

2010 Gain and Loss Analysis For Rateable Classes (\$ thousands)

The following is a reconciliation of the variances from the actuarial assumptions for the rateable classes (rounded to the nearest \$1 million).

	2010	2009
Unappropriated balance (unfunded liability) - January 1	764,000	619,000
Adjustment to opening balance ^d	(26,000)	-
Revised Unappropriated balance (unfunded liability) - January 1	738,000	619,000
Current year's excess		
Current year's claim and operating costs ^a		
Estimated	1,217,000	1,155,000
Actual	(1,171,000)	(1,223,000)
	46,000	(68,000)
Premium income adjustments		
Abatement and interest on pre-2000 subclass surplus	3,000	(2,000)
Amortization of balance	(112,000)	(148,000)
Capping of premium rate changes	(63,000)	(5,000)
Prior years' adjustments and miscellaneous	11,000	(23,000)
	(161,000)	(178,000)
Prior years' experience gain (loss)		
Short-term disability	0	(9,000)
Long-term disability	296,000	198,000
Survivor benefits	(3,000)	(3,000)
Health care	(9,000)	(73,000)
Rehabilitation	(37,000)	(21,000)
Claims Administration	(38,000)	(36,000)
Miscellaneous items	134,000	70,000
	343,000	126,000
Investment income in excess (deficiency) of Consumer Price Index plus underlying real interest assumption (2010 & 2009: 3.0% discount rate)	(75,000)	265,000
Transfer from / (to) Capital Adequacy Reserve	(400,000)	-
Transfer from / (to) Injury Reduction & Return-To-Work Initiatives Reserve	(50,000)	-
Unappropriated balance - December 31 - on funding basis ^b	441,000	764,000
Smoothing difference ^c	(61,000)	(70,000)
Unappropriated balance - December 31 - on GAAP basis	380,000	694,000

a The current year's claim and operating costs line, shown as "estimated", represents the estimate for the cost of current year's injuries which was incorporated into the premium rates set for that year for rateable employers. The "actual" line represents the actual cost of the current year's injuries as estimated at the end of that year. The difference line thus provides a measure of the accuracy of the cost provision in the premium rate.

b This fund balance represents the amount that is incorporated into the rate-setting process, calculated in the year following the date of the financial results

c "Smoothing differences" represents the variance between the financial results on the fair value investment accounting or GAAP basis and on the smoothed investment accounting or funding basis. It represents the amount that will be factored into the rate-setting process in future years.

d This adjustment to the opening balance arises from the transfer of two self-insured groups to the rateable classes.