

Cap Insurance Rates NOT Injured Workers' Care

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WORKERS' COMPENSATION INSURANCE CARRIERS REPORT RECORD PROFITS:

2003 Is Turning Out To Be The Most Profitable In The Last 25 Years

SACRAMENTO, CA – Insurance company earnings soared upward in 2003, as insurers profit from the huge rate increases that have been adopted in the past several years. California workers' compensation specialists, such as the Zenith National Insurance Corp., lead the way, but national insurers also report huge profit gains.

"The very companies enjoying huge profits from the huge rate increases imposed on businesses are calling for more cuts in medical benefits to injured workers," said Art Azevedo, president of the California Applicants' Attorneys Association (CAAA). "Insurance company earnings soared in 2003 – even before the major new reforms take effect next year – as insurers profit from huge rate increases. The workers' compensation problem is an insurance problem, and that's where the billions in savings are to be found. We urge Governor Schwarzenegger and the Legislature to 'follow the money' when looking to bring the system under control."

The following companies reported huge profits for the just completed third quarter:

Zenith Insurance Co. profits tripled through September 2003
American Financial Group profits up over 600% for property and casualty
The Chubb Corporation 2003 net income up over 330% through September
St. Paul Companies profits up 225% in 3rd quarter of 2003
The Everest Re Group 89.9% increase in net income
American Insurance Group 3rd quarter 2003 profits up 27%

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