

INSURANCE AND FINANCIAL SERVICES



A CAPITAL FOR CAPITAL

Iowa is the perfect place to expand, relocate or start a business. With a pro-business mindset, a progressive and responsive regulatory environment, and a low insurance premium tax, Iowa provides an ideal environment for business success. This is true for all industries within Iowa, especially insurance and financial services. With a GDP growth of 11% over the last two years, Iowa is home to nearly 2,600 banks and financial services companies (U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics, 2022). These industries have positively affected the state in many ways, including providing financial services that are safe, sound and profitable, and contributing to Iowa's vibrant economy.

Iowa businesses benefit from advanced technologies that help unleash the creative potential, knowledge and productivity of Iowa's talented workforce. Over 41,000 individuals are employed within the banking and financial services industries. In fact, Iowa has the fourth-highest concentration of commercial banking employees and the third-highest concentration of financial risk specialists in the U.S. Additionally, Iowa has higher-than-average concentrations of financial examiners, financial managers, loan interviewers and clerks and credit counselors (BLS, 2022).

COMPANIES AT WORK IN IOWA KEY BUSINESS ADVANTAGES



ACCELERATING INSURANCE INNOVATION

Iowa is an innovation hub for insurance technology (insurtech) that could revolutionize the industry. Iowa's Global Insurance Accelerator (GIA) is the world's first business accelerator focused on insurtech. GIA's 100-day program combines mentorship from leaders in the industry with early-stage capital to foster insurance innovation. The program culminates with demonstration pitches at the Global Insurance Symposium, an annual event held in Des Moines that attracts more than 500 insurance and financial services executives, regulators and entrepreneurs from around the world. GIA has attracted participation from burgeoning companies from across the U.S., as well as 11 other countries across five continents.

Iowa is also home to the first broker-led accelerator in the industry. BrokerTech Ventures provides insurtech startups with direct access to brokers, wholesalers and carriers and with connections to seed funding.

IOWA ECONOMIC DEVELOPMENT AUTHORITY

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- Iowa is acknowledged as a leader in insurance regulation. The Iowa Department of Insurance and Financial Services has earned a reputation for efficient, responsive and fair oversight.
- Iowa's insurance industry output as a percent of GDP ranks first among the 50 states. (BEA, 2021)
- Iowa's corporate tax rate lowers to 7.1% in 2024 with an ultimate target of 5.5% by 2026, making it one of the most competitive in the nation.
- Iowa's insurance premium tax is being lowered from 1% to 0.9% over the next four years - one of the lowest rates in the nation.
- Iowa does not assess any additional surtaxes or income taxes on insurance carriers.
- Iowa does not charge premium taxes on sales of annuities or qualified life insurance plans.
- Iowa has the second-highest concentration of insurance workers in the U.S. (BLS, 2022)
- Four Iowa metro areas rank in the top 15 nationally for concentration of finance and insurance workers. (BLS, 2021)
- Iowa has the third-highest concentration of actuaries of any state in the nation. (BLS, 2022)
- Iowa has three of the top 25 actuarial science college programs in the U.S. (Value Colleges, 2022)
- Iowa ranks #3 in four-year college graduation rate. (U.S. News and World Report, 2023)
- Iowa boasts a low cost of doing business, and is ranked #1 in the nation for lowest cost of living. (CNBC, 2021, 2023)

Combine all these advantages with a low cost of living and a high quality of life, and the result is a perfect climate in Iowa to cultivate existing aspirations in the insurance and financial services industries.

CENTRAL GEOGRAPHIC LOCATION

Iowa is geographically located in the heart of the North American market. The central location allows Iowa companies to stretch the regular work day to conveniently service customers on both coasts.

"Iowa has been our headquarters since we were founded in 1879. It has remained so, even as we evolved into a global company, because of the access to a talented, highly productive labor pool. Iowa is affordable, with great education and a quality of life that appeals to millennials, seniors and everyone in between. The state has also emerged as a hub of innovation, another reason companies should have Iowa at the top of their list as they look to startup or expand a business."

Dan Houston
President and CEO, Principal Financial Group

CONTACT US

Please contact opportunities@iowaeda.com or visit iowaeda.com to find the latest information on Iowa's business climate, assistance programs, development news, available buildings and sites and much more. All services are free of charge and all inquiries will be handled confidentially.

For site location assistance, contact the Iowa Economic Development Authority (IEDA)
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