

Statement of Operating Costs
For the Year Ended December 31, 2001 (\$ thousands)

Schedule 2
Unaudited

| | 2001 | 2000 |
|-----------------------------------------|----------------|----------------|
| Salaries and employee benefits | 180,132 | 170,750 |
| Depreciation | 33,360 | 30,932 |
| Equipment and technology | 14,736 | 13,394 |
| Consulting fees | 11,030 | 9,353 |
| Communications | 6,445 | 6,473 |
| Buildings and services | 9,034 | 8,231 |
| Staff travel | 3,491 | 4,222 |
| Supplies and stationery | 2,790 | 2,904 |
| Advertising | 1,688 | 2,972 |
| Automobile fleet | 1,411 | 1,351 |
| Medical Review Panels | 977 | 1,132 |
| Publications | 790 | 2,134 |
| Research grants and awards | 539 | 465 |
| Miscellaneous | 17,367 | 14,432 |
| Review Board and advisers | 18,736 | 13,157 |
| Miscellaneous income | (13,088) | (13,495) |
| Cost recovery for investment management | (1,538) | (1,014) |
| | 287,900 | 267,393 |
| less: Claims administration expenses | (154,637) | (135,898) |
| Total Operating Costs | 133,263 | 131,495 |