

EMPLOYMENT

Illinois Insurance
Directly Employs
Over 159,397 People

REVENUE

Illinois Collected
Over \$608 Million
From the Insurance
Industry in 2022

INVESTMENTS

Illinois Insurers
Held \$499 Billion
in Bonds



2024

INSURANCE INDUSTRY ECONOMIC IMPACT STUDY

EMPLOYMENT | REVENUE | INVESTMENTS



Locations of large companies and brokers in Illinois.

2024 ECONOMIC IMPACT STUDY

THE BENEFICIAL ROLE OF THE INSURANCE INDUSTRY IN ILLINOIS

The main role of the insurance industry is to offer financial protection that indemnifies policyholders, households, and businesses from financial loss covered under insurance policies.

The insurance industry in Illinois has an exceptional impact on both the economy of Illinois and on the U.S. economy as a whole. The insurance industry offers well-paying, steady employment to thousands of Illinois residents.

The Illinois insurance industry's employment, contribution to state GDP, premiums written, losses paid, and investments places the Illinois insurance industry as one of the top-ranking industries in the nation.

The promise of indemnification offered by Illinois-domiciled property and casualty insurers is one of the country's most significant ways in which Americans insure losses to homes, autos, and businesses. The insurance industry in Illinois is a flagship industry for the entire country.

In this study, we focused on the supply side of the insurance industry by analyzing insurers as producers of services and employment. This may differ from an approach focused on the demand side of insurance, where the aim is to assess insurance as a consumption good, and the analysis is meant to reflect the behavior of households and businesses.

Illinois Insurance Directly Employs Over 159,397 People

The insurance industry in the U.S. employs over 3 million people. In 2021, 159,397 people were employed directly by the insurance industry in Illinois. This is more than any of the surrounding states and in fact is more than twice the employment of Missouri, Indiana, Iowa, or Kentucky. These people work in various occupations in the insurance industry, in organizations ranging in size from large insurance companies to single person insurance agencies.

Indirect employment relates to those who work with an industry. In insurance, this would include downstream businesses such as auto body shops, building contractors, doctors, and hospitals. The direct and indirect employment related to the insurance industry for jobs for the state would easily exceed 300,000 jobs from both direct and indirect employment in the insurance industry for Illinois.

**INCREASE IN
2017-2021 PERIOD**
Illinois – 2.73%
U.S – 3.19%

STATE OR AREA	2017	2021	INCREASE IN 2017-2021 PERIOD
U.S.	3,337,100	3,443,400	3.19%
Illinois	155,159	159,397	2.73%
Ohio	143,072	144,016	0.66%
Michigan	83,524	85,681	2.58%
Wisconsin	81,762	83,856	2.56%
Missouri	70,610	74,705	5.80%
Indiana	64,727	66,813	3.22%
Iowa	57,972	59,197	2.11%
Kentucky	44,389	43,992	-0.89%

Illinois Gross Domestic Product by Industry in 2021

In 2021, the insurance industry in Illinois contributed 4.43 percent of the GDP to the state of Illinois, which is significant for an individual industry. This is higher than hospitals, agricultural, construction, or food services industries making it one of the most impactful single industries in the state GDP.

Investments in State and Local Government

In 2021, Illinois insurers held \$499 billion in bonds. Of those bonds, Illinois companies held \$47 billion in municipal bonds. These bonds are used for public projects (streets, sewer, roads, parks, etc.) In addition, insurers held \$102 billion of corporate bonds. Corporate bonds are an important source of long-term capital for economic growth. State and local economies benefit from a wide array of projects such as schools, roads, bridges, mass transit initiatives and health care facilities.

INDUSTRY	GDP (BILLIONS)	% OF STATE GDP
Insurance carriers & related activities	41.93	4.43%
Transportation & warehousing	34.68	3.67%
Construction	30.63	3.24%
Hospitals	26.74	2.83%
Accommodation & food services	26.58	2.81%
Agriculture, forestry, fishing, & hunting	10.28	1.09%

LINE	TOTAL CASH & INVESTMENTS, EXCL AFFILIATED 2021Y (BILLIONS)	NET BONDS 2021Y (BILLIONS)
PC	336.01	203.89
LIFE	159.12	113.60
HEALTH	295.98	181.22
TOTAL	791.11	498.71

Ranking of States Insurance Premiums Written

The Illinois Insurance Industry is exceptionally strong and diverse. In addition to over 80,000 licensed agents throughout the state, in 2021, Illinois was home to 107 P&C insurers, 28 life insurers, and 37 health insurers and collectively wrote 228.9 billion in insurance premiums for property-casualty, life, and health insurance combined. This placed Illinois first overall in the country for P&C and second overall in the country for health insurance premiums. **One out of every five property & casualty premium dollars in the nation is written by an Illinois-domiciled insurer.**

STATE	RANK-OVERALL	RANK-P&C	RANK-LIFE	RANK-HEALTH
Illinois	2	1	16	2
Connecticut	1	5	1	1
New York	3	8	2	5
Ohio	4	2	10	8
Wisconsin	5	7	12	4

One unique and important part of the industry relates to insurance agents and brokers. Illinois is home to several large international insurance brokers, The Horton Group in Orland Park, Arthur J. Gallagher in Schaumburg, Illinois, and Hub International in Chicago.

Over \$162 Billion Paid Out to Policyholders in 2021

In 2021, Illinois insurers paid out a total of 162.05 billion in losses, with \$75 billion of that being paid out for losses to homes, autos, and businesses, representing 20% of all property and casualty claims made in the entire country.

AREA	P&C INSURANCE LOSSES PAID LESS SALVAGE 2021Y (BILLIONS)	LIFE INSURANCE BENEFITS AND LOSSES 2021Y (BILLIONS)	HEALTH LOSSES PAID 2021Y (BILLIONS)
Illinois	75.16	16.55	70.34
U.S. Total	368.90	798.02	788.63
% of U.S. Total	20.37%	2.07%	8.91%

Insurance Company Payments to State of Illinois by Revenue Source

Illinois's tax policy with respect to the insurance industry is different from other industries and has some unique taxes. Premium Taxes in 2021 (which does not include license fees and some other revenue items) equaled \$513.2 million, representing 0.76% of the Illinois state's revenues. In addition to taxes from insurance organizations, the state collects personal income tax from employees working in the industry. The state of Illinois collected \$608,507,164 from the insurance industry for 2022. The two largest categories are privilege taxes and retaliatory taxes. Both of these types of taxes are related to taxes on insurance premiums.

CODE	REVENUE SOURCE	AMOUNT
0394	Privilege Tax - Insurance	\$213,700,815.30
0468	Retaliatory Tax	\$136,286,579.85
1846	Surplus Line Tax Insurance	\$103,468,896.82
0922	Insurance Producer Licenses	\$51,146,899.97
0111	Fire Marshal Tax	\$37,807,969.16
1015	Miscellaneous	\$21,293,720.00
1847	Workers' Compensation Surcharge	\$19,453,036.08
0344	1/2% Comp PD Employer	\$11,936,016.48
0795	Interest on Late Filing Fees	\$3,585,314.37
0987	Insurance User Fees	\$2,962,938.63
2510	Independent Procurement Tax	\$2,169,253.00
0918	Agent & Broker Examination	\$1,806,408.00
0499	Self-Insured Employers	\$1,227,517.21
0104	Employer Pay/Employee Comp	\$804,568.13
1039	Performance Examination	\$735,078.00
0500	Surety Bonds	\$122,152.81
	Total	\$608,507,163.81

Charitable Giving

On a national level, the Insurance Industry Charitable Foundation contributed over \$45 million in local community grants. Domestic insurers, agents and brokers support and contribute to countless charitable organizations.

