



# NIC Legislative Breakfast

February 12, 2009



# NIC

Nevada Insurance Council

Your insurance information source



# Insurance and Nevada's Economy

- **Insurance is the fifth largest annual consumer expenditure behind housing, transportation, food and retirement.**

2009 III Fact Book



# Insurance and Nevada's Economy

- ⇒ Insurance companies paid the state of Nevada \$256,693,189 in premium taxes in FY 2008.

[http://budget.state.nv.us/general\\_fund/](http://budget.state.nv.us/general_fund/)



# Insurance and Nevada's Economy

- ➔ **Premium taxes are the fourth largest source of revenue for Nevada's General Fund.**

[http://budget.state.nv.us/general\\_fund/](http://budget.state.nv.us/general_fund/)



# Insurance and Nevada's Economy

- ➔ **Nevada's premium tax rate is 3.5 percent, the third highest in the U.S.**

Property Casualty Insurance Association of America, 2009 Tax Guide



# Insurance and Nevada's Economy

- ➔ In 2007, insurance companies directly employed over 1300 people in Nevada.
- ➔ There are over 92,000 licensed insurance agents in Nevada.

American Insurance Association Fact Sheet, [www.aiadc.org](http://www.aiadc.org), Division of Insurance



# Insurance and Nevada's Economy

- ⇒ **The annual payroll for employees of insurance companies in Nevada is \$84.5 million.**

American Insurance Association Fact Sheet, [www.aiadc.org](http://www.aiadc.org)



# Insurance and Nevada's Economy

## ➔ Property/Casualty Insurance Company Investments

- |               |     |
|---------------|-----|
| • Bonds       | 66% |
| • Stocks      | 19% |
| • Cash        | 7%  |
| • Real Estate | 1%  |
| • Other       | 7%  |

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# Insurance and Nevada's Economy

- ➔ **Insurance companies have invested \$6.1 billion in municipal bonds, which finance public works projects in Nevada.**

American Insurance Association Fact Sheet, [www.aiadc.org](http://www.aiadc.org)



# Insurance and Nevada's Economy

- ➔ **Insurance companies hold 29 percent of the outstanding state and local government debt in Nevada.**

American Insurance Association Fact Sheet, [www.aiadc.org](http://www.aiadc.org)



# Property/Casualty Insurance

- ➔ **Property/casualty insurance companies paid \$2.3 billion in claims in 2007.**

American Insurance Association Fact Sheet, [www.aiadc.org](http://www.aiadc.org)



# Property/Casualty Insurance

- ➔ In 2006, property/casualty insurance companies paid 97.6 cents in claims and expenses for every dollar collected, the sixth highest ratio in the U.S.

ISO Fast Track Data, 9-30-08



# Auto Insurance

➔ **Nevada drivers pay the ninth highest auto insurance premiums in the U.S.**

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# Auto Insurance

- ➔ **The average expenditure for auto insurance in the state is \$1006, compared to \$817 nationwide.**

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# Auto Insurance

⇒ **1.7 million cars are insured in the state of Nevada.**

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# Auto Insurance

- ➔ **Nevada has the third highest percentage of drivers living in urban areas.**

2000 U.S. Census, National Association of Insurance Commissioners



# Auto Insurance

- ➔ **Every motorist in Nevada is required to carry auto insurance with liability limits of \$15,000 for injuries to one person, \$30,000 for injuries to two or more people and \$10,000 for property damage.**

Division of Insurance, Consumers Guide to Auto Insurance Rates



# Auto Insurance

- ⇒ **There were 372 traffic fatalities in 2007, down 13 percent from 2006.**

[http://ots.state.nv.us/forms/Nevada\\_Traffic\\_Fatality\\_Charts.pdf](http://ots.state.nv.us/forms/Nevada_Traffic_Fatality_Charts.pdf)



# Auto Insurance

- ➔ **In Nevada, 36 percent of traffic fatalities were alcohol-related compared to 26 percent nationwide.**

[http://ots.state.nv.us/forms/Nevada\\_Traffic\\_Fatality\\_Charts.pdf](http://ots.state.nv.us/forms/Nevada_Traffic_Fatality_Charts.pdf)



# Auto Insurance

⇒ **92 percent of Nevada drivers use their seatbelts.**

[http://ots.state.nv.us/forms/Nevada\\_Traffic\\_Fatality\\_Charts.pdf](http://ots.state.nv.us/forms/Nevada_Traffic_Fatality_Charts.pdf)



# Auto Insurance

- ➔ **Approximately 17 percent of automobiles registered in Nevada are uninsured.**

Insurance Research Council, *Uninsured Motorists*, 2008 Edition



# Auto Insurance

- ➔ **State premium tax revenues are reduced by millions every year due to uninsured motorists.**



# Auto Insurance

- ➔ **Uninsured motorists cause millions of dollars in damages and injuries to responsible citizens and government property.**



# Auto Insurance

- ⇒ **Uninsured motorists increase auto insurance premiums for insured drivers.**



# Auto Insurance

- ⇒ Nevada ranks first in the U.S. in bodily injury loss costs.

Insurance Research Council, *Trends in Auto Injury Claims* 2008



# Auto Insurance

- ➔ **Nevada ranks seventh in the U.S. in property damage loss costs.**

Insurance Research Council, *Trends in Auto Injury Claims* 2008



# Auto Insurance

- ➔ **U.S.: 24.5 bodily injury claims for every 100 accidents with property damage.**
- ➔ **Nevada: 39.7 bodily injury claims for every 100 accidents with property damage.**

ISO Fast Track Data, 9-20-08



# Auto Insurance

- ➔ **Las Vegas has the second highest auto theft rate in the U.S. with 870 thefts per 100,000 residents.**

National Insurance Crime Bureau



# Auto Insurance

⇒ **22,331 cars were stolen in Nevada in 2007, 20 percent fewer than 2005.**

National Insurance Crime Bureau



# Auto Insurance

⇒ **The average consumer pays between \$200 and \$400 per year for auto theft and fraud.**

National Insurance Crime Bureau



# Auto Insurance

➔ **Private passenger auto insurance companies paid \$1.1 billion in claims in 2007.**

A.M. Best, American Insurance Association Fact Sheet



# Auto Insurance

- ➔ In 2006, private passenger auto insurance companies paid \$1.06 in claims and expenses for every dollar collected in premiums, the highest ratio in the U.S.



# Homeowners Insurance

- ➔ **The average expenditure for homeowners insurance in the state is \$671 compared to \$764 nationwide.**

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# Homeowners Insurance

- ➔ **Nevada homeowners pay the 28<sup>th</sup> highest homeowners insurance premiums in the U.S.**

2009 III Fact Book



# Homeowners Insurance

➔ Homeowners insurance companies paid \$195.8 million in claims in 2007.

A.M. Best, American Insurance Association, [www.aiadc.org](http://www.aiadc.org)



# Homeowners Insurance

- ➔ **There were 16,643 flood insurance policies in force valued at \$3.8 billion at the end of 2007**

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# Regulating Insurance Companies

- ➔ **Insurance companies must obtain approval from the Insurance Division before they may raise or lower the rates charged for auto and homeowners insurance.**

Division of Insurance



# Regulating Insurance Companies

- ➔ **The Insurance Division must approve new policy forms for personal and business insurance.**

Division of Insurance



# Regulating Insurance Companies

- ➔ **One of the chief responsibilities of the Insurance Division is to monitor the solvency of insurance companies.**

Division of Insurance



# Regulating Insurance Companies

- ➔ **The Insurance Division investigates complaints against insurance companies and agents and takes disciplinary action against wrongdoers.**

Division of Insurance



# Regulating Insurance Companies

- ⇒ **The Insurance Division has 70 employees and a budget of \$6.5 million.**

Division of Insurance



# Regulating Insurance Companies

- **There are 866 property/casualty insurance companies licensed in the state of Nevada.**

Division of Insurance



# Regulating Insurance Companies

- ⇒ **There are 467 automobile insurance companies licensed in the state of Nevada.**

Division of Insurance



# Regulating Insurance Companies

- ⇒ **There are 92,732 licensed, active producers and 9,849 licensed agencies in Nevada.**

Division of Insurance



# Regulating Insurance Companies

- ➔ **The equivalent of three full-time employees processed 4,274 form filings and 891 rate filings, which included over 25,000 forms received both electronically and manually during 2008.**

Division of Insurance