

## Credit Life Insurance and Credit Accident & Health Insurance Experience 2004-2008

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## INTRODUCTION

This is the NAIC report on credit life insurance and credit accident and health insurance experience for the years 2004-2008. The data for this report were obtained from the Credit Life Insurance and Credit Accident and Health Experience Exhibit filed by insurers with the NAIC.

In 1985, the credit insurance exhibit was modified such that data could be readily compiled, reported, processed and analyzed for both insurers and regulators. Specifically, the modifications were designed to provide a tool for prima facie rate administration and to provide loss ratio data.

There are 222 companies listed in the Credit Life Reports and 193 companies listed in the Credit Accident and Health Reports. All companies reporting data in 2008, 2007, 2006, 2005, and 2004 were included. Immediately following this introduction, 10-year tables of countrywide totals from the 12 reports are summarized in the exhibit titled, "Credit Life Insurance and Credit Accident and Health Insurance Experience."

### Report Format

This publication consists of 12 reports:

#### **Credit Life**

##### *Annual Incurred Claims*

- 1) Countrywide by Company
- 2) By State Summary

##### *Earned Premiums*

- 3) Countrywide by Company
- 4) By State Summary

##### *Net Written Premiums*

- 5) Countrywide by Company
- 6) By State Summary

#### **Credit Accident and Health**

##### *Annual Incurred Claims*

- 7) Countrywide by Company
- 8) By State Summary

##### *Earned Premiums*

- 9) Countrywide by Company
- 10) By State Summary

##### *Net Written Premiums*

- 11) Countrywide by Company
- 12) By State Summary

**The Annual Incurred Claims Countrywide by Company Reports** list the companies in descending order of direct written premium and market share. **The Annual Incurred Claims by State Reports** list information by state in alphabetical order. The following information is provided:

- Three- and Five-year Aggregated Loss Ratio
- Three- and Five-year Aggregated Loss Ratio at Prima Facie Rates
- Annual Incurred Claims (2008, 2007, 2006, 2005, and 2004)
- Actual Calendar Year Loss Ratios (2008, 2007, 2006, 2005, and 2004)
- Calendar Year Loss Ratios at Prima Facie Rates (2008, 2007, 2006, 2005, and 2004)

Loss ratios are calculated by dividing earned premiums by incurred losses. Calculations do not omit thousands. Actual earned premiums were substituted for earned premiums at prima facie rates when the latter were reported as zero. All results were arbitrarily limited to a maximum of +999.9 and a minimum of -999.9.

**The Earned Premiums Countrywide by Company Reports** list all insurers by amount of earned premium and provide data that were used to compute the loss ratios contained in the Annual Incurred Claims Reports. **The Earned Premiums by State Reports** list information by state in alphabetical order. The following data are provided:

- State of Domicile (*Countrywide Report Only*)
- Business Type: L=Life and P=Property and Casualty (*Countrywide Report Only*)
- Number of Companies Reporting “Net Written Premiums” for Credit Insurance (2008, 2007, 2006, 2005, and 2004) (*By State Report Only*)
- Direct Earned Premiums (2008, 2007, 2006, 2005, and 2004)
- Earned Premium at Prima Facie Rates (2008, 2007, 2006, 2005, and 2004)

The Earned Premiums Reports show amounts rounded to the nearest thousand dollars. A zero on the Premium and Loss Reports may represent values from zero to \$499. If a negative sign appears with a zero, the value represented ranges from a negative \$1 to a negative \$499.

**The Net Written Premiums Countrywide by Company Reports** list all insurers by amount of net premiums written. The report includes the following:

- State of Domicile (*Countrywide Report Only*)
- Business Type: L=Life and P=Property and Casualty (*Countrywide Report Only*)
- Number of Companies Reporting “Net Written Premiums” for Credit Insurance (2008, 2007, 2006, 2005, and 2004) (*By State Report Only*)
- Net Written Premiums (2008, 2007, 2006, 2005, and 2004)
- Net Written Premiums Annual Percentage Change (2008, 2007, 2006, 2005, and 2004)
- Percent of Total Net Written Premiums—*Market Share* (2008, 2007, 2006, 2005, and 2004)

## **Qualifications**

The accuracy of the reports included in this publication depends on the accuracy of the information contained in the credit insurance exhibits filed by insurers. Even though the data elements used to prepare the reports are extracted from exhibits filed with the NAIC, the NAIC cannot verify or guarantee their accuracy.

While the NAIC exercises a great deal of care in capturing data from annual statements and producing various reports, as with any statistical project of a significant magnitude, errors can occur. Consequently, the NAIC makes no representations or warranties with respect to the accuracy of the data and statistics in this report.

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