



ANNUAL GENERAL MEETING

3rd Annual General Meeting

August 5, 2020



Mel Norton, Chairperson

- Appointed April 11, 2019.
- Partner, Lawson Creamer law firm.
- Specialized focus on labour and employment.
- Former Mayor of Saint John
 - 2012-2016





MEL NORTON
Chairperson



HALEY FLARO
Vice-Chairperson



DOUGLAS JONES
President and Chief Executive Officer



JAMES E.A. STANLEY
Saint John



GAËTAN GUÉRETTE
Edmundston



TINA SOUCY
Dieppe



DONNA MCNEILL
Fredericton



LUCIEN SONIER
Caraquet



HECTOR LOSIER
Fredericton



JULIE MARR
Quispamsis



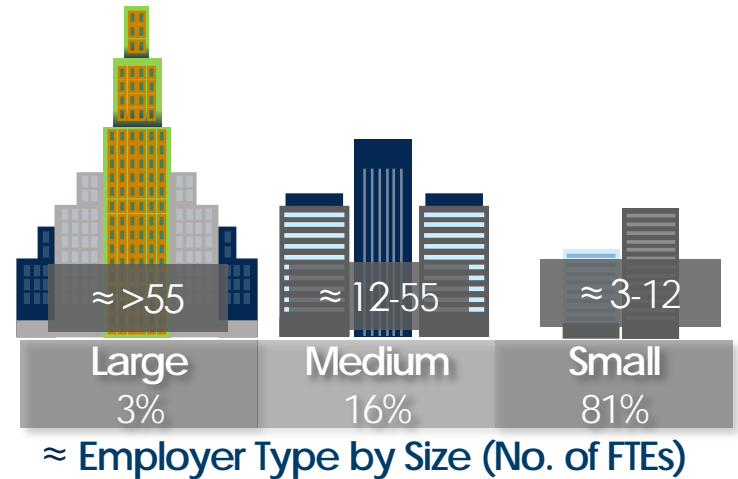
MIKE MACMULLIN
Saint John

BOARD OF DIRECTORS

- Chairperson
- Vice-chairperson
- President and CEO (non-voting)
- Four members representing workers
- Four members representing employers

WHO WE SERVE

- More than 15,000 employers
 - $\approx 26,600$ workplaces
 - $\approx 347,000$ workers
- $\approx 5,500$ lost-time claims annually
- $\approx 5,600$ medical aid only claims annually



Auditor General Recommendations: Governance



KEY FINDINGS

- **Compensation/benefits**
 - Include comparable public sector entities when comparing compensation
- **Board practices**
 - Established effective board committees
 - Succession planning, performance reviews, board committees
- **WorkSafeNB Strategic Plan**
 - Released new plan with key performance indicators and scorecards.

Board vacancies

- Employer representative
 - Interviews underway
- Worker representative
 - Call for nominations pending
- Vice-chairperson
 - Call for nominations in the fall



2019 Annual Report Highlights



- **Fewer workplace injuries and fatalities**
 - Continuing positive trends
 - Lowest injury frequency in 10 years
- **Improvements on early, safe return to work**
 - Early success in working with clients
- **Benefits and protections for workers**
 - Reduction of unpaid waiting period
 - Embedded duty to accommodate in legislation
- **Improved financial position**
 - Significant improvement over 2018
- **Heavy legislation change agenda**



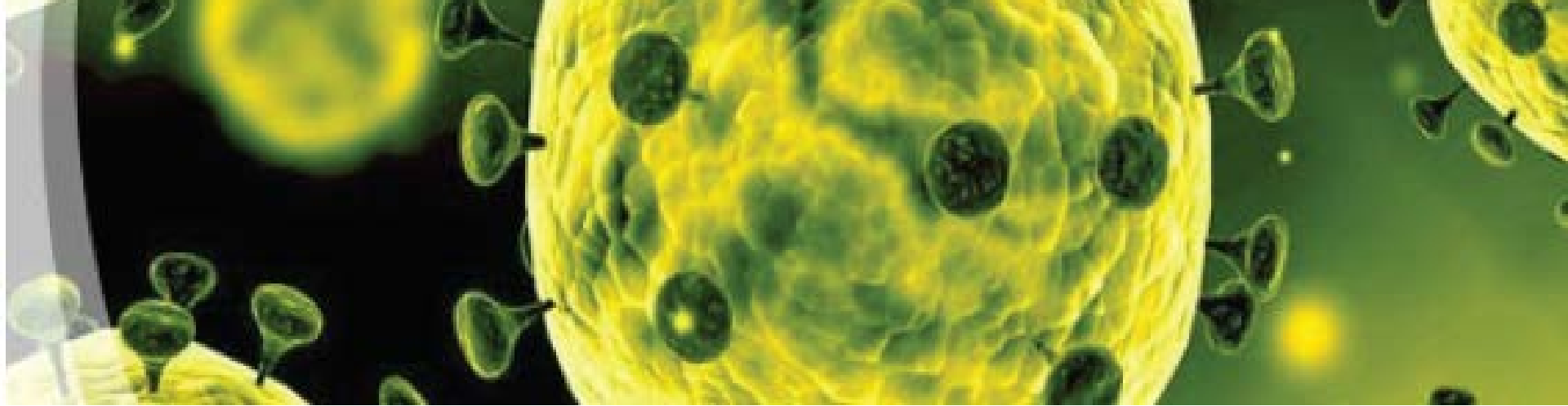
DOUGLAS JONES PRESIDENT AND CEO

- Appointed to a five-year term in March 2018.
- Has held senior leadership positions in both private and public sectors.
- Certified member of the Institute of Corporate Directors.

Agenda

- 01 Covid-19 Update
- 02 Safety Share
- 03 2019 Year in Review
- 04 Financial Summary and Update
- 05 2021 Assessment Rate Guidance
- 06 Looking Ahead
- 07 Q&A





COVID-19 AND NEW BRUNSWICK WORKPLACES

EMBRACING THE NEW NORMAL

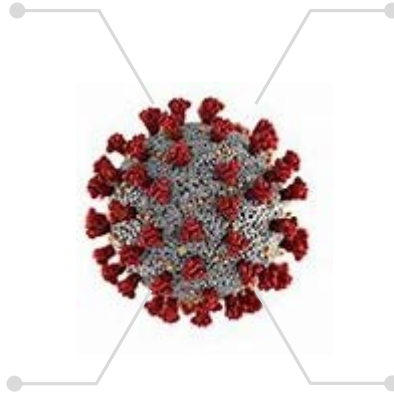


PUTTING SAFETY FIRST

- Keeping workers and employers healthy and safe during a global pandemic.

PREMIUM DEFERRAL

- Helping to ease the financial hardships on employers during economic uncertainty.



EMPLOYEE ENGAGEMENT

- Keeping employees safe, connected, engaged and productive.

RETHINKING CLIENT SERVICE

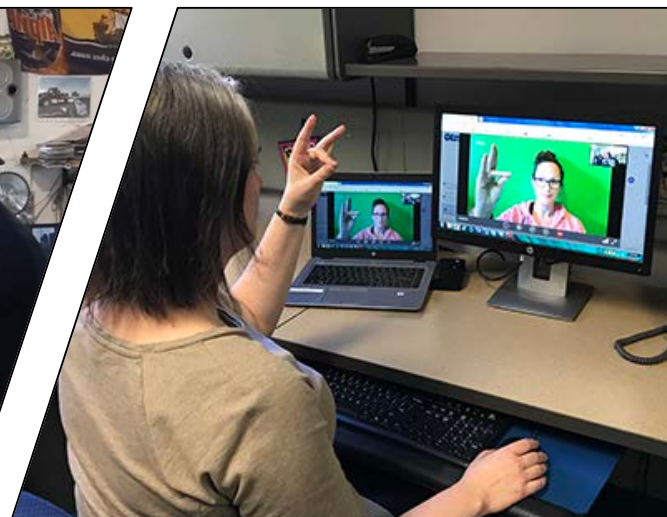
- Leveraging technology to maintain client services and treatments.



MAINTAINING & INNOVATING CLIENT SERVICE

Virtual Client Care

- Transforming our treatment programs
- Resolves issue of long-distance travel for rehabilitation.
- Virtual is here to stay!





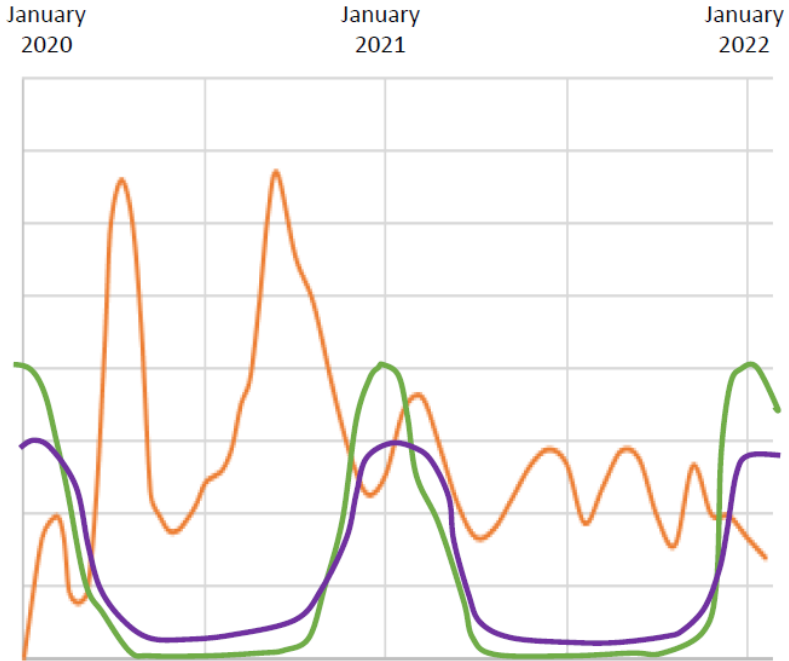
COVID-19 CLAIMS DATA

- Currently two accepted claims related to COVID
- Both are in health care
- **Why the low numbers?**
 - Geography/population density
 - Early action closing borders
 - Early action closing schools
 - Positive response from New Brunswickers



COVID-19 WAVE 2

- Second wave anticipated Fall 2020
- Potential overlap with
 - Seasonal influenza
 - Other seasonal respiratory illnesses



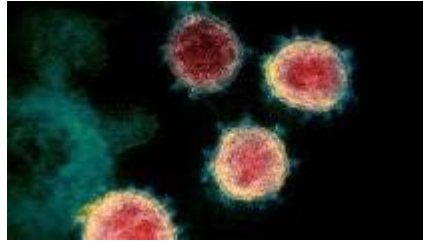
— Seasonal Influenza
— COVID-19
— Other respiratory viruses

SAFETY SHARE: DON'T BE COMPLACENT!

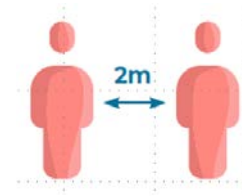
WEAR A MASK



GET A FLU SHOT



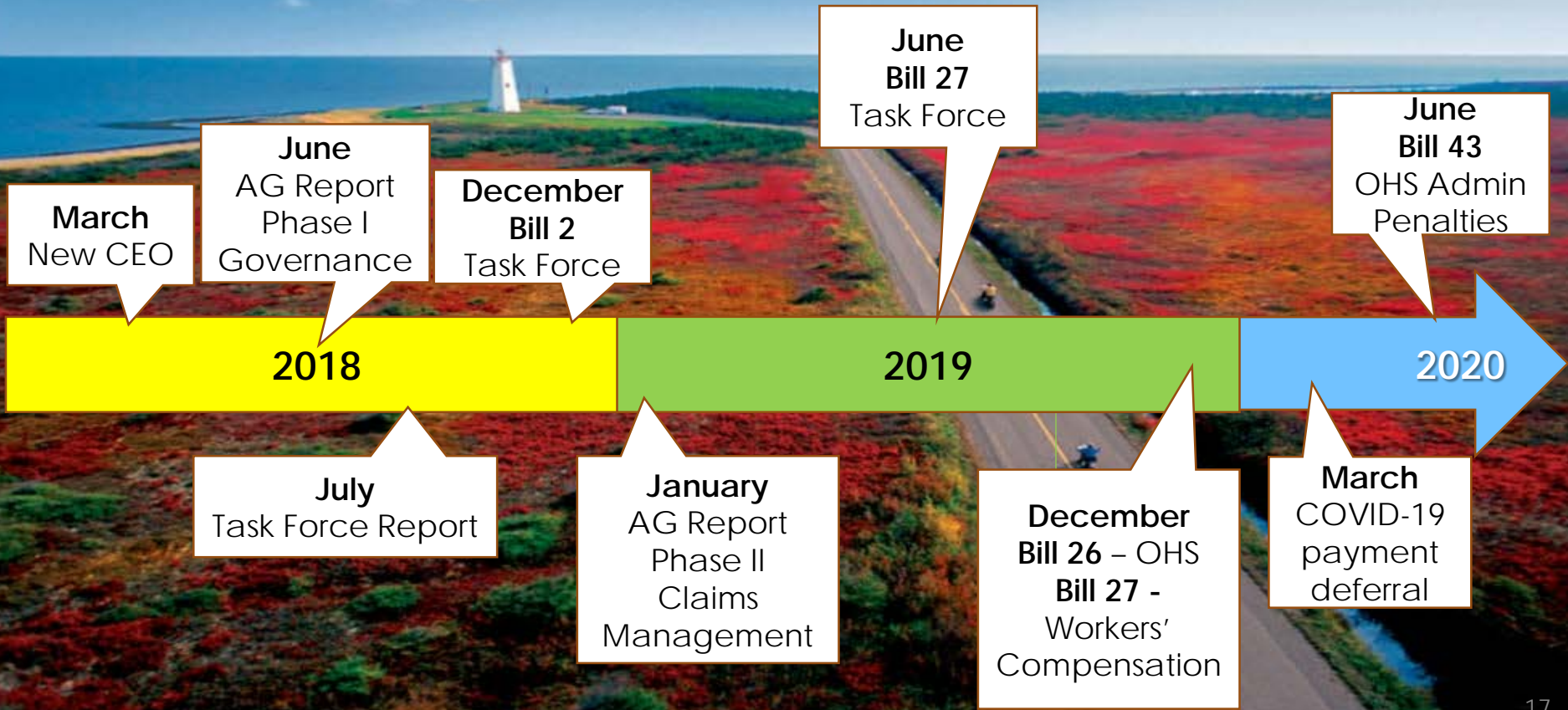
SOCIAL DISTANCING



BE VIGILANT!



OUR TRANSFORMATION JOURNEY



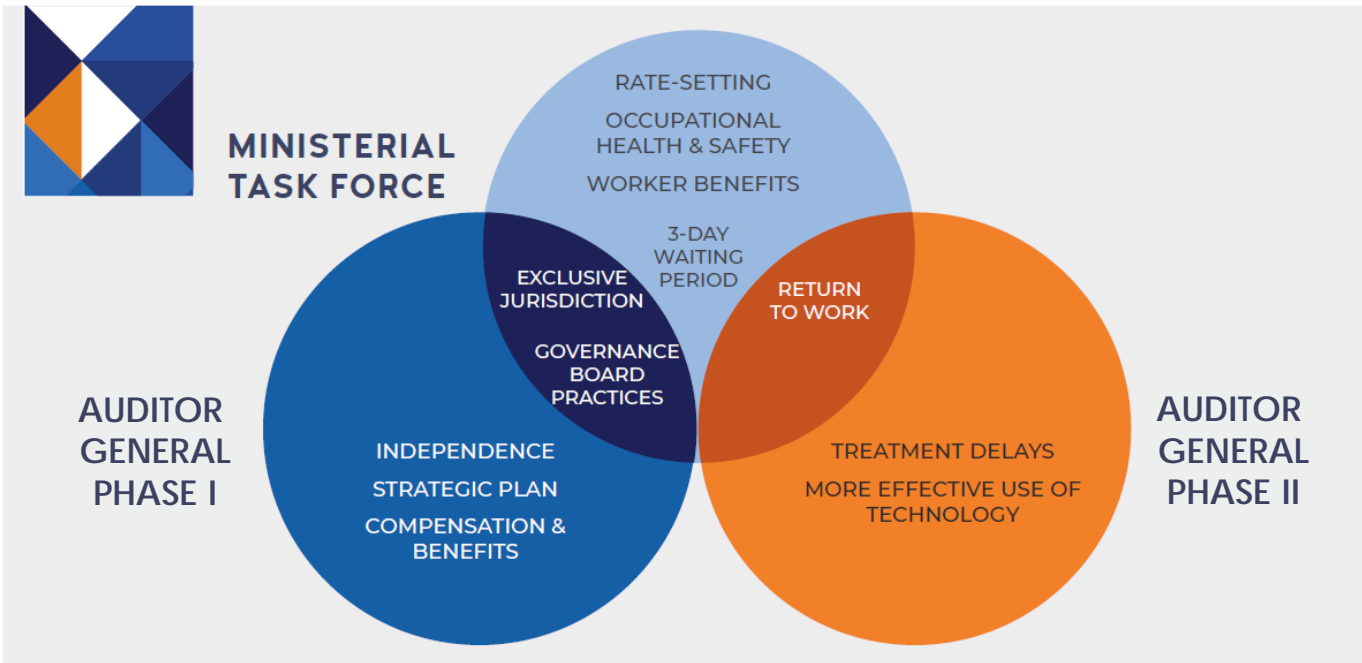


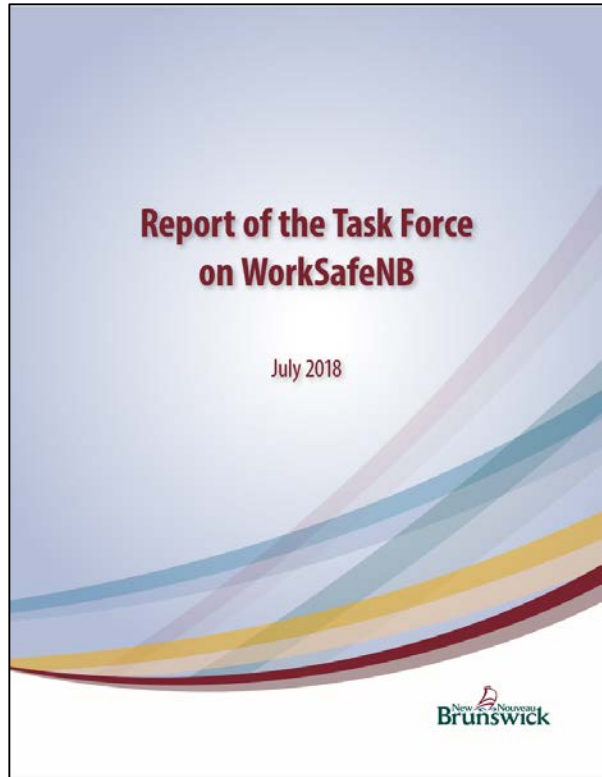
2019 YEAR IN REVIEW



Update on Auditor General and Task Force recommendations

- Reviews led to important legislative amendments enacted in December 2018, June 2019, and December 2019.





Report of the Task Force

- Accepted all 28 recommendations.
- Led to key legislative changes addressing:
 - Rate setting
 - Policy setting authority of the Board
 - Occupational health and safety
 - Safe and early return-to-work
 - Rehabilitation of injured workers
 - Worker benefits

Auditor General Recommendations – Phase II: Claims Management

- Claims management framework is reasonable.
- Policies consistent with best practice.
- Opportunities for improvement:
 - Claim intake
 - Return to work
 - Initial adjudication
 - Case management
 - Quality assurance
 - Claims management system
 - Contract monitoring





2019-2021 STRATEGIC PLAN

Our transformation will be guided by these four pillars:



Drive a Safety-First Culture



Achieve Effective Recovery



Protect System Sustainability



Build a Workplace Committed to Superior Service



Drive a Safety First Culture

Pillar Highlights

- Singular prevention focus with organizational change.
- Extending time frame for prosecutions.
- New legislation clarifying duties and obligations of supervisors.
- Administrative penalties.
- Commercial fishing consultations.



Safety is everyone's responsibility

NB *Occupational Health and Safety Act* was not as clear as legislation in other provinces on duties of employers, supervisors and workers.



- Supervisors have obligations under both *OHS Act* and *Criminal Code of Canada*.
- Bill 26 received Royal Assent December 2019.



2018 Fatality: Employer, Supervisor Charged

- The case stems from the 2018 death of a young worker.
- The employer and a supervisor were charged with criminal negligence causing death under the Criminal Code.
- Provision under Criminal Code went into effect March 2004.



OHS Compliance Toolbox – Administrative Penalties

1. EDUCATION & AWARENESS

- Always our first choice!

3. ADMINISTRATIVE PENALTIES

- Helps encourage earlier compliance to protect workers.



2. WRITTEN ORDERS

- Compliance orders.
- Stop-work orders.

4. PROSECUTIONS

- A serious accident or fatality.
- Can be a lengthy process.

Proposed legislation: OHS in Commercial Fishing

- Fishing vessels not considered a “place of employment”.
- WorkSafeNB lacks authority on fishing vessels.
- There were 17 fatalities in commercial fishing across Canada in 2018.
- We consulted stakeholders on proposal *to include fishing vessels as a workplace*
 - Majority support for proposal.
- Launched a PFD awareness campaign.



SAVE A LIFE - YOURS. WEAR A PFD. worksafenb.ca



DO YOU AGREE THAT
FISHING VESSELS SHOULD
BE CONSIDERED A PLACE OF
EMPLOYMENT IN NEW BRUNSWICK?

87%

of respondents were
in favour of this
recommendation

*“Fishing vessels provide employment for thousands of New Brunswickers
and it is difficult to consider it anything but a place of employment.”*

– survey respondent

Drive a Safety First Culture - KPIs

	2017	2018	2019	2019-21 Target	
Lost-time injury frequency					
• Assessed	1.4	1.4	1.3	↓	✓
• Self-insured	3.3	3.7	3.0	↓	✓
• All employers	1.6	1.7	1.5	↓	✓
Health & safety index			Baseline year	↑	-
Workplace fatalities	16	28	14	↓	✓

Drive a Safety First Culture - KPIs

	2017	2018	2019	2020 YTD
Lost-time injury frequency				
• Assessed	1.4	1.4	1.3	1.0
• Self-insured	3.3	3.7	3.0	2.3
• All employers	1.6	1.7	1.5	1.2
Health & safety index			Baseline year	
Workplace fatalities	16	28	14	3



Achieve Effective Recovery



Pillar Highlights

Legislation enacted that:

- Embeds “duty to accommodate” in legislation.
- Provides for administrative penalties for non-compliance.
- Ensures medical aid aligns with proven health care practices.



Added duty to accommodate language in *Workers' Compensation (WC) Act*

Returning to work helps workers stay active and renews a sense of purpose. Employers keep a skilled and experienced worker and reduce claim costs.

- Injured workers play a key role in their own rehabilitation success (Emphasized in Bill 2, Dec. 2018.)
- Employers have duty to accommodate the injured worker when they return to work.
- *Penalties are possible for non-compliance.*



Workplace injuries and medical aid

- Amended legislation in 2019 to ensure the medical aid provided is evidence-based and consistent with standards of health care practices in Canada.
- Example – appropriate cannabis therapy, experimental drugs.



Achieve Effective Recovery - KPIs



	2017	2018	2019	2019-21 Target
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Claim duration

• Average days for open claims	234	247	269	↓	X
• Average days for closed claims	86	98	114	↓	X
• % of workers returned to work within 26 weeks	N/A	73%	79%	↑	√
• % of workers returned to work within 2 years	95%	94%	96%	↑	√

Timeliness

• Average days from workplace injury to claim registration	13	13.2	12.8	↓	√
• Average days from workplace injury to first payment	26	28	39	↓	X

TRANSFORMING FOR OUR CLIENTS: APPLICATION FOR BENEFITS & REPORTING OF INJURY/ILLNESS



- Faster, more efficient and easier process for workers and employers.
- Leads to timelier decisions, faster access to treatment & benefits, and better outcomes.
- Starts with separation of *Form 67*.
- Phase 1 launched Friday - More to come



Protect System Sustainability

Pillar Highlights

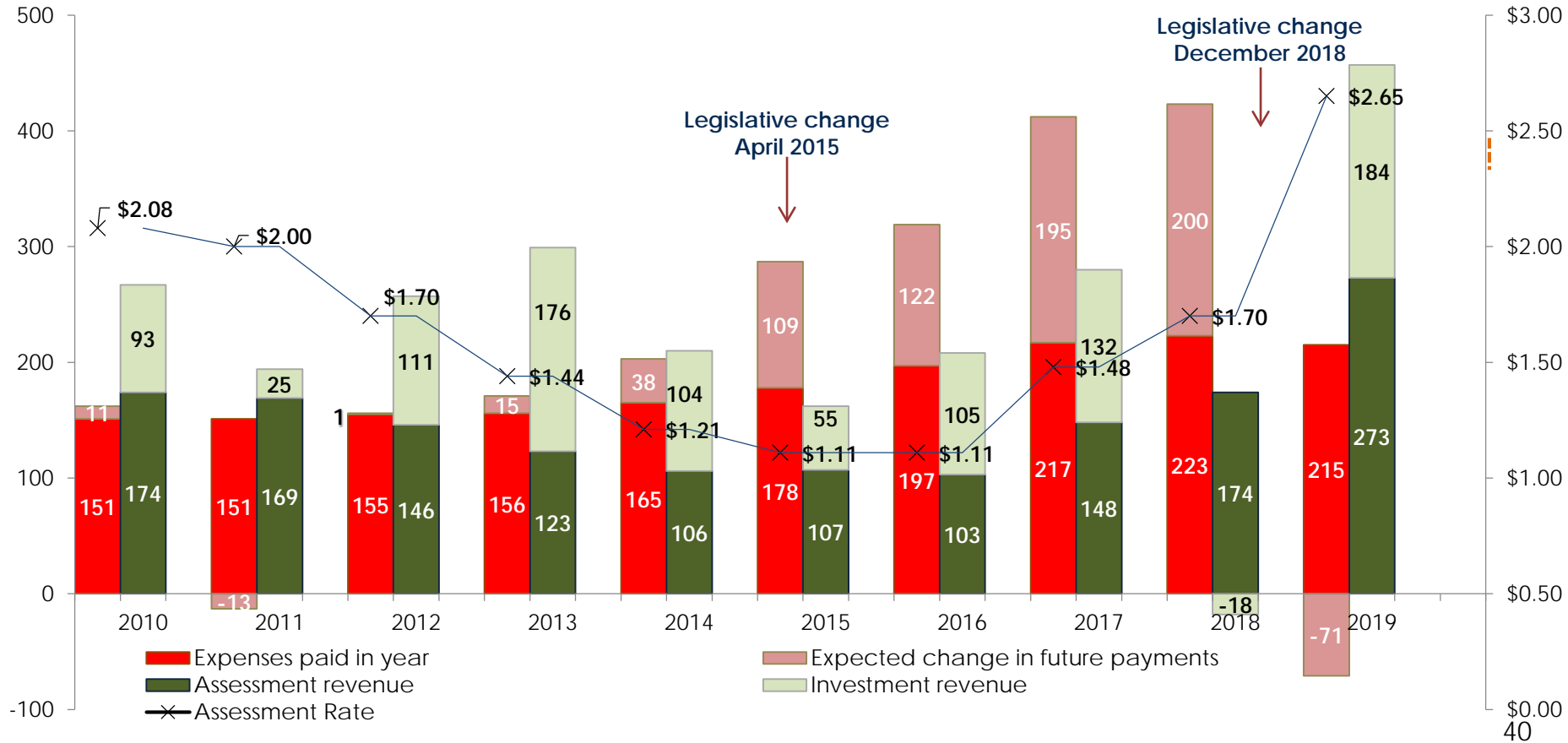
- Clarification that the intent of workers' compensation is to compensate for work-related injuries and illnesses only.
- 15-year amortization period to address changes in the valuation of assets
- Efforts to ensure clients get all the benefits to which they're entitled.
- Decision Review Office reducing the number of appeals.



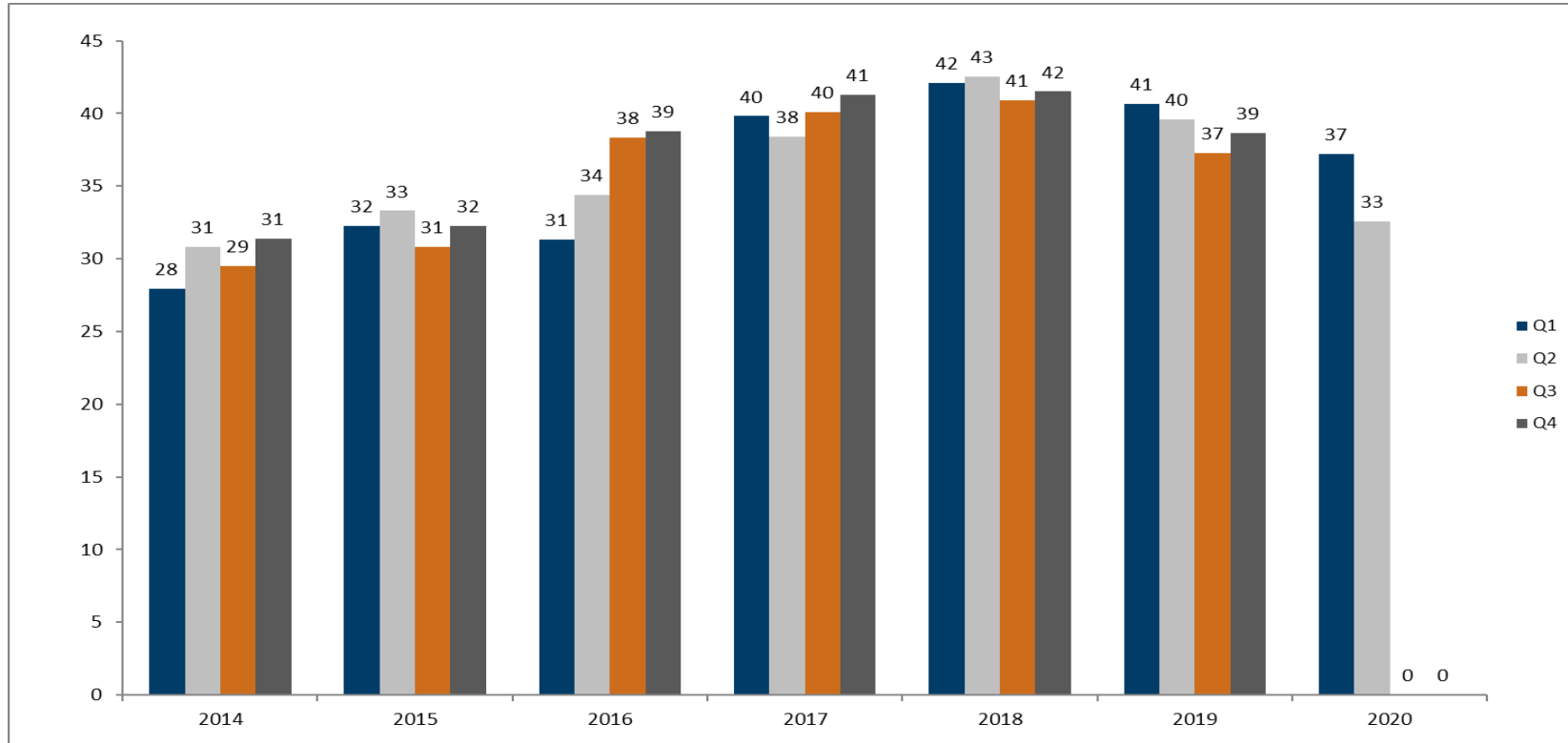
Summary of Financial Results (\$M)

	2015	2016	2017	2018	2019	2020 Q2 Preliminary
Net Income	(\$126)	(\$114)	(\$134)	(\$271)	\$312	(\$77)
Assets	\$1,366	\$1,374	\$1,430	\$1,358	\$1,602	\$1,564
Liabilities	\$1,079	\$1,203	\$1,392	\$1,592	\$1,525	\$1,563
Funding Position	\$287	\$172	\$37	(\$234)	\$78	\$1
Funding Level	127%	114%	103%	85%	105%	100%

Benefit costs and revenue: assessed employers



BENEFIT PAYMENT TREND (\$ MILLIONS) Q2 2020





2021 ASSESSMENT RATE GUIDANCE

AVERAGE RATE COMPONENTS

	2014	2015	2016	2017	2018	2019	2020
Provisional Rate (per \$100)							
Cost of Benefits of New Accidents	\$1.00	\$0.97	\$1.03	\$1.10	\$1.47	\$1.66	\$1.47
Occupational Health and Safety Costs	\$0.12	\$0.11	\$0.15	\$0.14	\$0.12	\$0.12	\$0.11
Workers' Compensation Appeals Tribunal & Worker and Employer Advocates	\$0.04	\$0.04	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
General Administration	\$0.29	\$0.43	\$0.31	\$0.37	\$0.29	\$0.37	\$0.36
Business Transformation	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.08	\$0.08
Base Rate	\$1.45	\$1.55	\$1.54	\$1.66	\$1.93	\$2.26	\$2.05
(Excess)/Shortfall relative to Funding Target (\$M)	(\$160)	(\$300)	(\$302)	(\$130)	(\$172)	\$305	\$362
Target	110%	110%	110%	110%	100%	110%	115%
Amortization Period	8 y	8 y	8 y	8 y	8 y	8 y	10 y
Funding Level Adjustment for Prior Years	(\$0.24)	(\$0.44)	(\$0.43)	(\$0.18)	(\$0.23)	\$0.39	\$0.35
Announced Rate	\$1.21	\$1.11	\$1.11	\$1.48	\$1.70	\$2.65	\$2.40

AVERAGE RATE COMPONENTS

	2014	2015	2016	2017	2018	2019	2020	2021
Provisional Rate (per \$100)								
New Accident Costs	\$1.00	\$0.97	\$1.03	\$1.10	\$1.47	\$1.66	\$1.47	\$1.33 - \$1.38
OHS Costs	\$0.12	\$0.11	\$0.15	\$0.14	\$0.12	\$0.12	\$0.11	\$0.11
WCAT & Advocates	\$0.04	\$0.04	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03	\$0.03 - \$0.04
General Administration	\$0.29	\$0.43	\$0.31	\$0.37	\$0.29	\$0.37	\$0.36	\$0.35 - \$0.36
Business Transformation	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.08	\$0.08	\$0.00
Base Rate	\$1.45	\$1.55	\$1.54	\$1.66	\$1.93	\$2.26	\$2.05	\$1.82 - \$1.89
(Excess)/Shortfall relative to Funding Target (\$M)	(\$160)	(\$300)	(\$302)	(\$130)	(\$172)	\$305	\$362	\$163.5
Target	110%	110%	110%	110%	100%	110%	115%	115%
Amortization Period	8 y	8 y	8 y	8 y	8 y	8 y	10 y	5 y
Funding Level Adjustment for Prior Years	-\$0.24	-\$0.44	-\$0.43	-\$0.18	-\$0.23	\$0.39	\$0.35	\$0.33
Announced Rate	\$1.21	\$1.11	\$1.11	\$1.48	\$1.70	\$2.65	\$2.40	\$2.15 - \$2.22



LOOKING AHEAD TO OUR TRANSFORMATION JOURNEY

ORGANIZATIONAL TRANSFORMATION

Transformation at WorkSafeNB is focused on three programs:

1. Client Experience
2. Employee Experience
3. Enterprise Experience





LOOKING AHEAD

- Assessment deferrals/Interest rates
- Occupational hygiene regulations
- Stakeholder consultations to come:
 - Worker Benefit improvements
 - Maximum assessable earnings (MAE)
 - Rate model (variable vs. fixed)

Assessment Rate Model

There are some services all employers use, regardless of whether or not an injury occurs.

- Our assessment rate model should shift to include an equitable portion of shared costs in rates

- ▶ Cost of workplace injuries
- ▶ Adjustments for prior year injuries
- ▶ Administration & prevention initiatives
- ▶ Fixed portion for administration & prevention

