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Wisconsin's Insurers Release Statewide Economic Impact Study

Report by Wisconsin Taxpayers Alliance Reveals Importance of Insurers to State Economy, Jobs

(MADISON) – In the state's quest for growth in family-supporting jobs, no industry is more important than Wisconsin's insurance industry.

That's among the findings of a study conducted by the Wisconsin Taxpayers Alliance on the economic impact of Wisconsin's insurance industry. The study was commissioned by four associations representing the state's property and casualty, health and life insurers. The study's findings are summarized in a report titled, *Protection & Prosperity, The Insurance Industry and Its Impact on Wisconsin*, and separate reports on each industry sector.

According to the main report, the insurance industry is directly responsible for nearly 80,000 Wisconsin jobs, making it one of the state's leading employers.

Further, the average Wisconsin insurance industry wage of \$61,549 is nearly 60 percent above the state average for all workers. Considering the purchasing power of industry wages and the industry's total impact beyond the wages paid to its workers, both directly and indirectly, the Wisconsin insurance industry supported more than 200,000 jobs and \$10 billion of employee wages in the state in 2010.

"It is not widely known that Wisconsin is a national leader in insurance as well as manufacturing," said Todd Berry, President of the Wisconsin Taxpayers Alliance. "More state residents work in insurance than in any of the leading manufacturing sectors, including paper, printing, and electrical equipment."

With 3.4 percent of all Wisconsin workers employed in the insurance industry in 2010, the state ranks fourth among all states in its concentration of insurance employment. Nationally, the insurance industry employed 2.0 percent of all employees.

Wisconsin ranks second in the country in the number of insurance companies that do business here and fourth in the number of companies who choose Wisconsin as their home state.

"Inside Wisconsin, we are not fully aware of the positive reputation we have for our insurance climate," said Connie O'Connell of the Wisconsin Council of Life Insurers. "The large number of companies who choose Wisconsin as their headquarters produces considerable good-paying, clean jobs, generates tax revenue and positions us as a significant exporter of insurance products."

(more)

Insurance industry jobs are recession proof. The number of insurance jobs in the state rose 11.1 percent from 2001 through 2010. In contrast, across all industries statewide, job counts fell 3.3 percent. Consumers remain committed to protecting their families from loss even during an economic downturn.

“The benefit of Wisconsin’s competitive insurance climate is better rates for consumers,” said Andy Franken, President of the Wisconsin Insurance Alliance. “Within the property & casualty industry, Wisconsin’s auto and homeowner premiums are among the lowest in the country.”

“Wisconsin has long been a leader in providing health insurance,” said Rebecca Larson, Executive Director of the Alliance of Health Insurers, U.A. “Wisconsin’s health insurance employment share is more than double the nation’s and among the highest of any industry in the state, demonstrating the industry’s significance to the overall Wisconsin economy.”

The Wisconsin insurance industry contributed more than \$13 billion to Wisconsin’s gross state product in 2010, 5.4 percent of the state’s total. Nationally, insurance companies contributed 2.8 percent to the U.S. gross domestic product.

Other study findings include the following:

- Wisconsin insurance companies wrote more than \$25.5 billion in premiums in the state in 2011.
- The insurance industry paid \$148 million in Wisconsin premium taxes in 2011 and \$28 million in state corporate income taxes in 2009.
- The Wisconsin insurance industry supports the economic prosperity of the state by making charitable contributions and investing in the state’s businesses and communities. For example, the report found life insurers invested about \$60 billion in stocks and bonds of Wisconsin companies and more than \$780 million in Wisconsin-related Build America Bonds.

“Historically, policymakers, regulators and the insurance industry have worked together to support the right balance of regulatory oversight and market freedom,” said Nancy Wenzel, CEO of the Wisconsin Association of Health Plans. “The study confirms the strategy is working for insurance consumers and Wisconsin’s economy.”

- The report, *Protection & Prosperity*, is available for downloading, [here](#).
- Health Insurance Industry Report, [here](#)
- Life Insurance Industry Report, [here](#)
- Property & Casualty Insurance Industry Report, [here](#)