



## **National Association of Insurance Commissioners**

The mission of the National Association of Insurance Commissioners (NAIC) is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members. As part of this mission, the NAIC compiles meaningful data about the insurance regulatory community as well as the insurance industry.

### **Number of Insurance Companies:**

The number of insurance companies is provided by state insurance regulators and is compiled annually by the NAIC. Depending on the type of insurance companies provide, they are classified either as property and casualty, life, health, fraternal or title insurers. Insurers that have their primary corporate headquarters located in the state are called domestic insurers. The insurance regulator in the state of domicile is the primary regulator of that insurer. Foreign insurers are allowed to sell insurance in a state but have a primary legal residence in another state. The state rank represents the rank relative to the state with the largest number of insurers among all states.

### **Direct Written Premium:**

The total direct written premiums are from insurer annual statement filings provided to the NAIC. Total direct written premiums and deposit-type contracts are the aggregate premium and deposits generated without any adjustments for reinsurance. The total includes all types of insurers. Beginning with the 2008 Scorecard, all premium data is derived from the NAIC financial filing database. As such, some categories are modified to more closely align with the structure of the NAIC financial statement filings and may not be comparable to previous Scorecard years. The state rank represents the rank relative to the state with the largest premium volume among all states.

### **Insurance Department Data**

The insurance department data is provided by state insurance regulators and is compiled annually by the NAIC. Total taxes include premium, retaliatory, franchise and income taxes paid by insurers. Total revenue includes other sources of revenue, such as licensing fees and fines and assessments, as well as total taxes. Total budget represents the annual operating budget of the state insurance department. Total employment is the number of full-time state insurance department employees. Total complaints and inquiries is the total of all complaints and inquiries handled by the employees of the state insurance department. The state rank represents the rank relative to the state with the largest respective number among all states.

### **Cost of Regulation:**

The cost of regulation is calculated from data supplied by state insurance regulators and collected from insurers' financial filings. It is a ratio that compares the insurance department budget to total premium written in the state. Beginning with the 2010 Insurance Department Resources Report (IDRR), insurance budget data no longer includes pass-through funding. Budget figures from 2008 and forward were adjusted to reflect this change. For state specific details, please refer to the IDRR technical notes.

## **Property & Casualty Premium by Line of Business:**

The premiums are from the annual financial statement information that property and casualty insurers file with the NAIC. Property and casualty premium is subdivided into several categories. The state rank represents the rank relative to the state with the largest respective premium by line of business among all states.

## **Insurance Industry Employment:**

The Bureau of Labor Statistics produces the Current Employment Statistics (CES) Survey. The CES Survey is a monthly survey of business establishments, which provides estimates of employment, hours, and earnings data by industry for the nation as a whole, all States, and most major metropolitan areas since 1939. Employment is the total number of persons employed full or part time in non-farm establishments during a specified payroll period. Temporary employees are included. In general, data refer to persons who worked during, or received pay for, any part of the pay period that includes the 12th of the month, which is standard for all Federal agencies collecting employment data from business establishments. Insurance carriers include employees of direct insurers from all insurance types and reinsurers. Agencies, brokerages and other insurance related activities include insurance agents and brokers, independent claims adjusters, third-party administrators of insurance and pension funds and other insurance related activities.

## **Gross Domestic Product:**

The Bureau of Economic Analysis (BEA) produces the Gross Domestic Product (GDP). The BEA defines GDP by state as the most comprehensive measure of overall economic activity in individual states. Per the BEA, GDP by state is calculated as the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services; it includes workers' wages and salaries, income earned by sole proprietorships, partnerships, and corporations, and business taxes- such as sales, property, and federal excise taxes-that count as a business expense.

### Overview of the 2010 Insurance Market In Alabama

Type	Number	State Rank	% of All U.S. Insurers
Domestic	52	39	0.66%
Total Insurers	1,433	39	18.22%

*Source: National Association of Insurance Commissioners*

Premiums	State Rank	% of U.S.
\$18,955,892,894	27	1.22%

*Source: National Association of Insurance Commissioners*

Description	Amount	State Rank	% of U.S.
Total Taxes:	\$256,783,842	18	1.73%
Total Revenue:	\$278,856,721	21	1.50%
Total Budget:	\$21,504,588	15	1.74%
Total Employment:	160	18	1.38%
Total Complaints & Inquiries:	6,107	37	0.25%

*Source: NAIC Insurance Department Resources Report*

Statement Type	Premium Written	State Rank	% of U.S.
Fraternal	\$126,822,910	26	1.26%
Health	\$5,697,660,082	23	1.45%
Life, Accident, and Health	\$6,643,585,551	30	0.99%
Property and Casualty	\$6,417,094,923	26	1.36%
Title	\$70,729,428	30	0.76%
<b>Total Alabama</b>	<b>\$18,955,892,894</b>	<b>27</b>	<b>1.22%</b>

*Source: National Association of Insurance Commissioners*

Year	Insurance Carriers and Related Activities	Insurance Carriers	Agents Brokers and Other Related Activities
2004	23,498	14,523	8,975
2005	24,560	14,535	10,025
2006	24,477	14,497	9,980
2007	24,488	14,401	10,086
2008	24,818	14,401	10,417
2009	24,578	14,420	10,158
2010	23,613	13,721	9,892

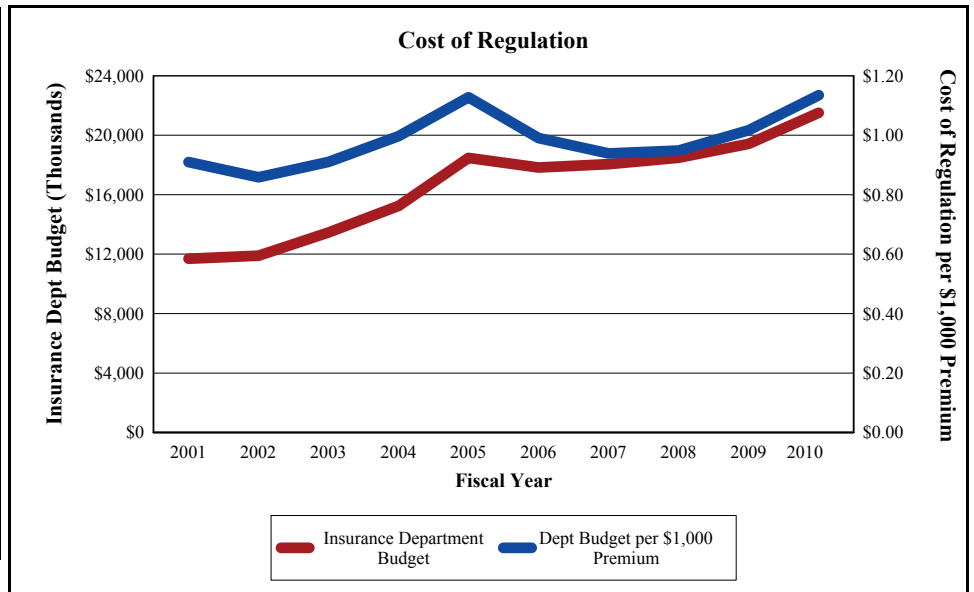
*Source: US Department of Labor, Bureau of Labor Statistics*

	2007	2008	2009	2010
<b>Finance and insurance</b>	<b>\$8,567</b>	<b>\$8,594</b>	<b>\$9,525</b>	<b>\$9,276</b>
Federal Reserve banks, credit intermediation and related services	\$4,677	\$4,747	\$5,201	N/A
Securities, commodity contracts, investments	\$488	\$479	\$531	N/A
Insurance carriers and related activities	\$3,353	\$3,311	\$3,708	N/A
Funds, trusts, and other financial vehicles	\$49	\$58	\$85	N/A

*Note: 2011 figure is an estimate.*  
*Source: US Department of Commerce, Bureau of Economic Analysis*

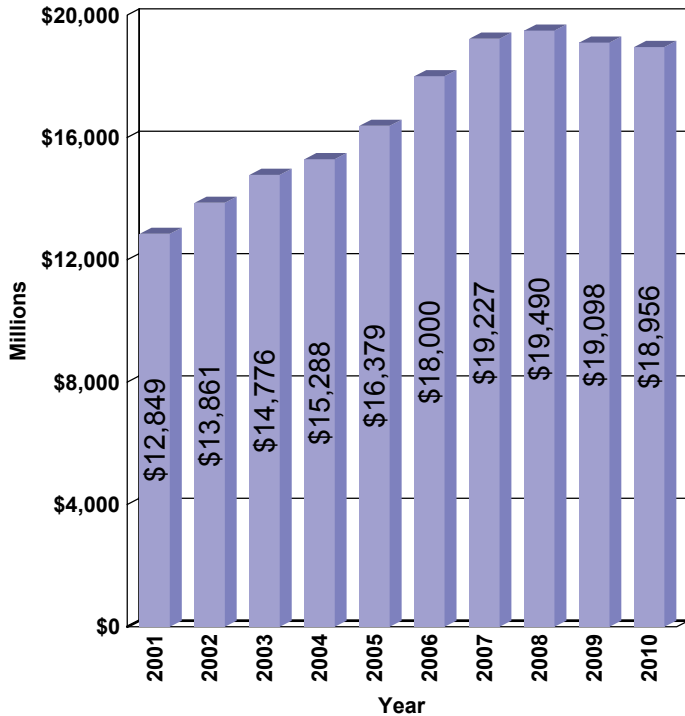
Year	Insurance Department Budget	Dept. Budget Per \$1,000 Premium
2001	\$11,686.68	\$0.910
2002	\$11,898.80	\$0.858
2003	\$13,451.98	\$0.910
2004	\$15,238.47	\$0.997
2005	\$18,471.17	\$1.128
2006	\$17,830.25	\$0.991
2007	\$18,049.48	\$0.939
2008	\$18,486.09	\$0.949
2009	\$19,416.92	\$1.017
2010	\$21,504.59	\$1.134

*Source: NAIC Insurance Department Resources Report*



### Overview of the 2010 Insurance Market In Alabama

**Total Direct Premium Written & Deposits In-State**  
All Types of Insurance



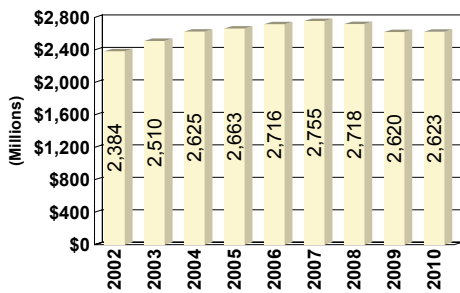
Source: National Association of Insurance Commissioners

**Premium by Line of Business in Alabama**

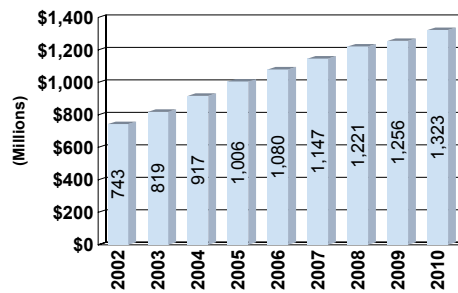
Line of Business	Premium Written	State Rank	% of U.S.
Automobile	\$2,623,097,345	26	1.40%
Homeowners multiple peril	\$1,322,542,496	20	1.87%
Other	\$538,583,587	25	1.10%
Commercial multi peril	\$508,227,712	23	1.55%
Workers' compensation	\$302,219,723	30	0.77%
Ocean & Inland Marine	\$228,442,864	21	1.45%
Fire	\$196,076,953	16	1.60%
Allied lines	\$141,222,612	21	1.25%
Medical professional liability	\$135,229,858	22	1.28%
Farm	\$107,125,956	27	1.01%
Mortgage guaranty	\$72,197,053	26	1.51%
Surety	\$60,365,943	29	1.17%
Federal flood	\$31,179,973	18	1.03%
Products liability	\$30,383,410	25	1.24%
Accident & Health	\$30,149,631	39	0.55%
Boiler and machinery	\$23,885,489	19	1.90%
Credit	\$16,486,908	27	0.88%
Aircraft (all perils)	\$16,085,647	33	0.97%
Fidelity	\$12,139,563	24	1.13%
Financial guaranty	\$11,637,584	14	0.89%
Earthquake	\$8,022,010	29	0.39%
Burglary and theft	\$1,792,601	30	0.98%
<b>Total</b>	<b>\$6,417,094,922</b>	<b>26</b>	<b>1.36%</b>

Source: National Association of Insurance Commissioners

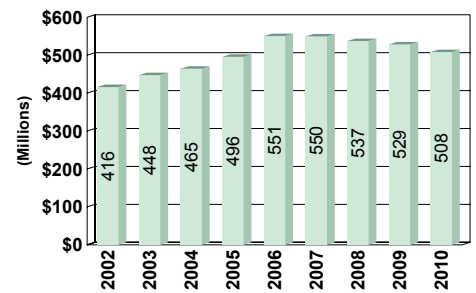
Premium Written for Automobile Insurance



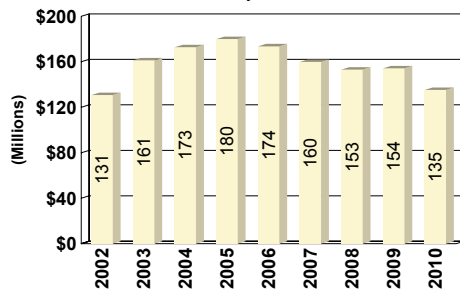
Premium Written for Homeowners Insurance



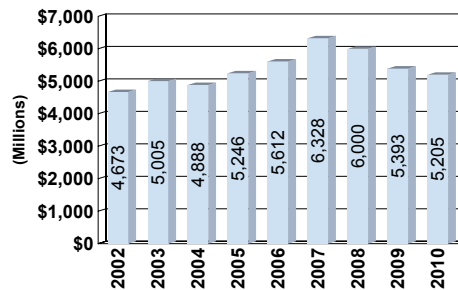
Premium Written for Commercial MP Insurance



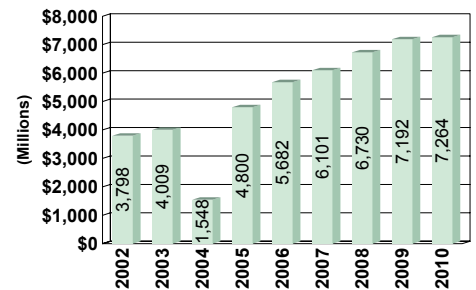
Premium Written for Medical Liability Insurance



Premium Written & Deposits for Life Insurance <sup>1</sup>



Premiums Written & Deposits for Health Insurance <sup>2</sup>



<sup>1</sup> Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

<sup>2</sup> Figures include only Health data from the NAIC Health, Life, and Fraternal financial statements.