

# Insurance Carriers: 2002

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## 2002 Economic Census

*Finance and Insurance*

Industry Series



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## **2002 Economic Census**

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**U.S. Department of Commerce**

**Donald L. Evans,**

Secretary

**Theodore W. Kassinger,**

Deputy Secretary

**Economics and Statistics Administration**

**Kathleen B. Cooper,**

Under Secretary for  
Economic Affairs

**U.S. CENSUS BUREAU**

**Charles Louis Kincannon,**

Director

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**Economics  
and Statistics  
Administration**

**Kathleen B. Cooper,**  
Under Secretary  
for Economic Affairs



**U.S. CENSUS BUREAU**  
**Charles Louis Kincannon,**  
Director

**Hermann Habermann,**  
Deputy Director and  
Chief Operating Officer

**Vacant,**  
Principal Associate  
Director for Programs

**Frederick T. Knickerbocker,**  
Associate Director  
for Economic Programs

**Thomas L. Mesenbourg,**  
Assistant Director  
for Economic Programs

**Mark E. Wallace,**  
Chief, Service Sector  
Statistics Division

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-- Not applicable for this report.

# Introduction to the Economic Census

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## **PURPOSES AND USES OF THE ECONOMIC CENSUS**

The economic census is the major source of facts about the structure and functioning of the nation's economy. It provides essential information for government, business, industry, and the general public. Title 13 of the United States Code (Sections 131, 191, and 224) directs the Census Bureau to take the economic census every 5 years, covering years ending in "2" and "7."

The economic census furnishes an important part of the framework for such composite measures as the gross domestic product estimates, input/output measures, production and price indexes, and other statistical series that measure short-term changes in economic conditions. Specific uses of economic census data include the following:

- Policymaking agencies of the federal government use the data to monitor economic activity and to assess the effectiveness of policies.
- State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business.
- Trade associations study trends in their own and competing industries, which allows them to keep their members informed of market changes.
- Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages.

## **INDUSTRY CLASSIFICATIONS**

Data from the 2002 Economic Census are published primarily according to the 2002 North American Industry Classification System (NAICS). NAICS was first adopted in the United States, Canada, and Mexico in 1997. The 2002 Economic Census covers the following NAICS sectors:

21	Mining
22	Utilities
23	Construction
31-33	Manufacturing
42	Wholesale Trade
44-45	Retail Trade
48-49	Transportation and Warehousing
51	Information
52	Finance and Insurance
53	Real Estate and Rental and Leasing
54	Professional, Scientific, and Technical Services
55	Management of Companies and Enterprises
56	Administrative and Support and Waste Management and Remediation Services
61	Educational Services
62	Health Care and Social Assistance
71	Arts, Entertainment, and Recreation
72	Accommodation and Food Services
81	Other Services (except Public Administration)

(Not listed above are the Agriculture, Forestry, Fishing, and Hunting sector (NAICS 11), partially covered by the census of agriculture conducted by the U.S. Department of Agriculture, and the Public Administration sector (NAICS 92), largely covered by the census of governments conducted by the Census Bureau.)

The 20 NAICS sectors are subdivided into 100 subsectors (three-digit codes), 317 industry groups (four-digit codes), and, as implemented in the United States, 1,179 industries (six-digit codes).

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## **RELATIONSHIP TO HISTORICAL INDUSTRY CLASSIFICATIONS**

Prior to the 1997 Economic Census, data were published according to the Standard Industrial Classification (SIC) system. While many of the individual NAICS industries correspond directly to industries as defined under the SIC system, most of the higher level groupings do not. Particular care should be taken in comparing data for retail trade, wholesale trade, and manufacturing, which are sector titles used in both NAICS and SIC, but cover somewhat different groups of industries. The 1997 Economic Census *Bridge Between NAICS and SIC* demonstrates the relationships between NAICS and SIC industries. Where changes are significant, it may not be possible to construct time series that include data for points both before and after 1997.

Most industry classifications remained unchanged between 1997 and 2002, but NAICS 2002 includes substantial revisions within the construction and wholesale trade sectors, and a number of revisions for the retail trade and information sectors. These changes are noted in industry definitions and will be demonstrated in the *Bridge Between NAICS 2002 and NAICS 1997*.

For 2002, data for enterprise support establishments (those functioning primarily to support the activities of their company's operating establishments, such as a warehouse or a research and development laboratory) are included in the industry that reflects their activities (such as warehousing). For 1997, such establishments were termed auxiliaries and were excluded from industry totals.

## **BASIS OF REPORTING**

The economic census is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each store, factory, shop, or other location. Each establishment is assigned a separate industry classification based on its primary activity and not that of its parent company. (For selected industries, only payroll, employment, and classification are collected for individual establishments, while other data are collected on a consolidated basis.)

## **GEOGRAPHIC AREA CODING**

Accurate and complete information on the physical location of each establishment is required to tabulate the census data for states, metropolitan and micropolitan statistical areas, counties, and corporate municipalities (places) including cities, towns, townships, villages, and boroughs. Respondents were required to report their physical location (street address, municipality, county, and state) if it differed from their mailing address. For establishments not surveyed by mail (and those single-establishment companies that did not provide acceptable information on physical location), location information from administrative sources is used as a basis for coding.

## **AVAILABILITY OF ADDITIONAL DATA**

All results of the 2002 Economic Census are available on the Census Bureau Internet site ([www.census.gov](http://www.census.gov)) and on digital versatile discs (DVD-ROMs) for sale by the Census Bureau. The American FactFinder system at the Internet site allows selective retrieval and downloading of the data. For more information, including a description of reports being issued, see the Internet site, write to the U.S. Census Bureau, Washington, DC 20233-6100, or call Customer Services at 301-763-4100.

## **HISTORICAL INFORMATION**

The economic census has been taken as an integrated program at 5-year intervals since 1967 and before that for 1954, 1958, and 1963. Prior to that time, individual components of the economic census were taken separately at varying intervals.

The economic census traces its beginnings to the 1810 Decennial Census, when questions on manufacturing were included with those for population. Coverage of economic activities was expanded for the 1840 Decennial Census and subsequent censuses to include mining and some commercial activities. The 1905 Manufactures Census was the first time a census was taken apart

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from the regular decennial population census. Censuses covering retail and wholesale trade and construction industries were added in 1930, as were some service trades in 1933. Censuses of construction, manufacturing, and the other business censuses were suspended during World War II.

The 1954 Economic Census was the first census to be fully integrated, providing comparable census data across economic sectors and using consistent time periods, concepts, definitions, classifications, and reporting units. It was the first census to be taken by mail, using lists of firms provided by the administrative records of other federal agencies. Since 1963, administrative records also have been used to provide basic statistics for very small firms, reducing or eliminating the need to send them census report forms.

The range of industries covered in the economic census expanded between 1967 and 2002. The census of construction industries began on a regular basis in 1967, and the scope of service industries, introduced in 1933, was broadened in 1967, 1977, and 1987. While a few transportation industries were covered as early as 1963, it was not until 1992 that the census broadened to include all of transportation, communications, and utilities. Also new for 1992 was coverage of financial, insurance, and real estate industries. With these additions, the economic census and the separate census of governments and census of agriculture collectively covered roughly 98 percent of all economic activity. New for 2002 is coverage of four industries classified in the agriculture, forestry, and fishing sector under the SIC system: landscape architectural services, landscaping services, veterinary services, and pet care services.

Printed statistical reports from the 1992 and earlier censuses provide historical figures for the study of long-term time series and are available in some large libraries. Reports for 1997 were published primarily on the Internet and copies of 1992 reports are also available there. CD-ROMs issued from the 1987, 1992, and 1997 Economic Censuses contain databases that include all or nearly all data published in print, plus additional statistics, such as ZIP Code statistics, published only on CD-ROM.

#### **SOURCES FOR MORE INFORMATION**

More information about the scope, coverage, classification system, data items, and publications for the 2002 Economic Census and related surveys is published in the *Guide to the 2002 Economic Census* at [www.census.gov/econ/census02/guide](http://www.census.gov/econ/census02/guide). More information on the methodology, procedures, and history of the census will be published in the *History of the 2002 Economic Census* at [www.census.gov/econ/www/history.html](http://www.census.gov/econ/www/history.html).



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# Finance and Insurance

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## SCOPE

The Finance and Insurance sector (sector 52) comprises establishments of firms with payroll primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. Three principal types of activities are identified:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities. Establishments engaged in this activity use raised funds to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale and risk. This activity is known as financial intermediation.
2. Pooling of risk by underwriting insurance and annuities. Establishments engaged in this activity collect fees, insurance premiums, or annuity considerations; build up reserves; invest those reserves; and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.
3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

In addition, monetary authorities charged with monetary control are included in this sector.

The subsectors, industry groups, and industries within the Finance and Insurance sector are defined on the basis of their unique production processes. As with all industries, the production processes are distinguished by their use of specialized human resources and specialized physical capital. In addition, the way in which these establishments acquire and allocate financial capital, their source of funds, and the use of those funds provides a third basis for distinguishing characteristics of the production process. For instance, the production process in raising funds through deposit-taking is different from the process of raising funds in bond or money markets. The process of making loans to individuals also requires different production processes than does the creation of investment pools or the underwriting of securities.

Most of the Finance and Insurance subsectors contain one or more industry groups of (1) intermediaries with similar patterns of raising and using funds and (2) establishments engaged in activities that facilitate, or are otherwise related to, that type of financial or insurance intermediation. Industries within this sector are defined in terms of activities for which a production process can be specified, and many of these activities are not exclusive to a particular type of financial institution. To deal with the varied activities taking place within existing financial institutions, the approach is to split these institutions into components performing specialized services. This requires defining the units engaged in providing those services and developing procedures that allow for their delineation. For finance and insurance, these units are the equivalents of the establishments defined for other industries.

The output of many financial services, as well as the inputs and the processes by which they are combined, cannot be observed at a single location and can only be defined at a higher level of the organizational structure of the enterprise. Additionally, a number of independent activities that represent separate and distinct production processes may take place at a single location belonging to a multilocation financial firm. Activities are more likely to be homogeneous with respect to production characteristics than are locations, at least in financial services. NAICS defines activities broadly enough that it can be used by those classifying by location and by those employing a more top-down approach to the delineation of the establishment.

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The Finance and Insurance sector has been defined to encompass establishments primarily engaged in financial transactions; that is, transactions involving the creation, liquidation, or change in ownership of financial assets or in facilitating financial transactions. Financial industries are extensive users of electronic means for facilitating the verification of financial balances, authorizing transactions, transferring funds to and from transactors' accounts, notifying banks (or credit card issuers) of the individual transactions, and providing daily summaries. Since these transaction processing activities are integral to the production of finance and insurance services, establishments that principally provide a financial transaction processing service are classified to this sector, rather than to the data processing industry in the Information sector.

Funds, trusts, and other financial vehicles (legal entities that hold portfolios of assets on behalf of others) are the fifth subsector of the Finance and Insurance sector. These entities earn interest, dividends, and other property income, but have little or no employment and no revenue from the sale of services. Separate establishments and employees devoted to the management of funds are classified in Industry Group 5239, Other Financial Investment Activities.

Among depository institutions and insurance carriers, many locations with activities that might in other industries be considered as support or auxiliary activities (such as headquarters operations), are included in this report as operating locations.

The reports described below exclude establishments of firms with no paid employees. These "nonemployers," typically self-employed individuals or partnerships operating businesses that they have not chosen to incorporate, are reported separately in *Nonemployer Statistics*. The contribution of nonemployers, moderate for this sector, may be examined at [www.census.gov/nonemployerimpact](http://www.census.gov/nonemployerimpact).

**Definitions.** Industry categories are defined in Appendix B, NAICS Codes, Titles, and Descriptions. Other terms are defined in Appendix A, Explanation of Terms.

## REPORTS

The following reports provide statistics on this sector.

**Industry Series.** There are 10 reports, each covering a group of related industries. The reports present, by kind of business for the United States, general statistics for establishments of firms with payroll on number of establishments, revenue, payroll, and employment; comparative statistics for 2002 and 1997; product lines; and concentration of business activity in the largest firms. The data in industry reports are preliminary and subject to change in the following reports.

**Geographic Area Series.** There is a separate report for each state, the District of Columbia, and the United States. Each state report presents, for establishments of firms with payroll, general statistics on number of establishments, revenue, payroll, and employment by kind of business for the state and metropolitan and micropolitan statistical areas. Greater kind-of-business detail is shown for larger areas. The United States report presents data for the United States as a whole for detailed kind-of-business classifications.

### Subject Series:

- **Product Lines.** This report presents product lines data for establishments of firms with payroll by kind of business. Establishments may report negative revenue for selected product lines. Because of this, percentages for product lines may be in excess of 100 or less than 0. Data are presented for the United States only.
- **Establishment and Firm Size (Including Legal Form of Organization).** This report presents revenue, payroll, and employment data for the United States by revenue size, by employment size, and by legal form of organization for establishments of firms with payroll; and by revenue size (including concentration by largest firms), by employment size, and by number of establishments operated (single units and multiunits) for firms with payroll.
- **Miscellaneous Subjects.** This report presents data for a variety of industry-specific topics for establishments of firms with payroll. Presentation of data varies by kind of business.

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**Other reports.** Data for this sector are also included in reports with multisector coverage, including *Nonemployer Statistics*, *Comparative Statistics*, *Bridge Between 2002 NAICS and 1997 NAICS*, *Business Expenses*, and the Survey of Business Owners reports.

### **GEOGRAPHIC AREAS COVERED**

The level of geographic detail varies by report. Maps are available at [www.census.gov/econ2002maps](http://www.census.gov/econ2002maps). Notes specific to areas in the state are included in Appendix D, Geographic Notes. Data may be presented for –

1. The United States as a whole.
2. States and the District of Columbia.
3. Metropolitan and micropolitan statistical areas. A core based statistical area (CBSA) contains a core area with a substantial population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. CBSAs are differentiated into metropolitan and micropolitan statistical areas based on size criteria. Both metropolitan and micropolitan statistical areas are defined in terms of entire counties, and are listed in Appendix E, Metropolitan and Micropolitan Statistical Areas.
  - a. Metropolitan Statistical Areas (metro areas). Metro areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
  - b. Micropolitan Statistical Areas (micro areas). Micro areas have at least one urban cluster of at least 10,000, but less than 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
  - c. Metropolitan Divisions (metro divisions). If specified criteria are met, a metro area containing a single core with a population of 2.5 million or more may be subdivided to form smaller groupings of counties referred to as Metropolitan Divisions.
  - d. Combined Statistical Areas (combined areas). If specified criteria are met, adjacent metro and micro areas, in various combinations, may become the components of a new set of areas called Combined Statistical Areas. The areas that combine retain their own designations as metro or micro areas within the larger combined area.

### **DOLLAR VALUES**

All dollar values presented are expressed in current dollars; i.e., 2002 data are expressed in 2002 dollars, and 1997 data, in 1997 dollars. Consequently, when making comparisons with prior years, users of the data should consider the changes in prices that have occurred.

All dollar values are shown in thousands of dollars.

### **COMPARABILITY OF THE 1997 AND 2002 ECONOMIC CENSUSES**

Both the 2002 Economic Census and the 1997 Economic Census present data based on the North American Industry Classification System (NAICS). While there were revisions to some industries for 2002, none of those affect this sector.

### **RELIABILITY OF DATA**

All data compiled for this sector are subject to nonsampling errors. Nonsampling errors can be attributed to many sources: inability to identify all cases in the actual universe; definition and classification difficulties; differences in the interpretation of questions; errors in recording or coding the data obtained; and other errors of collection, response, coverage, processing, and estimation for missing or misreported data. Data presented in the Miscellaneous Subjects and Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors.

The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data, as by the

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percentages shown in the tables. Precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors. More information on the reliability of the data is included in Appendix C, Methodology.

## **DISCLOSURE**

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at [www.census.gov/epcd/ec02/disclosure.htm](http://www.census.gov/epcd/ec02/disclosure.htm).

## **AVAILABILITY OF MORE FREQUENT ECONOMIC DATA**

The Census Bureau conducts the Service Annual Survey (SAS) each year. This survey, while providing more frequent observations, yields less kind-of-business and geographic detail than the economic census. In addition, the County Business Patterns program offers annual statistics on the number of establishments, employment, and payroll classified by industry within each county, and Statistics of U.S. Businesses provides annual statistics classified by the employment size of the enterprise, further classified by industry for the United States, and by broader categories for states and metropolitan areas.

## **CONTACTS FOR DATA USERS**

Questions about these data may be directed to the U.S. Census Bureau, Service Sector Statistics Division, Utilities and Financial Census Branch, 1-800-541-8345 or [fcb@census.gov](mailto:fcb@census.gov).

## **ABBREVIATIONS AND SYMBOLS**

The following abbreviations and symbols are used with these data:

D	Withheld to avoid disclosing data of individual companies; data are included in higher level totals
N	Not available or not comparable
Q	Revenue not collected at this level of detail for multiestablishment firms
S	Withheld because estimates did not meet publication standards
X	Not applicable
Z	Less than half the unit shown
a	0 to 19 employees
b	20 to 99 employees
c	100 to 249 employees
e	250 to 499 employees
f	500 to 999 employees
g	1,000 to 2,499 employees
h	2,500 to 4,999 employees
i	5,000 to 9,999 employees
j	10,000 to 24,999 employees
k	25,000 to 49,999 employees
l	50,000 to 99,999 employees
m	100,000 employees or more
r	Revised
–	Represents zero (page image/print only)
(CC)	Consolidated city
(IC)	Independent city
CDP	Census designated place

**Table 1. Summary Statistics for the United States: 2002**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

2002 NAICS code	Kind of business	Estab-lishments (number)	Revenue (\$1,000)	Annual payroll (\$1,000)	First-quarter payroll (\$1,000)	Paid employees for pay period including March 12 (number)	Percent of revenue—	
							From admini-strative records <sup>1</sup>	Estimated <sup>2</sup>
5241	Insurance carriers .....	31 711	1 189 245 785	83 921 115	22 888 944	1 572 533	.1	12.3
52411	Direct life, health, and medical insurance carriers .....	13 004	755 029 387	44 934 182	12 222 124	846 678	.1	11.2
52412	Direct insurance (except life, health, and medical) carriers .....	17 849	398 496 956	36 759 918	9 978 027	698 854	.1	14.2
52413	Reinsurance carriers .....	858	35 719 442	2 227 015	688 793	27 001	.1	14.7
524130	Reinsurance carriers .....	858	35 719 442	2 227 015	688 793	27 001	.1	14.7

<sup>1</sup>Includes revenue information obtained from administrative records of other federal agencies.

<sup>2</sup>Includes revenue information that was imputed based on historic data, administrative data, industry averages, or other statistical methods.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

**Table 2. Comparative Statistics for the United States (1997 NAICS Basis): 2002 and 1997**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 and 1997 Economic Censuses. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

1997 NAICS code	Kind of business	Establishments (number)	Revenue (\$1,000)	Annual payroll (\$1,000)	Paid employees for pay period including March 12 (number)
5241	Insurance carriers .....	31 711	1 189 245 785	83 921 115	1 572 533
	2002..				
	1997..	38 739	995 511 823	65 858 315	1 588 015
52411	Direct life, health, and medical insurance carriers .....	13 004	755 029 387	44 934 182	846 678
	2002..				
	1997..	14 615	666 531 816	34 474 359	889 018
52412	Direct insurance (except life, health, and medical) carriers .....	17 849	398 496 956	36 759 918	698 854
	2002..				
	1997..	23 561	307 694 978	30 374 111	683 119
52413	Reinsurance carriers .....	858	35 719 442	2 227 015	27 001
	2002..				
	1997..	563	21 285 029	1 009 845	15 878
524130	Reinsurance carriers .....	858	35 719 442	2 227 015	27 001
	2002..				
	1997..	563	21 285 029	1 009 845	15 878

Note: The data in this table are based on the 2002 and 1997 Economic Censuses. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

**Table 3. Product Lines by Kind of Business for the United States: 2002**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

2002 NAICS code	2002 Product line code	Kind of business and product line	Establishments with the product line		Product line revenue			Response coverage <sup>2</sup> (percent)
			Number	Total revenue (\$1,000)	Amount <sup>1</sup> (\$1,000)	As percent of total revenue of—		
						Establishments with the product line	All estab-lishments <sup>1</sup>	
5241		Insurance carriers .....	31 711	X	1 189 245 785	X	100.0	78.4
	50110	Life insurance premiums earned - net .....	Q	Q	116 930 719	Q	9.8	X
	50120	Accident, health, and medical insurance premiums earned - net .....	Q	Q	349 651 504	Q	29.4	X
	50130	Property and casualty direct insurance premiums earned - net .....	Q	Q	320 990 236	Q	27.0	X
	50160	Title insurance premiums earned - net .....	Q	Q	10 450 027	Q	.9	X
	50170	Other insurance premiums earned - net .....	Q	Q	12 522 076	Q	1.1	X
	50180	Reinsurance premiums - assumed .....	Q	Q	59 878 004	Q	5.0	X
	50190	Annuity revenue, including considerations and annuity fund deposit .....	Q	Q	149 749 158	Q	12.6	X
	50340	Realized capital gains (losses) on investment accounts .....	Q	Q	-7 248 645	Q	-.6	X
	50480	Other investment income - net .....	Q	Q	133 712 907	Q	11.2	X
	50840	Fees collected for providing administrative services .....	Q	Q	24 017 687	Q	2.0	X
	50890	Title search, title reconveyance, and title abstract service fees .....	Q	Q	2 505 045	Q	.2	X
	51300	Gross rents from real properties .....	Q	Q	2 222 458	Q	.2	X
	59810	Other revenue .....	Q	Q	13 864 609	Q	1.2	X
52411		Direct life, health, and medical insurance carriers .....	13 004	X	755 029 387	X	100.0	79.5
	50110	Life insurance premiums earned - net .....	Q	Q	115 742 042	Q	15.3	X
	50120	Accident, health, and medical insurance premiums earned - net .....	Q	Q	345 834 999	Q	45.8	78.5
	50121	Accident insurance premiums earned, including accidental death and dismemberment, and disability income insurance - net .....	Q	Q	27 746 989	Q	3.7	X
	50122	Health and medical insurance premiums earned - net .....	Q	Q	318 088 010	Q	42.1	X
	50130	Property and casualty direct insurance premiums earned - net .....	Q	Q	733 632	Q	.1	X
	50170	Other insurance premiums earned - net .....	Q	Q	5 480 322	Q	.7	X
	50180	Reinsurance premiums - assumed .....	Q	Q	14 060 575	Q	1.9	77.6
	50181	Life .....	Q	Q	5 012 734	Q	.7	X
	50182	Health and medical .....	Q	Q	2 871 459	Q	.4	X
	50183	Property and casualty .....	Q	Q	242 180	Q	.2	X
	50186	Accident .....	Q	Q	1 626 647	Q	.2	X
	50189	Other reinsurance .....	Q	Q	4 307 555	Q	.6	X
	50190	Annuity revenue, including considerations and annuity fund deposit .....	Q	Q	149 358 888	Q	19.8	X
	50340	Realized capital gains (losses) on investment accounts .....	Q	Q	-6 748 110	Q	-.9	X
	50480	Other investment income - net .....	Q	Q	102 494 724	Q	13.6	X
	50840	Fees collected for providing administrative services .....	Q	Q	23 993 398	Q	3.2	74.0
	50841	Services to Medicare, Medicaid, CHAMPUS .....	Q	Q	2 402 168	Q	.3	X
	50842	Services to all other parties, including insurance, health plans etc. ....	Q	Q	21 591 230	Q	2.9	X
	51300	Gross rents from real properties .....	Q	Q	1 880 639	Q	.2	X
	59810	Other revenue .....	Q	Q	2 198 278	Q	.3	X
52412		Direct insurance (except life, health, and medical) carriers .....	17 849	X	398 496 956	X	100.0	76.2
	50110	Life insurance premiums earned - net .....	Q	Q	125 309	Q	.Z	X
	50120	Accident, health, and medical insurance premiums earned - net .....	Q	Q	3 730 778	Q	.9	X
	50130	Property and casualty direct insurance premiums earned - net .....	Q	Q	319 265 032	Q	80.1	73.4
	50131	Fire insurance .....	Q	Q	5 784 850	Q	1.5	X
	50132	Allied lines insurance .....	Q	Q	3 659 074	Q	.9	X
	50133	Multiple peril insurance .....	Q	Q	53 366 123	Q	13.4	X
	50134	Crop-hail insurance .....	Q	Q	267 335	Q	.1	X
	50135	Ocean marine insurance .....	Q	Q	1 599 401	Q	.4	X
	50136	Inland marine insurance .....	Q	Q	5 674 312	Q	1.4	X
	50137	Private passenger auto insurance, including no-fault, liability, and physical damage .....	Q	Q	156 357 757	Q	39.2	X
	50138	Commercial auto insurance, including no-fault, liability, and physical damage .....	Q	Q	18 006 231	Q	4.5	X
	50139	Aircraft insurance .....	Q	Q	1 005 686	Q	.3	X
	50141	Product liability insurance .....	Q	Q	1 761 059	Q	.4	X
	50142	Other liability insurance .....	Q	Q	18 020 447	Q	4.5	X
	50143	Warranty insurance .....	Q	Q	3 489 530	Q	.9	X
	50144	Surety and fidelity insurance .....	Q	Q	3 285 785	Q	.8	X
	50145	Mortgage guarantee insurance .....	Q	Q	5 454 165	Q	1.4	X
	50146	Workers' compensation insurance .....	Q	Q	20 309 973	Q	5.1	X
	50147	Medical malpractice insurance .....	Q	Q	5 508 702	Q	1.4	X
	50149	Burglary and theft insurance .....	Q	Q	359 519	Q	.1	X
	50151	Boiler and machinery insurance .....	Q	Q	369 116	Q	.1	X
	50152	Nuclear insurance .....	Q	Q	39 946	Q	.Z	X
	50159	All other property and casualty insurance .....	Q	Q	14 946 021	Q	3.8	X
	50160	Title insurance premiums earned - net .....	Q	Q	10 450 027	Q	2.6	X
	50170	Other insurance premiums earned - net .....	Q	Q	7 023 537	Q	1.8	X
	50180	Reinsurance premiums - assumed .....	Q	Q	16 980 767	Q	4.3	74.4
	50181	Life .....	Q	Q	27 993	Q	.Z	X
	50182	Health and medical .....	Q	Q	1 567 937	Q	.4	X
	50183	Property and casualty .....	Q	Q	14 600 826	Q	3.7	X
	50184	Surety .....	Q	Q	162 624	Q	.Z	X
	50185	Title .....	Q	Q	37 218	Q	.Z	X
	50186	Accident .....	Q	Q	138 477	Q	.Z	X
	50189	Other reinsurance .....	Q	Q	445 692	Q	.1	X
	50190	Annuity revenue, including considerations and annuity fund deposit .....	Q	Q	169 881	Q	.Z	X
	50340	Realized capital gains (losses) on investment accounts .....	Q	Q	-647 699	Q	-.2	X
	50480	Other investment income - net .....	Q	Q	27 145 809	Q	6.8	X
	50890	Title search, title reconveyance, and title abstract service fees .....	Q	Q	2 503 616	Q	.6	X
	51300	Gross rents from real properties .....	Q	Q	337 890	Q	.1	X
	59810	Other revenue .....	Q	Q	11 412 009	Q	2.9	X
52413		Reinsurance carriers .....	858	X	35 719 442	X	100.0	79.4
	50110	Life insurance premiums earned - net .....	Q	Q	1 063 368	Q	3.0	X
	50120	Accident, health, and medical insurance premiums earned - net .....	Q	Q	85 727	Q	.2	61.0
	50121	Accident insurance premiums earned, including accidental death and dismemberment, and disability income insurance - net .....	Q	Q	22 883	Q	.1	X
	50122	Health and medical insurance premiums earned - net .....	Q	Q	62 844	Q	.2	X

See footnotes at end of table.



**Table 3. Product Lines by Kind of Business for the United States: 2002—Con.**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

2002 NAICS code	2002 Product line code	Kind of business and product line	Establishments with the product line		Product line revenue			Response coverage <sup>2</sup> (percent)
			Number	Total revenue (\$1,000)	Amount <sup>1</sup> (\$1,000)	As percent of total revenue of—		
						Estab-lishments with the product line	All estab-lishments <sup>1</sup>	
52413		Reinsurance carriers—Con.						
	50130	Property and casualty direct insurance premiums earned - net	Q	Q	991 572	Q	2.8	78.8
	50131	Fire insurance	Q	Q	44 184	Q	.1	X
	50132	Allied lines insurance	Q	Q	17 541	Q	Z	X
	50133	Multiple peril insurance	Q	Q	44 125	Q	.1	X
	50135	Ocean marine insurance	Q	Q	2 310	Q	Z	X
	50136	Inland marine insurance	Q	Q	9 846	Q	Z	X
	50137	Private passenger auto insurance, including no-fault, liability, and physical damage	Q	Q	10 947	Q	Z	X
	50138	Commercial auto insurance, including no-fault, liability, and physical damage	Q	Q	85 791	Q	.2	X
	50141	Product liability insurance	Q	Q	51 006	Q	.1	X
	50142	Other liability insurance	Q	Q	173 208	Q	.5	X
	50144	Surety and fidelity insurance	Q	Q	153 218	Q	.4	X
	50146	Workers' compensation insurance	Q	Q	349 272	Q	1.0	X
	50147	Medical malpractice insurance	Q	Q	10	Q	Z	X
	50149	Burglary and theft insurance	Q	Q	654	Q	Z	X
	50159	All other property and casualty insurance	Q	Q	49 291	Q	.1	X
	50180	Reinsurance premiums - assumed	Q	Q	28 836 662	Q	80.7	78.4
	50181	Life	Q	Q	6 372 037	Q	17.8	X
	50182	Health and medical	Q	Q	3 470 204	Q	9.7	X
	50183	Property and casualty	Q	Q	10 849 793	Q	30.4	X
	50184	Surety	Q	Q	333 929	Q	.9	X
	50185	Title	Q	Q	29 990	Q	.1	X
	50186	Accident	Q	Q	466 866	Q	1.3	X
	50189	Other reinsurance	Q	Q	7 313 843	Q	20.5	X
	50190	Annuity revenue, including considerations and annuity fund deposit	Q	Q	220 389	Q	.6	X
	50340	Realized capital gains (losses) on investment accounts	Q	Q	147 164	Q	.4	X
	50480	Other investment income - net	Q	Q	4 072 374	Q	11.4	X
	50840	Fees collected for providing administrative services	Q	Q	24 289	Q	.1	X
	51300	Gross rents from real properties	Q	Q	3 929	Q	Z	X
	59810	Other revenue	Q	Q	254 322	Q	.7	X
524130		Reinsurance carriers	858	X	35 719 442	X	100.0	79.4
	50110	Life insurance premiums earned - net	Q	Q	1 063 368	Q	3.0	X
	50120	Accident, health, and medical insurance premiums earned - net	Q	Q	85 727	Q	.2	61.0
	50121	Accident insurance premiums earned, including accidental death and dismemberment, and disability income insurance - net	Q	Q	22 893	Q	.1	X
	50122	Health and medical insurance premiums earned - net	Q	Q	62 844	Q	.2	X
	50130	Property and casualty direct insurance premiums earned - net	Q	Q	991 572	Q	2.8	78.8
	50131	Fire insurance	Q	Q	44 184	Q	.1	X
	50132	Allied lines insurance	Q	Q	17 541	Q	Z	X
	50133	Multiple peril insurance	Q	Q	44 125	Q	.1	X
	50135	Ocean marine insurance	Q	Q	2 310	Q	Z	X
	50136	Inland marine insurance	Q	Q	9 846	Q	Z	X
	50137	Private passenger auto insurance, including no-fault, liability, and physical damage	Q	Q	10 947	Q	Z	X
	50138	Commercial auto insurance, including no-fault, liability, and physical damage	Q	Q	85 791	Q	.2	X
	50141	Product liability insurance	Q	Q	51 006	Q	.1	X
	50142	Other liability insurance	Q	Q	173 208	Q	.5	X
	50144	Surety and fidelity insurance	Q	Q	153 218	Q	.4	X
	50146	Workers' compensation insurance	Q	Q	349 272	Q	1.0	X
	50147	Medical malpractice insurance	Q	Q	10	Q	Z	X
	50149	Burglary and theft insurance	Q	Q	654	Q	Z	X
	50159	All other property and casualty insurance	Q	Q	49 291	Q	.1	X
	50180	Reinsurance premiums - assumed	Q	Q	28 836 662	Q	80.7	78.4
	50181	Life	Q	Q	6 372 037	Q	17.8	X
	50182	Health and medical	Q	Q	3 470 204	Q	9.7	X
	50183	Property and casualty	Q	Q	10 849 793	Q	30.4	X
	50184	Surety	Q	Q	333 929	Q	.9	X
	50185	Title	Q	Q	29 990	Q	.1	X
	50186	Accident	Q	Q	466 866	Q	1.3	X
	50189	Other reinsurance	Q	Q	7 313 843	Q	20.5	X
	50190	Annuity revenue, including considerations and annuity fund deposit	Q	Q	220 389	Q	.6	X
	50340	Realized capital gains (losses) on investment accounts	Q	Q	147 164	Q	.4	X
	50480	Other investment income - net	Q	Q	4 072 374	Q	11.4	X
	50840	Fees collected for providing administrative services	Q	Q	24 289	Q	.1	X
	51300	Gross rents from real properties	Q	Q	3 929	Q	Z	X
	59810	Other revenue	Q	Q	254 322	Q	.7	X

<sup>1</sup>Product line revenue and/or product line percents may not sum to totals due to exclusion of selected lines to avoid disclosing data for individual companies, due to rounding, and/or due to exclusion of lines that did not meet publication criteria.

<sup>2</sup>Revenue of establishments reporting product line revenue as percent of total revenue.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

**Table 4. Concentration by Largest Firms for the United States: 2002**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only firms and establishments of firms with payroll. Excludes data for establishments of these firms that are classified in other categories than those specified in this table. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. For method of assignment to categories shown, see Appendix C. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

2002 NAICS code	Kind of business and largest firms based on revenue	Establishments (number)	Revenue		Annual payroll (\$1,000)	First-quarter payroll (\$1,000)	Paid employees for pay period including March 12 (number)
			Amount (\$1,000)	As percent of total			
5241	<b>Insurance carriers</b>						
	All firms .....	31 711	1 189 245 785	100.0	83 921 115	22 888 944	1 572 533
	4 largest firms .....	5 055	157 508 936	13.2	10 767 248	2 957 670	200 176
	8 largest firms .....	7 082	251 808 254	21.2	16 787 521	4 483 348	313 586
	20 largest firms .....	9 985	449 435 844	37.8	30 468 339	8 080 993	533 163
	50 largest firms .....	14 269	724 429 521	60.9	48 406 417	13 219 785	865 508
52411	<b>Direct life, health, and medical insurance carriers</b>						
	All firms .....	13 004	755 029 387	100.0	44 934 182	12 222 124	846 678
	4 largest firms .....	2 431	102 207 376	13.5	7 100 715	2 074 174	137 716
	8 largest firms .....	3 721	174 508 050	23.1	11 206 932	3 211 260	214 889
	20 largest firms .....	5 407	336 453 198	44.6	20 055 803	5 353 238	325 481
	50 largest firms .....	6 798	517 512 447	68.5	28 492 026	7 818 141	486 945
52412	<b>Direct insurance (except life, health, and medical) carriers</b>						
	All firms .....	17 849	398 496 956	100.0	36 759 918	9 978 027	698 854
	4 largest firms .....	3 599	112 211 591	28.2	8 253 144	2 125 112	156 621
	8 largest firms .....	4 811	171 155 768	43.0	12 918 968	3 490 713	250 564
	20 largest firms .....	8 313	259 355 094	65.1	22 510 487	6 199 384	418 407
	50 largest firms .....	11 293	323 033 441	81.1	28 620 814	7 825 280	536 066
52413	<b>Reinsurance carriers</b>						
	All firms .....	858	35 719 442	100.0	2 227 015	688 793	27 001
	4 largest firms .....	227	13 410 376	37.5	580 342	153 204	6 885
	8 largest firms .....	256	18 976 534	53.1	1 034 854	324 237	10 661
	20 largest firms .....	400	28 314 764	79.3	1 352 471	407 683	15 203
	50 largest firms .....	572	34 283 957	96.0	2 031 915	640 143	23 437
524130	<b>Reinsurance carriers</b>						
	All firms .....	858	35 719 442	100.0	2 227 015	688 793	27 001
	4 largest firms .....	227	13 410 376	37.5	580 342	153 204	6 885
	8 largest firms .....	256	18 976 534	53.1	1 034 854	324 237	10 661
	20 largest firms .....	400	28 314 764	79.3	1 352 471	407 683	15 203
	50 largest firms .....	572	34 283 957	96.0	2 031 915	640 143	23 437

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

# Appendix A.

## Explanation of Terms

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### **ANNUAL PAYROLL**

Payroll includes all forms of compensation such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay, and employee contributions to qualified pension plans paid during the year to all employees and reported on Internal Revenue Service (IRS) Form 941 as taxable Medicare Wages and tips (even if not subject to income or FICA tax). Excluded are commissions paid to independent (nonemployee) agents, such as insurance agents. For corporations, payroll includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit or other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc. This definition of payroll is the same as that used by the IRS on Form 941.

### **ESTABLISHMENTS**

An establishment is a single physical location at which business is conducted. It is not necessarily identical to a company or enterprise, which may consist of one establishment or more. Economic census figures represent a summary of reports for individual establishments rather than companies. For cases where a census report was received, separate information was obtained for each location where business was conducted. When administrative records of other federal agencies were used instead of a census report, no information was available on the number of locations operated. Each economic census establishment was tabulated according to the physical location at which the business was conducted. The count of establishments represents those in business at any time during 2002.

When two or more activities were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment. The entire establishment was classified on the basis of its major activity and all data for it were included in that classification. However, when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census.

### **FIRMS**

A firm is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms "firm" and "company" are synonymous.

### **FIRST-QUARTER PAYROLL**

Represents payroll paid to persons employed at any time during the quarter January to March 2002.

### **PAID EMPLOYEES FOR PAY PERIOD INCLUDING MARCH 12**

Paid employees consist of full- and part-time employees, including salaried officers and executives of corporations, who were on the payroll during the pay period including March 12. Included are employees on paid sick leave, paid holidays, and paid vacations; not included are proprietors and partners of unincorporated businesses; independent (nonemployee) agents; full- and part-time

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leased employees whose payroll was filed under an employee leasing company's Employer Identification Number (EIN); and temporary staffing obtained from a staffing service. The definition of paid employees is the same as that used by the Internal Revenue Service (IRS) on Form 941.

**REVENUE**

Includes revenue from all business activities whether or not payment was received in the census year, including commissions and fees from all sources, rents, net investment income, interest, dividends, royalties, and net insurance premiums earned. Revenue from leasing property marketed under operating leases is included, as well as interest earned from property marketed under capital, finance, or full payout leases. Revenue also includes the total value of service contracts and amounts received for work subcontracted to others.

Revenue does not include sales and other taxes (including Hawaii's General Excise Tax) collected from customers and paid directly by the firm to a local, state, or federal tax agency.

# Appendix B.

## NAICS Codes, Titles, and Descriptions

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### **PART 1. 2002 NAICS**

#### **5241 INSURANCE CARRIERS**

This industry group comprises establishments primarily engaged in underwriting (assuming the risk, assigning premiums, and so forth) annuities and insurance policies and investing premiums to build up a portfolio of financial assets to be used against future claims. Direct insurance carriers are establishments that are primarily engaged in initially underwriting and assuming the risk of annuities and insurance policies. Reinsurance carriers are establishments that are primarily engaged in assuming all or part of the risk associated with an existing insurance policy (or set of policies) originally underwritten by another insurance carrier.

Industries are defined in terms of the type of risk being insured against, such as death, loss of employment because of age or disability, and property damage. Contributions and premiums are set on the basis of actuarial calculations of probable payouts based on risk factors from experience tables and expected investment returns on reserves.

#### **52411 DIRECT LIFE, HEALTH, AND MEDICAL INSURANCE CARRIERS**

This industry comprises establishments primarily engaged in initially underwriting (i.e., assuming the risk and assigning premiums) annuities and life insurance policies, disability income insurance policies, accidental death and dismemberment insurance policies, and health and medical insurance policies.

#### **52412 DIRECT INSURANCE (EXCEPT LIFE, HEALTH, AND MEDICAL) CARRIERS**

This industry comprises establishments primarily engaged in initially underwriting (i.e., assuming the risk and assigning premiums) various types of insurance policies (except life, disability income, accidental death and dismemberment, and health and medical insurance policies).

#### **52413 REINSURANCE CARRIERS**

This industry comprises establishments primarily engaged in assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

#### **524130 REINSURANCE CARRIERS**

This industry comprises establishments primarily engaged in assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

### **PART 2. 1997 NAICS**

#### **5241 INSURANCE CARRIERS**

This industry group comprises establishments primarily engaged in underwriting (assuming the risk, assigning premiums, and so forth) annuities and insurance policies and investing premiums to build up a portfolio of financial assets to be used against future claims. Direct insurance carriers are establishments that are primarily engaged in initially underwriting and assuming the risk of annuities and insurance policies. Reinsurance carriers are establishments that are primarily engaged in assuming all or part of the risk associated with an existing insurance policy (or set of policies) originally underwritten by another insurance carrier.

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Industries are defined in terms of the type of risk being insured against, such as death, loss of employment because of age or disability, and property damage. Contributions and premiums are set on the basis of actuarial calculations of probable payouts based on risk factors from experience tables and expected investment returns on reserves.

**52411 DIRECT LIFE, HEALTH, AND MEDICAL INSURANCE CARRIERS**

This industry comprises establishments primarily engaged in initially underwriting (i.e., assuming the risk and assigning premiums) annuities and life insurance policies, disability income insurance policies, accidental death and dismemberment insurance policies, and health and medical insurance policies.

**52412 DIRECT INSURANCE (EXCEPT LIFE, HEALTH, AND MEDICAL) CARRIERS**

This industry comprises establishments primarily engaged in initially underwriting (i.e., assuming the risk and assigning premiums) various types of insurance policies (except life, disability income, accidental death and dismemberment, and health and medical insurance policies).

**52413 REINSURANCE CARRIERS**

This industry comprises establishments primarily engaged in assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

**524130 REINSURANCE CARRIERS**

This industry comprises establishments primarily engaged in assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

# Appendix C.

## Methodology

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### SOURCES OF THE DATA

For this sector, large- and medium-size firms, plus all firms known to operate more than one establishment, were sent report forms to be completed for each of their establishments and returned to the Census Bureau. For most very small firms, data from existing administrative records of other federal agencies were used instead. These records provide basic information on location, kind of business, revenue, payroll, number of employees, and legal form of organization.

Firms in the 2002 Economic Census are divided into those sent report forms and those not sent report forms. The coverage of and the method of obtaining census information from each are described below:

1. Establishments sent a report form:
  - a. Large employers, i.e., all multiestablishment firms, and all employer firms with payroll above a specified cutoff. (The term “employers” refers to firms with one or more paid employees at any time during 2002 as shown in the active administrative records of other federal agencies.)
  - b. A sample of small employers, i.e., single-establishment firms with payroll below a specified cutoff in classifications for which specialized data precludes reliance solely on administrative records sources. The sample was stratified by industry and geography.
2. Establishments not sent a report form:
  - a. Small employers, i.e., single-establishment firms with payroll below a specified cutoff, not selected into the small employer sample. Although the payroll cutoff varies by kind of business, small employers not sent a report form generally include firms with less than 10 employees and represent about 10 percent of total revenue of establishments covered in the census. Data on revenue, payroll, and employment for these small employers were derived or estimated from administrative records of other federal agencies.
  - b. All nonemployers, i.e., all firms subject to federal income tax with no paid employees during 2002. Revenue information for these firms was obtained from administrative records of other federal agencies. Although consisting of many firms, nonemployers account for less than 10 percent of total revenue of all establishments covered in the census. Data for nonemployers are not included in this report, but are released in the annual *Nonemployer Statistics* series.

The report forms used to collect information for establishments in this sector are available at [help.econ.census.gov/econhelp/resources/](http://help.econ.census.gov/econhelp/resources/).

A more detailed examination of census methodology is presented in the *History of the Economic Census* at [www.census.gov/econ/www/history.html](http://www.census.gov/econ/www/history.html).

### INDUSTRY CLASSIFICATION OF ESTABLISHMENTS

The classifications for all establishments are based on the *North American Industry Classification System, United States, 2002* manual. There were no changes between the 2002 edition and the 1997 edition affecting this sector. Tables at [www.census.gov/epcd/naics02/](http://www.census.gov/epcd/naics02/) identify all industries that changed between the 1997 North American Industry Classification System (NAICS) and 2002 NAICS.

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The method of assigning classifications and the level of detail at which establishments were classified depends on whether a report form was obtained for the establishment.

1. Establishments that returned a report form were classified on the basis of their self-designation, product line revenue, and responses to other industry-specific inquiries.
2. Establishments without a report form:
  - a. Small employers not sent a form were, where possible, classified on the basis of the most current kind-of-business classification available from one of the Census Bureau's current sample surveys or the 1997 Economic Census. Otherwise, the classification was obtained from administrative records of other federal agencies. If the census or administrative record classifications proved inadequate (none corresponded to a 2002 Economic Census classification in the detail required for employers), the firm was sent a brief inquiry requesting information necessary to assign a kind-of-business code.
  - b. Nonemployers were classified on the basis of information obtained from administrative records of other federal agencies.

### **RELIABILITY OF DATA**

All data compiled in the economic census are subject to nonsampling errors. Nonsampling errors can be attributed to many sources during the development or execution of the census:

- inability to identify all cases in the actual universe;
- definition and classification difficulties;
- differences in the interpretation of questions;
- errors in recording or coding the data obtained; and
- other errors of collection, response, coverage, processing, and estimation for missing or misreported data.

Data presented in the Miscellaneous Subjects and the Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors. Specifically, these data are estimated based on information obtained from census report forms mailed to all large employers and to a sample of small employers in the universe. Sampling errors affect these estimates, insofar, as they may differ from results that would be obtained from a complete enumeration.

The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data; however, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors.

The Census Bureau obtains limited information extracted from administrative records of other federal agencies, such as gross revenue from federal income tax records and employment and payroll from payroll tax records. This information is used in conjunction with other information available to the Census Bureau to develop estimates for nonemployers, small employers, and other establishments for which responses were not received in time for publication.

Key tables in this report include a column for "Percent of revenue from administrative records." This includes revenue information obtained from administrative records of other federal agencies. The "Percent of revenue estimated" includes revenue information that was imputed based on historic company ratios or administrative records, or on industry averages.

The Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling error and sampling error could impact the conclusions drawn from economic census data.



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## **TREATMENT OF NONRESPONSE**

Census report forms included two different types of inquiries, “basic” and “industry-specific.” Data for the basic inquiries, which include location, kind of business or operation, revenue, payroll, and number of employees, were available from a combination of sources for all establishments. Data for industry-specific inquiries, tailored to the particular kinds of business or operation covered by the report form, were available only from establishments responding to those inquiries.

Data for industry-specific inquiries in this sector were expanded in most cases to account for establishments that did not respond to the particular inquiry for which data are presented. Unless otherwise noted in specific reports, data for industry-specific inquiries were expanded in direct relationship to total revenue of all establishments included in the category. In a few cases, expansion on the basis of the revenue item was not appropriate, and another basic data item was used as the basis for expansion of reported data to account for nonrespondents.

All reports in which industry-specific data were expanded include a coverage indicator for each publication category, which shows the revenue of establishments responding to the industry-specific inquiry as a percent of total revenue for all establishments for which data are shown. For some inquiries, coverage is determined by the ratio of total payroll or employment of establishments responding to the inquiry to total payroll or employment of all establishments in the category.

## **CONCENTRATION CATEGORIES**

Concentration categories are based on aggregate revenue of all establishments operated by the same firm in a given kind-of-business classification or group for which data are presented. For example, a firm operating three finance and insurance establishments – a securities brokerage (NAICS 523120), investment advice (NAICS 523930), and credit card issuing (NAICS 522210) – would be treated as three one-establishment firms at the most detailed NAICS level, as a two-establishment firm in NAICS 523 and a one-establishment firm in NAICS 522, and as a single three-establishment firm in Finance and Insurance totals (NAICS 52).

## **DISCLOSURE**

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at [www.census.gov/epcd/ec02/disclosure.htm](http://www.census.gov/epcd/ec02/disclosure.htm).

# Appendix D. Geographic Notes

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Not applicable for this report.

# Appendix E. Metropolitan and Micropolitan Statistical Areas

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Not applicable for this report.

