Together, we'll keep
California working.

P.O. Box 254700
Sacramento, CA 95865

October 28, 2026

Dear Valued Insurance Professional,

Thank you for taking a moment to review these important updates to State Fund's 2027 compensation structure. We've made these revisions to strengthen our alignment with segments of the market that support our long-term goals.

Our focus is on creating pricing opportunities that allow us to be competitive on all types of business, rewarding those with favorable experience modifications and strong cultures of safety. Policies that demonstrate these qualities help us deliver fair outcomes for policyholders and ensure that all California businesses have a strong and stable option for workers' compensation insurance.

To support growth in the right direction, commission increases will apply to 29 new target class codes identified for strategic focus. Placing business within these areas provides an avenue to submit higher-quality opportunities and receive enhanced commission, while business that carries greater inherent risk will shift to a reduced-commission category to ensure balance and consistency in our structure.

2027 Compensation Updates for our Access Partner Program

These broker commission structures apply to policies with effective dates on or after January 1, 2027. Commissions will follow a three-tier structure:

1. Base Commissions
Base Commissions apply to all policies that do not fall under the Target Class or Reduced Commission categories. This structure remains unchanged from prior years with 6% on new business and 5% on renewals.

2. Target Class Code Enhanced Commissions
When a policy's primary governing class code matches one of the 29 designated "Target Class Codes," brokers will receive 8.5%.

3. Reduced Commission Category
Policies that meet the following criteria will receive 3.5%:
- Roofing policies with less than $50,000 standard premium
- Sports teams
- Temp/PEO
- Minimum premium at inception policies

We appreciate your attention to these updates and your continued partnership. Should you have any questions regarding the 2027 changes, your Access Partner representative remains available to support you.

Thank you for your continued partnership.

Sincerely,
Tina Paradise
VP Corporate Marketing