

POLICY NUMBER: POL-36

Chapter:
FINANCE AND ADMINISTRATION

Subject:
INVESTMENT OF BOARD FUNDS

Effective Date:
December 1, 1994

Last Update:
March 1, 2016

REFERENCE:

Workers Compensation Act R.S.P.E.I. 1988, Cap W-7.1, Section 30.
Workers Compensation Board Policy, POL-122, Amortization of Investment Returns.
Workers Compensation Board Policy, POL-136, Funding Policy.
Workers Compensation Board Policy, POL-23, Setting Assessment Rates.

DEFINITION:

POLICY:

1. Workers Compensation Board funds will be invested according to investment policies, standards, and procedures that a reasonably prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable return.
 2. The Workers Compensation Board may appoint such investment advisory committees or engage such investment advisory services as it considers appropriate.
 3. The Workers Compensation Board may, for the purpose of meeting its obligations, enter into arrangements with a Workers Compensation organization outside the province of Prince Edward Island or with another public agency for the investment of its funds in established investment mechanisms.
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4. The Workers Compensation Board must be satisfied that the investment policies, standards, and procedures of a Workers Compensation organization or public agency used as a mechanism for the investment of funds meets the requirements of Section 30 of the *Workers Compensation Act*.
 5. The Workers Compensation Board may withdraw funds from investment accounts to cover operating cash requirements.
 6. Investment returns will be reported in the Workers Compensation Board Annual Report in accordance with International Financial Reporting Standards (IFRS).
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HISTORY:

March 1, 2016 - Policy reviewed by Director and Acting Chief Executive Officer. No changes required.

September 10, 2009 - The policy was reviewed as a result of the 60 month policy review process. No substantive changes were made to the policy during this review.

January 27, 2005 - Modified to incorporate GAAP standards with respect to reporting of investment returns and to allow the continued use of “smoothing” investment returns for the purpose setting employer assessment rates and for the development and maintenance of a Funding Strategy.

July 19, 2001 - Added statement with respect to withdrawal of funds from investment accounts.

May 18, 2000 - Board of Directors review. Amended text and format.

Board of Directors Approval Date: December 1, 1994