



UNIVERSITY OF
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The Property-Casualty Insurance Industry in Maine

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The purpose of this brief is to summarize the role that the insurance industry plays in the overall economic well-being of the state of Maine across various dimensions. The focus is on the property-casualty insurance industry and the statistics cited below reflect only the property-casualty insurance industry unless noted otherwise.

How the Broader Insurance Industry in Maine Compares to the Nation

The overall insurance industry presence in Maine is impressive. Using 2013 Bureau of Labor Statistics employment estimates, the concentrations of jobs² in three different employment categories specific to insurance company operations are described below at state and metropolitan area levels.

- **Actuaries:** The metropolitan area of Portland-South Portland-Biddeford has the 9th highest concentration of insurance actuaries of all metropolitan areas across the U.S. with an annual mean wage of \$109,670 (Bureau of Labor Statistics).
- **Claims Adjusters, Examiners, and Investigators:** As a state, Maine is ranked 2nd among all states for its concentration of insurance claims employment with an annual mean wage of \$59,270. At the metropolitan area level, the Portland-South Portland-Biddeford area is ranked 4th in the country for its concentration of claims adjuster employment. Of the 1,750 people employed in insurance claims in the state, 1,340 of them are employed in the Portland-South Portland-Biddeford metropolitan area (Bureau of Labor Statistics).
- **Underwriters:** Maine is ranked 7th among all states for its concentration of employment in insurance underwriting with an annual mean wage of \$70,920. The metropolitan area of Portland-South Portland-Biddeford is ranked 5th among all metropolitan areas in the country for its insurance underwriting job concentration. Of the 630 total number of underwriters employed throughout the state, 580 of them are employed in the Portland-South Portland-Biddeford metropolitan area (Bureau of Labor Statistics).

Relative to other occupations across all non-insurance industries *within* the Portland-South Portland-Biddeford metropolitan area, insurance underwriting has the 3rd highest job concentration (Bureau of Labor Statistics).

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² The Bureau of Labor Statistics uses a location quotient to measure area employment concentration relative to national average concentration. Higher location quotients indicate higher prevalence of the occupation than average and, hence, higher employment concentrations (Bureau of Labor Statistics).

Economic Impacts in Maine

Employment and Income

The Insurance Information Institute (hereafter, "I.I.I.") produced a report that relied on U.S. Department of Commerce data to determine that the entire insurance industry, including all lines of insurance, provided 13,418 jobs in Maine in 2012. Approximately \$939.1 million in compensation was paid to Maine employees by the Maine Insurance industry (Insurance Information Institute).

A report produced by the American Insurance Association (hereafter, "AIA") using older 2008 data but showing figures for just the property-casualty insurance industry in Maine indicated there were more than 1,300 Mainers directly employed in the property-casualty insurance industry. The same AIA report indicated that the property-casualty insurance industry alone provided \$82.2 million of income to employees throughout Maine and its local economies (American Insurance Association).

Gross State Product

In 2012, Maine's entire insurance industry contributed \$1.6 billion to the gross state product (GSP) of Maine, accounting for nearly 3 percent of total GSP (Insurance Information Institute).

Investments in State and Local Government

The AIA report relied on A.M. Best data to estimate that the property-casualty insurance industry supported the Maine economy by investing in \$1.1 billion of Maine municipal bonds in 2008. This was approximately 14 percent of outstanding debt for state and local governments at that time (American Insurance Association).

Taxes Paid

In 2013, Maine's entire insurance industry paid roughly \$99.7 million in premium taxes to the Maine state government providing a tremendous source of additional tax revenue (Insurance Information Institute).

Premiums Written

As a measure of the size of the property-casualty insurance market in Maine, property-casualty direct written premiums in Maine totaled \$2 billion in 2013 (Insurance Information Institute).

Claim Amounts Paid for Insured Losses

Claims payments demonstrate the extent to which the insurance industry helps its consumers recover from losses that might otherwise cause financial hardships. In 2013, property-casualty claims payments totaled \$983 million for the state of Maine as measured by direct incurred losses paid (Insurance Information Institute).

References

American Insurance Association, "How the Property-Casualty Insurance Industry Supports State and Local Government and the Maine Economy," retrieved on 9/2/2014 from <http://www.aiadc.org/AIAdotNET/LinksResources/General/stateprofiler/StateProfiler.aspx?state=ME>.

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