Saskatchewan Workers' Compensation Board

Annual Report 2013

A Decade of WorkSafe SASKATCHEWAN

Work to live.

2002
Nearly 40,000 injuries are reported. Claim costs are over $221 million.

2002
The Time Loss injury rate is 4.95%, the highest ever. The WorkSafe Saskatchewan Memorandum of Understanding is signed, forming the partnership between the WCB and the Ministry of Advanced Education, Employment and Labour.

2003
WorkSafe promises a 4% Time Loss injury rate by 2007, an ambitious 20% reduction.

2003
309,362 workers are covered by the WCB. 38,919 injuries are reported.

2004
The average WCB premium rate for employers peaks at $2.05. Claim costs are $210.9 million.

2005
Time Loss injury rate drops to 4.25%.

2006
The Total injury rate is 10.18%. WorkSafe forms partnership with Safe Saskatchewan for the prevention of injuries on and off the job.

2007
Time Loss injury rate drops to 3.80%. The 2003 goal is achieved.

2008
WorkSafe launches Mission: Zero at the WCB Annual General Meeting.

2008
More people are working and getting hurt. 362,667 workers are covered by the WCB. 43,303 injury claims are reported. Total injury rate hits 10.21%.

2009
Safe Saskatchewan adopts Mission: Zero. Total injury rate is 9.32%.

2010
The first Health and Safety Leadership Charter event is held. Over 200 people attend and 127 leaders sign the Charter, promising to uphold seven principles of health and safety in their organizations and communities.

2011
85% of employers achieve Mission: Zero. The average WCB premium rate is $1.61, the lowest in a decade.

2012
Time Loss injury rate is below 3% at 2.79%. Total injury rate is 8.65%.

2013
Saskatchewan's Time Loss injury rate is 2.54%, a 50% reduction since 2002.

2013
Over 38,000 employers achieve Mission: Zero. 398,774 workers are covered by the WCB, 89,412 more than in 2003. 37,731 injury claims are reported, 1,188 fewer than in 2003.

Vision

In serving injured workers and employers, we excel in the development and delivery of workers' compensation programs and services. In serving all workers and employers, we develop and deliver injury prevention programs and services that move Saskatchewan quickly to zero workplace injuries.

Mission

In support of our vision, our mission is to:

- Provide the right service, at the right time, and be cost effective in our processes.
- Build positive relationships with workers, employers, and others affected by the workers' compensation system.
- Build positive relationships and implement programs that move Saskatchewan to zero workplace injuries.
- Ensure the health and safety of our own employees is considered in all of our decisions and actions.
- Communicate clearly our distinct identity, benefits, and beliefs.
- Ensure the organizational and financial integrity of the Workers' Compensation Board.
- Be accountable for our results.

Contents

Saskatchewan Workers' Compensation Board

Year at a Glance

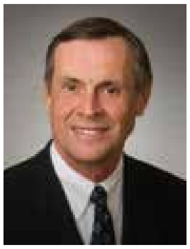
	2013	2012	2011	2010	2009
Number of workers covered [1]	**398,774**	385,856	377,004	370,659	353,384
Time Loss injury rate (per 100 workers) [2]	**2.54**	2.79	3.05	3.12	3.44
Total injury rate (per 100 workers) [2]	**7.80**	8.65	8.73	8.70	9.32
Number of claims reported	**37,731**	39,343	39,689	38,773	39,558
Number of Time Loss claims accepted [2]	**10,116**	10,774	11,516	11,574	12,141
Fatal claims accepted [3]	**34**	56	36	44	32
Average duration in days [4]	**34.88**	38.89	34.44	34.67	34.10
Active employer accounts [5]	**45,649**	43,611	41,972	40,365	38,354
Average premium rate [6] (per $100 of insurable earnings)	**1.58**	1.60	1.61	1.63	1.66
Number of appeals filed Appeals Department	**1,006**	841	940	1,152**	951
Board Level	**274**	267	190	243**	232
Claims costs ($ millions)	**283.4**	196.1	199.7	228.3	222.8
Premium revenue ($ millions)	**301.4**	296.2	282.0	251.0	255.2
Investment income ($ millions) [7]	**252.6**	127.3	(33.5)	147.2	27.0
Benefits liabilities ($ millions)	**1,085.5**	1,005.4	1,013.9	1,021.3	995.7
Funded position ($ millions)					
Injury Fund [7]	**521.1**	298.3*	229.3	235.9	111.0
Reserves	**117.6**	150.4	60.8	61.3	59.7
AOCI [8]	**(2.6)**	(8.4)*			6.3
Funding Percentage [9]	**119.3**	117.1*	119.0	111.5	111.2

1 Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information as of December 31st. Does not include workers for self-insured employers.
2 Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers.
3 In the self-insured employer category, there was 1 fatality in 2013, 4 in 2012, 1 in 2011, 1 in 2010, and 2 in 2009.
4 Average days on compensation based on all Time Loss claims paid within a 12-month period.
5 Active employers excludes employers whose assessment accounts were closed during the year.
6 All years are Board-approved rates.
7 For the years 2010-2013, unrealized gains and losses on investments are recorded in investment income when incurred.
8 For 2012 and 2013, Accumulated Other Comprehensive Income (AOCI) includes actuarial gains (losses) on the defined benefit pension plan. In 2009, AOCI included unrealized gains (losses) on investments which are combined with the Injury Fund beginning in 2010.
9 Beginning in 2010, the calculation of Funding Percentage was changed to be consistent with prior years. The calculation now excludes the unrealized gains and losses on investments in the Injury Fund.
* Restated 2012 to reflect the change in accounting for defined benefit pension plans.
** Earlier reports incorrectly show 1,150 appeals received by the Appeals Department and 239 appeals received by the Board Appeal Tribunal.

Letters of Transmittal

The Honourable Vaughn Solomon Schofield
Lieutenant Governor Province of Saskatchewan

May it please Your Honour:
I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2013.



The Honourable Donald Morgan, Q.C.
Minister Responsible for the Workers' Compensation Board

The Lieutenant Governor in Council:

We are pleased to submit the eighty-fourth Annual Report of the Workers' Compensation Board for the year ending December 31, 2013.

Respectfully submitted,

Gord Dobrowolsky
Chairperson

Walter Eberle
Board Member

Karen Smith
Board Member

Walter Eberle
Board Member

Karen Smith
Board Member

Gord Dobrowolsky
Chairperson

Message from the Board

It is an exciting time to live and work in Saskatchewan. We have one of the strongest and most durable economies in North America. It is fueling development in large and small communities, and making Regina and Saskatoon the fastest growing urban centres in Canada. And it is attracting new Canadians to our province, seeking the same opportunities that drew earlier waves of newcomers a century ago.

It also is an exciting time to serve as your Board. Saskatchewan's economic success has brought more and different businesses to our province and is employing a record number of workers. We have had a front row seat as the industrial mix changed and our covered workforce grew. Our clients are representative of this new and vibrant economy. One thing is certain: we must be in step with you so that we continue to deliver a system that is contemporary with your service expectations.

The challenge for us is providing the appropriate guidance and oversight to administration. We must continue to require that administration execute strategies that create the best possible compensation system for Saskatchewan's workers and employers. Administration's task is to build success upon success, using today's accomplishments to craft tomorrow's achievements. Our task is to build a contemporary governance framework that allows administration to succeed.

Governance is at the heart of your compensation system. Do governance well and the fundamentals are in place for your compensation system to be effective, to be efficient, and – importantly – to respond to your needs.

In recent months, your Board has been working on a new governance framework for your WCB. Our aim is to define roles, authorities, and responsibilities that strike a balance between our role as overseers of your compensation system, and administration's role to adapt and innovate. Our goal is a framework that is best of class and appropriate for Saskatchewan's growing economy.

As we complete our governance work, we will hold steadfast and true to our founding Meredith Principles. It is a testament to the endurance of these Principles, that they are as relevant today as they were when our province adopted them nearly 85 years ago. They continue to be the lens through which we view the future of your compensation system.

In this report, you will learn that you again made strides in lowering our workplace injury rates. We know this is possible only through the concerted efforts of employers and the working men and women of our province. While the number of fatalities is lower this year, deaths from occupational disease make up nearly one-third of all fatalities. This reminds us that today's actions prevent tomorrow's tragedies. Workplace safety and injury prevention will remain top of mind for your Board. We encourage you to take up Mission: Zero's call to action by making a safe and healthy workplace your personal responsibility.

The goals we achieve as your Board are only possible because of the professionalism and dedication of the men and women who work at your WCB. Each year we challenge them to aim for service excellence while remaining efficient in their operations. We congratulate them for the successes they achieved this year. They remain our greatest asset.

It is our pleasure to serve as your Board. We can think of no better or more gratifying work than guiding a compensation system that is a leader in service to employers and workers. We thank you for your continuing support.

The WCB Board: Structure, Mandate and Role

The WCB is an independent board that through 2013, administered *The Workers' Compensation Act, 1979* (the Act). On January 1, 2014, that Act was replaced by *The Workers' Compensation Act, 2013.*

The WCB operates like an insurance company, but follows the Meredith Principles. It protects registered employers from lawsuits when a workplace injury happens. It provides guaranteed benefits and programs to injured workers in industries covered by the Act. Its costs are funded entirely by premiums paid by employers in covered industries. The premiums are based on injury frequency and costs. Any injured worker in an industry covered by the Act can claim benefits and programs. Any employer in an industry covered by the Act must register with the WCB and pay invoiced premiums.

Over 45,000 firms with nearly 400,000 workers registered with the WCB in 2013. The WCB accepts about 32,000 injury claims each year. About one-third will be for Time Loss injuries. This means that the injury kept the worker away from work beyond the day of the injury. Just over $283 million in expenses were incurred on worker benefits and programs in 2013.

Board Structure

The WCB has a three-person Board: a Chairperson and two Board Members. Each is appointed by the provincial government. The Board Members are appointed after consulting with business and labour organizations. One Board Member is appointed to bring the viewpoint of employers to the Board, and one is appointed to bring the viewpoint of workers.

Gordon Dobrowolsky was appointed WCB Chairperson in May 2013. From Prince Albert, Gord taught for five years before going in to business. He received his Bachelor of Education from the University of Saskatchewan. Gord served as Vice-Chair of the Saskatchewan Liquor Licensing Commission, was on Saskatchewan Executive Council for six years, and for eight years operated Delta Management Ltd., his public relations and marketing company. He spent 14 years in the cellular phone industry, and received "Top Dealer" awards for nine years from SaskTel. He was appointed to the Prince Albert Parkland Regional Health Authority in 2009 and served as Chair for four years. Gord was a volunteer Board Member of the Victoria Hospital Foundation in Prince Albert for six years. He is a current member of the Prince Albert Chamber of Commerce, Prince Albert Elks Club, the Prince Albert and Saskatchewan Wildlife Federation, the Prince Albert Breakfast Club, and is a supporter of Special Olympics. Gord received his Professional Director designation from the Johnson-Shoyama School of Public Policy.

Karen Smith represents employers on the WCB Board. She was first appointed in June 2005. Her professional background includes Director of Employee Benefit Plans for the Saskatchewan School Boards Association. Ms. Smith is active in the business community. She represented employers on the WCB's former Early Intervention Program Advisory Committee. She also is a member of the Human Resources Committee for the Saskatchewan Chamber of Commerce. Karen was on the board for the Saskatchewan Assessment Management Agency and several community organizations. She is a former member of council for the Village of Buena Vista and a life member of the Provincial Association of Resort Communities of Saskatchewan. Karen obtained a Charter Director designation from the McMaster University Directors' College and earned a Tribunal Members' Certificate in Tribunal Administrative Justice from the Foundation of Administrative Justice. She is currently President of the Saskatchewan Administrative Tribunal Association and a Director of the Council of Canadian Administrative Tribunals.

Walter Eberle represents workers on the WCB Board. He was first appointed in December 2001. Walter was a member of the 2001 Workers' Compensation Act Committee of Review. He spent 22 years as a staff representative at the Regina-based Grain Services Union and served on committees with the Canadian Labour Congress and the Saskatchewan Federation of Labour. Walter spent four years in the Royal Canadian Navy, two years with SaskPower, and 15 years with the former Saskatchewan Wheat Pool. He also coordinated the development of an occupational health and safety research centre in Mozambique. The centre continues to operate today. Walter has completed all training courses that are required to obtain the Tribunal Members' Certificate in Tribunal Administrative Justice through the Foundation of Administrative Justice.

Board Mandate and Responsibilities

The Board decides the WCB's broad strategic imperatives. It also makes certain that WCB operations and financial performance have the proper oversight. This requires Board Members to:

1. Provide long-range objectives and policies.
2. Recommend legislative change to the provincial government.
3. Safeguard the WCB's resources and assets.
4. Monitor the WCB's performance.
5. Report to stakeholders.
6. Hear and decide the highest level of appeals on injured worker compensation and benefit decisions, and employer classifications. Saskatchewan's internal appeal process is unique among Canadian jurisdictions.

Saskatchewan is the only province with a full-time WCB Board.

The Chairperson and Board Members meet their responsibilities through:

- Committees of the Board.
- Consultation with stakeholders regarding their issues and concerns.
- Regular and formal meetings of the Board, and between the Board and the WCB's Chief Executive Officer (CEO).
- Regular review of the WCB's strategic direction and balanced scorecard measures.
- Requiring and receiving regular formal reports that monitor the WCB's financial and operational performance.
- In their role as the Board Appeal Tribunal, Board Members are the highest level of appeal. In 2013, the Tribunal decided 274 appeals, 19 non-appeal issues and conducted 115 hearings. The Board Members direct involvement in the appeal process gives the Members valuable information which helps them to assess the effectiveness of WCB policies and to perform their role in the oversight of the WCB.
- Approval of new or amended policies.
- Oversight of the WCB's enterprise risk management processes.

Their duties require that Board Members maintain skills and knowledge appropriate to their tasks. Board Members:

- Attend industry congresses and symposiums organized by the Association of Workers' Compensation Boards of Canada.
- Attend courses and events from the Canadian Council of Administrative Tribunals that focus on topics like best practices for administrative tribunals.

- Take training offered through the Foundation of Administrative Justice on best and leading practices, and topics like interpreting legislation, decision writing, and effective hearings.
- Participate in The Directors' Series offered by Deloitte which focuses on market reforms, financial reporting requirements, and governance challenges.
- Take training offered through the Saskatchewan Administrative Tribunals Association.
- Attend educational conferences organized by the International Association of Industrial Accident Boards and Commissions.
- Attend professional development programs and workshops through the Directors' College, a joint venture of McMaster University and The Conference Board of Canada.
- Attend professional development programs through the Institute of Corporate Directors, a joint venture with the Rotman School of Management.

A Governance Framework That Defines Accountability

The Board recognizes the importance of a clearly defined governance framework to support their accountabilities as stewards of the workers' compensation system. The Board's first governance policy was approved in 2000. A review of their governance framework began in 2012 and continued through 2013, as Board Members began the revision and development of key governance documents, including orientation manuals.

Elements within the governance framework that define and chart how accountabilities will be met include:

1. Setting Strategy, Monitoring Performance

The WCB's Strategic Plan and broad organizational goals and objectives are set out by the Board. This includes an annual review of the WCB's Balanced Scorecard and risk register, and the vision, mission, principles and beliefs, values and strategy statements in its strategic plan.

The strategy statements formalize the Board Members strategic direction for the WCB. Currently, there are six statements, focusing organizational attention on:

- Customer service to injured workers, their families and employers, and care givers.
- Injury prevention and workplace health and safety, with attention paid to its own WCB employees as well as Saskatchewan workplaces.
- Positive relationships that serve workers and employers.
- Planning processes that effectively oversee and manage WCB operations.
- Risk management practices that mitigate risks to corporate and strategic success.
- Employee relations that foster pride and encourage success among WCB staff.

Each year, the Board reaffirms the corporate Balanced Scorecard and strategic objectives. The CEO must submit an operating plan for Board approval. Regular management reports on progress towards the plan are supplied to the Board Members.

The annual Strategic and Operational Plan is published and forms part of required reporting at the WCB's Annual General Meeting. The Saskatchewan WCB was the first Canadian compensation board to hold annual stakeholder meetings as part of its governance and accountability framework.

2. Budget and Employer Rate Approvals

The CEO prepares an annual budget for Board approval. Monthly reports are provided to the Board, with variance explanations when financial targets are not met.

Employer premium rates are set through a rigourous process that includes the advice and oversight of an external actuary. Once the proposed rates have been presented to stakeholder groups, and those groups have had an opportunity to address concerns to the Board, the rates are approved by the Board.

3. WCB Investment Committee

Fundamental to Saskatchewan's workers' compensation system is the guarantee to workers that benefits and programs will be available if and when they are needed. To back up that guarantee, the WCB is required to be fully funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of the claims. Termed the WCB's benefits liabilities, the amount needed at the end of 2013 to meet future costs was $1.086 billion. Investment assets, the financial resources that back up the funding guarantee to workers, were valued at $1.762 billion at the end of 2013.

The WCB Investment Committee, comprised of the three Board Members, with the WCB's CEO and Chief Financial Officer serving in ex officio roles, oversees the WCB's financial policies and investments. The Investment Committee is prudent in its policies, goals and objectives to ensure the stability of the WCB. The Committee recommends to the Board the approval of the WCB's Investment Policy and Guidelines and the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the Investment Policy and Guidelines.

In discharging its responsibilities, the Investment Committee meets quarterly to review investment performance and annually to review the Investment Policy and Guidelines, engages a financial consultant to monitor and advise on the performance of investment managers, and participates in ongoing training of investing and investment management.

4. WCB Audit Committee

The Board, with the WCB's CEO serving in an ex officio capacity, serves as the WCB Audit Committee. The role of the Committee is oversight.

The Committee:

- Annually reviews the Committee mandate and conducts ongoing training in financial literacy.
- Monitors the auditing, accounting and financial reporting processes.
- Ensures the independence and monitors the performance of the WCB's Internal Audit Department.
- Reviews the annual audited financial statements and related disclosures, including the Management Discussion and Analysis.
- Ensures compliance with legal and regulatory requirements; also ensures and periodically reviews internal controls on finance, accounting and legal compliance.
- Reviews, monitors and ensures the independence of the external auditors appointed by the Board.
- Ensures communication among WCB Board Members, WCB management, the Internal Audit Department, and external auditors.
- Meets regularly with WCB executive management, the Internal Audit Department, the Provincial Auditor, the external auditor and the external actuary.

Through the Committee, the Board also ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The Committee's role does not relieve WCB management of its responsibilities for preparing financial statements that accurately and fairly present the WCB's financial results and condition or the responsibilities of the independent accountants relating to the audit or review of financial statements.

5. Board Appeal Tribunal

The Board sits as the highest level of appeal in the WCB. It also has exclusive jurisdiction to determine several types of applications under the Act. Functioning as an administrative tribunal, the Board's decision-making responsibilities include matters such as:

- Worker claims
- Employer claims
- Employer assessments
- Administrative penalties
- Medical review panels
- Determination of the right to sue.

The Board oversees the development and monitors the effectiveness of processes for such applications and appeals to ensure that workers and employers receive fair and timely decisions.

6. The Fair Practices Office

The Board has responsibility for the appointment and oversight of the Fair Practices Office (FPO). The Fair Practices Office is a neutral, impartial and independent office of the WCB working to promote fairness in the WCB's practices, procedures and processes. The FPO receives, investigates and works to resolve complaints about unfair practices in all areas of the WCB service delivery raised by workers, employers and external service providers.

The FPO reports directly to the Board Members on a regular basis, on average 10 times per year. The FPO provides the Board Members with statistical and anecdotal information in order to support the discharge of their duties, providing direct, independent information on operational performance to support the strategic direction statements. The FPO keeps the Board apprised of stakeholders' specific issues and concerns as well as monitoring trends and systemic issues and makes recommendations for improvements. Information is also provided to help assess the effectiveness of the WCB policies to assist with the performance of their role in the oversight of the WCB.

7. Code of Conduct

Effective governance recognizes that boards of directors have a responsibility to influence the culture of the organizations they govern. The WCB's Board adopted a Code of Conduct in 2000 to serve as a guideline when conducting the business of the WCB. The Board is reviewing the Code of Conduct as part of the review of its governance framework and the development of its key governance documents.

The current Code of Conduct establishes a set of principles, foremost among them being an obligation of accountability to '... workers, employers, the general public and government. This obligation includes the competent, conscientious and effective accomplishment of the duties of the Board.'

Other principles include a focus on strategic direction, decisions that serve the best interests of all stakeholders, monitoring and reporting on the WCB's performance, and ensuring the capability of governance through the continuing development and education of Board Members.

At the direction of the Board, WCB management developed a corporate Code of Conduct and Ethics that reflects the Board's own Code of Conduct, and that is intended to guide employees in their decisions and actions. Management monitors and reports on employee compliance with the corporate code.

Setting High Standards; Expecting Results

As stewards of the workers' compensation system, the Board expects management to meet high performance standards and holds the organization to a reporting standard that ensures transparency for stakeholders.

Financial performance is monitored through the Board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is part of regular stakeholder events like the WCB's Annual General Meeting and annual rate setting meetings, and through the WCB's annual reports.

Program and management performance is measured through a corporate Balanced Scorecard that tracks the WCB's achievement of the Strategic Plan set by the Board. The WCB has been publishing its Balanced Scorecard as part of its annual reports since 2000. Metrics include worker and employer service satisfaction measures, duration of Time Loss claims, Total injury rate, a Relationship Index, an HR Alignment Index, an Effective Process Index, administration budget variance, and funded position.

Another initiative implemented by the Board ensures that the WCB's policies and procedures are reviewed regularly and amended when required. The initiative requires that each policy and its operating procedure are reviewed by management at least once every three years.

The Board and the WCB's executive management recognize that compliance with legislation and policies, and effective and efficient operations, require continual monitoring of operations and, in particular, key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and include file reviews by Team Leaders for completeness and accuracy. The WCB's Service Excellence Department provides another element of quality assurance through random file reviews of short-term and long-term injury claims, payments and vocational rehabilitation files.
- An Internal Audit Department that provides independent, objective assurance and consulting to the Audit Committee of the Board and to management and that evaluates processes for risk management, internal control and governance.
- An appeals process that provides injured workers and employers with an objective review of WCB decisions and actions. Appeals are first considered by the Appeals Department or the Assessment Committee, and, if not resolved, then by the Board Appeal Tribunal.
- A Fair Practices Office reporting to the Board that receives concerns related to the fairness of WCB actions and decisions, and where appropriate, forwards recommendations to WCB managers to resolve concerns.

Please visit the WCB's website at wcbsask.com for more information on Board governance, the WCB's operations and performance, and to view the WCB's 2013 Stakeholder Report and the 2013 Annual Report of the WCB's Fair Practices Office.

Donna Kane
Vice-President, Human Resources and Communications

Mick Williams
Vice-President, Administration

Graham Topp
Vice-President, Operations

Peter Federko
Chief Executive Officer

Phil Germain
Vice-President, Prevention and Employer Services

Ann Schultz
Chief Financial Officer

Message from the Executive

Our organization made significant changes in 2011 and 2012. We restructured to create a corporate focus on service excellence, completed the rollout of a new claims management system, and updated our corporate Balanced Scorecard and strategy map. Our focus in 2013 was sustaining and improving on the successes those changes brought about.

With a refreshed Balanced Scorecard as our guide, we updated our Strategic and Operational Plan. This confirmed that continuous process improvement is essential to achieving excellence, and that our pursuit of service excellence is pivotal to meeting our customers' needs. With that end in mind, we established a formal process improvement practice and a project management framework. They complement our Balanced Scorecard and give us a decision-making structure that is rigourous, targeted and that aligns the whole organization around what our customers need us to do.

Our early experience is proving the value of these changes. Working with a redesigned website, process reviews have led to the addition of new online services that are easy to use and that better meet customer requirements.

As you read through this Annual Report, you will see that our results for 2013 are substantially positive. Our average claim durations had grown as we implemented and gained experience with our new claims management system. In 2013, the average dropped to pre-implementation levels below 35 days. The return to work percentage for injured workers increased in 2013, ending the year at 98 percent. Both results tell us that we are being effective with premium dollars and providing high quality service.

Our financial results for 2013 were very good. Premium revenue exceeded 2012 levels, despite a decrease in the premium rate for most employers. This is a sign of the continued growth of the Saskatchewan economy. Investment income was strong, and administrative costs were contained. Aided by our positive program results, claims costs continued to improve. This resulted in a Comprehensive Income that increased our funded position to 119.3 percent. This is despite an increase to our benefits liabilities to meet obligations of our new legislation and an increase in the reserve for latent occupational diseases.

Our commitment to Mission: Zero remains a priority. We are unwavering in our objective to eliminate workplace injuries and illnesses, and to reduce the impact of disabling injuries through early, safe, and effective return to work. Good progress was made in 2013. Declines in the Time Loss injury rate and Total injury rate again surpassed our targets despite registering 2,038 more firms and covering 13,000 more workers. Full credit goes to Saskatchewan workers and employers for making Mission: Zero matter in their workplace. We see the difference they make every day.

We set ambitious targets and performance measures through our Operational Plan. We are pleased to report that in many cases our 2013 targets were met or exceeded. The pages that follow describe in more detail how we use the Balanced Scorecard, strategy map, and Operational Plan to guide our business to achieve what matters most – excellent customer service and efficient operations. We believe our approach will continue to generate positive results well into the future.

We are grateful to our Board for their leadership, their confidence, and their uncompromising vision of a compensation system that is fair, balanced, and service driven. Our staff is the face of our organization to our customers. Our continuing success is due to their efforts. We thank them for making customer service matter in their daily work.

Our work is made easier and more rewarding because of the cooperation of employers and workers from across our province. Thank you for helping us to achieve our 2013 successes.

Balanced Scorecard

We first reported on our use of the Balanced Scorecard as a performance measurement tool in our 2000 Annual Report. Using the scorecard helped us to focus the strategic lens that we used to direct the organization.

Our requirements changed as we became more practiced at strategic and operational planning. We needed a more structured and integrated use of the scorecard methodology to guide planning and decision making, and to monitor performance. We also wanted our employees to have a clear line of sight from their tasks to corporate performance targets.

Work on updating our scorecard began in 2012. By the end of the year, a new corporate scorecard and strategy map was in place. Our corporate strategy map documents our primary strategic objectives and shows how the four perspectives on the map link to reach our two overarching goals: worker and employer service excellence.

Staff in our business units then set to work defining scorecards and strategy maps for their departments that were aligned corporately and that could be used to translate the corporate strategic plan in to action at the business unit level. Cascading the scorecards with attention to corporate alignment gives us that clear line of sight between strategic objectives determined by the Board and the work that is planned to accomplish those objectives.

The scorecard and strategy map methodology views our organization from four perspectives. One perspective builds on to the other, leading to the achievement of strategic objectives.

Each perspective has its own set of strategic objectives that assemble a step-by-step blueprint for corporate success. Targets and metrics track and analyze performance.

1. The Stakeholders Perspective

- Using leading indicators to gauge customer service satisfaction. Poor performance here is a leading indicator of future corporate issues.
- The other three perspectives roll up to achieve the strategic objectives set for this perspective.

2. The Internal Perspective

- Metrics in this perspective tell us how well we are running our organization.

3. The Enablers Perspective

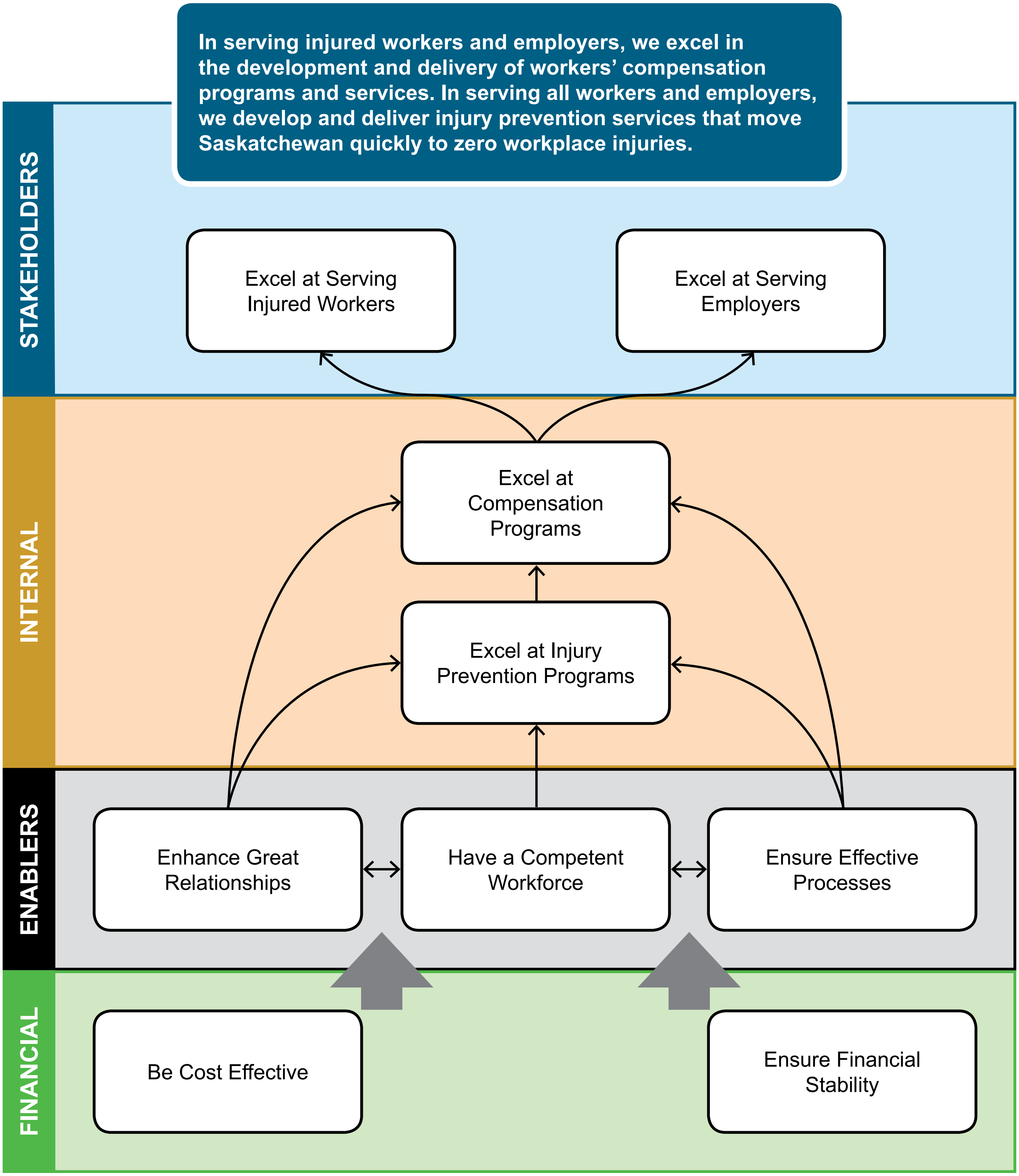
- We are a knowledge-worker organization. People are our key resource. Effective and efficient processes are our primary work tools. Metrics here help us focus management activities in training, recruitment, inter-personal relationships (inside and outside the WCB), work quality and process improvements that are integral to our success.

4. The Financial Perspective

- This perspective helps ensure that we have adequate financial resources to fulfill our legislated obligations and execute our plan. We strive to ensure adequate financial resources are maintained to meet obligations to injured workers, by collecting the right amount of premiums, maximizing investment returns and being cost effective.

Aligning business activities to the organization’s vision and strategy is only one benefit of the contemporary scorecard and strategy map. It also improves internal and external communications by focusing attention on the critical few results and measures that indicate corporate success, and by monitoring our performance against strategic goals.

WCB Strategy Map

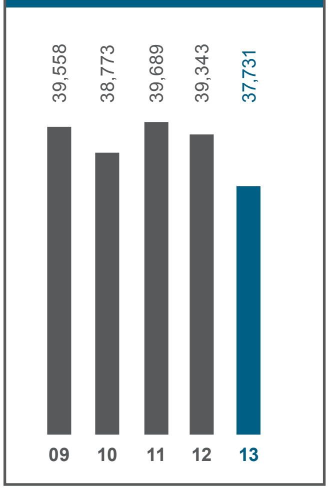


2013 Balanced Scorecard Targets and Performance

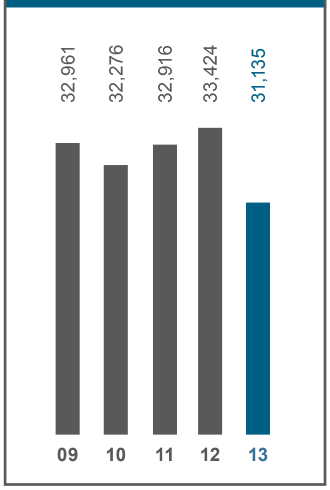
Corporate Objective	Indicator	Target	2013 Performance
STAKEHOLDERS PERSPECTIVE			
Excel at serving injured workers	Worker service satisfaction score	4.20%	3.99%
Excel at serving employers	Employer service satisfaction score	4.20%	4.09%
INTERNAL PERSPECTIVE			
Excel at compensation programs	Duration of Time Loss claims	35.5 days	34.88 days
Excel at injury prevention programs	Total injury rate	8.00%	7.80%
ENABLERS PERSPECTIVE			
Enhance great relationships	Relationship Index	95%	96%
Have a competent workforce	HR Alignment Index	95%	88%
Ensure effective processes	Effective Process Index	95%	80%
FINANCIAL PERSPECTIVE			
Be cost effective	Administration budget variance	± 0.75%	0.50%
Ensure financial stability	Funded position	110-120%	119.3%

Statistical Summary

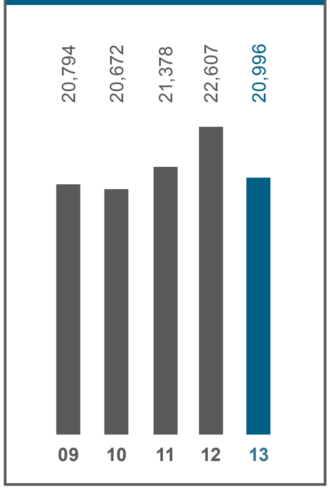
CLAIMS REPORTED[1]



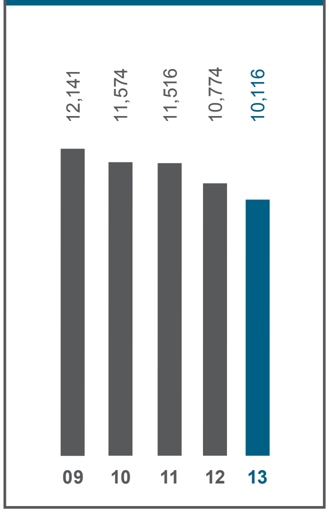
CLAIMS ACCEPTED[2]



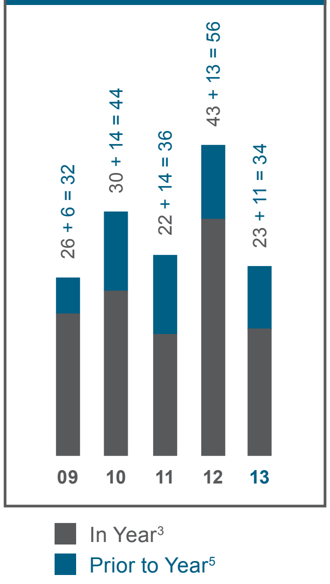
NO TIME LOSS CLAIMS[3]



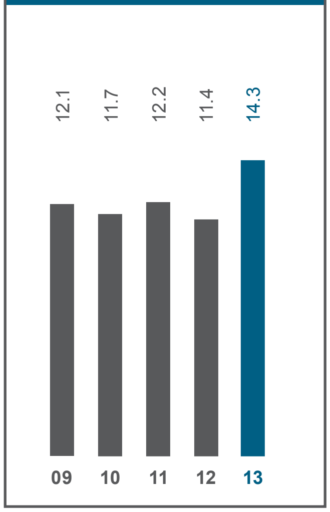
TIME LOSS CLAIMS[3]



FATALITIES[4]



UNACCEPTED CLAIMS(%)[6]



1 Claims Reported: New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, wcbsask.com.

2 Claims Accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work related, still pending, and/or duplicated within the system.

4 Excludes claims for self-insured employers. There was 1 in 2013, 4 in 2012, 1 in 2011, 1 in 2010 and 2 in 2009.

5 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims for self-insured employers, claims not covered under the Act, not work related, still pending, and/or duplicated within the system.

6 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at January 31, 2014 for 2013 claims reported. Claims are not accepted when the industry is not covered by the Act, a claim is not work related, or no further information is received following the initial report of the injury.

2013 Top Five Rate Codes With Injuries*

Rate Code	Number of Claims Accepted
G22 Health Authority, Hospitals, Care Homes	4,243
B13 Commercial, Industrial Construction	1,526
T42 Transportation, Courier, Commercial Bus	1,492
C32 Grocery, Department Store, Hardware	1,488
B12 Residential Construction	1,294

* All claims reported and accepted in 2013.

2013 Top Five Occupations With Injuries*

Occupation	Number of Claims Accepted
Nurse aides, orderlies and patient service associates	1,427
Truck drivers	1,353
Construction trades helpers and labourers	1,089
Welders and related machine operators	933
Material handlers	931

* All claims reported and accepted in 2013.

2013 Top Five Areas of Injury*

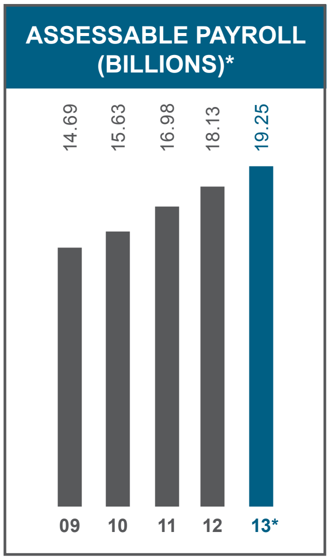
Body Part	Number of Claims Accepted
Back	4,710
Fingers	4,365
Eyes	2,045
Head	1,900
Shoulder	1,895

* All claims reported and accepted in 2013.

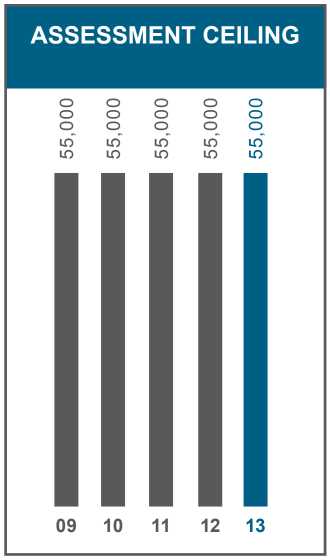
2013 Injuries by Age & Gender*

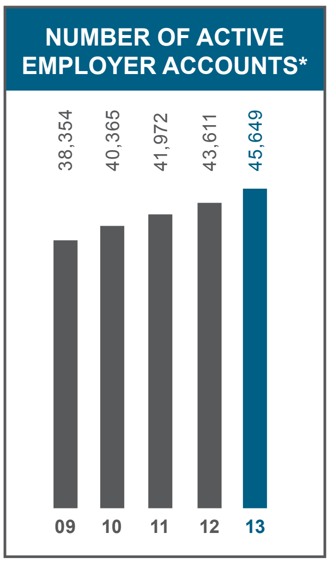
Age	Male	Female	Unknown Gender**	Total
Under 25	4,505	1,580	6	6,091
25 – 34	5,472	2,141	8	7,621
35 – 44	4,149	2,091	2	6,242
45 – 54	3,882	2,651	3	6,536
55 – 64	2,379	1,623	1	4,003
65 & Over	452	160	0	612
Unknown Age**	20	9	1	30
Total	**20,859**	**10,255**	**21**	**31,135**

* All claims reported and accepted in 2013.
** At time of publication, there were 21 claims with unknown gender and 30 claims with unknown ages.

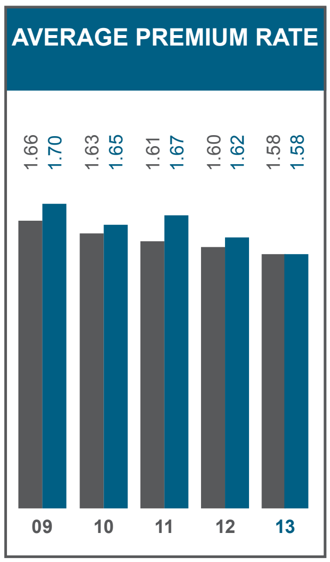


* Payroll provisional as at December 31st. Previous year's figures have been updated to reflect actual assessment payroll.





* Active employers excludes employers whose assessment accounts were closed during the year.



■ Average Provisional Premium Rate*

■ Average Actual Premium Rate**

* Average Board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.
** This rate consists of the base rate net of experience rating. 2013 rate was the Board-approved rate at time of publication. 2012 rate is restated to reflect actual 2012 experience rating.

Injury Rates

RATE CODE	DESCRIPTION	% OF WORKERS INJURED WITH TIME LOSS 2013	2012	2011	2010	2009	% OF WORKERS INJURED 2013	2012	2011	2010	2009
All Class*		2.54%	2.79%	3.05%	3.12%	3.44%	7.80%	8.65%	8.73%	8.70%	9.32%
A11**	Light Agricultural Operations	6.42%	9.31%	6.96%	8.77%	8.20%	16.20%	20.00%	16.07%	18.96%	20.28%
A21	Farming & Ranching	2.45%	2.33%	2.73%	2.59%	4.12%	6.09%	5.39%	6.14%	6.76%	7.79%
A31	Grain Elevators & Inland Terminals	0.52%	0.75%	1.01%	1.36%	1.23%	3.16%	3.58%	4.00%	4.52%	4.75%
B11	Construction Trades	3.54%	3.29%	3.54%	4.60%	5.75%	13.59%	13.19%	15.02%	15.66%	17.64%
B12	Residential Construction	4.38%	4.98%	4.84%	5.52%	5.84%	14.13%	16.28%	14.60%	16.02%	16.12%
B13	Commercial, Industrial Construction	1.96%	2.27%	2.96%	3.31%	4.37%	9.22%	10.95%	13.05%	14.56%	16.62%
C12	Light Commodity Marketing	1.29%	1.47%	1.45%	1.19%	1.88%	3.72%	3.81%	3.67%	3.33%	4.36%
C32	Grocery, Department Stores, Hardware	2.52%	2.38%	2.56%	2.93%	2.82%	7.02%	7.39%	7.27%	7.75%	7.77%
C33	Wholesale, Chain Stores	4.59%	3.80%	4.00%	4.41%	4.83%	12.54%	10.76%	9.65%	10.40%	11.77%
C41	Co-operative Associations	3.36%	3.58%	4.02%	4.14%	4.19%	9.70%	10.37%	10.08%	10.57%	11.75%
C51	Lumber Yard, Builders Supplies	4.32%	5.33%	4.73%	4.96%	4.17%	12.32%	13.85%	11.89%	11.91%	11.73%
C61	Automotive, Implement Sales & Service	1.97%	1.98%	2.43%	2.10%	2.49%	6.16%	6.18%	6.60%	5.75%	6.38%
C62	Automotive Service Shops, Towing	2.35%	2.51%	2.43%	2.36%	2.91%	8.71%	8.99%	8.01%	8.77%	9.44%
D32	Operation of Oilwells	0.55%	0.85%	1.21%	0.76%	0.97%	3.39%	4.16%	4.28%	3.81%	4.22%
D41	Oilwell Servicing	1.97%	2.43%	3.33%	3.82%	2.98%	11.18%	13.04%	17.01%	17.49%	13.30%
D51	Service Rigs, Water Well Drilling	1.61%	2.09%	4.22%	2.96%	2.20%	16.63%	16.67%	25.63%	18.16%	16.57%
D52	Seismic Drilling	0.75%	0.88%	2.18%	1.93%	1.60%	9.68%	10.21%	18.61%	15.07%	10.27%
D71	Open Pit Mining	1.69%	0.75%	0.47%	0.69%	0.50%	14.40%	14.64%	14.58%	9.95%	13.86%
D72	Underground Softrock Mining	0.77%	1.19%	1.11%	1.27%	1.62%	7.25%	7.83%	9.01%	10.94%	10.35%
D73	Underground Hardrock Mining	1.16%	1.12%	1.54%	1.17%	1.36%	6.03%	9.55%	11.73%	12.52%	11.10%
G11	Post Secondary Education	0.99%	1.14%	1.13%	1.33%	1.38%	3.42%	3.23%	3.43%	3.80%	3.70%
G12	Elementary & Secondary Education	2.96%	3.45%	3.07%	3.16%	3.19%	7.84%	8.68%	7.53%	7.15%	7.41%
G22	Health Authority, Hospitals, Care Homes	4.62%	5.14%	5.79%	5.85%	6.12%	10.52%	12.21%	12.39%	12.60%	13.08%
G31	Cities, Towns, Villages, RMs	4.02%	4.41%	5.03%	5.04%	5.59%	11.53%	11.66%	12.10%	12.11%	14.18%
G51	Government of Saskatchewan & Ministries	2.80%	3.13%	3.09%	3.13%	3.23%	8.93%	8.27%	7.67%	7.58%	8.11%
M31	Manufacturing, Pipeline Operations	0.56%	0.79%	1.14%	0.82%	1.17%	2.23%	3.31%	3.88%	2.91%	3.43%
M33	Refineries & Upgrader	0.92%	1.02%	1.06%	1.37%	1.31%	4.22%	4.68%	4.47%	5.58%	4.51%
M41	Dairy Products, Soft Drinks	6.31%	11.25%	7.02%	8.44%	10.88%	18.78%	24.65%	20.53%	21.38%	26.11%
M42	Bakeries, Food Prep & Packaging	2.72%	3.42%	3.04%	4.03%	4.46%	6.65%	8.80%	8.08%	11.03%	13.38%
M62**	Mills, Semi Medium Manufacturing	6.06%	6.70%	7.29%	6.62%	9.22%	16.32%	19.26%	17.63%	16.62%	21.03%
M72	Processing Meat, Poultry & Fish	8.57%	8.51%	6.34%	6.11%	6.91%	30.92%	33.56%	27.74%	21.51%	24.46%
M81	Metal Foundries & Mills	2.79%	2.47%	2.16%	2.58%	2.00%	13.46%	10.75%	11.86%	11.01%	10.56%
M91	Agricultural Equipment	5.25%	6.10%	5.99%	5.27%	6.72%	16.60%	20.91%	20.23%	18.57%	22.19%
M92	Machine Shops, Manufacturing	4.16%	5.27%	5.94%	6.37%	7.28%	14.61%	16.93%	18.49%	19.12%	20.64%
M94	Iron and Steel Fabrication	5.29%	7.07%	7.94%	7.18%	7.96%	18.10%	27.91%	25.58%	24.22%	24.02%
R11**	Road Construction & Earthwork	2.23%	1.77%	2.71%	2.71%	2.05%	8.62%	8.59%	9.78%	10.01%	8.15%
S11	Legal Offices, Financial, Drafting	0.21%	0.26%	0.20%	0.31%	0.32%	0.72%	0.73%	0.82%	0.59%	0.77%
S12	Offices, Professionals	0.60%	0.63%	0.67%	0.64%	0.61%	1.90%	1.78%	2.04%	1.80%	1.83%
S21	Community & Social Services	1.29%	1.30%	1.44%	1.47%	1.51%	3.51%	3.91%	3.77%	3.75%	3.81%
S22	Restaurants, Catering, Dry Cleaning	1.12%	1.33%	1.32%	1.41%	1.69%	3.93%	4.38%	4.32%	4.46%	4.87%
S23	Hotels, Motels, Taxis	1.75%	1.71%	1.87%	2.24%	2.70%	4.36%	4.74%	4.65%	5.79%	6.17%
S32	Personal, Business & Leisure Services	2.22%	2.33%	2.77%	3.63%	3.74%	6.59%	7.56%	8.38%	11.52%	12.93%
S33	Caretaking, Park Authorities	1.77%	1.63%	2.27%	2.37%	2.59%	5.61%	6.23%	6.73%	5.90%	6.48%
S41	Engineering, Testing & Surveying	0.56%	0.68%	0.57%	0.61%	0.77%	2.66%	2.86%	2.43%	2.32%	2.51%
T42**	Transportation, Courier, Commercial Bus	5.95%	7.55%	7.38%	6.31%	7.17%	13.88%	16.03%	15.39%	13.27%	14.54%
T51	Operation of Railways	1.94%	2.07%	1.59%	2.06%	2.38%	5.35%	5.21%	5.15%	5.23%	5.34%
T61	Commercial Air Transportation	2.03%	2.02%	2.34%	2.11%	1.19%	8.19%	8.41%	6.32%	6.21%	5.51%
U11	Telecommunications	1.55%	1.99%	2.72%	2.38%	1.96%	3.86%	4.44%	4.96%	4.32%	4.07%
U31	Electric Systems	2.62%	2.68%	3.31%	2.48%	1.67%	6.41%	6.40%	6.87%	5.64%	6.76%

Injury Rates equals the number of claims divided by the number of workers covered.
Number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.
* All Class Injury Rates excludes self-insured claims and workers.
** In 2011, the F41 rate code was disbanded and affected firms were reclassified into A11, M62, R11, and T42. The injury rates for all years have been calculated under the new classification scheme.

Claim Durations

RATE CODE	DESCRIPTION	2013	2012	2011	2010	2009
		AVERAGE DURATION IN DAYS				
All Class*		34.88	38.89	34.44	34.67	34.10
A11**	Light Agricultural Operations	45.78	43.04	39.44	33.52	31.09
A21	Farming & Ranching	49.98	83.59	73.98	54.28	51.86
A31	Grain Elevators & Inland Terminals	23.48	26.62	27.95	17.52	13.15
B11	Construction Trades	30.76	35.52	27.48	27.21	30.19
B12	Residential Construction	50.52	55.07	54.94	46.11	47.28
B13	Commercial, Industrial Construction	53.29	62.01	55.36	54.98	49.49
C12	Light Commodity Marketing	21.39	36.26	26.56	27.64	26.92
C32	Grocery, Department Stores, Hardware	30.10	30.14	28.98	31.08	26.12
C33	Wholesale, Chain Stores	25.84	34.58	26.92	26.15	23.50
C41	Co-operative Associations	30.83	31.92	25.93	27.79	27.12
C51	Lumber Yard, Builders Supplies	26.24	31.95	30.53	31.10	27.92
C61	Automotive, Implement Sales & Service	29.25	36.46	33.73	31.45	29.93
C62	Automotive Service Shops, Towing	48.85	37.34	45.31	45.68	36.39
D32	Operation of Oilwells	57.64	49.82	31.40	31.74	40.10
D41	Oilwell Servicing	64.86	64.87	68.61	55.93	71.07
D51	Service Rigs, Water Well Drilling	38.23	74.10	62.05	66.09	92.54
D52	Seismic Drilling	64.63	80.66	66.51	83.33	73.01
D71	Open Pit Mining	55.83	17.25	45.00	61.35	46.44
D72	Underground Softrock Mining	35.91	47.25	46.90	52.63	62.92
D73	Underground Hardrock Mining	67.80	64.07	55.01	76.45	71.20
G11	Post Secondary Education	43.48	36.56	26.23	36.85	19.21
G12	Elementary & Secondary Education	30.53	37.20	37.21	31.05	34.29
G22	Health Authority, Hospitals, Care Homes	27.44	30.63	24.64	27.74	29.38
G31	Cities, Towns, Villages, RMs	29.01	27.29	26.20	24.27	26.88
G51	Government of Saskatchewan & Ministries	46.08	50.91	44.42	43.60	36.07
M31	Manufacturing, Pipeline Operations	28.29	36.29	36.50	16.60	19.95
M33	Refineries & Upgrader	38.88	26.74	25.40	31.69	30.35
M41	Dairy Products, Soft Drinks	30.63	33.32	33.31	22.62	17.73
M42	Bakeries, Food Prep & Packaging	43.11	34.84	35.54	28.54	25.37
M62**	Mills, Semi Medium Manufacturing	25.41	35.13	30.99	29.36	34.11
M72	Processing Meat, Poultry & Fish	31.82	35.47	33.67	35.36	32.72
M81	Metal Foundries & Mills	27.58	47.36	46.92	32.98	40.02
M91	Agricultural Equipment	19.14	20.08	23.97	25.66	25.75
M92	Machine Shops, Manufacturing	31.23	31.47	25.80	27.63	28.63
M94	Iron and Steel Fabrication	24.70	29.49	25.05	38.06	32.52
R11**	Road Construction & Earthwork	52.34	64.89	63.71	60.93	59.15
S11	Legal Offices, Financial, Drafting	24.74	24.31	23.78	18.69	16.86
S12	Offices, Professionals	28.31	34.29	32.16	28.64	28.01
S21	Community & Social Services	27.18	31.37	28.41	27.18	23.49
S22	Restaurants, Catering, Dry Cleaning	28.04	31.21	29.18	28.52	29.24
S23	Hotels, Motels, Taxis	28.30	43.18	33.33	29.31	32.84
S32	Personal, Business & Leisure Services	35.10	48.08	29.10	30.62	28.06
S33	Caretaking, Park Authorities	33.36	39.87	26.24	30.21	38.83
S41	Engineering, Testing & Surveying	39.59	31.88	29.15	39.24	36.34
T42**	Transportation, Courier, Commercial Bus	47.85	47.83	43.25	54.42	51.20
T51	Operation of Railways	49.05	58.42	74.52	49.10	61.04
T61	Commercial Air Transportation	25.62	32.76	30.84	34.44	49.67
U11	Telecommunications	19.80	24.49	15.36	23.27	21.66
U31	Electric Systems	16.29	25.91	23.12	17.12	19.62

Average duration in days equals total days lost divided by claims with time lost.
* All Class duration excludes self-insured claims.
** In 2011, the F41 rate code was disbanded and affected firms were reclassified into A11, M62, R11, and T42. The claim durations for all years have been calculated under the new classification scheme.

Management Discussion & Analysis

The Management Discussion & Analysis (MD&A) is the responsibility of management. It is intended to provide an explanation of our financial position and results of operations for the year ended December 31, 2013. The Board carries out their review of the MD&A following a recommendation from the Audit Committee.

The MD&A should be read in conjunction with the audited financial statements and supporting notes as it complements and supplements these documents. Forward-looking narrative statements contained in this discussion and analysis represent our expectations based on information available as of March 5, 2014. Forward-looking statements involve certain risks and uncertainties. Actual future results may differ from those anticipated in this discussion.

Business Overview

Effective January 1, 2014, *The Workers' Compensation Act, 2013,* (the Act) provides our operating authority and mandate.

- We provide workplace injury insurance and services in Saskatchewan for industries covered by the Act.
- We are a monopoly, at arms-length from the provincial government, and operate as an administrative tribunal.
- We are responsible and accountable for decisions concerning entitlement to benefits that are guaranteed by legislation. Benefits can be income replacement, medical treatment (physician visits, prescriptions, hospital stays, surgeries and treatments, appliances and prosthetics), vocational rehabilitation and modifications to the workplace, home, or vehicle.
- We help injured workers and their families through recovery and rehabilitation following a workplace injury. Our goal is to return an injured worker to suitable employment as soon as it is medically safe to do so. In recent years, our mandate has evolved to include workplace safety and injury prevention programming.
- We raise funds for operations through premiums paid by employers and from market returns on our investments.
- We report to the provincial legislature through the Minister Responsible for the Workers' Compensation Board.

Our operations are guided by a Strategic and Operational Plan (SOP) developed by the Board and executive management. The SOP is reviewed annually and defines strategic priorities for the organization.

In 2013, the format of our SOP was changed to reflect our Balanced Scorecard strategy map. The SOP now presents initiatives to achieve corporate objectives in the:

- Stakeholders,
- Internal,
- Enablers, and
- Financial perspectives.

WorkSafe Saskatchewan (WSS) is our partnership with the Ministry of Labour Relations and Workplace Safety. Formed under a Memorandum of Understanding, WSS focuses on the development of an integrated injury prevention strategy and on programs that move Saskatchewan to zero workplace injuries. WSS also has adopted the Balanced Scorecard methodology and has developed its first scorecard integrated with its strategic and operational plan. WSS's strategic and operational plan can be viewed at **worksafesask.ca**.

We may partner with other organizations to advance strategic objectives that serve the interests of workers or employers. For example, we are a founding partner of Safe Saskatchewan, a non-profit organization dedicated to eliminating unintentional injuries. Working with Safe Saskatchewan, we launched the Health & Safety Leadership Charter in June 2010. Nearly 350 senior business and community leaders from across the province have signed the charter, publicly declaring their commitment to the health and safety of their employees, customers, contractors, and the wider community.

Enterprise Risk Management

Enterprise risk management (ERM) identifies risks to achieving strategic and operational success, and the controls in place to manage those risks. We use identified risks as a reference in strategic and operational planning, budgeting and performance management.

The Board updated the risks identified through the ERM process in 2013, using Balanced Scorecard best practices around risk identification and reporting. Key improvements include linking ERM to our Balanced Scorecard, identification and evaluation of risk categories by the Board, specific risk elements considered by management, and control initiatives implemented at the department level. The result is improved governance of our ERM processes and better alignment of the Strategic and Operational Plan.

The five most important risk categories identified by the Board were:

- Governance – There is a risk that WCB's governance structure does not protect the interests of the WCB. Governance processes are not formalized and implemented. Governance does not provide for proper oversight.
- Quality – There are risks associated with the outcome of processes. There are risks associated with not achieving process outcomes that provide service excellence.
- Technological Risks – There are risks of obsolescence of products and processes, and quality and integrity of data.
- Reputation – There are risks to the view of the WCB held by stakeholders, partners, the media, and the public.
- Performance and Productivity – There are risks related to the success of WCB programs and services, the completion of projects, and the running of the WCB (control systems, business policies, and business culture).

Management has identified risk elements within each risk category and identified controls to manage the risks. Strategic and operational plans incorporate control requirements which prioritize process improvement initiatives and projects to reduce or mitigate identified risks.

2013 Operational Highlights and Future Prospects

Starting with this annual report, MD&A content is presented through the four perspectives on our strategy map. This new format reflects that success in the Financial, Enablers, and Internal perspectives improves our ability to achieve our customer service objectives in the Stakeholders perspective.

Stakeholders Perspective

This perspective has two corporate objectives:

1. Excel at serving injured workers, and
2. Excel at serving employers.

We use an independent agency of record to conduct customer service satisfaction surveys for both injured workers and employers. The survey methodology is called the Common Measurements Tool (CMT). It is specifically designed to measure satisfaction levels with public service organizations.

In 2013, employers rated their overall average satisfaction with claim services at 4.09 out of 5, up from the 2012 average of 4.02. Workers with Time Loss injuries who were surveyed had an average satisfaction of 3.99 out of 5, down from the 2012 average of 4.06.

Through the survey our customers tell us that we must address service quality issues to improve satisfaction ratings. With duration objectives met, the focus of our 2014 process improvement projects is on priority service improvement opportunities as identified by our customers. Organizational structure and responsibilities were shifted in 2013 to ensure that we had resources assigned to this critical area. An Executive Director, Operations and a Director, Service Excellence positions were created to ensure that organizational initiatives are developed, coordinated and executed in a way that maximizes quality and timeliness of service delivery to our stakeholders.

The common themes in customer feedback relative to where service quality can improve include timeliness (decision making, problem resolution), ease of doing business (forms, access to the person being called, getting it right the first time), and communication (clear explanation of decisions, sufficient contact). Central to our service improvement strategy are reviews of our core claims management processes. In 2014 we will pilot a new process for the front end of a claim's life cycle – from injury to initial adjudication and first payment. Next, we will review the remainder of the Return to Work process – from first payment to claim closure. Once complete, we will work with our Data Governance area to review the potential for an improved system of claims analytics that will help us more proactively manage claims risks and position us to further improve and sustain claims outcomes.

Benchmarking data shows that our customer satisfaction ratings tend to place above the national average for public sector service providers using the CMT. For employers, our benchmarks are at or above average satisfaction ratings in 15 out of 22 categories surveyed. For injured workers, our benchmarks are at or above average satisfaction ratings in 13 out of 25 survey categories.

Internal Perspective

This perspective has two corporate objectives:

1. Excel at compensation programs, and
2. Excel at injury prevention programs.

Compensation Programs

Return to Work – 2013: 98 percent (2012: 97 percent)

Average Duration – 2013: 34.88 days (2012: 38.89 days)

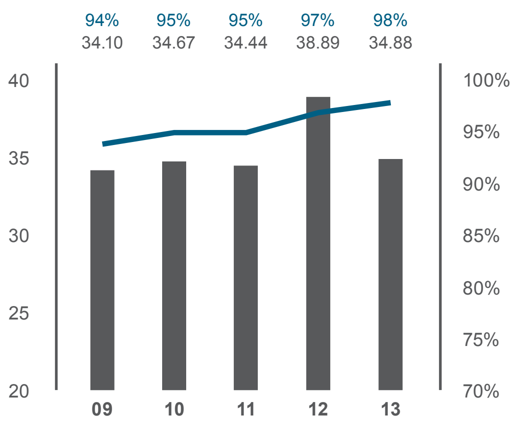
Claims management results in 2013 are positive when compared to those in 2012:

- 98 percent of injured workers sustaining a Time Loss injury returned to work, surpassing 97 percent in 2012 and the WCB's 92 percent objective.

- Average duration, the measure of timeliness of return to work, decreased 4.01 days to 34.88 days per Time Loss claim, surpassing the 2013 year end objective of 35.50 days but still 2.53 days more than the 32.35 day strategic objective.

In past years we have noted that, mathematically, average duration is being driven higher by the decreasing proportion of short-term Time Loss Claims in our system. In 2013, an actuarial analysis showed that average duration has increased 3.02 days since 2009 simply as a result of having a relatively higher proportion of more severe or long-term Time Loss Claims in our system. While this continues, gains made in average duration are particularly difficult to achieve.

Return to Work process improvement projects identified in the stakeholder service section are also central to our strategy to optimize process timeliness and thereby sustain durations.



CLAIM DURATION AND RETURN TO WORK PERCENTAGE

Compliance of entitlement decisions measures the quality of initial claims decisions. This metric dropped from 95 percent in 2012, to 93 percent in 2013 and as a result fell short of the 95 percent target for the year. We continue to monitor files from a quality perspective and we have enhanced our reporting of key quality measures with the goal of improving upon our processes.

We also measure time to first payment, which is the number of days it takes to issue a first payment after we are notified of an injury. The target is 75 percent of first payments are made within 14 days of injury occurrence. In 2013 our performance declined from 33 percent to 25 percent, well short of the 75 percent objective. In 2013 we completed a time to first payment process review. Early in 2014 we will pilot new processes designed to achieve the 75 percent objective.

Injury Prevention Programs

Time Loss Injury Rate – 2013: 2.54 percent (2012: 2.79 percent)

Total Injury Rate – 2013: 7.80 percent (2012: 8.65 percent)

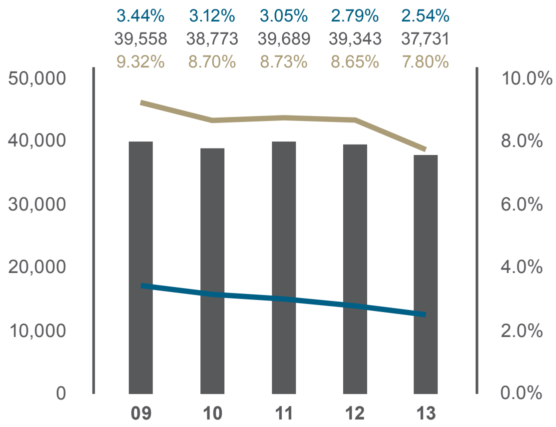
Total Claims Reported – 2013: 37,731 (2012: 39,343)

Total Claims Accepted – 2013: 31,135 (2012: 33,424)

Injury prevention has been a key component of our strategic vision since 2003. In 2009, in response to the wide acceptance of Mission: Zero as a call to action, stronger language was added to our Vision Statement making it clear that strategic success means zero workplace injuries in Saskatchewan.

Good progress was once again made in 2013, as injury rates continued to fall. The Time Loss injury rate dropped for the eleventh straight year, from 2.79 percent to 2.54 percent surpassing the target of 2.60 percent. Saskatchewan's workers, employers and safety organizations deserve credit for their contributions to reducing the injury rate.

We understand that continuing and concerted effort is needed to bring the injury rate down further. According to the latest statistics available from the Association of Workers' Compensation Boards of Canada (AWCBC), in 2012 Saskatchewan again had the second highest Time Loss injury rate in Canada.



CLAIMS REPORTED AND INJURY RATES

Claims Reported
Time Loss Injury Rate (per 100 workers)
Total Injury Rate (per 100 workers)

The Time Loss injury rate is calculated by taking the number of Time Loss Claims (TLCs) accepted and paid in the year and dividing it by the number of workers covered. The number of covered workers is expressed as full-time equivalents, or FTEs, and is determined by dividing reported payroll by the average weekly wage.

In 2013 we accepted 10,116 TLCs which is 658 fewer than in 2012. This is the eleventh consecutive year that the number of TLCs has dropped. This is a positive sign given that we covered 12,918 more full-time workers in 2013. As well, the total number of claims reported decreased by 1,612 claims.

While lowering the number of Time Loss injuries and reducing the Time Loss injury rate is important, our vision speaks to eliminating all workplace injuries. Therefore, we also calculate a Total injury rate that includes accepted No Time Loss as well as Time Loss claims.

In 2012, the Total injury rate in Saskatchewan was 8.65 percent. Through our WSS partnership, we set the goal of reducing the Total injury rate to 8.0 percent in 2013. As at December 31, 2013, Saskatchewan's Total injury rate was 7.80 percent, surpassing the target set for 2013.

The long-term drop in the Time Loss and Total injury rates shows that our strategic efforts through partnerships and joint initiatives are working. Going forward, we will continue to work with our partners and to look for new partnerships and opportunities that reduce all injuries – including fatalities – and that quicken the pace of reaching Mission: Zero. Our focus will be to:

1. Create Capacity: This includes providing training resources, train-the-trainer opportunities, supporting research related to injury prevention, expanding the number of rate codes supported by safety associations, and supporting occupational health committees. We eliminated the backlog for OHC train-the-trainer courses in 2013, and established three OHC training agencies.
2. Build Programs: This includes developing and updating programs and resources to ensure they meet best practices and legislative requirements. In 2013, we assumed all of the Ministry of Labour

Relations and Workplace Safety training courses. All courses were reviewed for changes associated with *The Workers' Compensation Act, 2013* and Bill 85 *The Saskatchewan Employment Act.* WorkSafe is preparing for changes to the federal Workplace Hazardous Materials Information System regulations.

3. Educate the Public: WorkSafe uses a variety of tools and partnerships to help educate the public about injury prevention. The WorkSafe website received 86,977 visits in 2013 compared to 76,218 in 2012. WorkSafe supported the development of two resources that are being used by teachers to help create safe classrooms (Lab & Science Safety Resource) and educate youth about the importance of workplace safety (safety module for Junior Achievement). On behalf of WorkSafe, we provided training to more than 5,700 workers in both classroom and online training.

4. Increase Awareness: This includes social marketing that delivers compelling messages on zero injuries, zero fatalities and zero suffering. Social marketing efforts include television and newspaper ads, as well as social media. The campaign continues to achieve high recognition. The level of awareness for WorkSafe increased from 75 percent in 2012 to 79 percent in 2013. There was also an increase in the recognition of Mission: Zero from 57 percent in 2012 to 66 percent in 2013. Many organizations have adopted Mission: Zero as their call to action and more organizations are now promoting it publicly.

5. Enhance Relationships: Establishing collaborative partnerships to advance mutual injury prevention goals and objectives is an opportunity to collectively invest fewer resources or achieve greater results. The number of formal partnerships grew from 25 in 2012 to 34 in 2013.

6. Build a Safety Culture: WorkSafe engages leaders and future leaders about the importance of injury prevention in creating successful businesses and communities. WorkSafe supports Safe Saskatchewan in its efforts to engage business, community and government leaders through the Health & Safety Leadership Charter. WorkSafe also supports the Junior Achievement program as a way to positively influence the business leaders of tomorrow. We have developed WorkSafe ads that target youth with the aim of changing the way youth think about injury prevention in all aspects of their life, including the workplace.

7. Targeting Initiatives: WorkSafe expanded the number of targeting initiatives from three in 2012 to six in 2013. We added a seventh targeting plan in late 2013. Targeting initiatives now include:

   - **Priority 50 Targeting Plan** – All priority employers are subject to increased inspections by the Ministry of Labour Relations and Workplace Safety and we offer support to help address health and safety issues that are driving injuries. In 2013, the goal was to lower the Total injury rate for these 50 employers by 10 percent. The 2013 Priority 50 employers reduced their combined Total injury rate by 12.87 percent, resulting in 301 fewer claims.

   - **Youth Targeting Plan** – Youth are statistically more likely to be injured on the job than a worker over the age of 25 years. In 2013, the goal was to lower youth injuries as a percentage of all injuries from 19.8 percent to 18.7 percent. The total number of youth workplace injuries in 2013 was the lowest in the past decade. Since its peak in 2008, the number of youth workplace injuries has dropped by 2,074. However, at December 31, 2013, the youth injury rate was 19.6 percent. WSS continues to survey youth about their attitudes, behaviors and demographics when it comes to safety and injury prevention. The data is being used to improve youth related injury prevention programs, services, and campaigns. WSS again supported the national youth video contest and campaign, including social marketing targeted at youth. WSS partners with the Labour Standards Division of the Ministry of Labour Relations and Workplace Safety to review and improve the Young Worker Readiness Certificate Course, and continues to support the Safe Saskatchewan Education strategy.

- **Manufacturing Targeting Plan** – Manufacturing was identified as an opportunity within the WorkSafe plan in 2012. Working with partners, a draft plan was developed in 2013. Building off the analysis completed in 2012, this strategy focuses on the combined Total injury rate for six manufacturing rates codes (M41, M62, M72, M91, M92 & M94). While the plan was being developed, WorkSafe targeted specific manufacturing firms and worked with industry and safety associations to expand the number of manufacturing rate codes covered by safety associations. Ten manufacturing firms were targeted in 2013. These firms realized an 18.85 percent decrease in their combined Time Loss injury rate compared to 2012.

- **Health Care Targeting Plan** – As Saskatchewan's largest employer, this sector's injury record significantly impacts the overall injury rate for the province. WorkSafe, with its partners, developed a new health care strategy that was rolled out in December 2013. During the development of this new plan we continued to focus our resources on 20 health care employers. These 20 employers reduced their combined Total injury rate by 9.25 percent, resulting in 229 fewer total claims in 2013.

- **Public Sector Targeting Plan** – A new public sector plan will be developed in 2014. In the meantime, WorkSafe supported the provincial government's Safety Champions plan. The combined Total injury rate for the public sector rate codes (excluding health care) increased from 8.06 percent in 2012 to 8.10 percent in 2013. WSS continues to work with this sector to address the Total injury rate.

- **Fatalities Plan** – The fatalities plan is still under development. WorkSafe established a Highway Safety Committee to try and tackle the high number of motor vehicle related fatalities. This committee produced two new TV ads aimed at changing poor driving habits. The committee also distributed over 20,000 safe driving kits to employers encouraging them to share this information with their staff.

- **Small Business Targeting Plan** – Small businesses represent the majority of employers in the province. While they do not represent the majority of injuries, we believed it was important to develop a plan to help these employers improve health and safety in their workplaces. The small business plan is under development.

Our Experience Rating Program (ERP) provides employers with financial incentives to improve or adopt workplace safety and injury prevention measures, and effective return to work programs.

The ERP ensures that the relatively small number of employers responsible for the majority of costs in the system pay higher premiums through surcharges. Employers who do not contribute to the costs of the system receive a discounted premium rate. Discounts and surcharges are calculated when annual rates are set in the fall of each year and then are applied to the employer's industry premium rate for the upcoming year.

By reducing the number of work injuries and their associated costs, employers can move from paying a surcharge to receiving a discount. This is most effectively done through effective workplace health and safety programs, and programs that return injured workers to work as soon as medically safe to do so.

Enablers Perspective

This perspective has three corporate objectives:

1. Enhance great relationships,
2. Have a competent workforce, and
3. Ensure effective processes.

The strategies and related processes within our Human Resources and Communications area directly contribute to the Enablers perspective and our organization's effectiveness.

One of the strategic objectives within this perspective is great relationships. The 2013 result of 96 percent exceeded the established target. There are two aspects to this strategic objective – internal and external. The internal aspect is measured by employee engagement; however, since this is measured every second year, the indicator is not available for 2013. From an employee relations standpoint, the organization negotiated and signed a four-year collective agreement during 2013 which contributes to internal stability and effective staff relations.

The other contributing performance measure within this index is external relations. Through WorkSafe, we continue to engage customers through meetings, presentations, customer surveys and partnerships. We will seek additional opportunities to partner with organizations that promote injury prevention, WorkSafe and Mission: Zero.

A competent workforce is another strategic objective linked to the Enablers perspective. This strategy has multiple initiatives relating to three key areas – employee recruitment, development, and retention which form the corporate Human Resources Alignment Index. The 2013 target for this index was 95 percent; however, the result was 89 percent. While recruitment and retention results were favorable, the participation rate for training and development fell short of target.

We also were pleased to be notified that we were selected as a Saskatchewan top employer since this recognition contributes to our recruitment and retention endeavors.

Once employees join the organization, we invest in a wide range of training and development including new employee orientation, extensive training of front-line staff, and leadership development. During 2013, training modules for payments were rewritten to reflect our new claims system and changes to our legislation. Work also began on case management training materials. Beginning in 2014, the newly formed Service Excellence Department will be working with business units to develop standards and related training programs.

The third strategic objective within the Enablers perspective is effective processes. These allow us to continually improve on delivering value to customers. Recently we renewed our approach to reviewing and improving processes. Priorities for improvement are now set using Balanced Scorecard strategy maps and corporate value stream maps. Improvements to these processes are executed through projects governed by our Portfolio Management Executive Committee (PMEC). Throughout 2013, our effective processes indicator was below target. Projects were undertaken in a number of areas to improve this performance. Some of these projects are yielding positive results while others are in earlier stages of implementation. In early 2014 we will implement a redesigned claim intake process to make it easier for our stakeholders to provide relevant information to process claims, and to enhance our ability to deliver value to stakeholders with more expedience and accuracy. Extensive stakeholder feedback has been used in the redesign of this process.

Process improvement methods will be used on an ongoing basis to ensure we continuously evaluate and adjust our capacity to deliver quality service to stakeholders.

In 2013, PMEC governance processes improved alignment around corporate and divisional priorities. Clarity and focus helped us to select projects that impacted better corporate results relative to our Balanced Scorecard indicators. In 2014 this alignment will allow us to move with greater speed on projects that improve the processes that deliver value to our customers.

Two 2013 projects that improved service value are our new visual identity and a new corporate website. Both position us to deliver more and better online services to our customers. The new visual identity is mobile-friendly. This makes it easier for us to make mobile applications available to our customers. The new website was designed to be user-friendly and to support a greater number of online services.

Financial Perspective

This perspective has two corporate objectives:

1. Be cost effective, and
2. Ensure financial stability.

Saskatchewan's economy remained strong in 2013 and global markets continued to rebound from the lows reached in early 2011. Investment markets performed very well and market values increased. Investment income recorded was $252.6 million compared to the $127.3 million in 2012, the result of unrealized gains as detailed in this section of the MD&A.

In 2013 the format of the Statement of Operations and Comprehensive Income was changed to highlight Underwriting Profit (Loss). This calculates the difference between premiums and expenses to show the result of our insurance operations before investment income. In 2013 despite a strong Saskatchewan economy that produced an increase in premium revenue, there was an underwriting loss of $62.7 million because of the increase in benefits liabilities. This compares to an underwriting profit in 2012 of $31.2 million. The underwriting loss in 2013 was mainly the result of an adjustment to benefits liabilities for the impact of future maximum wage rate increases on existing claims as described in the benefits liabilities section. There would have been an underwriting profit of $20.9 million if the adjustment had not been required.

Investment income increased significantly in 2013 and more than offset the underwriting loss to produce a net income of $190.0 million. Adding Other Comprehensive Income of $5.8 million from the net actuarial gain on the Defined Benefit Pension Plan results in total comprehensive income of $195.8 million. We remain in a fully funded position at 119.3 percent.

Premiums

Total premium revenue is made up of base premiums plus discounts and surcharges through the Experience Rating Program (ERP).

There are two ERP programs: the advanced program applies to employers who pay more than $15,000 in WCB premiums over a three-year period; employers who pay less than this amount are in the standard program.

Employers in the ERP's advanced program are subject to a 200 percent maximum surcharge while employers in the standard program are subject to a 75 percent maximum surcharge. The maximum discount available to employers in the standard program is 25 percent. Employers in the advanced program are eligible for a maximum 30 percent discount.

In 2013, 1,494 employers paid $23.1 million in surcharges while 22,406 employers received discounts of $26.8 million. The remaining 21,749 covered employers received neither a discount nor a surcharge. The number of employers affected by ERP was similar to 2012 when 1,436 paid surcharges and 21,182 received discounts. The main reason for the increase in total discount amounts was the growth in payroll experienced by employers receiving discounts, relative to payrolls for surcharged employers.

For 2013 employer assessable payrolls increased by 6.2 percent to $19.25 billion due to strong economic growth, particularly in the Road Construction and Commercial & Industrial Construction sectors. As a result, base premium revenue increased by 1.9 percent to $304.6 million in 2013. This is despite a drop in the average premium rate from $1.60 in 2012 to $1.58 in 2013, the tenth consecutive decline. The net cost of the ERP, which increased in 2013 to $3.7 million, reduced premium revenue.

With continuing declines in the Time Loss injury rate and increases in reported payroll, the average premium rate for 2014 dropped 4.4 percent to $1.51 – down from $1.58 in 2013.

PREMIUM REVENUE AND AVERAGE PREMIUM RATE

Premium Revenue (millions)

Average Premium Rate (per $100 Insurable Earnings)

Expenses

We manage cost effectiveness in our five expense categories: claims costs, administration, safety and prevention, annuity fund interest and legislated obligations.

Claims Costs

Claims costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. Benefits liabilities represent the amount required to pay the future costs of all claims. As reported in the Statement of Operations and Other Comprehensive Income, claims costs totaled $283.4 million in 2013, a 44.5 percent increase from 2012. The increase consists of $203.3 million in cash expenses plus an $80.1 million actuarial increase to benefits liabilities. The benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail further on in this analysis.

The compensation component of claims costs consists of:

- Short-term wage loss and long-term earnings replacement payments to injured workers and their dependents,
- The health care services provided to injured workers, and
- Any vocational rehabilitation required to return injured workers to meaningful employment.

In 2013 compensation costs paid were $192.3 million, a $1.3 million decrease over 2012. Administration costs for adjudicating and managing claims are also allocated to claims costs, bringing the total 2013 compensation payments to $203.3 million, a 0.6 percent or $1.3 million decrease over 2012.

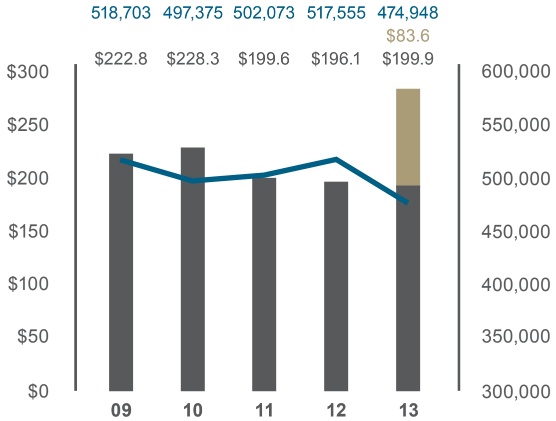
Durations and the number of Time Loss Claims (TLCs) are two key drivers of compensation costs. The duration of TLCs paid dropped in 2013. There was a drop in the number of new TLCs for the year, as well. A reduction in the number of TLCs from previous years influences overall claim costs. Total TLCs, that is all TLCs paid in 2013, were 13,616, or a 2.1 percent decrease from the 13,909 claims paid a year earlier.

The decrease in total TLCs paid in 2013 combined with the 4.01 day drop in average durations resulted in an 8.2 percent decrease in the total number of compensation days paid during the year, from 517,555 days in 2012 to 474,948 days in 2013. The drop in days paid resulted in short-term wage loss payments of $61.8 million in 2013, a 5.4 percent decrease over 2012.

Payments for long-term disability or earnings replacement and survivor benefits decreased in 2013 to $53.4 million, compared to $54.3 million in 2012. This is consistent with the drop in the number of injured workers receiving long-term disability or earnings replacement benefits of 129 to 4,903. There was an overall decrease in pension benefits even though there was an annual CPI increase in pension payments.

Health care payments increased 3.5 percent in 2013, to $73.0 million due to inflation in health care costs. We continue to invest more in treatment at the primary care level to help injured workers return to work as soon as it is medically safe to do so.

Vocational rehabilitation remains an important component of compensation. It provides the retraining and education needed when injured workers cannot return to their pre-injury job. Vocational rehabilitation costs increased slightly in 2013 to $4.0 million, a rise of $0.6 million from 2012. We remain diligent in our efforts to ensure that workers who require services are given the appropriate training, education, and modifications to their homes and workplaces.



CLAIMS COSTS (MILLIONS) AND COMPENSATION DAYS PAID

- Claims Costs (millions)
- One Time Adjustment (millions)
- Compensation Days Paid

The graph above shows total claims costs which is made up of actual payments made for compensation purposes and the change in benefits liabilities. The benefit liability change in 2013 included a one-time $83.6 million adjustment for the increase in maximum insurable earnings. Total claims costs without the one-time adjustment would have been $199.8 million.

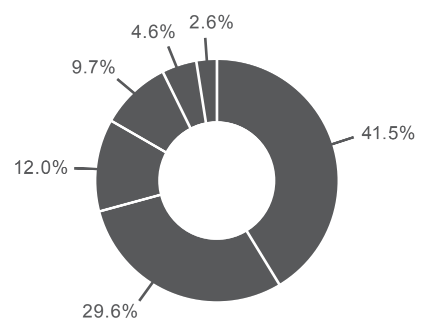
Benefits Liabilities

Benefits liabilities increased 8.0 percent in 2013 to $1,085.5 million. This is because of the increased maximum wage rate in Section 37 of *The Workers Compensation Act, 2013.* While the new Act did not take effect until January 1, 2014, the benefits liabilities is impacted by future maximum wage rate increases on claims in the system on December 31, 2013. The maximum wage rate for these claims will increase each year with the Provincial Average Wage (PAW) increase.

The first increase took effect on January 1, 2014 taking the maximum wage rate from $55,000 to $57,037. This resulted in an $83.6 million increase in the benefits liabilities.

Without the impact of the increase in maximum insurable earnings, the benefits liabilities decreased by $3.5 million because of positive trends in TLCs.

Except for projecting mortality tables for an additional year, the long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2012. The real rate of return used is 3.25 percent. Wages are expected to increase by 1.0 percent above the assumed 2.5 percent inflation rate. We consider these assumptions to be a realistic best estimate of future expectations.



BENEFITS LIABILITIES

41.5%	Long-Term Disability	$ 450,307,000
29.6%	Health Care	$ 321,230,000
12.0%	Short-Term Wage Loss	$ 130,566,000
9.7%	Survivor Benefits	$ 104,702,000
4.6%	Future Benefits Administration	$ 50,029,000
2.6%	Vocational Rehabilitation	$ 28,698,000
100%	Total	$1,085,532,000

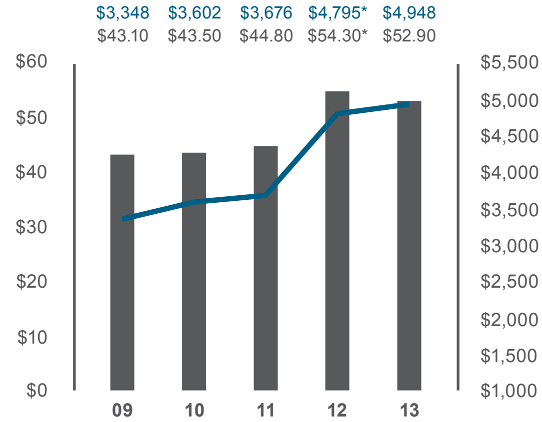
Most wage based benefits are expected to increase at the rate of inflation and will be discounted at the nominal rate of 5.75 percent. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.25 percent real rate of return. However, all wage based benefits including short-term and pension awards for long-term disability and survivor benefits, are subject to a ceiling based on the maximum wage rate prescribed under Section 37 of the Act. For the purpose of determining the present value of these future obligations that are capped by statutory limits, the obligations have been discounted using the nominal rate of return.

The benefits liabilities also includes an amount set aside to administer benefits in future years. We have determined the allowance for the expenses included in the liability valuation should be 4.2 percent of the liability for long-term disability and survivor awards, and 6.3 percent of the liability for all other claims. Future benefits administration accounts for $50.0 million of the $1,085.5 million total benefits liabilities.

Administration Expenses

Administration costs, before costs charged to Future Benefits Administration, dropped to $52.9 million in 2013, a 2.6 percent decrease from the restated 2012 administration expenses of $54.3 million. While there was a negotiated increase in salaries and benefits, it was more than offset by decreases in computer services and consulting services.

For the 2012 administration expenses, salaries and employee benefits were restated as a result of a change in the accounting for Defined Benefit Pension Plans. The 2012 amortization of actuarial losses on the Defined Benefit Plan of $2.7 million was reversed as all actuarial losses on the Defined Benefit Plan were retroactively recorded in Accumulated Other Comprehensive Income (AOCI).



ADMINISTRATION EXPENSES (MILLIONS) AND ADMINISTRATION COST PER TIME LOSS CLAIM

Administration Expenses (millions)

Administration $ per Time Loss claim

* Restated 2012 to reflect the change in accounting for defined benefit pension plans.

An important measure of administrative efficiency is our administration cost per TLC. We calculated this to be $4,948 in 2013 compared to $4,795 (restated) in 2012. The target for 2013 was $4,553. The increase reflects the drop in the pure number of TLCs and the increase in administration costs overall. In 2012, the most recent year that data is available from the Association of Workers Compensation Boards of Canada (AWCBC), Saskatchewan had the third lowest administration cost per Time Loss claim in Canada.

A second measure of administrative efficiency is the administration cost per $100 of assessable payroll. We estimated the 2013 ratio was $0.26 equal to our target of $0.26 per $100 of assessable payroll. For 2012, the most recent year that data is available from AWCBC, the ratio was $0.30 per $100 of assessable payroll, making Saskatchewan the third lowest in Canada.

Safety and Prevention

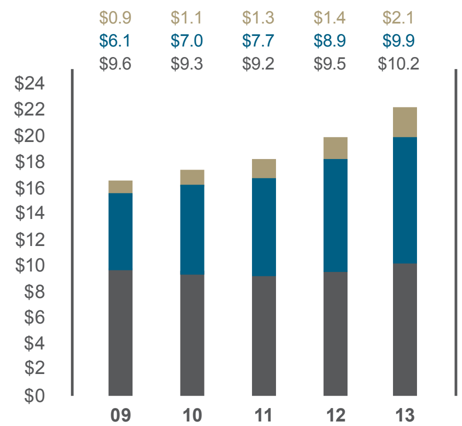
Safety and prevention is made up of funding to the Occupational Health and Safety Division (OHS) of the Ministry of Labour Relations and Workplace Safety, funding to safety associations, and safety initiatives through the WorkSafe Saskatchewan (WSS) partnership.

The role of OHS is to help workplace parties meet their responsibility to identify and correct health and safety hazards. As well, OHS assists occupational health committees and worker representatives, inspects workplaces, and enforces health and safety regulations.

The Act requires that we fund OHS operations, however the OHS budget is approved by the government of Saskatchewan through the provincial budgeting process. In 2013, OHS funding increased by 7.4 percent to $10.2 million.

Funding is provided to seven industry safety associations that represent 17 rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funds for the year increased $1.0 million to $9.9 million in 2013. Time Loss injury rates for industries with safety associations decreased from 3.63 percent to 2.61 percent since 2009. This 28.10 percent decrease compares to a 22.48 percent decrease in those industries without safety associations.

Expenditures on WSS increased in 2013 to $2.1 million from $1.4 million in 2012, primarily due to increased advertising, promotion, and OHS training costs. The WSS partnership remains confident that expenditures to promote injury prevention and awareness will pay significant future dividends leading to fewer injuries to workers and lower costs for employers. Through its strategic and operational planning process WSS will focus its efforts to ensure funds are spent in areas most in need of improvement. Details on WSS, its Strategic and Operational Plan, as well as reporting of results against that plan, can be found at **worksafesask.ca.**



SAFETY AND PREVENTION (MILLIONS)

- OHS
- Safety Associations
- WorkSafe Saskatchewan

Annuity Fund Interest

The Act requires us to compensate injured workers for the loss of retirement income due to a workplace injury. We set aside an additional 10 percent of all eligible benefits payments into an injured worker's annuity fund once the worker has received benefits for more than 24 consecutive months. We continue to set aside funds until the worker reaches age 65 or returns to work. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2013, contributions to the fund amounted to $6.2 million, up from $5.3 million in 2012.

The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of our investment portfolio but spreads gains and losses on investments over five years to reduce the fluctuation in the market rate of return. For example, while the WCB experienced a negative return on its investment portfolio in 2008, the annuity rate for that year remained positive at 2.8 percent. The effect of 2008's negative return, however, continued to impact annuity rates until 2012. In 2013, interest earned totaled $15.5 million, showing an increase in the interest rate to 9.4 percent. This compares to $4.7 million earned in 2012 at an interest rate of 2.9 percent.

Total annuity payouts in 2013 were $9.2 million, up 9.5 percent from the $8.4 million paid out in 2012. The resulting $180.2 million annuity fund payable at December 31, 2013 increased 7.5 percent over the balance at December 31, 2012. There were 5,803 active claims with annuities at the end of 2013 compared to 5,711 at the end of 2012, which increased the average annuity fund slightly to approximately $31,000 per claim.

Legislated Obligations

Under the Act, we are obliged to fund the operations of the Office of the Worker's Advocate. Funding in 2013 was just under $1.0 million, the same as in 2012. In addition, the costs for the Legislative Review of the Workers' Compensation Act, 2013, completed in 2013, came in at less than $.1 million.

Investment Income

We ensure financial stability through our investment and funding policies.

Investment income is an important revenue stream. It supplements premiums to cover expenses.

The long-term assumption that investments will generate an annual nominal rate of return of 5.75 percent is built into the calculation of benefits liabilities as well as the premium rate setting model. In 2013, our investment portfolio had a return of 17.5 percent at market compared to a return of 8.9 percent in 2012.

Investment income includes both realized income and unrealized gains or losses on investments during the year. It can fluctuate significantly year to year to reflect the change in the market value of investments. For example, excluding unrealized gains and losses on investments our realized investment income increased $31.0 million from $37.2 million in 2012 to $68.2 million in 2013. However, investment income increased a total of $125.3 million from $127.3 million in 2012 to $252.6 million in 2013. This includes an additional $94.3 million increase in unrealized investment income as unrealized gains in 2013 were $184.4 million compared to $90.1 million 2012.

The $252.6 million in investment income is made up of:

1. $184.4 million in net unrealized gains during the year on investments held at the end of 2013,

Plus

2. $68.2 million of realized investment income made up of:
    - $40.8 million of income from interest and dividends,
    - $31.9 million from net gains realized from the sale of equities, bonds and real estate,
    - Less $4.5 million for investment expenses.

We record our investments at market value. Our Statement of Investment Policies and Goals (SIP&G) allows our investment managers to lend investment securities to third parties for the purposes of generating additional revenue. The investments under this Securities Lending Program are shown separately in the Statement of Financial Position. The combined investments on the Statement of Financial Position are $1,762.2 million, a $253.9 million increase from the 2012 total of $1,508.3 million.

Investment Strategy

Our SIP&G outlines our investment and risk philosophy and reflects the long-term nature of our liabilities and the impact of future inflation on existing liabilities.

We diversify investments among asset classes – fixed income securities, equities, mortgages, and real estate – to achieve our long-term investment goals and to maximize returns at an acceptable risk. We further diversify within asset classes by selecting investment managers with different investment mandates and styles.

Our Investment Committee reports to the Board and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. The Investment Committee recommends prudent policy goals and objectives to safeguard funding stability. The Committee meets regularly to monitor the performance of the investment managers against established benchmarks, and to review the ongoing relevance of the policies.

Because of the significant fluctuations in financial markets over the last number of years, the 2013 review of the SIP&G included a review of the portfolio benchmark with the aim of reducing the volatility of the portfolio benchmark return while maintaining an actual rate of return equivalent to the current return. Changes to the investment asset classes from this review, if any, will take place in 2014.

Funding Strategy

Our Funding Policy sets the parameters for the Injury Fund and each of our reserves.

The targeted range for the Injury Fund is 5 percent to 20 percent of benefits liabilities resulting in a targeted Funding Percentage of 105 percent to 120 percent. The Injury Fund is maintained in this range to ensure sufficient funds are available to meet required benefit levels and to reduce fluctuations in the average premium rate. If the funded status moves outside the targeted range, we will replenish or regulate the fund to maintain the targeted range.

The Funding Policy states that unrealized gains and losses on investments are not considered:

- In the determination of the funded status of the WCB,
- For purposes of determining premium rates or rebates,
- Available for benefit enhancements.

Our Funding Policy, therefore, removes these unrealized gains and losses from the Injury Fund for the purposes of calculating the funding percentage. As a result, the funding percentage is not subject to the significant fluctuations in the market value of investments.

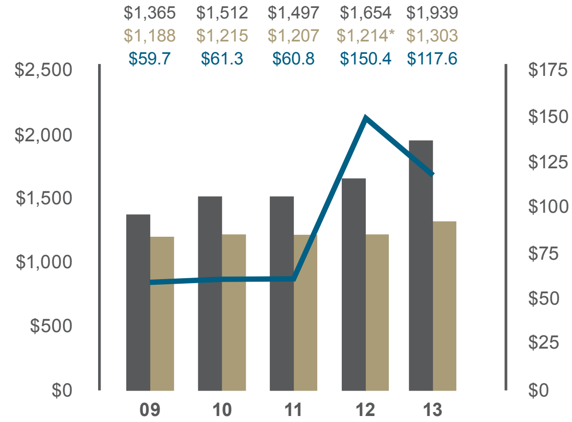
The Funding Policy also establishes reserves, appropriated from the Injury Fund. At December 31, 2013 we maintained three reserves.

The Second Injury and Re-employment Reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help return to work through retraining. Currently, the $10.9 million in this reserve is 1.0 percent of the benefits liabilities as recommended by the Funding Policy.

The Disaster Reserve and Occupational Disease Reserve were created to meet the requirements of the Act with respect to disasters and to meet the costs of emerging occupational diseases. The Disaster Reserve has two components: one for less severe disasters which meet the threshold outlined in policy and one for rare but very severe disasters. The Funding Policy specifies 1.0 percent of benefits liabilities for each component. The total of the disaster reserve was $21.7 million at the end of 2013.

In 2013 the Board revised the Funding Policy to establish the level of the Occupational Disease Reserve. The reserve balance at the end of 2013 was established at $85.0 million. New actuarial standards will require that we include an expected cost of future latent occupational disease in the benefits liabilities for the 2014 year end. The 2013 increase in this reserve will help us absorb the impact of this new actuarial standard in 2014.

The balances in the three reserves combined for a total of $117.6 million at December 31, 2013 compared to $150.4 at the end of 2012.



FUNDED POSITION AND RESERVES (MILLIONS)

- Assets
- Liabilities
- Reserves

* Restated 2012 to reflect the change in accounting for defined benefit pension plans.

The Board established an $80 million New Act Reserve in 2012 based on the estimated impact of legislative changes expected in 2013. The entire reserve was drawn down in 2013 to offset the $83.6 million increase in the benefits liabilities as a result of the higher maximum wage rate in *The Workers' Compensation Act, 2013.* At December 31, 2013, the reserve was a nil balance.

The $190.0 million net income in 2013, plus a net $32.8 million decrease to reserves to comply with the Funding Policy, results in a balance of $521.1 million in the Injury Fund at the end of 2013. However, for Funding Policy purposes net unrealized gains and losses are excluded from the Injury Fund. Excluding unrealized gains on investments decreases the Injury Fund to

$209.8 million at December 31, 2013. The calculation of the funding percentages is disclosed in note 20 of the financial statements.

Based on the Funding Policy, and after restating for the change in accounting for the Defined Benefit Plan, the funding percentage at December 31, 2013 was 119.3 percent, well within the required range. This compares to 117.1 percent at the end of 2012. The increase in 2013 is due to the change in reserves outlined above.

Accumulated Other Comprehensive Income

In 2013 there was a change in the required accounting for defined benefit pension plans as a result of amendments to International Accounting Standard (19). The amendments required all actuarial gains and losses on defined benefit pension plans to be retroactively recorded. As a result, the accumulated actuarial losses of $8.4 million are recorded in AOCI as at December 2012 and, after actuarial gains of $5.8 million in 2013, as a net actuarial loss of $2.6 million at December 31, 2013.

Internal Control over Financial Reporting

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The Internal Controls over Financial Reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements.

We certify in our annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

To support the certification, an ICOFR Committee assesses our internal controls over financial reporting and provides assurance that internal controls are adequate to prevent material misstatement of the financial statements. The Committee assesses the control environment in which the internal controls operate and evaluates internal controls related to certain financial processes, transactions, and applications.

The assessments undertaken by the Committee in 2013 did not identify any weaknesses in internal controls over financial reporting that would result in material misstatement of the December 31, 2013 financial statements. The 2013 report by the Chief Executive Officer and the Chief Financial Officer can be found on page 43 of this annual report.

In 2013, The Committee of Sponsoring Organizations of the Treadway Commission (COSO) presented an updated Internal Control Integrated Framework to replace COSO's current framework used for assessing the effectiveness of internal controls. The updated framework will assist organizations in adapting internal controls to changes in the business and operating environments which have become more global, more complex, and more technology driven. In 2014, the ICOFR Committee will assess WCB's system of internal controls against this updated framework.

Looking Ahead

Economic Outlook

2013 was another good year for the Saskatchewan economy with the highest provincial crop production on record and record setting 3.4 percent employment growth. For 2014, The Conference Board of Canada predicts weaker prospects for the potash and mineral fuels industries and anticipates a cooling off of the Saskatchewan economy. However, the Saskatchewan economy remains dynamic and it is expected to grow 2.3 percent in 2014.

Factors that are forecasted to contribute to economic growth are continued residential investment due to the strength of the province's economy, expected population growth, and strong retail spending. In addition, for 2014 the province is expected to have employment growth of 1.5 percent and predicted to have the lowest unemployment rate in Canada.

This positive outlook is reflected in the increase in our employer assessable payroll forecast from $19.25 billion in 2013 to $20.85 billion in 2014.

Business Outlook

We will continue to identify threats and opportunities to our corporate business plan during our strategic planning process, and to create action plans to ensure we can meet with confidence future challenges in our operational and financial plan. Specific strategic initiatives include:

- Review and improve core business processes.
- Advance injury prevention by increasing the number and focus of stakeholder partnerships.
- Establish a corporate data governance practice.
- Increase online services and implement our digital media framework.
- Human resource plans to expand health and safety programs for our employees, enhance the leadership development program, update technical training programs, and implement a corporate service program.
- Develop a Board governance manual.
- Expansion of injury prevention programs and resources, including the WorkSafe Saskatchewan partnership, and
- Implement an updated Statement of Investment Policy and Goals.

Responsibility for Financial Reporting

The financial statements are the responsibility of management and have been prepared in conformity with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent in all material respects the financial condition, results or operations, and cashflows as at December 31, 2013.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2013 operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liability. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board Members. The Board Members meet periodically with financial officers of WCB and the external auditors. The Internal Audit Department conducts reviews designed to test the accuracy and consistency of WCB's internal controls, practices and procedures.

KPMG LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the WCB's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditor's Report outlines the scope of their examination and their opinion.

Peter Federko CA
Chief Executive Officer

Ann Schultz CA MBA
Chief Financial Officer

March 5, 2014

Actuarial Certification

To the Board Members of the Saskatchewan Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2013 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 1979* in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. Where appropriate we made adjustments to the data and model to enable the model to better project future expected experience. In our opinion, the claims data after these adjustments is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of *The Workers' Compensation Act, 2013,* effective January 1, 2014 and reflect future increases in the maximum wage rates. The benefits liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It also includes provision for future expenses relating to the administration of existing claims. Payments made by the Board on a self-insured basis are excluded from the valuation of the benefits liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the Board's future obligations, with an allowance for investment returns on the Board's fund being less than expected and an allowance for claims administration backlogs and changes in emerging data patterns. They are based on the provisions of *The Workers' Compensation Act, 2013,* the Board's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

The actuarial valuation of the benefits liability of $1,085,532,000 represents the actuarial present value at December 31, 2013 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2013. In our opinion, the amount of the benefits liability makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada.

Aon Hewitt

Mark Mervyn
Fellow, Canadian Institute of Actuaries
February 14, 2014

Independent Auditor's Report

To the Members of the Saskatchewan Workers' Compensation Board

We have audited the accompanying financial statements of Saskatchewan Workers' Compensation Board, which comprise the statement of financial position as at December 31, 2013, the statements of operations and other comprehensive income, changes in funded position and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Workers' Compensation Board as at December 31, 2013, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants
March 5, 2014
Regina, Canada

Statement of Financial Position

As at December 31, 2013
(Thousands of dollars)

	2013	2012
		Restated (note 4)
Assets		
Cash and cash equivalents (note 5)	**$ 102,994**	$ 78,963
Receivables (note 6)	**31,423**	21,560
Investments under security lending program (note 7)	**292,091**	209,483
Investments (note 7)	**1,470,090**	1,298,795
Property and equipment (note 8)	**11,484**	12,420
Other assets (note 9)	**31,322**	32,858
	$ 1,939,404	$ 1,654,079
Liabilities		
Payables and accrued liabilities (note 10)	**$ 37,587**	$ 40,651
Benefits liabilities (note 11)	**1,085,532**	1,005,443
Annuity fund payable (note 12)	**180,245**	167,722
	1,303,364	1,213,816
Funded Position		
Injury Fund	**521,055**	298,288
Accumulated Other Comprehensive Income (Loss)	**(2,581)**	(8,406)
Reserves (note 13)	**117,566**	150,381
	636,040	440,263
	$ 1,939,404	$ 1,654,079

Contingencies (note 19)
See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on March 5, 2014.

Gord Dobrowolsky
Chairperson

Walter Eberle
Board Member

Karen Smith
Board Member

Statement of Operations and Other Comprehensive Income

Year ended December 31, 2013
(Thousands of dollars)

	2013	2012 Restated (note 4)
Premiums (note 14)	$ **301,382**	$ 296,215
Expenses		
Claim costs (note 11)	**283,358**	196,112
Administration (Schedule 1)	**41,874**	43,255
Safety and prevention (note 15)	**22,277**	19,826
Annuity fund interest (note 12)	**15,511**	4,749
Legislated obligations (note 16)	**1,019**	1,079
	364,039	265,021
Underwriting Profit (Loss)	**(62,657)**	31,194
Investment income (note 7)	**252,609**	127,322
Net Income	$ **189,952**	$ 158,516
Other Comprehensive Income (Loss)		
Employee Benefits		
Net actuarial gains (losses)	**5,825**	(2,009)
Total Comprehensive Income	$ **195,777**	$ 156,507

See accompanying notes to financial statements.

wcb Saskatchewan Workers' Compensation Board

Statement of Changes in Funded Position

Year ended December 31, 2013
(Thousands of dollars)

	2013	2012 Restated (note 4)
Injury Fund		
Balance, beginning of year	**$ 298,288**	$ 229,316
Net income	**189,952**	158,516
Appropriation of funds (to) from reserves (note 13)	**32,815**	(89,544)
Balance, end of year	**521,055**	298,288
Accumulated Other Comprehensive Income (Loss)		
Balance, beginning of year	**-**	-
Accounting policy change (note 4)	**(8,406)**	(6,397)
Balance January 1 as restated	**(8,406)**	(6,397)
Other comprehensive income (loss)	**5,825**	(2,009)
Balance, end of year	**(2,581)**	(8,406)
Reserves		
Balance, beginning of year	**150,381**	60,837
Appropriation of funds (to) from injury fund (note 13)	**(32,815)**	89,544
Balance, end of year	**117,566**	150,381
Funded Position	**$ 636,040**	$ 440,263

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2013
(Thousands of dollars)

	2013	2012
OPERATING ACTIVITIES		
Cash received from:		
Premiums	$ **300,049**	$ 304,646
Dividends	**23,063**	19,382
Interest	**19,934**	17,893
	346,046	341,921
Cash paid to:		
Claimants, or third parties on their behalf	**199,003**	193,259
Employees and suppliers, for administrative and other goods and services	**52,870**	52,907
Safety and prevention programs	**21,537**	19,523
Ministry of Labour Relations and Workplace Safety	**1,063**	1,257
	274,473	266,946
Net cash provided by operating activities	**68,573**	74,975
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	**956,090**	778,536
Cash paid for:		
Purchase of investments	**997,820**	815,045
Purchase of property and equipment	**527**	664
Purchase of other assets	**2,285**	5,269
	1,000,632	820,978
Net cash used in investing activities	**(44,542)**	(43,442)
Increase in cash during the year	**24,031**	32,533
Cash and cash equivalents, beginning of year (note 5)	**78,963**	46,430
Cash and cash equivalents, end of year (note 5)	$ **102,994**	$ 78,963

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2013

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 1979* (the Act) and its purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

Though WCB does not receive government funding or other assistance, it is required by the Act to maintain an Injury Fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims and operations arising from current claims. WCB is a Government Business Enterprise (GBE) and as such is exempt from income tax.

2. BASIS OF PRESENTATION:

Statement of compliance

The financial statements for the year ended December 31, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Committee (IFRIC).

Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments. The methods used to measure the values of financial instruments are discussed further in note 3.

Statement of financial position classification

The statement of financial position has been prepared using the liquidity format in which the assets and liabilities are presented broadly in order of liquidity. The assets and liabilities comprise both current and non-current amounts.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is WCB's functional currency and are rounded to the nearest thousand unless otherwise noted.

Use of estimates and judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 11), the valuation of receivables (note 6), investments (note 7) and employee future benefits (note 17).

3. SIGNIFICANT ACCOUNTING POLICIES:

Financial Assets and Liabilities

The measurement basis for financial assets and financial liabilities depends on whether the financial assets and liabilities have been classified as fair value through profit and loss, available for sale, held to maturity, loans and receivables, or other financial liabilities. Financial assets and liabilities classified as fair value through profit and loss are measured at fair value and changes in fair value are recognized in comprehensive income. Financial assets classified as available for sale are measured at fair value with unrealized changes in fair value recorded in other comprehensive income; however, unrealized losses considered other than temporary are recognized as a decrease to comprehensive income. Financial assets designated as held to maturity, loans and receivables, or other financial liabilities are measured at amortized cost using the effective interest method. WCB has no financial assets and liabilities designated as available for sale or held to maturity.

WCB has designated its cash and cash equivalents and investments as fair value through profit and loss. Receivables are designated as loans and receivables. Payables and accrued liabilities and annuity fund payable are designated as other financial liabilities. Benefits liabilities are exempt from the above requirement.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments

All investments are carried at fair value. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value of equities are determined based on the quoted market price, based on the latest bid prices. The fair value of pooled equity funds are based on the quoted market values of the underlying investments, based on the latest bid prices. The fair value of bonds and debentures are based on model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of the pooled mortgage fund is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage. The fair value of the pooled real estate fund is determined based on the market values of the underlying real estate investments, normally based on appraisals.

WCB records its investment purchases and sales on a trade-date basis, being the date when the transactions are entered into.

Investments under Securities Lending Program

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the statement of financial position given that the risks and rewards of ownership are not transferred from WCB to the counterparties in the course of such transactions. The securities are reported separately on the statement of financial position on the basis that the counterparties may resell or re-pledge the securities during the time that the securities are in their possession.

Securities received from counterparties as collateral are not recorded on the statement of financial position given that the risks and rewards of ownership are not transferred from the counterparties to WCB in the course of such transactions.

Investment Income

WCB recognizes interest revenue as earned, dividends when declared, pooled fund revenue when a distribution is declared, realized gains and losses on investments when the investment has been sold and unrealized gains and losses based on the changes in market value of the investments held.

Interest revenue includes amortization of any premium or discount recognized at the date of purchase of the security. Amortization is calculated using the effective interest method. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

Transaction costs are included in the acquisition cost of individual investments. Direct investment expenses, such as external custodial, investment management and investment consultant expenses, are recorded against investment income.

Property and Equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. As no borrowing costs are attributable to the acquisition of property, plant and equipment, there are no capitalized borrowing costs included in cost. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	3-4 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through WCB's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2013 has been determined by estimating future benefits payments in accordance with WCB's administrative policies and practices in effect at December 31, 2013.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Intangible Assets

Other assets include software development costs. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs range from three years to fifteen years.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83 of the Act. Where compensation is paid for a period exceeding twenty-four consecutive months, an additional amount equal to 10% of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the period end date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

Employee Future Benefit Plans

WCB provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees.

Defined benefit plan

The WCB's net obligation in respect to the defined benefit plan is calculated by estimating the amount of future benefit employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of plan assets are deducted. The discount rate is determined using high quality debt instruments with cash flows that match the timing and amount of WCB's expected benefits payments.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for WCB, the recognized asset is limited to the unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to WCB if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in income.

Remeasurement of the net defined benefit liability, which is comprised of actuarial gains and losses, the return on plan assets, excluding interest, and the effect of the asset ceiling, if any excluding interest, are recognized immediately in other comprehensive income (OCI). WCB determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined plan are recognized in the statement of operations and other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of operations and other comprehensive income. The WCB recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations and other comprehensive income in the period during which services are rendered by employees.

Future Accounting Policy Changes

The following future changes to accounting standards will have applicability to WCB:

IFRS 9, Financial Instruments

IFRS 9 was issued in November 2009 and will replace International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement. The standards are to be applied retrospectively. The IASB recently announced that the effective date of IFRS 9 will be January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. Under IFRS 9, financial assets will generally be measured initially at fair value plus particular transaction costs and subsequently at either amortized cost or fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's credit risk in other comprehensive income rather than within net income. WCB is reviewing the standard to determine the potential impact, if any, on the financial statements.

IFRS 4, Insurance Contracts

In June 2013, the IASB published a revised exposure draft (2013 ED) on the accounting for insurance contracts which builds on the previous consultations undertaken in 2007 and 2010. The 2013 ED is the result of deliberations at the IASB using comments received from constituents. The 2013 ED continues to propose a new standard on accounting for insurance contracts, which would replace the existing IFRS 4, Insurance Contracts. The proposals represent a comprehensive IFRS accounting model for insurance contracts and are expected to have a significant impact on the financial reporting of insurers such as WCB. A final standard is expected in 2015 with implementation not expected before 2018.

4. APPLICATION OF REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS:

The Amendments to IAS 19 Employee Benefits (IAS19) require that all actuarial gains and losses be recognized immediately in OCI and that the calculation of interest income or expense on the defined benefit obligation and plan assets be based on the net defined benefit obligation and the discount rate that is used to measure the defined benefit obligation. The calculated amount is required to be disclosed as a net interest income or expense amount. Historically, WCB had calculated and separately disclosed the interest expense on the defined benefit obligation based on the discount rate that is used to measure the defined benefit obligation and the interest income on the defined benefit assets based on the long term expected rate of return on plan assets. WCB has chosen to recognize the net interest expense or income as a component of salaries and employee benefits and has chosen to report OCI in accumulated other comprehensive income. The new standard also requires additional disclosures.

The impacts of the application of the amendments to IAS(19) are as follows:

Impact on Net Income

(Thousands of dollars)	2012
For the year ended December 31, 2012	$ 155,797
Decrease in salaries and benefits	2,719
As restated	$ 158,516

Impact on Other Comprehensive Income

(Thousands of dollars)	2012
For the year ended December 31, 2012	$ -
Net actuarial gain/(loss)	(2,009)
As restated	$ (2,009)

Impact on Funded Position

(Thousands of dollars)

	As previously reported	Adjustments	As restated
January 1, 2012			
Net accrued pension benefit asset	$ 3,179	$ (3,179)	$ -
Net accrued pension benefit liability	-	(3,218)	(3,218)
Accumulated Other Comprehensive Loss	-	6,397	6,397
December 31, 2012			
Net accrued pension benefit asset	$ 274	$ (274)	$ -
Net accrued pension benefit liability	-	(5,413)	(5,413)
Injury Fund	(295,569)	(2,719)	(298,288)
Accumulated Other Comprehensive Loss	-	8,406	8,406

5. CASH AND CASH EQUIVALENTS:

(Thousands of dollars)	2013	2012
Notes and commercial paper	$ **104,454**	$ 77,796
Cash in bank, net of outstanding cheques	**(1,460)**	1,167
	$ **102,994**	$ 78,963

The effective interest rates on the notes and commercial paper are 0.9% to 1.2% (2012 - 1.0% to 1.3%).

6. RECEIVABLES:

(Thousands of dollars)	2013	2012
Premiums	$ **18,850**	$ 13,029
Other	**8,221**	5,875
Interprovincial claims	**3,779**	1,734
Accrued interest	**3,457**	3,652
Investment proceeds receivable	**2,597**	2,161
	36,904	26,451
Allowance for doubtful accounts	**(5,481)**	(4,891)
	$ **31,423**	$ 21,560

Premiums receivable includes an estimate of $8,710,000 (2012 - $4,278,000) for premium revenue to be assessed when employers submit their final insurable earnings information for 2013. The estimate is based on the total estimated premium revenue for the year less premiums received for the year. The total estimated premium revenue uses management's best estimate and judgment in calculating the employers' final payroll amounts for the year.

Investment proceeds receivable represent transactions traded in December, 2013 but not settled until January, 2014.

At the end of the year, receivables of $29,183,000 (2012 - $18,658,000) were due within one year.

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

(Thousands of dollars)	2013	2012
BALANCE, beginning of year	**$ 4,891**	$ 3,883
Amounts written off	**(2,180)**	(1,889)
Current provision	**2,770**	2,897
BALANCE, end of year	**$ 5,481**	$ 4,891

The aging of receivables is as follows:

(Thousands of dollars)	2013	2012
Less than 60 days	**$ 24,545**	$ 13,863
61 to 180 days	**2,931**	3,947
181 to 365 days	**1,707**	848
Greater than 1 year	**7,721**	7,793
	$ 36,904	$ 26,451

7. INVESTMENTS AND INVESTMENTS UNDER SECURITY LENDING PROGRAM:

(a) The carrying value of investments and investments under security lending program is as follows:

(Thousands of dollars)	2013	2012
Investments		
Bonds and debentures	$ **301,191**	$ 365,321
Pooled equity funds	**458,240**	336,278
Equities	**382,432**	312,450
Pooled real estate fund	**206,487**	184,881
Pooled mortgage fund	**91,475**	71,192
Short-term holdings	**30,265**	28,673
	1,470,090	1,298,795
Investments under Security Lending Program		
Bonds and debentures	**104,385**	49,888
Equities	**184,707**	159,595
Short-term holdings	**2,999**	-
	292,091	209,483
	$ **1,762,181**	$ 1,508,278

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

(Thousands of dollars)		2013		2012	
	Term to Maturity In Years	**Carrying Value**	**Average Effective Yield**	Carrying Value	Average Effective Yield
Government of Canada Securities					
	Less than 1	**$ 17,014**	**2.00%**	$ -	-
	1 - 5	**43,127**	**1.53%**	98,432	1.52%
	6 - 10	**27,776**	**3.43%**	14,967	2.95%
	Over 10	**19,914**	**4.57%**	16,060	3.53%
Provincial & Municipal Securities					
	1 - 5	**12,182**	**4.83%**	18,365	3.12%
	6 - 10	**52,099**	**3.61%**	45,434	3.96%
	Over 10	**61,101**	**5.25%**	68,964	4.04%
Corporate Securities					
	Less than 1	**3,845**	**2.68%**	10,041	4.78%
	1 - 5	**101,311**	**3.33%**	85,842	3.80%
	6 - 10	**33,404**	**4.33%**	19,674	4.38%
	Over 10	**33,803**	**5.66%**	37,430	4.76%
Total		**$ 405,576**		$ 415,209	

(ii) Equities and pooled equity funds:

WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

WCB's equity investments includes foreign equities of $130,464,000 (2012 - $94,040,000).

WCB has an investment in a pooled equity fund for Europe, Asia and the Far East (EAFE) with a carrying value of $129,946,000 (2012 - $99,564,000). WCB also has an investment in a pooled global equity fund with a carrying value of $243,934,000 (2012 - $165,642,000), an investment in a Canadian Equity Small Cap fund with a carrying value of $82,186,000 (2012 - $69,196,000) and an investment in an S&P/TSX Index fund with a carrying value of $2,174,000 (2012 - $1,876,000).

(iii) Pooled real estate fund:

All of WCB's real estate holdings are in Canadian commercial property. These holdings consist of an investment in a pooled real estate fund with a carrying value of $206,487,000 (2012 - $184,881,000).

(iv) Pooled mortgage fund:

WCB has an investment in a pooled mortgage fund with a carrying value of $91,475,000 (2012 - $71,192,000).

(v) Short-term holdings:

Short-term holdings is comprised of treasury bills, notes and commercial paper with effective interest rates of 0.9% to 1.2% (2012 - 0.9% to 1.2%) and average term to maturity of 2.10 months (2012 – 2.40 months).

(vi) Securities lending:

WCB's Statement of Investment Policies and Goals allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for pledged collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105% of the market value of the securities lent.

At December 31, 2013 WCB had $292,091,000 (2012 - $209,483,000) in equities, bonds and debentures and short term investments on loan to various counterparties. At December 31, 2013 the total amount of collateral pledged to WCB amounted to $306,696,000 (2012 - $219,958,000).

(b) Investment income

Net investment income was derived from the following sources:

(Thousands of dollars)	2013			2012		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Cash and cash equivalents	$ 328	$ -	$ 328	$ 728	$ -	$ 728
Bonds and debentures	15,126	(18,824)	(3,698)	19,272	(3,525)	15,747
Pooled equity funds	10,457	113,670	124,127	9,173	40,896	50,069
Equities	41,345	73,118	114,463	8,141	29,776	37,917
Pooled real estate fund	-	21,606	21,606	10	20,567	20,577
Pooled mortgage fund	4,186	(5,165)	(979)	3,075	2,397	5,472
Short-term holdings	1,237	-	1,237	594	6	600
Investment expenses	(4,475)	-	(4,475)	(3,788)	-	(3,788)
	$ 68,204	$ 184,405	$ 252,609	$ 37,205	$ 90,117	$ 127,322

(c) Determination of fair value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are based on observable market data; and
Level 3 Inputs that are not based on observable market data.

(Thousands of dollars)

Assets at fair value as at December 31, 2013

	Level 1	Level 2	Level 3	Total
Bonds and debentures	**$ -**	**$ 405,576**	**$ -**	**$ 405,576**
Pooled equity funds	**458,240**	**-**	**-**	**458,240**
Equities	**567,139**	**-**	**-**	**567,139**
Pooled real estate fund	**-**	**206,487**	**-**	**206,487**
Pooled mortgage fund	**-**	**91,475**	**-**	**91,475**
Short-term holdings	-	**33,264**	**-**	**33,264**
	$ 1,025,379	**$ 736,802**	**$ -**	**$ 1,762,181**

Assets at fair value as at December 31, 2012

	Level 1	Level 2	Level 3	Total
Bonds and debentures	$ -	$ 415,209	$ -	$ 415,209
Pooled equity funds	336,278	-	-	336,278
Equities	472,045	-	-	472,045
Pooled real estate fund	-	184,881	-	184,881
Pooled mortgage fund	-	71,192	-	71,192
Short-term holdings	-	28,673	-	28,673
	$ 808,323	$ 699,955	$ -	$ 1,508,278

During the year, no investments were transferred between levels.

(d) Financial risk management

WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board Members review the SIP&G annually and, through the investment committee, receive regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

(i) Market risk

WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity price risk

WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets. In the SIP&G, WCB limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the fair value of WCB's equity portfolio. Investment in pooled funds shall not exceed 10% of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to net income based on a 10% change in WCB's benchmark indices at December 31, 2013:

(Thousands of dollars)

Change in Equity Benchmarks	2013	2012
S&P/TSX Composite Index	$ **48,502**	$ 42,408
S&P 500 Index	**15,265**	11,134
MSCI EAFE Index	**13,903**	10,260
World (ex-Canada) Index	**24,393**	16,564
S&P/TSX Small Cap Index	**7,479**	6,840

Interest rate risk

WCB is exposed to fluctuations in interest rates that can impact the fair value of its bonds and debentures. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a 1% increase in interest rates would decrease net income by approximately $27,551,000 at December 31, 2013 (2012 - $26,309,000), representing 6.8% (2012 - 6.3%) of the $405,576,000 (2012 - $415,209,000) fair value of bonds and debentures.

Foreign exchange risk

WCB has certain investments denominated in foreign currencies. During 2013 WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, WCB limits its holdings in foreign equities to 32% of the investment portfolio. As at December 31, 2013, WCB's holdings in foreign equities and pooled equity funds had a fair value of $504,344,000 (2012 - $359,246,000) representing 28.8% (2012 - 22.6%) of the fair value of the total investment portfolio, including cash equivalents. At December 31, 2013, it is estimated that a 10% appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in a decrease in net income of approximately $26,040,000 (2012 - $19,196,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. WCB's credit risk arises primarily from cash equivalents, receivables, short term holdings, bonds and debentures and the mortgage pooled fund. The maximum credit exposure related to these financial instruments is $664,732,000 (2012 - $615,597,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents and short term holdings, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10% of the market value of the bond investment portfolio. WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by WCB (note 6).

Credit ratings for the bonds and debentures are as follows:

(Thousands of dollars)	**2013**		2012	
Credit Rating	**Carrying Value**	**Percent of Portfolio**	Carrying Value	Percent of Portfolio
AAA	**$ 138,555**	**34.2%**	$ 164,074	39.5%
AA	**146,942**	**36.2%**	125,534	30.2%
A	**83,651**	**20.6%**	94,984	22.9%
BBB	**36,428**	**9.0%**	30,617	7.4%
	$ 405,576		$ 415,209	

(iii) Liquidity risk

Liquidity risk is the risk that WCB is unable to meet its financial obligations. Cash resources are managed daily based on anticipated cash flows. Receivables and payables and accrued liabilities are short-term in nature and the amounts due within one year are disclosed in notes 6 and 10. The cash flow to pay claims benefits is disclosed in note 11 and to pay annuity funds is disclosed in note 12. WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities.

8. PROPERTY AND EQUIPMENT:

(Thousands of dollars)

	Land	Buildings	Leasehold Improvements	Office Furnishings	Computer Equipment	2013 Total	2012 Total
Cost							
BALANCE, beginning of year	$ 1,375	$ 14,017	$ 6,107	$ 3,820	$ 2,251	$ 27,570	$ 27,638
Additions during the year	-	-	4	70	428	502	690
Disposals during the year	-	-	(33)	(208)	(448)	(689)	(758)
BALANCE, end of year	$ 1,375	$ 14,017	$ 6,078	$ 3,682	$ 2,231	$ 27,383	$ 27,570
Accumulated Amortization							
BALANCE, beginning of year	$ -	$ 7,108	$ 3,398	$ 3,127	$ 1,517	$ 15,150	$ 14,440
Amortization for the year	-	351	404	132	551	1,438	1,468
Disposals during the year	-	-	(33)	(208)	(448)	(689)	(758)
BALANCE, end of year	$ -	$ 7,459	$ 3,769	$ 3,051	$ 1,620	$ 15,899	$ 15,150
Net Book Value	$ 1,375	$ 6,558	$ 2,309	$ 631	$ 611	$ 11,484	$ 12,420

9. OTHER ASSETS:

(Thousands of dollars)

	2013	2012
		(restated note 4)
Intangible assets	$ 29,973	$ 32,492
Net accrued pension benefit asset (note 17)	639	-
Prepaid expenses	710	366
	$ 31,322	$ 32,858

Intangible Assets

Intangible assets are comprised of the following:

(Thousands of dollars)			2013	2012
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
System development				
BALANCE, beginning of year	**$ 62,609**	**$ (30,117)**	**$ 32,492**	$ 32,312
Additions during the year	**2,096**	**-**	**2,096**	4,688
Amortization for the year	**-**	**(4,615)**	**(4,615)**	(4,508)
Disposals during the year	**(155)**	**155**	**-**	-
BALANCE, end of year	**$ 64,550**	**$ (34,577)**	**$ 29,973**	$ 32,492

During the year, $2,096,000 (2012 - $4,689,000) of internally generated system development costs were capitalized.

10. PAYABLES AND ACCRUED LIABILITIES:

(Thousands of dollars)	2013	2012
		(restated note 4)
Occupational Health & Safety	**$ 10,218**	$ 9,477
Premium refunds	**8,319**	6,948
Interprovincial claims	**7,793**	4,053
Employee benefits liability	**5,962**	5,892
Other	**4,316**	6,231
Worker’s Advocate	**979**	963
Accrued investment purchases	**-**	1,674
Net accrued pension benefit liability (note 17)	**-**	5,413
	$ 37,587	$ 40,651

At the end of the year, payables and accrued liabilities of $37,379,000 (2012 - $35,053,000) were due within one year.

11. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2013 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefits liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Projected future benefits payments have been discounted to their present value by applying a discount rate of 5.75% per annum. The determination of the projected future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2013	2012
Inflation	**2.50%**	2.50%
Expected future growth in gross wages	**3.50%**	3.50%
Expected future increase in health care costs	**7.00%**	7.00%
Discount rate	**5.75%**	5.75%

The current year's claim costs expense includes the actuarial cost of claims for reported and unreported work-related injuries that occurred during the year and adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods.

Benefits Liabilities Continuance Schedule

(Thousands of dollars)

	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	2013 Total	2012 Total
BALANCE, beginning of year	**$ 131,016**	**$ 412,990**	**$ 78,447**	**$ 305,335**	**$ 27,775**	**$ 49,880**	**$ 1,005,443**	$1,013,946
ADD:								
Claim costs incurred:								
Current year injuries	**57,720**	**22,788**	**8,482**	**72,824**	**2,878**	**9,519**	**174,211**	178,560
Prior years' injuries	**3,638**	**57,693**	**28,019**	**16,120**	**2,071**	**1,606**	**109,147**	17,552
	61,358	**80,481**	**36,501**	**88,944**	**4,949**	**11,125**	**283,358**	196,112
DEDUCT:								
Claim payments made:								
Current year injuries	**23,009**	**308**	**454**	**25,919**	**93**	**3,120**	**52,903**	52,976
Prior years' injuries	**38,799**	**42,856**	**9,792**	**47,130**	**3,933**	**7,856**	**150,366**	151,639
	61,808	**43,164**	**10,246**	**73,049**	**4,026**	**10,976**	**203,269**	204,615
BALANCE, end of year	**$ 130,566**	**$ 450,307**	**$104,702**	**$ 321,230**	**$ 28,698**	**$ 50,029**	**$ 1,085,532**	$1,005,443

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(Thousands of dollars)

2014	$ 154,090
2015 - 2018	331,884
2019 - 2023	245,449
2024 - 2028	145,806
2029 - 2033	86,137
2034 - 2038	53,232
2039 and beyond	68,934
	$ 1,085,532

The following is a reconciliation of the benefits liabilities:

(Thousands of dollars)	2013	2012
BALANCE, beginning of year	**$ 1,005,443**	$ 1,013,946
ADD:		
Provision for current year injuries	**168,481**	178,560
Provision for prior years' injuries		
Interest allocated	**53,489**	53,942
Prior years' claim cost experience lower than expected	**(11,022)**	(22,318)
Effect of actual cost of living adjustment lower than expected	**(11,163)**	(14,072)
Impact of 2013 Act	**83,573**	-
	283,358	196,112
DEDUCT:		
Benefit payments	**192,293**	193,561
Claim adjudication expense	**10,976**	11,054
	203,269	204,615
BALANCE, end of year	**$ 1,085,532**	$ 1,005,443

Claims Development Table

The table illustrates how the estimate of total claims for each injury year has changed at successive year-ends and reconciles the cumulative claims to the current estimate of the outstanding claims liabilities. All amounts shown have been adjusted with interest to the current year-end.

(Thousands of dollars)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
End of year	$ -	226,954	225,315	212,232	224,003	214,362	203,585	194,275	190,415	$174,281
One year later	230,391	227,844	232,423	224,985	225,391	216,396	197,097	190,727	188,113	
Two years later	233,481	224,148	234,656	224,430	225,514	206,849	191,311	193,494		
Three years later	230,037	218,144	234,549	221,006	224,716	202,081	195,397			
Four years later	226,092	214,237	232,026	218,614	223,902	205,717				
Five years later	224,741	207,454	227,308	216,102	229,563					
Six years later	218,622	203,726	224,890	222,726						
Seven years later	216,147	202,064	226,406							
Eight years later	215,431	201,738								
Nine years later	216,592									
Current year estimated claims	216,592	201,738	226,406	222,726	229,563	205,717	195,397	193,494	188,113	174,281
Cumulative payments	(179,555)	(165,445)	(181,585)	(172,030)	(174,549)	(149,611)	(136,325)	(127,568)	(102,678)	(53,736)
Benefits liabilities	$ 37,037	36,293	44,821	50,696	55,014	56,106	59,072	65,926	85,435	$120,545
Post 2003 benefits liabilities										$610,945
Pre-2004 benefits liabilities										474,587
Total benefits liabilities										$1,085,532

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed long term investment return of 5.75 percent. The approximate impact of a 1.0 percent decrease in the assumed long term investment return results in a $91,890,000 increase in the benefits liabilities.

A 1.0 percent increase in inflation rates for general prices, wages and health care costs (while holding the assumed investment return constant), results in an $88,960,000 increase in the benefits liabilities.

Health Care benefits liabilities are calculated assuming a future rate of escalation of health care costs of 7.0 percent per year. A 0.5 percent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately $17,788,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes WCB's injured worker claim termination experience. A flat reduction of 5.0 percent in these termination rates would increase benefits liabilities by approximately $8,044,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of 5.0 percent in these mortality rates would increase benefits liabilities by approximately $1,024,000.

Insurance Risk Management

WCB is exposed to certain insurance risks related to its current claims costs and its Benefits Liabilities relating to future claims costs. These insurance risks include employers' return-to-work practices, medical intervention, WCBs effectiveness in managing claims and determining premium rates, and changes in coverage from amendments to the Act. WCB manages these risks through active involvement in return to work programs, Vocational Rehabilitation Programs, contracts with medical providers, certification of medical providers, and standard operating procedures for adjudicating claims and extensive training for new staff. WCB utilizes actuarial models to monitor claims patterns, calculate average premiums, and estimate future claims costs taking into account past experience and using statistical methods consistent with sound actuarial principles. No provision is made for any proposed amendments to the Act until such changes are passed.

12. ANNUITY FUND PAYABLE:

(Thousands of dollars)	2013	2012
BALANCE, beginning of year	**$ 167,722**	$ 166,091
ADD: Contributions		
Principal	**6,195**	5,265
Interest	**15,511**	4,749
	21,706	10,014
DEDUCT: Payouts		
Principal	**4,072**	3,796
Interest	**5,111**	4,587
	9,183	8,383
BALANCE, end of year	**$ 180,245**	$ 167,722

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2013.

(Thousands of dollars)	
2014	$ 9,848
2015 - 2018	38,554
2019 - 2023	50,737
2024 - 2028	45,488
2029 - 2033	18,462
2034 - 2038	10,230
2039 and beyond	6,926
	$180,245

Due to the nature of the annuity fund payable, its carrying value at December 31 approximates fair value.

13. RESERVES:

(Thousands of dollars)

	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	New Act Reserve	2013 Total	2012 Total
BALANCE, beginning of year	$ 20,109	$ 40,218	$ 10,054	$ 80,000	$ 150,381	$ 60,837
Appropriation from (to) Injury Fund	1,602	44,782	801	(80,000)	(32,815)	89,544
Appropriation to fund cost relief for employers	14,556	3,185	32,379	-	50,119	25,511
Allocations for cost relief for employers	(14,556)	(3,185)	(32,379)	-	(50,119)	(25,511)
BALANCE, end of year	$ 21,711	$ 85,000	$ 10,855	$ -	$ 117,566	$ 150,381

To maintain a funded status that is consistent with the statutory requirements of the Act, WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, revised in 2013, maintains the following reserves and specifies that they be determined based on the current benefits liabilities:

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two per cent of benefits liabilities for this reserve. During the year, $1,602,000 was transferred from the injury fund into this reserve.

(b) The Occupational Disease Reserve will cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim. In 2013, the funding policy increased this reserve to $85,000,000 and resulted in a $44,782,000 transfer from the injury fund into this reserve.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one per cent of benefits liabilities for this reserve. During the current year, $801,000 was transferred from the injury fund into this reserve.

(d) The New Act Reserve was established in 2012 for estimated additional costs for existing claims as a result of the legislative changes to the Workers Compensation Act effective January 1, 2014. The changes to the Act include annual increases to the future Maximum Insurable Wage Rate for existing claims based on the increase in the Provincial Average Wage. Actuarial standards require that the Benefits Liabilities estimate the expected future cost of claims that exist at the end of the year. With the changes to the Act, the Maximum Insurable Wage Rate for 2014 increases to $57,037 for claims that exist at December 31, 2013 which resulted in an $83,573,000 increase in the Benefits Liabilities. To offset this increase, the New Act reserve has been eliminated and its $80,000,000 balance transferred to the injury fund.

14. PREMIUMS:

(Thousands of dollars)	2013	2012
Premiums	**$ 304,597**	$ 298,823
Experience Rating Program – discounts	**(26,847)**	(26,675)
Experience Rating Program – surcharges	**23,137**	24,027
Other premium related income	**495**	40
	$ 301,382	$ 296,215

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records.

The Government of Canada is a self-insured employer whose claims are administered by WCB. The Government reimburses WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to WCB for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2013 were $6,297,000 (2012 - $4,568,000).

15. SAFETY AND PREVENTION:

(Thousands of dollars)	2013	2012
Occupational Health & Safety	$ **10,218**	$ 9,477
Safety Associations	**9,930**	8,931
WorkSafe Saskatchewan	**2,129**	1,418
	$ **22,277**	$ 19,826

Section 117(g) of the Act allows WCB to expend monies for the cost of administration of the industrial safety program.

WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. In 2013, funds were collected on behalf of and disbursed to the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Enform.

16. LEGISLATED OBLIGATIONS:

(Thousands of dollars)	2013	2012
Worker's Advocate	$ **979**	$ 963
Committee of Review/Legislative Review	**40**	116
	$ **1,019**	$ 1,079

Section 117(h), (i) and (j) of the Act allows WCB to expend monies for the expenses, including salaries and remuneration, of the office of the Worker's Advocate and the expenses of any Committee of Review established under the Act.

17. EMPLOYEE FUTURE BENEFITS:

WCB sponsors defined benefit and defined contribution pension arrangements covering all employees.

Defined Benefit Plan

For the defined benefit pension plan, WCB uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan expense is based on an extrapolation of the results in the most recent actuarial valuation of the pension plan as at December 31, 2012.

(i) Actuarial Assumptions

The following significant actuarial assumptions were employed to determine the net benefit plan expense and accrued benefit obligations:

	2013	2012
Discount rate	**4.50%**	3.75%
Average rate of compensation increase	**3.25%**	3.25%
Average remaining service period	**1 year**	1 year
Inflation	**2.50%**	2.50%

The assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at December 31 were as follows:

	2013	2012
Longevity at age 65 for current pensioners		
Males	19.6	19.6
Females	19.2	19.2
Longevity at age 65 for current members		
Males	20.0	20.0
Females	20.5	20.5

At December 31, 2013 the weighted-average duration of the defined benefit obligation was 10.5 years (2012 11.3 years)

(ii) Movement in net defined benefit (asset) liability

The following table shows a reconciliation of the opening balances to the closing balances for net accrued pension benefit (asset) liability and its components.

(Thousands of dollars)	2013	2012	2013	2012	2013	2012
	Defined Benefit Obligation		Fair Value of Plan Assets		Net Accrued Pension Benefit (Asset) Liability	
Balance at January 1	$ 39,097	$ 36,781	$ (33,684)	$ (33,563)	$ 5,413	$ 3,218
Included in profit or loss						
Current service cost	4	108	-	-	4	108
Interest cost (income)	1,421	1,608	(1,226)	(1,460)	195	148
	1,425	1,716	(1,226)	(1,460)	199	256
Included in OCI						
Remeasurement loss (gain)						
- Actuarial loss (gain) from financial assumptions	(2,968)	2,930	-	-	(2,968)	2,930
- Return on plan assets excluding interest income	-	-	(2,989)	(921)	(2,989)	(921)
	(2,968)	2,930	(2,989)	(921)	(5,957)	2,009
Other						
Employer contributions paid	-	-	(427)	(70)	(427)	(70)
Employee contributions paid	-	9	-	(9)	-	-
Benefits paid	(2,414)	(2,339)	2,414	2,339	-	-
	(2,414)	(2,330)	1,987	2,260	(427)	(70)
Asset ceiling adjustment					133	-
Balance at December 31 (note 9 & 10)	$ 35,140	$ 39,097	$ (35,912)	$ (33,684)	$ (639)	$ 5,413

Employer contributions to the defined benefit plan will be $427,000 in 2014.

(iii) Plan Assets

(Thousands of dollars)	2013	2012
Bonds and debentures		
Government of Canada and Guarantees	$ 3,594	$ 4,419
Provincials and Guarantees	4,920	4,524
Corporate Bonds	5,301	5,327
	13,815	14,270
Equities	9,078	8,739
Pooled Equity Funds	10,779	8,878
Short-term investments	1,589	1,393
	35,261	33,280
Other	651	404
	$ 35,912	$ 33,684

The strategic investment policy of the pension fund can be summarized as follows:

- All equity securities and bonds and debentures have quoted prices in active markets.
- All bonds are rated BBB or better with no more than 15% of the bond portfolio invested in BBB rated bonds.
- Any single equity holding is limited to 10% of the fair value of the related portfolio and any single equity holding is limited to 10% of the common stock in any company.
- Investments in pooled equity funds are limited to 10% of the market value of each fund.

The asset category target range of the defined benefit pension plan assets is as follows:

Asset Category	Target Range
Short-term investments	0 - 30%
Bonds and debentures	30 - 60%
Canadian equities	15 - 35%
Foreign equities	15 - 35%
Mortgages	0 - 5%

(iv) Sensitivity Analysis

The following illustrates the effect in the defined benefit obligation of changing certain actuarial assumptions while holding other assumptions constant:

	Defined Benefit Obligation	
As at December 31, 2013	**Percentage Increase**	**Percentage Decrease**
Discount Rate (1 percent change)	-9.5%	11.4%
Inflation (1 percent change)	-4.6%	5.0%
Salary escalation (1 percent change)	0.0%	0.0%
Post retirement indexing (1 percent change)	2.9%	-2.7%

Defined Contribution Plan

WCB also has employees who are members of a defined contribution plan. WCB's financial liability is limited to matching employee contributions of seven and one quarter percent to the plan. During the year, WCB incurred costs of $2,284,000 (2012 - $2,107,000) related to its defined contribution plan.

18. RELATED PARTY DISCLOSURE:

(i) Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to WCB by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan. All routine operating transactions are settled at prevailing market prices under normal trade terms. WCB has elected to take a partial exemption under IAS 24, Related Party Disclosures, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

(ii) Key Management Compensation:

Key management personnel is made up of 10 people (2012 - 10 people) and includes the Chairman of the Board, two board members, the Chief Executive Officer, the Chief Financial Officer, and five members of the senior executive group.

(Thousands of dollars)	2013	2012
Salaries and other short-term benefits	**$ 2,370**	$ 2,055
Post employment benefits	**137**	95
	$ 2,507	$ 2,150

19. CONTINGENCIES:

Due to the size, complexity and nature of WCB's operations various claims, appeals and legal matters are pending. In the opinion of management, these matters will not have a material effect on WCB's financial position or results of operations.

20. CAPITAL MANAGEMENT:

WCB's objectives when managing capital are to build a Funded Position that supports the long-term financial stability of WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing WCB's Funded Position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and sets the target range for the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, at 5% to 20% of Benefits Liabilities.

WCB monitors its funded status on the basis of its Funding Percentage. Based on the funding policy, the Funding Percentage is calculated as the Benefits Liabilities plus the balance in the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, divided by the Benefits Liabilities.

The Funding Percentages at December 31 were as follows:

(Thousands of dollars)	2013	2012
		(restated note 4)
Injury Fund	**$ 521,055**	$ 298,288
Unrealized gains on investments	**(311,227)**	(126,821)
	$ 209,828	$ 171,467
Benefits Liabilities	**$ 1,085,532**	$ 1,005,443
Injury Fund as a percentage of Benefits Liabilities	**19.3%**	17.1%
Funding Percentage	**119.3%**	117.1%

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The fair value of financial assets and liabilities other than investments (note 7), benefits liabilities (note 11), and annuity fund payable (note 12) approximates carrying value due to their immediate or short term nature.

22. COMPARATIVE FIGURES:

Certain 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Schedule 1 – Administration Expenses

Year ended December 31, 2013
(Thousands of dollars)

	2013	2012 Restated (note 4)
Salaries and employee benefits	**$ 40,216**	$ 39,509
Amortization (note 8 & 9)	**6,052**	5,977
Computer services	**2,827**	3,632
Building operations	**1,539**	1,609
Communications and postage	**1,078**	937
Consulting services	**921**	1,540
Office rental	**734**	640
Travel and automobile expenses	**609**	606
Printing and office expenses	**567**	815
Professional services	**497**	401
Community relations	**151**	146
Market research	**105**	88
Advertising	**45**	36
Miscellaneous	**(34)**	38
	55,307	55,974
Less:		
Fees charged to self-insurers	**2,457**	1,665
	52,850	54,309
Less:		
Administration costs charged to Future Benefits Administration (note 11)	**10,976**	11,054
	$ 41,874	$ 43,255

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