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BULLETIN

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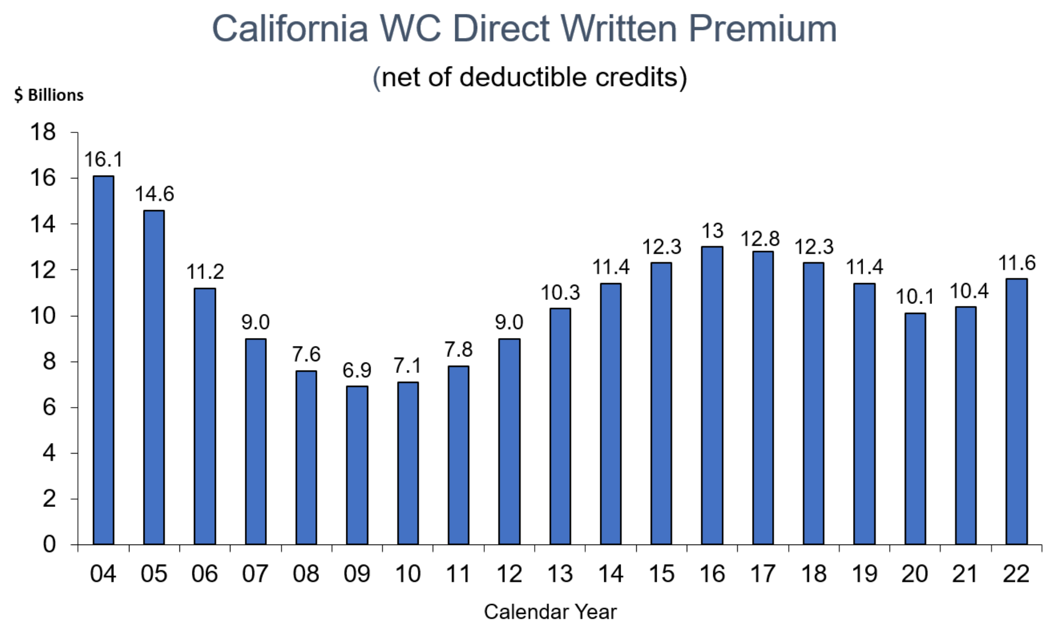
Continued growth in the California job market and rising wages led to an increase in workers' compensation covered payroll in 2022, so despite another decline in insurers' average charged rates, total direct written premium (DWP) increased for the second year in a row, climbing from $10.4 billion in 2021 to $11.6 billion in 2022, slightly above the pre-pandemic level recorded in 2019.

California workers' compensation insurers' average charged rate fell 7 percent to $1.68 per $100 of covered payroll last year, the lowest level in decades according to the Workers' Compensation Insurance Rating Bureau's recent report on insurer experience valued through the fourth quarter of 2022. However, the 2022 Market Share Report from the National Association of Insurance Commissioners (NAIC), posted this week by the California Department of Insurance, shows that as premium rates continued to decline, rising employment and increased wages pushed up covered payroll, so total DWP jumped by more than $1.2 billion to over $11.6 billion, up 11.7 percent compared to 2021.



The Market Share Report also notes the premium volume for the 79 insurer groups (representing a total of 234 individual companies) that reported California workers' compensation DWP in 2022. As usual, State Compensation Insurance Fund was the largest workers' compensation insurer in the state, though its total premium fell by nearly $59 million from the 2021 level, so it's market share dropped from 11.9 percent to 10.1 percent. AmTrust Financial Services Group registered the biggest increase, adding $219.5 million in premium in 2022 (up 33.7 percent from 2021) as it surpassed Berkshire Hathaway Group to become the second largest workers' compensation insurer in the state with 7.5 percent of the market. Berkshire Hathaway locked down the third position with nearly $809 million in premium, but that 2.7 percent increase was relatively small in a year in which total DWP statewide was up 11.7 percent, so its market share fell from 7.6 percent to 7.0 percent. The 14.2 percent premium increase for Hartford Fire & Casualty Group and the 15.6 percent increase for the ICW Group both exceeded the statewide increase in DWP, so they retained their number 4 and number 5 rankings, and both groups saw slight gains in their market share.

Travelers held down the sixth spot with nearly $549 million in premium, but that was up only 4.7 percent from 2021, so its market share dropped from 5.0 percent to 4.7 percent, while number 7 Zurich moved closer by adding nearly $101 million in premium, a 23.1 percent increase that pushed its market share up from 4.2 percent to 4.6 percent. Chubb's 11.6 percent increase in DWP was in line with the statewide increase, so it remained number 8 in the rankings and retained its 4.2 percent share of the market, while Blue Cross/Blue Shield of Michigan, which acquired three additional companies, added nearly $110 million to its premium total, up 43.4 percent from 2021, so it jumped up four spots to number 9 in the rankings as its share of the market rose from 2.4 percent to 3.1 percent. Fairfax Financial was one of only two groups in the top 10 that wrote less premium in 2022 than in 2021, so the 1.6 percent decline in its DWP was enough to push its market share down from 3.4 percent to 3.0 percent as it dropped one spot in the rankings to number 10.

2022 Top 10 Calif Workers' Comp Insurer Groups by Premium Volume	2021 Rank	2022 DWP $(000s)	2021-2022 % Change	% Market Share	
				2021	2022
1. State Compensation Insurance Fund	1	$ 1,176,757	-4.8	11.9	10.1
2. AmTrust Financial Services Group	3	$ 871,265	+33.7	6.3	7.5
3. Berkshire Hathaway Group	2	$ 808,791	+ 2.7	7.6	7.0
4. Hartford Fire & Casualty Group	4	$ 695,688	+14.2	5.9	6.0
5. ICW Group/Assets Inc Group	5	$ 652,056	+15.6	5.4	5.6
6. Travelers Group	6	$ 548,823	+4.7	5.0	4.7
7. Zurich Insurance Group	7	$ 536,201	+23.1	4.2	4.6
8. Chubb Ltd Group	8	$ 484,263	+11.6	4.2	4.2
9. BCBS of Michigan	13	$ 362,738	+43.4	2.4	3.1
10. Fairfax Financial Group	9	$ 342,478	-1.6	3.4	3.0
All Groups		$ 11,621,409	+11.7		

Although 79 insurer groups wrote California workers' compensation DWP in 2022, the $11.6 billion in premium remained heavily concentrated among the largest groups, with the top 10 accounting for 55.8 percent of total DWP, while the 27 groups with at least a 1 percent market share in 2022 accounted for 86.1 percent of the aggregate DWP.

Other Insurer Groups w/at least 1% of Calif WC 2022 Premium	2021 Rank	2022 DWP $(000s)	2021-2022 % Change	% Market Share	
				2021	2022
11. Employers Holdings Group	11	$ 319, 411	+23.4	2.5	2.8
12. Liberty Mutual Group	12	$ 307,716	+20.9	2.5	2.7
13. WR Berkley Corp	10	$ 293,099	+11.4	2.5	2.5
14. American Financial Group	14	$ 284,112	+14.7	2.4	2.4
15. CopperPoint Group	16	$ 272,797	+14.6	2.3	2.4
16. Everest Reinsurance Holdings Group	15	$ 257,301	+7.3	2.3	2.2
17. American International Group	17	$ 231,879	+14.0	2.0	2.0
18. Old Republic Group	18	$ 218,660	+9.3	1.9	1.9
19. Arch Insurance Group	19	$ 208,686	+15.7	1.7	1.8
20. Farmers Insurance Group	21	$ 170,035	+13.9	1.4	1.5
21. Core Specialty Insurance	23	$ 168,244	+31.6	1.2	1.5
22. Markel Corp Group	22	$ 150,601	+3.2	1.4	1.3
23. Service Insurance Holdings	26	$ 146,949	+30.7	1.1	1.3
24. Benchmark Holding Group	20	$ 130,950	-16.3	1.5	1.1
25. CNA Insurance Group	28	$ 128,552	+28.6	1.0	1.1
26. AXA Insurance Group	30	$ 124,549	+25.2	1.0	1.1
27. Tokio Marine Holdings Insurance Group	29	$ 116,260	+16.6	1.0	1.0

The NAIC's 2022 Market Share Report by line and by group for property & casualty insurers, including workers' compensation groups, are available on the California Department of Insurance website here.

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