

# The Beneficial Role of Insurance Industry in State of Illinois

By Katie School of Insurance and Financial Services at Illinois State University

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# **The Beneficial Role of the Insurance Industry in Illinois**

This Study was conducted in 2012 by Katie School of Insurance at Illinois State University.  
Executive Director, James R. Jones

## **Key Findings of the Study**

The Illinois insurance industry is exceptionally robust and competitive. As of 2012, there were 174 property and casualty insurers, 41 life insurers, and 35 health insurers domiciled in Illinois. In fact 1 out of every 5 dollars of property and casualty insurance premium in the U.S. is underwritten by Illinois insurance companies.

The insurance industry GDP in 2010 was \$27.47 billion. This represents 6.8 percent of the entire U.S. insurance industry placing it third in the entire nation.

The insurance industry in Illinois contributes 4.2 percent of the GDP to the state of Illinois. This is higher than construction, transportation, information, and accommodation and food services industries, and many times more than industries such as agriculture or mining.

According to SNL Financial, Illinois insurance companies wrote \$134.27 billion in insurance premiums for property-casualty, life, and health insurance combined. This placed Illinois second overall in the country and ranks higher than in every sector compared to other “insurance industry rich” states like Wisconsin, California, and Ohio, and much higher than the surrounding states of Indiana, Iowa, and Missouri.

91.7 billion of the total \$134.27 billion comes from the P&C sector. This represents a remarkable 20.8 percent of the entire P&C insurance sector.

In 2011, 141,076 people were employed directly by the insurance industry in Illinois. This is more than any of the surrounding states and in fact is more than twice the insurance industry employment of Indiana or Iowa.

In 2011 there were an additional 16,406 people in the “non-employer” category who are self-employed and working in the insurance industry in Illinois.

In 2012, there were 176,449 licensed insurance producers doing business in Illinois (Resident: 75,446, Non-Resident: 101,003)

An estimated 324,000 jobs exist from both direct and indirect employment in insurance industry for Illinois.

Illinois insurer’s investments totaled over \$369.6 billion; of these investments nearly \$280 billion were in bonds. What this means for state and local economies is that the insurance industry serves to finance a wide array of projects such as schools, roads, bridges, mass transit initiatives and health care facilities.

In 2011, Illinois insurers paid out \$97.83 billion for P&C, life, and health losses and over \$59 billion to policyholders in the U.S for losses to homes, autos, and businesses. That represents 21 percent of all property and casualty claims made in the entire country!

\$151.5 billion in policyholder surplus was held on Illinois insurer balance sheets in 2011.

Illinois has just under 5 percent of the workforce in the insurance industry. However, some occupations are particularly present in Illinois, such as insurance underwriters with more than 10 percent of those in the country working in Illinois.

Workers in the insurance industry in Illinois earned just over \$11 billion or nearly 3 percent of the total earnings for workers in the state.

According to the BLS the median wage for workers in Illinois was \$35,260 for 2010 compared to the median wage of workers employed in the insurance industry in Illinois which was \$78,633 which was even higher than national average for the insurance industry which was \$50,840.

Illinois revenue from insurers through taxes, licenses, fees, and fines totaled \$430,516,293 in 2011.

Premium Taxes in 2011 represented 1.2% of the Illinois state's revenues.

Estimated individual income taxes paid by insurance industry workers to the state in 2011 was \$358,884,612.

## **Introduction to Study**

This study conducted in 2012 by the Katie School of Insurance at Illinois State University examined the role of the insurance industry in Illinois with respect to its impact on the economy, including its role in state employment, loss indemnification, institutional investment in government and corporate bonds, and contributor to state tax revenues. Data was sourced from SNL Financial database, the Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS), U.S. Census Bureau, Illinois Comptrollers Website, Illinois Insurance Department website, Illinois Information Workforce Center, Illinois Department of Employment Security (IDES), the Insurance Information Institute, and other sources to confirm data. Thanks to Ron Payne, labor economist with IDES in Springfield, Illinois for his assistance in understanding some labor force statistics unique to Illinois. A special thanks to the Independent Insurance Agents of Illinois association for sponsoring this research.

## **Insurance Industry as Contributor to Illinois Economy**

The insurance industry favorably affects the local economy through both direct and indirect economic activity. Typical direct contributions expected by any business, include contribution to the local economy's GDP, employment of workers, and payment of corporate taxes. Insurance also has some unique direct economic impacts both through its role as protector of economic loss, and through its role as institutional investor in government and business.

A less recognized, but arguably equally significant indirect contribution is its ability to promote economic development via a better understanding of the risks, encouragement of loss mitigation, and enabling individuals and businesses to engage in productive activities that involve risk.

Insurance is a financial risk management tool that allows individuals and businesses to reduce or avoid risk through the transfer, pooling or sharing of risk with a third party, usually an insurer. While various risk-sharing arrangements have been in existence for centuries, risk today is usually contractually transferred (via an insurance policy) to and absorbed by an insurance company in exchange for a payment (i.e., the premium). The insurer contractually obligates itself to pay the losses of policyholders.

Individuals and businesses who are insured against a variety of potentially catastrophic losses, are then enabled to engage in activities that produce or preserve wealth, create jobs, and foster investment, innovation and entrepreneurship. As individuals and businesses have greater security to protect themselves from loss they need to hold less capital which means people and business have more to consume and invest in things like human capital and technology, making state economies more competitive and robust.

Having adequate insurance protection for homes and businesses in times of increasing catastrophic losses is important for governments as the need for state government disaster relief is mitigated. This is especially important in the current national political climate where a presidential candidate declared it to be "immoral" for the federal government to play a significant role in disaster relief at a time of high budget deficits.<sup>1</sup> Regardless of the political party in control of Congress, funding for disaster relief and FEMA will continue to be uncertain. This uncertainty affects state budgets to the extent that they may have to contribute for more of their own local disaster relief. Private market solutions will continue to be sought, and a competitive and robust insurance industry in a state can reduce uninsured rates, reduce the need for public disaster assistance, and may in some cases, obviate the need for state subsidized insurance.

The Illinois insurance industry is exceptionally robust and competitive. As of 2012, there were 174 property and casualty insurers, 41 life insurers, and 35 health insurers domiciled in Illinois. In fact 1 out of every 5 dollars of property and casualty insurance premium in the U.S. is underwritten by Illinois insurance companies!

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<sup>1</sup> [http://www.huffingtonpost.com/2012/10/28/mitt-romney-fema\\_n\\_2036198.html](http://www.huffingtonpost.com/2012/10/28/mitt-romney-fema_n_2036198.html)

This has a tremendous positive impact on the economy of Illinois. As Exhibit 1 shows, the contribution of the Illinois insurance industry in 2011 was \$27.47 billion. This represents 6.8 percent of the U.S. insurance industry placing it third in the entire nation, just behind California and ahead of Texas and Connecticut.

<b>Exhibit 1- Gross Domestic Product as Percentage of National Insurance Industry</b>		
	Millions of Dollars	% of National INS IND
New York	40,540	10.00%
California	29,356	7.30%
<b>Illinois</b>	<b>27,476</b>	<b>6.80%</b>
Texas	24,731	6.10%
Connecticut	23,850	5.90%

Source: Bureau of Economic Analysis, State GDP

The insurance industry contribution to Illinois GDP is also significant in comparison to other industries in Illinois. As detailed in Exhibit 2, the insurance industry in Illinois contributes 4.2 percent of the GDP to the state of Illinois. This is higher than construction, transportation, information, and accommodation and food services industries, and many times more industries such as agriculture or mining. Although insurance is NOT the top contributing industry to the state GDP, it is one of the more significant industries. Appendix C lists all industries and their contribution to the state GDP.

<b>Exhibit 2- Illinois Gross Domestic Product by Industry</b>		
Gross Domestic Product by State (millions of current dollars) Illinois 2010	Millions of Dollars	% of State GDP
<b>Insurance carriers and related activities</b>	<b>27,476</b>	<b>4.2%</b>
Agriculture, forestry, fishing, and hunting	5493	0.8%
Mining	1897	0.3%
Construction	21,337	3.3%
Transportation and warehousing	21,956	3.4%
Information	21,092	3.3%
Accommodation and food services	17,418	3.00%
Source: 2012 Bureau of Economic Analysis, State GDP		

According to SNL Financial, Illinois insurance companies wrote \$134.27 billion in insurance premiums for property-casualty, life, and health insurance combined. This placed Illinois second overall in the country. Exhibit 3 depicts where Illinois placed in each of the three insurance sectors, P&C, Life, and Health. Illinois ranks higher in every sector compared to Wisconsin,

California, and Ohio, and ranks much higher than the surrounding states of Indiana, Iowa, and Missouri.

<b>Exhibit 3- Ranking of Illinois Insurance Premiums Written to Other States</b>				
<b>State, District, Territory Ranking By Sector Net Premiums 2011</b>				
<b>States, District, Territory</b>	<b>Rank-Overall</b>	<b>Rank P&amp;C</b>	<b>Rank Health</b>	<b>Rank Life</b>
CT	1	3	28	1
<b>IL</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>7</b>
NY	3	5	1	4
WI	4	8	41	26
PA	5	6	2	13
OH	6	2	7	27
NE	7	16	39	3
CA	8	4	23	12
TX	9	7	8	10
FL	10	18	4	22
IN	12	12	17	5
IA	17	17	36	6
MO	21	19	19	25
<b>Source: SNL Database 2012</b>				

Exhibit 4 illustrates the extent to which the Illinois insurance industry dominates the property and casualty industry and should not be understated. \$91.7 billion of the total \$134.27 billion comes from the P&C sector. This represents a remarkable 20.8 percent of the entire P&C insurance sector!

<b>Exhibit 4. – Premiums Written by Insurance Sector Compared to U.S. Total Premiums Written</b>			
<b>Area</b>	<b>P&amp;C Ins Net Premiums Written 2011 Total All Lines (\$000)</b>	<b>Life Ins Net Premiums &amp; Annuity Consid: Life, A&amp;H 2011 Y Total All Lines (\$000)</b>	<b>Health Ins Net Premiums Written 2011 Y AR: Total All Lines (\$000)</b>
ILLINOIS	<b>91,733,073</b>	15,181,847	27,361,559
U.S. Total	440,625,519	619,610,871	407,770,206
Percentage of U.S. Total	<b>20.8%</b>	2.4%	6.7%
SNL Database			

The size alone conveys only one dimension of the industry's importance. The benefits that accrue to individuals, businesses, the economy and society as a whole are many and varied in nature.

Although specific sections of this study cover the topics of the role of the insurance industry as investor, employer, and contributor to Illinois tax revenues, it is worthwhile mentioning in this section that the economic impact to Illinois goes beyond the direct employment and compensation paid to workers in the insurance industry. Indirect effects of their employment and compensation include transactions increasing the demand for goods and services in other directly affected industries. This is known as the multiplier effect and is well-recognized in econometric modeling systems.

Income and employment multipliers relate how change in direct income or employment affect change in total income and employment within the local economy. For example, an income multiplier for a direct industry change of 1.75 indicates that a \$1.00 change in income in the direct industry will produce a total income change of \$1.75 in the local economy. Similarly, an employment multiplier of 1.75 indicates that the creation of one new direct job will result in a total of 1.75 jobs in the local economy.

The three most well-known econometric modeling systems are REMI, RIMS II, and IMPLAN. For purposes of this study, the IMPLAN model, developed by applied economists at the University of Minnesota and the U.S. Forest Service, was used to determine the multiplier effect for the insurance industry to the Illinois economy.

The *indirect* employment related to the insurance industry according to the IMPLAN model 183,399 jobs for the state, making for a total estimated 324,475 jobs from both direct and indirect employment in insurance industry for Illinois. The multiplier effect for the employee income in the state was \$8.45 billion yielding a total impact of \$19.45 billion to overall worker compensation in the state.

Direct employment and compensation to insurance industry workers will be discussed in the section dedicated to that topic.

## **Insurance Industry as Investor in Government and Businesses**

As policyholders take out insurance, insurers invest the premiums until claims are paid. Insurers boost the economy by increasing investments heavily in both government and corporate bonds. The insurance industry's need to maintain large holdings of assets to back claims and satisfy regulator and ratings agency requirements means that the industry is one of the largest institutional investors in world. Indeed, the industry is usually ranked among the top three institutional investors across a broad range of asset categories. Insurers are necessarily conservative investors and as such concentrate their investments in relatively low risk, highly liquid securities, especially bonds. This conservative portfolio allocation is illustrated by an Insurance Information Institute study showing on average two-thirds of invested assets for

property-casualty insurers are in the form of bonds, and three-quarters of life insurers' portfolio is in fixed income securities.<sup>2</sup>

Exhibit 5 shows that Illinois insurers' investments totaled over \$369.6 billion, of these investments nearly \$280 billion were in bonds.

<b>Exhibit 5- Investments of Illinois Insurers</b>		
<b>Illinois Insurers Investment in Government and Businesses</b>	<b>Total Cash &amp; Investments, Excl Affiliated 2011 Y (\$000)</b>	<b>Net Adm Bonds 2011 Y (\$000)</b>
Health Insurers	10,624,987	5,869,295
Life Insurers	139,481,013	113,399,441
P&C Insurers	219,524,099	160,637,758
Total	369,630,099	279,906,494
SNL Database 2012		

On average, 44 percent of the property/casualty insurance industry's bond portfolio is invested in municipal securities ("munis") issued by states and counties, and cities. What this means for state and local economies is that the insurance industry serves to finance a wide array of projects such as schools, roads, bridges, mass transit initiatives and health care facilities.

## **Insurance Industry as Protector from Loss**

The main role of the insurance industry is to protect policyholders from financial loss covered under insurance policies. The three major sectors of insurance industry are property-casualty, life, and health. Although there are a few insurers who participate in all three sectors, in general the insurers in each sector are different for each sector. A complete list of Illinois insurers, as of 2011, by insurance sector can be found in the appendix of this study.

In the P&C industry each year auto and home insurers pay billions to hundreds of thousands of policyholders whose vehicles or homes were damaged or destroyed in accidents or by natural disasters as well as to individuals who suffered bodily injuries as the result of liability losses covered by these policies. A similar sum is paid each year to business owners for claims arising from a wide spectrum of property and liability claims, including injuries suffered by workers in occupational settings (via worker compensation insurance policies).

The life insurance industry provides individuals and families (beneficiaries) with financial protection against the possibility of loss of income due to death of an insured individual. They also provide payments for annuities. An annuity, in its simplest form, is a contract between an individual and a life insurance company specifying a future stream or series of payments that

<sup>2</sup> <http://financialservices.house.gov/uploadedfiles/hhrg-112-ba04-wstate-rhartwig-20120724.pdf>



will be made in exchange for a payment made to that insurance company today. The annuity arrangement allows the purchaser of the annuity to transfer to the insurer the risk associated with outliving one's assets.

Health insurers pay for medical expenses including routine health care and prescriptions, as well as acute care requiring hospitalization, surgeries, and treatments for chronic and terminal illnesses. Health insurance also included disability coverages and long term care and nursing care.

In 2011, Illinois insurers paid out \$97.83 billion for P&C, life, and health losses. Exhibit 6 highlights the losses paid out in 2011 by insurance sector, and the percentage of losses paid out by Illinois insurers compared to the U.S. as a whole.

What is perhaps most striking from this exhibit is that the U.S. economy as a whole is a beneficiary of insurers in Illinois, which are significantly non-life property and casualty losses. In 2011 Illinois property and casualty insurance paid out over \$59 billion to policyholders in the U.S for losses to homes, autos, and businesses. That represents 21 percent of all property and casualty claims made in the entire country!

<b>Exhibit 6- Losses Paid By Illinois Insurers as Percentage of U.S. Payments By Insurance Sector</b>			
<b>Area</b>	<b>P&amp;C Ins</b> Losses Paid Less Salvage 2011 Y AR: Total All Lines (\$000)	<b>Life Ins</b> Benefits & Losses 2011 Y AR: Total All Lines (\$000)	<b>Health Ins</b> Medical Losses Incurred 2011 Y AR: Total All Lines (\$000)
<b>ILLINOIS</b>	<b>59,185,285</b>	<b>16,526,582</b>	<b>22,127,350</b>
U.S. Total	281,974,732	631,248,308	447,991,968
Percentage of U.S. Total	<b>20.9%</b>	2.6%	4.9%
Source: SNL Database 2012			

Insurers also play a role in preventing losses and encouraging loss mitigation by offering discounts for not smoking, taking driver's education classes, installing sprinklers and alarms, participating in worker safety programs, buying cars with higher safety ratings, and many other discounts to encourage policyholders to prevent and reduce losses. Insurers also sponsor organizations such as the Insurance Institute for Highway Safety which performs tests on automobile crashworthiness. Over the years insurance industry funded studies have contributed to automobile safety via, seat belts, head rests, airbags, reducing teen related highway deaths, reduced alcohol fatalities, auto crash tests, breakaway light poles, guard rails, compression zones on highway barriers, and other initiatives. The industry funds the Institute for Business & Home Safety which studies how to make buildings safer from disasters. Illinois insurers play a significant role in funding these organizations and others related organizations.

Consumers also benefit from Illinois insurers. Several Illinois insurers have consistently been rated highly for customer satisfaction. For example, in 2011, three out of the top five automobile insurers rated by J.D. Powers for customer satisfaction, were insurers domiciled in Illinois.

Because insurers assume trillions of dollars of exposure in exchange for premiums received from millions of policyholders each year, insurers necessarily hold assets large enough to pay any reasonable—and even highly improbable—levels of claim activity. Insurers maintain surpluses according to regulatory and rating agency requirements in order to be able to meet their financial obligations in times of catastrophes.

Exhibit 7 details the \$151.5 billion in policyholder surplus held on Illinois insurer balance sheets in 2011.

<b>Exhibit 7- Illinois Insurers Policyholder Surplus</b>	
<b>Insurer Type</b>	<b>Surplus as Regards Policyholders 2011 Y (\$000)</b>
Health Insurers	10,150,245
Life Insurers	16,611,554
P&C Insurers	124,752,642
Source: SNL Database	

## **Insurance Industry as Employer**

The insurance industry in the U.S. employs nearly 3 million people. In 2011, 141,076 people were employed directly by the insurance industry in Illinois. This is more than any of the surrounding states and in fact is more than twice the employment of Missouri, Indiana, or Iowa.

These people work in various occupations in insurance industry, in organizations ranging in size from large insurance companies to single person insurance agencies. Exhibit 8 provides detailed employment numbers from 2007 to 2011, for the U.S., Illinois, and surrounding states.

<b>Exhibit 8- Total full and part-time employment in Insurance Industry</b>						
<b>SA25N Total full-time and part-time employment by NAICS industry</b>						
<b>Private nonfarm employment: Insurance carriers and related activities (number of jobs)</b>						
	<b>State or Area</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>United States</b>	2,891,200	2,903,300	2,894,200	2,883,000	2,937,500
	<b>Illinois</b>	<b>143,127</b>	<b>142,185</b>	<b>140,879</b>	<b>141,110</b>	<b>141,076</b>
<b>Surrounding States</b>						
	<b>Wisconsin</b>	80,361	80,751	81,116	80,175	80,970
	<b>Missouri</b>	61,661	61,613	61,502	62,675	63,768

<b>Indiana</b>	57,729	58,959	58,497	58,379	59,326
<b>Iowa</b>	54,238	55,661	53,912	53,803	54,416
Source: Bureau of Economic Analysis : <a href="http://www.bea.gov/regional/index.htm">http://www.bea.gov/regional/index.htm</a>					

Exhibit 9 gives a breakdown of insurance industry occupations in Illinois that employed over 1000 workers in Illinois. The state has just under 5 percent of the workforce in the insurance industry. However, some occupations are particularly present in Illinois. For example, it is home to almost 10 percent of insurance underwriters in the country. What may be interesting for some is to see that while four of the top five occupations are somewhat industry specific, most of the occupations are not. For example, Illinois has over 13 percent of all the business operation specialists and all the commodities and securities sales force in the industry. Illinois is home to more than its share of several other well-paying occupations such as accountants, financial analysts, management analysts, computer systems analysts, and computer software engineers.

High growth insurance occupations through 2020 in Illinois are expected to be insurance agents, customer service representatives, and claims adjusters.

Exhibit 9- Employment in Insurance in Illinois by occupation, projected growth, and national employment					
Occupation	Illinois Employment 2010	Projected 2020	Employment Change	Percent	National Employment
Insurance Agents	19,661	21,994	2,333	11.87	308320
Customer Service	9,813	10,781	968	9.86	247,080
Claims Adjusters	14,919	14,157	-762	-5.11	184,650
Insurance Claims Processing	10,600	10,589	-11	-0.10	194820
Insurance Underwriters	5,970	5,834	-136	-2.28	83510
Business Operations Specialists	4,133	4,074	-59	1.4	31590
Secretary Admin Support	3,641	3,588	127	3.4	58650
First Line Office Managers	2,270	2,243	-27	1.1	52670
Accountants	2,235	2,335	100	4.4	34,430
Management Analysts	2,182	2,127	-55	2.5	34030
Computer Systems Analysts	2,026	2,283	257	12.6	37,410
Managers	1,761	1,735	-26	1.4	38340
Financial Analysts	1,408	1,523	115	8	18,090
Computer Software Engineers Applications	1,324	1,620	296	22	24,830
Financial Managers	1,258	1,282	24	1.9	26,630

Commodities and Securities Sales	1,241	1,301	60	4.8	9540
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One unique and important part of the industry relates to insurance agents and brokers. Illinois is home to two large international insurance brokers, Aon-Benfield in Chicago and Arthur J. Gallagher in Itaska, Illinois. Exhibit 10 shows the breakdown of the insurance agents and brokers' workforce in 2012, including self-employed agents, principals, managers and customer service representatives working for insurance agents and brokers.

- a) What is not reflected in the growth numbers is the demographic workforce of the insurance industry. Insurers also have greater exposure to the aging workforce than most industries,

due to its focus on experienced workers. The number of insurance workers 55 or older has increased by 74 percent in the last 10 years, compared to a 45 percent increase for the overall workforce. This means that 20 percent of the insurance workforce is near retirement age (compared to 15 percent of the broader financial services workforce). By 2018, this number is projected to rise to 25 percent. This means that there will be significant employment opportunities in the areas of claims, customer service, sales, and even underwriting.

<b>Exhibit 10- Insurance Agents and Brokers Workforce in Illinois, 2012</b>			
NAICS 524210 - Insurance Agencies and Brokerages, Illinois, 2012			
Occupation Code	Occupational Title	Employment (Estimated)	Percentage of Total Emp.
	All Occupations*	57440	100%
<b>41-3021</b>	<b>Insurance Sales Agents</b>	<b>20127</b>	<b>35.04%</b>
43-4051	Customer Service Representatives*	8628	15.02%
43-9041	Insurance Claims and Policy Processing Clerks*	5945	10.35%
13-0000	Business and Financial Operations Occupations*	4946	8.61%
11-0000	Management Occupations*	2481	4.32%
Self Employed	Insurance Sales**	16802	
	Total Agent and Brokers Workforce including Self-employed	74,242	
	Number of Insurance Producer Licenses Resident: 75,446 Non-Resident: 101,003		
<p>*NOTE- The Insurance Sales Agent figure is reported specifically in the IDES. The other occupations numbers are based on the national average of percentage of these occupations within the Insurance Agents and Brokers industry sub-category.  ** This is based on Census Data for 2010 for "non-employer" status working as agent or broker in Illinois.  "Nonemployers" are self-employed individuals operating unincorporated businesses (known as sole proprietorships),</p>			

which may or may not be the owner's principal source of income. Due to their small economic impact, these firms are excluded from most other Census Bureau business statistics.” Nonemployer Statistics originate from tax return information of the Internal Revenue Service.

According to the Bureau of Economic Analysis the compensation of all employees for the state of Illinois in 2011 was \$377.56 billion and workers in the insurance industry in Illinois earned just over \$11 billion or nearly 3 percent of the total earnings.

The jobs in the insurance industry jobs compare favorably to the average employment in Illinois. According to the BLS the median wage for workers in Illinois was \$35,260 for 2010 compared to the median wage of workers employed in the insurance industry in Illinois which was \$78,633. In addition wages for Illinois workers in the insurance industry compare favorable to national averages for the same occupations as demonstrated in Exhibit 11.

<b>Exhibit 11-Comparison of 2010 Wages for Insurance Occupations in Illinois Compared to National Average</b>		
<b>Illinois Insurance Industry Occupation (SOC code) 2010</b>	<b>Illinois Annual Mean Wage 2010</b>	<b>National Annual Mean Wage 2010 Insurance Industry</b>
<b>All Insurance Occupations</b>	<b>\$78,633</b>	<b>\$50,840</b>
Claims Adjusters Examiners and Investigators(131031)	\$59,770	\$60,160
Personal Financial Advisors(132052)	\$82,240	\$78,340
Insurance Underwriters(132053)	\$70,530	\$67,700
Insurance Sales Agents(413021)	\$65,210	\$63,220
Securities Commodities and Financial Services Sales Agents(413031)	\$105,640	\$87,610
Insurance Claims and Policy Processing Clerks(439041)	\$38,770	\$36,850
Actuaries 15-2011	\$89,910	\$103,150
Source: SOC code: Standard Occupational Classification code -- see <a href="http://www.bls.gov/soc/home.htm">http://www.bls.gov/soc/home.htm</a>		

As mentioned in the section on economic impact, the employment and income in the insurance industry has significant impact on employment and income in other industries, this is especially true for Illinois which hosts an industry with such high-paying occupations.

## **Insurance Industry as Contributor to State Tax Revenue**

Illinois’s tax policy with respect to the insurance industry is different from other

industries and has some unique taxes. Exhibit 12 illustrates some of the various sources of revenue the state of Illinois gets from the insurance industry. The state of Illinois collected \$447,614,361 from the insurance industry as of December 2012 and \$430,516,293 in 2011. The two largest categories are privilege taxes and retaliatory taxes. Both of these are related to taxes on insurance premiums.

Per Section 409 of the Illinois Insurance Code (215 ILCS 5/409, effective May 29, 1998), there is a premium tax of 0.4% on the net taxable premium for all accident and health written, 0.5% on the net taxable premiums written for all other types of insurance premiums written. This premium tax is paid by the insurers for the “privilege” of writing insurance in Illinois. This applies to all insurers doing business in Illinois. However, some insurers domiciled in other states (foreign insurers) are required to pay an additional tax to retaliate for the higher taxes charged against Illinois insurers doing business in their home states.

Illinois law (215 ILCS 5/444, Reg. 2515.10 to 2515.100) states that “Any taxes, licenses or other fees in the aggregate, or any fines, penalties, deposit requirements as would be imposed on Illinois insurers as a condition precedent to their doing business in other states that would exceed those Illinois imposes on insurers, agents or representatives of insurers domiciled in other states, shall result in a retaliatory tax.” The purpose of the retaliatory tax is “to promote the interstate business of domestic insurance companies and thus attempt to prevent other states from handicapping Illinois domestic companies with excessive taxes.”

The way in which states enforce this tax is by charging a retaliatory tax on insurers from other states whose premium tax is higher than its own. For example, insurers from state #1 incur a higher tax when operating in state #2, then state #1 will charge the higher tax to insurers of state #2 who wish to do business in state #1. For example, consider an insurance firm domiciled in Ohio writing a policy in Illinois. Illinois's privilege (premium) tax rate was 0.5%. The Ohio rate was 1.4%. The Ohio insurer must pay the 0.5% Illinois premium tax on policies written in Illinois. Additionally, the Ohio insurer must pay the state of Illinois a retaliatory tax of .9% (the Ohio premium tax rate of 1.4% minus the Illinois rate of .5%).

<b>Exhibit 12- Illinois Revenue from Insurers 2011 and 2012</b>			
<b>Taxes, Licenses, Fees, and Fines</b>			
<u>Code</u>	<u>Revenue Source</u>	<u>Year 2012</u>	<u>Year 2011</u>
	Total	\$447,614,361	\$430,516,293
<a href="#">471</a>	<a href="#">PRIVILEGE TAX-INSURANCE</a>	\$183,251,015	\$175,043,156
<a href="#">535</a>	<a href="#">RETALIATORY TAX</a>	\$127,139,526	\$108,014,796
<a href="#">855</a>	<a href="#">LICENSES FEES OR REGISTRATION</a>	\$69,865,791	\$72,530,983
<a href="#">474</a>	<a href="#">SURPLUS LINE TAX - INSURANCE</a>	\$35,234,988	\$33,649,577
<a href="#">190</a>	<a href="#">FIRE MARSHALL TAX</a>	\$23,491,356	\$22,677,410
<a href="#">843</a>	<a href="#">FINES PENALTIES OR VIOLATIONS</a>	\$4,852,089	\$9,998,788
<a href="#">565</a>	<a href="#">SELF INSURERS ASSESSMENTS</a>	\$2,741,430	\$3,757,527

<a href="#">157</a>	<a href="#">EMPLYR PYMTS FOR INJ EMPLYEES</a>	\$1,022,045	\$1,880,149
<a href="#">422</a>	<a href="#">1/2% COMP PYMT MADE EMPLOYER</a>	\$16,121	\$1,543,463
<a href="#">170</a>	<a href="#">EVALUATION OF RESERVES</a>		\$1,420,445

Premium Taxes in 2011 (which does not include license fees and some other revenue items) equaled \$339,387,000 representing 1.2% of the Illinois state's revenues. This is comparable to surrounding states where insurers play significant economic roles in their states' economies. The percentage of premium insurance taxes to overall state revenue was the same as Indiana (1.2%) similar to Iowa (1.3%), and more than Wisconsin (1.0%) as detailed below in Exhibit 13.

<b>Exhibit 13- State Government Tax Collections: 2011 (Amounts in thousands)</b>						
Item	United States	Illinois	Indiana	Iowa	Missouri	Wisconsin
	Amount					
Insurance premium Tax	16,420,719	339,387	185,439	97,098	283,614	156,500
Total taxes	757,869,188	29,433,475	14,909,416	7,236,476	10,109,918	15,347,327
Percent of State Tax	2.2%	1.2%	1.2%	1.3%	2.8%	1.0%
<a href="http://www.census.gov/govs/statetax/">http://www.census.gov/govs/statetax/</a>						

In addition to taxes from insurance organizations, the state collects personal income tax from employees working in the industry. As mentioned in the previous section on employment, employee compensation for workers in Illinois in 2011 was \$377.56 billion. Insurance industry workers were paid 2.93% of overall employee compensation for the state therefore the estimated individual income taxes paid by industry workers to the state was \$358,884,612 (based on 2.93 percent of the \$29.43 billion collected) . Insurance industry workers also paid property taxes, sales taxes, and other taxes and fees to the state.

## **Insurance Industry as Citizen of the State**

According to the Insurance Information Institute, the insurance industry is the 11th largest charitable giver in the U.S. and the 7th largest globally by employee. Property/casualty insurance companies contributed \$500 million to charities in 2010, benefiting communities in which they operate throughout the United States. Some of the most charitable firms are domiciled in Illinois. Insurers such as State Farm, Allstate, Zurich North America, and CNA for example all have foundations that make charitable contributions to local causes.

## **Summary**

The insurance industry in Illinois has an exceptional impact on both the economy of Illinois and on the U.S. economy as a whole. The insurance industry's employment, contribution to state

GDP, premiums written, losses paid, and investments made placed the Illinois insurance industry as one of the top ranking industry's in the nation. The importance of Illinois property and casualty insurers as one of the country's most significant mechanisms for insuring losses to homes, autos, and businesses cannot be overstated. The insurance industry in Illinois is a flagship industry for the entire country.

## Appendix

- Appendix A- Ranking of State Insurance Industries
- Appendix B- Gross Domestic Product for Insurance By State
- Appendix C- Gross Domestic Product Illinois (millions of current dollars) 2010
- Appendix D- Illinois Insurers Key Financials
- Appendix E- Insurance Industry Occupations in Illinois 2008-2018
- Appendix F- Illinois Life and Health Insurers
- Appendix g- Illinois Property and Casualty Insurers

<b>Appendix A</b>				
<b>State, District, Territory Ranking By Sector</b>				
<b>Net Premiums 2011</b>				
<b>States, District, Territory</b>	<b>Rank- Overall</b>	<b>Rank P&amp;C</b>	<b>Rank Health</b>	<b>Rank Life</b>
AK	53	49	53	n/a
AL	33	25	26	37
AR	40	46	35	31
AZ	30	23	27	32
CA	8	4	23	12
CO	32	39	21	24
CT	1	3	28	1
DC	36	53	24	46
DE	14	9	32	8
FL	10	18	4	22
GA	24	28	14	28
GU	52	48	52	41
HI	41	41	33	38
IA	17	17	36	6



ID	46	47	40	45
<b>IL</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>7</b>
IN	12	12	17	5
KS	28	35	48	9
KY	34	32	25	40
LA	35	31	29	34
MA	13	11	6	19
MD	15	10	20	36
ME	37	43	44	11
MI	11	13	5	15
MN	18	22	11	16
MO	21	19	19	25
MS	44	34	42	39
MT	50	52	49	48
NC	26	21	22	42
ND	48	36	46	44
NE	7	16	39	3
NH	22	14	45	29
NJ	16	20	9	20
NM	42	51	34	48
NV	43	42	38	43
NY	3	5	1	4
OH	6	2	7	27
OK	38	30	43	14
OR	23	24	16	17
PA	5	6	2	13
PR	27	33	18	23
RI	25	15	37	n/a
SC	31	38	30	18
SD	49	40	47	47

TN	20	26	13	21
TX	9	7	8	10
UT	39	45	31	33
VA	29	37	15	35
VI	54	54	50	n/a
VT	45	27	10	30
WA	19	29	12	26
WI	4	8	41	26
WV	47	44		n/a
WY	51	50	51	48
Source: SNL Database 2012				

### Appendix B- Gross Domestic Product by State (millions of current dollars)

<b>Gross Domestic Product by State (millions of current dollars)</b>			
Bureau of Economic Analysis			
Insurance carriers and related activities			
<b>Fips</b>	<b>Area</b>	<b>2010</b>	<b>Percent of State GDP</b>
00000	United States	404580	
01000	Alabama	3424	0.8%
02000	Alaska	275	0.1%
04000	Arizona	7514	1.9%
05000	Arkansas	1465	0.4%
06000	California	29356	7.3%
08000	Colorado	5781	1.4%
09000	Connecticut	23850	5.9%
10000	Delaware	8201	2.0%
11000	District of Columbia	1136	0.3%
12000	Florida	17738	4.4%
13000	Georgia	8295	2.1%
15000	Hawaii	1132	0.3%
16000	Idaho	909	0.2%
17000	Illinois	27476	6.8%
18000	Indiana	10141	2.5%
19000	Iowa	11820	2.9%

20000	Kansas	3048	0.8%
21000	Kentucky	3562	0.9%
22000	Louisiana	3556	0.9%
23000	Maine	1663	0.4%
24000	Maryland	6936	1.7%
25000	Massachusetts	12129	3.0%
26000	Michigan	13398	3.3%
27000	Minnesota	11529	2.8%
28000	Mississippi	1480	0.4%
29000	Missouri	6398	1.6%
30000	Montana	607	0.2%
31000	Nebraska	5074	1.3%
32000	Nevada	1495	0.4%
33000	New Hampshire	2521	0.6%
34000	New Jersey	13341	3.3%
35000	New Mexico	1123	0.3%
36000	New York	40540	10.0%
37000	North Carolina	6373	1.6%
38000	North Dakota	869	0.2%
39000	Ohio	17373	4.3%
40000	Oklahoma	2478	0.6%
41000	Oregon	3552	0.9%
42000	Pennsylvania	20103	5.0%
44000	Rhode Island	2074	0.5%
45000	South Carolina	3591	0.9%
46000	South Dakota	805	0.2%
47000	Tennessee	6285	1.6%
48000	Texas	24731	6.1%
49000	Utah	2018	0.5%
50000	Vermont	795	0.2%
51000	Virginia	5655	1.4%
53000	Washington	6449	1.6%
54000	West Virginia	1053	0.3%
55000	Wisconsin	13231	3.3%
56000	Wyoming	236	0.1%
91000	New England	43032	10.6%
92000	Midwest	90256	22.3%
93000	Great Lakes	81618	20.2%
94000	Plains	39543	9.8%
95000	Southeast	62477	15.4%
96000	Southwest	35845	8.9%
97000	Rocky Mountain	9551	2.4%
98000	Far West	42258	10.4%
<b>Legend / Footnotes:</b>			

<i>Note-- NAICS Industry detail is based on the 2002 North American Industry Classification System (NAICS).</i>		
<i>(D) Not shown in order to avoid the disclosure of confidential information; estimates are included in higher level totals.</i>		
<i>(L) Less than \$500,000 in nominal or real GDP by state.</i>		
<i>(T) The estimate is suppressed to cover corresponding estimate for earnings in state personal income. Estimates for this item are included in the total.</i>		
<i>(NA) Not available.</i>		
<i>(NM) Not meaningful.</i>		
<i>Last updated: June 5, 2012 - new estimates for 2011 and revised estimates for 1997 - 2010.</i>		

## Appendix C

<b>Gross Domestic Product Illinois (millions of current dollars) 2010 Percentage of Private Industry GDP</b>		
<b>IndCode</b>	<b>Industry</b>	<b>2010</b>
101	All industry total	646794
102	Private industries	581049
103	Agriculture, forestry, fishing, and hunting	5493
104	Crop and animal production (Farms)	5213
105	Forestry, fishing, and related activities	281
106	Mining	1897
107	Oil and gas extraction	176
108	Mining (except oil and gas)	1573
109	Support activities for mining	148
110	Utilities	11705
111	Construction	21337
112	Manufacturing	79600
113	Durable goods	45213
114	Wood product manufacturing	431
115	Nonmetallic mineral product manufacturing	1271
116	Primary metal manufacturing	1603
117	Fabricated metal product manufacturing	8593
118	Machinery manufacturing	16172
119	Computer and electronic product manufacturing	6734
120	Electrical equipment, appliance, and component manufacturing	2700

121	Motor vehicle, body, trailer, and parts manufacturing	1529
122	Other transportation equipment manufacturing	542
123	Furniture and related product manufacturing	1060
124	Miscellaneous manufacturing	4578
125	Nondurable goods	34386
126	Food and beverage and tobacco product manufacturing	10376
127	Textile mills and textile product mills	184
128	Apparel and leather and allied product manufacturing	346
129	Paper manufacturing	1963
130	Printing and related support activities	2159
131	Petroleum and coal products manufacturing	4926
132	Chemical manufacturing	9142
133	Plastics and rubber products manufacturing	5290
134	Wholesale trade	43014
135	Retail trade	38001
136	Transportation and warehousing	21956
137	Air transportation	4845
138	Rail transportation	2028
139	Water transportation	371
140	Truck transportation	6052
141	Transit and ground passenger transportation	1554
142	Pipeline transportation	291
143	Other transportation and support activities	4036
144	Warehousing and storage	2779
145	Information	21092
146	Publishing industries, except Internet	4921
147	Motion picture and sound recording industries	957
148	Broadcasting and telecommunications	12824
149	Information and data processing services	2391
150	Finance and insurance	68932
151	Federal Reserve banks, credit intermediation and related services	28004
152	Securities, commodity contracts, investments	11270
153	Insurance carriers and related activities	27476
154	Funds, trusts, and other financial vehicles	2183
155	Real estate and rental and leasing	81809
156	Real estate	70806
157	Rental and leasing services and lessors of intangible assets	11003
158	Professional, scientific, and technical services	54806
159	Legal services	13701
160	Computer systems design and related services	7525

161	Other professional, scientific and technical services	33580
162	Management of companies and enterprises	15593
163	Administrative and waste management services	20251
164	Administrative and support services	18288
165	Waste management and remediation services	1963
166	Educational services	8874
167	Health care and social assistance	47043
168	Ambulatory health care services	20773
169	Hospitals and nursing and residential care facilities	22314
170	Social assistance	3955
171	Arts, entertainment, and recreation	5344
172	Performing arts, spectator sports, museums, and related services	2930
173	Amusement, gambling, and recreation	2414
174	Accommodation and food services	17418
175	Accommodation	3987
176	Food services and drinking places	13432
177	Other services, except government	16882
178	Government	65744
179	Federal civilian	9750
180	Federal military	4071
181	State and local	51924

**Legend / Footnotes:**

Note-- NAICS Industry detail is based on the 2002 North American Industry Classification System (NAICS).

(D) Not shown in order to avoid the disclosure of confidential information; estimates are included in higher level totals.

(L) Less than \$500,000 in nominal or real GDP by state.

(T) The estimate is suppressed to cover corresponding estimate for earnings in state personal income. Estimates for this item are included in the total.

(NA) Not available.

(NM) Not meaningful.

Last updated: June 5, 2012 - new estimates for 2011 and revised estimates for 1997 - 2010.

Appendix D- Illinois Insurer Key Financials

Illinois Insurance Company Investments			
	<b>Total Cash &amp; Investments, Excl Affiliated 2011 Y (\$000)</b>	<b>Net Adm Bonds 2011 Y (\$000)</b>	<b>Surplus as Regards Policyholders 2011 Y (\$000)</b>
Health Insurers	10,624,987	5,869,295	10,150,245
Life Insurers	139,481,013	113,399,441	16,611,554
P&C Insurers	219,524,099	160,637,758	124,752,642

Premiums Written By Illinois Insurers			
Area	<b>P&amp;C Ins</b> Net Premiums Written 2011 Total All Lines (\$000)	<b>Life Ins</b> Net Premiums & Annuity Consid: Life, A&H 2011 Y Total All Lines (\$000)	<b>Health Ins</b> Net Premiums Written 2011 Y AR: Total All Lines (\$000)
<b>ILLINOIS</b>	<b>91,733,073</b>	<b>15,181,847</b>	<b>27,361,559</b>
U.S. Total	440,625,519	619,610,871	407,770,206
Percentage of U.S. Total	<b>20.8%</b>	2.4%	6.7%

Losses Paid By Illinois Insurers			
Area	<b>P&amp;C Ins</b> Losses Paid Less Salvage 2011 Y AR: Total All Lines (\$000)	<b>Life Ins</b> Benefits & Losses 2011 Y AR: Total All Lines (\$000)	<b>Health Ins</b> Medical Losses Incurred 2011 Y AR: Total All Lines (\$000)
<b>ILLINOIS</b>	<b>59,185,285</b>	<b>16,526,582</b>	<b>22,127,350</b>
U.S. Total	281,974,732	631,248,308	447,991,968
Percentage of U.S. Total	<b>20.9%</b>	2.6%	4.9%

Appendix E  
Insurance Industry Occupations in Illinois 2008-2018

Occupation	Illinois Employment 2008	Projected 2018	National Employment	Percent Of National Insurance Industry
Insurance Agents	13,578	15,705	308320	4.4%
Customer Service	9,813	10,781	247,080	4.0%
Claims Adjusters	9,278	9,743	184,650	5.0%
Insurance Claims Processing	9,157	9,131	194820	4.7%
Insurance Underwriters	8,100	7,863	83510	9.7%
Business Operations Specialists	4,133	4,074	31590	13.1%
Secretary Admin Support	3,641	3,588	58650	6.2%
First Line Office Managers	2,270	2,243	52670	4.3%
Accountants	2,235	2,335	34,430	6.5%
Management Analysts	2,182	2,127	34030	6.4%
Computer Systems Analysts	2,026	2,283	37,410	5.4%
Managers	1,761	1,735	38340	4.6%
Financial Analysts	1,408	1,523	18,090	7.8%
Computer Software Engineers Applications	1,324	1,620	24,830	5.3%
Financial Managers	1,258	1,282	26,630	4.7%
Commodities and Securities Sales	1,241	1,301	9540	13.0%
Computer Programmers	1,144	904	13,140	8.7%
Computer and IS Managers	742	834	17,750	4.2%
Actuaries	598	646	13020	4.6%
Insurance Appraiser	344	346	10340	3.3%
Personal Financial Advisors	N/A		6940	N/A

Source: Illinois Information Workforce Center 2008-2018 (IDES 2012)

Comparison of 2010 Wages for Insurance Occupations in Illinois Compared to National Average

Illinois Insurance Industry Occupation (SOC code) 2010	Illinois Annual Mean Wage 2010	National Annual Mean Wage 2010
<b>All Insurance Occupations</b>	<b>\$78,633</b>	<b>\$50,840</b>



Claims Adjusters Examiners and Investigators(131031)	\$59,770	\$60,160
Personal Financial Advisors(132052)	\$82,240	\$78,340
Insurance Underwriters(132053)	\$70,530	\$67,700
Insurance Sales Agents(413021)	\$65,210	\$63,220
Securities Commodities and Financial Services Sales Agents(413031)	\$105,640	\$87,610
Insurance Claims and Policy Processing Clerks(439041)	\$38,770	\$36,850
Source: SOC code: Standard Occupational Classification code -- see <a href="http://www.bls.gov/soc/home.htm">http://www.bls.gov/soc/home.htm</a>		

### Appendix F- Life and Health Insurers

### Appendix G- Property and Casualty Insurers

<b>Life Insurers (41)</b>	<b>Health Insurers (35)</b>
4 Ever Life Insurance Co.	Aetna Better Hlth Inc. (IL)
Allstate Assurance Co.	American Imaging Mgmt East LLC
Allstate Life Insurance Co.	Cambridge Life Insurance Co.
Bankers Life & Casualty Co.	Catamaran Ins of DE Inc.
Catamaran Insurance of OH Inc.	Cigna HealthCare of IL Inc.
Celtic Insurance Co.	Coventry Health Care of IL Inc
Charter National Life Ins Co.	Coventry Health Care of TX Inc
Cmnwlth Dealers Life Ins Co.	Delta Dental of Illinois
Combined Insurance Co. of Am	Fidelis SecureCare of MI Inc.
Concert Health Plan Ins Co.	Fidelis SecureCare of NC Inc.
Continental Assurance Co.	Fidelis SecureCare of TX Inc.
Cotton States Life Ins Co.	First Cmnwlth Ltd Health (IL)
COUNTRY Investors Life Assr Co	First Cmnwlth Ltd. Hlth Svcs
COUNTRY Life Insurance Co.	First Commonwealth Ins Co.
Dearborn National Life Ins Co.	First Commonwealth of MO Inc.
Dearborn Natl Life Ins Co (NY)	GHS Health Maintenance Org Inc
Destiny Health Insurance Co.	HCSC Insurance Services Co.
Educators Life Ins Co. of Am	Health Alliance - Midwest Inc.
Employees Life Co. (Mutual)	Health Alliance Med Plans Inc.
Federal Life Ins Co. (Mutual)	HlthCare Svc Corp. a Mutual
Fidelity Life Assn. A Legal	Merit Health Insurance Co.
First Health L&H Insurance Co.	National Dental Care Inc.
Guarantee Trust Life Ins Co.	Preferred Insurance Svcs Inc.
Horace Mann Life Insurance Co.	SeniorDent Dental Plan Inc.

Illinois Mutual Life Ins Co.	Sidney Hillman Health Centre
Life Assurance Co. of America	UNICARE Health Plan of KS Inc.
MTL Insurance Co.	UNICARE Health Plans of TX Inc
Old Repub Life Insurance Co.	UNICARE Hlth Ins Co. of the MW
Pekin Life Insurance Co.	UNICARE Hlth Plans of the MW
Physicians' Bnfts Tr Life Ins	Union Health Service Inc.
Professional Life & Cas Co.	Union Medical Center
Resource Life Insurance Co.	UnitedHealthcare Ins Co. (IL)
State Farm Health Insurance Co	UnitedHealthcare Ins Co. of IL
State Farm Life & Accdt Assr	UnitedHealthcare of IL Inc.
State Farm Life Insurance Co.	UnitedHealthcare Plan
TruAssure Insurance Co.	
Trustmark Insurance Co.	
Trustmark Life Ins Co. of NY	
Trustmark Life Insurance Co.	
UNICARE L&H Insurance Co.	
United Natl Life Ins Co. of Am	
United Security L&H Ins Co.	
Universal Guaranty Life Ins Co	
XL Life Insurance & Annuity Co	
SNL Database	

**Illinois  
Property Casualty  
Insurers (174)**

**Company Name**

AGCS Marine Insurance Co.  
Aioi Nissay Dowa Ins Co of Am  
Allianz Global Risks US Ins Co  
Allstate F&C Insurance Co.  
Allstate Indemnity Co.  
Allstate Insurance Co.  
Allstate North American Ins Co  
Allstate P&C Insurance Co.  
Allstate Vehicle & Ppty Ins Co  
Amer Bus. & Personal Ins Mutl  
Amer Manufacturers Mutl Ins  
Co  
American Access Casualty Co.  
American Agricultural Ins Co.  
American Alliance Casualty Co.  
American Cas Co. of Reading  
PA  
American Country Insurance  
Co.  
American Freedom Insurance  
Co.  
American Grte & Liab Ins Co.  
American Heartland Ins Co.  
American Medical Assurance  
Co.  
American Motorists Ins Co.  
American Service Insurance Co.  
American Special Risk Ins Co.  
American Zurich Insurance Co.  
Apollo Casualty Co.  
Architects & Engineers Ins Co.  
Assurance Co. of America  
Athens Financial Insurance Co.  
Attorneys' Liab Assr Society  
BCS Insurance Co.  
Benefit Security Insurance Co.

Berkley National Insurance Co.  
Bituminous Casualty Corp.  
Bituminous Fire & Marine Ins  
Bracken Hill Specialty Ins Co.  
Canopius US Insurance Inc.  
Caring Communities a Recpl  
RRG  
CEM Insurance Co.  
Chicago Insurance Co.  
Citizens Insurance Co. of IL  
Colonial Amer Cas & Surety Co.  
Columbia Casualty Co.  
Continental Casualty Co.  
Continental Ins Co. of NJ  
Continental Insurance Co.  
Contractors Bonding & Ins Co.  
Cotton States Mutual Ins Co.  
COUNTRY Casualty Insurance  
Co.  
COUNTRY Mutual Insurance  
Co.  
COUNTRY Preferred Insurance  
Co  
Deerfield Insurance Co.  
Delphi Casualty Co.  
Diamond Insurance Co.  
Direct Auto Insurance Co.  
Doctors Direct Insurance Inc.  
Echelon P&C Insurance Co.  
Empire Fire & Marine Ins Co.  
Empire Indemnity Insurance  
Co.  
Encompass Floridian Indem Co.  
Encompass Floridian Ins Co.  
Encompass Home & Auto Ins  
Co.  
Encompass Indemnity Co.  
Encompass Independent Ins  
Co.  
Encompass Insurance Co.  
Encompass Insurance Co. of  
Am  
Encompass Insurance Co. of NJ  
Encompass P&C Co.

Encompass P&C Ins Co. of NJ  
Evanston Insurance Co.  
Falcon Insurance Co.  
Farmers Automobile Ins Assn.  
Farmers New Century Ins Co.  
Fidelity & Deposit Co. of MD  
First Chicago Insurance Co.  
First Nonprofit Insurance Co.  
Florists' Insurance Co.  
Florists' Mutual Insurance Co.  
Fortress Insurance Co.  
Founders Insurance Co (IL)  
Founders Insurance Co. of MI  
Governmental Interinsurance  
HDI-Gerling America Ins Co.  
Health Care Casualty RRG Inc.  
Hiscox Insurance Co.  
Horace Mann Insurance Co.  
Horace Mann Lloyds  
Horace Mann P&C Insurance  
Co.  
IL Cas Co. (A Mutual Ins Co.)  
IL State Bar Assn. Mutl Ins Co  
Illinois Farmers Insurance Co.  
Illinois National Insurance Co  
Interstate Bankers Casualty Co  
Interstate Fire & Casualty Co.  
ISMIE Indemnity Co.  
ISMIE Mutual Insurance Co.  
Lumbermens Casualty Ins Co.  
Lumbermens Insurance Co. of  
TX  
Lumbermens Mutual Casualty  
Co.  
Lutheran Mutual Fire Ins Co.  
Madison Mutual Ins Co. (IL)  
Marathon Finl Ins Co.  
Maryland Casualty Co.  
Medical Alliance Insurance Co.  
Merastar Insurance Co.  
Mercury Insurance Co. of IL  
Mercury National Insurance  
Co.  
Midwest Insurance Co.

Millers Classified Ins Co.  
Millers First Insurance Co.  
Modern Service Insurance Co.  
Mount Carroll Mutual Ins Co.  
Mt. Hawley Insurance Co.  
National Fire & Casualty Co.  
National Heritage Insurance Co  
National Merit Insurance Co.  
National Surety Corp.  
Natl Fire Ins Co. of Hartford  
NHRMA Mutual Insurance Co.  
North Light Specialty Ins Co.  
Northbrook Indemnity Co.  
Northern Insurance Co. of NY  
Oak Brook County Mutual Ins  
Co  
Oglesby Reinsurance Co.  
Old Repub General Ins Corp.  
Old Repub Lloyds of Texas  
Old Repub Security Assr Co.  
Old Repub Union Insurance Co.  
OMS National Insurance Co.  
RRG  
Pekin Insurance Co.

Plans' Liability Insurance Co.  
Republic Credit Indemnity Co.  
Response Indemnity Co. of CA  
Response Insurance Co.  
Response Worldwide Direct  
Auto  
Response Worldwide Ins Co.  
RLI Indemnity Co.  
RLI Insurance Co.  
Rockford Mutual Insurance Co.  
Safeway Insurance Co.  
Shield Insurance Co.  
Specialty Risk of America  
Specialty Surplus Insurance Co  
Standard Mutual Insurance Co.  
StarNet Insurance Co.  
State Farm Fire & Casualty Co.  
State Farm General Ins Co.  
State Farm Mutl Automobile  
Ins  
Steadfast Insurance Co.  
Stonegate Insurance Co.  
Surety Bonding Co. of America  
Teachers Insurance Co.

Third Coast Insurance Co.  
Titan P&C Insurance Co.  
  
Transit General Insurance Co.  
Transportation Insurance Co.  
U.S. Insurance Co. of America  
Underwriters at Lloyd's London  
Unique Insurance Co.  
United Equitable Insurance Co.  
Unitrin Direct Insurance Co.  
Unitrin Direct P&C Co.  
Univ Underwriters of TX Ins Co  
Universal Casualty Co.  
Universal Surety of America  
Universal Underwriters Ins Co.  
USPlate Glass Insurance Co.  
Valley Forge Insurance Co.  
Virginia Surety Co.  
Warner Insurance Co.  
Washington Intl Insurance Co.  
Western Surety Co.  
Zurich American Ins Co. of IL  
Zurich American Insurance Co.