Improve Company Earnings

The Merchants Pre-Employment Integrity Test™ is a scientifically designed behavioral assessment that identifies four high-risk behaviors that adversely impact your business: theft, substance abuse, hostility and faking.

Since 1979, the Merchants Pre-Employment Integrity Test™ has proven to be a highly effective initial screening tool. Our unique technology has strong advocates in a broad spectrum of employment settings ranging from the staffing industry to health care providers, food processors, retailers, and manufacturers.

Measurable Results with Merchants Pre-Employment Integrity Test™:
- Reduce workers' compensation loss rates up to 60% or more
- Identify applicants with an "entitlement mentality"
- Improve workforce quality
- Increase earnings by having fewer “bad hires”

Merchants Pre-Employment Integrity Test™ services feature:
- 24/7/365 testing
- Access to test results via our HR Magnet website
- Monthly activity reports on each applicant screened (by location)
- Semi-annual validation research and EEOC compliance reports
- Annual Workers' Comp Studies & other benchmarking studies
- Toll-free customer service support
- Money back guarantee**

Benefits of Merchants Pre-Employment Integrity Test
- Improved workforce quality
- Instant results - accelerates the hiring process
- Reduced turnover
- Less workplace violence
- Fewer negligent hiring suits
- Reduced absenteeism
- Fewer unemployment insurance claims
- Improved auto liability expenses
- Identification of applicants with an “entitlement mentality”
- Reduced employee theft
- Less FMLA utilization
- Reduction in non-occupational disability losses
- Major reductions in workers’ compensation losses
- Tax credits available to qualifying businesses

Since 1912, Merchants has been providing technology based business information to secure your financial future.

Take The Merchants Challenge
Reduce your workers’ compensation loss rates by 60% and unemployment expense payouts by 30% with the Merchants Pre-Employment Integrity Test™, or your money back.*

To learn more about how the Merchants Pre-Employment Integrity Test™ can increase both your productivity and earnings, and take the Merchants Challenge, please contact us today at 1.800.422.6659 or visit www.MerchantsInfo.com.

*If Merchants doesn’t generate mutually agreeable reductions in workers’ compensation loss rates, Merchants will refund the fees that were not realized by your overall savings. Ask Merchants for details.

**Actual worker compensation rate reductions vary by company. Merchants will provide a written guarantee forecast of anticipated workers compensation rate reductions based on the unique attributes of your organization. Indemnifications and exclusions are available upon request, results vary by industry.
Workers’ Compensation Benchmarking

As a customer service, Merchants Pre-Employment Integrity Test™ examines the difference between screened and unscreened applicants. Since the integrity test is only given to new hires, a built-in control group of existing, unscreened employees is automatically available. The differences in claim frequency and severity rates between screened workers and unscreened employees can be readily calculated. These “within year” studies provide an objective comparison of the difference in compensation losses between the two groups – even when multiple risk control strategies are implemented concurrently with Integrity Testing.

For example, suppose a company decides to implement integrity testing, a new return-to-work program, and new safety incentives all at the same time. How can the impact of the Merchants program be accurately measured when two other new programs are operating concurrently? Simple. All employees (screened and unscreened) receive the benefit of the return-to-work and safety incentive programs. The only difference is that some workers were screened.

As almost all other risk control protocols apply to the entire workforce (new hires and existing employees), integrity testing provides a unique opportunity to measure its effects on workers’ compensation losses since it only applies to new hires.

Over the past several years, Merchants has completed over a dozen major workers’ compensation benchmarking studies. The results of some of these studies are summarized below. The average 63% comp loss reduction shown in the table below represents the combined effects of lower claim frequency and severity in screened workers compared to unscreened employees working in the same type of jobs at the same time.

### Workers’ Comp Case Studies Prove Integrity Testing Enhances Earnings

<table>
<thead>
<tr>
<th>Study Period</th>
<th>Industry</th>
<th>Frequency Reduction</th>
<th>Severity Reduction*</th>
<th>Total Employees in Study</th>
<th>Total Comp Loss Reduction Among Tescor Screened</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Staffing</td>
<td>56%</td>
<td>40%</td>
<td>32,158</td>
<td>74%</td>
</tr>
<tr>
<td>1997-2000</td>
<td>Manufacturer</td>
<td>71%</td>
<td>36%</td>
<td>8,486</td>
<td>82%</td>
</tr>
<tr>
<td>1999</td>
<td>Staffing</td>
<td>67%</td>
<td>-7%</td>
<td>50,710</td>
<td>64%</td>
</tr>
<tr>
<td>2000</td>
<td>Staffing</td>
<td>93%</td>
<td>26%</td>
<td>6,904</td>
<td>95%</td>
</tr>
<tr>
<td>2002</td>
<td>Food Processor</td>
<td>45%</td>
<td>48%</td>
<td>11,659</td>
<td>68%</td>
</tr>
<tr>
<td>2002 - 2003</td>
<td>Insurance</td>
<td>78%</td>
<td>29%</td>
<td>6,165</td>
<td>84%</td>
</tr>
<tr>
<td>2003 - 2004</td>
<td>Hospitality</td>
<td>49%</td>
<td>50%</td>
<td>33,345</td>
<td>74%</td>
</tr>
<tr>
<td>2002 - 2004</td>
<td>Long-Term Care</td>
<td>55%</td>
<td>18%</td>
<td>9,054</td>
<td>63%</td>
</tr>
<tr>
<td>2004</td>
<td>Home Healthcare</td>
<td>55%</td>
<td>18%</td>
<td>5,035</td>
<td>63%</td>
</tr>
<tr>
<td>2003 - 2005</td>
<td>Staffing</td>
<td>48%</td>
<td>15%</td>
<td>207,509</td>
<td>54%</td>
</tr>
<tr>
<td>2005</td>
<td>Retail</td>
<td>70%</td>
<td>45%</td>
<td>18,200</td>
<td>83%</td>
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<tr>
<td>2005</td>
<td>Commercial Laundry</td>
<td>56%</td>
<td>14%</td>
<td>10,596</td>
<td>59%</td>
</tr>
<tr>
<td>2006</td>
<td>Construction</td>
<td>47%</td>
<td>38%</td>
<td>4,864</td>
<td>67%</td>
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<tr>
<td>2007</td>
<td>Long-Term Care</td>
<td>59%</td>
<td>81%</td>
<td>1,605</td>
<td>92%</td>
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<tr>
<td>2007</td>
<td>Long-Term Care</td>
<td>41%</td>
<td>16%</td>
<td>9,558</td>
<td>50%</td>
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<tr>
<td>2008</td>
<td>Hospitality</td>
<td>54%</td>
<td>59%</td>
<td>4,161</td>
<td>81%</td>
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<tr>
<td>2009</td>
<td>Rental Company</td>
<td>72%</td>
<td>38%</td>
<td>8,650</td>
<td>82%</td>
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<tr>
<td>Total and Weighted Average</td>
<td>-</td>
<td>54%</td>
<td>21%</td>
<td>428,659</td>
<td>63%</td>
</tr>
</tbody>
</table>

* The severity reduction is based on all claims, open and closed. When the analysis is based on closed claims, the severity reduction is significantly higher.

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To learn more about how the Merchants Pre-Employment Integrity Test™ can increase both your productivity and earnings, and take the Merchants Challenge**, please contact: Mark Walker, 570.402.2026, mwalker@merchantsinfo.com or Gary Pederson, 303.284.6132, gpederson@theedgeisyours.com

Enhancing Workforce Quality Since 1979