



Travelers Medical AdvantageSM

INTEGRATED COST-MANAGEMENT SOLUTIONS

Medical is the largest portion of casualty loss costs. Travelers' investments in industry-leading medical management capabilities and expertise have contributed to workers compensation results that on average, outperformed the industry average by 10 points.¹ Our medical management capabilities can help you lower your total cost of risk in the future.

The U.S. – A healthcare nation

Healthcare costs make up a major portion of the expenditures in the U.S. economy. Sweeping changes in the U.S. healthcare system and an aging population are driving up long-term medical loss trends.

- More than 10,000 people per day will turn 65 over the next 19 years²
- The Affordable Care Act is projected to add 32 million uninsured Americans into the healthcare system, resulting in a 15% increase in demand on existing healthcare resources³

The impact of these changes is unknown, but could adversely impact the cost and duration of casualty claims and drive up the cost of risk and insurance.

Medical is the single largest casualty loss-cost driver

- 50% of total casualty claims payout (GL, Auto, and WC)
- 60% of WC loss costs today are from medical and are projected to increase to 67% by 2019⁴

Travelers is ready

Over the past decade, Travelers has invested heavily in strategies to manage medical and mitigate loss costs for our customers. We continue to build on the investments we've made in anticipation of the challenges and uncertainty associated with the U.S. healthcare environment.

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Travelers' responsive local service and industry-leading medical cost management capabilities can help control your future total cost of risk.

Innovation – Travelers has a long history of innovation in medical cost management. Our specialized TravComp[®] model co-locates in-house nurses with claim professionals in an integrated workers compensation claim handling model.

New innovations, such as the patented *ConciergeCLAIM*[®] Nurse program, which places a Travelers nurse in a provider's clinic, continue to help us achieve better claim outcomes.

Talent and expertise – Over 12,000 claim professionals strategically located across the country, that are supported by 550+ nurses, 700 risk control consultants, medical directors and a pharmacist, industrial hygienists, a specialized medical fraud team and dozens of others with specialized expertise to design and execute on our medical management strategies.

Data and analytics – Our robust data warehouse containing several million pieces of detailed medical data supports the development of sophisticated predictive modeling tools that provide our claim professionals with deeper insights to help inform smarter claim decisions.

Prevention – Our risk control resources help customers develop comprehensive risk mitigation strategies that address employee best practices and issues unique to an aging workforce.

Proven Results – Workers Compensation

- Two-thirds of injured workers return to work within 30 days⁵
- 80% of medical treatment occurs within network⁶
- Travelers medical advantage cost-containment strategies can contribute an average savings of 60 cents per medical dollar billed⁶
- Pharmacy management strategies lead to a 47% reduction in pharmacy costs⁷
- Pharmacy – 10% of medical spend vs. 14% for the industry⁸

¹ Travelers WC Combined Ratio vs. Industry (AM Best - 2008-2012).

² Centers for Medicare & Medicaid Services. (2012-13). National Health Expenditure Data.

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 Source: Insurance Information Institute.

⁵ 2012 accidents evaluated as of 12/31/12.

⁶ 2009-2012 accidents evaluated as of 12/31/12.

⁷ Services billed in 2010, evaluated as of 2011.

⁸ NCCI WC Prescription Drug Study 2011 Update – August 2011.

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