

WCB Nova Scotia Report to the Community

Q1 2018

SYSTEMS UPGRADE WILL BRING MORE EFFICIENCY, LESS RED TAPE

A major service overhaul will offer needed service improvements and efficiencies for tomorrow's WCB Nova Scotia and those it serves, powered by cloud-based technology.

At one point in the early stages of WCB Nova Scotia's business transformation, a recently decommissioned microfiche machine sat a few steps away from an automated fax reader – while next door, teams were planning our transition to fully cloud-based computing.

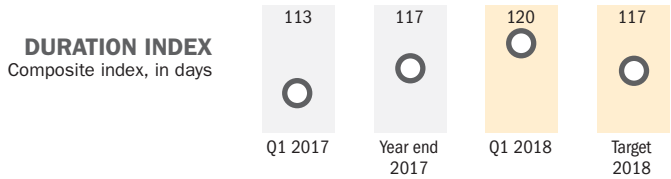
Those three technologies define different stages of our first century of operations – but as we complete the first quarter of 2018, our focus is on early 2019, when we will turn the corner to a new way of delivering service, powered by the world-leading insurance software Guidewire.

Already, more and more workers and employers are choosing to work with us through our secure online portal, WCB Online. When the change is fully implemented, WCB Nova Scotia will operate quite differently than we do today, with improved efficiencies across the organization.

We will be faster at what we do, and there will be much better data. Workers will notice minor differences, and ultimately better service, with improved access to information. Employers will notice more changes – they'll need to communicate differently, some terminology will be different, and the way some processes work



Tracey Newman (left) and Lynn Ferguson are part of the WCB team making the best-in-class insurance software suite Guidewire work for Nova Scotia's workers' compensation system. Here, they oversee a demonstration of new and improved employer account functionality.



will change for the better, enabled by better technology. A full rollout plan will follow later this year with what employers need to know about doing business with us in 2019 and beyond.

It's an important, needed investment in our internal systems, and in our people. As our technology and business processes change, our workforce will evolve as well to ensure our people, tools and resources are aligned to support our organization of tomorrow.

The change can't come soon enough. The nature of workplace injury is changing, and we know that we need to change too.

The overall impact of workplace injury has declined in Nova Scotia over the past decade, but that improvement is starting to slow down. That's partly because we have a higher proportion of older workers, and also because workplace injuries aren't always straightforward. Today, they're more likely to be a sprain or a strain, coupled with mental health considerations, rather than a straightforward cut or a bruise. The claims we manage have become more complex than they were just a decade ago, and they require different levels of service. In order to effectively meet the needs and expectations of the people we serve, our processes and systems need to evolve.

Our challenges are reflected in our first quarter results. While the injury rate remained stable, both the number of days paid due to injury and the average composite claim duration continued to increase – a function of claim complexity, challenges in industries like long-term care and home care, and overall operational complexities – as, at the same time, our business transformation continues. There was also an increase in the number and average value of long-term extended earnings replacement benefit (EERB) awards. Financial and satisfaction measures among workers and employers remain on target.

A number of operational updates detailed later in this report are aimed at ongoing support to both prevention and return-to-work goals. While we know our modernization is such significant transformation that operations will be impacted while it unfolds, at the same time, we must continue working toward our vision for a safer Nova Scotia. **Q1**

CLAIMS PAYMENTS MADE

In millions

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



OPERATIONAL HIGHLIGHTS

Consultations held in advance of new PTSD legislation

More than 100 stakeholders provided input on post-traumatic stress disorder (PTSD) regulations at 10 consultation sessions across Nova Scotia throughout May and June. WCB Nova Scotia is leading these sessions on behalf of the Nova Scotia Department of Labour and Advanced Education, and the information gathered will inform input to government as it considers developing regulations regarding presumptive PTSD benefits for frontline and emergency response workers.

In October 2017, government made changes to the *Workers' Compensation Act* of Nova Scotia to provide the benefit of presumption to police, paid and volunteer firefighters, paramedics, nurses, provincial and federal correctional officers, continuing care assistants and emergency dispatchers with PTSD. This means it is presumed that a diagnosis of PTSD in these frontline or emergency response workers is work-related. The amendments will take effect in October 2018, and the regulations will clarify definitions of frontline and emergency response occupations, identify diagnosticians, and clarify timelines.

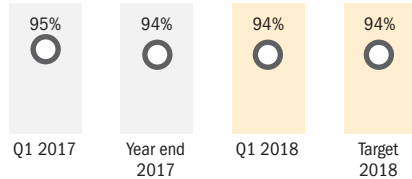
Milestone reached in effort to improve OHS outcomes in health and disability support sectors

Throughout the first quarter, we worked with stakeholders and partners to finalize a report outlining 21 recommendations to improve occupational health and safety outcomes for home care, long-term care and disability support workers in Nova Scotia.

The report is the result of close to two years of extensive research, consultation, and working groups, and sets a course for a renewed focus on safety in the health care and disability support program sectors. This important work was led by AWARE –NS, and included the Departments of Health and Wellness, Labour and Advanced Education, and Community Services, the Nova Scotia Health Authority, IWK Health Centre, WCB Nova Scotia, along with organized labour and employer representation.

With the report and recommendations finalized, work has already begun to set out immediate action areas and develop a five-year action plan.

RETURN TO EMPLOYABILITY



Working to Well initiative continues

Health care providers play an essential role in a safe and timely return to work, often setting the wheels of recovery in motion.

As part of our *Working to Well* initiative, WCB Nova Scotia mailed return-to-work resources to more than 120 physiotherapists and chiropractors throughout the province in April. The Working to Well kits contain information encouraging health care providers to be advocates in promoting the message that work is healthy and reminding them of the important role they play in a worker's recovery.

Working to Well, a joint initiative between Atlantic Canada's workers' compensation organizations, provides resources to guide workers, employers, and health care providers toward more successful return-to-work. The initiative was also highlighted at the Safety Services Nova Scotia conference where more than 600 safety professionals gathered April 9 and 10 in Halifax. Other topics at the conference included health and wellness, building a safety culture, risk assessment and many more. To learn more, visit wcb.ns.ca/workingtowell.

Sixth annual Safety First Symposium held in Cape Breton

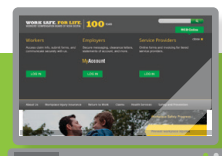
On May 15, 245 delegates gathered for the sixth annual Safety First Symposium in Cape Breton.

Hosted by the Cape Breton Partnership, the Nova Scotia Department of Labour and Advanced Education, and WCB Nova Scotia, this year's event covered topics including mindfulness at work, joint occupational health and safety committees, safe patient handling and mobility, safety culture in the workplace, and return to work.



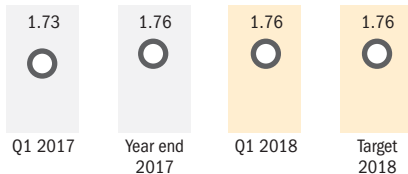
Cathy McKillop (left), Manager of Large Workplaces in Cape Breton for WCB Nova Scotia, chats with delegates about workplace safety.

HAVE YOU JOINED the other workers and employers in Nova Scotia who are communicating with us online? It's faster, easier, and fully secure. Sign up today at wcb.ns.ca.



INJURY FREQUENCY

Time-loss claims per 100 covered workers



PACE videos series launched for home-care workers

Home-care workers face a unique set of challenges in an industry that is already at a higher risk for injury, and often require a different set of tools and resources than their counterparts who work in facilities.

As part of PACE, a point of care risk assessment tool for health-care workers, the WCB released an instructional video series to help home-care workers make their day-to-day tasks safer. Since their launch in March, the videos have been viewed close to 300 times on our YouTube channel, and have been promoted and shared regularly by our partners at AWARE-NS.

Day of Mourning

April 28 marks the Day of Mourning, held annually to remember those who were injured or died at work. Each year, WCB Nova Scotia partners with the Nova Scotia Federation of Labour, the Nova Scotia Department of Labour and Advanced Education, and Threads of Life on an awareness campaign. This year's campaign highlighted the devastating impact of workplace tragedy on the families of Jamie Lapierre (pictured), Kyle Hickey, and Glenn Martin through a short video, which aired both on television and online.



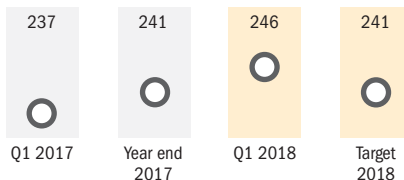
MSI prevention highlighted during NAOSH Week

Musculoskeletal injuries (MSIs) are the most common type of workplace injury in Nova Scotia. They accounted for 64.7 per cent of all time-loss injuries in 2017, afflicting 3,824 Nova Scotians. • Throughout NAOSH week, May 6 to 12, we focused on MSI prevention through a direct mail campaign to Nova Scotia workplaces. Letters were mailed to 800 workplaces with the costliest MSI claims, identifying risk areas and directing them to resources to help prevent these types of injuries. • Other awareness activities during NAOSH week included television, radio, and online ads, as well as ads on hospital and office digital screens, and a presence at a number of workplace-specific safety events.

872 TIME-LOSS INJURIES
FROM STRAINS AND
SPRAINS
IN Q1 2018

MUSCLE STRAIN from lifting is still the most common workplace injury, and the **BACK** is most often affected.

TIME LOSS DAYS PAID PER 100 COVERED WORKERS



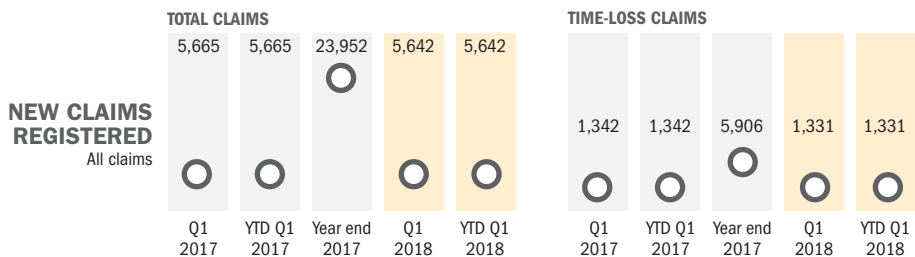
Stuart MacLean named Top 50 CEO in Atlantic Canada

For the second time since his appointment in 2012, Stuart MacLean (left), CEO of WCB Nova Scotia, was honoured as one of Atlantic Canada's Top 50 CEOs by Atlantic Business Magazine. Stuart's leadership has yielded benefit both within our organization and for Nova Scotia as a whole, as we've seen the impact of workplace injury continually decline in our province.



Halifax Water receives Workplace Recognition Award

Since 2015, Halifax Water has been working with the WCB to implement a number of safety initiatives that helped to significantly reduce their injury rates, claims costs and improve return-to-work outcomes. On May 29, WCB Nova Scotia CEO Stuart MacLean (centre) presented Halifax Water Board Chair Ray Ritcey (left) and General Manager Carl Yates (right) with a Workplace Recognition Award to commemorate the organization's progress.



STATEMENT OF FINANCIAL POSITION

as at

	March 31 2018 (Unaudited) (\$000s)	March 31 2017 (Unaudited) (\$000s)	December 31 2017 (audited) (\$000s)
ASSETS			
Cash & cash equivalents	\$ 6,122	\$ 5,552	\$ 6,870
Receivables	31,968	21,869	28,583
Investments	1,791,970	1,680,715	1,773,482
Property and equipment	4,124	3,990	4,286
Intangible assets	18,271	4,483	13,107
	\$ 1,852,455	\$ 1,716,609	\$ 1,826,328
LIABILITIES AND UNFUNDED LIABILITY			
Payables, accruals & lease liabilities	\$ 34,780	\$ 28,370	\$ 28,027
Post employment benefits	32,085	29,096	31,882
Benefits liabilities	1,996,705	1,940,074	1,983,720
	2,063,570	1,997,540	2,043,629
Deferred revenue	6,758	1,877	-
Unfunded liability	(217,873)	(282,808)	(217,301)
	\$ 1,852,455	\$ 1,716,609	\$ 1,826,328

**Q1 WORKER
SATISFACTION INDEX**
TARGET 70%

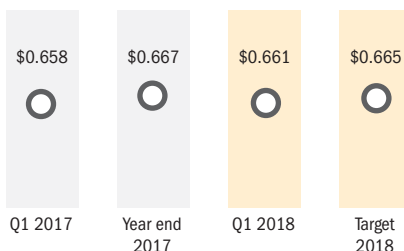


**Q1 EMPLOYER
SATISFACTION INDEX**
TARGET 70%



COST PER \$100 PAYROLL

Claims payments made for injuries
in the past 3 years.



STATEMENT OF OPERATIONS

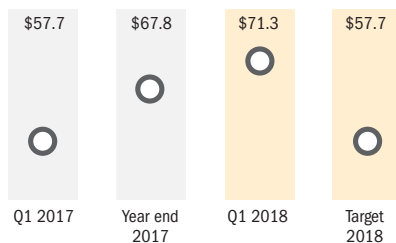
For the three months ended March 31 (unaudited)

	First Quarter 2018 (\$000s)	First Quarter 2017 (\$000s)
REVENUE		
Assessments	\$ 70,084	\$ 67,319
Investment income	18,614	55,107
	88,698	122,426
EXPENSES		
Claims costs incurred		
Short-term disability	10,532	9,407
Long-term disability	23,094	21,965
Survivor benefits	354	703
Health care	13,204	12,861
Rehabilitation	385	180
	47,569	45,116
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	22,576	25,712
Administration costs	14,843	12,483
System support	214	238
Legislated obligations	4,068	4,060
	89,270	87,609
Excess of (expenses over revenues) revenues over expenses applied to (increase) reduce the unfunded liability	\$ (572)	\$ 34,817

These financial statements reflect IFRS 15 Revenue standard changes effective January 1, 2018. The change to revenue recognition reflects that self-insured claims costs are billed and paid by the self-insured firms and represent a reimbursement to the WCB. They are neither insurance revenue nor claims cost to the WCB.

COST OF NEW EXTENDED EARNINGS REPLACEMENT BENEFITS

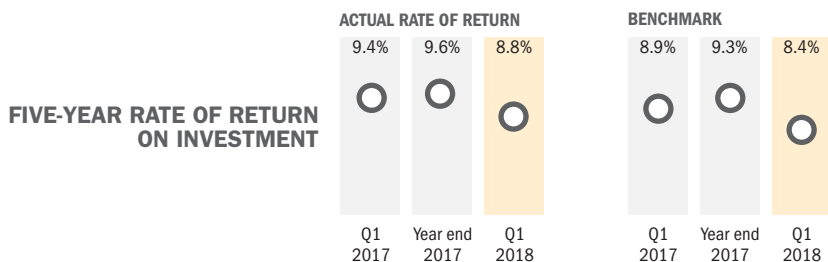
In millions



STATEMENT OF CHANGES IN UNFUNDED LIABILITY

For the three months ended March 31 (unaudited)

	First Quarter 2018 (\$000s)	First Quarter 2017 (\$000s)
Unfunded liability excluding accumulated other comprehensive income		
Balance, beginning of period	\$ (209,185)	\$ (310,909)
Excess of (expenses over revenues) revenues over expenses	(572)	34,817
	(209,757)	(276,092)
Accumulated other comprehensive income		
Balance, beginning of Year	(8,116)	(6,716)
No change in balance during period	-	-
	(8,116)	(6,716)
Unfunded liability end of period	\$ (217,873)	\$ (282,808)



STATEMENT OF CASH FLOWS

For the three months ended March 31 (unaudited)

OPERATING ACTIVITIES

Cash received from:

Employers, for assessments
Investment income

Cash paid to:

Claimants or third parties on their behalf
Suppliers, for administrative and other goods and services

Net cash provided by operating activities

INVESTING ACTIVITIES

(Decrease) Increase in investments

Cash paid for:

Purchase of equipment

Net cash (used in) provided by investing activities

Net (decrease) increase in cash and cash equivalents

Cash and cash equivalents,
(bank indebtedness), beginning of year

Cash and cash equivalents end of period

March 31 2018 (\$000's)	March 31 2017 (\$000's)
\$ 74,991	\$ 77,305
4,230	9,173
79,221	86,478
(57,028)	(54,576)
(13,299)	(28,262)
(70,327)	(82,838)
8,894	3,640
(4,108)	10,924
(5,534)	(147)
(9,642)	10,777
(748)	14,417
6,870	(8,865)
\$ 6,122	\$ 5,552

SLIPPED AND FELL BACKWARDS WHILE SNOWBLOWING • TRIPPED ON PRODUCT IN COOLER • REPETITIVE HEAVY LIFTING • EXPERIENCED PAIN OVER A PERIOD OF TIME • PICKING UP A PALLET • SPILLED BOILING WATER ON LEG • SLIPPED ON ICE IN COMPANY PARKING LOT • INJURED BACK WHILE TRANSFERRING CLIENT • WORKER SLIPPED AND FELL ON ICE • ATTEMPTING TO LIFT A ROLL OF CANVAS • FELL ON THE SIDEWALK AND HIT BACK OF HEAD • INJURED OVER PERIOD OF TIME JUMPING IN AND OUT OF TRUCK • LIFTING RESIDENT OFF BATHROOM FLOOR WITH ANOTHER CO-WORKER • FELL INTO CONFINED SPACE AND WRENCHED SHOULDER • FOOT PAIN RADIATING UP RIGHT LEG • BENT TO PICK UP 50 LB BOX AND TWISTED COMING UP • ROLLED HAND BACK MOVING LOBSTER CRATES • TOOL SLIPPED AND HIT WORKER ON THE HAND • BENT DOWN PUTTING SOCKS ON CLIENT • FALLING OFF ROOF AND CAUGHT SELF ON SAFETY RAIL • LIFTED APPROXIMATELY 80LB GARBAGE BAG FROM ONE BIN TO ANOTHER • STEPPING OUT OF AMBULANCE AND ROLLED ANKLE • INJURED BACK WHILE PROVIDING RESIDENT CARE • RACK HIT HEAD • SLIPPED ON WET FLOOR • MACHINE BROKE AND FELL, STRIKING WORKER • CABLE BROKE AT WORK AND WORKER WAS KNOCKED TO THE GROUND • FELL THROUGH CEMENT STAIRS • PULLING RESIDENT BACK IN CHAIR • ICE FELL ONTO WORKER'S HEAD • LEFT HAND JAMMED BETWEEN STEEL BUNK AND TRAILER • SLIPPED ON FLOOR AND TWISTED BACK AWKWARDLY • STARTED FEELING TIGHTNESS IN RIGHT BICEP • TRIPPED OVER CURB IN THE PARKING LOT • FELL BACKWARDS WHILE SKATING AT ARENA WITH STUDENT • MOTOR VEHICLE ACCIDENT • TYING BIRDS AND FINGER GOT INFECTED • FELL WHILE CARRYING TRAY OF DISHES • WINDOW SLAMMED ON FINGERS • HELPING CLIENT OUT OF TUB • CUT HAND ON BROKEN TILE • FELL OFF FLATBED ONTO CONCRETE FLOOR • LIFTING ALL DAY • SLIPPED ON ICE WHILE UNLOADING A TRAILER • FELL DOWN 6-7 STEPS • RUNNING FROM A DOG WHO BIT HIM ON THE BACK • WORKER'S VEHICLE WAS STRUCK FROM BEHIND • ROCK ROLLED DOWN EMBANKMENT AND PINNED WORKER'S FOOT • USE OF FORCE ON OFFENDER WHEN TAKEN TO GROUND • LIFTING AND STACKING BOXES OF VARIOUS WEIGHTS • CARRYING SUPPLIES, MISSED BOTTOM STEP • JAMMED FINGER BETWEEN TWO PIECES OF METAL • RESPONDED TO TRAUMATIC CALL • STARTLED AND LOST BALANCE • OVERSTRETCHED WHILE REACHING FOR SHINGLES • MOVING ROPE WHILE RUNNING LOBSTER POTS • TRIPPED ON A PIECE OF CONDUIT AND LANDED ON ARM • HYPER EXTENDED KNEE • HURT BACK LIFTING AND SORTING BINS OF MAIL • FELL ON WET FLOOR AND HIT HEAD ON CABINETS • LACERATION TO RIGHT HAND ON PIECE OF PLASTIC • BURNED HAND ON COFFEE MACHINE • CONTACT WITH DETERGENT CAUSED RASH • STEPPING DOWN OFF A LADDER AND TWISTED ANKLE • WITNESSED TRAUMATIC EVENT • REPETITIVE WORK ON KNEE SANDBLASTING AND PAINTING • VEHICLE WAS REAR ENDED WHILE TRAVELLING BETWEEN CLIENTS • HARDWOOD PALLET FELL ON RIGHT FOOT • SLIPPED ON CLIENT'S ICY DRIVEWAY • CAUGHT AN OFFENDER THAT COLLAPSED • CUT FINGER ON TILE • ALTERCATION WITH CLIENT WHO ATTACKED WORKER • CLOSING FRIDGE AND FINGERS GOT JAMMED IN HANDLE • STUDENT SLID INTO WORKER, KNOCKING WORKER TO GROUND • LIFTING A RESIDENT • LIFTING A TIRE OFF BALANCER AND HURT BACK • STOOD UP FROM SQUAT POSITION AND TWISTED BACK • SERVING TABLES AND SLIPPED AND FELL • ROLLED ANKLE WHILE TIGHTENING STRAP ON TRUCK • FELL APPROXIMATELY 14 FT FROM LADDER AND HIT GROUND • LIFTING FALLEN PATIENT • SLIPPED AND FELL ON ICY WALKWAY • LIFTING MOP BUCKET FELT PAIN • FELL OFF A FIXED LADDER 6TH STEP UP AND LANDED ON BACK • PICKING UP SIGN FROM THE GROUND, WIND CAUGHT SIGN CAUSING A STRAIN ON WORKERS SHOULDER • HIT DEER WHILE TRAVELLING BETWEEN CLIENTS' HOMES • CLEANING DEEP FRYERS AND OIL SPILLED, SLIPPED ON OIL • LOST BALANCE WHEN A WAVE HIT THE BOAT • JUG OF DISH CLEANER SPLASHED IN WORKERS FACE • DOING VERTICAL WELDING ON UNIT IN AWKWARD POSITION ALL DAY • HURT WHILE DOING NEW TASKS AT WORK • LADDER SLIPPED AND LOST BALANCE • SLIPPED IN MUD HALFWAY DOWN A HILL • LIFTING OBJECT AND FELT PAIN IN RIGHT SIDE OF BACK • LEG WENT THROUGH UNSTABLE STEP PLATFORM BOARD • PATIENT GRABBED WORKER'S HAND AND SQUEEZED IT AND WOULD NOT LET GO • ASSAULTED BY A YOUTH • DOOR OF VAN FLEW CLOSED, HITTING RIGHT ELBOW • SCRUBBING FLOORS DEVELOPED PAIN IN RIGHT SHOULDER • FELL THROUGH HATCH ON BOAT • ARM HIT BY A MOVING CAR'S SIDE MIRROR • SLIPPED AND FELL INTO A DITCH • CATCHING A FALLING LARGE EMPTY OXYGEN TANK • HIT BY A FORKLIFT AND DRAGGED 3 FT • CUT FINGER WITH KNIFE WHILE CUTTING VEGETABLES • FELT A SHARP PULL WHEN LIFTING BOXES • COAT SNAGGED ON BOLT AND PULLED ARM INTO MACHINE

SOME OF THE **1,331** TIME-LOSS CLAIMS REPORTED IN THE FIRST QUARTER

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Corporate Website and WCB Online

wcb.ns.ca

Workplace Safety Tools and Resources

worksafeforlife.ca

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