



THE INSURANCE INDUSTRY'S
IMPACT
ON CALIFORNIA'S ECONOMY

2013

ONLINE VERSION



TABLE OF CONTENTS

CLICK ON THE LINKS BELOW

Executive Summary

Life, Long-Term Care and Disability Insurance

- Life Insurance Value
- Life Insurance Premiums
- Life Insurance Payments and Policy Withdrawals

Property/Casualty Insurance

- Property/Casualty Insurance Premiums
- Property/Casualty Insurance Losses & Expenses
- Catastrophes

Premium Taxes: California's Fourth Largest Revenue Source

- Premium Tax Rates: Ten Largest Insurance States
- General Fund Revenue Sources
- Premium Tax Payments Compared to Estimated Corporate Tax Liabilities

Investing in California

- Life/Health Insurance Company Investments
- Insurance Companies Are Not Banks

Building Communities

- COIN
- IMPACT
- Diversity in Procurement

Giving Back

- IICF
- Investing in Town and Country (TIAA-CREF)
- San Francisco's New and Improved Exploratorium (Nationwide)
- 2n2=Save Teen Driving (State Farm)
- Community is the Big Winner at the Farmers Insurance Open

Giving Back (Continued)

- Readiness Saves Lives (AAA)
- Aflac Quacks for a Cause
- Celebrating 150 Years of Community Support and Protection (Fireman's Fund)
- Teachers and Firefighters Partner with CSE Insurance Group
- The Progressive Insurance Foundation: 2011 Giving Campaign Results
- California Casualty Protects and Rewards America's Heroes
- Liberty Mutual Invitationals Raise \$5.6 Million for Charities
- Infinity Auto Insurance Invests BIG in California's Future
- A Decade of Commitment: Transamerica Supports 20th Street Elementary School
- Unum Employees Feed Children in Need
- Giving Back to the Community (Wawanasa)
- Traveler's Risk Education Program Empowers Women and Minority Entrepreneurs
- Solutions Leading to Better, Safer Lives (Allstate)

Employment

- California Insurance Industry Payroll
- California Insurance Industry Employment

Building California's Infrastructure

About this Report

EXECUTIVE SUMMARY

Insurance companies make it possible for consumers and businesses to manage the financial risk of driving a car, owning a home or running a business. Insurers also protect families from financial hardship after an illness, injury or death.

California's insurance industry is large and diverse, with **806** companies providing property/casualty insurance and **456** companies providing life, disability, long-term care and health insurance coverage.

Life Insurance

Californians bought life insurance coverage worth **\$332 billion** in 2011. The total value of individual, group and credit life insurance policies in California is **\$3 trillion**.

Californians paid **\$14.5 billion** in life insurance premiums and **\$30.5 billion** in annuity considerations in 2011. Insurers paid out **\$7.4 billion** in death benefits and another **\$8.4 billion** in annuity payments

Property/Casualty Insurance

In 2011, California property/casualty insurance companies collected **\$56.2 billion** in direct premiums and incurred **\$53.7 billion** in claims losses and expenses.

Investments

Insurance companies invest billions of dollars in the California economy by investing in state and local government bonds, corporate stocks and bonds, mortgage loans and real estate holdings. Insurers held **\$46 billion** in California municipal bonds at the end of 2011, financing public works projects throughout the state.

Additionally, the insurance industry has fostered economic development in low and moderate-income communities with **\$19 billion** in qualified investments through the California Organized Investment Network (COIN) and **\$135 million** in certified Community Development Financial Institutions (CDFIs)

Taxes

Insurance companies will pay **\$2.2 billion** in premium taxes in 2013-14, the fourth largest source of General Fund revenue.

Employment

The insurance industry provided jobs to **210,000** Californians in 2010 with an annual payroll of **\$14.9 billion**.

LIFE, LONG-TERM CARE AND DISABILITY INSURANCE

Californians own individual, group and credit life insurance policies with a total value of **\$3.1 trillion**.

Life insurance benefit payments take many forms, including death and disability claims, annuity payments, dividends, policy surrender values and other payments. More than three-quarters of life and annuity premiums are paid in benefits and dividends. The remainder represents surplus, reserves and operating expenses.

LIFE INSURANCE VALUE – 2011 (millions)

Individual	\$203,708
Group	126,429
Credit	1,469
TOTAL	\$331,605

LIFE INSURANCE PREMIUMS – 2011 (millions)

Life	\$ 14,474
Annuity	30,489
Health	12,933
Deposit-Type Funds	2,871
TOTAL	\$ 60,767

LIFE INSURANCE PAYMENTS AND POLICY WITHDRAWALS – 2011 (millions)

Death/Disability Benefits	\$ 7,352
Annuity Payments	8,444
Surrender Values	25,617
Dividends	1,512
Other Payments	129
TOTAL	\$ 43,055

Source: American Council of Life Insurers

Long-Term Care

Long-term care insurance pays for assisted living and nursing home care for those who are unable to perform certain activities of daily living without help. Two-thirds of adults over age 65 will need help with bathing, eating or dressing over an extended period, but fewer than ten percent of California seniors have long-term care insurance to pay for these services.

A 2011 survey by the California Department of Health Care Services' (DHCS) Partnership for Long-Term Care found that awareness of the importance of preparing for long-term care is growing, but many Californians are surprised to learn that neither Medicare nor traditional health insurance pays assisted living expenses or nursing home care related to a long-term illness or disability. Without long-term care insurance, middle-income people are often in the position of spending down their assets to qualify for long-term Medi-Cal services adding to state costs. This is not in the best interest of taxpayers or individuals.

Insurers will continue to work with policymakers and regulators to pursue solutions that will improve the affordability and availability of long-term care policies.

Disability Insurance

One of three workers will suffer a disability that keeps them out of work for 90 days or longer, and disability insurance offers a financial safety net to employees by paying a portion of earnings while they are unable to work. Life insurers in California offer a wide variety of long- and short-term disability insurance options to individuals, employers, public entities and small businesses. Nationally, more than **50 million** disability insurance policies are in force.

“With baby boomers just beginning to retire, we will soon see an unprecedented increase in people needing long-term care. While it’s encouraging that Californians are better informed, the drop in preparation is concerning. This trend puts an entire generation’s long-term stability at risk.”

Brenda Bufford
Director, Partnership for Long-Term Care
California Department of Health Services

PROPERTY/CASUALTY INSURANCE

The mission of a property/casualty insurance company is to pay legitimate, covered losses in a prompt and fair manner.

- **Property Insurance.** Provides financial protection against loss or damage to the insured's property caused by fire, windstorm, hail, explosion, aircraft, motor vehicles, vandalism, malicious mischief, riot and civil commotion, and smoke. Separate policies cover losses from flood or earthquake.
- **Casualty Insurance.** Provides financial protection for liability resulting from accidents, including automobile, workers' compensation, employers' liability, general liability, plate glass, theft and personal liability. It also includes fidelity and surety bonds and some types of health insurance.

Private Passenger Automobile	\$ 18,924
Commercial Automobile	2,321
Homeowners Multi Peril	6,917
Fire	1,512
Commercial Multi Peril	4,153
Workers' Compensation	7,826
Medical Malpractice	814
Liability	6,274
Inland and Ocean Marine	2,081
Other	5,374
TOTAL	\$ 56,195

PROPERTY/CASUALTY INSURANCE LOSSES & EXPENSES – 2011 (millions)

Private Passenger Automobile	\$ 18,765
Commercial Automobile	2,244
Homeowners Multi Peril	5,634
Fire	838
Commercial Multi Peril	3,835
Workers Compensation	8,173
Medical Malpractice	730
Liability	7,269
Inland and Ocean Marine	1,518
Other	4,680
TOTAL	\$ 53,686

Source: Property Casualty Insurers Association of America

Catastrophes

Property/casualty insurance companies maintain reserves and surplus to cover both standard and catastrophic losses. The 1994 Northridge earthquake was the most costly earthquake in American history and the fourth most expensive catastrophe ever, with insurance claims of **\$23.9 billion** in 2012 dollars. This loss represents almost five times the total premiums collected for earthquake insurance in the 25 years preceding the Northridge quake. In California, earthquake coverage is no longer included in a standard homeowners insurance policy, but can be purchased as a separate policy.

California is home to seven out of the ten costliest earthquakes and eight out of the ten costliest wildfires in U.S. history.

Hurricane Sandy, which struck the Eastern Seaboard in October 2012, could become the fifth costliest event in U.S. insurance history with insured loss estimates in the range of **\$20 billion**.

PROPERTY/CASUALTY INSURANCE (Continued)

TEN COSTLIEST INSURANCE CATASTROPHES IN THE U.S. (billions of 2012 dollars)

1.	August, 2005	Hurricane Katrina	\$48.7
2.	August, 1992	Hurricane Andrew	25.6
3.	September, 2001	Terrorist Attacks	24.6
4.	January, 1994	Northridge Earthquake	23.9
5.	September, 2008	Hurricane Ike	13.4
6.	October, 2005	Hurricane Wilma	11.1
7.	August, 2004	Hurricane Charley	9.2
8.	September, 2004	Hurricane Ivan	8.7
9.	September, 1989	Hurricane Hugo	7.8
10.	May, 2011	Joplin, MO tornadoes	7.5

Source: Insurance Information Institute

TEN COSTLIEST EARTHQUAKES IN THE U.S. (millions of 2011 dollars)

1.	January, 1994	Northridge, CA	\$23,260
2.	April, 1906	San Francisco, CA	4,100
3.	October, 1989	Loma Prieta, CA	1,745
4.	February, 2001	Olympia, WA	380
5.	March, 1964	Anchorage, AK	325
6.	October, 1987	Whittier, CA	150
7.	April, 2010	San Diego, CA	105
8.	September, 2000	Napa, CA	65
9.	October, 2006	Hawaii	55
10.	December, 2003	Paso Robles, CA	50

Source: Insurance Information Institute

TEN COSTLIEST WILDFIRES IN THE U.S. (millions of 2011 dollars)

1.	October, 1991	Oakland, CA	\$2,576
2.	October, 2007	Witch Fire, CA	1,387
3.	October, 2003	Cedar Fire, CA	1,276
4.	October, 2003	Old Fire, CA	1,174
5.	November, 1993	Los Angeles County, CA	543
6.	September, 2011	Bastrop County Complex, CA	530
7.	October, 1993	Orange County, CA	507
8.	June, 1990	Santa Barbara, CA	416
9.	September, 2012	Fourmile Canyon, CO	214
10.	May, 2000	Cerro Grande, NM	179

Source: Insurance Information Institute

MAJOR CALIFORNIA CATASTROPHES 1992-2011 (millions of 2011 dollars)

1992	Landers/Joshua Tree Earthquake	\$ 64
1993	Laguna Beach Fire	545
1993	Malibu/Topanga Fire	584
1994	Northridge Earthquake	23,260
2000	Napa Earthquake	65
2003	Cedar Fire	1,296
2003	Old Fire	1,192
2003	San Louis Obispo Earthquake	49
2007	Witch Fire	1,410
2007	Wind	108
2008	Winter Storm	376
2010	Wind/Tornadoes	90
2010	Wind/Hail	165
2011	Wind	95

Sources: Insurance Information Institute and Property Claims Service

PREMIUM TAXES: CALIFORNIA'S FOURTH LARGEST SOURCE OF REVENUE

California taxes insurance companies on the premiums they collect. Because of the long-term nature of insurance contracts, premiums are a more accurate and predictable basis on which to levy taxes than annual income, the basis for corporate income taxes. Unlike businesses that pay corporate income taxes, premium taxes are paid irrespective of an insurer's profitability and without deductions.

Insurers in California are taxed at 2.35 percent of gross premiums, the highest rate among the ten largest insurance states. Premium taxes are expected to generate **\$2.2 billion** for the state General Fund in 2013-14, the fourth largest source of revenue and five times the revenue from vehicle license fees, alcohol taxes and cigarette taxes combined.

PREMIUM TAX RATES: TEN LARGEST INSURANCE STATES

California	2.35
New York	2.00*
Texas	1.60
Florida	1.75
Pennsylvania	2.00
Illinois	0.50
Delaware	2.00
New Jersey	2.10
Ohio	1.40
Michigan	1.25

Source: Property Casualty Insurers Association of America.

*New York's premium tax rate is 2 percent for property/casualty, 1.75 percent for accident and health, and 1.5 percent for life insurance.

GENERAL FUND REVENUE SOURCES 2013-14 (millions)

Personal Income Tax	\$61,747
Sales and Use Tax	23,264
Corporation Tax	9,130
Insurance Tax	2,198
Alcohol Tax	326
Tobacco Tax	89
Vehicle License Fees	23
Other Revenues	1,724
TOTAL	\$98,501

Source: Governor's 2013-2014 Budget

Insurance companies domiciled in California pay California's higher premium tax rate to other states where they do business, even if those states have a lower tax rate. These "retaliatory" taxes are intended to compensate states for California's higher taxation of insurance companies that do business here but are domiciled elsewhere. Retaliatory taxes are an additional burden for California-based insurers and add to the already high tax rate structure.

Tax Burden of Insurers Compared to Other Corporations

Studies in California and other states have found that the imposition of a premium tax creates a tax burden on insurers that is substantially greater than businesses subject to the corporate income tax. A 2013 report from Capitol Matrix confirms this conclusion, specifically:

- From 2003 through 2007, life insurers paid the equivalent of 17 to 19 percent of their net income in gross premium taxes, roughly double the 8.84 percent paid by profitable businesses in other industries.
- During the recessionary period of 2008 - 2010, the disparity in taxation between insurers and other businesses increased because insurers experienced a sharp drop in investment earnings and profits, which would have eliminated most or all of their corporate income tax liability.

PREMIUM TAXES: CALIFORNIA'S FOURTH LARGEST SOURCE OF REVENUE (Continued)

- The premium tax continues to be the most stable and reliable major General Fund revenue source over the past 15 years – a period that includes two major economic booms and busts.
- Increases in the premium tax rate would have negative consequences for the industry and the broader California economy, expanding existing disparities in the tax treatment of insurers and eroding the attractiveness of California as a home to this stable, environmentally friendly and well-paying industry.

Premium Tax Payments Compared to Estimated Corporate Tax Liabilities



Source: Capitol Matrix (2013), California's Gross Premiums Tax
 Note: Life insurers account for roughly 50 percent of gross premiums collected each year. The negative corporation tax amount for 2008 reflects net losses available to offset income and tax liabilities in subsequent years under California corporation tax law.

INVESTING IN CALIFORNIA

Insurance companies contribute to California's economy by investing in bonds, stocks, mortgage loans and real estate.

Insurance company holdings are regulated by the Department of Insurance to guard against investments that threaten insurers' financial solvency and their ability to meet obligations. Property/casualty companies focus on short-term investments, because assets must be available to pay claims following a major event such as a wildfire or earthquake.

Investments by insurance companies contribute to societal and economic goals as well as their own solvency and vitality. Companies invest in federal government securities and municipal bonds, which finance state and local public works construction. Long-term financing through corporate and industrial stocks and bonds enables businesses and commercial ventures to expand and create jobs.

LIFE/HEALTH INSURANCE COMPANY INVESTMENTS in CALIFORNIA – 2011 (millions)

Stocks and Bonds	\$448,600
Mortgage Loans	69,142
Real Estate	5,396
Policy Loans	13,962
Cash	1,604
Other	38,364
TOTAL	\$577,068

Insurance Companies Are Not Banks

Insurance companies are in the business of selling insurance and paying policyholder claims. Banks are in the business of offering loans and mortgages. Insurance companies are regulated and policed in all 50 states by insurance commissioners. Banks are primarily regulated on a federal level. Insurance companies pay assessments to fund guarantee associations that pay claims if an insurer becomes insolvent. This is a crucial safety net that ensures injured people are cared for and losses are paid if an insurer becomes insolvent.

In response to concerns about banks collecting deposits from some communities and investing it elsewhere, Congress passed the Community Reinvestment Act (CRA) to require banks to increase their investments and loans in low-income communities. A positive CRA rating enables banks to merge and benefit from the use of Federal Deposit Insurance Corporation (FDIC) coverage, which guarantees the safety of deposits up to \$250,000 per person.

Insurance companies do not take deposits from the areas in which they do business, and they return premium dollars back into communities when they pay claims. There is no equivalent of bank deposit insurance for insurance companies. Insurance companies are regulated by the states and subject to the investment requirements of the National Association of Insurance Commissioners and state statutes. Insurers' investments and solvency are closely regulated and must meet specific guidelines spelled out in the Insurance Code.

Passage of the federal Gramm-Leach-Bliley Financial Modernization Act (GLBA), which allows insurers to own banks and banks to own insurers, caused further confusion about the differences between banks and insurers. It has been suggested that insurers should be subject to a CRA-type investment mandate. But insurance companies are not banks. There are very important distinctions between the two, and they should not be lumped together for regulatory or investment purposes.

BUILDING COMMUNITIES

Insurance companies are among the largest investors in municipal bonds issued by state and local governments, school districts, special districts and financing authorities. According to A.M. Best, insurers own **\$46 billion** in California municipal bonds, which build schools, health-care facilities, roads, irrigation, water and sewer lines, and finance non-profit organizations, home mortgages and urban development.

For example, insurers hold **\$2 billion** in Los Angeles Unified School District bonds and invested **\$306 million** in the California Infrastructure and Economic Development Bank. Insurers bought **\$1.2 billion** in bonds from the Alameda Corridor Transportation Authority, which carries freight from the Los Angeles and Long Beach ports to the rail lines east of downtown Los Angeles.

Insurers invested **\$196 million** in Kern County pension obligations and **\$31 million** in the Sacramento Unified School District. Insurers make housing more affordable with **\$11 million** invested in the Southern California Home Financing Authority and build better roads with **\$1 billion** in bonds issued by the Bay Area Toll Authority. Insurers invested in new ways to develop energy when they bought **\$162 million** in bonds issued by the Tuolumne Wind Project Authority and improved air quality with **\$22 million** invested in the South Coast Air Quality Management District.

“California’s economy is gaining strength, and we need to do everything in our power to keep that going. The innovative investments COIN generates provide an important economic boost, both to the state as a whole and to local communities that were hit hard by the recession.”

John A. Pérez, California Assembly Speaker

“The COIN program has been successful because insurance company leaders make community investments a priority. I am confident that this partnership will continue so that we are doing all that we can to benefit underserved and rural California communities.”

Dave Jones, California Insurance Commissioner

California Organized Investment Network (COIN)



Established in 1996, **COIN** is a collaborative effort of the California Department of Insurance, the insurance industry, affordable housing and economic development organizations, and community advocates. COIN structures investments that provide solid returns and benefit California’s environment and low-to-moderate income and rural communities.

COIN’s most recent data call in 2009 showed 6,000 Community Development Investments totaling \$19 billion since the program began in 1996.

Insurance Industry COIN Community Development Investments (1997-2008)

Invested in COIN certified CDFIs benefiting LMI communities	\$135 million
Qualified High Impact Investments	\$2.4 billion
Other Qualified Investments	\$16.6 billion
Total Community Development Investments	\$19 billion

COIN programs include ...

- **High Impact Bulletins.** Investments qualified by COIN that directly benefit low-to-moderate income and rural communities in California, such as a **\$160 million** investment in Topaz Solar Farms in San Luis Obispo County.
- **Guided Investments.** COIN assists insurers by sourcing and structuring COIN-qualified investments.
- **Procurement Diversity.** Insurance Commissioner Dave Jones formed an Insurance Diversity Task Force in 2012 to promote diversity in the insurance industry, including corporate governing boards and procurement from diverse businesses. COIN is developing a database of investment funds led by minorities, women, LGBT’s and disabled veterans.
- **Insurer Investment Data Call.** COIN verifies the social and environmental impact of investments reported to COIN by insurers.

BUILDING COMMUNITIES (Continued)

COIN (Continued)

- **Community Development Financial Institution (CDFI) Certification.** CDFIs are mission-driven community organizations dedicated to providing financial products and services to low-income communities underserved by traditional financial markets. A CDFI must be certified by COIN to participate in the CDFI Tax Credit Program.
- **CDFI Tax Credit Program.** Established in 1997, the COIN CDFI Tax Credit Program attracts and leverages private capital to fund investments that yield economic, environmental and social benefits for California's underserved markets.
- **Community Development Policy Statements.** Insurers are required to file biennial statements detailing their annual goals for community investment.

Diversity in Procurement

Legislation signed by Governor Jerry Brown requires insurers to report the goods and services they purchase from companies that are owned and operated by disabled veterans, minorities and women.

When AB 53 (Solorio) was under consideration, the Personal Insurance Federation of California found that its members spent over **\$750 million** with diverse suppliers and have promoted diversity for more than 30 years. From computer components to shipping and building products to media placement and professional services, diverse firms partner with PIFC members throughout their procurement and supply chains.

One example of this partnership is Allstate Insurance Company and Magic Johnson Enterprises ("MJE"), which provides cafeteria services for Allstate across the United States. This relationship developed at the annual Allstate Supplier Diversity Exchange in alliance with Rainbow PUSH.

High IMPACT Investing

Impact Community Capital (IMPACT) was established by leading insurance companies to build a replicable and scalable model for high impact investing. IMPACT's **\$1.7 billion** in investments and commitments benefit low and moderate income communities, specifically targeting the development of affordable multifamily housing, health-care, childcare and community facilities, and growing small businesses critical to healthy, vibrant and strong communities. Equally important, these investments meet insurance industry requirements for safety and soundness.

IMPACT's primary investors include **Allstate, Farmers Insurance Exchange, Nationwide, Pacific Life, Safeco (Liberty Mutual Group), State Farm, TIAA-CREF and 21st Century (Farmers Insurance).**

IMPACT's **\$950 million** investment in California has built:

- 10,000 affordable housing units;
- Childcare facilities serving more than 250 low-income children;
- Healthcare centers with 350,000 low-income patient visits annually; and
- New community facilities, economic development and small businesses that improve the lives of low-income persons and families.

Large Scale, High Impact Investing

\$950 Million in California



BUILDING COMMUNITIES (Continued)

Affordable Housing

Since 2003, IMPACT, through its Community Impact Loan program (CIL Program), has loaned or committed **\$750 million** for permanent, long term mortgage financing for 10,000 new, affordable multifamily residences throughout California. In addition, this construction activity created 24,000 jobs. These housing units provide quality homes for working families, seniors and persons with special needs, with annual incomes of less than 60 percent of the area median income.

Seasons at Compton is a multifamily project in Compton that was financed with a permanent, long-term mortgage from the CIL Program in tandem with other private sector sources and the public sector. This development consists of 84 one- and two-bedroom units, which are restricted to seniors, and 32 of these units are designated for developmentally disabled seniors and senior caregivers. This project earned a LEED platinum designation, the highest 'green building' award level.

Childcare Facilities

For low-income parents seeking to participate in the workforce, access to affordable, quality childcare can be difficult to find and an impediment to employment. IMPACT has provided approximately **\$10 million** to finance seven full service childcare facilities in California. These facilities serve about 250 low-income and special needs children each year.

A loan from IMPACT to the St. HOPE Academy in Sacramento made it possible to renovate and redesign its Triumph Center for Early Childhood Education to serve 104 children, including 24 children with special needs.

Healthcare Facilities

Access to quality healthcare is a critical need especially for the state's low-income, underinsured and uninsured persons who otherwise seek care from overburdened hospital emergency rooms. Since IMPACT began investing in community healthcare facilities in 2004, it has provided **\$30 million** in financing to ten healthcare facilities that serve approximately 350,000 low-income patients annually.

IMPACT's loan to San Benito Health Foundation (SBHF) in Hollister provided low-cost funds for ongoing operational and capital needs. Now serving 32,000 patients annually, SBHF was established in 1975 to provide healthcare services to migrant workers and others in San Benito County.

COIN Qualified Tax Credit Investments

IMPACT deposited **\$11 million** into 19 California certified CDFI banks and credit unions in 2011. These deposits are committed for five years and will enable the banks and credit unions to provide loans and capital to local businesses in the low and moderate communities they serve.

With its innovative approach, IMPACT facilitates insurance company participation in safe, sound and effective community investments.

GIVING BACK

California's insurance industry contributes millions of dollars to charitable organizations throughout the state. The contributions include corporate and foundation giving, individual donations to charities and volunteer service to civic and charitable organizations.

The **Insurance Industry Charitable Foundation (IICF)** helps communities and enriches lives by combining the collective strengths of the insurance industry to provide grants, volunteer service and leadership. Established in California to support local nonprofit groups, IICF celebrates its 20th anniversary with four operating divisions serving the entire nation.

The Foundation remains committed to local communities, reinvesting funds where they originated. Since its inception, more than **\$19 million** and **166,000 hours** of volunteer service have been provided to nonprofit groups as a result of the dedicated insurance professionals and companies supporting the Foundation.

IICF awards grants to nonprofit groups in four focus areas:

- Child abuse prevention, education and awareness;
- Disaster preparedness and response;
- Education and literacy; and
- Health, safety and human services.

IICF is a clear example of the insurance industry's dedication to social responsibility, working to meet the needs of local communities. IICF is a unique effort, uniting the industry's existing philanthropy with initiatives designed to help communities and enrich lives.



Investing in Town and Country

Teachers Insurance and Annuities Association of America and College Retirement Equities Fund (TIAA-CREF) was founded as a non-profit by Andrew Carnegie in 1918 to provide pensions for educators. Today, TIAA-CREF is the leading provider of retirement services in the academic, research, medical and cultural fields and manages over \$500 billion in assets



We are proud of our leadership in socially responsible investing initiatives, particularly in California where our investments include over \$33 billion in securities and real estate as well as 48,000 acres of farmland.

As part of our responsible farmland investing activities, TIAA-CREF initiated the "Fruits of Employment" program for adults with autism at a vineyard near Santa Barbara. A TIAA-CREF portfolio manager recognized that a growing number of people are diagnosed with autism, and their job prospects are limited. The characteristics of farm work parallel the strengths of many autistic adults, such as the ability to perform repetitive tasks without

GIVING BACK (Continued)

losing focus. The program has been successful and expansion is being considered.

TIAA-CREF is a founding member of Impact Community Capital, which facilitates investments in housing, child-care and healthcare facilities in low-income communities. The company recently committed \$25 million to an affordable housing fund, which invested in eight California properties, including a 126-unit multifamily property located in Oakland.

San Francisco's New and Improved Exploratorium



A \$14 million investment from **Nation-wide Insurance** helped move and rebuild the Exploratorium in San Francisco. Founded in 1969 by noted physicist and educator Dr. Frank Oppenheimer, the Exploratorium provides educational benefits to under-served children and families throughout California.

The Exploratorium's new location on San Francisco's waterfront required the redevelopment of two old shipping piers into 210,000 square feet of program space for the internationally renowned educational museum of science, art and human perception. The deep-water piers will serve as temporary ports for research ships and naval vessels from around the globe.

The Exploratorium educates teachers from 160 school districts in 47 states and maintains an active network of 2,000 teachers. More than 90 percent of the new teachers who have completed the Exploratorium's Teacher Induction Program have remained in the classroom, compared to the 50 percent attrition rate of new science teachers in the U.S.

The California Institute of Technology sends graduate students to the museum to exchange information with teachers about the latest scientific research and the challenges of teaching science. Educational outreach programs touch some 5,000 underserved children and families, and the Explainer Program hires and trains a diverse group of 75 high school students every year.

2n2 = Safe Teen Driving



Since opening our doors in 1922, **State Farm®** has been a safety pioneer. They take their role as a good neighbor seriously when it comes to keeping families safe on the road. Their relationships and programs promote teen driver safety, seatbelt safety, and safe and sober driving.

Getting a driver's license is a big first step in life's journey, and State Farm is proud to celebrate this important milestone with teens. State Farm's signature program, Celebrate My Drive®, rallies communities to celebrate new drivers and keep them safe on the road ahead.

Celebrate My Drive was first launched across North America in 2012. Nearly \$300,000 was awarded to various California non-profit agencies and high schools to support and enhance teen driver safety programs.

Celebrate My Drive inspires new teen drivers to first think "2n2": 2 eyes on the road, 2 hands on the wheel. Then they can enjoy the excitement of the road ahead and where it may lead them. By celebrating with teens, their parents and teachers while providing important safety tools and resources, State Farm is working to protect the lives of teens.

Local events will be hosted by high schools and State Farm agents during National Teen Driver Safety Week in October, but the celebration has already started! Beginning March 1st, they are rallied teens to generate support for their schools by making safe driving commitments and the chance to win a \$100,000 grant. Learn more by visiting www.celebratemydrive.com.

Automobile crashes are the leading cause of teen deaths, and the first year of driving is the most dangerous. Research shows that sharing positive teen driver safety messages with today's young drivers is more powerful than scaring them with the possibility of negative outcomes. Celebrate My Drive emphasizes the positives of safe driving. Through celebration, we can save lives.

GIVING BACK (Continued)

Community is the Big Winner at the Farmers Insurance Open

Entering its fourth year as title sponsor of the **Farmers Insurance Open**, the tournament has a 51-year history of good works, raising more than \$24 million for San Diego charities. This year alone, Farmers and its charitable partners raised over \$2 million for deserving causes. "The Farmers Insurance Open embodies our ongoing commitment to Southern California, the greater San Diego area and all the communities across the United States in which we serve our customers," said Chuck Browning, Head of Sponsorship and Corporate Giving.



Blessings in a Backpack

500 backpacks filled with supplies were delivered to the Doris Miller Elementary school in San Diego to provide weekend meals for families in need. CEO Jeff Dailey attended the event along with close to 100 agents and employees. This was the third consecutive year that Farmers has partnered with Blessings in a Backpack. Michigan agent Aaron Pietila and his wife Sarah have attended all three Blessings in a Backpack events and were so moved by their first experience that they adopted a similar program for two elementary schools in Brighton, Mich.

Tee it up for Kids

Farmers new Brand Ambassador, PGA TOUR pro Rickie Fowler, joined tour players Charley Hoffman and Scott Langley at the Pro Kids Golf Academy and Learning Center at the Mission Bay Golf course during the week of the tournament. Presented by the First Tee of San Diego, the "Tee it up for Kids" event included invited charitable organizations from the San Diego junior golf association, Pro Kids, the Monarch School, Birdies for Charity organizations and local high school golf teams.

Readiness Saves Lives

AAA of Northern California launched the Community Safety Foundation to improve the safety and security of the communities where our customers live. A major contributor to disaster preparedness, the Foundation gave \$2 million to the American Red Cross last year for CPR and disaster training.

The Community Safety Foundation chose to partner with the American Red Cross because they share a common mission: Helping people rebuild their lives after tragedy strikes. AAA and the Foundation sponsored:

- 300 community preparedness/first aid classes and 200 disaster kits.
- Six disaster readiness conferences for nonprofit organizations, schools, government agencies and private organizations.
- CPR and disaster preparedness training for 300 AAA managers.

"This generous donation brings together two of the most trusted brands in America: AAA and the American Red Cross," said American Red Cross Bay Area Chapter CEO Harold Brooks. "These funds will help provide free disaster preparedness training to thousands of residents in regions where AAA Insurance has employees. This grant marks one of the biggest one-time donations by an insurance company-funded nonprofit foundation to the American Red Cross."

An additional \$1 million, donated in recognition of September Preparedness Month, supported:

- Red Cross Holiday Campaign and Mail for Heroes Card Signing.
- Disaster preparedness training, 600 disaster kits and 1,000 CPR, first aid and community preparedness classes.
- Red Cross Annual Disaster Giving Program, which provides shelter, food, hygiene and comfort kits, mental health services, health services and other emergency assistance.
- CPR and disaster preparedness training for all AAA employees nationwide. More than 70% of company employees were trained.

"This donation will help us keep many communities safer by providing free disaster preparedness trainings in regions where the Insurance Exchange has employees," said Jerry DiFrancisco, American Red Cross president of humanitarian services. "By donating a total of \$2 million in just three months, the Community Safety Foundation

GIVING BACK (Continued)

is already establishing itself as a major player in the area of disaster preparedness.”

Aflac Quacks for a Cause

Aflac is proud to serve the residents of California, offering products that are an essential part of a family's plan for financial security. Aflac holds a strong presence in California and across America and believes that our company has an obligation to give back to the communities it serves.



According to the National Cancer Institute, cancer is the leading cause of death by disease among children up to 15 years of age. While the survival rate for children battling cancer continues to increase, Aflac is committed to ensuring that those organizations across the country, that specialize in the types of research and treatment of childhood cancer have the resources they need to complete their mission.

In 1995, Aflac was asked for a \$25,000 contribution to Children's Healthcare of Atlanta to help refurbish a wing of the hospital that would serve the needs of children and families battling cancer. Today, that humble request has evolved to a \$79 million commitment that not only includes the Aflac Cancer and Blood Disorders Center in Atlanta, but a national campaign to help eradicate children's cancer and other blood diseases like Sickle Cell disorders. Today, Aflac contributes to various organizations like the Children's Oncology Group that serve children and families across the nation, including California.

In addition Aflac's annual philanthropic efforts include the sale of a plush Aflac Holiday Duck, wherein all the proceeds go to the nearest participating hospital to where the duck is sold. In real dollars, that has resulted in \$176,000 to California children's cancer facilities since 2005. Nationally, the Holiday Duck has raised more than \$3 million for pediatric cancer since the program began in 2001.

In addition to monetary contributions, Aflac also hosts special events for children and families facing cancer. Annual nights out to a major league baseball game are often sponsored by the company, including sharing tickets with patients, family members, and medical staff at Rady Hospital, Children's Hospital of Los Angeles, and

Children's Hospital of Orange County. These events give cancer patients and their families a chance to get away from the hospital and out to a ballgame where they can enjoy a more carefree evening of fun.

Aflac is also proud to have initiated a partnership with Beads of Courage, a nonprofit, international organization that helps children chronicle their unique stories using beads that commemorate milestones and procedures during their treatment for cancer. In 2011, Aflac offered its iconic symbol, the Aflac Duck, as a new pewter bead called the "Aflac Duck Wingman," which is given to children who are first diagnosed with cancer or other serious illnesses as a reminder that they are never alone in their journey to recovery. Several children's health-care facilities across California participate in this worthy cause.

Celebrating 150 Years of Community Support and Protection



For 150 years, **Fireman's Fund Insurance Company** has been protecting the future of California. The company was founded in San Francisco with a philanthropic mission: donate a portion of its net profits to fallen firefighters' widows and children.

Fireman's Fund continues its philanthropic legacy today with its Heritage Program® and the Days of Sharing employee volunteer program.

Through the Heritage Program, employees and independent agents work together to award grants to fire departments across the country, supporting firefighters for safer communities. Grant funds are used for life-saving equipment, firefighter training and community education programs.

Since 2004, Fireman's Fund has awarded more than \$30 million to over 1,900 fire service organizations – including more than \$8.5 million in California. In 2012, the company awarded 22 grants totaling \$269,518 to California fire departments. In addition, more than 750 employees from our offices across the nation spent workdays serving nearly 100 fire departments, schools and non-profit organizations during our annual Days of Sharing. Approximately 40 of these organizations were located in California.

GIVING BACK (Continued)

Teachers and Firefighters Partner with CSE Insurance Group



Charities benefiting firefighters were the winners when **CSE Insurance Group** hosted a Blazing Hot Celebrity Chef Competition in San Francisco. Three celebrity chefs faced off against one another with the help of three California firefighters as their sous chefs. All proceeds generated from the event were donated directly to two charities that help firefighters, fire victims and their families.

In partnership with the San Francisco Deputy Sheriffs' Foundation, CSE hosted a teacher appreciation event. A teacher from the Hunters Point area used her \$400 gift card to purchase alarm clocks to help increase attendance at her school. Four other elementary schools in her district followed suit, and 130 students received recognition for perfect attendance.

CSE and the Deputy Sheriffs' Foundation also co-hosted a special Teachers Appreciation Day and donated \$25,000 to 125 well-deserving teachers. They each filled their shopping carts with \$200 worth of school supplies.

CSE's annual essay competition, designed to promote awareness of young driver safety, awards scholarship funds to the most creative, practical, and well-written essays. A total of \$9,750 in scholarships was awarded to twelve graduating seniors.

CSE joined with Ben Clymer's Body Shop in Yucaipa to give one deserving family a car and a full year of auto insurance. The winner was a nursing assistant at Loma Linda V.A. hospital with five children.



The Progressive Insurance Foundation: 2011 Giving Campaign Results

3,513 Employees Contributed to 2,799 Charitable Organizations:

Employee Funds = \$3,301,325

Matching Funds = \$3,301,325

Total Giving = \$6,602,650

California Casualty Protects and Rewards American Heroes



Teachers, firefighters, police officers and nurses serve their communities every day, and they make immense contributions to the quality of life here in the Golden State. **California Casualty** gives back to these American heroes with programs to make their lives a bit easier.

With diminishing budgets and overcrowded classrooms, today's public school teachers may feel they work a thankless job. But California Casualty is saying "thank you" in an exciting way that makes a positive, day-to-day impact on how our educators function on the job. Since 2011, California Casualty has been giving away school lounge makeovers to deserving schools chosen by random drawing. Each makeover is valued at \$7,500, and is customized around the feedback of the teachers who use the space. Past makeovers have included fresh paint, window treatments, new furniture and appliances. The most recent winner, announced in November 2012,

GIVING BACK (Continued)

was Warner Middle School in Westminster, California. Before and after shots from a prior makeover are pictured above.

California schools and teachers can also benefit from the California Casualty Academics Award. The winner gets \$2,500 to help defray the cost of classroom supplies. Teachers have enough to do. They shouldn't have to dig into their own pockets for classroom supplies.

Following the success of the School Lounge Makeover program, California Casualty introduced a new Firehouse Makeover program. The Firehouse Makeover was created to honor the hard work and sacrifice of firefighters across America. First responders dedicate their lives to the service of others, and California Casualty is proud to protect the homes and automobiles of firefighters, so it only made sense to help spruce up the "second home" where firefighters spend so much of their time. Where slashed budgets have delayed or eliminated station upgrades, California Casualty comes to the rescue with the Firehouse Makeover.

California Casualty's "Nominate a Hero" program asks community members to share how nurses, firefighters, educators and peace officers have made a difference in their lives and communities. Candidates for the Nominate a Hero program are nominated online by their family members, friends, co-workers—and sometimes even by total strangers touched by their actions. Each month, four finalists each receive customized plaques and \$50 awards. At the end of the month, the finalist who receives the most votes is named the "Hero of the Month" and awarded \$250 and a plaque. In November 2013, the public will be asked to pick one the 12 Heroes of the Month from 2012 to win a \$10,000 fantasy vacation getaway.

California Casualty is honored to give a little bit back to those who give us so much.

Liberty Mutual Invationals Raise \$5.6 Million for Charities



Pairing amateur golfers with a chance to raise money for charities in their communities, **Liberty Mutual Insurance** raised more than \$5.6 million by hosting 79 tournaments across the country during the third annual Liberty Mutual Insurance Invitational Tournament Series in 2012.

The Golden State was home to seven Liberty Mutual Insurance Invitational events that raised over \$1 million in total for the following organizations:

- City of Hope, Yorba Linda, Alisa Viejo Country Club
- Project Concern, San Diego, Rancho Bernardo Inn
- Blind Babies Foundation, Oakland, TPC San Francisco Bay at Stonebrae
- Association of the U.S. Army, Los Angeles/Orange County, Los Serranos Country Club
- Chinese Hospital, San Francisco, Olympic Club
- San Diego Regional Chamber of Commerce, San Diego, Maderas Golf Club
- Beyond the Bell, Los Angeles, Angeles National Golf Club

The Liberty Mutual Insurance Invitational is a partnership between the company's employees, local charities, community volunteers, local golf clubs and, of course, the more than 11,000 amateur golfers who donated to so many worthy causes last year.

Planning for the 2013 Liberty Mutual Insurance Invitational is well underway, and California golfers will once again have the chance to raise much-needed funds for their communities while playing on some of the state's finest golf courses.

GIVING BACK (Continued)

Infinity Auto Insurance Invests BIG in California's Future

Studies show that bilingual children tend to perform better than their peers academically. Bilingual children have higher high school graduation and college admission rates, and bilingual adults make around \$7,000 more per year than their English-only speaking counterparts.



Beyond the advantages of bilingualism, the simple act of reading with a child creates lasting social and emotional benefits. **Infinity Auto Insurance** launched Read Conmigo in 2011 to help parents promote bilingualism in their households while improving reading habits and fostering a lifelong love of reading.

At the center of the program is a free subscription for bilingual children's books, family reading tips and learning activities. Infinity has built on longstanding relationships with educators to create a first-of-its-kind program focused on providing parents with quality educational training and tools. Read Conmigo received the 2012 Communitas Award in the Making a Difference category. The Communitas Award recognizes exceptional businesses and organizations that unselfishly give of themselves and their resources.

California was one of four original states to launch the Read Conmigo program, which has since gone national. The program's success has captured media attention from CNN en Español to Univision. Read Conmigo participants have received over 600,000 books since the program began.

Late in 2012, Infinity responded to a White House Initiative for Educational Excellence for Hispanics challenge by expanding Read Conmigo to include Pre-K children. President Obama has stated that the estimated return on educational dollars during Pre-K years is \$7 for every \$1 invested. Read Conmigo's first Pre-K book, Learn With Me, shipped in October of 2013.

In 2012, Infinity reached even more children by taking Read Conmigo digital. The entire Read Conmigo library is already available for free on most ereader platforms including, Apple® iBooks, Kindle®, and Nook®.

"Adapting Read Conmigo's award winning content to the interactive learning environment of the future not only fulfills our mission to help as many families as possible, but also aligns with the joint FCC and Department of Education 'Digital Textbook Playbook' as well as non-profit and California state led initiatives," said Glen Godwin, Infinity's President.

Infinity Auto Insurance has a proud history of investing in the needs of local California communities. Infinity conducts hundreds of events ranging from Read Conmigo literacy nights and school supply giveaways to Holiday food drives, MADD walks and Breast Cancer Awareness events.

If you would like more information or to bring Read Conmigo to your school, visit www.ReadConmigo.org.

A Decade of Commitment: Transamerica Supports 20th Street Elementary School

There's a special connection between **Transamerica** employees in Los Angeles and the 20th Street Elementary School. 20th Street has been Transamerica's "adopted school" for nearly 10 years, a record for the adopt-a-school program. But it's the emotional bond between the employees and the school that's remarkable. Grateful, loving kids and an enthusiastic principal—plus the pleasure of doing something to make their lives better—keep Transamerica coming back year after year.



Transamerica has collaborated with impoverished schools in south central Los Angeles for more than 20 years. 20th Street is just three miles from the LA offices, and the kids can see the building from their playground. The school is one of the poorest in the Los Angeles school district—95% of the students qualify for the lunch program.

In a joint arrangement with Big Brothers Big Sisters of Greater Los Angeles, Transamerica employees serve as lunchtime "buddies" or "Bigs" to fourth and fifth graders. The Bigs spend one lunch hour every week with their "Lit-

GIVING BACK (Continued)

bles," reading, playing games or working on projects. Another arrangement made it possible for third and fourth graders to learn to write more creatively... and see their own stories come to life as theatrical productions.

One of the highlights of the year is the annual Trick-or-Treat Tour. Employees dress in costume, decorate their office space and host a tour of the building for second graders. Most of these children don't have an opportunity to go trick-or-treating because their neighborhood is too dangerous. In addition to the treats, the kids love riding the elevators and escalators.

Every December, Transamerica employees contribute to toy and food drives for 200 of the neediest 20th Street families. By providing food for 700+ people and toys for about one-third of the students during the holidays, this effort brightens the lives of the families it touches. Even more priceless, is the joy giving back instills in employees, who give so generously to these children all year long.

Unum Employees Feed Children in Need

Unum has a proud heritage of giving, both through donations to charitable organizations and support through volunteer activities by our employees in the communities where they live and work.



For many of Unum's Glendale employees, summer is a time they enjoy the company of family and friends at picnics and barbecues. But for many children in the Glendale Unified School District, summertime isn't so festive. For them, it means they will no longer be in school to receive a free lunch, which is often their only meal of the day.

To make sure these children didn't go hungry, Unum employees participated in a program, in partnership with the Glendale Unified School District and The Salvation Army, to pack and distribute lunches from July 31 to Aug. 6 to more than 150 children in Palmer Park.

Helping others in need was a wonderful experience for Becky Wanner, Unum director of learning and performance development. "The children were so amazing," she said. "Their smiles and excitement of receiving a free lunch and chocolate milk in the park was infectious. What a fun time."

Unum is honored to support The Salvation Army in its mission of identifying the challenging problems in the Glendale area and responding to those needs. Helping our communities become better is a natural extension of the commitment we make each and every day to our customers—to help employers manage their businesses and employees protect their families and livelihoods.

Giving Back to the Community

The ABC Youth Foundation was founded in 1957 by boxing legend Archie Moore to get kids off the streets and out of gangs. The organization's primary goal is to empower San Diego's inner city youth to face life's challenges with courage and dignity. The programs at ABC are focused on exercise, boxing and academic support. The organization provides a stable environment for youth in the Stockton neighborhood of San Diego, just east of downtown.



In addition to providing financial support to the organization, Wawanesa organized an open house at the US Operations headquarters in Spring 2012. During the visit, the children were given a presentation on how insurance works, and they were able to tour departments and see various job functions within the industry. Wawanesa employees also contribute by tutoring, fund raising and increasing awareness of the organization. David G. Fitzgibbons, the U.S. Operations Vice President, serves on the Board of ABC Youth Foundation.

Giving back is a core value for the Wawanesa General Insurance Company. Wawanesa has been in San Diego since 1975 and in business since 1896. They have approximately 587 employees in the region and service all of their customers in California and Oregon from their location near QUALCOMM Stadium. Wawanesa strives to develop and maintain positive, lasting relationships in the communities they serve.

GIVING BACK (Continued)

Travelers' Risk Education Program Empowers Women and Minority Entrepreneurs

"Game changing." That's how entrepreneur Jacqueline Sharp describes the impact of the Small Business Risk Education (SBRE) program on her Los Angeles-based business, Fort, which makes furniture from recycled and reclaimed materials, as well as curated vintage pieces.



Designed by the **Travelers Companies, Inc.**, one of the nation's largest insurers of small businesses, and VEDC (Valley Economic Development Center), the largest non-profit small business lender in California, SBRE leverages the unique expertise of both organizations and provides insurance literacy and risk management training to women and minority entrepreneurs.

"The Small Business Risk Education program taught me about risks I had never even considered," said Sharp, an ambitious small business owner who launched Fort in 2011. "Through training with a Travelers safety professional, I developed a clear sense of potential issues that could impact my ability to staff, grow and manage my company. I now have a risk management plan to prepare for unexpected interruptions and can focus my time on building my business."

With a \$150,000 grant from Travelers, SBRE provided participants, 77 percent of whom are women, and 70 percent minorities, with:

- Increased awareness of safety risks associated with small business ownership;
- Training and education focused on risk management and business continuity planning; and
- Microloans to support capital investments related to risk management, sustainability and growth.

"Travelers understands the crucial role small businesses play in our local communities and in sustaining economic vitality," said Tara N. Spain, Director of Community Relations for Travelers. "Through our partnership with VEDC, Travelers aims to provide the skills and resources to establish, grow and maintain the successful small businesses that fuel the American Opportunity."

Roberto Barragan, President & CEO of VEDC, said: "Our mission is to create and sustain jobs in our communities, so the SBRE program is a natural fit for us. By leveraging Travelers' risk control expertise and providing the necessary access to capital, we've been able to provide some of our region's job creators and innovators with tools that will contribute to a stronger local economy and a better quality of life."

Travelers and Small Business Advocacy

The Travelers SBRE program is just one of the many ways in which the company advocates for small business owners. The company leverages organizational support and deep knowledge and understanding of risk control, claim response, and underwriting to develop customized initiatives to help protect entrepreneurs. Through the Travelers Institute, Travelers is also committed to working toward public policy solutions for small business owners.

The SBRE program began in Los Angeles in 2012, and Travelers plans to launch the program in Chicago in 2013.

Solutions Leading to Better, Safer Lives



For 61 years, **The Allstate Foundation** has been dedicated to a straightforward purpose: helping people. In addition to championing a series of long established programs around the nation, the Foundation focuses in two signature program areas:

- Teen Safe Driving Program encourages teens to motivate other teens to be smart drivers and smart passengers to reduce the amount of teen-involved car crashes. The Foundation provides programs to educate new drivers and their parents about smart driving habits to help make the roads safer for all.
- Domestic Violence Program helps domestic violence survivors overcome financial abuse. We help empower survivors to lead safer, financially independent lives.

GIVING BACK (Continued)

The Allstate Foundation is also dedicated to its agents and employees, offering several grant initiatives to support communities and charitable organizations served by Allstate volunteers.

The Allstate Foundation helped nearly 100,000 survivors of domestic violence and educated one million teens on safe driving in 2012 in the U.S.

In California, The Allstate Foundation provided \$890,000 in 2012 while partnering with Safety Center, Inc., the California Partnership to End Domestic Violence, California Friday Night Live Partnership and other not-for-profit organizations to:

- Create awareness about the dangers of risky driving and instilling a lifetime of safe driving behaviors among thousands of California teens.
- Help victims of domestic violence get free and stay free from abuse by achieving financial independence.
- Support multiple programs that revitalize neighborhoods, build strong communities, assist with disaster preparedness and response, teach tolerance to youth and alleviate discrimination.

During the Foundation's history it has invested more than \$300 million in communities across the country to address key social issues.

EMPLOYMENT

The insurance industry provided jobs for **210,000** Californians in 2010 with a payroll of **\$14.9 billion**. Payroll dollars turn over three times within a local economy.

CALIFORNIA INSURANCE INDUSTRY PAYROLL - 2010 (millions)

Property/Casualty Companies	\$ 3,144
Life and Health Companies	4,726
Agents and Brokers	4,476
Reinsurance and Other Companies	1,020
Other Services	1,496
TOTAL	\$14,862

CALIFORNIA INSURANCE INDUSTRY EMPLOYMENT - 2010

Property/Casualty Companies	39,706
Life and Health Companies	62,777
Agents and Brokers	69,165
Reinsurance	12,235
Related Companies*	26,114
TOTAL	209,997

*Adjusters, appraisers, third party administrators, insurance advisory services.

Source: US Census Bureau

California's Insurance Industry Builds California's Infrastructure

Insurers hold \$46 billion in municipal bonds, which finance construction of California's educational, agricultural, transportation, healthcare and environmental protection infrastructure...



Los Angeles Unified School District
\$2 billion

University of California
\$1.5 billion



Water Resources
\$1 billion



Alameda Corridor
\$1.2 billion

Pollution Control
\$365 million



Health Facilities
\$495 million

Central Valley Project
\$111 million



Housing Finance Agency
\$259 million



This report is a collaborative effort of five state and national insurance trade associations:

The Association of California Life and Health Insurance Companies (ACLHIC) has been the voice of life and health insurers in California since 1962. ACLHIC's mission is to enhance and improve the business of life, annuity, long-term care, disability income and health insurance through its interaction with California decision makers, thereby helping its 36 member companies provide security and benefits to millions of policyholders.

Property Casualty Insurers Association of America (PCI) does business in California as the Association of California Insurance Companies (ACIC). PCI members provide nearly 40 percent of the property/casualty insurance in the U.S. ACIC is PCI's California voice representing 363 companies that provide 36 percent of the property/casualty insurance sold in the state.

Formed in 1989, the **Personal Insurance Federation of California (PIFC)** advocates for the personal lines property/casualty insurance industry before the California Legislature and the California Department of Insurance. Today, PIFC consists of six insurance groups, which provide a majority of the personal auto and home insurance in California.

The American Insurance Association (AIA) represents 300 property/casualty insurers that write more than \$117 billion in premiums annually through international, national, regional and single-state companies. AIA advances public policies that foster a financially healthy, robust and competitive insurance marketplace for the benefit of insurance consumers, companies and California's economy.

The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with more than 300 member companies. ACLI advocates in federal, state, and international forums for public policy that supports the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance representing more than 90 percent of industry assets and premiums.



PCI's California voice.

