

PRESS RELEASE

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CONTACT: Edward Koller
(518) 436-8417, ekoller@licony.org



LICONY commissioned new report showing Life Industry's economic contributions to New York state

Albany, NY - May 14, 2019 – The Life Insurance Council of New York today received a report prepared by Ernst & Young titled “New York life insurance industry size, economic contributions and recent trends”.

“The report we received today illustrates that New York’s life insurance companies are an economic pillar of New York,” said Mary A. Griffin, President and CEO of LICONY. “The state’s life industry offers valuable protections, invests in infrastructure and is a major employer. Despite these contributions, some of the data shows a lack of growth in the industry in the last 15 years. We urge policymakers to work with New York’s life industry to foster new growth and help us offer valuable life products in ways that appeal to the modern consumer.”

Job creation and economic growth

The report shows that the life industry directly employs over 72,000 people in the state including over 32,000 at life insurance carriers and over 40,000 at life insurance agencies.

In 2016, the life insurance industry supported state and local tax payments of over \$3.4 billion. The industry’s direct contribution consisted of sales and excise, individual income, property, and other taxes paid by its employees, as well as several taxes and fees paid.

The New York life insurance industry is also a prominent source of investment for New York businesses, real estate, and other activities. In 2016, life insurance company investments in New York totaled \$482 billion. The majority of this investment (\$388 billion) was in stocks and bonds.

Protecting New York families

The report also outlines the valuable protection life insurance companies offer New Yorkers. Data concludes that:

- 8.2 million New Yorkers have a life insurance policy in-force
- The face value of all life insurance policies in-force in the state was over \$32 trillion (2017)
- New York life insurance beneficiaries received over \$6.7 billion – averaging \$26 million per business day – in 2017

Worrisome trends

Even with these significant protections for New York families and contributions to the state economy the report also revealed some worrisome trends. The report examined select data from 2000 - 2017 and found:

- The total numbers of in-force policies owned by individuals is down 14 percent since 2003
- Total life insurance industry employment (carriers plus agents) fell 11.5% between 2000 and 2016 - compared to 9.8% nationally.

“With defined benefit pension plans and personal savings on the decline, New Yorkers need life and annuity products now more than ever,” said Mary Griffin. “Fostering growth in the life industry will help more New Yorkers prepare for retirement and get the coverage they need to financially protect themselves and their loved ones.”