

Operational Plan

Continuing our business transformation
Modernizing WCB Nova Scotia to better serve our province



DEFINING A NEW WCB NOVA SCOTIA

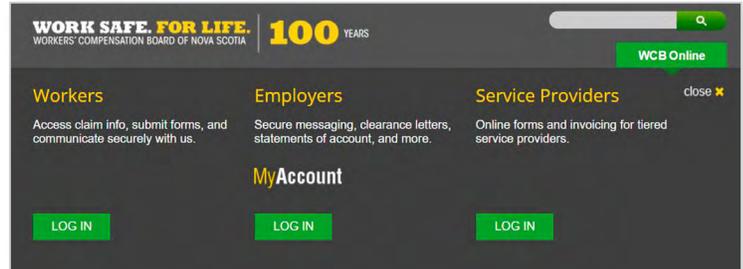
In 2018, WCB Nova Scotia marks the midpoint of our 2016-2020 Strategic Plan, and the fourth year of our business transformation – a multi-year journey to become a renewed WCB that does business the way the rest of the world expects us to.

In recent years, we have updated our phone system, so workers and employers can access basic information by phone, when it works for them. We've added direct deposit, so workers aren't dependent on the traditional mail system to receive their benefits. And we've added online registration, so busy Nova Scotia employers can register with a bit less red tape and paperwork, on their own schedule. And in 2017, we launched online channels, providing workers, employers and service providers the ability to work with us securely and electronically.

In 2018, we begin the bulk of the technology side of our change. We will migrate our operations away from legacy, custom-built systems, to the world-class, cloud-based insurance software known as Guidewire that powers many of the world's leading insurers. The changes will mean better data, less time chasing paper, and streamlined claims processes. It will also mean continued change in the way we work, and the continued support of our people through change.

While it's true that technology is a big part of our how we're changing, the people side of our change is even more significant. We're fundamentally changing the way we work, not just the tools we use, and it will impact the work of every employee. Our people are embracing the change – because they know it will make their work more efficient, and improve outcomes for our customers. But, at the same time, they know the changes will mean a smaller WCB in the future, and they are conscious of its impact on their own working life, and that of their colleagues. Supporting our employees and their leaders through this change will continue to underline our work in 2018.

Although there has been incredible progress in recent years, 2018 must be marked by focused effort to continue reducing the human and economic impact of workplace injury. Claim durations are high, and we must continue to do all we can to support better return-to-work outcomes. Better processes and improved systems will contribute significantly to reduction of both claims and administrative costs. We will also invest in programs to better manage claims where psychological factors become barriers to physical recovery.



What does financial sustainability look like?

At the end of 2016, WCB Nova Scotia's funded ratio was 84.1 per cent – considerable progress from less than 30 per cent in the early 1990s.

As we approach the elimination of the unfunded liability, targeted for approximately 2022, we will begin to engage stakeholders in conversations about what “financial sustainability” for the WCB means.

The funding ratio in many jurisdictions in Canada is more than 100 per cent.

Cover: Val Dann (r), recovering from a workplace injury, tests the new WCB Online digital service channel for workers. Supporting her in the test are WCB employees Margaret MacKenzie (l) and Liana Evans.



WCB Nova Scotia is working with its partners to develop the Workplace Safety Action Plan for Nova Scotia's Health and Community Services Sectors. These sectors, especially long-term care and home care, have the highest rate of workplace injury. At a symposium in June, leaders from AWARE-NS, government, labour, and employers came together in support of a safer tomorrow in these sectors. Pictured participating in a breakout session at the symposium are Lindsay Fenton, Health and Safety Specialist at Shannex Incorporated, and Zahra Take, MHA Resident at the IWK Health Centre.

While the injury rate overall has seen incredible progress and remains low, the long-term care and home care industries are facing levels of time-loss injury unprecedented in the last decade. Home care has an injury rate of 9.13 time-loss injuries per 100 covered workers. The last time any other industry had an injury rate that high was in 2005. In 2018, we will support the finalization and implementation of a strategy for a safer health and community services sector. It's one of the final deliverables from the Workplace Safety Strategy, and this year, we will also work with stakeholders to determine where the next opportunities are in workplace safety.

Overall, as we navigate the midst of unprecedented change, 2018 marks a year of focus on our core business. We are striving toward a vision of a province safe and secure from workplace injury, as we make the changes we need to not only help us get there, but to ensure long-term sustainable progress into the future.



The What Matters Most campaign extends into 2018, with a workplace focused promotion that captures the "Other Jobs" we all hold outside of work. The campaign reminds Nova Scotians that what matters most to them outside the workday is made possible by workplace safety.

2018 AT-A-GLANCE

Our core business

In 2018, we will continue working to prevent workplace injury, helping workers return to the job, and supporting workers and their families seeing the long-term impact of injury, occupational disease, and fatalities. The efforts associated with our business transformation mean we will need to manage the impacts of the change, and ensure we maintain that focus on prevention and safe, timely return to work, particularly in the health and community services sectors.

Our projects

- **Business Transformation**

- As noted, our **Core Systems Replacement** project will define most of our change agenda in 2018. It is the biggest and most complex change undertaken in the overall transformation, and we've been laying the foundation for this change for the past several years. There will continue to be a focus on talent and change management, integration with current systems, and other support work.
- We will monitor closely the implementation of **Online Channels**, to ensure *WCB Online* is delivering the service improvements and business benefits expected and required.

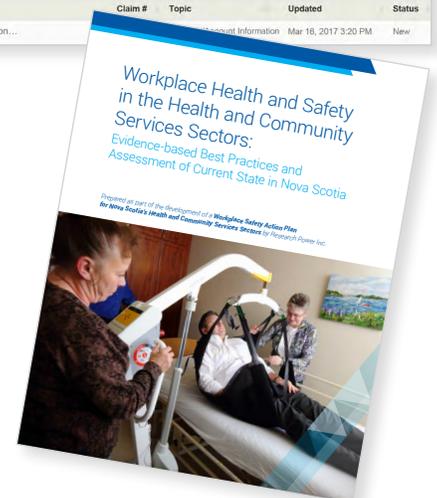


- **Workplace Safety Strategy**

- The Workplace Safety Action Plan for Nova Scotia's Health and Community Service Sectors, expected to be complete in 2017, will take some time to transition into reality. In 2018, we've allocated resources to help coordinate and guide the plan's implementation.

- **Support to workers experiencing complex claims**

- Sometimes, the toll workplace injury takes is more than physical. Some workers face psychological impacts of workplace injury as they recover, and they can affect the overall way a claim proceeds. We need to improve at supporting workers in this type of situation toward a positive outcome. We are exploring these improvements in 2017, and will implement these practice changes in 2018.



CONCLUSION

2018 is a year of continued momentum and investment toward our vision of a Nova Scotia safe and secure from workplace injury.

As we continue supporting workers and employers in reducing the impact of workplace injury, we will also make significant investments – financial, human and operational – to replace the core systems that collect, manage, and process data. It is significant change to meet the needs of those we serve as well as other long-term corporate performance improvements while mitigating the risk of aging legacy systems.

At the same time, we will improve the way we manage complex claims, and support industry leaders and stakeholders as, together, we work to improve workplace safety outcomes in the health and social services sectors.

Overall, at the mid-point of our Strategic Plan, we are an organization with strong leadership and motivated people. We are continuing our momentum to reduce the impact of workplace injury for the Nova Scotians of today, while ensuring we make the changes we need to be there for the Nova Scotians of tomorrow.

OUR VISION

Nova Scotians – safe and secure from workplace injury.

OUR MISSION

We set the standard for workplace injury insurance. We inform and inspire Nova Scotians in the prevention of workplace injury, but if it occurs, we support those whose lives it touches by championing a timely return to safe and healthy work.

OUR GOALS

Working in collaboration with workers, employers and our partners, the WCB's goals are to:

- Build a **workplace safety culture**;
- Improve outcomes for **safe and timely return to work**;
- Be **financially stable and sustainable**;
- **Expand strategic relationships** to enhance the commitment to workplace health and safety and return to work across the province;
- Provide **excellent and efficient service**, leveraging technology to meet worker and employer expectations.

PROPOSED WCB 2018 BALANCED SCORECARD

QUADRANT	MEASURES	ACTUAL RESULTS					TARGETS		
		2012	2013	2014	2015	2016	2017	2018	2022
Service	Worker Satisfaction Index ¹	73%	73%	75%	72%	74%	70%	70%	70%
	Employer Satisfaction Index	77%	79%	79%	81%	79%	70%	70%	70%
Operations	Time Loss Injuries per 100 Covered Workers	1.96	1.86	1.82	1.84	1.74	1.72	1.60 - 1.80	1.56
	Return to Employability	96%	96%	96%	95%	95%	95.4%	94.5% - 95.5%	95.5%
	Duration Index (composite, in days)	99	99	102	108	110	110	105 - 115	108
	Time Loss Days Paid per 100 Covered Employees	235	226	226	236	232	229	210 - 240	202
	Cost of New EERBs (\$M)	\$52.9	\$53.1	\$46.8	\$54.5	\$59.2	\$59.6	\$55.0 - \$65.0	\$63.9
Employee	Employee Satisfaction Index	74%	75%	73%	73%	71%	70%	70%	70%
Financial	Claims Payments for the last 3 years per \$100 of Assessable Payroll	\$0.704	\$0.653	\$0.656	\$0.657	\$0.664	\$0.673	\$0.6450 - \$0.6900	\$0.6336
	Administrative Costs per \$100 of Assessable Payroll (excluding prevention costs)	\$0.35	\$0.37	\$0.38	\$0.38	\$0.40	\$0.45	\$0.45 ²	\$0.37
	Return on Investment Five-Year Rate of Return	2.9%	9.8%	9.6%	8.8%	9.8%	Exceed Benchmark Portfolio Return		
Five-Year Benchmark Portfolio Return	2.8%	10.1%	9.1%	8.1%	9.3%				

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

2 The final number is dependent on project spending.