



DOING **OUR** PART

INSURERS' IMPACT ON CALIFORNIA'S ECONOMY AND COMMUNITIES

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CALIFORNIA'S INSURANCE INDUSTRY

Insurance provides financial security for retirement, illness, injury or death and makes it possible to manage the financial risk of driving a car, owning a home or running a business. Insurance companies provide green, upwardly-mobile jobs, pay taxes, build communities and finance the construction of California's infrastructure.



1,298 Insurance companies regulated in California

Domiciled in California	143
Domiciled in other states	1,112
Chartered Purchasing Groups	43



Life Insurance

Companies licensed	397
Companies domiciled	14
Agent licenses active	247,000



Property Casualty Insurance

Companies licensed	669
Companies domiciled	100
Agent licenses active	123,000

Insurance industry employees in California

297,159



Payroll

\$22.3 billion

Sources: NAIC Insurance Department Resources Report vol. 1, Insurance Information Institute, American Council of Life Insurers
California Department of Insurance

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LIFE INSURANCE

Retirement savings, lifetime income, and life, disability and long term care protection



Life insurance in force (2015)

\$3.6 trillion

Individual	\$2.4 trillion
Group	\$1.2 trillion



Purchased

\$371 billion

Individual	\$208 billion
Group	\$163 billion



Individual policies

10.2 million



Benefits paid

\$18.2 billion

Life Insurance	\$8.6 billion
Annuities	\$8 billion
Policy dividends	\$1.6 billion

Source: American Council of Life Insurers



Premiums paid

\$66.1 billion

Annuities	\$33.2 billion
Life insurance	\$16 billion
Accident & Health*	\$14.3 billion
Deposit Funds	\$2.6 billion

* Does not include health plans regulated by the Department of Managed Care

Source: Insurance Information Institute and SNL Financial LC

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PROPERTY CASUALTY INSURANCE

Protects consumers and businesses from financial loss due to property damage and legal liability



Direct Premiums (2015)

\$69.8 billion

Private Passenger Auto	\$23.2 billion
Workers Compensation	\$12.3 billion
Homeowners	\$7.5 billion
Other	\$7.5 billion
Liability	\$7.2 billion
Commercial Multi-peril	\$4.6 billion
Commercial Auto	\$3.3 billion
Inland Marine	\$2.6 billion
Earthquake	\$1.6 billion

Source: Insurance Information Institute



Claims Paid (2015)

\$39.6 billion

Private Passenger Auto	\$13.5 billion
Commercial	\$11.1 billion
Workers Compensation	\$7.1 billion
Other	\$4.5 billion
Homeowners	\$3.4 billion

Source: Insurance Information Institute

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CATASTROPHES

Wildfires and earthquakes threaten millions of Californians.



\$1.2 billion
in catastrophe losses

Catastrophe losses by state (2015)

Texas	\$3.4 billion
California	\$1.2 billion
Massachusetts	\$1.2 billion
Illinois	\$969 million
Oklahoma	\$943 million

Source: Insurance Information Institute



8,745
wildfires

Wildfires by state (2015)

Texas	9,272
California	8,745
North Carolina	3,828
Alabama	3,198
Missouri	3,161

Source: Insurance Information Institute, Property Claims Services, National Interagency Fire Center

California Earthquake Authority



POLICIES IN FORCE

870,000

CLAIMS-PAYING CAPACITY

\$12 billion

Source: California Earthquake Authority

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TAXES

Insurance taxes are the sixth largest source of revenue for California's General Fund. California's insurance tax rate is the highest among large states.

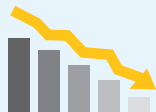


Source: 2016-17 California Budget

California general fund revenue (2016-17)

\$169 billion

Personal Income Tax	\$85.3 billion
Sales and Use Tax	\$38.9 billion
Corporation Tax	\$ 11 billion
Motor Vehicle Fees	\$6.9 billion
Highway Users Tax	\$4.8 billion
Insurance Tax	\$2.3 billion
Cigarette Tax	\$816 million
Alcoholic Beverage Tax	\$377 million
Other	\$18.7 billion



Insurance tax rates

Ten largest insurance states

(Percent of Gross Premiums)

Source: National Association of Insurance Commissioners

California	2.35
New Jersey	2.10
New York	2.00
Pennsylvania	2.00
Delaware	2.00
Florida	1.75
Texas	1.60
Ohio	1.40
Michigan	1.25
Illinois	0.50

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INVESTMENTS

Insurers buy municipal bonds—safe investments that can be liquidated quickly.

Life Insurer Investments in the U.S.

\$3.7 trillion



TYPE	AMOUNT	% OF TOTAL
Bonds	\$2.7 trillion	73.82
Mortgage loans	\$404 billion	10.91
Other	\$384 billion	9.55
Cash	\$103 billion	2.79
Stocks	\$85 billion	2.29
Real estate	\$24 billion	.64

Source: Insurance Information Institute (2015 data)

Property Casualty Insurer Investments in the U.S.

\$1.5 trillion



TYPE	AMOUNT	% OF TOTAL
Bonds	\$950 billion	62.01
Stocks	\$340 billion	22.22
Other	\$129 billion	8.49
Cash	\$88 billion	5.71
Mortgage loans	\$12 billion	.81
Real estate	\$12 billion	.76

Source: Insurance Information Institute (2015 data)



Bond Investments in California

\$51.3 billion

Education	\$14.9 billion
State Government	\$9.1 billion
Local Government	\$6.9 billion
Transportation	\$6.9 billion
Water	\$5.2 billion
Energy	\$3.5 billion
Housing and Community Development	\$2.5 billion
Healthcare	\$1.3 billion
Environmental Protection	\$1.1 billion

Source: AM Best (2015 data)

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EDUCATION

Insurers invest in California's future by purchasing bonds that help schools, community colleges and universities build the facilities they need.

 **\$14.9 billion**



K-12

\$6.4 billion

Los Angeles Unified School District	\$1.6 billion
San Diego Unified School District	\$389 million
Santa Clara Unified School District	\$156 million
Long Beach Unified School District	\$134 million
San Jose Unified School District	\$128 million



Universities

\$4.5 billion

University of California	\$3 billion
California State University	\$805 million
California Educational Facilities Authority	\$611 million
Stanford University	\$85 million
Student Loan Corporation	\$29 million



Community Colleges

\$4 billion

Los Angeles Community College District	\$1 billion
San Bernardino Community College District	\$188 million
San Diego Community College District	\$167 million
West Valley Mission Community College District	\$155 million
Chabot Los Casitas Community College District	\$152 million

Source: AM Best (2015 data)

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GOVERNMENT



Insurers support state and local governments with bond investments that finance capital improvements. **\$16 billion**



State Government

\$9.1 billion

State of California	\$7.4 billion
California Public Works	\$965 million
Golden State Tobacco Securitization	\$186 million
California State Lottery	\$112 million
California Economic Recovery	\$89 million
California Earthquake Authority	\$39 million
California Enterprise Development Authority	\$5 million



Local Government

\$6.9 billion

City of Industry	\$522 million
City of Los Angeles	\$506 million
City and County of San Francisco	\$452 million
Los Angeles County	\$382 million
City of Riverside	\$346 million
City of Sacramento	\$342 million
City of San Jose	\$330 million
Sacramento County	\$313 million
City of San Diego	\$247 million
Riverside County	\$240 million

Source: AM Best (2015 data)

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TRANSPORTATION

Insurers keep California moving by investing in transportation infrastructure.



Transportation **\$6.9 billion**

Bay Area Toll Authority	\$1.9 billion
Los Angeles County Airports	\$948 million
Alameda Corridor Transportation Authority	\$530 million
LA County Metropolitan Transportation Authority	\$503 million
San Francisco Airports	\$461 million
San Diego County Transportation Commission	\$356 million
Santa Clara Valley Transportation Authority	\$343 million
Port of Oakland	\$320 million
Orange County Transportation Authority	\$250 million
San Diego County Airport Authority	\$217 million

Source: AM Best (2015 data)

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WATER AND ENERGY

Investments in water and energy bonds help sustain California's growing population.



\$8.6 billion



Water

\$5.2 billion

Los Angeles Department of Water and Power	\$2.7 billion
Metropolitan Water District of Southern California	\$859 million
San Diego County Water Authority	\$429 million
Sacramento County Water Financing Authority	\$84 million
Rancho Water District	\$76 million
Irvine Ranch Water	\$71 million
Santa Clara Valley Water District	\$67 million
Imperial Irrigation District	\$65 million



Energy

\$3.4 billion

San Francisco Public Utilities Commission	\$1.1 billion
East Bay Municipal Utilities District	\$700 million
Southern California Public Power Authority	\$600 million
Sacramento Municipal Utility District	\$524 million
Tuolumne Wind Power Authority	\$160 million
Northern Power Agency	\$147 million
Northern Transmission Agency	\$91 million
Northern Gas Authority	\$58 million
MSR Public Power Agency	\$57 million

Source: AM Best (2015 data)

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HOUSING AND COMMUNITY DEVELOPMENT

Insurers invest in underserved communities; purchase goods and services from minority, women, LGBTQ and disabled veteran-owned businesses; and give generously to local nonprofits.



\$2.5 billion

Housing and Community Development Bonds

California Communities Development Authority	\$815 million
California Housing Finance Agency	\$245 million
Chula Vista Industrial Development Authority	\$151 million
San Francisco Redevelopment Agency	\$150 million
Los Angeles Community Development Agency	\$122 million
Oakland Redevelopment Agency	\$113 million
San Marcos Redevelopment Agency	\$81 million
San Jose Redevelopment Agency	\$77 million
Rancho Cucamonga Redevelopment Agency	\$58 million
Inland Valley Development Agency	\$58 million

Source: AM Best (2015 data)



\$21.9 billion

California Organized Investment Network (2015)

21,520 Qualified Investments

Green Investments	\$8 billion
High Impact Investments	\$5.9 billion
Rural Investments	\$2.6 billion

Source: California Department of Insurance



Supplier Diversity (2014)

\$1.5 billion

Minority Business Enterprises	\$729 million
Women Business Enterprises	\$558 million
Multi-Certified Business Enterprises	\$135 million
Disabled Veteran Business Enterprises	\$89 million
LGBTQ Business Enterprises	\$5 million

Source: California Department of Insurance



Insurance Industry Charitable Foundation

Grants to U.S. nonprofits	\$23.5 million
Volunteer hours	218,000

Source: Insurance Industry Charitable Foundation

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HEALTHCARE AND ENVIRONMENTAL PROTECTION



Insurers' investments in healthcare facilities, clean water and clean air keep Californians healthy.

\$2.4 billion



Healthcare

\$1.3 billion

California Health Facilities Financing Authority	\$697 million
University of California Medical Center	\$489 million
Palomar Health	\$18 million
Grossmont Healthcare District	\$18 million
El Camino Hospital	\$15 million
Marin Healthcare District	\$13 million
Washington Township Health Care District	\$13 million
Tulare Health Care District	\$11 million
Tahoe Forest Hospital District	\$8 million
Tehachapi Valley Healthcare District	\$8 million



Environmental Protection

\$1.1 billion

California Pollution Control Financing Authority	\$392 million
Orange County Sanitation District	\$354 million
Sacramento County Sanitation District	\$300 million
South Coast Air Quality Management District	\$21 million
Monterey Regional Waste Management Authority	\$5 million
California Solid Waste Municipal Financing	\$4 million
Los Angeles County Sanitation District	\$3 million
Florin Resource Conservation District	\$3 million
Salinas Valley Solid Waste Authority	\$2 million
South Bayside Waste Management Authority	\$2 million

Source: AM Best (2015 data)

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RICHARD WIEBE,

Pacific Crest Public Affairs

916.952.1730

richard@pacificcrestpa.com

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