



Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

March 7, 2017

SB 928 - An Act Establishing a Task Force to Study Methods of Developing, Expanding and Improving the Insurance Industry Workforce in this State

I am Eric George and I am the President of the Insurance Association of Connecticut (the "IAC"). The IAC supports SB 928, An Act Establishing a Task Force to Study Methods of Developing, Expanding and Improving the Insurance Industry Workforce in this State.

Like many long-standing industries, the insurance industry has undergone numerous changes over the course of its evolution. One of the less fortunate changes the industry has endured is that the median age of members of its workforce is typically older than in many other industries. This is often referred to as the "greying" of the industry. SB 928 recognizes this trend and looks to bolster the industry's workforce in a pragmatic approach through study, analysis and then implementation of well thought out strategies.

To understand the importance of SB 928 and its goals, it is important to understand the impact and economic significance of the insurance industry to Connecticut and its economy.

According to *"2016 Connecticut Insurance Market Brief: The Pace of Innovation and Change"*,

PriceWaterHouseCoopers, Connecticut Insurance and Financial Services Cluster, November, 2016, the Connecticut insurance industry and market are vital components to Connecticut's economy.

First, with 1,429 domestic insurance companies and nondomestic insurance companies licensed to do business in the state, Connecticut's insurance industry is one of the largest in the world. Second, these insurers write more than \$32.8 billion in premiums annually. Third, these insurers contribute \$13.7 billion to Connecticut's Gross State Product. Fourth, at 2.7%, Connecticut ranks first nationally in insurance carrier employment as a percentage of total employment. Fifth, Connecticut insurers provide annual average wages of nearly \$84,000 for approximately 58,892 insurance carrier and related full-time employees. Sixth, Connecticut leads the nation in insurance payroll, which contributes 5.3% of the total state payroll. Seventh, the industry creates good paying, middle class jobs in management, legal, computer and math professionals, and business and financial operations. And finally, for every 1 insurance job, nearly 2 more jobs are created in the Connecticut economy through induced and indirect effects.

And the Connecticut insurance industry is more than just an economic catalyst. It is an active contributor to the communities in which the industry exists. A few examples of the community and charitable contributions of the insurance industry are the following:

1. Bolstering the Capital City – Aetna, The Hartford and Travelers have committed to donating \$50,000,000 to the City of Hartford in an effort to alleviate its financial hardship.

2. Grants – Prudential invested over \$1,000,000 in strategic grants to support education and economic development efforts in Connecticut.
3. Charitable Giving – Travelers has raised and contributed over \$13,000,000 for over 600 charities since they took over the Travelers Championship in 2007.
4. Wellness Programs – Cigna funded and collaborated with many nonprofits that use innovative strategies suited to improve the health, well-being and sense of security of Connecticut residents, including Shatterproof to change the way they think about and address opioid addiction.
5. Education – 29 employees and 23 students participated in the Phoenix’s mentoring program with the Fred D. Wish School in 2015-16, Hartford’s oldest school-business partnership.
6. Mentoring and Employment – Northwestern Mutual hired 3 High School, Inc. summer interns to introduce them to the insurance industry.
7. Community Service and Development – MassMutual provided nearly \$1,000,000 in charitable giving to nonprofits in northern Connecticut to broaden economic opportunity.
8. Volunteerism – The Hartford’s employees logged in more than 70,000 hours (valued at \$1,600,000), positively impacting communities in Connecticut and beyond.
9. Environmental Programs – Aetna’s 150 summer associates volunteered with Knox Park to build stronger, greener, more beautiful and healthier neighborhoods in Hartford.

SB 928 will help lawmakers understand ways that they can provide an improved business environment for Connecticut, where insurers can bolster their workforces as they compete for business across the country and further contribute to Connecticut's economy.

IAC urges passage of SB 928.