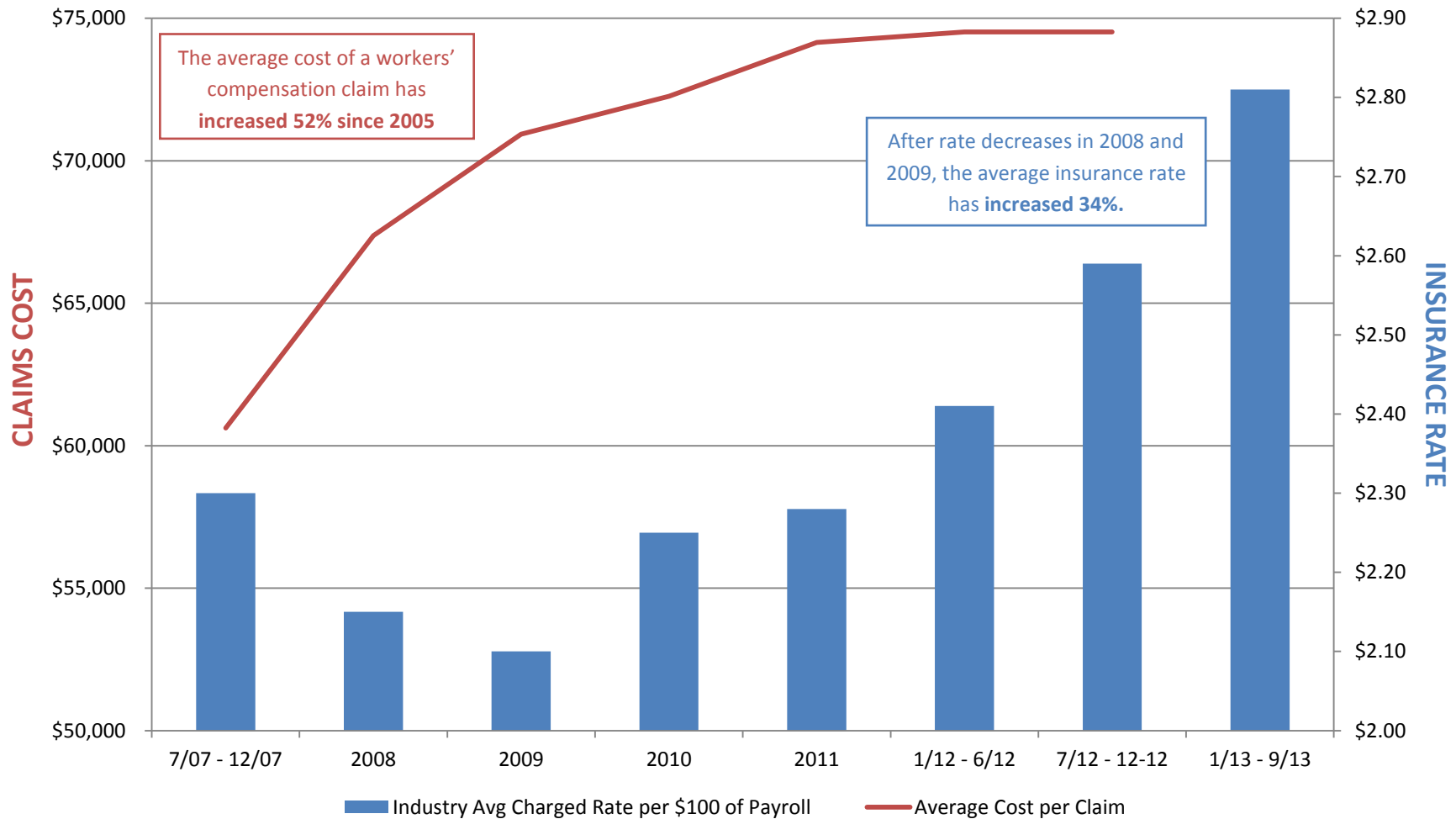


Insurance Rates Increase to Capture Growing Claims Costs

Average Industry Charged Rate per \$100 of Payroll vs. Average Costs for a Workers' Compensation Claim in California



Between 2005 and 2012, the average cost per claim increased 52%. Meanwhile, insurance rates actually decreased between 2005 and 2009, and have increased 34% since 2009 to reflect higher claims costs.