8%	80.20%
Farmers Insurance Exchange	\$153,371,961	\$150,027,508	4.1%	4.20%	63.1%	86.20%
American Family Mutual Insurance Co, S. I .	\$136,704,319	\$145,256,501	3.7%	4.10%	57.5%	67.20%
Allstate Indemnity Company	\$118,251,116	\$127,217,240	3.2%	3.60%	57.1%	62.40%
Travelers Home & Marine Insurance Company	\$86,419,108	\$83,318,046	2.3%	2.30%	57.8%	73.60%
Liberty Insurance Corporation	\$85,599,818	\$75,760,840	2.3%	2.10%	63.8%	83.70%
Allstate Insurance Company	\$84,427,591	\$86,499,926	2.3%	2.40%	45.7%	53.80%
Auto Owners Insurance Company	\$60,371,266	\$55,084,356	1.6%	1.50%	45.1%	90.80%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

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 2017 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company.

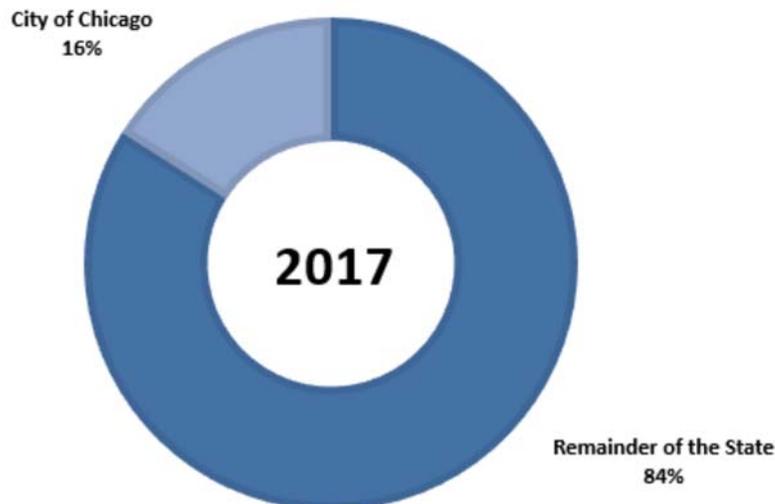
Please note that due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2017.

**Top 10 Homeowners Insurers in Illinois
Market Share Based on Location**

Company	2017 Statewide Market Share	2017 City of Chicago Market Share	2017 Remainder of State Market Share
State Farm Fire & Casualty Company	32.8%	36.7%	31.4%
Country Mutual Insurance Company	8.4%	2.4%	10.2%
Allstate Vehicle & Property Insurance Company	4.3%	4.6%	4.1%
Farmers Insurance Exchange	4.2%	3.4%	4.3%
American Family Mutual Insurance Co, S. I .	4.1%	4.3%	3.9%
Allstate Indemnity Company	3.6%	6.5%	2.9%
Travelers Home & Marine Insurance Company	2.4%	2.4%	2.3%
Liberty Insurance Corporation	2.3%	2.5%	2.0%
Allstate Insurance Company	2.1%	4.8%	1.9%
Auto Owners Insurance Company	1.7%	0.2%	2.1%

The following shows the portion of the homeowners market share for the City of Chicago compared to the portion that is for the remainder of the State for all companies statewide writing homeowners insurance in Illinois based on written premium in 2017.

**Homeowners Statewide
Market Share Based on Location**



Illinois Homeowners Premium by Coverage Types

The following table summarizes the amount of written premium paid by Illinois homeowners during 2017 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.

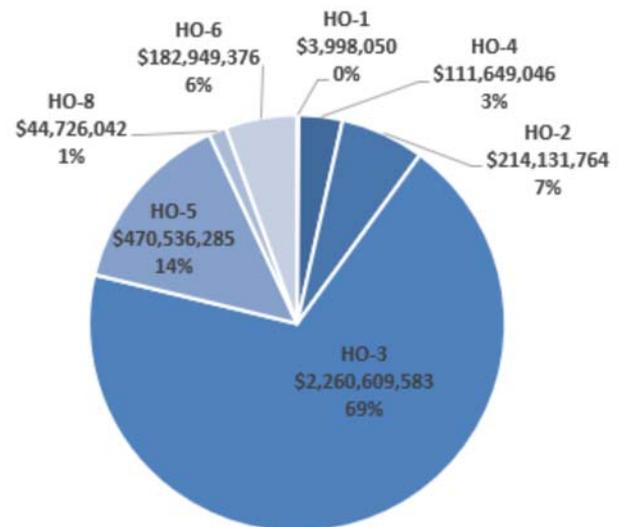
Special Form (HO-3) - Offers property and liability coverage for the dwelling, other structures, and loss of use of the dwelling and other structures for all perils specifically listed in the policy (e.g., fire, lightning, windstorm and hail, falling objects, etc.). Personal property is also covered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

The following table compares underwriting results for private passenger auto liability insurance written in Illinois with that written countrywide during 2018. The amount of premium written in Illinois and countrywide both reflected an increase; however, the average Incurred Losses show a decrease from 2017.

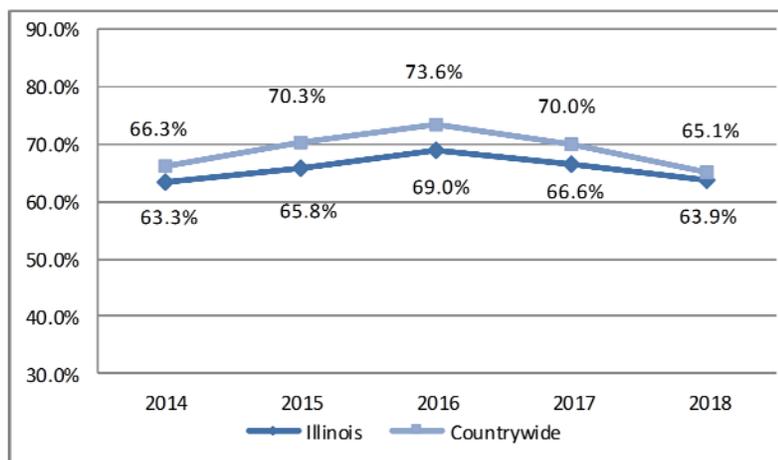
Private Passenger Automobile Liability Underwriting Results

PPA Liability	Illinois	Countrywide*
Direct Written Premiums	\$4,257,266,780	\$101,604,907,434
Direct Earned Premiums	\$4,228,627,309	\$100,221,700,663
<i>Expenses (% of Direct Earned Premium)</i>		
Incurred Losses	63.9%	65.1%
Defense & Cost Containment Expenses Incurred	4.1%	3.8%
Commissions and Brokerage Expenses	9.9%	7.6%
Taxes, Licenses & Fees	1.3%	2.3%

NAIC State Data Network, 2018 Illinois State Page Exhibit
*Illinois-licensed insurers

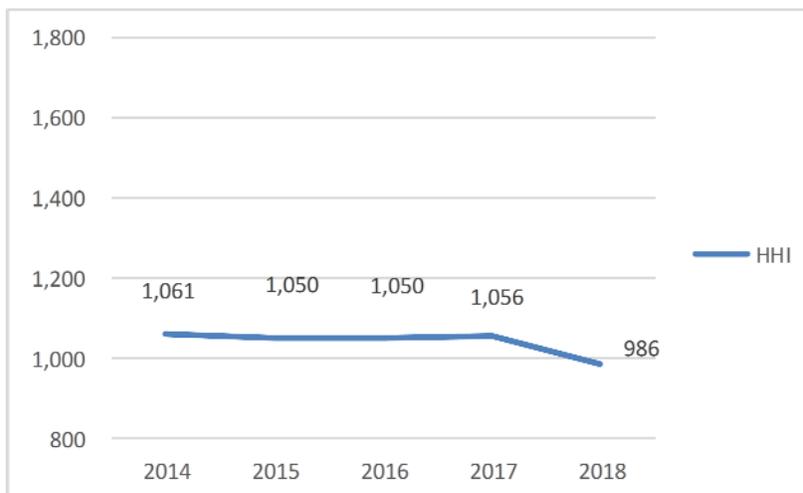
As reflected in the following chart, the loss ratios for private passenger automobile liability insurance decreased 2.7 percentage points and 4.9 percentage points in Illinois and countrywide in 2018, respectively.

Private Passenger Automobile Liability Losses as a Percent of Earned Premium



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.

Illinois Private Passenger Auto Liability Insurance Market Concentration



The following identifies the top ten writers of private passenger automobile liability insurance in Illinois based on written premium in 2018. In summary, the ten companies identified wrote nearly \$2.7 billion in premium and combined for a total of 63.4 percent of the Illinois market share in 2018.

Top 10 Private Passenger Automobile Liability Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
State Farm Mutual Auto Insurance Company	\$1,200,036,407	\$1,237,720,096	28.2%	29.7%	61.4%	66.8%
Allstate Fire & Casualty Insurance Company	\$319,099,438	\$311,874,300	7.5%	7.5%	58.7%	56.5%
Geico Casualty Company	\$244,942,086	\$207,386,293	5.8%	5.0%	68.2%	79.2%
Country Preferred Insurance Company	\$185,885,815	\$179,470,078	4.4%	4.3%	70.6%	63.0%
Progressive Universal Insurance Company	\$168,818,700	\$130,041,660	4.0%	3.1%	53.6%	52.7%
Illinois Farmers Insurance Company	\$166,728,766	\$168,712,279	3.9%	4.0%	62.7%	66.6%
Progressive Northern Insurance Company	\$139,132,710	\$119,685,331	3.3%	2.9%	62.9%	61.1%
American Family Mutual Insurance Company S.I.	\$114,881,650	\$122,230,225	2.7%	2.9%	60.9%	65.5%
American Family Insurance Company	\$80,111,941	\$59,239,058	1.9%	1.4%	69.5%	72.9%
State Farm Fire & Casualty Company	\$77,473,078	\$89,284,641	1.8%	2.1%	67.3%	78.0%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

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 2017 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company.

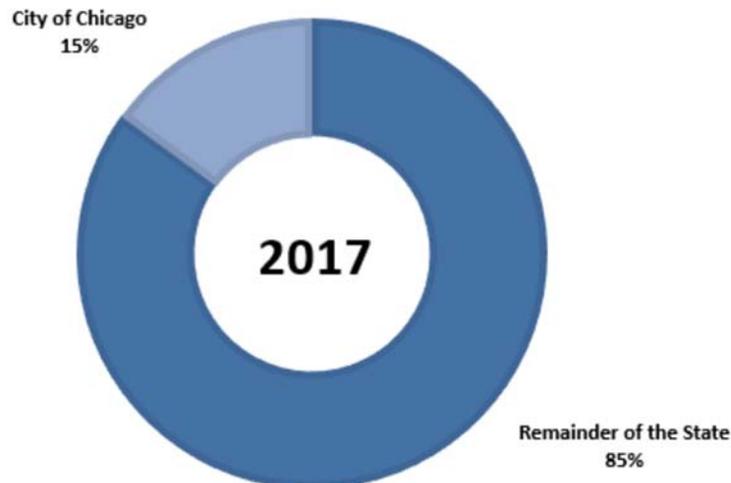
Please note that due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2017.

**Top 10 Private Passenger Automobile Liability Insurers in Illinois
Market Share Based on Location**

Company	2017 Statewide Market Share	2017 City of Chicago Market Share	2017 Remainder of State Market Share
State Farm Mutual Auto Insurance Company	29.7%	31.7%	29.3%
Allstate Fire & Casualty Insurance Company	7.5%	9.1%	7.2%
Geico Casualty Company	5.0%	6.8%	4.6%
Country Preferred Insurance Company	4.3%	0.7%	4.8%
Progressive Universal Insurance Company	3.1%	2.7%	3.2%
Illinois Farmers Insurance Company	4.0%	2.5%	4.3%
Progressive Northern Insurance Company	2.9%	1.7%	3.1%
American Family Mutual Insurance Company S.I.	2.9%	2.5%	3.0%
American Family Insurance Company	1.4%	1.7%	1.4%
State Farm Fire & Casualty Company	2.1%	2.6%	2.1%

The following shows the portion of the private passenger automobile liability market share for the City of Chicago compared to the portion that is for the remainder of the State for all companies statewide writing this line of insurance in Illinois based on written premium in 2017.

**Private Passenger Automobile Liability Statewide
Market Share Based on Location**



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 3.8 percent in written premium during 2018, while the market experienced a 5.3 percent increase on a countrywide basis.

Private Passenger Automobile Physical Damage Underwriting Results

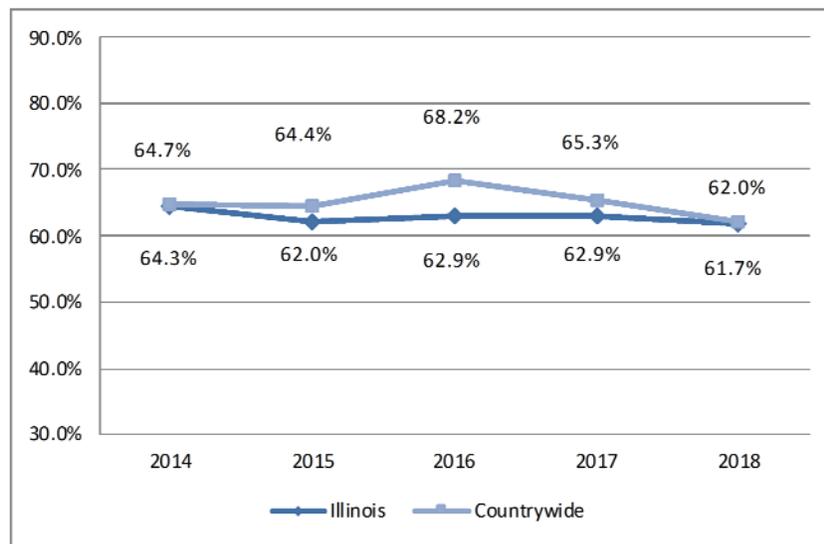
PPA Physical Damage	Illinois	Countrywide*
Direct Written Premiums	\$3,365,575,034	\$76,447,705,520
Direct Earned Premiums	\$3,323,592,950	\$75,326,867,632
<i>Expenses (% of Direct Earned Premium)</i>		
Incurring Losses	61.7%	62.0%
Defense & Cost Containment Expenses Incurred	0.2%	0.2%
Commissions and Brokerage Expenses	10.1%	7.9%
Taxes, Licenses & Fees	1.4%	2.3%

NAIC State Data Network, 2018 Illinois State Page Exhibit

*Illinois-licensed insurers

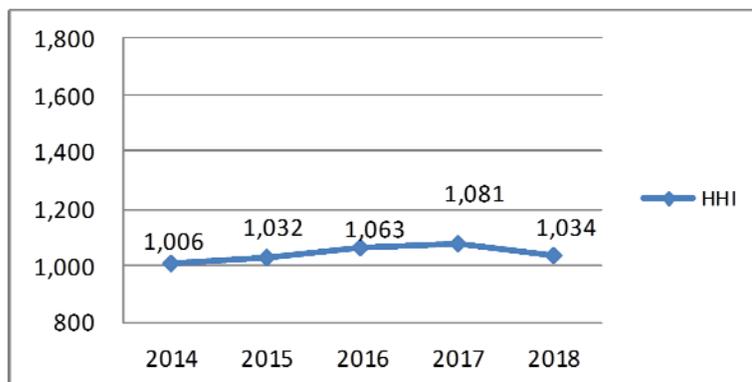
The private passenger physical damage loss ratio countrywide decreased 3.3 percentage points while the loss ratio in Illinois decreased 1.2 percentage points in 2018.

Private Passenger Automobile Physical Damage Losses as a Percent of Earned Premium



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 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 2018. In summary, the ten companies identified wrote a total of \$2.1 billion in premium and combined for a total of 63.5 percent of the Illinois market.

Top 10 Private Passenger Automobile Physical Damage Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
State Farm Mutual Auto Insurance Company	\$977,162,417	\$974,663,730	29.0%	30.1%	66.4%	66.7%
Allstate Fire & Casualty Insurance Company	\$291,547,939	\$267,021,308	8.7%	8.2%	52.1%	51.9%
Geico Casualty Company	\$161,997,842	\$139,403,953	4.8%	4.3%	83.8%	86.0%
Country Preferred Insurance Company	\$159,283,146	\$148,694,471	4.7%	4.6%	64.0%	63.2%
Illinois Farmers Insurance Company	\$113,286,376	\$115,205,658	3.4%	3.6%	56.8%	61.4%
Progressive Universal Insurance Company	\$106,408,306	\$83,801,399	3.2%	2.6%	72.8%	64.3%
Progressive Northern Insurance Company	\$94,915,475	\$79,937,839	2.8%	2.5%	62.0%	57.7%
American Family Mut Insurance Company S.I.	\$85,257,067	\$92,202,708	2.5%	2.8%	57.6%	59.9%
Country Mutual Insurance Company	\$78,270,554	\$78,716,984	2.3%	2.4%	56.7%	54.6%
Allstate Insurance Company	\$69,077,256	\$74,560,841	2.1%	2.3%	18.7%	20.0%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

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 2017 *Statewide Market Share* to *City of Chicago* and *Remainder of State* market share for each company.

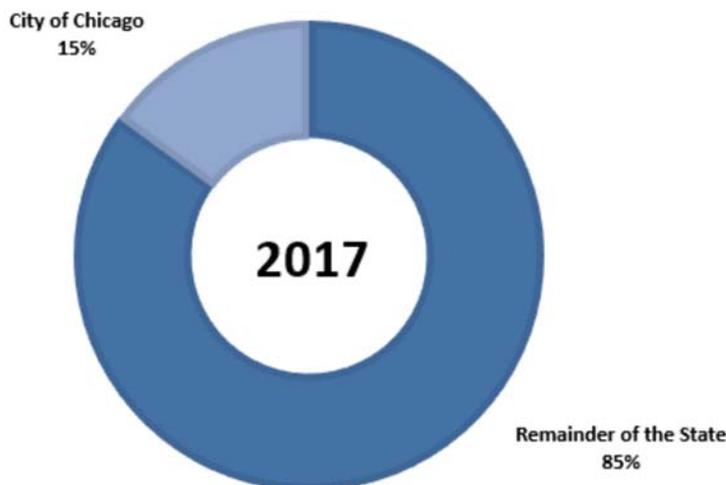
As mentioned previously, due to the statutory requirement associated with finalizing this report, the most recent data year available at the time of publishing was 2017.

**Top 10 Private Passenger Automobile Physical Damage Insurers in Illinois
Market Share Based on Location**

Company	2017 Statewide Market Share	2017 City of Chicago Market Share	2017 Remainder of State Market Share
State Farm Mutual Auto Insurance Company	30.1%	32.6%	29.8%
Allstate Fire & Casualty Insurance Company	8.2%	9.7%	1.9%
Geico Casualty Company	4.3%	6.4%	3.9%
Country Preferred Insurance Company	4.6%	0.7%	5.2%
Illinois Farmers Insurance Company	3.6%	2.3%	3.8%
Progressive Universal Insurance Company	2.6%	3.6%	2.4%
Progressive Northern Insurance Company	2.5%	1.7%	2.6%
American Family Mut Insurance Company S.I.	2.8%	2.4%	2.9%
Country Mutual Insurance Company	2.4%	0.3%	2.7%
Allstate Insurance Company	2.3%	1.9%	2.4%

The following shows the portion of the private passenger automobile liability market share for the City of Chicago compared to the portion that is for the remainder of the State based on written premium in 2017. The statewide market share split based on location is the same for private passenger liability insurance and private passenger physical damage insurance because the lines are so closely associated and typically marketed jointly.

**Private Passenger Automobile Physical Damage Statewide
Market Share Based on Location**



COMMERCIAL AUTOMOBILE LIABILITY

The following table compares underwriting results for commercial automobile liability insurance written in Illinois with that written countrywide during 2018. The commercial automobile market premiums increased in both Illinois and countrywide by 25.8 percent and 12.1 percent, respectively.

Commercial Automobile Liability Underwriting Results

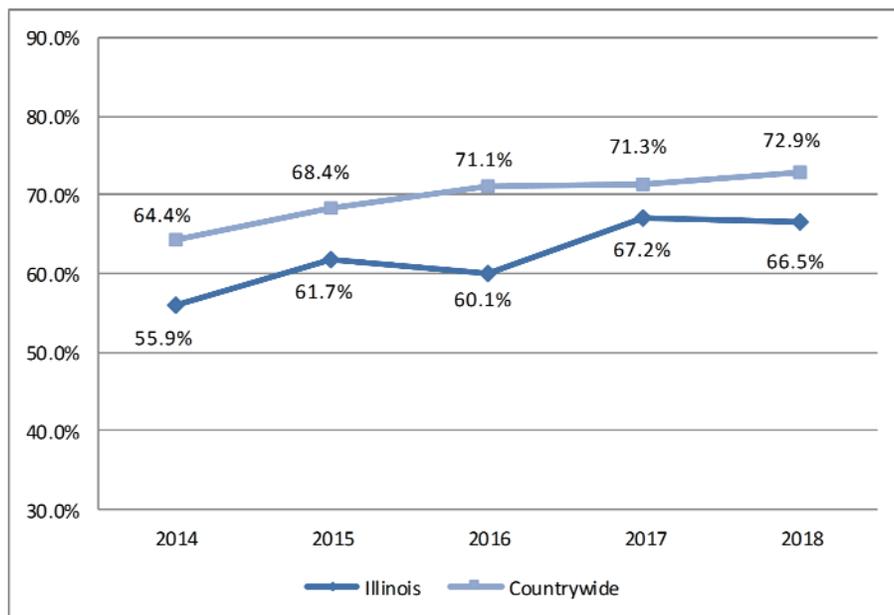
<i>Commercial Auto Liability</i>	<i>Illinois</i>	<i>Countrywide*</i>
<i>Direct Written Premiums</i>	\$1,311,159,932	\$23,662,382,897
<i>Direct Earned Premiums</i>	\$1,227,387,899	\$22,587,271,883
<i>Expenses (% of Direct Earned Premium)</i>		
<i>Incurred Losses</i>	66.5%	72.9%
<i>Defense & Cost Containment Expenses Incurred</i>	6.6%	7.4%
<i>Commissions and Brokerage Expenses</i>	13.5%	13.8%
<i>Taxes, Licenses & Fees</i>	1.9%	2.6%

NAIC State Data Network, 2018 Illinois State Page Exhibit

*Illinois-licensed insurers

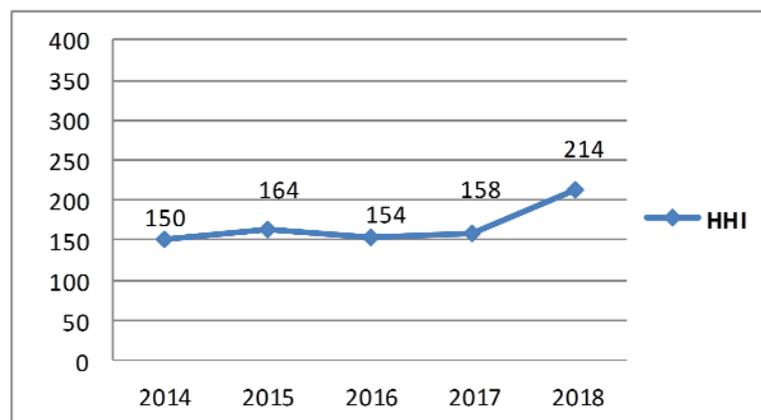
The commercial automobile liability loss ratio in Illinois decrease 0.7 percentage points while the loss ratio countrywide increased 1.6 points.

Commercial Automobile Liability Losses as a Percent of Earned Premium



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 Automobile 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 \$468 million in premium and combined for a total of 35.7 percent of the total Illinois market share in 2018.

Top 10 Commercial Automobile Liability Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
Allstate Ins Co	\$106,908,288	\$6,208,402	8.2%	0.6%	75.4%	92.2%
Artisan & Truckers Cas Co	\$79,370,975	\$58,622,717	6.1%	5.6%	37.0%	73.5%
Northland Ins Co	\$55,400,492	\$42,186,259	4.2%	4.0%	63.7%	54.3%
National Continental Ins Co	\$46,615,269	\$22,133,797	3.6%	2.1%	76.6%	122.9%
Great West Cas Co	\$42,538,361	\$43,547,770	3.2%	4.9%	74.3%	53.2%
Acuity A Mut Ins Co	\$30,809,159	\$24,847,619	2.3%	2.4%	60.4%	74.0%
Transguard Ins Co Of Amer Inc	\$29,836,580	\$28,051,708	2.3%	2.7%	35.7%	32.7%
Zurich Amer Ins Co	\$26,642,784	\$28,048,053	2.0%	2.7%	22.9%	89.6%
Pekin Ins Co	\$25,550,334	\$24,292,139	1.9%	2.3%	53.7%	68.8%
National Liab & Fire Ins Co	\$24,847,562	\$18,989,830	1.9%	1.8%	38.2%	61.6%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

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 2017.

**Top 10 Commercial Automobile Liability Insurers in Illinois
By Classification of Coverage**

Trucks, Tractors, & Trailers Insurers	2017 Market Share
Artisan and Truckers Casualty Company	10.1%
Northland Insurance Company	5.9%
Acuity A Mutual Insurance Company	3.9%
Country Mutual Insurance Company	3.8%
National Liability & Fire Insurance Company	3.2%
American Inter-Fidelity Exchange	3.0%
First Chicago Insurance Company	2.9%
Cincinnati Insurance Company The	2.5%
Great West Casualty Company	2.3%
Erie Insurance Exchange	2.0%

Taxicab & Limousine Insurers	2017 Market Share
American Service Insurance Company Inc	24.0%
American Country Insurance Company	19.0%
Echelon Property & Casualty Insurance Company	18.5%
Lancer Insurance Company	9.0%
Pennsylvania Manufacturers Assn Insurance Company	4.6%
Prime Property & Casualty Insurance Inc	4.6%
Canal Insurance Company	3.7%
New York Marine And General Insurance Company	2.5%
Selective Insurance Company of The SE	2.3%
Selective Insurance Company of SC	2.1%

MEDICAL MALPRACTICE LIABILITY

The following table compares underwriting results for medical malpractice liability coverage written in Illinois with that written countrywide during 2018. The premiums in Illinois decreased 2.7 percent and countrywide written premiums increased 1.7 percent compared to 2017. Illinois incurred losses are 13.7 percentage points higher than the countrywide incurred losses for medical malpractice liability coverage.

Medical Malpractice Liability Underwriting Results

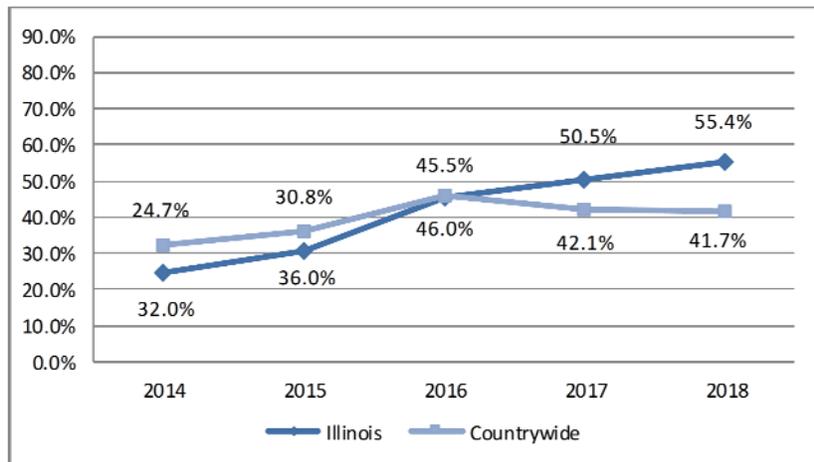
Medical Malpractice	Illinois	Countrywide*
Direct Written Premiums	\$324,838,993	\$4,276,732,941
Direct Earned Premiums	\$337,038,582	\$4,334,408,634
Expenses (% of Direct Earned Premium)		
Incurred Losses	55.4%	41.7%
Defense & Cost Containment Expenses Incurred	26.6%	19.8%
Commissions and Brokerage Expenses	10.4%	10.9%
Taxes, Licenses & Fees	1.1%	2.0%

NAIC State Data Network, 2018 Illinois State Page Exhibit

*Illinois-licensed insurers

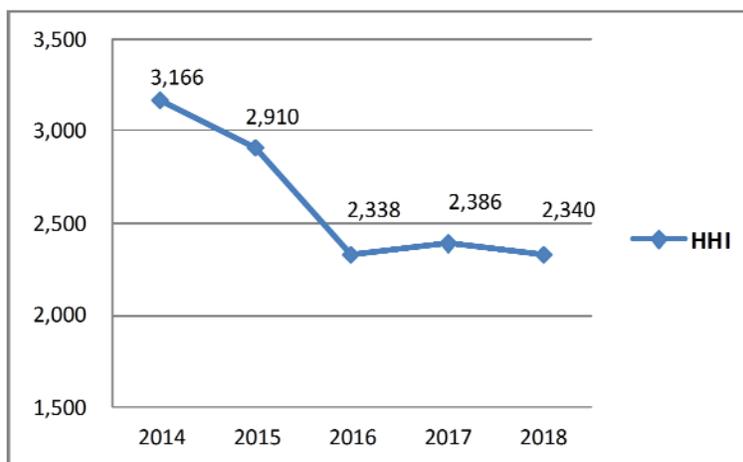
The loss ratio for the medical malpractice market continues to increase in Illinois. The loss ratio grew 4.9 points in Illinois while the loss ratio decreased 0.4 points countrywide. The Department continues to monitor the trend of increasing losses for this market in Illinois in comparison to countrywide losses.

Medical Malpractice Liability Losses as a Percent of Earned Premium



The following graph highlights the market concentration for medical malpractice carriers in Illinois from 2014 through 2018. Although the medical malpractice market in Illinois remains highly concentrated, the HHI is trending lower. The Department will continue to monitor the market.

Illinois Medical Malpractice Liability Insurance Market Concentration



The table identifying the top ten writers of medical malpractice insurance in Illinois based on written premium during 2018. The ten companies identified wrote over \$284 million in premium and combined for 87.6 percent of market share in Illinois in 2018. The largest writer of medical malpractice insurance in Illinois remains a physician-affiliated company. ISMIE Mutual Insurance Company (ISMIE) wrote 45.8 percent of the medical malpractice coverage in the state. The second largest medical malpractice insurer was Medical Protective which wrote 8.5 percent of the Illinois market.

Top 10 Medical Malpractice Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
ISMIE Mutual Insurance Company	\$148,894,013	\$155,950,892	45.8%	46.7%	43.5%	38.7%
Medical Protective Company	\$27,522,021	\$25,477,999	8.5%	7.6%	76.0%	18.8%
Norcal Mutual Insurance Company	\$21,388,358	\$17,380,797	6.6%	5.2%	138.0%	118.7%
The Doctors Company, An Interinsurance Exchange	\$20,847,783	\$21,190,601	6.4%	6.4%	71.3%	39.8%
Columbia Casualty Company	\$14,300,746	\$12,554,761	4.4%	3.8%	63.7%	46.7%
Medical Alliance Insurance Company	\$14,000,756	\$13,459,779	4.3%	4.0%	36.4%	61.3%
ProAssurance Casualty Company	\$11,735,680	\$12,196,825	3.6%	3.7%	24.3%	-7.2%
Professional Solutions Insurance Company	\$9,751,992	\$10,682,547	3.0%	3.2%	26.4%	10.3%
Preferred Professional Insurance Company	\$8,675,633	\$8,420,144	2.7%	2.5%	85.4%	69.6%
American Casualty Company Of Reading PA	\$7,572,188	\$5,786,553	2.3%	1.7%	34.2%	20.1%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

Pursuant to Part 4203, the Department collects data for several 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.

**Top 10 Medical Malpractice Liability Coverage Companies
In Illinois by Coverage Type**

Medical Malpractice / Surgery	2017 Market
ISMIE Mutual Insurance Company	52.3%
Medical Protective Company The	10.6%
Norcal Mutual Insurance Company	6.6%
Doctors' Company The	5.4%
Proassurance Casualty Company	4.7%
Preferred Professional Insurance Company	4.5%
Medical Alliance Insurance Company	4.2%
Professional Solutions Insurance Company	2.7%
OMS National Insurance Company, RRG	1.9%
Cincinnati Insurance Company The	1.6%

Medical Malpractice / Non-Surgery	2017 Market Share
ISMIE Mutual Insurance Company	57.6%
Medical Alliance Insurance Company	21.5%
Medical Protective Company The	7.9%
Proassurance Casualty Company	6.6%
Norcal Mutual Insurance Company	2.8%
Preferred Professional Insurance Company	1.3%
Doctors' Company The	0.9%
Professional Solutions Insurance Company	0.7%
Aspen American Insurance Company	0.2%
Doctors Direct Insurance Inc	0.2%

Medical Malpractice / Other	2017 Market
ISMIE Mutual Insurance Company	49.2%
Norcal Mutual Insurance Company	14.7%
Medical Protective Company The	7.2%
Professional Solutions Insurance Company	4.4%
Proassurance Casualty Company	4.2%
American Casualty Company of Reading PA	3.6%
Podiatry Insurance Company of America	3.4%
NCMIC Insurance Company	2.8%
Preferred Professional Insurance Company	2.2%
Allied World Insurance Company	1.8%

OTHER LIABILITY

The following table compares underwriting results for other liability written in Illinois with that written countrywide during 2018. Written premium for other liability coverage in Illinois increased 10.6 percent, almost \$321 million and countrywide written premium also increased, 6.3 percent, over \$3 billion, from 2017.

Other Liability Insurance Underwriting Results

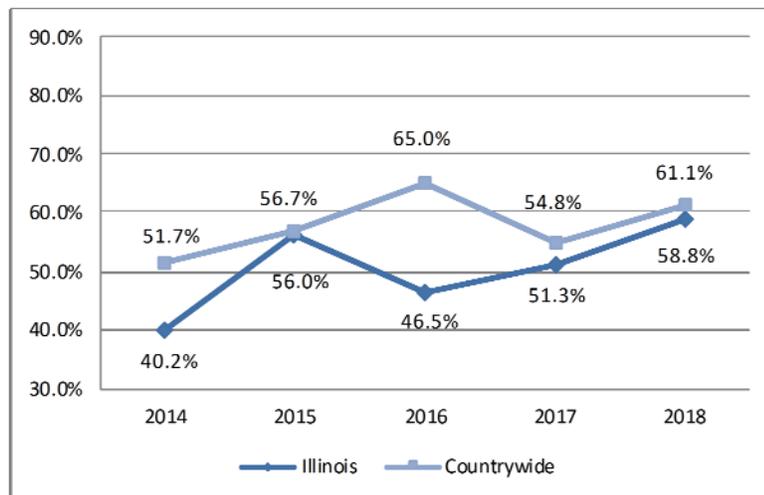
<i>Other Liability</i>	<i>Illinois</i>	<i>Countrywide*</i>
<i>Direct Written Premiums</i>	\$3,359,632,910	\$51,923,803,005
<i>Direct Earned Premiums</i>	\$3,384,678,453	\$50,325,109,133
<i>Expenses (% of Direct Earned Premium)</i>		
<i>Incurred Losses</i>	58.81%	61.11%
<i>Defense & Cost Containment Expenses Incurred</i>	7.67%	10.42%
<i>Commissions and Brokerage Expenses</i>	9.46%	12.84%
<i>Taxes, Licenses & Fees</i>	1.73%	2.33%

NAIC State Data Network, 2018 Illinois State Page Exhibit

*Illinois-licensed insurers

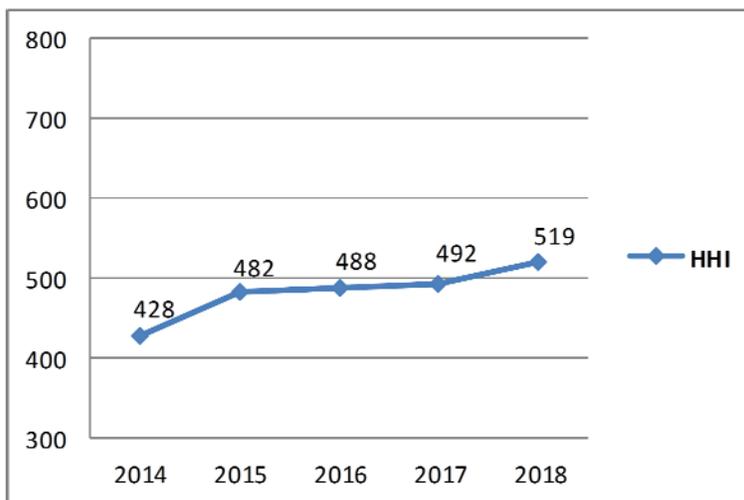
The loss ratio for other liability insurance in Illinois increased 7.5 points, while the loss ratio countrywide increased 6.3 points. The Illinois loss ratio for other liability has remained below the countrywide ratio since 2011.

Other Liability Losses as a Percent of Earned Premium



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 over \$1.5 billion in other liability premium and combined for a total of nearly 46.5 percent of the market share in Illinois for 2018.

Top 10 Other Liability Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
Virginia Surety Company Inc	\$663,283,825	\$583,322,720	19.7%	19.2%	56.5%	59.0%
Indemnity Ins Co Of North Amer	\$208,153,833	\$1,103,706	6.2%	0.0%	97.0%	8.1%
National Fire Insurance Company of Hartford	\$145,533,415	\$145,665,673	4.3%	4.8%	77.1%	91.4%
Continental Casualty Company	\$117,336,394	\$162,951,923	3.5%	5.4%	118.2%	26.4%
Federal Insurance Company	\$104,122,363	\$108,837,769	3.1%	3.6%	36.3%	12.5%
Lexington Insurance Company	\$81,734,792	\$80,888,955	2.4%	2.7%	57.8%	86.0%
Zurich American Insurance Company	\$63,464,201	\$62,252,690	1.9%	2.0%	10.7%	82.3%
Ace American Insurance Company	\$62,057,068	\$58,961,605	1.8%	1.9%	59.1%	20.7%
Illinois National Insurance Company	\$58,092,433	\$61,879,846	1.7%	2.0%	-15.8%	42.0%
State Farm Fire & Casualty Company	\$57,085,292	\$55,836,418	1.7%	1.8%	49.1%	83.3%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

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 2017.

**Top 10 Other Liability Coverage Companies
In Illinois by Coverage Type**

Liquor Liability	2017 Market Share
Underwriters at Lloyds London	28.1%
Illinois Casualty Company	25.9%
Specialty Risk of America	15.1%
U S Insurance Company of America	8.6%
West Bend Mutual Insurance Company	4.5%
Founders Insurance Company	2.5%
AXIS Insurance Company	2.1%
Liberty Mutual Fire Insurance Company	1.8%
Employers Insurance Company of Wausau	1.3%
RSUI Indemnity Company	1.1%

Lawyers Professional Liability	2017 Market Share
Illinois State Bar Assn Mut Insurance Company	29.3%
Continental Casualty Company	21.4%
Underwriters at Lloyds London	18.8%
Great Divide Insurance Company	5.6%
AXIS Insurance Company	5.0%
Minnesota Lawyers Mutual Insurance Company	3.5%
Argonaut Insurance Company	2.2%
American Zurich Insurance Company	2.2%
Illinois National Insurance Company	2.0%
Aspen American Insurance Company	1.7%

Commercial Daycare Liability	2017 Market Share
West Bend Mutual Insurance Company	81.1%
Philadelphia Indemnity Insurance Company	12.3%
Cincinnati Insurance Company The	1.7%
Citizens Insurance Company of America	0.8%
Hanover Insurance Company	0.5%
Capitol Indemnity Corporation	0.5%
Cincinnati Indemnity Company The	0.5%
State Farm Fire and Casualty Company	0.4%
Great American Assurance Company	0.3%
Erie Insurance Exchange	0.3%

WORKERS' COMPENSATION INSURANCE

The following table compares underwriting results for workers' compensation coverage written in Illinois with that written countrywide during 2018. Written premium in Illinois decreased 3.9 percent and 0.3 percent countrywide from 2017.

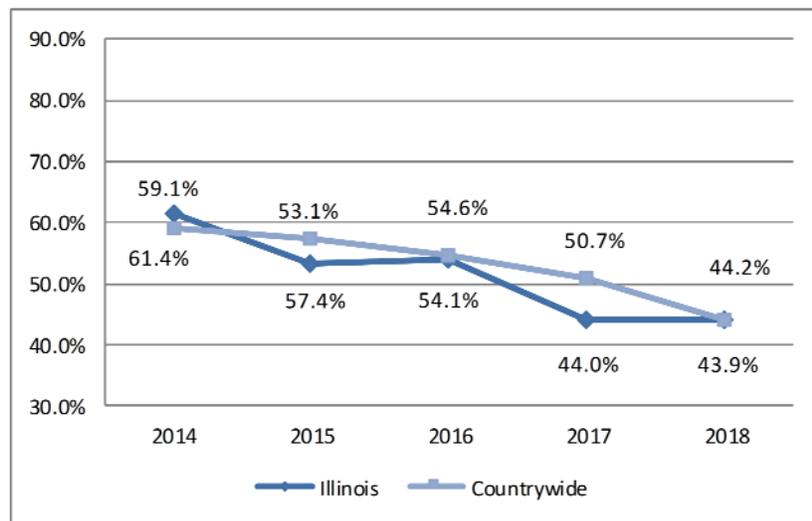
Workers' Compensation Insurance Underwriting Results

<i>Workers' Compensation</i>	<i>Illinois</i>	<i>Countrywide*</i>
<i>Direct Written Premiums</i>	\$2,466,427,020	\$44,505,382,291
<i>Direct Earned Premiums</i>	\$2,511,786,351	\$44,780,561,208
<i>Expenses (% of Direct Earned Premium)</i>		
<i>Incurred Losses</i>	43.9%	44.2%
<i>Defense & Cost Containment Expenses Incurred</i>	5.4%	7.0%
<i>Commissions and Brokerage Expenses</i>	8.2%	9.0%
<i>Taxes, Licenses & Fees</i>	1.8%	3.1%

NAIC State Data Network, 2018 Illinois State Page Exhibit
*Illinois-licensed insurers

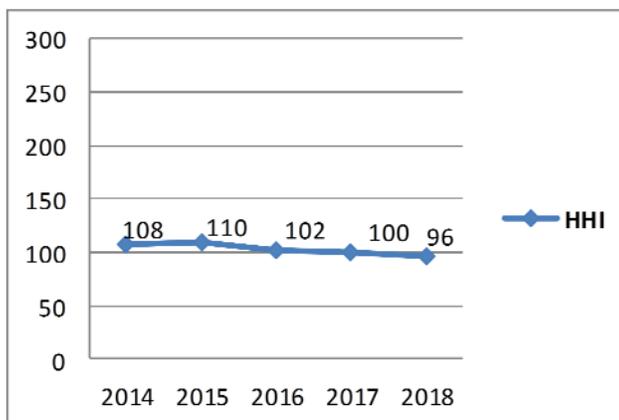
The Illinois loss ratio decreased only 0.1 percentage points and countrywide the loss ratio decreased 6.5 percentage points. Workers' compensation coverage continues to experience a gradual decrease in the loss ratio.

Workers' Compensation Insurance Losses as a Percent of Earned Premium



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. 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 2018. In summary, the ten companies identified wrote \$536 million in premium and combined for a total of 21.7 percent of the workers' compensation market in Illinois for 2018.

Top 10 Workers' Compensation Insurers in Illinois

Company	2018 Written Premium	2017 Written Premium	2018 Market Share	2017 Market Share	2018 Loss Ratio	2017 Loss Ratio
Zurich American Insurance Company	\$79,401,738	\$84,218,404	3.2%	3.3%	9.1%	47.0%
Accident Fund Insurance Co of America	\$58,898,790	\$51,759,435	2.4%	2.0%	81.9%	60.1%
Country Mutual Ins Company	\$57,602,476	\$61,946,616	2.3%	2.4%	35.2%	57.9%
Travelers Property Casualty Co of America	\$57,108,738	\$62,517,394	2.3%	2.4%	30.8%	57.4%
Pekin Insurance Company	\$55,461,639	\$56,903,022	2.2%	2.2%	52.5%	41.7%
Technology Insurance Company Inc	\$53,503,388	\$64,905,393	2.2%	2.5%	59.9%	65.1%
LM Insurance Corporation	\$49,671,128	\$55,193,949	2.0%	2.2%	40.8%	69.6%
West Bend Mutual Insurance Company	\$48,351,204	\$47,898,089	2.0%	1.9%	32.5%	33.9%
Insurance Company of The West	\$38,705,861	\$43,625,652	1.6%	1.7%	64.9%	56.3%
Phoenix Insurance Company	\$37,302,191	\$33,640,220	1.5%	1.3%	37.9%	50.9%

Source: NAIC State Data Network, 2018 Illinois State Page Exhibit

The Illinois Workers' Compensation Act [820 ILCS 305/29.2(a)] requires the Department of Insurance to annually submit a written report detailing the state of the workers' compensation insurance market in Illinois. The report is posted on the Department's Internet website. Please refer to this report for a more detailed look at this market.

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 2014 through 2018. 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

	Amount of Written Premiums	As % of Total Written Premiums
2014	\$7,343,549	0.23%
2015	\$6,921,129	0.20%
2016	\$6,176,466	0.17%
2017	\$5,032,105	0.14%
2018	\$4,295,396	0.12%

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 2014 through 2018 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.

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

AIPSO administered voluntary market policies included in the totals

State	2014	2015	2016	2017	2018	% Change
Illinois	461	421	346	298	213	-28.5%
Total	167,736	166,087	175,470	188,088	183,830	-2.3%

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 2014 and 2018. 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

	2014	2015	2016	2017	2018*
Percent of Total	5.1%	4.6%	4.3%	4.5%	4.0%

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 2014 and 2018. The table indicates the total number of policies approved increased in 2018 with a 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

Year	Total Number of Policies Approved	Approved Credit
2014	2,527	\$31 Million
2015	2,789	\$41 Million
2016	3,374	\$39 Million
2017	3,655	\$35 Million
2018	3,849	\$29 Million

Source: National Council on Compensation Insurance (NCCI)

Top Ten Employment Classes by Premium Volume Through the Assigned Risk Pool

Illinois Residual Market Top Ten Classification Codes by Premium Volume				
Rank	Code	Description	Premium	% of Class Premium
1	7219	Trucking - NOC-All Employees & Drivers	\$8,459,367	9.4%
2	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories In Height	\$7,681,696	8.5%
3	5437	Carpentry - Installation of Cabinet Work or Interior Trim	\$4,667,181	5.2%
4	5551	Roofing - All Kinds & Drivers	\$3,728,138	4.1%
5	5474	Painting NOC & Shop Operations Drivers	\$3,470,421	3.9%
6	5022	Masonry NOC	\$2,634,482	2.9%
7	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	\$2,463,069	2.7%
8	5606	Contractor - Project Manager Construction Executive Construction Manager or Construction Superintendent	\$19,010,360	2.1%
9	8868	College - Professional Employees & Clerical	\$1,748,436	1.9%
10	8835	Home Public and Traveling Healthcare - All Employees	\$1,732,289	1.9%

Illinois Residual Market Top Ten Classification Codes by Policy Count				
Rank	Code	Description	Premium	% of Class Premium
1	5645	Carpentry Construction of Residential Dwellings Not Exceeding Three Stories In Height	4,152	12.8%
2	7219	Trucking - NOC-All Employees & Drivers	4,034	12.4%
3	5437	Carpentry - Installation of Cabinet Work or Interior Trim	3,102	9.5%
4	5474	Painting NOC & Shop Operations Drivers	1,880	5.8%
5	5022	Masonry NOC	1,174	3.6%
6	5551	Roofing - All Kinds & Drivers	1,006	3.1%
7	5190	Electrical Wiring - Within Buildings & Drivers	1,003	3.1%
8	9014	Janitorial Services by Contractors-No Window Cleaning Above Ground Level & Drivers	832	2.6%
9	5183	Plumbing NOC & Drivers	638	2.0%
10	5348	Ceramic Tile Indoor Stone Marble or Mosaic Work	612	1.9%

Source: National Council on Compensation Insurance (NCCI) , Illinois Residual Market State Activity Report Annual 2018

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 2014 through 2018 by surplus lines producers for homeowners, private passenger auto liability and physical damage, commercial auto liability, medical malpractice, and other liability coverage.

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

Surplus Lines Market Policy Counts

Lines of Business	2014 Illinois	2015 Illinois	2016 Illinois	2017 Illinois	2018 Illinois
Homeowners	3,897	4,475	5,043	4,701	3,606
PPA Liability	15	16	1	5	4
PPA Physical Damage	1,739	91	6	3	4
Commercial Auto Liability	324	439	575	553	640
Medical Professional Liability	1,428	1,470	1,159	1,160	1,321
Other Liability	30,021	33,790	37,734	41,144	40,916
Total-all policies	72,027	80,877	86,116	92,954	92,162

SECTION 4: OVERALL MARKET PROFITABILITY AND FINANCIAL REGULATION

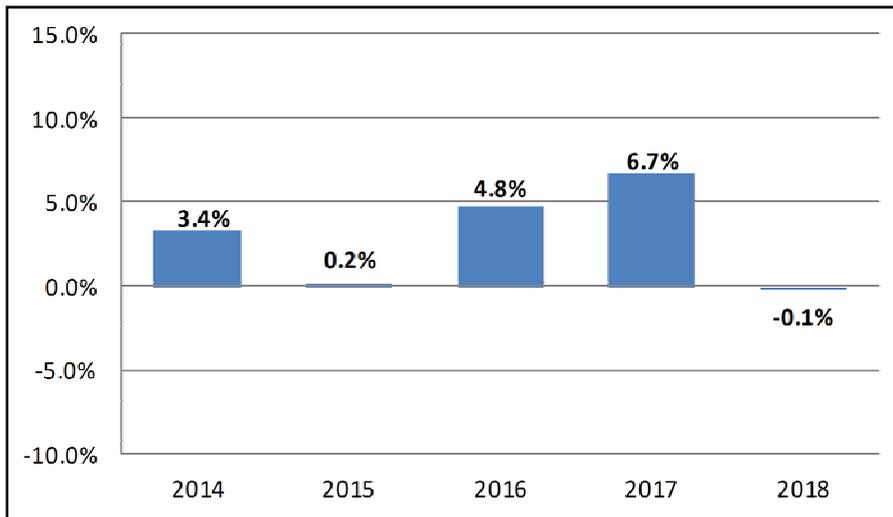
Businesses that provide a financial service must be financially sound. An insurance contract has little value to the insured if there is no confidence that the insurance company will have the money to pay claims when needed. In determining whether the overall marketplace is viable, the Department has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

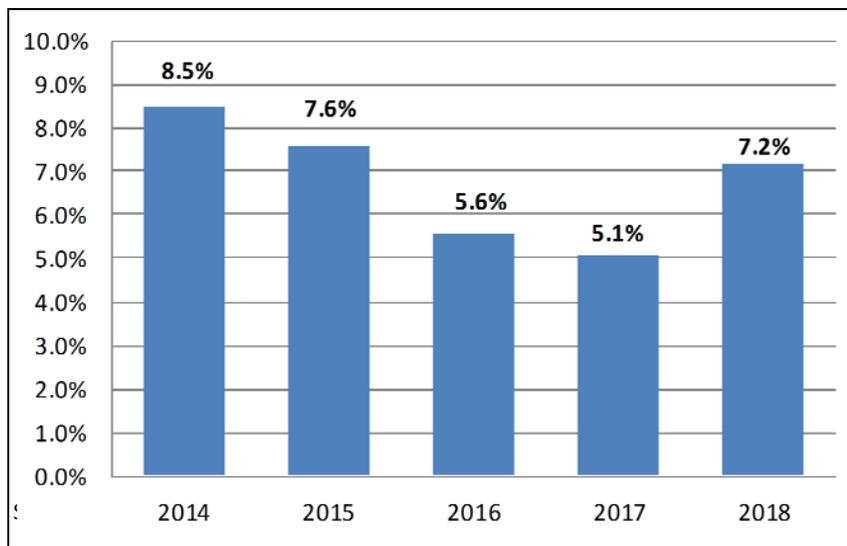


Source: NAIC State Data Network

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 net income 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 2014 through 2018 for the overall Illinois-licensed property/casualty industry. The return on policyholders' surplus experienced a 2.1 percentage points increase in 2018.

Return on Policyholders' Surplus



The following table provides a summary of income from net income and policyholders' surplus from 2014 through 2018 for all property/casualty insurers licensed in Illinois.

Net Income and Policyholders' Surplus (in millions)

	2014	2015	2016	2017	2018
Net Income	59,843	54,996	43,356	40,494	57,412
Policyholders' Surplus	707,515	707,511	748,911	800,911	800,759

Source: NAIC State Data Network

UNDERWRITING EXPERIENCE

The following table identifies the aggregate underwriting gain/loss for Illinois-licensed insurers from 2014 through 2018. Earned premiums continue to show an increasing trend for the past five years.

Aggregate Net Underwriting Gain/Loss (in millions)

	2014	2015	2016	2017	2018
Premiums Earned	410,434	425,268	447,266	462,956	514,797
Losses Incurred	235,219	244,322	273,354	299,871	314,486
Loss Expenses Incurred	47,738	49,273	50,848	52,894	54,771
Other Underwriting Expenses Incurred	115,520	120,035	124,833	127,674	142,916
Dividends to Policyholders	1,670	1,709	1,509	1,676	1,909
Net Underwriting Gains/Losses	11,541	10,829	-2,770	-19,036	1,622

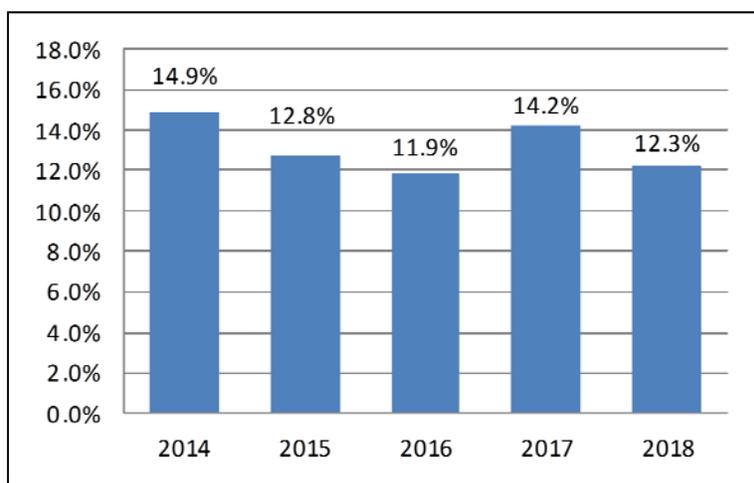
Source: NAIC State Data Network

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 decreased 1.9 percentage points in 2018.

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.

APPENDIX A – Consolidated Assets of Illinois-licensed Property/Casualty Insurers for the year ending 12/31/2018

	ASSETS	Assets Current Year	Non-Admitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds	834,351,960,077	302,331,657	834,049,628,420	788,161,046,241
2.1	Preferred stocks	4,698,640,276	4,379,525	4,694,260,751	4,400,874,907
2.2	Common stocks	527,156,647,007	5,691,895,359	521,464,751,648	532,104,779,896
3.1	First liens - mortgage loans on real estate	18,193,565,011	2,589,392	18,190,975,619	15,853,461,443
3.2	Other than first liens - mortgage loans on real estate	813,068,409	-	813,068,409	672,241,627
4.1	Properties occupied by the company	7,342,142,587	6,847,276	7,335,295,311	7,240,981,713
4.2	Properties held for the production of income	3,744,721,459	27,220,700	3,717,500,759	3,306,279,114
4.3	Properties held for sale	418,275,976	4,675,570	413,600,406	195,223,716
5	Cash, cash equivalents and short-term investments	83,890,243,891	20,523,417	83,869,720,474	97,027,526,732
6	Contract loans including premium notes	2,509,997	2,509,997	-	-
7	Derivatives	380,127,464	-	380,127,464	172,312,988
8	Other invested assets	146,672,818,447	14,433,441,660	132,239,376,787	134,632,737,929
9	Receivables for securities	1,745,595,194	5,063,304	1,740,531,889	1,962,713,560
10	Securities lending reinvested collateral assets	4,349,142,153	-	4,349,142,153	3,835,215,055
11	Aggregate write-ins for invested assets	4,668,812,709	2,062,140,368	2,606,672,341	5,395,232,396
12	Subtotals, cash and invested assets	1,638,428,270,654	22,563,618,225	1,615,864,652,436	1,594,960,627,303
13	Title plants less charged off	-	-	-	-
14	Investment income due and accrued	7,836,149,145	6,424,194	7,829,724,951	7,591,041,244
15.1	Uncollected premiums and agents' balances in the course of collection	56,574,494,807	2,647,375,986	53,927,118,816	50,708,852,549
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	102,885,296,841	232,254,043	102,653,042,798	96,943,321,480
15.3	Accrued retrospective premiums	3,982,758,659	181,666,997	3,801,091,656	3,789,550,137
16.1	Amounts recoverable from reinsurers	35,732,907,466	3,982,503	35,728,924,962	27,839,620,910
16.2	Funds held by or deposited with reinsured cos.	7,277,003,174	46,100,854	7,230,902,319	8,028,290,039
16.3	Other amounts receivable under reinsurance contracts	2,136,722,526	4,201,384	2,132,521,141	2,391,292,509
17	Amounts receivable relating to uninsured plans	67,853,733	1,422,587	66,431,146	74,071,132
18.1	Current federal and foreign income tax recoverable and interest thereon	4,647,681,615	53,405,045	4,594,276,570	7,301,455,160
18.2	Net deferred tax asset	22,868,815,672	6,074,027,618	16,794,788,053	15,425,151,182
19	Guaranty funds receivable or on deposit	218,740,697	1,663,394	217,077,303	217,474,483
20	Electronic data processing equipment and software	6,944,657,528	5,374,217,457	1,570,440,071	1,606,332,251
21	Furniture and equipment, including health care delivery assets	3,095,885,279	3,085,238,374	10,646,905	4,406,724
22	Net adjustment in assets and liabilities due to foreign exchange rates	122,704,863	-	122,704,863	25,803,488
23	Receivables from parent, subsidiaries and affiliates	19,830,644,178	381,188,447	19,449,455,732	18,848,604,117
24	Health care (\$1) and other amounts receivable	20,105,913	4,330,631	15,775,282	14,643,163
25	Aggregate write-ins for other than invested assets	28,985,044,244	9,085,850,734	19,899,193,498	18,995,892,154
26	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,941,655,736,990	49,746,968,493	1,891,908,768,505	1,854,766,429,999
27	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	-	-	-	9,711,507
28	Totals	1,941,655,736,990	49,746,968,493	1,891,908,768,505	1,854,776,141,506

APPENDIX B – Consolidated Liabilities, Surplus and Other Funds of Illinois-licensed Property/Casualty Insurers for the year ending December 31, 2018

LIABILITIES, SURPLUS AND OTHER FUNDS		Current Year	Prior Year
01	Losses	463,696,088,667	447,926,114,020
02	Reinsurance payable on paid losses and loss adjustment expenses	27,539,141,130	22,007,796,639
03	Loss adjustment expenses	95,960,794,758	93,222,448,821
04	Commissions payable, contingent commissions and other similar charges	6,425,006,868	6,143,834,663
05	Other expenses (excluding taxes, licenses and fees)	25,933,579,017	25,604,678,090
06	Taxes, licenses and fees (excluding federal and foreign income taxes)	4,666,127,247	4,488,621,108
07.1	Current federal and foreign income taxes (including \$(1) on realized capital gains (losses))	2,123,603,251	2,252,210,221
07.2	Net deferred tax liability	16,797,658,847	23,452,274,386
08	Borrowed money \$(1) and interest thereon \$(2)	7,161,944,982	5,171,184,044
09	Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$(1) and including warranty reserves of \$(2))	236,883,488,149	220,307,178,016
10	Advance premium	2,981,546,739	3,033,115,293
11.1	Stockholders (dividends declared and unpaid)	1,552,311,262	182,361,736
11.2	Policyholders (dividends declared and unpaid)	484,186,451	472,752,769
12	Ceded reinsurance premiums payable (net of ceding commissions)	47,243,998,412	47,011,126,075
13	Funds held by company under reinsurance treaties	28,669,412,705	29,525,482,313
14	Amounts withheld or retained by company for account of others	13,307,591,053	12,771,245,609
15	Remittances and items not allocated	1,572,010,056	1,444,530,166
16	Provision for reinsurance	2,535,860,348	2,395,571,122
17	Net adjustments in assets and liabilities due to foreign exchange rates	895,271,234	552,897,348
18	Drafts outstanding	4,090,506,031	3,986,920,316
19	Payable to parent, subsidiaries and affiliates	16,464,844,134	13,859,016,890
20	Derivatives	478,443,493	610,330,383
21	Payable for securities	3,663,074,567	3,728,558,484
22	Payable for securities lending	5,484,937,125	4,459,940,932
23	Liability for amounts held under uninsured plans	3,621,708	2,484,207
24	Capital notes \$(1) and interest thereon \$(2)	-	-
25	Aggregate write-ins for liabilities	74,535,172,188	78,421,132,779
26	Total liabilities excluding protected cell liabilities	1,091,150,220,420	1,053,033,806,438
27	Protected cell liabilities	-	-
28	Total liabilities	1,091,150,220,420	1,053,033,806,438
29	Aggregate write-ins for special surplus funds	83,271,663,993	87,529,257,833
30	Common capital stock	5,046,636,253	5,052,101,352
31	Preferred capital stock	637,158,748	931,217,668
32	Aggregate write-ins for other than special surplus funds	265,635,736	198,182,491
33	Surplus notes	11,412,885,921	11,666,014,800
34	Gross paid in and contributed surplus	236,409,366,703	227,520,428,337
35	Unassigned funds (surplus)	465,096,892,386	470,213,539,075
36.1	(1) Shares common (value included in common capital stock \$(2)) (less treasury stock at cost)	1,341,105,428	1,335,655,908
36.2	(2) Shares preferred (value included in preferred capital stock \$(2)) (less treasury stock at cost)	40,586,270	32,761,993
37	Surplus as regards policyholders	800,758,548,049	801,742,323,663
38	Totals	891,908,768,457	1,854,776,130,114

**APPENDIX C – Consolidated Statement of Income for Illinois-licensed Property/Casualty Insurers for the year ending
December 31, 2018**

UNDERWRITING INCOME		CURRENT YEAR	PRIOR YEAR
1	Premiums earned	514,797,187,764	463,827,706,958
2	Losses incurred	314,485,559,402	300,231,064,684
3	Loss adjustment expenses incurred	54,770,698,058	52,975,182,470
4	Other underwriting expenses incurred	142,915,619,555	127,957,696,806
5	Aggregate write-ins for underwriting deductions	1,003,192,413	1,264,224,108
6	Total underwriting deductions	513,175,069,421	482,428,168,075
7	Net income of protected cells	0	0
8	Net underwriting gain (loss)	1,622,118,340	-18,600,461,111
INVESTMENT INCOME			
9	Net investment income earned	54,023,427,010	48,041,109,797
10	Net realized capital gains (losses) less capital gains tax of \$(1)	9,063,593,676	17,763,342,735
11	Net investment gain (loss)	63,087,020,683	65,804,452,537
OTHER INCOME			
12	Net gain (loss) from agents' or premium balances charged off	-1,376,816,587	-1,408,022,760
13	Finance and service charges not included in premiums	2,755,225,592	2,696,683,237
14	Aggregate write-ins for miscellaneous income	-547,526,383	-7,746,643,236
15	Total other income	830,882,629	-6,457,982,742
16	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	65,540,021,662	40,746,008,677
17	Dividends to policyholders	1,908,948,576	1,694,561,739
18	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	63,631,073,083	39,051,446,934
19	Federal and foreign income taxes incurred	6,218,958,382	-1,515,040,937
20	Net income	57,412,114,697	40,566,487,869
CAPITAL AND SURPLUS ACCOUNT			
21	Surplus as regards policyholders, December 31 prior year	801,742,323,762	751,441,674,264
22	Net income	57,412,114,697	40,566,487,869
23	Net transfers (to) from protected cell accounts	0	0
24	Change in net unrealized capital gains or (losses) less capital gains tax of \$(1)	-35,213,881,940	59,902,085,263
25	Change in net unrealized foreign exchange capital gain (loss)	-543,912,611	957,646,986
26	Change in net deferred income tax	143,646,632	-20,907,690,545
27	Change in non-admitted assets	-482,805,660	2,512,029,442
28	Change in provision for reinsurance	-140,289,266	-413,664,428
29	Change in surplus notes	-250,908,625	-373,357,734
30	Surplus (contributed to) withdrawn from protected cells	0	0
31	Cumulative effect of changes in accounting principles	54,026,487	-525,668,847
32.1	Capital changes paid in	-277,289,020	-65,500,112
32.2	Capital changes transferred from surplus (stock dividend)	2,500,001	7,604,917
32.3	Capital changes transferred to surplus	-22360000	0
33.1	Surplus adjustments paid in	9,025,162,540	3,013,372,402
33.2	Surplus adjustments transferred to capital (stock dividend)	-2,500,000	-3,855,300
33.3	Surplus adjustments transferred from capital	3,323,357,821	1,489,167
34	Net remittances from or (to) home office	27,368,162	11,144,548
35	Dividends to stockholders	-34,319,252,211	-32,837,178,893
36	Change in treasury stock	-13,273,797	-6,452,340
37	Aggregate write-ins for gains and losses in surplus	294,521,237	-1,537,842,892
38	Change in surplus as regards policyholders for the year	-983,775,573	50,300,649,508
39	Surplus as regards policyholders, December 31 current year	800,758,548,201	801,742,323,762

APPENDIX D – Consolidated Exhibit of Premiums & Losses in the State of Illinois for All Illinois-licensed Property/Casualty Insurers during 2018

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 Expenses Paid	Direct Defense and Cost Expenses Incurred	Direct Defense and Cost Expenses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
Fire	322,587,837	317,183,139	386,042	155,165,401	128,240,416	141,202,687	120,561,176	2,894,235	3,645,126	4,215,745	37,025,946	7,115,078
Allied lines	268,064,710	263,905,909	287,387	128,432,912	123,383,143	145,699,383	114,925,357	2,395,126	2,382,851	3,227,696	29,811,004	5,854,125
Multiple peril crop	626,943,249	619,075,645	-	25,402,372	126,330,620	128,269,820	157,260,032	663,892	(853,173)	1,073,938	59,416,684	1,812,491
Federal flood	28,012,352	28,120,485	-	15,330,132	10,941,493	10,560,652	4,197,605	583,958	613,735	61,066	4,223,603	568,155
Private crop	103,410,217	108,548,821	-	524,155	86,899,047	86,674,892	15,224,996	87,859	19,683	3,875	17,468,213	1,773,513
Private flood	14,276,213	13,400,296	-	7,253,068	378,500	(4,448,400)	6,392,382	73	(329,596)	6,755	798,245	365,230
Farmowners multiple peril	185,220,110	180,382,671	11,393	76,063,720	90,884,788	88,801,995	44,417,782	1,187,036	(389,636)	4,126,552	28,135,538	3,425,920
Homeowners multiple peril	3,716,860,109	3,625,378,709	6,019,339	1,940,864,789	2,332,494,716	2,417,619,403	938,586,643	43,110,567	49,050,096	73,701,048	462,646,853	75,982,152
Commercial multiple peril (non-liability)	1,079,563,841	1,073,741,301	266,638	520,424,522	593,858,499	699,625,123	456,922,181	19,501,024	18,612,981	28,018,276	172,875,364	22,577,344
Commercial multiple peril (liability)	639,107,249	634,462,495	298,250	294,648,568	274,569,251	283,949,362	1,009,635,900	93,776,514	92,216,257	371,401,711	108,310,871	11,693,479
Mortgage guaranty	229,661,884	236,633,275	-	85,501,709	82,648,145	35,682,548	210,690,430	359,934	42,058	683,722	-	5,480,572
Ocean marine	114,765,476	111,201,856	8,315	33,178,943	86,674,386	73,499,206	62,753,258	1,637,209	1,596,744	5,376,251	13,655,680	1,820,859
Inland marine	872,603,440	849,452,232	504,578	224,359,150	414,489,650	416,242,232	118,528,277	4,586,532	4,314,198	5,644,510	138,190,430	14,245,968
Financial guaranty	21,653,703	29,781,364	-	151,032,076	333,160,252	(30,886,382)	(206,758,948)	12,851,908	15,334,287	8,113,272	-	872,001
Medical professional liability	324,838,993	337,038,582	15,443,766	187,848,403	190,663,555	186,813,206	1,006,848,778	106,801,512	89,767,787	389,852,364	35,220,404	3,604,435
Earthquake	61,766,457	59,890,525	129,310	30,126,343	58,429	1,519,173	2,084,307	3,808	76,495	104,222	7,498,003	1,140,580
Group accident and health	220,540,856	202,364,189	-	181,089,868	130,896,397	125,295,042	123,708,869	959,578	741,695	1,880,811	27,636,949	4,174,444
Credit A&H (group and individual)	468,447	699,592	-	202,042	235,646	70,533	272,008	-	(245)	674	132,589	60,753
Collectively renewable A&H	1,065	1,018	-	127	-	(294)	20	-	(20)	-	150	140
Non-cancelable A&H	-	21,356	-	181,841	-	-	4	-	-	-	-	125
Guaranteed renewable A&H	61,156,582	81,653,185	-	458,729,237	71,723,075	67,710,773	179,043,378	34,656	43,670	115,006	4,116,347	109,354
Non-renewable for stated reasons	201,071	199,749	958	415,840	82,606	86,047	141,988	-	11	426	17,957	332,921
Other accident only	2,438,473	2,086,293	-	455,911	186,109	169,534	279,541	947	30,108	38,878	506,014	49,678
Medicare Title XVIII exempt from state taxes or fees	-	-	-	-	-	-	-	-	-	-	-	-
All other A&H	30,678,701	32,248,987	-	1,893,383	27,356,997	31,407,917	17,664,090	21,298	(210,261)	256,365	5,470,872	369,574
Federal employees health benefits program premium	-	-	-	-	-	-	-	-	-	-	-	125
Workers' compensation	2,466,427,020	2,511,786,351	10,205,233	904,770,575	1,303,934,308	1,101,822,498	6,284,852,026	144,068,021	135,631,421	720,156,735	206,673,020	45,867,784
Other liability - occurrence	2,419,066,377	2,421,807,417	480,258	1,848,345,136	1,270,754,943	1,529,232,851	4,136,234,248	117,311,470	141,060,589	653,313,069	181,428,551	36,996,574
Other liability - claims-made	882,747,174	904,739,927	1,520,534	502,171,281	404,998,285	420,686,471	1,932,338,840	111,468,796	118,073,187	397,641,495	134,375,462	19,606,150
Excess workers' compensation	57,819,359	58,131,109	-	25,060,958	22,112,520	40,692,338	542,737,512	629,661	533,171	16,907,909	4,253,641	1,932,390
Products liability	122,646,706	123,753,879	986	48,036,244	88,778,811	66,555,077	724,335,174	53,662,210	24,974,226	302,511,060	15,491,012	1,836,645
Private passenger auto no-fault (personal injury protection)	27,718,133	27,153,930	-	11,034,219	8,045,180	3,047,780	34,176,892	1,510,469	10,860,797	10,003,045	8,607,124	1,221,356
Other private passenger auto liability	4,257,266,780	4,228,627,309	5,388,336	1,282,228,587	2,547,650,802	3,166,091,195	148,689,627	174,482,318	146,116,258	416,116,258	17,103,164	56,307,219
Commercial auto no-fault (personal injury protection)	174,526	140,641	-	34,071	313,957	483,352	535,841	11,241	28,622	81,949	21,705	8,716
Other commercial auto liability	1,311,159,932	1,227,387,899	146,724	518,103,042	632,345,562	815,803,047	1,570,924,778	69,649,567	81,049,669	191,390,950	165,499,669	23,473,665
Private passenger auto physical damage	3,365,575,034	3,323,592,950	4,600,732	1,022,262,284	2,043,122,936	2,049,458,004	153,384,472	7,031,310	7,037,325	7,246,823	334,091,581	47,283,232
Commercial auto physical damage	380,859,274	366,260,988	57,269	147,813,525	196,219,994	205,959,598	50,901,835	3,805,844	5,004,178	6,479,991	50,467,255	6,839,414
Aircraft (all perils)	61,948,336	62,519,543	-	21,580,115	186,167,867	(66,337,047)	97,862,332	7,858,671	(14,644,613)	21,832,140	10,917,276	1,287,036
Fidelity	64,785,061	62,949,727	32	40,897,282	27,621,220	37,892,447	68,714,643	522,611	458,302	8,243,195	9,344,003	1,766,879
Surety	213,056,446	222,966,143	2,474	95,258,464	5,086,510	15,319,134	106,340,423	2,369,827	1,904,123	13,188,751	60,826,507	6,952,003
Burglary and theft	15,388,990	15,451,257	5,662	8,884,190	7,427,019	6,642,901	4,990,289	119,993	300,358	1,103,408	3,982,686	425,465
Boiler and machinery	71,042,302	69,938,835	1,261	34,469,222	14,408,570	18,972,920	13,148,728	154,242	418,729	738,193	6,950,525	1,905,747
Credit	66,711,968	66,110,633	-	23,011,513	29,381,301	35,069,447	28,027,605	423,433	497,204	677,641	10,235,517	1,266,795
Warranty	254,635,040	220,804,305	-	499,215,996	150,480,969	151,407,892	15,334,412	273,775	293,881	11,100	14,385,379	1,874,244
Aggregate write-ins for other lines	32,282,691	32,448,422	-	15,661,304	13,746,440	5,280,207	31,228,400	99,452	16,480	407,366	4,020,768	992,874
Totals	24,996,132,174	24,753,042,919	45,765,477	11,567,962,520	14,058,752,892	14,044,458,536	23,345,542,454	961,116,860	964,674,813	3,665,954,230	2,791,832,535	421,273,620

Appendix E – Consolidated Exhibit of Premiums and Losses in All States for Licensed Property/Casualty Insurers during 2018

Line of Business	Direct Premiums		Dividends		Direct Unearned Premium Reserves		Direct Losses Paid (deducting salvage)		Direct Losses Incurred		Direct Defense and Containment Expenses Incurred		Direct Defense and Containment Expenses Unpaid		Commissions and Brokerage Expenses		Taxes, Licenses and Fees	
	Written	Earned	Paid or Credited to Policyholders on Direct Business	Direct Premiums	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Containment Expenses Incurred	Direct Defense and Containment Expenses Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees						
Fire	8,409,366,131	8,366,846,725	18,193,924	4,087,001,780	4,834,730,824	5,863,298,359	5,127,181,456	100,136,635	123,517,462	134,584,891	977,430,935	189,327,842						
Allied lines	7,962,032,619	7,687,882,692	31,353,400	3,791,433,646	7,531,922,503	6,425,185,932	8,891,706,356	146,657,214	95,682,776	198,033,829	838,149,373	176,660,986						
Multiple peril crop	10,052,929,190	9,871,178,644	-	1,268,620,049	6,218,412,930	6,697,638,256	3,998,816,637	8,578,209	(2,041,068)	7,570,616	945,974,153	19,547,635						
Federal flood	2,402,349,847	2,406,769,602	-	1,329,798,270	4,277,323,971	1,134,056,151	47,603,934	47,603,934	44,626,883	4,179,707	415,984,104	47,947,671						
Private crop	1,034,779,438	1,073,765,071	-	4,506,925	1,098,277,406	1,076,377,891	228,252,303	2,349,807	221,436	406,821	200,598,478	14,913,967						
Private flood	606,371,406	578,642,806	-	303,027,896	400,157,463	211,633,138	329,319,928	5,257,550	3,896,106	3,083,532	30,447,056	15,105,878						
Farmowners multiple peril	2,342,173,438	2,296,943,377	2,953,302	1,109,293,231	1,520,951,527	712,660,105	37,125,095	34,570,098	76,388,883	386,782,660	50,294,636							
Homeowners multiple peril	73,329,110,391	71,478,526,821	375,660,778	38,302,807,050	48,927,997,899	51,219,975,708	32,380,274,454	1,012,538,480	1,115,411,172	1,674,261,362	9,144,663,332	1,796,776,960						
Commercial multiple peril (non-liability)	21,584,115,056	21,290,183,332	10,735,238	10,428,708,630	13,228,327,164	13,711,505,751	9,372,972,768	371,614,741	353,075,058	714,661,863	3,507,803,071	567,415,755						
Commercial multiple peril (liability)	13,108,664,949	12,960,994,462	5,499,740	6,006,442,958	5,689,236,715	6,341,425,966	20,811,053,706	1,963,260,883	2,140,190,890	7,566,081,093	2,267,915,066	301,686,528						
Mortgage guaranty	5,204,247,747	5,252,364,705	-	2,499,315,895	1,177,796,044	203,312,551	3,718,702,631	6,993,149	912,198	13,166,706	96,428	124,667,036						
Ocean marine	3,312,765,066	3,256,761,866	1,032,934	1,216,166,832	1,897,803,465	1,738,508,621	2,387,513,794	136,431,900	126,948,067	227,916,773	478,752,746	60,475,707						
Inland marine	22,743,836,960	22,104,316,523	17,872,134	5,948,768,990	10,769,833,938	10,854,677,464	4,317,747,289	139,496,341	128,445,152	181,362,850	3,683,698,580	528,406,524						
Financial guaranty	411,728,558	779,846,859	-	3,283,483,273	4,113,753,451	69,787,350	1,089,783,053	207,158,316	165,045,725	94,311,354	(804,473)	11,213,713						
Medical professional liability	4,276,732,941	4,334,408,634	88,105,204	2,355,473,002	2,193,366,436	1,809,378,919	9,340,593,954	1,040,954,050	857,397,593	3,234,410,817	464,411,751	86,409,305						
Earthquake	1,752,217,398	1,725,322,372	5,133,927	862,154,816	63,082,794	98,209,156	142,414,286	2,353,744	4,867,655	4,979,956	213,034,441	39,632,184						
Group accident and health	4,529,418,758	4,316,801,468	-	3,561,090,241	2,653,714,023	2,597,155,512	1,920,332,784	25,348,864	29,696,415	42,306,368	638,975,516	101,039,429						
Credit A&H (group and individual)	192,626,102	190,438,373	-	61,832,496	28,607,560	25,093,984	29,519,029	7,737	7,053	286,022	28,528,787	6,360,934						
Collectively renewable A&H	13,947,519	13,853,115	-	1,503,619	5,889,978	7,844,384	6,797,079	-	49,973	198,398	6,010,898	503,809						
Non-cancelable A&H	19,041	342,289	-	2,625,562	71,120	134,426	-	36	36	1,942	14,408	-						
Guaranteed renewable A&H	1,116,676,068	873,235,162	-	9,500,577,494	1,224,417,693	1,353,016,477	384,006	653,399	2,370,659	104,948,990	20,036,031	-						
Non-renewable for stated reasons	30,802,824	30,662,412	12,147	21,023,091	12,906,864	12,357,528	13,440,277	2,424	1,152	39,947	3,607,718	2,236,844						
Other accident only	159,255,498	113,699,747	-	51,529,937	16,540,650	36,335,458	44,736,810	296,199	2,877,985	2,828,134	32,349,783	3,576,418						
Medicare Title XVIII exempt from state taxes or fees	-	-	-	-	-	29,772	-	-	2,125	-	-	-						
All other A&H	791,113,562	793,126,965	-	61,517,721	471,347,266	522,141,538	426,484,727	2,275,217	1,078,369	4,813,830	160,180,900	15,678,826						
Federal employees health benefits program premium	-	-	-	-	-	-	-	-	-	-	-	14,052						
Workers' compensation	44,505,382,291	44,780,561,208	486,936,121	15,128,946,281	20,579,807,379	19,796,391,449	2,644,162,315	3,115,656,815	13,931,253,636	3,997,375,060	3,997,375,060	1,399,997,197						
Other liability - occurrence	34,142,320,434	32,848,426,708	28,955,211	18,774,712,413	18,929,440,052	21,665,921,240	73,158,683,298	2,781,932,922	3,364,685,641	13,178,026,527	4,002,269,713	762,034,649						
Other liability - claims-made	16,679,889,613	16,373,900,424	1,557,816	9,148,047,801	7,805,781,748	8,263,604,479	30,424,077,384	1,857,320,425	1,884,133,928	6,633,489,601	2,577,743,698	381,015,365						
Excess workers' compensation	1,101,592,958	1,102,782,001	-	419,954,327	616,610,974	821,873,271	11,634,192,699	27,361,789	(4,369,364)	472,652,537	87,133,635	30,133,599						
Products liability	2,392,847,695	2,401,493,839	463,064	1,098,000,941	1,502,190,578	1,675,325,929	9,556,071,591	855,985,544	890,939,908	4,475,537,954	325,028,644	49,133,572						
Private passenger auto no-fault (personal injury protection)	12,889,040,503	12,751,030,336	26,614,997	3,875,166,861	8,651,228,208	10,033,587,141	40,686,515,785	874,601,635	983,623,615	2,831,266,315	912,095,594	281,117,050						
Other private passenger auto liability	101,604,907,434	100,221,700,663	372,302,038	30,691,597,927	61,988,580,022	65,197,377,290	73,642,726,701	3,214,227,159	3,775,569,596	9,234,160,771	7,755,599,596	2,352,914,225						
Commercial auto no-fault (personal injury protection)	523,988,155	501,026,409	127,285	223,585,238	269,574,022	324,557,434	1,438,120,453	32,613,156	38,699,024	90,446,189	56,540,183	14,468,382						
Other commercial auto liability	23,662,382,897	22,587,217,883	8,814,401	10,491,121,102	14,027,294,801	16,472,481,988	30,067,134,687	1,460,689,099	1,673,490,203	3,741,083,908	3,270,349,813	589,342,678						
Private passenger auto physical damage	76,447,705,520	75,326,867,632	616,334,739	23,617,312,393	46,763,836,179	46,736,766,574	3,649,632,668	168,671,080	168,350,903	147,487,333	1,098,880,293	179,592,746						
Commercial auto physical damage	8,009,095,766	7,719,708,560	2,048,937	3,360,674,024	4,632,130,977	4,734,381,942	1,075,438,308	927,116,177	96,489,904	168,483,304	263,228,895	40,664,758						
Aircraft (all perils)	1,588,723,971	1,559,631,529	-	758,666,418	1,221,610,643	809,783,807	1,807,953,686	127,408,233	101,990,071	282,778,337	623,228,895	171,522,746						
Fidelity	1,211,310,642	1,197,523,853	483,024	715,277,395	541,201,069	459,794,906	1,071,824,333	12,583,713	15,496,138	153,739,352	186,120,758	30,560,468						
Surety	6,374,339,994	6,129,976,313	42,663,223	3,603,869,452	899,473,200	804,727,742	2,328,864,049	136,610,528	156,843,517	493,046,589	1,688,902,709	177,452,530						
Burglary and theft	312,295,877	302,643,604	20,233	176,512,204	85,574,390	91,460,306	1,973,667,224	3,337,477	9,051,245	25,865,262	78,627,878	7,876,395						
Boiler and machinery	1,690,159,207	1,668,793,497	141,534	800,246,587	751,259,797	851,001,371	706,354,532	8,514,667	10,930,781	18,993,146	144,468,943	40,987,348						
Credit	1,880,739,216	1,885,439,567	-	890,068,840	839,878,704	861,313,974	617,065,850	16,245,799	18,971,416	16,565,678	368,933,004	49,610,220						
Warranty	3,195,846,114	2,705,821,920	-	7,548,133,965	1,646,469,544	1,652,457,720	159,861,590	3,117,372	3,212,979	1,069,463	238,750,867	76,611,740						
Aggregate write-ins for other lines	1,183,677,854	1,168,578,279	-	785,029,155	606,704,135	571,191,370	1,681,465,558	35,882,534	36,567,774	70,468,185	132,372,822	26,379,249						
Totals	524,763,526,643	515,030,092,015	1,844,015,351	228,165,626,701	308,935,089,060	315,213,769,620	501,657,260,435	19,610,205,559	21,567,467,793	70,152,051,573	57,772,318,510	12,385,420,041						

**Appendix F – Consolidated Schedule T for all Illinois-Licensed Property/Casualty Insurers for 2018
Schedule T – Exhibit of Premiums Written – Allocated by States and Territories**

State	Direct Premiums Written	Direct 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	7,430,531,853	7,326,957,880	26,965,499	4,345,290,220	4,415,860,430	5,549,180,185	60,822,188	19,446,222
02 Alaska AK	1,443,892,863	1,436,372,040	7,594,132	737,519,012	853,388,545	1,475,720,494	6,988,814	4,625,734
03 Arizona AZ	9,737,769,095	9,542,247,846	29,551,589	5,672,360,350	5,826,977,928	6,955,781,557	71,950,473	17,687,525
04 Arkansas AR	4,322,202,637	4,212,045,309	10,099,469	2,315,227,033	2,548,062,441	2,850,857,442	23,429,485	10,070,310
05 California CA	59,091,379,299	58,057,449,832	118,518,529	40,777,515,301	42,225,770,286	70,697,671,646	403,360,763	162,108,896
06 Colorado CO	11,617,933,587	11,268,592,682	62,737,258	9,278,959,903	10,027,020,236	8,143,055,283	69,383,718	17,199,352
07 Connecticut CT	7,735,378,306	7,690,156,494	38,980,686	4,373,126,639	4,428,512,935	7,994,424,387	47,678,873	30,983,098
08 Delaware DE	2,332,622,175	2,358,912,587	5,892,024	1,174,550,305	1,249,190,670	2,515,923,418	14,630,915	106,820,261
09 Dist. Columbia DC	1,678,145,739	1,650,861,399	3,890,491	776,814,050	847,050,693	1,704,607,326	6,150,481	6,705,666
10 Florida FL	36,862,161,557	36,113,693,739	174,555,215	23,631,974,872	24,218,119,968	28,948,982,269	240,041,697	64,094,913
11 Georgia GA	18,278,993,742	17,853,920,463	72,446,494	10,995,148,532	11,821,326,935	13,433,823,221	108,463,868	26,854,498
12 Hawaii HI	1,687,364,434	1,659,995,621	9,632,077	797,868,358	743,655,974	1,308,525,717	10,133,905	10,688,685
13 Idaho ID	2,078,376,943	2,006,338,459	5,193,111	1,175,504,851	1,219,015,952	1,280,325,838	17,464,750	9,853,304
14 Illinois IL	24,996,132,174	24,753,042,910	45,765,477	14,058,752,884	14,044,458,533	23,345,542,453	104,098,666	80,347,195
15 Indiana IN	9,744,361,913	9,582,127,418	11,800,647	4,797,539,776	4,841,596,258	7,048,718,133	58,640,574	32,084,788
16 Iowa IA	5,935,698,428	5,899,920,518	33,634,155	3,556,578,861	4,174,215,350	4,700,689,465	26,839,071	14,694,133
17 Kansas KS	5,651,128,879	5,501,428,302	17,542,976	2,861,518,595	2,958,492,556	3,409,073,480	24,041,375	13,710,701
18 Kentucky KY	5,998,173,036	5,895,013,328	12,044,772	3,291,243,796	3,325,560,781	5,333,952,532	29,704,908	17,430,384
19 Louisiana LA	8,114,874,223	8,044,180,724	20,624,814	4,349,513,226	4,549,286,092	6,759,120,164	40,231,665	16,615,649
20 Maine ME	1,823,164,322	1,791,704,311	28,392,986	862,968,455	856,772,461	1,488,771,525	12,037,499	5,483,257
21 Maryland MD	10,564,610,111	10,418,751,706	44,047,915	6,721,634,107	6,810,508,921	8,477,676,413	57,041,276	18,693,805
22 Massachusetts MA	9,343,488,239	9,194,088,943	28,264,243	4,642,924,423	4,788,998,284	9,334,020,647	51,984,865	31,764,322
23 Michigan MI	15,166,465,619	14,994,753,213	31,333,055	8,340,527,196	9,945,620,752	41,859,511,087	50,234,913	32,882,184
24 Minnesota MN	10,624,813,024	10,458,135,513	20,209,910	5,863,103,183	5,737,092,973	8,155,610,778	37,069,400	18,905,047
25 Mississippi MS	4,060,677,293	4,003,010,780	9,578,355	2,075,771,131	2,111,162,277	2,701,983,886	23,376,914	8,145,925
26 Missouri MO	10,748,120,434	10,547,238,135	18,322,782	5,741,855,382	5,837,363,993	7,955,392,487	55,638,241	17,730,870
27 Montana MT	2,031,235,486	1,972,552,205	4,628,960	1,057,477,348	1,085,527,541	1,131,532,888	10,340,307	3,334,782
28 Nebraska NE	4,542,699,889	4,483,480,680	12,871,930	2,529,397,155	2,434,938,562	2,871,703,362	15,719,529	12,433,734
29 Nevada NV	5,115,538,535	4,924,243,045	11,612,086	2,883,132,729	3,669,358,951	5,841,679,782	34,264,996	11,295,426
30 New Hampshire NH	1,992,252,881	1,970,958,398	12,895,541	1,041,216,809	1,008,064,466	1,688,605,231	13,839,736	7,165,193
31 New Jersey NJ	13,921,934,209	13,739,937,577	44,685,604	7,882,932,503	8,332,697,746	21,480,475,645	72,787,241	32,483,933
32 New Mexico NM	2,993,534,840	2,915,704,554	11,503,308	1,803,304,094	1,929,777,806	2,266,329,461	22,376,839	5,686,348

**Appendix F – Consolidated Schedule T for all Illinois-Licensed Property/Casualty Insurers for 2018
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 In- curred	Direct Losses Unpaid	Finance Charges Not Included	Direct Premiums Written Federal
33 New York NY	36,989,918,245	36,394,070,253	83,379,467	22,302,955,800	21,742,949,621	47,417,359,785	204,081,515	113,107,934
34 North Carolina NC	13,450,677,526	13,222,767,024	50,011,161	8,321,365,225	9,719,723,655	9,917,442,031	115,252,847	24,246,535
35 North Dakota ND	2,124,588,718	2,110,770,580	2,229,784	998,116,784	983,213,486	843,185,844	3,871,783	6,870,560
36 Ohio OH	15,551,674,979	15,320,068,763	21,492,090	7,689,985,865	7,591,758,864	9,492,073,575	129,526,302	41,776,310
37 Oklahoma OK	6,344,922,490	6,204,614,702	19,077,839	3,070,557,687	3,182,951,116	4,236,576,395	42,620,104	9,371,515
38 Oregon OR	5,404,198,305	5,281,498,699	14,815,030	2,806,303,697	2,691,328,234	3,809,223,276	33,723,458	14,061,921
39 Pennsylvania PA	22,211,527,226	21,871,157,393	47,754,928	12,330,854,875	12,763,531,769	21,331,944,762	149,317,282	52,231,527
40 Rhode Island RI	2,053,542,268	2,009,223,322	22,712,773	1,113,859,585	1,143,634,828	1,624,066,537	11,585,244	4,185,125
41 South Carolina SC	9,020,819,833	8,843,529,769	34,389,566	4,750,756,753	5,072,237,934	6,093,925,033	66,623,977	10,505,768
42 South Dakota SD	2,198,757,962	2,171,460,649	4,082,095	1,226,810,304	1,222,914,693	1,265,345,147	7,548,054	2,933,248
43 Tennessee TN	9,209,674,889	8,935,035,017	25,484,935	4,656,290,218	4,389,026,445	7,399,208,354	54,231,709	27,484,340
44 Texas TX	33,211,132,565	32,145,585,758	195,866,479	20,949,432,328	18,007,437,331	26,786,233,725	144,227,682	130,660,516
45 Utah UT	4,069,406,409	3,946,457,809	7,876,611	2,027,445,579	2,150,177,606	2,637,682,802	22,169,377	8,705,418
46 Vermont VT	968,281,693	958,703,642	3,965,956	481,682,490	464,528,645	813,057,389	7,276,486	4,314,838
47 Virginia VA	12,410,973,045	12,192,292,400	89,235,847	7,076,345,952	7,317,589,717	9,006,872,752	97,471,850	46,705,811
48 Washington WA	10,752,246,804	10,450,087,399	34,456,064	5,646,424,655	5,851,290,170	6,920,065,116	76,344,846	19,257,744
49 West Virginia WV	2,798,507,674	2,779,772,136	4,216,727	1,490,850,833	1,609,921,096	2,387,382,056	15,368,798	3,391,739
50 Wisconsin WI	10,078,521,650	9,976,790,042	192,555,242	5,400,698,499	5,661,892,979	9,104,192,412	43,403,927	21,633,964
51 Wyoming WY	1,047,443,800	1,024,356,265	2,593,978	686,541,294	711,187,977	493,598,629	5,839,925	1,399,736
52 American Samoa AS	132,072	322,091	-	-	9,089	16,450	120	-
53 Guam GU	59,528,343	58,743,958	715,847	15,422,415	30,103,105	57,126,873	10,838	-
54 Puerto Rico PR	256,826,394	262,361,770	279,885	1,764,307,274	388,988,451	2,314,766,606	22,320	180,299
55 U.S. Virgin Islands VI	28,676,373	27,511,888	257,721	169,968,352	161,377,673	257,014,641	407,377	2,315
56 N. Mariana Islands MP	3,226,008	2,685,172	-	1,953	309,432	398,613	90	-
57 Canada CAN	2,881,593,011	2,723,351,395	48,011	1,529,174,997	1,456,820,870	4,080,761,910	582,963	-
58 Agg. other alien OT	3,971,072,617	3,849,057,700	701,230	2,015,684,614	2,033,417,580	4,718,471,437	57,976	341
59 Totals	524,763,526,610	515,030,092,106	1,844,015,352	308,935,089,006	315,213,769,629	501,657,260,293	3,052,334,690	1,411,053,633



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