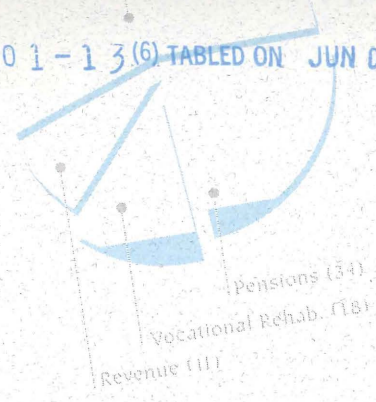


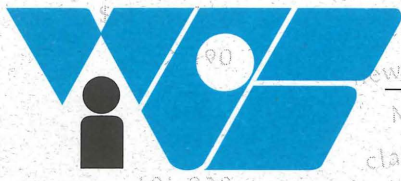
Committee process.  
 With the development of a Fraud Strategy and the addition of an investigations co-ordinator, the WCB took an active step last year to protect Board assets and the Accident Fund at a number of levels.

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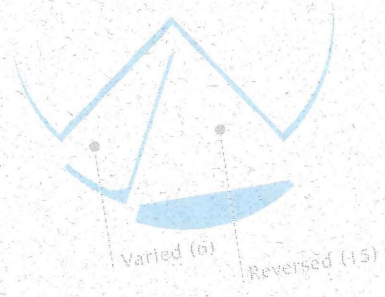
on Board (Northwest Territories)  
 Finance Sheet  
 December 31, 1997  
 (in thousands of dollars)

	1997	1996 (restated - see note 3)
	\$ 2,965	\$ 3,602
	548	997
	206,835	181,928
	5,228	4,512
	<u>\$ 220,175</u>	<u>\$ 197,412</u>



# WORKERS' COMPENSATION BOARD Northwest Territories

Review Committee  
 Review Committee Decisions



abilities	\$ 1,822	\$ 1,352
	240	375
3a)	3,410	3,565
	2,026	2,287
10a)	162,025	159,406
	<u>\$ 169,523</u>	<u>\$ 166,985</u>
	\$ 9,800	\$ 4,900
serve	642	363
	35,710	25,164
	4,500	-
	50,652	30,427
	<u>\$ 220,175</u>	<u>\$ 197,412</u>

Meanwhile, training by classification specialist from the Alberta board, provided assessors with additional tools to use in applying the industrial classification system.  
 Front-line staff received cross-training to foster a better appreciation for the WCB's service initiatives as a whole, while safety officers were trained to deliver safety education courses throughout the NWT.

## 1997 Annual Report

Table 2: 1995-1997 Assessments and Claim Expenses by Industry Class (\$)

Class	1995		1996	
	Assessments	Claim Expenses	Assessments	Claim Expenses
1. Renewable Resources	\$ 139	\$ 148	\$ 234	\$ 165
2. Mining	\$ 7,660	\$ 5,120	\$ 7,358	\$ 5,365
3. Off & Gas	\$ 702	\$ 1,192	\$ 748	\$ 676
4. Construction	\$ 5,905	\$ 3,555	\$ 4,963	\$ 3,621
5. Transport, Commun. & Utilities	\$ 3,177	\$ 1,775	\$ 2,345	\$ 2,345
6. Trade & Related	\$ 1,150	\$ 1,015	\$ 1,141	\$ 1,904
7. Services n.e.c.	\$ 406	\$ 1,503	\$ 2,380	\$ 1,673
8. Public Administration	\$ 207	\$ 835	\$ 2,408	\$ 2,076
Total	\$ 24,627	\$ 18,213	\$ 22,222	\$ 17,225

N.W.T. LEGISLATIVE ASSEMBLY  
 JUN - 5 1998  
 Yellowknife, N.W.T.

Approved by the Board of Directors:  
 Chairperson, Board of Directors  
 Chairperson, Finance Committee

Note: Claim expenses are the total of the costs for the year of accident (and all estimated future liability). They do not include administrative expenses.

Integral part of the financial statements.



## MISSION STATEMENT

The mission of the WCB is to serve injured workers and employers in an effective and efficient manner by promoting accident prevention in the workplace and by providing quality rehabilitation services and fair compensation to injured workers throughout the Northwest Territories.

## WCB BOARD MEMBERS

**Fred Koe** – Chairperson (Yellowknife)

Appointed November 27, 1996

Resigned September 15, 1997

**Gordon Wray** – Deputy Chairperson (Yellowknife)

Acting Chairperson September 15 - December 31, 1997

Appointed March 3, 1992

**JoAnne Deneron** – Member (Fort Liard)

Appointed October 2, 1997

**Don McNenly** – Chairperson, Appeals Tribunal (Yellowknife)

Appointed May 3, 1992

**Vivian Stevely** – Member (Hay River)

Appointed February 18, 1993

**Lydia Bardak** – Member (Yellowknife)

Appointed February 17, 1995

**George Kuksuk** – Member (Arviat)

Appointed March 1, 1996

**Jessie Sloan** – Member (Yellowknife)

Appointed February 6, 1997





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Rehabilitation and Pension ..... 44





## 1997 Basic Statistical and Financial Data

Population .....	67,500
Number employed in NWT .....	25,734
Average weekly earnings (industrial aggregate) .....	\$743
Number of reported claims .....	3,626
Number of accepted claims .....	3,364
Number of time loss claims .....	867
Number of fatalities .....	4
Number of employers registered .....	3,171
Number of classes/sectors .....	8
Number of rate groups .....	30
Average provisional assessment rate .....	\$2.10
Average actual assessment rate .....	\$2.36
Maximum annual insurable earnings .....	\$49,000
Total assessable payroll .....	\$955,910,000
Assessment revenue .....	\$22,564,000
Investment income .....	\$23,929,000
<b>Total assets</b> .....	<b>\$220,175,000</b>
Total WCB staff positions (full-time equivalent) .....	92.5
Administration expenses .....	\$8,083,000
Total benefits cost .....	\$20,414,000
<b>Total liabilities</b> .....	<b>\$169,523,000</b>
Catastrophe reserve .....	\$9,800,000
Operating reserve .....	\$35,710,000
Safety incentive and rate reduction reserve .....	\$642,000
Special reserve .....	\$4,500,000
<b>Total reserves</b> .....	<b>\$50,652,000</b>
Funded ratio .....	123%



May 28, 1998

The Honourable Helen Maksagak  
Commissioner of the Northwest Territories

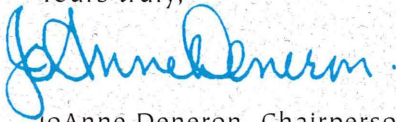
The Honourable John Todd  
Minister Responsible for the  
Workers' Compensation Board

In accordance with Subsection 61(2) of the *Workers' Compensation Act*, it is my pleasure to present the Annual Report of the Workers' Compensation Board of the Northwest Territories for the year ending December 31, 1997, including audited financial statements.

Accompanying the financial statements is an Actuarial Opinion as to the reasonableness of the Future Pension and Future Claims Liabilities and the adequacy of the Contingency Reserve.

In addition, I have provided general statistics pertaining to the number and types of claims and their costs, employer statistics and financial schedules.

Yours truly,



JoAnne Deneron, Chairperson  
Workers' Compensation Board



Our commitment, as the NWT Workers' Compensation Board, is to offer a compensation system that balances the needs of employers and workers in the North. In 1997, this was achieved once again, through sound fiscal planning, effective claims management and a fair and equitable system of assessment.

The result has been another decrease in assessment rates for 1998 and another increase to workers' benefits. More importantly, the addition of a prevention and enforcement division has helped us to reduce the number of workers getting hurt in the first place.

Like all northern companies and organizations, the WCB now stands on the threshold of change. Despite its many implications and consequences, the business of workers' compensation will carry on.

We will continue to seek ways to return more workers to their jobs, provide better quality medical care, reduce accidents and maintain cost-effectiveness.

As its newly appointed Chairperson, I have inherited the foundation on which the WCB will build for the future. For this groundwork, I commend the hard work and dedication of the WCB's board members and staff, and the leadership of its President.

With their support, I am able to assure stakeholders across the North that we will continue to succeed. Despite a changing economic environment, we will be ever mindful of our mission to serve injured workers and employers in an effective and efficient manner.

Yours truly,



JoAnne Deneron, Chairperson  
Workers' Compensation Board



A third successive year of solid investment performance resulted in a high operating surplus for the Workers' Compensation Board in 1997. While not all of the Board's investment managers met their objectives, the total Accident Fund experienced above-average performance when compared with similar institutional investment portfolios.

Increased economic activity, much of it related to construction in the North's new diamond industry, further offset an 11% decrease in assessment rates for 1997.

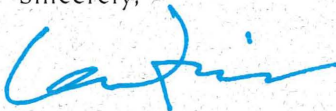
The WCB's Client Services Division administered 3,658 claims in 1997. Permanent partial disability pensions were awarded to 134 injured workers, while 881 individuals were receiving lifetime monthly pensions at year end.

Recommendations were made to increase the Board's Yearly Maximum Insurable Remuneration (YMIR) to \$52,000 and a cost of living increase was awarded to all pensioners. The Board also announced that the average employer assessment rate for 1998 would be reduced by 12%.

The Workers' Compensation Board undertook a variety of projects and initiatives last year; however, we made a conscious effort to limit these initiatives in the interest of re-drafting our role and structure for the future. In the Corporate Plan for 1997, the Board of Directors outlined four strategic issues that would determine its course as the compensation and enforcement agency in the Northwest Territories.

These issues were workplace safety, sustaining progress, governance and division. A goal and strategy accompanied each. The achievements outlined in this document reflect the efforts and dedication of Board staff.

Sincerely,

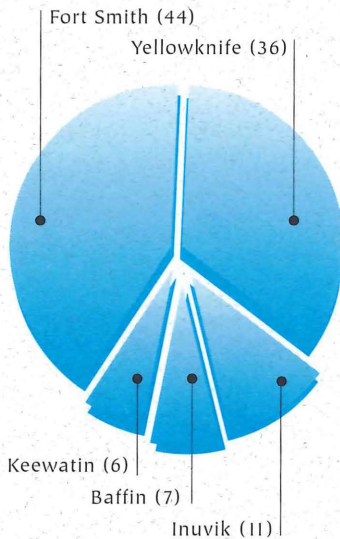


Gerry Meier, President



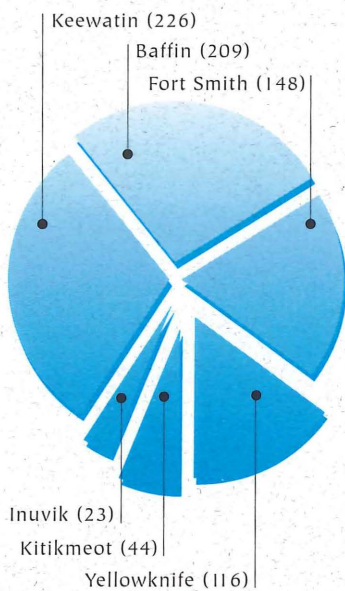
**Prevention Services**

Safety Education Workshops by Region



**Prevention Services**

Inspections by Region



**Workplace Safety**

To promote safe and healthy workplaces by:

*"...balancing the WCB's mandated responsibilities for education and enforcement..."*

In 1997, WCB safety advisors provided 10 core safety courses to 1,076 participants in 12 NWT communities. An additional 435 individuals received training in WHMIS, thanks to materials supplied by the WCB.

Education programs for Safety Management, Claims Management, OHS Committees and Incident and Accident Investigation were revised. Instructor's Manuals were developed for WHMIS and Safety Awareness and the Safety and the Young Worker Program was rewritten to provide an equivalency for NWT students.

Mine inspectors provided seminars and examinations at all NWT mine sites last year. Eight hundred and seventy-four mine employees were examined and certified to meet requirements of the *Mine Health and Safety Act*. An additional 166 individuals were issued seismic blasting certificates required by the *Explosives Use Act*. New exams were developed for mine rescue and surface supervisors.

*"...promoting partnership and commitment among the WCB, employers and workers..."*

The WCB's Chief Inspector of Mines was an active participant on the Mine Occupational Health and Safety Legislation Committee.

Representing mine managers and workers employed in the mining sector, this committee was formed in accordance with the *NWT Mine Health and Safety Act*. It considered 340 submissions from employers and workers before recommending 11 amendments to the Act and 210 amendments to the Regulations.

The WCB's Prevention Services Division organized celebrations for the first North American Occupational Safety and Health Week, sponsored a territorial first-aid competition and hosted the annual NWT Mine Rescue Competition. Staff also attended trade shows in Iqaluit and Hay River, as well as the Geoscience Forum in Yellowknife.

*"...targeting the industries or sectors with the highest incidence of accidents..."*

Forty companies received additional assessments totalling \$278,674.98 under the Safety Incentive and Rate Reduction (SIRR) Program.



Inspection activity in 1997 included 130 mine inspections and 624 inspections in other economic sectors. Twenty-seven workplace accidents were investigated in 1997, as were 11 quarries and blasting sites. A variety of environmental monitoring tests were also completed.

The WCB successfully prosecuted three companies and individuals for violations of the *Safety Act* and *Explosives Use Act*.

**Sustaining Progress**

*To demonstrate continued commitment to excellence by: "...evaluating existing program and delivery models to ensure effectiveness..."*

A customer satisfaction survey of claimants and employers was completed by the WCB in 1997. A bimonthly telephone survey was also developed for implementation in 1998.

The WCB's classification system was reviewed and updated by the Board's revenue unit.

A review of the WCB's vocational rehabilitation program was completed. In addition to documenting the rehabilitation process, the WCB developed new standards and measurement criteria for the Board's service providers.

With the help of southern service agencies, the Client Services Division completed a special needs audit of nine severely disabled WCB pensioners and implemented follow-up surveys to determine the status of other rehabilitated workers.

The WCB's Early Intervention Program was evaluated, as was the Safety Incentive and Rate Reduction (SIRR) Program. Evaluations were also completed on the WCB's Affirmative Action Program, Employee Assistance Program and Communications Strategy.

A review of the WCB's three-year Information Technology Plan identified future challenges in providing information systems for the WCB's Prevention Services Division, links with regional offices and preparing for the year 2000.

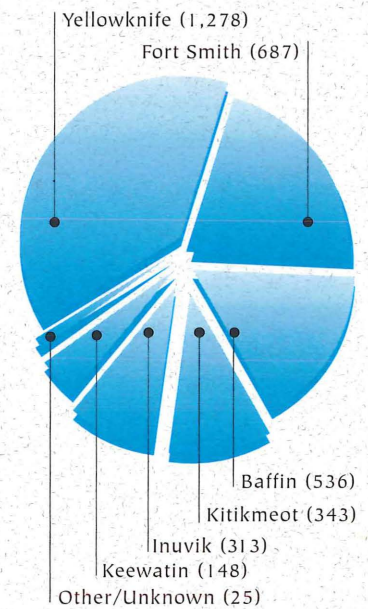
*"...examining alternative program and service delivery models..."*

Assessment staff increased their focus on customer service by introducing on-site reviews of employer operations. The Client Services Division also maintained this focus by streamlining its entitlement process.

A Back Claims Education Program was introduced in 1997, promoting increased contact between occupational health nurses and injured workers in the rehabilitation process.

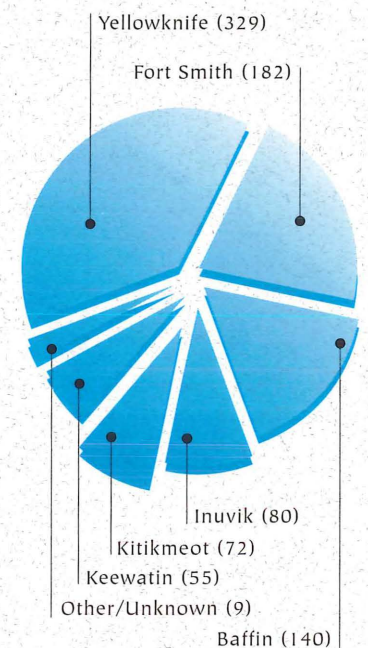
**Client Services**

Accepted Claims by Region



**Client Services**

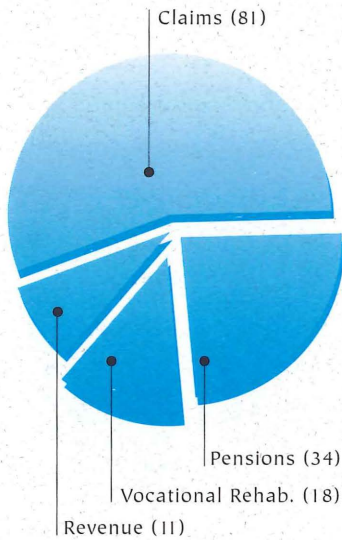
Time Loss Claims by Region





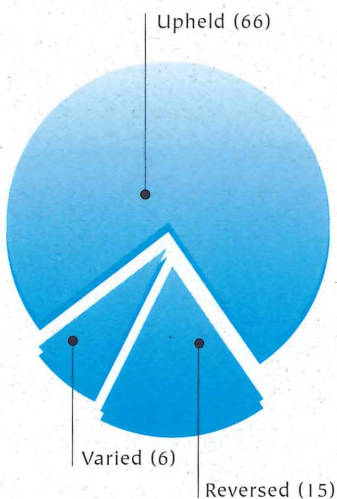
**Review Committee**

Review Committee Issues



**Review Committee**

Review Committee Decisions



The WCB's medical unit also worked to increase the awareness of WCB medical issues within the medical profession. Medical advisors met weekly, in Yellowknife, with medical personnel and hospital staff. Education sessions were presented to local and regional health care service providers and at the 1997 Annual General Meeting of The NWT Medical Association.

Peripheral assessment clinics were introduced in Rankin Inlet, Inuvik, Iqaluit and Hay River to better meet the needs of WCB pensioners in remote communities. A Health Care Professional's Guide to WCB services was revised and distributed to health care centres across the Northwest Territories.

Staff from the WCB's Client Services Division travelled to nine communities in 1997, educating stakeholders on WCB benefit programs and policies. In addition, numerous Yellowknife employers attended courses outlining the benefits of various WCB return-to-work programs.

The year 1997 saw the completion of an appeals tracking system designed to enhance the tracking and reporting capabilities of the WCB's Review Committee and Appeals Tribunal.

Research was undertaken on alternative dispute resolution within the WCB, while service standards were implemented to enhance the WCB's Review Committee decision-making process.

With the development of a Fraud Strategy and the addition of an investigations co-ordinator, the WCB took an active step in 1997 to protect Board assets and the Accident Fund at a number of levels.

*"...providing ongoing training and development for staff to support continued high performance..."*

Ongoing training for Client Services staff included education programs in MRI, the sports medicine model, environmental illness, pain management and a new national coding structure.

Meanwhile, training by a former classification specialist from the Alberta WCB, provided assessors with additional tools to use in applying the industrial classification system.

Front-line staff received cross-training to foster a better appreciation for the WCB's service initiatives as a whole, while safety officers were trained to deliver safety education courses throughout the NWT.



Developmental training was also offered to WCB staff in cultural awareness, dispute resolution, decision writing and disability awareness.

*"...and ensuring that information systems adequately support delivery and accountability..."*

Improvements to the infrastructure of the WCB's information systems continued in 1997. Office renovations provided an opportunity to improve these systems by upgrading computer hubs and wiring. A telephone conversion was also completed, adding more toll-free lines for out-of-town clients.

The Financial Services Division improved the quality of financial and statistical analysis to the WCB's management team and Board of Directors. More comprehensive variance reports and quarterly projections improved the Board's financial accountability in 1997.

Improved access to information on cash needs of the organization and implementation of the treasury function allowed the Board to decrease its cash holdings and place more funds in the hands of investment managers. This was, in part, made possible by on-line access to operating and investment accounts held by the Board's custodian.

**Governance**

*To work towards a structure that: "...identifies respective roles...clarifies relationships...and supports Board Members and staff to carry out their responsibilities..."*

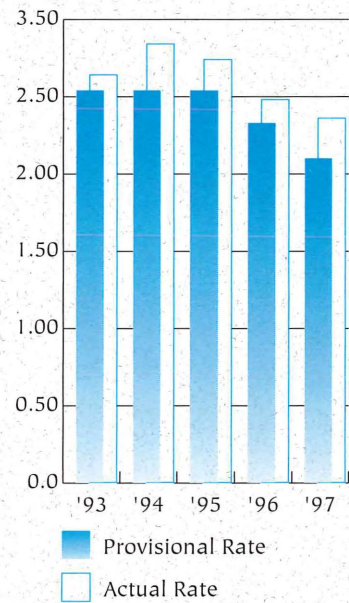
In an effort to ensure effective and efficient leadership to its management and staff, members of the WCB's Board of Directors received training in a governance model last year.

Guidelines were drafted to protect future board-staff relations, allowing for one single point of contact between board members and staff and formalizing a mechanism for each to address conflict.

With a view to becoming a more autonomous Board, development began on a new human resource management model.

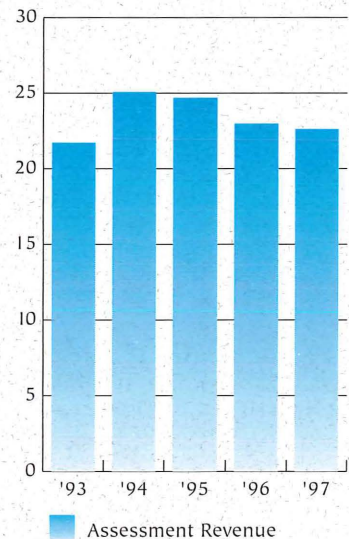
**Financial Services**

Average Assessment Rate per \$100 of Insurable Earnings



**Financial Services**

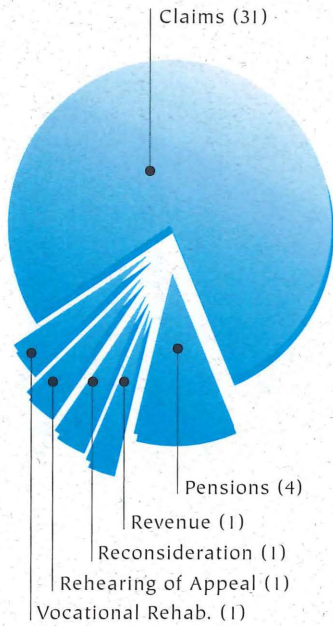
Assessment Revenues (\$000)





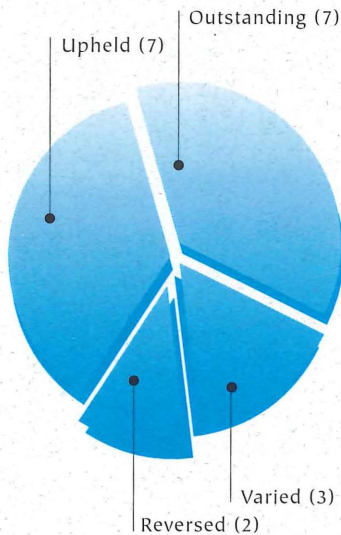
**Appeals Tribunal**

Appeals Tribunal Issues



**Appeals Tribunal**

Appeals Tribunal Decisions



**Division**

*To promote a smooth transition by: "...educating decision-makers..."*

In anticipation of the creation of Nunavut, WCB actuaries completed an east-west evaluation of claims liabilities and assessment revenue. Resulting figures and their implications were communicated in several presentations to key interest groups and published in a supplement to the Board's stakeholder newsletter.

*"...developing options for program delivery..."*

Four options were developed for the delivery of WCB programs after division.

In addition, five operational models were designed to clarify the feasibility and cost implications of the one WCB and two WCB options.

Legislative proposals to facilitate the process of division were developed.

*"...and preparing WCB operations..."*

The WCB continued its commitment to hire and train more Aboriginal personnel.

By April 1st, 1999, the WCB will have created five training positions including a management trainee, funded under the Nunavut Unified Human Resource Development Strategy.

**Appeals Tribunal**

*The five member Appeals Tribunal is appointed by the Minister Responsible for the Workers' Compensation Board and is the final level of the appeals process, as outlined by the Workers' Compensation Act.*

Formal rules of procedure for the Appeals Tribunal were redrafted and a new appeals tracking system became operational at year-end.

The Appeals Tribunal received 31 appeals in 1997. It heard 19. At year-end, 43 appeals remained outstanding.

**Workers' Advisor**

*Located in Yellowknife, the workers' advisor's office was established by the WCB in 1989 to provide advice and assistance to injured workers or their dependants.*

In response to concerns identified by NWT labour representatives, and to ensure an arm's length relationship with the WCB, the function of this office was contracted to an external service provider in 1997.



March 27, 1998

### Management's Responsibility for Financial Reporting

Management of the Workers' Compensation Board is responsible for the preparation, integrity and objectivity of the financial statements and related information presented in this Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles and have been approved by the Board of Directors. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

Management has developed and maintains books of accounts, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the *Workers' Compensation Act* and regulations, the *Financial Administration Act* and regulations and policies of the Board. The Board of Directors ensures that management fulfills its responsibilities for financial reporting, internal control and safeguarding assets.

The Board of Directors appoints certain of its members to serve on the Finance Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends the financial statements to the Board for approval.

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

Coles Hewitt, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of future claims and pension liabilities of the Workers' Compensation Board.

Gerry Meier  
President

John W. Doyle  
Director, Financial Services





AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

## AUDITOR'S REPORT

To the Minister of the  
Worker's Compensation Board

I have audited the balance sheet of the Workers' Compensation Board (Northwest Territories) as at December 31, 1997 and the statements of operations, reserves and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on the audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principle have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Board, and the financial statements are in agreement therewith and the transactions of the Board 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 and the *Workers' Compensation Act* and regulations.

A handwritten signature in black ink, appearing to read 'Dm Young'.

Donald M. Young, FCA  
Assistant Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
27 March 1998



Workers' Compensation Board (Northwest Territories)

Balance Sheet

as at December 31, 1997

(thousands of dollars)

ASSETS	<u>1997</u>	<u>1996</u> (restated - see note 3)
Cash and short-term deposits (notes 4a, 4b)	\$ 2,965	\$ 5,799
Assessments receivable	3,602	2,490
Accrued interest receivable	548	626
Other accounts receivable	997	2,057
Investments (notes 4a, 4c, 4e)	206,835	181,928
Property and equipment (note 5)	5,228	4,512
	<u>\$ 220,175</u>	<u>\$ 197,412</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,822	\$ 1,352
Deferred revenue (note 11c)	240	375
Lease obligations payable (note 6a)	3,410	3,565
Assessments refundable	2,026	2,287
Benefits liability (notes 7, 8 and 10a)	162,025	159,406
	<u>\$ 169,523</u>	<u>\$ 166,985</u>
<b>RESERVES</b>		
Catastrophe reserve	\$ 9,800	\$ 4,900
Safety incentive rate reduction reserve	642	363
Operating reserve	35,710	25,164
Special reserve	4,500	-
	<u>50,652</u>	<u>30,427</u>
	<u>\$ 220,175</u>	<u>\$ 197,412</u>

CONTINGENCIES (note 10)

Approved by Management:



Director, Financial Services

Approved by the Board of Directors:



Chairperson, Board of Directors



Chairperson, Finance Committee

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



## Workers' Compensation Board (Northwest Territories)

## Statement of Operations

for the year ended December 31, 1997

(thousands of dollars)

REVENUES	<u>1997</u>	<u>1996</u> (restated - see note 3)
Investment revenue (note 4d)	\$ 23,929	\$ 17,635
Assessments	23,255	23,543
GNWT contribution (note 11c)	1,077	1,237
Recoveries (note 11b)	461	1,670
	<u>\$ 48,722</u>	<u>\$ 44,085</u>
EXPENSES		
Cost of claims (note 7)		
Current year's claims	\$17,619	\$ 18,924
Prior years' claims	(2,238)	6,680
Actuarial revaluation (note 8)	5,033	
Total claims	<u>20,414</u>	<u>25,604</u>
Administration and general (schedule)	8,083	6,725
	<u>\$ 28,497</u>	<u>\$ 32,329</u>
<b>INCOME FROM OPERATIONS</b>	<u>\$ 20,225</u>	<u>\$ 11,756</u>
TRANSFERS		
Transfer to catastrophe reserve	\$ 4,900	\$ 150
Transfer to safety incentive rate reduction reserve	279	363
Transfer to operating reserve	10,546	11,243
Transfer to special reserve	4,500	
	<u>\$ 20,225</u>	<u>\$ 11,756</u>

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



## Workers' Compensation Board (Northwest Territories)

**Statement of Reserves**

for the year ended December 31, 1997

(thousands of dollars)

CATASTROPHE RESERVE	<u>1997</u>	<u>1996</u> (restated - see note 3)
Balance at the beginning of the year	\$ 4,900	\$ 4,750
Transfer from operations	4,900	150
Balance at the end of the year (note 9)	<u>\$ 9,800</u>	<u>\$ 4,900</u>
<b>OPERATING RESERVE</b>		
Balance at the beginning of the year	25,164	13,921
Transfer from operations	10,546	11,243
Balance at the end of the year (note 9)	<u>\$ 35,710</u>	<u>\$ 25,164</u>
<b>SAFETY INCENTIVE RATE REDUCTION RESERVE</b>		
Balance at beginning of the year	\$ 363	\$ -
Transfer from operations	279	363
Balance at the end of the year	<u>\$ 642</u>	<u>\$ 363</u>
<b>SPECIAL RESERVE</b>		
Balance at beginning of year	\$ -	\$ -
Transfer from operations	\$ 4,500	
Balance at the end of the year	<u>\$ 4,500</u>	<u>\$ -</u>

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



## Workers' Compensation Board (Northwest Territories)

## Statement of Cash Flow

for the year ended December 31, 1997

(thousands of dollars)

	<u>1997</u>	<u>1996</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments	\$ 23,350	\$ 24,791
Investment revenue	<u>8,402</u>	<u>7,981</u>
	\$ 31,752	\$ 32,772
Cash paid to:		
Claimants or third parties on their behalf	\$ 14,945	\$ 15,121
Suppliers, for administration and other goods and services	<u>9,222</u>	<u>6,227</u>
	\$ 24,167	\$ 21,348
Net cash provided by operating activities		
Amounts payable	\$ 7,585	\$ 11,424
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash received from:		
Sales and maturities of investments	\$ 966,905	\$ 800,172
Cash paid for:		
Purchases of investments	\$ 976,185	\$ 812,823
Purchases of capital assets	<u>1,139</u>	<u>352</u>
	\$ 977,324	\$ 813,175
Net cash provided (used) by investing activities	\$ (10,419)	\$ (13,003)
Net increase (decrease) in cash and cash equivalents	\$ (2,834)	\$ (1,579)
Cash and cash equivalents, beginning of year	<u>\$ 5,799</u>	<u>\$ 7,378</u>
Cash and cash equivalents, end of year	<u>\$ 2,965</u>	<u>\$ 5,799</u>

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



## Workers' Compensation Board (Northwest Territories)

**Notes to Financial Statements**

for the year ended December 31, 1997

**1. Authority, Mandate and Operations**

The Workers' Compensation Board (the Board) was established by, and is responsible for, the administration of the *Workers' Compensation Act*. Effective April 16, 1996, with the amalgamation of the Occupational Health and Safety Division of the Department of Safety and Public Services of the Government of the Northwest Territories and the Board, the Board also assumed responsibility for safety enforcement under the *Mine, Health and Safety Act*, the *Safety Act* and the *Explosives Use Act*.

The mandate of the Board is to protect workers against the result of work injury. The Board provides compensation for injury or death by accident arising out of, and in the course of, employment. Assessments required to meet the costs of compensation, pension awards and administration are levied upon employers on the basis of a percentage of their assessable payroll.

As a result of the amalgamation, the mandate of the Board has been expanded to include accident prevention. The new Prevention Services Division is responsible for developing safety awareness and for monitoring safety in the workplace.

**2. Accounting Policies**

The significant accounting policies are as follows:

**(a) Investments**

Fair value is determined as follows:

- for equity investments and marketable fixed term investments, fair value is the closing value on the appropriate exchange at December 31 of the applicable year.
- for foreign currency assets, the fair value is the value in Canadian dollars based on the closing currency exchange rate on December 31 of the applicable year.

Equity investments are valued using a moving average market value method, using a five year amortization of gains and losses that arise on the sale of investments or that arise as a result of changes in the market value of those investments.

Fixed term investments are recorded at cost at the time of purchase. The realized gain or loss on an investment is amortized over the remaining period to maturity of the investment, based on the average period for these securities disposed of during the year. For pooled funds, the amortization period is five years.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income is translated at the rate in effect at the time of receipt.

Exchange gains and losses resulting from the translation of foreign currency balances and transactions are included with investment income.



## Workers' Compensation Board (Northwest Territories)

## Notes to Financial Statements

for the year ended December 31, 1997

The Board's international investment manager uses derivative financial instruments to manage operating exposure to foreign exchange fluctuations. These contracts are carried on a market value basis. Premiums paid or received on these instruments are treated as expenses at the time of purchase. Net receipts or payments are recognized in income on an accrual basis in the same period and the same financial statement category to which the contract is related.

**(b) Property and Equipment**

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

- Furnishings 10 years
- Equipment 5 years
- Leasehold improvements and office space (leased) Over the term of the lease

Assets recorded as capital leases are amortized on the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest.

**(c) Administration and General Expenses**

A portion of administration and general expenses is allocated as claims management costs between current year's claims and prior year's claims based on the proportion of claims expenditures processed. The costs allocated are the direct costs related to the managing of claims, pensions and rehabilitation services.

**(d) Benefit Liability**

The Benefits Liability is estimated annually using an actuarial valuation and is comprised of:

- i. The future pension liability which represents the present value of future payments in respect of approved pension awards; and
- ii. The future claims liability which represents the present value of future payments in respect of medical aid benefits, compensation payments and the capitalized value of future pension awards for all claims arising from accidents occurring prior to the end of the fiscal year.

Many assumptions are required in the calculation of the liability, including estimates of future inflation, interest rates and mortality rates. The amount of liability is determined on a basis which allows for future inflationary increases by using a discount rate of 3% per annum. Actual claims expenses are not predictable with certainty and, accordingly, may vary from the actuarial valuation of the liability.



## Workers' Compensation Board (Northwest Territories)

## Notes to Financial Statements

for the year ended December 31, 1997

**(e) Funding Policy**

The funding policy of the Board is to maintain both the future pension liability and the future claims liability at a fully funded level at each year end.

**(f) Catastrophe and Operating Reserves**

The catastrophe and operating reserves are maintained to provide a margin of protection against adverse financial experience which could unduly burden future employers. The catastrophe reserve was created by the Board of Directors, whereas the operating reserve was created by the *Workers' Compensation Act*. Such adverse experience could arise in respect of the following risk:

- i. Disasters and catastrophes;
- ii. Lower than expected investment results; or
- iii. Other unanticipated events such as lower than anticipated assessment or investment revenues or higher than anticipated claims costs.

Assessment rates are adjusted to bring the reserve to its target level over a period of between 2 years and 10 years, depending on the margin by which the operating reserve is above or below the target range.

**(g) Safety Incentive Rate Reduction Reserve**

Under the Safety Incentive and Rate Reduction (SIRR) policy, implemented by the Board in 1996, special assessments are levied on employers whose claims costs exceed assessment revenues over a three year period. These special assessment revenues are transferred to the SIRR reserve. Up to 25% will be used to enhance safety programs, with the balance used to reduce future assessment rates. The SIRR reserve was created by Board approval.

**(h) Special Reserve**

In addition to the Catastrophe and Operating reserves, the Board created a special reserve of \$4,500,000 for the one-time impact of events such as division of the Territories, which are not catastrophic, but are beyond the Board's control.

**(i) Employee Benefits**

The Board and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Board. These contributions represent the total liability of the Board and are recognized in the accounts on a current basis.

Employee termination benefits will be paid upon resignation or retirement of employees. The fair value of termination benefits approximates their carrying value.



Workers' Compensation Board (Northwest Territories)

Notes to Financial Statements

for the year ended December 31, 1997

**(j) Assessment Revenues**

Current year revenues are estimated at February 28 of the following year, based on actual payrolls submitted by employers. Adjustments to assessment revenues are accounted for in the year received. An allowance is included in assessments refundable for potential adjustments of current and prior year's payrolls.

**3. Restatement – Correction in Prior Year**

There was \$2.67 million in unrecorded interest and gains on sales of fixed-term investments in 1996 that should have been recognized as investment revenue in 1996. The disclosed fair value as reported in note 4 was correct, however, a portion of the unrealized gains included in fair value should have been recognized as income in 1996. The 1996 financial statements have been restated as follows:

Increase to investment revenues	2,670
Increase to operating reserve, 1996	2,670
Increase to investments	2,670

**4. (a) Investments, Cash and Short Term Deposits**

The Board's investment target asset mix is as follows:

	Maximum	(Fair Value) Minimum	Actual
Fixed term (including cash & short-term)	65%	55%	57.2%
Canadian equities	25%	15%	21.6%
U.S. equities	12%	8%	12.2%
Non-Canadian and U.S. equities	12%	8%	9.1%
Cash and short-term			
(includes investments maturing in one year)	10%	0%	5.1%

**(b) Cash and Short-Term Deposits**

The Board invests in the short-term money market. The overall yield of this portfolio is 2.7% at December 31, 1997. All instruments held in short term investments are in high quality debt obligations issued or guaranteed by Canadian, provincial or territorial governments, Canadian chartered banks or loan or trust companies registered in Canada.

The Board's investment policy limits investment in cash and short-term investments to a maximum of 10% of the total investment portfolio. Fair value approximates carrying value. Included is C \$927,613 in foreign currency.



## Workers' Compensation Board (Northwest Territories)

## Notes to Financial Statements

for the year ended December 31, 1997

## (c) Investments

	1997		1996	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Fixed term investments				
Pooled funds	\$ 88,701	\$ 94,003	\$ 80,720	\$ 85,689
Other	27,057	33,792	28,164	34,433
	<u>115,758</u>	<u>127,795</u>	<u>108,884</u>	<u>120,122</u>
Equity investments	79,955	109,938	71,111	92,708
Investments maturing within one year	<u>11,122</u>	<u>11,122</u>	<u>1,933</u>	<u>1,933</u>
TOTAL	<u>\$206,835</u>	<u>\$248,855</u>	<u>\$181,928</u>	<u>\$214,763</u>

Included in the carrying values is an unamortized gain of \$38,721 for 1997 and \$27,660 for 1996.

The maturity periods of the other fixed investment portfolio as at December 31, 1997 are as follows:

	Fair Value
	(thousands of dollars)
One to five years	8,163
Five to ten years	10,014
Over ten years	15,615



Workers' Compensation Board (Northwest Territories)

Notes to Financial Statements

for the year ended December 31, 1997

(d) Investment Revenue

	1997		1996	
	(thousands of dollars)			
	Interest/ Dividends Revenue	Gains/ (Losses)	Interest/ Dividends Revenue	Gains/ (Losses)
Fixed-term investment	\$ 9,264	\$ 2,096	\$ 7,759	\$ 1,283
Equity investments	2,798	10,234	2,050	6,728
Investments maturing within one year	219	-	141	109
<b>TOTAL</b>	<b>\$ 12,281</b>	<b>\$ 12,330</b>	<b>\$ 9,950</b>	<b>\$ 8,120</b>
Total Investment Revenue		\$ 24,611		\$ 18,070
Less: Investment Fees		(759)		(743)
Add: Interest on cash and short-term deposits		77		308
<b>Total Investment Revenue</b>		<b>\$ 23,929</b>		<b>\$ 17,635</b>

Investments are managed by the Board's external investment managers. The market yield of the portfolio (as provided by our performance measurement service) is as follows:

	1997	1996
Fixed-term investments	10.3%	12.7%
Foreign equities	24.0%	21.7%
Canadian equities	22.6%	34.4%

(e) Foreign Currency Balances

The Board has assets in U.S. dollars and other currencies. In addition, the Board has derivative financial instruments (DFI) denominated in various currencies. The purpose of these derivative financial instruments is to minimize the cost of capital and optimize yields for the Board, while sustaining acceptable levels of risk.

The only derivative financial instruments used are forward currency contracts, which all mature within 90 days of the year end. Total unrealized loss at December 31, 1997 is \$10,734, which is included in gains and losses of the corresponding investments in accordance with the investment policy (note 2(a)).



## Workers' Compensation Board (Northwest Territories)

## Notes to Financial Statements

for the year ended December 31, 1997

The following chart shows where the Board has limited its exposure to foreign currency risk and the resulting net foreign currency exposure:

Currency	Total Investments in \$Cdn (fair value)	(thousands of dollars)		
		DFI	1997 Net Exposure	1996 Net Exposure
United States	\$ 31,311	\$ -	\$ 31,311	\$ 23,424
Australia	1,386	49	1,337	1,685
Finland	-	-	-	204
France	544	-	544	336
Germany	1,627	378	1,249	258
Hong Kong	395	-	395	270
Indonesia	231	-	231	1,033
Ireland	231	-	231	425
Italy	415	-	415	249
Japan	3,970	1,574	2,396	453
Malaysia	130	-	130	1,027
Mexico	176	-	176	179
Netherlands	1,861	31	1,830	671
Phillipines	59	-	59	139
Portugal	38	-	38	-
Singapore	977	-	977	1,732
Spain	319	-	319	449
Sweden	-	-	-	185
Switzerland	3,217	1,332	1,885	425
Thailand	-	-	-	457
United Kingdom	7,930	1,333	6,597	7,001
<b>Totals</b>	<b>\$ 54,817</b>	<b>\$ 4,697</b>	<b>\$ 50,120</b>	<b>\$ 40,602</b>



Workers' Compensation Board (Northwest Territories)

Notes to Financial Statements

for the year ended December 31, 1997

5. Property and Equipment

	1997		1996	
	(thousands of dollars)			
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furnishings	\$ 1,505	\$ 1,168	\$ 1,309	\$ 978
Equipment - purchased	249	-	176	-
Leasehold improvements	2,503	458	1,633	437
Office space - leased	4,242	1,645	4,242	1,433
	<u>\$ 8,499</u>	<u>\$3,271</u>	<u>\$ 7,360</u>	<u>\$ 2,848</u>
Less accumulated amortization	<u>\$ (3,271)</u>		<u>\$ (2,848)</u>	
Net Book Value	<u>\$ 5,228</u>		<u>\$ 4,512</u>	

6. Lease

(a) Capital Lease Obligations

The Board is committed to payments of \$435,765 per annum under a 14 year office space lease agreement, which is based on an implicit interest rate of 8% and expires in 2010. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied. Fair value approximates carrying value of the liability.

(b) Operating Lease

The office space lease agreement was amended in 1996 to add office space in the same building. The costs for the additional space are treated as an operating lease in the financial statements as the lease is for a five year term with no guaranteed renewal payments. The Board is committed to payments of \$152,588 per annum until August 13, 2001. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied.



## Workers' Compensation Board (Northwest Territories)

## Notes to Financial Statements

for the year ended December 31, 1997

**7. Benefits Liability**

	1997				1996	
	(thousands of dollars)					
	Medical Compensation Aid	Compensation	Pension Capitalization	Pension Awards	Total	Total
Balance, beginning of year	\$ 19,303	\$ 16,436	\$ 22,602	\$101,065	\$159,406	\$151,533
<b>Claims Expenses</b>						
Current year	4,448	6,235	6,419	517	17,619	18,924
Prior year	(529)	(2,939)	(2,238)	3,468	(2,238)	6,680
Liability transfer - capitalizations			(5,941)	5,941	-	-
Actuarial revaluation	(1,885)	1,988	3,541	1,389	5,033	
Recoveries from third parties	-	522	-	-	522	156
	21,337	22,242	24,383	112,380	180,342	177,293
<b>Less: Claims payments made</b>						
Current year injuries						
Claims payments	827	1,175		57	2,059	2,565
Claims management	903	1,283		2	2,188	1,130
Prior year's injuries						
Claims payments	2,599	2,735		7,815	13,149	13,244
Claims management	312	328		281	921	948
	4,641	5,521		8,155	18,317	17,887
<b>Balance, end of year</b>	<b>\$ 16,696</b>	<b>\$ 16,721</b>	<b>\$ 24,383</b>	<b>\$104,225</b>	<b>\$162,025</b>	<b>\$159,406</b>

**8. Actuarial Valuation**

Valuations by the actuary indicate that as at December 31, 1997:

- The future claims liability of \$57,800,000 is sufficient to meet both the future costs of reported claims and the cost of unreported claims.
- The future pension liability of \$104,225,000 is sufficient to meet the calculated liabilities.



## Workers' Compensation Board (Northwest Territories)

**Notes to Financial Statements**

for the year ended December 31, 1997

Changes in the methods and assumptions employed by the actuary for the valuation of the future claims liability and the future pension liability at December 31, 1997, resulted in an aggregate increase in the liabilities of \$5,033,000. This amount is included in the above figures.

**9. Catastrophe and Operating Reserve**

The Board is fully funded at the end of 1997 and is able to meet its obligations for the future pension and future claims liability.

The target level for the catastrophe reserve, set by the Board, provides for the average cost of a disaster. The target level of the reserve at the end of 1997 is \$9,800,000.

The target level for the operating reserve is based on a number of factors relating to the financial risks which could impact on the financial position of the Board. A range of 75% to 125% of the target level has been set as a target range. The target level at the end of 1997 is \$4,700,295 and, hence, the target range is \$3,525,221 to \$5,875,369.

The funding policy of the Board provides for discounts on assessment rates when the operating reserve exceeds its target range (see note 2(f)).

**10. Contingencies****(a) Widow's Pensions**

Changes to the *Workers' Compensation Act* proposed for 1997 would continue pension payments to widows after remarriage. An allowance of \$3,534,000 for continuation of pensions to widows currently receiving pensions is included in the Benefits Liability. An opinion from the Board's legal counsel and recent litigation in other provinces suggests that the actual liability could be higher. The amount of any additional liability cannot be determined at this time.

**(b) 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 could recover approximately \$696,538. Settlement of legal claims are recognized in the year in which the settlement occurs. Legal claims settled during 1997 resulted in recoveries of \$522,000 (1996 - \$156,000).

The Board has commenced an action against a third party as a result of the deaths of nine miners in an explosion on a worksite. At this time potential recoveries cannot be determined.



Workers' Compensation Board (Northwest Territories)

Notes to Financial Statements

for the year ended December 31, 1997

**(c) Pay Equity**

The Union of Northern Workers filed an equal pay complaint against the Government in March 1989 with the Canadian Human Rights Commission (CHRC). The dispute has been referred to a Canadian Human Rights Tribunal for a decision.

It is not possible to reasonably determine the liability to the Board, if any, that may result from the claim. In the event that there is a liability, the expenditure will be charged to operations in the year an amount can reasonably be determined.

**11. Related Party Transactions**

**(a)** The following table summarizes the Board's assessments revenue from related parties entered into in the normal course of operations in 1997.

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Government of the Northwest Territories	\$ 1,537	\$ 1,678
Public Agencies	\$ 255	\$ 283

**(b)** The Government of the Northwest Territories provided a reimbursement to the Board for hunters and trappers claims of \$461,496 (1996 - \$1,669,565).

**(c)** On April 16, 1996 the Government of the Northwest Territories transferred responsibility for the administration and enforcement of the *Safety Act*, *Explosives Use Act*, and *Mine Health and Safety Act* from the Government of the Northwest Territories to the Board.

The Government will be compensating the Board for part of the cost of the transfer from April 16, 1996 to March 31, 1999 as shown below. Additional and future costs will be covered from employer assessments. The estimated annual costs of administering these programs is \$2,100,000.

- April 16, 1996 - March 31, 1997 - 75% of the agreed cost
- April 1, 1997 - March 31, 1998 - 50% of the agreed cost
- April 1, 1998 - March 31, 1999 - 25% of the agreed cost



Workers' Compensation Board (Northwest Territories)

**Notes to Financial Statements**

for the year ended December 31, 1997

Amounts paid as contributions are as follows:

	1997	1996
	(thousands of dollars)	
Revenue	\$ 1,077	\$ 1,237
Deferred revenue	240	375
Total paid in 1997	\$ 1,317	\$ 1,612

(d) The Board's investments include bonds (at market value) of:

	1997	1996
	(thousands of dollars)	
Government of the Northwest Territories		
11.00% maturing June 23, 1998	\$ 152	\$ 318
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	\$ 666	\$ 641
11.125% maturing June 6, 2011	\$ 1,382	\$ 1,299
9.375% maturing May 12, 2014	\$ 1,248	\$ 1,152
Northwest Territories Legislative Assembly		
Building Society		
13.00% Series A, maturing August 31, 2013	\$ 609	\$ 575

(e) In addition to those related party transactions disclosed elsewhere in these financial statements, the Board is related to all Government of the Northwest Territories created departments, agencies and Crown corporation. The Board enters into transaction with these entities in the normal course of business.

**12. Comparatives**

Certain comparative amounts have been reclassified to be consistent with current year.



## Workers' Compensation Board (Northwest Territories)

## Schedule of Administration and General Expenses

for the year ended December 31, 1997

	1997	1996
	(thousands of dollars)	
Salaries, wages and allowances	\$ 5,414	\$ 4,873
Professional services	1,673	877
Office lease and renovations	878	635
Employer's share of benefits	785	618
Travel	671	402
Amortization building/leasehold	231	300
Board Members	404	234
Office services and supplies	200	215
Communications	275	164
Amortization furnishings and equipment	192	161
Grants	122	114
Advertising and public information	128	85
Office furnishings and equipment	154	79
Miscellaneous	44	35
Computer lease and services	22	11
	<u>\$ 11,193</u>	<u>\$ 8,803</u>
Less:		
Allocations to claims management	3,110	2,078
	<u>\$ 8,083</u>	<u>\$ 6,725</u>



# Coles Hewitt

## Workers' Compensation Board, Northwest Territories

### Actuarial Opinion

as at December 31, 1997

We have examined the valuation of the liabilities for future claim payments (Future Claims Liability) and future pension payments (Future Pension Liability) as at December 31, 1997. This valuation was based on the provisions of the *Workers' Compensation Act, N.W.T. 1998*, which was in effect at December 31, 1997. The detailed results are included in our valuation report dated March 11, 1998.

The valuation of the liabilities has been performed in accordance with methods and assumptions set forth in the Board's Statement of Funding Policy, Methods and Assumptions – 1997. Both the Future Claims Liability and the Future Pension Liability include a provision for future expenses relating to the management of existing claims and pension awards.

In our opinion:

1. The Future Claims Liability of \$57,800,000 makes adequate provision for expected future payments (including rehabilitation benefits) and claim management expenses in respect of claims arising prior to January 1, 1998, other than existing pension awards;
2. The Future Pension Liability of \$104,225,000 makes adequate provision for expected future payments, including future supplementary pension increases and claim management expenses, for pension awards granted prior to January 1, 1998;
3. The data on which the valuation is based is sufficient and reliable for the purpose of the valuation;
4. The assumptions used are appropriate for the purposes of the valuation; and
5. The methods employed are consistent with sound actuarial principles.

None-the-less, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuation.

Respectfully submitted for

COLES HEWITT

J. Allan Brown

Fellow of the Canadian Institute of Actuaries

March 11, 1998



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## Summary Information, 1993-1997

	1993	1994	1995	1996	1997
Total active businesses	4,430	4,702	5,197	5,063	5,625
Employers	3,150	2,889	3,189	2,892	3,171
Self-employed	1,280	1,813	2,008	2,171	2,454
Claims reported	3,631	3,909	3,879	3,866	3,626
Assessment revenue (\$000)	\$21,653	\$25,016	\$24,627	\$22,922	\$22,564
Average assessment rate*					
Average provisional assessment rate	\$2.54	\$2.54	\$2.54	\$2.33	\$2.10
Average actual assessment rate	\$2.64	\$2.84	\$2.74	\$2.48	\$2.36
Supplementary pension increase	0%	1.72%	1.03%	1.10%	1.82%
Yearly maximum insurable remuneration	\$47,500	\$47,500	\$47,500	\$49,000	\$49,000

\* per \$100 of assessable payroll



**Table 1: 1993-1997 Claim Distribution by Category**

*Note: These figures are revised annually to allow for claims that are reported late*

Claims Reported	1993	1994	1995	1996	1997
Medical Aid	618	683	648	719	612
No Time Loss	1,527	1,660	1,802	1,845	1,852
Time Loss Moderate	763	850	849	743	697
Time Loss Major	230	237	186	197	170
Hearing Loss	23	25	16	22	8
Industrial Disease	25	24	18	16	21
Fatal	4	5	8	4	4
No Claim Established	267	268	199	183	189
Claim Denied	78	98	122	105	73
<b>Total Claims Reported</b>	<b>3,535</b>	<b>3,850</b>	<b>3,848</b>	<b>3,834</b>	<b>3,626</b>
<b>Total Claims Accepted</b>	<b>3,190</b>	<b>3,484</b>	<b>3,527</b>	<b>3,546</b>	<b>3,364</b>
<b>Total Time Loss Claims</b>	<b>993</b>	<b>1,087</b>	<b>1,035</b>	<b>940</b>	<b>867</b>

**Legend**

Medical Aid	Injury treated on the worksite only.
No Time Loss	Injury requires medical treatment but claimant does not lose time from work other than the day of injury.
Time Loss Moderate	Claimant receives temporary total disability benefits for less than six weeks.
Time Loss Major	Claimant receives temporary total disability benefits for more than six weeks.
Hearing Loss	Prolonged exposure to hazardous noise levels.
Industrial Disease	Progressive conditions.
Fatal	Claims that result in the death of the worker and in the payment of funeral costs or survivor benefits.
No Claim Established	Claim is registered but, after investigation, it is determined that it should not have been for reasons of jurisdiction, duplicate registration or policy.
Claim Denied	Claim adjudicated and denied payment.

**Figure 1: 1993-1997 Accepted and Time Loss Claims**

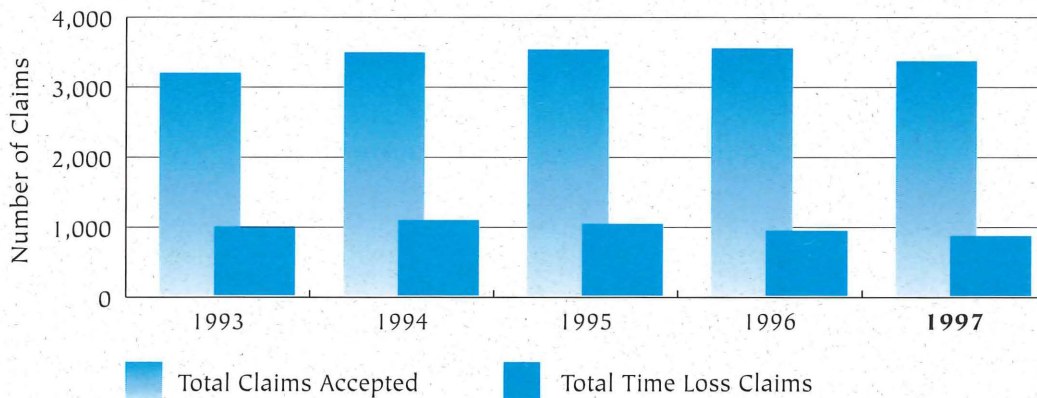




Figure 2: 1997 All Accepted Claims by Month

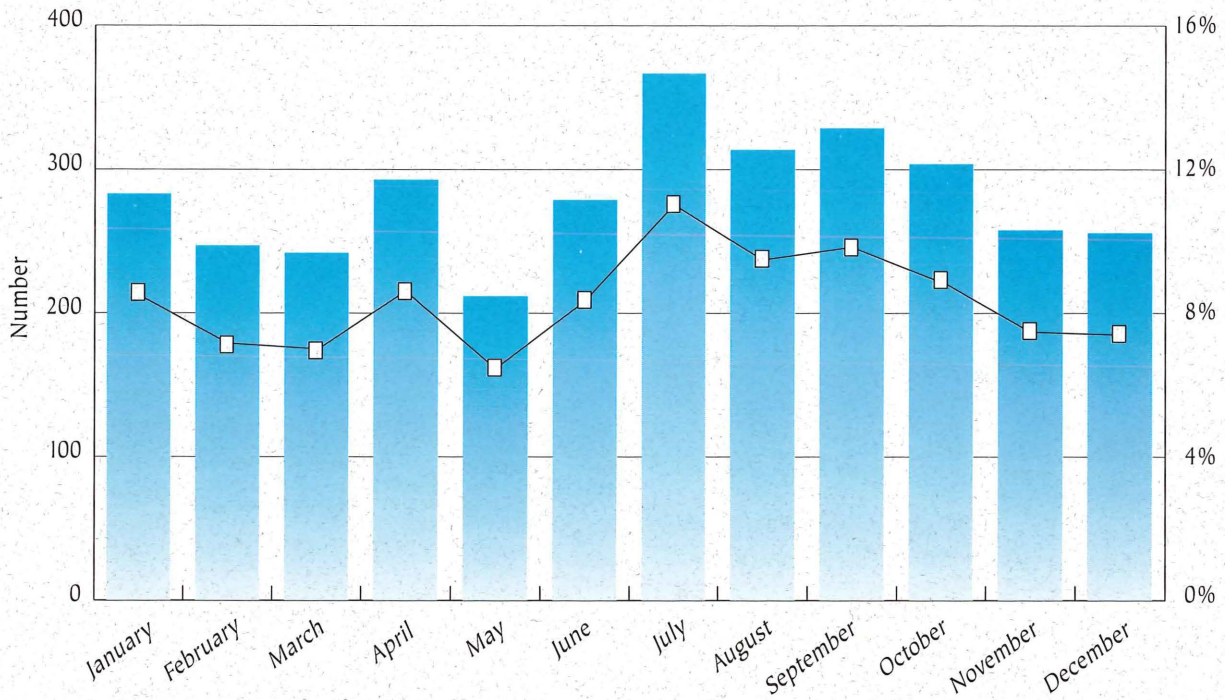
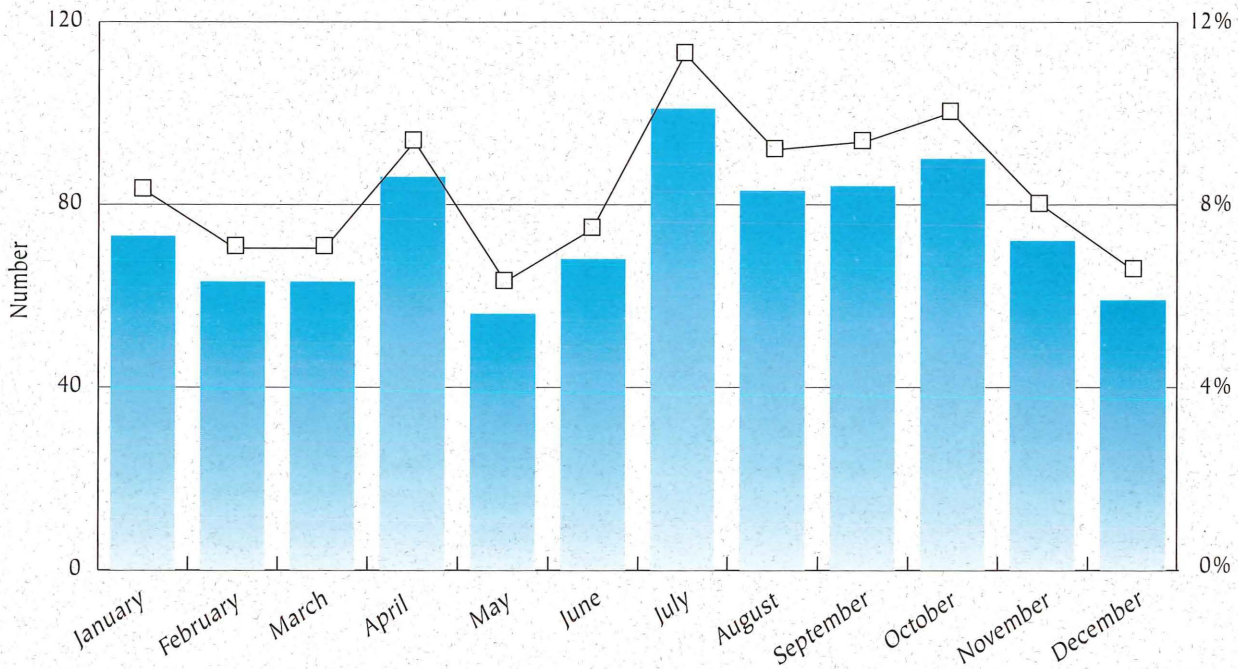


Figure 3: 1997 All Time Loss Claims by Month





## ACCIDENT STATISTICS

**Table 2: 1997 Time Loss Claims by Industry Class**

The ten most frequent occurrences in each of the statistical measures are listed in descending order. The three most frequent occurrences within each industry class are also shown.

Industry Totals	Total 887		Construction 220		Mining 109	
	Number	% of Total	Number	% of Total	Number	% of Total
<b>Event (Type of Accident)</b>						
Over-exertion	176	20%	36	16%	18	17%
Struck by object	133	15%	39	18%	26	24%
Fall to lower level	112	13%	32	15%	14	13%
Bodily reaction	111	13%				
Rubbed/abraded by friction/pressure	60	7%				
Caught in, or compressed by, equipment	57	6%				
Fall on same level	50	6%				
Struck against object	42	5%				
Repetitive motion	16	2%				
Highway accident	15	2%				
<b>Source of Injury</b>						
Injured or ill worker	86	10%	25	11%		
Floors, walkways, ground surfaces	81	9%	15	7%	12	11%
Containers - nonpressurized	81	9%				
Building materials - solid elements	53	6%	17	8%		
Handtools - nonpowered	40	5%				
Ladders	36	4%	15	7%		
Chips, scrap, waste, debris	35	4%				
Environmental conditions	33	4%				
Industrial machinery	27	3%			11	10%
Non-metallic minerals, except fuel	26	3%			15	14%
<i>Person other than injured or ill worker *</i>	16	2%				
<b>Nature of Injury</b>						
Injury to muscles, joints, etc.	349	39%	74	34%	45	41%
Surface wounds and bruises	187	21%	59	27%	24	22%
Injury to bones, nerves, spinal cord	93	10%	23	10%	17	16%
Cuts	73	8%				
Burns	19	2%				
Back pain (general)	18	2%				
Punctures except bites	16	2%				
Pain except back	16	2%				
Multiple traumatic injuries and disorders	16	2%				
Crushing	15	2%				
<b>Part of Body</b>						
Back, including spine/spinal cord	213	24%	43	20%	28	26%
Finger(s), fingernail(s)	104	12%	30	14%	12	11%
Ankles and feet	88	10%	27	12%		
Leg(s)	88	10%			13	12%
Multiple body parts	52	6%				
Shoulder	42	5%				
Arm(s)	42	5%				
Eye(s)	42	5%				
Hand(s), except finger(s)	33	4%				
Chest, including ribs/internal organs	27	3%				

\* The third most frequent source of injury in the Services Industry was not found in the ten most frequent sources of injury over all industries.



Oil & Gas 43		Public Admin. 153		Renew. Res. 13		Service 142		Trade & Rel. 98		Transport. & Util. 109	
Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
		32	21%	3	23%	36	25%	22	22%	24	22%
6	14%			2	15%	13	9%	15	15%	12	11%
6	14%	21	14%							16	15%
6	14%	21	14%	2	15%			15	15%	12	11%
						13	9%			12	11%
5	12%	15	10%					12	12%	10	9%
		14	9%			15	11%	10	10%	11	10%
						14	10%	16	16%	17	16%
6	14%	13	8%								
				2	15%						
5	12%										
						13*	9%				
15	35%	65	42%	4	31%	56	39%	43	44%	47	43%
8	19%	28	18%	2	15%	28	20%	19	19%	19	17%
6	14%	12	8%	4	31%					15	14%
		12	8%			13	9%	17	17%		
9	21%	42	27%	2	15%	35	25%	29	30%	25	23%
5	12%	18	12%			12	8%	16	16%	11	10%
4	9%	15	10%	2	15%			9	9%	13	12%
4	9%	16	10%			20	14%				
4	9%										
4	9%			2	15%						



Figure 4: Time Loss Claims by Part of Body Injured

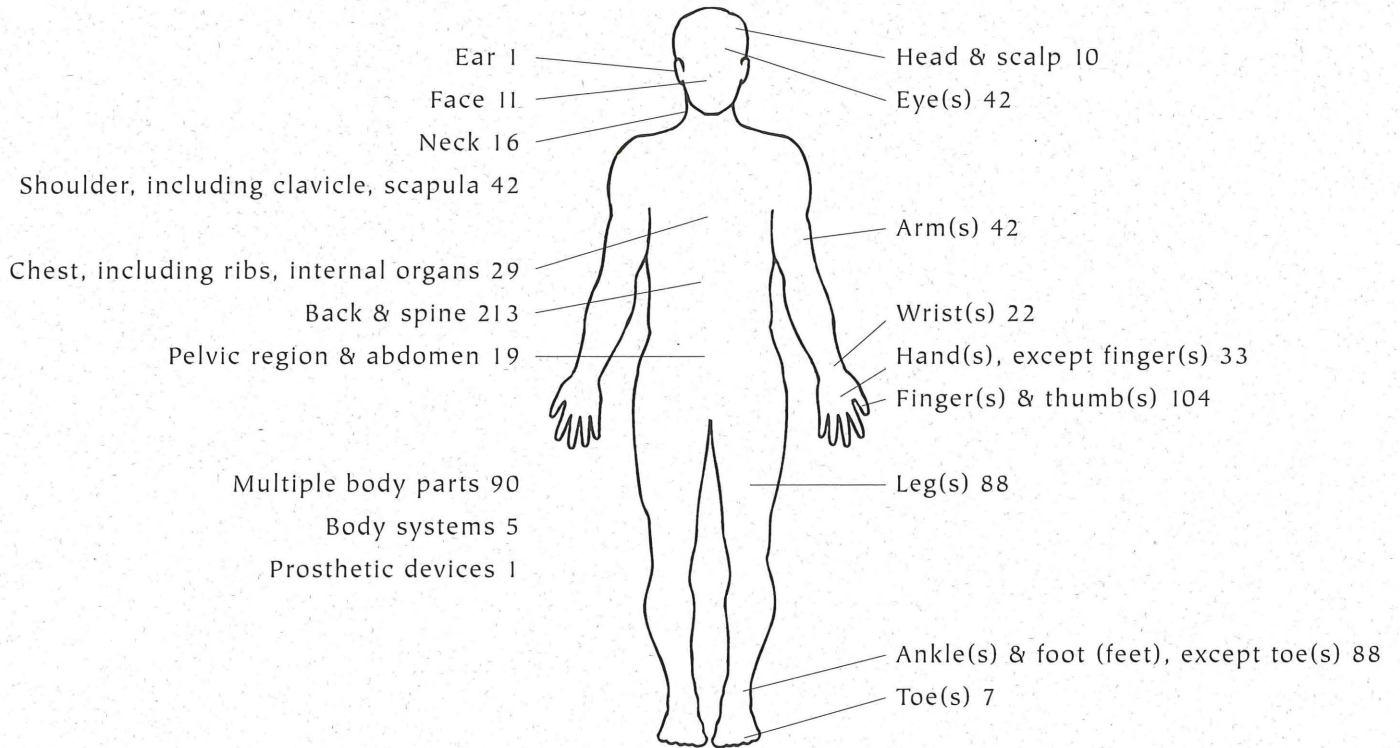
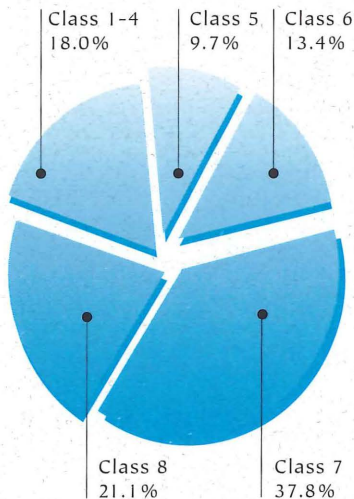
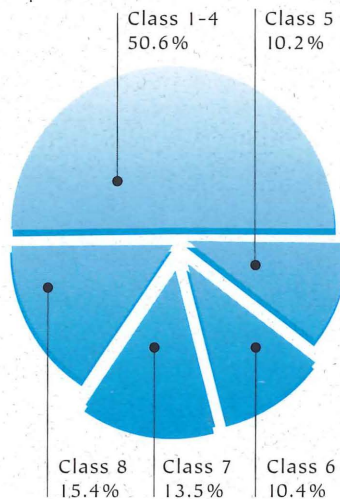


Figure 5: 1997 Distribution of Workers and Occupational Injuries by Sector of Economic Activity

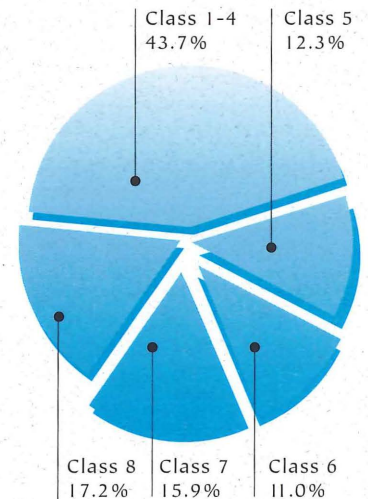
Part 1: % Employed



Part 2: Accepted Claims



Part 3: Time Loss Claims



- Class 1-4: Goods producers (includes mining, quarrying, oil wells, manufacturing and construction)
- Class 5: Transportation, communication and utilities
- Class 6: Trade and related services
- Class 7: Services not elsewhere classified
- Class 8: Public administration and defence



Figure 6: 1997 All Accepted Claims by Sex and Age

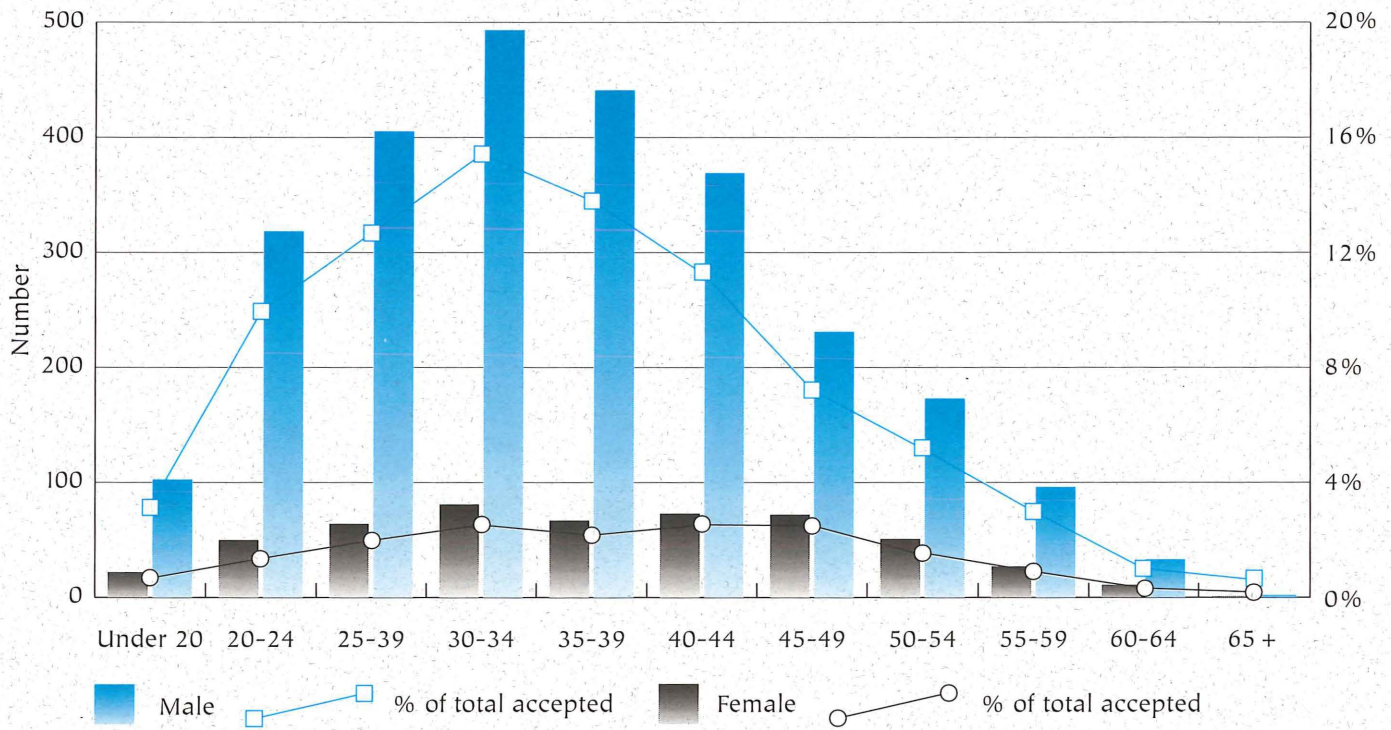


Figure 7: 1997 All Time Loss Claims by Sex and Age

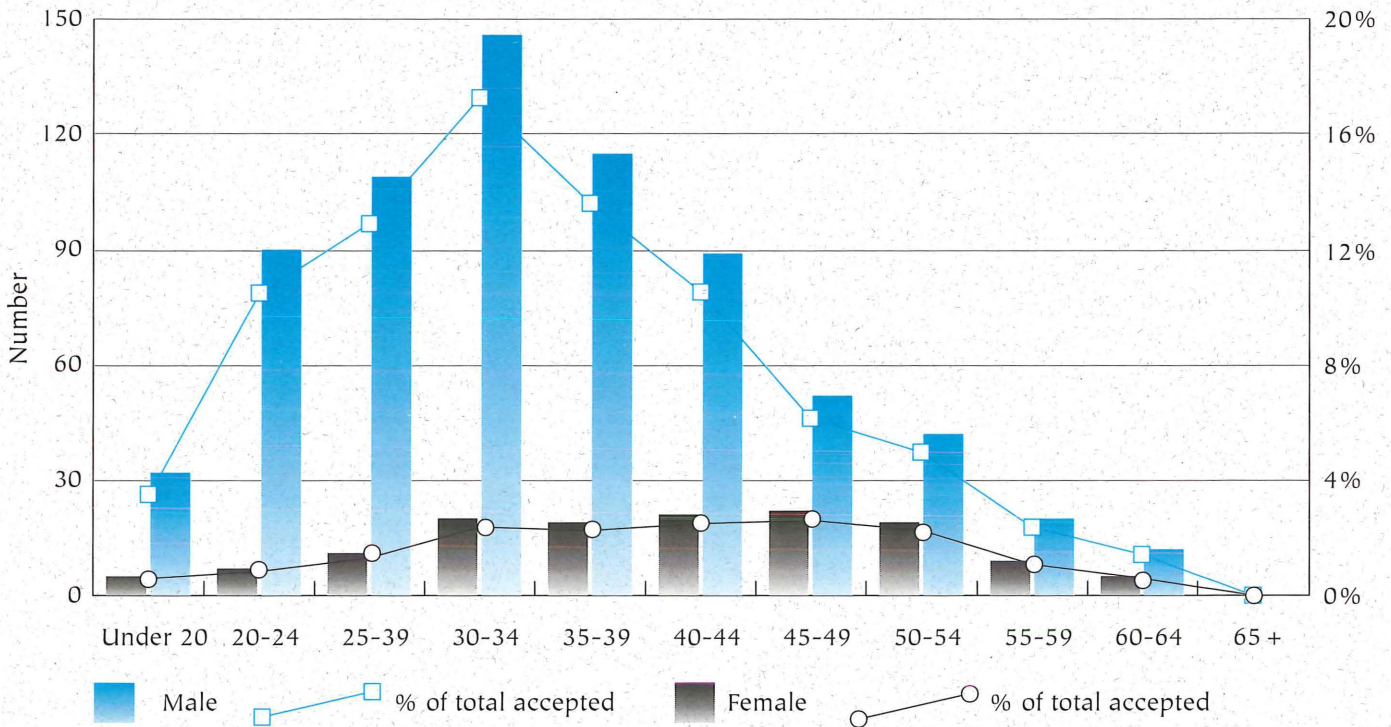
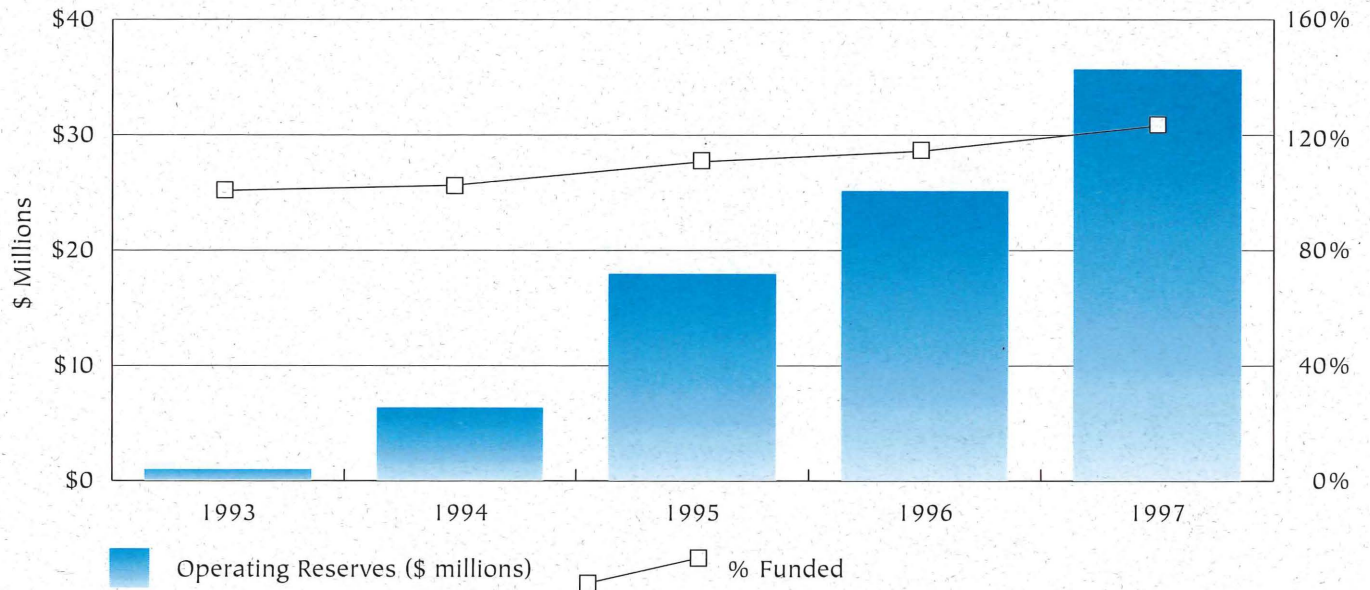




Figure 8: 1997 Funded Position



When the assets held by the WCB are sufficient to cover liabilities, then the Board is said to be in a fully-funded position. In 1997, the WCB was 123% funded at year end, with an Operation Reserve of \$35.7 million.

Figure 9: 1997 Funding the System

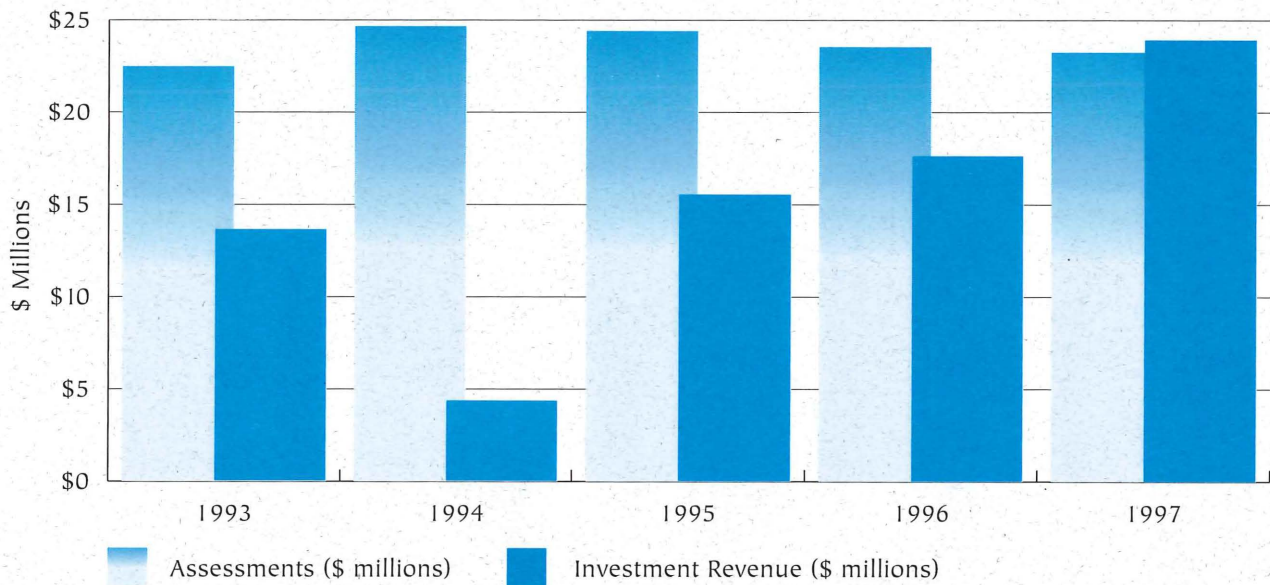
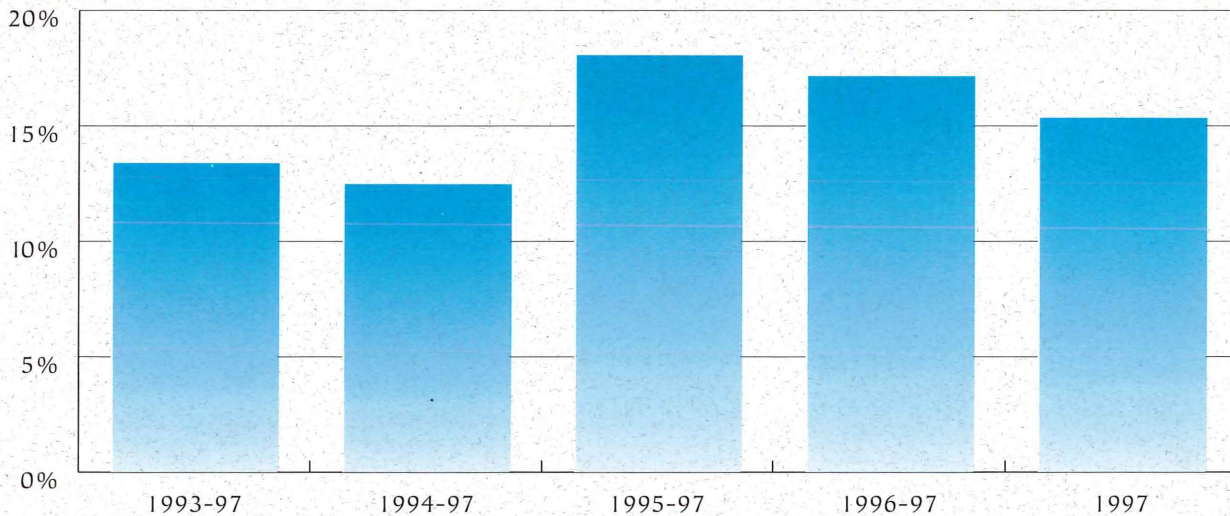


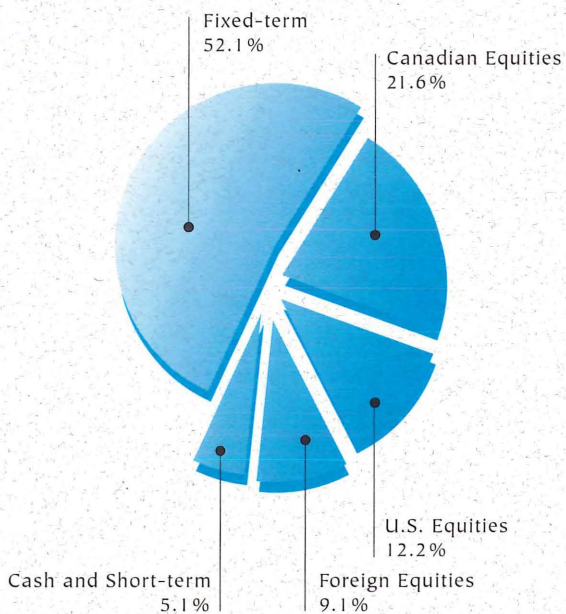


Figure 10: Investment Portfolio (annualized market rate of return)



Information provided by Performance Management Services.

Figure 11: Portfolio Allocation by Asset Type



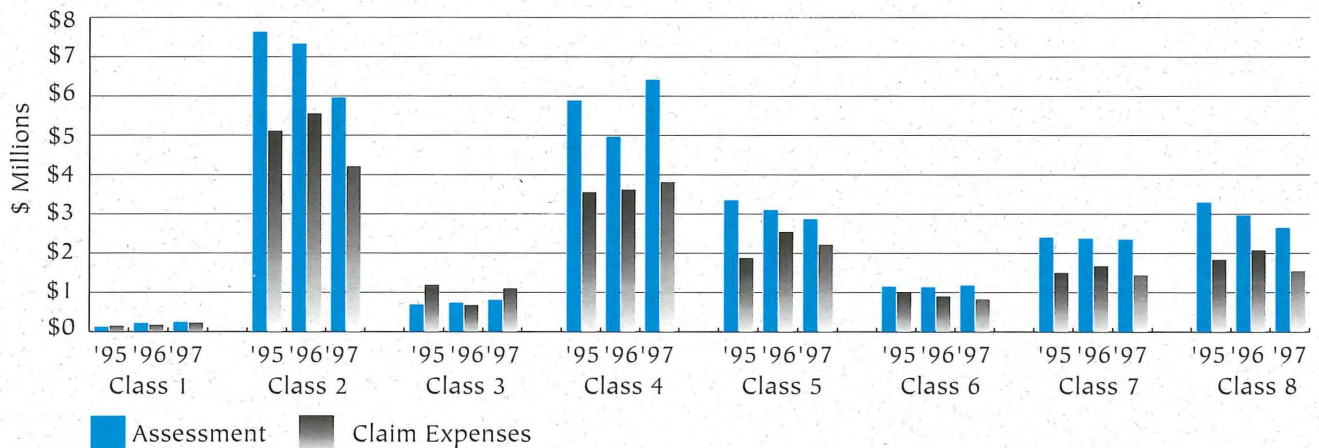


**Table 3: 1995-1997 Assessments and Claim Expenses by Industry Class (\$ thousands)**

Class	1995		1996		1997	
	Assessments	Claim Exp.	Assessments	Claim Exp.	Assessments	Claim Exp.
1. Renewable Resources	\$ 139	\$ 148	\$ 234	\$ 165	\$ 261	\$ 150
2. Mining	\$ 7,660	\$ 5,120	\$ 7,358	\$ 5,565	\$ 5,987	\$ 4,138
3. Oil & Gas	\$ 702	\$ 1,192	\$ 748	\$ 676	\$ 821	\$ 1,090
4. Construction	\$ 5,905	\$ 3,555	\$ 4,983	\$ 3,621	\$ 6,432	\$ 3,822
5. Transport., Commun. & Utilities	\$ 3,362	\$ 1,877	\$ 3,110	\$ 2,545	\$ 2,877	\$ 2,193
6. Trade & Related	\$ 1,156	\$ 1,015	\$ 1,141	\$ 904	\$ 1,185	\$ 873
7. Services n.e.c	\$ 2,406	\$ 1,503	\$ 2,380	\$ 1,673	\$ 2,352	\$ 1,461
8. Public Administration	\$ 3,297	\$ 1,838	\$ 2,968	\$ 2,076	\$ 2,649	\$ 1,549
<b>Total</b>	<b>\$24,627</b>	<b>\$16,248</b>	<b>\$22,922</b>	<b>\$17,225</b>	<b>\$22,564</b>	<b>\$15,276</b>

Note: Claim expenses are the total of the costs for the year of accident and all estimated future liabilities. They do not include administrative expenses.

**Figure 12: 1995-1997 Comparison of Assessments and Claim Expenses by Industry Class**



**Table 4: 1997 Safety Incentive and Rate Reduction (SIRR) Program**

Class	# of Employers Assessed	Amount Assessed	% of Regular Assessment*
1. Renewable Resources	0	\$ -	0.00%
2. Mining	2	\$ 31,622	13.33%
3. Oil & Gas	4	\$ 21,029	5.87%
4. Construction	13	\$ 51,686	6.68%
5. Transport., Commun. & Utilities	6	\$ 74,858	5.68%
6. Trade & Related Services n.e.c.	5	\$ 20,025	7.67%
7. Services n.e.c	6	\$ 55,199	7.33%
8. Public Administration & Defence	4	\$ 24,256	9.35%
<b>Total</b>	<b>40</b>	<b>\$ 278,675</b>	<b>7.04%</b>

\* Based on a three year average



Table 5: 1996-97 Assessment and Claims Expenses by Class

Industrial Class	Assessments		Number of Employers			Claim Expenses (\$ thousands)		Time Loss Claims	
	1996	1997	1996	1997		1996	1997	1996	1997
			Std.	Std. (Total)					
10 Renewable Resources	\$ 234	\$ 261	132	136	182	\$ 165	\$ 150	7	12
<b>Class 1 Total</b>	<b>\$ 234</b>	<b>\$ 261</b>	<b>132</b>	<b>136</b>	<b>182</b>	<b>\$ 165</b>	<b>\$ 150</b>	<b>7</b>	<b>12</b>
22 Mine Development and Operation	\$ 6,921	\$ 5,725	21	21	22	\$ 5,154	\$ 3,947	109	94
27 Mineral Prospecting and Exploration	\$ 437	\$ 262	88	94	100	\$ 411	\$ 191	55	17
<b>Class 2 Total</b>	<b>\$ 7,358</b>	<b>\$ 5,987</b>	<b>109</b>	<b>115</b>	<b>122</b>	<b>\$ 5,565</b>	<b>\$ 4,138</b>	<b>164</b>	<b>111</b>
36 Exploration and Drilling for Oil & Gas	\$ 604	\$ 679	42	42	47	\$ 560	\$ 1,020	44	41
37 Services to the Exploration for Oil & Gas	\$ 144	\$ 142	95	97	103	\$ 116	\$ 70	15	3
<b>Class 3 Total</b>	<b>\$ 748</b>	<b>\$ 821</b>	<b>137</b>	<b>139</b>	<b>150</b>	<b>\$ 676</b>	<b>\$ 1,090</b>	<b>59</b>	<b>44</b>
41 Building Construction and Related Services	\$ 2,676	\$ 4,141	392	394	431	\$ 1,952	\$ 2,281	106	142
42 Highway, Bridge and Pipeline Construction (etc.)	\$ 1,139	\$ 1,271	46	48	53	\$ 870	\$ 953	29	36
43 Logging Operations	\$ 435	\$ 297	69	68	81	\$ 299	\$ 190	11	14
46 Plumbing, Electrical & Air Conditioning fitting (etc.)	\$ 734	\$ 723	159	159	165	\$ 500	\$ 398	32	23
<b>Class 4 Total</b>	<b>\$ 4,984</b>	<b>\$ 6,432</b>	<b>666</b>	<b>669</b>	<b>730</b>	<b>\$ 3,621</b>	<b>\$ 3,822</b>	<b>178</b>	<b>215</b>
51 Operation of Fixed Wing Aircraft, Helicopters, Flying Schools (etc.)	\$ 1,100	\$ 804	66	72	79	\$ 1,124	\$ 690	48	33
53 Ground Transportation	\$ 703	\$ 614	134	129	137	\$ 496	\$ 734	36	33
54 Trucking and Related Services	\$ 596	\$ 467	119	106	131	\$ 398	\$ 200	18	8
55 Water Transportation	\$ 235	\$ 278	12	11	12	\$ 178	\$ 165	12	12
56 Operation of Railways and Airports	\$ 141	\$ 334	5	7	7	\$ 92	\$ 129	3	3
57 TV and Radio Stations, Installation and Servicing (etc.)	\$ 27	\$ 35	36	46	52	\$ 24	\$ 14	4	2
58 Power, Telephone and Other Public Utilities	\$ 308	\$ 345	5	5	5	\$ 233	\$ 261	23	13
<b>Class 5 Total</b>	<b>\$ 3,110</b>	<b>\$ 2,877</b>	<b>377</b>	<b>376</b>	<b>423</b>	<b>\$ 2,545</b>	<b>\$ 2,193</b>	<b>144</b>	<b>104</b>
61 Wholesale Trade	\$ 160	\$ 157	39	38	40	\$ 146	\$ 194	10	20
62 Retail Trade n.e.c.	\$ 519	\$ 517	347	342	354	\$ 402	\$ 379	64	55
63 Heavy Equipment Repair (etc.)	\$ 237	\$ 264	53	48	58	\$ 170	\$ 170	11	4
66 Service Stations, Garages, Automotive Dealers (etc.)	\$ 225	\$ 247	56	58	60	\$ 186	\$ 130	12	18
<b>Class 6 Total</b>	<b>\$ 1,141</b>	<b>\$ 1,185</b>	<b>495</b>	<b>486</b>	<b>512</b>	<b>\$ 904</b>	<b>\$ 873</b>	<b>97</b>	<b>97</b>
71 Business & Professional Services	\$ 590	\$ 534	447	454	483	\$ 406	\$ 355	31	39
74 Health & Welfare and Related Services	\$ 876	\$ 865	91	93	93	\$ 616	\$ 505	39	44
75 Recreation & Amusement Services	\$ 19	\$ 17	30	30	31	\$ 12	\$ 15	0	1
76 Hotels, Motels, Restaurants and Clubs	\$ 519	\$ 484	152	153	160	\$ 383	\$ 309	36	35
78 Camp and Industrial Caterers	\$ 155	\$ 210	12	15	15	\$ 104	\$ 149	1	9
79 Other Services	\$ 221	\$ 242	97	114	121	\$ 152	\$ 128	8	6
<b>Class 7 Total</b>	<b>\$ 2,380</b>	<b>\$ 2,352</b>	<b>829</b>	<b>859</b>	<b>903</b>	<b>\$ 1,673</b>	<b>\$ 1,461</b>	<b>115</b>	<b>134</b>
81 Government of the Northwest Territories	\$ 1,791	\$ 1,659	33	35	35	\$ 1,232	\$ 827	71	58
82 Local Authorities, Housing Associations	\$ 985	\$ 845	104	103	103	\$ 705	\$ 627	91	90
83 D.E.W. Line	\$ 181	\$ 134	3	2	3	\$ 131	\$ 91	10	1
85 Forest Fire Fighters	\$ 10	\$ 11	7	6	8	\$ 8	\$ 4	3	1
<b>Class 8 Total</b>	<b>\$ 2,967</b>	<b>\$ 2,649</b>	<b>147</b>	<b>146</b>	<b>149</b>	<b>\$ 2,076</b>	<b>\$ 1,549</b>	<b>175</b>	<b>150</b>
<b>TOTAL</b>	<b>\$22,922</b>	<b>\$22,564</b>	<b>2,892</b>	<b>2,926</b>	<b>3,171</b>	<b>\$17,225</b>	<b>\$15,276</b>	<b>939</b>	<b>867</b>

Note: 1996 Number of Employees include standard and class 4 accounts only. For 1997 the Total Accounts, which also include term, multi-industry, seasonal and optional accounts, are also displayed.

Multi-industry employers are grouped according to their main industry. Numbers do not include hunters and trappers covered by the Government of the Northwest Territories.



**Table 6: 1997 Industrial Safety Activity Report**

Type of Activity	Number
Inspections	624
Orders written	1,093
Order completed	728
Notice of danger/stop work orders	2
Accidents reported	17
Accidents investigated	14
Refusal to work	0
Consultations	189
Inquiries	169

**Table 7: 1997 Mining and Industrial Inspections by Region**

Region	Mining	Industrial	Total
Yellowknife	45	71	116
Fort Smith	66	82	148
Inuvik	0	23	23
Baffin	9	200	209
Keewatin	4	222	226
Kitikmeot	18	26	44
<b>Total</b>	<b>142</b>	<b>624</b>	<b>766</b>



**Table 8:**  
**1997 Mining Incident/Accident Investigations**

Mine	Frequency of Time Loss Accidents*	Severity**
Con	14.4	96
Giant	16.7	229
Lupin	2.4	113
Nanisivk	2.2	25
Polaris	4.4	84
Treminco	17.8	3,585
Colomac	3.0	60
B.H.P. - Ekati	1.2	23

\* "Frequency of Time Loss Accidents" is defined as the number of time loss accidents per 200,000 person-hours.

\*\* "Severity" is defined as the number of lost days per 200,000 person-hours.

**Table 9:**  
**Safety Education Workshops by Region**

Region	1995	1996	1997
Yellowknife	-	-	36
Fort Smith*	95	92	44
Inuvik	16	19	11
Baffin	19	4	7
Keewatin	12	14	6
Kitikmeot	18	17	0
<b>Total</b>	<b>160</b>	<b>146</b>	<b>104</b>

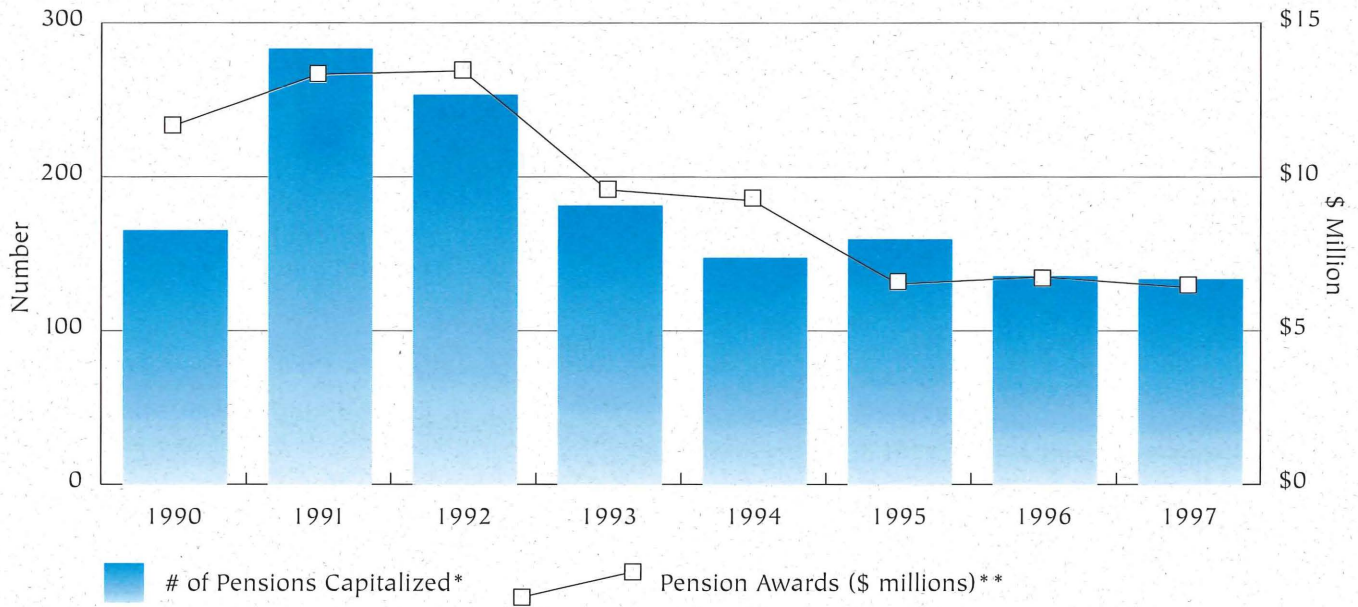
\* "Fort Smith" includes Yellowknife workshops in 1995 and 1996 data.

**Table 10: Safety Education Workshops: Number of Courses Taught and Number of Participants**

	1995		1996		1997	
	Courses	Participants	Courses	Participants	Courses	Participants
Artists & Carvers	-	-	3	24	1	11
Claims Management/SIRR	26	195	19	155	5	24
Ergonomics	-	-	1	5	3	18
Incident & Accident Investigation	8	47	16	133	13	138
Occupational Health & Safety	8	49	18	158	13	117
Safety Awareness	32	336	27	335	18	217
Safety Management	7	79	11	77	12	96
WHMIS	20	154	15	108	25	323
WHMIS Instructor	13	60	15	109	14	132
<b>Total</b>	<b>114</b>	<b>920</b>	<b>125</b>	<b>1,104</b>	<b>104</b>	<b>1,076</b>



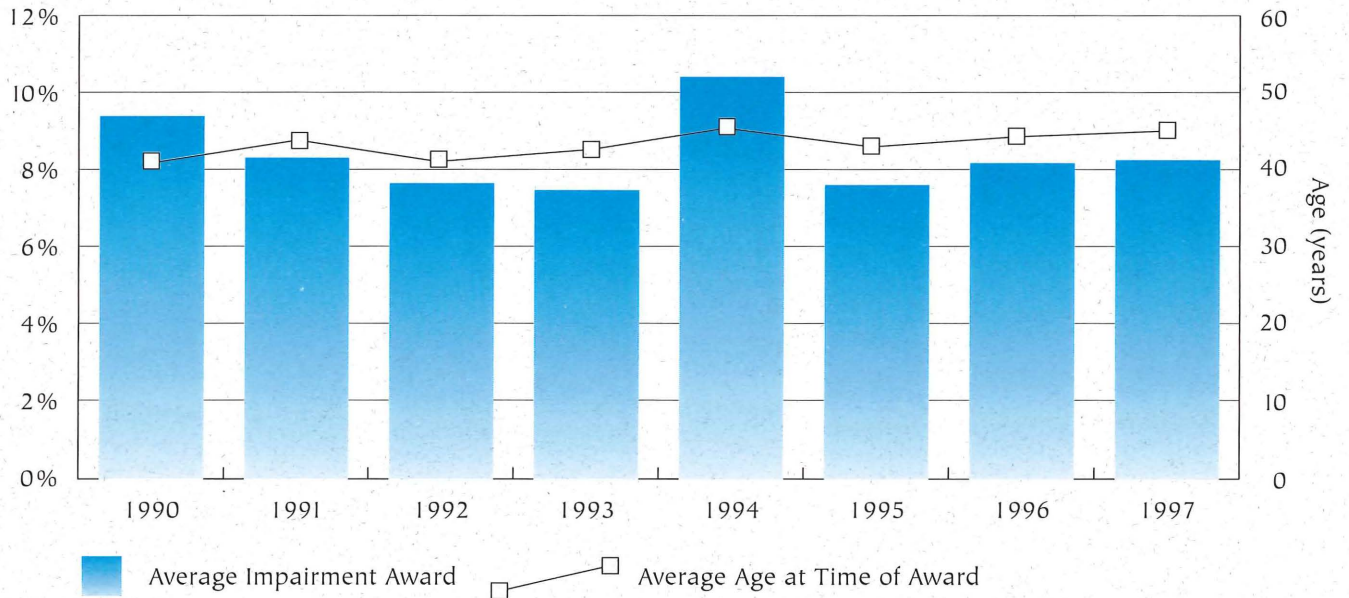
Figure 13: 1997 Pension Capitalizations



\* Does not include term pensions or fatal claims

\*\* Present value of pensions awarded in 1997

Figure 14: 1997 Average Impairment Award



The Average Impairment Award represents the average percentage rating at which pension benefits are calculated. It includes new awards for current and prior years' injuries and is based on the authorized capitalization. Term pensions and fatal claims are not included.