



## BRIEFING SHEET

Report 19-16  
September 2019

State Auditor

[Joe Chrisman](#)**State Life Insurance Fund**  
Calendar Years 2018, 2017, and 2016*Office of the Commissioner of Insurance***Background**

The State Life Insurance Fund (SLIF) was created in 1911 to provide low-cost individual life insurance to Wisconsin residents. It is self-funded through premiums and investment earnings and is administered by the Office of the Commissioner of Insurance (OCI).

SLIF operates under specific statutory restrictions, including a prohibition on employing commissioned agents and a limitation on coverage of \$10,000 for any insured individual. SLIF prepares its financial statements in accordance with financial reporting requirements prescribed by the Wisconsin Commissioner of Insurance, but not in accordance with generally accepted accounting principles. The Commissioner of Insurance prescribes that SLIF follow the statutory accounting practices established by the National Association of Insurance Commissioners.

**Audit Results**

We found SLIF's regulatory basis financial statements to be fairly presented in accordance with financial reporting requirements prescribed by the Wisconsin Commissioner of Insurance. Therefore, we have provided an unmodified opinion on SLIF's financial statements prepared on a regulatory basis. We have also provided an adverse opinion on SLIF's financial statements based on generally accepted accounting principles. Our report also includes the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

**Key Findings**

We found:

- The number of life insurance policies in effect declined to 23,860 as of December 31, 2018.
- The amount of life insurance in force also declined and was \$185.1 million as of December 31, 2018.
- SLIF's surplus-to-assets ratio has been within the statutorily specified range since 2014 and was 7.6 percent as of December 31, 2018. The dividend scale was adjusted as of January 1, 2019, in an effort to maintain the surplus-to-asset ratio within the statutorily specified range.

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