



2009 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 2008 insurance played a role in:

-  • **17,666 new family dwellings and apartments that broke ground**
-  • **11,081 new businesses that were formed, creating new job opportunities**
-  • **\$9.8 billion in wages earned by Ohio's 211,494 construction industry employees**
-  • **The sale of 225,724 cars and 204,405 trucks and SUVs at Ohio dealerships**
-  • **Protecting Ohio's 7.9 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. The insurance industry covered personal losses well into the billions in 2008 including:

-  • **Over \$6.2 billion in homeowners, auto, commercial and other property/casualty insurance losses including: \$3.5 billion for personal and commercial auto accident losses, \$1.8 billion in homeowners insurance losses and \$91 million for claims related to accident and health**
-  • **\$18.6 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 \$163 less than the US average for auto insurance and \$274 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 close to a 0.8% annual premium **decrease** over the past five years. The top 10 writers of homeowners insurance averaged only a 2% annual premium change during the same period. Ohio is tied with Delaware for 5th least expensive in terms of average homeowners insurance premium (study includes D.C.). Our 2006 average homeowners insurance premium was \$530 compared to the US average of \$804. Ohio's average auto insurance expenditure in 2006 was \$654 compared to the US average of \$817.



Ohio's average auto premium is less now than four years ago. In 2004 it was \$680 according to the NAIC. Based on the Ohio Department of Insurance (ODI) rate change report, it was \$643 in 2008.

Source: NAIC auto statistical reports and ODI rate change reports

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 2008.

Insurance as an employer

Insurance is a major player in Ohio when it comes to employment opportunities. Ohio is home to 261 insurance companies. It's one of the state's major employers with over 99,000 employees and wages over \$5.96 billion. Ohio has 86,101 licensed resident insurance agents, according to the Ohio Department of Insurance (ODI). There's an additional 183,516 non-resident agents licensed by the ODI. 2007-08 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 field.

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

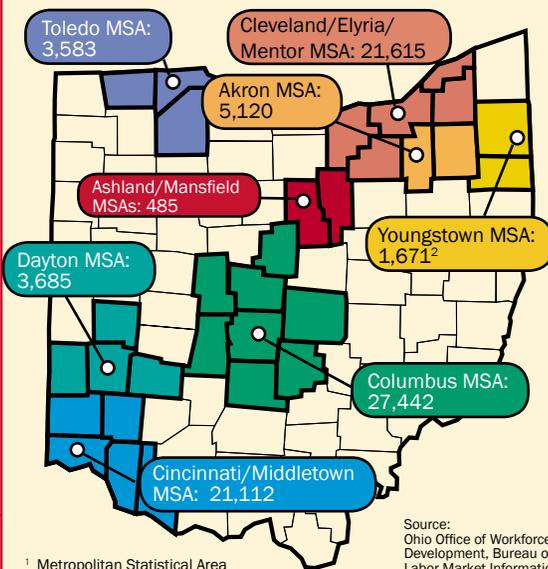
(Insurance Information Institute 2007 data from Regional Economic Information System, Bureau of Economic Analysis, US Dept. of Commerce)

Ohio employment by insurance line—2007 and 2008

Insurance Line	2007 Employment	2007 Wage Estimates	2008 Employment	2008 Wage Estimates
Life	10,745	\$689,499,000	10,966	\$692,348,000
Health/Medical	11,805	690,000,000	12,526	740,913,000
Property/Casualty	37,925	2,611,686,000	37,240	2,552,452,000
Title	2,915	133,144,000	2,337	105,282,000
Agents/Brokers	25,591	1,279,186,000	25,205	1,302,252,000
Pension/Health/Welfare Funds	264	11,100,000	280	12,842,000
Other	10,148 ¹	521,645,000	10,513 ¹	556,461,000
Total	99,393²	\$5,605,784,000	99,067²	\$5,962,540,000

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 2007, the self-employed insurance industry workforce was estimated at 7,391. Self-employed estimates for 2008 are 8,793. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Totals may be slightly off due to rounding.

2008 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 2008.

Ohio ranks 7th in the US in terms of home ownership. 3,150,000 Ohio homes are owner-occupied.

Source: US Census for 2006

Ohio ranks 8th in US insurance premium volume in comparison to all states and DC with nearly \$55.4 billion in premiums written.



Source: NAIC 2008 Insurance Department Resources Report
 Employer-based health insurance in Ohio costs 4% less than the US average for family coverage and 5% less for individual coverage (OH family coverage \$5,303 vs. US average of \$5,799; OH individual is \$2,498 vs. US average of \$2,613).
 Source: Ohio Association of Health Plans, from AHIP 2007 Health Insurance Overview and Economic Impact on the States

Insurance industry employment in Ohio 2004–2008

Insurers contribute over \$1.22 million daily to Ohio's treasury.

(Based on 2008 taxes)

Year	Total industry ¹	Insurance carriers	Agents, brokers & related services
2004	105,800	72,700	33,100
2005	105,800	72,400	33,400
2006	106,100	71,900	34,200
2007	99,348	64,097	35,251
2008	99,079	63,920	35,159

¹ 2004-06 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

Insurance as an economic contributor

Insurance companies are a major contributor to Ohio's bottom line. In 2008, insurance companies paid over \$445.7 million in taxes.

State taxes paid by insurance companies 2004–2008



Home sweet home

Ohio is headquarters to 261 insurers including 136 P/C and 41 life/health insurance companies. We're ranked 7th in the US in terms of domiciled P/C companies, and 6th for life/health domestics. And the word is out on Ohio's healthy insurance environment. 1,770 insurance companies are licensed to conduct business in the Buckeye state. This includes 967 P/C insurance companies, 510 life/health insurers and 30 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 and IN have more auto insurance writers than Ohio's 613. Only IL and PA have more homeowners 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
Consumer Services Hotline 800-686-1526
Senior Health Ins. Hotline 800-686-1578
Insurance Fraud Hotline 800-686-1527
- **Insurance Information Institute—2008 Ohio facts**
www.ohioinsurance.org/consumers/pdfs/IIIOhioFactBook2008.pdf

THE INSURANCE INDUSTRY IN



Representing Ohio's property/casualty insurance industry

2009 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 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.