California Workers' Compensation Institute
1333 Broadway, Suite 510, Oakland, CA 94612
(510) 251-9470
www.cwci.org

BULLETIN

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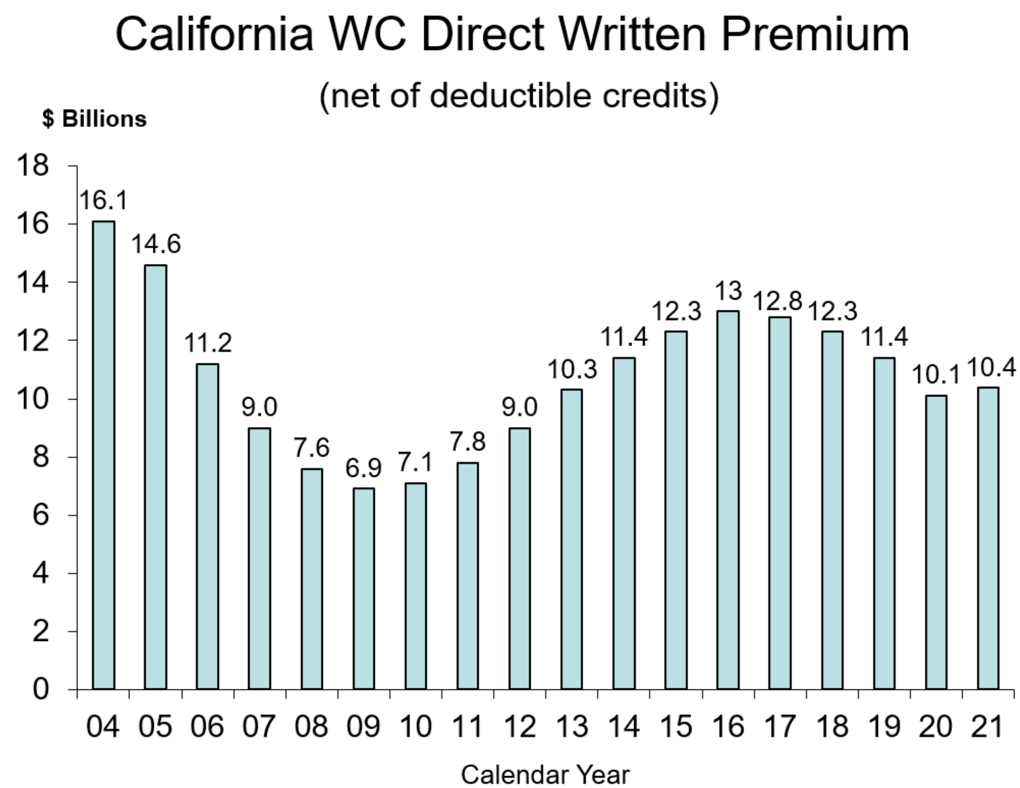
With hundreds of thousands of Californians returning to work last year California workers' compensation covered payroll rose last year, which more than offset the decline in insurers' average charged rates, so total direct written premium (DWP) in the system edged up from 10.1 billion in 2020 to $10.4 billion in 2021 – the first increase since 2015 – as three of the top 5 largest insurer groups saw their total DWP increase by more than 10 percent last year.

The Workers' Compensation Insurance Rating Bureau's Fourth Quarter 2021 Experience Report, issued on May 25 showed that insurers' average charged rate per $100 of covered payroll for California workers' comp policies incepting in 2021 fell to $1.81, 7 percent lower than the average $1.94 paid in 2020. Despite the decline in the average charged rate, the calendar year 2021 market share report compiled by the National Association of Insurance Commissioners (NAIC) and released by the California Department of Insurance shows that as premium rates continued to decline in 2021, statewide employment increased by hundreds of thousands of jobs – with an estimated 1 million jobs added from February through December of last year as California continued to recover from the recession that hit at the beginning of the pandemic. As a result of the rapid growth in covered payroll, California workers' compensation insurers' total DWP increased by $300 million compared to 2020.



The NAIC report also notes the premium volume for the 80 insurer groups (representing a total of 229 individual companies) that reported California workers' compensation DWP in 2021. State Compensation Insurance Fund again topped of the list with 11.9 percent of the market, as its total premium rose by nearly $159 million from the 2020 level. Berkshire Hathaway Group remained the second largest insurer, even though it wrote $32 million less in premium in 2021, reducing its market share from 8.1 percent to 7.6 percent. AmTrust Financial Services Group climbed four spots into the number three position by increasing its premium volume by $142 million (+27.9 percent), the largest dollar increase among all insurers, which pushed its market share up from 5.0 percent to 6.3 percent, while Hartford Fire & Casualty Group held down the fourth spot as its DWP rose by $55.5 million, up 10% from 2020, driving its market share up from 5.5 percent to 5.9 percent. ICW Group Assets Inc Group, Travelers Group, Zürich Insurance Group, and Chubb Ltd Group all wrote less premium in 2021 than in 2020 but remained among the top 10 insurers even though they lost market share, while Fairfax Financial Group retained its number 9 ranking as its premium volume increased 9.7 percent, and WR Berkley Corp. rounded out the top ten, climbing from the #14 position to the #10 spot as it wrote nearly $16 million more in premium last year than in 2020, which pushed its market share up from 2.4 percent to 2.5 percent.

2021 Top 10 Calif Workers' Comp Insurer Groups by Premium Volume	2020 Rank	2021 DWP $(000s)	2020-2021 % Change	% Market Share	
				2020	2021
1. State Compensation Insurance Fund	1	$ 1,235,451	+ 14.7	10.7	11.9
2. Berkshire Hathaway Group	2	$ 787,665	- 3.9	8.1	7.6
3. AmTrust Financial Services Group	7	$ 651,795	+ 27.9	5.0	6.3
4. Hartford Fire & Casualty Group	4	$ 608,923	+ 10.0	5.5	5.9
5. ICW Group Assets Inc Group	3	$ 564,277	- 18.6	6.9	5.4
6. Travelers Group	5	$ 524,201	- 3.3	5.4	5.0
7. Zürich Insurance Group	6	$ 435,513	- 15.4	5.1	4.2
8. Chubb Ltd Group	8	$ 433,751	- 5.3	4.5	4.2
9. Fairfax Financial Group	9	$ 348,113	+ 9.7	3.1	3.4
10. WR Berkley Corp	14	$ 263,184	+ 6.5	2.4	2.5
All Groups		$ 10,406,237	+ 2.9		

A total of 80 insurer groups wrote California workers' compensation DWP in 2021, but the $10.4 billion in premium was mostly concentrated among the largest groups. The top 10 groups alone accounted for 56.2 percent of the total DWP, while the 27 groups that had at least a 1 percent market share last year accounted for 86.1 percent of the aggregate DWP.

Other Insurer Groups w/at least 1% of Calif WC 2021 Premium	2020 Rank	2021 DWP $(000s)	2020-2021 % Change	% Market Share	
				2020	2021
11. Employers Holdings Group	12	$ 258,925	+ 1.3	2.5	2.5
12. Liberty Mutual Group	11	$ 254,618	- 10.6	2.8	2.5
13. BCBS of Michigan Group	16	$ 252,999	+ 12.8	2.2	2.4
14. American Financial Group	15	$ 247,730	+ 4.4	2.4	2.4
15. Everest Reinsurance Holdings Group	13	$ 239,901	- 5.7	2.5	2.3
16. CopperPoint Group	10	$ 238,091	- 23.5	3.1	2.3
17. American International Group	18	$ 203,344	- 4.2	2.1	2.0
18. Old Republic Group	17	$ 200,087	- 7.9	2.2	1.9
19. Arch Insurance Group	20	$ 180,367	+ 2.7	1.7	1.7
20. Benchmark Holding Group	19	$ 156,514	- 18.4	1.9	1.5
21. Farmers Insurance Group	22	$ 149,249	+ 11.9	1.3	1.4
22. Markel Corp Group	21	$ 145,882	+ 2.3	1.4	1.4
23. Core Specialty Insurance Holdings Group	29	$ 127,852	+ 38.6	0.9	1.2
24. James River Group	23	$ 119,044	+ 1.6	1.2	1.1
25. Coverys Group	27	$ 117,061	+ 22.9	0.9	1.1
26. Service Insurance Holdings Group	45	$ 112,456	+ 271.9	0.3	1.1
27. AmeriTrust Group	28	$ 104,209	+ 9.8	0.9	1.0

The NAIC's 2021 market share reports by line and by group for property & casualty insurers, including workers' compensation groups, have been posted by the California Department of Insurance here.

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