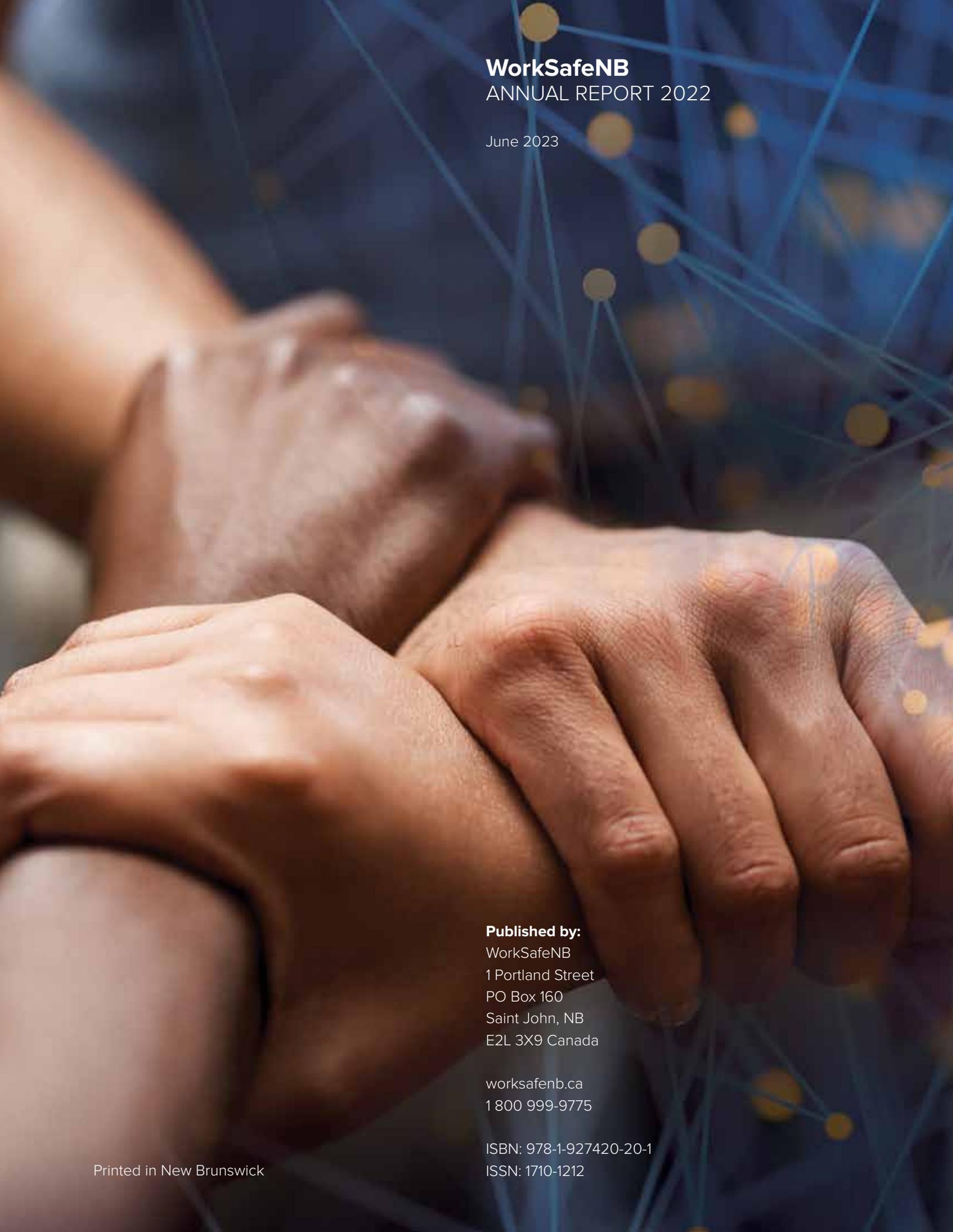


2022 ANNUAL REPORT

LINKED
CONNECTED
UNITED...
FOR OUR FUTURE

The background of the cover features a close-up of several hands of different skin tones clasped together in a supportive grip. Overlaid on this is a network graphic consisting of thin blue lines connecting various circular nodes, some of which are highlighted in a golden-yellow color.

WorkSafeNB
ANNUAL REPORT 2022

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OUR FOUNDING PRINCIPLES

PEOPLE

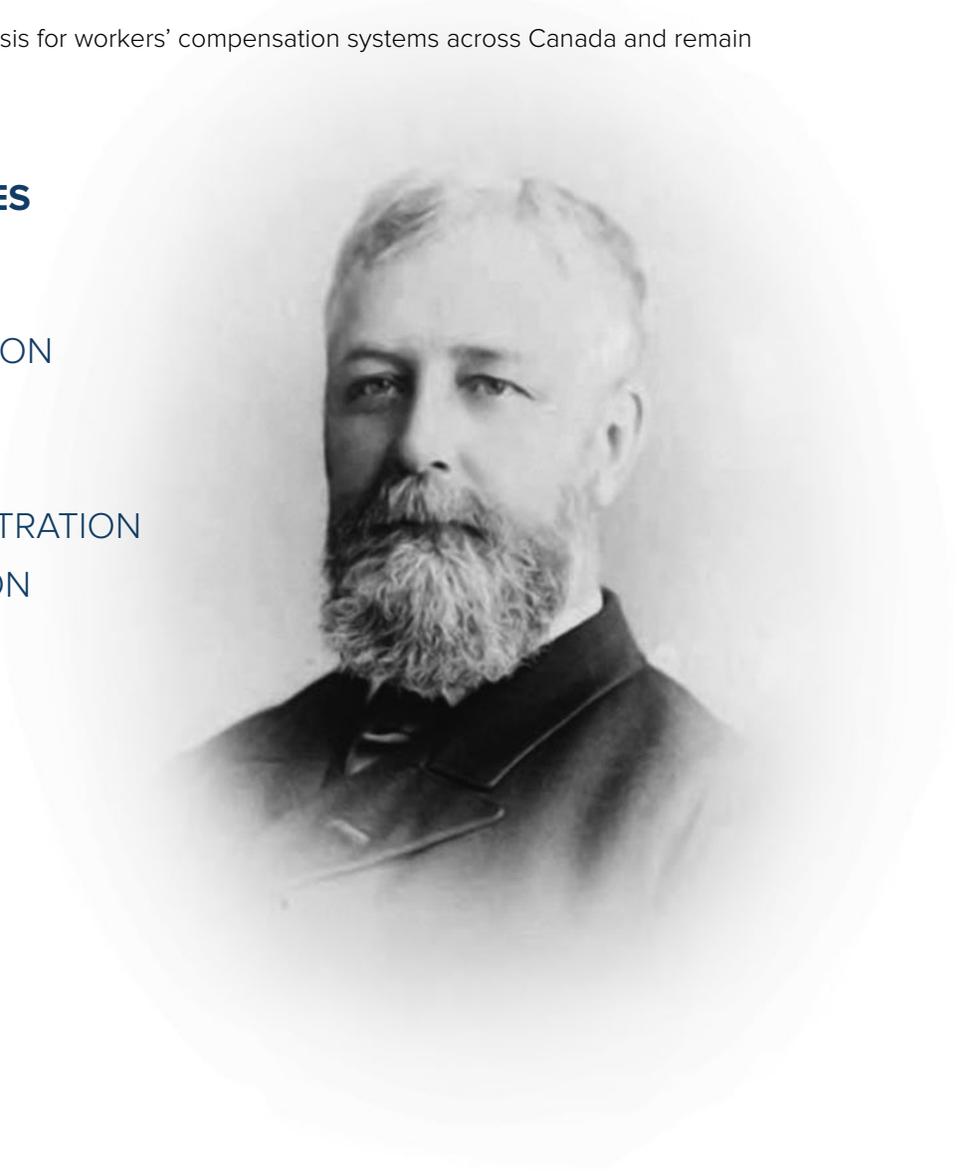
In 1918, New Brunswick's workers' compensation system was established based upon principles developed five years earlier by Sir William Meredith, a former Chief Justice of Ontario.

The development of the Meredith Principles achieved a historic compromise in which employers fund the workers' compensation system and collectively share liability if, and when, workers are injured. In return, injured workers receive wage-loss compensation and medical benefits while they recover from a workplace injury. In accepting workers' compensation benefits, injured workers cannot sue their employers.

The Meredith Principles became the basis for workers' compensation systems across Canada and remain so today.

THE MEREDITH PRINCIPLES ARE BASED ON :

- 1 NO-FAULT COMPENSATION
- 2 SECURITY OF BENEFITS
- 3 COLLECTIVE LIABILITY
- 4 INDEPENDENT ADMINISTRATION
- 5 EXCLUSIVE JURISDICTION



WHO WE ARE

PREVENTION

INTEGRITY

WorkSafeNB is a Crown corporation committed to promoting healthy and safe workplaces in New Brunswick. While our primary objective is to prevent workplace injuries and occupational disease, we provide comprehensive rehabilitation services and wage-loss replacement when these do occur.

WorkSafeNB is the regulatory body responsible for ensuring compliance with New Brunswick's *Occupational Health and Safety Act*. We are also accountable to our stakeholders for fair administration of the *Workers' Compensation Act*, the *Workplace Health, Safety and Compensation Commission* and *Workers' Compensation Appeals Tribunal Act* and the *Firefighters' Compensation Act*.

OUR VISION

Making New Brunswick
the safest place to work.

OUR MISSION

Collaborate with all stakeholders to
design, build and manage an effective
continuum of safety and care.

FOCUS AREAS

PEOPLE



PEOPLE

We will create a people-first culture resulting in an exceptional employee and client experience.



AN EXCEPTIONAL EXPERIENCE

Keeping New Brunswick workers healthy and safe is more than a job – it's a passion! We are workers too, as are our daughters and sons, brothers and sisters, parents and children, and friends and colleagues. Together, we build a strong network of support.



PREVENTION

Together, we will prevent workplace injuries, illnesses, death and disability.



A PROVINCE WITHOUT WORKPLACE INJURY AND DISABILITY

Traditionally, when we think about prevention, we think of injuries and illnesses. WorkSafeNB, however, is changing this mindset. We also define it as helping injured workers recover at work when possible, keeping them involved and productive to help prevent disability.



INTEGRITY

We will protect the integrity of the system.



OUR GUIDING PRINCIPLE

As a trusted steward, we are dedicated to building a strong, stable and sustainable system. While financial sustainability is a key component, system integrity also includes good governance, privacy protection, modern technology, cybersecurity and sound legislative foundations.

WHO WE SERVE

PREVENTION

INTTEGRITY



LARGEST THREE SECTORS



CONSTRUCTION



HEALTH CARE &
SOCIAL ASSISTANCE
(DOES NOT INCLUDE SELF-INSURED)



RETAIL TRADE

EMPLOYERS BY SIZE (BY FULL-TIME EQUIVALENT)

LARGE

6%

APPROXIMATELY
55 EMPLOYEES OR MORE

MEDIUM

20%

APPROXIMATELY
12-55 EMPLOYEES

SMALL

74%

FEWER THAN
12 EMPLOYEES

* APPROXIMATED

BOARD OF DIRECTORS

PEOPLE

WorkSafeNB's board of directors is appointed by the Lieutenant-Governor in Council to represent our stakeholders' interests. They are responsible for WorkSafeNB's stewardship and strategic direction. As a Crown corporation, the board is accountable to the Government of New Brunswick through the Minister of Post-Secondary Education, Training and Labour.

Our board consists of a chairperson and a vice-chairperson, neither of whom are representative of either workers or employers, as well as four members representing workers and four members representing employers. These members agree to act in the best interest of WorkSafeNB at all times, regardless of the stakeholders they represent. The president and CEO is an ex-officio non-voting member of the board of directors.



MEL NORTON
Chairperson



HALEY FLARO
Vice-Chairperson



JAMES STANLEY
Saint John



DONNA McNEILL
Fredericton



TIM PETERSEN
President and chief executive officer



GAËTAN GUÉRETTE
Edmundston



TINA SOUCY
Dieppe



MIKE MACMULLIN
Saint John



LUCIEN SONIER
Caraquet



BERT CYR
Moncton



DENNY VAUTOUR
Saint John

The board meets regularly and each member serves on one or more of the following committees:
Audit
Fatality Review
Finance & Investment
Governance
HR & Compensation

EXECUTIVE LEADERSHIP TEAM

PREVENTION

INTTEGRITY

WorkSafeNB's executive leadership team (ELT) is responsible for implementing our board of directors' strategies and for managing our day-to-day operations.

While each ELT member has the critical skills, training and education to lead, more importantly, they each have the qualities of great leadership that can't be taught – like empathy, accountability and trustworthiness. They motivate and inspire by setting the right example, guided by these qualities. The ELT upholds our vision, sets a clear and actionable strategy for achieving that vision, and motivates and empowers all other employees at WorkSafeNB. We are proud of our ELT and trust in its ability to realize our strategic plan through measurement and oversight to make critical, and often hard, decisions for the betterment of both WorkSafeNB and our stakeholders.



TIM PETERSEN
President and CEO



RICHARD BLAIS
Vice-President,
Prevention



DAVID LUTHER
General Counsel
and Corporate Secretary



CATHY BENT
Vice President, Claims
Management and Rehabilitation



PERRY CHEEKS
Chief Financial Officer
(Retired March 2023)



JOSÉE PELLETIER
Executive Director,
Human Resources



LARAGH DOOLEY
Executive Director,
Corporate Communications
and Business Transformation



LISA WALKER
Chief Information Officer



CAROLYN MACDONALD
Executive Director, Strategic
Planning, Policy and Risk

SUMMARY OF KEY STRATEGIC MEASURES

PEOPLE



PEOPLE

	2020	2021	2022	2024 TARGETS*
Employee Engagement	n/a	53%	61%	70%
Client Satisfaction				
Injured Workers	69%	n/a	69.3%	80%
Employers	76%	n/a	76.3%	80%



PREVENTION

	2020	2021	2022	2024 TARGETS*
Health & Safety Index	9.9%	(4.9%)	3.7%	POSITIVE RATE OF CHANGE
% of workers off claim				
At 90 days	64%	66.2%	69.1%	80%
At 180 days	80.8%	81.3%	83.7%	87.5%



INTEGRITY

	2020	2021	2022	2024 TARGETS*
Funding Position	123.6%	147.5%	147.7%	115-125%

* Our 2022-2024 Strategic Plan set targets for 2024. Our 2022 results are all trending positively and we are confident that we will meet the targets of 2024.

OUR YEAR AT A GLANCE

PREVENTION

INTEGRITY

	2020	2021	2022
Funded ratio	123.6%	147.5%	147.7%
Funded position	\$329M	\$640M	\$618M
Excess income over expenses	\$252M	\$310M	(\$22M)
Benefit liabilities	\$1.4B	\$1.3B	\$1.3B
Assessment rate	\$2.40	\$2.17	\$1.69
Assessment revenue	\$245M	\$233M	\$207M
Investment returns	5.4%	13.1%	(3.8%)
Investment income	\$83M	\$215M	(\$75M)
Admin costs	\$53.9M	\$57.1M	\$59.9M
Lost-time injuries - assessed employers	1.1	1.0	0.9
Lost-time injuries - self-insured employers	2.6	2.7	2.9
Lost-time injuries - all employers	1.3	1.2	1.2
Lost-time and No lost-time injury frequency	2.0	1.8	1.7
Lost-time claims	4391	4273	4229
No lost-time claims	2319	2009	1720
Traumatic psychological injury claims accepted	149	135	179
Fatalities	12	14	10
Open claim duration	288.6	330.5	294.6
Closed claim duration	96.5	91.0	91.9
Off claim at 90 days	64.0%	66.2%	69.1%
Off claim at 180 days	80.8%	81.3%	83.7%
Claim registration to 1st payment	25.9	32.2	22
Injury to claim registration	14.3	16.5	17.6
Injured worker satisfaction	69%	n/a	69.3%
Employer satisfaction	76%	n/a	76.3%
Employee engagement	n/a	47%	61%
Health and Safety Index	9.9%	(4.9%)	3.7%
Consultations	1406	1264	1538
Investigations	41	57	49
Prosecutions	9 – \$488,400	8 – \$153,000	10 – \$225,650
Inspections	4987	6011	5121
Orders issued	2461	3656	3718

Data is finalized as of March 31, 2023. As data matures, previous years' numbers may be restated to reflect final numbers.

MESSAGE FROM THE CHAIR

PEOPLE

“Our goal is to ensure we exceed the needs of New Brunswick workers and employers, and we are committed to achieving this through ongoing improvement and innovation.

MEL NORTON

Chairperson, Board of Directors



I am pleased to present our annual report for 2022, a year that gave us much to celebrate. We were proud to appoint Tim Petersen as WorkSafeNB’s president and chief executive officer, and we believe that his diverse experience and leadership will be instrumental in driving the evolution of our workers’ compensation system to best serve our stakeholders and our employees. We are confident that the organization will thrive under Tim’s direction.

We are proud to have launched our new strategic plan this past year, which outlines how we are all linked together for success and will see our vision realized through three focus areas: People, Prevention, and Integrity. We believe that these areas are interconnected in all that we do, and we are committed to caring for one another, providing workers and employers with the tools and support needed to keep everyone safe at workplaces, and ensuring that WorkSafeNB is healthy and sustainable so that we are there when New Brunswick workers need us the most. WorkSafeNB is also following an ambitious path of modernization. Our goal is to ensure we exceed the needs of New Brunswick

workers and employers, and we are committed to achieving this through ongoing improvement and innovation.

With continued support from Honourable Minister Trevor Holder and the provincial government, in 2022, WorkSafeNB saw meaningful change and achieved successful outcomes. These results include a decline in accident frequency rates, better return to work outcomes, and lower assessment rates that ensure the sustainability of our workers’ compensation system. You’ll learn about other successes in this report. We also pursued new

▶ On behalf of the entire board of directors, I would like to express our appreciation to all WorkSafeNB's employees who go above and beyond to ensure the safety and well-being of our workers and their families. Your tireless efforts have not gone unnoticed, and we appreciate all that you have done and continue to do.

legislation that will improve the lives of New Brunswickers and is critical for building the best system possible for our stakeholders, such as strengthened health and safety provisions and better benefits for injured workers.

I want to thank our stakeholders for their ongoing feedback in policy development and legislative reviews. Your engagement, through your insights and perspectives, is essential to shaping our approach and ensuring that we continue to serve the needs of New Brunswick's workforce. Together, we can continue to build a safer, healthier, and more prosperous future for all New Brunswickers.

Finally, I am pleased to report that we have completed 92% of recommendations made by the auditor general following a governance audit conducted five years ago and nearly 93% of the recommendations related to the claims management

audit. We welcomed these recommendations and the insights they provided, and we believe that they have made for a stronger governance framework at WorkSafeNB. They have also supported changes to better serve injured workers. This past year, the Auditor General followed up on the initial review to ascertain our progress.

On behalf of the entire board of directors, I would like to express our appreciation to all WorkSafeNB's employees who go above and beyond to ensure the safety and well-being of our workers and their families. Your tireless efforts have not gone unnoticed, and we appreciate all that you have done and continue to do.

Sincerely,



MEL NORTON

Chairperson, Board of Directors

MESSAGE FROM THE PRESIDENT AND CEO

PEOPLE

“Our key performance indicators are on a positive trend. Employee engagement is quickly improving, and New Brunswick’s workers and employers are more satisfied with our services.”

TIM PETERSEN
President and Chief
Executive Officer



Dear Stakeholders,

I am honoured to author my first message as WorkSafeNB’s newest president and chief executive officer, and I am grateful for the opportunity to lead this exceptional organization.

First and foremost, I would like to express my appreciation to the board of directors for their trust in appointing me to this position and for their ongoing support in the pursuit of our strategic goals focused on People, Prevention, and Integrity. It is truly a privilege to serve in this role, and I commit to continuing to earn not only the board’s trust, but the trust of all stakeholders as we work together toward our vision of *Making New Brunswick the safest place to work*.

WorkSafeNB progressed significantly in 2022. We strengthened our connections with each other and our stakeholders, linking our services to People,

Prevention, and Integrity. We realized positive outcomes that were further bolstered by our modernization programs and projects – all part of an important journey that we embarked on this year. Our modernization roadmap includes numerous programs and projects, all designed to modernize service delivery, improve client outcomes, create an exceptional culture, and help position WorkSafeNB as a leading-edge health and safety organization.

Our key performance indicators are on a positive trend. Employee engagement is quickly improving, and New Brunswick’s workers and employers are

more satisfied with our services. Our accident frequency remains stable at 1.2, with fewer people getting hurt at work than at any point in the last decade. And for those who do get hurt, we've dedicated significant effort to improving return-to-work outcomes; I'm pleased to report that we exceeded our targets in this area.

I'm very proud of WorkSafeNB's employees, whose dedication and compassion helped realize these improvements. However, I will not be truly content until accident frequency is at zero. It pains me to see workers such as Guillaume Bernard (story on page 54) and Darren Shaw (story on page 68), and their families, go through what they did as the result of a workplace injury. On the other hand, their resilience and determination to get back to work is inspiring and I'm proud of our role in helping them along their path to recovery.

The reduction in accident frequency and helping injured workers safely return to work more quickly is not only due to efforts of our staff and the workers themselves, but also to New Brunswick's employers. Employers, such as the Loch Lomond Villa in Saint John (story on page 44) and Premier Tech in Caraquet (story on page 70) are shining examples of workplaces who put people first, just as we do at WorkSafeNB.

Financial stability is critical to provide meaningful benefits to workers at a reasonable cost to employers. To that end, I am very pleased to report a funding level of 148%, well exceeding the board's target range of 115%-125%. I am also pleased to report that our enterprise risk management strategy is maturing, and we have sound governance disciplines in place.

In the fall I was pleased to announce a reduction in the average assessment rate for the fourth consecutive year. At \$1.31, we now have the lowest average rate in Atlantic Canada, a significant

advantage for New Brunswick employers. At the same time, we are pursuing important benefit improvements for our injured workers, a testament to our commitment to balancing the needs of workers and employers. This balance is fundamental to the founding principles of the workers' compensation system.

We continue to work with government on important legislative and regulatory change. I was especially thrilled to see the legislative amendments that recognize commercial fishing boats as a place of employment and that mandate the wearing of personal flotation devices on fishing vessels. We are working closely with stakeholders in the fishing industry to implement the changes that will improve safety in this high-risk industry and help to prevent further tragedies at sea.

▶ **Looking ahead, we are excited to build on our achievements and continue our work to make New Brunswick the safest place to work. We recognize that the world of work is changing, and we are committed to not only meeting but exceeding the expectations of our employees and our stakeholders, by maintaining our focus on People, Prevention, and Integrity, and remaining committed to a modernized and connected WorkSafeNB.**

Thank you for your continued support.
Sincerely,



TIM PETERSEN, CPA, CA
President and Chief Executive Officer

LINKED TOGETHER FOR OUR FUTURE – 2022-2024

PEOPLE

In 2022, we were proud to launch our new **2022-2024 Strategic Plan** – *Linked Together for our Future*.

This plan is a testament to our commitment to good governance practices and our unwavering focus on People, Prevention, and Integrity.



Every three to five years, the organization takes a step back to assess its progress and chart a course for the future. The board of directors, bound by good governance practices, sets the strategic direction. Then, employees from every level of the organization determine how to translate this broad strategic direction into concrete objectives and actions that will guide our work for the next three years.

The 2022-2024 Strategic Plan – Linked Together for our Future is the result of this process. It provides clarity and purpose to our daily work, bringing our future into the present. Our theme, “Linked,” speaks to the realization that we must be internally aligned

and collaborating among our various teams and divisions, as well as with external partners, to attain our vision of Making New Brunswick the safest place to work.

This plan sets realistic and meaningful goals and objectives, and clearly defines our three areas of focus: People, Prevention, and Integrity. By focusing on these three areas, we are confident that we can achieve our vision and make a real difference in the lives of New Brunswick’s workers and employers. This Annual Report is connected to these three focus areas and will demonstrate how we brought them to life in the first year of the plan.

We are excited to begin this journey and look forward to working together with our internal and external partners to make New Brunswick the safest place to work.

**PEOPLE.
PREVENTION.
INTEGRITY.**


Français

LINKED TOGETHER FOR OUR FUTURE

2022-24 Strategic Plan

✉ CHAIR'S MESSAGE
🔭 OUR VISION
👥 PEOPLE
🛡️ PREVENTION
🤝 INTEGRITY
📄 RESOURCES
FRANÇAIS



STRONGER WHEN LINKED

People are at the heart of everything we do. We value and care for our employees and we value and care for New Brunswick workers and employers. We are intrinsically linked, and everyone contributes.

Only together can we achieve our vision: Making New Brunswick the safest place to work. This 2022-24 strategic plan outlines how our Integrities will see that vision realized.

Our plan has three focus areas: People, Prevention and Integrity. These are interconnected in all we do.

People: The foundational element of our work is caring for one another. This means supporting the well-being of our colleagues at WorkSafeNB and every New Brunswick worker.

Prevention: We provide workers and employers with tools and support to help them keep everyone safe at workplaces, and, if necessary, help workers recover at work.

Integrity: This ensures WorkSafeNB is healthy and sustainable, so we are there when New Brunswick workers need us the most.

So read on and get involved. We need sharing of solutions and innovative approaches to build the strong, healthy network New Brunswickers deserve.



Mel Norton
Chairperson





Our vision:
Making New Brunswick the safest place to work.



Our mission:
Collaborate with all stakeholders to design, build and manage an effective continuum of safety and care.

OUR MODERNIZATION JOURNEY

PEOPLE

MODERNIZATION ROADMAP

For more than 100 years, WorkSafeNB has been there for our province's workers and employers.

We strive to prevent workplace injury, illness and tragedy from impacting the lives of New Brunswickers. But when it does, we're there to help. We've made incredible progress in this mission. It's what we do, and what we will always do. That will never change. But how we do that work is continuously evolving and modernizing.

Over the years, service expectations and technology have changed the way we work, just as it has changed society as a whole. COVID-19, while challenging, has also changed our experiences as an employer and created possibilities previously unexplored, whether that be remote work or new service delivery models. Our modernization journey is all about building a strong foundation to support

the WorkSafeNB of the future – it will position us as an employer of choice, speed up the claims process so workers safely return to work more quickly, and help employers prevent injury, based on better data. Modernization will create a sustainable WorkSafeNB, with the systems we need to continue the progress this province is seeing with fewer workplace injuries.

In 2022, WorkSafeNB, working closely with our strategic partner, launched a comprehensive, realistic, and exciting modernization roadmap, to be implemented over the coming years. This roadmap will create exceptional value for our clients, while also positioning the organization to fulfill our people-first commitment. The modernization roadmap aligns with our strategic plan and our focus areas of People. Prevention. Integrity. There are 19 key initiatives encompassing several dozen projects.



MODERNIZATION HAS **19** INITIATIVES THAT WILL ENHANCE HOW WE WORK



INITIATIVES FOR **PEOPLE**

- 1** Caring for Our People Program
- 2** Workplace Reimagined Program
- 3** Culture Alignment
- 4** Modernization Governance
- 5** Change Leadership Training
- 6** Decision Review Office Service Delivery Model
- 7** Front-End Client Interface



INITIATIVES FOR **PREVENTION**

- 8** Online Forms
- 9** Data Strategy & Roadmap
- 10** Claims Service Delivery Model Program



INITIATIVES FOR **INTEGRITY**

- 11** Core Platform – Financial System
- 12** Core Platform – Human Resource Information System
- 13** Core Platform – New Case Management System
- 14** Core Platform – Procurement & Contract Administration
- 15** Core Platform – Employer Management Strategy
- 16** Document Management Strategy
- 17** Business Analytics Platform / Business Intelligence Program
- 18** Information Technology Division Business Model
- 19** Technology Foundations Model

PEOPLE



PEOPLE

WE WILL CREATE A PEOPLE-FIRST CULTURE RESULTING IN AN EXCEPTIONAL EMPLOYEE AND CLIENT EXPERIENCE.

At WorkSafeNB, we put people first. That's why People is first in order of our focus areas. And it's why Caring for our People is a program under our Modernization plan. Because people are who we serve and it's our people – our staff – who provide these services.

Providing these services is more than a job – it's a passion! And maintaining this passion, means keeping our people engaged.

OBJECTIVES



Foster a high-performance culture that is inclusive, engaged and empowered.



Evolve an accessible, personalized client service experience.

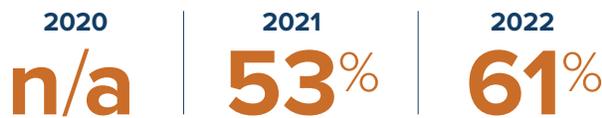


Focus service delivery that is high quality, efficient, delivers intended outcomes, and is resourced appropriately.



KEY STRATEGIC MEASURES

EMPLOYEE ENGAGEMENT



Every year, we conduct an extensive employee engagement survey. In 2022, we had a record-breaking participation rate with 95% of employees completing the survey. Our employee experience score went from -20.73 to +6.29 and the overall engagement score from 53% to 61%, in the span of just one year.

An 8% increase in engagement makes it clear that WorkSafeNB employees remain invested in our vision and focus and in creating a superior workplace culture. But we know there is still work

to do as we strive for 65% engagement by the end of 2023 and 70% by 2024. Engagement is key to building success, and we will continue to focus on it by encouraging collaboration, improving productivity, building trust and relationships, and acquiring and keeping top talent.

We love our people, and we want them to continue to love working with us.

Early, frequent, and transparent communications, as well as people-focused Modernization initiatives, including change leadership, culture alignment, learning and development and recognition will also help improve employee engagement. And employee engagement is critical to a positive workplace culture.

EMPLOYEE ENGAGEMENT GOES BEYOND SATISFACTION



PEOPLE

KEY STRATEGIC MEASURES

CLIENT SATISFACTION

INJURED WORKERS*



EMPLOYERS*



* Surveys were conducted every second year. From 2022 onward, they will be done yearly.

Our clients are our people too. That’s why we measure client satisfaction. In 2022, a third party, on our behalf, surveyed 935 injured workers who had recently received WorkSafeNB services and 300 registered employers.

Results for both groups rose slightly: 69.3% of injured workers and 76.3% of employers rated their experience with WorkSafeNB as positive. However, we’re not content with a 0.3% increase.

We are committed to improving these results in 2023, through initiatives such as online forms, rehab services and technology foundations. By improving how we deliver services and interact daily with clients, we improve the client experience! Our client experience success will be determined by reaching a target of 72% for workers and 77% for employers in 2023, and 80% for both groups by 2024.

Several initiatives under our Modernization plan are underway to improve these results.

Our client satisfaction survey is conducted with a random sample of 300 employers and 1,000 injured workers who have received WorkSafeNB services in the past year. Key drivers for injured workers are staff character, outcomes, communication, and timeliness. For employers, the key drivers are staff character, outcomes, service delivery and occupational health and safety culture. From 2022 on, the survey will be conducted annually.



THE PEOPLE WHO SERVE YOU

CULTIVATING A STRONG CULTURE

We value our employees, and want to keep them. And we also want to attract new ones. We know a positive workplace culture is important for employee retention and acquisition. A strong culture also helps employees thrive, and employees who thrive and who are recognized for their achievements are engaged and satisfied. They feel more connected to each other and to our vision of making New Brunswick the safest place to work. And they are motivated to provide even better service.

“Culture is the heartbeat of our organization. The stronger it is, the further we go.”

TIM PETERSEN,
President & CEO

In 2022, we analyzed both the qualitative and quantitative results of a culture survey conducted in 2021. The survey captured employees’ personal values, the values they currently see in action at WorkSafeNB, and the values they want to see in the future. In 2022, we completed a series of workshops, interviews, and small focus groups to identify the gaps between our current culture, and the culture we want to embody.

As part of this exercise, we gathered employee feedback to develop our values – the beliefs and principles that will drive us forward and that are so important to shaping our corporate culture. We will finalize and launch these values in 2023 to support the culture our employees told us they want.

Since our employees helped create these values, we know they will guide and inspire them in everything they do.



PEOPLE

THE PEOPLE WHO SERVE YOU

WORKPLACE RE-IMAGINED

When COVID-19 first forced our employees to work at home in 2020, they demonstrated remarkable productivity. So, in 2021 we surveyed them on their preferred working environment – working from home, working exclusively in office, or a hybrid of the two. And we listened; about 90% of employees opted to continue working at home, with occasional in-office team meetings to remain connected to their colleagues. Not only did our Workplace Re-imagined respond to our employees' needs, but it also allowed us to reduce our corporate footprint. We were able to decrease the amount of office space needed, and in some instances did not renew leases.

In 2022, we launched a hotelling station pilot program to redesign existing spaces. Through Microsoft Outlook, employees can easily reserve an office workspace, fostering an opportunity for colleagues to collaborate and reconnect in a way they have all missed.



Mural on hotelling station walls.



KEEPING CONNECTED THROUGH TECHNOLOGY IN A WORKPLACE REIMAGINED

With most of our staff working from home, maintaining connection to each other and our clients is crucial. And technology is ensuring we stay linked together.

In September 2021, WorkSafeNB deployed Microsoft Teams to all staff, adopting it into our day-to-day operations. We were able to communicate quickly and easily through chat, video, and voice calls, and collaborate on projects in real time, from anywhere. Employees found creative ways to use Microsoft Teams, such as hosting virtual coffee breaks and keeping conversation fun with GIFs and emojis.

Since then, we have continued to learn and grow with Microsoft Teams. We've embraced new apps such as OneNote, Task by Planner, Transcription and Visio, and, in September 2022, transitioned from the PC Phone to Microsoft Teams Phone. By replacing the desk phones with MS Teams phones, we not only increased efficiency but realized significant cost-savings.

TIMTALKS – AND LISTENS!



MS Teams has proved an efficient tool for presenting TimTalks, quarterly one-hour updates by our president. TimTalks provides employees with quarterly results on our measures, the status of modernization projects and initiatives, upcoming events, etc. Tim also answers any questions staff pose or addresses their concerns in real time through MS Teams chat. An average of about 80% of our employees tune in for TimTalks.

In addition to TimTalks, leaders in the organization connect monthly for one-hour meetings on Teams to discuss opportunities, challenges, share information and celebrate wins. With a hybrid working environment, these meetings are more important now than ever before.

IT DEPARTMENT SHOWS TECHNOLOGY IS OUR FRIEND

While new technology provides many benefits, it can also cause frustration for those who learn best by seeing, rather than by reading a user manual. That's where our information technology division (ITD) stepped in. Through MS Teams, the ITD hosts a quarterly showcase on a variety of topics, such as ITD capabilities, helpdesk services, navigating Teams through tips and shortcuts, and ongoing technology projects under Modernization. The showcase also introduces us to the IT team members who work wonders behind the scenes.

Here's why some employees appreciate WorkSafeNB's flexibility and support for working from home: 

PEOPLE



GINA GUITARD —

SUPPORT CLERK, BENEFIT PAYMENT SERVICES

When the pandemic hit, Gina moved back to her hometown of Charlo to be close to her family during a time of need. Remote work enabled her to continue to provide excellent service to WorkSafeNB’s clients and be with her loved ones.

Now settled in Moncton, she is living her dream of spending her days with her two furry companions by her side. She enjoys the convenience of healthy grocery shopping and being close to her family in Moncton and northern New Brunswick. Her positive experience is a testament to how our organization has adapted to changing circumstances and provided a winning solution for our employees.

EVAN CAMPBELL —

DIRECTOR, COMPLIANCE AND ENFORCEMENT

With the ability to work remotely, Evan and his wife traded their city life in Saint John for a picturesque spot on the Miramichi River. The move meant Evan returned to his hometown of Miramichi where his parents still reside. Evan was even able to make a childhood dream come true; no commute time meant enough free time on his hands to create and maintain a skating rink. “It really feels like living the Canadian dream – a challenging career, close to family, and plenty of hockey!” It also meant fishing after work or on the weekends. “One of my favourite fishing spots is about a 10-minute walk on the beach near my parents. I grew up in a house situated on the banks of the river. The house was built in 1826 after the Great Miramichi Fire and has a lighthouse on the property. I never thought I would be fortunate to work and live so close to home. My parents are in their late 70s, and I am hoping by me moving nearby, they can continue to live in their home independently for many more years.”





JUDY FARQUHARSON –

CASE MANAGER

For the past 23 years, Judy lived next door to her father. As the world seemed to come to a halt during the pandemic, Judy and her father created a new routine; Judy would join him for breakfast, lunch, and after work. Being able to work from home meant appreciating the little moments with her father as his health declined. “We lost Dad in July 2022, but I can honestly say that working from home let me see him more in his final two years than I ever could have while working from the office. I’m so thankful for that time.”



COURTNEY CHESSEY –

BUSINESS PARTNER, CORPORATE COMMUNICATIONS

June 2022 was an exciting time for Courtney Chessier. A new graduate, Courtney joined WorkSafeNB and was preparing to move into her first apartment in Miramichi. WorkSafeNB’s Workplace Re-imagined Program made this possible. “WorkSafeNB was my employer of choice for many reasons, but the one that stood out to me was the option to work from home, anywhere in the province. Through the Workplace Re-imagined program, I could experience the beauty of northern New Brunswick with the added comfort of working from home. I was amazed by the level of inclusivity and how accessible resources were in a remote work environment. WorkSafeNB’s commitment to a people-first culture made me feel connected to my colleagues and valued by the organization.”

PEOPLE

THE PEOPLE WHO SERVE YOU

LEARNING AND DEVELOPMENT

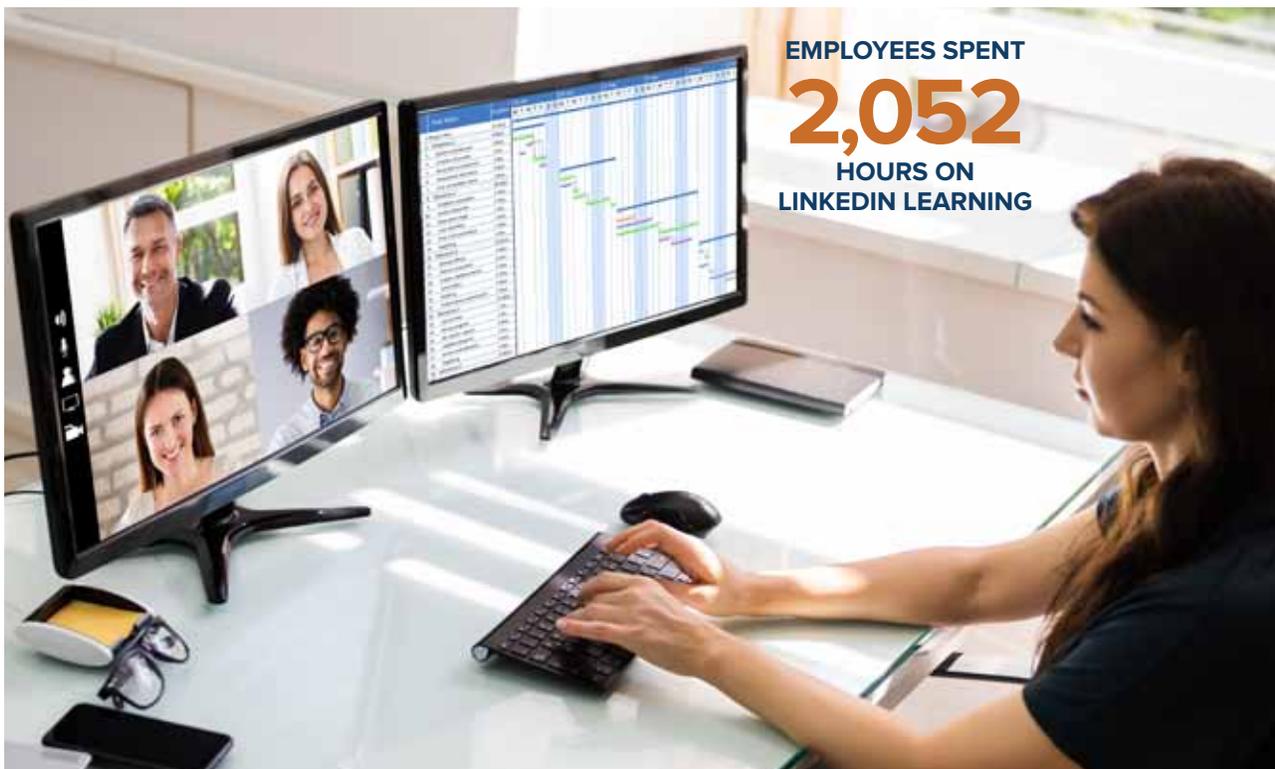
We know that learning and development is a key to retaining staff – employees will stay longer at a company that invests in their career development. It's also something our employees told us they wanted. That's why it's another initiative under our Modernization's Caring for our People program.

Our clients look to us as experts in our field. So, we want employees to have the knowledge and tools they need to meet these expectations. We are committed to a positive employee experience, and know that our employees will learn, grow, and achieve their potential through learning and development. And we will all benefit from this investment in our people.

Because of the changes WorkSafeNB is undergoing as part of our Modernization plan, in 2022 we began a framework for learning and development, including specific learning initiatives such as change leadership training, which will be in Q1 2023.

New in 2022, we trained all employees in Enhancing Workplace Resiliency, and, upon hire, gave all people leaders an Introduction to Psychological Safety course through the University of Fredericton.

LinkedIn Learning also continued to play an important role in learning and development. In 2021, we provided LinkedIn Learning to all staff, and, to-date, 85% of employees have activated their accounts.



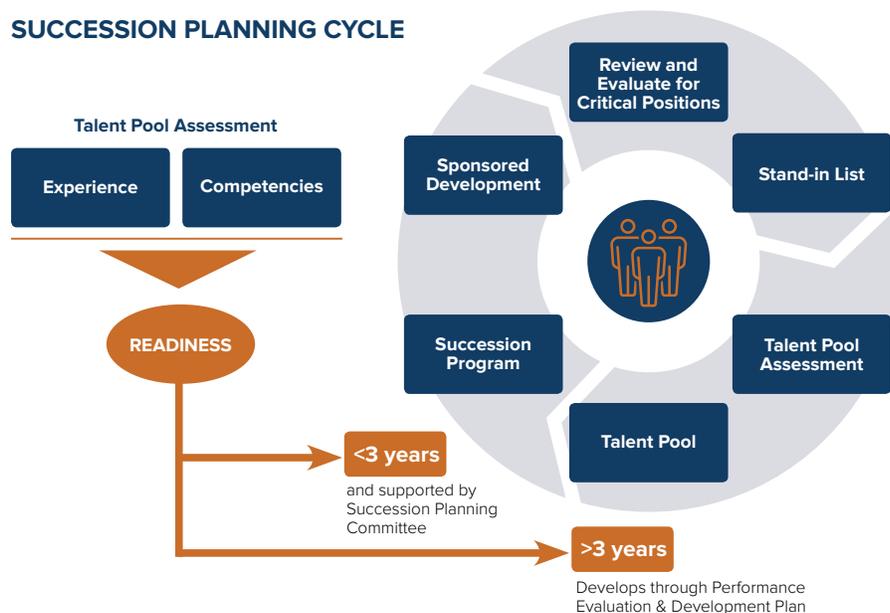


SUCCESSION PLANNING

Every position at WorkSafeNB is important and valued, and every employee plays a vital role in helping us achieve our vision of making New Brunswick the safest place to work. With a workforce of a median age of 46, succession planning is critical to ensuring seamless service delivery and maintaining necessary knowledge and skills. In 2022, we identified critical positions within the organization most likely to be affected through retirement and other workforce risks and developed strategies to mitigate those risks, including identifying employees for succession roles.



SUCCESSION PLANNING CYCLE



PEOPLE

THE PEOPLE WHO SERVE YOU

RECONNECT – OUR ANNUAL STAFF MEETING



For the first time in 1,608 days, staff were united in person for our annual staff meeting, with the theme Reconnect. Approximately 360 employees attended the September event, for what many described as the best staff meeting ever. Engagement was clearly visible, as they enjoyed reconnecting with colleagues and meeting new ones.

The 2022 annual staff meeting also featured the first live TimTalks. Launched this year, TimTalks are quarterly meetings in which our president and CEO, Tim Petersen, discusses results and business highlights and activities. These are usually held virtually. TimTalks also provide an opportunity for a question-and-answer session and are a key means of open and transparent internal communications.

“This was the best annual staff meeting that I’ve been to in years.”

In addition to Tim’s updates, we discussed safe ergonomics working from home, and the power of connection – to each other and to our clients.

While we celebrated our work in the day, in the evening we celebrated each other. A total of 83 employees celebrating milestones of 5, 10, 15, 20, 25, 30, 35 and 45 years were recognized, as were 12 retirees.





“Fun and professional. The energy was amazing. As we embark on our modernization journey being part of something so much bigger than yourself, your department, or your division was so important for us to all see and more importantly feel.”



“Met in person many of the people I’ve only ever seen on a video and reconnected with many others.”



“LOVED IT!”

PEOPLE

THE PEOPLE WHO SERVE YOU

KEEPING OUR PEOPLE HEALTHY AND SAFE

Our employees' health and safety is as important as that of our clients. After all, they are workers too.

WorkSafeNB is grateful to have an active wellness committee dedicated to promoting a healthy, supportive and balanced lifestyle at work and at home.

The committee sponsored several activities and presentations, including lunch hour yoga and yoga at your desk sessions, high intensity interval training, and a Move Minutes initiative, which encouraged employees to find an accountability buddy and to move every day for about 22 minutes and track their time. The committee also hosted activities promoting healthy eating, such as the Clean Fork presentation with a health coach who discussed achieving wellness through wise food choices.

In addition to physical health, the wellness committee promoted mental health through activities such as a mental fitness workshop, laughter therapy and a cheery holiday concert before Christmas, held virtually.

INVESTING IN PSYCHOLOGICAL HEALTH

At WorkSafeNB, we know how critical mental health is to our overall well-being. It includes our emotional, psychological, and social well-being. It affects how we think, feel, and act. It also helps determine how we handle stress, relate to others, and make choices. Life is full of challenges. COVID-19, and the way that work has changed since, has added to these challenges. But these challenges are more easily overcome when mental health is acknowledged and prioritized.

Caring for our people means caring for both their physical and mental health. That is why we responded to our employees' request for improved mental health care coverage and increased coverage from \$500 to \$2,500. We also expanded the list of authorized practitioners to include social workers, counselling therapists, psychotherapists, and psycho-educators.

TOLL-FREE LINE CHANGES HELP PROTECT OUR EMPLOYEES' MENTAL HEALTH

In December, we introduced on-hold messaging to remind callers we could all use a little kindness. When a caller must be on hold (during a transfer or while waiting for a WorkSafeNB representative), they will hear the following: "WorkSafeNB is committed to providing a safe and healthy environment for you, our clients, and for WorkSafeNB staff. We value respectful, honest and supportive communication in all interactions. Thank you for your patience." This simple message helps everyone stay psychologically safe. We speak to others with kindness and respect, and we ask for this in return.



DESKS AND CHAIRS SUPPORT OUR EMPLOYEES' HEALTH AND SAFETY

With so many employees choosing to work from home, to ensure their health and safety we offered ergonomic sit-stand desks and chairs for use in their home office. We provided about 340 employees with 275 desks and 265 chairs.



CARING FOR OTHERS

While we are caring for our people, our people are caring for others. WorkSafeNB employees are a big-hearted bunch who donate thousands of hours and dollars every year to non-profits, charities, and sporting associations. Our participation in Steps for Life is a prime example.

On April 29, despite the chilly weather, 145 WorkSafeNB team members and some of their four-legged furry friends participated in a 5 km Steps for Life Walk on Harbour Passage in Saint John, raising \$4,285 for Threads of Life, a Canadian registered charity that supports families after a workplace tragedy.

Threads of Life (the Association for Workplace Tragedy Family support) is an organization very dear to our hearts. Not only do we support them through the Steps for Life walk, but we also ardently support their yearly Atlantic Family Forum.

Family Forums are held across Canada to bring together families affected by a workplace tragedy to share, network and, ultimately, heal. Spouses, parents, siblings, and close friends gather to learn coping skills for grief, active listening skills, tips on how the occupational health and safety system works, self-care, and more.



\$4,285

RAISED FOR THREADS OF LIFE

\$14,181

**RAISED FOR
UNITED WAY**

\$2,500

**RAISED FOR
ROMERO HOUSE**

PEOPLE

THE PEOPLE WHO SERVE YOU

OUR PEOPLE – A **BIG-HEARTED** BUNCH



KATIE SEARLE (left), CLAIMS MANAGEMENT
Fundy Female Hockey Association,
2 years



HEIDI QUINN, CHANGE LEAD
Girl Guides Canada, 31 years



SARA PARSONS, CASE MANAGER
Saint John SPCA Animal Rescue,
5 years



BEVERLY STEARS, COMMUNICATIONS
Shining Horizons Therapeutic Riding, 6 years



ANGELA KIPPERS, COMMUNICATIONS
Carleton Community Centre Garden,
5 years



SCOTT FILLMORE, HEALTH AND SAFETY OFFICER
Volunteer Fire Department,
34 years



LISA CORMIER, CLAIMS MANAGEMENT
Grand Bay-Westfield Fire Department,
3 years



LYNNE ROY-DOW, TRANSLATION
Hampton Food Bank, 2 years



ANNE HERRELL-O'NEILL,
PLANNING BUSINESS PARTNER
Salvation Army, 9 years



DAY OF MOURNING

Each and every day we put our utmost effort in preventing workplace illness, death and disability. While we believe that any day a worker dies is a day of mourning, we especially honour those injured and killed on the National Day of Mourning on April 28. WorkSafeNB hosts its own event every year, where we lower our flags and observe a moment of silence. Our ceremony, held virtually this year, featured Elisa Kilbourne, a volunteer speaker for Threads of Life. Elisa shared her heartbreaking journey following a workplace tragedy that claimed the life of her son.

This year, for the first time ever, we produced a short video to recognize this somber but important day. You can view it on our YouTube channel.

In addition to hosting our own ceremony, we also support the various ceremonies held across the province. Our president and CEO, Tim Petersen, spoke at the ceremony at the Lily Lake Pavilion in Saint John, hosted by the NB Federation of Labour.



PEOPLE

THE PEOPLE WHO SERVE YOU

DISABILITY AWARENESS WEEK

Every year, we help promote Disability Awareness Week by encouraging stakeholders and staff to participate in the Premier's Council on Disabilities event. On May 31, 2022, we hosted a live virtual presentation with Shawn Courchesne, a man who suffered a spinal cord injury in a snowmobile accident at the age of 17. Through his determination and perseverance Shawn found new ways to access the world.

MEETING-FREE ZONES

A popular initiative introduced last year, we continued to implement meeting-free zone periods in 2022. These meeting-free zones provide employees with time to continue work free of interruptions or catch up on back-burner items. Many employees took vacation during these times, while others took advantage of LinkedIn Learning. Meeting-free zones were held for two weeks in the summer, one week in March, one week in November, and two weeks in December.

KUDOS



To align with our focus area of people-first, and to create a better workplace culture, a committee of employees came together in 2021 to develop an initiative for meaningful employee recognition and, in 2022, launched Kudos. Kudos encourages employees to acknowledge colleagues for their kindness or for a job well done. We expanded our intranet with a page dedicated to tips for meaningful recognition.

Kudos had a strong presence at our Reconnect 2022 annual staff meeting, with more than 400 Kudos exchanged.





THE PEOPLE WE SERVE – OUR CLIENTS

DECISION REVIEW OFFICE TRANSFORMS

Guided by impartiality, the Decision Review Office (DRO) reviews WorkSafeNB decisions when a client disagrees with an original decision.

Ensuring timely decision reviews is critical to a positive client experience. The decisions we make affect people’s lives. To improve our outcomes in this area, in June 2022, we set out to modernize our decision review process.

Our clients told us they found the DRO process difficult to navigate. We listened and responded.

A new service delivery model was implemented that cleared the decision review backlog (363 requests for review) by September of 2022. Under the new model, launched in June 2022, decision reviews are completed within a four-week timeline. This is a significant improvement over 2021, when it took close to seven months to complete a decision review. Additionally, with timelier decisions, a client’s right to appeal is not delayed.

“By improving how we work, we’re able to serve our clients with significantly greater speed, efficiency and capability,” said David Luther, general counsel and project sponsor.

The board of directors approved Policy 46-500, communicating guidelines of the process, and we enhanced the DRO web page to help clients more easily navigate the decision review process .

“I’m proud of our staff who acted quickly and successfully executed on this initiative that is delivering real and measured results,” David said. “We’re delivering timely decision reviews that puts clients first. This is fundamental to our focus areas of people, prevention and integrity.”



TOP ISSUES APPEALED

- Adjudication** – claim denial
- Loss of earnings** –benefit end date (continued eligibility)
- Adjudication** – recurrence
- Hearing loss claim acceptance loss of earnings** – eligibility

OLD SERVICE DELIVERY MODEL – 7 MONTHS



NEW SERVICE DELIVERY MODEL – 4 WEEKS



THE PEOPLE WE SERVE – OUR CLIENTS

LEADING CARE THROUGH STAY AT WORK SUPPORT

We are excited about a new service that is generating encouraging early results.

Every year, between 1,700-3,000 New Brunswick workers stay at the workplace while they recover from their injury. WorkSafeNB's new Stay at Work Support team supports such workers. They continue to stay at work as part of their recovery, not losing time from work.

The service stemmed by conversations with employers and workers.

“We heard they wanted early, prompt and quality access to support to help make at-work recovery successful. This was a gap in our traditional service model, which focused on support for workers who

lost time because of the injury,” said Dino Scichilone, WorkSafeNB’s director of Claims Management.

The Stay at Work Support team of occupational therapists and physiotherapists support at-work recovery using a step-care approach.

They identify workers’ needs, guide modified duties, set goals and follow up as needed. The team provides guidance to employers, helping to educate them on ideas, such as modifying the work environment or tasks and pacing activities, to enable at-work recovery. This approach is fostering stronger collaboration by the team with employers.





STEP 1	STEP 2	STEP 3
<p>STAY AT WORK PLAN</p> <ul style="list-style-type: none"> • Review at-work plan • Confirm RTW expectations 	<p>STAY AT WORK PLAN, SUPPORT AND MONITOR</p> <ul style="list-style-type: none"> • Co-ordinate services and transfer to case management • Review and adjust at-work plan • Co-ordinate services as needed 	<p>STAY AT WORK PLAN, SUPPORT, MONITOR, CASE MANAGEMENT</p> <ul style="list-style-type: none"> • Create at-work/RTW plan • Regularly communicate with injured worker and employer

This is a significant shift in WorkSafeNB’s care model.

“This proactive approach ensures the worker recovers well and prevents going off work, which could lead to long-term disability,” Dino said.

Workers are also pleased with the service.

“They’ve shared that they appreciate the early support in their claim,” said Elesha Milne, Stay at Work Support manager. “They feel comfort when we review their questions. It gives them peace of mind.”

“While the service is still in its early days, and WorkSafeNB has many initiatives underway that are leading to improved outcomes for workers, the Stay-at-Work Support team is certainly having a positive influence in at-work recovery,” Dino said.

The results are encouraging as nearly 60% of workers supported by the Stay at Work Support team have reached full return to work (full hours and duties) within four to six weeks. An additional 37% of workers continue to recover at work with no lost time.

Supporting at-work recovery is a win for both workers and employers.

“Workers can stay connected to the workplace, contributing to a bigger purpose, and participating in meaningful activities. This is good for their overall health and quality of life,” he said. “Employers benefit by maintaining skilled and experience workers and having less disruption to workflow. Increased support in the workplace demonstrates that the employer cares about the worker and their recovery.”

Getting back is part of getting better and this is good for everyone.

THE PEOPLE WE SERVE – OUR CLIENTS

EVOLVING TO MEET WORKERS’ NEEDS

A people-first approach means helping people when they most need it. For workers with a traumatic psychological injury (TPI), this means right away.

“Waiting several weeks after the injury can be detrimental to their recovery,” said Dr. Douglas French, WorkSafeNB’s lead psychological consultant. “Workers need early support to help them understand common reactions to trauma exposure and to ensure they have a strong foundation of treatment.”

When a person experiences a psychological traumatic injury on the job, they typically apply for workers’ compensation benefits. Adjudication can take three or more weeks, depending on complexity. Once the claim is adjudicated, and it’s accepted, the worker would then schedule an appointment with a treatment provider such as a counsellor. This can add several more weeks before treatment begins, depending on the client’s accessibility to providers.

WorkSafeNB recognized the time delay was affecting the well-being and recovery of these workers, and designed a three-pronged solution to help:

- A pre-approved base of treatment providers specialized in traumatic psychological injuries across the province.
- A pre-adjudication model, in which workers applying for benefits with a TPI can start treatment before a claim is adjudicated; and
- Increased TPI resources to help support workers, employers, and health care providers.

S STRENGTHEN:
We strengthen a worker’s resilience, support and connections at work.

U UNDERSTANDING:
We increase education, leading to greater empathy, and improved flexibility and support.

C CARE:
Quality care is our priority in and out of the workplace.

C COLLABORATIVE:
Collaboration of workers, employers, health-care provider, co-workers and WorkSafeNB is critical. Everyone is involved in recovery!

E EVIDENCE-BASED:
Treatment is evidence-based, using proven medical processes and practices.

E EARLY:
Treatment is early, leading to quicker recovery and less time being ill.

D DIRECTION:
We have clear pathways for workers, employers and health care providers, leading to successful outcomes.

In 2022, WorkSafeNB approved 18 social workers and licensed counselling therapists to administer the SUCCEED program. The six-week (or six-session) program, which started in June, was developed in consultation with psychologist Dr. Tim Black, a leader in traumatic psychological injuries in Canada.



A claim does not need adjudication for a worker to participate. Treatment starts within three weeks of the application for benefits. If the claim is determined it doesn't qualify for benefits under the *Workers' Compensation Act*, the program ends at the sixth session. If the claim is approved, however, a further plan is developed for more treatment.

Supporting resources are also available in a new TPI Resource Centre on WorkSafeNB's website. It offers tools and recommendations to ensure everyone is

equipped to provide the best recovery experience possible for workers with a TPI.

Meeting the needs of injured workers as they evolve is part of WorkSafeNB's commitment to service excellence and our people-first approach. We continually monitor service and adjust to best serve New Brunswickers, help workers in their recovery, and support employers in their accommodation activities.



PEOPLE

THE PEOPLE WE SERVE – OUR CLIENTS

INCREASED SUPPORT FOR WORKERS AFTER THEIR CLAIM CLOSES

Exceptional client experience means delivering quality care to injured or ill workers along all points of their recovery journey. Sometimes, despite best efforts, a worker experiences flare-ups from their workplace injury or illness. These workers may need wage replacements, medical treatment, or both. Others may need medical aid after their claim closes to manage or continue their recovery. In 2022, we developed clear instructions and processes for both scenarios, as well as a web section to further support these workers.

IMPROVING CALLER EXPERIENCE

When clients call us, our enquiries team is often their first point of contact. Team members provide accurate and timely information and direct callers to the appropriate destination. As we continue to focus on providing an exceptional client experience, we introduced interactive voice response (IVR) to our main toll-free line.

IVR allows callers to access information through a voice response system of pre-recorded options, as well as use menu options to route their calls to a specific department. This service provides callers with simplified and faster access to the information they need.





NEW PUBLICATIONS TO MEET GROWING NEEDS

Exceptional client service means providing the information our clients want and need. We listen to them and watch trends to develop publications that help inform them to manage risks, identify hazards and develop policies and procedures to help make New Brunswick the safest place to work. Other publications serve as reminders, such as a newly revised Lockout poster.



Although preventable, asbestos-related lung diseases, such as silicosis, remain a leading cause of work-related illness. In 2022, we produced a Code of Practice to provide safe handling procedures to minimize exposure to asbestos-containing materials.

When COVID-19 introduced itself, the world was forced to quickly adapt. It showed us how ill-prepared we were to deal with such a widespread, highly contagious disease. And while the risks are greatly reduced, COVID-19 is here to stay, as are other communicable diseases like H1N1 and influenza. We must be prepared for these and other as yet unknown diseases. So we took our COVID-19 guide and repurposed it to help employers prepare to operate safely amid any communicable disease.



Proper education and practice can help prepare young and new workers for a lifetime of safety. So we developed new tools for teachers and employers of young and new workers, including Health and Safety at Work:

Your Rights – Educator Guide, PowerPoint presentation, and a worksheet on each right (know, participate and refuse).



ALSO PUBLISHED IN 2022

Although we've moved away from printing publications, except for when it makes sense to do so, all our publications are available on our website.

SAFETY AND CARE



Focus on financial leads to happier, healthier workplace

When Loch Lomond Villa chief executive officer Cindy Donovan interviewed for her post 22 years ago, the word safety never came up in the meeting.

“I thought that it must be because it wasn’t a problem for them. Everything was good and they had no concerns,” she recalled of starting work at the long-term care facility in Saint John.

But a couple months later, on Jan. 1, she awoke to learn that their worker’s compensation assessment rate fee had gone up above the usual industry rate they paid. It doubled overnight to over \$10/\$100 of payroll.

“I realized we did not have a safety culture and that needed to change,” Cindy said.

Loch Lomond Villa is a large facility with a staff of 380, consisting of a combination of nursing and special care services, independent living for seniors, seniors outreach and other onsite services. Because Loch Lomond Villa operates as a non-profit long-term care facility, the government pays the assessment rate premiums at the industry rate. If any facility has their rate raised above that, the facility itself must cover the additional cost.

“It became a strategic priority. We had to train the leadership team to flip the safety culture around,” she said.

In their worst year, Loch Lomond Villa’s rate went up to over \$12/\$100 of payroll. This year their rate comes in under industry standard at under \$4. She said that financial impact two decades ago- one year seeing a \$800,000 hit- is what ignited the need to improve safety standards. But the results have been twofold,

“We learned safety has to be up front on the agenda,” she said. “Years ago, it may get tagged on the end or not come up at all. Today it is the first topic. Was there an injury the night before, safety alerts from incident investigations, are there any issues that need to be addressed.”

leading to a better, healthier, happier, and safer space for both the staff and the residents.

“When staff sees that leadership cares about their well-being, when residents see the staff’s well-being is cared for, that has an incredible impact.”

Today Loch Lomond Villa prides itself on being a leader in safety for long-term care. Cindy said it didn’t happen overnight, but the commitment from the board and leadership led to the development of its policies and procedures, practices that continuously promote a preventive health and safety environment.

This includes regular employee safety training and educational opportunities. Regular Patient Safety Culture Surveys are conducted as part of the facility’s national accreditation, gauging feedback from staff on safety in the workplace that leaders use to trigger action plans when issues are flagged.

Cindy said she is grateful to WorkSafeNB for several projects and workshops over the years to help Loch Lomond Villa step up on safety.

One of the most impactful changes was a shift to a no-lift policy for staff when working with residents. As part of a research project funded through WorkSafeNB, new nursing students and LPNs are trained on no lift policies so any new employees start out fully understanding what they can and can’t do on the job at Loch Lomond Villa.

Before the pandemic, staff also attended a course called SAFER put on by WorkSafeNB. Cindy said the lessons learned there changed their staff meeting and board meeting agendas in big ways.

“We learned safety has to be up front on the agenda. Years ago, it may get tagged on the end or not come up at all. Today it is the first topic. Was there



an injury the night before, safety alerts from incident investigations, are there any issues that need to be addressed.”

She said while it’s impossible to prevent all injuries in an industry like long-term care, Loch Lomond Villa’s culture shift has proven they can reduce the risk to their hard working staff when the board, staff leadership, employees, residents and families all understand. And she said that must start from the top.

“It is about creating cultures that promote and protect mental and physical health and a solid safety foundation,” she said. “To sustain a high performing safety culture, it is more than putting preventative measures in place and training of the individuals in the workplace – to lower the likelihood of accidents and injuries at work. This does not ensure that employees work safely. Enhancing safety performance is about strong leadership that will create and maintain a safe workplace due to their influence on their staff attitudes and behaviours.”

FOCUS AREA

PREVENTION



PREVENTION

TOGETHER, WE'LL PREVENT WORKPLACE INJURIES, ILLNESSES, DEATH, AND DISABILITY.

Our Prevention focus area is a powerful part of our strategic plan. We're fully committed to stopping workplace injuries and fatalities from happening. And it's not just about preventing these tragedies from occurring, but also about reducing the impact of workplace injuries by preventing disability during recovery. We provide effective programs and support to help prevent injuries, illnesses and disabilities. With our Prevention focus area, we empower employers and employees to take practical steps to create a safe and successful work environment for everyone.



OBJECTIVES



Strengthen accountability and effectiveness by offering the right services, at the right time and place, delivered by the right people.



Influence a culture of safety, stay at work and early return to work in New Brunswick workplaces.



Leverage the capabilities, expertise and accessibility of our service provider networks and strategic alliances.

KEY STRATEGIC MEASURES

HEALTH AND SAFETY INDEX



The Health and Safety Index (HSI) measures the overall health and safety of New Brunswick's workplaces. It considers four components – prevention, empowerment, enforcement, and injuries – and 15 health and safety metrics.

The components are weighted and combined to reach the single index measure. The HSI offers us a more complete picture of progress on occupational health and safety and helps us decide where to concentrate our efforts.

The HSI target is a simple one - a positive rate of change. We are so proud of our province's workplaces at their commitment to health and safety and thank them for their exemplary efforts in realizing a significant improvement in the HSI.

Working together, we are truly making New Brunswick the safest place to work!

PREVENTION

HEALTH AND SAFETY INDEX CONTINUED

WorkSafeNB adopted the Health and Safety Index (HSI) in 2019 to provide us with an understanding of the overall health and safety of New Brunswick’s workplaces to better focus our prevention efforts. The HSI was developed by WSIB Ontario, based on best practices, and modeled on well-known indices such as the United Nations’ Human Development Index.

In 2022, we updated the HSI to better reflect the changes in health and safety in our province. We reduced the five core groups to four by combining empowerment and workplace culture. Each component is equally weighted at 25% and includes multiple performance indicators. In 2022, the weighted components added together to provide the single index measure of 3.7% and meeting our target of a positive rate of change.

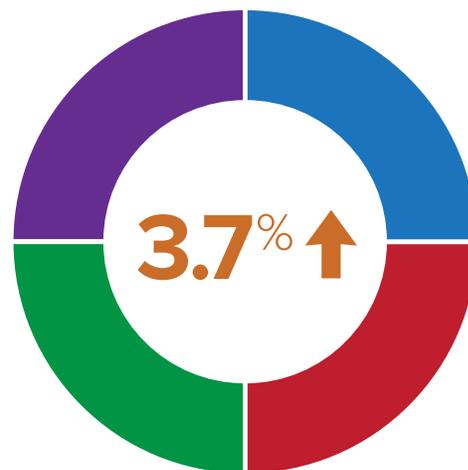
COMPONENT WEIGHING

25% PREVENTION

25% INJURIES

25% ENFORCEMENT

25% EMPOWERMENT AND WORKPLACE CULTURE



PERFORMANCE INDICATORS



PREVENTION

- Safety support
- Health
- Prevention activities.



EMPOWERMENT AND WORKPLACE CULTURE

- Worker environment
- Awareness
- Leadership
- Workplace culture



INJURIES

- Injuries
- Severity
- On benefits



ENFORCEMENT

- Composite order score*
- Proportion of non-planned inspections

*The composite order is based on severity. For example, stop work orders are given a higher value than administrative orders.



PERCENTAGE OF WORKERS OFF CLAIM

AT 90 DAYS



AT 180 DAYS



WorkSafeNB measures the percentage of workers no longer on a workers' compensation claim at 90 days and again at 180 days.

These timeframes allow us to measure early intervention and stay-at-work initiatives aimed at better supporting injured workers. We are happy to see a positive trend in the percentage of workers off claim – by 69.1% at 90 days and 83.7% at 180 days. This tells us that our new programs and services are working, and injured workers are getting back to work and back to doing the things they love.

EXAMINING THE NUMBERS

In addition to the HSI and percentage of workers off claim, a number of other key measures help us determine areas where we need to focus and act, such as lost-time injury (LTI) frequency, time to first decision, and compliance.

LOST TIME INJURY (LTI) FREQUENCY

In a year full of remarkable results, maintaining the lowest lost-time injury (LTI) frequency in 13 years is a major achievement. This continues a downward trend from 1.3 in 2020, to 1.2 in both 2021 and 2022. We thank New Brunswick's workers and employers for their commitment to our vision of making New Brunswick the safest place to work.

We can also give credit, in part, to COVID-19 for contributing to this downward trend. The virus forced a heightened and unprecedented focus on workplace health and safety, one that we are determined to foster and improve. While 1.2 is a fantastic result, we still must aspire to reach an LTI frequency of zero.



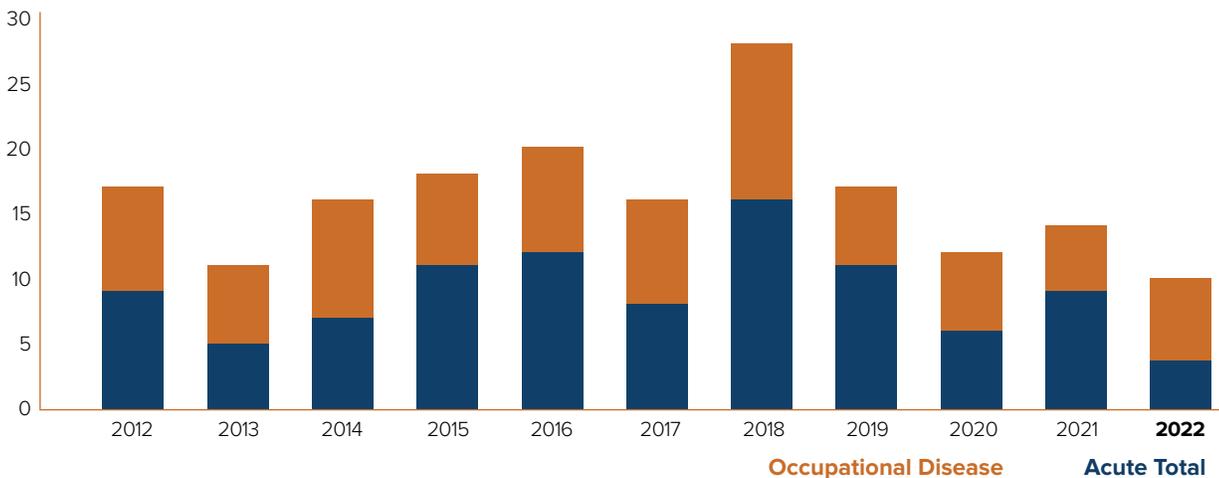
Lost-time injury frequency is based on the number of lost-time claims per 100 full-time equivalents (FTE). An FTE is equivalent to one employee working full-time.

PREVENTION

PREVENTING WORKPLACE INJURY

FATALITIES

When it comes to workplace fatalities, zero is the only acceptable result. Although we are doing our best to prevent them, fatalities are still happening and still devastating the lives of New Brunswickers. The fact they are preventable makes these deaths even more tragic.



Acute fatalities most often happen at a workplace. Examples include falls, crushing injuries, drownings, and motor vehicle collisions. These deaths occur on the date of the accident or soon after.

Occupational fatalities are caused by exposure to a health hazard, such as asbestos or silica.

ACUTE FATALITIES

Everyone who goes to work expects to come home at the end of the day. But sadly, in 2022, three New Brunswickers did not. Three lives cut much too short; three groups of families, friends and co-workers left to grieve over preventable tragedies.

While this is a decrease over 2021, it is still unacceptable. Zero is the only acceptable number. We MUST do better – because nobody wants to make that terrible call to a loved one’s family telling them they aren’t coming home, and nobody wants to be on the receiving end of such a call. We must all work together and fully commit to preventing these tragic events from happening by putting people first and by paying meticulous attention to health and safety. We are responsible for each other.



OCCUPATIONAL FATALITIES

Occupational diseases are caused by exposure to biological, chemical or physical agents. Because many are gradual in their onset, such as mesothelioma and silicosis, they are often diagnosed several years after the first exposure. Six New Brunswickers died of occupational disease in 2022. There was also one worker who died of previous injury. While measures have been in place for years, and even decades, to prevent occupational disease, we continue to see fatalities because of the long latency of these diseases. In 2022, occupational hygiene legislation was update that will better protect workers and prevent new occurrences of occupational disease.

SAFETY THROUGH COMPLIANCE

We conduct workplace inspections to ensure New Brunswick's workplaces are following the rules and regulations of the *Occupational Health and Safety (OHS) Act*. When we do identify risks and hazards, we help those workplaces find solutions to address them. In 2022, we conducted 5121 inspections and 908 follow-ups, in addition to 49 investigations for serious incidents such as fatalities, fractures and injuries requiring hospitalization.

While enforcement is necessary to ensure that workplaces are safe, our first step always is to focus on awareness and education. However, when workplaces continue to operate unsafely, our

health and safety officers have other tools at their disposal, including writing compliance orders and stop work orders, issuing administrative penalties and recommending prosecution. An administrative penalty is a monetary penalty imposed on an employer, supervisor, employee, or other workplace party for failing to comply with the *OHS Act* or regulations. In 2022, we imposed 3,718 stop work orders and 60 administrative penalties, totalling \$31,250.

We also recommended charges to the Crown, resulting in 10 prosecutions, totalling \$110,650 in fines and \$150,000 in alternative sentencing.



PREVENTION

PREVENTING WORKPLACE INJURY

COLLABORATION IS KEY: THE VALUE OF CONSULTATION DURING LEGISLATIVE CHANGE

In 2022 we consulted New Brunswickers on proposed amendments to the *Workers' Compensation (WC) Act* and *Occupational Health and Safety (OHS) Act*, with a focus on modernization efforts and a commitment to people, prevention, and integrity.

Under the *WC Act*, we sought feedback on proposed benefit improvements, including increasing the loss of earnings benefit from 85% to 90%, and increasing the maximum annual earnings threshold so more workers would have more of their earnings covered if they were injured at work. These changes aim to strike a balance between more affordable assessment rates for employers and a competitive suite of benefits for injured workers and their families, helping to ease the financial hardship of being off work, especially in the current high inflation environment. Read more about the proposals.



Under the *OHS Act*, we proposed several updates to modernize the language and clarify requirements for health and safety programs. Administrative penalties would be allowed in cases where an officer cannot issue an order but can prove a violation, and employers would be required to maintain JHSC meeting minutes for a specified amount of time rather than sending them to WorkSafeNB. These changes align New Brunswick with other Canadian jurisdictions, including those that repealed similar requirements in 2015 and 2016. Read the consultation results.

Additionally, we facilitated a multi-phase review of General Regulation 91-191, completing phases I and II 2022. Among the topics amended were air quality, silviculture, confined spaces, electrical safety, and occupational exposure limits. Phase III is expected to be completed in 2023, covering topics such as hearing conservation, explosives, and X-ray safety. This type of regulatory review is important for ensuring workplace safety standards are up to date and effective in protecting workers from potential hazards. Visit the regulation hub.

These consultations and modernization efforts emphasize the importance of our connection with you, the workers and employers of New Brunswick. Nobody knows our province's workplaces better than you, so your input plays a significant role in shaping the recommendations for updating the acts. Together, we believe we can make New Brunswick the safest place to work.



BETTER SUPPORT FOR JHSCs SO THEY CAN BETTER SUPPORT WORKPLACE H & S



4
ONLINE FOCUS GROUPS
(3 English, 1 French)

1
IN-PERSON GROUP
(Department of Transportation and Infrastructure)

43
PARTICIPANTS
Participants: members of JHSCs from a variety of businesses/industries throughout New Brunswick

TOPICS INCLUDE:

- Role, responsibilities, understanding and importance of JHSCs
- Perceived effectiveness of JHSCs in workplaces
- Quality of training and resources provided to JHSCs
- Role and usefulness of the JHSC meeting minutes, template and process

Joint Health and Safety Committees (JHSCs are critical to workplace health and safety. In New Brunswick, any workplace with 20 or more employees must have one.

The JHSC comprises an equal number of manager and non-managerial staff to provide a balanced approach to helping everyone at the workplace stay safe. They each come with concerns and recommendations and together solve issues and proactively protect one another.

In 2022, WorkSafeNB looked at two ways to better support JHSCs:

- Speak to JHSCs to better understand their needs and gaps and develop a strategy to help.
- Recommend legislation to government to align with most other jurisdictions in Canada: Remove administrative requirement for JHSCs to submit minutes to WorkSafeNB every month (instead they would maintain minutes in their own workplace for a certain period of time and be readily available to WorkSafeNB on request)

In spring and summer 2022, we hosted five consultation sessions to talk about JHSCs and their specific needs. *In what areas were they struggling? How can we help them more?*

We followed this up in fall with an online survey.

Many applauded the NB OHS Guide app, which has guidelines for both JHSCs in fixed workplaces and JHSCs at project sites.

Participants brought up concerns of the minutes form – many adapted it to serve their own needs. They shared concerns of a lack of understanding and awareness of JHSC roles and responsibilities among employers, employees, supervisors, and even among the members themselves. Some mentioned they felt they had limited power due to lack of employer support. Others wanted more web resources.

In 2023, we'll launch an awareness campaign, amend the JHSC minutes form, and revise our JHSC web resources.

By working with stakeholders, keeping the conversation open and collaborative, JHSCs will further develop as a key preventive resource in our province.

CARVING A NEW PATH

A photograph of three people wearing winter gear and helmets, smiling on a ski lift. The person on the right is wearing a black helmet with a red 'RYDE' logo. The person in the middle is wearing a yellow helmet. The person on the left is wearing a black helmet. They are all wearing balaclavas and winter jackets. The background shows a snowy mountain landscape.

Injured worker conquering the slopes and tackling trails with prosthetics

When Guillaume Bernard lost his leg in a workplace accident in August 2021 he didn't know if he would ever be able to join his daughter on the slopes again.

Guillaume had been working more than a decade as a carpenter, and with a knack for taking young workers under his wing on the job site he grew his career into teaching carpentry at CCNB Edmundston.

An avid outdoorsman, Guillaume enjoyed skiing, biking, hunting, and off-roading. But he also liked getting back to job sites every summer to put his carpentry skills to use when he had down time from teaching. It was on one of these seasonal jobs that a pallet carrying a three-ton slab of granite fell on his leg.

Guillaume was given several difficult choices for recovery. With the support of his wife and children, he decided to have his leg amputated and get a prosthetic.

"It felt like starting from scratch in a lot of ways," he said. "I never considered myself to be naturally talented at anything. But I work hard and I am disciplined. Those are the most important tools I have."

He said that, at first, the obstacles ahead looked too large to overcome. But he knew if he set smaller objectives for himself, he could take it one step at a time.

"How do you eat an elephant? One bite at a time," he laughed.

Guillaume decided to chronicle his journey through recovery and the work he put into learning to use his prosthetic on video. He posted it on Facebook in hopes of inspiring others.

“WorkSafeNB has always treated me as well as I could have expected,” he said in a letter to his case manager. “You’ve contributed to my success by providing me with everything I’ve needed.”

Rigorous in his routine, he focused on pushing himself every day to rebuild his energy, strength, balance, flexibility, and also his mental health. For the physical side, that meant two hours a day of cardio, weights, stretches, balance exercises, and walking. For his mental health, he turned to his love of music and practising the guitar.

“When people scroll Facebook, most of the time the pictures we see are just the tip of the iceberg. You don’t see the challenges that came before. They just show the happy stuff. I wanted them to see the work.”

Guillaume said he felt lucky to be able to return to work just nine months later and was grateful to his WorkSafeNB case manager for the full support he had along the way.

From the very beginning, lying in his hospital bed, he said his WorkSafeNB case manager made him feel supported. When he began looking at options for prosthetics and grew excited about Eastern Prosthetics offerings, he was thrilled WorkSafeNB would cover his placement at the private clinic he wanted to use.

“WorkSafeNB has always treated me as well as I could have expected,” he said in a letter to his case manager. “You’ve contributed to my success by providing me with everything I’ve needed.”

Getting back to work was just one piece of the puzzle for getting back to a full life, and he was happy to find WorkSafeNB had more support to give.

Guillaume had a 15-year-old daughter and 10-year-old son who were used to an active dad joining them on the slopes and biking trails; he didn’t want that to change.

“I’d relearned how to do all the daily chores that need doing in a household with two children. But I also learned how to ride a mountain bike again, and I’ve biked over 300 km of trails with family, friends, or on my own. I’ve been able to go back into the woods



to hunt with my son, uncles, and friends. I started fishing again and completed several woodworking projects.”

Winter proved a different beast to overcome.

“My goal was to conquer winter as I had done with other obstacles; it would be the most challenging season for me. Winter is long, cold, and there’s not much sunlight,” he said. “It was really important for me to get back to the slopes.”

Thanks to his own hard work and commitment to recovery and desire to return to being an active outdoorsman, his WorkSafeNB case manager was able to approve a ProCarve knee joint sport prosthetic.

His inspiring Facebook video post showing his rehab work ends with a triumphant shot of Guillaume carving down the slopes with his family.

“Discipline equals freedom for me. And going down the hill for the first time on the new prosthetic was an amazing sense of freedom.”

PREVENTION

PREVENTING WORKPLACE INJURY

LIFE-SAVING LEGISLATION ENACTED TO IMPROVE SAFETY IN FISHING INDUSTRY

Important legislation was passed in December 2022 that will significantly improve safety in the high-risk fishing industry. Before then, WorkSafeNB was the only Canadian jurisdiction with no authority to regulate its commercial fishing industry.

The *Occupational Health and Safety Act* was amended to include fishing vessels as places of employment. This means fishing vessel owners and their captains are legislated to provide healthy and safe workplaces, as with all other employers in New Brunswick with three or more employees. They will have access to WorkSafeNB prevention resources, leading to safer workplaces, and we will be able to conduct inspections and enforce compliance.

The amendments also address PFD and lifejacket use. Vessel owners or their captains must now provide crew with PFDs and lifejackets approved by Transport Canada and ensure they are worn by all those aboard the fishing vessel.

Anticipating the amendments, we've been working closely with the industry since 2019. We've engaged with them through consultation, face to face meetings, man overboard safety sessions, and at trade shows and conferences, where we held draws for PFDs.

WorkSafeNB has also been promoting lifejacket and PFD use since 2019, through social media advertising and rink board ads in arenas in or near fishing villages.





OHS ACT AMENDED

The *OHS Act* was amended to include fishing vessels as a place of employment and to make it mandatory to wear lifejackets or personal flotation devices while on a fishing vessel.

ALTHOUGH ENACTED, THE LEGISLATION WILL NOT BE ENFORCED BEFORE JUNE 1, 2024, TO ALLOW THE INDUSTRY TIME TO BE EDUCATED AND TO ADAPT.

We've developed several resources such as PFD fact sheets, a fishing vessel safety checklist, and posters, all available on our website in a portal dedicated to fishing safety.

Although enacted in 2022, WorkSafeNB will not begin enforcement of the legislation until June 2024

to allow the industry time to prepare for and understand their legal obligations as they apply to workplace health and safety.

Throughout 2023-2024 we will continue to engage with the industry, including information sessions, a Q&A section added to our website, and man overboard drills.



WorkSafeNB participated in the Fish Canada/ Workboat Canada tradeshow March 25-26 in Moncton, which drew more than 7,000 visitors. Pictured from left to right are WorkSafeNB's president and CEO, Tim Petersen; Angela Francoeur, director, Regulatory Review and Training; and, Richard Blais, vice-president, Prevention.

PREVENTION

PREVENTING WORKPLACE INJURY

EDUCATION AND AWARENESS

WorkSafeNB's awareness campaigns can be targeted toward a specific issue or may support a more general safety message. For targeted campaigns, we look at specific industries or trends in injuries. Since 2018, slips, trips and falls have been a major cause of lost-time injuries, costing the workers' compensation approximately \$21.8 million annually. So, in 2022 we launched a campaign to remind workers and employers to exercise more caution to avoid these injuries.

Through infographics, posters, a discussion guide and checklist, and social media ads, the campaign reminded us to walk like a penguin on ice and wet surfaces.



COMMUNICABLE DISEASE PREVENTION

The relaxation of COVID-19 protocols in 2022 did not mean that the threat of communicable diseases should be forgotten. Through social media, WorkSafeNB reminded workplaces of the risk and developed a four-step process for developing a communicable disease prevention plan.



COVID-19 CLAIMS



414
ACCEPTED

The 414 accepted claims in 2022 demonstrate that while we are no longer in the eye of the pandemic, we must remain cautious and prepared with robust communicable disease plans.



PARTNERING TO PROTECT ROAD WORKERS

Once the warm weather arrives you can count on seeing road construction crews out in full force, making our highways safer. It's hard work and while they are toiling to ensure safer roads for us, we must be mindful of their safety.

That's why, since 2013, WorkSafeNB has partnered with the Department of Transportation and Infrastructure, the RCMP, New Brunswick Road Builders and Heavy Construction Association and the New Brunswick Construction Safety Association on an annual safety campaign to remind motorists that the road worker is someone's mother, father, sister, brother, daughter, or son.

The campaign urges drivers to slow down in construction zones, obey speed limits and to drive without distraction, and was promoted through signage before roadway construction zones and through radio and social media advertising.



Tim Petersen, second from left, with campaign partner members

Slow Please – My Mom/Dad is Working Ahead

PREVENTION

PREVENTING DISABILITY

Our prevention focus area is two-pronged: preventing injury and preventing disability. When accidents do happen, it's crucial to minimize the negative impacts and prevent disability by focusing on helping injured workers return to work as soon as they are safely able.

Return to work is a win-win situation. Research shows that work can actually speed up the healing process for injured workers. For employers, it means maintaining productivity, retaining skilled employees, reducing the costs of hiring new talent, and lowering claim expenses, which can lead to lower insurance premiums.

It's a team effort that leads to success, and that's why we are dedicated to improving our key measures regarding 90-day and 180-day claims. However, we also believe it's important to highlight other critical indicators of success in preventing disabilities outlined below.

Claim Duration

AVERAGE NUMBER OF DAYS FOR OPEN CLAIMS

In 2022, the average time for open claims to be resolved decreased for the first time in more than 10 years. It went down from 331 days in 2021 to 295 days, which is a great achievement. This shows that our dedication to helping clients and employers in new and creative ways during the recovery process is working. Several factors have contributed to this positive change, such as providing opportunities for employees to continue working through modified duties and accommodations, improving the efficiency of claim assessment, using sector-specific case management, intervening early, and providing personalized care.

It's important to mention that traumatic psychological injuries (TPIs) have a significant impact on the duration of open claims, and unfortunately, their influence is negative. Between 2017 and 2020, the number of TPI claims more than doubled, and their duration increased by 45%, going from 289 days to 419 days. In 2022, we accepted 180 TPI claims.



Treating TPIs can be challenging because they differ greatly from treating physical injuries and often require longer recovery periods.

We take pride in our new treatment approach called SUCCEED, which focuses on understanding the unique challenges and difficulties faced by workers with TPIs. This model includes specialized clinical services and best practices to ensure better outcomes and services. We are confident that this innovative approach will continue to contribute to improved results. For more information about SUCCEED, please see pages 40 and 41.



Average number of days for closed claims

CLOSED CLAIMS

In 2022, the average number of days for closed claims stayed about the same compared to 2021, going from 91 days to just under 92 days. This is positive news, especially considering there was a

DECREASE BETWEEN 2020 AND 2021

6%

significant 6% decrease between 2020 and 2021. Recent changes in

legislation have made it clearer that workers' compensation covers only those injuries or

illnesses that happen directly because of work.

These changes continue to be helpful in improving claim duration. Additionally, we now have a better understanding of simple claims, work closely with the medical community to understand a worker's capacity, and communicate more with employers to make sure they understand and support their responsibility to help injured workers. All these factors have played a part in reducing duration over recent years.



Timeliness

TIME TO FIRST DECISION

Experiencing a workplace injury is already stressful, and we understand the added worry about getting treatment and losing income. That's why it's crucial to speed up the process of handling claims and providing compensation benefits promptly. By reducing wait times, we can alleviate concerns and allow injured workers to focus on their recovery.

We are thrilled to announce that the average time it takes to make the first decision on an application, whether it's accepted or not, has significantly improved. In January, it took an average of 53 days, but by December, we were able to bring it down to just 34 days. This data includes all types of decisions, from straightforward cases to the more complex. The speed of this initial decision is crucial because it directly affects how quickly the worker receives their first payment and access to medical assistance and rehabilitation.



In the past, individual employees were responsible for handling claims awaiting adjudication. However, our new queue management system assesses and assigns claims to one of three specialized teams. This system is considered a best practice as it prioritizes work and streamlines workflows. It also ensures that specific skills and expertise are aligned with different types of claims within each team:

PREVENTION

PREVENTING DISABILITY

TIME TO FIRST DECISION (CONTINUED)



TEAM 1

Works with clients who have acute injuries with a clear cause.



TEAM 2

Works with clients who have acute injuries with complicating factors.



TEAM 3

Works with clients whose cause of injury or illness is unclear or involves prolonged exposure, such as occupational diseases and traumatic psychological injuries (TPIs).

This team-based approach has increased employee engagement and accountability. As a result, we have achieved significant improvements in the time it takes to make the crucial first decision of accepting or denying a worker's claim.

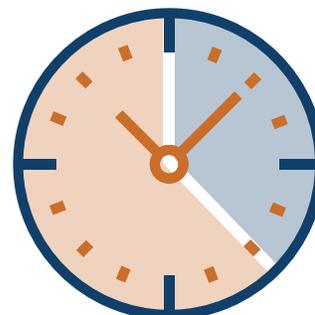
Our outstanding results now demonstrate that a remarkable 59% of first decisions are made within 14 days, and an impressive 66% are made within 21 days. These improvements are directly linked to the transformative changes we have implemented in this part of our business, making us proud of our achievements.

TIME FROM REGISTRATION TO FIRST PAYMENT

In 2022, we were pleased to reduce the average days from claim registration to first payment to 20 days, from 32 days in 2021. We're proud of this 38% reduction in one year, but we know we can do even better and are committed to doing so.

We know how important it is to workers and their families to ensure compensation is paid quickly to alleviate the financial worries they may have, in addition to stress caused by the injury itself. We want to make their experience as painless as possible, and are committed to further improvement, striving

to attain and even exceed best-in-class results where clients can expect a first payment in 14 days following registration.



38%
REDUCTION
IN WAITING
TIME



EARLY INTERVENTION SPEEDS RECOVERY

There are many benefits of early and safe return to work after an injury for both New Brunswick workers and workplaces. It helps keep people connected to colleagues and support networks, maintains routines, and helps increase a sense of value and identity.

There are many benefits of early and safe return to work after an injury for both New Brunswick workers and workplaces. It helps keep people connected to colleagues and support networks, maintains routines, and helps increase a sense of value and identity.

People with injuries have unique needs and rehabilitation requires customized approaches, depending on those needs. In 2022, we focused on developing a service delivery model that would

EARLY INTERVENTION

- Individualized approach based on needs
- Exceptional client experience
- Early and high-touch support



PREVENTION

PREVENTING DISABILITY

EARLY INTERVENTION SPEEDS RECOVERY (CONTINUED)

WHAT PEOPLE ARE SAYING ABOUT EARLY INTERVENTION:

I appreciate the communication and responsiveness to early questions and the support from the case manager and clinician to reduce initial stress and anxiety following the injury.

There's a big difference in support with this claim versus her previous claim. I feel the clinician and case manager go the extra mile to explain things and ensure she has what she needs.

“We’re keeping them on track,” Chamila said. “More importantly, they’re more confident knowing we’ve got them from the very start.”

be accessible, deliver a personalized client service experience and prevent work disability.

To identify workers with specialized needs and ensure they receive the right care approach, WorkSafeNB introduced a questionnaire to determine workers at risk of prolonged work disability.

WorkSafeNB also established a new case management team that adapts its approach for workers who need this extra support. This Early

Intervention team focuses on helping workers at risk of prolonged disability and it’s already seeing improved experiences and outcomes.

“We are seeing optimistic results with this new service approach,” said Dino Scichilone, WorkSafeNB’s director of Claims Management. “Workers are recovering earlier with a safe and early return to work. As well, this service approach and many other improvements for enabling recovery are leading to a downward trend in open claim duration at WorkSafeNB – the first time in a decade.”

From October to April 2023, about 60% of workers supported by the Early Intervention team have achieved early and safe return to work or recovery.

The service provides support by both a case manager and experienced clinical partner in the early weeks of the claim. Together, they navigate rehabilitation and recovery with the worker and workplace to prepare and transition back to work as part of their recovery.



“When a worker doesn’t feel capable of returning to work life, we’re there to help,” said Chamila Godbout, Early Intervention manager. “We support and guide them in making that decision to safely return to work and the transition to that routine. We understand that people have specialized needs and we must provide early supports to match these needs.”

Working collaboratively with the worker, employer, family physician and service providers, a mutually agreed upon plan is developed for an early and safe return to work.

PREVENTION

PREVENTING DISABILITY

PREVENTING DISABILITY FOR WORKERS WITH A TPI STARTS WITH IMMEDIATE CARE



With an increase in claims related to traumatic psychological injuries (TPIs), and a strong commitment to prevent work disability, WorkSafeNB set out to solve a problem common to most – if not all – worker compensation boards in Canada: long waits to access mental health care.

Delay in starting trauma treatment is associated with poor outcomes and worsening mental health as people get farther away from their normal work and personal routines.

Research into workplace trauma has shown that early access to even basic treatment is associated with less life-disruption, better quality of life, a greater likelihood of return to work, and better treatment outcomes in the future if more intense treatment is required later.

Immediate help for workers with a TPI was necessary.



To tackle this gap, WorkSafeNB developed a TPI care team to brainstorm ways to better help these workers. With our health care partners, we started the SUCCEED program – a structured, evidence-based trauma treatment program for workers within three weeks of referral. Workers receive treatment pre-adjudication – before the claim is approved.

To improve accessibility to mental health care, we developed as base of pre-approved providers throughout the province. Licensed social workers

and counselling therapists provide treatment in French or English, in person or virtually.

Already in 2023, we're seeing benefits to workers.

More clients are returning to work sooner and ending their claim faster.

The results are workers are getting the mental health services they need quicker and easier than before, and this is improving health outcomes.

SUCCEED'S SIX-WEEK (OR SIX-SESSION) TREATMENT PROGRAM AIMS TO HELP WORKERS WITH TPIs BY:

- Helping them learn ways to cope with common psychological reactions to workplace trauma.
- Providing support and guidance for maintaining a healthy daily routine of activity.
- Getting them off to good start – better preparing them for in-depth trauma work.



YOU ARE PART OF A BIGGER TEAM.

You, the worker, the employer and WorkSafeNB are all involved in successful recovery. Communication is vital.



PROVIDE TIMELY REPORTS WITH NECESSARY DETAILS TO SAFELY SUPPORT THE WORKER IN THE WORKPLACE.

Stay-at-work and return-to-work programs are important to successful recovery.



REACH OUT TO US IF YOU ENCOUNTER POTENTIAL BARRIERS OR HAVE QUESTIONS.

We have a dedicated team ready to help.

SWEET SUCCESS



From workplace
accident to
career in health
and safety

*“Out of this nettle,
danger,
we pluck this flower,
safety” – Shakespeare*

It’s a quote Darren Shaw likes to use, and it’s fitting for where his life has taken him.

A workplace accident 13 years ago that put a halt to his construction job has led to a career in health and safety.

Darren is now the health and safety manager for Ganong, Canada’s oldest candy company.

It’s a role he never would have thought twice of before the accident. Darren had a 24-year career as a construction worker. But in March 2010, he injured his shoulder on a job site in Fredericton. A co-worker dropped his end of a drywall sheet on the floor while reaching for a tool. When the sheet hit the floor, it jerked the end that Darren was holding back, snapping his right arm behind him and tearing his rotator cuff.

Darren made the best of his time at WorkSafeNB’s rehab centre in Grand Bay-Westfield. While he put the work into his own healing, the self-described “good old country boy” found other patients at the centre gravitated to him and he gravitated to the idea of providing emotional support for them. He began organizing outings and social events for the other clients and became a go-to person for clients who needed someone to talk to or a shoulder to cry on.

“Safety is not just a word, it’s something that is practised here,” he said. “It makes my job so much easier when I know safety is so important already to every single person that works here.”

Just as he was set to return to his construction job, he re-injured the arm. The reevaluation at the rehab centre shook him at first. He would not be able to return to construction. But then he met with a vocational rehabilitation specialist at WorkSafeNB, and, after several interviews and testing, the team identified that Darren had an aptitude for the health and safety field.

He was sent for computer training and then enrolled in the Health, Safety and Environmental Processes Program at the University of Fredericton.

He has now spent the past decade working in health and safety in a number of industries.

When he heard Ganong was growing its team to lead their health and safety, he jumped at the chance. The company just reintroduced the health and safety manager position this year.

“They’ve always had fantastic safety representation on the team and safety consultants, but Ganong saw the need to keep growing and expanding and decided to create this position,” he said. “They were already starting out with a good safety culture, so I had something great to start with.”

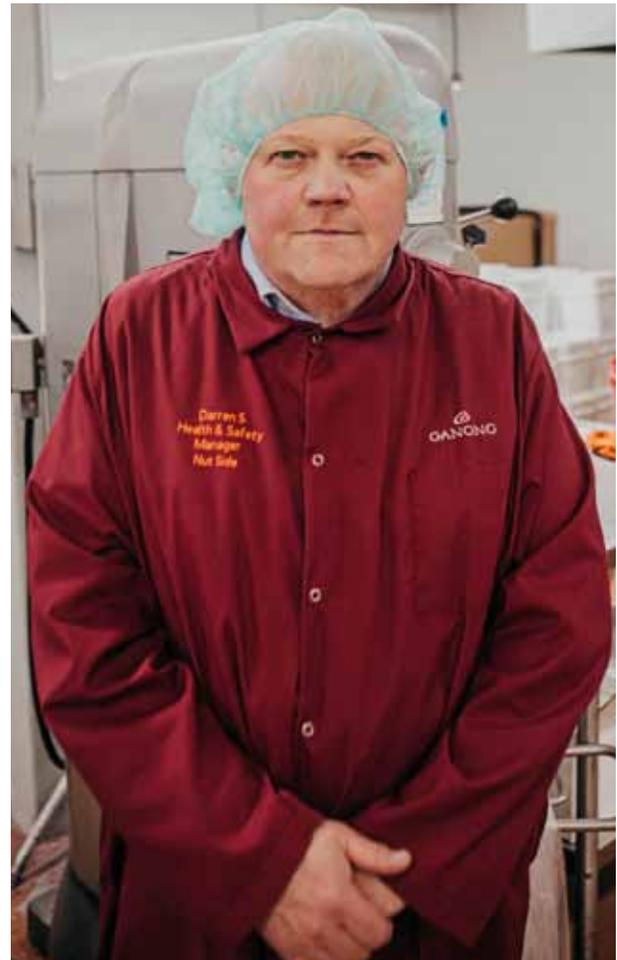
He said the company is the most co-operative and transparent place he has worked for and he’s excited to be helping lead the way.

With a large multicultural staff, Darren said he’s thrilled to work with teammates who are fluent in many languages and can communicate safety rules to workers in their own language. And he loves building on Ganong’s safety culture that encourages factory staff to bring any concerns to corporate so there is always two-way communication.

“Safety is not just a word, it’s something that is practised here,” he said. “It makes my job so much easier when I know safety is so important already to every single person that works here.”

Along with his appreciation for his new team, Darren remains grateful to his community and support system that encouraged him to keep growing in his career. And he’s grateful to those at WorkSafeNB - from his case manager to staff at rehab, who helped him not just recover, but thrive.

“I now work in this field where I’m in regular contact with staff at WorkSafeNB and see what they do,” he said. “I look back at that time and I know there were people there who cared and saw what I could do.”



DAY-TO-DAY VIGILANCE IS KEY TO SUCCESS FOR PREMIER TECH

The Caraquet plant has the lowest total recordable injury rate (TRIR) of all Premier Tech's 14 plants

With a plant operating in Caraquet since 1999, Premier Tech Systèmes Automatisés is an international company specializing in the manufacture of production equipment for the peat moss industry. In April of this year, the company's team of approximately 50 employees proudly celebrated three years with no recordable injuries at its production site. We talked to Patrick Malenfant, president of the North American Division of Premier Tech, about the company's success in occupational health and safety.

At the Caraquet plant, the risk of injury exists in everyday tasks. It involves high-energy equipment and processes, such as load handling, vehicle

operation and metal processing methods. Patrick explained that 80% of injuries sustained are hand injuries. "It's important for workers to remain vigilant, even if they're used to performing their duties, and they should never get comfortable with risk. Because our hands are such useful and sophisticated tools, they are constantly being exposed to many types of injury. We have been successful in reducing the number of hand injuries with task-specific gloves and risk awareness."

He said that in addition to protective equipment, consistency and teamwork are key to a healthy and safe work environment for staff. He also referred to monthly meetings with the entire team to address safety matters and the active presence of managers on the floor.

“Safety doesn’t take a vacation, which means managing health and safety never ends. We must believe that all injuries are preventable and continuously find ways to eliminate risk to reach our goal of zero injuries.”

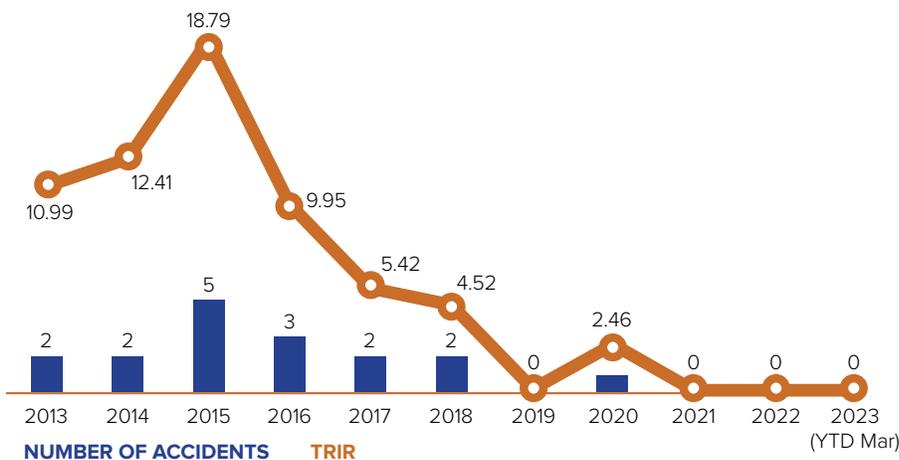


Patrick also explained that innovation, teamwork and flexibility are part of the values and culture at Premier Tech, and that they are proving successful. “These values are present in all that we do, from the way we deal with customers to how we manage safety. For example, staff in Caraquet designed and manufactured a guard for a manufacturing process involving conveyor idlers. The device recently prevented an accident when an idler suddenly got bent during processing.”

The company can assess the plant’s health and safety performance by comparing results to its 14 plants located worldwide. The president of the North American Division is proud to say that the Caraquet plant has the lowest total recordable injury rate (TRIR) of all Premier Tech’s plants. Using a baseline of 200,000 hours worked, the TRIR allows the company to measure its long-term performance.

While Premier Tech is a leader when it comes to protecting its workers, the company stays on top of risks. “We can never let our guard down. Past success does not guarantee success in the future,” Patrick said. “Safety doesn’t take a vacation, which means managing health and safety never ends. We must believe that all injuries are preventable and continuously find ways to eliminate risk to reach our goal of zero injuries.”

RECORDABLE ACCIDENTS AND TRIR OVER THE PAST 10 YEARS – CARAQUET



FOCUS AREA

INTEGRITY



INTEGRITY

WE WILL PROTECT THE INTEGRITY OF THE SYSTEM.

As stewards of New Brunswick's workers' compensation system, WorkSafeNB must meet the needs of both workers and employers. Injured workers need to rely on us to maintain the funds and services to support them if they are injured at work or become ill. To guarantee those funds and services are always available, we collect assessments from employers, but we also must ensure they pay fair rates that enable them to keep contributing to our provincial economy.

Without this balance, there is no workers' compensation system. WorkSafeNB continuously looks to find efficiencies and make improvements by reviewing our policies, internal practices, and governance framework, and working with government to pursue legislative changes required to maintain this balance.



OBJECTIVES



Effect good governance, including sound legislative and policy frameworks, transparent stakeholder engagement and communication.



Advance and leverage our capabilities in enterprise risk management and quality assurance.



Create a culture of accountability.

KEY STRATEGIC MEASURES

FUNDING POSITION



The *Workers' Compensation Act* requires WorkSafeNB to maintain a minimum funding level of 100% to ensure sustainability, with any shortfall to be recovered within 15 years. In October 2019, WorkSafeNB set a funding level target to reduce the impact of year-to-year fluctuations. This intentional excess of assets over liabilities ensures more stable assessment rates for employers and safeguards the funds for benefits for injured workers.

With a funding position of 147.7% in 2022, WorkSafeNB met its target.

	2020 (\$ millions)	2021 (\$ millions)	2022 (\$ millions)
ASSETS	\$1,726	\$1,988	\$1,915
LIABILITIES	\$1,397	\$1,348	\$1,297
FUNDING POSITION	123.6%	147.5%	147.7%

INTEGRITY

EXAMINING THE NUMBERS INVESTMENT PERFORMANCE

To cover total expenses for the year, WorkSafeNB supplements employer assessments by investing. Investment income is expected to generate a long-term average real return of 3.75%. However, the actual real rate of return can vary significantly over shorter periods due to short-term volatility in financial markets.

Preliminary investment returns were -3.40% year-to-date as of December 31, 2022.

This year, WorkSafeNB introduced a hybrid model of investment management and secured an external investment firm. The outsourced chief of investment officer (OCIO) manages 65% of our investment

portfolio, including equities, fixed income, and cash. WorkSafeNB’s investment staff continue to manage the remaining 35%, including alternative investments (real estate, infrastructure, and opportunistic mandate). Oversight, asset-liability studies, and other governance responsibilities continue to remain the responsibility of staff, the Finance & Investment Committee, and the board of directors.

This new hybrid model will significantly reduce operational risks related to staff resources and succession planning, provides additional protection to ongoing investment management, and aligns with jurisdictions across the country.

	2022	4 Years	8 Years	10 Years
Fund gross rate of return	(3.83%)	7.05%	6.23%	7.37%
Less CPI	6.32%	3.50%	2.62%	2.36%
Fund real rate of return	(10.15%)	3.55%	3.61%	5.01%
Real return target	3.75%	3.75%	3.75%	3.75%



EXAMINING THE NUMBERS AVERAGE ASSESSMENT RATE

Assessment rates are key to maintaining the delicate balance required to sustain the workers' compensation system – providing the appropriate benefits to injured workers, health and safety support to our province's workplaces, and administration costs. Assessments are one of two sources of revenue that fund our system.

In 2022, the average assessment rate decreased from \$2.17 per \$100 of assessable payroll in 2021 to \$1.69 per \$100 of assessable payroll, a 22%

decrease. This trend continued, as we set the 2023 rate in the fall, and once again the rate decreased by 22% to \$1.31. Fewer workplace accidents, better rehabilitation and return-to-work outcomes, and an improved financial position have resulted in a significantly reduced assessment rate. Rate decreases benefit not only employers but all New Brunswickers, as assessment rates reflect the safety and return-to-work outcomes of our province's workforce.

	2017	2018	2019	2020	2021	2022	2023
PROVISIONAL RATE (PER \$100)							
Benefits for New Accidents	\$1.10	\$1.47	\$1.66	\$1.47	\$1.33	\$1.20	\$1.08
Occupational Health and Safety	\$0.14	\$0.12	\$0.12	\$0.11	\$0.11	\$0.11	\$0.11
Workers' Compensation Appeals Tribunal & Worker / Employer Advocates	\$0.05	\$0.05	\$0.03	\$0.03	\$0.04	\$0.03	\$0.02
General Administration	\$0.37	\$0.29	\$0.37	\$0.36	\$0.34	\$0.35	\$0.33
Base Rate	\$1.66	\$1.93	\$2.18	\$1.97	\$1.82	\$1.69	\$1.54
Business Transformation			\$0.08	\$0.08			
Funding Level Adjustment for Prior Years	(\$0.18)	(\$0.23)	\$0.39	\$0.35	\$0.35		(\$0.23)
AVERAGE RATE	\$1.48	\$1.70	\$2.65	\$2.40	\$2.17	\$1.69	\$1.31
Administration Sub-Total	\$0.56	\$0.46	\$0.60	\$0.58	\$0.49	\$0.49	\$0.46



SAFEGUARDING WORKSAFENB'S DATA IN THE FACE OF RISING CYBER THREATS

A blue padlock is centered on a blue-tinted keyboard background. The padlock is metallic and has a keyhole. The keyboard keys are visible, with letters like G, H, J, K, B, N, M clearly seen. The overall lighting is a deep blue, creating a digital and secure atmosphere.

Jamie's job is critical in an era where cyberattacks have become increasingly prevalent.

Jamie Rees is WorkSafeNB's enterprise information security officer, a position he took up in March 2020, just as the pandemic was beginning to take hold. His job is critical in an era where cyberattacks have become increasingly prevalent, and his work has become even more important as the organization has shifted to remote work.

One of Jamie's primary goals in his new role was to bring consistency and organization to WorkSafeNB's cybersecurity efforts. His job is to protect data,

clients, and employees from cyber threats, an important issue to organizations worldwide.

To achieve this goal, Rees and his team operate the Beauceron security platform system, which is designed to raise awareness and help employees detect phishing emails and other scams that can lead to cyberattacks. They also constantly explore new technologies that may need to be added to the system to improve its effectiveness.

Moreover, Jamie and his team have developed a network of contacts and information sources that allow them to detect potential cyberattacks before they become news stories. For example, when the Microsoft Exchange Server attacks were underway in 2021, Jamie's team worked quickly to get patches in place to protect WorkSafeNB from the attack.

“I enjoy the challenge of helping organizations navigate the complex and ever-changing landscape of cybersecurity,” Rees said. “My goal is to provide a secure and stable system for our clients and employees, so they can focus on their work without worrying about cyber threats.”



JAMIE REES

According to Jamie, the most popular attack is through email, where hackers trick people into clicking on links, downloading malware, or giving away their login credentials. These credentials can then be used to gain access to other accounts, such as bank accounts, PayPal, and Amazon. He emphasizes how crucial it is to use unique passwords for each account to prevent hackers from accessing sensitive data.

He said one of the most rewarding aspects of his job is helping people and organizations achieve their goals while protecting them from cyber threats. His role is tied to one of WorkSafeNB's corporate goals, which is to protect the integrity of the system.

“I enjoy the challenge of helping organizations navigate the complex and ever-changing landscape of cybersecurity,” he said. “My goal is to provide a secure and stable system for our clients and employees, so they can focus on their work without worrying about cyber threats.”

Charged with protecting WorkSafeNB's information assets, Jamie understands the importance of building a strong, stable, and sustainable system. This includes not only financial sustainability but also good governance, privacy protection, modern technology, cybersecurity, and sound legislative foundations. By working to protect the system's integrity in an ever-evolving cybersecurity landscape, Rees and his team are helping WorkSafeNB fulfill its mission of promoting safe and healthy workplaces in New Brunswick.

INTEGRITY

EFFECTING GOOD GOVERNANCE

STAKEHOLDER RELATIONS

Collaboration is key: the value of consultation during legislative change

WorkSafeNB regularly reviews legislation to determine where amendments can be made to improve our workers' compensation system and our province's occupational health and safety. As a stakeholder-driven organization, we are committed to fully exploring any proposed amendments with our stakeholders to understand potential impacts on injured workers, employers, and the system's long-term fiscal sustainability. Transparent dialogue with and feedback from our stakeholders helps inform our decisions.

In 2022 we consulted New Brunswickers on proposed amendments to the *Workers' Compensation (WC) Act* and *Occupational Health and Safety (OHS) Act*, with a focus on modernization efforts and a commitment to people, prevention, and integrity.

WORKERS' COMPENSATION (WC) ACT

Under the *WC Act*, we sought feedback on proposed benefit improvements during a 90-day consultation, including increasing the loss of earnings benefit from 85% to 90%, and increasing the maximum annual earnings threshold so more

workers would have more of their earnings covered if they were injured at work. These changes aim to strike a balance between more affordable assessment rates for employers and a competitive suite of benefits for injured workers and their families, helping to ease the financial hardship of being off work, especially in the current high inflation environment.

OCCUPATIONAL HEALTH AND SAFETY (OHS) ACT

Under the *OHS Act*, we proposed several updates to modernize the language and clarify requirements for health and safety programs. Administrative penalties would be allowed in cases where an officer cannot issue an order but can prove a violation, and employers would be required to maintain JHSC meeting minutes for a specified amount of time rather than sending them to WorkSafeNB. These changes align New Brunswick with other Canadian jurisdictions, including those that repealed similar requirements in 2015 and 2016. [Visit our website to view the consultation results.](#)





GENERAL REGULATION 91-191

Additionally, we facilitated a multi-phase regulatory review of General Regulation 91-191, completing phases I and II in 2022.

Phase I (January 17 – March 8)	Phase II (June 24 – August 19)
<ul style="list-style-type: none"> Logging and silviculture Construction Occupational hygiene X-ray equipment Materials containing asbestos Mining 	<ul style="list-style-type: none"> Confined space Critical lifts Welding Electrical safety Pedestrian safety (near forklifts) Lockout for piping Hoisting apparatus standards updates Laboratory safety Hot tapping

We expect to complete Phase III in 2023, covering topics such as hearing conservation, explosives, and X-ray safety.

This type of regulatory review is important to ensure workplace safety standards are up-to-date and effective in protecting workers from potential hazards.

These consultations and modernization efforts emphasize the importance of our connection with you, the workers and employers of New Brunswick. Nobody knows our province’s workplaces better than you, so your input plays a significant role in shaping the recommendations for updating the acts. Together, we believe we can make New Brunswick the safest place to work.

ANNUAL GENERAL MEETING

To uphold integrity we must earn and retain trust and maintain transparency. One way we do this is by building relationships through stakeholder engagement and integrating our stakeholders’ views and opinions

into our decision-making process. Stakeholder engagement helps us understand stakeholder expectations, manage risk, identify opportunities for improvement and achieve our strategic direction.

A popular venue for stakeholder engagement is our annual general meeting (AGM). This is where our president and CEO and board chairperson present our assessment rates for the upcoming year and discuss what’s on the horizon. It also provides our stakeholders with the opportunity to ask questions. In 2022, our AGM was once again held virtually, with 257 stakeholders taking part from across the province and representing multiple industries. In addition to the 2023 assessment rates, we provided a 2021 year in review and discussed key legislative changes, our financials, and funding targets.

PARTNERING WITH SAFETY ASSOCIATIONS

Legislative amendments to the *Workers’ Compensation Act* in 2000 allowed for employer associations to have WorkSafeNB designate an entity as a safety association within their industry. WorkSafeNB collects an additional levy from the industry, and, in return, the safety association offers health and safety education, training, and consulting services at well below market costs. There are currently three safety associations operating in New Brunswick through funding agreements with WorkSafeNB: the New Brunswick Construction Safety Association (NBCSA); the New Brunswick Forest Safety Association (NBFSA); and, the New Brunswick Continuing Care Safety Association (NBCCSA).

IN 2022, THE NBCSA CELEBRATED ITS 20-YEAR ANNIVERSARY. HERE’S THEIR STORY:



PARTNERING FOR SAFETY

WORKSAFENB AND NBCSA CELEBRATE 20 YEARS OF PROMOTING SAFE CONSTRUCTION PRACTICES IN NEW BRUNSWICK

Over the past 20 years, NBCSA has made a significant impact on New Brunswick's construction industry.

Strategic partnerships play a key role in helping us attain our vision. The New Brunswick Construction Safety Association (NBCSA) is one such strategic partner, sharing our vision of making New Brunswick the safest place to work. Its mission is to promote a culture of safety in the construction industry by providing effective training, education, and resources to workers and employers across the province.

Since launching in December 2001, NBCSA has been a driving force in promoting safety and reducing incidents on construction sites – and CEO and general manager Roy Silliker has been there since day 1.



ROY SILLIKER

“After holding preliminary meetings with the Construction Association of New Brunswick, the N.B. Road Builders & Heavy Construction Association, the Canadian Home Builders Association NB, the Atlantic Concrete Association, and labour representatives, we unanimously agreed that the construction industry should take responsibility for developing, funding, and setting standards for safety training,” Roy said.

After formation, an agreement was reached with WorkSafeNB to help fund the Association. This levy is supported by companies classified as construction related under WorkSafeNB’s group of North American Industry Classification System (NAICS) codes. These companies make up NBCSA’s membership. This levy allows NBCSA to offer courses at or near cost. The partnership allows WorkSafeNB

“The goal was to make this training available to all construction workers in New Brunswick at the lowest possible cost”, Roy said. “This shared vision resulted in the birth of the NBCSA.”



to review all NBCSA safety training courses to ensure they meet the provisions of Occupational Health & Safety Act and regulation requirements.

“The goal was to make this training available to all construction workers in New Brunswick at the lowest possible cost”, Roy said. “This shared vision resulted in the birth of the NBCSA.”

Over the past 20 years, NBCSA has made a significant impact on New Brunswick’s construction industry. They have distributed thousands of education certificates, demonstrating the commitment of workers and employers to creating a safe and healthy workplace. Through advocacy, education, and outreach efforts, NBCSA has helped to reduce incidents and injuries on construction sites, protecting workers and their families from harm.

“Our comprehensive training programs cover a wide range of topics, from fall protection and working at heights to confined spaces and hazardous materials,” he said. “We also offer courses specifically designed for supervisors and managers, ensuring safety is a top priority at all levels of the organization.”

In addition to training and education programs, NBCSA also offers a range of resources and tools to help employers and workers stay safe on the job. Its website provides access to a wealth of information

SINCE DECEMBER 31, 2001

Annual membership floats between 2,500 and 3,100 contractors

30

COURSES OFFERED

66,620

STUDENTS

287,395

CERTIFICATES ISSUED

on safety topics, including best practices, regulations, and guidelines. It also offers safety audits and assessments, as well as consulting services to help organizations develop and implement effective safety programs.

NBCSA’s impact on the construction industry in New Brunswick is a testament to its dedication and commitment to safety. We are proud to partner with the NBCSA in our shared goal of making New Brunswick the safest place to work. We commend NBCSA on its 20 years of service and look forward to continuing our collaboration in the years to come.

“Through our partnership with WorkSafeNB, we can build a safer, healthier, and more prosperous future for all workers in New Brunswick. We are committed to our mission of promoting a culture of safety in the construction industry by providing effective training, education, and resources to workers and employers across the province.”

INTEGRITY

MAINTAINING ACCOUNTABILITY

POLICIES PROMOTE CULTURE AND COMPLIANCE

Accountability is another way we uphold integrity, and policies are one way we show accountability. We review our policies on a five-year cycle to ensure they are still relevant and continue to be in our stakeholders' best interest. In 2022, our board of directors approved 17 policies, including the following:

- **21-417** – **Suitable Work and Suitable Occupation**
- **21-108** – **Conditions of Entitlement – Secondary and Subsequent Injuries**
- **21-101** – **Pre-Existing Conditions**
- **46-500** – **Review of Decisions by the Decision Review Office**

To help review policy priorities established by WorkSafeNB's board of directors and executive leadership team, in 2022, we established a policy consultation committee. The policy consultation committee shares their expertise and provides input on policies under review by:

- Explaining how the business uses a policy
- Explaining WorkSafeNB's approach to an issue
- Communicating concerns with a policy from an operational perspective
- Providing feedback on proposed new policies or changes to existing policy
- Reviewing information about approved policies and acting as a resource on the changes to specific business areas
- Consulting, as needed, with their business area to provide feedback to the committee

The committee is composed of up to eight members, from the following areas of WorkSafeNB's business: Intake and Adjudication Services; Pensions & LTD in Claims Management; Workforce Re-Entry, Early Intervention or Stay at Work Support; Benefit Payment Services; Quality Management Services; Assessments; and, General Counsel Office.





FATALITY REVIEW COMMITTEE RE-INSTATED

WorkSafeNB re-established its Fatality Review Committee this year, after a three-year pause. Following a fatality, the committee reviews the fatality investigation reports, causation analysis, actions taken by WorkSafeNB management and staff, and recommendations from the chief coroner. Based on their findings, they then recommend to staff actions to help prevent similar accidents from recurring and provide an action plan with a timeline for implementation. An action plan may direct WorkSafeNB staff to follow up with employers to ensure the Fatality Review Committee's recommendations are communicated and fulfilled.

With permission from the board, the committee may engage a third party to help with their review.

The committee comprises a committee chairperson, selected by our board of directors who must be a voting board member; our president and CEO; one board member representing workers; and an alternate; and one board member representing employers, and an alternate.

OHS ACT REVIEW RESULTS IN PROPOSED AMENDMENTS

WorkSafeNB is legally obligated to review the *OHS Act* and its corresponding regulations every five years; 2022 marked the first review under this obligation.

Our board of directors' review resulted in proposed changes to the *OHS Act*, the Administration Regulation 84-26 and General Regulation 91-191. While many of these proposals focused primarily on housekeeping items, the board believed two proposed amendments required stakeholder consultation: Section 14 of the Act requiring JHSC minutes to be submitted to WorkSafeNB automatically and harmonizing the requirement for Type 2 headwear on project sites.

We ran a consultation from August 11-September 8. An overwhelming 96% of respondents were in favour of the change that would require employers to maintain JHSC meeting minutes for a specified amount of time, rather than requiring JHSCs to send meeting minutes to WorkSafeNB. Many respondents said the change would reduce paperwork and administrative burdens. About half of those who provided feedback on the Type 2 headwear said they already used it while the other half said they would need to purchase new headwear.

INTEGRITY

MAINTAINING ACCOUNTABILITY

AUDITOR GENERAL’S REVIEW – RESPONDING TO RECOMMENDATIONS

In 2017-2018, New Brunswick’s auditor general reviewed New Brunswick’s workers’ compensation system, with a focus on 1). our governance model, and 2). our claims management and rehabilitation system. The auditor general followed up this year on the status of the recommendations and we are happy to report that we have implemented 92% of the recommendations related to the governance audit and close to 93% of those regarding claims

management. The recommendations and their implementation have created a stronger governance framework and have helped improve our services to injured workers.

During this same time, a ministerial task force also reviewed the workers’ compensation system, with a focus on short-term solutions and long-term sustainability.

Report	Overall Completion	Recommendations In Progress & Percentage Complete
AG – Governance	92% (11 of 12)	2.132 CEO succession planning – A framework and processes have been designed for board approval in May 2023. It is about 75% complete.
AG – Claims Management	93% (27 of 29)	3.36 Claims system modernization and 3.119 Tools in claims system. The Modernization Roadmap prioritized work on the financial system, which is underway. Requirements for the claims system will begin in Q3 2023.
Task Force	93% (26 of 28)	#10 Self-insured employers to pay fair share for OHS services – 95% complete. Contract pending. #16 annual review of WRC – ongoing.

BENPAY ALLOWS CASE MANAGERS MORE TIME TO SPEND WITH CLIENTS

In 2021, WorkSafeNB began transitioning financial transactions such as medical aid, loss of earning benefits, and long-term disability payments out of claims management to the chief financial office.

Completed this year, this transformation allows case managers more time to spend with their clients, capitalizing on their skills. This has resulted in a higher quality of service, including more timely payments to injured workers and care providers. This was a recommendation from the auditor general’s review of injured worker claims management.

We are confident that this has helped contribute to positive stay at work and return to work outcomes.





NEW REPORTING REQUIREMENTS FOR FINANCIAL STATEMENTS

New reporting requirements under the International Financial Reporting Standards for Insurance Contracts (IFRS 17) will mean a different look to this year's financial statements, most notably an increase in balance sheet liabilities.



However, these new standards will not affect the economic fundamentals of the workers' compensation system. Our board of directors will continue to take a long-term view for measuring the funding level and setting assessment rates.

WorkSafeNB will conduct two distinct financial valuations beginning December 31, 2023:

- A funding valuation to assess the long-term health of the workers' compensation system and to inform appropriate assessment rates and benefit levels.
- A financial statement valuation to comply with IFRS 17 and to provide a short-term view of the of the workers' compensation system's financial position.

MANAGING RISK TO ENSURE PROGRESS

WorkSafeNB continues to mature its enterprise risk management capabilities, modelling the ISO 31000 standard in our framework, policies, and processes. Integrated with strategic planning, WorkSafeNB annually assesses risks at all organizational levels. Many identified risks are managed at a project, department, or division level. However, some risks are significant enough that they escalate to the enterprise level to ensure they are thoroughly managed. They are assigned executive accountability, management plans are implemented, and the Audit Committee regularly monitors progress through a quarterly report to ensure we are mitigating these risks. In 2022, WorkSafeNB continued to manage five primary risks that could impede progress in achieving our vision, strategic measures, and KPIs.

ENTERPRISE RISKS RANKED HIGH

Culture and Values	Strategic
Data Governance	Operational
Cybersecurity	Operational
Governance	Strategic
Psychological Health and Safety	People

2022 ANNUAL REPORT

MANAGEMENT
DISCUSSION AND
ANALYSIS
AND
CONSOLIDATED
FINANCIAL STATEMENTS
AND NOTES

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS

The Management Discussion and Analysis (MD&A) provides management's perspective on key issues that affect the current and future performance of the Workplace Health, Safety and Compensation Commission (operating as WorkSafeNB). The MD&A, prepared as at May 31, 2023, should be read in conjunction with the audited consolidated financial statements and supporting notes for the year ended December 31, 2022.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements about certain matters that are, by their nature, subject to many risks and uncertainties that may cause actual results to differ materially from these statements. Forward-looking statements include, but are not limited to, WorkSafeNB's objectives, strategies, targeted and expected financial results, and the outlook for its business and for the New Brunswick and global economies. Risks and uncertainties include, but are not limited to, changing market, industry and general economic factors or conditions; changes in legislation affecting WorkSafeNB policies and practices; changes in accounting standards; the ability to retain and recruit qualified staff; and other risks, known or unknown. The reader is cautioned not to place undue reliance on these forward-looking statements.

The Annual Report, Strategic Plan, and Assessment Rates are available at worksafenb.ca.

FINANCIAL HIGHLIGHTS

WorkSafeNB recorded a deficit of \$21.7 million in 2022 compared to a surplus of \$310.5 million in 2021. The primary drivers of the 2022 results are lower investment returns and assessment revenue, partially offset by a decrease in benefits liabilities. The investment return in 2022 was (3.8%) compared to 13.1% in 2021. The benefits liabilities decreased by \$46.7 million in 2022, following a \$57.1 million decrease in 2021. The decrease in 2022 is primarily

driven by lower-than-expected payment levels in 2022 for hospital, short- and medium-term wage loss benefits, combined with a reduction in the expected proportion of hearing loss claimants who will receive a loss of opportunity (PPI) benefit. Assessment revenue decreased by 11.2% from \$232.6 million in 2021 to \$206.5 million in 2022. The decrease is due to a 22.1% reduction in the provisional average assessment rate from \$2.17 in 2021 to \$1.69 in 2022. This resulted in a funded position of \$618.1 million, or 147.7%.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of WorkSafeNB and WorkSafeNB Investments Limited (WSNBIL). WSNBIL is a subsidiary over which WorkSafeNB exercises control and is defined as having the power to direct the relevant activities of an entity, having exposure or rights to variable returns of the entity, and having the ability to affect the returns through the power it holds. WSNBIL holds infrastructure and real estate assets in trust for WorkSafeNB, the Workers Compensation Board of Prince Edward Island (WCB of PEI) and the Firefighters' Compensation (FC) Act Disability Fund, pursuant to agreements for the combined administration of their respective investments. Although WorkSafeNB does not have legal rights to the proportionate shares that the WCB of PEI and the FC Act Disability Fund hold in WSNBIL, International Financial Reporting Standard 10 (IFRS 10) requires WorkSafeNB to present consolidated financial statements as they have control over WSNBIL as defined in IFRS 10. As a result, WSNBIL has been fully consolidated in these financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

The proportionate ownership of the net assets of WSNBIL as at December 31, 2022 was: WorkSafeNB – 87.9%, WCB of PEI – 10.6%, *FC Act* Disability Fund - 1.5%. All transactions and balances between WorkSafeNB and WSNBIL are eliminated on consolidation.

Non-controlling interests, presented as part of equity, represent the portion of WSNBIL's net assets that are held by the WCB of PEI and the *FC Act* Disability Fund.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The key components of WorkSafeNB's consolidated statement of financial position are its investments, benefits liabilities, and funded position.

FINANCIAL HIGHLIGHTS		
Consolidated Statement of Financial Position		
(\$millions)	2022	2021
Portfolio investments	1,853.1	1,925.4
Benefits liabilities	1,275.5	1,322.2
WorkSafeNB fund balance	618.1	639.9
WorkSafeNB funded ratio	147.7%	147.5%

Investments

WorkSafeNB's investment portfolio must be customized to reflect its purpose, time horizon, liquidity requirements, legal constraints and its stakeholders' risk tolerance. The primary investment risk is that the investment fund's assets, together with the future income thereon, will be insufficient to pay the liabilities.

Most of the investment portfolio is held to meet payment obligations that extend for many years into the future. As a consequence, WorkSafeNB takes a long-term approach to finding an acceptable risk/return trade-off via the investment strategy. WorkSafeNB's investment policies and practices are designed to maximize the probability of meeting its performance objectives over the long-term at an acceptable risk level; from year-to-year, short-term fluctuations in financial markets could cause the investment portfolio to significantly over- or under-perform its long-term performance objectives.

WorkSafeNB believes that the most important factor in determining investment risk and return is the asset mix. WorkSafeNB relies on periodic asset liability studies performed by independent actuarial consultants to ensure that the investment strategy is suitable in light of risk tolerance, the nature of the liabilities and financial position. The latest asset liability study was completed in 2019, resulting in a targeted asset mix of: 16% Canadian bonds, 15% Canadian equities, 14% U.S. equities, 14% international (EAFE) equities, 4% emerging markets equities, 15% real estate, 10% infrastructure, 10% in a global opportunistic strategy and 2% cash.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

This asset mix is designed to reduce the volatility in WorkSafeNB's annually reported operating income, funded ratio and assessment rates.

The table below shows the fair value of WorkSafeNB investments by investment type as of December 31.

INVESTMENTS		
(\$millions)	2022	2021
Forward foreign exchange contracts	(8.1)	(10.5)
Fixed income	292.6	303.2
Equities	889.0	939.8
Real return bonds	–	15.4
Real estate	292.6	301.3
Infrastructure	190.3	171.6
Global Opportunistic	196.7	204.6
Total investments	1,853.1	1,925.4

WorkSafeNB's investment strategy is documented in the Statement of Investment Philosophy and Beliefs Policy and the Investment Goals and Objectives Policy. The Statement of Investment Philosophy and Beliefs Policy documents the governance structure for investments, WorkSafeNB's commitment to a disciplined approach to investing, WorkSafeNB's view on diversification as a method to reduce risk, the importance of the asset allocation decision, along with the WorkSafeNB's view on ethics and investment education.

The Investment Goals and Objectives Policy identifies the policy asset mix and performance objectives; and defines eligible investments and limits on risk concentrations. WorkSafeNB's investments are managed by independent external investment managers. The compliance of these portfolio managers with policy is monitored regularly.

To minimize the volatility of returns, WorkSafeNB's portfolio is diversified among asset classes, industry sectors, geographic locations and individual securities. WorkSafeNB further diversifies by selecting investment managers with varying investment mandates and styles.

In December 2021, WorkSafeNB entered into an agreement for Outsourced Chief Investment Officer investment management services with a third party, SEI Investment Management Company (SEI). SEI has discretion to invest in public securities consistent with WorkSafeNB policies.

Under a hybrid model, WorkSafeNB has continued to manage its private markets and opportunistic investments under an internal chief investment officer – alternatives.

Further details of the change in composition of WorkSafeNB's investment portfolio through transition to SEI investments can be found in Note 7.

Benefits Liabilities

At the end of each fiscal year, WorkSafeNB determines its benefits liabilities for all accidents that have occurred to that date. These liabilities represent the actuarial present value of all future benefits and related administration costs. The benefits liability decreased 3.5% from \$1.32 billion in 2021 to \$1.28 billion in 2022.

Continued improvement with short term wage loss has seen a gain of \$14.7 million, as payments on prior years' claims are lower than expected and new accident costs remain below pre-COVID levels. This lower accident frequency and improvement in return to work also reduces the number of expected long-term claims generating further gains of \$18.1 million. These gains are partly offset by the current high level of inflation resulting in a loss of \$10.1 million on monthly wage replacement awards.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

Also contributing to the overall reduction in benefits liabilities are gains related to hospital and hearing loss benefits. Hospitals continue to be impacted by the challenges facing the health care sector in New Brunswick. As a result, hospital payments remain below expected generating a gain of \$16.7 million. Hearing loss claims are beginning to stabilize following a volatile period of increasing claim volumes peaking in 2018, and subsequently decreasing following legislative change and COVID-19 restrictions. A reduction in the expected proportion of hearing loss claimants who will receive a loss of opportunity (PPI) benefit resulted in a \$14.5 million gain.

As at December 31, 2022 claim benefit liabilities were broken down as follows:

BENEFITS LIABILITIES (\$millions)	2022	2021
Short-term disability and rehabilitation	143.9	152.7
Long-term disability	562.7	600.2
Survivor benefits	70.0	70.8
Health care	498.9	498.5
Total benefits liability	1,275.5	1,322.2

Fund Balance

WorkSafeNB is dedicated to building a strong, stable, and sustainable workers' compensation system that serves New Brunswick's workers and employers today and in the years to come. A key component of sustainability is WorkSafeNB's funding policy. The funding policy specifies a funding target ranging from 115% to 125% with an amortization period for surcharges and surpluses of no more than ten years. This permitted excess of assets over liabilities reduces the impact of year-to-year fluctuations, therefore providing assessment rate stabilization and enhanced security that awarded benefits will be met.

In accordance with the funding policy, the assessment revenue raised in any year from assessed employers may include or be reduced by an amount designed to allow WorkSafeNB to attain its funding goal. When the funding level falls below 115% a surcharge is levied upon employers to return to the 115% funding level. The surcharge is the difference between the cumulative financial results and the 115% funding level, amortized over a period of not greater than 10 years. In periods where the funding level exceeds 125%, a credit will be issued to employers. The credit is the difference between the cumulative financial results and the 125% funding level, amortized over a period not greater than 10 years.

WorkSafeNB's funded ratio at December 31, 2022 is 147.7% (2021 – 147.5%). Under the *Workers' Compensation Act*, a minimum funding level of 100% is required, with any shortfall to be recovered within a reasonable and prudent period not greater than 15 years.

CONSOLIDATED INCOME STATEMENT

FINANCIAL HIGHLIGHTS Consolidated Income Statement (\$millions)	2022	2021
Assessment revenue	193.9	221.2
Administration fee income	12.6	11.4
Investment income	(74.6)	215.4
Claims costs incurred	88.8	73.4
Administration costs	59.9	57.1
Net income attributable to WorkSafeNB	(21.7)	310.5
Market rate of return of portfolio	(3.8%)	13.1%

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

REVENUES

WorkSafeNB's revenue is derived from two sources: assessment revenue and investment income. In 2022 revenues totalled \$131.9 million, a 70.6% decrease from 2021 revenues of \$448.0 million.

Assessment Revenue

Assessment revenue consists of premiums from assessed employers and administration fee revenue from self-insured employers. Assessed employers pay premiums based on their assessment rate and assessable payroll. The assessment rate is applied to each \$100 of assessable payroll to arrive at the total premium. Administration fee revenue from self-insured employers reflects an appropriate share of administration costs to administer the claims.

Assessment revenue from assessed employers decreased 12.4% from \$221.2 million in 2021 to \$193.9 million in 2022. The decrease is the result of the 22.1% reduction in the provisional average assessment rate from \$2.17 in 2021 to \$1.69 in 2022, partially offset by a 9.5% increase in assessable payroll. While COVID-19 negatively impacted employer payrolls in 2020, most sectors had rebounded in 2021. The accommodation, food services, entertainment and recreation sectors were most impacted and only returned to pre-pandemic levels in 2022. The construction, manufacturing, and finance and health care sectors have also shown large payroll increases in 2022. The maximum insurable earnings increased by 3.1% from \$67,100 in 2021 to \$69,200 in 2022.

ASSESSMENT REVENUE		
(\$millions)	2022	2021
Assessed employers	193.9	221.2
Administration fee revenue – self-insured employers	12.6	11.4
Total assessment revenue	206.5	232.6
Assessable payroll	\$11.42 billion	\$10.45 billion

Investment Income

Investment income decreased from \$215.4 million in 2021 to a loss of \$74.6 million in 2022. The decrease is attributable to unrealized losses on WorkSafeNB's investments due to negative returns in most capital markets in 2022.

Investment income is an important revenue stream for WorkSafeNB. It is relied on to supplement assessments to cover total expenses for the year. Built into the valuation of the benefits liabilities and into the assessment rate-setting model is the long-term assumption that WorkSafeNB's investments will generate an annual real rate of return of 3.75%. In 2022, the real rate of return on the portfolio was (10.15%). For the 25-year period ended December 31, 2022, the annualized real rate of return on the portfolio was 4.08%.

INVESTMENT INCOME		
(\$millions)	2022	2021
Interest and dividends	44.0	41.0
Net realized gains on investments	243.0	115.9
Change in net unrealized gains on investments	(356.1)	66.1
Portfolio management expenses	(5.5)	(7.6)
Total investment income	(74.6)	215.4

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

EXPENSES

WorkSafeNB's expenses consist of claims costs, administration costs, and legislative obligations. In 2022, expenses increased by 12.9% from \$135.2 million to \$152.7 million.

EXPENSES (\$millions)	2022	2021
Claims costs		
Benefit payments	135.5	130.5
Changes in actuarial valuation of benefits liabilities	(46.7)	(57.1)
Administration costs	59.9	57.1
Legislative obligations	4.0	4.7
Total expenses	152.7	135.2

Claims Costs

Claims costs represent costs incurred in the current year for current and prior year injuries. These costs include benefit payments made and changes in the actuarial valuation of the benefits liability. Claims costs increased from \$73.4 million in 2021 to \$88.8 million in 2022. Total benefit payments in 2022 increased by \$5.0 million, primarily due to a rise in medical and hearing loss payments as the province lifted COVID-19 pandemic restrictions. Following a \$57.1 million gain in 2021, 2022 saw an additional \$46.7 million in gains from benefit liabilities, primarily due to lower-than-expected payment levels in 2022 for hospital, short- and medium-term wage loss benefits, combined with a reduction in the expected proportion of hearing loss claimants who will receive a loss of opportunity (PPI) benefit.

Fundamental to the actuarial valuation are the discount rates used to value the liabilities. The assumed discount rate for 2022 remained unchanged at 6.08%.

CLAIMS COSTS (\$millions)	2022	2021
Short-term disability and rehabilitation	25.2	27.0
Long-term disability	13.6	31.7
Survivor benefits	7.0	8.1
Health care	43.0	6.6
Total claims costs	88.8	73.4

Administration Costs

WorkSafeNB's administration costs increased by \$2.8 million (4.9%) from \$57.1 million in 2021 to \$59.9 million in 2022.

Legislative Obligations

WorkSafeNB is required by legislation to reimburse the provincial government for operating costs of the workers' and employers' advocates, which were \$1.5 million in 2022 (2021 – \$1.8 million), and \$1.6 million in 2022 (2021 - \$2.2 million) for the *Workers' Compensation Appeals Tribunal (WCAT)*.

In 2022, WorkSafeNB provided \$890 thousand (2021 - \$740 thousand) of financial assistance to three safety associations as per the *Workers' Compensation (WC) Act* – the New Brunswick Construction Safety Association, the New Brunswick Continuing Care Safety Association, and the New Brunswick Forest Safety Association. The money paid is levied against all employers in the industries represented by the safety associations and is included as part of assessment revenue.

KEY FINANCIAL DRIVERS

Employment, Accident Frequency and Claim Duration

Work-related injuries arise from employment. Changes in New Brunswick's employment base and trends in injury frequency and claim duration are the primary drivers of WorkSafeNB's operations and key determinants of the assessment rates that assessed

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

employers pay, as well as the claims costs paid directly by self-insured employers.

Injury frequency can be positively impacted through:

- Good safety practices by both workers and employers.
- A workplace culture of safety leadership.
- WorkSafeNB's focus on providing the right services to the right employer/industry at the right time.

Claim duration can be positively influenced by:

- A focus on early intervention, stay at work, and safe return to work.
- Promptly filing claims reports.
- Early assessment of functional abilities with a comprehensive rehabilitation plan.
- Graduated/modified employer-sponsored return to work plan in place.

Claim duration/severity is particularly important, as a relatively small number of claims account for a very sizable portion of benefit costs.

Inflation Rate

The inflation rate, or Canadian consumer price index (CPI), is a key driver because WorkSafeNB's future short-term disability, long-term disability, survivor and other benefits and allowances are indexed annually based on the CPI.

These benefits will increase by 8.1% in 2023, the highest increase since 1982 and much higher than the 1.9% average over the last 20 years. Cost projections continue to include a 2.25% long-term inflation assumption for 2024 and beyond, reflecting the best estimate average CPI increase over the next 20 to 30 years.

Investment Returns

WorkSafeNB collects assessments to cover the entire present and future expected costs of injuries incurred in a given year. The assessments collected are invested to produce an expected long-term average real return of 3.75%. This real return is the

expected return in excess of inflation, as measured by the increase in the CPI. This return expectation is based on achieving investment returns similar to the historical long-term average returns for the asset classes in which the portfolio is invested.

WorkSafeNB's investment portfolio earned a return of (3.83%) in 2022. The real rate of return, or the return after inflation, was (10.15%), missing the benchmark of 3.75% by 13.9% for 2022.

WorkSafeNB's investment portfolio has exceeded the real rate of return target for the 25-year period ending December 31, 2022, producing an annualized after inflation return of 4.08%.

Infrastructure and Opportunistic investments led the returns of the investment portfolio, returning 14.85% and 11.25%, respectively for 2022. The portfolio's emerging markets equity and fixed income were the lowest performing asset classes, returning (16.0%) and (12.61%), respectively.

While the expected average real return is 3.75% over long periods, the actual real rate of return can vary significantly over shorter periods due to short-term volatility in the financial markets where WorkSafeNB's portfolio is invested. The long-term fiscal strategy and investment policies document WorkSafeNB's strategy for maintaining investment and funding discipline in volatile markets

Financial Management

Capital markets remain uncertain, and it is critical that WorkSafeNB maintains a disciplined planning and decision-making process to protect the Accident Fund's integrity and stability. WorkSafeNB is a long-term investor with a strong financial position. This allows for patience and the ability to stay committed to proven investment principles and beliefs.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

RISKS

Trends and events within New Brunswick and across Canada are intricately linked to the achievement of our vision, with environmental, economic, and societal factors posing risks as well as opportunities for WorkSafeNB. To maximize opportunities and manage risks, the board of directors regularly reviews its strategic direction and the risks facing the organization and decides whether to reaffirm or adjust treatment of its risk portfolio and its strategies.

WorkSafeNB plays an important role in New Brunswick's economy. Our 2022-2024 strategic plan is based on three focus areas that form the foundation of our work moving forward to ensure New Brunswick is the safest place to work and that it is sustainable for years to come. The plan demonstrates how we will provide public value by focusing on People, Prevention, and Integrity, including specific strategies, objectives, measures, and targets for 2022-2024.

Five enterprise level risks were also identified and are being managed by WorkSafeNB. These include culture and values, cybersecurity, psychological safety, data governance, and modernization and corporate governance.

LOOKING AHEAD

Looking ahead to 2023, we are committed to working together with our employees and our stakeholders to create an even more supportive, connected, and client-centric organization - one that's integral to making New Brunswick the safest place to work.

Our focus will be on identifying and recommending improvements to legislation and making progress on our modernization roadmap commitments. Key initiatives for 2023 include:

PEOPLE FIRST

WorkSafeNB's primary focus is people, and this starts within our own organization. Only when our employees are supported, safe and engaged can we extend this to New Brunswick workers and employers. The Caring for our People program (under the Modernization portfolio) will provide a firm foundation for our people. We'll build on activities already in development, such as an enhanced psychological health and safety framework, and further establish a learning and development model that incorporates mentorship, coaching and timely education and training. Additional investments into culture alignment, initiative change management training, leadership development and succession planning will better position WorkSafeNB as an employer of choice in New Brunswick.

MODERNIZED TOOLS FOR WORKPLACES

WorkSafeNB is committed to exceptional client service. In today's world that requires leveraging technology. WorkSafeNB will start offering online forms to improve the application and reporting processes. The forms will help ensure employers and workers provide all required information, reducing call-backs and unnecessary wait times. We'll also update web tools for joint health and safety committees (improved minutes template, self-assessment quiz and online supports) to educate and empower workplaces. We'll also look at "data-driven prevention." While in the early stages, a data strategy and roadmap initiative will lead us to improved functionality for sharing data with New Brunswick employers and workers. Such knowledge can help workplaces make informed decisions on prevention trends and activities. Finally, we'll leverage technology to enhance our internal processes which ultimately result in better service for our clients. These include developing a queue management system for our application process and enabling more online submission of critical reports by our service providers to guide our decision-making and services offered to clients.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

FISHING LEGISLATION

With the recent approval of the *Act Respecting the Health and Safety of Fishers*, WorkSafeNB will focus efforts on preparing the industry and our employees. The bill, which received royal assent in December 2022, will see changes to the *Occupational Health and Safety (OHS) Act* that will include fishing vessels as a “place of employment,” requiring the industry to adopt workplace health and safety measures, as required by any other employer and supervisor in the province. It will also make the use of Transport Canada-approved lifejackets or PFDs mandatory on fishing vessels. In 2023, we’ll continue to work closely with the industry on education and awareness, so all parties are well-prepared for the requirements that come into effect in June 2024. We’ll also ready our own team, ensuring we’re prepared for outreach and compliance activities.

OHS ACT REGULATORY CHANGES: AWARENESS AND EDUCATION

The *OHS Act* and its regulations are foundational to a strong safe work culture in New Brunswick. Last year, WorkSafeNB promoted the Government of New Brunswick’s (GNB) public review of General Regulation 91-191 under the *OHS Act*. Many regulations were found to be outdated and no longer aligned with other jurisdictions across Canada or modernized industry practices. Proposed amendments were developed in collaboration with stakeholder technical committees. The changes affect 22 topics, including: logging and silviculture, construction, electrical safety, lockout, mining, materials containing asbestos, and air quality and ventilation. Due to the scope, the changes are being implemented in three phases. Phase 1 came into effect in April 2022. Phase 2 underwent public review in June 2022 and will go into effect in early 2023. The public review of Phase 3, which includes standards for hearing conservation, is set to start in early 2023. With the many changes comes a need for increased awareness and education. WorkSafeNB will be actively sharing the changes with worker and employer groups.

FIVE-YEAR OHS ACT REVIEW AMENDMENTS

New Brunswick legislation requires a full review of the *OHS Act* every five years. In 2022, we delivered a report with recommendations to GNB. With exception of amendments to JHSC minute requirements and necessity for head protection selection on project sites, items were related to housekeeping, such as consistency in naming, gender use and grammar. GNB accepted all recommendations and, in 2023, WorkSafeNB is supporting workers and employers with awareness and education activities.

STAY AT WORK SERVICE / EARLY INTERVENTION

WorkSafeNB is committed to disability prevention. Evidence shows that workers who recover while at work or return to work as soon as safely able have improved outcomes. To help, in 2022 we started the Stay at Work service, which provides early communication and a step-care approach for workers and employers. It also identifies clients with at high risk of disability earlier, so they can be fast-tracked to case management and provided a robust rehabilitation plan for timely support. In 2023, we’ll build on this work and explore how we can better approach complex claims and health care partnerships. We’ll ask how we can leverage technology to streamline and automate the delivery of health services, while considering the importance of in-person connections. With our stakeholders, we’ll develop a claims service model of the future: one that has a clear direction. Together, we aim to deliver high-quality and timely services customized to the worker for exceptional care.

FIRST RESPONDER SUPPORT

In 2023, WorkSafeNB will review the list of presumptive cancers covered under the *Firefighters’ Compensation Act*. The current list has not been updated since the Act’s inception in 2009. We’ll also review the definition of “emergency response workers” under the *Workers’ Compensation Act*. Under the Act, emergency response workers (or first responders) who are diagnosed with post-traumatic stress disorder are presumed to have incurred the

MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

illness from the workplace, fast-tracking support by removing the need for adjudication. WorkSafeNB will examine whether the current definition is accurately reflective of first responders and whether legislative change is required. Research on this issue will include stakeholder consultation, as well as medical evidence and comparative analysis with other jurisdictions in Canada and around the world.

NEW FINANCIAL AND HUMAN RESOURCES SYSTEMS

As a trusted steward in New Brunswick, WorkSafeNB's committed to having a culture of accountability and advancing and leveraging our capabilities. This includes having strong, stable, and sustainable systems. In 2023, we'll focus on making significant progress toward implementing new financial and human resources systems. The systems will reduce administrative burden on staff, provide visibility into financial performance across the organization, support WorkSafeNB employee growth and ensure a stable and reliable resource.

INFORMATION TECHNOLOGY DIVISION BUSINESS MODEL / TECHNOLOGY FOUNDATIONS

Our Information Technology Division affects every part of WorkSafeNB. Cybersecurity, communication, data management and privacy protection are integral to our work. In 2023, we'll take an in-depth review of current and anticipated needs. We'll explore modern data platforms that will enable a more mature data-driven organization and provide growth opportunity for higher value work. We'll look at skills, processes, technology, training, partnerships and delivery approaches. We'll explore platforms that can provide more flexibility and agility for the organization and an improved, consistent user experience. This multi-year initiative will comprise several projects.

BENEFIT IMPROVEMENTS FOR INJURED WORKERS

Every five years, WorkSafeNB completes a comprehensive review of the legislation under its jurisdiction. The review of the *WC Act* in 2022

identified 13 recommendations, including two key benefit improvements for injured workers:

- Increasing the maximum annual earnings threshold.
- Increasing the percentage paid for loss of earnings benefits from 85% to 90%.

In 2023, we will work with the Government of New Brunswick to prepare these recommendations for the legislative process.

WORKPLACE REIMAGINED

Like many organizations, WorkSafeNB continues to adapt its workplace environment to best serve our employees and clients. And while COVID-19 certainly presented some challenges, there were also silver linings. At the end of 2022, 90% of our workforce were successfully working remotely. We're proud of our ability to pivot during this time and we'll continue to support remote work arrangements. In 2023, we'll continue to mature, ensuring our health and safety measures continue to properly support a remote workforce and that we provide the tools, information, and training that allows us to excel in this environment.

SUMMARY

To accomplish WorkSafeNB's ambitious modernization and make substantial progress on our new strategic plan, we know we must work closer than ever with our stakeholders and actively seek out new opportunities for collaboration.

We encourage you to participate in our consultations and stay connected throughout this journey as we build a healthier and safer province and a stronger, sustainable and accessible workers' compensation system.

As an organization focused on people-first, WorkSafeNB will remain a steadfast champion for our workers and our employers, working alongside our partners to continue to look for ways to prevent and minimize the impact of workplace illness and injury, while contributing to our province's prosperity.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

WorkSafeNB's consolidated financial statements were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgments, estimates and actuarial assumptions. This responsibility includes selecting and applying appropriate accounting principles and actuarial assumptions consistent with International Financial Reporting Standards.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management maintains the internal controls necessary to provide reasonable assurance that relevant and reliable financial information is produced, and that assets are properly safeguarded. The Internal Audit Department conducts reviews to ensure that WorkSafeNB's internal controls and procedures are adequate, consistent, and applied uniformly.

The board of directors is responsible for evaluating management in the performance of financial reporting responsibilities, and has approved the consolidated financial statements included in this annual report. The board of directors is assisted by the Audit Committee, which reviews and recommends approval of the consolidated financial statements and meets periodically with management, the independent actuaries, the independent auditors and the internal auditor, concerning internal controls and all other matters relating to financial reporting.

TELUS Health, WorkSafeNB's independent consulting actuary, has completed an actuarial valuation of the benefits liabilities included in WorkSafeNB's consolidated financial statements and reported thereon in accordance with accepted actuarial principles.

Grant Thornton, WorkSafeNB's independent auditors, has performed an audit of WorkSafeNB's consolidated financial statements in accordance with International Financial Reporting Standards. The Independent Auditors' Report outlines the scope of this independent audit and includes the opinion expressed on the consolidated financial statements.



Tim Petersen, CPA, CA
President and Chief Executive Officer
WorkSafeNB



Carolyn MacDonald
Acting Chief Financial Officer
WorkSafeNB

ACTUARIAL STATEMENT OF OPINION

I have completed the actuarial valuation of the benefit liabilities of WorkSafe New Brunswick (“WorkSafeNB”) as at December 31, 2022 (the “valuation date”). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

1. The data on which the valuation is based were provided by WorkSafeNB. We applied such checks of reasonableness of the data as we considered appropriate. The data on which the valuation is based are sufficient and reliable for the purpose of the valuation.
2. The economic assumptions are consistent with WorkSafeNB’s long term fiscal strategy and investment policies. The discount rates used are disclosed in note 3 to the financial statements. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for workers’ compensation organizations in Canada.
4. The estimate of the actuarial liabilities as at the valuation date is \$1,259,042,000 for assessed employers. This includes provisions for benefits and future administrative expenses expected to be paid after the valuation date for claims that occurred on or before the valuation date. It also includes a provision for potential long latency occupational disease claims associated with exposure that occurred on or before the valuation date.
5. In addition to the liabilities for assessed employers, WorkSafeNB holds an amount of \$16,429,000 invested in the Accident Fund for accrued annuities of injured workers of self-insured employers.
6. The liability as at the valuation date for pension contributions and accumulated interest already set aside by WorkSafeNB up to the valuation date for purposes of providing pension benefits at age 65 to injured workers and dependent spouses of deceased workers is included in the above figures and was obtained from WorkSafeNB’s Chief Financial Office staff.
7. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations, and the financial statements fairly present the results of the valuation.
8. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
9. The valuation is based on the provisions of the *Workers’ Compensation Act of New Brunswick* and on WorkSafeNB’s policies and practices in effect on the valuation date. Only benefits covered by the *Workers’ Compensation Act* are included in this valuation.



Conrad Ferguson, F.C.I.A.

TELUS Health

May 2023

This report has been peer reviewed by Sekayi Campbell, F.C.I.A

INDEPENDENT AUDITOR'S REPORT

To the members of the board of directors

WORKSAFENB

Opinion

We have audited the consolidated financial statements of Workplace Health, Safety and Compensation Commission of New Brunswick (operating as WorkSafeNB), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of operations, consolidated statement of changes in fund balances and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of WorkSafeNB as at December 31, 2022, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Grant Thornton LLP
Chartered Professional Accountants

Saint John, Canada
May 31, 2023

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021
	(000s)	(000s)
ASSETS		
Cash and cash equivalents (Note 5)	\$ 69,534	\$ 70,191
Receivables and other (Note 6)	19,132	21,083
Investments (Notes 7 and 8)	1,853,056	1,925,352
Capital assets (Note 9)	6,919	7,564
	\$ 1,948,641	\$ 2,024,190
LIABILITIES AND FUNDED POSITION		
Payables and accruals (Note 10)	\$ 21,269	\$ 25,726
Benefits liabilities (Notes 3, 4 and 11)	1,275,471	1,322,170
Total liabilities	1,296,740	1,347,896
WorkSafeNB funded position	618,128	639,859
Non-controlling interests (Note 2)	33,773	36,435
	651,901	676,294
	\$ 1,948,641	\$ 2,024,190

On behalf of the board of directors:



James E. A. Stanley
Audit Committee, Board of Directors



Tina Soucy
Audit Committee, Board of Directors



Mel Norton
Chairperson, Board of Directors

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	(000s)	(000s)
REVENUE		
Assessment revenue (Note 12)	\$ 206,471	\$ 232,577
Investment income (Note 7)	(74,610)	215,415
	131,861	447,992
EXPENSES		
Claims costs incurred (Note 11)		
Benefit payments	135,477	130,465
Changes in actuarial valuation of benefit liabilities	(46,699)	(57,062)
Total claims costs incurred	88,778	73,403
Administration (Note 14)	59,866	57,085
Legislative obligations (Note 15)	3,999	4,690
	63,865	61,775
Total expenses	152,643	135,178
Net income (loss) for the year	\$ (20,782)	\$ 312,814
Net income (loss) for the year attributable to:		
WorkSafeNB	(21,731)	310,504
Non-controlling interests (Note 2)	949	2,310
	\$ (20,782)	\$ 312,814

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN FUNDED POSITION

FOR THE YEAR ENDED DECEMBER 31, 2022

	WorkSafeNB (000s)	Non-controlling interests (000s)	2022 Total (000s)	2021 Total (000s)
Funded position, beginning of year	\$ 639,859	\$ 36,435	\$ 676,294	\$ 364,929
Capital contributions by non-controlling interests	–	3,588	3,588	3,169
Distributions to non-controlling interests	–	(7,199)	(7,199)	(4,618)
Net income (loss) for the year	(21,731)	949	(20,782)	312,814
Funded position, end of year	\$ 618,128	\$ 33,773	\$ 651,901	\$ 676,294

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	(000s)	(000s)
Cash flow from operating activities		
Cash received from:		
Assessed employers	\$ 209,807	\$ 233,390
Interest and dividends	45,234	41,848
	255,041	275,238
Cash paid to:		
Injured workers or third parties on their behalf (Note 11)	135,477	130,465
Suppliers and employees, for administration and other services	73,147	60,062
	208,624	190,527
Net cash provided by operating activities	46,417	84,711
Cash flow from investing activities		
Cash received from:		
Sale of investments	1,036,976	350,706
Contributions by non-controlling interests	3,825	5,094
	1,040,801	355,800
Cash Paid for:		
Purchase of investments	1,079,413	454,187
Purchase of capital assets	991	1,063
Distributions to non-controlling interests	7,379	4,626
	1,087,783	459,876
Net cash used in investing activities	(46,982)	(104,076)
Cash flow from financing activities		
Repayment of lease liabilities	92	515
Net cash used in financing activities	(92)	(515)
Decrease in cash during the year	(657)	(19,881)
Cash and cash equivalents, beginning of year	70,191	90,072
Cash and cash equivalents, end of year	\$ 69,534	\$ 70,191

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. AUTHORITY AND NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission (operating as WorkSafeNB) was established by the New Brunswick Legislature effective January 1, 1995, under the *Workplace Health, Safety and Compensation Commission Act (WHSCC Act)*. WorkSafeNB, having its head office at 1 Portland Street, Saint John, New Brunswick, is responsible for administering the *Workplace Health, Safety and Compensation Commission* and *Workers' Compensation Appeals Tribunal Act (WHSCC & WCAT Act)*, the *Workers' Compensation Act (WC Act)*, and the *Occupational Health and Safety Act (OHS Act)*; and, in accordance with the provisions of these acts, for promoting accident prevention; administering benefits payments to injured workers and surviving spouses; and levying and collecting employer assessments sufficient to fund the current and future costs of existing claims.

WorkSafeNB is also responsible for administering the *Firefighters' Compensation Act (FC Act)* and, in accordance with the provisions of the Act, for administering the payment of benefits to firefighters or former firefighters and dependants, and levying and collecting assessments from municipalities, rural communities and local service districts. The results of operations under the *FC Act* are not included in WorkSafeNB's consolidated financial statements, as WorkSafeNB does not control the *FC Act* Disability Fund. A separate set of financial statements is prepared for the *FC Act*.

WorkSafeNB's consolidated financial statements were authorized for issue by the board of directors on May 31, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended December 31, 2022 and the comparative information for the year ended December 31, 2021.

Accounting policies are selected and applied to ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in effect at December 31, 2022, and are presented in thousands (000s) of Canadian dollars, unless otherwise stated.

WorkSafeNB's consolidated financial statements have been prepared on a historical cost basis, except for investments, which are measured at fair value and benefits liabilities that are discounted to present value based on the assumptions detailed in Note 3.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(b) Basis of consolidation

The consolidated financial statements include the accounts of WorkSafeNB and WorkSafeNB Investments Limited (WSNBIL). WSNBIL is a subsidiary over which WorkSafeNB exercises control, which is defined as having the power to direct the relevant activities of an entity, having exposure or rights to variable returns of the entity, and having the ability to affect the returns through the power it holds. WSNBIL holds infrastructure and real estate assets in trust for WorkSafeNB, the Workers Compensation Board of Prince Edward Island (WCB of PEI) and the FC Act Disability Fund. The proportionate ownership of the net assets as at December 31, 2022 was: WorkSafeNB – 87.9%, WCB of PEI – 10.6%, FC Act Disability Fund – 1.5%. All transactions and balances between WorkSafeNB and WSNBIL are eliminated on consolidation.

Non-controlling interests, presented as part of equity, represent the portion of WSNBIL's net assets that are held by the WCB of PEI and the FC Act Disability Fund.

(c) Current and Future Accounting Policy Adjustments

The International Accounting Standards Board (the IASB) is continually working toward improving and developing new accounting standards. The IASB has issued a number of exposure drafts of new standards that are expected to come into effect over the next several years. WorkSafeNB continually monitors the IASB work plans and publications to assess any potential impact on the organization. Notable accounting standard developments that may impact WorkSafeNB in the future are as follows:

IAS 1 – Presentation of Financial Statements (Amendment) – The amendments to IAS 1 replace the requirement to disclose significant accounting policies with a requirement to disclose material accounting policies. The IASB has issued guidance to assist in the application of the concept of materiality when making judgments about accounting policy disclosures. WorkSafeNB will conduct an assessment of the amendments' impact. The amended standard is effective for reporting periods on or after January 1, 2023.

IFRS 9 – Financial Instruments – The IASB issued IFRS 9 Financial Instruments that replaced IAS 39 Financial Instruments: Recognition and Measurement. The standard was effective for annual periods beginning on or after January 1, 2018, however WorkSafeNB qualified for a temporary exemption due to its predominant activity with insurance contracts and will adopt the standard for annual periods beginning on or after January 1, 2023 along with IFRS 17 Insurance Contracts.

The standard will affect how WorkSafeNB accounts for financial assets and financial liabilities and how financial performance is reported, presented on the consolidated income statement, and disclosed in the notes to the consolidated financial statements. The standard provides a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

Anticipated key changes to WorkSafeNB's accounting policies and presentation and disclosure arising from the application of IFRS 9 include:

- It will continue to classify and measure its investment financial assets at fair value through profit or loss. The classification of the investment financial assets under IFRS 9 will depend on the financial asset's contractual cash flow characteristics and WorkSafeNB's business model for managing the financial asset. Since WorkSafeNB manages the portfolio on a hold to collect and sell basis, and cash flows are not based on principal and interest, the investment assets remain as fair value through profit or loss. The terminology will change from IAS 39, but the underlying accounting treatment remains the same.
- It will continue to classify and measure its other financial assets at amortized cost. The classification of other financial assets under IFRS 9 also depends on the financial assets' contractual cash flow characteristics and WorkSafeNB's business model for managing other financial assets. Since WorkSafeNB manages these financial assets as hold to collect and the cash flows are solely payments of principal and interest, other financial assets remain as amortized cost. The terminology will change from IAS 39, but the underlying accounting treatment remains the same.
- It will adopt the new simplified expected credit loss ("ECL") impairment model which uses a lifetime expected loss allowance for all receivables, which are grouped based on type and historical losses. The simplified approach is applicable when there are reasonable and supportable circumstances to do so. The adoption of the ECL model will not have a material impact on the carrying amounts of WorkSafeNB's financial assets at January 1, 2022.
- It will continue to classify and measure its financial liabilities at amortized cost. When a financial liability is non-substantially modified, the difference between the present value of the discounted cash flows is recognized in profit or loss immediately which was not the previous requirement under IAS 39.

Implementation of IFRS 9 will be applied retrospectively. Differences that arise to the carrying amount of financial assets and liabilities from the adoption of the standard will be recognized in opening retained earnings at January 1, 2022.

WorkSafeNB is finalizing the quantification of the impact from adoption of this standard; however, it is not expected to have a material impact.

IFRS 17 – Insurance Contracts – The IASB issued IFRS 17 Insurance Contracts, which will replace IFRS 4 Insurance Contracts. In June 2020, an amendment was issued to defer the effective date of IFRS 17 to annual periods beginning on or after January 1, 2023. WorkSafeNB elected to apply the deferral, therefore this standard will be effective for the year beginning on January 1, 2023, with a transition date of January 1, 2022.

The standard will affect how WorkSafeNB accounts for insurance contracts and how financial performance is reported, presented in the consolidated income statement, and disclosed in the notes to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

The standard will have material impacts for WorkSafeNB's financial reporting by introducing new recognition and measurement approaches for insurance revenue and liabilities. One of the most significant changes is the move to a market-based interest rate to discount the future cash flows of the benefit liabilities which is expected to increase the benefit liabilities on the statement of financial position at transition and cause fluctuations in reported income.

Anticipated key changes to WorkSafeNB's accounting policies and presentation and disclosures arising from the application of IFRS 17 include:

- Insurance contracts will be grouped as a single portfolio. The standard requires insurance contracts to be aggregated and measured together based on contracts that are managed together and share similar risks.
- The set of insurance contracts in the single portfolio will be in the same profitability grouping and will be evaluated together based on aggregate expected profitability to determine if they are onerous in the period they become effective. WorkSafeNB will be required to recognize a loss immediately in net income if the grouping is expected to be onerous. It can group insurance contracts into the same profitability groupings when there is reasonable and supportable circumstances to do so.
- Insurance contracts will be measured using the premium allocation approach ("PAA"). The PAA is a simplified approach where insurance contracts are measured based on unearned profits. The general measurement approach ("GMM") measures insurance contracts at the present value of future cash flows, adjusted for non-financial risk and includes a contractual service margin ("CSM"). However, if insurance contracts are short-term in nature, a choice is available between the PAA and GMM, which is applicable to WorkSafeNB.
- It will use the illiquid reference curve that will be published regularly for the Canadian Institute of Actuaries by Fiera Capital. The standard requires estimated future cash flows to be measured using a discount rate that reflects the time value of money and the financial risk of the underlying characteristics of the liabilities, including the duration of the portfolio (as compared to IFRS 4 which uses a discount rate reflective of the underlying portfolio of assets supporting the insurance contract liability).
- The presentation of insurance service results, being comprised of insurance revenue, net of insurance service expenses on the consolidated income statement will be separate from investing activities and other expenses.
- Significant new disclosures for insurance contract liabilities will also be required in the notes to the consolidated financial statements.

Implementation of IFRS 17 can be applied prospectively or retrospectively. WorkSafeNB has determined that it is not impracticable to apply the standard retrospectively, therefore a full retrospective application will be performed for the portfolio of insurance contracts. Differences that arise in the recognition and measurement of insurance contracts will be recognized as an adjustment to the opening funded position at January 1, 2022 in the fiscal 2023 consolidated financial statements.

WorkSafeNB is finalizing its quantification of the impact from adoption of this standard.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(d) Use of accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying WorkSafeNB's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, have been disclosed in Notes 2 and 3. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could be higher or lower than these estimates.

(e) Critical accounting judgments

Management incorporates critical judgments in developing and applying accounting policies for recognition and measurement. These judgments have a direct effect on the initial and subsequent recognition and measurement of transactions and balances in the consolidated financial statements. Management has based its judgments and assumptions on information available at the time of preparing the consolidated financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents are recorded at fair value and consist of cash and fixed income instruments with maturities of less than one year.

(g) Assessment revenue

Assessment revenue is calculated on actual or estimated payrolls as reported by the employer, or on arbitrary assessments as determined by WorkSafeNB. Separate assessment rates are established for each industry classification. An allowance for doubtful accounts is provided for assessments receivable based on management's best estimate.

A portion of assessment revenue for the year is not billed or received until after year-end. The receivable is determined based on amounts billed and received subsequent to year-end. Any difference between unbilled assessments and the actual assessments received is credited or charged to revenue in the following year.

(h) Investments

All portfolio investments, except forward foreign exchange contracts, are designated by WorkSafeNB as financial assets at fair value through profit or loss on initial recognition and are recorded at fair value. Forward foreign exchange contracts are classified as held-for-trading and are recorded at fair value. Interest and dividend income and realized gains and losses on all portfolio investments are included in investment income. Interest and dividend income is recognized in the period earned and realized gains and losses are recognized in the period in which they arise. Unrealized gains and losses are included in investment income and recognized in the period in which they arise. All purchases and sales of securities classified as portfolio investments are recognized using trade-date accounting.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

All portfolio investments, except forward foreign exchange contracts, are designated by WorkSafeNB as financial assets at fair value through profit or loss on initial recognition because the portfolio is managed and its performance is evaluated on a fair value basis, in accordance with the policies and directives that document WorkSafeNB's investment strategy and risk controls. The portfolio investments are held to provide for the benefits liabilities. The most relevant measure to assess whether the investments are sufficient to pay for the liabilities is fair value. As the portfolio investments are a key part of WorkSafeNB's ongoing insurance operations, the interest and dividend income and the realized and unrealized gains and losses on the portfolio investments are recognized in income from operations.

Fair values of investments are determined as follows:

- Publicly traded equity securities are valued at their year-end quoted market prices as reported on recognized public securities exchanges.
- Fixed-term investments are valued at their year-end closing market prices or the average of the latest bid/ask prices, based on available public quotations from recognized dealers in such securities.
- Commercial paper, short-term notes and treasury bills and term deposits maturing within a year are valued at either their year-end closing or bid price, based on available quotations from recognized dealers in such securities, or at cost plus accrued interest, which approximates fair value.
- Pooled fund units are valued at their year-end net asset value, as determined by the fund manager or administrator. For pooled funds holding equity and fixed-income assets, these values represent WorkSafeNB's proportionate share of underlying net assets at fair values determined using either quoted market prices or year-end closing market prices or the average of the latest bid/ask prices, based on available public quotations from recognized dealers in such securities. For pooled funds holding derivatives, cleared derivatives are valued at the closing price quoted by the relevant clearing house, and over-the-counter derivatives are valued using an industry standard model. Exchange-traded options are valued at the last sale price or the closing bid price for long positions and the closing ask price for short positions. For real estate pooled funds classified as level 1 in the fair-value hierarchy, these values represent WorkSafeNB's proportionate share of the underlying net assets at fair values determined using independent appraisals, net of any liabilities against the fund assets. For infrastructure pooled funds and real estate pooled funds classified as level 3 in the fair-value hierarchy, these values represent WorkSafeNB's proportionate share of the underlying net assets at fair values estimated using one or more methodologies, including discounted cash flows, multiples of earnings measures, and recent comparable transactions. In the first year of ownership, cost is considered to be an appropriate estimate of fair value.
- Forward foreign exchange contracts are valued at their net unrealized gain or loss, based on quoted market exchange rates at the statement of financial position date.

(i) Fair value of other financial assets and liabilities

The carrying value of receivables and payables approximates their fair value because of the short-term nature of these instruments.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(j) Foreign currencies

Assets denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the statement of financial position date. Income from these assets is translated at the rate in effect at the time the income is received. Realized exchange gains or losses are included in investment income and recognized in the period earned. Unrealized exchange gains or losses resulting from the translation of foreign currency denominated asset balances are recorded in investment income in the period in which they arise.

(k) Benefits liabilities

Benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for claims that occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation, policies and administrative practices of existing claims. Benefits liabilities also include the estimated liability for latent occupational disease and a provision for future administration costs of existing claims. Due to the nature of the estimated liability for latent occupational disease and the extent of related historical claims information available, this liability is more uncertain by its nature than other benefits liabilities. As information is accumulated and analyzed, adjustments may be necessary to improve precision. The benefit liability calculations are completed by WorkSafeNB's internal actuarial staff, in accordance with accepted actuarial practice established by the Canadian Institute of Actuaries.

It is WorkSafeNB's practice to have an independent consulting actuary complete a valuation of the benefits liabilities of WorkSafeNB every year. Actual future costs could be higher or lower than those amounts presented in the consolidated financial statements.

A variety of estimation techniques are used to perform the valuation. They are generally based on statistical analyses of historical experience that assume that the development pattern of the current claims will be consistent with past experience.

To the extent possible, and when deemed more appropriate, valuation on an individual claim basis is used. More general techniques are used to estimate outstanding awards. Allowance is made, however, for changes or uncertainties that may create distortions in the underlying statistics or that might cause the cost of claims to increase or reduce when compared with the cost of previously settled claims including, but not limited to:

- Changes in WorkSafeNB processes that might accelerate or slow down the development and/or recording of claims.
- Changes in WorkSafeNB policies that might affect benefits.
- Changes in the legal environment.
- Medical and technological developments.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

Multiple techniques are adopted to estimate the required level of provisions. This helps to better align the trends inherent in the data being projected to the benefit type being valued. The most appropriate estimation technique is selected taking into account the characteristics of the benefit type and the extent of the development of each accident year. Details of specific assumptions used in deriving the outstanding claims liability at year-end are detailed in Note 3.

(l) Leases

For any new contracts entered into, WorkSafeNB determines whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.” Upon determining that a contract is, or contains a lease, WorkSafeNB recognizes a right-of-use asset and a lease liability. Upon the beginning of the lease, the right-of-use asset is measured at cost and the lease liability is measured at the present value of the future lease payments. The right-of-use asset is depreciated on a straight-line basis to the earlier of the term of the lease or the useful life of the right-to-use asset. The lease liability is reduced over the lease term by payments made and increased for interest. Short-term leases (terms of 12-months or less) and low dollar value leases do not qualify for this accounting treatment.

(m) Capital assets

Capital assets are reported at cost and are depreciated on a straight-line basis over their estimated useful lives. The rates used are as follows:

Buildings	25 years
Right-of-use assets	Remaining term of relevant lease
Furniture and equipment	5 years
Leasehold improvements	Remaining term of relevant lease
Computer software and hardware	3 years
Motor vehicles	3 years, 35% residual value

The assets’ residual values are reviewed each statement of financial position date and adjusted, if appropriate. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in investment income.

As at December 31, 2022, items of property, plant and equipment were assessed for specific indicators of potential impairment. Such indicators include technological obsolescence and physical deterioration or loss. Management determined that there was no material impairment of individual operating assets.

(n) Post-employment benefits

Payables and accruals include an amount for post-employment benefits based on a January 1, 2023, actuarial valuation conducted by WorkSafeNB’s independent consulting actuary. Post-employment benefits include retirement allowances and early retirement programs.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(o) WorkSafeNB's Rehabilitation Centre

Included in health care payments is \$4.6 million (2021 – \$5.6 million) for services provided by WorkSafeNB's Rehabilitation Centre.

(p) Impairment review

Entity Level

IAS 36 (Impairment of Assets) requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, WorkSafeNB has established that the appropriate cash-generating unit for impairment review is the entity. As WorkSafeNB has statutory power under the *WC Act* to increase assessments and/or impose levies to ensure full funding into the foreseeable future, impairment at the entity level is remote. WorkSafeNB conducts an annual review to ensure that no events or change in circumstances have occurred that would provide evidence of impairment.

As at December 31, 2022, management concluded that there were no known significant changes in the legislative, economic or business environment that would have a material impact on WorkSafeNB's ability to generate future economic benefits from its operating assets.

(q) Funding policy

WorkSafeNB's funding policy specifies a funding goal (ratio of assets to liabilities) of between 115% and 125%. This permitted excess of assets over liabilities reduces the impact of year-to-year fluctuations, therefore providing assessment rate stabilization and enhanced security that awarded benefits will be met. In accordance with the funding policy, the assessment revenue raised in any year from assessed employers may include or be reduced by an amount designed to allow WorkSafeNB to attain its funding goal. When the funding level falls below 115%, a surcharge is levied on employers to return to the 115% funding level. The surcharge is the difference between the cumulative financial results and the 115% funding level, amortized over a period of not greater than 10 years. In periods where the funding level exceeds 125%, employers will be issued a credit. The credit is the difference between the cumulative financial results and the 125% funding level, amortized over a period not greater than 10 years. WorkSafeNB's funded ratio at December 31, 2022 is 147.7% (2021 – 147.5%).

Under the *WC Act*, a minimum funding level of 100% is required, with any shortfall to be recovered within a reasonable and prudent period not greater than 15 years.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. ACTUARIAL ASSUMPTIONS AND METHODS

Significant estimates and judgments are made on outstanding benefits liabilities disclosed in the consolidated financial statements and the discount rates used to calculate the present value of future benefit payments. These estimates and judgments are continually evaluated and are based on historical experience, as well as enhancements to actuarial modeling techniques. The following explicit assumptions have been made in determining the outstanding benefits liabilities:

	2022			2021		
	CPI-indexed awards	Medical payments (duration 16 and over)	Other payments (duration 16 and over)	CPI-indexed awards	Medical payments (duration 16 and over)	Other payments (duration 16 and over)
Gross rate of return	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%
Inflation						
- Year 1	8.13%	5.25%	3.25%	3.06%	5.25%	3.25%
- subsequent years	2.25%	5.25%	3.25%	2.25%	5.25%	3.25%
Net rate of return						
- Year 1	(1.89%)	0.79%	2.75%	2.93%	0.79%	2.75%
- subsequent years	3.75%	0.79%	2.75%	3.75%	0.79%	2.75%
Future administration	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Occupational disease	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

A description of the processes used to determine these assumptions is provided below:

General statement

Assumptions are formulated to be consistent with the funding and investment policies adopted by the board. Benefits liabilities are valued based on the primary assumption that the system will be in operation for the long term. Hence, the focus is on long-term trends as opposed to short-term fluctuations around those trends.

Gross rate of return

The gross rate of return reflects the best estimate of the long-term average rate of return that can be expected using the benchmark asset allocation adopted by the board in its statement of investment goals and objectives. An estimate of a real rate of return, based on the analysis of multiple possible scenarios, is then compounded with the long-term average future inflation estimate to obtain the gross rate of return.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. ACTUARIAL ASSUMPTIONS AND METHODS CONTINUED

CPI-indexed awards inflation rate

The indexation rate in year one for short-term disability, long-term disability, pensions, and survivor awards is known when the valuation is made. This calculation of the indexation rate is specified under the WC Act and the calculation for the following calendar year is made before year-end. For the first 15 years of the projection for short-term disability and 7 years of the projection for long-term disability awards, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. For subsequent durations, the inflation rate was determined from an analysis of experience, over periods of 20 and 30 years. This analysis is done annually to ensure the inflation assumption remains current. The latest analysis produced an annual inflation rate of 2.25%.

Medical payments inflation rate

For the first 15 years of the projection, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. For duration 16 years and more, the inflation rate was determined from a study of past payment experience. The study is periodically updated to ensure the inflation assumption remains current. An analysis, conducted in 2022, resulted in an annual inflation rate that was 3.0% above the long-term inflation assumption used for CPI.

Other payments inflation rate

For the first 15 years of the projection, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. For duration 16 years and more, the inflation rate was determined from a study of past payment experience. The study is periodically updated to ensure the inflation assumption remains current. An analysis, conducted in 2022, resulted in an annual inflation rate that was 1.0% above the long-term inflation assumption used for CPI.

CPI-indexed awards net rate of return

A net rate of return is not calculated for the first 15 years following injury for short-term disability and the first 7 years following injury for long-term disability awards, as there is no explicit inflation assumption. The net rate of return for other CPI-indexed benefit types and other durations is the net result from removing the inflation component of the gross rate of return from the gross rate of return on a compounded basis.

Medical payments net rate of return

A net rate of return is not calculated for the first 15 years following injury, as there is no explicit inflation assumption. The net rate of return is the net result from removing the inflation component of the gross rate of return from the gross rate of return on a compounded basis.

Other payments net rate of return

A net rate of return is not calculated for the first 15 years following injury, as there is no explicit inflation assumption. The net rate of return is the net result from removing the inflation component of the gross rate of return from the gross rate of return on a compounded basis.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. ACTUARIAL ASSUMPTIONS AND METHODS CONTINUED

Future administration

When a claim occurs, it triggers an obligation to provide claims management, maintenance, and support in terms of paying the various providers of health care services and compensating workers for lost wages for as long as the claim is open. The future administration expense liability is intended to provide a reasonable allowance for this obligation.

A detailed review of future administration expenses is conducted periodically. In this review, an estimate is made of the portion of operating expenses that can be attributed to claims maintenance, including a proportionate share of overhead expenses. The latest review, conducted in 2020, concluded that a 7.5% allocation was reasonable. Therefore, a liability for future administration expenses of 7.5% of the total benefits liability is included in the liability estimate.

Occupational disease

Occupational diseases differ from occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work-related or not, the link between an occupational disease and the workplace may be difficult to establish.

A detailed review of long-latency occupational disease incidence and costs is conducted periodically. The review provides a range of potential incidence and cost, based on experience. The study includes allowance for changes in industry make-up since the experience has developed and improvements have been made in the prevention of work-related diseases. The latest review, conducted in 2021, concluded that an 8.0% allocation was reasonable. This provision is deemed to include an allowance for administration expenses on these claims. Therefore, a liability for occupational disease of 8.0% of the total benefits liability is included in the liability estimate.

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3. ACTUARIAL ASSUMPTIONS AND METHODS CONTINUED

Sensitivity analysis

i) Summary

Sensitivity analyses are conducted to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact WorkSafeNB's financial performance and funding ratio.

Impact of movement in variable:

Gross rate of return

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on claims costs.

Long-term general inflation rate

The CPI-indexed awards inflation rate, medical payments inflation rate, and other payments inflation rate are all directly affected by movements in the long-term general inflation rate. Consequently, the benefits indexed to these rates are also affected. An increase or decrease in the long-term general inflation rate would have a corresponding impact on claims costs.

Medical inflation rate

Medical expenses more than 15 years after the injury account for a major part of expected benefit payments at long durations. An increase or decrease in medical payment inflation relative to the assumption underlying the liability estimates would have a corresponding impact on claims costs.

The table below presents the sensitivity of the benefits liabilities to an immediate 1% increase or decrease in the assumed rates.

ii) Impact of changes in key variables:

	2022 (000s)		2021 (000s)	
	+1.00%	-1.00%	+1.00%	-1.00%
+/-% change in assumed rates				
Gross rate of return	\$ (90,909)	\$ 110,681	\$ (93,001)	\$ 113,190
Long-term general inflation rate	97,440	(79,136)	97,329	(78,763)
Medical inflation rate	63,517	(48,968)	61,287	(46,845)

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4. CLAIMS – RISK MANAGEMENT POLICIES AND PROCEDURES

WorkSafeNB's financial condition and operation is affected by a number of key risks, including claims, operational and financial risks. WorkSafeNB has established policies and procedures to manage these risks as set out below.

(a) Claims risk

WorkSafeNB has an objective to manage claims risk, thus reducing the volatility of assessment premiums and performance from operations. In addition to the inherent uncertainty of claims risk, which can lead to significant variability in the loss experience, performance from operations is significantly affected by market factors external to WorkSafeNB.

WorkSafeNB has developed, implemented, and maintained a sound and prudent claims risk management strategy that encompasses all aspects of WorkSafeNB's operations.

The strategy sets out WorkSafeNB's policies and procedures, processes, and controls in relation to the management of likely financial and non-financial claims risks.

Key aspects of the processes in place to mitigate claims risks include:

- Established processes for managing claims in accordance with the *WHSCC & WCAT Act* and the *WC Act*.
- A disciplined strategic planning and risk assessment process.
- A tracking system that requires the costing of any benefit changes from changes in policy, legislation, and appeals decisions.
- Targeted programs for high-risk industries.
- The use of sophisticated management information systems that provide reliable and up-to-date data on the claims risks to which the business is exposed at any time.
- The use of detailed internal monitoring tools that link actuarial valuation projections with the management information systems to monitor claims patterns.
- Annual review of the benefits liability by an independent external actuary.

(b) Terms and conditions of the workers' compensation system

The terms and conditions of the workers' compensation system administered by WorkSafeNB are established under the *WHSCC & WCAT Act*. Coverage is for annual periods ending December 31 each year. The system's terms and conditions are similar for all assessed employers.

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4. CLAIMS – RISK MANAGEMENT POLICIES AND PROCEDURES CONTINUED

(c) Operational risk

Operational risk relates to the risk of loss arising from systems failure, human error or from other circumstances not related to claims or financial risks. These risks are managed through a framework that includes a system of delegated authorities, effective segregation of duties, access controls and review processes.

(d) Financial risk

WorkSafeNB is exposed to the following financial risks:

- Funding risk
- Market risk
- Foreign currency risk
- Credit risk
- Inflation risk
- Interest rate risk
- Liquidity risk

WorkSafeNB's exposure to these risks arises primarily in relation to its investment portfolio. Note 8 presents information about WorkSafeNB's exposure to each of the above risks, including objectives, policies and processes for measuring and managing the risk.

5. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is \$26.1 million (2021 - \$25.6 million) restricted for business transformation initiatives.

6. RECEIVABLES

	2022 (000s)	2021 (000s)
Assessments billed	\$ 2,301	\$ 2,272
Unbilled assessments	8,705	10,809
Self-insured employers – receivable	6,561	5,786
Other	1,565	2,216
	\$ 19,132	\$ 21,083

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7. INVESTMENTS

The table below presents the fair value of WorkSafeNB's investments.

	2022 (000s)	2021
	<u>Fair Value</u>	<u>Fair Value</u>
<i>i) Portfolio investments</i>		
Forward foreign exchange contracts	\$ (8,133)	\$ (10,540)
Fixed income		
Conventional bonds	292,545	303,231
Equities		
Canadian	281,262	330,985
U.S.	258,115	292,682
Non-North American	349,665	316,092
Total equities	889,042	939,759
Inflation-sensitive		
Real return bonds	–	15,427
Real estate	292,570	301,273
Infrastructure	190,322	171,569
Total inflation-sensitive	482,892	488,269
Absolute return		
Global opportunistic ¹	196,710	204,633
	\$ 1,853,056	\$ 1,925,352

¹ The Global Opportunistic allocation is invested in a pooled fund that has the ability to invest in a wide variety of asset classes and strategies depending on the manager's assessment of the attractiveness of the opportunity. As of December 31, 2022, the fund had the following allocations: North American equities 2% (2021 – 0%); Non-North American equities 23% (2021 – 18%); Fixed income 11% (2021 – 7%); Absolute return strategies 64% (2021 – 63%); Cash 0% (2021 – 0%); Equities long/short 0% (2021 – 12%)

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7. INVESTMENTS CONTINUED

ii) Fair value hierarchy

WorkSafeNB's investments have been classified into a three-level fair value hierarchy in accordance with IFRS 7 (Financial Instruments: Disclosures). The levels of the fair-value hierarchy are defined as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 1 inputs are the most persuasive evidence of fair value and are used whenever possible.
- Level 2 inputs are market-based inputs that are directly or indirectly observable but not considered Level 1 quoted prices. Level 2 inputs consist of: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical assets or liabilities in non-active markets (markets which have few transactions and prices are not current or price quotations vary substantially); (iii) inputs other than quoted prices that are observable (interest rates, yield curves, volatilities, credit risks, and default rates); and (iv) inputs derived from, or corroborated by, observable market data.
- Level 3 inputs are unobservable inputs. These inputs reflect assumptions about market pricing using the best internal and external information available. The valuation approaches applied are the most suitable and appropriate for the type of investments.

In certain situations, inputs used to measure the fair value of asset positions fall into different levels of the fair-value hierarchy. In these situations, the level in which the fair value falls is based upon the lowest level input that is significant to the determination of the fair value. As of December 31, 2022, the fair values of assets and liabilities measured on a recurring basis by level of input were as follows:

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7. INVESTMENTS CONTINUED

	2022 (000s)			Fair Value
	Level 1	Level 2	Level 3	
Portfolio investments:				
Forward foreign exchange contracts	\$ –	\$ (8,133)	\$ –	\$ (8,133)
Fixed income				
Conventional bonds	–	292,545	–	292,545
Equities				
Canadian	–	281,262	–	281,262
U.S.	–	258,115	–	258,115
Non-North American	–	349,665	–	349,665
Total equities	–	889,042	–	889,042
Inflation-sensitive				
Real estate	–	207,953	84,617	292,570
Infrastructure	–	–	190,322	190,322
Total inflation-sensitive	–	207,953	274,939	482,892
Absolute return				
Global opportunistic	–	196,710	–	196,710
	\$ –	\$ 1,578,117	\$ 274,939	\$1,853,056

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7. INVESTMENTS CONTINUED

	2021 (000s)			Fair Value
	Level 1	Level 2	Level 3	
Portfolio investments:				
Forward foreign exchange contracts	\$ –	\$ (10,540)	\$ –	\$ (10,540)
Fixed income				
Conventional bonds	–	303,231	–	303,231
Equities				
Canadian	330,985	–	–	330,985
U.S.	292,682	–	–	292,682
Non-North American	261,810	54,282	–	316,092
Total equities	885,477	54,282	–	939,759
Inflation-sensitive				
Real return bonds	–	15,427	–	15,427
Real estate	–	193,646	107,627	301,273
Infrastructure	–	–	171,569	171,569
Total inflation-sensitive	–	209,073	279,196	488,269
Absolute return				
Global opportunistic	–	204,633	–	204,633
	<u>\$ 885,477</u>	<u>\$ 760,679</u>	<u>\$ 279,196</u>	<u>\$ 1,925,352</u>

There were no material transfers between levels during 2022 or 2021. However, due to the transition of investments to SEI funds during the year and the nature of SEI pooled funds, WorkSafeNB no longer holds any level 1 investments.

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7. INVESTMENTS CONTINUED

iii) Summary of changes in level 3 fair value measurements:

	2022	2021
	(000s)	(000s)
Balance, beginning of year	\$ 279,196	\$ 250,452
Purchases of level 3 investments	26,924	36,950
Sale of level 3 investments	(57,552)	(32,096)
Partnership distributions of operating income	5,391	7,401
Expenses	(12)	(250)
Realized gains	45,227	8,115
Change in unrealized gains recognized in investment income	(24,235)	8,624
Balance, end of year	\$ 274,939	\$ 279,196

There are eight investments classified as level 3:

- (1) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$48.8 million (2021 – \$49.0 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 12-year life that began on October 30, 2013. The general partner has the option to extend the fund's life by two years.
- (2) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$111.2 million (2021 – \$100.7 million). This is an open-ended fund that allows quarterly redemptions at net asset value, but with some restrictions. It is classified as a level 3 investment in the fair-value hierarchy.
- (3) A limited partnership interest in a fund investing in European real estate with a market value of \$22.9 million (2021 - \$66.8 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 9-year life that commenced on August 22, 2014.
- (4) A limited partnership interest in a fund investing in European real estate with a market value of \$58.9 million (2021 - \$40.8 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair-value hierarchy. This fund has a 10-year life that began on March 29, 2018.

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7. INVESTMENTS CONTINUED

- (5) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$30.1 million (2021 – \$21.9 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair-value hierarchy. This fund has a 12-year life that began on May 10, 2019. The general partner has the option to extend the fund's life by two years.
- (6) A limited partnership interest in a fund investing in European real estate with a market value of (\$1.2) million (2021 – nil). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 10-year life that began on December 3, 2021.
- (7) A limited partnership interest in a fund investing in US real estate with a market value of \$4.0 million (2021 – nil). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 8-year life that will begin on the final closing date. The general partner has the option to extend the fund's life by two years.
- (8) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$0.2 million (2021 – nil). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2022, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 12-year life that will begin on the final closing date. The general partner has the option to extend the fund's life with two one-year extensions.

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7. INVESTMENTS CONTINUED

iv) Investment income

	2022 (000s)	2021 (000s)
Interest and dividends	\$ 43,959	\$ 40,977
Realized investment gains (losses) on forward foreign exchange contracts	(36,029)	45,375
Realized investment gains on other portfolio investments	279,030	70,533
Change in unrealized investment gains on forward foreign exchange contracts	2,407	(29,855)
Change in unrealized investment gains on other portfolio investments	(358,469)	95,947
	(69,102)	222,977
Less: portfolio management expenses	(5,508)	(7,562)
	<u>\$ (74,610)</u>	<u>\$ 215,415</u>

The market rate of return on the investment portfolio for the year ended December 31, 2022 was (3.83%) (2021 – 13.12%).

v) Pooled funds

WorkSafeNB's portfolio is invested exclusively in pooled funds and private partnerships covering various asset classes and mandates. WorkSafeNB holds rights to a proportionate share of each fund's income and net assets, with no power to direct management of the respective fund.

vi) Investment agreement

WorkSafeNB has entered into an investment agreement for the combined administration and pooling of its investments and those of the Workers Compensation Board of Prince Edward Island and the *FC Act* Disability Fund. These consolidated financial statements report WorkSafeNB's proportional share of the investments held in the fund, except for the investment in WorkSafeNB Investments Limited, which is consolidated (see Note 2). WorkSafeNB's proportional share of the pooled fund was 87.9% at December 31, 2022 (2021 – 87.0%). In 2022, WorkSafeNB received a fee of \$58.7 thousand (2021 – \$60.7 thousand) for the administration of the Workers Compensation Board of Prince Edward Island's share of the fund, and a fee of \$28.4 thousand (2021 – \$29.6 thousand) for the administration of the *FC Act* Disability Fund's share of the fund.

vii) Commitments

Through its investment in WorkSafeNB Investments Limited, WorkSafeNB has entered into limited partnership agreements with externally managed infrastructure and real estate pooled funds that commit to contribute investments in these funds, which may be drawn down over the next year. Unfunded commitments as of December 31, 2022, are \$291.8 million (2021 – \$131.6 million).

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8. FINANCIAL RISK MANAGEMENT

WorkSafeNB has established policies to manage its investments. All of WorkSafeNB's investments are managed by independent external investment managers. The compliance of these managers with the investment policies is monitored regularly.

WorkSafeNB manages investment risk by diversifying its portfolio among asset classes, industry sectors, geographic locations, and individual securities. Further diversification is achieved by selecting investment managers with varying investment philosophies and styles. From time to time, WorkSafeNB retains independent consultants to advise on the appropriateness and effectiveness of its investment policies and practices. This includes periodic asset liability studies to ensure that the investment strategy is suitable, considering the related liabilities and WorkSafeNB's risk tolerance. The last such study was completed in 2019.

The following sections describe WorkSafeNB's financial risk exposures and related mitigation strategies.

i) Funding risk

WorkSafeNB's funding policy specifies a funding goal (ratio of assets to liabilities) of between 110% and 125%. This permitted excess of assets over liabilities reduces the impact of year-to-year fluctuations, therefore providing assessment rate stabilization and enhanced security that awarded benefits will be met.

ii) Market risk

WorkSafeNB invests in publicly-traded equities listed on domestic and foreign exchanges, bonds traded over the counter through broker-dealers, Canadian and foreign commercial real estate and global infrastructure assets held via pooled funds. These securities are affected by fluctuations in market prices. Such fluctuations are subject to economic factors and other fluctuations in domestic and global capital markets, as well as risks specific to issuers, which may affect the market value of individual securities. Policy guidelines have been established to ensure that WorkSafeNB's investments are diversified by issuer, industry, and geographic location.

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8. FINANCIAL RISK MANAGEMENT CONTINUED

The table below presents the estimated effect of a reasonably possible¹ adverse change in the key risk variable – the market benchmark – for each of the equity mandates in WorkSafeNB’s investment portfolio.

	2022 (000s)		2021 (000s)	
	1 std dev	2 std dev	1 std dev	2 std dev
Canadian Equities				
% change in market benchmark ²	(12.1%)	(24.1%)	(11.3%)	(22.7%)
Canadian portfolio – impact on surplus/deficit	\$ (33,339)	\$ (66,679)	\$ (48,215)	\$ (96,598)
U.S. Equities				
% change in market benchmark ³	(12.5%)	(24.5%)	(10.8%)	(21.5%)
U.S. portfolio – impact on surplus/deficit	\$ (42,042)	\$ (84,084)	\$ (44,563)	\$ (89,183)
International (EAFE) Equities				
% change in market benchmark ⁴	(11.8%)	(23.7%)	(11.1%)	(22.3%)
International portfolio – impact on surplus/deficit	\$ (37,461)	\$ (74,922)	\$ (30,671)	\$ (61,333)
Emerging Markets Equities				
% change in market benchmark ⁵	(14.2%)	(28.3%)	(12.6%)	(25.2%)
Emerging markets portfolio – impact on surplus/deficit	\$ (13,588)	\$ (27,176)	\$ (12,186)	\$ (24,374)

¹ Reasonably possible changes are estimated using the historical (10-year) variability of each of the market benchmarks about their respective means. The standard deviation measures the normal variance in a probability distribution. One standard deviation covers 68% of all probable outcomes and two standard deviations covers 95%.

² S&P TSX (Standard & Poor’s Toronto Stock Exchange) Capped Composite Index

³ S&P (Standard & Poor’s) 500 Index

⁴ MSCI (Morgan Stanley Capital International) EAFE (Europe, Australasia and Far East) Total Return Index

⁵ MSCI EM (Emerging Markets) Total Return Index

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8. FINANCIAL RISK MANAGEMENT CONTINUED

iii) Foreign currency risk

WorkSafeNB has certain investments denominated in foreign currencies. Currency risk is the risk that the value of these investments will fluctuate due to changes in foreign exchange rates. WorkSafeNB's most significant currency exposure is to the U.S. dollar, the euro, the Japanese yen and the British pound. At December 31, 2022, WorkSafeNB had U.S. dollar exposure of \$578.6 million (2021 – \$601.8 million), euro exposure of \$194.1 million (2021 – \$181.3 million), Japanese yen exposure of \$45.1 million (2021 – \$79.7 million) and British pound exposure of \$68.8 million (2021 – \$60.0 million).

For its U.S. and non-North American assets, WorkSafeNB has adopted a policy to dynamically hedge a portion of its developed market foreign currency exposure using forward foreign exchange contracts. The amount hedged varies, depending on the relative attractiveness of the foreign currency. Forward foreign exchange contracts are agreements to exchange an amount of one currency for another at a future date and at a set price, agreed upon at the contract's inception.

The fair value of these financial instruments will change in response to changes in the foreign exchange rates of the currencies involved in the contracts. The notional amounts in forward foreign exchange contracts are the contractual amounts on which payments are made. These notional amounts have been converted into Canadian dollars at the contractual exchange rates in effect at the inception of the contracts. Outstanding contracts from 2022 mature in the first 37 days of 2023.

At December 31, 2022, the notional value of outstanding forward foreign exchange contracts was \$703.0 million (2021 – \$650.0 million). The fair value of these contracts was (\$8.1) million (2021 – (\$10.5) million). Unrealized gains on forward foreign exchange contracts were included in investment income.

The table below presents how the surplus/deficit would be affected by a reasonably possible annual change in the Canadian/US dollar, Canadian/euro, Canadian/Japanese yen and Canadian/British pound exchange rates. The impact on the surplus/deficit is shown net of the currency hedges in place at year-end:

	2022 (000s)	2021 (000s)
15% appreciation in the Canadian dollar	Impact on surplus/deficit	Impact on surplus/deficit
CAD/USD	\$ (5,072)	\$ (16,299)
CAD/EURO	(8,652)	(7,429)
CAD/YEN	(5,883)	(10,399)
CAD/POUND	(8,053)	(6,243)

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8. FINANCIAL RISK MANAGEMENT CONTINUED

iv) Credit risk

Credit risk on fixed-term or money market investments or forward foreign exchange contracts arises from the possibility that the counter party to an instrument fails to meet its obligation to WorkSafeNB. The maximum exposure to credit risk is determined by the fair value of these financial instruments. WorkSafeNB invests in money market instruments that consist primarily of short-term debt and money market securities issued or guaranteed by the federal or provincial governments of Canada and Canadian corporations. Counter parties to forward foreign exchange contracts must have a credit rating of at least AA-.

WorkSafeNB has indirect credit risk to the underlying investments held by fixed-term pooled funds. The table below summarizes the fixed-term investments by credit rating.

Credit Rating*	2022		2021	
	Fair Value (000s)	% of Total Fixed-Term Investments	Fair Value (000s)	% of Total Fixed-Term Investments
AAA	\$ 86,825	28.94	\$ 254,265	79.79
AA	87,264	29.09	48,479	15.21
A	53,473	17.82	15,914	5.00
BBB	39,205	13.07	–	–
<BBB	33,249	11.08	–	–
Total	\$ 300,016	100.00	\$ 318,658	100.00

* Credit ratings are obtained from Standard & Poor's, Moody's or DBRS ratings

v) Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets.

To mitigate the effect of inflation on WorkSafeNB's future liabilities, the portfolio holds inflation-sensitive investments, such as real estate and infrastructure.

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8. FINANCIAL RISK MANAGEMENT CONTINUED

vi) Interest rate risk

Future changes in the prevailing level of interest rates will affect the fair value of the fixed-term investments.

The table below presents the remaining term to maturity of WorkSafeNB's portion of the outstanding fixed-term investments, all of which are held in pooled funds.

	Remaining Term to Maturity (000s)				Total 2021
	Within 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total 2022	
Fixed-term investments	\$ 11,598	\$ 107,861	\$ 180,557	\$ 300,016	\$ 318,658

The average effective yield of the conventional bonds is 4.85% (2021 – 1.94%) per annum, based on market value.

As of December 31, 2022, had the prevailing interest rate changed by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the value of the conventional bonds would have increased or decreased by \$20.2 million (2021 – \$28.3 million), approximately 6.72% (2021 – 9.35%) of their fair value.

The sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolios.

vii) Liquidity risk

Liquidity risk is the risk that WorkSafeNB will have difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash.

Through a proactive cash management process that entails continuous forecasting of expected cash flows, WorkSafeNB mitigates liquidity risk by minimizing the need for forced liquidations of portfolio assets. WorkSafeNB investment policy maintains a 2% allocation to cash to help ensure adequate liquidity. To cover unanticipated cash requirements when market conditions are unfavourable, WorkSafeNB has negotiated a standby line of credit of up to \$10 million, which has not been drawn down as at December 31, 2022.

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9. CAPITAL ASSETS

	Land and buildings (000s)	Computer software and hardware (000s)	Furniture and equipment including leasehold improvements (000s)	Motor vehicles (000s)	2022 Total (000s)	2021 Total (000s)
Cost						
Balance at January 1	\$ 11,554	\$ 19,516	\$ 7,751	\$ 537	\$ 39,358	\$ 39,967
Additions	379	337	31	257	1,004	1,063
Disposals	-	(1,384)	-	(29)	(1,413)	(1,672)
Balance at December 31	<u>\$ 11,933</u>	<u>\$ 18,469</u>	<u>\$ 7,782</u>	<u>\$ 765</u>	<u>\$ 38,949</u>	<u>\$ 39,358</u>
Accumulated Depreciation						
Balance at January 1	\$ (6,069)	\$ (17,971)	\$ (7,411)	\$ (343)	\$ (31,794)	\$ (31,068)
Depreciation	(475)	(975)	(172)	(17)	(1,639)	(2,398)
Disposals	-	1,384	-	19	1,403	1,672
Balance at December 31	<u>\$ (6,544)</u>	<u>\$ (17,562)</u>	<u>\$ (7,583)</u>	<u>\$ (341)</u>	<u>\$ (32,030)</u>	<u>\$ (31,794)</u>
Carrying amounts						
At January 1	\$ 5,485	\$ 1,545	\$ 340	\$ 194	\$ 7,564	\$ 8,899
At December 31	<u>\$ 5,389</u>	<u>\$ 907</u>	<u>\$ 199</u>	<u>\$ 424</u>	<u>\$ 6,919</u>	<u>\$ 7,564</u>

Land and Buildings include the following amounts where WorkSafeNB is a lessee:

Finance leased assets

	2022 (000s)	2021 (000s)
Cost – capitalized finance leases	\$ 2,416	\$ 2,416
Accumulated Depreciation	(2,302)	(2,216)
Net book value	<u>\$ 114</u>	<u>\$ 200</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

10. PAYABLES AND ACCRUALS

	2022 (000s)	2021 (000s)
Accounts payable and accruals	\$ 18,948	\$ 22,803
Post-employment benefits	2,321	2,939
	<u>\$ 21,269</u>	<u>\$ 25,742</u>

Accounts payable and accruals include lease liabilities relating to the lease of office space:

<i>Lease Liabilities</i>	2022 (000s)	2021 (000s)
Current	\$ 92	\$ 88
Non-current	32	124
	<u>\$ 124</u>	<u>\$ 212</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. BENEFITS LIABILITIES

i) Continuity schedule

	2022 (000s)					2021 (000s)
	Short-term disability & rehabilitation	Long-term benefits	Survivor benefits	Health care	Total	Total
Balance, beginning of year	\$ 152,736	\$ 600,206	\$ 70,785	\$ 498,443	\$ 1,322,170	\$ 1,379,232
Add claims costs incurred:						
Current year injuries	39,142	29,995	2,337	32,599	104,073	110,028
Prior years' injuries	(13,979)	(16,351)	4,615	10,420	(15,295)	(36,625)
	25,163	13,644	6,952	43,019	88,778	73,403
Less claims payments made:						
Current year injuries	9,796	334	238	7,088	17,456	16,940
Prior years' injuries	24,165	50,849	7,559	35,448	118,021	113,525
	33,961	51,183	7,797	42,536	135,477	130,465
Balance, end of year	\$ 143,938	\$ 562,667	\$ 69,940	\$ 498,926	\$ 1,275,471	\$ 1,322,170

ii) Current year injuries

	2022 (000s)			2021 (000s)		
	Claims payments	Present value of expected future costs	Claims costs incurred	Claims payments	Present value of expected future costs	Claims costs incurred
Short-term disability & rehabilitation	\$ 9,796	\$ 29,346	\$ 39,142	\$ 9,380	\$ 31,326	\$ 40,706
Long-term disability	334	29,661	29,995	250	33,628	33,878
Survivor benefits	238	2,099	2,337	197	2,536	2,733
Health care	7,088	25,511	32,599	7,113	25,598	32,711
	\$ 17,456	\$ 86,617	\$ 104,073	\$ 16,940	\$ 93,088	\$ 110,028

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. BENEFITS LIABILITIES CONTINUED

iii) Reconciliation of movement in benefits liabilities

	2022 (000s)	2021 (000s)
Balance, beginning of year	\$ 1,322,170	\$ 1,379,232
Add (deduct) changes in liabilities		
Interest on liability	66,242	86,646
Payments and other transactions	(120,071)	(116,535)
	(53,829)	(29,889)
Balance, before adjustments	1,268,341	1,349,343
Claims experience (gains) losses		
Actual costs more (less) than expected	(48,756)	(46,042)
Actual payments more (less) than expected	(26,105)	(33,236)
Actual inflation more (less) than expected on monthly wage benefits	10,144	1,405
Other experience (gains) losses	(223)	(176)
	(64,940)	(78,049)
Unusual items		
Change in valuation assumptions	(14,547)	(23,881)
Change in valuation methods	-	(27,111)
Change in occupational disease provision	-	8,780
	(14,547)	(42,212)
Provision for future costs of new injuries	86,617	93,088
Balance, end of year	\$ 1,275,471	\$ 1,322,170

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. BENEFITS LIABILITIES CONTINUED

iv) Prior years' injuries

Significant changes in prior years' claims costs arising from the estimate of the benefits liabilities included the following:

	Increase (decrease) in benefits liabilities and claims costs incurred	
	2022	2021
	(000s)	(000s)
(Favourable) Unfavourable experience on inflation of monthly wage benefits	\$ 10,144	\$ 1,405
(Favourable) Unfavourable experience on health care costs	(22,650)	(28,190)
(Favourable) Unfavourable experience on survivor costs	(297)	(337)
(Favourable) Unfavourable experience on short-term disability costs	(15,523)	(18,035)
(Favourable) Unfavourable experience on long-term disability costs	(27,378)	(16,737)
(Favourable) Unfavourable experience on other costs	(9,236)	(16,155)
Changes due to unusual items	(14,547)	(42,212)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. BENEFITS LIABILITIES CONTINUED

v) Claims development table

The following table presents the development of outstanding claims relative to the ultimate expected claims for the 10 most recent accident years. The table illustrates how the estimate of ultimate claims costs for each accident year has changed with more experience over succeeding year-ends, and compares the current estimate of cumulative claims cost to the actual cumulative payments over the development period. Due to the long duration of many benefit types, significant amounts will be paid beyond the valuation date. The lower section of the table reconciles the total outstanding claims amounts to the discounted amount reported in the statement of financial position.

Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	(000s)										
Estimate of ultimate claims cost:											
At end of accident year	\$166,755	\$188,485	\$165,013	\$243,511	\$260,987	\$345,596	\$273,933	\$227,027	\$212,716	\$201,317	
One year later	178,132	168,355	211,451	274,009	298,527	317,341	238,477	198,839	191,667		
Two years later	155,577	206,714	224,933	286,902	284,185	272,263	212,575	178,751			
Three years later	176,043	210,662	233,431	287,958	254,754	256,688	204,715				
Four years later	177,613	220,289	231,161	262,637	238,108	249,266					
Five years later	182,469	215,913	214,319	243,081	228,492						
Six years later	179,583	206,203	201,000	236,021							
Seven years later	168,218	191,033	191,651								
Eight years later	161,723	187,123									
Nine years later	158,253										
Current estimate of cumulative claims cost	158,253	187,123	191,651	236,021	228,492	249,266	204,715	178,751	191,667	201,317	2,027,256
Cumulative payments	(76,655)	(89,839)	(89,945)	(105,335)	(91,214)	(92,185)	(65,135)	(44,345)	(35,511)	(18,897)	(709,061)
Outstanding claims, Undiscounted	81,598	97,284	101,706	130,686	137,278	157,081	139,580	134,406	156,156	182,420	1,318,195
2012 and prior years											1,090,269
Total outstanding Claims, undiscounted											2,408,464
Discount											(1,359,397)
Annuity – accrual											100,419
Occupational diseases											81,389
Other contingent liabilities*											44,596
Total outstanding claims											\$1,275,471

*Consists primarily of liabilities for future annuity awards.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

12. ASSESSMENTS

	2022 (000s)	2021 (000s)
Assessment revenue	\$ 192,980	\$ 220,811
Interest and penalties	1,230	779
Uncollectibles	(349)	(410)
	193,861	221,180
Administration fee revenue		
Self-insured employers (Note 13)	12,610	11,397
	\$ 206,471	\$ 232,577

13. SELF-INSURED EMPLOYERS

Self-insured employers – predominantly federal and certain provincial government institutions bear the direct cost of their incurred claims. WorkSafeNB administers these claims and charges self-insured employers a share of administration costs, which is included in revenue on the Consolidated Statement of Operations.

The benefits liabilities related to self-insured employers have not been included in WorkSafeNB's benefits liabilities account. As these liabilities will be borne by those employers when paid in future years, they do not impact WorkSafeNB's funded position.

During the year the following administration fee revenue and claims cost reimbursements were levied:

	2022 (000s)	2021 (000s)
Administration fee revenue	\$ 12,610	\$ 11,397
Claims cost reimbursement		
Short-term disability	24,127	22,703
Long-term disability	12,079	11,031
Survivor benefits	683	483
Health care	14,269	13,674
	\$ 51,158	\$ 47,891

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

14. ADMINISTRATION

	2022	2021
	(000s)	(000s)
Salaries and employee benefits	\$ 43,524	\$ 43,443
Depreciation	1,630	2,375
Professional fees	5,024	3,675
Office and communications	1,471	1,359
Building operations	3,684	3,627
Travel and vehicle operations	857	441
Education and training	372	372
Business Transformation	3,257	2,735
Other	982	577
	60,801	58,604
Allocated to health-care claims costs	(935)	(1,519)
	\$ 59,866	\$ 57,085

A portion of WorkSafeNB's administration costs represents charges incurred by WorkSafeNB for its rehabilitation centre. This portion that relates to claims has been allocated to health care.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

15. LEGISLATIVE OBLIGATIONS

Although WorkSafeNB does not have input into the budgeting process for the workers' and employers' advocates, it is required by legislation to reimburse the provincial government for their operating costs.

In addition, WorkSafeNB provided financial assistance to certain New Brunswick safety associations in accordance with the *WC Act*. The money paid was levied against all employers in the industries represented by the safety associations and is included as part of assessment revenue.

	2022 (000s)	2021 (000s)
Workers' advocates	\$ 1,323	\$ 1,410
Employers' advocates	179	375
Workers' Compensation Appeals Tribunal	1,607	2,165
	3,109	3,950
New Brunswick Construction Safety Association	450	300
New Brunswick Forest Safety Association	190	190
Other	250	250
	890	740
	\$ 3,999	\$ 4,690

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

16. RELATED PARTY TRANSACTIONS

Government entities

These consolidated financial statements include the results of normal operating transactions with various provincial government-controlled departments, agencies and Crown corporations, with which WorkSafeNB may be considered related. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

Key management compensation

Key management personnel of WorkSafeNB are deemed related parties. They include members of the board of directors and the executive committee. Total compensation for key management is detailed in the following table:

	2022 (000s)	2021 (000s)
Executive Committee		
Salaries and other short-term employee benefits	\$ 1,631	\$ 1,687
Post-employment benefits	167	187
	<u>\$ 1,798</u>	<u>\$ 1,874</u>
	2022 (000s)	2021 (000s)
Board of Directors		
Salary and per diems	<u>\$ 121</u>	<u>\$ 140</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

17. EMPLOYEE PENSION PLAN

WorkSafeNB and its employees participate in a multi-employer shared-risk pension plan, administered by the Province of New Brunswick under the *Public Service Superannuation Act*. The plan provides pensions to employees of the provincial government and certain Crown corporations and agencies based on:

- For service to December 31, 2013 – length of service and highest successive five-year average salary.
- For service from January 1, 2014 – length of service and career average salary.

Since sufficient information is not readily available to account for WorkSafeNB's participation in the plan using defined benefit pension plan accounting, these consolidated financial statements have been prepared using accounting rules for defined contribution pension plans.

The current year expense for this pension plan is \$4.5 million (2021 – \$4.6 million).

18. CONTINGENT LIABILITIES

At any given time, WorkSafeNB is party to various claims and lawsuits related to the normal course of business. In the opinion of management, the outcome of such claims and lawsuits and the resulting effects on operations and financial position are not determinable.

19. COMPARATIVE FIGURES

Certain of the 2021 figures that are presented for comparative purposes have been reclassified to conform to the presentation adopted in the current year.

FIVE-YEAR HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	2022 (000s)	2021 (000s)	2020 (000s)	2019 (000s)	2018 (000s)
ASSETS					
Cash and cash equivalents	\$ 69,534	\$ 70,191	\$ 90,072	\$ 78,234	\$ 65,916
Receivables and other	19,132	21,083	20,739	19,086	17,978
Investments	1,853,056	1,925,352	1,642,133	1,521,714	1,294,663
Capital assets	6,919	7,564	8,899	10,667	10,076
	\$ 1,948,641	\$ 2,024,190	\$ 1,761,843	\$ 1,629,701	\$ 1,388,633
LIABILITIES AND FUNDED POSITION					
Payables and accruals	\$ 21,269	\$ 25,726	\$ 17,683	\$ 19,433	\$ 16,168
Benefits liabilities	1,275,471	1,322,170	1,379,232	1,505,140	1,576,330
Total liabilities	1,296,740	1,347,896	1,396,915	1,524,573	1,592,498
WorkSafeNB funded position	618,128	639,859	329,354	77,655	(234,071)
Non-controlling interests	33,773	36,435	35,574	27,473	30,206
	651,901	676,294	364,928	105,128	(203,865)
	\$ 1,948,641	\$ 2,024,190	\$ 1,761,843	\$ 1,629,701	\$ 1,388,633

Certain of the above figures have been reclassified to conform with the presentation adopted in 2022.

FIVE-YEAR HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31

	2022	2021	2020	2019	2018
	(000s)	(000s)	(000s)	(000s)	(000s)
REVENUE					
Assessment revenue	\$ 206,471	\$ 232,577	\$ 244,876	\$ 272,559	\$ 174,234
Investment income	(74,610)	215,415	83,281	184,160	(17,638)
	131,861	447,992	328,157	456,719	156,596
EXPENSES					
Claims costs incurred					
Benefit payments	135,477	130,465	140,372	157,901	167,265
Changes in actuarial valuation of benefit liabilities	(46,699)	(57,062)	(125,908)	(71,190)	200,487
Total claims costs incurred	88,778	73,403	14,464	86,711	367,752
Administration	59,866	57,085	53,928	53,687	52,450
Legislative obligations	3,999	4,690	4,979	3,453	3,461
	63,865	61,775	58,907	57,140	55,911
Total expenses	152,643	135,178	73,371	143,851	423,663
Net income (loss) for the year	\$ (20,782)	\$ 312,814	\$ 254,786	\$ 312,868	\$ (267,067)
Net income (loss) for the year attributable to:					
WorkSafeNB	(21,731)	310,504	251,698	311,726	(271,535)
Non-controlling interests	949	2,310	3,088	1,142	4,468
	\$ (20,782)	\$ 312,814	\$ 254,786	\$ 312,868	\$ (267,067)

Certain of the above figures have been reclassified to conform with the presentation adopted in 2022.

FIVE-YEAR HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN FUNDED POSITION

FOR THE YEAR ENDED DECEMBER 31

	2022 (000s)	2021 (000s)	2020 (000s)	2019 (000s)	2018 (000s)
WorkSafeNB					
WorkSafeNB funded position, beginning of year	\$ 639,859	\$ 329,355	\$ 77,657	\$ (234,070)	\$ 37,465
Net income (loss) for the year	(21,731)	310,504	251,698	311,727	(271,535)
WorkSafeNB funded position, end of year	\$ 618,128	\$ 639,859	\$ 329,355	\$ 77,657	\$ (234,070)
Non-controlling interests					
Non-controlling interests funded position, beginning of year	\$ 36,435	\$ 35,574	\$ 27,472	\$ 30,205	\$ 25,447
Capital contributions by non-controlling interests	3,588	3,169	6,509	1,766	515
Distributions to non-controlling interests	(7,199)	(4,618)	(1,495)	(5,641)	(225)
Net income for the year	949	2,310	3,088	1,142	4,468
Non-controlling interests funded position, end of year	\$ 33,773	\$ 36,435	\$ 35,574	\$ 27,472	\$ 30,205
Total funded position					
Total funded position, beginning of year	\$ 676,294	\$ 364,929	\$ 105,129	\$ (203,865)	\$ 62,912
Capital contributions by non-controlling interests	3,588	3,169	6,509	1,766	515
Distributions to non-controlling interests	(7,199)	(4,618)	(1,495)	(5,641)	(225)
Net income (loss) for the year	(20,782)	312,814	254,786	312,869	(267,067)
Total funded position, end of year	\$ 651,901	\$ 676,294	\$ 364,929	\$ 105,129	\$ (203,865)

Certain of the above figures have been reclassified to conform with the presentation adopted in 2022.

