

## OPERATIONAL PROGRESS IN TURBULENT TIMES

Long-term care, home care safety progress and less time lost from work tempered by financial impacts of volatile markets and long-term injury impacts

The first half of 2022 marked a setback in the WCB’s funded position, owing to turbulent financial markets, global events and the impacts of inflation.

But while market declines led to the funded position continuing to decline to about 90 per cent, our investment markets outperformed their benchmarks. Informed by sound strategy, the WCB remains confident in our long-term, diversified view – the same “steady hand” approach that took the funded position from 27 per cent in the 1990s to over 100 per cent at the end of 2020.

“The pandemic caused a fundamental change in our economy as a whole, and that in turn impacted us both financially and operationally,” says CEO Stuart MacLean.

Overall, COVID-19 claims are increasing the time-loss injury rate compared to year-end 2021. On the other hand, despite the turmoil the pandemic caused, long-term care and home care are both seeing declines in their injury rate, owing to a growing safety culture in those sectors.

The WCB is also seeing continued impact of psychological injury, especially traumatic injury in first responders. Generally speaking, it takes longer for Nova Scotians with this type of injury to recover and return to work, and they are actually more likely to end up requiring long-term support from the impact of injury.

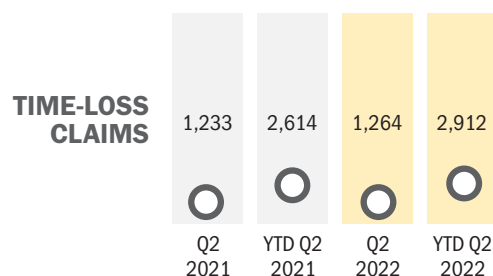
In 2021, and continuing in 2022, we have been focused on workers with longer-term claims, which has resulted in more extended earnings replacement benefit (EERB) awards. Historically provided later in a worker’s career, EERBs were awarded earlier to younger workers in higher paying jobs, increasing the WCB’s long-term liability.

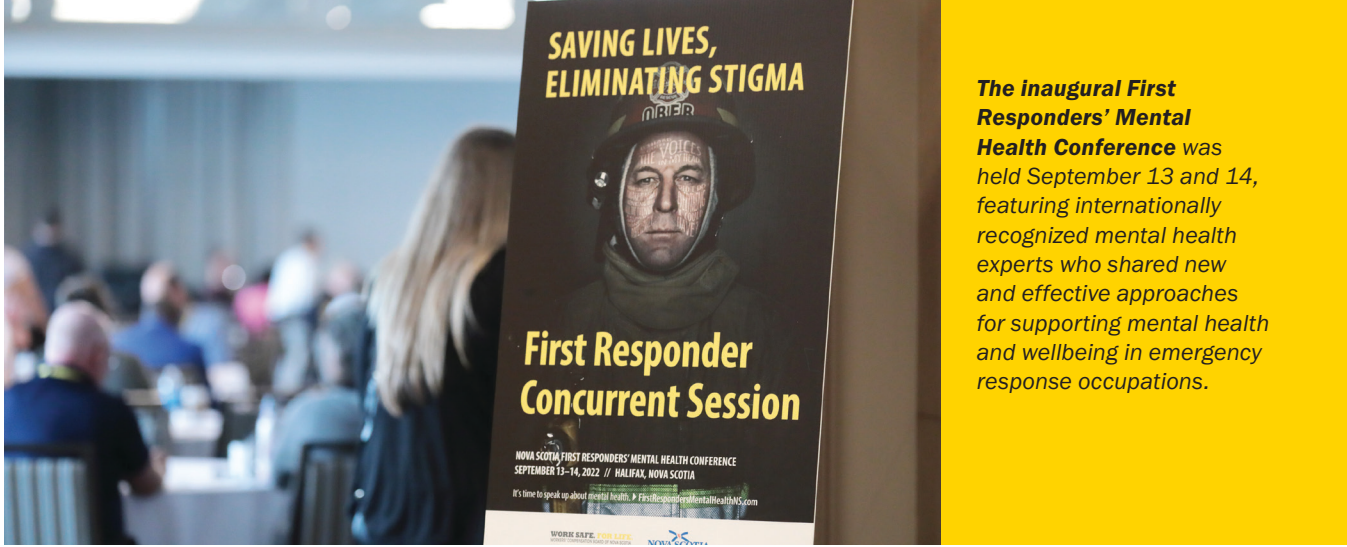
“At the same time, there are also promising signs for the future in supporting workers recovering after workplace injury – both physical and psychological – to achieve return to work, and avoid the often devastating long-term impacts of injury.”

Overall, the number of days lost to workplace injury continues to decline, and most Nova Scotians injured at work are able to return within six months.

“As of June, 20,000 fewer days were lost to workplace injury since December, 2021. Putting that in human terms, that’s about 80 Nova Scotians, working full time, for an entire year,” Stuart adds, noting that along the way, WCB’s worker and employer service measures remain above target.

“These are encouraging early signs in return to work, but we do expect more progress in the future as we continually work to improve outcomes for the workers and employers we serve.” **Q2**





**The inaugural First Responders' Mental Health Conference** was held September 13 and 14, featuring internationally recognized mental health experts who shared new and effective approaches for supporting mental health and wellbeing in emergency response occupations.

## OPERATIONAL HIGHLIGHTS

### WorkShift podcast episodes 3 and 4

WCB Nova Scotia CEO Stuart MacLean's new podcast – *WorkShift* – is essential listening for Nova Scotia safety leaders. Once a month, Stuart invites workplace health and safety leaders to the mic to talk health, safety, but most of all, leadership.

Episodes 3 and 4 are out now. Tune in to listen to Dan Monk from MONK Renovations and Steve Snider, formally of Halifax Harbour Bridges, talk safety in small and large-scale construction. In episode 4, don't miss recognized safety expert, Dr. Mark Fleming discussing safety culture.

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

### Healthy workplaces are good for everyone

As our workplace health and safety culture continues to grow in our province, our Healthy Workplaces campaign will be back in market this fall. The campaign aims to

raise awareness about the important message that workplace safety includes both physical safety and psychological health and safety. Use videos and other materials to spark conversations in your workplace – it's available at [worksafeforlife.ca/healthyworkplaces](https://worksafeforlife.ca/healthyworkplaces).



### 2023 employer rate announcement

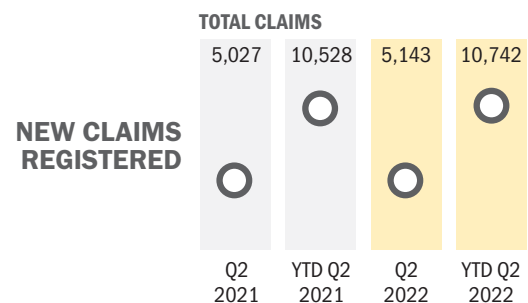
The average employer rate will remain at \$2.65 per \$100 of assessable payroll for 2023, where it's held steady for almost two decades. 62 per cent of employers will see their rate decrease or stay the same in 2023, with 38 per cent seeing their rate increase. In 2023, 118 employers will pay a surcharge due to their high claims cost experience. These employers represent less than one per cent of WCB's covered employer base.

### Employer webinars gain traction

WCB Nova Scotia's third webinar was jam-packed, virtually speaking. More than 150 participants tuned in for an introduction to psychologically healthy and safe workplaces, and learned about the actions employers can take to implement them. WCB will continue to offer webinars on workplace health and safety and return to work. You can find the webinar on [worksafeforlife.ca/healthyworkplaces](https://worksafeforlife.ca/healthyworkplaces).

### TPI Program progress

Nearly 150 of the 380 workers who have been referred to the Traumatic Psychological Injury (TPI) Program have completed it to date. Launched in June 2021, the TPI Program provides workers and employers with a streamlined, accessible, and effective approach to diagnosing, treating, and supporting those who have experienced workplace psychological trauma. Working alongside three service provider partners, we will continue to re-think the way we support people who suffer psychological injuries on the job.



# SUMMARY OF FINANCIAL RESULTS

## STATEMENT OF FINANCIAL POSITION

as at

	June 30 2022 (Unaudited) (\$000s)	June 30 2021 (Unaudited) (\$000s)	December 31 2021 (Audited) (\$000s)
<b>ASSETS</b>			
Cash & cash equivalents	\$ 15,401	\$ 7,977	\$ 3,565
Receivables	47,613	40,760	50,143
Investments	2,132,642	2,232,306	2,349,157
Property and equipment	4,241	4,854	4,138
Intangible assets	24,969	27,072	25,315
	<b>\$ 2,224,866</b>	<b>\$ 2,312,969</b>	<b>\$ 2,432,318</b>
<b>LIABILITIES AND (UNFUNDED) FUNDED POSITION</b>			
Payables, accruals & lease liabilities	123,028	48,355	58,947
Post employment benefits	27,348	35,931	26,635
Benefits liabilities	2,278,185	2,123,085	2,200,265
	<b>2,428,561</b>	<b>2,207,371</b>	<b>2,285,847</b>
Deferred revenue	8,000	13,000	—
(Unfunded) Funded position	(211,695)	92,598	146,471
	<b>\$ 2,224,866</b>	<b>\$ 2,312,969</b>	<b>\$ 2,432,318</b>

## STATEMENT OF OPERATIONS

For the six months ended June 30 (unaudited)

	Second Quarter 2022 (\$000s)	Second Quarter 2021 (\$000s)	YTD June 30 2022 (\$000s)	YTD June 30 2021 (\$000s)
<b>REVENUE</b>				
Assessments	\$ 101,613	\$ 87,113	\$ 182,723	\$ 162,110
Investment (loss) income	(157,990)	92,993	(283,446)	92,937
	<b>(56,377)</b>	<b>180,106</b>	<b>(100,723)</b>	<b>255,047</b>
<b>EXPENSES</b>				
Claims costs incurred				
Short-term disability	16,047	15,364	30,010	29,026
Long-term disability	30,498	24,585	59,119	51,047
Survivor benefits	199	(25)	551	500
Health care	17,736	16,860	35,614	31,155
Rehabilitation	171	228	348	382
	<b>64,651</b>	<b>57,012</b>	<b>125,642</b>	<b>112,110</b>
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	54,048	38,269	91,887	72,482
Administration costs	14,911	15,759	29,775	30,025
System support	257	252	514	503
Legislated obligations	4,730	4,647	9,625	9,422
	<b>138,597</b>	<b>115,939</b>	<b>257,443</b>	<b>224,542</b>
Excess of (expenses over revenues) revenues over expenses applied to (decrease) increase the funded position	<b>\$ (194,974)</b>	<b>\$ 64,167</b>	<b>\$ (358,166)</b>	<b>\$ 30,505</b>

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

For the six months ended June 30 (unaudited)

	Second Quarter 2022 (\$000s)	Second Quarter 2021 (\$000s)	YTD June 30 2022 (\$000s)	YTD June 30 2021 (\$000s)
<b>(Unfunded) funded position excluding accumulated other comprehensive income</b>				
Balance, beginning of period	\$ (16,721)	\$ 28,431	\$ 146,474	\$ 72,516
Excess of (expenses over revenues) revenues over expenses applied to (decrease) increase the funded position	(194,974)	64,167	(358,166)	30,505
	(211,695)	92,598	(211,692)	103,021
<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>\$ (211,695)</b>	<b>\$ 92,598</b>	<b>\$ (211,695)</b>	<b>\$ 92,598</b>

## STATEMENT OF CASH FLOWS

For the six months ended June 30 (unaudited)

	June 30 2022 (\$000s)	June 30 2021 (\$000s)
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments	\$ 187,534	\$ 174,337
Investment income	7,165	11,516
	194,699	185,853
Cash paid to:		
Claimants or third parties on their behalf	(138,900)	(128,141)
Suppliers, for administrative and other goods and services	32,216	(35,331)
	(106,684)	(163,472)
<b>Net cash provided by operating activities</b>	<b>88,015</b>	<b>22,381</b>
<b>INVESTING ACTIVITIES</b>		
Increase in investments, net	(74,120)	(11,137)
Cash paid for:		
Purchase of equipment and intangible assets	(2,059)	(527)
<b>Net cash used in investing activities</b>	<b>(76,179)</b>	<b>(11,664)</b>
<b>Net increase in cash and cash equivalents</b>	<b>11,836</b>	<b>10,717</b>
Cash and cash equivalents, (bank indebtedness) beginning of year	3,565	(2,740)
<b>Cash and cash equivalents, end of period</b>	<b>\$ 15,401</b>	<b>\$ 7,977</b>

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