



Americans for Insurance Reform
P.O. Box 3326
Church Street Station
New York, NY 10004
(212) 431-2882
air.insurance.reform@gmail.com
www.insurance-reform.org
(A project of the Center for Justice &
Democracy at New York Law School)

INSURANCE COMPANIES LOBBY TO LIMIT COMPENSATION TO THE SICK AND INJURED...

BUT PAY THEIR EXECUTIVES MILLIONS OF DOLLARS

As the insurance industry pushes for laws that deprive sick and injured Americans of their right to be fairly compensated, insurance executives continue to collect millions of dollars in compensation.¹

A recent survey in the July 2012 edition of the *Insurance Forum* shows that insurance executives were collectively paid hundreds of millions of dollars in 2011.² This finding was based on data from the Securities and Exchange Commission (SEC), the Nebraska Insurance Department and the New York Insurance Department. The *Forum* analyzed the SEC, Nebraska and New York figures separately, as we do below. (Note that figures sometimes differ due to varying agency rules on what compensation must be disclosed.³)

SEC Data. 109 insurance executives received compensation of \$5 million or more in 2011, with 37 receiving \$10 million or above.⁴ That same year, an additional 145 executives received \$2,500,000 to \$4,999,999 in compensation.⁵

The ten highest compensated individuals were⁶:

John R. Strangfeld, Prudential Financial Inc.	\$23,693,441
David M. Cordani, CIGNA Corp.	\$19,085,567
Robert L. Moody Sr., American National Ins. Co.	\$18,944,550
James Cracchiolo, Ameriprise Financial Inc.	\$18,849,585
C. Robert Henrikson, MetLife Inc.	\$17,834,052
Evan G. Greenberg, ACE Ltd.	\$16,612,885
Jay S. Fishman, Travelers Cos. Inc.	\$16,479,430
John D. Finnegan, Chubb Corp.	\$15,720,576
William R. Berkley, W.R. Berkley Corp.	\$15,198,137
Daniel P. Amos, AFLAC Inc.	\$14,627,880

Nebraska Data. 69 insurance executives received compensation of \$5 million or more in 2011, with 12 receiving \$10 million or above.⁷ That same year, an additional 161 executives received \$2,500,000 to \$4,999,999 in compensation.⁸

The ten highest compensated individuals were⁹:

Jay S. Fishman, Travelers Cos. Inc.	\$24,394,214
Albert T. Annexstad, Federated Mutual Ins. Co.	\$22,264,974
Thomas P. Nerney, Berkshire Hathaway Inc.	\$17,354,484
Gary C. Tolman, Allstate Corp.	\$16,975,747
Daniel P. Amos, AFLAC Inc.	\$16,832,754
Robert L. Moody, American National Ins. Co.	\$14,187,875
Michael McCallister, Humana Inc.	\$13,498,415
Patricia H. Hall, Health Care Service Corp.	\$12,875,142
Olza M. Nicely, Berkshire Hathaway Inc.	\$12,357,242
John Strangfeld Jr., Prudential Financial Inc.	\$10,929,277

New York Data. 27 insurance executives received compensation of \$5 million or more in 2011, with six receiving \$10 million or above.¹⁰ That same year, an additional 58 executives received \$2,500,000 to \$4,999,999 in compensation.¹¹

The highest compensated individuals were¹²:

John W. Rowe, Aetna Inc.	\$81,980,330
Ronald A. Williams, Aetna Inc.	\$35,914,796
Michael McCallister, Humana Inc.	\$13,498,415
John Strangfeld Jr., Prudential Financial Inc.	\$10,929,277
Angela F. Braly, WellPoint Inc.	\$10,786,357
Mark B. Grier, Prudential Financial Inc.	\$9,473,601
Mark Bertolini, Aetna Inc.	\$9,416,438
James E. Murray, Humana Inc.	\$9,086,825
Gary E. Wendlandt, New York Life Group.	\$8,700,837
Wayne S. Deveydt, WellPoint Inc.	\$8,458,876

July 17, 2012

NOTES

¹ For recent insurance industry activity, *see, e.g.*, Physician Insurers Association of America, “Don’t Create More Liability Lawsuits,” May 24, 2012, found at www.piaa.us/HOME/AM/ContentManagerNet/ContentDisplay.aspx?Section=Home&ContentID=8759; Physician Insurers Association of America, “PIAA Praises U.S. House of Representatives for Passing H.R. 5,” March 22, 2012, found at www.piaa.us/WebContent/PressRelease_HR5.pdf; Americans for Insurance Reform, *Repeat Offenders: How The Insurance Industry Manufactures Crises and Harms America* (December 2011), found at http://www.insurance-reform.org/issues/Repeat_OffendersFinal.pdf; Center for Media and Democracy, “Tort Reform, Corporate Liability and the Rights of Injured Americans,” *ALEC Exposed*, found at http://www.alecexposed.org/wiki/Tort_Reform,_Corporate_Liability_and_the_Rights_of_Injured_Americans (last modified July 13, 2011)(provides link to ALEC “Model Bills”; insurance companies and their trade groups are or have been ALEC members or supporters, http://www.sourcewatch.org/index.php?title=ALEC_Corporations, http://www.sourcewatch.org/index.php?title=ALEC_Trade_Groups); Statement of PIAA President/CEO Lawrence

E. Smarr to U.S House of Representatives, Committee on Energy and Commerce, Subcommittee on Health, “The Cost of the Medical Liability System Proposals for Reform, including H.R. 5, the Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act of 2011,” April 6, 2011, found at www.piaa.us/HOME/AM/ContentManagerNet/ContentDisplay.aspx?Section=Home&ContentID=7897. *See also*, America’s Health Insurance Plans, “Reducing the Soaring Cost of Medical Care,” found at <http://www.ahip.org/Issues/Reducing-the-Soaring-Cost-of-Medical-Care.aspx>; Council for Affordable Health Insurance, “CAHI Issues: Medical Liability,” found at http://www.cahi.org/cahi_contents/issues/article.asp?id=494#Solutions; Physician Insurers Association of America, “Preserve Effective Medical Liability Reforms,” found at www.piaa.us/HOME/AM/ContentManagerNet/ContentDisplay.aspx?Section=Home&ContentID=4057.

² Joseph M. Belth, ed., *Insurance Forum*, Vol. 39, No. 7 (July 2012) at 55-64.

³ *Id.* at 55. “Public companies file compensation exhibits with the SEC. For each of the five highest compensated individuals, the exhibit shows salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value and nonqualified deferred compensation earnings, all other compensation, and total. We show the total.” *Ibid.* “Nebraska law requires every insurance company doing business there to file a compensation exhibit. For each of the ten highest compensated individuals, the exhibit shows salary, bonus, all other compensation, and total. We show the total.” *Ibid.* In New York, “[e]very life insurance company doing business in the state must file a compensation exhibit. For each individual, the exhibit shows the total of ‘any and all remuneration, including all salaries, commissions, stock grants, gains from the exercise of stock options and other emoluments paid.’ Some life insurance companies disclose only compensation allocated to a company operating in New York. By contrast, some health insurance companies disclose total compensation received from all members of a company group as well as compensation allocated to a company operating in New York. In the latter instances, we show total compensation.” *Ibid.*

⁴ *Ibid.*

⁵ *Ibid.*

⁶ *Id.* at 56-58.

⁷ *Id.* at 55.

⁸ *Ibid.*

⁹ *Id.* at 58-63.

¹⁰ *Id.* at 55.

¹¹ *Ibid.*

¹² *Id.* at 63-4. According to *Insurance Forum*, because of a 2008 New York State legislative amendment pushed by the insurance industry, the names of 210 highly compensated individuals were not disclosed. *Id.* at 55.