



TEXAS MUTUAL INSURANCE COMPANY ★ 2010

THE EMPLOYER'S GUIDE TO WORKERS' COMP

Table of Contents

- Workers' Comp: What Is It, and Why Do You Need it? | 1
 - Legal protection for you | 1
 - Medical and income benefits for your employees | 1
- Lower Your Premium | 3
 - Group discount programs | 3
 - Health care network | 4
 - Dividends | 4
- Manage Your Claims | 6
 - Prevent accidents | 6
 - Launch a return-to-work process | 7
 - Fight fraud | 8
- Find a Pharmacy | 9
- Save Time With *Texas Mutual*® Online | 10
- Learn About Our Scholarship Program | 11
- Speak the Language of Workers' Comp | 12
- Related Sources | 14
- About Texas Mutual Insurance Company | 15
- Contact Us | 16

■ Workers' Comp: What Is It, and Why Do You Need It?

Workers' compensation is a state-regulated insurance program that protects injured workers and employers in the event of an on-the-job injury. Workers' comp provides the best protection against the consequences of on-the-job injuries.

■ Legal protection for you

Section 408.001 of the Texas Labor Code explains that, with only a few exceptions, workers' comp benefits are the injured employee's sole source of recovery from an employer who carries valid workers' comp coverage.

Employers who do not carry workers' compensation bear complete financial responsibility for an employee's injury or death if they are found negligent. The total amount they could be responsible for is unlimited. In short, going "bare" could cost them their business.

■ Medical and income benefits for your employees

Some employers think that they have found a cheaper substitute for workers' compensation by purchasing so-called alternative policies. They may not know that alternative policies often leave huge gaps in coverage, limit medical benefits, and refuse to cover some illnesses, diseases and accidents.

If one of your employees is injured on the job, your workers' compensation insurance will:

- Pay all reasonably required medical bills for a work-related injury.
- Replace some lost wages, and compensate the injured employee for permanent impairment caused by a compensable work-related injury.
- Pay benefits based on the employee's pre-injury income and the severity of the injury.
- Reimburse qualifying beneficiaries, if an employee is killed on the job as a result of a compensable work-related injury, for the deceased worker's actual burial costs (up to \$6,000), and pay income benefits to qualifying beneficiaries.

More information

Visit www.tdi.state.tx.us/pubs/consumer/cb007.html for more information about the benefits of choosing a workers' comp policy.

■ Lower Your Premium

Workers' compensation is one of many expenses employers have to consider. You can make it a smaller piece of your budget by joining a group discount program, choosing our workers' comp health care network option and earning dividends.

■ Group discount programs

State law allows employers in similar industries to purchase their workers' comp coverage as a group. Employers who join a group discount program can:

- Get a premium discount. Most groups offer discounts between 10 percent and 11 percent.
- Get workplace safety materials. You can visit your group's homepage on our website to get safety materials specific to your industry.
- Qualify for potential dividends. Policyholders who control their losses may receive a monetary reward in the form of a dividend. Members of a group discount program may also qualify for an additional group dividend if the group has favorable results. Some policyholders may receive individual and group dividend checks.*

** Past dividends are not a guarantee of future dividends. The Texas Department of Insurance must approve all dividends.*

More information

Texas Mutual offers group discount opportunities for a range of industries, including oil and gas, restaurants, construction, health care and auto repair. Ask your agent for more information, or visit the Employers section at www.texasmutual.com.

■ Health care network

Most employers who choose Texas Mutual's workers' compensation health care network get a 12 percent annual premium discount. They all benefit from the Texas Star Network's success at getting injured workers well and back on the job:

- On average, *Texas Star Network*[®] patients return to work eight days sooner (9% reduction) than non-network patients.
- Average indemnity benefits are 14 percent lower for network policies compared with non-network policies.
- 80 percent of injured workers "agree or strongly agree" that they were provided good network medical care that met their needs.

More information

Texas Mutual policyholders do not have to wait for their policy to expire to join the network. Ask your agent, or visit the Health Care Network section at www.texasmutual.com.

■ Dividends

Texas Mutual Insurance Company pays benefits to workers who suffer compensable injuries. The costs of those benefits affect the overall cost of workers' compensation. A dividend is essentially a monetary reward for policyholders who help us provide affordable workers' compensation coverage by controlling their claim costs:

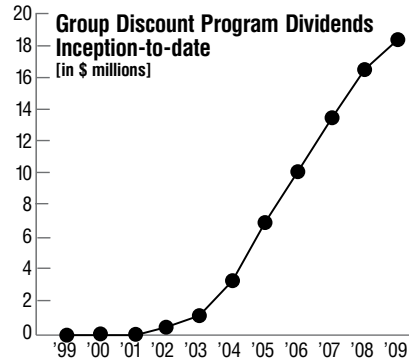
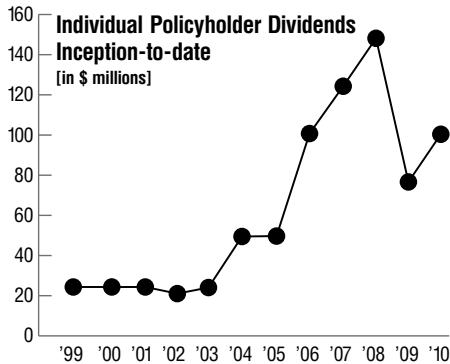
- Your dividend has the potential to increase every year through your fifth consecutive year with Texas Mutual. If you leave before then, you start over when you return to Texas Mutual.

- You can improve your chances of earning a dividend by preventing accidents, committing to a return-to-work process and fighting workers' comp fraud (See page 6).
- Group discount program members are eligible for individual and group dividends (See page 3).

More information

For more information about dividends, visit www.texasmutual.com/news/dividendhistory.shtm.

** Past dividends are not a guarantee of future dividends. The Texas Department of Insurance must approve all dividends.*



■ Manage Your Claims

Texas Mutual manages your claims by investigating injuries for compensability, helping injured workers get back on the job, and ensuring that medical treatments are reasonable, necessary and related to the compensable injury. You can help us if you prevent accidents, launch a return-to-work process and fight fraud.

■ Prevent accidents

The easiest way to control your claim costs is to prevent accidents. For every dollar you invest in safety, you could get four dollars to six dollars in return.

Launching a safety program can be challenging, but we're here to help.

Safety first, second and third

Our loss prevention pros pared the safety process down to three key steps:

- Write a safety plan.
- Train your people.
- Analyze your results.

Visit www.texasmutualsafetyfirst.com for more information about this simple, three-step route to a safer workplace.

Safety resource center

Our safety resource center is a gateway to custom safety information. Policyholders can visit www.texasmutual.com to:

- Watch online safety videos.
- Create safety programs designed around their operations.
- Get DVDs, videos, pamphlets and other safety training materials. Many of the resources are available in Spanish.
- Find out how much money accidents cost their business.

■ Launch a return-to-work process

A handful of principles apply to every business, regardless of their industry:

1. The customer is always right.
2. You have to make more money than you spend.
3. Experienced workers are more valuable when they are on the job, not sitting at home unnecessarily.

Texas Mutual encourages employers to launch a return-to-work process to reduce the costs of workplace injuries. The goal of the process is to help injured workers recover and return to productive employment as soon as medically reasonable.

What's in it for you?

- Lower your claim costs.
- Control your premium by improving your loss history.
- Retain experienced workers. The cost of replacing an injured employee can be 50 percent to 150 percent of the employee's salary.
- Reduce the costs of making up for lost production, such as hiring extra help or paying overtime.

What's in it for your employees?

- Steer clear of the stress and depression that often come with being unable to work.
- Retain their job skills, company benefits and seniority.
- Maintain their pre-injury income. Remember, workers' compensation benefits pay only a portion of the injured employee's salary.
- Avoid the disability mindset: "I'm injured, and I cannot work."

More information

Visit the Safety & Return-to-Work section at www.texasmutual.com to download a free Return-to-Work Kit. More information about return-to-work is available through the Texas Department of Insurance at www.tdi.state.tx.us/wc/rtw/index.html.

■ Fight fraud

Workers' compensation fraud costs consumers like you \$7.2 billion a year. Texas Mutual Insurance Company works hard to protect our policyholders' premium dollars. Our three teams of experienced, full-time investigators get results, but they need your help.

If you identify two or more of these indicators in a Texas Mutual claim, contact us immediately at (800) 488-4488 or by email at fraudstoppers@texasmutual.com:

- Tip from a credible source
- New or disgruntled worker
- No witness to alleged injury

- Inconsistent or illogical description of incident
- Hard to contact injured worker
- Injured worker acts upset when contacted
- Suspicious injury on Monday or Friday

More information

Visit the Fighting Fraud section at www.texasmutual.com to read our fraud-fighting success stories, learn more about our *FraudStoppers*_{SM} cash reward program, and download a free *FraudStoppers*_{SM} poster.

If you suspect fraud against an insurance carrier other than Texas Mutual, email the Texas Department of Insurance at FraudUnit@tdi.state.tx.us, call (888) 327-8818 or visit www.tdi.state.tx.us/fraud/onlinereport.html.

■ Find a Pharmacy

Some pharmacies may not accept workers' compensation claims. Others may only accept cases from a handful of insurance companies.

To help ensure your injured workers get the prescriptions they need for their compensable work-related injuries and to save you money, we partnered with ScripNet pharmacy account network. To find a network pharmacy near you, go to www.scripnet.com, or call the ScripNet help desk at (888) 880-8562.

■ Save Time With *Texas Mutual*[®] Online

We want to help you spend less time on workers' compensation and more time on the business of running your business. *Texas Mutual*[®] online services make it easy and convenient for policyholders to:

- Submit direct-draft payments
- Sign up to receive alerts about significant changes in existing claims
- Improve workplace safety
- Report workplace injuries
- Review claim details
- Create loss run reports
- File interim payroll reports, and make online payments
- Submit Form DWC-3, Employer's Wage Statement
- Review dividend history
- Register for workshops
- Download state-required forms
- Report suspected fraud
- Download return-to-work kits
- Get workers' comp news and updates

Visit www.texasmutual.com today, and start taking advantage of these free tools.

■ Learn About Our Scholarship Program

Texas Mutual wants to reduce the number of work-related injuries and illnesses in Texas and minimize their consequences. In cases of compensable work-related fatalities, we offer college scholarships to qualified, surviving family members of workers.

The *Texas Mutual*[®] scholarship program provides up to \$4,000 for tuition and fees per individual per semester, plus assistance for course-related books and supplies. We hope that each scholarship might serve as part of the deceased employee's legacy to his or her family, thereby reducing the family's financial burden.

We also offer scholarships to people whose compensable injuries qualify them for lifetime income benefits (pursuant to the Texas Workers' Compensation Act) and their spouses and unmarried children.

For the complete scholarship requirements and related procedures, visit the Injured Workers section at www.texasmutual.com, or call (800) 859-5995.

■ Speak the Language of Workers' Comp

| | |
|--|-------------|
| Average weekly wage | AWW |
| Benefit review conference | BRC |
| Benefit review officer | BRO |
| Contested case hearing (also benefit contested case hearing) | CCH |
| Contested case hearing officer (also benefit contested case hearing officer) | CCHO |
| Death benefits | DBs |
| Division of Workers' Compensation (also the Division) | DWC |
| Documentation of procedure | DOP |
| Durable medical equipment | DME |
| Health care provider | HCP |
| Impairment income benefits | IIBs |
| Impairment rating | IR |

| | |
|---|--|
| Injured employee | Employee |
| Insurance carrier | Carrier |
| Lifetime income benefits | LIBs |
| Maximum medical improvement | MMI |
| Post-injury earnings (also weekly earnings after the injury) | PIE |
| Required medical examination | RME |
| Return-to-work program | RTW |
| Supplemental income benefits | SIBs |
| Temporary income benefits | TIBs |
| Texas Department of Insurance | TDI |
| Texas Workers' Compensation Act | Texas Labor Code, "the Act," or "the Statute" |
| Workers' compensation health care network | HCN |
| Workers' Comp Research and Evaluation Group | REG |

■ Related Sources

Texas Department of Insurance, Division of Workers' Compensation
(512) 804-4000 (800) 372-7713
www.tdi.state.tx.us/wc/index.html

Texas Workforce Commission
(800) 832-2829
www.twc.state.tx.us

Texas Department of Insurance
(512) 463-6169 (800) 578-4677
www.tdi.state.tx.us

Occupational Safety and Health Administration
www.osha.gov

National Institute for Occupational Safety and Health
www.cdc.gov/niosh/homepage.html
(404) 639-3311 (800) 311-3435

■ About Texas Mutual Insurance Company

Texas Mutual Insurance Company is the state's leading provider of workers' compensation insurance. We provide a stable, competitive source of workers' comp coverage for Texas employers, and we help prevent on-the-job injuries and illnesses and minimize their consequences. We also serve as the state's insurer of last resort for businesses that do not qualify for coverage in the voluntary market.

Workers' comp is all we do, and we do it better than anyone. More than 45,000 Texas businesses count on us to help them lower their workers' comp costs and protect their employees on the job. We respond with:

- Competitive rates
- Group discount programs
- Dividends for employers who prevent accidents and manage their claims*
- Zero tolerance for fraud policy
- Comprehensive safety services
- Timesaving *Texas Mutual*® online tools
- Long-term commitment to Texas employers
- Workers' comp specialists dedicated to helping you get the most value out of your *Texas Mutual*® coverage

Get more information

Ask your agent for more information about Texas Mutual Insurance Company, or visit us online at www.texasmutual.com.

**Dividends are based on performance and are not guaranteed.*

■ Contact Us

Call us toll-free at (800) 859-5995 during regular business hours to speak with a Texas Mutual Insurance Company representative, or contact us by email at information@texasmutual.com.

TexasMutual[®]
Insurance Company

HERE FOR TEXAS. HERE TO STAY.[®]

WWW.TEXASMUTUAL.COM



Printed on recycled paper containing
30% postconsumer waste.

51000-1234-1008 • Printed August 2010
© 2010 Texas Mutual Insurance Company