



INSURANCE
INFORMATION
INSTITUTE

2019 A Firm Foundation

How Insurance Supports the Economy

Table Of Contents

To the Reader	1
Chapter 1: Introduction	2
Insurance Industry at a Glance	2
Chapter 2: Driving Economic Progress	3
Employment	3
Insurance Payrolls	4
Premiums	4
Surplus Lines	5
Major Players – Rankings by Line	6
Taxes	9
Comparison with Other Industries	10
Charitable Contributions	10
Contribution to GDP	11
Chapter 3: Investing in Capital Markets	12
Introduction	12
Property/Casualty Industry Investments	13
Life/Health Industry Investments	14
Ownership of Municipal Securities	15
Chapter 4: Supporting Resilience and Disaster Recovery	16
Introduction	16
Reinsurance	19
Hurricanes	20
Tornadoes	23
Earthquakes	24
Wildfires	26
Terrorism	26
Chapter 5: Fostering Innovations in Key Industries	28
Introduction	28
Auto Repair Industry	28
Construction Industry	29
Healthcare Industry	30
Chapter 6: Empowering Lenders	32
Credit Insurance for Short-term Trade Receivables	32
Private Mortgage Insurance	33
Credit Life/Health	33

Chapter 7: Supporting Businesses, Workers, Communities	34
Life Insurance Payouts	34
Disability Insurance Premiums	34
Workers Compensation Indemnity Payouts	35
Chapter 8: Contribution to State Economies: A 50-State Commitment	36
Employment	36
Premiums	37
Surplus Lines	48
Gross State Product	50
State Taxes	52
Insurance Companies by State	52
Catastrophes by State	55
Residual Markets	62
Captives by State	63
Incurred Losses by State	64
Insured Cars by State	71
Insured Homes by State	72
Businesses by State	73
Appendices	75
I.I.I. Resources	75
I.I.I. Staff/Representatives	76

2019 A Firm Foundation

To The Reader

Insurance is the lifeblood of any developed economy, as it enables individuals, businesses and even governments to transfer risk to further invest and grow. Simply put, without insurance, an economy cannot develop in a sustainable manner. However, few people are aware of the extraordinary impact the industry has on state, local and national economies. For example:

By the numbers...

- 2.7 million... Citizens in the U.S. are employed, in a wide variety of careers, from human resource administrators to public relations managers to financial analysts in the property/casualty and life insurance industries.
- \$5.8 trillion... Assets under management in 2017, including \$1.7 trillion for the property/casualty sector and \$4.1 trillion for the life sector.
- \$602.7 billion... Property/casualty and life insurance industries contributed to the U.S. gross domestic product in 2017, which amounts to roughly 3.1 percent of the whole.
- \$752.5 billion... Property/casualty policyholder surplus on hand at the end of 2017 for ensuring individuals and businesses claims are paid.
- \$21 billion... Taxes paid by the property/casualty and life insurance industries in the U.S. in 2017 -- \$64 for every citizen.

To explain the ways that both property/casualty and life insurance contribute to our economy far beyond their core function of helping to manage risk, the Insurance Information Institute has produced a website, A Firm Foundation: How Insurance Supports the Economy. This publication shows the myriad ways in which insurance supports the economy. Each chart illustrates one or more elements. Together they tell a tale that is rarely told—that insurance helps provide the firm foundation for a functioning economy.

We hope that you will enjoy and utilize the information contained in A Firm Foundation. You can also count on the Insurance Information Institute to leverage this as well throughout the year as we continue to drive the public conversation about the key role of insurance in creating a safer, more stable world.

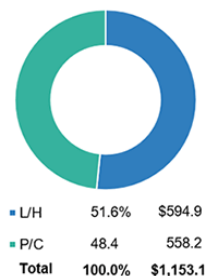
Sean Kevelighan
CEO
Insurance Information Institute

Chapter 1: Introduction

Insurance Industry at a Glance

- U.S. insurance industry net premiums written totaled \$1.2 trillion in 2017, with premiums recorded by life/health (L/H) insurers accounting for 52 percent, and premiums by property/casualty (P/C) insurers accounting for 48 percent, according to S&P Global Market Intelligence.
- P/C insurance consists primarily of auto, home and commercial insurance. Net premiums written for the sector totaled \$558.2 billion in 2017.
- Health insurance is generally considered separately. The sector includes private health insurance companies as well as government programs. P/C and L/H insurers also write some health insurance.
- Although most private health insurance is written by companies that specialize in that line of business, life/health and property/casualty insurers also write this coverage, referred to as accident and health insurance on their annual statements. Total private health insurance direct written premiums were \$867.5 billion in 2017, including: \$670.1 billion from the health insurance segment; \$190.8 billion from the life/health segment; and \$6.5 billion from property/casualty annual statements, according to S&P Global Market Intelligence.
- There were 5,954 insurance companies in 2017 in the U.S. and its territories. According to the National Association of Insurance Commissioners those were comprised of the following: P/C (2,509); life/annuities (852); health (907); fraternal (82); title (58); risk retention groups (240) and other companies (1,306).
- Insurance carriers and related activities contributed \$602.7 billion, or 3.1 percent, to the nation's gross domestic product (GDP) in 2017, according to the U.S. Bureau of Economic Analysis.
- The U.S. insurance industry employed 2.7 million people in 2018, according to the U.S. Department of Labor. Of those, 1.5 million worked for insurance companies, including life and health insurers (870,600 workers), P/C insurers (621,800 workers) and reinsurers (29,100 workers). The remaining 1.2 million people worked for insurance agencies, brokers and other insurance-related enterprises.
- Total P/C cash and invested assets were \$1.69 trillion in 2017, according to S&P Global Market Intelligence. L/H cash and invested assets totaled \$4.07 trillion in 2017. The total of cash and invested assets for both sectors was \$5.77 trillion. The majority of these assets were in bonds (58 percent of P/C assets and 73 percent of L/H assets).
- P/C and L/H insurance companies paid \$21 billion in premium taxes in 2017, or \$64 for every person living in the United States, according to the U.S. Department of Commerce.
- P/C insurers paid out \$101.9 billion in property losses related to catastrophes in 2017, according to the Property Claims Services (PCS) division of Verisk Analytics, the highest payout since PCS began collecting insured loss data in 1949. The \$101.9 billion in losses in 2017 was 370 percent higher than \$21.7 billion in 2016. There were 46 catastrophes in 2017, compared with 42 in 2016.

U.S. P/C And L/H Insurance Premiums, 2017 (\$ billions)



Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Chapter 2: Driving Economic Progress

Employment

Careers And Employment

The insurance industry is a major U.S. employer, providing some 2.7 million jobs that encompass a wide variety of careers, from human resource administrators to public relations managers to financial analysts. Some jobs, such as claims adjusters, actuaries and insurance underwriters, are unique to the insurance industry. For information about the many career opportunities in the insurance industry, consult the Bureau of Labor Statistics' [Career Guide to Industries](#) or [insuremypath.org](#).

Employment In Insurance, 2009-2018 (Annual averages, 000)

	Insurance carriers				Insurance agencies, brokerages and related services			
	Direct insurers (1)							
Year	Life and health (2)	Property/casualty	Reinsurers	Total	Insurance agencies and brokers	Other insurance-related activities (3)	Total	Total industry
2009	802.8	632.9	27.5	1,463.2	653.3	254.2	907.4	2,370.6
2010	804.1	614.3	26.8	1,445.2	642.3	253.1	895.5	2,340.6
2011	788.9	611.6	25.6	1,426.1	649.2	261.1	910.3	2,336.4
2012	811.3	599.5	25.7	1,436.5	659.6	272.3	931.8	2,368.3
2013	813.2	593.7	26.2	1,433.1	672.3	283.5	955.8	2,388.9
2014	829.0	594.7	25.1	1,448.8	720.0	297.1	1,017.1	2,465.8
2015	829.8	611.6	25.1	1,466.5	762.8	309.1	1,071.8	2,538.3
2016	818.9	643.5	25.3	1,487.7	783.5	321.5	1,105.0	2,592.7
2017	850.4	639.7	26.6	1,516.7	809.6	333.3	1,142.9	2,659.6
2018	870.6	621.8	29.1	1,521.5	825.2	343.7	1,168.9	2,690.4

(1) Establishments primarily engaged in initially underwriting insurance policies. (2) Includes establishments engaged in underwriting annuities, life insurance and health and medical insurance policies. (3) Includes claims adjusters, third-party administrators of insurance funds and other service personnel such as advisory and insurance ratemaking services.

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

Insurance Payrolls

Insurance Carriers And Related Activities Compensation, 2013-2017

Year	Annual payroll (\$ billions)
2013	\$219.3
2014	234.0
2015	250.3
2016	255.3
2017	271.5

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

2019 A Firm Foundation

Premiums

Net Premiums Written, Property/Casualty And Life/Health

There are three main insurance sectors. Property/casualty (P/C) consists mainly of auto, home and commercial insurance. Life/health (L/H) consists mainly of life insurance and annuity products. Most private health insurance is written by insurers whose main business is health insurance. However, L/H and P/C insurers also write this coverage. In 2017 P/C net premiums written rose by 4.6 percent while L/H net premiums written fell by 0.5 percent.

Property/Casualty And Life/Health Insurance Premiums, 2017 (1) (US\$ billions)



(1) Property/casualty: net premiums written after reinsurance transactions, excludes state funds; Life/health: premiums, annuity considerations (fees for annuity contracts) and deposit-type funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Property/Casualty And Life/Health Insurance Net Premiums Written, 2008-2017 (\$'000)

Year	Property/casualty (1)	Life/health (2)	Total
2008	\$440,318,983	\$607,250,216	\$1,047,569,199
2009	423,528,077	491,487,792	915,015,869
2010	425,878,773	560,494,920	986,373,693
2011	441,562,154	602,257,296	1,043,819,450
2012	460,686,182	623,238,450	1,083,924,632
2013	481,517,971	560,070,547	1,041,588,518
2014	502,842,475	644,480,928	1,147,323,403
2015	520,149,847	635,549,216	1,155,699,063
2016	533,696,758	597,634,158	1,131,330,916
2017	558,205,126	594,910,567	1,153,115,693
Percent change, 2008-2017	26.8%	-2.0%	10.1%

(1) Net premiums written after reinsurance transactions, excludes state funds. (2) Premiums, annuity considerations (fees for annuity contracts) and deposit-type funds for Life/health insurance companies.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Surplus Lines

The surplus lines market, a group of highly specialized insurers that includes Lloyd's of London, exists to assume risks that licensed companies decline to insure or will only insure at a very high price, with many exclusions or with a very high deductible. To be eligible to seek coverage in the surplus lines market, a diligent effort must have been made to place insurance with an admitted company, usually defined by a certain number of declinations, or rejections, by licensed insurers, typically three to five. Many states provide an export list of risks that can be insured in the surplus lines market. This obviates the diligent search requirement.

2019 A Firm Foundation

The terms applied to the surplus lines market—nonadmitted, unlicensed and unauthorized—do not mean that surplus lines companies are barred from selling insurance in a state or are unregulated. They are just less regulated. Each state has surplus lines regulations, and each surplus lines company is overseen for solvency by its home state. More than half of the states maintain a list of eligible surplus lines companies and some a list of those that are not eligible to do business in that state.

Lloyd's of London is a significant writer of surplus lines insurance, both for corporations and individuals. Lloyd's members conduct their insurance business in syndicates, each of which is run by a managing agent. According to A.M. Best, in 2017 the Lloyd's market represented 23 percent of the total surplus lines market share and wrote \$10.3 billion in surplus lines premiums. The largest surplus lines for Lloyd's are commercial property, general liability, cyber and professional indemnity.

Top 25 U.S Surplus Lines Groups By Direct Premiums Written, 2017 (\$000)

Rank	Group	Direct premiums written	Percent of total U.S. surplus lines market
1	Lloyd's	\$10,325,000	23.0%
2	American International Group (1)	3,239,996	7.2
3	Markel Corporation Group	2,167,568	4.8
4	Nationwide Group	1,737,150	3.9
5	W. R. Berkley Insurance Group	1,698,541	3.8
6	Berkshire Hathaway Ins. Group	1,503,234	3.3
7	Chubb INA Group	1,445,248	3.2
8	Fairfax Financial (USA) Group	1,305,476	2.9
9	Liberty Mutual Insurance Companies	1,288,834	2.9
10	XL Catlin America Group	1,142,292	2.5
11	Zurich Financial Services Group NA	1,135,953	2.5
12	Alleghany Insurance Holdings Group	790,305	1.8
13	Argo Group	723,869	1.6
14	Tokio Marine U.S. PC Group	688,481	1.5
15	AXIS U.S. Operations	681,015	1.5
16	Sompo Holdings U.S. Group	671,194	1.5
17	QBE Americas Group	642,289	1.4
18	Great American P & C Group	600,356	1.3
19	CNA Insurance Companies	568,441	1.3
20	Aspen U.S. Insurance Group	539,155	1.2
21	James River Group	530,077	1.2
22	Swiss Reinsurance Group	485,098	1.1
23	Arch Insurance Group	469,965	1.0
24	Starr International Group	425,901	0.9
25	Navigators Insurance Group	411,553	0.9
Total, top 25		\$35,216,991	78.5%
Total U.S. surplus lines market		\$44,878,931	100.0%

(1) Does not include direct surplus lines premium moved to offshore affiliate AIG Europe, Ltd.

Source: A.M. Best data and research.

2019 A Firm Foundation

Major Players—Rankings by Line

As employers, taxpayers and investors, insurance companies play a major role in the U.S. economy, contributing \$507.7 billion, or 2.7 percent, of U.S. Gross Domestic Product in 2016. The charts below identify some of the leading players in this vital sector.

Top 10 Writers Of Property/Casualty Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	State Farm Mutual Automobile Insurance	\$64,892,583	10.1%
2	Berkshire Hathaway Inc.	38,408,251	6.0
3	Liberty Mutual	33,831,726	5.3
4	Allstate Corp.	31,501,664	4.9
5	Progressive Corp.	27,862,882	4.3
6	Travelers Companies Inc.	24,875,076	3.9
7	Chubb Ltd.	21,266,737	3.3
8	USAA Insurance Group	20,151,368	3.1
9	Farmers Insurance Group of Companies (3)	19,855,517	3.1
10	Nationwide Mutual Group	19,218,907	3.0

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Life Insurance/Annuities By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	MetLife Inc.	\$86,621,636	13.6%
2	Prudential Financial Inc.	47,465,693	7.4
3	New York Life Insurance Group	31,852,412	5.0
4	Principal Financial Group Inc.	28,153,239	4.4
5	Massachusetts Mutual Life Insurance Co.	24,735,091	3.9
6	Jackson National Life Group	22,439,071	3.5
7	American International Group	21,465,665	3.4
8	Transamerica	21,317,714	3.3
9	AXA	21,290,299	3.3
10	Lincoln National Corp.	20,397,394	3.2

(1) Includes life insurance, annuity considerations, deposit-type contract funds and other considerations; excludes accident and health insurance. Before reinsurance transactions. (2) Based on U.S. total, includes territories.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Homeowners Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	State Farm Mutual Automobile Insurance	\$17,552,323	18.6%
2	Allstate Corp.	7,957,403	8.4
3	Liberty Mutual	6,471,114	6.9
4	USAA Insurance Group	5,703,741	6.1
5	Farmers Insurance Group of Companies (3)	\$5,617,990	6.0%

2019 A Firm Foundation

Rank	Group/company	Direct premiums written (1)	Market share (2)
6	Travelers Companies Inc.	3,547,478	3.8
7	Nationwide Mutual Group	3,290,890	3.5
8	American Family Insurance Group	3,045,589	3.2
9	Chubb Ltd.	2,776,827	2.9
10	Erie Insurance Group	1,596,490	1.7

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Private Passenger Auto Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	State Farm Mutual Automobile Insurance	\$41,817,416	18.1%
2	Berkshire Hathaway Inc.	29,596,404	12.8
3	Progressive Corp.	22,786,034	9.8
4	Allstate Corp.	21,430,405	9.3
5	USAA Insurance Group	13,154,939	5.7
6	Liberty Mutual	11,585,976	5.0
7	Farmers Insurance Group of Companies (3)	10,357,497	4.5
8	Nationwide Mutual Group	7,341,476	3.2
9	Travelers Companies Inc.	4,396,705	1.9
10	American Family Insurance Group	4,381,962	1.9

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Commercial Auto Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	Progressive Corp.	\$3,178,656	8.8%
2	Travelers Companies Inc.	2,263,886	6.3
3	Liberty Mutual	1,733,726	4.8
4	Zurich Insurance Group (3)	1,690,000	4.7
5	Nationwide Mutual Group	1,678,785	4.7
6	Old Republic International Corp.	1,278,020	3.5
7	Berkshire Hathaway Inc.	1,184,554	3.3
8	Auto-Owners Insurance Co.	852,601	2.4
9	Chubb Ltd.	826,718	2.3
10	AmTrust Financial Services	720,774	2.0

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Top 10 Writers Of Commercial Lines Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	Chubb Ltd.	\$16,850,450	5.5%
2	Travelers Companies Inc.	16,737,743	5.5
3	Liberty Mutual	15,606,473	5.1
4	American International Group (AIG)	12,779,666	4.2
5	Zurich Insurance Group (3)	12,748,657	4.2
6	CNA Financial Corp.	9,969,788	3.3
7	Berkshire Hathaway Inc.	8,555,760	2.8
8	Nationwide Mutual Group	8,072,052	2.7
9	Hartford Financial Services	7,786,169	2.6
10	Tokio Marine Group	6,467,663	2.1

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Workers' Compensation Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	Travelers Companies Inc.	\$4,355,810	7.6%
2	Hartford Financial Services	3,406,913	5.9
3	AmTrust Financial Services	2,920,153	5.1
4	Zurich Insurance Group (3)	2,916,630	5.1
5	Berkshire Hathaway Inc.	2,776,306	4.8
6	Liberty Mutual	2,446,876	4.2
7	Chubb (4)	2,395,588	4.2
8	State Insurance Fund Workers' Comp (NY)	2,277,778	4.0
9	American International Group	1,581,819	2.7
10	Old Republic International Corp.	1,456,600	2.5

(1) Before reinsurance transactions, includes some state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence. (4) Chubb Ltd. data reflect the 2015 merger with Ace Ltd.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Writers Of Earthquake Insurance By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	California Earthquake Authority	\$690,222	23.3%
2	State Farm Mutual Automobile Insurance	255,072	8.6
3	Zurich Insurance Group (3)	189,766	6.4
4	Chubb Ltd.	158,672	5.4
5	American International Group (AIG)	134,236	4.5
6	Travelers Companies Inc.	127,169	4.3
7	GeoVera Holdings	108,179	3.7

2019 A Firm Foundation

Rank	Group/company	Direct premiums written (1)	Market share (2)
8	Palomar Specialty Insurance Co.	73,386	2.5
9	Liberty Mutual	73,195	2.5
10	Swiss Re	\$71,811	2.0%

(1) Before reinsurance transactions, includes state funds. (2) Based on U.S. total, includes territories. (3) Data for Farmers Insurance Group of Companies and Zurich Financial Group (which owns Farmers' management company) are reported separately by S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Top 10 Health Insurance Groups By Direct Premiums Written, 2017 (\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	UnitedHealth Group Inc.	\$86,431,430	12.9%
2	Anthem Inc.	65,696,295	9.8
3	Humana Inc.	53,224,860	7.9
4	HealthCare Service Corp.	34,304,533	5.1
5	Centene Corp.	28,260,282	4.2
6	Aetna Inc.	20,525,502	3.1
7	Kaiser Foundation Health Plan Inc.	17,406,943	2.6
8	Independence Health Group Inc.	17,014,038	2.5
9	Molina Healthcare Inc.	16,665,219	2.5
10	GuideWell Mutual Holding Corp.	15,253,562	2.3

(1) Based on health insurer annual statement data. Excludes health insurance data from the property/casualty and life/health annual statements. Excludes U.S. territories.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Taxes

The insurance industry is a major source of tax revenue on the state and federal level. In 2016 property/casualty and life insurers' incurred federal and foreign taxes were about \$23.6 billion dollars. Insurance companies, including life/health and property/casualty companies, paid \$21 billion in premium taxes to the 50 states in 2017. On a per capita basis, this works out to \$64 for every person living in the United States.

Insurance Industry's Federal And Foreign Income Taxes Incurred, 2012-2016 (\$000)

Year	Property/casualty	Life	Total
2012	\$6,257,395	\$9,866,018	\$16,123,413
2013	12,038,618	8,554,055	20,592,673
2014	10,318,140	10,106,154	20,424,293
2015	10,188,465	10,566,567	20,755,031
2016	7,315,023	16,279,121	23,594,144

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Comparison with Other Industries

Insurance Compared With Other Industries

The insurance industry employs 2.8 million people, accounting for about 26 percent of the workforce in the U.S. financial activities sector, according to the Current Population Survey from the U.S. Department of Labor.

Employment By Industry, 2018

Industry	Employees (000)
Total, all industries	155,761
Agriculture, forestry, fishing, and hunting	2,425
Mining, quarrying, and oil and gas extraction	784
Construction	11,181
Manufacturing	15,560
Wholesale and retail trade	20,270
Transportation and utilities	8,551
Information	2,919
Financial activities	10,649
Insurance carriers and related activities	2,797
Professional and business services	18,950
Education and health services	35,043
Leisure and hospitality	14,268
Other services	7,742
Public administration	7,419

Source: Bureau of Labor Statistics, Current Population Survey (CPS).

Charitable Contributions

The insurance industry contributes to our economy far beyond its core function of helping to manage risk. Insurers contributed billions of dollars to the nation's gross domestic product, pay billions in taxes, and invest heavily in state and local municipal bonds and loans, which helps fund the building of roads, schools and other public projects. They provide businesses with capital for research, expansions and other ventures through their holdings in stocks and bonds, and employ 2.8 million people. See [insurance industry at a glance](#) for details.

The industry is also a major contributor to charitable causes. The property/casualty insurance industry increased charitable giving by an average of 15 percent per year since 2011 for a total of \$575 million in 2015, according to a study by the [Insurance Industry Charitable Foundation](#) (IICF) and McKinsey and Co. Since its inception in 1994, the IICF had contributed more than \$31 million in local community grants, and 300,000 volunteer hours to hundreds of community nonprofit organizations.

Each year in October the [Insurance Industry Charitable Foundation](#) promotes a Week of Giving, during which insurance industry employees volunteer at community programs throughout the country. For information on the insurance industry's contribution to community development see [Impact](#), the Insurance Information Institute's online resource highlighting the insurance industry's contributions to community development. Information on corporate giving (including contributions by insurance foundations) is also available from the [Foundation Center](#).

2019 A Firm Foundation

Contribution to GDP

Contribution To Gross Domestic Product

Gross Domestic Product (GDP) is the total value of all final goods and services produced in the economy. The GDP growth rate is the primary indicator of the state of the economy. On an annual basis, the insurance industry's value added to the GDP exceeded that of banks for the first time in 2015 and has remained above banks. In 2017, the insurance industry's value added to GDP stood at 3.1 percent compared with 2.9 percent for the banking industry.

Insurance Sector's Share Of Gross Domestic Product (GDP), 2013-2017 (\$ billions)

Year	Total GDP	Insurance carriers and related activities	
		GDP	Percent of total GDP
2013	\$16,691.5	\$406.2	2.4%
2014	17,427.6	473.1	2.7
2015	18,120.7	559.5	3.1
2016	18,624.5	585.9	3.1
2017	19,390.6	602.7 (1)	3.1

(1) Preliminary.

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

Chapter 3: Investing in Capital Markets

Introduction

Insurers As Investors

Property/casualty (P/C) and life/health (L/H) insurers are key player in the capital markets, with \$5.8 trillion in cash and invested assets in 2017, according to S&P Global Market Intelligence. Total P/C cash and invested assets were \$1.7 trillion in 2017, and L/H cash and invested assets totaled \$4.1 trillion in 2017. Most of these assets were in bonds (58 percent of P/C assets and 73 percent of L/H assets).

Because their losses are more volatile than those in the life insurance sector, P/C 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. Life insurers, whose benefit payments are more predictable, invest more heavily in corporate stocks and corporate and foreign bonds.

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. In 2017 alone, P/C and L/H insurers' holdings in municipal bonds totaled \$780 billion, according to the Federal Reserve.

Property/Casualty Insurance Industry Investments

Cash and invested assets of property/casualty insurance companies totaled \$1.69 trillion in 2017. This represents 88 percent of total net admitted assets, which were \$1.92 trillion. Most of these assets were invested in highly liquid securities (high-quality stocks and bonds, for example, rather than real estate), which can be sold quickly to pay claims in the event of a major catastrophe.

Investments, Property/Casualty Insurers, 2015-2017 (1) (\$ millions, end of year)

Investment type	Amount			Percent of total investments		
	2015	2016	2017	2015	2016	2017
Bonds	\$949,702	\$973,140	\$979,509	62.01%	61.25%	57.91%
Stocks	\$340,252	\$359,165	\$417,448	22.22%	22.61%	24.68%
Preferred	14,025	10,849	5,448	0.92	0.68	0.32
Common	326,227	348,316	412,000	21.30	21.92	24.36
Mortgage loans on real estate	\$12,441	\$15,032	\$17,324	0.81%	0.95%	1.02%
First liens	12,209	14,407	16,644	0.80	0.91	0.98
Other than first liens	232	625	681	0.02	0.04	0.04
Real estate	\$11,685	\$12,272	\$12,888	0.76%	0.77%	0.76%
Properties occupied by company	8,716	8,933	9,122	0.57	0.56	0.54
Properties held for income production	2,693	3,061	3,543	0.18	0.19	0.21
Properties held for sale	\$276	\$278	\$223	0.02%	0.02%	0.01%

2019 A Firm Foundation

	Amount			Percent of total investments		
Investment type	2015	2016	2017	2015	2016	2017
Cash, cash equivalent and short-term investments	87,516	92,338	115,059	5.71	5.81	6.80
Derivatives	\$652	\$531	\$233	0.04%	0.03%	0.01%
Other invested assets	121,291	128,704	137,878	7.92	8.10	8.15
Receivable for securities	2,530	1,679	2,102	0.17	0.11	0.12
Securities lending reinvested collateral assets	2,618	2,582	4,440	0.17	0.16	0.26
Aggregate write-in for invested assets	2,860	3,319	4,673	0.19	0.21	0.28
Total cash and invested assets	\$1,531,547	\$1,588,760	\$1,691,553	100.00%	100.00%	100.00%

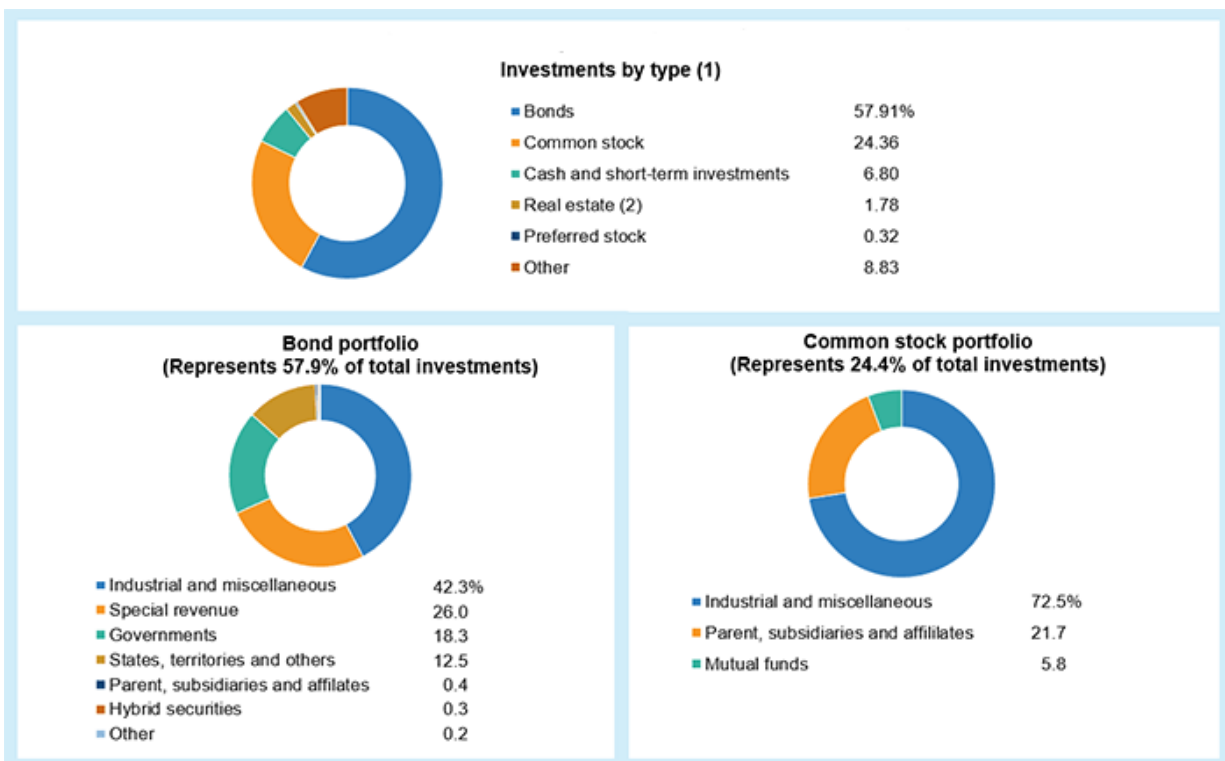
(1) Includes cash and net admitted assets of property/casualty insurers.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Bonds

Property/casualty insurers invest primarily in safe, liquid securities, mainly bonds. These provide stability against underwriting results, which can vary considerably from year to year. The vast majority of bonds are government issued or are high-grade corporates. Bonds in or near default accounted for less than 1 percent (0.13 percent) of all short- and long-term bonds owned by insurers at the end of 2017, according to S&P Global Market Intelligence.

Investments, Property/Casualty Insurers, 2017



(1) Cash and invested net admitted assets, as of December 31, 2017. (2) Includes mortgage loans on real estate.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Life/Health Industry Investments

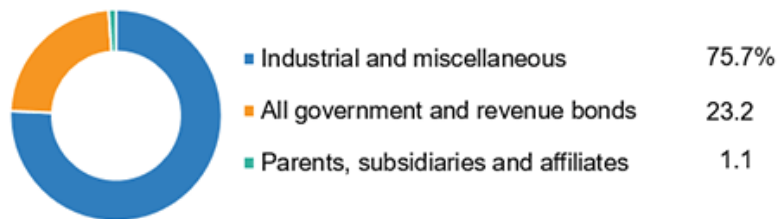
Investments, Life/Health Insurers, 2015-2017 (1) (\$ billions, end of year)

Investment type	Amount			Percent of total investments		
	2015	2016	2017	2015	2016	2017
Bonds	\$2,734.0	\$2,860.7	\$2,973.5	73.82%	73.50%	72.98%
Stocks	\$84.9	\$96.0	\$104.9	2.29%	2.47%	2.57%
Preferred stock	9.6	9.6	10.5	0.26	0.25	0.26
Common stock	75.3	86.4	94.4	2.03	2.22	2.32
Mortgage loans on real estate	\$404.2	\$437.7	\$477.0	10.91%	11.25%	11.71%
First lien real estate mortgage loans	397.4	430.1	468.5	10.73	11.05	11.50
Real estate loans less first liens	6.8	7.6	8.6	0.18	0.20	0.21
Real estate	\$23.7	\$24.5	\$23.5	0.64%	0.63%	0.58%
Occupied properties	5.5	6.0	6.0	0.15	0.15	0.15
Income generating properties	17.8	17.6	17.0	0.48	0.45	0.42
Properties for sale	0.4	0.9	0.5	0.01	0.02	0.01
Cash, cash equivalent and short term investments	103.3	101.4	104.6	2.79	2.61	2.57
Contract loans including premium notes	126.8	126.9	128.9	3.42	3.26	3.16
Derivatives	53.8	62.0	58.7	1.45	1.59	1.44
Other invested assets	154.9	158.3	174.7	4.18	4.07	4.29
Receivables for securities	2.3	3.9	5.3	0.06	0.10	0.13
Securities lending reinvested collateral assets	11.7	12.6	16.9	0.32	0.32	0.41
Write-ins for invested assets	4.1	8.0	6.4	0.11	0.20	0.16
Total cash and invested assets	\$3,703.9	\$3,891.9	\$4,074.4	100.00%	100.00%	100.00%

(1) Data are net admitted assets of life/health insurers.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Investments, Life/Health Insurers, Bond Portfolio, 2017 (1)



(1) Long-term bonds with maturity dates over one year, as of December 31, 2016.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Ownership of Municipal Securities

Insurance companies help fund the construction of schools, roads and healthcare facilities as well as a variety of other public sector projects through their investments in municipal bonds. The property/casualty insurance industry invested \$327 billion in such bonds in 2017, and the life insurance industry invested \$193 billion, according to the Federal Reserve.

Insurance Company Holdings Of U.S. Municipal Securities And Loans, 2013-2017 (\$ billions, end of year)

	2013	2014	2015	2016	2017
Property/casualty insurance companies	\$335.6	\$339.6	\$345.8	\$338.5	\$327.0
Life insurance companies	146.0	164.4	171.2	179.0	192.7
Total	\$481.6	\$504.0	\$517.0	\$517.5	\$519.0

Source: Board of Governors of the Federal Reserve System, June 8, 2018.

Chapter 4: Supporting Resilience and Disaster Recovery

Introduction

Defraying The Economic Costs Of Disasters

The insurance industry plays a vital role in helping individuals and businesses prepare for and recover from the potentially devastating effects of a disaster such as a catastrophic hurricane, tornado or wildfire.

Natural Catastrophe Losses In The United States, 2017 (Based on perils)

As of January 4, 2018	Number of Events	Fatalities	Estimated Overall Losses (US \$bn)	Estimated Insured Losses (US \$bn)*
Severe Thunderstorm	50	85	25.4	18.2
Winter Storms & Cold Waves	13	24	2.2	1.2
Flood, Flash Flood	12	14	0.4	0.08
Earthquake & Geophysical	2	1	Minor	Minor
Tropical Cyclone	5	170	123	49.1
Wildfire, Heat Waves, & Drought (ongoing drought condition without loss estimation for the half year)	21	62	14.3	9.5
Totals	103	356	165.3	78

Source: © 2018 Munich Re, NatCatSERVICE; Property Claim Services (PCS®)*, a Verisk Analytics® business. As of January 2018.

Catastrophes In The United States

Property Claim Services (PCS®), a Verisk Analytics® business, defines a catastrophe as an event that causes \$25 million or more in insured property losses and affects a significant number of property/casualty (P/C) policyholders and insurers. PCS estimates represent anticipated insured losses from catastrophes on an industrywide basis, reflecting insurance payments before salvage, subrogation or reinsurance for personal and commercial property lines of insurance covering fixed property, vehicles, boats, related-property items, business interruption and additional living expenses.

In 2017, P/C insurance industry catastrophes losses in the United States soared 370 percent to \$101.9 billion from \$21.7 billion in 2016, according to PCS. Insured losses in 2017 were the highest since PCS began collecting insured loss data in 1949. The number of catastrophes rose to 46 in 2017 from 42 in 2016, which was the highest number of catastrophes for years with an industry loss event threshold of \$25 million.

2019 A Firm Foundation

Top 10 Costliest Catastrophes, United States (1) (\$ millions)

Rank	Date	Peril	Location	Estimated insured property losses	
				Dollars when occurred	In 2018 dollars (2)
1	Aug. 2005	Hurricane Katrina	AL, FL, GA, LA, MS, TN	\$41,100	\$51,882
2	Sep. 2017	Hurricane Maria (3)	PR, USVI	25,000-30,000	25,600-30,700
3	Sep. 2017	Hurricane Irma (3)	AL, FL, GA, NC, PR, SC, USVI	20,000-25,000	20,400-25,600
4	Sep. 2001	September 11: Fire, Explosion: World Trade Center, Pentagon terrorist attacks	NY, VA	18,779	25,958
5	Oct. 2012	Hurricane Sandy	CT, DC, DE, MA, MD, ME, NC, NH, NJ, NY, OH, PA, RI, VA, VT, WV	18,750	
6	Aug. 2017	Hurricane Harvey (3)	AL, LA, MS, NC, TN, TX	16,000-19,000	
7	Aug. 1992	Hurricane Andrew	FL, LA	15,500	20,688
8	Jan. 1994	Northridge, CA earthquake	CA	12,500	
9	Sep. 2008	Hurricane Ike	AR, IL, IN, KY, LA, MO, OH, PA, TX	12,500	16,400-19,400
10	Oct. 2005	Hurricane Wilma	FL	10,300	25,404

(1) Property losses only. Excludes flood damage covered by the federally administered National Flood Insurance Program. Ranked on dollars when occurred. As of March 6, 2019. (2) Adjusted for inflation through 2018 by the Insurance Information Institute using the GDP implicit price deflator.

(3) Insurance Information Institute estimate based on data from catastrophe risk modelers, reinsurance companies, the Property Claims Services unit of Verisk Analytics, the Federal Emergency Management Agency of the U.S. Department of Homeland Security, and the Florida Office of Insurance Regulation. These estimates are preliminary because the organizations involved periodically resurvey the events, and the severity of losses and other factors create a high level of uncertainty surrounding the ultimate loss figures.

Source: Insurance Information Institute, catastrophe risk modelers, reinsurance companies, U.S. Department of Homeland Security, the Florida Office of Insurance Regulation, the Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company, and the U.S. Bureau of Economic Analysis.

Estimated Insured Property Losses, U.S. Catastrophes, 2008-2017 (1)

Year	Number of catastrophes	Number of claims (millions)	Dollars when occurred (\$ billions)	In 2017 dollars (2) (\$ billions)
2008	36	4.1	\$27.0	\$31.0
2009	27	2.2	10.5	12.0
2010	33	2.4	14.3	16.1
2011	30	4.9	33.6	37.0
2012	26	4.0	35.0	37.7
2013	28	1.8	12.9	13.6
2014	31	2.1	15.5	16.1
2015	39	2.0	15.2	15.7
2016	42	3.0	21.7	22.1

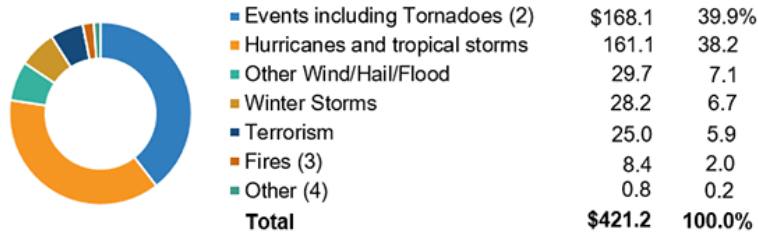
2019 A Firm Foundation

Year	Number of catastrophes	Number of claims (millions)	Dollars when occurred (\$ billions)	In 2017 dollars (2) (\$ billions)
2017	46	5.2	101.9	101.9

(1) Includes catastrophes causing insured property losses of at least \$25 million in 1997 dollars and affecting a significant number of policyholders and insurers. Excludes losses covered by the federally administered National Flood Insurance Program. (2) Adjusted for inflation through 2017 by the Insurance Information Institute using the GDP implicit price deflator.

Source: Property Claim Services® (PCS®), a unit of ISO®, a Verisk Analytics® company; U.S. Bureau of Economic Analysis.

Inflation-Adjusted U.S. Insured Catastrophe Losses By Cause Of Loss, 1997-2016 (1) (2016 \$ billions)



(1) Adjusted for inflation through 2016 by ISO using the GDP implicit price deflator. Excludes catastrophes causing direct losses less than \$25 million in 1997 dollars. Excludes flood damage covered by the federally administered National Flood Insurance Program.

(2) Includes other wind, hail, and/or flood losses associated with catastrophes involving tornadoes. (3) Includes wildland fires.

(4) Includes losses from civil disorders, water damage, utility service disruptions, and any workers compensation catastrophes generating losses in excess of PCS's threshold after adjusting for inflation.

Source: The Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company.

2019 A Firm Foundation

Reinsurance

Reinsurance is insurance for insurance companies. Just as individuals and businesses buy insurance to protect their assets, primary insurers, the companies that sell insurance to consumers, buy reinsurance to protect their profits and solvency. Reinsurance fosters competitive insurance markets by enabling smaller insurers to compete with larger ones. It strengthens U.S. insurers by giving them access to global resources. Reinsurance is often sold in layers, reaching up into the millions of dollars to protect insurance companies from possible, but statistically highly unlikely events, such as an extraordinary number of homeowners claims as a result of a hurricane or a large single event, such as the destruction of a high-value asset or a massive legal judgment. As shown in the chart below, many reinsurers of U.S. risks are owned by offshore firms.

Top 10 U.S. Property/Casualty Reinsurers Of U.S. Business By Gross Premiums Written, 2017 (\$000)

Rank	Company (1)	Country of parent company	Gross premiums written
1	National Indemnity Co. (Berkshire Hathaway) (2)	U.S.	\$22,014,636
2	Everest Reinsurance Co.	Bermuda	5,822,435
3	Munich Re America	Germany	5,783,056
4	XL Reinsurance America Inc.	Ireland	4,819,013
5	Swiss Reinsurance America Corp.	Switzerland	4,789,540
6	QBE Re America	U.S.	4,615,963
7	Transatlantic Re	U.S.	3,768,913
8	Odyssey Re	Canada	2,627,329
9	General Reinsurance Corp.	U.S.	1,730,021
10	Partner Re Co. of the U.S.	Bermuda	1,719,790

(1) See Reinsurance Underwriting Review 2017 notes posted at www.reinsurance.org for a list of affiliated companies included. (2) Underwriting results exclude assumptions from affiliated General Re Group.

Source: Reinsurance Association of America.

2019 A Firm Foundation

Hurricanes

2018 and 2017 Hurricane Seasons

2018: During the 2018 Atlantic hurricane season 15 named storms formed in the Atlantic region. Eight of those storms became hurricanes and two of those, Florence and Michael, became major storms, Category 3 and above. Florence became the third hurricane of the season and reached Category 4 status. It became a slow-moving storm that brought hurricane-force winds, life-threatening storm surge, and freshwater flooding and at least 30 inches of rain in parts of North Carolina and claimed at least 42 lives in the Carolinas and Virginia. The storm set a record in North Carolina for rain from a hurricane. The previous record was 24 inches caused by Hurricane Floyd in 1999. Catastrophe modelers have estimated that insured losses from Hurricane Florence would range from \$2.5 billion to \$5.0 billion, excluding National Flood Insurance Program losses. In addition, between 70 percent and 85 percent of flood losses are estimated to be uninsured.

Hurricane Michael became a strong Category 4 storm on October 10 and made landfall near Mexico Beach, Florida, in the Florida Panhandle. Hurricane Michael, which struck Florida with wind speeds just under a Category 5 storm, may be the strongest hurricane to ever hit the Florida Panhandle and could be the strongest hurricane to make landfall in that region since Hurricane Dennis in 2005. Unofficial reports put the death toll from Michael at about 40. According to CoreLogic there were 57,000 homes at risk of coastal storm surge, totaling more than \$13 billion in reconstruction cost value (RCV) across Florida alone. Other catastrophe modelers estimated that insured losses from Hurricane Michael could range from \$6 billion to \$8 billion. As of March 15, 2019, the Florida Office of Insurance Regulations reported that insured losses from Michael in Florida had reached \$6.1 billion, comprised of residential and commercial property, private flood and business interruption insurance, and miscellaneous coverages. There were about 144,000 claims made through March 15, with about 80 percent of those claims closed.

2017: The hurricane season of 2017 broke several records, as 17 tropical storms formed in the Atlantic Basin, with 10 of these becoming hurricanes. Six hurricanes became major storms, Category 3 and above—Harvey, Irma, Jose, Lee, Maria and Ophelia. Two hurricanes, Irma and Maria, reached Category 5 strength. The 2017 Atlantic hurricane season was the first time three Category 4 hurricanes—Harvey, Irma and Maria—made landfall in the United States and its territories in one year, according to the Insurance Information Institute (I.I.I.).

On August 25 Hurricane Harvey made landfall in Texas as a Category 4 storm. Harvey was the first major hurricane to hit the U.S. mainland since Hurricane Wilma in 2005, and the first Category 4 hurricane to affect Texas since Hurricane Carla in 1961. The last time a hurricane made landfall in Texas was in 2008 when Hurricane Ike, a Category 2 storm, struck the state. Harvey brought unprecedented flooding from rainfall to Texas and Louisiana. About 50 inches of rain fell in portions of the Greater Houston area and the upper Texas coast, breaking records. On August 30 Harvey made landfall west of Cameron, Louisiana, as a tropical storm, continuing to bring rain to Texas and Louisiana. Tens of thousands of people were displaced due to floods, with thousands of homes and businesses destroyed. At least 68 direct deaths related to Hurricane Harvey have been reported in Texas. Harvey was the deadliest U.S. hurricane in terms of direct deaths since superstorm Sandy in 2012, and the deadliest to hit Texas since 1919, according to the National Oceanic and Atmospheric Administration (NOAA). Loss estimates are not yet available from the Property Claims Services (PCS) unit of ISO. The Insurance Information Institute estimates that insured losses from Hurricane Harvey will total between \$16 billion and \$19 billion in dollars when it occurred, making it the fifth costliest hurricane to hit the United States, excluding flood damage covered by the federally administered National Flood Insurance Program.

Hurricane Irma made landfall at Cudjoe Key in the Lower Florida Keys as a Category 4 hurricane on September 10, and a second landfall in Florida on Marco Island in Southwest Florida as a Category 3 hurricane. The storm brought high storm surge to Naples and widespread, damaging winds across most of

2019 A Firm Foundation

Florida. Hurricane [Irma](#) was one of the most powerful and costliest hurricanes in the Atlantic Basin, and the first major hurricane to make landfall in Florida since Hurricane Wilma in 2005. At its peak it was a Category 5 storm, and was the strongest hurricane to make landfall in the U.S. since Katrina in 2005. Complete devastation was reported in the Northern Leeward Islands and Virgin Islands. According to NOAA, the Florida Keys were heavily impacted, with 25 percent of buildings destroyed, and 65 percent significantly damaged. Irma brought record storm surge to parts of the Southeast coast, including Jacksonville, Florida, with significant coastal flooding extending into the Carolinas. Irma caused 10 direct deaths in the United States, three in the U.S. Virgin Islands, and the remainder on mainland United States, according to NOAA. The [Florida Office of Insurance Regulation](#) reported that as of November 14, 2018 about 1,002,800 claims were filed in the state from Irma, resulting in \$11.1 billion in insured losses. To date, 92 percent of claims have been closed, either paid or unpaid. Loss estimates are not yet available from the Property Claims Services (PCS) unit of ISO. The Insurance Information Institute estimates that insured losses from Hurricane Irma will be between \$20 billion and \$24 billion in dollars when it occurred. This would place Irma as the third costliest hurricane to hit the United States, excluding flood damage covered by the federally administered National Flood Insurance Program.

Maria became a Category 5 hurricane on September 18, passing over St. Croix in the Virgin Islands and later made landfall as a Category 4 hurricane in Puerto Rico. [Maria](#) was the strongest hurricane to make landfall in Puerto Rico since a Category 5 hurricane hit the island in 1928. Maria caused [65](#) official direct deaths and catastrophic damage to much of the island. Maria brought up to 37 inches of rain, with widespread flooding and mudslides, according to NOAA. The government of Puerto Rico later [estimated](#) that the number of deaths was 1,427 due to delayed or interrupted health care, and raised that tally to 2,975 after a [study](#) was conducted by George Washington University. Loss estimates are not yet available from the Property Claims Services (PCS) unit of ISO, but it has provided a relative ranking for Maria as the second costliest hurricane to hit the United States, surpassed in losses only by Hurricane Katrina, which caused about \$50 billion in insured losses in 2017 dollars. PCS estimates that insured losses from Hurricane Irma will be more than \$25 billion.

Hurricane Nate made a first landfall as a Category 1 hurricane on October 7 near the mouth of the Mississippi River, and a second landfall near Biloxi, Mississippi, on October 8. Nate was the fourth hurricane to make landfall in the United States in 2017, the first year the United States has had four landfalls since 2005.

The following chart from the Property Claim Services (PCS®) unit of ISO, a Verisk Analytics® business, ranks historic hurricanes based on their insured losses, adjusted for inflation. The chart beneath it, from AIR Worldwide Corp., estimates insured property losses from notable hurricanes from past years, if they were to hit the nation again today with the same meteorological parameters.

2019 A Firm Foundation

Top 10 Costliest Hurricanes In The United States (1) (\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss (2)	
				Dollars when occurred	In 2018 dollars (3)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Hurricane Katrina	\$41,100	\$51,882
2	Sep. 19-22, 2017	PR, USVI	Hurricane Maria (3)	25,000-30,000	25,600-30,700
3	Sep. 6-12, 2017	AL, FL, GA, NC, PR, SC, UV	Hurricane Irma (3)	20,000-25,000	20,400-25,600
4	Oct. 28-31, 2012	CT, DC, DE, MA, MD, ME, NC, NH, NJ, NY, OH, PA, RI, VA, VT, WV	Hurricane Sandy	18,750	20,688
5	Aug. 25-Sep. 1, 2017	AL, LA, MS, NC, TN, TX	Hurricane Harvey (3)	16,000-19,000	16,400-19,400
6	Aug. 24-26, 1992	FL, LA	Hurricane Andrew	15,500	25,404
7	Sep. 12-14, 2008	AR, IL, IN, KY, LA, MO, OH, PA, TX	Hurricane Ike	12,500	14,631
8	Oct. 24, 2005	FL	Hurricane Wilma	10,300	13,002
9	Aug. 13-14, 2004	FL, NC, SC	Hurricane Charley	7,475	9,729
10	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NC, NJ, NY, OH, PA, TN, VA, WV	Hurricane Ivan	7,110	9,254

(1) Property losses only. Excludes flood damage covered by the federally administered National Flood Insurance Program. Ranked on dollars when occurred. As of March 6, 2019. (2) Adjusted for inflation through 2018 by the Insurance Information Institute using the GDP implicit price deflator. (3) Insurance Information Institute estimate based on data from catastrophe risk modelers, reinsurance companies, the Property Claims Services unit of Verisk Analytics, the Federal Emergency Management Agency of the U.S. Department of Homeland Security, and the Florida Office of Insurance Regulation. These estimates are preliminary because the organizations involved periodically resurvey the events, and the severity of losses and other factors create a high level of uncertainty surrounding the ultimate loss figures.

Source: Insurance Information Institute, catastrophe risk modelers, reinsurance companies, U.S. Department of Homeland Security, the Florida Office of Insurance Regulation, the Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company, and the U.S. Bureau of Economic Analysis.

Estimated Insured Losses For The Top 10 Historical Hurricanes Based On Current Exposures (1) (\$ billions)

Rank	Date	Event	Category	2017 Insured loss
1	Sep. 18, 1926	Great Miami Hurricane	4	\$128
2	Sep. 17, 1928	Okeechobee Hurricane	4	78
3	Aug. 29, 2005	Hurricane Katrina	3 (2)	64
4	Sep. 17, 1947	1947 Fort Lauderdale Hurricane	4	62
5	Sep. 9, 1965	Hurricane Betsy	4 (2)	57
6	Aug. 24, 1992	Hurricane Andrew	5	56
7	Sep. 10, 1960	Hurricane Donna	4	50
8	Sep. 21, 1938	The Great New England Hurricane	3	50
9	Sep. 9, 1900	1900 Galveston Hurricane	4	49
10	Aug. 17, 1915	1915 Galveston Hurricane	3	25

(1) Modeled loss to property, contents and business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of end-2016. Losses include demand surge and account for storm surge. (2) Strength at second landfall in Louisiana.

Source: AIR Worldwide Corporation.

2019 A Firm Foundation

Tornadoes

A tornado is a violently rotating column of air that extends from a thunderstorm and comes into contact with the ground. In an average year about 1,000 tornadoes are reported nationwide, according to the National Oceanic and Atmospheric Administration (NOAA).

Tornado intensity is measured by the Enhanced Fujita (EF) scale. The scale rates tornadoes on a scale of 0 through 5, based on the amount and type of wind damage. It incorporates 28 different "damage indicators," based on damage to a wide variety of structures ranging from trees to shopping malls.

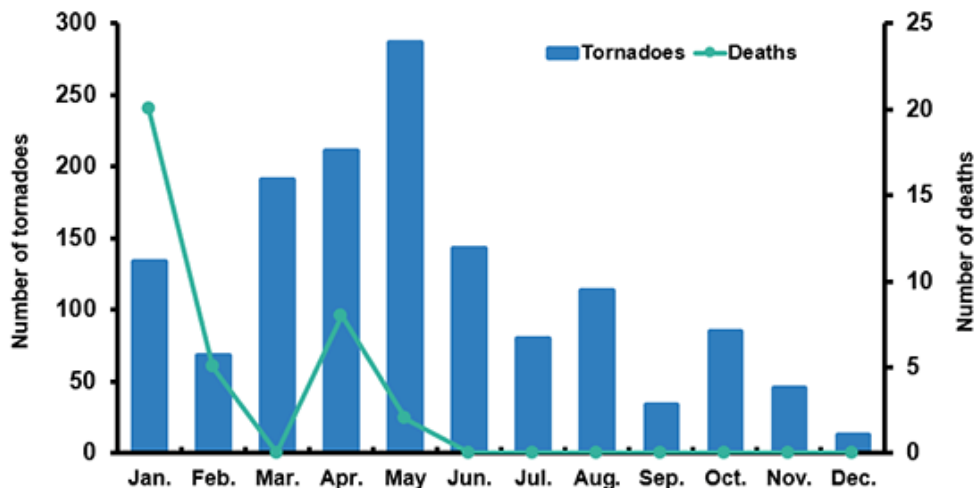
The Fujita Scale For Tornadoes

		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 one quarter of a mile. (2) Enhanced scale: wind speeds represent maximum 3-second gusts.

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

Number Of Tornadoes And Related Deaths Per Month, 2017 (1)



(1) Excludes Puerto Rico. A tornado that crosses state lines is counted as a single event in this chart.

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

2019 A Firm Foundation

Tornadoes And Related Deaths In The United States, 1998-2017 (1)

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1998	1,424	130	2005	1,264	38	2012	938	70
1999	1,345	94	2006	1,103	67	2013	906	55
2000	1,071	40	2007	1,098	81	2014	886	47
2001	1,216	40	2008	1,692	126	2015	1,177	36
2002	941	55	2009	1,156	21	2016	971	18
2003	1,376	54	2010	1,282	45	2017	1,406	35
2004	1,819	36	2011	1,691	553			

(1) Excludes Puerto Rico. A tornado that crosses state lines counts as one event.

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

Earthquakes

In 2018, a large 7.9 magnitude earthquake hit Kodiak Island, Alaska on January 23. Although according to the United States National Tsunami Warning Center, a small tsunami of less than eight inches was observed in a handful of Alaska cities, no significant damage was reported. On May 4, a 6.9 magnitude quake struck the Big Island of Hawaii, caused by the eruption of Mount Kilauea. No significant damage was reported. As the eruption continued, a 5.5 magnitude earthquake was recorded on June 3. The eruption caused about 500 quakes in one day.

In 2017 the biggest earthquake in the United States was a magnitude 6.2 quake that occurred on May 1 in Skagway, Alaska. No significant damage was reported.

The costliest U.S. earthquake, the 1994 Northridge quake, caused \$15.3 billion in insured damages when it occurred (\$25.6 billion in 2017 dollars). It ranks as the seventh costliest U.S. disaster, based on insured property losses (in 2017 dollars). Eight of the costliest U.S. quakes, based on inflation-adjusted insured losses, were in California, according to Munich Re.

Top 10 Costliest U.S. Earthquakes By Inflation-Adjusted Insured Losses (1) (\$ millions)

Rank	Date	Location	Overall losses when occurred	Insured losses (2)		Fatalities
				When occurred	In 2017 dollars (3)	
1	Jan. 17, 1994	California: Northridge, Los Angeles, San Fernando Valley, Ventura, Orange	\$44,000	\$15,300	\$25,635	61
2	Apr. 18, 1906	California: San Francisco, Santa Rosa, San Jose	525	180	4,499 (4)	3,000
3	Oct. 17, 1989	California: Loma Prieta, Santa Cruz, San Francisco, Oakland, Berkeley, Silicon Valley	10,000	960	1,872	68
4	Feb. 28, 2001	Washington: Olympia, Seattle, Tacoma; Oregon	2,000	300	418	1
5	Mar. 27-28, 1964	Alaska: Anchorage, Kodiak Island, Seward, Valdez,	540	45	357	131

2019 A Firm Foundation

Rank	Date	Location	Overall losses when occurred	Insured losses (2)		Fatalities
				When occurred	In 2017 dollars (3)	
		Portage, Whittier, Cordova, Homer, Seldovia				
6	Feb. 9, 1971	California: San Fernando Valley, Los Angeles	\$550	\$35	\$215	65
7	Oct. 1, 1987	California: Los Angeles, Whittier	360	75	159	8
8	Aug. 24, 2014	California: Napa, Vallejo, Solano, Sonoma, American Canyon	700	150	154	1
9	Apr. 4, 2010	California: San Diego, Calexico, El Centro, Los Angeles, Imperial; Arizona: Phoenix, Yuma	150	100	112	0
10	Sep. 3, 2000	California: Napa	80	50	71	0

(1) Costliest U.S. earthquakes occurring from 1950 to 2017, based on insured losses when occurred. Includes the 1906 San Francisco, California, earthquake, for which reliable insured losses are available. (2) Based on property losses including, if applicable, agricultural, offshore, marine, aviation and National Flood Insurance Program losses in the United States and may differ from data shown elsewhere. (3) Inflation-adjusted to 2017 dollars by the Insurance Information Institute using the U.S. Bureau of Labor Statistics' Inflation Calculator. (4) Inflation-adjusted to 2017 dollars based on 1913 U.S. Bureau of Labor Statistics data (earliest year available).

Source: © 2018 Munich Re, NatCatSERVICE; Insurance Information Institute.

The previous chart ranks historic earthquakes based on their total insured property losses, adjusted for inflation. The chart below measures the estimated impact of historical quakes based on current exposures. The analysis of exposures as of end-2016 is based on AIR Worldwide's U.S. earthquake model. It makes use of the firm's property exposure database and takes into account the current number and value of exposed properties.

Estimated Insured Losses For The Top 10 Historical Earthquakes Based On Current Exposures (1) (\$ billions)

Rank	Date	Location	Magnitude	Insured loss (current exposures)
1	1906	San Francisco, CA	7.8	\$71
2	1811-1812	New Madrid, MO	7.7	59
3	1700	Cascadia Subduction Zone, WA, OR, CA	9.0	47
4	1838	San Francisco, CA	7.4	31
5	1886	Charleston, SC	7.3	30
6	1994	Northridge, CA	6.7	15
7	1868	Hayward, CA	7.0	15
8	1812	Wrightwood, CA	7.5	12
9	1857	Fort Tejon, CA	7.9	8
10	1989	Loma Prieta, CA	6.9	4

(1) Modeled loss to property, contents, business interruption and additional living expenses for residential, mobile home, commercial and auto exposures as of December 31, 2016. Losses include demand surge and fire following earthquake and account for tsunami, liquefaction and landslide. Policy conditions and earthquake insurance take-up rates are based on estimates by state insurance departments and client claims data. The model reflects recent updates to seismic and ground motion information as well as updated building characteristics of insured properties.

Source: AIR Worldwide Corporation.

2019 A Firm Foundation

Wildfires

Fire plays an important role in the life of a forest, clearing away dead wood and undergrowth to make way for younger trees, but the risk wildfires pose to people and property is growing as more people move into forested areas once largely uninhabited. These areas, known as the Wildland-Urban Interface (WUI), contain about 44 million houses in the lower 48 states, according to the [U.S. Forest Service](#).

Top 10 Costliest Wildland Fires In The United States (1) (\$ millions)

Rank	Date	Name, Location	Estimated insured loss	
			Dollars when occurred	In 2017 dollars (2)
1	Nov. 8-25, 2018	Camp Fire, CA	(3)	(3)
2	Oct. 8-20, 2017	Tubbs Fire, CA	(3)	(3)
3	Nov. 8-22, 2018	Woolsey Fire, CA	(3)	(3)
4	Oct. 8-20, 2017	Atlas Fire, CA	(3)	(3)
5	Oct. 20-21, 1991	Oakland Hills Fire, CA	\$1,700	\$2,788
6	Dec 4 - 23, 2017	Thomas Fire, CA	(3)	(3)
7	Oct. 21-24, 2007	Witch Fire, CA	1,300	1,517
8	Jul. 23-Aug. 30, 2018	Carr Fire, CA	(3)	(3)
9	Oct. 25-Nov. 4, 2003	Cedar Fire, CA	1,060	1,386
10	Oct. 25-Nov. 3, 2003	Old Fire, CA	975	1,275

(1) Property coverage only for catastrophic fires. Effective January 1, 1997, ISO's Property Claim Services (PCS) unit defines catastrophes as events that cause more than \$25 million in insured property damage and that affect a significant number of insureds and insurers. From 1982 to 1996, PCS used a \$5 million threshold in defining catastrophes. Before 1982, PCS used a \$1 million threshold. As of December 11, 2018. (2) Adjusted for inflation through 2017 by the Insurance Information Institute using the GDP implicit price deflator. (3) Loss estimate not yet available from PCS, but a relative ranking is provided.

Source: The Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company, U.S. Bureau of Economic Analysis.

Terrorism

Nearly 3,000 people perished in the September 11, 2001, terrorist attacks in New York, Washington and Pennsylvania, excluding the 19 hijackers. Total insured losses from the terrorist attacks on the World Trade Center in New York City and the Pentagon were about \$45.0 billion in 2017 dollars, including property, life, and liability insurance claim costs. Loss estimates may differ from estimates calculated by other organizations. It is the worst terrorist attack on record in terms of fatalities and insured property losses, which totaled about \$26.2 billion.

Top 20 Costliest Terrorist Acts By Insured Property Losses (2017 \$ millions)

Rank	Date	Country	Location	Event	Insured property loss (1)	Fatalities
1	September 11, 2001	United States	New York, Washington DC, Pennsylvania	Hijacked airliners crash into World Trade Center and Pentagon	\$26,215 (2)	2,982
2	April 24, 1993	United Kingdom	London	Bomb explodes near NatWest tower in the financial district	1,266	1

2019 A Firm Foundation

Rank	Date	Country	Location	Event	Insured property loss (1)	Fatalities
3	June 15, 1996	United Kingdom	Manchester	Irish Republican Army (IRA) car bomb explodes near shopping mall	1,038	0
4	April 10, 1992	United Kingdom	London	Bomb explodes in financial district	937	3
5	February 26, 1993	United States	New York	Bomb explodes in garage of World Trade Center	872	6
6	July 24, 2001	Sri Lanka	Colombo	Rebels destroy 3 airliners, 8 military aircraft and heavily damage 3 civilian aircraft	555	20
7	February 9, 1996	United Kingdom	London	IRA bomb explodes in South Key Docklands	361	2
8	June 23, 1985	North Atlantic	Irish Sea	Bomb explodes on board of an Air India Boeing 747	227	329
9	April 19, 1995	United States	OK, Oklahoma City	Truck bomb crashes into government building	203	166
10	September 12, 1970	Jordan	Zerqa, Dawson's Field (disused RAF airstrip in desert)	Hijacked Swissair DC-8, TWA Boeing 707, BOAC VC-10 dynamited on ground	178	0
11	September 6, 1970	Egypt	Cairo	Hijacked PanAm B-747 dynamited on ground	154	0
12	April 11, 1992	United Kingdom	London	Bomb explodes in financial district	134	0
13	November 26, 2008	India	Mumbai	Attack on two hotels; Jewish center	117	172
14	March 27, 1993	Germany	Weierstadt	Bomb attack on a newly built, still unoccupied prison	99	0
15	December 30, 2006	Spain	Madrid	Bomb explodes in car garage at Barajas Airport	82	2
16	December 21, 1988	United Kingdom	Lockerbie	Bomb explodes on board of a PanAm Boeing 747	80	270
17	July 25, 1983	Sri Lanka	NA	Riot	65	0
18	July 7, 2005	United Kingdom	London	Four bombs explode during rush hour in a tube and bus	65	52
19	November 23, 1996	Comoros	Indian Ocean	Hijacked Ethiopian Airlines Boeing 767-260 ditched at sea	62	127
20	March 17, 1992	Argentina	Buenos Aires	Bomb attack on Israel's embassy in Buenos Aires	53	24

(1) Includes bodily injury and aviation hull losses. Updated to 2017 dollars by the Insurance Information Institute using the U.S. Bureau of Labor Statistics CPI Inflation Calculator. (2) Differs from inflation-adjusted estimates made by other organizations due to the use of different deflators.

NA=Data not available.

Source: Swiss Re.

Chapter 5: Fostering Innovation in Key Industries

Introduction

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

Property/casualty insurers pay out billions of dollars each year to settle claims. Many of the payments go to businesses, such as auto repair companies, that help claimants get their lives back together after an accident, fire, windstorm or other incident that caused the injury or property damage. Insurance claim payments support local businesses, enabling them to provide jobs and pay taxes that support the local economy.

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

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

Auto Repair Industry

The Insurance Industry's Contribution To The Auto Repair Industry

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.

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.

2019 A Firm Foundation

Incurred Losses For Auto Insurance, 2013-2017 (1) (\$000)

	2013	2014	2015	2016	2017
Private passenger auto					
Liability	\$67,879,783	\$72,008,280	\$79,098,617	\$88,249,238	\$90,495,283
Physical damage	41,754,861	45,301,757	48,564,511	55,738,221	57,052,411
Commercial auto					
Liability	11,305,714	11,957,182	13,587,152	14,987,073	15,519,716
Physical damage	3,255,570	3,645,335	3,902,124	4,279,414	4,874,748
Total	\$124,195,928	\$132,912,554	\$145,152,404	\$163,253,946	\$167,942,158

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Construction Industry

The Insurance Industry's Contribution To The Construction Industry

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

Incurred Losses For Homeowners Insurance, 2013-2017 (1) (\$000)

Year	Incurred losses
2013	\$35,487,328
2014	39,910,457
2015	41,237,535
2016	44,388,823
2017	56,479,717

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Incurred Losses For Commercial Insurance, 2013-2017 (1) (\$000)

Year	Incurred losses
2013	\$110,431,560
2014	117,089,504
2015	117,591,118
2016	124,688,807
2017	137,941,226

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Healthcare Industry

The Insurance Industry's Contribution To The Healthcare Industry

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

Workers Compensation Benefits, Coverage And Costs, 2015-2016

	2015	2016	Percent change, 2015-2016
Covered workers (000)	135,850	138,251	1.8%
Covered wages (\$ billions)	\$7,198	\$7,422	3.1
Workers compensation benefits paid (\$ billions)	62.0	61.9	-0.2
Medical benefits	31.2	31.1	-0.3
Cash benefits	30.8	30.8	(1)
Employer costs for workers compensation (\$ billions)	95.5	96.5	1.1

(1) Less than -0.1 percent.

Source: *Workers Compensation: Benefits, Coverage, and Costs, October 2018*, National Academy of Social Insurance.

Private Passenger Auto Insurance Losses, 2008-2017 (1)

Year	Liability			
	Bodily injury (2)		Property damage (3)	
	Claim frequency (4)	Claim severity (5),	Claim frequency (4)	Claim severity (5),
2008	0.91	\$14,067	3.42	\$2,903
2009	0.89	13,891	3.49	2,869
2010	0.91	14,406	3.53	2,881
2011	0.92	14,848	3.56	2,958
2012	0.95	14,690	3.50	3,073
2013	0.95	15,441	3.55	3,231
2014	0.87	16,642	3.65	3,289
2015	0.91	16,745	3.72	3,484
2016	1.00	16,141	3.85	3,687
2017	1.10	15,270	4.00	3,638

2019 A Firm Foundation

	Physical damage (7)			
	Collision		Comprehensive (8)	
Year	Claim frequency (4)	Claim severity (5)	Claim frequency (4), (9)	Claim severity (5), (9)
2008	5.35	\$3,005	2.57	\$1,551
2009	5.48	2,869	2.75	1,389
2010	5.69	2,778	2.62	1,476
2011	5.75	2,861	2.79	1,490
2012	5.57	2,950	2.62	1,585
2013	5.71	3,144	2.57	1,621
2014	5.93	3,169	2.79	1,572
2015	6.01	3,377	2.72	1,679
2016	6.12	3,444	2.76	1,750
2017	6.15	3,425	2.85	1,817

(1) For all limits combined. Data are for paid claims. (2) Excludes Massachusetts and most states with no-fault automobile insurance laws. (3) Excludes Massachusetts, Michigan and New Jersey. (4) Claim frequency is claims per 100 car years. A car year is equal to 365 days of insured coverage for one vehicle. (5) Claim severity is the size of the loss. (6) Includes loss adjustment expenses. (7) Excludes Massachusetts, Michigan and Puerto Rico. Based on coverage with a \$500 deductible. (8) Excludes wind and water losses. (9) Includes glass losses.

Source: ISO®, a Verisk Analytics® business.

Incurred Losses For Accident And Health Insurance, 2013-2017 (1) (\$000)

Year	Incurred losses
2013	\$3,964,421
2014	3,726,676
2015	3,990,585
2016	4,512,513
2017	4,649,220

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Chapter 6: Empowering Lenders

Credit Insurance for Short-Term Trade Receivables

Role Of Credit/Mortgage Insurance

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

Credit Insurance For Customer Defaults

Credit insurance protects merchants, exporters, 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. The high combined ratio from 2007 to 2010 reflects the crisis in financial markets.

Credit Insurance, 2008-2017 (\$000)

Year	Net premiums written (1)	Annual percent change	Combined ratio (2)	Annual point change (3)
2008	\$1,413,313	0.6%	171.0	41.6 pts.
2009	1,224,474	-13.4	140.8	-30.2
2010	1,344,766	9.8	127.2	-13.6
2011	1,490,135	10.8	94.5	-32.7
2012	1,457,796	-2.2	91.3	-3.2
2013	1,167,315	-19.9	74.9	-16.4
2014	1,191,026	2.0	74.7	-0.1
2015	1,070,048	-10.2	76.5	1.8
2016	1,118,611	4.5	92.1	15.6
2017	1,221,008	9.2	90.8	-1.4

(1) After reinsurance transactions, excludes state funds. (2) After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. (3) Calculated from unrounded data.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Private Mortgage Insurance

Mortgage Guaranty Insurance

Private mortgage insurance (PMI), also 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 life 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 of the home price. The industry's combined ratio, a measure of profitability, deteriorated

2019 A Firm Foundation

(i.e., rose) significantly in 2007 and 2008, reflecting the economic downturn and the subsequent rise in mortgage defaults, and remained at high levels through 2012. In 2017 the combined ratio fell to 40.4, the lowest level since it was 47.3 in 2000.

Mortgage Guaranty Insurance, 2008-2017 (\$000)

Year	Net premiums written (1)	Annual percent change	Combined ratio (2)	Annual point change (3)
2008	\$5,371,878	3.5%	219.8	90.8 pts.
2009	4,564,406	-15.0	201.9	-17.9
2010	4,248,798	-6.9	198.4	-3.6
2011	4,242,340	-0.2	219.0	20.7
2012	3,965,896	-6.5	189.7	-29.4
2013	4,329,947	9.2	98.0	-91.7
2014	4,180,006	-3.5	70.2	-27.7
2015	4,681,917	12.0	58.1	-12.1
2016	4,410,832	-5.8	49.9	-8.1
2017	4,376,797	-0.8	40.4	-9.5

(1) After reinsurance transactions, excludes state funds. (2) After dividends to policyholders. A drop in the combined ratio represents an improvement; an increase represents a deterioration. (3) Calculated from unrounded numbers.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Credit Life/Health

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 Life, And Credit Accident And Health Insurance Direct Premiums Written, 2008-2017 (\$000)

Year	Credit life	Credit accident and health
2008	\$1,562,010	\$1,250,069
2009	1,248,117	964,004
2010	1,247,192	929,774
2011	1,226,910	930,094
2012	1,159,524	957,294
2013	977,557	968,691
2014	961,247	955,261
2015	915,437	910,645
2016	831,283	829,033
2017	807,136	838,004

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Chapter 7: Supporting Businesses, Workers, Communities

Life Insurance Payouts

Income Replacement

Life insurance benefits and claims totaled \$697 billion in 2017. This includes life insurance death benefits, annuity benefits, disability benefits and other payouts, and compares with \$670 billion in 2016. The largest payout, \$309 billion, was for surrender benefits and withdrawals from life insurance contracts made to policyholders who terminated their policies early or withdrew cash from their policies.

Life Insurance Industry Benefits And Claims, 2013-2017 (\$000)

	2013	2014	2015	2016	2017
Death benefits	\$62,536,974	\$65,961,305	\$72,320,822	\$73,996,171	\$74,942,640
Matured endowments, excluding annual pure endowments	368,210	350,488	397,554	420,287	437,591
Annuity benefits	74,882,585	69,583,732	73,535,187	74,769,738	77,043,317
Disability, accident and health benefits (1)	110,789,199	113,572,825	115,468,861	120,056,048	126,787,233
Coupons, pure endowment and similar benefits	17,222	18,992	18,237	19,509	19,406
Surrender benefits, withdrawals for life contracts	248,702,088	281,532,892	272,998,652	265,095,216	308,928,847
Group conversions	52,893	28,088	48,382	30,872	25,719
Interest and adjustments on deposit type contracts	8,195,238	7,749,827	8,009,313	9,407,551	8,348,035
Payments on supplementary contracts with life contingencies	1,985,919	2,237,030	2,120,777	2,062,662	2,106,523
Increase in aggregate reserve	78,028,839	100,984,602	72,537,331	123,731,601	98,004,386
Total benefits and claims	\$585,558,162	\$642,018,430	\$617,451,481	\$669,589,655	\$696,643,698

(1) Excludes benefits paid by health insurance companies and property/casualty insurance companies.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Disability Insurance Premiums

Disability Insurance

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

2019 A Firm Foundation

Individual Disability Insurance, New Issues Sale, 2017 (1)

	Annualized premiums	Percent change, 2016-2017	Number of policies	Percent change, 2016-2017
Guaranteed renewable	\$266,690	17%	424,817	12%
Noncancellable	344,765	2	163,335	-2
Total	\$611,455	8%	588,152	8%

(1) Short-term and long-term individual disability income insurance. Based on a LIMRA survey of 21 personal disability insurance companies. Excludes commercial disability income.

Source: *U.S. Individual Disability Income Insurance Sales, 2017 4th Quarter*, LIMRA, 2018.

Individual Disability Insurance In Force, 2017 (1)

	Number of policies	Percent change, 2016-2017	Annualized premiums	Percent change, 2016-2017
Noncancellable	2,364,276	-1%	\$4,403,209,890	2%
Guaranteed renewable	1,681,405	(2)	1,218,850,095	3
Total	4,045,681	(2)	\$5,622,059,985	2%

(1) Short-term and long-term individual disability income insurance. Based on a LIMRA survey of 21 personal disability insurance companies. Excludes commercial disability income. (2) Less than 0.5 percent.

Source: *LIMRA's Quarterly and Annual Individual Disability Income Surveys*, LIMRA, 2017-2018.

Workers Compensation Indemnity Payouts

Workers Compensation

Workers compensation insurance provides for the cost of medical care and rehabilitation for injured workers. It also provides for lost wages and death benefits for the dependents of persons killed in work-related accidents. Workers compensation systems vary from state to state. There are two components to workers compensation claims costs: cash payments for lost time (which are usually linked to a state's average weekly wage), known as indemnity costs, and payments for medical care.

Workers Compensation Benefits, Coverage And Costs, 2015-2016

	2015	2016	Percent change, 2015-2016
Covered workers (000)	135,850	138,251	1.8%
Covered wages (\$ billions)	\$7,198	\$7,422	3.1
Workers compensation benefits paid (\$ billions)	62.0	61.9	-0.2
Medical benefits	31.2	31.1	-0.3
Cash benefits	30.8	30.8	(1)
Employer costs for workers compensation (\$ billions)	95.5	96.5	1.1

Source: *Workers Compensation: Benefits, Coverage, and Costs, October 2017*, National Academy of Social Insurance.

Chapter 8: A 50-State Commitment

Employment

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 By State, 2017 (1)

State	Number of employees	State	Number of employees
Alabama	39,524	Montana	8,902
Alaska	2,595	Nebraska	34,856
Arizona	71,743	Nevada	20,620
Arkansas	22,842	New Hampshire	15,924
California	331,913	New Jersey	105,307
Colorado	57,975	New Mexico	13,641
Connecticut	70,557	New York	199,310
Delaware	7,849	North Carolina	86,996
D.C.	4,243	North Dakota	10,628
Florida	232,002	Ohio	143,254
Georgia	111,809	Oklahoma	32,172
Hawaii	11,187	Oregon	34,305
Idaho	14,199	Pennsylvania	159,073
Illinois	155,757	Rhode Island	11,927
Indiana	64,769	South Carolina	44,113
Iowa	58,302	South Dakota	12,203
Kansas	38,463	Tennessee	67,463
Kentucky	44,356	Texas	291,601
Louisiana	38,011	Utah	28,893
Maine	13,831	Vermont	5,092
Maryland	49,504	Virginia	71,331
Massachusetts	83,889	Washington	56,958
Michigan	83,774	West Virginia	11,235
Minnesota	76,708	Wisconsin	81,952
Mississippi	19,513	Wyoming	3,681
Missouri	70,748	United States	3,327,500

(1) Total full-time and part-time employment.

Note: Does not match data shown elsewhere due to the use of different surveys. Data as of September 2018.

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

2019 A Firm Foundation

Insurance Carriers And Related Activities Compensation By State, 2016-2017 (\$000)

Annual payroll			Annual payroll		
State	2016	2017	State	2016	2017
Alabama	\$2,697,019	\$2,886,874	Montana	\$467,676	\$490,621
Alaska	173,936	175,776	Nebraska	2,313,067	2,473,280
Arizona	4,481,094	4,997,273	Nevada	1,197,594	1,285,131
Arkansas	1,174,225	1,246,195	New Hampshire	1,644,648	1,343,239
California	26,236,121	27,583,886	New Jersey	11,344,395	12,243,329
Colorado	4,196,014	4,440,482	New Mexico	701,387	774,737
Connecticut	8,839,973	9,537,188	New York	21,177,400	21,928,003
Delaware	640,424	653,037	North Carolina	5,653,987	6,255,904
District of Columbia	653,175	687,410	North Dakota	592,168	610,953
Florida	15,227,448	16,763,140	Ohio	10,557,444	11,204,095
Georgia	8,140,865	8,875,915	Oklahoma	1,732,261	1,822,545
Hawaii	672,569	737,198	Oregon	2,566,965	2,635,423
Idaho	711,369	770,529	Pennsylvania	12,658,368	13,428,329
Illinois	13,824,917	14,511,342	Rhode Island	995,456	1,059,587
Indiana	4,342,180	4,591,134	South Carolina	2,563,984	2,699,525
Iowa	4,410,266	4,652,900	South Dakota	612,153	642,790
Kansas	2,563,161	2,729,109	Tennessee	4,402,923	4,721,730
Kentucky	3,218,390	3,415,885	Texas	19,548,510	21,101,625
Louisiana	2,220,460	2,295,880	Utah	1,645,583	1,785,411
Maine	1,056,577	1,100,520	Vermont	391,749	429,902
Maryland	4,065,312	4,241,065	Virginia	5,025,971	5,424,094
Massachusetts	8,666,148	9,036,167	Washington	4,360,864	4,575,554
Michigan	5,592,710	5,960,833	West Virginia	564,961	602,068
Minnesota	6,889,064	7,521,677	Wisconsin	5,999,116	6,298,544
Mississippi	919,712	958,897	Wyoming	163,297	169,772
Missouri	4,843,944	5,145,497	United States	\$255,339,000	\$271,522,000

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

Premiums

Direct Premiums Written, P/C Insurance By State, 2017 (1) (\$000)

State	Total, all lines	State	Total, all lines
Alabama	\$8,491,699	Montana	\$2,402,694
Alaska	1,574,803	Nebraska	4,841,812
Arizona	10,961,095	Nevada	5,145,462
Arkansas	5,178,776	New Hampshire	2,440,724
California	76,393,885	New Jersey	21,222,342
Colorado	12,296,996	New Mexico	3,295,212
Connecticut	8,646,320	New York	\$46,322,771

2019 A Firm Foundation

State	Total, all lines	State	Total, all lines
Delaware	2,662,277	North Carolina	15,682,515
D.C.	\$1,860,455	North Dakota	2,521,294
Florida	50,424,532	Ohio	16,490,563
Georgia	19,951,564	Oklahoma	7,948,641
Hawaii	2,497,126	Oregon	6,950,266
Idaho	2,776,622	Pennsylvania	24,316,458
Illinois	24,907,084	Rhode Island	2,396,937
Indiana	11,158,585	South Carolina	9,549,900
Iowa	6,535,925	South Dakota	2,420,646
Kansas	6,428,177	Tennessee	11,366,424
Kentucky	7,473,092	Texas	54,449,415
Louisiana	11,474,861	Utah	4,690,590
Maine	2,277,018	Vermont	1,263,641
Maryland	11,755,106	Virginia	13,653,410
Massachusetts	14,926,239	Washington	11,892,722
Michigan	19,173,049	West Virginia	3,007,835
Minnesota	11,585,779	Wisconsin	10,574,269
Mississippi	5,178,851	Wyoming	1,154,807

(1) Before reinsurance transactions, includes state funds, excludes territories. (2) Data for the total United States may differ from similar data shown elsewhere due to the use of different exhibits from S&P Global Market Intelligence.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Life/Health Insurers Direct Premiums Written And Annuity Considerations By State, 2017 (1) (\$ millions)

State	Life insurance	Annuities	Accident and health insurance (2)	Deposit-type contract funds	Other considerations	Total
Alabama	\$2,191	\$2,667	\$1,723	\$322	\$514	\$7,417
Alaska	429	394	336	26	270	1,455
Arizona	2,384	4,564	3,836	345	1,537	12,666
Arkansas	1,106	1,346	986	84	331	3,853
California	17,454	22,287	14,371	2,385	8,738	65,234
Colorado	2,678	4,982	3,770	1,070	999	13,499
Connecticut	2,599	4,409	2,781	9,978	2,092	21,860
Delaware	1,406	3,274	736	61,910	370	67,696
D.C.	430	680	828	1,275	550	3,764
Florida	9,867	16,959	13,702	1,456	4,076	46,061
Georgia	5,098	4,987	7,642	1,486	3,122	22,335
Hawaii	788	1,348	1,328	69	323	3,856
Idaho	576	895	721	66	277	2,534
Illinois	6,841	9,882	6,163	1,837	2,670	27,393
Indiana	2,835	4,965	4,280	3,132	1,026	16,238

2019 A Firm Foundation

State	Life insurance	Annuities	Accident and health insurance (2)	Deposit-type contract funds	Other considerations	Total
Iowa	\$1,783	\$2,869	\$1,421	\$13,854	\$2,324	\$22,251
Kansas	1,369	2,126	3,381	2,751	419	10,046
Kentucky	1,582	2,660	1,701	236	724	6,903
Louisiana	2,336	3,102	2,047	292	631	8,408
Maine	439	1,055	847	61	195	2,599
Maryland	3,047	4,773	3,625	653	1,218	13,316
Massachusetts	3,788	6,970	3,413	599	3,268	18,038
Michigan	4,626	9,804	3,467	1,072	1,761	20,730
Minnesota	4,889	4,516	1,640	849	1,861	13,755
Mississippi	1,246	1,368	1,474	141	191	4,419
Missouri	2,767	5,716	4,240	683	1,070	14,477
Montana	374	495	371	50	135	1,427
Nebraska	1,049	1,506	1,418	365	392	4,730
Nevada	1,200	1,402	1,210	174	384	4,371
New Hampshire	642	1,710	677	219	262	3,511
New Jersey	6,700	10,045	6,887	1,431	2,355	27,418
New Mexico	677	902	1,107	83	435	3,204
New York	12,698	17,402	9,703	31,667	8,234	79,703
North Carolina	5,469	6,939	5,731	893	2,915	21,945
North Dakota	437	543	302	65	178	1,525
Ohio	5,108	10,724	7,474	7,451	2,379	33,136
Oklahoma	1,411	1,750	1,700	289	581	5,730
Oregon	1,257	2,254	1,932	198	970	6,610
Pennsylvania	6,571	12,611	7,101	2,364	2,532	31,179
Rhode Island	451	1,131	480	70	249	2,382
South Carolina	2,268	3,457	3,642	216	653	10,237
South Dakota	1,153	528	390	235	124	2,430
Tennessee	3,152	4,328	3,469	888	1,164	13,001
Texas	11,891	14,898	17,366	3,294	3,610	51,058
Utah	1,482	1,983	1,322	319	466	5,571
Vermont	258	612	371	105	181	1,527
Virginia	4,544	5,755	4,529	750	1,580	17,157
Washington	2,593	4,336	3,561	403	1,606	12,500
West Virginia	640	1,046	758	93	146	2,683
Wisconsin	2,699	4,795	3,550	581	1,183	12,808
Wyoming	277	362	350	25	55	1,070
United States (3)	\$159,554	\$240,111	\$175,864	\$158,860	\$73,327	\$807,717

(1) Direct premiums written before reinsurance transactions, excludes state funds. (2) Excludes accident and health premiums reported on property/casualty and health annual statements. (3) Excludes territories, dividends and other nonstate specific data.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Direct Premiums Written, Property/Casualty Insurance By State By Line, 2017 (1) (\$000)

	Private passenger auto		Commercial auto				
State	Liability	Coll./comp.	Liability	Coll./comp.	Home-owners multiple peril	Farm-owners multiple peril	Commercial multiple peril
Alabama	\$1,834,303	\$1,489,225	\$368,293	\$131,250	\$1,692,355	\$77,225	\$581,809
Alaska	275,028	193,653	54,945	15,465	164,219	642	101,018
Arizona	2,926,906	1,926,572	417,120	113,853	1,610,131	16,771	620,115
Arkansas	1,048,385	898,794	254,749	115,002	907,329	29,832	332,781
California	15,504,867	11,755,463	3,058,631	844,140	7,837,021	208,031	4,739,824
Colorado	2,757,069	1,819,961	425,643	160,819	2,282,303	80,759	786,050
Connecticut	1,846,752	1,088,877	336,584	87,607	1,484,031	6,545	634,198
Delaware	586,182	268,179	102,671	24,651	266,177	7,059	322,736
D.C.	194,434	152,926	43,472	8,303	160,116	0	161,382
Florida	13,687,728	5,456,184	2,194,951	400,570	9,174,761	23,568	2,126,595
Georgia	5,571,762	3,043,219	917,307	250,709	3,130,124	120,955	1,038,074
Hawaii	434,941	317,495	94,803	25,968	383,567	4	179,656
Idaho	546,290	402,630	118,715	62,594	354,279	62,034	209,689
Illinois	4,180,114	3,242,824	1,100,573	353,655	3,558,367	179,484	1,726,567
Indiana	2,169,060	1,605,226	478,302	210,158	1,903,996	195,940	840,832
Iowa	868,467	888,463	237,806	165,384	782,927	212,753	382,314
Kansas	956,327	892,429	197,998	135,582	1,160,955	240,816	382,708
Kentucky	1,966,600	1,063,863	320,398	111,378	1,168,524	161,995	522,440
Louisiana	2,891,114	1,615,069	586,898	107,124	1,857,768	13,991	494,649
Maine	393,253	340,809	102,087	46,629	418,611	5,167	239,932
Maryland	3,008,202	1,963,533	474,216	134,682	1,756,475	29,070	654,489
Massachusetts	2,905,824	2,282,625	650,464	224,068	2,366,634	3,638	1,155,658
Michigan	5,661,725	3,308,940	665,169	331,271	2,768,344	145,206	1,086,763
Minnesota	2,035,639	1,567,290	378,320	204,891	2,101,828	151,629	718,714
Mississippi	1,018,630	859,624	279,625	99,778	967,593	24,719	317,779
Missouri	2,167,285	1,730,666	432,701	194,673	2,032,669	181,336	781,626
Montana	374,729	350,479	103,049	65,079	330,134	73,150	179,871
Nebraska	674,825	577,940	152,054	120,093	728,567	237,939	273,172
Nevada	1,637,065	731,251	260,272	42,951	580,642	8,459	325,617
New Hampshire	430,387	415,362	100,601	36,905	406,606	3,219	241,972
New Jersey	5,285,651	2,396,445	1,173,148	221,074	2,687,462	2,986	1,489,700
New Mexico	861,239	525,282	150,692	50,345	513,480	25,323	224,003
New York	8,457,326	4,803,390	2,269,395	381,396	5,313,487	43,898	4,014,166
North Carolina	3,082,337	2,904,023	673,210	224,401	2,564,886	63,054	959,931
North Dakota	210,590	260,543	90,198	68,996	209,710	121,472	134,990

2019 A Firm Foundation

	Private passenger auto		Commercial auto				
State	Liability	Coll./comp.	Liability	Coll./comp.	Home-owners multiple peril	Farm-owners multiple peril	Commercial multiple peril
Ohio	3,734,918	2,949,756	726,492	281,717	2,877,584	173,564	1,272,141
Oklahoma	1,459,684	1,205,719	334,075	144,670	1,642,579	157,139	536,058
Oregon	\$2,007,097	\$908,266	\$286,014	\$94,352	\$811,744	\$67,015	\$489,750
Pennsylvania	4,869,580	3,875,806	1,065,489	422,994	3,331,205	107,663	1,757,717
Rhode Island	612,872	309,114	92,264	24,628	398,970	361	155,191
South Carolina	2,491,099	1,485,497	350,336	110,301	1,692,929	14,574	492,756
South Dakota	247,727	294,907	74,800	57,076	245,454	124,417	133,836
Tennessee	2,242,302	1,841,609	448,012	215,901	2,004,678	149,552	730,914
Texas	11,934,451	9,237,933	2,676,281	822,580	8,850,102	321,413	2,691,249
Utah	1,212,335	721,014	220,149	80,106	529,896	14,948	276,248
Vermont	183,681	192,341	45,637	25,918	199,515	15,362	138,188
Virginia	3,093,521	2,354,213	526,852	180,609	2,220,272	74,859	802,923
Washington	3,424,220	1,751,495	487,956	162,277	1,723,255	75,780	837,558
West Virginia	689,623	548,671	139,100	47,437	442,383	15,624	202,395
Wisconsin	1,738,998	1,374,698	402,453	190,300	1,419,783	185,257	711,820
Wyoming	180,063	211,747	55,326	32,823	200,631	30,136	101,587
United States	\$138,573,207	\$92,402,040	\$27,196,291	\$8,665,132	\$94,217,060	\$4,286,334	\$40,312,151

(1) Includes some state funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Direct Premiums Written, Property/Casualty Insurance, By State By Line, 2017 (1) (Cont'd) (\$000)

State	Workers compensation	Excess workers compensation	Medical malpractice	Products liability	Other liability	Fire	Allied lines
Alabama	\$351,958	\$22,000	\$122,394	\$31,376	\$615,931	\$179,924	\$181,316
Alaska	251,110	3,525	23,631	4,875	140,527	46,910	27,776
Arizona	843,349	11,622	205,261	43,827	880,344	126,495	119,177
Arkansas	253,996	7,562	62,516	19,342	344,475	144,575	115,699
California	12,765,758	190,714	760,296	518,970	7,969,152	1,163,652	765,223
Colorado	1,076,683	13,924	149,671	76,160	1,203,702	154,142	176,642
Connecticut	818,459	24,468	181,836	48,792	1,031,122	131,246	116,194
Delaware	221,793	1,559	30,033	10,986	375,264	30,071	26,351
D.C.	176,152	2,419	27,049	6,664	385,134	32,928	25,653
Florida	3,215,804	61,171	594,878	219,191	5,197,773	1,193,788	2,129,125
Georgia	1,604,174	32,899	254,148	85,869	1,613,293	311,170	263,009
Hawaii	279,954	7,356	31,779	11,835	290,625	66,680	93,359
Idaho	417,103	3,127	31,499	12,826	203,165	28,691	24,344
Illinois	2,565,459	59,027	442,131	157,204	3,552,043	346,710	289,508

2019 A Firm Foundation

State	Workers compensation	Excess workers compensation	Medical malpractice	Products liability	Other liability	Fire	Allied lines
Indiana	825,803	13,697	121,584	84,895	899,958	231,848	147,907
Iowa	747,161	9,898	61,304	42,573	574,380	111,197	117,043
Kansas	\$413,069	\$10,676	\$62,237	\$34,393	\$428,527	\$91,369	\$143,147
Kentucky	503,949	17,607	105,474	27,354	468,572	111,660	94,013
Louisiana	798,344	46,019	94,037	40,524	869,923	339,721	415,109
Maine	228,129	3,268	45,095	7,929	166,374	39,660	36,533
Maryland	963,264	14,271	291,155	44,871	1,094,092	143,646	119,383
Massachusetts	1,255,837	21,313	313,511	111,825	1,822,625	307,561	205,428
Michigan	1,096,866	30,635	185,699	91,144	1,257,112	288,843	162,093
Minnesota	969,909	1,814	78,082	86,782	1,104,431	185,723	286,769
Mississippi	353,740	9,427	43,519	17,970	320,920	121,298	124,097
Missouri	920,594	36,933	141,194	57,781	1,079,451	186,846	174,853
Montana	287,584	5,888	47,973	10,357	165,504	29,603	30,961
Nebraska	375,556	5,790	32,097	22,746	336,482	58,285	77,880
Nevada	363,075	22,162	64,882	33,760	464,498	77,723	63,468
New Hampshire	243,026	4,190	39,959	11,354	221,686	33,578	27,278
New Jersey	2,442,538	35,796	403,033	178,516	2,448,432	335,691	289,526
New Mexico	269,122	7,483	58,340	9,279	219,503	35,868	38,206
New York	5,942,539	56,931	1,549,177	294,462	7,602,219	725,936	583,080
North Carolina	1,448,416	27,718	165,563	84,721	1,251,513	256,410	288,797
North Dakota	4,635	4	9,424	11,987	158,899	34,356	37,626
Ohio	16,984	68,006	228,849	103,156	1,592,581	353,974	225,076
Oklahoma	662,056	12,758	95,894	35,354	575,036	151,094	181,669
Oregon	707,914	10,996	91,263	44,101	537,017	81,603	60,687
Pennsylvania	2,615,365	45,427	646,116	141,097	2,601,768	419,608	285,108
Rhode Island	220,355	1,504	28,145	11,687	231,458	42,672	38,664
South Carolina	826,703	11,026	73,062	49,535	566,541	221,000	167,248
South Dakota	176,409	1,931	15,305	11,694	125,095	28,180	29,694
Tennessee	866,772	20,311	212,981	52,358	980,234	238,565	178,769
Texas	2,343,930	31,693	314,747	306,953	5,030,365	1,617,629	1,736,073
Utah	444,664	4,176	57,584	35,712	417,401	80,333	44,641
Vermont	189,991	1,769	15,694	6,255	104,012	20,271	14,047
Virginia	1,044,897	25,802	184,847	50,106	1,328,228	207,584	176,861
Washington	20,267	26,912	163,187	65,680	1,169,678	182,767	125,593
West Virginia	258,901	6,450	59,221	9,349	265,221	56,702	35,391
Wisconsin	1,959,628	8,747	83,794	81,441	1,000,918	168,491	143,678
Wyoming	5,377	269	22,620	4,992	97,006	18,550	18,553
United States	\$57,655,123	\$1,100,668	\$9,123,770	\$3,562,613	\$63,380,213	\$11,592,828	\$11,278,325

(1) Includes some state funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Direct Premiums Written, Property/Casualty Insurance By State By Line, 2017 (1) (Cont'd) (\$'000)

State	Inland marine	Ocean marine	Surety	Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty
Alabama	\$316,735	\$36,805	\$72,764	\$13,559	\$3,953	\$23,924	\$4,556
Alaska	90,491	35,659	28,601	2,336	816	7,632	219
Arizona	356,375	20,135	131,669	12,449	4,601	23,937	1,029
Arkansas	223,496	16,403	34,736	9,255	2,191	15,335	485
California	2,922,588	281,890	841,406	127,383	39,477	126,065	41,544
Colorado	408,215	13,289	130,241	24,206	6,394	21,399	5,251
Connecticut	334,711	91,848	66,450	25,951	5,098	15,876	1,088
Delaware	99,057	7,619	20,016	4,110	1,437	3,899	29,524
D.C.	129,376	4,073	162,028	13,975	3,131	5,973	117
Florida	1,373,316	318,793	364,729	62,313	20,457	65,968	8,391
Georgia	669,971	63,848	157,381	32,698	10,062	43,503	1,373
Hawaii	97,103	17,117	38,576	4,444	812	4,670	4,823
Idaho	95,450	5,455	23,688	2,940	1,022	7,799	46
Illinois	830,369	89,890	210,188	63,221	16,538	67,143	23,244
Indiana	364,291	24,402	78,401	18,090	5,754	39,547	1,043
Iowa	234,279	7,624	51,404	13,461	2,651	23,608	3,372
Kansas	193,026	8,404	43,088	11,350	2,572	18,136	1,024
Kentucky	280,636	24,983	78,258	10,244	2,741	24,574	20,121
Louisiana	412,283	138,281	118,832	12,432	4,515	29,323	4,749
Maine	76,621	28,408	16,646	4,201	849	7,252	297
Maryland	375,087	97,972	167,371	28,324	5,840	24,130	3,005
Massachusetts	529,745	92,898	151,563	45,525	9,060	36,120	3,249
Michigan	542,690	56,848	94,836	31,331	8,777	58,214	1,535
Minnesota	374,788	26,417	84,147	26,372	6,865	35,618	3,418
Mississippi	201,103	15,416	43,091	8,182	2,076	13,405	524
Missouri	389,209	32,870	71,940	24,671	6,365	28,452	7,967
Montana	74,435	2,443	30,169	3,065	914	5,635	62
Nebraska	163,310	4,800	36,557	6,991	1,798	13,428	1,840
Nevada	174,647	6,709	71,721	7,449	2,236	20,366	424
New Hampshire	89,845	11,896	16,996	4,107	1,132	5,709	112
New Jersey	679,771	143,317	162,288	45,070	10,995	44,144	15,578
New Mexico	106,685	2,255	48,430	4,229	817	6,597	477
New York	1,648,179	382,405	417,545	140,472	34,591	111,163	161,441
North Carolina	635,604	64,444	146,328	38,349	7,176	39,371	4,171
North Dakota	73,777	1,530	19,355	2,800	488	13,616	161
Ohio	638,951	49,732	146,017	40,849	13,762	57,989	1,674
Oklahoma	251,295	19,265	61,849	10,948	2,545	19,607	284
Oregon	268,320	32,076	67,533	10,630	2,911	16,639	231
Pennsylvania	778,609	58,226	230,066	51,648	13,739	68,548	15,373
Rhode Island	82,911	35,342	15,020	4,454	1,258	4,777	1,277
South Carolina	\$348,789	\$31,741	\$86,264	\$10,328	\$3,279	\$21,004	\$435
South Dakota	67,888	1,454	21,103	3,262	565	6,367	0
Tennessee	431,142	51,287	89,256	19,594	6,576	30,925	88

2019 A Firm Foundation

State	Inland marine	Ocean marine	Surety	Fidelity	Burglary and theft	Boiler and machinery	Financial guaranty
Texas	2,124,696	259,058	591,255	78,518	26,146	122,288	16,867
Utah	163,317	10,735	55,230	7,436	2,307	10,530	1,054
Vermont	43,703	3,767	9,337	2,153	478	5,226	769
Virginia	479,716	69,598	191,479	34,304	8,294	30,255	631
Washington	530,877	118,903	174,026	18,819	5,474	29,439	931
West Virginia	81,352	3,431	42,864	4,114	830	6,745	71
Wisconsin	306,111	37,830	60,777	23,170	5,816	40,153	779
Wyoming	46,906	1,133	49,150	1,518	329	6,223	390
United States	\$22,211,847	\$2,960,724	\$6,122,666	\$1,207,303	\$328,508	\$1,508,247	\$397,115

(1) Includes some state funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Direct Premiums Written, Property/Casualty Insurance By State By Line, 2017 (1) (Cont'd) (\$'000)

State	Aircraft	Earthquake	Federal flood	Credit	Warranty	Accident and health
Alabama	\$14,486	\$6,663	\$27,065	\$30,759	\$11,483	\$76,399
Alaska	39,800	25,121	1,560	3,294	743	15,257
Arizona	49,419	7,291	16,295	22,048	33,030	111,571
Arkansas	21,491	32,767	10,335	16,386	6,976	60,650
California	147,417	1,729,209	149,940	127,840	198,400	522,178
Colorado	45,496	10,131	13,792	22,346	14,990	86,682
Connecticut	29,696	6,660	46,494	37,170	11,299	51,830
Delaware	12,716	1,421	14,981	10,568	28,307	118,365
D.C.	1,725	2,837	1,115	7,952	31	115,913
Florida	106,227	20,112	812,583	119,069	556,870	252,853
Georgia	52,963	13,461	52,426	47,340	30,015	170,589
Hawaii	13,931	10,260	34,945	6,975	3,358	13,334
Idaho	11,488	3,567	4,151	4,044	3,634	21,938
Illinois	65,599	64,832	27,753	78,695	227,241	335,089
Indiana	18,374	36,885	15,484	31,603	36,906	255,422
Iowa	11,796	3,745	10,309	13,871	6,631	76,462
Kansas	18,880	6,742	5,602	15,288	161,653	68,981
Kentucky	7,507	44,414	12,482	40,446	12,256	57,200
Louisiana	42,937	6,283	253,136	29,990	4,260	63,213
Maine	3,910	1,947	7,608	6,804	3,467	14,759
Maryland	16,801	9,502	28,774	20,230	23,069	81,331
Massachusetts	17,838	22,336	67,208	42,438	16,726	89,987
Michigan	25,038	6,368	15,040	53,793	567,780	225,264
Minnesota	28,545	4,456	5,941	13,081	29,532	123,032
Mississippi	10,886	16,501	32,260	18,749	4,237	68,236
Missouri	24,735	94,412	15,803	29,189	44,124	176,514
Montana	9,235	4,989	2,559	1,992	1,718	35,818
Nebraska	13,005	2,077	6,982	5,872	4,511	130,303
Nevada	24,184	22,551	6,453	5,588	10,763	35,033
New Hampshire	5,931	2,731	7,378	9,066	4,921	29,171
New Jersey	16,964	19,905	188,278	85,025	24,778	187,586
New Mexico	6,190	2,472	8,111	8,689	3,857	20,954
New York	52,499	50,388	171,444	193,142	52,951	486,986
North Carolina	32,873	11,004	91,313	42,139	40,341	145,779
North Dakota	7,072	593	5,502	563	502	9,783
Ohio	53,995	31,603	25,382	60,767	42,535	219,810
Oklahoma	18,447	21,832	8,071	6,281	15,987	66,879
Oregon	23,371	84,658	19,183	13,493	7,904	66,197
Pennsylvania	32,918	14,942	51,588	63,390	81,617	395,750
Rhode Island	10,236	2,139	16,486	6,003	2,516	23,829
South Carolina	\$11,540	\$42,737	\$113,542	\$23,326	\$8,612	\$105,223
South Dakota	6,976	378	2,330	1,945	1,964	22,056
Tennessee	26,899	80,437	19,441	38,187	18,647	147,952

2019 A Firm Foundation

State	Aircraft	Earthquake	Federal flood	Credit	Warranty	Accident and health
Texas	176,618	26,633	311,010	270,331	390,951	584,506
Utah	20,216	49,083	2,007	11,062	37,442	74,733
Vermont	1,978	910	4,657	2,499	6,337	14,052
Virginia	40,772	16,334	59,741	24,818	20,250	149,547
Washington	41,302	174,645	26,671	31,469	64,001	85,292
West Virginia	2,804	1,244	12,348	6,484	2,890	45,477
Wisconsin	20,111	4,068	9,182	20,574	33,104	175,267
Wyoming	4,956	3,197	1,344	679	657	27,122
United States	\$1,500,792	\$2,859,475	\$2,854,088	\$1,783,352	\$2,916,773	\$6,538,152

(1) Includes some state funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

Direct Premiums Written, Property/Casualty Insurance By State By Line, 2017 (1) (Cont'd) (\$000)

State	Multiple peril crop	Private crop	Mortgage guaranty	Misc.	Private flood
Alabama	\$70,783	\$612	\$60,889	\$36,106	\$4,800
Alaska	69	0	17,650	1,275	957
Arizona	129,159	3,639	143,772	22,066	11,069
Arkansas	127,510	18,813	31,891	12,192	2,826
California	397,005	20,878	466,078	100,893	71,952
Colorado	174,947	12,673	119,207	18,113	6,098
Connecticut	5,082	0	65,660	4,886	9,811
Delaware	10,043	127	20,247	4,457	1,669
D.C.	0	0	26,457	6,283	2,839
Florida	91,166	423	319,893	170,791	84,491
Georgia	140,675	1,695	171,525	43,174	12,155
Hawaii	1,208	0	20,082	2,759	4,707
Idaho	59,805	13,013	37,765	2,584	1,246
Illinois	674,877	98,823	225,430	40,462	14,023
Indiana	349,666	29,172	102,621	12,357	9,359
Iowa	688,249	122,570	48,482	7,770	7,973
Kansas	611,979	56,351	43,923	5,760	5,187
Kentucky	153,801	8,280	40,819	5,318	5,185
Louisiana	84,070	3,707	60,685	17,991	17,883
Maine	10,817	0	17,452	1,109	1,393
Maryland	32,242	104	129,266	15,828	4,881
Massachusetts	2,940	0	119,538	36,801	15,256
Michigan	177,457	7,572	168,946	45,968	5,784
Minnesota	\$621,845	\$113,456	\$182,549	\$27,863	\$6,034
Mississippi	128,661	3,860	25,455	22,535	4,954
Missouri	382,389	25,505	84,935	14,862	8,580
Montana	152,146	3,644	16,478	2,066	965
Nebraska	538,845	198,310	29,587	7,435	2,734
Nevada	15,114	29	58,474	3,321	4,575

2019 A Firm Foundation

State	Multiple peril crop	Private crop	Mortgage guaranty	Misc.	Private flood
New Hampshire	369	0	29,744	3,719	1,773
New Jersey	4,847	18	142,777	32,139	28,862
New Mexico	46,548	2,848	27,461	8,692	1,735
New York	51,617	20	171,528	111,324	47,674
North Carolina	182,999	7,812	159,823	28,625	9,385
North Dakota	933,442	83,554	12,513	1,093	1,518
Ohio	257,094	19,001	160,172	52,229	14,203
Oklahoma	177,974	10,176	43,963	15,945	3,507
Oregon	39,285	2,704	74,780	17,803	4,730
Pennsylvania	53,439	121	180,288	22,421	18,833
Rhode Island	105	0	17,367	2,709	2,624
South Carolina	85,565	68	80,553	11,561	12,727
South Dakota	657,314	46,605	11,741	1,402	770
Tennessee	104,678	3,295	89,765	16,709	8,585
Texas	920,378	63,272	393,826	124,152	53,513
Utah	8,168	93	86,407	9,602	1,959
Vermont	2,705	0	10,761	1,106	520
Virginia	66,584	2,783	157,794	20,409	8,527
Washington	156,133	18,022	160,252	28,273	11,566
West Virginia	1,970	4	13,580	3,171	1,986
Wisconsin	225,037	16,360	110,294	11,486	4,140
Wyoming	15,977	1,649	11,801	1,137	960
United States	\$9,824,777	\$1,021,662	\$5,002,944	\$1,218,732	\$569,487

(1) Includes some state funds.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Surplus Lines

Surplus Lines By State

The surplus lines market, a group of highly specialized insurers exists to provide coverage that is not available through licensed insurers in the standard insurance market. Each state has surplus lines regulations and each surplus lines company is overseen for solvency by its home state. A number of states maintain lists of eligible surplus lines companies and some keep a list of those that are not eligible to do business in that state. In addition, depending on the state, the surplus lines agent or broker, who must be licensed, is responsible for checking the eligibility of the company.

For the many thousands of businesses that rely on some level of surplus line protection to keep their doors open, surplus lines is an important segment of the market. In 2016, surplus lines accounted for about 14.1 percent of the U.S. commercial lines market, up from 6.3 percent in 1995, according to a September 2017 A.M.

Best report.

Top 10 States By Gross Surplus Lines Premiums, 2016-2017 (\$ millions)

Rank	State	2017	2016
1	California	\$7,233.7	\$8,224.6
2	Texas	5,566.9	5,285.2
3	Florida	5,252.5	4,952.1
4	New York	4,056.5	3,722.0
5	Illinois	1,488.3	1,406.2
6	Louisiana	1,414.0	1,381.2
7	Pennsylvania	1,261.5	1,214.8
8	Georgia	1,167.4	1,087.4
9	Massachusetts	983.9	952.6
10	Washington	899.5	824.7

Source: Business Insurance (www.businessinsurance.com), September 2018.

Gross Surplus Lines Premiums By State, 2017 (1) (\$ millions)

State	Total all lines
Alabama	\$554.0
Alaska	120.1
Arizona	557.9
Arkansas	NA
California	7,233.7
Colorado	806.9
Connecticut	583.7
Delaware	140.3
District of Columbia	246.4
Florida	5,252.5
Georgia	1,167.4
Hawaii	255.7
Idaho	NA

2019 A Firm Foundation

State	Total all lines
Illinois	\$1,488.3
Indiana	473.3
Iowa	291.2
Kansas	227.9
Kentucky	215.7
Louisiana	1,414.0
Maine	95.5
Maryland	497.3
Massachusetts	983.9
Michigan	NA
Minnesota	538.4
Mississippi	400.4
Missouri	670.3
Montana	100.4
Nebraska	157.9
Nevada	307.6
New Hampshire	144.4
New Jersey	NA
New Mexico	110.1
New York	4,056.5
North Carolina	732.6
North Dakota	105.2
Ohio	NA
Oklahoma	325.0
Oregon	376.5
Pennsylvania	NA
Rhode Island	140.3
South Carolina	629.6
South Dakota	59.8
Tennessee	618.1
Texas	5,566.9
Utah	281.1
Vermont	72.9
Virginia	701.1
Washington	899.5
West Virginia	131.6
Wisconsin	368.6
Wyoming	64.3
United States	\$40,164.7

(1) Business Insurance survey.

NA=Data not available.

Source: Business Insurance (www.businessinsurance.com), September, 2018.

2019 A Firm Foundation

Gross State Product

Gross State Product (GSP), Insurance Carriers And Related Activities, 2015-2016 (\$ millions)

State	2015	2016	As a percent of 2016 total GSP
Alabama	\$4,552	\$4,333	2.13%
Alaska	403	329	0.67
Arizona	8,071	7,911	2.54
Arkansas	2,284	2,384	1.99
California	38,770	35,691	1.34
Colorado	6,612	6,726	2.05
Connecticut	19,973	20,703	7.86
Delaware	10,263	9,683	13.74
D.C.	1,749	1,703	1.31
Florida	27,470	26,986	2.88
Georgia	12,207	12,147	2.26
Hawaii	1,661	1,561	1.82
Idaho	1,208	1,179	1.70
Illinois	38,086	38,822	4.83
Indiana	13,569	13,352	3.94
Iowa	17,290	19,333	10.73
Kansas	4,851	5,197	3.34
Kentucky	5,810	6,186	3.17
Louisiana	4,661	5,051	2.22
Maine	2,014	2,006	3.37
Maryland	8,995	9,422	2.45
Massachusetts	16,566	16,712	3.22
Michigan	15,568	14,979	3.06
Minnesota	14,131	13,552	4.01
Mississippi	2,153	2,232	2.09
Missouri	9,047	9,273	3.13
Montana	755	798	1.75
Nebraska	8,184	8,143	7.00
Nevada	2,843	3,307	2.21
New Hampshire	4,277	4,343	5.54
New Jersey	18,460	18,182	3.12
New Mexico	1,514	1,585	1.74
New York	54,867	59,823	3.88
North Carolina	9,306	9,850	1.90
North Dakota	1,276	1,180	2.31
Ohio	25,370	26,707	4.30

2019 A Firm Foundation

State	2015	2016	As a percent of 2016 total GSP
Oklahoma	3,429	3,532	1.97
Oregon	4,620	5,318	2.47
Pennsylvania	\$26,161	\$27,441	3.79%
Rhode Island	2,810	2,887	4.99
South Carolina	4,694	5,012	2.36
South Dakota	1,184	1,291	2.66
Tennessee	8,619	9,592	2.87
Texas	37,660	40,891	2.61
Utah	2,794	2,961	1.88
Vermont	991	1,063	3.37
Virginia	7,995	8,010	1.62
Washington	7,597	8,226	1.67
West Virginia	1,290	1,457	2.08
Wisconsin	17,205	18,133	5.81
Wyoming	338	362	1.01
United States	\$542,201	\$557,548	2.98%

Note: Last updated: November 14, 2018. Revised statistics for 2015 and 2016.

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

2019 A Firm Foundation

State Taxes

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

Premium Taxes By State, Property/Casualty And Life/Health Insurance, 2017 (\$000)

State	Amount	State	Amount
Alabama	\$339,719	Montana	\$108,383
Alaska	62,500	Nebraska	54,350
Arizona	536,820	Nevada	359,741
Arkansas	213,212	New Hampshire	108,013
California	2,422,105	New Jersey	579,642
Colorado	256,212	New Mexico	163,453
Connecticut	199,497	New York	1,381,080
Delaware	100,144	North Carolina	517,095
D.C.	110,392	North Dakota	63,558
Florida	959,339	Ohio	629,684
Georgia	480,154	Oklahoma	304,448
Hawaii	170,118	Oregon	68,481
Idaho	91,985	Pennsylvania	808,250
Illinois	418,582	Rhode Island	120,587
Indiana	235,171	South Carolina	228,259
Iowa	113,469	South Dakota	66,496
Kansas	310,420	Tennessee	912,324
Kentucky	153,728	Texas	2,325,941
Louisiana	813,975	Utah	130,122
Maine	95,943	Vermont	59,895
Maryland	516,533	Virginia	479,192
Massachusetts	397,519	Washington	603,963
Michigan	337,254	West Virginia	120,163
Minnesota	486,403	Wisconsin	202,387
Mississippi	327,778	Wyoming	24,762
Missouri	432,560	United States	\$21,001,801

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

Insurance Companies by State

Domestic Insurance Companies By State, Property/Casualty And Life/Annuities, 2017

State	Property/ casualty	Life/ annuities	State	Property/ casualty	Life/ annuities
Alabama	18	7	Montana	14	1
Alaska	4	0	Nebraska	34	32

2019 A Firm Foundation

State	Property/ casualty	Life/ annuities	State	Property/ casualty	Life/ annuities
Arizona	40	25	Nevada	9	3
Arkansas	12	23	New Hampshire	50	1
California	99	14	New Jersey	66	3
Colorado	10	11	New Mexico	15	1
Connecticut	67	26	New York	173	82
Delaware	101	28	North Carolina	56	10
D.C.	6	0	North Dakota	12	3
Florida	114	9	Ohio	138	37
Georgia	23	13	Oklahoma	31	24
Hawaii	17	3	Oregon	18	3
Idaho	10	1	Pennsylvania	166	23
Illinois	191	52	Rhode Island	22	2
Indiana	64	28	South Carolina	19	7
Iowa	73	40	South Dakota	16	2
Kansas	25	11	Tennessee	15	12
Kentucky	7	7	Texas	199	120
Louisiana	34	32	Utah	9	17
Maine	9	2	Vermont	12	1
Maryland	32	4	Virginia	19	3
Massachusetts	48	16	Washington	7	6
Michigan	65	22	West Virginia	19	1
Minnesota	39	8	Wisconsin	174	18
Mississippi	15	15	Wyoming	2	0
Missouri	43	28	United States (1)	2,461	837

(1) Excludes territories. Excludes health insurers, risk retention groups, fraternal, title and other insurers.

Source: Insurance Department Resources Report, 2018, published by the National Association of Insurance Commissioners (NAIC). Reprinted with permission. Further reprint or redistribution strictly prohibited without written permission of NAIC.

Licensed Insurers By State

An insurance company is said to be “domiciled” in the state that issued its primary license; it is “domestic” in that state. Once licensed in one state, it may seek licenses in other states as a “foreign” insurer (referred to as “licensed out-of-state insurers” in the chart below). An insurer incorporated in a foreign country is called an “alien” insurer in the U.S. states in which it is licensed (not included in the chart). The chart also shows self-insured groups and risk purchasing groups (organizations consisting of firms engaged in similar businesses that band together to purchase commercial insurance). Many insurers do business outside their state of domicile. For example, there are only 40 insurance companies domiciled in Alabama, but 1,468 insurers have licenses to do business in the state.

2019 A Firm Foundation

Regulated Insurance Entities By State, 2017

State	Domestic insurers (1)	Licensed out-of-state insurers (2)	Chartered self-insured groups or pools	Chartered purchasing groups	All companies doing business in state (3)
Alabama	40	1,417	0	11	1,468
Alaska	5	756	0	1	762
Arizona	117	1,584	25	24	1,750
Arkansas	56	1,489	0	1	1,546
California	132	1,123	0	43	1,298
Colorado	46	1,435	9	40	1,530
Connecticut	103	1,230	0	26	1,359
Delaware	146	1,317	0	108	1,571
D.C.	50	1,344	0	12	1,406
Florida	437	1,665	14	51	2,167
Georgia	89	1,590	21	0	1,700
Hawaii	46	1,074	11	3	1,134
Idaho	17	1,388	13	0	1,418
Illinois	337	1,419	12	150	1,918
Indiana	149	1,623	15	20	1,807
Iowa	220	1,390	3	0	1,613
Kansas	47	1,496	20	14	1,577
Kentucky	56	1,488	12	11	1,567
Louisiana	105	1,500	22	5	1,632
Maine	15	1,148	18	1	1,182
Maryland	61	1,507	5	14	1,587
Massachusetts	81	1,314	25	4	1,424
Michigan	127	1,362	15	11	1,515
Minnesota	152	1,353	18	20	1,543
Mississippi	42	1,516	0	2	1,560
Missouri	178	1,523	11	6	1,718
Montana	40	1,377	0	5	1,422
Nebraska	103	1,442	6	5	1,556
Nevada	45	1,490	8	4	1,547
New Hampshire	58	1,105	0	7	1,170
New Jersey	118	1,317	50	30	1,515
New Mexico	37	2,442	5	0	2,484
New York	577	1,168	11	78	1,834
North Carolina	81	1,423	3	0	1,507
North Dakota	30	1,348	8	2	1,388
Ohio	245	1,497	0	23	1,765
Oklahoma	78	1,479	3	5	1,565

2019 A Firm Foundation

State	Domestic insurers (1)	Licensed out-of-state insurers (2)	Chartered self-insured groups or pools	Chartered purchasing groups	All companies doing business in state (3)
Oregon	49	1,442	0	7	1,498
Pennsylvania	254	1,565	14	30	1,863
Rhode Island	28	1,280	1	23	1,332
South Carolina	75	1,573	0	10	1,658
South Dakota	38	1,388	0	0	1,426
Tennessee	67	1,438	8	6	1,519
Texas	403	1,558	6	53	2,020
Utah	94	1,643	0	10	1,747
Vermont	112	1,688	0	7	1,807
Virginia	66	1,521	15	19	1,621
Washington	35	1,425	0	8	1,468
West Virginia	29	1,355	1	2	1,387
Wisconsin	334	1,553	0	7	1,894
Wyoming	5	1,374	0	1	1,380
Total U.S. (3)	5,855	(4)	408	920	80,832

(1) Insurers that are domiciled in the state. Includes property/casualty, life/annuities, health, fraternal, title, risk retention groups and "other".

(2) This category is comprised of insurers designated by the NAIC as "foreign insurers"—i.e., insurers whose state of domicile is other than the state in which it is writing business. There is no total in this column to avoid double counting—i.e., insurers are only included in the figures for states in which they are domiciled. (3) Totals include U.S. territories and possessions. (4) No totals shown, so as to avoid double counting. Totals reflect insurers physically located in the state.

Source: Insurance Department Resources Report, 2018, published by the National Association of Insurance Commissioners (NAIC). Reprinted with permission. Further reprint or redistribution strictly prohibited without written permission of NAIC.

Catastrophes by State

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 storm or wildfire. Information on catastrophes, including earthquakes, terrorism, hurricanes, wildfires and tornadoes is provided in the "Supporting Resiliency and Disaster Recovery" section of the Firm Foundation. In addition, the section below provides state catastrophe rankings, followed by information on the following types of disasters:

- Hailstorms
- Hurricanes
- Tornadoes
- Wildfires

State Catastrophe Rankings

ISO defines a catastrophe as an event that causes \$25 million or more in insured property losses and affects a significant number of property/casualty policyholders and insurers. The estimates in the following charts 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.

2019 A Firm Foundation

Top Seven States and Territories By Insured Catastrophe Losses, 2017 (1) (\$ millions)

Rank	State/territory	Estimated insured loss	Number of claims
1	Puerto Rico	\$26,894.3	560,900
2	Texas	22,229.9	1,136,750
3	Florida	16,469.5	1,177,050
4	California	15,209.2	173,650
5	U.S. Virgin Islands	5,009.8	47,300
6	Colorado	2,274.7	236,800
7	Minnesota	1,652.7	145,600

(1) Includes catastrophes causing insured property losses of at least \$25 million in 1997 dollars and affecting a significant number of policyholders and insurers. Excludes losses covered by the federally administered National Flood Insurance Program.

Source: The Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company.

Top Five States By Number Of Major Hail Events, 2017 (1)

Rank	State	Number of hail events
1	Texas	747
2	Kansas	590
3	Nebraska	420
4	Missouri	386
5	Oklahoma	386
United States		6,045

(1) One inch in diameter or larger.

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

Top 10 Costliest Hurricanes In The United States (1) (\$ millions)

Rank	Date	Location	Hurricane	Estimated insured loss (2)	
				Dollars when occurred	In 2018 dollars (3)
1	Aug. 25-30, 2005	AL, FL, GA, LA, MS, TN	Hurricane Katrina	\$41,100	\$51,882
2	Sep. 19-22, 2017	PR, USVI	Hurricane Maria (3)	25,000-30,000	25,600-30,700
3	Sep. 6-12, 2017	AL, FL, GA, NC, PR, SC, UV	Hurricane Irma (3)	20,000-25,000	20,400-25,600
4	Oct. 28-31, 2012	CT, DC, DE, MA, MD, ME, NC, NH, NJ, NY, OH, PA, RI, VA, VT, WV	Hurricane Sandy	18,750	20,688
5	Aug. 25-Sep. 1, 2017	AL, LA, MS, NC, TN, TX	Hurricane Harvey (3)	16,000-19,000	16,400-19,400
6	Aug. 24-26, 1992	FL, LA	Hurricane Andrew	15,500	25,404

2019 A Firm Foundation

Rank	Date	Location	Hurricane	Estimated insured loss (2)	
				Dollars when occurred	In 2018 dollars (3)
7	Sep. 12-14, 2008	AR, IL, IN, KY, LA, MO, OH, PA, TX	Hurricane Ike	12,500	14,631
8	Oct. 24, 2005	FL	Hurricane Wilma	10,300	13,002
9	Aug. 13-14, 2004	FL, NC, SC	Hurricane Charley	7,475	9,729
10	Sep. 15-21, 2004	AL, DE, FL, GA, LA, MD, MS, NC, NJ, NY, OH, PA, TN, VA, WV	Hurricane Ivan	\$7,110	\$9,254

(1) Property losses only. Excludes flood damage covered by the federally administered National Flood Insurance Program. Ranked on dollars when occurred. As of March 6, 2019. (2) Adjusted for inflation through 2018 by the Insurance Information Institute using the GDP implicit price deflator. (3) Insurance Information Institute estimate based on data from catastrophe risk modelers, reinsurance companies, the Property Claims Services unit of Verisk Analytics, the Federal Emergency Management Agency of the U.S. Department of Homeland Security, and the Florida Office of Insurance Regulation. These estimates are preliminary because the organizations involved periodically resurvey the events, and the severity of losses and other factors create a high level of uncertainty surrounding the ultimate loss figures.

Source: Insurance Information Institute, catastrophe risk modelers, reinsurance companies, U.S. Department of Homeland Security, the Florida Office of Insurance Regulation, the Property Claim Services® (PCS®) unit of ISO®, a Verisk Analytics® company, and the U.S. Bureau of Economic Analysis.

2019 A Firm Foundation

Storm Surge Risk By State By Number Of Homes and Reconstruction Value, 2018 (1) (\$ billions)

Rank	State	By number of single-family homes				
		Extreme	Very high	High	Moderate	Low (2)
1	Florida	351,093	1,064,674	1,752,603	2,292,791	2,774,175
2	Louisiana	72,256	207,442	624,521	747,111	817,480
3	Texas	39,109	117,558	253,947	384,944	543,847
4	New Jersey	95,659	278,539	382,065	471,353	(3)
5	New York	75,238	224,558	347,236	462,380	(3)
6	Virginia	26,960	94,378	246,824	366,478	409,129
7	South Carolina	35,934	126,997	209,026	294,239	347,030
8	North Carolina	32,282	95,286	160,831	210,233	259,718
9	Massachusetts	11,048	46,558	102,189	157,898	(3)
10	Georgia	8,887	50,409	105,735	141,518	152,559
11	Maryland	17,824	60,553	99,056	125,417	(3)
12	Mississippi	9,261	30,353	60,620	90,010	101,720
13	Pennsylvania	932	20,815	56,830	83,808	(3)
14	Connecticut	7,167	28,497	46,618	67,207	(3)
15	Alabama	6,379	17,306	32,331	44,744	57,973
16	Delaware	8,901	24,649	40,048	56,418	(3)
17	Rhode Island	1,876	8,153	17,312	26,484	(3)
18	Maine	5,645	7,960	11,851	18,150	(3)
19	New Hampshire	284	4,551	7,446	9,753	(3)
Total homes potentially affected		806,735	2,509,236	4,557,089	6,050,936	6,942,499
Rank	State	By reconstruction value (4) (\$ millions)				
		Extreme	Very high	High	Moderate	Low (2)
1	Florida	\$68,993	\$214,615	\$353,434	\$458,546	\$552,418
2	New York	29,069	92,193	142,654	190,524	(3)
3	Louisiana	15,058	44,362	141,431	169,398	186,089
4	New Jersey	27,211	83,141	116,379	146,074	(3)
5	Texas	6,545	20,281	46,590	73,690	103,258
6	Virginia	6,889	23,533	57,148	84,231	95,057
7	South Carolina	10,366	33,690	52,352	70,363	80,775
8	North Carolina	6,503	19,557	33,348	43,888	54,356
9	Massachusetts	2,980	13,364	29,309	46,443	(3)
10	Georgia	2,740	13,213	24,703	31,745	33,764
11	Maryland	4,349	14,484	23,474	29,807	(3)
12	Connecticut	2,559	9,609	15,453	22,112	(3)
13	Mississippi	1,977	6,157	11,914	17,373	19,558

2019 A Firm Foundation

Rank	State	By number of single-family homes				
		Extreme	Very high	High	Moderate	Low (2)
14	Pennsylvania	216	4,664	13,121	19,445	(3)
15	Delaware	2,636	7,021	11,464	16,078	(3)
16	Alabama	\$1,204	\$3,124	\$5,790	\$7,962	\$10,140
17	Rhode Island	529	2,408	5,094	7,809	(3)
18	Maine	1,281	1,914	2,960	4,634	(3)
19	New Hampshire	64	933	1,721	2,312	(3)
Total homes potentially affected		\$191,171	\$608,264	\$1,088,339	\$1,442,436	\$1,620,653

(1) The risk categories are cumulative and increase in value from extreme to low. Extreme risk signals the higher risk of damage from a weak hurricane, while low risk includes up to Category 5 hurricanes that are the least likely to occur but will cause more storm surge damage inland. (2) The low-risk category refers to Category 5 hurricanes, which are not common along the northeastern Atlantic Coast. (3) Storm surge risk in the low category for homes on the northeastern Atlantic Coast is not shown due to the extremely low probability of a Category 5 storm affecting these areas. (4) Represents the cost to completely rebuild including labor and materials by geographic location.

Source: CoreLogic, Inc., a data and analytics company.

While individual hurricanes and earthquakes tend to produce higher losses, tornadoes account for a major share of catastrophe losses because of their frequency.

Tornadoes And Related Deaths By State, 2017 (1)

State	Tornadoes	Fatalities	Rank (2)	State	Tornadoes	Fatalities	Rank (2)
Alabama	65	0	7	Montana	2	0	37
Alaska	0	0	(3)	Nebraska	38	0	16
Arizona	3	0	34	Nevada	0	0	(3)
Arkansas	26	0	22	New Hampshire	0	0	(3)
California	2	0	37	New Jersey	2	0	37
Colorado	20	0	26	New Mexico	11	0	29
Connecticut	0	0	(3)	New York	12	0	28
Delaware	1	0	41	North Carolina	34	0	19
D.C.	1	0	41	North Dakota	41	0	15
Florida	41	0	13	Ohio	43	0	12
Georgia	131	16	2	Oklahoma	62	1	9
Hawaii	0	0	(3)	Oregon	3	0	34
Idaho	1	0	41	Pennsylvania	26	0	22
Illinois	65	3	7	Rhode Island	0	0	(3)
Indiana	36	0	17	South Carolina	51	1	11
Iowa	57	0	10	South Dakota	21	0	25
Kansas	74	0	6	Tennessee	35	0	18
Kentucky	29	0	20	Texas	176	4	1
Louisiana	88	3	4	Utah	0	0	(3)
Maine	10	0	31	Vermont	0	0	(3)
Maryland	4	0	33	Virginia	23	0	24
Massachusetts	2	0	37	Washington	3	0	34

2019 A Firm Foundation

State	Tornadoes	Fatalities	Rank (2)	State	Tornadoes	Fatalities	Rank (2)
Michigan	11	0	29	West Virginia	5	0	32
Minnesota	41	0	13	Wisconsin	28	1	21
Mississippi	81	5	5	Wyoming	15	0	27
Missouri	102	1	3	United States (4)	1,522	35	

(1) Ranked by total number of tornadoes. (2) States with the same number of tornadoes receive the same ranking. (3) State had no tornadoes in 2017. (4) The U.S. total will not match data used in other charts because it counts tornadoes that cross state lines.

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

Wildfires By State, 2018

State	Number of fires	Number of acres burned
Alabama	970	15,464
Alaska	367	410,683
Arizona	2,000	165,356
Arkansas	1,119	24,071
California	8,054	1,823,153
Colorado	1,328	475,803
Connecticut	52	40
Delaware	0	0
District of Columbia	0	0
Florida	2,249	138,820
Georgia	2,572	14,236
Hawaii	3	21,979
Idaho	1,132	604,481
Illinois	6	120
Indiana	26	115
Iowa	386	8,014
Kansas	71	59,234
Kentucky	376	8,417
Louisiana	647	10,742
Maine	542	678
Maryland	76	359
Massachusetts	320	210
Michigan	431	3,786
Minnesota	1,344	17,005
Mississippi	1,168	21,194
Missouri	103	6,025
Montana	1,342	97,814
Nebraska	35	122
Nevada	649	1,001,966
New Hampshire	145	61
New Jersey	625	1,347

2019 A Firm Foundation

State	Number of fires	Number of acres burned
New Mexico	1,334	382,345
New York	109	848
North Carolina	3,625	18,058
North Dakota	1,026	19,557
Ohio	67	337
Oklahoma	1,707	745,097
Oregon	2,019	897,263
Pennsylvania	1,276	3,614
Puerto Rico	25	389
Rhode Island	32	14
South Carolina	1,136	9,939
South Dakota	433	5,027
Tennessee	341	3,763
Texas	10,541	569,811
Utah	1,333	438,983
Vermont	59	113
Virginia	1,266	15,224
Washington	1,743	438,834
West Virginia	467	6,370
Wisconsin	825	1,678
Wyoming	611	279,243
United States (1)	58,083	8,767,492

(1) Includes Puerto Rico.

Source: National Interagency Fire Center.

Top 10 States For Wildfires Ranked By Number Of Fires And By Number Of Acres Burned, 2018

Rank	State	Number of fires	Rank	State	Number of acres burned
1	Texas	10,541	1	California	1,823,153
2	California	8,054	2	Nevada	1,001,966
3	North Carolina	3,625	3	Oregon	897,263
4	Georgia	2,572	4	Oklahoma	745,097
5	Florida	2,249	5	Idaho	604,481
6	Oregon	2,019	6	Texas	569,811
7	Arizona	2,000	7	Colorado	475,803
8	Washington	1,743	8	Utah	438,983
9	Oklahoma	1,707	9	Washington	438,834
10	Minnesota	1,344	10	Alaska	410,683

Source: National Interagency Fire Center.

2019 A Firm Foundation

Residual Markets

A myriad of different programs in place across the United States provide insurance to high risk policyholders who may have difficulty obtaining coverage from the standard market. So called residual, shared or involuntary market programs make basic insurance coverage more readily available. Today, property insurance from the residual market is provided by Fair Access to Insurance Requirements (FAIR) Plans, Beach and Windstorm Plans, and two state-run insurance companies in Florida and Louisiana: Florida Citizens Property Insurance Company (CPIC) and Louisiana Citizens Property Insurance Corp. (Louisiana Citizens). Established in the late 1960s to ensure the continued provision of insurance in urban areas, FAIR Plans often provide property insurance in both urban and coastal areas, while Beach and Windstorm Plans cover predominantly wind-only risks in designated coastal areas. Hybrid plans, like Florida's and Louisiana's plans, provide property insurance throughout those states. It is important to note that in addition to windstorm risk, these plans routinely cover a range of other exposures, such as vandalism and fire.

Insurance Provided By FAIR Plans By State, Fiscal Year 2017 (1)

State	Number of policies		Total	Exposure (2) (\$000)	Direct premiums written (\$000)
	Habitational	Commercial			
California	120,520	3,995	124,515	\$47,547,419	\$82,387
Connecticut	2,065	69	2,134	404,154	2,993
Delaware	1,603	46	1,649	274,134	556
D.C.	217	31	248	71,955	210
Florida (3)	471,036	11,729	482,765	112,309,525	893,990
Georgia	19,276	672	19,948	2,599,265	22,054
Illinois	5,108	69	5,177	440,000	5,032
Indiana	1,405	36	1,441	169,973	1,544
Iowa	1,420	36	1,456	86,263	928
Kansas	15,955	144	16,099	1,001,116	8,622
Kentucky	9,229	387	9,616	497,000	5,715
Louisiana (3)	59,009	2,540	61,549	7,630,727	75,918
Maryland	1,511	58	1,569	407,738	996
Massachusetts	237,438	279	237,717	85,861,810	303,345
Michigan	18,300	271	18,571	2,299,527	15,442
Minnesota	5,584	38	5,622	754,500	3,985
Mississippi (4)	7,104	0	7,104	321,480	4,822
Missouri	2,833	75	2,908	181,280	1,742
New Jersey	13,245	336	13,581	1,876,469	8,646
New Mexico	11,202	283	11,485	82,518	5,046
New York	39,012	2,411	41,423	11,077,462	33,254
North Carolina	188,786	3,916	192,702	18,669,325	86,381
Ohio	19,616	409	20,025	4,806,000	17,042
Oregon	2,080	60	2,140	283,482	804
Pennsylvania	14,383	960	15,343	1,426,393	7,010
Rhode Island	16,702	126	16,828	4,362,173	23,994

2019 A Firm Foundation

	Number of policies				
State	Habitational	Commercial	Total	Exposure (2) (\$000)	Direct premiums written (\$000)
Texas (4)	127,643	0	127,643	18,029,369	112,316
Virginia	30,838	501	31,339	\$4,361,224	\$19,100
Washington	67	11	78	21,487	121
West Virginia	421	48	469	34,050	286
Wisconsin	5,704	105	5,809	322,000	3,055
Total	1,449,312	29,641	1,478,953	\$327,209,703	\$1,747,336

(1) Excludes the FAIR Plans of Arkansas and Hawaii. (2) Exposure is the estimate of the aggregate value of all insurance in force in all FAIR plans in all lines (except liability, where applicable, and crime) for 12 months ending September through December. (3) Citizens Property Insurance Corp., which combined the FAIR and beach plans. (4) The Mississippi and Texas FAIR Plans do not offer a commercial policy.

Source: Property Insurance Plans Service Office (PIPSO).

Insurance Provided By Beach And Windstorm Plans, Fiscal Year 2017 (1)

	Number of policies				
State	Habitational	Commercial	Total	Exposure (2) (\$000)	Direct premiums written (\$000)
Alabama	24,335	68	24,403	\$5,800,047	\$28,304
Mississippi	26,133	483	26,616	3,959,890	42,457
North Carolina	229,801	11,008	240,809	76,697,787	345,027
South Carolina	30,421	495	30,916	7,844,971	48,829
Texas	231,633	11,010	242,643	65,023,810	423,075
Total	542,323	23,064	565,387	\$159,326,505	\$887,692

(1) The Florida and Louisiana Beach Plans merged with their FAIR Plans, see chart, Insurance Provided By FAIR Plans By State. (2) Exposure is the estimate of the aggregate value of all insurance in force in each state's beach and windstorm plan in all lines (except liability, where applicable, and crime) for 12 months ending September through December.

Source: Property Insurance Plans Service Office (PIPSO).

Captives by State

Over the years, a number of alternatives to traditional commercial insurance have emerged to respond to fluctuations in the marketplace. Captives—a special type of insurer set up by a company to insure its own risks—first emerged in the 1980s. With 580 licensed captives, Vermont was the largest U.S. captive domicile in 2018, based on data in an annual survey of the world's largest captive domiciles conducted by *Business Insurance* magazine. On a worldwide basis, Vermont was the third largest captive domicile, topped only by Bermuda with 711 and the Cayman Islands with 674 captives.

According to Business Insurance, there are 29 captive domiciles in the U.S., including 28 states and the District of Columbia.

2019 A Firm Foundation

Captives By State, 2017-2018

Rank	Domicile	2017	2018
1	Vermont	578 (1)	580
2	Utah	481 (1)	443
3	Delaware	391	421
4	North Carolina	220	240 (2)
5	Hawaii	230	231
6	South Carolina	172	171
7	Tennessee	155	169
8	Nevada	172 (1)	156
9	Montana	141 (1)	129
10	Arizona	121	124
11	District of Columbia	102	105
12	Oklahoma	75	66
13	Kentucky	65 (1)	64
14	New York	58 (1),(3)	55 (2)
15	Missouri	50 (1)	54
16	Alabama	50	44
17	Texas	38	42
18	Michigan	22	23
18	New Jersey	21 (1)	23
20	Georgia	20	20
21	Connecticut	14	15
21	South Dakota	34	15
23	Ohio	15	8
24	Colorado	5	7
25	Arkansas	4	6
26	Illinois	3	5
27	Nebraska	4	4
28	Maine	2	3
29	Kansas	1	1
United States (4)		3,244	3,224

(1) Restated. (2) Estimated. (3) From annual report. (4) Excludes territories.

Source: Business Insurance, March 2019.

Incurring Losses by State

Property/casualty insurers pay out billions of dollars each year to settle claims. Many of the payments go to businesses, such as auto repair companies, 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. 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. The following charts show incurred losses, i.e. losses occurring during a fixed period, whether or not adjusted or paid during the same period.

2019 A Firm Foundation

Incurred Losses By State, Property/Casualty Insurance, 2017 (1) (\$'000)

State	Incurred losses	State	Incurred losses
Alabama	\$5,104,264	Montana	\$1,410,271
Alaska	844,581	Nebraska	3,340,270
Arizona	6,493,981	Nevada	3,247,454
Arkansas	2,780,295	New Hampshire	1,243,508
California	58,112,010	New Jersey	11,656,812
Colorado	9,156,574	New Mexico	2,084,079
Connecticut	4,494,046	New York	25,970,886
Delaware	1,407,646	North Carolina	8,496,319
D.C.	1,036,446	North Dakota	1,324,201
Florida	39,271,790	Ohio	8,251,531
Georgia	13,114,682	Oklahoma	4,049,679
Hawaii	1,367,157	Oregon	4,082,394
Idaho	1,820,678	Pennsylvania	12,774,124
Illinois	14,162,621	Rhode Island	1,214,987
Indiana	6,190,454	South Carolina	5,707,526
Iowa	3,690,528	South Dakota	1,391,812
Kansas	3,470,295	Tennessee	6,624,668
Kentucky	4,372,113	Texas	50,725,857
Louisiana	6,050,866	Utah	2,428,259
Maine	1,129,225	Vermont	564,504
Maryland	6,883,026	Virginia	7,784,985
Massachusetts	6,951,177	Washington	6,920,169
Michigan	12,262,443	West Virginia	1,531,462
Minnesota	6,980,515	Wisconsin	5,727,526
Mississippi	2,862,769	Wyoming	644,350
Missouri	7,301,468	United States	\$406,509,281

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Incurred Losses By State, Private Passenger Auto Insurance, 2017 (1) (\$000)

State	Incurred losses	State	Incurred losses
Alaska	\$314,041	Montana	\$411,205
Alabama	2,163,043	Nebraska	860,459
Arizona	3,226,156	Nevada	1,688,025
Arkansas	1,198,932	New Hampshire	505,578
California	18,625,970	New Jersey	4,926,189
Colorado	3,621,116	New Mexico	914,028
Connecticut	1,906,622	New York	9,059,254
Delaware	586,852	North Carolina	3,997,191
D.C.	235,709	North Dakota	260,548
Florida	13,261,488	Ohio	3,983,859
Georgia	5,916,878	Oklahoma	1,504,946
Hawaii	447,382	Oregon	1,790,472
Idaho	596,777	Pennsylvania	5,401,625
Illinois	4,725,727	Rhode Island	606,543
Indiana	2,279,484	South Carolina	2,720,023
Iowa	1,113,383	South Dakota	344,543
Kansas	1,148,198	Tennessee	2,587,310
Kentucky	1,982,809	Texas	15,744,714
Louisiana	3,090,851	Utah	1,246,869
Maine	440,683	Vermont	209,206
Maryland	3,381,242	Virginia	3,509,583
Massachusetts	3,174,053	Washington	3,388,213
Michigan	7,274,070	West Virginia	678,378
Minnesota	2,253,567	Wisconsin	1,929,914
Mississippi	1,181,686	Wyoming	253,819
Missouri	2,564,790	United States	\$86,711,509

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Incurred Losses By State, Homeowners Insurance, 2017 (1) (\$'000)

State	Incurred losses	State	Incurred losses
Alabama	\$911,785	Montana	\$138,443
Alaska	78,263	Nebraska	831,422
Arizona	758,282	Nevada	310,490
Arkansas	450,791	New Hampshire	167,682
California	15,537,312	New Jersey	1,027,437
Colorado	1,847,521	New Mexico	399,164
Connecticut	530,780	New York	2,255,396
Delaware	101,998	North Carolina	1,239,572
D.C.	74,814	North Dakota	66,665
Florida	8,338,668	Ohio	1,382,572
Georgia	2,281,253	Oklahoma	733,822
Hawaii	124,226	Oregon	556,768
Idaho	256,968	Pennsylvania	1,450,507
Illinois	2,872,152	Rhode Island	156,012
Indiana	1,084,975	South Carolina	721,977
Iowa	656,054	South Dakota	186,924
Kansas	639,267	Tennessee	1,057,190
Kentucky	600,526	Texas	6,923,450
Louisiana	616,808	Utah	285,032
Maine	197,973	Vermont	91,470
Maryland	903,136	Virginia	1,294,734
Massachusetts	738,068	Washington	936,217
Michigan	1,477,520	West Virginia	191,015
Minnesota	1,855,159	Wisconsin	821,867
Mississippi	453,816	Wyoming	134,152
Missouri	1,323,972	United States	\$44,712,084

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Incurred Losses By State, Commercial Insurance, 2017 (1) (\$'000)

State	Incurred losses	State	Incurred losses
Alabama	\$1,928,273	Montana	\$807,159
Alaska	443,063	Nebraska	1,437,794
Arizona	2,430,346	Nevada	1,222,748
Arkansas	1,071,138	New Hampshire	542,395
California	23,074,869	New Jersey	5,567,523
Colorado	3,584,356	New Mexico	735,018
Connecticut	2,004,376	New York	14,333,172
Delaware	649,864	North Carolina	3,125,029
D.C.	685,534	North Dakota	916,495
Florida	17,443,457	Ohio	2,625,184
Georgia	4,681,475	Oklahoma	1,671,479
Hawaii	785,333	Oregon	1,629,661
Idaho	887,780	Pennsylvania	5,588,566
Illinois	6,200,515	Rhode Island	442,866
Indiana	2,498,782	South Carolina	2,177,300
Iowa	1,676,262	South Dakota	773,575
Kansas	1,494,815	Tennessee	2,796,851
Kentucky	1,665,873	Texas	27,387,739
Louisiana	2,300,704	Utah	844,603
Maine	471,229	Vermont	245,094
Maryland	2,533,930	Virginia	2,826,933
Massachusetts	2,978,951	Washington	2,463,108
Michigan	3,257,866	West Virginia	624,322
Minnesota	2,686,584	Wisconsin	2,707,541
Mississippi	1,165,296	Wyoming	218,242
Missouri	3,153,603	United States	\$91,754,274

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Incurred Losses By State, Workers Compensation Insurance, 2017 (1) (\$000)

State	Incurred losses	State	Incurred losses
Alabama	\$176,437	Montana	\$163,526
Alaska	105,672	Nebraska	209,544
Arizona	469,656	Nevada	174,104
Arkansas	125,986	New Hampshire	112,784
California	6,011,058	New Jersey	1,323,660
Colorado	528,620	New Mexico	114,313
Connecticut	458,748	New York	3,242,825
Delaware	72,980	North Carolina	602,170
D.C.	112,772	North Dakota	683
Florida	1,688,733	Ohio	9,978
Georgia	824,447	Oklahoma	254,466
Hawaii	156,256	Oregon	322,169
Idaho	260,286	Pennsylvania	1,112,075
Illinois	1,154,306	Rhode Island	115,491
Indiana	366,081	South Carolina	447,122
Iowa	449,446	South Dakota	77,045
Kansas	199,467	Tennessee	378,647
Kentucky	376,290	Texas	855,626
Louisiana	366,253	Utah	182,566
Maine	145,179	Vermont	97,560
Maryland	535,091	Virginia	631,011
Massachusetts	770,369	Washington	10,496
Michigan	465,029	West Virginia	111,717
Minnesota	513,035	Wisconsin	1,114,273
Mississippi	181,370	Wyoming	566
Missouri	517,850	United States	\$17,031,418

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Life Insurance Claims And Benefits Paid By State, 2017 (1) (\$'000)

State	Incurred losses	State	Incurred losses
Alabama	\$5,783,196	Montana	\$1,143,322
Alaska	1,043,621	Nebraska	3,555,187
Arizona	9,635,139	Nevada	2,973,536
Arkansas	2,929,500	New Hampshire	2,733,356
California	49,712,978	New Jersey	20,620,200
Colorado	8,025,467	New Mexico	2,476,972
Connecticut	21,504,856	New York	42,760,880
Delaware	12,517,265	North Carolina	16,392,113
D.C.	2,110,613	North Dakota	1,144,214
Florida	34,171,576	Ohio	19,966,748
Georgia	13,338,035	Oklahoma	5,613,329
Hawaii	2,436,644	Oregon	5,565,018
Idaho	1,996,330	Pennsylvania	24,910,828
Illinois	21,127,344	Rhode Island	1,939,775
Indiana	9,754,870	South Carolina	6,526,239
Iowa	7,606,423	South Dakota	1,365,396
Kansas	4,590,045	Tennessee	9,410,224
Kentucky	5,830,964	Texas	30,845,002
Louisiana	6,280,088	Utah	3,805,776
Maine	2,009,390	Vermont	1,056,817
Maryland	9,685,825	Virginia	11,998,252
Massachusetts	16,163,602	Washington	9,086,861
Michigan	17,930,509	West Virginia	2,138,764
Minnesota	12,898,961	Wisconsin	10,383,029
Mississippi	2,955,833	Wyoming	843,230
Missouri	11,086,371	United States	\$293,125,445

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

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

2019 A Firm Foundation

Insured Cars by State

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

Private Passenger Cars Insured In The Shared And Voluntary Markets, 2015

State	Voluntary market	Shared market	Total	Shared market as a percent of total
Alabama	3,807,469	1	3,807,470	(1)
Alaska	509,494	18	509,512	0.004%
Arizona	4,671,918	0	4,671,918	(1)
Arkansas	2,250,787	2	2,250,789	(1)
California	26,312,194	239	26,312,433	0.001
Colorado	4,187,782	0	4,187,782	(1)
Connecticut	2,532,825	81	2,532,906	0.003
Delaware	665,075	4	665,079	0.001
D.C.	256,184	65	256,249	0.025
Florida	12,740,030	90	12,740,120	0.001
Georgia	7,541,982	0	7,541,982	(1)
Hawaii	887,514	2,767	890,281	0.311
Idaho	1,358,875	1	1,358,876	(1)
Illinois	8,267,931	263	8,268,194	0.003
Indiana	4,881,984	3	4,881,987	(1)
Iowa	2,544,511	7	2,544,518	(1)
Kansas	2,344,275	1,644	2,345,919	0.070
Kentucky	3,256,990	352	3,257,342	0.011
Louisiana	3,029,199	5	3,029,204	(1)
Maine	1,050,156	5	1,050,161	(1)
Maryland	4,103,099	45,276	4,148,375	1.091
Massachusetts	4,382,442	59,907	4,442,349	1.349
Michigan	6,483,696	3,964	6,487,660	0.061
Minnesota	4,042,588	1	4,042,589	(1)
Mississippi	1,968,741	7	1,968,748	(1)
Missouri	4,411,371	3	4,411,374	(1)
Montana	891,195	7	891,202	0.001
Nebraska	1,594,471	1	1,594,472	(1)
Nevada	1,959,151	5	1,959,156	(1)
New Hampshire	952,617	134	952,751	0.014

2019 A Firm Foundation

State	Voluntary market	Shared market	Total	Shared market as a percent of total
New Jersey	5,562,788	17,096	5,579,884	0.306%
New Mexico	1,589,949	0	1,589,949	(1)
New York	9,603,497	37,988	9,641,485	0.394
North Carolina	5,801,945	2,527,547	8,329,492	30.345
North Dakota	683,291	3	683,294	(1)
Ohio	8,451,516	0	8,451,516	(1)
Oklahoma	2,958,973	9	2,958,982	(1)
Oregon	2,835,071	3	2,835,074	(1)
Pennsylvania	8,875,394	6,171	8,881,565	0.069
Rhode Island	686,338	14,908	701,246	2.126
South Carolina	3,788,647	0	3,788,647	(1)
South Dakota	761,533	0	761,533	(1)
Tennessee	4,686,626	6	4,686,632	(1)
Texas (2)	NA	NA	NA	NA
Utah	2,022,667	1	2,022,668	(1)
Vermont	506,275	35	506,310	0.007
Virginia	6,324,114	398	6,324,512	0.006
Washington	4,838,049	5	4,838,054	(1)
West Virginia	1,364,829	9	1,364,838	0.001
Wisconsin	4,167,640	2	4,167,642	(1)
Wyoming	566,581	0	566,581	(1)
United States	199,962,269	2,719,033	202,681,302	1.342%

(1) Less than 0.001 percent. (2) Texas information is no longer available.

NA=Data not available.

Source: AIPSO.

Insured Homes by State

Homes By State

The Insurance Information Institute's 2018 Pulse Survey found that 91 percent of homeowners had homeowners insurance, but only 46 percent of renters had renters insurance.

Percent Of Occupied Housing Units That Are Owner Occupied, 2017

State	Percent	Rank (1)	State	Percent	Rank (1)
Alabama	68.0%	17	Montana	69.2%	12
Alaska	63.5	39	Nebraska	66.3	25
Arizona	64.7	37	Nevada	56.6	48
Arkansas	65.3	33	New Hampshire	69.8	9
California	54.8%	49	New Jersey	63.8%	38

2019 A Firm Foundation

State	Percent	Rank (1)	State	Percent	Rank (1)
Colorado	65.2	34	New Mexico	67.9	18
Connecticut	66.2	26	New York	53.8	50
Delaware	70.9	6	North Carolina	65.4	31
D.C.	42.2	51	North Dakota	63.4	40
Florida	65.2	34	Ohio	65.8	29
Georgia	62.9	41	Oklahoma	65.5	30
Hawaii	58.5	47	Oregon	62.8	42
Idaho	69.7	10	Pennsylvania	68.3	16
Illinois	66.2	26	Rhode Island	60.8	46
Indiana	69.0	13	South Carolina	68.7	14
Iowa	71.6	3	South Dakota	67.7	19
Kansas	65.9	28	Tennessee	65.4	31
Kentucky	66.5	24	Texas	62.0	45
Louisiana	65.2	34	Utah	69.9	8
Maine	73.2	1	Vermont	69.5	11
Maryland	66.7	21	Virginia	66.6	22
Massachusetts	62.3	44	Washington	62.8	42
Michigan	71.3	5	West Virginia	72.5	2
Minnesota	71.6	3	Wisconsin	66.6	22
Mississippi	68.5	15	Wyoming	70.8	7
Missouri	67.0	20	United States	63.9%	

(1) States with the same percentages receive the same rank.

Source: U.S. Department of Commerce, Census Bureau; American Community Survey.

Businesses by State

There are about 6.4 million small businesses (those with 500 employees or fewer), accounting for about \$2.6 trillion in payroll, according data from the U.S. Census.

Small Businesses By State, 2016 (1)

State	Number of establishments	Employment	Annual payroll (\$000)
Alabama	78,143	789,425	\$30,018,575
Alaska	17,943	141,147	7,124,700
Arizona	110,567	1,039,228	41,008,852
Arkansas	53,268	490,497	16,631,510
California	791,268	7,129,204	358,150,665
Colorado	139,250	1,117,202	49,785,711
Connecticut	73,668	750,457	38,147,323
Delaware	20,125	187,556	8,405,445
D.C.	17,494	247,461	17,036,469
Florida	459,442	3,397,931	136,614,721
Georgia	183,114	1,637,892	67,493,750
Hawaii	26,827	275,115	11,002,038

2019 A Firm Foundation

State	Number of establishments	Employment	Annual payroll (\$000)
Idaho	39,638	315,753	\$10,949,145
Illinois	267,689	2,485,857	117,261,950
Indiana	115,190	1,222,372	46,269,304
Iowa	68,059	651,635	24,572,165
Kansas	61,431	604,215	23,059,844
Kentucky	72,174	702,054	25,306,833
Louisiana	85,918	902,758	35,251,364
Maine	35,675	289,156	10,862,375
Maryland	113,364	1,143,191	55,359,804
Massachusetts	148,286	1,490,416	80,670,085
Michigan	183,654	1,868,885	78,501,914
Minnesota	125,762	1,254,958	53,513,795
Mississippi	46,691	440,399	14,687,162
Missouri	132,403	1,168,725	44,660,147
Montana	33,571	245,411	8,535,610
Nebraska	45,835	412,291	15,497,472
Nevada	52,395	487,407	19,827,058
New Hampshire	31,262	295,895	13,519,733
New Jersey	198,465	1,810,107	88,789,061
New Mexico	35,363	334,945	11,893,311
New York	479,785	4,106,086	212,598,431
North Carolina	183,310	1,672,050	63,259,331
North Dakota	20,984	198,964	8,091,321
Ohio	198,256	2,192,920	86,821,441
Oklahoma	76,777	712,582	26,249,309
Oregon	98,754	852,983	33,924,027
Pennsylvania	244,364	2,497,524	104,480,380
Rhode Island	24,353	229,974	9,737,106
South Carolina	83,895	794,711	28,305,722
South Dakota	23,489	210,534	7,372,619
Tennessee	103,404	1,096,245	44,433,022
Texas	461,664	4,706,864	203,630,905
Utah	65,802	572,888	22,826,217
Vermont	18,696	161,080	6,379,406
Virginia	158,783	1,535,136	71,122,620
Washington	158,747	1,379,558	63,729,094
West Virginia	28,519	275,145	9,193,591
Wisconsin	116,427	1,258,929	48,714,638
Wyoming	18,335	131,499	5,189,974
United States	6,428,278	59,915,217	\$2,616,467,045

(1) Number of establishments with less than 500 employees.

Source: U.S. Census, County Business.

2019 A Firm Foundation

I.I.I. Resources

I.I.I. Store

The [I.I.I. Store](#) is your gateway to a wide array of books and brochures from the Insurance Information Institute. Publications are available in print and PDF formats. Quantity discounts are available for many products. [Order online](#), call 212-346-5500 or email publications@iii.org.

Insurance Fact Book

Thousands of insurance facts, figures, tables and graphs, designed for quick and easy reference.

Insurance Handbook

A guide to the insurance industry for reporters, public policymakers, students, insurance company employees, regulators and others.

Insuring Your Business: A Small Business Owners' Guide To Insurance

A comprehensive insurance guide for small business owners.

A Firm Foundation Online: How Insurance Supports The Economy

Shows the myriad ways in which insurance provides economic support—from offering employment and fueling the capital markets, to providing financial security and income to individuals and businesses. Provides national and state data. Selected state versions are also available.

Commercial Insurance Online

A guide to the commercial insurance market—what it does, how it functions and its key players.

I.I.I. Insurance Daily

Keeps thousands of readers up-to-date on important events, issues and trends in the insurance industry, available by subscription. Transmitted early each business day via email. Contact: daily@iii.org.

Social Media

Find us on:



[iiiorg](https://www.facebook.com/iiiorg)



[iiivideo](https://www.youtube.com/iiivideo)



[@III_Research](https://twitter.com/III_Research)



[insurance-information-institute](https://www.linkedin.com/company/insurance-information-institute)



Know Your Plan™ is the award-winning app that helps you, your family, and even your pets prepare to safely get out of harm's way before trouble starts. Use preloaded checklists to discover key mitigation and preparation steps, or create your own lists from scratch. Either method lets you set due dates, chart progress, and include notes, contact lists and other information—and share your checklists with family and friends.



The Triple-I Blog

Improving understanding of insurance.

2019 A Firm Foundation

Insurance Information Institute

110 William Street
New York, NY 10038
212-346-5500 | www.iii.org

STAFF

James P. Ballot Michael Barry	Senior Advisor, Strategic Communications Senior Vice President, Head of Media Relations and Public Affairs	jamesb@iii.org michaelb@iii.org
Brent Carris Katrina Cheung Rita El-Hakim Laura L. Favinger Mary-Anne Firreno Valerie Germain Jennifer Ha Scott Holeman Ashleigh Jones Sean Kevelighan Michel Leonard, Ph.D., CBE Katja Charlene Lewis Shorna Lewis Chi Wai Lima James Lynch, FCAS, MAAA	Research Assistant Communications Manager Manager - Operations and Office Services Chief Administrative Officer Research Manager Executive Assistant Head of Editorial and Publications Director - Media Relations Office Manager/Executive Assistant Chief Executive Officer Vice President and Senior Economist Web Content Manager Director – Operations Creative Director Chief Actuary and Vice President – Research and Education	brentc@iii.org katrinac@iii.org ritae@iii.org lauraf@iii.org mary-annef@iii.org valerieg@iii.org jenniferh@iii.org scotth@iii.org ashleighj@iii.org seank@iii.org michell@iii.org charlenel@iii.org shornal@iii.org chiwail@iii.org jamesl@iii.org
Lucian McMahon, CPCU Chris Mortenson Marielle Rodriguez Janet Ruiz Maria Sassian Deena Snell Steven Weisbart, Ph.D., CLU Loretta Worters	Senior Research Specialist Senior Accountant Brand and Design Coordinator Director, Strategic Communication Research Director Membership Director Senior Vice President and Chief Economist Vice President - Media Relations	lucianm@iii.org chrism@iii.org marieller@iii.org janetr@iii.org marias@iii.org deenas@iii.org stevenw@iii.org lorettaw@iii.org

REPRESENTATIVES

William J. Davis Robert P. Hartwig, Ph.D., CPCU Lynne McChristian	Georgia Media Relations Special Consultant Communications Specialist	billjoe@bellsouthnet bobh@iii.org lynnem@iii.org
--	--	--