



2019

2nd Quarter

April-June

OUR VISION

Keeping people safe and healthy at work

OUR MISSION

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

CORE VALUE

The client is the priority.

Accountability

Adhere to evidence-based disciplines, sharing all results, and communicate honestly and transparently.





Operational Highlights

Legislative amendments that passed in December 2018 have had an immediate and significant positive impact on WorkSafeNB's operating environment. The amendments were designed to protect benefits for injured workers while offering financial stability for the province's employers.

The implementation of this legislation, coupled with a reduction in new accident costs and strong investment returns, has resulted in WorkSafeNB's funding position improving from 88% at year-end 2018 to 94.7% at the end of Q2.

As of June 30, lost-time accidents have seen a 15% reduction, a trend we are working diligently to ensure continues as the safety of our province's people is our number one priority. Healthy and safe workplace must be free of physical hazards, but should also be respectful – free of violence and harassment. That's why we are proud that on April 1, an amendment to General Regulation 91-191 of the *Occupational Health and Safety Act* addressing workplace violence and harassment went into effect.

In Q2, WorkSafeNB put the final touches on a new organizational structure focused on improving case management processes and entrenching return to work as a cornerstone of our organization.

This was a major step in our transformation to fundamentally change the way they we work and improve services and outcomes for workers and employers. While there have been some operational challenges related to such a significant change, we can now see the gaps more clearly and we are committed to continuous improvement in this area.

We also understand our data and results may take some time to demonstrate the successes. For example, claim duration for closed claims is increasing, but this is to be expected as older claims are closed and we are facilitating return-to-work plans for clients.

Moving into Q3, we are gaining momentum as we continue to improve our processes, find efficiencies, implement new legislative requirements, and tackle the Auditor General's recommendations related to both governance and claims management.

As we adapt and change the way we work, we know we're doing that, not only to improve our service today, but so we are ready to do what's needed to serve the workers and employers of tomorrow.

KEY STRATEGIC MEASURES – June 30, 2019				
DRIVE A SAFETY FIRST CULTURE	2017	2018	2019 YTD	2019-2021 Target
LOST-TIME INJURY FREQUENCY				
• Assessed	1.36	1.42	1.21	↓
• Self-insured	3.25	3.68	3.28	↓
• All employers	1.69	1.71	1.47	↓
HEALTH & SAFETY INDEX	N/A	N/A	N/A	
WORKPLACE FATALITIES	16	22	11	0
ACHIEVE EFFECTIVE RECOVERY				
CLAIM DURATION				
• Average days for open claims	283.8	292.2	306.6	↓
• Average days for closed claims	106.7	118.5	142.4	↓
% OF WORKERS RETURNED TO WORK WITHIN:				
• 26 weeks	N/A	72.5	N/A	↑
• 2 years	93.0	91.6	N/A	↑
CLAIM REGISTRATION TO FIRST PAYMENT	39.1	40.7	46.5	↓
WORKPLACE INJURY TO CLAIM REGISTRATION	10.9	12.2	11.0	↓
PROTECT SYSTEM INTEGRITY				
FUNDING POSITION (2019 are unaudited)	102%	88%	94.7%	100-120%
RETURN ON INVESTMENT (2019 are unaudited)	10.3%	-1.3%	8.2%	6.1%
AVERAGE ASSESSMENT RATE	\$1.48	\$1.70	\$2.65	↓
BUILD AN INNOVATIVE WORKPLACE TO DELIVER SUPERIOR SERVICE				
CLIENT SATISFACTION INDEX				
• Injured workers	68.5% (2014 data)	71.5%	N/A	↑
• Employers	78.2% (2014 data)	74.2%	N/A	↑
EMPLOYEE ENGAGEMENT SCORE (March to February)	54%	48%	49%	↑

Statement of Operations – June 30, 2019 (in thousands)

	Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019
Income					
Assessed employer income	\$47,642	\$49,486	\$68,708	\$81,678	\$135,934
Investment fund income	\$67,489	\$13,474	\$55,103	\$21,040	\$100,657
Self-insured employers	\$26,772	\$32,882	\$45,321	\$52,636	\$46,177
TOTAL	\$141,903	\$95,842	\$169,132	\$155,354	\$282,768
Expenses					
Claim costs incurred					
Assessed employers	\$79,303	\$91,889	\$120,652	\$159,292	\$87,361
Self-insured employers	\$23,371	\$28,371	\$40,598	\$47,319	\$41,008
Administration and legislative obligations	\$22,304	\$25,994	\$27,778	\$27,257	\$27,062
TOTAL	\$124,978	\$146,254	\$189,028	\$233,868	\$155,431
Excess of income over (expenses) for the year	\$16,925	(\$50,412)	(\$19,896)	(\$78,514)	\$127,337

Financials

Excess of income over expenses at \$127 million is the highest over the past last five years. Declining claims costs, down \$72 million for assessed employers, strong investment returns, +\$79 million and increased income from assessed employers, +\$54 million YTD are the primary drivers of the improved performance.

Balance Sheet (in millions)	2015	2016	2017	2018	Q2 2019
Assets	\$1,520	\$1,594	\$1,709	\$1,709	\$1,848
Liabilities	\$1,234	\$1,422	\$1,672	\$1,943	\$1,954
Funding Position	\$286	\$172	\$37	(\$234)	(\$106)
Funding Level	123%	112%	102%	88%	94.7%

Our outlook for 2019 shows a reversal from the trend of increasing claims costs and lower funding levels in recent years. This is due to decline in liabilities and strong year-to-date investment returns. Any material change in investment returns over the balance of 2019 may impact our financial results.

During the balance of 2019, we will be working with stakeholders and the government on new legislations to further improve both occupational health and safety and workers' compensation. As WorkSafeNB's cost structure continues to improve, we are also exploring improvements to benefits for injured workers to be considered by the Board once we regain solid financial footing.