

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
10TH ASSEMBLY, 6TH SESSION

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TABLED ON OCTOBER 24, 1985



WORKERS' COMPENSATION BOARD

NORTHWEST TERRITORIES



EIGHTH ANNUAL REPORT
1984



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*Workers' Compensation Board
Northwest Territories*

ANNUAL REPORT 1984

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

SUMMARY OF PRESENT BENEFITS — 1985

	Jan. 1 - June 30	Effective July 1
Maximum yearly earnings assessed on	\$26,400.00	\$30,400.00
Maximum yearly earnings compensated on	26,400.00	30,400.00
Rate of compensation	75%	75%
Maximum yearly amount of compensation	19,800.00	22,300.00
Maximum weekly earnings compensated on	507.89	584.61
Maximum weekly compensation	380.77	438.46
Widow's pension — per month	726.00	836.00
Widow's special immediate allowance	1,056.00	1,216.00
Widow's re-marriage allowance — 12 monthly payments × \$726.00	8,712.00	10,032.00
Where fatality occurs a considerable distance from place of burial all trans- portation costs within the N.W.T.		
Child's pension — per month, up to age 16 or if still attending school	165.00	190.00
Maximum pension to widow and children	No limit	
Dependant's pension (where no widow and children) proportionate to pecuniary loss not to exceed \$726.00 per month		836.00
Minimum compensation for permanent total disability per month	726.00	836.00
Minimum compensation for temporary total disability per week	167.54	192.92

For average earnings of that amount or more, and actual earnings if less than \$167.54 per week (effective July 1st, 192.92 per week).

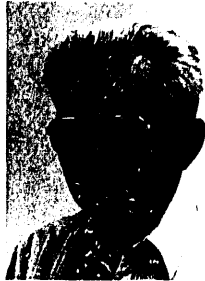
Medical aid which includes hospitalization, surgery, drugs, etc. is also provided (All Compensation Benefits are non-taxable).



J.D.C. MacLean
Chairman

Willie Adams
Board Member

W. Berezowski
Board Member



J. Van Brunt
Board Member

A.R.W. Hettrick
Board Member

A. Hope
Board Member



D. Johnston
Board Member

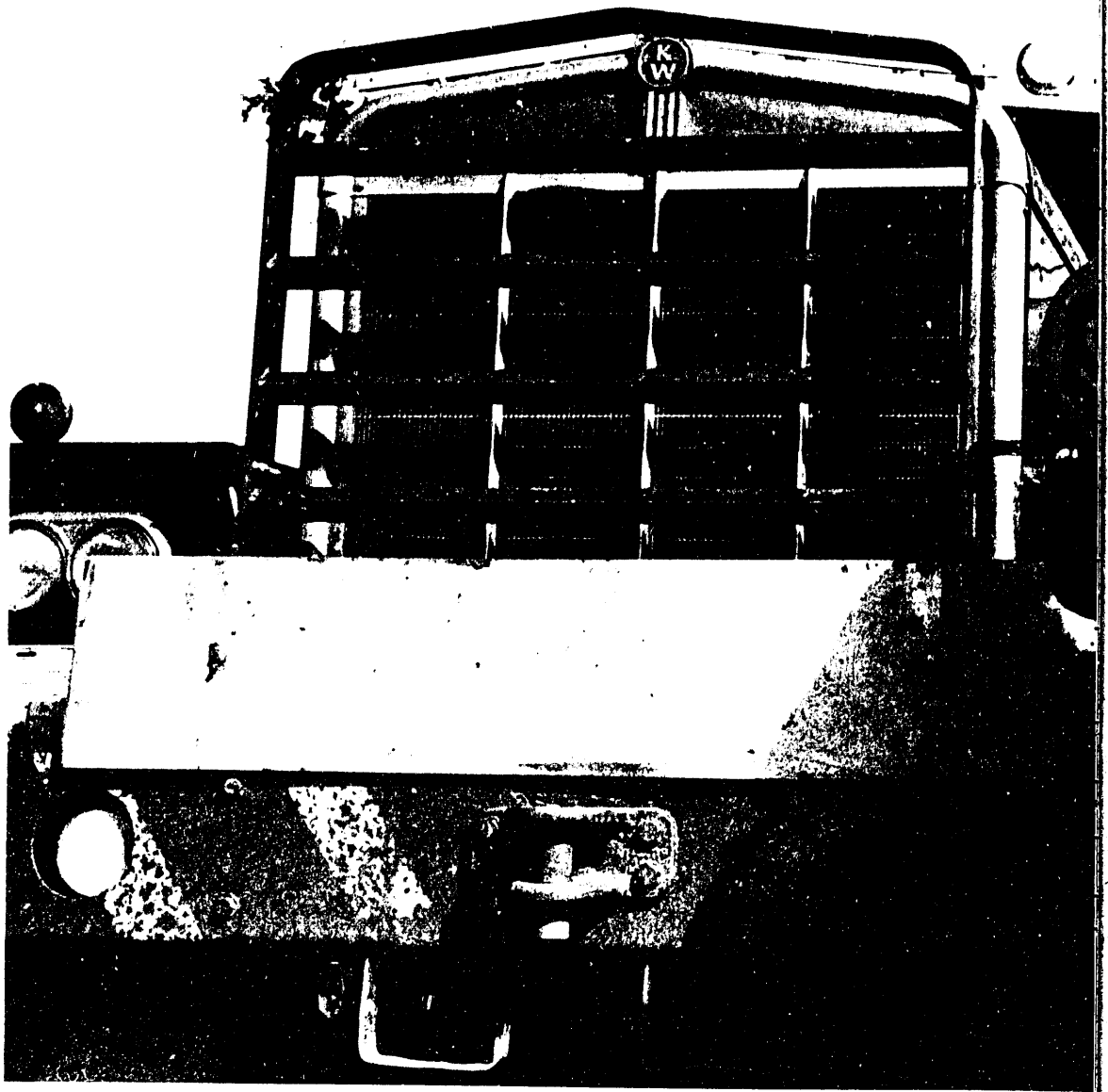
R. Kuptana
Board Member

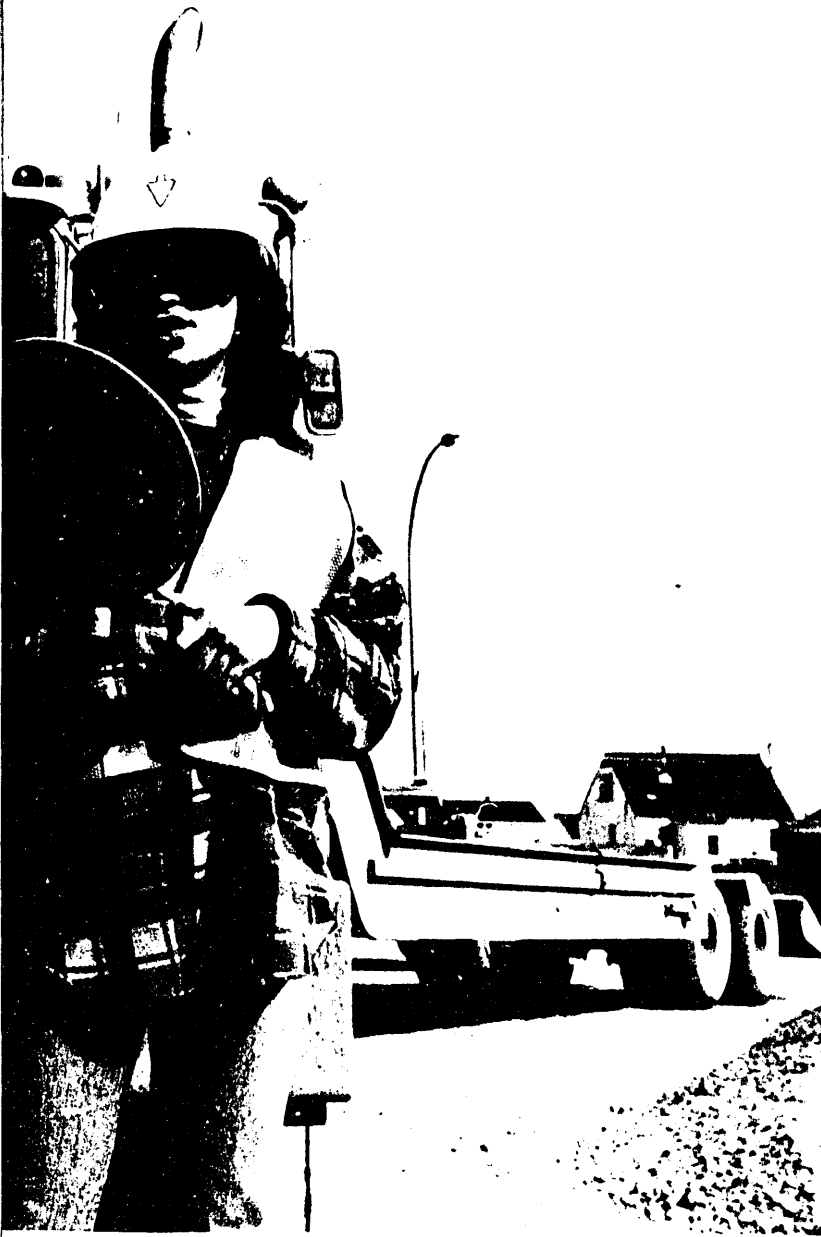
B.C. Roberts
Board Member



J. Todd
Board Member

M. Zubko
Board Member





INTRODUCTION

OPERATIONS

In 1984 the Workers' Compensation Board processed a total of 3,355 claims on work injuries, industrial diseases and fatalities.

The Workers' Compensation Board expenditures for compensation claims totalled \$1,582,450.57 in 1984. The amount allocated to the Future Claims Reserve for expenditure in the future on 1984 claims is \$7,038,200.00.

LEVEL OF WORKERS' BENEFITS IN 1984

- Year's Maximum Assessable Remuneration is \$26,400.00
- Permanent Partial Disability — Proportion of 75% of earnings based on the degree of disability.
- Temporary Partial Disability — 75% of earnings for period of disability. Minimum \$167.54 per week or earnings if less. Maximum \$1,650.00 per month.
- Temporary Partial Disability — 75% of difference in earnings or proportion of 75% based on degree of disability.
- Funeral Cost — \$1,056.00 plus the cost of transporting body — necessary costs within the Northwest Territories.
- Additional expense payment consequent on death of worker — \$1,056.00.
- Widow's or Widower's pension — \$726.00 a month, plus discretionary allowance.
- Children's pension — Children who are dependants of the worker — \$165.00 per month to age 16. These payments continue to the end of the first college degree for educational purposes.
- All medical aid and doctor fees.
- Rehabilitation costs.

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

1. **Y.M.A.R.:** The Workers' Compensation Ordinance was amended by the Legislative Assembly in 1983 effective January 1, 1984 to increase the Year's Maximum Assessable Remuneration to a maximum of \$26,400.00 from the previous level of \$23,200.00. All compensation benefits are proportionately dependent on the amount of the Y.M.A.R.
2. **Existing Pensioners:** Pensions were revised upwards and came into effect July 1, 1983 confined to those whose disability was greater than 10%, as well as to dependants of the deceased workers.
3. **Merit Rebate:** In accordance with the merit rebate plan implemented in 1979 the 1983 rebates in the amount of \$1,624,000.00 were issued to employers in 1984. The Board has decided to continue the Merit Rebate Program as a Safety Incentive Program.
4. **Actuarial Certificate:** The actuarial certificate is attached hereto as Exhibit II.
5. **Administration Costs:** The Board tables its administrative budget each year at the January Session of the Assembly. The Schedule of the Board's administrative and general expense for the 1984 calendar year is attached in Exhibit III.
6. **Investments:** In the year 1984 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. and Laketon Investments were counsels for the Board's investment portfolio. Details of the Board's investments are included in the financial statements.
7. **Accident Prevention:** The Accident Prevention Division continued liaison with Industry and Labour with respect to the Safety Incentive Program. Several seminars and visitations were made in an attempt to encourage safer working environments for the prevention of accidents. The Division remains actively connected with the Northwest Territories Safety Division and the federal government agencies responsible for safety enforcement in the Northwest Territories.
8. **Industrial Classification:** The funding, application and operating reserve balances for the assessment industrial classifications are attached hereto as Exhibit III.
9. **Statistics:** A breakdown of all claims as to type of injury and geographical location of occurrence is set out in Statistics Schedules attached as Exhibit V to this report.
10. **Financial Statements:** Exhibit I with the accompanying financial statements thereto set out the Board's financial results for the calendar year 1984. The accounts of the Board have been audited and the report of the Auditor General is attached.
11. **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.
12. **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.

On behalf of the Board



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





OF MANAGEMENT TO THE COMMISSIONER

The Commissioner
Government of the Northwest Territories

The accompanying financial statements and all information in the Annual Report are the responsibility of management and the Workers' Compensation Board. The financial statements were prepared by management in conformity with accounting policies appropriate in the circumstances. The non-financial information provided in the Annual Report has been selected on the basis of its relevance to the Board's objectives and the extent to which reasonably precise measurement is practical.

The Board maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used efficiently to further the Board's aims, and are protected from loss or unauthorized use and that the Board acts in accordance with the laws of Canada and the Northwest Territories.

The Board, through its Audit Committee, is responsible for reviewing and monitoring the Board's management accounting and reporting practices. The Audit Committee meets with management and external auditors to satisfy itself that these responsibilities are properly discharged.

The consulting actuary, Crawford E. Laing, is requested by the Board, pursuant to the Worker's Compensation Ordinance, to annually carry out an evaluation of the Board's liabilities and assessment rates. The Actuary provides advice to the Board as to the adequacy of the provisions for various costs, including pensions and assessment rates.

The Auditor General of Canada annually provides an independent, objective, review of management's discharge of its responsibility to report fairly the operating results and financial position of the Board in accordance with accounting policies deemed appropriate for the operations of the Board. His examination includes a review and evaluation of the Board's system of internal control and appropriate tests and procedures to provide reasonable assurance, in all material respects, that the financial statements are presented fairly. The Auditor General has full and free access to the Audit Committee and meets with it on a regular basis to discuss the results of his examination and the adequacy of financial and management controls.

Bryan C. Roberts
Acting Chief Executive Officer

James B. White
Director of Finance



**The Commissioner
Government of the Northwest Territories**

I have examined the balance sheet of the Workers' Compensation Board (Northwest Territories) as at December 31, 1984 and the statement of operations and operating 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 Board as at December 31, 1984 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.

Kenneth M. Dye, F.C.A.
Auditor General of Canada

Ottawa, Ontario
May 29, 1985

AS AT DECEMBER 31, 1984

<u>ASSETS</u>	<u>1984</u>	<u>1983</u>
	<i>in thousands of dollars</i>	
Cash and short-term investments	\$13,785	\$15,026
Assessments receivable	2,686	2,540
Accrued interest receivable	1,374	911
Long-term investments (Note 3)	49,213	34,913
Property and equipment (Note 4)	371	158
	<u>\$67,429</u>	<u>\$53,548</u>

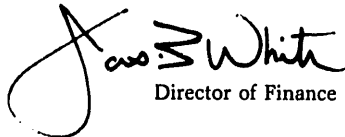
LIABILITIES

Accounts payable	\$ 713	\$ 624
Assessments refundable	1,200	1,300
Merit rebates	1,640	1,600
Pension liability (Notes 5 and 8)	26,713	20,046
Future claims liability (Notes 6 and 8)	16,794	12,894
	<u>47,060</u>	<u>36,464</u>

RESERVES

Contingency (Notes 7 and 8)	14,440	12,034
Operating	5,929	5,050
	<u>20,369</u>	<u>17,084</u>
	<u>\$67,429</u>	<u>\$53,548</u>

Approved:


Director of Finance

Approved by the Workers' Compensation Board:


Acting Chairman and
Chief Executive Officer


Member

**OF OPERATIONS AND OPERATING RESERVE
FOR THE YEAR ENDED DECEMBER 31, 1984**

REVENUES:	1984	1983
	<i>in thousands of dollars</i>	
Assessments	\$18,667	\$16,817
Less: Merit rebates (Note 9)	1,640	1,600
	17,027	15,217
Investments	8,054	4,662
	25,081	19,879
 EXPENSES AND TRANSFERS		
Claims		
Compensation	1,582	787
Medical Aid	811	456
	2,393	1,243
Transfers to:		
Pension liability (Note 5)	3,723	2,270
Future claims liability (Note 6)	8,631	5,588
Contingency reserve (Note 7)	5,531	4,814
	17,885	12,672
Administration and general (Note 10)	3,924	3,009
	24,202	16,924
Excess of revenues over expenses and transfers for the year	879	2,955
Operating reserve at beginning of the year	5,050	2,095
Operating reserve at end of the year	\$ 5,929	\$ 5,050

**OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1984**

FUNDS PROVIDED:	1984	1983
	<i>in thousands of dollars</i>	
Operations		
Excess of revenues over expenses and transfers for the year	\$ 879	\$ 2,955
Items not requiring outlay of funds:		
Depreciation	30	38
Property and equipment written off	80	1
Transfers to:		
Pension liability	3,723	2,270
Future claims liability	8,631	5,588
Contingency reserve	5,531	4,811
	<u>18,874</u>	<u>15,666</u>
 Increase (decrease) in accounts payable and assessments refundable	 (11)	 499
Increase in merit rebates	40	65
Total funds provided	18,903	16,230

FUNDS APPLIED:

Pensions and claims paid from:		
Pension liability	2,418	1,872
Future claims liability	2,157	2,080
Contingency reserve	337	413
	<u>4,912</u>	<u>4,365</u>
 Increase in assessments and accrued interest receivable	 609	 200
Property and equipment purchases	323	109
Total funds applied	5,844	4,674
Net funds provided	13,059	11,556
Funds at beginning of the year	49,939	38,383
Funds (cash, short and long-term investments) at end of the year	\$62,998	\$49,939

TO FINANCIAL STATEMENTS

DECEMBER 31, 1984

NOTE 1

AUTHORITY AND OPERATIONS

The Workers' Compensation Board was established under, and is responsible for the administration of, the Workers' Compensation Ordinance, 1977, c.7.

The Board provides compensation for injury or death by accident arising out of and in the course of employment. Assessments are levied upon employers on the basis of a percentage of their assessable payroll to meet the costs of compensation, including claim provisions, and administration.

NOTE 2

ACCOUNTING POLICIES

The more significant accounting policies of the Board are as follows:

(a) **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 dates of the investments.

(b) **PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost and depreciated or amortized over their estimated useful life under the straight-line method as follows:

Furnishings	10 years
Equipment	5 years
Leasehold improvements	Over the term of the lease

(c) **MERIT REBATES**

Under a merit rebate plan established to encourage accident prevention practices among employers, rebates are provided for annually to be allowed to employers from current assessment revenue based on favourable claims experience over the three years ending in the financial year.

(d) **PENSION LIABILITY**

The pension liability represents amounts provided to meet the present value, as determined by actuarial valuation, of future payments of pension awards. Except for pension awards for industrial disease, second injury, enhanced disability and settlements in excess of authorized limits, which are provided from the contingency reserve, all pensions awarded for the current year's claims are provided annually from operations and those awarded for prior years' claims are provided from the future claims liability.

(e) **FUTURE CLAIMS LIABILITY**

The future claims liability represents amounts provided to meet the present value, as determined by actuarial valuation, 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 operations to provide for the future costs of these claims.

(f) **CONTINGENCY RESERVE**

The contingency reserve represents amounts set aside, as determined by actuarial valuation, to prevent adverse financial consequences to an industry classification as a result of excessive costs of any disaster or extraordinary circumstance including claims 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.

(g) **OPERATING RESERVE**

The operating reserve is maintained to provide stability to the industry classes rating structure. The reserve is increased or decreased in the amount by which assessment revenue and investment revenue of the industry classes is over or under claims expense for settlement of accidents occurring during the year within authorized limits, administration and general expenses, and transfers to pension liability, future claims liability and contingency reserve. These transfers include investment revenue allocations based on the average opening and closing balance in these accounts.

(h) **ADMINISTRATION AND GENERAL EXPENSES**

These expenses, net of assessment penalties and sundry revenue, are allocated proportionately to industry classes on the basis of assessable payroll and assessment revenue applicable to each industry class for the year.

(i) **INVESTMENT REVENUE**

Investment revenue is allocated to liabilities and reserves according to the mean account balances for the year.

NOTE 3

LONG-TERM INVESTMENTS

		1984	1983
	Par Value	Amortized Cost	Amortized Cost
		<i>in thousands of dollars</i>	
Government of Canada bonds	\$32,875	\$33,469	\$21,902
Provincial bonds	8,450	8,394	5,947
Corporate bonds	9,600	9,243	8,147
	50,925	51,106	35,996

Less:

Current portion of long-term
investments included in cash
and short-term investments

1,900	1,893	1,083
\$49,025	\$49,213	\$34,913

The approximate market value of investments, including those maturing within one year, as at December 31, 1984 was \$51,824,000 (1983 — \$35,918,000).

NOTE 4

PROPERTY AND EQUIPMENT

	1984	1983
	<i>in thousands of dollars</i>	
Furnishings	\$104	\$100
Equipment	336	109
Leasehold improvements	59	52
	499	261
Less: Accumulated depreciation and amortization	128	103
	\$371	\$158

NOTE 5

PENSION LIABILITY

	1984	1983
	<i>in thousands of dollars</i>	
Transfers from:		
Operations - provision	\$ 434	\$ 432
- investment revenue	3,289	1,838
	3,723	2,270
Future claims liability (Note 6)	2,574	2,469
Contingency reserve (Note 7)	2,788	1,123
	9,085	5,862
Less: Pension payments	2,418	1,872
Increase for the year	6,667	3,990
Balance at beginning of the year	20,046	16,056
Balance at end of the year	\$26,713	\$20,046

NOTE 6**FUTURE CLAIMS LIABILITY**

	1984	1983
	<i>in thousands of dollars</i>	
Transfers from:		
Operations - provision	\$ 7,038	\$ 4,505
- investment revenue	1,593	1,083
	8,631	5,588
Less: Claim payments		
Transfer to pension liability (Note 5)	2,157	2,080
	2,574	2,469
	4,731	4,549
Increase for the year	3,900	1,039
Balance at beginning of the year	12,894	11,855
Balance at end of the year	\$16,794	\$12,894

NOTE 7**CONTINGENCY RESERVE**

	1984	1983
	<i>in thousands of dollars</i>	
Transfers from:		
Operations - provision	\$ 3,946	\$ 3,930
- investment revenue	1,585	884
	5,531	4,824
Less: Claim payments		
Transfer to pension liability (Note 5)	337	413
	2,788	1,123
	3,125	1,536
Increase for the year	2,406	3,278
Balance at beginning of the year	12,034	8,756
Balance at end of the year	\$14,440	\$12,034

NOTE 8**ACTUARIAL EVALUATION**

An evaluation by the actuary indicated that at December 31, 1984:

- the pension liability of \$26,713,000 (1983 — \$20,046,000) is \$2,519,000 (1983 — \$275,000) in excess of the actuarial liability and the excess is being retained to help provide for future pension increases; and that
- the future claims liability of \$16,794,000 and the contingency reserve of \$14,440,000 are appropriate to meet the future costs of claims that have occurred or are likely to occur.

Pension increases effective July 1, 1985 have been granted in respect of all pensions in pay to December 31, 1984. These increases will result in an additional liability of \$3,461,000 which will be funded in 1985 through the actuarial surplus in respect of the pension liability and a transfer of \$1,000,000 from the contingency reserve.

NOTE 9**MERIT REBATES**

Actual 1983 merit rebates of \$1,624,000 were paid to qualified employers in 1984, which was \$24,000 greater than the provision for those rebates. The under provision was charged to the industry classes during 1984.

NOTE 10**ADMINISTRATION AND GENERAL EXPENSES****1984****1983***in thousands of dollars*

Salaries and benefits	\$1,893	\$1,747
Office accommodation, services and supplies	710	543
Computing services	706	251
Professional services	326	197
Travel	165	103
Medical services	113	109
Board Members	109	122
Safety program	50	43
	4,072	3,115
Less: Assessment penalties	138	93
Sundry revenue	10	13
	148	106
	\$3,924	\$3,009

NOTE 11**CONTINGENT LEGAL CLAIMS RECEIVABLE**

The Board has a number of legal claims outstanding for recovery of compensation expenses from third parties. These claims are not recorded in the accounts because of their contingent nature. In the opinion of management and the Board's legal representatives, it is expected that the Board will recover approximately \$300,000 which will be credited to the contingency reserves as recovered.

NOTE 12**COMMITMENTS**

The Board leases office space under lease agreements which expire December 31, 1985 and is committed to basic rental payments aggregating \$284,000.

NOTE 13**RELATED PARTY TRANSACTIONS**

Under an agreement with the Board, the Government of the Northwest Territories pays and is reimbursed for payroll costs of the Board together with administration fees aggregating \$48,000 (1983 — \$36,000). Payroll costs not reimbursed at year end of \$514,000 (1983 — \$465,000) are included in accounts payable. In addition the Government paid workers' compensation assessments to the Board in the amount of \$589,000 (1983 — \$857,000) less merit rebates of \$117,000 (1983 — \$158,000).

EXHIBIT II

ACTUARIAL OPINION

As Consulting Actuaries to the Workers' Compensation Board of the Northwest Territories, we have reviewed the liabilities of the Accident Fund as at December 31, 1984. 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.

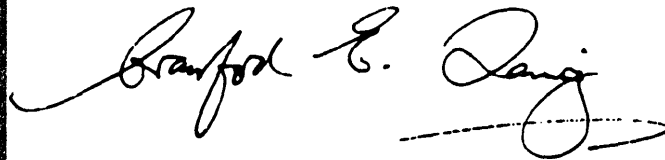
In our opinion on the basis and assumptions set out in our Report dated June 17, 1985, the liability of the Pension Fund in respect of awards for Post-1976 accidents, and increases in pensions up to December 31, 1984 is \$24,194,000. As the Fund available was \$26,713,000, there was a surplus at the valuation date of \$2,519,000. This was used to provide for Supplementary Pension Increases which have been granted with effect from July 1, 1985, and which cost \$3,461,000 based on the Pensioner data at December 31, 1984. We recommend a transfer of \$1.0 million from the Contingency Reserve to the Pension Fund, with effect from January 1, 1984, to provide for the balance of the cost of these increases.

We consider that the Future Claims Provision of \$16,794,000 (including the provision for 1984 accidents of \$7,038,000) is adequate and 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 \$14,440,000, including the appropriations from Classes during 1984 totalling \$3,946,000 together with future appropriations from Classes in respect of Pension Increases, is necessary and 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) Rehabilitation of injured workers;
- (iii) Industrial Diseases (including Silicosis); and
- (iv) Enhancement of claims as a result of previous injuries.

Respectfully submitted for
Crawford E. Laing Ltd.



Crawford E. Laing,
Fellow of the Canadian Institute of Actuaries
Fellow of the Faculty of Actuaries in Scotland
Fellow of the Conference of Actuaries in Public Practice
Associate of the Institute of Actuaries
Associate of the Society of Actuaries
President and Actuary

June 17, 1985

**SCHEDULE OF ADMINISTRATION
AND GENERAL EXPENSE**
FOR THE YEAR ENDED DECEMBER 31, 1984

EXHIBIT III

	1984	1983
	<i>in thousands of dollars</i>	
Salaries, wages and allowances	\$1,744	\$1,610
Employer share of benefits	150	136
Data processing services	706	251
Office lease and renovations	319	284
Professional services	190	107
Travel	165	103
Investment portfolio management	136	90
Medical services	113	109
Board members	109	122
Office furnishings and equipment	108	32
Printing and office supplies	98	81
Communications	87	76
Safety program	50	43
Administrative services —		
Government of the Northwest Territories	48	26
Advertising and public information	15	18
Miscellaneous	34	27
	<u>4,072</u>	<u>3,115</u>
Less: Assessment penalties	138	93
Sundry revenue	10	13
	<u>148</u>	<u>106</u>
	<u>\$3,924</u>	<u>\$3,009</u>



INDUSTRIAL CLASSIFICATION
Industry Code
Industry Description
10 Renewable Resource Industries
20 Non-Renewable Resource Industries A
30 Non-Renewable Resource Industries B
40 Construction
50 Transportation, Com- munication and Utilities
60 Trades
70 Services
80 Public Administration and Defence

NOTE 1

Effective January 1, 1984, the Board amended its industrial classification policy. As a result, the Manufacturing Class 30 was closed and the deficit amount of \$13,955.49 was transferred to Trades Class 60. In addition, the Oil and Gas Industry balance of \$2,743,409.76 of Non-Renewable Industries A was transferred out of class 20 to create a new and separate industrial class, Non-Renewable Resource Industries B.

INDUSTRY CLASS	10	20
REVENUES		
Assessments	\$109,675.53	\$4,375,933.21
Less: Estimated merit rebates	10,000.00	190,000.00
	99,675.53	4,185,933.21
Investments	(5,877.73)	180,294.10
	93,797.80	4,366,227.31
EXPENSES		
Claims		
Compensation	9,118.79	338,489.31
Medical aid	14,041.93	293,938.47
	23,160.72	632,427.78
Transfers to:		
Pension liability	—	210,368.76
Future claims liability	106,000.00	1,638,900.00
Contingency reserve	26,000.00	846,000.00
	132,000.00	2,695,268.76
Administration & general	21,555.52	727,564.10
	176,716.24	4,055,260.64
Increase (decrease) in operating reserve	(82,918.44)	310,966.67
Operating reserve, December 31, 1983	(72,323.01)	2,792,109.76
Adjustment to classes, January 1, 1984 (Note 1)	—	(2,743,409.76)
Adjusted operating reserve, beginning of year	(72,323.01)	48,700.00
Operating reserve, end of year	\$(155,241.45)	\$359,666.67

**SCHEDULE OF PROVISIONAL CLASS OPERATIONS
AND OPERATING RESERVE BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1984**

30	40	50	60	70	80	TOTAL
\$4,082,026.22	\$4,449,376.92	\$2,277,327.75	\$912,288.75	\$1,000,752.78	\$1,459,386.94	\$18,666,767.98
530,000.00	190,000.00	290,000.00	100,000.00	130,000.00	200,000.00	1,640,000.00
3,552,026.22	4,259,376.92	1,987,327.75	812,288.63	870,752.78	1,259,386.94	17,026,767.98
642,207.93	168,606.29	14,548.43	67,913.48	28,756.84	491,554.02	1,588,003.36
4,194,234.15	4,427,983.21	2,001,876.18	880,221.11	899,509.62	1,750,940.96	18,614,771.34
317,169.99	514,969.10	149,616.13	63,019.86	104,453.02	85,614.37	1,582,450.57
122,227.63	154,167.12	50,046.36	25,194.83	75,473.15	75,936.70	811,026.19
439,397.62	669,136.22	199,662.49	88,214.69	179,926.17	161,551.07	2,393,476.76
19,964.26	27,702.08	119,523.64	20,000.00	6,565.96	30,039.21	434,163.91
1,284,500.00	2,155,600.00	593,200.00	269,900.00	485,000.00	505,100.00	7,038,200.00
822,000.00	894,000.00	595,000.00	213,000.00	237,000.00	313,000.00	3,946,000.00
2,126,464.26	3,077,302.08	1,307,723.64	502,900.00	728,565.96	848,139.21	11,418,363.91
741,330.63	747,514.09	428,120.71	243,824.92	352,439.84	662,045.21	3,924,395.02
3,307,192.51	4,493,952.39	1,935,506.84	834,939.61	1,260,931.97	1,671,735.49	17,736,235.69
887,041.64	(65,969.18)	66,369.64	45,262.50	(361,422.35)	79,205.47	878,535.65
(13,955.49)	(193,265.65)	(603,866.11)	222,642.04	(35,868.81)	2,954,593.87	5,050,066.00
2,757,365.25	—	—	(13,955.49)	—	—	—
2,743,409.76	(193,265.65)	(603,866.11)	208,686.55	(35,868.81)	2,954,593.87	5,050,066.60
\$3,630,451.40	\$(259,234.83)	\$(537,496.77)	\$253,949.05	\$(397,291.16)	\$3,033,799.34	\$5,928,602.25



EXHIBIT IV

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 1984 was \$26,400.00 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 \$1,056.00 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 \$1,056.00 for the additional funeral expenses incurred and thereafter a monthly payment of \$726.00 until death or remarriage. Upon remarriage a lump sum payment of \$8712.00 is made and the monthly benefits terminated. Dependent children are entitled to a monthly pension of \$165.00 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:

- (1) to guarantee that compensation and pensions awarded to in-



jured workers or their dependants will be paid according to entitlement and as long as required.

- (2) to assess and collect sufficient funds from Employers to meet these obligations.
- (3) 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 and Liabilities

(a) *Pension Liability:* 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.

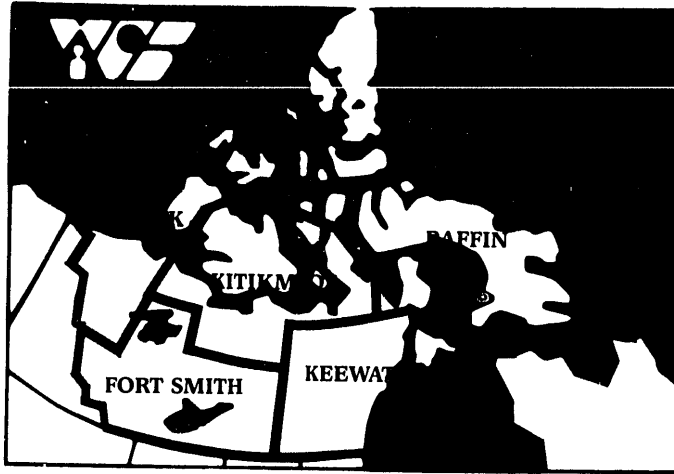
(b) *Contingency Reserve:* The contingency reserve has been set aside to cover enhanced disabilities, rehabilitation, industrial disease, pension increases and disasters.

(c) *Future Claims Liability:* 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.

(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 V



1984-80 ACCIDENT REPORTED ANALYSED BY GEOGRAPHICAL REGION

	1984	1983	1982	1981	1980
Fort Smith Region	1,807	1,498	1,966	2,037	1,602
Inuvik Region	944	728	700	584	556
Baffin Region	331	313	283	312	332
Keewatin Region	109	111	96	90	60
Kitikmeot Region	110	91	58	-	-
Unclassified Regions	54	66	39	86	76
	3,355	2,807	3,142	3,109	2,626

CATEGORY STATISTICS

TIME LOSS	1984
	1,254
NO TIME LOSS	1,821
Industrial Disease	45
Out of Province	60
Claim Denied	41
No Claim Established	88
Claim Duplicate	32
Fatal	14
OTHER	280
	3,355

Time
Loss
37.4%

No
Time
Loss
54.3%

Other
8.3%

**STATISTICS SCHEDULE II
ACCIDENTS REPORTED BY
PART OF BODY INJURED
AND TYPE OF INJURY**

17.4%	Head
1.5%	Neck
31.8%	Arm
19.7%	Back
18.8%	Lcg
1.6%	Body Systems
6.6%	Multiple
2.5%	Other

14.5%	Laceration
3%	Puncture
6.6%	Sprain
21.3%	Strain
3%	Crush
4%	Fracture
18.2%	Constusion
8.1%	Foreign Body
17.1%	Multiple
4.1%	Other

PART OF BODY	NUMBER OF CLAIMS
Head	93
Ears	35
Face	41
Mouth	36
Nose	16
Eye	363
Neck	51
Shoulder	85
Upper Arm	28
Elbow	59
Forearm	63
Wrist	73
Hand	218
Thumb/Fingers	541
Back	532
Abdomen	60
Chest	69
Upper Leg	60
Hip	9
Knee	188
Lower Leg	66
Ankle	135
Foot	147
Toes	27
Body Systems	55
Multiple	222
Non-personal	56
Other	27

Type of Injury	Number of Claims
Amputation	26
Laceration	487
Puncture	100
Sprain	221
Dislocation	15
Hernia	12
Strain	716
Crush	102
Fracture	139
Constusion	610
Foreign Body	273
Abrasion	65
Burn (heat)	74
Burn (chemical)	62
Temperature Effects	7
Welding Flash	29
Indus Disease	55
Dermatitis	28
Synovitis/Tenosyn	17
Fume Inhalation	36
Non-personal	58
Multiple	138
Other	91

