

The Insurance Carriers Industry in Ohio

Ohio's Standing

Ohio ranks sixth among the 50 states in the Insurance Carriers industry based on total employment. Ohio is fourth in the Casualty insurance part of the industry with 6.7 percent of this sector's U.S. employment.

Key industry statistics:

- ◆ 81.2 thousand Ohio employees (February 2002)
- ◆ \$6.7 billion in gross state product (1999)
- ◆ 5 Fortune 1000 firms (2002)
- ◆ 1,870 business establishments (1999)

Leading sectors

Approximately half of the people who work for insurance carriers in Ohio are employed in the Fire, Marine, and Casualty sector. All five of Ohio's Fortune 1000 insurance companies are primarily focused on this aspect of the insurance business.

Life Insurance is the second largest part the industry followed by Medical & Health—the fastest growing segment.

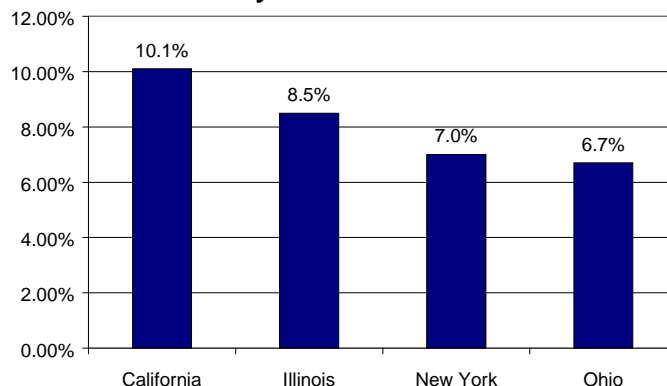
Fortune 1000 Companies

Three of Ohio's Fortune 1000 insurance companies also appear on the Fortune 500 list and are among the state's top 50 employers. Nationwide has its headquarters in Columbus and employs about 10,700 Ohio workers. The company ranks 136th on the Fortune list and 28th on the state's private-sector employer list.

Cleveland-based Progressive employs 8,300 Ohio workers and ranks 254th on the Fortune list. Both Progressive and Nationwide are currently involved in major expansion projects (see page three).

American Financial, headquartered in Cincinnati, employs about 6,000 Ohio workers.

Share of U.S. Casualty Insurance Sector



Source: U.S. Census Bureau

Employment by Sector

SIC Code	Industry	Ohio Employment	Percent Of Total
63	Insurance Carriers	78,400	100.0%
631	Life Insurance	23,200	29.6%
632	Medical & Health	13,600	17.3%
633	Fire, Marine and Casualty	35,100	44.8%
635 - 9	Other	6,500	8.3%

Source: Ohio Job Outlook, Bureau of Labor Market Information

Ohio Fortune 1000 Companies



Source: Fortune, April 2002

Employment and Production Trends

Employment

Employment in Ohio's Insurance Carriers industry increased sharply during the last half of the 1990s. Growth has since leveled off—consistent with national trends. From 1996 to 1999, the industry grew 14 percent.

The state's Bureau of Labor Market Information anticipates a resumption of employment growth over the course of the next seven years. Their projections indicate that industry employment will reach 86 thousand by 2008. The Fire, Marine, and Casualty and Medical and Health sectors will be the main source of job growth, adding a combined total of 8,000 workers. These projections are consistent with recent expansion and relocation announcements described on page three of this snapshot.

The employment growth rate projected for the Ohio Insurance Carrier industry is slightly above the national projection rate prepared by the U.S. Bureau of Labor Statistics (9.8% compared to 9.6%). Over the course of the 1990s, economic indicators suggest that the Insurance Carriers industry became somewhat more concentrated in Ohio; these two sets of employment projections reflect this historic trend.

Ohio is third in the number of claims examiners working in property and casualty insurance, and state agency occupation projections indicate that Ohio will maintain this ranking, with a growth rate just above the national rate.

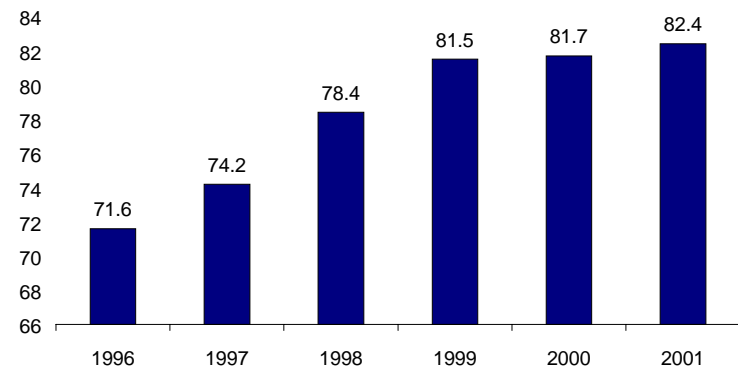
Gross State Product

From 1990 to 1999, Insurance Carriers' contribution to Ohio's gross state product (GSP) grew from \$2.6 billion to \$6.8 billion, an increase of 161 percent. After making adjustments for inflation, the industry's growth rate was 30 percent—compared to 27 percent for the nation.

The U.S. Bureau of Economic Analysis' gross state product time series shows that compensation, as a percentage of total industry GSP, declined steadily during the 1990s—from 88 percent in 1990 to 56 percent in 1999. Indirect business taxes followed a similar path falling from 15 percent to 10 percent. These two trends mirror trends at the national level.

Employment

(In Thousands)



Source: Ohio Bureau of Labor Market Information

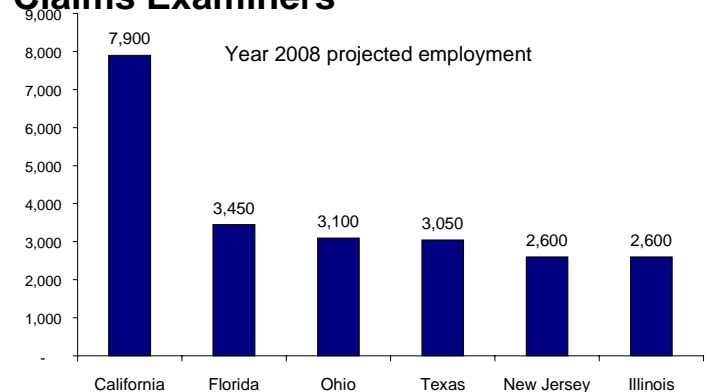
Projected Employment, 2008

SIC Code	Industry	Ohio Employment	Percent Change
63	Insurance Carriers	86,100	9.8%
631	Life Insurance	22,100	-4.7%
632	Medical & Health	16,500	21.3%
633	Fire, Marine and Casualty	40,100	14.2%
635 - 9	Other	7,400	13.8%

Note: Baseline year is 1998 - see page 1

Source: Ohio Job Outlook, Bureau of Labor Market Information

Claims Examiners



Source: ALMIS web site: almis.dws.state.ut.us

Investment Trends

The Ohio Department of Development identified 47 major investment projects involving insurance carriers during the past five years. Collectively, these projects are associated with 11,300 new jobs.

Four out of five projects involve companies in the Fire, Marine and Casualty and Medical and Health sectors—consistent with employment projection trends.

Since government investment data is often nonexistent or lacks details on location and company name, the Ohio Department of Development tracks major investment announcements throughout the state. A "major" investment is defined as a project involving at least \$1 million, 50 new jobs, or 20,000 square feet. These projects are often phased in over a multi-year cycle.

Recent Projects

In August 2001, the **Assurant Group** announced plans to expand its hazard insurance processing center in Springfield, creating 800 new jobs and retaining 400 jobs. Assurant is an affiliate of Belgium-based Fortis.

Employees at the planned \$24 million three building complex will provide hazard and flood insurance tracking and placement services to residential mortgage lenders.

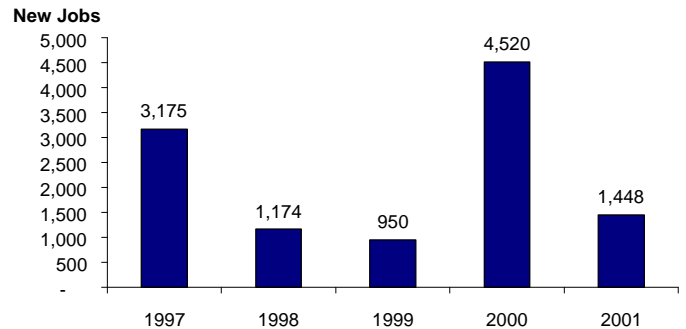
Also in August 2001, **Progressive** announced plans to build a 70,000 square foot call center in Parma, a suburb of Cleveland. The call center will employ 400 workers—300 jobs represent new positions.

In late 2000, **Safe Auto Insurance** made a decision to locate a customer service and sales center in Monroe County. The company will create 150 new, full-time jobs.

Nationwide is the largest private-sector employer in the Columbus area, employing 10,700 workers. About 2,000 currently work in Dublin, a rapidly growing Columbus-area suburb. Nationwide is expanding its Dublin operations with plans to add 3,000 workers within six years and perhaps as many as 5,000 during the next 16 years.

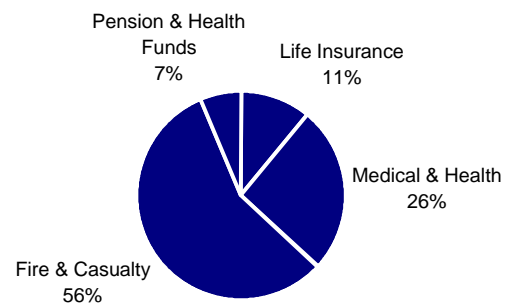
Mitsui and Sumitomo Marine is leasing 45,000 square feet in Cincinnati and adding 129 new jobs. Ohio was in competition with New Jersey and Kentucky for this project.

Announced Projects: New Jobs



Source: Ohio Department of Development

Projects by Sector



Source: Ohio Department of Development

Recent Projects

Company	County	Product	New Jobs
Nationwide Insurance	Franklin	Insurance	3,000
Assurant	Clark	Hazard insurance	768
State Farm Insurance	Franklin	Insurance	600
Progressive Corp	Cuyahoga	Call center	300
United HealthCare Corp	Montgomery	Call center	300
Safe Auto Group	Monroe	Call center	150

Source: Ohio Department of Development

Leading Ohio Insurance Companies

Company	Employment	County	Product Description
Nationwide Insurance Enterprise (1)	10,700	Franklin	Insurance carrier
Progressive Insurance (1)	8,300	Cuyahoga	Automotive insurance
American Financial Group (1)	6,000	Hamilton	Non-standard & high risk auto
Cincinnati Insurance Co	2,600	Butler	Life & auto insurance provider; health
Western-Southern Enterprise	1,740	Hamilton	Life insurance
Anthem Blue Cross/Blue Shield	1,700	Warren	Health insurance
Allstate Insurance Co	1,600	Summit	Life, home, car, property & casualty insurance
Medical Mutual Of Ohio	1,500	Cuyahoga	Health plan carriers
Ohio Casualty Corp	1,300	Butler	Property & casualty insurance carrier
Medical Mutual Of Ohio	1,200	Cuyahoga	Health insurance
State Farm Insurance Co's	1,200	Licking	Life, health, fire & auto insurance providers
Aetna US Healthcare	1,200	Franklin	Healthcare insurance
Westfield Group	1,200	Medina	Property & casualty, automobile & life
Grange Mutual Casualty Co	1,100	Franklin	Life, home, auto, business
Ceres Group Inc	920	Cuyahoga	Life & health insurance, medical
American Modern Home Insurance	800	Clermont	Insurance carrier
Gates Mc Donald & Co	700	Franklin	Workers & unemployment compensation
Ohio National Financial Svcs	620	Hamilton	Financial insurance
Medical Mutual Of Ohio Inc	620	Lucas	Health insurance
Humana Health Plan Ohio Inc	600	Butler	Health, medical & life insurance carriers
Humana Choicecare Insurance	530	Hamilton	Health insurance sales, claims & operations
Cigna HealthCare	520	Franklin	Medical, dental & life insurance
Farmers Insurance Group	500	Franklin	Auto, home & life insurance
Sheakley UniService Inc	500	Hamilton	Worker's compensation & unemployment
QualChoice Inc	500	Cuyahoga	Health insurance carrier
Central Mutual Insurance Co	400	Van Wert	Property & casualty insurance carrier
Assurant Group	400	Clark	Hazard insurance
Indiana Liberty Mutual Ins Grp	370	Clermont	Home, auto & life insurance carrier
Harrington Benefits Services	350	Franklin	Third party administrator for insurance claims
Metlife Financial Service	325	Montgomery	Life, auto & homeowner insurance carriers
Safe Auto Insurance Co	320	Franklin	Automotive insurance service
Motorists Insurance Group	320	Franklin	Insurance carrier
Aetna US Healthcare	300	Summit	Health insurance carrier
Paramount Healthcare Inc	300	Lucas	Health insurance providers
Adminastar Federal Inc	250	Hamilton	Health & medical insurance carrier
Health Plan Of Upper Ohio	250	Belmont	Health insurance provider
Western Reserve Group	250	Wayne	Property & casualty insurance carrier
American Commerce Insurance Co	225	Franklin	Automobile & homeowners insurance service
Vision Service Plan	220	Franklin	Vision insurance carrier
Medical Mutual Of Ohio Inc	200	Cuyahoga	Medical & hospital insurance
Loyal American Life Insurance	200	Hamilton	Provides life insurance
State Auto Mutual Insurance Co	200	Franklin	Auto insurance
Trustmark Insurance Co Mutual	200	Mahoning	Health insurance company
Victoria Financial Corp	200	Cuyahoga	Non-standard & high risk auto
Aultcare Corp	200	Stark	Medical insurance
HomeTown Health Network	200	Stark	Health insurance
Medical Benefits Mutual Life	190	Licking	Accident & health insurance providers
Midland Company	180	Clermont	Specialty insurances
UnitedHealthcare Ohio Inc	180	Montgomery	Health insurance

Note: (1) statewide employment estimate

Source: HarrisInfosource, 2001