

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

To: Representatives of the Financial Services Roundtable, GAC, Public Affairs Council, All Staff

Fast Facts: INSURANCE AND THE ECONOMY

The following information is taken from the Insurance Information Institute and the American Council of Life Insurers.

FACT: The insurance industry is an important employer and financier of our nation's economy – employing 2.5 million Americans in 2009 and annually contributing over \$300 billion to GDP.

FACT: In 2009, the insurance industry paid \$306.7 billion in benefits to property and casualty insurance policyholders and \$246.0 billion in benefits to life and health insurance policyholders.

FACT: Insurance companies invest the vast majority of their premiums in the U.S. For example, 92% of life insurance assets were invested in the U.S. economy in 2008. Only 8% were in foreign investments.

FACT: The insurance industry provides businesses with capital for research, expansions, and other ventures. In 2008, insurance companies contributed \$3.3 trillion to business development through their holdings in stocks and bonds.

FACT: Insurance companies invest the premiums they collect in state and local public projects, such as schools and roads. In 2009,

- Property and casualty insurers invested \$369.4 billion in municipal securities.
- Life and health insurers invested \$73.3 billion in municipal securities.

FACT: The insurance industry gave \$297.3 million in U.S. charitable contributions in 2008, placing it among the top 15 contributors, according to a survey of industries by the Conference Board. The banking and finance industry contributed \$641.3 million that same year.

This report is also attached as a PDF. If you have questions or comments, please do not hesitate to contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at abbyresearch@fsround.org.

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