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Prevention Services

Industrial Safety: (867) 669-4418
Mine Safety: (867) 669-4412

Claims Services

Northwest Territories: (867) 920-3801
Nunavut: (867) 979-8511

Employer Services

Northwest Territories: (867) 920-3834
Nunavut: (867) 979-8510

2010

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LETTER OF TRANSMITTAL

The Honourable George L. Tuccaro

Commissioner of the
Northwest Territories

The Honourable Edna Elias

Commissioner of Nunavut

The Honourable Robert C. McLeod

Northwest Territories Minister Responsible for the
Workers' Safety and Compensation Commission

The Honourable Hunter Tootoo

Nunavut Minister Responsible for the Workers' Safety
and Compensation Commission

In accordance with Subsection 96 of the Northwest Territories and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Workers' Safety and Compensation Commission Annual Report for the year ending December 31, 2010.

The 2010 Annual Report includes both audited financial statements, and summary of past year activities and progress towards achieving our goals. The Annual Report goes beyond our responsibility for financial reporting, it connects our strategic priorities to our results.

Accompanying the financial statements is an actuarial opinion as to the reasonableness of future pension and future claims liabilities and the adequacy of contingency reserves.

As an organization, we commit to openness and transparency. This type of reporting provides our organization with the opportunity to connect past year's results and carry our goals into the future. I congratulate the Governance Council, employees, and management of the Workers' Safety and Compensation Commission on their continued dedication and hard work in 2010.



William Aho
Chairperson



2010 ANNUAL REPORT

2010

REPORT TO STAKEHOLDERS

WSCC

Workers' Safety
& Compensation Commission

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MESSAGE FROM THE PRESIDENT

In 2010, the Workers' Safety and Compensation Commission (WSCC) entered the second year of a three-year corporate plan. The 2009-2011 plan outlines the Governance Council's strategic direction and Administration's plans to achieve the goals and objectives, and attain our corporate vision.

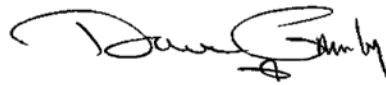
The plans for 2010 included a continued focus to promote safety and care for workers. The organization also concentrated efforts on meeting the needs of stakeholders, which was a commitment we made in last year's annual report.

I am pleased to say in 2010 service excellence did play a lead role in the initiatives we undertook. Listening to what our stakeholders said in our 2009 Client Satisfaction Survey, we identified three main areas of focus: community relations, corporate identity, and customer service excellence. Divisional and individual work plans reflected these areas.

More than ever, we turned our sights to getting out of the office and spending time in the communities. We prepared a detailed trade show plan that organized and planned visits across the territories, allowing us to meet and listen to the people we serve. Safety education efforts had an increased focus on serving as many communities as possible. These activities provided a vehicle to improve our community relations, and increase our customer service.

Always important is our corporate identity, how stakeholders see and define us, and how we see ourselves. Efforts to better explain the rationale for our name change, and our increased focus on incident prevention, directed many initiatives in 2010 as we prepared to enter the last year of our corporate plan.

I am proud to present the 2010 annual report. I look forward to another successful year as we work with employers and workers across Nunavut and the Northwest Territories, foster a strong safety culture, and prevent workplace injury and illness.



Dave Grundy

Interim President and CEO



MISSION

Promote workplace safety and care for injured workers.

VISION

To be recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.

VALUES

Concern for People

- We demonstrate care and compassion in responding to our clients' needs and to the communities we serve.
- When working with our clients, partners, other stakeholders, and each other, we do so with honesty, fairness, respect, sensitivity, and timeliness, proactively and consistently.

Collaboration & Engagement

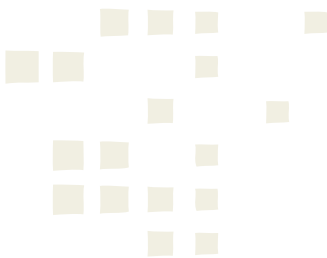
- We work with our partners to achieve mutually beneficial outcomes.

Integrity

- We honour the commitments we make to our clients, our partners, other stakeholders, and each other.
- We lead the adoption of and model the workplace safety standards that we promote with employers and workers.

Transparency & Openness

- We will be clear to our clients about how decisions are made and the reasons for those decisions.



GOVERNANCE COUNCIL

A seven-person Governance Council, representing the interests of labour, industry, and the public sector, governs the WSCC.

Operating in a manner consistent with the *Workers' Compensation Acts* and corporate governance directives, the Governance Council's responsibility is to oversee the conduct of business and management, while maintaining the credibility and vitality of the WSCC. The Governance Council Members at the time of publication are:

William Aho,
Chairperson

Christopher Callahan,
Nunavut Public Interest

Fred Koe,
Northwest Territories Public Interest

John Vander Velde,
Nunavut Worker

David Ritchie,
Northwest Territories Worker

Karin McDonald,
Northwest Territories Employer

Doug Witty,
Northwest Territories Employer

The Governance Council directs and monitors the following areas of accountability:

- strategic directions;
- oversight and operating policies;
- CEO succession planning;
- financial oversight and stewardship;
- corporate performance management;
- risk management;
- material transactions;
- communications; and
- governance oversight.

Exercising authority delegated by the Governance Council, the President and CEO is accountable for the WSCC's performance, including the achievement of results through the establishment of corporate objectives.

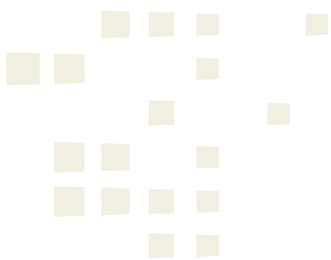
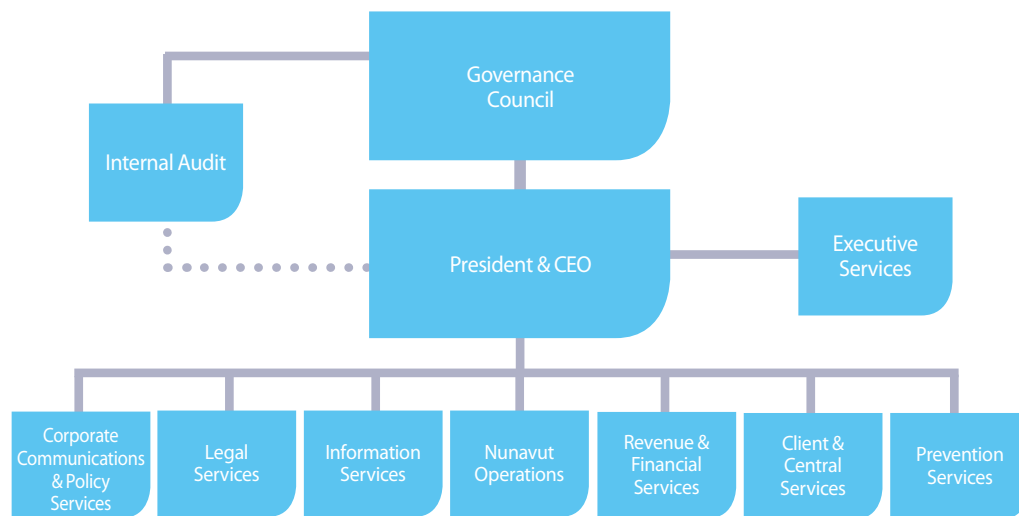


CORPORATE OVERVIEW

The WSCC administers the *Workers' Compensation Acts*, the *Safety Acts*, the *Mine Health and Safety Acts*, the *Explosives Use Acts*, and associated regulations to protect and care for workers in the Northwest Territories and Nunavut.

The WSCC assesses employers, sets assessment rates, collects revenues, pays compensation to injured workers, provides rehabilitation and medical aid, as well as promotes safety awareness and safe work practices in northern workplaces.

Accountability Structure



Prevention Services

Prevention Services includes the Industrial and Mine Safety Units. Together they make up one of the Commission's key service areas – promotion of workplace safety. They deliver safety education courses, monitor mine rescue programs, promote safety standards and regulations, identify and target unsafe work conditions, provide guidance and share best practices, and conduct safety inspections and incident investigations. WSCC Safety Officers are industry professionals and have a wealth of hands-on knowledge and experience to share with northern workers and employers.

Client and Central Services

Comprised of Human Resources, Claims Services, and Medical Services each unit contributes to the success of one of the Commission's key service areas – caring for injured workers.

Human Resources are responsible for facilities and the WSCC's safety program, as well as recruitment, training, and performance management. Claims Services works directly with injured workers, assisting them throughout their claims process and providing return-to-work support to them and their employers, in addition to paying benefits. Medical Services works closely with injured workers to help them get back to work as soon as medically possible, and as safely as possible.

Revenue and Financial Services

Revenue and Financial Services includes Employer Services, Treasury and Procurement, and Finance. These units each play an important role to maintain the Commission's financial sustainability. Employer Services works with employers to ensure the accurate classification of employer businesses and the assessment of employer contributions to the Workers' Protection Fund. Treasury and Procurement manages contracts, purchasing, and risk management, and monitors the Commission's investments. Finance monitors internal financial systems and controls, including banking systems and budgets.

Nunavut Operations

Nunavut Operations is a full-service branch of the WSCC, with headquarters in Iqaluit. Claims Services and Prevention Services employees provide quality care and service for stakeholders in Nunavut.

Legal Services

The General Counsel is the WSCC's senior legal officer, and manages the Legal Counsel and the Investigations Coordinator. Legal Counsel provides the Commission with a full range of services from legal opinions to third party actions. The Investigations Coordinator protects the integrity of the Workers' Protection Fund by targeting abuses of the system with innovative prevention techniques and appropriate detection methods.

Corporate Communications and Policy Services (CCPS)

Delivering open and transparent communication to internal and external clients is CCPS's main priority. Policy manages the three-year Comprehensive Policy Review Plan, and facilitates policy consultation with stakeholders on behalf of the Governance Council. The Review Committee provides the first level of appeal in the appeals process. Communications develops marketing materials, promotes WSCC initiatives, and creates safety prevention and awareness campaigns.

Information Services

Information Services maintains the Commission's information technology, and their efforts support overall service delivery. Records Management is a part of this unit, and the primary function is to guarantee proper archiving and storage of the Commission's records.

Executive Services

Executive Services is the main link between the WSCC and the Governance Council. They ensure decisions, directions, and requirements of the Governance Council, President & CEO, and the Ministers responsible are communicated throughout the organization. Also responsible for corporate performance and planning, Executive Services ensures the key messages of the WSCC are consistent with the goals set by the Governance Council through coordination, evaluation, and communication of the Commission's activities.



2010 YEAR AT A GLANCE

Territorial Demographics: <i>(Source: Statistics Canada)</i>	NWT	Nunavut	Total
Population	43,759	33,268	77,027
Number employed	26,840	10,512	37,614
Average weekly earnings	\$1,183	\$849	\$1,089
<i>Limited to the 10 largest communities in Nunavut (about 70% of the working-age population)</i>			
Claimants:	2008	2009	2010
Number of claims reported	3,706	3,387	3,549
Number of claims established	3,136	2,808	3,022
Number of lost time compensated claims	936	819	932
Number of work related fatalities	5	3	5
Number of new pensions	114	100	106
Average composite duration of time-loss claims	39 days	41 days	42 days
Employers:	2008	2009	2010
Total number of assessable employers	3,625	3,464	3,490
Number of industry classes	8	8	8
Number of rate groups	25	24	24
Number of employers requesting additional optional coverage	605	517	520
Lost Time Injury Rate:	2008	2009	2010
Lost time injury frequency	2.51	2.17	2.47
<i>The lost time injury frequency (LTI) is defined as the number of lost time compensated injuries per 100 workers.</i>			
Financial Indicators:	2008	2009	2010
Maximum annual insurable earnings (YMIR)	\$70,600	\$72,100	\$75,200
Assessable payroll (in millions)	\$2,159	\$2,069	\$2,226
Average provisional undiscounted assessment rate per \$100 assessable payroll	\$1.71	\$1.71	\$1.80
Actual average assessment rate per \$100 assessable payroll	\$1.80	\$1.56	\$1.65
Percentage funded*	117%	116%	116%

* In 2010, the WSCC changed the calculation used to obtain its Funded Position. See Note 13 to the Financial Statements for further information.

2010 REVIEW & RESULTS

Stakeholder Focus

Foster stakeholder relationships in safety and care through customer service excellence.

Objectives:

- Deliver fair and consistent service.
- Strengthen customer trust and respect through open and clear communication.
- Deliver and promote safety education and awareness to create and maintain a safety culture.

The WSCC commits to provide northern workers and employers with the necessary training and tools to create and maintain a safety culture. We will strive to prevent workplace injuries, illnesses, and fatalities with a strong commitment to safety and prevention.

In 2010 the WSCC:

- offered free safety education training to workers and employers;
- promoted safety programs and awareness campaigns; and
- worked with workers and employers to create and enhance partnerships.

In 2010, the WSCC continued to provide safety education training to workers and employers. The

WSCC delivered 116 safety education courses in communities across the Northwest Territories and Nunavut. Our partnerships with the Northern Safety Association (NSA) and the Northern Territories Federation of Labour continued to deliver safety courses requiring certification. The WSCC continues to look for ways to increase safety education opportunities.

As part of the commitment to safety education, all WSCC employees successfully completed *Go Safe: Work Smart* in 2010. Introduced in 2009, *Go Safe: Work Smart* teaches workers about their rights and responsibilities in the workplace, and how to identify and eliminate hazards. *Go Safe: Work Smart* is one of the safety education courses the WSCC delivers. Northern workplaces can customize this program to meet their unique needs.

After consultation with stakeholders, the WSCC launched a redesigned website in February 2010. Employees across the organization worked



with Corporate Communications and Policy Services, and Information Services to redesign the website to meet stakeholder needs. Results of client satisfaction surveys indicate an increase in the use of the website and general satisfaction with the ability to find information.

The 2009-2010 *Safe Advantage Program* cycle ended with 126 employer results. Of these, 58 received refunds, 19 received penalties, 27 were neutral, and 22 forfeited their refunds. The WSCC continues to work with employers to maintain excellent levels of safety and care for workers.

Organizational Excellence

Maintain an efficient and adaptive organization that supports service delivery.

Objectives:

- Promote employee growth and development.
- Continuous process improvement.

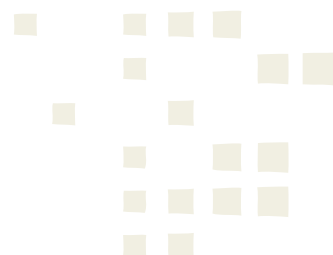
The WSCC maintained its commitment to service excellence. To deliver service excellence, it is important WSCC services, policies, and programs reflect the needs of stakeholders.

In 2010 the WSCC:

- continued the succession planning program;
- provided Respectful Workplace Training to employees;
- committed to Certificate of Recognition (COR™) certification; and
- committed to enhance customer service.

In 2010, the succession planning program targeted finance/accounting, safety professionals, and management skills. Five new learners enlisted in the program. This program identifies employee potential and provides ongoing growth and development. The goal is to make sure there is a pool of qualified candidates to fill key positions and maintain corporate knowledge.

Quality customer service is a top priority for the WSCC. The Commission provided Respectful Workplace Training for all employees in 2010. A quality assurance paragraph was added to all employee emails to show the commitment to service excellence. It provides stakeholders with contact information for the President, should they have suggestions on how to improve our customer service and service delivery.



In 2010, the WSCC committed to become a COR certified organization through the NSA. COR is an occupational health and safety accreditation for industry employers aimed at reducing the human and financial costs associated with workplace incidents and injuries. In 2010, the WSCC completed the mandatory training program, and passed the internal audit of our safety program. In 2011, the WSCC will undergo the external audit. Pending successful completion, the WSCC will receive COR certification.

Effective Governance

Provide efficient, accountable leadership and governance that represents the interests of the northern workforce.

Objectives:

- Engage employees.
- Enhance public image.

The WSCC is accountable to its stakeholders, and being open and transparent is the best strategy to represent the interests of the northern workforce. Through corporate reporting, consultation, satisfaction surveys, and strategic planning initiatives, the Commission strives to enhance its public image.

In 2010 the WSCC:

- conducted a stakeholder satisfaction study;
- conducted an employee engagement survey; and
- reported on WSCC activities and operations.

In 2010, the WSCC identified areas for improvement, resulting from the 2009 client satisfaction study. This included the organization's name change, safety initiatives and education, perceptions of the WSCC, claims services (employees and service delivery), accessibility and the website.

The Senior Management Team (SMT) identified three broad areas to focus on: community relations, corporate identity, and customer service excellence.

The WSCC enhanced community relations through attending and participating in various northern tradeshow, volunteering at community events, and providing first aid support through our Medical First Responder (MFR) team at over 10 community events. The WSCC worked hard to heighten awareness of its corporate identity in all northern workplaces and communities. Throughout 2010, materials displayed the full WSCC logo, containing our name written out, for easy identification of the WSCC. The WSCC identified some stakeholders did not identify with the recent name change making the enhancement of our corporate identity a top priority. Customer



service excellence is also important for the WSCC. Many employees took customer service training to enhance their skills when interacting with stakeholders. This training will continue in 2011.

The WSCC conducted an employee engagement survey in the fourth quarter of 2010. The results of this survey will influence 2011 operations, as employee suggestions are put into action. Communication throughout the organization continues to be a top priority to make sure all employees have the necessary information to complete their duties. The WSCC strongly promotes a zero tolerance policy towards harassment, discrimination, and bullying.

The WSCC continued to produce and distribute quarterly activities reports to stakeholders. The quarterly reports stem from the 2010 corporate plan. They review our operations, activities, and programs to provide a current view of what we are doing to achieve our goals.

Financial Sustainability

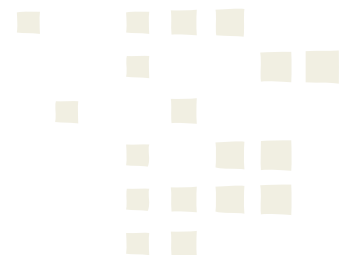
Meet the needs of our stakeholders without compromising WSCC financial sustainability.

Objectives:

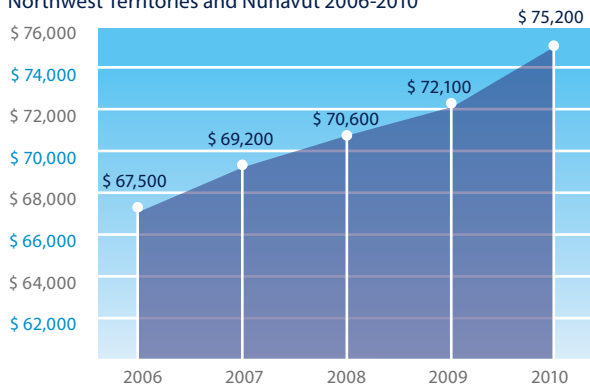
- Manage resources and identify operational efficiencies.
- Maintain fair and appropriate benefits and monitor budgets, costs, and investments.

Employer assessment premiums and investment returns fund the WSCC. Careful budget and expenditure monitoring guarantees prudent use of resources to make sure the Commission can provide benefits and services to stakeholders now and in the future.

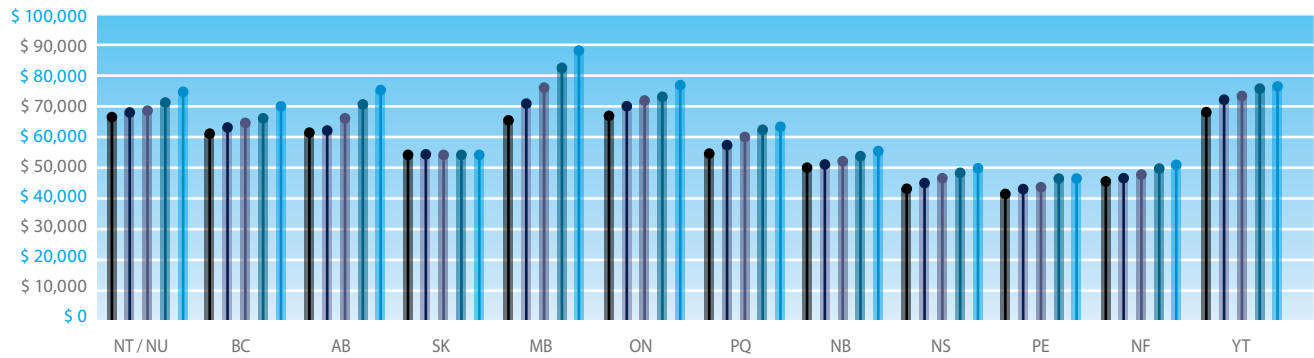
The WSCC calculates benefits using the workers' actual annual income up to a maximum called the Year's Maximum Insurable Remuneration (YMIR). In 2010, the Governance Council approved an increase to \$75,200 from \$72,100 in 2009. This increase continues to cover 74% of claimants, which meets the Commission's target of full compensation replacement for 70-80% of the northern workforce.



**Year's Maximum Insurable Remuneration
Northwest Territories and Nunavut 2006-2010**



**Year's Maximum Insurable Remuneration
2006-2010**



In 2010, the average provisional assessment rate increased to \$1.80 per \$100 of assessable payroll. This is a 5% increase from \$1.71 in 2009.

The WSCC is required to change its financial reporting standards to the International Financial Reporting Standards (IFRS) by 2011. This will simplify accounting and reporting, and make the financial statements easier for stakeholders to understand. Implementation

continued throughout 2010. The project to complete the transition was in the final stages by the end of the year. The WSCC is working towards completion of the development of opening balances for January 1, 2010. The 2011 financial statements must show comparative figures for 2010; therefore, opening balances for 2010 must be auditable under IFRS.

2010 ANNUAL REPORT

2010

FINANCIAL STATEMENTS



Workers' Safety
& Compensation Commission

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

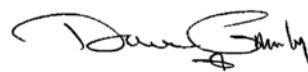
The accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), and all information in this annual report are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with Canadian generally accepted accounting principles and include some amounts, such as the benefits liability, that are necessarily based on management's best estimates and judgment. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized and in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

The Governance Council is responsible to ensure management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

The Auditor General of Canada annually provides an independent, objective audit of the financial statements for the purpose of expressing her opinion on these financial statements. She also considers whether the transactions that come to her notice in the course of this audit are, in all material respects, in accordance with the specified legislation.

Morneau Shepell Ltd., an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the benefits liability and the liability for employee future benefits of the Commission.



Dave Grundy
Interim President and CEO



Gloria Badari
VP, Revenue and Financial Services

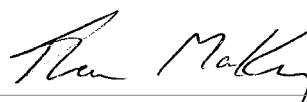
18 May 2011

ACTUARIAL STATEMENT OF OPINION

I have completed the actuarial valuation of the benefit liabilities of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2010 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In my opinion:

1. The estimate of the actuarial liabilities as at the valuation date is \$241,295,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes the Hunters & Trappers group but does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
2. The valuation is based on the provisions of the *Workers' Compensation Act S.N.W.T. 2007, c. 21*, the *Workers' Compensation Act S. Nu. 2007, c. 15* and on the Commission's policies and practices in effect on the valuation date.
3. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the liabilities of the Commission.
4. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate, and the methods used are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the Commission.



Thane MacKay, F.C.I.A.
Morneau Shepell Ltd.

The report has been peer reviewed by Howard Slaney, F.C.I.A.





INDEPENDENT AUDITOR'S REPORT

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

Report on the Financial Statements

I have audited the accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, which comprise the balance sheet as at 31 December 2010, and the statement of operations and comprehensive income, statement of changes in funded position and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

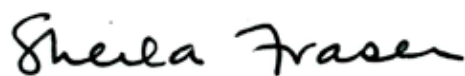
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut as at 31 December 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of the Northwest Territories and Nunavut, I report that, in my opinion, Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of accounts have been kept by the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut and the financial statements are in agreement therewith. In addition, the transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations of the Northwest Territories and of Nunavut and the *Workers' Compensation Acts* and regulations of the Northwest Territories and Nunavut.



Sheila Fraser, FCA
Auditor General of Canada

18 May 2011
Edmonton Canada

BALANCE SHEET

As at 31 December 2010
(in thousands of dollars)

	2010	2009 (restated)
ASSETS		
Cash and cash equivalents (Note 5)	\$ 5,543	\$ 7,097
Assessments receivable (Note 6a)	1,667	816
Other receivables (Note 6b)	337	153
Prepaid expenses	275	290
Investments (Note 7)	270,527	268,098
Buildings and equipment (Note 8)	5,481	4,180
Intangible assets (Note 9)	3,403	3,350
	287,233	283,984
LIABILITIES AND RESERVES		
Liabilities		
Accounts payable and accrued liabilities	3,485	3,337
Giant Mine payable (Note 10)	930	5,004
Assessments refundable	981	1,846
Benefits liability (Note 11)	241,295	233,025
Employee future benefits (Note 12b)	894	849
	247,585	244,061
Reserves (Note 13)		
Operating reserve	5,325	7,660
Capital asset replacement reserve	187	-
Investment fluctuation reserve	16,475	10,558
Safety reserve	105	105
Catastrophe reserve	17,556	21,600
	39,648	39,923
	\$ 287,233	\$ 283,984

Commitments (Note 14), Contingencies (Note 15)

The accompanying notes form an integral part of these financial statements.

Approved by the Governance Council:



William Aho
Chairperson, Governance Council



STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

For the year ended 31 December 2010
(in thousands of dollars)

	2010	2009
REVENUE		
Assessments	\$ 36,795	\$ 32,448
Add: Safe Advantage penalties	220	413
Less: Safe Advantage refunds	(607)	(801)
Net assessment income	<u>36,408</u>	<u>32,060</u>
Investments		
Interest and dividends	7,572	7,900
Investment gains – net (Note 7d)	14,381	13,198
Investment fees	(767)	(699)
Net investment income	<u>21,186</u>	<u>20,399</u>
	<u>57,594</u>	<u>52,459</u>
EXPENSES		
Claims costs		
Claims costs, current year injuries (Note 11b)	26,635	26,205
Claims costs, prior years' injuries (Note 11b)	15,679	8,222
Order to pay costs, Giant Mine litigation (Note 10)	(72)	5,004
Third party legal claim recoveries	(226)	(361)
Recoveries for hunters and trappers	(552)	(496)
	<u>41,464</u>	<u>38,574</u>
Administration and general expenses (Note 17)	16,405	16,081
	<u>\$ 57,869</u>	<u>\$ 54,655</u>
OPERATING LOSS AND COMPREHENSIVE LOSS	<u>\$ (275)</u>	<u>\$ (2,196)</u>

The accompanying notes form an integral part of these financial statements.



STATEMENT OF CHANGES IN FUNDED POSITION

For the year ended 31 December 2010
(in thousands of dollars)

	2010	2009 (restated)
Reserves, beginning of year as previously stated	\$ 39,923	\$ 41,219
Restatement of benefits liability (Note 3)	-	900
Reserves, beginning of year as restated	39,923	42,119
Operating loss and comprehensive loss	(275)	(2,196)
Reserves, end of year	39,648	39,923
Allocation of funded position:		
Operating reserve		
Balance, beginning of year as previously stated	7,660	5,315
Restatement of benefits liability (Note 3)	-	900
Balance, beginning of year as restated	7,660	6,215
Operating income (loss) and comprehensive income (loss)	(275)	(2,196)
Transfer from Rate stability reserve	-	14,619
Transfer to Investment fluctuation reserve – current year’s gains	(8,557)	(10,558)
Transfer from Investment fluctuation reserve – prior year’s gains	2,640	-
Transfer to Catastrophe reserve	(960)	(420)
Transfer from Catastrophe reserve	5,004	-
Transfer to Capital asset replacement reserve	(187)	-
Balance, end of year	5,325	7,660
Capital asset replacement reserve		
Balance, beginning of year	-	-
Transfer from Operating reserve	187	-
Balance, end of year	187	-
Investment fluctuation reserve		
Balance, beginning of year	10,558	-
Transfer from Operating reserve – current year’s gains	8,557	10,558
Transfer to Operating reserve – prior year’s gains	(2,640)	-
Balance, end of year	16,475	10,558

STATEMENT OF CHANGES IN FUNDED POSITION (CONTINUED)

For the year ended 31 December 2010
(in thousands of dollars)

	2010	2009 (restated)
Rate stability reserve		
Balance, beginning of year	-	14,619
Transfer to Operating reserve	-	(14,619)
Balance, end of year	-	-
Safety reserve		
Balance, beginning of year	105	105
Transfer to Operating reserve	-	-
Balance, end of year	105	105
Catastrophe reserve		
Balance, beginning of year	21,600	21,180
Transfer from Operating reserve	960	420
Transfer to Operating reserve	(5,004)	-
Balance, end of year	17,556	21,600
Total Reserves Balance	\$ 39,648	\$ 39,923

The accompanying notes form an integral part of these financial statements



STATEMENT OF CASH FLOWS

For the year ended 31 December 2010
(in thousands of dollars)

	2010	2009
OPERATING ACTIVITIES		
Cash received from:		
Assessments from employers	\$ 35,299	\$ 36,055
Investment accounts	19,500	13,500
Interest	22	27
Cash paid to:		
Payments to claimants or third parties on their behalf	(33,192)	(31,834)
Purchases of goods and services	(15,833)	(14,579)
Paid cost of judgement to Giant Mine defendants	(4,002)	-
Assessment rebate	(607)	(801)
Cash provided by operating activities	<u>1,187</u>	<u>2,368</u>
INVESTING ACTIVITIES		
Purchase of buildings and equipment	(2,188)	(255)
Purchase of intangible assets	(553)	(1,162)
Cash used in investing activities	<u>(2,741)</u>	<u>(1,417)</u>
(Decrease) increase in cash and cash equivalents	(1,554)	951
Cash and cash equivalents, beginning of year	7,097	6,146
Cash and cash equivalents, end of year	\$ 5,543	\$ 7,097

The accompanying notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

1. Authority, mandate and shared operations

The Workers' Safety and Compensation Commission (the Commission) operates under the authority of the *Workers' Compensation Act* of the Northwest Territories and Nunavut. In addition, the Commission is also responsible for the administration of the *Safety Act*, *Mine Health and Safety Act*, and the *Explosives Use Act* of the Northwest Territories and Nunavut. The Commission is exempt from income tax and the goods and services tax.

The Commission has its corporate office in Yellowknife, Northwest Territories, Canada, and area offices are in Inuvik, Northwest Territories, Rankin Inlet, Nunavut and Iqaluit, Nunavut.

The Commission's mandate is to provide benefits to injured workers and to levy assessments against employers to cover the current and future costs of existing claims. The Commission is also responsible to develop safety awareness programs and monitor safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an intergovernmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires notice of one full fiscal year.

2. Convergence with International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board confirmed that the transition to IFRS from Canadian generally accepted accounting principles (GAAP) will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after 1 January 2011, including comparatives for 2010. As a publicly accountable enterprise, the Commission is required to adopt IFRS effective 1 January 2011. The Commission's management has completed its convergence plan by preparing a high-level assessment of the main differences between the Commission's accounting policies and IFRS and selecting its IFRS accounting policies.

3. Restatement of benefits liability

In 2010 the Commission changed its data extraction process and noted errors in the pension data provided to the actuary in prior years to calculate the liability for the approved pensions included in the benefits liability. The comparative financial statements of 2009 have been restated to correct these errors. The effect of the restatement on those financial statements is summarized below. There is no effect on the information presented for the current year.

	2009
Increase in opening balance of the operating reserve	\$ 900
Decrease in opening benefits liability	900
Increase in ending balance of the operating reserve	900

4. Significant accounting policies

The financial statements were prepared in accordance with GAAP. The following is a summary of the significant accounting policies:

a) Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The more significant management estimates relate to the determination of the benefits liability, estimated liability for Giant Mine, assessments receivable, liability for employee future benefits and fair value of investments.

b) Cash and cash equivalents

Cash and cash equivalents are cash and money market instruments with initial maturities up to three months, less any bank overdraft. Cash and short-term investments held by investment managers for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

c) Assessments

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between estimated payroll and actual payroll is recognized either as assessment revenue and recorded as a receivable, or as reduction in assessment revenue and recorded as assessment refundable.

The Commission implemented the Safe Advantage Program in 2007, which assesses penalties and pays refunds to large employers based on claims expenses, safety practices, and return to work programs.

An allowance for doubtful accounts is recorded for assessments receivable based on management's best judgment. The Governance Council must approve all assessments receivable write-offs.

d) Recoveries from third parties

Under section 64 of the *Workers Compensation Act* of the Northwest Territories and Nunavut, the Commission is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim are deducted from the settlement. Any funds remaining will be paid to the claimant. This is over and above any future benefits entitlement.

Revenue received from third party recoveries is recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

e) Investments

Interest and dividends are recognized as income in the period earned. Transaction costs are recognized as an expense in the period incurred. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year-end and transactions during the year are recorded in investment gains (losses) on the statement of operations and comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

f) Benefits liability

The benefits liability represents the present value of future payments in respect of medical aid benefits, compensation payments, and pensions in respect of claims arising from accidents occurring prior to the end of the fiscal year. The benefits liability also includes an allowance for future claims management costs.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The benefits liability is determined annually by an independent actuarial valuation. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

The benefits liability includes provision for all benefits provided by current legislation, policies, and administrative practices. A provision for future claims arising from latent occupational diseases was not included in this valuation as it cannot be reliably measured.

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

g) Employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan (PSPP) administered by the Government of Canada. The Commission's contributions to the PSPP are based on a percentage of employees' contributions. The percentage may change from year to year depending on the experience of the PSPP. The Commission's contributions are charged to operations on a current basis as employees render services and represent the total pension obligations. The Commission is not required to make contributions with respect to actuarial deficiencies of the PSPP.

Other benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement, and removal out based on years of service and final salary. The liability for accrued employee benefits is based on the 31 December 2010 actuarial valuation as calculated by the Commission's actuary. Any actuarial gains or losses are recognized in the statement of operations in the year they are incurred. The obligation for resignation, retirement and removal out are calculated using the projected benefit method prorated on service.

h) Buildings and equipment

Buildings and equipment are recorded at cost and amortized over their estimated useful lives using the straightline method as follows:

Building	25 years
Furnishings	10 years
Equipment	5 years
Leasehold improvements	lesser of useful life or lease term

i) Intangible assets

Intangible assets are made up of computer application software which is recorded at cost and amortized over the lesser of its estimated useful life or eight years using the straight-line method.

j) Financial instruments – recognition and measurement

CICA Handbook Section 3855 requires that nearly all financial assets and financial liabilities be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial asset or financial liability has been classified as held-for-trading, available for sale, held to maturity, loans and receivables or other liabilities.

Financial instruments classified as held for trading are subsequently measured at fair value and realized and unrealized gains and losses are included in net income in the period in which they arise. The Commission classifies cash and cash equivalents as held for trading. The Commission also classifies their fixed income investments, equity investments and real estate portfolio investments as held for trading. The fair value for publicly traded investments is based on quoted market prices and privately held investments are measured using a multi-dealer blended price.

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as held for trading, held-to-maturity, or loans and receivables. Available-for-sale assets are subsequently measured at fair value with unrealized gains and losses recorded in other comprehensive income until realized, at which time they are recognized in net income. The Commission has not classified any of its financial assets as available-for-sale.

Held-to-maturity assets are those non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Commission has an intention and ability to hold until maturity, excluding those assets that have been classified as held-for-trading, available-for-sale, or loans and receivables. They are subsequently measured at amortized cost using the effective interest rate method. The Commission has not classified any financial assets as held-to-maturity.

Financial instruments classified as loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand, usually with interest. These assets do not include debt securities or assets classified as held for trading. They are subsequently measured at amortized cost using the effective interest rate method. The Commission classifies assessments receivable and other receivables as loans and receivables.

All other financial liabilities not classified as held for trading are classified as other financial liabilities and are subsequently measured at cost or amortized cost. The Commission classified accounts payable and accrued liabilities, and assessments refundable as other financial liabilities.

The Commission uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. There were no such transfers between levels in 2010.

Accounts payable and accrued liabilities, and other amounts receivable and refundable are recorded at their carrying values on the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

5. Cash and cash equivalents

The Commission invests in short-term money market instruments. The market yield of this portfolio for the year was 0.50% (2009 – 0.11%). All short-term investments are held in high quality debt obligations issued or guaranteed by federal, provincial, or territorial governments, Canadian chartered banks, or loan or trust companies registered in Canada.

	2010	2009
Short-term investments	\$ 3,167	\$ 1,064
Cash	2,376	6,033
	\$ 5,543	\$ 7,097

6. Assessments and other receivables

a) Assessments receivable

	2010	2009
Current assessments receivable	\$ 959	\$ -
Overdue assessments receivable	1,126	974
Less: allowance for doubtful accounts	(418)	(158)
Net assessments receivable	\$ 1,667	\$ 816

The Commission collected \$238 (2009 - \$222) of finance charges during the current year on the receivables. Finance charges are charged at the rate of 2% per month on the outstanding balance, including assessment finance charges receivable.

b) Other receivables

Other receivables are non-interest bearing. None of these amounts are considered to be impaired.



7. Investments

The Commission's investment portfolio consists of fixed income, equity, and real estate portfolio investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its benefits liability, cover its operating costs, and set reasonable and stable assessment rates for employers. All investments, including cash and cash equivalents managed by investment managers, are designated as held for trading.

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Fixed income investments	\$ 116,420	\$ 107,193	\$ 125,915	\$ 120,459
Real estate	33,502	34,414	30,061	32,905
Equities	120,605	125,397	112,122	123,542
Total	\$ 270,527	\$ 267,004	\$ 268,098	\$ 276,906

a) Fixed income investments

The fair value and cost of the fixed income investments as at 31 December are as follows:

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Fixed income securities	\$ 38,185	\$ 36,442	\$ 37,748	\$ 36,953
Add pooled funds				
Indexed bond funds	44,560	43,320	54,220	53,506
Mortgage fund	33,675	27,431	33,947	30,000
	\$ 116,420	\$ 107,193	\$ 125,915	\$ 120,459

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Included in the above amounts are investments in privately held related party bonds, as disclosed in Note 18. The cumulative unrealized gains in 2010 on the privately held investments were \$468 (2009 - \$271). The change in market values for the year ended 31 December 2010 charged to net loss from operations was \$93 (2009 - \$208).



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

The cumulative unrealized gains on fixed income investments as at 31 December were:

	2010	2009
Fixed income – cost	\$ 107,193	\$ 120,459
Cumulative unrealized gains	9,227	5,456
Fixed income – fair value	\$ 116,420	\$ 125,915

The remaining term to maturity of fixed income investments excluding pooled funds as at 31 December is as follows:

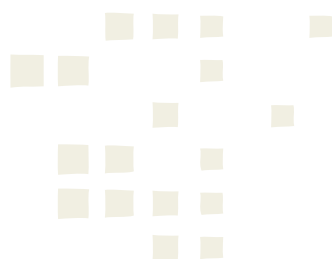
	Within 1 Year	1 to 2 Years	2 to 5 Years	5 to 10 Years	Over 10 Years	Fair Value 2010	Fair Value 2009
Cash, short term investments and net payable in investment manager accounts	\$ 813	\$ -	\$ -	\$ -	\$ -	\$ 813	\$ 1,666
Government bonds	2,034	840	7,443	5,136	10,970	26,423	26,042
Corporate bonds	-	981	3,505	2,453	3,168	10,107	9,587
Mortgage backed bonds	-	-	178	664	-	842	453
	\$ 2,847	\$ 1,821	\$ 11,126	\$ 8,253	\$ 14,138	\$ 38,185	\$ 37,748

b) Real estate

The fair value and cost of the real estate portfolio investments as at 31 December are as follows:

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Canadian properties (pooled fund)	\$ 33,502	\$ 34,414	\$ 30,061	\$ 32,905

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.



The cumulative unrealized losses on the real estate portfolio investments as at 31 December are as follows:

	2010	2009
Canadian properties – cost	\$ 34,414	\$ 32,905
Cumulative unrealized losses	(912)	(2,844)
Canadian properties – fair value	\$ 33,502	\$ 30,061

c) Equities

The fair value and cost of the equity investments as at 31 December are as follows:

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Total equities	\$ 232,342	230,562	230,350	239,953
Less: pooled funds				
Indexed bond funds	\$ (44,560)	(43,320)	(54,220)	(53,506)
Mortgage fund	\$ (33,675)	(27,431)	(33,947)	(30,000)
Canadian properties	\$ (33,502)	(34,414)	(30,061)	(32,905)
	\$ 120,605	\$ 125,397	\$ 112,122	\$ 123,542
Canadian equities	\$ 52,053	\$ 38,735	\$ 44,042	\$ 34,049
U.S. equities	39,334	50,503	36,490	50,502
International equities	29,218	36,159	31,590	38,991
	\$ 120,605	\$ 125,397	\$ 112,122	\$ 123,542

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

The cumulative unrealized gains and losses on the equity investments as at 31 December are as follows:

	2010	2009
Equity investments – cost	\$ 125,397	\$ 123,542
Cumulative unrealized gains	13,317	9,993
Cumulative unrealized losses	(18,109)	(21,413)
Equity investments – fair value	\$ 120,605	\$ 112,122

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

d) Investment gains - net

The investment gains - net recorded in income can be broken down as follows:

	2010	2009
Realized gains on investments	\$ 2,049	\$ 880
Change in unrealized gains on investments during the year	12,332	12,318
	\$ 14,381	\$ 13,198

e) Investment performance

Investments are managed by six independent investment managers. The market return of the portfolio for the year ended 31 December is as follows:

	2010	2009
Fixed income investments	7.32%	5.46%
Canadian equities	12.43%	26.56%
U.S. equities	7.79%	7.64%
International equities	2.21%	17.13%
Cash and cash equivalents	0.91%	0.41%
Real estate	11.43%	-7.20%
Mortgages	8.50%	5.69%

f) Fair value hierarchy

The Commission's investments categorized according to their fair value hierarchy as described in note 4j), is as follows as at 31 December 2010:

	Level 1	Level 2	Level 3	Total
Equities	\$ 120,605	\$ -	\$ -	\$ 120,605
Fixed Income	72,638	10,107	-	82,745
Real Estate	33,502	-	-	33,502
Mortgages	32,833	842	-	33,675
Total	\$ 259,578	\$ 10,949	\$ -	\$ 270,527

The Commission's investments categorized according to their fair value hierarchy as described in note 4j), is as follows as at 31 December 2009:

	Level 1	Level 2	Level 3	Total
Equities	\$ 112,122	\$ -	\$ -	\$ 112,122
Fixed Income	82,381	9,587	-	91,968
Real Estate	30,061	-	-	30,061
Mortgages	33,494	453	-	33,947
Total	\$ 258,058	\$ 10,040	\$ -	\$ 268,098

g) Investment Activity

The change in investments during the year ended 31 December can be explained as follows:

	2010	2009
Balance, beginning of year	\$ 268,098	\$ 260,526
Gains and losses	14,381	13,198
Interest and dividends	7,572	7,900
Miscellaneous expenses taken directly from custodian account	(24)	(26)
Transfer to operating cash accounts	(19,500)	(13,500)
Balance, end of year	\$ 270,527	\$ 268,098

8. Buildings and equipment

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 5,522	\$ 877	\$ 4,645	\$ 2,763
Leasehold improvements	802	514	288	559
Equipment	1,656	1,237	419	593
Furnishings	241	112	129	265
	\$ 8,221	\$ 2,740	\$ 5,481	\$ 4,180

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

9. Intangible assets

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer application software	\$ 6,411	\$ 3,008	\$ 3,403	\$ 3,350

10. Giant Mine payable

On February 18, 2010, the Supreme Court of Canada released its decision in the Fullowka et al v. Pinkertons et al case (the Giant Mine litigation), deciding in favour of the defendants/respondents. The Commission was ordered to pay costs and had recorded an estimated liability of \$5,004 in 2009. The estimate of the liability in 2009 was based on expected costs claimed by the defendants/respondents as a result of Costs Orders by the Northwest Territories Court of Appeal and the Supreme Court of Canada. Four out of five of these matters have now been settled and satisfaction pieces filed with the Supreme Court of the Northwest Territories. This resulted in a decrease of the estimated liability of \$72. The change in the liability in 2010 is as follows:

Giant Mine - estimated liability, December 31, 2009	\$ 5,004
Payments made in 2010	(4,002)
Change in estimate in 2010	(72)
Giant Mine - estimated liability, December 31, 2010	\$ 930

11. Benefits Liability

a) Future claims liability

This liability represents the present value of the expected future claim payments on claims arising from accidents that occurred on or prior to the end of the fiscal year for hospital and medical services ("Medical Aid"), short-term income benefits ("Compensation"), pension benefits for future capitalizations ("Future Capitalizations"), and related administrative expenses. "Future Capitalizations" represents that portion of the future claims liability that is an estimate of the liability for expected pension benefit awards that relates to injuries that have already occurred.



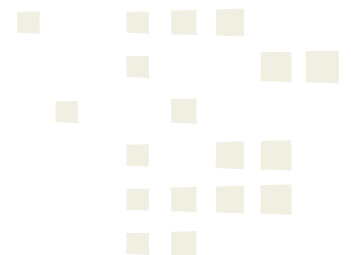
The Commission includes a provision for expected future claims costs for Hunters and Trappers in the Future Claims Liability in accordance with the Memorandum of Understanding on Renewable Resources Harvesters (May 1994).

The liabilities for the Medical Aid and Compensation benefits were developed using the loss development method. This method is also commonly known as the “claims run-off” approach. The liability for Future Capitalizations was developed using a modified version of the loss development method.

b) Approved pension liability

This liability represents the present value of the expected future pension payments plus related expenses for approved pension awards as at the end of the fiscal year.

	Medical Aid	Compensation	Future Capitalizations	Pension Awards	Total 2010	Total 2009 (restated)
Balance, beginning of year	\$ 34,571	\$ 26,720	\$ 25,701	\$ 146,033	\$ 233,025	\$ 231,290
Add: Claims costs						
Current year	7,146	11,206	6,311	1,972	26,635	26,205
Prior years	3,449	4,140	2,439	5,651	15,679	8,222
Liability transfer, capitalizations	-	-	(4,766)	4,766	-	-
	10,595	15,346	3,984	12,389	42,314	34,427
Less: Claims payments						
Current year injuries						
Claims payments	1,483	2,493	-	79	4,055	3,713
Claims management	668	1,121	-	8	1,797	1,644
Prior years' injuries						
Claims payments	4,165	5,554	2,735	10,084	22,538	21,835
Claims management	1,874	2,499	273	1,008	5,654	5,500
	8,190	11,667	3,008	11,179	34,044	32,692
Balance, end of year	\$ 36,976	\$ 30,399	\$ 26,677	\$ 147,243	\$ 241,295	\$ 233,025



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

The following is an actuarial reconciliation of the changes in the benefits liability during the year ended 31 December:

	2010	2009 (restated)
Balance, beginning of year	\$ 233,025	\$ 231,290
Add:		
Provision for current year's claims	20,783	20,646
Interest allocated	15,743	15,641
	36,526	36,287
Deduct:		
Payments for prior years' claims	(28,192)	(27,334)
Experience gain	(64)	(7,218)
	(28,256)	(34,552)
Balance, end of year	\$ 241,295	\$ 233,025

The Commission bases expectations of costs of awarded pensions and the ongoing cost of Compensation and Medical Aid payments on the experience of prior years. The principal sources of the experience gain are as follows:

- (\$3,999) from actual inflation experience, which was 0.73% versus the expected 3.5%
- \$2,369 due to unfavourable claims experience in 2010
- \$1,091 due to an increase in the valuation of claims run-off factors for Compensation and Medical Aid benefits
- \$475 due to revised assumptions used in the Future Capitalizations liability.

Major actuarial assumptions

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate - 7.125% (2009 - 7.125%), inflation rate - i) future capitalizations: 0.73% in 2011 and 3.5% per annum thereafter (2009 - 1.65% and 3.5%), and ii) Compensation and Medical Aid: 3.5% per annum (2009 - 3.5%).

The following economic assumptions are used in the valuation of the approved Pension Liability: discount rate - 7.125% (2009 - 7.125%), inflation rate - 0.73% in 2011 and 3.5% thereafter (2009 - 1.65% and 3.5%).

Liability sensitivity

The most significant assumption in the determination of the benefits liabilities is the net rate of return. The net rate of return is the assumed rate of return in excess of the assumed inflation rate. A reduction in the assumed net rate of return would increase the actuarial present value of the benefits liabilities.

Medical benefits represent approximately 15% of the benefits liabilities. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liabilities for medical benefits.

+/- % change on assumed rates	+1%	-1%
Net discount rate	\$ (18,796,116)	\$ 22,828,512
Excess medical inflation rate	\$ 2,405,402	\$ (2,055,253)

12. Employee future benefits

a) Pension plan

The Commission and all eligible employees contribute to the Public Service Pension Plan (PSPP). This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions to the PSPP were as follows:

	2010	2009
Commission's contributions	\$ 1,501	\$ 1,351
Employees' contributions	729	663

b) Other benefits

The Commission provides other benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The cost of these benefits is accrued as employees render the services necessary to earn them. Liability for resignation, retirement severance, and ultimate removal benefits measured at the balance sheet date is as follows:

	2010	2009
Accrued benefit obligation, beginning of year	\$ 849	\$ 844
Cost for the year	193	269
Benefits paid during the year	(148)	(264)
Balance, end of year	\$ 894	\$ 849

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 5% (2009 – 7.125%) and a general wage escalation of 3% (2009 – 3%).

In 2010 management engaged an actuary to value employee future benefits.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
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13. Capital management and reserves

The *Workers' Compensation Acts* of the Northwest Territories and Nunavut stipulate the creation of a Workers' Protection Fund for the payment of present and future compensation. As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the *Acts*, the Governance Council considers that capital includes all reserves of the Commission.

In 2010, the Workers' Safety Compensation Commission changed the calculation for the funded position from total assets divided by total liabilities plus the Catastrophe Reserve to total assets divided by total liabilities. This change will enhance the comparability to other compensation boards. This Funded Position (or net assets) represents the current funding status of the Workers' Protection Fund. The Governance Council's long term goal is to maintain a funded position at 108%-120% of fully funded.

At 31 December 2010, the funded position is 116% (2009 – 116%).

The Commission maintains six reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted. The Commission established a capital asset replacement reserve in 2010.

In accordance with Section 83 of each of the *Workers' Compensation Acts* of the Northwest Territories and Nunavut, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Workers' Safety and Compensation Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve established in accordance with the *Workers' Compensation Acts* of the Northwest Territories and Nunavut is intended to protect the Commission against adverse fluctuations in claims costs and investment results. The target level for the operating reserve is established after the target level for the catastrophe reserve has been determined. Assessment rates are adjusted to bring the operating reserve to its target level over a period of between two years and ten years, depending on the margin by which the operating reserve is above or below the target level. The tolerance range for the operating reserve is plus or minus 50% of the target level. The target range at year end was \$5,325 to \$15,975 (2009 - \$4,641 to \$13,924).

b) Capital asset replacement reserve

This new reserve was established beginning in 2010 to allow multi-year planning and will be used to purchase new equipment and intangible assets.

c) Investment fluctuation reserve

The purpose of the investment fluctuation reserve is to recognize the annual gains and losses on investments on an even basis in the operating reserve over a period of five years.

d) Rate stability reserve

The rate stability reserve was established to fund the provision of a rate discount to employers on their assessments. The target level for the rate stability reserve is determined after the target levels for the catastrophe reserve and operating reserve are established. The rate stability reserve will be used to stabilize employer assessments as the investment market changes and there are fluctuations in the Workers' Protection Fund.

e) Safety reserve

The safety reserve was established to fund safety programs and will be used to implement the Commission's safety strategy.

f) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission against a catastrophic event that results in a substantial increase in the Commission's benefits liability. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim. The target level for the catastrophe reserve is set at 300 times the 2010 Year's Maximum Insurable Remuneration (YMIR) of \$75.20 (2009 - \$72.10). The target level for the catastrophe reserve provides for the cost of a disaster.

14. Commitments

Future minimum lease payments as at 31 December 2010 on operating leases for office premises, staff accommodations and equipment are as follows:

Year	
2011	\$ 741
2012	530
2013	453
2014	209
2015	70
Thereafter	70
	<hr/>
	\$ 2,073

15. Contingencies

The Commission is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated and are not included in the benefits liability or the financial statements.

Due to the nature of the Commission's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

NOTES TO THE FINANCIAL STATEMENTS

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16. Financial risk management

The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk. The Commission manages the risk associated with its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally speaking, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks.

The Commission has exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Market risk
 - Interest rate risk
 - Foreign currency risk
 - Real estate risk

The Commission's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and liabilities. The following sections present information about the Commission's exposure to each of the above risks, and the Commission's objectives, policies and processes for measuring and managing its risks.

a) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations. In order to manage this risk, the Commission's investment policy requires that short-term investments at the time of purchase have a minimum credit rating of R-1(low) or its equivalent and that 90% or more of other fixed income investments have a minimum credit rating of A- or its equivalent. An independent rating service determines these ratings.

The Commission's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer will be unable to pay amounts due to the Commission. The maximum exposure to credit risk is \$2,004 (2009 - \$969). Allowance for doubtful accounts are provided for potential losses that have been incurred at the balance sheet date. The amounts disclosed on the balance sheet are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the then current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific bad debt provision when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

The Commission believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

- i. The employer base is dispersed across various industries, with government comprising a significant concentration.
- ii. As at December 31, 2010, the majority of accounts receivable and assessments receivable are outstanding for less than 90 days. The board does not require collateral or other security from employers or customers for accounts receivable.
- iii. The Commission has the power and remedies to enforce payment owing.

All of the Commission's accounts receivable and assessments receivable are reviewed for indicators of impairment on an annual basis.

The following table outlines the credit risk exposure for the Commission at the balance sheet date for each major class of fixed income investments as at 31 December 2010:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	\$ 2,090	\$ 919	\$ 158	\$ 3,167
Fixed income	325	450	-	775
Total	\$ 2,415	\$ 1,369	\$ 158	\$ 3,942

	AAA	AA	A	BBB	Cash and money market	Total
Short-term investments	\$ 19,164	\$ 12,231	\$ 5,289	\$ 479	\$ 248	\$ 37,411
Fixed income	22,433	10,462	8,775	2,716	173	44,559
Total	\$ 41,597	\$ 22,693	\$ 14,064	\$ 3,195	\$ 421	\$ 81,970

The following table outlines the credit risk exposure for the Commission at the balance sheet date for each major class of fixed income investments as at 31 December 2009:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	\$ 660	\$ 383	\$ 21	\$ 1,064
Fixed income	-	1,450	-	1,450
Total	\$ 660	\$ 1,833	\$ 21	\$ 2,514

	AAA	AA	A	BBB	Cash and money market	Total
Short-term investments	\$ 21,362	\$ 10,275	\$ 3,964	\$ 480	\$ 217	\$ 36,298
Fixed income	27,877	13,271	10,155	2,917	-	54,220
Total	\$ 49,239	\$ 23,546	\$ 14,119	\$ 3,397	\$ 217	\$ 90,518

NOTES TO THE FINANCIAL STATEMENTS

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b) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes. The Commission invests in publicly traded fixed income and equity investments available on domestic and foreign exchanges and in privately held investments. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The one exception to the 5% or less concentration rule is an investment in a Real Estate holding fund, Westpen Properties Ltd, at 12.38% of the total fund. This fund is diversified by investment type and geographic location. The Governance Council is aware of this exception to its investment policy.

The Commission's investment target and actual asset mix at fair value 31 December 2010 is as follows:

	Maximum	Target	Minimum	Actual
Fixed income investments	35%		25%	30.29%
Canadian equities and cash equivalents	23%		13%	19.55%
U.S. equities	21%		11%	14.54%
International equities	16%		6%	10.80%
Mortgages	15%		10%	12.45%
Real Estate	15%		10%	12.38%

The Commission's investment target and actual asset mix at fair value 31 December 2009 is as follows:

	Maximum	Target	Minimum	Actual
Fixed income investments	35%		25%	33.68%
Canadian equities and cash equivalents	23%		13%	17.05%
U.S. equities	21%		11%	13.10%
International equities	16%		6%	11.78%
Mortgages	15%		10%	12.66%
Real Estate	15%		10%	11.21%

Equity investments are particularly sensitive to market risk. Because equities are recorded as held for trading, changes in their fair value from the movements in the markets have a significant impact on the net income and reserve values. The following table is a sensitivity analysis that shows the impact of a change of 17-20%, depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index.

Portfolio	Index	Exposure 31 December 2010	Change one standard deviation	Change to net income 2010
Canadian Equities	TSX 300	\$ 52,053	+20%	\$ 10,410
US Equities	Russell 3000	\$ 39,334	+17%	\$ 6,687
International Equities	MSCI EAFE	\$ 29,218	+18%	\$ 5,259

Portfolio	Index	Exposure 31 December 2009	Change one standard deviation	Change to net income 2009
Canadian Equities	TSX 300	\$ 44,042	+20%	\$ 8,808
US Equities	Russell 3000	\$ 36,490	+17%	\$ 6,203
International Equities	MSCI EAFE	\$ 31,590	+18%	\$ 5,686

c) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Commission is exposed to interest rate risk primarily through its investments in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments as detailed in note 7a).

The following tables provides a sensitivity analysis of the impact of a 1% change in nominal interest rates for the year ended 31 December, assuming the change occurs evenly throughout the sector and all other variables remain constant.

	Movement in interest rates	Change to net income 2010
Change in nominal interest rates	1%	\$ 5,162

	Movement in interest rates	Change to net income 2009
Change in nominal interest rates	1%	\$ 5,389



NOTES TO THE FINANCIAL STATEMENTS

31 December 2010
(in thousands of dollars)

d) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Commission has investments denominated in foreign currencies which are therefore exposed to currency risk. To mitigate this risk, investment managers are authorized to enter into forward foreign exchange contracts, which represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract, for the sole purpose of hedging foreign currency transactions. The investment managers do not do this as a general matter of general practice. There were no forward foreign exchange contracts outstanding at 31 December 2010 (2009 - nil).

The total amount of investments, at fair value, exposed to foreign currency risk is as follows:

Foreign country currency	Fixed Income	Equity	Total Investments Fair Value 2010	Total Investments Fair Value 2009
U.S.	\$ -	\$ 39,334	\$ 39,334	\$ 36,490
Europe	-	9,087	9,087	11,688
United Kingdom	-	6,895	6,895	6,192
Japan	-	5,171	5,171	5,370
Switzerland	-	3,155	3,155	3,064
Australia	-	1,023	1,023	916
Hong Kong	-	993	993	1,706
China	-	789	789	411
Brazil	-	496	496	663
Mexico	-	292	292	379
Israel	-	263	263	347
Taiwan	-	234	234	221
Korea	-	233	233	253
Subtotal	-	67,965	67,965	67,700
Canada	116,420	86,142	202,562	200,398
Total	\$ 116,420	\$ 154,107	\$ 270,527	\$ 268,098

The following tables provide a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the four largest currencies the Commission is exposed to for the year ending 31 December. This analysis assumes that all other variables remain constant.

Currency	Exposure 31 December 2010	Change	Change to net income 2010
US	\$ 39,334	+10%	\$ (3,933)
Europe	\$ 9,087	+10%	\$ (908)
United Kingdom	\$ 6,895	+10%	\$ (690)
Japan	\$ 5,172	+10%	\$ (517)

Currency	Exposure 31 December 2009	Change	Change to net income 2009
US	\$ 36,490	+10%	\$ (3,649)
Europe	\$ 11,688	+10%	\$ (1,169)
United Kingdom	\$ 6,191	+10%	\$ (619)
Japan	\$ 5,370	+10%	\$ (537)

e) Real estate risk

Real estate risk arises from changes in real estate values related to local markets and vacancy rates. Real estate risk is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The tables below present the estimated effect of a material adverse change in valuations of the investment in domestic real estate for the year ended 31 December. This change to net income reflects a change in valuation of 12.1%, which, based on ten years of results, would be one standard deviation of valuation change.

Portfolio	Exposure 31 December 2010	Change	Change to net income 2010
Real Estate	\$ 33,502	+12.1%	\$ 4,045

Portfolio	Exposure 31 December 2009	Change	Change to net income 2009
Real Estate	\$ 30,061	(5.7)%	\$ (1,713)

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17. Administration and general expenses

	2010	2009
Salaries, wages and allowances	\$ 13,935	\$ 13,189
Professional services	2,496	3,288
Office lease and renovations (non-capital)	1,951	1,629
Travel	882	870
Contributions to other organizations	693	648
Advertising and public information	691	857
Amortization of buildings and equipment	671	535
Communications	548	521
Office services and supplies	475	379
Amortization of intangible assets	431	886
Office furniture and equipment (non-capital)	416	205
Training and development	341	258
Loss on asset disposal	214	1
Grants	213	129
Honoraria and retainers	115	122
Miscellaneous	14	(69)
Recoveries	(230)	(223)
	23,856	23,225
Less: Allocation to claims management costs-current year injuries (note 11b)	(1,797)	(1,644)
Less: Allocation to claims management costs-prior years' injuries (note 11b)	(5,654)	(5,500)
	\$ 16,405	\$ 16,081

18. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal course of business. The following tables summarize the Commission's transactions:

Balances due from related parties:

	2010	2009
Government of Nunavut	\$ 291	\$ 94
Government of the Northwest Territories	335	416
Territorial public agencies	9	-
	\$ 635	\$ 510

Through memoranda of understanding with the Governments of the Northwest Territories and Nunavut, the Commission charges the governments for the costs of administering benefits related to hunters and trappers claims. These costs include the increase or decrease in the future benefits liability related to hunters and trappers claims; therefore, a significant decrease in the future benefits liability can result in a refund by the Commission to either Government. The amount due from related parties includes reimbursements from the Governments of the Northwest Territories and Nunavut for hunters and trappers claims for the year in the amount of \$279 (2009 - \$400), and \$273 (2009 - \$96), respectively.

Balances payable to related parties as at 31 December:

	2010		2009
Government of the Northwest Territories	\$ 217	\$	97
Government of Nunavut	103		55
Territorial Public Agencies	37		32
	\$ 357	\$	184

Assessments revenue, at rates determined using the same method as with others, from related parties for the year ended 31 December:

	2010		2009
Government of the Northwest Territories	\$ 1,903	\$	1,651
Government of Nunavut	1,477		1,485
Territorial public agencies	678		546
	\$ 4,058	\$	3,682

Expenses to related parties for the year ended 31 December:

	2010		2009
Territorial public agencies	\$ 1,098	\$	307
Government of Nunavut	660		51
Government of the Northwest Territories	440		448
	\$ 2,198	\$	806



NOTES TO THE FINANCIAL STATEMENTS

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Investments in bonds of related parties at fair value for the year ended 31 December:

	2010	2009
Northwest Territories Power Corporation		
11.125% maturing 6 June 2011	\$ 1,035	\$ 1,119
6.42% maturing 18 December 2032	1,675	1,586
5.95% maturing 15 December 2034	1,184	1,043
	3,894	3,748
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing 31 August 2013	163	216
	\$ 4,057	\$ 3,964

The Commission does not record the value of services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

19. Fair value of other financial instruments

Accounts payable, accrued liabilities, and other amounts receivable and refundable are recorded at their carrying values on the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

20. Comparative information

Certain comparative figures were reclassified to conform to the current year's presentation.



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OFFICE OF THE WORKERS' ADVISOR
2010 ANNUAL REPORT



Workers' Advisor Office
for the Northwest Territories & Nunavut



Workers' Advisor Office for the Northwest Territories & Nunavut

MESSAGE FROM THE WORKER'S ADVISOR

It is my pleasure to present the annual report of the Workers' Advisor Office for the year ending December 31, 2010.

The Workers' Advisor is appointed by the Northwest Territories and Nunavut Ministers Responsible for the Workers' Safety and Compensation Commission (WSCC). The mandate of the Workers' Advisors Office (WAO) is to assist injured workers and their family members with their WSCC claim. This assistance ranges from explaining the WSCC process to representing clients at the various WSCC decision-making levels.

The Workers' Advisor Office tries to resolve issues at the earliest point possible. This means dealing with matters by communicating directly with the adjudicators and case managers prior to going to appeal. This approach has resulted in many successful resolutions.

This year has been one of growth and change in the WAO of the Northwest Territories and Nunavut. An administrative assistant was hired, allowing our office to provide service in French. In addition to working diligently with injured workers from the NWT and Nunavut, I served as the treasurer of the Canadian Association of Workers' Advisors and Advocates

(CAWAA). I also work closely with the Deputy Workers' Advisor in Cambridge Bay. The WAO's new website address is www.waonwtnu.ca. The WAO cell phone number is (867) 445-5079. I also had the opportunity this year to travel to some of the communities in the NWT and Nunavut to visit injured workers and their families.

The Workers' Advisor has developed an excellent working relationship with the WSCC staff and administration, the Governance Council and the Minister's office. These collaborative relationships have contributed in a positive way to working through the issues that present themselves when working with injured workers.

I have greatly valued the opportunity to have assisted this Office's clients with their WSCC claims. I will continue to work as hard as I can to assist injured workers and their family members in their efforts to obtain fair and equitable treatment.

Debora Simpson
Workers' Advisor

Services Provided by the Workers' Advisor Office

The WAO provides a range of services to injured workers and their families. These services include:

- Getting information from the WSCC for injured workers
- Helping clients communicate more effectively with WSCC staff
- Explaining the WSCC process and decisions to clients
- Reviewing file evidence
- Getting additional evidence if it is required
- Helping clients prepare and present submissions to all WSCC decision making levels
- Referring clients to appropriate community services

The WAO will assist any injured worker or their family members who contact the office seeking help or information about their WSCC claim. A client's first contact with the WAO may happen when the client's claim is at any stage of the WSCC process. Some clients contact the WAO before they complete claim forms, while others make contact just days before they are to appear before the Appeals Tribunal. Regardless of what stage a client's claim is in the WSCC process, the WAO can help.

After discussing the client's concerns, a copy of the client's WSCC file is obtained and reviewed. At this point the WAO can advise the client of available options. Options range from explaining what has happened and why specific decisions have been made to making representations on behalf of the

client to a Case Manager, the Review Committee or the Appeals Tribunal.

If the WAO feels that there are no statutory grounds on which to further a case or there is a lack of medical evidence, they can refuse further assistance.

WAO Activity Statistics

Total Contacts – 4,152 (2009: 4,594; 2008: 3,609)

Contact with this office is made either in-person, by telephone, email, fax or letter. Approximately 56% of the clients who contact this office live in the NWT or Nunavut. The remainder have either relocated or returned to southern Canada, Europe and Asia.

During 2010, the WAO had contact with numerous individuals and organizations. The majority of contacts were with clients, or WSCC staff regarding claim issues. Additionally, the WAO had contact with worker's family members, labour groups, legal personnel, employers, healthcare providers, the media, the NWT and Nunavut Ministers, and other stakeholder groups. At the end of December 2010 there were 36 active cases.

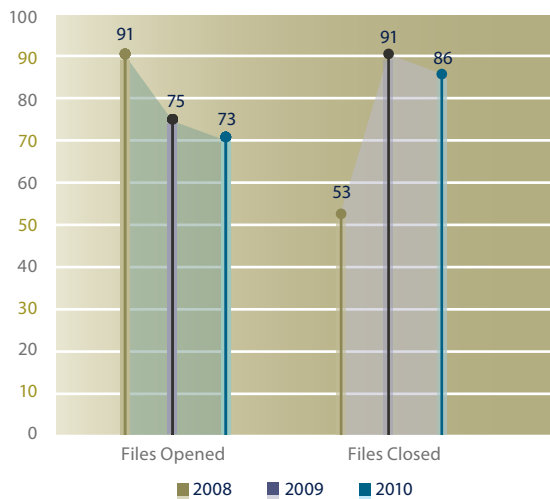
Issues Addressed

Each client file addresses one or more of the following issues:

- General assistance with file
- Acceptance of claim
- Change in disability percentage (PMI)
- Continuation of benefits
- Benefits advance
- Increase in amount of benefits

- Lump sum payment of pension
- Medical treatment requested by worker
- Vocational rehabilitation program
- Permanent Medical Impairment award

WAO Caseload in Nunavut and Northwest Territories
Northwest Territories and Nunavut 2008-2010



Appeals

During 2010, the WAO represented 4 (2009: 15, 2008: 16) clients at the Review Committee level and 3 (2009: 4, 2008: 5) clients at the Appeals Tribunal.

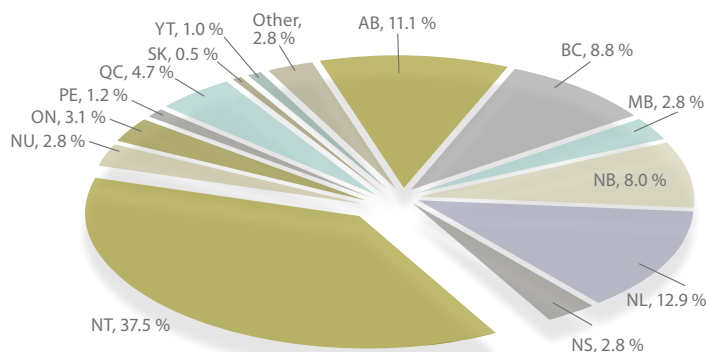
Client Base

The following information is reflective of WAO clients in 2010.

Place of Residence

Many WAO clients reside outside of the NWT and Nunavut. The graph below shows a breakdown of WAO clients' place of residence.

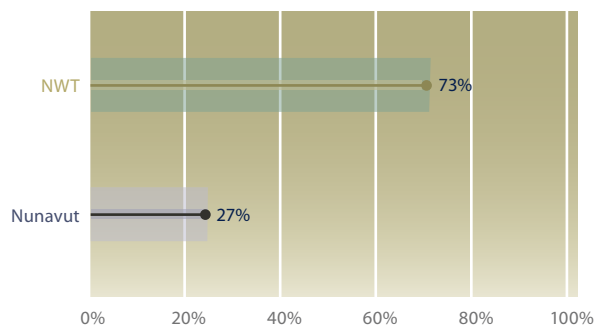
NWT & Nunavut WAO Clients Place of Residence
Northwest Territories and Nunavut 2006-2010



Place of Injury

The graph below shows the territory of injury and the percentage of injury in each territory.

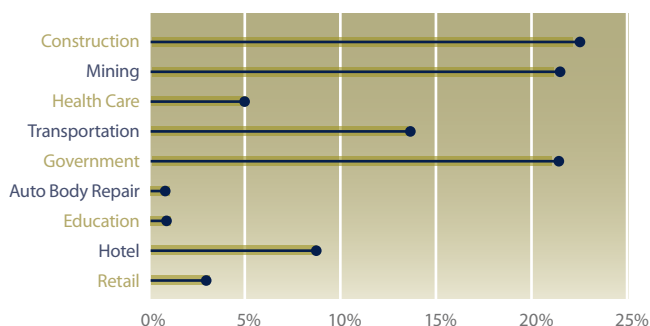
Place of Injury



Employment Sector

The graph below shows the percentage of WAO clients from each employment sector.

Employment Sector



Trends in Client Base

- The percentage of clients (injured workers) who are employees in the mining, transportation, and government sectors has increased from previous years.
- The most common issue clients seek assistance from the WAO is assistance with file. Generally, this group of clients requires assistance to file a request for review or appeal or they need help understanding the process.
- Given that fifty-nine percent of WAO clients live outside the North, the majority of communication with these clients is done by email and telephone.
- Seventy-three percent of the clients who come through this office were injured in the NWT and twenty-seven percent were injured in Nunavut.

- The majority of the cases dealt with by the Deputy Workers' Advisor request assistance in Inuktitut.
- There are an increased number of clients who require service in French.
- The reduced number of appeals at both the Review Committee and the Appeals Tribunal level speaks to the success of the approach promoting mediation and consultation.
- Files may be closed for the following reasons:
 - Appeals Tribunal decision
 - Review Committee decision
 - Claim accepted
 - Lump sum granted
 - PMI reviewed
 - Rehabilitation program provided
 - Worker request fulfilled
 - WAO declined to represent
 - File transferred to another representative
 - Lost contact with worker
 - Worker received chronic pain award

Systemic Issues

- Presently the waiting time for an Appeals Tribunal hearing is approaching 6 – 12 months. This length of time awaiting a hearing is an undue burden on injured workers.
- Very often medical information and policy rationale is not provided to the clients in a clear and simple fashion. This leads to confusion and misunderstanding.

Looking Forward

The WAO looks forward to 2011 with great anticipation. Upcoming policy and legislative amendments, collaborative Governance Council processes, and continued cooperation with the Deputy Workers' Advisor in Nunavut to better serve the residents of that territory are all positive indicators. As an executive member of the CAWAA, the WAO participates in discussions and activities that impact all injured workers in Canada. I look forward to representing individuals who are impacted by a workplace injury by making representations to the Governance Council, Ministers, and the Legislative Assemblies on systemic issues.

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WORKERS' COMPENSATION APPEALS TRIBUNAL 2010 ANNUAL REPORT

NORTHWEST TERRITORIES AND NUNAVUT

**Workers' Compensation
Appeals Tribunal**



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February 15, 2011

Honourable Robert C. Mcleod
NWT Minister Responsible for the WSCC

Honourable Hunter Tootoo
NU Minister Responsible for the WSCC

Dear Honourable Minsters:

I am pleased to present the Appeal Tribunal's 2010 Annual Report in accordance with the provisions of the *Worker's Compensation Act*. This report is for the 2010 calendar year.

Sincerely,

Colin Baile
Chairperson



MESSAGE FROM THE CHAIR

I am pleased to present the Appeal Tribunal's 2010 Annual Report. This year the Tribunal accomplished several of its goals to improve its accessibility. We introduced our website, completed the Tribunal's procedural regulations, and modified our appeal processes. All of these changes are intended to simplify and shorten the time required for appeals.

In addition to the appeals heard by the Tribunal, two section 63 applications were heard. Any party to an action may apply to the Appeals Tribunal for a determination of whether a person is immune from action under the Acts. Previously this task fell to the Commission's Governance Council.

I would like to thank the Tribunal Members and Staff for their conscientious and focused work in delivering exceptional service to our stakeholders.



Colin Baile
Chairperson

Website

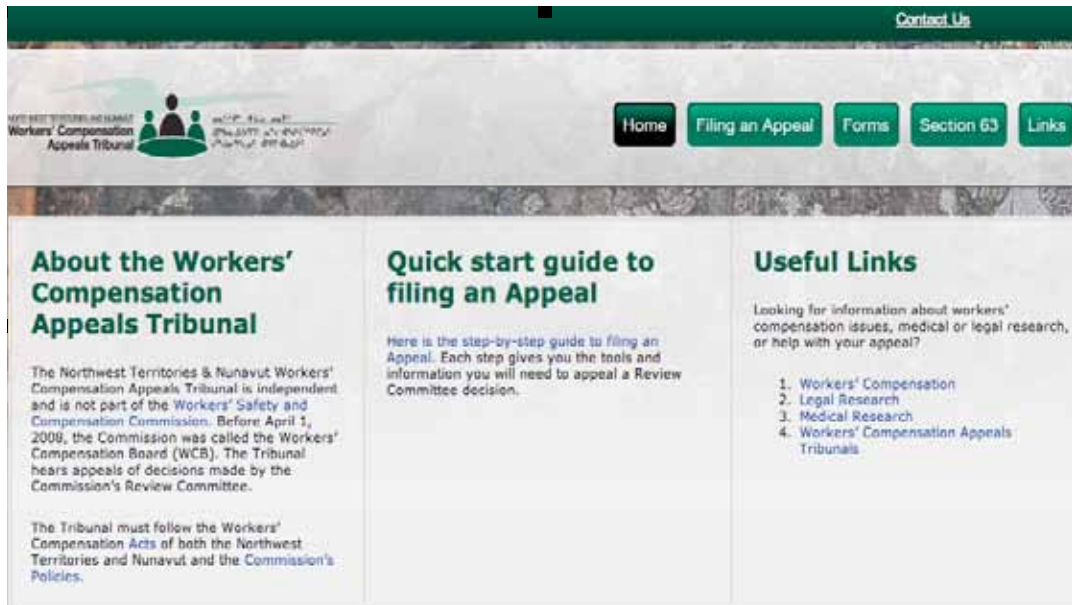
The Appeals Tribunal launched its website in 2010. The site, at www.appealstribunal.ca provides links to assist with legal and medical research as well as links to other appeal tribunals.

Included are step-by-step guides for each stage of an appeal. All of our forms are on-line in a complete and printable format to assist parties with getting information to the Tribunal.

There are also copies of the legislation and regulations available.

Regulations

The Appeals Tribunal's structure changed with the coming into force of the revised Workers' Compensation Acts in 2008. As a result, the regulation governing Tribunal process needed to be amended. The new regulation came into force in 2010. It reflects the Tribunal's present process and jurisdiction.



Statistics

Appeals	2008	2009	2010
Appeals Received	14	13	14
Requests for Rehearing	1	2	1
Total Received	15	15	15

Types of Hearing	2008	2009	2010
In-person	4	4	2
Video Conference	3	2	2
Telephone	2	6	2
Documentary	4	6	6
Total Received	13	18	12

Types of Appellant	2008	2009	2010
Workers	13	13	12
Employers	1	2	3
Dependant	1	0	0

Appeals by Territory	2008	2009	2010
NWT	11	10	11
NU	13	3	3
Judicial Review of Decisions	0	0	0

Issues Appealed	2008	2009	2010
Claims	13	8	13
Pensions	2	6	2
Revenue/Employer	2	2	1
Total	17	16	16

Decisions Issued / Outcome	2008	2009	2010
Reversed	4	8	4
Upheld	4	12	7
Varied	1	1	0
Total	9	21	11

Average Days from Filing to Decision	2008	2009	2010
Average	380	298	187

Outstanding Appeals at Year End	2008	2009	2010
Count	14	12	15

