

INFORMATION SHEET CORPORATE

NO FAULT COMPENSATION

- Workplace injuries are compensated regardless of fault.
- Worker and employer waive the right to sue.
- No argument over responsibility or liability for an injury.
- Fault becomes irrelevant, and providing compensation becomes the focus.

COLLECTIVE LIABILITY

- All employers share the total cost of the compensation system.
- Employers contribute to a common fund.
- Financial liability becomes the employers' collective responsibility.
- Ensures that injured workers receive adequate compensation without placing an undue burden on any particular employer.
- Industries are grouped according to their hazard potential, and industries found to have a greater risk of injury contribute a proportionally greater amount to the scheme than safer, less hazardous industries.
- Factors influencing the setting of assessment rates are: recent injury and cost experience in each industry class, the current financial strength of WorkSafeNB, and other factors such as the prevailing economic environment and current benefit levels.
- Each year's assessment rates must generate enough revenue to cover all current and future costs of workers' compensation for accidents occurring in that year, plus all of the expenditures for safety and prevention programs, all administrative expenses, and any funding deficiencies from prior year's assessments.

SECURITY OF PAYMENT

- Established fund to guarantee that compensation monies will be available.
- Injured workers are assured of prompt compensation and future benefits.

EXCLUSIVE JURISDICTION

- All compensation claims are directed solely to WorkSafeNB.
- WorkSafeNB is the decision-maker and final authority for all claims.
- WorkSafeNB is not bound by legal precedent (has the authority to judge each case on its individual merits).

INDEPENDENT BOARD

- The governing board of directors is both autonomous and non-political.
- Financially independent of government or any special interest group.
- Administration of the system is focused on the needs of its employers, workers and stakeholders, providing service with efficiency and impartiality.

CLASSIFICATION

- New Brunswick's employers are assigned to North American Industry Classification System (NAICS) industry codes.
- In 2010, 14,300 registered employers were assigned to 777 NAICS codes.
- These 777 industries are combined into 94 industry groups.
- Industry groups are combined into 20 rate groups.

RATE SETTING

- The board of directors approves the overall provincial average rate.
- Each rate group, industry and employer is assigned a basic rate.
- About two-thirds of the employers – those deemed large enough to have credible historical experience – are assigned an experience rating reduction or surcharge based on how they compare to the rest of their rate group.

2010 RESULTS

- WorkSafeNB recorded a surplus of \$105.5 million, compared to a \$129.2 million surplus in 2009.
- The surplus is the result of better than expected investment returns, claims costs and administration costs.
- Actual claims and administration costs were \$188.7 million, which is 24% lower than the budgeted claims and administration costs of \$248.2 million.
- Actual investment returns were 10.68%, compared to budgeted returns of 7.12%.
- Investment income fell from \$129.9 million in 2009 to \$93.3 million in 2010. Most of this decrease is attributable to a smaller change in unrealized gains on WorkSafeNB's equity investments for the year ended December 31, 2010.
- These operating results improved the funded position to \$122.2 million, or 111.5%.

FUNDING LEVELS

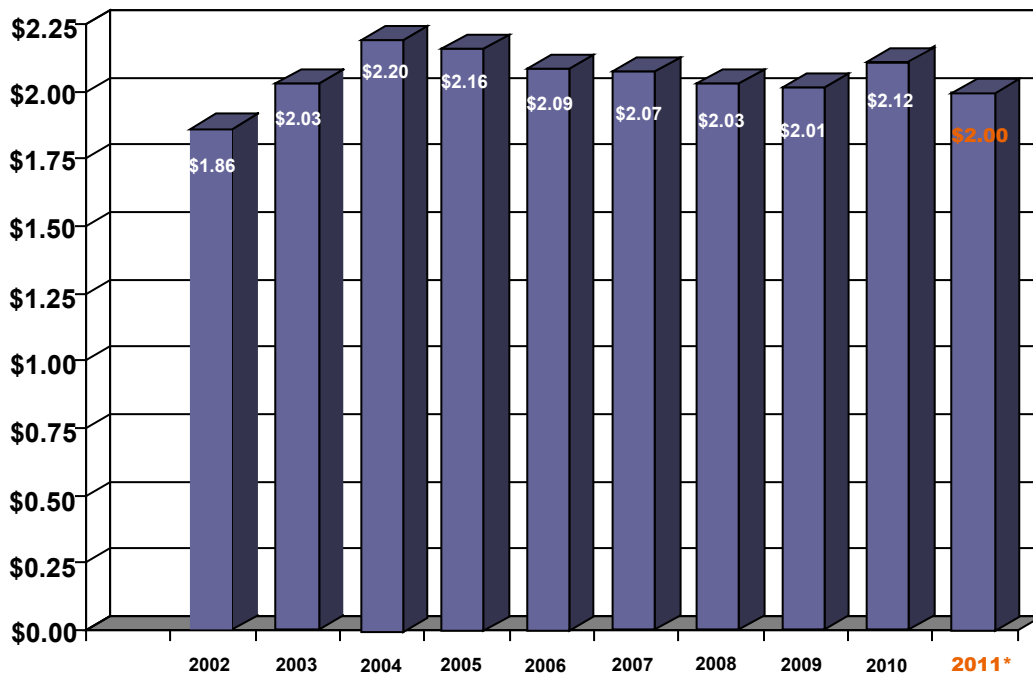
- Legislation requires WorkSafeNB to have a minimum funding level of 100% with shortfalls to be recovered over five years.
- The board of directors adopted a long-term fiscal strategy in 2006 where the target funding level was set to 110%, with shortfalls to be recovered over eight years.
- The funding levels fell to 105.4 % in 2007 and 87.7% in 2008. The board of directors addressed these shortfalls by including funding provisions in the assessment rates.
- With some additional assessment revenue and positive investment results in 2009 and 2010, the funding levels improved to 101.6% in 2009 and to 111.5% in 2010.
- The board of directors reviews its long term fiscal strategy each year to ensure financial targets continue to allow WorkSafeNB to provide the best possible benefits to injured workers while maintaining the lowest possible assessments rates for employers.

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INVESTMENT PORTFOLIO

- As of December 2010, the market value of this portfolio was \$995.3 million.
- External investment managers professionally manage it.
- Currently 11 external investment managers with 14 mandates.
- Investment policy governing the portfolio is approved by the board of directors, and implemented by WorkSafeNB staff.

New Brunswick's Actual Average Assessment Rate



*2011 Provisional average assessment rate