

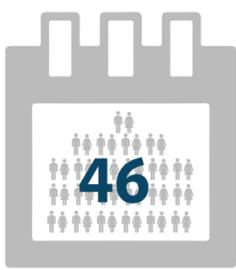
FIGHTING CHRONIC PAIN

A HIGH PRICE TO PAY

63% TODAY  **67%** 2019

of WC loss costs are from medical including chronic pain¹

AMERICANS SUFFERING FROM CHRONIC CONDITIONS



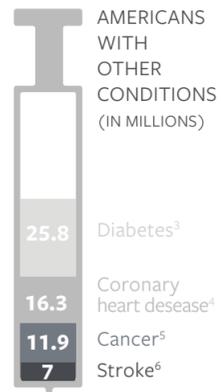
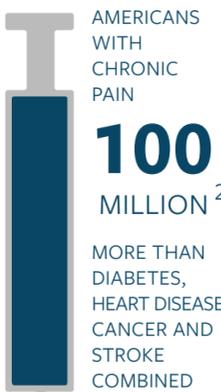
Americans die each day from prescription medication overdose⁷



Medical costs of pain care and economic costs related to disability days, and lost wages and productivity⁸



Injured employees with chronic pain can suffer long-term, debilitating effects



HOW TRAVELERS CAN HELP

Catch it early – know who's at risk

TRAVELERS EARLY SEVERITY PREDICTOR[®]

TRAVELERS CLAIM DATA + ANALYTICS

PREDICTS WHO WILL DEVELOP CHRONIC PAIN



ADJUSTMENT TO MEDICAL CARE/RESOURCES

PREVENTS CHRONIC PAIN



PROACTIVE CLAIM MANAGEMENT

REDUCES COSTS



HOW

TRAVELERS EARLY SEVERITY PREDICTOR WORKS



DELIVERING OPTIMAL CLAIM OUTCOMES

FOR OUR CUSTOMERS

Early intervention on potentially high-risk and high-cost claims

UP TO **50%** **TOTAL SAVINGS**

ON WC CLAIMS THAT INVOLVE CHRONIC PAIN

EMPLOYEES **RETURN TO WORK** **ASAP**

WHEN MEDICALLY APPROPRIATE

Proactive management of claims with a higher risk of exposure over time

FOR THEIR INJURED EMPLOYEES

Less likely to live in chronic pain managed with medication

SHORTER TREATMENT DURATION

HIGHER LIKELIHOOD OF PRE-INJURY QUALITY OF LIFE

Smarter treatment options to prevent and manage chronic pain

TRAVELERS EARLY SEVERITY PREDICTOR IS A KEY COMPONENT OF TRAVELERS MEDICAL ADVANTAGE[®] – INTEGRATED MEDICAL MANAGEMENT SOLUTIONS TO HELP OUR CUSTOMERS MANAGE THEIR TOTAL COST OF RISK



¹ Approximately 63% of WC loss costs today are from medical and are projected to increase to 67% by 2019. Insurance Information Institute (note: variation of the statement, below). Top five states by state; includes medical only and indemnity claims. Accident Year evaluated at 24 months. As reported in NCCI State of the Line Report.
² Institute of Medicine Report from the Committee on Advancing Pain Research, Care, and Education: Relieving Pain in America: A Blueprint for Preventing, Treating, and Managing Pain. The National Academies Press, 2011.
³ American Diabetes Association. <http://www.diabetes.org/diabetes-statistics/>
⁴ Heart Disease and Stroke Statistics—2011 Update: A Report From the American Heart Association. Circulation 2011, 123:e18-e209, page 20. <http://circ.ahajournals.org/content/123/4/e18.full.pdf>
⁵ American Cancer Society, Prevalence of Cancer
⁶ Heart Disease and Stroke Statistics—2011 Update: A Report From the American Heart Association. Circulation 2011, 123:e18-e209, page 20. <http://circ.ahajournals.org/content/123/4/e18.full.pdf>
⁷ http://www.painmed.org/patientcenter/facts_on_pain.aspx
⁸ Institute of Medicine Report: pain is a significant public health problem that costs society at least \$560-\$635 billion annually, an amount equal to about \$2,000.00 for everyone living in the U.S. This includes the total incremental cost of health care due to pain from ranging between \$261 to \$300 billion and \$297-\$336 billion due to lost productivity (based on days of work missed, hours of work lost, and lower wages).