



DAVID CRAIG

STATE SENATOR

Senate Committee on Insurance, Financial Services, Government Oversight and Courts
Public Hearing, July 16, 2019
Senate Bill 289
Senator David Craig, 28th Senate District

Vice-Chairman Stroebel and members of the Committee, thank you for taking the time to hear my testimony on Senate Bill 289.

Under current law, when an insurer sends a renewal notification that includes less favorable terms or higher premiums, also known as a “Renewal with Altered Terms”, they are required to send that notice 60 days prior to the policy’s renewal date. This legislation simply changes the 60 day requirement to 45 day for personal lines property and casualty coverages.

Modern technology makes the process of comparing and purchasing insurance quicker than ever before. As technology continues to advance it makes sense to update statutes to reflect the instantaneous nature of technology today’s competitive market and bring Wisconsin more in line with other states.

Twenty-Eight other states have notice requirements of 30 days or less. Eleven other states use the 45 day notice requirement that Wisconsin would switch to under this legislation. Only five states have the 60 day requirement currently used in Wisconsin. Bringing Wisconsin into greater uniformity with other states will ease the administrative burden on insurers who operate in multiple states. This sensible change will bring Wisconsin more in line with other states on this policy, while still giving consumers plenty of notice about altered terms.

Thank you for hearing my testimony.

THE P&C INDUSTRY HELPS WISCONSIN GROW

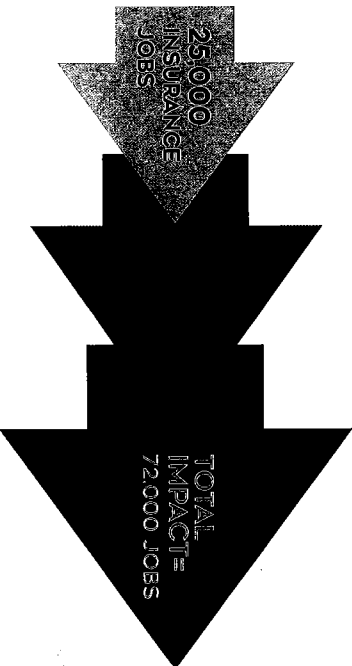
The P&C Industry Provides JOBS FOR FAMILIES

In few states is the insurance industry more significant than in Wisconsin. In 2016, 991 companies were licensed to write P&C insurance here, including 166 which were domiciled here. Only four states—all more populous—had more domestic P&C companies than Wisconsin.



Wisconsin's P&C industry employs nearly 20,000 residents. That's as many jobs as in other higher profile industries, such as machine manufacturing and publishing. Add in independent brokers and agents who sell and service these policies, and the number swells to 25,000.

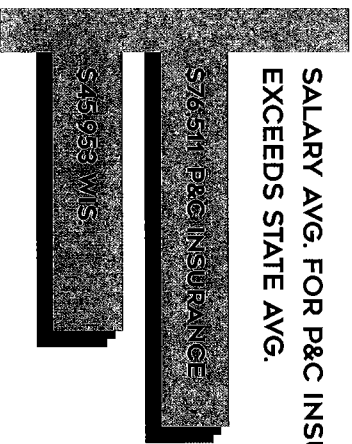
But there's more. When these employees spend their wages on groceries, cars, vacations, etc., they are supporting about 47,000 jobs in other industries. In other words, the industry supports, directly or indirectly, more than 70,000 jobs statewide.



P&C Industry Employees Are WELL-COMPENSATED

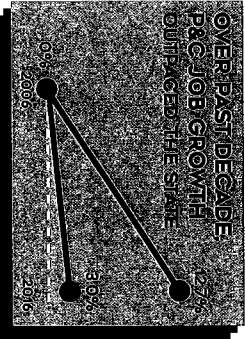
The P&C industry's job story doesn't stop there. It provides good-paying, family-supporting jobs. The average industry salary in 2016 was \$76,511—or 66% above the state average of \$45,953.

Industry wages are also growing faster than in other industries. During 2006-16, P&C wages climbed nearly 30%, compared to a 26% average across all industries.



P&C Industry Jobs Are STABLE

Not only is the P&C insurance industry one of the state's main employers, its growth over the last 10 years has outpaced other Wisconsin industries. From 2006 through 2016, P&C employment rose 12.7%, despite one of the worst economic recessions on record. During that same period, overall job growth in Wisconsin rose modestly and national P&C industry employment increased 7.3%.



Wisconsin P&C Insurers Support LOCAL DEVELOPMENT

P&C insurance companies boost community development in many ways, including charitable giving and purchasing municipal bonds issued by states, public schools, municipalities, counties, and other local governments. Nationally in 2016, P&C insurers held \$44 billion in municipal debt, or just under 10% of all municipal securities.

REAL PROTECTION

Wisconsin Insurers Provide PROTECTION...

State residents understand the value of insurance when unexpected events happen. Property and casualty insurance protects individuals, families, and businesses from financial losses that can result from unforeseen events—automobile accidents, fires, storms, etc. It also protects workers through workers compensation insurance.

In 2016, Wisconsin P&C firms paid almost \$5.4 billion in claims to state residents, workers, and businesses. That included more than \$2.1 billion for car accidents, \$1.2 billion for workers compensation, and almost \$600 million to homeowners.

...AT REASONABLE COST

P&C insurance premiums in Wisconsin are among the lowest in the nation. Average premiums for homeowners insurance are lower than in all but three states; for automobile insurance, they are lower than in all but seven states. When homeowners and auto insurance are combined, Wisconsin's premiums are second lowest.



Wisconsin Insurers Support

PUBLIC SERVICES

Wisconsin insurers support public services through various taxes they pay. State insurance companies paid premium taxes totalling \$181.6 million in 2017. During 2013-17, premium taxes totalled \$850 million. Companies selling fire insurance also paid more than \$20 million in fire insurance dues. Insurers also pay corporate income taxes.

P&C insurance company employees paid about \$92 million in individual income taxes. These employees and P&C insurance companies also pay hundreds of millions of dollars in property and sales taxes.

Wisconsin?

THINK INSURANCE.

When people mention Wisconsin, farming, manufacturing, or tourism come to mind. But Wisconsin is also a major player in the property and casualty insurance industry. Whether it's jobs, wages, premiums written, or taxes paid, P&C insurance is an important cog in Wisconsin's economy.

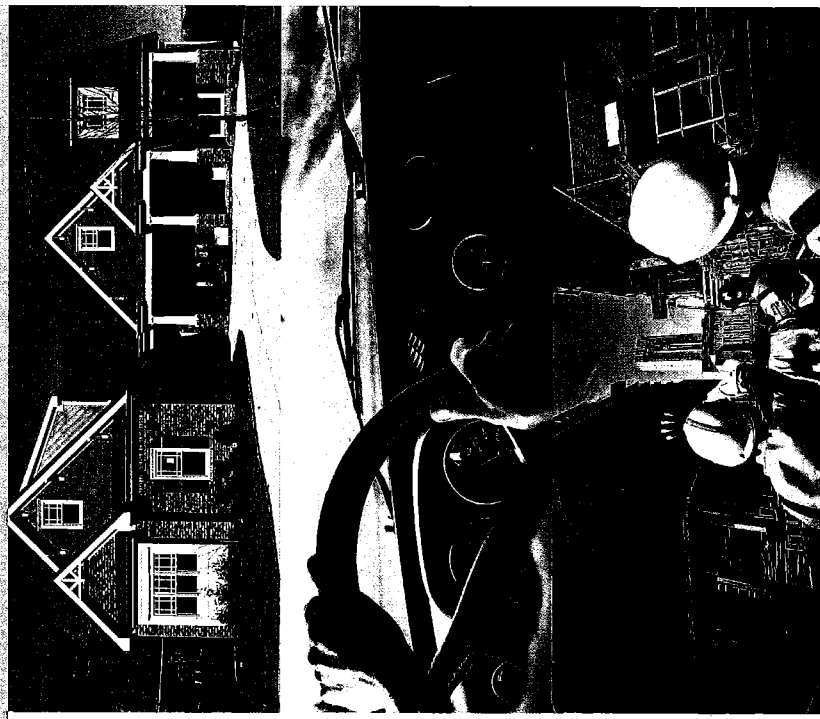
WIA

Wisconsin Insurance Alliance

Address: 44 E. Mifflin St., Suite 901
Madison, WI 53703

Phone: (608) 255-1749

PROPERTY & CASUALTY INSURERS



HELP GROW AND PROTECT WISCONSIN

RENEWAL ALTERED TERMS STATE COMPARISON

10 day

North Dakota

15 day

Missouri (Auto only)

20 day

Alaska (Personal Insurance)

Washington

30 day

Arizona

Arkansas

California (Rate 30/Reduction in Limits 45)

Connecticut

Delaware

Idaho

Indiana

Kansas

Kentucky (Prem increase >25% 75 days/does not apply to auto)

Louisiana

Maine

Minnesota (Homeowners 60)

Mississippi

Nevada

New Jersey

New Mexico

Ohio

Oklahoma (Personal Insurance)

Pennsylvania

Rhode Island (Personal Insurance)

South Carolina

Texas

Utah

West Virginia (Property)

45 day

Colorado

Florida

Georgia

Iowa

Maryland

Montana

New York

North Carolina

Oregon

Vermont

Virginia

60 day

Illinois

New Hampshire

Tennessee (>25% Premium)

Wisconsin (>25% Premium)

Wyoming

120 day

Alabama

N/A for the following states

Hawaii

Massachusetts

Michigan

Nebraska

DC