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BULLETIN

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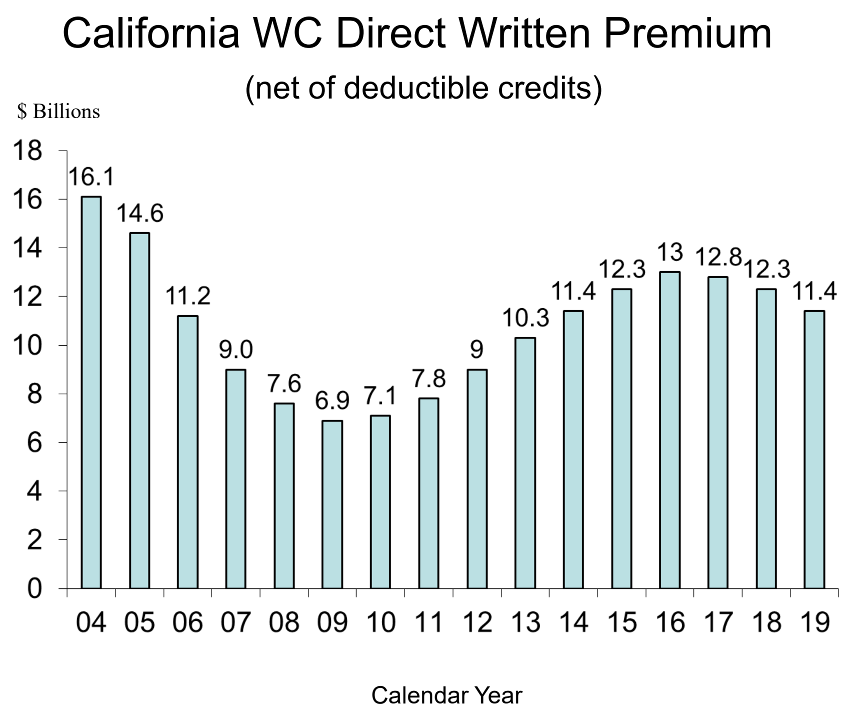
California workers' compensation total direct written premium (DWP) continued to decline in 2019, falling 7.0 percent to a five-year low of $11.42 billion, as 9 out of the state's 10 largest insurer groups wrote less premium in 2019 than in 2018.

The latest market share report issued by the National Association of Insurance Commissioners (NAIC) and posted by the Department of Insurance (CDI) shows that despite last year's booming economy and rising payroll, California workers' compensation insurers' total direct written premium fell by nearly $863 million between 2018 and 2019 as premium rates continued to decline. The Workers' Compensation Insurance Rating Bureau's April 23 report on insured experience through the end of last year that insurers' average charged rate per $100 of covered payroll for California workers' comp policies incepting in 2019 fell to $2.00, down 11.5 percent from $2.26 in 2018, and 32.7 percent below the 2014 peak of $2.97. Charged rates have continued to decline since enactment of the 2012 reform package (SB 863), as the WCIRB Governing Board, primarily spurred by declining medical losses, has recommended a string of reductions in the advisory pure premium rates used by insurers as a benchmark in setting their rates. This year the WCIRB governing committee voted against recommending that Insurance Commissioner Lara make any mid-year change in the advisory rates, and with the state's economy reeling from the effects of COVID-19 and the sudden loss of thousands of jobs, both covered payroll and total DWP are expected to drop sharply this year.

Aside from the data on statewide DWP, the NAIC report also shows the premium volume for individual insurer groups. State Compensation Insurance Fund, which except for the last two years, has traditionally been the state's largest workers' compensation insurer, regained the top spot in 2019, even though its total premium fell by $133 million, as Berkshire Hathaway Group which topped the list in 2017 and 2018, reduced its total premium volume by nearly $272 million, cutting its market share from 10.9 percent to 9.4 percent. For the second year in a row, ICW Group/Assets Inc Group was the only group in the top 10 that increased DWP volume in 2019, which allowed it to retain the number 3 spot and pushed its market share up to 6.9 percent. AmTrust NGH Group slipped two places after writing nearly $205 million less in premium last year, so its market share dropped from 6.2 to 4.9 percent -- the biggest decline in market share last year. Hartford Fire & Casualty Group and Travelers Group moved ahead of AmTrust into the fourth and fifth positions with 5.7 percent and 5.5 percent of statewide DWP respectively; while Zurich Insurance Group which reduced its total premium by $44.4 million (7.8 percent) and Chubb Ltd. Group which reduced its DWP by $90.3 million (15.4 percent) traded the number 7 and 8 spots. Fairfax Financial Group saw its premium decline by $61.1 million (14.1 percent) but retained the ninth spot with 3.3 percent of the market, while Employers Holdings Group rounded out the top 10 list, writing nearly $68.7 million (16.9 percent) less premium in 2018, which pushed its market share down to 3.0 percent.



2019 Top 10 Calif Workers' Comp Insurer Groups by Premium Volume	2018 Rank	2019 DWP $(000s)	2018-19 % Change	% Market Share	
				2018	2019
1. State Compensation Insurance Fund	2	$ 1,206,038	- 9.9	10.9	10.6
2. Berkshire Hathaway Group	1	$ 1,071,407	- 20.2	10.9	9.4
3. ICW Group/Assets Inc Group	3	$ 793,011	+ 2.8	6.3	6.9
4. Hartford Fire & Casualty Group	5	$ 649,896	- 5.6	5.6	5.7
5. Travelers Group	6	$ 622,349	- 3.8	5.3	5.5
6. AmTrust NGH Group	4	$ 562,161	-26.7	6.2	4.9
7. Zurich Insurance Group	8	$ 528,262	-7.8	4.7	4.6
8. Chubb Ltd Group	7	$ 497,730	- 15.4	4.8	4.4
9. Fairfax Financial Group	9	$ 373,477	- 14.1	3.5	3.3
10. Employers Holdings Group	10	$ 337,870	- 16.9	3.3	3.0
All Groups		$ 11,418,933	- 7.0		

A total of 76 insurer groups, representing a total of 226 individual companies, reported California workers' compensation direct written premium in 2019, though the majority of statewide DWP remains concentrated among the two dozen largest groups, each of which had at least a 1 percent market share. Together, these 24 groups accounted for 86.5 percent of total DWP in 2019. In addition to the top 10 groups, which together represented 58.3 percent of statewide premium, the following insurer groups also wrote at least 1 percent of statewide premium last year.

Other Insurer Groups w/at least 1% of Calif WC 2019 Premium	2018 Rank	2019 DWP $(000s)	2018-19 % Change	% Market Share	
				2018	2019
11. Everest Reinsurance Holdings Group	15	$ 312,779	+ 8.2	2.4	2.7
12. WR Berkley Corp	11	$ 309,230	- 3.5	2.6	2.7
13. Liberty Mutual Group	14	$ 305,495	+ 4.8	2.4	2.7
14. American Financial Group	13	$ 275,484	- 8.6	2.5	2.4
15. Copperpoint Group	22	$ 266,584	+ 58.2	1.4	2.3
16. BCBS of Michigan Group	18	$ 257,172	+ 18.2	1.8	2.3
17. American International Group	12	$ 250,455	- 18.4	2.5	2.2
18. Old Republic Group	16	$ 241,049	- 16.2	2.3	2.1
19. Markel Corp Group	21	$ 194,251	+ 2.1	1.5	1.7
20. Benchmark Holding Group	23	$ 190,416	+ 36.3	1.1	1.7
21. Arch Insurance Group	17	$ 189,138	- 14.0	1.8	1.7
22. Farmers Insurance Group	19	$ 183,200	- 12.9	1.7	1.6
23. James River Group	20	$ 136,984	- 29.0	1.6	1.2
24. AXA Insurance Group	26	$ 115,107	+ 15.3	0.8	1.0

The 2019 market share reports for property and casualty insurers, including workers' compensation groups, are posted on the California Department of Insurance website, http://www.insurance.ca.gov/01-consumers/120-company/04-mrktshare/.

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