

The Dividend Difference

Texas Mutual offers more than just workers' compensation coverage—we offer a financial reward for policyholders who join us in our mission of keeping Texas working safely.

When a business owner keeps workers safe and losses low, they contribute to Texas Mutual's financial success, which we are able to share through dividends. We've shared that success every year since 1999, paying more than \$2.2 billion to policyholders across Texas.

In 2017, Texas Mutual is paying a company-record \$260 million to more than 45,000 policyholders across the state. Business owners use dividends to help offset workers' comp costs, re-invest into safety equipment and training, or just give a boost to their bottom line.

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Ownership pays

When an employer purchases a policy at Texas Mutual, they are not only buying financial security for themselves and their employees. They are also



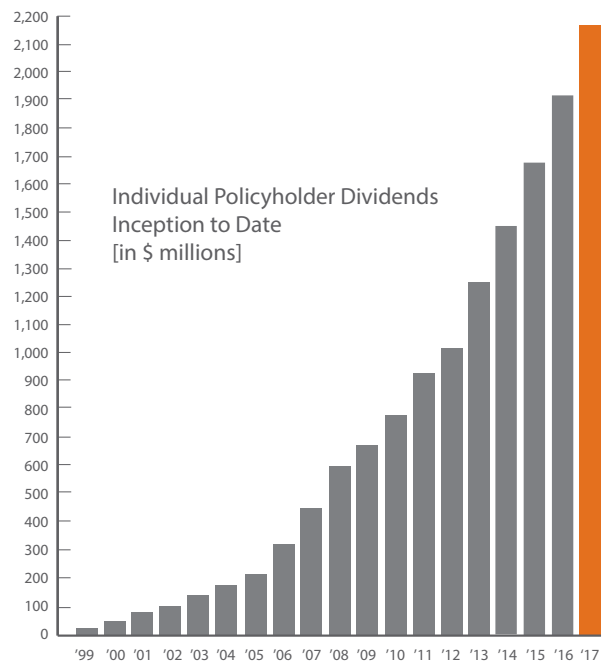
becoming policyholder owners of the company. Our policyholders have the opportunity to receive dividends, just as stockholders of publicly traded companies do.

Each year, Texas Mutual's board of directors votes to approve dividends. Dividends are based on financial performance and therefore are not guaranteed, but Texas Mutual has distributed dividends for 19 consecutive years.

Dividends for newer policyholders

Many insurance companies require policyholders to have a lengthy history with their company before earning a dividend, but that's not the case at Texas Mutual. Newer policyholders can benefit from dividends through our early qualifier dividend program. New policyholders whose policies expire within

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the first six months of the current calendar year may qualify for an early, partial dividend payout. In 2016, approximately 4,000 policyholders received an early qualifier dividend. Early qualifier dividends are paid out in November.

Earning a dividend

There are two key factors of a Texas Mutual dividend: safety, paid through the annual component, and loyalty, paid through the retention component.

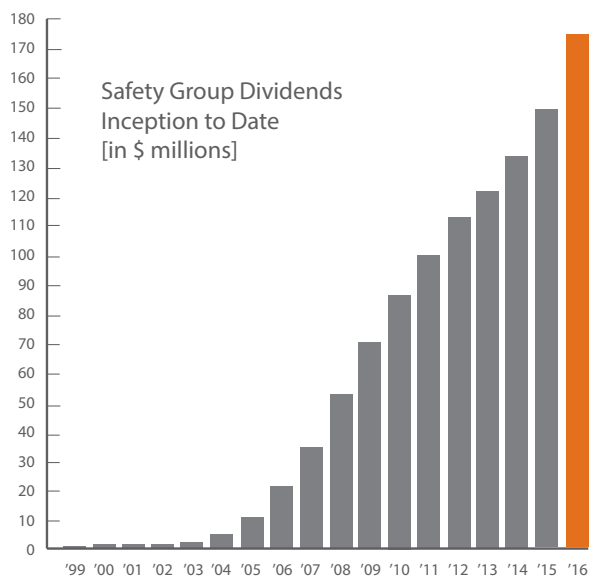
- ▶ The annual component rewards current policyholders who had an acceptable loss ratio for their previous year's policy. This is achieved by keeping losses low and making workplace safety a priority.
- ▶ The retention component recognizes those who choose Texas Mutual year after year by rewarding current policyholders for up to four previous, consecutive years of loss history. Some longtime policyholders see their dividend increase over the years because of the retention component.

Safety group dividends

Policyholders who are members of a safety group may also qualify for an additional group dividend based on the group's loss history rather than the company's individual history. This means that those who are in a safety group could potentially earn two

separate dividends from Texas Mutual, an individual dividend and a group dividend.

Find out more about safety groups, including how much each group has earned in dividends, at texasmutual.com/safetygroups. Your agent can help determine if one is right for you.



Visit texasmutual.com/ownershippays to find out more about earning your Texas Mutual dividend.

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