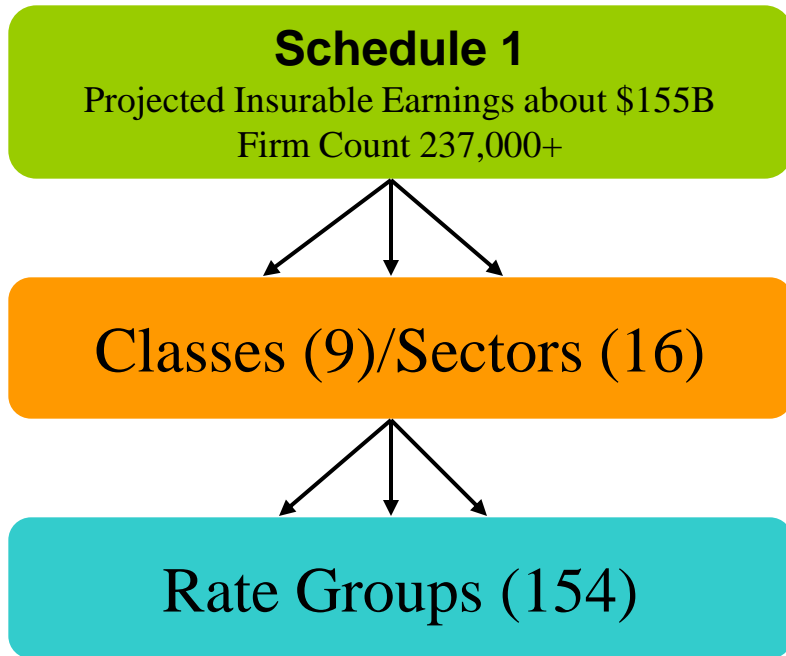


Drivers of the Premium Rate for Rate Group 921 - Hotels, Motels And Camping

Premium Rate Making



3 components of premium rate

- New Claims Cost (NCC)
- Administration Expenses (Admin)
- Unfunded Liability (UFL) includes Gain & Loss (G&L) and Bad Debts

3 components of premium rate

- NCC based on projected insurable earnings (IE), claim (lost time + no lost time) rates and claim costs by Class
- Admin and UFL by Class

3 components of premium rate

- NCC based on projected IE, claims by rate group and claim costs index relative to overall Class claim costs
- Admin is prorated by NCC and IE of rate group
- UFL is prorated by NCC of rate group

Profile of Rate Group 921

Hotels, Motels And Camping

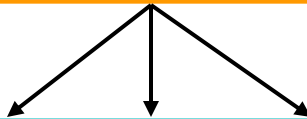
Schedule 1

Projected Insurable Earnings about \$155.0B
Firm Count 237,000+



Services Sector

Projected Insurable Earnings about \$42.3B
or about 27.3% of Schedule 1
Firm Count 88,700+



Rate Group 921

Projected Insurable Earnings about \$930.4M
or about 2.2% of Services Sector
Firm Count 2,650+

2011 Premium Rate Components

	<u>RG 921</u>	<u>Services Sector</u>	<u>Schedule 1</u>
NCC	\$1.344	\$0.685	\$1.010
Admin	\$0.501	\$0.324	\$0.400
UFL	\$1.129	\$0.578	\$0.942
Total Rate	\$2.97	\$1.59	\$2.35

Frequency

Summary of Insurable Earnings, Average Insurable Earnings, Employment, Number of Claims and Total Claim Rate

Rate Group 921: Hotels, Motels And Camping

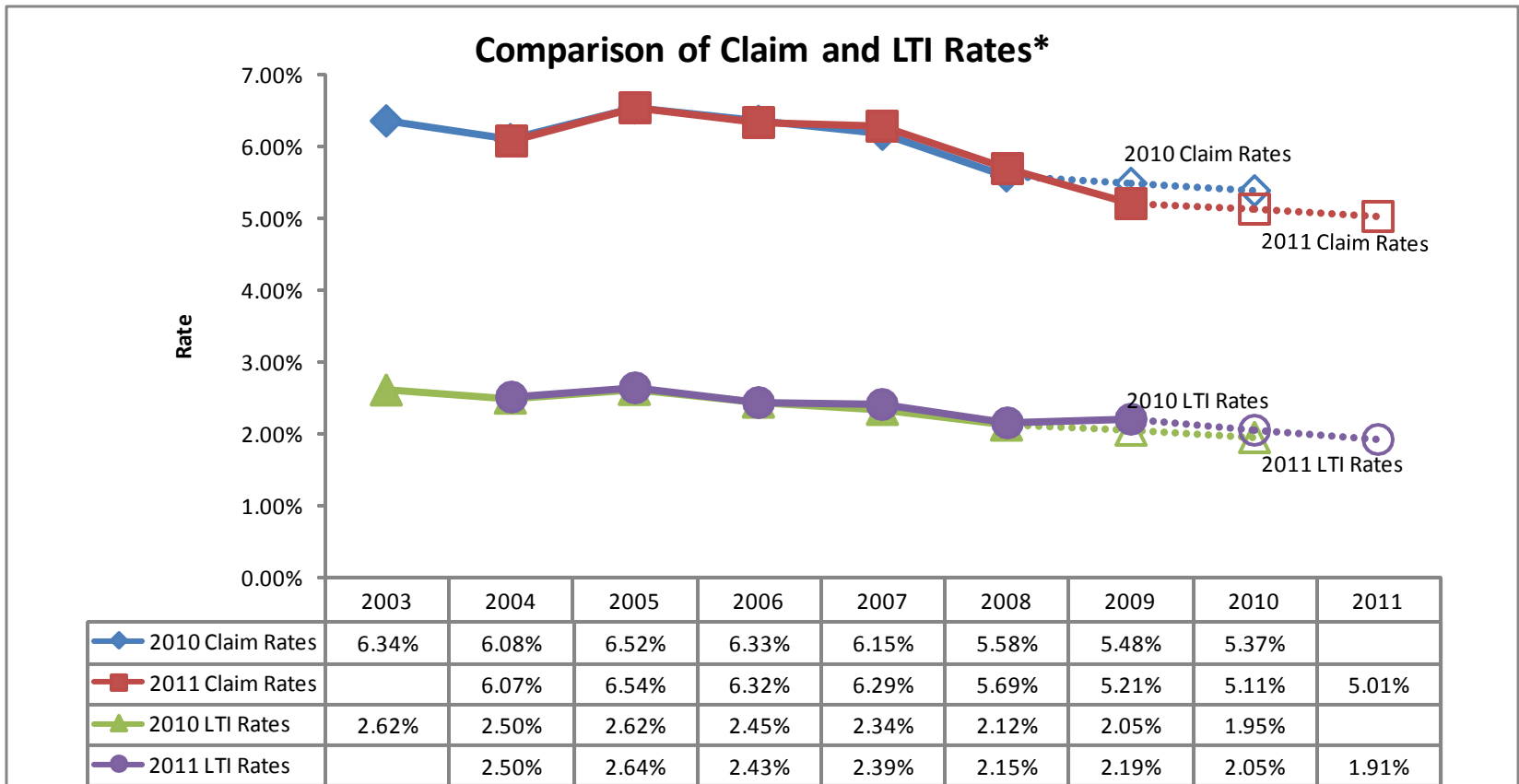
Year	Insurable Earnings	Maximum Insurable Earnings Ceiling	Average Insurable Earnings	Employment	Number of Claims	Total Claim Rate
2004	\$717,567,777	\$66,800	\$22,454	31,957	1,941	6.07%
2005	\$744,547,830	\$67,700	\$23,279	31,984	2,091	6.54%
2006	\$795,284,780	\$69,400	\$23,298	34,135	2,158	6.32%
2007	\$833,963,138	\$71,800	\$24,994	33,367	2,098	6.29%
2008	\$872,022,576	\$73,300	\$25,462	34,248	1,949	5.69%
2009	\$871,078,995	\$74,600	\$25,407	34,285	1,785	5.21%
2010	\$900,036,998	\$77,600	\$26,046	34,556	1,767	5.11%
2011	\$930,352,531	\$79,600	\$26,684	34,865	1,748	5.01%

3.0% annual improvement in Claim rate

Frequency

Rate Group 921

Hotels, Motels And Camping



*Used in premium rate setting.

Total Claim Rates Comparison

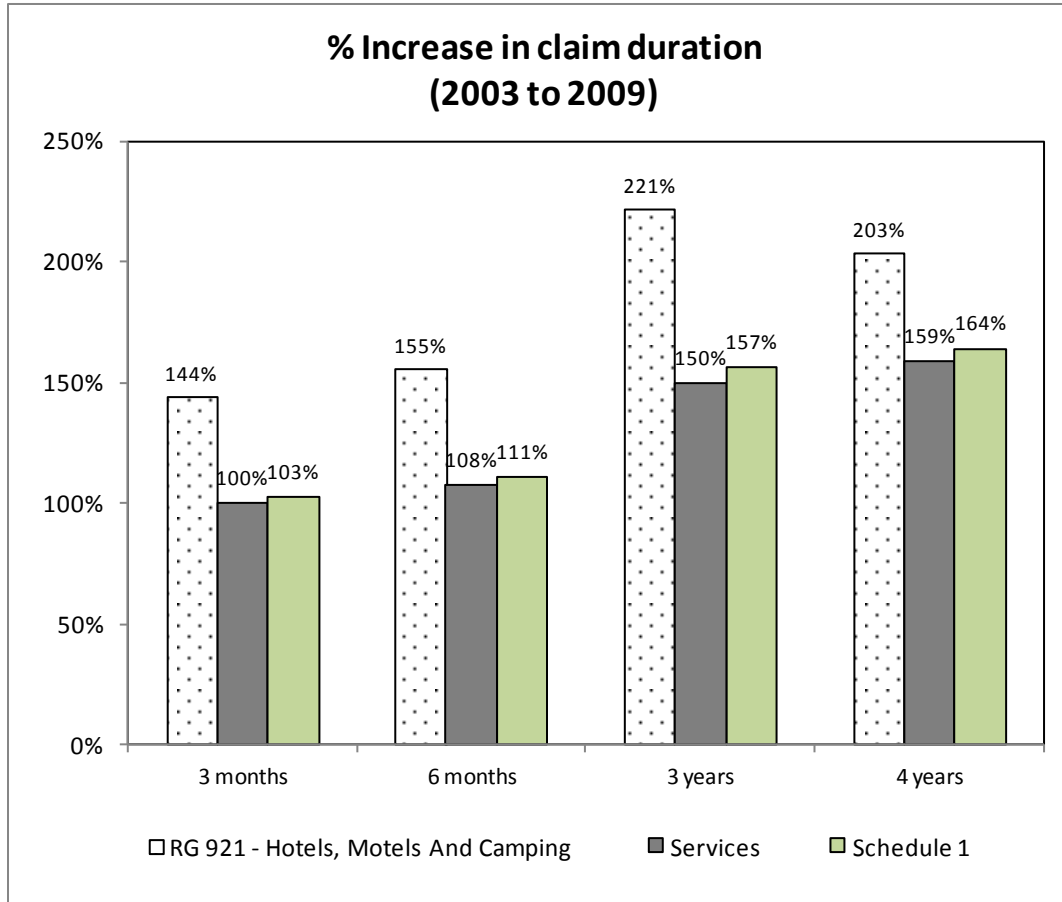
Name	6 Year Claim Rate Improvement		5 Year Claim Rate improvement	
	From 2004 to 2009	Average Per-Year Improvement (+) Improving (-) Worsening	Fom 2004 to 2008	Average Per-Year Improvement (+) Improving (-) Worsening
Rate Group 921, Hotels, Motels And Camping	14.3%	3.0%	6.3%	1.6%
Services Sector	27.4%	6.2%	14.9%	3.9%
Schedule 1	29.7%	6.8%	17.7%	4.8%

LTI Rates Comparison

Name	5 Year LTI Rate improvement	
	Fom 2004 to 2008	Average Per-Year Improvement (+) Improving (-) Worsening
Rate Group 921, Hotels, Motels And Camping	14.1%	3.7%
Services Sector	18.2%	4.9%
Schedule 1	20.8%	5.7%

Claim Duration Analysis

Rate Group 921 - Hotels, Motels And Camping



High Impact Claims

Rate Group 921 Hotels, Motels And Camping Average % of Claims (2007 to 2009)

High Impact Claims	<i>Rate Group 921 Hotels, Motels And Camping</i>	Services Sector	Schedule 1
Lower Back	22.8%	20.8%	21.2%
Shoulder	5.9%	5.8%	6.5%
Fractures	5.0%	5.7%	6.9%

Definition of high impact claims:

Lower Back: Part of Body Code equals "Lumbar Region", "Sacral Region", "Lumbo-Sacral Region", "Coccygeal Region", or "Lower Back"

Shoulder: Part of Body Code equals "Shoulder, Including Clavicle, Scapula and Trapezius Muscle if Shoulder is Mentioned"

Fractures: Nature of Injury Code equals "Fractures"

Data Source: Enterprise Information Warehouse, as of June of the following year for injury years 2007 and 2008.
Injury year 2009 as of April 2010.

Summary of Observations

Rate Group 921 - Hotels, Motels And Camping

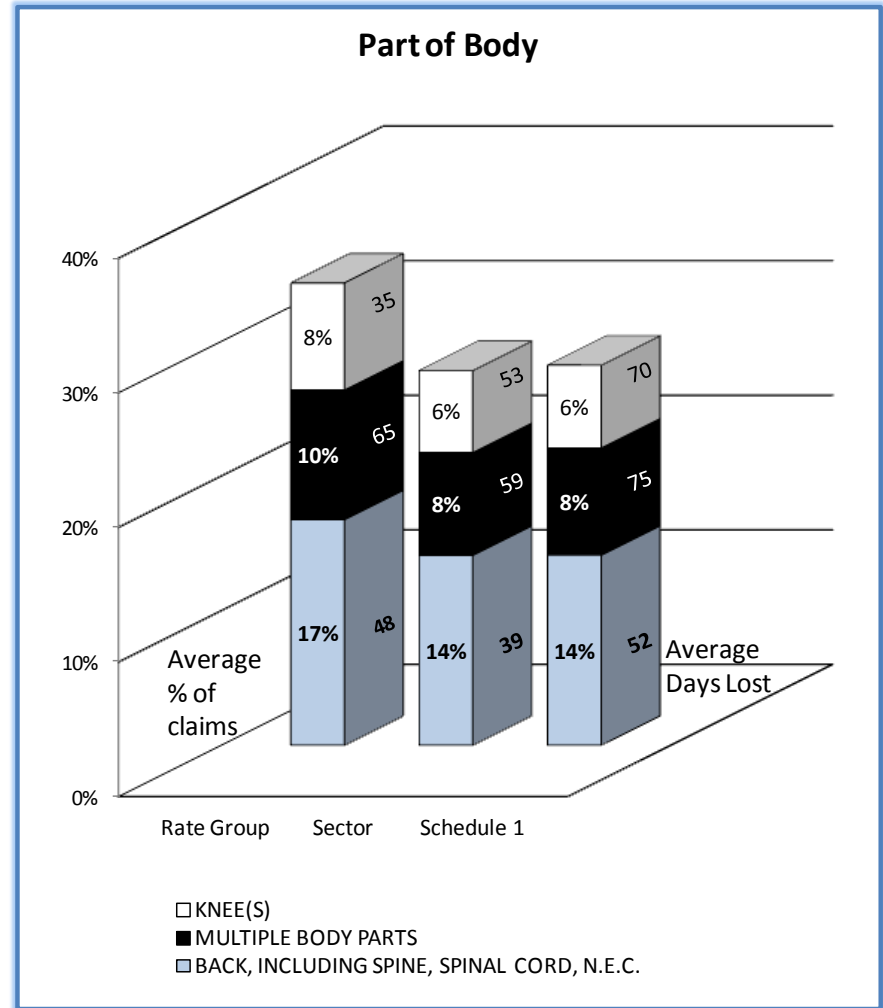
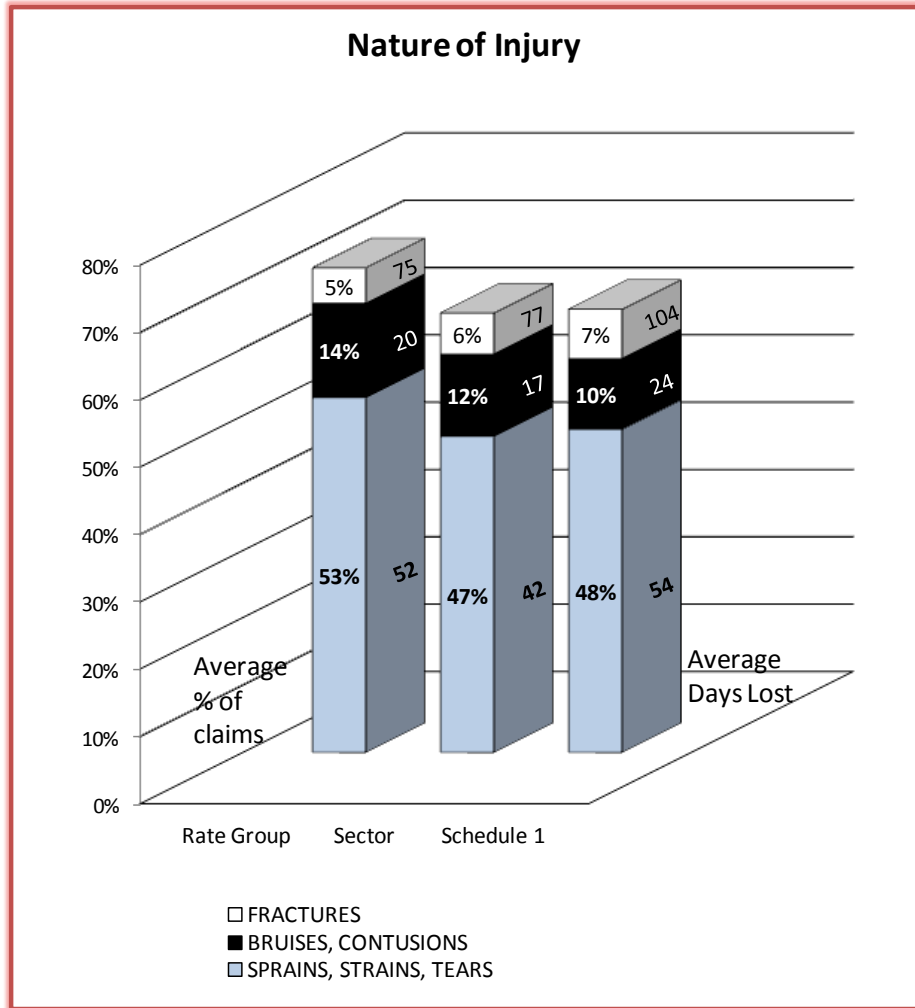
- Claim performance:
 - Frequency Rates:
 - ◆ Total claim rate reduction from 2004 to 2009 is about 14% vs. Schedule 1 (S1) reduction of 30%
 - ◆ Average per year total claim rate reduction of 3% is worse than 7% for S1
 - Claim Severity:
 - ◆ LOE claim duration rates worse than S1 at most durations
 - ◆ Lower back injuries are higher percentage of claims than for the Services sector and S1
 - ◆ One fatality claim in the period 2006 – 2009
- Other Considerations:
 - Increase in UFL component due in part to recognition of bad debts provision

Appendix

Top 3 Injuries

Rate Group 921 - Hotels, Motels And Camping

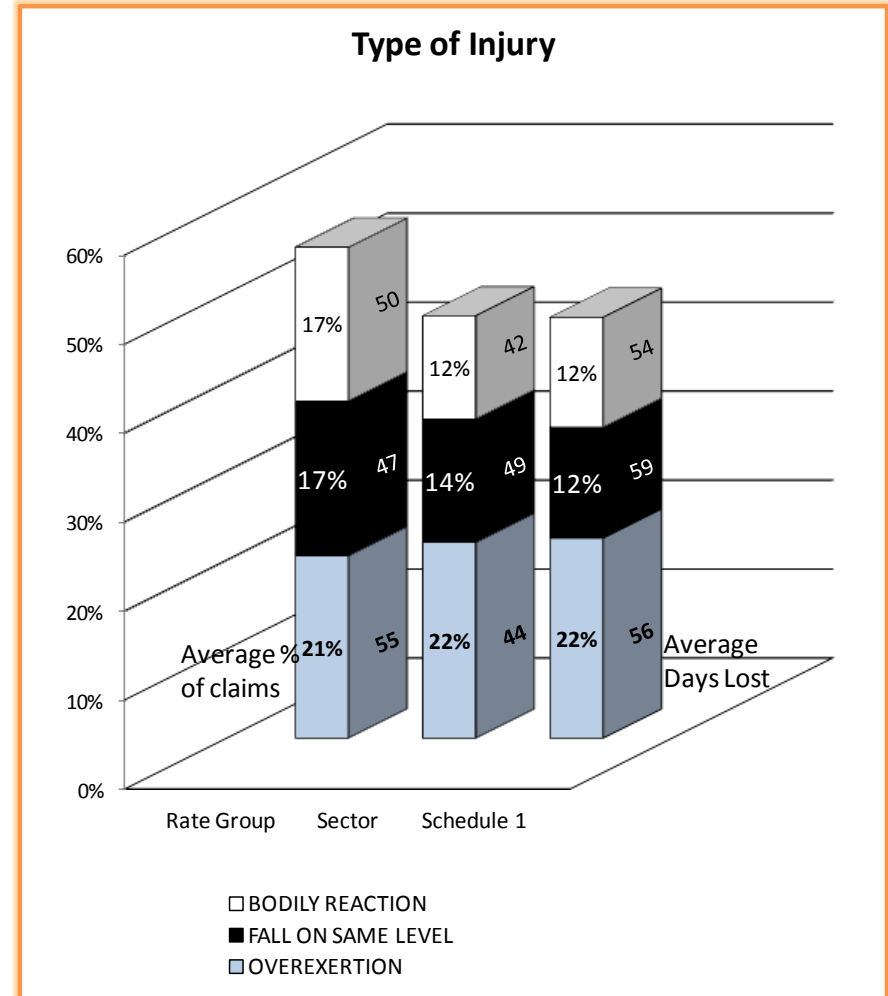
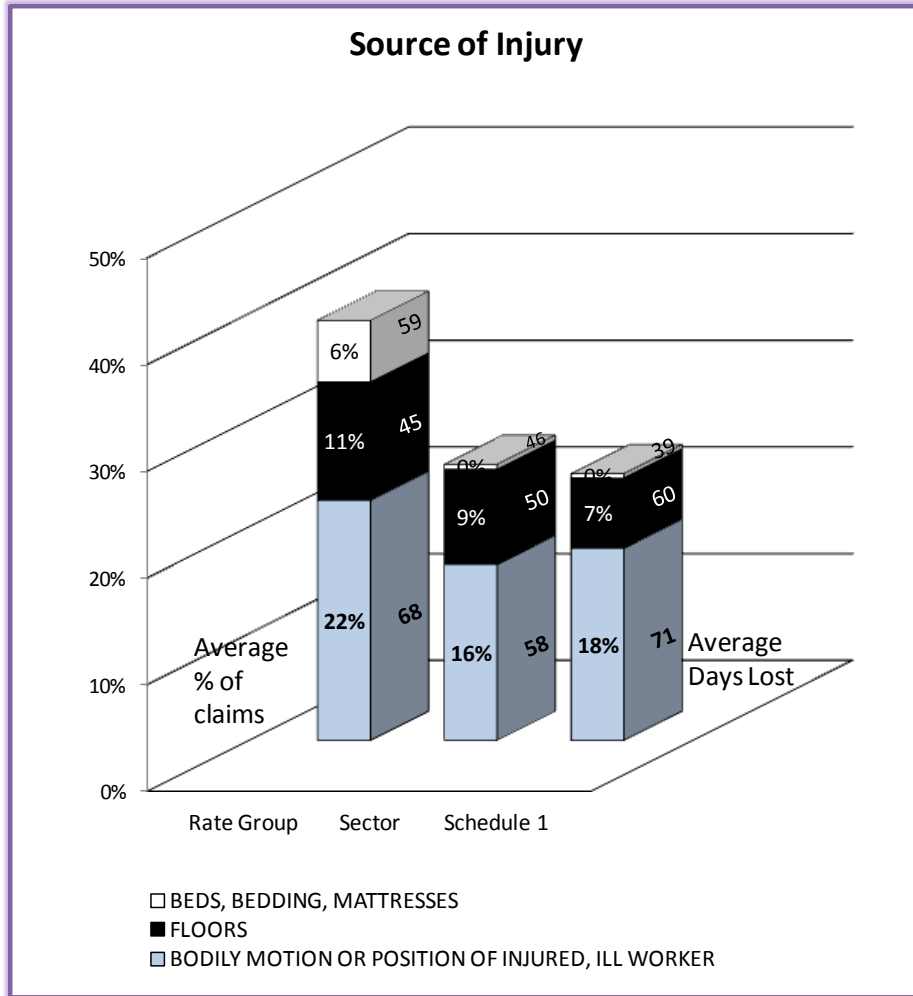
Comparison of Average % of Claims and Average Days Lost (2007 to 2009)



Top 3 Injuries

Rate Group 921 - Hotels, Motels And Camping

Comparison of Average % of Claims and Average Days Lost (2007 to 2009)



Profile of Lower Back Injuries in RG 921 Hotels, Motels and Camping

Worker/Industry

Occupations	Age Bands	Rate Groups
CLEANERS: 57% CHILDCARE AND HOME SUPPORT WORKERS: 13% OTHER ELEMENTAL SERVICE OCCUPATIONS: 5% SALES AND SERVICE SUPERVISORS: 4% OTHER ATTENDANTS IN TRAVEL, ACCOMMODATION, RECREATION: 2% OCCUPATIONS IN FOOD AND BEVERAGE SERVICE: 2%	45-54: 34% 35-44: 25% 25-34: 17% YOUNG WORKERS: 9% OLDER WORKERS: 15%	921: HOTELS, MOTELS AND CAMPING: 100%

Types of Injuries/Events

Source of Injury	Events	Nature of Injury
BODILY MOTION OR POSITION OF INJURED, ILL WORKER: 30% BEDS, BEDDING, MATTRESSES: 10% FLOOR OF BUILDING: 6% BOXES, CRATES, CARTONS: 5% CART, DOLLY, HANDTRUCK: 4% BAGS, SACKS, TOTES: 3%	OVEREXERTION: 45% BENDING, CLIMBING, CRAWLING, ETC: 20% FALL TO SAME LEVEL: 11% BODILY REACTIONS & EXERTION: 8% REPETITIVE MOTION: 4% FALL TO LOWER LEVEL: 3%	SPRAINS, STRAINS, TEARS: 87% HERNIATED DISC: 4% BRUISES, CONTUSIONS: 4%

Source : EIW, claims for injury years 2004 - 2009

Summary of Rates for Rate Groups in Services Sector

Rate Group	Description	2010 Premium Rate per \$100 Insurable Earnings (\$)	2011 Premium Rate per \$100 Insurable Earnings (\$)	Premium Rate Change	
				as % change over 2010 rate	as % of 2010 payroll
604	Food, Sales	2.43	2.43	0.0%	0.0%
606	Grocery And Convenience Stores	1.81	2.11	16.6%	0.3%
607	Specialty Food Stores	3.57	3.57	0.0%	0.0%
608	Beer Stores	3.99	3.99	0.0%	0.0%
630	Vehicle Services And Repairs	3.39	3.39	0.0%	0.0%
633	Petroleum Products, Sales	2.49	2.49	0.0%	0.0%
636	Other Sales	1.40	1.40	0.0%	0.0%
638	Pharmacies	0.61	0.68	11.5%	0.1%
641	Clothing Stores	1.32	1.53	15.9%	0.2%
657	Automobile And Truck Dealers	0.71	0.78	9.9%	0.1%
668	Computer, Electronic And Electrical Equipment, Sales	0.46	0.48	4.3%	0.0%
919	Restaurants And Catering	1.65	1.65	0.0%	0.0%
921	Hotels, Motels And Camping	2.68	2.97	10.8%	0.3%
929	Supply Of Non-Clerical Labour	4.62	4.83	4.5%	0.2%
933	Equipment Rental And Repair Services	2.95	2.95	0.0%	0.0%
937	Recreational Services And Facilities	1.83	2.10	14.8%	0.3%
944	Personal Services	2.98	3.12	4.7%	0.1%
956	Legal And Financial Services	0.18	0.21	16.7%	0.0%
962	Advertising And Entertainment	0.94	1.05	11.7%	0.1%
981	Membership Organizations	0.67	0.77	14.9%	0.1%
Services Sector (weighted by Insurable Earnings)		1.54	1.59	3.2%	0.1%
Schedule 1		2.30	2.35	2.2%	0.1%

Distribution of Firms by Change and Sector

Firm Count in Sector	% Premium Rate Change from 2010 to 2011					Total
	0%	<= 5%	5.01 - 10%	10.01 - 15%	15.01 - 20%	
AGRICULTURE	7,091	0	5,047	1,327	1,167	14,632
AUTOMOTIVE	167	0	0	877	67	1,111
CONSTRUCTION	25,941	0	31,252	0	0	57,193
EDUCATION	157	0	1,123	0	0	1,280
ELECTRICAL	590	209	0	264	0	1,063
FOOD	1,007	307	630	188	197	2,329
FORESTRY	0	0	1,138	65	0	1,203
HEALTH CARE	0	2,934	3,589	0	581	7,104
MANUFACTURING	26,911	5,491	4,207	5,501	1,248	43,358
MINING	419	461	0	0	0	880
MUNICIPAL	0	0	0	0	625	625
PRIMARY METALS	35	83	0	110	0	228
PROCESS/CHEMICALS	0	153	1,405	358	0	1,916
PULP & PAPER	0	0	94	96	0	190
SERVICES	53,981	10,504	2,085	12,114	10,028	88,712
TRANSPORTATION	447	0	2,119	12,111	1,346	16,023
TOTAL - SCHEDULE 1	116,746	20,142	52,689	33,011	15,259	237,847

% OF TOTAL - SCHEDULE 1 **49.1%** **8.5%** **22.2%** **13.9%** **6.4%** **100.0%**



Distribution of 154 Rate Groups by Change and Sector

Rate Group Count in Sector	% Premium Rate Change from 2010 to 2011					Total
	0%	<= 5%	5.01 - 10%	10.01 - 15%	15.01 - 20%	
AGRICULTURE	2	0	1	2	1	6
AUTOMOTIVE	1	0	0	5	1	7
CONSTRUCTION	3	0	9	0	0	12
EDUCATION	1	0	1	0	0	2
ELECTRICAL	2	1	0	1	0	4
FOOD	4	1	2	2	1	10
FORESTRY	0	0	2	1	0	3
HEALTH CARE	0	3	3	0	1	7
MANUFACTURING	33	2	10	5	4	54
MINING	3	1	0	0	0	4
MUNICIPAL	0	0	0	0	1	1
PRIMARY METALS	1	1	0	1	0	3
PROCESS/CHEMICALS	0	1	4	3	0	8
PULP & PAPER	0	0	1	1	0	2
SERVICES	8	3	1	5	3	20
TRANSPORTATION	1	0	5	2	3	11
TOTAL - SCHEDULE 1	59	13	39	28	15	154

% OF TOTAL - SCHEDULE 1

38.3%

8.4%

25.3%

18.2%

9.7%

100.0%

Distribution of 154 Rate Groups by Change and Sector as a % of Payroll

Rate Group Count in Sector	Premium Rate Change as % of 2010 payroll					Total
	0%	< 0.3%	< 0.5%	<0.8%	0.8% to 1%	
AGRICULTURE	2	0	2	2	0	6
AUTOMOTIVE	1	1	4	1	0	7
CONSTRUCTION	3	1	4	1	3	12
EDUCATION	1	1	0	0	0	2
ELECTRICAL	2	2	0	0	0	4
FOOD	4	4	2	0	0	10
FORESTRY	0	0	0	2	1	3
HEALTH CARE	0	6	1	0	0	7
MANUFACTURING	33	14	6	1	0	54
MINING	3	1	0	0	0	4
MUNICIPAL	0	1	0	0	0	1
PRIMARY METALS	1	1	1	0	0	3
PROCESS/CHEMICALS	0	7	1	0	0	8
PULP & PAPER	0	1	1	0	0	2
SERVICES	8	12	0	0	0	20
TRANSPORTATION	1	5	3	2	0	11
TOTAL - SCHEDULE 1	59	57	25	9	4	154

% OF TOTAL - SCHEDULE 1

38.3%

37.0%

16.2%

5.8%

2.6%

100.0%

Distribution of Firms by Change and Sector as a % of Payroll

Firm Count in Sector	Premium Rate Change as % of 2010 payroll					Total
	0%	< 0.3%	< 0.5%	<0.8%	0.8% to 1%	
AGRICULTURE	7,091	0	6,086	1,455	0	14,632
AUTOMOTIVE	167	101	776	67	0	1,111
CONSTRUCTION	25,941	5,748	16,076	4,291	5,137	57,193
EDUCATION	157	1,123	0	0	0	1,280
ELECTRICAL	590	473	0	0	0	1,063
FOOD	1,007	1,041	281	0	0	2,329
FORESTRY	0	0	0	409	794	1,203
HEALTH CARE	0	6,523	581	0	0	7,104
MANUFACTURING	26,911	10,294	5,612	541	0	43,358
MINING	419	461	0	0	0	880
MUNICIPAL	0	625	0	0	0	625
PRIMARY METALS	35	83	110	0	0	228
PROCESS/CHEMICALS	0	1,796	120	0	0	1,916
PULP & PAPER	0	94	96	0	0	190
SERVICES	53,981	34,731	0	0	0	88,712
TRANSPORTATION	447	2,251	1,290	12,035	0	16,023
TOTAL - SCHEDULE 1	116,746	65,344	31,028	18,798	5,931	237,847

% OF TOTAL - SCHEDULE 1	49.1%	27.5%	13.0%	7.9%	2.5%	100.0%
--------------------------------	--------------	--------------	--------------	-------------	-------------	---------------