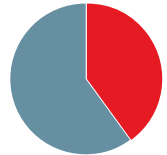
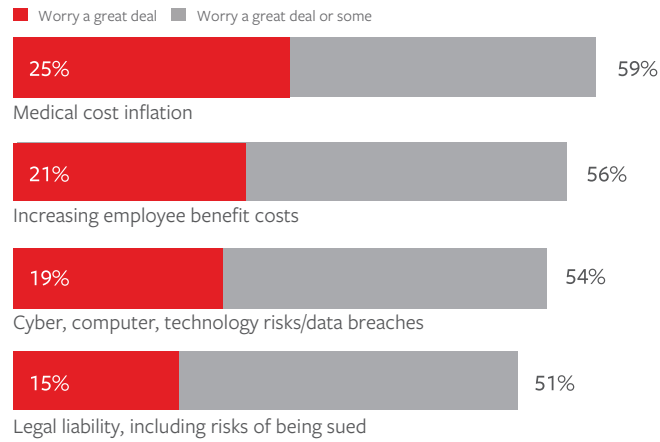


EVOLVING MARKETPLACE

TOP 4 CONCERNS REMAIN THOSE ASSOCIATED WITH MEDICAL, EMPLOYEE BENEFITS, CYBER RISKS AND LEGAL LIABILITY RISKS¹

2016 Travelers Risk Index | BUSINESS RISK



Medical is now valued at **63%** of a claim and is estimated to rise to **67%** by 2019²

Every day for the next 16 years, **10,000** Americans will turn 65³

TODAY



1 in 6 people are Hispanic in the U.S.⁴



1/3 of the workforce is age 35 or under⁴

Did you know

there is a strong correlation between using enhanced injured employee engagement tools and optimal claims outcomes?



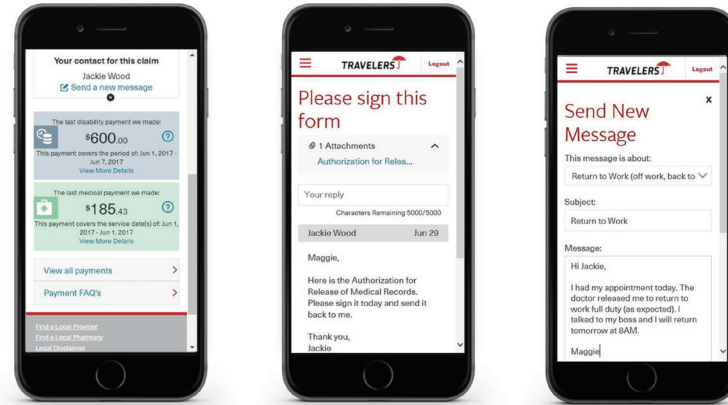
100 million + Americans suffer from chronic pain⁵

10% **65%**

65% of our workers compensation claim costs come from **10%** of our claims⁶

EVOLVING CLAIM AND RISK CONTROL MEDICAL MANAGEMENT CAPABILITIES TO HELP CONTROL YOUR TOTAL COST OF RISK

TravComp[®] Digital Tools for a modern workforce



- Data and Analytics
- Mobile Access
- Predictive Models
- Secure messaging

Enhanced injured employee experience through leading digital capabilities

Up to **50%** total savings on WC claims that involve chronic pain⁷

ConciergeCLAIM[®]
Nurse

PROVEN RESULTS

- 35%** reduction in days out of work⁸
- 86%** reduction in attorney representation⁸
- 39%** reduction in days to closure⁸
- 18%** reduction in overall claim costs⁸

TRAVELERS CULTURAL ADVANTAGE

Capabilities that enable us to connect



Travelers Early Severity Predictor[®]

Over a decade of delivering powerful and precise predictive modeling capabilities



Our **SMART** medical bill review and industry-first comprehensive Ancillary Benefits Management product deliver **\$162 million savings**, beyond the savings achieved by standard automated bill review processes.⁹

- 23%** reduction in attorney involvement¹⁰
- 24%** improvement in return-to-work within 30 days over non-Cultural Advantage claims¹⁰
- 8%** reduction in overall claim costs¹⁰

OPTIMAL CLAIM OUTCOMES

Travelers Workforce AdvantageSM

- Develop and enhance safety culture
- Find and secure the most qualified person
- Educate and prepare employees through onboarding



PROVEN RESULTS

Leading digital capabilities	➔	Enhanced injured employee experience and engagement through MyTravelers injured employee portal
Return-to-work	➔	66% of injured employees return to work within 30 days ¹¹
Medical savings	➔	Average 64 cents saved per every medical dollar billed ¹²
Medical network	➔	<ul style="list-style-type: none"> • Approximately 82% medical provider network penetration¹³ • 87% pharmacy network penetration¹³
Pharmacy	➔	<ul style="list-style-type: none"> • 63% overall cost reduction¹⁴ • 6% pharmacy spend vs. 11% for industry – 55% better than the industry¹⁵
Subrogation	➔	Recovery rates exceed the industry benchmark rates by approximately 18% ¹⁶
Sustained denial	➔	20% WC sustained denials ¹⁷
WC combined ratio	➔	Average 11 points lower than industry over past 5 years ¹⁸

Notes



SOURCES

1. 2016 Travelers Risk Index
2. 63% - Travelers WC Claim Data, 2016; 67% - Insurance Information Institute
3. U.S. Department of Commerce, Economics and Statistics Administration. U.S. Census Bureau (May, 2010). "The Next Four Decades - The Older Population in the United States: 2010-2050"
4. U.S. Department of Commerce, Economics and Statistics Administration. U.S. Census Bureau (May 2010) "The Next Four Decades - The Older Population in the United States: 2010-2050"
5. Institute of Medicine Report from the Committee on Advancing Pain Research, Care and Education: Relieving Pain in America: A Blueprint for Transforming Prevention, Care, Education and Research. The National Academies Press, 2011
6. 2016 Travelers Workers Compensation Claim Data
7. 2016 Travelers Workers Compensation Claim Data
8. Based on comparison of Travelers ConciergeCLAIM Nurse claims to non-ConciergeCLAIM Nurse claims for accident years 2013 to 2016
9. 2016 Claim data
10. Southern California claims, accident years 2014-2016, evaluated at 12 months
11. National Accounts 3-year average, 12 mo valuations, 2014-2016
12. All markets, three calendar year average, 2015-2017
13. Services paid in 2015-2017 evaluated as of 2018
14. Services paid in 2015-2017 evaluated as of 2018
15. NCCI Annual Issues Symposium 2017: State of the Line p.41
16. 2016 NASP Workers Compensation Subrogation Benchmark Study conducted by the Ward Group: Gross Recovery Rates = calendar year subrogation/Total calendar year paid losses
17. National Accounts, 3-year average, 2015-2017
18. SNL Financial 2011-2015: Workers Compensation Statutory Combined Ratio



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