

# WCB Nova Scotia Report to the Community

**Q3 2020**

## **COVID-19 CONTINUES TO SHAPE THE WORKPLACE IN SUMMER OF 2020**

### **Shift coming to increase focus on return-to-work management**

As the global pandemic continues to impact Nova Scotia's economy, the summer months of 2020 unfolded differently than in years past.

With province-wide restrictions in place and many workplaces operating remotely or with fewer workers in their traditional settings, there was a decline in the number of time-loss injuries.

In a typical year, seasonal work and an increase in some industries with an outdoor focus drive higher numbers of workplace injuries in the summer months.

But Q3 2020 saw a lower than typical injury rate of 1.52, and only 1,280 time-loss claims, compared to the 1,500 claims WCB Nova Scotia would typically see over the same period.

Similar to the impacts of the pandemic seen in the second quarter, the pandemic and resulting claims management impacts meant the average length of time lost to a workplace injury has continued to increase.

As the Nova Scotia economy weathered an unprecedented new reality, workers and employers had reduced capacity for return-to-work or transitional duties. The delays in access to health-related services, including medical examinations for permanent medical impairments (PMIs) also continued. It all contributed to a composite duration index of 173 days.

While the pandemic is a factor, it's exacerbating an existing challenge facing Nova Scotia's workers and employers – the growing human and financial toll of workplace injuries that have already happened.

Whether physical, psychological, or a more complex situation where a worker requires mental health services while recovering from a physical injury, workplace injuries continue to increase in average duration. That reality is taking a toll on our economy – be it during a pandemic, or otherwise.

It's also why WCB Nova Scotia plans to consider our approach to return-to-work management in 2021. Working remotely, enabled by technology, we began laying the groundwork in Q3 2020, as we worked toward significant improvements in the way, for example, workers who suffer traumatic psychological injuries are assessed and treated.

At the same time, we continued to adapt to cloud-based systems, improving the quality of the data and the online portal experience for workers, employers and service providers.

Surveys indicate workers and employers remain satisfied with WCB service, with satisfaction measures of 70 per cent and 81 per cent respectively. And our strong financial progress continued, and we ended the third quarter 95.5 per cent of the way toward elimination of the unfunded liability, as it is measured at present. Our five-year annualized return of 7.1 per cent was slightly below the benchmark return. **Q3**

*Please see our online Community Report for interactive links and content to our operational highlights from the third quarter of 2020.*

FROM JANUARY 1 TO SEPTEMBER 30, 2020, THERE WERE **7** ACUTE FATALITIES  
CAUSED BY TRAUMATIC INJURIES AT A WORKPLACE.  
IN ALL OF 2019, THERE WERE 5 ACUTE WORKPLACE FATALITIES.

## OPERATIONAL HIGHLIGHTS

### Social marketing campaign receives international recognition

Our social marketing campaign, Workplace injuries hurt the most at home was one of [50 entries shortlisted to be shown in the Cinema of the International Media Festival for Prevention](#) at the XXII World Congress on Safety and Health at Work, to be held in Toronto, September 19-22, 2021. The entry includes [three awareness advertisements](#), created on a cost-sharing model with other Atlantic workers' compensation organizations, and Labour and Advanced Education in 2018. Ours was one of 287 submissions from 40 countries. Out of the 50 shortlisted media products, 18 will be nominated for one of six awards presented at the conference.

### New approach to address Traumatic Psychological Injuries

WCB Nova Scotia is re-imagining the way it supports people who suffer psychological injuries on the job, or who have psychological factors that make recovery from a physical injury more challenging. In November, we issued a Request for Proposal (RFP) for a service provider, or provider group, to develop a comprehensive, integrated, Traumatic Psychological Injury program.

Psychological injuries and mental health impacts on physical injuries have been a [significant contributor to increasing claim durations](#). This new service provider will help us advance our services to workers who experience a traumatic psychological injury on the job, as part of our overall work to improve our mental health services.

“Mental health is an increasing concern for all of us. When injuries happen, they tend to be more complex, and it takes longer to achieve healthy, safe return to work,” said Shelley Rowan, Vice President, Prevention and Service Delivery. “We are seeking a committed and experienced partner to diagnose, treat, and support Nova Scotians who experience workplace psychological trauma through their recovery.

## Employers recognized for safety improvements

WCB Nova Scotia continues to celebrate and recognize employers who are building their workplace safety culture through our Workplace Recognition program. Autoport Limited, NSLC and CKF Inc. were recently commended for their efforts to improve their workplace safety protocols and outcomes for their workers overall. These employers have each demonstrated leadership and their commitment to preventing workplace injuries and to promoting an early and safe return to the workplace. Read more about Autoport Limited's achievements on [worksafeforlife.ca](https://worksafeforlife.ca).

## Update: Response to Auditor General report

WCB Nova Scotia has made significant progress in implementing the recommendations from the Auditor General of Nova Scotia's (OAG) audit report on claims management, released in [May 2019](#). The report findings focused on timeliness and complaint and privacy processes, among others. While COVID-19 has had some impact on timelines for individual items, to date, we have completed nearly all of the OAG's recommendations, and are on track to finish by June 2021. The OAG is currently conducting a follow-up audit on its first report focused on the WCB's governance and long-term sustainability. Our progress has been updated at [wcb.ns.ca/oag](https://wcb.ns.ca/oag).

## Maureen Boyd named Chief Financial Officer

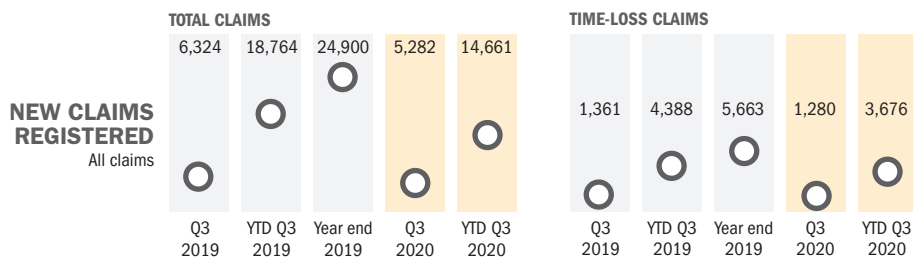
As WCB Nova Scotia reaches the cusp of financial sustainability, a familiar face from the front lines of the journey to full funding is now a permanent member of our Executive Team. Maureen Boyd, CPA, was formally appointed Chief Financial Officer at the end of September, following the retirement of Leo McKenna in June. Over her 28 years at the WCB, Maureen's leadership has been instrumental in the organization's progress – not only from a financial perspective, but as a respected, strategic voice within our leadership team overall.

FROM JANUARY 1 TO SEPTEMBER 30, 2020, THERE WERE **9** FATALITIES  
FROM OCCUPATIONAL DISEASES OR FROM EXISTING HEALTH CONDITIONS.  
IN ALL OF 2019, THERE WERE 17 CHRONIC WORKPLACE FATALITIES.

## STATEMENT OF FINANCIAL POSITION

as at

	September 30 2020 (Unaudited) (\$000s)	September 30 2019 (Unaudited) (\$000s)	December 31 2019 (Audited) (\$000s)
<b>ASSETS</b>			
Cash & cash equivalents	\$ 3,537	\$ -	\$ 11,082
Receivables	56,874	37,827	39,816
Investments	2,007,357	1,917,901	1,957,305
Property and equipment	5,835	6,590	6,493
Intangible assets	29,458	31,337	32,126
	<b>\$ 2,103,061</b>	<b>\$ 1,993,655</b>	<b>\$ 2,046,822</b>
<b>LIABILITIES AND UNFUNDED LIABILITY</b>			
Bank indebtedness	\$ -	\$ 2,745	\$ -
Payables, accruals & lease liabilities	59,546	36,992	51,019
Post employment benefits	31,127	24,615	29,552
Benefits liabilities	2,097,303	2,081,583	2,040,415
	<b>2,187,976</b>	<b>2,145,935</b>	<b>2,120,986</b>
Deferred revenue	14,650	12,000	-
Unfunded liability	(99,565)	(164,280)	(74,164)
	<b>\$ 2,103,061</b>	<b>\$ 1,993,655</b>	<b>\$ 2,046,822</b>



## STATEMENT OF OPERATIONS

For the nine months ended September 30 (unaudited)

	Third Quarter 2020 (\$000s)	Third Quarter 2019 (\$000s)	YTD September 30 2020 (\$000s)	YTD September 30 2019 (\$000s)
<b>REVENUE</b>				
Assessments	\$ 87,531	\$ 78,645	\$ 229,859	\$ 234,410
Investment income	56,231	21,828	50,699	185,828
	143,762	100,473	280,558	420,238
<b>EXPENSES</b>				
Claims costs incurred				
Short-term disability	15,160	11,026	38,738	33,078
Long-term disability	23,732	24,902	71,941	74,705
Survivor benefits	279	603	971	1,810
Health care	13,559	14,622	41,450	43,866
Rehabilitation	477	265	893	794
	53,207	51,418	153,993	154,253
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	29,359	23,018	94,826	69,054
Administration costs	15,027	12,633	44,048	43,358
System support	264	252	763	742
Legislated obligations	3,728	4,395	12,329	13,320
	101,585	91,716	305,959	280,727
Excess of revenues over expenses (expenses over revenues) applied to reduce (increase) the unfunded liability	\$ 42,177	\$ 8,757	\$ (25,401)	\$ 139,511

# STATEMENT OF CHANGES IN UNFUNDED LIABILITY

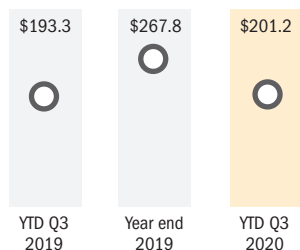
For the nine months months ended September 30 (unaudited)

	Third Quarter 2020 (\$000s)	Third Quarter 2019 (\$000s)	YTD September 30 2020 (\$000s)	YTD September 30 2019 (\$000s)
<b>Unfunded liability excluding accumulated other comprehensive income</b>				
Balance, beginning of period	\$ (141,742)	\$ (173,037)	\$ (66,962)	\$ (301,084)
Excess of revenues over expenses (expenses over revenues), applied to reduce (increase) the unfunded liability	42,177	8,757	(25,401)	139,511
	(99,565)	(164,280)	(92,363)	(161,573)
<b>Accumulated other comprehensive income</b>				
Balance, beginning of year	-	-	(7,202)	(2,707)
No change in balance during period	-	-	(7,202)	(2,707)
Unfunded liability end of period	\$ (99,565)	\$ (164,280)	\$ (99,565)	\$ (164,280)

## CLAIMS PAYMENTS MADE

In millions

Payments for self-insured employers are no longer included as the costs of these claims are fully reimbursed.



## STATEMENT OF CASH FLOWS

For the nine months ended September 30 (unaudited)

	September 30 2020 (\$000's)	September 30 2019 (\$000's)
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments	\$ 225,785	\$ 240,376
Investment loss	(3,850)	(1,547)
	221,935	238,829
Cash paid to:		
Claimants or third parties on their behalf	(189,863)	(182,487)
Suppliers, for administrative and other goods and services	(42,882)	(47,800)
	(232,745)	(230,287)
<b>Net cash (used in) provided by operating activities</b>	(10,810)	8,542
<b>INVESTING ACTIVITIES</b>		
Decrease in investments	4,500	1,980
Cash paid for:		
Purchase of equipment and intangible assets	(1,235)	(4,575)
<b>Net cash provided by (used in) investing activities</b>	3,265	(2,595)
<b>Net (decrease) increase in cash and cash equivalents</b>	(7,545)	5,947
Cash and cash equivalents, (bank indebtedness) beginning of year	11,082	(8,692)
<b>Cash and cash equivalents, (bank indebtedness), end of period</b>	<b>\$ 3,537</b>	<b>\$ (2,745)</b>

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### Workplace Safety Tools and Resources

worksafeforlife.ca

### Twitter

@worksafeforlife

Corporate website and WCB Online [wcb.ns.ca](http://wcb.ns.ca)