

# Report to the Community

first quarter 2015

## Harsh Winter Weather Impacts Time Loss Claims

On the whole, there continues to be progress in the overall journey toward becoming Canada's safest place to work. For example, the number of people whose injuries are so severe they require long-term benefits continues to decline, and workers and employers continue to be satisfied with our services. We also saw continued positive financial performance.

However, this past winter was one of the harshest in memory, in an unrelenting series of storms that brought almost unprecedented snowfall to Nova Scotia.

This severe weather had an impact. There were a significant number of slips, trips and falls due to the conditions, and those are showing up in the statistical picture of the impact of workplace injury in our province.

The harsh winter means that there are more people hurt, and more time lost due to injury, than we expected at this point in the year. The realities of seasonal hazards in our climate are not entirely unexpected, although they were more severe this year. This winter has underscored the importance of the need for increased attention to slips, trips and falls prevention as an element of our

growing safety culture. It also reminds us of the importance of working differently when situations like weather change the hazards that are present, and only doing something if it can be done safely.

The severe weather also led to office closures and mail delivery slowdowns, which have their own performance impacts. Paper cheques are not delivered, and workers and employers cannot access the information they want to, when we are closed.

This type of service impact is but one example of the WCB's business requirement for evolution. It underscores the importance of our long-term plan to evolve the way we do business, as stakeholders indicated we need to in consultation for our Strategic Plan.

Among other priorities and founded in the importance of injury prevention and return-to-work, our new *Strategic Plan 2016-2020*, approved by the Board of Directors in May, establishes the strategic importance of evolving our systems, our processes, and our business to become more efficient and more effective for the people we

*See **Impact** continued on page 2*

Improvements will allow the WCB to be more responsive, more agile in the work we do, and to achieve the reductions in the impact of workplace injury Nova Scotia needs to see over the long term.

**Impact** continued from page 1

serve through a number of system improvements – like direct deposit, online secure portals, and perhaps, in the future, more significant improvements to core systems.

To continue to meet our performance objectives and reduce the toll of

workplace injury, we must change our current approach. The improvements needed are significant, and they are needed. They will allow the WCB to be more responsive, more agile in the work we do, and to achieve the reductions in the impact of workplace injury Nova Scotia needs to see over the long term. ■

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## Operational highlights

### Workplace Safety Strategy: Toward becoming Canada's safest place to work



The “What Matters Most” campaign continues to connect with Nova Scotians. Watch for more campaign activity this fall.

A major new resource for small and medium businesses is the highlight of several examples of progress under the Workplace Safety Strategy from the first quarter of 2015.

The toolkit provides Nova Scotia’s small businesses easy-to-use, step-by-step guidelines and sample forms that business operators can use to identify hazards and develop a safety plan to keep everyone safe on the job. Check it out at [workplace-safety-toolkit.ca](http://workplace-safety-toolkit.ca).

At the Safety Services conference in March, a progress video was shared with the event participants highlighting the work that has been accomplished through the Workplace



Safety Strategy. Viewable on the Workplace Safety Strategy website at [workplacesafetystrategy.ca](http://workplacesafetystrategy.ca), the video includes perspectives on progress under the safety strategy from stakeholders, from employers and from WCB and LAE employees, who reflect on the new conversation when it comes to safety in our progress. More reflections are also shared on the website.

After two successful leadership events in 2013 and 2014, work is underway to host a third in late 2015 or early 2016.

The events provide an opportunity for leaders from across Nova

Scotia’s business and labour sectors to come together and discuss best practices, challenges and opportunities in the current climate and a vision for the future of workplace safety in our province. ■

## Building awareness and inspiring action: NAOSH Week

Nova Scotians joined their working counterparts across Canada, the U.S. and Mexico to focus on the importance of workplace safety during North America Occupational Safety and Health Week, May 3 – 9th.

The week's events included various Steps for Life walks in support of Threads of Life, the annual Mainstay Awards for workplace safety, the Workplace Safety Insurance System's annual general meeting, OHS Professionals Day, and the Safety First Symposium for employers in Sydney, to name a few.

WCB CEO Stuart MacLean helped kick off the Nova Scotia launch of NAOSH Week to a sold out audience of more than 265

people who attended the lunch and an afternoon program of sessions at the NSGEU's conference centre in Dartmouth.

On Tuesday, May 5th, Stuart MacLean was invited to be keynote speaker at Public Health and Safety Commission Health and Safety event in Halifax. More than 200 Joint Occupational Health and Safety members were in attendance.

Our *What Matters Most* TV commercial ran throughout the week, as did radio spots across the province, along with ads that targeted leaders online, in the business section of *The Chronicle Herald*, and specialty publications. ■

*Every day during NAOSH Week, ads in The Chronicle Herald business section encouraged safety leaders to make their workplaces safer. The series featured personal protective equipment from a variety of industries, including this patient lift used to protect against sprains and strains in healthcare.*



## Practice incentive rebates and surcharge refunds encourage safer workplaces

The WCB's practice incentive rebate program encourages employers to implement effective health and safety management systems. It also reinforces the fact that safety is a good investment.

Developed in partnership with the Nova Scotia Construction Safety Association and the Nova Scotia Trucking Safety Association, the program is funded by employers and offers rebates on workplace insurance premiums for businesses who received either a Certificate of Recognition (COR) or Safety Certified accreditation in 2013 and 2014.

The WCB issued rebate cheques worth nearly \$1.34 million in late April to construction and trucking firms who qualified for the Practice Incentive Rebate Program in 2014. In total, \$1,088,601 was distributed to 895 unique

construction firms, and \$248,672 to 237 unique trucking firms.

The Surcharge Refund Program rewards employers in a surcharge position when they make appropriate investments in safety. That includes health and safety training, third-party safety audits, new equipment, and hiring or contracting health and safety staff. In Q1, 12 employers received surcharge rebates, totaling \$104,890. Year to date, there have been a total of 21 surcharge rebates, totaling \$924,838. ■

## Improvements to drug formulary support safe recovery

The WCB has enhanced our prescription drug coverage program, which is driven by a goal to ensure injured workers have access to the right drugs, in the right amounts, at the right time to support safe recovery and timely return-to-work.

The enhancements help ensure injured workers have access to effective drugs that support their recovery and return-to-work, but also include steps to make sure prescribed drugs are less likely to create new problems, such as decreased function, adverse effects, addiction and diversion.

The program identified particular improvements to the way opioids are managed, and how other non-opioid medications were also impacted. These changes also introduced a new Special Authorization process, administered through our partnership with Medavie Blue Cross. The limits and criteria around drug coverage and the new process align

with best practice and the Canadian Guideline for Safe and Effective Use of Opioids for Chronic Non-Cancer Pain, which are endorsed by the Canadian Medical Association and College of Physicians and Surgeons of Nova Scotia.

These are go-forward changes. For those workers with an open WCB claim whose injury occurred before May 11th, current coverage will remain in place. All prescriptions for workers injured on or after the effective date are subject to the new rules and processes.

For more information, please visit:

[www.wcb.ns.ca/formulary](http://www.wcb.ns.ca/formulary) ■

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## WCB Strategic Plan 2016-2020

The WCB's new *Strategic Plan 2016-2020* sets out an exciting new vision for an updated, relevant and effective WCB, driven by our ongoing belief in the importance of injury prevention and return to work.

The plan builds on significant progress the WCB has made over the past number of years and confirms our continuing focus on preventing workplace injury and helping injured workers return to work in a safe and timely manner. Reaching our goals will involve continued emphasis on creating and strengthening key partnerships and ongoing collaboration and engagement with workplaces across the province using a variety of approaches.

It will also mean working differently. To achieve our goals, the Strategic Plan sets out the reality that we need significant investment in modernizing the WCB, with a particular focus on enhancing technology. The WCB is no longer meeting service expectations of employers and workers with regards to online accessibility and external connectivity. Keeping abreast of the speed of technological change will be an ongoing challenge as we develop services that workers and employers want and need.

The plan reflects the input of hundreds of Nova Scotians representing organizations across the province who shared their

perspectives on the WCB's priorities for the next five years.

The WCB Board of Directors considered the feedback heard through several months of consultation in 2014 and 2015 and approved the strategic plan at their May meeting. That discussion is captured in this summary, available on the WCB's website at [www.wcb.ns.ca/Portals/wcb/Summary](http://www.wcb.ns.ca/Portals/wcb/Summary).

Throughout these discussions many common themes were expressed, but stakeholders also hold a number of conflicting points of view. This is not surprising given that achieving the appropriate balance between the interests of workers and employers is a foundational principle of workers' compensation in Canada. This balance is achieved through compromise.

The plan describes broad strategies and actions over this five-year period to ensure we are directing and aligning our efforts and resources toward the important goals that we have established.

You can find a copy of the *WCB Strategic Plan 2016-2020* on our website at [www.wcb.ns.ca](http://www.wcb.ns.ca). ■





*Fisheries Minister Keith Colwell and Stuart MacLean pose with some members of the Safe at Sea Alliance and manufacturers.*

### **Fishing Action Plan Launch**

Close to 70 industry and government representatives, along with some marine safety equipment manufacturers, and the media, gathered in Eastern Passage on June 4 for the launch of Fishing Safety Now, a plan by and for Nova Scotia's fishing industry. Developed over the past 18 months by the Safe at Sea Alliance – a group of fishermen, family members, industry, safety organizations, community leaders, and government – the plan includes several recommendations to improve safety and, ultimately save lives.

To learn more about Fishing Safety Now and the Safe at Sea Alliance, visit [www.safeatseans.ca](http://www.safeatseans.ca).

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### **WCB launches online registration for employers seeking coverage**

Employers in Nova Scotia seeking workplace insurance coverage can now apply for coverage online. Online registration is another example of how we're making it easier for Nova Scotians to do business with us. Through the online employer registration form, employers can apply for workplace insurance quickly and easily. Since the new service launched mid-February, 77 per cent of new registrations have been received online, many after 6 p.m. and on the weekends.

The WCB is committed to a service evolution to meet the changing needs of the people we serve. Online registration is just one example of the business enhancements planned for the coming months and years ahead. ■

### **Agreement with Doctors Nova Scotia Means Better Outcomes for Workers**

A new contract with Doctors Nova Scotia took effect in June. The contract describes how physicians and the WCB will work together over the next several years to provide health care services for injured workers, and wherever possible provide a safe and timely return to the workplace. The new contract includes mutual commitments around injury management approaches that support safe and timely return to work, a plan for better communications, governance and compliance throughout the contract period, and other administrative improvements and fee updates. ■

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

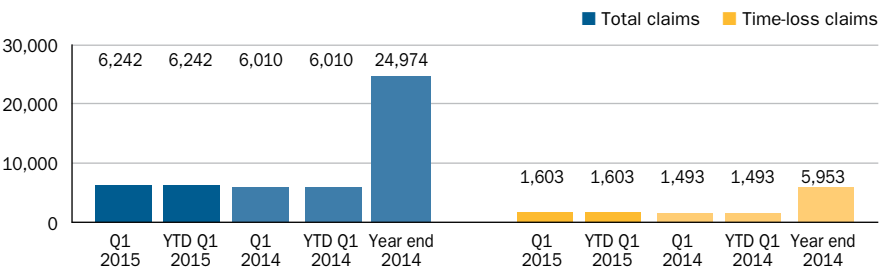
# Statement of Financial Position

as at:

	March 31 2015 (Unaudited) (\$'000s)	March 31 2014 (Unaudited) (\$'000s)	December 31 2014 (Audited) (\$'000s)
<b>Assets</b>			
Cash & cash equivalents	\$ -	\$ 11,189	\$ 3,804
Receivables	22,550	24,578	25,378
Investments	1,566,405	1,397,512	1,476,748
Property and equipment	4,326	4,452	4,402
Intangible assets	876	566	917
	<b>\$ 1,594,157</b>	<b>\$ 1,438,297</b>	<b>\$ 1,511,249</b>
<b>Liabilities and Unfunded Liability</b>			
Bank indebtedness	\$ 3,225	-	-
Payables and accruals	26,799	\$ 33,834	33,801
Lease liabilities	149	225	171
Post employment benefits	28,744	22,899	28,158
Benefits liabilities	1,908,074	1,888,897	1,903,556
	1,966,991	1,945,855	1,965,686
Deferred revenue	1,388	5,417	-
Unfunded liability	(374,222)	(512,975)	(454,437)
	<b>\$ 1,594,157</b>	<b>\$ 1,438,297</b>	<b>\$ 1,511,249</b>

## New Claims Registered

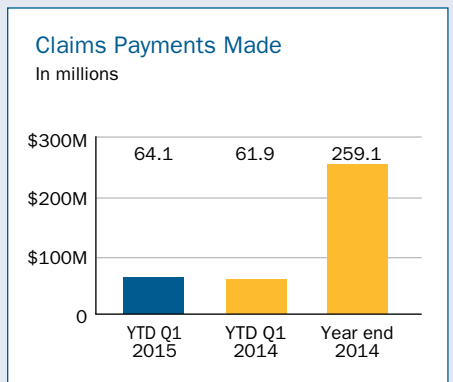
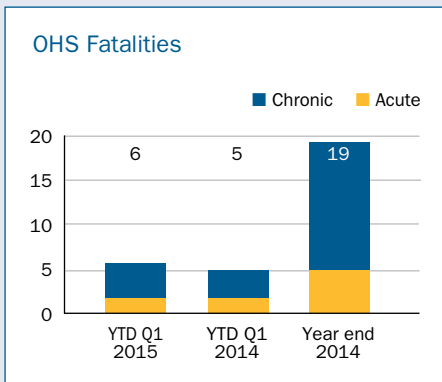
All claims



# Statement of Operations

for the three months ended March 31 (unaudited)

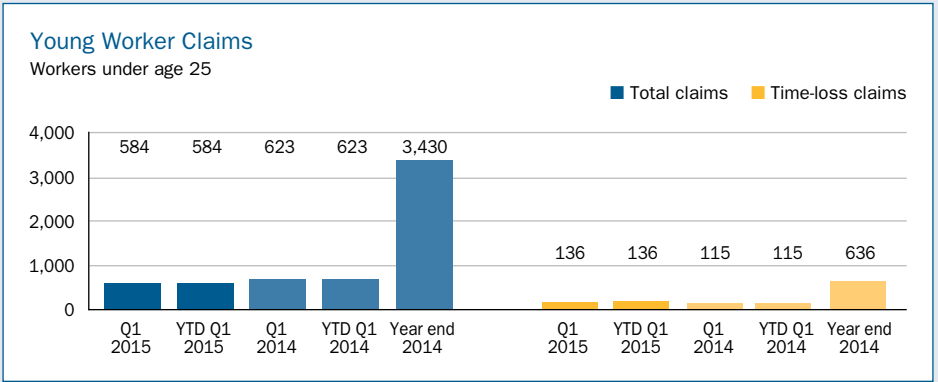
	First Quarter 2015 (\$000s)	First Quarter 2014 (\$000s)
<b>Revenue</b>		
Assessments	\$ 72,173	\$ 71,408
Investment income	89,734	55,777
	<b>161,907</b>	<b>127,185</b>
<b>Expenses</b>		
Claims costs incurred		
Short-term disability	10,236	9,749
Long-term disability	25,484	25,303
Survivor benefits	1,338	1,734
Health care	13,773	13,757
Rehabilitation	319	365
	<b>51,150</b>	<b>50,908</b>
Growth in present value of benefits liabilities and actuarial adjustments	14,845	21,564
Administration costs	11,790	11,356
System support	230	239
Legislated obligations	3,677	3,864
	<b>81,692</b>	<b>87,931</b>
Excess of revenues over expenses applied to reduce the unfunded liability	<b>\$ 80,215</b>	<b>\$ 39,254</b>



# Statement of Changes in Unfunded Liability

for the three months ended March 31 (unaudited)

	First Quarter 2015 (\$000s)	First Quarter 2014 (\$000s)
Unfunded liability excluding accumulated other comprehensive income		
Balance, beginning of period	\$ (444,927)	\$ (546,488)
Excess of revenues over expenses	80,215	39,254
	(364,712)	(507,234)
Accumulated other comprehensive income		
No change in balance during the period	(9,510)	(5,741)
Unfunded liability end of period	\$ (374,222)	\$ (512,975)





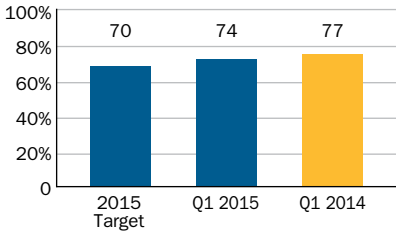
# Statement of Cash Flows

for the three months ended March 31 (unaudited)

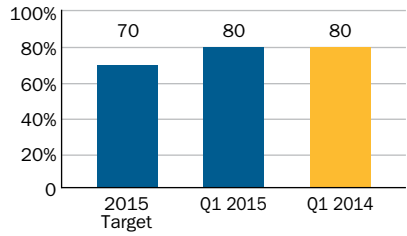
	March 31 2015 (\$000s)	March 31 2014 (\$000s)
<b>Operating Activities</b>		
Cash received from:		
Employers, for assessments	\$ 76,557	\$ 75,869
Investment income	90,585	5,314
	167,142	81,183
Cash paid to:		
Claimants or third parties on their behalf	(60,079)	(58,200)
Suppliers, for administrative and other goods and services	(23,414)	(12,306)
	(83,493)	(70,506)
Net cash provided by operating activities	83,649	10,677
<b>Investing Activities</b>		
Increase in investments	(90,504)	(5,728)
Cash paid for:		
Purchase of equipment	(174)	(119)
Net cash used in investing activities	(90,678)	(5,847)
<b>Financing Activities</b>		
Change in bank indebtedness	3,225	-
Net cash used by financing activities	3,225	-
Net (decrease) increase in cash and cash equivalents	(3,804)	4,830
Cash and cash equivalents, beginning of year	3,804	6,359
Cash and cash equivalents, end of period	\$ -	\$ 11,189

# Service

## Worker Satisfaction Index<sup>1</sup>



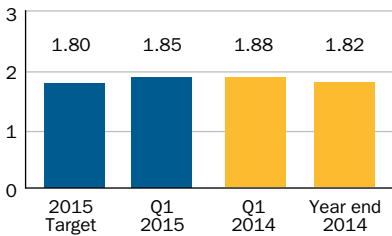
## Employer Satisfaction Index



# Prevention

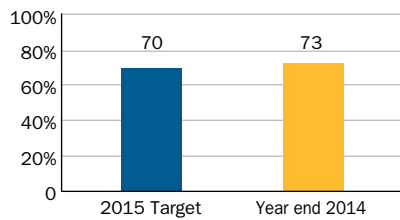
## Injury Frequency

Time-loss claims per 100 covered workers



# Employee

## Employee Satisfaction Index<sup>2</sup>



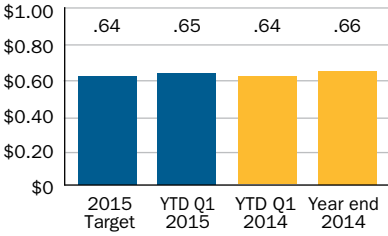
<sup>1</sup> The Worker Satisfaction Index does not include workers on long-term benefits or those for claims with little or no time loss.

<sup>2</sup> Annual Index

# Financial

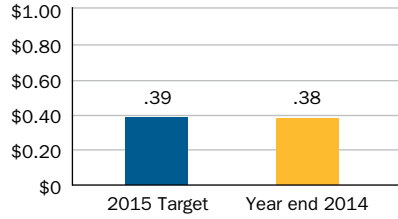
## Cost Per \$100 Payroll

Claims payments made for injuries in the past 3 years



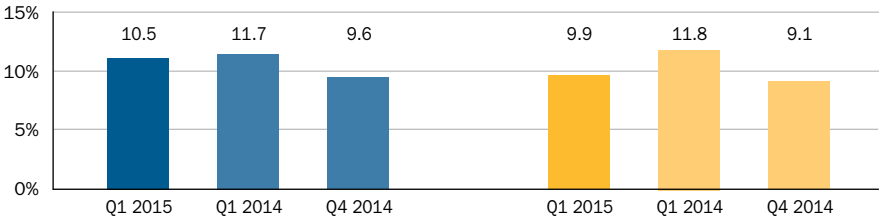
## Administrative costs per \$100 of payroll

(excluding prevention costs)



## Five-Year Rate of Return on Investment

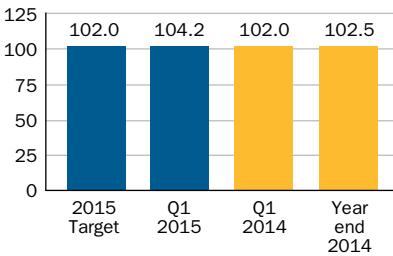
■ Five-Year Actual Rate of Return ■ Five-Year Target



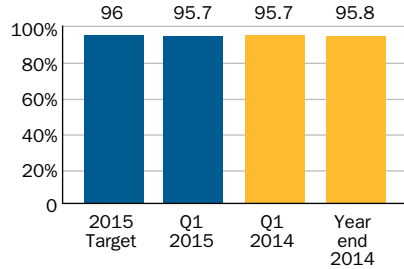
# Return to Work

## Duration Index

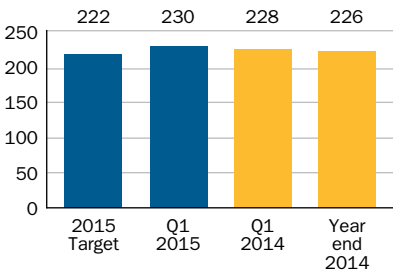
Composite, in days



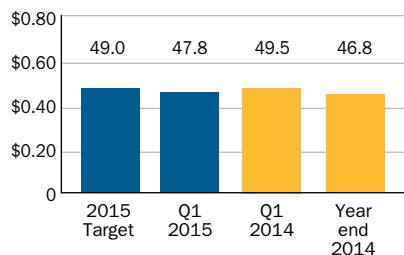
## Return to Employability



## Time Loss Days Paid per 100 Covered Employees



## Cost of New Extended Earnings Replacement Benefits (EERBs)



### 2015 Annual General Meeting

More than 100 stakeholders, partners and the public attended the Workplace Safety and Insurance System's (WSIS) annual general meeting on May 5th in Dartmouth. Overall updates on the system's progress toward a safer Nova Scotia were provided. The various system agencies heard from many stakeholders about their perspectives and ongoing challenges around workplace safety, and its impact on people. Morgan Stobbe, a young Nova Scotian who returned to work after losing his right arm when a concrete wall fell on him, shared his inspirational story with the audience. ■

### WCB welcomes new Board members

The WCB is pleased to welcome two new members to its Board of Directors.

Jeff Brett, the new worker representative on the Board of Directors, is a trainer and former Board member with Safety Services Nova Scotia. Jeff was the Health and Safety Officer with the NSGEU for nine years and has more than 18 years of experience in the field of occupational health and safety at various levels including workplaces, union, professional groups, training providers and the Advisory Council.

Duncan Williams, the new employer representative on the Board, is the president of the Construction Association of Nova Scotia, which represents more than 750 construction firms engaged in the non-residential construction industry. Duncan has extensive experience working with stakeholders and will bring a broad perspective to his role.

Betty Jean Sutherland, a national representative of CUPE, was reappointed to another term on the Board, bringing the Board to full complement.

Recruitment for the Chair continues, with Chris Power serving as Acting Chair. ■

### 2015 Mainstay Award Winners

Nova Scotia leaders in workplace safety are recognized for their positive contribution to the province's safety culture with the annual Mainstay Awards. The Mainstay Awards, sponsored by the WCB and the Nova Scotia Department of Labour and Advanced Education, celebrate excellence in occupational health and safety, injury prevention and return-to-work programs. They were awarded as part of NAOSH Week celebrations on May 5th in Dartmouth.

### 2015 Winners

- Safety Award of Excellence – Organization: **Pratt & Whitney**
- Safety Award of Excellence – Individual: **Linda Corkum**, Nova Scotia Trucking Safety Association
- Health and Safety Educator: **Conrad Lelièvre**, Engineers Nova Scotia
- Special Award for Small Business: **Nova Scotia Health Research Foundation**
- Individual Safety Champion: **Shawn Taylor**, Halifax Water
- Employer Safety Champions: **Husmann Canada, The Shaw Group**
- Employer Return-to-Work Champions: **Cumberland Health, Canada Post**
- Safety Transformation Award: **Peter Kohler Windows and Entrance Systems**