

WORKPLACE SAFETY INSURANCE BOARD

Annual Report 1997

WSIB Workplace Safety &
Insurance Board
ONTARIO
CSPAAT Commission de la sécurité
professionnelle et de l'assurance
contre les accidents du travail

The *elimination* of **all**
workplace
injuries & illnesses.

The Workplace Safety and Insurance Board (WSIB), formerly the Workers' Compensation Board, oversees Ontario's system of workplace safety education and training. The WSIB also administers the province's no-fault workplace insurance for employers and their workers. As part of this system, the WSIB provides disability benefits, monitors the quality of health care and assists in early, safe return to work for workers who are injured on the job or contract an occupational disease. The WSIB is entirely funded by employer premiums and receives no funding from the Ontario provincial government.

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Chair's Message

This past year, we made huge strides to renew and revitalize workplace safety and insurance in Ontario. New legislation, new management and a new service structure all added up to a landmark year for Ontario's Workplace Safety and Insurance Board (WSIB), formerly the Workers' Compensation Board.

In the past, our focus has been to make certain that **WHEN** workers become injured or ill, they receive compensation until they have recovered and are able to get back to work.

We — that is, all of us in the system — have for some reason accepted that the nature of work has meant that there **ARE** injuries and illnesses. Our thinking on this **MUST** change. And with the changes that were introduced in 1997, it has begun. We now have a strong emphasis on prevention. We have introduced changes that focus on better, more tailored service to injured workers and to employers. We also introduced measures to ensure the continued financial viability of the system for future generations of workers and employers. I want to focus on some of the more important highlights of the year, beginning with service.

Service starts with listening

In 1997 I met with many groups of employers, including small employers, and with injured workers to hear first-hand what they want us to do in order to improve our service to them.

Of the 180,000 employers registered with the WSIB, over 160,000 businesses employ less than 20 people. The small business employers I spoke with said that their needs are far different from those of larger employers. They asked that we understand what it means to run a small business and deal with them in a way that is less disruptive and make ourselves more easily accessible to them.

Recognizing that different industries and businesses have different needs, we introduced a revolutionary new frontline structure — 24 business units, divided into 16 industry-specific sectors and eight small business districts. This structure will enable us to become more knowledgeable about an employer's industry and to tailor our service to the specific needs of industries and employers, large and small.

From injured workers, I heard that they wanted to work with the same knowledgeable person when dealing with their claim. We completely overhauled our frontline structure and processes to better serve injured workers. One of the key changes is to consolidate the various adjudication positions so that an injured



worker is not handed off to a succession of adjudicators. This approach will provide more continuity in our relationships with injured workers.

Prevention

The new *Workplace Safety and Insurance Act* expands our mandate. It introduces a whole new emphasis to our business and to the workplaces of Ontario: preventing workers from getting occupational injury or illness.

Under this new mandate we will work with the system partners — employers, workers, the Ministry of Labour, the Safe Workplace Associations, the Workers Health and Safety Centre and the Occupational Health Clinics for Ontario Workers — in order to fundamentally improve the system so as to facilitate workers and employers in their effort to make Ontario's workplaces among the safest in the world.

Integrity

Trust and honesty are key components of any system that provides payments to individuals, companies, or service providers.

In talking with injured workers and employers, I sense that the public, injured workers and employers have lost respect for our organization. We want everyone in our organization to exhibit consistency, fairness, accuracy and respect for the people we serve. We intend to regain their respect and restore our credibility with them.

At the same time, all of us at the WSIB recognize just how damaging it is to everyone when people cheat the system. We have a responsibility to protect both workers' and employers' interests from those who would try to abuse the system. We introduced in 1997 a zero-tolerance policy toward fraud and cheating as part of these efforts to restore integrity to the system.

With the new approach, we expanded our Special Investigations Branch, and recruited into the branch a highly skilled professional group of investigators



WSIB Chair, Glen Wright, at AlliedSignal Automotive, Stratford, Ontario with Larry Mylrea (left), the plant's Manager, Health Safety & Environment. Because of its commitment to workplace safety, by June 25, 1998 the company reached an outstanding milestone of 7,000,000 hours (five years) without a lost-time injury.

from the Royal Canadian Mounted Police, the Ontario Provincial Police, municipal and provincial governments and the Ontario Securities Commission.

As a result of our new policy, we have successfully prosecuted people and companies for various offenses including under-reporting of payroll, false claims, misreporting of claims, non-registration and supplier fraud, and will continue to do so.

Financial Soundness

It is essential that our organization function in a financially responsible manner to ensure that we can meet all of our obligations both now and in the future. The unfunded liability is a significant challenge for the entire system and puts substantial pressure on our rate structure.

We are uncompromisingly committed to eliminating the unfunded liability and to making sure this situation does not happen again. During 1998 we are consulting on a funding and rate setting strategy with the goal of developing a plan that will eliminate the unfunded liability by 2014, provide a competitive rate structure and make allowances for contingencies.

It's all about people

I've talked about the workplace safety and insurance system. This system is about the many people who are part of it: the injured workers, the employers, the health providers, the health and safety professionals and WSIB employees.

I've briefly outlined what we are doing for those people who deal with us. At the end of the day, however, how well we do what we plan to do depends upon our staff.

In 1997 our staff encountered massive reorganization and major legislative reform that changed everything they had come to know about what was workers' compensation, now workplace safety and insurance. In addition, they worked through the introduction of new jobs, and new management. Our staff are an essential part of the people equation. I am proud of the efforts of all our employees to work through each successive element of the changes not only to the WSIB, but to the entire system.

Equally important, the WSIB as an employer and its staff's bargaining agent, CUPE 1750, found innovative ways to manage the huge movement of staff from jobs that were geared to the old way of doing business into new jobs in a new Board under a new service structure which emphasizes people.

I would also like to recognize the tremendous contribution of our Board of Directors. We are a complex organization, in a complex business. They set the pace and the direction as we worked through a year of unprecedented change. I thank them for their leadership and their commitment.



Glen Wright

Chair, Workplace Safety and Insurance Board

Welcoming *NEW* leadership

The Workplace Safety and Insurance Board is pleased to welcome David Williams as its new President and CEO. Mr. Williams brings to the WSIB an impressive record of leading large organizations through major change. From 1977 until coming to the WSIB, Mr. Williams was Vice-President of the George Weston Group. Before then he was Chief Financial Officer of Loblaw's Company and, prior to that, President of National Grocers. As President of National Grocers, he oversaw the consolidation of Zehr's, No Frills, Loblaw Supermarkets, National Grocers and Supercentres under one organization.

David Williams has a strong commitment to social values. Actively involved in many community initiatives, he is chair of the Grocery Industry Foundation...Together (GIFT), incoming chair of the Learning Partnership, chair of the Center for Studies of Children at Risk, a member of the Advisory Council for the White Ribbon Campaign and chairman of the Canadian Council of Grocery Distributors.

His priority is to work with our staff and Board of Directors to fully implement our new prevention mandate, to complete the reorganization of the Board and its business practices, and to continue to put the WSIB on a sound financial footing.

His financial experience and emphasis on service and quality are invaluable to the WSIB as it continues to work toward being the best workplace prevention and disability insurance organization in North America.



David Williams, the WSIB's new President and CEO.

Setting Directions



Left to right: *Jim Stewart, John Gardner, Eileen Mercier, David Williams, Glen Wright and Patrick Dillon.*

Board of Directors

Glen Wright

Chair of the Board of Directors of the Workplace Safety and Insurance Board and Chair of the consulting firm Wright, Mogg and Associates Ltd. He joined the Board as Chair in 1996.

Patrick Dillon

Business Manager of the Provincial Building and Construction Trades Council of Ontario. He has served as a director since 1996.

John Gardner

Past President of Sun Life Assurance Company of Canada. He has served as a director since 1996.

Eileen Mercier

President of Finvoy Management Inc., a management consulting firm specializing in financial strategy, restructuring/turnaround and shareholder relations issues. She has served as a director since 1996.

Jim Stewart

Executive-in-Residence and Adjunct Professor of Strategic Management at the Faculty of Management of the University of Toronto. He has served as a director since 1996.

David Williams

President and Chief Executive Officer of the Workplace Safety and Insurance Board. He joined the Board of Directors on May 1, 1998, when he became President and CEO of the Workplace Safety Insurance Board.

Research Council

New partnerships in Research

We need more research into preventing and treating workplace injury and illness and into safe, early return to work. This research **MUST** be relevant and scientific.

In 1997 we developed a new research strategy with plans to pool resources, effectively disseminate findings and to ensure that the research that is conducted results in positive changes in the health and safety of Ontario workplaces.

Basic to this strategy is the representation of all parties in the workplace safety and insurance system through an external Research Council. This council, which reports through Linda Jolley, our Vice President of Policy and Research, to the Board of Directors will help us identify priorities and review research proposals.

In January 1998 we appointed Robert W. Norman as Chair of our new Research Council. A member of the Faculty of Applied Health Sciences at Ontario's University of Waterloo, Mr. Norman is recognized worldwide for his ground breaking research into injury prevention and better, safer workplace environments.

The Research Council will help us set priorities in:

- preventing and dealing with occupational disease
- health and safety
- return to work
- safer workplace environments
- health care research

In addition, the council will help us establish and maintain research networks. These research partnerships will share their findings and build upon each other's knowledge and research.

Our goal is to promote centres of excellence that will attract new researchers and academics into the prevention and treatment of workplace injury and disease. The Research Council will promote these centres and help us ensure that the partnerships created result in improved workplaces throughout the province.

We began 1997 knowing that it would be a year of momentous change and we worked to prepare for it. We made plans and implemented them for restructuring, reorganizing, merging divisions, outsourcing investments, setting up industry-specific sectors and small business units, centralizing claims processing, and devolving our specialty clinics from the Downsview Rehabilitation Centre to hospitals in the greater Metropolitan Toronto area. The aim behind each plan was to ensure that we would be well-positioned to implement the new legislation once it became effective. The new *Workplace Safety and Insurance Act* was passed on October 10, 1997. It became law on January 1, 1998.

Growing a Health & Safety Culture

In addition to changing our name from the Workers' Compensation Board to the Workplace Safety and Insurance Board (WSIB), the legislation dramatically changed our business. We have a new mandate to foster workplace health and safety and, with the Ministry of Labour, to coordinate and oversee the delivery of the province's workplace safety system.



The WSIB aims to promote a health and safety culture in Ontario's workplaces. Our vision is the elimination of all workplace injuries and illnesses in Ontario.



In 1997 we began dedicating resources to carry out our new mandate. Brock Horseman joined the WSIB in the summer to head up our new Prevention Division. He was formerly responsible for Health and Safety for the Canadian Air Force. Late in 1997, our Prevention Division began to take shape. Two branches were created: Best Practices and Prevention Services. A third branch, currently in the planning stage, will develop our relations with health and safety service providers.

Best Practices *Setting an example*

The role of the Best Practices branch is to identify, recognize, promote and disseminate best practices in health and safety. In 1997 this branch recommended that the WSIB's Board of Directors provisionally approve funding for 14 health and safety providers, including 12 safe workplace associations, a training centre and a group of four occupational health and safety clinics.

These associations will have until the end of 1998 to demonstrate their ability to adhere to the new performance standards set by the WSIB.

Prevention Services

Reassessing incentives and improving training

Our Prevention Services Branch administers experience rating incentives such as NEER, CAD-7 and Workwell. It is also exploring innovative ways to encourage better safety performance through incentives such as the pilot Safe Communities Incentive Program (SCIP), a community-based program, and the Merit Adjusted Premium (MAP), which was introduced to 70,000 small businesses for 1998. The Branch is also looking at ways to improve its regular programs so that employers with good health and safety practices can have a competitive advantage over those businesses with poor health and safety practices. It will also begin setting certification training standards to ensure training is effective and better suited to workplace party needs.



Improving safety in small business

Small business told us our NEER experience rating program was too complex and did not provide them with a similar level of incentive that larger business sees in the program.

In 1997 we introduced a more simplified program, the Merit Adjusted Premium (MAP) plan. With it, employers know their total premium for the year right from the start. The annual premium goes up or down similar to private insurance plans, based upon the number of claims from the previous three years. Businesses can price their products or services more competitively and realize their savings upfront.



“I would highly recommend that any company looking at participating in the Safe Communities program do so. Not only does it help reduce accidents, but it also gives an opportunity for every employee to participate and feel like part of the company—in ownership, almost—where they are helping to make the workplace safer.”

Kim Rhodes, manager
Lucky Strike
Peterborough, Ontario



It takes a whole community

Everyone has a hand in health and safety. This is the guiding principle for the entire safe communities concept spearheaded by the Safe Communities Foundation, a partner in the World Health Organization’s safe communities initiative. Right from the start in 1996, the WSIB has played a key role in developing safe communities in Ontario through its SCIP program for small businesses.



In 1997 nearly 200 firms from three Ontario communities — Brockville, Waterloo and Peterborough — participated in SCIP. Since then, seven more communities, representing more than 1,000 small businesses have joined the 1998 program. SCIP provides training and financial incentives for community businesses to work together to create a health and safety culture, to eliminate workplace injuries and illnesses and to reduce their WSIB costs. The program draws upon the community and WSIB resources for its success: local branches of safe workplace associations and large mentor corporations with excellent safety records help coach business owners to establish and operate their own health and safety programs. Results in 1997 look exceptionally promising, with savings for businesses in the three original communities expected to be close to one million dollars and community refunds ranging from \$250,000 to more than \$400,000.

Right to left: WSIB Services Sector Director Mary Luck forges new partnerships with Mike Byerley, Health, Safety & Benefits Manager, Restauronics Services Ltd. and Elizabeth Mills, General Manager and CEO of the Ontario Service Safety Alliance (OSSA).

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“There isn’t a down side to this. If we do well, we are granted the gift of a percentage of our dollar back. If we don’t do well, we have learned a great thing that we’ll be able to use every day of our life. And the employees will be better for it, the owners will be better for it, the managers will be better for it. And you can sleep at night.”

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Peter Cicchi, manager
Ferrel Builders Supply
Waterloo, Ontario

People- *centered* SERVICE

Getting it right the first time means we have to listen to our clients and to focus our services on what they need to achieve the best possible outcome. This means knowing each industry and the needs of small business, so that we can better tailor communications and services to the individual workplace.

During 1997 we began a massive restructuring of frontline operations. We divided up claims management along industry sector and small business lines, creating General Manager positions to oversee Industry Sectors and Small Business needs, and a centralized claims registration at our Head Office. We began with opening the new Mining Sector headquarters in our Sudbury district office in September and rolled out the remaining sectors in November 1997. Now employers and their workers in each of Ontario's major industry sectors are served by teams dedicated to knowing the business of their clients.



Left to right: WSIB's Food Sector Director John Bennetto getting to know the business better at Dare Foods, Milton, Ontario with the plant's Industrial Accident Prevention Association Consultant, James Hollingworth, and Alan Tompkins, Manager of Benefits & Safety, Dare Foods Limited.

Putting continuity into service

Today's business wants service that is personalized, knowledgeable and effective. In 1997 we introduced a model for consolidated adjudicators that would be in effect in 1998. One adjudicator will handle a claim from start to finish. The injured worker and employer can deal throughout the claim with that adjudicator. And that adjudicator will have experience within the employer's industry sector.

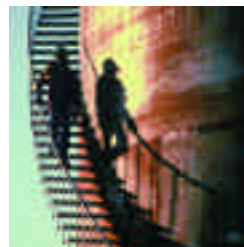
In 1997 we also identified needs for service representatives who can match up employers with their appropriate safe workplace association consultant, provide account information, advise on return to work programs and coordinate other WSIB services. These service representative positions will be filled in 1998. Their functions will be geared either to small business or to industry sectors. We are listening to the people we serve and are focusing our services on what they need to achieve the best possible outcome.

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“We're dealing now with the adjudicators who know our cases. They associate more closely with the worker and the employer now. They have more of a grasp of what the industry is about. They are better informed and more able to make more effective decisions.”

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Marie Viherjoki, Manager, Occupational Health and Safety
Abitibi-Consolidated, Fort William



Better. listening means Better. service

“More staff say they’re listening differently now,” says Quality Improvement Specialist Nancy Lyons. Since taking Preventing and Resolving Disputes (PARD) training, staff are finding they are communicating more effectively with clients.

“The power of the PARD program is that it encourages decision makers to listen and to think carefully about what clients are asking for and to address these issues. We respond in a personalized way, rather than a template way. That kind of skill development can only improve relations and save us a lot of potential conflicts,” says Judy Geary, General Manager of Specialized Claims Services.

Ottawa claims adjudicator Scott Warren agrees. “Things work better. It’s more participative. Clients get a clear understanding of the Board. And we get a better understanding of the worker and the employer.”

Marie Viherjoki, Manager, Occupational Health and Safety, Abitibi-Consolidated in Fort William has noticed the difference in the way adjudicators handle clients: “They’re actually phoning to explain, rather than just sending a letter,” she says.

Toronto claims adjudicator Joe Civello finds that the training helps him discuss issues with clients more effectively, particularly when it comes to safe, early return to work. “For example,” says Mr. Civello, “a worker may say, ‘No, I can’t work.’ But after we talk, finds he can work. It’s a matter of taking the time to explain what *totally disabled* means.”

“PARD has definitely increased staff’s and management’s ability to solve problems,” says Pat Lamanna, Small Business Director in the Ottawa District Office. “It helps us to deal with the customer up front. People leave with the feeling they have been really well served.”



WSIB Nurse Case Manager Marlene Hart is onsite with injured worker Ray Brant at the Toronto Rehabilitation Centre during his session with physical therapist Terence Yuen.

Getting health care right!

We take our obligation to promote a safe and healthy working Ontario seriously. People first means quality health care at the right time. People first means better outcomes for safe, early return to work.

When workers require health care for a work-related injury or illness, they need timely, effective treatment to attain the best possible recovery. The result, whenever possible, will be a safe, early return to work.

That's why in 1997 we brought in the position of nurse case manager to our disability management model. Nurse Case Managers do not make adjudication decisions. Rather, they support injured workers and their health professional by dealing with the health care issues and advising the worker on how the health care treatment is going. Equipped with a better knowledge and understanding of their treatment and condition, workers can engage in the return-to-work process more effectively with their employers. Quality health care and information about an injured worker's capability to return to work are key to successful return to work.

We expect to have a full complement of nurse case managers trained in these positions by the end of 1998.

Engaging the health care community in change

Partnership with the health care community is essential. To be an effective partnership, we must continually communicate with and engage health professionals in our changes. Outreach and mutual education are key. During 1997 the Health Services Division engaged in a number of activities to further this initiative.

During 1997 our Clinical Services Branch engaged in extensive outreach activities to educate health professionals about the reforms and to improve how the WSIB and the health community interact. Our clinical staff in every region of the province have spoken to physicians, chiropractors, physiotherapists, nurses and other members of the health care community. Since October 1997 they have met with 28 different groups across the province, discussing our changes in health care services and our expectations in relation to a return to work.

We also recognize the importance of ensuring that education about workplace health is included in the training of health professionals. To this end, we are working with the academic health science sector to enhance the content of workplace health issues in undergraduate, postgraduate and continuing education activities.

Caring **RIGHT** from the *beginning*

“I’ve had a lot of jobs,” says Judy Buford, “but never one that’s quite so satisfying.” Ms. Buford, formerly a nurse specialist in the WSIB’s Hamilton District Office, is now one of the new nurse case managers who are transforming the WSIB’s relationships with injured workers, their employers and their health care professionals.

Part of what she and her fellow nurse case managers find so satisfying is their early, active support of injured workers and their families. “When workers get contacted early, they feel we are more of a caring organization,” explains Marlene Hart, a nurse case manager in the Construction Sector headquarters located in the WSIB’s Toronto head office. “We become a resource for them and their family to coordinate all their contacts within the Board. We also can coordinate outside health care services to alleviate stress that would interfere with their recovery.” In a recent case Ms. Hart pulled together resources to relieve stress to the worker and his family caused by his hospitalization far from home. “Nurses work in a holistic way. We know it’s never just the patient who is affected. There’s family dynamics, as well,” she says.

Preventing anger, reducing emotional and financial strains on the family, listening and providing support are all factors that affect recovery and return to work. As Ms. Hart puts it: “You’ve got to give a bit to get it back.”

“We do a lot of listening. It’s a potent analgesic. When the worker wants to know about the injury, about treatment, we can explain and offer support. They appreciate having somebody actually listening to them,” adds Ms. Buford. Ian McLauren, a senior claims adjudicator, agrees. “Workers appreciate that someone is calling about treatment and making suggestions to help them get better. It makes for a happier client and helps in return to work.”

Mr. McLauren believes the worker also tends to be more open with the nurse case manager than with the adjudicator whose decisions have a financial impact. What’s more, nurse case managers can find out about treatment and the availability for return to work well before the adjudicator’s initial contact. Within 24 to 48 hours of receiving notice of a pending claim, the nurse case manager calls the worker about the injury and treatment. The nurse case manager also lets the worker know up front the goal is to get the worker back to a safe, early return to work. “Knowing our expectation right from the start helps them to participate in treatment and getting back to work,” says Ms. Hart.

Being the worker’s first and continuous contact regarding treatment carries through with the health practitioner. “The health professional knows we are following each case from start to finish. We build up rapport with the practitioners. And being a nurse means we can get more information because we speak the same language,” explains Ms. Hart. One example is the improved relationships Mr. McLauren sees with occupational health and safety nurses. “The fact we do employer outreach with the nurse case manager makes dealing with their occupational health and safety staff easier. It’s nurse dealing with nurse and there’s good rapport!” he says.

Alyson Rock with the Burlington Community Care Access Centre finds nurse case managers a pleasant surprise and a cost saving to the health system, as well. When confronted with the need for fast action to enable an injured worker to be able to administer his own medication without nurse supervision, Ms. Rock contacted his nurse case manager, Judy Buford. “She worked fast. The paper work was done and a drug card issued in a matter of hours and before his next dosage. The service was excellent within very short time lines,” says Ms. Rock.

For Judy Buford and the dozens of nurse case managers already making a difference at the WSIB, it was all in a day’s work.



Better information means better outcomes

We have an important responsibility to communicate with our clients, to explain how we do business, to answer questions and to seek their input on how best to provide our services.

In January 1998 Charlotte O'Dea was appointed Vice President of the Communications Division. With 20 years of communications experience, she is changing the division to help the WSIB provide better, more effective communications tools and support for use by our Operations and Prevention Divisions. As a first step, the Communications Division organized our two-day Shifting the Paradigm conference in February 1998, with district workshops being conducted in the Spring and Fall of 1998.

Quality requires constant improvement

In 1997 we established a new Quality Improvement area to monitor our organizational effectiveness and service delivery. We also set up a Change Management branch in our Human Resources Division and allocated resources to implement a new accountability model for performance excellence.

More important, however, is the need for WSIB management and staff to have open communications and cooperation. Both management and the bargaining agent, CUPE 1750, have seized opportunities to work side by side to find solutions and to make tough decisions on human resource issues, while honouring the Collective Agreement and ensuring that service to clients is paramount in this period of unprecedented change.

This labour-management partnership is unprecedented in the recent history of the organization. We intend to nurture this relationship because it carries with it the synergy needed for innovation and quality relations both within the WSIB and with our clients.

A *Sound* FINANCIAL Footing

Responsible financial management is key to the long-term success of the WSIB. The best way to ensure our ability to meet future obligations and expectations is to properly manage our financial resources.

Our new direction, together with new legislation, sets the course for elimination of the unfunded liability and financial soundness.

Better service and a streamlined, fiscally responsible administration will also contribute to reduce the level of the liability. Our objective is to have a fully funded system by 2014, while maintaining fair benefits for injured and ill workers.

The Ontario government reforms require the WSIB to consult on a Funding Policy and examine coverage based on business and insurance principles. The WSIB's Board of Directors approved a more responsive premium rate setting model that resulted in a lower 1998 average premium rate and a reduction in the experience rating off balance.

In addition, we intend to rebuild respect for the system and renew its integrity. We have a responsibility to see that employers pay what they are supposed to, when they are supposed to. At the same time, we must make sure we do not pay false claims or fraudulent billings.

Our fraud strategy introduced in 1997 calls for zero tolerance because financial soundness begins with integrity.

During 1997 we also conducted a review of our investment strategy and investment management to optimize returns on the WSIB's Investment Fund. As a result of this review, we transferred management of the fund to external investment managers, who can participate in global markets on a 24-hour basis.

A funding strategy; a strong system of internal controls; a well-managed Investment Fund; together with prevention and effective treatment and safe, early return to work will result in a financially sound workplace safety and insurance system for Ontario now and for the future.

Management Discussion and Analysis

Introduction

1997 marked the beginning of a period of significant legislative and operational changes in the Workplace Safety and Insurance Board's role in accident prevention, as well as in its approach to eliminating the unfunded liability and the way service is provided to its customers. A new statute was introduced to reduce the human, social and economic cost of workplace injury and illness in Ontario. Bill 99, the *Workers' Compensation Reform Act*, received Royal Assent on October 10, 1997 and became effective January 1, 1998. On that date the name "Workers' Compensation Board" (WCB) changed to "Workplace Safety and Insurance Board" (WSIB) to reflect the new emphasis and focus on workplace health and safety and on the prevention of injury and illness.

Bill 99 introduced wide-ranging changes to the workers' compensation system in Ontario that will:

- strengthen the WSIB's role in encouraging workers and employers to prevent injury and illness in Ontario workplaces;
- restore the financial viability of the workers' compensation system;
- return injured workers to work safely and more quickly;
- refocus the workers' compensation system as a workplace insurance plan;
- enhance self-reliance of workers and employers in preventing injuries, and in managing the consequences of injuries when they do happen.

The Workplace Safety and Insurance Board (WSIB) is a statutory corporation first created by an Act of the Ontario Legislature in 1914. It is responsible for administering the *Workplace Safety and Insurance Act, 1997* (the *Act*). The WSIB provides compensation to workers who sustain injuries arising out of and in the course of employment, or who contract a recognized occupational disease. Funds are raised by the WSIB through assessments. The WSIB receives no funding from the Ontario provincial government.

The WSIB administers the *Act* for two groups of employers referred to as Schedules 1 and 2. Schedule 1 employers are insured through "collective liability" and their assessments contribute to the WSIB's Investment Fund to cover future benefit payments. Schedule 2 employers are "self-insured" and are individually liable to reimburse the Board for the cost of their claims and related administrative expenses. About 70% of Ontario's workers are covered.

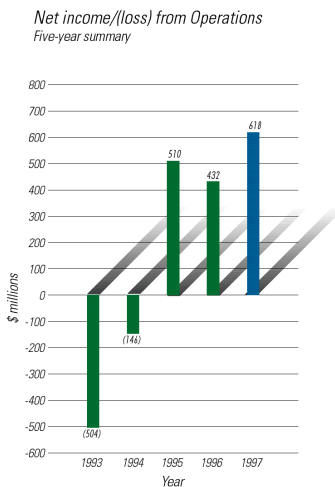
The major expense incurred by the WSIB is the benefits paid and due to be paid on claims related to injuries that occurred in the course of employment or for a recognized occupational disease. Expenses also include administrative and other expenses that are incurred by the WSIB in the course of managing its various functions and responsibilities under the *Act*, as well as payments to meet legislated obligations.

Benefits expense includes compensation for loss of earnings and/or non-economic loss benefits for permanent impairment, payments of health care expenses, assistance to facilitate labour market re-entry services, and survivors' benefits in the case of a fatality.

Operational Summary

1997 was the fourth consecutive year of positive net income from operations, which increased by 43.1% to \$618 million (1996: \$432 million), principally as a result of reduced claims volumes, low inflation, and high investment returns. The combination of the operating results and the effect of changes legislated by Bill 99, which amounted to \$1,785 million, reduced the unfunded liability at the end of 1997 to \$8,057 million.

Final net income increased to \$2,403 million as a result of changes legislated by Bill 99. The net effect of the changes arising from Bill 99 was a one-time reduction in the Schedule 1 benefits liability of \$1,785 million. The modification of the Friedland inflation indexing formula that will be adopted for most workers reduced benefits expense by \$1,920 million. The new legislation also restores



Note: For comparison purposes, 1994 net income of \$130 million has been adjusted to exclude the changes legislated by Bill 165.

survivors' benefits to widows and widowers, who remarried prior to April 1, 1985. This resulted in an increase in the benefits expense of \$135 million.

The year-over-year operating performance of the WSIB is summarized below:

(\$ millions)

	1997	1996	Increase/ (Decrease) %
Revenues			
Assessment	\$ 2,573	\$ 2,610	(1.4)
Investment	849	711	19.4
	3,422	3,321	3.0
Expenses			
Benefits	2,342	2,470	(5.2)
Administration	351	321	9.3
Legislated obligations	111	98	13.3
	2,804	2,889	(2.9)
Net Income from Operations			
	\$ 618	\$ 432	43.1

Total revenue increased by \$101 million to \$3,422 million. The increase is attributed to improved investment income due to the continued robust performance of capital markets. The 5% reduction in the 1997 average assessment rate and higher net experience rating refunds contributed to the reduction in assessment revenue of \$37 million.

WSIB expenses were slightly lower than last year's level due to the lower benefits expense. Administration and legislated obligations increases partly offset the lower benefits expense.

Benefits expense before the Bill 99 legislated changes, together with the increase in the provision for the Injured Workers' Retirement Fund, decreased by \$128 million or 5.2% to \$2,342, mainly due to fewer injuries sustained by workers. Lost-time injuries declined by 2.1% in 1997.

Expenses related to legislated obligations amounted to \$111 million, an increase of 13.3% year over year. The increase is mainly due to the additional funding provided to the *Occupational Health and Safety Act* programs and the Office of the Worker Adviser.

1997 administrative expenses include special provisions for costs totalling \$42 million (1996 provisions were \$21 million). The provisions are to cover:

- restructuring and implementation of the new service delivery model,
- Bill 99 implementation, and
- analysis and technology required to make our systems year 2000 compliant.

Unfunded Liability

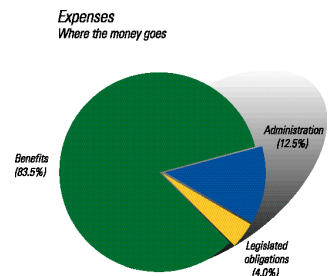
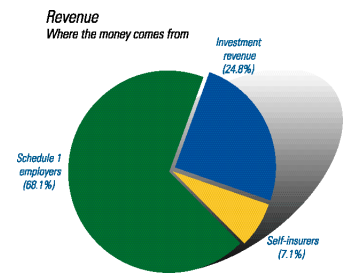
In 1997 total assets increased by \$849 million (10.8 %) to \$8,721 million, while total liabilities decreased by \$1,554 million (8.5%) to \$16,778 million. The unfunded liability decreased by the amount of net income from operations (\$618 million) and the net effect of the changes arising from Bill 99 (\$1,785 million), and stood at \$8,057 million at December 31, 1997, a reduction of \$2,403 million from the previous year. This represents a funding ratio of 52.0% and is the highest level of funding reported since 1982, when it stood at 57.6%.

The reduction in the unfunded liability is explained below through an actuarial reconciliation of the unfunded liability position. The reconciliation highlights the factors that influenced the change in the funded position. These factors include amendments to the *Act*, revised WSIB policies and adjudication practices, minor changes to the actuarial methods, investment results, and variations in experience from expected results.

The major factors affecting the reduction in the unfunded liability in 1997 were:

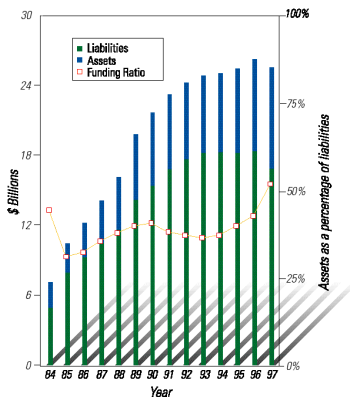
(\$ millions)

	1997
Unfunded liability at beginning of year	\$ 10,460
Plus/(Minus):	
Investment income not earned due to shortfall in invested assets	738
Assessments allocated to reduction of the unfunded liability	(683)
Experience losses (gains) resulting from	
- indexation of benefits less than expected	(229)
- higher than expected interest rates	(304)
- prior year's claims experience & other sources	320
- current year's claims experience	(579)
Changes in valuation assumptions	119
	9,842
(Reduction)/increase in benefits liabilities resulting from Bill 99	
- indexing factor	(1,920)
- provision for survivors	135
Unfunded liability at end of the year	\$ 8,057



A review of the benefits liability, asset composition and net unfunded liability and funding status of the WSIB from 1984 to 1997 is provided below:

Summary of Assets and Liabilities and Funding Ratio



A rapid increase in the WSIB's unfunded liability in the early 1980s prompted the WSIB to implement a strategy to eliminate the unfunded liability by the year 2014 by means of a surcharge added to all Schedule 1 assessments. The unfunded liability surcharge is modified each year according to the size of the unfunded liability. The funding strategy is based on a 30-year amortization program which began in 1984 and reflects assumptions regarding estimated costs and projected revenues. In 1997 the issue of funding was a topic of renewed focus for management and the Board of Directors, who confirmed the strategy.

Although 1984 marked the beginning of a 30-year strategy to eliminate the unfunded liability, to date its success has been limited due to the following:

- legislated changes during the 1980s which expanded benefit entitlement;
- legislated benefit increases granted retroactively to existing claimants;
- lack of commensurate rate increases to fund expanded benefits and the rise in average claim costs;
- policies used to interpret and implement legislated benefit changes often produced significantly greater benefit payments than were intended by the legislature and propensity to grant entitlement;
- the severe recession which affected the Ontario economy in the early 1990s resulting in reduced assessment revenues along with increased benefit costs.

In 1995 the government began a two-stage workers' compensation reform process, and made significant changes to the administration and direction of health and safety education and training in the province. The reform, also focussed on the funding and financial viability of the WSIB, resulting in an ongoing review of the Board's strategy and processes with respect to its rates, coverages, experience rating and the overall unfunded liability.

Assessment Revenue

Assessments are levied on Ontario employers' payrolls to cover the costs of current year's claims and overhead expenses. Schedule 1 employers also have a component built into their assessment rate that contributes towards the reduction of the WSIB's unfunded liability. The 1997 average assessment rate, before experience rating adjustment, was \$2.85 per \$100 of assessable payroll, with an unfunded liability component of \$0.84.

Assessment revenue amounted to \$2,573 million in 1997, \$37 million less than the previous year. Gross assessment revenue was lower primarily due to the 5% reduction in the average assessment rate of Schedule 1 employers. A higher provision for experience rating net refunds and lower reimbursements from Schedule 2 employers due to the decline in claims also contributed to the decrease in net assessment. The decrease in assessment revenue was partially offset by a lower provision for bad debts.

(\$ millions)

	1997	1996	Increase/ (Decrease)%
Schedule 1			
Gross assessments	\$ 2,664	\$ 2,713	(1.8)
Experience rating net refunds	(350)	(297)	17.8
Interest and penalties	32	44	(27.3)
Bad debts	(17)	(98)	(82.7)
Self-insurers	244	248	(1.6)
Assessment revenue	\$ 2,573	\$ 2,610	(1.4)

Year over year, Ontario's labour force rose by 1.7% and employment increased by 2.1%. This employment growth accounted for 45% of the total increase at the national level. The majority of industry sectors of the Ontario economy grew, with the exception of primary industries and the agriculture sector.

Provincial labour income increased by 4.2% compared with 1996, due to increases in both the industrial aggregate employment and the average weekly earnings, which rose by 1.3% and 2.9% respectively. Employment and wage gains within the majority of industries covered by the WSIB increased.

As a result of the economic growth, Schedule 1 assessable payrolls increased by \$4.7 billion, or 5.4% from last year's level, to \$91.5 billion. Gross assessments, however, did not increase, due to the 5% reduction in the average assessment rate.

Experience rating net refunds increased by \$53 million, or 17.8%, and Schedule 2 reimbursements declined by \$4 million, or 1.6% as a result of fewer accidents sustained by workers of Schedule 1 employers and Schedule 2 employers respectively. The number of registered claims declined by 0.4% from last year's level, while lost-time injuries declined by 2.1%.

Revenue from interest and penalties was down by \$12 million or 27.3% compared with 1996. Bad debt expense also declined significantly by \$81 million or 82.7% year over year. The introduction of the self-assessment billing process has continued to improve the reporting and frequency of the assessment receipts.

Benefits

Benefits expense is an actuarial estimate of the costs related to reported and unreported compensable injuries occurring in the year, together with adjustments to the estimates of previous years. The present value of estimated future benefit payments constitutes the benefits liability and represents the WSIB's obligation in relation to current and prior years' injuries.

Both benefits liability and benefits expense are affected by various factors, such as changes in legislation, adjudication policies and practices, effectiveness of health care, and return to work programs and economic conditions.

The overall benefits liability decreased by \$1,740 million in 1997, compared to a \$50 million increase in 1996, due principally to the change in indexation brought about by Bill 99.

The reduction of benefit levels from 90 to 85% of pre-injury net average earnings will apply to new claims starting January 1, 1998. The reduction from 10 to 5% of the worker's loss of earnings benefit set aside by the WSIB for new claims will not be felt until 1999. Bill 99 also allows the injured worker to set aside an additional 5% of loss of earnings benefit to provide for retirement income.

The change in the benefits liability in 1997 can be explained as follows:

(\$ millions)

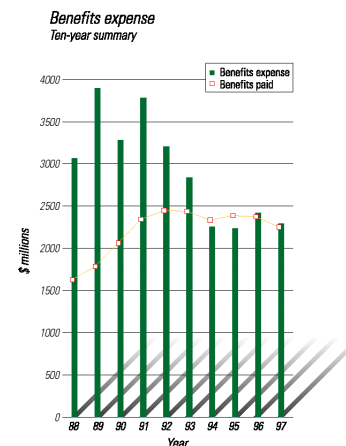
	1997	1996	Change
Benefits expense	\$ 2,294	\$ 2,421	\$ 127
Benefits paid	(2,249)	(2,371)	122
Changes legislated by Bill 99	(1,785)	-	(1,785)
Net increase/(decrease) in benefits liability	(1,740)	50	(1,790)
Benefits liability, January 1	17,425	17,375	
Benefits liability, December 31	\$ 15,685	\$ 17,425	

Benefits expense (prior to changes legislated by Bill 99), excluding transfers to the Injured Workers' Retirement Fund, was \$2,294 million in 1997, \$127 million less than in 1996. The decrease is due to fewer compensable injuries sustained by workers and shorter duration of claims (1997: 56.7 calendar days versus 1996: 58.2 calendar days). Lower long-term, short-term and health care expenses have resulted.

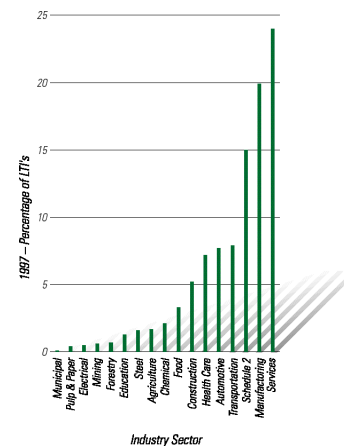
The number of registered lost-time injuries for 1997 decreased by 2.1% compared with the same period in 1996. Lost-time injuries based on the new industry sectors reported during 1997 and 1996, respectively, are presented in the table and chart below.

Lost-time Injuries	1997 (000's)	1996 (000's)	Increase/ (Decrease) %
Agriculture	2.1	2.1	-
Automotive	9.6	10.1	(5.0)
Chemical/Process	2.7	2.7	-
Construction	6.5	6.3	3.2
Education	1.6	1.9	(15.8)
Electrical	0.5	0.6	(16.7)
Food	4.1	4.5	(8.9)
Forestry	0.9	1.0	(10.0)
Health Care	9.0	9.5	(5.3)
Manufacturing	25.0	25.2	(0.8)
Mining	0.7	0.8	(12.5)
Municipal	1.4	1.4	-
Pulp & Paper	0.4	0.5	(20.0)
Services	30.1	30.0	0.3
Steel	2.0	2.2	(9.1)
Transportation	9.9	9.8	1.0
Schedule 2	18.9	19.5	(3.1)
	125.4	128.1	(2.1)

A ten-year summary of the benefits expense and the benefits paid is shown below:



Lost-time Injuries by Industry Sector
Twelve Months Ended December 31, 1997



Benefits paid in the year were \$2,249 million, \$122 million less than in 1996. Payments for rehabilitation were \$60 million lower, while health care costs decreased by \$58 million, compared with the previous year. The decrease is due to lower claim volumes. This more than offset both the increase in long-term disability payments, which were up by \$6 million due to higher volumes of future economic loss awards, and a \$3 million increase in survivor benefits. Short-term disability payments decreased by \$15 million, primarily due to fewer injuries sustained by workers and shorter duration of claims.

Administrative and Other Expenses

Although administrative expenses were higher than in 1996, employee salary and fringe benefit costs were lower, reflecting a 9.3% reduction in staff level. The number of employees at December 31, 1997 totalled 3,966 compared to 4,373 at year end 1996. Administrative and other expenses amounted to \$351 million, \$30 million or 9.3% higher than in 1996.

Included in administrative and other expenses is \$42 million in special provisions. Special provision costs were provided for the realignment of staff to improve customer service, to centralize business functions, and to increase efficiencies of core business activities for Bill 99 implementation, and for the Year 2000 Project. These initiatives are expected to reduce administrative expenses in future years.

Year 2000 Project

In 1997 the WSIB commenced, for all of its systems, a year 2000 date conversion project to address all necessary code changes, conversion and testing. Conversion of all code changes and testing processes are planned for the end of 1998 at an estimated cost of \$18 million in the year. Completion of testing will be done during 1999 and the WSIB expects the project to be completed as scheduled. However, there can be no assurance that the systems of companies on which the WSIB's systems rely also will be converted on a timely basis or that any such failure to convert by another company would not have an adverse effect on the WSIB's systems.

Legislated Obligations

During 1997 and previous years the WSIB was obligated by legislation to fund the administration of agencies such as the Workplace Health and Safety Agency (WHSA), which supports the operation of occupational health clinics for Ontario workers, training centres and safe workplace associations, as well as the programs of the *Occupational Health and Safety Act*, the Workplace Safety and Insurance Appeals Tribunal, the Office of the Worker Adviser, the Office of the Employer Adviser, Mine Rescue Stations, and the Occupational Disease Panel. The amount of funding requested by these agencies is approved by the Minister of Labour.

These expenses amounted to \$111 million, an increase of \$13 million or 13.3% from 1996. This increase relates primarily to higher funding for the Worker Adviser, and the *Occupational Health and Safety Act* programs.

Under the *Workplace Safety and Insurance Act, 1997*, effective January 1, 1998, the WSIB will assume the assets, liabilities and program responsibilities of the Workplace Health and Safety Agency, which has ceased to exist. The Occupational Disease Panel was abolished by Bill 99 and the WSIB will not be required to reimburse such costs in 1998.

Investments

The WSIB Investment Fund provides a reserve to fund future benefit payments to injured workers. It comprises a broadly diversified portfolio of investments, including domestic and foreign equities, high-grade fixed income securities, real estate, and cash and short-term investments.

During 1997 a review of the investment strategy and investment management of the fund was initiated. As a result of this review, the investment management of the fund was transferred to external investment managers.

1997 proved to be an outstanding period for stock and bond investors. Domestically, the Toronto Stock Exchange 300 Index returned 15% while, in the U.S., the Standard & Poor's 500 Stock Index continued its strong pace, improving by 39.2% for the year in Canadian dollar terms. Outside of North America, strong European performance was offset by the collapse of Asian markets. As a result, aggregate overseas markets, as represented by the Morgan Stanley European Australia and Far East Index (EAFE), recorded a modest 6.5% (Cdn \$) return.

Bond yields fell during the year to levels not seen since the 1960s, driving the return of the Scotia Capital Markets Canadian Bond Universe Index to 9.6%.

The Investment Fund's long-term target is to achieve a return of 3% above the rate of inflation. Investment revenue earned in 1997 was \$849 million compared with \$711 million in 1996. The increase is mainly due to the higher realized gains. Propelled by these buoyant markets, the Investment Fund recorded a healthy 16.2% return on market value in 1997, the third consecutive year of double-digit returns.

Annualized returns on the Investment Fund for the three, five and ten years ended December 31, 1997 were:

(%)	Three Years	Five Years	Ten Years
Investment Fund return	17.1	13.5	11.9
Return above inflation	15.6	12.2	9.3

The market value of the Fund passed the \$10 billion mark in 1997, closing the year at \$10.1 billion – a growth of \$1.5 billion for the year.

Outlook

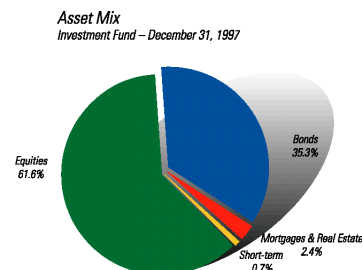
1998 began with the application of Bill 99, which shifts the priority of the WSIB from compensation to prevention, as reflected in the change in our corporate name to Workplace Safety and Insurance Board (WSIB). The WSIB will focus on implementing the necessary processes and educating our customers to ensure that the legislated mandate is achieved in line with the three imperatives of prevention, customer service and fiscal responsibility. To concentrate on these imperatives, all areas have begun the process of reviewing their activities in light of the strategic priorities, reshaping some activities, and ceasing those that do not directly respond to the needs of our customers.

New initiatives will begin the process of introducing prevention into the culture and operations of the WSIB and diffusing best practices throughout Ontario workplaces. The safe workplace associations will establish business plans that will, along with streamlining initiatives and alignment with small business and industry sectors, create a more accountable, co-ordinated, and efficient prevention system. Standards for legislated training programs will be set and processes established to ensure compliance. Incentive programs will evolve, becoming more effective in motivating employers to establish successful health/safety programs.

The roll-out of the industry sectors and the small business service delivery models will be completed during 1998. Each will have a dedicated focus; integrate health and safety initiatives with its appropriate safe workplace association, and deliver services in a prompt and efficient manner to its customers. Initial registration and adjudication of claims will be done centrally, with expert claims advisors used at the front-end to improve the quality and consistency of decision making and claims management.

Customer service will be provided by professional staff who are knowledgeable about the industry sector, the workplace, and its needs in terms of prevention and return to work. The focus will be on customers and their needs, especially for more simple policies and communications. For workers, customer service means that dedicated staff will understand their needs and their requirements for compensation. For employers, customer service will be more specifically tailored to meet respective industry-sector and business needs. Strong regional presence will ensure effective delivery by WSIB staff who are located close to their customers. The new initiatives reflect WSIB's commitment to continuing the change processes necessary to achieve the Board's three imperatives of accident prevention, customer service, and fiscal responsibility. With the implementation of these new initiatives, we expect the WSIB to continue to experience positive financial results and to remain on target for eliminating the unfunded liability by the year 2014.

The asset mix of the Fund at December 31, 1997 based on market value is shown below.



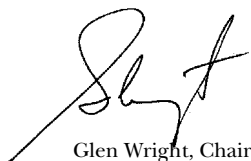
Balance Sheet

December 31, 1997

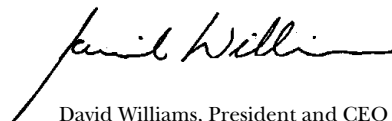
(\$ millions)

	1997	1996
ASSETS		
Cash and cash equivalents	\$ -	\$ 92
Receivables	235	238
Investments (note 3)	8,029	7,124
Injured Workers' Retirement Fund (note 4)	221	173
Capital and other assets (note 5)	236	245
	\$ 8,721	\$ 7,872
LIABILITIES		
Bank indebtedness (note 6)	\$ 87	\$ -
Payables and accruals	710	659
Mortgage payable (note 7)	75	75
Injured Workers' Retirement Fund (note 4)	221	173
Benefits liability (note 8)	15,685	17,425
	16,778	18,332
UNFUNDED LIABILITY	(8,057)	(10,460)
	\$ 8,721	\$ 7,872

On behalf of the Board of Directors:



Glen Wright, Chair
Director



David Williams, President and CEO
Director

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

Statement of Operations & Unfunded Liability

For the Year Ended December 31, 1997

(\$ millions)

	1997	1996
REVENUES		
Assessment		
- Current	\$ 1,890	\$ 1,917
- Unfunded liability	683	693
Investment (note 3)	849	711
	3,422	3,321
EXPENSES		
Benefits (note 8)		
- Long-term disability	1,159	1,371
- Rehabilitation	553	399
- Short-term disability	221	226
- Health care	259	279
- Survivor benefits	102	146
	2,294	2,421
Net increase in the Injured Workers' Retirement Fund (note 4)	48	49
Administrative and other (note 9)	351	321
Legislated obligations (note 10)	111	98
	2,804	2,889
NET INCOME FROM OPERATIONS	618	432
Changes legislated by Bill 99 (note 8)	1,785	-
NET INCOME	2,403	432
Unfunded liability , beginning of year	10,460	10,892
Unfunded liability , end of year	\$ 8,057	\$ 10,460

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

Statement Cash *of* Flows

For the Year Ended December 31, 1997

(\$ millions)

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash received from:</i>		
Employers, for assessments	\$ 2,569	\$ 2,574
<i>Cash paid to:</i>		
Claimants, survivors and care providers	(2,249)	(2,371)
Injured Workers' Retirement Fund	(48)	(49)
Employees and suppliers for administrative goods and services	(308)	(308)
Others under legislated obligations	(95)	(98)
	(2,700)	(2,826)
Net cash provided by operating activities	(131)	(252)
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash received from:</i>		
Investments	340	267
Sales and maturities of investments	9,564	6,121
Net sales of short-term securities	58	79
	9,962	6,467
<i>Cash paid for:</i>		
Purchases of investments	(10,010)	(6,549)
Net cash used by investing activities	(48)	(82)
DECREASE IN CASH AND CASH EQUIVALENTS	(179)	(334)
Cash and cash equivalents, beginning of year	92	426
Cash and cash equivalents, end of year	\$ (87)	\$ 92

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

Notes to the Financial Statements

December 31, 1997

1. NATURE OF OPERATIONS

The Workplace Safety and Insurance Board (WSIB), formerly the Workers' Compensation Board, is a statutory corporation first created by an Act of the Ontario Legislature in 1914. It is responsible for administering the *Workplace Safety and Insurance Act, 1997*. The WSIB provides compensation to workers who sustain injuries arising out of and in the course of employment, or who contract an occupational disease.

Bill 99, the *Workers' Compensation Reform Act*, received royal assent and was passed into law on October 10, 1997. It came into force on January 1, 1998, introducing wide-ranging changes to the workplace safety and insurance system in Ontario, and changing the name of the Workers' Compensation Board to Workplace Safety and Insurance Board (WSIB) effective January 1, 1998.

The WSIB administers the *Workplace Safety and Insurance Act, 1997*, for two groups of employers referred to as Schedule 1 and Schedule 2. Schedule 1 relates to services and industries in which employers are insured through *collective liability* and are required to contribute to the WSIB Investment Fund, whereas Schedule 2 relates to employers who are *self-insured* in that they are individually liable. The Federal government, which is covered under a separate agreement with Human Resources Development Canada, is also treated as a Schedule 2 employer.

The WSIB pays the actual cost of claims for workers of self-insurers and is reimbursed by those employers for the claims paid, as well as for the cost of prevention activities and administering the claims. In addition, investment revenue is earned from a diversified investment portfolio held as reserve to meet future obligations on existing claims.

The WSIB does not receive government funding or other assistance, and raises funds through premium rates being applied to the payrolls of Ontario Schedule 1 employers covered under the *Workplace Safety and Insurance Act, 1997*, in order to provide compensation to workers or survivors of the workers who are injured in the course of employment or who contract an occupational disease.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make

estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

The significant accounting policies are summarized as follows:

Cash and cash equivalents

Cash and cash equivalents are funds consisting of cash and money market instruments with maturities up to three months.

Investments

a) Bonds, coupons and mortgages

Bonds, coupons and mortgages are carried at amortized cost. In the case of mortgages, amortized cost is adjusted for principal repayments. Realized gains and losses on the sale of bonds, coupons and mortgages are deferred and amortized over the lesser of 20 years or the period to maturity of the security sold.

b) Equities and real estate

Equities and real estate are carried at cost adjusted towards fair value, using a five-year moving average market method. Gains and losses are deferred and amortized over a five-year period.

c) Short-term securities

Short-term securities consist of money market instruments with maturities between three and twelve months and are carried at cost. Gains and losses from sales are included in income in the year they occur.

d) Foreign currency translation

Transactions in investments denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the time of the transaction. The cash and cash equivalents are translated to Canadian dollars at the exchange rate in effect at the balance sheet date.

Fair values of investments

Fair values of investments are determined as follows:

Bonds and equities are valued at year-end quoted prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which, together with accrued interest income, approximates fair value, given the short-term nature of these instruments.

Real estate is valued based on appraised values conducted on a cyclical basis.

Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Investment Fund's proportionate share of underlying net assets at fair values, determined using closing market prices.

Fair value of other financial assets and liabilities

The fair values of other financial assets and liabilities, being cash, receivables, bank indebtedness, payable and accrued liabilities approximate their carrying values, due to the short-term nature of these instruments.

Injured Workers' Retirement Fund

Investments held in the Injured Workers' Retirement Fund are carried at fair value. Changes in market fluctuations are taken into income in the year they occur or are realized.

Capital assets and depreciation

Capital assets are stated at cost. Capital assets are depreciated using the straight-line method at rates calculated to expense the cost of assets over their estimated useful lives which, in the case of buildings and equipment, are 20 years and five years respectively. Buildings are carried at cost and include development, financing and other costs capitalized prior to becoming fully operational, at which time depreciation commences.

Assessment revenue

Assessment revenue is determined on the basis of estimated and actual payrolls for employers included in Schedule 1 of

the *Workers' Compensation Act*, adjusted for claim experience where relevant. Assessment rates include a component that contributes towards the reduction of the unfunded liability.

Included in assessment revenue are reimbursements by self-insurers for claims paid, as well as for the cost of administering the claims.

Under the *Workplace Safety and Insurance Act, 1997*, effective January 1, 1998, the Board shall determine the total amount of the premiums to be paid by all Schedule 1 employers with respect to each year in order to maintain the insurance fund under this *Act*.

Schedule 2 employers are individually liable to pay the benefits under the insurance plan with respect to the workers employed. Reimbursements for claims paid and cost of administering the claims are included in the premiums of the WSIB.

Benefits liability

The benefits liability is determined annually through an actuarial valuation, and represents a provision for future payments relating to incurred claims that occurred on or before December 31. The provision has been obtained by estimating future benefit payments in accordance with the adjudication practices in effect at December 31, 1997 and legislation enacted January 1, 1998. The present value also takes into effect the *Workplace Safety and Insurance Act, 1997*.

The benefits liability does not include any provision for payment of claims relating to self-insurers, as they are a liability of the self-insurers.

Provision has not been made for future administration costs of incurred claims. Similarly, provision has not been made for the cost of claims for occupational diseases, or for the cost of existing claims for diseases and injuries that are not currently considered to be work-related, but may in the future be considered to be work-related.

3. INVESTMENTS AND INVESTMENT REVENUE

The carrying value of investments comprises investments at cost of \$8,901 million (1996: \$7,541 million) including accrued investment income, plus adjustments towards fair value of \$366 million (1996: \$252 million), less unamortized net gains realized on the sale of investments of \$1,238 million (1996: \$669 million). Investments by category of investment are as follows:

(\$ millions)

	1997		1996	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed Income Securities				
Bonds	\$ 2,970	\$ 3,564	\$ 2,668	\$ 3,204
Mortgages	6	6	83	85
	2,976	3,570	2,751	3,289
Equities				
Domestic	2,319	2,912	1,964	2,421
Foreign - U.S.	1,099	1,546	911	1,166
- Global	1,335	1,757	1,077	1,352
	4,753	6,215	3,952	4,939
Real Estate	228	236	281	256
Short-term Securities				
Money market instruments	-	-	76	76
Accrued investment income	72	72	64	64
	\$ 8,029	\$ 10,093	\$ 7,124	\$ 8,624

The WSIB engages in a securities lending program whereby securities are loaned to borrowers approved by the WSIB and by the Investment Fund custodian, for a fee, against high quality collateral. At December 31, 1997, the fair value of securities on loan was \$1,841 million (1996: \$238 million).

Foreign investments are exposed to currency risk. Derivative instruments are used for the sole purpose of hedging

foreign currency transactions to better manage and reduce currency risk. Such instruments are valued at year-end market prices. The notional amount of foreign currency contracts hedging investments in foreign currencies totalled \$83 million at December 31, 1997 (1996: \$115 million). Their related fair value at year end was \$84 million (1996: \$117 million). The contracts mature in the first three months of 1998.

Bonds by term to maturity:

(\$ millions)

	Term to maturity				Less unamortized gain	1997	1996
	Up to 1 year	1 -5 years	5 - 10 years	Over 10 year			
Government bonds							
Carrying value		\$1,360	\$962	\$692	\$482	\$2,532	\$2,330
Fair value		1,357	984	735		3,076	2,755
Yield %		5.4	5.6	5.9		5.6	6.0
Corporate bonds							
Carrying value	\$1	\$158	\$139	\$180	\$40	\$438	\$338
Fair value	2	157	140	189		488	449
Yield %	5.5	5.7	5.8	6.4		6.0	7.7
Total							
Carrying value						\$2,970	2,668
Fair value						3,564	3,204
Yield %						5.6	6.2

The average effective yield reflects the result obtained by dividing the estimated annual income of a security (based on its coupon or dividend rate) into its fair value at December 31.

Revenue by category of investment is as follows:

(\$ millions)

	1997	1996
Bonds	\$ 259	\$ 273
Equities	583	407
Mortgages	4	8
Short-term securities	6	21
	852	709
Injured Workers' Retirement Fund	10	12
Investment expenses	(13)	(10)
Investment revenue	\$ 849	\$ 711

In 1997, \$519 million (1996: \$341 million) of realized and unrealized net gains were amortized to investment revenue.

4. INJURED WORKERS' RETIREMENT FUND

Under section 44 of the *Workers' Compensation Act* (which continues to apply to injuries and diseases prior to January 1, 1998), the WSIB sets aside funds equal to 10% of every payment made to injured workers under section 43 of that *Act*. In accordance with the provisions of that *Act*, these funds are segregated from the WSIB's Investment Fund and are invested to provide for retirement income benefits for injured workers.

Under section 45 of the new *Workplace Safety and Insurance Act, 1997*, effective January 1, 1998, the WSIB will set aside for new claims 5% rather than 10% of workers' loss of earnings

benefits for his/her retirement fund. The injured worker may choose to contribute a further 5% from his/her loss of earnings benefits. The amount is set aside only after the worker has received payments for loss of earnings for 12 continuous months. Since the *Workplace Safety and Insurance Act, 1997*, only takes effect January 1, 1998, the 5% set aside will first occur on January 1, 1999.

The fair value of investments at December 31 is as follows:

(\$ millions)

	1997	1996
Bonds	\$ 106	\$ 161
Equities		
- Domestic	66	-
- Foreign Global	38	-
Money market instruments	9	9
Accrued investment income	2	3
	\$ 221	\$ 173

In 1997 the net increase in the Injured Workers' Retirement Fund was \$48 million (1996: \$49 million). This net increase resulted from funds set aside pursuant to section 45 of the *Act* in the amount of \$43 million (1996: \$40 million), together with \$10 million (1996: \$12 million) earned on its investments, less \$5 million (1996: \$3 million) paid as retirement pensions.

Bonds by term to maturity

(\$ millions)

	Term to maturity			1997	1996
	1 - 5 years	5 - 10 years	Over 10 years		
Government bonds					
Fair value	4	66	12	82	161
Yield %	5.3	5.6	5.9	5.6	6.0
Corporate bonds					
Fair value	6	7	5	18	
Yield %	5.9	6.0	6.5	6.1	
Global bond pooled fund					
Yield %				6	
				1.4	
Total					
Fair value				106	161
Yield %				5.5	6.2

5. CAPITAL AND OTHER ASSETS

(\$ millions)

	1997		1996
	Cost	Net Book Value	Net Book Value
Buildings and leasehold improvements	\$198	\$ 169	\$176
Equipment	106	16	20
	304	185	196
Other assets	51	51	49
	\$355	\$ 236	\$ 245

Depreciation expense in 1997 was \$15 million (1996: \$19 million).

6. BANK INDEBTEDNESS

The bank indebtedness of \$87 million represents outstanding cheques issued before year-end, net of the cash balance at December 31, 1997.

7. MORTGAGE PAYABLE

The WSIB is a 75% participant in the co-ownership agreement of its head office building. To partially fund the development and construction of the building, the WSIB entered into a long-term mortgage loan agreement in 1993. The mortgage loan is secured by the building and matures in the year 2015. The interest rate is fixed at 10.25% per annum, compounded semi-annually.

8. BENEFITS LIABILITY AND BENEFITS EXPENSE

The *Workers' Compensation Act* was repealed by Bill 99, which received Royal Assent in October 1997, though the *Workers' Compensation Act* continues to apply in most respects to injuries and diseases prior to January 1, 1998. A new *Act*, the *Workplace Safety and Insurance Act, 1997*, came into force on January 1, 1998.

The net impact of legislated changes was to reduce the benefits liability at December 31, 1997. This was mainly due to a change in the indexing factor of \$1,920 million, which was partly offset by an increased provision for survivors' benefits of \$135 million.

Benefits liability represents a provision for actuarially determined future benefit payments relating to incurred claims, which were discounted to present value at the assumed net investment returns as shown below. Estimates of future benefit payments refer to both reported and un-reported claims that had arisen from work-related accidents that occurred on or before December 31, 1997, and are based on the level and nature of entitlement, as prescribed by legislation enacted January 1, 1998, and on adjudication practices in effect at December 31, 1997.

The benefits liability was determined using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

The actuarial present value of future benefit payments reflects long-term estimates of economic and actuarial assumptions and methods, based upon past experience and modified for current trends. As these assumptions may change over time to reflect underlying conditions, it is possible that such changes could cause a material change in the actuarial present value of future benefit payments. The following key, long-term economic assumptions were used in the actuarial valuation of the benefits liability:

	1997	1996
Inflation rate	4%	4%
Rate of indexation of benefits		
- Fully indexed	4%	4%
- Partially indexed	1%	2%
Net investment return		
- Fully indexed	3%	3%
- Partially indexed	6%	5%
Wage and health care costs escalation rate	5%	5%

Mortality was estimated based on the WSIB's mortality experience of 1986 – 1990 projected to 1995 for injured workers and on the Ontario Life Tables, adjusted on the basis of WSIB mortality projections for survivors of deceased workers. Full provision has been made for the effect of future increases in the covered earnings ceiling and indexation of benefits.

Management believes the amount provided for future payments of incurred claims to be adequate. Long-term

economic and actuarial assumptions and methods are reviewed annually at December 31 of each year, when independent actuarial valuations are performed. Adjustments, if any, resulting from the continuous review of entitlements, experience, or from changes in legislation, assumptions or methods are recorded under benefits expense when such adjustments become known, together with the actuarial cost of claims for reported and unreported work-related accidents that occurred in the year.

Benefits liability, benefits expense and benefits paid in 1997 were as follows:

(\$ millions)

	1997					1996	
	Long-term Disability	Rehabilitation	Short-term Disability	Health Care	Survivor Benefits	Total	Total
Benefits liability,							
beginning of year	\$ 13,415	\$ 1,099	\$ 502	\$ 1,109	\$ 1,300	\$ 17,425	\$ 17,375
Benefits expense,							
for the year	1,159	553	221	259	102	2,294	2,421
Changes legislated by Bill 99 ((1,859)	(61)			135	(1,785)	-
	12,715	1,591	723	1,368	1,537	17,934	19,796
Benefits paid,							
during the year							
- Schedule 1	(1,196)	(305)	(229)	(214)	(90)	(2,034)	(2,151)
- Self-insurers	(113)	(21)	(41)	(25)	(10)	(210)	(217)
- Injured Workers' Retirement Fund	(5)	-	-	-	-	(5)	(3)
	(1,314)	(326)	(270)	(239)	(100)	(2,249)	(2,371)
Benefits liability,							
end of year	\$ 11,401	\$ 1,265	\$ 453	\$ 1,129	\$ 1,437	\$ 15,685	\$ 17,425

Benefits paid include the following:

(\$ millions)

	Schedule 1		Self-insurers	
	1997	1996	1997	1996
Long-term disability	-			
- Worker pensions	\$ 583	\$ 592	\$ 66	\$ 66
- Supplements	254	256	19	19
- Future economic loss	268	229	17	15
- Non-economic loss	91	113	11	13
	1,196	1,190	113	113
Rehabilitation	305	359	21	27
Short-term disability	229	242	41	43
Health care				
- Health care	196	253	23	21
- Medical reports	18	20	2	3
	214	273	25	24
Survivor benefits	90	87	10	10
	\$ 2,034	\$ 2,151	\$ 210	\$ 217

9. ADMINISTRATIVE AND OTHER EXPENSES

Administrative and other expenses consist of the following:

(\$ millions)	1997	1996
Salaries and employee benefits	\$ 222	\$ 217
Equipment depreciation and maintenance	19	22
Occupancy	28	25
Communication	10	11
Supplies and services	12	10
Miscellaneous	13	10
Travel and vehicle maintenance	4	4
	308	299
Restructuring	42	21
Farm Safety Association	1	1
	\$ 351	\$ 321

10. RELATED PARTY TRANSACTIONS

Legislated obligations

The WSIB is required to reimburse the Government of Ontario for the administrative cost of the *Occupational Health and Safety Act*. In 1997 the WSIB was required by the *Workers' Compensation Act* to fund the operating costs of the Workers' Compensation Appeals Tribunal, the Offices of the Worker and Employer Adviser, the Occupational Disease Panel, the Workplace Health and Safety Agency (WHSA) and the mine rescue stations. The amounts of reimbursements and funding are determined and approved by the Minister of Labour and, in certain instances, the WSIB is directed by the Lieutenant Governor, through Orders in Council, to make those payments. The total amount of funding provided under these legislated obligations in 1997 was \$111 million (1996: \$98 million).

Under the *Workplace Safety and Insurance Act, 1997*, the WSIB is required to reimburse all the above costs except for the Workplace Health and Safety Agency and the Occupational Disease Panel. The WHSA ceased to exist as a separate entity on December 31, 1997. The WSIB will assume the assets, liabilities and program responsibilities of the WHSA effective January 1, 1998. The Occupational Disease Panel was abolished by Bill 99.

Institute for Work and Health

The WSIB also provides funding for the Institute for Work and Health. The funding provided in 1997 was \$4 million (1996: \$5 million). These expenses are included in administrative and other expenses.

Investments

Included in investments are marketable fixed income securities issued by the Ontario provincial government and related corporations of \$283 million (1996: \$417 million).

Other

In addition to the legislated obligations, accident prevention expenses and funding for the Institute for Work and Health referred to above, the financial statements include amounts resulting from transactions conducted in the normal course of operations with various Ontario government-controlled ministries, agencies, and Crown corporations with which the WSIB may be considered related. Such transactions are conducted on terms and conditions similar to those transactions with unrelated parties. Account balances resulting from these transactions are not significant.

11. COMMITMENTS AND CONTINGENCIES

Operating leases

At December 31, 1997, the WSIB was committed under non-cancellable operating leases requiring future minimum payments of approximately \$6 million per year over the next five years and aggregating to \$45 million thereafter.

Legal actions

The WSIB is party to various claims and lawsuits which are being contested. In the opinion of management, the outcome of such claims and lawsuits will not have a material effect on the WSIB.

12. PENSION PLAN

The WSIB has a contributory defined benefit pension plan for its employees and employees of the safe workplace associations, which provides for partially indexed pensions based on years of service and earnings rates near retirement. The investment activities and the administrative and accounting matters of the pension plan are administered by the WSIB.

An independent actuarial valuation performed as of December 31, 1997 has determined that the pension plan is in a surplus position. The accrued pension obligations of the contributory defined benefit plan reflect management's estimates of salary escalations, mortality of members, terminations, and the ages at which members will retire.

As at December 31, 1997, the pension plan's funded status was as follows:

(\$ millions)	1997	1996
Pension assets	\$ 867	\$ 759
Accrued pension obligations	\$ 651	\$ 598

Under the *Act*, the Workers' Compensation Board Superannuation Fund is continued in 1998 as the Workplace Safety and Insurance Board Employees' Pension Plan.

In 1997 amendments to the WSIB Employees' Pension Plan regulation were introduced to address several Revenue Canada issues, clarify certain administrative practices and implement plan improvements.

Responsibility Financial *for* Reporting

The accompanying financial statements were prepared by management in accordance with generally accepted accounting principles, consistently applied, and include some amounts based upon management's best estimates and judgements. Any financial information contained elsewhere in the Annual Report is consistent with these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss. The Board of Directors has established an Audit Committee to ensure that management fulfils these responsibilities. The Audit Committee meets periodically with management, internal auditors and external auditors to ensure that their responsibilities are properly discharged with respect to financial statement presentation, disclosure and recommendations on internal control.

The Internal Audit Branch performs audits designed to test the adequacy and consistency of the WSIB's internal controls, practices and procedures.

The external auditors, KPMG, working under the direction of the Provincial Auditor, have performed an independent audit of the financial statements of the WSIB in accordance with generally accepted auditing standards. Their report outlines the scope of this independent audit and their opinion on the financial statements of the WSIB.

Eckler Partners Ltd., the independent consulting actuaries to the WSIB, express an opinion on the adequacy and appropriateness of the valuation of the WSIB's benefits liability.



Glen Wright
Acting President
and Chief Executive Officer



David Doncaster
Vice-President,
Finance and Corporate Services
and Chief Financial Officer

February 27 , 1998

Auditors' Report



KPMG

*To the Workplace Safety and Insurance Board,
the Minister of Labour,
and to the Provincial Auditor*

Pursuant to the *Workplace Safety and Insurance Act* which provides that the accounts of the Workplace Safety and Insurance Board (WSIB) shall be audited by the Provincial Auditor or under his direction by an auditor appointed by the Lieutenant Governor in Council for that purpose, we have audited the balance sheet of the WSIB as at December 31, 1997 and the statements of operations and unfunded liability and cash flows for the year then ended. These financial statements are the responsibility of WSIB management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the WSIB 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.

A handwritten signature of the KPMG firm, written in a cursive style.

Chartered Accountants

Toronto, Ontario
February 27, 1998

Consulting Actuaries Report

Eckler Partners Ltd.

Consulting Actuaries' Report on the Valuation of the Benefits Liabilities of the Schedule 1 Accident Fund of the Workplace Safety and Insurance Board of Ontario as at December 31, 1997

We have determined the estimated present value as at December 31, 1997 of future payments for short-term disability, long-term disability, rehabilitation, survivor benefits, health care and retirement income benefits under Schedule 1 on account of accidents that occurred on or before that date to be \$15,685 million. We have examined the data upon which the calculations were based and found them to be sufficient and reliable for the purposes of the valuation and consistent with the WSIB's financial statements. We consulted with the Chief Actuary in selecting appropriate assumptions and methods for the valuation. As in previous valuations, the present value does not include provision for future claims related to occupational disease or for future expenses of administration.

The present value reported above includes the liability for benefits under Bill 162 which came into effect as of January 2, 1990. In previous valuations, we relied on WSIB management's estimates of the average percentage of permanent impairment of workers becoming eligible for compensation for non-economic loss under section 42, of the average percentage wage loss of workers becoming eligible for compensation for future loss of earnings under section 43, and of the portions of compensation for future loss of earnings under section 43 and of supplemental pensions under section 147(4) of the *Act* which will be continued following the reviews 24 months and 60 months after the benefits commence, which we believed to be reasonable. For the purpose of this valuation, these assumptions have been modified to reflect actual experience available to date.

The present value also takes into account the provisions of Bill 165 which came into effect as of January 1, 1995, which affected the indexing of compensation and which provided for additional pension for certain categories of injured worker.

The present value also takes into effect the amendments to the *Act* contained in Bill 99, which received Royal Assent in October 1997, which affects the indexing of compensation and which provides for reinstatement of benefits to survivors whose benefits were terminated for reason of remarriage prior to April 1, 1985.

The valuation was based on the provisions of the *Workplace Safety and Insurance Act* and on the WSIB's administrative practices in effect as of January 1, 1998. Full provision has been made for potential future increases in the covered earnings ceiling and in the level of compensation as provided under the *Act* by using a net investment return assumption of 3% per annum with respect to fully indexed benefits and 6% per annum with respect to partially indexed benefits. The rates of net investment return were determined on the assumption that investment income in excess of these rates will be required to finance indexation of those benefits related to inflation. The long-term rate of general price inflation assumed in the valuation was 4% per annum, and the rate of indexation of benefits was therefore assumed to be 4% per annum for fully indexed benefits and 1% per annum for partially indexed benefits.

The estimated present value of future payments reported above includes a provision of \$135 million for retroactive payments and future ongoing payments arising from the reinstatement of benefits payable to surviving spouses of deceased workers which were terminated for reason of remarriage of the surviving spouse prior to April 1, 1985. We have reviewed the provision of \$135 million and believe it to be reasonable, although the ultimate cost will depend on the number of pensions reinstated.

Except as described above, the methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

In our opinion, the assumptions made in this valuation are appropriate, the methods employed are in accordance with sound actuarial principles and the amount of \$15,685 million as at December 31, 1997 makes reasonable provision for future payments for short-term disability, long-term disability, rehabilitation, survivor benefits, health care and retirement income benefits under Schedule 1 on account of accidents that occurred on or before December 31, 1997.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler Partners Ltd.



Jill M. Flicht, F.S.A., F.C.I.A.

February 27, 1998

Ten-Year History

Workplace Safety and Insurance Board Ten-Year Summary of the Statements of Operations and Unfunded Liability

(\$ millions)

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
REVENUES										
Assessment	\$2,573	\$2,610	\$2,653	\$2,351	\$2,283	\$2,528	\$2,505	\$2,596	\$2,678	\$2,377
Investment	849	711	593	499	521	453	450	440	409	316
	3,422	3,321	3,246	2,850	2,804	2,981	2,955	3,036	3,087	2,693
EXPENSES										
Benefits paid	2,249	2,371	2,385	2,331	2,435	2,444	2,342	2,059	1,782	1,624
Net increase (decrease) in benefits liability	(1,740)	50	(150)	(75)	400	760	1,440	1,220	2,117	1,443
Net increase in the Injured Workers' Retirement Fund	48	49	49	29	30	14	2	-	-	-
	557	2,470	2,284	2,285	2,865	3,218	3,784	3,279	3,899	3,067
Administrative and other	351	321	339	331	343	347	343	323	281	259
Legislated obligations	111	98	113	104	100	97	87	53	26	26
	1,019	2,889	2,736	2,720	3,308	3,662	4,214	3,655	4,206	3,352
NET INCOME (LOSS) FROM OPERATIONS										
	2,403	432	510	130	(504)	(681)	(1,259)	(619)	(1,119)	(659)
Unfunded Liability										
beginning of year	10,460	10,892	11,402	11,532	11,028	10,347	9,088	8,469	7,350	6,691
Unfunded Liability										
end of year	\$8,057	\$10,460	\$10,892	\$11,402	\$11,532	\$11,028	\$10,347	\$9,088	\$8,469	\$7,350
OTHER STATISTICS										
	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Schedule 1										
Average rate of assessment (per \$100 of payroll)	\$2.85	\$3.00	\$3.00	\$3.01	\$2.95	\$3.16	\$3.20	\$3.18	\$3.12	\$3.02
Total assessable payroll (\$ millions)	\$91,497	\$86,844	\$86,065	\$82,818	\$84,243	\$83,048	\$80,727	\$80,352	\$79,475	\$73,789
Number of WSIB employees as at December 31	3,966	4,373	4,597	4,603	4,751	4,909	5,139	5,138	4,611	4,387
Number of registered claims	344,142	345,606	371,837	370,444	368,485	377,019	409,946	473,407	467,212	489,819

WORKPLACE SAFETY AND INSURANCE BOARD

Head Office

Simcoe Place
200 Front Street West
Toronto ON M5V 3J1

Teletypewriter (TTY)

1-800-387-0500

Centralized Location for all claims mail

Send **All** claim-related mail to
Workplace Safety and
Insurance Board
200 Front Street West
Toronto ON M5V 3J1
or Fax:
1-888-313-7373
(416) 344-4684

Prevention Services

(416) 344-3456
1-800-668-4864

Office Locations Guelph

1 Stone Road West
4th Floor, South Tower
Guelph ON N1G 4Y2
(519) 826-4650

Hamilton

120 King Street West
Hamilton ON L8N 4C5
(905) 523-1800

Kingston

234 Concession Street
Suite 304
Kingston ON K7K 6W6
(613) 544-9682

Kitchener

55 King Street West
Suite 501
Kitchener ON N2G 4W1
(519) 576-4130

London

148 Fullarton Street
London ON N6A 5P3
(519) 663-2331

North Bay

128 McIntyre Street West
North Bay ON P1B 2Y6
(705) 472-5200

Ottawa

360 Albert Street
Suite 200
Ottawa ON K1R 7X7
(613) 238-7851

As of July 27, 1998

99 Metcalfe Street
Suite 700
Ottawa ON K1P 1E8
(613) 238-7851

Sault Ste. Marie

153 Great Northern Road
Sault Ste. Marie ON P6B 4Y9
(705) 942-3002

St. Catharines

Lake-Carlton Plaza
161 Carlton Street
Suite 201
St. Catharines ON L2R 1R5
(905) 687-8622

Sudbury

30 Cedar Street
Sudbury ON P3E 1A4
(705) 675-9301

Thunder Bay

410 Memorial Avenue
Thunder Bay ON P7C 5S2
(807) 343-1710

Timmins

Pine Plaza
119 Pine Street South
Suite 310
Timmins ON P4N 2K3
(705) 267-6427

Toronto

200 Front Street West
Toronto, Ontario
M5V 3J1
(416) 344-1000

Windsor

235 Eugenie Street West
Windsor ON N8X 2X7
(519) 966-0660

Industry Sectors

Agriculture

(519) 826-4650
1-888-259-4228

Automotive

(416) 344-1001
1-800-263-8877

Chemicals/Plastics and Process

(416) 344-1004
1-800-387-0080

Food

(416) 344-1001
1-800-263-8877

Forestry Pulp & Paper

(807) 343-1710
1-800-465-3934

Health Care

(416) 344-1002
1-800-387-0066

Manufacturing

(416) 344-1005
1-800-387-0025

Mining

(705) 675-9301
1-888-784-7855

Municipal Education Electrical

(416) 344-1004
1-800-387-0080

Schedule 2

(416) 344-1004
1-800-387-0080

Services

(416) 344-1007
1-800-387-0068

Steel

(905) 523-1800
1-800-263-8488

Transportation

(416) 344-1002
1-800-387-0066

Small Business Construction Sector

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1-800-387-0080

Hamilton

(905) 523-1800
1-800-263-8488

London

(519) 663-2331
1-800-265-4752

Ottawa

(613) 238-7851
1-800-267-9601

Sudbury

(705) 675-9301
1-800-461-3350

Thunder Bay

(807) 343-1710
1-800-465-3934

Toronto

(416) 344-1007
1-800-387-0068

Windsor

(519) 966-0660
1-800-265-7380

A landmark year



Workplace Safety &
Insurance Board

Commission de la sécurité
professionnelle et de l'assurance
contre les accidents du travail