



NEWS RELEASE

For Immediate Release

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Firm Foundation

The insurance industry has a significant impact on North Carolina's economy that extends well beyond its responsibilities to collect premiums and settle claims. The industry employs more than 77,500 people, pays more than \$475 million in state premium taxes, and contributes about \$6.7 billion to North Carolina's gross state product. Perhaps of greater importance, property and casualty insurance companies paid about \$6.8 billion in claims to help individuals and businesses recover from losses in 2014.

North Carolina is susceptible to potentially devastating effects from natural disasters such as hurricanes, tornadoes, wildfires, and winter storms. Non-catastrophic losses like house fires, and lightning strikes can also cause significant damage to property.

According to the Insurance Information Institute, wind and hail are consistently the most frequent cause of loss for property damage, and North Carolina is no exception. Five of the ten most costly hurricanes to hit the United States caused damage in North Carolina (Hugo, Charley, Ivan, Frances, and Sandy). North Carolina also ranked third in the nation for wildfires (4,625 in 2014), and was tenth in tornadoes (35 in 2014).

By paying claims and assisting in the recovery effort, insurers help provide individuals and businesses with economic security, and help make our communities more resilient. However, Russ Dubisky, media relations representative for the Insurance Federation of North Carolina (IFNC), says the economic impact doesn't stop there, "Insurance products provide protection against significant financial loss, but the industry clearly makes other important contributions to the economy that are, perhaps, less quantifiable. Insurance provides necessary protection for our most important assets, and protects lenders' collateral to help stimulate our credit-based economy."

Lenders often require borrowers to purchase insurance for homes that have mortgages and vehicles that have liens. In an environment where most American families depend on loans to purchase cars, homes, and/or to start a business, insurance is a critical component in making sure these borrowing opportunities are available.

Using figures compiled by the Insurance Information Institute, the insurance industry makes a significant imprint in the following areas:

- Employment: The insurance industry provided 77,615 jobs in North Carolina in 2014, according to the U.S. Department of Commerce. These jobs accounted for about \$4.9 billion in compensation in 2014.
- Gross state product: The industry's contribution to the gross state product (GSP) in 2013 was about \$6.68 billion, about 1.43% of the total.
- Taxes: A total of \$476.4 million in premium taxes was paid by insurance companies in North Carolina in 2014.
- Claims payments: In 2014 the payments in North Carolina for property/casualty losses were \$6.8 billion. Life insurance and claims and benefits payments in the state were \$13 billion that same year.