



2011 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 2010 insurance played a role in:

- 13,710 new family dwellings and apartments that broke ground**
- 78,114 new businesses that were formed, creating new job opportunities\***
- \$7.9 billion in wages earned by Ohio's 168,945 construction industry employees**
- The sale of 187,638 cars and 199,522 trucks and SUVs at Ohio dealerships**
- Protecting Ohio's 8.8 million licensed drivers by providing auto insurance through a strong, competitive market**
- Over \$6 billion paid to Buckeye residents employed by Ohio's insurance industry**
- Providing protection to Ohio's 4,410 schools, along with enabling the construction and renovation of new and existing schools**

\*For 2010 includes new businesses that hire more than 2 employees.

Ohioans purchase insurance to protect their assets and as a means of financial security. Ohio's insurance industry covered \$29.6 billion in losses in 2010 including:

- Nearly \$5 billion in homeowners, auto, commercial and other property/casualty insurance losses including: \$3.2 billion for personal and commercial auto accident losses, \$1.6 billion in homeowners insurance losses and \$110 million for claims related to accident and health**
- \$19.7 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 \$172 less than the US average for auto insurance and \$226 less for homeowners insurance. Ohio's average homeowners insurance premium (study includes D.C.) is 7<sup>th</sup> lowest in the country. Our 2008 average homeowners insurance premium was \$565 compared to the US average of \$791. Ohio's average auto insurance expenditure is 11<sup>th</sup> lowest in the US - \$617 compared to the US average of \$789.

(Source: National Association of Insurance Commissioners)

Consumers benefit from the hundreds of companies vying for their insurance business, keeping premiums competitive. Only IL and IN have more auto insurance carriers than Ohio, and only IL and PA have more writers of homeowners insurance. (Source: A.M. Best)

**Ohio's average auto premium is less than it was nine years ago! In 2003 it was \$672. Based on ODI rate change reports, it's \$668 in 2011.**

Sources: NAIC auto statistical reports, 2005-09 ODI rate change reports and Ohio Insurance Institute estimate for 2011



## 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 \$89 million through December 2010.

## Insurance as an employer

Insurance is a major player in Ohio when it comes to employment opportunities. Ohio is home to 251 insurance companies. It's one of the state's major employers with over 96,000 employees and wages over \$6 billion. Ohio has 83,007 licensed resident insurance agents, according to the Ohio Department of Insurance (ODI). There's an additional 203,918 non-resident agents licensed by the ODI too. 2009-10 employment figures below don't include single-person businesses that service the insurance industry as consultants or self-employed agents. Over one-third (37.7%) of the state's insurance industry employment is in the property/casualty (P/C) insurance field.

**Insurance is the state's 12<sup>th</sup> highest employment industry and ranks 14<sup>th</sup> in weekly payroll.**

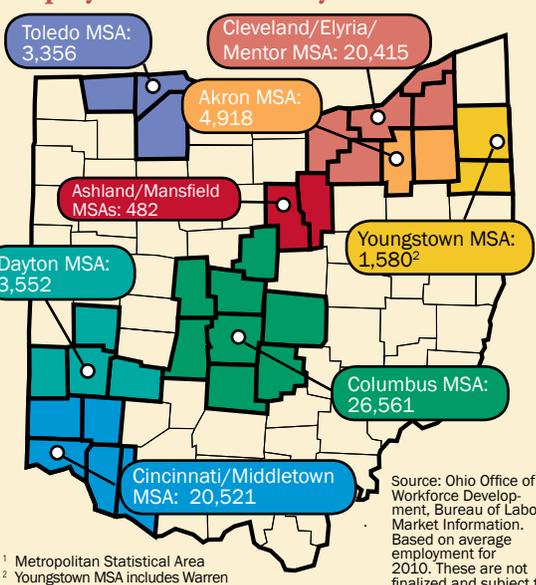
(2009 data from Ohio Department of Job and Family Services, Office of Workforce Development, Bureau of Labor Market Information)

## Ohio employment by insurance line—2009 and 2010

Insurance Line	2009 Employment	2009 Wage Estimates	2010 Employment	2010 Wage Estimates
Life	11,027	\$726,254,000	10,316	\$660,996,000
Health/Medical	13,526	795,715,000	13,378	833,722,000
Property/Casualty	36,486	2,473,973,000	36,222	2,623,144,000
Title	1,824	82,868,000	1,598	75,942,000
Agents/Brokers	24,684	1,250,875,000	24,093	1,260,490,000
Pension/Health/Welfare Funds	269	10,929,000	273	12,171,000
Other	10,416 <sup>1</sup>	558,595,000	10,193 <sup>1</sup>	556,539,000
<b>Total</b>	<b>98,232<sup>2</sup></b>	<b>\$5,897,209,000</b>	<b>96,073<sup>2</sup></b>	<b>\$6,023,004,000</b>

<sup>1</sup> Includes surety companies, reinsurers, claims adjusters, third party administrators, and others employed in insurance-related fields  
<sup>2</sup> Totals reflect those who qualified for unemployment compensation and don't include agents or insurance industry consultants operating as single-person businesses. In 2009, the self-employed insurance industry workforce was estimated at 8,143. Self-employed estimates for 2010 are 9,321. Source: Ohio Department of Job & Family Services, Bureau of Labor Market Information. Totals may be slightly off due to rounding.

## 2010 Preliminary insurance industry employment estimates by Ohio MSA<sup>1</sup>

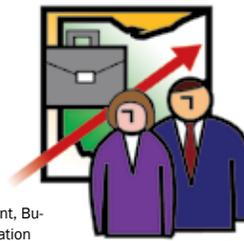


<sup>1</sup> Metropolitan Statistical Area  
<sup>2</sup> Youngstown MSA includes Warren and Boardman  
Source: Ohio Office of Workforce Development, Bureau of Labor Market Information. Based on average employment for 2010. These are not finalized and subject to change.

Ohio & Vermont had the best P/C insurance regulatory environments in the US garnering A+ ratings in 2010. Source: The Heartland Institute

**The average annual salary for an Ohioan working in insurance was \$58,893 in 2009, 45% above the Ohio average annual salary of \$40,512.**

Source: Ohio Department of Job and Family Services, Office of Workforce Development, Bureau of Labor Market Information



Ohio ranks 6<sup>th</sup> in the nation in terms of health insurance employment & 7<sup>th</sup> in overall insurance industry employment. Sources: Ohio Association of Health Plans and Insurance Information Institute

**Ohio insurance agencies, brokerages & related fields have a projected employment growth of 17.1% between 2008-2018.**

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information, November 2010

**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.**  
(Source: Ernst & Young)

## Ohio insurance industry employment average by year—2006-2010

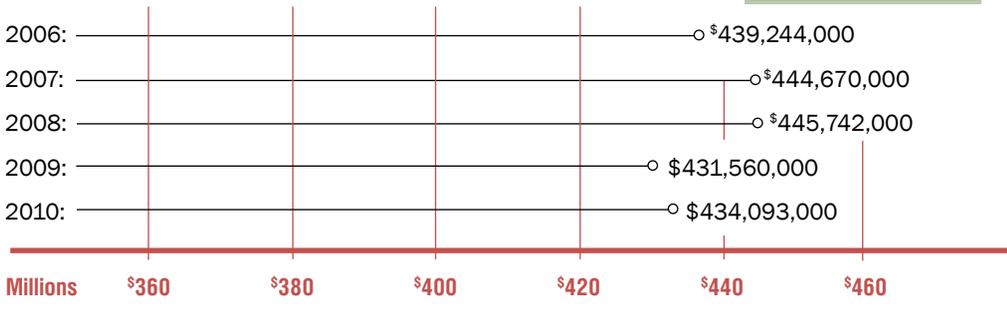
Year	Total industry <sup>1</sup>	Insurance carriers	Agents, brokers & related services
2006	106,100	71,900	34,200
2007	99,348	64,097	35,251
2008	98,491	63,920	34,571
2009	97,717	63,633	34,083
2010	95,514	62,303	33,211

<sup>1</sup> 2006 total 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 continue to be a major contributor to Ohio's bottom line. In 2010 insurance companies paid over \$434 million in taxes—nearly \$1.2 million a day.

## State taxes paid by insurance companies 2006-2010



## Home sweet home

Ohio is home to 251 insurers including 139 P/C and 39 life/health insurance companies. We're ranked 6<sup>th</sup> in the US based on the number of P/C insurance companies and life/health insurers headquartered in the state. The word is out on Ohio's healthy insurance environment. 1,639 insurance companies are licensed to conduct business in the Buckeye state. This includes 972 P/C insurance companies, 501 life/health insurers and 29 health insurance carriers.



## 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" <http://bit.ly/n1EW7y>
- Ernst & Young:** "Economic & Fiscal Contributions of Ohio's Insurance Industry" <http://bit.ly/o08mfk>
- This publication:** <http://bit.ly/cGNbTE>

# THE INSURANCE INDUSTRY IN



Representing Ohio's property/casualty insurance industry

2011 edition



## *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.