

## **Gord Dobrowolsky**

Good afternoon, ladies, and gentlemen, and welcome. I'm here on behalf of the board, my board colleagues, Larry Flowers, Gary Hamblin, Judy Henley, and Jack Brodsky, and the board welcomes you to our AGM. It is indeed my privilege to be addressing you as Chair of the WCB. This is indeed one of our most important public accountability events. A recording of today's event will be posted on our YouTube channel under Saskatchewan Workers' Compensation Board. We're here today to present our results from 2022 as well as our plans for the future. As a board, our actions are governed by the Workers' Compensation Act 2013, and the WCB has exclusive jurisdiction in Saskatchewan, and we are an independent board fully funded by employer premiums and investment income. As stewards of the workers' compensation system in Saskatchewan, it is our vision at the WCB to eliminate injuries and restore abilities. We will work to achieve our vision through our mission, which is to be a customer-centric organization that continuously seeks to add value for our customers through a process of continuous process improvement. Our agenda today is meant to give you a high-level overview of our 2022 results and more in-depth information is available in the Annual Report and on our website. In just a few minutes, our CEO and members of WCB's executive team will share our 2022 financial and operational highlights with you. But first, I would briefly like to review the principles that govern our compensation system, the Meredith Principles. Since 1911 -- Phil Germain was not born yet, but close. I mean, what was relevant that happened in 1911 that's still relevant today? I don't think a whole lot, but the Meredith Principles are. Since 1911, the workers' compensation system in Canada as we know it has operated according to the Meredith Principles. The Meredith Principles are five basic concepts that underlie most workers' compensation systems in Canada. I believe these principles are still as valid and important today as they were in 1911. These principles are a historic compromise -- and I know you've heard that phrase before, but it's very important -- a historic compromise in which employers fund the workers' compensation system and in turn injured workers surrender their right to sue their employer for their injury. The principles stipulate that WCB will provide a no-fault mandatory insurance coverage to protect workers from earnings loss. Through this no-fault system, employers are protected from legal action arising from a workplace injury and collectively fund the compensation system. Financial stewardship is embedded in these principles and is a priority for this board. I am pleased to

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advise that the WCB remains fully funded with the financial resources to pay all injury claims. We remain committed to the Meredith Principles that protect workers, families, employers, and in fact entire communities. In 2022, the Saskatchewan Workers' Compensation Board focused on transformation, transformation being change. We've focused on transformation and adapting to broad-reaching change which required flexibility and agility at every level at the WCB. As an organization, we have embraced this change, which allows us to continue acting on our Vision. And thanks to the efforts of safety leaders, workers, and employers around the province, I am pleased to report that in 2022, 90%, that's 9-0, 90% of Saskatchewan employers recorded zero injuries and zero fatalities in their workplace, and in fact we've been at 90% for a few years now. In 2022, our total injury rate was 4.33% compared to 4.56% in 2021. While the total injury rate decreased in 2022, the time loss injury rate increased slightly to 2.04%. This is an increase of .49% from the 2021 rate. While our time loss injury rate increased slightly last year, in the bigger picture our total injury rate decreased by 53.54% from '09 to '22, thanks to the tremendous efforts of workers and employers to advance safe and healthy workplaces. But there's always more to do. We are not at zero yet. We encourage all organizations to measure the success of their work by modifying the familiar phrase "on time and on budget" to "on time, on budget, with no injuries". By incorporating just those three words, we are not measuring success only in financial terms, we are also expressing our shared desire to see every employee return safely to their loved ones at the end of each workday. Sadly, in a world where one workplace death is too many, we lost 39 individuals in work-related deaths last year. Think about that, 39. These deaths occurred in a variety of Saskatchewan industries. Exposure to asbestos made up 16 of the fatality claims accepted in 2022. Through our WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety, we continue to promote our asbestos risk awareness program through the province, which is in its third year, and you can learn more about this program on our WorkSafe website. The fact that 39 workers in Saskatchewan lost their lives because of a workplace injury is entirely and totally unacceptable to everybody. The impact of losing a loved one is felt most at home, but that devastating impact also extends into our communities and our province. Without question, we must continue to work together to make workplaces in Saskatchewan safe. It's only together that we can create safe workplaces where lives are never at risk and loved ones always return home safely. With that in mind,

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building on the 2019 to '21 Fatalities and Serious Injury Strategy, last year WorkSafe Saskatchewan developed the 2023 to 2028 strategy, which was launched in March, March 12<sup>th</sup> as a matter of fact, by Minister Morgan, and Kevin Mooney will speak more to that later in the presentation. Our 2023 average employer rate is \$1.28 per \$100 of payroll. The 2022 rate was \$1.23. Last year, higher claim and payroll costs, combined with a forecast of total costs rising at a faster rate than employer payrolls, drove the decision to raise the 2023 average premium rate to \$1.28. This five-cent increase over 2022 ensures the WCB meets its legal obligation to remain fully funded. Despite this increase, the province's premium rates continue to remain among the lowest in Canada. So, on behalf of all of us at the WCB, thank you for your interest in our results and for taking the time to be here. This afternoon Phil Germain, our CEO; Crystal Nett, our chief financial officer and VP of corporate services; Kevin Mooney, our VP of prevention and employer Services; Jennifer Norleen-Beitel, our vice-president of operations; and Stuart Cunningham, our VP of Business Transformation Program; as well as Megan Hunt, will provide you with an overview of the details of the 2022 results. We will end the afternoon with a question-and-answer session open to everyone attending, and that includes people who are attending virtually. We are a rural province, and we are constantly working to increase accessibility to our public meetings. That is why our livestream is equipped for customers to ask questions live. So, with that, thank you again for being here. And I'll turn it over to Phil. Phil, please.

### **Phillip Germain**

Thank you, Gord. And good afternoon, everyone, either here in person or online. I'm very pleased to be with you today to share some of our accomplishments as an organization for 2022. I want to thank each and every one of you for taking time out of your day to come and join us and participate in our AGM. As Gord highlighted, our vision is to eliminate injuries and restore abilities. We want to prevent all work-related injuries and fatalities. And if someone is injured, we want to prevent disability by helping workers rehabilitate and return to work. We will continue working with our customers and partners to make the necessary changes to enhance our customer service and improve those outcomes of injury prevention and disability prevention. Year over year, the WCB aims to function with greater effectiveness and efficiency to deliver our excellent service. In 2022, the organization's journey was influenced by multiple internal and

external factors, including our Business Transformation Program, which I'll touch on and then Stuart will give some more details. And of course, none of us could avoid the impact of certain global events that disrupted many different industries across the globe. And WCB was impacted just like many of you. The WCB's 2022 strategic initiatives were the means through which the organization translates its vision, mission and values and objectives and put them into practice. As you can see here, our three strategic initiatives are the foundation of our strategic plan. First and foremost is the customer experience transformation we're going through, which is the core goal driving our changes in delivery, in service delivery, in claims, and employer services. We've made progress on this initiative by making our claims processes more seamless and tailored to the individual. And one example -- and there will be more provided by the VPs -- for example, was piloting an auto adjudication program. So, do claims actually need to be handled by a person all the time? And what we've learned from ourselves and from other jurisdictions is, no. There's a lot of claims and a lot of simple processes we can pull off of people's desks to make life easier for our staff to spend more time and energy helping to solve the more challenging problems for our customers. We also developed a high-level multi-year roadmap for the maturity of our compliance function, and a good example of that is helping employers reduce premium defects. In the audits that we do around premiums, roughly a third of employers that we find are overpaying premiums, and we'll identify that, and we will actually correct that. And about a third are underpaying premiums. So those are opportunities to comply with the legislation, as an example, and get it right. We don't want a penny more or penny less. And every time we've got to go out and do an audit and correct those things, that's more time and energy for the employer and more time and energy for the organization. So, the second objective, which is closely examining our enabling systems, and we've worked with our staff and customers and experts to help identify systems and process opportunities that will help us better enable our staff, improve business effectiveness and outcomes, and improve customer experience. And again, some of the VPs will talk more specifically, but at a high level. Our priorities advanced in 2022 were around improving technology, improving our financial system, improving corporate services, human resources, communications. We know that we have to give our staff the right tools, the right information, and the right system so they can serve you well. And the third priority, which we've talked a lot about over the last few days and we continue to talk about, is making further

progress on our Vision and investing in a transformation of injury prevention programs. We have strengthened a lot of our partnerships; we have added educational capacities. Our partnership with WorkSafe is invaluable in terms of creating that provincial strategy that helps all of us together move towards zero injuries and zero fatalities. Internally, it also included developing and enhancing our consulting and education model that focuses on practical ways to strengthen safety cultures and workplaces and raise awareness of workplace hazards that affect the most vulnerable workers in high injury in sectors. It's really about helping employers identify root causes of serious injuries and fatalities and things that they can do to prevent those, and based on those learnings, spread that education and understanding to other employers who can use that information to proactively prevent serious injuries and fatalities. In 2022, the Saskatchewan WCB took broad action to achieve its vision, mission, and values. The ongoing transformation of our organization enabled us to further enhance our business functions and better respond to the needs of our customers who are the workers and employers of Saskatchewan. The WCB established a multi-year business transformation program in 2021 to ensure ongoing alignment of the WCB's collective efforts with its overarching strategic direction. As such, the program's purpose is to coordinate the planning and delivery of priority projects. We've got many projects on the go, and in order to make sure they're not siloed -- and Stuart will talk about this a little bit -- they are highly coordinated so that they are supporting and enhancing. Every project is building off of or enhancing and supporting every other project or change that we are enabling. One of the significant hallmarks in this advancement of our strategic initiatives is the prominence of our collaborative efforts with our customers, partners, and staff as we work together to improve outcomes. Since 2019 we've had an unprecedented number of events and initiatives that allow our customers, injured workers, employers, partners, healthcare providers, associations, to come into the organization and help us on better understanding how we can improve things, and we're using that information. I'd be remiss if I didn't acknowledge all the efforts of our management and staff in embracing the change. There is a significant number of changes happening at WCB and I can't thank the organization, the staff, and the management enough for all their efforts to not just get the day-to-day work done, but to embrace the change and work within the projects to make the necessary change so we can deliver you better, continue to deliver you better, as we go forward. Our focus on modernization, efficiency, and

customer engagement will guide our decisions and actions throughout 2023 and beyond. Our vice-president of business transformation, Stuart Cunningham, will speak about this further in his part of the presentation. But for now, thank you for being here. We really appreciate your participation. And I would like to turn it over to Kevin Mooney who is going to give some of the prevention and employer highlights.

### **Kevin Mooney**

Thank you, Phil. Over the next couple of slides, I'll provide a brief update on the Prevention and Employer Services highlights for the year. On this slide you're going to see a number of indicators that we track to determine if our collective efforts are paying off in a positive way to reduce injuries in this province. By monitoring a number of things like the total injury rate, time loss injury rate, number of claims, and fatalities, we are able to have a pretty broad view of the performance in the province. Ideally, we want to see all of these numbers trending down in the same direction to determine that we are having a positive effect. In 2022 there were just over ... 9,100 no time loss claims, and just over 8,100 time loss claims. When you factor that into a percentage, the total injury rate was reduced by about 5% from the previous year and our time loss rate increased by just about a half a percentage point compared to the year before. As Gord mentioned earlier, we have seen tremendous success over the last 10 years with a 53% reduction in our total injury rate in the province and I think that we should all be applauded for our collective efforts there, but definitely our work is not done as we continue on with our new strategies going forward. For the past few years, we have kind of challenged our approach to prevention. You know, we used to really look at the broad, the bigger claim numbers, to come up with our strategies, but we're now focusing in more on severity and focusing in on fatalities and serious injuries in the province. As Gord mentioned, we built on the successful outcomes from our first strategy, which was published in 2019 and that carried on into determining our new strategy, which was just launched in March of this year. To develop that strategy, we met with a number of stakeholders throughout the province, just over 300, from many different groups, from employer groups, industry associations, organized labour, safety associations, Indigenous community, and foreign worker community, including leaders from across the province and seriously injured workers. And again, we just launched that strategy in March and we are focused for the next five years. It follows a similar approach that we use for all of our

initiatives in WorkSafe. It's kind of a five-pillar approach focused on awareness, education, targeting and consulting, partnerships, and enforcement. The strategy is a multi-year plan and it utilizes our customer feedback and engagement as well as the injury data to really focus our efforts. It focuses in on a number of common industries where we'll be focused, including healthcare, transportation, and construction, and then seven common issues that are affecting most workplaces in Saskatchewan. Again, serious injuries account for roughly 13% of all of our claims but over 80% of our costs in the compensation system. For more information on our fatalities and serious injury strategy, it can be found on our WorkSafe website. As Gord mentioned, we did accept 39 fatalities in 2022. This was a 25% increase from the year before. Occupational diseases definitely make up a large portion of those fatalities, making up more than 40% in 2021. However, there are some promising trends as well. This chart shows that the fatalities related to traumatic causes or acute causes are going in the right direction whereas the occupational diseases are starting to grow year over year. So definitely in the future we will need to focus more on occupational disease. At this time, I would like to turn things over to Megan Hunt, the director of safety operations for the Occupational Health and Safety division with the Ministry of Labour Relations and Workplace Safety.

### **Megan Hunt**

Good afternoon. Thanks, Gord and Kevin and everyone for having us here to be able to present on some of our key initiatives and results for 2022 and some into 2023. So, we'll go to the next slide. We have a significant milestone. Last year marked the 50th anniversary of the Occupational Health and Safety Act 1972. The bill was introduced in response to existing concerns for workplace health and safety and the implications for the economic and social development of the province. It was the first of its kind in North America and outlined a joint responsibility for safety between employers and employees. By 1973 the Act also contained three important rights protecting workers that still exist today, the right to know, the right to participate, and the right to refuse. The OHS branch responds to complaints and safety concerns. We also use data-driven analytics that steers us towards certain workplaces. Throughout the year, OHS conducts health and safety inspections that focus on high-risk workplaces, serious injuries, and vulnerable workers, to help drive down the injury rate and meet our ministry goals. These initiatives have included targeted inspections with a focus on



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employers, on sectors with serious injuries and high-loss injury rates, the priority employer program with a refresh that really expands the prevention and collaboration efforts, and the launch of the Fatality and Serious Injury Strategy of March, 2023 with our WorkSafe partners where we continue our targeted activities and align with the focus sectors in healthcare, transportation, and construction over the next five years. This past year we embarked on several initiatives, including a culture exchange meeting series with each of the safety associations, we've reorganized two units within our branch, the ergonomics and healthcare teams have been merged to form the health and human kinetics unit. This restructuring aims to foster closer integration and synergy between these two important areas of focus. Standards harmonization has been a significant focus for us and through the Pan-Canadian Occupational Health and Safety Reconciliation Agreement we have made good strides in this area. Our goal has been to align our standards with those of other jurisdictions, ensuring consistency in equipment and practices. Some of the specific areas where we have harmonized standards includes first aid kits, personal protective equipment such as hearing, eye, face, and foot protection, personal floatation devices, as well as six CSA fall protection standards. With the exception of the first aid kits, the adoption of these standards has been achieved without the need for regulatory amendments. In 2022 we initiated consultations on part 3 of the Saskatchewan Employment Act to ensure that our legislation continues to address the evolving needs and concerns of workplace parties. This valuable input formed the basis for the changes that came into force on May 17, 2023. We have continued to provide webinars and resources that serve valuable tools in navigating the complexities of the legislation such as navigating the OHS legislation video and a video series that reflect the three types of harassment and what to do if harassment is taking place in the workplace. To ensure the highest standards of professionalism ethics among our officers, we have recently introduced a professional responsibilities guide. And finally, in order to deliver our program mandate, The OHS branch must have staff available 24 hours a day, 7 days a week, to respond to fatalities and serious injuries. To deliver this mandate effectively outside of normal working hours, the officers are placed on a rotating seven-day standby schedule. Something else that we have been working on as part of an effort to engage client service effectiveness, the occupational health branch is implementing a post-inspection survey which will be provided to stakeholders following a



worksite visit conducted by occupational health officers. The pilot program was underway in 2022 and after a few revisions, the full program commenced on April 1st. I'm now going to share a series of slides that provide a more statistical analysis of our goals and accomplishments for the period of 2022-23. The data and information provided in these slides are up to date as of March 31, 2023. We have been tracking and presenting the information on this slide for a number of years. It's told the story of how our efforts with our industry partners achieved a successful reduction in the time loss injury rate. In recent years, though, Saskatchewan's workplace provincial injury rate has exhibited of a different trend, showing signs of plateauing and at times increasing in two of the last five years. This has called for a comprehensive analysis for the situation and the need to chart a new path forward. A large part of this refocus has been incorporated into the second phase of the Workplace, Fatality, and Serious Injury Strategy launched in March 2023. Here's a closer look at the trends. The dark green bars represent the total injury rate where WCB's target for 2022 was 4.24%. We achieved 4.33. The time loss injury rate is represented by the light green bars with a 2022 target of 1.93 and we achieve 2.04%. And one more look at the time loss injury rate. This demonstrates the implications of our continuing plateau as the Yukon has now overtaken us and holds the highest rate of reduction in their injury rate. Officers visit worksites for various reasons, both reactive and proactive. These visits are primarily categorized under our priority employer program or directed employer program. In the last fiscal year, we conducted a total of 2,617 inspections through these targeted programs. Some visits are initiated by our occupational health officers who exercise their discretion to conduct spot checks and visit employers not specifically directed or associated with the Priority Employer Program. The number of worksite visits for these officer-initiated visits was 942. We also attended 751 workplaces in response to complaints received. There were 568 worksite visits related to notifications that are required reporting to the branch. These visits were conducted to address and respond to specific situations reported by employers, including dangerous occurrences, serious injuries, and high-risk asbestos notifications. And our efforts to address harassment and discriminatory actions led to 308 worksite visits initiated by our team. The other category captures various types of inspection follow-up such as work refusals, exemptions, and serious risk observed. Overall, these various types of visits resulted in 5,567 worksite visits conducted throughout the last fiscal year. Out of

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the total worksite visits, there were a number of key areas of focus and priority sectors. This was mainly driven by our work in the previous Fatality and Serious Injury Strategy. There were 266 asbestos-related inspections. This includes work related to high-risk asbestos notifications that are required to be reported to the branch. Officers completed 541 worksite visits in the healthcare sector, 293 in manufacturing, 216 in mining, and 392 in residential construction. Our worksite visits generate a certain amount of compliance activities. Officers have several means of identifying and initiating corrective action with regards to instances where there is noncompliance with the legislation. In 2022-23 there were 1,863 worksite visits where a notice of contravention was issued and 200 where compliance undertakings were issued. Officers also file official reports of an account of their visit and may include instructions for submission of certain documents. 3,101 worksite visits had officers' reports in 2022-23. We also keep track of various information and notations, which we call Note to File, and 403 worksite visits had a Note to File associated with them. The WorkSafe Saskatchewan working group also selects employers from a variety of sectors to partner with the WCB prevention representatives and OHS to work towards safety improvement. This is the Priority Employer Program, and it continues within the latest Fatality and Serious Injury Strategy. The priority employer selection methodology and program design changed in 2021 and was implemented in 2022. There was a switch from phases, which is 1, 2, 3 completed and removed to steps 1, 2 completed and removed. This is the status of the program from inception of 2023 to the end of March 2023. Phase 1 focused on developing an improvement plan with a goal of injury reduction and improved regulatory compliance. Phases 2 and 3 had a focus on safety development and sustainment. There were 35 employers working with our partners in phase 1, 22 in phase 2, and 11 in phase 3. 155 employers graduated from the program and 32 were removed. The program continues to evolve as we find better ways to engage with workplace parties. If you add up the number of summary offence tickets by month, on the left, you will find that in 2022-23 the branch issued 42 summary offence tickets. There are 12 ticketable offences. Offences include failure to comply with fall protection, excavation and trenching, personal protective equipment, submission of progress report requirements, and submission of information requested by the director. Fines range from \$250 to \$1,000, depending on the offence. The pie chart on the right gives an overview of all of the SOTs that the branch has issued since inception in 2014. Ideally,

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we would like to have about an 85% success rate on issuing SOTs either resulting in a paid status or a guilty plea. We are currently achieving this with 178 guilty or paid outcomes, which is about 87%. The other court outcomes can be stayed or withdrawn and there have been 21 in those categories. Several are in progress. And the last slide I have to share with you speaks to our prosecutions. Last year for prosecutions we had 26 files sent to Justice. Of those, 21 prosecutions were initiated. We had 14 prosecution convictions last year for total penalties of \$871,500. And with that, I'll conclude my presentation. Thank you very much for your attention.

**Jennifer Norleen-Beitel**

Thank you, Megan. Good afternoon, everyone. I am Jennifer Norleen-Beitel, vice-president of operations for the WCB. In support of the WCB's vision, the organization strives to provide excellent customer service to help workers and employers through the claims and return-to-work processes. The goal is to return injured workers to their normal activities as soon as it is medically safe to do so. We work to sustain the system for current and future claims costs while providing reliable, high-quality services to injured workers and employers. We have a few indicators, which you can see on the screen, to help us understand how we are doing and restoring abilities, which are shown on my left and right. In 2022 the 12-month average duration of time loss claims was 38.56 days which is down from 40.24 days in 2021 and is the lowest that it's been since 2015. We also have been working to eliminate payment defects to reduce the negative impacts of payment recalculations on both workers and employers. The primary driver of payment recalculations is earning loss benefits. In 2022, 68% of payment recalculations were related to earnings loss payments, primarily driven by our practice of prepaying earnings loss benefits. These need to be adjusted if workers return to work earlier than anticipated or if they miss treatments, which may need a recalculation in those circumstances. 25% of payment recalculations were due to adjusting travel expenses and the remaining were a result of long-term earnings replacement. On average, 2.4% of payments were recalculated last year, down from 3.07% in 2021. A policy review was completed in 2021 and a new policy was implemented in early 2022 that aims to reduce payment defects and the negative impacts of these recalculations. This resulted in an overall decline of payment recalculations by 7% in 2022. Additional process changes were made, including the implementation of a new quick adjudication model for simple claims. Phil referred to this a little

bit earlier. This change alone helped us reduce customer waits for decisions by 43% from January to December last year. Other improvements planned as part of our business transformation efforts over the next several years are expected to further reduce time to decision and the need for payment recalculations in the future. The core mandate of the appeals department is to provide workers and employers with an accessible, independent, and unbiased process for reviewing WCB decisions relating to a worker's claim for benefits and compensation. The appeals department is independent of the Operations Department which is where claim decisions are made. Injured workers or employers who disagree with a decision on an injury claim may appeal and request a review of that decision by the appeals department. The decision is made by the Appeals Officer who reviews the documents and hears evidence. The decision maker will ensure that he or she has obtained information that's required to make the decision. 1,054 appeals out of 17,311 accepted claims were registered by the appeals department last year which represents a 4% increase compared to 2021. Well aligned with the WCB's efforts to continually improve service, average appeals decision wait times have decreased by 10% since 2021 and by 58% when compared to 2020. The appeals department has also initiated work to improve quality through the development of new quality standards and assurance processes. Workers or employers who disagree with the decision of the appeals department may further appeal to the Board Appeal Tribunal. The three full-time board members serve as the Board Appeal Tribunal, known as the tribunal, which is the highest level of appeal within WCB for all matters except those involving bona fide medical questions which are determined by a medical review panel. The tribunal conducted 104 hearings and issued 279 decisions in 2022. We are pleased to report a decrease in wait times as the tribunal needed to reach a decision. The average number of days decreased to 144 compared to 170 in 2021. The tribunal remained focused in 2022 on providing thorough, well-reasoned decisions, thorough file management, and ongoing training for staff and Tribunal members. At this time, I'll now turn it over to Stuart Cunningham, our vice-president of business transformation, to provide an update. Stuart.

### **Stuart Cunningham**

Thank you very much, Jennifer, for that introduction. Hello everybody, and welcome to this afternoon's session. Thank you for joining us today. Launched in May 2021, the Business

Transformation Program has been engaging customers, partners on WCB staff, in a multi-year journey that will see us implement the changes that we believe are necessary to meet our customers' expectations now and long into the future. Our programming involves improving customers' experience and outcomes, updating, replacing, or introducing new technologies, on improving our processes and our approach to service delivery. As Phil touched on, through these many changes we will be able to achieve our strategic objectives in a very systematic and coordinated manner, delivering value incrementally during the life of the program, which will ultimately see us improve the customer experience, improve key outcomes and indicators, and support the long-term health of Saskatchewan's workers' compensation system. Since the program's launch in 2021, the organization has been focused on a number of key activities to ensure that we are well positioned to follow through on our stated objectives. As well as focusing on the completion of some projects last year, this last year has also seen us invest in key capabilities such as building our organizational change management capacity and capabilities, implementing a strong program governance and delivery framework. And the WCB has also been implementing new customer communication and engagement processes specifically related to the program itself. And we believe that these are the key building blocks for successful transformation. And actually, during this time we've also been able to test and enhance these processes, these building blocks, as we've been rolling out new projects and completing those. As you would have heard Jennifer mention, we've tested and rolled out a number of new processes and forms in our Operations area that are aimed at simplifying how you do business with us, as well as improving targets related to quality and timeliness. We've also started to implement changes to our service delivery model, focusing on how we can engage with workers, employers, healthcare providers, in new and different ways that will see better outcomes for everybody. We've also invested a lot of time during 2022, as well as into 2023, to ensure that we procure a new core technology solution that will allow us to modernize and continually evolve our processes, our customer facing processes, during the life of the program. Some of the benefits of this new modern technology platform will include more timely decisions, improved communications and case management processes and practices, as well as better and easier access to information and data. We anticipate being able to share more information to you in the coming weeks and months ahead related to this procurement. With this

being the most costly and complex project under the program, we actually do anticipate rolling out the functionality that's associated with the new technology in a phased manner over the next two to three years, and our commitment to you all is to communicate frequently and engage often throughout this process. I'll now turn it over to Crystal Nett, our chief financial officer and vice-president of corporate services, to provide us with the 2022 financial highlights.

### **Crystal Nett**

Good afternoon, everyone. And thank you, Stuart, and thank you all again for joining us today. I have the unenviable position of trying to make financial statements sound exciting, so I'll try to get through this as quickly as I'm able. When you look at the slide, you'll see some statistics, some of which Gord already touched on, but I'll just give you a few more details behind those numbers. So, the operating profit that was generated in 2022 was unfortunately offset by investment losses. Phil spoke about the WCB not being immune to some of the global market conditions, and we also experienced that. And this resulted in a total comprehensive loss at the end of the year of 115 million dollars. That sounds like a lot of money, and it is, so I'm happy to say that the markets have recovered and as we are moving into the early part of this year, we have seen some of that rebound. So, despite that comprehensive loss and a small decrease in reserves, thankfully distributions from our investment holdings combined with greater than expected premiums resulted in a fully funded position. When managing capital, our objectives are to build a funded position that supports the organization's long-term financial stability, and that's really key to think about, that we are a long-term organization when we think about our investments. We also need to ensure that there are sufficient funds available to meet the required benefit levels and that any fluctuations that we are seeing in other parts of our market, the process for managing our funded position is based on our approved funding policy. And this policy establishes guidelines to maintain a fully funded status and sets a target range for the injury fund. This funding policy is currently under review because we have new accounting standards coming in, and I'm not going to bore you with any of that noise, but the reality is we do have to make some changes to align with those new accounting standards that are going to be effective the 1st of 2023. I'll now turn to our premium revenue. It is our main source of revenue and is determined by industry payrolls and premium rates. The premium revenue in 2022 was 304 million dollars which was an increase of just under 45 million dollars from 2021.

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Part of that is due to the employer accessible payrolls which did increase by 3 ½% to a provisional 24.1 billion in 2022 from an actual 23.3 billion. Assessed 2022 payroll was higher than our original forecast and so that had a positive impact on our overall financial picture. We also saw the provincial economy rebound and it had started in 2021 but it did continue into 2022. Unfortunately, midway through the year, inflation, and interest rates, which many of you will have had the unfortunate situation of dealing with as well as we did, it started to have an impact on many sectors in our province, notably the residential construction and building supply sectors. Volatile global economic conditions and commodity prices have also affected both positively and negatively resource extraction of oil, potash, and uranium, as well as our manufacturing and agricultural employers. Service industry and public sector payrolls have remained fairly consistent and have been quite resilient. When we look at our statement of operations, and for those of you who would like to follow along, you can find our statements start on page 86 in our annual report which is contained within the document that I see some of you have but is also posted to our website. So, the statement of operations, or income statement for those of you who have been around for a while, provides a complete picture of our 2022 actual results compared to the budget and to the previous year. I've already covered premiums and I'll just provide a few more highlights. Although our total expenses decreased by 36.2% or 151 million, the majority of the decrease was due to a change in the estimate of our future liabilities. We have a group in my area called actuaries and they work on a number of complex calculations looking at our historical trends of injuries and where we see them going in the future and they then calculate what they expect to happen in the future. So, when they did that calculation this year and we saw rising interest rates, we modified our discount rate and that caused a large decrease in our actuarial calculated benefits liabilities. The total claim cost consisted of 246 million and they comprise the vast majority of the costs of the WCB, and they were higher in 2022 than they had been in 2021. Claim costs, for those of you who aren't as familiar, include short- and long-term earnings, replacement payments, healthcare services, vocational rehabilitation costs, claims administration, and as I just described the actuarial adjustment to the benefits liabilities. Administration costs, excluding the Business Transformation Program that Stuart just spoke about, actually decreased to just under 49 million compared to just under 54 million in 2021. And all of our costs are reduced by Government of



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Canada fees as well as future claims administration costs. Lastly, I'm going to turn to the financial outlook for 2023. And just to give you a little bit of context, this budget has to be developed fairly early in the year, prior to the commencement of that fiscal year, and so it was developed without knowing the exact impact that interest rates and inflation would have on the economy or on the WCB. So, we based our budget on estimated accessible payroll of 24.3 billion, but I can tell you, if the trend continues based on what we've seen so far this year, we are expecting to see slightly higher payrolls than that. Premiums are budgeted to increase by 10 million over 2022 actuals. From an expense perspective, the budget does include an increase in benefits liabilities of 28 million, therefore totaling 1.52 billion. And again, that is by far our largest liability that we have in our financial statements. Claims paid are projected to increase by 11 million and that's mainly because most of the earnings-based benefits are expected to increase at the rate of inflation. Although we are working on modifying our funding policy, we are looking at our projected funding percentage as it's currently defined, and as we sit today it is projected to be in the healthy range. And the last thing I'll mention is that although our capital budget isn't reflected on the slide, we do budget for it and we are planning for approximately 4.7 million for regular capital expenditures. I will now turn it back over to Phillip to provide some information about our risks and opportunities.

### **Phillip Germain**

Getting my steps in today. So thanks, Crystal. So, in 2022 as we start to kind of look out to the future, the WCB is going to continue to be laser focused on the Business Transformation Program. And you saw kind of that overview that Stuart provided and you'll see that business transformation is going to be that primary focus in 2023, 2024, and for sure 2025. As an organization, you know, we've really embraced this change which is going to allow us to continue to try and meet and act on the vision and mission of WCB, which is really to eliminate injuries, restore abilities, and be that customer-centric organization. We've made a lot of significant strides over the last few years in developing the Business Transformation Program and getting key and core projects done and we will continue to work on that Business Transformation Program over the next few years. From a risks and opportunities perspective, I don't think any of this is going to surprise you, but we go through an extensive enterprise risk management process with the management team, we go from the ground up and then we meet

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with the board and we talk about them and we identify our core risks that we need to be able to manage effectively so it doesn't prevent us from achieving the goals and objectives of the organization. Some of our critical risks are probably some of your critical risks, and one of the main ones is just simply recruitment and retention of staff. We know that recruitment and retention of staff across the board -- and WCB is no different -- we pay very close attention to this and we've got many strategies and new processes in play to make sure that we are recruiting, training, supporting staff. And I can tell you, you know, off the cuff that over the last couple of engagement surveys with our staff we are actually going up, consistently going up, which is pretty odd when you're introducing this much change into an organization. So, it bodes, at least for now, well for the organization. Of course, you've heard all about our outdated processes and systems. We have aging IT systems that put the organization at risk and that's really initially at the heart of the Business Transformation Program. But when you're going to spend the time and energy to change your core systems like your finance system, your HR system and the workers' compensation system, you should take advantage of those and figure out how to also create better performance beyond just the IT systems themselves. So, the Business Transformation Program is intended to modernize and replace outdated technologies and improve business processes, as we've mentioned throughout the presentation. Investing in those new IT systems and processes will result in improved customer service and greater efficiencies. As we talked about, the Operations Department is working on three major initiatives to support the timeliness and quality of service related to claims adjudication and claims management, and those include auto adjudication, timeliness of adjudication, and preventing work disability, which we call our Work Disability Prevention Model. Any time you're introducing this much risk, this much change in an organization, any time you're taking on a big IT project, change management, and big, large IT projects, highly risky, and we are doing everything we can in cooperation from the board down. There are governance processes systems put in place that help us manage all the risks associated with the changes that we do need ultimately to serve you better. And then the theme that we always talk about every year is those opportunities to improve injury rates and high durations in injury rates. Kevin touched on this, but really, the focus that WorkSafe took to move from this broad-based injury prevention strategy to one that is really focused on serious injuries and fatalities is not something that

we've created, and we're not reinventing the wheel. What we have done is begged, stealed, and borrowed from many jurisdictions who have gone before us. Focusing on serious injuries and fatalities is a way to move all injury prevention efforts forward, it's a way to capture people's attentions and focus, understanding root causes, dealing with those root causes, because the truth is, the root cause of a fatality and a serious injury is often the same root cause that causes a near miss. The difference is a half an inch, a quarter of a second. But yet people will tend to focus on serious incidents, but they won't focus on the incidents that have the same root causes but create different outcomes. So, we're going to continue to focus on this with all our partners and we're going to continue to march towards Mission Zero. On the opportunity side, kind of a mirror of what we've talked about, how do we support injured workers and employers? The WCB continues to focus on implementing innovative, best practice proven approaches to improving services to injured workers and their employers. The WCB and WorkSafe are investing in ways to help employers prevent, as I talked about, those serious injuries, occupational diseases, and fatalities, including psychological injuries. We will continue to focus on the program, the Business Transformation Program, and the core projects within that. The Business Transformation Program will over time see the organization develop new capabilities and deliver benefits to you, our customers. While replacement of the core workers compensation solution is a critical priority in the medium term, the WCB will also continue to advance other elements of the transformation plan by focusing on service redesign in claims and employer services. And of course, we're going to continue to further the implementation of modern enabling systems, technologies, and processes in the areas of finance, human resources, and shifting towards an education and partnership approach focused on the next generation of prevention. We know that involving and partnering with people in meaningful change is critical to this our success. If you're successful, we're successful. It will continue to be a significant focus as the WCB to meet the needs of internal and external groups throughout this transformation journey. And of course, at the heart of a lot of what we're focused on right now, even the core workers compensation solution, which is desperately needed from a risk management perspective, is also about getting manual tasks off our desks, reinventing the way we work with our customers to prevent disability, and that is going to be a core focus. As we talked about, serious injuries represent roughly 12% of our claims in 80% of our costs. There is

a significant benefit to workers, employers, all our partners, and of course the WCB and our staff in getting this right. Preventing disability is really one of those win-win-win strategies for everyone involved. So, part of the WCB's business transformation is an initiative focusing on that future state of effective claims management and disability prevention. As we talked last year, a pilot team tested a number of changes designed to improve services. Pilot tests resulted and exceeded our targets and showed promise in reducing handoffs between our staff, improving the quality of service to our customers, and supporting a timelier recovery and return to work. In May, we've modified the version of our auto adjudication model that was implemented and now we're really just waiting for the new IT system to take what we've learned manually and figure out how to embed it within technology. Other improvements tested during the pilot will be integrated into the new claims processes focused on prevention of work disability being implemented and started in 2023 and includes a different way of engaging and supporting our customers, both workers and employers. This initiative will see us identifying earlier on in the claims journey potential barriers that could prolong a worker's recovery and return to work. As we assist the worker in navigating through their claims journey, we will support the collaborative development of recovery and return to work plans with all parties involved. And then the last slide. This is just a reinforcement and something that we're going to pay attention to as we go forward. This is us starting to track over the last few years the 12% of claims. It started off at 11, it's creeping up to 12, which is an early and subtle indicator that we're going in the right direction. Ideally, you want to see that gold bar going up over time. If more and more claims – ideally, you want to see 80% of claims representing 80% of costs. That means we are doing a better job of identifying barriers to return to work, we're getting on them quickly, and we are dealing with those issues quickly and effectively. So, we are going to continue to measure and monitor this because this is the critical piece. Embedded in this, 80%, 12% of claims, are injuries that are absolutely preventable, and even if an injury happens, how do you prevent the disability? We know there are people in the system that have been off work far too long. And that's a systematic issue, not just one group, one party, it's all of us figuring out how to work to better together in order to figure out how do we help that customer through their barriers, the individual barriers they have, so they can effectively recover and return to work. So, focusing on the prevention of serious injuries and fatalities, as they say, the easiest claim to

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manage is the one that never happens. Beyond that, we are going to get better at helping our customers identify the barriers to recovery and return to work, working with all parties to see those successful outcomes. So, with that, I will turn it now back over to Gord to take us home.

**Gord Dobrowolsky**

Well, ladies and gentlemen, thank you for attending and thank you for attending the Compensation Institute upstairs. But we as a board and an administration strive very hard to be totally relevant, totally transparent, with everything we do at the WCB. So, with that I hope you have found this AGM informative and transparent with all that we do at the WCB. So, with that, thank you for your interest, thanks for attending, and safe travels home.

**(End of recording)**