

# WCB Nova Scotia Report to the Community

**Q3**  
**2019**

## APPROACHING FINANCIAL SUSTAINABILITY

Strong financial markets boosted the WCB's funded position to more than 92 per cent at the end of September, 2019 – putting a long-time goal of eliminating the unfunded liability within reach.

For years, an imbalance between the WCB's financial assets and the benefits liability into the future has made it difficult to have meaningful discussions about significant change to the insurance system.

But as the WCB looks forward to 2020, there's an increased sense of possibility – even opportunity.

"We don't know what the future might hold, and we're only one voice in this system," says CEO Stuart MacLean. "But I can tell you that all of us are looking forward to conversations about the future of workers' compensation."

Eliminating the unfunded liability would be a major milestone for the WCB and the workplace safety and insurance system.

"Positive investment returns are only part of the solution to the future sustainability of the system," MacLean says. "We know we also need to continue our progress in preventing injury, and helping workers return to the job when they do get hurt. Absolutely nothing is more important than reducing this human impact."

In the most poignant examples of workplace tragedy, there have been five acute fatalities and nine chronic fatalities as of the end of September. That's comparatively lower than the tragic first three quarters of 2018, when there were 29 workplace deaths – 12 acute and 17 chronic. Still, each of those deaths is a human tragedy and a reminder to all of us of the importance of our work to improve workplace safety.

Looking more broadly at injury as a whole, there is progress over time in the number of people hurt on the job. On the other hand, we continue to see long claim durations, owing to more complex claims. The population is older, and we are serving more and more workers where the injury itself is often not straightforward – much more likely to be a mix of physical injury and mental health considerations.

As our work changes, we're evolving too. We're adding case management employees to ensure we're well positioned to support Nova Scotia workers and

**5** ACUTE FATALITIES  
FROM JANUARY 1 TO SEPTEMBER 30, 2019, THERE WERE  
CAUSED BY TRAUMATIC INJURIES AT A WORKPLACE.  
IN ALL OF 2018, THERE WERE 14 ACUTE WORKPLACE FATALITIES.

employers into the future, and to address the reality of more complex return-to-work management now required.

“As we enter the last quarter of 2019, we must address the immediate challenges of complex claims and adapting to our new system, but we also need a long-term view,” says MacLean. “We look forward to 2020 and the years ahead, as we begin to consider what opportunities the future holds for workers’ compensation in our province.” **Q3**

*Specific data regarding injury prevention, return to work, and other measurements are not available this quarter, as we continue to adapt to new systems. This data will be reported as soon as it is available.*

## OPERATIONAL HIGHLIGHTS

### Amendments support volunteer firefighters



In October, the Department of Labour and Advanced Education amended the *Workers’ Compensation Act* to ensure all volunteer firefighters have access to WCB coverage, including presumptive coverage for PTSD and for some types of cancer.

Previously, WCB coverage for volunteer firefighters wasn’t mandatory, which meant municipalities across the province had differing levels of coverage. These changes will ensure volunteer firefighters will have access to WCB coverage when they need it.

The changes, which take effect October 30, 2020, will also expand the definition of “firefighter” in the *Act* to include federal firefighters, giving them access to cancer presumption. Government will also be consulting in the coming months regarding expanding the list of cancers with presumptive coverage.

### Core systems replacement continues

At the end of our first full operational quarter with our new cloud-based core systems, we continue to adapt to a new way of working.

Throughout the modernization, we’ve updated our service portals – WCB Online for workers and service providers, and MyAccount for employers.

When fully functional, the new portals will be easier to use and more efficient. However, in the short term, there have been challenges for some users, especially among our larger employers who depend on MyAccount for their daily business. Our teams are working hard to address these issues. We understand the importance of solving these concerns, and continue to appreciate the patience of those we serve.

For regular updates: [support.wcb.ns.ca](https://support.wcb.ns.ca)

# Recognizing workplace safety across the province

Workplace safety is everyone’s responsibility. We all have a role to play to make safety a fundamental part of workplace culture. This fall, WCB Nova Scotia recognized two organizations who are making a difference when it comes to safety and return to work.

## McCarthy’s Roofing



*WCB Nova Scotia CEO, Stuart MacLean, with members of McCarthy’s Roofing*

From leadership, to the site foreman, to each roofer, McCarthy’s Roofing has demonstrated a strong commitment to safety, and has made significant progress over the years. McCarthy’s Roofing has reduced injury in their workplace through education and training, and they’re also promoting a best-practice return-to-work program with a big focus on transitional duties.

## Seaview Manor



*Members of the team at Seaview Manor*

Safety is embedded into the core values at Seaview Manor. Building a culture of workplace safety is not easy in the health and social services sector – one in which more people are hurt at work than in any other sector.

To address this, Seaview Manor has established “PACE yourself to CARE,” a program initiated by the WCB, that embraces safe handling and mobility as an organization. All Seaview Manor staff have a role to play in the program and everyone has taken the steps to making ‘address safety first’ Seaview’s philosophy.

## **Update: Response to the Office of the Auditor General recommendations**

It has been one year since the Office of the Auditor General (OAG) released the first phase of their audit focused on the WCB's governance and sustainability. WCB Nova Scotia provided an update on our progress of the Phase 1 recommendations in December 2019.

The second phase of the audit, released in May 2019, focused on claims management. WCB Nova Scotia accepted all recommendations from both audits. The Finance, Audit and Risk Committee of the Board of Directors is overseeing the implementation of the recommendations.

Work is continuing to address the Phase 2 recommendations, with a focus on our claims and appeal processes.

- We're working to update our process for vetting worker files to remove unrelated information before the file is sent to the employer during the appeal process.
- We are enhancing our complaint resolution process.
- We are exploring how to better monitor employee training requirements.

We have also taken steps to ensure that employee performance review forms are completed consistently. We remain on track to complete all recommendations as committed to the Auditor General.

While the reports from both phases provided a number of recommendations for improvement, the OAG also found that the WCB is well governed, on a path to financial sustainability, and that overall the WCB is effectively managing claims for workplace injury and return to work.

The complete list of recommendations, our response and progress can viewed at [wcb.ns.ca/oag](http://wcb.ns.ca/oag).



*WCB Nova Scotia's Mason MacDonald, Workplace Consultant, staffs our booth at the OEA conference.*

## **Sharing information with employers**

WCB Nova Scotia participated in the Office of the Employer Advisor Nova Scotia Society's annual Employer Conference in November. Information about WCB Nova Scotia's new MyAccount and injury prevention and awareness materials were shared with employers, and WCB leaders updated attendees on our modernization and an overall picture of workplace injury's impact in our province. "The fact I don't have to fax you any more saves me time," one employer said. "So thank you for doing this."

## Update on clearance: paper letters extended

Paper clearance letters have been extended to March 31, 2020 while we continue to refine our new digital clearance solution for MyAccount.

Over the past few months, we have been working closely with a group of employers who represent industries that rely heavily on clearance. We are using their input and feedback to ensure the function meets employers' needs.

When available, the updated clearance process will address employers' concerns and they will have the ability to save, print, and email clearance letters from MyAccount, and the good standing date will be clearly displayed. Changes to the system will be available in early 2020.

## Social marketing snapshot

### Rink banners

If you spent any time in community rinks this winter, you might have seen large banners reminding minor sport parents of the reasons workplace safety is so important. Produced in partnership with the Department of Labour and Advanced Education, the campaign also included television, radio, and online ads.



*Banners in place at the BMO Centre, Bedford*

### Dumping Day

In advance of "Dumping Day" in southwest Nova Scotia, we once again promoted the importance of wearing a PFD through posters on wharves, radio and newspaper ads, and through social media.

## Hurt caring for others

Long-term care and home care remain, by the numbers, the industry sectors in which Nova Scotians are most likely to be hurt. About one in 10 covered workers in the home care industry, for example, were injured in 2018. On average, those workers were off the job for 66 days. WCB Nova Scotia continues to work with many partners, including AWARE-NS and government, to address these challenges.



*Above, a sticker from a workplace safety kit, developed in partnership with the Department of Labour and Advanced Education, reminds employees at Seaview Manor in Glace Bay to use this mobile patient lift safely when lifting and repositioning residents.*

## **NSTSA celebrates 20 years**

Congratulations to the Nova Scotia Trucking Safety Association (NSTSA), who celebrated their 20th anniversary in November. NSTSA has delivered health and safety programs to the trucking community, making a difference in Nova Scotia's overall safety culture. "You've accomplished a lot in the trucking sector," VP Prevention and Service Delivery Shelley Rowan told the crowd at the anniversary event. "All of us at the WCB want to commend your work. You are making a difference, and it needs to be celebrated."

## **WSIS Annual General Meeting draws passionate discussion**

There was lively discussion at the 2019 Workplace Safety and Insurance System (WSIS) annual meeting, held on November 13 after being postponed due to Hurricane Dorian.

Representatives from the Workers' Advisers Program (WAP), Workers' Compensation Appeals Tribunal (WCAT), the Occupational Health and Safety (OHS) Division of the Nova Scotia Department of Labour and Advanced Education, and WCB Nova Scotia were on hand to provide updates on their work and take questions on the system's performance in 2018. The well attended meeting included updates on the work of the OEA, OWC and the Pictou and Cape Breton Injured Workers' Associations.

WCB Nova Scotia Board Chair Rod Bugar spoke to our modernization and implementation of the recommendations from the Office of the Auditor General report. Labour and Advanced Education Deputy Minister Duff Montgomerie reported on Bill 204, which will provide WCB coverage for volunteer firefighters, as well as efforts to standardize health and safety training and personal protective equipment across Canada.

The courageous family of a worker who was seriously hurt in a manufacturing facility also attended, and shared a moving, heartfelt call for improvements in workplace safety.

The WSIS Year-end Report is available now and focuses on three key system performance measures – outcomes for workers and employers, service delivery, and financial sustainability, a topic of increased interest among stakeholders as the WCB nears the elimination of the unfunded liability. Learn more about WSIS, its agencies and partners at [wsis.ns.ca](https://wsis.ns.ca).

FROM JANUARY 1 TO SEPTEMBER 30, 2019, THERE WERE **9 CHRONIC FATALITIES**  
FROM OCCUPATIONAL DISEASES OR FROM EXISTING HEALTH CONDITIONS.  
IN ALL OF 2018, THERE WERE 26 CHRONIC WORKPLACE FATALITIES.

## STATEMENT OF FINANCIAL POSITION

as at

	September 30 2019 (Unaudited) (\$000s)	September 30 2018 (Unaudited) (\$000s)	December 31 2018 (audited) (\$000s)
<b>ASSETS</b>			
Cash & cash equivalents	\$ -	\$ 10,375	\$ -
Receivables	37,827	27,818	30,328
Investments	1,917,901	1,814,603	1,732,515
Property and equipment	6,590	4,180	4,390
Intangible assets	31,337	24,975	29,407
	<b>\$ 1,993,655</b>	<b>\$ 1,881,951</b>	<b>\$ 1,796,640</b>
<b>LIABILITIES AND UNFUNDED LIABILITY</b>			
Bank indebtedness	\$ 2,745	\$ -	\$ 8,692
Payables, accruals & lease liabilities	36,992	36,317	26,035
Post employment benefits	24,615	33,028	23,356
Benefits liabilities	2,081,583	2,021,247	2,042,348
	<b>2,145,935</b>	<b>2,090,592</b>	<b>2,100,431</b>
Deferred revenue	12,000	10,000	-
Unfunded liability	(164,280)	(218,641)	(303,791)
	<b>\$ 1,993,655</b>	<b>\$ 1,881,951</b>	<b>\$ 1,796,640</b>



## STATEMENT OF OPERATIONS

For the nine months ended September 30 (unaudited)

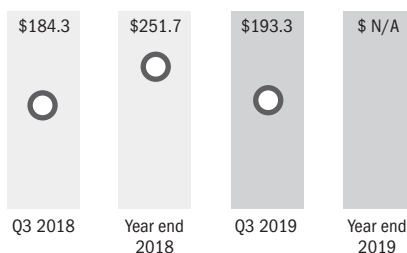
	Third Quarter 2019 (\$000s)	Third Quarter 2018 (\$000s)	YTD September 30 2019 (\$000s)	YTD September 30 2018 (\$000s)
<b>REVENUE</b>				
Assessments	\$ 78,645	\$ 79,102	\$ 234,410	\$ 227,030
Investment income	21,828	(95)	185,828	41,646
	100,473	79,007	420,238	268,676
<b>EXPENSES</b>				
Claims costs incurred				
Short-term disability	11,026	10,180	33,078	29,822
Long-term disability	24,902	24,050	74,705	73,258
Survivor benefits	603	573	1,810	1,065
Health care	14,622	14,746	43,866	39,883
Rehabilitation	265	531	794	914
	51,418	50,080	154,253	144,942
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	23,018	24,224	69,054	68,201
Administration costs	12,633	14,025	43,358	43,649
System support	252	227	742	655
Legislated obligations	4,395	4,392	13,320	12,569
	91,716	92,948	280,727	270,016
Excess of revenues over expenses (expenses over revenues) applied to reduce (increase) the unfunded liability	\$ 8,757	\$ (13,941)	\$ 139,511	\$ (1,340)

## STATEMENT OF CHANGES IN UNFUNDED LIABILITY

For the nine months months ended September 30 (unaudited)

	Third Quarter 2019 (\$000s)	Third Quarter 2018 (\$000s)	YTD September 30 2019 (\$000s)	YTD September 30 2018 (\$000s)
<b>Unfunded liability excluding accumulated other comprehensive income</b>				
Balance, beginning of period	\$ (173,037)	\$ (204,700)	\$ (301,084)	\$ (209,185)
Excess of revenues over expenses (expenses over revenues) applied to reduce (increase) the unfunded liability	8,757	(13,941)	139,511	(1,340)
	(164,280)	(218,641)	(161,573)	(210,525)
<b>Accumulated other comprehensive income</b>				
Balance, beginning of year	-	-	(2,707)	(8,116)
No change in balance during period	-	-	(2,707)	(8,116)
Unfunded liability end of period	\$ (164,280)	\$ (218,641)	\$ (164,280)	\$ (218,641)

### CLAIMS PAYMENTS MADE In millions



## STATEMENT OF CASH FLOWS

For the nine months ended September 30 (unaudited)

	September 30 2019 (\$000's)	September 30 2018 (\$000's)
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Employers, for assessments	\$ 240,376	\$ 239,183
Investment income	(1,547)	12,681
	238,829	251,864
Cash paid to:		
Claimants or third parties on their behalf	(182,487)	(175,140)
Suppliers, for administrative and other goods and services	(47,800)	(47,659)
	(230,287)	(222,799)
<b>Net cash provided by operating activities</b>	8,542	29,065
<b>INVESTING ACTIVITIES</b>		
Increase in investments	1,980	(12,165)
Cash paid for:		
Purchase of equipment	(4,575)	(13,395)
<b>Net cash (used in) investing activities</b>	(2,595)	(25,560)
<b>Net increase in cash and cash equivalents</b>	5,947	3,505
(Bank indebtedness), Cash and cash equivalents, beginning of year	(8,692)	6,870
<b>(Bank indebtedness), Cash and cash equivalents end of period</b>	\$ (2,745)	\$ 10,375

# **WORK SAFE. FOR LIFE.**

WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

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## **Workplace Safety Tools and Resources**

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