

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
9TH ASSEMBLY, 6TH SESSION**

TABLED DOCUMENT NO. 9-81(3)

TABLED ON NOVEMBER 28, 1981



1980
Fourth Annual Report
Workers'
Compensation Board
Northwest Territories
For the year ending December 31, 1980



The Workers' Compensation Ordinance

The purpose of the Workers' Compensation Ordinance is to provide recompense to the worker for wage loss due to disability from personal injury by accident arising out of employment, without recourse to litigation. It ensures promptness and certainty of payment to the worker or dependants without unduly burdening the employer.

It extends the worker's protection to all accidents arising out of and in the course of employment instead of merely those caused by the negligence of the employer; it places the adjudication of claims in the hands of the Workers' Compensation Board instead of the courts; and it makes the employer's liability collective instead of individual.

The Workers' Compensation Board — Northwest Territories, is the agency responsible for the administration of the Workers' Compensation Ordinance and the adjudication of all matters arising thereunder.

J. D. C. MacLean
Chairman

Willie Adams
Board Member

Colin Adjun
Board Member

W. Berezowski
Board Member

W. R. Hargrave
Board Member

A. W. R. Hettrick
Board Member

D. Johnston
Board Member

W. Maduke
Board Member

B. Roberts
Board Member

J. Todd
Board Member

Summary of Present Benefits — 1981

Maximum yearly earnings assessed on	\$20,400.00
Maximum yearly earnings compensated on	20,400.00
Rate of compensation	75%
Maximum yearly amount of compensation	15,300.00
Maximum weekly earnings compensated on	392.31
Maximum weekly compensation	294.23
Widow's pension — per month	561.00
Widow's special immediate allowance	816.00
Widow's re-marriage allowance	
— 12 monthly payments x \$561.00	6,732.00
Funeral expenses up to	816.00
Where fatality occurs a considerable distance from place of burial all transportation costs within the N.W.T.	
Child's pension — per month,	
up to age 16 or if still attending school	127.50
Maximum pension to widow and children	No limit
Dependent's pension (where no widow and children) proportionate to pecuniary loss not to exceed \$561.00 per month	
Minimum compensation for permanent total disability per month	561.00
Minimum compensation for temporary total disability per week	129.46
for average earnings of that amount or more, and actual earnings if less than \$129.46 per week	
Medical aid which includes hospitalization, surgery, drugs, etc. is also provided	
(All Compensation Benefits are non-taxable)	

To: John H. Parker,
Commissioner,
Government of the Northwest Territories

May it please Your Honour: Sir, as requested by Section 58 of the
Workers' Compensation Ordinance, we now submit the 4th Annual
Report of the Board, for the year ended December 31, 1980.



Introduction

Operations

In 1980, the Workers' Compensation Board processed a total of 2,626 claims on work injuries, industrial diseases and fatalities.

The Workers' Compensation Board expenditures for compensation claims totalled \$978,000.00 in 1980. The amount allocated to the Future Claims Reserve for expenditure in the future on 1980 claims is \$2,811,000.00.

Total Assessment Revenue from the year's 3,510 Employers' Accounts is \$7,039,000.00.

Level of Workers' Benefits in 1980

- (1) Year's Maximum Assessable Remuneration is \$16,800.00
- (2) Permanent Partial Disability — Proportion of 75% of earnings based on the degree of disability.
- (3) Temporary Total Disability — 75% of earnings for period of disability. Minimum \$106.62 per week or earnings if less. Maximum \$1,050.00 per month.
- (4) Temporary Partial Disability — 75% of difference in earnings or proportion of 75% based on degree of disability.
- (5) Funeral Cost — \$672.00 plus the cost of transporting body — necessary costs within the Northwest Territories.
- (6) Additional expense payment consequent on death of worker — \$672.00
- (7) Widow's or Widower's pension — \$462.00 month, plus discretionary allowance.
- (8) Children's pension — Children who are dependants of the worker — \$105.00 per month to age 16. These payments continue to the end of the first college degree for educational purposes.
- (9) All medical aid and doctor fees.
- (10) Rehabilitation costs.

General information on the administrative features of the compensation, assessment, and finance divisions is attached as an Exhibit to this report.

Events

1. **Y.M.A.R.** The Workers' Compensation Ordinance was amended by the Legislative Assembly in 1980 effective January 1, 1981 to increase the Year's Maximum Assessable Remuneration to a maximum of \$20,400.00 from the previous level of \$16,800.00. All compensation benefits are proportionately dependent to the amount of the Y.M.A.R.

2. **Existing Pensioners:** Pensions have again been revised upwards to come into effect January 1, 1981 confined to those whose disability was greater than 10%, as well as to dependants of the deceased workers.

3. **Task Force:** There has also been established a Task Force to study the existing operations of the Workers' Compensation Board, the future developments of Workers' Compensation in the Territories, and a review of those matters connected with Workers' Compensation as practiced in other jurisdictions.

4. **Merit Rebate:** In recent years a number of employers and their representatives have advocated some type of assessment rebate program designed to encourage safety and a reduction of injury costs.

The Board decided to implement a merit plan effective 1 January 1979. Rebates earned were paid in 1980 based on injury costs, exclusive of administration, for the years 1977, 1978, and 1979.

The merit plan has been instituted on a trial basis.

Payment of the merit rebates have been made in 1980 to 742 employers in the N.W.T.

The total cost to the Board was \$625,000.00.

5. **Financial Statements:** Exhibit I with the accompanying financial statements thereto set out the Board's financial transactions for the calendar year 1980. The accounts of the Board have been audited and the certificate of the Auditor General is attached.

6. **Actuarial Certificate:** The actuarial certificate is attached hereto as Exhibit II.

7. Administration Costs: The Board tables its administrative budget each year at the January Session of the Assembly. The statement of the Board's administrative costs for the 1980 calendar year are attached as one of the exhibits.

8. Investments: In the year 1980 the Board through its Investment Committee continued with its definitive investment policy. The Royal Trust Company of Canada continued as the Board's investment custodian and the firm of Bolton Tremblay Inc. was appointed as counsel for the Board's investment portfolio. Details of the Board's investments are included in the financial statements.

9. Accident Prevention: An Accident Prevention Division was established along with the inception of the Merit Rebate Program. This Division will deal with all employers in respect to the continuation of the Merit Rebate Program. It is also actively connected with N.W.T. Safety Division and the Federal Government officials for oil and gas exploration developments.

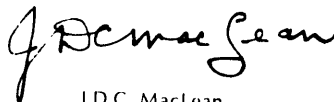
10. Industrial Classification: The funding, application and operating reserve balances for the assessment industrial classifications are attached hereto as Exhibit II.

11. Statistics: A breakdown of all claims as to type of injury and geographical location of occurrence are set out in Statistics Schedules attached as Exhibit IV to this report.

12. Treating Professionals, Hospitals: An essential part of the workers' compensation system is the contribution by the medical professionals and institutions in the treatment of the injured workers. The Board appreciates the assistance and co-operation provided by these persons and organizations.

13. Staff: The Board wishes to record its appreciation to the staff for their excellent performance throughout the year in providing prompt and courteous service to the workers, employers and other interested groups.

Respectfully submitted
on behalf of the Board,



J.D.C. MacLean,
Chairman of the Board.



Index to Exhibits

- Exhibit I Auditor General's Certificate
Accident Fund — Cap. 7 of the Workers' Compensation
Ordinance 1976
Balance Sheet December 31, 1980
Statement of Operating Reserve
Statement of Pension Reserve
Statement of Future Claims Reserve
Statement of Contingency Reserve
Notes to Financial Statements, Year ended December 31,
1980
- Exhibit II Actuarial Certificate
Assessment Class Funding Statement
- Exhibit III General Administrative Information
- Exhibit IV Statistics

Exhibit I

The Commissioner
Government of the Northwest Territories
Yellowknife, N.W.T.

I have examined the balance sheet of the Workers' Compensation Board (Northwest Territories) as at December 31, 1980 and the statements of operating reserve, pension reserve, future claims reserve, and contingency reserve for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Workers' Compensation Board (Northwest Territories) as at December 31, 1980 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Senior Deputy Auditor General of Canada
for the Auditor General of Canada

Workers' Compensation Board
(Northwest Territories)



Balance Sheet
as at December 31, 1980

Statement 1

Assets	1980	1979
	(\$000's)	
Short-term investments	\$5,907	\$11,421
Assessments receivable	498	867
Accrued interest	516	281
Long-term investments (Notes 2 and 4)	14,945	3,906
Fixed assets (Notes 2 and 5)	56	50
	<u>\$21,922</u>	<u>\$16,525</u>
Liabilities	1980	1979
	(\$000's)	
Bank overdraft	\$1,042	\$ 6
Accounts payable	33	58
Assessment refunds payable	393	282
Estimated merit rebates (Notes 2 and 6)	678	650
	<u>2,146</u>	<u>996</u>
Reserves		
Pension reserve — Statement 3 (Notes 2 and 3)	6,655	4,079
Future claims reserve — Statement 4 (Notes 2 and 3)	6,139	4,773
Contingency reserve — Statement 5 (Notes 2 and 3)	6,007	5,331
Operating reserve — Statement 2 (Note 2)	975	1,346
	<u>\$21,922</u>	<u>\$16,525</u>

The accompanying notes are an integral part of the financial statements

Approved:

James B. White

DIRECTOR OF FINANCE

Approved on behalf of the Workers' Compensation Board

J. DeMaio Sean

CHAIRMAN OF THE BOARD



Statement of Operating Reserve
for the year ended December 31, 1980

Statement 2

	1980	1979
	(\$000's)	
Funding provided		
Assessments	\$7,039	\$6,235
Deduct: Estimated merit rebates (Note 6)	678	650
	<hr/> 6,361	<hr/> 5,585
Interest (Note 7)	519	528
	<hr/> 6,880	<hr/> 6,113
Amounts applied		
Claims		
Compensation	614	674
Medical Aid	364	418
Administration and general (Note 8)	1,337	1,038
Transfers to:		
Pension reserve	161	263
Future claims reserve	2,811	3,076
Contingency reserve	1,964	1,980
	<hr/> 7,251	<hr/> 7,449
Decrease in operating reserve	(371)	(1,336)
Operating reserve, beginning of year	1,346	2,682
Operating reserve, end of year	<hr/> \$975	<hr/> \$1,346

The accompanying notes are an integral part of the financial statements.



Statement of Pension Reserve
for the year ended December 31, 1980

Statement 3

	1980	1979
	(\$000's)	
Funding provided		
Transfers from:		
Contingency reserve	\$1,850	\$1,715
Future claims reserve	1,084	813
Operating reserve	161	263
Interest (Note 7)	712	329
	<u>3,807</u>	<u>3,120</u>
Amounts applied		
Pension payments	1,231	719
	<u>2,576</u>	<u>2,401</u>
Increase in pension reserve	2,576	2,401
Pension reserve, beginning of year	4,079	1,678
	<u>4,079</u>	<u>1,678</u>
Pension reserve, end of year	<u>\$6,655</u>	<u>\$4,079</u>

The accompanying notes are an integral part of the financial statements.



Statement of Future Claims Reserve
 for the year ended December 31, 1980

Statement 4

	1980	1979
	(\$000's)	
Funding provided		
Transfer from operating reserve	\$2,811	\$3,076
Interest (Note 7)	538	262
	<u>3,349</u>	<u>3,338</u>
Amounts applied		
Transfer to pension reserve	1,084	813
Claim payments	899	635
	<u>1,983</u>	<u>1,448</u>
Increase in future claims reserve	1,366	1,890
Future claims reserve, beginning of year	4,773	2,883
Future claims reserve, end of year	<u>\$6,139</u>	<u>\$4,773</u>

The accompanying notes are an integral part of the financial statements.



Statement of Contingency Reserve
for the year ended December 31, 1980

Statement 5

	1980	1979
	(\$000's)	
Funding provided		
Transfer from operating reserve	\$1,964	\$1,980
Interest (Note 7)	622	457
	<u>2,586</u>	<u>2,437</u>
Amounts applied		
Transfer to pension reserve (Note 3)	1,850	1,715
Claim payments	60	38
	<u>1,910</u>	<u>1,753</u>
Increase in contingency reserve	676	684
Contingency reserve, beginning of year	<u>5,331</u>	<u>4,647</u>
Contingency reserve, end of year	<u>\$6,007</u>	<u>\$5,331</u>

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements December 31, 1980

1. Authority

The Workers' Compensation Board was established under, and is responsible for the administration of the Workers' Compensation Ordinance, 1977 (First Session).

Assessments are levied upon all employers in the Northwest Territories on the basis of a percentage of their payroll from which compensation in respect of accidents from employment and costs of administration are paid and reserves established.

2. Significant accounting policies

Reserves

Reserves have been established to provide for payment of liabilities in respect of future compensation for accidents which have occurred or may occur and thereby prevent employers in the future from being unduly or unfairly burdened with such costs.

The purposes of the reserves, the provisions for funding, and the amounts applied against them are described below:

(a) Operating reserve

The operating reserve is established to provide stability to the industry classes rating structure. The reserve represents investment revenue and assessment revenue of the industry classes less current claims expense for settlements during the year within authorized limits, administration and general expense, and transfers to other reserves.

(b) Pension reserve

The pension reserve represents the present value of future payments of pension awards made by the Board. Except for pension awards for industrial disease, second injury, enhanced disability, and settlements in excess of authorized limits, which are transferred from the contingency reserve, all pensions awarded for current year claims are transferred from the operating reserve and those awarded for prior years' claims are transferred from the future claims reserve.

(c) Future claims reserve

The future claims reserve represents the present value of future liabilities, within authorized limits, for unfinalized accident claims in process, accidents which have occurred and have not been reported, and for additional costs arising in future years in respect of prior years' claims. Amounts are transferred annually from the operating reserve to provide for the future costs of these claims.

(d) Contingency reserve

The contingency reserve represents amounts set aside to prevent adverse financial consequences to an industry classification as a result of excessive costs of any disaster or extraordinary circumstance including claim costs in excess of authorized limits, increases in pensions awarded, and claims for industrial disease, rehabilitation and retraining of injured workers, and enhanced disability including second injury.

Doubtful assessments receivable

No provision is made for doubtful assessments receivable. The practice of the Board is to reduce assessment revenue when accounts are determined to be uncollectible. Recoveries are credited to revenue.

Long-term investments

Investments are recorded at cost at the time of purchase. Discounts or premiums are amortized on a straight-line basis over the periods remaining to the maturity date of the investments.

Fixed assets

Fixed assets are recorded at cost at the time of acquisition. Depreciation is provided over the estimated useful life of the assets as follows:

Furnishings	10% straight-line
Equipment	20% straight-line
Leasehold improvements	Straight-line over the term of the lease

Merit Rebates

A merit rebate plan for assessments was introduced in 1979 to encourage accident prevention practices among employers. Under this plan, 1980 merit rebates for the year to December 31 are to be allowed to employers from current assessment revenue based on favourable claims experience over the three years then ended.

Interest revenue

Interest revenue is allocated to the various reserves on the basis of their average opening and closing balances.

Administration and general expense.

This expense, net of sundry and penalty revenue, is allocated to industry classes within the operating reserve on the basis of assessment revenue applicable to each industry class for the year.

3. Actuarial review

A review by the Consulting Actuary indicates that at December 31, 1980:

- the pension reserve of \$6,555,000 had a surplus of \$497,000 which the Actuary recommended should be retained in the reserve to help provide for future pension increases; and that
- the future claims reserve of \$6,139,000 and the contingency reserve of \$6,007,000 are appropriate to meet the future costs of claims that have occurred or are likely to occur.

Pension increases granted by the Board in 1980, providing increases to all pensions for accidents that had occurred up to December 31, 1978, resulted in an additional liability of \$1,357,000 which was transferred from the contingency reserve to the pension reserve during the year.

4. Long-term investments

The approximate market value of long-term investments as at December 31, 1980 was \$13,700,000.

5. Fixed assets

The amount comprises:

	1980	1979
Furnishings	\$46,000	\$26,000
Equipment	25,000	23,000
Leasehold improvements	<u>19,000</u>	<u>19,000</u>
	90,000	68,000
Less: Accumulated depreciation	<u>34,000</u>	<u>18,000</u>
	<u>\$56,000</u>	<u>\$50,000</u>

6. Merit Rebates

Actual 1979 merit rebates of \$625,000 were paid to qualified employers in 1980. The excess 1979 estimated merit rebate amount of \$25,000 was credited to the industry classes during 1980.

7. Interest

In addition to interest revenue of \$519,000 (\$528,000 in 1979) credited to the operating reserve, interest of \$1,872,000 has been credited to:

	1980	1979
Pension reserve	\$ 712,000	\$ 329,000
Future claims reserve	538,000	262,000
Contingency reserve	622,000	457,000
	<u>\$1,872,000</u>	<u>\$1,048,000</u>

8. Administration and general expense

The amount comprises:

	1980	1979
Salaries and benefits	\$ 776,000	\$677,000
Office accommodation, services and supplies	246,000	193,000
Professional services	111,000	72,000
Medical services	67,000	64,000
Travel	51,000	46,000
Board members	48,000	25,000
Task Force	21,000	—
Safety program	39,000	16,000
	<u>1,359,000</u>	<u>1,093,000</u>
Deduct: Assessment penalties	18,000	50,000
Sundry revenue	4,000	5,000
	<u>22,000</u>	<u>55,000</u>
	<u>\$1,337,000</u>	<u>\$1,038,000</u>



Schedule of Administration and General Expense
for the year ended December 31, 1980

	1980	1979
	(\$000's)	
Salaries, wages and allowances	\$ 721	\$ 630
Employer share of benefits	55	47
Professional services	76	53
Office lease and renovations	71	63
Medical services	67	64
Travel	51	46
Printing and office supplies	50	32
Board members	48	25
Safety program	39	16
Communications	33	31
Data processing	28	12
Administration services -		
Government of the Northwest Territories	26	26
Investment portfolio management	23	19
Task Force on Workers' Compensation	21	—
Advertising and public relations	17	8
Internal audit	12	—
Office furnishings and equipment	11	10
Miscellaneous	10	11
	<u>1,359</u>	<u>1,093</u>
Deduct: Assessment penalties	18	50
Sundry revenue	4	5
	<u>22</u>	<u>55</u>
	<u><u>\$1,337</u></u>	<u><u>\$1,038</u></u>

Exhibit II Certificate

As Consulting Actuaries to the Workers' Compensation Board Northwest Territories, we have reviewed the liabilities of the Accident Fund as at December 31, 1980, but have not ourselves carried out an audit, as the Fund is subject to audit by the Auditor General of Canada. However, we are satisfied from general tests of the data that it fairly represents the position at the valuation date, and is adequate and reliable for the purpose of the valuation.

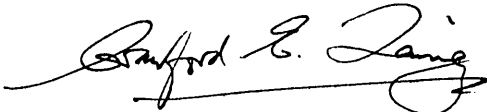
WE CERTIFY that, on the basis and assumptions set out in our Report dated May 29, 1981, the liability of the Pension Fund in respect of awards for Post-1976 accidents, and increases in pensions granted up to December 31, 1980 for Pre-1977 accidents, is \$6,158,000. As the Fund available was \$6,655,000, there is a surplus at the valuation date of \$497,000, and WE RECOMMEND that this should be retained in the Fund to help provide for future increases in pensions to preserve their purchasing power.

WE CONSIDER that the Future Claims Provision of \$6,139,000 (including the provision for 1980 accidents of \$2,811,000) is necessary to meet both the future cost of reported claims and the cost of possible unreported claims, in respect of Accidents that have already occurred, and that will be charged to this Reserve, excluding amounts that will be the responsibility of the Contingency Reserve.

WE ALSO CONSIDER that the balance in the Contingency Reserve of \$6,007,000 (including the appropriation from Classes during 1980 totalling \$1,964,200), together with future appropriations from Classes in respect of Pension Increases, is appropriate to meet future costs in respect of accidents that have already occurred, and arising from:

- (i) Disasters and other costs in excess of the limits set for retention and stop-loss purposes;
- (ii) Industrial Diseases (including silicosis);
- (iii) Rehabilitation of injured workers; and
- (iv) Enhancement of claims as a result of previous injuries.

for CRAWFORD E. LAING LTD.



Crawford E. Laing, FCIA, FFA, AIA, ASA,
President and Actuary

May 29, 1981

Workers' Compensation Board
(Northwest Territories)

Schedule of Provisional Class Funding, Application and Operating Reserve Balances
for the year ended December 31, 1980

Industry Class	10	20	30	40
Funding provided				
Assessments	95,847.17	3,128,005.29	30,409.00	1,097,210.82
Deduct: Estimated merit rebates	<u>9,000.00</u>	<u>195,000.00</u>	<u>6,000.00</u>	<u>110,000.00</u>
	86,847.17	2,933,005.29	24,409.00	987,210.82
Investment interest	<u>3,295.63</u>	<u>136,455.18</u>	<u>1,479.48</u>	<u>86,694.17</u>
	<u>95,142.80</u>	<u>3,069,460.47</u>	<u>25,888.48</u>	<u>1,073,904.99</u>
Amounts applied				
Claims				
Compensation	4,348.06	351,473.17	10,052.46	94,073.66
Medical Aid	<u>4,650.38</u>	<u>217,294.43</u>	<u>9,103.06</u>	<u>48,571.09</u>
	8,998.44	568,767.60	19,155.52	142,644.75
Administration and general	18,215.24	594,460.76	5,779.07	208,519.08
Transfers to:				
Pension reserve	—	87,326.86	—	30,000.00
Future claims reserve	37,000.00	1,500,000.00	38,000.00	415,000.00
Contingency reserve	<u>27,500.00</u>	<u>955,300.00</u>	<u>8,700.00</u>	<u>241,400.00</u>
	<u>91,713.68</u>	<u>3,705,855.22</u>	<u>71,634.59</u>	<u>1,037,563.83</u>
Increase (decrease) in operating reserve	3,429.12	(636,394.75)	(45,746.11)	36,341.16
Operating reserve, beginning of year	<u>22,797.09</u>	<u>(49,902.59)</u>	<u>7,618.52</u>	<u>272,444.60</u>
Operating reserve, end of year	<u>26,226.21</u>	<u>(686,297.34)</u>	<u>(38,127.59)</u>	<u>308,785.76</u>

Industrial Classification

Industry Code Industry Description

10	Resources — renewable	50	Transportation, Commu- nication and Utilities
20	Resources — non-renewable	60	Trades
30	Manufacturing	70	Services
40	Construction	80	Public Administration and Defence

50	60	70	80	Total
944,825.26	365,047.37	328,551.23	1,048,631.13	7,038,527.27
<u>88,000.00</u>	<u>43,000.00</u>	<u>43,000.00</u>	<u>184,000.00</u>	678,000.00
856,825.26	322,047.37	285,551.23	864,631.13	6,360,527.27
<u>25,621.87</u>	<u>22,552.90</u>	<u>17,708.01</u>	<u>220,733.16</u>	519,540.40
<u>882,447.13</u>	<u>344,600.27</u>	<u>303,259.24</u>	<u>1,085,364.29</u>	6,880,067.67
77,528.95	25,657.64	22,636.12	28,282.64	614,052.70
<u>38,472.41</u>	<u>14,140.33</u>	<u>13,537.87</u>	<u>18,130.18</u>	363,899.75
116,001.36	39,797.97	36,173.99	46,412.82	977,952.45
179,559.01	69,375.31	62,439.41	199,286.77	1,337,634.65
43,600.05	—	—	—	160,926.91
464,000.00	80,000.00	79,000.00	198,000.00	2,811,000.00
<u>326,100.00</u>	<u>93,000.00</u>	<u>96,300.00</u>	<u>215,900.00</u>	1,964,200.00
<u>1,129,260.42</u>	<u>282,173.28</u>	<u>273,913.40</u>	<u>659,599.59</u>	7,251,714.01
(246,813.29)	62,426.99	29,345.84	425,764.70	(371,646.34)
<u>(108,049.80)</u>	<u>38,812.07</u>	<u>6,830.38</u>	<u>1,155,614.40</u>	1,346,164.67
<u>(354,863.09)</u>	<u>101,239.06</u>	<u>36,176.22</u>	<u>1,581,379.10</u>	974,518.33

Exhibit III

General Administrative Information

Claims

Compensation

Under workers' compensation an injured worker is covered for personal injury by accident arising out of and during the course of employment, and if totally disabled is entitled to benefits during the period of disability computed at the rate of 75% of his average yearly remuneration. The maximum remuneration which could be used in computation of compensation for accidents occurring in 1980 was \$16,800 per annum. These benefits are not taxable as income.

Pension Awards

(a) Where the accident results in Permanent Disability, either total or partial, benefits are payable for life and are usually paid on a monthly basis.

(b) Where death results from a compensable injury the necessary burial expenses up to \$672.00 are paid; in addition, the necessary expenses of transporting the body within the Northwest Territories. The dependent widow or widower is also paid a contribution of \$672.00 for the additional expense occasioned consequent upon death and thereafter a monthly payment of \$462.00 until death or remarriage. Upon remarriage a lump sum payment of \$5,544.00 is made and the monthly benefits terminated. Dependent children are entitled to a monthly pension of \$105.00 for each child to age sixteen. If education is continued the allowance may be paid to the completion of the first university degree or the completion of a technical or vocational training course.

Medical Aid

Medical aid required as a result of an injury arising out of and during the course of employment includes medical, surgical or other services provided by a physician, nursing services, hospital services, drugs, dressings, x-ray treatment, medical and physical treatment.

The injured worker is completely free to choose his own doctor while subsequent treatment or examination or treatment by medical specialists or consultants must be arranged by the attending doctor in conjunction with the Board Medical Advisor.

Rehabilitation

Rehabilitation is the use of all appropriate sciences and disciplines to help persons handicapped by disease, disability or social maladjustment achieve maximum well being and usefulness. It is the cultivation, restoration and conservation of human resources. Nothing can replace the wish of every person who has known disability, to live and work in dignity, in free and open competition with the world.

The rehabilitee must be considered in relation to his needs and against the background of his family relations. Absence from the family group is a matter that may have significant impact upon the individual. Other considerations include the financial situation, marital relationship and home environment.

Assessment

Employers are assessed annually on the earnings of their employees to provide a fund for the payment of compensation, medical aid, vocational rehabilitation costs, and the administration of the Ordinance.

This fund called the "Accident Fund" is one and indivisible with liability placed on all industry collectively, although the industries are divided into classes and subclasses.

Separate accounting is kept of assessment revenue and the accident costs for each of the industry classifications. Each classification is really a mutual insurance association of the employers. The contingency reserve is provided to assist a class which alone is unable to bear abnormal costs in any one year. It also provides financial assistance when disability from a current injury is enhanced because of a non-related pre-existing condition.

All employers are required to file with the Board by the last day of February in each year a return showing the actual wages paid during the immediate preceding year together with an estimate of the payroll for the current year. Assessment is then made on the estimated payroll subject to any adjustment indicated when the actual payroll is submitted the following February.

Assessment rates are established after considering the cost experience of past years, the financial position of the industry classification, the reserves necessary for outstanding claims and pensions, and the cost of administering the Ordinance.

The average rates billed in each subclass are significant as they indicate the costs actually borne by employers in each subclass and it is important not to make too drastic a change at any one time.

Appreciating the need for employers to have early advice of assessment rates for the coming year the Board provides this information by mid November.

Finance

Responsibilities

The financial responsibility of the Board in administering the Workers' Compensation Ordinance is three fold:

- (i) to guarantee that compensation and pensions awarded to injured workers or their dependants will be paid according to entitlement and as long as required.
- (ii) to assess and collect sufficient funds from Employers to meet these obligations.
- (iii) to minimize the cost to Employers while achieving maximum stability of rates.

The maintenance of adequate reserves is the most effective way to ensure these responsibilities are met.

Reserves

(a) **Pension Reserve:** When pensions are awarded it is necessary to set aside adequate funds to maintain payments to the Pensioners for their lifetime. Actuarial tables are used to calculate the amount transferred from the class to the pension fund to provide sufficient capital and income for payment of the pension for its applicable term.

(b) **Contingency Reserve:** The contingency reserve has been set aside to cover enhanced disabilities, rehabilitation, industrial disease and disasters.

(c) **Future Claims Reserve:** This reserve is set up to cover pension awards and ongoing costs of claims that are still under active administration. These include claims that may be re-opened because of a need for further treatment or increased disability. The amounts required are set up each year.

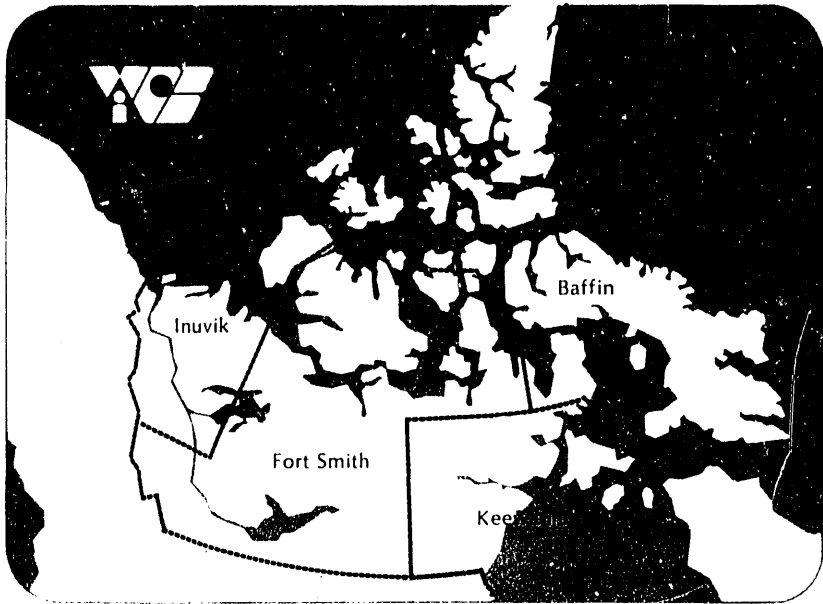
(d) **Operating Reserve:** The majority of Employers prefer a stable rate of assessment which will not fluctuate significantly from year to year. To provide this stability each class is required to build up and maintain an operating reserve. This reserve absorbs the major fluctuations which would otherwise be reflected in wide variations of rates from year to year.

Exhibit IV

Statistics Schedule I

1980 Accidents Reported

Analysed by Geographical Region



	1980	1979	1978	1977
Fort Smith Region	1,602	1,534	1,538	1,242
Inuvik Region	556	466	456	588
Baffin Region	332	301	282	396
Keewatin Region	60	53	41	39
Unclassified Locations	76	40	—	—
Total	2,626	2,394	2,317	2,265

Specific Location of Accident in Each Region

Fort Smith Region

Location	No. of Claims	Location	No. of Claims
Fort Smith Regional Office	45	Sawmill Bay	—
Bathurst Inlet	1	60th Parallel	—
Buffalo River	1	Snare Lake	—
Cambridge Bay	21	Snowdrift	1
Coppermine	8	Spence Bay	7
Discovery	—	Stagg River	—
Cory Point	—	Thompson Landing	—
Echo Bay	7	Thom Bay	—
Edzo	1	Trout Lake	—
Enterprise	6	Tungsten	92
Fort Liard	29	Wellington Bay	—
Fort Providence	12	Whitecap Falls	—
Franks Channel	—	Willow River	—
Fort Resolution	3	YK Indian Village	—
Fort Simpson	36	Yellowknife	764
Fort Smith	75	Total	1,602
Fort Wrigley	—		
Gjoa Haven	5		
Gov't. Weight Scale - Enterprise	—		
Great Slave Lake	3		
Hay River	231		
Hay River Reserve	—		
Holman Island	—		
Hyslop Lake	—		
Jean Marie River	1		
Kakisa Lake	—		
Lac La Marte	—		
Lady Evelyn Falls	—		
Little Buffalo River	—		
Louise Falls	—		
Marion Lake	—		
Motor Boat Caribou	—		
Motor Vessel Johnny Berens	—		
Nahanni Butte	3		
Pelly Bay	5		
Pellat Lake	—		
Pine Point	167		
Port Radium	65		
Prelude Lake	—		
Rae	13		
Reid Lake	—		
Reliance	—		
Rae Lakes	—		
Rocher River	—		

Inuvik Region

Location	No. of Claims
Inuvik Regional Office	62
Aklavik	3
Arctic Red River	1
Colville Lake	—
Fort Franklin	1
Fort Good Hope	2
Fort McPherson	9
Fort Norman	1
Inuvik	145
Norman Wells	132
Paulatuk (Cape Parry)	—
Reindeer Station	—
Sachs Harbour	—
Tuktoyaktuk (Beaufort Sea)	200
Total	556

Baffin Region

Location	No. of Claims
Baffin Regional Office	83
Alexander Fiord	—
Arctic Bay	—
Broughton Island	2
Cape Christian	1
Cape Dorset	1
Cape Dyer	7
Clyde River	1
Ekalujad Fiord	—
Eskimo Village	1
Frobisher Bay	120
Grise Fiord	—
Hall Beach	8
Hamilton	—
Igloolik	—
Lake Harbour	—
Mettling Lake	—
Nottingham Island	—
Padloping Island	—
Pangnirtung	14
Pond Inlet	4
Port Burwell	2
Resolute Bay	32
Resolution Island	—
Strathcona Sound - Nanisivik	52
Sanikiluaq	4
Total	332

Keewatin Region

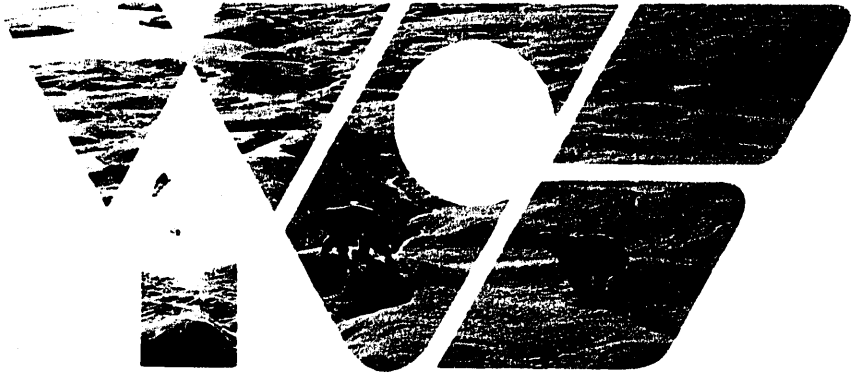
Location	No. of Claims
Keewatin Regional Office	13
Akudlik	—
Baker Lake	19
Belcher Islands	1
Chesterfield Inlet	1
Churchill	—
Coral Harbour	5
Dalfy Bay (Repneheimer Bay)	—
Duke of York Bay	—
Ennagai	—
Eskimo Point	—
Furquson (Wilson) River	—
Garry Lake	—
Lynn Lake	—
Maguse River	—
Padlei	—
Rankin Inlet	12
Repulse Bay	5
Southampton Island	—
Tha Anne River	—
Whale Cove	4
Total	60
"Unclassified Locations"	76

Statistics Schedule II

Accidents Reported by Part of Body Injured and Type of Injury

Part of Body	No. of Claims	Part of Body	No. of Claims
Head	12	Leg, N.E.C.	—
Ear	3	Ankle	97
Ear External	2	Foot (Not Ankle or Toes)	119
Ear Internal - Hearing	26	Toe(s)	32
Eye(s) -		Lower Extremities	—
Optic Nerves - Vision	304	Lower Extremities, N.E.C.	—
Face	22	Multiple Parts	88
Jaw (Chin)	20	(More than 1 major part)	
Mouth	5	Body System (Poisoning,	7
(Lips, Teeth, Tongue, etc.)		Nerve Centres, etc.)	
Nose	12	Digestive System	7
Face - Multiple Parts	4	Excretory System	1
Face - N.E.C.-Eyebrow	16	(Kidneys, Bladder, etc.)	
Scalp	17	Musculo-Skeletal System	—
Skull	10	(Bone, Joints, etc.)	
Head - Multiple	6	Nervous System	—
Head - N.E.C.	17	Respiratory System (Lungs, etc.)	3
Neck	22	Body Parts - N.E.C.	1
Upper Extremities	—	Unclassified (insufficient	
Arm(s) - Above Wrist	28	info to identify)	34
Upper Arm	22	Eye Glasses	28
Elbow	54	Dentures	—
Forearm	35		
Arm, Multiple	6		
Arm, N.E.C.	5		
Wrist	62		
Hand (Not Wrist or Fingers)	197		
Finger(s)	505		
Upper Extremities - Multiple	1		
Upper Extremities - N.E.C.	—		
Trunk	—		
Abdomen			
(Internal Organs, Groin)	45		
Back	348		
Chest			
(Ribs, Breast Bone, etc.)	67		
Hips (Pelvis, Buttocks)	14		
Shoulder(s)	68		
Trunk - Multiple	10		
Trunk - N.E.C.	1		
Lower Extremities	1		
Leg(s) Above Ankle	43		
Thigh	38		
Knee	119		
Lower Leg	37		
Leg, Multiple	5		
			2,626

Type of Injury	No. of Claims
Amputation	22
Asphyxia, Drowning	1
Burn, Scald (Heat)	89
Concussion	3
Contusion, Crush, Bruise	588
Cut, Laceration, Puncture	536
Dislocation	21
Electric Shock, Electrocutation	—
Fracture	137
Hernia, Rupture	20
Scratches, Abrasions, F.B.	278
Sprains, Strains	616
Multiple Injuries	61
Occupational Injury N.E.C.	11
Burn (Chemical)	64
Contagious or Infectious Disease	2
Dermatitis - Rash, etc.	13
Freezing, Frostbite, Exposure	7
Hearing Loss	24
Heat Stroke	2
Inflammation, Irritation Joints-Muscles	29
Poisoning, Systemic	25
Silicosis	—
Pneumoconiosis, N.E.C.	—
Radiation Effects	—
Occupational Illnesses, N.E.C.	—
Non-Personal Damage - Eye Glasses, etc.	35
Unclassified - Unidentified Disorder	42
	<hr/>
	2,626



Workers'
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