

## Statements of Operations and Cash Flows

### Unaudited Statement of Operations

For the Three Months Ending March 31, 2009

	Budget (YTD) (000's)	Actual (YTD) (000's)	Previous (YTD) (000's)
<b>Income</b>			
Assessments including self-insured	\$46,758	\$47,210	\$46,479
Investments	15,134	(25,041)	(37,623)
Province of NB	225	225	225
	<u>\$62,117</u>	<u>\$22,394</u>	<u>\$9,081</u>
<b>Expenses</b>			
Claims costs incurred	50,259	50,764	50,648
Administration	8,626	7,638	7,109
Appeals Tribunal	422	338	303
Legislative obligations	300	295	285
	<u>\$59,607</u>	<u>\$59,035</u>	<u>\$58,345</u>
Excess of income over (expenses)	<u>\$2,510</u>	<u>(\$36,641)</u>	<u>(\$49,264)</u>

### Unaudited Statement of Cash Flows

For the Three Months Ending March 31, 2009

	Actual (YTD) (000's)	Previous (YTD) (000's)
<b>Cash flow from operating activities</b>		
Cash received from:		
Assessed Employers	\$ 60,782	\$ 55,658
Self-insured employers	6,766	6257
Interest and dividends	5,402	6,800
Province of New Brunswick	900	0
	<u>\$73,850</u>	<u>\$68,715</u>
Cash paid to:		
Injured workers or third parties on their behalf	\$ 32,312	\$ 31,362
Suppliers & employees, for administration and other services	9,324	9,671
	<u>\$41,636</u>	<u>\$41,033</u>
<b>Net cash provided by operating activities</b>	<b>\$32,214</b>	<b>\$27,682</b>
<b>Cash received from:</b>		
Sale of Investments	\$82,431	\$51,656
Cash paid for:		
Purchase of investments	\$ 87,197	\$ 56,366
Purchase of capital assets	284	229
	<u>\$87,481</u>	<u>\$56,595</u>
<b>Net cash (used in) investing activities</b>	<b>(5,050)</b>	<b>(4,939)</b>
<b>Increase in cash during the year:</b>	<b>27,164</b>	<b>22,743</b>
Cash and short-term investments, beginning of period	34,428	29,112
<b>Cash and short-term investments, end of period</b>	<b>\$61,592</b>	<b>\$51,855</b>

The above statements have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in *WorkSafeNB's 2008 Annual Report*.

## Risk Assessment

The Board of Directors continues to monitor risks identified in the 2008-2013 Strategic Plan and Risk Assessment

### Level of Risk

- Acceptable
- Cautionary
- Unacceptable

### Unique Mandate Risks

- Funding levels
- Assessment rates that do not promote self-sufficiency
- Varying expectations of WorkSafeNB's role in health and safety
- Gaps and delays enacting legislative amendments
- Level and comprehensiveness of benefits
- Occupational diseases
- Varying expectations of WorkSafeNB's role in return to work
- Varying interpretations of sections within the WC Act
- Gaps in the WHSCC Act regarding the applicability of Board policy in Appeals Tribunal decisions
- Financial impact of employer incentives proposed by the Independent Review Panel
- Effect of actuarial assumptions on annual financial results

### External Risks

- Changes to other provincial or federal legislation and regulations

### Management's Cautionary Notes:

Funding levels have declined to 87.7% funded as of December 31, 2008, primarily due to declines in world equity markets affecting WorkSafeNB's investment portfolio. WorkSafeNB is required by legislation to return to 100% funded within five years.

### Endnotes

1. Source: Corporate Services, information as of December 31, 2008.
2. Source: WorkSafe Services, annual data as of December 31, 2008.
3. Source: Human Resources, December 31, 2008.
4. Source: AWCBC Key Statistical Measures #21. Note that New Brunswick has a three-day waiting period, therefore, the number of lost time claims included in this figure may not reflect every lost-time injury.
5. Source: WorkSafe Services, May 20, 2009.
6. Source: WorkSafeNB, 2008 Client Satisfaction Survey.
7. Source: Corporate Services, March 31, 2009.
8. Days absent = the total days absent / (actual yearly budgeted - vacant positions)
9. Staff turnover = active positions / (active positions + terminated positions) per year.
10. Source: Human Resources, May 19, 2009
11. Excludes files opened that do not result in a claim
12. Prior years adjusted to most current data.
13. Staff Engagement is a new measure for 2008.
14. Annual Outcomes are reported using the data provided in the Annual Results Document and do not reflect changes as the data matures.
15. Previous industries = industries that have been but are no longer focus industries; Active > 1 year = Current focus industries that have been focus industries for more than one year (nursing homes, supermarkets); Active < 1 year = Current focus industries that have been focus industries for less than one year (restaurants)
16. Claims that are not considered manageable include, for example, claims that were reported late, appealed, or where an employer filed a form of election.

## Contact information

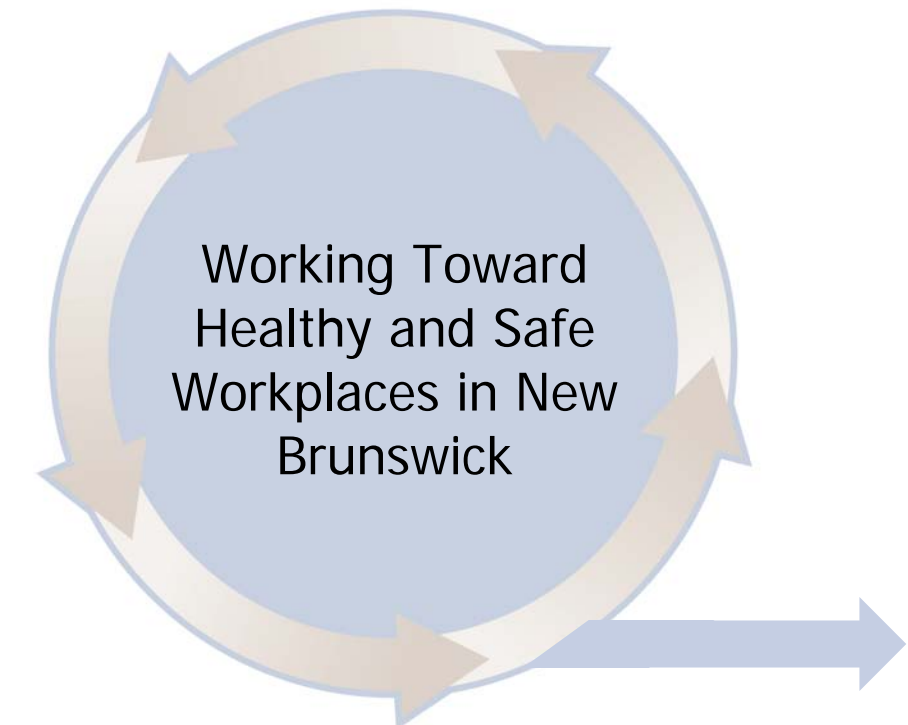
Toll-Free Number  
1-800-222-9775

Mailing Address:  
1 Portland Street, P.O. Box 160  
Saint John, NB E2L 3X9

This Accountability Document is also available online where it can be enlarged.

Visit our website at [www.worksafenb.ca](http://www.worksafenb.ca)

## Being Accountable: First Quarter Results January – March 2009



WorkSafeNB is committed to ensuring the highest standards in governance and administration. As such, management is pleased to present to the Board of Directors WorkSafeNB's first quarter results. This scorecard provides a summary of WorkSafeNB's progress towards achieving its five strategic goals, measures, and targets as established during the Board of Directors' annual strategic planning and risk assessment process. This document includes a summary of:

- ➡ Annual outcomes related to the goals, measures, and targets.
- ➡ Year-to-date information of indicators that influence the achievement of the goals.
- ➡ Management's notes to communicate how specific initiatives are helping to fulfill our strategic commitment.
- ➡ Statements of Operations and Cash Flows.
- ➡ Risks that the Board continues to monitor with cautionary notes from management, when applicable.

# Achieving Our Vision: Healthy and Safe Workplaces in New Brunswick

## Goals Annual Outcomes: December 31, 2008<sup>14</sup>

## Year-to-date Indicators\*: March 31, 2009

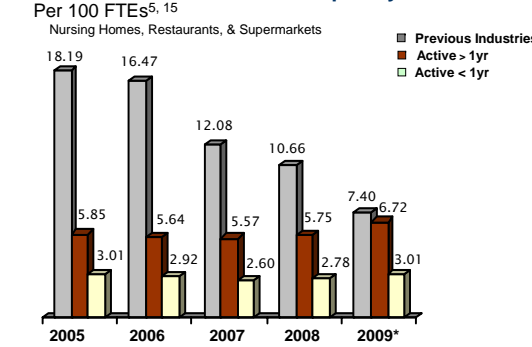
## Management Notes:

### Safety

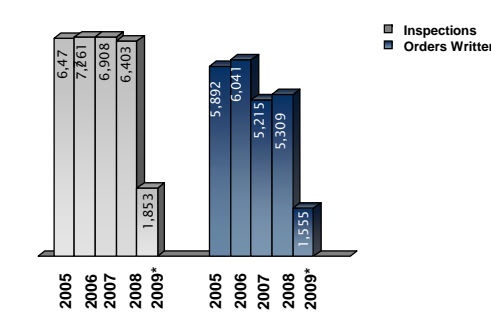
#### Accident Frequency Rate

	2004	2005	2006	2007	2008	Target 2008
All accidents per 100 Full-time Equivalents (FTE) <sup>12</sup>	3.46	3.61	3.52	3.46	3.48	<3.51
Lost-time accidents per 100 FTEs <sup>4</sup>	NB	1.30	1.42	1.33	1.36	N/A
	Canada	2.61	2.56	2.39	2.26	N/A
All accidents per \$1 million in assessable payrolls <sup>2</sup>	1.36	1.42	1.40	1.36	1.34	<1.39

#### Focus Industries Accident Frequency



#### OHS Compliance



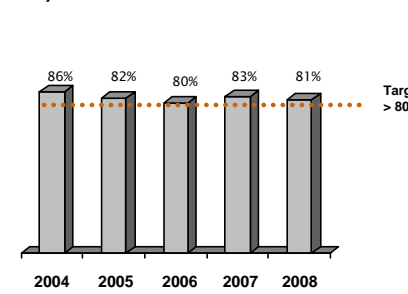
Overall the 2008 accident frequency level was similar to that of 2007. As a key initiative, WorkSafeNB targets industries with high accident frequency. The restaurant, supermarket, and nursing home industries are the focus industries for 2009. Sawmills and fishing have ceased to be focus industries as of the end of 2008. Focus industries accident frequency rates are at expected levels; we anticipate accident frequency of current focused industries will increase until health and safety programs materialize at which point the rate should begin to decrease. Accident frequency rates for previous focus industries should continue to decrease.

Another key initiative is WorkSafeNB's targeting of "focus firms," which assists firms with high accident frequencies. The vast majority of the 96 focus firms continue to show improvement.

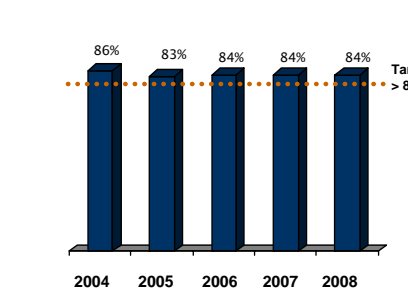
Strategic investments in health and safety in 2008 allowed WorkSafeNB to conduct 1,853 inspections and issue 1,555 orders to date 2009, up from 1,229 and 1,028, respectively, during the same period in 2008. Inspections are targeted at high-risk and focus industries.

### Service

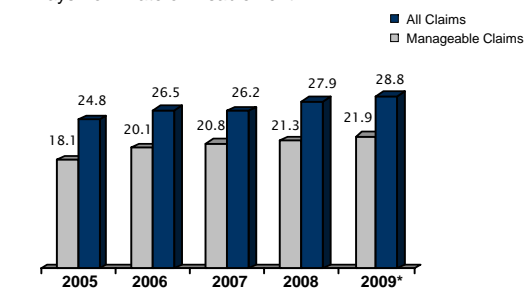
#### Client Satisfaction



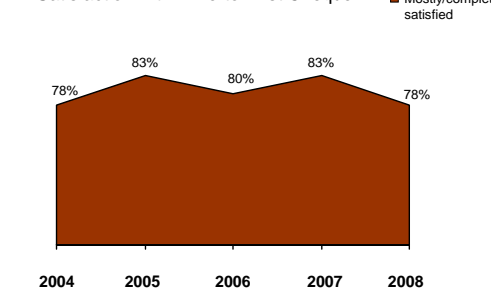
#### Client Satisfaction



#### Days-to-First-Benefit Cheque<sup>5,16</sup>



#### Client Satisfaction Score<sup>6</sup>

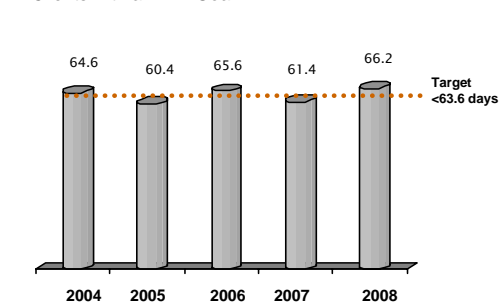


WorkSafeNB continues to evaluate services provided to injured workers by WorkSafeNB and by external service providers. Program and service evaluations completed in the first quarter addressed primary physiotherapy services, carpal tunnel injury management, application of home care benefits, and physician service contracts.

WorkSafeNB's ability to shorten time-to-first-cheque can affect client satisfaction with service delivery. According to the 2008 Client Satisfaction Survey, 67% of injured workers expect to receive an income-replacement cheque within two weeks of filing their claim. For manageable claims, the actual time-to-first-cheque was 21.9 days, a small increase from 2008 year-end results but a decrease when compared to the first quarter of 2008 (22.4 days).

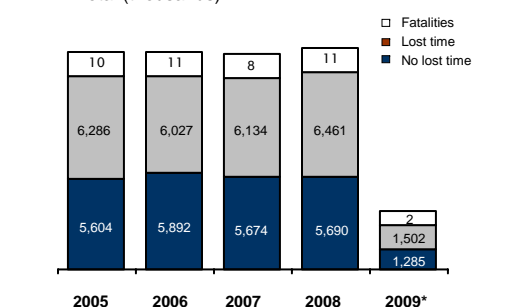
### Return to Work

#### Average Paid Compensation Days<sup>2</sup>

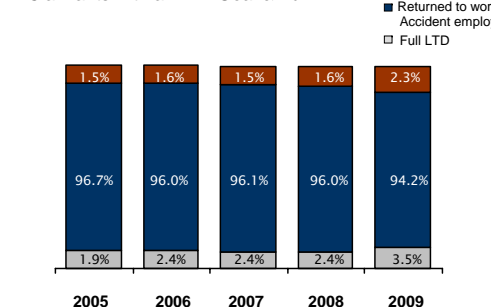


Year	Median paid compensation days <sup>2</sup>
2004	23.0 days
2005	21.0 days
2006	22.1 days
2007	22.0 days
2008	22.0 days

#### Claims Processed by Type<sup>5,11</sup>



#### Lost-time Claim Disposition<sup>5</sup>



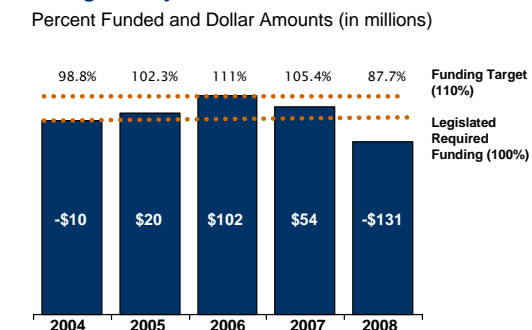
The annual average duration of closed return-to-work claims rose above target in 2008, however the 2008 average duration should improve and move toward the 2007 level as data matures.

The number of lost-time accidents increased for the second consecutive year in 2008. However, first quarter results in 2009 suggest a reversal of that trend; the 1,502 lost-time claims in the first quarter of 2009 represent a 2.9% decrease from the same period in 2008. Overall, approximately 19 out of 20 workers return or are ready to return to work.

WorkSafeNB continues to implement strategies in an attempt to reduce claim duration for shoulder, carpal tunnel, and sciatica injuries. WorkSafeNB has also implemented cognitive motivational techniques, and has sought to reduce high-risk duration claims to improve return-to-work outcomes.

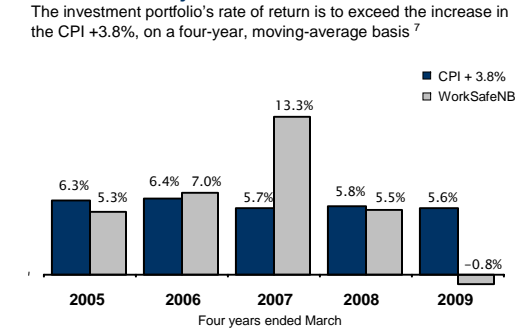
### Efficiency

#### Funding History<sup>1</sup>

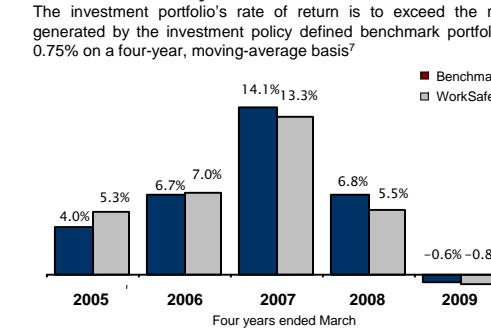


Year	Assets (\$000,000) <sup>1</sup>	Liabilities (\$000,000) <sup>1</sup>
2004	\$832.3	\$842.1
2005	\$920.2	\$899.9
2006	\$1,035.7	\$933.2
2007	\$1,065.5	\$1,011.0
2008	\$930.4	\$1,061.2

#### Performance Objective 1:



#### Performance Objective 2:



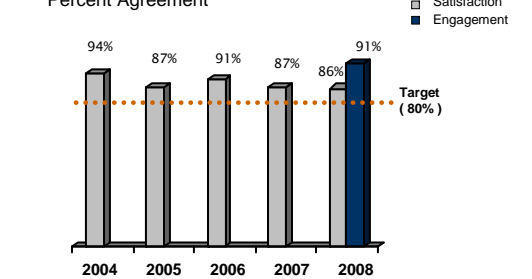
Equity markets struggled in January and February amid weaker than expected earnings and increased concern that the global recession may be deeper and longer than previously thought. Investors were also concerned about the financial stability of banks and their need to raise more capital. Stocks rallied in March on optimism that action by policy makers may help improve global credit markets and restore confidence in the financial system. WorkSafeNB's investment portfolio declined 3.3% in the first quarter, outperforming its benchmark, which declined 4.0%. WorkSafeNB was 87.7% funded as of December 31, 2008. The Long-Term Fiscal Strategy and Investment policies document WorkSafeNB's strategy for returning to fully funded status and maintaining investment discipline in volatile market conditions.

The Board approved the following policies during the first quarter of 2009:

- ➔ 25-030 Chronic Pain
- ➔ 21-206 Funding Annuity Benefits

### Staff Satisfaction

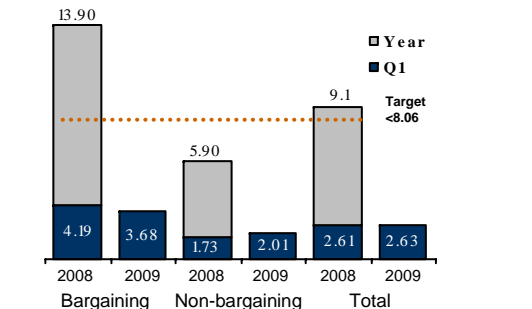
#### Staff Satisfaction & Engagement<sup>3,13</sup>



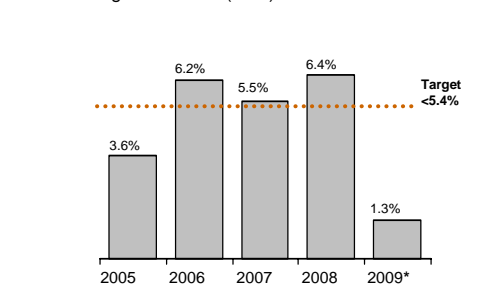
#### Health & Safety<sup>3</sup>

Year	Annual Safety Index
2007	85%
2008	86%

#### Days Absent<sup>8,10</sup>



#### Staff Turnover<sup>9,10</sup>



WorkSafeNB's annual Health & Safety program helps to maintain the highest standards for a safe and healthy work environment. Activities under the program for the first quarter of 2009 include:

- ➔ Assessing the material handling process in stores
- ➔ Updating the Business Continuity plan for pandemic planning
- ➔ Auditing records of inspections done on equipment
- ➔ Improving managers' knowledge of H&S regulations