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:

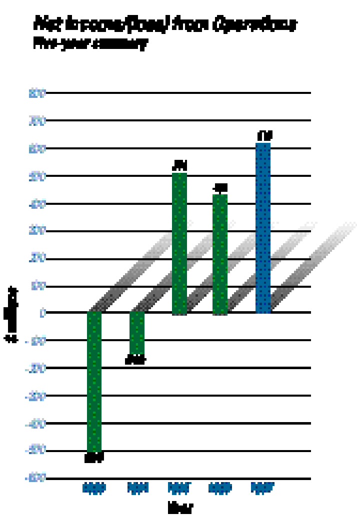
- strengthen the WSIB's role in encouraging workers and employers to prevent injury and illness in Ontario workplaces;
- restore the financial viability of the workers' compensation system;
- return injured workers to work safely and more quickly;
- refocus the workers' compensation system as a workplace 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.



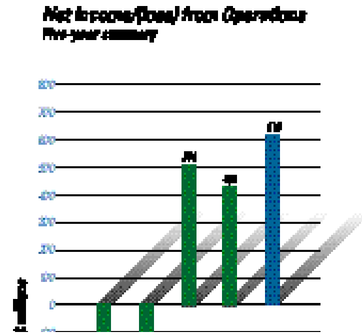
Note: For comparison purposes, 1994 net income of $130 million has been adjusted to exclude the changes legislated by Bill 165.

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 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.

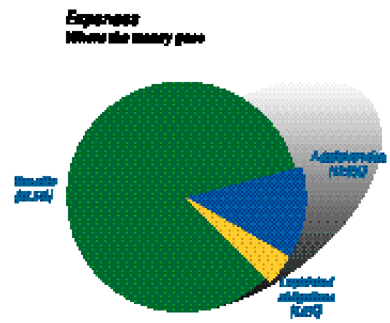
The year-over-year operating performance of the WSIB is summarized below:



($ 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:

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.

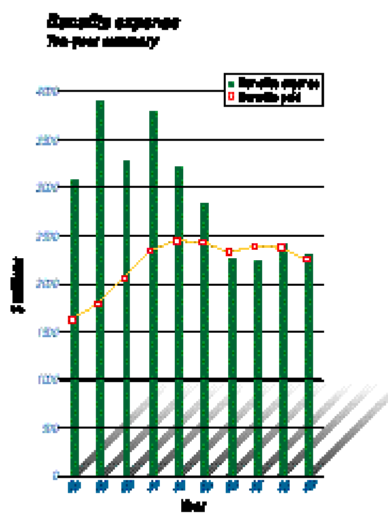
The reduction of benefit levels from 90 to 85% of pre-injury net average earnings will apply to new claims starting January 1, 1998. The reduction from 10 to 5% of the worker's loss of earnings benefit set aside by the WSIB for new claims will not be felt until 1999. Bill 99 also allows the injured worker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

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



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)

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%.

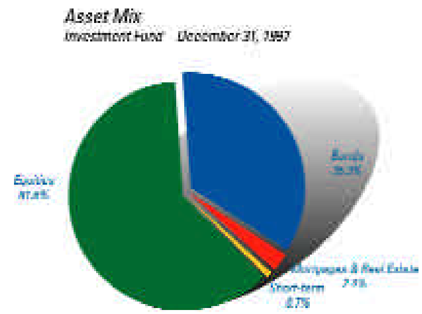
The Investment Fund's long-term target is to achieve a return of 3% above the rate of inflation. Investment revenue earned in 1997 was $849 million compared with $711 million in 1996. The increase is mainly due to the higher realized gains. Propelled by these buoyant markets, the Investment Fund recorded 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.

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



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.

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 indebteness (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 *of* Cash Flows

For the Year Ended December 31, 1997
($ millions)

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from:		
Employers, for assessments	$ 2,569	$ 2,574
Cash paid to:		
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		
Cash received from:		
Investments	340	267
Sales and maturities of investments	9,564	6,121
Net sales of short-term securities	58	79
	9,962	6,467
Cash paid for:		
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)

	Up to 1 year	1 -5 years	Term to maturity 5 - 10 years	Over 10 year	Less unamortized gain	1997	1996
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 1 - 5 years	5 - 10 years	Over 10 years	*1997*	*1996*
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				6	
Yield %				1.4	
Total					
Fair value				106	161
Yield %				5.5	6.2

5. CAPITAL AND OTHER ASSETS

($ millions)

	1997 Cost	*1997* Net Book Value	*1996* 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	Rehabil-itation	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 *for* Financial 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.

KPMG

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.

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

Actuaries with the firm of Eckler Partners Ltd.

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