

Insurance: A Vital Service Industry in Michigan

Insurance is a leading service industry here. It is a highly competitive business. In our state, insurance means:

- Vital financial security for individuals, business interests and the entire economy.
- 60,000 jobs.
- Billions of dollars in insurance benefits which create thousands of jobs and stimulate additional economic development.
- Hundreds of millions of dollars in state and local revenue, including taxes, fees and special assessments.
- Crime prevention funding and active involvement in programs designed to reduce arson, auto theft and other crimes.
- And, perhaps most important, insurance employees...making Michigan a better place to live.

Our greatest resource... Insurance Employees

It is, of course, people who make insurance work: underwriters, agents, clerks, accountants, service representatives, claim specialists, managers and many more. They deliver a service that is vital to our economic and social stability. And they customize that service to meet the diverse wants and needs of Michigan residents.

Insurance employees are good citizens too. Many are actively involved in the community, often in a leadership role. They volunteer their time and effort to schools, civic groups, charities and other organizations. Working with their neighbors, they make Michigan a better place to live.

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An Economic Partnership

The Insurance Industry In Michigan



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Employment & Economic Stimulation

Workforce 60,000 strong!

There are over 1,500 insurance companies helping to protect citizens in Michigan. It is estimated that over 60,000 persons are employed by the Michigan insurance industry.

The insurance industry also generates more employment beyond those jobs at insurance companies. It is estimated that for every three persons employed by the insurance industry, an additional job is generated elsewhere in the economy.

Insurance companies pay billions of dollars each year in claims and benefits to policyholders. These dollars are used to pay for medical care of those injured, rebuild and repair houses, repair automobiles and replace personal property, all of which create more jobs — and stimulate additional economic development.



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Insurance remains a leader among white-collar employers.

The average Michigan insurance industry employee earns more than \$55,000 annually and contributes to the state's income, property and sales tax bases.

Source: Bureau of Labor Statistics

State & Local Revenue

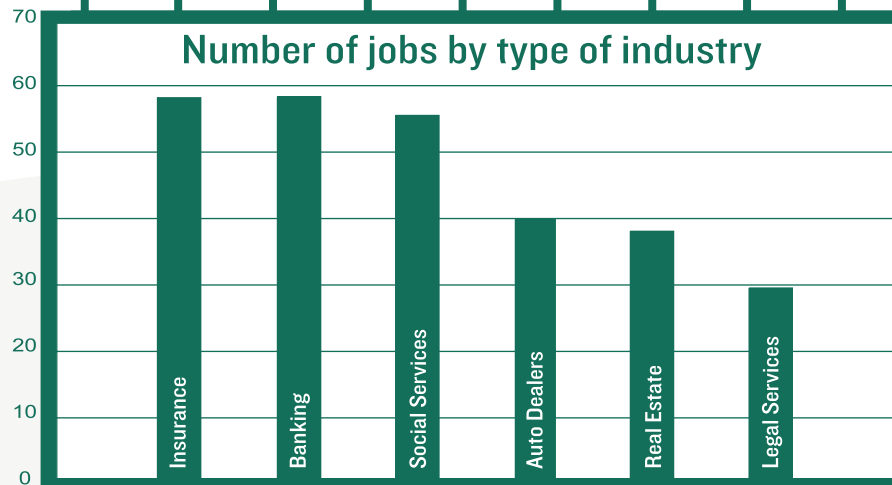
Insurance companies pay more than \$400 million annually to state and local government.

This includes taxes, special licenses and the following:

- Sales, real estate and employment taxes.
- Motor vehicle registration and retrieval fees.

Property/casualty insurance companies also pay a special assessment to the state to fund regulation of its industry.

The industry also pays more than \$140 million to fund special programs mandated by state law. An example of one of those programs is the Michigan Property Casualty Guaranty Association. MPCGA pays claims on behalf of insolvent insurance companies.



Crime Prevention

The industry provides leadership and funding for crime prevention.

Property/casualty insurance companies are actively involved in the ongoing battle against crime in our state to help control insurance costs for everyone. They sponsor rewards for information which leads to the arrest of car thieves and arsonists.

They provide millions of dollars each year to fund auto theft prevention and detection initiatives. They work with law enforcement authorities to plan and implement anti-crime programs.

AN ECONOMIC PARTNERSHIP