



WorkSafeNB Annual General Meeting

July 17, 2019

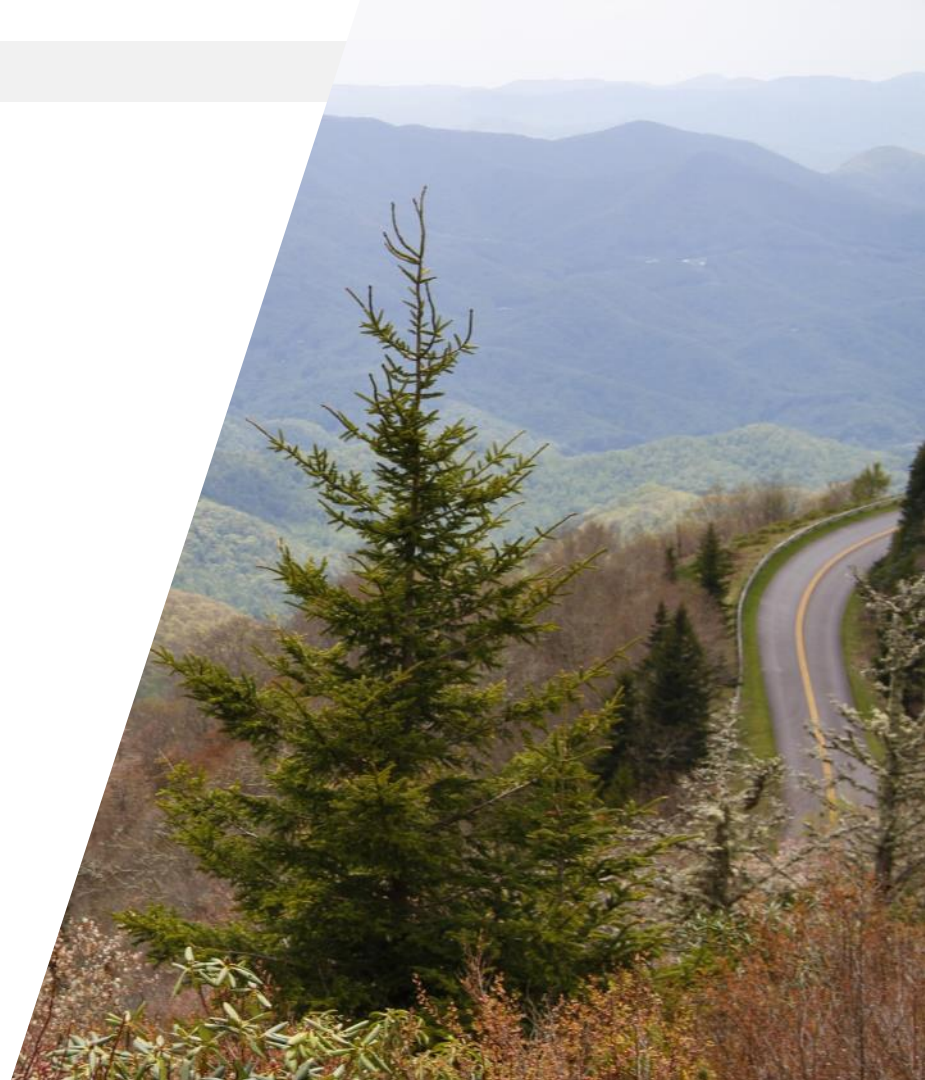


Poll on cost drivers

- What is the biggest driver of claims costs to worker's compensation systems across Canada?
 - A. Visits to emergency rooms, clinics, doctors, physiotherapists and other health professionals
 - B. Time away from work related to a workplace accident
 - C. Prescription drugs, hearing aids and other medical aids (crutches, wheelchairs, home & vehicle modifications)

Safety Share

Safety shares are an informal discussion or presentation that focus on various safety issues – because nobody wants to get hurt at work, right?



Agenda

- 01 2018 Year in Review
- 02 Enhancing Accident Prevention
- 03 Financials
- 04 2020 Assessment Rate Guidance
- 05 Building a leadership position in health and safety
- 06 Next Steps





New members on the Board of Directors



Mike MacMullin
Saint John



Mel Norton
Chairperson



Donna McNeill
Fredericton



New faces on our team

We added talent to our team to help us as we continue our business transformation.



Perry Cheeks
Chief Financial
Officer



Sonia Lanteigne
General Counsel



Susan Layton
Associate General
Counsel & Corporate
Secretary



Jeff Sheehan
Chief Information
Officer



Laragh Dooley
Director of
Communications

Who we serve



15,000

registered employers

- **30,000** workplaces
- \approx **80%** of employers have **<10 employees**
- \approx **92%** of employers have **< 20 employees**



320,000

workers

- \approx **5,900** claims per year where worker misses time from work due to workplace injury
- \approx **5,300** claims per year where medical treatment required for workplace injury but no time is missed from work due to workplace injury

Fully funded by employers

OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS



WAGE LOSS COMPENSATION

MEDICAL CARE AND REHABILITATION FOR INJURED WORKERS

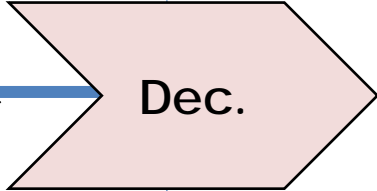
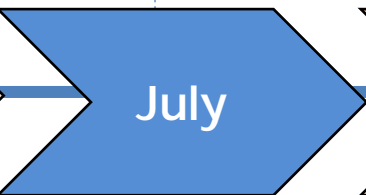
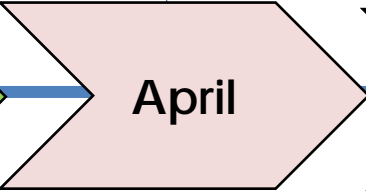
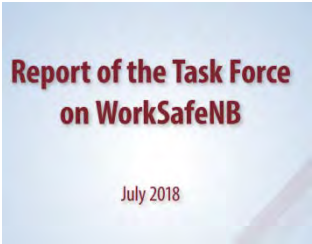


ADMINISTRATION COSTS

WORKERS' COMPENSATION APPEALS TRIBUNAL
WORKER & EMPLOYER ADVOCATES



2018 – A busy year preparing for change



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

Ministerial Task Force on WorkSafeNB

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.

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



New strategic plan – Four key pillars

**DRIVE A
SAFETY-FIRST
CULTURE**

**ACHIEVE
EFFECTIVE
RECOVERY**

**PROTECT
SYSTEM
SUSTAINABILITY**

**BUILD A
WORKPLACE
COMMITTED
TO SUPERIOR
SERVICE**



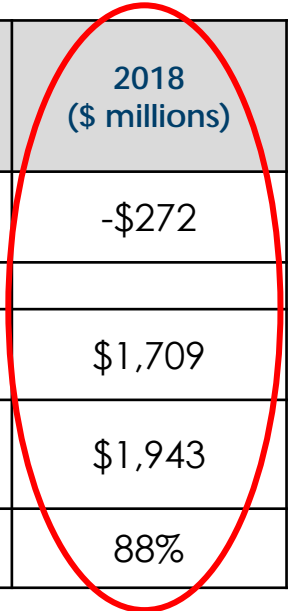


Financials

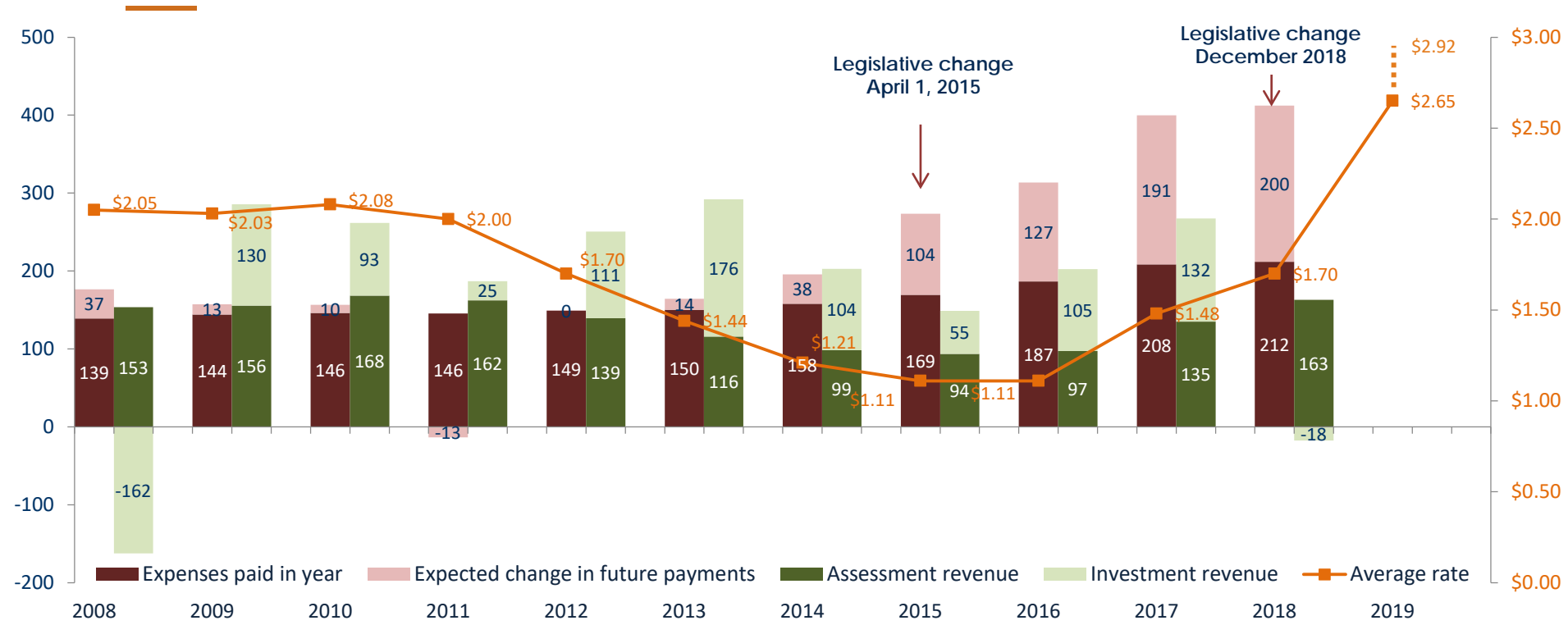


Financial Summary – Year End 2018

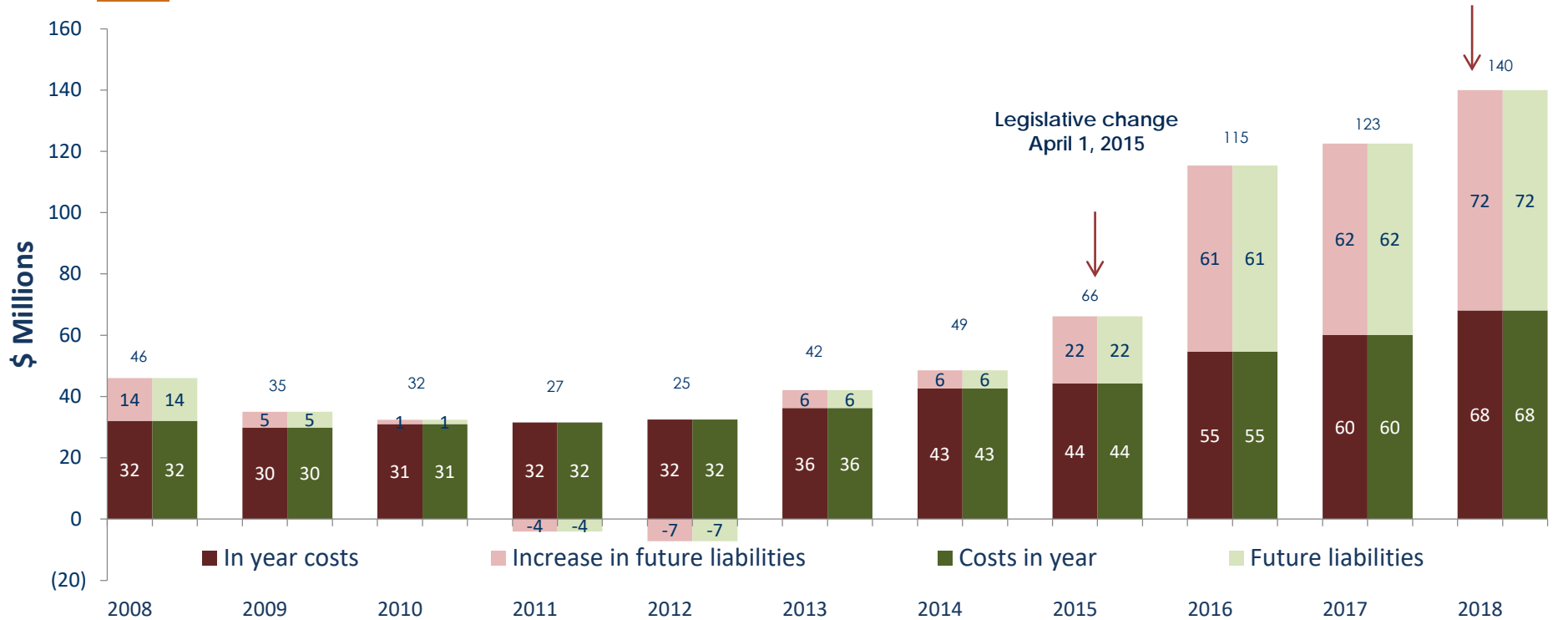
	2014 (\$ millions)	2015 (\$ millions)	2016 (\$ millions)	2017 (\$ millions)	2018 (\$ millions)
Net Income	\$7	-\$126	-\$114	-\$134	-\$272
Assets	\$1,521	\$1,520	\$1,594	\$1,709	\$1,709
Liabilities	\$1,108	\$1,234	\$1,422	\$1,671	\$1,943
Funding Level	137%	123%	112%	102%	88%



Benefit costs and revenue: assessed employers



Benefit costs and revenue: Self-insured employers





Legislative changes that impact cost drivers

Bill 2 – Dec 2018

- Return Exclusive Jurisdiction
- Elimination of unpaid 3-day wait period
- Clarification of work-related injuries only

Bill 27 – June 2019

- Canada Pension Plan Disability Benefit clarification

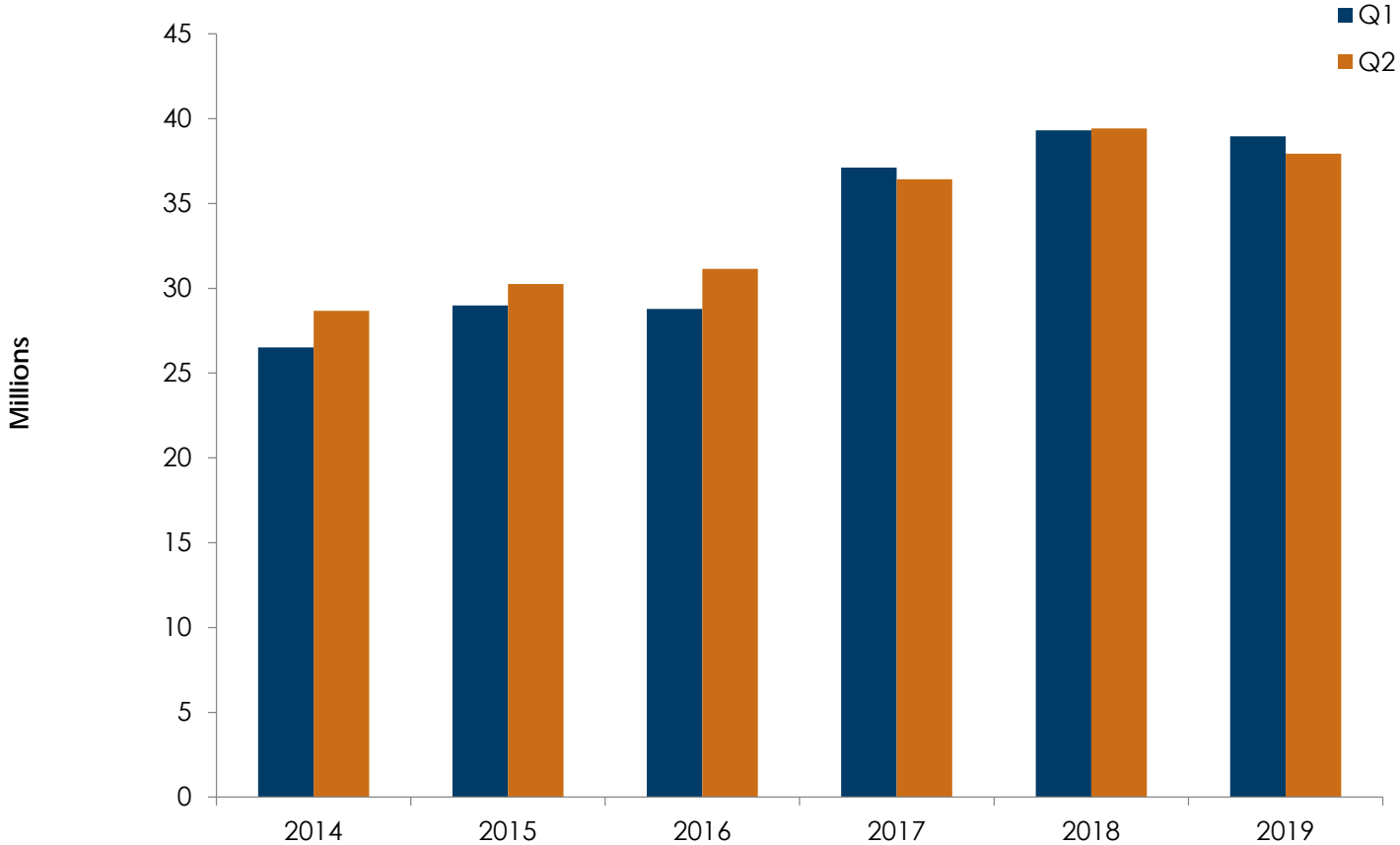


Financial Summary Q2 2019

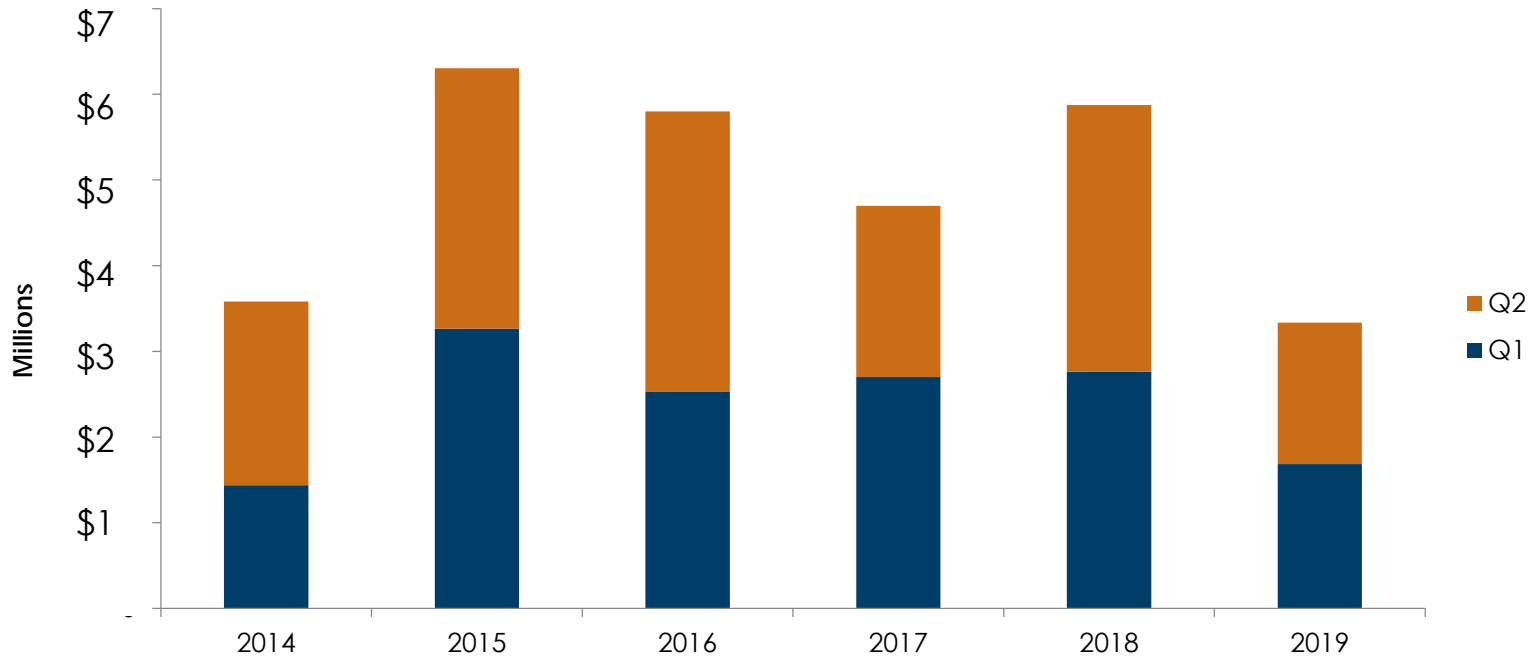
	2018 year end (\$ millions)	2019 Q2 (\$ millions)
Net Income	-\$272	\$128
Assets	\$1,709	\$1,897
Liabilities	\$1,943	\$2,004
Funding Level	88%	95%



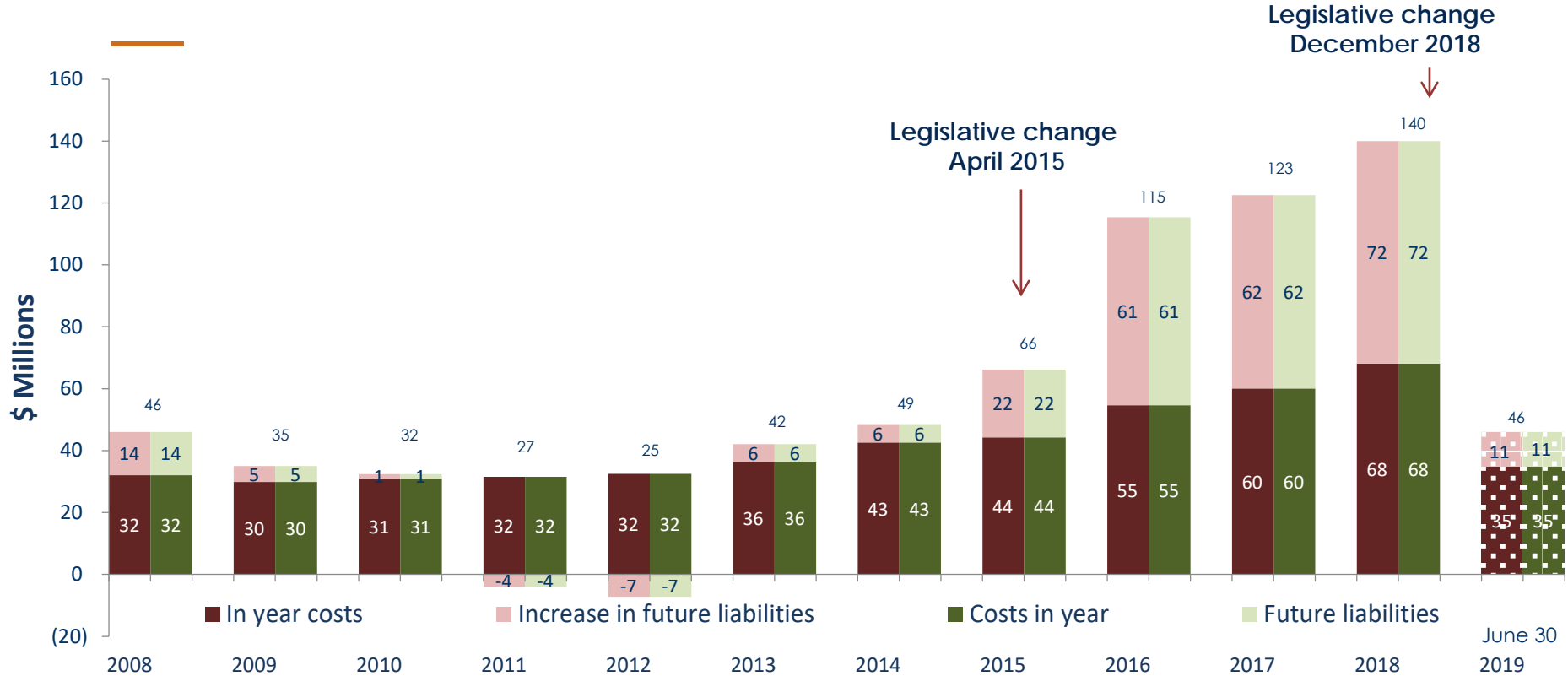
Benefits payments by year (first 6 months)



Hearing payments by year (first 6 months)

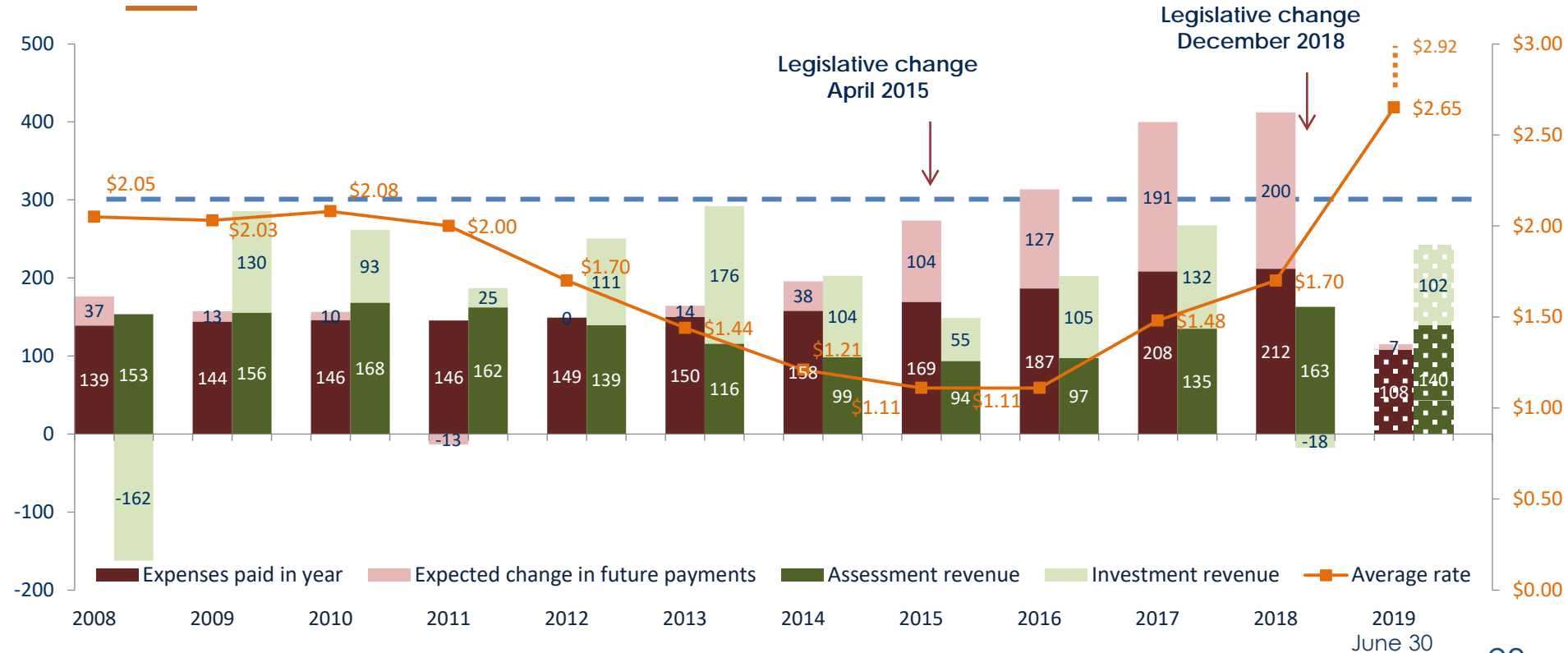


Benefit costs and revenue: self-insured employers



June 30
2019

Benefit costs and revenue: assessed employers

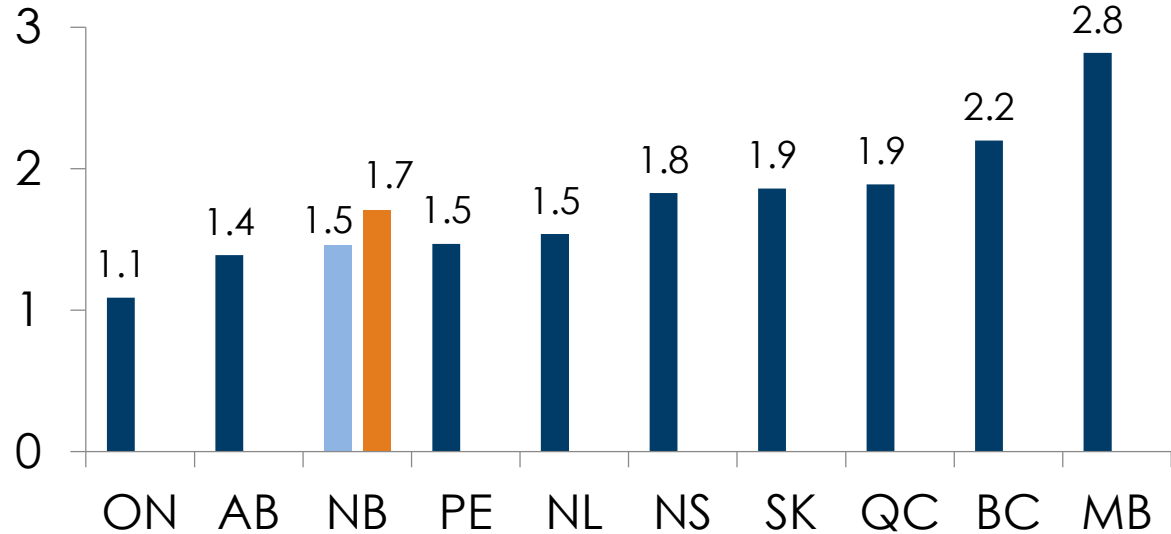




Driving a Safety-First Culture

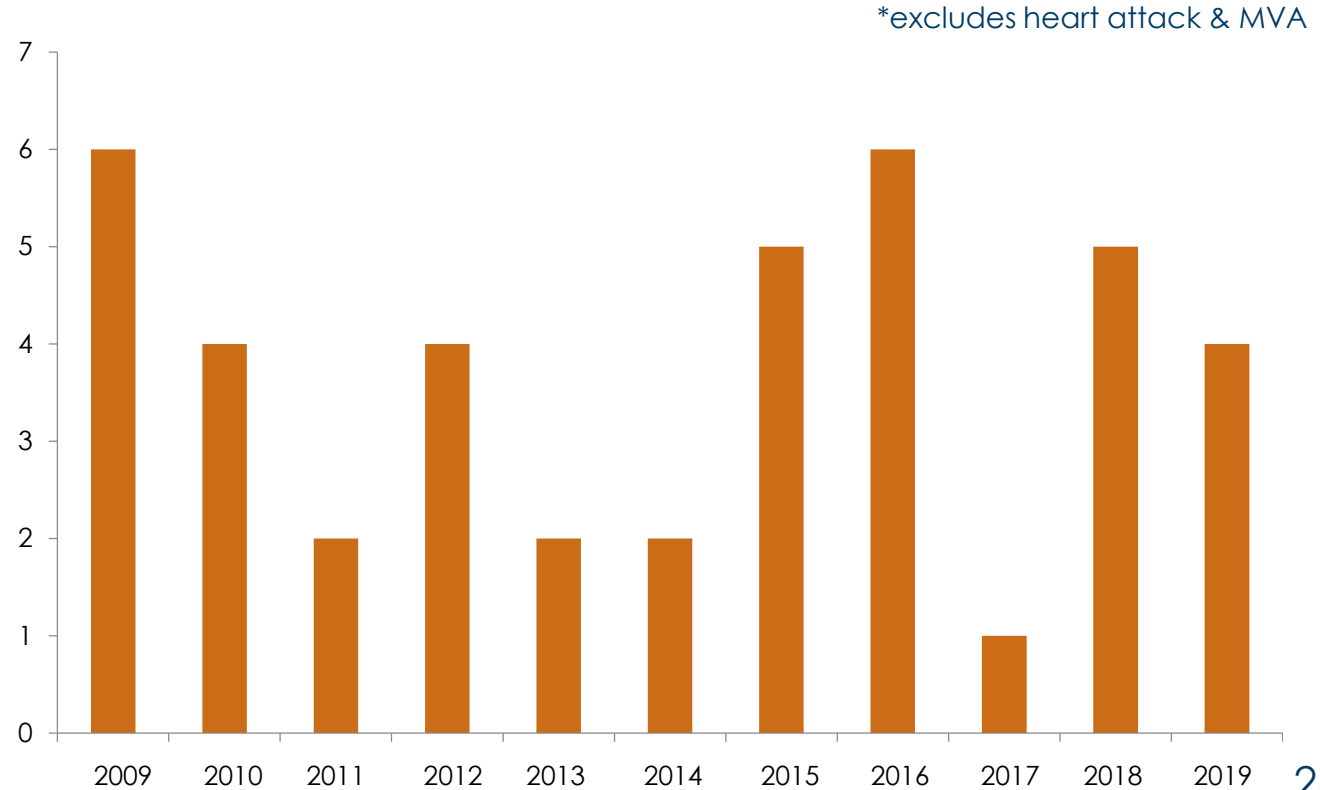
Lost-time Injury frequency

- Our ultimate goal is **ZERO**
- NB appears to compare well against other provinces
- There is more to the story...



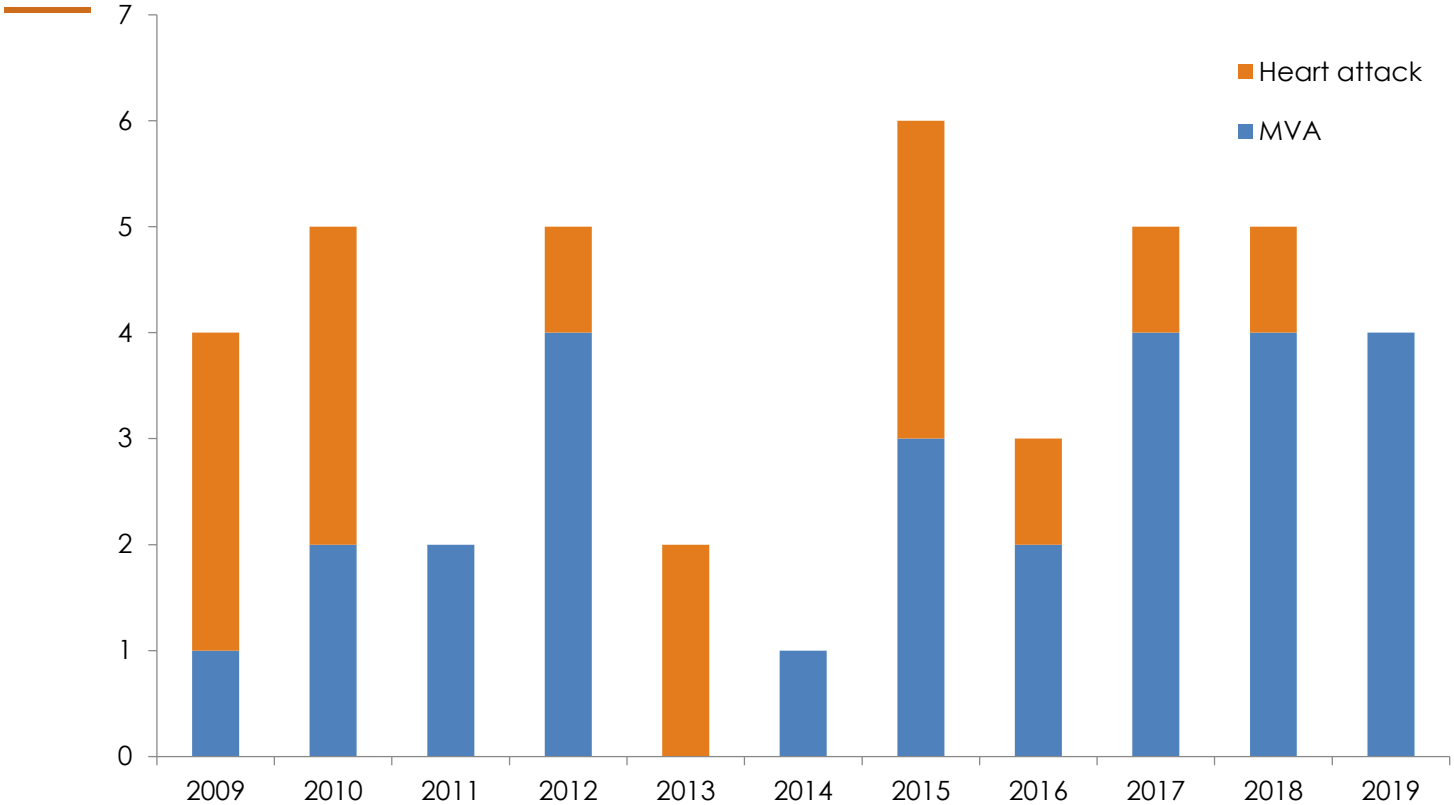
Acute workplace fatalities

Our ultimate goal is zero.



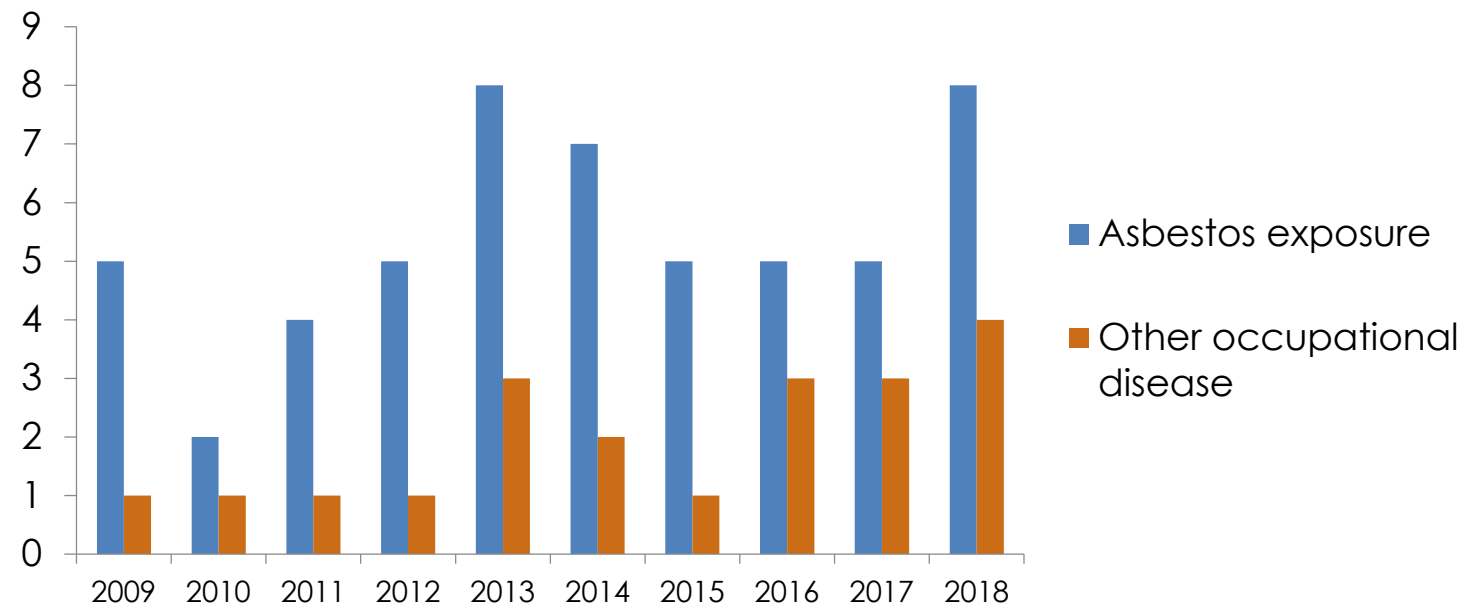


Acute workplace fatalities - MVA & Heart attack





Occupational disease workplace fatalities



Occupational diseases can take years or even decades to develop and be diagnosed.

LARGEST SECTORS



- 92% have less than 20 workers
- Not required to have JHSC

EMPLOYER BY SIZE (PAYROLL)





Lost-time (LT) Injury Trends by sector size

On average . . .



4 LT claim / year

60% of LT accidents

600

42% of severe LT claims



1 LT claim / 2 years

28% of LT accidents

2,400

34% of severe LT claims



1 LT claim / 23 years

12% of LT accidents

12,000

24% of severe LT claims

We need to improve. Let's talk about how we can do better, together...

1

Employer, Supervisor and Worker Duties and Obligations

- NB *OHS Act* is not as clear as legislation in other provinces on duties of employers, supervisors and workers.
- Supervisors have obligations and liability under both *OHS Act* and *Criminal Code of Canada* and many don't realize it.



2 Administrative penalties

- Monetary penalties issued for repeated non-compliance with OHS legislation
- Issued without having to involve court system
- Penalties range from
 - up to \$500 for a worker in NS to
 - up to \$662,000 for employers in BC



OHS Current issues

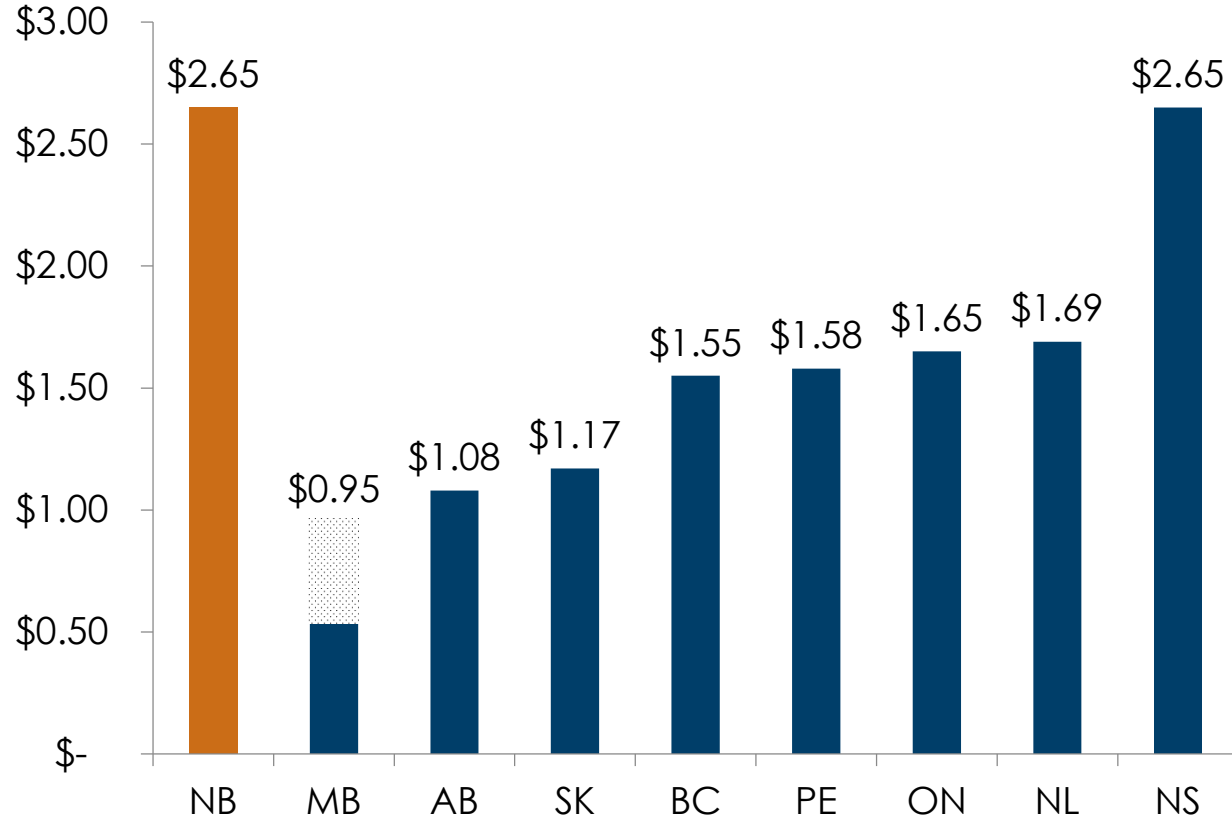
- NB commercial fishing
- Occupational hygiene regulation
- Psychological health and safety
- Cannabis



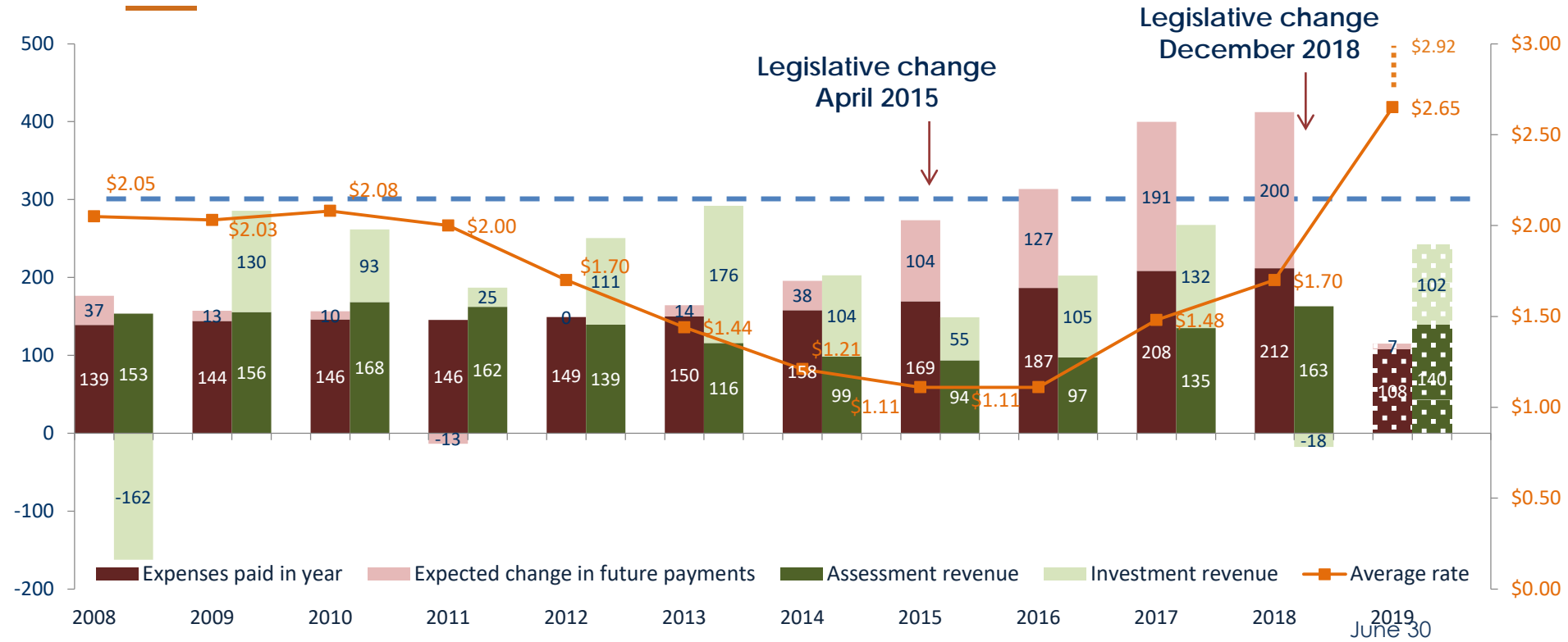


Guidance on Future Assessment Rates

2019 Rates by province



Where are assessment rates headed?





2020 Rate Guidance

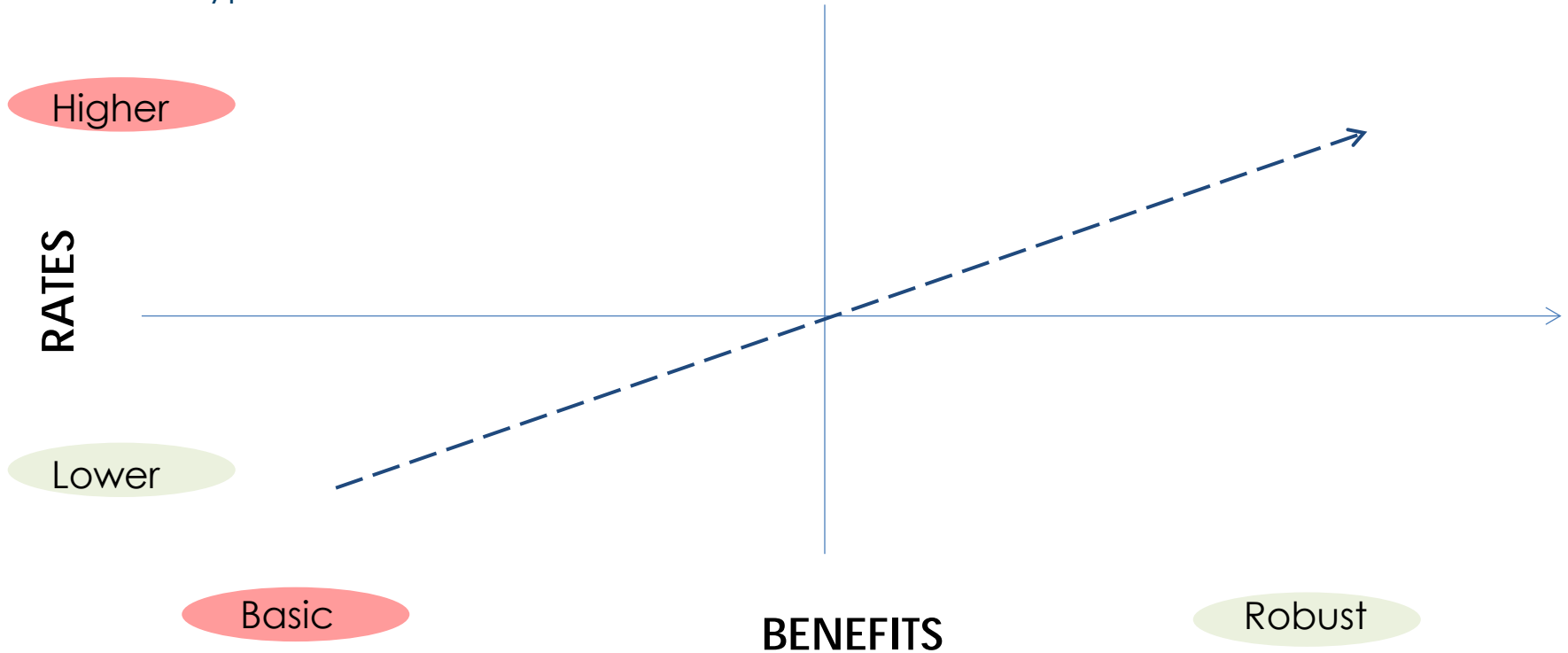
- Asset values
- Liabilities
- Funding target
- Bill 2 changes yet to be considered by the Board of Directors
 - Funding target increase from 110% to 120%
 - Deficit recovery period increased from 8 to 15 years

A Few 2020 Rate Possibilities

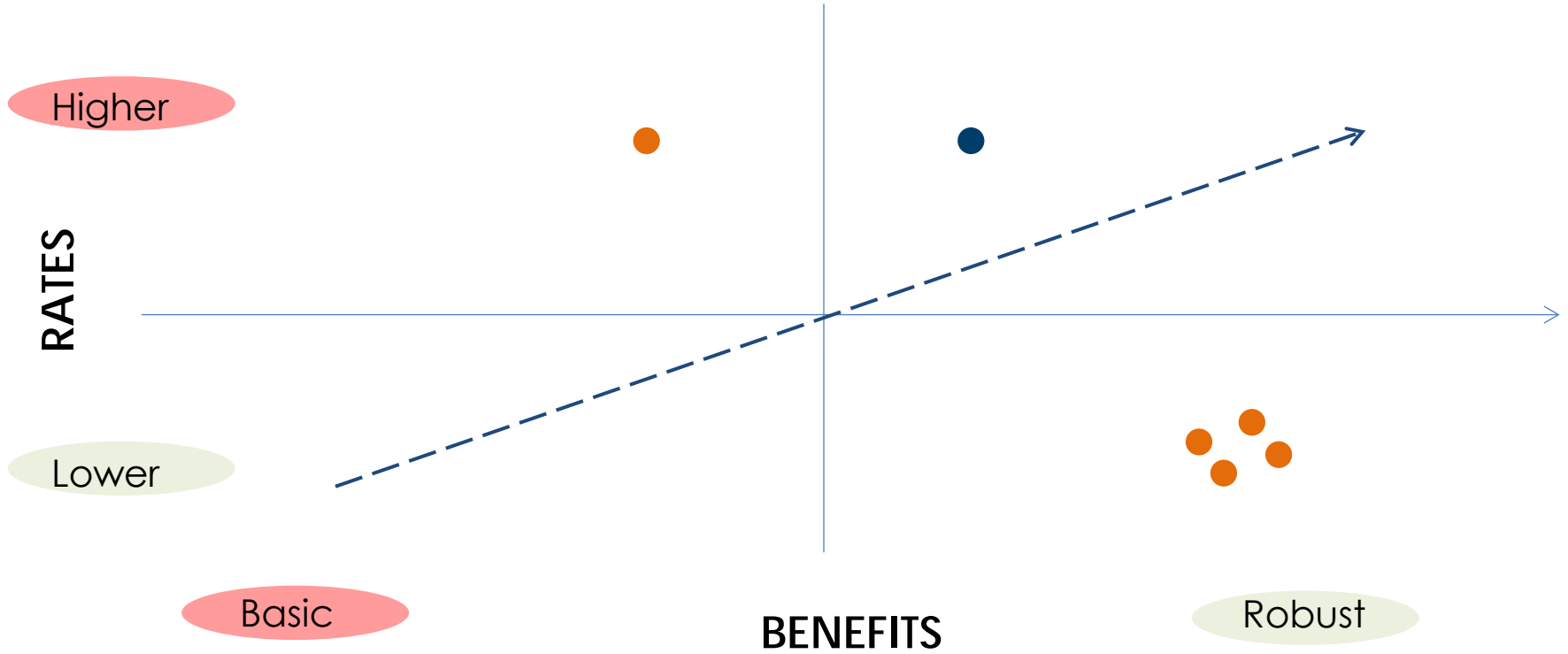
	Scenario 1	Scenario 2	Scenario 3
Assets	As of June 30 th	↓ 20%	As of June 30 th
Liabilities	As of June 30 th	As of June 30 th	↓ \$80M
Funding Position	110%	120%	110%
Amortization Period	8 years	15 years	8 years
Estimated Rate Change	↓ \$0.15 - \$0.25	↑ \$0.00 - \$0.20	↓ \$0.25 - \$0.35

Can we improve benefits while lowering costs?

— Typical NB rates vs benefits discussion...



Other provinces

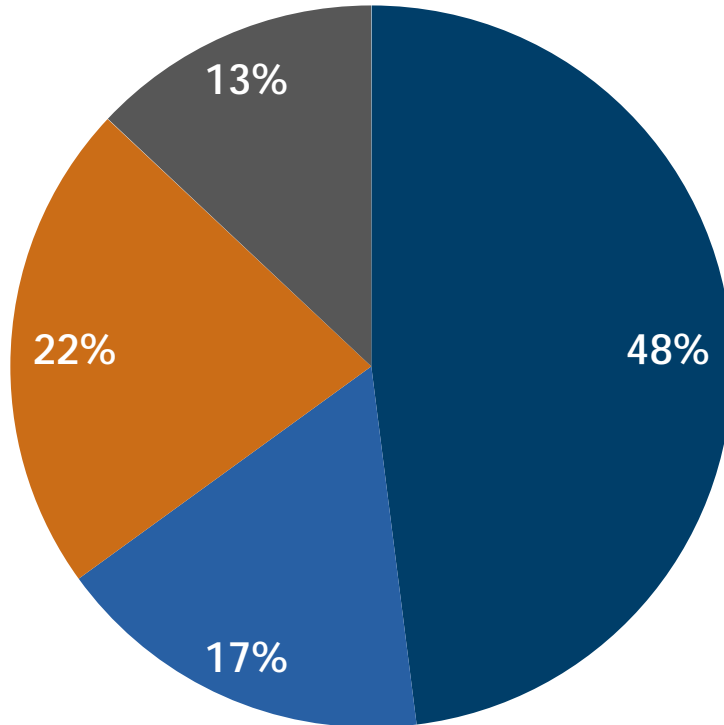




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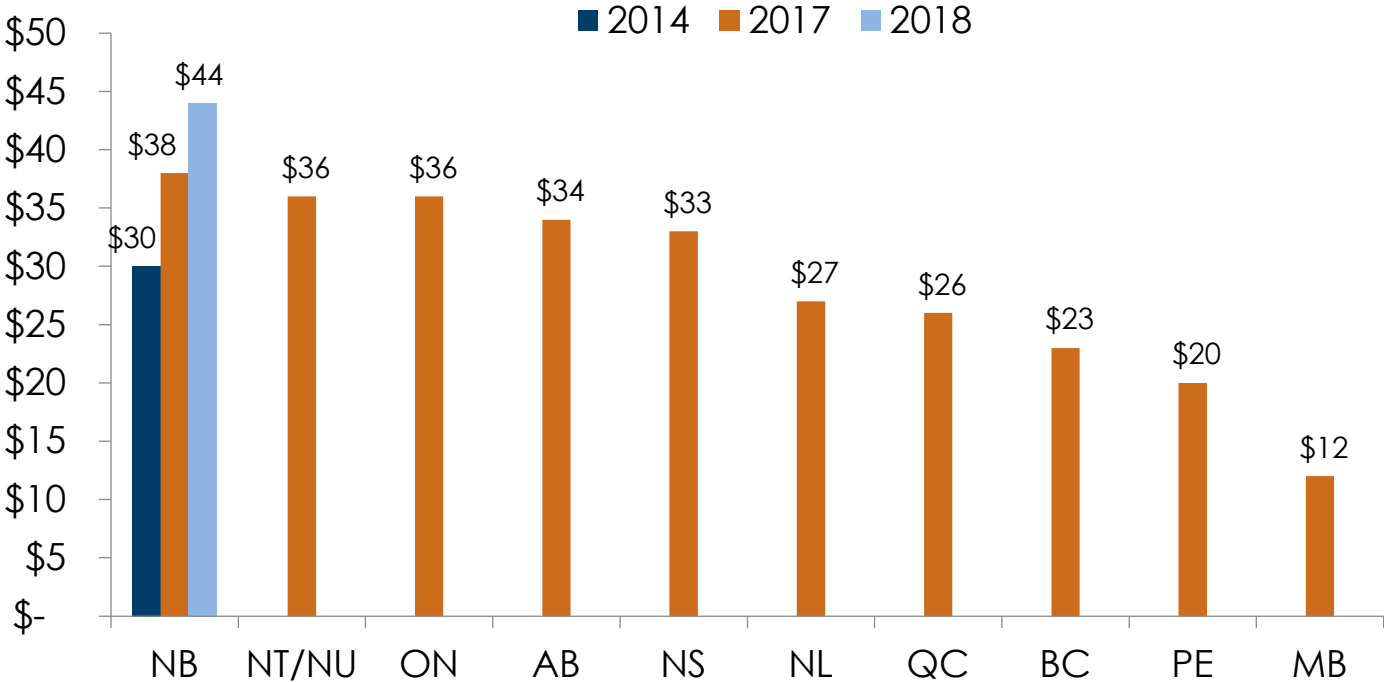
Breakdown of benefit costs



- Wage replacement
- Rehabilitation & medical expenses
- Medical service providers inc. hospital
- Other



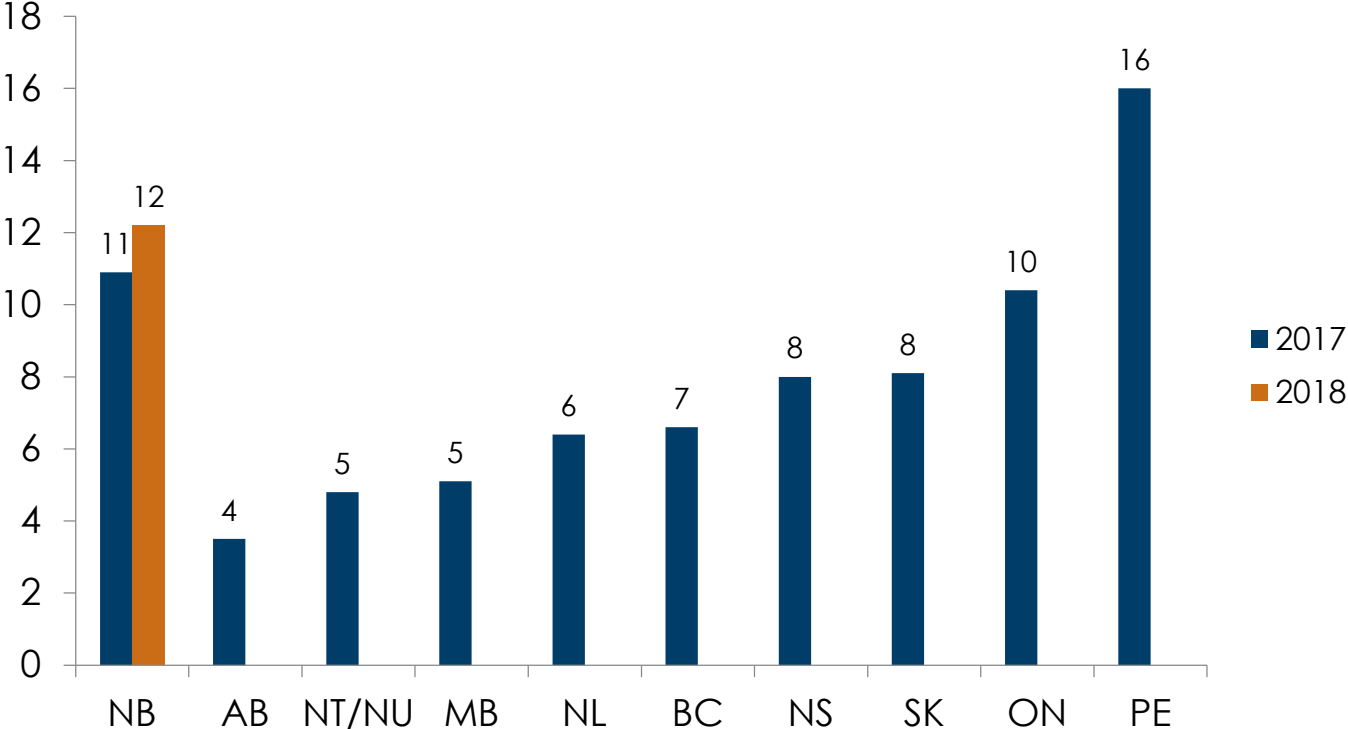
Average benefit cost per lost-time claim (\$thousands)



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



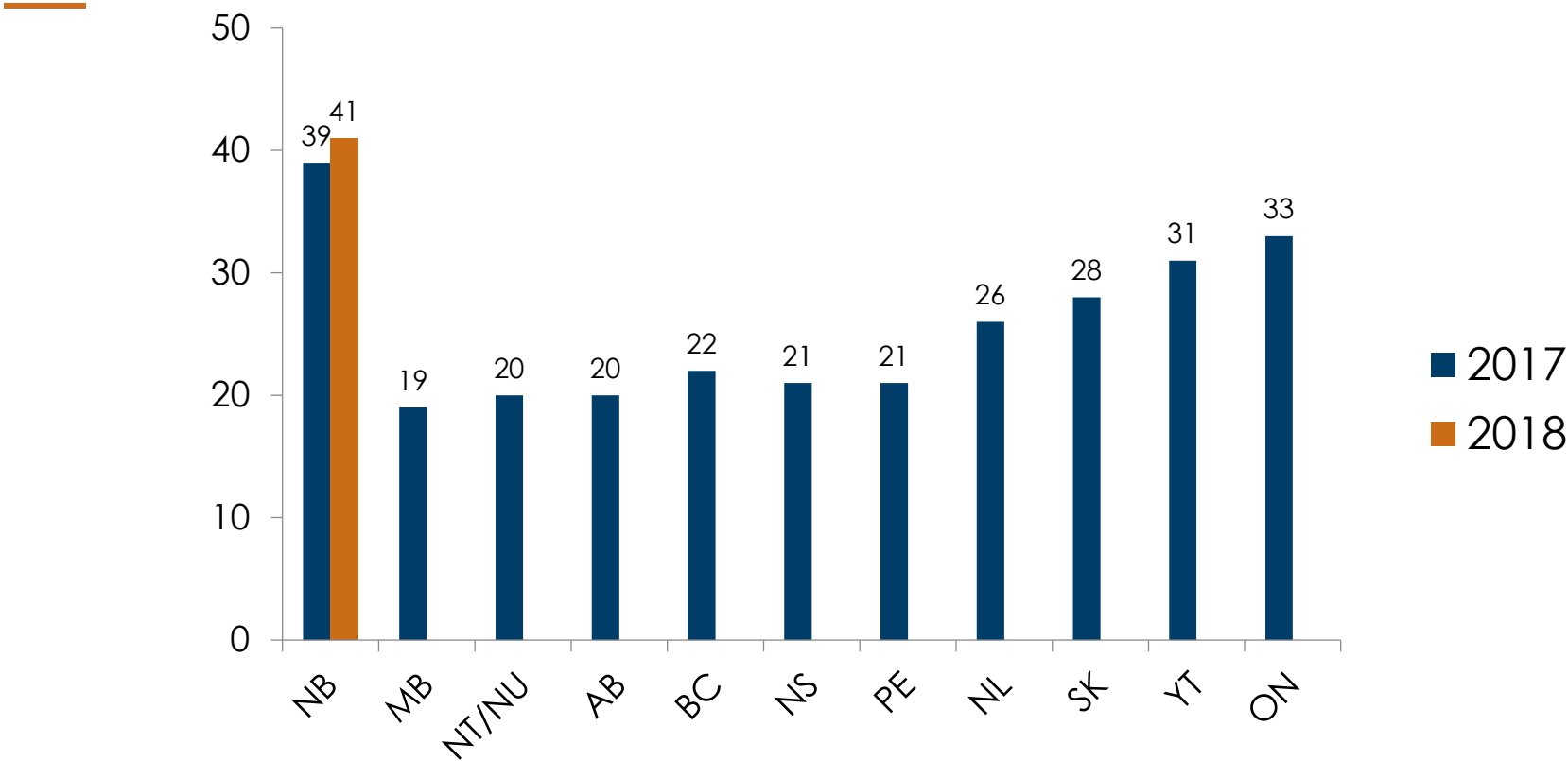
Average days from workplace injury to registration of claim



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



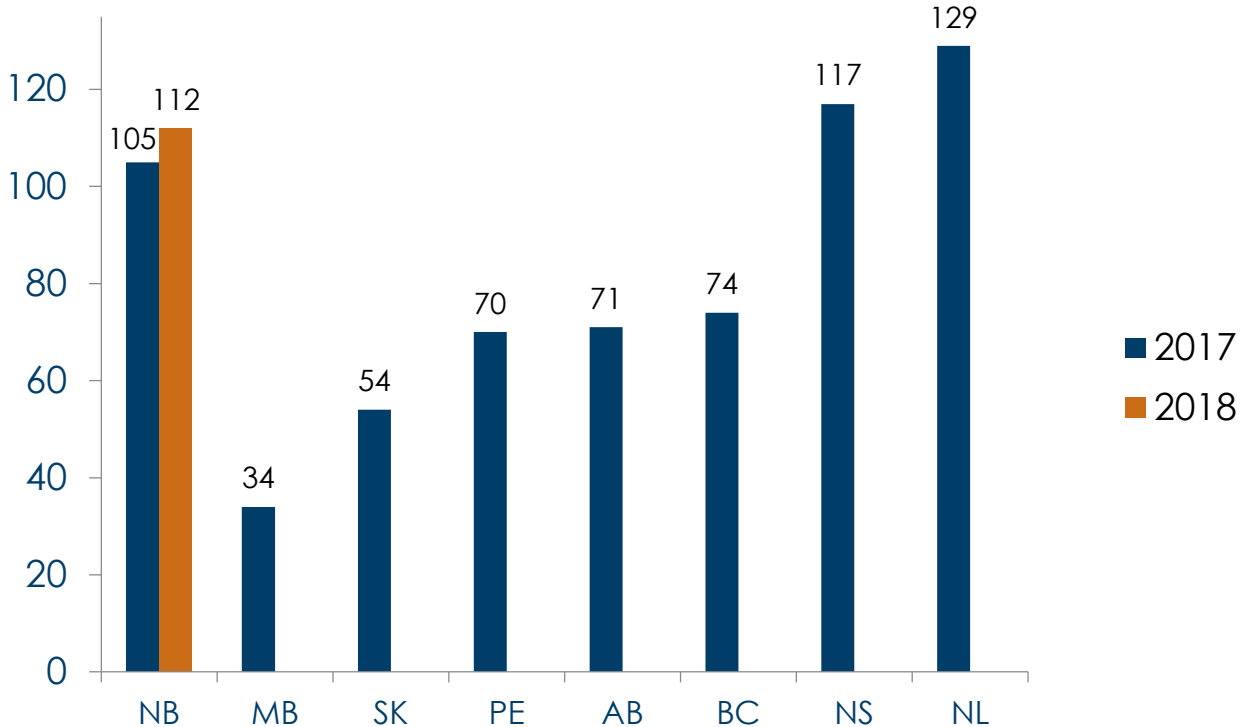
Average days from workplace injury to first payment



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



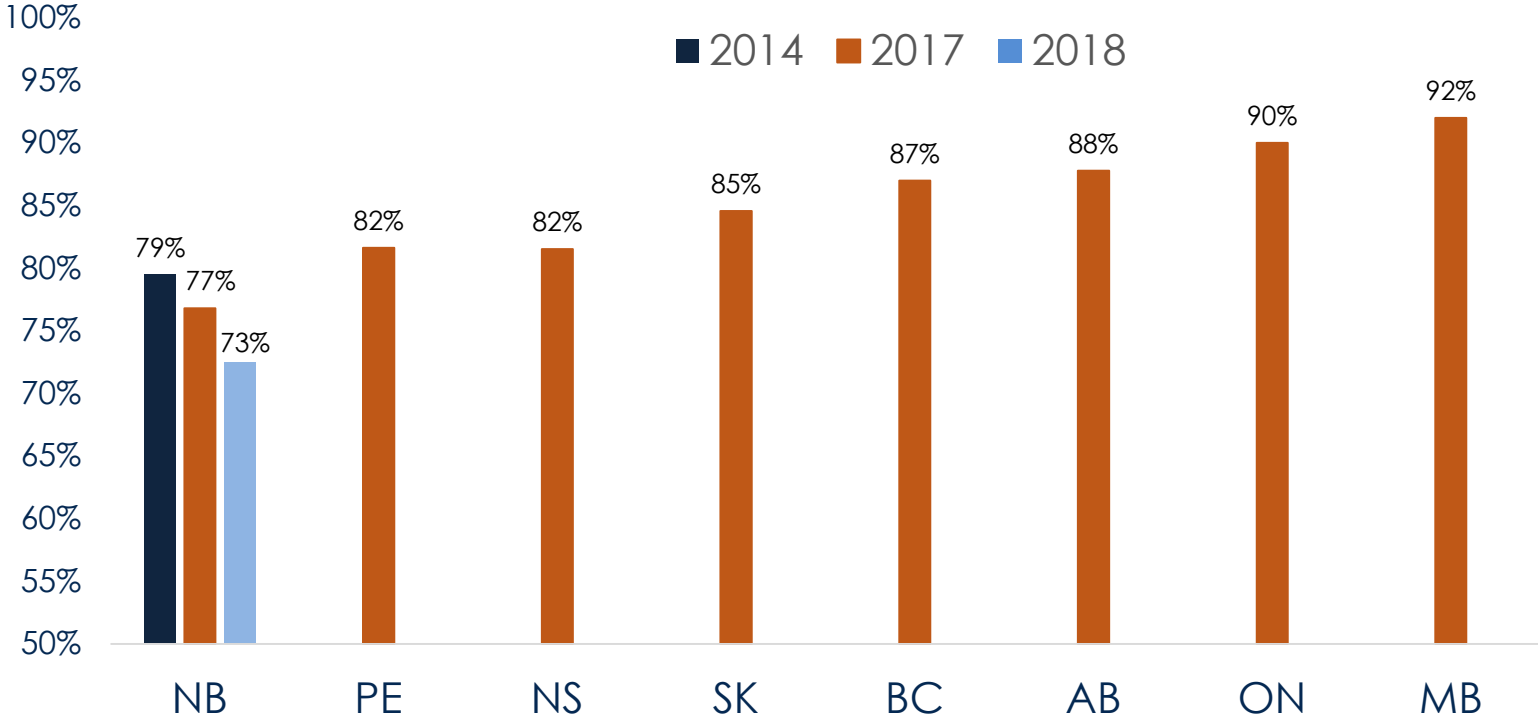
Average duration of claims (days)



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

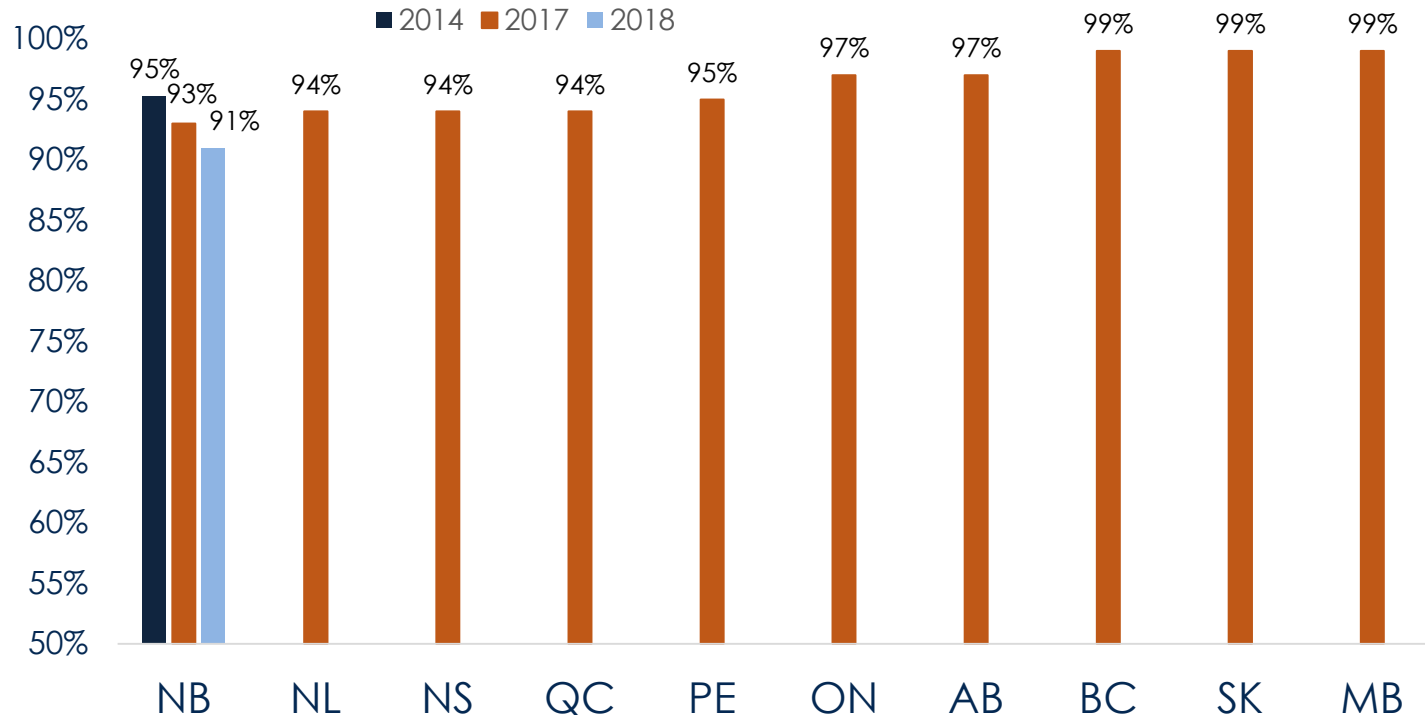


Return to work outcomes at six months

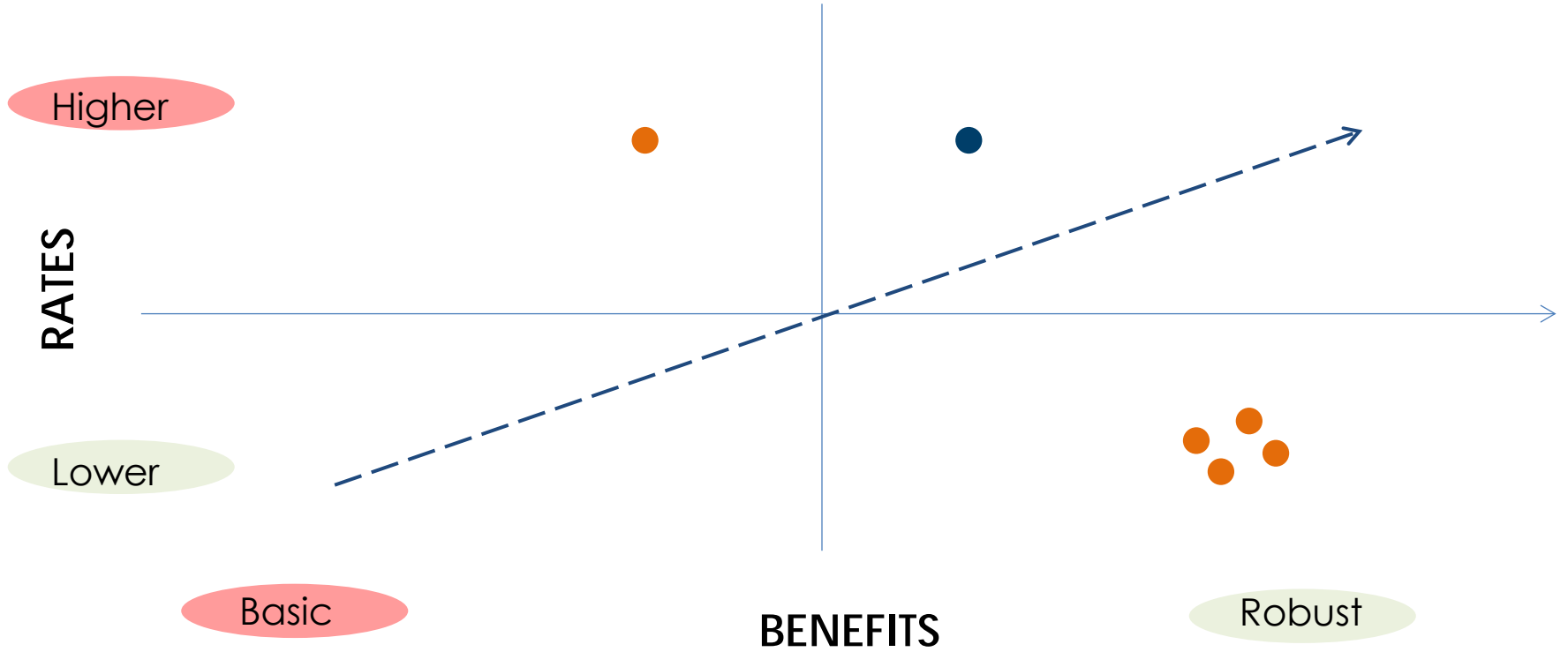


Source: Association of Workers' Compensation Boards of Canada Detailed Key Statistical Measures (KSM) Report - 2017

Return to work outcomes at 2 years



Other provinces



Other comparators by province

Province	2019 Rate	Legislated RTW / Modified Duties Program	Incentive to Report Accidents on Time and Accurately	Maximum Insurable earnings	% of net wage reimbursement
NB	\$2.65	No	No	\$64,800	85%
ON	\$1.65	Yes - 2011	Yes	\$92,600	85%
MB	\$0.95 (\$0.57)	Yes - 2007	Yes	\$127,000	90%
AB	\$1.08	Yes - 2018	Yes	–	90%
SK	\$1.17	Yes	Yes	\$82,627	90%



Working together on OHS – Next steps

1. Imbed good safety leadership practices in all workplaces
2. Clarify employer, supervisor and worker duties and obligations in legislation
3. Consider administrative penalties for repeated non-compliance of health and safety violations
4. Review assessment rate setting model to better align safety leadership behaviours
5. Enhanced health and safety focus on public sector



Working together on Return to Work – Next steps

1. WorkSafeNB to improve processes to ensure timely decisions on new claims and treatment plans
2. Through legislation and education, imbed “Return to Work” as a critical, healthy part of rehabilitation
3. Worker, employers and medical services providers to report injury claims faster and improve quality of information
 - Consider administrative penalties for late filing of claims

Questions?



THANK YOU