

WCB Nova Scotia Report to the Community

Q3 2018

CHANGING FOR BETTER SERVICE, BETTER OUTCOMES

WCB Nova Scotia teams prepare for new systems implementation

In early 2019, WCB Nova Scotia is implementing a major business transformation that will change the way we provide service forever.

Powered by an insurance software suite used by best-in-class organizations around the world, the WCB will operate differently than we do today. Our systems are now more than 25 years old, and still require us to rely on paper-based processes to provide service.

With the changes, we'll be able to provide the service workers and employers deserve. It's a new foundation on which we'll build for tomorrow – the new systems allow us to much more easily adapt and enhance service into the future.

The changes are comprehensive.

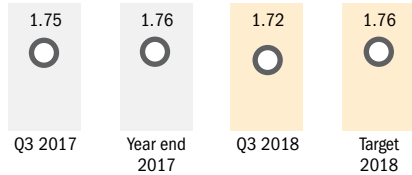
Our letters will be easier to read, and easier to understand. Relying less on paper, we'll be able to process information faster – helping us get the information we need to support workers sooner on their return-to-work journeys.

For employers, the changes will make it easier to do business with us by providing more online service options and more straightforward business processes.

The major service improvement has been a significant focus for the WCB in 2018. New technology means that work will be done differently. For example, clearance letters will no longer be issued, as hiring contractors will simply check clearance through MyAccount.

INJURY FREQUENCY

Time-loss claims per 100 covered workers



That's just one example of many, many changes that mean work will be done differently than it is today. It's meant WCB employees and managers have spent time learning about those changes, alongside their other day to day work supporting workers, employer and service providers. More in-depth training in the new systems across the organization is currently scheduled to begin in January 2019.

"We're looking forward to implementing these changes, and we also appreciate the patience and understanding of both workers and employers as we do that," says WCB Nova Scotia CEO Stuart MacLean. "We're headed to a new tomorrow, and the changes we're making are going to have a very positive impact in this province."

The speed and efficiency offered by the new systems, and the way we work with them, will help things move along more quickly. Together with other much-needed change in industries still facing challenges from the impact of workplace injury, reduced time off the job and faster claim resolution will be welcome change.

In the third quarter of 2018, Nova Scotia continued to see significant time lost to workplace injury – time that came with significant financial cost, and human costs.

Nova Scotia's workplace safety and return-to-work performance continues to be mixed in Q3 2018. The injury rate remains at 1.72, remaining below previous results.

However, while fewer people on average are getting hurt on the job, the first three quarters of 2018 were beset by workplace tragedies, with 12 acute deaths resulting from traumatic injuries or events at work. There were 17 chronic fatalities (health or occupational disease related), for a total of 29 deaths at work, or because of work in the past, between January and September.

Seven of the fatalities so far in 2018 happened in the fishing sector. Together with our partners at Nova Scotia Labour and Advanced Education, WCB Nova Scotia has supported the industry and communities in southwest Nova Scotia with a new awareness campaign promoting PFDs.

Performance challenges remain in a number of measures related to return-to-work. The average duration of a short-term disability claim continues to increase, driven by a number of factors, including an aging population, more complexities such as mental health considerations, and impacts from our change agenda.

CLAIMS PAYMENTS MADE

In millions

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

\$178.8	\$238.8	\$184.3
○	○	○
YTD Q3 2017	Year End 2017	YTD Q3 2018

While, overall, the number of new injuries is declining, workplaces are struggling to make progress with safe and timely return to work.

The long-term impact of workplace injury also continued to increase, with higher than expected volume and cost of extended earnings replacement benefits.

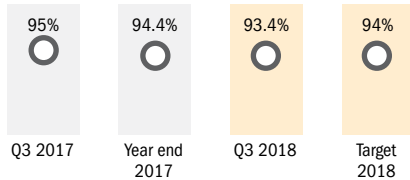
Employers and workers continue to report they're satisfied with service, and financial returns were positive in the first three quarters of the year.

Details on our results follow later in this report. **Q3**



As crews in LFAs 33 and 34 prepared for Dumping Day in early December, safety advocates across the province were reminding them about the importance of wearing PFDs. Timmy Saulnier, a fisherman out of Meteghan Wharf, shared this powerful photo with us, showing his daughters' names embroidered on the straps of his PFD. "Every time I sail out of port these three girls remind me to be safe, work smart and get back home to them and my wife," he said.

RETURN TO EMPLOYABILITY



OPERATIONAL HIGHLIGHTS

Service improvements in early 2019

In early 2019, employers and workers will notice major changes to many of the WCB's services.

Workers will notice much improved letters, improved payment schedules for benefits, and better connections with caseworkers.

Employer online access will also improve. It will be easier for employers to seamlessly do business with us online. Here are some of the things employers can look forward to:

- Update and report payroll, and your account information
- Create and maintain your own claim data files
- Confirm WCB good standing online in real-time
- Track subcontractors in real-time, eliminating the annual report

For more information on the WCB's modernization and its impacts on employers, workers and service providers, visit wcb.ns.ca/ServiceChanges.

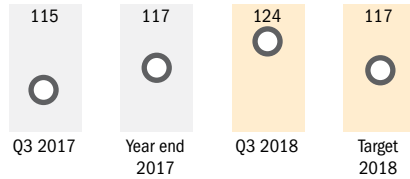
WCB Online

Since WCB Online launched in June 2017, we have exchanged nearly 100,000 secure messages with the people we serve. Join the thousands of workers and employers doing business with us online at wcb.ns.ca.

Not a MyAccount user?

If you are an employer, but not yet using MyAccount, sign up today. Visit my-account.ns.ca, and join the thousands of Nova Scotia employers who are already enjoying the speed and convenience of doing business with us online.

DURATION INDEX
Composite index excluding claims in
Transition Services, in days



Fishing: A renewed call for safety

Through concerted efforts, we've seen encouraging progress over the past few years in fishing as safety became more normalized and a larger priority within the industry. That said, so far in 2018 there have been seven fishing fatalities.

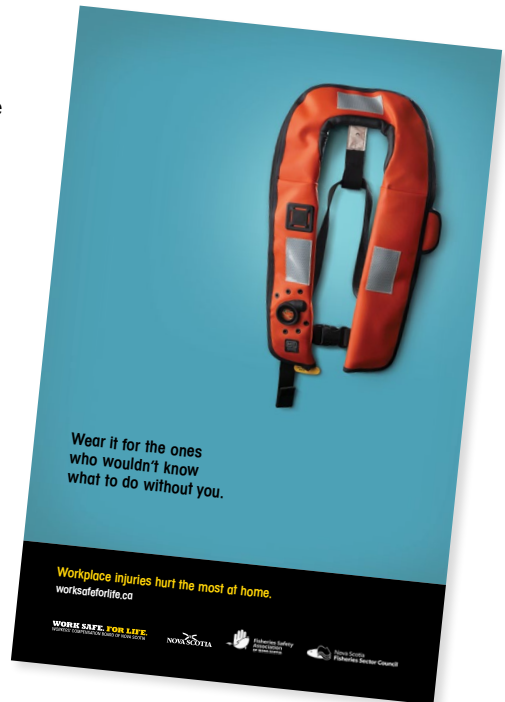
It's clear more has to be done to keep safety top of mind in this industry.

In November, WCB Nova Scotia and the Department of Labour and Advanced Education (LAE) initiated efforts to highlight the dangers that still exist in fishing.

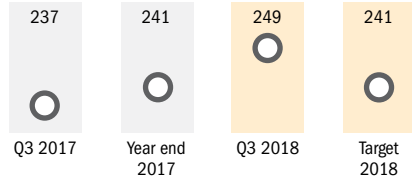
A renewed fishing safety awareness campaign was launched targeted at workers and employers in the fishing industry, and their families. The campaign is aimed at connecting fishermen with the emotional reasons back on shore that motivate them to prioritize safety while at sea. The campaign messaging specifically stressed the importance of wearing a PFD at all times on or near the water.

These activities were aligned with the efforts of LAE occupational health and safety officers who increased their presence at wharves on the South Shore and the Annapolis Valley to continue to promote safety, and take action when operators were not in compliance. They also continued to promote safety requirements for training and personal protective equipment.

We need all Nova Scotians to play a role in making workplaces safer. Everyone deserves to come home safe at the end of the day.



TIME LOSS DAYS PAID PER 100 COVERED WORKERS



PTSD legislative changes

On October 26, changes to the Workers' Compensation Act made it easier for frontline and emergency response workers to access workers' compensation. Though benefits are not guaranteed, it is now presumed that their diagnosis of PTSD is because of the important, challenging work they do, which exposes them to traumatic events more often than most workers.

Earlier this year, WCB Nova Scotia led a stakeholder consultation process for the Department of Labour and Advanced Education (LAE) to support the development of these regulations. For more information, visit wcb.ns.ca.

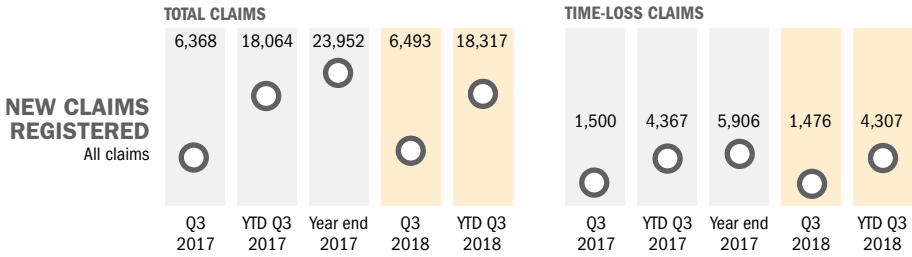
Chamber of Commerce Luncheon

WCB Nova Scotia CEO Stuart MacLean, pictured here with Marilyn D'Entremont whose husband Lewis died at sea in 2004, spoke to Halifax's business community at the October Chamber of Commerce Luncheon. In addition to sharing the D'Entremont family's powerful story, MacLean's speech focused on the organization's ongoing modernization and its impacts on the province's employers, including improved service and more online tools. MacLean said not only will a system upgrade improve service, but it will result in improved outcomes for Nova Scotia's injured workers, and enable an increased focus on prevention and return to work.



safe+secure

Sign up to receive updates on our modernization, industry news, trends, success stories, safety tips and more at worksafeforlife.ca.



STATEMENT OF FINANCIAL POSITION

as at

	September 30 2018 (Unaudited) (\$'000s)	September 30 2017 (Unaudited) (\$'000s)	December 31 2017 (audited) (\$'000s)
ASSETS			
Cash & cash equivalents	\$ 10,375	\$ 17,183	\$ 6,870
Receivables	27,818	23,623	28,583
Investments	1,814,603	1,716,907	1,773,482
Property and equipment	4,180	4,317	4,286
Intangible assets	24,975	4,011	13,107
	\$ 1,881,951	\$ 1,766,041	\$ 1,826,328
LIABILITIES AND UNFUNDED LIABILITY			
Payables, accruals & lease liabilities	\$ 36,317	\$ 40,048	\$ 28,027
Post employment benefits	33,028	29,992	31,882
Benefits liabilities	2,021,247	1,955,711	1,983,720
	2,090,592	2,025,751	2,043,629
Deferred revenue	10,000	6,495	-
Unfunded liability	(218,641)	(266,205)	(217,301)
	\$ 1,881,951	\$ 1,766,041	\$ 1,826,328

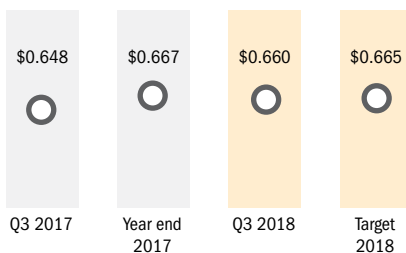
**Q3 WORKER
SATISFACTION INDEX**
TARGET 70%



**Q3 EMPLOYER
SATISFACTION INDEX**
TARGET 70%



**CLAIMS PAYMENTS MADE
PER \$100 PAYROLL**
for injuries in the past 3 years.



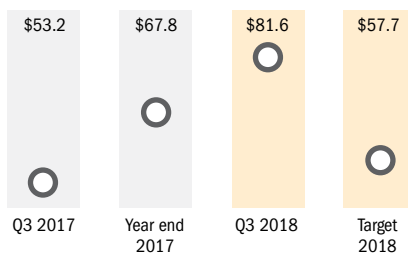
STATEMENT OF OPERATIONS

For the nine months months ended September 30 (unaudited)

	Third Quarter 2018 (\$000s)	Third Quarter 2017 (\$000s)	YTD September 30 2018 (\$000s)	YTD September 30 2017 (\$000s)
REVENUE				
Assessments	\$ 79,102	\$ 78,709	\$ 227,030	\$ 219,996
Investment income	(95)	7,244	41,646	91,527
	<u>79,007</u>	<u>85,593</u>	<u>268,676</u>	<u>311,523</u>
EXPENSES				
Claims costs incurred				
Short-term disability	10,180	8,998	29,822	27,819
Long-term disability	24,050	20,964	73,258	66,002
Survivor benefits	573	778	1,065	2,125
Health care	14,746	11,516	39,883	37,187
Rehabilitation	531	158	914	550
	<u>50,080</u>	<u>42,414</u>	<u>144,942</u>	<u>133,683</u>
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	24,224	33,291	68,201	68,402
Administration costs	14,025	17,351	43,649	45,362
System support	227	221	655	674
Legislated obligations	4,392	3,959	12,569	11,982
	<u>92,948</u>	<u>97,236</u>	<u>270,016</u>	<u>260,103</u>
Excess of (expenses over revenues) revenues over expenses	<u>\$ (13,941)</u>	<u>\$ (11,283)</u>	<u>\$ (1,340)</u>	<u>\$ 51,420</u>

COST OF NEW EXTENDED EARNINGS REPLACEMENT BENEFITS

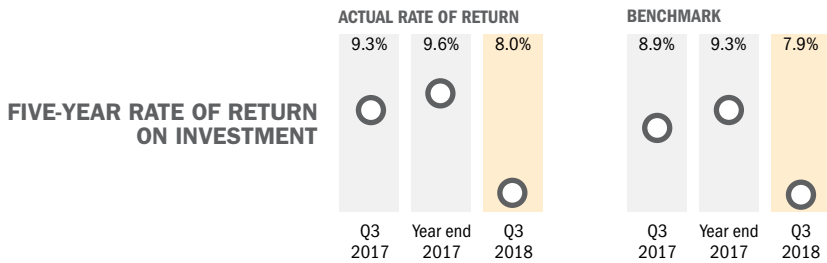
In millions



STATEMENT OF CHANGES IN UNFUNDED LIABILITY

For the nine months months ended September 30 (unaudited)

	Third Quarter 2018 (\$000s)	Third Quarter 2017 (\$000s)	YTD September 30 2018 (\$000s)	YTD September 30 2017 (\$000s)
Unfunded liability excluding accumulated other comprehensive income				
Balance, beginning of period	\$ (204,700)	\$ (254,922)	\$ (209,185)	\$ (310,909)
Excess of (expenses over revenues) revenues over expenses applied to (increase) reduce the unfunded liability	(13,941)	(11,283)	(1,340)	51,420
	(218,641)	(266,205)	(210,525)	(259,489)
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	\$ (218,641)	\$ (266,205)	\$ (218,641)	\$ (266,205)



STATEMENT OF CASH FLOWS

For the nine months ended September 30 (unaudited)

	September 30 2018 (\$000's)	September 30 2017 (\$000's)
OPERATING ACTIVITIES		
Cash received from:		
Employers, for assessments	\$ 239,183	\$ 232,732
Investment income	12,681	23,222
	251,864	255,954
Cash paid to:		
Claimants or third parties on their behalf	(175,140)	(168,669)
Suppliers, for administrative and other goods and services	(47,659)	(57,543)
	(222,799)	(226,212)
Net cash provided by operating activities	29,065	29,742
INVESTING ACTIVITIES		
(Decrease) Increase in investments	(12,165)	(2,911)
Cash paid for:		
Purchase of equipment	(13,395)	(783)
Net cash (used in) provided by investing activities	(25,560)	(3,694)
Net increase in cash and cash equivalents	3,505	26,048
Cash and cash equivalents, (bank indebtedness), beginning of year	6,870	(8,865)
Cash and cash equivalents end of period	\$ 10,375	\$ 17,183

BOOT HOOKED HIS STEP, CAUSING WORKER TO ROLL HIS ANKLE • ARM GOT CAUGHT AND PULLED WHEN CLIENT WAS FALLING • PERFORMING CPR ON A PATIENT • INJURED BACK FROM SEVERAL HEAVY LIFTS AT WORK • HEAD HIT METAL OBJECT • REAR ENDED ANOTHER VEHICLE • STRUCK BY VEHICLE WHILE IN A CROSSWALK • SITTING IN A CHAIR AND IT TOPPLED OVER AS ONE OF THE LEGS WAS BROKEN • SLIPPED ON FLOOR • WAS TIGHTENING DOWN TWO BIND STRAPS. FELT POP IN SHOULDER • WAS LIFTING A 60 POUND BOX OVER HEAD, FELT SHARP PAIN IN LOWER BACK • MOPPING THE STEPS AND SLIPPED BACKWARDS • OVER A PERIOD OF TIME MAKING DOUGH AND PUTTING IT IN PANS • FLAGGING ON ROAD, VEHICLE STRUCK INSIDE OF RIGHT FOOT AND LEG • RESIDENT WAS RESISTANT WHILE BEING TURNED • WHILE LOADING TILES INTO TRUCK, SLIPPED AND ROLLED ANKLE • PAIN STARTED WHEN PULLING PATIENT UP IN BED • MISSED A STEP GETTING OUT OF VAN • MOTOR VEHICLE ACCIDENT WHILE DRIVING TO CLIENT APPOINTMENT • MOWING GRASS ON ROADSIDE AND LEFT HAND WAS PINCHED BETWEEN ROLL BAR AND LIGHT POLE • FELL WHEN STEP LADDER SLIPPED WHILE WORKING ON WALL • DUCTWORK BROKE AND CUT LEFT HAND • CAUGHT RIGHT FOOT ON LIP AT BUS TERMINAL AND WENT OVER ON IT • COMING OUT OF FREEZER CARRYING DONUTS AND TRIPPED OVER A BOX • CARRYING A TRAY, BENT OVER & FELT A STABBING IN BACK • LIFTING A HEAVY BOX (ADJUSTABLE BED) • MAKING UP A BED, LIFTING A MATTRESS ON THE UPPER BUNK • ONSET OF LOW BACK PAIN AFTER SETTING DOWN A FLAT OF POP • SHELF FELL AND LANDED ON WORKER'S FOOT • ATTEMPTED TO SIT A RESIDENT FORWARD AND RESIDENT PUSHED BACK • PULLING AN OIL TANK LINE IT REBOUNDED STRIKING HIM IN THE BACK OF THE HEAD • TOES CAUGHT ON BOTTOM OF DOORWAY, FELL ONTO DECK • TRIPPED OVER A DOOR FRAME AND TWISTED LEFT KNEE • INSTALLING HANDLES IN PAILS. PRSSURE OF PUSHING HANDLES CAUSED THUMB STRAIN • WAS FILLING UP SPRAY BOTTLE OF BLEACH. THE BOTTLE SLIPPED AND BLEACH WENT INTO EYE • METAL DOOR SLAMMED ON LEFT FOOT • CUT FINGER ON SUBMERSION BLENDER • ONSET OF PAIN IN RIGHT ELBOW AFTER LIFTING HEAVY GARBAGE BAGS • UTILITY KNIFE SLIPPED THROUGH HAND WHILE CUTTING A PIECE OF SOFFIT • LIFTING HEAVY BAGS ONTO BELTS, AND HELPING PUT CAR SEATS INTO PLASTIC BAGS • NOTICED SWELLING AND STIFFNESS AFTER A LOT OF KNEELING WHILE WELDING • LIFTED A BAG OUT OF A CART AND TWISTED RESULTING IN PAIN • FELL OUT OF DOOR AT WORK, ROLLED ANKLE • FINISHED SANITIZING BATH TUB. STOOD UP AND FELT PAIN IN BACK • SLIPPED AND FELL ONTO RIGHT KNEE • MOP HANDLE CAME LOOSE EXPOSING METAL THAT SLICED WORKER'S FINGER • LIFTING FULL LAUNDRY BAG INTO CART • TYING TARPS ON PICNIC TABLE. LEANED OVER AND FELT PAIN IN BACK • WASHING POTS, LIP OF POT CAUGHT FINGER AND RIPPED SKIN • SECURING A LOAD, CHAIN ON SIDE OF A TRAILER WAS TANGLED CAUSING WORKER TO SLIP • HIT TO RIGHT TEMPLE BY METAL • FELT PULL IN NECK WHILE ASSISTING CLIENT INTO SHOWER • CAUGHT FOOT ON CORNER OF BOX ON THE FLOOR, THEN STUMBLER FORWARD • WALKING ON CATWALK, STEPPED ON A METAL FRAGMENT, CUT FOOT • GOT OUT OF TRUCK, SLIPPED OFF STEP LANDING AND PAIN SHOT UP HIS BACK • TRIPPED ON A PROTRUDING STEEL BAR FROM A TRAILER THAT WAS CARRYING A 4 WHEELER • CHIPPING OVERHEAD HOLDING A 15LBS PNEUMATIC AIR CHIPPER • WRINGING OUT A MOP • STEPPED OUT OF VEHICLE INTO A POTHOLE • WRENCH SLIPPED AND HIT HAND WHILE TRYING TO LOOSEN A BOLT ON TRUCK • LIFTED GARBAGE BACK INTO BIN AND FELT PAIN • FALL AT WORK- STEPPED ON STACKED BOARDS AND BOARDS WENT OUT FROM UNDER HIM • FELL FOUR FEET FROM TRUCK AND LANDED ON SHOULDER • STOCKING MICROWAVES AND JAMMED SHOULDER • REPETITIVE JOB DUTIES OF SWEEPING AND MOPPING THE FLOOR • ON LADDER DOING WORK, LEANING/TWISTING NOTICED PAIN • HIT TOP OF HEAD ON WING OF AIRPLANE • FELL TWO FEET INTO STAIRCASE • PINCHED HIS FINGER IN BETWEEN TWO PIECES OF STONE WHILE SLIDING STONE TO ADJUST IT ON THE CART • TWISTED HER BACK WHILE OPENING SHEETS TO MAKE A BED • DRIVING TRACTOR AND HIT A RUTS ALL DAY CAUSING JOLT TO THE BACK • HOSE FITTING BLEW OUT OF PUMP AND HIT WORKER'S HAND AND CHIN • FORWARDER CAME OFF A STUMP AND JARRED SHOULDER • WORKER REACHED OUT TO PREVENT OBJECT FROM FALLING AND HURT RIGHT ARM AND SHOULDER • TRIED TO CATCH FALLING JAR THAT BROKE IN HAND. CUT RIGHT PINKY FINGER • HAND SLIPPED AND GOT CAUGHT IN MACHINE IN SAWMILL • MISPLACED STEP AND SLIPPED ON ROOF CURB • SLIPPED ON WHEEL CHAIR RAMP, JARRING BACK • DURING CLEANING WORKER BENT DOWN AND FELT AND HEARD A CRACK IN HER KNEE

SOME OF THE **1,476** TIME-LOSS CLAIMS REPORTED IN THE THIRD QUARTER

WORK SAFE. FOR LIFE.

WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

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