

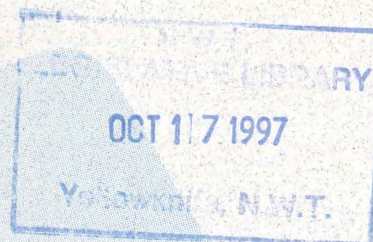
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WORKERS' COMPENSATION BOARD

Northwest Territories

1996 ANNUAL REPORT



WCB Board Members

Fred Koe - Chairperson (Yellowknife)

Appointed November 27, 1996

Gordon Wray - Vice-Chairperson (Yellowknife)

Appointed March 3, 1992

Re-appointed May 4, 1996

Don McNenly - Chairperson, Appeals Tribunal (Yellowknife)

Appointed May 3, 1994

Re-appointed May 3, 1996

Vivian Stevely - Member (Hay River)

Appointed February 18, 1994

Re-appointed March 1, 1996

Lydia Bardak - Member (Yellowknife)

Appointed February 17, 1995

George Kuksuk - Member (Arviat)

Appointed March 1, 1996

Jessie Sloan - Member (Yellowknife)

Appointed February 6, 1997

Board Members whose terms expired in 1996

Jeffrey Gilmour - Chairperson

Tom Hoefer - Member

Doug Willy - Member



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“The mission of the Workers’ Compensation Board 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.”

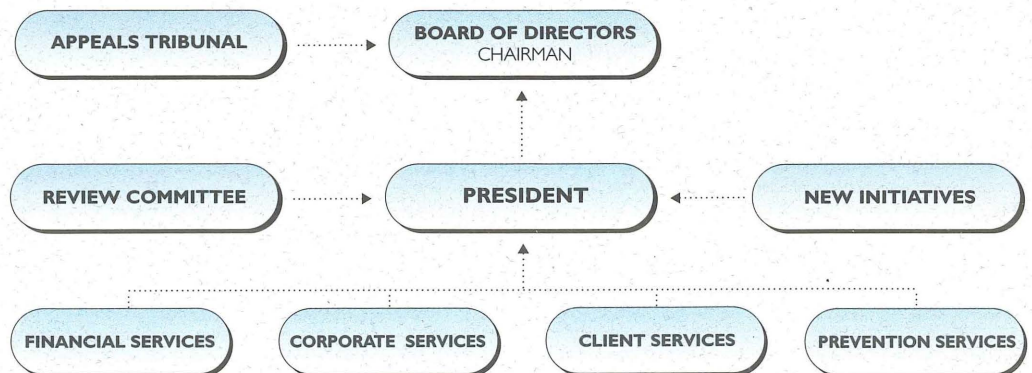


1996 Basic Statistical and Financial Data

Population	64,400
Employed	25,000
Percentage of workforce covered by WCB	96%
Average weekly earnings (Industrial Aggregate)	\$720
Maximum annual insurable earnings	\$49,000
Number of time loss claims	977
Number of fatalities	4
Number of employers registered	2892
Number of classes/sectors	8
Number of rate groups	30
Average assessment rate	\$2.33
Assessable payroll	\$925,079,049
Benefit costs	\$25,604,000
Total liabilities	\$165,467,000
Administration expenses	\$6,545,000
Total WCB staff positions	89.5
Assessment revenue	\$23,363,000
Investment income	\$14,965,000
Total assets	\$193,224,000
Catastrophe Reserve	\$4,900,000
Operating Reserve	\$22,494,000
Safety Incentive and Rate Reduction Reserve	\$363,000
Funded ratio	113%

2

Organization





From the Chairman

I received my appointment as Chairperson of the Workers' Compensation Board on November 21st, 1996.

Much of the year's work had, of course, already been completed under the guidance of my predecessor;
Jeff Gilmour.

I soon discovered that the financial stability and sound management of the WCB are a reflection of the dedication and work of the Board of Directors, management team and staff. It is because of their success in recent years that we are able to build for the future.

In what had been a year of considerable change for the WCB, it was both a pleasure and privilege to join this organization.

I can assure our employer and labour stakeholders that the WCB will continue to fulfil its responsibilities to workers and employers for years to come.

This document is a testament to the hard work and initiative of the men and women of the NWT Workers' Compensation Board.

Sincerely,

Fred E. Koe
Chairperson

Letter of Transmittal

May 28, 1997

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, 1996, 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.

Your truly,



Fred E. Koe, Chairperson
Workers' Compensation Board



From the President

Nineteen ninety-six was a time of extraordinary growth for the NWT Workers' Compensation Board. In a year that increased both the role and responsibility of the Board in the Northwest Territories, two concerns were prominent:

- Following the transfer of Occupational Health and Safety from the GNWT, our foremost challenge was to establish a balance between our new role as educator and regulator and the business of being an effective and affordable system of compensation.
- Secondly, we considered the implications and ramifications of Division. Considerable time was spent identifying and researching options for program delivery that reflect our mandate to serve workers and employers throughout the Northwest Territories.

We outlined both of these challenges, and others, in our Corporate Plan. The plan looks beyond the immediate challenges of physical renovations, increased staff and satellite offices, to the greater challenge that faces us all: the prevention of workplace accidents across the North.

During this period of change and uncertainty, the business of workers' compensation continued. The Board's reserves were improved once again. Strong returns and a revised investment strategy continue to account for our stability.

The benefit ceiling for workers, the Year's Maximum Insurable Remuneration (YMIR), was increased July 1st. Meanwhile, employer assessment rates were decreased for the second straight year.

Employer support programs, such as Safety Incentive and Rate Reduction and Claims Management, were enhanced, as were safety education and information systems. Meanwhile, changes in our approach to early intervention and rehabilitation began to yield results.

For the first time, in 1996, regulation and enforcement were also part of the accident prevention focus.

The WCB, for its part, has established a base on which to build for the future. The details are outlined in this Annual Report.

Sincerely,

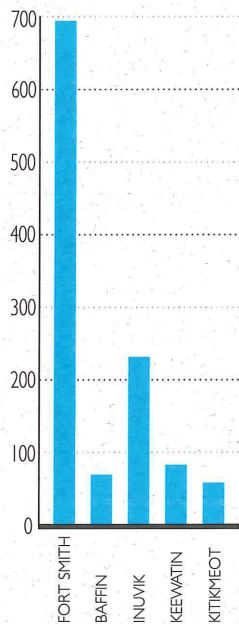
Gerry Meier, President

Prevention Services

The Prevention Services Division enforces safety legislation in the NWT through inspection, regulation and education.

On April 16, 1996, the Occupational Health & Safety (OH&S) Division of the GNWT's Department of Safety and Public Services was amalgamated with the Workers' Compensation Board. Together with the WCB's Safety Education Unit, they formed the WCB's newest division: Prevention Services. A total of 20 people were added to the staff of the WCB.

PREVENTION SERVICES
Course participants by region



During 1996, safety advisors provided safety training to 1104 people in 15 NWT communities. An additional 375 people attended courses made possible by WCB materials. Program materials for Safety Awareness, Safety Management, Ergonomics, Safety & the Young Worker, Artists & Carvers and Claims Management/SIRR were revised.

One hundred inspections and 13 maintenance tests were completed at NWT mine sites in 1996. Fourteen additional visits were made to monitor occupational hygiene concerns. In June, the Mine Safety Unit hosted the NWT Mine Rescue Competition. In October, inspectors completed a safety audit at Miramar Con Mine in Yellowknife.

The introduction of the new Mine Health and Safety Act and Regulations, in 1995, included a requirement for all those certified to work in that industry to seek recertification. Study guides were created to assist these individuals. Meanwhile, WCB inspectors made presentations, developed exam questions, administered exams and marked them. In total, 984 certificates were issued in 1996.

Safety officers in the Industrial Safety Unit made 55 community visits in 1996. They completed 1047 inspections, issued 1289 inspection orders and resolved 69 formal complaints. Fifteen "Notice of Danger" signs were posted, two accident investigations were completed and two work refusals were investigated.

Client Services

The Client Services Division provides benefits to injured workers, workers suffering from occupational diseases and dependants of workers who are killed.

Extensive training of employers and workers continues to pave the way for injured workers to return to their preaccident employers. Client Services staff travelled to 14 communities in 1996 to explain this and other programs to WCB stakeholders.



Meanwhile, the WCB hosted a training session in Yellowknife for local medical practitioners. Presentations were made, on behalf of the WCB, on early intervention, diagnostic aids such as the MRI and the diagnosis and treatment of chronic pain and repetitive strain injuries.

A performance review of WCB service providers was completed, as was an evaluation of the WCB's Early Intervention Program. With the help of southern service providers, special-needs audits were completed for nine WCB pensioners with significant disabilities.

Adjudicators and counsellors established working groups in 1996 to develop operational procedures to support the WCB's new policy manual. Combined with cross-training for staff and stable claim loads, this new policy framework will set the stage for future improvements in customer service.

In 1996, 3,880 claims were submitted to the WCB. At year end, 840 injured workers and dependants were receiving lifetime monthly pensions. Four fatal claims were awarded last year.

Corporate Services

The Corporate Services Division provides a variety of professional and support services to the Board: policy development, human resources, legal, program evaluation, medical, administration and public affairs.

The amalgamation of Occupational Health and Safety (OH&S) with the WCB necessitated various revisions to the *Workers' Compensation Act*, the *Mine Health & Safety Act*, the *Safety Act*, and the *Explosives Use Act*. In addition, a legislative proposal was developed to increase the Year's Maximum Insurable Remuneration (YMIR) from \$47,500 to \$49,000, effective July 1, 1996, for the benefits and January 1, 1997, for assessment purposes.

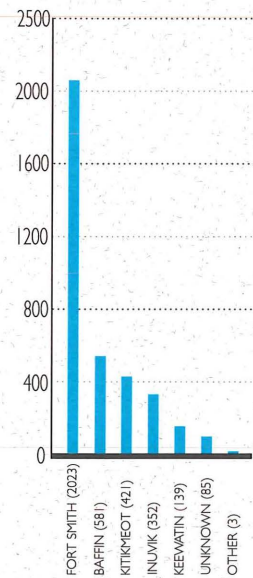
The policy conversion project was completed with the publication and distribution of a new program policy manual in May 1996. In December, the Access to Information and Protection of Privacy Act necessitated the appointment of a co-ordinator to ensure WCB compliance.

In keeping with Article 23 of the Nunavut Land Claim Agreement, the WCB prepared and posted an Inuit employment plan for Nunavut. Human resources staff developed and implemented individual training plans for three Inuit trainees. Two additional trainee positions were identified for development in 1997.

Human resources staff held 15 competitions in 1996. With the addition of OH&S staff, the total number of positions was increased to 87, of which 11 were vacant at yearend. In early 1996, a fraud strategy was developed and approved by the Board and, consequently, an investigations co-ordinator was hired to co-ordinate its implementation. Meanwhile, a full time medical advisor was also hired in 1996 to begin work in the new year.

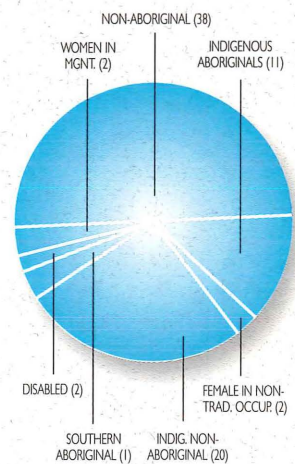
CLIENT SERVICES

1996 Claims Accepted by Region



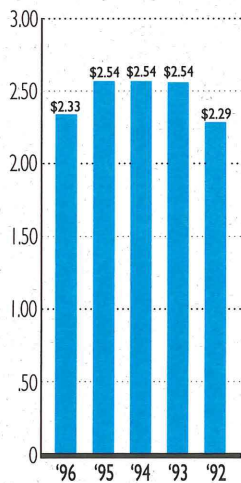
CORPORATE SERVICES

The incumbents of the 76 occupied positions were represented in the following Affirmative Action categories:



In addition to regular orientation programs, educational sessions were provided to staff in cross-cultural awareness, stress management and disability awareness. Speciality workshops were held on medical terminology, low back pain, classification and corporate team building.

AVERAGE ASSESSMENT RATE PER \$100 OF INSURABLE EARNINGS



The WCB maintained its commitment to stakeholder communication through the publication of *Directions* and a monthly bulletin to the media. The employers' and workers' handbooks were revised and an additional information handbook drafted for publication in 1997. To further heighten the awareness of accident prevention, television commercials were developed for airing on the North's two television networks.

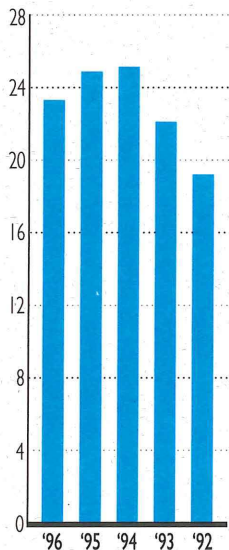
Financial Services

The Financial Services Division is responsible for revenue assessment and collection, accounting and treasury services, statistics, translation services and information systems.

Changes to the investment policy were finalized in 1996, with the transfer of funds to new investment managers and the completion of one year with a new asset mix model. The WCB's new investment mix provides for more investment in equities, the addition of international (non-Canada and US) equities, and a predominantly passive fixed investment (bonds) strategy.

FINANCIAL SERVICES

Assessment revenue (\$'000)



Performance of investment funds was positive in 1996, with all investment managers meeting their performance objectives.

The WCB's information system was solidified in 1996 by the replacement of system infrastructure and hardware. Performance was further improved by scheduled computer upgrades. A disaster recovery plan was approved for implementation in 1997.

A client satisfaction survey was conducted in late 1996. Its results will be presented to the Board in 1997.

The average employer assessment rate was lowered by 10 per cent in 1996, due primarily to the WCB's strong financial position in 1995. Employer assessments totalled \$23 million, exceeding the budgeted amount of \$21 million.

In April, the Safety Incentive and Rate Reduction (SIRR) Program was implemented. Fifty-two employers were assessed a total of \$363,000 to cover increased claims costs. Of this amount, 25 per cent will be used in 1997 to enhance safety programs, with the balance being used to reduce overall assessment rates.



New Initiatives

The Director of New Initiatives provides support to the management team and Board of Directors on large, one-time initiatives that require co-ordination and strategic planning.

A contribution agreement was negotiated with the Government of the Northwest Territories to ensure the swift and cost-effective transfer of resources in the WCB's amalgamation of Occupational Health and Safety. Co-ordination was provided for the amalgamation and eventual accommodation of new staff in renovated premises.

Options for the delivery of workers' compensation following Division were researched and presentations made to key decision groups. In addition, a legislative review was undertaken of the four Acts administered by the WCB to identify amendments that may be necessitated by Division.

Review Committee

The Review Committee is the first level of the appeal process.

An interim restructuring in February introduced a service standard of 35 days from submission date to hearing date and established the present structure of a full-time chairperson and vice-chairperson. In November, the position of vice-chairperson was made permanent.

In 1996, the Review Committee received 101 requests for review relating to 119 issues: 67 claims issues, 32 pensions issues, six vocational rehabilitation issues and 14 revenue issues.

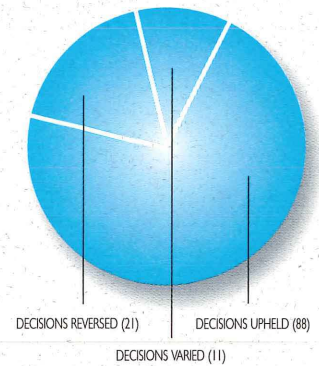
The Review Committee conducted 120 reviews during 1996. Eighty-eight decisions were upheld, 21 decisions were reversed and 11 decisions were varied.

The development of a new appeals tracking system continued in 1996 towards enhanced tracking and reporting capabilities for both the Review Committee and Appeals Tribunal.

Historical data were categorized in preparation for design of this system. The business requirement and design phases were completed by year end.

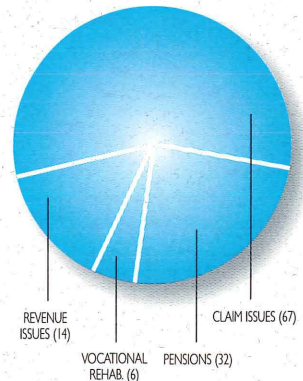
REVIEW COMMITTEE

The Review Committee conducted 120 reviews during 1996.



REVIEW COMMITTEE

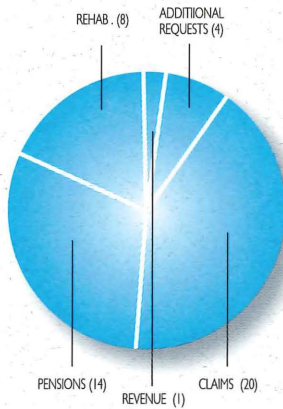
In 1996, the Review Committee received 101 requests for review relating to 119 issues.



Appeals Tribunal

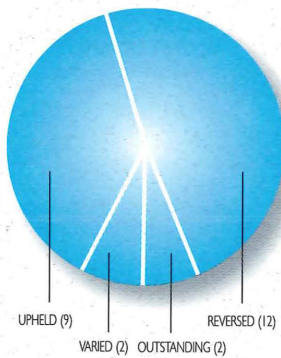
APPEALS TRIBUNAL

The Tribunal received 35 appeals covering 44 issues.



APPEALS TRIBUNAL

Twenty-five appeals were heard by the Appeals Tribunal in 1996.



The Appeals Tribunal is the second and final level of the appeals process prescribed by the Workers' Compensation Act. It can only hear appeals of decisions reached by the Review Committee.

The five-member Appeals Tribunal is appointed by the Minister Responsible for the Workers' Compensation Board. It is chaired by a member of the WCB's Board of Directors.

Development of formal rules of practice for the Appeals Tribunal continued in 1996.

The Tribunal received 35 appeals covering 44 issues: 20 claims issues, 14 pension issues, eight rehabilitation issues and one revenue issue. Four requests for reconsideration were also received.

Twenty-five appeals were heard by the Appeals Tribunal in 1996. Nine decisions were upheld, 12 were reversed, two were varied, and two decisions were outstanding at year end.

In addition, the Appeals Tribunal held three rehearings: one varied the previous decision and two were denied. At year end, 44 appeals remained outstanding.



March 27, 1997

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.

The Coles Group, 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.

Handwritten signature of Gerry Meier in black ink, positioned above a horizontal line.

Gerry Meier
President

Handwritten signature of John W. Doyle in black ink, positioned above a horizontal line.

John W. Doyle
Director, Financial Services



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister Responsible for the
Workers' Compensation Board

I have audited the balance sheet of the Workers' Compensation Board (Northwest Territories) as at December 31, 1996 and the statements of operations, reserves, and the statement of 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 my 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, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with the generally accepted accounting principles. As required by the Financial Administration Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept 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 the Workers' Compensation Act and regulations and the Financial Administration Act.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
March 27, 1997



Balance Sheet

for the year ended December 31, 1996

(thousands of dollars)

	1996	1995
ASSETS		
Cash and short-term deposits (notes 3a, 3b)	\$ 5,799	\$ 7,378
Assessments receivable	972	1,246
Accrued interest receivable	626	1,493
Other accounts receivable	2,057	2,188
Investments (notes 3a, 3c, 3e)	179,258	158,872
Property and equipment (note 4)	4,512	4,620
	<u>\$ 193,224</u>	<u>\$ 175,797</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,352	\$ 742
Deferred revenue (note 10c)	375	—
Lease obligations payable (note 5a)	3,565	3,710
Assessments refundable	769	1,141
Benefits liability (notes 6, 7 and 9a)	159,406	151,533
	<u>\$ 165,467</u>	<u>\$ 157,126</u>
RESERVES		
Catastrophe reserve (note 8)	\$ 4,900	\$ 4,750
Safety incentive rate reduction reserve (SIRR)	363	—
Operating reserve (note 8)	22,494	13,921
	<u>27,757</u>	<u>18,671</u>
	<u>\$ 193,224</u>	<u>\$ 175,797</u>

CONTINGENCIES (Note 9)

Approved by Management:

Director, Financial Services

Approved by the Board of Directors:

Chairman, Board of Directors

Chairman, Finance Committee

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

Statement of Operations

for the year ended December 31, 1996

	<i>(thousands of dollars)</i>	
	<u>1996</u>	<u>1995</u>
REVENUES		
Assessments	\$ 23,363	\$ 24,398
Investment revenue (note 3d)	14,965	13,333
Recoveries (note 10b)	1,670	1,467
GNWT contribution (note 10c)	1,237	—
	<u>\$ 41,235</u>	<u>\$ 39,198</u>
 EXPENSES		
Cost of claims (note 6)		
Current year's claims	\$ 18,924	\$ 17,883
Prior years' claims	6,680	7,724
Total Claims	<u>25,604</u>	<u>25,607</u>
Administration and general (schedule)	6,545	5,724
	<u>\$ 32,149</u>	<u>\$ 31,331</u>
 INCOME FROM OPERATIONS	<u>\$ 9,086</u>	<u>\$ 7,867</u>
 TRANSFERS		
Transfer to catastrophe reserve	\$ 150	\$ —
Transfer to safety incentive rate reduction reserve	363	—
Transfer to operating reserve	8,573	7,867
	<u>\$ 9,086</u>	<u>\$ 7,867</u>



Statement of Reserves

for the year ended December 31, 1996

(thousands of dollars)

	<u>1996</u>	<u>1995</u>
CATASTROPHE RESERVE		
Balance at the beginning of the year	\$ 4,750	\$ 4,750
Transfer from operations	150	-
Balance at the end of the year (note 8)	<u>\$ 4,900</u>	<u>\$ 4,750</u>
OPERATING RESERVE		
Balance at the beginning of the year as restated	13,921	6,054
Transfer from operations	8,573	7,867
Balance at the end of the year (note 8)	<u>\$ 22,494</u>	<u>\$ 13,921</u>
SAFETY INCENTIVE RATE REDUCTION RESERVE		
Balance at beginning of the year	\$ -	\$ -
Transfer from operations	363	-
Balance at the end of the year (note 2g)	<u>\$ 363</u>	<u>\$ -</u>

Statement of Cash Flow

for the year ended December 31, 1996

	<i>(thousands of dollars)</i>	
	<u>1996</u>	<u>1995</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Employers, for assessments	\$ 24,791	\$ 27,899
Investment revenue	7,981	9,589
	<u>\$ 32,772</u>	<u>\$ 37,488</u>
Cash paid to:		
Claimants or third parties on their behalf	\$ 15,121	\$ 14,688
Suppliers, for administration and other goods and services	6,227	7,452
	<u>\$ 21,348</u>	<u>\$ 22,140</u>
Net cash provided by operating activities	<u>\$ 11,424</u>	<u>\$ 15,348</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from:		
Sales and maturities of investments	\$ 800,172	\$ 807,234
Cash paid for:		
Purchases of investments	812,823	827,457
Purchases of capital assets	352	(372)
	<u>813,175</u>	<u>827,085</u>
Net cash provided (used) by investing activities	<u>\$ (13,003)</u>	<u>\$ (19,851)</u>
Net increase (decrease) in cash and cash equivalents	(1,579)	(4,503)
Cash and cash equivalents, beginning of year	7,378	11,881
Cash and cash equivalents, end of year	<u>\$ 5,799</u>	<u>\$ 7,378</u>



Notes to Financial Statements

for the year ended December 31, 1996

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. At disposal, the 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.

Notes to Financial Statements (continued) for the year ended December 31, 1996

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

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 (purchased and leased) 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 years' claims and prior years' 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 cent per annum. Actual claims expenses are not predictable with certainty and, accordingly, may vary from the actuarial valuation of the liability.



Notes to Financial Statements (continued) for the year ended December 31, 1996

(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. Such adverse experience could arise in respect of the following risk:

- i. disasters and catastrophes
- ii. lower than expected investment results
- 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 per cent will be used to enhance safety programs, with the balance used to reduce future assessment rates.

(h) 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.

(i) 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 years' payrolls.

Notes to Financial Statements (continued) for the year ended December 31, 1996

3(a) INVESTMENTS, CASH AND SHORT TERM DEPOSITS

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

		(Fair Value)	
	Maximum	Minimum	Actual
Fixed term (including cash & short term)	65%	55%	57.6%
Canadian equities	25%	15%	21.8%
U.S. equities	12%	8%	10.9%
Non Canadian and U.S. equities	12%	8%	9.7%
Cash and short term	10%	0%	2.5%

(b) Investments maturing in one year

The Board invests in the short term money market. The overall yield of the portfolio is 5 per cent at December 31, 1996. All instruments held in short term investments are bank deposits or instruments unconditionally guaranteed by a bank. The Board's investment policy limits investment in cash and short term investments to a maximum of 10 per cent of the total investment portfolio. Fair value approximates carrying value. Included is C\$228,000 in U.S. currency.

(c) Investments

	1996		1995	
	<i>(thousands of dollars)</i>		<i>(thousands of dollars)</i>	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed term investments:				
Pooled funds	\$ 78,050	\$ 85,689	\$ -	\$ -
Other	28,164	34,433	74,929	81,685
	<u>106,214</u>	<u>120,122</u>	<u>74,929</u>	<u>81,685</u>
Equity investments	71,111	92,708	43,494	52,897
Investments maturing within one year	1,933	1,933	40,449	40,449
TOTAL	<u>\$ 179,258</u>	<u>\$ 214,763</u>	<u>\$ 158,872</u>	<u>\$ 175,031</u>

Included in the carrying values is an unamortized gain of \$26,758 for 1996 and \$13,292 for 1995.

The maturity periods of the fixed investment portfolio as at December 31, 1996 are as follows:

	Fair Value
	<i>(thousands of dollars)</i>
One to five years	\$12,858
Five to ten years	12,858
Over ten years	8,717



Notes to Financial Statements (continued) for the year ended December 31, 1996

(d) Investment revenue

	<u>1996</u>		<u>1995</u>	
	<i>(thousands of dollars)</i>		<i>(thousands of dollars)</i>	
	<u>Interest/Dividends Revenue</u>	<u>Gains/(Losses)</u>	<u>Interest/Dividends Revenue</u>	<u>Gains/(Losses)</u>
Fixed term investments:	\$ 5,314	\$ 1,058	\$ 7,614	\$ 89
Equity investments	2,050	6,728	992	3,466
Investments maturing within one year	141	109	751	103
TOTAL	<u>\$ 7,505</u>	<u>\$ 7,895</u>	<u>\$ 9,357</u>	<u>\$ 3,658</u>
Total Investment Revenue		\$ 15,400		\$ 13,014
less: Investment fees		(743)		(428)
add: Interest on cash & short term deposits		308		747
Total Investment Revenue		<u>\$ 14,965</u>		<u>\$ 13,333</u>

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:

	<u>1996</u>	<u>1995</u>
Fixed term investments	12.7%	21.7%
Foreign equities	21.7%	30.9%
Canadian equities	34.4%	16.4%

Notes to Financial Statements (continued) for the year ended December 31, 1996

(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 gain at December 31, 1996 is \$42,000 which is included in gains and losses of the corresponding investments in accordance with the investment policy (note 2(a)).

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

(thousands of dollars)

Currency	Total Investments in \$Cdn (fair value)	DFI	1996 Net Exposure	1995 Net Exposure
United States	\$ 23,424	\$ -	\$ 23,424	\$ 17,701
Australia	1,685	-	1,685	-
Finland	204	-	204	-
France	336	-	336	-
Germany	1,141	883	258	-
Hong Kong	270	-	270	-
Indonesia	1,033	-	1,033	-
Ireland	425	-	425	-
Italy	249	-	249	-
Japan	453	-	453	-
Malaysia	1,027	-	1,027	-
Mexico	179	-	179	-
Netherlands	2,251	1,580	671	-
Philippines	139	-	139	-
Singapore	1,732	-	1,732	-
Spain	449	-	449	-
Sweden	185	-	185	-
Switzerland	1,842	1,417	425	-
Thailand	457	-	457	-
United Kingdom	7,001	-	7,001	-
Totals	<u>\$ 44,482</u>	<u>\$ 3,880</u>	<u>\$ 40,602</u>	<u>\$ 17,701</u>



Notes to Financial Statements (continued) for the year ended December 31, 1996

4. PROPERTY AND EQUIPMENT

	1996		1995	
	<i>(thousands of dollars)</i>		<i>(thousands of dollars)</i>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furnishings	\$ 1,309	\$ 978	\$ 250	\$ 143
Equipment - purchased	176	—	1,055	674
Leasehold improvements	1,633	437	1,460	349
Office space - leased	4,242	1,433	4,242	1,221
	<u>\$ 7,360</u>	<u>\$ 2,848</u>	<u>\$ 7,007</u>	<u>\$ 2,387</u>
Less accumulated amortization	\$ (2,848)		(2,387)	
Net Book Value	<u>\$ 4,512</u>		<u>\$ 4,620</u>	

5. LEASE

(a) Capital lease obligations

The Board is committed to payments of \$435,765 per annum under a 15 year office space lease agreement which is based on an implicit interest rate of 8 per cent 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.

FINANCIAL STATEMENTS

Notes to Financial Statements (continued) for the year ended December 31, 1996

6. BENEFITS LIABILITY

	1996					1995
	(thousands of dollars)					
	Medical Aid	Compensation	Pension Capitalization	Pension Awards	Total	Total
Balance, beginning of year	\$ 18,020	\$ 13,955	\$ 21,297	\$ 98,261	\$ 151,533	\$ 142,668
Claims Expenses						
Current year	4,882	6,863	6,708	471	18,924	17,883
Prior year	807	977	1,019	3,877	6,680	7,724
Liability transfer - capitalizations	—	—	(6,422)	6,422	—	—
Recoveries from third parties	—	156	—	—	156	676
	<u>23,709</u>	<u>21,951</u>	<u>22,602</u>	<u>109,031</u>	<u>177,293</u>	<u>168,951</u>
Less: Claims payments made						
Current year injuries						
Claims payments	1,165	1,376		24	2,565	2,368
Claims management	513	606		11	1,130	837
Prior years' injuries						
Claims payments	2,439	3,154		7,651	13,244	13,259
Claims management	289	379		280	948	954
	<u>4,406</u>	<u>5,515</u>	<u>—</u>	<u>7,966</u>	<u>17,887</u>	<u>17,418</u>
Balance, end of year	<u>\$ 19,303</u>	<u>\$ 16,436</u>	<u>\$ 22,602</u>	<u>\$ 101,065</u>	<u>\$ 159,406</u>	<u>\$ 151,533</u>

7. ACTUARIAL VALUATION

Valuations by the actuary indicate that as at December 31, 1996:

- the future claims liability of \$58,341,000 is sufficient to meet both the future costs of reported claims and the cost of unreported claims.
- the future pension liability of \$101,065,000 is sufficient to meet the calculated liabilities.

8. CATASTROPHE AND OPERATING RESERVE

The Board is fully funded at the end of 1996 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 1996 is \$4,900,000.

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 1996 is \$4,399,245 and hence the target range is \$3,299,434 to \$5,499,056.



Notes to Financial Statements (continued) for the year ended December 31, 1996

8. CATASTROPHE AND OPERATING RESERVE (CONTINUED)

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

9. 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 \$3,602,554 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 \$879,500. Settlement of legal claims are recognized in the year in which the settlement occurs. Legal claims settled during 1996 resulted in recoveries of \$156,000 (1995 - \$676,000).

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.

(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 not been settled. A motion filed by the Government with the Federal Court of Canada applying for a declaration that the CHRC has no jurisdiction to deal with the complaint has been denied. This decision is being appealed by the Government to the Supreme Court of Canada.

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.

10. 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 1996.

	<u>1996</u>	<u>1995</u>
	<i>(thousands of dollars)</i>	
Government of the Northwest Territories	\$ 1,678	\$ 1,954
Public Agencies	\$ 283	\$ 271

Notes to Financial Statements (continued) for the year ended December 31, 1996

10. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) The Government of the Northwest Territories provided a reimbursement to the Board for hunters and trappers claims of \$1,669,565 (1995 - \$1,466,493).
- (c) On April 16, 1996 the Government of the Northwest Territories transferred responsibility for the administration and enforcement of the *Safety Act*, *Explosive 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

Amounts paid as contributions are as follows:

	<u>1996</u>	<u>1995</u>
	<i>(thousands of dollars)</i>	
Revenue	\$ 1,237	\$ -
Deferred revenue	375	-
Total paid in 1996	<u>\$ 1,612</u>	<u>\$ -</u>

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

	<u>1996</u>	<u>1995</u>
	<i>(thousands of dollars)</i>	
Government of the Northwest Territories		
11.00% maturing June 23, 1998	\$ 318	\$ 448
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	\$ 641	\$ 500
11.125% maturing June 6, 2011	1,299	997
9.375% maturing May 12, 2014	1,152	1,000
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	\$ 575	\$ 389

- (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 corporations. The Board enters into transactions with these entities in the normal course of business.



Notes to Financial Statements (continued) for the year ended December 31, 1996

Schedule of administration and general expenses

as at December 31, 1996

	(thousands of dollars)	
	1996	1995
Salaries, wages and allowances	\$ 4,873	\$ 3,880
Professional services	877	763
Office lease and renovations	635	674
Employer's share of benefits	618	478
Travel	402	354
Amortization building/leasehold	300	299
Board members	234	272
Office services and supplies	215	178
Communications	164	189
Amortization furnishings and equipment	161	186
Grants	114	108
Advertising and public information	85	58
Office furnishings and equipment	79	156
Miscellaneous	35	34
Computer lease and services	11	51
	<u>\$ 8,803</u>	<u>\$ 7,680</u>
Less:		
Allocations to claims management	\$ 2,078	\$ 1,791
Penalties	141	113
Assessment interest	31	51
Sundry revenue	8	1
	<u>2,258</u>	<u>1,956</u>
	<u>\$ 6,545</u>	<u>\$ 5,724</u>

Workers' Compensation Board, Northwest Territories**Actuarial Opinion**

as at December 31, 1996

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, 1996. This valuation was based on the provisions of the **Worker's Compensation Act, N.W.T. 1988**, which was in effect at December 31, 1996. The detailed results of our valuation are presented in our report dated April 10, 1997.


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 - 1996**. 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 \$58,340,870 makes adequate provision for expected future payments including rehabilitation benefits and claim management expenses, in respect of claims arising prior to January 1, 1997 other than existing pension awards.
2. The Future Pension Liability of \$101,065,541 makes adequate provision for expected future payments, including Future Supplementary Pension increases and claim management expenses, for pension awards granted prior to January 1, 1997;
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.

Nonetheless, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

Respectfully submitted for
THE COLES GROUP



J. Allan Brown
Fellow of the Canadian, Institute of Actuaries





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Summary Information, 1992 - 1996

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Total Active Businesses	4514	4430	4702	5197	5063
Employers	2913	3150	2889	3189	2892
Self Employed	1601	1280	1813	2008	2171
Claims Reported	3689	3631	3909	3879	3866
Assessment Revenue (\$000)	\$19,105	\$21,653	\$25,016	\$24,627	\$22,922
Average Assessment Rate*	\$2.29	\$2.54	\$2.54	\$2.54	\$2.33
Supplementary Pension Increase	7.50%	0	1.72%	1.03%	1.10%
Yearly Maximum Insurable Remuneration	\$47,500	\$47,500	\$47,500	\$47,500	\$49,000

* \$ per \$100 of assessable payroll

Table I: 1992-1996 Claim distribution by category

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

	1992	1993	1994	1995	1996
Total Claims Reported	3689	3631	3909	3879	3866
No Time Loss	1603	1543	1682	1823	1858
Time Loss Moderate	912	785	854	857	777
First Aid	554	627	680	653	727
Time Loss Major	226	241	249	183	200
No Claim Established	240	287	272	195	176
Claim Denied	68	95	106	125	86
Hearing Loss	38	23	25	16	22
Industrial Disease	36	25	26	17	16
Fatal	12	5	15	10	4
Total Claims Accepted	3381	3249	3531	3559	3604

LEGEND

- 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.
- First Aid: Injury treated on the worksite only.
- Time Loss Major: Claimant receives temporary total disability benefits for more than six weeks.
- 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.
- 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.

Figure I: 1992-1996 Accepted and Time Loss Claims

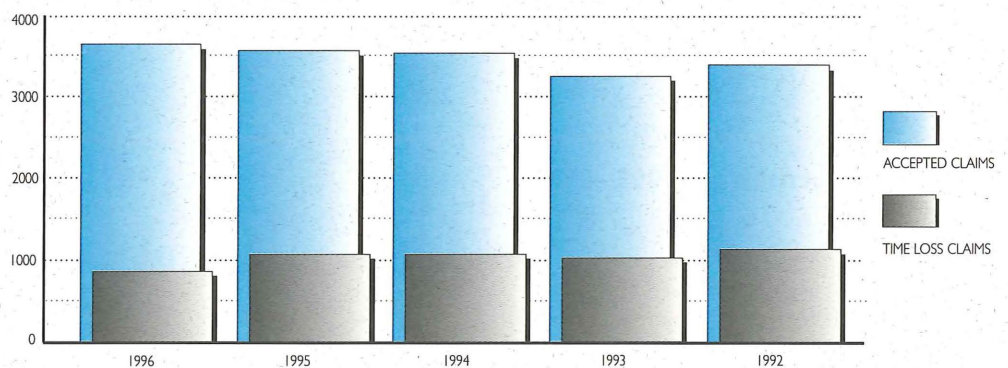


Figure 2: 1996 Time loss claims by age group and sex

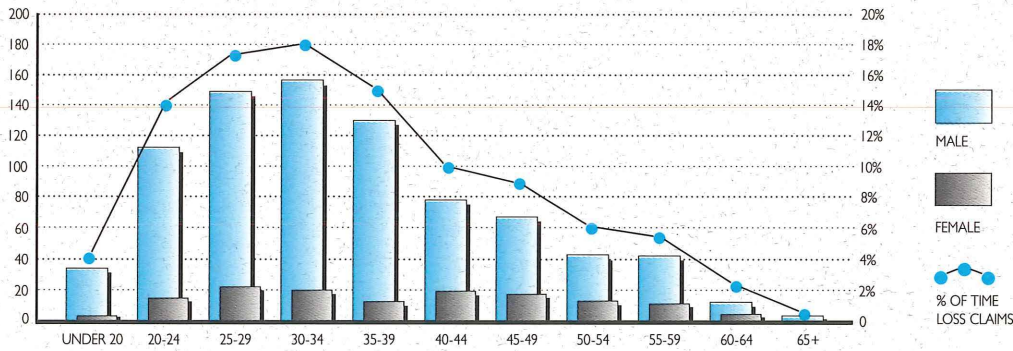


Figure 3: 1996 All accepted claims by age group and sex

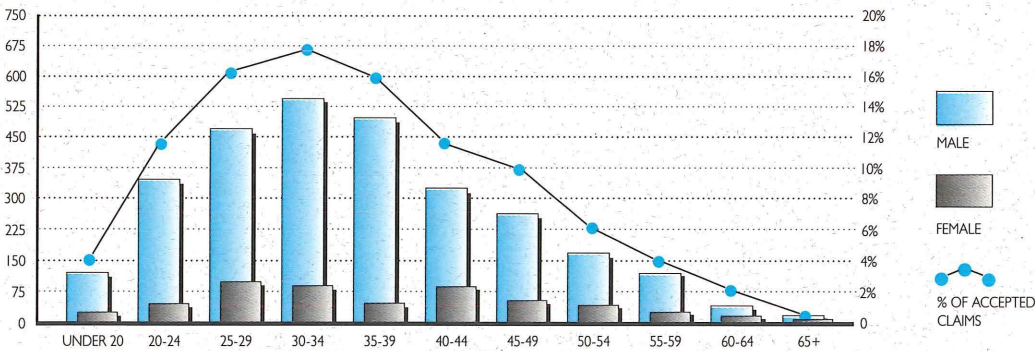
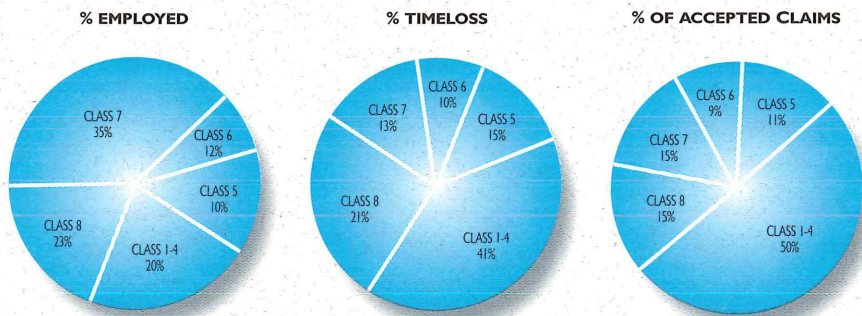


Figure 4: Distribution of workers and occupational injuries by sector of economic activity, 1996



Class 1-4: goods producers (includes mining quarrying and oil wells manufacturing, 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 5: All accepted claims by month of injury, 1996

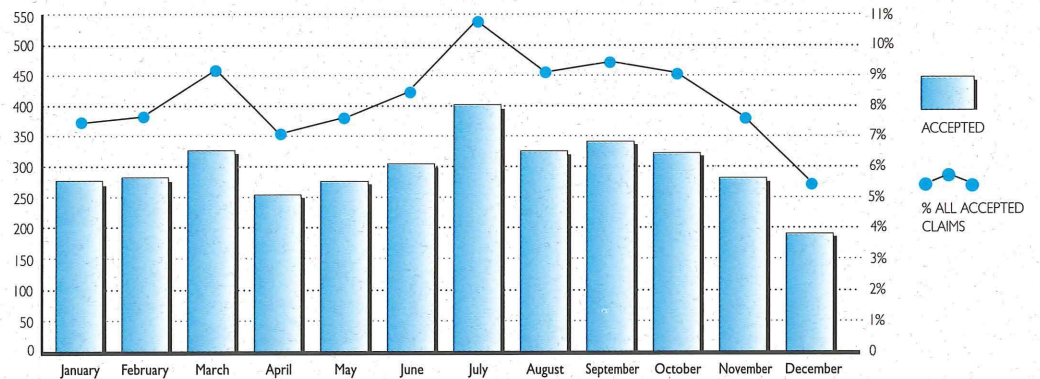


Figure 6: Time loss claims by month of injury, 1996

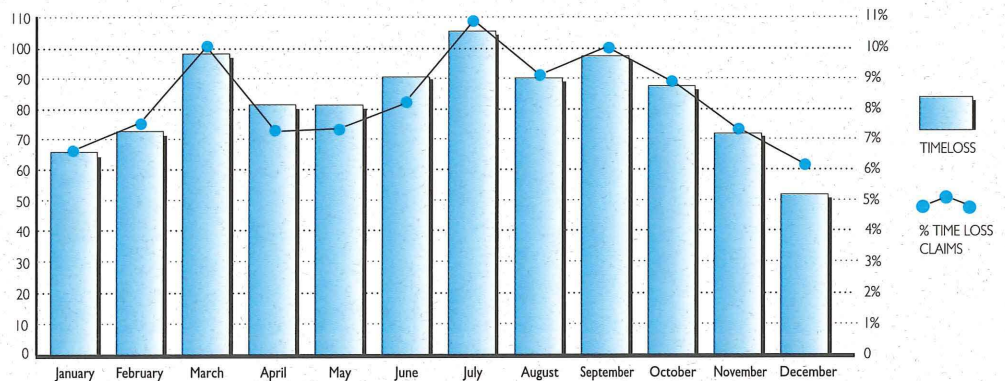


Figure 7: Time loss claims by part of body injured

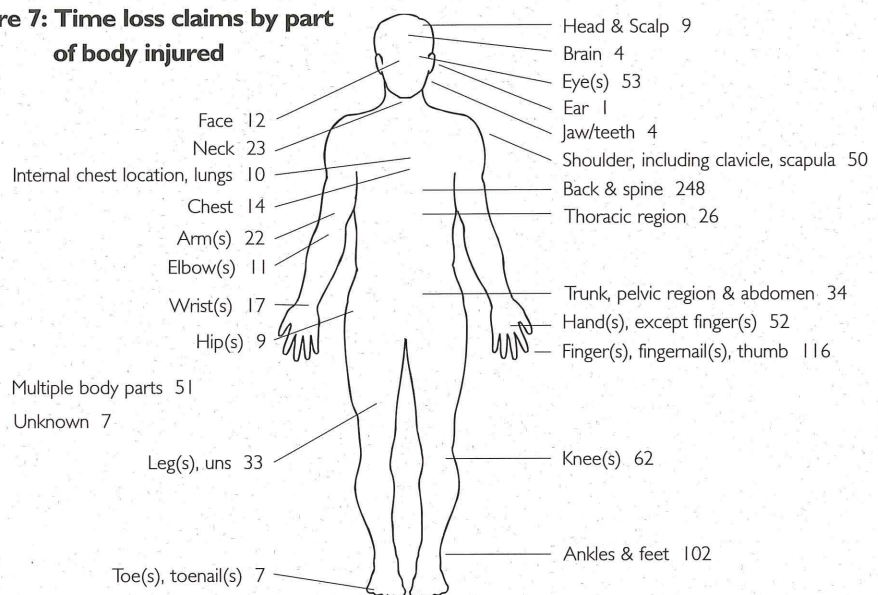




Table 2:
Time loss claims by type of accident

Overexertion	215	22.01%
Struck by object	151	15.46%
Fall to lower level	107	10.95%
Bodily reaction	93	9.52%
Fall on same level	72	7.37%
Rubbed or abraded by friction or pressure	67	6.86%
Struck against object	63	6.45%
Caught in or compressed by equipment or objects	57	5.83%
Bodily reaction and exertion, n.e.c.	28	2.87%
Contact with temperature extremes	28	2.87%
Repetitive motion	14	1.43%
Exposure to caustic, noxious or allergenic substances	12	1.23%
Assaults and violent acts by person(s)	11	1.13%
Nonclassifiable	10	1.02%
Nonhighway accident, except rail, air, water	10	1.02%
Jump to lower level	8	0.82%
Highway accident	7	0.72%
Bodily reaction & exertion, unspecified	6	0.61%
Falls, unspecified	4	0.41%
Exposure to radiation	3	0.31%
Bodily conditions	2	0.20%
Exposure to harmful substances or environments, unspecified	2	0.20%
Contact with electric current	2	0.20%
Pedestrian, nonpassenger struck by vehicle, mobile equipment	2	0.20%
Rubbed, abraded or jarred by vibration	1	0.10%
Static posture without the application of force to an object	1	0.10%
Railway accident	1	0.10%

Table 3:
Time loss claims by source of injury

Person - injured or ill worker	107	10.95%
Floors, walkways, ground surfaces	99	10.13%
Containers - nonpressurized	84	8.60%
Building materials - solid elements	55	5.63%
Hand tools - nonpowered	48	4.91%
Atmospheric and environmental conditions	48	4.91%
Scrap, waste, debris	44	4.50%
Fasteners, connectors, ropes, ties	31	3.17%
Construction, logging and mining machinery	28	2.87%
Person - other than injured or ill worker	28	2.87%
Nonmetallic minerals, except fuel	25	2.56%
Off road vehicle, nonindustrial	20	2.05%
Vehicle and mobile equipment parts	19	1.94%
Ladders	19	1.94%
Metal materials - nonstructural	18	1.84%
Metal, woodworking and special material machinery	17	1.74%
Other structural elements	17	1.74%
Highway vehicle, motorized	17	1.74%
Containers - pressurized	16	1.64%
Hand tools - powered	15	1.54%
Material handling machinery	14	1.43%
Special process machinery	13	1.33%
Other chemicals	12	1.23%
Furniture	12	1.23%
Plants, trees, vegetation - not processed	12	1.23%
Heating, cooling and cleaning machinery and appliances	11	1.13%
Structures	11	1.13%
Machine, tool and electric parts	10	1.02%
Cases, cabinets, racks, shelves	9	0.92%
Plant and industrial powered vehicles, tractors	8	0.82%
Skids, pallets	7	0.72%
Food products- fresh and processed	7	0.72%
Hand tools - power not determined	7	0.72%
Steam, vapors, liquids, n.e.c.	7	0.72%
Other sources, n.e.c.	7	0.72%
Chemical products - general	6	0.61%
Coal, natural gas, petroleum fuels and products n.e.c.	6	0.61%
Containers, unspecified	5	0.51%
Recreation and athletic equipment	5	0.51%
Vehicles, n.e.c.	5	0.51%

Table 3: (continued)
Time loss claims by source of injury

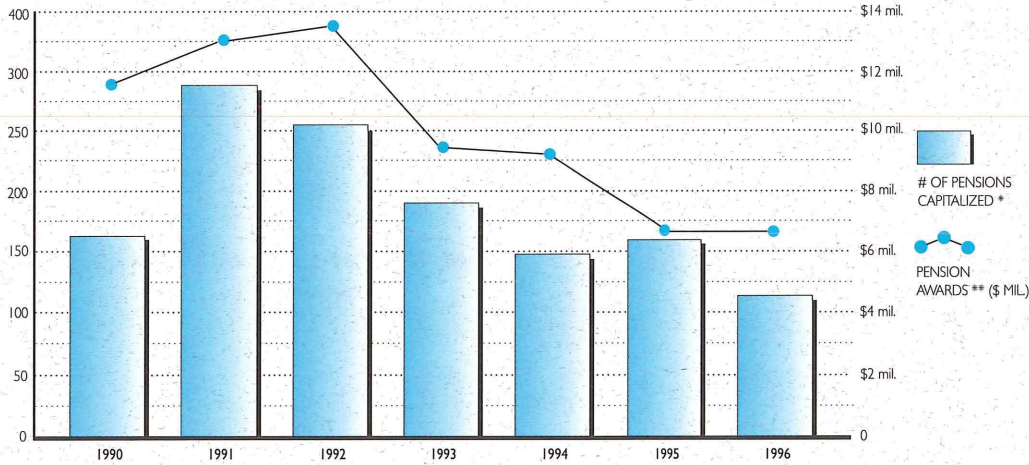
Air vehicle	4	0.41%
Furniture and fixtures, unspecified	4	0.41%
Other fixtures	3	0.31%
Office and business machinery	3	0.31%
Miscellaneous machinery	3	0.31%
Plant and industrial vehicle - nonpowered	3	0.31%
Alkalies	2	0.20%
Luggage, handbags	2	0.20%
Containers, n.e.c.	2	0.20%
Floor, wall, window coverings	2	0.20%
Animals and animal products	2	0.20%
Other tools, instruments and equipment	2	0.20%
Paper, books and magazines	2	0.20%
Acids	1	0.10%
Halogens and halogen compounds	1	0.10%
Metallic particulates, trace elements, dusts, powders, fumes	1	0.10%
Containers - variable restraint	1	0.10%
Furniture and fixtures, n.e.c.	1	0.10%
Agriculture and garden machinery	1	0.10%
Hoisting accessories	1	0.10%
Tars, sealants, caulking, insulating material	1	0.10%
Tarps and sheeting - nonmetal	1	0.10%
Structures and surfaces, n.e.c.	1	0.10%
Tools, instruments and equipment, unspecified	1	0.10%
Medical and surgical instruments	1	0.10%
Apparel and textiles	1	0.10%
Nonclassifiable	1	0.10%
Total	977	

Table 4:
Time loss claims by nature of injury

Traumatic injuries to muscles, tendons, ligaments, joints, etc.	432	44.22%
Surface wounds and bruises	196	20.06%
Open wounds	127	13.00%
Traumatic injuries to bones, nerves, spinal cord	81	8.29%
Other traumatic injuries & disorders	45	4.61%
Burns	36	3.68%
Symptoms, signs and ill-defined conditions	11	1.13%
Nervous system and sense organ diseases	9	0.92%
Digestive system diseases & disorders	9	0.92%
Disorders of the skin and subcutaneous tissue	6	0.61%
Non classifiable	6	0.61%
Respiratory system diseases	5	0.51%
Intracranial injuries	4	0.41%
Traumatic effects of environmental conditions	4	0.41%
Multiple traumatic injuries & disorders	3	0.31%
Musculoskeletal system & connective tissue diseases and disorders	2	0.20%
Bacterial diseases	1	0.10%

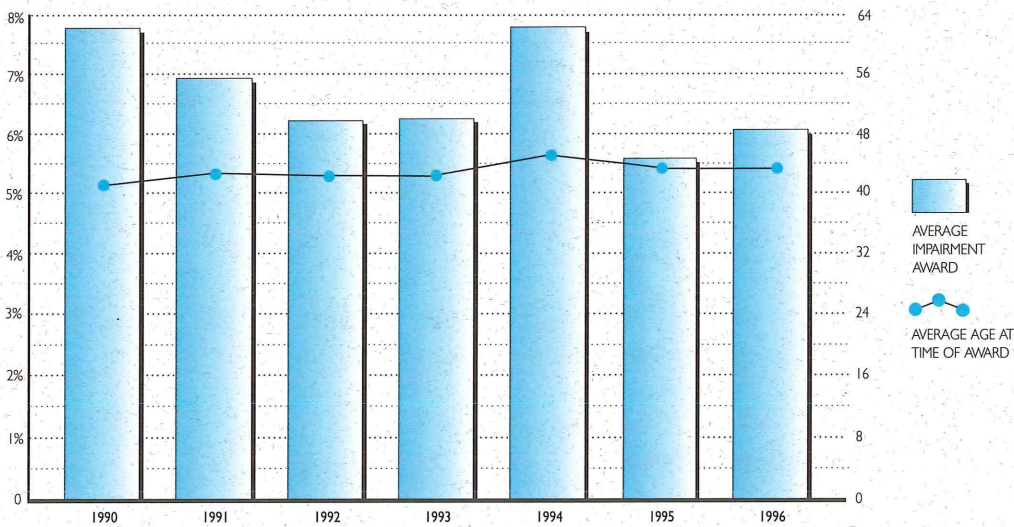


Figure 8: Pension Capitalizations, 1996



* Does not include term pensions and fatal claims ** Present value of pensions awarded in 1996

Figure 9: Average impairment award, 1996



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.

Table 5: 1996 Mining incident/accident investigations

Giant Mine	7
Miramar Con Mine	5
Echo Bay Lupin Mine	2
Nanisivik Mine	1
Colomac Mine	1

Table 7: Industrial safety activity report

Inspections	1047
Orders written	1289
Orders completed	466
Complaints	69
Notice of danger/stop work orders	15
Accidents reported	3
Accidents investigated	2
Refusal to work	2
Investigations/complaints/meetings	359

Table 6: Mining and industrial safety statistics

	Total	Industrial	Mining
Fort Smith	501	420	81
Baffin	265	255	10
Keewatin	250	250	0
Kitikmeot	72	63	9
Inuvik	59	59	0
Total	1147		

Table 8: Safety education workshops by region

	1994	1995	1996
Fort Smith	25	95	92
Baffin	10	19	4
Keewatin	25	12	14
Kitikmeot	15	18	17
Inuvik	30	16	19
Total	105	160	146

Table 8a: Safety education workshops

Courses	Participants			Number of courses taught		
	1994	1995	1996	1994	1995	1996
Incident & accident investigations	92	47	133	7	8	16
Occupational health & safety	152	49	158	8	8	18
Safety awareness	362	336	335	17	32	27
WHMIS train the trainer	163	60	109	11	13	15
WHMIS	162	154	108	8	20	15
Safety management	57	79	77	5	7	11
SIRR*	—	105	104	—	12	11
Claims management*	—	90	51	—	14	8
Ergonomics**	—	—	5	—	—	1
Artists & carvers**	—	—	24	—	—	3
Total	988	920	1104	56	114	125
WHMIS participants trained by employers	436	457	375			

* Courses new in 1995 ** Courses new in 1996

Figure 10: Environmental Monitoring

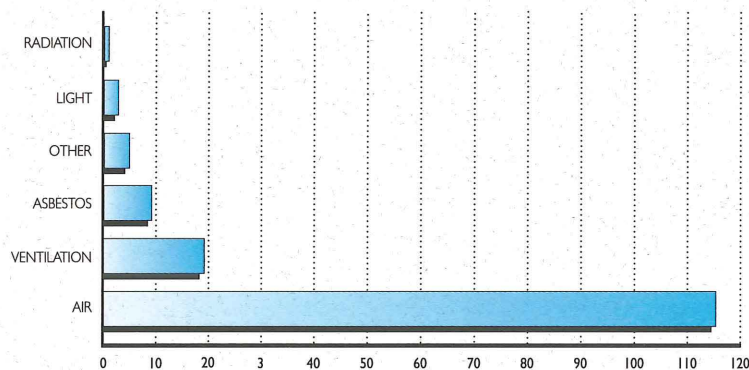
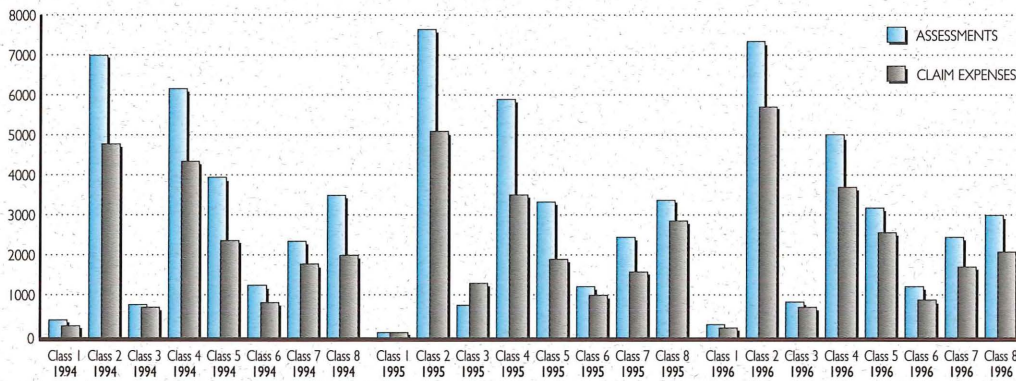




Table 9: 1994-96 Assessments and claim expenses by class

CLASS	1994		1995		1996	
	Assessments	Claim Exp.	Assessments	Claim Exp.	Assessments	Claim Exp.
1. Renewable Resources	369	192	139	148	234	165
2. Mining	7016	4685	7660	5120	7358	5565
3. Oil & Gas	710	642	702	1192	748	676
4. Construction	6090	4392	5905	3555	4983	3621
5. Transport, Commun. & Utilities	3925	2424	3362	1877	3110	2545
6. Trade & Related Services n.e.c.	1131	761	1156	1015	1141	904
7. Services n.e.c.	2307	1724	2406	1503	2380	1673
8. Public Administration & Defence	3469	2018	3297	1838	2968	2076
Total	25,017	16,838	24,627	16,248	22,922	17,225

Figure 11: 1994-96 Comparison of assessments and claim expenses by industry class



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

Table 10: Safety Incentive and Rate Reduction (SIRR) Program

CLASS	# of Employers Assessed	Amount Assessed	% of Regular Assessment*
1. Renewable Resources	0	\$ 0	0.00%
2. Mining	3	117,645	3.09%
3. Oil & Gas	5	33,848	6.09%
4. Construction	12	63,150	11.94%
5. Transportation, Communication & Utilities	9	65,636	5.20%
6. Trade & Related Services n.e.c.	8	32,877	10.53%
7. Services n.e.c.	5	18,603	2.53%
8. Public Administration & Defence	3	31,369	3.94%
Total	45	363,128	4.54%

* Based on a three year average.

Table 11: 1994-96 Assessment and claims expenses by class

INDUSTRIAL CLASS	ASSESSMENTS (\$000)	
	1995	1996
CLASS 1 TOTAL	139	234
10 Renewable Resources	139	234
CLASS 2 TOTAL	7660	7358
22 Mine Development and Operation	7356	6921
27 Mineral Prospecting and Exploration	304	437
CLASS 3 TOTAL	702	748
36 Exploration and Drilling for Oil & Gas	570	604
37 Services to the Exploration for Oil & Gas	132	144
CLASS 4 TOTAL	5694	4984
41 Building Construction and Related Services	3414	2676
42 Highway, Bridge and Pipeline Construction (etc)	1211	1139
43 Logging Operations	427	435
46 Plumbing, Electrical & Air Conditioning fitting (etc)	642	734
CLASS 5 TOTAL	3362	3110
51 Operation of Fixed Wing Aircraft; Helicopters, Flying Schools (etc)	1310	1100
53 Ground Transportation	608	703
54 Trucking and Related Services	508	596
55 Water Transportation	423	235
56 Operation of Railways and Airports	185	141
57 TV and Radio Stations, Installation and Servicing (etc)	29	27
58 Power, Telephone and Other Public Utilities"	299	308
CLASS 6 TOTAL	1165	1141
61 Wholesale Trade	173	160
62 Retail Trade n.e.c.	582	519
63 Heavy Equipment Repair (etc)	258	237
66 Service Stations, Garages, Automotive Dealers (etc)	152	225
CLASS 7 TOTAL	2397	2380
71 Business & Professional Services	537	590
74 Health & Welfare and Related Services	916	876
75 Recreation & Amusement Services	16	19
76 Hotels, Motels, Restaurants and Clubs	538	519
78 Camp and Industrial Caterers	158	155
79 Other Services	232	221
CLASS 8 TOTAL	3508	2967
81 Government of the Northwest Territories	2067	1791
82 Local Authorities; Housing Associations	1237	985
83 D.E.W. Line	192	181
85 Forest Fire Fighters	12	10
TOTAL	24627	22922

* Standard Accounts only. Multi-Industry employers are grouped according to their main industry. Does not include Hunters and Trappers covered by the Government of the Northwest Territories

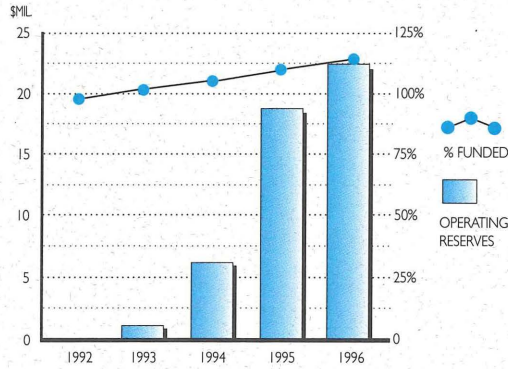
In 1996, seven sub-class were amalgamated. Steel Erectors and Tower & Power line installations (sub class 44) and Painting and Related Decorating Services (sub class 49) were amalgamated into Building Construction and Related Services (sub class 41) Operation of Fixed Wing Aircraft - 12



NUMBER OF EMPLOYERS		CLAIM EXPENSES (\$000)		TIME LOSS CLAIMS	
1995	1996	1995	1996	1995	1996
187	132	148	165	18	7
187	132	148	165	18	7
108	109	5120	5565	145	168
20	21	4669	5154	112	112
88	88	451	411	33	56
116	137	1192	676	43	58
35	42	1005	560	35	43
81	95	187	116	8	15
713	666	3452	3621	256	178
431	392	2064	1952	166	109
53	46	637	870	32	29
69	69	196	299	19	11
160	159	555	500	39	29
408	377	1877	2545	130	144
89	66	567	1124	36	49
134	134	362	496	33	36
126	119	242	398	18	17
14	12	372	178	17	12
4	5	61	92	3	3
35	36	57	24	2	4
6	5	216	233	21	23
630	495	1018	904	108	96
40	39	78	146	101	10
471	347	470	402	81	64
58	53	161	170	7	11
61	56	309	186	10	11
842	829	1500	1673	127	123
456	447	220	406	21	31
85	91	591	616	53	44
35	30	5	12	0	0
154	152	510	383	46	39
13	12	50	104	0	2
99	97	124	152	8	7
181	147	1941	2076	213	203
32	33	1172	1232	105	94
139	104	671	705	95	95
3	3	79	131	51	11
7	7	19	8	8	3
3185	2892	16248	17225	1041	977

500lbs or more (sub class 52) and Helicopters, Flying Schools etc. (sub class 59) were amalgamated into Operation of Fixed Wing Aircraft; Helicopters, Flying Schools etc. (sub class 59). Retail Trade - groceries, hardware, furniture, bakeries, etc (sub class 67) and Personal services - barbers, beauty salons, dry cleaners etc. (sub class 67) were amalgamated into Retail trade n.e.c. (sub class 62). Housing Associations (sub class 45) was amalgamated into Local Authorities; Housing Associations (sub class 82).

Figure 12: Funded Position



When the assets held by the WCB are sufficient to cover liabilities, then the Board is to be in a fully funded position. In 1996, the WCB was 116% funded at year end with an Operation Reserve of \$27.8 million.

Figure 13: Funding the system

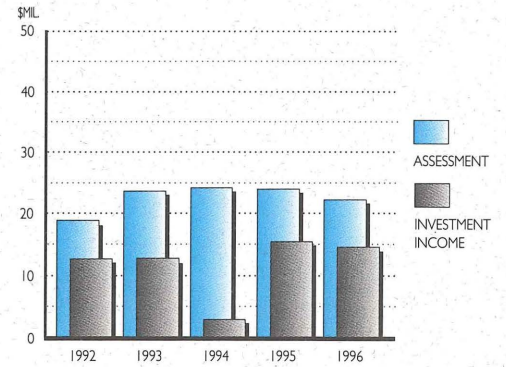
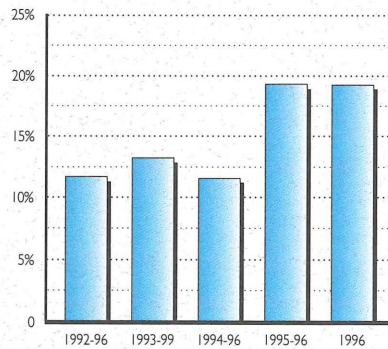


Figure 14: Investment portfolio

(Annualized market rate of return)



Information provided by performance management services

Figure 15: Portfolio Allocation by asset type

(Market values 1996)

