



FOR IMMEDIATE RELEASE

Contact: Jeffrey B. Murphy, President and CEO or
Alfred L. LaTendresse, EVP and CFO
RTW, Inc.
(952) 893-0403

A.M. Best Improves Financial Strength Ratings of RTW, Inc.'s Subsidiaries
A.M. Best Increases the Rating of RTW's Insurance Subsidiaries to B++ (Very Good)

MINNEAPOLIS, MN – May 18, 2006, RTW, Inc. (RTW, Nasdaq: RTWI), a leading provider of products and services to manage insured and self-insured workers' compensation, disability and absence programs, today reported that A.M. Best Co. (Best), Oldwick, New Jersey, upgraded the financial strength rating of American Compensation Insurance Company (ACIC) to B++ (Very Good) from B+ (Very Good). Best also assigned an initial financial strength rating of B++ (Very Good) to Bloomington Compensation Insurance Company (BCIC), a wholly-owned subsidiary of ACIC. The outlook for both ratings is positive. RTW increased the capital and surplus of its insurance subsidiaries to \$43.6 million in 2005 from \$38.5 million in 2004, as a result of profitability in 2005.

According to Best, "The rating reflects RTW's insurance operations strong capitalization, the company's focus on integrated absence management and significantly improved underwriting profitability." "After changing the executive management team in December 2001, the company closed unprofitable regions, reduced premiums in force, improved pricing and refocused on its specific underwriting niche and intense claims and case management." "The outlook reflects the group's significant turnaround in operating performance through profitable underwriting and improved claims management, which have contributed to solid organic growth in surplus since 2001." "Using its proprietary claims and case management system, RTW closes claims more quickly and at a lower average cost per claim than its competitors in the workers' compensation industry."

Jeffrey B. Murphy, President and Chief Executive Officer of RTW said, "We are pleased that Best has recognized the strides we have made in improving our insurance operations and are excited about the announced rating increase. We view the upgrade to B++ with a positive outlook from B+ with a positive outlook as a very favorable move from Best. We have worked diligently since 2001 to improve operations, grow profitability and increase capital and surplus in our insurance subsidiaries. We believe that the rating improvement affirms the actions we have taken and outcomes we have achieved to date. Increasing the rating of our insurance subsidiaries, without the aid of capital contributions, is an incredible accomplishment and a tribute to the employees of RTW. We are committed to producing results that will position us for additional favorable analysis in the future."

About RTW, Inc.

RTW, Inc., based in Minneapolis, Minnesota, provides disability and absence management services, primarily

directed at workers' compensation to: (i) employers insured through our wholly-owned insurance subsidiaries, ACIC and BCIC; (ii) self-insured employers on a fee-for-service basis; (iii) state assigned risk plans on a percent of premium basis; (iv) other insurance companies; and (v) agents and employers on a consulting basis, charging hourly fees. The company developed two proprietary systems to manage disability and absence: (i) ID15[®], designed to quickly identify those injured employees who are likely to become inappropriately dependent on disability system benefits, including workers' compensation; and (ii) The RTW Solution[®], designed to lower employers' disability costs and improve productivity by returning injured employees to work as soon as safely possible. The company supports these proprietary management systems with state-of-the-art technology and talented people dedicated to its vision of transforming people from absent or idle to present and productive. ACIC writes workers' compensation insurance for employers primarily in Minnesota, Colorado and Michigan. BCIC offers workers' compensation insurance to selected employers in Minnesota. In addition, through its AbsentiaSM division, RTW expanded non-insurance products and service offerings nationally. The company's services are effective across many industries. RTW, Inc. is traded on the Nasdaq National Market under the symbol RTWI. For more information on RTW, Inc., please visit www.rtwi.com.

Safe Harbor Statement

Some of the statements made in this News Release, as well as statements made by us in periodic press releases and oral statements made by us to analysts and shareholders in the course of presentations about RTW, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The following important factors, among others, have affected and in the future could affect our actual results and could cause our actual financial performance to differ materially from that expressed in any forward-looking statement: (i) ACIC's ability to retain renewing policies and write new business with a B++ (Very Good, Secure) rating from A.M. Best; (ii) our ability to continue to extend our workers' compensation and absence management services to self-insured employers and other alternative markets and to operate profitably in providing these services; (iii) our ability to expand our insurance solutions to new markets and write small accounts and select association business through ACIC; (iv) our ability to maintain or increase rates on insured products in the markets in which we remain or alternatively non-renew or turn away improperly priced business; (v) the ability of our reinsurers to honor their obligations to us; (vi) our ability to accurately predict claim development; (vii) our ability to provide ID15, The RTW Solution and other proprietary products and services to customers successfully; (viii) our ability to manage both our existing claims and new claims in an efficient and effective manner; (ix) our experience with claims frequency and severity; (x) medical inflation; (xi) competition and the regulatory environment in which we operate; (xii) general economic and business conditions; (xiii) our ability to obtain and retain reinsurance at a reasonable cost; (xiv) changes in workers' compensation regulation by states, including changes in mandated benefits or insurance company regulation; (xv) interest rate changes; and (xvi) other factors as noted in our filings with the Securities and Exchange Commission. This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may affect our future performance.