

Report to the Community

first quarter 2014

Incentive Rebate Pilot Program helps build a safety culture

By putting effective health and safety systems in place, employers can demonstrate their commitment to providing safe work environments with less risk of workplace injuries, less time lost due to injury, and more engaged and productive workers that go home safely at the end of the day.

Partnering with industries to facilitate the implementation of such systems has a positive impact on overall safety of workers and their families, by encouraging a culture of safety.

That's why the WCB, the Nova Scotia Construction Safety Association (NSCSA) and the Nova Scotia Trucking Safety Association (NSTSA) partnered to develop the Incentive Rebate Pilot Program. The program is funded by employers and offers rebates on workplace insurance premiums for businesses in trucking and construction who have received either a Certificate of Recognition (COR) or WCB Safety Certified accreditation. The program encourages employers to implement effective health and safety management systems as an important step toward reducing the risk of workplace injuries.

The first Practice Incentive rebate cheques were mailed this spring to trucking and construction employers whose health and safety programs met the program requirements. A total of \$1.45 million in rebates were issued to 1,243 qualifying employers in these two industries.

The rebate program is one of the ways the industry safety associations have been working to advance workplace safety in the province for many years. This year marks the 20th anniversary for the NSCSA, and the 15th anniversary for the NSTSA.

The Practice Incentive Pilot program supports the Workplace Safety Strategy for Nova Scotians. This five-year plan establishes strong goals for health and safety and a long-term vision of making Nova Scotia the safest place to work in Canada. The program will continue in 2014 with the possibility of expanding to other industry groups in future years.

Our work in preventing workplace injuries continues to contribute to our corporate performance. We remain very encouraged

*See **Incentive** continued on page 2*

A total of **\$1.45 million** in rebates were issued to 1,243 qualifying employers in these two industries through WCB's Practice Incentive Rebate Pilot Program.

Incentive *continued page 1*

about our results in the first quarter of 2014 as overall, Nova Scotians continued to make progress in reducing the human impact of workplace injury. At the same time, the rate of improvement on some measures is showing signs that it may not be moving along as fast as we had hoped.

There was a slight increase in weather-related slip and fall injuries this past

winter, which generated more time-loss claims during the first quarter of 2014. As a result, two measures related to the length of time workers spend off the job due to injury – the total number of days paid, and the average claim duration – showed signs of slowing in Q1 2014. We are monitoring this closely, and we are responding operationally to address this slowing in our rate of improvement. ■

Operational highlights

Winners of the 2014 Mainstay Awards

The winners of the 2014 Mainstay Awards were announced on May 6th, with CKF Inc. of Hantsport taking home the highest safety honour in Nova Scotia, winning the Safety Award of Excellence for an organization.

A true success story, CKF Inc. believe in sharing their best practices with other organizations across Nova Scotia, and indeed the country, telling their story and offering their expertise through participation in such groups as The Canadian Society of Safety Engineering, the Nova Scotia Employee Assistance Program, the Canadian Manufacturing and Exporters and the Nova Scotia WCB Working Group, among others. CKF Inc. is a true safety leader.

Here is the full list of winners for the fifth annual Mainstay Awards:

- **Safety Award of Excellence – Organization** – CKF Inc.
- **Safety Award of Excellence – Individual** – Eric LeFort
- **Safety Transformation Award** – Canada Post
- **Special Award for Small Business** – CarbonCure Technologies
- **Individual Safety Champion Award (x2)** – Trina Peterson; David Shannon
- **Employer Safety Champion Award** – EllisDon
- **Employer Return to Work Champion Award (x2)** – Annapolis Valley Health; Nova Scotia Liquor Corporation
- **Health and Safety Educator Award** Trina Peterson ■

New Centralized Surgical Services Program Launched

Research shows the longer someone is away from work due to an injury, the less likely they will ever return to their job.

To help injured workers get speedier access to the surgical care they need so they can return to work, the Workers' Compensation Board of Nova Scotia (WCB) partnered with Annapolis Valley Health (AVH) to maximize unused operating room capacity to provide more timely surgical services to about 500 injured workers a year.

Under the program, injured workers will still be seen by their family doctor. If a surgical consultation or procedure is required, it will be delivered through the new program managed by AVH.

The program officially began April 22nd. For more information about the program go to wcb.ns.ca/surgeries. ■



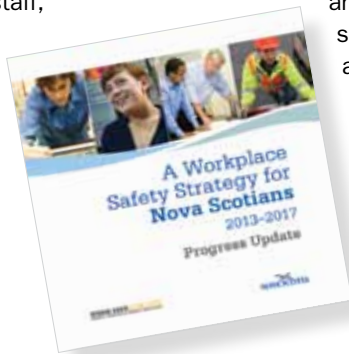
Workplace Safety Strategy Update

The WCB and the Department of Labour and Advanced Education released a progress report on the *Workplace Safety Strategy for Nova Scotians (2013-2017)*.

The five-year strategy, developed with input from thousands of Nova Scotians, focuses on increasing leadership, education and compliance in an effort to make Nova Scotia the safest place to work in Canada.

The first year of the strategy is now complete and work is underway to:

- partner with industry to increase inspections in high-risk industries by 200 per cent over the next year
- improve education and compliance by hiring an additional 17 occupational health and safety staff, including five new inspectors and a new prosecutor
- provide more training, including the delivery of more than 3,000 online safety



courses, as part of a team effort to improve workplace safety

- increase marketing and promotional efforts, such as the What Matters Most marketing campaign, and WCB's Safe@MyJob workplace safety quiz and certificate for grade 10-12 students
- create a Safe at Sea Alliance to develop an industry-led, long-term Fishing Safety Action Plan

The WCB has also hired a workplace consultant to support injury prevention and return-to-work programs for small and medium businesses.

Changes are also being made to the administrative penalties system to make them more consistent and fair, to make the appeals process clearer, and to direct the funds collected specifically into safety programs and initiatives.

To find out more about the progress of the Workplace Safety Strategy, visit

workplacesafetystrategy.ca. ■

Fishing Safety Action Plan to Chart a Safer Course

Fishing has long been one of the most dangerous industries in Nova Scotia. For this reason, fishing safety was identified as a key part of the Workplace Safety Strategy last year, prompting the WCB, in partnership with the Department of Labour and Advanced Education and the Department of Fisheries and Aquaculture, to start 2014 with a dedicated focus on reducing fatalities in the fishing industry.

Through engaging industry representatives, along with government partners at both the federal and provincial levels, the WCB and our partners are facilitating the development of an industry-led, long-term Fishing Safety Action Plan aimed at reducing fatalities and thereby improving the overall safety of the industry.

The initiative was officially launched March 6 in Halifax at an industry event where approximately 30 fishing representatives gathered to discuss the changes needed to improve fishing safety in Nova Scotia. Throughout the spring and summer, fishermen, their families and communities will participate in similar discussions around the province. Their input will help inform the plan, which will ultimately be developed by the Safe at Sea Alliance – a group of industry leaders consisting of captains, owners and family members.

Once developed, federal and provincial government and industry association partners will join the Safe at Sea Alliance to help move the Fishing Safety Action Plan forward and implement the recommendations.

Continued on the next page



Wearing a slim PFD vest under his reflective coat, Tommy Harper, Workplace Consultant, shows Cape Breton fishermen an inflatable PFD at a Man Overboard Drill in Big Bras d'Or on May 8.

While work toward an industry-led plan progresses, the WCB, along with the Department of Labour and Advanced Education, the Fisheries Safety Association of Nova Scotia, and the Nova Scotia Fisheries Sector Council, also continues to raise awareness of the importance of fishing safety with work at the grassroots community level through wharf visits, personal floatation device (PFD) demonstrations and emergency demonstrations, called man-overboard drills. A number of demonstrations were held in Cape Breton leading up to the start of the spring lobster fishery, and these will continue on wharves throughout the province over the summer months.

The culture must change – but that change is starting. Nellie Baker Stevens of Musquodoboit Harbour contacted us with the following note:

I would like to thank you for all of your work with informing fishermen about safety and in particular the life vests.

My husband would only wear a PFD (inflatable) when using his aluminum boat for recreational purposes and he only does that because he did get thrown overboard in the past but luckily I was with him.

He resisted the thought of wearing a PFD on his fishing boat as he didn't believe he needed it as he has fished

for many years and didn't see the need although his crew has been wearing them the last few years. I insisted that it was law that he wear a PFD and he did buy additional ones this year but he didn't like the inflatable ones and I was thinking he wouldn't wear it all of the time but only if he thought he would be checked.

After I saw the floater vest at your Overboard Exercise I explained to him that he didn't have to wear the inflatable PFD but a floater vest without the arms is acceptable and it looked really comfortable.

He did go out and buy this floater vest and he found it quite comfortable and has been wearing it every day.

This morning is the first morning his crew was late and Ron was removing the big buoys off his boat when he fell overboard.

I won't say that the floater vest saved his life, but for a man who cannot swim his experience this morning was only swallowing some seawater and a very cold dip into the ocean.

I'm very grateful I attended your Overboard Drill and got the information that helped my husband this morning. ■

Winter and spring busy with Social Marketing

Winter and spring are always a busy time for the WCB. We are very active with several events that happen each year helping Nova Scotians reduce the human and economic toll of workplace safety.

Day of Mourning: Every year the WCB joins the rest of Canada and more than 80 countries worldwide to honour those who were injured at work or who have died due to their work. This year the WCB partnered with Nova Scotia Labour and Advanced Education, the Nova Scotia Federation of Labour, and Threads of Life to honour fallen and injured workers, draw awareness to the Day and offer employers and employees the opportunity to renew their commitment to improve health and safety in the workplace. Friends and family of Jamie Lapierre shared their powerful stories in hopes that no one else experiences the loss they endured because of a workplace tragedy. Television ads ran in the two weeks leading up to April 28th, a new poster featuring Brenda Lapierre's story (Jamie's mother) was printed and distributed to the top 500 employers by revenue, along with a joint letter from LAE, WCB and the NSFL. Print ads ran in daily and weekly papers across the province. The tribute website was refreshed, and social media was used to drive traffic to both the Facebook page and the website tribute application at dayofmourning.ns.ca.

We saw a marked increase in awareness from our activities.

- Visits to the website were up 68%
- Stories of workplace tragedy read increased 51.36%
- Employee poster downloads were up by 107%
- 52 new dedications were made on the tribute application
- Community ceremony RSVPs increased by 29%

NAOSH Week: North American North American Occupational Safety & Health (NAOSH) Week is a joint occupational health and safety venture between Canada, the United States and Mexico dedicated to workplace injury prevention. Observed this year from May 4th to 10th, NAOSH Week provides a natural platform to promote occupational health and safety messages given the WCB's role in injury prevention and return to work in Nova Scotia's workplaces. The official NAOSH Week theme was "Make Safety a Habit."

The WCB participated in a learning event in Dartmouth on May 5th to launch the week. Sessions provided awareness and information on topics such as creating an effective Joint Occupational Health and Safety Committee in the workplace. Panel discussions focused on Occupational Health and Safety Law.

We also sent kit folders to our top 300 employers with customized information and supportive workplace safety resources and activities, as well as having members of the large workplace teams out on worksites to help support organizations' internal NAOSH Week activities.

The What Matters Most campaign ran on TV and in print as well, and we posted an article each day to our Safety Matters blog.

Slip, Trips and Falls: As part of our partnership marketing activities, we worked with the Nova Scotia Trucking Safety Association (NSTSA), developing a social media campaign to raise awareness about slip, trip and fall injuries. The campaign encouraged home delivery workers to exercise caution, and asked home and business owners to help by clearing their walkways and stairs of snow and ice. The campaign was well received, with positive comments recorded. We also produced Rod Stickman theme stickers that thank home/business owners for making their properties safe – these were distributed to NSTSA members by the association. ■

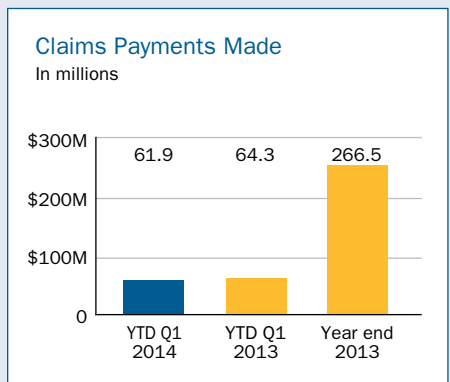
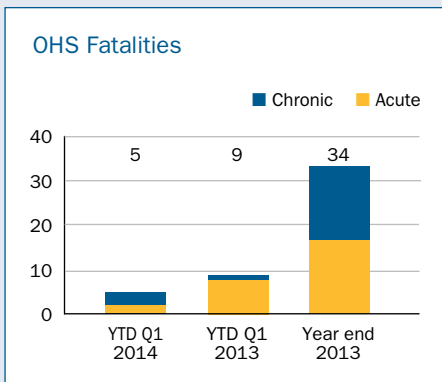
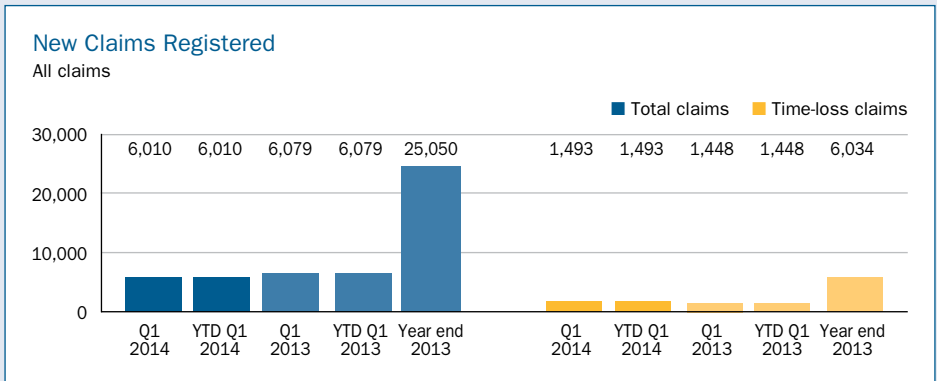
*See **Highlights** continued on page 12*

Statement of Financial Position

as at:

	March 31 2014 (Unaudited) (\$000s)	March 31 2013 (Unaudited) (\$000s) Restated*	December 31 2013 (Audited) (\$000s)
Assets			
Cash & cash equivalents	\$ 11,189	\$ -	\$ 6,359
Receivables	24,578	26,122	23,911
Investments	1,397,512	1,222,397	1,341,322
Property and equipment	4,452	4,241	4,607
Intangible assets	566	504	591
	\$ 1,438,297	\$ 1,253,264	\$ 1,376,790
Liabilities and Unfunded Liability			
Bank indebtedness	\$ -	\$ 6,014	\$ -
Payables and accruals	33,834	18,990	30,658
Lease liabilities	225	83	246
Post employment benefits	22,899	23,676	22,381
Benefits liabilities	1,888,897	1,756,216	1,875,734
	1,945,855	1,804,979	1,929,019
Deferred revenue	5,417	5,324	-
Unfunded liability	(512,975)	(557,039)	(552,229)
	\$ 1,438,297	\$ 1,253,264	\$ 1,376,790

* Restatement for Presentation of Prior Year – re-classifications of certain accounts have been made in accordance with the 2013 audited financial statements.



Statement of Operations

for the three months ended March 31 (unaudited)

	First Quarter 2014 (\$000s)	First Quarter 2013 (\$000s)
Revenue		
Assessments	\$ 71,408	\$ 70,961
Investment income	55,777	55,549
	<u>127,185</u>	<u>126,510</u>
Expenses		
Claims costs incurred		
Short-term disability	9,749	9,070
Long-term disability	25,303	24,095
Survivor benefits	1,734	1,379
Health care	13,757	14,293
Rehabilitation	365	182
	<u>50,908</u>	<u>49,019</u>
Growth in present value of benefits liabilities and actuarial experience adjustments	21,564	16,789
Administration costs	11,356	9,895
System support	239	173
Legislated obligations	3,864	3,286
	<u>87,931</u>	<u>79,162</u>
Excess of revenues over expenses, applied to reduce the unfunded liability	\$ 39,254	\$ 47,348

Statement of Changes in Unfunded Liability

for the three months ended March 31 (unaudited)

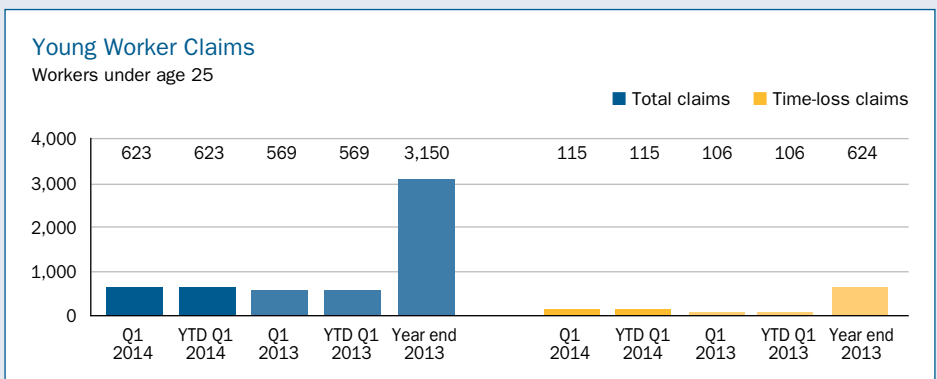
	First Quarter 2014 (\$000s)	First Quarter 2013 (\$000s)
Unfunded liability excluding accumulated other comprehensive income		
Balance, beginning of period	\$ (546,488)	\$ (595,877)
Excess of revenues over expenses	39,254	47,348
	<u>(507,234)</u>	<u>(548,529)</u>
Accumulated other comprehensive income		
No change in balance, during the period	(5,741)	(8,510)
Unfunded liability end of period	<u>\$ (512,975)</u>	<u>\$ (557,039)</u>

Statement of Cash Flows

for the three months ended March 31 (unaudited)

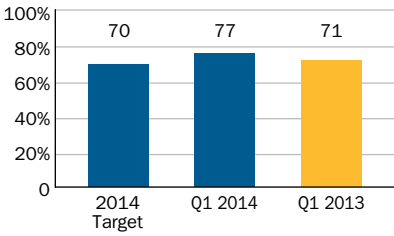
	March 31 2014 (\$000's)	March 31 2013 (\$000's) Restated*
Operating Activities		
Cash received from:		
Employers, for assessments	\$ 75,869	\$ 73,458
Investment income	5,314	20,539
	81,183	93,997
Cash paid to:		
Claimants or third parties on their behalf	(58,200)	(60,277)
Suppliers, for administrative and other goods and services	(12,306)	(18,027)
	(70,506)	(78,304)
Net cash provided by operating activities	10,677	15,693
Investing Activities		
Increase in investments	(5,728)	(20,492)
Cash paid for:		
Purchase of equipment	(119)	(47)
Net cash used in investing activities	(5,847)	(20,539)
Financing Activities		
Change in bank indebtedness	-	4,846
Net cash provided by financing activities	-	4,846
Net increase in cash and cash equivalents	4,830	-
Cash and cash equivalents, beginning of year	6,359	-
Cash and cash equivalents, end of period	<u>\$ 11,189</u>	<u>\$ -</u>

* Restatement for Presentation of Prior Year – re-classifications of certain accounts have been made in accordance with the 2013 audited financial statements.

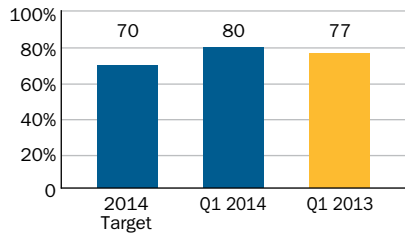


Service

Worker Satisfaction Index¹



Employer Satisfaction Index



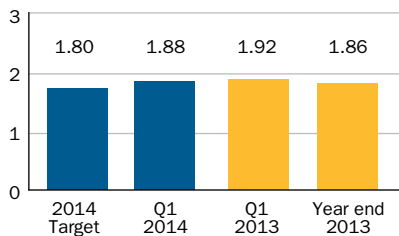
- Employers and workers across Nova Scotia continue to be satisfied with the service received from the WCB. At the end of Q1, we have exceeded our target of 70% with 77% of workers and 80% of employers surveyed said they are satisfied with the WCB's service. We are working to maintain these positive results as we continue to make changes aimed at improving outcomes for workers and employers.

Prevention

- Overall, Nova Scotians continued to make progress in reducing the human impact of workplace injury. Year over year, the Injury Rate of 1.88 is down compared to this point last year though slightly higher than the 2013 year-end number of 1.86.
- Two factors have put upward pressure on this measure. We saw a slight increase in weather-related slips and falls from the harsh winter resulting in more time-loss injuries. As of March, the 12-month rolling number of time-loss injuries has increased slightly to 6,062 from the 2013 year-end number of 6,034. In addition, the calculated covered workforce is lower than we projected, dropping from 324,712 to 321,766 at the end of March – approximately 0.9%.
- Our 2014 projections assume that the number of new time-loss claims will drop by approximately 3% and there will be a slight increase (0.5%) in the covered workforce. While we believe the increase in the number of new time-loss claims is temporary, the drop in the calculated covered workforce may be due to a contraction of the economy which is outside of our control. We will continue to monitor these changes over the coming months in terms of their impacts on the Injury Rate. At this point we believe we will achieve the year-end target.

Injury Frequency

Time-loss claims per 100 covered workers

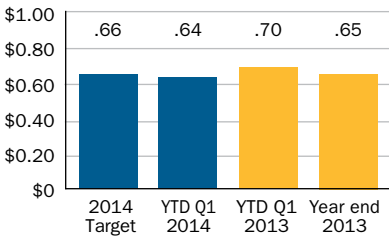


¹ The Worker Satisfaction Index does not include workers on long-term benefits or those for claims with little or no time loss.

Financial

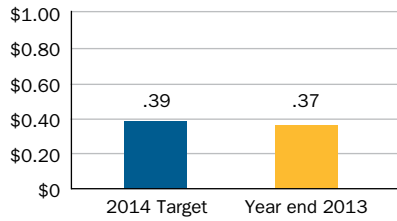
Cost Per \$100 Payroll

Claims payments made for injuries in the past 3 years



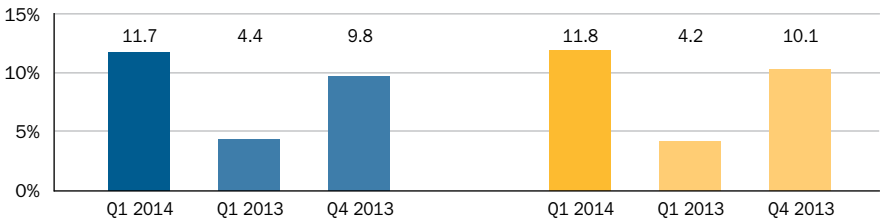
Administrative costs per \$100 of payroll

(excluding prevention costs)



Five-Year Rate of Return on Investment

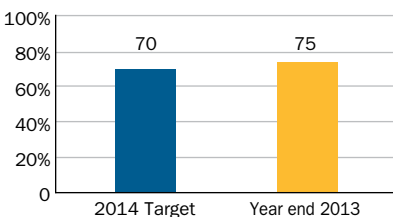
■ Five-Year Actual Rate of Return ■ Five-Year Target



- At the end of Q1, we continue to see positive financial results. The Payment Ratio is ahead of the year-end target mainly due to the positive impact of higher payroll growth (calculated as the average payroll over the past 3 years) and lower claims payments flowing from lower than expected health care payments. Over the next several months, we expect health care payments to rise as we implement negotiated increases for tiered services (physiotherapists and chiropractors) which could put upward pressure on this measure. However, this should not prevent us from achieving the year-end target.
- We saw favourable investment results in Q1. The WCB's five-year Rate of Return on Investment for the period ending March 31, 2014 was 11.7%, slightly behind the benchmark return of 11.8% but higher than the long-term average rate of 6.6% targeted in the funding strategy.
- Our focus continues to be on the long-term sustainability of the investment fund, to ensure the investment portfolio is well diversified among a variety of assets to work with our external investment and actuarial consultants to optimize returns to meet our long-term funding objectives.

Employee

Employee Satisfaction Index²

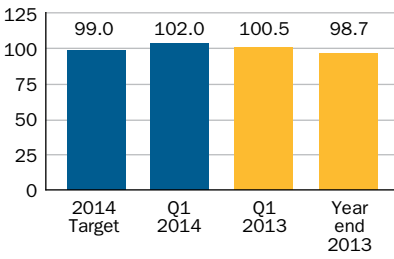


- The Employee Satisfaction Index for 2013 was 75%, well ahead of our year-end target of 70%. Our employees remain in agreement with our strategic direction and they recognize that we are on the brink of something greater.

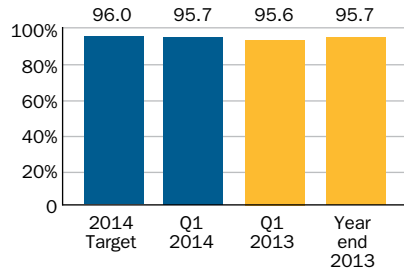
² Annual Index

Return to Work

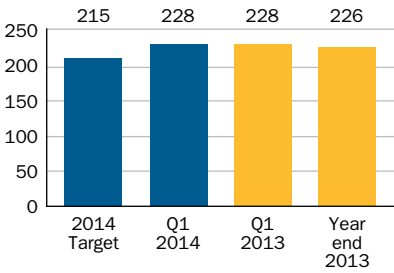
Duration Index
Composite, in days



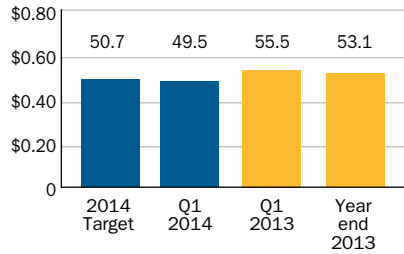
Return to Employability



Time Loss Days Paid per 100 Covered Employees



Cost of New Extended Earnings Replacement Benefits (EERBs)



- At the end of Q1, the percentage of injured workers who return to full employability is on target at 96%.
- In 2014, we are forecasting reductions in the total number of days lost to workplace injury compared to 2013. However, the number of days lost to injury is not as far ahead as we expected it to be at this point in 2014. Since December, the total number of time-loss days paid is down approximately 4,000 days – 0.6% versus our targeted reduction of 3.2% (approximately 20,167 days). This is due, in large part, to a higher proportion of longer duration claims remaining in the system.
- For 2014, we projected that we will have 18% of these claims; to date the actual number is 19.6%. This outcome is reflected in the year-to-date results for both Time Loss days paid per 100 Covered workers which remained stable at the 2013 year-end number of 228 (our year-end target is 215 days) and the Composite Duration Index which increased to 102 days from 98 days at year-end; the year-end target is 99 days.

Long-Term Disability Claims

- The number of new long-term benefit awards and their associated costs continue to decline. At the end of Q1, using a 12-month rolling number, we have awarded 314 EERBs (295 regular classified and 19 self-insured awards) at an associated cost of \$49.5 million, and are on track to achieve volume and cost projections for 2014 – 312 new EERBs (294 for regular classified employers and 18 for self-insured employers) at an associated cost of \$50.7 million.



Along with their teacher, a group of students from Glace Bay High School do landscaping work during the Service Learning Showcase Week. Students are wearing personal protection equipment (PPE) donated under the Workplace Safety Strategy.

Education and Training: Key to culture change

As part of the Workplace Safety Strategy, along with the Department of Labour and Advanced Education, we believe a deeper and broader understanding, whether it comes through formal education or quality workplace training, is vital in changing a culture where workplace injury has often been accepted as part of the job. In the new safety culture, injuries are preventable and unacceptable.

This spring, the WCB coordinated and supervised two practicums for Nova Scotia Community College Occupational Health and Safety Program students. The practicums offered the students an opportunity to apply the theory they learned in the classroom to real work situations.

We have also continued to work with the Department of Education to review the Co-operative Education support guidelines, “The Community is Your

Classroom” and “Community Based Learning 10.” We also completed two new risk assessment tools and several classroom resources for 2014 Service Learning Week June 2-6, coordinated by the Department of Education, school boards, and students and teachers.

A new workplace health and safety student quiz and certificate called Safe@MyJob was launched through the Nova Scotia Virtual School. To date, more than 300 students, and some teachers, have completed the quiz.

In partnership with the Department of Education, school boards and with the support of the Education and Training initiative of the Workplace Safety Strategy, the WCB sponsored the provision of hard hats, high visibility vests, safety glasses, disposable hearing protection, latex gloves and first aid kits to 15 different Service Learning Week projects carried out by grade 10-12 Options and Opportunities students. ■