



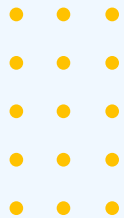
TEXAS MUTUAL **CORPORATE** *Citizenship* **STRATEGY** **2023**



All numbers represented are as of December 2022.

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SECTION 1

About TEXAS MUTUAL

At Texas Mutual, we have been taking care of people for over 30 years. As the leading provider of workers' compensation insurance in Texas, it is our responsibility to protect over 75,000 businesses and help their 1.5 million employees make it home safely to their families. We are able to serve those who rely on us by partnering with nearly 9,000 agents who share our commitment to keep Texans safe and Texas businesses strong.

Our dedicated employees are at the heart of delivering on our mission of building a stronger, safer Texas. It is their commitment to who we are, our strategic partnerships across the state, and our history of financial strength that make it possible to be a stable force for good in our communities and create a brighter future for Texas.



VICTORIA RODRIGUEZ
SUPERVISOR SPECIAL
INVESTIGATIONS

SARAH CARNEY
COMMUNITY AFFAIRS
PROGRAM MANAGER

OUR PURPOSE

We exist to be a stable force for good.

OUR MISSION

The company provides a stable, competitive source of workers' compensation insurance for Texas employers, acts as the insurer of last resort, and helps to prevent on-the-job injuries and illnesses and minimize their consequences.

OUR VISION

We will build a stronger and safer Texas by being the model provider of workers' compensation insurance through innovative, responsive partnerships with our customers, communities and each other.

OUR VALUES

Effectiveness: We use our resources effectively.

Innovation: We encourage initiative and embrace change in a dynamic business environment.

Integrity: We, as responsible stewards of the company's mission and assets, adhere to high ethical standards.

Safety: We put employee safety first.

Service: We provide excellent service to our customers.

Respect: We treat each other and our stakeholders with dignity and respect.

Teamwork: We work together to achieve common goals.

Company Awards AND RECOGNITIONS



2022 Can Do! Organization



From the moment we wrote our first workers' compensation insurance policy in 1992, we've been anchored by our vision of building a stronger, safer Texas, and at the heart of that is taking care of people. This commitment starts with our employees and agent partners who help us serve businesses and their employees, and extends to those same communities where we live and work. We recognize our influence is far-reaching and understand our responsibility to Texans, because we're more than insurance, we're a force for good.

As the first female president and CEO of Texas Mutual, I feel privileged to unveil our corporate citizenship strategy representing how we will responsibly lead the market, keep the workers' compensation system stable and create resilient communities. Our corporate citizenship focus areas encompass supporting working Texans today and tomorrow, developing the insurance talent of the future, leading with credibility and trust, and strengthening the Texas economy.

As an employee who has seen the company grow from its early years, I'm proud of how much we've already accomplished in those focus areas. Here in our corporate citizenship strategy, you'll see how our work over 30 years has given us the opportunity to set the foundation and build on our legacy with a strengthened approach in how we make a difference today and for generations to come.

Thank you to our stakeholders for your continued trust in Texas Mutual and for supporting our work to be good stewards and do right by Texans. While we're proud of how far we've come, we know there's more work to do. We're inspired by the Texans we get to serve and work alongside every day and remain steadfast in our commitment to creating lasting positive change for our communities.

Jeanette Ward
President and CEO
Texas Mutual employee since 1993

OUR CORPORATE *Strategy*

Our five-year corporate strategy, which launched in 2022, defines how we will continue to deliver on our mission in three focus areas. We aim to attract and keep the talent needed to deliver on stakeholder expectations, become even more customer focused and remain a leader in forging strong relationships with our communities and partners. Over the next few years, we plan to develop a multitude of strategies in pursuit of these priorities, as well as initiatives that will allow us to execute on the fundamentals that have made us so successful over the past 30 years. We designed the corporate strategy framework so that each employee and every initiative can align to these three focus areas.



People & Culture: We perform best with engaged professionals from diverse backgrounds who work with the highest integrity, and we invest in the success of our staff to promote belonging, empowerment, collaboration, agility, and excellence. This means we are committed to building the systems, mindsets and culture needed to compete successfully with both traditional legacy insurance providers and newer carriers entering the insurance industry.



Market Leadership: Policyholders know us as a reliable, helpful, and affordable source of workers' compensation insurance. Services that set us apart include our broad and disciplined underwriting approach, unmatched dividend program and financial strength, compassionate claim handling through our medical network, strong safety focus, and commitment to operational excellence. We aim to be the model workers' compensation provider in Texas, now and in the future.



Model Corporate Citizen: We promote a culture of doing the right thing every time. Our success in defending the workers' compensation system directly contributes to the success of the state's economy and our policyholders. We invest in the communities we serve by helping Texans in times of disaster, promoting workforce development, generational wellness and learning, and championing causes that fulfill our corporate vision of ensuring a stronger, safer Texas.



SECTION 2

Corporate Citizenship **AT TEXAS MUTUAL**

A STABLE FORCE FOR GOOD

Big moments of impact are often launched off the base of a steady and dependable foundation. A foundation that is meticulously built by trust, relationships, and consistency. Whether it is protecting small businesses, keeping workers safe or helping injured employees get back on the job, we are laser focused on creating a positive impact for Texas. In fact, it is why we exist.

Our purpose is to be a stable force for good. We believe that our strong position as the state's leading workers' compensation insurance company gives us the force to do good—for our policyholders, agents, providers, workers, our employees and communities across the state of Texas.

The Corporate Citizenship Strategy outlines focus areas and commitments for how we will drive toward creating a stronger, safer, more resilient Texas.

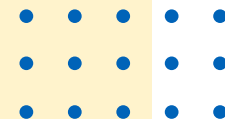
OUR COMMITMENTS

To identify our commitments and ensure our focus on material issues, we searched for areas of alignment among Texas Mutual's risks, assets and expertise, and the needs and desires of our stakeholders. From here, we prioritized initiatives that create the biggest impact. This process was done in partnership with employees and informed by stakeholder research.

Through this effort, we have honed in on 16 commitments in four key areas where we will focus to create lasting change by working for and alongside employees, policyholders, and partners. From providing compassionate care for injured employees to safeguarding stakeholder data to being a competitive force in the workers' compensation market, this strategy is a holistic representation of all the good our company does for and with its stakeholders.

We will focus our efforts on these key areas and annually report progress through a Corporate Citizenship Report. We will bring together the power of Texas Mutual's business operations, philanthropy, and partnerships to focus on these four areas of impact.

- SUPPORTING WORKING TEXANS—TODAY AND TOMORROW
- DEVELOPING THE INSURANCE TALENT OF THE FUTURE
- LEADING WITH TRUST AND CREDIBILITY
- STRENGTHENING THE TEXAS ECONOMY



SECTION 3

SUPPORTING WORKING TEXANS,

Today and Tomorrow



Every day, hardworking Texans go to work with dreams of creating better opportunities for their families. Ensuring employees stay safe on the job, are cared for when injured and have what they need to engage in the workforce is key to our mission of creating a stronger, safer Texas.

Unfortunately, Texans are facing challenges like rising housing costs, fewer options for childcare and a lack of access to regular, affordable health care.

We are committed to addressing issues that impact Texas employees to ensure everyone has access to affordable health care, safe working environments, and what they need to seize opportunities for prosperity.

**Mutual Care for
injured employees**

**Generational learning
grants**

**Innovative safety
services**

Accessible health care



FELISHIA REDD

SENIOR INFORMATION SPECIALIST

Mutual Care FOR INJURED EMPLOYEES

Ensuring every employee goes home at the end of their workday is critically important to us. When accidents happen on the job and someone gets hurt, the fear and uncertainty of getting care or losing wages are significant. Navigating a complicated insurance system on top of those fears can be overwhelming. Because of this, Texas Mutual created a compassionate care model called Mutual Care. It is an award-winning approach to claims that places the injured employee at the center of the process. Our adjusters are there for injured employees on their road to recovery by listening to their needs, providing exceptional care, and ensuring they get back to a productive life.

We are committed to evolving Mutual Care so that it continues to prioritize the health and success of injured employees. We will do this by serving with empathy, hiring and retaining top talent, ensuring the availability of quality medical providers through our WorkWell, TX health care network that serves injured employees, and by modernizing and simplifying the overall claims process.

We believe these components of the model are critical to the injured employee experience. When we can alleviate uncertainty, provide a calm and compassionate claims advocate, make connections to top providers in the state, and ensure the overall process is seamless—injured employees can focus on what matters most—recovery. We are proud of Mutual Care and commit to its evolution because taking care of hardworking Texans is at the heart of what we do.



49,375

NEW CLAIMS RECEIVED 2022



49,027

CLOSED CLAIMS 2022



DR. SKIP REDD
INJURED EMPLOYEE

Generational LEARNING GRANTS

Texas Mutual is invested in a stronger, brighter future for all working Texans. To us, this means providing holistic support to ensure families can prosper – now and in the future. We know too often families are left to face hard decisions about how to best spend their resources, subsequently sacrificing some needs in the pursuit of fulfilling others. It is important to us that every Texan can support their family through reliable childcare, affordable housing and transportation, transformational educational opportunities, and trustworthy health care.

To create a stronger Texas for generations to come, we must invest in systems that create lasting change. Since 2020, Texas Mutual has invested \$7.8 million in organizations across the state creating change for Texas families through programs focused on strengthening the early childhood education system, improving childcare and health education accessibility, and providing access to resources through comprehensive case management. Our Generational Learning grants each spring allow us to connect with nonprofits doing this work across the state as we support their efforts to affect meaningful change and influence the trajectory of our future generations.

Through our investments in Texas 2036, a nonprofit focused on the prosperity of the state, we are shaping the future of Texas health care. Understanding how and why Texans engage with the health care system will generate insights into how to refine the system, and in partnership with Texas 2036, we will gain a better understanding of how to improve health care access in Texas for all.



\$929,839

IN SCHOLARSHIPS SINCE 2020



\$7.8 MILLION

IN GRANTS SINCE 2020



Innovative SAFETY SERVICES

We know that businesses are stronger when its employees are safe and experience less workplace injuries and illnesses. As a workers' compensation provider, we partner with our policyholders to help ensure Texans go home to their families at the end of their workday. We do this by ensuring safe work environments, providing grants for employers to purchase safety equipment, and making safety training accessible through community college programs.

From our online safety resources to our bilingual call center to our team of experienced safety experts, we have created a solid foundation of support for Texas businesses over the last 30 years. Ensuring policyholders create strong workplace safety cultures and have access to necessary resources are critical to our mission of creating a stronger, safer Texas.

As we venture into the next 30 years, we are committed to the evolution of safety services. We envision an innovative future where the power of technology is harnessed to better predict and mitigate serious accidents. We will continue to invest in new, more advanced equipment and work to better understand how artificial intelligence can help shape safer, stronger workplaces across the state. We are relentless in our commitment to do better— because every hardworking Texan deserves to go home to their family at the end of their workday.

OUR POLICYHOLDER
CONSULTATIVE EFFORTS IN 2022

83%
IN PERSON

17%
VIRTUAL



12,599
SAFETY VISITS SINCE 2021



JESUS "CHUY" DUARTE
INJURED EMPLOYEE



Providing Accessible HEALTH CARE

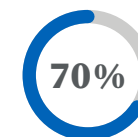
Expanding access to health care is key to our mission of creating a stronger, safer Texas. It is not only a critical component of getting injured employees back to a productive life after a workplace accident but research shows that healthier employees get hurt on the job less overall. Unfortunately, many communities—especially those in rural communities—do not have access to quality, affordable health care. In fact, some Texans travel as far as one and a half hours each way to find a primary care physician.

Texas Mutual is on a mission to expand how many Texans can access affordable and quality health care because we believe healthy communities are good for everyone. In 2018, Texas Mutual launched the WorkWell, TX provider network, which ensures injured employees have access to the highest quality care by providers who are focused on helping them return to a productive life.

Subject to regulatory approval, Texas Mutual plans to launch a health subsidiary that will focus on creating affordable health coverage for small businesses. Texas Mutual has also committed \$1 million to Texas 2036 to fund the "Who are the uninsured in Texas" research project, which seeks to understand why the roughly five million Texans who are eligible for coverage are opting out. This research, our commitment to caring for injured employees, and the creation of the health care subsidiary demonstrate our passion for creating healthier communities across the state.

THE WORKWELL, TX
NETWORK SERVES

231 OUT OF 254 COUNTIES



**INJURED EMPLOYEE
SATISFACTION WITH THE
NETWORK TREATING DOCTOR**

SECTION 4

DEVELOPING THE INSURANCE

Talent of the Future



Our success over the last 30 years would not have been possible without the commitment of hundreds of employees who share in our mission. We are better because of their passion for doing good, and our stakeholders and communities are the direct beneficiaries of that passion. We believe dedicated insurance professionals across the industry are making Texas a stronger, more stable, and secure place for all of us.

As generations of insurance professionals retire, it is critical for our industry—and our company—to develop the insurance talent of the future.

Employer of choice

Talent and development

**Work-based learning
opportunities**

**Skills-based
volunteering**



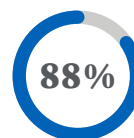
VALENTINA FIGUEROA
ADJUSTER

EMPLOYER *Of Choice*

As we work to ensure a positive future for the insurance industry, we are starting with our own employees. The world has changed drastically over the last few years and we must adapt to continue to be a stable force for good. We are committed to evolving our culture and business practices because employees are a critical component of achieving our mission of creating a stronger, safer Texas. Our employees are, without question, what makes our organization great. Without them, Texas Mutual would not have the foundational success we have achieved over the last 30 years. As we look to the next 30 years, it is critical that our employees continue to choose Texas Mutual day in and day out—our mission depends on it.

The employer of choice committee was created in 2021 to research and understand how Texas Mutual could better meet the needs of its employees. The committee, made up of company executives, received valuable feedback through employee listening sessions on topics like work flexibility, onsite experience, and diversity and inclusion. To date, the committee has implemented a flexible hybrid work policy, made enhancements to the onsite experience, and adopted an above-market compensation philosophy resulting in over \$6 million in base pay increases for employees.

As we look to the future, the committee will transform the company into a listening organization by launching an employee experience initiative that prioritizes employees in decision making and measures satisfaction through continued changes. We are committed to ensuring Texas Mutual employees have what they need to be successful professionally and personally because we know this is critically important to our strength as a company.



OVERALL **EMPLOYEE**
SATISFACTION SCORE



4 LISTENING TOPICS
AND OVER 2,000 LINES OF FEEDBACK

CRYSTAL WADE

SENIOR TALENT ACQUISITION SPECIALIST

TALENT AND Development

Investing in our employees' lives pays dividends for our customers and communities. We know that when our employees thrive, their passion for serving others also grows. We are proud of the team at Texas Mutual and want them to have the tools, education, and mentors they need to find meaningful, purposeful work. This starts with a reimagined talent and development program that will empower each employee to access the resources to develop their skills and competencies that support their current and future growth.

Reimagining talent and development starts with empowering employees to take their career journey into their own hands. With online learning at their fingertips, tuition and professional development reimbursement, and a mentor-matching program, we're enabling employees to chart their career path by giving them access to the tools and skills to help them get there. We have also introduced core competencies for employees and leaders so that there is a clear understanding of the skills that are most valued at Texas Mutual.

By helping our employees reach their full potential, we are growing passionate and happy employees, cultivating future leaders, and strengthening our employee base so that we remain a strong and stable force for our stakeholders.



AVERAGE TENURE
10 YEARS

15.6% PROMOTION RATE

10.1% INDUSTRY AVERAGE



STEPHANIE FRENCH
CLASS OF 2022 TRAINEE

KATERYNA BUTSNIEVA
CLASS OF 2022 TRAINEE

KEN IVIE
SENIOR MANAGER SOLUTIONS ENGINEER

JEMAL WOTE
CLASS OF 2022 TRAINEE



WORK-BASED

Learning Opportunities

As an entire generation of insurance professionals prepares for retirement, our industry must consider how to recruit and retain compassionate and dedicated employees who believe in the security that insurance delivers for its customers. Strengthening the industry starts with creating more accessible and intentional pathways into insurance positions. We recognize the opportunity to recruit and retain diverse and talented employees through programs like trainee, apprenticeship, and internship programs. We believe this is important not only because of how it will improve the industry, but because we know that these opportunities offer a strong and stable career for insurance professionals and their families.

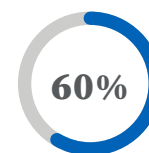
Work-based learning programs combine education with practical work experiences, allowing individuals to earn and learn at the same time. Texas Mutual has seen great success with trainee programs, recruiting 128 employees in claims, underwriting, and information technology since 2014. This is a win-win for both employees who need access to income while they are learning a new skill—and Texas Mutual who is growing a talent pipeline for long-term employees. In 2022, Texas Mutual launched its first ever apprenticeship program, hiring two employees who are earning their associate degrees from Houston Community College and working as claims apprentices simultaneously.

We are proud of these efforts and will continue to share these learnings and results with others in the insurance industry so that we all have opportunities to grow the insurance talent of the future.



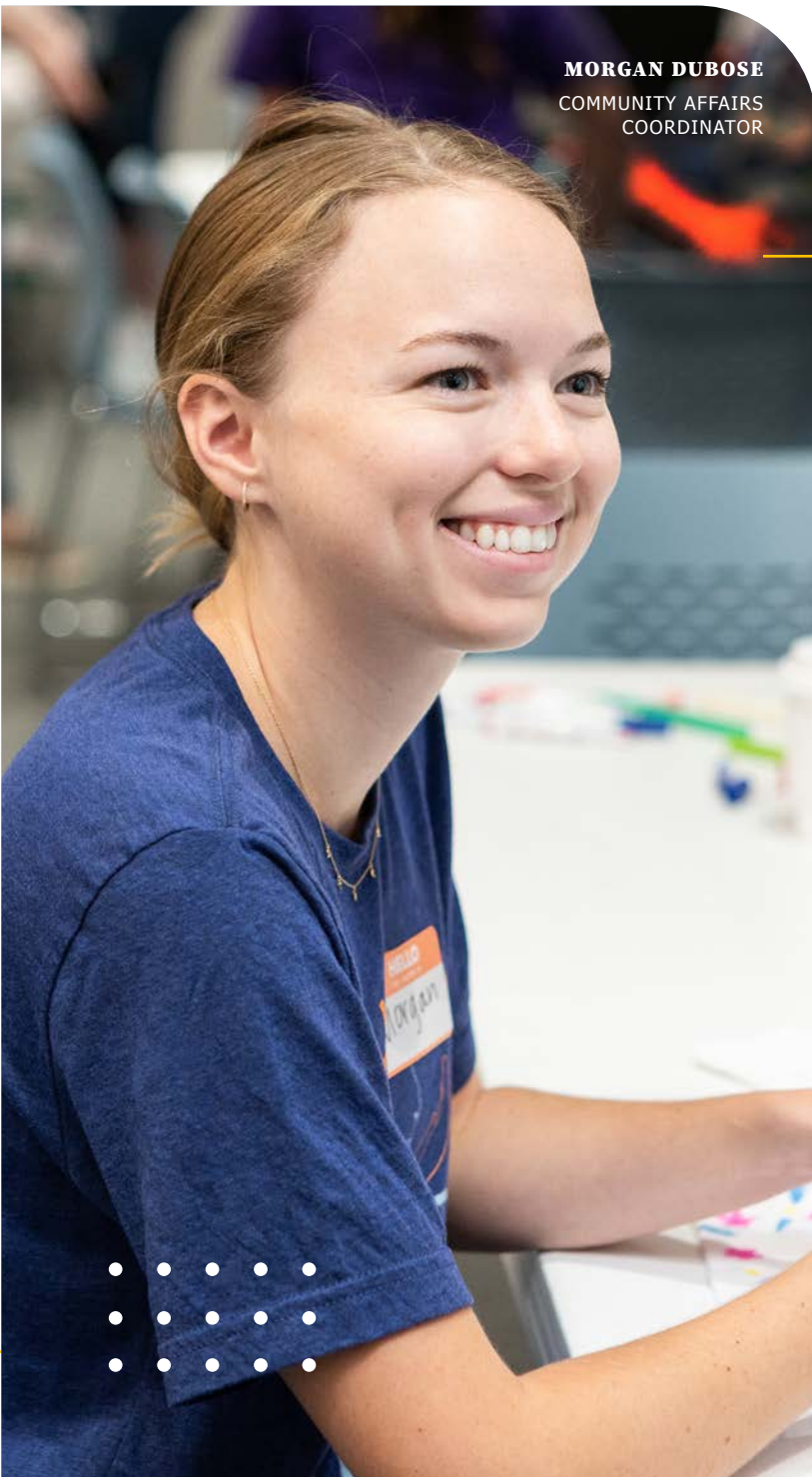
128

TRAINEES SINCE 2014



60%

RETENTION RATE
AMONG TRAINEES



MORGAN DUBOSE
COMMUNITY AFFAIRS
COORDINATOR

Skills-based VOLUNTEERING

We are serious about creating a stronger, safer Texas, and we are committed to meeting our mission by investing time, money, and skills. We believe that growing and sharing employee talents can also do good for our stakeholders and communities. We are proud of the expertise our employees have and know that they have an impact far beyond our company. By encouraging employees to use their skills for good, they can fully live their purpose at work.

Skills-based volunteering programs allow employees to learn and share their talents. Serving on a nonprofit board of directors, participating in resume building for community members, or speaking about career journeys are unique opportunities where employees can engage in volunteerism. These examples show how one can do good in the community while also gaining valuable experience and growth opportunities. Twice a year, employees can share their perspectives by reviewing applications in the community funding RFP processes. Their expertise helps distribute millions in charitable investments across the state in support of our mission. Our employees are smart, passionate, and creative. We hope to share their diverse, unique stories to inspire others—especially those who are interested in joining the insurance industry. Our goal is to deepen our impact across the state of Texas by going above and beyond our financial investments by offering time and skills to reach our goal of creating a stronger, safer Texas.



5

UNIVERSITY PARTNERSHIPS



11

NONPROFIT & SCHOOL DISTRICT
PARTNERSHIPS

SECTION 5

LEADING WITH

Trust and Credibility



Insurance is a promise. Our policyholders purchase a policy from us and trust that we will be there to take care of their injured employees if an accident occurs on the job. Texas Mutual is committed to delivering on that promise every day for every one of our stakeholders. Trust is the most important factor that anyone can have in a stakeholder relationship and it is something that must be guarded at every turn. We are committed to maintaining the highest level of integrity.

Responsible corporate governance

Protecting the workers' compensation system

Safeguarding stakeholder data

Community engagement





Responsible Corporate GOVERNANCE

Texas Mutual's commitment to integrity is supported by a governance structure consistent with and modeled on corporate best practices and principles. At the enterprise level, we have a zero tolerance for internal fraud policy. Employees who suspect that there may be ethical issues can make a complaint through an anonymous whistleblower hotline that allows confidential reporting of any questionable accounting or auditing measures.

Our board of directors has established a standing Nominating and Governance Committee that studies and advises the Board on the principles of corporate governance, largely guided by Corporate Governance Standards of the New York Stock Exchange. We have other standing board committees that provide governance over all the enterprise's operations, including an Audit Committee that has independent organizational oversight and an executive committee that sets the Board's agenda; nominates Board officers and members of the Nominating and Governance Committee; and oversees President and CEO evaluation, compensation and succession planning. In accordance with good governance principles, our elected directors are subject to term limits of two full six-year terms.

We diligently comply with the National Association of Insurance Commissioners' Model Audit Rule (the insurance industry's counterpart to the Sarbanes-Oxley Act), which ensures that the Audit Committee and senior management are accountable for the accuracy of the Company's financial statements.

We have extensive regulatory oversight by the Texas Department of Insurance, Division of Workers' Compensation which oversees our financial solvency, market conduct, rate standards and filings, timely payment of injured employee and medical benefits, and attorney's fees.



HIGH PERFORMER
IN THE PBO ASSESSMENTS SINCE 2009



30 YEARS
OF PROTECTING THE SYSTEM



Protecting the **WORKERS' COMPENSATION SYSTEM**

In the 1980s, the workers' compensation system in Texas had become an economic inhibitor to the state. Skyrocketing premiums and exorbitant system costs drove insurance carriers out of the system and employers could not afford coverage for their employees. Texas Mutual, then called the Texas Workers' Compensation Insurance Fund, was created as part of a series of reforms to address that crisis. Our authorizing legislation was passed in 1991 and we wrote our first policy in January of 1992.

Our sense of responsibility also comes from the fact that we focus on workers' compensation insurance solely in Texas. Other carriers have the option to come and go as conditions in the market change. Texas Mutual's focus means that we have a responsibility to ensure that the Texas workers' compensation system is the best in the country.

We are serious about fighting fraud and protecting the workers' compensation system against bad actors. Claimants can take advantage by feigning injuries or taking a second job while receiving workers' compensation benefits. Policyholders unfairly compete when they hide payroll or misclassify workers as independent contractors to obtain a lower premium. Agents may misrepresent risks on behalf of their clients. Medical providers and claimants' attorneys can facilitate prolonging claims or overbill for services. Over the last five years, the work of our Special Investigations Department resulted in 28 indictments, 33 convictions and \$12,485,054 in recoveries and restitution. Our public affairs team also works diligently alongside legislators and the Texas Department of Insurance to ensure that the system, often touted as the best in the nation, continues to be balanced for all parties.



\$63,811,806

IN FRAUD AND ABUSE IDENTIFIED
FROM PREMIUM, HEALTHCARE AND
CLAIMANT FRAUD SINCE 2018



\$12,485,054

IN RESTITUTION AND RECOVERY FROM
PREMIUM, HEALTHCARE AND CLAIMANT
FRAUD SINCE 2018

CARISA ESCOBEDO-GARCIA

SENIOR MANAGER, PRODUCT MANAGEMENT

Safeguarding STAKEHOLDER DATA

Protecting stakeholder data is a responsibility everyone in our organization takes seriously. It is embedded in our company culture, and we believe this commitment is reflected from the top of our corporate governance policies to each employee's everyday actions. We all have a responsibility to protect sensitive information entrusted to us by our stakeholders.

Texas Mutual's information security office proactively manages multiple programs and invests in comprehensive, industry proven standards and technologies. In addition to this, the office continuously monitors emerging security threats and assesses appropriate responses. To ensure that everyone understands the importance of protecting stakeholder data, we have an extensive cybersecurity training and awareness program for employees of all levels. This includes various training methods and security topics. As our industry faces elevated risks of cyber-attacks, particularly in the form of ransomware, our team conducts ransomware readiness assessments, has expanded our zero-trust approach to securing data and infrastructure, and has strengthened our cyber incident response planning and resiliency measures.

In addition to our internal environment, we have processes in place to provide assurance that external third parties that use or store our sensitive information meet Texas Mutual's standards for information security. To ensure continued compliance, we assess third parties before engaging with them and throughout the contract lifecycle. We currently track over 300 vendors and send annual questionnaires to vendors with sensitive information. All of these efforts are critical to maintaining the trust of our stakeholders and continuing our work to create a stronger, safer Texas.



ANNUAL
CYBERSECURITY TRAINING



VENDOR RISK
EVALUATIONS



ARIELLE SADLER

SUPERVISOR CLAIMS TRAINING &
TECHNICAL WRITING

COMMUNITY *Engagement*

Texas Mutual's vision of creating a stronger, safer Texas is what drives our organization forward. We do that day in and day out through our service to customers and extend this culture of service to communities where we live and work. Through employee giving, volunteering and charitable sponsorships, we are creating strong connections with the people and places that need us most.

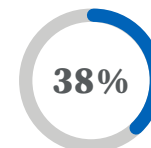
Since the early days of our company's history, our employees have collectively rallied around important issues by raising awareness and funds for causes like heart disease, multiple sclerosis, and community support for working families. Our passion for giving shines through during these campaigns, raising millions of dollars in creative ways while supporting communities across the state of Texas.

We strive to connect our monetary donations with hands-on service projects. Since 2016, our employees have volunteered 22,251 hours. From sorting food donations and cooking homemade meals to volunteering at after-school programs and helping teachers at nearby elementary schools, our employees are out in the community giving their time. Our culture of service is amplified during the fall when the entire company comes together for our annual TXM Week of Giving in partnership with the Insurance Industry Charitable Foundation (IICF). During this week, our employees roll-up their sleeves and volunteer hundreds of hours by serving dozens of nonprofits around the state. This collective giving effort shows the true power of strength in numbers—both within our own company and the insurance industry as a whole.

Texas Mutual's dedication to community engagement matters to employees, it strengthens the communities in which we live and work, is a reflection of who we are and it advances our goal of serving as a model corporate citizen.



22,251
EMPLOYEE
VOLUNTEER
HOURS SINCE 2016



EMPLOYEE
PARTICIPATION IN
WEEK OF GIVING

SECTION 6

Strengthening THE TEXAS ECONOMY



A strong Texas economy is a strong Texas Mutual. We know that we only succeed when the businesses of Texas succeed. As a mutual insurance company, we are here for the long term. We make our business decisions based upon what is good for our long-term success and the long-term success of the state of Texas. We are not chasing quarterly profits for stakeholders. We know that we must be here today and for decades to come.

A competitive force
in the workers'
compensation market

Workforce development
grants

Disaster preparedness
and response

Dividend program





DANIEL SILVA
STEELHEAD, INC
POLICYHOLDER

A Competitive Force in the WORKERS' COMPENSATION MARKET

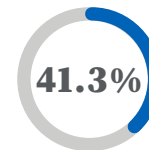
Texas Mutual is here for Texas. Unlike most of our competitors, we are here for all types of industries and all sizes of businesses. Nothing is too big, too small, or too risky for us to insure. It is our mission to ensure that all Texas employers have access to a quality workers' compensation insurance marketplace. We feel a duty to protect their business and take care of their employees in the unfortunate event that someone gets hurt on the job. We take this duty seriously, and we supplement it through unparalleled safety services that help prevent workplace injuries in the first place and with compassionate care for injured employees if they are hurt. Our goal is always to get employees back to work and back to the activities of life that they enjoy.

We are the largest insurer of workers' compensation insurance in the state of Texas. Our over 40% market share is greater than the next fifteen companies combined. Because of our leadership, we insure over 75,000 Texas businesses and know that we are a role model for the industry. Our underwriters are working every day to ensure responsible pricing that encourages competition in the Texas workers' compensation market. That means we will not make rash decisions that threaten the stability of the workers' compensation system as a whole.

Most of the businesses that we insure are small businesses. Those businesses have unique needs and may not get the attention that they deserve from other carriers because of their size. We make a suite of safety services available to those businesses to help them succeed. Today's small business is often tomorrow's large business and small businesses deserve the same opportunity to succeed as their competitors.



OVER
75,000
POLICYHOLDERS



AVERAGE MARKET SHARE OVER
THE PAST TEN YEARS



CAFÉ MOMENTUM
WORKFORCE DEVELOPMENT
GRANT RECIPIENT

WORKFORCE DEVELOPMENT *Grants*

Strengthening the Texas economy starts with fortifying our workforce by ensuring that Texas businesses have the workforce talent of the future. A lack of availability of a properly trained, diversified workforce leads to gaps in the labor market and accidents on the job, ultimately weakening the state's stability. To us, a strong Texas workforce is achieved by promoting jobs at all skill levels and ensuring that these job needs are met by a population trained with the information and tools needed for success. This starts by ensuring students can engage with career opportunities that inspire developing minds with professional possibilities. A stable economy relies on the Texas population meeting labor market needs and preventing future workforce gaps by promoting programs like apprenticeships and earn-and-learn initiatives that encourage workforce growth.

We proudly invest in the Texas economy through our annual Workforce Development and Safety Training grants, gifted to nonprofits across the state that are addressing the workforce development needs within their community. By funding programs that focus on paid earn-and-learn initiatives, promoting in-demand middle-skill jobs, and investing in safer work practices, we engage with organizations statewide to expand opportunities for job skill development for career-seekers across Texas. Additionally, Texas Mutual strategically invests in local organizations focused on fire response and prevention and organizations improving safety practices in their workplaces. Since 2020, we have invested over \$15.4 million in workforce development initiatives that are helping shape the future of the Texas economy.



\$15,405,263
INVESTED SINCE 2020



20 YEARS
OF COMMUNITY COLLEGE
SAFETY GRANT PROGRAM



DISASTER PREPAREDNESS *And Response*

From catastrophic hurricanes to a global pandemic, the destruction of unexpected disasters can be devastating for communities. Disaster preparedness and response is critical to creating strong, safe and resilient communities across the state.

Part of this commitment means providing businesses with the resources they need to prepare for a disaster. To assist with this, Texas Mutual has created a podcast series called Be Ready Texas, featuring experts who discuss timely topics such as cybersecurity, crisis communication and active shooter training. We are also underwriting a disaster resource guide, which is in partnership with Texas Search and Rescue (TEXSAR). This online tool will give companies clear direction when trying to get connected to the right resources.

When Hurricane Harvey hit the Texas coast in 2017, many of our policyholders sustained a significant amount of damage. Texas Mutual quickly stepped up and provided grant funding support of more than \$10 million. Businesses were able to use funds for expenses such as payroll, equipment repairs, replacement of lost inventory and other expenses associated with rebuilding. Since then, we have continued to show up to distribute funding in the wake of several disasters that have hit across the state.

Most recently, Texas Mutual distributed \$100,000 in response to Winter Storm Uri in 2021 and \$250,000 to community organizations in Uvalde after the devastating school shooting at Robb Elementary School. We will continue to show up when there is a need, and we are committed to doing our part to help businesses and communities become more prepared, and recover quicker in the event of serious disasters.

PHOTO CREDIT:
TEXSAR



\$15 MILLION
INVESTED SINCE 2017



TEXAS

Disaster Preparedness for Business
TEXAS MUTUAL INSURANCE COMPANY

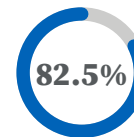


SCOTT BAIN
MANAGER REGIONAL
SAFETY SERVICES

Dividend PROGRAM

As a policyholder-owned company, we believe in sharing in our financial success with our policyholders. For more than 25 years, our dividend program has played a fundamental role in our work toward building a stronger, safer Texas. We have been proud to be able to reward our policyholders for their dedication to maintaining safe work environments and trusting us to protect their businesses. Those safety conscious employers lead to good financial results for Texas Mutual and pay off for the employers who are investing in safe work practices. Our dividend program is unique in the insurance industry, it is one of the key things that sets us apart from our competitors in the eyes of insurance agents and our policyholders.

Since 1999, Texas Mutual has put more than \$3.7 billion back into the Texas economy by returning that money to the businesses who have allowed us to be successful. In turn, those businesses across the state have invested in their employees, their safety programs and their own growth to help keep the economic engine of Texas moving forward. In 2022, we paid out \$330 million in dividends to employers of all sizes. Our dividend program includes both safety and loyalty components to reward policyholders who show commitment to sharing our vision of a safe workplace. The longer a policyholder is with Texas Mutual, the greater their opportunity is to earn dividends. Many of our most loyal policyholders have been earning dividends for a decade or more, returning significant portions of their workers' compensation premium to the bottom lines of their companies.



POLICYHOLDER RENEWAL
RATE IN 2022

90% OF ELIGIBLE POLICYHOLDERS
RECEIVED A DIVIDEND IN 2022

SECTION 7

TEXAS MUTUAL'S

Governance Structure

Our governance structure provides oversight and accountability that ensures we deliver on our promise to our stakeholders.

Texas Department of Insurance – Division of Workers' Compensation

As a workers' compensation insurer, Texas Mutual is highly regulated and subject to regulatory oversight and enforcement from the Texas Department of Insurance and its Division of Workers' Compensation.

Board of Directors

The board is composed of nine members, five of whom are appointed by the governor and four are elected by policyholders. President and CEO, Jeanette Ward, serves as an ex officio member.

Senior Leadership

Our board of directors and senior leadership guide the pivotal actions that we take to deliver on our mission and remain the leading provider of workers' compensation insurance and a top employer in the state.

General Counsel and General Auditor

The General Counsel and General Auditor are appointed by the board and report to the board.

Stakeholders

(Policyholders, agents, providers, workers, our employees and the community)

We prioritize leading with trust and credibility, to take responsible action in a manner that maintains our position of trust among stakeholders.

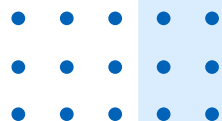


SECTION 8

A Brighter Future WITH TEXAS MUTUAL

Over thirty years ago, Texas Mutual was created to fix a broken workers' compensation system. We have built a legacy rooted in *stability, responsibility, compassion* and *longevity*. This strong foundation guides our continued focus on being a stable force for good in all that we do, now and in the future.





TexasMutual[®]
WORKERS' COMPENSATION INSURANCE

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