

## CONTINUING FORWARD IN A NEW REALITY

### Claims due to COVID-19 decline, accounting change impacts reported funded position

The rate of workplace injury in our province reached another new low in the first quarter of 2023, declining to 1.41 time-loss claims per 100 covered workers.

While the symptoms of COVID-19's workplace impacts are beginning to ease after a spike in pandemic claims, there was also tangible progress in reducing workplace injury's impact in the first three months of 2023, particularly in priority sectors of the workforce.

For many years, the WCB has been partnering with others across government and much of the public sector to support long-term culture change in workplace safety and return to work in long-term care, home care and disability support sectors.

This work is showing real and sustained progress, as the injury rate in these sectors continues to decline, as does the number of days lost to workplace injury. In long-term care, the number of Nova Scotians who care for others who suffered a workplace injury resulting in time lost from work, declined slightly to 4.05 time-loss claims per 100 covered workers in Q1 2023. In home care, the rate declined to 6.83.

"These rates are still higher than other sectors, reflecting the incredible challenges long-term care, home care and disability support sectors face," says Dennita Fitzpatrick, WCB Nova Scotia VP Prevention and Return to Work. "However, these downward trends in the injury rates also show that we are making progress in safety, thanks to the long-term, resilient commitment of so many across this province, and the strategic investment to support care of those who care for others."

The total number of workdays lost to workplace injury and illness in the province on short-term disability has been declining in recent years, and in Q1 2023 it dipped below one million days.

While some of that progress has been due to workers going on to long-term benefits, that trend is changing. More of the gains in this measure are due to workers returning to the job, or working in suitable duties as part of their recovery.

"Work is such an important part of recovery, and critical to the well-being of Nova Scotians," Dennita says. "This is an encouraging step forward, and we're pleased to work together with many other partners as we focus our service on support for workers."

The impact of psychological injury on the province continued in Q1 2023, and our dedicated program to support workers impacted by traumatic psychological injury continued to show progress, assisting workers in recovering from these often challenging, complex injuries.

Financially, our funded position improved slightly, due to positive investment returns. A change in accounting standards (IFRS 17) means a change in the way liabilities are reported – under the previous methodology the funded position is 94.0 per cent, up from 92.9 per cent at year end 2022. Under the new reporting requirements, the funded position is 92.1 per cent at the end of March, 2023. **Q1**

*Quarterly injury rates for a sector may fluctuate when year-end calculations are finalized.*

## OPERATIONAL HIGHLIGHTS



### New campaign focuses on safe and timely return to work

In collaboration with workers' compensation partners from across the Atlantic region, WCB Nova Scotia launched a new return-to-work awareness campaign in February of this year. Centred around the message "Getting Back is Part of Getting Better," the campaign highlights the importance of transitional work and staying connected to the workplace after an injury. The videos and online materials have reached tens of thousands of Nova Scotians, and in a follow-up survey, nearly 40 per cent of respondents indicated they retained at least one of the messages from the campaign.

The WCB continues to focus on reducing the number of days being lost to workplace injury through a range of initiatives. In the early part of the year, this work included an information session for newcomers in the hospitality sector, dedicated training for contracted physiotherapists and chiropractors, and innovative pilot programs with safety partners across the province.

### Stacia Baldwin appointed to Board of Directors

Stacia Baldwin has been appointed to the WCB Board of Directors as an Employer Representative, filling the vacancy from Luc Erjavec's retirement. Baldwin is currently the Health, Safety, Environment and Quality (HESQ) Manager at MacKinnon and Olding Ltd. Luc Erjavec, a respected leader in the Canadian restaurant industry, served for nearly 10 years as an Employer Representative. The Board of Directors thanks Luc for his service to the workers and employers of our province.

### Province's leaders featured on WorkShift podcast

The WCB recently welcomed some of our province's top safety leaders to record episodes of WorkShift, our podcast focused on inspiring safety leaders across the province. Chief Medical Officer Dr. Robert Strang joined us for an episode on activity in the workplace, while Deputy Ministers Ava Czapalay and April Howe joined us to reflect on the priorities for their departments, and the role all leaders play in shaping the future for Nova Scotia.

### Reflecting on the generational impact of workplace tragedy

On April 28, the WCB marked the Day of Mourning to remember and honour those who have died or were seriously injured at work, and to underline the importance of putting safety first. This year, we helped tell the story of Ronald Beck, who lost his life at work on April 25, 2004. His loss continues to touch every generation of his family 19 years later.

### Spotlight on physical and psychological safety

The WCB joined workplaces across the country in marking Safety and Health Week from May 2–6, taking the opportunity to encourage Nova Scotians to continue to focus on creating physically and psychologically healthy and safe workplaces. In addition to our own internal activities, we promoted these messages through an ad campaign, and provided Nova Scotians with new resources to help them participate in the week and take steps to make their own workplaces safer all year-round.

### WCB employees top fundraisers for Steps for Life

In a continued demonstration of their care and compassion for those who are impacted by workplace injury, dozens of WCB employees recently participated in the 2023 Steps for Life walk in Halifax, proudly assembling our largest team ever and earning the title of top fundraising team for the local event. The annual walk is the primary fundraiser for Threads of Life, and all proceeds help the organization support families affected by workplace tragedy, life-altering injury, or occupational disease.

### WCB shares story of people-first approach on international stage

WCB Nova Scotia Director, Workplace Services and Specialization Adjudication Shelly Dauphinee recently took the stage at the International Association of Industrial Accident Boards and Commissions (IAIABC) Forum in Florida. During her remarks, Shelly shared one of the new *Getting Back is Part of Getting Better* campaign ads, and spoke about how the organization strives to ensure our work is always guided by a people-first approach, which has enabled us to reduce the frequency and impact of workplace injuries and improve our financial position. Following her remarks, attendees and the president of the IAIABC shared that they were inspired by the reminder of why these systems matter, and said Nova Scotia's approach sets an example for safety and workers' compensation organizations around the world.

Visit [annualreport.wcb.ns.ca](https://annualreport.wcb.ns.ca) for more on our corporate performance measures and operations in Q1.

# SUMMARY OF FINANCIAL RESULTS

## Update

## IFRS 17, Insurance Contracts

Beginning Q1 2023, WCB Nova Scotia, like other regulated insurance sector organizations, will be required to report using the IFRS 17 standard "Insurance Contracts."

This means that liabilities will be required to be reported at current fair market value, using a lower discount rate than under the previous standard, IFRS 4.

As a result, liabilities are reported as slightly higher, leading to a slight reduction in the funded percentage. In other reporting periods, it is possible this difference could be more pronounced.

Please note, going forward, while public reporting will be based upon IFRS 17, the WCB will continue to also maintain the IFRS 4 standard for the purpose of future decisions and planning, such as operational forecasting, and employer rate setting.

## STATEMENT OF FINANCIAL POSITION

as at

	March 31 2023 (Unaudited) (\$000s)	March 31 2022 (Unaudited) (restated) (\$000s)	December 31 2022 (Unaudited) (restated) (\$000s)
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 21,300	\$ 76,420	\$ 31,330
Other Receivables	12,966	8,349	8,796
Investments	2,299,490	2,223,521	2,239,651
Property and equipment	3,737	4,283	3,946
Intangible assets	25,015	24,910	25,271
	<b>\$ 2,362,508</b>	<b>\$ 2,337,483</b>	<b>\$ 2,308,994</b>
<b>LIABILITIES AND UNFUNDED POSITION</b>			
Other Payables and Accrued Liabilities	\$ 40,860	\$ 104,899	\$ 51,660
Post Employment Benefits	20,034	26,997	19,727
Insurance Contract Liabilities	2,505,277	2,554,536	2,451,685
	<b>2,566,171</b>	<b>2,686,432</b>	<b>2,523,072</b>
Unfunded position	(203,663)	(348,949)	(214,078)
	<b>\$ 2,362,508</b>	<b>\$ 2,337,483</b>	<b>\$ 2,308,994</b>

## STATEMENT OF OPERATIONS

For the three months ended March 31 (unaudited)

	YTD March 31 2023 (\$000s)	YTD March 31 2022 (restated) (\$000s)
Insurance revenue	\$ 91,463	\$ 79,154
Insurance service expenses		
Claims costs incurred	(64,340)	(69,959)
Assumptions change and actuarial experience adjustment	(11,396)	(9,249)
Onerous loss expense and reversals	-	(2,005)
Administration expense	(12,347)	(11,706)
Total insurance service expenses	(88,083)	(92,919)
<b>Net insurance service result income (loss)</b>	<b>3,380</b>	<b>(13,765)</b>
Investment income (loss)	60,496	(125,456)
Insurance finance (expense) income	(46,410)	30,821
<b>Net financing result income (loss)</b>	<b>14,086</b>	<b>(94,635)</b>
Other revenue and expenses		
Self-insured revenue	1,962	1,955
Other administration expense	(3,898)	(3,697)
System support	(279)	(257)
Legislated obligations	(4,835)	(4,894)
<b>Total other expenses greater than other revenues</b>	<b>(7,050)</b>	<b>(6,893)</b>
<b>Excess of revenues over expenses (expenses over revenues) applied to increase (decrease) the funded position</b>	<b>\$ 10,416</b>	<b>\$ (115,293)</b>

## STATEMENT OF CHANGES IN THE UNFUNDED POSITION

For the three months ended March 31 (unaudited)

	YTD March 31 2023 (\$000s)	YTD March 31 2022 (restated) (\$000s)
<b>Unfunded position excluding accumulated other comprehensive income</b>		
Balance, beginning of period	\$ (222,410)	\$ (233,653)
Excess of revenues over expenses (expenses over revenues) applied to increase (decrease) the funded position	10,415	(115,293)
	(211,995)	(348,946)
<b>Accumulated other comprehensive income</b>		
Balance, beginning of year	8,332	(3)
<b>Unfunded position, end of period</b>	<b>\$ (203,663)</b>	<b>\$ (348,949)</b>

## STATEMENT OF CASH FLOWS

For the three months ended March 31 (unaudited)

	March 31 2023 (\$000s)	March 31 2022 (\$000s)
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments and self-insured administration fees	\$ 94,823	\$ 93,802
Other contribution - Province of Nova Scotia	1,093	-
Investment (loss) income	(7,616)	6,264
	88,300	100,066
Cash paid to:		
Claimants or third parties on their behalf	(74,627)	(68,288)
Suppliers, for administrative and other goods and services	(31,027)	48,087
	(105,654)	(20,201)
<b>Net cash (used in) provided by operating activities</b>	<b>(17,354)</b>	<b>79,865</b>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in investments	8,065	(73,478)
Cash paid for: Purchase of equipment and intangible assets	(740)	(909)
Contribution from Province of Nova Scotia	-	67,377
<b>Net cash provided by (used in) investing activities</b>	<b>7,325</b>	<b>(7,010)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(10,030)</b>	<b>72,855</b>
Cash and cash equivalents, beginning of year	31,330	3,565
<b>Cash and cash equivalents, end of period</b>	<b>\$ 21,300</b>	<b>\$ 76,420</b>

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