

# MARKET VIEW TREND SURVEY

As of March 1, 2012 - Release 1.0

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## Introduction to Public Summary

Fraser Group conducts an extensive survey among its clients every quarter to identify the assumed rate of annual claims trend used in experience rating group policyholders.

This brief public summary is based on this proprietary research.

## Participating Insurance Carriers

Assumption Life  
Co-operators Life  
Desjardins Financial Security  
Empire Life  
Equitable Life  
Great-West Life  
Green Shield  
Industrial-Alliance Group

Manulife  
Medavie Blue Cross  
Pacific Blue Cross  
SSQ  
Standard Life  
Sun Life  
Wawanesa

## Trend Factors

The reported factors show the assumed annual rate of claim cost increase from a 12 month Experience Period to a 12 month Pricing Period with no intervening lag period.

However, since there is normally a lag between the Experience Period to the proposed Pricing Period, most carriers will gross up the annual factor to reflect this lag in actual renewal calculations.

For dental, the reported values assume that coverage has been in effect for 5 years and include total inflation including fee guide change and any utilization impact.

The tables below present the range of most commonly reported factors (from the 10<sup>th</sup> to 90<sup>th</sup> percentile). Extreme values, both high and low, are excluded.

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### Medical (including Hospital, Drugs, Paramedical and Out of Canada)

<i>Location</i>	<i>Low End of Range</i>	<i>High End of Range</i>
Nova Scotia	10.4%	11.9%
Quebec	11.2%	13.2%
Ontario	11.2%	12.0%
Manitoba	11.2%	12.0%
Saskatchewan	11.2%	12.0%
Alberta	11.2%	12.3%
British Columbia	11.2%	12.0%

### Dental (excluding orthodontia)

<i>Location</i>	<i>Low End of Range</i>	<i>High End of Range</i>
Nova Scotia	7.4%	8.7%
Quebec	7.4%	8.5%
Ontario	7.4%	8.9%
Manitoba	7.4%	9.5%
Saskatchewan	7.4%	9.8%
Alberta	6.9%	10.5%
British Columbia	7.3%	8.7%

### Caveat

Trend factors are only one component of an experience rating process. Individual carriers can legitimately differ in their determination of appropriate trend factors depending on how they handle other pricing components such as credibility or large claim pooling and their practice with respect to negotiating required rate increases. Carriers may also experience different levels of trend based on differences in business mix by region or by industry.