Brief History

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1601 First insurance legislation in the United Kingdom was enacted. Modern insurance has its roots in this law which concerned coverage for merchandise and ships.

1666 Great Fire of London demonstrated destructive power of fire in an urban environment, leading entrepreneur Nicholas Barbon to form a business to repair houses damaged by fire.

1684 Participants in the Friendly Society in England formed a Mutual Insurance Company to cover fire losses.

1688 Edward Lloyd?s coffee house, the precursor of Lloyd?s of London, became the central meeting place for ship owners seeking insurance for a voyage.

1696 Hand in Hand mutual fire company was formed. CGNU traces its origins to this company, which is the world?s oldest continuously operating insurance company.

1710 Charles Povey formed the Sun, the oldest insurance company in existence which still conducts business in its own name. It is the forerunner of the Royal & Sun Alliance Group.

1735 The Friendly Society, the first insurance company in the United States, was established in Charleston, South Carolina. This mutual insurance company went out of business in 1740.

1752 The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, the oldest insurance carrier in continuous operation in the United States, was established.

1759 Presbyterian Ministers Fund, the first life insurance company in the United States, was founded.

1762 Equitable Life Assurance Society, the world?s oldest mutual life insurer, was formed in England.

1776 Charleston Insurance Company and the South Carolina Insurance Company, the first two United States marine insurance companies, were formed in South Carolina.

1779 Lloyd?s of London introduced the first uniform ocean marine policy.

1792 Insurance Company of North America, the first stock insurance company in the United States, was established.

1813 Eagle Fire Insurance Company of New York assumed all outstanding risks of the Union Insurance Company, in the first recorded fire reinsurance agreement in the United States.

1849 New York passed the first general insurance law in the United States.

1850 Franklin Health Assurance Company of Massachusetts offered the first accident and health insurance.

1851 New Hampshire created the first formal agency to regulate insurance in the United States.

1861 First war-risk insurance policies were issued, written by life insurance companies during the Civil War.

1866 National Board of Fire Underwriters was formed in New York City, marking the beginning of insurance rate standardization.

1866 Hartford Steam Boiler Inspection and Insurance Company, the first boiler insurance company, was established in Hartford, Connecticut.

1873 The Massachusetts Legislature adopted the first standard fire insurance policy.

1878 Fidelity and Casualty Company of New York began providing fidelity and surety bonds.

1885 Liability protection was first offered with the introduction of employers liability policies.

1890 First policies providing benefits for disabilities from specific diseases were offered.

1894 National Board of Fire Underwriters established Underwriters? Laboratories to investigate and test electrical materials to ensure they meet fire safety standards.

1898 Travelers Insurance Company issued the first automobile insurance policy in the United States.

1899 First pedestrian killed by an automobile, in New York City.

1910 New York passed the first United States workers compensation law. It was later found to be unconstitutional.

1911 Wisconsin enacted the first permanent workers compensation law in the United States.

1912 Lloyd?s of London introduced aviation insurance coverage.

1925 Massachusetts passed the first compulsory automobile insurance legislation.

1925 Connecticut passed the first financial responsibility law for motorists.

1938 Federal Crop Insurance Act created the first federal crop insurance program.

1945 McCarran-Ferguson Act (Public Law 15) was enacted. It provided the insurance industry with a limited exemption to federal antitrust law, assuring the pre-eminence of state regulation of the industry.

1947 New York established the Motor Vehicle Liability Security Fund to cover auto insurance company insolvencies. This organization was a precursor of the state guaranty funds established by insurers in all states to absorb the claims of insolvent insurers.

1950 First package insurance policies for homeowners coverage were introduced.

1960 Boston Plan was established to address insurance availability problems in urban areas in Boston.

1968 The federal flood insurance program was established with the passage of the National Flood Insurance Act. It enables property owners in communities that participate in flood reduction plans to purchase insurance against flood losses.

1971 Massachusetts became the first state to establish a true no-fault automobile insurance plan.

1974 Hawaii became first U.S. state to enact a law creating a near universal healthcare coverage system.

1981 Federal Risk Retention Act of 1981 was enacted. The law fostered the growth of risk retention groups and other non-traditional insurance mechanisms.

1981 The Illinois Legislature created the Illinois Insurance Exchange, a cooperative effort of individual brokers and risk bearers operating as a single market, similar to Lloyd?s of London.

1985 Mission Insurance Group failed. The insolvency incurred the largest payout by state guaranty funds for a single property/casualty insurance company failure. This and other insolvencies in the 1980s led to stricter state regulation of insurer solvency.

1985 Montana became the first state to forbid discrimination by sex in the setting of insurance rates.

1992 European Union?s Third Non-Life Insurance Directive became effective, establishing a single European market for insurance.

1996 Florida enacted rules requiring insurers to offer separate deductibles for hurricanes losses, marking a shift to hurricane deductibles based on a percentage of insured property value rather than a set dollar figure.

1997 World Trade Organization agreement to dismantle barriers to trade in financial services, including insurance, banking and securities, was signed by the United States and some 100 other countries.

1999 Financial Services Modernization Act (Gramm-Leach-Bliley) enacted, allowing insurers, banks and securities firms to affiliate under a financial holding company structure.

2001 Terrorist attacks upon the World Trade Center in New York City and the Pentagon in Washington, D.C. caused 2,976 deaths and an estimated $40 billion in insured losses.

2002 Terrorism Risk Insurance Act enacted to provide a temporary federal backstop for terrorism insurance losses.

2003 In a landmark ruling, upheld in 2004, the U.S. Supreme Court placed limits on punitive damages, holding in State Farm v. Campbell that punitive damages awards should generally not exceed nine times compensatory awards.

2004 New York Attorney General Eliot Spitzer and a number of state regulators launched investigations into insurance industry sales and accounting practices.

2005 Citigroup sold off its Travelers life insurance unit, following the spin off of its property/casualty business in 2002. This dissolved the arrangement that led to the passage of Gramm-Leach-Bliley act in 1999. The federal Class Action Fairness Act moved most class-action lawsuits to federal courts, offering the prospect of lower defense costs and fewer and less costly verdicts. A string of hurricanes, including Hurricane Katrina, hit the Gulf Coast, making 2005 the most active hurricane season.

2006 Massachusetts passed a mandatory universal health insurance law that established a statewide health insurance exchange.

2006 Congress passed legislation extending the Terrorism Risk Insurance Act to December 2007. The act, originally passed in 2002, had been set to expire at the end of 2005. Extended again in 2007.

2008 The Federal Reserve Bank acquired a 79 percent stake in insurance and financial services giant American International Group (AIG) in exchange for an $85 billion loan, which was subsequently increased and restructured.

2008 Troubled Asset Relief Program established to stabilize the financial sector. Insurers that own a federally regulated bank or thrift were eligible to participate.

2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, landmark regulatory overhaul of the financial services industry, was signed into law. While retaining state regulation of insurance, the act established the Federal Insurance Office (FIO), an entity that reports to Congress and the President on the insurance industry.

2010 President Obama signed the Patient Protection and Affordable Care Act, requiring most U.S. citizens to have health insurance.

2011 Roy S. Roy Woodall, a former Kentucky insurance commissioner, appointed by President Obama and confirmed by the Senate as a voting member of the Financial Stability Oversight Council, established under the 2010 Dodd-Frank Act, to provide the council with insurance expertise.

2011 Former Illinois Insurance Department Commissioner Michael McRaith appointed by the Secretary of the Treasury as the first director of the Federal Insurance Office, established under the Dodd-Frank Act. Serves in a nonvoting, advisory capacity to the Financial Stability Oversight Council.

2012 Nevada became the first state to approve a license to test self-driving cars on public roads.

2012 The Biggert-Waters Flood Reform Act, landmark legislation requiring flood insurance rates to better reflect risks, was passed.

2013 Health insurance exchanges, established under the 2010 Patient Protection and Affordable Care Act to expand access to insurance, began operations.

2013 Target discovered a computer breach affecting up to 70 million customers that would cost the retailer $235 million, of which $90 million was insured. The breach and 2014 events at Home Depot and JPMorgan Chase increased interest in and sales of cyber risk insurance.

2014 Via Medicaid and insurance exchanges, millions of Americans gained health insurance mandated by the Patient Protection and Affordable Care Act. The percentage of uninsured Americans fell to 13.4 percent, from 18.0 percent a year earlier, according to Gallup.

2014 California and Colorado became the first states to pass laws clarifying the insurance responsibilities of drivers using their own cars to earn money by ferrying passengers using ride-sharing services such as UberX and Lyft.

2015 TRIA

The Terrorism Risk Insurance Act (TRIA) was signed into law for a six-year reauthorization on January 12, 2015.

2015 Anthem/Premera
In February 2015 health insurer Anthem Inc. announced a data breach that affected about 78.8 million people. Premera Blue Cross, another health insurer, said that the cyberattacks had compromised the records of 11 million people.

2015 Tianjin explosion
On August 12, 2015 two massive explosions hit China?s Port of Tianjin. The explosions likely will ultimately result in billions of dollars of losses and may be one of the largest insured man-made losses to date in Asia.

2015 Wildfires
2015 was one of the worst wildfire seasons on record. Between January 1 and October 30, 2015 there were 53,798 wildfires in the United States, which burned 9,407,571 acres, according to the National Interagency Fire Center.

2015 Terrorism
On November 13 a series of coordinated terrorist attacks in Paris killed more than 125 people, only two weeks after a terrorist bombing of a Russian airliner on October 31 killed 224 people in Egypt. Both events produced insured losses amid an increase in terrorist attacks worldwide.

2015 M&A
According to Conning Research, insurance merger and acquisition activity through the end of the third quarter in 2015 amounted to $220 billion in announced global transaction value, several times the average annual transaction value of $60 billion. Most of the activity occurred in the third quarter, accounting for $165 billion in aggregate announced value in 185 transactions worldwide, a record.

Links:
[1] https://www.iii.org/publications/insurance-fact-book-2017/brief-history