

# Wisconsin's Insurance Industry

**Wisconsin's insurance industries are a very important component of the local, state, and national economies.** The industry consists of 366 domestic carriers in addition to agents & brokers (2003). A **major employer**, the industry group is Wisconsin's 11th largest with average monthly employment of 62,088 ('03). The industry is also **well paying** at an average, annual wage of \$49,996 ('03). Forecast to continue to be a major economic **growth component** in the state, the industry will add 6,590 new jobs by 2012. A **national leader**, the Wisconsin insurance industry represents the 6<sup>th</sup> largest concentration of insurers in the U.S. In economic terms, an export-base industry, the Wisconsin insurance industry cluster produces nationwide goods and services and brings in **new dollars** (exports) in support of Wisconsin and Wisconsin's local economies.

## Insurance Industries are Important

Bringing in new dollars to the state in the form of nationwide **premiums** – insurance (location quotient (L.Q.) = 1.6) is an export-base industry (L.Q. > 1) and a **Wisconsin growth engine**. These new dollars grow the insurance carriers and pay wages & salaries to their employees. This personal income is the dollars, which are the fuel for local economies. Without this fuel, local economies would stop running.

In 2003, Wisconsin insurance companies earned over **\$50 billion** in nationwide premiums. This compares to all WI manufacturing, which had sales of approximately \$126.5 billion in '01.

## Industry Leaders

National insurance industry leaders are located throughout Wisconsin:

Whole Life – Northwestern Mutual life, Milwaukee  
 Jewelry Store – Jewelers Mutual, Neenah  
 Church Insurance – Church Mutual, Merrill  
 Credit Union – CUNA Mutual, Madison  
 Financial Insurance – Thrivent Financial, Appleton  
 Mortgage Insurance – MGIC, Milwaukee

## Other Major Wisconsin Employers

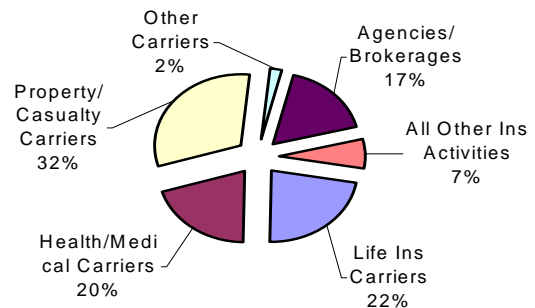
American Family Mutual Insurance, Madison  
 Employers Insurance Co. of Wausau, Wausau  
 Fortis Health, Milwaukee  
 General Casualty Co. of WI, Sun Prairie  
 Humana Insurance Co., Green Bay  
 IDS Property Casualty,  
 Liberty Mutual Insurance Co.,  
 Sentry Insurance Group, Stevens Point  
 United Healthcare Services  
 WI Physicians Services, Madison

## Insurance Industry Components

**Total personal income** is often used to measure the size of an economy. The pie depicts the total wages (earnings) paid by components of the insurance industry.

The pie analogy is appropriate – this is the economic pie from which people slice their livelihoods.

**WI Insurance Industry Composition - 2003**  
 (Based on Annual Earnings- \$3,945,803,000)

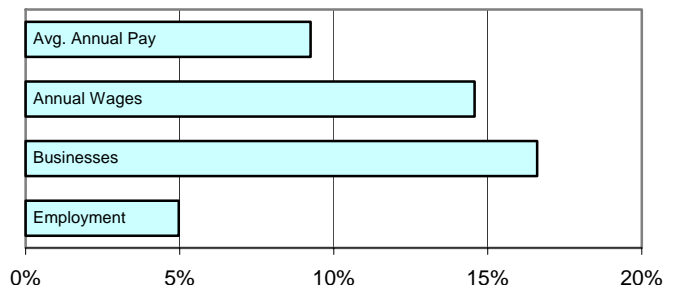


**Property and casualty insurance carriers** comprise almost **one-third** (32%) of Wisconsin's insurance industry. Health/medical insurance is 28% and life insurance is 22%.

## Property & Casualty Insurance Growth

In spite of the recession, property and casualty insurance carriers in Wisconsin have **continued to grow**. Employment is up 5%, total wages paid is up by 15% and average annual pay has grown by 9%.

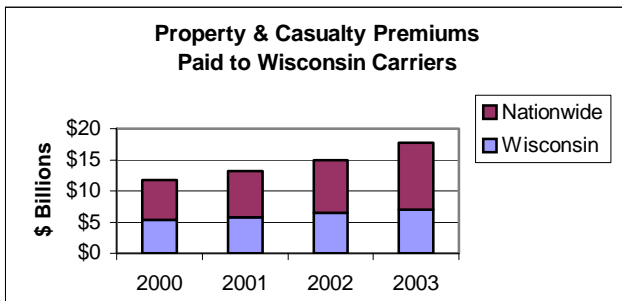
**WI Property & Casualty Insurance Growth 2001 - 2003**



## Property & Casualty Insurance Importance

The property & casualty cluster of carriers in Wisconsin demonstrates even more of a **competitive advantage** than the industry as a whole, with a location quotient of 1.7. As a result, Wisconsin consumers enjoy the **lowest homeowners and renters' insurance premiums** and only ten states have **lower average automotive insurance premiums** in the country.

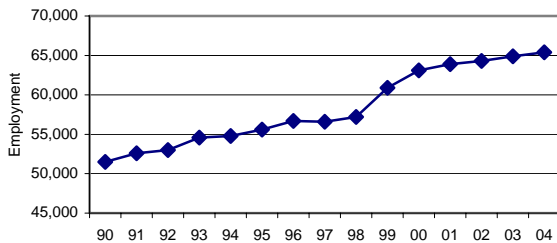
Also, nationwide premiums paid to Wisconsin-based carriers return more than **twice as many new dollars** to the state in **support of economic growth** as from Wisconsin premiums.



## Wisconsin's Insurance Industry is Growing

Wisconsin's insurance industry cluster has added over **10,000 new jobs** since 1990.

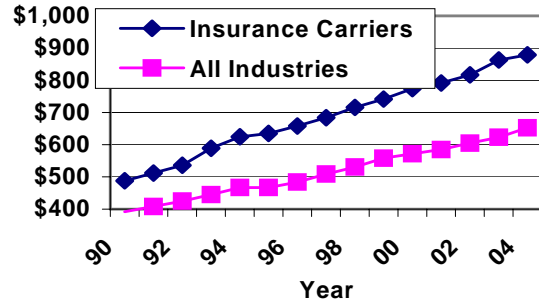
Total Employment  
Wisconsin Insurance Carriers  
and Related Activities



## Compared to Other Sectors

Wisconsin's insurance industry creates **high paying jobs** - average weekly wages paid by insurance carriers are 35% higher than the average for all industries.

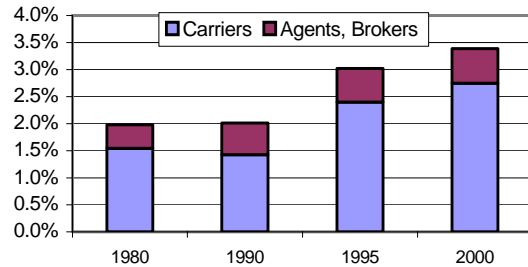
Wisconsin Insurance Carriers  
Average Weekly Earnings



## Percent of Gross State Product

Taken as a whole, the insurance industry contributes about **3.4% of the total value of goods and services** produced in Wisconsin (2000) and this amount has grown over the last two decades.

Insurance Industry as a Component of Gross State Product



The Wisconsin insurance industry, especially the property and casualty segment of the industry, is growing and is producing positive economic development benefits for Wisconsin citizens.

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