



## NAIC Financial Regulatory Services Department

### Financial Analysis and Examination Unit P&C, Title, Life, Fraternal and Health Industry Snapshots For the Period Ended December 31, 2012

Attached are the Industry Financial Snapshots for the Property/Casualty, Title, Life, Fraternal, and Health Industries for the period ended December 31, 2012. These Snapshots were prepared to assist consumers in understanding trends in the insurance industry. The Snapshots were produced from NAIC data as of March 5, 2013, which were required to be submitted to the NAIC Financial Data Repository. Where applicable, the aggregated figures have been adjusted to eliminate affiliated amounts.

#### *Property & Casualty*

<i>(In Millions)</i>	<u>Chg.</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Operations</u></b>						
Net Premiums Written	3.7%	\$463,267	\$446,642	\$432,301	\$428,349	\$446,600
Net Premiums Earned	2.8%	\$455,403	\$442,793	\$430,563	\$432,662	\$450,464
Net Losses Incurred	(4.5%)	\$282,980	\$296,244	\$263,123	\$259,117	\$295,138
Loss Expenses Incurred	1.0%	\$56,263	\$55,733	\$54,313	\$54,268	\$53,597
Other Underwriting Expenses	4.1%	\$129,910	\$124,770	\$122,664	\$120,673	\$122,724
Net Underwriting Gain/(Loss)	60.3%	(\$14,074)	(\$35,451)	(\$8,827)	\$947	(\$19,599)
Loss Ratio	(5.0) pts	74.5%	79.5%	73.7%	72.4%	77.4%
Expense Ratio	(0.2) pts	28.1%	28.3%	28.2%	27.6%	27.2%
Dividend Ratio	0.1 pts	0.6%	0.5%	0.7%	0.6%	0.6%
Combined Ratio	(5.1) pts	103.2%	108.3%	102.6%	100.6%	105.2%
Net Cash from Operations	114.5%	\$38,529	\$17,960	\$34,861	\$31,943	\$38,930
Liquidity Ratio	(0.9) pts	81.5%	82.4%	80.5%	80.7%	85.8%
<b><u>Investment Income</u></b>						
Net Investment Income Earned	(2.8%)	\$47,630	\$49,006	\$47,620	\$47,722	\$52,305
Investment Yield	(0.1) pts	3.6%	3.7%	3.7%	3.9%	4.2%
Net Realized Gain/(Loss)	10.9%	\$8,637	\$7,790	\$8,233	(\$8,183)	(\$20,660)
<b><u>Capital and Surplus</u></b>						
Net Income	92.7%	\$35,252	\$18,293	\$36,401	\$30,194	\$1,750
Unrealized Gain/(Loss)	-	\$11,823	(\$12,312)	\$12,747	\$19,116	(\$71,398)
Policyholders' Surplus	5.1%	\$602,349	\$573,315	\$579,095	\$543,470	\$474,054
Return on Surplus	7.0 pts	8.0%	1.0%	8.8%	9.7%	(13.9%)

## Industry Snapshots – December 31, 2012

	<i>Title</i>					
<i>(In Millions)</i>	<u>Chg.</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Direct Premiums Written	21.8%	\$11,277	\$9,256	\$9,448	\$9,286	\$9,908
Direct Ops.	(2.3)%	\$1,319	\$1,349	\$1,340	\$1,310	\$1,669
Non-Aff. Agency Ops.	19.5%	\$6,662	\$5,575	\$5,782	\$5,759	\$6,042
Aff. Agency Ops.	41.3%	\$3,296	\$2,332	\$2,326	\$2,217	\$2,198
Title Premiums Earned	19.9%	\$11,227	\$9,364	\$9,403	\$9,468	\$10,227
Loss & LAE Incurred	(22.9)%	\$849	\$1,102	\$1,105	\$1,024	\$1,316
Operating Exp Incurred	16.9%	\$10,871	\$9,300	\$9,597	\$9,693	\$10,728
Net Operating Gain/(Loss)	2,339.6%	\$503	\$(22)	\$(214)	\$(133)	\$(714)
Loss Ratio	(4.2)-pts	7.6%	11.8%	11.8%	10.8%	12.9%
Expense Ratio	(4.2)-pts	96.7%	100.9%	101.7%	104.4%	108.2%
Combined Ratio	(8.4)-pts	104.3%	112.7%	113.4%	115.2%	121.1%
Net Inv. Income Earned	(7.3)%	\$321	\$346	\$334	\$517	\$406
Net Realized Gain/(Loss)	5.9%	\$36	\$34	\$(80)	\$(50)	\$(178)
Net Inv. Gain (Loss)	(6.2)%	\$356	\$380	\$254	\$467	\$227
Net Income	133.4%	\$721	\$309	\$31	\$352	\$(407)
Net Unrealized Gain/(Loss)	273.9%	\$176	\$(101)	\$431	\$76	\$(478)
Net Cash from Operations	404.9%	\$842	\$167	\$167	\$188	\$(383)

### *Life, Accident & Health*

<i>(In Millions)</i>	<u>Chg.</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Operations</u></b>						
Direct Written Premium	5.7%	\$817,557	\$773,654	\$721,276	\$722,104	\$802,799
Life Direct Written Premium	4.6%	\$173,747	\$166,172	\$158,418	\$152,435	\$169,785
A&H Direct Written Premium	0.5%	\$178,957	\$178,015	\$176,594	\$172,093	\$167,756
Annuities, Dep. & Other DWP	8.2%	\$464,853	\$429,467	\$386,264	\$397,577	\$465,259
Assumed Premium	12.7%	\$89,445	\$79,371	\$66,938	\$70,857	\$70,314
Ceded Premium	12.1%	\$150,581	\$134,356	\$122,031	\$184,193	\$129,108
Net Earned Premium	3.2%	\$641,895	\$621,738	\$581,368	\$511,463	\$631,303
Net Investment Income	(0.4)%	\$163,902	\$164,506	\$161,362	\$154,445	\$161,218
Benefits	0.7%	\$254,237	\$252,378	\$246,698	\$244,563	\$244,133
Commissions & General Expenses	1.7%	\$111,768	\$109,867	\$106,295	\$103,452	\$106,192
Operating Income	135.7%	\$47,568	\$20,182	\$41,335	\$48,225	\$(1,991)
Realized Gains/(Losses)	(10.5)%	\$(9,454)	\$(8,552)	\$(16,025)	\$(28,741)	\$(51,086)
Net Income/(Loss)	227.7%	\$38,114	\$11,630	\$25,309	\$19,484	\$(53,077)
Net Cash From Operations	(14.3)%	\$130,020	\$151,654	\$130,432	\$132,743	\$136,665
<b><u>Capital &amp; Surplus</u></b>						
Unrealized Gains/(Losses)	62.7%	\$22,958	\$14,108	\$7,995	\$(19,143)	\$(47,800)
Capital and Surplus	11.9%	\$340,748	\$304,528	\$303,834	\$287,141	\$250,222
<b><u>Assets</u></b>						
Invested Assets	1.9%	\$3,416,095	\$3,353,268	\$3,194,139	\$3,069,295	\$3,018,501
Net Admitted Assets (excl. Sep. Accts.)	2.1%	\$3,601,823	\$3,526,649	\$3,354,615	\$3,228,178	\$3,179,934
Separate Account Assets	11.9%	\$2,053,201	\$1,835,605	\$1,840,187	\$1,623,769	\$1,369,015
Total Net Admitted Assets	5.5%	\$5,655,024	\$5,362,253	\$5,194,802	\$4,851,946	\$4,548,949
Net Investment Yield	(0.2) pts.	4.8%	5.0%	5.2%	5.1%	5.4%
ROA	0.8 pts.	1.1%	0.3%	0.8%	0.6%	(1.7)%

## Industry Snapshots – December 31, 2012

### Fraternal Societies

<i>(In Millions)</i>	<b>Chg.</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Operations</b>						
Direct Written Premium	2.3%	\$11,218	\$10,964	\$10,972	\$9,752	\$8,541
Life Direct Written Premium	4.9%	\$4,238	\$4,039	\$3,781	\$3,484	\$3,409
A&H Direct Written Premium	(2.6)%	\$670	\$688	\$716	\$696	\$656
Annuities, Dep. & Other DWP	1.2%	\$6,310	\$6,237	\$6,474	\$5,572	\$4,476
Ceded Premium	(8.4)%	\$383	\$418	\$441	\$379	\$326
Net Earned Premium	3.3%	\$10,085	\$9,759	\$9,641	\$8,476	\$7,514
Net Investment Income	1.8%	\$5,387	\$5,292	\$5,035	\$4,822	\$4,817
Benefits	0.3%	\$11,273	\$11,236	\$11,197	\$10,194	\$9,670
Commissions & General Expenses	2.7%	\$2,216	\$2,158	\$2,035	\$1,952	\$1,834
Operating Income (before refunds to members)	4.5%	\$1,479	\$1,415	\$1,381	\$1,248	\$1,195
Refunds to Members	(16.7)%	\$662	\$795	\$816	\$821	\$857
Realized Gains/(Losses)	73.1%	(\$12)	(\$44)	(\$48)	(\$502)	(\$835)
Net Income/(Loss)	39.7%	\$805	\$576	\$517	(\$75)	(\$499)
Net Cash From Operations	(1.6)%	\$4,722	\$4,797	\$5,099	\$4,580	\$3,366
<b>Surplus</b>						
Unrealized Gains/(Losses)	221.3%	\$151	(\$125)	\$395	\$627	(\$1,247)
Surplus	7.2%	\$9,828	\$9,165	\$9,464	\$9,149	\$8,709
<b>Assets</b>						
Invested Assets	6.6%	\$111,716	\$104,801	\$98,590	\$91,711	\$85,510
Net Admitted Assets (excl. Sep. Accts.)	6.6%	\$113,045	\$106,083	\$99,819	\$92,865	\$86,582
Separate Account Assets	20.6%	\$16,580	\$13,746	\$13,073	\$10,886	\$8,408
Total Net Admitted Assets	8.2%	\$129,626	\$119,829	\$112,892	\$103,751	\$94,990
Net Investment Yield	(0.2) pts.	5.0%	5.2%	5.3%	5.4%	5.6%
ROA	0.1 pt.	0.7%	0.6%	0.5%	(0.1)%	(0.6)%

## Industry Snapshots – December 31, 2012

### Health Entities

<i>(In Millions, Except PMPM)</i>	<b>Chg.</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b><u>Operations</u></b>						
Direct Written Premium	(6.8)%	\$389,969	\$418,447	\$394,700	\$382,376	\$354,646
Net Earned Premium	(7.3)%	\$379,344	\$409,257	\$385,832	\$373,197	\$346,161
Net Investment Income Earned	(12.7)%	\$2,834	\$3,245	\$3,421	\$4,061	\$4,759
Underwriting Gain/(Loss)	(31.3)%	\$10,145	\$14,758	\$12,714	\$5,978	\$9,092
Net Income/(Loss)	(26.0)%	\$10,302	\$13,920	\$12,935	\$9,292	\$8,417
Total Hospital & Medical Exp	(6.0)%	\$325,356	\$346,031	\$326,997	\$323,405	\$297,746
Loss Ratio	1.2 Pts.	85.7%	84.5%	84.8%	86.7%	86.0%
Admin Expense Ratio	(0.1) Pts.	11.8%	11.9%	11.9%	11.7%	11.4%
Combined Ratio	0.9 Pts.	97.3%	96.4%	96.7%	98.4%	97.4%
Profit Margin	(0.7) Pts.	2.7%	3.4%	3.3%	2.5%	2.4%
Net Premium PMPM	(3.7)%	\$196	\$204	\$195	\$189	\$186
Claims PMPM	(2.4)%	\$169	\$173	\$166	\$165	\$161
Cash Flow from Operations	(23.0)%	\$11,864	\$15,400	\$12,201	\$8,619	\$10,177
Enrollment	(3.6)%	162	168	164	166	157
<b><u>Capital and Surplus</u></b>						
Capital & Surplus	(3.2)%	\$91,622	\$94,659	\$88,521	\$77,147	\$71,404
<b><u>Assets</u></b>						
Net Invested Assets	(4.8)%	\$138,661	\$145,709	\$135,589	\$122,475	\$113,443
Net Admitted Assets	(4.3)%	\$180,564	\$188,663	\$174,217	\$158,506	\$146,866
Net Inv Inc & Realized Gain/(Loss)	(7.5)%	\$3,932	\$4,249	\$4,814	\$6,260	\$1,980
Investment Yield	(0.3) Pts.	2.0%	2.3%	2.7%	3.4%	4.1%

Note: Aggregate results include only health entities who file annual statements with the NAIC. As of March 5, 2013, approximately 89% of expected health entities reported.

The views expressed in this publication do not necessarily represent the views of NAIC, its officers or members. NO WARRANTY IS MADE, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OPINION OR INFORMATION GIVEN OR MADE IN THIS PUBLICATION.