

Our Net Cost Approach to Workers' Compensation Insurance

How to Achieve Long-Term Premium Savings

In today's challenging business environment, you may often be tempted to take the lowest priced premium. Yet without the right insurance company, a low priced premium today could easily become a high priced premium tomorrow.

For over 30 years, ICW Group has provided its policyholders with forward-thinking risk management and comprehensive claims services designed to reduce the cost of their premiums.

With our **Net Cost Approach**, you can achieve long-term premium savings that far exceed the difference in short-term premium price.



Success Story

Helping a Business Manufacture Sizeable Premium Savings

A manufacturing company averaging \$12 million in payroll arrived at ICW Group with an experience modification factor of 131%. With an annual premium of \$1 million, they were paying \$236,641 above their industry average.

Net Cost Approach In Action

Partnering with our Risk Management team, an unfavorable trend was uncovered: upper extremity injuries due to either falling items or improper material handling.

We developed a tailored safety solution, including a comprehensive employee education program on safe work habits, with an emphasis on proper lifting and material handling training. Our Claims operation activated its "triage unit" to ensure swift identification and resolution of the company's claims.

Significant Results Achieved

- Number of claims per year reduced 55% – from 44 to 20
- Experience Modification Factor declined 38 points – from 131% to 93%
- Annual premium reduced over \$500,000 – from \$1 million to \$432,000*

*Premium reduction based on the Ex-Mod decline, state manual rate decreases and underwriter application of additional schedule credits based on risk performance and characteristics.

"We see the value of long-term relationships."

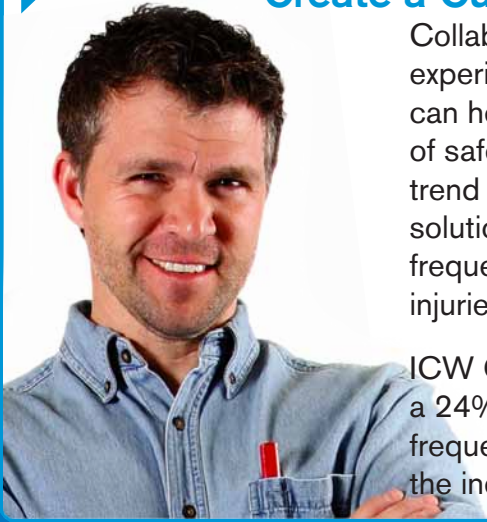
- Kevin Prior, CEO

How can I reduce claims frequency?

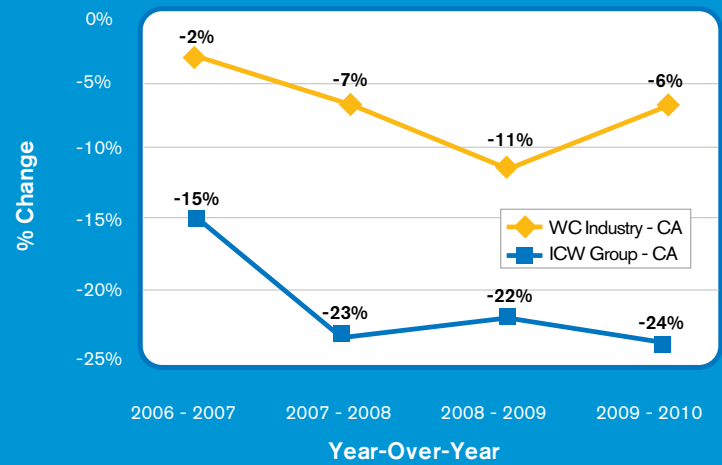
Create a Culture of Safety

Collaborate with an experienced carrier who can help create a culture of safety through loss trend analysis and custom solutions that reduce the frequency of work-related injuries.

ICW Group has achieved a 24% reduction in claims frequency as compared to the industry's 6%.



Cumulative Year-Over-Year Frequency Trend¹ ICW Group vs. CA Industry



1. ICW Group Frequency Trend statistics are based on internal Actuarial estimates as of 04/30/2011. CA Industry Frequency Trend statistics are based on WCIRB data as of 12/31/2010.

How can I control today's rising claims costs?

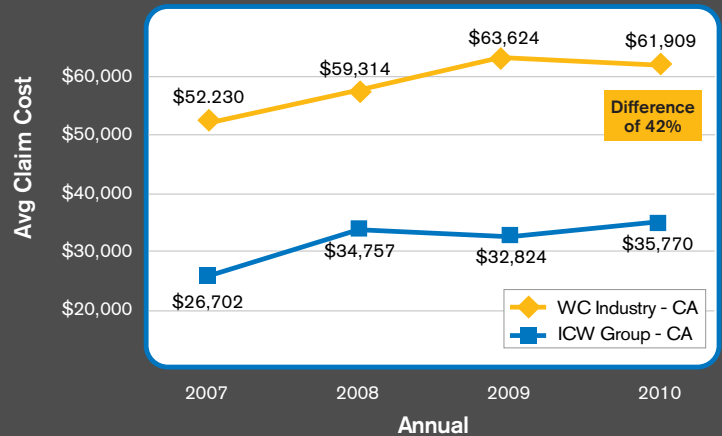
Take a Proactive Approach

Choose a carrier committed to cost containment strategies that address the many facets of a claim and lead to a swift and successful resolution.

The cost of an average ICW Group claim is 42% less than the California industry average.



Indemnity Average Claim Cost² ICW Group vs. CA Industry



2. ICW Group Severities are based on internal Actuarial estimates as of 04/30/2011. CA Industry Severity Trend statistics are based on WCIRB data as of 12/31/2010.

How can I maximize my premium savings?

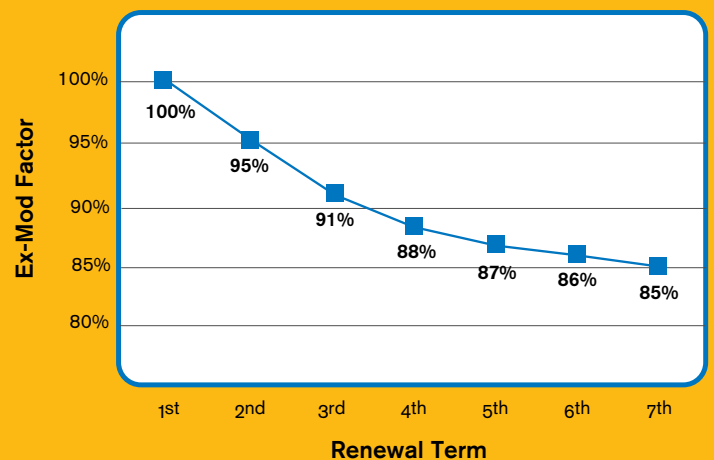
Lower Your Experience Modification Factor

Select a forward-thinking carrier who understands how to achieve premium savings through comprehensive risk and claims management.

By developing a long-term partnership, ICW Group has helped policyholders reduce their Ex-Mod Factors.



Average Ex-Mod Per Policy Year³ ICW Group's Results



3. ICW Group Severities are based on internal Actuarial estimates as of 04/30/2011. CA Industry Severity Trend statistics are based on WCIRB data as of 12/31/2010.

About ICW Group

Privately held ICW Group represents a group of multi-line property and casualty insurance companies providing workers' compensation, surety, earthquake and personal and business auto insurance. Its member companies consist of Insurance Company of the West, Explorer Insurance Company and Independence Casualty and Surety.

11455 El Camino Real | San Diego, CA 92130 | 800.877.1111 | www.icwgroup.com

Insurance Company of the West | Explorer Insurance Company | Independence Casualty and Surety Company