

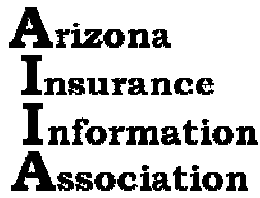
# Arizona Insurance Information Association

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## Executive Director

C. Ronald Williams

## Member Companies

AIG Agency Auto

Allied Insurance

American Family Insurance

American Reliable Insurance

COUNTRY Companies

Farm Bureau Mutual

Farmers Insurance Group

Liberty Mutual Insurance

Mercury Insurance

Progressive Insurance

Scottsdale Insurance Co.

State Farm Insurance

21<sup>st</sup> Century Insurance

## Economic Impact of Property & Casualty (PC) Insurance Business in Arizona

**"Why should I care about the insurance industry?"** Good question! The reason is because property and casualty (PC) insurers and professionals have a positive impact in the daily lives of Arizona's citizens. Insurance enables many personal transactions from buying a car or home to insuring the value of our personal property. It provides disability, rehabilitation and medical payments so people can recover from accidents and return to their daily lives. And it protects our livelihoods and businesses from economic losses.

The PC insurance industry also has a significant, positive impact on Arizona's economy.

**Competitive Insurance Marketplace** – More than 880 different PC insurers in Arizona compete for business. Combined, they add over \$1.2 trillion in assets to the state that enables Arizonans to drive cars, own homes, protect their property and operate businesses. (AZ Dept. of Insurance (DOI) 2005 Annual Report)

**PC Insurance Jobs in Arizona** – Over 37,000 professionals (direct writer employees and agents, independent agents and brokers, and claims personnel residing in Arizona) (AZ DOI 2005 Annual Report)

**PC Insurers Employee/Agents Payroll** – More than \$482 million in payroll income flows into the state and local economies of Arizona. (American Insurance Association 2005 data)

**PC Premiums Written** -- \$7.7 billion (AZ DOI 2005 Annual Report)

**PC Premium Tax Receipts to AZ** -- \$183.5 million goes to the general revenue fund and includes taxes that support the retirement systems of the Arizona's fire and police personnel. (AZ DOI 2005 Annual Report; includes 2 % tax on \$7.7 billion premiums written, and \$17 million in additional auto premium tax [dedicated to state's Public Safety Retirement System] and \$11.8 million from tax on fire premiums [dedicated to state's fire districts pension program])

**PC Claims/Losses Incurred** -- \$4.2 billion (AZ DOI 2005 Annual Report includes 30 lines of PC coverages)

**PC Investments in Arizona** -- \$7.2 billion of PC insurance assets (American Insurance Association 2005 data) were invested in Arizona municipal bonds in 2005 – approximately 24% of the outstanding state and local government debt in the state. Insurers invest in a variety of public projects, including airport, street, and highway construction, as well as water projects. Insurers also purchase general obligation bonds that finance ongoing government operations.

*Mission: "To help strengthen the public's knowledge of property and casualty insurance."*

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