

# Wisconsin's Insurance Industry

The Wisconsin insurance industry is a very important component of local, state and national economies. The industry consists of 377 domestic carriers in addition to agents & brokers (2005). A **major employer**, the industry group is Wisconsin's 11th largest with average monthly employment of 63,631 ('05). The industry is also **well paying** at an average, annual wage of \$51,267 ('04). Forecasted to continue to be a major economic **growth component** in the state, the industry will add 8,080 new jobs by 2014. 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. For 2005, the insurance industry will contribute almost \$150 million in premium taxes and fees to Wisconsin's general fund and an estimated \$189 million in income tax on insurance wages.

## Insurance Industries are Important

Bringing in new dollars to the state in the form of nationwide **premiums** – insurance (location quotient (L.Q.) = 1.4) 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 2004, Wisconsin insurance companies had approximately **\$52.5 billion** in nationwide premiums. This compares to all WI manufacturing, which had sales of approximately \$135.7 billion in '04.

## 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  
Fraternal Insurance – Thrivent Financial, Appleton  
Mortgage Insurance – MGIC, Milwaukee

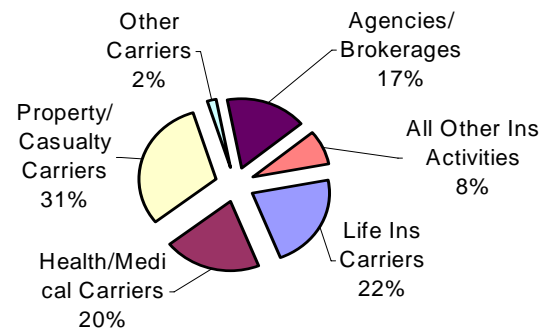
## Other Major Headquarter Companies

Acuity, A Mutual Insurance Co., Sheboygan  
American Family Mutual Insurance, Madison  
Blue Cross Blue Shield of Wisconsin, Milwaukee  
Capital Indemnity Corporation, Madison  
Employers Insurance Co. of Wausau, Wausau  
Fortis Insurance Corp., Milwaukee  
General Casualty Co. of WI, Sun Prairie  
IDS Property Casualty, Green Bay  
Liberty Mutual Fire Insurance Co., Wausau  
National Guardian Life, Madison  
Sentry Insurance Group, Stevens Point  
United Wisconsin Life Insurance, Green Bay  
West Bend Mutual Insurance Co., West Bend  
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 - 2004**  
(Based on Annual Earnings - \$3,162,270,900)



**Property and casualty insurance carriers** comprise almost **one-third** (31%) of **Wisconsin's insurance industry**. Health/medical insurance is 20% and life insurance is 22%.

## 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 **2<sup>nd</sup> lowest homeowners and renters' insurance premiums** and only eight states have **lower average automotive insurance premiums** in the country.

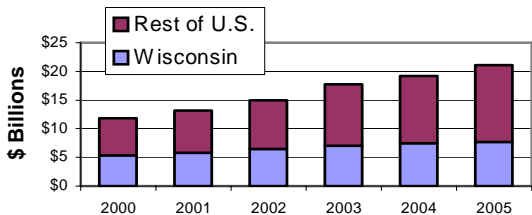
Recently called a "workers comp utopia," Wisconsin has a **renowned workers compensation system**. With management,

labor and insurance company cooperation, it provides **reasonable premiums** (ranked 19<sup>th</sup> lowest) with **benefits flowing directly to employees** (little litigation - fourth lowest average case costs).

Wisconsin is the home to numerous top insurance companies, including approximately 65 of which have received at least an "A-" (Excellent or Superior) financial strength rating by the A.M Best Company. In addition, 6 of Wisconsin's domiciled insurers have been named to the prestigious "Ward Top 50" list of the "best run" property-casualty insurance companies in the United States.

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.

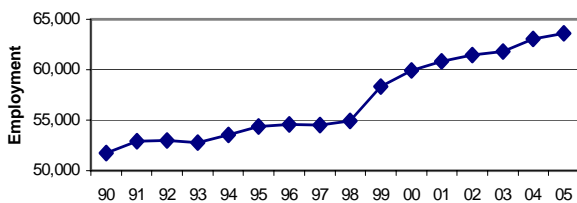
**Property & Casualty Premiums Paid to Wisconsin Carriers**



**Wisconsin's Insurance Industry is Growing**

Wisconsin's insurance industry cluster has added almost **12,000 new jobs** since 1990. These are quality jobs. The insurance industry ranked 7<sup>th</sup> among all Wisconsin industries in creating stable jobs during the last year.

**Total Wisconsin Employment Insurance Carriers & and Related Activities**

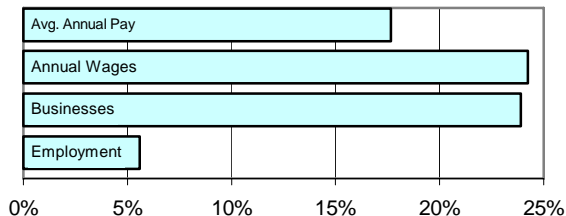


**Eleven of Wisconsin's 72 counties** have insurance industry employment of more than 1,000; two of these have more than 5,000 jobs and two have more than 15,000 jobs each.

**Property & Casualty Insurance Growth**

Property and casualty insurance in Wisconsin has **continued to grow**. Employment is up 5.6%, total wages paid is up 24% and average annual pay has grown by 18%, since 2001.

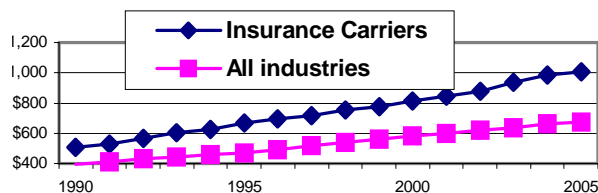
**WI Property & Casualty Insurance Growth 2001 - 2005**



**Compared to Other Sectors**

Wisconsin's insurance industry creates **high paying jobs** - average weekly wages paid by insurance carriers are almost 50% higher than the average for all industries.

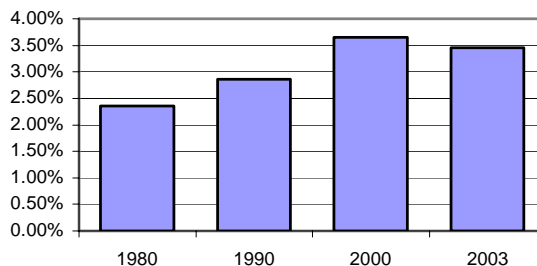
**WI Average Weekly Wages**



**Percent of Gross State Product**

Taken as a whole, the insurance industry contributes about **3.5% of the total value** of goods and services produced in Wisconsin (2003) and this share of the economy has grown by 42% over the last two decades.

**Insurance Industry as 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.

**Wisconsin Insurance Alliance**

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