

## SUSTAINABLE FLUCTUATIONS IN FUNDED PERCENTAGE, PROGRESS IN RETURN TO WORK

### High-priority sectors show progress, but investments fall on global markets

The first quarter of 2022 was marked by progress and optimism in our province, while at the same time global uncertainties and conflict led to investment declines.

As some of the sectors most impacted by the global pandemic demonstrated incredible resilience in return to work and as an economy recovered from global events, other events like the war in Ukraine drove down investment values and pushed the WCB's funded position under 100 per cent at the end of Q1.

WCB's funded position dropped to 99.3 per cent in the first quarter of 2022, down from 106.4 per cent at the end of 2021. However, the five-year rate of return on investment exceeded the WCB's benchmark goal and funding strategy target of 6.2 per cent. Overall, we are confident that the portfolio is well diversified and positioned for the long term.

"A quarter like this one demonstrates the importance of our long-term strategy, and the fact our fund is diversified protects it against these fluctuations," said [WCB Chief Executive Officer Stuart MacLean](#). "We remain optimistic and on a path to a new future in workers' compensation in our province."

Our focus on return to work continues to net positive results. The percentage of workers who return to work within 180 days holds steady at 80 per cent with improvements noted in Long-Term Care and Home Care sectors when it comes to return-to-work success with newer claims.

Overall, the number of time-loss days paid per 100 covered employees was reduced by five days compared to the same period last year. Results for our claim duration measures are tracking on plan, and may even improve slightly as the year goes on, due to the impact of COVID claims which typically resolve quickly.

The Traumatic Psychological Injuries (TPI) Program, which has been in place for about nine months, is showing early signs of progress. There is significant improvement in the timeliness of entitlement decisions, allowing workers who have been injured access the care and services they need

faster. We know that early intervention is key to return-to-work success and we are working to achieve more sustainable outcomes.

Fewer employees were injured in Long-Term Care and Home Care in the first quarter of 2022, and while that may be some positive news in the short term, we know these sectors are facing serious labour interruptions due to COVID. While this could challenge our ability to influence improvements in these sectors, we are working diligently with our partners to enable progress on our goals by the end of the year.

The pandemic continues to affect Nova Scotia's economy. In Q1, the covered workforce increased, as did the injury rate. The bulk of the increase in new claims was COVID-19-related, mostly in government services and health and social services sectors. Achieving our year-end target will depend on whether we can realize improvements in time-loss claim volume while the covered workforce continues to grow.

#### Overview highlights

- At the end of Q1 2022, the WCB's time-loss injury rate is 1.63 per 100 workers. It was 1.58 at the end of 2021, and 1.53 at the end of 2020 due in part to reduced economic activity. However, when compared to the pre-pandemic injury rate of 1.67 in 2019, progress continues.
- The average number of days paid for time loss has decreased to 312 per 100 covered workers, down from 356 at the end of Q1 2021.
- At the end of Q1, WCB Nova Scotia was 99.3 per cent funded.
- Injury prevention and return to work in long-term care and home care is a major focus for the WCB and our partners, as guided by our new [Strategic Plan](#).
- WCB Nova Scotia provides workplace injury insurance to about 20,200 employers and about 325,000 workers across Nova Scotia. **Q1**

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



### Changes expand presumptive cancer coverage for firefighters

On March 22, [workers' compensation coverage in Nova Scotia expanded for professional and volunteer firefighters](#) to include more types of cancers and heart attacks.

The change to regulations means the number of cancers with presumptive benefits has been expanded from six to 19, and the expansion of coverage to include heart attacks that occur within 24 hours of an emergency call.

The new regulations set to take effect on July 1, 2022, will be retroactive to apply to diagnoses since July 1, 2021. WCB Nova Scotia's dedicated occupational disease team will administer these benefits that qualify for presumptive coverage.

If you or someone you know may qualify, please be in touch with us after the effective date of July 1.

### Changes to COVID-19 claim costs

As the province emerged from the state of emergency under the pandemic, [COVID-19 claims costs](#) that had been spread over the general collective liability under Section 115 of the Workers' Compensation Act, will now be handled the same as other work-related injuries. Costs related to those claims will no longer be excluded from employer rate setting. COVID-19 claims with injury dates prior to March 21, 2022 will continue to have their costs spread over the collective liability.

### WCB moves to appointment-based service

The WCB's Halifax and Sydney offices reopened on April 4, 2022, for [in-person services](#), by appointment. An appointment-based approach will ensure the appropriate person is available, resulting in better, customized service.

Virtual meetings using technology have proven to be an effective way to deliver service, and continue to remain an option. As always, we particularly encourage the use of our online service channels via WCB Online and MyAccount, which remain available 24/7.

To request an in-person appointment, please contact us at 1-800-870-3331.

### Response to reports from the Auditor General

WCB Nova Scotia accepted all the recommendations in the Office of the Auditor General (OAG) reports on both governance and long-term sustainability (December 2018), and claims management (May 2019).

In a recent follow-up audit, the OAG found all recommendations were implemented from the December 2018 report, and the vast majority were implemented from the report on claims management.

It has taken longer than anticipated to complete one recommendation, but we expect to have it concluded in the fall. Follow our progress at [wcb.ns.ca/oag](http://wcb.ns.ca/oag).

### CEO Stuart MacLean hosts WorkShift podcast

It's been said that we learn from experience. But we can learn a lot more when we add the experiences of others to our own.

On a new podcast called WorkShift, WCB Nova Scotia CEO Stuart MacLean invites workplace health and safety leaders to the mic to talk health, safety, but most of all, leadership in a world that has changed forever.

**Subscribe to the WorkShift podcast on Apple Podcasts or Spotify to hear important conversations.**



# SUMMARY OF FINANCIAL RESULTS

## STATEMENT OF FINANCIAL POSITION

as at

	MARCH 31 2022 (Unaudited) (\$000s)	MARCH 31 2021 (Unaudited) (\$000s)	DECEMBER 31 2021 (Audited) (\$000s)
<b>ASSETS</b>			
Cash & cash equivalents	\$ 76,420	\$ 3,871	\$ 3,565
Receivables	37,844	29,383	50,143
Investments	2,223,521	2,139,499	2,349,157
Property and equipment	4,283	5,213	4,138
Intangible assets	24,910	28,264	25,315
	<b>\$ 2,366,978</b>	<b>\$ 2,206,230</b>	<b>\$ 2,432,318</b>
<b>LIABILITIES AND (UNFUNDED) FUNDED POSITION</b>			
Payables, accruals & lease liabilities	\$ 118,238	\$ 48,883	\$ 58,947
Post employment benefits	26,997	35,353	26,635
Benefits liabilities	2,230,464	2,087,563	2,200,265
	2,375,699	2,171,799	2,285,847
Deferred Revenue	8,000	6,000	-
(Unfunded) Funded position	(16,721)	28,431	146,471
	<b>\$ 2,366,978</b>	<b>\$ 2,206,230</b>	<b>\$ 2,432,318</b>

## STATEMENT OF OPERATIONS

For the three months ended March 31 (unaudited)

	YTD MARCH 31 2022 (\$000s)	YTD MARCH 31 2021 (\$000s)
<b>REVENUE</b>		
Assessments	\$ 81,110	\$ 74,997
Investment (loss)	(125,456)	(57)
	(44,346)	74,940
<b>EXPENSES</b>		
Claims costs incurred		
Short-term disability	13,963	13,662
Long-term disability	28,621	26,462
Survivor benefits	353	525
Health care	17,878	14,296
Rehabilitation	176	154
	60,991	55,099
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	37,839	34,213
Administration costs	14,865	14,265
System support	257	251
Legislated obligations	4,894	4,774
	118,846	108,602
Excess of (expenses over revenues) applied to (reduce) the funded position	\$ (163,192)	\$ (33,662)

## STATEMENT OF CHANGES IN THE (UNFUNDED) FUNDED POSITION

For the three months ended March 31 (unaudited)

	YTD MARCH 31 2022 (\$000s)	YTD MARCH 31 2021 (\$000s)
<b>Funded (Unfunded) position excluding accumulated other comprehensive income</b>		
Balance, beginning of period	\$ 146,474	\$ 72,516
Excess of (expenses over revenues) applied to (reduce) the funded position	(163,192)	(33,662)
	(16,718)	38,854
<b>Accumulated other comprehensive income</b>		
Balance, beginning of Year	(3)	(10,423)
	(3)	(10,423)
<b>(Unfunded) Funded position, end of period</b>	<b>\$ (16,721)</b>	<b>\$ 28,431</b>

## STATEMENT OF CASH FLOWS

For the three months ended March 31 (unaudited)

	March 31 2022 (\$000's)	March 31 2021 (\$000's)
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments	\$ 93,802	\$ 85,383
Investment Income	6,264	5,223
	100,066	90,606
Cash paid to:		
Claimants or third parties on their behalf	(68,288)	(68,504)
Suppliers, for administrative and other goods and services	48,087	(9,778)
	(20,201)	(78,282)
<b>Net cash provided by operating activities</b>	<b>79,865</b>	<b>12,324</b>
<b>INVESTING ACTIVITIES</b>		
Increase in investments, net	(73,478)	(5,034)
Cash paid for:		
Purchase of equipment and intangible assets	(909)	(679)
Contribution from Province of Nova Scotia	67,377	-
<b>Net cash used in investing activities</b>	<b>(7,010)</b>	<b>(5,713)</b>
<b>Net increase in cash and cash equivalents</b>	<b>72,855</b>	<b>6,611</b>
Cash and cash equivalents, (bank indebtedness) beginning of year	3,565	(2,740)
<b>Cash and cash equivalents, end of period</b>	<b>\$ 76,420</b>	<b>\$ 3,871</b>

**Halifax Office**  
5668 South Street  
P.O. Box 1150  
Halifax, NS B3J 2Y2  
**Tel:** 902 491 8999

**Sydney Office**  
404 Charlotte Street  
Suite 200  
Sydney, NS B1P 1E2  
**Tel:** 902 563 2444

**Toll Free**  
1 800 870 3331

**Email**  
[info@wcb.ns.ca](mailto:info@wcb.ns.ca)  
**Workplace Safety Tools and Resources**  
[worksafeforlife.ca](http://worksafeforlife.ca)  
**Twitter**  
[@worksafeforlife](https://twitter.com/worksafeforlife)

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