

Financial Management

The workers' compensation system is solely funded by employer premiums and returns from the investment of those premiums. WorkSafeBC does not receive any funding from the provincial government.

WorkSafeBC is committed to sound financial management to ensure the long-term financial sustainability of the system for workers and employers.

Below are some key financial highlights from 2024:

- **Target Funding Level:** To increase financial stability — and avoid rate volatility during economic and/or investment downturns — WorkSafeBC retains a reasonable level of assets over liabilities. WorkSafeBC's Board of Directors has approved a target funding level of no less than 130 per cent of liabilities.¹

WorkSafeBC ended 2024 with a funded ratio of 141 per cent, down from 142 per cent at the end of 2023, but above the 130 per cent target. This funding level equated to surplus funds totalling just under \$2.0 billion, down from \$2.1 billion the year prior.

- **Premiums:** Employer premiums are intended to cover current-year claim and operating costs. In 2024, premium income was \$2.4 billion, an increase of \$156 million over 2023. This increase is attributed to growth in assessable payroll, as the average base premium rate did not change in 2024.

WorkSafeBC's strong financial position in recent years has allowed the average base premium rate to be kept below the cost to run the workers' compensation system. The average base rate of \$1.55 per \$100 of assessable payroll for 2024 was less than the average cost rate of \$1.75, with the difference funded by the surplus.

Between 2019 and 2025, a projected \$2.4 billion of surplus will have been used to keep premium rates stable and below the cost to deliver services.

- **Claim Costs:** Claims make up WorkSafeBC's largest cost. In 2024, total claim costs on the funding basis, excluding claim administration, totalled \$3.2 billion. Claim costs increased by \$258 million over 2023, consistent with the upward trend in claim costs.
- **Administrative Efficiency:** Total administration costs for 2024 were \$676 million, an increase of \$58 million from 2023. WorkSafeBC's measure of administrative efficiency is total administration costs as a percentage of assessable payroll. In 2024, the cost was 0.42 per cent of assessable payroll, up from 0.40 per cent in 2023.
- **Financial Results:** WorkSafeBC had \$189 million in total comprehensive income in 2024, an increase of \$522 million from 2023.
- **Investments:** As mandated by legislation, WorkSafeBC maintains an Accident Fund to provide for all present costs and future payments (liabilities) for injuries arising in the current year, as well as those from prior years. The Accident Fund's investments are managed by the B.C. Investment Management Corporation. In 2024, WorkSafeBC's investment return, net of fees, was 11.6 per cent, compared to 8.4 per cent in 2023.

For more information:

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¹ For purposes of setting premium rates and the required funding level, WorkSafeBC uses a funding basis of accounting. This funding basis reduces the volatility in financial results and enables WorkSafeBC to maintain rate stability for employer premium rates.