

2020

ANNUAL REPORT



wcb

Saskatchewan
Workers'
Compensation
Board

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The Meredith Principles

The Meredith Principles can be expressed in different ways. However, there are five basic concepts that underlie most workers' compensation legislation in Canada today. These principles are a historic compromise in which employers fund the workers' compensation system and injured workers in turn surrender their right to sue their employer for the injury.

These following principles are the foundation upon which the Canadian workers' compensation legislation is built:

- 1. No-fault compensation:** Workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
- 2. Security of benefits:** A fund is established to guarantee funds exist to pay benefits.
- 3. Collective liability:** Covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.

- 4. Independent administration:** The organizations that administer workers' compensation insurance are separate from government.
- 5. Exclusive jurisdiction:** Only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.





Our Vision

We eliminate injuries and restore abilities.

Our Mission

We will be a customer-centric organization that continuously seeks to add value for our customers through a culture of continuous process improvement.



Letters of Transmittal

The Honourable Russell Mirasty

Lieutenant-Governor, Province of Saskatchewan

May it please Your Honour:

I respectfully submit the annual report of the Workers' Compensation Board for the calendar year 2020.



Don Morgan

**The Honourable
Don Morgan, Q.C.**
Minister Responsible
for the Workers'
Compensation Board

The Lieutenant-Governor in Council:

We are pleased to submit the 91st annual report of the Workers' Compensation Board for the year ended Dec. 31, 2020.

Respectfully submitted,

Gord Dobrowolsky

Gord Dobrowolsky
Chairperson

L. Flowers

Larry Flowers
Board Member

Garry Hamblin

Garry Hamblin
Board Member

Year at a Glance

	2020	2019	2018	2017	2016
Number of workers covered ¹	402,306	433,622	410,600	423,527	420,279
Time Loss injury rate (per 100 workers) ²	1.78	1.86	1.99	1.86	1.86
Total injury rate (per 100 workers) ³	4.46	4.95	5.44	5.25	5.55
Number of claims reported	23,746	28,865	29,140	28,952	29,953
Number of No Time Loss claims accepted ³	10,788	13,415	14,192	14,342	15,521
Number of Time Loss claims accepted ³	7,134	8,036	8,151	7,888	7,813
Fatal claims accepted					
Registered in current year	22	22	28	17	16
Registered in prior year	12	14	19	10	15
Self-insured	0	0	1	0	0
Total	34	36	48	27	31
Average durations in days ⁴	45.27	41.52	41.89	40.16	43.07
Active employer accounts ⁵	48,070	49,297	49,598	48,630	47,907
Average premium rate (\$ per \$100 of assessable earnings)	1.17	1.17	1.19	1.24	1.34
Maximum assessable wage (\$)	88,906	88,314	82,627	76,086	69,242
Number of appeals registered					
Appeals department	1,169	1,144	1,165	1,143	1,217
Board level	273	234	287	301	308
Claim costs (\$ millions)	319.6	281.0	278.2	230.2	286.8
Premium revenue (\$ millions)	255.6	267.2	256.5	255.2	281.8
Investment income (\$ millions)	77.4	277.1	(41.6)	175.8	127.1
Benefits liabilities (\$ millions)	1,420.4	1,328.1	1,280.9	1,228.4	1,210.2
Funded position (\$ millions)					
Injury Fund	479.6	567.3	399.8	555.0	446.2
Reserves	42.6	39.8	38.4	36.9	36.3
Funding percentage ⁶	112.4	115.1	115.2	117.8	118.7

1 Full-time equivalent (FTE) workers based on Statistics Canada average wage and WCB payroll information as of Dec. 31. Does not include workers for self-insured employers.

2 Time Loss injury rate includes Time Loss + fatalities in 2019 & 2020.

3 Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers. Beginning in 2019, current year fatalities are included in injury rates. In 2020, cancelled claims (claims created in error) are excluded.

4 Average days on compensation based on all Time Loss claims paid within a 12-month period.

5 Active employers excludes employers whose assessment accounts were closed during the year.

6 The calculation of funding percentage excludes the unrealized gains and losses on investments in the Injury Fund.

Comparison with other Canadian WCBs

The Saskatchewan Workers' Compensation Board (WCB) is a member of the Association of Workers' Compensation Boards of Canada (AWCBC), a national non-profit organization represented by the workers' compensation board or commission from each of Canada's provinces and territories.

Through the AWCBC, the chief financial officers of the

Canadian boards and commissions develop financial and statistical indicators to describe the workers' compensation insurance system in Canada overall and provide comparisons across jurisdictions.

The following comparisons are based on 2019 data (the most recent data available). View the complete report on the AWCBC's website at www.awcbc.org.

	AB	BC	MB	NB	NL	NS	NT/NU	ON	PE	QC	SK	YT
Administration cost per Time Loss claim ¹	7,074	6,019	6,655	8,966	9,909	9,334	30,393	14,563	5,822	4,340	7,200	20,589
Administration cost per \$100 assessable payroll	0.19	0.29	0.36	0.35	0.41	0.42	0.85	0.32	0.27	0.22	0.27	0.69
Average calendar days from injury to first payment issued	27.30	30.50	19.30	51.40	31.56	40.00	25.80	43.49	37.20	N/A	34.65	32.75
Average calendar days from registration of claim to first payment issued	23.20	23.40	14.50	38.68	26.62	31.00	22.10	34.19	21.00	N/A	28.70	28.66
Injury rate per 100 workers of assessable employers ²	1.52	2.20	2.52	1.63	1.68	1.72	2.13	1.14	1.43	2.06	1.98	1.79
Average composite duration of claim (in days)	89.66	82.80	32.57	51.57	152.24	146.65	73.85	N/A	65.55	N/A	62.28	29.16

1 The WCB and AWCBC use different criteria when counting Time Loss claims for this key statistical measure. The AWCBC counts claims with the same injury and registration year, as of March 31 of the following year. The WCB counts Time Loss claims registered and accepted in the year, regardless of the injury date. The AWCBC includes claims that receive a permanent functional impairment award with or without any time lost, while the WCB only includes claims with time lost.

2 AWCBC statistics are based on accepted national definitions and may not be the same as statistics published in WCB annual reports. The definition of this measure is the number of new lost-time claims per 100 covered workers.

Message from the Board

Like most organizations around the globe, the Saskatchewan Workers' Compensation Board (WCB) has never encountered a year like 2020. The board, leadership team and staff faced – and are working through – unprecedented challenges related to the COVID-19 global pandemic. By March, it became clear that the WCB's overarching goal for 2020 had to combine meeting the ever-changing needs of customers and partners while ensuring WCB staff could operate safely and effectively in a new working environment.

Faced with those unique circumstances, it is fair to conclude that the past year was a success, thanks to the above-and-beyond efforts of the board, leadership team, staff and many partners. In a few days, the WCB team safely and efficiently moved almost 100 per cent of staff out of the office, as the pandemic took a firm hold in the province, all while maintaining a strong level of customer service.

Even though many of the conditions the WCB operated under changed last year, the organization's commitment to operating as a customer-focused organization did not; neither did the WCB's commitment to financial stewardship, which enables the organization to maintain levels of support for injured workers and employers. An adherence to the Meredith Principles that guide the WCB's work continued to serve the organization well in 2020, maintaining its standards of due diligence while remaining mindful of the effects of decisions and strategic directions on the people the WCB serves.

It is the board's role to continue supporting the strategic direction and actions of the WCB's leadership while at

the same time holding them accountable. The same holds true of the board's long-standing partners and safety associations whose work the WCB highly values.

Despite the challenges presented in 2020, the WCB's commitment to the future state of the organization was firm. The result of this was the development of a draft high-level roadmap and five- to seven-year business transformation strategy that was approved by the board.

In 2020, the WCB's focus remained on its staff and customers – both workers and employers. The organization worked to maintain its service to injured workers, with a particular focus on psychological health by fully launching the psychological injuries unit to better serve workers with psychological health claims. As well, the WCB launched the Psychological Health and Safety Resource Centre on the WorkSafe Saskatchewan website for workers and employers as part of a three-year partnership with renowned Canadian psychologist Dr. Joti Samra.

The WCB initiated several relief measures for Saskatchewan employers by maintaining its 2021 average premium rate at \$1.17, unchanged from prior years. The decision to hold this rate came at a cost, but will maintain stability through 2021, providing some economic relief to those businesses struggling with the effects of the pandemic. The WCB encouraged employers and workers to report COVID-19-related claims by making sure employers were not held responsible for COVID-19-related claim costs during the pandemic unless they intentionally violated the Government of Saskatchewan's restrictions. The WCB quickly established a team of experienced claims staff to adjudicate COVID-19 claims.

The Employer Resource Centre, which was established in 2019 to help employers navigate the compensation system, continued to provide support for employers across the province. Recognizing that further measures were required for some employers in more difficult circumstances, the WCB introduced relief measures for employers who were adversely impacted by the COVID-19 pandemic.

Throughout this unprecedented year, the board continued to manage the Board Appeal Tribunal, a customer appeal and adjudication function, in accordance with *The Workers' Compensation Act, 2013* (the Act). In 2020, the tribunal held 87 hearings, and reviewed and wrote decisions on 224 appeals. In our ongoing efforts to continuously improve services, appeal wait times have decreased by 46 per cent since 2015.

Board members continued to administer the policy review process, which forms the basis of decisions made under the Act. As an oversight body, the board also closely monitors risk factors through its enterprise risk management system. In 2020, as part of its business transformation efforts, the WCB continued to focus its attention on IT-related risks, including cybersecurity.

The WCB's Total injury rate dropped to 4.46 per cent in 2020 from 4.95 per cent in 2019. This is thanks to the 90

per cent of Saskatchewan employers who reported zero injuries and reached Mission: Zero. As such, the WCB's efforts continue in advancing the strategic objectives laid out in the Fatalities and Serious Injuries Strategy.

Unfortunately in 2020, the WCB accepted 34 fatalities and 17,944¹ claims for workers who were injured on the job. Provincially, the success of major projects should not be sufficient to simply be on time and on budget, but to be considered fully successful, projects must achieve zero injuries and fatalities.

In conclusion, the WCB extends its heartfelt thanks and appreciation to the leadership team and staff at the WCB for their commitment to serving the workers and employers of the province despite the myriad challenges faced during 2020. The ability to collectively rise above and overcome those challenges is inspiring. It has positioned the WCB well to serve its customers in 2021 and beyond while helping the organization to move closer each year to meeting its vision of eliminating injuries and restoring abilities.



Gord Dobrowolsky
Chairperson



Garry Hamblin
Board Member
Worker Representative



Larry Flowers
Board Member
Employer Representative

¹ Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.



The WCB Structure, Mandate & Role

The WCB is an independent board that operates like an insurance company, but follows the Meredith Principles. *The Workers' Compensation Act, 2013* (the Act), which came into force Jan. 1, 2014, establishes the legislative framework within which employers in industries covered by the Act pay premiums to the board to provide guaranteed benefits and programs to injured workers. In exchange, covered employers are protected from lawsuits related to workplace injuries. Those employers are required to register with the WCB and pay invoiced premiums based on employer payrolls, subject to adjustments that reflect injury frequency and costs. The premiums paid by these employers and income from investments fully fund the work of the WCB.

In 2020, there were 48,070 firms with 402,306 workers registered with the WCB. In that year, the WCB accepted 17,944¹ injury claims, which included 7,134 Time Loss

injuries. Time Loss injuries are those that kept the worker away from work beyond the day of the injury. In 2020, \$320 million in claim costs were incurred to provide benefits and programs to injured workers.

Board structure

The board currently consists of three members: a chairperson and two board members, all of whom are appointed by the provincial government. One board member is appointed to bring the viewpoint of workers to the board and one is appointed to bring the viewpoint of employers. Those members are selected from lists submitted by labour and employer organizations, respectively.

¹ Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.



The WCB's chairperson, **Gord Dobrowolsky**, was appointed in 2013. From Prince Albert, Gord obtained his bachelor of education from the University of Saskatchewan and taught for five years before going into business. He operated Delta Management Ltd., a public relations and marketing company, for six years and spent 14 years in the cellphone industry, during which he earned SaskTel's Top Dealer award nine times. Gord has extensive board experience, having served as the vice-chair of the Saskatchewan Liquor and Gaming Licensing Commission, a member of the Saskatchewan Executive Council for six years and the chairperson of the Prince Albert Parkland Health Region for four years, beginning in 2009.

In addition to pursuing ongoing director and adjudication training, Gord has completed his certificate in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University and received his professional director designation from the Johnson Shoyama Graduate School of Public Policy. Gord was a volunteer board member of the Victoria Hospital Foundation in Prince Albert for six years. He is currently a member of the Prince Albert and District Chamber of Commerce, the Prince Albert Elks Club and the Prince Albert and Saskatchewan Wildlife Federation, and is a supporter of Special Olympics. In 2014, *SaskBusiness* named him one of Saskatchewan's Men of Influence and in 2015 he was named to the Wall of Honour by the College of Education at the University of Saskatchewan.

Garry Hamblin was appointed as the WCB worker representative in 2015. Garry, who is from Saskatoon, has a Canadian Insurance Professional designation and worked for 27 years at Saskatchewan Government Insurance (SGI). Over the course of his career, Garry participated in hundreds of mediations and appeals within SGI's no-fault system. He has brought to the board his extensive knowledge of the insurance industry and his experience in helping people access benefit entitlements, as well as understand legislation and policy relevant to their unique situations. He is a past president of the Canadian Office and Professional Employees Union, Local 397 and is a board member of Conflict Resolution Saskatchewan Inc.

Garry received his certificate in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University in 2016 and in 2017 he completed the ICD-Rotman Directors Education Program. He continues to pursue ongoing governance and adjudication training.

Larry Flowers, who is also from Saskatoon, was appointed as the WCB employer representative in 2015. Larry brings strong and varied business experience to the board, which includes work in the agriculture, manufacturing, mining, finance and non-profit sectors. Since 1989, Larry has worked as an internal and external business strategist, implementing strategic human resources, training, safety and business solutions.

Larry has a bachelor of education degree and a business administration certificate from the University of Saskatchewan. He holds a certificate in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University and also completed the ICD-Rotman Directors Education Program. He recently obtained his masters of adult education through St. Francis Xavier University while also pursuing ongoing training relevant to his governance and appeal responsibilities on the board. Larry has a Chartered Professional in Human Resources (CPHR) designation and is a member of CPHR Saskatchewan, where he

has served on the professional development committee. He has also served as a governance committee board member with the Saskatoon Industry-Education Council and has held a number of other volunteer board positions. Larry has chaired the Saskatchewan Mining Association's human resources committee and was a member of the International Mining Innovation Institute's Education and Training Panel, as well as the Saskatchewan Institute of Applied Sciences and Technology (SIAST) Mining Engineering Technologist Advisory Panel.

Board mandate and responsibilities

The board recognizes that a strong governance framework is necessary to ensure that the WCB fulfils its responsibilities to workers and employers in the most effective manner.

The board members ensure a strong governance framework for the WCB by:

1. Providing strategic direction to the WCB's leadership to ensure the delivery of high-quality services to workers and employers, and the protection of the public interest.
2. Providing effective oversight of the WCB's financial and operational performance, both directly and through its roles on the audit and investment committees.
3. Performing their appeals function and adjudicative function in accordance with the Act, regulations and other applicable laws.
4. Approving policies through which the objectives can be accomplished.
5. Overseeing enterprise risk management.
6. Effectively engaging with customers and partners.

The chairperson and board members also provide oversight through regular reviews of the WCB's strategic direction and True North objectives, and by requiring and receiving regular reports that monitor the WCB's financial and operational performance.

In addition to their governance responsibilities, the board members also sit as members of the Board Appeal Tribunal (the tribunal), which is the highest level of appeal within the WCB for workers or employers dissatisfied with decisions impacting their claims or accounts. They fulfil their responsibilities as the tribunal by conducting a thorough review of all applications that come before it and ensuring that processes are in place to provide decisions that are clear, well-reasoned and in accordance with the rules of natural justice.

In 2020, the tribunal received 273 appeals, issued 224 decisions and decided 17 non-appeal applications (for barring of lawsuits, orders for collection of overpayment and Medical Review Panels). As the risks of COVID-19 presented significant challenges to the tribunal's usual practice of offering in-person hearings to appellants, processes were changed in March 2020 to allow the tribunal to offer hearings by teleconference. In the latter part of 2020, when it became clear that the COVID-19 risk could be expected to continue for some time, the tribunal also began developing secure processes to begin offering video-enabled hearings. That option is expected to become available to appellants in early 2021. Despite those additional challenges, the tribunal conducted 87 hearings.

The board members have found that their direct involvement in the appeals process as tribunal members gives them special insight into the effectiveness of the WCB's policies and greatly assists them in performing their role in the oversight of the WCB.

Board members are required to maintain skills and knowledge appropriate to their responsibilities. This begins with a comprehensive orientation that covers matters such as the WCB's governance framework and policy, strategy development and deployment, operations, policy development, the Board Appeal Tribunal, employer services, claims management, and the investment and audit committees. A review of the orientation manual is required annually and it is also reviewed following any

legislative change that could impact the work of the board. This ensures that current training materials are readily available, in the event of any change in the membership of the board.

The board members' training continues with professional development offered through organizations such as the Foundation of Administrative Justice, the Institute of Corporate Directors, the Canadian Council of Administrative Tribunals, the Saskatchewan Administrative Tribunals Association and various industry and educational conferences and courses. The board members have earned certificates in adjudication for administrative agencies, boards and tribunals from the Osgoode Hall Law School of York University as part of their ongoing professional development and in 2017 received training through the Institute of Corporate Directors. In 2020, the board members received additional training in continuous process improvement and they continued to actively participate in this initiative throughout the year.

A governance framework that defines accountability

The board recognizes the importance of a clearly defined governance framework that supports its accountabilities as stewards of the workers' compensation system. To that end, the board began a comprehensive review of its governance policy and other key governance documents in 2019. The resultant revisions were approved effective Jan. 1, 2020. As an initial step in its 2020 governance review, the board tasked the CEO and senior leadership with conducting their own assessment of the governance policy, committee structures and governance processes, and providing that feedback to the board for consideration during its 2021 annual board retreat and governance review. At that time, the board will also complete its annual review of the board's code of conduct and its orientation and education plan. Each year, the board also establishes a plan for the upcoming year on a number of key governance issues.

Elements within the governance framework that define and chart how accountabilities are met include:

1. Strategy setting and performance monitoring

The CEO, chief financial officer (CFO) and vice-presidents participate in strategic planning sessions with the board. This includes an annual review of the WCB's vision, mission, values, risk register and True North objectives which drive the strategic plan. The WCB's corporate values are the standards by which our actions and decisions are to be considered and judged by others. The True North objectives represent the five areas that the organization must focus on to enable improvements to the customer experience. These are:

- **CUSTOMER EXPERIENCE** – Workers and employers deserve excellent service. That is what employers pay for.
- **SAFETY** – Every injury is predictable and preventable. Even one injury is too many. Our customers rely on us to help them eliminate injuries. Our staff deserve to work in a safe and secure environment.
- **QUALITY & TIMELINESS** – Customers rely on us to deliver service at the right time, when they need it. We owe our customers defect-free service.
- **PEOPLE** – Our people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve our customers.
- **FINANCIAL** – Customers expect us to deliver value through our services and programs at a fair and reasonable cost and to meet all our obligations now and in the future.

The CEO submits a strategic plan for board approval. Regular management reports on progress toward the plan are supplied to the board members.

The annual strategic and operational plan is published and forms part of the required reporting at the WCB's annual general meeting. The Saskatchewan WCB was

the first Canadian compensation board to hold annual stakeholder meetings as part of its governance and accountability framework.

2. Budget and employer rate approvals

The CEO presents an annual budget based on the strategic and operational plan for board approval. Quarterly reports are provided to the board with variance explanations when financial targets are not met.

Employer premium rates are set through a rigorous process that includes the consulting advice and review of an external actuary. Once the proposed rates have been presented to customers and partners (who have the opportunity to raise any concerns with the board), the board approves the rates.

3. The WCB investment committee

Fundamental to Saskatchewan's workers' compensation system is the guarantee to workers and employers that benefits and programs will be available if, and when, they are needed. To back up that guarantee, the WCB is required to be fully funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of the claims. Termed the WCB's "benefits liabilities," the amount needed at the end of 2020 to meet future obligations was \$1.420 billion. Investment assets, the financial resources that back up the funding guarantee to workers, were valued at \$2.182 billion at the end of 2020.

The WCB investment committee is comprised of the three board members who oversee the WCB's financial policies and investments. The WCB's CEO, CFO, controller and director of strategic finance attend committee meetings. The investment committee is prudent in its policies, goals and objectives to ensure the financial stability of the WCB. The committee recommends to the board the approval of the WCB's statement of investment policies and goals (SIP&G) and the appointment of investment managers. It also monitors the performance of the investment managers against the benchmarks established in the SIP&G.

In discharging its responsibilities, the investment committee meets quarterly to review investment performance and annually to review the SIP&G, engage a financial consultant to monitor and advise on the performance of investment managers, and participate in ongoing training in investing and investment management.

4. The WCB audit committee

The WCB audit committee is comprised of the three board members whose role is oversight. The CEO, CFO and director of internal audit attend meetings.

The audit committee:

- Annually performs a self-assessment of committee governance and conducts ongoing training in financial literacy.
- Monitors the auditing, internal controls, accounting and financial reporting processes.
- Ensures independence and monitors the performance of the WCB's internal audit department.
- Reviews the annual audited financial statements and related disclosures, including the Management Discussion & Analysis.
- Ensures compliance with legal and regulatory requirements; also ensures and periodically reviews internal controls on finance, accounting and legal compliance.
- Reviews, monitors and ensures the independence of external auditors appointed by the board.
- Ensures communication among board members, WCB management, the internal audit department and external auditors.
- Meets regularly with WCB executive management, the internal audit department, the provincial auditor, the external auditor and other consultants.
- Receives the report from the internal control over financial reporting committee on internal control testing during the year.

The committee ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The committee's role does not relieve WCB management of its responsibility to prepare financial statements that present the WCB's financial results and condition accurately and fairly, or the responsibilities of the external auditors relating to the audit of financial statements.

5. Funding status

The board oversees the funding status of the WCB by establishing the policies that administration implements. When managing capital, the WCB's objectives are to build a funded position that supports the long-term financial stability of the WCB, ensure sufficient funds are available to meet required benefit levels and mitigate unexpected fluctuations in the average premium rate. The process for managing the WCB's funded position is based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and sets the target range for the Injury Fund. In establishing this range, the funding policy calls for exclusion of unrealized gains and losses on investments at the end of the year. The current range is set at five per cent to 20 per cent of benefits liabilities and annuity fund payable.

The disaster reserve is established to meet the requirements of the Act with respect to disasters. The second injury and re-employment reserve provides employers with cost relief on claims that are attributed to an earlier injury, an injury following re-employment and other circumstances established by the policies of the board.

The occupational disease reserve is used to cover costs that may have arisen from latent occupational diseases where exposure today may result in the establishment of a future claim.

Under the funding policy, when the Injury Fund shifts out of the targeted range of 105 per cent to 120 per cent, the WCB has up to three years to replenish or regulate the fund to maintain a targeted range. If the funding

percentage falls below 100 per cent, the WCB takes action to replenish the Injury Fund immediately to reach 100 per cent. If the funding percentage falls below 103 per cent, the WCB, at its discretion, takes action to replenish the Injury Fund to reach 105 per cent within three years. Generally, when the funding percentage rises above 122 per cent, the WCB, at its discretion, distributes surplus funds to employers within the year following the WCB's fiscal year in which the funding percentage exceeded 122 per cent.

6. Board Appeal Tribunal (the tribunal)

Saskatchewan is unique among Canadian jurisdictions. It is the only province with a full-time board that divides its duties between governance and the final appeal function. The board sits as the highest level of appeal at the WCB. The board also has exclusive jurisdiction to determine several types of applications under the Act. Functioning as an administrative tribunal, the board has decision-making responsibilities over matters such as:

- worker appeals regarding injury claims
- employer appeals of worker claims
- employer classification appeals
- employer assessments
- fines and penalties
- Medical Review Panel applications and outcomes
- determination of the right to sue
- overpayments and collections

The board oversees the development and monitors the effectiveness of processes for such applications and appeals to ensure that workers and employers receive fair and timely decisions. As a result of continuous process improvement efforts and the dedication of additional time and resources focused on the appeal process, progress was being made through the start of 2020 in improving the turnaround times for appeals pending before the board.

However in March 2020, COVID-19 safety concerns prompted a decision to relocate board members and the

majority of WCB employees from WCB offices to their homes to begin working remotely. This move represented a significant undertaking, including the need for the development of many new processes to accommodate the virtual workplace and safe alternatives to face-to-face hearings.

Despite the challenges posed by the pandemic, the tribunal recognized that timeliness of decisions remained very important to its customers. By dedicating additional resources to processing appeals and applications, the tribunal was able to significantly reduce the impact of COVID-19 on the tribunal's turnaround times.

7. Fair Practices Office (FPO)

The FPO is a neutral, impartial and independent office of the WCB that is mandated to receive, investigate and resolve complaints about unfair practices in all areas of service delivery raised by workers and their dependants, employers and external service providers. It identifies trends, policy matters and systemic issues arising from such complaints and makes recommendations for improvements, where needed. The board appoints and has oversight responsibility for the fair practices officer, who regularly reports to the board through the chairperson.

8. Code of conduct

Effective governance recognizes that boards of directors have a responsibility to influence the culture of the organizations they govern. The board examines its code of conduct as part of the annual review of its governance framework and the development of its key governance documents. The current code of conduct establishes a set of principles. Foremost among them is the obligation of accountability to workers, employers, the general public and government. This obligation includes the competent, conscientious and effective performance of the duties of the board.

The code's other principles focus on strategic direction, decisions that serve the best interests of all customers,

monitoring and reporting on the WCB's performance and ensuring the capability of governance through the continuing development and education of board members.

The WCB's corporate code of conduct and ethics reflects the board's code of conduct and is intended to guide employees in their decisions and actions. All employees are accountable for ensuring individual and corporate actions are consistent with the code.

Setting high standards: expecting results

As stewards of the workers' compensation system, the board expects management to meet high performance standards and holds the organization to a reporting standard that ensures transparency for customers.

Financial performance is monitored through the board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is carried out through regular stakeholder events, such as the WCB's annual general meeting and annual rate setting meetings, and through the WCB's annual reports.

Program and management performance is measured through a corporate plan that tracks the WCB's achievement of the strategic plan approved by the board. The WCB has been publishing its strategic objectives and operational targets as part of its annual reports since 2000.

Another initiative implemented by management ensures that the WCB's policies and procedures are reviewed regularly and amended when required. The initiative requires that each policy and its operating procedure are reviewed by management at least once every three years.

Every five years, a mandated Committee of Review (COR) is appointed to review the Act and the WCB's administration. The board encourages stakeholder participation in this process.

The WCB: quality oversight

The board and the WCB's executive management recognize that compliance with legislation and policies, and effective and efficient operations, require continual monitoring of operations and, in particular, key work processes.

In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and including file reviews by team leaders for completeness and accuracy.
- An internal audit department that provides independent, objective assurance and consulting services to the audit committee of the board and to management. This department evaluates processes for risk management, internal control and governance.
- An appeals process that provides injured workers and employers with an objective review of the WCB's decisions and actions. Appeals are first considered by the appeals department or the assessment committee and, if not resolved, the matter can be appealed to the Board Appeal Tribunal.
- The Fair Practices Office reporting to the board that receives concerns related to the fairness of the WCB's actions and decisions and, where appropriate, forwarding recommendations to WCB managers to resolve concerns.
- Certification by the CEO and CFO that financial statements are presented fairly in all material respects and that internal controls are adequate to prevent material misstatement of the financial statements based on an internal assessment by management of the adequacy of internal controls.

Please visit the WCB's website at www.wcbsask.com for more information on board governance and the WCB's operations and performance.




Board Appeal Tribunal

Customers who are dissatisfied with decisions on their appeal with the appeals department or the assessment committee can apply to have those decisions reviewed by the Board Appeal Tribunal (the tribunal). The board members serve as the tribunal, the highest level of appeal within the WCB for all matters except for bona fide medical questions, which are determined by a Medical Review Panel.

The tribunal conducted 87 hearings and issued 224 decisions in 2020. Despite high appeal volumes, the onset of the pandemic and the need to move all staff to work from home, the tribunal was able to review and provide a decision to customers within six months.

The tribunal remained focused in 2020 on providing thorough, well-reasoned decisions, through file development and providing ongoing staff and tribunal member training.



The majority of decisions made by the tribunal are in relation to appeals brought forward by a worker or employer because of a decision made on an injury claim. For an employer, the appeal could also be in relation to their WCB employer premiums or assessment.

Previously, the tribunal reported the appeals volume separately from the other types of decisions they rendered. However in 2020, the tribunal began reporting all of their decisions together. As such, all appeal and non-appeal issues will now be reported in one table.

Other types of decisions would include board orders, which allow the WCB to collect overpayments and compel documentation, and decisions under Section 169 of *The Workers' Compensation Act, 2013* (the Act) and applications to determine whether certificates

required with respect to Medical Review Panels comply with the Act.

Medical Review Panels and Section 169 applications are two of the most common non-appeal matters brought forward to the tribunal. A Medical Review Panel is a panel of health-care practitioners that is called upon when a medical decision about an injured worker is questioned. The panel is the final step in the appeal process and its decision is binding on the worker and the WCB. A Section 169 application can be brought to the board members for a ruling on whether a court action or a grievance which relates to a work injury is barred by the provisions of the Act.

For more information regarding Medical Review Panels or Section 169 applications, please refer to the WCB website.

Board Appeal Tribunal (continued)

Appeals activity

	2020	2019	2018	2017	2016
Appeals received	273	234	287	301	308
Accepted	70	77	116	94	150
Denied	154*	154	144	186	201
Total appeals decided**	224	231	260	280	351
Appeals withdrawn	35	12	17	29	36
Appeals pending	112	90	99***	87***	94***
Average number of days to decision	160	130	115	118	165
Hearings	87	85	110	91	140

* The total denied for 2020 includes three barred Section 169 applications.

** Appeals may carry over from the previous year or be decided the following year.

*** Years prior to 2019 include non-appeal applications.

Source of appeals

	2020	2019	2018	2017	2016
Workers' advocate	92	95	126	107	132
Worker	98	79	85	87	96
Employer	56	50	68	91	48
Other representative	15	8	5	6	13
Lawyer	11	2	2	8	18
Union official	0	0	0	0	0
Family	1	0	1	2	1
Total	273	234	287	301	308

Nature of appeals decided*

	2020		2019		2018		2017		2016	
	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>
Initial acceptance	74	12	76	29	89	36	76	29	127	57
Relationship (of condition to injury)	59	19	64	14	61	29	69	19	106	44
Cost relief	14	4	42	15	21	12	70	24	41	15
Recovery/fitness for work	9	3	14	6	38	22	23	10	23	9
Other	15	7	11	5	12	6	17	4	18	8
Suspension	6	2	9	3	2	1	4	2	8	4
Expenses	5	1	6	1	12	3	3	0	2	0
Retraining	0	0	3	1	5	1	4	1	4	2
Wage base	3	0	3	1	4	2	4	1	7	3
Estimated earnings	3	0	1	1	8	2	2	2	5	3
Assessment/surcharge	16	16	1	1	3	1	4	1	7	3
Permanent functional impairment	4	0	1	0	5	1	2	1	2	1
Independence allowance	2	1	0	0	0	0	2	0	1	1
Medical Review Panel Enabling Certificate applications**	8	3	23	4	26	4	20	4	20	8
Medical Review Panel examination decisions	2	1	3***	1	4	2	9	6	5	4
Section 169 applications	4	1	2	0	5	0	6	2	7	3
Total	224	70	259	83	295	122	315	106	384	166

* The above table provides the total number of decided appeals and applications decided, as well as the number of those accepted. The number of appeals and applications withdrawn in 2020 are not included in this table. The totals provided in the above table differ from the totals provided in previous annual reports because of the addition of Medical Review Panel Enabling Certificate applications, Medical Review Panel Examination decisions and Section 169 applications for each year. The Medical Review Panel Enabling Certificate applications and Section 169 applications were previously outlined in separate tables. The Medical Review Panel Examination decisions were previously provided in the commentary rather than in a table.

** The medical examinations for the three Medical Review Panel Enabling Certificate applications that were accepted in 2020 are still in the process of being arranged. There have been delays in arranging these examinations, which appear to be related to COVID-19.

*** The 2019 total has been restated to reflect the actual number of total Medical Review Panel examination decisions.



Appeals Department

The core mandate of the appeals department is to provide workers and employers with an accessible, independent and unbiased process to review WCB decisions relating to a worker's claim for benefits and compensation.

The appeals department is separate and independent of the operations division, which is where initial claim decisions are made. Injured workers or employers who disagree with an initial decision on an injury claim may appeal and request a review of that decision by the appeals department.

In reviewing the initial claim decision under appeal, the appeals department may or may not come to the same

conclusion as the original operations decision-maker. The approach undertaken by the appeals department is a new adjudication based on the available evidence or any newly tendered evidence.

Workers or employers who disagree with a decision of the appeals department may further appeal to the Board Appeal Tribunal, which is the final level of appeal.

In our ongoing efforts to continuously improve services, appeal wait times in the appeals department have decreased by 17.5 per cent since 2019.

The appeals department's focus for 2021 will be aimed at continuing to serve customers in a timely and easily accessible manner.

Appeals activity

	2020	2019	2018	2017	2016
Prior year's pending	235	152	145	109	82
Appeals registered	1,169	1,144	1,165	1,143	1,217
Total appeals	1,404	1,296	1,310	1,252	1,299
Accepted	290	245	256	265	312
Denied	821	697	813	761	769
Returned for development	102	75	51	48	78
Subtotal completed	1,213	1,017	1,120	1,074	1,159
Withdrawn	35	44	38	33	31
Appeals pending	156	235	152	145	109
Average days to decision	66	80	57	38	24
Appeals decided within 30 days	15%	11%	12%	25%	78%
Appeals decided within 45 days	15%	12%	20%	72%	98%
Appeal meetings*	0	2	26	38	33

*Meetings are granted if requested by a worker or employer.

Committee of Review

The Saskatchewan government establishes a WCB Committee of Review (COR) every five years. Our principal customers — workers and employers — are represented on each COR. The COR may inquire into any and all aspects of the WCB's operations. It can also recommend amendments to legislation and changes to the WCB's policies and practices.

The most recent COR was completed in 2015 and the next COR will convene in 2021. In 2015, the COR received over 70 written submissions and hosted public consultations in Saskatoon, North Battleford, Prince Albert, Yorkton and Regina. The COR committee released the Workers' Compensation Act Committee of Review Report in 2016 based on public consultations.

The COR report released in 2016 noted 11 recommendations. As of 2020, all 11 recommendations have been addressed, implemented or legislated. The status of these recommendations is noted below.

- 1. Culture and Customer Service:** Focus on corporate culture and develop a customer-centric service delivery model.
Status: The WCB's culture and customer service excellence is being addressed through the implementation of a management system throughout all parts of the business with a focus on key performance results and continuous process improvement. Significant milestones were reached in 2020, with the design of new components within the WCB's Voice of the Customer strategy. In addition, further work was undertaken in 2020, with representation and input from employers and injured workers, to articulate the future state of our service delivery model in claims operations and develop a prioritized implementation related to associated changes under process, people and technology.
- 2. Board Structure and Governance:** Modernize board structure to reflect the diversity of skill sets required to guide the work of the WCB.
Status: In December 2018, the Minister proposed an increase in the number of board members at the WCB. Once appointed, there will be up to seven board members at the WCB:
 - one full-time chairperson
 - two full-time members (one representing workers and one representing employers)
 - up to four part-time members (two representing workers and two representing employers)
- 3. Appeals:** Significantly reduce the average number of days to a decision and communicate clearly with appellants throughout the process.
Status: Since 2015, Board Appeal Tribunal appeal wait times have decreased by 46 per cent. The WCB is reviewing processes to improve the days to appeal decision and plain language standards to improve appellant communications throughout the process.
- 4. Psychological Injury:** Strengthen the Psychological Injury Policy regarding post-traumatic stress disorder and mental health coverage for Saskatchewan workers.
Status: Psychological injury claims were addressed in 2016 with an amendment to *The Workers' Compensation Act, 2013* (the Act) to establish a rebuttable presumption for workers experiencing psychological injuries caused by workplace trauma. The psychological injuries policy was updated in 2017 to reflect the amendments to the Act and in 2019, the WCB developed a specialized unit focused on adjudicating and managing psychological injury claims. In 2020, a visioning event was held with customers to identify and prioritize improvements for workers and employers. In addition, WorkSafe Saskatchewan, in partnership with Dr. Joti Samra, registered psychologist and founder of MyWorkplaceHealth developed an online Psychological Health and Safety Resource Centre to assist employers and workers navigate the key principles and best practices associated with psychological health and safety.
- 5. Fatality Service Specialists:** Assign fatality service specialists to assist individuals and families affected by workplace fatalities and minimize the number of case workers per claim.
Status: The WCB's extended services department was established in 2016. Three staff currently



manage fatality, cancer-related and catastrophic injury claims, and are the primary contact for families and employers.

6. **Co-ordination of Benefits:** Co-ordinate benefits between the WCB and SGI to ensure that no worker is disadvantaged in the event of a work-related motor vehicle incident.

Status: This recommendation has been reviewed and no changes are necessary, as SGI provides a top-up to WCB benefits.

7. **Privacy Policy:** Repeal Sections 173 and 174 of *The Workers' Compensation Act, 2013* (the Act) to comply with the provisions of *The Freedom of Information and Protection of Privacy Act* (FOIP) and update the WCB's privacy policy to align with the changes.

Status: Sections 173 and 174 were not repealed. FOIP was amended instead. The provision in Section 173 of the Act stating that the worker can only use their file for the purposes of an appeal was removed from this section.

8. **Employer Resource Centre:** Establish an Employer Resource Centre, co-ordinated through the Office of the Workers' Advocate, dedicated to helping employers navigate the workers' compensation system.

Status: An Employer Resource Centre working group convened in mid-2018 to investigate the gaps in supports for employers navigating the workers'

compensation system. The Employer Resource Centre was established in September 2019.

9. **Communication and Surplus:** Increase transparency and awareness so the public understands the application of the surplus in the Funding Policy.

Status: This recommendation was reviewed, stakeholder consultation was conducted and no additional changes are required.

10. **Rate Review and Standard Discount:** Ensure best practices are fair and equitable for all employers and not excessively punitive for small employers.

Status: The experience rate review stakeholder committee meets every three to five years to recommend changes to the Experience Rating Program. The most recent review was completed in 2014, with changes to the program implemented in 2017. An experience rate review project is planned for 2021.

11. **Review Implementation and Oversight:** Strengthen ongoing communication with customers and stakeholders regarding Committee of Review recommendations and implementation.

Status: This recommendation will be addressed through the development of a WCB communication process.

Please see the WCB's website, www.wcbsask.com, for the full COR report and recommendations.



Fair Practices Office

The Fair Practices Office (FPO) is an independent office of the WCB. Established under Section 186 of *The Workers' Compensation Act, 2013*, the FPO reports to the board of directors through the chairperson. The FPO works to promote fairness in the services delivered by the WCB. It does so by:

- Responding and listening to the concerns raised by workers and their dependants, employers and external service providers.
- Working to resolve fairness issues as quickly and informally as possible.
- Identifying recurring fairness issues, reporting them to the WCB and, when appropriate, making recommendations for improvement.

Role

The role and mandate of the FPO is set out in the WCB policy, Fair Practices Office (POL 29/2016).

The FPO's role is to be an impartial, confidential and informal resource for workers and their dependants, employers, external service providers and for the WCB. As an impartial resource, the FPO does not take sides. It assesses each situation based on its own merits and works toward a fair resolution and improved services.

Mandate

The FPO can look at all areas of service delivered by the WCB, including:

- Delays in adjudication, communication, referrals and payments.
- Conduct of WCB staff.
- Concerns about verbal and/or written communication.
- Implementation of appeal findings.
- Revenue and employer accounts.
- Benefit payments.
- Misapplication of policy.

The FPO cannot look at matters outside of its mandate, including matters related to:

- The conduct and decisions of board members.
- Cases under appeal or in the appeal process.
- Appeal decisions made by the appeals department and the Board Appeal Tribunal.
- Changes in *The Workers' Compensation Act, 2013* or its Regulations.
- Alleged illegal or fraudulent acts.



Number of inquiries received and resolved

	2020	2019	2018	2017	2016
New inquiries received	352	401	355	375	425
New inquiries resolved	352	397	345	373	425

* Inquiries resolved are based on the number of closed inquiry files per year. Inquiries not resolved in one calendar year are carried over to the following year.

In 2020, the FPO received an average of 29 inquiry calls per month.

How inquiries were resolved

	2020	2019	2018	2017	2016
Completed by FPO without referral	270	276	250	274	250
Called the WCB for clarification	16	27	19	16	62
Referral to the WCB for review	52	71	60	83	113
Referred to outside entity	14	23	16	0	0
Total	352	397	345	373	425

The majority of inquiries to the FPO are concluded by FPO staff. This means that FPO staff members are able to assist the customer by answering their questions or providing them the information they needed to resolve their concerns.

In 2020, the FPO referred one in six inquiries back to the WCB decision-maker for either clarification or review/reconsideration of the decision. The FPO refers cases back for reconsideration of the decision based on several factors, such as the interpretation of policy, the use of discretion by the decision-maker or the availability of information to the decision-maker.

Outcome of referrals to the WCB

	2020	2019	2018	2017	2016
Decision changed	5	4	10	18	20
New action taken	40	53	41	59	85
Reviewed, but no change	7	14	9	6	8
Total	52	71	60	83	113

New inquiries

	2020	2019	2018	2017	2016
Worker	322 (91%)	362 (90%)	328 (92%)	350 (93%)	375 (88%)
Employer	23 (7%)	23 (6%)	20 (6%)	23 (6%)	46 (11%)
Other	7 (2%)	16 (4%)	7 (2%)	2 (1%)	4 (1%)
Total	352	401	355	375	425

In 2020, the majority of individuals who contacted the FPO identified themselves as injured workers.

Purpose of inquiry

	2020	2019	2018	2017	2016
Decision/decision-making process	323	339	304	344	377
Communication/services	60	124	113	126	114
Timeliness	34	63	40	36	51
General information	66	91	89	75	107
Other	10	28	5	5	4
Total*	493	645	551	586	653

* More than one issue can be raised per inquiry file.

Workers and employers contacted the FPO with a variety of questions and concerns that fall into four broad fairness categories:

- 1. Decision/decision-making process** – These are questions or concerns about a decision made or

the decision-making process used by WCB staff. Examples of this may include disagreement with decisions to accept or deny a claim, suspension or calculation of benefits, involvement in return to work or vocational plans and/or the application of applicable WCB policies to the claim.

2. **Communication and services** – These are questions or concerns related to a customer’s experience and level of satisfaction with the services provided by, or communication with, WCB staff and/or service providers. Examples of this may include unclear communication, difficulty contacting WCB staff or in having calls returned, communication that the customer views as disrespectful, concerns about accessing information in a timely manner or the release of information, or the sufficiency of information provided.
3. **Timeliness** – These are questions or concerns about the length of time it has taken the WCB to render a decision or provide a service related to

the claim. Examples of this may include perceived delays in making an initial decision to accept or deny a claim, perceived delays in making a decision to provide medical aid and/or delays in issuing benefits.

4. **General information** – These are questions or concerns about the WCB case management process, policies, procedures or legislation. It could also include information about the status of a claim and/or referrals to another WCB office or external organization that can assist the customer.

In 2020, the majority of inquiries received by the FPO were from workers concerned most about decisions made or the decision-making process used by the case manager on their claim file.

Response time to close new inquiries (% of inquiries)

	2020	2019	2018	2017	2016
0-7 days	74	70	68.5	64.9	56.7
8-30 days	20	23	23.7	26.8	34.8
Over 30 days	6	7	7.8	8.3	8.5
Total	100	100	100	100	100

In 2020, 74 per cent of the inquiries received by the FPO were concluded within seven calendar days.

COVID-19

In March 2020, the province declared a province-wide emergency in response to the COVID-19 pandemic. From April to December, 48 customers who called the FPO either had questions about the pandemic and its potential impact on their claim with the WCB, or raised issues they identified as being related to the pandemic.

Fifty per cent of the inquiries were related to concerns a customer identified as a delay in accessing medical

treatment. The delays identified were because of restrictions in the provincial health-care system as a result of public health orders and not in the control of the customer or the WCB. Typically, these dealt with closures of, or restrictions in, physiotherapy clinics.

Twenty-three per cent of inquiries involved customers seeking information about the WCB’s policies and procedures in the context of the pandemic.



New & Amended Policies & Procedures

Policy directives include policy and procedure documents that form the basis of decisions made, or actions performed, under *The Workers' Compensation Act, 2013*. Policies are authorized by the board members throughout the year to interpret legislation and regulations. Procedures are authorized by the CEO. They support policies and provide specific instructions for day-to-day tasks or functions required to implement policy.

**WCB policies and procedures
are available on the WCB's website,
www.wcbsask.com.**

The following policies and procedures were amended or introduced in 2020:

- COVID-19 Response – Employer Relief Measures – Late Payment Interest (ADM POL 02/2020)
- COVID-19 Response – Benefits When a Return to Work (RTW) Plan is Interrupted (ADM POL 03/2020)
- COVID-19 Response – Employer Relief Measures – Claim Cost Relief (ADM POL 04/2020)
- COVID-19 Response – Employer Relief Measures – Additional Employer Relief Measures (ADM POL 05/2020)
- Classification Change (POL 01/2020)
- Calculation of Probable Compensation (PRO 02/2020)
- Injuries – Firefighters (POL and PRO 03/2020)
- Physicians (PRO 04/2020)
- Annuities (POL and PRO 05/2020)
- Safety Associations (POL 06/2020)
- Maximum Wage Rates – 2021 (POL and PRO 07/2020)
- Maximum Assessable Wage Rate – 2021 (POL 08/2020)
- Minimum Average Weekly Earnings (Section 70(5)) (PRO 09/2020)
- Minimum Compensation (Section 75) (PRO 10/2020)
- Industry Premium Rates – 2021 (POL 11/2020)
- Employer Coverage and Registration (POL 12/2020)
- Independent Worker Coverage (POL and PRO 13/2020)
- Contracts Involving Equipment (POL 14/2020)
- Consumer Price Index (CPI) – Annual Increase – 2021 (PRO 15/2020)



Management Discussion & Analysis

The Management Discussion & Analysis (MD&A) is intended to provide an explanation of our financial position and results of operations for the year ended Dec. 31, 2020. The MD&A should be read in conjunction with the audited financial statements and supporting notes, as it complements and supplements these documents.

The board sets the strategic direction for the WCB. It is the role of the executive and management to lead staff to deliver excellence in service and create meaningful value for our customers. The primary driver behind all that the board does is the WCB's vision to eliminate injuries and restore abilities.



What governs the WCB throughout this process is its values — safety, respect for people, excellence, collaboration and being customer-focused. Those are the standards to which the WCB staff members hold each other accountable and against which the board's actions and decisions can be judged.

The last couple of years have seen the organization strive to improve the WCB customer experience through continuous process improvement. The organization's journey has seen the WCB strive to improve a little every day. While pursuit of daily continuous improvement remains a key component of the WCB's mission, the organization also realizes there are times when larger, system-level changes are required to keep pace with the changing needs of customers and ensure the WCB can continue creating meaningful value and deliver excellence in service. Last year marked the first steps in the WCB's business transformation journey.

In addition to taking these first steps toward business transformation, the organization was required to respond to the arrival of COVID-19 in Saskatchewan, as all other businesses were. As the external environment dictated in the early stages of the pandemic, the WCB responded to support the health and well-being of its staff and customers. The WCB also made a number of meaningful adjustments in support of its many employer customers. Many industries and businesses were hit hard financially as they dealt with the impact of shutdowns and economic uncertainty.

Despite the internal and external pressures, the WCB continued to advance a number of key initiatives and priorities in support of the strategic direction set by the board. Some highlights from 2020 include:

- The organization brought together WCB staff and customers to help the board **reimagine its claims processes** during a five-day value stream mapping event that culminated with several opportunities for improvement and key principles that will help guide the board forward. This event resulted in the following eight attributes, which are intended to be the guiding principles for the transformation of the claims process:

- The WCB wants to ensure that each claim represents a unique individual and not just a number.
- The WCB wants to ensure that it serves customers in the way that they want and need to be served.
- The WCB wants to maximize the ability to empower workers and employers to self-serve on things like claim status.
- The WCB wants to get it right the first time and get the right information to the right person at the right time.
- The WCB wants to build trusting and respectful two-way relationships with customers.
- The WCB wants to reduce the length of time that customers are waiting.
- The WCB wants to minimize hand-offs within its system, ensuring that any hand-offs are adding value to the experience.
- The WCB wants to communicate proactively with its customers.
- The WCB completed an independent **people, process and technology review** of its current systems and created a five- to seven-year draft high-level roadmap in support of business transformation, a transformation program that will see the organization invest in the processes, structures and technologies that will enable its staff to better serve WCB customers.
- The WCB welcomed three new members of the **executive leadership team** in support of its medium- to long-term strategic priorities and the overarching vision of its CEO.
- The WCB continued working to develop a more dynamic and holistic approach to capturing the **voice of the customer** and driving improvement, including the development of a brand promise that provides a measurable and meaningful standard for how the board interacts with its customers.
- The WCB continued investing in its **safety management system** as the organization supported close to 100 per cent of staff working

safely from home before activating a safe return to the workplace for many.

- The WCB continued investing in **workplace injury prevention** through the wide range of initiatives contained in WorkSafe Saskatchewan's Fatalities and Serious Injuries Strategy, including resources to help workers and employers effectively deal with COVID-19, psychological health and safety, cancer prevention, falls from heights and motor vehicle crashes.

Further in the MD&A, the WCB will expand on five key areas where it is focusing and monitoring the degree to which it is improving the customer experience:

- **safety** • **quality** • **timeliness**
- **people** • **financial**

These are known collectively as the WCB's True North objectives. The board monitors key performance metrics under each area to assess whether its collective activities are positively impacting the customer experience.

In the years ahead, as the WCB continues to take steps to transform its business and service delivery,

the organization will continue to pursue excellence, with a focus on the development of its culture. The WCB will prepare its staff and customers for the transformative change that is ahead of everyone over the next number of years. The board will also continue to strive for daily continuous improvement, learning how to get better every day.

The WCB will continue to engage customers in meaningful two-way dialogue that informs its priorities and decision-making, and assists the board in improvement. The organization will continue to communicate and reinforce positive behaviours across its teams that provide the platform for the organization's culture and celebrate the significant achievements that bring everyone closer to the WCB's vision and mission. These commitments are everlasting and universal.

As the WCB closed out the year, the executive team was grateful for the dedication and commitment of WCB staff and the patience of customers, the workers and employers of Saskatchewan, during the most difficult year in everyone's collective memories. The WCB is excited to be able to look toward an exciting and engaging future for WCB staff and customers.



Phillip Germain
Chief Executive
Officer



Crystal Nett
Chief Financial Officer &
Vice-President,
Corporate Services



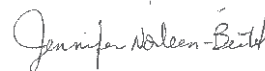
George Georgiadis
Chief Technology Officer
& Vice-President,
Business Intelligence



Kevin Mooney
Vice-President,
Prevention &
Employer Services



Stuart Cunningham
Vice-President,
Human Resources,
Communications & CPI



Jennifer Norleen-Beitel
Vice-President,
Operations



Enterprise Risk Management

Enterprise risk management identifies risks to achieving strategic and operational success, and the actions required to mitigate those risks.

The WCB uses identified risks as a reference in strategic and operational planning, which prioritizes process improvement initiatives and projects to reduce or mitigate identified risks.

The identification and evaluation of risks is completed by senior management, with the board reviewing the results.

The top risks identified by senior management in 2020 were:

Employee relations, managing change and uncertainty	Significant change and uncertainty can create significant stress on employee relations, and by extension our customers, particularly when not handled well.
Health, wellness, safety and security	There are risks of health, wellness, safety and/or security issues to employees and visitors of the organization.
Cybersecurity	There is a risk that the WCB will be the victim of an internal or external security attack that will affect system availability and performance, compromise data integrity or gain unauthorized access to data.



Claims management	There is a risk that the claim acceptance, payments, management process and decisions will not comply with applicable policies, procedures and/or service level agreements (expectations).
Integrated planning	There is a risk that the structure, processes and service delivery model prevent the WCB from effectively developing and executing integrated, multi-departmental plans.
Asset liability management	There are financial risks related to economic capital, investments, liquidity, catastrophic events, insurance products and claims.
Customers/stakeholders	There is a risk that the WCB is failing to adequately consider and develop effective relationships with customers and partners/stakeholders, or adequately respond proactively to customers and partners/stakeholders.
IT strategy and roadmap	There is a risk that the technology and organizational strategy are not aligned, resulting in an inappropriate allocation of resources to IT to support operational requirements, an inappropriate use of IT or IT infrastructure, and an incapacity to support business needs.



WCB True North



The WCB's True North objectives guide the organization toward a culture of continuous process improvement and are core to creating a customer-centric organization.

True North	Definition
Customer Experience	Workers and employers deserve excellent service. That is what employers pay for.
Safety	Every injury is predictable and preventable. Our customers rely on us to help them eliminate injuries. Our staff deserve to work in a safe and secure environment.
Quality & Timeliness	Customers rely on us to deliver service at the right time, when they need it. We owe our customers defect-free service.
People	Our people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve our customers.
Financial	Customers expect us to deliver value through our services and programs at a fair and reasonable cost and to meet all our obligations now and in the future.

	2020 annual objective measures	2019 actual	2020 target	2020 actual
	Injured worker survey - overall satisfaction Q1 and Q3 survey	4.02* out of 5	4.2 out of 5	4.21* out of 5
	Employer survey - overall satisfaction Q2 and Q4 survey	4.18* out of 5	4.2 out of 5	4.19* out of 5
	Total external number of accepted injuries (self-insured claims and fatalities included)	21,945	19,970	18,290
	WCB staff - internal number of accepted injuries	6	4	10
	Payment defects (recalculations)	4,800	3,600	3,786
	Percentage of files with premium adjustments	68%	33%	53%
	12-month rolling average durations of Time Loss claims (days)	41.52	38	45.27
	Staff engagement survey	6.0 out of 10	8 out of 10	6.7 out of 10
	Improvement ideas implemented**	-	500	724
	Funded position	115.1%	105% - 120%	112.4%
	Total admin & claim costs/total claims	\$2,997	\$2,700	\$3,564

* 2019 and 2020 results are a composite of quarterly results through the year.

** Tracking for improvement ideas implemented began in 2020.



2020 Operational Highlights

The WCB's reporting highlights focus on five key areas of the customer experience:

- **safety**
- **quality**
- **timeliness**
- **people**
- **financial**

These areas, which the WCB refers to as its True North objectives, provide the framework within which the organization serves its customers. The WCB's True North objectives are derived from its vision, mission, values and principles. They reflect how the board will strive to better meet the needs of its customers at an operational level.



Within these five areas, the WCB will report through the voice of the customer on worker and employer satisfaction, which represents customers' overall experience with the WCB.

Through its safety objective, this section will share the 2020 provincial injury rates, fatalities and serious injuries, as well as Time Loss and No Time Loss claims statistics. This area will touch on major initiatives introduced in 2020.

Under quality and timeliness, the WCB will outline improvements made in the past year to the claims process and share updates on claim durations and return to work. This section also highlights improvements made to help customers navigate the compensation system.

In the people-focused section, it will detail WCB employee engagement and reflect on development of the WCB's strategy deployment system, organizational development efforts and the transformative work focused on the WCB culture.

In the financial report, it will provide an in-depth review of the WCB's financial results in 2020, which will include claim costs, administrative costs and the WCB's funded position.





4.21
out of 5
**Injured workers’
overall satisfaction**
with the WCB’s quality
of service



4.19
out of 5
**Time Loss employers’
overall satisfaction**
with the WCB’s quality
of service



Voice of the Customer

In 2020, the WCB further developed its organization-wide Voice of the Customer (VoC) system to identify areas to improve the WCB customers' experience. The VoC system is designed to gather customer feedback about their experiences and expectations.

The priority of the VoC system is to ensure that customer feedback is listened to and informs decision making and improvement efforts across the business.

In 2020, the customer experience was primarily tracked through quarterly surveys. However as the VoC program has evolved, customer feedback has been gathered on processes customers have identified as pain points. In 2020, in-depth research was completed on the Employer's Payroll Statements (EPS) submission process based on previous customer feedback.

Each year, the WCB completes quarterly surveys alternating between workers and employers. These comprehensive surveys touch on the quality of service that the WCB is able to provide to our customers. The surveys track customer opinions on high quality service, high standard of values and overall satisfaction, while also tracking perceptions of the WCB's website and return-to-work services.

The quarterly surveys also allow plenty of room for customers to provide verbatim comments to the WCB. The cumulative reports, complete with scoring and comments, allow the WCB to assess areas of strength, as well as identify areas for improvement.

Worker feedback

The WCB collects scores from injured workers on a wide variety of qualities. These can generally be grouped into

Worker service feedback

■ Measure
— Target 4.20

* 2019 and 2020 results are a composite of quarterly results through the year.



high quality of service (HQS) and high standard of values (HSV). The HQS measures the quantitative service attributes of the WCB, such as performing services correctly and keeping promises. The HSV measures the more qualitative aspects of the WCB, such as honesty, politeness and fairness. This takes into account the more personal attributes that WCB employees provide to injured workers.

In 2020, the overall customer satisfaction score for workers was 4.21 out of five. This is up from 4.02 in 2019. In the quarter one survey, completed during the early stages of the COVID-19 pandemic and the WCB's transition to working remotely, customer satisfaction scores were the highest they have ever been. The quarter three scores, while generally above the 2019 scores, returned to normal levels.

The quarterly survey tracks customers' levels of agreement with statements regarding the HQS and HSV and overall satisfaction, which together form the basis of the overall customer satisfaction score.

Injured worker satisfaction survey results included:

Attribute	2019	2020
When my WCB representative made a promise to do something by a certain time, they did it.	4.07 (out of 5)	4.17 (out of 5)
My WCB representative kept me informed on the status of my claim.	3.98 (out of 5)	4.13 (out of 5)
My WCB representative clearly explained how my claim was decided.	3.74 (out of 5)	3.92 (out of 5)
My WCB representative was honest.	4.45 (out of 5)	4.52 (out of 5)
I was treated fairly.	4.25 (out of 5)	4.37 (out of 5)

Injured worker scores are aggregate scoring from Q1 and Q3 scoring.

A response from an injured worker was:

“I was very satisfied from the beginning. I'm by myself, I'm a senior citizen and my injury required extensive surgery. They made it as easy as they could for me. They arranged this and that. All I had to do was get to doctor and physio appointments. I didn't have to prove anything, the ambulance picked me up from work and the WCB paid that. It was clear from the beginning that it was a work injury by the circumstances. They let me ramble when I talked to them, they were fair and I feel they explained what I needed to do and asked if I needed anything multiple times. They've treated me very fairly and made it clear for me to heal up.”

Employer feedback

The WCB collects scores from employers on a wide variety of qualities. These can generally be grouped into high quality of service (HQS) and high standard of values (HSV). The HQS measures the quantitative service attributes of the WCB, such as clear verbal communication and ease of accessing WCB services.

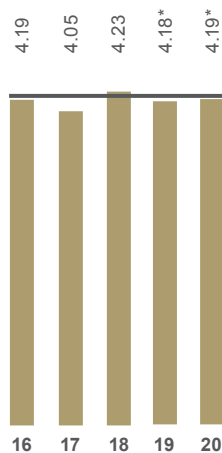
The HSV measures the more qualitative aspects of the WCB, such as honesty, politeness and fairness. This

Employer service feedback

■ Measure

— Target 4.20

* 2019 and 2020 results are a composite of quarterly results through the year.



takes into account the more personal attributes that WCB employees provide to employers.

The 2020 overall satisfaction score from employers was 4.19 out of five, which is up from 4.18 a year ago. The WCB did not see the same increase to scores from employers during the pandemic that occurred with the worker surveys. Responses were in line with previous years.

The quarterly survey tracks customers' levels of agreement with statements regarding the HQS and HSV and overall satisfaction, which together form the basis of the overall employer satisfaction score.

Employer satisfaction survey results included:

Attribute	2019	2020
The WCB was honest.	4.45 (out of 5)	4.45 (out of 5)
I was treated fairly.	4.34 (out of 5)	4.30 (out of 5)
The WCB was knowledgeable.	4.31 (out of 5)	4.34 (out of 5)
The WCB was quick to resolve problems.	3.45 (out of 5)	3.38 (out of 5)
Overall, I was satisfied with the ease of accessing WCB services.	4.07 (out of 5)	4.14 (out of 5)

Employer scores are aggregate scoring from Q2 and Q4 surveys.

A response from an employer was:

“I have been at this a long time; the difference in the WCB 20 years ago to now is phenomenal. The people used to be quite curt and they did not understand when someone got hurt, they needed money. Everyone is polite, respectful and professional now, and claims go through quickly, so employees do not suffer.”



1.78

Time Loss injury rate
per 100 workers
(includes Time Loss + fatalities)



34

2020 fatalities

4.46

Total injury rate
per 100 workers





Safety Highlights

The WCB is relentlessly pursuing safety, to ensure all workers within our province have the healthy and safe workplace they deserve.

Every injury is predictable and preventable. WCB customers rely on the organization to help them eliminate injuries.

This is the essence of the WCB's vision statement – we eliminate injuries and restore abilities.

Objectives:

- By Dec. 31, 2020, there would be a 10 per cent reduction in workplace injuries and fatalities.
 - In 2020, there was a 16 per cent reduction in workplace injuries and a six per cent reduction in workplace fatalities.
- By Dec. 31, 2020, there would be a 10 per cent reduction in total injuries in health care.
 - In 2020, the total number of injuries in health care decreased by 4.2 per cent (to 3,754 in 2020 from 3,920 in 2019).

2020 Top Injuries

2020 top five rate codes with injuries*

Rate code	Number of claims accepted
G22 Health authority, hospitals, care homes	3,754
G31 Cities, towns, villages, RMs	1,012
S21 Community and social services	832
T42 Transportation, courier, commercial bus	752
C32 Grocery, department store, hardware	751

* All claims reported and accepted in 2020, excluding self-insured.

2020 top five occupations with injuries*

Occupation	Number of claims accepted
Nurse aides, orderlies and patient service associates	1,428
Retail salespersons and sales clerks	770
Truck drivers	753
Material handlers	746
Registered nurses	728

* All claims reported and accepted in 2020, excluding self-insured.

2020 top five injured body parts*

Part of body	Number of claims accepted
Hand	3,294
Back	2,977
Leg	2,429
Arm	1,755
Head	1,361

* All claims reported and accepted in 2020, excluding self-insured.

2020 injuries by age & gender*

Age	Male	Female	Total
Under 25	1,733	926	2,659
25-34	2,763	1,603	4,366
35-44	2,432	1,532	3,964
45-54	1,987	1,487	3,474
55-64	1,683	1,178	2,861
65 and over	422	196	618
Unknown age**	1	1	2
Total	11,021	6,923	17,944

* All claims reported and accepted in 2020, excluding self-insured.

** At time of publication, there were two claims with unknown age.

Injury Rates

RATE CODE	DESCRIPTION	TIME LOSS INJURY RATE*					TOTAL INJURY RATE				
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
All class**		1.78%	1.86%	1.99%	1.86%	1.86%	4.46%	4.95%	5.44%	5.25%	5.55%
A11	Light Agricultural Operations	3.13%	4.37%	5.10%	5.36%	4.95%	8.37%	10.81%	10.57%	11.16%	12.04%
A21	Farming & Ranching	1.61%	2.01%	2.26%	2.51%	1.22%	3.63%	4.01%	4.07%	4.76%	3.51%
A31	Grain Elevators & Inland Terminals	0.91%	0.59%	0.61%	0.48%	0.42%	2.29%	2.73%	2.55%	2.66%	2.59%
B11	Construction Trades	1.95%	2.09%	2.44%	2.10%	2.21%	6.90%	7.37%	8.31%	8.02%	9.80%
B12	Residential Construction	3.05%	3.15%	3.18%	2.71%	3.17%	7.76%	7.70%	8.54%	8.04%	8.34%
B13	Commercial, Industrial Construction	1.54%	1.57%	2.06%	1.84%	1.37%	5.60%	6.59%	7.45%	6.45%	5.35%
C12	Light Commodity Marketing	1.09%	1.09%	1.07%	1.15%	1.07%	2.74%	3.01%	3.06%	2.96%	3.12%
C32	Grocery, Department Stores, Hardware	1.53%	1.57%	2.00%	1.75%	1.81%	4.06%	4.29%	4.96%	4.68%	4.86%
C33	Wholesale, Chain Stores	3.08%	2.89%	2.87%	3.22%	2.91%	6.76%	7.39%	6.86%	7.07%	7.85%
C41	Co-operative Associations	2.03%	2.32%	2.40%	2.44%	2.37%	4.91%	5.42%	5.92%	6.35%	7.40%
C51	Lumber Yard, Builders' Supplies	2.85%	2.36%	2.45%	2.56%	3.27%	6.93%	6.13%	6.71%	7.02%	8.65%
C61	Automotive, Implement Sales & Service	1.12%	1.35%	1.27%	1.37%	1.33%	3.20%	3.70%	4.04%	4.18%	4.21%
C62	Automotive Service Shops, Towing	1.20%	1.72%	1.57%	1.63%	1.79%	4.21%	5.23%	5.28%	5.07%	5.66%
D32	Operation of Oilwells	0.40%	0.61%	0.48%	0.32%	0.55%	1.54%	2.07%	2.20%	2.48%	2.77%
D41	Oilwell Servicing	1.71%	1.39%	2.07%	2.01%	1.54%	4.85%	5.78%	7.06%	6.89%	6.69%
D51	Service Rigs, Water Well Drilling	1.60%	1.91%	2.07%	2.08%	1.82%	7.07%	8.74%	11.38%	12.61%	10.60%
D52	Seismic Drilling	1.48%	1.32%	1.83%	2.19%	0.88%	5.04%	6.28%	9.24%	8.87%	4.51%
D71	Open Pit Mining	2.11%	1.79%	2.25%	1.78%	3.25%	6.67%	6.52%	7.99%	14.15%	11.88%
D72	Underground Softrock Mining	0.67%	0.65%	0.49%	0.73%	0.65%	3.78%	3.72%	5.11%	5.44%	13.50%
D73	Underground Hardrock Mining	0.99%	0.83%	0.83%	0.64%	0.52%	3.68%	3.89%	3.91%	4.04%	3.77%
G11	Post Secondary Education	0.37%	0.70%	0.89%	0.66%	1.16%	1.53%	2.19%	2.48%	2.89%	3.29%
G12	Elementary & Secondary Education	2.00%	2.66%	2.87%	2.49%	2.43%	4.88%	6.95%	6.94%	6.25%	6.17%
G22	Health Authority, Hospitals, Care Homes	3.57%	3.39%	3.50%	3.25%	3.37%	7.17%	7.22%	7.90%	7.48%	7.96%
G31	Cities, Town, Villages, RMs	3.04%	3.31%	3.30%	2.99%	2.82%	7.35%	8.29%	9.30%	8.57%	8.59%
G51	Government of Saskatchewan & Ministries	1.69%	2.01%	1.82%	1.78%	1.97%	3.52%	4.55%	5.00%	4.75%	6.21%
M31	Manufacturing, Pipeline Operations	0.55%	0.70%	0.55%	0.53%	0.49%	1.64%	1.96%	1.82%	2.00%	1.34%
M33	Refineries and Upgrader	0.73%	0.41%	0.72%	0.51%	1.18%	2.69%	1.88%	2.31%	1.99%	3.23%
M41	Dairy Products, Soft Drinks	2.41%	2.83%	2.91%	3.18%	3.24%	9.80%	8.48%	9.97%	11.37%	12.02%
M42	Bakeries, Food Prep & Packaging	2.19%	2.08%	1.99%	2.28%	1.72%	5.98%	6.49%	6.60%	6.55%	4.66%
M62	Mills, Semi Medium Manufacturing	2.97%	3.09%	3.71%	3.83%	3.58%	8.76%	9.06%	9.84%	10.14%	11.30%
M72	Processing Meat, Poultry and Fish	4.74%	4.79%	5.31%	4.04%	4.25%	13.39%	13.17%	16.22%	14.09%	12.48%
M81	Metal Foundries & Mills	2.65%	2.49%	3.00%	2.16%	2.35%	7.45%	8.68%	9.61%	8.26%	7.10%
M91	Agricultural Equipment	2.55%	2.51%	3.08%	2.53%	2.68%	7.08%	8.60%	10.87%	10.72%	10.15%
M92	Machine Shops, Manufacturing	2.61%	2.33%	2.85%	2.64%	2.36%	8.10%	8.32%	10.31%	9.15%	8.31%
M94	Iron and Steel Fabrication	2.81%	3.13%	3.06%	3.12%	3.05%	9.44%	11.25%	11.53%	11.84%	10.62%
R11	Road Construction and Earthwork	1.37%	1.25%	1.42%	1.62%	1.69%	4.48%	4.56%	5.34%	5.49%	5.91%
S11	Legal Offices, Financial, Drafting	0.16%	0.15%	0.23%	0.34%	0.21%	0.35%	0.62%	0.56%	0.72%	0.68%
S12	Offices, Professionals	0.34%	0.41%	0.48%	0.35%	0.38%	0.98%	1.38%	1.50%	1.32%	1.57%
S21	Community & Social Services	1.03%	1.22%	1.33%	1.04%	1.00%	2.49%	2.93%	3.13%	2.58%	2.58%
S22	Restaurants, Catering, Dry Cleaning	1.04%	0.94%	1.05%	0.97%	1.07%	2.22%	2.33%	2.60%	2.64%	2.98%
S23	Hotels, Motels, Taxis	1.11%	1.36%	1.42%	1.22%	1.31%	2.61%	2.94%	3.28%	2.98%	3.28%
S32	Personal, Business & Leisure Services	1.55%	2.00%	1.88%	1.92%	1.73%	4.47%	5.16%	5.00%	5.20%	5.07%
S33	Caretaking, Park Authorities	1.24%	1.13%	1.94%	1.29%	1.20%	3.57%	4.16%	4.73%	4.06%	4.32%
S41	Engineering, Testing & Surveying	0.30%	0.34%	0.51%	0.53%	0.43%	1.13%	1.26%	1.68%	1.68%	1.69%
T42	Transportation, Courier, Commercial Bus	3.66%	3.67%	4.59%	4.34%	4.14%	7.40%	7.94%	10.31%	9.93%	9.05%
T51	Operation of Railways	1.47%	1.50%	1.92%	1.93%	0.96%	2.66%	3.01%	4.08%	3.74%	2.83%
T61	Commercial Air Transportation	1.06%	1.13%	1.62%	1.76%	1.65%	2.19%	4.06%	4.37%	4.08%	4.14%
U11	Telecommunications	1.64%	1.41%	1.30%	0.91%	1.80%	3.38%	3.04%	3.14%	2.25%	3.49%
U31	Electric Systems	0.55%	0.42%	0.53%	0.42%	0.80%	3.08%	3.65%	3.22%	2.70%	4.37%

The injury rate equals the number of claims divided by the number of workers covered. Beginning in 2019, fatalities are included in injury rates. The number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.

* Time Loss injury rate definition includes Time Loss + Fatalities in 2019 & 2020.

** All class injury rates exclude self-insured claims and workers.

Injury prevention programs and services

Time Loss injury rate¹ – 2020: 1.78 per 100 workers
(2019: 1.86 per 100 workers)

Total injury rate – 2020: 4.46 per 100 workers
(2019: 4.95 per 100 workers)

Total claims reported – 2020: 23,746 (2019: 28,865)

Total claims accepted² – 2020: 17,944 (2019: 21,473)

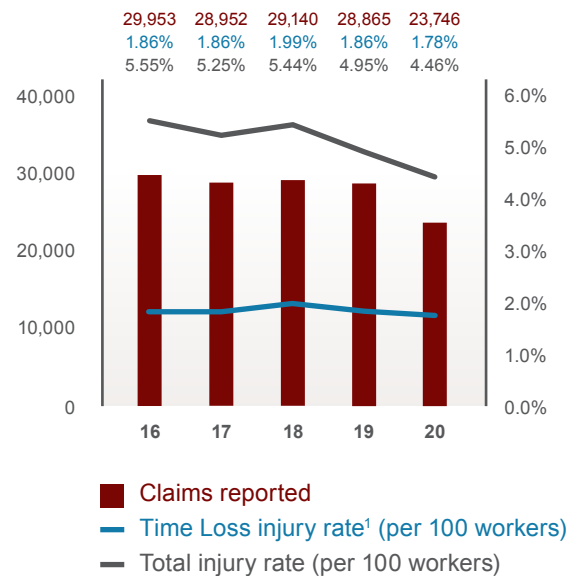
The WCB was founded to assist workers and employers in the case of a workplace injury. The compensation system protects employers from lawsuits and provides benefits and support to injured workers. To that end, the WCB invests heavily in injury prevention, working toward the organization’s goal of Mission: Zero – zero injuries, zero fatalities and zero suffering.

In 2020, the WCB, along with health and safety prevention efforts from our customers and partners in the province of Saskatchewan, achieved significant reductions in the workplace Total injury rate, with a drop of 56.32 per cent from 2008 to 2020. In 2020, the Total injury rate, as well as the Time Loss injury rate¹, decreased.

The WCB covered 31,316 fewer workers in 2020 and accepted 3,529 fewer claims in 2020 at 17,944 claims². Of those, 10,788 were No Time Loss claims and 7,134 were Time Loss claims, which is 902 fewer than in 2019. There was a 16 per cent decrease in the number of claims accepted from 2019 to 2020.

The 2020 Time Loss injury rate¹ was 1.78 per 100 workers, a decrease of 0.08 per 100 workers or 4.3 per cent from 2019. The WCB’s vision speaks to eliminating workplace injuries. This is why the WCB also calculates a Total injury rate that includes accepted No Time Loss, as well as Time Loss and fatality claims. At Dec. 31, 2020, the Total injury rate was 4.46 per 100 workers, a 9.9 per cent decrease from 2019.

Claims reported and injury rates



COVID-19 response

To manage exposure to COVID-19 in workplaces, WorkSafe Saskatchewan (the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety) created multiple resources on information surrounding preventative measures. These resources included information on ergonomic hazards, information for working from home, managing mental health and how to conduct a hazard assessment and develop exposure control plans.

WorkSafe launched a COVID-19 e-course for employers and workers that provides practical knowledge and training to maintain safe workplaces during the pandemic, and in-person training transitioned to a virtual training platform.

¹ Time Loss injury rate definition includes Time Loss + fatalities in 2019 and 2020.

² Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.

Fatalities and serious injuries

Fatalities and serious injuries continued to be priorities for the board in 2020 and will continue to be the focus going forward. The WCB accepted 34 fatality claims in 2020, compared to 36 in 2019. This is a decrease of six per cent. These fatalities occurred in 28 per cent of 50 industry rate codes.

Last year, WorkSafe’s focus was on the top three industries with the highest number of serious injuries – health care, transportation, and cities, towns, villages and rural municipalities.

In 2020, WorkSafe continued to implement initiatives outlined in the Fatalities and Serious Injuries Strategy.

Although Time Loss¹ and Total injury rates² have seen a slow and steady decline, there remains a consistent number of serious injuries and fatalities (approximately 2,500 annually) that are accepted by the WCB. In 2019, there were 2,557 serious injuries³ accepted. In 2019, approximately 12 per cent of all injuries met the serious injury definition and these injuries accounted for approximately 72 per cent of claim costs⁴.

WorkSafe’s focus in 2020 was in the following eight areas:

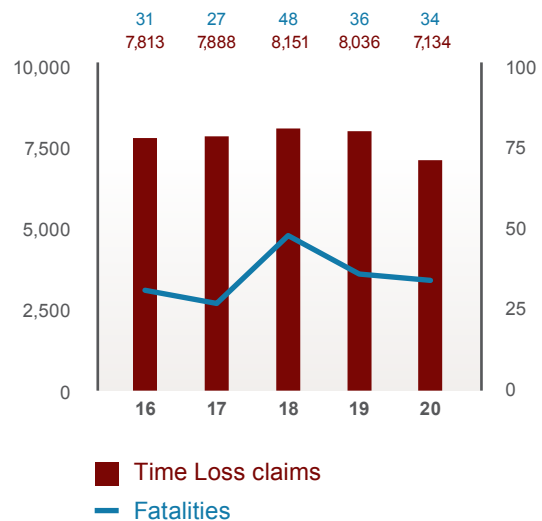
- asbestos exposures
- work-related motor vehicle crashes

³ The definition of a serious injury includes the following criteria:

1. If a claim is a fatality.
2. If a claim has 50 or more days of compensation paid.
3. If a claim has a Ministry of Labour Relations and Workplace Safety (LRWS) referral flag.
4. If a claim is a primary psychological/mental health claim.
5. If a claim includes a permanent functional impairment (PFI) greater than or equal to 10 per cent.

⁴ For serious injuries, 2019 is the most recent data available.

Time Loss claims and fatalities

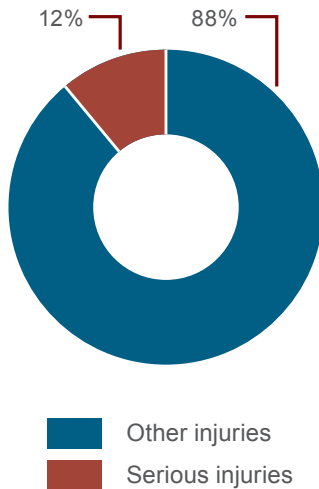


- firefighter cancer exposures
- falls from heights (construction industry)
- health care
- transportation
- first responders (psychological injuries)
- manufacturing (specifically hand injuries)

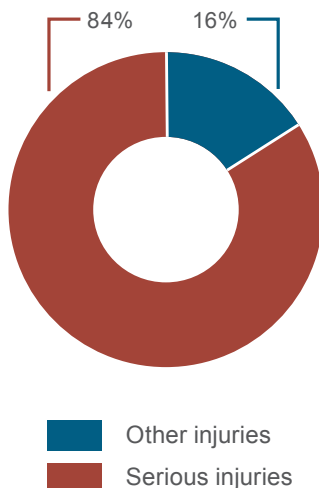
Work in these focused areas included creating additional resources on the WorkSafe website, developing marketing campaigns and working closely with employers and organized labour by creating partnerships with a common goal to reduce serious injuries.

More information on the Fatalities and Serious Injuries Strategy can be found on the WorkSafe website at www.worksafesask.ca/prevention/serious-injuries-and-fatalities.

Serious injuries 2019⁵



Compensation days 2019⁵



Priority employers' injury rates

WorkSafe continued working with priority employers who were identified based on total injury numbers. Priority employers receive assistance from the Occupational Health and Safety (OHS) division, the WCB and their funded safety associations to assess their safety systems, receive training and improve their injury rates.

The number of employers currently involved in this program at the end of 2020, excluding health-care firms, is 137. These employers accounted for 2,809 claims in 2020, or 16 per cent of all claims accepted in 2020.

The 2020 priority firm Total injury rate was 4.85 per cent, which is an 18.35 per cent reduction from the 2019 priority firm Total injury rate of 5.94 per cent. WorkSafe's target was a 15 per cent reduction in the priority firm injury rate. In 2020, 52 per cent of priority employers met that target.

WorkSafe also worked with a priority list of transportation companies in 2020. These companies were chosen based on the number of serious injuries that took place within their organizations. These employers are outside of the regular priority employer group and in 2020 they showed a 29.07 per cent decrease in their Total injury rate, from 10.95 per cent in 2019 to 7.77 per cent in 2020.

Psychological injuries

Psychological injuries continue to rise in the province. The highest number of psychological injuries are among first responders, corrections workers and those working in health care. Over the past five years, the WCB has seen an increase in the number of psychological injury claims accepted. From 2016 to 2020, the WCB has accepted 1,128 psychological injury claims. The number of accepted psychological injury claims has increased to 274 in 2020 from 109 in 2016.

WorkSafe Saskatchewan formed a partnership with Dr. Joti Samra, a registered psychologist from MyWorkplaceHealth. Together, WorkSafe and Dr. Samra are developing a long-term strategy, which will include resources to assist Saskatchewan employers in dealing with psychological health issues in the workplace.

⁵ For serious injuries, 2019 is the most recent data available.

As part of the strategy, Dr. Samra and WorkSafe began working on the creation of an online Psychological Health and Safety Resource Centre, which provides valuable tools and information on how to implement psychological health and safety into workplaces. The centre contains information for employers and workers. The resource centre was announced in early December 2020 and coincided with WorkSafe's third annual psychological health and safety in the workplace learning event. The event featured psychological health experts who discussed psychological health and safety in the workplace. In total, close to 1,000 people registered for this virtual event.

Violence injuries

Workplace injuries caused by violence are one of the top four causes contributing to the biggest increases in serious injuries in Saskatchewan, to 6.2 per cent of total claims in 2020 from 2.9 per cent of total claims in 2013. There were 1,129 injuries in 2020 from assaults and violent acts. This is a 3.4 per cent decrease from 2019, when there were 1,169 violence-related injuries, amounting to 5.3 per cent of all accepted injuries. The risk of violence is a concern to employers and workers in various industries.

WorkSafe partnered with the Saskatchewan Association for Safe Workplaces in Health (SASWH) to develop and roll out a provincial violence framework strategy. The objective is to build capacity within the health-care industry to prevent incidences of workplace violence, as well as to expand the framework to other industries. Promotion of the violence framework toolkit and training took place, which led to increased activity.

Work started with some employers in health care on the use of this framework to address violence in their organizations. This workplace violence prevention program fits effectively into the safety management system.

WorkSafe continues in the partnership with SASWH to improve health and safety in the education sector, with a focus on the top three hazards that occur in the industry, to develop countermeasures to reduce the risk of those hazards. Violence is an issue in the education sector as well as in the health-care industry.

Health-care injuries

In 2020, the total number of injuries in health care decreased by 4.2 per cent, to 3,754 in 2020 from 3,920 in 2019. The WCB's prevention department collaborated with this sector on initiatives to reduce serious injuries.

WorkSafe also partnered with Bridges Health to complete ergonomic assessments on tasks that were causing serious injuries in health-care and identify recommendations for prevention.

Youth injuries

Each year, approximately 3,400 youth under the age of 25 are injured on the job and an average of two will die from a workplace incident. There were 2,659 youth injuries in 2020. This is a 20.86 per cent decrease from the 3,360 youth injuries in 2019. The 2020 youth injuries represent 14.8 per cent of all injuries accepted by the WCB. There were no youth fatalities in 2020, a decrease from one in 2019.

WorkSafe reaches youth, their teachers and their employers through face-to-face meetings, presentations, events, the annual youth video contest and training resources. In 2020, WorkSafe delivered 10 presentations to just over 700 students, which is down from the year before due to the impacts of COVID-19.

WorkSafe sits on the Canadian Co-ordinators for Young Worker Safety (CCYWS) committee. This committee completed a jurisdictional scan and identified a gap in mental health resources for youth. The focus for this committee will be to provide mental health resources for young workers.

WorkSafe invests in providing safety education and awareness to youth by continuing to support the Career Safety Education Program at the Saskatchewan Safety Council and the Ready for Work Program at the Saskatchewan Federation of Labour, among other initiatives and strategies.

Fatalities & Serious Injuries Strategy

WorkSafe Saskatchewan, the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety, has challenged its traditional approach to fatalities and serious injuries. In 2019, WorkSafe unveiled a three-year strategy reflecting the complexity of issues required to address serious injuries and fatalities in our province. From 2010 to 2019, the WCB accepted 390 fatalities for Saskatchewan workers who died while on, or as a result of, their job.¹

Based on a new WCB internal definition of a serious injury, data indicates that from 2010 to 2019, 25,175 workers suffered a serious injury, which often resulted

in life-altering implications for the individual and their family. Closer analysis of this data indicates that there are approximately 2,500 serious injuries annually and this key indicator has not been decreasing.

Analysis of WCB's fatality data led to four focused priorities:

- asbestos exposure
- work-related motor vehicle crashes (MVC)
- firefighter cancer exposure
- falls from heights



390

fatalities in Saskatchewan over 10 years (2010-2019).¹



25,175

serious injuries over 10 years (2010-2019) (**2,500 annually**).¹



#1 cause

of acute fatalities 2010-2019 is still motor vehicle crashes.¹



70%

of occupational disease fatalities 2010-2019 were asbestos-related.¹



28%

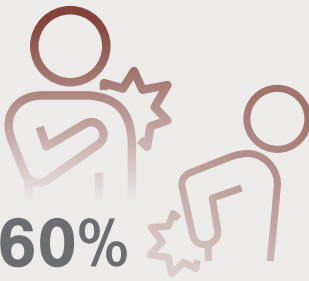
of all serious injuries between 2010 and 2019 were in health care and transportation. They are still the top two industries with serious injuries.¹

¹ For serious injuries, 2019 is the most recent data available.



20%

of occupational disease fatalities 2010-2019 were firefighter cancers.¹



60%

of all serious injuries are back, leg, shoulder and arm injuries. This is still true for 2019 (60.2%).¹



18%

of all accepted claims are hand injuries (2019 at 20.7% and 2020 at 18.4%).

The Fatalities and Serious Injuries Strategy will review what WorkSafe has done and the current state, and determine a new course to continue the drive to Mission: Zero.

The three-year strategy will reflect the complexity of these issues. It has been developed to prioritize and address the high-risk industries and the tasks within the industries that are resulting in these fatalities and serious injuries.



WorkSafe
SASKATCHEWAN

Work to live.



WELCOME TO THE

Psychological Health & Safety

RESOURCE CENTRE

Access the resource centre here:
www.worksafesask.ca/resources/psych-health-safety-resource-centre/

WorkSafe Saskatchewan has partnered with Dr. Joti Samra to create a range of free resources that can help employers, leaders and workers enhance the psychological health and safety of their work environment.

Toll free: 1.800.667.7590
Email: worksafeinquiry@wcbssask.com



WorkSafe[™]
SASKATCHEWAN

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INTRODUCING THE WCB'S

Psychological Injuries Unit

Customer feedback suggested the need for better support of injured workers with their psychological injury claims.

That's why the psychological injuries unit was established in the fall of 2019. Since then, claims decision times have been reduced by 12 days. The unit provides quicker access to treatment and accepts more claims than before. Overall, there has been a five per cent increase in accepted claims since the unit started.

The WCB covers psychological injury claims that develop as a direct response to work-related traumatic events.





45.27 days

Average durations
of claims



3,786

Payment defects
(recalculations)



Quality & Timeliness Highlights

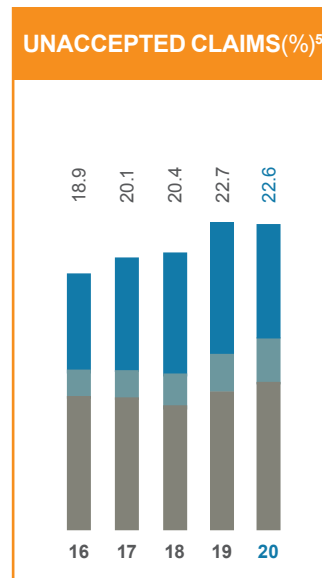
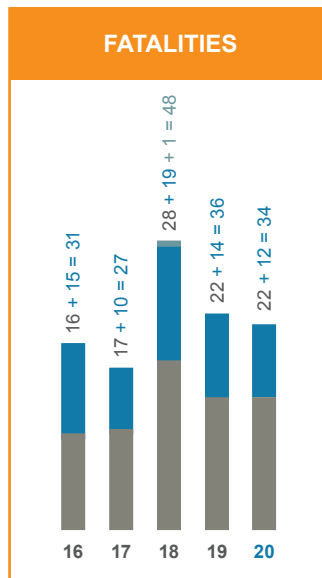
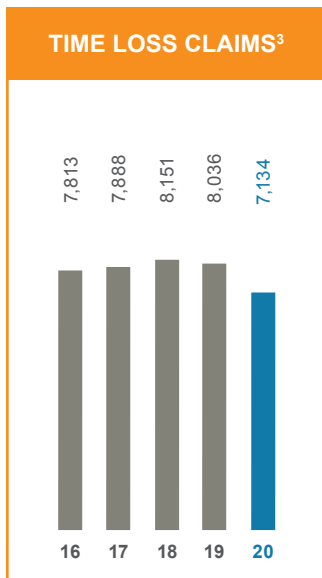
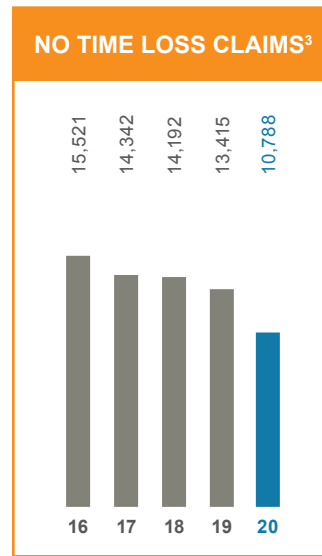
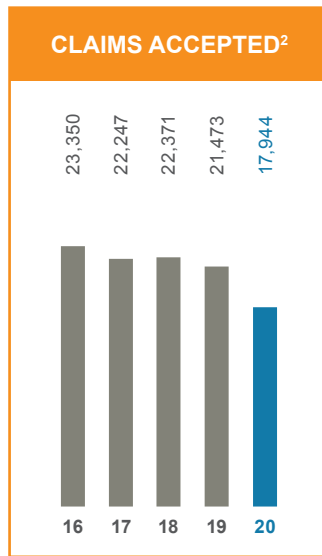
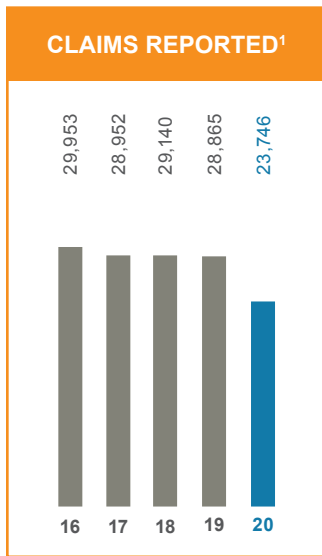
Workers' compensation protects both employers and workers from the results of workplace injuries. Employers are protected against lawsuits and injured workers receive benefits. As stewards of the compensation system, workers and employers of Saskatchewan rely on us to deliver excellent service to them how they need it. Maintaining stability of the system, while not compromising the service injured workers deserve and the reliability employers expect, is a constant balance. The WCB seeks perfection in the work it does on behalf of the customer groups the WCB serves. The organization seeks to find ways to improve the work it does for them by incorporating

customer-driven, innovative ideas every day. Ensuring the quality of the service the WCB delivers and delivering it in a timely fashion continued to be a key focus at every level of our organization in 2020.

Objectives:

- **Timeliness:** By Dec. 31, 2020, the WCB would reduce the average durations of claims to 38 days from 41.5 days.
- **Quality:** By Dec. 31, 2020, the WCB would reduce the number of payment defects by 25 per cent to 3,600 from 4,800.

Claim Summary



- In year³
- Prior to year⁴
- Self-insured
- No response
- No coverage
- Not work-related

1 Claims reported: New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, www.wcbask.com.

2 Claims accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.

4 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims not covered under the Act, not work-related, still pending and/or duplicated within the system.

5 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at Feb. 1, 2021 for 2020 claims reported. Claims are not accepted when the industry is not covered by the Act, a claim is not work-related or no further information is received following the initial report of the injury.

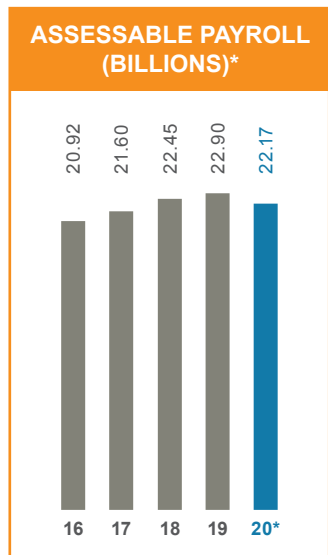
Claim Durations

RATE CODE	DESCRIPTION	AVERAGE DURATIONS IN DAYS				
		2020	2019	2018	2017	2016
All class ¹		45.27	41.52	41.89	40.16	43.07
A11	Light Agricultural Operations	40.98	42.37	51.33	41.34	43.60
A21	Farming & Ranching	57.42	51.56	63.64	61.07	79.28
A31	Grain Elevators & Inland Terminals	23.66	57.00	55.46	39.67	53.65
B11	Construction Trades	60.94	53.05	51.85	48.98	42.76
B12	Residential Construction	67.46	71.49	65.35	69.85	70.04
B13	Commercial, Industrial Construction	77.55	73.72	63.90	66.03	66.93
C12	Light Commodity Marketing	33.91	28.62	26.67	25.75	30.43
C32	Grocery, Department Stores, Hardware	39.91	35.32	32.26	29.23	30.92
C33	Wholesale, Chain Stores	33.45	26.39	32.59	34.77	34.88
C41	Co-operative Associations	35.21	26.34	24.45	32.84	23.17
C51	Lumber Yard, Builders' Supplies	39.09	46.03	38.24	29.69	26.47
C61	Automotive, Implement Sales & Service	45.29	35.71	30.92	30.62	33.94
C62	Automotive Service Shops, Towing	56.45	37.47	55.30	51.70	48.94
D32	Operation of Oilwells	71.39	83.96	48.00	48.95	50.90
D41	Oilwell Servicing	99.84	86.55	64.17	72.36	103.48
D51	Service Rigs, Water Well Drilling	101.79	108.97	51.13	64.32	90.63
D52	Seismic Drilling	111.95	100.92	83.27	75.97	56.26
D71	Open Pit Mining	52.68	34.29	29.73	44.75	31.73
D72	Underground Softrock Mining	52.35	48.00	42.28	46.91	57.58
D73	Underground Hardrock Mining	42.85	44.37	60.86	70.67	92.32
G11	Post Secondary Education	24.49	18.34	18.33	23.44	16.34
G12	Elementary & Secondary Education	31.76	33.03	34.49	30.08	34.13
G22	Health Authority, Hospitals, Care Homes	32.53	30.17	33.48	32.43	34.42
G31	Cities, Town, Villages, RMs	36.62	30.70	30.91	27.02	33.03
G51	Government of Saskatchewan & Ministries	51.19	51.07	54.38	42.37	45.43
M31	Manufacturing, Pipeline Operations	21.41	35.19	35.83	35.48	46.64
M33	Refineries and Upgrader	39.58	31.18	39.65	28.27	31.76
M41	Dairy Products, Soft Drinks	32.48	18.05	24.70	34.32	10.04
M42	Bakeries, Food prep & packaging	36.52	40.61	40.41	30.35	30.59
M62	Mills, Semi Medium Manufacturing	37.04	40.79	39.65	33.75	33.40
M72	Processing Meat, Poultry and Fish	22.54	37.60	42.78	30.16	56.09
M81	Metal Foundries & Mills	56.31	40.61	37.62	51.38	49.95
M91	Agricultural Equipment	35.36	29.51	32.14	43.93	28.41
M92	Machine Shops, Manufacturing	57.66	46.33	46.66	35.44	51.75
M94	Iron and Steel Fabrication	75.00	17.67	46.95	57.29	54.52
R11	Road Construction and Earthwork	87.00	78.90	75.78	68.67	84.71
S11	Legal Offices, Financial, Drafting	42.94	36.18	28.09	17.79	22.52
S12	Offices, Professionals	51.65	39.47	42.34	35.49	32.28
S21	Community & Social Services	30.96	29.82	30.99	25.11	31.22
S22	Restaurants, Catering, Dry Cleaning	35.01	29.18	28.74	33.18	27.03
S23	Hotels, Motels, Taxis	73.49	42.28	33.83	32.19	42.51
S32	Personal, Business & Leisure Services	33.01	35.17	47.80	33.35	43.60
S33	Caretaking, Park Authorities	56.27	65.49	47.86	46.03	53.52
S41	Engineering, Testing & Surveying	79.33	66.30	52.44	34.94	64.07
T42	Transportation, Courier, Commercial Bus	69.91	69.40	64.04	62.93	68.52
T51	Operation of Railways	50.56	51.64	44.57	38.77	58.66
T61	Commercial Air Transportation	27.80	55.55	50.53	28.18	28.27
U11	Telecommunications	27.85	40.48	30.26	21.00	18.97
U31	Electric Systems	31.23	27.38	18.21	20.58	18.29

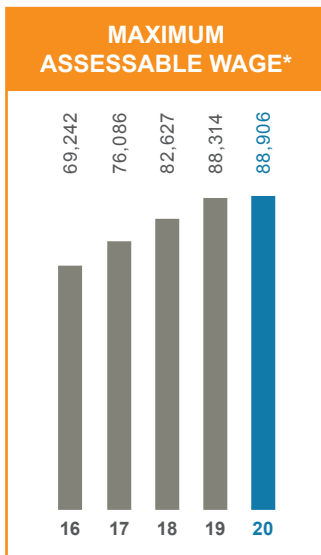
The average durations in days equals total days lost divided by claims with time lost.

¹ All class durations exclude self-insured claims.

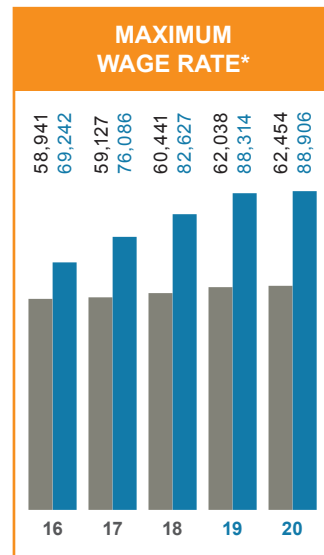
Payroll & Premium Summary



* Payroll provisional as at Dec. 31. Previous year's figure has been updated to reflect actual assessment payroll.

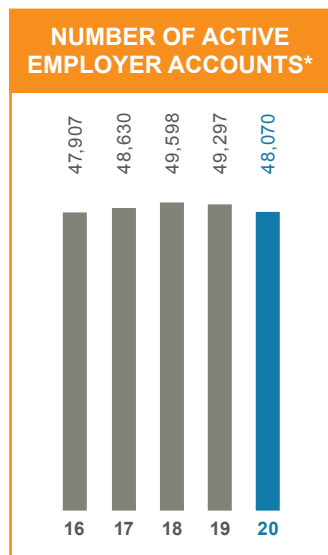


* Maximum wage per person reported annually by employers.

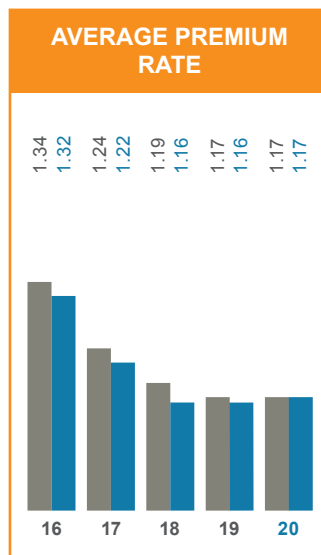


■ Claims registered prior to Jan. 1, 2014
■ Claims registered on or after Jan. 1, 2014

* Maximum wage rate for injured workers. In accordance with Section 37 of the Act, there are different maximums for claims registered before and after Jan. 1, 2014.



* Active employers excludes employers whose assessment accounts were finalized during the year.



■ Average provisional premium rate*

■ Average actual premium rate**

* Average board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** This rate consists of the base rate net of experience rating.

The 2020 rate is the board-approved rate at time of publication.

The 2019 rate is restated to reflect actual 2019 experience rating.

Impact of COVID-19

As with all businesses across the country, the WCB was also affected by the COVID-19 pandemic. While moving many WCB staff members to work from home, the organization adapted to a different way of delivering service to its customers. The WCB focused on mitigating the challenges of managing claims during the pandemic, including gathering necessary information to adjudicate incoming claims and managing return-to-work (RTW) plans. The latter required accessing needed medical assessments and treatment programs when the delivery of those services was also struggling. The WCB worked closely and collaboratively with the health-care provider community to explore a variety of ways to access timely and effective assessment and treatment options.

During these challenging times, the WCB implemented initiatives to support both injured worker and employer customers.

Injured worker-focused initiatives included:

- The WCB introduced telehealth opportunities for assessment and treatment to support workers impacted by the pandemic restrictions.
- The WCB extended earnings loss and job search benefits because of COVID-19-related delays.
- The WCB assigned a dedicated team to work through COVID-19 claims to help speed up the adjudication process and ensure consistency in decisions.

Claims registered in 2020 related to COVID-19*

Industry	Accepted**	Pending	Disallowed***
Health authority, hospitals, care homes (G22)	181	8	104
Cities, towns, villages and RMs (G31)	15	0	24
Government of Saskatchewan and ministries (G51)	17	0	23
Other	121	2	128
Total	334	10	279

* Claims data as of Jan. 29, 2021.

** Accepted claims include 111 No Time Loss claims, 223 Time Loss claims and zero fatalities.

*** Disallowed claims were usually because the person did not have a positive COVID-19 test or it wasn't work-related.

Employer-focused initiatives from the WCB's operations division included:

- All claims whose recovery or return to work was delayed due to COVID-19 were eligible for cost relief.
- Claims where COVID-19 is the cause of injury will receive 100 per cent cost relief. They will be relieved through the WCB's occupational disease reserve.
- The WCB proactively reached out to employers to help with the claims submission process.
- The WCB initiated different ways of communicating, such as emailing correspondence instead of mail.

On the WCB's employer services side, because of the COVID-19 pandemic, in 2020 the WCB introduced relief measures for Saskatchewan employers by:

- Waiving interest on unpaid premiums from March to July.
- Removing penalties applied in 2020, including penalties for late filing, under estimate and late registration.
- Providing clearance letters to employers, even in cases where the contractor's WCB account had not been paid.
- Suspending payroll audits from March to July, except in situations where an employer may be eligible for a refund.
- Prioritizing payroll revisions to assist employers in reducing premiums based on the impact of work slowdowns.
- Offering payment plans for employers.

Compensation programs and services

The WCB's 2020 operational objectives were:

Quality: Payment defects (recalculations)

The WCB owes its customers defect-free service and an area that is frustrating for both worker and employer customers is when the WCB needs to recalculate claims payments.

Target: Reduce payment defects (recalculations) by 25 per cent to 3,600 from 4,800.

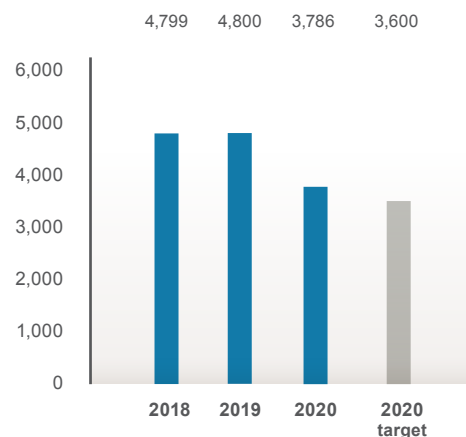
Result: The WCB ended 2020 with 3,786 recalculations, which is 186 (5.2 per cent) above the target of 3,600. However, this is down 1,014 (21 per cent) from 2019 results of 4,800.

The WCB will continue to work in the areas that will have the greatest impact on reducing required recalculations. Opportunities have been identified within the earnings replacement and earnings loss calculation processes. A policy review was initiated in 2020 and will guide the WCB further in moving this work forward.

Timeliness: Psychological injury durations

The focus on psychological injury durations was in response to feedback from customers indicating that there are challenges for both workers and employers when there is a psychological injury. The learnings from improving how the WCB manages these claims will influence future process design and will have lasting impacts on the overall compensation system.

Payment defects (recalculations)



Target: Reducing psychological injury durations by 10 per cent to 66 days.

Result: The WCB ended 2020 at 65 days, which was one day below the target of 66 days and nine days below the baseline of 74 days.

Within the newly established WCB psychological injury unit, there were several adjustments made to service delivery in response to customers' feedback.

The time from when a claim was registered to when there is a decision on the file decreased to an average of 19 days in 2020 from an average of 31 days in 2019.

The WCB introduced virtual programming in 2020, reducing the need for injured workers to travel long distances for appointments and treatments. This allowed injured workers to stay in their community and closer to their support network.

In March 2020, the WCB hosted a psychological claims visioning event with its customers. The event brought together 30 participants representing injured workers, employers and support organizations from within the first responder community. The purpose of the event was to identify gaps in the psychological claims management process so the WCB can better prioritize its improvement efforts.

A repository of online therapy options for workers (for example, PSPNET.ca, onlinetherapyuser.ca) was developed. In collaboration with health-care services, standardized processes related to addictions counselling were developed.

The exploration of an opportunity to partner with police services in the province to pilot the Edmonton Police Service's re-integration program was initiated. This will continue into 2021.

Claims transformation

In 2020, the WCB initiated its claims transformation initiative, which included a value stream mapping event where the organization completed an end-to-end analysis of its claims processes to identify opportunities for more significant, sustainable improvements in timeliness and quality. The value stream mapping event was scheduled for the end of March 2020. Due to challenges related to COVID-19, this event was delayed until the end of August. Front-line staff, administration, an injured worker and family member, and an employer were involved in the value stream mapping event.

The WCB developed a future state vision of what service delivery to its customers will look like in the next three to five years.

All process adjustments will always be viewed through the lens of the attributes to lead the WCB closer to its future state. As the WCB continues its journey through the claims transformation initiative, the organization will adjust its claims processes to address the gaps identified by customers.

Psychological injury durations vs. overall durations



Employer services

In 2020, employer services' quality and timeliness highlights included:

- A total of 5,917 registration inquiries. Of those, 75 per cent were completed within five days, with an average time to process of 7.2 days. This is an improvement from 2019, which saw 62 per cent of registration inquiries completed within five days and an average time to process of 10.2 days.
- An increase in online Employer's Payroll Statement submissions. In 2020, 91 per cent of employers submitted online, compared to 83 per cent in 2019.
- The completion of 290 employer audits, representing \$1.91 billion in assessable payroll. In 2019, the WCB completed 744 employer audits, representing \$2.89 billion in assessable payroll.
- Payroll audits resulted in premium adjustments in 53 per cent of files in 2020. This is a decrease of 22 per cent from 2019 where 68 per cent of files had premium adjustments. The top three reasons for adjustments were reporting errors, excess earnings above the maximum and non-registered contractors.

- More than 70,900 calls handled. The call abandoned rate improved to 5.1 per cent in 2020 from 7.4 per cent in 2019. This is closer to the 4.0 per cent target.

A challenge identified in employer services in 2020 was the time consuming and costly creation of the annual premium rate notice. More employers were working remotely in 2020.

To improve the customer experience, starting in 2020 premium rate notices are now paperless and available online. This reduces the processing time and costs, and the WCB can provide the notices to employers in a more timely manner.

Employer Resource Centre

The Employer Resource Centre was created to address gaps identified by the WCB's customers in employer supports and to better facilitate an employer's ability to navigate through the workers' compensation system. The resource centre helps customers with questions regarding registering a business, filling out claim forms, return-to-work questions, health and safety, and the appeal process.

2020 Employer Resource Centre inquiries





Employer Resource Centre

Welcome to the WCB's Employer Resource Centre, devoted to you, the employers.



We understand that employers may require support in navigating the workers' compensation system. This is your point of contact to answer questions, provide support materials and connect you with the right person at the WCB. The Employer Resource Centre gives you the tools you need to better navigate the WCB system.

As an employer, you may have questions about where to start when

applying for WCB coverage, how to obtain injury prevention educational materials and what to do when an injury happens. You may require additional support to understand WCB requirements, request a letter of good standing, understand how to fill out forms, pay your employer premiums, or help with return to work. To understand how the Employer Resource Centre can help, review our FAQs.

www.wcbsask.com/employers

Employer
Resource Centre

wcb | Saskatchewan
Workers'
Compensation
Board



6.7
out of 10
Staff engagement
monthly survey score




0
Number of
COVID-19 work-relat-
ed transmission inci-
dents at WCB work
sites in 2020

99%
Front-line staff
completed continuous
improvement training




Perception of
collaboration across
teams increased
from 18 per cent to
31%



People Highlights

The WCB's people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve customers. The board relentlessly pursues safety, ensuring all employees have the healthy and safe workplace they deserve. The WCB is developing a culture that engages all staff in solving problems. The organization knows that it will not achieve its vision of eliminating injuries and restoring abilities of WCB customers unless the board can create an environment that focuses staff's energy, knowledge and creativity.

Objectives:

- **Safety:** By Dec. 31, 2020, the WCB would have reduced the annual number of ergonomic injuries by 50 per cent as indicated by accepted WCB injury claims (to two from four).
- **People:** By Dec. 31, 2020, the WCB would have increased staff perception of collaboration across teams to 50 per cent from 18 per cent.

The WCB knows that the work and efforts of all employees are critical to the experience of our customers, partners and stakeholders.

The WCB's priority in 2020 was to enhance the experience of its customers by ensuring WCB staff were inspired to contribute their best every day and that they were enabled to improve their work processes in a safe, supportive and engaging work environment.

COVID-19 response

In March 2020, the Government of Saskatchewan declared a provincial state of emergency in response to the COVID-19 pandemic. The WCB, like many employers in the province, had to quickly adjust to meet the needs of its customers and its workforce during an ever-evolving internal and external risk landscape. The organization's priority during this time remained focused on supporting the physical and psychological safety of WCB staff and minimizing the risk of workplace exposure, while simultaneously providing excellent customer service.

In February, to formally respond to the COVID-19 crisis, the organization invoked the business continuity planning (BCP) team, which is a crisis response team representing all critical services of the organization. Throughout the year, the BCP team addressed all issues that surfaced from the pandemic and threatened the WCB's ability to serve its customers. The BCP team provided an invaluable service in troubleshooting, planning and problem solving as the pandemic escalated.

The WCB implemented multiple safety protocols and strategies in response to COVID-19 that enabled the organization to safely transition employees to work from home. Within days of the declaration by the Government of Saskatchewan, 97 per cent of WCB staff were working from home. In a matter of weeks, the WCB went from having two work sites — the WCB's offices in Regina and Saskatoon — to approximately 480 individual work sites. This presented a number of new risks for the organization to manage effectively, including safety, engagement, productivity, privacy and technology challenges, as well as cybersecurity risks.

It was, and remains, an ongoing challenge to manage the unique risks associated with so many different home work environments. This contributed to the number of staff safety incidents in 2020. Ergonomic incidents remained the leading cause of injuries among WCB staff in 2020.

After the initial few months of the pandemic, the WCB developed a phased return-to-the-workplace plan based on six guiding principles that have steered the organization's decision-making during the pandemic:

- risk-informed decision-making
- employee health and safety
- readiness
- scientific thinking
- fluidity and flexibility
- service optimization

In July 2020, as it became safe to do so, the WCB activated its return-to-the-workplace plan and started bringing staff back to the WCB offices in phases, keeping safety at the forefront of all decision-making. Each phase was monitored during its implementation with regular reporting and communication. The WCB put significant protocols and controls in place to help mitigate the risk of transmission in the workplace. These actions helped the WCB protect against outbreaks in the organization and, since the pandemic began, the WCB has not experienced COVID-19 transmission in the workplace.

After the spike in active COVID-19 cases across Saskatchewan in the fall, the WCB implemented a voluntary re-exit plan which allowed staff to once again work from home where they were able to do so effectively and safely. This was implemented in the WCB's two offices in Regina and Saskatoon and has continued into 2021. The WCB is continuing to monitor and refine its plan as the organization reviews the risks and as more information comes from provincial and federal health authorities.

Even in the midst of unprecedented circumstances, including the pandemic and subsequent lockdown, the WCB's work to improve services for its customers continued, mostly uninterrupted. This was due to the significant and collaborative efforts of all WCB Saskatchewan team members.

Engaged workforce

The WCB conducts larger biannual employee engagement surveys in addition to conducting quarterly single-question pulse surveys. This approach drives focused communication and activity at the team and corporate levels as it relates to employee engagement.

At the end of 2020, the WCB's single-question survey average engagement score was 6.7/10. Despite a very challenging year in 2020, results throughout the year indicated a significant improvement over previous years.

The WCB responded to the top areas of opportunity in a number of ways, including:

- Expanding the number of cross-functional improvement events, thus bringing staff, leaders and customers together.
- Providing targeted investments in, and more resources to support, healthy lifestyles, workplace safety and well-being.
- Improving and maintaining ongoing communication from senior leaders regarding organizational developments and updates, including updates related to COVID-19 and working from home.
- Creating multi-functional teams to further promote

Corporate engagement indicator



safety in the workplace, including the ongoing response to COVID-19.

- Conceptualizing a future WCB telework strategy that would effectively respond to employee and corporate interests as the WCB continues to enhance service levels to customers.

Within the WCB's larger survey, the organization experienced some significant gains across all categories in 2020 when compared to 2019 survey results. While the Q4 2020 results weren't quite as favourable as the Q2 results, they were still significantly above 2019 and 2018 levels.

Employee engagement survey results: The top areas of strength that received favourable responses (percentage of employees agreeing or strongly agreeing with the question) in the surveys included:

WCB employee feedback	Q4 2019	Q2 2020	Q4 2020
COVID-19 response	N/A	89%	62%
Co-operation within teams	66%	79%	73%
Customer focus	66%	77%	72%
Supervisor communication	64%	74%	72%
Learning & development	61%	73%	71%

Employee engagement survey results: The top areas of opportunity identified in the surveys in 2020 included:

WCB employee feedback	Q4 2019	Q2 2020	Q4 2020
Engagement follow-up (team level)	32%	42%	43%
Executive leadership	29%	43%	42%
Engagement follow up (corporate level)	24%	37%	38%
Collaboration across teams	20%	31%	31%

Evolving senior leadership and corporate strategy

In 2020, three new vice-presidents joined the organization: Crystal Nett, chief financial officer and vice-president of corporate services; George Georgiadis, chief technology officer and vice-president of business intelligence; and Jennifer Norleen-Beitel, interim vice-president of operations.

The contribution of all leadership and staff in 2020 helped drive the continuity of the WCB’s service and the advancement of key strategies.

The senior leadership team spent a significant amount of time during the year shaping and articulating the WCB’s strategic direction over the next three to five years. Despite the tumultuous internal and external environment, a number of concrete steps were taken in 2020 to advance these strategies.

The WCB’s strategy definition and deployment processes saw the organization adjust to the constraints imposed by its COVID-19 response and conduct a series of virtual workshops with different stakeholder groups in 2020, culminating in deploying the strategy to all front-line staff in November 2020.

Voice of the Customer (VoC)

During 2020, development work continued to further establish the WCB’s Voice of the Customer (VoC) system. The WCB’s focus is to solidify the establishment of a VoC system which will better enable the organization to gather and act on the feedback from WCB customers.

Following extensive research, customer survey feedback analysis and an informal jurisdictional review, the WCB determined the need for a corporate brand promise that would establish a standard for measuring its service to customers. In 2020, the board conducted several initiatives aimed at supporting the development of the WCB’s brand promise to customers.

- Collecting 1,203 customer survey responses.
- Managing 19 customer one-on-one interviews.
- Receiving 116 staff members’ survey responses.
- Leading 18 stakeholder interviews.
- Conducting 11 front-line staff interviews.
- Holding five workshops.

The development of the WCB’s brand promise was completed in 2020 and will be rolled out in 2021.

In addition, the WCB engaged a vendor to help support the development of the organization’s VoC framework in 2020. The culmination of this work in 2021 will result in an established VoC framework which will allow the WCB to better:

- Understand customer needs and identify customer pain points.
- Create real-time methods to capture customer experience.
- Analyze customer feedback.
- Assist leadership and front-line staff in understanding and making meaningful improvements for customers.

In the end, the WCB hopes to have a more insight-driven method to communicate its survey results to its internal stakeholders, as well as to better meet customers’ needs and improve customers’ experiences with the WCB.

Employee safety

Having a safe, healthy and engaged workforce was a key strategic objective for the WCB in 2020 and that will remain so into the future.

During 2020, the WCB made significant investments to further advance its safety program and culture. With the emergence of COVID-19, however, these investments took on a different form than the WCB had forecasted. The organization expended significant effort to respond to the COVID-19 threat directly, including the:

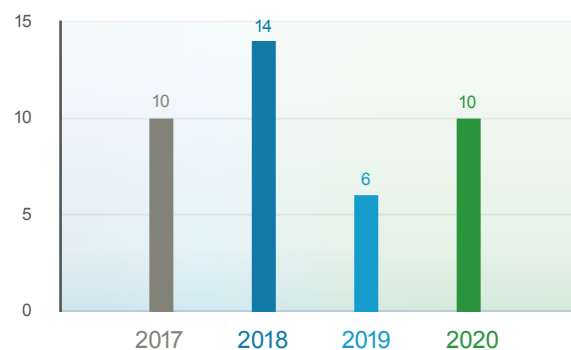
- Design, implementation and evolution of programming and protocols to ensure safety at the WCB’s primary work sites.
- Use of voluntary transitions to working from home.
- Creation and implementation of new strategies and tools to protect and maintain safety in home work environments.

- Creation of a comprehensive plan to guide returns and re-exits from the primary work sites, including risk mitigation plans, virtual safety inspections and virtual ergonomic assessments.

In the summer of 2020, the executive team began a new process of improving the WCB’s corporate safety culture. This process saw the development of cross-functional teams (each of which included two representatives from the executive team) to review staff incidents and injuries. This includes ergonomic injuries; slips, trips and falls; medical aids; incidents or injuries likely to result in lost time from work; and other incidents deemed “near miss.” The goal is to work with the injured party and supervisors to jointly identify the root cause(s) of the incidents and then develop and implement effective countermeasures. This work is continuing into 2021.

Despite the above efforts and investments during the year, the WCB experienced 10 staff injuries, with the majority of these directly attributable to working from home. Of these accepted claims, six were ergonomic in nature and as a result, the WCB did not achieve its ergonomic injury reduction target it had established for 2020.

WCB employee injury claims accepted



In 2020, the WCB continued to advance and enhance key elements identified in its internal psychological health and safety strategy. As with many other initiatives, efforts and investments were notably influenced by the emergence of the COVID-19 threat.

In 2020, key initiatives included:

- Installation of a training program for leaders to better equip them during crucial conversations.
- A week focused on psychological health and safety. The week aimed to increase staff awareness of, and tools for coping with, psychological health and safety, and featured various speakers.
- Staff training in resilience. The WCB partnered with the University of Fredericton to offer the “Enhancing Workplace Resiliency” program to employees and leadership. The goal was to help staff better respond to challenging and changing circumstances while protecting their psychological health and well-being. In 2020, 65 per cent of WCB staff completed the resiliency training module.

Further work included ensuring regular check-ins between leaders and their remote workers, and providing support materials to aid leaders in responding to new and evolving challenges related to working remotely amid COVID-19 restrictions.

The WCB, through the WorkSafe Saskatchewan partnership, partnered with Dr. Joti Samra to facilitate the development of an external-facing psychological health and safety program. This program also helped the WCB leverage opportunities to enhance its own internal strategy with emerging programs and supports.

Continuous process improvement

In 2020, the WCB carried forward the ongoing work to mature its approach to continuous process improvement (CPI) that started in 2018. Some highlights included:

- Remaining on track for 100 per cent implementation of our daily management system by 2021, including shifting implementation services and supports to be carried out virtually because of COVID-19.
- Bringing customer (worker and employer) representatives into the organization’s improvement events to help shape the future of a number of WCB services. This included a psychological claims visioning event and a claims value stream mapping event.
- Further development of the tools and systems to support our CPI culture.

The WCB believes these initial steps have set the organization up for a promising 2021 with a more clearly defined strategy and focus on the system to support daily continuous improvement, transformational efforts for the future and key events that will improve how the WCB serves its customers today.

Daily management system

The daily management system refers to the common set of tools and processes across all areas of the business that allow managers and teams to:

- Plan and manage the day-to-day work effectively at the team level.
- Standardize critical customer-facing processes.
- Use standardization to identify small, medium and large problems within our processes.
- Ensure the WCB takes the most appropriate approach to solving those problems of differing proportions.

At the end of 2020, the daily management system had been implemented in more than 84 per cent of WCB departments (as measured by full-time equivalents), with all of these units having implemented key performance indicators for their services, as well as other metrics related to the WCB's True North objectives.

The remainder of the organization will have implemented the daily management system within their own teams by the middle of 2021.

Continuous process improvement training

The WCB developed and implemented CPI training curricula for all levels of the organization. In 2020, training was delivered to 99 per cent of our front-line staff to support their knowledge of key concepts and further embed the management system within their work areas. Training was also delivered to leaders throughout the organization to further their knowledge and practical application of key concepts and approaches to leading in a CPI environment.

Improvement initiatives

In addition to the improvements listed elsewhere in this report, the business transformation office (BTO) facilitated the following improvement events in 2020, which brought together staff, leaders and customers to collaboratively problem solve and create strategic blueprints for the WCB's future services:

- **Claims front-end value stream mapping** – The value stream mapping event developed a future state to transform how the WCB manages claims over a five-year implementation plan. The preparation for the value stream mapping event

involved 78 participants from the WCB. For the event itself, there were 13 participants from the WCB and three participants representing workers and employers of Saskatchewan.

- **Psychological injuries visioning session** – The goal of this event was to develop a future state of how psychological injuries are managed. A group of 30 participants, including worker and employer groups from around the province, met with six WCB leaders. This work involved developing a set of attributes that were important to them and brainstorming hundreds of ideas. In addition, the participants prioritized five key areas for further development under two work streams. Those areas of improvement included the customer experience, the processes of psychological claims and return-to-work planning for psychological injury claims.
- **Prevention visioning session** – This event was an opportunity to discuss and articulate the resources and activities needed to assist in the reduction of fatalities and serious injuries in the workplace. A group of 21 employers and partners, along with 15 WCB team members from various departments, looked at current processes and organizational structure within the prevention department. The participants discussed potential solutions that would better align our activities with the Fatalities and Serious Injuries Strategy to support employers' needs today and in the future. The group prioritized three key areas for the prevention department to look at, including collaboration, resources and services.

Approximately 14 events have been scheduled to improve the current services to WCB customers in 2021 and work is ongoing through further business process improvement to inform the WCB's future technology solutions.



Funded percentage

112.4%



Total admin & claim
costs/total claims

\$3,564



Financial Highlights

Customers expect the WCB to deliver value through its services and programs at a fair and reasonable cost, and to meet all of its obligations now and in the future.

The WCB measures this value through total costs incurred per total claims, as well as through its funded position.

Objectives:

- By Dec. 31, 2020, the WCB would reduce total costs incurred per total claims to be less than \$2,700.
- By Dec. 31, 2020, the WCB would have a funded position between 105 per cent and 120 per cent.

The WCB's funding policy sets the parameters for the Injury Fund and each of its reserves. The targeted range for the Injury Fund is five per cent to 20 per cent of the total of benefit liabilities and the annuity fund payable. This results in a targeted funding percentage range of 105 per cent to 120 per cent. For 2020, the WCB's funding percentage was 112.4 per cent, which was within the targeted range.

Saskatchewan's economy was impacted by the COVID-19 pandemic in 2020. Global markets experienced a significant decline in February and March, also as a result of the COVID-19 pandemic. The WCB recorded investment income of \$77.4 million in 2020, compared to investment income of \$277.1 million in 2019.

In 2020, the WCB reported an underwriting loss of \$145.4 million. This compares to an underwriting loss in 2019 of \$93.1 million. The underwriting loss – combined with investment income of \$77.4 million, annuity fund interest expense of \$15.6 million and other comprehensive gain of \$0.5 million – resulted in a total comprehensive loss at the end of the year of \$83.1 million. This total comprehensive loss and a slight increase in reserves resulted in the funded position of 112.4 per cent. The funded position is discussed in greater detail in a later section.

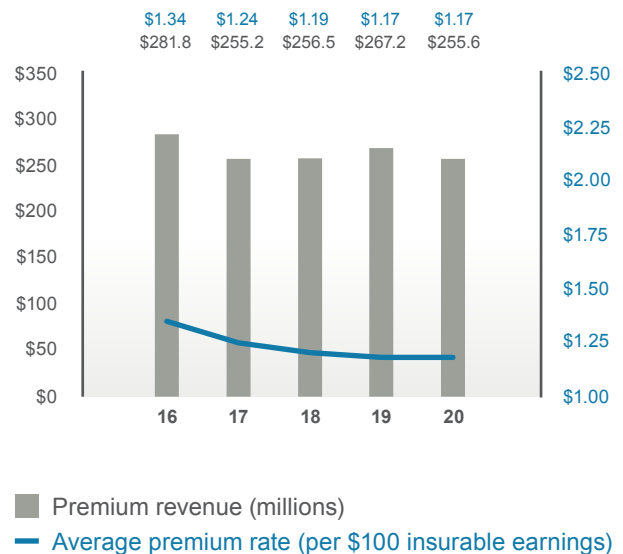
Premiums

Total premium revenue is made up of base premiums plus discounts and surcharges through the Experience Rating Program (ERP). There are two types of ERPs – the standard program and the advanced program. Employers in the standard program pay less than \$21,000 in WCB premiums over a three-year period, while employers in the advanced program pay more than \$21,000.

Employers in the standard program are subject to a 75 per cent maximum surcharge, while employers in the advanced program are subject to a 200 per cent maximum surcharge. The maximum discount available to employers in the standard program is 25 per cent. Employers in the advanced program are eligible for a maximum 30 per cent discount. In 2020, 1,255 employers paid \$23.6 million in surcharges, while 22,890 employers received discounts

of \$27.1 million. The number of employers affected by the ERP was similar to 2019 when 1,265 paid surcharges and 22,995 received discounts.

Premium revenue and average premium rate



Employer assessable payrolls decreased by 3.2 per cent to a provisional \$22.2 billion in 2020 from an actual \$22.9 billion in 2019. Actual 2020 assessable payroll was more than the 2020 forecasted payroll of \$20.6 billion. Employer assessable payrolls decreased as a result of the COVID-19 pandemic's impact on Saskatchewan's workforce. Sectors with the largest payroll decreases included oilwell servicing, road construction and earthwork, and restaurants, catering and dry cleaning. Sectors that experienced the largest payroll increases were offices, community and social services, and health authority, hospitals and care homes. Base premium revenue was \$255.6 million in 2020, a decrease of \$11.6 million from 2019.

In 2021, WCB is expecting to collect approximately \$10 to \$11 million less in premium revenue than the required amount as defined by the actuarial model. The WCB

held the 2021 premium rate at the 2020 level to provide employer relief during the COVID-19 pandemic.

Expenses

The WCB manages cost effectiveness in five expense categories:

1. claim costs
2. administration
3. safety and prevention
4. annuity fund interest
5. legislated obligations

Claim costs

Claim costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. As reported in the statement of operations and other comprehensive income (loss), claim costs totalled \$319.6 million in 2020, a 13.7 per cent increase from 2019. The total claim costs consisted of \$227.3 million in cash expenses plus a \$92.3 million actuarial increase to benefits liabilities. Benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail below.

The compensation component of claim costs consists of:

- Short-term wage-loss and long-term earnings replacement payments to injured workers and their dependants.
- Health-care services provided to injured workers.
- Vocational rehabilitation costs required to return injured workers to meaningful employment.

In 2020, compensation costs paid were \$215.7 million. This was a \$6.3 million decrease from 2019, resulting from lower employment during the COVID-19 pandemic. Administration costs for adjudicating and managing claims were also allocated to claim costs, bringing the total 2020 compensation payments to \$227.3 million, a 2.8 per cent or \$6.5 million decrease from 2019.

The number of Time Loss claims decreased significantly in 2020 compared to the last few years. This decline was primarily attributable to the impacts of the COVID-19 pandemic. In 2020, fewer people were employed, and likewise, fewer people became injured. The COVID-19 pandemic also increased barriers for returning to work. This resulted in many new and existing claims staying on wage-loss benefits for longer than usual. For example, 2019 injuries persisted into their second year, at rates more than 10 per cent higher than the average persistency observed over the previous five years.

	2020	2019	Amount change	Percentage change
Average durations of Time Loss claims	45.27	41.52	3.75	9.0%
Total days paid	437,112	421,894	15,218	3.6%
Earning replacement cost (in millions)	\$56.0	\$54.1	\$1.9	3.5%
Workers and their dependants receiving long-term benefits	4,892	4,886	6	0.1%

Health-care payments decreased by 11.6 per cent in 2020 to \$79.8 million. There was an inflationary increase in the costs of health-care services in the year. This was offset by a decrease in utilization of tertiary and secondary treatment services due in part to the shutdown of, and reduced access to, these services during the COVID-19 pandemic response. Vocational rehabilitation expense claims remained stable.

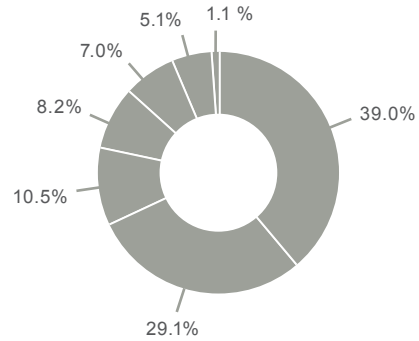
Benefits liabilities

Benefits liabilities increased by \$92.3 million in 2020 to \$1,420.4 million. Based on the current composition of claims, the liability is expected to grow over time. In addition to this expected growth, barriers for returning to work that were primarily attributable to the COVID-19 pandemic, and changes to the health-care cost assumptions, further contributed to the growth of claims liabilities. The WCB estimates that the return-to-work barriers increased the liability by more than \$40 million and the health-care cost assumption changes by about \$20 million.

Except for updating the Saskatchewan population mortality tables published by Statistics Canada to reflect the years 2017 to 2019, the remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2019. Going forward, wages are expected to increase by 1.0 per cent above the assumed 2.25 per cent inflation rate. The WCB considers these assumptions to be a realistic best estimate of future expectations.

Most wage-based benefits are expected to increase at the rate of inflation and will be discounted at the nominal rate of 5.25 per cent. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.0 per cent real rate of return. However, all wage-based benefits, including short-term and long-term disability and survivor benefits, are subject to a ceiling based on the maximum wage rate prescribed under Section 37 of *The Workers' Compensation Act, 2013* (the Act). For the purpose of determining the present value of these future obligations that are capped by

Benefits liabilities (thousands of dollars)



39.0%	Health care	\$ 554,449
29.1%	Long-term disability	\$ 413,323
10.5%	Short-term wage loss	\$ 148,833
8.2%	Latent occupational disease	\$ 115,802
7.0%	Survivor benefits	\$ 99,013
5.1%	Future benefits administration	\$ 72,805
1.1%	Vocational rehabilitation	\$ 16,154
100%	Total	\$ 1,420,379

statutory limits, the obligations have been discounted using the nominal rate of return of 5.25 per cent.

The benefits liabilities also include an amount set aside to administer benefits in future years. For 2020, the allowance for the expenses included in the liability valuation was 4.1 per cent of the liability for long-term disability and survivor awards, and was 7.2 per cent of the liability for all other claims. Future benefits administration accounted for \$72.8 million of the \$1,420.4 million total benefits liabilities.

The WCB utilizes a metric of total cost incurred per total claims. This metric had a target in 2020 of \$2,700 of total costs for each claim paid. At December 31, 2020, the actual total cost per claim was \$3,564. The increase in total costs was higher than expected and the number of claims paid was less than forecasted.

Administration expenses

Administration costs, before costs charged to future benefits administration, increased to \$65.9 million in 2020. This was a 2.8 per cent increase from the 2019 administration expenses of \$64.1 million. Increases in salaries and employee benefits, amortization, building operations and professional services were partially offset by decreases in every other expense category. The increase in salaries and benefits includes \$1.4 million in costs related to the defined benefit pension plan that was terminated in 2020. The pension plan had a settlement loss of \$950,000, including \$640,000 paid to pensioners, and windup expenses of \$471,000.

An important measure of administrative efficiency is our administration cost per Time Loss claim. In 2019, the most recent year that data is available from the Association of Workers' Compensation Boards of Canada (AWCBC), Saskatchewan had the sixth lowest administration cost per Time Loss claim in Canada. The WCB calculated this to be \$8,680 in 2020 compared to \$7,609 in 2019.

Administration expenses and administration cost per Time Loss claim

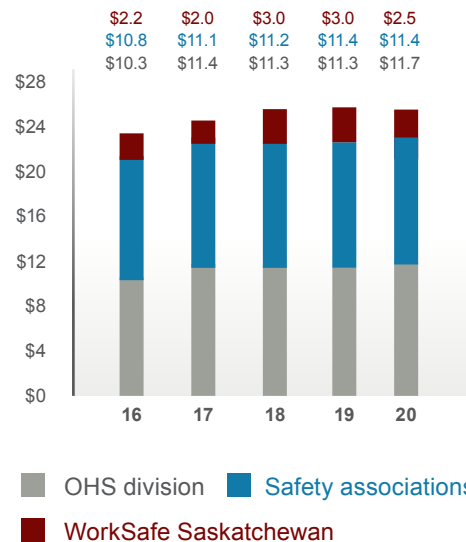


* Restated 2019 to reflect the Association of Workers' Compensation Boards of Canada (AWCBC) metric for comparability.

The decrease in the number of Time Loss claims and the increase in administration costs both contributed to the increase in this ratio compared to 2019.

A second measure of administrative efficiency is the administration cost per \$100 of assessable payroll. For 2019, the most recent year that data is available from the AWCBC, the ratio was \$0.27 per \$100 of assessable payroll, making Saskatchewan the third lowest in Canada.

Safety and prevention (millions)



Safety and prevention funding

Safety and prevention is made up of funding to the Occupational Health and Safety (OHS) division of the Ministry of Labour Relations and Workplace Safety, funding to safety associations and safety initiatives through the WorkSafe Saskatchewan partnership. The role of the OHS division is to help workplace parties comply with OHS legislation and, in doing so, identify and correct health and safety hazards. The Act requires that the WCB funds the operations of the OHS division. However, the OHS budget is approved by the Government of Saskatchewan through the provincial budgeting process. In 2020, the OHS funding increased to \$11.8 million from \$11.3 million.

Funding is provided to seven industry safety associations that represent 18 rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funding provided for the year remained unchanged from 2019 at \$11.4 million.

WorkSafe expenditures declined slightly in 2020 to \$2.5 million from \$3.0 million in 2019.

Annuity fund interest

The Act requires the WCB to compensate injured workers for the loss of retirement income due to a workplace injury. An additional 10 per cent of all eligible benefits payments is contributed into an injured worker's annuity fund once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker reaches age 65 or returns to work. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2020, contributions to the fund amounted to \$6.4 million, up from \$6.3 million in 2019.

The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of the WCB's investment portfolio, but spreads gains and losses on investments over five years to reduce the impact of fluctuations in the market rate of return.

In 2020, interest allocated equalled \$15.6 million due to an increase in the rate of return to 7.2 per cent. In 2019, there was \$15.1 million allocated at a rate of return of 7.0 per cent.

Legislated obligations

Under the Act, the WCB is obliged to fund the operations of the Office of the Workers' Advocate. Funding in 2020 remained unchanged at \$1.4 million.

Investment income

The WCB ensures financial stability through its investment and funding policies. Investment income is an important revenue stream. It supplements premiums to cover

expenses. The long-term assumption that investments will generate an annual nominal rate of return of 5.25 per cent is built into the calculation of benefits liabilities, as well as the premium rate-setting model. In 2020, the investment portfolio had a return of 4.0 per cent at market, compared to a return of 15.0 per cent in 2019. Due to the COVID-19 pandemic, the WCB's return on investments from January to March was negative 8.6 per cent. However, the investment portfolio recovered from April to December, with a return of 13.7 per cent. Investment income includes realized income and unrealized gains or losses on investments during the year and can fluctuate significantly year to year to reflect the change in the market value of investments.

Realized investment income increased by \$20.5 million to \$135.8 million in 2020 from \$115.3 million in 2019. Unrealized gains on investments held at December 31, 2020 were \$274.8 million, compared to unrealized gains of \$333.2 million at December 31, 2019. This is a decrease in unrealized investment gains of \$58.4 million. There was a \$161.8 million increase in unrealized investment gains recognized in 2019.

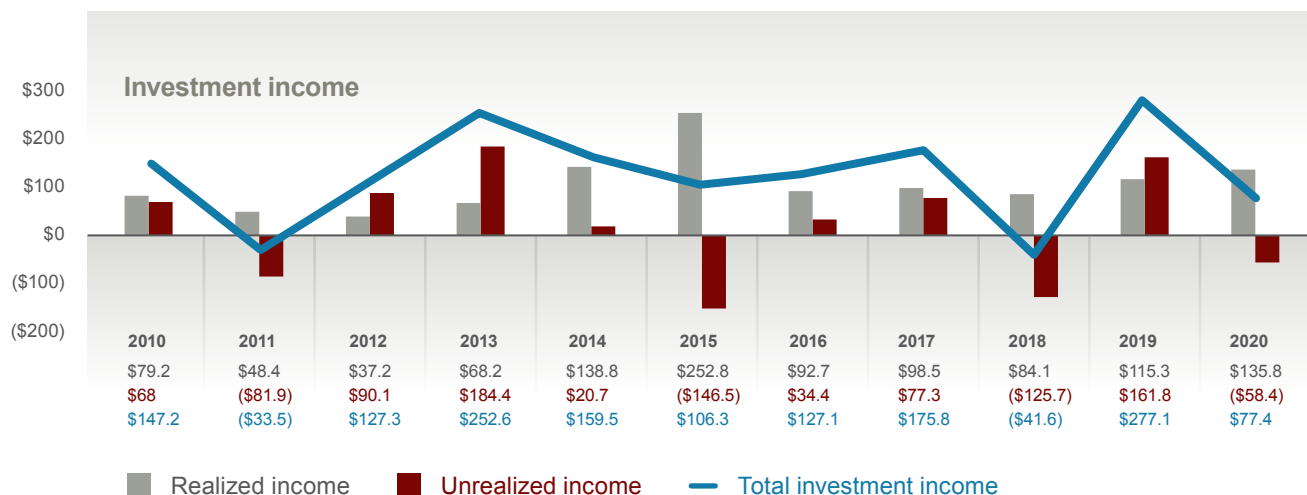
The \$77.4 million investment income consists of:

- \$135.8 million of realized investment income made up of:
 - \$69.5 million in income from interest and dividends.
 - \$71.4 million in net gains realized from the sale of equities and bonds.
 - Less \$5.1 million for investment expenses.

Less:

- A \$58.4 million decrease in unrealized investment gains for the year.

The WCB records its investments at market value. The statement of investment policies and goals (SIP&G) allows the WCB's investment managers to lend investment securities to third parties for the purposes of generating additional revenue. The investments under this securities lending program are shown separately in the statement of financial position. The combined investments on the



statement of financial position were \$2,181.7 million, a \$32.2 million increase from the 2019 total of \$2,149.5 million. This includes accumulated unrealized gains of \$274.8 million.

Cash flow management during COVID-19

Due to the WCB's concerns about the impact COVID-19 was having on the economy and payrolls across the province, the WCB started monitoring cash flow daily. This included monitoring significant changes in assessable payroll and arrears on employer accounts in excess of \$100,000. Financial forecasts were also monitored and scenario planning was implemented.

As a result of the downward trend in the financial forecasts, the WCB secured a line of credit facility for \$25.0 million, the maximum amount permitted in accordance with Section 118(2) of the Act. The WCB withdraws funds from the credit facility as needed and replenishes the credit facility as operating funds become available or investments are redeemed.

Investment strategy

The WCB's SIP&G outlines its investment and risk philosophy. It reflects the long-term nature of the WCB's liabilities and the impact of future inflation on existing liabilities. The WCB diversifies investments among asset

classes – fixed income securities, equities, mortgages and real estate – to achieve long-term investment goals and to maximize returns at an acceptable risk.

The WCB further diversifies within asset classes by selecting investment managers with different investment mandates and styles.

The WCB's investment committee reports to the board and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. The investment committee recommends prudent policy goals and objectives to safeguard the funded position. The committee meets regularly to monitor the performance of the investment managers against established benchmarks and to review the ongoing relevance of the policy.

Funding strategy

The funding policy sets the parameters for the Injury Fund and each of the WCB's reserves. The targeted range for the Injury Fund is five per cent to 20 per cent of benefits liabilities and annuity fund payable, resulting in a targeted funding percentage of 105 per cent to 120 per cent. The Injury Fund is maintained in this range to ensure sufficient funds are available to meet required benefit levels and to guard against unexpected claim activity and volatile economic conditions.

Funded position and reserves (millions)



The funding policy states that unrealized gains and losses on investments are not considered:

- In the determination of the funded status of the WCB.
- For purposes of determining premium rates or surplus distributions.
- For available benefits enhancements.

The funding policy, therefore, removes these unrealized gains and losses from the Injury Fund for the purposes of calculating the funding percentage. Accordingly, the funding percentage is not subject to the significant fluctuations in the market value of investments. The funding policy also establishes reserves, appropriated from the Injury Fund. At December 31, 2020, the WCB maintained the disaster reserve and the second injury and re-employment reserve. The second injury and re-employment reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help workers return to work through

retraining. Currently, the \$14.2 million in this reserve is one per cent of the benefits liabilities as recommended by the funding policy.

The disaster reserve was created to meet the requirements of the Act with respect to disasters and has two components: one for less severe disasters that meet the threshold outlined in policy and one for rare, but very severe, disasters. The funding policy specifies one per cent of benefits liabilities for each component. The total of the disaster reserve was \$28.4 million at the end of 2020.

The balances in the two reserves combined for a total of \$42.6 million at December 31, 2020, compared to a total reserve balance of \$39.8 million at the end of 2019.

The net loss in 2020 of \$83.6 million – a net \$2.8 million increase to reserves to comply with the funding policy and a \$1.2 million transfer from accumulated other comprehensive loss related to the defined benefit pension plan wind-up – results in a balance of \$479.6 million in the Injury Fund at the end of 2020. However, for funding policy purposes, net unrealized gains and losses are excluded from the Injury Fund. When the unrealized gains on investments of \$274.8 million are excluded, this decreases the Injury Fund to \$204.8 million at December 31, 2020. The calculation of the funding percentages is disclosed in note 19 of the financial statements.

Based on the funding policy, the funding percentage at December 31, 2020 was 112.4 per cent, within the targeted range of 105.0 per cent to 120.0 per cent.

Sustainability study

Given the changing economic environment, the WCB's external actuary recommended a financial sustainability study in 2021. The scope of this actuarial study will be comprehensive and will aid the WCB in supporting the board's broader risk management and strategic planning.

Accumulated other comprehensive income

All actuarial gains and losses on the defined benefit pension plan are recorded in accumulated other comprehensive income (AOCI) in the statement of financial position. During the year, the defined benefit pension plan was wound-up and the balance of the accumulated actuarial losses in AOCI was \$nil at December 31, 2020. This was after the actuarial gain of \$0.5 million was recorded in the statement of operations in 2020, and the remaining balance of \$1.2 million was transferred directly to the Injury Fund in accordance with IAS 19 *Employee Benefits*.

Internal control over financial reporting

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The internal controls over financial reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements. The WCB certifies in its annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

To support the certification, an ICOFR committee assesses the WCB's internal controls over financial reporting and provides assurance that internal controls are adequate to prevent material misstatement of the financial statements. The committee assesses the control environment in which the internal controls operate and evaluates internal controls related to certain financial processes, transactions and applications.

The ICOFR committee uses the 2013 Internal Control Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to assess the effectiveness of internal controls. The framework assists organizations in adapting internal controls to changes in the business and operating

environments that have become more global, complex and technology-driven.

The ICOFR committee assesses the WCB's system of internal controls against this updated framework. The assessments undertaken by the committee in 2020 did not identify any weaknesses in internal controls over financial reporting that would result in material misstatement of the December 31, 2020 financial statements. The 2020 report by the CEO and the chief financial officer (CFO) can be found on page 89 of this annual report.

Future forward – strategic guidelines

The WCB continues to advance its True North objectives and targets, as set out on pages 40 and 41. In 2021 and future years, the WCB will continue its business transformation program journey that commenced in 2020. The highest-level objective of the program is to improve customer experience for injured workers and employers and to do so as efficiently and effectively as possible.



Economic outlook

The COVID-19 pandemic has caused a disruption in economic activity in Saskatchewan and around the world. The International Monetary Fund said that although multiple vaccine approvals and the launch of vaccination plans have increased optimism to getting the pandemic under control later in 2021, it also warned the global economy continues to face “exceptional uncertainty” as new waves of COVID-19 infections and variants pose risks.¹

Saskatchewan, like other Canadian provinces, is still recovering from the lockdowns that stopped non-essential activities in the second quarter of 2020. Despite the hit to the province’s energy and resource sectors in 2020, Saskatchewan has had “better success at containing the pandemic,” according to the Conference Board of Canada.² While Saskatchewan’s economy declined by 4.7 per cent in 2020, the Royal Bank of Canada is projecting the economy to recover by 4.7 per cent in 2021, returning overall activity close to levels seen before the pandemic.³

As a result, the initial deep recession forecast for Saskatchewan is expected to be less severe. Recovery in agricultural exports and prices is helping to counteract the impact on total economic growth.⁴ The Royal Bank of Canada says the value of wheat, canola, grains, oilseeds and other major food exports increased by 42 per cent from January to October 2020. The global demand for these products is expected to benefit producers in the province in 2021.

Higher crop prices this year are also expected to strengthen potash demand, which in turn will drive higher volumes and prices in 2021.⁵ While potash production has increased, low prices have affected revenues, according to TD Economics. Uranium production has also been affected. Production was paused at the Cigar Lake mine because of COVID-19.

TD Economics is forecasting some optimism in oil prices. While oil production in September 2020 was 8.6 per cent lower than 2019 levels, oil prices are gradually increasing.⁶ The Royal Bank of Canada expects the rebound in oil prices, as well as recent vaccine breakthroughs, to allow for a mild recovery in 2021.

The province experienced a lower-than-expected deficit of \$2 billion in its mid-year fiscal update in November 2020. This is \$382 million lower than what the Saskatchewan government projected in its 2020 budget. Saskatchewan’s anticipated net debt to gross domestic product (GDP) ratio is the lowest of any province in Canada at 19.6 per cent.⁷

Saskatchewan continues to have a reasonably low unemployment rate at 6.9 per cent. Even though the province allowed many business to stay open during the second wave of the pandemic, Saskatchewan still had a decrease in jobs over the last two months of the year. TD Economics reports that the province’s labour force is the “most depressed” relative to levels before the pandemic.⁸

Saskatchewan’s population grew 0.1 per cent to 1,177,884 at the end of 2020 from 1,176,272 at the end of 2019, according to Statistics Canada.

¹ International Monetary Fund. “World Economic Outlook Update – Policy Support and Vaccines Expected to Lift Activity.” Jan. 2021, <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

² Conference Board of Canada. “Tough Times Ahead”. Nov. 18, 2020, https://www.conferenceboard.ca/docs/default-source/pdf_downloads/summary-for-executives_provincial_nov2020.pdf?sfvrsn=f8a85f13_2

³ Freestone, Carrie. “SASKATCHEWAN – Recovery to Take Shape in Canada’s Bread-Basket.” Royal Bank of Canada, Dec. 2020, <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/sask.pdf>

⁴ International Monetary Fund.

⁵ Freestone.

⁶ Caranci, Beata, Burleton, Derek, Abdelrahman, Omar and Sondhi, Rishi. “Provincial Economic Forecast – It’s Always Darkest Before Dawn.” TD Economics, Dec. 5, 2020, https://economics.td.com/domains/economics.td.com/documents/reports/pef/ProvincialEconomicForecast_dec2020.pdf

⁷ Freestone.

⁸ Caranci, Burleton, Abdelrahman and Sondhi.

Responsibility for Financial Reporting

The financial statements are the responsibility of management and have been prepared in conformity with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent, in all material respects, the financial condition, results of operations and cash flows as at December 31, 2020.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are recorded accurately on a timely basis, are approved properly and result in reliable financial statements. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2020 operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the actuarial certificate.

The financial statements have been examined and approved by the board members. The board members meet periodically with financial officers of the WCB and the external auditors. The internal audit department conducts reviews designed to test the accuracy and consistency of the WCB's internal controls, practices and procedures.

KPMG LLP has been appointed as external auditors to report to the board members regarding the fairness of presentation of the WCB's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and the report on the benefits liabilities. The auditors' report outlines the scope of their examination and their opinion.



Phillip Germain
Chief executive
officer



Crystal Nett
Chief financial officer
& vice-president
corporate services

Actuarial Certification

To the Board of Directors of the Saskatchewan Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2020 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 2013* in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of *The Workers' Compensation Act, 2013*, effective January 1, 2014, and reflects future increases in the maximum wage rates. The benefits liabilities include a provision for claims arising in the future in respect of latent occupational diseases. It also includes a provision for future expenses relating to the administration of existing claims. Payments made by the board on a self-insured basis are excluded from the valuation of the benefits liabilities.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the board's future obligations, with an allowance for inflation increases being slightly higher than best estimate. They are based on the provisions of *The Workers' Compensation Act, 2013*, the board's current claims adjudication practices and administrative procedures, and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

The actuarial valuation of the benefits liabilities of \$1,420,379,000 represents the actuarial present value at December 31, 2020 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2020. In our opinion, the amount of the benefits liabilities makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada. Notwithstanding the above certifications, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.

Aon



Mark Mervyn

Associate Partner

Fellow, Canadian Institute of Actuaries

March 3, 2021

Independent Auditors' Report

To the Members of the Saskatchewan Workers' Compensation Board

Opinion

We have audited the financial statements of Saskatchewan Workers' Compensation Board (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations and other comprehensive income (loss) for the year then ended
- the statement of changes in funded position for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020 and its 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants
Regina, Canada
March 23, 2021

Statement of Financial Position

<i>(Thousands of dollars)</i>	2020	2019
Assets		
Cash	\$ -	\$ 863
Receivables (note 4)	13,026	18,285
Investments under securities lending programs (note 5)	193,528	221,340
Investments (note 5)	1,988,212	1,928,120
Property and equipment (note 6)	10,327	9,055
Other assets (note 7)	7,197	12,021
	\$ 2,212,290	\$ 2,189,684
Liabilities		
Bank indebtedness (note 8)	\$ 19,192	\$ -
Payables and accrued liabilities (note 9)	23,058	30,882
Benefits liabilities (note 10)	1,420,379	1,328,098
Annuity fund payable (note 11)	227,418	225,332
	1,690,047	1,584,312
Funded Position		
Injury Fund	479,632	567,265
Accumulated Other Comprehensive Loss	-	(1,736)
Reserves (note 12)	42,611	39,843
	522,243	605,372
	\$ 2,212,290	\$ 2,189,684

Contingencies (note 18)
See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on March 23, 2021.



Gord Dobrowolsky
Chairperson



Larry Flowers
Board Member



Garry Hamblin
Board Member

Statement of Operations and Other Comprehensive Income

<i>(Thousands of dollars)</i>	2020	2019
Premiums (note 13)	\$ 255,573	\$ 267,210
Expenses		
Claim costs (note 10)	319,551	281,036
Administration (schedule 1)	54,375	52,230
Safety and prevention (note 14)	25,628	25,674
Legislated obligations (note 15)	1,417	1,390
	400,971	360,330
Underwriting Loss	(145,398)	(93,120)
Investment income (note 5)	77,438	277,085
Annuity fund interest (note 11)	(15,606)	(15,065)
Finance charges	(73)	-
Net Income (Loss)	\$ (83,639)	\$ 168,900
Other Comprehensive Income		
Employee benefits		
Net actuarial gains (note 16)	510	630
Total Comprehensive Income (Loss)	\$ (83,129)	\$ 169,530

See accompanying notes to financial statements.

Statement of Changes in Funded Position

<i>(Thousands of dollars)</i>	2020	2019
Injury Fund		
Balance, beginning of year	\$ 567,265	\$ 399,782
Net income (loss)	(83,639)	168,900
Transfer from Accumulated Other Comprehensive Loss	(1,226)	-
Appropriation of funds to reserves (note 12)	(2,768)	(1,417)
Balance, end of year	479,632	567,265
Accumulated Other Comprehensive Loss		
Balance, beginning of year	(1,736)	(2,366)
Other comprehensive income	510	630
Transfer to Injury Fund	1,226	-
Balance, end of year	-	(1,736)
Reserves		
Balance, beginning of year	39,843	38,426
Appropriation of funds from Injury Fund (note 12)	2,768	1,417
Balance, end of year	42,611	39,843
Funded Position	\$ 522,243	\$ 605,372

See accompanying notes to financial statements.

Statement of Cash Flows

<i>(Thousands of dollars)</i>	2020	2019
OPERATING ACTIVITIES		
Cash received from:		
Premiums	\$ 262,943	\$ 269,242
Cash paid to:		
Claimants, or third parties on their behalf	233,411	237,317
Employees and suppliers, for administrative and other goods and services	58,736	56,424
Safety and prevention programs	33,673	25,503
Ministry of Labour Relations and Workplace Safety	2,358	1,330
	328,178	320,574
Net cash used in operating activities	(65,235)	(51,332)
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	1,236,132	1,119,588
Dividends	55,107	36,680
Interest	16,659	18,093
	1,307,898	1,174,361
Cash paid for:		
Purchase of investments	1,257,022	1,118,761
Purchase of property and equipment	1,762	1,190
Purchase of other assets	3,477	2,360
	1,262,261	1,122,311
Net cash provided by investing activities	45,637	52,050
FINANCING ACTIVITIES		
Cash paid for:		
Lease liability payments	457	-
	457	-
Net cash used in financing activities	(457)	-
Increase (decrease) in cash during the year	(20,055)	718
Cash, beginning of year	863	145
Cash (bank indebtedness), end of year	\$ (19,192)	\$ 863

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2020

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 2013* (the Act) and its purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

Though the WCB does not receive government funding or other assistance, it is required by the Act to maintain an Injury Fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims and operations arising from current claims. The WCB is a Government Business Enterprise (GBE), and as such is exempt from income tax.

2. BASIS OF PRESENTATION:

Statement of compliance

The financial statements for the year ended December 31, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial instruments. The methods used to measure the values of financial instruments are discussed further in note 3.

Statement of financial position classification

The statement of financial position has been prepared using the liquidity format, in which the assets and liabilities are presented broadly in order of liquidity. The assets and liabilities comprise both current and non-current amounts.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the WCB's functional currency and are rounded to the nearest thousand unless otherwise noted.

Use of estimates and judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 10), the valuation of receivables (note 4) and investments (note 5).

Impact of the COVID-19 pandemic

On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization, followed closely by a state of emergency declaration. The pandemic has created significant economic uncertainty around the world which has translated into unprecedented volatility in investment markets and commodities. The additional volatility and economic uncertainty has impacted the WCB's valuation of investments (note 5), premiums receivable (note 4), and the benefits liabilities (note 10). The extent to which the COVID-19 pandemic may impact the WCB's operations will depend on future developments and the effectiveness of actions taken by governments and the central bank in Canada. Consequently, the WCB's financial results will be subject to volatility.

3. SIGNIFICANT ACCOUNTING POLICIES:

Financial Assets and Liabilities

The measurement basis for financial assets and financial liabilities depends on whether the financial assets and liabilities have been classified as fair value through profit and loss, available for sale, held to maturity, loans and receivables, or other financial liabilities. Financial assets and liabilities classified as fair value through profit and loss are measured at fair value and changes in fair value are recognized in net income. Financial assets classified as available for sale are measured at fair value with unrealized changes in fair value recorded in other comprehensive income; however, unrealized losses considered other than temporary are recognized as a decrease to net income. Financial assets designated as held to maturity, loans and receivables, or other financial liabilities are measured at amortized cost using the effective interest method. The WCB has no financial assets and liabilities designated as available for sale or held to maturity.

The WCB has designated its cash and investments as fair value through profit and loss. Receivables are designated as loans and receivables. Payables and accrued liabilities and annuity fund payable are designated as other financial liabilities. Benefits liabilities are exempt from the above requirement.

Investments

All investments are carried at fair value through profit and loss. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value of equities are determined based on the quoted market price, based on the latest bid prices. The fair value of pooled equity funds and the pooled bond fund are based on the quoted market values of the underlying investments, based on the latest bid prices. The fair value of bonds and debentures are based on model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of the pooled mortgage fund is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage. The fair value of the pooled real estate fund is determined based on the market values of the underlying real estate investments, normally based on appraisals.

The WCB records its investment purchases and sales on a trade-date basis, being the date when the transactions are entered into.

Investments under Securities Lending Programs

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the statement of financial position, given that the risks and rewards of ownership are not transferred from the WCB to the counterparties in the course of such transactions. The securities are reported separately on the statement of financial position on the basis that the counterparties may resell or re-pledge the securities during the time that the securities are in their possession.

Securities received from counterparties as collateral are not recorded on the statement of financial position, given that the risks and rewards of ownership are not transferred from the counterparties to the WCB in the course of such transactions.

Investment Income

The WCB recognizes interest revenue as earned, dividends when declared, pooled fund revenue when a distribution is declared, realized gains and losses on investments when the investment has been sold and unrealized gains and losses based on the changes in market value of the investments held.

Interest revenue includes amortization of any premium or discount recognized at the date of purchase of the security. Amortization is calculated using the effective interest method. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

Transaction costs are included in the acquisition cost of individual investments. Direct investment expenses, such as external custodial, investment management and investment consultant expenses are recorded against investment income.

Property and Equipment

Property and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. As no borrowing costs are attributable to the acquisition of property and equipment, there are no capitalized borrowing costs included in cost. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	3-4 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted, based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through the WCB's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2020 has been determined by estimating future benefits payments in accordance with the WCB's administrative policies and practices in effect at December 31, 2020.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer.

Intangible Assets

Other assets include software development costs with a finite life. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs ranges from three years to 15 years.

Annuity Fund Payable

The annuity fund is established pursuant to sections 73 and 81 of the Act. Where compensation is paid for a period exceeding 24 consecutive months, an additional amount equal to 10 per cent of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to the WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the period end date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

Employee Future Benefit Plans

The WCB provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees. During 2020, the defined benefit pension plan was terminated and wound-up.

Defined benefit plan

The defined benefit plan (the Plan) has been closed to new members since 1977 and all remaining members are receiving a monthly pension. During the year, the Plan was wound-up and a wind-up report was filed with the Financial and Consumer Affairs Authority of Saskatchewan. Following the approval of the wind-up report, all benefits were settled through a buy-out annuity policy effective January 1, 2021, and the surplus was shared between the Plan members and the Saskatchewan Workers' Compensation Board. The Plan was discontinued on December 31, 2020 and all assets and obligations were discharged prior to January 1, 2021.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations and other comprehensive income in the period during which services are rendered by employees.

Future Accounting Policy Changes

The following future changes to accounting standards will have applicability to the WCB:

IFRS 17, Insurance Contracts

On May 18, 2017, the IASB issued IFRS 17, which is effective for annual periods beginning on or after January 1, 2023. IFRS 17 will replace IFRS 4, *Insurance Contracts*.

This standard introduces consistent accounting for all insurance contracts. The standard requires companies to measure insurance contract liabilities as the risk-adjusted present value of the cash flows plus the contractual service margin, which represents the unearned profit the entity will recognize as future service is provided. This is referred to as the general model. Expedients are specified, provided the insurance contracts meet certain conditions. If, at initial recognition or subsequently, the contractual service margin becomes negative, the contract is considered onerous and the excess is recognized immediately in the statement of operations. The standard also includes significant changes to the presentation and disclosure of insurance contracts within entities' financial statements. The standard is to be applied retrospectively unless impracticable, in which case a modified retrospective approach or fair value approach is used for transition. The standard represents a comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on financial reporting of insurers. The WCB is evaluating the impact this standard will have on the financial statements.

IFRS 9, *Financial Instruments*

IFRS 9 is generally effective for annual periods beginning on or after January 1, 2018. IFRS 9 will replace IAS 39, and requires financial assets to be measured at either fair value or amortized cost, on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. A financial asset that is held by the entity for the purpose of collecting contractual cash flows on specified dates per contractual terms should be measured at amortized cost. All other financial assets should be measured at fair value.

For equity instruments, management has an option on initial recognition to irrevocably designate on an instrument-by-instrument basis to present the changes in their fair value directly in equity. There is no subsequent recycling of fair value gains and losses from equity to the Statement of Operations.

The standard includes introduction of a fair value through other comprehensive income measurement category for simple debt instruments. In this measurement category, the Statement of Financial Position will reflect the fair value carrying amount while amortized cost information is presented in the Statement of Operations. The difference between the fair value and amortized cost information will be recognized in other comprehensive income.

The standard introduces a forward-looking impairment model. IFRS 9 replaces the incurred loss model under IAS 39 with an expected credit loss model.

In September 2016, the IASB issued amendments to IFRS 4, which provide optional relief to eligible insurers in respect of IFRS 9. Entities whose predominant activity is issuing insurance contracts within the scope of IFRS 17 are provided a temporary exemption to defer the implementation of IFRS 9. The WCB will be required to adopt IFRS 9 on January 1, 2023, which aligns with the effective date of IFRS 17.

The WCB evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions, and concluded that all of the liabilities were predominantly connected with insurance. Additionally, the WCB has not previously applied any version of IFRS 9. Therefore, the WCB is an eligible insurer that qualifies for optional relief from the application of IFRS 9. As at January 1, 2018, the WCB has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. The WCB will continue to apply IAS 39 – *Financial instruments: Recognition and measurement* until January 1, 2023.

4. RECEIVABLES:

<i>(Thousands of dollars)</i>	2020	2019
Premiums	\$ 5,405	\$ 9,569
Other	7,596	7,765
Accrued interest	1,861	2,421
Subrogation receivable	1,649	1,756
Interprovincial claims	1,205	1,378
	17,716	22,889
Allowance for doubtful accounts	(4,690)	(4,604)
	\$ 13,026	\$ 18,285

Due to the impact of the COVID-19 pandemic, WCB has recorded no amount (2019 - \$5,050,000) for additional premium revenue to be assessed when employers submit their final insurable earnings information for 2020. The estimate is based on the total estimated premium revenue for the year, less premiums received for the year. The total estimated premium revenue uses management's best estimate and judgment in calculating the employers' final payroll amounts for the year.

At the end of the year, receivables of \$10,275,000 (2019 - \$15,902,000) were due within one year.

The allowance for doubtful accounts is a provision for potential credit losses, and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

<i>(Thousands of dollars)</i>	2020	2019
Balance, beginning of year	\$ 4,604	\$ 4,692
Amounts written off	(888)	(1,393)
Current provision	974	1,305
Balance, end of year	\$ 4,690	\$ 4,604

The aging of receivables is as follows:

<i>(Thousands of dollars)</i>	2020	2019
Less than 60 days	\$ 6,666	\$ 13,179
61 to 180 days	2,275	1,859
181 to 365 days	1,334	864
Greater than one year	7,441	6,987
	\$ 17,716	\$ 22,889

5. INVESTMENTS AND INVESTMENTS UNDER SECURITIES LENDING PROGRAMS:

(a) The fair value of investments and investments under securities lending programs is as follows:

<i>(Thousands of dollars)</i>	2020	2019
Investments		
Bonds and debentures	\$ 224,485	\$ 232,632
Pooled bond fund	126,776	121,215
Pooled equity funds	982,571	727,011
Equities	216,291	403,401
Pooled real estate fund	249,765	254,554
Pooled mortgage fund	141,917	133,094
Short-term holdings	46,407	56,213
	1,988,212	1,928,120
Investments under Security Lending Program		
Bonds and debentures	140,274	131,319
Equities	53,254	90,021
	193,528	221,340
	\$ 2,181,740	\$ 2,149,460

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

<i>(Thousands of dollars)</i>		2020		2019	
	Term to Maturity In Years	Fair Value	Average Effective Yield	Fair Value	Average Effective Yield
Government of Canada Securities					
	1 - 5	\$ 85,499	1.95%	\$ 64,217	1.88%
	6 - 10	-	0.00%	28,636	2.10%
	Over 10	11,306	2.40%	24,681	2.77%
Provincial & Municipal Securities					
	1 - 5	27,820	2.79%	24,203	2.80%
	6 - 10	18,511	2.28%	6,001	2.80%
	Over 10	75,459	2.71%	66,320	3.11%
Corporate Securities					
	1 - 5	69,324	2.47%	91,529	2.81%
	6 - 10	46,085	2.77%	29,286	3.17%
	Over 10	30,755	3.85%	29,078	3.81%
Total		\$ 364,759		\$ 363,951	

(ii) Pooled bond fund:

The WCB has invested in a global pooled bond fund. The fund returns are based on the success of the manager.

(iii) Equities and pooled equity funds:

The WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

The WCB's equity investments includes foreign equities of \$1,005,262,000 (2019 - \$674,507,000).

The WCB has an investment in a pooled equity fund for Europe, Asia and the Far East (EAFE) with a carrying value of \$157,667,000 (2019 - \$135,019,000), an investment in a Canadian Equity Small Cap fund with a carrying value of \$nil (2019 - \$83,203,000), an investment in a Canadian Low Volatility Equity fund with a carrying value of \$122,254,000 (2019 - \$117,423,000), an investment in a Canadian Special Equity fund with a carrying value of \$9,330,000 (2019 - \$7,798,000), an investment in a Global Equity Small Cap fund with a carrying value of \$91,812,000 (2019 - \$85,628,000) and an investment in two Global Low Volatility Equity funds with a carrying value of \$601,508,000 (2019 - \$297,940,000).

(iv) Pooled real estate fund:

The WCB has an investment in a pooled real estate fund that is invested in Canadian commercial properties.

(v) Pooled mortgage fund:

The WCB has an investment in a pooled mortgage fund that is invested in Canadian mortgages.

(vi) Short-term holdings:

Short-term holdings is comprised of treasury bills and bank notes, with effective interest rates of 0.1% to 0.2% (2019 – 1.7% to 1.9%) and average term to maturity of 2.23 months (2019 – 3.44 months).

(vii) Securities lending:

The WCB's Statement of Investment Policies and Goals allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for pledged collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105 per cent of the market value of the securities lent.

At December 31, 2020, the WCB had \$193,528,000 (2019 - \$221,340,000) in equities and bonds on loan to various counterparties. At December 31, 2020, the total amount of collateral pledged to the WCB amounted to \$203,218,000 (2019 - \$232,411,000).

(b) Investment income

Net investment income was derived from the following sources:

<i>(Thousands of dollars)</i>	2020			2019		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Cash and foreign exchange	\$ 231	\$ -	\$ 231	\$ (888)	\$ -	\$ (888)
Bonds and debentures	21,447	9,344	30,791	15,549	6,102	21,651
Pooled bond fund	59	5,503	5,562	17,686	(2,290)	15,396
Pooled equity funds	35,034	(30,191)	4,843	23,569	73,652	97,221
Equities	77,305	(40,789)	36,516	42,158	76,524	118,682
Pooled real estate fund	-	(4,789)	(4,789)	13,920	7,545	21,465
Pooled mortgage fund	6,252	2,571	8,823	7,216	212	7,428
Short-term holdings	607	-	607	1,436	-	1,436
Investment expenses	(5,146)	-	(5,146)	(5,306)	-	(5,306)
	\$ 135,789	\$ (58,351)	\$ 77,438	\$ 115,340	\$ 161,745	\$ 277,085

(c) Determination of fair value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy, based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

The WCB defines active markets based on the frequency of valuation and any restrictions or illiquidity on disposition of the underlying investment and trading volumes. Assets measured at fair value and classified as Level 1 include pooled equity funds and equities. Fair value is based on market price data for identical assets obtained from the investment custodian, investment managers or dealer markets. The WCB does not adjust the quoted price for such investments;

Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (ie. as prices) or indirectly (i.e. derived from prices)

Level 2 inputs include observable market information, including quoted prices for assets in markets that are considered less active. Assets measured at fair value and classified as Level 2 include bonds and debentures, the pooled bond fund, pooled mortgage fund and short-term holdings. Fair value is based on, or derived from, market price data for same or similar instruments obtained from the investment custodian, investment managers or dealer markets; and

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

Level 3 assets and liabilities include financial instruments whose values are determined using internal pricing models, discounted cash flow methodologies or similar techniques that are not based on observable market data, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. Assets classified as Level 3 include the investment in the pooled real estate fund. The fair value of the investment is based on the WCB's share of the net asset value of the respective fund, as determined by its investment manager, and used to value purchases and sales of units in the investments. The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties. Real estate properties are appraised by external, independent professional real estate appraisers who are accredited through the Appraisal Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and, are based primarily on the discounted cash flow and income capitalization methods.

Assets at fair value as at December 31, 2020

<i>(Thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 364,759	\$ -	\$ 364,759
Pooled bond fund	-	126,776	-	126,776
Pooled equity funds	982,571	-	-	982,571
Equities	269,545	-	-	269,545
Pooled real estate fund	-	-	249,765	249,765
Pooled mortgage fund	-	141,917	-	141,917
Short-term holdings	-	46,407	-	46,407
	\$ 1,252,116	\$ 679,859	\$ 249,765	\$ 2,181,740

Assets at fair value as at December 31, 2019

<i>(Thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 363,951	\$ -	\$ 363,951
Pooled bond fund	-	121,215	-	121,215
Pooled equity funds	727,011	-	-	727,011
Equities	493,422	-	-	493,422
Pooled real estate fund	-	-	254,554	254,554
Pooled mortgage fund	-	133,094	-	133,094
Short-term holdings	-	56,213	-	56,213
	\$ 1,220,433	\$ 674,473	\$ 254,554	\$ 2,149,460

During the year, no investments were transferred between levels.

Level 3 Reconciliation

<i>(Thousands of dollars)</i>	2020	2019
	Pooled Real Estate Fund	Pooled Real Estate Fund
Opening Balance	\$ 254,554	\$ 257,157
Acquisitions	-	-
Dispositions	-	(10,148)
Realized gain	-	(13,920)
Change in unrealized gain	(4,789)	21,465
Closing Balance	\$ 249,765	\$ 254,554

(d) Financial risk management

The WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board members review the SIP&G annually and, through the investment committee, receive regular reporting from the investment managers and custodian regarding compliance with the SIP&G.

(i) Market risk

The WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity price risk

The WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets. In the SIP&G, the WCB limits its investment concentration in any one investee or related group of investees to 10 per cent of the investee's share capital. In addition, no one holding can represent more than 10 per cent of the fair value of the WCB's equity portfolio. Investment in pooled funds shall not exceed 10 per cent of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to net income based on a 10 per cent change in the WCB's benchmark indices at December 31, 2020:

Change in Equity Benchmarks

<i>(Thousands of dollars)</i>	2020	2019
World (ex-Canada) Index	\$ 60,151	\$ 29,794
MSCI EAFE Index	15,767	14,156
S&P 500 Index	15,459	15,652
S&P/TSX Composite Index	12,225	33,373
MSCI World Small Cap	9,181	7,551

Interest rate risk

The WCB is exposed to fluctuations in interest rates that can impact the fair value of its bonds and debentures. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a one per cent increase in interest rates would decrease net income by approximately \$24,561,000 at December 31, 2020 (2019 - \$27,518,000), representing 6.7 per cent (2019 – 7.6 per cent) of the \$364,759,000 (2019 - \$363,951,000) fair value of bonds and debentures.

Foreign exchange risk

The WCB has certain investments denominated in foreign currencies. During 2020 the WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, the WCB limits its holdings in foreign equities to 45 per cent of the investment portfolio. As at December 31, 2020, the WCB's holdings in foreign equities and pooled equity funds had a fair value of \$1,005,262,000 (2019 - \$674,507,000) representing 46.1 per cent (2019 – 31.4 per cent) of the fair value of the total investment portfolio. At December 31, 2020, it is estimated that a 10 per cent appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in a decrease in net income of approximately \$100,526,000 (2019 - \$67,451,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. The WCB's credit risk arises primarily from cash, receivables, short-term holdings and bonds and debentures. The maximum credit exposure related to these financial instruments is \$424,192,000 (2019 - \$439,312,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15 per cent to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For short-term holdings, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10 per cent of the market value of the bond investment portfolio. The WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by the WCB (note 4).

Credit ratings for the bonds and debentures are as follows:

<i>(Thousands of dollars)</i>	2020		2019	
Credit Rating	Fair Value	Per cent of Portfolio	Fair Value	Per cent of Portfolio
AAA	\$ 99,546	27.3%	\$ 125,438	34.4%
AA	170,110	46.7%	135,668	37.3%
A	53,015	14.5%	57,069	15.7%
BBB	42,088	11.5%	45,776	12.6%
	\$ 364,759		\$ 363,951	

(iii) Liquidity risk

Liquidity risk is the risk that the WCB is unable to meet its financial obligations. Cash resources are managed daily, based on anticipated cash flows. Receivables and payables and accrued liabilities are short-term in nature and the amounts due within one year are disclosed in notes 4 and 9. The cash flow to pay claims benefits is disclosed in note 10 and to pay annuity funds is disclosed in note 11. The WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities. To cover any short-term cash needs, WCB has a \$25 million line of credit.

6. PROPERTY AND EQUIPMENT:

<i>(Thousands of dollars)</i>	2020						2019	
	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2020 Total	2019 Total
Cost								
Balance, beginning of year	\$ 1,375	\$ 14,017	\$ 4,436	\$ -	\$ 2,146	\$ 3,148	\$ 25,122	\$ 25,520
Additions during the year	-	-	503	1,707	179	994	3,383	1,244
Disposals during the year	-	-	(725)	-	(34)	(458)	(1,217)	(1,642)
Balance, end of year	\$ 1,375	\$ 14,017	\$ 4,214	\$ 1,707	\$ 2,291	\$ 3,684	\$ 27,288	\$ 25,122
Accumulated Amortization								
Balance, beginning of year	\$ -	\$ 9,561	\$ 3,130	\$ -	\$ 1,474	\$ 1,902	\$ 16,067	\$ 16,120
Amortization for the year	-	350	280	364	143	974	2,111	1,589
Disposals during the year	-	-	(725)	-	(34)	(458)	(1,217)	(1,642)
Balance, end of year	\$ -	\$ 9,911	\$ 2,685	\$ 364	\$ 1,583	\$ 2,418	\$ 16,961	\$ 16,067
Net Book Value	\$ 1,375	\$ 4,106	\$ 1,529	\$ 1,343	\$ 708	\$ 1,266	\$ 10,327	\$ 9,055

7. OTHER ASSETS:

<i>(Thousands of dollars)</i>	2020	2019
Intangible assets	\$ 6,751	\$ 9,910
Net accrued pension benefit asset (note 16)	-	1,512
Prepaid expenses	446	599
	\$ 7,197	\$ 12,021

Intangible Assets

Intangible assets are comprised of the following:

<i>(Thousands of dollars)</i>	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
System development				
Balance, beginning of year	\$ 61,451	\$ (51,541)	\$ 9,910	\$ 13,946
Additions during the year	3,563	-	3,563	2,336
Amortization for the year	-	(6,722)	(6,722)	(6,372)
Disposals during the year	(2,163)	2,163	-	-
Balance, end of year	\$ 62,851	\$ (56,100)	\$ 6,751	\$ 9,910

During the year, \$3,563,000 (2019 - \$2,336,000) of internally generated system development costs were capitalized.

8. BANK INDEBTEDNESS:

<i>(Thousands of dollars)</i>	2020		2019
Line of credit	\$ 14,256		\$ -
Cash in bank, net of outstanding cheques	4,936		-
	\$ 19,192		\$ -

In accordance with Section 118(1) of the Act, WCB has secured a \$25 million line of credit with interest at Scotiabank's prime lending rate.

9. PAYABLES AND ACCRUED LIABILITIES:

<i>(Thousands of dollars)</i>	2020		2019
Employee benefits liability	\$ 6,920		\$ 6,438
Premium refunds	6,459		7,695
Other	5,989		4,102
Occupational Health & Safety	3,227		11,257
Workers' Advocate	450		1,390
Accrued investment purchases	13		-
	\$ 23,058		\$ 30,882

At the end of the year, payables and accrued liabilities of \$21,807,000 (2019 - \$30,816,000) were due within one year.

10. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2020, including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Projected future benefits payments have been discounted to their present value by applying a discount rate of 5.25 per cent per annum. The determination of the projected future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	2020	2019
Inflation	2.25%	2.25%
Expected future growth in gross wages	3.25%	3.25%
Expected future increase in health care costs	5.00%	5.00%
Discount rate	5.25%	5.25%

The current year's claim costs expense includes the actuarial cost of claims for reported and unreported work-related injuries that occurred during the year and adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods.

Benefits Liabilities Continuance Schedule

	2020								2019
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Latent Occupational Disease	Total	Total
Balance, beginning of year	\$ 130,796	\$ 395,624	\$ 92,583	\$ 516,430	\$ 17,612	\$ 67,885	\$ 107,168	\$ 1,328,098	\$ 1,280,886
ADD:									
Claim costs incurred:									
Current year injuries	68,731	24,983	11,645	70,829	2,258	11,713	8,634	198,793	197,177
Prior years' injuries	26,763	37,243	6,225	46,990	(1,217)	4,754	-	120,758	83,859
	95,494	62,226	17,870	117,819	1,041	16,467	8,634	319,551	281,036
DEDUCT:									
Claim payments made:									
Current year injuries	24,798	390	697	23,062	101	3,498	-	52,546	61,240
Prior years' injuries	52,659	44,137	10,743	56,738	2,398	8,049	-	174,724	172,584
	77,457	44,527	11,440	79,800	2,499	11,547	-	227,270	233,824
Balance, end of year	\$ 148,833	\$ 413,323	\$ 99,013	\$ 554,449	\$ 16,154	\$ 72,805	\$ 115,802	\$ 1,420,379	\$ 1,328,098

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits, and have been determined using the above long-term assumptions.

(Thousands of dollars)	
2021	\$ 176,518
2022 - 2025	382,939
2026 - 2030	280,521
2031 - 2035	182,800
2036 - 2040	125,895
2041 - 2045	90,993
2046 and beyond	180,713
	<u>\$ 1,420,379</u>

The following is a reconciliation of the benefits liabilities:

<i>(Thousands of dollars)</i>	2020	2019
Balance, beginning of year	\$ 1,328,098	\$ 1,280,886
ADD:		
Provision for current year injuries	190,159	192,594
Provision for prior years' injuries		
Interest allocated	59,514	60,059
Prior years' claim cost experience higher than expected	62,679	13,101
Effect of actual cost of living adjustment lower than expected	(15,224)	(4,919)
Impact of change in provision for latent occupational disease	3,008	(1,059)
Changes in actuarial methods and assumptions	19,415	21,260
	319,551	281,036
DEDUCT:		
Benefit payments	215,723	221,957
Claim adjudication expense	11,547	11,867
	227,270	233,824
Balance, end of year	\$ 1,420,379	\$ 1,328,098

Claims Development Table

The table illustrates how the estimate of total claims for each injury year has changed at successive year-ends and reconciles the cumulative claims to the current estimate of the outstanding claims liabilities. All amounts shown have been adjusted with interest to the current year-end.

<i>(Thousands of dollars)</i>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
End of year	\$ 282,392	\$ 274,921	\$ 253,337	\$ 219,514	\$ 212,958	\$ 222,236	\$ 197,627	\$ 210,246	\$ 202,616	\$ 191,520
One year later	277,059	273,289	241,382	232,291	215,765	222,031	204,946	214,037	222,866	
Two years later	281,031	262,220	240,936	240,171	211,252	226,488	203,939	218,904		
Three years later	281,191	256,884	248,183	242,440	219,187	229,259	210,866			
Four years later	277,006	259,839	249,925	248,501	221,565	238,350				
Five years later	277,343	247,282	248,043	249,617	226,644					
Six years later	276,827	254,017	249,963	253,784						
Seven years later	276,173	254,456	252,084							
Eight years later	279,997	257,072								
Nine years later	281,583									
Estimate of cumulative claims	281,583	257,072	252,084	253,784	226,644	238,350	210,866	218,904	222,866	191,520
Cumulative payments	(239,658)	(211,740)	(203,176)	(196,413)	(174,036)	(172,828)	(147,694)	(144,287)	(124,692)	(53,908)
Benefits liabilities	\$ 41,925	\$ 45,332	\$ 48,908	\$ 57,371	\$ 52,608	\$ 65,522	\$ 63,172	\$ 74,617	\$ 98,174	\$ 137,612
Post 2010 benefits liabilities										\$ 685,241
Pre-2011 benefits liabilities										619,336
Latent occupational disease										115,802
Total benefits liabilities										\$1,420,379

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed discount rate of 5.25 per cent. The approximate impact of a one per cent decrease in the assumed discount rate results in a \$161,404,000 increase in the benefits liabilities.

A one per cent increase in inflation rates for general prices and wages (while holding the assumed investment return constant), results in a \$152,714,000 increase in the benefits liabilities.

Health care benefits liabilities are calculated assuming a future rate of escalation of health care costs of five per cent per year. A 0.5 per cent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately \$48,228,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes the WCB's injured worker claim termination experience. A flat reduction of five per cent in these termination rates would increase benefits liabilities by approximately \$10,515,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of five per cent in these mortality rates would increase benefits liabilities by approximately \$1,373,000.

Insurance Risk Management

The WCB is exposed to certain insurance risks related to its current claim costs and its benefits liabilities relating to future claim costs. These insurance risks include employers' return-to-work practices, medical intervention, the WCB's effectiveness in managing claims and determining premium rates, and changes in coverage from amendments to the Act. The WCB manages these risks through active involvement in return-to-work programs, vocational rehabilitation programs, contracts with medical providers, certification of medical providers, standard operating procedures for adjudicating claims and extensive training for new staff. The WCB utilizes actuarial models to monitor claims patterns, calculate average premiums, and estimate future claim costs, taking into account past experience and using statistical methods consistent with sound actuarial principles. No provision is made for any proposed amendments to the Act until such changes are passed.

11. ANNUITY FUND PAYABLE:

<i>(Thousands of dollars)</i>	2020	2019
Balance, beginning of year	\$ 225,332	\$ 224,418
ADD: Contributions		
Principal	6,424	6,328
Interest	15,606	15,065
	22,030	21,393
DEDUCT: Payouts		
Principal	6,484	6,471
Interest	13,460	14,008
	19,944	20,479
Balance, end of year	\$ 227,418	\$ 225,332

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2020.

(Thousands of dollars)

2021	\$ 22,962
2022 - 2025	75,524
2026 - 2030	65,483
2031 - 2035	28,873
2036 - 2040	18,457
2041 - 2045	8,752
2046 and beyond	7,367
	<u>\$ 227,418</u>

Due to the nature of the annuity fund payable, its carrying value at December 31 approximates fair value.

12. RESERVES:

<i>(Thousands of dollars)</i>	2020				2019
	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	Total	Total
Balance, beginning of year	\$ 26,562	\$ -	\$ 13,281	\$ 39,843	\$ 38,426
Appropriation from Injury Fund	1,845	-	923	2,768	1,417
Appropriation to fund cost relief for employers	16,106	5,559	38,694	60,359	44,348
Allocations for cost relief for employers	(16,106)	(5,559)	(38,694)	(60,359)	(44,348)
Balance, end of year	<u>\$ 28,407</u>	<u>\$ -</u>	<u>\$ 14,204</u>	<u>\$ 42,611</u>	<u>\$ 39,843</u>

To maintain a funded status that is consistent with the statutory requirements of the Act, the WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, revised in 2013, maintains the following reserves and specifies that they be determined based on the current benefits liabilities:

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster, and will cover potential volatility in rare but very severe disasters, as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two per cent of benefits liabilities for this reserve. During the current year, \$1,845,000 was transferred from the injury fund to this reserve.

(b) The Occupational Disease Reserve is used to cover costs that may have arisen from latent occupational diseases where exposure today may result in the establishment of a future claim. During the year, the cost relief for employers included \$381,000 related to claims from the COVID-19 pandemic.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury, and to assist in facilitating return to work through retraining. The funding policy specifies one per cent of benefit liabilities for this reserve. During the current year, \$923,000 was transferred from the injury fund to this reserve.

13. PREMIUMS:

<i>(Thousands of dollars)</i>	2020	2019
Premiums	\$ 259,033	\$ 270,326
Experience Rating Program - discounts	(27,064)	(27,732)
Experience Rating Program - surcharges	23,604	24,616
	\$ 255,573	\$ 267,210

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three-year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records

The Government of Canada is a self-insured employer whose claims are administered by the WCB. The Government reimburses the WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada, and accordingly claim costs do not include self-insured claims. Monies paid to the WCB for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2020 were \$5,712,000 (2019 - \$5,444,000).

14. SAFETY AND PREVENTION:

<i>(Thousands of dollars)</i>	2020	2019
Occupational Health & Safety	\$ 11,756	\$ 11,257
Safety associations	11,397	11,441
WorkSafe Saskatchewan	2,475	2,976
	\$ 25,628	\$ 25,674

Section 115(g) of the Act allows the WCB to expend monies for the cost of administration of the industrial safety program.

The WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. During the year, funds were collected on behalf of, and disbursed to, the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Energy Safety Canada.

15. LEGISLATED OBLIGATIONS:

<i>(Thousands of dollars)</i>	2020	2019
Worker's Advocate	\$ 1,417	\$ 1,390
Committee of Review	-	-
	\$ 1,417	\$ 1,390

Section 115(h), (i) and (j) of the Act allows the WCB to expend monies for the expenses, including salaries and remuneration, of the office of the Worker's Advocate and the expenses of any Committee of Review established under the Act.

16. EMPLOYEE FUTURE BENEFITS:

The WCB sponsors a defined benefit pension for former employees and a defined contribution pension arrangement covering all current employees.

Defined Benefit Plan

On January 15, 2020, the WCB approved entering into a Buy-in annuity contract with Brookfield Annuity Company (Brookfield) and, on January 31, 2020, the Pension Plan for Employees of the Saskatchewan Workers' Compensation Board (the Plan) transferred \$39.4 million to Brookfield. Under the terms of this contract, beginning in April 2020, Brookfield provided the funds to the Public Employees Benefits Agency (PEBA) for the monthly pension payments to the members of the Plan. The Financial and Consumer Affairs Authority (FCAA) approved the termination of the Plan and the distribution of the surplus on November 13, 2020. The Buy-in annuity contract was converted to a Buy-out annuity contract with Brookfield on December 23, 2020 and, effective January 2021, Brookfield will begin making monthly annuity payments directly to members of the Plan. The Plan was terminated on December 31, 2020 with all surplus funds being dispersed, 50 per cent to members of the plan and 50 per cent to WCB, in accordance with the wind-up plan approved by FCAA.

i) Movement in net accrued pension benefit (asset) liability

The following table shows a reconciliation of the opening balances to the closing balances for the net accrued pension benefit (asset) liability and its components.

<i>(Thousands of dollars)</i>	2020	2019	2020	2019	2020	2019
	Defined Benefit Obligation		Fair Value of Plan Assets		Net Accrued Pension Benefit (Asset) Liability	
Balance at January 1	\$ 38,436	\$ 36,288	\$ (39,948)	\$ (37,279)	\$ (1,512)	\$ (991)
Included in profit or loss						
Settlement loss	950	-	-	-	950	-
Interest cost (income)	1,139	1,340	(707)	(1,231)	432	109
	2,089	1,340	(707)	(1,231)	1,382	109
Included in Other Comprehensive Income						
- Actuarial loss from change in assumptions	-	3,221	-	-	-	3,221
- Return on plan assets excluding interest income	-	-	(510)	(3,851)	(510)	(3,851)
	-	3,221	(510)	(3,851)	(510)	(630)
Other						
Refund of surplus to members	(640)	-	640	-	-	-
Refund of surplus to WCB	-	-	640	-	640	-
Conversion to Buy-out agreement	(37,482)	-	-	-	(37,482)	-
Purchase of Buy-in annuity	-	-	39,281	-	39,281	-
Payments from Buy-in	-	-	(1,799)	-	(1,799)	-
Benefits paid	(2,403)	(2,413)	2,403	2,413	-	-
	(40,525)	(2,413)	41,165	2,413	640	-
Asset ceiling adjustment					-	-
Balance at December 31	\$ -	\$ 38,436	\$ -	\$ (39,948)	\$ -	\$ (1,512)

(ii) Plan Assets

<i>(Thousands of dollars)</i>	2020	2019
Duration bond funds	\$ -	\$36,195
Pooled mortgage fund	-	3,767
Short-term investments	-	30
	-	39,992
Other	-	(44)
	\$ -	\$ 39,948

Defined Contribution Plan

The WCB also has employees who are members of a defined contribution plan. The WCB's financial liability is limited to matching employee contributions of seven and one quarter per cent to the plan. During the year, the WCB incurred costs of \$2,833,000 (2019 - \$2,666,000) related to its defined contribution plan.

17. RELATED PARTY DISCLOSURE:

i) Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the WCB by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan. All routine operating transactions are settled at the exchange amount agreed to by the related parties. The WCB has elected to take a partial exemption under IAS 24, Related Party Disclosures, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

ii) Key Management Compensation:

At December 31, 2020, key management personnel is made up of nine people (2019 - eight people) and includes the Chairman of the Board, two board members, the Chief Executive Officer, the Chief Financial Officer, and four (2019 - three) members of the senior executive group.

<i>(Thousands of dollars)</i>	2020	2019
Salaries and other short-term benefits	\$ 2,439	\$ 2,365
Post employment benefits	137	219
	\$ 2,576	\$ 2,584

18. CONTINGENCIES:

Due to the size, complexity and nature of the WCB's operations, various claims, appeals and legal matters are pending. In the opinion of management, these matters will not have a material effect on the WCB's financial position, or results of operations.

19. CAPITAL MANAGEMENT:

The WCB's objectives when managing capital are to build a Funded Position that supports the long-term financial stability of the WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing the WCB's Funded Position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and sets the target range for the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, at five per cent to 20 per cent of Benefits Liabilities plus Annuity Fund Payable.

Where the injury fund shifts out of the targeted range, the funding policy states the WCB will replenish or regulate the fund to maintain the targeted range. Where the Funding Percentage falls below 100 per cent, the WCB will take action to replenish the Injury Fund immediately to reach 100 per cent. If the Funding Percentage falls below 103 per cent, the WCB, at its discretion, will take action to replenish the Injury Fund to reach 105 per cent within three years. Generally, where the Funding Percentage rises above 122 per cent, the WCB, at its discretion, will distribute surplus funds to employers, within the year following the WCB's fiscal year in which the Funding Percentage exceeded 122 per cent.

The WCB monitors its funded status on the basis of its Funding Percentage. The Funding Percentage is calculated as the Benefits Liabilities plus the Annuity Fund Payable, plus the balance in the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, divided by the Benefits Liabilities plus the Annuity Fund Payable.

The Funding Percentages at December 31 were as follows:

<i>(Thousands of dollars)</i>	2020	2019
Injury Fund	\$ 479,632	\$ 567,265
Unrealized gains on investments	(274,791)	(333,142)
	\$ 204,841	\$ 234,123
Benefits liabilities plus annuity fund payable	1,647,797	1,553,430
Injury Fund as a percentage of benefits liabilities plus annuity fund payable	12.4%	15.1%
Funding Percentage	112.4%	115.1%

20. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The fair value of financial assets and liabilities other than investments (note 5), benefits liabilities (note 10), and annuity fund payable (note 11), approximates carrying value due to their immediate or short-term nature.

21. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Schedule 1 – Administration Expenses

<i>(Thousands of dollars)</i>	2020	2019
Salaries and employee benefits	\$ 47,941	\$ 44,633
Amortization (notes 6 & 7)	8,833	7,961
Computer services	2,454	2,531
Building operations	1,929	1,836
Consulting services	1,860	2,327
Communications and postage	1,459	1,580
Office expenses	997	1,395
Office rental	971	1,200
Professional services	605	528
Training and development	476	718
Travel and automobile expenses	208	722
Community relations	197	347
Market research	118	148
Advertising	61	47
Miscellaneous	272	262
	68,381	66,235
Less:		
Fees charged to self-insurers	2,459	2,138
	65,922	64,097
Less:		
Administration costs charged to Future Benefits Administration (note 10)	11,547	11,867
	\$ 54,375	\$ 52,230

See accompanying notes to financial statements.



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