

Board of Directors Meeting Minutes

April 28, 2021 – 1:00 p.m. to 4:00 p.m.

April 29, 2021 – 9:00 a.m. to 12:00 p.m.

Webex

Attendees: Mel Norton (Chairperson), Haley Flaro (Vice-Chairperson) Donna McNeill, Gaëtan Guérette, Mike MacMullin, Lucien Sonier, Julie Marr, Tina Soucy, James Stanley, Douglas Jones

Staff Present for the Meeting: Susan Layton, Perry Cheeks; Mike Freeze, Matthew Gilbride, Margaux Savoie-Connolly, Amer Alhalawani, Cathy Bent, Laragh Dooley, Monica Mallaley

Guests Present for the Meeting: Brad Rowe (Eckler Ltd.), Kyle Weeden (Eckler Ltd.)

1. Adoption of Agenda

On motion duly made, seconded and carried it was unanimously resolved:

That the agenda for the Board of Directors meeting dated April 28 and April 29, 2021 was adopted as presented.

2. Safety Moment

The Board members discussed the importance workplace safety and a moment of silence was held in honour of Day of Mourning.

3. Declarations of Conflicts of Interest

The Chairperson asked Board members if they have any conflicts of interest arising from the meeting agenda and, if so, to declare that conflict. No conflicts of interest were declared.

4. In-Camera

An in-camera session was held.

5. Approval of Minutes

On motion duly made, seconded and carried, it was unanimously resolved:

That the minutes of the Board of Directors meeting dated February 24, 2021, be approved as written.

6. Consent Agenda

There were no items under the consent agenda.

7. Chairperson's Report

The Board Chairperson said that discussions with the Post-Secondary Education, Training and Labour Minister and Deputy Minister, along with the Vice-Chair and CEO, have been reinitiated. A meeting was held yesterday to discuss the five-year review process for legislative reforms and communication from stakeholders.

On motion duly made, seconded and carried, it was unanimously resolved:

That the Chairperson's Report be received and filed for information.

8. CEO Report

a. Operational Update

The President and CEO provided a summary of the operational update.

On motion duly made, seconded and carried, it was unanimously resolved:

That the operational update be received and filed for information.

b. Update on Standing Committee on Public Accounts

The President and CEO provided an update on the Standing Committee for Public Accounts.

On motion duly made, seconded and carried, it was unanimously resolved:

That the update on the Standing Committee for Public Accounts be received and filed for information.

9. Financial Update as of March 31, 2021

The Chief Financial Officer provided a summary of the unaudited financial results as of March 31, 2021.

Preliminary results for the first quarter in 2021 show a high dollar value in assets and liabilities, however, the liability amounts stated include current year unearned revenue of \$52M, representing current year assessment premiums, that will decline throughout the year as the revenue is earned.

The Chief Financial Officer provided an overview the administrative, transformation, Board of Directors and WRC budgets to actual reports, as of year-to-date.

On motion duly made, seconded and carried, it was unanimously resolved:

That the Financial Update as of March 31, 2021, be received and filed for information.

10. Benefit Liabilities Adjustment

The Senior Actuarial Manager explained that the reduction in liabilities for 2020 – from an estimated \$1.5 billion to \$1.38 billion – was because of three key drivers:

- 1) Hearing loss claim experience continues to improve
- 2) Wage loss claim experience continues to improve
- 3) Impact of 2020 payment experience on short term wage loss and medical/hospital liabilities

On motion duly made, seconded and carried, it was unanimously resolved:

That the benefit liabilities adjustment presentation be received and filed for information.

11. Finance and Investment Committee Update

The Finance and Investment Committee Chair provided an overview of her report to the Board.

On motion duly made, seconded and carried, it was unanimously resolved:

That Item 11a – Investment Results: Q4 and as of March 30, 2021; Item 11b – Internal Audit – Investment Fiduciary Review; and, Item 11c – CEO Approval Limits of the Finance and Investment Committee update be received and filed for information.

On motion duly made, seconded and carried, it was unanimously resolved:

That Item 11d – Amendments to Terms of Reference of the Finance and Investment Committee be approved, as presented.

12. Recommendation for Outsourced Chief Investment Officer (OCIO)

The Chief Financial Officer said that after presenting to the Finance and Investment Committee earlier this month, the Committee recommends that the Board of Directors approve Management’s recommended candidate for the Outsourced Chief Investment Officer.

This recommended candidate demonstrated how WorkSafeNB would be a strategic client relationship for the firm and their finalist presentation exhibited a significant amount of due diligence, illustrating their desire to partner with the organization. This candidate outlined their understanding of WCB-specific investment considerations while offering a competitive fee that delivers value for the services offered in their proposal.

On motion duly made, seconded and carried, it was unanimously resolved:

That the Board of Directors direct management to enter into contract with management’s recommended candidate to manage 100% of investments. Accordingly, management will modify any investment policies and bring them to the Board for review and approval.

13. Policies

a. Policy 21-103 – Conditions for Entitlement – Traumatic Mental Stress

The Manager of Policy and Hearing Representatives provided an overview of a recent New Brunswick Court of Appeal (NBCA) decision *New Brunswick Liquor Corporation v. Sauvageau et al.*, 2020 NBCA 61, which gave additional direction on the decision-making framework to be used by WorkSafeNB when considering claims for traumatic mental stress.

Changes to Policy 21-103 Conditions for Entitlement – Traumatic Mental Stress have been made to align with this most recent NBCA decision.

On motion duly made, seconded and carried, it was unanimously resolved:

That the Board of Directors approved proposed Policy 21-103 Conditions for Entitlement – Traumatic Mental Stress, release 6; and rescinded Policy 21-103 Conditions for Entitlement – Traumatic Mental Stress, release 5.

b. Policy 21-220 – Medical Expense Related Travel

The Manager of Policy and Hearing Representatives said that Policy 21-220 – Medical Expense Related Travel, outlines WorkSafeNB’s policy for paying for claim-related travel expenses related to obtaining medical treatment.

The Board had concerns around the sentence under Section 9.0 – Exceptional Cases that reads, “In these circumstances, travel expenses will be restricted to what exceeds the worker’s normal pre-injury employment travel requirements” and asked that clarity be added.

This policy will be brought back to the Board of Directors for review and approval.

14. Update on Board Vacancies

The Corporate Secretary and General Counsel said that the panel for the Vice-Chair vacancy is scheduled to meet next week.

She has still not received any update regarding the status of the employer representative vacancy.

On motion duly made, seconded and carried, it was unanimously resolved:

That the verbal update on Board vacancies be received and filed for information.

15. Translation of Board Materials

After discussion, it was decided that all Board meeting minutes and policies will be translated using translation services and that Committee minutes and policies can be translated using online translation tools.

On motion duly made, seconded and carried, it was unanimously resolved:

That all Board meeting minutes and policies be translated using translation services and that Committee minutes and policies can be translated using online translation tools.

16. Transforming Our Service Delivery Models

The Vice-President of Claims Management and Rehabilitation said that in 2016, a client service transformation roadmap was developed which included looking at different service delivery models. The 2019-2021 Strategic Plan reaffirmed this direction by stating that we will improve our access to effective care and treatment tailored to the needs of the worker. The Vice-President of Claims Management and Rehabilitation gave an update on the transformation activities that have been implemented as well as additional opportunities for service improvements that have been identified.

On motion duly made, seconded and carried, it was unanimously resolved:

That the transforming service delivery models presentation be received for information, with further updates to follow.

17. Roundtable Discussion on Greatest Risks and Threats Facing the Organization

The President and CEO said that when looking at strategic planning, he would like to gather the Board's input on the greatest risks of the organization.

Risks identified include skill gaps on the Board, succession planning, information technology, governance audit, post-traumatic stress disorder claims, and role of the Board.

18. Update on Workers' Compensation Act Review

As per a recommendation from the Task Force, and as is a legislated requirement as a result of Bill 27, a full comprehensive review of the *Workers' Compensation Act*, its regulations, and ancillary Acts and Regulations must be completed by December 31, 2021.

A summary of work to-date was provided to the Board and will continue to be provided throughout the year when final recommended changes will be summarized into a report for the Board's approval in December before submitting the list of recommendations for amendments to the Minister of Post-Secondary Education, Training and Labour by December 23, 2021.

The Manager of the Decision Review Office provided an overview of the recommended changes made to the Preamble, Subrogation, and Section 46.

On motion duly made, seconded and carried, it was unanimously resolved:

That the update on the Workers' Compensation Act review be received and filed for information.

19. Review Draft Outline for Annual Report

The Executive Director of Communications provided an outline for the 2020 Annual Report. She said that there are very positive results to report despite challenges with the pandemic.

On motion duly made, seconded and carried, it was unanimously resolved:

That the outline for the 2020 Annual Report be received and filed for information.

20. New Business

a. Minutes from October 28, 2021

The Corporate Secretary and General Counsel indicated that at the Board of Directors' meeting, held on December 6, 2020, the Board passed a motion providing for the minutes from the October 5, 2020, and the October 28, 2021, Board meetings to be in-camera. The minutes from the October 28, 2021, board meeting also included minutes with respect to item #5 as follows:

“5. Workers' Compensation Act Average Assessment Rate for 2021

The Chief Financial Officer reviewed the various scenarios for the assessment rate for 2021.

On motion duly made, seconded and carried it was resolved:

That the Board of Directors accept a funding level adjustment of \$0.35, with an average assessment rate of \$2.17 for 2021.

Two objections to the above-noted motion were recorded.”

In order to ensure the transparency of the Board of Directors' decision-making process, management recommended, and the Board adopted, the following motion:

On motion duly made, seconded and carried, it was unanimously resolved:

That Item 5 – Workers' Compensation Act Average Assessment Rate for 2021, from the Board meeting minutes, dated October 28, 2020, be excluded from the motion passed at the Board meeting, dated December 6, 2020, such that Item 5 – Workers' Compensation Act Average Assessment Rate, will be translated, and be publicly available on the WorkSafeNB website.

b. AWCBC Governance Summit

The President and CEO reminded Board members that this year's AWCBC Governance Summit will be made available virtually and encouraged all Board members to attend.

21. Adjourn

Motion to adjourn.

The meeting adjourned at 11:05 a.m. on Thursday, April 29, 2021