



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
2017**

Five Largest Insurance Groups in the U.S. by Direct Premium Written		
Insurance Group	Direct Premium Written*	% of Total Premium
UNITEDHEALTH GRP	\$139,027,782,724	6.50%
METROPOLITAN GRP	\$103,526,895,273	4.84%
STATE FARM IL	\$69,890,580,387	3.27%
ANTHEM INC GRP	\$64,672,643,767	3.02%
HUMANA INC	\$53,570,116,149	2.50%
Top 5 Total	\$430,688,018,300	

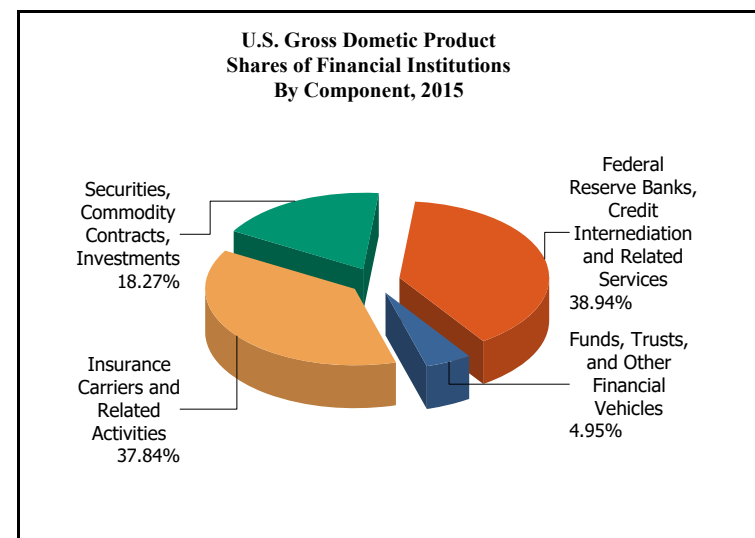
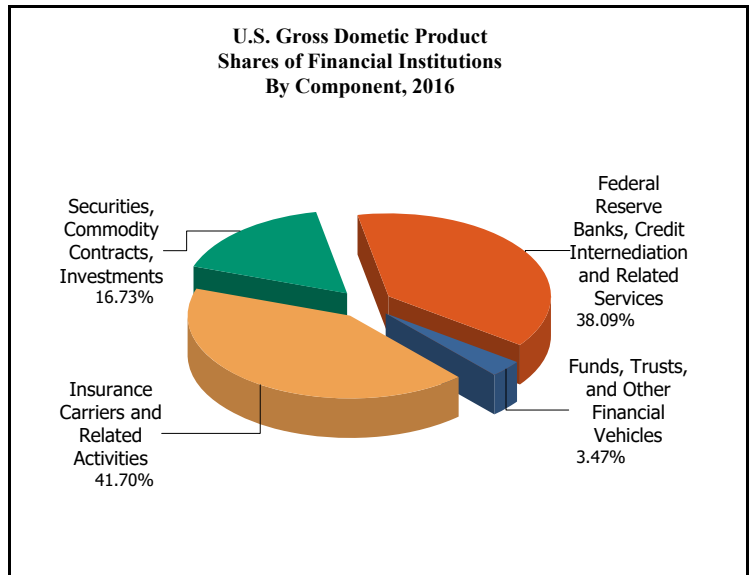
*Includes Deposit Type Funds and premium written in U.S. territories from Property, Life, Fraternal, Title, and Health Annual Statements.
Source: National Association of Insurance Commissioners

U.S. Gross Domestic Product (Millions)		
	2016	2017
Funds, trusts, and other financial vehicles	48,762	N/A
Insurance carriers and related activities	585,919	N/A
Securities, commodity contracts, and other financial investments and related activities	235,080	N/A
Monetary Authorities- central bank, credit intermediation, and related services	535,167	N/A
Finance and insurance	1,404,928	1,453,987

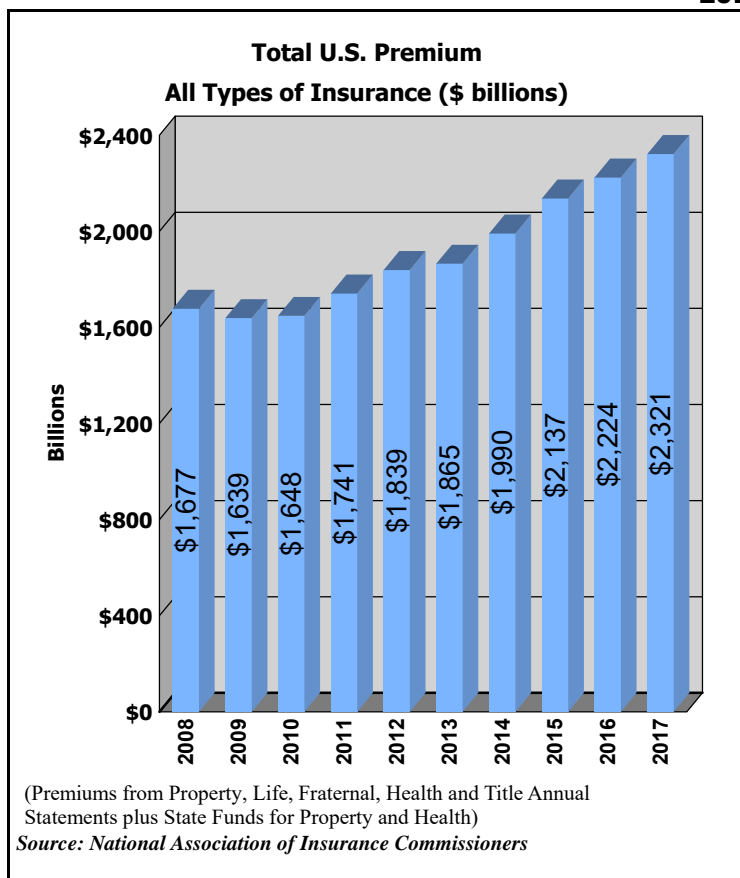
*Figure is an estimate.
Source: US Department of Commerce, Bureau of Economic Analysis

U.S. Financial Sector Employment			
	2015	2016	2017
Insurance Carriers and Related Activities	2,261,125	2,293,506	2,327,344
<u>Insurance Carriers</u>	1,187,203	1,185,510	1,186,017
Direct Life and Health Insurance Carriers	612,655	597,145	605,681
Direct Life Insurance Carriers	240,851	236,339	232,804
Direct Health and Medical Insurance Carriers	367,175	358,129	370,539
Direct Insurers (except Life and Health)	509,955	528,319	517,764
Direct Property and Casualty Insurers	471,352	480,504	467,724
Direct Title Insurance Carriers	56,232	59,811	61,713
Other Direct Insurance Carriers	11,832	11,913	12,835
Reinsurance Carriers	19,329	18,913	20,398
<u>Insurance Agencies and Brokerages</u>	1,073,922	1,107,998	1,141,323
Other Insurance Related Activities	308,904	323,390	333,588
Claims Adjusting	56,530	57,832	61,917
Third Party Administration of Insurance Funds	176,473	186,400	189,660
All Other Insurance Related Activities	75,123	78,375	81,219

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



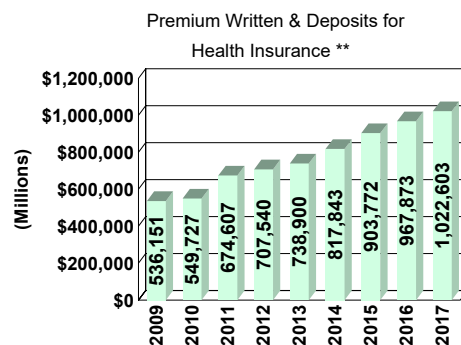
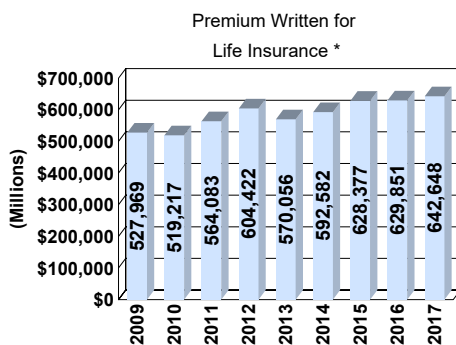
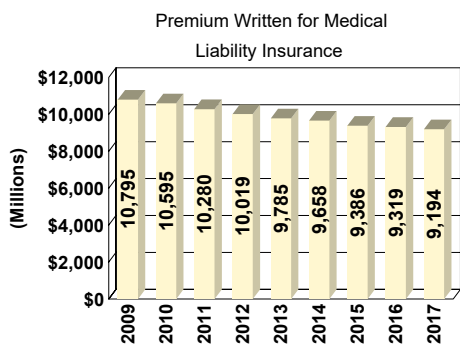
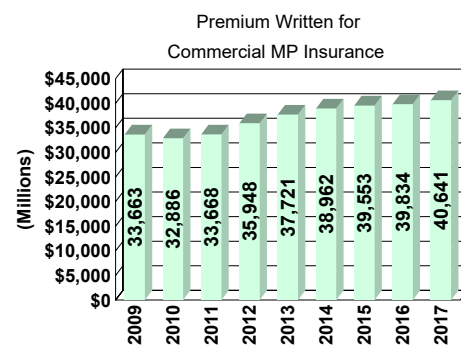
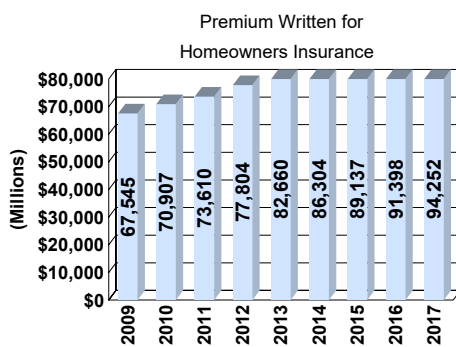
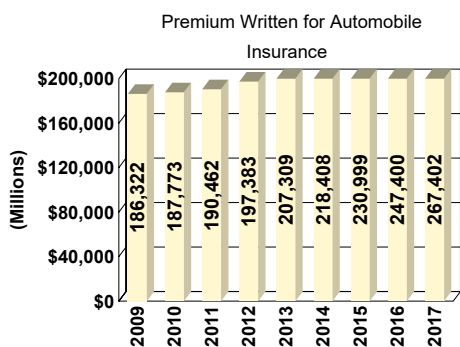
OVERVIEW OF THE UNITED STATES INSURANCE MARKET 2017



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

Line of Business	2016	2017
Accident & Health	6,138,475,521	6,716,457,578
Allied lines	11,704,896,213	11,384,841,806
Federal flood	2,875,091,353	2,859,035,503
Crop	1,046,269,607	1,021,662,472
Private Flood	376,130,254	589,147,189
Farm	13,178,508,305	14,096,284,786
Homeowners multiple peril	91,398,244,366	94,252,308,949
Commercial multi peril	39,833,821,713	40,641,023,237
Mortgage guaranty	4,931,684,510	5,009,568,936
Ocean & Inland Marine	23,937,773,042	25,297,999,441
Financial guaranty	418,811,522	397,115,385
Fire	12,107,264,484	11,689,651,303
Earthquake	2,232,750,410	2,281,723,217
Workers' compensation	62,229,091,734	61,837,487,936
Products liability	3,455,415,795	3,568,151,001
Automobile	247,400,239,984	267,402,051,200
Aircraft (all perils)	1,465,616,144	1,505,401,266
Fidelity	1,229,929,121	1,216,251,452
Surety	5,849,977,629	6,169,836,019
Burglary and theft	299,159,914	330,881,283
Boiler and machinery	1,575,763,191	1,517,530,379
Credit	1,788,777,122	1,791,619,032
Other	66,403,470,976	69,058,385,985
Medical professional liability	9,318,565,785	9,194,005,937
Total	611,195,728,214	639,828,420,802

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

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**OVERVIEW OF THE UNITED STATES INSURANCE MARKET
2017**

Data Year	U.S. Premiums by NAIC Financial Statement Type					Total
	Property & Casualty*	Life	Health**	Fraternal Organizations	Title	
2008	\$490,602,917,951	\$733,213,101,712	\$436,130,333,622	\$7,651,598,471	\$9,783,880,504	\$1,677,381,832,260
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	\$667,917,139,663	\$485,414,378,569	\$10,056,997,128	\$9,322,927,851	\$1,647,798,974,053
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	\$737,379,318,021	\$664,352,095,084	\$10,458,718,577	\$11,060,055,329	\$1,990,355,248,591
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	\$611,195,728,207	\$785,304,558,898	\$802,132,938,184	\$11,028,741,281	\$14,030,332,178	\$2,223,692,298,748
2017	\$639,828,420,771	\$810,078,860,010	\$846,743,636,809	\$10,222,142,527	\$14,506,091,538	\$2,321,379,151,655

*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

2017 U.S. Premiums by NAIC IDRR Premium Category						
Total	Life / Annuities	Property / Casualty	Health	Title	Risk Retention Group	All Other
\$2,296,874,269,673	\$683,210,383,036	\$602,269,772,937	\$988,088,658,357	\$13,946,663,915	\$2,744,595,082	\$6,614,196,346

Source: NAIC Insurance Department Resources Report

2017 U.S. Insurance Industry Information					
Domestic Premium	Num of Domestic	Domestic Mean Premium	Captive Premium	Num of Captives	Captive Mean Premium
\$2,296,874,269,673	5,954	\$385,769,948	\$21,605,989,720	4,367	\$4,947,559

Source: NAIC Insurance Department Resources Report

2017 U.S. Insurance Department Information for All States					
Total Revenue	Total State Tax Revenue	Total Budget	Total Employment	Consumer Inquiries	Consumer Complaints
\$23,881,921,432	\$19,882,406,144	\$1,406,028,000	10,963	1,727,317	290,813

Source: NAIC Insurance Department Resources Report