

Report to the Community

third quarter 2016

Injury rate remains at historic low in Nova Scotia

Those who are hurt at work tend to be off longer

Nova Scotia's workers and employers continued making workplace safety a priority throughout the summer months, and the rate of injury remained relatively steady at 1.74, the lowest result in the history of the measure.

As more and more leaders sign a charter committing them to creating safer workplaces, and as media stories continue to make workplace safety part of the public conversation, we are beginning to see evidence of sustained change in Nova Scotia's workplace safety culture.

Nova Scotia's fishing sector continued implementing the Fishing Safety Now plan launched under the Workplace Safety Strategy in 2015, with ongoing wharfside demonstrations, research and development in new PFDs, and more voices than ever calling for safety. A safety-based delay in the 2016 opening is further proof of the industry's commitment to safety, as is a reduction in their claims cost experience, and the rate fishermen pay for WCB coverage.

Industry-based leadership is also critical to the health and community services sectors, particularly long term care and home care. The WCB is a driving force behind multi-stakeholder consultations

toward a five-year action plan for safer health and community services sectors. At the same time, we're working with a project announced by the Premier and led by the Nova Scotia Nurses Union and the NS Health Authority on safety protocols in Community Hospital Emergency Departments.

Underlining all of the progress in workplace safety is the common thread of leadership – leadership on fishing vessels, at nursing stations, in meeting rooms, industry groups, unions, government, and in the province as a whole – to make workplace safety the priority it needs to be.

But the numbers tell us that same leadership needs to continue after the injury occurs. The human and financial impact of workplace injuries that do happen continued to deepen in the third quarter of 2016, with the average claim duration increasing to nearly 110 days. Workers whose impact of workplace injury becomes life-long – extended earnings replacement benefits – also continued to grow, with many of those awards being higher cost.

That said, the continued increase in claim durations speaks to the need for improvements in service. WCB Nova

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

Injury rate continued from page 1

Scotia continued its modernization journey in the third quarter, with focused employee change management efforts, and major procurement processes as we prepare for more significant parts of our systems to be replaced in the future.

Workers and employers remained satisfied with WCB service in Q3 2016, and our financial results remain positive. As we enter 2017, the WCB is steadfast in its commitment to modernize our

systems to improve service. At the same time, we are also aware that the time lost to workplace injury in this province is too much, and needs to be reduced. That's why we are looking closely at underlying conditions that can extend claim durations. We are exploring best practices to more effectively manage claims where a psychological overlay is secondary to a physical compensable injury, and to improve return-to-work outcomes in this area. ■

Operational highlights



Panel members at NS Health and Safety Charter conference in November. From left to right: Cecelia MacLellan, Director Customer Care Contact Centers, Staples, and Janet Knox, President and CEO, Nova Scotia Health Authority.

Leadership Matters

Close to 150 safety leaders, including many CEOs, met in Halifax to strengthen their commitment to workplace safety.

The focus of the conference was Mental Health in the Workplace with Louise Bradley, President and CEO of the Mental Health Commission of Canada, delivering the keynote presentation on employee mental health. The conference also featured two breakout sessions on the leadership required for mental health in the workplace, and on best practices to support health and safety mentors.

The Nova Scotia Health and Safety Leadership Charter was signed last October by the CEOs of 30 companies, including the WCB. By September 2016, the charter had more than 60 signatories. A key part of this commitment is that the signatories meet once a year.

Consultations underway for health and community services action plan

The WCB is part of a team gathering input for an action plan for Nova Scotia's health and community services sectors, focusing on long-term care, home care, and community services. The health and community services action plan is an important part of the Workplace Safety Strategy. The first round of consultation sessions with front-line employees and managers in long term care and home care were held in each of the province's four regions in November and December.

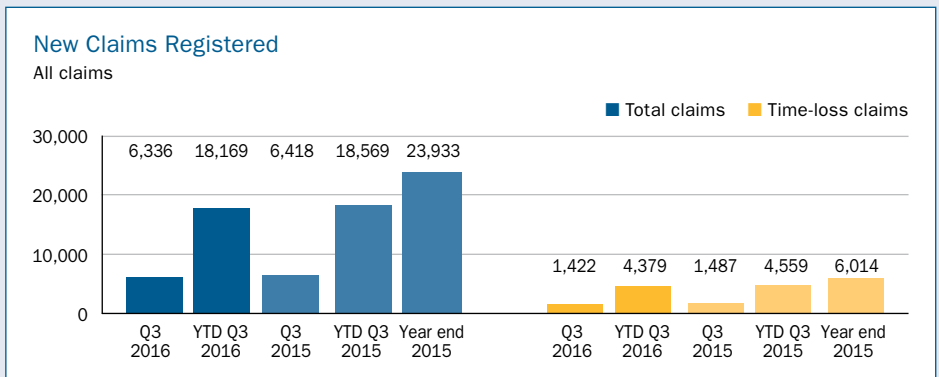
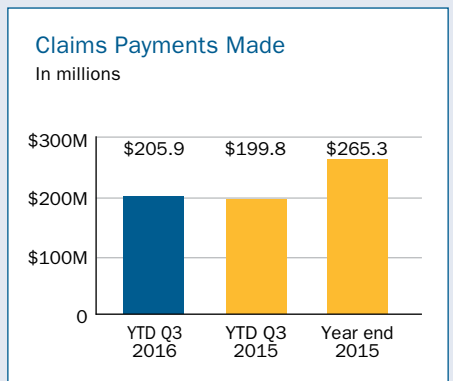
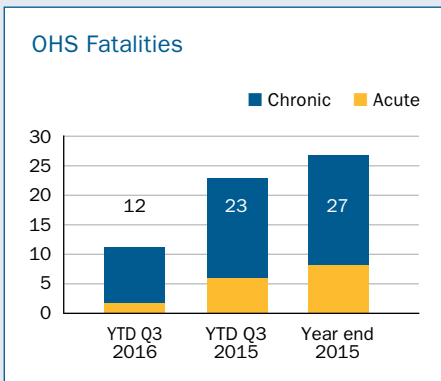
Workers in the health and community services sectors are more likely to be injured on the job than any other. The two sectors represent 20 per cent of the total payroll. However, last year there were 1,680 time-loss injuries, accounting for almost 30 per cent of WCB time-loss claims. We want to keep our workers healthy, safe, and on the job.

The action plan is being developed through a partnership of AWARE-NS, government, the Nova Scotia Health Authority, the IWK Health Centre, and WCB Nova Scotia.

Statement of Financial Position

as at:

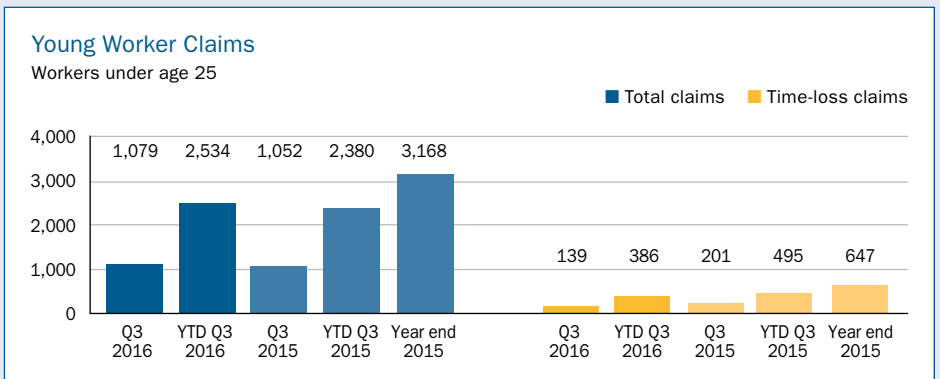
	September 30 2016 (Unaudited) (\$000s)	September 30 2015 (Unaudited) (\$000s)	December 31 2015 (audited) (\$000s)
Assets			
Cash & cash equivalents	\$ 259	\$ 3,748	\$ 1,805
Receivables	22,718	18,197	28,190
Investments	1,636,742	1,496,495	1,546,039
Property and equipment	3,910	4,208	4,307
Intangible assets	1,039	786	1,184
	\$ 1,664,668	\$ 1,523,434	\$ 1,581,525
Liabilities and Unfunded Liability			
Payables and accruals	\$ 36,011	\$ 32,062	\$ 37,443
Lease liabilities	37	106	83
Post employment benefits	28,112	29,847	26,804
Benefits liabilities	1,933,944	1,922,219	1,899,061
	1,998,104	1,984,234	1,963,391
Deferred revenue	6,100	8,817	-
Unfunded liability	(339,536)	(469,617)	(381,866)
	\$ 1,664,668	\$ 1,523,434	\$ 1,581,525



Statement of Operations

for the nine months ended September 30 (unaudited)

	Third Quarter 2016 (\$000s)	Third Quarter 2015 (\$000s)	YTD Sept. 30 2016 (\$000s)	YTD Sept. 30 2015 (\$000s)
Revenue				
Assessments	\$ 85,261	\$ 75,888	\$ 237,866	\$ 223,020
Investment income	60,455	(56,595)	91,006	19,925
	145,716	19,293	328,872	242,945
Expenses				
Claims costs incurred				
Short-term disability	10,636	10,648	31,294	31,262
Long-term disability	25,839	25,169	77,090	76,399
Survivor benefits	1,142	1,948	3,255	4,120
Health care	15,046	14,080	45,434	42,415
Rehabilitation	211	267	646	756
	52,874	52,112	157,719	154,952
Growth in present value of benefits liabilities and actuarial adjustments and adjustment for latent occupational disease	25,026	11,059	75,076	55,656
Administration costs	14,274	11,764	41,349	35,617
System support	222	211	706	658
Legislated obligations	3,810	3,769	11,692	11,242
	96,206	78,915	286,542	258,125
Excess of revenues over expenses (expenses over revenues) applied to reduce (increase) the unfunded liability	\$ 49,510	\$ (59,622)	\$ 42,330	\$ (15,180)

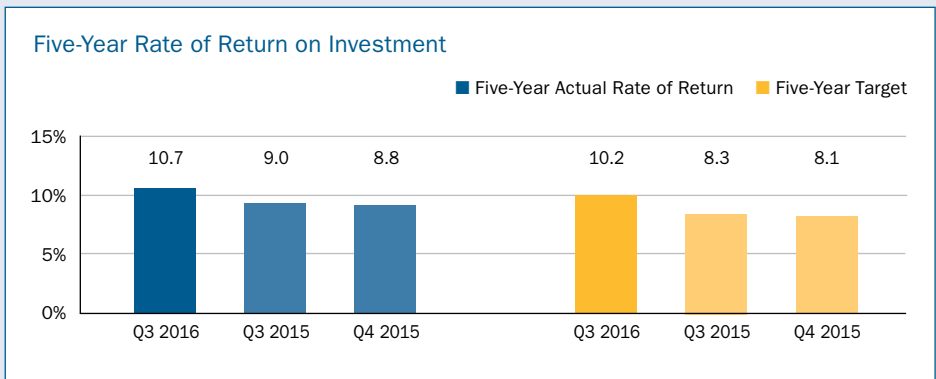
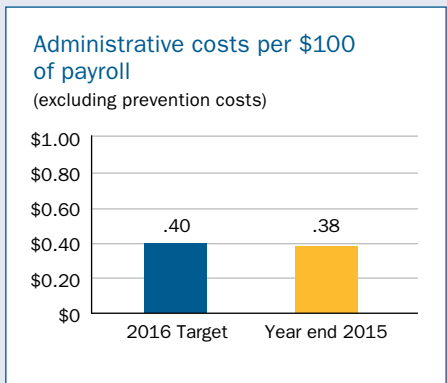
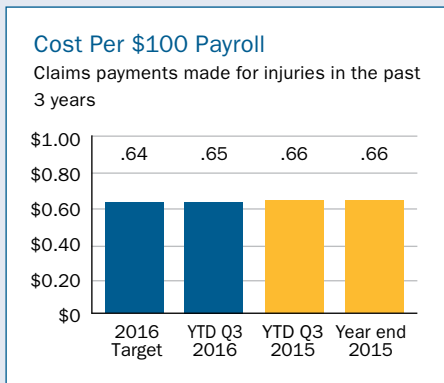


Statement of Changes in Unfunded Liability

for the nine months ended September 30 (unaudited)

	Third Quarter 2016 (\$000s)	Third Quarter 2015 (\$000s)	YTD Sept. 30 2016 (\$000s)	YTD Sept. 30 2015 (\$000s)
Unfunded liability excluding accumulated other comprehensive income				
Balance, beginning of period	\$ (389,046)	\$ (409,995)	\$ (376,017)	\$ (444,927)
Excess of revenues over expenses (expenses over revenues)	49,510	(59,622)	42,330	(15,180)
	<u>(339,536)</u>	<u>(469,617)</u>	<u>(333,687)</u>	<u>(460,107)</u>
Accumulated other comprehensive income				
No change in balance during period	-	-	(5,849)	(9,510)
Unfunded liability end of period	<u>\$ (339,536)</u>	<u>\$ (469,617)</u>	<u>\$ (339,536)</u>	<u>\$ (469,617)</u>

Financial

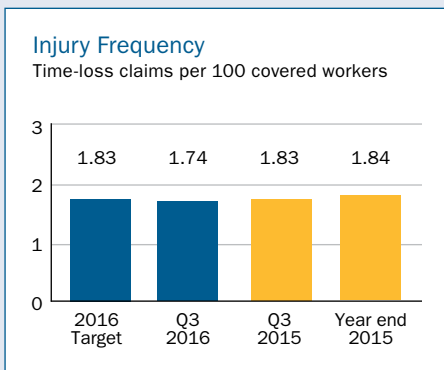


Statement of Cash Flows

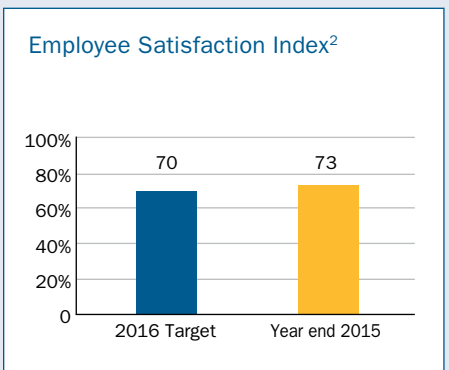
for the nine months ended September 30 (unaudited)

	Sept. 30 2016 (\$000s)	Sept. 30 2015 (\$000s)
Operating Activities		
Cash received from:		
Employers, for assessments	\$ 246,221	\$ 237,236
Investment (loss) income	(12,850)	237,590
	233,371	474,826
Cash paid to:		
Claimants or third parties on their behalf	(193,006)	(187,400)
Suppliers, for administrative and other goods and services	(54,655)	(49,478)
	(247,661)	(236,878)
Net cash (used by) provided by operating activities	(14,290)	237,948
Investing Activities		
Increase (decrease) in investments	13,155	(237,410)
Cash paid for:		
Purchase of equipment	(411)	(594)
Net cash provided by (used in) investing activities	12,744	(238,004)
Financing Activities		
Change in bank indebtedness	-	-
Net cash provided by financing activities	-	-
Net (decrease) in cash and cash equivalents	(1,546)	(56)
Cash and cash equivalents, beginning of year	1,805	3,804
Cash and cash equivalents, end of period	\$ 259	\$ 3,748

Prevention



Employee

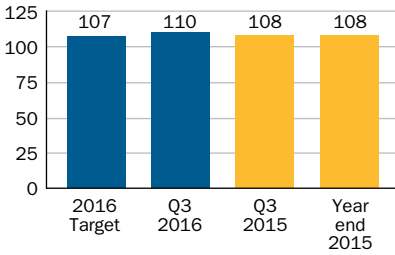


² Annual Index

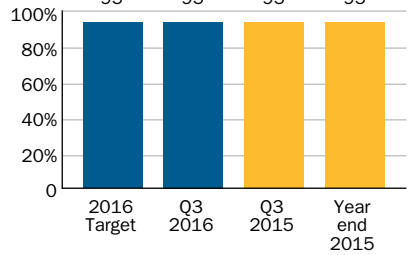
Return to Work

Duration Index

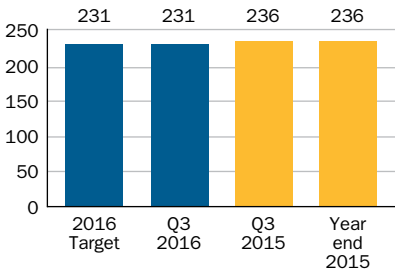
Composite, in days



Return to Employability

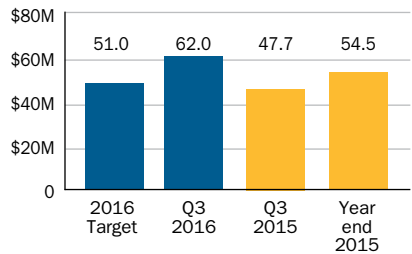


Time Loss Days Paid per 100 Covered Employees



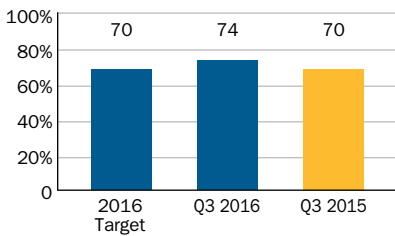
Cost of New Extended Earnings Replacement Benefits (EERBs)

In millions

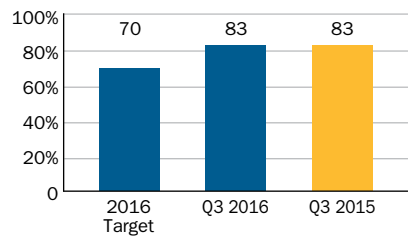


Service

Worker Satisfaction Index¹



Employer Satisfaction Index



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



Shelley Rowan, WCB VP of Prevention and Service Delivery, speaking to safety champions in warehouse and materials management at the Warehouse Symposium

Warehouse Symposium

More than 40 industry safety champions in warehouse and materials management met in October to share their experiences in creating safer workplaces.

The second annual Warehouse Symposium, organized by WCB Nova Scotia, challenged attendees to share how they've strengthened their companies' safety practices over the past year.

The Symposium was held in the warehouse of Halifax startup company, Micco Warehousing, who co-hosted the event. Other participating companies include the NSLC, Kent Building Supplies, and Raymond Johnson Equipment.

WCB Vice President of Prevention and Service Delivery, Shelley Rowan, said the conference and its participants are taking safety awareness to the next level.

"More and more people are realizing that work should only be done if it can be done safely," said Rowan. "Nova Scotia needs leaders who set the tone for workplace safety, and who begin the type of conversations that create safe work environments."

Small and Medium-Sized Business Workplace Safety Workshop

The fourth annual Workplace Safety Workshop for small and medium businesses was held in Halifax in November to continue efforts to improve workplace safety.

The event, organized by WCB Nova Scotia and the Department of Labour and Advanced Education, covered topics such as fishing safety, the small business safety toolkit, safety mentoring, and education and training in health and community services.

Speakers at the event included the Honourable Kelly Regan, Minister of Labour and Advanced Education, Rodney Bugar, Chair of the Board of Directors for the WCB, and Stuart MacLean, WCB CEO. MacLean commended the 40 participants for their commitment to the vision of the Workplace Safety Strategy – to make Nova Scotia the safest place to work in Canada – and for making a difference through their leadership.

The number of workplace injuries in Nova Scotia is going down. Since 2010, all registered claims in small-medium enterprises covered by the WCB have dropped 13 per cent. Of those, time-loss injuries have dropped by 18 per cent.

"We need to continue preventing injuries, and to build safety cultures in industries where they don't exist today," MacLean said.

Consultations underway on pre-existing medical conditions

The WCB is gathering feedback as it develops a new policy for workers with pre-existing medical conditions.

The first stage of the consultation engaged a working group made up of key stakeholders, including injured workers, and labour and employer groups. For the second phase, we invited feedback on our background paper and the draft policy. The proposed policy will provide clarity and consistency in claims involving pre-existing conditions.

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