



# Life Insurance: New York's Economic Driver

By Mary A. Griffin, President & CEO, Life Insurance Council of New York, Inc.

Life insurance. It is something too many people only think about in terms of the protection it provides to the insured. While the financial security life insurance provides is unquestionably vital and something every person should have, what is often overlooked is the fact that the industry is also one of the strongest drivers of New York's economy.

In New York State alone, the life insurance industry provides direct jobs, indirect employment, needed investments in other industries and payments to policy holders, who in-turn, spend that money on goods, services and necessities in New York.

It is why the Life Insurance Council of New York (LICONY) fights so hard every day to make sure the legislative and regulatory climate in New York is one that will allow our member companies and affiliates to do business and grow in New York. There is absolutely no doubt -- without a thriving life insurance industry, the economy of New York would suffer.

In fact, the life insurance industry, directly or indirectly, supported approximately \$22.5 billion in Gross Domestic Product (GDP) in 2012. This generated an estimated \$2.5 billion in state and local taxes, with an estimated 1.8 billion of that coming directly from life insurers and their employees.

Those are some impressive numbers, but let's take a deeper dive into just what life insurers contribute to New York's economic picture.

## A Direct and Indirect Job Creator

New York is the center of the U.S. life insurance industry. In fact, the industry began in this state more than 250 years ago.

The life insurance industry, with 171 life insurers licensed to do business in New York and with 85 domiciled here, employs approximately 61,000 people in this state alone. Those jobs support an additional 92,000 non-insurance jobs, which means the industry is responsible for more than 153,000 jobs in New York.

## Investments that Power a State

The impact life insurers have on New York's economy does not stop at employment. According to the American Council of Life Insurers, in 2016, life insurance companies will invest approximately \$462 billion of their assets in New York's economy.

Of that, approximately \$378 billion is in stocks and bonds that help finance state and municipal infrastructure, utilities, public and private construction. These widespread investments generate thousands of jobs and innumerable services for New Yorkers across the state.

In addition, the life insurance industry provides \$34 billion in mortgage loans on farm, residential and commercial properties and owns \$1 billion in real property in New York.

## Protecting New Yorkers

Currently New Yorkers own eight million individual life insurance policies that average \$195,000 in coverage per policy. This translates to \$2.2 trillion in total life insurance coverage and our industry is there when these policy holders need us. In 2014, \$32 billion was paid to New York residents in the form of death benefits, matured endowments, policy dividends, surrender values, and other payments.

These funds provided financial resources for children to go to college, allowed surviving spouses to stay in their homes, and enabled new leadership in small businesses when unexpected change occurred. Simply put, it meant families, businesses and people stayed in New York, and kept contributing to the economy, when otherwise it may have been impossible.

## A Strong and Vital Industry, Now and in the Future

New York needs to maintain an environment that allows the insurance industry to continue to help grow the state's economy and provide consumers with products that help grow and protect their assets. That is what we fight for every day here at LICONY. Our companies are so much more than just a safety blanket for a worst-case scenario -- they one of the most strongest economic engines driving our economy.

Mary A. Griffin is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the principal 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 benefitted greatly from purchasing the products of life insurers, go to [www.licony.org](http://www.licony.org), and click on "Published Articles" in the NEWSROOM box on the homepage.