

# State Insurance Regulation: Key Facts and Market Trends

Texas / 2022



- Texas has **2,060** total domestic and licensed foreign insurers.
- Texas ranks **3rd** in total premium as reported on NAIC annual statement filings.
- Texas ranks **1st** in title premium as reported on NAIC annual statement filings.
- Texas ranks **1st** in fire premium with **14.24%** of the U.S. market.
- Texas ranks **2nd** in homeowners premium with **10.07%** of the U.S. market.
- Total direct premium written in-state has increased **84%** since **2013**.
- Texas has **72** captive insurance companies with total captive

# NAIC Scorecard

## State Insurance Regulation: Key Facts and Market Trends

The mission of the National Association of Insurance Commissioners (NAIC) is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members. As part of this mission, the NAIC compiles meaningful data about the insurance regulatory community, as well as the insurance industry.

### Number of Insurance Companies

The number of insurance companies is provided by state insurance regulators and is compiled annually by the NAIC. Depending on the type of insurance companies provided, they are classified either as property/casualty, life and fraternal, health, or title insurers. Insurers with primary corporate headquarters located in a particular state are called domestic insurers. The insurance regulator in the insurer's state of domicile is the primary regulator of that insurer. Foreign insurers are those that are allowed to sell insurance in a state but have a primary legal residence in another state. The state rank represents the rank relative to the state with the largest number of insurers among all states.

### U.S. Premiums by NAIC Financial Statement Type

The premium volume from the NAIC financial

another line of business. For example, traditional health data may be led by an insurer using the long type of life, accident and health. Depending on the regulatory requirements in the state of domicile, captives and risk retention groups are not always required to file with the NAIC and, consequently, this data may not be considered complete. Not all state funds are required to file with the NAIC. State fund data contained herein is reported separately and added to the premium volume during composition of this report. Some categories are modified to more closely align with the structure of the NAIC financial statement filings and may not be comparable to data reported in prior years. The state rank represents the rank relative to the state with the largest premium volume among all states.

### U.S. Premiums by IDRR Premium Type

The premium volume from the *Insurance Department Resources Report* (IDRR) is comprised of direct written premium that the states report to the NAIC in compiling the IDRR. This data is grouped by type of business and will not match up with data grouped by NAIC financial statement type. This data includes total direct written premium reported by each state insurance department and does not include premiums from captives or surplus lines business. It was requested that each state include state funds in its premium volume reported. Some companies may report premium data to the state insurance department that are not required to report to the NAIC due to sales volume or other regulatory requirements of their domiciliary state.

### Insurance Department Data

The insurance department data is provided by state insurance regulators and is compiled annually by the NAIC. Total taxes include premium, retaliatory, franchise and income taxes paid by insurers. Total revenue includes other

sources of revenue, such as licensing fees and fines and assessments, as well as total taxes. Total budget represents the annual operating budget of the state insurance department. Total employment is the number of full-time state insurance department employees. The state rank represents the rank relative to the state with the largest respective number among all states.

### **Cost of Regulation**

The cost of regulation is calculated from data supplied by state insurance regulators and collected from insurers' financial filings. It is a ratio that compares the insurance department budget to total premium written in the state. For state-specific details on the figures used, please refer to the IDRR technical notes.

### **Property/Casualty Premium by Line of Business**

The premiums are from the annual financial statement information that property/casualty insurers file with the NAIC. Property/casualty premium is subdivided into several categories. This data includes information on state funds reported separately and added to the premium volume during composition of this report. The state rank represents the rank relative to the state with the largest respective premium by line of business among all states.

### **Insurance Industry Employment**

The U.S. Bureau of Labor Statistics (BLS) produces the Quarterly Census of Employment and Wages (QCEW). The QCEW is derived from the QCEW table 36 which reports the

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## State Insurance Regulation: Key Facts and Market Trends

The primary goal of state regulation is to protect insurance consumers while recognizing that consumers as well as companies are well served by efficient, market oriented regulation of the business of insurance.

### OVERVIEW OF THE UNITED STATES INSURANCE MARKET 2022

| Five Largest Insurance Groups in the U.S.<br>by Direct Premium Written |                            |                       |
|--|----------------------------|-----------------------|
| Insurance Group  | Direct Premium<br>Written* | % of Total<br>Premium |
| UNITEDHEALTHGRP  | \$220,056,634,079          | 7.21 %                |
| METROPOLITANGRP  | \$120,586,066,997          | 3.95 %                |
| ELEVANTHLTHNGGRP   | \$103,593,396,083          | 3.39 %                |
| CENTENEORGRP   | \$96,779,952,547           | 3.17 %                |
| HUMANANC   | \$87,045,174,657           | 2.85 %                |
| <b>Top 5 Total</b>   | <b>\$628,061,224,363</b>   |                       |

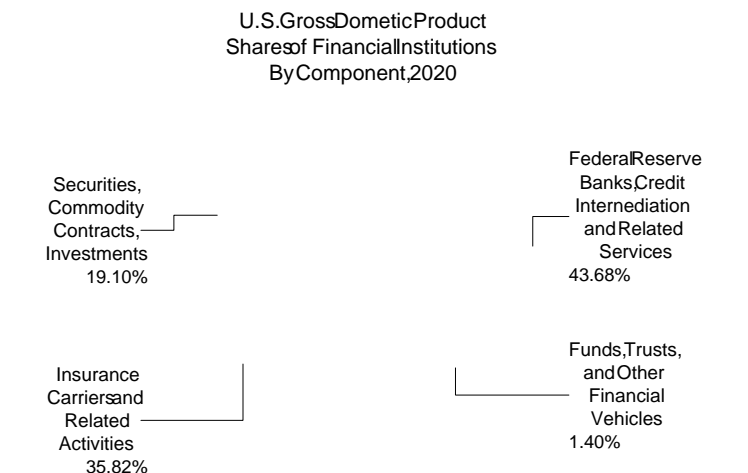
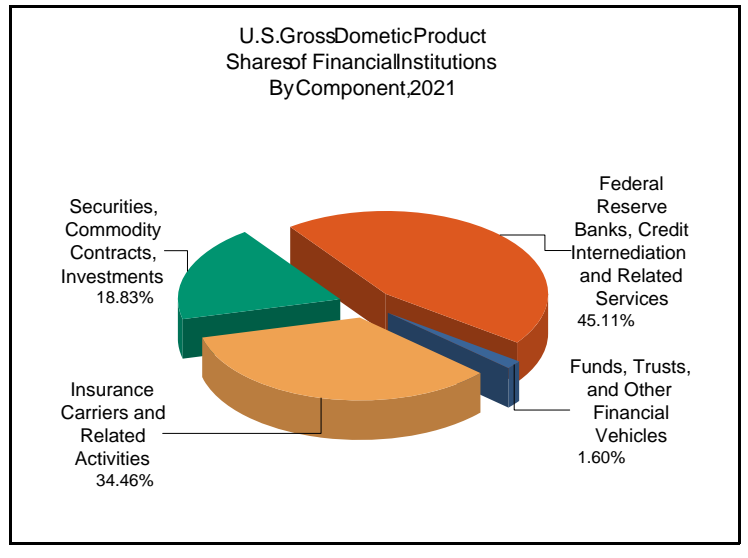
\*Includes Deposit Type Funds and premium written in U.S. territories from Property, Life, Fraternal, Title, and Health Annual Statements.  
Source: National Association of Insurance Commissioners

| U.S. Gross Domestic Product (Millions)  |           |           |
|---|-----------|-----------|
|   | 2021      | 2022      |
| Funds, trusts, and other financial vehicles   | 29,567    | N/A       |
| Insurance carriers and related activities   | 638,501   | N/A       |
| Securities, commodity contracts, and other financial investments and related activities | 348,880   | N/A       |
| Monetary Authorities central bank, credit intermediation, and related services          | 835,722   | N/A       |
| Finance and insurance   | 1,852,670 | 1,932,937 |

\*Figure is an estimate.  
Source: US Department of Commerce Bureau of Economic Analysis

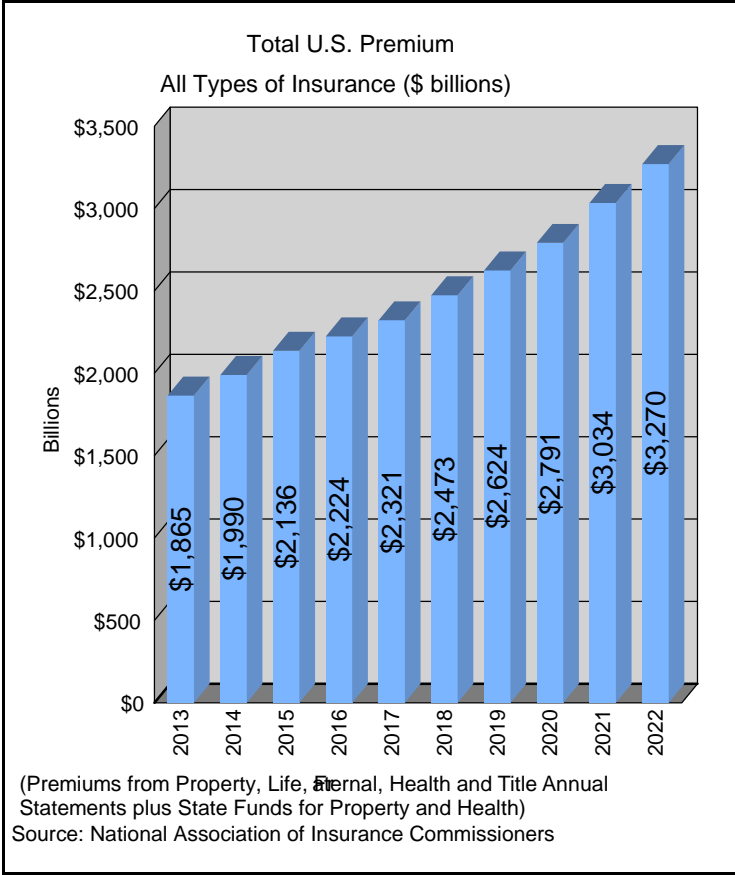
| U.S. Financial Sector Employment              |                  |                  |                  |
|---|------------------|------------------|------------------|
|   | 2020             | 2021             | 2022             |
| Insurance Carriers and Related Activities     | 2,419,845        | 2,449,834        | 2,520,241        |
| <b>Insurance Carriers</b>                     | <b>1,216,922</b> | <b>1,200,301</b> | <b>1,221,112</b> |
| Direct Life and Health Insurance Carriers     | 641,994          | 637,235          | 623,829          |
| Direct Life Insurance Carriers                | 240,024          | 233,651          | 224,738          |
| Direct Health and Medical Insurance Carriers  | 403,979          | 405,846          | 415,025          |
| Direct Insurers (except Life and Health)      | 514,994          | 503,471          | 515,110          |
| Direct Property and Casualty Insurers         | 463,586          | 444,392          | 456,638          |
| Direct Title Insurance Carriers               | 59,556           | 66,151           | 65,005           |
| Other Direct Insurance Carriers               | 15,957           | 16,346           | 17,351           |
| Reinsurance Carriers                          | 19,571           | 19,443           | 20,249           |
| <b>Insurance Agencies and Brokerages</b>      | <b>1,202,923</b> | <b>1,249,542</b> | <b>1,299,132</b> |
| Other Insurance Related Activities            | 351,072          | 356,126          | 366,728          |
| Claims Adjusting                              | 56,707           | 60,144           | 62,681           |
| Third Party Administration of Insurance Funds | 205,640          | 207,608          | 209,690          |
| All Other Insurance Related Activities        | 88,725           | 88,369           | 94,364           |

Source: U.S. Department of Labor, Bureau of Labor Statistics

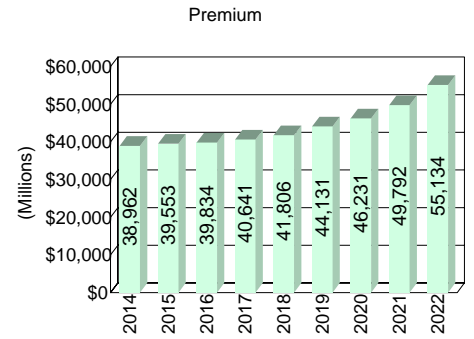
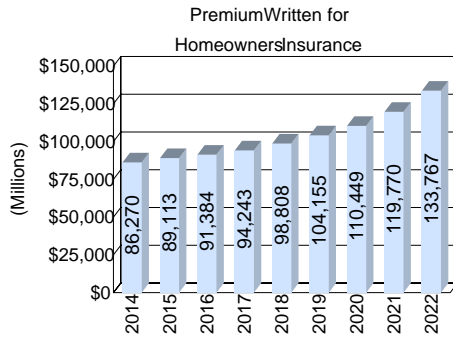


OVERVIEW OF THE UNITED STATES INSURANCE MARKET

2022



| Line of Business                           | 2021            | 2022            |
|--|-----------------|-----------------|
| Fire                                       | 17,949,409,479  | 20,962,005,810  |
| Allied lines                               | 18,359,180,650  | 21,900,339,418  |
| Federal Flood                              | 3,095,227,225   | 2,777,000,344   |
| Crop                                       | 1,267,688,228   | 1,471,672,366   |
| Private Flood                              | 1,021,026,151   | 1,263,628,480   |
| Farm                                       | 18,991,653,046  | 24,291,432,551  |
| Homeowners multiple peril                  | 119,769,512,885 | 133,766,985,693 |
| Commercial multiple peril                  | 49,791,768,120  | 55,133,567,113  |
| Mortgage guaranty                          | 5,715,488,991   | 5,600,575,886   |
| Ocean & Inland Marine                      | 33,377,833,123  | 38,100,524,324  |
| Financial guaranty                         | 332,979,456     | 362,677,279     |
| Medical professional liability             | 11,179,056,258  |                 |
| Medical professional liability Occurrence  |                 | 2,637,584,555   |
| Medical professional liability Claims Made |                 | 9,265,022,140   |
| Earthquake                                 | 3,780,527,198   | 4,197,676,654   |
| Accident & Health                          | 1,024,248,000   | 1,116,224,000   |



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## OVERVIEW OF THE UNITED STATES INSURANCE MARKET 2022

State Insurance Regulation in Texas: Key Facts and Market Trends

Overview of the 2022 Insurance Market in Texas

| Number of Insurance Companies in Texas            |        |            |
|---|--------|------------|
| Type  | Number | State Rank |
| Domestic  | 421    | 3          |
| Total Domestic and Licensed Foreign Insurers      | 2,060  | 4          |
| Captives not included.                            |        |            |
| Source: NAIC Insurance Department Resource Report |        |            |

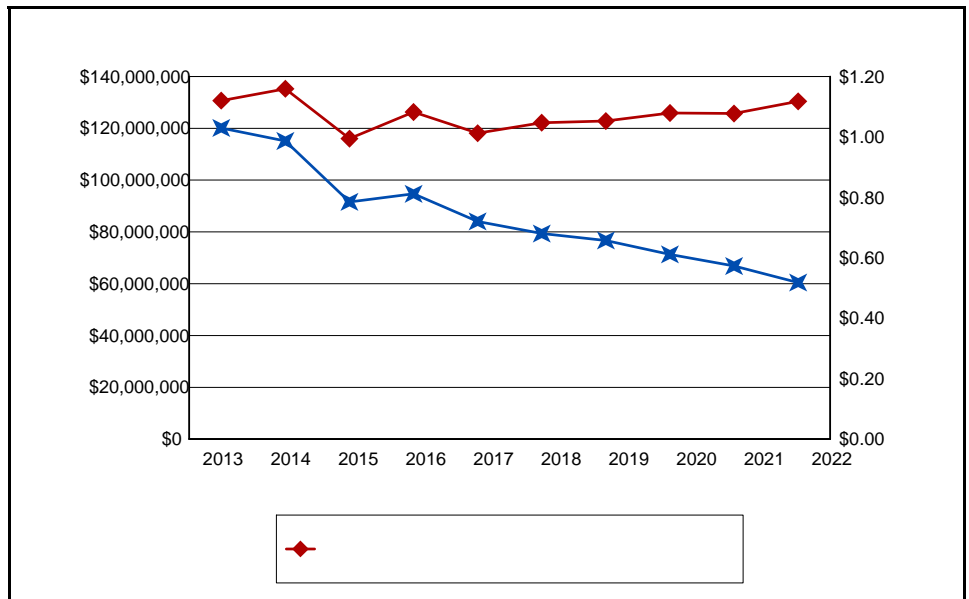
| Premiums & Deposits by Type of Annual Statement Filing in Texas |                   |            |           |
|---|-------------------|------------|-----------|
| Statement Type  | Premium Written   | State Rank | % of U.S. |
| Health  | \$100,986,969,230 | 2          | 8.17 %    |
| Life, Accident, and Health                                      | \$66,683,718,588  | 5          | 5.83 %    |
| Property and Casualty   | \$80,475,721,845  | 2          | 9.27 %    |
| Title   | \$3,554,659,567   | 1          | 16.23 %   |
| Total Texas   | \$251,701,069,230 | 3          | 7.70 %    |
| Source: National Association of Insurance Commissioners         |                   |            |           |

| Captive Insurance Companies in Texas              |                        |                       |
|---|------------------------|-----------------------|
| Number of Captives                                | Direct Written Premium | Total Captive Premium |
| 72  | \$8,942,988,649        | \$11,716,954,977      |
| Source: NAIC Insurance Department Resource Report |                        |                       |

| IDRR Premiums by Category in Texas                |                   |            |           |
|---|-------------------|------------|-----------|
| Category Type                                     | Premiums          | State Rank | % of U.S. |
| Property and Casualty                             | \$70,380,855,566  | 2          | 8.96%     |
| Life/Annuities                                    | \$47,433,751,584  | 5          | 4.98%     |
| Risk Retention Group                              | \$217,162,938     | 9          | 3.82%     |
| All Other   | \$6,941,474       | 14         | 0.07%     |
| Title   | \$3,554,659,567   | 1          | 16.75%    |
| Health  | \$121,002,640,038 | 2          | 8.95%     |
| Total   | \$242,596,011,167 | 3          | 7.75%     |
| Source: NAIC Insurance Department Resource Report |                   |            |           |

| Insurance Department Data for Texas               |                 |            |           |
|---|-----------------|------------|-----------|
| Description                                       | Amount          | State Rank | % of U.S. |
| Total Taxes:                                      | \$2,975,168,971 | 2          | 10.82 %   |
| Total Revenue:                                    | \$3,399,118,619 | 2          | 10.39 %   |
| Total Budget:                                     | \$130,399,282   | 3          | 7.47 %    |
| Total Employment:                                 | 1,262           | 2          | 11.62 %   |
| Total Inquiries:                                  | 132,206         | 5          | 8.72 %    |
| Total Complaints:                                 | 15,564          | 4          | 5.51 %    |
| Source: NAIC Insurance Department Resource Report |                 |            |           |

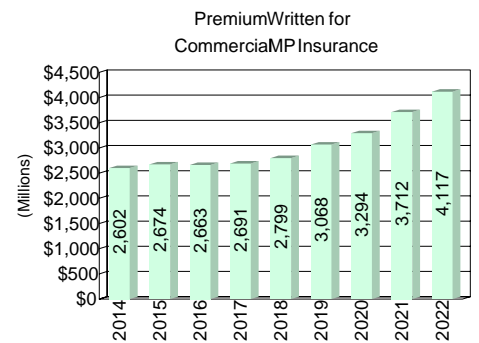
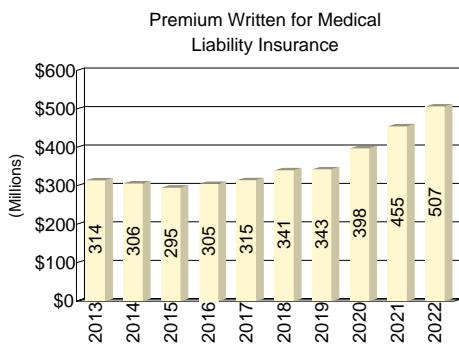
| Cost of Regulation in Texas                       |                             |                                  |
|---|-----------------------------|----------------------------------|
| Year  | Insurance Department Budget | Dept. Budget Per \$1,000 Premium |
| 2013  | \$130,686,050               | \$1.03                           |
| 2014  | \$135,249,434               | \$0.99                           |
| 2015  | \$116,007,008               | \$0.79                           |
| 2016  | \$126,275,111               | \$0.81                           |
| 2017  | \$118,108,880               | \$0.72                           |
| 2018  | \$122,150,137               | \$0.68                           |
| 2019  | \$122,784,211               | \$0.66                           |
| 2020  | \$125,911,907               | \$0.61                           |
| 2021  | \$125,696,250               | \$0.57                           |
| 2022  | \$130,399,282               | \$0.52                           |
| Source: NAIC Insurance Department Resource Report |                             |                                  |





# State Insurance Regulation in Texas: Key Facts and Market Trends

## Overview of the 2022 Insurance Market in Texas



\* Figures include Life, Annuities, Deposit Type Funds, and Other Considerations from the NAIC Life, and Fraternal financial statements.

\*\* Figures include Health data from the NAIC Health, Life, and Fraternal financial statements and California insurance data.

Figures included data from State Funds where applicable.

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Overview of the 2022 Insurance Market In Texas

| Year | Insurance Carriers and Related Activities | Insurance Carriers | Agents Brokers and Other Related Activities |
|------|---|--------------------|---|
| 2015 | 183,555                                   | 88,171             | 95,384                                      |
| 2016 | 189,253                                   | 87,230             | 102,023                                     |
| 2017 | 194,786                                   | 89,036             | 105,750                                     |
| 2018 | 200,109                                   | 91,039             | 109,070                                     |
| 2019 | 207,127                                   | 95,478             | 111,649                                     |
| 2020 | 211,545                                   | 99,185             | 112,360                                     |
| 2021 | 220,522                                   | 100,121            | 120,402                                     |
| 2022 | 235,840                                   | 105,881            | 129,959                                     |

Source: US Department of Labor, Bureau of Labor Statistics

|   | 2019      | 2020      | 2021      | 2022      |
|---|-----------|-----------|-----------|-----------|
| Funds, trusts, and other financial vehicles   | \$193     | \$126     | \$9,041   | N/A       |
| Insurance carriers and related activities   | \$45,347  | \$43,975  | \$44,683  | N/A       |
| Securities, commodity contracts, and other financial investments and related activities | \$16,129  | \$18,205  | \$21,418  | N/A       |
| Monetary Authorities - central bank, credit intermediation, and related services        | \$40,205  | \$44,105  | \$49,891  | N/A       |
| Finance and insurance   | \$101,873 | \$106,411 | \$125,032 | \$137,949 |

Source: US Department of Commerce, Bureau of Economic Analysis

