



## 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 provided, they are classified either as property/casualty, life, health, fraternal or title insurers. Insurers with primary corporate headquarters located in a particular state are called domestic insurers. The insurance regulator in the insurer's state of domicile is the primary regulator of that insurer. Foreign insurers are those that 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.

### **U.S. Premiums by NAIC Financial Statement Type**

The premium volume from the NAIC financial filing database is direct written premium derived from insurer annual financial statement filings provided to the NAIC. The total is comprised of aggregate premium and deposits generated without any adjustments for reinsurance. This data is grouped according to insurer financial statement filing type (i.e., property/casualty; life, accident and health; health; fraternal organizations; and title). Data in one financial statement type could contain data that seemingly fits better under another line of business. For example, traditional health data may be filed by an insurer using the filing type of life, accident and health. Depending on the regulatory requirements in the state of domicile, captives and risk retention groups are not always required to file with the NAIC and, consequently, this data may not be considered complete. Not all state funds are required to file with the NAIC. State fund data contained herein is reported separately and added to the premium volume during composition of this report. Some categories are modified to more closely align with the structure of the NAIC financial statement filings and may not be comparable to data reported in prior years. The state rank represents the rank relative to the state with the largest premium volume among all states.

### **U.S. Premiums by IDRR Premium Type**

The premium volume from the *Insurance Department Resources Report* (IDRR) is comprised of direct written premium that the states report to the NAIC in compiling the IDRR. This data is grouped by type of business and will not match up with data grouped by NAIC financial statement type. This data includes total direct written premium reported by each state insurance department and does not include premiums from captives or surplus lines business. It was requested that each state include state funds in its premium volume reported. Some companies may report premium data to the state insurance department that are not required to report to the NAIC due to sales volume or other regulatory requirements of their domiciliary state.

### **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. 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 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/casualty insurers file with the NAIC. Property/casualty premium is subdivided into several categories. This data includes information on state funds reported separately and added to the premium volume during composition of this report. 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 U.S. Bureau of Labor Statistics (BLS) produces the Quarterly Census of Employment and Wages (QCEW). The QCEW is derived from quarterly unemployment insurance tax reports submitted by employers to state workforce agencies. The reports are subject to state unemployment insurance laws, as well as to the Unemployment Compensation for Federal Employees (UCFE) program. According to the BLS, the QCEW program publishes a quarterly count of employment and wages covering 98% of U.S. jobs, available by industry in the county, metropolitan statistical area (MSA), state and national levels. Employment is the total number of persons employed full-time 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.

## **Consumer Complaints**

Complaints include all formal complaints lodged with the insurance department.

## **Consumer Inquiries**

Inquiries include all requests for information about insurance-related issues made by any medium, including phone calls, written letters, emails, etc. Requests for brochures are included, as are incidents where a complaint is voiced, but is not formally lodged.

## **Gross Domestic Product**

The U.S. 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 the 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.

**State Insurance Regulation: Key Facts and Market Trends**

*The primary goal of state regulation is to protect insurance consumers, while recognizing that consumers as well as companies are well served by efficient, market-oriented regulation of the business of insurance.*

**OVERVIEW OF THE UNITED STATES INSURANCE MARKET  
2016**

Five Largest Insurance Groups in the U.S. by Direct Premium Written		
Insurance Group	Direct Premium Written*	% of Total Premium
UNITEDHEALTH GRP	\$125,788,099,349	6.12%
METROPOLITAN GRP	\$104,745,772,906	5.10%
STATE FARM IL	\$67,617,152,204	3.29%
ANTHEM INC GRP	\$59,254,369,982	2.88%
AETNA	\$54,450,303,517	2.65%
<b>Top 5 Total</b>	<b>\$411,855,697,958</b>	

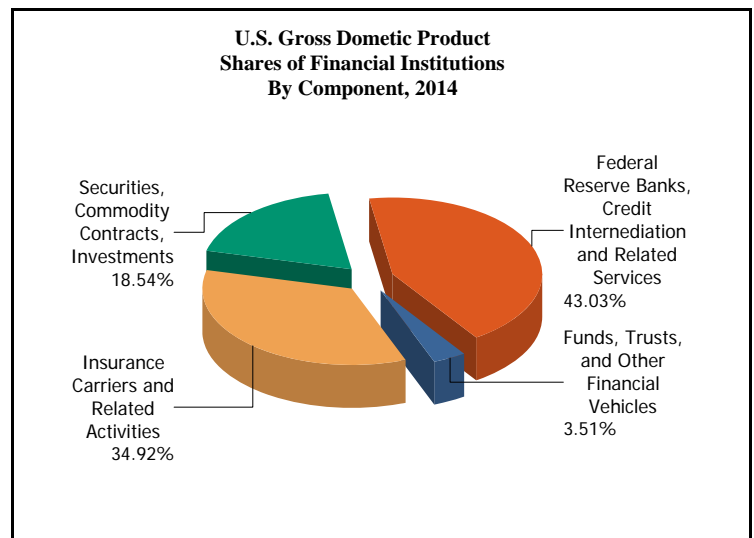
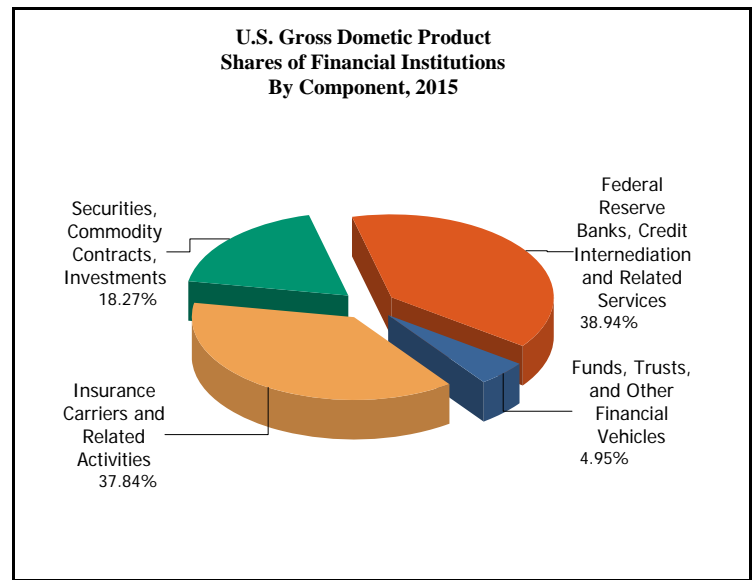
\*Includes Deposit Type Funds and premium written in U.S. territories from Property, Life, Fraternal, Title, and Health Annual Statements.  
**Source: National Association of Insurance Commissioners**

U.S. Gross Domestic Product (Millions)		
	2015	2016*
Funds, trusts, and other financial vehicles	63,993	N/A
Insurance carriers and related activities	489,274	N/A
Securities, commodity contracts, and investments	236,272	N/A
Federal Reserve banks, credit intermediation, and related services	503,554	N/A
<b>Finance and insurance</b>	<b>1,293,093</b>	<b>1,355,546</b>

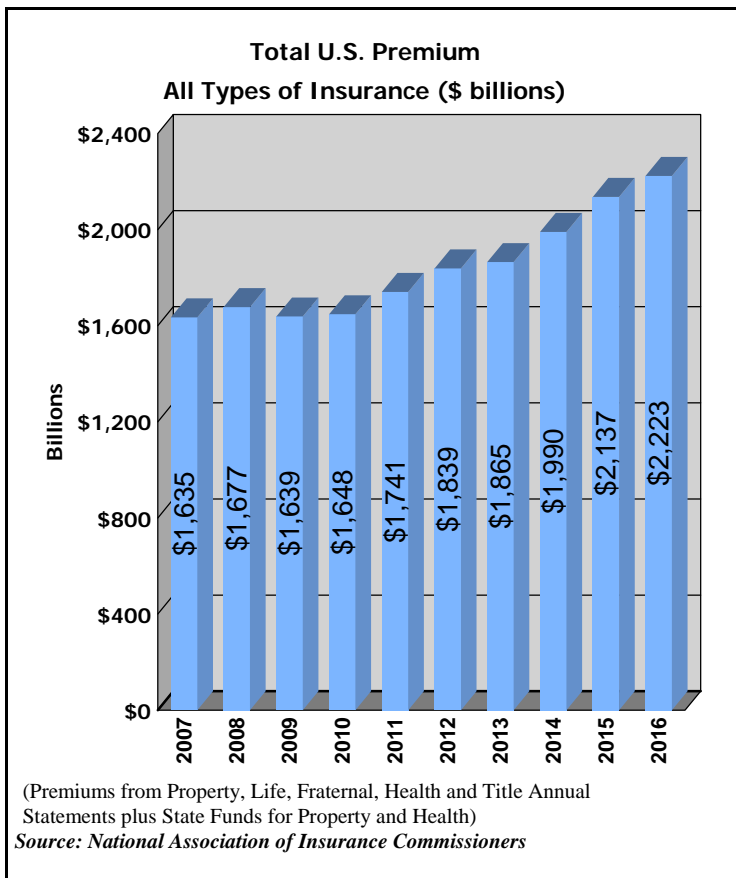
\*Figure is an estimate.  
**Source: US Department of Commerce, Bureau of Economic Analysis**

U.S. Financial Sector Employment			
	2014	2015	2016
<b>Insurance Carriers and Related Activities</b>	<b>2,186,611</b>	<b>2,261,125</b>	<b>2,293,506</b>
<u>Insurance Carriers</u>	1,181,661	1,187,203	1,185,510
Direct Life and Health Insurance Carriers	614,241	612,655	597,145
Direct Life Insurance Carriers	247,345	240,851	236,335
Direct Health and Medical Insurance Carriers	366,089	367,175	358,125
Direct Insurers (except Life and Health)	503,163	509,955	528,319
Direct Property and Casualty Insurers	465,246	471,352	480,504
Direct Title Insurance Carriers	54,766	56,232	59,811
Other Direct Insurance Carriers	10,012	11,832	11,913
Reinsurance Carriers	20,034	19,329	18,913
<u>Insurance Agencies and Brokerages</u>	1,004,960	1,073,922	1,107,998
Other Insurance Related Activities	295,470	308,904	323,390
Claims Adjusting	54,549	56,530	57,832
Third Party Administration of Insurance Funds	169,039	176,473	186,400
All Other Insurance Related Activities	71,875	75,123	78,375

**Source: U.S. Department of Labor, Bureau of Labor Statistics**



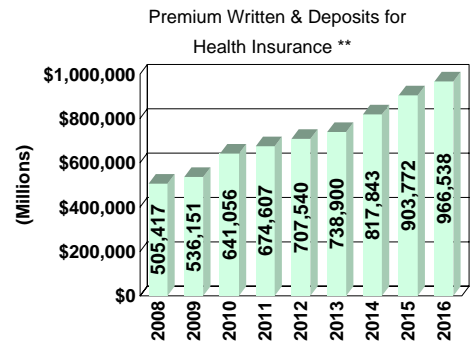
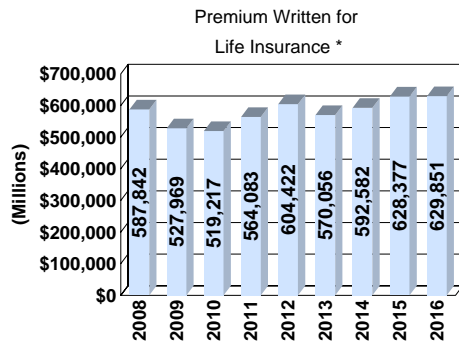
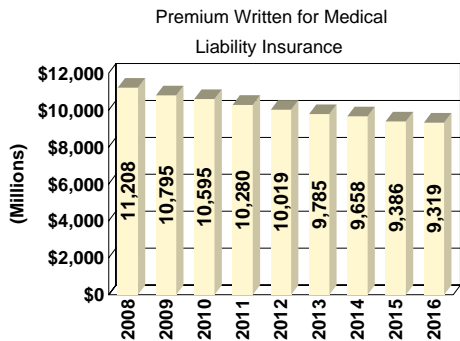
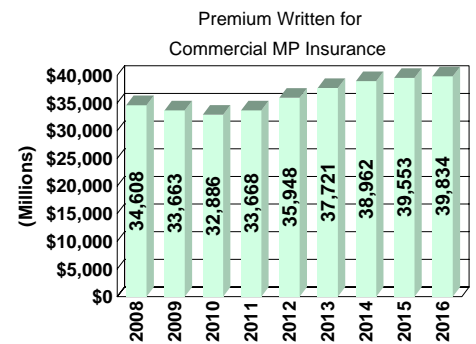
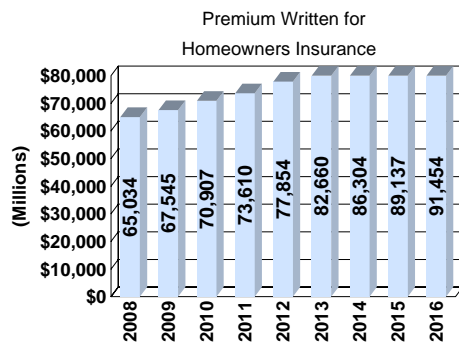
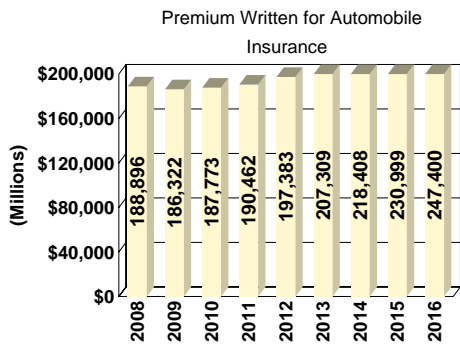
### OVERVIEW OF THE UNITED STATES INSURANCE MARKET 2016



#### U.S. Property & Casualty Premium by Line of Business

Line of Business	2015	2016
Accident & Health	5,731,621,205	6,138,475,521
Allied lines	12,440,894,615	11,707,643,699
Federal flood	2,869,911,417	2,875,091,353
Crop	953,362,225	1,046,269,607
Private Flood		376,130,254
Farm	13,631,209,251	13,178,508,305
Homeowners multiple peril	89,136,725,302	91,454,375,038
Commercial multi peril	39,552,611,646	39,833,821,713
Mortgage guaranty	4,868,941,507	4,931,684,510
Ocean & Inland Marine	23,146,763,185	23,937,773,042
Financial guaranty	442,849,479	418,811,522
Fire	12,321,786,569	12,108,088,477
Earthquake	2,277,880,872	2,232,793,166
Workers' compensation	61,676,532,689	62,229,091,734
Products liability	3,552,927,248	3,455,415,795
Automobile	230,999,108,714	247,400,239,984
Aircraft (all perils)	1,471,297,927	1,465,616,144
Fidelity	1,212,689,003	1,229,929,121
Surety	5,603,950,501	5,849,977,629
Burglary and theft	280,063,503	299,159,914
Boiler and machinery	1,624,546,756	1,575,763,191
Credit	1,690,885,701	1,788,777,122
Other	64,794,727,408	66,403,558,112
Medical professional liability	9,385,864,118	9,318,565,785
<b>Total</b>	<b>589,667,150,388</b>	<b>611,255,560,255</b>

Source: National Association of Insurance Commissioners  
(Premiums from Property Annual Statements plus State Funds)



\* Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

\*\* Figures includes Health data from the NAIC Health, Life, and Fraternal financial statements and California Insurance data.

Figures include data from State Funds where applicable.

**State Insurance Regulation: Key Facts and Market Trends**

*The primary goal of state regulation is to protect insurance consumers, while recognizing that consumers as well as companies are well served by efficient, market-oriented regulation of the business of insurance.*

**OVERVIEW OF THE UNITED STATES INSURANCE MARKET  
2016**

Data Year	U.S. Premiums by NAIC Financial Statement Type					Total
	Property & Casualty*	Life	Health**	Fraternal Organizations	Title	
2007	\$502,299,021,007	\$701,385,298,290	\$411,182,821,843	\$6,244,011,636	\$13,905,674,635	\$1,635,016,827,411
2008	\$490,607,632,320	\$733,223,936,545	\$436,133,320,961	\$7,651,600,468	\$9,784,308,716	\$1,677,400,799,010
2009	\$475,352,229,041	\$673,775,162,711	\$471,201,342,144	\$8,874,377,991	\$9,376,264,339	\$1,638,579,376,226
2010	\$475,087,530,842	\$667,917,139,633	\$485,478,978,203	\$10,056,997,119	\$9,322,927,851	\$1,647,863,573,648
2011	\$492,359,898,516	\$712,620,034,399	\$516,592,347,745	\$10,059,457,703	\$9,163,755,643	\$1,740,795,494,006
2012	\$515,045,289,525	\$755,487,272,271	\$546,782,291,690	\$10,309,568,435	\$11,129,648,863	\$1,838,754,070,784
2013	\$542,844,596,048	\$728,885,499,002	\$570,536,064,511	\$10,215,714,914	\$12,452,031,563	\$1,864,933,906,038
2014	\$567,105,061,580	\$737,379,318,019	\$664,352,095,084	\$10,458,718,577	\$11,060,055,329	\$1,990,355,248,589
2015	\$589,667,150,148	\$777,515,604,867	\$745,595,481,868	\$10,867,996,702	\$12,885,170,798	\$2,136,531,404,383
2016	\$611,255,560,248	\$785,304,466,301	\$801,866,140,592	\$11,028,741,281	\$14,030,332,178	\$2,223,485,240,600

\*Starting in 2004, Property/Casualty premiums include Supplemental State Funds.

\*\* Starting in 2007, Health premiums include data filed with the California Department of Insurance.

Source: National Association of Insurance Commissioners

**2016 U.S. Premiums by NAIC IDRR Premium Category**

Total	Life / Annuities	Property / Casualty	Health	Title	Risk Retention Group	All Other
\$2,179,683,006,085	\$665,419,560,827	\$576,289,257,002	\$914,600,755,171	\$13,452,734,784	\$2,599,703,889	\$7,320,994,412

Source: NAIC Insurance Department Resources Report

**2016 U.S. Insurance Industry Information**

Domestic Premium	Num of Domestic	Domestic Mean Premium	Captive Premium	Num of Captives	Captive Mean Premium
\$2,179,683,006,085	5,977	\$364,678,435	\$27,345,938,361	3,865	\$7,075,275

Source: NAIC Insurance Department Resources Report

**2016 U.S. Insurance Department Information for All States**

Total Revenue	Total State Tax Revenue	Total Budget	Total Employment	Consumer Inquiries	Consumer Complaints
\$23,390,871,852	\$19,239,287,235	\$1,430,721,325	11,209	1,878,753	305,420

Source: NAIC Insurance Department Resources Report

### Overview of the 2016 Insurance Market In Texas

Number of Insurance Companies in Texas		
Type	Number	State Rank
Domestic	401	3
Total Domestic and Licensed Foreign Insurers	1,947	2
<i>Captives not included.</i>		
<i>Source: NAIC Insurance Department Resources Report</i>		

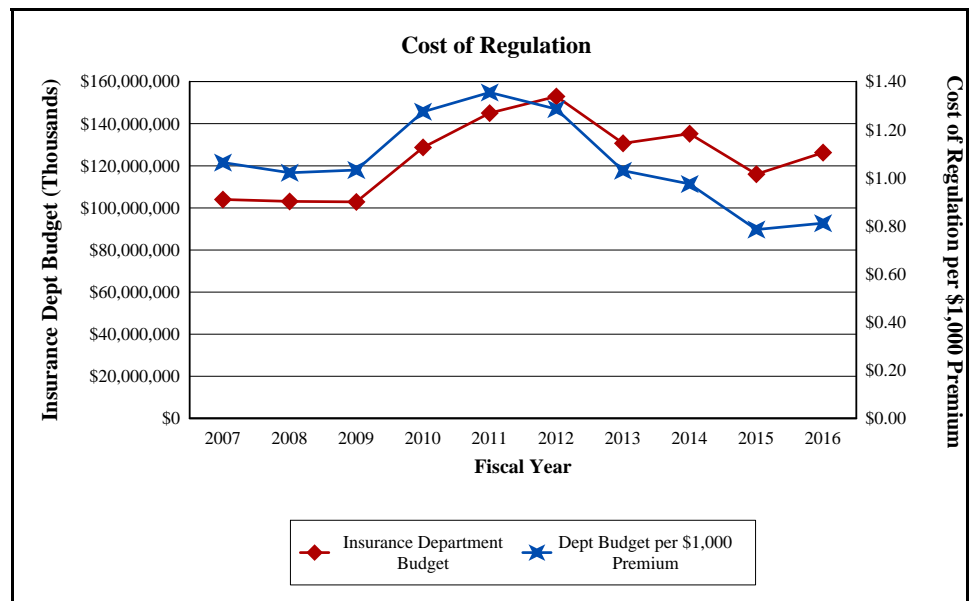
Captive Insurance Companies in Texas		
Number of Captives	Direct Written Premium	Total Captive Premium
32	\$1,734,340,611	\$3,842,133,448
<i>Source: NAIC Insurance Department Resources Report</i>		

Insurance Department Data for Texas			
Description	Amount	State Rank	% of U.S.
Total Taxes:	\$2,088,987,910	2	10.86%
Total Revenue:	\$2,389,957,307	2	10.22%
Total Budget:	\$126,275,111	3	8.83%
Total Employment:	1,526	1	13.61%
Total Inquiries:	155,971	3	8.30%
Total Complaints:	26,122	3	8.55%
<i>Source: NAIC Insurance Department Resources Report</i>			

Premiums & Deposits by Type of Annual Statement Filing in Texas			
Statement Type	Premium Written	State Rank	% of U.S.
Fraternal	\$636,533,921	4	5.77%
Health	\$50,706,060,902	3	6.32%
Life, Accident, and Health	\$51,151,020,254	4	6.51%
Property and Casualty	\$51,075,136,413	2	8.36%
Title	\$2,044,786,733	1	14.57%
<b>Total Texas</b>	<b>\$155,613,538,223</b>	<b>3</b>	<b>7.00%</b>
<i>Source: National Association of Insurance Commissioners</i>			

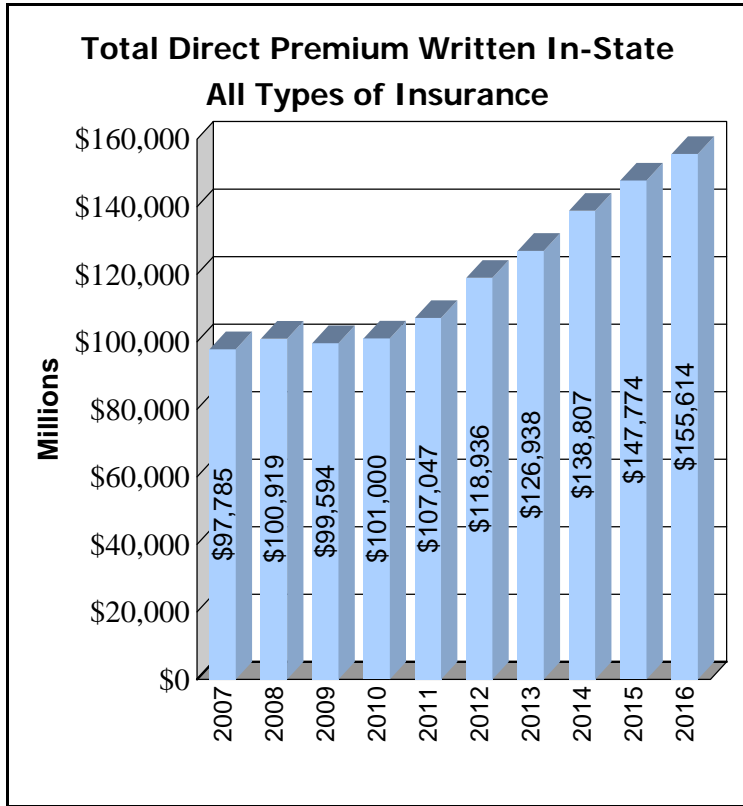
IDRR Premiums by Category in Texas			
Category Type	Premiums	State Rank	% of U.S.
Property and Casualty	\$46,412,371,344	2	8.05%
Life/Annuities	\$34,453,285,179	5	5.18%
Risk Retention Group	\$114,527,786	5	4.41%
All Other	\$4,506,005	13	0.06%
Title	\$2,044,786,733	1	15.20%
Health	\$68,861,845,937	2	7.53%
<b>Total</b>	<b>\$151,891,322,984</b>	<b>3</b>	<b>6.97%</b>
<i>Source: NAIC Insurance Department Resources Report</i>			

Cost of Regulation in Texas		
Year	Insurance Department Budget	Dept. Budget Per \$1,000 Premium
2007	\$103,985,963	\$1.06
2008	\$103,054,280	\$1.02
2009	\$102,826,916	\$1.03
2010	\$128,740,869	\$1.27
2011	\$145,030,359	\$1.35
2012	\$152,936,537	\$1.29
2013	\$130,686,050	\$1.03
2014	\$135,249,434	\$0.97
2015	\$116,007,008	\$0.79
2016	\$126,275,111	\$0.81
<i>Source: NAIC Insurance Department Resources Report</i>		





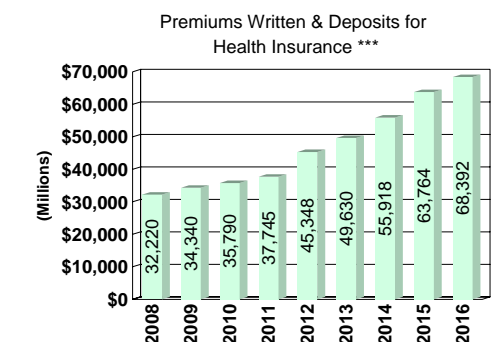
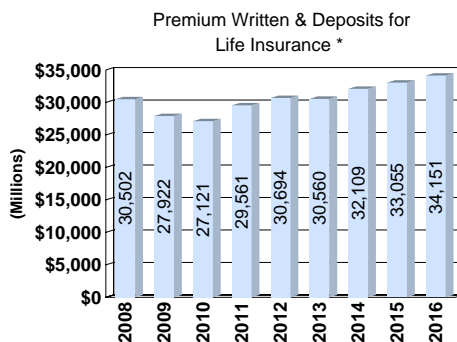
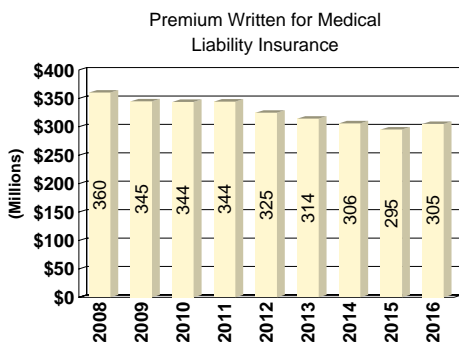
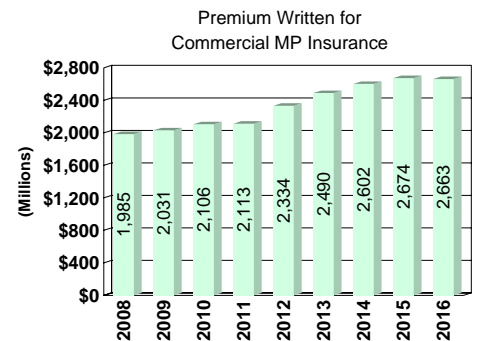
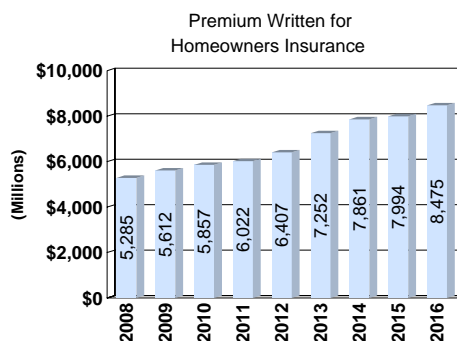
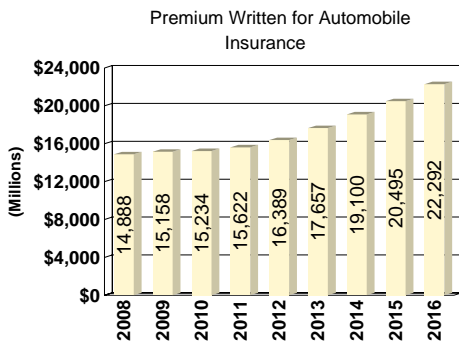
### Overview of the 2016 Insurance Market In Texas



Source: National Association of Insurance Commissioners.

Line of Business	Premium Written	State Rank	% of U.S.
Automobile	\$22,291,782,960	2	9.01%
Homeowners multiple peril	\$8,474,798,903	2	9.27%
Other	\$5,374,228,575	4	8.09%
Commercial multi peril	\$2,662,647,230	3	6.68%
Workers' compensation	\$2,364,886,588	7	3.80%
Ocean & Inland Marine	\$2,309,874,542	2	9.65%
Allied lines	\$1,755,449,893	2	14.99%
Fire	\$1,589,847,238	1	13.13%
Farm	\$1,090,642,310	1	8.28%
Surety	\$563,079,561	2	9.63%
Accident & Health	\$540,268,519	2	0.32%
Mortgage guaranty	\$387,031,410	2	7.85%
Medical professional liability	\$305,093,420	8	3.27%
Federal flood	\$293,116,890	2	10.20%
Products liability	\$274,193,601	3	7.94%
Credit	\$267,640,757	1	14.96%
Aircraft (all perils)	\$162,212,600	1	11.07%
Boiler and machinery	\$128,337,196	2	8.14%
Fidelity	\$76,894,770	3	6.25%
Crop	\$63,586,640	6	6.08%
Private Flood	\$31,771,120	3	8.45%
Earthquake	\$27,834,865	15	1.25%
Burglary and theft	\$25,414,489	3	8.50%
Financial guaranty	\$14,502,350	6	3.46%
<b>Total</b>	<b>\$51,075,136,418</b>	<b>2</b>	<b>6.58%</b>

Source: National Association of Insurance Commissioners



\* Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

\*\* Figures include Health data from the NAIC Health, Life, and Fraternal financial statements and California Insurance data.

Figures include data from State Funds where applicable.

Overview of the 2016 Insurance Market In Texas

Year	Insurance Carriers and Related Activities	Insurance Carriers	Agents Brokers and Other Related Activities
2009	151,336	80,589	70,747
2010	149,896	78,583	71,313
2011	150,983	78,767	72,216
2012	155,025	79,427	75,598
2013	163,892	83,217	80,675
2014	172,701	87,024	85,678
2015	183,555	88,171	95,384
2016	189,253	87,230	102,023

Source: US Department of Labor, Bureau of Labor Statistics

	2013	2014	2015	2016
Funds, trusts, and other financial vehicles	\$3,798	\$4,060	\$4,041	N/A
Insurance carriers and related activities	\$27,490	\$31,829	\$33,904	N/A
Securities, commodity contracts, and investments	\$11,411	\$11,696	\$12,258	N/A
Federal Reserve banks, credit intermediation, and related services	\$29,882	\$30,289	\$32,234	N/A
<b>Finance and insurance</b>	<b>\$72,582</b>	<b>\$77,874</b>	<b>\$82,437</b>	<b>\$87,115</b>

Note: 2015 figure is an estimate.  
Source: US Department of Commerce, Bureau of Economic Analysis

