

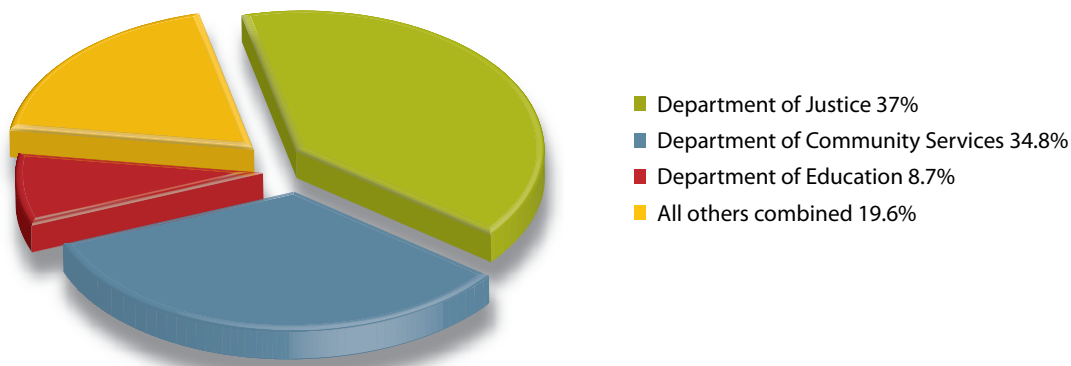
Discussion and Analysis

CLAIMS ADMINISTRATION—SHORT TERM ILLNESS RETURN TO WORK (STI RTW) PROGRAM

After the initial implementation in August 2006, the STI RTW Program is providing additional support to Plan members on short-term illness leave. Participation in the program is endorsed and encouraged by the Plan Sponsors. Focusing on employees' safe and timely return to work when they are ready to do so, the STI RTW Program provides individuals who are away from work due to illness with an alternative support mechanism through external case management.

The STI RTW Program is administered by Manulife Financial. After five days, if an employee is away from work due to illness or injury, or if it's clear the health-related absence will extend beyond five consecutive business days or the equivalent, the employer completes the referral to Manulife's Case Management Centre.

STI RTW Claims Referred by Department



Source: Manulife Financial

The following table shows the range of days from initial illness date to the STI RTW referral date. The standard for referral is within five business days.

	2007	2008
BUSINESS DAYS FROM LAST DAY WORKED	% of total claims	% of total claims
0-5 days	99.0%	59.9%
6-10 days	0.8%	26.2%
11-15 days	0.0%	6.4%
16-20 days	0.2%	2.1%

Source: Manulife Financial

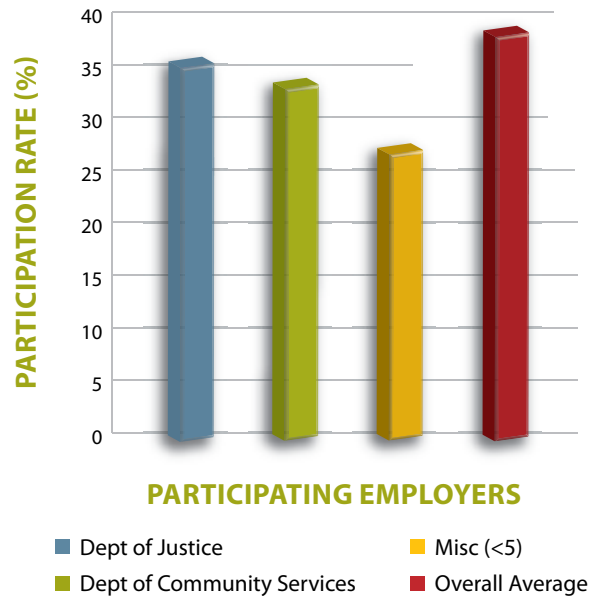


Discussion and Analysis

SHORT TERM ILLNESS RETURN TO WORK (STI RTW) PROGRAM

The STI RTW Program received 466 referrals in 2008. The overall participation rate increased from 34% in 2007 to 40% in 2008. Out of 187 closed cases, 133 returned to work (71.12%), while 22 cases were transferred to the LTD Program (11.26%).

The following graph shows the percentages of those referred employees who chose to participate in the STI RTW Program.



Source: Manulife Financial

The distribution of diagnoses of program participants by major category as at the 2008 year end is shown below. Also shown are the percentages for the year 2007 for comparison.

NSPS	2007	2008
Psychiatric	43.1%	33.0%
Musculoskeletal	22.8%	17.2%
Injury	4.9%	7.8%
Genitourinary	7.3%	11.0%
Digestive	7.3%	7.8%
Respiratory	5.7%	7.0%
Other	8.9%	13.2%
Circulatory	0.0%	3.0%
	100.0%	100.0%

Source: Manulife Financial

The following chart details the outcomes of participants in the STI RTW Program. The percentage of non-participants is also noted.

- Return to work 28.5%
- LTD 4.7%
- Retired/Resigned 0.4%
- Other 6.4%
- Non-participants 59.9%

