

FOR IMMEDIATE RELEASE

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RTW's Founder and Chairman Emeritus Enters into 10b5-1 Plan

MINNEAPOLIS, MN – August 30, 2004, RTW, Inc. (Nasdaq: RTWI), a leading provider of products and services to cost-effectively manage both insured and self-insured workers' compensation programs, today announced that David C. Prosser, the Company's Founder and Chairman Emeritus, and a current director of the Company, has entered into a pre-arranged, systematic trading plan to sell RTW shares in accordance with guidelines specified by Rule 10b5-1 under the Securities Exchange Act of 1934 and RTW's policies with respect to insider sales.

Rule 10b5-1 permits officers and directors of public companies to adopt pre-determined plans for selling specified amounts of stock. The plans may be entered into only when the director or officer is not in possession of material, nonpublic information and may be used to gradually diversify investment portfolios over a period of time.

Mr. Prosser's 10b5-1 Plan provides for the sale of approximately 150,000 RTW shares of common stock, beginning August 30, 2004. As of August 30, 2004, Mr. Prosser beneficially owned approximately 730,000 shares. Mr. Prosser has designated a target price for the sale of his shares. If the RTW stock is not trading at or above the target price, the shares may not be sold. Mr. Prosser has completed all sales of RTW Common Stock contemplated by an earlier Rule 10b5-1 Plan that was announced by RTW in April 2004.

RTW, Inc., based in Minneapolis, Minnesota, manages workers' compensation programs for insured and self-insured employers using its proprietary management systems: (i) ID15[®], designed to identify those injured employees who are likely to get caught in the workers' compensation system; and (ii) the RTW SOLUTION[®], designed to lower employers' workers' compensation costs and return injured employees to work as soon as possible. RTW offers its insured products to employers in Minnesota, Colorado and Michigan and expects to expand its non-risk products and services nationally. Customers span many industries, including manufacturing, health care, hospitality and wholesale/retail.

RTW, Inc. is traded on the Nasdaq National Market under the symbol RTWI. For more information on RTW, Inc., please visit www.rtwi.com.