



# A Firm Foundation

## How Insurance Supports the Economy

### 2010



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# Chapter 1: Introduction

## Insurance Industry at a Glance

The insurance industry has a significant impact on the nation's economy that extends well beyond its responsibilities to collect premiums and settle claims. It employs licensed professionals, pays taxes, owns municipal bonds and serves people in their times of greatest need.

### NUMBER OF COMPANIES

- There were 2,741 property/casualty (P/C) insurance companies and 1,128 life/health (L/H) insurance companies in the United States in 2008.

### ASSETS

- The industry's financial assets were nearly \$6 trillion in 2008, including \$1.3 trillion for the property/casualty sector and \$4.5 trillion for the life sector, according to the Federal Reserve.

### PREMIUMS

- The U.S. insurance industry's net premiums written totaled \$1.1 trillion in 2008, with premiums recorded by L/H insurers accounting for 59 percent and premiums by P/C insurers accounting for 41 percent, according to Highline Data, LLC. A third sector, health insurance, is generally considered separately.
- P/C insurance consists primarily of auto, home and commercial insurance. Net premiums written for the sector totaled \$441 billion in 2008.
- The L/H insurance sector consists primarily of annuities and life insurance. Net premiums written for the sector totaled \$628 billion in 2008.

### EMPLOYMENT

- The U.S. insurance industry employed 2.3 million people in 2008. Of those, 1.4 million worked for insurance companies, including life, health and medical insurers (804,200 workers), P/C insurers (569,200 workers) and reinsurers (28,400 workers). The remaining 907,000 employees worked for insurance agencies, brokers and other insurance-related enterprises.

### GROSS DOMESTIC PRODUCT

- The insurance industry contributed \$333 billion to the \$13.7 trillion gross domestic product (GDP) in 2007, accounting for 2.4 percent of the nation's total GDP.

### TAXES

- In 2008 P/C insurers and life/health insurers incurred federal and foreign taxes approaching \$8 billion dollars.
- In addition, P/C and L/H insurance companies paid \$15.7 billion in state premium taxes in 2008, or \$52 for every person living in the United States.

## INVESTMENTS

- Insurance companies invest the premiums they collect in state and local municipal bonds, helping to fund the building of roads, schools and other public projects. Property/casualty insurance companies invest heavily in municipal bonds, with holdings of \$372.8 billion in 2008, according to the Federal Reserve. They held an additional \$193.2 billion in corporate stocks and \$276.4 billion in corporate and foreign bonds during the same period.
- Insurers provide businesses with capital for research, expansions and other ventures through their investments in corporate equities and bonds. Life insurers, whose benefit payments are more predictable, invest more heavily in corporate stocks and corporate and foreign bonds, with holdings in these sectors of \$967.8 billion and \$1.8 trillion, respectively, in 2008, according to the Federal Reserve. Their holdings in municipal bonds totaled \$41.1 billion during the same period.

## CLAIMS PAYMENTS

- Insurance company claims payments help ensure the economic security of individuals and businesses and help sustain a number of related industries. Property/casualty insurance claims, as measured by direct losses incurred, reached \$327.3 billion in 2008. Life insurance claims and benefits payouts totaled \$425.8 billion in 2008, including life insurance, death benefits, matured endowments, annuity benefits, and other life insurance benefits (but excluding accident and health payouts).

## CATASTROPHES

- P/C insurers paid out \$27.0 billion to their policyholders for insured losses from catastrophes in 2008, the highest amount since the record \$62.3 billion in 2005, the year of Hurricane Katrina. 2008 losses include \$12.5 billion caused by Hurricane Ike.

## Chapter 2: Contribution to the National Economy

### Employment

#### CAREERS AND EMPLOYMENT

The insurance industry is a major U.S. employer, providing some 2.3 million jobs that encompass a wide variety of careers, from human resource administrators to public relations managers to financial analysts. Some jobs, such as claims adjusters, actuaries and insurance underwriters, are unique to the insurance industry. For information about the many career opportunities in the insurance industry consult the Bureau of Labor Statistics' Career Guide to Industries, posted on the Web at <http://www.bls.gov/oco/cg/cgs028.htm>.

#### EMPLOYMENT IN INSURANCE, 1999-2008

(Annual averages, 000)

Year	Insurance carriers				Insurance agencies, brokerages and related services			Total industry	Insurance and employee benefit funds (3)
	Life, health and medical	Property/casualty	Reinsurers	Total	Insurance agencies and brokers	Other insurance-related activities (2)	Total		
1999	815.3	603.9	33.5	1,452.7	585.3	198.1	783.4	2,236.1	44.9
2000	808.8	591.6	32.3	1,432.7	587.5	200.3	787.8	2,220.6	46.4
2001	807.7	591.3	31.4	1,430.4	597.9	205.3	803.2	2,233.7	48.4
2002	791.1	590.0	31.7	1,412.8	616.0	204.4	820.4	2,233.2	47.2
2003	789.0	608.6	31.0	1,428.6	628.5	208.9	837.4	2,266.0	47.1
2004	764.4	604.4	29.8	1,398.6	643.3	216.8	860.1	2,258.6	47.0
2005	761.9	595.0	28.8	1,385.7	650.1	223.5	873.6	2,259.3	46.4
2006	787.4	597.4	28.0	1,412.8	659.9	230.9	890.8	2,303.7	47.8
2007	784.0	586.1	27.0	1,397.1	675.3	234.5	909.8	2,306.8	48.6
2008	804.2	569.2	28.4	1,401.8	670.1	236.9	907.0	2,308.8	49.2

(1) Establishments primarily engaged in initially underwriting insurance policies.

(2) Includes claims adjusters, third-party administrators of insurance funds and other service personnel such as advisory and insurance ratemaking services.

(3) Includes employees of legal entities organized to provide insurance and employee benefits exclusively for the sponsor, or its employees or members. These employees are not included in the total for the insurance industry.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

### Insurance Payrolls

#### INSURANCE CARRIERS AND RELATED ACTIVITIES COMPENSATION, 2004-2008

Year	Annual payroll (\$ billions)
2004	\$164.0
2005	172.9
2006	183.4

Year	Annual payroll (\$ billions)
2007	189.3
2008	192.9

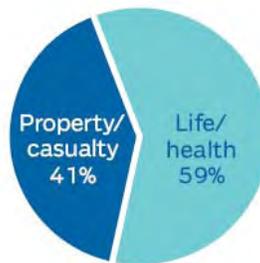
Source: U.S. Bureau of Economic Analysis.

## Premiums

### NET PREMIUMS WRITTEN, PROPERTY/CASUALTY AND LIFE/HEALTH

There are three main insurance sectors. Property/casualty consists mainly of auto, home and commercial insurance. Life/health consists mainly of life insurance and annuity products. The third sector, health insurance, is offered by private health insurance companies, as well as by some life/health and property/casualty insurers. The government's large-scale participation in providing healthcare through Medicaid and Medicare makes it difficult to compare the health insurance sector with the life/health and property/casualty sectors, which are mostly private.

### U.S. PROPERTY/CASUALTY AND LIFE/HEALTH INSURANCE PREMIUMS, 2008 (1)



(1) Excluding state funds.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

### P/C AND L/H INSURANCE NET PREMIUMS WRITTEN, 1999-2008

(\$000)

Year	Property/casualty (1)	Life/health (2)	Total
1999	\$293,084,906	\$272,584,233	\$565,669,140
2000	305,069,884	303,442,516	608,512,399
2001	327,821,992	479,113,800	806,935,792
2002	375,009,622	508,645,715	883,655,337
2003	409,256,440	500,234,206	909,490,647
2004	427,396,262	531,160,266	958,556,528
2005	429,202,836	528,143,033	957,345,869
2006	448,966,036	583,593,758	1,032,559,794
2007	447,436,030	616,771,793	1,064,207,823
2008	440,631,030	627,594,441	1,068,225,471
<b>Percent change 1999-2008</b>	<b>50.3%</b>	<b>130.2%</b>	<b>88.8%</b>

(1) Net premiums written, excluding state funds.

(2) Premiums and annuity considerations (fees for annuity contracts) for life/health insurance companies. Includes deposit-type funds beginning in 2001.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## Major Players -- Rankings by Line

As employers, taxpayers and investors, insurance companies play a major role in the U.S. economy, contributing over \$296 billion to the gross domestic product in 2005. The charts below identify some of the leading players in this vital sector.

### TOP TEN WRITERS OF PROPERTY/CASUALTY INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008

(\$000)

Rank	Group	Direct premiums written (1)	Market share (2)
1	State Farm Group	\$49,944,110	10.2%
2	American International Group	32,088,391	6.6
3	Zurich Insurance Group	28,157,388	5.8
4	Allstate Insurance Group	26,880,105	5.5
5	Liberty Mutual Insurance Group	26,331,558	5.4
6	Travelers Group	21,807,760	4.5
7	Berkshire Hathaway Group	16,225,292	3.3
8	Nationwide Corp. Group	15,826,371	3.2
9	Progressive Group	13,776,835	2.8
10	Hartford Fire & Casualty Group	11,049,581	2.3

(1) Before reinsurance transactions, excluding state funds.

(2) Based on U.S. total including territories.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

### TOP TEN WRITERS OF LIFE INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008

(\$000)

Rank	Group	Direct premiums written (1)	Market share (2)
1	Metropolitan Group	\$79,838,564	13.0%
2	American International Group	49,723,135	8.1
3	Prudential of America Group	38,999,737	6.4
4	ING America Insurance Holding Group	34,540,525	5.6
5	Aegon USA Holding Group	30,375,475	4.9
6	John Hancock Group	30,137,601	4.9
7	New York Life Group	27,401,785	4.5
8	Principal Financial Group	22,678,813	3.7
9	Hartford Fire and Casualty Group	21,862,127	3.6
10	Lincoln National Group	19,984,568	3.3

(1) Premium and annuity totals, before reinsurance transactions, excluding state funds.

(2) Based on U.S. total including territories.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

**TOP TEN WRITERS OF HOMEOWNERS INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008**

(\$000)

Rank	Group	Direct premiums written (1)	Market share
1	State Farm Group	\$14,031,606	21.7%
2	Allstate Insurance Group	6,970,172	10.8
3	Zurich Insurance Group	4,636,100	7.2
4	Liberty Mutual Insurance Group	3,210,946	5.0
5	Travelers Group	2,906,041	4.5
6	Nationwide Group	2,860,600	4.4
7	USAA Group	2,665,225	4.1
8	Chubb & Son Group	1,841,959	2.9
9	American Family Insurance Group	1,414,174	2.2
10	Hartford Fire & Casualty Group	1,101,874	1.7

(1) Before reinsurance transactions, excluding state funds.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

**TOP TEN WRITERS OF PRIVATE PASSENGER AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008**

(\$000)

Rank	Group	Direct premiums written (1)	Market share
1	State Farm Group	\$30,055,729	18.3%
2	Allstate Insurance Group	17,691,133	10.8
3	Berkshire Hathaway Insurance Group	12,516,814	7.6
4	Progressive Group	11,678,759	7.1
5	Zurich Insurance Group	8,884,495	5.4
6	Nationwide Group	7,590,425	4.6
7	Liberty Mutual Insurance Group	7,230,959	4.4
8	USAA Group	6,251,046	3.8
9	American International Group	4,445,702	2.7
10	American Family Insurance Group	3,440,816	2.1

(1) Before reinsurance transactions, excluding state funds.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

**TOP TEN WRITERS OF COMMERCIAL AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008**

(\$000)

Rank	Group	Direct premiums written (1)	Market share
1	Travelers Group	\$2,061,752	7.6%
2	Liberty Mutual Insurance Group	1,817,492	6.7
3	Zurich Insurance Group	1,800,169	6.7
4	Progressive Group	1,730,626	6.4
5	American International Group	1,400,120	5.2
6	Nationwide Group	1,032,650	3.8

Rank	Group	Direct premiums written (1)	Market share
7	Old Republic Group	726,797	2.7
8	Hartford Fire & Casualty Group	610,294	2.3
9	W.R. Berkley Group	609,309	2.3
10	Auto Owners Group	607,932	2.2

(1) Before reinsurance transactions, excluding state funds.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## TOP TEN WRITERS OF COMMERCIAL LINES INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008

(\$000)

Rank	Group	Direct premiums written (1)	Market share
1	American International Group	\$21,620,183	9.4%
2	Liberty Mutual Insurance Group	15,036,485	6.5
3	Travelers Group	14,344,077	6.2
4	Zurich Insurance Group	13,590,059	5.9
5	ACE Ltd. Group	7,425,623	3.2
6	CNA Insurance Group	7,405,044	3.2
7	Hartford Fire & Casualty Group	7,008,438	3.0
8	Chubb & Son Group	6,769,130	2.9
9	Nationwide Group	5,262,623	2.3
10	Allianz Insurance Group	4,958,749	2.2

(1) Before reinsurance transactions, excluding state funds. Includes all lines except private passenger auto and homeowners.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## LEADING WRITERS OF WORKERS COMPENSATION INSURANCE BY DIRECT PREMIUMS WRITTEN, 2008

(\$ millions)

Rank	Group (1)	Direct premiums written (2)	Market share (3) (percent)
1	Liberty Mutual Insurance Group	\$5,392,811	12.9%
2	American International Group	4,444,908	10.7
3	Travelers Group	2,820,154	6.8
4	Zurich Insurance Group	2,678,892	6.4
5	Hartford Fire & Casualty Group	2,570,689	6.2
6	CNA Insurance Group	1,036,856	2.5
7	ACE Ltd Group	971,988	2.3
8	Blue Cross & Blue Shield of MI Group	861,255	2.1
9	Chubb & Son Group	788,704	1.9
10	Texas Mutual Insurance Company	756,894	1.8

(1) Does not include state funds.

(2) Before reinsurance transactions, excluding state funds.

(3) Based on U.S. total including territories.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or edistributed without the express written permission of Highline Data, LLC.

## Taxes

The insurance industry is a major source of tax revenue on the state and federal level. In 2008 property/casualty insurers and life insurers incurred federal and foreign taxes approaching \$8 billion dollars. In addition, all insurance companies pay a state tax based on their premiums. Insurance companies, including life/health and property/casualty companies, paid \$15.7 billion in premium taxes to the 50 states in 2008. On a per capita basis, this works out to \$52 for every person living in the United States.

### INSURANCE INDUSTRY'S FEDERAL AND FOREIGN INCOME TAXES INCURRED, 2004-2008

(\$ billions)

Year	Property/casualty	Life(1)	Total
2004	\$14.59	\$10.00	\$4.59
2005	10.73	8.66	19.39
2006	22.51	11.25	33.76
2007	19.94	11.80	31.74
2008	7.70	0.11	7.81

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## Comparison with Other Industries

### INSURANCE COMPARED WITH OTHER INDUSTRIES

The insurance industry is one of the largest industries in terms of revenue, according to the Bureau of the Census, a division of the Department of Commerce. The industry accounted for \$1.6 trillion in revenues and \$154 billion in payroll in 2007, according to the agency's latest Economic Census.

### INSURANCE INDUSTRY COMPARED WITH OTHER INDUSTRIES, 2007 (1)

Industry description	Establishments	Sales, shipments, receipts, or revenue (\$000)	Annual payroll (\$000)	Number of employees
Wholesale trade	432,094	\$6,039,227,184	\$336,128,248	6,295,109
Manufacturing	293,919	5,339,345,058	612,474,100	13,333,390
Retail trade	1,122,703	3,932,027,444	364,991,713	15,610,710
Finance and insurance	503,156	3,641,082,600	494,484,693	6,562,546
Merchant wholesalers, nondurable goods	133,153	2,753,808,263	116,749,252	2,366,811
Merchant wholesalers, durable goods	253,023	2,709,482,155	205,809,529	3,636,572
Construction	725,101	1,781,778,684	348,138,262	7,399,047
Health care and social assistance	779,074	1,697,230,614	665,831,857	16,859,513
<b>Insurance carriers and related activities</b>	<b>182,840</b>	<b>1,637,402,387</b>	<b>153,983,506</b>	<b>2,409,413</b>
Professional, scientific, and technical services	844,552	1,344,760,849	511,818,276	8,079,319
Professional, scientific, and technical services	844,552	1,344,760,849	511,818,276	8,079,319
Credit intermediation and related	235,440	1,326,696,033	178,078,578	3,203,232

Industry description	Establishments	Sales, shipments, receipts, or revenue (\$000)	Annual payroll (\$000)	Number of employees
activities				
Information	141,034	1,075,153,974	223,376,793	3,428,262
Motor vehicle and parts dealers	126,027	892,649,300	72,898,701	1,917,118
Specialty trade contractors	476,290	792,265,781	219,483,226	4,976,970
Chemical manufacturing	12,937	738,302,988	49,648,378	814,024
Transportation equipment manufacturing	11,767	736,761,247	85,145,182	1,548,327
Hospitals	6,529	707,003,478	264,844,224	5,544,361
Construction of buildings	209,203	701,719,130	74,031,139	1,408,457
Ambulatory health care services	545,075	679,187,401	276,448,280	5,737,975

(1) Ranked by sales, shipments, receipts or revenue.

Source: U.S. Bureau of the Census, 2007 Economic Census.

## Charitable Contributions

Each year the Conference Board reports on the charitable contributions of large U.S. corporations. In 2007, the 197 U.S. companies that participated in the survey made total contributions of \$10.97 billion. This included \$8.62 billion in contributions to U.S. recipients and \$2.35 billion to international recipients. The insurance companies in the survey made contributions of \$284.3 million, including international contributions totaling \$73 million in 2007 and contributions to U.S. recipients of \$211.1 million.

### LARGEST GIVERS TO U.S. BENEFICIARIES BY INDUSTRY, 2007

Rank	Industry	Number of companies	Total U.S. contributions
1	Pharmaceuticals	12	\$3,840,799,369
<b>2</b>	<b>Banks</b>	<b>18</b>	<b>718,342,606</b>
3	Computers and technology	15	644,367,140
4	Petroleum, gas and mining	7	549,082,917
5	Food, beverage and tobacco	14	507,998,103
6	Printing, publishing and media	6	494,587,399
7	Retail and wholesale trade	10	437,928,926
8	Other services (1)	12	286,388,905
<b>9</b>	<b>Insurance</b>	<b>19</b>	<b>211,103,197</b>
10	Utilities	26	179,247,937
11	Other manufacturing (2)	14	166,865,301
12	Precision instruments	9	140,800,884
13	Chemicals	7	123,939,355
<b>14</b>	<b>Finance</b>	<b>9</b>	<b>99,617,113</b>
15	Aerospace and defense	4	82,392,554
16	Industrial machinery and construction	5	60,685,903
17	Transportation	6	49,437,974
18	Paper and allied products	4	27,333,083
	<b>Total</b>	<b>197</b>	<b>\$8,620,918,666</b>

(1) Includes telecommunications, transportation and other diversified services.

(2) Includes aerospace and defense, electrical equipment and appliances, paper and allied products and other diversified manufacturing.

Source: The Conference Board.

### TOP TEN TOTAL CONTRIBUTIONS PER WORLDWIDE EMPLOYEE BY INDUSTRY, 2006-2007 (1)

Rank	Industry	Contributions per worldwide employee	
		2006	2007
1	Pharmaceuticals	\$12,273	\$7,635
2	Printing, publishing and media	1,283	1,292
3	Banks	738	894
4	Petroleum, gas and mining	1,100	877
5	Finance	377	875
6	Utilities	640	797
7	<b>Insurance</b>	<b>449</b>	<b>619</b>
8	Food, beverage and tobacco	1,150	553
9	Chemicals	322	471
10	Computers and technology	242	431

(1) Companies not reporting worldwide employee figures are excluded.

Source: The Conference Board.

### CORPORATE FOUNDATIONS

The 50 largest corporate foundations, based on total giving, made donations of \$2.14 billion in 2007, with insurance companies accounting for 7 percent or \$149.7 million.

#### TOP NINE INSURANCE INDUSTRY GRANT MAKERS, RANKED BY TOTAL GIVING (1)

Rank	Name/(state)	Total giving	As of fiscal year end date (2)
1	MetLife Foundation (NY)	\$38,496,662	12/31/2008
2	Blue Shield of California Foundation (CA)	29,831,775	12/31/2008
3	Nationwide Foundation (OH)	27,475,182	12/31/2008
4	The Prudential Foundation (NJ)	23,234,633	12/31/2008
5	Fidelity Foundation (MA)	22,502,303	12/31/2007
6	Thrivent Financial for Lutherans Foundation (WI)	21,847,126	12/31/2007
7	The Allstate Foundation (IL)	20,763,015	12/31/2008
8	State Farm Companies Foundation (IL)	20,295,644	12/31/2008
9	Northwestern Mutual Foundation, Inc. (WI)	19,624,744	6/30/2008

(1) Based on insurance foundations included on the Foundation Center's Top 50 Largest Corporate Grant Makers by Total Giving.

(2) All figures are based on the most current audited financial data in the Foundation Center's database as of November 19, 2009.

Source: Foundation Center.

Twelve of the 50 largest corporate foundations were insurance companies, according to the latest ranking by the Foundation Center.

#### TOP 13 LARGEST INSURANCE INDUSTRY FOUNDATIONS, RANKED BY ASSET SIZE (1)

Rank	Name/(state)	Assets	As of fiscal year end date
1	WellPoint Foundation, Inc. (IN)	\$164,982,380	12/31/2007
2	The USAA Foundation, Inc. (TX)	142,568,337	6/30/2008
3	Northwestern Mutual Foundation, Inc. (WI)	139,846,263	6/30/2008
4	The HCA Foundation (TN)	116,106,170	12/31/2007
5	MetLife Foundation (NY)	114,169,913	12/31/2008

Rank	Name/(state)	Assets	As of fiscal year end date
6	Nationwide Foundation (OH)	112,769,020	12/31/2008
7	Blue Cross Blue Shield of Massachusetts Foundation, Inc. for Expanding Healthcare Access (MA)	111,595,832	12/31/2007
8	Thrivent Financial for Lutherans Foundation (WI)	108,994,900	12/31/2007
9	Blue Cross and Blue Shield of North Carolina Foundation (NC)	101,707,574	6/30/2008
10	Highmark Foundation (PA)	96,114,226	12/31/2007
11	Safeco Insurance Foundation (WA)	91,855,392	12/31/2007
12	The Prudential Foundation (NJ)	91,504,046	12/31/2008
13	AEGON Transamerica Foundation (IA)	82,515,336	12/31/2008

(1) Insurance foundations included on the Foundation Center's list of the 50 largest corporate foundations ranked by the market value of their assets.

(2) All figures are based on the most current audited financial data in the Foundation Center's database as of November 19, 2009.

Source: Foundation Center.

## Contribution to GDP

### CONTRIBUTION TO GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) is the total value of all final goods and services produced in the economy. The GDP growth rate is the primary indicator of the state of the economy.

### INSURANCE SECTOR'S SHARE OF GROSS DOMESTIC PRODUCT (GDP), 2003-2007

(\$ billions)

Year	Total GDP	Insurance carriers and related activities	
		GDP	Percent of total GDP
2003	\$10,886.2	\$255.0	2.3%
2004	11,607.0	267.7	2.3
2005	12,339.0	280.0	2.3
2006	13,090.8	311.8	2.4
2007	13,715.7	332.5	2.4

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Chapter 3: Insurers as Investors

### Introduction

#### INSURERS AS INVESTORS

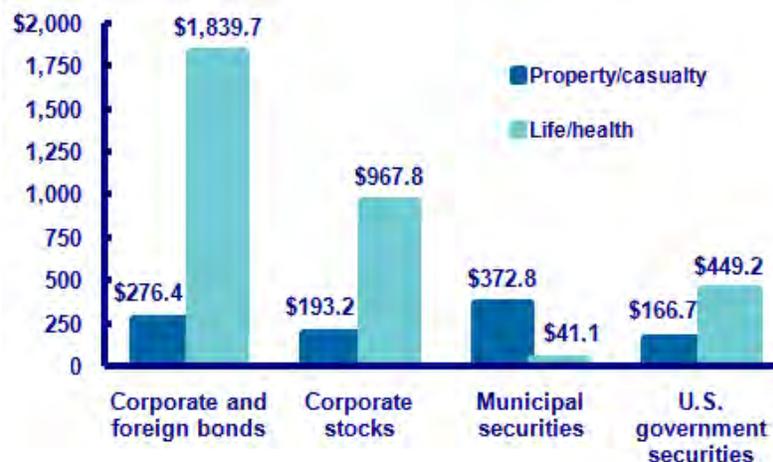
The insurance industry (property/casualty and life/health) is a key player in the capital markets, with holdings over \$4 trillion in government and corporate securities in 2008.

Insurance companies invest the premiums they collect in state and local municipal bonds, helping to fund the building of roads, schools and other public projects. They provide businesses with capital for research, expansions and other ventures through their investments in corporate equities and bonds.

Because their losses are more volatile than those in the life insurance sector, property/casualty insurers invest largely in high-quality liquid securities, which can be sold quickly to pay claims resulting from a major hurricane, earthquake or man-made disaster such as a terrorist attack. In 2008 alone, property/casualty insurers' holdings in municipal bonds totaled \$372.8 billion. Life insurers, whose benefit payments are more predictable, invest more heavily in corporate stocks and corporate and foreign bonds, with holdings in these sectors of \$967.8 billion and \$1.8 trillion, respectively, in 2008.

#### SELECTED INSURANCE INDUSTRY FINANCIAL ASSETS, 2008

(\$ billions)



Source: Board of Governors of the Federal Reserve System, June 5, 2008.

## Property/Casualty Industry Investments

### PROPERTY/CASUALTY INSURER FINANCIAL ASSET DISTRIBUTION, 2004-2008

(\$ billions)

	2004	2005	2006	2007	2008
<b>Total financial assets</b>	<b>\$1,156.5</b>	<b>\$1,239.6</b>	<b>\$1,329.3</b>	<b>\$1,358.8</b>	<b>\$1,299.2</b>
Checkable deposits and currency	25.9	21.0	29.9	42.7	27.9
Security repurchase agreements (1)	63.1	68.9	66.0	53.8	67.1
Credit market instruments	698.8	765.8	813.5	839.8	820.8
U.S. government securities	183.4	187.1	197.8	180.9	166.7
Treasury	71.3	69.2	75.8	55.1	53.8
Agency- and GSE (2)-backed securities	112.1	117.9	122.0	125.8	112.9
Municipal securities	267.8	313.2	335.2	371.3	372.8
Corporate and foreign bonds	245.3	262.8	277.0	282.9	276.4
Commercial mortgages	2.4	2.7	3.5	4.8	5.0
Corporate equities	196.6	199.5	227.0	236.2	193.2
Mutual fund shares	5.2	5.7	6.9	6.8	4.5
Trade receivables	79.6	82.1	87.0	85.4	86.7
Miscellaneous assets	87.3	96.5	99.0	94.0	99.0

(1) Short-term agreements to sell and repurchase government securities by a specified date at a set price.

(2) Government-sponsored enterprise.

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

## Life/Health Industry Investments

### LIFE/HEALTH INSURER FINANCIAL ASSET DISTRIBUTION, 2004-2008

(\$ billions)

	2004	2005	2006	2007	2008
<b>Total financial assets</b>	<b>\$4,130.3</b>	<b>\$4,350.7</b>	<b>\$4,685.3</b>	<b>\$4,949.7</b>	<b>\$4,515.5</b>
Checkable deposits and currency	53.3	47.7	56.1	58.3	82.8
Money market fund shares	120.7	113.6	162.3	226.6	259.8
Credit market instruments	2,661.4	2,765.4	2,806.1	2,888.6	2,926.3
Open market paper	48.2	40.2	53.1	61.4	89.7
U.S. government securities	435.6	459.7	460.6	451.2	449.2
Treasury	78.5	91.2	83.2	68.3	87.5
Agency- and GSE (1)-backed securities	357.1	368.5	377.4	382.9	361.7
Municipal securities	30.1	32.5	36.6	41.4	41.1
Corporate and foreign bonds	1,756.3	1,824.8	1,822.8	1,862.8	1,839.7
Other loans and advances	117.8	122.8	129.3	145.6	164.2
Mortgages	273.3	285.5	303.8	326.2	342.4
Corporate equities	1,053.9	1,161.8	1,364.8	1,464.6	967.8
Mutual fund shares	114.4	109.0	148.8	188.4	154.9
Miscellaneous assets	126.6	153.1	147.1	123.3	123.9

(1) Government-sponsored enterprise.

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

## Credit Market Assets Held by Insurers

### CREDIT MARKET ASSET HOLDINGS, 2004-2008 (1)

(\$ billions, amount outstanding, end of year)

	2004	2005	2006	2007	2008	Percent of total, 2008
<b>Financial sectors</b>						
Monetary authority	\$717.8	\$744.2	\$778.9	\$740.6	\$986.0	1.9%
<b>Commercial banking</b>	<b>6,621.2</b>	<b>7,278.4</b>	<b>8,040.5</b>	<b>8,785.2</b>	<b>9,434.6</b>	<b>18.0</b>
U.S.-chartered commercial banks	5,980.7	6,487.4	7,144.1	7,666.8	8,197.9	15.6
Foreign banking offices in the U.S.	513.3	657.8	761.6	963.3	1,069.5	2.0
Bank holding companies	36.4	32.2	35.6	58.7	72.6	0.1
Banks in U.S.-affiliated areas	90.8	101.0	99.3	96.4	94.6	0.2
Savings institutions	1,417.7	1,617.1	1,519.2	1,584.9	1,310.3	2.5
Credit unions	556.4	592.6	622.7	657.9	697.9	1.3
<b>Property/casualty insurance companies</b>	<b>698.8</b>	<b>765.8</b>	<b>813.5</b>	<b>839.8</b>	<b>820.8</b>	<b>1.6</b>
<b>Life insurance companies</b>	<b>2,661.4</b>	<b>2,765.4</b>	<b>2,806.1</b>	<b>2,888.6</b>	<b>2,926.3</b>	<b>5.6</b>
Private pension funds	654.6	699.9	758.5	861.3	951.4	1.8
State and local govt retirement funds	675.3	693.4	825.4	855.6	851.1	1.6
Federal govt retirement funds	68.2	76.0	84.3	96.1	120.3	0.2
Money market mutual funds	1,346.3	1,340.8	1,560.8	1,936.4	2,675.0	5.1
Mutual funds	1,623.0	1,747.1	1,932.0	2,203.1	2,276.4	4.3
Closed-end funds	163.6	165.8	171.8	170.6	131.2	0.2
Exchange-traded funds	8.2	15.0	20.7	33.5	54.7	0.1
<b>GSEs (2)</b>	<b>2,613.0</b>	<b>2,543.9</b>	<b>2,590.5</b>	<b>2,829.5</b>	<b>2,987.0</b>	<b>5.7</b>
Agency- and GSE (2)- backed mortgage pools	3,374.6	3,541.9	3,837.3	4,463.5	4,960.8	9.4
ABS issuers	2,548.6	3,276.4	4,075.6	4,405.4	3,999.5	7.6
Finance companies	1,675.9	1,740.6	1,811.6	1,828.2	1,755.9	3.3
Real Estate Investment Trusts	198.7	239.7	265.8	244.7	183.0	0.3
Brokers and dealers	394.9	477.2	583.4	803.1	717.4	1.4
Funding corporations	203.7	251.5	286.9	244.1	991.8	1.9
<b>Total financial sectors</b>	<b>\$28,222.2</b>	<b>\$30,572.7</b>	<b>\$33,385.7</b>	<b>\$36,472.2</b>	<b>\$38,831.4</b>	<b>73.9%</b>
<b>Domestic nonfinancial sectors</b>						
Federal government	275.9	275.0	281.2	287.5	365.4	0.7
<b>Total domestic nonfinancial sectors</b>	<b>\$4,943.0</b>	<b>\$5,491.2</b>	<b>\$5,735.7</b>	<b>\$6,074.3</b>	<b>\$5,804.2</b>	<b>11.0%</b>
<b>Rest of the world</b>	<b>\$4,634.7</b>	<b>\$5,188.3</b>	<b>\$6,198.2</b>	<b>\$7,369.3</b>	<b>\$7,896.4</b>	<b>15.0%</b>
<b>Total credit market assets held</b>	<b>\$37,799.9</b>	<b>\$41,252.3</b>	<b>\$45,319.6</b>	<b>\$49,915.8</b>	<b>\$52,532.1</b>	<b>100.0%</b>

(1) Excluding corporate equities and mutual fund shares.

(2) Government-sponsored enterprise.

(3) Includes household, federal and local governments, and selected nonfinancial and nonfarm business sectors.

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

## Ownership of Corporate Equities

Equity investments provide an ownership interest in a company through stocks. The insurance industry held \$1.2 trillion in corporate equities in 2008.

### HOLDINGS OF U.S. CORPORATE EQUITIES, 2004-2008 (1)

(\$ billions, market value, end of year)

	2004	2005	2006	2007	2008	Percent change 2004-2008
<b>Total</b>	<b>\$18,947.1</b>	<b>\$20,642.7</b>	<b>\$24,066.3</b>	<b>\$25,218.4</b>	<b>\$15,398.2</b>	<b>-18.7%</b>
Household sector	7,491.0	7,999.5	9,196.4	9,167.9	5,496.6	-26.6
State and local governments	90.0	96.8	106.0	112.7	83.1	-7.7
Federal government	0.0	0.0	0.0	0.0	188.4	NA
Rest of the world (2)	1,904.6	2,039.1	2,472.2	2,750.4	1,807.8	-5.1
Commercial banking	20.3	24.1	35.3	41.5	3.5	-82.8
Savings institutions	28.2	26.2	24.9	25.3	22.7	-19.5
<b>Property/casualty insurance companies</b>	<b>196.6</b>	<b>199.5</b>	<b>227.0</b>	<b>236.2</b>	<b>193.2</b>	<b>-1.7</b>
<b>Life insurance companies</b>	<b>1,053.9</b>	<b>1,161.8</b>	<b>1,364.8</b>	<b>1,464.6</b>	<b>967.8</b>	<b>-8.2</b>
Private pension funds	2,338.5	2,541.7	2,874.8	2,863.3	1,664.7	-28.8
State and local govt retirement funds	1,600.9	1,715.8	1,926.3	1,985.9	1,211.8	-24.3
Federal govt retirement funds	99.2	112.6	138.1	149.1	85.6	-13.7
Mutual funds	3,693.6	4,175.7	4,989.6	5,476.9	3,014.1	-18.4
Closed-end funds	82.3	105.6	122.5	146.2	75.7	-8.0
Exchange-traded funds	219.0	285.8	402.0	573.7	473.9	116.4
Brokers and dealers	129.1	158.3	186.4	224.8	109.2	-15.4

(1) Excludes open-end mutual fund shares.

(2) Holdings of U.S. issues by foreign residents.

NA=Not applicable.

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

## Ownership of Municipal Securities

Insurance companies help fund the construction of schools, roads, and health care facilities, and a variety of other public sector projects through their investments in municipal bonds. The property/casualty insurance industry invested nearly \$373 billion in such bonds in 2008, according to the Federal Reserve.

### HOLDINGS OF U.S. MUNICIPAL SECURITIES AND LOANS, 2004-2008

(\$ billions, end of year)

	2004	2005	2006	2007	2008	Percent change, 2004-2008
<b>Total</b>	<b>\$2,031.0</b>	<b>\$2,225.9</b>	<b>\$2,403.3</b>	<b>\$2,618.9</b>	<b>\$2,682.1</b>	<b>32.1%</b>
Household sector	742.4	821.0	871.8	908.0	949.9	27.9
Nonfinancial corporate business	31.8	32.1	28.1	29.8	7.7	-75.8
Nonfarm noncorporate business	4.3	4.4	5.8	6.7	7.1	65.1

	2004	2005	2006	2007	2008	Percent change, 2004-2008
State and local governments	4.7	5.0	5.5	5.8	5.7	21.3
Rest of the world	26.0	29.0	34.4	33.0	41.0	57.7
Commercial banking	140.8	157.7	180.2	192.4	215.6	53.1
Savings institutions	7.4	9.0	11.1	11.0	8.4	13.5
<b>Property/casualty insurance companies</b>	<b>267.8</b>	<b>313.2</b>	<b>335.2</b>	<b>371.3</b>	<b>372.8</b>	<b>39.2</b>
<b>Life insurance companies</b>	<b>30.1</b>	<b>32.5</b>	<b>36.6</b>	<b>41.4</b>	<b>41.1</b>	<b>36.5</b>
State and local govt retirement funds	1.8	1.7	3.6	1.9	1.1	-38.9
Money market mutual funds	313.8	336.8	370.3	471.0	494.6	57.6
Mutual funds	294.3	311.7	344.4	372.2	389.6	32.4
Closed-end funds	89.1	89.4	89.4	91.0	78.2	-12.2
Government-sponsored enterprises	44.6	39.7	36.1	33.3	30.5	-31.6
Brokers and dealers	32.0	42.9	50.9	50.1	38.7	20.9

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

## Ownership of Corporate and Foreign Bonds

The insurance industry's holdings of corporate and foreign bonds totalled \$2.1 trillion in 2008.

### HOLDINGS OF U.S. CORPORATE AND FOREIGN BONDS, 2004-2008

(\$ billions, end of year)

	2004	2005	2006	2007	2008	Percent change, 2004-2008
<b>Total</b>	<b>\$7,916.6</b>	<b>\$8,683.3</b>	<b>\$9,970.2</b>	<b>\$11,302.0</b>	<b>\$11,137.0</b>	<b>40.7%</b>
Household sector	1,135.5	1,288.2	1,520.6	1,831.0	1,664.4	46.6
State and local governments	118.2	127.2	139.4	148.1	144.5	22.3
Rest of the world (1)	1,558.9	1,762.9	2,320.8	2,780.8	2,808.4	80.2
Commercial banking	563.6	687.0	780.3	978.7	984.7	74.7
Savings institutions	59.2	80.2	89.4	138.5	104.5	76.5
Credit unions	25.0	23.5	30.6	34.6	25.7	2.8
<b>Property/casualty insurance companies</b>	<b>245.3</b>	<b>262.8</b>	<b>277.0</b>	<b>282.9</b>	<b>276.4</b>	<b>12.7</b>
<b>Life insurance companies</b>	<b>1,756.3</b>	<b>1,824.8</b>	<b>1,822.8</b>	<b>1,862.8</b>	<b>1,839.7</b>	<b>4.7</b>
Private pension funds	267.8	290.0	317.6	357.3	400.1	49.4
State and local govt retirement funds	213.5	227.9	296.9	287.8	288.6	35.2
Federal govt retirement funds	3.0	2.9	2.9	3.0	2.9	-3.3
Money market mutual funds	261.0	263.2	368.3	376.8	228.0	-12.6
Mutual funds	596.8	662.7	768.9	890.5	965.1	61.7
Closed-end funds	67.6	69.3	75.1	74.0	49.8	-26.3
Exchange-traded funds	3.3	5.3	7.6	13.8	27.7	739.4
Government-sponsored enterprises	414.8	465.7	481.7	464.4	335.3	-19.2
Finance companies	256.0	203.5	184.8	189.4	192.4	-24.8
Real Estate Investment Trusts	36.0	53.0	64.6	34.4	14.5	-59.7
Brokers and dealers	238.0	315.7	360.5	383.1	117.0	-50.8
Funding corporations	96.8	67.5	60.4	170.0	667.3	589.4

(1) Holdings of U.S. issues by foreign residents.

Source: Board of Governors of the Federal Reserve System, June 11, 2009.

# Chapter 4: Defraying the Costs of Economic Costs of Disasters

## Introduction

### DEFRAYING THE ECONOMIC COSTS OF DISASTERS

The insurance industry plays a vital role in helping individuals and businesses prepare for and recover from the potentially devastating effects of a disaster such as a catastrophic hurricane or earthquake. Catastrophe losses surged in 2008, reaching \$27 billion, the highest amount since the record \$62.3 billion reached in 2005, the year of hurricanes Katrina and Rita, and the fourth costliest year ever. There were 37 catastrophes in 2008, the most in a single year from 1999 to 2008. A January 2010 Munich Re analysis of natural disasters noted that while natural catastrophe losses were far lower in 2009 than in 2008, due to a calm North Atlantic hurricane season, there was a high level of individual severe weather events, with near-record insured losses from thunderstorms. Three individual thunderstorms had insured losses of over \$1 billion each, according to Munich Re.

### CATASTROPHES IN THE UNITED STATES

ISO defines a catastrophe as an event that causes \$25 million or more in insured property losses and affects a significant number of property/casualty policyholders and insurers. The estimates in the following charts reflect total net insurance payments for personal and commercial property lines of insurance covering fixed property, vehicles, boats, related-property items, business interruption and additional living expenses. They exclude loss adjustment expenses.

#### THE TEN MOST COSTLY CATASTROPHES, UNITED STATES (1)

(\$ millions)

Rank	Date	Peril	Insured loss	
			Dollars when occurred	In 2009 dollars (2)
1	Aug. 2005	Hurricane Katrina	\$41,100	\$45,148
2	Aug. 1992	Hurricane Andrew	15,500	23,702
3	Sep. 2001	World Trade Center, Pentagon terrorist attacks	18,778	22,747
4	Jan. 1994	Northridge, CA earthquake	12,500	18,095
5	Sep. 2008	Hurricane Ike	12,500	12,456
6	Oct. 2005	Hurricane Wilma	10,300	11,315
7	Aug. 2004	Hurricane Charley	7,475	8,489
8	Sep. 2004	Hurricane Ivan	7,110	8,075
9	Sep. 1989	Hurricane Hugo	4,195	7,258
10	Sep. 2005	Hurricane Rita	5,627	6,181

(1) Property coverage only. Does not include flood damage covered by the federally administered National Flood Insurance Program. As of September 2009.

(2) Adjusted to 2009 dollars by the Insurance Information Institute using the Bureau of Labor Statistics' Inflation Calculator.

Source: ISO's Property Claim Services unit (PCS); U.S. Bureau of Labor Statistics.

### INSURED LOSSES, U.S. CATASTROPHES, 2000-2009 (1)

Year	Number of catastrophes	Number of claims (millions)	Dollars when occurred (\$ billions)	In 2009 dollars (2) (\$ billions)
2000	24	1.5	\$4.6	\$5.7
2001	20	1.5	26.5	32.1
2002	25	1.8	5.9	7.0
2003	21	2.7	12.9	15.0
2004	22	3.4	27.5	31.2
2005	24	4.4	62.3	68.4
2006	33	2.3	9.2	9.8
2007	23	1.2	6.7	6.9
2008	37	3.9	27.0	26.9
2009	28	NA	10.6	10.6

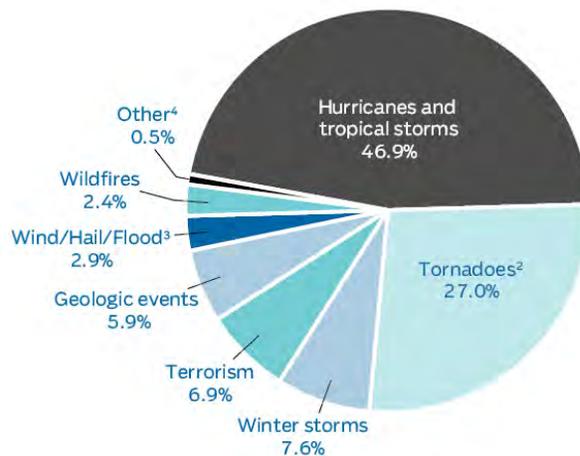
(1) Includes catastrophes causing insured losses to the industry of at least \$25 million and affecting a significant number of policyholders and insurers. Does not include flood damage covered by the federally administered National Flood Insurance Program. As of February 2010.

(2) Adjusted to 2009 dollars by the Insurance Information Institute, using the Bureau of Labor Statistics' Inflation Calculator.

NA=Data not available.

Source: ISO's Property Claim Services unit (PCS); Insurance Information Institute; U.S. Bureau of Labor Statistics.

### INFLATION-ADJUSTED U.S. CATASTROPHE LOSSES BY CAUSE OF LOSS, 1989-2008 (1)



(1) Catastrophes are all events causing direct insured losses to property of \$25 million or more in 2008 dollars. Adjusted for inflation by ISO.

(2) Excludes snow.

(3) Does not include flood damage covered by the federally administered National Flood Insurance Program.

(4) Includes civil disorders, water damage, fires other than wildfires and utility service disruptions.

Source: ISO's Property Claim Services unit (PCS).

## Hurricanes

### THE 2008 AND 2009 ATLANTIC HURRICANE SEASONS

There were 16 named storms in the active 2008 hurricane season, including eight hurricanes, five of which were declared major hurricanes by the National Weather Service (Category 3 or higher). The average is 11 named storms. Three tropical storms and three hurricanes hit the

United States with all but one of these six making landfall on the Gulf Coast. The worst was Ike, a huge 260-mile wide storm that hit Texas and eight other states.

Hurricane Dolly, the first hurricane to make landfall in the United States, struck south Texas on July 23 as a Category 2 hurricane and caused \$525 million in insured losses, according to ISO. Gustav made landfall about 70 miles southwest of New Orleans as a Category 2 hurricane. Losses for Gustav were estimated to be \$2,150 million by ISO. Hurricane Hannah became a tropical storm before it reached the border of South and North Carolina on September 6 but still caused \$80 million in insured losses, according to ISO. Ike, the fifth and most costly hurricane of 2008, slammed into Texas as a Category 2 hurricane with winds just below Category 3. Ike was the third storm to hit Texas in 2008. ISO estimates that Ike caused \$12.5 billion in insured losses, making it the third costliest hurricane in U.S. history.

There were eight named storms in the less-active 2009 hurricane season, two of them hurricanes: Bill and Fred. Both were declared major hurricanes. Neither made landfall nor caused insured damages. Hurricane Bill was a Category 4 hurricane that passed the coasts of North Carolina, Virginia and New England in late August, while Fred, a Category 3, never approached the United States.

### TOP 15 MOST COSTLY HURRICANES IN THE UNITED STATES

(\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss (1)	
				Dollars when occurred	In 2008 dollars (2)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Katrina	\$41,100	\$45,310
2	Aug. 24-26, 1992	FL, LA	Andrew	15,500	23,786
3	Sep. 12-14, 2008	AR, IL, IN, KY, LA, MO, OH, PA, TX	Ike	12,500	12,500
4	Oct. 24, 2005	FL	Wilma	10,300	11,355
5	Aug. 13-14, 2004	FL, NC, SC	Charley	7,475	8,520
6	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Ivan	7,110	8,104
7	Sep. 17-22, 1989	GA, NC, PR, SC, VA, U.S. Virgin Islands	Hugo	4,195	7,284
8	Sep. 20-26, 2005	AL, AR, FL, LA, MS, TN, TX	Rita	5,627	6,204
9	Sep. 3-9, 2004	FL, GA, NC, NY, SC	Frances	4,595	5,237
10	Sep. 15-29, 2004	DE, FL, GA, MD, NJ, NY, NC, PA, PR, SC, VA	Jeanne	3,655	4,166
11	Sept. 21-28, 1998	AL, FL, LA, MS, PR, U.S. Virgin Islands	Georges	2,955	3,903
12	Oct. 4, 1995	FL, AL, GA, NC, SC, TN	Opal	2,100	2,967
13	Sep. 14-17, 1999	NC, NJ, VA, FL, SC, PA, 10 other states	Floyd	1,960	2,533
14	Sep. 11, 1992	Kaui and Oahu, HI	Iniki	1,600	2,455
15	Sep. 5, 1996	NC, SC, VA, MD, WV, PA, OH	Fran	1,600	2,196

(1) Property coverage only. Does not include flood damage covered by the federally administered National Flood Insurance Program. As of September 2009.

(2) Adjusted to 2008 dollars by ISO (top ten) and Insurance Information Institute.

(3) Estimated.

Source: ISO's Property Claim Services unit (PCS); Insurance Information Institute.

The chart below ranks historic hurricanes based on their insured losses, adjusted for inflation. The second chart uses a computer model to estimate the losses that major hurricanes of the past would produce today according to current exposures.

## ESTIMATED INSURED LOSSES FOR THE TOP TEN HISTORICAL HURRICANES BASED ON CURRENT EXPOSURES (1)

(\$ billions)

Rank	Date	Event	Insured loss (current exposures)
1	Sep. 18, 1926	Miami Hurricane	\$101
2	Aug. 24, 1992	Hurricane Andrew	57
3	Sep. 17, 1947	1947 Fort Lauderdale Hurricane	55
4	Sep. 17, 1928	Great Okeechobee Hurricane	51
5	Aug. 29, 2005	Hurricane Katrina	42
6	Sep. 9, 1900	Galveston Storm of 1900	40
7	Sep. 21, 1938	1938 Long Island Express	38
8	Sep. 9, 1965	Hurricane Betsy	36
9	Sep. 10, 1960	Hurricane Donna	31
10	Sep. 5, 1950	Hurricane Easy	21

(1) Modeled loss to property, contents, and business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2008. Losses include demand surge.

Source: AIR Worldwide Corporation.

## Tornadoes

A tornado is a violently rotating column of air that extends from a thunderstorm and comes into contact with the ground, according to the National Oceanic and Atmospheric Administration (NOAA). In an average year about 1,000 tornadoes are reported nationwide, according to NOAA. Tornado intensity is measured by the enhanced Fujita (EF) scale. The scale rates tornadoes on a scale of 0 through 5, based on the amount and type of wind damage. It incorporates 28 different “damage indicators,” based on damage to a wide variety of structures ranging from trees to shopping malls.

### THE FUJITA SCALE FOR TORNADOES

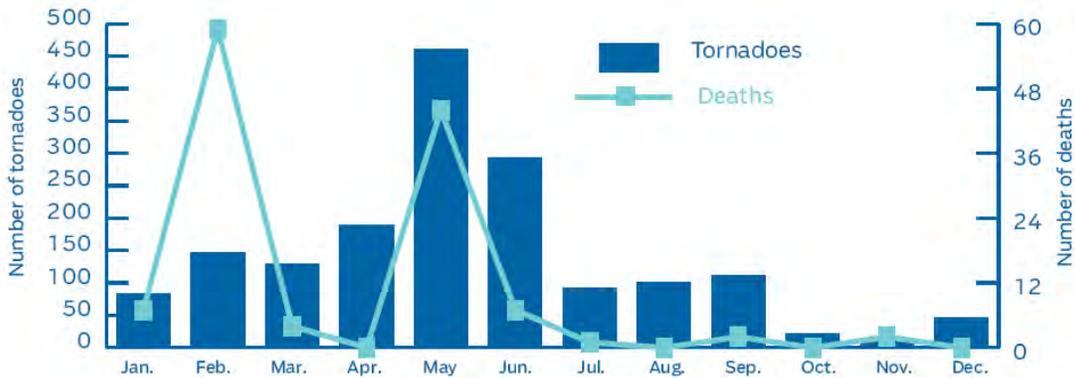
Category	Damage	Original F scale (1)	Enhanced F scale (2)
		Wind speed (mph)	3-second gust (mph)
F-0	Light	40-72	65-85
F-1	Moderate	73-112	86-110
F-2	Considerable	113-157	111-135
F-3	Severe	158-207	136-165
F-4	Devastating	208-260	166-200
F-5	Incredible	261-318	Over 200

(1) Original scale: wind speeds represent fastest estimated speeds over ¼ mile.

(2) Enhanced scale: wind speeds represent maximum 3-second gusts. Implemented on February 1, 2007.

Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration.

### NUMBER OF TORNADES AND RELATED DEATHS PER MONTH, 2008



Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

### TORNADES AND RELATED DEATHS IN THE UNITED STATES, 1988-2008 (1)

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1988	702	32	1995	1,234	30	2002	941	55
1989	856	50	1996	1,173	25	2003	1,376	54
1990	1,133	53	1997	1,148	67	2004	1,819	36
1991	1,132	39	1998	1,424	130	2005	1,264	38
1992	1,297	39	1999	1,345	94	2006	1,103	67
1993	1,173	33	2000	1,071	40	2007	1,098	81
1994	1,082	69	2001	1,216	40	2008	1,691	126

(1) Excludes Puerto Rico. Does not include tornadoes crossing state lines. Counts these tornadoes as one event.

Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

## Earthquakes

The chart below shows losses based on total damages (including insured and uninsured losses) when occurred. The 1994 Northridge earthquake (no. 1 on the list) caused \$15.3 billion in insured damages when it occurred (\$22.2 billion in 2009 dollars). It ranks as the fourth costliest U.S. disaster, based on insured property losses (in 2009 dollars), topped only by Hurricane Katrina, Hurricane Andrew and the attacks on the World Trade Center. The earthquake and fire that devastated San Francisco on April 18, 1906 was one of the worst natural disasters in the United States. A 2009 study by AIR Worldwide estimates the insured loss at \$96 billion, were the quake to hit under current economic and demographic conditions.

### THE TEN MOST COSTLY U.S. EARTHQUAKES (1)

(\$ millions)

Ranked by insured losses when occurred	Date	Location	Overall losses when occurred	Insured losses		Fatalities	Ranked by insured losses in 2009 dollars
				When occurred	In 2009 dollars (2)		
1	Jan. 17, 1994	California: Northridge, Los Angeles, San Fernando Valley, Ventura, Orange	\$44,000	\$15,300	\$22,200	60	1

Ranked by insured losses when occurred	Date	Location	Overall losses when occurred	Insured losses			Ranked by insured losses in 2009 dollars
				When occurred	In 2009 dollars (2)	Fatalities	
2	Oct. 17, 1989	California: Loma Prieta, Santa Cruz, San Francisco, Oakland, Berkeley, Silicon Valley	10,000	960	1,660	70	3
3	Feb. 28, 2001	Washington: Olympia, Seattle, Tacoma; OR	2,000	305	370	1	5
4	Apr. 18, 1906	California: San Francisco, Santa Rosa, San Jose	524	180	3,901 (3)	3,000	2
5	Oct. 1-4, 1987	California: Los Angeles, Whittier	358	73	138	8	6
6	Oct. 15, 2006	Hawaii: Big Island, Kailua Kona, Oahu, Honolulu	200	50	53	NA	9
7	Sept. 3, 2000	California: Napa	80	50	62	NA	7
8	Mar. 27-28, 1964	Alaska: Anchorage, Kodiak Island, Seward, Valdez, Portage, Whittier, Cordova, Homer, Seldovia; Hawaii	540	45	312	130	4
9	Dec. 22, 2003	California: Paso Robles, San Simeon, San Luis Obispo, Atascadero	200	40	47	2	10
10	Jun. 28, 1992	California: San Bernardino County	100	40	61	1	8

(1) Costliest U.S. earthquakes occurring from 1900 to 2009, based on insured losses when occurred.

(2) Adjusted to 2009 dollars by Munich Re.

(3) Adjusted to 2009 dollars by the Insurance Information Institute based on 1913 Bureau of Labor Statistics data (earliest year available).

NA=Data not available.

Source: © 2010 Munich Re, Geo Risks Research, NatCatSERVICE.

The previous chart ranks historic earthquakes based on their total property losses, adjusted for inflation. The chart below uses a computer model to measure the estimated impact of historical quakes according to current exposures. The analysis, conducted in 2009, is based on AIR Worldwide's U.S. earthquake model. It makes use of the firm's property exposure database and takes into account the current number and value of exposed properties.

### ESTIMATED INSURED LOSSES FOR THE TOP TEN HISTORICAL EARTHQUAKES BASED ON CURRENT EXPOSURES (1)

(\$ billions)

Rank	Date	Location	Magnitude	Insured loss (current exposures)
1	Feb. 7, 1812	New Madrid, MO	7.7	\$100
2	Apr. 18, 1906	San Francisco, CA	7.8	96
3	Aug. 31, 1886	Charleston, SC	7.3	37
4	Jun. 1, 1838	San Francisco, CA	7.4	27
5	Jan. 17, 1994	Northridge, CA	6.7	21
6	Oct. 21, 1868	Hayward, CA	7.0	21
7	Jan. 9, 1857	Fort Tejon, CA	7.9	8
8	Oct. 17, 1989	Loma Prieta, CA	6.3	6
9	Mar. 10, 1933	Long Beach, CA	6.4	5

Rank	Date	Location	Magnitude	Insured loss (current exposures)
10	Jul. 1, 1911	Calaveras, CA	6.4	4

(1) Modeled loss to property, contents, and business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2008. Losses include demand surge and fire following earthquake. Policy conditions and earthquake insurance take up rates are based on estimates by state insurance departments and client claims data.

Source: AIR Worldwide Corporation.

## Terrorism

A total of 2,976 people perished in the September 11, 2001 terrorist attacks in New York, Washington and Pennsylvania, excluding the 19 hijackers. Total insured losses (including liability losses) from the terrorist attacks on the World Trade Center in New York City and the Pentagon are about \$39.4 billion (in 2009 dollars), including property, life and liability insurance claim costs. Loss estimates may differ from estimates calculated by other organizations. It was the worst terrorist attack on record in terms of fatalities and insured property losses, which totaled about \$23 billion (in 2009 dollars).

### WORST TERRORIST ACTS, INSURED PROPERTY LOSSES

(2009 \$ millions)

Rank	Date	Country	Location	Event	Insured property loss (1)	Fatalities
1	Sep. 11, 2001	U.S.	New York City, Washington, D.C.	Hijacked airliners crash into World Trade Center and Pentagon	\$22,747 (2)	2,976 (3)
2	Apr. 24, 1993	U.K.	London	Bomb explodes near NatWest tower in the financial district	1,070	1
3	Jun. 15, 1996	U.K.	Manchester	Irish Republican Army (IRA) car bomb explodes near shopping mall	878	0
4	Feb. 26, 1993	U.S.	New York City	Bomb explodes in garage of World Trade Center	757 (2)	6
5	Apr. 10, 1992	U.K.	London	Bomb explodes in financial district	792	3
6	Jul. 24, 2001	Sri Lanka	Colombo Intl. Airport	Rebels destroy 3 airliners, 8 military aircraft and heavily damage 3 civilian aircraft	469	20
7	Feb. 9, 1996	U.K.	London	IRA bomb explodes in South Key Docklands	305	2
8	Apr. 19, 1995	U.S.	Oklahoma City	Truck bomb crashes into government building	176 (2)	166
9	Dec. 21, 1988	Scotland	Lockerbie	PanAm Boeing 747 explodes	162	270
10	Sep. 12, 1970	Jordan	Zerqa	Hijacked Swissair DC-8, TWA Boeing 707 and BOAC VC-10 dynamited	149	0
11	Mar. 11, 2004	Spain	Madrid, Atocha	Bomb attack on trains	139	191
12	Sep. 6, 1970	Egypt	Cairo	Hijacked PanAm B-747 dynamited	131	0

(1) Includes bodily injury and aviation hull losses. Originally reported in 2001 dollars by Swiss Re. Adjusted to 2009 dollars by the Insurance Information Institute using the Bureau of Labor Statistics' Inflation Calculator.

(2) Updated by the Insurance Information Institute to reflect latest estimate from ISO.

(3) Latest government figures.

Source: ISO's Property Claim Services unit (PCS); Swiss Re; U.S. Bureau of Labor Statistics.

# Chapter 5: Contribution to Selected Industries

## Introduction

When life insurance claims are paid, funds flow into the general economy, as beneficiaries spend the money they receive. When property/casualty insurance claims are paid, funds flow to the industries that supply claimants with the goods and services necessary for their recovery.

In 2008 property/casualty insurers paid out over \$300 billion to settle claims. Most of this money went to businesses that help claimants get their lives back together after an accident, fire, windstorm or other incident that caused the injury or property damage. Insurance claim payments support local businesses, enabling them to provide jobs and pay taxes that support the local economy.

All industries benefit from property/casualty insurance because it pays for losses that might otherwise have put them out of business. But certain industries derive a good portion of their income from insurers' claim payments. These businesses include the auto parts and repair industries (auto insurance), the building construction and supply industries (homeowners and commercial property insurance), healthcare services (auto, workers compensation and other liability insurance coverages) and legal services.

The charts that follow provide some indication of how much insurers contribute to the economy indirectly through some of the industries that provide these services. In addition, property/casualty insurance claims payments reimburse victims of theft and help make up for loss of income while people who have been injured are recuperating and businesses that have been hit by a disaster prepare to resume operations.

## Auto Repair Industry

### THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE AUTO REPAIR INDUSTRY

Payments for damage to cars accounted for about 40 percent of the premiums earned for private passenger auto insurance in 2008 (including property damage liability, collision claims and comprehensive claims). The primary recipients of auto insurance claim payments are auto repair and auto body shops and window glass installers. Others include new and used car dealers, tire dealers and manufacturers of the parts required for vehicle repair and restoration. Depending on the insurance coverage purchased, insurers pay for medical care and rehabilitation if the claimants have been injured. When there are disagreements over liability or the settlement offer, insurers pay for legal costs. Theft accounted for about 25 percent of the dollars that go to pay comprehensive claims, or slightly less than 2 percent of premiums earned for private passenger auto insurance.

### AUTOMOTIVE REPAIR AND MAINTENANCE INDUSTRY, 2002 AND 2007

	2002	2007
Number of establishments	166,821	163,627
Receipts/revenues (\$000)	\$75,219,140	\$85,783,573
Annual payroll (\$000)	\$21,592,456	\$25,136,638
Number of employees	871,040	891,420

Source: U.S. Department of Commerce, Bureau of the Census.

**PRIVATE PASSENGER CARS INSURED IN SHARED MARKETS AND VOLUNTARY MARKETS, 2007**

State	Voluntary	Shared market	Total	Shared market as a percent of total
Alabama	3,263,498	10	3,263,508	(1)
Alaska	424,290	252	424,542	0.059%
Arizona	4,063,514	49	4,063,563	0.001
Arkansas	2,028,273	1	2,028,274	(1)
California	24,187,996	11,915	24,199,911	0.049
Colorado	3,588,408	3	3,588,411	(1)
Connecticut	2,421,935	958	2,422,893	0.040
Delaware	605,226	84	605,310	0.014
D.C.	223,379	943	224,322	0.420
Florida	11,250,398	21	11,250,419	(1)
Georgia	6,694,814	2	6,694,816	(1)
Hawaii	786,973	5,003	791,976	0.632
Idaho	1,187,889	51	1,187,940	0.004
Illinois	7,780,889	1,853	7,782,742	0.024
Indiana	4,370,136	5	4,370,141	(1)
Iowa	2,383,327	13	2,383,340	0.001
Kansas	2,324,407	1,477	2,325,884	0.064
Kentucky	2,970,884	281	2,971,165	0.009
Louisiana	2,787,136	38	2,787,174	0.001
Maine	1,022,473	58	1,022,531	0.006
Maryland	3,770,632	76,658	3,847,290	1.993
Massachusetts	3,999,112	177,402	4,176,514	4.248
Michigan	6,217,059	1,766	6,218,825	0.028
Minnesota	3,703,118	4	3,703,122	(1)
Mississippi	1,998,203	78	1,998,281	0.004
Missouri	4,151,162	85	4,151,247	0.002
Montana	772,037	265	772,302	0.034
Nebraska	1,492,287	8	1,492,295	0.001
Nevada	1,754,997	29	1,755,026	0.002
New Hampshire	891,794	835	892,629	0.094
New Jersey	5,244,074	26,902	5,270,976	0.510
New Mexico	1,415,853	56	1,415,909	0.004
New York	9,154,980	112,518	9,267,498	1.214
North Carolina	5,470,099	1,506,510	6,976,609	21.594
North Dakota	580,287	3	580,290	0.001
Ohio	8,009,267	0	8,009,267	(1)
Oklahoma	2,713,011	87	2,713,098	0.003
Oregon	2,690,660	21	2,690,681	0.001
Pennsylvania	8,453,793	26,103	8,479,896	0.308
Rhode Island	657,417	17,203	674,620	2.550
South Carolina	3,233,090	1	3,233,091	(1)
South Dakota	664,233	0	664,233	(1)
Tennessee	4,149,908	38	4,149,946	0.001
Texas	NA	NA	NA	NA



State	Voluntary	Shared market	Total	Shared market as a percent of total
Utah	1,764,823	-1 (2)	1,764,822	(1)
Vermont	473,219	754	473,973	0.159
Virginia	5,961,143	2,238	5,963,381	0.038
Washington	4,429,429	2	4,429,431	(1)
West Virginia	1,289,984	90	1,290,074	0.007
Wisconsin	3,664,374	1	3,664,375	(1)
Wyoming	490,907	0	490,907	(1)
<b>United States</b>	<b>183,626,797</b>	<b>1,972,673</b>	<b>185,599,470</b>	<b>1.063%</b>

(1) Less than 0.001 percent.

(2) Negative numbers represent vehicles owned by drivers who were rejected or cancelled.

NA=Data not available.

Source: Automobile Insurance Plans Service Office.

Collision and comprehensive coverages pay for damage to or theft of a policyholder's car. Additional sums are paid by insurers to repair other vehicles damaged by the policyholder in a crash. This money is paid under the liability portion of the policy, which also covers legal costs.

### INCURRED LOSSES FOR AUTO INSURANCE, 2004-2008 (1)

(\$000)

	2004	2005	2006	2007	2008
Private passenger liability	\$56,317,831	\$57,188,070	\$56,042,557	\$59,760,630	\$60,812,243
Private passenger physical damage	34,239,353	36,762,455	36,151,913	37,541,418	39,188,442
Commercial auto liability	10,809,661	10,373,070	10,746,727	10,079,010	9,955,320
Commercial auto physical damage	3,355,650	3,508,189	3,583,802	3,523,677	3,498,041
<b>Total</b>	<b>\$104,722,495</b>	<b>\$107,831,784</b>	<b>\$106,524,999</b>	<b>\$110,904,735</b>	<b>\$113,454,046</b>

(1) Losses occurring within a fixed period, whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

### WHERE THE PREMIUM DOLLAR GOES, PRIVATE PASSENGER AUTO INSURANCE, 2008

<b>PREMIUMS EARNED:</b>			<b>\$100</b>
<b>CLAIMS:</b>			
<b>Payments to injured persons:</b>			
Medical	\$9		
Wage loss and other economic payments	2		
Pain and suffering and other noneconomic awards	6		
Lawyers' fees	11		
Costs of settling claims	2		
Subtotal		\$30	
<b>Payments for damage to cars (1):</b>			
Property damage liability	\$17		

<b>PREMIUMS EARNED:</b>				<b>\$100</b>
Collision claims		17		
Comprehensive claims		7		
Costs of settling claims		1		
Subtotal			\$42	
<b>Total claims</b>			<b>\$72</b>	
<b>EXPENSES:</b>				
Commissions and other selling expenses		\$18		
General expenses (costs of company operations)		5		
State premium taxes, licenses and fees		2		
Dividends to policyholders		1		
<b>Total expenses</b>			<b>\$26</b>	
<b>Claims and expense total</b>				<b>\$98</b>
<b>BOTTOM LINE:</b>				
Investment gain (2)				\$5
Pretax income (\$100-\$98+\$5)				7
Tax				-2
<b>Income after taxes</b>				<b>\$5</b>

(1) Includes theft and damage to other property, e.g., road signs.

(2) Includes interest, dividends, and realized capital gains.

Source: Insurance Information Institute estimate based on data from ISO; National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.; Insurance Research Council.

## Construction Industry

### THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE CONSTRUCTION INDUSTRY

The construction industry benefits from claims filed under homeowners and commercial property insurance policies.

#### CONSTRUCTION INDUSTRY, 2002 AND 2007

	2002	2007
Number of establishments	710,307	725,101
Receipts/revenues (\$000)	\$1,196,555,587	\$1,781,778,684
Annual payroll (\$000)	\$254,292,144	\$348,138,262
Number of employees	7,193,069	7,399,047

Source: U.S. Department of Commerce, Bureau of the Census.

## Healthcare Industry

### THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE HEALTHCARE INDUSTRY

The health care industry is a prime recipient of claims filed under auto, workers compensation and other liability insurance policies.

### HEALTHCARE INDUSTRY, 2002 AND 2007 (1)

	2002	2007
Number of establishments	704,526	779,074
Receipts/revenues (\$000)	\$1,207,299,734	\$1,697,230,614
Annual payroll (\$000)	\$495,845,829	\$665,831,857
Number of employees	15,052,255	16,859,513

(1) Includes healthcare and social assistance.

Source: U.S. Department of Commerce, Bureau of the Census.

## Legal Services Industry

### THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE LEGAL SERVICES INDUSTRY

The insurance industry—which is at times called upon to defend its policyholders in court—provides significant support to the legal services industry. In 2004 lawyers' fees accounted for \$10 out of every \$100 in private passenger auto insurance premiums earned in 2004. Of these fees, half went to plaintiffs' attorneys and the remainder to defendants' attorneys.

### LEGAL SERVICES INDUSTRY, 2002 AND 2007

	2002	2007
Number of establishments	179,346	189,486
Receipts/revenues (\$000)	\$182,650,380	\$254,610,889
Annual payroll (\$000)	\$69,939,404	\$88,554,150
Number of employees	1,169,601	1,199,306

Source: U.S. Department of Commerce, Bureau of the Census.

Insurers are required to defend their policyholders against lawsuits. The costs to insurers for settling a claim are known as “defense and cost containment expenses incurred.” These costs include defense, litigation and medical cost containment expenses. Expenses for surveillance, litigation management and fees for appraisers, private investigators, hearing representatives and fraud investigators are also included. In addition, attorney fees may be incurred owing to a duty to defend, even when coverage does not exist, because attorneys must issue opinions about coverage. Other costs associated with engaging experts and fees for rehabilitation are also included.

## DEFENSE COSTS AND COST CONTAINMENT EXPENSES AS A PERCENT OF INCURRED LOSSES, 2006-2008 (1)

(\$000)

	2006		2007		2008	
	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses
Products liability	\$875,027	134.6%	\$953,252	78.6%	\$1,033,796	65.4%
Medical malpractice	2,438,039	56.6	2,048,106	55.2	1,860,793	58.1
Commercial multiple peril (2)	2,322,743	36.7	2,145,905	41.3	1,810,340	34.3
Other liability	5,727,069	27.1	5,374,618	24.6	4,821,033	24.4
Commercial auto liability	1,062,688	9.9	1,167,397	11.6	1,065,820	10.7
Workers compensation	2,734,225	11.0	2,913,659	12.0	2,646,662	11.6
Private passenger auto liability	3,716,980	6.6	3,643,939	6.1	3,602,567	5.9
<b>All liability lines</b>	<b>\$18,876,771</b>	<b>15.2%</b>	<b>\$18,246,876</b>	<b>14.5%</b>	<b>\$16,841,011</b>	<b>13.6%</b>

(1) Net of reinsurance, excluding state funds.

(2) Liability portion only.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

# Chapter 6: Role of Credit/Mortgage Insurance

## Credit Insurance for Short-Term Trade Receivables

### ROLE OF CREDIT/MORTGAGE INSURANCE

Specialized insurance products protect lenders and borrowers, shielding businesses such as exporters from customer defaults and facilitating the financing of mortgages and other transactions. These products include credit insurance for short-term receivables.

### CREDIT INSURANCE FOR CUSTOMER DEFAULTS

Credit insurance protects merchants, exporters, educational institutions, manufacturers and other businesses that extend credit to their customers from losses or damages resulting from the nonpayment of debts owed them for goods and services provided in the normal course of business. Credit insurance facilitates financing, enabling insured companies to get better credit terms from banks. This coverage is distinct from other types of credit protection, such as credit default swaps (CDSs), which protects lenders when companies do not pay their debt.

### CREDIT INSURANCE, 2004-2008 (1)

(\$000)

Year	Direct premiums written	Annual percent change
2004	\$1,053,996	21.2%
2005	1,206,020	14.4
2006	1,398,762	16.0
2007	1,768,912	26.5
2008	1,690,667	-4.4

(1) Before reinsurance transactions, excluding state funds.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## Private Mortgage Insurance

### MORTGAGE GUARANTY INSURANCE

Private mortgage insurance (PMI), known as mortgage guaranty insurance, guarantees that, in the event of a default, the insurer will pay the mortgage lender for any loss resulting from a property foreclosure up to a specific amount. PMI, which is purchased by the borrower but protects the lender, is sometimes confused with mortgage insurance, a life insurance product that pays off the mortgage if the borrower dies before the loan is repaid. Banks generally require PMI for all borrowers with down payments of less than 20 percent.

**MORTGAGE GUARANTY INSURANCE, 1999-2008**

(\$000)

Year	Net premiums written (1)	Annual percent change	Combined ratio (2)	Annual point change (3)
1999	\$3,095,621	3.9%	56.2	NA
2000	3,411,356	10.2	47.3	-8.9 pts.
2001	3,738,058	9.6	52.1	4.8
2002	3,987,772	6.7	58.2	6.1
2003	4,285,447	7.5	67.6	9.3
2004	4,323,071	0.9	75.6	8.0
2005	4,454,711	3.0	75.2	-0.4
2006	4,565,899	2.5	71.0	-4.2
2007	5,192,104	13.7	129.0	58.1
2008	5,371,879	3.5	219.8	90.8

(1) After reinsurance transactions, excluding state funds.

(2) After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration.

(3) Calculated from unrounded data.

NA=Data not available.

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## Credit Life/Health

### CREDIT LIFE INSURANCE

Credit life insurance, a form of decreasing term insurance, protects creditors such as banks. The borrower pays the premium, generally as part of the credit transaction, to cover the outstanding loan in the event he or she dies. The face value of a policy decreases as the loan is paid off until both equal zero. When loans are paid off early, premiums for the remaining term are returned to the policyholder. Credit accident and health, a similar product, provides a monthly income in the event the borrower becomes disabled.

**CREDIT LIFE, AND CREDIT ACCIDENT AND HEALTH INSURANCE DIRECT PREMIUMS WRITTEN,  
1999-2008**

(\$000)

Year	Credit life	Credit accident and health
1999	\$2,633,546	\$2,403,588
2000	2,603,263	2,406,239
2001	2,301,031	2,218,154
2002	1,778,271	1,869,480
2003	1,413,613	1,541,483
2004	1,520,691	1,535,541
2005	1,597,728	1,495,248
2006	1,555,649	1,430,677
2007	1,625,833	1,399,687
2008	1,536,728	1,215,187

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

# Chapter 7: Income Replacement

## Life Insurance Payouts

### INCOME REPLACEMENT

The insurance industry safeguards the assets of its policyholders, helping them and their families get their lives back on track and continue to contribute to the economy after a disabling injury or the death of a family member. In addition, insurers' annuity products help retired workers maintain their standard of living.

### LIFE INSURANCE INDUSTRY BENEFIT PAYMENTS, 2004-2008

(\$ millions)

	2004	2005	2006	2007	2008
Death benefits	\$55,844.1	\$58,503.6	\$59,680.4	\$63,681.0	\$71,410.6
Matured endowments	564.7	606.0	626.9	661.2	693.8
Annuity benefits	70,413.5	75,678.5	75,704.0	78,615.4	76,978.1
Surrender values and withdrawals for life contracts	187,655.3	223,119.6	277,410.6	315,311.5	298,727.4
Aggregate write-ins for miscellaneous direct claims and benefits paid	944.6	706.7	618.4	667.4	558.6
All other benefits, except accident and health	15,758.4	11,487.9	12,810.0	14,504.4	16,800.5
<b>Total</b>	<b>\$331,180.6</b>	<b>\$370,102.1</b>	<b>\$426,850.3</b>	<b>\$473,440.9</b>	<b>\$465,168.9</b>

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## Disability Insurance Premiums

### DISABILITY INSURANCE

Disability insurance pays an insured person an income when he or she is unable to work because of an accident or illness.

### DISABILITY INSURANCE, NEW ISSUES SALES, 2008 (1)

	Number of policies	Percent change, 2007-2008	Annualized premium	Percent change, 2007-2008
Noncancellable	174,151	-1%	\$334,386,362	2%
Guaranteed renewable	335,488	4	211,186,357	6
<b>Total</b>	<b>509,050</b>	<b>2%</b>	<b>\$545,388,077</b>	<b>3%</b>

(1) Short-term and long-term individual disability income insurance. Based on a LIMRA survey of 18 personal disability insurance companies. Excludes commercial disability income.

Source: LIMRA International.

### INDIVIDUAL DISABILITY INSURANCE, PREMIUM PER POLICY, 2008 (1)

	Average premium	Percent change 2007-2008
Noncancellable	\$1,920	3%
Guaranteed renewable	629	2
<b>Total (2)</b>	<b>\$1,071</b>	<b>1%</b>

(1) Based on LIMRA survey of 18 companies. Excludes commercial disability insurance.

(2) Overall average premium.

Source: LIMRA International.

## Workers Compensation Indemnity Payouts

### WORKERS COMPENSATION

There are two components to workers compensation claims costs: payments for lost time (which are usually linked to a state's average weekly wage), known as indemnity costs, and payments for medical care. In 2008 medical costs accounted for about 58 percent of total workers compensation losses; indemnity costs accounted for 42 percent, according to the National Council on Compensation Insurance.

### WORKERS COMPENSATION INDEMNITY COSTS PER CLAIM, 1999-2008 (1)

(\$000)



(1) 1999-2007: Based on data through 12/31/2007, developed to ultimate; based on the states where NCCI provides ratemaking services, including state funds. Excludes high deductible policies.

(2) Preliminary based on data valued as of 12/31/2008.

Source: NCCI Holdings, Inc.

## Chapter 8: Contribution to State Economies

The insurance industry is a major contributor to state economies, providing employment, paying taxes and supporting community development. In addition, insurance company claims payments help ensure the economic security of individuals and businesses, and help sustain a number of related industries. The magnitude of these claims payments for major insurance lines is highlighted in the "Incurred Losses by State" section. Incurred losses are a measurement of insurance claims occurring within a fixed period.

### Employment

#### INSURANCE CARRIERS AND RELATED ACTIVITIES EMPLOYMENT, 2006-2007

State	Number of employees	
	2006	2007
Alabama	33,823	34,389
Alaska	2,784	2,582
Arizona	49,291	49,870
Arkansas	18,549	18,621
California	300,777	296,380
Colorado	51,312	49,943
Connecticut	75,719	74,550
Delaware	8,744	9,108
D.C.	3,723	3,780
Florida	180,684	180,231
Georgia	84,877	86,461
Hawaii	9,877	9,563
Idaho	12,119	12,476
Illinois	145,172	142,503
Indiana	57,897	57,762
Iowa	54,097	55,491
Kansas	33,031	33,547
Kentucky	34,050	35,755
Louisiana	32,597	31,977
Maine	13,661	13,299
Maryland	47,310	46,121
Massachusetts	79,005	78,069
Michigan	77,246	75,270
Minnesota	72,264	72,291
Mississippi	17,890	17,883
Missouri	62,789	61,808
Montana	8,476	7,799
Nebraska	33,291	33,323
Nevada	15,544	15,885
New Hampshire	16,317	16,112
New Jersey	94,820	93,053
New Mexico	11,110	10,967

State	Number of employees	
	2006	2007
New York	188,745	185,858
North Carolina	67,578	67,719
North Dakota	9,296	9,659
Ohio	127,626	126,761
Oklahoma	31,060	29,647
Oregon	33,611	33,421
Pennsylvania	145,923	142,612
Rhode Island	11,009	10,979
South Carolina	37,907	37,856
South Dakota	9,883	10,209
Tennessee	55,330	56,141
Texas	216,233	217,823
Utah	22,820	23,418
Vermont	5,146	4,996
Virginia	57,566	57,138
Washington	51,330	50,727
West Virginia	12,456	12,364
Wisconsin	80,658	80,294
Wyoming	3,177	3,009
<b>United States</b>	<b>2,906,200</b>	<b>2,887,500</b>

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

### INSURANCE CARRIERS AND RELATED ACTIVITIES COMPENSATION, 2006-2007

(\$000)

State	Annual payroll	
	2006	2007
Alabama	\$2,136,761	\$1,969,781
Alaska	139,579	138,843
Arizona	2,687,902	2,670,988
Arkansas	726,521	739,853
California	21,993,456	21,422,374
Colorado	2,876,814	2,901,846
Connecticut	8,129,976	8,615,135
Delaware	586,075	632,895
D.C.	406,542	412,774
Florida	10,015,478	10,170,837
Georgia	5,265,940	5,495,937
Hawaii	500,719	494,275
Idaho	477,090	489,898
Illinois	9,846,922	10,178,959
Indiana	3,084,051	3,083,254
Iowa	3,179,539	3,316,124
Kansas	1,540,185	1,623,940
Kentucky	1,925,213	2,089,480
Louisiana	1,507,969	1,485,146
Maine	793,904	811,515

State	Annual payroll	
	2006	2007
Maryland	3,119,264	3,159,926
Massachusetts	6,340,671	6,699,271
Michigan	4,212,553	4,160,204
Minnesota	5,173,416	5,718,927
Mississippi	685,787	670,939
Missouri	3,177,908	3,234,912
Montana	333,210	312,898
Nebraska	1,596,704	1,658,491
Nevada	799,420	793,861
New Hampshire	1,160,825	1,168,442
New Jersey	8,223,152	8,465,770
New Mexico	469,393	465,810
New York	16,409,833	17,195,946
North Carolina	3,457,303	3,570,289
North Dakota	335,786	365,563
Ohio	7,307,984	7,525,187
Oklahoma	1,208,464	1,205,011
Oregon	1,814,773	1,869,295
Pennsylvania	9,322,745	9,466,570
Rhode Island	658,553	681,658
South Carolina	1,848,280	1,882,986
South Dakota	349,076	369,056
Tennessee	2,856,128	2,996,255
Texas	11,919,419	12,243,590
Utah	978,584	1,035,189
Vermont	288,458	294,611
Virginia	3,260,450	3,271,373
Washington	3,244,895	3,212,058
West Virginia	446,447	451,194
Wisconsin	4,462,387	4,614,978
Wyoming	106,496	113,886
<b>United States</b>	<b>\$183,389,000</b>	<b>\$187,618,000</b>

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

## Premiums

### DIRECT PREMIUMS WRITTEN, P/C INSURANCE BY STATE, 2008 (1)

(\$000)

State	Total, all lines	State	Total, all lines
Alabama	\$6,669,237	Montana	\$1,727,291
Alaska	1,465,325	Nebraska	3,617,360
Arizona	8,563,784	Nevada	4,333,579
Arkansas	3,945,186	New Hampshire	1,993,095
California	56,097,766	New Jersey	16,759,734

State	Total, all lines	State	Total, all lines
Colorado	7,708,908	New Mexico	2,660,878
Connecticut	6,833,169	New York	34,849,755
Delaware	2,506,551	North Carolina	12,248,095
D.C.	1,666,267	North Dakota	2,038,619
Florida	35,441,189	Ohio	13,063,242
Georgia	13,700,177	Oklahoma	5,544,598
Hawaii	2,217,229	Oregon	5,379,603
Idaho	1,899,861	Pennsylvania	19,529,663
Illinois	20,780,172	Rhode Island	1,893,646
Indiana	8,504,134	South Carolina	6,706,111
Iowa	5,182,205	South Dakota	1,945,272
Kansas	5,096,736	Tennessee	8,473,140
Kentucky	5,697,839	Texas	36,983,783
Louisiana	9,099,422	Utah	3,485,412
Maine	1,863,755	Vermont	1,085,542
Maryland	8,761,396	Virginia	10,462,223
Massachusetts	11,115,083	Washington	9,120,753
Michigan	14,196,249	West Virginia	2,752,096
Minnesota	8,978,603	Wisconsin	8,037,150
Mississippi	4,193,206	Wyoming	924,203
Missouri	9,074,678	United States	\$476,872,967

(1) Before reinsurance transactions, excluding state funds, territories and possessions.

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## LIFE/HEALTH INSURANCE DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS BY STATE, 2008 (1)

(\$ millions)

State	Life insurance	Annuities	Accident and health insurance (2)	Deposit-type contract funds	Other considerations	Total
Alabama	\$1,826	\$3,036	\$1,539	\$291	\$711	\$7,403
Alaska	330	406	253	32	124	1,144
Arizona	1,907	4,913	3,535	368	1,503	12,227
Arkansas	883	1,529	1,416	94	392	4,313
California	13,780	23,824	15,518	3,658	11,188	67,967
Colorado	1,917	4,447	3,033	2,885	1,072	13,354
Connecticut	2,232	5,681	2,224	7,896	1,704	19,738
Delaware	1,437	2,185	418	29,515	759	34,315
D.C.	408	636	574	273	1,034	2,926
Florida	7,533	19,023	10,316	1,576	4,877	43,324
Georgia	4,025	5,204	4,735	1,232	1,523	16,719
Hawaii	669	1,414	393	79	470	3,026
Idaho	451	962	526	80	196	2,214
Illinois	5,937	10,334	6,319	1,694	3,694	27,978
Indiana	2,368	5,216	3,981	1,746	1,210	14,521
Iowa	1,400	2,941	1,564	9,490	712	16,107

State	Life insurance	Annuities	Accident and health insurance (2)	Deposit-type contract funds	Other considerations	Total
Kansas	1,160	2,117	2,957	2,919	549	9,704
Kentucky	1,338	2,542	1,956	200	731	6,767
Louisiana	1,979	3,908	1,818	212	787	8,705
Maine	418	996	812	213	248	2,688
Maryland	2,627	5,143	2,408	857	1,496	12,531
Massachusetts	3,129	7,497	2,624	2,929	4,049	20,228
Michigan	3,705	10,167	3,885	1,061	2,286	21,104
Minnesota	2,931	5,193	1,982	544	1,617	12,266
Mississippi	1,033	1,458	1,621	78	268	4,459
Missouri	2,434	5,503	5,131	711	1,125	14,905
Montana	278	497	486	45	137	1,443
Nebraska	891	1,645	1,182	458	290	4,466
Nevada	818	1,403	1,105	295	467	4,089
New Hampshire	528	1,325	600	1,906	501	4,859
New Jersey	5,471	11,559	4,188	3,573	3,462	28,253
New Mexico	541	953	721	92	384	2,691
New York	10,323	20,283	6,462	27,657	10,015	74,740
North Carolina	3,927	7,228	5,143	746	2,026	19,070
North Dakota	264	521	307	29	156	1,278
Ohio	4,598	10,715	6,902	1,646	2,635	26,496
Oklahoma	1,224	1,980	1,717	394	610	5,926
Oregon	1,081	2,427	1,516	287	1,395	6,705
Pennsylvania	5,961	12,462	5,084	1,607	5,011	30,125
Rhode Island	445	1,059	388	97	308	2,297
South Carolina	1,743	3,182	2,137	187	703	7,953
South Dakota	481	545	366	48	105	1,545
Tennessee	2,527	4,584	3,041	515	1,314	11,981
Texas	8,684	16,112	13,857	1,340	3,926	43,920
Utah	1,043	1,913	1,080	209	461	4,706
Vermont	243	529	357	72	157	1,358
Virginia	3,379	6,181	3,876	1,065	1,993	16,494
Washington	1,972	4,155	2,411	591	1,568	10,696
West Virginia	579	1,203	783	105	293	2,964
Wisconsin	2,220	5,359	4,718	744	1,252	14,293
Wyoming	206	380	289	25	64	965
United States (3)	\$127,287	\$254,477	\$150,252	\$114,368	\$83,560	\$729,944

(1) Direct premiums written before reinsurance transactions, excluding state funds.

(2) Does not include A/H premiums reported on P/C and health annual statements.

(3) Totals do not include territories, dividends and other nonstate specific data.

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**DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2008 (1)**

(\$000)

State	Private passenger auto		Commercial auto		Homeowners multiple peril	Farmowners multiple peril	Commercial multiple peril
	Liability	Coll./comp.	Liability	Coll./comp.			
Alabama	\$1,196,623	\$1,093,784	\$323,005	\$104,663	\$1,220,930	\$52,279	\$537,479
Alaska	245,325	156,895	51,285	20,183	127,320	507	110,206
Arizona	1,999,811	1,565,999	356,873	103,186	1,156,846	12,972	573,034
Arkansas	787,135	605,904	200,796	74,985	568,317	13,922	260,921
California	11,011,753	8,698,032	2,118,153	654,971	6,372,745	209,596	4,577,079
Colorado	1,563,145	1,129,318	302,501	119,439	1,227,969	57,648	627,414
Connecticut	1,447,284	881,850	294,771	65,963	1,037,569	3,557	548,684
Delaware	424,181	192,084	76,867	44,917	173,383	2,432	276,827
D.C.	132,779	121,422	36,448	4,856	120,398	0	139,946
Florida	8,589,534	3,725,189	1,405,593	356,431	6,210,742	26,458	2,009,499
Georgia	2,812,968	2,452,880	602,836	201,376	1,863,309	87,132	839,167
Hawaii	404,052	251,464	93,920	24,499	328,336	675	154,490
Idaho	391,434	284,887	95,515	43,894	224,581	44,112	181,172
Illinois	3,170,917	2,533,306	800,904	250,919	2,427,564	108,298	1,472,958
Indiana	1,526,759	1,183,312	370,688	151,318	1,273,394	129,891	676,591
Iowa	654,415	604,077	204,147	102,644	482,865	108,748	290,721
Kansas	706,355	664,845	153,356	85,824	705,992	128,701	308,114
Kentucky	1,367,861	754,859	252,647	86,124	725,705	111,129	418,702
Louisiana	1,853,107	1,314,880	449,966	102,482	1,279,290	9,588	452,804
Maine	343,341	274,340	85,063	31,329	289,052	2,804	183,168
Maryland	2,107,218	1,432,890	382,516	102,181	1,200,212	20,388	580,559
Massachusetts	2,306,260	1,410,710	554,087	172,042	1,660,692	2,273	956,956
Michigan	3,059,689	2,574,648	448,464	217,917	2,097,010	107,037	963,302
Minnesota	1,545,714	1,111,361	304,881	134,633	1,279,273	89,383	588,302
Mississippi	769,777	624,562	222,622	67,817	726,443	15,390	289,810
Missouri	1,541,588	1,238,106	358,026	135,984	1,268,575	109,146	640,673
Montana	308,937	220,177	84,220	46,330	193,206	45,545	145,359
Nebraska	464,707	366,040	117,211	69,038	396,609	117,850	245,984
Nevada	1,122,086	608,193	182,702	39,721	466,873	6,650	300,166
New Hampshire	371,003	313,242	86,340	32,188	292,422	1,560	196,572
New Jersey	3,820,080	1,939,624	917,821	180,698	1,877,038	2,882	1,256,621
New Mexico	644,325	431,270	124,449	45,566	349,478	21,706	200,208
New York	6,408,988	3,379,774	1,675,161	273,727	4,096,975	34,822	3,131,076
North Carolina	2,533,141	1,832,189	533,263	165,328	1,724,282	44,963	818,213
North Dakota	145,043	162,339	49,535	32,915	118,574	59,255	88,433
Ohio	2,850,985	2,145,736	596,414	192,214	1,919,272	109,138	1,078,008
Oklahoma	1,034,824	782,622	253,893	99,522	911,617	99,914	382,426
Oregon	1,318,532	686,344	233,780	70,263	583,285	51,533	424,346
Pennsylvania	4,167,941	2,818,815	859,474	297,803	2,365,182	81,485	1,470,149
Rhode Island	436,013	230,262	77,777	18,247	275,917	156	137,837
South Carolina	1,539,306	957,041	263,889	85,854	1,170,534	5,129	430,548
South Dakota	186,738	174,208	55,680	75,041	129,403	67,015	101,981

State	Private passenger auto		Commercial auto		Homeowners multiple peril	Farmowners multiple peril	Commercial multiple peril
	Liability	Coll./comp.	Liability	Coll./comp.			
Tennessee	1,521,787	1,238,627	356,984	145,243	1,218,466	103,727	584,788
Texas	7,038,000	5,713,056	1,617,131	519,512	5,284,584	129,532	1,984,985
Utah	764,646	506,284	181,153	76,373	348,855	8,863	224,029
Vermont	161,583	149,374	44,699	18,991	155,881	11,383	137,774
Virginia	2,314,735	1,698,174	428,363	134,623	1,453,179	47,011	691,660
Washington	2,447,506	1,305,201	391,113	119,918	1,193,822	52,960	726,833
West Virginia	638,977	425,975	119,840	40,880	314,040	10,660	165,094
Wisconsin	1,229,830	1,000,472	327,682	138,543	885,364	114,517	589,018
Wyoming	155,262	157,641	50,758	30,863	117,858	23,189	86,448
United States	95,584,000	66,124,283	20,175,261	6,409,980	63,891,230	2,705,511	34,257,135

(1) Excludes state funds.

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### DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2008 (1) (CONT'D)

(\$000)

State	Workers compensation	Medical malpractice	Products liability	Other liability	Fire	Allied lines	Inland marine
Alabama	\$367,997	\$153,135	\$46,736	\$522,702	\$174,381	\$125,649	\$239,686
Alaska	285,234	24,014	6,320	123,879	30,406	15,760	107,449
Arizona	422,510	283,729	40,939	698,414	131,987	93,414	221,989
Arkansas	260,010	83,574	16,970	322,832	129,483	116,101	156,962
California	5,915,597	888,533	453,408	6,354,452	1,616,213	1,042,430	1,818,387
Colorado	359,209	195,869	60,782	855,590	129,802	126,394	215,840
Connecticut	692,972	216,091	45,730	823,714	112,028	91,637	218,427
Delaware	195,593	40,675	8,923	247,580	21,567	18,118	45,080
D.C.	142,216	39,951	4,426	312,274	31,849	23,799	69,309
Florida	2,307,165	596,895	181,053	2,778,781	1,355,962	1,479,714	952,662
Georgia	1,251,028	326,910	81,846	1,177,019	286,158	189,876	444,821
Hawaii	238,767	36,075	13,137	272,125	72,052	79,465	48,359
Idaho	133,502	41,241	11,128	139,715	25,550	32,039	53,300
Illinois	2,591,046	653,354	144,750	2,349,285	359,585	285,346	540,534
Indiana	712,096	128,914	48,920	654,131	173,007	112,578	287,275
Iowa	563,533	77,591	35,744	427,202	69,796	142,651	158,203
Kansas	447,550	87,657	28,370	330,154	77,244	150,275	129,619
Kentucky	593,460	163,046	25,830	380,960	106,469	81,079	204,461
Louisiana	855,597	102,406	44,548	727,373	231,577	252,968	320,757
Maine	222,980	55,073	8,143	127,419	37,419	24,075	50,919
Maryland	651,973	302,983	49,443	798,679	144,121	94,676	236,802
Massachusetts	865,885	311,579	100,752	1,411,410	270,491	172,243	263,577
Michigan	990,129	233,265	74,285	1,159,266	322,206	178,359	318,799
Minnesota	791,511	96,492	92,161	828,080	146,300	215,229	200,181
Mississippi	331,611	50,531	21,628	292,546	125,143	109,710	135,317
Missouri	891,169	206,807	47,381	945,099	180,756	141,937	231,215

State	Workers compensation	Medical malpractice	Products liability	Other liability	Fire	Allied lines	Inland marine
Montana	112,377	43,330	8,806	117,451	21,395	27,564	40,204
Nebraska	337,383	35,935	17,764	248,940	44,225	153,186	104,188
Nevada	430,557	98,825	14,173	393,663	101,955	70,847	119,008
New Hampshire	250,581	42,227	13,690	168,103	31,753	22,716	45,528
New Jersey	1,949,219	537,264	186,736	2,049,689	320,259	218,352	417,190
New Mexico	261,471	51,656	12,196	188,342	33,873	30,605	74,560
New York	2,146,285	1,666,737	202,502	5,715,566	797,810	470,253	987,741
North Carolina	1,405,034	276,453	82,773	952,010	239,761	208,751	391,744
North Dakota	2,964	14,468	7,441	82,139	19,868	88,270	34,301
Ohio	18,300	421,158	93,458	1,439,303	345,849	196,385	397,635
Oklahoma	486,579	130,033	42,583	423,703	104,655	110,244	182,509
Oregon	714,612	113,141	34,206	425,861	81,602	58,126	142,971
Pennsylvania	2,213,535	727,168	137,134	2,058,321	399,601	238,111	429,371
Rhode Island	183,821	40,253	10,991	195,323	38,605	28,521	55,207
South Carolina	715,592	51,920	31,104	376,000	166,318	151,365	201,102
South Dakota	137,960	22,223	8,286	87,473	18,598	54,491	39,260
Tennessee	878,772	304,410	50,915	752,981	205,489	127,895	278,025
Texas	2,586,260	347,116	244,141	3,814,411	1,349,995	966,621	1,382,799
Utah	442,616	73,930	28,979	325,583	81,643	44,533	101,428
Vermont	173,589	26,551	6,928	83,970	19,372	11,956	23,298
Virginia	848,103	262,992	53,112	1,055,087	194,802	134,642	280,953
Washington	35,253	214,720	73,185	962,254	166,922	131,318	312,989
West Virginia	485,589	78,703	10,032	179,143	60,351	30,659	60,281
Wisconsin	1,617,204	103,349	70,000	742,013	123,102	103,796	219,019
Wyoming	5,668	26,572	9,872	88,770	16,664	14,356	44,829
United States	41,519,665	11,107,522	3,144,362	47,986,783	11,346,021	9,089,083	14,036,071

(1) Excludes state funds.

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### DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2008 (1) (CONT'D)

(\$000)

State	Ocean marine	Surety	Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty	Aircraft
Alabama	\$40,738	\$79,931	\$12,258	\$1,513	\$19,728	\$11,951	\$20,280
Alaska	27,210	26,558	2,050	225	5,388	1,293	36,681
Arizona	15,879	111,485	11,018	2,267	17,446	13,309	61,355
Arkansas	17,544	34,344	8,184	1,661	12,797	8,464	19,963
California	284,520	711,499	114,620	22,623	108,446	179,952	199,984
Colorado	11,797	111,838	18,901	2,553	16,241	29,464	46,965
Connecticut	54,115	72,790	29,106	2,804	14,570	9,021	38,641
Delaware	7,101	19,655	10,399	1,503	3,002	81,832	13,962
D.C.	6,104	78,335	13,385	1,424	3,800	26,175	13,111
Florida	296,335	377,976	53,471	9,701	61,472	76,374	142,394
Georgia	58,720	163,161	26,055	4,847	28,003	13,884	69,526
Hawaii	14,021	47,967	4,320	485	4,685	6,800	14,894

State	Ocean marine	Surety	Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty	Aircraft
Idaho	3,557	23,550	2,638	407	5,516	1,378	14,371
Illinois	70,855	157,951	59,959	8,502	50,139	89,927	75,019
Indiana	22,908	73,639	15,615	2,573	27,851	19,550	23,688
Iowa	6,875	34,816	9,324	1,309	18,750	10,449	12,714
Kansas	6,471	46,238	9,830	1,068	15,546	4,824	22,346
Kentucky	17,501	69,151	10,058	1,223	17,732	14,006	10,812
Louisiana	285,001	108,759	10,687	1,829	21,622	11,167	51,016
Maine	27,383	17,128	3,199	549	6,956	3,404	4,292
Maryland	83,232	148,812	19,315	2,576	18,346	33,762	22,759
Massachusetts	98,213	115,142	32,682	4,042	28,803	30,890	22,947
Michigan	43,088	78,357	31,730	4,282	40,226	51,192	42,308
Minnesota	25,377	68,826	25,972	3,192	25,177	42,981	35,973
Mississippi	19,864	50,193	7,637	1,336	11,395	2,116	11,737
Missouri	38,192	82,616	20,707	3,175	21,129	7,106	31,529
Montana	2,180	22,483	2,642	289	4,145	1,046	12,013
Nebraska	4,572	29,523	6,823	1,024	11,151	4,302	10,342
Nevada	9,806	123,480	6,856	1,333	12,303	4,231	28,073
New Hampshire	12,449	15,428	3,114	627	4,645	1,286	9,190
New Jersey	129,710	165,280	45,119	6,237	38,194	38,150	58,864
New Mexico	1,520	46,672	4,018	537	5,350	2,212	10,329
New York	513,898	393,452	147,694	19,335	87,213	1,842,788	-44,749
North Carolina	39,472	133,552	24,610	3,989	29,087	29,416	55,226
North Dakota	1,362	13,227	2,407	228	6,178	235	5,698
Ohio	34,794	127,240	40,151	7,408	48,930	21,693	55,800
Oklahoma	21,081	56,718	8,749	1,558	12,946	15,179	21,330
Oregon	26,617	60,606	9,421	1,744	14,149	4,328	37,992
Pennsylvania	46,151	198,305	48,257	6,973	51,987	98,359	47,240
Rhode Island	25,817	13,640	4,441	564	4,033	3,464	20,805
South Carolina	28,491	60,172	8,806	1,450	15,265	20,867	14,796
South Dakota	603	10,936	2,862	363	4,581	949	5,302
Tennessee	47,759	77,656	16,850	3,678	20,144	14,045	40,191
Texas	374,298	503,084	67,853	17,536	90,932	118,011	201,193
Utah	6,902	49,520	6,461	709	7,000	7,853	24,472
Vermont	10,953	6,107	2,535	255	2,636	4,465	2,470
Virginia	57,452	172,157	27,129	6,307	24,858	5,619	29,861
Washington	131,409	144,960	17,546	2,941	24,709	14,730	67,030
West Virginia	3,374	36,416	3,727	434	7,065	1,283	4,128
Wisconsin	24,502	45,200	21,067	2,413	29,335	14,455	24,398
Wyoming	1,133	23,640	1,307	194	6,718	84	5,689
United States	3,138,911	5,440,171	1,093,565	175,795	1,168,317	3,050,323	1,806,950

(1) Excludes state funds.

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**DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2008 (1)  
(CONT'D)**

(\$000)

State	Earthquake	Federal flood	Credit	Accident and health	Multiple peril crop	Mortgage guaranty	Misc.
Alabama	\$7,134	\$29,271	\$17,792	\$47,432	\$56,170	\$94,854	\$16,436
Alaska	19,398	2,004	859	9,362	42	18,819	1,440
Arizona	6,291	18,593	14,533	59,805	9,507	164,020	17,946
Arkansas	16,364	7,435	7,363	43,592	96,424	49,547	6,393
California	966,414	167,197	115,064	389,602	201,757	497,834	120,997
Colorado	8,158	13,784	17,761	73,244	221,799	125,771	6,546
Connecticut	5,152	32,429	-53,434	30,690	4,524	64,911	17,497
Delaware	1,169	13,360	52,302	489,969	13,690	24,046	2,841
D.C.	1,866	523	6,799	142,250	NA	187,908	1,802
Florida	31,857	908,728	52,256	261,522	119,258	548,762	96,154
Georgia	12,439	51,354	26,698	129,915	126,005	251,929	35,271
Hawaii	8,231	26,415	2,573	17,459	1,574	37,652	3,657
Idaho	2,205	3,864	1,838	20,971	69,700	36,336	1,822
Illinois	44,159	31,082	80,261	250,843	865,807	298,925	27,885
Indiana	29,980	19,236	20,532	181,156	451,254	143,978	16,210
Iowa	3,269	8,467	7,749	88,683	919,889	117,697	4,289
Kansas	4,785	6,322	8,632	59,446	762,476	60,481	6,078
Kentucky	37,053	12,777	10,648	41,716	103,620	53,041	5,489
Louisiana	6,474	276,668	18,460	52,889	63,811	89,069	40,064
Maine	1,501	6,297	4,871	11,106	6,506	22,046	2,385
Maryland	6,067	30,424	14,371	64,898	37,628	140,470	5,778
Massachusetts	15,131	40,059	31,603	68,350	3,373	114,008	10,451
Michigan	6,135	19,236	47,546	139,398	165,909	181,025	43,359
Minnesota	4,327	5,446	59,872	144,291	850,261	216,980	4,775
Mississippi	16,712	33,593	15,910	74,696	81,901	46,720	11,874
Missouri	84,351	15,735	61,774	264,706	304,651	117,918	12,334
Montana	3,361	2,326	1,602	13,781	219,021	14,935	3,325
Nebraska	2,281	6,529	8,206	58,653	699,082	35,883	4,146
Nevada	20,854	8,159	13,556	21,918	2,388	86,987	4,193
New Hampshire	2,154	5,884	4,788	11,574	401	31,401	1,644
New Jersey	12,062	161,410	80,069	107,970	5,895	175,928	15,208
New Mexico	1,719	9,358	2,098	21,816	21,563	38,659	8,515
New York	32,772	114,956	121,639	236,048	26,843	228,592	17,296
North Carolina	9,368	75,703	80,991	149,649	158,274	194,394	12,417
North Dakota	259	2,360	699	14,332	1,075,476	8,614	781
Ohio	27,075	24,538	37,332	175,153	300,386	217,859	36,623
Oklahoma	4,161	8,245	14,378	60,259	167,600	64,148	8,571
Oregon	54,478	19,395	19,290	47,570	37,679	65,575	11,271
Pennsylvania	11,774	45,273	47,611	246,316	57,558	218,080	14,713
Rhode Island	2,099	14,674	4,269	40,888	79	19,671	5,598
South Carolina	30,461	105,061	23,994	58,302	54,406	114,899	6,666
South Dakota	442	2,029	1,009	32,208	707,148	13,379	1,034

State	Earthquake	Federal flood	Credit	Accident and health	Multiple peril crop	Mortgage guaranty	Misc.
Tennessee	57,631	13,611	45,138	101,140	86,743	116,850	8,791
Texas	26,154	292,846	318,537	492,135	658,103	501,424	155,155
Utah	28,241	2,311	4,130	52,981	4,609	67,040	4,147
Vermont	827	2,900	4,869	5,181	1,556	11,444	448
Virginia	9,472	59,907	80,724	85,831	57,472	190,178	10,634
Washington	135,285	24,083	19,243	75,332	81,869	142,474	16,805
West Virginia	1,358	12,900	2,083	25,307	2,692	20,176	4,144
Wisconsin	3,583	8,699	31,742	166,250	239,610	102,897	10,151
Wyoming	2,274	1,853	1,279	14,250	17,603	17,434	1,156
United States	1,826,768	2,805,310	1,613,909	5,472,834	10,221,590	6,403,670	883,206

(1) Excludes state funds.

NA=Data not available.

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## Gross State Product

### GROSS STATE PRODUCT, INSURANCE CARRIERS AND RELATED ACTIVITIES, 2006-2007

State	(\$ millions)		As percent of total 2007 state GSP
	2006	2007	
Alabama	\$3,124	\$3,080	2.3%
Alaska	394	473	1.5
Arizona	4,515	4,561	2.2
Arkansas	1,139	1,205	1.5
California	29,805	30,125	2.0
Colorado	4,536	5,231	2.7
Connecticut	14,342	16,505	9.2
Delaware	5,711	7,326	14.6
D.C.	725	813	1.1
Florida	13,948	14,590	2.4
Georgia	6,891	7,456	2.3
Hawaii	868	902	1.8
Idaho	767	812	1.8
Illinois	21,779	22,485	4.4
Indiana	6,992	7,728	3.7
Iowa	8,097	8,972	8.3
Kansas	2,397	2,904	3.0
Kentucky	3,080	3,306	2.6
Louisiana	2,561	2,713	1.9
Maine	1,222	1,358	3.4
Maryland	5,118	5,817	2.7
Massachusetts	9,000	10,750	3.5
Michigan	11,837	11,219	3.4
Minnesota	8,827	9,635	4.5
Mississippi	1,238	1,286	1.8

State	(\$ millions)		As percent of total 2007 state GSP
	2006	2007	
Missouri	5,190	5,329	2.8
Montana	508	511	1.9
Nebraska	3,614	3,262	5.0
Nevada	1,409	1,472	1.4
New Hampshire	1,958	2,201	4.4
New Jersey	10,663	10,931	2.8
New Mexico	812	856	1.4
New York	29,001	32,438	3.4
North Carolina	5,653	5,676	1.7
North Dakota	563	628	2.8
Ohio	11,907	13,002	3.3
Oklahoma	2,217	2,346	2.3
Oregon	2,763	2,966	2.0
Pennsylvania	15,845	16,532	3.8
Rhode Island	1,594	1,728	4.5
South Carolina	2,805	2,987	2.4
South Dakota	611	651	2.2
Tennessee	4,304	4,712	2.3
Texas	19,291	19,520	2.2
Utah	1,595	1,882	2.2
Vermont	646	645	3.0
Virginia	5,091	5,493	1.7
Washington	4,946	5,243	2.0
West Virginia	842	899	2.0
Wisconsin	8,821	9,121	4.6
Wyoming	197	204	1.0
<b>United States</b>	<b>\$311,757</b>	<b>\$332,486</b>	<b>2.9%</b>

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## State Taxes

All insurance companies pay a state tax based on their premiums. Other payments are made to states for licenses and fees, income and property taxes, sales and use taxes, unemployment compensation taxes and franchise taxes.

### PREMIUM TAXES BY STATE, PROPERTY/CASUALTY AND LIFE/HEALTH INSURANCE, 2008

(\$000)

State	Amount	State	Amount
Alabama	\$293,955	Montana	\$65,419
Alaska	54,698	Nebraska	37,250
Arizona	470,297	Nevada	256,814
Arkansas	147,434	New Hampshire	85,820
California	2,172,936	New Jersey	542,920
Colorado	190,750	New Mexico	144,256

State	Amount	State	Amount
Connecticut	199,297	New York	1,137,058
Delaware	93,974	North Carolina	506,003
Florida	714,400	North Dakota	37,426
Georgia	348,218	Ohio	443,861
Hawaii	99,158	Oklahoma	146,982
Idaho	83,213	Oregon	50,034
Illinois	316,282	Pennsylvania	698,200
Indiana	188,794	Rhode Island	52,553
Iowa	111,647	South Carolina	125,696
Kansas	133,913	South Dakota	61,801
Kentucky	151,809	Tennessee	401,997
Louisiana	478,288	Texas	1,405,057
Maine	90,221	Utah	132,454
Maryland	414,233	Vermont	57,267
Massachusetts	396,196	Virginia	396,858
Michigan	223,198	Washington	415,028
Minnesota	347,045	West Virginia	114,156
Mississippi	193,872	Wisconsin	172,073
Missouri	283,960	Wyoming	26,040
		<b>United States</b>	<b>\$15,710,811</b>

Source: U.S. Department of Commerce, Bureau of the Census.

## Insurance Companies by State

### DOMESTIC INSURANCE COMPANIES BY STATE BY TYPE, 2008

State	Life/ health	Property/ casualty	Health (1)	Fraternal (2)	Title	Risk retention group	Other (3)
Alabama	10	22	5	1	1	1	4
Alaska	0	6	1	0	0	0	1
Arizona	169	46	17	0	0	22	93
Arkansas	31	12	9	0	2	0	11
California	17	123	2	6	11	0	23
Colorado	11	16	21	2	3	2	6
Connecticut	26	65	9	1	1	0	0
Delaware	33	86	12	2	0	6	31
D.C.	2	9	7	1	0	35	91
Florida	11	147	72	0	4	1	384
Georgia	16	39	15	0	0	2	38
Hawaii	3	18	4	0	0	16	149
Idaho	1	9	6	0	0	0	1
Illinois	60	192	25	21	0	1	80
Indiana	32	78	18	3	3	9	37
Iowa	28	60	10	1	0	2	109
Kansas	13	25	8	0	2	0	2
Kentucky	9	8	12	0	0	5	77
Louisiana	47	37	11	2	3	0	31

State	Life/ health	Property/ casualty	Health (1)	Fraternal (2)	Title	Risk retention group	Other (3)
Maine	2	19	5	0	0	0	0
Maryland	6	41	24	0	1	0	0
Massachusetts	18	55	16	2	3	0	0
Michigan	28	75	40	2	0	0	7
Minnesota	12	47	18	4	1	0	87
Mississippi	22	15	3	1	2	0	2
Missouri	30	52	24	1	2	0	96
Montana	3	5	2	0	1	11	40
Nebraska	29	31	3	1	4	1	31
Nevada	3	15	16	0	0	33	100
New Hampshire	3	35	6	1	0	0	0
New Jersey	3	81	20	4	2	0	0
New Mexico	3	9	8	0	0	0	2
New York	78	193	62	4	11	0	263
North Carolina	6	69	12	0	1	0	0
North Dakota	3	17	5	0	0	0	14
Ohio	41	136	23	10	9	0	42
Oklahoma	29	39	6	0	5	1	4
Oregon	4	13	20	0	3	0	4
Pennsylvania	35	190	36	23	4	0	0
Rhode Island	4	25	4	0	0	0	1
South Carolina	12	23	14	0	2	44	114
South Dakota	2	20	6	0	1	0	17
Tennessee	13	19	9	1	1	1	18
Texas	142	236	51	7	5	2	16
Utah	16	11	14	0	1	0	122
Vermont	2	14	4	0	0	81	480
Virginia	11	14	14	0	1	1	21
Washington	10	20	19	2	2	0	3
West Virginia	0	17	6	0	0	1	0
Wisconsin	22	181	45	8	0	0	126
Wyoming	0	2	2	0	1	0	0
<b>United States (4)</b>	<b>1,128</b>	<b>2,741</b>	<b>819</b>	<b>111</b>	<b>93</b>	<b>278</b>	<b>2,778</b>

(1) Blue Cross/Blue Shield, HMOs and hospital, medical and dental indemnity (HMDI) plans that provide stipulated payments to an insured person during hospital confinement for virtually all costs related to hospital stays; other medical expenses; and for dental services and supplies.

(2) Fraternal groups provide insurance plans for their members.

(3) Includes county mutuals, farm mutuals, auto services companies and specialty companies.

(4) Total also includes territories and possessions.

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## Catastrophes by State

In 2005, 24 catastrophes generated a record \$62.3 billion in insured property/casualty losses, according to ISO.

### STATES WITH THE HIGHEST CATASTROPHES LOSSES IN 2005

(\$000)

State	Losses
Louisiana	\$27,217,500
Mississippi	12,259,000
Florida	9,889,000
Texas	2,850,000
Alabama	1,457,000
<b>Total (5 states)</b>	<b>53,672,500</b>

Source: ISO.

### STATES WITH THE HIGHEST CATASTROPHES LOSSES IN 2006

(\$000)

State	Losses
Indiana	\$1,500,000
Missouri	878,000
Tennessee	873,000
Texas	688,000
Kansas	601,000
<b>Total (5 states)</b>	<b>4,540,000</b>

Source: ISO.

### STATES WITH HIGHEST INSURED CATASTROPHE LOSSES, 2007

(\$ millions)

State	Estimated insured loss (1)
California	\$1,427
Minnesota	747
Texas	677
Georgia	320
Illinois	272
Oklahoma	270
Kansas	262
Missouri	223
New York	202
Colorado	200
Alabama	200

(1) Does not include flood damage covered by the federally administered National Flood Insurance Program.  
 Note: Catastrophes are assigned serial numbers by the Property Claim Services unit (PCS) of ISO when the insured loss to the industry resulting from an occurrence reaches at least \$25 million and affects a significant number of policyholders and insurers.

Source: ISO's Property Claims Services unit (PCS).

### TOP TEN STATES BY HIGHEST INSURED CATASTROPHE LOSSES, 2008

(\$ millions)

Rank	State	Estimated insured loss
1	Texas	\$11,669.0
2	Louisiana	2,228.0
3	Minnesota	1,583.0
4	Ohio	1,459.0
5	Georgia	1,040.0
6	Arkansas	786.5
7	Indiana	785.0
8	Kentucky	743.0
9	Illinois	640.0
10	Kansas	638.0

Note: Catastrophes are assigned serial numbers by the Property Claim Services unit (PCS) of ISO when the insured loss to the industry resulting from an occurrence reaches at least \$25 million and affects a significant number of policyholders and insurers.

Source: ISO's Property Claims Services unit (PCS).

### TOP TEN STATES BY HIGHEST INSURED CATASTROPHE LOSSES, 2009

(\$ millions)

Rank	State	Estimated insured loss
1	Texas	\$2,458.0
2	Colorado	1,319.0
3	Georgia	821.9
4	Kentucky	776.9
5	Oklahoma	604.5

(1) As of February 2010.

Note: Catastrophes are assigned serial numbers by ISO's Property Claims Service unit (PCS) when the insured loss to the industry resulting from an occurrence reaches at least \$25 million and affects a significant number of policyholders and insurers.

Source: ISO's Property Claims Services unit (PCS).

### VALUE OF INSURED COASTAL PROPERTIES VULNERABLE TO HURRICANES BY STATE, 2007 (1)

(\$ billions)

State	Coastal	Total exposure (2)	Coastal as a percent of total
Florida	\$2,458.6	\$3,119.6	79%
New York	2,378.9	3,851.1	62
Texas	895.1	3,493.0	26
Massachusetts	772.8	1,426.4	54
New Jersey	635.5	1,875.2	34
Connecticut	479.9	750.4	64
Louisiana	224.4	638.4	35
South Carolina	191.9	698.2	28
Virginia	158.8	1,409.4	11

State	Coastal	Total exposure (2)	Coastal as a percent of total
Maine	146.9	250.0	59
North Carolina	132.8	1,431.8	9
Alabama	92.5	744.8	12
Georgia	85.6	1,573.3	5
Delaware	60.6	170.8	36
New Hampshire	55.7	237.4	23
Rhode Island	54.1	189.3	29
Mississippi	51.8	394.6	13
Maryland	14.9	1,078.4	1
<b>Total, above states</b>	<b>\$8,890.8</b>	<b>\$23,332.4</b>	<b>38%</b>
<b>Total U.S.</b>	<b>\$8,890.8</b>	<b>\$53,495.0</b>	<b>17%</b>

(1) Includes residential and commercial properties. Ranked by value of insured coastal property.

(2) Total exposure is an estimate of the actual total value of all property in the state that is insured or can be insured, including the full replacement value of structures and their contents and the time value of business interruption coverage.

Source: AIR Worldwide.

**INSURANCE PROVIDED BY FAIR PLANS BY STATE, 2008 (1)**

State	Number of		Exposure (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
California	159,380	9,582	\$43,690,861	\$69,522
Connecticut	3,817	208	710,897	4,231
Delaware	2,446	106	280,533	714
D.C.	635	150	175,326	681
Florida (2)	1,330,550	63,803	421,900,358	2,771,846
Georgia	23,322	1,991	4,018,181	18,409
Illinois	6,900	148	538,250	5,258
Indiana	2,543	79	170,529	1,482
Iowa	919	46	63,294	594
Kansas	10,127	214	470,552	4,757
Kentucky	10,365	713	107,144	6,413
Louisiana (2)	NA	NA	NA	279,970
Maryland	4,330	135	550,484	2,375
Massachusetts	230,890	769	81,538,212	305,546
Michigan	40,812	1,266	5,474,271	46,839
Minnesota	7,735	3	1,219,672	5,908
Mississippi (3)	12,785	(3)	749,194	8,468
Missouri	6,500	369	331,146	2,712
New Jersey	30,548	1,074	3,822,631	14,668
New Mexico	11,255	351	620,657	3,509
New York	57,542	5,776	13,706,101	34,558
Ohio	40,589	837	8,019,884	22,198
Oregon	3,314	139	243,299	1,271
Pennsylvania	29,732	2,031	1,808,558	10,121
Rhode Island	19,390	160	4,667,860	24,084
Texas (3)	106,561	(3)	14,060,851	64,488
Virginia	33,206	724	3,757,927	14,637
Washington	52	38	18,888	153
West Virginia	910	100	34,193	582
Wisconsin	3,034	64	NA	1,317
<b>Total</b>	<b>2,190,189</b>	<b>90,876</b>	<b>\$612,749,753</b>	<b>\$3,727,311</b>

(1) Does not include the FAIR Plans of Arkansas, Hawaii and North Carolina.

(2) Citizens Property Insurance Corporation, which combined the FAIR and Beach Plans.

(3) The Mississippi and Texas FAIR Plans do not offer a commercial policy.

NA=Data not available.

Source: Property Insurance Plans Service Office (PIPSO).

**INSURANCE PROVIDED BY BEACH AND WINDSTORM PLANS, 2008 (1)**

State	Number of		Exposure (2) (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
Alabama	10,280	210	\$1,820,725	\$24,294
Mississippi	42,140	1,910	6,253,054	77,886
South Carolina	44,841	1,824	17,033,649	96,671
Texas	220,456	18,482	58,585,060	327,785

State	Number of		Exposure (2) (\$000)	Direct written premiums (\$000)
	Habitational policies	Commercial policies		
<b>Total</b>	<b>307,437</b>	<b>22,426</b>	<b>\$83,692,488</b>	<b>\$526,636</b>

(1) Does not include the North Carolina Beach Plan; the Florida and Louisiana Beach Plans merged with their FAIR Plans.

(2) Exposure is the estimate of the aggregate value of all insurance in force in each state's Beach and Windstorm Plan in all lines (except liability, where applicable, and crime) for 12 months ending September through December.

Source: Property Insurance Plans Service Office (PIPSO).

### TORNADOES AND RELATED DEATHS BY STATE, 2008

State	Tornado	Fatalities
Alabama	119	6
Alaska	0	0
Arizona	2	0
Arkansas	94	21
California	5	0
Colorado	61	1
Connecticut	0	0
Delaware	0	0
D.C.	0	0
Florida	90	1
Georgia	113	5
Hawaii	0	0
Idaho	1	0
Illinois	89	0
Indiana	25	4
Iowa	164	13
Kansas	199	4
Kentucky	42	7
Louisiana	112	3
Maine	0	0
Maryland	7	0
Massachusetts	0	0
Michigan	23	0
Minnesota	58	1
Mississippi	169	0
Missouri	153	19
Montana	4	0
Nebraska	75	0
Nevada	2	0
New Hampshire	12	1
New Jersey	0	0
New Mexico	10	0
New York	2	0
North Carolina	77	3
North Dakota	36	0
Ohio	16	0
Oklahoma	41	6
Oregon	0	0

State	Tornado	Fatalities
Pennsylvania	5	0
Rhode Island	1	0
South Carolina	57	0
South Dakota	28	0
Tennessee	69	31
Texas	98	0
Utah	0	0
Vermont	0	0
Virginia	53	0
Washington	7	0
West Virginia	2	0
Wisconsin	47	0
Wyoming	24	0
<b>United States</b>	<b>2,192 (1)</b>	<b>126</b>

(1) Includes tornadoes that track from a touchdown state into another state.

Source: U.S. Department of Commerce, Storm Prediction Center, National Weather Service.

### TOP TEN STATES FOR WILDFIRES RANKED BY NUMBER OF FIRES, 2008

Rank	State	Number of fires	Number of acres burned
1	Texas	16,713	1,570,586
2	California	5,812	1,339,839
3	Oklahoma	5,572	196,563
4	Georgia	5,454	23,081
5	North Carolina	4,414	95,938
6	Alabama	3,103	32,447
7	Florida	2,939	156,102
8	South Carolina	2,626	15,751
9	Mississippi	1,898	27,399
10	Arizona	1,850	85,496

Source: National Interagency Coordination Center.

### TOP TEN STATES FOR WILDFIRES RANKED BY ACRES BURNED, 2008

Rank	State	Number of fires	Number of acres burned
1	Texas	16,713	1,570,586
2	California	5,812	1,339,839
3	New Mexico	1,207	487,652
4	Oklahoma	5,572	196,563
5	Montana	1,424	166,842
6	Florida	2,939	156,102
7	Washington	1,303	147,264
8	Colorado	1,133	141,966
9	Oregon	1,766	136,572
10	Idaho	997	116,796

Source: National Interagency Coordination Center.

## TOP 15 MOST COSTLY HURRICANES IN THE UNITED STATES

(\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss (1)	
				Dollars when occurred	In 2008 dollars (2)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Katrina	\$41,100	\$45,310
2	Aug. 24-26, 1992	FL, LA	Andrew	15,500	23,786
3	Sep. 12-14, 2008	AR, IL, IN, KY, LA, MO, OH, PA, TX	Ike	12,500	12,500
4	Oct. 24, 2005	FL	Wilma	10,300	11,355
5	Aug. 13-14, 2004	FL, NC, SC	Charley	7,475	8,520
6	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Ivan	7,110	8,104
7	Sep. 17-22, 1989	GA, NC, PR, SC, VA, U.S. Virgin Islands	Hugo	4,195	7,284
8	Sep. 20-26, 2005	AL, AR, FL, LA, MS, TN, TX	Rita	5,627	6,204
9	Sep. 3-9, 2004	FL, GA, NC, NY, SC	Frances	4,595	5,237
10	Sep. 15-29, 2004	DE, FL, GA, MD, NJ, NY, NC, PA, PR, SC, VA	Jeanne	3,655	4,166
11	Sept. 21-28, 1998	AL, FL, LA, MS, PR, U.S. Virgin Islands	Georges	2,955	3,903
12	Oct. 4, 1995	FL, AL, GA, NC, SC, TN	Opal	2,100	2,967
13	Sep. 14-17, 1999	NC, NJ, VA, FL, SC, PA, 10 other states	Floyd	1,960	2,533
14	Sep. 11, 1992	Kauai and Oahu, HI	Iniki	1,600	2,455
15	Sep. 5, 1996	NC, SC, VA, MD, WV, PA, OH	Fran	1,600	2,196

(1) Property coverage only. Does not include flood damage covered by the federally administered National Flood Insurance Program. As of September 2009.

(2) Adjusted to 2008 dollars by ISO (top ten) and Insurance Information Institute.

(3) Estimated.

Source: ISO's Property Claim Services unit (PCS); Insurance Information Institute.

## Captives by State

Over the years, a number of alternatives to traditional commercial insurance have emerged to respond to fluctuations in the marketplace. Captives—a special type of insurer set up by a company to insure its own risks—first emerged in the 1980s. With 557 licensed captives, Vermont was the largest U.S. captive domicile in 2008, based on data in an annual survey of the world's largest captive domiciles conducted by Business Insurance magazine. On a worldwide basis, the United States was the largest captive domicile in the survey with 1,553 captives, topping Bermuda, which was in second place with 960.

According to Business Insurance, there are 25 captive domiciles in the U.S., including 22 states and 3 territories. The survey provides data on captives in 21 states and the District of Columbia (see chart below).

### CAPTIVES BY STATE, 2007-2008

Rank	State	2007	2008
1	Vermont	567	557
2	Hawaii	163	165
3	South Carolina	158	163
4	Nevada	108	123

Rank	State	2007	2008
5	Utah	92	122
6	Arizona	94	106
7	D.C.	77	90
8	Kentucky	31	67
9	New York	44	50
10	Delaware	18	40
11	Montana	30	35
12	Georgia	14	14
13	Colorado	6	6
14	Alabama	2	3
15	Missouri	2	3
16	Tennessee	3	3
17	Arkansas	1	1
18	Illinois	2	1
19	Kansas	1	1
20	Michigan	0	1
21	Oklahoma	1	1
22	South Dakota	1	1
	<b>United States</b>	<b>1,415</b>	<b>1,553</b>

Source: Business Insurance, March 9, 2009.

## Incurred Losses by State

### INCURRED LOSSES BY STATE, PROPERTY/CASUALTY INSURANCE, 2008 (1)

(\$000)

State	Incurred losses
Alabama	\$4,256,138.3
Alaska	563,111.2
Arizona	4,903,927.8
Arkansas	3,270,757.3
California	32,798,754.2
Colorado	4,483,896.5
Connecticut	3,453,449.3
Delaware	3,346,888.3
D.C.	1,078,995.7
Florida	19,126,713.0
Georgia	9,631,708.0
Hawaii	771,836.1
Idaho	1,100,829.0
Illinois	13,672,529.2
Indiana	6,289,081.1
Iowa	4,199,609.5
Kansas	3,386,853.1
Kentucky	3,917,405.0
Louisiana	7,111,547.2
Maine	1,014,123.1

State	Incurred losses
Maryland	5,165,295.7
Massachusetts	6,183,006.5
Michigan	10,717,788.3
Minnesota	7,232,504.9
Mississippi	2,667,849.1
Missouri	5,880,390.4
Montana	1,044,438.7
Nebraska	2,622,662.5
Nevada	2,870,813.2
New Hampshire	1,191,882.8
New Jersey	10,230,453.9
New Mexico	1,475,003.7
New York	34,157,316.3
North Carolina	6,659,498.7
North Dakota	1,467,316.3
Ohio	8,287,902.9
Oklahoma	4,219,349.0
Oregon	3,310,198.6
Pennsylvania	12,294,691.9
Rhode Island	868,300.5
South Carolina	3,496,420.4
South Dakota	1,105,657.3
Tennessee	5,425,392.3
Texas	32,126,997.2
Utah	1,859,115.2
Vermont	652,587.0
Virginia	5,925,206.8
Washington	4,969,047.0
West Virginia	1,558,310.1
Wisconsin	5,069,595.5
Wyoming	487,911.8
<b>United States</b>	<b>\$327,255,993.8</b>

(1) Losses occurring within a fixed period whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

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### INCURRED LOSSES BY STATE, PRIVATE PASSENGER AUTOMOBILE INSURANCE, 2008 (1)

(\$000)

State	Total incurred losses
Alabama	\$1,329,323.9
Alaska	236,438.8
Arizona	2,114,929.0
Arkansas	961,419.2
California	11,549,981.8
Colorado	1,598,189.9

State	Total incurred losses
Connecticut	1,391,320.1
Delaware	423,992.1
D.C.	157,106.9
Florida	8,263,882.3
Georgia	3,250,696.8
Hawaii	311,513.7
Idaho	371,988.2
Illinois	3,726,033.9
Indiana	1,809,878.8
Iowa	789,188.9
Kansas	923,893.4
Kentucky	1,379,073.5
Louisiana	2,043,816.8
Maine	327,392.7
Maryland	2,299,342.7
Massachusetts	2,232,769.9
Michigan	4,940,334.9
Minnesota	1,713,033.3
Mississippi	853,222.7
Missouri	1,814,977.9
Montana	338,214.8
Nebraska	562,562.2
Nevada	1,101,134.4
New Hampshire	375,793.1
New Jersey	4,050,713.1
New Mexico	608,059.4
New York	6,230,474.1
North Carolina	2,773,550.1
North Dakota	174,986.6
Ohio	2,972,480.7
Oklahoma	1,300,380.7
Oregon	1,235,150.7
Pennsylvania	4,280,060.0
Rhode Island	394,884.6
South Carolina	1,513,215.1
South Dakota	221,322.3
Tennessee	1,703,403.4
Texas	8,386,732.9
Utah	797,211.6
Vermont	168,312.4
Virginia	2,433,371.3
Washington	2,298,970.7
West Virginia	648,498.4
Wisconsin	1,425,596.4
Wyoming	189,258.4
<b>United States</b>	<b>\$104,670,065.4</b>

(1) Losses occurring within a fixed period whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

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### INCURRED LOSSES BY STATE, HOMEOWNERS INSURANCE, 2008 (1)

(\$000)

State	Incurred losses
Alabama	\$749,366.5
Alaska	62,199.4
Arizona	560,414.1
Arkansas	842,132.0
California	3,493,883.0
Colorado	704,585.8
Connecticut	394,204.4
Delaware	72,481.2
D.C.	48,177.7
Florida	2,157,748.3
Georgia	2,096,827.3
Hawaii	44,949.5
Idaho	157,425.5
Illinois	1,895,627.2
Indiana	1,253,204.9
Iowa	451,143.6
Kansas	617,822.9
Kentucky	826,860.0
Louisiana	1,994,287.2
Maine	190,923.1
Maryland	599,152.9
Massachusetts	612,035.2
Michigan	1,530,097.0
Minnesota	1,959,807.5
Mississippi	496,489.2
Missouri	1,040,799.6
Montana	108,436.8
Nebraska	523,163.1
Nevada	209,062.8
New Hampshire	237,963.7
New Jersey	870,690.4
New Mexico	197,704.8
New York	1,603,434.4
North Carolina	901,533.7
North Dakota	84,218.1
Ohio	1,956,342.7
Oklahoma	1,186,492.8
Oregon	334,916.2
Pennsylvania	1,158,803.9
Rhode Island	100,377.0
South Carolina	539,438.8

State	Incurred losses
South Dakota	96,850.7
Tennessee	974,198.9
Texas	6,631,234.1
Utah	194,048.1
Vermont	77,053.3
Virginia	740,255.4
Washington	656,559.5
West Virginia	172,057.5
Wisconsin	718,941.5
Wyoming	87,534.8
<b>United States</b>	<b>\$45,509,490.1</b>

(1) Losses occurring within a fixed period whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

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### INCURRED LOSSES BY STATE, COMMERCIAL MULTIPLE PERIL, 2008 (1)

(\$000)

State	Liability	Nonliability	Total incurred losses
Alabama	\$66,429	\$169,532	\$235,960
Alaska	12,572	26,594	39,166
Arizona	80,560	169,741	250,301
Arkansas	32,463	304,816	337,279
California	747,133	1,083,589	1,830,722
Colorado	113,085	220,310	333,395
Connecticut	116,996	129,265	246,261
Delaware	18,415	397,407	415,822
D.C.	16,532	29,787	46,319
Florida	281,750	300,092	581,842
Georgia	132,279	502,007	634,287
Hawaii	-5,114	10,195	5,081
Idaho	32,048	78,043	110,091
Illinois	281,228	566,730	847,958
Indiana	147,346	359,786	507,132
Iowa	47,777	268,884	316,660
Kansas	33,576	231,713	265,289
Kentucky	72,953	288,521	361,474
Louisiana	45,509	486,048	531,557
Maine	25,270	90,042	115,312
Maryland	79,402	147,712	227,113
Massachusetts	86,135	211,972	298,107
Michigan	136,739	421,576	558,315
Minnesota	96,044	453,761	549,805
Mississippi	26,758	112,783	139,541
Missouri	88,729	245,812	334,542
Montana	30,068	40,131	70,198

State	Liability	Nonliability	Total incurred losses
Nebraska	26,098	180,044	206,142
Nevada	77,445	79,766	157,211
New Hampshire	45,354	75,480	120,834
New Jersey	253,630	231,896	485,526
New Mexico	48,176	52,727	100,903
New York	673,269	637,973	1,311,242
North Carolina	104,565	215,155	319,720
North Dakota	11,255	39,402	50,657
Ohio	144,520	594,467	738,987
Oklahoma	39,741	202,065	241,806
Oregon	120,981	131,274	252,255
Pennsylvania	350,229	435,412	785,641
Rhode Island	20,590	14,533	35,122
South Carolina	82,226	145,545	227,772
South Dakota	8,055	52,284	60,339
Tennessee	75,661	394,758	470,419
Texas	268,183	2,427,014	2,695,198
Utah	41,154	31,664	72,818
Vermont	17,551	93,787	111,338
Virginia	69,536	195,474	265,011
Washington	120,036	221,925	341,960
West Virginia	29,581	38,669	68,250
Wisconsin	68,205	253,505	321,710
Wyoming	13,046	52,060	65,106
<b>United States</b>	<b>\$5,535,459</b>	<b>\$14,179,790</b>	<b>\$19,715,248</b>

(1) Losses occurring within a fixed period whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

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### INCURRED LOSSES BY STATE, WORKERS COMPENSATION, 2008 (1)

(\$000)

State	Incurred losses
Alabama	\$220,068.4
Alaska	101,897.2
Arizona	250,087.2
Arkansas	136,578.0
California	3,225,802.8
Colorado	223,746.8
Connecticut	496,336.8
Delaware	142,054.0
D.C.	53,784.8
Florida	1,066,478.9
Georgia	889,380.7
Hawaii	102,676.7
Idaho	93,334.6



State	Incurred losses
Illinois	2,006,424.0
Indiana	468,298.8
Iowa	421,343.4
Kansas	270,480.2
Kentucky	370,376.7
Louisiana	451,928.3
Maine	139,271.1
Maryland	453,304.7
Massachusetts	593,394.6
Michigan	630,960.4
Minnesota	550,916.3
Mississippi	201,592.6
Missouri	556,887.6
Montana	79,066.8
Nebraska	208,203.8
Nevada	181,098.8
New Hampshire	162,871.3
New Jersey	1,271,944.3
New Mexico	186,659.7
New York	1,585,962.2
North Carolina	940,496.3
North Dakota	620.8
Ohio	27,522.5
Oklahoma	356,115.3
Oregon	594,800.0
Pennsylvania	1,425,726.5
Rhode Island	100,789.7
South Carolina	428,876.4
South Dakota	99,413.9
Tennessee	579,866.5
Texas	1,214,499.6
Utah	262,724.0
Vermont	113,982.4
Virginia	618,085.9
Washington	34,534.9
West Virginia	269,427.4
Wisconsin	1,074,703.6
Wyoming	3,118.7
<b>United States</b>	<b>\$26,000,876.1</b>

(1) Losses occurring within a fixed period whether or not adjusted or paid during the same period, on a direct basis before reinsurance.

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**LIFE INSURANCE CLAIMS AND BENEFITS PAID BY STATE, 2008 (1)**

(\$000)

State	Claims and benefits paid
Alabama	\$4,685,966.1
Alaska	592,871.2
Arizona	7,518,749.3
Arkansas	2,444,863.9
California	44,003,122.9
Colorado	6,962,668.1
Connecticut	14,190,462.1
Delaware	6,804,403.0
D.C.	1,596,564.9
Florida	27,685,112.8
Georgia	9,574,417.3
Hawaii	1,984,342.9
Idaho	1,723,244.7
Illinois	18,084,007.2
Indiana	7,915,549.3
Iowa	8,130,131.5
Kansas	3,755,639.7
Kentucky	3,824,273.1
Louisiana	5,200,188.6
Maine	1,540,754.7
Maryland	9,941,309.8
Massachusetts	13,592,842.2
Michigan	14,762,894.4
Minnesota	8,504,629.0
Mississippi	2,337,287.2
Missouri	7,705,405.3
Montana	932,608.3
Nebraska	2,620,122.5
Nevada	2,868,969.4
New Hampshire	2,009,651.1
New Jersey	18,881,453.5
New Mexico	2,274,043.8
New York	34,670,958.2
North Carolina	11,903,555.2
North Dakota	812,537.8
Ohio	16,200,743.4
Oklahoma	3,602,701.2
Oregon	4,707,871.1
Pennsylvania	19,662,081.0
Rhode Island	1,696,419.6
South Carolina	4,981,885.0
South Dakota	1,019,473.3
Tennessee	7,515,416.3
Texas	23,394,661.8

State	Claims and benefits paid
Utah	2,938,432.9
Vermont	947,233.9
Virginia	9,041,667.9
Washington	7,762,387.5
West Virginia	1,892,163.7
Wisconsin	7,887,076.3
Wyoming	554,531.8
<b>United States</b>	<b>\$425,840,347.6</b>

(1) On a direct basis before reinsurance. Includes life insurance, death benefits, matured endowments, annuity benefits, and other life insurance benefits. Does not include accident and health.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

## Insured Cars by State

All states and the District of Columbia use special systems to guarantee that auto insurance is available to those who cannot obtain it in the private market. Each type of system is commonly known as an assigned risk plan, although the term technically applies to only one type of plan. The assigned risk and other plans are known in the insurance industry as the shared, or residual, market. Policyholders in assigned risk plans are, as the name suggests, assigned to various insurance companies doing business in the state. Hence the term voluntary (regular) market, where auto insurers are free to select policyholders rather than have them assigned. The chart below shows the number of vehicles insured by state, including those in the voluntary and residual markets.

### PRIVATE PASSENGER CARS INSURED IN SHARED MARKETS AND VOLUNTARY MARKETS, 2007

State	Voluntary	Shared market	Total	Shared market as a percent of total
Alabama	3,263,498	10	3,263,508	(1)
Alaska	424,290	252	424,542	0.059%
Arizona	4,063,514	49	4,063,563	0.001
Arkansas	2,028,273	1	2,028,274	(1)
California	24,187,996	11,915	24,199,911	0.049
Colorado	3,588,408	3	3,588,411	(1)
Connecticut	2,421,935	958	2,422,893	0.040
Delaware	605,226	84	605,310	0.014
D.C.	223,379	943	224,322	0.420
Florida	11,250,398	21	11,250,419	(1)
Georgia	6,694,814	2	6,694,816	(1)
Hawaii	786,973	5,003	791,976	0.632
Idaho	1,187,889	51	1,187,940	0.004
Illinois	7,780,889	1,853	7,782,742	0.024
Indiana	4,370,136	5	4,370,141	(1)
Iowa	2,383,327	13	2,383,340	0.001
Kansas	2,324,407	1,477	2,325,884	0.064
Kentucky	2,970,884	281	2,971,165	0.009
Louisiana	2,787,136	38	2,787,174	0.001

State	Voluntary	Shared market	Total	Shared market as a percent of total
Maine	1,022,473	58	1,022,531	0.006
Maryland	3,770,632	76,658	3,847,290	1.993
Massachusetts	3,999,112	177,402	4,176,514	4.248
Michigan	6,217,059	1,766	6,218,825	0.028
Minnesota	3,703,118	4	3,703,122	(1)
Mississippi	1,998,203	78	1,998,281	0.004
Missouri	4,151,162	85	4,151,247	0.002
Montana	772,037	265	772,302	0.034
Nebraska	1,492,287	8	1,492,295	0.001
Nevada	1,754,997	29	1,755,026	0.002
New Hampshire	891,794	835	892,629	0.094
New Jersey	5,244,074	26,902	5,270,976	0.510
New Mexico	1,415,853	56	1,415,909	0.004
New York	9,154,980	112,518	9,267,498	1.214
North Carolina	5,470,099	1,506,510	6,976,609	21.594
North Dakota	580,287	3	580,290	0.001
Ohio	8,009,267	0	8,009,267	(1)
Oklahoma	2,713,011	87	2,713,098	0.003
Oregon	2,690,660	21	2,690,681	0.001
Pennsylvania	8,453,793	26,103	8,479,896	0.308
Rhode Island	657,417	17,203	674,620	2.550
South Carolina	3,233,090	1	3,233,091	(1)
South Dakota	664,233	0	664,233	(1)
Tennessee	4,149,908	38	4,149,946	0.001
Texas	NA	NA	NA	NA
Utah	1,764,823	-1 (2)	1,764,822	(1)
Vermont	473,219	754	473,973	0.159
Virginia	5,961,143	2,238	5,963,381	0.038
Washington	4,429,429	2	4,429,431	(1)
West Virginia	1,289,984	90	1,290,074	0.007
Wisconsin	3,664,374	1	3,664,375	(1)
Wyoming	490,907	0	490,907	(1)
<b>United States</b>	<b>183,626,797</b>	<b>1,972,673</b>	<b>185,599,470</b>	<b>1.063%</b>

(1) Less than 0.001 percent.

(2) Negative numbers represent vehicles owned by drivers who were rejected or cancelled.

NA=Data not available.

Source: Automobile Insurance Plans Service Office.

## Insured Homes by State

The chart below shows the number of owned housing units by state. A 2006 Insurance Research Council poll found that 96 percent homeowners had homeowners insurance while 43 percent of renters had renters insurance.

**OWNER OCCUPIED HOUSING BY STATE, 2006**

(000)

State	Owner occupied housing by state
Alabama	1,289
Alaska	148
Arizona	1,523
Arkansas	753
California	7,102
Colorado	1,269
Connecticut	921
Delaware	238
D.C.	115
Florida	4,994
Georgia	2,285
Hawaii	258
Idaho	391
Illinois	3,301
Indiana	1,756
Iowa	886
Kansas	761
Kentucky	1,167
Louisiana	1,072
Maine	399
Maryland	1,450
Massachusetts	1,588
Michigan	2,908
Minnesota	1,558
Mississippi	760
Missouri	1,629
Montana	260
Nebraska	476
Nevada	581
New Hampshire	364
New Jersey	2,110
New Mexico	506
New York	3,941
North Carolina	2,351
North Dakota	182
Ohio	3,150
Oklahoma	950
Oregon	939
Pennsylvania	3,475
Rhode Island	255
South Carolina	1,165
South Dakota	216
Tennessee	1,660
Texas	5,291

State	Owner occupied housing by state
Utah	586
Vermont	182
Virginia	2,030
Washington	1,620
West Virginia	555
Wisconsin	1,571
Wyoming	144
<b>United States</b>	<b>75,086</b>

Source: U.S. Census.

## Businesses by State

Nearly 98 percent of businesses either purchase business insurance or self-insure, according to a poll by the National Federation of Independent Businesses.

### TOTAL FIRMS BY STATE, 2006 (1)

State	Firms by employment size of enterprise			
	Total	Less than 20 workers	Less than 100 workers	Less than 500 workers
Alabama	80,656	15.1%	5.2%	2.8%
Alaska	16,713	12.0	5.0	3.2
Arizona	110,401	14.8	5.2	2.6
Arkansas	53,491	13.9	5.2	3.0
California	723,880	11.9	2.6	0.8
Colorado	129,861	11.8	4.2	2.2
Connecticut	77,637	14.6	5.0	2.6
Delaware	21,140	18.9	9.7	6.5
D.C.	17,069	24.6	12.2	6.9
Florida	430,429	9.2	2.6	1.0
Georgia	181,300	13.3	4.4	2.1
Hawaii	26,723	15.4	5.7	3.1
Idaho	39,664	12.2	4.4	2.7
Illinois	262,870	13.4	4.0	1.6
Indiana	118,159	15.2	5.0	2.4
Iowa	65,829	14.3	4.9	2.6
Kansas	61,902	15.1	5.6	3.1
Kentucky	72,992	15.7	5.6	3.0
Louisiana	81,421	15.0	4.9	2.5
Maine	35,687	12.1	4.5	2.6
Maryland	115,149	14.5	4.7	2.3
Massachusetts	144,873	13.7	4.4	2.0
Michigan	190,411	13.1	3.7	1.6
Minnesota	124,237	13.9	4.2	2.0
Mississippi	48,011	14.7	5.6	3.3
Missouri	124,120	14.0	4.5	2.2
Montana	32,251	10.5	3.6	2.2
Nebraska	42,649	14.4	5.4	3.2

State	Firms by employment size of enterprise			
	Total	Less than 20 workers	Less than 100 workers	Less than 500 workers
Nevada	50,657	16.9	7.4	4.1
New Hampshire	33,228	15.3	5.7	3.4
New Jersey	208,465	11.7	3.4	1.5
New Mexico	37,871	15.8	6.2	3.8
New York	444,728	10.3	2.6	0.9
North Carolina	176,815	13.3	4.1	1.9
North Dakota	17,872	15.2	6.0	3.5
Ohio	207,768	14.9	4.2	1.8
Oklahoma	72,863	13.6	4.7	2.6
Oregon	92,695	12.7	4.2	2.2
Pennsylvania	240,636	13.9	3.9	1.6
Rhode Island	26,691	14.7	5.7	3.5
South Carolina	83,945	14.2	4.9	2.7
South Dakota	21,925	14.0	5.5	3.2
Tennessee	103,559	15.7	5.5	2.9
Texas	391,527	13.2	3.5	1.3
Utah	58,463	13.6	5.1	3.0
Vermont	19,558	13.1	5.0	3.2
Virginia	156,240	13.9	4.4	2.1
Washington	150,604	12.1	3.8	1.8
West Virginia	32,334	14.9	5.9	3.6
Wisconsin	117,917	15.0	4.4	2.0
Wyoming	17,749	12.9	5.4	3.4
<b>United States</b>	<b>6,022,127</b>	<b>10.7%</b>	<b>1.8%</b>	<b>0.3%</b>

(1) These percentages are not designed to add to 100%, since "100" is a subset of "20", and "500" is a subset of the other two categories.

Source: U.S. Department of Commerce.

## HOME-BASED BUSINESSES

Of the 7.6 million self-employed persons who worked at home in 2004, nearly two-thirds, or about 4.9 million had a home-based business, according to the latest data available from the Bureau of Labor Statistics.

### SELF-EMPLOYED PERSONS WITH HOME BUSINESSES, BY STATE, 2004

(000)

State	Number of home-based business
Alabama	49
Alaska	17
Arizona	112
Arkansas	41
California	660
Colorado	106
Connecticut	50
Delaware	9

State	Number of home-based business
D.C.	14
Florida	326
Georgia	71
Hawaii	16
Idaho	34
Illinois	273
Indiana	90
Iowa	50
Kansas	44
Kentucky	47
Louisiana	53
Maine	33
Maryland	87
Massachusetts	136
Michigan	183
Minnesota	126
Mississippi	29
Missouri	89
Montana	40
Nebraska	27
Nevada	27
New Hampshire	27
New Jersey	162
New Mexico	49
New York	339
North Carolina	98
North Dakota	6
Ohio	154
Oklahoma	34
Oregon	100
Pennsylvania	171
Rhode Island	15
South Carolina	57
South Dakota	13
Tennessee	62
Texas	314
Utah	59
Vermont	17
Virginia	110
Washington	129
West Virginia	14
Wisconsin	96
Wyoming	11
<b>United States</b>	<b>4,878</b>

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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**The Actuarial Foundation** • 475 N. Martingale Rd., Suite 600, Schaumburg, IL 60173-2226. Tel. 847-706-3535. Fax. 847-706-3599. [www.actuarialfoundation.org](http://www.actuarialfoundation.org) — Develops, funds and executes education and research programs that serve the public by harnessing the talents of actuaries

**Advocates for Highway and Auto Safety** • 750 First St., NE, Suite 901, Washington, DC 20002. Tel. 202-408-1711. Fax. 202-408-1699. [www.saferoads.org](http://www.saferoads.org) — An alliance of consumer, safety and insurance organizations dedicated to highway and auto safety

**AIR Worldwide Corporation** • 131 Dartmouth St., Boston, MA 02116. Tel. 617-267-6645. Fax. 617-267-8284. [www.air-worldwide.com](http://www.air-worldwide.com) — Risk modeling and technology firm that develops models of global natural hazards, enabling companies to identify, quantify and plan for the financial consequences of catastrophic events

**A.M. Best Company, Inc.** • Ambest Rd., Oldwick, NJ 08858. Tel. 908-439-2200. [www.ambest.com](http://www.ambest.com) — Rating organization and publisher of reference books and periodicals relating to the insurance industry

**America's Health Insurance Plans** • 601 Pennsylvania Ave., NW, South Building, Suite 500, Washington, DC 20004. Tel. 202-778-3200. Fax. 202-331-7487. [www.ahip.org](http://www.ahip.org) — National trade association representing health insurance plans providing medical, long-term care, disability income, dental supplemental, stop-gap and reinsurance coverage

**American Academy of Actuaries** • 1100 17th St., NW, 7th Fl., Washington, DC 20036. Tel. 202-223-8196. Fax. 202-872-1948. [www.actuary.org](http://www.actuary.org) — Professional association for actuaries. Issues standards of conduct and provides government liaison and advisory opinions

**American Association of Crop Insurers** • 1 Massachusetts Ave., NW, Suite 800, Washington, DC 20001-1401. Tel. 202-789-4100. Fax. 202-408-7763. [www.cropinsurers.com](http://www.cropinsurers.com) — Trade association of insurance companies to promote crop insurance

**American Association of Insurance Services** • 1745 S. Naperville Rd., Wheaton, IL 60187-8132. Tel. 630-681-8347. Fax. 630-681-8356. [www.aaisonline.com](http://www.aaisonline.com) — Rating, statistical and advisory organization, made up principally of small and medium-sized property/casualty companies

**American Association of Managing General Agents** • 150 South Warner Rd., Suite 156, King of Prussia, PA 19406. Tel. 610-225-1999. Fax. 610-225-1996. [www.aamga.org](http://www.aamga.org) — Membership association of managing general agents of insurers

**American Bankers Insurance Association** • 1120 Connecticut Ave., NW, Washington, DC 20036. Tel. 202-663-5163. Fax. 202-828-4546. [www.theabia.com](http://www.theabia.com) — A separately chartered affiliate of the American Bankers Association. A full service association for bank insurance interests dedicated to furthering the policy and business objectives of banks in insurance

**The American College** • 270 S. Bryn Mawr Ave., Bryn Mawr, PA 19010. Tel. 610-526-1000. Fax. 610-526-1465. [www.theamericancollege.edu](http://www.theamericancollege.edu) — An independent, accredited nonprofit institution, originally The American College of Life Underwriters. Provides graduate and professional education in insurance and other financial services

**American Council of Life Insurers** • 101 Constitution Ave., NW, Suite 700, Washington, DC 20001- 2133. Tel. 202-624-2000. [www.acli.com](http://www.acli.com) — Trade association responsible for the public affairs, government, legislative and research aspects of the life insurance business

**American Institute for Chartered Property Casualty Underwriters** • 720 Providence Rd., PO Box 3016, Malvern, PA 19355-0716. Tel. 800-644-2101. Fax. 610-640-9576. [www.aicpcu.org](http://www.aicpcu.org) — An independent, nonprofit educational organization that confers the Chartered Property Casualty Underwriter (CPCU) professional designation on those individuals who meet its education, experience and ethics requirements

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**American Land Title Association** • 1828 L St., NW, Suite 705, Washington, DC 20036-5104. Tel. 202-296-3671. Fax. 202-223-5843. [www.alta.org](http://www.alta.org) — Trade organization for title insurers, abstractors and agents. Performs statistical research and lobbying services

**American Nuclear Insurers** • 95 Glastonbury Blvd., Suite 300, Glastonbury, CT 06033. Tel. 860-682-1301. Fax. 860-659-0002. [www.amnucins.com](http://www.amnucins.com) — A nonprofit unincorporated association through which liability insurance protection is provided against hazards arising out of nuclear reactor installations and their operations

**American Prepaid Legal Services Institute** • 321 N. Clark St., 19th Fl., Chicago, IL 60654. Tel. 312-988-5751. Fax. 312-988-5483. [www.aplsi.org](http://www.aplsi.org) — National membership organization providing information and technical assistance to lawyers, insurance companies, administrators, marketers and consumers regarding group and prepaid legal service plans

**American Tort Reform Association** • 1101 Connecticut Ave., NW, Suite 400 Washington, DC 20036. Tel. 202-682-1163. Fax. 202-682-1022. [www.atra.org](http://www.atra.org) — A broad based, bipartisan coalition of more than 300 businesses, corporations, municipalities, associations, and professional firms that support civil justice reform

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**\*Arbitration Forums, Inc.** • 3350 Buschwood Park Dr., Bldg. 3, Suite 295, Tampa, FL 33618-1500. Tel. 888-272-3453. Fax. 813-931-4618. [www.arbfile.org](http://www.arbfile.org) — Nonprofit provider of interinsurance dispute resolution services for self-insureds, insurers and claim service organizations

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**Automobile Insurance Plans Service Office** • 302 Central Ave., Johnston, RI 02919. Tel. 401-946-2310. Fax. 401-528-1350. [www.aipso.com](http://www.aipso.com) — Develops and files rates and provides other services for statemandated automobile insurance plans

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**\*Casualty Actuarial Society** • 4350 N. Fairfax Dr., Suite 250, Arlington, VA 22203. Tel. 703-276-3100. Fax. 703-276-3108. [www.casact.org](http://www.casact.org) — Promotes actuarial and statistical science in property/casualty insurance fields

**Certified Automotive Parts Association** • 1518 K St., NW, Suite 306, Washington, DC 20005. Tel. 202-737-2212. Fax. 202-737-2214. [www.capacertified.org](http://www.capacertified.org) — Nonprofit organization formed to develop and oversee a test program guaranteeing the suitability and quality of automotive parts

**Coalition Against Insurance Fraud** • 1012 14th St., NW, Suite 200, Washington, DC 20005. Tel. 202-318-9189. Fax. 202-393-7329. [www.insurancefraud.org](http://www.insurancefraud.org) — An alliance of consumer, law enforcement and insurance industry groups dedicated to reducing all forms of insurance fraud through public advocacy and education

**The Committee of Annuity Insurers** • c/o Davis & Harman LLP, 1455 Pennsylvania Ave., NW, Suite 1200, Washington, DC 20004. Tel. 202-347-2230. Fax. 202-393-3310. [www.annuity-insurers.org](http://www.annuity-insurers.org) — Group whose goal is to address federal legislative and regulatory issues relevant to the annuity industry and to participate in the development of federal tax and securities policies regarding annuities

**Conning Research and Consulting, Inc.** • One Financial Plaza, Hartford, CT 06103-2627. Tel. 860-299-2000. [www.conningresearch.com](http://www.conningresearch.com) — Research and consulting firm that offers a

growing array of specialty information products, insights and analyses of key issues confronting the insurance industry

**Council of Insurance Agents and Brokers** • 701 Pennsylvania Ave., NW, Suite 750, Washington, DC 20004-2608. Tel. 202-783-4400. Fax. 202-783-4410. [www.ciab.com](http://www.ciab.com) — A trade organization representing leading commercial insurance agencies and brokerage firms

**CPCU (Chartered Property Casualty Underwriters) Society** • 720 Providence Rd., PO Box 3009, Malvern, PA 19355-0709. Tel. 800-932-2728. Fax. 610-251-2780. [www.cpcusociety.org](http://www.cpcusociety.org) — Professional society established to foster the higher education of those engaged in insurance and risk management; encourages and conducts research

**Crop Insurance Research Bureau, Inc.** • 201 Massachusetts Ave., NE, Suite C5, Washington, DC 20002. Tel. 202-544-0067. Fax. 202-330-5255. [www.cropinsurance.org](http://www.cropinsurance.org) — Crop insurance trade organization

**Defense Research Institute** • 55 W. Monroe St., Suite 2000, Chicago, IL 60603-5001. Tel. 312-795-1101. Fax. 312-795-0749. [www.dri.org](http://www.dri.org) — A national and international membership association of lawyers and others concerned with the defense of civil actions

**Employee Benefit Research Institute** • 1100 13th St., NW, Suite 878, Washington, DC 20005-4501. Tel. 202-659-0670. Fax. 202-775-6312. [www.ebri.org](http://www.ebri.org) — The Institute's mission is to advance the public's, the media's and policymakers' knowledge and understanding of employee benefits and their importance to the U.S. economy

**Eqecat** • 475 14th St., 5th Fl., Suite 550, Oakland, CA 94612-1900. Tel. 510-817-3100. [www.eqecat.com](http://www.eqecat.com) — Provider of products and services for managing natural and man-made risks. Provides innovative catastrophe management solutions for property and casualty insurance underwriting, accumulation management and transfer of natural hazard and terrorism risk

**Federal Insurance Administration** • FEMA, Mitigation Directorate, 500 C St., SW, Washington, DC 20472. Tel. 202-646-2500. Fax. 800-827-8112. [www.fema.gov/about/fedins.shtm](http://www.fema.gov/about/fedins.shtm) — Administers the federal flood insurance program

**Fitch Credit Rating Company** • One State Street Plaza, New York, NY 10004. Tel. 212-908-0500. Fax. 212-480-4435. [www.fitchratings.com](http://www.fitchratings.com) — Assigns claims-paying ability ratings to insurance companies

**Global Aerospace, Inc.** • 51 John F. Kennedy Pkwy., Short Hills, NJ 07078. Tel. 973-379-0800. Fax. 973-379-8602. [www.global-areo.co.uk](http://www.global-areo.co.uk) — A pool of property/casualty companies engaged in writing all classes of aviation insurance

**Global Association of Risk Professionals** • 100 Pavonia Ave., Suite 405, Jersey City, NJ 07310. Tel. 201-222-0054. Fax. 201-222-5022. [www.garp.com](http://www.garp.com) — International group whose aim is to encourage and enhance communications between risk professionals, practitioners and regulators worldwide

**Griffith Insurance Education Institute** • 623 High St., Worthington, OH 43085. Tel. 614-880-9870. Fax. 614-880-9872. [www.griffithfoundation.org](http://www.griffithfoundation.org) — Organization dedicated to educating Main Street America about how insurance works

**Group of North American Insurance Enterprises** • 40 Exchange Place, Suite 1707, New York, NY 10005. Tel. 212-480-0808. Fax. 212-480-9090. [www.gnaie.net](http://www.gnaie.net) — Group focusing on financial reporting, accounting and solvency issues

**Highline Data LLC** • One Alewife Center, Suite 460, Cambridge, MA 02140. Tel. 877-299-9424. Fax. 617-864-2396. [www.highlinedata.com](http://www.highlinedata.com) — An information and data services company comprised of two principal product lines: National Underwriter Insurance Data Services and Highline Banking Data Services

**Highway Loss Data Institute** • 1005 North Glebe Rd., Suite 800, Arlington, VA 22201. Tel. 703-247-1600. Fax. 703-247-1595. [www.hldi.org](http://www.hldi.org) — Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents

**Independent Insurance Agents & Brokers of America, Inc.** • 127 S. Peyton St., Alexandria, VA 22314. Tel. 800-221-7917. Fax. 703-683-7556. [www.iiaba.net](http://www.iiaba.net) — Trade association of independent insurance agents and brokers

**Inland Marine Underwriters Association** • 14 Wall St., 8th Fl., New York, NY 10005. Tel. 212-233-0550. Fax. 212-227-5102. [www.imua.org](http://www.imua.org) — Forum for discussion of problems of common concern to inland marine insurers

**\*Institute for Business & Home Safety** • 4775 E. Fowler Ave., Tampa, FL 33617. Tel. 813-286-3400. Fax. 813-286-9960. [www.disastersafety.org](http://www.disastersafety.org) — An insurance industry-sponsored nonprofit organization dedicated to reducing losses, deaths, injuries and property damage resulting from natural hazards

**Insurance Accounting and Systems Association, Inc.** • IASA International Office, PO Box 51340, Durham, NC 27717-1340. Tel. 919-489-0991. Fax. 919-489-1994. [www.iasa.org](http://www.iasa.org) — An international organization to promote the study, research and development of modern techniques in insurance accounting and systems

**Insurance Industry Charitable Foundation** • 2121 N. California Blvd., Suite 330, Walnut Creek, CA 94596. Tel. 925-280-8009. Fax. 925-280-8059. [www.iicf.org](http://www.iicf.org) — This group seeks to help communities and enrich lives by combining the collective strengths of the insurance industry to provide grants, volunteer service and leadership

**Insurance Committee for Arson Control** • 3601 Vincennes Rd., Indianapolis, IN 46268. Tel. 317-876-6226. Fax. 317-879-8408. [www.arsoncontrol.org](http://www.arsoncontrol.org) — All-industry coalition that serves as a catalyst for insurers' antiarson efforts and a liaison with government agencies and other groups devoted to arson control

**Insurance Data Management Association, Inc. (IDMA)** • 545 Washington Blvd., Jersey City, NJ 07310-1686. Tel. 201-469-3069. Fax. 201-748-1690. [www.idma.org](http://www.idma.org) — An independent, nonprofit, professional, learned association dedicated to increasing the level of professionalism, knowledge and visibility of insurance data management

**Insurance Information Institute** • 110 William St., New York, NY 10038. Tel. 212-346-5500. Fax. 212-732-1916. [www.iii.org](http://www.iii.org) — A primary source for information, analysis and referral on insurance subjects

**Insurance Institute for Highway Safety** • 1005 North Glebe Rd., Suite 800, Arlington, VA 22201. Tel. 703-247-1500. Fax. 703-247-1588. [www.iihs.org](http://www.iihs.org) — Research and education organization dedicated to reducing loss, death, injury and property damage on the highways. Fully funded by property/casualty insurers

**Insurance Institute of America, Inc.** • 720 Providence Rd., Suite 100, Malvern, PA 19355-3433. Tel. 800-644-2101. Fax. 610-640-9576. [www.aicpcu.org](http://www.aicpcu.org) — Provides educational programs and professional certification to people in property and liability insurance. Offerings range from entry-level to advanced, specialized programs. Certification is determined through the administration of national exams

**Insurance Library Association of Boston** • 156 State St., Boston, MA 02109. Tel. 617-227-2087. Fax. 617-723-8524. [www.insurancelibrary.org](http://www.insurancelibrary.org) — A nonprofit, independent membership library serving the research and education interests of all branches of the insurance industry

**Insurance Marketplace Standards Association** • 4550 Montgomery Ave., Suite 700N, Bethesda, MD 20814. Tel. 240-744-3030. Fax. 240-744-3031. [www.imsaethics.org](http://www.imsaethics.org) — A nonprofit, independent organization created to strengthen consumer trust and confidence in the marketplace for individually sold life insurance, long-term care insurance and annuities

**Insurance Regulatory Examiners Society** • 12710 S. Pflumm Rd., Suite 200, Olathe, KS 66062. Tel. 913-768-4700. Fax. 913-768-4900. [www.go-ires.org](http://www.go-ires.org) — Nonprofit professional and educational association for examiners and other professionals working in the insurance industry

**Insurance Research Council** • 718 Providence Rd., Malvern, PA 19355-3402. Tel. 610-644-2212. Fax. 610-640-5388. [www.ircweb.org](http://www.ircweb.org) — A division of the American Institute for CPCU. Provides research relevant to public policy issues affecting risk and insurance

**Insured Retirement Institute** • 1331 L St, NW, Suite 310, Washington, DC 20005 Tel. 202-469-3000. Fax. 202-898-5786. [www.irionline.org](http://www.irionline.org) — Source of knowledge pertaining to annuities, insured retirement products and retirement planning; provides educational and informational resources. Formerly the National Association for Variable Annuities (NAVA)

**Integrated Benefits Institute** • 595 Market St., Suite 810, San Francisco, CA 94105. Tel. 415-222-7280. Fax. 415-222-7281. [www.ibiweb.org](http://www.ibiweb.org) — A private, nonprofit organization that provides research, discussion and analysis, data services and legislative review to measure and improve integrated benefits programs, enhance efficiency in delivery of all employee-based benefits and promote effective return-to-work

**Intermediaries and Reinsurance Underwriters Association, Inc.** • 971 Route 202 North, Branchburg, NJ 08876. Tel. 908-203-0211. Fax. 908-203-0213. [www.irua.com](http://www.irua.com) — Educational association to encourage the exchange of ideas among reinsurers worldwide writing principally treaty reinsurance

**International Association of Insurance Fraud Agencies, Inc.** • PO Box 10018, Kansas City, MO 64171-0018. Tel. 816-756-5285. Fax. 816-756-5287. [www.iaifa.org](http://www.iaifa.org) — An international association opening the doors of communication, cooperation and exchange of information in the fight against sophisticated global insurance and related financial insurance fraud

**International Association of Special Investigation Units** • 8015 Corporate Dr., Suite A, Baltimore, MD 21236. Tel. 410-931-3332. Fax. 410-931-2060. [www.iasiu.org](http://www.iasiu.org) — Group whose goals are to promote a coordinated effort within the industry to combat insurance fraud and to provide education and training for insurance investigators

**\*International Insurance Society, Inc.** • 101 Murray St., New York, NY 10007. Tel. 212-815-9291. Fax. 212-815-9297. [www.IIsonline.org](http://www.IIsonline.org) — A nonprofit membership organization whose mission is to facilitate international understanding, the transfer of ideas and innovations, and the development of personal networks across insurance markets through a joint effort of leading executives and academics throughout the world

**\*ISO** • 545 Washington Blvd., Jersey City, NJ 07310-1686. Tel. 800-888-4476. Fax. 201-748-1472. [www.iso.com](http://www.iso.com) — Provider of products and services that help measure, manage and reduce risk. Provides data, analytics and decision-support solutions to professionals in many fields, including insurance, finance, real estate, health services, government and human resources

**IVANS** • 100 First Stamford Place, 3rd Fl., Stamford, CT 06902. Tel. 800-288-4826. Fax. 203-698-7299. [www.IVANS.com](http://www.IVANS.com) — An industry-sponsored organization offering a data communications network linking agencies, companies and providers of data to the insurance industry

**Kehrer-LIMRA** • 300 Day Hill Rd, Windsor, CT 06095-4761. Tel. 978-448-0198. Fax. 860-298-9555. [www.kehrerlimra.com/](http://www.kehrerlimra.com/) — Consultant focusing on the financial services marketplace. Conducts studies of sales penetration, profitability, compensation and compliance

**Latin American Agents Association** • PO Box 5890, El Monte, CA 91734. Tel. 626-444-0999. Fax. 626-444-2999. [www.latinagents.com](http://www.latinagents.com) — An independent group of Hispanic agents and brokers, whose goal is to educate, influence and inform the insurance community about the specific needs of the Latino community in the United States

**Latin American Association of Insurance Agencies** • PO Box 520844, Miami, FL 33152-0844. Tel. 305-477-1442. Fax. 305-477-5298. [www.laaia.com](http://www.laaia.com) — An association of insurance professionals whose purpose is to protect the rights of its members, benefit the consumer through education, provide information and networking services, and promote active participation in the political environment and community service

**The Life and Health Insurance Foundation for Education** • 1655 N. Fort Myer Dr., Suite 610, Arlington, VA 22209. Tel. 202-464-5000. [www.lifehappens.org](http://www.lifehappens.org) — Nonprofit organization dedicated to addressing the public's growing need for information and education about life, health, disability and long-term care insurance

**Life Insurance Settlement Association** • 1101 E. Colonial Dr., Suite 500, Orlando, FL 32803-4635. Tel. 407-894-3797. Fax. 407-897-1325. [www.thevoiceoftheindustry.com](http://www.thevoiceoftheindustry.com) — Promotes the development, integrity and reputation of the life settlement industry and a competitive market

**LIMRA International** • 300 Day Hill Rd., Windsor, CT 06095. Tel. 800-688-3358. Fax. 860-298-9555. [www.limra.com](http://www.limra.com) — Worldwide association providing research, consulting and other services to insurance and financial services companies in more than 60 countries. LIMRA helps its member companies maximize their marketing effectiveness

**LOMA (Life Office Management Association)** • 2300 Windy Ridge Pkwy., Suite 600, Atlanta, GA 30339-8443. Tel. 770-951-1770. Fax. 770-984-0441. [www.loma.org](http://www.loma.org) — Worldwide association of insurance companies specializing in research and education, with a primary focus on home office management

**Loss Executives Association** • PO Box 37, Tenafly, NJ 07670. Tel. 201-569-3346. Fax. 732-388-0171. [www.lossexecutives.org](http://www.lossexecutives.org) — A professional association of property loss executives providing education to the industry

**MSB** • 2885 S. Calhoun Rd., New Berlin, WI 53151. Tel. 262-780-2800. Fax. 262-780-0306. [www.msbinfo.com](http://www.msbinfo.com) — Leading provider of building information to the property/casualty insurance sector

**MIB, Inc.** • 50 Braintree Hill Park, Suite 400, Braintree, MA 02184-8734. Tel. 781-751-6000. [www.mib.com](http://www.mib.com) — Database of individual life insurance applications processed since 1995

**Moody's Investors Service** • 7 World Trade Center at 250 Greenwich St. New York, NY 10007. Tel. 212-553-0300. Fax. 212-553-0882. [www.moody.com](http://www.moody.com) — Global credit analysis and financial information firm

**Mortgage Insurance Companies of America (MICA)** • 1425 K St., NW, Suite 210, Washington, DC 20005. Tel. 202-682-2683. Fax. 202-842-9252. [www.privatemi.com](http://www.privatemi.com) — Represents the private mortgage insurance industry. MICA provides information on related legislative and regulatory issues, and strives to enhance understanding of the role private mortgage insurance plays in housing Americans

**NAIW International** • 9343 E. 95th Court South, Tulsa, OK 74133. Tel. 800-766-6249. Fax. 918-294-3711. [www.naiw.org](http://www.naiw.org) — Fosters educational programs for members. Promotes public safety and service programs

**National African-American Insurance Association (NAAIA)** • 1718 M St., NW, PO Box 1110, Washington, DC 20036. Tel. 866-56-NAAIA. Fax. 202-475-5181. [www.naaia.org](http://www.naaia.org) — NAAIA fosters the nationwide presence, participation and long-term financial success of African-American insurance professionals within the greater insurance community and provides its members and the insurance industry a forum for sharing information and ideas that enhance business and professional development

**National Arbitration Forum** • PO Box 50191, Minneapolis, MN 55405-0191. Tel. 800-474-2371. Fax. 866-743-4517. [www.adrforum.com](http://www.adrforum.com) — A leading neutral administrator of arbitration, mediation and other forms of alternative dispute resolution worldwide

**National Association of Health Underwriters** • 2000 N. 14th St., Suite 450, Arlington, VA 22201. Tel. 703-276-0220. Fax. 703-841-7797. [www.nahu.org](http://www.nahu.org) — Professional association of people who sell and service disability income, and hospitalization and major medical health insurance

**National Association of Independent Insurance Adjusters** • 825 West State St., Suite 117-C&B, Geneva, IL 60134. Tel. 630-397-5012. Fax. 630-397-5013. [www.naiia.com](http://www.naiia.com) — Association of claims adjusters and firms operating independently on a fee basis for all insurance companies

**National Association of Insurance and Financial Advisors** • 2901 Telestar Ct., PO Box 12012, Falls Church, VA 22042-1205. Tel. 703-770-8100. Fax. 703-770-8224. [www.naifa.org](http://www.naifa.org) — Professional association representing health and life insurance agents

**National Association of Insurance Commissioners** • 2301 McGee St., Suite 800, Kansas City, MO 64108-2662. Tel. 816-842-3600. Fax. 816-783-8175. [www.naic.org](http://www.naic.org) — Organization of state insurance commissioners that promotes uniformity in state supervision of insurance matters and recommends legislation in state legislatures

**National Association of Mutual Insurance Companies** • 3601 Vincennes Rd., Indianapolis, IN 46268. Tel. 317-875-5250. Fax. 317-879-8408. [www.namic.org](http://www.namic.org) — Trade association of property/casualty mutual insurance companies

**National Association of Professional Insurance Agents** • 400 N. Washington St., Alexandria, VA 22314. Tel. 703-836-9340. Fax. 703-836-1279. [www.pianet.com](http://www.pianet.com) — Trade association of independent insurance agents

**National Association of Professional Surplus Lines Offices, Ltd.** • 200 NE 54th St., Kansas City, MO 64118. Tel. 816-741-3910. Fax. 816-741-5409. [www.napslo.org](http://www.napslo.org) — Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members

**National Association of Surety Bond Producers** • 1828 L St., NW, Suite 720, Washington, DC 20036-5104. Tel. 202-686-3700. Fax. 202-686-3656. [www.nasbp.org](http://www.nasbp.org) — Trade association of surety bond producers

**\*National Conference of Insurance Guaranty Funds** • 300 North Meridian St., Suite 1020, Indianapolis, IN 46204. Tel. 317-464-8199. Fax. 317-464-8180. [www.ncigf.org](http://www.ncigf.org) — Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies

**National Conference of Insurance Legislators** • 385 Jordan Rd., Troy, NY 12180. Tel. 518-687-0178. Fax. 518-687-0401. [www.ncoil.org](http://www.ncoil.org) — Organization of state legislators whose main area of public policy concern is insurance and insurance regulation

**National Crop Insurance Services, Inc.** • 8900 Indian Creek Parkway, Suite 600, Overland Park, KS 66210-1567. Tel. 913-685-2767. Fax. 913-685-3080. [www.ag-risk.org](http://www.ag-risk.org) — National trade association of insurance companies writing hail insurance, fire insurance and insurance against other weather perils to growing crops, with rating and research services for crop-hail and rain insurers

**National Fire Protection Association** • One Batterymarch Park, Quincy, MA 02169-7471. Tel. 617-770-3000. Fax. 617-770-0700. [www.nfpa.org](http://www.nfpa.org) — Independent, nonprofit source of information on fire protection, prevention and suppression

**National Highway Traffic Safety Administration** • 1200 New Jersey Ave., SE, West Bldg., Washington, DC 20590. Tel. 888-327-4236. Fax. 202-366-2106. [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov) — Carries out programs and studies aimed at reducing economic losses in motor vehicle crashes and repairs

**National Independent Statistical Service** • PO Box 68950, 3601 Vincennes Rd., Indianapolis, IN 46268-0950. Tel. 317-876-6200. Fax. 317-876-6210. [www.niss-stat.org](http://www.niss-stat.org) — National statistical agent and advisory organization for all lines of insurance, except workers compensation

**\*National Insurance Crime Bureau** • 1111 East Touhy Ave., Suite 400, Des Plaines, IL 60018. Tel. 800-447-6282. Fax. 847-544-7000. [www.nicb.org](http://www.nicb.org) — Not-for-profit organization dedicated to combating insurance fraud and vehicle theft

**National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)** • 13873 Park Center Rd., Suite 329, Herndon, VA 20171. Tel. 703-481-5206. Fax. 703-481-5209. [www.nolhga.com](http://www.nolhga.com) — A voluntary association composed of the life and health insurance guaranty associations of all 50 states, the District of Columbia, and Puerto Rico. When insolvency involves multiple states, NOLHGA assists its members in fulfilling their statutory obligations to policyholders

**National Risk Retention Association** • 4248 Park Glen Rd., Minneapolis, MN 55416. Tel. 952-928-4656. Fax. 952-929-1318. [www.nrra-usa.org](http://www.nrra-usa.org) — The voice of risk retention group and purchasing group liability insurance programs, organized pursuant to the Federal Liability Risk Retention Act

**National Safety Council** • 1121 Spring Lake Dr., Itasca, IL 60143-3201. Tel. 630-285-1121. Fax. 630-285-1315. [www.nsc.org](http://www.nsc.org) — Provides national support and leadership in the field of safety, publishes safety material and conducts public information and publicity programs

**\*NCCI Holdings, Inc.** • 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362. Tel. 561-893-1000. Fax. 561-893-1191. [www.ncci.com](http://www.ncci.com) — Develops and administers rating plans and systems for workers compensation insurance

**National Structured Settlements Trade Association** • 2025 M St., NW, Suite 800, Washington, DC 20036-2422. Tel. 202-367-1159. Fax. 202-367-2159. [www.nssta.com](http://www.nssta.com) — Trade association representing consultants, insurers and others who are interested in the resolution and financing of tort claims through periodic payments

**NeighborWorks America** • 1325 G St., NW, Suite 800, Washington, DC 20005-3100. Tel. 202-220-2300. Fax. 202-376-2600. [www.nw.org/network/neighborworksprogs/insurance/default.asp](http://www.nw.org/network/neighborworksprogs/insurance/default.asp) — The goal of this group is to develop partnerships between the insurance industry and NeighborWorks organizations to better market the products and services of both, for the benefit of the customers and communities they serve

**\*New York Alliance Against Insurance Fraud** • c/o New York Insurance Association, Inc., 130 Washington Ave., Albany, NY 12210. Tel. 518-432-3576. Fax. 518-432-4220. [www.fraudny.com](http://www.fraudny.com) — A cooperative effort of insurance companies in New York State to educate the industry about the costs of insurance fraud, the many forms it can take and what can be done to fight it

**New York Board of Fire Underwriters** • 40 Fulton St., New York, NY 10038. Tel. 212-227-3700. Fax. 212-385-3700. [www.nybfu.org](http://www.nybfu.org) — Conducts fire safety and electrical inspections, helps develop fire safety standards and assists in the adjustment of fire insurance claims

**\*New York Insurance Association, Inc.** • 130 Washington Ave., Albany, NY 12210. Tel. 518-432-4227. Fax. 518-432-4220. [www.nyia.org](http://www.nyia.org) — A trade association of property/casualty insurance companies that provide insurance coverage for autos, homes and businesses throughout New York State

**\*New York Property Insurance Underwriting Association** • 100 William St., 4th Fl., New York, NY 10038. Tel. 212-208-9700. Fax. 212-344-9879. [www.nypiua.com](http://www.nypiua.com) — Provides basic property insurance for New York State residents not able to obtain the coverage through the voluntary market. Administers the C-MAP and FAIR Plan

**Nonprofit Risk Management Center** • 15 N. King St., Suite 203, Leesburg, VA 20176. Tel. 202-785-3891. Fax. 703-443-1990. [www.nonprofitrisk.org](http://www.nonprofitrisk.org) — Conducts research and education on risk management and insurance issues of special concern to nonprofit organizations

**Organisation for Economic Co-operation and Development** • 2001 L St., NW, Suite 650, Washington, DC 20036-4922. Tel. 202-785-6323. Fax. 202-785-0350. [www.oecdwash.org](http://www.oecdwash.org) — Markets the publications of the OECD in the United States and serves as an information center for the U.S. market. The Center is engaged in public outreach activities and acts as a liaison office to the U.S. legislative and executive branches

**Overseas Private Investment Corporation** • 1100 New York Ave., NW, Washington, DC 20527. Tel. 202-336-8400. Fax. 202-336-7949. [www.opic.gov](http://www.opic.gov) — Self-sustaining U.S. government agency providing political risk insurance and finance services for U.S. investment in developing countries

**Physician Insurers Association of America** • 2275 Research Blvd., Suite 250, Rockville, MD 20850. Tel. 301-947-9000. Fax. 301-947-9090. [www.thepiaa.org](http://www.thepiaa.org) — Trade association representing physician-owned mutual insurance companies that provide medical malpractice insurance

**\*Professional Liability Underwriting Society** • 5353 Wayzata Blvd., Suite 600, Minneapolis, MN 55416. Tel. 952-746-2580. Fax. 952-746-2599. [www.plusweb.org](http://www.plusweb.org) — An international, nonprofit association that provides educational opportunities and programs to enhance the professionalism of its members

**Property Casualty Insurers Association of America** • 2600 South River Rd., Des Plaines, IL 60018-3286. Tel. 847-297-7800. Fax. 847-297-5064. [www.pciaa.net](http://www.pciaa.net) — Serves as a voice on public policy issues and advocates positions that foster a competitive market place for property/casualty insurers and insurance consumers

**Property Insurance Plans Service Office** • 27 School St., Suite 302, Boston, MA 02108. Tel. 617-371-4175. Fax. 617-371-4177. [www.pipso.com](http://www.pipso.com) — Provides technical and administrative services to state property insurance plans

**Property Loss Research Bureau** • 3025 Highland Parkway, Suite 800, Downers Grover, IL 60515-1291. Tel. 630-724-2200. Fax. 630-724-2260. [www.plrb.org](http://www.plrb.org) — Trade organization that promotes productivity and efficiency in the property and liability loss and claim adjustment processes, disseminates information on property and liability issues and fosters education and new and beneficial developments within the industry

**Public Risk Management Association** • 500 Montgomery St., Suite 750, Alexandria, VA 22314. Tel. 703-528-7701. Fax. 703-739-0200. [www.primacentral.org](http://www.primacentral.org) — Membership organization representing risk managers in state and local public entities

**RAND Institute for Civil Justice** • 1776 Main St., PO Box 2138, Santa Monica, CA 90407-2138. Tel. 310-393-0411, ext. 6749. Fax. 310-451-6979. [www.rand.org/icj](http://www.rand.org/icj) — Organization formed within the RAND Corporation to perform independent, objective research and analysis concerning the civil justice system

**Reinsurance Association of America** • 1301 Pennsylvania Ave., NW, Suite 900, Washington, DC 20004. Tel. 202-638-3690. Fax. 202-638-0936. [www.reinsurance.org](http://www.reinsurance.org) — Trade association of property/casualty reinsurers; provides legislative services for members

**Risk and Insurance Management Society, Inc.** • 1065 Avenue of the Americas, 13th Fl., New York, NY 10018. Tel. 212-286-9292. Fax. 212-655-7430. [www.rims.org](http://www.rims.org) — Organization of corporate buyers of insurance that makes known to insurers the insurance needs of business and industry, supports loss prevention, and provides a forum for the discussion of common objectives and problems

**Risk Management Solutions, Inc.** • 7015 Gateway Blvd., Newark, CA 94560. Tel. 510-505-2500. Fax. 510-505-2501. [www.rms.com](http://www.rms.com) — Provides products and services for the quantification and management of catastrophe risk associated with natural perils as well as products for weather derivatives and enterprise risk management for the property/casualty insurance industry

**School of Risk Management, Insurance and Actuarial Science of the Tobin College of Business at St. John's University** • 101 Murray St., New York, NY 10007. Tel. 212-277-5198. Fax. 212-277-5199. [www.stjohns.edu/academics/graduate/tobin/srm](http://www.stjohns.edu/academics/graduate/tobin/srm) — Insurance industry-supported college providing a curriculum leading to bachelor's and master's degrees in business administration, financial management of risk, insurance finance and actuarial science. The Kathryn and Shelby Cullom Davis Library (212-277-5135) provides services, products and resources to its members

**Self-Insurance Institute of America** • PO Box 1237, Simpsonville, SC 29681. Tel. 800-851-7789. Fax. 864-962-2483. [www.siaa.org](http://www.siaa.org) — Organization that fosters and promotes alternative methods of risk protection

**SNL Financial LC** • One SNL Plaza, PO Box 2124, Charlottesville, VA 22902. Tel. 434-977-1600. Fax. 434-817-5320. [www.snl.com](http://www.snl.com) — Research firm that collects, standardizes and disseminates all relevant corporate, financial, market and M&A data as well as news and analytics for the industries it covers: banking, specialized financial services, insurance, real estate and energy

**Society of Actuaries** • 475 North Martingale, Suite 600, Schaumburg, IL 60173. Tel. 847-706-3500. Fax. 847-706-3599. [www.soa.org](http://www.soa.org) — An educational, research and professional organization dedicated to serving the public and its members

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**Society of Financial Examiners** • 174 Grace Blvd. Altamonte Springs, FL 32714. Tel. 407-682-4930. Fax. 407-682-3175. [www.sofe.org](http://www.sofe.org) — Professional society for examiners of insurance companies, banks, savings and loans, and credit unions

**Society of Insurance Research** • 631 Eastpointe Dr., Shelbyville, IN 46176. Tel. 317-398-3684. Fax. 317-642-0535. [www.sirnet.org](http://www.sirnet.org) — Stimulates insurance research and fosters exchanges among society members on research methodology

**Society of Insurance Trainers and Educators** • 6635 W. Happy Valley Rd., Suite A104, #444, Glendale, AZ 85310-2609. Tel. 623-547-6401. Fax. 623-547-6814. [www.insurancetrainers.org](http://www.insurancetrainers.org) — Professional organization of trainers and educators in insurance

**Standard & Poor's Rating Group** • 55 Water St., New York, NY 10041. Tel. 212-438-1000. [www.standardandpoors.com](http://www.standardandpoors.com) — Monitors the credit quality of bonds and other financial instruments of corporations, governments and supranational entities

**Surety Association of America** • 1101 Connecticut Ave., NW, Suite 800, Washington, DC 20036. Tel. 202-463-0600. Fax. 202-463-0606. [www.surety.org](http://www.surety.org) — Statistical, rating, development and advisory organization for surety companies

**TheStreet.com Ratings, Inc.** • 15430 Endeavour Dr, Jupiter, FL 33478. Tel. 561-354-4400. Fax. 561-354-4497. [www.thestretratings.com](http://www.thestretratings.com) — Evaluates the strength of insurance and financial services firms

**Underwriters' Laboratories, Inc.** • 2600 NW Lake Rd., Camas, WA 98607-8542. Tel. 877-854-3577. Fax. 367-817-6287. [www.ul.com](http://www.ul.com) — Investigates and tests electrical materials and other products to determine whether fire prevention and protection standards are being met

**Weather Risk Management Association (WRMA)** • 750 National Press Bldg., 529 14th St., NW, Washington, DC 20045. Tel. 202-289-3800. Fax. 202-223-9741. [wrma.org](http://wrma.org) — Provides forums for discussion and interaction with others associated with financial weather products

**\*Wisconsin Insurance Alliance** • 44 E. Mifflin St., Suite 901, Madison, WI 53703-2895. Tel. 608-255-1749 Fax. 608-255-2178. [www.wial.com](http://www.wial.com) — A state trade association of property/casualty insurance companies conducting legislative affairs and public relations on behalf of the industry

**\*Workers Compensation Research Institute** • 955 Massachusetts Ave., Cambridge, MA 02139 Tel. 617-661-9274. Fax. 617-661-9284. [www.wcrinet.org](http://www.wcrinet.org) — A nonpartisan, not-for-profit membership organization conducting public policy research on workers compensation, health care and disability issues

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