

Report to the Community

first quarter 2016

Injury rate reaches new low Average claim duration shows slight increase

At the end of the first quarter of 2016, workplace injury's impact on Nova Scotia is a story of both progress and opportunity.

As of March 31, the rate of time-loss injury had reached a new low, at 1.74 injuries per 100 covered workers, down from 1.84 at year end. The total number of days lost to that injury also decreased in the first quarter, and the number of claims appealed to the Workers' Compensation Appeals Tribunal is also declining.

Our province has seen long-term progress in its workplace safety culture. Overall, there are thousands fewer claims, and hundreds of thousands fewer days lost to workplace injury than there were a decade ago.

However, while fewer workers are being injured, those that are injured are taking longer to return to work. Although the total number of days lost to injury declined, some claims are taking longer to resolve. It takes longer, on average, for Nova Scotia's workers to return to work when they are injured than in many other Canadian provinces. In the first quarter, the composite duration index, a complex measure to represent the length of an average claim, was at 109 days, up slightly from 108 days at year end 2015.



Morgan Stobbe, pictured here in 2013 with his WCB Case Manager Niko Mitsiopoulos, is an inspirational example of a return-to-work success story. Morgan suffered a catastrophic injury on September 22, 2010, when his arm was crushed and had to be amputated. "The thought of not going back to work never crossed my mind," he said. "But I got back sooner because the WCB and Cherubini recognized I was ready to be productive and made it happen." Morgan is now a welding inspector with Cherubini Metal Works.

A number of factors are contributing to these increases. These include injuries with multi-faceted, complex impacts on workers, and changing demographics, together with challenges in larger industries, among other factors. The complexity of these challenges underlines the importance of employers,

*See **Injury rate** continued on page 2*

Injury rate continued from page 1

workers, and healthcare providers working as a team in fostering safe and timely return to work. With attention from all of us, Nova Scotia can achieve similar progress in our return-to-work outcomes as we have seen in workplace safety.

Another emerging area of concern is the number of Nova Scotians experiencing long-term impacts of workplace injury, and the cost of those long-term claims. In the first quarter, a number of significant extended earnings replacement benefit awards underlined the human and financial impact of workplace injury. The number and cost of these benefits will be important to monitor in the coming months.

Due to its sheer size and the challenges in long-term care and home care, the healthcare sector continues to see many workplace injuries and much time lost because of them. The need for a coordinated approach to better outcomes in this sector remains paramount, and we are moving forward with our partners toward an action plan for the sector. ■

Mainstay Awards 2016



Leaders from Nova Scotia's Department of Transportation and Infrastructure Renewal (TIR) accept the province's highest workplace safety honour, the Mainstay Safety Award of Excellence, Organization, at the 7th annual Mainstay Awards. A total of 11 awards were presented in the program's eight categories by Minister of Labour and Advanced Education Kelly Regan and WCB Nova Scotia CEO Stuart MacLean at a ceremony in Halifax during NAOSH Week.

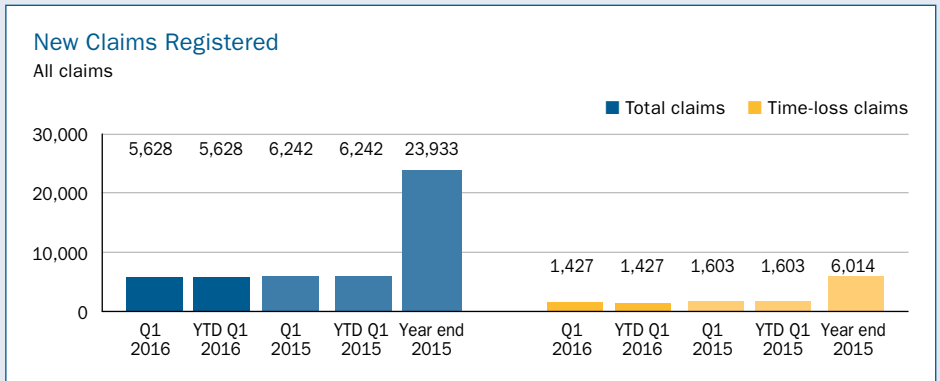
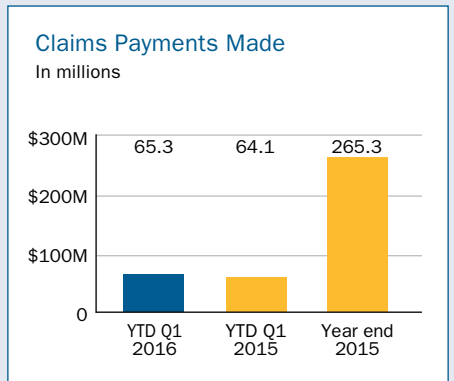
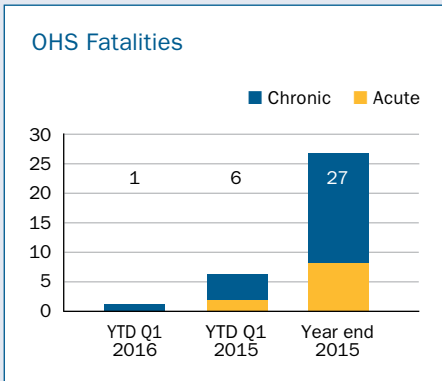
2016 Mainstay Award winners:

- NS Transportation and Infrastructure Renewal – Safety Award of Excellence, Organization
- Paul Midgley, Lindsay Construction – Safety Award of Excellence, Individual
- Oxford Frozen Foods Limited – Safety Transformation
- Journeyman Film Company – Special Award for Small Business
- Sabrina Vatcher, New Dawn Homecare – Individual Safety Champion, Cape Breton Region
- Barry Bowman, Oxford Frozen Foods Limited – Individual Safety Champion, Central/North Shore Region
- Joe LeBlanc, Commissionaires Nova Scotia – Individual Safety Champion, HRM Region
- New Dawn Homecare – Employer Safety Champion, Cape Breton Region
- EllisDon Corporation – Employer Safety Champion, HRM Region
- Nova Scotia Power – Employer Return to Work Champion
- Jessica King, Delta Barrington – Health and Safety Educator

Statement of Financial Position

as at:

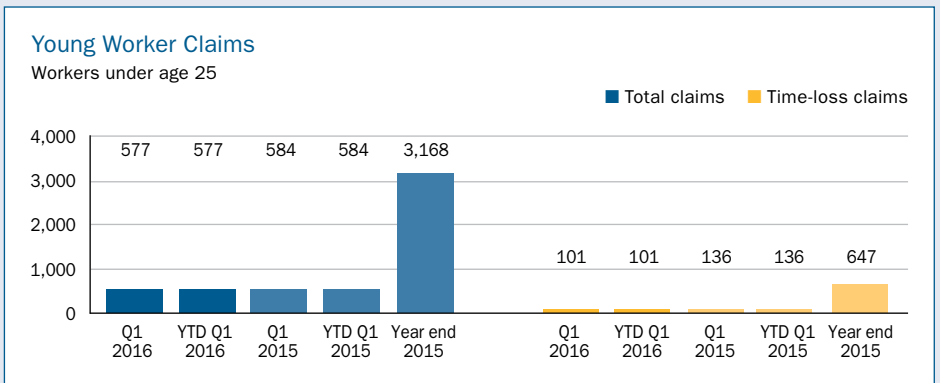
	March 31 2016 (Unaudited) (\$'000s)	March 31 2015 (Unaudited) (\$'000s)	December 31 2015 (audited) (\$'000s)
Assets			
Cash & cash equivalents	\$ 6,967	\$ -	\$ 1,805
Receivables	22,293	22,550	28,190
Investments	1,543,499	1,566,405	1,546,039
Property and equipment	4,228	4,326	4,307
Intangible assets	1,135	876	1,184
	\$ 1,578,122	\$ 1,594,157	\$ 1,581,525
Liabilities and Unfunded Liability			
Bank indebtedness	\$ -	\$ 3,225	\$ -
Payables and accruals	40,740	26,799	37,443
Lease liabilities	68	149	83
Post employment benefits	27,296	28,744	26,804
Benefits liabilities	1,907,426	1,908,074	1,899,061
	1,975,530	1,966,991	1,963,391
Deferred revenue	1,676	1,388	
Unfunded liability	(399,084)	(374,222)	(381,866)
	\$ 1,578,122	\$ 1,594,157	\$ 1,581,525



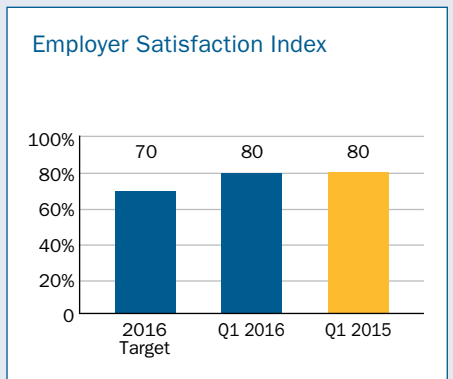
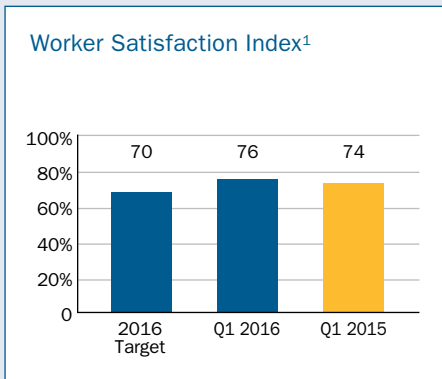
Statement of Operations

for the three months ended March 31 (unaudited)

	First Quarter 2016 (\$'000s)	First Quarter 2015 (\$'000s)
Revenue		
Assessments	\$ 73,178	\$ 72,173
Investment income	(2,499)	89,734
	<u>70,679</u>	<u>161,907</u>
Expenses		
Claims costs incurred		
Short-term disability	10,400	10,236
Long-term disability	25,125	25,484
Survivor benefits	1,098	1,338
Health care	13,754	13,773
Rehabilitation	180	319
	<u>50,557</u>	<u>51,150</u>
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	20,535	14,845
Administration costs	12,632	11,790
System support	235	230
Legislated obligations	3,938	3,677
	<u>87,897</u>	<u>81,692</u>
Excess of (expenses over revenues) revenues over expenses applied to (increase) reduce the unfunded liability	<u>(17,218)</u>	<u>80,215</u>



Service



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

Statement of Changes in Unfunded Liability

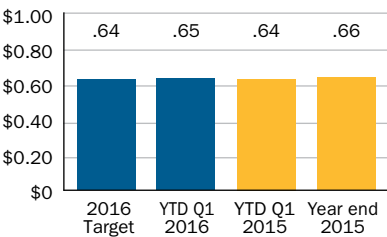
for the three months ended March 31 (unaudited)

	First Quarter 2016 (\$000s)	First Quarter 2015 (\$000s)
Unfunded liability excluding accumulated other comprehensive income		
Balance, beginning of period	\$ (376,017)	\$ (444,927)
Excess of (expenses over revenues) revenues over expenses	(17,218)	80,215
	(393,235)	(364,712)
Accumulated other comprehensive income		
No change in balance during period	(5,849)	(9,510)
Unfunded liability end of period	\$ (399,084)	\$ (374,222)

Financial

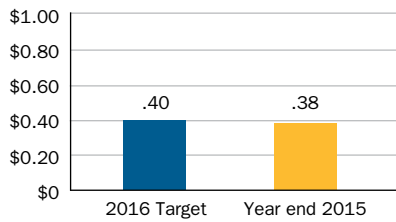
Cost Per \$100 Payroll

Claims payments made for injuries in the past 3 years



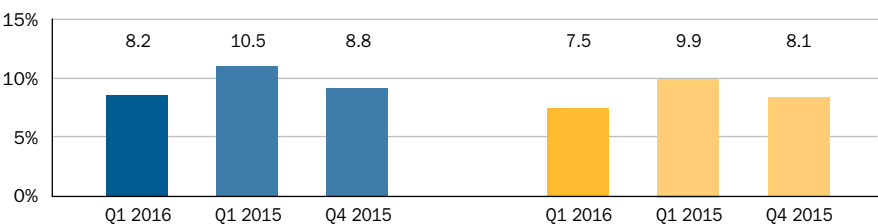
Administrative costs per \$100 of payroll

(excluding prevention costs)



Five-Year Rate of Return on Investment

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

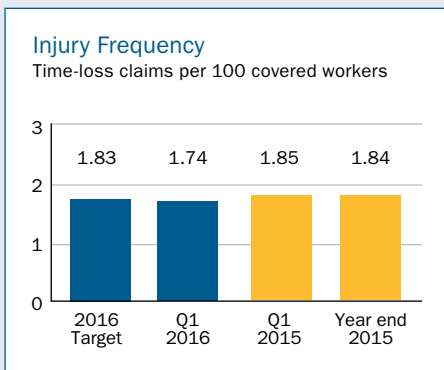


Statement of Cash Flows

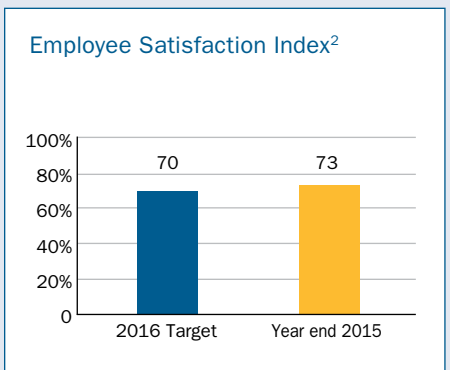
for the three months ended March 31 (unaudited)

	March 31 2016 (\$000s)	March 31 2015 (\$000s)
Operating Activities		
Cash received from:		
Employers, for assessments	\$ 79,675	\$ 76,557
Investment (loss) income	(23,339)	90,585
	56,336	167,142
Cash paid to:		
Claimants or third parties on their behalf	(61,265)	(60,079)
Suppliers, for administrative and other goods and services	(13,102)	(23,414)
	(74,367)	(83,493)
Net cash (used by) provided by operating activities	(18,031)	83,649
Investing Activities		
Increase (decrease) in investments	23,377	(90,504)
Cash paid for:		
Purchase of equipment	(184)	(174)
Net cash provided by (used in) investing activities	23,193	(90,678)
Financing Activities		
Change in bank indebtedness	-	3,225
Net cash provided by financing activities	-	3,225
Net increase (decrease) in cash and cash equivalents	5,162	(3,804)
Cash and cash equivalents, beginning of year	1,805	3,804
Cash and cash equivalents, end of period	\$ 6,967	\$ -

Prevention



Employee

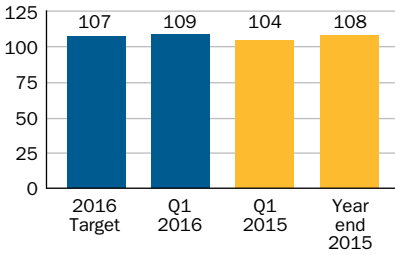


² Annual Index

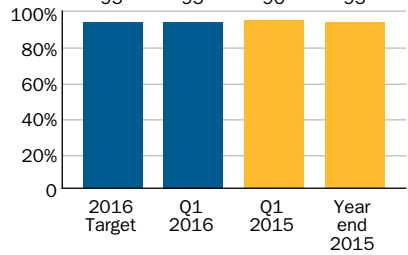
Return to Work

Duration Index

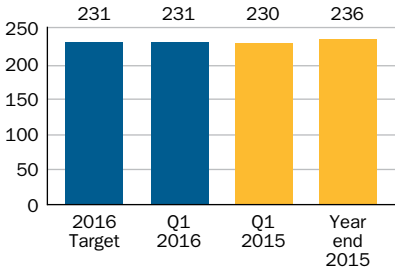
Composite, in days



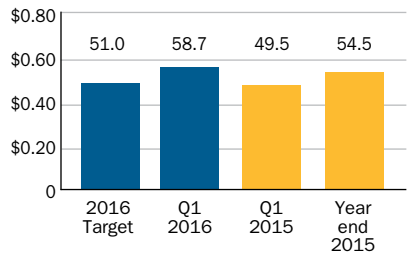
Return to Employability



Time Loss Days Paid per 100 Covered Employees



Cost of New Extended Earnings Replacement Benefits (EERBs)



Our service evolution

The 2016-2020 Strategic Plan has a clear goal for modernization, which WCB Nova Scotia began last year.

We made direct deposit available to more workers, for more types of benefits, and the response has been positive: on average, 78 per cent of all payments to workers are now by direct deposit, compared to 54 per cent in November 2015. Workers receive their eligible benefits quickly, securely, and with fewer delays that can often come with paper based cheques.

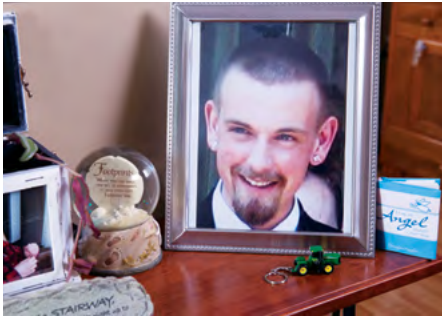
We also improved our phone system to include new secure features. In February alone, 600 Nova Scotians were able to access information about their claim or employer account after business hours – getting the information they needed, when they needed it.

By the end of 2016, we will introduce secure online channels for workers, employers, and service providers to interact with us securely, and complete basic actions online. This major investment is the next important step on our journey of business transformation, and will allow customers another method of access while reducing paperwork and our reliance on fax as a form of communication.

Strategic partnership with CBI Health Group

On March 1, WCB Nova Scotia announced a strategic partnership with CBI Health Group for more advanced treatments for work-related sprain and strain injuries, or Tier 2 and Tier 3 care. The change will ensure consistent, focused care for injured workers, and allow WCB to build a more effective and efficient relationship with one provider. The new partnership became effective May 1.

2016 Day of Mourning Campaign



Each year on the Day of Mourning, April 28, WCB Nova Scotia joins the rest of Canada to honour and remember those who died, were injured, or became ill because of their work. This year, the campaign focused on Kyle Hickey, a young Nova Scotian who died in a workplace tragedy in 2008. Kyle's story, as told by his family and friends, is available on dayofmourning.ns.ca, and provides a very real reminder of the importance of workplace safety.

WSIS Annual Meeting

More than 90 stakeholders, partners, and members of the public attended the Workplace Safety and Insurance System Annual Meeting on May 3. Janet Knox, President and CEO, Nova Scotia Health Authority, discussed the importance of the focused effort on workplace health and safety in Nova Scotia's healthcare system. A number of stakeholders offered valuable perspectives on the system and shared ideas for improvements.

Workplace Incident Cost Calculator

The Workplace Safety Strategy made supporting small business a priority, and in 2015 we established the Small Business Safety Toolkit to be a one-stop shop for safety information in Nova Scotia. In March, we launched a new addition to the toolkit, the Workplace Incident Cost Calculator, to help employers understand the true cost of workplace injury.

New Board of Directors Chair



Rodney Bugar (pictured above, speaking at the WSIS Annual Meeting) was named Chair of the WCB Board of Directors in January. With more than 30 years' experience in the business and legal sectors, Mr. Bugar has also served as a director for a number of Crown corporations, and the Nova Scotia Public Service Superannuation Pension Plan.

Workplace Safety Strategy Update

Encouraging progress continues in the third year of implementation of the Workplace Safety Strategy.

- Leaders across Nova Scotia continue to sign the Health and Safety Leadership Charter, making a public commitment to safe and healthy workplaces.
- Safety content on the online learning site SkillsonlineNS was updated, and augmented with an additional introductory workplace health and safety learning bundle: "Safety Planner for Nova Scotia Workplaces."
- Social marketing continues to raise awareness of the importance of workplace safety. Our overall awareness advertising campaigns continue, supported by targeted initiatives reaching out to business leaders, and specific prevention campaigns targeting specific injuries, such as slips, trips and falls.

Visit workplacesafetystrategy.ca for more information, and to watch a new video capturing the progress of the strategy's implementation.