



2008 edition:








The Insurance Industry in OHIO





Representing Ohio's property/casualty insurance industry

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 2007 insurance played a role in:

-  • **27,095 new family dwellings and apartments that broke ground**
-  • **12,473 new businesses that were formed, creating new job markets**
-  • **\$10 billion in wages earned by Ohio's 224,559 construction industry employees**
-  • **The sale of 258,728 cars and 265,098 trucks and SUVs at Ohio dealerships**
-  • **Protecting Ohio's 8.7 million licensed drivers by providing auto insurance through a strong, competitive market**
-  • **Over \$5.9 billion paid to Buckeye residents employed by Ohio's insurance industry**
-  • **Providing protection to Ohio's 4,715 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. The insurance industry covered personal losses well into the billions of dollars in 2007 including [Source: National Assn. of Insurance Commissioners (NAIC)]:

-  • **Over \$5.2 billion in property, automobile, medical and other property/casualty insurance losses, which include: \$3 billion for personal and commercial automobile accident losses, \$1.3 billion in direct losses paid for homeowners insurance policyholder losses and \$94 million in losses related to accident and health**
-  • **\$16.1 billion distributed to the beneficiaries of accident and health insurance policies in private companies**

Insurance—It's affordable in Ohio

The next time you pay auto or homeowners insurance premiums, think about this. Ohioans pay nearly \$160 less than the US average for auto insurance and nearly 30% less than the US average for homeowners insurance. The Ohio Department of Insurance reports that the top 10 auto insurance writers in the Buckeye state averaged a 2.6% **decrease** in premiums in 2007. The top 10 writers of homeowners insurance increased premiums by an average of 1.5%. Ohio's average homeowners insurance premium is 6th lowest in the country (study includes D.C.). Our 2005 average homeowners insurance premium was \$531 compared to the US average of \$704. The average auto insurance expenditure in Ohio was \$669 compared to the US average of \$829. (Source: NAIC)



Insurance is affordable in Ohio. Ohio's average auto insurance expenditure decreased \$23.91 between 2005–07. The average homeowners insurance premium rose by only \$4.10 from 2005–07.

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 \$132 million through December 2007.

Insurance as an employer

Insurance is a major player in Ohio when it comes to employment opportunities. Ohio is home to 256 insurance companies. It's one of the state's major employers with over 99,000 employees and wages over \$5.9 billion. Ohio has about 86,350 licensed resident insurance agents, according to the Ohio Department of Insurance (ODI). There's an additional 164,408 non-resident agents licensed by the ODI too. 2006-07 employment figures below don't include single-person businesses that service the insurance industry as consultants or self-employed agents. Over one-third (38%) of the state's insurance industry employment is in the property/casualty (P/C) insurance line.

Ohio ranks 7th in the country when it comes to insurance industry employment.

(Insurance Information Institute 2006 data from Regional Economic Information System, Bureau of Economic Analysis, US Dept. of Commerce)

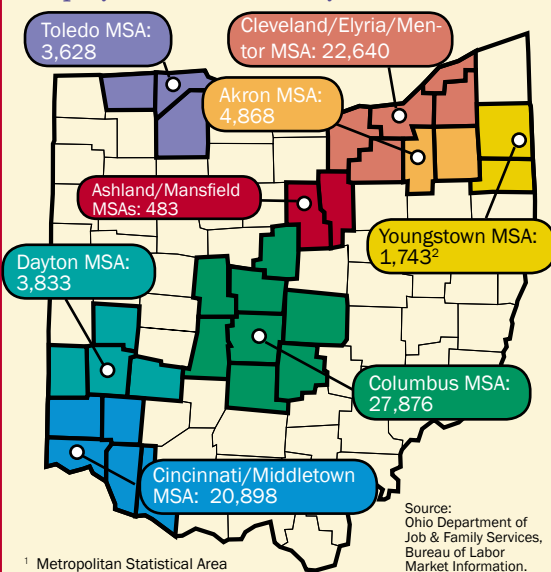
Ohio employment by insurance line—2006 and 2007

Insurance Line	2006 Employment	2006 Wage Estimates	2007 Employment	2007 Wage Estimates
Life	10,843	\$653,094,000	10,745	\$689,499,000
Health/Medical	11,038	641,170,000	11,805	690,000,000
Property/Casualty	37,815	2,447,206,000	37,925	2,611,686,000
Title	3,336	149,889,000	2,915	133,144,000
Agents/Brokers	25,282	1,225,642,000	25,591	1,279,186,000
Pension/Health/Welfare Funds	252	11,235,000	264	11,100,000
Other	9,751 ¹	477,547,000	10,148 ¹	521,645,000
Total	98,317²	\$5,605,784,000	99,393²	\$5,936,260,000

¹ Includes surety companies, reinsurers, claims adjusters, third party administrators, and other insurance-related activities

² Totals reflect those who qualified for unemployment compensation, and don't include agents or insurance industry consultants operating as single-person businesses. In 2006, the self-employed insurance industry workforce was estimated at 8,110. Self-employed estimates for 2007 are 7,391. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Totals may be slightly off due to rounding.

2007 Preliminary insurance industry employment estimates by Ohio MSA¹



¹ Metropolitan Statistical Area
² Youngstown MSA includes Warren and Boardman

Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Based on average employment for 2007.

Ohio's 13,000 health plan-related industry jobs ranks 11th highest in the US in terms of health insurance employment.

Source: Ohio Association of Health Plans, 2007 facts

Ohio ranks 8th in US insurance premium volume in comparison to all states and DC with over \$54 billion in premiums written.



Source: ODI, from NAIC 2007 Insurance Department Resources Report

Ohio's P/C insurers are a major source of capital for state and local government. Insurers held over \$12 billion in Ohio municipal bonds in 2006.

Source: American Insurance Association

Insurers contribute over \$1.2 million each day to the state treasury.

(Based on 2007 taxes)

Insurance industry employment in Ohio 2003–2007

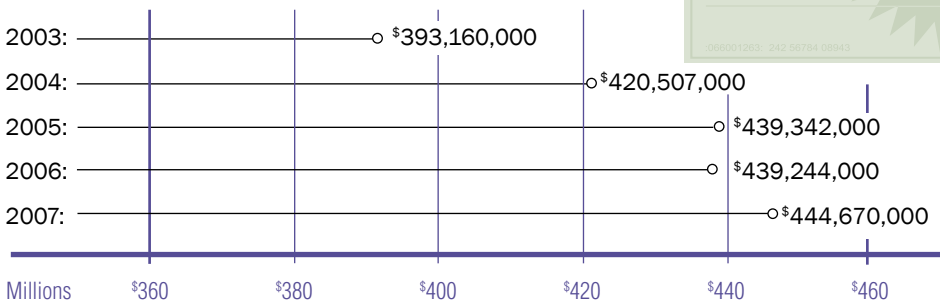
Year	Total industry	Insurance carriers	Agents, brokers & related services
2003	105,100	72,800	32,300
2004	105,800	72,700	33,100
2005	105,800	72,400	33,400
2006	106,100	71,900	34,200
2007	106,300	71,600	34,700

Note: Totals include agents or insurance industry consultants operating as single-person businesses. Totals may be slightly off due to rounding. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information

Insurance as an economic contributor

Insurance companies continue to be a major contributor to Ohio's bottom line. In 2007, insurance companies paid nearly \$444.7 million in taxes.

State taxes paid by insurance companies 2003–2007



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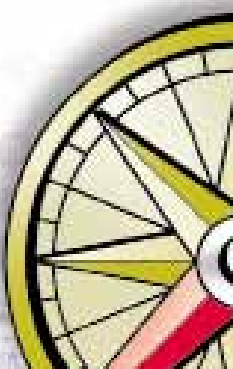
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Ohio's Insurance Industry

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—would not be as easy to attain or maintain.