

**Our mission**

To act as the Ohio property and  
casualty insurance industry's voice  
on matters affecting or involving the industry.

**Ohio Insurance Institute**

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***Interested Party Testimony – HB 469 (Schuring, Patton)***  
***Michael D. Farley, Esq., Vice President, Government Affairs and General Counsel***

Chairman Eklund, Vice Chair Terhar, and Ranking Member Williams and members of the Senate Ways and Means Committee, thank you for allowing me to come before this Committee to discuss the importance of the property and casualty industry in Ohio. I am Michael Farley and I have the distinct honor to serve as the Vice President, Government Affairs and General Counsel for the Ohio Insurance Institute (“OII”). The OII is a trade and information association of more than 55 Ohio-based property and casualty insurance companies and related affiliate organizations. OII members write approximately 87% of the auto insurance in Ohio. And OII members write about two-thirds of the commercial insurance in the state.

I come to you today as an interested party to explain and expand on the importance of the property and casualty industry in Ohio. First—and most importantly—Ohio consumers enjoy some of the lowest home, auto, and commercial insurance rates in the entire country. This is directly attributable to the fiercely competitive market in Ohio, advanced by a strong domestic insurance company presence of 138 property and casualty companies, which is sixth nationally in terms of numbers of domestic companies. Ohio is blessed with a strong presence of established non-domestic companies. If Ohio stood alone, Ohio would be the 19<sup>th</sup> largest insurance market in the world. Strong competition benefits consumers.

The property and casualty industry is a leading employer and economic contributor in Ohio. Truly, the property and casualty industry is an economic driver. As of 2017, over 37,000 Ohioans were directly employed by property and casualty insurance companies. These employees were paid more than \$3.3 billion in wages in 2017. Of the 64,000 jobs with insurance companies in Ohio—37,000 are with property and casualty companies. This is nearly 60% of the jobs in insurance companies and does not include agents and brokers. This is not to mention the fundamental truth that commerce needs insurance to sustain and grow. The property and casualty industry in Ohio provides the tools to assist businesses to grow and flourish.

Our current work force is not the only good news. The property and casualty insurance industry is growing dramatically in Ohio. The insurance industry is poised to employ 29,000 new employees by 2024. The future is bright for the property and casualty insurance industry in Ohio. Ohio’s workers, consumers, business owners, motorists, and the economy benefit from the presence of the property and casualty insurance industry in Ohio.

The property and casualty industry is strong and stable. This strength and stability provides the industry an opportunity to participate in the type of development that is contemplated in HB 469. The tax credit for insurance companies will be attractive to insurance companies to invest in real estate. Insurance companies are attracted to real estate investment because it is a safe and stable long-term investment. This legislation recognizes the long-standing investments that insurance companies have made in economic development projects across the state and the country. HB 469 provides more opportunities for insurance companies to deploy capital to the benefit of policy holders and Ohio.

One of many factors in the success of the property and casualty insurance industry is a stable and predictable regulatory and legislative environment. We thank Rep. Schuring for inviting us to testify today and we thank Rep. Patton for his joint co-sponsorship. Moreover, we thank you for allowing me to briefly explain the impact of the property and casualty insurance industry in Ohio.