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 2025:

- **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 2025 with a funded ratio of 139 per cent, down from 141 per cent at the end of 2024, but well above the 130 per cent target. This funding level equated to surplus funds totalling $1.7 billion, down from just under $2.0 billion the year prior.

- **Premiums**: Employer premiums are intended to cover current-year claim and operating costs. In 2025, premium income was $2.4 billion, an increase of $75 million over 2024. This increase is attributed to growth in assessable payroll, as the average base rate did not change in 2025 at $1.55 per $100 of assessable payroll.

  WorkSafeBC's strong financial position continues to allow the average base rate to be kept below the cost to run the workers' compensation system. The preliminary average base rate of $1.55 in 2027 will be less than the average cost rate of $1.88, with the difference funded by the surplus.

  Between 2019 and 2027, WorkSafeBC projects that $3.9 billion of surplus funds will have been returned to employers, primarily through the pricing of base rates below costs.

- **Claim Costs**: Claims make up WorkSafeBC's largest cost. In 2025, total claim costs on the funding basis, excluding claim administration, totalled $3.6 billion. Claim costs increased by $392 million over 2024, driven by a recent upward trend in long-term disability claim costs.

- **Administrative Efficiency**: Total administration costs for 2025 were $713 million, an increase of $37 million from 2024. WorkSafeBC's measure of administrative efficiency is total administration costs as a percentage of assessable payroll. In 2025, the cost was 0.42 per cent of assessable payroll, consistent with 2024 (0.42 per cent).

- **Financial Results**: WorkSafeBC had $155 million in total comprehensive income in 2025, a decrease of $34 million from 2024. While net investment income increased from the previous year, premium income was not sufficient to cover costs.

- **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 2025, WorkSafeBC's investment return, net of fees, was 7.5 per cent, compared to 11.6 per cent in 2024.

[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.