



Standing Committee on Crown Corporations Annual Report 2017

February 1, 2019



Who we are

WorkSafeNB is a crown corporation:

- reporting to the Minister of Post-secondary Education, Training and Labour
- committed to preventing workplace injuries and illnesses
- administering no-fault workplace accident insurance
- providing rehabilitation and return to work support following a workplace injury





Meredith Principles

Workers' compensation is founded on five principles that form the foundation for what is known as the 'historic compromise' between workers and employers.

- 1. No-fault compensation benefits**
- 2. Security of benefits**
- 3. Collective liability**
- 4. Independent administration**
- 5. Exclusive jurisdiction**





Fully funded by employers

Employer premiums cover costs related to:

- Occupational health and safety requirements
- Wage loss compensation
- Medical care and rehabilitation for injured workers
- WorkSafeNB administration costs
- Workers' Compensation Appeals Tribunal and worker and employer advocates

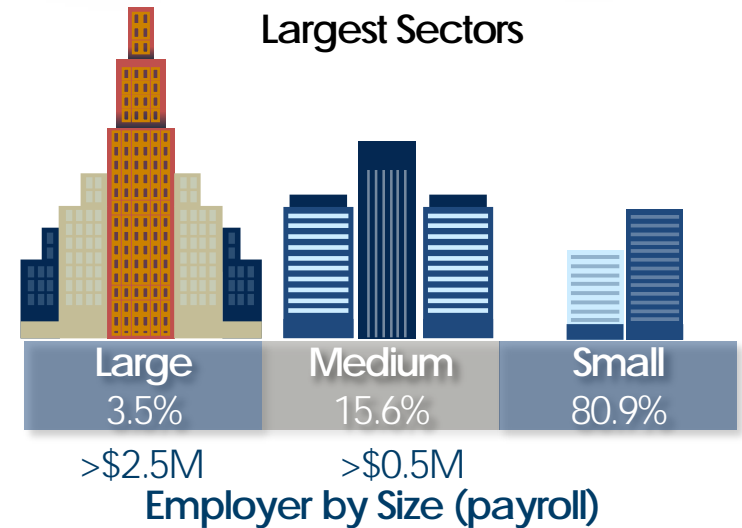
Who we serve

15,000 registered employers

- 30,000 workplaces
- ≈ 80% of employers have <10 employees
- ≈ 92% of employers have < 20 employees

300,000 workers

- ≈ 5,500 claims/yr where worker misses time from work due to workplace injury
- ≈ 5,600 claims/yr where medical treatment required for workplace injury but no time is missed from work due to workplace injury

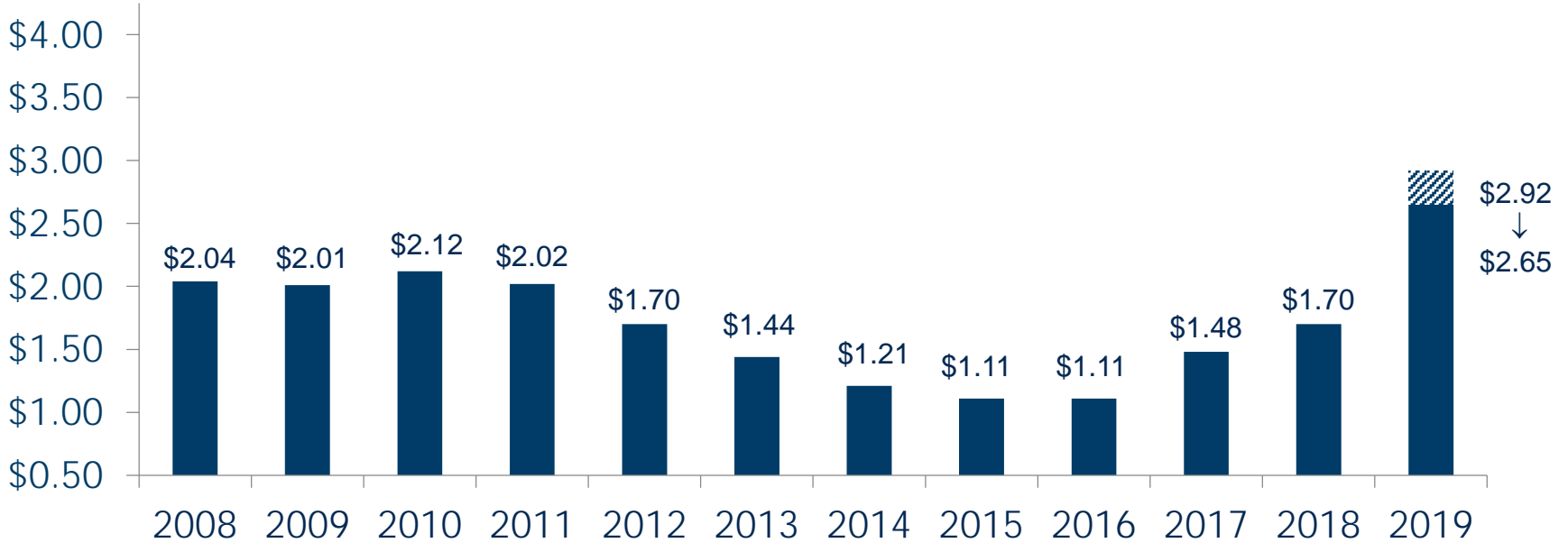




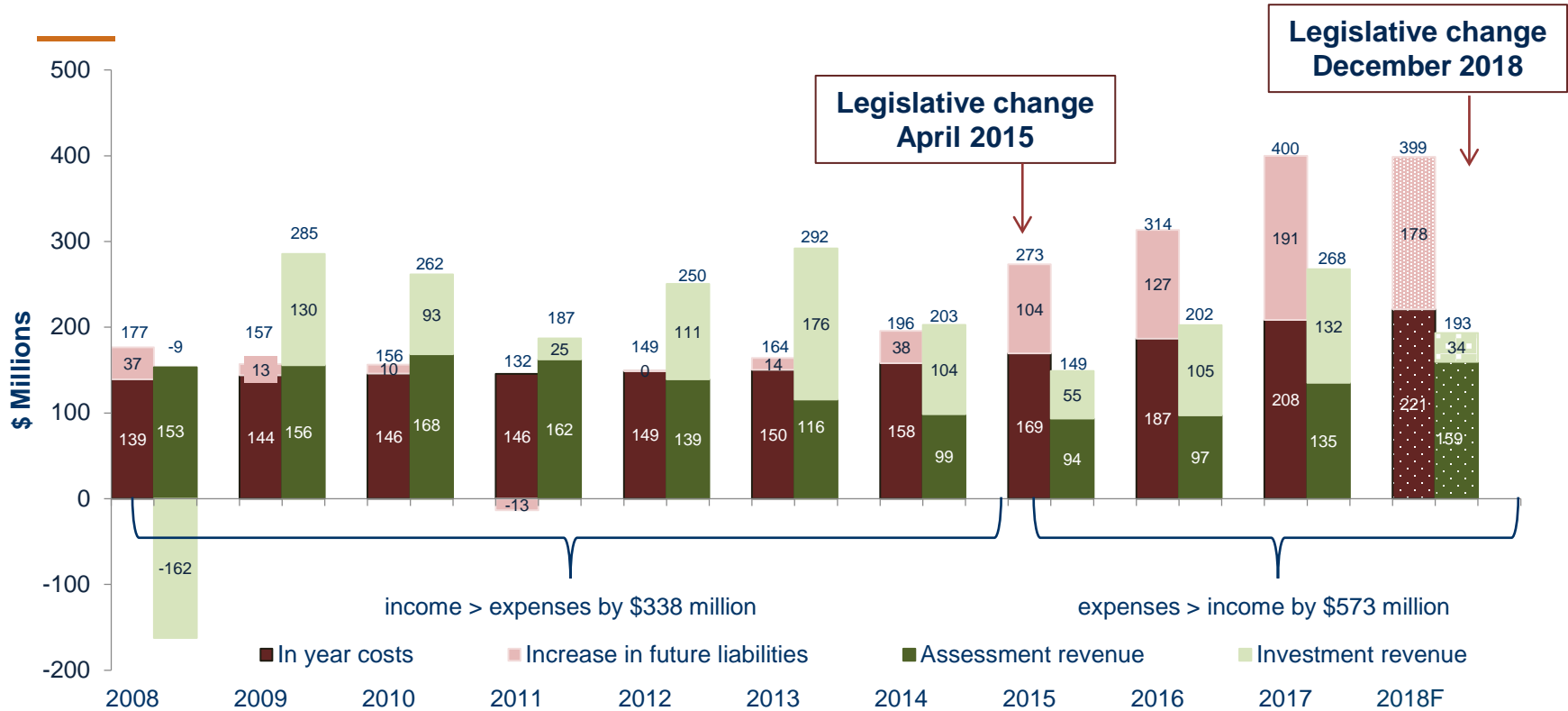
Applicable legislation

- *Workplace Health Safety Compensation Commission and Workers' Compensation Appeals Tribunal Act*
- *Workers' Compensation Act*
- *Occupational Health and Safety Act*
- *Silicosis Compensation Act*
- *Firefighters' Compensation Act*

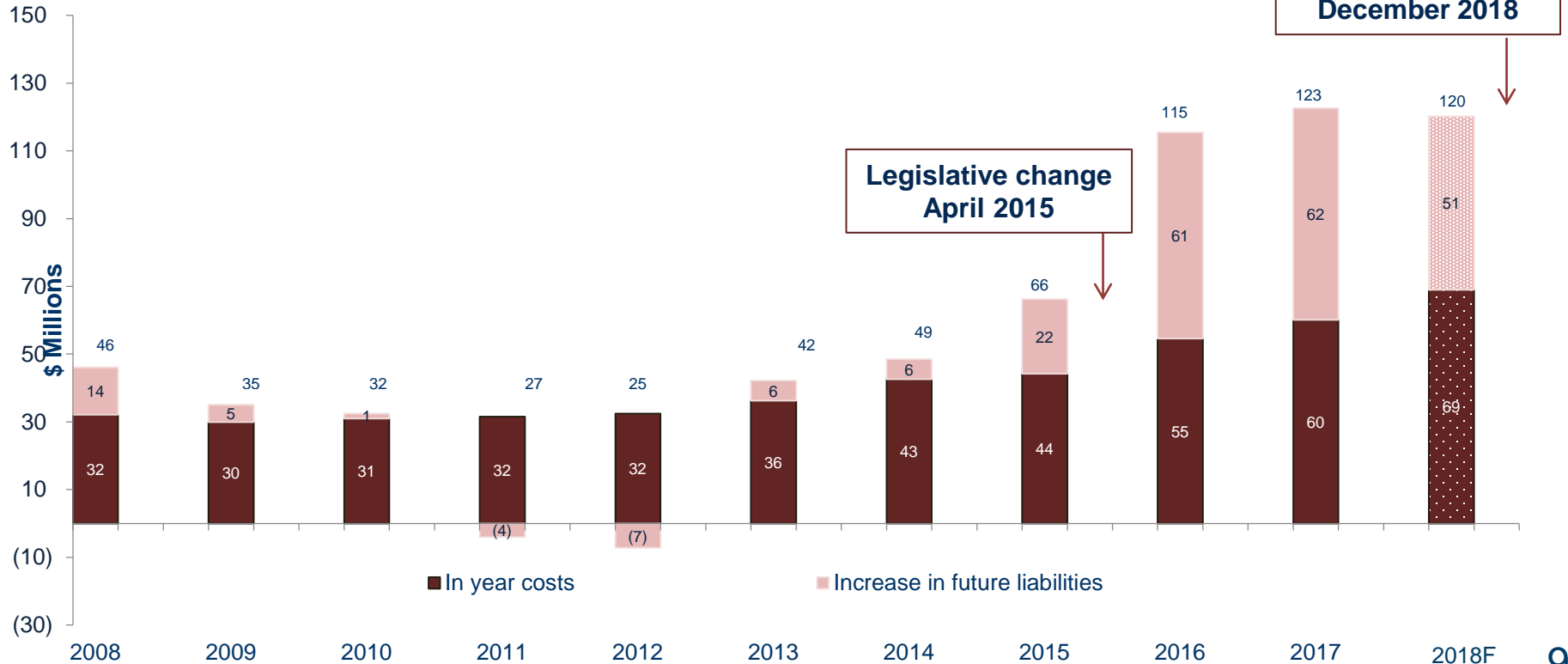
Assessment rate history



Benefit costs and revenue: assessed employers (mostly private sector)



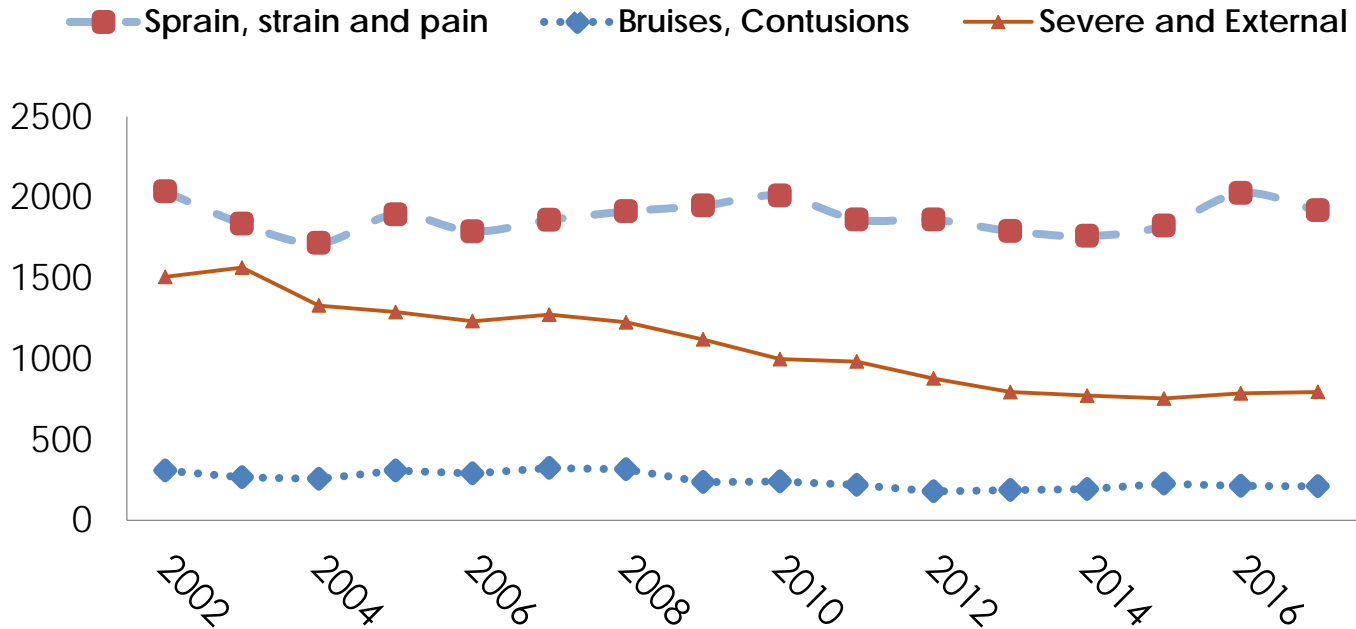
Benefit costs and revenue: self-Insured (mostly public sector)



Key financial metrics (\$ millions)

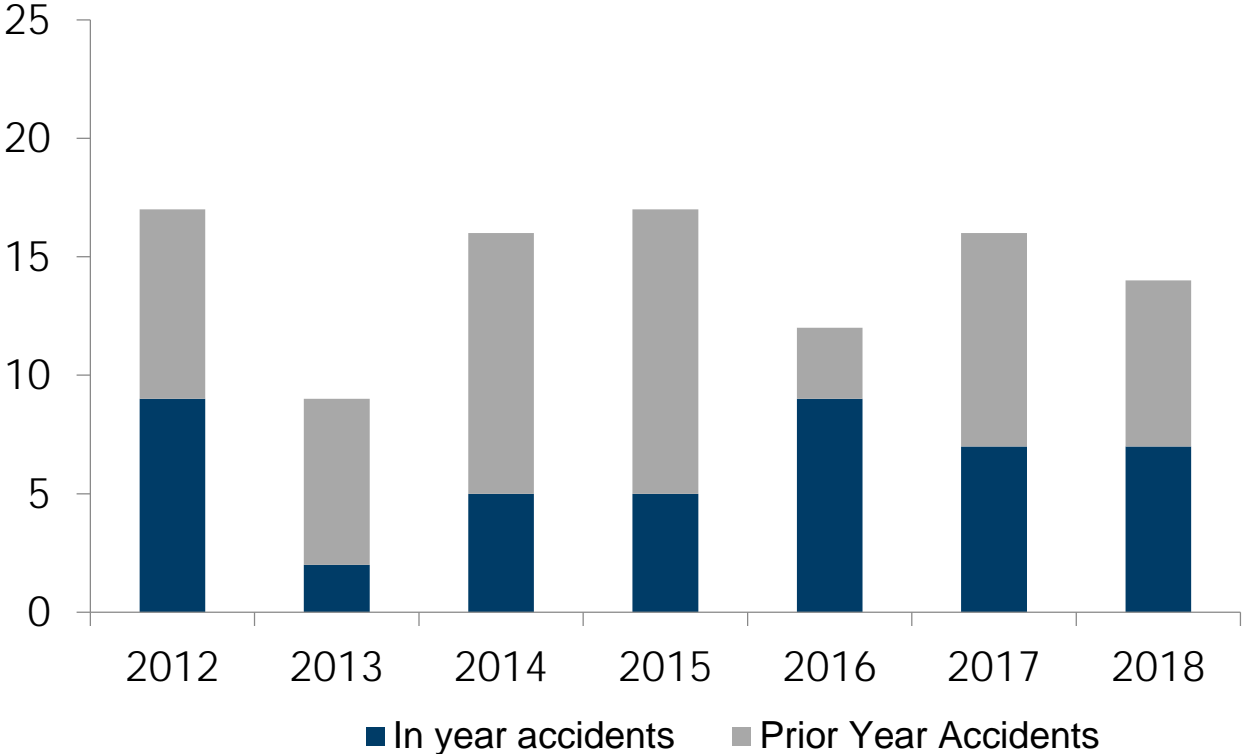
	2014	2015	2016	2017	2018 Forecast
Assets	\$1,521	\$1,520	\$1,594	\$1,709	\$1,728
Liabilities	\$1,108	\$1,234	\$1,422	\$1,671	\$1,898
Net Income	\$7	-\$126	-\$114	-\$134	-\$207 to -\$237
Funding Position	\$413	\$287	\$172	\$37	-\$170 to-\$200
Funding Level	137%	123%	112%	102%	88% - 91%

Lost-time claims by type of injury

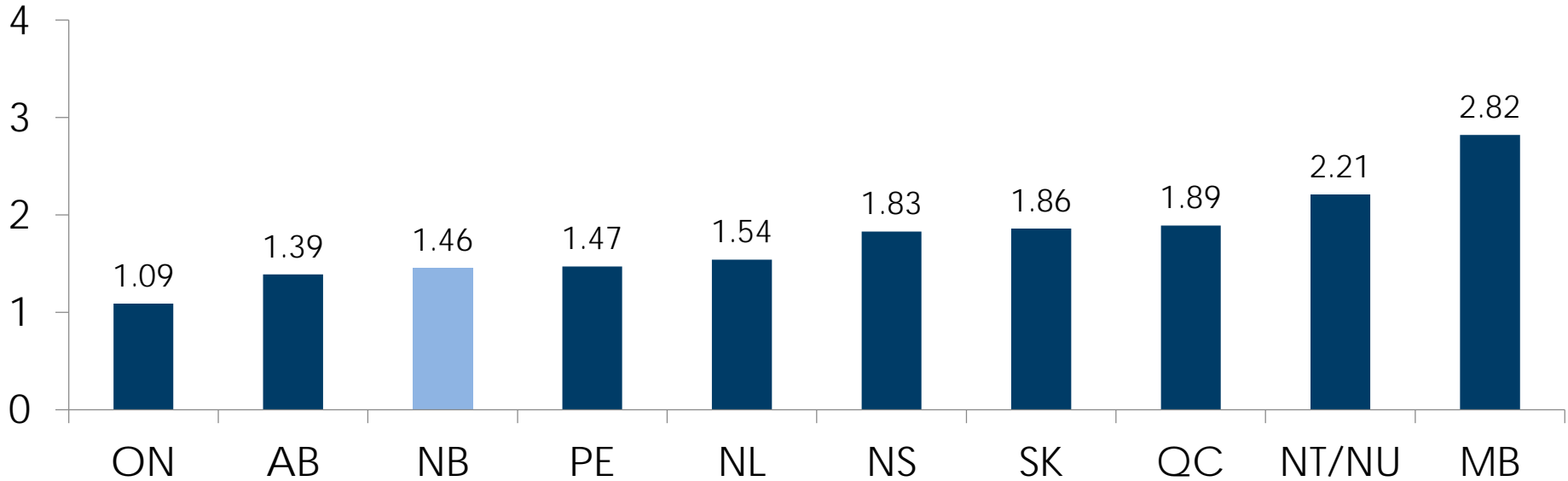




Workplace related fatalities

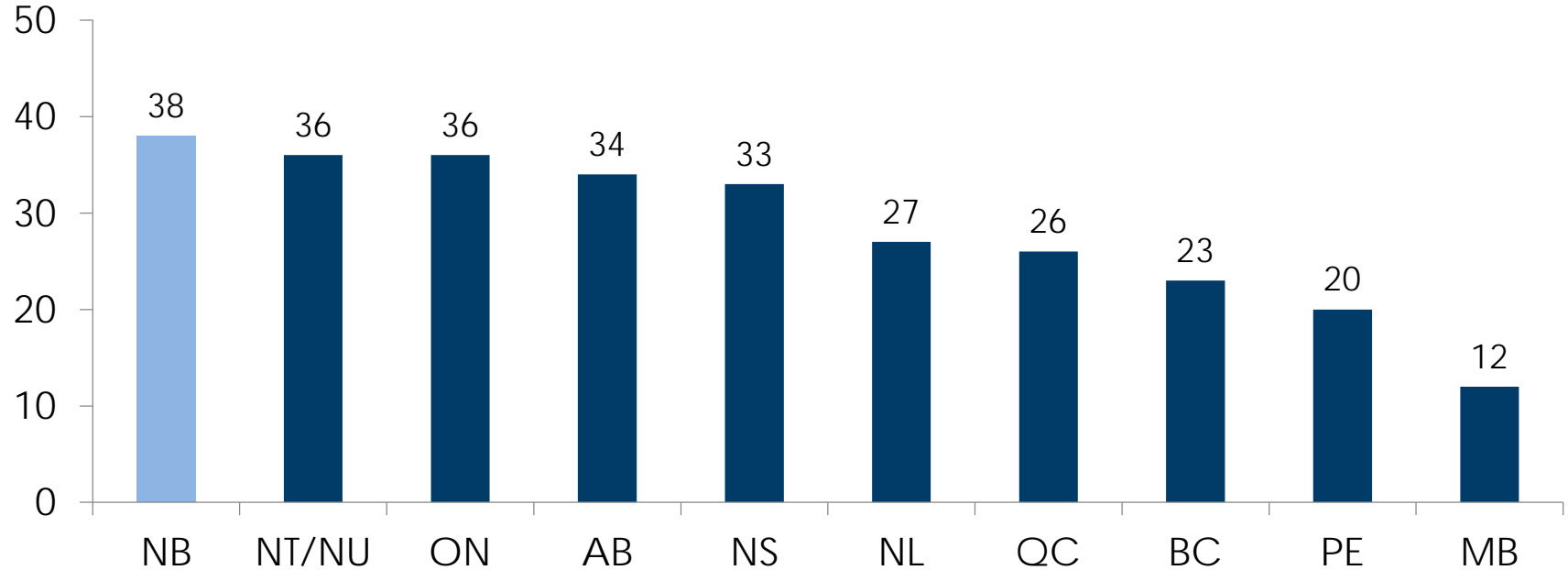


2017 Lost-time injury frequency per 100 workers



Source: Association of Workers' Compensation Boards of Canada Detailed Key Statistical Measures (KSM) Report - 2017

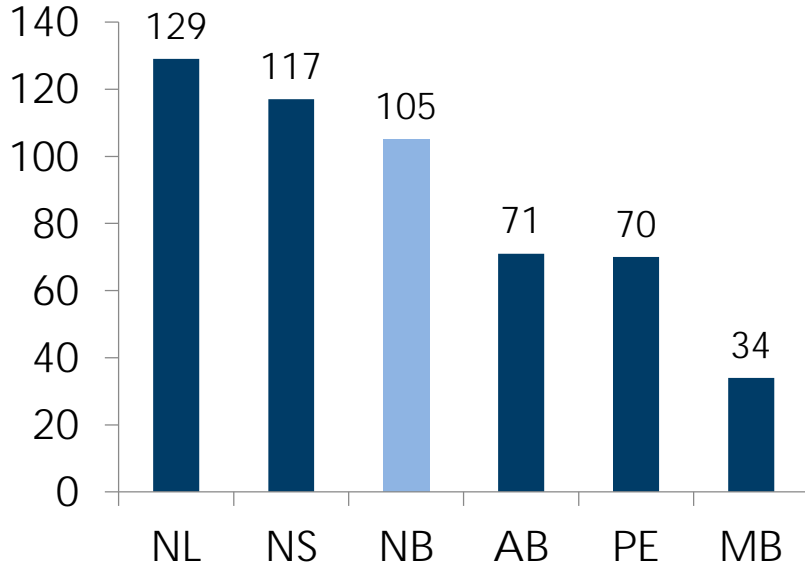
Average benefit cost per lost-time claim (\$ thousands)



Source: Association of Workers' Compensation Boards of Canada Detailed Key Statistical Measures (KSM) Report - 2017

Claim duration

Average duration of claim (days)



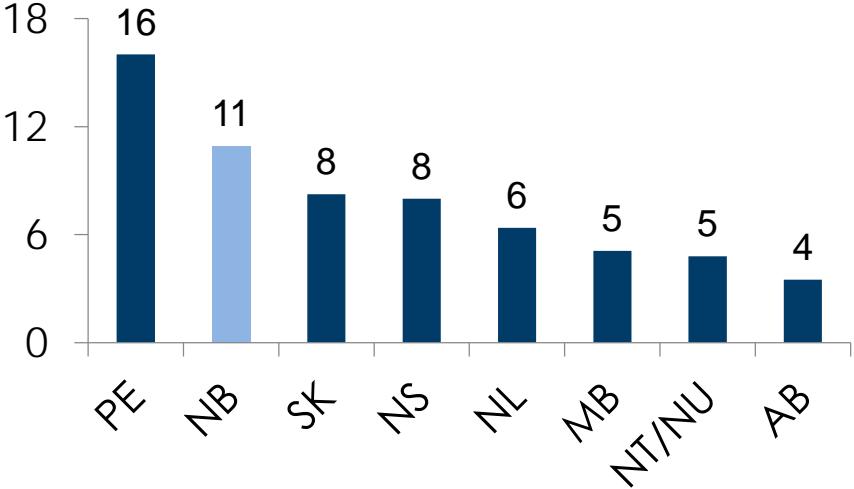
% of claims on wage loss benefits after two years



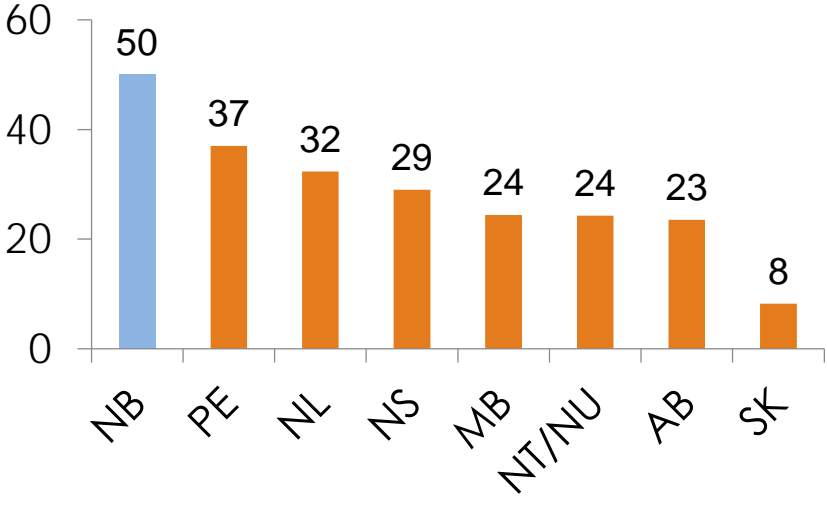


Time to act

Average days from workplace injury to registration of claim



Average days from injury to first payment



Source: Association of Workers' Compensation Boards of Canada Detailed Key Statistical Measures (KSM) Report - 2017

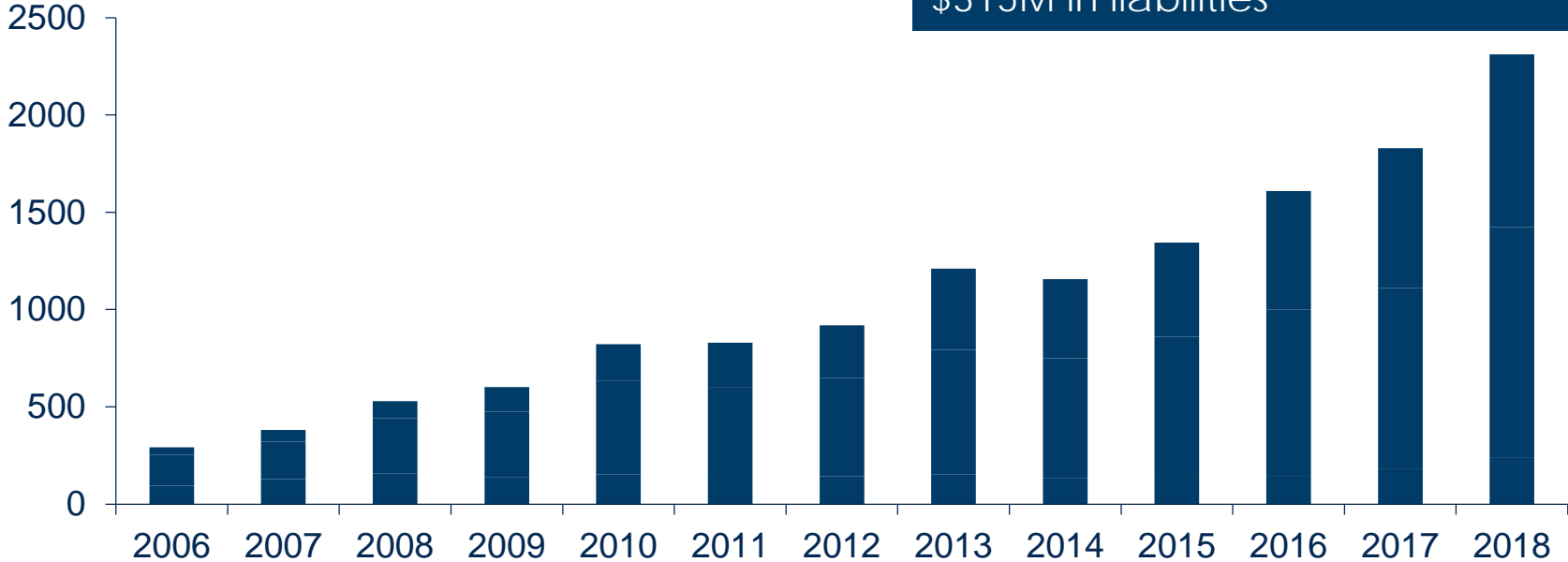


Other comparators by province

Province	2019 Rate	Mandatory RTW / Modified Duties Program	Incentive to Report Accidents on Time and Accurately	Maximum Insurable earnings
NB	\$2.65	No	No	\$64,800
ON	\$1.65	Yes - 2011	Yes Penalties of \$250 - \$1000	\$92,600
MB	\$0.95	Yes - 2007	Yes Fine of \$500 and published	\$127,000
AB	\$1.08	Yes - 2018	Yes Various	—



Hearing loss claims



\$12M in payments annually

\$315M in liabilities



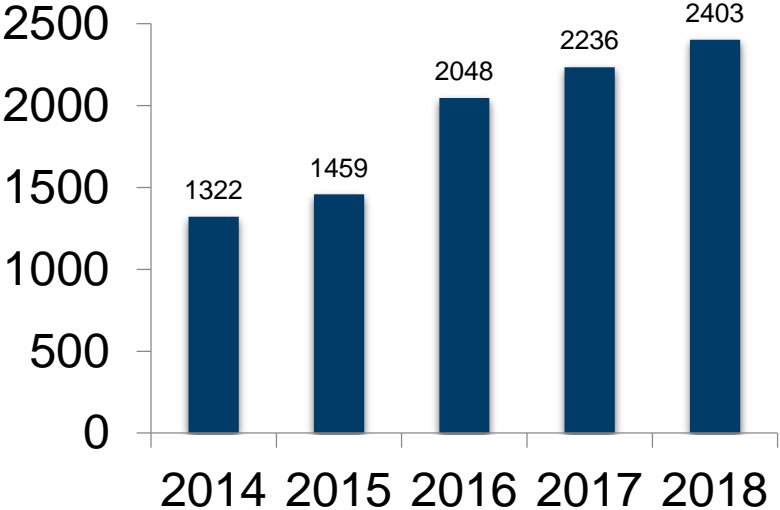
Administration and open claims

Administration costs

In 2017, administration costs increased by a total of \$4.4M

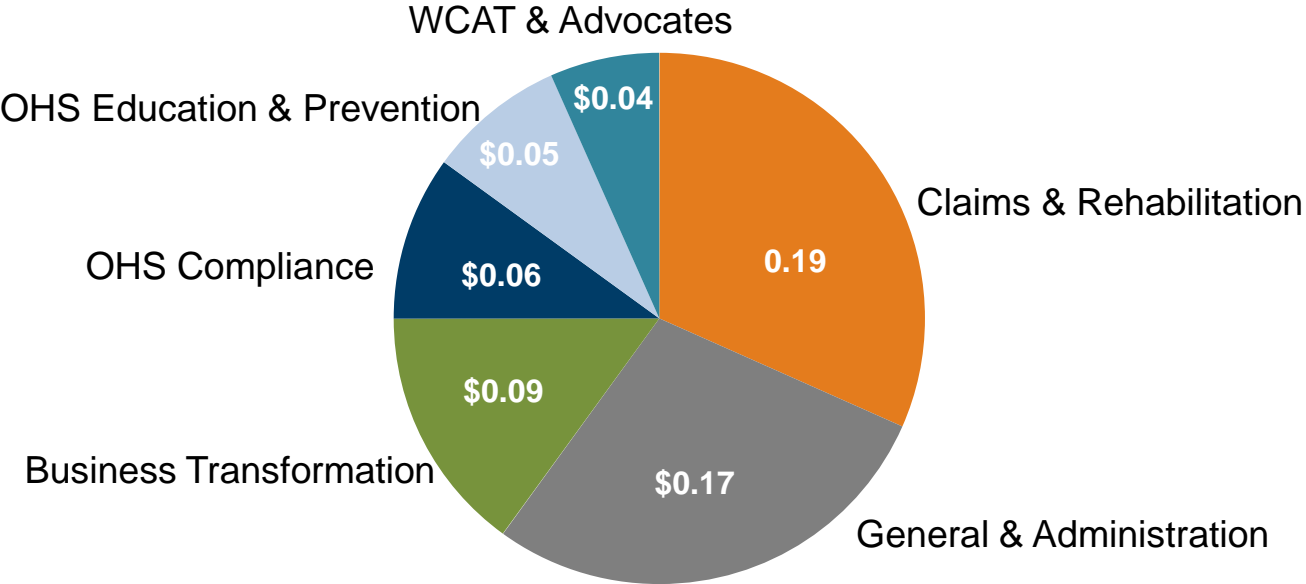
	2017
Increase in front-line staff	↑ \$3.5M
Building operations	↑ \$0.5M
WCAT & Advocates	↑ \$0.4M

Open claim count



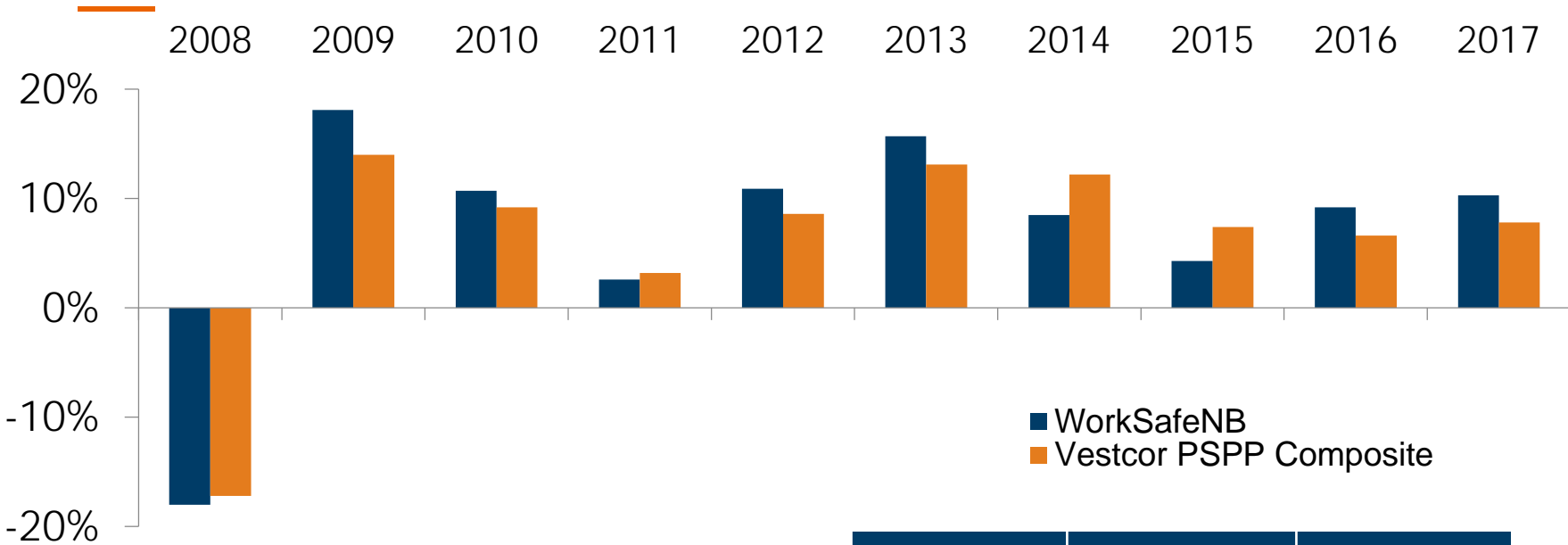


2019 Rate – administration costs





Investment returns

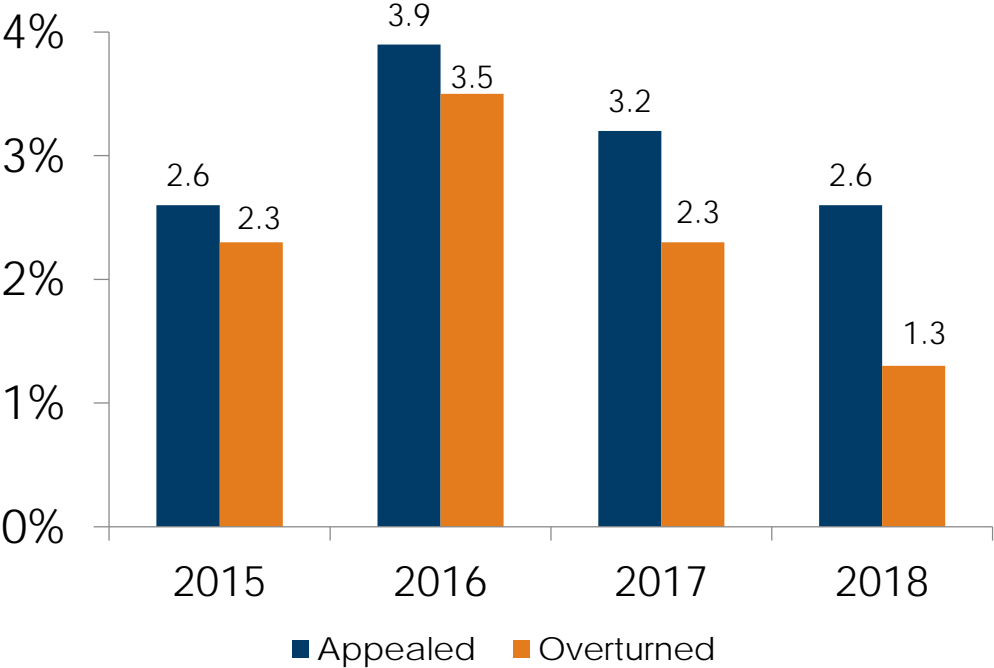


	5 year average	8 year average	10 year average
WorkSafeNB	9.6%	9.0%	7.2%
Vestcor*	9.4%	8.5%	6.5%
Long-term target			6.6%

Source: Vestcor NBPSPP Annual Report

Workers' Compensation Appeals Tribunal decision trends

	Claims Accepted	Appeals	Overturns	Overturn Rate
2015	9,749	255	226	89%
2016	10,467	413	368	89%
2017	11,168	355	257	72%
2018	11,205	293	143	49%



*There are multiple decisions on each accepted claim

Auditor General Audit – Governance

Phase 1, June 2018

Key findings

- Government diminished WorkSafeNB's independence and impacted operations
- WorkSafeNB strategic plan needs improvement
- Board practices require improvement
- Compensation and benefits not aligned with government expectation

Task Force recommendations

July 2018

Key recommendations

- Return policy deference to Board of Directors
- Occupational health and safety improvements
- Eliminate three-day unpaid waiting period
- Enhance rehabilitation and return to work practices
- Enhance governance

Auditor General audit – claims management

Phase 2, January 2019

Key findings

Overall, WorkSafeNB's claims management framework is reasonable and policies are consistent with best practices.

- Time sensitive treatments can be delayed
- Ineffective claims system lacks automation
- "Return to work" goal not embedded in WorkSafeNB processes

Legislative change

Task Force & AG Recommendations	Year
<i>Bill 2 – Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act, Workers' Compensation Act, Firefighters' Compensation Act</i>	December 2018
<i>Occupational Health and Safety Act, Workers' Compensation Act, Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act, Workers' Compensation Act, Firefighters' Compensation Act</i>	Spring 2019
Comprehensive Legislative Review	Year
<i>Workers' Compensation Act, Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act</i>	Fall 2019
<i>Workers' Compensation Act, Firefighters' Compensation Act, Blind Workers' Compensation Act, Silicosis Compensation Act</i>	2020 - 2021
<i>OHS Act</i>	2022 - 2023

WorkSafeNB transformation underway

What we are doing:

- ❑ Moving on recommendations
- ❑ People
- ❑ Technology
- ❑ Process Improvements
- ❑ Communications



New strategic plan: The four strategic pillars

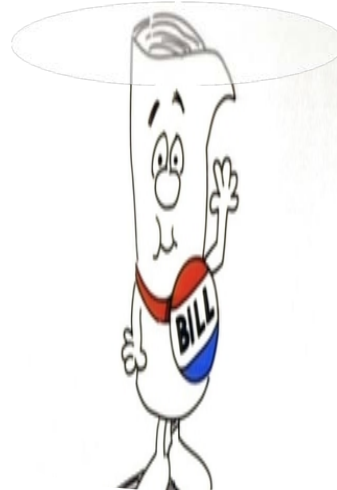
Keep people safe
at work



Improve our care
and support model
(RTW)



Full legislation,
regulation and
policy update



Modernize
technology





Focus areas

Cannabis and impairment

OHS App

Opioids





Thank you

Questions?