

# Facts + Statistics: Industry overview

## Insurance Industry

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## Insurance industry at-a-glance



- U.S. insurance industry net premiums written totaled \$1.22 trillion in 2018, with premiums recorded by property/casualty (P/C) insurers accounting for 51 percent, and premiums by life/annuity insurers accounting for 49 percent, according to S&P Global Market Intelligence.
- P/C insurance consists primarily of auto, homeowners and commercial insurance. Net premiums written for the sector totaled \$618.0 billion in 2018.

- The life/annuity insurance sector consists of annuities, accident and health, and life insurance. Net premiums written for the sector totaled \$600.6 billion in 2018.
- Although most private health insurance is written by companies that specialize in that line of business, life and P/C insurers also write coverage referred to as accident and health insurance. Total private health insurance direct premiums written were \$919.6 billion in 2018, including: \$715.6 billion from the health insurance sector; \$197.5 billion from the life/annuity sector; and \$6.5 billion from the P/C sector, according to S&P Global Market Intelligence. The health insurance sector also includes government programs.
- In 2018 there were 5,965 insurance companies in the U.S. (including territories). According to the National Association of Insurance Commissioners, those were comprised of the following: P/C (2,507); life/annuity (841); health (931); fraternal (82); title (60); risk retention groups (239) and other companies (1,305).
- Insurance carriers and related activities contributed nearly \$630 billion, or 2.9 percent, to the nation's gross domestic product (GDP) in 2019, according to the U.S. Bureau of Economic Analysis.
- Total P/C cash and invested assets were \$1.7 trillion in 2018, according to S&P Global Market Intelligence. Life insurance and annuity cash and invested assets totaled \$4.1 trillion in 2018; separate accounts assets and other investments totaled \$2.5 trillion. The total of cash and invested assets for both sectors was \$8.3 trillion. Most of these assets were in bonds (60 percent of P/C assets and 72 percent of life/annuity assets, excluding separate accounts).
- P/C and life/annuity insurance companies paid \$23.6 billion in premium taxes in 2019, or \$72 for every person living in the United States, according to the U.S. Department of Commerce.
- P/C insurers paid out \$49.5 billion in property losses related to catastrophes in 2018, according to the Property Claim Services (PCS) division of Verisk Analytics, down from \$105.7 billion in 2017, which was the highest loss since PCS began collecting insured loss data in 1949. There were 55 catastrophes in 2018, compared with 46 in 2017.
- The U.S. insurance industry employed 2.8 million people in 2019, according to the U.S. Department of Labor. Of those, 1.6 million worked for insurance companies, including life and health insurers (923,000 workers), P/C insurers (647,000 workers) and reinsurers (28,500 workers). The remaining 1.2 million people worked for insurance agencies, brokers and other insurance-related enterprises.
- Insurers have responded quickly to the COVID-19 pandemic. Using information collected by the [Insurance Industry Charitable Foundation](#) (IICF), the Insurance Information Institute (Triple-I) [estimates](#) that by June 2020 U.S. insurers and their foundations had donated about \$280 million in the fight against COVID-19. In addition, international insurers and their foundations donated more than \$150 million. U.S. auto insurers have also responded to the pandemic by returning over \$14 billion to their customers nationwide in response to reduced driving during

the pandemic, according to a Triple-I [estimate](#).

## Property/Casualty And Life/Annuity Insurance Premiums, 2019 (1)



(US\$ billions)



(1) Property/casualty: net premiums written after reinsurance transactions, excludes state funds; life/annuity: premiums, annuity considerations (fees for annuity contracts) and deposit-type funds. Both sectors include accident and health insurance.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

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## Employment In Insurance, 2010-2019



(Annual averages, 000)

Year	Insurance carriers				Insurance agencies, brokerages and related services		
	Life and health (2)	Property/casualty	Reinsurers	Total	Insurance agencies and brokers	Other insurance-related activities (3)	Total
2010	804.1	614.3	26.8	1,445.2	642.3	253.1	895.4
2011	788.9	611.6	25.6	1,426.1	649.2	261.1	910.3
2012	811.3	599.5	25.7	1,436.5	659.6	272.3	931.9
2013	813.2	593.7	26.2	1,433.1	672.3	283.5	955.8
2014	829.0	594.7	25.1	1,448.8	720.0	297.1	1,017.1
2015	829.8	611.6	25.1	1,466.5	762.8	309.1	1,071.4
2016	818.9	643.5	25.3	1,487.7	783.5	321.5	1,105.0

Year	Life and health (2)	Property/casualty	Reinsurers	Total	Insurance agencies and brokers	Other insurance-related activities (3)	Total
2017	850.4	636.7	36.6	1,516.7	825.6	346.2	1,171.8
2018	923.0	647.0	28.6	1,540.9	843.0	348.7	1,191.7
2019	923.0	647.0	28.5	1,598.5	843.0	348.7	1,191.7

(1) Direct insurers (1)  
(2) Life and health (2)  
(3) Other insurance-related activities (3)  
rate-making services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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A property/casualty insurer must maintain a certain level of surplus to underwrite risks. This financial cushion is known as “capacity.” When the industry is hit by high losses, such as a major hurricane, capacity is diminished. It can be restored by increases in net income, favorable investment returns, reinsuring more risk, and/or raising additional capital.

## Property/Casualty Insurance Industry Income Analysis, 2014-2018 (1) **SHARE**

(\$ billions)

	2014	2015	2016	2017	2018
Net premiums written	\$497.0	\$514.4	\$528.3	\$552.6	\$612.6
Percent change	4.2%	3.5%	2.7%	4.6%	10.8%
Premiums earned	\$487.9	\$506.0	\$523.5	\$540.6	\$594.1
Losses incurred	277.7	290.7	317.9	347.6	360.9
Loss adjustment expenses incurred	57.3	59.6	60.3	62.7	63.3
Other underwriting expenses	138.3	144.3	147.6	151.0	167.0
Policyholder dividends	2.4	2.5	2.3	2.6	3.0
Net underwriting gain/loss	12.2	8.9	-4.7	-23.3	-0.1
Net investment income	46.4	47.2	46.6	48.9	55.3
Miscellaneous income/loss	-2.7	1.5	1.1	-5.2	1.4
Operating income	55.9	57.7	43.0	20.3	56.6
Realized capital gain	10.3	9.4	7.3	15.1	10.4
Federal and foreign income tax	10.3	10.2	7.4	-0.6	7.0
Net income after taxes	55.9	56.8	42.9	36.1	60.0

(1) Data in this chart exclude state funds and other residual market insurers and may not agree with similar data shown elsewhere from different sources.

Source: ISO®, a Verisk Analytics® business.

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## Top 10 Writers Of Property/Casualty Insurance By Direct Premiums Written, 2019



(\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	State Farm Mutual Automobile Insurance	\$65,615,190	9.3%
2	Berkshire Hathaway Inc.	46,106,971	6.6
3	Progressive Corp.	39,222,879	5.6
4	Liberty Mutual	35,600,051	5.1
5	Allstate Corp.	35,025,903	5.0
6	Travelers Companies Inc.	28,016,966	4.0
7	USAA Insurance Group	23,483,080	3.3
8	Chubb Ltd.	23,388,385	3.3
9	Farmers Insurance Group of Companies	20,643,559	2.9
10	Nationwide Mutual Group	18,442,145	2.6

(1) Before reinsurance transactions, includes state funds.

(2) Based on U.S. total, includes territories.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

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## Top 10 Writers Of Life/Annuity Insurance By Direct Premiums Written, 2019



(\$000)

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	MetLife Inc.	\$95,079,321	13.0%
2	Prudential Financial Inc.	56,206,131	7.7
3	Equitable Holdings	44,721,302	6.1
4	New York Life Insurance Group	33,425,321	4.6
5	Massachusetts Mutual Life Insurance Co.	30,375,127	4.2
6	Lincoln National Corp.	28,471,688	3.9
7	Principal Financial Group Inc.	27,038,400	3.7
8	American International Group (AIG)	25,684,294	3.5
9	Jackson National Life Group	23,056,675	3.2
10	Transamerica	22,360,111	3.1

(1) Includes life insurance, annuity considerations, deposit-type contract funds and other considerations, and accident and health insurance. Before reinsurance transactions.

(2) Based on U.S. total, includes territories.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

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## Life/Annuity Insurance Income Statement, 2015-2019



(\$ billions, end of year)

	2015	2016	2017	2018	2019	Percent change, 2018-2019 (1)
<b>Revenue</b>						
Life insurance premiums	\$151.4	\$115.0	\$137.1	\$145.1	\$145.1	(2)
Annuity premiums and deposits	324.0	318.5	287.2	269.7	341.9	26.8%
Accident and health premiums	158.8	162.8	169.3	183.1	186.2	1.7
Credit life and credit accident and health premiums	1.4	1.3	1.3	1.3	(3)	NA
Other premiums and considerations	2.5	2.2	2.1	4.0	6.7	67.4
<b>Total premiums, consideration and deposits</b>	<b>\$638.2</b>	<b>\$599.9</b>	<b>\$597.1</b>	<b>\$603.2</b>	<b>\$679.9</b>	<b>12.7%</b>
Net investment income	170.8	173.0	182.3	187.4	186.6	-0.4

	2015	2016	2017	2018	2019	Percent change, 2018-2019 (1)
Reinsurance allowance	-86.4	-17.0	-25.1	32.0	-29.7	NA
Separate accounts revenue	35.2	34.7	36.6	37.3	36.8	0.7
Other income	90.5	61.3	49.2	44.0	48.8	(1.7)
<b>Total revenue</b>	<b>\$848.2</b>	<b>\$851.9</b>	<b>\$839.9</b>	<b>\$903.9</b>	<b>\$922.3</b>	<b>2.0%</b>
<b>Expense</b>						
Benefits	263.9	271.4	281.4	289.5	302.2	4.4
Surrenders	273.0	265.1	308.9	350.3	339.6	-3.0
Increase in reserves	80.5	133.1	106.4	143.3	120.6	-15.9
Transfers to separate accounts	36.9	-38.0	-65.8	-89.6	-72.0	NA
Commissions	55.5	64.6	58.0	58.3	61.2	4.9
General and administrative expenses	60.1	62.4	65.9	65.9	67.9	3.0
Insurance taxes, licenses and fees	10.5	10.8	8.8	10.7	9.3	-13.4
Other expenses	-4.9	-2.7	-4.1	11.3	14.4	27.1
<b>Total expenses</b>	<b>\$775.5</b>	<b>\$766.6</b>	<b>\$759.4</b>	<b>\$839.8</b>	<b>\$843.2</b>	<b>0.4%</b>
<b>Net income</b>						
Policyholder dividends	18.3	18.2	17.5	18.2	18.1	-0.4
Net gain from operations before federal income tax	54.4	67.1	63.0	46.0	61.0	32.7
Federal income tax	10.6	16.3	12.4	3.4	9.4	177.7
<b>Net income before capital gains</b>	<b>\$43.8</b>	<b>\$50.8</b>	<b>\$50.6</b>	<b>\$42.6</b>	<b>\$51.5</b>	<b>21.1%</b>
Net realized capital gains (losses)	-3.5	-11.4	-8.6	-4.7	-6.9	44.6
<b>Net income</b>	<b>\$40.3</b>	<b>\$39.4</b>	<b>\$42.1</b>	<b>\$37.8</b>	<b>\$44.7</b>	<b>18.1%</b>
Pre-tax operating income	54.4	67.1	63.0	46.0	61.0	32.7
Capital and surplus, end of year	354.0	367.2	380.7	394.9	400.0	5.5

(1) Calculated from unrounded data.

(2) Less than 0.1 percent.

(3) Data not available.

NA=Not applicable.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

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