

**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**



Report 02-18

November 2002

STATE LIFE INSURANCE FUND

The State Life Insurance Fund, which is administered by the Office of the Commissioner of Insurance, is subject to the same regulatory requirements as any insurance company licensed to operate in Wisconsin, as well as to other specific statutory restrictions, such as prohibition on advertising and maximum coverage to any insured person of \$10,000. As of December 31, 2001, the fund had 30,407 life policies in effect and total life insurance in force of approximately \$226.4 million.

We have completed an audit of the statutory-based financial statements of the State Life Insurance Fund for the period January 1, 1999 through December 31, 2001, as required by s. 13.94(1)(de), Wis. Stats. We found the statutory-based financial statements to be fairly presented in accordance with insurance accounting practices prescribed by the Commissioner of Insurance.

The Fund, which is self-funded through premiums and investment earnings, returned between \$3.7 million and \$3.9 million to policyholders as dividends in each the three years audited. Statutes require that any surplus that accumulates be maintained at a level between 7.0 and 10.0 percent of Fund assets. The Fund's surplus-to-asset ratio was 8.1 percent as of December 31, 2001. However, net losses, which totaled \$679,629 over the three years audited contributed to a lower ratio in each of the years and may affect future dividend levels if the trend continues.

[full report, PDF file \(179KB\)](#)