

## More Than Just An Insurance Provider



The insurance industry in Texas provides a variety of services vital to residents, the state economy and local and state governments. By providing insurance for residents, insurers permit Texans to afford the financial and personal risks which accompany every day life and ownership of any form of property. In addition to providing a financial safety net for Texas families and businesses, insurers also generate employment opportunities for thousands of residents and pay taxes which help run state and local governments.

### Sources

- <sup>1</sup> "Texas Publication State Chart Page,"  
The Insurance Information Institute, [www.iii.org](http://www.iii.org)
- <sup>2</sup> "State Insurance Profiles,"  
The American Insurance Association, [www.aiadc.org](http://www.aiadc.org)
- <sup>3</sup> "The Insurance Fact Book 2009," Insurance Information  
Institute, New York, 2009.
- <sup>4</sup> U.S. Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov)
- <sup>5</sup> Texas Department of Insurance, [www.tdi.tx.us](http://www.tdi.tx.us)



## The Insurance Council of Texas

The Insurance Council of Texas (ICT) is a multi-purpose, non-profit trade association of more than 500 Property/Casualty insurers authorized to write policies in Texas. It was created when the Texas Insurance Advisory Association and the Texas Automobile Insurance Service Office merged on Sept. 1, 1996.

The merger of these organizations created a stronger, more unified and efficient trade association through which insurers can collectively represent their interests in the regulatory process. Membership in ICT allows companies to play a role in determining policies through public hearings and informal meetings with the Texas Department of Insurance.



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INSURANCE COUNCIL OF TEXAS

## THE ECONOMIC IMPACT



## The Property/Casualty Insurance Industry in Texas



## The Texas Insurance Industry

The insurance industry in Texas provides services vital to the state and its residents. Insurers enable residents to afford the risk of owning property and carrying out daily tasks. They also promote the state's economic and community development. Texas insurance companies provide employment and compensation to thousands of Texans, pay taxes on premiums, purchase municipal bonds and reimburse insured losses.

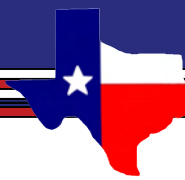


## Major Employer in Texas

In 2007, the insurance industry employed 217,823 residents, including people who worked for insurance carriers, agencies, and brokerages.<sup>1</sup> P/C insurers alone employed 38,400 people in the state.<sup>2</sup> The insurance industry as a whole paid \$12.2 billion in wages and salaries to employees.<sup>1</sup>

## State Taxpayer

Insurance companies in Texas pay a variety of state and local taxes as well as taxes on insurance premiums of all types. In 2007, state premium taxes alone amounted to \$1.3 billion.<sup>3</sup>



## Texas Insurance Industry

- Contributed \$19.5 billion to the state gross domestic product in 2007.<sup>4</sup>
- Employed 217,823 residents in 2007.
- Paid \$12.2 billion in wages and salaries to employees in 2007.
- Paid \$1.3 billion in premium taxes to the state in 2007.

## Property/Casualty Insurance Industry

- Employed 38,400 residents in 2007.
- Invested \$41.1 billion in Texas municipal bonds in 2007.
- Paid \$5.5 billion in homeowners claims and \$7.2 billion for commercial insurance claims in 2008.
- Paid \$9.4 billion in auto insurance claims in 2008.
- Paid \$944,826,102 in Worker's Compensation losses in 2008.
- Paid a total of \$23 billion in personal and commercial P/C claims in 2008.

## Leading State Investor

Insurance companies invest their premiums in a variety of public ventures such as roads, hospitals, utilities and schools. P/C insurers provide major capital for state and local government as well. In 2007, P/C insurers purchased more than \$40 billion in Texas municipal bonds, 25 percent of the outstanding state and local government debt in recent years.<sup>2</sup>

## Financial Safety Net

The insurance industry in Texas has proven to be an important employer and taxpayer and a leading investor. In addition to these contributions to state and local economies, the insurance industry provides the vital service of protecting against the financial risks associated with owning homes, businesses and other possessions. The P/C insurance industry alone pays substantial amounts to reimburse Texans for a variety of personal and commercial insured losses. In 2008, P/C insurance companies paid \$9.4 billion in auto insurance claims and \$5.5 billion in homeowner's claims. Commercial losses amounted to \$7.2 billion and paid worker's compensation claims totaled \$944 million. All told, insurers paid \$23 billion in personal and commercial property/casualty losses.<sup>5</sup>

