



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

News Release

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Yukon Workers' Compensation Health and Safety Board Calls on Support from Stakeholders to Deal with Rising Claims Costs

The Yukon Workers' Compensation Health and Safety Board (YWCHSB) will need the long-term support of its worker and employer stakeholders to pull through a challenging financial situation, its Chair said today.

The YWCHSB released its audited financial statements for 2002, which show claims costs increased from \$17.5 million in 2001 to \$29.5 million in 2002.

Claims costs in any given year include payments actually made to injured workers during the year plus funds set aside to cover their claims into the future.

"These increases tell us it is more important than ever to work with workers and employers to prevent workplace injuries and accidents, and to help injured workers return to work safely as soon as they are able," said Craig Tuton, Chair of the YWCHSB Board of Directors.

Of the claims costs, the most significant increase is in what the YWCHSB has paid out and put aside for workers injured in the past. That figure increased from \$5.5 million in 2001 to \$18.3 million in 2002.

The YWCHSB has determined there are several factors that have contributed to the increase. They include new pieces of legislation in 2002 that increased benefits for workers injured before 1993 and reinstated benefits to spouses of deceased claimants. The duration of claims is also a factor. The YWCHSB is continuing to analyze its claims costs.

The YWCHSB's financial statements also show a drop in investment income from \$9 million in 2001 to \$4.6 million in 2002. Poorly performing investment markets have affected compensation boards across the country.

The decline in income, combined with the increase in claims costs, has pushed the YWCHSB's 2002 operating deficit to about \$24 million.

"We're concerned about this situation and we are focusing on solutions," said Craig Tuton, Chair of the YWCHSB Board of Directors. "However, finding solutions won't be quick or easy, and we can't do it alone. We will need the support of our worker and employer stakeholders to get through this."

The YWCHSB began subsidizing employers' assessment premiums in 1999 when it had an excess of funding in its reserves. "With the dramatic increase in claims costs and the decline in investment income, we may have to remove the subsidies more quickly than first anticipated," said Tuton.

The YWCHSB continues to work on prevention initiatives, including the new Yukon Construction Safety Association, its annual young worker safety campaign and a pilot project called Focus Firm, in which it works closely with large employers to improve safety practices.

"Workers and employers can have a great impact on claims costs," said Tuton. "For example, if we could reduce the average time injured workers are away from work by even three days, we could save up to a million dollars per year in claims costs."

The audited statements show that the YWCHSB's administration and prevention expenses – including occupational health and safety, the Appeal Tribunal office, the Worker Advocate office, and the Employer Consultant – increased from \$6.9 million in 2001 to \$7.1 million in 2002.

The YWCHSB is still one of the best-funded compensation boards in Canada. If its doors closed today, it would have sufficient funds to cover all its claims.

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