



# **TEXAS MARKET OVERVIEW**

**2024**

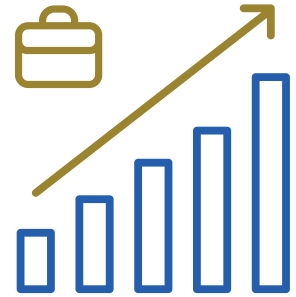
# Employment and Economic Contributions

## The insurance sector generates jobs

In 2023, **the insurance sector employed 2.98 million people in the U.S.**, which accounts for 1.8% of U.S. employment for individuals aged 16 and over.

**In 2022 Texas led the nation with 279,717 employees in insurance carriers and related activities, up from 261,247 in 2021.**

California followed with 242,214 employees, and Florida had 232,429 employees in the same sector.



## The insurance sector is a key investor and major tax contributor



In 2022, insurers invested **over \$438 billion in U.S. municipal securities**, supporting infrastructure such as roads and schools.

The P&C industry alone invested **\$246.1 billion in municipal securities** during the same year.

Insurance companies across all lines paid \$28.8 billion in premium taxes to all 50 states and the District of Columbia in 2022.

## The insurance sector drives economic growth

The insurance industry contributed \$660 billion to the U.S. GDP, which **totaled \$25 trillion** in 2022.

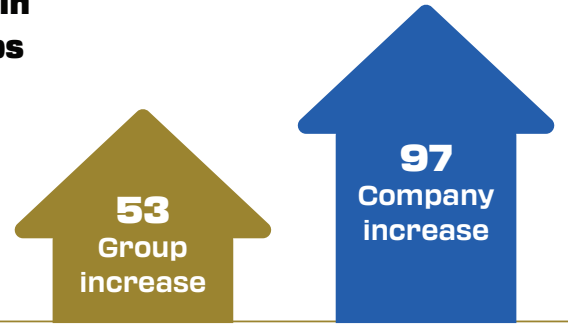


**In 2023, insurers in Texas paid \$4.065 billion in insurance taxes, making it the state's fifth-largest revenue source.**

# Texas Market Overview

The Texas insurance market remained competitive in 2023, with an increase in both the number of groups and companies engaged in writing property and casualty insurance.

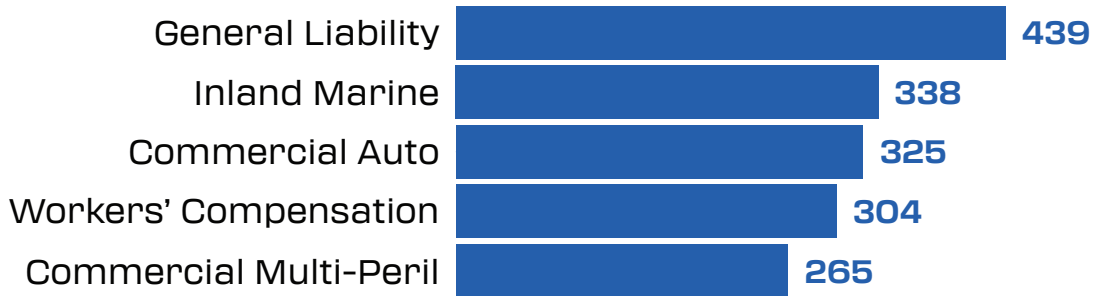
- **1,162** groups up from **1,109** groups in 2022
- **3,086** companies operating up from **2,989** companies in 2022



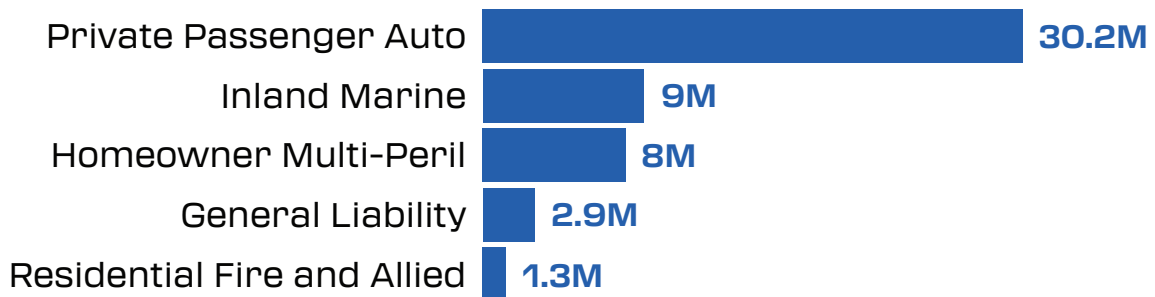
Texas continues to be a hub for domestic insurance companies remaining number one in the nation.

- 212 domestic insurance companies in 2022 up from 202 in 2021

## Top Five Lines of Insurance Based on Number of Companies Writing Policies



## Top Five Lines of Insurance Based on Number of Policies Written



**54.4 million policies representing a 7.7% increase since 2020**

Overall, the total number of policies written in Texas in 2023 reached **54,398,856**, underscoring the extensive reach and impact of the insurance industry within the state's economy and beyond.

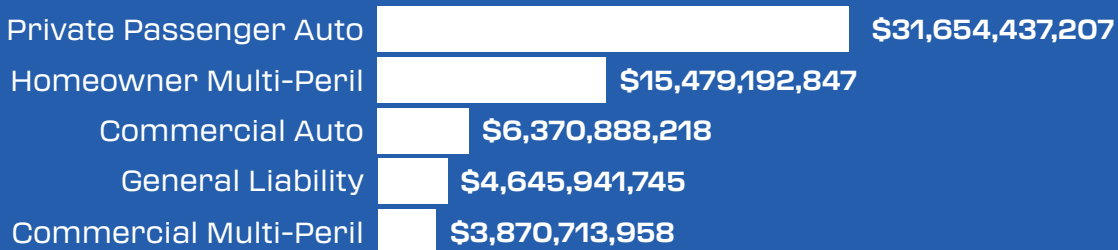
## Premiums in Texas

Direct written premiums for property and casualty in Texas increased by 12% from 2022 to 2023.

## Total Direct Written Premiums

- **2022:** \$66,315,856,597
- **2023:** \$74,322,468,515

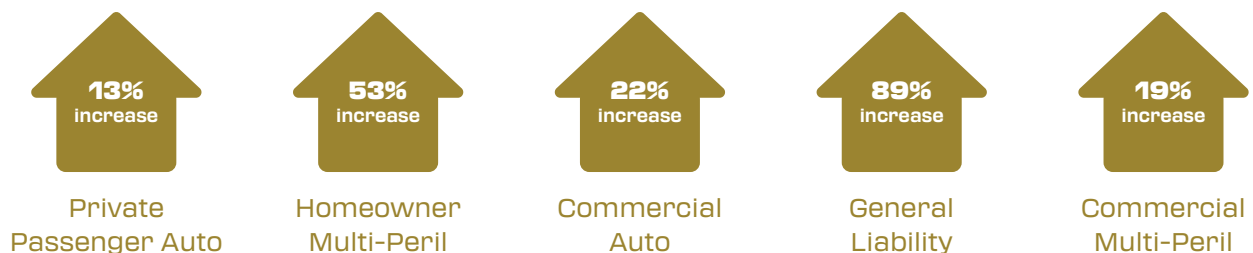
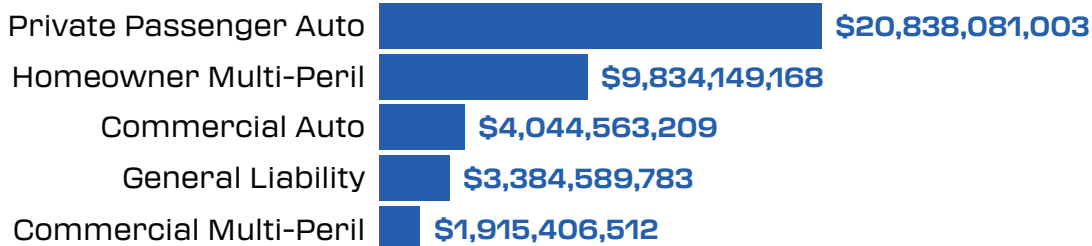
## Top Five Direct Written Premiums by Lines of Insurance in 2023



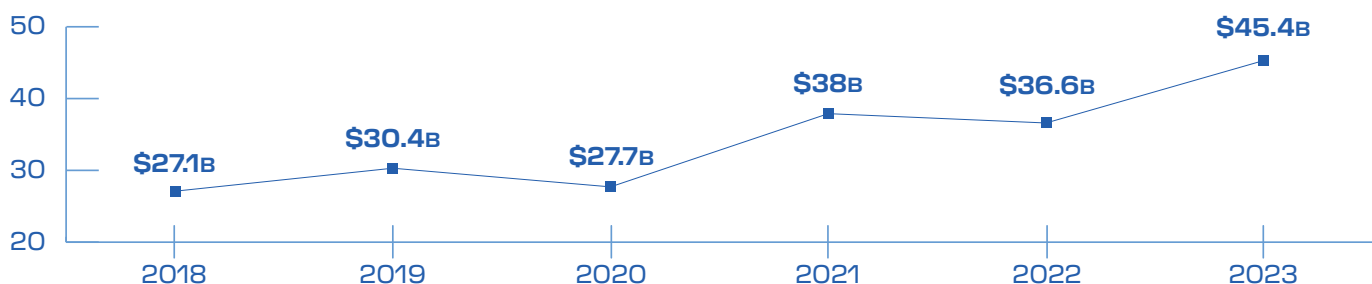
## Losses in Texas

Direct losses in 2023 totaled \$45,390,046,152. This is a **21% increase** from 2022.

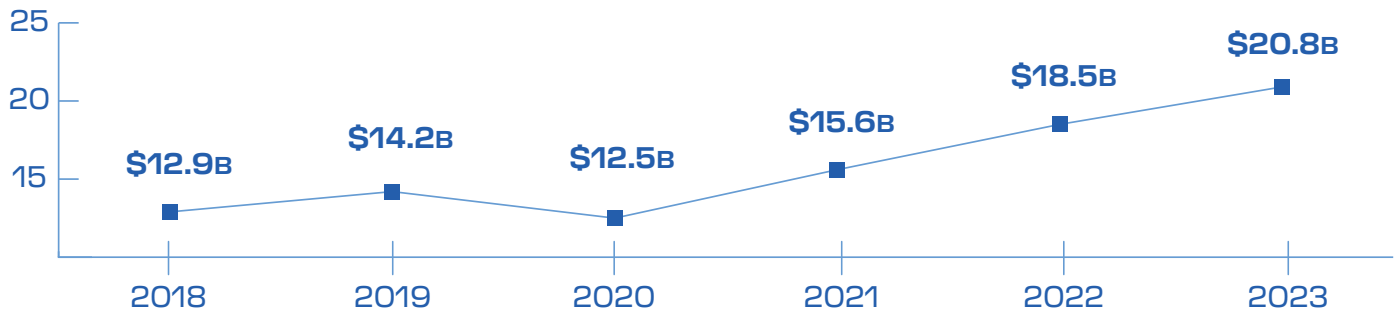
## Top Five Direct Losses by Line for 2023



## Direct Losses in Texas 2018-2023



## Private Passenger Auto Losses

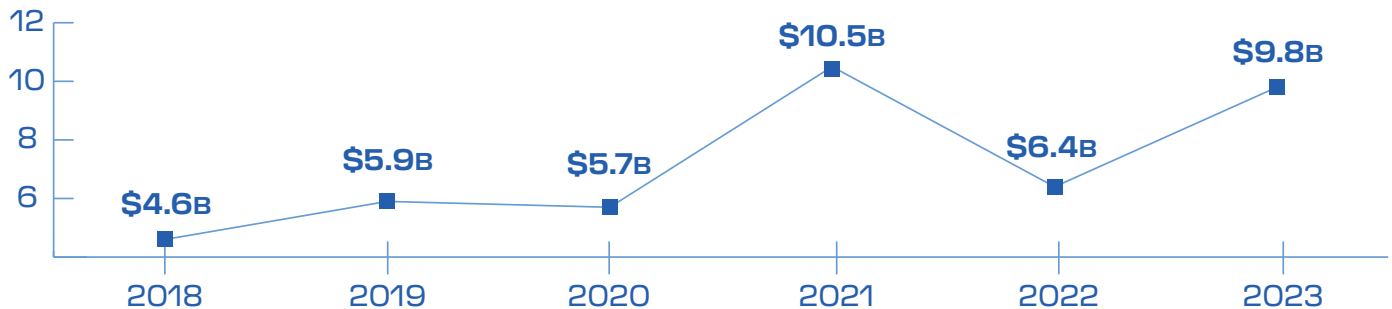


Private passenger auto insurers paid **direct losses of \$20.8 billion** in 2023

### Key Insights

- In 2023 there was a net underwriting loss of \$422.3 million for the private passenger auto market in Texas. The top 25 groups had a \$203 million underwriting profit.
- In 2023, private passenger auto insurers paid \$20.8 billion in direct losses, up from \$18.5 billion in 2022. This represents a 46.5% increase in direct losses compared to 2019.
- The private passenger auto market saw a loss ratio of 65.83% for 2023.

## Homeowners Multi Peril Losses

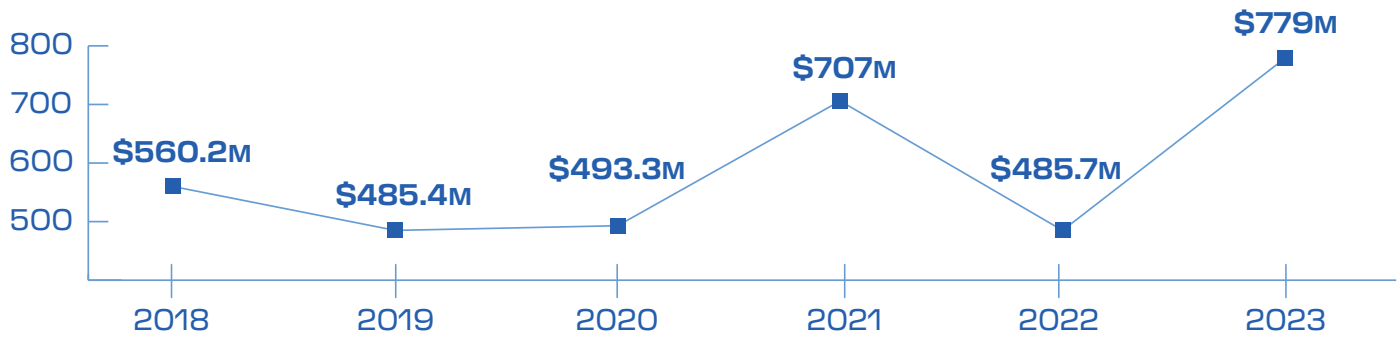


Homeowners multi peril insurers paid **direct losses of \$9.8 billion** in 2023

### Key Insights

- In 2023 there was a net underwriting loss of \$686.2 million.
- Direct losses paid for 2023 increased by 53% from 2022 (\$6.4 billion).
- **The Homeowners multi-peril loss ratio for 2023 was 63.53%, up from the 2022's loss ratio of 56.6%. Loss ratios have increased by 42% since 2013.**

## Residential Fire and Allied Lines Losses



Residential Fire and Allied insurers paid **direct losses of \$779 million** in 2023

### Key Insights

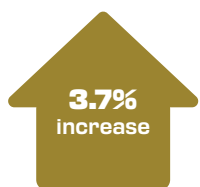
- In 2023 there was a net underwriting profit of \$306.1 million, up from the 2022 net underwriting profit of \$177.9 million
- In 2023, direct losses amounted to \$779 million, marking a 60.3% increase from the \$486 million paid in 2022. These losses were higher than the \$707 million paid in 2021, when Winter Storm Uri affected Texas.
- Loss ratio was 41.37%, down from 57.6 in 2022

## Cost of Goods and Services

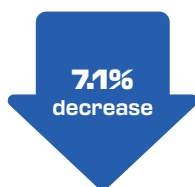
**According to the Bureau of Labor and Statistics, the Consumer Price Index for All Urban Consumers (CPI-U) rose 4.1% in 2023. After significant increases, some costs continue to rise while others begin to level off. The CPI for motor vehicle insurance increased by 17.4% from 2022.**

## Replacement Costs in Property and Casualty Insurance

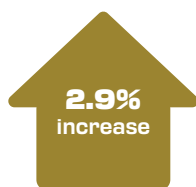
### Personal Auto Economic Drivers



New Vehicles

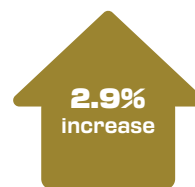


Used Cars  
and Trucks

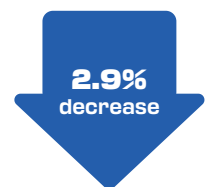


Motor Vehicle  
Parts and  
Equipment

### Homeowner Economic Drivers



Household  
Furnishings  
and Supplies



Construction  
Materials

# Natural Catastrophes

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Texas ranks among the top three states most affected by natural catastrophes, facing a wide range of severe weather events.

## Wildfires



- **Texas experienced 12,571 fires, the most wildfires experienced nationwide. Alaska experienced the largest number of acres burned.**
- Texas ranked third in 2022 for the number of homes at extreme wildfire risk, with 474,560 homes—behind California and Florida.

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## Tornadoes



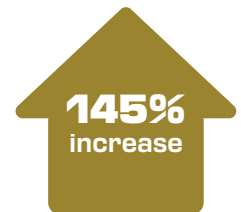
- In 2023, two catastrophic events on AON's Top 10 list of costliest storms involving tornadoes impacted Texas.
- **In 2023, Texas had 89 tornadoes, tying with Colorado for 3rd place nationwide.**

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## Hailstorms



- **Texas ranked first in number of hailstorms in 2023 with 1,123 hail events (up from 458 events in 2022)**



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## Lightning



- In 2022, **Texas ranked 3rd** in homeowners insurance lightning losses by number of claims with 4,085 claims valued at \$103.3 million
- While Texas ranked behind Florida and Georgia in number of claims, Texas has the highest average cost per claim for lightning at \$25,286



## **About ICT**

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ICT is a non-profit trade association representing the interests of Texas property and casualty insurers. ICT is the largest state-based insurance trade association in the country with nearly 400 member companies and 40 associate member businesses who support the property and casualty industry. Our member companies represent **86%** of the Texas property and casualty market.

### **For more information, please contact:**

**Albert Betts**

Executive Director, ICT  
[abetts@insurancecouncil.org](mailto:abetts@insurancecouncil.org)

**Angie Cervantes**

Manager, Governmental and Legislative Affairs, ICT  
[acervantes@insurancecouncil.org](mailto:acervantes@insurancecouncil.org)

**Jay Thompson**

Mitchell Williams Selig Gates, and Woodyard, PLLC,  
[jthompson@mwlaw.com](mailto:jthompson@mwlaw.com)