



# Life Without the Life Insurance Industry?

## The Fabric of the New York State Economy Would Unravel

By Thomas E. Workman, President & CEO, Life Insurance Council of New York, Inc.

**A**s I complete my year-long review of life without the life insurance industry, I am struck by how the industry is truly intertwined into the fabric of the New York State economy. Over the year, I have addressed how devastating the financial impact would be to families, small businesses and the greater New York State community when critical life insurance products are not in place. Products such as life insurance, key person insurance, disability insurance, long-term care insurance and retirement planning solutions. For this column, I will go further to demonstrate how the New York State economy would unravel if the life insurance industry no longer existed.

### Jobs Lost

The absence of the life insurance industry would make jobs in and out of the industry disappear. The industry supports approximately 160,000 jobs in New York, or 1.4 percent of statewide employment in 2012, according to LICONY-sponsored research. Included in that total are approximately 75,000 people at life insurance carriers and agencies, including independent licensed life insurance agents.

The remaining jobs are the non-insurance positions. The life insurance industry generates thousands of additional jobs (11 jobs in other industries for every 10 jobs in the life insurance industry) by the goods and services it purchases or leases from other businesses in the state. The industry also works with law firms, as well as accounting, actuarial and consulting firms throughout the state.

An important and often overlooked aspect of the employment picture is the role

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small and medium-sized life insurers play in the communities where they are located. In some upstate and western New York communities, an insurer with a few hundred employees is a major economic driver for that locality. These jobs support local schools and government, local businesses and trades people, and so much more.

### Investments Not Made

Without the life insurance industry, sizeable investments would not be made. According to the American Council of Life Insurers (ACLI), the life insurance industry has invested approximately \$409 billion of its assets in New York's economy. About \$335 billion of this investment are in stocks and bonds that help finance state and municipal infrastructure, utilities, public and private construction – all of which generate thousands of jobs and innumerable services in New York.

The industry has also provided \$31 billion in mortgage loans on farm, residential and commercial properties, and owns \$1 billion in real estate. In addition, life insurers directly or indirectly supported approximately \$22.5 billion in state GDP (1.8 percent of New York's economy) in 2012,

according to LICONY research. Furthermore, total economic activity by the life insurance industry generated an estimated \$2.5 billion in New York State and local taxes in 2012, including an estimated \$1.8 billion tax contribution directly from life insurers and their employees.

### Stronger Together

Without the life insurance industry, the fabric of the New York State economy would unravel. But with the industry securely in place, we can create quite a tapestry for years to come. The industry has the financial strength to continue investing in our great state, to continue as a significant employer, and, most importantly, to continue to secure even more families and businesses.

What the life insurance industry needs is public policy that ensures fair and encouraging business conditions for the continued existence and growth of the life insurance industry.

Have a wonderful and safe 2016! **[A]**

*Thomas E. Workman is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the voice of the life insurance industry in New York. LICONY works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses here in New York State. For stories about New Yorkers who have benefited greatly from purchasing the products of life insurers, go to [www.licony.org](http://www.licony.org), click on "Published Articles" in the NEWSROOM box on the homepage.*



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