



TABLE OF CONTENTS

■ INTRODUCTION

CONTRIBUTION TO THE NATIONAL ECONOMY

- EMPLOYMENT
- INSURANCE PAYROLLS
- PREMIUMS
- CONTRIBUTION TO GDP
- TAXES
- COMPARISON WITH OTHER INDUSTRIES
- CHARITABLE CONTRIBUTIONS
- MAJOR PLAYERS - RANKINGS BY LINE

INSURERS AS INVESTORS

- INTRODUCTION
- PROPERTY/CASUALTY INDUSTRY INVESTMENTS
- LIFE/HEALTH INDUSTRY INVESTMENTS
- CREDIT MARKET ASSETS HELD BY INSURERS
- OWNERSHIP OF CORPORATE EQUITIES
- OWNERSHIP OF MUNICIPAL SECURITIES
- OWNERSHIP OF CORPORATE AND FOREIGN BONDS

DEFRAYING THE ECONOMIC COSTS OF DISASTERS

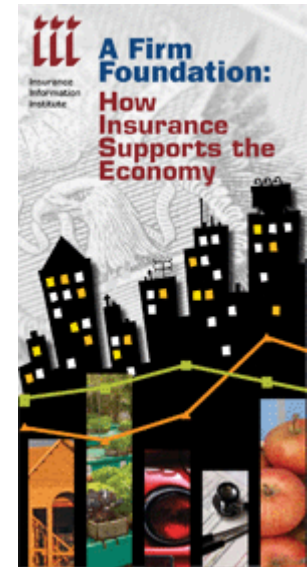
- INTRODUCTION
- HURRICANES
- TORNADOES
- EARTHQUAKES
- TERRORISM

CONTRIBUTION TO SELECTED INDUSTRIES

- INTRODUCTION
- AUTO REPAIR INDUSTRY
- CONSTRUCTION INDUSTRY
- HEALTH CARE INDUSTRY
- LEGAL SERVICES INDUSTRY

ROLE OF CREDIT/MORTGAGE INSURANCE

- CREDIT INSURANCE FOR SHORT-TERM TRADE



RECEIVABLES

- [CREDIT LIFE/HEALTH](#)
- [PRIVATE MORTGAGE INSURANCE](#)

INCOME REPLACEMENT

- [LIFE INSURANCE PAYOUTS](#)
- [WORKERS COMPENSATION INDEMNITY PAYOUTS](#)
- [DISABILITY INSURANCE PREMIUMS](#)

CONTRIBUTION TO STATE ECONOMIES

- [EMPLOYMENT](#)
- [PREMIUMS](#)
- [GROSS STATE PRODUCT](#)
- [STATE TAXES](#)
- [INSURANCE COMPANIES BY STATE](#)
- [CATASTROPHES BY STATE](#)
- [CAPTIVES BY STATE](#)
- [INCURRED LOSSES BY STATE](#)
- [INSURED CARS BY STATE](#)
- [INSURED HOMES BY STATE](#)
- [BUSINESSES BY STATE](#)

[SEARCH BY STATE](#)



Insurance affects everything and everything affects insurance. It is generally understood that insurance allows those who participate in the economy to produce goods and services without the paralyzing fear that some adverse incident could leave them destitute or unable to function. However, few people are aware of the extraordinary impact the industry has on state, local and national economies.

This report covers ways in which both property/casualty and life insurance contribute to our economy far beyond their core function of helping to manage risk.

Property/casualty (auto, home and commercial) insurance allows those who are the victims of accidental loss to recover financially through the payment of claims for property damage and injury. When property/casualty insurance claims are paid, funds are transferred to local businesses in the form of payment for goods or services. Among those that receive the most revenue are auto repair shops, building contractors and the health care community.

Life insurance helps households manage their finances in the face of death and disability by minimizing disruption to a wage earner's dependents. Annuities reduce the likelihood that a retiree will run out of money. By providing a measure of financial security to individuals, life insurance products help stabilize the economy.

Insurance companies also contribute to the economy through their investments. As part of the financial services industry, insurers act as financial intermediaries, investing the funds they collect for providing insurance protection. Total assets of property/casualty insurers totaled \$1.483 trillion in 2006. Cash and invested assets were \$1.229 trillion, or 83 percent. Life/health insurer total assets totaled \$4.723 trillion in 2006. Cash and invested assets of these insurers amounted to \$2.874 trillion, or 61 percent.

Insurers contribute more than \$250 billion to the nation's gross domestic product. Their taxes include special levies on insurance premiums, which amounted to almost \$15 billion in 2005, or 2.3 percent of all taxes collected by the states. They are also very large employers, providing some 2.3 million jobs, or 2.1 percent of U.S. employment.

This publication shows the myriad ways in which insurance supports the economy. Each chart illustrates one or more element. Together they tell a tale that is rarely told—that insurance helps provide the firm foundation for a functioning economy.

Robert P. Hartwig,
President
Insurance Information Institute



INSURANCE PAYROLLS

The insurance industry's payrolls topped \$120 billion in 2002 (latest data available).

TOTAL INSURANCE PAYROLLS, 1997 AND 2002

	1997		2002	
	Establish-ments	Annual payroll (\$ millions)	Establish-ments	Annual payroll (\$ millions)
Insurance carriers and related activities	172,299	\$92,230.0	169,520	\$120,630.7
Insurance carriers	38,739	65,858.3	31,458	83,554.7
Direct life, health and medical insurance carriers	14,615	34,474.4	12,894	45,466.9
Direct life insurance carriers	11,406	21,852.2	8,479	22,721.1
Direct health and medical insurance carriers	3,209	12,622.2	4,415	22,745.8
Other direct insurance carriers	23,561	30,374.1	17,675	35,843.2
Direct property and casualty insurance carriers	20,903	28,655.1	12,951	32,078.9
Direct title insurance carriers	2,530	1,662.8	4,375	3,431.3
All other direct insurance carriers	128	56.3	349	333.0
Reinsurance carriers	563	1,009.8	889	2,244.5
Agencies, brokerages and other insurance related activities	133,560	26,371.7	138,062	37,076.0
Insurance agencies and brokerages	120,392	19,533.0	125,868	28,218.5
Other insurance related activities	13,168	6,838.7	12,194	8,857.5
Claims adjusting	4,443	1,389.1	5,108	1,851.4
Third-party administration of insurance and pension funds	6,257	3,906.5	5,108	5,837.5
All other insurance related activities	2,468	1,543.1	1,978	1,168.6
Source: U.S. Department of Commerce, Bureau of the Census.				



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 health care through Medicaid and Medicare makes it difficult to compare the health care sector with the life/health and property/casualty sectors, which are mostly private.

P/C AND L/H INSURANCE PREMIUMS, 1997-2006

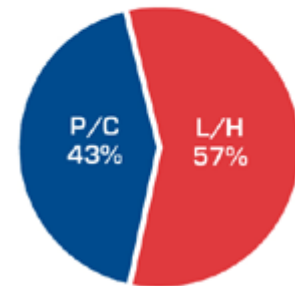
(\$000)

Year	Property/casualty (1)	Life/health (2)	Total
1997	\$283,979,804	\$256,774,578	\$540,754,382
1998	286,995,396	269,892,499	556,887,895
1999	293,108,867	272,584,233	565,693,100
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	528,143,125	957,345,961
2006	448,940,226	583,572,554	1,032,512,780
Percent change 1997-2006	58.1%	127.3%	90.9%

(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.

U.S. P/C AND L/H INSURANCE PREMIUMS, 2006





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), 2001-2005

(\$ billions)

Year	Total GDP	Insurance carriers and related activities	
		GDP	Percent of total GDP
2001	\$10,128.0	\$234.4	2.3%
2002	10,469.6	237.4	2.3
2003	10,960.8	255.0	2.3
2004	11,712.5	295.6	2.5
2005	12,455.8	296.1	2.4

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

- 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.
- The insurance industry contributed \$296 billion to the \$12.5 trillion gross domestic product in 2005.



INSURANCE INDUSTRY TAXES PAID AND INCURRED, 2002-2006 (1)

(\$000)

	2002	2003	2004	2005	2006
Property/casualty	\$20,010,501	\$19,591,657	\$22,413,149	\$22,178,801	\$28,454,316
Taxes, licenses & fees (2)	5,095,315	5,389,927	5,495,094	5,538,537	5,672,718
Current federal and foreign income taxes	8,494,848	2,952,915	3,662,873	2,762,576	3,925,429
Net deferred tax liability	6,420,338	11,248,816	13,255,181	13,877,688	18,856,169
Life	12,580,473	11,011,426	11,130,427	11,339,594	15,205,900
Taxes, licenses & fees (2)	2,504,248	2,456,741	2,314,287	2,022,167	2,011,250
Current federal and foreign income taxes	7,956,930	6,142,457	8,106,559	6,469,632	9,334,832
Net deferred tax liability	2,119,296	2,412,228	2,709,581	2,847,795	3,859,818
Total	\$22,129,796	\$22,003,885	\$25,122,729	\$25,026,596	\$32,314,134

(1) Based on page 3, Annual Statement, Liabilities, Surplus and Other Funds.
(2) Excludes federal and foreign income taxes.

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.



INSURANCE COMPARED WITH OTHER INDUSTRIES

The insurance industry is one of the largest industries in terms of revenue, according to the Department of Commerce. The industry accounted for \$1.4 trillion in revenues and \$121 billion in payroll, according to the agency's latest Economic Census.

INSURANCE INDUSTRY COMPARED WITH OTHER INDUSTRIES, 2002

	Number of establishments	Receipts/revenues (\$000)	Annual payroll (\$000)	Number of employees
Wholesale trade	435,521	\$4,634,755,112	259,653,080	5,878,405
Manufacturing	350,828	3,916,136,712	576,170,541	14,699,536
Retail trade	1,114,637	3,056,421,997	302,113,581	14,647,675
Finance and insurance	440,268	2,803,854,868	377,790,172	6,578,817
Insurance carriers and related activities	169,520	1,380,082,817	120,630,679	2,406,089
Health care and social assistance	704,526	1,207,299,734	495,845,829	15,052,255
Construction	710,307	1,196,555,587	254,292,144	7,193,069
Information	137,678	891,845,956	194,670,163	3,736,061
Professional, scientific and technical services	771,305	886,801,038	376,090,052	7,243,505
Accommodation and food services	565,590	449,498,718	127,554,483	10,120,951
Administrative and support and waste management and remediation services	350,583	432,577,580	206,439,329	8,741,854
Utilities	17,103	398,907,044	42,417,830	663,044
Transportation and warehousing	199,618	382,152,040	115,988,733	3,650,859
Real estate and rental and leasing	322,815	335,587,706	60,222,584	1,948,657
Other services (except public administration)	537,576	307,049,461	82,954,939	3,475,310
Mining	24,087	182,911,093	21,173,895	477,840
Arts, entertainment and recreation	110,313	141,904,109	45,169,117	1,848,674
Management of companies and enterprises	49,308	107,064,264	178,996,060	2,605,292
Educational services	49,319	30,690,707	10,164,378	430,164
Source: U.S. Department of Commerce, Bureau of the Census.				



CHARITABLE CONTRIBUTIONS

The charitable contributions to U.S. and international causes by 211 of the largest U.S. companies and U.S. corporate foundations amounted to \$9.78 billion in 2005, according to a survey by the Conference Board. This represents 71.02 percent of the overall estimated \$13.77 billion in corporate giving in the United States in 2005.

The survey included 209 firms which gave over \$7.78 billion to U.S. causes in 2005. The insurance industry's donations to U.S. beneficiaries totaled \$181.3 million, placing it among the top 15 contributors.

LARGEST GIVERS TO U.S. BENEFICIARIES BY INDUSTRY, 2005

Rank	Industry	Number of companies	Total U.S. contributions
1	Pharmaceuticals	10	\$3,382,064,842
2	Banks	22	640,428,005
3	Computers and technology	19	618,085,879
4	Printing, publishing and media	6	532,477,751
5	Retail and wholesale trade	9	463,059,105
6	Food, beverage and tobacco	8	346,944,609
7	Other manufacturing (1)	10	324,553,011
8	Petroleum, gas and mining	11	257,290,628
9	Transportation equipment	8	236,369,667
10	Telecommunications	4	187,697,082
11	Insurance	22	181,252,149
12	Utilities	29	168,259,930
13	Precision instruments	10	96,125,784
14	Finance	4	91,763,897
15	Chemicals	9	72,484,680
16	Aerospace and defense	4	57,571,950
17	Other services (2)	11	47,273,630
18	Industrial machinery and construction	9	46,847,088
19	Paper and allied products	4	32,154,810
	Total	209	\$7,782,704,497

(1) Includes electrical equipment and appliances, and other diversified manufacturing.
(2) Includes transportation and other diversified services.

Source: The Conference Board.

TOP TEN TOTAL CONTRIBUTIONS PER WORLDWIDE EMPLOYEE BY INDUSTRY, 2005 (1)

Rank	Industry	Number of companies	Contributions per worldwide employee
1	Pharmaceuticals	9	\$5,585
2	Printing, publishing and media	5	1,549
3	Petroleum, gas and mining	10	818

4	Finance	4	784
5	Banks	20	713
6	Utilities	27	629
7	Insurance	14	560
8	Other manufacturing (2)	8	547
9	Food, beverage and tobacco	8	367
10	Computers and technology	19	339
(1) Companies not reporting worldwide employee figures are excluded. (2) Includes other diversified manufacturing. Source: The Conference Board.			

CORPORATE FOUNDATIONS

Five of the 50 largest corporate foundations, based on total giving, were insurance companies, according to the latest ranking by the Foundation Center. The insurers contributed \$103 million, accounting for nearly 6 percent of contributions by the top 50.

THE FIVE LARGEST INSURANCE COMPANY CORPORATE FOUNDATIONS, RANKED BY TOTAL GIVING (1)

Rank	Name/(state)	Total giving	As of fiscal year end date
1	MetLife Foundation (NY)	\$29,899,590	12/31/2005
2	The Prudential Foundation (NJ)	21,818,030	12/31/2004
3	State Farm Companies Foundation (IL)	20,423,725	12/31/2005
4	The Allstate Foundation (IL)	15,983,966	12/31/2005
5	Nationwide Foundation (OH)	14,863,457	12/31/2005
	Total	102,988,768	
(1) Based on the most current audited financial data in the Foundation Center's database as of October 12, 2006. Source: Foundation Center.			



MAJOR PLAYERS

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.

LEADING WRITERS OF PROPERTY/CASUALTY INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Group	Direct premiums written (1)	Market share (2)
1	State Farm Group	\$49,614,181	10.0%
2	American International Group	37,859,639	7.6
3	Zurich Insurance Group	28,021,317	5.6
4	Allstate Insurance Group	27,879,416	5.6
5	Travelers Group	22,042,925	4.4
6	Liberty Mutual Insurance Group	18,121,842	3.7
7	Nationwide Group	16,045,069	3.2
8	Berkshire Hathaway Insurance Group	15,211,387	3.1
9	Progressive Group	14,389,701	2.9
10	Hartford Fire & Casualty Group	11,734,580	2.4

(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.

LEADING WRITERS OF LIFE INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Group	Direct premiums written (1)	Market share (2)
1	American International Group	\$44,780,773	8.2%
2	Metropolitan Group	44,499,307	8.1
3	Prudential of America	43,907,439	8.0
4	ING America Insurance Holding Group	29,084,643	5.3
5	John Hancock Group	27,482,404	5.0
6	Hartford Fire & Casualty Group	26,545,649	4.8
7	Aegon US Holding Group	25,550,687	4.7
8	New York Life Group	21,461,127	3.9
9	Principal Financial Group	20,582,781	3.8
10	Lincoln National	18,679,812	3.4

(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,

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LEADING WRITERS OF HOMEOWNERS INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Company/Group	Direct premiums written (1)	Market share
1	State Farm Mutual Group	\$13,580,291	22.2%
2	Allstate Insurance Group	7,309,829	11.9
3	Zurich Insurance Group	4,280,574	7.0
4	Nationwide Group	2,853,602	4.7
5	Travelers Group	2,660,259	4.3
6	USAA Group	2,504,863	4.1
7	Liberty Mutual Insurance Group	1,889,463	3.1
8	Chubb & Son Group	1,745,025	2.9
9	American Family Insurance Group	1,431,085	2.3
10	Hartford Fire & Casualty Group	1,047,858	1.7

(1) Before reinsurance transactions, excluding state funds.

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LEADING WRITERS OF PRIVATE PASSENGER AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Company/Group	Direct premiums written (1)	Market share
1	State Farm Mutual Group	\$29,582,026	18.0%
2	Allstate Insurance Co. Group	18,293,861	11.1
3	Progressive Casualty Group	12,077,096	7.3
4	National Indemnity Co. Group (Berkshire Hathaway)	11,105,001	6.7
5	Farmers Insurance Group	8,109,760	4.9
6	Nationwide Group	7,489,998	4.5
7	United Services Automobile Association Group	5,964,245	3.6
8	American International Group	5,002,978	3.0
9	Liberty Mutual Group	4,251,008	2.6
10	American Family Insurance Group	3,536,914	2.1

(1) Before reinsurance transactions, excluding state funds.

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LEADING WRITERS OF COMMERCIAL AUTO INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Company/Group	Direct premiums written (1)	Market share
1	Travelers Group	\$2,091,419	6.8%

2	Zurich Insurance Group	2,011,032	6.6
3	Progressive Group	1,980,784	6.5
4	American International Group	1,441,652	4.7
5	Liberty Mutual Insurance Group	1,316,040	4.3
6	State Farm IL Group	1,254,478	4.1
7	Nationwide Group	1,164,411	3.8
8	Old Republic Group	792,805	2.6
9	CNA Insurance Group	789,492	2.6
10	Hartford Fire & Casualty Group	717,040	2.3

(1) Before reinsurance transactions, excluding state funds.

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LEADING WRITERS OF COMMERCIAL LINES INSURANCE BY DIRECT PREMIUMS WRITTEN, 2006

(\$000)

Rank	Company/Group	Direct premiums written (1)	Market share
1	American International Group	\$28,192,567	11.7%
2	Travelers Group	14,771,701	6.1
3	Zurich Insurance Group	14,667,924	6.1
4	Liberty Mutual Insurance Group	11,759,948	4.9
5	CNA Insurance Group	8,245,121	3.4
6	Hartford Fire & Casualty Group	7,732,773	3.2
7	ACE Ltd. Group	7,503,088	3.1
8	Chubb & Son Group	7,093,470	2.9
9	Nationwide Group	5,475,111	2.3
10	State Farm IL Group	5,328,671	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, 2006

(\$ millions)

RAnk	Group (2)	Direct premiums written (1)	Market share (3) (percent)
1	American International Group	\$6,575	13.9%
2	Liberty Mutual Insurance Group	5,580	11.8
3	Travelers Group	2,798	5.9
4	Zurich Insurance Group	2,722	5.8
5	Hartford Fire & Casualty Group	2,670	5.6
6	Ace Ltd. Group	1,295	2.7
7	CNA Insurance Group	1,118	2.4
8	Berkshire Hathaway Insurance Group	1,099	2.3
9	Zenith National Insurance Group	921	1.9

10	Chubb & Son Group	840	1.8
<p>(1) Before reinsurance transactions, excluding state funds. (2) Does not include state funds. (3) Based on U.S. total including territories.</p> <p>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>			



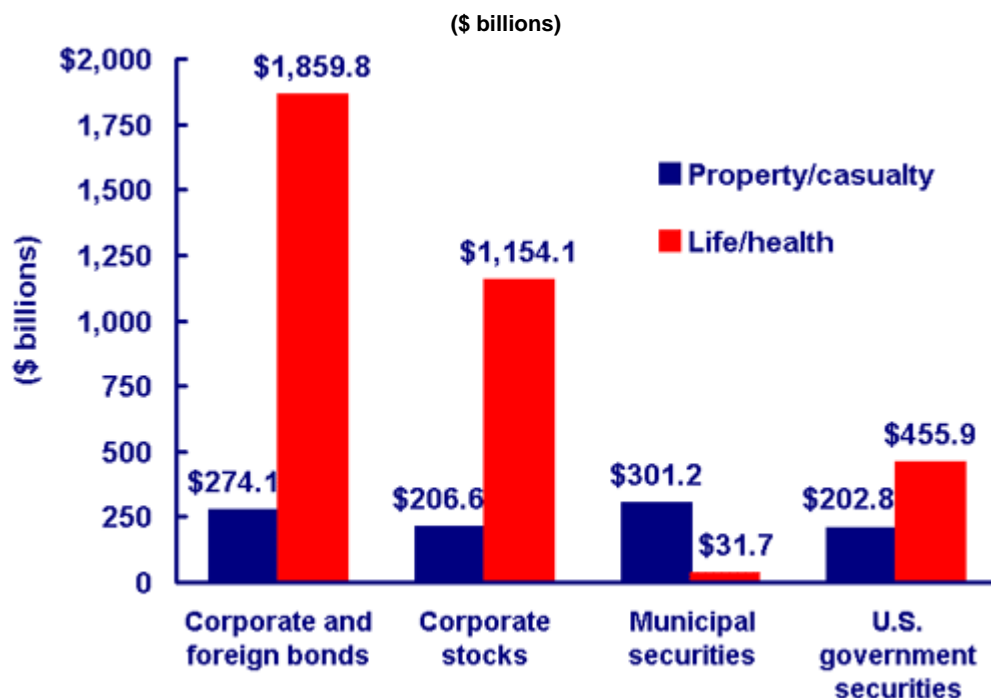
INSURERS AS INVESTORS

The insurance industry is a key player in the capital markets, with holdings of \$3.5 trillion in stocks and bonds in 2005.

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 2005 alone, property/casualty insurers' holdings in municipal bonds totaled \$301.2 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 \$1.2 trillion and \$1.9 trillion, respectively, in 2005.

SELECTED INSURANCE INDUSTRY FINANCIAL ASSETS, 2005



Source: Board of Governors of the Federal Reserve System.



PROPERTY/CASUALTY INSURER FINANCIAL ASSET DISTRIBUTION, 2002-2006

(\$ billions)

	2002	2003	2004	2005	2006
Total financial assets	\$939.8	\$1,059.7	\$1,160.9	\$1,250.4	\$1,365.4
Checkable deposits and currency	25.9	34.6	25.9	21.0	44.3
Security RPs (1)	44.4	52.8	63.1	68.9	59.3
Credit market instruments	558.3	625.2	698.8	765.8	814.1
U.S. government securities	174.4	180.1	183.4	187.1	197.3
Treasury	61.2	64.7	71.3	69.2	72.5
Agency- and GSE (2)-backed securities	113.2	115.4	112.1	117.9	124.8
Municipal securities	183.0	224.2	267.8	313.2	335.2
Corporate and foreign bonds	198.9	218.9	245.3	262.8	278.6
Commercial mortgages	2.0	2.1	2.4	2.7	3.0
Corporate equities	152.3	182.7	201.8	205.3	232.5
Trade receivables	74.8	79.3	79.6	82.1	85.6
Miscellaneous assets	84.1	85.0	91.6	107.3	129.5
(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.					



LIFE/HEALTH INSURER FINANCIAL ASSET DISTRIBUTION, 2002-2006

(\$ billions)

	2002	2003	2004	2005	2006
Total financial assets	\$3,335.0	\$3,772.8	\$4,130.3	\$4,350.7	\$4,708.8
Checkable deposits and currency	35.3	47.3	53.3	47.7	46.3
Money market fund shares	159.8	151.4	120.7	113.6	162.3
Credit market instruments	2,307.8	2,488.3	2,661.4	2,765.4	2,850.1
Open market paper	74.0	55.9	48.2	40.2	49.5
U.S. government securities	409.4	420.7	435.6	459.7	470.5
Treasury	78.5	71.8	78.5	91.2	93.4
Agency- and GSE (1)-backed securities	330.9	348.9	357.1	368.5	377.1
Municipal securities	19.9	26.1	30.1	32.5	33.2
Corporate and foreign bonds	1,449.3	1,620.2	1,768.0	1,840.7	1,881.8
Policy loans	105.1	104.5	106.1	106.9	110.9
Mortgages	250.0	260.9	273.3	285.5	304.1
Corporate equities	708.9	919.3	1,053.9	1,161.8	1,405.2
Mutual fund shares	76.6	91.7	114.4	109.0	119.6
Miscellaneous assets	46.8	74.7	126.6	153.1	125.3
(1) Government-sponsored enterprise.					
Source: Board of Governors of the Federal Reserve System.					



CREDIT MARKET ASSETS

Credit market assets held by both life and property/casualty insurance companies as a percentage of all credit market assets has been stable at 9 percent over the past five years.

CREDIT MARKET ASSETS HELD BY INSURERS, 2001-2005 (1)

(\$ billions, end of year)

	2001	2002	2003	2004	2005	Percent of total, 2005
Total credit market assets held	\$28,904.1	\$31,233.7	\$34,092.2	\$36,963.1	\$40,229.9	100.0%
By financial sectors:	22,198.3	23,885.1	25,862.5	27,743.6	29,928.3	74.4
Life insurance companies	2,074.8	2,307.8	2,488.3	2,661.4	2,773.7	6.9
Property/casualty insurance companies	518.4	558.3	625.2	698.8	780.8	1.9
Total insurance companies	2,593.2	2,866.1	3,113.5	3,360.2	3,554.5	8.8

(1) Excluding corporate equities and mutual fund shares.

Source: Board of Governors of the Federal Reserve System.



OWNERSHIP OF CORPORATE EQUITIES

Equity investments provide an ownership interest in a company through stocks. The insurance industry held \$1.4 trillion in corporate equities in 2005.

HOLDINGS OF U.S. CORPORATE EQUITIES, 2002-2006 (1)

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

	2002	2003	2004	2005	2006	Percent change, 2002-2006
Total	\$11,900.5	\$15,618.5	\$17,389.3	\$18,277.8	\$20,603.3	73.1%
Household sector	4,536.2	5,612.4	5,714.4	5,483.1	5,482.8	20.9
State and local governments	79.3	84.7	89.3	92.8	97.5	23.0
Rest of the world (2)	1,335.8	1,839.5	2,123.3	2,302.6	2,831.3	112.0
Commercial banking	3.5	15.1	20.3	24.0	35.2	905.7
Savings institutions	29.1	30.4	28.2	26.2	24.9	-14.4
Property/casualty insurance companies	152.3	182.7	201.8	205.3	232.5	52.7
Life insurance companies	708.9	919.3	1,053.9	1,161.8	1,405.2	98.2
Private pension funds	1,558.6	2,081.8	2,329.2	2,416.7	2,667.7	71.2
State and local govt retirement funds	1,056.8	1,421.5	1,607.0	1,729.0	1,958.4	85.3
Federal govt retirement funds	45.9	79.9	99.3	115.6	139.2	203.3
Mutual funds	2,187.4	3,051.3	3,693.6	4,175.7	5,018.4	129.4
Closed-end funds	33.7	53.0	82.3	105.6	121.8	261.4
Exchange-traded funds	98.2	146.3	217.7	281.0	402.0	309.4
Brokers and dealers	74.9	100.5	129.1	158.3	186.4	148.9
(1) Excludes mutual fund shares.						
(2) Holdings of U.S. issues by foreign residents.						
Source: Board of Governors of the Federal Reserve System.						



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 more than \$320 billion in such bonds in 2005, with nearly one-fourth (23 percent) of the funds going to educational projects, according to a June, 2007 report by the Insurance Research Council (IRC).

HOLDINGS OF U.S. MUNICIPAL SECURITIES AND LOANS, 2002-2006

(\$ billions, end of year)

	2002	2003	2004	2005	2006	Percent change, 2002-2006
Total	\$1,762.9	\$1,900.5	\$2,031.0	\$2,225.8	\$2,403.7	36.3%
Household sector	678.7	707.7	743.0	817.0	860.6	26.8
Nonfinancial corporate business	32.1	35.4	31.8	30.7	34.2	6.5
Nonfarm noncorporate business	3.4	2.7	4.3	5.0	5.5	61.8
State and local governments	4.1	4.4	4.6	4.8	5.1	24.4
Rest of the world	11.5	19.5	26.0	30.0	34.0	195.7
Commercial banking	121.7	132.5	140.8	157.7	180.2	48.1
Savings institutions	5.5	6.3	7.1	8.6	10.7	94.5
Property/casualty insurance companies	183.0	224.2	267.8	313.2	335.2	83.2
Life insurance companies	19.9	26.1	30.1	32.5	33.2	66.8
State and local govt retirement funds	0.9	1.0	1.7	1.7	2.2	144.4
Money market mutual funds	278.5	292.1	313.8	336.8	370.3	33.0
Mutual funds	277.3	290.2	294.3	311.7	343.0	23.7
Closed-end funds	86.0	89.3	89.1	89.4	89.7	4.3
Government-sponsored enterprises	39.4	44.4	44.6	43.9	49.0	24.4
Brokers and dealers	21.0	24.9	32.0	42.9	50.9	142.4
Source: Board of Governors of the Federal Reserve System.						



OWNERSHIP OF U.S. CORPORATE AND FOREIGN BONDS

The insurance industry's holdings of corporate and foreign bonds totalled \$2.1 trillion in 2005.

HOLDINGS OF U.S. CORPORATE AND FOREIGN BONDS, 2002-2006

(\$ billions, end of year)

	2002	2003	2004	2005	2006	Percent change, 2002-2006
Total	\$6,120.7	\$6,889.4	\$7,673.4	\$8,359.9	\$9,298.0	51.9%
Household sector	737.1	739.0	711.9	682.4	697.9	-5.3
State and local governments	104.2	111.3	117.3	122.0	127.3	22.2
Rest of the world (1)	1,539.4	1,722.4	2,061.5	2,314.1	2,737.9	77.9
Commercial banking	359.9	482.5	559.7	686.2	780.6	116.9
Savings institutions	79.9	71.1	58.9	80.0	89.1	11.5
Property/casualty insurance companies	198.9	218.9	245.3	262.8	278.6	40.1
Life insurance companies	1,449.3	1,620.2	1,768.0	1,840.7	1,881.8	29.8
Private pension funds	253.9	274.8	267.1	276.1	284.8	12.2
State and local govt retirement funds	217.3	193.2	203.4	203.0	211.0	-2.9
Federal govt retirement funds	2.8	3.2	3.0	3.0	2.9	3.6
Money market mutual funds	228.1	258.7	261.0	263.2	368.3	61.5
Mutual funds	470.9	548.3	622.8	699.2	813.7	72.8
Closed-end funds	27.1	58.8	67.6	68.7	75.5	178.6
Exchange-traded funds	1.8	2.4	3.3	5.3	7.6	322.2
Government-sponsored enterprises	189.3	225.8	336.6	384.6	406.0	114.5
REITs	12.6	19.2	36.8	63.6	77.4	514.3
Brokers and dealers	192.0	228.3	252.2	337.7	397.2	106.9
Funding corporations	56.4	111.3	96.8	67.5	60.4	7.1
(1) Holdings of U.S. issues by foreign residents.						
Source: Board of Governors of the Federal Reserve System.						



INSURERS ROLE IN 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. In 2005 property/casualty insurers paid out a record \$61.8 billion in catastrophe losses, with five hurricanes—Katrina, Wilma, Rita, Ophelia and Dennis—accounting for \$57.7 billion in insured damages, or 93 percent of total losses that year. In 2006 insurers paid an estimated \$8.8 billion to cover catastrophes, which generated 2,272,000 claims for damage to personal and commercial properties and vehicles, according to ISO’s Property Claims Services (PCS). Personal lines claims accounted for 58 percent of the total, while commercial lines claims were at 9 percent and vehicle claims were 33 percent.

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 chart represent anticipated insured losses from catastrophes on an industrywide basis, reflecting the total net insurance payment 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. Losses from catastrophic events declined in 2007 for the second consecutive year and were at the lowest level since losses totaled \$5.9 billion in 2002. The number of catastrophes dropped from 33 events in 2006 to 23 in 2007, the lowest since the 2004 total of 22 events.

THE TEN MOST COSTLY CATASTROPHES, UNITED STATES (1)

Rank	Date	Peril	Insured loss (\$ millions)	
			Dollars when occurred	In 2007 dollars (2)
1	Aug. 2005	Hurricane Katrina	\$41,100	\$43,625
2	Aug. 1992	Hurricane Andrew	15,500	22,902
3	Sep. 2001	World Trade Center, Pentagon terrorist attacks	18,800	22,006
4	Jan. 1994	Northridge, CA earthquake	12,500	17,485
5	Oct. 2005	Hurricane Wilma	10,300	10,933
6	Aug. 2004	Hurricane Charley	7,475	8,203
7	Sep. 2004	Hurricane Ivan	7,110	7,803
8	Sep. 1989	Hurricane Hugo	4,195	7,013
9	Sep. 2005	Hurricane Rita	5,627	5,973
10	Sep. 2004	Hurricane Frances	4,595	5,043

(1) Property coverage only.
 (2) Adjusted to 2007 dollars by the Insurance Information Institute.
 Source: ISO's Property Claim Services Unit; Insurance Information Institute.

INSURED LOSSES, U.S. CATASTROPHES, 1998-2007 (1)

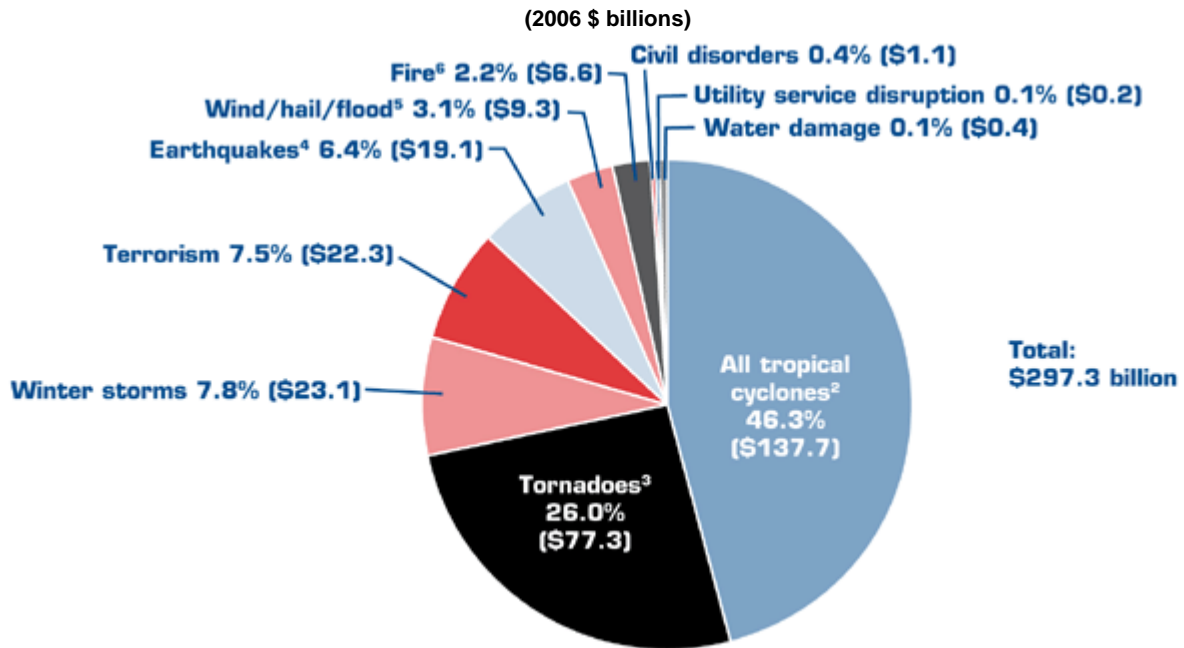
Year	Number of catastrophes	Number of claims (millions)	Dollars when occurred (\$ billions)	In 2007 dollars (2) (\$ billions)

1998	37	3.6	\$10.1	\$12.8
1999	27	3.2	8.3	10.3
2000	24	1.5	4.6	5.5
2001	20	1.5	26.5	31.0
2002	25	1.8	5.9	6.8
2003	21	2.7	12.9	14.5
2004	22	3.4	27.5	30.2
2005	24	4.4	62.3	66.1
2006	33	2.3	9.2	9.5
2007	23	1.2	6.5	6.5

(1) Includes catastrophes causing insured losses to the industry of at least \$25 million and affecting a significant number of policyholders and insurers.
 (2) Adjusted to 2007 dollars by the Insurance Information Institute.

Source: ISO's Property Claim Services Unit; Insurance Information Institute.

INFLATION-ADJUSTED U.S. CATASTROPHE LOSSES BY CAUSE OF LOSS, 1987-2006 (1)



(1) Catastrophes are all events causing direct insured losses to property of \$25 million or more in 2006 dollars. Adjusted for inflation by ISO.

(2) Includes hurricanes and tropical storms.

(3) Excludes snow.

(4) Includes other geologic events such as volcanic eruptions and other earth movement.

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

(6) Includes wildland fires.

Source: ISO's Property Claim Services Unit.



THE 2006 AND 2007 ATLANTIC HURRICANE SEASONS

In contrast with the 2005 Atlantic hurricane season, which was the most active since record keeping began in 1851 with 28 named storms, the 2006 hurricane season was close to average, with nine named storms (the average is 11). Five of those storms became hurricanes (the average is six). None of the hurricanes struck the United States, the first time since 2001. However, three named storms made landfall as tropical storms. Tropical Storm Ernesto, which made landfall twice in Florida and then in North Carolina, caused an estimated \$245 million in insured losses in eight states in late August and early September, according to PCS.

The 2007 hurricane season produced 15 named storms, six of which became hurricanes. Only one hurricane, Humberto, hit the United States, the first to strike the country since Hurricane Wilma in October 2005. Humberto struck Texas and Louisiana on September 13 and caused wind and rain damage in Texas but below catastrophe loss levels as defined by ISO. In addition, Tropical Storm Gabrielle made landfall in North Carolina on September 9.

There were six catastrophic hurricanes in both 2005 and 1985, the highest annual tallies since 1949, the earliest year tracked by ISO. No catastrophic hurricanes hit the U.S. in 2006.

CATASTROPHIC HURRICANE CLAIMS AND LOSSES, IN THE UNITED STATES, 1998-2006 (1)

	1998	1999	2002	2003	2004	2005	2006
Frequency	2	5	1	2	5	6	0
Claims	729,450	695,850	133,700	527,800	2,259,150	3,315,550	NA
Personal (2)	72.8%	73.9%	83.8%	82.3%	73.6%	70.0%	NA
Commercial (2)	15.7%	17.2%	3.0%	4.1%	13.4%	9.3%	NA
Vehicles	11.5%	9.0%	13.2%	13.5%	12.9%	20.7%	NA
Losses (\$ millions)	\$3,315	\$2,315	\$430	\$1,775	\$22,900	\$58,337	NA
Personal (2)	34.9%	39.4%	66.5%	74.9%	65.7%	49.8%	NA
Commercial (2)	59.8%	55.6%	26.7%	14.0%	29.6%	44.7%	NA
Vehicles	5.4%	5.0%	6.7%	11.1%	4.6%	5.5%	NA
Average claim severity							
Personal (2)	\$2,176	\$1,773	\$2,554	\$3,061	\$9,049	\$12,515	NA
Commercial (2)	\$17,331	\$10,769	\$28,750	\$11,376	\$22,337	\$84,953	NA
Vehicles	\$2,124	\$1,856	\$1,638	\$2,755	\$3,626	\$4,698	NA

(1) ISO's Property Claim Services unit currently defines catastrophes as events causing at least \$25 million in direct insured losses to property and affecting significant numbers of insurers and insureds. There were no catastrophic hurricanes in 2000, 2001 or 2006.

(2) Property losses excluding vehicle losses.

Note: Data are as of August 2007 and may differ from similar data shown elsewhere.

Source: ISO's Property Claim Services Unit.

CATASTROPHIC HURRICANE LOSSES IN THE UNITED STATES, 1997-2006

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Year	Number of catastrophic hurricanes (1)	Insured loss (2)	Year	Number of catastrophic hurricanes (1)	Insured loss (2)
1997	1	\$75.4 million	2002	1	\$481.9 million
1998	2	4.1 billion	2003	2	1.9 billion
1999	5	2.8 billion	2004	5	24.4 billion
2000 (3)	0	NA	2005	6	60.2 billion
2001 (3)	0	NA	2006 (3)	0	NA

(1) Major hurricanes as defined by ISO.
 (2) Adjusted to 2006 dollars by ISO.
 (3) No wind event met ISO's Property Claim Services Unit catastrophe definition of a single incident or a series of related incidents, man-made or natural disasters that causes insured property losses of at least \$25 million and affects a significant number of policyholders and insurers.

NA= Not applicable.

Source: ISO's Property Claim Services Unit.

TOP 15 MOST COSTLY HURRICANES IN THE UNITED STATES

(\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss (1)	
				Dollars when occurred	In 2007 dollars (2)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Katrina	\$41,100	\$43,625
2	Aug. 24-26, 1992	FL, LA	Andrew	15,500	22,902
3	Oct. 24, 2005	FL	Wilma	10,300	10,933
4	Aug. 13-14, 2004	FL, NC, SC	Charley	7,475	8,203
5	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Ivan	7,110	7,803
6	Sep. 17-22, 1989	GA, NC, PR, SC, VA, U.S. Virgin Islands	Hugo	4,195	7,013
7	Sep. 20-26, 2005	AL, AR, FL, LA, MS, TN, TX	Rita	5,627	5,973
8	Sep. 3-9, 2004	FL, GA, NC, NY, SC	Frances	4,595	5,043
9	Sep. 15-29, 2004	DE, FL, GA, MD, NJ, NY, NC, PA, PR, SC, VA	Jeanne	3,655	4,011
10	Sept. 21-28, 1998	AL, FL, LA, MS, PR, U.S. Virgin Islands	Georges	2,955	3,758
11	Oct. 4, 1995	FL, AL, GA, NC, SC, TN	Opal	2,100	2,856
12	Sep. 14-17, 1999	NC, NJ, VA, FL, SC, PA, 10 other states	Floyd	1,960	2,439
13	Sep. 11, 1992	Kauai and Oahu, HI	Iniki	1,600	2,364
14	Sep. 5, 1996	NC, SC, VA, MD, WV, PA, OH	Fran	1,600	2,114
15	Sep. 15-16, 1995	PR, U.S. Virgin Islands	Marilyn	875	1,190

(1) Property coverage only.
 (2) Adjusted to 2007 dollars by the Insurance Information Institute.

Source: ISO's Property Claim Services Unit; Insurance Information Institute.

The chart showing the Ten Most Costly Hurricanes in the United States on page ___ ranks historic hurricanes based on their insured losses, adjusted for inflation. The chart below uses a computer model to estimate the losses that major hurricanes of the past would produce today according to

current exposures. AIR Worldwide's U.S. hurricane model simulates the specific meteorological characteristics of each storm, taking into account the current number and value of exposed properties in 2005, when the analysis was conducted.

**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	\$80
2	Aug. 24, 1992	Hurricane Andrew	42
3	Aug. 29, 2005	Hurricane Katrina	41 (2)
4	Sep. 21, 1938	1938 Long Island Express	35
5	Sep. 9, 1965	Hurricane Betsy	34
6	Sep. 9, 1900	Galveston Storm of 1900	33
7	Sep. 17, 1928	Great Okeechobee Hurricane	33
8	Sep. 10, 1960	Hurricane Donna	26
9	Sep. 17, 1947	1947 Fort Lauderdale Hurricane	24
10	Sep. 16, 1945	1945 Homestead Hurricane (#9)	20
<p>(1) Modeled loss to property, contents and direct business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2005. (2) ISO estimate.</p> <p>Source: AIR Worldwide Corporation.</p>			



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 Fujita (F) scale. The scale rates tornadoes on a scale of 0 through 5, based on the amount and type of wind damage. The original F scale was replaced by an enhanced F scale on February 1, 2007. The new scale retains the 0 to 5 ratings, but 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

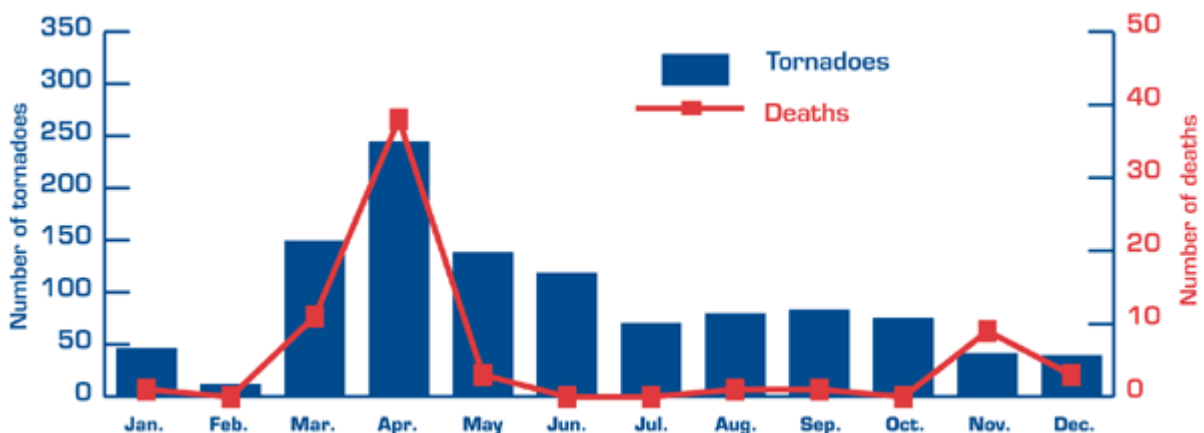
		Original F scale (1)	Enhanced F scale (2)
Category	Damage	Wind speed (mph)	3-second gust (mph)
F-0	Light	40-72	65-85
F-1	Moderate	73-112	86-110
F-2	Considerable	113-157	111-135
F-3	Severe	158-207	136-165
F-4	Devastating	208-260	166-200
F-5	Incredible	261-318	Over 200

(1) Original scale: wind speeds represent fastest estimated speeds over ¼ mile.
 (2) Enhanced scale: wind speeds represent maximum 3-second gusts.

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

Although tornadoes can occur at any time of the year, the weather conditions that cause tornadoes are common in the southern states in March through May. Peak months in the northern states are during the summer.

NUMBER OF TORNADOES AND RELATED DEATHS PER MONTH, 2006



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

TORNADOES AND RELATED DEATHS IN THE UNITED STATES, 1986-2006 (1)

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1986	765	15	1993	1,173	33	2000	1,071	40
1987	656	59	1994	1,082	69	2001	1,216	40
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	39
1992	1,297	39	1999	1,345	94	2006	1,106	67

(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

Since 1900, earthquakes have occurred in 39 states and have caused damage in all 50. About 5,000 quakes can be felt each year. The earthquake and fire that devastated San Francisco on April 18, 1906 was one of the worst natural disasters in the United States. It produced insured losses of \$235 million at the time, equivalent to \$5.2 billion in 2007 dollars. A study by AIR Worldwide estimates the loss at \$108 billion, were the quake to hit under today's economic and demographic conditions.

THE TEN MOST COSTLY U.S. EARTHQUAKES

(\$ millions)

Rank	Year	Location	Magnitude	Estimated property damage (1)	
				Dollars when occurred	In 2007 dollars (2)
1	1994	Northridge, CA	6.7	\$13-20,000	\$18-\$28,000
2	1989	San Francisco Bay area; Loma Prieta, CA	6.9	7,000	11,702
3	1964	Alaska and west coast of United States (tsunami damage from earthquake near Anchorage, Alaska)	9.2	500	3,344
4	1971	San Fernando, CA	6.5	553	2,831
5	2001	Washington, Oregon	6.8	2,305	2,698
6	1987	Southern California; primarily in Los Angeles-Pasadena-Whittier area	5.9	358	653
7	1933	Long Beach, CA	6.3	40	638
8	1952	Kern County, CA	7.5	60	469
9	1992	Southern California; Landers-Joshua Tree-Big Bear	7.6	92	136
10	1992	Northern California Coast; Petrolia-Eureka	7.1	66	98

(1) Includes insured and uninsured losses.
 (2) Adjusted to 2007 dollars by the Insurance Information Institute.

Source: U.S. Department of the Interior, U.S. Geological Survey; Munich Re; Insurance Information Institute.

The previous chart ranks historic earthquakes based on their insured 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, based on AIR Worldwide's U.S. earthquake model, makes use of the firm's property exposure database and takes into account the current number and value of exposed properties in 2005, when the study was conducted.

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

(\$ billions)

Rank	Date	Location	Magnitude	Insured loss (current exposures)

1	Apr. 18, 1906	San Francisco, CA	7.9	\$108
2	Feb. 7, 1812	New Madrid, MO	7.7	88
3	Aug. 31, 1886	Charleston, SC	7.3	38
4	Jan. 9, 1857	Fort Tejon, CA	7.9	27
5	Oct. 21, 1868	Hayward, CA	6.8	25
6	Jan. 17, 1994	Northridge, CA	6.7	16
7	Jan. 5, 1843	Marked Tree, AR	6.5	12
8	Jun. 1, 1838	San Francisco, CA	7.2	11
9	Oct. 12, 1877	Portland, OR	6.3	11
10	Jul. 1, 1911	San Jose, CA	6.6	9

(1) Modeled loss to property, contents and direct business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2005. Losses include demand surge. 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 expected to be about \$36 billion (in 2006 dollars), including property, life and liability insurance claim costs (some claims are still being litigated). 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 \$22 billion (in 2007 dollars).

WORST TERRORIST ACTS, INSURED PROPERTY LOSSES

(2007 \$ 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	\$22,006 (2)	2,976 (3)
2	Apr. 24, 1993	U.K.	London	Bomb explodes near NatWest tower in the financial district	1,034	1
3	Jun. 15, 1996	U.K.	Manchester	Irish Republican Army (IRA) car bomb explodes near shopping mall	848	0
4	Feb. 26, 1993	U.S.	New York City	Bomb explodes in garage of World Trade Center	826	6
5	Apr. 10, 1992	U.K.	London	Bomb explodes in financial district	765	3
6	Jul. 24, 2001	Sri Lanka	Colombo Intl. Airport	Rebels destroy 3 airliners, 8 military aircraft and heavily damage 3 civilian aircraft	453	20
7	Feb. 9, 1996	U.K.	London	IRA bomb explodes in South Key Docklands	295	2
8	Apr. 19, 1995	U.S.	Oklahoma City	Truck bomb crashes into government building	165	166
9	Dec. 21, 1988	Scotland	Lockerbie	PanAm Boeing 747 explodes	157	270
10	Sep. 12, 1970	Jordan	Zerqa	Hijacked Swissair DC-8, TWA Boeing 707 and BOAC VC-10 dynamited	144	0
11	Mar. 11, 2004	Spain	Madrid, Atocha	Bomb attack on trains	134	191
12	Sep. 6, 1970	Egypt	Cairo	Hijacked PanAm B-747 dynamited	126	0

(1) Includes bodily injury and aviation hull losses. Originally reported in 2001 dollars by Swiss Re. Adjusted to 2007 dollars by the Insurance Information Institute.

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

(3) Latest government figures.

Source: ISO's Property Claim Services Unit; Swiss Re; Insurance Information Institute.



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 2005 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), health care 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.



THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE AUTO REPAIR INDUSTRY

Payments for damage to cars accounted for 60 percent of auto claims payments in 2004. 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.

AUTOMOTIVE REPAIR AND MAINTENANCE INDUSTRY, 1997 AND 2002

	1997	2002
Number of establishments	164,360	166,821
Receipts/revenues (\$000)	\$62,200,597	\$75,219,140
Annual payroll (\$000)	\$16,865,209	\$21,592,456
Number of employees	815,149	871,040
Source: U.S. Department of Commerce, Bureau of the Census.		

PRIVATE PASSENGER CARS INSURED, 2000-2004 (1)

Year	Total
2000	159,884,136
2001	164,580,088
2002	168,846,307
2003	173,146,793
2004	175,918,548
(1) Excludes Texas.	
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, 2002-2006 (1)

(\$000)

	2002	2003	2004	2005	2006
Private passenger liability	\$58,847,771	\$59,888,192	\$59,462,599	\$60,162,287	\$58,001,992
Private passenger physical damage	36,796,195	37,275,789	35,340,643	38,058,732	37,249,977
Commercial auto liability	13,518,027	12,935,514	12,465,305	12,246,997	12,017,532
Commercial auto physical damage	3,900,759	3,623,862	3,615,720	3,865,846	3,903,000
Total	\$113,062,752	\$113,723,357	\$110,884,267	\$114,333,862	\$111,172,501

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

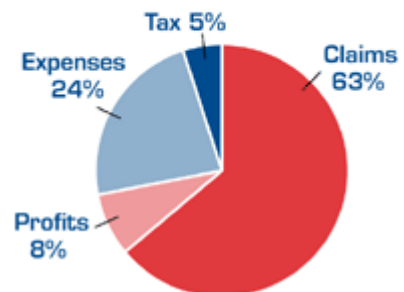
Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC. Copyrighted information. No portion of this work may be copied or redistributed without the express written permission of Highline Data, LLC.

**WHERE THE PREMIUM DOLLAR GOES,
PRIVATE PASSENGER AUTO INSURANCE, 2006**

PREMIUMS EARNED:			\$100
CLAIMS:			
Payments to injured persons:			
Medical	\$9		
Wage loss and other economic payments	2		
Pain and suffering and other noneconomic awards	5		
Lawyers' fees	11		
Costs of settling claims	1		
Subtotal		\$28	
Payments for damage to cars (1):			
Property damage liability	\$15		
Collision claims	16		
Comprehensive claims	7		
Costs of settling claims	1		
Subtotal		\$39	
Total claims		\$67	
EXPENSES:			
Commissions and other selling expenses	\$17		
General expenses (costs of company operations)	6		
State premium taxes, licenses and fees	2		
Dividends to policyholders	1		
Total expenses		\$26	
Claims and expense total			\$93
BOTTOM LINE:			
Investment gain (2)			\$7
Pretax income (\$100 - \$93 + \$7)			14
Tax			-5
Income after taxes			\$9
(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; A.M. Best Company, Inc.			

- In 2006 claims accounted for \$67 of every \$100 earned in private passenger auto insurance premiums in the United States.
- Lawyers' fees accounted for \$11 out of every \$100 in premiums. Half of the fees went to plaintiffs' attorneys and the remainder to defendants' attorneys.
- Theft accounted for about 25 percent of the dollars that go to pay comprehensive claims, or 2 percent of premiums earned for private passenger auto insurance.

**WHERE THE REVENUE DOLLAR GOES, 2006
(Premiums and investments)**





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, 1997 AND 2002

	1997	2002
Number of establishments	656,434	710,307
Receipts/revenues (\$000)	\$858,581,046	\$1,196,555,587
Annual payroll (\$000)	\$174,184,604	\$254,292,144
Number of employees	5,664,840	7,193,069
Source: U.S. Department of Commerce, Bureau of the Census.		

INCURRED LOSSES FOR HOMEOWNERS MULTIPLE PERIL INSURANCE, 2001-2005

(\$000)

NUMBER OF INSURED HOMES, 1999-2003

Year	Number of insured homes (1)
1999	53,282,532.4
2000	54,255,894.5
2001	56,198,785.0
2002	57,151,093.9
2003	57,378,680.7

(1) Written exposures, calculated in house-years (equal to 365 days of insured coverage for a single dwelling). Represents homeowners package policies HO-1, 2, 3, 5 and 8.

Source: Reprinted from 2003 Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance, published by the National Association of Insurance Commissioners. Reprinted with permission. Further reprint or redistribution strictly prohibited without written permission of NAIC.

INCURRED LOSSES FOR COMMERCIAL MULTIPLE PERIL INSURANCE, 2000-2004 (1)

(\$000)

Year	Incurred losses (2)
2000	\$7,745,840
2001	9,052,998
2002	7,690,208
2003	7,520,913
2004	8,928,329

(1) Nonliability portion.

(2) Losses occurring within a fixed period, whether or not adjusted or paid during the same period.

Source: NAIC Annual Statement Database, via National Underwriter Insurance Data Services/Highline Data.

INCURRED LOSSES FOR FIRE INSURANCE, 2000-2004

(\$000)

Year	Incurred losses (1)
2000	\$3,149,959
2001	3,522,859
2002	3,230,500
2003	4,089,863
2004	3,060,411

(1) Losses occurring within a fixed period, whether or not adjusted or paid during the same period.

Source: NAIC Annual Statement Database, via National Underwriter Insurance Data Services/Highline Data.

WHERE THE PREMIUM DOLLAR GOES, HOMEOWNERS INSURANCE, 2006

PREMIUMS EARNED:			\$100
CLAIMS:			
Property damage:			
Fire and lightning	\$17		
Wind and hail	14		
Water damage and freezing	10		
All other property damage (1)	4		
Theft	2		
Subtotal		\$47	
Liability:			
Bodily injury and property damage	\$2		
Medical payments and other	1		
Subtotal		\$3	
Costs of settling claims	8		
Total claims		\$58	
EXPENSES:			
Commissions and other selling expenses	\$22		
General expenses (costs of company operations)	6		
State premium taxes, licenses and fees	3		
Total expenses		\$31	
Claims and expense total			\$89
BOTTOM LINE:			
Investment gain (2)			\$7
Pretax income (\$100 - \$89 + \$7)			18
Tax			6
Income after taxes			\$12

(1) Includes vandalism and malicious mischief.

- In 2006 claims accounted for \$58 of every \$100 of homeowners insurance premiums earned, down from \$75 in 2005.
- Property damage and theft claims accounted for 81 percent of all claims payments. Liability claims accounted for 5 percent. The cost of settling these claims accounted for the remaining 14 percent of total claim costs.
- Expenses—including commissions, general overhead expenses, state premium taxes, licenses and fees—accounted for \$31 of every \$100 of premium earned.

**WHERE THE REVENUE DOLLAR GOES, 2006
(Premiums and investments)**



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

Source: Insurance Information Institute estimate based on data from ISO and the 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.



THE INSURANCE INDUSTRY'S CONTRIBUTION TO THE HEALTH CARE INDUSTRY

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

HEALTH CARE INDUSTRY, 1997 AND 2002

	1997	2002
Number of establishments	519,425	564,774
Receipts/revenues (\$000)	\$827,698,589	\$1,115,844,935
Annual payroll (\$000)	\$353,811,563	\$459,469,421
Number of employees	11,817,375	12,929,752
Source: U.S. Department of Commerce, Bureau of the Census.		



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, 1997 AND 2002

	1997	2002
Number of establishments	176,248	179,346
Receipts/revenues (\$000)	\$128,549,213	\$182,650,380
Annual payroll (\$000)	\$49,856,688	\$69,939,404
Number of employees	1,035,408	1,169,601
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, 2004-2006 (1)

(\$000)

	2004		2005		2006	
	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses	Amount	As a percent of incurred losses
Products liability	\$1,347,178	53.8%	\$1,427,045	70.0%	\$ 876,030	134.5%
Medical malpractice	2,214,495	40.5	2,427,241	48.0	2,438,039	56.6
Commercial multiple peril (2)	2,232,547	39.7	2,198,205	42.2	2,322,743	36.7
General liability (3)	5,891,398	22.6	6,970,797	28.3	5,727,225	27.1
Commercial auto liability	1,220,868	11.3	1,039,773	10.0	1,062,935	10.1
Workers compensation	2,459,706	10.0	2,735,166	11.1	2,734,225	11.0
Private passenger auto liability	4,263,149	7.6	3,775,160	6.6	3,716,987	6.6
All liability lines	\$19,629,341	14.9%	\$20,573,387	15.9%	\$18,878,184	15.3%

(1) Net of reinsurance, excluding state funds.

(2) Liability portion only.

(3) Excludes products liability.

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.



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 life insurance and mortgage guaranty insurance.

CREDIT INSURANCE FOR CUSTOMER DEFAULTS

Credit insurance protects merchants, exporters, 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.

CREDIT INSURANCE, 2002-2006 (1)

(\$000)

Year	Direct premiums written	Annual percent change
2002	\$731,798	17.9%
2003	869,543	18.8
2004	1,053,996	21.2
2005	1,206,020	14.4
2006	1,398,762	16.0

(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.



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, 1997-2006

(\$000)

Year	Credit life	Credit accident and health
1997	\$1,969,079	\$1,897,056
1998	1,998,488	1,798,194
1999	1,971,462	1,724,729
2000	1,849,655	1,675,327
2001	1,632,806	1,551,697
2002	1,251,275	1,331,639
2003	1,046,474	1,119,672
2004	1,150,182	1,156,540
2005	1,257,314	1,135,342
2006	1,091,659	1,012,255

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.



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, 2002-2006 (1)

(\$000)

	2002	2003	2004	2005	2006
Net premiums written	\$3,789,257	\$3,482,519	\$3,411,062	\$3,480,174	\$3,541,558
Net premiums earned	3,835,948	3,385,414	3,476,019	3,454,232	3,584,255
Losses	831,973	870,861	1,336,605	1,251,554	1,461,243
Expenses	899,493	787,649	820,268	842,483	858,599
Underwriting income	2,104,483	1,375,427	1,319,146	1,360,195	1,264,413
Loss ratio	21.69%	25.72%	38.45%	36.23%	40.77%
Expense ratio	23.74	22.62	24.05	24.21	24.24
Combined ratio	45.43	48.34	62.50	60.44	65.01

(1) As reported by members of the Mortgage Insurance Companies of America, representing seven private mortgage insurance companies in 2002 and six in 2003-2006. Data for 2003-2006 not strictly comparable with 2002 data.

Source: Mortgage Insurance Companies of America.



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/HEALTH INSURANCE INDUSTRY PAYOUTS, 2001-2005

(\$ millions)

	2001	2002	2003	2004	2005
Death benefits	\$46,517.0	\$47,088.1	\$49,511.7	\$49,358.3	\$50,547.4
Annuity benefits	53,449.6	52,589.9	53,733.5	57,968.6	60,638.0
Matured endowments	549.2	532.4	510.3	551.1	577.8
Disability benefits and benefits under accident and health contracts	77,811.0	80,220.6	82,264.9	88,894.7	79,920.4
Coupons, guaranteed annual pure endowments and similar benefits	12.0	11.4	14.4	227.9	117.9
Surrender benefits and withdrawals for life contracts	181,995.1	174,641.7	173,160.0	195,003.9	225,841.6
Payment on supplementary contracts with life contingencies	1,747.6	2,360.2	2,218.6	1,894.9	1,856.7
Total	362,081.5	357,444.5	361,413.4	393,899.5	419,499.8

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.



WORKERS COMPENSATION

There are two components to workers compensation claims costs: payments for lost income (which are usually linked to a state's average weekly wage), known as indemnity costs, and payments for medical care. Two decades ago indemnity costs made up the greater part of total losses. In 1985, for example, indemnity represented 56 percent of the total. By 2005 indemnity and medical had changed places. Indemnity was only 42 percent of losses.

WORKERS COMPENSATION INDEMNITY COSTS PER CLAIM, 1991-2005 (1)
(\$000)



(1) Indemnity costs per lost-time claim. 1991-2004: Based on data through 12/31/2004, developed to ultimate; based on the states where NCCI provides ratemaking services. Excludes the effects of deductible policies.
 (2) Preliminary based on data valued as of 12/31/2005.

Source: NCCI Holdings, Inc.



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, 2006 (1)

	Number of policies	Percent change 2005-2006	Annualized premium	Percent change 2005-2006
Noncancellable	171,896	-5%	\$310,292,963	2%
Guaranteed renewable	341,458	0	199,495,361	5
Total	513,354	-2%	\$509,788,324	3%

(1) Short-term and long-term individual disability income insurance. Based on a LIMRA survey of 23 personal disability insurance companies.

Source: LIMRA International.

- Annualized premiums for new disability income policies increased by 3 percent in 2006, while the number of policies decreased 2 percent. This follows a 4 percent increase in premiums and a 3 percent increase in policies in 2005.

INDIVIDUAL DISABILITY INCOME INSURANCE IN-FORCE, 2006 (1)

	Number of policies	Percent change 2005-2006	Annualized premium	Percent change 2005-2006
Noncancellable	2,618,359	0%	\$3,698,253,752	3%
Guaranteed renewable	1,568,417	2	942,267,780	7
Total	4,186,776	1%	\$4,640,521,532	4%

(1) Based on a LIMRA survey of 27 companies. Excludes commercial disability insurance.

Source: LIMRA International.



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.

INSURANCE CARRIERS AND RELATED ACTIVITIES EMPLOYMENT, 2005-2006

State	Number of employees	
	2005	2006
Alabama	32,711	33,823
Alaska	2,753	2,784
Arizona	49,081	49,291
Arkansas	17,437	18,549
California	298,478	300,777
Colorado	49,501	51,312
Connecticut	74,238	75,719
Delaware	8,083	8,744
D.C.	3,783	3,723
Florida	172,249	180,684
Georgia	80,761	84,877
Hawaii	9,577	9,877
Idaho	11,245	12,119
Illinois	140,256	145,172
Indiana	55,959	57,897
Iowa	51,605	54,097
Kansas	31,173	33,031
Kentucky	31,037	34,050
Louisiana	32,812	32,597
Maine	13,405	13,661
Maryland	46,847	47,310
Massachusetts	76,842	79,005
Michigan	75,343	77,246
Minnesota	69,975	72,264
Mississippi	17,632	17,890
Missouri	59,750	62,789
Montana	8,100	8,476
Nebraska	32,452	33,291
Nevada	17,283	15,544
New Hampshire	15,934	16,317
New Jersey	91,888	94,820

New Mexico	10,880	11,110
New York	184,745	188,745
North Carolina	63,651	67,578
North Dakota	8,984	9,296
Ohio	122,464	127,626
Oklahoma	30,085	31,060
Oregon	32,138	33,611
Pennsylvania	141,882	145,923
Rhode Island	10,683	11,009
South Carolina	36,371	37,907
South Dakota	9,192	9,883
Tennessee	52,767	55,330
Texas	207,313	216,233
Utah	21,335	22,820
Vermont	4,947	5,146
Virginia	55,246	57,566
Washington	49,757	51,330
West Virginia	11,396	12,456
Wisconsin	78,764	80,658
Wyoming	3,010	3,177
United States	2,813,800	2,906,200
Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.		

INSURANCE CARRIERS AND RELATED ACTIVITIES COMPENSATION, 2005-2006

(\$000)

State	Annual payroll	
	2005	2006
Alabama	\$1,834,915	\$2,136,761
Alaska	132,093	139,579
Arizona	2,598,284	2,687,902
Arkansas	661,151	726,521
California	21,162,271	21,993,456
Colorado	2,739,051	2,876,814
Connecticut	7,923,546	8,129,976
Delaware	520,981	586,075
D.C.	366,165	406,542
Florida	9,262,350	10,015,478
Georgia	4,856,861	5,265,940
Hawaii	462,483	500,719
Idaho	431,400	477,090
Illinois	8,906,450	9,846,922
Indiana	2,912,248	3,084,051
Iowa	2,844,386	3,179,539
Kansas	1,409,100	1,540,185
Kentucky	1,627,369	1,925,213
Louisiana	1,449,017	1,507,969

Maine	747,625	793,904
Maryland	2,984,680	3,119,264
Massachusetts	6,044,558	6,340,671
Michigan	4,063,358	4,212,553
Minnesota	4,923,112	5,173,416
Mississippi	656,534	685,787
Missouri	2,919,676	3,177,908
Montana	294,902	333,210
Nebraska	1,517,381	1,596,704
Nevada	970,242	799,420
New Hampshire	1,086,673	1,160,825
New Jersey	7,704,292	8,223,152
New Mexico	446,672	469,393
New York	15,350,127	16,409,833
North Carolina	3,110,545	3,457,303
North Dakota	316,805	335,786
Ohio	6,779,467	7,307,984
Oklahoma	1,132,210	1,208,464
Oregon	1,689,335	1,814,773
Pennsylvania	8,720,787	9,322,745
Rhode Island	627,008	658,553
South Carolina	1,682,910	1,848,280
South Dakota	321,561	349,076
Tennessee	2,583,388	2,856,128
Texas	11,123,778	11,919,419
Utah	904,042	978,584
Vermont	271,492	288,458
Virginia	3,037,078	3,260,450
Washington	3,012,327	3,244,895
West Virginia	387,220	446,447
Wisconsin	4,113,758	4,462,387
Wyoming	96,336	106,496
United States	\$171,720,000	\$183,389,000

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



DIRECT PREMIUMS WRITTEN, P/C INSURANCE BY STATE, 2006 (1)
(\$000)

State	Total, all lines	State	Total, all lines
Alabama	\$6,593,510	Montana	\$1,557,814
Alaska	1,525,383	Nebraska	3,171,842
Arizona	8,468,978	Nevada	4,573,605
Arkansas	3,913,012	New Hampshire	2,155,238
California	59,801,542	New Jersey	17,357,646
Colorado	7,732,157	New Mexico	2,565,279
Connecticut	7,052,258	New York	34,717,945
Delaware	2,363,454	North Carolina	11,813,383
D.C.	1,533,872	North Dakota	1,306,198
Florida	39,045,114	Ohio	13,314,181
Georgia	13,906,059	Oklahoma	5,250,419
Hawaii	2,325,192	Oregon	5,427,036
Idaho	1,853,804	Pennsylvania	19,966,389
Illinois	21,153,913	Rhode Island	1,942,407
Indiana	8,513,605	South Carolina	6,589,278
Iowa	4,572,069	South Dakota	1,456,469
Kansas	4,540,293	Tennessee	8,390,648
Kentucky	5,805,674	Texas	34,720,477
Louisiana	8,751,717	Utah	3,277,095
Maine	1,972,939	Vermont	1,111,180
Maryland	8,956,604	Virginia	10,620,969
Massachusetts	11,883,119	Washington	8,827,922
Michigan	15,320,517	West Virginia	3,082,168
Minnesota	8,670,261	Wisconsin	8,017,327
Mississippi	4,172,743	Wyoming	836,192
Missouri	9,054,590	United States	\$481,531,484

- In 2006 California accounted for the largest amount of direct premiums written, followed by Florida, Texas, New York and Illinois.
- Direct premiums written in 2006 rose 2.3 percent in California, 9.6 percent in Florida, 6.2 percent in Texas, 3.9 percent in New York and 1.5 percent in Illinois. This compares with 0.6 percent growth nationally.

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

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LIFE/HEALTH INSURANCE PREMIUMS AND ANNUITY CONSIDERATIONS BY STATE, 2006 (1)

(\$ millions)

State	Life insurance	Annuities	Accident and health insurance (2)	Deposit-type contract funds	Other considerations	Total

Alabama	\$2,017	\$2,294	\$1,349	\$243	\$978	\$6,881
Alaska	278	364	215	45	148	1,050
Arizona	1,876	4,001	3,212	381	1,677	11,147
Arkansas	868	1,318	1,209	234	447	4,076
California	13,594	20,820	12,945	3,791	13,287	64,437
Colorado	1,838	3,818	2,681	1,587	1,438	11,362
Connecticut	2,397	4,573	2,093	6,569	2,298	17,931
Delaware	3,438	1,796	459	15,502	454	21,649
D.C.	408	532	548	217	671	2,375
Florida	7,338	14,752	8,690	1,632	5,743	38,156
Georgia	3,876	4,185	3,876	1,343	1,582	14,861
Hawaii	624	1,154	314	58	526	2,676
Idaho	439	889	446	276	211	2,261
Illinois	6,063	9,100	6,499	1,734	3,733	27,129
Indiana	2,330	4,598	3,283	1,384	1,467	13,061
Iowa	1,325	2,788	1,404	2,415	768	8,701
Kansas	1,173	1,993	2,522	3,271	597	9,555
Kentucky	1,272	1,907	1,380	177	780	5,517
Louisiana	1,778	2,867	1,597	681	1,209	8,132
Maine	380	805	583	106	336	2,209
Maryland	2,463	4,159	2,011	4,557	2,463	15,653
Massachusetts	3,245	5,559	2,164	1,555	3,026	15,549
Michigan	3,595	8,608	3,601	1,042	2,768	19,613
Minnesota	2,481	4,559	1,661	1,813	1,874	12,389
Mississippi	933	1,127	2,401	154	395	5,009
Missouri	2,374	3,911	4,301	889	1,816	13,290
Montana	250	506	408	25	159	1,349
Nebraska	796	1,550	1,187	779	504	4,817
Nevada	804	1,234	916	247	427	3,628
New Hampshire	515	1,085	477	42	499	2,619
New Jersey	6,129	10,212	3,521	7,915	3,516	31,292
New Mexico	518	825	554	114	365	2,377
New York	11,974	15,534	5,543	9,522	9,903	52,476
North Carolina	3,993	5,649	4,023	1,596	2,112	17,373
North Dakota	239	513	259	24	153	1,187
Ohio	4,636	8,855	5,223	1,431	3,277	23,422
Oklahoma	1,369	1,634	1,588	273	594	5,459
Oregon	1,112	2,048	1,357	254	1,102	5,872
Pennsylvania	5,915	10,343	3,905	1,387	4,371	25,922
Rhode Island	469	850	373	107	311	2,109
South Carolina	1,660	2,452	1,830	181	787	6,909
South Dakota	384	493	337	45	184	1,444
Tennessee	2,323	3,788	2,616	573	1,850	11,151
Texas	8,376	14,305	12,617	2,015	4,543	41,856
Utah	819	1,625	835	291	542	4,112
Vermont	230	470	307	102	171	1,280

Virginia	3,331	4,809	3,126	2,982	2,074	16,321
Washington	2,242	3,341	2,080	906	1,701	10,271
West Virginia	535	959	620	65	318	2,496
Wisconsin	2,148	4,748	4,042	840	1,578	13,355
Wyoming	198	309	260	68	122	956
United States (3)	\$129,367	\$210,616	\$129,445	\$83,439	\$91,854	\$644,721

(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 here do not includes territories, dividends and other nonstate specific data.

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**DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE
 BY STATE BY LINE, 2006 (1)
 (\$000)**

State	Private passenger auto		Commercial auto		Home-owners multiple peril	Farmowners multiple peril	Commercial multiple peril
	Liability	Coll./comp.	Liability	Coll./comp.			
Alabama	\$1,182,144	\$1,069,526	\$341,817	\$122,582	\$1,079,955	\$52,650	\$550,500
Alaska	244,903	151,023	57,462	22,714	121,342	441	110,141
Arizona	1,963,398	1,604,380	412,127	143,490	1,145,558	12,382	598,307
Arkansas	794,791	611,925	181,698	91,478	505,370	13,151	264,891
California	10,981,076	8,869,924	2,341,772	844,004	6,617,181	194,799	4,710,414
Colorado	1,568,276	1,167,892	333,937	141,068	1,141,989	54,025	644,526
Connecticut	1,491,552	874,649	328,607	77,308	913,479	3,021	581,031
Delaware	422,770	196,437	91,313	22,800	152,384	2,449	280,789
D.C.	133,985	121,120	33,997	6,055	114,622	0	141,728
Florida	8,910,549	3,758,343	1,765,908	475,126	6,751,149	26,727	2,295,063
Georgia	2,804,330	2,471,875	697,626	238,709	1,678,453	78,846	854,283
Hawaii	420,623	244,907	94,675	25,890	276,658	599	148,916
Idaho	380,146	277,128	103,081	49,092	202,381	41,127	183,820
Illinois	3,156,897	2,567,129	895,536	310,273	2,282,291	99,123	1,581,160
Indiana	1,560,314	1,184,725	444,947	176,735	1,208,690	122,484	721,831
Iowa	663,235	602,630	237,769	120,811	454,129	94,434	306,703
Kansas	680,122	643,540	166,466	92,454	658,062	116,175	321,234
Kentucky	1,411,315	775,068	284,264	99,012	668,344	104,002	424,816
Louisiana	1,796,428	1,215,853	456,758	117,320	1,130,210	8,722	473,431
Maine	372,450	282,713	105,526	39,851	267,907	2,995	208,457
Maryland	2,113,137	1,454,984	434,103	129,250	1,166,912	20,457	604,745
Massachusetts	2,726,253	1,542,063	612,412	190,627	1,490,891	2,051	1,021,616
Michigan	3,296,229	2,765,439	528,946	283,951	2,131,961	104,147	1,099,188
Minnesota	1,627,520	1,142,623	343,638	171,771	1,175,252	80,272	651,629
Mississippi	788,121	620,397	247,097	78,529	616,829	14,125	297,207
Missouri	1,540,102	1,227,893	461,192	165,067	1,126,790	96,968	658,568
Montana	299,628	212,186	89,997	50,602	173,937	43,035	141,941
Nebraska	473,565	377,021	136,019	80,128	374,502	103,374	259,244

Nevada	1,101,087	613,937	211,666	52,303	464,975	6,174	310,125
New Hampshire	391,486	329,198	103,404	38,616	271,073	1,299	210,959
New Jersey	3,840,908	2,074,249	1,088,220	202,240	1,696,424	2,739	1,314,336
New Mexico	621,495	398,656	133,559	50,503	306,833	18,930	209,962
New York	6,704,813	3,289,212	1,770,875	317,400	3,627,091	33,066	3,180,652
North Carolina	2,368,706	1,834,908	582,513	199,714	1,534,798	42,807	838,920
North Dakota	147,430	162,168	50,935	34,099	109,348	54,040	86,475
Ohio	3,023,797	2,182,980	701,473	246,145	1,817,514	102,534	1,169,178
Oklahoma	1,015,493	743,260	258,394	102,470	860,834	93,302	379,824
Oregon	1,270,318	663,078	253,865	82,700	538,649	47,961	444,387
Pennsylvania	4,194,079	2,828,358	954,846	333,684	2,285,391	78,016	1,550,324
Rhode Island	470,016	233,128	92,454	22,100	241,675	146	144,611
South Carolina	1,469,357	937,260	301,929	104,096	1,018,190	5,034	446,804
South Dakota	188,812	171,538	58,779	38,417	123,440	61,175	104,007
Tennessee	1,510,552	1,245,626	394,492	159,713	1,115,802	94,302	591,731
Texas	6,508,129	5,255,175	1,648,557	512,127	4,842,699	115,385	1,858,481
Utah	704,323	467,478	172,581	79,900	315,603	7,458	222,884
Vermont	169,352	153,280	49,568	21,880	146,643	10,490	110,587
Virginia	2,331,146	1,719,988	494,282	170,069	1,375,473	42,466	730,674
Washington	2,304,783	1,209,852	396,423	135,660	1,112,151	48,291	730,478
West Virginia	643,864	408,688	126,436	48,418	306,888	10,229	179,040
Wisconsin	1,245,925	991,869	388,670	166,610	837,173	107,575	618,070
Wyoming	149,571	143,645	53,456	31,329	104,913	21,495	78,953
United States	96,179,300	66,090,923	22,516,070	7,516,890	60,680,808	2,497,494	35,647,644

(1) Excludes state funds.

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DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE BY STATE BY LINE, 2006 (1) (Cont'd)

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State	Workers compensation	Medical malpractice	Products liability	Other liability	Fire	Allied lines	Inland marine
Alabama	\$382,194	\$173,593	\$51,744	\$587,908	\$170,306	\$143,564	\$213,500
Alaska	345,202	25,692	7,416	130,509	30,560	15,891	97,716
Arizona	345,794	297,567	91,087	895,787	118,022	81,355	215,733
Arkansas	303,880	87,425	23,635	381,047	135,056	97,486	144,575
California	7,586,120	972,706	750,080	7,647,164	1,293,034	722,709	1,943,649
Colorado	378,808	212,100	90,830	1,005,094	108,743	99,984	212,067
Connecticut	731,741	222,511	54,596	875,877	103,629	98,349	209,174
Delaware	246,666	46,862	13,933	254,935	21,821	19,894	46,930
D.C.	171,752	44,577	7,012	334,521	35,867	25,299	50,342
Florida	3,736,915	847,260	293,480	3,302,057	1,132,363	1,296,918	1,086,630
Georgia	1,345,652	372,619	106,383	1,365,893	292,940	200,539	396,126
Hawaii	356,161	36,849	23,311	285,247	74,290	71,556	44,080
Idaho	124,234	47,598	13,168	165,398	25,705	26,379	56,909

Illinois	2,596,732	729,368	183,823	3,535,928	373,284	274,458	523,670
Indiana	817,877	135,301	66,255	733,242	168,528	113,717	271,635
Iowa	531,152	100,093	37,054	450,637	70,922	119,826	154,080
Kansas	415,270	98,320	31,129	342,054	71,678	112,041	133,030
Kentucky	681,732	172,664	31,410	396,677	115,108	82,297	212,705
Louisiana	860,759	104,426	49,252	729,632	245,053	222,288	306,883
Maine	242,088	58,708	8,118	144,752	36,789	24,197	49,475
Maryland	686,933	337,326	61,522	902,736	155,407	94,105	217,543
Massachusetts	1,124,566	296,397	115,189	1,463,212	256,263	160,289	277,655
Michigan	1,130,835	253,828	102,775	1,262,632	315,148	149,540	310,129
Minnesota	872,739	100,054	104,975	895,251	136,051	197,724	204,057
Mississippi	338,125	56,212	24,006	298,014	134,717	151,830	147,518
Missouri	1,002,698	238,513	69,596	995,858	185,978	137,820	244,308
Montana	107,362	44,541	8,046	120,626	19,665	25,317	38,199
Nebraska	351,101	37,644	17,396	250,727	44,360	91,976	89,606
Nevada	497,714	108,721	59,070	553,432	76,199	58,527	113,958
New Hampshire	304,720	43,683	17,019	234,498	26,737	21,727	47,628
New Jersey	2,004,260	592,844	219,938	2,331,897	324,053	216,633	410,067
New Mexico	278,502	47,439	14,005	192,614	31,188	33,042	65,507
New York	2,431,693	1,524,545	317,657	6,029,738	806,746	468,609	913,226
North Carolina	1,385,661	317,271	105,504	970,936	253,561	207,810	334,966
North Dakota	1,131	17,696	7,472	74,174	17,532	70,970	29,657
Ohio	39,643	530,250	124,806	1,493,766	307,128	187,116	358,014
Oklahoma	423,885	145,271	41,810	456,743	104,086	101,100	162,677
Oregon	766,705	126,348	57,060	476,355	104,165	54,345	132,488
Pennsylvania	2,272,869	741,717	179,623	2,354,928	372,799	242,233	374,238
Rhode Island	201,150	39,568	11,041	206,611	35,801	28,319	46,695
South Carolina	748,964	61,878	49,470	406,530	185,685	176,161	191,348
South Dakota	130,980	26,059	8,974	89,409	17,463	28,336	40,138
Tennessee	947,781	344,578	61,586	727,437	213,194	129,049	250,934
Texas	2,813,269	487,663	285,124	3,848,761	1,325,725	915,325	1,132,810
Utah	488,114	72,872	39,980	303,122	50,847	37,726	90,230
Vermont	205,403	27,922	6,843	101,498	22,445	12,518	26,443
Virginia	977,025	299,559	75,817	1,065,462	187,336	131,320	265,002
Washington	45,876	254,759	97,465	1,056,274	169,562	109,057	283,289
West Virginia	771,979	110,870	15,669	188,843	56,077	30,531	53,349
Wisconsin	1,664,416	112,109	79,146	751,221	119,850	100,273	199,278
Wyoming	5,195	23,955	8,091	82,402	13,680	12,019	37,318
United States	47,222,024	12,208,329	4,320,392	53,750,067	10,693,145	8,230,093	13,457,182

(1) Excludes state funds.

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**DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE
BY STATE BY LINE, 2006 (1) (Cont'd)**

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State	Ocean marine	Surety	Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty	Aircraft
Alabama	\$33,462	\$65,149	\$13,862	\$2,030	\$21,497	\$33,659	\$24,574
Alaska	26,666	24,418	2,054	215	5,052	8,670	42,281
Arizona	11,555	106,696	12,271	2,111	15,359	49,644	78,765
Arkansas	14,627	33,967	8,220	2,389	13,004	4,517	24,205
California	297,170	714,826	124,079	21,823	105,838	296,414	227,866
Colorado	9,555	97,170	16,170	3,200	17,009	52,453	42,370
Connecticut	52,335	66,406	41,360	4,188	14,584	23,579	42,412
Delaware	6,837	15,557	11,187	950	3,052	94,493	13,753
D.C.	4,333	67,619	13,448	1,772	3,735	21,221	11,525
Florida	301,392	385,276	54,012	12,346	52,211	152,019	167,301
Georgia	78,662	149,989	30,414	6,746	28,195	24,997	90,769
Hawaii	14,525	41,637	4,827	281	3,052	13,350	18,078
Idaho	2,675	20,011	2,820	561	6,079	1,803	14,389
Illinois	77,990	156,863	75,630	8,358	51,958	88,949	95,745
Indiana	16,218	71,945	16,740	3,126	26,379	27,446	30,513
Iowa	6,349	35,968	10,768	1,525	19,268	9,240	13,641
Kansas	5,396	40,367	9,782	1,372	15,191	5,076	20,945
Kentucky	19,237	59,159	9,643	1,249	19,799	11,182	11,226
Louisiana	256,655	114,195	11,126	1,929	19,149	55,133	59,981
Maine	23,015	13,366	3,636	566	7,282	2,611	4,811
Maryland	86,978	129,462	21,632	3,312	16,000	36,616	24,953
Massachusetts	98,577	99,966	34,435	4,277	26,502	51,524	24,554
Michigan	41,332	77,693	30,658	6,128	40,363	91,593	46,829
Minnesota	25,937	70,450	26,344	4,079	24,486	41,253	50,757
Mississippi	17,564	58,347	7,535	1,337	11,132	9,268	14,454
Missouri	39,346	75,848	20,401	4,496	20,934	32,586	35,102
Montana	1,527	17,752	2,568	305	3,339	6,993	11,675
Nebraska	3,883	26,217	7,041	2,218	11,612	5,756	11,905
Nevada	8,244	91,822	6,651	1,022	8,103	22,668	33,763
New Hampshire	13,343	15,373	2,956	623	4,852	2,602	10,395
New Jersey	117,068	164,924	44,447	8,715	35,347	64,669	71,492
New Mexico	1,355	36,000	3,713	516	5,490	6,690	11,331
New York	599,118	309,510	151,683	26,744	82,534	1,164,454	118,297
North Carolina	38,736	113,283	27,351	3,808	28,835	39,969	49,498
North Dakota	975	11,687	2,339	262	5,356	2,290	6,471
Ohio	37,688	124,912	43,861	7,980	47,910	52,749	58,871
Oklahoma	17,234	45,493	7,615	3,208	12,825	7,733	21,864
Oregon	28,249	60,098	8,578	1,722	13,511	8,929	30,690
Pennsylvania	51,325	205,400	54,038	9,038	52,815	122,167	52,269
Rhode Island	29,073	14,184	3,738	891	3,807	13,976	14,099
South Carolina	28,591	55,931	8,605	1,791	15,189	19,621	17,544
South Dakota	496	11,576	2,930	406	4,281	2,111	6,499
Tennessee	42,466	75,899	18,972	3,253	20,952	21,469	40,716
Texas	315,524	396,075	59,388	23,820	81,873	95,263	214,867

Utah	5,237	35,487	5,889	924	6,742	5,199	26,927
Vermont	3,897	6,681	1,554	408	2,703	4,705	2,276
Virginia	58,885	143,114	26,594	4,050	24,766	12,179	33,662
Washington	124,041	129,967	17,717	3,102	23,356	37,972	68,471
West Virginia	3,158	33,999	4,127	480	5,652	8,517	4,416
Wisconsin	24,302	42,688	19,447	3,197	32,013	13,905	30,171
Wyoming	626	18,003	1,472	205	4,246	716	4,989
United States	3,123,427	4,978,423	1,146,327	209,056	1,125,219	2,982,600	2,184,955

(1) Excludes state funds.

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**DIRECT PREMIUMS WRITTEN, PROPERTY/CASUALTY INSURANCE
BY STATE BY LINE, 2006 (1) (Cont'd)**

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State	Earthquake	Federal flood	Credit	Accident and health	Multiple peril crop	Mortgage guaranty	Misc.
Alabama	\$7,875	\$22,950	\$23,274	\$47,497	\$35,969	\$82,058	\$57,672
Alaska	16,396	1,524	342	14,905	36	16,183	5,632
Arizona	7,201	15,123	10,961	53,880	8,902	130,057	41,467
Arkansas	17,399	6,888	8,037	38,727	49,777	39,343	15,505
California	1,062,083	149,024	106,939	320,846	190,197	405,386	304,419
Colorado	8,730	10,187	6,732	76,723	109,498	96,329	26,695
Connecticut	5,867	25,163	75,166	35,713	3,828	53,518	42,616
Delaware	1,352	10,736	17,278	300,574	5,592	55,172	6,938
D.C.	2,287	507	888	111,859	0	71,200	2,602
Florida	33,929	780,907	67,017	267,064	144,728	472,654	475,772
Georgia	15,523	42,739	29,394	118,198	91,361	205,111	89,687
Hawaii	7,583	19,704	3,482	21,217	1,308	64,241	8,146
Idaho	2,617	3,094	1,253	25,229	42,061	27,014	8,030
Illinois	46,052	25,308	79,893	284,509	423,427	250,741	378,821
Indiana	31,154	14,912	21,941	177,151	194,648	126,651	28,501
Iowa	3,290	5,968	4,994	78,181	370,281	51,090	18,031
Kansas	4,859	4,633	6,357	65,609	336,371	50,131	92,625
Kentucky	35,719	10,825	10,514	50,314	40,768	45,284	21,340
Louisiana	6,369	223,116	14,509	56,354	39,318	72,368	104,499
Maine	1,464	4,893	4,567	25,256	5,164	18,189	14,093
Maryland	8,723	24,783	17,085	66,107	17,659	95,604	28,529
Massachusetts	16,700	31,216	25,055	63,726	2,646	91,801	32,653
Michigan	7,368	13,273	58,242	144,040	79,962	173,693	774,596
Minnesota	3,931	4,620	19,398	137,228	322,225	205,758	30,239
Mississippi	15,942	26,574	9,467	73,054	45,813	37,771	31,759
Missouri	78,431	12,685	18,907	271,558	131,322	96,532	65,092
Montana	3,012	1,650	1,272	11,298	100,012	12,096	9,232
Nebraska	2,778	5,569	5,642	57,963	301,874	28,125	14,594
Nevada	12,855	6,920	31,624	17,964	765	72,490	30,825

New Hampshire	1,949	4,216	4,076	14,267	334	27,931	10,278
New Jersey	15,731	129,421	49,964	110,860	3,539	152,866	69,793
New Mexico	2,175	6,759	2,905	19,826	14,478	29,718	22,088
New York	37,786	82,245	63,544	310,566	19,088	207,284	129,766
North Carolina	10,170	63,303	36,566	94,602	91,946	184,348	52,893
North Dakota	239	2,529	761	14,338	387,133	6,725	1,964
Ohio	29,452	19,136	19,554	169,035	130,175	191,832	96,683
Oklahoma	4,579	6,170	13,086	59,233	79,485	50,322	32,423
Oregon	52,176	15,079	24,414	48,605	24,022	51,188	41,351
Pennsylvania	14,057	38,117	26,569	252,520	32,916	249,259	42,795
Rhode Island	2,318	11,341	4,473	41,809	64	17,440	11,882
South Carolina	29,069	90,439	15,243	55,727	33,352	94,544	20,923
South Dakota	476	1,651	665	35,468	287,336	10,250	4,799
Tennessee	57,818	9,761	44,551	94,605	36,078	93,510	43,822
Texas	28,825	233,756	272,804	378,385	451,248	362,972	256,445
Utah	24,562	1,794	2,626	47,180	2,391	50,576	8,444
Vermont	1,191	2,218	933	4,675	971	10,448	3,648
Virginia	10,901	48,183	18,549	88,432	27,812	207,472	50,750
Washington	117,912	17,243	12,793	78,796	53,924	114,255	74,451
West Virginia	1,554	10,360	1,507	23,460	10,738	16,104	7,216
Wisconsin	3,815	6,573	37,992	188,798	93,528	89,309	49,404
Wyoming	2,276	1,294	773	11,152	10,522	12,023	1,873
United States	1,916,523	2,307,077	1,334,576	5,155,086	4,886,591	5,376,965	3,794,299

(1) Excludes 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.



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, 2006

(\$000)

State	Amount	State	Amount
Alabama	\$273,432	Montana	\$64,521
Alaska	51,912	Nebraska	37,470
Arizona	419,888	Nevada	238,334
Arkansas	127,805	New Hampshire	81,913
California	2,202,327	New Jersey	537,119
Colorado	177,783	New Mexico	103,081
Connecticut	253,430	New York	1,010,896
Delaware	85,786	North Carolina	442,301
Florida	879,079	North Dakota	29,125
Georgia	342,982	Ohio	543,977
Hawaii	92,219	Oklahoma	175,935
Idaho	86,077	Oregon	61,540
Illinois	319,805	Pennsylvania	663,997
Indiana	177,663	Rhode Island	52,860
Iowa	121,428	South Carolina	134,647
Kansas	127,819	South Dakota	58,064
Kentucky	354,148	Tennessee	379,888
Louisiana	392,035	Texas	1,233,494
Maine	93,915	Utah	120,119
Maryland	345,816	Vermont	54,722
Massachusetts	427,060	Virginia	373,781
Michigan	219,538	Washington	378,804
Minnesota	329,034	West Virginia	105,371
Mississippi	165,968	Wisconsin	150,817
Missouri	283,333	Wyoming	21,817
		United States	\$15,404,875

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

- Insurance companies, including life/health and property/casualty companies, paid \$15.4 billion in premium taxes to the 50 states in 2006. On a per capita basis, this works out to \$51 for every person living in the United States.
- Premium taxes accounted for 2.2 percent of all taxes collected by the states in 2006.



Insurance Information Institute

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DOMESTIC INSURANCE COMPANIES BY STATE, PROPERTY/CASUALTY AND LIFE/HEALTH INSURANCE, 2006

State	Property/ casualty	Life/ health	State	Property/ casualty	Life/ health
Alabama	23	13	Montana	5	3
Alaska	7	0	Nebraska	33	27
Arizona	45	211	Nevada	13	4
Arkansas	11	35	New Hampshire	30	3
California	120	23	New Jersey	81	6
Colorado	16	10	New Mexico	9	3
Connecticut	67	29	New York	193	82
Delaware	84	36	North Carolina	68	5
D.C.	7	3	North Dakota	17	3
Florida	85	37	Ohio	136	38
Georgia	38	16	Oklahoma	49	28
Hawaii	18	3	Oregon	13	4
Idaho	9	2	Pennsylvania	196	37
Illinois	172	67	Rhode Island	25	4
Indiana	72	42	South Carolina	25	12
Iowa	59	24	South Dakota	19	2
Kansas	25	13	Tennessee	21	15
Kentucky	7	9	Texas	231	151
Louisiana	37	49	Utah	11	16
Maine	21	2	Vermont	16	2
Maryland	43	7	Virginia	15	11
Massachusetts	53	19	Washington	21	10
Michigan	70	28	West Virginia	6	2
Minnesota	51	12	Wisconsin	183	31
Mississippi	15	21	Wyoming	2	0
Missouri	52	31	United States (1)	2,648	1,257

(1) Includes U.S. territories and possessions.

Source: Insurance Department Resources Report, 2006, published by the National Association of Insurance Commissioners (NAIC). Reprinted with permission. Further reprint or redistribution strictly prohibited without written permission of NAIC.

- According to the National Association of Insurance Commissioners (NAIC), there were 2,648 P/C companies in the United States in 2006, compared with 2,725 in 2005.
- The L/H insurance industry consisted of 1,257 companies in 2006, compared with 1,299 in 2005, according to the NAIC.
- Many insurance companies are part of larger organizations. According to A.M. Best, in 2006 the P/C insurance industry consisted of 967 organizations, including 584 stock (or public) companies and 315 mutual organizations (firms owned by their policyholders). The remainder consisted of 57 reciprocals, 8 Lloyd's organizations and 19 state funds.



CATASTROPHES BY STATE

In 2005, 24 catastrophes generated a record \$61.8 billion in insured property/casualty losses, according to ISO. The catastrophes resulted in more than 4 million personal and commercial property and automobile claims from policyholders in 39 states. Five states—Louisiana, Mississippi, Florida, Texas and Alabama—accounted for some 90 percent of those dollar losses, with most of the losses generated by five hurricanes—Katrina, Wilma, Rita, Ophelia and Dennis. The five hurricanes caused \$57.7 billion in insured damages, or 93 percent of total 2005 catastrophe losses. (See Hurricanes section for more information on 2005 Hurricane losses).

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
Total (5 states)	53,672,500
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
Total (5 states)	4,540,000
Source: ISO.	

TOP STATES WITH HIGHEST INSURED CATASTROPHE LOSSES, 2007

(\$ millions)

State	Estimated insured loss
California	\$1,230
Minnesota	747
Texas	677
Georgia	320
Illinois	272
Oklahoma	270
Kansas	262
Missouri	223
New York	202

Colorado	200
Alabama	200
<p>Note: Catastrophes are assigned serial numbers by the Property Claim Services (PCS) division 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.</p> <p>Source: ISO's Property Claim Services Unit.</p>	

VALUE OF INSURED COASTAL PROPERTIES VULNERABLE TO HURRICANES BY STATE, 2004 (1)

(\$ billions)

State	Coastal	Total exposure (2)	Coastal as a percent of total
Florida	\$1,937.4	\$2,443.5	79%
New York	1,901.6	3,123.6	61
Texas	740.0	2,895.3	26
Massachusetts	662.4	1,223.0	54
New Jersey	505.8	1,504.8	34
Connecticut	404.9	641.3	63
Louisiana	209.3	551.7	38
South Carolina	148.8	581.2	26
Virginia	129.7	1,140.2	11
Maine	117.2	202.4	58
North Carolina	105.3	1,189.3	9
Alabama	75.9	631.3	12
Georgia	73.0	1,235.7	6
Delaware	46.4	140.1	33
New Hampshire	45.6	196.0	23
Mississippi	44.7	331.4	13
Rhode Island	43.8	156.6	28
Maryland	12.1	853.6	1
Coastal states	\$6,863.0	\$19,041.1	36%

(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.

Note: Latest data available.

Source: AIR Worldwide.

- In 2004 the value of insured coastal properties in the 18 East Coast and Gulf states exposed to hurricanes totaled \$6.9 trillion, or 16 percent of insurers' total exposure to loss in the United States (see footnote 2 on the chart), according to AIR Worldwide.
- AIR estimates that property values in coastal areas of the United States have doubled over the last decade.
- The percentage of homes that are underinsured dropped from 73 percent in 2002 to 58 percent in 2006, according to a Marshall & Swift/Boechk survey. Homes were undervalued by an average of 21 percent in 2006, down from 35 percent in 2002.

INSURANCE PROVIDED BY FAIR PLANS BY STATE, 2006 (1)

State	Habitational policies	Commercial policies	Exposure (\$000)	Direct written premiums (\$000)
California	193,615	12,509	\$50,577,001	\$82,268
Connecticut	4,682	297	768,728	4,717
Delaware	2,963	122	295,795	793
Florida (CPIC) (2)	1,409,587	137,691	408,837,779	3,400,400

Georgia (3)	28,167	1,531	3,114,897	16,625
Illinois	9,970	206	769,000	7,393
Indiana	3,633	128	300,953	2,210
Iowa	1,425	65	94,079	861
Kansas	9,659	251	416,676	4,300
Kentucky	14,040	926	141,533	7,872
Massachusetts	216,074	982	68,607,352	235,997
Michigan	73,952	2,018	10,186,674	72,684
Minnesota	8,600	3	1,839,520	6,870
Mississippi	12,080	(4)	661,360	7,626
Missouri	8,928	556	421,162	3,613
New Jersey	41,974	1,631	5,440,130	21,595
New Mexico	12,687	394	671,920	3,774
New York (3)	60,797	7,172	12,927,080	35,857
Ohio	59,983	1,386	11,309,456	30,267
Oregon	4,225	175	322,196	1,402
Pennsylvania	37,386	2,625	2,079,026	13,030
Rhode Island	21,708	173	4,728,942	23,776
Texas	109,461	(4)	13,320,285	59,873
Virginia	37,058	871	3,944,094	16,424
Washington	90	58	33,346	187
West Virginia	1,364	117	50,932	795
Wisconsin	5,191	183	NA	2,297
Total	2,389,299	172,070	\$601,859,916	\$4,063,324
<p>(1) Does not include the FAIR Plans of Arkansas, Washington D.C., Hawaii, Maryland, North Carolina and Louisiana Citizens. (2) Citizens Property Insurance Corporation, which combined the FAIR and Beach Plans. (3) Includes a wind and hail option for any dwelling including those in coastal communities. (4) The Mississippi and Texas FAIR Plans do not offer a commercial policy.</p> <p>NA= Data not available.</p> <p>Source: Property Insurance Plans Service Office (PIPSO).</p>				

INSURANCE PROVIDED BY BEACH AND WINDSTORM PLANS, 2006 (1)

State	Habitational policies	Commercial policies	Exposure (2) (\$000)	Direct written premiums (\$000)
Mississippi	28,880	2,082	\$5,369,509	\$48,813
South Carolina	27,082	2,992	11,179,099	67,309
Texas	140,375	17,858	38,313,022	196,833
Total	196,337	22,932	\$54,861,630	\$312,955
<p>(1) Does not include the FAIR Plans of Alabama and North Carolina and the Florida and Louisiana Citizens. (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.</p> <p>Source: Property Insurance Plans Service Office (PIPSO).</p>				

TORNADOES AND RELATED DEATHS BY STATE, 2006 (1)

State	Tornadoes	Fatalities
Alabama	69	1
Alaska	0	0
Arizona	6	0
Arkansas	25	0
California	9	0
Colorado	20	0
Connecticut	1	0
Delaware	0	0
D.C.	0	0
Florida	42	0
Georgia	21	0
Hawaii	2	0
Idaho	9	0
Illinois	123	1
Indiana	25	0
Iowa	38	1
Kansas	93	0
Kentucky	19	0
Louisiana	40	1
Maine	1	0
Maryland	3	0
Massachusetts	1	0
Michigan	10	0
Minnesota	25	2
Mississippi	32	0
Missouri	103	13
Montana	1	0
Nebraska	22	0
Nevada	1	0
New Hampshire	2	0
New Jersey	1	0
New Mexico	5	0
New York	8	0
North Carolina	31	9
North Dakota	21	0
Ohio	36	0
Oklahoma	27	0
Oregon	4	0
Pennsylvania	8	1
Puerto Rico	1	0
Rhode Island	0	0
South Carolina	36	0
South Dakota	27	0
Tennessee	25	34
Texas	114	4

Utah	2	0
Vermont	0	0
Virginia	16	0
Washington	2	0
West Virginia	0	0
Wisconsin	13	0
Wyoming	1	0
United States	1,121	67

(1) Includes the 15 tornadoes that tracked from a touchdown state into another state.

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

TOP TEN STATES FOR WILDLAND FIRES BY NUMBER OF FIRES, 2007 (1)

Rank	State	Number of fires	Number of acres burned
1	CA	9,093	1,087,110
2	GA	8,726	837,895
3	NC	7,000	54,658
4	FL	4,918	578,346
5	SC	3,842	17,064
6	OK	3,519	69,907
7	AL	3,373	64,262
8	TN	3,361	48,572
9	OR	2,561	648,046
10	AZ	2,240	101,381

(1) Ranked by number of fires.

Source: National Interagency Coordination Center.

TOP TEN STATES FOR WILDLAND FIRES BY ACRES BURNED, 2007 (1)

Rank	State	Number of fires	Number of acres burned
1	ID	1,473	1,980,552
2	CA	9,093	1,087,110
3	NV	891	890,414
4	GA	8,726	837,895
5	MT	1,875	778,079
6	OR	2,561	648,046
7	UT	1,423	620,730
8	FL	4,918	578,346
9	AK	448	525,017
10	WA	1,268	214,925

(1) Ranked by number of acres burned.

Source: National Interagency Coordination Center.

TOP 15 MOST COSTLY HURRICANES IN THE UNITED STATES

(\$ millions)

				Estimated insured loss (1)
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Rank	Date	Location	Hurricane	Dollars when occurred	In 2007 dollars (2)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Katrina	\$41,100	\$43,625
2	Aug. 24-26, 1992	FL, LA	Andrew	15,500	22,902
3	Oct. 24, 2005	FL	Wilma	10,300	10,933
4	Aug. 13-14, 2004	FL, NC, SC	Charley	7,475	8,203
5	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NJ, NY, NC, OH, PA, TN, VA, WV	Ivan	7,110	7,803
6	Sep. 17-22, 1989	GA, NC, PR, SC, VA, U.S. Virgin Islands	Hugo	4,195	7,013
7	Sep. 20-26, 2005	AL, AR, FL, LA, MS, TN, TX	Rita	5,627	5,973
8	Sep. 3-9, 2004	FL, GA, NC, NY, SC	Frances	4,595	5,043
9	Sep. 15-29, 2004	DE, FL, GA, MD, NJ, NY, NC, PA, PR, SC, VA	Jeanne	3,655	4,011
10	Sept. 21-28, 1998	AL, FL, LA, MS, PR, U.S. Virgin Islands	Georges	2,955	3,758
11	Oct. 4, 1995	FL, AL, GA, NC, SC, TN	Opal	2,100	2,856
12	Sep. 14-17, 1999	NC, NJ, VA, FL, SC, PA, 10 other states	Floyd	1,960	2,439
13	Sep. 11, 1992	Kauai and Oahu, HI	Iniki	1,600	2,364
14	Sep. 5, 1996	NC, SC, VA, MD, WV, PA, OH	Fran	1,600	2,114
15	Sep. 15-16, 1995	PR, U.S. Virgin Islands	Marilyn	875	1,190
(1) Property coverage only.					
(2) Adjusted to 2007 dollars by the Insurance Information Institute.					
Source: ISO's Property Claim Services Unit; Insurance Information Institute.					



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 567 licensed captives, Vermont was the largest U.S. captive domicile in 2007, based on data in an annual survey conducted by Business Insurance magazine. On a worldwide basis, the United States is the largest captive domicile with 1428 captives, topping Bermuda, which was in second place with 958.

CAPTIVES BY STATE, 2006-2007

Rank	State	Number of captives	
		2006	2007
1	Vermont	563	567
2	Hawaii	160	163
3	South Carolina	146	158
4	Nevada	95	115
5	Arizona	83	108
6	Utah	30	92
7	D.C.	70	77
8	New York	39	44
9	Kentucky	10	31
10	Montana	21	30
11	Georgia	17	14
12	Delaware	6	10
13	Colorado	8	6
14	Tennessee	3	3
15	Illinois	3	2
16	Missouri	0	2
17	Alabama	1	2
18	Arkansas	1	1
19	Kansas	1	1
20	Oklahoma	1	1
21	South Dakota	1	1
22	Maine	0	0
23	Rhode Island	0	0
	United States	1,259	1,428

Source: Business Insurance, March 8, 2008.

Issues Updates Paper [Captives & Other Risk-Financing Options](#).



INCURRED LOSSES BY STATE, PROPERTY/CASUALTY INSURANCE, 2006 (1)

(\$000)

State	Incurred losses
Alabama	\$3,472,699.6
Alaska	605,235.9
Arizona	4,188,435.1
Arkansas	2,227,841.0
California	26,422,425.1
Colorado	3,714,850.2
Connecticut	3,508,976.2
Delaware	1,028,349.1
D.C.	470,761.0
Florida	17,076,244.1
Georgia	7,361,469.2
Hawaii	917,351.7
Idaho	915,255.2
Illinois	11,809,842.5
Indiana	6,168,261.3
Iowa	2,135,926.8
Kansas	2,824,145.3
Kentucky	3,164,579.8
Louisiana	3,881,031.2
Maine	875,927.7
Maryland	4,388,695.9
Massachusetts	5,428,934.1
Michigan	8,965,755.8
Minnesota	4,540,915.7
Mississippi	2,210,694.4
Missouri	6,334,713.7
Montana	802,868.1
Nebraska	1,455,597.2
Nevada	2,539,244.4
New Hampshire	1,114,774.4
New Jersey	9,656,629.3
New Mexico	1,266,234.0
New York	17,404,879.8
North Carolina	6,116,442.5
North Dakota	615,641.3
Ohio	6,471,747.2
Oklahoma	2,635,976.9
Oregon	3,030,627.7

Pennsylvania	10,646,182.7
Rhode Island	1,005,510.1
South Carolina	3,221,861.0
South Dakota	1,018,463.0
Tennessee	4,915,008.7
Texas	16,728,147.1
Utah	1,610,385.6
Vermont	535,895.1
Virginia	5,410,731.1
Washington	4,878,059.2
West Virginia	1,745,039.7
Wisconsin	4,914,404.0
Wyoming	427,611.0
United States	\$250,725,691.6
(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.	

INCURRED LOSSES BY STATE, PRIVATE PASSENGER AUTOMOBILE INSURANCE, 2006 (1)

(\$000)

State	No-fault (PIP)	Physical damage	Other auto liability	Total incurred losses
Alabama	\$235.2	\$643,723.6	\$720,972.7	\$1,364,931.6
Alaska	160.7	70,420.6	133,388.4	203,969.7
Arizona	-540.2	895,380.5	1,170,385.4	2,065,225.6
Arkansas	17,666.9	374,520.0	448,287.7	840,474.6
California	8,755.1	4,957,768.7	5,825,759.3	10,792,283.1
Colorado	25,188.4	535,717.2	865,912.7	1,426,818.3
Connecticut	12,624.9	449,601.3	847,265.4	1,309,491.6
Delaware	62,105.3	108,964.1	207,499.4	378,568.8
D.C.	3,865.5	60,186.1	75,065.3	139,116.8
Florida	1,646,323.5	2,254,097.8	3,917,710.9	7,818,132.2
Georgia	3,837.5	1,187,881.1	1,870,392.6	3,062,111.2
Hawaii	40,687.9	129,482.4	148,013.7	318,184.0
Idaho	868.3	140,566.0	209,750.1	351,184.3
Illinois	-1,824.8	1,444,447.9	1,866,638.6	3,309,261.8
Indiana	-6,026.4	797,125.7	922,420.6	1,713,519.8
Iowa	368.4	295,493.5	358,249.5	654,111.4
Kansas	63,387.3	424,725.6	346,429.7	834,542.5
Kentucky	153,151.0	429,860.8	677,743.2	1,260,755.0
Louisiana	-356.0	585,203.8	1,100,398.0	1,685,245.8
Maine	115.3	127,970.9	185,452.4	313,538.6
Maryland	142,443.0	813,333.5	1,130,887.4	2,086,663.9
Massachusetts	102,438.2	851,220.5	1,194,628.3	2,148,286.9

Michigan	2,005,316.3	1,635,231.9	515,918.2	4,156,466.4
Minnesota	257,813.2	638,385.1	558,501.1	1,454,699.3
Mississippi	93.3	337,648.7	442,476.1	780,218.2
Missouri	-698.9	913,665.1	931,331.9	1,844,298.1
Montana	330.3	108,953.2	175,899.9	285,183.3
Nebraska	204.3	167,237.5	264,829.9	432,271.8
Nevada	2,508.5	382,967.3	766,869.3	1,152,345.0
New Hampshire	1,504.8	177,997.8	203,262.8	382,765.5
New Jersey	957,071.1	904,555.6	1,670,004.7	3,531,631.3
New Mexico	-103.7	211,960.3	365,228.9	577,085.6
New York	1,191,434.0	1,691,757.3	2,287,049.4	5,170,240.7
North Carolina	2,758.1	997,538.5	1,699,134.0	2,699,430.5
North Dakota	17,673.8	71,258.8	54,985.7	143,918.3
Ohio	4,398.0	1,211,646.2	1,582,641.7	2,798,685.9
Oklahoma	2,335.8	384,977.9	596,376.3	983,690.0
Oregon	137,529.9	381,853.9	628,570.5	1,147,954.3
Pennsylvania	464,470.3	1,482,805.2	2,263,403.8	4,210,679.3
Rhode Island	348.4	99,195.5	261,324.3	360,868.2
South Carolina	10,919.8	510,000.9	853,570.9	1,374,491.5
South Dakota	711.0	81,693.2	97,976.8	180,381.0
Tennessee	708.5	809,231.6	935,745.1	1,745,685.2
Texas	196,617.5	3,037,720.6	3,652,677.5	6,887,015.7
Utah	42,048.5	252,955.4	397,170.6	692,174.5
Vermont	213.3	67,643.1	91,966.9	159,823.4
Virginia	14,391.3	964,021.1	1,389,257.1	2,367,669.5
Washington	188,847.2	692,925.0	1,320,954.0	2,202,726.2
West Virginia	651.0	178,239.8	396,828.6	575,719.4
Wisconsin	1,841.0	620,593.6	733,518.1	1,355,952.7
Wyoming	-295.1	73,415.1	88,424.1	161,544.2
United States	\$8,135,152.6	\$37,249,976.9	\$49,866,838.6	\$95,251,968.1

(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, 2006 (1)

(\$000)

State	Incurred losses
Alabama	\$658,254.0
Alaska	52,327.1
Arizona	430,775.2
Arkansas	382,558.7
California	2,155,509.2
Colorado	388,524.4
Connecticut	386,351.7

Delaware	63,990.6
D.C.	34,651.5
Florida	1,914,502.1
Georgia	927,174.8
Hawaii	36,732.9
Idaho	108,069.3
Illinois	1,387,016.3
Indiana	1,615,960.5
Iowa	171,650.0
Kansas	626,929.5
Kentucky	372,007.2
Louisiana	18,372.6
Maine	112,469.4
Maryland	434,577.0
Massachusetts	531,491.9
Michigan	1,042,939.5
Minnesota	975,358.1
Mississippi	249,190.7
Missouri	1,472,354.3
Montana	73,665.2
Nebraska	124,348.0
Nevada	154,841.6
New Hampshire	135,507.6
New Jersey	816,020.3
New Mexico	146,389.0
New York	1,511,401.8
North Carolina	620,719.6
North Dakota	32,282.0
Ohio	1,070,314.3
Oklahoma	335,854.2
Oregon	304,158.9
Pennsylvania	951,849.0
Rhode Island	75,296.1
South Carolina	328,304.4
South Dakota	40,286.6
Tennessee	1,019,590.0
Texas	1,562,040.9
Utah	129,606.5
Vermont	54,731.5
Virginia	531,633.7
Washington	724,422.3
West Virginia	123,268.8
Wisconsin	704,497.6
Wyoming	39,321.0
United States	\$28,379,922.7

(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, 2006 (1)

(\$000)

State	Liability	Nonliability	Total incurred losses
Alabama	\$99,445	\$173,910	\$273,355
Alaska	13,189	23,183	36,372
Arizona	103,006	126,817	229,824
Arkansas	36,178	102,488	138,665
California	836,550	975,345	1,811,896
Colorado	99,251	134,329	233,579
Connecticut	116,154	118,042	234,197
Delaware	13,394	24,676	38,069
D.C.	21,513	20,866	42,379
Florida	398,786	203,665	602,451
Georgia	118,657	199,244	317,901
Hawaii	35,217	23,533	58,750
Idaho	37,023	45,443	82,466
Illinois	273,185	456,599	729,785
Indiana	145,338	329,451	474,789
Iowa	46,515	103,309	149,824
Kansas	36,777	142,263	179,040
Kentucky	58,469	106,909	165,377
Louisiana	60,729	315,653	376,382
Maine	18,723	38,973	57,696
Maryland	97,285	152,883	250,169
Massachusetts	161,344	141,922	303,265
Michigan	128,599	298,913	427,512
Minnesota	119,185	208,172	327,358
Mississippi	28,238	108,598	136,836
Missouri	129,619	415,274	544,893
Montana	27,390	27,674	55,064
Nebraska	23,786	71,322	95,109
Nevada	90,355	72,560	162,916
New Hampshire	25,294	60,563	85,858
New Jersey	340,405	220,424	560,829
New Mexico	16,275	53,638	69,912
New York	819,450	532,777	1,352,227
North Carolina	98,412	177,622	276,034
North Dakota	7,382	14,279	21,661
Ohio	126,547	330,707	457,254
Oklahoma	40,911	101,015	141,926

Oregon	88,387	92,811	181,198
Pennsylvania	337,820	413,575	751,395
Rhode Island	29,196	28,034	57,230
South Carolina	79,251	90,190	169,441
South Dakota	13,768	11,518	25,286
Tennessee	79,970	183,569	263,539
Texas	218,759	550,302	769,061
Utah	41,279	43,345	84,624
Vermont	13,427	18,877	32,304
Virginia	85,434	113,526	198,960
Washington	132,591	184,468	317,059
West Virginia	53,706	40,547	94,253
Wisconsin	100,842	189,682	290,524
Wyoming	13,469	32,852	46,321
United States	\$8,843,784	\$6,196,184	\$15,039,968

(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, 2006 (1)

(\$000)

State	Incurred losses
Alabama	\$228,611.2
Alaska	121,682.8
Arizona	213,753.7
Arkansas	166,870.5
California	3,267,691.4
Colorado	200,394.2
Connecticut	521,621.7
Delaware	166,988.6
D.C.	86,532.1
Florida	1,660,078.7
Georgia	796,568.5
Hawaii	139,583.5
Idaho	90,639.6
Illinois	2,092,318.7
Indiana	526,123.3
Iowa	377,182.9
Kansas	256,832.1
Kentucky	462,056.7
Louisiana	364,978.2
Maine	177,408.1
Maryland	468,358.3
Massachusetts	682,305.6

Michigan	710,031.8
Minnesota	561,159.5
Mississippi	198,634.7
Missouri	542,408.9
Montana	81,840.1
Nebraska	227,229.7
Nevada	252,647.1
New Hampshire	185,945.7
New Jersey	1,445,613.1
New Mexico	146,488.4
New York	1,591,036.6
North Carolina	978,783.7
North Dakota	-1,674.0
Ohio	20,665.8
Oklahoma	289,714.7
Oregon	661,104.3
Pennsylvania	1,561,749.8
Rhode Island	141,114.5
South Carolina	499,340.2
South Dakota	91,023.2
Tennessee	558,925.9
Texas	1,406,726.4
Utah	284,054.6
Vermont	136,647.1
Virginia	612,340.9
Washington	29,611.2
West Virginia	604,233.5
Wisconsin	1,094,277.7
Wyoming	-212.0
United States	\$27,343,760.5

(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, 2006 (1)

(\$000)

State	Claims and benefits paid
Alabama	\$4,596,314.2
Alaska	903,999.3
Arizona	7,088,589.4
Arkansas	2,460,065.4
California	42,835,177.1
Colorado	6,718,275.4
Connecticut	16,194,816.1

Delaware	5,484,043.6
D.C.	1,244,943.8
Florida	24,806,220.9
Georgia	8,421,184.1
Hawaii	2,223,037.9
Idaho	1,506,119.2
Illinois	17,702,860.8
Indiana	7,829,782.7
Iowa	5,784,340.5
Kansas	3,498,575.9
Kentucky	3,571,999.6
Louisiana	4,586,478.2
Maine	1,837,792.5
Maryland	10,693,635.1
Massachusetts	13,279,347.8
Michigan	14,296,167.6
Minnesota	8,490,271.6
Mississippi	2,218,033.5
Missouri	8,701,325.3
Montana	946,239.3
Nebraska	2,613,695.8
Nevada	2,368,713.7
New Hampshire	1,824,737.1
New Jersey	18,191,170.8
New Mexico	2,097,844.0
New York	33,954,355.3
North Carolina	10,372,470.0
North Dakota	931,788.3
Ohio	17,584,812.5
Oklahoma	3,403,688.3
Oregon	4,679,946.4
Pennsylvania	18,604,672.9
Rhode Island	1,511,150.2
South Carolina	4,111,770.9
South Dakota	965,689.6
Tennessee	7,093,283.0
Texas	23,961,815.5
Utah	2,638,552.1
Vermont	843,090.5
Virginia	7,745,913.8
Washington	7,186,315.3
West Virginia	1,870,418.9
Wisconsin	8,210,837.8
Wyoming	629,345.0
United States	\$428,263,857.0

(1) On a direct basis before reinsurance.

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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 THE SHARED AND VOLUNTARY MARKETS, 2005**

State	Voluntary	Shared market	Total	Shared market as a percent of total
Alabama	3,176,976	39	3,177,015	0.001%
Alaska	391,726	936	392,662	0.238
Arizona	3,661,357	224	3,661,581	0.006
Arkansas	1,951,114	10	1,951,124	0.001
California	24,493,775	29,349	24,523,124	0.120
Colorado	3,345,472	5	3,345,477	(1)
Connecticut	2,400,289	3,473	2,403,762	0.144
Delaware	589,067	210	589,277	0.036
D.C.	214,919	1,298	216,217	0.600
Florida	10,879,337	238	10,879,575	0.002
Georgia	6,412,105	41	6,412,146	0.001
Hawaii	764,912	5,563	770,475	0.722
Idaho	1,099,670	106	1,099,776	0.010
Illinois	7,660,096	3,085	7,663,181	0.040
Indiana	4,266,377	19	4,266,396	(1)
Iowa	2,313,665	34	2,313,699	0.001
Kansas	2,265,849	2,061	2,267,910	0.091
Kentucky	2,870,315	708	2,871,023	0.025
Louisiana	2,664,598	349	2,664,947	0.013
Maine	1,022,983	345	1,023,328	0.034
Maryland	3,678,817	100,465	3,779,282	2.658
Massachusetts	3,899,990	246,772	4,146,762	5.951
Michigan	6,319,595	3,692	6,323,287	0.058
Minnesota	3,580,638	NA	3,580,634	NA
Mississippi	1,696,577	385	1,696,962	0.023
Missouri	3,984,312	148	3,984,460	0.004
Montana	728,196	425	728,621	0.058
Nebraska	1,426,135	11	1,426,146	0.001
Nevada	1,631,359	42	1,631,401	0.003

- In 2005, 1.3 percent of vehicles were insured in the shared market, compared with 3.6 percent in 1995.
- The number of vehicles in the shared market nationwide fell 11.8 percent in 2005.
- North Carolina has the highest percentage of cars in the shared market, 23 percent, followed by Massachusetts with 6 percent and Rhode Island with 5 percent.
- While North Carolina, Massachusetts and New York have the most vehicles in shared market plans, the number of cars in each of the states' plans fell in 2005—by 37.8 percent in New York, 8.4 percent in Massachusetts and 0.5 percent in North Carolina.

New Hampshire	879,213	2,087	881,300	0.237
New Jersey	5,043,694	88,921	5,132,615	1.732
New Mexico	1,328,702	149	1,328,851	0.011
New York	8,887,213	213,655	9,100,868	2.348
North Carolina	5,083,738	1,546,437	6,630,175	23.324
North Dakota	562,102	1	562,103	(1)
Ohio	7,936,071	0	7,936,071	(1)
Oklahoma	2,552,269	277	2,552,546	0.011
Oregon	2,575,410	28	2,575,438	0.001
Pennsylvania	8,230,275	50,757	8,281,032	0.613
Rhode Island	641,028	32,331	673,359	4.801
South Carolina	3,040,916	2	3,040,918	(1)
South Dakota	642,607	0	642,607	(1)
Tennessee	3,999,819	96	3,999,915	0.002
Texas	NA	NA	NA	NA
Utah	1,620,366	3	1,620,369	(1)
Vermont	464,849	1,708	466,557	0.366
Virginia	5,795,282	7,490	5,802,772	0.129
Washington	4,225,103	3	4,225,106	(1)
West Virginia	1,236,758	579	1,237,337	0.047
Wisconsin	3,618,968	0	3,618,968	(1)
Wyoming	460,658	1	460,659	(1)
United States	178,215,262	2,344,554	180,559,816	1.298
(1) Less than 0.001 percent.				
NA=Data not available.				
Source: Automobile Insurance Plans Service Office.				

AUTO: COSTS/EXPENDITURES

The average cost of automobile insurance declined by 1.3 percent in 2005, according to a September 2007 report from the National Association of Insurance Commissioners (NAIC). New Jersey had the highest average expenditure (\$1,184), followed by the District of Columbia (\$1,182), New York (\$1,122), Massachusetts (\$1,113) and Louisiana (\$1,076).

AVERAGE EXPENDITURES FOR AUTO INSURANCE, UNITED STATES, 1996-2005

Year	Average expenditure	Percent change	Year	Average expenditure	Percent change
1996	\$691	3.4%	2001	\$726	5.2%
1997	705	2.0	2002	781	7.6
1998	703	-0.3	2003	824	5.5
1999	685	-2.6	2004	840	1.9
2000	690	0.7	2005	829	-1.3

Source: © 2007 National Association of Insurance Commissioners.

- 77 percent of insured drivers purchase comprehensive coverage in addition to liability insurance, and 72 percent buy collision coverage, according to NAIC data.

AUTO INSURANCE EXPENDITURES, BY STATE

The table on the following pages shows estimated average expenditures for private passenger automobile insurance by state for 2001 to 2005, providing approximate measures of the relative cost

of automobile insurance to consumers in each state. To calculate average expenditures the National Association of Insurance Commissioners (NAIC) assumes that all insured vehicles carry liability coverage but not necessarily collision or comprehensive coverage. The average expenditure measures what consumers actually spend for insurance on each vehicle. It does not equal the sum of liability, collision and comprehensive expenditures because not all policyholders purchase all three coverages.

Expenditures are affected by the coverages purchased as well as other factors. In states where the economy is healthy, people are more likely to purchase new cars. Since new car owners are more likely to purchase physical damage coverages, these states will have a higher average expenditure. The NAIC notes that urban population, traffic density and per capita income have a significant impact on premiums. The latest report shows that high premium states tend also to be highly urban, with higher wage and price levels and greater traffic density. Tort liability and other auto laws, labor costs, liability coverage requirements, theft rates and other factors can also affect auto insurance prices.

AVERAGE EXPENDITURES FOR AUTO INSURANCE BY STATE, 2004-2005

State	2005					2004		Average expenditure percent change 2004-2005
	Liability	Collision	Comprehensive	Average expenditure	Rank (1)	Average expenditure	Rank (1)	
Alabama	\$367	\$316	\$134	\$678	37	\$677	39	0.1%
Alaska	596	390	165	962	11	974	11	-1.2
Arizona	511	310	242	926	14	931	14	-0.5
Arkansas	391	297	165	693	34	708	32	-2.0
California (2)	487	365	117	845	18	847	17	-0.3
Colorado	471	304	198	827	21	850	16	-2.6
Connecticut	626	343	127	991	9	991	9	0.0
Delaware	713	294	113	1,028	8	1,022	8	0.6
D.C.	627	446	270	1,182	2	1,185	2	-0.2
Florida	757	280	111	1,063	6	1,062	6	0.1
Georgia	420	372	168	784	24	779	24	0.6
Hawaii	547	298	114	843	19	817	22	3.1
Idaho	339	236	133	583	48	590	48	-1.2
Illinois	410	300	121	743	28	760	26	-2.3
Indiana	372	266	120	657	41	671	40	-2.0
Iowa	290	205	169	555	50	580	50	-4.3
Kansas	301	244	205	590	47	603	46	-2.2
Kentucky	489	272	137	750	26	758	27	-1.1
Louisiana	665	358	208	1,076	5	1,062	5	1.3
Maine	368	273	111	644	42	650	42	-0.9
Maryland	556	331	149	945	12	947	12	-0.3
Massachusetts	724	339	139	1,113	4	1,113	4	0.0
Michigan	487	436	166	931	13	980	10	-5.1
Minnesota	460	237	190	791	23	829	21	-4.6
Mississippi	419	304	171	745	27	749	29	-0.6
Missouri	381	271	152	685	35	702	33	-2.4
Montana	409	250	207	685	36	683	37	0.3

Nebraska	337	226	208	621	44	637	43	-2.6
Nevada	636	336	146	983	10	939	13	4.7
New Hampshire	431	305	114	792	22	798	23	-0.8
New Jersey	751	403	183	1,184	1	1221	1	-3.1
New Mexico	449	293	167	727	30	728	30	0.0
New York	765	338	159	1,122	3	1,172	3	-4.2
North Carolina	336	269	125	602	46	597	47	0.9
North Dakota	259	209	254	554	51	562	51	-1.4
Ohio	390	255	110	669	39	680	38	-1.6
Oklahoma	395	277	174	678	38	690	36	-1.8
Oregon	484	235	110	737	29	753	28	-2.2
Pennsylvania	508	316	131	849	16	843	19	0.8
Rhode Island	714	380	130	1,059	7	1,034	7	2.4
South Carolina	471	253	151	753	25	763	25	-1.4
South Dakota	298	211	214	565	49	587	49	-3.7
Tennessee	363	298	126	659	40	666	41	-1.1
Texas (3)	476	315	155	845	17	847	18	-0.2
Utah	427	270	122	706	31	722	31	-2.3
Vermont	368	306	134	699	32	693	35	0.9
Virginia	398	271	127	698	33	702	34	-0.6
Washington	541	265	132	840	20	839	20	0.2
West Virginia	532	303	193	857	15	875	15	-2.1
Wisconsin	339	215	133	615	45	636	44	-3.2
Wyoming	336	263	224	639	43	629	45	1.6
United States	\$496	\$309	\$143	\$829		\$840		-1.3%

(1) Ranked by average expenditure.

(2) Preliminary.

(3) Due to the exclusion of county mutuals, which had 44 percent of the market in 2005, Texas results are not comparable with results from other states.

Note: Average expenditure=Total written premium/liability car years. A car-year is equal to 365 days of insured coverage for a single vehicle. The NAIC does not rank state average expenditures and does not endorse any conclusion drawn from these data.

Source: © 2007 National Association of Insurance Commissioners.

AVERAGE EXPENDITURES FOR AUTO INSURANCE BY STATE, 2001-2003

State	Average expenditure (1)		
	2003	2002	2001
Alabama	\$657	\$627	\$605
Alaska	938	884	826
Arizona	921	887	822
Arkansas	698	672	621
California (2)	837	778	723
Colorado	923	921	808
Connecticut	988	970	912
Delaware	977	900	851
D.C.	1,135	1,044	1,012
Florida	1,018	934	850

Georgia	759	739	703
Hawaii	776	739	705
Idaho	586	563	523
Illinois	762	729	683
Indiana	671	648	615
Iowa	581	548	513
Kansas	611	587	556
Kentucky	739	688	645
Louisiana	1,015	928	839
Maine	633	587	546
Maryland	893	840	784
Massachusetts	1,052	984	936
Michigan	950	887	735
Minnesota	837	801	735
Mississippi	710	681	638
Missouri	702	669	634
Montana	675	628	572
Nebraska	624	590	554
Nevada	914	896	851
New Hampshire	779	733	686
New Jersey	1,193	1,125	1,028
New Mexico	732	706	662
New York	1,168	1,100	1,015
North Carolina	605	588	565
North Dakota	537	505	498
Ohio	672	642	614
Oklahoma	689	654	610
Oregon	736	682	643
Pennsylvania	813	777	726
Rhode Island	997	939	880
South Carolina	745	703	636
South Dakota	564	542	510
Tennessee	650	632	611
Texas (3)	837	791	735
Utah	733	703	640
Vermont	683	650	603
Virginia	658	626	610
Washington	825	791	750
West Virginia	844	778	707
Wisconsin	621	611	573
Wyoming	618	585	528
United States	\$824	\$781	\$726

(1) Average expenditure=Total written premium/liability car years. A car-year is equal to 365 days of insured coverage for a single vehicle.

(2) Preliminary.

(3) Due to the exclusion of county mutuals, which had 44 percent of the market in 2005, Texas results are not comparable with results from other states.

Source: © 2007 National Association of Insurance Commissioners.

TOP TEN MOST EXPENSIVE AND LEAST EXPENSIVE STATES FOR AUTOMOBILE INSURANCE, 2005 (1)

Rank	Most expensive states	Average expenditure	Rank	Least expensive states	Average expenditure
1	New Jersey	\$1,184	1	North Dakota	\$554
2	D.C.	1,182	2	Iowa	555
3	New York	1,122	3	South Dakota	565
4	Massachusetts	1,113	4	Idaho	583
5	Louisiana	1,076	5	Kansas	590
6	Florida	1,063	6	North Carolina	602
7	Rhode Island	1,059	7	Wisconsin	615
8	Delaware	1,028	8	Nebraska	621
9	Connecticut	991	9	Wyoming	639
10	Nevada	983	10	Maine	644

(1) Based on average automobile insurance expenditures.

Source: © 2007 National Association of Insurance Commissioners.

TOP FIVE MOST EXPENSIVE AND LEAST EXPENSIVE CITIES FOR AUTOMOBILE INSURANCE, 2007 (1)

Rank	Most expensive cities	Average annual auto premiums	Rank	Least expensive cities	Average annual auto premiums
1	Detroit, MI	\$5,072	1	Eau Claire, WI	\$869
2	Philadelphia, PA	3,779	2	Norfolk, VA	954
3	Newark, NJ	3,381	3	Raleigh, NC	966
4	Los Angeles, CA	3,027	4	Bismarck, ND	989
5	Hempstead, NY	2,764	5	Burlington, VT	1,001

(1) As of June 2007. Assumes \$100,000/\$300,000/\$50,000 liability limits, collision and comprehensive with \$500 deductibles, and \$100,000/\$300,000 uninsured coverage.

Source: Runzheimer International.

- Auto insurance is more expensive in urban areas because of the higher density of traffic, increased likelihood of theft and vandalism, and greater incidence of fraud.



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, 2004

(000)

State	Owner occupied housing by state
Alabama	1,263
Alaska	150
Arizona	1,464
Arkansas	720
California	7,012
Colorado	1,269
Connecticut	928
Delaware	226
D.C.	108
Florida	4,808
Georgia	2,172
Hawaii	252
Idaho	373
Illinois	3,227
Indiana	1,733
Iowa	868
Kansas	748
Kentucky	1,156
Louisiana	1,135
Maine	390
Maryland	1,444
Massachusetts	1,572
Michigan	2,929
Minnesota	1,547
Mississippi	748
Missouri	1,635
Montana	253
Nebraska	470
Nevada	534
New Hampshire	357
New Jersey	2,134
New Mexico	493
New York	3,941
North Carolina	2,305

North Dakota	179
Ohio	3,150
Oklahoma	928
Oregon	899
Pennsylvania	3,506
Rhode Island	253
South Carolina	1,124
South Dakota	208
Tennessee	1,620
Texas	5,075
Utah	544
Vermont	183
Virginia	1,969
Washington	1,548
West Virginia	545
Wisconsin	1,519
Wyoming	142
United States	73,754
Source: U.S. Census.	

AVERAGE PREMIUMS FOR HOMEOWNERS AND RENTERS INSURANCE, BY STATE, 2005

State	Homeowners		Renters		State	Homeowners		Renters	
	Average premium (1)	Rank	Average premium (2)	Rank		Average premium (1)	Rank	Average premium (2)	Rank
Alabama	\$847	9	\$225	6	Montana	\$663	29	\$163	35
Alaska	837	11	184	21	Nebraska	767	20	157	40
Arizona	635	38	219	9	Nevada	671	28	211	13
Arkansas	775	19	218	10	New Hampshire	636	37	157	41
California (3)	895	7	257	2	New Jersey	682	26	179	22
Colorado	807	17	174	25	New Mexico	605	42	203	15
Connecticut	823	15	199	17	New York	842	10	223	7
Delaware	498	47	158	37	North Carolina	644	33	153	42
Dist. of Columbia	963	5	188	20	North Dakota	736	21	128	49
Florida	1,083	3	202	16	Ohio	531	46	166	32
Georgia	672	27	214	12	Oklahoma	996	4	242	5
Hawaii	837	12	215	11	Oregon	491	49	168	31
Idaho	457	51	157	39	Pennsylvania	624	40	150	44
Illinois	660	30	174	26	Rhode Island	849	8	193	18
Indiana	639	36	177	23	South Carolina	817	16	189	19
Iowa	594	43	139	48	South Dakota	622	41	124	51
Kansas	836	13	173	27	Tennessee	692	24	209	14
Kentucky	628	39	163	33	Texas (4)	1,372	1	269	1
Louisiana	1,144	2	244	4	Utah	477	50	146	47

Maine	553	45	147	46	Vermont	646	32	159	36
Maryland	696	23	163	34	Virginia	641	34	149	45
Massachusetts	827	14	220	8	Washington	589	44	173	30
Michigan	734	22	173	28	West Virginia	640	35	177	24
Minnesota	790	18	150	43	Wisconsin	495	48	126	50
Mississippi	939	6	253	3	Wyoming	649	31	158	38
Missouri	688	25	173	29	United States	\$764		\$193	

(1) Based on the HO-3 homeowner package policy for owner-occupied dwellings, 1 to 4 family units. Provides "all risks" coverage (except those specifically excluded in the policy) on buildings, broad named-peril coverage on personal property, and is the most common package written.
 (2) Based on the HO-4 renters insurance policy for tenants. Includes broad named-peril coverage for the personal property of tenants.
 (3) California data were provided by the California Department of Insurance.
 (4) The Texas Department of Insurance developed home insurance policy forms that are similar but not identical to the standard forms.

Note: Average premium=Premiums/exposure per house-years. A house-year is equal to 365 days of insured coverage for a single dwelling. The NAIC does not rank State Average Expenditures and does not endorse any conclusions drawn from this data.

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THE TOP TEN MOST EXPENSIVE AND LEAST EXPENSIVE STATES FOR HOMEOWNERS INSURANCE, 2005

Rank	Most expensive states	Homeowners average premium (1)	Rank	Least expensive states	Homeowners average premium (1)
1	Texas (2)	\$1,372	1	Idaho	\$457
2	Louisiana	1,144	2	Utah	477
3	Florida	1,083	3	Oregon	491
4	Oklahoma	996	4	Wisconsin	495
5	D.C.	963	5	Delaware	498
6	Mississippi	939	6	Ohio	531
7	California (3)	895	7	Maine	553
8	Rhode Island	849	8	Washington	589
9	Alabama	847	9	Iowa	594
10	New York	842	10	New Mexico	605

(1) Based on the HO-3 homeowner package policy for owner-occupied dwellings, 1 to 4 family units. Provides "all risks" coverage (except those specifically excluded in the policy) on buildings, broad named-peril coverage on personal property, and is the most common package written.
 (2) The Texas Department of Insurance developed home insurance policy forms that are similar but not identical to the standard forms.
 (3) California data were provided by the California Department of Insurance.

Note: Average premium=Premiums/exposure per house-years. A house-year is equal to 365 days of insured coverage for a single dwelling. The NAIC does not rank State Average Expenditures and does not endorse any conclusions drawn from this data.

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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, 2002 (1)

State	Number of firms
Alabama	78,710
Alaska	15,986
Arizona	95,908
Arkansas	52,094
California	674,635
Colorado	119,568
Connecticut	77,256
Delaware	20,208
D.C.	16,377
Florida	370,789
Georgia	164,252
Hawaii	24,912
Idaho	33,214
Illinois	253,720
Indiana	116,030
Iowa	65,136
Kansas	60,949
Kentucky	71,874
Louisiana	81,684
Maine	34,421
Maryland	107,995
Massachusetts	146,080
Michigan	192,284
Minnesota	118,667
Mississippi	47,979
Missouri	119,561
Montana	28,812
Nebraska	41,487
Nevada	42,502
New Hampshire	32,279
New Jersey	203,467
New Mexico	35,597
New York	428,425
North Carolina	165,020
North Dakota	17,151
Ohio	211,017

Oklahoma	70,334
Oregon	85,134
Pennsylvania	237,397
Rhode Island	25,469
South Carolina	78,608
South Dakota	20,877
Tennessee	100,720
Texas	373,059
Utah	49,259
Vermont	19,039
Virginia	142,593
Washington	138,256
West Virginia	32,669
Wisconsin	115,980
Wyoming	16,465
United States	5,697,759

(1) A firm is a business organization consisting of one or more domestic establishments in the same state and industry under common ownership or control.

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