WORK SAFE. FOR LIFE.
WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

Annual Report 2010

Every Day Forward

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Cover photo:

Every day, service technicians like Budd Hancock of Best Toyota in Kentville, make safety part of the job. Best Toyota is a member of the new Nova Scotia Automobile Dealers' Safety Association which promotes best practice throughout the industry.

Year at a Glance

(Dollar amounts in Millions)	2010	2009	2008
Number of Covered Employers (Assessed and Self Insured)	18,400	18,100	18,000
Percentage of Labour Force Covered (Assessed and Self Insured)	72	70	71
Number of Claims Registered	28,002	28,089	31,753
Number of Compensable Time Loss Claims Registered	6,921	7,206	8,050
Duration Index	98	98	95
Targeted Average Assessment Rate (per $100 of assessable payroll)	$ 2.65	$ 2.65	$ 2.65
Actual Average Assessment Rate	$ 2.68	$ 2.67	$ 2.68
Total Assessable Payroll (billions)	$ 9.1	$ 8.7	$ 8.6
Total Assessment Revenue	$ 282.6	$ 272.8	$ 273.1
Total Investment Income (Loss)	$ 83.6	$ 97.1	$ (174.8)
Total Administration Costs	$ 44.6	$ 43.5	$ 43.2
Legislated Obligations	$ 10.2	$ 11.5	$ 11.4
Total Claims Costs Incurred	$ 189.6	$ 187.0	$ 187.1
Total Comprehensive Income (Loss)	$ 3.5	$ 12.4	$ (248.6)
Total Assets (billions)	$ 1.1	$ 1.0	$ 0.9
Total Liabilities (billions)	$ 1.7	$ 1.6	$ 1.5
Percentage Funded Ratio	64.0%	62.4%	59.9%
Timeliness of First Payment to Injured Workers (percentage of payments made within 15 days of injury – 12 month average)	79.0%	79.8%	71.8%
Injury Rate: Time Loss Claims per 100 Covered Workers	2.13	2.26	2.48

Every Day Forward Facts

- Nova Scotia has experienced an average five per cent reduction in time loss injuries each year since 2005
- In 2010, the number of time loss injuries fell below 7,000 for the first time in over a decade
- For a fifth consecutive year, the injury rate in the Health and Social Services sector has dropped
- Back injuries, which make up nearly one third of all time loss injuries, declined by five per cent in 2010

Every day, the Board of Directors is responsible for making sure the viewpoints of workers and employers in the community are fairly represented.

Community Leaders Take Action

Nova Scotians have a reputation across Canada for being compassionate people who care for others in the community.

We all know a powerful story – about homes rebuilt by neighbours after a devastating fire, community fundraisers to make life a little easier for a someone undergoing medical treatment, or about a couple who gave away their lottery winnings to charity because they already have everything they need.

Having people like this in our community is one of the things that make Nova Scotia such a wonderful place to live.

Most of these everyday people would blush at the notion that they are doing anything special. They say they take action because "it's the right thing to do."

For many of us, the workplace is merely an extension of our community. It is not uncommon for relatives, friends and neighbours to work side-by-side for many years. And perhaps not unlike community heroes, workplace leaders are often motivated to improve their workplaces simply because it is the right thing to do. These leaders – both workers and employers – make deliberate, planned efforts to ensure the people they work with go home safely at the end of each and every workday. When someone in their workplace is injured, they recognize the incredible value work brings to their friend and they welcome them back to work as soon as possible.

The benefits of safe and timely return to work are substantive. For workers and their families, there is continued quality of life, ongoing participation in work and leisure activities, and preservation of income. For businesses, ensuring employees are safe and on the job means the retention of valued employees, reduced disruption to operations, increased productivity and competitiveness and an improved bottom line.

We saw this commitment to creating safer workplaces demonstrated in different ways throughout Nova Scotia over the past year.

Management and the union at Nova Scotia Power made a joint leadership commitment to a safe workplace when, for the first time in the country, the company and union together signed the Conference Board of Canada's *Health and Safety Leadership Charter.*

At Comeau Seafoods in Church Point, a family operated fishing and processing business, the entire leadership team focuses attention on improving safety for employees. This renewed focus on injury prevention and return to work has significantly improved their safety record and since 2006 the number of employees who have lost time from work due to a workplace injury has been cut in half. This significant improvement is largely due to their leadership's endorsement and promotion of a comprehensive safety culture within their workplace.

The Board members are (back row, left to right): Janet Hazelton, Worker Representative; John Amirault, Employer Representative; Mary Lloyd, Worker Representative; David Thomson, Employer Representative; Betty Jean Sutherland, Worker Representative; James Melvin, Employer Representative; Deborah Ryan, Worker Representative. Front row, left to right: Phillip Veinotte, Employer Representative; Nancy MacCready-Williams, Chief Executive Officer; Elaine Sibson, Chair; Chris Power, Deputy Chair.

Mary Lloyd has been a passionate advocate for workers across Nova Scotia since she was appointed to the WCB's Board of Directors in 2005. In January 2011, Mary resigned her role as a Worker Representative. We thank her for her service to the WCB during her time on our Board of Directors.

Since 2006 the number of employees losing time from work due to injuries at the Cape Breton District Health Authority has gone down over 40 per cent due to collaborative efforts of the union and management to improving safety in their workplace. Working with the WCB, a focused and intentioned plan was put in place to reduce injuries in the laundry services area in particular – a part of the operation where employees had a traditionally high rate of injuries due to lifting. With the introduction of new processes and machinery, 63 fewer laundry services employees have been injured on the job over that time. Discussions between the WCB and the CBDHA are now held regularly, and in 2010 there were specific efforts to develop return to work plans to help injured employees who have been off the job on long term claims.

CKF Inc., a manufacturer of moulded fibre products in Hantsport, has had a strong safety program for many years. CKF reaches out beyond the walls of their workplace to help reduce human suffering associated with workplace injuries across the industry. CKF has visited other large manufacturers in the province to share their experiences and to promote best practices in workplace safety within the industry.

These are only a few examples of everyday people who are taking action to improve workplace safety. We need to challenge long-held beliefs about doing things the way they have always been done or our assumption that responsibility for workplace safety and return to work lies in someone else's hands.

Throughout this annual report, you will find evidence of improvement in creating a workplace safety culture due to the efforts of workers, employers, unions, the WCB and many others. Over the past couple of years, the number of people who have lost time from work because of a workplace injury has been going down about 5 per cent every year and those who are injured are returning to work more quickly.

But, while these stories are so very positive, we cannot forget that over the past five years nearly 120 people in our community have died because of a workplace injury. There could be no stronger call for continued change – no stronger call that, in our province, there is still need for improvement. Our community needs to embrace a very simple ideal – that one Nova Scotian injured on the job is too many. More people in our community need to take action.

WCB Board of Directors

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Every day, a group of employees at Nautel Limited, a radio transmitter manufacturer in Hackett's Cove, makes time for a stretching routine.

Every day, professionals like Eric Vallis at Armour Transportation Systems, prevent potential sprains and strains by using three points of contact when climbing in and out of truck cabs.

Closer to the Workplace

This was the first year of the WCB's *Strategic Plan 2010–2014* which lays out the path to our long term goals of reducing the number of people hurt on the job and the time off work due to injury.

Achieving these goals will eliminate tens of millions annually from the insurance budget and return the WCB to full funding (currently projected for 2019 – 2023) assuming the required investment returns are also achieved. These improvements will allow the WCB to live up to our commitment to compensate workers and their families now and into the future, and to provide affordable workplace injury insurance for employers.

Throughout the past two years, the WCB has experienced significant change: getting used to a new organizational structure, the move from regionally focused to industry-based teams better aligned to serve the needs of large workplaces (including both the workers and employers working in them) and restructuring our services to smaller businesses.

We strengthened our relationships with partners in the community and provided new services to make it easier to work with us. All of these changes have been made to advance our goals of injury prevention and return to work.

We recognize, though, that the WCB's success can only be measured by how successful workplaces across the province are in creating a workplace safety culture. We made real efforts to get closer to workplaces this year and, in turn, Nova Scotia made real progress.

The impact of workplace injury on the fabric of Nova Scotia continues to decline. In particular, the number of people who were injured seriously enough to lose time from work went below **7,000** for the first time in over a decade. Time loss injuries were down over 15 per cent in the accommodation, food and beverage sector and nearly 30 per cent in communications and utilities. Between these two sectors alone, nearly **200** fewer people were injured on the job in 2010.

These positive results are in keeping with an ongoing trend since 2005. Since that time there has been an average of five per cent reduction in time loss injuries each year and similarly, claim durations have been shortened by 14 per cent over that period.

There are other positive signs as well. After several years of rapid increases, health care costs have decreased. The number of short term claims has gone down significantly, and we are optimistic that these gains will translate to long term claims over time.

For several years we have asked Nova Scotians whether they believe workplace injuries are an inevitable part of life. It's encouraging to note that fewer people agree with this statement and it is declining over time. We are hopeful that this may be an indication that

Every day, WCB Chief Executive Officer, Nancy MacCready-Williams leads the WCB as, together with our partners, we keep Nova Scotians safe and secure from workplace injury.

increasingly, Nova Scotians understand and believe workplace injuries can be prevented.

In 2010 global financial markets continued to recover and we ended the year with gains of $83.6 million bringing our funded position to 64 per cent.

Next year we will see a change in the WCB's financial reporting as Canadian generally accepted accounting principles (GAAP) for public organizations will be replaced with International Financial Reporting Standards (IFRS). This change could introduce significant volatility to our financial results in future years. More details about the IFRS are included in the Management Discussion and Analysis section of this annual report.

The challenge as we go forward will be to sustain and grow this progress as more and more workplaces are engaged in creating a workplace safety culture. Nova Scotia's success will be valued not just in dollars saved, but more importantly, in lives saved.

Nancy MacCready-Williams
Chief Executive Officer

The challenge as we go forward will be to sustain and grow this progress as more and more workplaces are engaged in creating a workplace safety culture. Nova Scotia's success will be valued not just in dollars saved, but more importantly, in lives saved.

Every day, schools are thinking about safety. Students across Nova Scotia learn about occupational health and safety thanks to its increasing presence in junior and senior high curriculum – including a mandatory module for Grade 9 students introduced in 2010-2011. Here, Nancy Levy shows students at Central Kings Rural High School personal protective equipment.

Every day, employers like the Cape Breton District Health Authority are finding ways to keep their employees safe from injury. Here Scott MacNeil demonstrates how laundry is hydraulically transported to the dryers in Laundry Services at Northside General Hospital in North Sydney.

Collaborating to Resolve Issues

In 2010 I resumed my role as Client Relations Officer following a 15-month secondment as Special Project Officer at the Workers' Compensation Appeals Tribunal. I thoroughly enjoyed my experience working at WCAT and, in particular, getting to know the people who work at our partner agency better.

Over the past year I've had opportunities to listen to concerns raised by injured workers and employers, and through the insight provided from these many conversations I continued to look for ways to help resolve issues and identify areas where changes to our operations could improve the service experience for them.

There were 40 complaints about the WCB's service in 2010, 29 of which were found to be substantiated or partially substantiated. The number was down when compared to 64 complaints received in 2009. The majority of complaints dealt with timeliness and communication issues.

In keeping with this view of improved service, I became part of the Issues Resolution Working Group (IRWG) working alongside the Chief Worker Adviser, Chief Appeals Commissioner, and WCB colleagues as we collaborated to identify and implement new ideas aimed at resolving claims-related issues earlier and through means other than a formal appeal.

As part of my role, I also respond to inquiries from MLAs and other government officials. I was particularly keen to meet many new MLAs this year as I visited constituency offices throughout the province to explain the Client Relations Officer function and to provide assistance on workers' compensation matters.

As always, I look forward to continuing to provide assistance to injured workers and employers in the coming year and to building strong relationships with our partner agencies, government officials and other stakeholders with whom I have the pleasure to interact every day.

Tim McInnis
Client Relations Officer

Every day, Tim McInnis (right) meets stakeholders and partners like Kenny LeBlanc, Chief Worker Adviser with the Workers' Advisers Program, to better serve those whose lives are touched by workplace injury.

Every day, employees like Barbara Gero, left, Peter Gero, centre, and Katrina Bogutyn, right, assist workers and employers alike from a single point of service at the convenient new location in the WCB's South Street, Halifax building.

Plans and Progress

The WCB's primary goals are to reduce the number of people hurt on the job and the time off work due to injury. Our *Strategic Plan 2010–2014* outlines the framework that will be used to drive change to achieve these goals.

In 2010, the first year of the plan, we built on the solid progress that has been made over the past few years. The initiatives we undertook reflect a combination of much of the work that was started in 2009 along with some new areas of focus.

Balanced Scorecard Measures

	Actual '09	Actual '10	Target '10	Target '11	Target '15
Service / Governance					
Worker Satisfaction Index[1]	72%	73%	70%	70%	70%
Employer Satisfaction Index	78%	77%	70%	70%	70%
Stakeholder Engagement Index[2]	N/A	67%	70%	N/A	N/A
Operations					
Time loss injuries per 100 covered employees	2.26	2.13	2.41	2.12	1.96
Duration – composite in days	98	98	95	98	86
Percent return-to-work at 100% pre-injury earnings[3]	95%	95%	93%	N/A	N/A
Average short term disability payment per claim[3]	$4,438	$4,539	$4,140	N/A	N/A
Cost of New Extended Earnings Replacement Benefits (in millions)	N/A	$68.2	$62.0	$63.6	$66.7
Employee					
Employee Satisfaction Index	72%	69%	70%	70%	70%
Financial					
Claims payments for the last 3 years per $100 of assessable payroll	$0.803	$0.739	$0.822	$0.731	$0.715
Administrative costs per $100 of assessable payroll (excluding prevention costs)	$0.35	$0.36	$0.41	$0.41	$0.43
Return on investment			Benchmark Portfolio Return + 0.85%		
Five-year Rate of Return	3.9%	3.6%			
Five-year Target	5.2%	4.7%			

[1] *The Worker Satisfaction Index does not include workers on long term benefits or those with claims for little or no time loss.*
[2] *Results for the Stakeholder Engagement Index are reported biannually. The next survey will be conducted in 2012 and every two years thereafter. The SEI in 2008 was 64 per cent.*
[3] *These performance measures will be removed from the Balanced Scorecard in 2011.*

Building a workplace safety culture in Nova Scotia requires commitment, partnership and an unwavering focus on injury prevention and safe and timely return to work if we are to achieve real systemic change.

Several initiatives in 2010 emphasized the WCB's efforts to create a workplace safety culture. While we are very encouraged by the progress made this year, we recognize that so much more remains to be done.

You can see the results of our strategy in our balanced scorecard that contains a series of performance indicators on the previous page.

Workplace injury continues to decline. The total number of serious injuries resulting in time off the job has dropped four per cent to 6921 – the first time it's fallen below 7,000 in over a decade. The injury rate, which measures the number of time loss injuries per 100 covered workers, has dropped to 2.13 – ahead of our year-end target of 2.41. This continues a trend we have seen over the past five years. Since 2005 the injury rate in Nova Scotia has decreased, on average, five per cent per year which is the equivalent of 2125 fewer serious injuries. These are very positive results that show real progress in creating a culture of workplace safety.

There was also progress with regard to return-to-work. We anticipated at the beginning of the year that as the economy recovered and more people were working there would be an increase in claims. But, similar to our experience in 2009, the total number of injuries continues to decline including a significant portion of short term claims. This year, we also began to see a reduction in the volume of long term benefits awarded. Encouragingly, since 2007, the volume of extended earnings replacement benefits awarded (for regular classified employers) has dropped 39 per cent. We are continuing to monitor long term claims closely.

In terms of our financial measures, an increase in the three year average payroll and a decrease in total claim payments, flowing mainly from a reduction in health care payments, had a favourable effect on the payment ratio and we exceeded our target for this year. We also surpassed our target for administrative costs.

The WCB's scorecard has four quadrants – Service and Governance, Operations, Employee and Financial. More detail on each of these quadrants is described below.

Service and Governance

Enhanced Service Delivery

Changing how the WCB delivers service is a critical element of our injury prevention and return-to-work strategies.

Our Integrated Service Teams began to serve large workplaces – including the workers and employers within them – in a new way. Dedicated service teams were formed to provide service to small and medium workplaces, while members of Workplace Services and Central Services teams co-located to make it easier for workers and employers to do business with us from a modernized, convenient location at our South Street building in Halifax.

Our Cape Breton team also moved to a new modern office location on Charlotte Street in Sydney.

We began to lay the foundation for an Integrated Service Centre, which when fully implemented, will make it easier for all workplaces to access WCB services. We did this by leveraging advanced technology to improve efficiency and enhance delivery of key health care programs and services including the introduction of electronic pharmacy payments (PayDirect), voice over internet protocol (VOIP), a Client Relationship Management tool for our employees and a new fax to efile system.

All of these service enhancements required a constant focus on change management internally to ensure employees understood what changes were happening and why, and enhanced communications with customers to ensure their needs were met.

Industry-Based Safety Associations
In recent years, the WCB enhanced its prevention strategy by supporting and encouraging the establishment of safety associations in three sectors – health care, fishing and retail automotive dealers – to support the ongoing development of safety leadership in Nova Scotia.

In 2010, we worked with leaders in these associations and other established safety associations to better understand their needs and support the development of tools that specifically address the prevention and return to work issues they are facing.

Safety association representatives began to explore options for developing a long term accountability framework for their associations. We look forward to continuing our positive relationship with safety associations in keeping with this new framework.

Physiotherapy Program
The WCB's physiotherapy program is having a positive impact on the length of time workers with strains and sprains are off the job. On average, 3,700 workers with sprains and strains undergo 50,000 treatments at physiotherapy clinics across Nova Scotia each year.

In response to feedback from stakeholders that there were some aspects of the program that required attention, the Board of Directors asked a group of stakeholders to participate in a working group, to make recommendations aimed at improving the program. The working group included employer, worker, and injured worker representatives.

Their report validates the program overall, but also provides thoughts and ideas about enhancements. Going forward, the WCB will consider the appropriate steps to take in response to those recommendations, to make a good program even better.

Expedited Surgical Services
In 2010, the WCB continued to expedite day surgeries at three facilities in the province (Aberdeen Hospital, South Shore Regional Hospital and Hants Regional Hospital) and began to expedite in-patient surgeries at Annapolis Valley Health and Duval Orthopedic Clinic in Laval, Quebec.

We are continuing negotiations to increase surgical capacity with Cape Breton District Health Authority and Capital District Health Authority.

In 2010, our goal was to eliminate the inventory of both simple and complex orthopaedic surgeries. We have made great progress towards the achievement of that goal and at year-end the number of injured workers waiting more than 60 days for surgery was at the lowest point since we began tracking this data in 2008.

AWCBC Congress 2010
The WCB hosted the Association of Workers' Compensation Boards of Canada (AWCBC) *Congress* in June 2010. The AWCBC is a non-profit organization that facilitates the exchange of information between WCBs across Canada.

Each jurisdiction takes a turn at hosting the bi-annual *Congress* and over 130 leaders in workers' compensation from across the country came to Halifax in June.

Issues Resolution

In 2009, the Workers' Compensation Appeals Tribunal (WCAT), the Workers' Advisers Program (WAP) along with the WCB engaged stakeholders in coming to a common understanding of "system litigiousness" and to develop an Issues Resolution Strategy.

In 2010, the WCB continued to provide support for the implementation of changes flowing from the strategy including launching a new Workplace Safety and Insurance System (WSIS) Liaison Officer pilot program at the WCB. The pilot provides a mechanism for early resolution before a formal hearing at Internal Appeals and can involve communications with our partner agencies, injured workers, employers and their representatives.

The goal of the pilot is to reduce the number of appeals that proceed to a formal hearing, reduce the number of issues on appeal and to increase communications between the partner agencies. The information collected as part of the pilot will be used to identify improvements and potential enhancements to the appeal process.

Program Policy Consultation

To support the Board of Directors with its decision making and improve stakeholder participation and understanding of the policy development process, stakeholders were engaged in various stages of the 2010 revolving Program Policy agenda.

Based on consideration of various factors, including stakeholder input, the Board of Directors made a number of program policy decisions including:

- Approval of a new program policy titled *General Entitlement: Occupational Disease Recognition.*

- Approval of minor housekeeping changes to a number of program policies to ensure they accurately reflect the WCB's new organizational and governance structure.

- Consideration of a draft final version of a new program policy titled *Medical Aid – General Principles*. The Board of Directors decided to delay final release of this program policy until the report of the working group on the Direct Access to Physiotherapy Program has been received to determine if there is any impact on the proposed policy language.

- Concluding the review of program policy 3.4.2R1 – *Review of Extended Earnings Replacement Benefits*. Based on research and analysis, the Board of Directors determined that revisions to the policy were not necessary or appropriate at this time.

- Initiated stage one policy consultation on the program policy topic "*recurrences*". As a result, in early 2011, the WCB will facilitate a small working group where stakeholders will have an opportunity to interact and identify, clarify and discuss their issues/concerns related to this topic. Stakeholder input will help inform the scope of the policy review.

During the drafting of these program policies, stakeholders had an opportunity to provide input on the scope of the policy reviews as well as on the draft program policy language. This input was a critical component of the Board of Directors' program policy decision making process.

Measures of Success

The WCB is committed to providing excellent service to injured workers and employers. We contract an external firm to conduct quarterly surveys of approximately 1,600 injured workers and 1,000 employers each year to determine their level of satisfaction with the service they receive from the WCB. These results are used to calculate a *Worker Satisfaction Index* and an *Employer Satisfaction Index*.

Performance

Service / Governance	Actual '09	Actual '10	Target '10	Target '11	Target '15
Worker Satisfaction Index[1]	72%	73%	70%	70%	70%
Employer Satisfaction Index	78%	77%	70%	70%	70%
Stakeholder Engagement Index[2]	N/A	67%	70%	N/A	N/A

[1] The Worker Satisfaction Index does not include workers on long term benefits or those with claims for little or no time loss.
[2] Results for the Stakeholder Engagement Index are reported biannually. The next survey will be conducted in 2012 and every two years thereafter. The SEI in 2008 was 64 per cent.

In 2010, Nova Scotia employers and workers continue to be satisfied with the service provided by the WCB. Satisfaction levels are well above target at 77 per cent and 73 per cent, respectively.

The WCB's *Stakeholder Engagement Index* for 2010 is 67 per cent. While this result is slightly below target, we continue to work on understanding and delivering on the expectations of stakeholders, to foster positive and effective working relationships, and to enhance the public's confidence in the WCB.

Outlook

In 2011, as we move into the second year of the WCB's five-year strategic plan, we will continue to focus on the plan's six strategic themes that will help Nova Scotia achieve a culture of workplace safety:

- An unwavering focus on injury prevention;
- Helping injured workers and employers plan a safe and timely return to work;
- Building confidence in the WCB by engaging workers and employers in creating safer workplaces;
- Working with others to expand the commitment to injury prevention and return to work across the province thereby further improving outcomes for Nova Scotians;
- Making service improvements to provide workers and employers with a higher level of service tailored to meet their needs – supportive and compassionate service; and
- Maintaining our current strategy to reach full funding and bring financial sustainability to the Workplace Safety and Insurance System.

We will also connect with the community in a discussion about the WCB's rate setting model as we explore its effectiveness in motivating the behaviour change needed to support injury prevention and return to work.

We will respond to the recommendations of the Direct Access to Physiotherapy Stakeholder Working Group with a view to enhancing our physiotherapy program.

We will continue our transition to a new way of delivering service and focus on fostering productive working relationships with workplaces to provide them with a higher level of service tailored to meet their needs.

We will maintain our targets for the three Service and Governance measures at 70 per cent until 2015.

Operations

Workplace Safety for Youth

The Nova Scotia Departments of Education and Labour and Workforce Development, and the WCB partnered to create workplace safety learning for Grade 9 students that was introduced across Nova Scotia. The program provides eight hours of in-class instruction on the importance of workplace safety and it aims to address the high number of injuries to Nova Scotia workers younger than age 20.

Research indicates that workplace safety often isn't part of the conversation for young workers and their employers. Our 2010 young worker campaign worked to change that by raising awareness about the importance of talking about workplace safety. The *So Many Ways* campaign included an interactive website at *somanyways.ca* and an accompanying print and poster campaign. The site received more than 10,000 visits.

Social Marketing

In 2010 we continued our social marketing strategy, moving closer to the workplace while maintaining an overall injury prevention awareness presence as well.

Our advertising campaign based on the idea that all of us should do something, no matter how small, to prevent workplace injuries continued. The television ads *Nail, Bucket and Ladder* were augmented with two new spots – *Tape* and *Guard*. The ads issue a call to action and a reminder of the shared responsibility employers and workers have for workplace safety.

The campaign was recognized at the ICE Awards – representing Innovation, Creativity, and Enterprise in creative advertising in Atlantic Canada. The WCB won several awards which is an important recognition of the tremendous effort we dedicate to ensuring our marketing efforts are helping to prevent workplace injuries.

In 2010, we also launched a collection of Rod Stickman videos at the Safety Services Nova Scotia annual conference. The videos cover several topics – safe work design, slips and falls, working from heights, communication and return to work – and they have been downloaded from our website more than 3,700 times. As well, more than 1,500 DVDs have been distributed to workplaces and other organizations province-wide. WCB employees visited about 25 workplaces in the fall to promote Rod Stickman, reaching a further 2,000 workers and employers in person.

The WCB also partnered with the Nova Scotia Federation of Labour, Threads of Life and the Nova Scotia Department of Labour and Workforce Development on a campaign to recognize the 2010 Day of Mourning. Based in real stories of workplace tragedy, the campaign included a number of elements including media relations, print advertisements and posters, and speaking engagements.

Mainstay Awards

Safe workplaces don't just happen. Achieving excellence in occupational health and safety is a journey, guided by a fundamental belief that one Nova Scotian injured on the job is too many. All too often, this dedication and hard work goes unnoticed.

The Mainstay Awards aim to recognize individuals and organizations whose efforts have moved Nova Scotia toward a safer future. Congratulations to these impressive safety leaders who received Mainstay Awards in 2010:

- *Safety Award of Excellence* – Black & McDonald Limited
- *Transformation Safety Champion* – Edmonds Landscape and Construction Services Limited
- *Employer Safety Champions*
  - Edmonds Landscape and Construction Services Limited
  - CKF Inc.
  - Weston Bakeries (Amherst)
- *Employer Return-to-Work Champions*
  - EastLink
  - Sobeys

Research

The WCB is one of several workers' compensation organizations participating in the British Columbia Research Secretariat's *Focus on Tomorrow* research program. The program has funded 35 research projects since 2005. Five new projects were initiated in 2010 including two Nova Scotia studies at St. Mary's University and Dalhousie University.

In November about 100 members of the health and safety community attended a workshop called *Why People Keep Hurting their Backs – Recurrent Low Back Injury: New Directions through Multidisciplinary Research*.

The workshop was based on research by Dr. Cheryl Hubley-Kozey and Dr. Heather Butler from Dalhousie University's School of Health and Human Performance. Dr. Hubley-Kozey's research is funded in part by the WCB, one of many research projects that contribute to the prevention of workplace injury.

Measures of Success

Operational performance measures track whether the WCB is successful at reducing the injury rate (time loss injuries per 100 covered employees), reducing the time workers are off the job due to their injuries (the composite duration index), helping injured workers return to work without a long term earnings loss (per cent return to work at 100 per cent pre-injury earnings), and reducing the average short term disability claims payment.

This year, we added a new measure – *Cost of New Extended Earnings Replacement Benefits* – to ensure there is sufficient emphasis on long term disability costs in our balanced scorecard and to help us better monitor and manage these costs.

The WCB's operational performance results for 2010 overall were positive but some indicators did not perform as predicted.

We made progress in reducing the number of time loss injuries, one of the key drivers of our long term success, exceeding the injury rate target of 2.41. This means that since 2005, the injury rate has gone down an average of five per cent per year representing about 2,215 fewer serious injuries.

For the second year in a row, we have achieved a 95 per cent return-to-work success rate for injured workers.

While we experienced these positive results, other performance measures did not perform as expected.

We anticipated at the beginning of the year that as the economy continued to recover and there were more people working, there would be an increase in claims. But, similar to our experience in 2009, the total number of injuries continued to decline including a substantial portion of short term claims. This year we also saw a reduction in medium term claims. However, long term claims did not decline at the same pace. While the number of days paid in short term claims was the lowest for several years, the unanticipated mix of short, medium and long term claims resulted in the average claim duration and the composite duration index remaining relatively steady – on track with 2009 but three days short of our target.

In 2010, we continued to make progress in lowering short term disability claims payments – payments are down 1.4 per cent over the previous year and slightly above the expected amount. Yet, the combination of a lower time loss claim volume and longer average durations has led to an increase in the average short term disability payment per claim and we did not achieve our target.

These higher than expected payments coupled with a lower than anticipated number of claims has driven the average payment up to $4,539 – well above the target of $4,140.

The cost of new extended earnings replacement benefits is $68.2 million. While this is higher than the annual target, we are continuing to make progress with long term disability claims. Encouragingly, since 2007, the volume of extended earnings replacement benefits awarded (for regular classified employers) has dropped 39 per cent.

More details on our overall experience with long term disability claims are provided in the Management Discussion and Analysis.

Performance

Operations

	Actual '09	Actual '10	Target '10	Target '11	Target '15
Time loss injuries per 100 covered employees	2.26	2.13	2.41	2.12	1.96
Composite Duration Index (in days)	98	98	95	98	86
Percent return-to-work at 100% pre-injury earnings[1]	95%	95%	93%	N/A	N/A
Average short term disability payment per claim[1]	$4,438	$4,539	$4,140	N/A	N/A
Cost of New Extended Earnings Replacement Benefits (in millions)	N/A	$68.2	$62.0	$63.6	$66.7
Time loss days paid per 100 covered employees[2]	N/A	N/A	N/A	249	197
Return to Employability[2]	N/A	N/A	N/A	95%	96%

[1] *These performance measures will be removed from the balanced scorecard in 2011.*
[2] *These performance measures will be adopted in 2011.*

Outlook

Over the coming year, we will continue with our current prevention strategy, placing greater emphasis on building crucial relationships with our partners and industry associations to support the ongoing development of safety leadership in Nova Scotia.

Externally there is an opportunity to enhance the WCB's reputation in the greater Nova Scotia community. We will develop an intentioned communications strategy to share more broadly what the WCB is doing to support injury prevention and return to work and why this is so important to our province.

We have made progress in our reputation management efforts over the past few years but there is more that can be done through an enhanced focus on partnerships and relationships throughout the community. Establishing relationships with key community leaders will be an integral part of this strategy.

The WCB will continue to make service improvements with a focus on supporting our employees with the tools and resources they need as they work to influence behavioural change in Nova Scotia's workplaces.

We will also enhance the delivery of key health care programs and services to ensure we are reaping the full benefits of the investments we have already made and work to improve wait times for key health care services.

We will continue working to establish an Integrated Service Centre to make it easier for all workplaces to access our services, and leverage advanced technology, such as further VOIP enhancements, to improve efficiency.

The WCB's goal is to lower the injury rate to 2.12 and by 2015 reach a target of 1.96. We are also working to achieve our target of 95 per cent of injured workers returning to work in 2011 at 100 per cent pre-injury earnings and to increase this number to 96 per cent by 2015. The composite duration index (based on injuries in the past five years) is expected to remain at 98 days in 2011 and drop to 86 days by 2015.

Our target for the total number of time loss days paid per covered worker on all claims is 249 days in 2011 with a further reduction to 197 days by 2015. We anticipate the Cost of New Extended Earnings Replacement Benefits measure will be $63.6 million in 2011 and $66.7 million in 2015.

Employees

WCB a Top Employer

The WCB is proud to be selected as a Top Nova Scotia Employer for the third year in a row by Mediacorp – the same organization that selects Canada's top 100 employers published annually in *Maclean's* magazine.

For the second year in a row, the WCB was also named a Top Employer in Atlantic Canada for 2011. The awards are presented to organizations to recognize their efforts to provide an exceptional place to work.

Top 50 CEO
Nancy MacCready-Williams earned a spot in *Atlantic Business* magazine's distinguished Hall of Fame for having been named a Top 50 Atlantic Canadian CEO for the fifth consecutive time. She and the other Hall of Fame inductees were honoured at a gala evening at the World Trade and Convention Centre in Halifax.

Hall of Fame CEOs are chosen for their proven managerial abilities, reactions to challenging situations, leadership philosophies, organizational growth, commitment to industry and community development and volunteer activity.

Measures of Success
Each year, the WCB hires an external firm to conduct an employee satisfaction survey. The results are used to create an *Employee Satisfaction Index*. We know that to achieve our strategic goals, we must start with our employees and create an environment where they are able to provide excellent service. It is important that employees understand and feel that they are making a difference in the lives of Nova Scotians.

Performance
For the past few years, the WCB has made numerous service enhancements to provide workers and employers with a higher level of service tailored to meet their needs.

While we are making it easier for workplaces across the province to partner with us to create a safer Nova Scotia, we have experienced some change fatigue internally associated with our efforts. As a result, our 2010 *Employee Satisfaction Index* slipped below the 70 per cent target.

Outlook
Internally, stability and caring for employees will be our focus in the coming year. We will develop an employee engagement strategy to inspire the hearts of our employees, build enthusiasm and re-create the passion for future changes.

Our top priorities will be leadership and a focus on 'people care' that are critical given that our performance depends on the health and engagement of our employees. We will also focus significant effort on ensuring our employees are being successful with the changes made to date.

As we work to achieve forward momentum, we will maintain the *Employee Satisfaction Index* target at the current level through 2015.

Employee

	Actual '09	Actual '10	Target '10	Target '11	Target '15
Employee Satisfaction Index	72%	69%	70%	70%	70%

Financial

The achievement of our financial targets is tied to reducing the injury rate, ensuring injured workers return to work in a safe and timely manner, and investment returns. As described in the Operations section above, we exceeded our targets for injury frequency and safe and timely return-to-work. We did not meet our return on investment targets. More details about our investment returns and the unfunded liability are included in the Management Discussion and Analysis section of this report.

Measures of Success

For the financial measures over which the WCB has the most influence, our performance was very solid. We exceeded the target for claims payments for the last three years per $100 of assessable payroll. An increase in the three year average payroll and a decrease in total claim payments flowing mainly from a reduction in health care payments had a favourable effect on the payment ratio and we exceeded the target.

We also exceeded our target for administrative costs per $100 of assessable payroll. Two primary factors that resulted in a positive $0.05 variance from the target are: a positive variance of $0.02 as the expenditures from the administrative budget were less than planned; and a $0.03 positive variance as offsetting deductions (which reduce total administrative costs) for the change in future liability for administrative costs was $1.8 million higher than expected, and administrative costs charged to self-insurers was $1.1 million higher than planned.

As global financial markets continue to recover, our investment returns have improved and we experienced more positive investment returns in 2010. Nonetheless, our five-year rate-of-return target for the period ending December 31, 2010 was not achieved.

Performance

Financial

	Actual '09	Actual '10	Target '10	Target '11	Target '15
Claims payments for the last 3 years per $100 of assessable payroll	$0.803	$0.739	$0.822	$0.731	$0.715
Administrative costs per $100 of assessable payroll (excluding prevention costs)	$0.35	$0.36	$0.41	$0.41	$0.43
Return on investment					
Five-year Rate of Return	3.9%	3.6%	Benchmark Portfolio Return + 0.85%		
Five-year Target	5.2%	4.7%			

Outlook

The WCB’s investment portfolio is well diversified among a variety of assets in order to optimize returns and manage risk. We are monitoring investment performance and the investment strategies to confirm that our investments support our liabilities.

With continued focus on long term disability costs and an increased understanding of opportunities to manage health care costs and reduce health care wait times, we will work to achieve the targets for ‘claims payments for the last 3 years per $100 of assessable payroll’ – $0.732 in 2011 and $0.715 in 2015.

In the short term, administration expenses are forecasted to increase slightly as we adopt new technologies, but over time this will be a cost-neutral strategy. As always, the WCB will monitor and evaluate the balance between administration costs and service quality, and adjust that balance to best meet the needs of stakeholders.

We will continue to monitor progress with our strategy closely, including the funding outlook.

We will continue to monitor progress with our strategy closely, including the funding outlook.

Every day, physiotherapist Monique Miller at Centric Health Work Able in Halifax, takes people through tasks that promote healing and prepares them to return to the workplace.

Management's Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board (WCB) of Nova Scotia are prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles (GAAP) in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and assets are properly safeguarded. Internal audit service providers, Grant Thornton LLP, perform periodic audits designed to test the adequacy and consistency of the WCB's internal controls.

The WCB's Board of Directors has approved the financial statements included in this annual report. The Board of Directors is assisted in its responsibilities by the Audit & Risk Oversight Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, the independent actuaries, and the internal and external auditors concerning internal controls and all other matters relating to financial reporting.

The firm of Eckler Partners Ltd. has been appointed as independent consulting actuaries to the WCB. Their role is to complete an independent annual actuarial valuation of the benefits liabilities included in the financial statements of the WCB and to report thereon in accordance with accepted actuarial principles.

Ernst & Young LLP, the external auditors of the WCB, have performed an independent audit of the financial statements of the WCB in accordance with auditing standards generally accepted in Canada. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.

Nancy MacCready-Williams
Chief Executive Officer

Leo D. McKenna, CA
Chief Financial Officer

Management Discussion and Analysis

As an integral part of the annual report, the Management Discussion and Analysis (MD&A) provides further insight into the operations and financial position of the Workers' Compensation Board (WCB). The discussion and analysis should be read in conjunction with the audited financial statements and supporting notes. Management is responsible for the reliability and timeliness of the information disclosed in the MD&A.

Forward-looking Information

This report contains forward-looking information and actual results may differ materially. Forward-looking information is subject to many risks and uncertainties as this information may contain significant assumptions about the future. Forward-looking information includes, but is not limited to, WCB goals, strategies, targets, outlook and funding strategy.

Risk and uncertainties about future assumptions include, but are not limited to, the changing financial markets, industry mix, general economy, legislation, accounting standards, appeals and court decisions, and other risks which are known or unknown. We caution the reader about placing reliance on forward-looking information contained herein.

Statement of Financial Position

Investments

Benefits for injuries occurring in a year are paid in the year of injury and, for some workers, for many years after the injury. The WCB maintains an investment portfolio to secure the payment of benefits in the future.

Portfolio Structure

The portfolio's overall asset mix remains unchanged compared to 2009. The benchmark portfolio included equity at 60 per cent, bonds at 30 per cent and real estate at 10 per cent. Target allocations for Canadian, US and international equity are 20 per cent. The benchmark portfolio reflects the fund's long term risk tolerance. At any given time, the fund's asset allocation may differ from the benchmark. The benchmark is useful for assessing performance of the fund. The current investment target is to exceed the rate of return generated by the benchmark portfolio and market index yields for the various asset classes by 0.85 per cent. The target is based on a five-year average before management fees.

The WCB uses two different investment strategies for different asset classes. The first is an active investment strategy where the investment manager is charged with exceeding the market index returns. The second is a passive investment strategy where the investment manager is charged with achieving market index returns. The WCB continues to use an active management strategy for Canadian, US and international equities and real estate investments and a passive strategy for fixed income and a passive currency hedging overlay strategy with a hedge ratio of 50 per cent of the total foreign currency exposure.

On August 31, 2010, the WCB terminated the mandates of two active Canadian equity managers. The funds are being managed using a passive investment strategy in the interim. The WCB is in the process of a Canadian equity manager search.

Capital Markets Review

In early 2010, the markets continued the positive trend from 2009. The markets retreated in the second quarter of 2010 due partly to the debt crisis in Europe and concerns about a possible double dip recession. As those concerns faded and positive trends continued in the second half of 2010, the markets experienced additional growth for the remainder of the year with most major equity market indices posting positive annual returns. Returns in Canadian dollar terms were lower due to the strengthening Canadian dollar compared to the US dollar and a basket of European, Australian and Far East (EAFE) currencies. Bond markets were positive for the year. Corporate bonds outperformed their government counterparts and therefore many active bond managers posted better returns than indexed funds. Real estate markets generated positive returns for the year.

As reported in 2009, the WCB's real estate fund manager is still experiencing a redemption limitation in the frequency and dollar amount of liquidation requests that they can process. This limitation imposed by our real estate manager has not had an impact on cash management at the WCB.

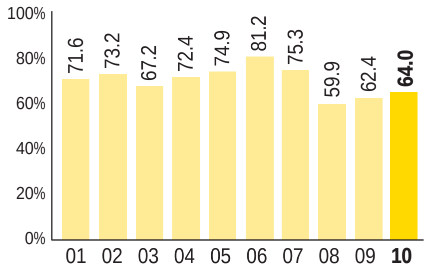
Portfolio Performance

The active manager's objective is to exceed the return generated by the benchmark portfolio by 1.5 per cent for Canadian equities, 2.0 per cent for international equities and 1.0 per cent for US equities. These objectives are before investment management fees and are based on a five-year average. For the indexed manager, the objective is to match the return generated by the fund benchmark portfolio for nominal bonds +0.10 per cent. Again this objective is based on a five-year average before investment management fees. The real estate manager's objective is to exceed the return generated by 85 per cent of the IPD All Property Index plus 15 per cent of the DEX 91 Day Treasury Bills on a five-year average. For the most recent five year period, the WCB's investment managers have not been successful in outperforming their benchmarks. The total five year fund return of 3.6 per cent was behind the benchmark return of 3.8 per cent.

Market investment returns on the externally managed portfolio were 9.0 per cent in 2010 which was behind the benchmark return of 9.4 per cent. This resulted in negative value added of 0.4 per cent. In 2010 the capital markets, in Canadian dollar terms, saw the Canadian equity market (S&P/TSX Composite) return 17.6 per cent, the US equity market (S&P 500) return 11.4 per cent, and the international equity markets (MSCI EAFE) return 3.4 per cent. The bond markets returned 6.7 per cent.

As the investments are held to meet payment obligations that extend many years into the future, the valuation of investments at a point in time provides a view of the financial position of the WCB at only that point in time.

Funded Percentage
for Nova Scotia, 2001–2010



Benefits Liabilities

The WCB's benefits liabilities represent the actuarial present value at December 31, 2010 of all expected health care payments, short term disability benefits, long term disability benefits, survivor benefits and rehabilitation payments that will be made in future years, and which relate to claims arising from events that occurred on or before December 31, 2010. The benefits liabilities figure represents the best estimate of the payments that would be required if these liabilities were settled in cash on December 31, 2010.

The benefits liabilities grew by 4.5 per cent as set out in detail in Note 7 to the financial statements. The change is attributable to the change in the present value of benefits payable in future years, as calculated through the annual actuarial valuation process which takes into account claims costs incurred, claims payments made, growth in present value of the benefits liabilities and actuarial experience adjustments and assumption changes. The $70.4 million increase is approximately $13 million more than our expectation based on the 2009 valuation results.

Accumulated Other Comprehensive Income

Cumulative changes in fair market value for investments still owned are tracked as accumulated other comprehensive income. The net change in other comprehensive income for the year was an increase of $0.4 million. This accumulation is expected to fluctuate annually depending on market returns earned on the WCB investment portfolio, the recognition of other than temporary impairments in our investment portfolio, and the realization of past gains or losses into investment income as securities are sold.

Unfunded Liability

The WCB's liabilities total $1.658 billion and assets total $1.062 billion, with an unfunded liability of $693 million and an accumulated other comprehensive income of $97 million, for a net unfunded liability of $596 million at the end of 2010. The WCB's funding percentage increased from 62 per cent to 64 per cent as at December 31, 2010.

Statement of Operations and Comprehensive Income

The operating results for 2010 and 2009 may be attributed to the following factors:

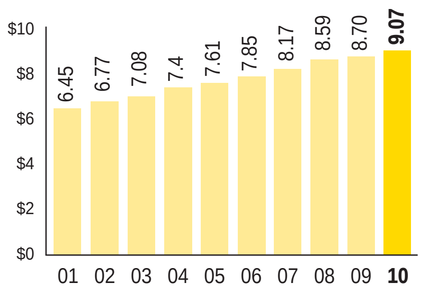
($000's)	2010	2009
Assessment Revenue in Excess of Current Year Costs	$ 40,242	$ 33,365
Investment Income below Liability Requirements	(23,950)	(5,797)
Actuarial Liabilities Greater than Previously Anticipated	(12,808)	(15,179)
Total Comprehensive Income	$ 3,484	$ 12,389

Revenues

Assessment Revenue

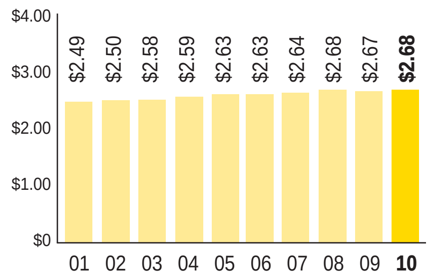
The WCB receives two types of assessment revenue. Most employers pay an insurance premium with rates established based on prior years' experience. Federal and provincial government agencies and departments are self-insured. Rather than paying an insurance premium, they reimburse the WCB for claims costs incurred on their behalf plus an administration fee. Total assessment revenue increased $9.8 million (3.6 per cent) from 2009 levels.

Total Assessable Payroll
for Nova Scotia, 2001–2010 (in billions)



Revenues from registered firms increased $10.2 million (4.4 per cent) from 2009 revenue. This increase is primarily attributed to an increase in assessable payroll of 4.3 per cent. Increases to the payroll base are attributable to a slight increase due to wage inflation and an increase in the maximum assessable earnings. Also contributing to the increase in revenue, the actual average assessment rate increased slightly from $2.67 in 2009 to $2.68 in 2010. There was a slight decrease in assessment reporting penalties from 2009. The targeted average assessment rate remained consistent at $2.65 from 2009 to 2010. The actual average assessment rate of $2.68 in 2010 was slightly higher than the targeted rate of $2.65. The fact the actual rate exceeds the target indicates that the mix of payroll amounts submitted by employers in high-rate industries and those submitted by employers in low-rate industries was slightly different than anticipated.

Actual Average Assessment Rates
for Nova Scotia, 2001–2010



The self-insurers experienced slightly lower claims payments in 2010. Self-insured administration costs have increased as the administration fee in the current year is based on the claims experience and administration costs of the prior year. The administration fee for 2011 will reflect the 2010 claims payments.

Investment Income

Investment income is derived from interest on short term investments managed internally and income on the long term investments managed by external investment managers. The WCB's accounting policy is to record gains and losses on foreign currency exchange, realized gains and losses on the sale of investments, and the losses from other than temporary impairments in investment income. Gains and losses arising from changes in fair market value are recorded in other comprehensive income.

Net investment income was $83.2 million for 2010, an increase of $41.5 million (99 per cent) from 2009. The increase resulted from an increase in realized gains ($46.8 million), a net decrease in foreign currency gains ($11.2 million), a reduction of the amount required to be written off as a loss from other than temporary impairments ($10.3 million), a decrease in interest and dividend income ($4.3 million), and an increase in investment manager fees ($0.1 million).

Total investment income, which is net investment income combined with the net change in other comprehensive income, was a gain of $83.6 million compared to the 2009 total investment gain of $97.1 million. In accordance with Canadian GAAP, the WCB recognizes changes in market value of investments in the year of occurrence. Recognizing changes in market value in the year in which they occur produces a significant amount of volatility to the WCB's comprehensive income or loss.

Total Claims Costs Incurred
(In thousands)

	2010		2009	
Short Term Disability	$41,907	22.1%	$42,551	22.8%
Long Term Disability	$87,612	46.2%	$83,196	44.5%
Survivor Benefits	$ 3,929	2.1%	$ 4,599	2.5%
Health Care	$55,035	29.0%	$55,514	29.7%
Rehabilitation	$ 1,163	0.6%	$ 1,167	0.6%

Expenses

Claims Costs Incurred

Claims costs incurred are an estimate of the costs related to compensable injuries which occurred in 2010. These estimates take into account both unreported claims and claims reported but as yet unpaid. As in previous valuations, the benefits liabilities do not include any provision for future claims related to occupational disease awards, except to the extent such claims are represented in the past claim histories. The benefits liability does include a provision for the future cost of administering existing claims.

Claims costs incurred were up slightly by $2.6 million (1.4 per cent) from 2009. Claims categories with fluctuations include short term disability costs decreasing $0.6 million (1.5 per cent), long term disability costs increasing $4.4 million (5.3 per cent), survivor benefits decreasing $0.7 million (14.6 per cent), and health care costs decreasing $0.5 million (0.9 per cent) from 2009. Rehabilitation non-income costs held constant from 2009. Several factors influenced this aggregate result as discussed below.

Claims costs incurred for short term disability has decreased 1.5 per cent in the current year. Reductions in short term disability costs are the result of continued reductions in the frequency of time loss injuries in Nova Scotia. The injury rate dropped 6 per cent from 2.26 in 2009 to 2.13 in 2010.

The 5.3 per cent increase in long term disability costs is in part related to a change in the timing of long term awards arising out of injuries that occurred in 2010 and prior years. The valuation assumes that long term earnings loss awards will arise in a particular pattern totaling 1,224 permanent impairment awards and 410 extended earnings loss awards for each injury year. For recent injury years, it appears that a larger proportion of these awards are emerging earlier in the life of a claim than in prior years. Awards from recent injury years exceed the number of awards expected as of December 31, 2010. The actuarial run off table assumes that because the new awards exceed expectations to date, long term awards in future years will continue to exceed expectations. However, we expect that the higher number of awards experienced in early years are the result of timing and will be offset by fewer than expected awards in later years, and that overall and over time, the volume of long term awards will be less than expected. Data in recent years supports this assumption as we have moved from awarding 669 extended earnings loss benefits in 2007, to 595 awards in 2008, 476 awards in 2009 and 408 awards in 2010. Based on these results, we expect a change in the runoff table within the next few years.

Internal analysis of long term awards revealed that the primary drivers of increased volumes are an aging workforce, timing of awards and the incidence of chronic pain in the covered workforce. The number of permanent benefits awarded in 2010 was lower than in 2009, from 1,538 to 1,293. We anticipate a continued reduction in the volume of long term awards over a number of years through active management of complex claims and return to work and prevention initiatives. If this decrease in longer term awards does not materialize, further increases in incurred costs and benefits liabilities will occur. We expect that anticipated cost decreases will start to materialize in 2011.

Health care costs decreased $0.5 million (0.9 per cent) following several years of instability. We have experienced an increase in the cost of prescription drugs, which was offset by decreases in payments to physicians and hospitals.

Survivor costs have decreased by $0.7 million in 2010. This is due to a decrease in the volume of new survivor awards. Claims volume and costs in this area can fluctuate year to year.

Non-income rehabilitation costs are costs other than wage replacement benefits paid to workers in rehabilitation programs or workers receiving assistance with home or workplace modifications. That is, the cost of the programs themselves. In 2010, these rehabilitation costs remained on par with the costs in 2009. Fluctuations can occur in rehabilitation costs as significant costs incurred on a small number of claims (e.g. home modifications) can have a significant impact.

Growth in Present Value of Liabilities, Change in Assumptions and Actuarial Experience Adjustments

The growth in present value of benefits liabilities is the increase in the present value of prior years' obligations due to an interest amount reflecting the time value of money. In 2010 this amount was $107.5 million or approximately 6.6 per cent of the benefits liabilities. This amount varies slightly by benefit category as the expected inflation component varies. Based on the overall expectation for inflation and long term investment returns, we expect growth to occur at approximately 7 per cent annually. The benefits liability is calculated based on historical claims payment data coupled with assumptions about future experience.

Variances in long term disability costs are the result of negative experience with respect to permanent awards mainly from injury years 2002 through 2005. Injuries from these fairly recent years are tracking above the expected total number of extended earnings replacement benefits for these years. Claims from 2002 to 2005 drove increases in short term disability costs in the early stages of these claims. These years were high in both volume of injuries and duration of claims. These claims were significantly affected by changes in how we deal with chronic pain benefits. Subsequent to the 2003 Supreme Court of Canada decision regarding chronic pain, benefit payments went through a period of change as we worked to define a process for dealing with chronic pain as a compensable injury.

A number of claims from 2002 to 2005 have moved to long term disability in recent years and this has resulted in a larger volume of extended earnings replacement benefits than is typically expected in any given injury year. For purposes of establishing a liability reserve and in estimating costs from the current year, experience from these recent injury years cannot be ignored. On average, we expect approximately 410 extended earnings replacement benefit (EERB) awards will be awarded for any given injury year. Injuries from 2002 to 2005 continue to track ahead of the projected pattern of extended earnings replacement awards. To date we have awarded an average of 462 EERBs for injury years 2002 to 2005. Comparatively, recent years appear to be producing fewer EERBs. For example, for injury year 2005, EERBs awarded as of December 31, 2006 totaled 67. For injury year 2009, EERBs awarded as of December 31, 2010 totaled 31.

It is difficult to establish a baseline year for purposes of projecting future permanent awards as the adjudication of chronic pain claims has significantly skewed the data from the last several years. We anticipate improvements made in injury prevention and claim duration that are yielding results in short term disability, will ultimately yield savings in long term disability in future years. The timing and magnitude of the savings is difficult to predict until a series of representative data emerges over time.

Administrative Costs

Administrative expenditures in 2010 totaled $41.8 million, an increase of $1.4 million or 3.4 per cent from 2009. This is because:

- Salaries and staff expenses increased $1.7 million primarily relating to an increase in post employment benefits liability as a result of a change in the long term discount rate, restructuring costs, and increases to salary related benefits, primarily pension related contribution rate increases.
- Communications decreased $0.3 million as a result of being able to utilize components of the prior year advertising campaign into 2010 and savings attributable to the installation of a voice over internet protocol for our telecommunications system.

Legislated Obligations

The legislated obligations expenses reported by the WCB and the actual amounts reported by the province can vary significantly. This can be attributable to several factors. The WCB and the Province of Nova Scotia have different fiscal years, the WCB is as at December 31 and the Province's is as at March 31. Secondly, the WCB expense is based on a combination of actual billings and an estimate based on the forecasts of expenditures supplied by the Province of Nova Scotia.

The 2009 WCB expense for Occupational Health and Safety (OH&S) included an estimate based on a forecast for the Province's fiscal year ended March 31, 2010 of $8.3 million; with the actual billing considerably lower at $6.7 million. Therefore the 2009 estimate overstated the expense for OH&S. The impact of this lowers the 2010 expense. The amount payable by the WCB for OH&S, per Orders in Council:

March 31, 2008	$6.4 million
March 31, 2009	$6.8 million
March 31, 2010	$6.7 million
Forecast March 31, 2011	$7.4 million

Excess of Revenues Over Expenses and Total Comprehensive Income

In 2010, total net revenues of $365.8 million ($282.6 million in assessment revenues plus $83.2 million in net investment income), less total expenditures of $362.7 million, yielded an excess of revenues over expenses of $3.1 million. The net change in other comprehensive income for the year was an increase of $0.4 million, resulting in a total comprehensive income of $3.5 million.

The funding strategy prepared in June 2010 estimated total comprehensive income for 2010 of $19.8 million. The impact of this variance on future years will be evaluated as discussed in the funding strategy section below.

Statement of Cash Flows

Cash decreased $7.6 million in 2010 primarily as cash utilized for benefit payments and operations was not fully offset by the cash generated through internal investments and assessments premiums.

Funding Strategy

Overall, the financial results in the first twelve years of our funding strategy (1995 – 2006) were better than originally expected primarily due to increasing assessable payroll coupled with lower than anticipated claims costs incurred, better than expected investment returns, and lower than anticipated inflation. We also experienced changes to the claims costs flowing from chronic pain, survivors, new benefits for firefighters and changes to Supplementary Benefits during this period. In 2007 and 2008 however, results were not as positive largely due to lower investment returns and higher claims costs experience, resulting in actuarial adjustments.

Investment returns in 2009 and 2010 were better than the two prior years. Claims costs have begun to decrease in some areas, however the long term disability costs have continued to increase.

The WCB's annual revision to the funding strategy in June 2010 revised our funding period from a point in time to a range of potential funding dates. We expect that full funding will be achieved between 2019 and 2023. This was a shift from the earlier 2016 projection.

The funding period, 2019 to 2023, is partially based on an estimated total comprehensive income for 2010 of $19.8 million, and a substantial improvement in investment returns and actuarial experience by 2011. The actual total comprehensive income for 2010 was a gain of $3.5 million. This is $16.3 million less than expected in the funding strategy. The 2010 variances include:

- assessment revenue $2.8 million more than expected,
- total investment results $14.6 million more than expected,
- claims costs incurred $5.9 million more than expected,
- growth in present value $1.8 million less than expected,
- unfavorable actuarial assumption changes and experience adjustments were $37.8 million more than expected, as we anticipated a favorable $25.0 million adjustment relating to long term disability and that did not materialize in 2010 and a switch to new mortality tables by the actuary resulted in an unfavorable adjustment of $12.8 million,
- administration costs $4.7 million less than expected, and
- legislated obligations $3.5 million less than expected.

Actuarial experience adjustments are normal and expected in any given year. This is because costs associated with injuries in a particular year are estimates. Actual results almost always vary from the estimates and the variance results in an experience adjustment. Additionally, changes in the valuation methodology or assumptions will also generate adjustments to the benefits liability. Over the past few years, we have experienced a series of unfavorable adjustments, particularly in the area of long term disability. This is due to a larger volume of extended earnings replacement benefits than expected as well as operational changes which have impacted the timing of awards. As noted above, we expect this experience to reverse and that favorable experience adjustments will emerge that offset the impact of the unfavorable adjustments of recent years. While overall adjustments can have a significant impact on the earnings in any given year, the largest experience adjustment in the last five years (which occurred in 2007), reflected less than 3 per cent of the benefits liability.

Given the number of variables affecting the funding position, annual variances are expected. The variances in 2010 actual results are not expected to have an impact on the current funding period. While investment revenue can fluctuate over short timeframes, it is expected to smooth out over time. The significant losses experienced in 2007 and 2008 need to be recovered in order to achieve the current funding plan. Investment returns for 2010 of 9 per cent were better than the 7 per cent expected for the year and the 7 per cent long term assumption. However, the fund has only generated annual returns of 3.6 per cent over the last five years and 4.1 per cent over the last ten years.

The funding strategy foundation case assumes annual returns of 15 per cent in 2011 and 14 per cent in 2012, and continued returns at 7 per cent from 2012 to 2014. Such a scenario would yield a return of approximately 7.2 per cent over the funding period.

Increasing long term disability costs are not expected to continue. Recent positive experience in short term disability costs is expected to lead to savings and favorable adjustments on long term disability and health care in subsequent years. This experience is discussed in detail in the "Risk Areas" section of the MD&A. If cost savings are not achieved as expected, the funding strategy will be affected.

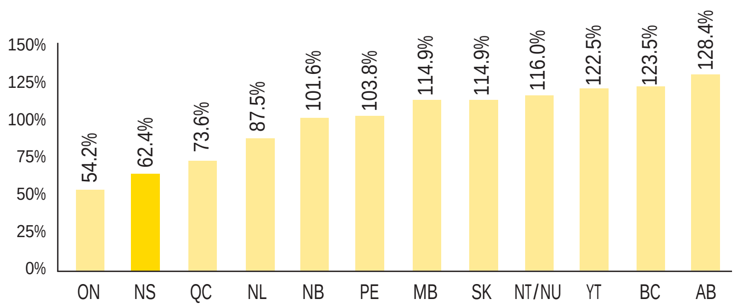
Factors influencing the funding strategy including assessment rates for employers, benefit levels for injured workers and changes in the WCB's funding position, are not based on short term results. Annual investment returns, by their nature, are unpredictable and not guaranteed to be sustained over the long term. The WCB's funding strategy, including decisions about assessment rates and benefits should continue to be based on long term expectations for investment returns.

The WCB Board of Directors will conduct a review of our funding strategy in connection with the 2012 annual business planning and budgeting process. We are confident that we remain on track to achieve the aggressive operational goals set for claim durations and injury rate; however we recognize that investment returns are a critical component of the funding plan that is largely outside the control of the WCB. In tandem with this work, an external consultant has begun an asset liability study and a review of our funding model, to enable the Board to better understand the probabilities of various funding scenarios.

Note 7 of the financial statements details areas of uncertainty, including actuarial experience, which may have a significant impact on the WCB's benefits, liabilities and funding strategy.

The WCB's funded position has improved slightly in the past year, however Nova Scotia continues to be among the jurisdictions with a benefits liability that is not fully funded.

Funded Percentage
All Provinces, 2009 (AWCBC)



Risk Areas

Given the nature of our operations, the WCB is inherently susceptible to risks that could lead to significant financial consequences if unmitigated. Key variables that affect the WCB's performance and financial position include: benefit costs, investment returns and economic conditions.

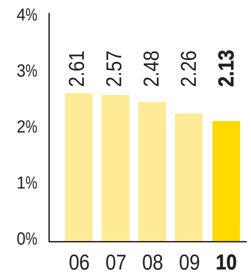
Benefit Costs

Benefit costs are affected by injury rates, claim durations and scope of coverage.

Injury Rate

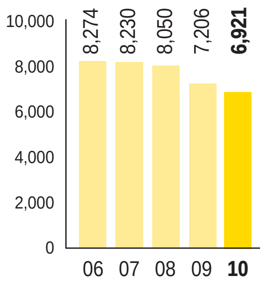
At the end of 2010, the injury rate was 2.13 time loss injuries per 100 covered workers. This reflects an average reduction of over 5 per cent per year since 2005. The pattern of significant improvement in this measure as seen in the past few years is not likely to be sustained and further reductions are expected to occur at a slower pace. We anticipate continued progress, with a slight decline in the injury rate in 2011.

Injury Rate
time loss claims per 100 covered employees



The injury rate is one of the most significant drivers of benefit costs and the focus of the WCB's attention for risk mitigation. In 2005, as one component in a plan to reduce system costs by $36 million, we estimated that a decrease in the overall injury rate from 2.87 per cent to 2.26 per cent, all else being equal, would translate to an estimated $25 million in savings and 1,800 fewer time loss injuries relative to size of the workforce at the time the estimate was made. As of December 31, 2010, there are 2,125 fewer time loss injuries than in 2005.

Compensable Time Loss Claims



Although we have made significant progress in terms of time loss claim reduction, savings from progress to date are not yet as significant as originally expected. In part, this is because the majority of the decrease in volume over the last five years was among lower cost claims and in part because savings from long term disability costs take longer to materialize. Additionally, we expect that some of the volume decrease in 2009 and 2010 were the result of a slowdown in manufacturing and other sectors of the economy due to the global economic recession. As these sectors rebound, reductions in time loss volumes that occurred in 2009 and 2010 may not be sustained.

Claim Durations

In Nova Scotia, injured workers stay on short term benefits longer than in many other provinces and a higher proportion go on to receive permanent impairment benefits. The WCB's early intervention and return-to-work philosophy is anticipated to reduce claims costs incurred over time by shortening durations and reducing the number of workers going on to long term disability. During 2010, progress continued on many fronts. The WCB continued to focus on:

- Managing and building relationships with the health care sector to enhance safe and timely return-to-work by endorsing best practices in occupational medicine.
- Through our service delivery model, we are working with our stakeholders to build stronger relationships with the people we serve, and bring the message of workplace safety to all Nova Scotians.

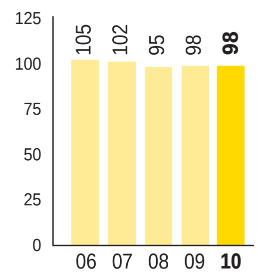
A significant reduction in annual claims costs could generate financial gains in the system. In 2005 we estimated that a 30 day decrease in claims duration would result in an estimated $11 million in cost savings as one component of a plan to reduce benefit costs by $36 million.

As noted, recent reductions in time loss injuries included mainly lower risk, lower cost injuries. As these avoided claims typically have short durations, their absence puts upward pressure on the average duration. In 2010, the composite duration index remained stable at 98 days. Despite this, the duration index has decreased a net of 16 days since 2005.

Since 2005, a focus of case management has been to resolve claims earlier whether the outcome is return-to-work or extended earnings loss awards. This change in timing is not yet fully reflected in the calculation of long term claims costs. The increase in the volume of long term awards in these early years impacts the calculation of long term costs as higher than expected volumes are assumed to continue into later years. This has resulted in an increase in long term disability costs of approximately $15 million from 2005 to 2010. Additionally, we estimate that chronic pain as a compensable injury has increased long term disability costs by an additional $11 million annually. We expected that beginning in 2010, new long term awards would be fewer than assumed in the cost calculation, and that the $26 million cost increase would be eliminated by 2016. Our actual 2010 experience was on target, and with continued progress, we anticipate substantial reductions in long term benefits to materialize in future years.

Composite Duration Index

Using AWCBC Composite Method



Investments in health care such as direct access to physiotherapy, expedited surgeries and the Doctors Nova Scotia contract, were made with a goal to assist in prevention and return to work efforts. These initiatives have led to an increase in health care costs of approximately $8 million since 2005. Given our reduction in claim volume and our expectation of improved outcomes for injured workers, we expect that this $8 million dollar increase will be eliminated and that, by 2016, additional cost savings in health care will total $4 million.

If the reduction in new long term awards does not occur as expected, the funding strategy will be impacted. In addition, the WCB experienced fewer than anticipated long term awards in the early years of our earnings-loss system. As time progresses, these years will be dropped from the actuarial calculations and replaced with more recent years' experience, which has the potential to put upward pressure on long term benefits liabilities.

Claim durations are significantly influenced by the severity of injuries that occur in the workplace. Claims are profiled as low, medium or high risk when they enter the system and the risk category is updated as warranted throughout the case management process. Estimated future cost savings assume that claim reductions will occur more proportionally across all risk categories such that the mix of claims in 2016 will move closer to the mix of claims that occurred in 2005. In recent years, we have seen a significant reduction in the volume of time loss injuries. However, the decrease has occurred in primarily low risk claims. If the mix of claims does not trend closer to 2005 levels, duration targets will not be met and the funding strategy will be impacted.

The plan anticipates an overall annual reduction to the insurance budget of approximately $36 million. A permanent and sustainable injury rate of approximately 1.92 time loss injuries per one hundred covered workers along with a reduction in the composite duration index to 85 days by 2016 will yield the $36 million savings. Forecasts for reductions in both the injury rate and the composite duration index have been revised from the original estimates. This reflects our expectation that overall volume decreases will be more substantial and will include a larger proportion of lower cost injuries than originally expected.

To date we estimate that recent decreases in time loss injuries and reductions in the composite duration index have led to realized cost savings of $11 million in short term disability costs. Progress to date, along with continued prevention efforts are expected to yield savings that will offset recent cost increases in both long term disability (LTD) and Health Care and will produce additional savings totaling $15 million in short term disability, LTD and Health Care. These estimates are based on the assumption that medium and high risk injury volumes will decrease by approximately 300 to 400 claims over the next five years. If this assumption does not materialize, the savings estimates will vary and the funding strategy will likely be impacted.

Scope of Coverage

Benefits costs are impacted by many variables, including changes to the *Workers' Compensation Act*, appeal decisions, court decisions and policy changes which can expand coverage. An example of a change to the Act which expanded coverage and increased costs are the changes for chronic pain related benefits flowing from a 2003 Supreme Court of Canada decision. The propensity of chronic pain reflected in past claims history led to an expectation that this change would lead to an increase in claims costs incurred. It is expected that investments made in prevention, return to work and health care will eliminate this increase by 2016. If the decrease in costs does not occur as planned, or if further changes expanding coverage occur, the funding strategy will require adjustment.

Investment Returns

The WCB's assets are diversified among a variety of asset classes in order to optimize returns and manage risk. Investment management for long term investments is delegated to several external investment managers. The external investment managers are required to comply with the WCB's Statement of Investment Policies and Objectives (SIPO) that outlines permissible investments. The SIPO is designed so the portfolio will secure payment of the long term liabilities of the WCB.

Some risks cannot be directly controlled by the WCB. These risks include market volatility and interest rate changes. Investment returns that are different than the long term expectation for returns in the funding strategy can have a significant impact on our funding position.

The funding strategy has a real rate of return assumption of 3.5 per cent. Analysis indicates that 3.5 per cent is a realistic real rate of return based on five-year running averages, 30-year running averages and 75-year running averages. The real rate of return coupled with our long term CPI assumption of 3.5 per cent, yields a nominal rate of 7 per cent. During 2010 we worked with an external consultant to commence an asset liability study. One benefit of the study is to confirm the reasonableness of the asset allocation strategy used to diversify the investment portfolio. Results of this study should support the current investment strategy and give us some confidence that a long term investment return of 7 per cent is a reasonable expectation.

Economic Conditions

The benefits liabilities of the WCB are partially indexed to the Consumer Price Index (CPI) on an annual basis. Payments to benefit recipients are increased by one-half of the Nova Scotia Consumer Price Index at the beginning of each calendar year. Any change to this formula would impact our liabilities and costs. Significant fluctuations in CPI represent a risk to the WCB. While CPI has been fairly stable in recent years, the risk exists that CPI may fluctuate due to unforeseen economic developments. We are also susceptible to cost increases in the health care system where in recent years the rate of growth has been greater than general inflation.

Critical Accounting Policies and Estimates

The WCB has adopted accounting policies in accordance with Canadian generally accepted accounting principles (GAAP). GAAP requires that management make significant assumptions and estimates. The following discussion outlines the WCB's significant accounting policies and estimates, which have a material impact on the financial statements.

International Financial Reporting Standards (IFRS)

Canadian generally accepted accounting principles for publicly accountable entities will be replaced with International Financial Reporting Standards (IFRS). IFRS is applicable for fiscal periods beginning January 1, 2011 with comparable financial statements required for 2010.

During 2008 and 2009 the WCB began preparations of analyzing the impacts of IFRS. In 2010, the Board of Directors approved the selection of IFRS accounting policies.

A January 1, 2010 audited IFRS opening statement of financial position along with audited 2010 comparative financials will be finalized in 2011. Page 40 summarizes

Significant IFRS Sections	Accounting policy options & elections	Chosen policy and impact
Investments	Financial instruments: • Change in fair value through profit & loss • Election to record through other comprehensive income on individual investments	Reclassify to fair value through profit and loss due to early adoption of IFRS 9. **Impact:** $96.4 million AOCI balance consolidated with unfunded liability as changes in fair value no longer going through OCI.
Leases	No elections; IFRS requires a more principles-based approach to classification of leases as either finance or operating	No election; leases to be classified as operating and finance type. **Impact:** (1) none; building leases continue as operating. **Impact:** (2) minor; equipment leases to be recorded as finance leases but the capitalized amounts are not material.
Employee future benefits	For first time adoption: • Recognize cumulative actuarial gains/losses at transition • Reconstruct recognized/unrecognized amounts of cumulative gains/losses under IFRS to continue the corridor approach For post-transition policy: • Recognize through income annually	Recognize cumulative actuarial gains/losses at transition. **Impact:** Actuarial loss to be recognized is $2.4 million and recorded against the unfunded liability. Recognize through income annually; no more corridor method. **Impact:** not significant on year to year basis.
Presentation of financial statements	Presentation is by choice as long as it conforms to requirements of International Accounting Standard (IAS) 1 & 7	Statements to conform to IAS 1 & 7. **Impact:** slight changes to layout of financial statements; AOCI gone from F/S due to new Investment accounting.

the most significant IFRS and the general impact expected on the WCB's opening IFRS statement of financial position as at January 1, 2010.

Following the adoption of IFRS in 2011, accounting standards changes are anticipated which will affect the choice of discount rate applied in calculating our benefits liabilities. This change, if it occurs, could introduce a new area of significant volatility to our financial results. The impact of this potential change is indicated below in the table illustrating the sensitivity of valuation assumptions.

Investments

Assets are accounted for at fair value as at the reporting date. Fixed income, equities and real estate pooled funds are valued based on publicly traded market prices. The WCB has designated its portfolio as "available for sale". As a result, reported investment income is affected by the timing of security sales as recognition of unrealized gains and losses occurs as the net change in other comprehensive income until the securities are sold. An exception to this occurs for investments that have been deemed other than temporarily impaired, which are recorded directly in investment income.

Actuarial Valuation of the Benefits Liabilities

Measurement uncertainty associated with the actuarial valuation of our benefits liabilities is high because of the amount, timing, and duration of the benefits. Selection of the appropriate discount rate is subjective and is affected by external factors, which management cannot control. Actual future results will vary from the actuarial valuation estimate and the variations could be material.

The benefits liabilities determined in the report are estimated by using many actuarial assumptions. The two most significant assumptions are the long term discount rate and the long term inflation rate. The liability estimates are highly sensitive to small changes in these assumptions. The following table provides examples of their sensitivity.

Sensitivity of Valuation Assumptions

Assumption Change	Impact	Liabilities	Incurred Claims
Decrease Discount Rate 0.5%	Increase	$63.0 million (3.9%)	$5.7 million (0.3%)
Decrease Discount and Inflation Rates 0.5%	Increase	$87.2 million (5.3%)	$7.9 million (0.4%)
Decrease Discount Rate 0.5% and Inflation Rate 1.0%	Increase	$112.2 million (6.9%)	$10.1 million (0.6%)
Decrease Discount Rate 0.5% and Inflation Rate 1.5%	Increase	$138.2 million (8.5%)	$12.4 million (0.8%)
Decrease Discount Rate 1.0% and Inflation Rate 1.0%	Increase	$183.9 million (11.3%)	$16.6 million (1.0%)
Decrease Inflation Rate 0.5%	Increase	$22.5 million (1.4%)	$2.0 million (0.1%)
Increase Inflation Rate 0.5%	Decrease	$21.7 million (1.3%)	$1.9 million (0.1%)
Decrease Health Care Inflation Rate 1.0%	Decrease	$13.2 million (0.8%)	$1.2 million (0.1%)

Outlook

The WCB operates as a going concern. The funding strategy supports the WCB's ability to remain financially sustainable while maintaining the system and balancing worker and employer needs to achieve full funding.

Over time, funding of the accident fund reflects the balance struck between the level of benefits, rates charged to employers and the WCB's funding position. When financial results are different than the target, whether better or worse, the choice becomes: adjust benefits, rates or the WCB's funding position by lengthening or shortening the period over which the unfunded liability is eliminated. As the level of benefits is set by the Legislature, subject to interpretation by the Courts, the funding equation is not entirely within the control of the WCB as the neutral administrator.

We had a slight improvement in the funding position in 2010. We will review the impact on the plan including the impact on the anticipated funding period of 2019 to 2023. The Board of Directors will revisit the funding strategy as part of the annual budget process in June 2011. On an on-going basis, the WCB consults stakeholders with respect to the appropriate balance between the level of benefits, rates charged to employers and the WCB's funding position. Volatility in investment markets brought on by the global financial crisis led to lower returns than expected in 2008 and positive returns in 2009 and 2010. During 2008, the Board of Directors consulted with stakeholders across the province to develop our *Strategic Plan 2010–2014* with which we continue to make progress to implement.

The WCB recognizes that there will be variances from the funding strategy each year. The funding strategy contains numerous assumptions about future financial performance and spans many years. The length of the period, coupled with the number of assumptions, makes the funding strategy fairly sensitive to changes in the early years. Small changes in the early years potentially have a considerable impact in the later years.

Although the funding strategy clearly labels assumptions as such, many users may credit the strategy with more certainty and precision than warranted given the number and nature of assumptions it contains. Users should remember that the funding strategy is our best estimate of what will happen given the assumptions. As noted in previous annual reports and the funding strategy, actual results will differ from the projections and these differences may be material.

Every day, workplaces like Black & McDonald are passionate about building a safety culture. In September 2010, Nancy MacCready-Williams, CEO of the WCB, and Jeff Conrad, Associate Deputy Minister, Nova Scotia Department of Labour and Workforce Development, presented the Mainstay Safety Award of Excellence to Adrian Morrison, Atlantic Regional Manager, Black & McDonald (centre).

Every day, employees like Field Representative Ken Smith promote the WCB's services to Nova Scotia's business community. Here, Ken speaks to participants at a Centre for Entrepreneurship Education & Development (CEED) workshop about the role workers' compensation plays in their companies.

Independent Auditors' Report

To the Members of the Board of Directors
Workers' Compensation Board of Nova Scotia

We have audited the accompanying financial statements of the Workers' Compensation Board of Nova Scotia, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and comprehensive income, unfunded liability, changes in accumulated other comprehensive income and statement of cash flows for the year then ended, and 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 Canadian generally accepted accounting principles, 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.

Auditors' 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 the auditors' 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, the auditor considers 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 the Workers' Compensation Board of Nova Scotia as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst + Young LLP

Ernst & Young LLP
Chartered Accountants
Halifax, Nova Scotia
March 17, 2010

Statement of Financial Position

As at December 31 (thousands of dollars)

	2010	2009
Assets		
Cash and cash equivalents	$ -	$ 5,756
Receivables (Note 3)	20,739	20,925
Investments (Note 4)	1,034,897	961,448
Property, equipment and other assets (Note 5)	5,771	5,606
	$ 1,061,407	$ 993,735
Liabilities and Unfunded Liability		
Bank indebtedness	$ 1,823	$ -
Payables and accruals	12,967	22,437
Employee future benefits (Notes 6 and 16)	11,418	10,029
Benefits liabilities (Note 7)	1,631,449	1,561,003
	1,657,657	1,593,469
Accumulated other comprehensive income	96,751	96,379
Unfunded liability	(693,001)	(696,113)
Net unfunded liability	(596,250)	(599,734)
	$ 1,061,407	$ 993,735

Commitments (Note 15)
Capital management (Note 17)

Approved on behalf of the Board of Directors:

Elaine Sibson
Chair

Jim Melvin
Chair, Audit and Risk Oversight Committee

The accompanying notes are an integral part of the financial statements.

Statement of Operations and Comprehensive Income

Year ended December 31 (thousands of dollars)

	2010	2009
Revenue		
Assessments (Notes 8 and 13)	$ 282,587	$ 272,762
Net investment income (Note 4)	83,201	41,715
	365,788	314,477
Expenses		
Claims costs incurred (Notes 7 and 13)	189,646	187,027
Growth in present value of benefits liabilities and actuarial experience adjustments (Note 7)	120,331	118,097
Administration costs (Notes 9 and 13)	41,759	40,378
System support (Note 10)	760	450
Legislated obligations (Note 11)	10,180	11,542
	362,676	357,494
Excess of revenues over expenses (expenses over revenues) applied to reduce (increase) the unfunded liability	3,112	(43,017)
Unrealized gains on available-for-sale financial assets arising during the year	50,700	48,651
Reclassification of realized (gains) losses to net investment income (Note 4)	(50,328)	6,755
Net change in other comprehensive income for the year	372	55,406
Total comprehensive income	$ 3,484	$ 12,389

Statement of Unfunded Liability

Year ended December 31 (thousands of dollars)

	2010	2009
Unfunded liability, beginning of year	$ (696,113)	$ (653,096)
Excess of revenues over expenses (expenses over revenues)	3,112	(43,017)
Unfunded liability, end of year	$ (693,001)	$ (696,113)

Statement of Changes in Accumulated Other Comprehensive Income

Year ended December 31 (thousands of dollars)

	2010	2009
Accumulated other comprehensive income, beginning of year	$ 96,379	$ 40,973
Net change in other comprehensive income for the year	372	55,406
Accumulated other comprehensive income, end of year	$ 96,751	$ 96,379

Statement of Cash Flows

Year ended December 31 (thousands of dollars)

	2010	2009
Operating Activities		
Cash received from:		
Employers, for assessments	$ 278,896	$ 268,493
Net investment income	93,203	51,448
	372,099	319,941
Cash paid to:		
Claimants or third parties on their behalf	(233,467)	(235,790)
Suppliers, for administrative and other goods and services	(60,983)	(50,597)
	(294,450)	(286,387)
Net cash provided by operating activities	77,649	33,554
Investing Activities		
Increase in investments, net	(83,077)	(41,688)
Purchases of equipment	(2,151)	(2,050)
Net cash used in investing activities	(85,228)	(43,738)
Net decrease in cash and cash equivalents	(7,579)	(10,184)
Cash and cash equivalents, beginning of year	5,756	15,940
Bank Indebtedness, cash and cash equivalents, end of year	$ (1,823)	$ 5,756

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

Year ended December 31 (thousands of dollars)

1. NATURE OF OPERATIONS

The Workers' Compensation Board of Nova Scotia (the "WCB") was established by the Nova Scotia Legislature in 1917, under the *Workers' Compensation Act* (the "*Act*"), and is exempt from income tax. Pursuant to the *Act*, the WCB strives to prevent workplace injury, but when it occurs, supports injured workers and their employers to achieve a timely return to safe and healthy work; administers the payment of benefits to injured workers; levies and collects assessment revenues from established classes of employers in amounts sufficient to cover the costs of claims and administration; and invests funds held for future benefit payments.

The current *Act* came into force February 1, 1996. Various amendments have since occurred to the *Act* and have received Royal Assent.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles, within the framework of the following accounting policies:

a) Cash and Cash Equivalents – Money market instruments with original maturities of three months or less are considered to be cash equivalents and are recorded at cost, which approximates current market value.

Bank indebtedness includes the utilization of a line of credit. Cash advances from the line of credit bear interest at the bank's prime interest rate less one per cent.

b) Assessments Receivable – Assessments receivable and assessment revenue include a provision for unbilled assessments to reflect anticipated revisions based upon actual payroll information received in the following year.

c) Investments – Securities held in the investment portfolio are designated as available-for-sale financial assets, and are carried at fair market value. Fair values are determined by reference to published quotations on an active market. Unrealized gains and losses arising from the change in fair value of an investment are recorded in other comprehensive income until the investment is sold. At this time, the cumulative unrealized gain or loss previously recognized in other comprehensive income is designated a realized gain or loss, reclassified to investment income, and included in the excess of revenues over expenses (expenses over revenues) for the period. Income from interest, dividends and foreign currency gains and losses are recognized in the period earned, and presented net of investment expenses.

When it is determined that there is objective evidence of an other than temporary decline in the fair value of a financial asset, the cumulative loss that had been recognized in other comprehensive income is removed from accumulated other comprehensive income and included in income even though the asset has not been sold.

d) Property and Equipment – Property and equipment are stated at cost, less accumulated amortization. Amortization is charged on a straight-line basis over a period of 40 years for the building, and 5 to 20 years for furniture and facilities, equipment and computer hardware. Amortization is charged on a straight-line basis over a period from 5 to 10 years for software and process development costs and on a declining-balance basis at an annual rate of 50 per cent for software purchases. In the year of acquisition or process completion, a half year's amortization is taken.

e) Employee Future Benefits – Costs for employee future benefits, other than pensions, are accrued over the periods during which the employees render services in return for these benefits. The corridor approach is used to record actuarial gains and losses. Under this approach, if the gains or losses exceed 10 per cent of the greater of the plan assets or liabilities, the excess amount is amortized on a straight-line basis over the employees' average remaining service life.

f) Benefits Liabilities – An independent actuary completes a valuation of the benefits liabilities of the WCB at each year end. The benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for injuries which occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation, policies and/or administrative practices in respect of existing claims and for future costs of administering existing claims. Changes to the benefits liability arising from growth in present value, changes in actuarial assumptions and actuarial experience adjustments are recognized in expense annually based on the year end actuarial valuation. No provision has been made for future claims related to occupational disease, except to the extent such claims are represented in past claims history.

g) Foreign Currency Translation – Investments denominated in foreign currencies are converted to Canadian dollars at rates of exchange prevailing at the balance sheet date. The resulting translation adjustment is accounted for on a basis consistent with the accounting policy for investments.

h) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, in particular, benefits liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ materially from those estimates. Decisions of the WCB may be appealed to the Workers' Compensation Appeals Tribunal, subsequently to the Nova Scotia Court of Appeal, and finally, to the Supreme Court of Canada. Rulings by these bodies may have the potential to impact benefits liabilities. Legislated obligations excluding the Workers' Compensation Appeals Tribunal are based on forecasts supplied by the Province of Nova Scotia with the actual billing through an order in council occurring post release of the annual report.

i) Financial Instruments – The carrying values of the WCB's financial instruments approximate fair values because of their short term maturity and/or underlying terms and conditions.

The WCB's accounts receivable are not subject to significant concentration of credit risk because the accounts are owed by a large number of employers, the Province of Nova Scotia and the Government of Canada on normal credit terms.

The investment portfolio does not contain any derivatives intended for speculation or trading purposes. The portfolio does include a currency overlay hedge strategy as described in Note 4. The WCB has elected not to apply hedge accounting. As at December 31, 2010, the WCB did not have any exposure relating to derivative instruments other than the currency overlay hedge.

j) Intangible Assets – Intangible assets consist of externally purchased and internally generated software applications, and process development costs. To qualify for capitalization the intangible asset must be separately identifiable, the WCB must have control of the asset and the asset must have future economic benefits. Amortization on a new asset begins when it is ready for the intended use.

k) Comparative Figures – Certain 2009 comparative figures have been reclassified to conform to the 2010 presentation.

l) Conversion from Generally Accepted Accounting Principles to International Financial Reporting Standards – The WCB will be adopting the accounting policies required by International Financial Reporting Standards effective January 1, 2011.

3. RECEIVABLES

	2010	2009
Assessments	$ 18,690	$ 17,809
Self-insured employers	4,054	4,472
Assessments receivable	22,744	22,281
Self-insured employers – deposits	(3,867)	(3,872)
Harmonized Sales Tax rebate	342	342
Other	1,520	2,174
	$ 20,739	$ 20,925

Assessments receivable are net of an allowance for doubtful accounts of $1,424 in 2010 (2009 – $1,128). Other receivables are net of an allowance for doubtful accounts of $781 in 2010 (2009 – $748).

4. INVESTMENTS

	2010 Fair Market Value	2009 Fair Market Value
Money market	$ 822	$ 3,550
Currency overlay	6,688	3,735
Fixed-term investments	282,826	295,860
Equities	642,948	560,105
Real estate	101,437	97,582
Accrued interest	176	616
Total	$1,034,897	$ 961,448

Investment Income	2010	2009
Realized gains from the statement of comprehensive income	$ 52,077	$ 5,232
Loss realized due to other than temporary impairment of investments	(1,749)	(11,987)
	50,328	(6,755)
Interest and dividends	24,448	28,728
Portfolio management expenses	(2,646)	(2,553)
Currency overlay gain	11,071	22,295
Net investment income	$ 83,201	$ 41,715

Financial Instruments

The investments are a significant asset on the WCB's Statement of Financial Position and are subject to risk. In accordance with CICA Handbook Section 3862 – *Financial instruments – Disclosure* the following provides qualitative and quantitative information relating to market risk, interest rate and currency risks; credit risk and liquidity risk.

Financial risk management

The WCB manages its investments in accordance with a Statement of Investment Policies and Objectives and manages investment risk by using a diversified portfolio both across and within asset classes engaging fund managers with a broad range of investment practices and styles. The WCB utilizes an independent consultant to benchmark performance of its fund managers.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Equity investments are sensitive to market risks. The following table presents the decrease to comprehensive income ("CI") as a result of a potential adverse change in the key risk variable – the sector benchmark – for each equity mandate in the WCB's investment portfolio. Possible outcomes are estimated using the historical 5-year variability as measured by the standard deviation of each mandate.

	2010		2009	
Equities	% Change	CI Impact	% Change	CI Impact
Canadian				
1 standard deviation	18.1%	$(40,921)	17.6%	$(35,405)
2 standard deviation	36.2%	$(81,843)	35.2%	$(70,810)
United States				
1 standard deviation	15.9%	$(33,407)	14.1%	$(25,419)
2 standard deviation	31.8%	$(66,815)	28.2%	$(50,837)
International (EAFE)*				
1 standard deviation	17.2%	$(35,569)	15.7%	$(28,052)
2 standard deviation	34.4%	$(71,138)	31.4%	$(56,105)

* Europe, Australasia and Far East

Interest rate risk

Fluctuations in interest rates can impact the market value of the fixed-term investment portion of the portfolio. Interest rate risk is mitigated through diversification of the term to maturities to partially match the duration of the benefits liabilities. As at December 31, 2010, the duration of the bond portfolio was 6.3 years (5.9 years in 2009).

The following table presents the effect of an increase in market interest rates for the bond portfolio (which is held in pooled funds) and the resulting decrease to comprehensive income.

Fixed Income	2010 CI Impact	2009 CI Impact
0.5% change	$ (7,402)	$ (7,368)
1.0% change	$(16,118)	$(16,001)

The credit ratings of the WCB's fixed-income securities at December 31st are listed in the table below. Credit ratings are obtained from Standard & Poor's, Moody's or Dominion Bond Rating Service.

	2010		2009	
Credit Rating	Total	%	Total	%
AAA	$145,203	51.3%	$153,433	51.9%
AA	$ 64,711	22.9%	$ 69,350	23.4%
A	$ 55,858	19.8%	$ 56,213	19.0%
BBB	$ 17,054	6.0%	$ 16,864	5.7%
Total	$282,826	100%	$295,860	100%

Currency risk

Currency risk is the risk of gain or loss due to movements in foreign currency rates as compared to the Canadian Dollar. To mitigate these risks the WCB has foreign exchange forward contracts to hedge approximately 50 per cent of the foreign currency denominated assets held in British Pounds, Euros, Japanese Yen, and US dollars. Foreign exchange forward contracts are contracts to exchange an amount of one currency for another at a future date at a set price determined at contract inception.

The following table presents the effect of a 10 per cent appreciation in the Canadian dollar as compared to the US Dollar, Euro, Japanese Yen and British Pound and the decrease to comprehensive income.

Currency	2010 CI Impact	2009 CI Impact
USD	$(10,234)	$ (9,268)
EURO	$ (5,099)	$ (4,651)
YEN	$ (2,661)	$ (2,104)
POUND	$ (2,084)	$ (1,866)

Credit risk

Credit risk with financial instruments arises from the possibility that the counterparty to an instrument may fail to meet its obligations. The WCB mitigates credit risk through diversification, and a statement of investment policies and objectives that addresses asset mix and investment constraints with respect to the credit quality of short term investments and fixed term investments.

Liquidity risk

The WCB has contractual obligations and financial liabilities and therefore is exposed to liquidity risk. The WCB monitors its current and expected cash flow requirements to ensure it has sufficient cash and cash equivalents to meet its liquidity requirements short and long term. In addition, the WCB maintains a line of credit with its principal banker to meet potential short term liquidity requirements.

Fair Value Hierarchy

A fair value hierarchy is used to categorize valuation techniques used in the determination of fair value. Quoted market prices are categorized as Level 1, internal models using observable market information as inputs are Level 2, and internal models without observable market information as inputs are Level 3.

The following fair value hierarchy table presents information about the financial assets measured at fair value on a recurring basis as of December 31st

2010	Level 1	Level 2	Level 3	Total
Short term investments	$ 998	$ -	$ -	$ 998
Currency overlay	-	6,688	-	6,688
Fixed term investments	282,826	-	-	282,826
Equities	642,948	-	-	642,948
Real estate	101,437	-	-	101,437
	$1,028,209	$ 6,688	$ -	$1,034,897

2009	Level 1	Level 2	Level 3	Total
	$ 956,863	$ 4,585	$ -	$ 961,448

There were no transfers between Level 1 and Level 2 during either year and no Level 3 financial assets were held.

5. PROPERTY, EQUIPMENT AND OTHER ASSETS

2010	Cost	Accumulated Amortization	Net Book Value
Land	$ 155	$ -	$ 155
Building	4,597	2,338	2,259
Furniture and facilities	3,979	2,893	1,086
Equipment and computer hardware	2,849	1,853	996
Software and development costs	7,402	6,127	1,275
	$18,982	$13,211	$ 5,771

2009	Cost	Accumulated Amortization	Net Book Value
Land	$ 155	$ -	$ 155
Building	4,216	2,513	1,703
Furniture and facilities	3,958	2,605	1,353
Equipment and computer hardware	2,699	1,729	970
Software and development costs	9,563	8,138	1,425
	$20,591	$14,985	$ 5,606

6. EMPLOYEE FUTURE BENEFITS

The WCB provides for employee future benefits other than pensions (Note 16) consisting of retirement allowances, post-employment life insurance, dental and medical programs. An actuarial valuation was performed as at December 31, 2009.

The significant actuarial assumptions adopted in measuring these accrued benefit obligations as at December 31 are as follows:

	2010	2009
Discount rate, benefits expense for year	6.75%	7.50%
Discount rate, accrued benefit obligation	5.75%	6.75%
Expected health-care costs trend rate; decreasing annually by 0.50% increments to an ultimate rate of 5.00%	7.50%	8.00%
Drug claim increases trend rate; decreasing annually by 0.50% increments to an ultimate rate of 6.00%	8.50%	9.00%
Dental cost escalation	3.50%	3.50%
Retirement age assumption	59 years	59 years

Accrued Benefit Obligation	2010	2009
Beginning of year	$12,452	$7,882
Current service costs	710	494
Interest costs	879	621
Benefits paid	(290)	(181)
Actuarial loss (a)	2,505	3,636
End of year	$16,256	$12,452
Funded Status		
Plan deficit	$16,256	$12,452
Unamortized net actuarial loss	(4,838)	(2,423)
Accrued employee future benefits liability	$11,418	$10,029
Net Benefit Expense		
Current service costs	$ 710	$ 494
Interest costs	879	621
Amortization of net actuarial loss (gain)	90	(33)
Net employee future benefits expense	$1,679	$1,082

(a) A change was made in the actuarial assumptions in 2010 decreasing the discount rate on accrued benefit obligation from 6.75 per cent to 5.75 per cent. In accordance with the Canadian Institute of Chartered Accountant handbook section 3461, the rates are based on corporate AA bond yields at the end of the year.

7. BENEFITS LIABILITIES

	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehabilitation	Subtotal	Claims Administration	Total 2010
Balance, beginning of year	$ 85,802	$1,005,917	$ 128,432	$ 246,585	$ 5,908	$1,472,644	$ 88,359	$1,561,003
Growth in present value of benefits liabilities	5,941	69,398	8,636	17,056	406	101,437	6,086	107,523
Change in actuarial assumptions (a)	-	9,724	1,534	817	-	12,075	724	12,799
Actuarial experience adjustments (b)	(4,380)	(1,547)	(2,774)	8,179	530	8	1	9
Total growth	1,561	77,575	7,396	26,052	936	113,520	6,811	120,331
Claims costs incurred	41,907	87,612	3,929	55,035	1,163	189,646	9,395	199,041
Less: Claims payments made	(43,766)	(116,639)	(14,057)	(60,878)	(1,367)	(236,707)	(12,219)	(248,926)
Balance, end of year	$ 85,504	$1,054,465	$ 125,700	$ 266,794	$ 6,640	$1,539,103	$ 92,346	$1,631,449

	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehabilitation	Subtotal	Claims Administration	Total 2009
Balance, beginning of year	$ 83,906	$ 956,648	$ 128,815	$ 239,298	$ 4,178	$1,412,845	$ 84,771	$1,497,616
Growth in present value of benefits liabilities	5,777	65,774	8,676	16,585	280	97,092	5,826	102,918
Change in actuarial assumptions (a)	-	-	-	(3,475)	-	(3,475)	(208)	(3,683)
Actuarial experience adjustments (b)	(1,124)	17,520	690	(1,094)	1,803	17,795	1,067	18,862
Total growth	4,653	83,294	9,366	12,016	2,083	111,412	6,685	118,097
Claims costs incurred	42,551	83,196	4,599	55,514	1,167	187,027	9,212	196,239
Less: Claims payments made	(45,308)	(117,221)	(14,348)	(60,243)	(1,520)	(238,640)	(12,309)	(250,949)
Balance, end of year	$ 85,802	$1,005,917	$ 128,432	$ 246,585	$ 5,908	$1,472,644	$ 88,359	$1,561,003

All liabilities were calculated using an underlying assumption of 3.5 per cent for real rate of return on assets and a rate of increase in the Consumer Price Index (CPI) equal to 3.5 per cent in 2010 (2009 – 3.5 per cent) per annum. The gross rate of return that results from the CPI and the real rate of return assumptions is 7.0 per cent in 2010 (2009 – 7.0 per cent) per annum. The inflation assumptions and the resulting net interest rates for 2010 and 2009:

Category	Expected Inflation	Resulting Inflation Rate	Resulting Net Interest Rate
Supplementary Benefits, LTD	0.5% + CPI	4.0%	3.0%
Other LTD, Survivor Pensions	50% * CPI	1.75%	5.25%
Health Care	1.75% + CPI	5.25%	1.75%
All Others	CPI	3.5%	3.5%

Recorded benefits liabilities are based on the best estimation techniques presently available to the WCB. However, it is possible that subsequent independent actuarial estimates may vary based on the more extensive experience and data under the new earnings-loss procedures that will become available over time. The probability and magnitude of such a variance, which could be material, is presently undeterminable.

a) In 2010, a change in actuarial assumptions increased the benefits liability by $12,799. In prior years, mortality was based on the Group Annuity Mortality (GAM 83) table without margins. For 2010 and future years, mortality is based on the GAM 83 table with a 10 per cent margin on mortality rates. In 2009, changes in actuarial assumptions and methodology decreased the benefits liability by $3,683.

b) Actuarial experience adjustments represent the difference between what was predicted based on the actuarial assumptions and methods used in the prior valuation and what actually occurred in the year. In 2010, actuarial experience adjustments increasing the benefits liabilities totalled $9. The adjustments included:
   - A net increase of $5,590 as a result of a change in health care payment patterns. For accidents prior to 2004 the benefits liability was increased by $10,188 and for accidents after 2003 the benefits liability was decreased by $4,598.
   - Other non-specified actuarial adjustments resulted in a decrease to the benefits liabilities of $5,581.

   In 2009, actuarial experience adjustments increasing benefits liabilities totalled $18,862. The adjustments included:
   - An increase of $13,841 is the result of an increase in the average payment amount of new extended earnings replacement benefits.
   - An increase of $11,351 because of a higher volume of extended earnings replacement benefits than expected.
   - Other non-specified experience adjustments decreased benefits liabilities by $6,330.

8. ASSESSMENTS

	2010	2009
Assessed employers	$242,128	$231,910
Self-insured employers (Note 12)	39,365	39,698
Assessment reporting penalties and interest	1,094	1,154
	$282,587	$272,762

Premiums are billed when employers report their insurable earnings for an applicable assessment year. For employers who have not reported, premiums are estimated based on historical experience and any difference between actual and estimated premiums is adjusted in the following year.
As a significant portion of premium income for the year is not received until after year-end, the amount shown is a combination of actual and estimate based on statistical data. The difference between the estimate and the actual income received is credited or charged to the income in the following year. Historically, the difference has not been material.

9. ADMINISTRATION COSTS

	2010	2009
Salaries and staff expense	$ 33,229	$ 31,534
Building operations	2,409	2,204
Amortization	1,987	1,995
Services contracted	1,666	1,909
Professional, consulting and service fees	1,631	1,542
Communications	1,447	1,749
Travel and accommodations	906	906
Supplies	823	967
Training and development	485	669
	$ 44,583	$ 43,475
Change in liability for future administration costs	(2,824)	(3,097)
	$ 41,759	$ 40,378

10. SYSTEM SUPPORT

System support costs are costs associated with providing support to the Workplace Safety Insurance System (WSIS) agencies and the Office of the Employer Advisor and the Office of the Worker Counsellor. Both offices are focused on improving the ease of stakeholders interacting with the Workplace Safety and Insurance System agencies.

11. LEGISLATED OBLIGATIONS

	2010	2009
Occupational Health and Safety	$ 6,084	$ 7,412
Workers' Advisers Program	2,392	2,333
Workers' Compensation Appeals Tribunal	1,528	1,585
Injured Workers' Associations	176	212
	$ 10,180	$ 11,542

The WCB is required by the *Act* to reimburse the Province of Nova Scotia for part of the operating costs of the Occupational Health and Safety Division of Nova Scotia Labour and Workforce Development.

The Workers' Advisers Program (WAP) offers legal advice and assistance to eligible injured workers on workers' compensation matters. The WAP operates autonomously from the WCB. The WCB is required by the *Act* to absorb the operating costs of the WAP.

The Workers' Compensation Appeals Tribunal (WCAT) is an independent organization formed to hear appeals of workers' compensation claims and assessment decisions. The WCB is required by the *Act* to absorb the operating costs of the WCAT.

Injured Workers' Associations provide advice and assistance to workers on workers' compensation issues. The WCB is required by the *Act* to provide funding to Injured Workers' Associations on such terms and conditions as the Minister of the Nova Scotia Department of Labour and Workforce Development deems appropriate, or the Governor in Council prescribes.

12. SELF-INSURED EMPLOYERS

These financial statements include the effects of transactions carried out for self-insured employers – federal and provincial government bodies – who directly bear the costs of their own incurred claims and an appropriate share of WCB administration costs.

	2010	2009
Revenue	$ 39,365	$ 39,698
Claims payments made		
Short term disability	$ 4,610	$ 4,445
Long term disability	18,013	18,539
Survivor benefits	2,982	3,271
Health care	7,225	7,015
Rehabilitation	225	217
	33,055	33,487
Administration costs	6,310	6,211
	$ 39,365	$ 39,698

The benefits liabilities related to self-insured employers have not been included in the WCB's benefits liabilities account. As these liabilities will be borne by those employers when paid in future years, they do not add to the WCB's unfunded liability.

13. RELATED PARTY TRANSACTIONS

The WCB provides self-insured coverage to provincial government agencies and departments. The Province, as a self-insured employer, reimburses the WCB for its own incurred claims and a share of WCB administration costs. The amounts included in Note 12 for the Province of Nova Scotia are as follows:

	2010	2009
Revenue	$ 5,371	$ 5,431
Claims payments made	$ 4,185	$ 4,260
Administration costs	1,186	1,171
	$ 5,371	$ 5,431

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The balances due from the Province of Nova Scotia are non-interest bearing and under normal credit terms. At December 31, 2010, the amount receivable from the Province of Nova Scotia was $610 (2009 – $900) for claims payments made and administration costs.

14. INDUSTRY LEVIES

As a result of Orders-in-Council or agreements with the industry associations, the WCB has levied a surcharge against the industries listed below to fund a portion of the operating costs of health and safety training programs conducted by the industries. The amounts collected have been disbursed as directed by the Orders-in-Council or agreements with the industry associations. As the funds collected on behalf of these industries are not those of the WCB, they have not been included as revenue or costs in the Statement of Operations and Comprehensive Income.

Industry	Payee	2010	2009
Construction	Nova Scotia Construction Safety Association	$904	$831
Trucking	Nova Scotia Trucking Safety Association	$231	$246
Fishing	Fisheries Safety Association of Nova Scotia	$219	-
Forestry	Forestry Safety Society	$156	$134
Auto Retailers	NS Automobile Dealers' Safety Association	$98	-
Retail Gasoline	Retail Gasoline Dealers' Association	$27	$ 29

15. COMMITMENTS

The WCB has committed to the following operating lease payments for office premises and equipment over the next five years and in aggregate:

2011	$ 1,551
2012	1,433
2013	418
2014	412
2015	432
	$ 4,246

16. EMPLOYEE PENSION PLAN

Employees of the WCB participate in the Public Service Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Province of Nova Scotia, which provides pension benefits based on length of service and earnings. Contributions to the plan are required by both employees and the WCB. Total WCB employer contributions for 2010 were $2,269 (2009 – $2,259) and are recognized as an expense in the period. The WCB is not obligated for any unfunded liability, nor does the WCB have entitlement to any surplus that may arise in this Plan.

17. CAPITAL MANAGEMENT

The WCB's capital management objectives and policies reflect the mandate to pay benefits. Two important goals must be recognized:

1) Inflation Protection – The WCB's income replacement benefits were partially indexed effective January 1, 2000, and thus will continue to grow year after year.
2) Liquidity Requirement – The WCB has significant cash requirements annually as payment of benefits to injured workers begins as soon as the award has been made. These liquidity requirements are facilitated by the operational cash flows of the WCB.

Asset allocation and the investment policies to be followed by the WCB's Investment Managers reflect the potentially conflicting requirements of these two goals. The fund's assets are managed on a going-concern basis, with the primary objective of maximizing returns at an acceptable level of risk; which presumes management of the portfolio to an average allocation over time to asset classes in the proportions indicated in the benchmark portfolio. The strategic objective is to ensure the long term sustainability of the WCB by investing funds to provide for payment of benefits at a future date.

WCB Salaries and Benefits *December 31*

	2010						2009	
	Number of Individuals	Salary	Benefits	Other	Total		Number of Individuals	Total
Chair, Board of Directors	1	$ 31,500	$ 1,479	$ -	$ 32,979		1	$ 13,109
Acting Chair	1	18,800	1,815	-	20,615		1	39,916
Board of Directors	8	142,683	4,668	-	147,351		8	85,152
	10	192,983	7,962	-	200,945	1	10	138,178
Chief Executive Officer	1	228,000	31,859	14,215	274,074		1	270,151
VP Service Delivery	1	23,537	9,686	12,549	45,772	2	1	177,167
Chief Financial Officer	1	152,996	23,791	3,817	180,604		1	174,391
VP Service Delivery	1	152,996	24,337	3,817	181,150		1	184,428
VP Strategy & Employee Engagement	1	152,996	23,848	3,817	180,661		1	174,384
	5	710,525	113,521	38,215	862,261		5	980,521
Staff Salaries & Benefits (Average 2010 - $70,807; 2009 - $68,882)	421	24,625,728	5,638,243	304,648	30,568,619		424	29,342,767
Employee future benefits	-	-	1,678,779	-	1,678,779		-	1,082,200
Administration – Salaries & Benefits	436	$25,529,236	$7,438,505	$ 342,863	$33,310,604	3&4	439	$31,543,665

1 The Chair's remuneration was based on a daily per diem allowance of $300 in addition to an honorarium of $20,000 annually, to a maximum of $50,000 per year. All other Board members received a daily per diem allowance of $300 for attendance of Board meetings and related work. In addition to the per diem, the Deputy Chair received an honorarium of $3,000 per annum and the Committee Chairs received an honorarium of $2,000 per annum. The new Chair was appointed effective April 7, 2010. The Deputy Chair was the Acting Chair and received the Chair's rate of remuneration for the interim period.

2 The VP Service Delivery position was vacant effective February 26, 2010.

3 Salary includes regular base pay. Benefits include the employer's share of employee benefits – CPP, EI, pension, health/dental, life insurance and long term disability. In 2009, the WCB decided not to participate in the Nova Scotia Public Service Superannuation Plan (PSSP) Supplementary Employee Retirement Plan (SERP), and pursuant to employment contracts, the contributions held by the employer were refunded to the employees. In 2010, pension contributions were paid in lieu of SERP payments to employees; these payments were included in Benefits. Other includes vacation payout and travel allowance. Total salaries and benefits in 2010 of $33,310,604 (2009 - $31,543,665) varies by $82,072 (2009 - $95,664) from Note 9 in the financial statements due to travel allowance disclosed in 'Other', which is posted to 'Travel and accommodations' in Note 9.

4 This figure represents the average number of employees on payroll during the fiscal year.

In 2011 disclosures will be updated to reflect International Financial Reporting Standards in conjunction with Province of Nova Scotia requirements on public sector salary and benefit disclosure.

Actuarial Certificate

We have completed an actuarial valuation of the benefits liabilities for insured employers under the Workers' Compensation Act of Nova Scotia as at December 31, 2010, for the purpose of providing input to the Financial Statements of the Board.

Our estimate of the benefits liabilities of $1,631,449,000 represents the actuarial present value at December 31, 2010, of all expected health-care payments, short-term disability benefits, long-term disability benefits, survivor benefits, rehabilitation and other payments which will be made in future years, and which relate to claims arising from events which occurred on or before December 31, 2010. As in previous valuations, the benefits liabilities do not include any provision for future claims related to new latent occupational disease awards, except to the extent such claims are represented in the past claim histories.

No allowance has been made in these liabilities for any future deviations from the present policies and practices of the Board or for the extension of new coverage types.

The liabilities have been allocated into six categories, namely: short-term disability; long-term disability; survivors' benefits; health care; rehabilitation and administration.

All liabilities have been calculated using underlying assumptions of 3.50% real rate of return on invested assets and rates of increase in the Consumer Price Index equal to 3.50% per annum.

The CPI assumption equates to inflation rates for indexing of benefits of 1.75% per annum in respect of long-term disabilities and permanent survivor benefits, as indexing is at 50% of the rate of increase in the Consumer Price Index for these categories.

Liabilities in respect of future permanent long-term disability and survivor benefits awards have been determined based on factors developed from historical patterns of permanent awards, and using mortality and valuation interest rate assumptions identical to those used in determining the existing pension and long term disability liabilities.

The liabilities in respect of short-term disability, health care, rehabilitation and the non-permanent portion of survivors' benefits have been determined from projections of future claim payments. These projections have been based on continuation of recent payment patterns by years since the injury. An inflation rate of 3.50% per annum has been used to project future cash flows for short-term disability claims and the non-permanent portion of survivors' benefits. For health care, we used an inflation rate of 5.25% per annum reflecting the greater expected inflation and utilization rate for this benefit category.

We have reviewed the valuation data to test for reasonableness and consistency with the data used in prior years. Excluding administration costs, the liability established for permanent awards to be granted in the future is $310 million (about 20% of all benefit liabilities). It is our opinion that the data are sufficient and reliable for the purpose of this valuation.

In our opinion, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with sound actuarial principles. Our valuation report has been prepared and our opinions have been given in accordance with accepted actuarial principles.

Paul Conrad

Paul G. Conrad, FCIA, FSA, MAAA
Eckler Ltd.

Heather Crout uses her art to help create a culture of safety in memory of her husband, Scott Clarke, who tragically drowned off of Eastern Passage while herring fishing in September 2009. Hailed as a safety champion, Heather uses proceeds from a series of 10 paintings commemorating Scott's fishing life to purchase life vests, which she donates to the fishing community.

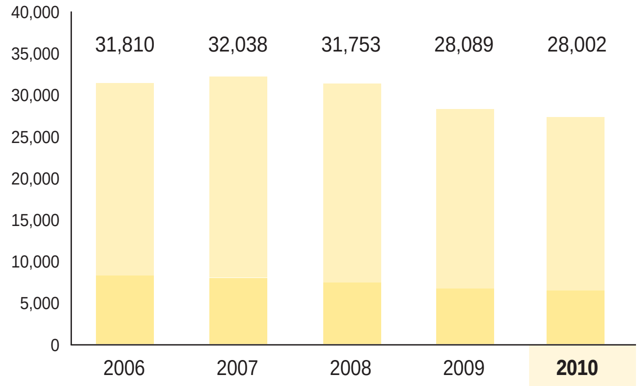
Like Heather, there are many families, friends and communities who feel the impact of a workplace tragedy. While the injury rate has been declining over the past five years, we can never forget the nearly 120 Nova Scotians who died because of a workplace injury during that same timeframe. Our hearts go out to those who loved them; you are in our thoughts every day.

2010 Statistical Summary

In 2010:

- The total number of claims registered decreased by 0.3 per cent from 28,089 in 2009 to 28,002 in 2010.
- The total number of time loss claims in 2010 is 6,921, a 4 per cent decrease from the 2009 total of 7,206. This represents 285 fewer workers who sustained injuries severe enough to miss three or more days of work.
- 'Sprains and strains' remain the most common type of time loss injury, comprising 53.6 per cent of all 2010 compensable time loss claims.
- Back injuries comprise nearly one third of all time loss injuries. However, compared to last year, the number of back injuries resulting in a compensable time loss claim has declined by 5 per cent (117 injuries), from 2,259 in 2009 to 2,142 in 2010.
- Total assessable payroll has increased steadily since 2005. The current figure is $9.07 billion, a 19 per cent increase from the 2005 figure of $7.61 billion.
- Health and Social Services is the largest industry sector in the province and accounts for the highest volume of time loss injuries at 1,599 in 2010. However, for the fifth consecutive year, the injury rate in Health and Social Services has dropped from a high of 4.5 per cent in 2005 to the 2010 rate of 3.2 per cent.
- The injury rate also dropped in Manufacturing, the second largest industry sector in the province from 2.4 per cent in 2009 to 2.2 per cent in 2010.
- Overall, the provincial injury rate has once again decreased from 2.26 per cent in 2009 to 2.13 per cent in 2010.

Status of New Claims



	2006	2007	2008	2009	**2010**
Compensable Time Loss	8,274	8,230	8,050	7,206	6,921
Other:					
No Compensable Time-Loss	17,491	17,365	16,910	14,625	14,717
Not Pursued or Disallowed	6,045	6,443	6,793	6,258	6,364
Other Subtotal	23,536	23,808	23,703	20,883	21,081
Total	31,810	32,038	31,753	28,089	28,002
Fatalities (OHS)	22	12	29	32	23
Fatalities (WCB)	13	23	25	15	23
Clients with Registered Claims	27,887	28,156	27,944	25,110	24,771

Claims represented are those registered during the report year. Time loss claims are defined as those claims which received a time loss benefit during the report year, or within two months of the report year.

Some WCB clients may have more than one injury/claim in a year, therefore, the number of clients with claims registered does not equal the number of claims registered.

Fatalities (OHS) include all workplace injuries that resulted in the death of a worker as reported by the OH&S Division of the NS Department of Labour and Workforce Development. Not all of these deaths resulted in a WCB claim as not all workers have coverage.

Fatalities (WCB) include all fatalities that were accepted for compensation by the WCB of NS within the given year. This is not necessarily the year in which the incident causing the death occurred.

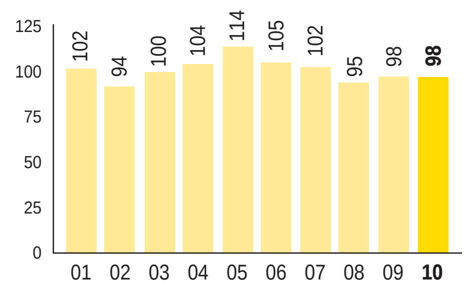
Injury Frequency and Claim Volumes by Industry

For Nova Scotia, 2010

	Excluding Self-Insured Claims							Including Self-Insured Claims			
	Assessable Payroll ($ millions)	% of Total Assessable Payroll	Number of Claims Registered (No Self-Insured)	% of Claims Registered (No Self-Insured)	Number of Time Loss Claims (No Self-Insured)	% of Time Loss Claims (No Self-Insured)	Injury Frequency	Number of Claims Registered (Inc. Self-Insured)	% of Claims Registered (Inc. Self-Insured)	Number of Time Loss Claims (Inc. Self-Insured)	% of Time Loss Claims (Inc. Self-Insured)
Health/Social Services	1,693.2	18.7%	5,186	20.0%	1599	25.5%	3.2%	5,186	18.5%	1599	23.1%
Manufacturing	1,265.5	14.0%	4,176	16.1%	835	13.3%	2.2%	4,176	14.9%	835	12.1%
Retail Trade	1,197.2	13.2%	3,084	11.9%	712	11.4%	1.5%	3,192	11.4%	760	11.0%
Construction	975.0	10.7%	2,759	10.7%	754	12.0%	2.9%	2,759	9.8%	754	10.9%
Wholesale Trade	731.8	8.1%	1,961	7.6%	397	6.3%	1.7%	1,961	7.0%	397	5.7%
Government Services	532.6	5.9%	1,281	4.9%	321	5.1%	2.0%	2,845	10.2%	796	11.6%
Accommodation/Food/Beverage	487.5	5.4%	1,908	7.4%	444	7.1%	1.8%	1,908	6.8%	444	6.4%
Transportation/Storage	461.1	5.1%	1,275	4.9%	415	6.6%	3.6%	1,284	4.6%	418	6.0%
Business Services	454.1	5.0%	521	2.0%	130	2.1%	0.8%	521	1.9%	130	1.9%
Communication/Utilities	399.0	4.4%	665	2.6%	136	2.2%	1.3%	1,024	3.7%	264	3.8%
Other Services	308.5	3.4%	753	2.9%	191	3.1%	1.5%	753	2.7%	191	2.8%
Fishing/Trapping	172.6	1.9%	401	1.5%	150	2.4%	3.8%	401	1.4%	150	2.2%
Real Estate/Insurance Agents	100.9	1.1%	204	0.8%	57	0.9%	1.6%	204	0.7%	57	0.8%
Educational Services	75.9	0.8%	78	0.3%	14	0.2%	0.5%	78	0.3%	14	0.2%
Mining/Quarries/Oil Wells	73.9	0.8%	133	0.5%	24	0.4%	1.5%	183	0.7%	24	0.3%
Agriculture/Related Services	61.1	0.7%	176	0.7%	50	0.8%	2.3%	176	0.6%	50	0.7%
Logging/Forestry	49.4	0.5%	127	0.5%	36	0.6%	2.5%	127	0.5%	36	0.5%
Finance/Insurance	28.5	0.3%	11	0.0%	0	0.0%	0.0%	11	0.0%	0	0.0%
Unknown	0.0	0.0%	1,213	4.7%	2	0.0%	0.0%	1,213	4.3%	2	0.0%
Total	$9,067.8	100.0%	25,912	100.0%	6,267	100.0%		28,002	100.0%	6,921	100.0%

Composite Duration Index

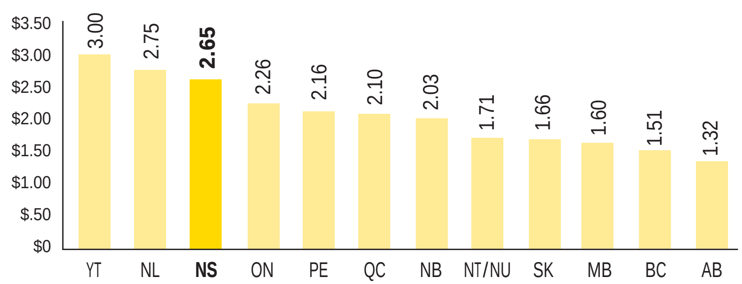
Using AWCBC Composite Method



*Note: Index does not include claims paid in the transitional services unit.

Targeted Average Assessment Rate

All Provinces per $100 of assessable payroll, 2009



Injury Frequency and Claim Volumes by Industry

For Nova Scotia, 2009

	Excluding Self-Insured Claims							Including Self-Insured Claims			
	Assessable Payroll ($ millions)	% of Total Assessable Payroll	Number of Claims Registered (No Self-Insured)	% of Claims Registered (No Self-Insured)	Number of Time Loss Claims (No Self-Insured)	% of Time Loss Claims (No Self-Insured)	Injury Frequency	Number of Claims Registered (Inc. Self-Insured)	% of Claims Registered (Inc. Self-Insured)	Number of Time Loss Claims (Inc. Self-Insured)	% of Time Loss Claims (Inc. Self-Insured)
Health/Social Services	1,604.4	18.4%	5,193	20.0%	1578	24.3%	3.3%	5,193	18.5%	1578	21.9%
Manufacturing	1,227.7	14.1%	4,088	15.8%	882	13.5%	2.4%	4,088	14.5%	882	12.3%
Retail Trade	1,162.6	13.4%	3,154	12.2%	784	12.0%	1.7%	3,257	11.6%	823	11.4%
Construction	892.2	10.3%	2,517	9.7%	671	10.3%	2.7%	2,517	9.0%	671	9.3%
Wholesale Trade	699.0	8.0%	1,975	7.6%	412	6.3%	1.9%	1,975	7.0%	412	5.7%
Government Services	500.9	5.8%	1,259	4.9%	332	5.1%	2.1%	2,817	10.0%	816	11.3%
Accommodation/Food/Beverage	469.2	5.4%	2,029	7.8%	524	8.1%	2.1%	2,029	7.2%	524	7.3%
Business Services	465.2	5.3%	502	1.9%	114	1.8%	0.6%	502	1.8%	114	1.6%
Transportation/Storage	449.1	5.2%	1,337	5.2%	450	6.9%	3.8%	1,349	4.8%	454	6.3%
Communication/Utilities	380.8	4.4%	696	2.7%	192	3.0%	1.8%	1,114	4.0%	367	5.1%
Other Services	294.9	3.4%	812	3.1%	234	3.6%	2.0%	812	2.9%	234	3.3%
Fishing/Trapping	162.3	1.9%	407	1.6%	154	2.4%	4.1%	407	1.4%	154	2.2%
Real Estate/Insurance Agents	98.0	1.1%	190	0.7%	52	0.8%	1.6%	190	0.7%	52	0.7%
Mining/Quarries/Oil Wells	85.6	1.0%	139	0.5%	25	0.4%	1.3%	210	0.7%	25	0.3%
Educational Services	73.3	0.8%	89	0.3%	15	0.2%	0.6%	89	0.3%	15	0.2%
Agriculture/Related Services	57.2	0.7%	159	0.6%	46	0.7%	2.1%	159	0.6%	46	0.6%
Logging/Forestry	46.6	0.5%	127	0.5%	37	0.6%	2.7%	127	0.5%	37	0.5%
Finance/Insurance	28.1	0.3%	19	0.1%	2	0.0%	0.3%	19	0.1%	2	0.0%
Unknown	0.0	0.0%	1,235	4.8%	0	0.0%	0.0%	1,235	4.4%	0	0.0%
Total	$8,697.1	100.0%	25,927	100.0%	6,504	100.0%		28,089	100.0%	7,206	100.0%

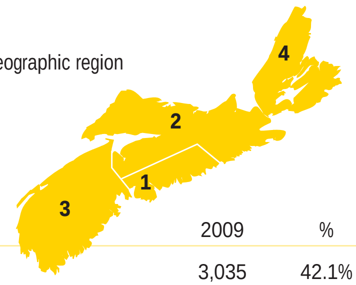
Gender of Client

Compensable time loss claims

	2009	%	2010	%
Male	4,287	59.5%	4,076	58.9%
Female	2,919	40.5%	2,845	41.1%
Total	7,206	100.0%	6,921	100.0%

Injury Region

Compensable time loss claims by geographic region



		2009	%	2010	%
1	Halifax Regional Municipality	3,035	42.1%	2,896	41.8%
2	Central & North Shore	1,612	22.4%	1,488	21.5%
3	South Shore & Valley	1,445	20.1%	1,519	22.0%
4	Cape Breton	1,089	15.1%	989	14.3%
	Other	25	0.3%	29	0.4%
	Total	7,206	100.0%	6,921	100.0%

Nature of Injury

Compensable time loss claims

	2009	%	2010	%
Sprains,Strains	3,839	53.3%	3,708	53.6%
Other traumatic injuries and disorders	1,180	16.4%	1,213	17.5%
Fractures, Dislocations	588	8.1%	497	7.2%
Inflamed Joint, Tendon, Muscle	446	6.2%	377	5.4%
Cut, Laceration, Puncture	401	5.6%	346	5.0%
All Other	239	3.3%	291	4.2%
Contusion, Crushing, Bruise	272	3.8%	255	3.7%
Burns	104	1.4%	108	1.6%
Digestive system diseases and disorders	80	1.1%	75	1.1%
Nervous system and sense organs diseases	57	0.8%	51	0.7%
Total	7,206	100.0%	6,921	100.0%

Part of Body

Compensable time loss claims

	2009	%	2010	%
Back	2,259	31.3%	2,142	30.9%
Shoulder(s)	667	9.3%	656	9.5%
Leg(s)	685	9.5%	624	9.0%
Multiple Parts	657	9.1%	624	9.0%
All other	501	7.0%	532	7.7%
Fingers	481	6.7%	418	6.0%
Ankle	334	4.6%	345	5.0%
Arms(s) (above wrist)	323	4.5%	315	4.6%
Wrist	269	3.7%	262	3.8%
Neck	157	2.2%	206	3.0%
Hand (does not include fingers)	221	3.1%	200	2.9%
Foot (does not include toes)	203	2.8%	175	2.5%
Pelvic Region	168	2.3%	155	2.2%
Chest	169	2.3%	150	2.2%
Face	112	1.6%	117	1.7%
Total	7,206	100.0%	6,921	100.0%

Age at Injury Date

Compensable time loss claims

	2009	%	2010	%
Less than 20	165	2.3%	156	2.3%
20 to 24	519	7.2%	539	7.8%
25 to 29	592	8.2%	553	8.0%
30 to 34	666	9.3%	598	8.6%
35 to 39	877	12.2%	838	12.1%
40 to 44	945	13.1%	921	13.3%
45 to 49	1204	16.7%	1066	15.4%
50 to 54	1051	14.6%	1075	15.5%
55 to 59	716	9.9%	716	10.4%
60 to 64	369	5.1%	359	5.2%
65 or older	102	1.4%	100	1.4%
Total	7,206	100.0%	6,921	100.0%

Claims Registered by Firm

Number of Firms	Number of Claims Registered 2010	% of all Firms	Number of New Claims Registered	% of New Claims Registered
13	200 or more	0.07%	5,781	20.64%
32	100 or more	0.37%	10,783	38.51%
159	25 or more	0.86%	13,841	49.43%
447	10 or more	2.43%	18,234	65.12%
881	5 or more	4.79%	21,065	75.23%

Our Vision

Nova Scotians – safe and secure from workplace injury.

Our Mission

We set the standard for workplace injury insurance.
We inform and inspire Nova Scotians in the prevention of workplace injury, but if it occurs, we support those whose lives it touches by championing a timely return to safe and healthy work.

Our Goals

The strategic goals of the WCB are as follows:
- With our partners, we are building a workplace safety culture.
- With our partners, we improve outcomes for safe and timely return-to-work.
- We are an organization with a skilled and committed team of employees with the knowledge and tools to provide excellent service, and who are proud of what they do.
- We are an organization providing excellent and efficient service that is open and accountable to the people we serve and the public.
- We are an organization that is financially stable and sustainable.

Our Values

Employees of the WCB model three corporate values:

- **Can-do Attitude**
  We will deliver on our promises and provide top-notch service.

- **Safety Champion**
  We will be a champion for workplace safety through our relationships and innovative solutions, and by keeping prevention and return-to-work at the heart of our business.

- **Caring and Compassionate**
  We will strive to walk a mile in workers' and employers' shoes. We will serve as we like to be served and provide those we serve with the respect and support they need to be successful.

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