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October 22, 2012

YELLOWKNIFE, NORTHWEST TERRITORIES X1A

2013 Employer Assessment Rates

ACCOUNT

Despite the rising cost of health care services and the continued downward trend in investment markets, the Workers' Safety and Compensation Commission (WSCC) must sustain a fund that protects employers and injured workers over the long term. To fulfill this mandate, the WSCC must make changes. In July this year, the WSCC advised employers of the \$0.28 increase to the 2013 provisional target assessment rate, from \$1.77 to \$2.05 per \$100 of assessable payroll.

The provisional target assessment rate is what employers would pay if there was only one single rate for all industries; it is the starting point to set individual subclass rates. The increase to the provisional target assessment rate is not related to one employer, incident, or industry; rather it reflects removal of a 10-year-old subsidy. The subsidy, from high-performing investment returns, artificially lowered rates paid by individual employers. It reduced rates 10% - 35% over 10 years and resulted in \$10 million in rebate cheques, which were sent to employers in 2006.

Every year, with an independent actuary, we calculate employer assessment rates based on the expected current year claims costs, and future claims liability, based on the past five-years of costs. Assessment rates reflect each industry's actual claims cost experience. This promotes fairness and accountability.

The table below provides your classification and assessment rate details. To protect employers from rate fluctuations, the rate setting model limits increases (decreases) to a maximum of 20%.

Subclass	Per \$100 of assessable payroll		Change
Number	2012 Rate	2013 Rate	Increase (Decrease)

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For more information on the 2013 employer assessment rates, industry classes, or subclasses, please contact Susan Abernethy, Employer Services Manager, at (867) 920-3834, or by email at <u>susan.abernethy@wscc.nt.ca.</u>

If you want to discuss the 2013 assessment rate increases, please feel free to contact me at (867) 669-4442; toll free at 1 (800) 661-0792; or by email, <u>dave.grundy@wscc.nt.ca</u>.

We wish you a safe and successful business year.

Sincerely,

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Ala (1) Dave Grundy

President & CEO