



**YUKON WORKERS' COMPENSATION
HEALTH AND SAFETY BOARD** **COMMISSION DE LA
SANTÉ ET DE LA SÉCURITÉ
AU TRAVAIL
DU YUKON**

News Release

For Immediate Release
December 12, 2002

Change to Assessment Premiums Will Help to Address Rising Claims Costs

Following extensive consultations this past summer and fall, the Yukon Workers' Compensation Health and Safety Board (YWCHSB) will begin to gradually reduce subsidies to employers' assessment premiums starting in 2003 and continuing in 2004.

The YWCHSB has also recalculated base assessment premium rates, based on updated projections of claims costs and investment income.

"We now have 10 years of historical claims information under the current legislation, and that helps us to project what our claims costs will be in the future," said Dale Schmekel, Chair of the YWCHSB's Board of Directors.

Claims costs are a major factor affecting assessment premium rates. The YWCHSB's financial statements show that claims costs have risen from \$9.1 million in 1998 to \$17.5 million in 2001. The liability for claims now stands at about \$78 million.

"We are still very well funded, but it is important that we take steps to ensure there will always be enough money coming through the door to cover the cost of injured workers' claims," said Schmekel.

The changes to base assessment premium rates and the subsidies mean the majority of employers will pay more starting in 2003, while some will pay less. For example, welding shops, retail outlets and professional offices will pay more in assessment premiums, while landscapers, lumber yard operators, carpenters, and employers in concrete construction will pay less.

The average subsidized assessment premium rate for Yukon private sector employers will increase from \$1.41 per \$100 of payroll in 2002 to \$1.43 in 2003, and to \$1.65 in 2004.

The average subsidy provided by the YWCHSB will decrease from 54 per cent in 2002 to 41 per cent in 2003 and to 32 per cent in 2004. The assessment premium rates for the Yukon Government and First Nations have not been subsidized. Their premium rates will increase from \$1.25 per \$100 of payroll in 2002 to \$1.37 in both 2003 and 2004.

The YWCHSB has subsidized private sector employers' assessment premiums by 45 to 79 per cent since 1999, with the understanding the subsidies could be sustained for only a few years.

The YWCHSB consulted extensively with employers and other stakeholders this past summer and fall on options for reducing the subsidies. In the long term, the goal is to provide employers with predictability and stability in their premiums.

The YWCHSB is also working on initiatives that will help employers to prevent workplace injuries and illnesses, and therefore help to lower claims costs and assessment premium rates in their industries.

Assessment premiums are the funds Yukon employers pay to the compensation fund. They are required by law to register with the YWCHSB and pay the premiums. In return, employers get no-fault insurance and protection from lawsuits if their employees are injured at work.

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