

THE INSURANCE INDUSTRY IN



Representing Ohio's property/casualty insurance industry

2017 edition



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Ohio's Insurance Industry

When you think of insurance, you might think about the last premium you paid or the storm claim from 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, car or our home—wouldn't be so easy to maintain or acquire. The insurance industry is also a major contributor to Ohio's economy and community development. It provides jobs and financial security to a workforce of 107,000-plus and growing.



2017 edition:








The Insurance Industry

in OHIO





Insurance provides property and

Insurance is just one of the factors that enables Ohioans to make long-term commitments and secure a better future. In 2016 insurance played a role in:

-  • **22,269 new family dwellings and apartments that broke ground**
-  • **78,520 new businesses that were formed, creating new job opportunities***
-  • **\$11.7 billion in wages earned by Ohio's 205,826 construction industry employees**
-  • **The sale of 211,407 cars and 371,746 trucks and SUVs at Ohio dealerships**
-  • **Protecting Ohio's 7.89 million licensed drivers by providing auto insurance through a strong, competitive market**
-  • **Over \$7.7 billion paid to a record 107,250 Buckeye residents employed in Ohio's insurance industry**
-  • **Providing protection to Ohio's 4,309 schools, along with enabling the construction and renovation of new and existing schools**

*For 2016 includes new businesses that hire more than 2 employees.

Ohioans purchase insurance to protect their assets. Ohio's insurance industry covered \$36.7 billion in losses in 2016 including:

-  • **Over \$5.4 billion in homeowners, auto, commercial and other property/casualty insurance losses including: \$4.2 billion for personal and commercial auto insurance losses, \$1.1 billion in homeowners insurance losses and \$150 million for claims related to accident & health**
-  • **\$31.3 billion distributed to the beneficiaries of employer-based accident and health insurance policies**

Insurance - It's affordable in Ohio

The next time you pay your insurance premiums, think about this: Ohioans pay nearly \$183 less than the US average for auto insurance and \$335 less for homeowners insurance. Ohio's average homeowners insurance premium (study includes D.C.) is 9th lowest in the country. Our 2014 average homeowners insurance premium was \$797 compared to the US average of \$1,132. Ohio's average auto insurance expenditure is 12th lowest in the US—\$683 compared to the US average of \$866.

(National Association of Insurance Commissioners-NAIC)

Consumer protection from the hundreds of companies vying for their insurance business, keeping premiums competitive for the number of auto insurance carriers with 656. Only IL, TX, IN, and GA have more. Five states—PA, NY, IL, TX and GA—have more writers of homeowners insurance. Ohio has 240. (A.M. Best)

Toledo and Cleveland rank in top 10 cities for healthcare jobs in 2017. ((Forbes, <http://bit.ly/2tMmLQI>))

Ohio ranks 7th in the US in insurance industry employment.

(Insurance Information Institute, 2015 data from US Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System)



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, allowing policyholders to recoup unearned premiums or compensation 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 Ohio market share. Since 1970, the Ohio fund assessed insurers a net amount of \$80.8 million.

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 107,000 employees and wages of over \$7.7 billion. Ohio has 71,260 licensed resident insurance agents, according to July 2016 from the Ohio Department of Insurance (ODI). There's an additional 140,047 non-resident agents licensed by the ODI too. 2015-16 employment doesn't include single-person businesses that service the insurance industry as consultants or self-employed agents. Over one-third (35%) of the state's insurance industry employment is in the property/casualty (P/C)

Between now and 2024, Ohio's insurance industry will require approximately 29,000 new employees.

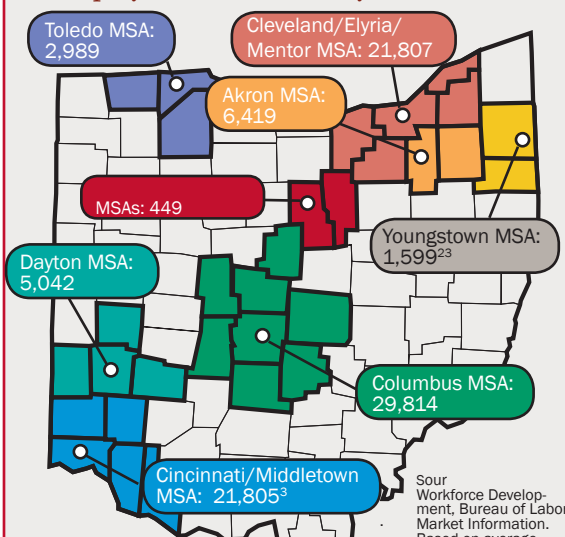
(2016 Insurance Industry Resource Council workforce development report)

Ohio employment by insurance line—2015 and 2016

Insurance Line	2015 Employment	2015 Wage Estimates	2016 Employment	2016 Wage Estimates
Life	9,334	\$701,419,000	9,602	\$737,289,000
Health/Medical	15,051	1,070,377,000	16,231	1,121,767,000
Property/Casualty	36,945	3,110,491,000	37,692	3,181,753,000
Title	1,455	91,036,000	1,524	96,527,000
Agents/Brokers	27,120	1,689,332,000	27,685	1,739,747,000
Other	14,216 ¹	811,293,000	14,515 ¹	853,670,000
Total	104,121²	\$7,473,948,000	107,249²	\$7,730,753,000

¹ Includes surety companies, reinsurers, claims adjusters, third party administrators, and others employed in insurance-related activities. ² To include single-person businesses. Both 2015 and 2016 employment figures are preliminary and subject to change. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Totals may be slightly off due to rounding.

2016 preliminary insurance industry employment estimates by Ohio MSA¹



¹ Metropolitan Statistical Area
² Youngstown MSA includes Warren and Boardman
For more info on MSAs: <http://bit.ly/1MpWDLq>
³ The data for these MSAs include counties outside Ohio.

The average annual salary for an Ohioan working in insurance in 2015 was \$71,806. That's 54% higher than Ohio's average private sector annual salary of \$46,582.



Selected Ohio 2015 Annual Wages:

- Average private employment annual salary: \$46,582
- Average insurance industry annual salary: \$71,806
- Reinsurance carriers: \$94,255
- P/C carriers: \$84,192
- All insurance carriers: \$79,126
- Life insurance carriers: \$75,144
- Life and health carriers: \$72,657
- Insurance agents and brokers: \$60,306

(Ohio Department of Job and Family Services, Bureau of Labor Market Information)

Ohio ranks 6th in the US for P/C insurance companies headquartered in the state, 5th (tie with LA) in domestic life/annuity companies & 9th (tie with IL) in health insurers.

(NAIC 2016 Insurance Department Resources Report)

Ohio insurance industry employment average by year—2012-2016

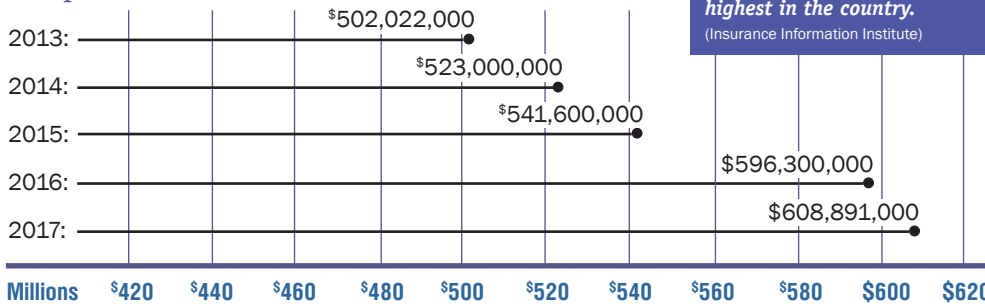
Year	Total industry ¹	Insurance carriers	Agents, broker & related services
2012	95,481	60,954	34,527
2013	97,403	61,933	35,470
2014	100,144	61,956	38,188
2015	104,120	63,615	40,505
2016 ²	107,250	65,700	41,550

¹ Includes Insurance Carriers, Insurance Agencies, Brokerages & Other Insurance-Related Activities and 524 (Total for Insurance Carriers & Related Activities). Totals may be slightly off due to rounding.
² 2016 figures are preliminary and subject to change.
Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information

Insurance as a state economic contributor

Insurance companies continue to be a major contributor to Ohio's bottom line. In 2017 insurance companies will pay nearly \$609 million in taxes—that's over \$1.66 million a day.

State taxes paid by insurance companies 2013-2017



2015 premium taxes paid by Ohio insurers ranked 8th highest in the country. (Insurance Information Institute)

Home sweet home

Ohio is home to 245 company headquarters, including 138 P/C, 37 life and 25 health insurers. Our US rankings:

- 5th based on domestic life/annuity companies (tied with LA)
- 6th based on domestic P/C insurance companies and
- 9th in health insurers calling Ohio home (tie with IL).

1,753 insurance companies and purchasing groups are licensed to conduct business in the Buckeye state. This includes 975 P/C insurance companies, 478 life/annuity insurers, 36 health insurance companies, 52 fraternal organizations and 50 other types of carriers, among others.



(National Association of Insurance Commissioners 2016 Insurance Department Resources Report)

For more information

- **Ohio Insurance Institute** 614-228-1593
www.ohioinsurance.org
- **Ohio Department of Insurance**..... 614-644-2658
www.insurance.ohio.gov
- **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
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www.ohioga.org
- **Insurance Careers** www.insurancecareers.org
- **Insuring OH Futures**... www.insuringohfutures.com
- **Insurance Information Institute:** "How Insurance Supports Ohio's Economy" <http://bit.ly/2tlanj2>