

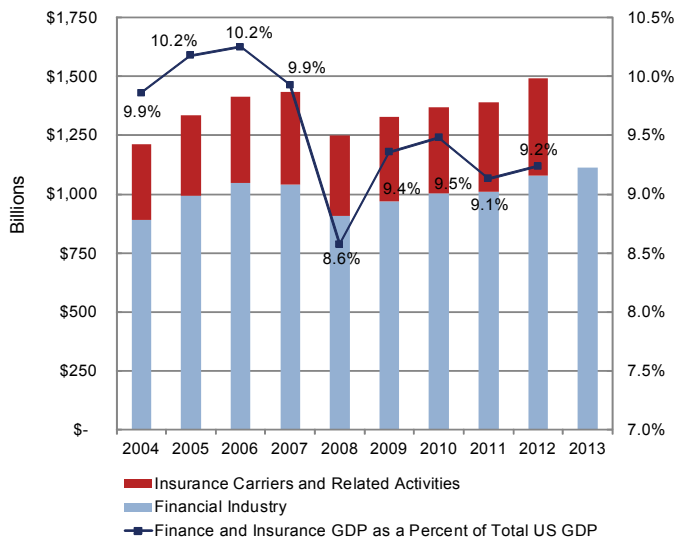
By Jennifer Gardner, NAIC Research Analyst II

In this issue, we are pleased to feature an analysis of insurance-related gross domestic product (GDP) and insurance employment trends, as well as revenue and budgetary statistics for state insurance departments. The data was derived from statistical data that the NAIC collected from state insurance departments, and it is available on the NAIC Center for Insurance Policy and Research (CIPR) website.<sup>1</sup> Employment and GDP data was derived from the U.S. Department of Labor Bureau of Labor Statistics (BLS) and the U.S. Department of Commerce Bureau of Economic Analysis (BEA), respectively.

The finance and insurance industry plays an integral role in the U.S. economy, making up 8%–10% of the total GDP in the United States (Figure 1). GDP attributed to the finance and insurance industry reached a peak of 10.25% of the U.S. economy in 2006, according to the 2013 update of annual figures that the BEA published. Insurance alone accounts for roughly 3% of total GDP. Figure 2 shows that for the years 2004–2013, insurance premiums made up 10%–12% of total U.S. GDP, although this measurement is not a true representation of the industry’s contribution of added value.

After several years of employment losses, total non-farm employment improved significantly in 2012 and 2013. At year-end 2013, total non-farm employment reached 138 billion, within 1% of the pre-recession total. Trend data

**FIGURE 1: FINANCE AND INSURANCE-RELATED GDP COMPARED TO TOTAL U.S. GDP\***

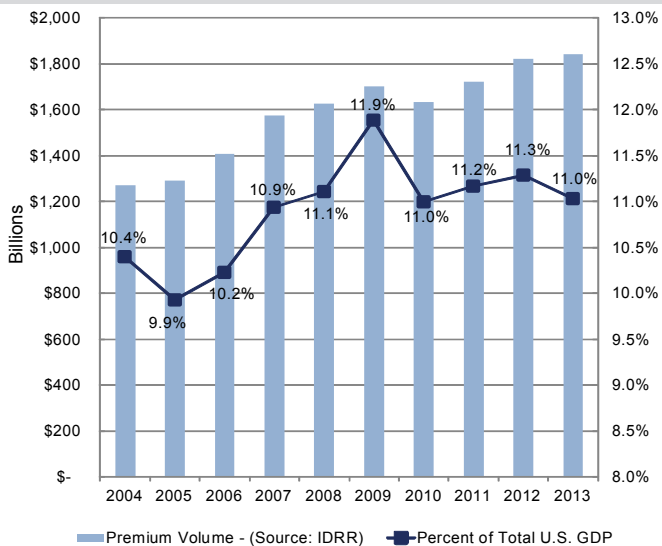


\* 2013 data is not available for insurance and related activities.  
Source: Bureau of Economic Analysis.

shows that the percentage of insurance employment relative to total non-farm employment remained near 1.7% in 2006 and has lingered near 1.6% since the beginning of the 2007–2008 global financial crisis (Figure 3.) According to the BLS estimates based on the Census of Employment and Wages statistics, employment hit pre-recession levels in May 2014.

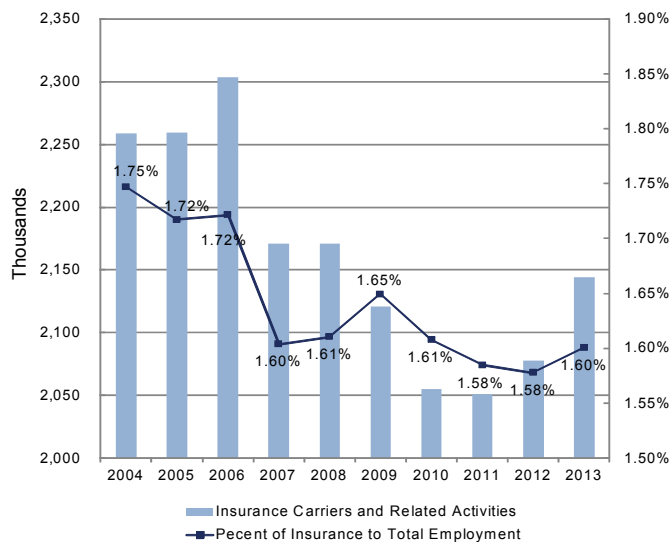
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**FIGURE 2: PREMIUM VOLUME COMPARED TO TOTAL U.S. GDP**



Sources: NAIC Insurance Department Resources Report (IDRR) and Bureau of Economic Analysis.

**FIGURE 3: INSURANCE INDUSTRY EMPLOYMENT COMPARED TO TOTAL NONFARM EMPLOYMENT**



Sources: NAIC Scorecard and Bureau of Labor Statistics.

## DATA AT A GLANCE (CONTINUED)

Due to the recent economic downturn, state insurance departments, much like the private sector, have been forced to operate more efficiently and on a tightened budget. Figures 4 and 5 show that total revenues and budgets, as reported by all state insurance departments, have marginally increased over the prior 10 years. Budgets climbed for all states from 2006 to 2009, fell in 2010, increased slightly in 2011 and 2012, and remained level in 2013.

The NAIC publishes statistical data collected from insurance departments in each of the 56 jurisdictions. Data relative to employment, revenue, budgets, GDP and historical premiums per line for each state or territory, as well as national statistics, can be found at: [www.naic.org/cipr\\_statistics.htm](http://www.naic.org/cipr_statistics.htm).

This report also includes information found in the Insurance Department Resources Report (IDRR), which is available for purchase on the following webpage: [www.naic.org/store\\_pub\\_naic\\_state.htm#dept\\_resources](http://www.naic.org/store_pub_naic_state.htm#dept_resources).

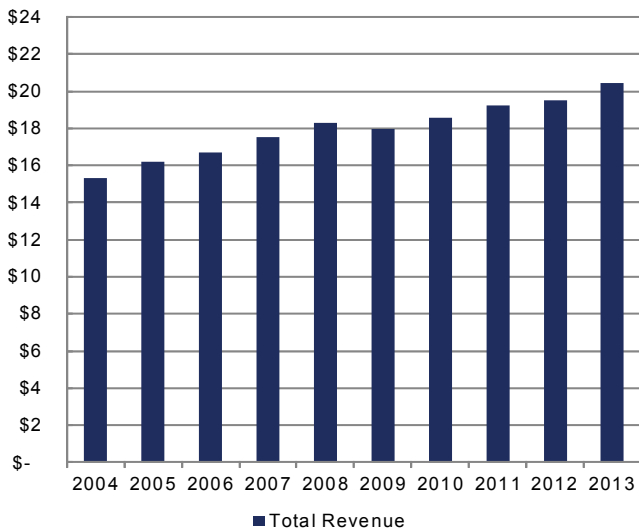
For additional information regarding this data, please contact a member of the Research and Actuarial Department staff. Additional information can be found at: [www.naic.org/research\\_actuarial\\_dept.htm](http://www.naic.org/research_actuarial_dept.htm).

### ABOUT THE AUTHOR



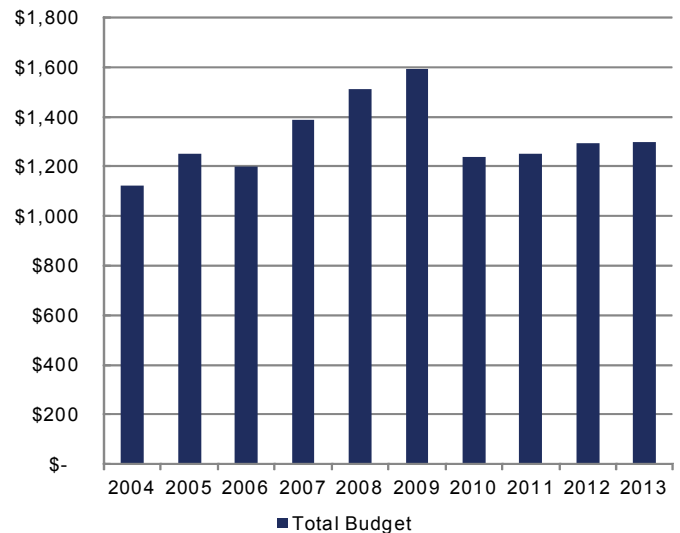
*Jennifer Gardner is a research analyst with the NAIC. Jennifer joined the organization in 2011. She conducts economic and statistical research for the NAIC and its members. She is responsible for publishing statistical and market share reports, provides support for numerous NAIC working groups and assists the state insurance departments in data collection related to catastrophe. Jennifer earned a bachelor's degree in business administration with an emphasis in finance from the University of Missouri-Kansas City. Prior to joining the NAIC Research and Actuarial Department, Jennifer worked on the State Based Systems (SBS) products and services within the NAIC.*

**FIGURE 4: REVENUE—ALL STATE/TERRITORY INSURANCE DEPARTMENTS (\$ BILLIONS)**



Source: NAIC Insurance Department Resources Report.

**FIGURE 5: BUDGET—ALL STATE/TERRITORY INSURANCE DEPARTMENT (\$ MILLIONS)**



Source: NAIC Insurance Department Resources Report.



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