



2010 edition:

The Insurance Industry in OHIO



Insurance provides property and financial security

Insurance is just one of the factors that enables Ohioans to make long-term commitments and secure a better future. In 2009 insurance played a role in:

- 13,135 new family dwellings and apartments that broke ground**
- 10,084 new businesses that were formed, creating new job opportunities**
- \$8.5 billion in wages earned by Ohio's 180,987 construction industry employees**
- The sale of 192,832 cars and 164,513 trucks and SUVs at Ohio dealerships**
- Protecting Ohio's 8.8 million licensed drivers by providing auto insurance through a strong, competitive market**
- Nearly \$6 billion paid to Buckeye residents employed by Ohio's insurance industry**
- Providing protection to Ohio's 4,468 schools, along with enabling the construction and renovation of new and existing schools**

Ohioans purchase insurance to protect their assets and as a means of financial security. Ohio's insurance industry covered \$25 billion in losses in 2009 including:

- Nearly \$5.1 billion in homeowners, auto, commercial and other property/casualty insurance losses including \$3.3 billion for personal and commercial auto accident losses, \$1.7 billion in homeowners insurance losses and \$98 million for claims related to accident and health**
- \$19.6 billion distributed to the beneficiaries of employer-based accident and health insurance policies**

Insurance—It's affordable in Ohio

The next time you pay auto or homeowners insurance premiums, think about this. Ohioans pay nearly \$167 less than the US average for auto insurance and \$282 less for homeowners insurance. The Ohio Department of Insurance reports that the top 10 auto insurance writers in the Buckeye state averaged close to a 0.3% premium **decrease** during the 5-year period 2005-09. The top 10 homeowners insurance carriers averaged a 3.6% annual premium change during the same period. Ohio's average homeowners insurance premium (study includes D.C.) is sixth lowest in the country. Our average auto premium is 11th lowest. Our 2007 average homeowners insurance premium was \$540 compared to the US average of \$822. The average auto insurance expenditure in Ohio was \$628 compared to the US average of \$795. (Source: National Assn. of Ins. Commissioners)



Ohio's average auto premium is less now than it was eight years ago. In 2003 it was \$672. Based on ODI rate change reports, it's estimated to be \$661 in 2010.

Sources: NAIC auto statistical reports, 2005-09 ODI rate change reports and Ohio Insurance Institute estimate for 2010



Built-in consumer protection

The insurance industry protects consumers when an insurer declares bankruptcy or becomes insolvent. The Ohio Insurance Guaranty Association provides consumers a safety net should their insurance company fail. This allows policyholders to recoup unearned premiums or to be compensated for claims in process. The association provides a mechanism to collect and pool funds from all state licensed insurance companies. Insurers are assessed based on their statewide market share. Since 1970, the Ohio fund assessed companies over \$112 million through December 2009.

Insurance as an employer

Insurance is a major player in Ohio when it comes to employment opportunities. Ohio is home to 245 insurance companies. It's one of the state's major employers with over 98,000 employees and wages of nearly \$6 billion. Ohio has 85,038 licensed resident insurance agents, according to the Ohio Department of Insurance (ODI). There's an additional 197,578 non-resident agents licensed by the ODI too. 2008-09 employment figures below don't include single-person businesses that service the insurance industry as consultants or self-employed agents. Over one-third (37%) of the state's insurance industry employment is in the property/casualty (P/C) insurance field.

Ohio ranks 7th in the US when it comes to insurance industry employment & 9th in annual payroll.

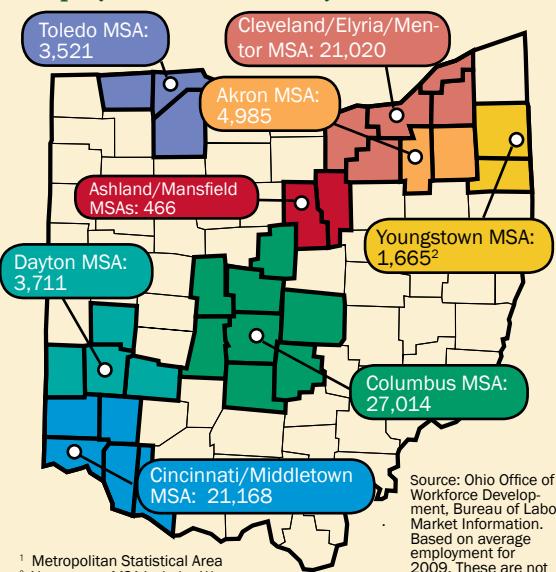
(Insurance Information Institute 2008 data from Regional Economic Information System, Bureau of Economic Analysis, US Dept. of Commerce)

Ohio employment by insurance line—2008 and 2009

Insurance Line	2008 Employment	2008 Wage Estimates	2009 Employment	2009 Wage Estimates
Life	10,966	\$692,348,000	11,027	\$726,254,000
Health/Medical	12,526	740,913,000	13,526	795,715,000
Property/Casualty	37,240	2,552,452,000	36,486	2,473,973,000
Title	2,337	105,282,000	1,824	82,868,000
Agents/Brokers	25,205	1,302,252,000	24,684	1,250,875,000
Pension/Health/Welfare Funds	280	12,842,000	269	10,929,000
Other	10,513 ¹	556,461,000	10,416 ¹	558,595,000
Total	99,067²	\$5,962,540,000	98,232²	\$5,899,209,000

¹ Includes surety companies, reinsurers, claims adjusters, third party administrators, and others employed in insurance-related fields
² Totals reflect those who qualified for unemployment compensation and don't include agents or insurance industry consultants operating as single-person businesses. In 2008, the self-employed insurance industry workforce was estimated at 8,793. Self-employed estimates for 2009 are 8,143. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Totals may be slightly off due to rounding.

2009 Preliminary insurance industry employment estimates by Ohio MSA¹



¹ Metropolitan Statistical Area
² Youngstown MSA includes Warren and Boardman
Source: Ohio Office of Workforce Development, Bureau of Labor Market Information. Based on average employment for 2009. These are not finalized and subject to change.

Ohio's 2008 homeownership rate was 70.8% compared to the US average of 67.8%.
Source: US Census Bureau

The average annual salary for an Ohioan working in insurance was \$59,042 in 2007, 56% above the Ohio average annual salary of \$37,848.
Source: Ernst & Young



An uptick in the state's health/medical insurance industry employment figures shows 1,000 jobs added between 2008-09.

Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information

Ohio insurance industry employment average by year in 2005-09

Year	Total industry ¹	Insurance carriers	Agents, brokers & related services
2005	105,800	72,400	33,400
2006	106,100	71,900	34,200
2007	99,348	64,097	35,251
2008	98,491	63,920	34,571
2009	97,717	63,633	34,084

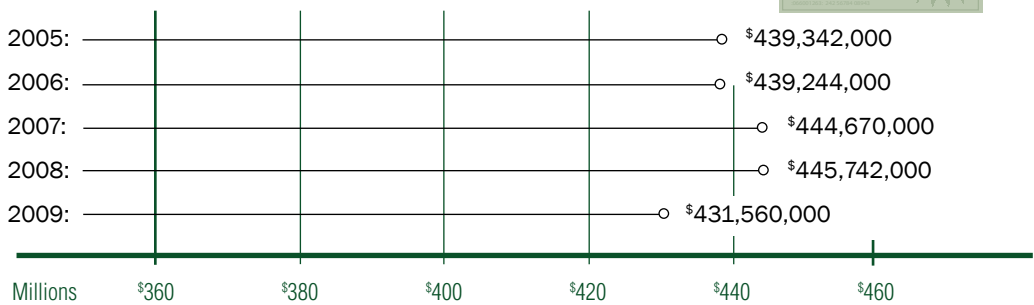
¹ 2005-06 totals include AICS codes 525110 (Pension Funds), 525120 (Health & Welfare Funds) and 525190 (Other Insurance Funds) which are considered part of Funds, Trusts, & Other Financial Vehicles. Since 2007 these are excluded from sub-category 524 (Insurance Carriers & Related Activities). Totals may be slightly off due to rounding.
Source: Ohio Office of Workforce Development, Bureau of Labor Market Information

The effective tax rate for Ohio insurance companies is 5.6%. This is one-third higher than Ohio's average rate of 4.2% for other business sectors.
(Ernst & Young)

Insurance as an economic contributor

Insurance companies continue to be a major contributor to Ohio's bottom line. In 2009 insurance companies paid nearly \$431.6 million in taxes—nearly \$1.2 million a day.

State taxes paid by insurance companies 2005-2009



Home sweet home

Ohio is headquarters to 245 insurers including 133 P/C and 39 life/health insurance companies. We're ranked in the top 10 in terms of P/C and life/health insurance domestics. And the word is out on Ohio's healthy insurance environment. 1,657 insurance companies are licensed to conduct business in the Buckeye state. This includes 980 P/C insurance companies, 507 life/health insurers and 39 health insurance carriers. Consumers benefit from the hundreds of companies vying for their insurance business, keeping premiums competitive. A.M. Best reports that only IL has more auto insurance writers than Ohio's 399. Only IL and PA have more homeowners insurance providers than Ohio's 266.



For more information

- Ohio Insurance Institute** 614-228-1593
www.ohioinsurance.org
- Ohio FAIR Plan** 800-282-1772
www.ohiofairplan.com
- Ohio Automobile Ins. Plan**.....614-221-2596
www.assignedriskohio.com
- Ohio Assn. of Health Plans** 614-228-4662
www.oahp.org
- Assn. of OH Life Ins. Companies**..... 614-227-2374
www.aolic.com
- OH Insurance Guaranty Assn.**.....614-442-6601
www.ohioga.org
- Ohio Department of Insurance** 614-644-2658
www.insurance.ohio.gov
- Insurance Information Institute:** "How Insurance Supports Ohio's Economy" www2.iii.org/assets/docs/pdf/OhioFactBook2010.pdf
- Ernst & Young:** "Economic & Fiscal Contributions of Ohio's Insurance Industry" www.ohioinsurance.org/pdf/Ohio_Ins_Industry_Econ_Rep.pdf

THE INSURANCE INDUSTRY IN



2010 edition



172 East State Street, Suite 201
Columbus, Ohio 43215-4321

Representing Ohio's property/casualty
insurance industry



Ohio's Insurance Industry

When you think of insurance, you might think about the last premium you paid or the auto accident you had last summer. But there's more to insurance than just premiums and claims. By taking a look at its overall impact in the Buckeye state, you begin

to realize that without it, many of the things we take for granted—our health, a car or our home—wouldn't be so easy to attain or maintain. And for the tens of thousands employed by Ohio's insurance industry, it provides financial security.