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Contact: Terry Frakes
Senior Vice President, Public Affairs
(512) 224-3855

Texas Mutual Pays \$75M in Policyholder Dividends

AUSTIN – Today, Texas Mutual Insurance Company began distributing \$75 million in workers' compensation dividends. Approximately 38,000 business owners, representing 79 percent of the company's policyholders, will receive a dividend as a reward for committing to workplace safety.

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

“We have a permanent, vested interest in helping Texas businesses thrive,” said Bob Barnes, chairman of Texas Mutual's board of directors. “We have pumped more than \$670 million into our state's economy through our individual policyholder dividend plans since 1999. Our policyholders have used those funds to expand their businesses, create jobs, pay skilled employees and improve their safety programs.”

The amount of each qualifying policyholder's dividend check is based largely on its premium size and loss ratio. Policyholders who prevent workplace accidents and control claim costs improve their chances of earning a dividend.

This year's dividend announcement comes as the economy continues to suffer the worst slump since the Great Depression. Texas Mutual President Russ Oliver said that the company's 11th consecutive dividend payout is a sign of its financial stability.

“We are not immune to the volatility in the markets,” stressed Oliver, “but we had a strong year in 2008. We wrote a record \$768 million in premiums and, most importantly, retained 82 percent of our loyal customers.

These dividends show that our policyholders are embracing our initiatives to prevent accidents and control costs.”

One of those initiatives is Texas Mutual’s workers’ compensation health care network. The company launched the network in 2006 to help injured workers get quality medical care, recover and return to productive employment.

The second annual network report card issued by the Texas Department of Insurance in October 2008 showed that medical costs on Texas Mutual’s in-network claims are 6 percent lower than non-network claims. Patients treated in the network return to work an average of 24 percent sooner than non-network patients.

“The network is doing its job of helping keep Texas workers healthy and productive,” added Oliver. “Positive outcomes like these are the results of our efforts to promote effective, high-quality medical treatment for injured workers. Doing so also helps control costs, which contributes to our ability to pay future dividends as financial conditions allow.”

Texas Mutual notes that past dividends are not a guarantee of future dividends. The Texas Department of Insurance must approve all dividends.

About Texas Mutual Insurance Company

Austin-based Texas Mutual Insurance Company is the state’s leading provider of workers’ compensation insurance. Since 1991, the company has provided a stable, competitively priced source of workers’ comp insurance for Texas employers. Helping injured workers get well and back on the job are major parts of Texas Mutual’s mission.

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