California Workers' Compensation Institute

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BULLETIN

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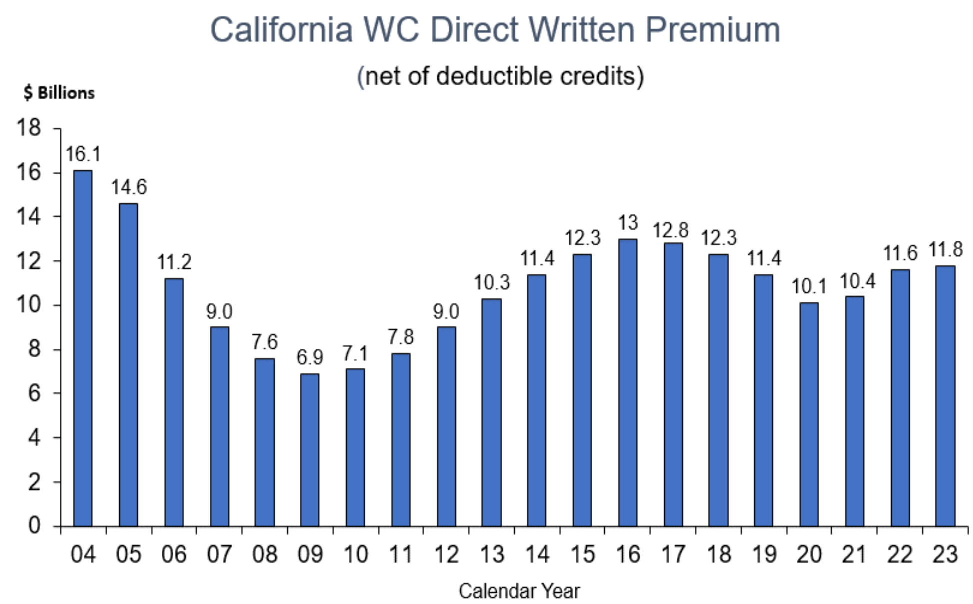
Total direct written premium (DWP) in the California workers' compensation system rose for the third year in a row last year as ongoing wage growth more than offset a decline in workers' compensation insurers' charged rates, driving aggregate premium up from $11.6 billion in 2022 to $11.8 billion in 2023 -- the highest level since 2018.

The Workers' Compensation Insurance Rating Bureau's recent report on insurer experience, valued through the end of 2023, showed that California workers' compensation insurers' average charged rate per $100 of payroll fell to $1.60 in 2023, down 4.2 percent from $1.67 in 2022 and down nearly 50 percent from the post-SB 863 high of $3.19 in 2014, which was also the last year average charged rates increased. Despite the ongoing decline in premium rates, the National Association of Insurance Commissioners (NAIC) 2023 Market Share Report, posted this week by the California Department of Insurance shows that growth in covered wages last year pushed total DWP up by more than $220 million, or 1.9 percent.



The NAIC data also show premium volume for the 80 insurer groups (representing 238 individual companies) that reported California workers' compensation DWP in 2023. State Compensation Insurance Fund remained the largest workers' compensation insurer in the state, though its total premium fell by $36 million from the 2022 level, so its market share fell from 10.1 percent to 9.6 percent. AmTrust Financial Services Group continued to add premium, writing $114.6 million more in 2023 than in 2022 (+13.2 percent), solidifying its position as the second largest workers' comp insurer in the state as its market share climbed from 7.5 percent to 8.3 percent. Berkshire Hathaway held on to the third spot even though its premium volume fell by $47.9 million, and that 5.9 percent decline in DWP reduced its market share from 7.0 percent to 6.4 percent. Hartford Fire & Casualty Group remained the fourth largest writer in the state as it added $31 million in DWP in 2023 (+4.5 percent), so its market share edged up to 6.1 percent. ICW Group retained the fifth slot by adding $66.9 million in premium last year, up 10.3 percent from 2022, which drove its market share up from 5.6 percent to 6.1 percent.

Travelers once again ranked sixth as it wrote $580 million in premium, 5.7 percent more than in 2022, so its market share rose from 4.7 percent to 4.9 percent while number 7 Zurich reduced its total DWP by about $9.3 million (1.7 percent) so its market share edged down from 4.6 percent to 4.5 percent. Chubb's premium volume showed little change (+0.4 percent) but that was enough to remain the 8th largest workers' comp insurer in the state, though its market share fell slightly to 4.1 percent. Employers Holdings Group was the only new entry into the top 10 list, climbing from the number 11 spot in 2022 to number 9 last year after it added $17.4 million in DWP, though its market share held steady at 2.8 percent. Fairfax Financial Group rounded out the top 10 list, writing $334.7 million in premium last year, 2.3 percent less than in 2022, so its market share fell from 3.0 percent to 2.8 percent.

2023 Top 10 Calif Workers' Comp Insurer Groups by Premium Volume	2022 Rank	2023 DWP $(000s)	2022-2023 % Change	% Market Share	
				2022	2023
1. State Compensation Insurance Fund	1	$ 1,140,751	- 3.1	10.1	9.6
2. AmTrust Financial Services Group	2	$ 985,870	+ 13.2	7.5	8.3
3. Berkshire Hathaway Group	3	$ 760,877	- 5.9	7.0	6.4
4. Hartford Fire & Casualty Group	4	$ 726,669	+ 4.5	6.0	6.1
5. ICW Group/Assets Inc Group	5	$ 718,950	+ 10.3	5.6	6.1
6. Travelers Group	6	$ 580,028	+ 5.7	4.7	4.9
7. Zurich Insurance Group	7	$ 526,930	- 1.7	4.6	4.5
8. Chubb Ltd Group	8	$ 486,403	+ 0.4	4.2	4.1
9. Employers Holdings Group	11	$ 336,836	+ 5.5	2.8	2.8
10. Fairfax Financial Group	10	$ 334,694	- 2.3	3.0	2.8

Although 80 insurer groups wrote California workers' compensation DWP in 2023, the $11.8 billion in premium remained heavily concentrated among the largest groups, with the top 10 accounting for 55.6 percent of total DWP, while the 29 groups with at least a 1 percent market share in 2023 accounted for 88.1 percent of the aggregate DWP. The other groups with at least 1 percent of California's $11.8 billion premium are noted in the table below.

Other Insurer Groups w/at least 1% of Calif WC 2023 Premium	2022 Rank	2023 DWP $(000s)	2022-2023 % Change	% Market Share	
				2022	2023
11. BCBS of Michigan	9	$ 317, 520	- 12.5	3.1	2.7
12. American Financial Group	14	$ 312,980	+ 10.2	2.4	2.6
13. WR Berkley Corp	13	$ 306,118	+ 4.4	2.5	2.6
14. Liberty Mutual Group	12	$ 283,332	- 7.9	2.7	2.4
15. Copperpoint Group	15	$ 282,858	+ 3.7	2.4	2.4
16. American International Group	17	$ 254,219	+ 9.6	2.0	2.2
17. Everest Reinsurance Holdings Group	16	$ 236,472	- 8.1	2.2	2.0
18. Arch Insurance Group	19	$ 228,341	+ 9.4	1.8	1.9
19. Old Republic Group	18	$ 212,166	- 3.0	1.9	1.8
20. Farmers Insurance Group	20	$ 172,380	+ 1.4	1.5	1.5
21. Markel Insurance Group	22	$ 156,808	+ 4.1	1.3	1.3
22. CNA Insurance Group	25	$ 154,370	+20.1	1.1	1.3
23. Palomar Holdings Group	40	$ 152,380	+ 201.4	0.4	1.3
24. Core Specialty Insurance Holdings Group	21	$ 137,273	- 18.4	1.5	1.2
25. Group 1001 Insurance Holdings Group	33	$ 132,716	+ 37.3	0.8	1.1
26. Service Insurance Holdings Group	23	$ 130,484	- 11.2	1.3	1.1
27. Nationwide Corp Group	31	$ 127,945	+ 21.8	0.9	1.1
28. Tokio Marine Holdings Inc Group	27	$ 121,909	+ 4.9	1.0	1.0
29. Benchmark Holding Group	24	$ 121,358	- 7.3	1.1	1.0

The NAIC's 2023 Market Share Report by line and by group for property & casualty insurers, including workers' compensation groups, is available on the California Department of Insurance website here.

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