

Saskatchewan Workers' Compensation Board preliminary rate information meeting (2025 rates)

Virtual presentation: Oct. 31, 2024

Gord Dobrowolsky

Good morning, ladies and gentlemen. Welcome and thank you for joining us today.

I'm Gord Dobrowolsky and I'm the chair of the Saskatchewan Workers' Compensation Board. On behalf of the WCB, my fellow board members Larry Flowers, Dion Malakoff, Judy Henley and Jack Brodsky, it is indeed my pleasure to welcome you to our preliminary rate information meeting.

I am very pleased to address you today.

The annual meeting is part of our rate setting process so we can remain accountable to you. The WCB has exclusive jurisdiction in Saskatchewan and we are an independent board fully funded by our employers' premiums and investment income. We value your feedback on the proposed rates.

We really appreciate the time you've taken to be here and be part of this meeting. Thank you again for your interest in the WCB.

At the WCB, the driving force for the work that we do is our vision, which is to eliminate injuries and restore abilities. We want to prevent everyone from experiencing a work-related injury or fatality. If someone does get injured at work,

we want to avoid disability by helping workers rehabilitate and return to work.

We can only achieve this vision if each one of us around the province works together. As employers, this translates to providing a safe workplace for your workers and prioritizing effective safety management systems. Failure to prioritize safety in the workplace could result in life-altering and tragic consequences.

To illustrate the commitment we hope all business owners share, the familiar phrase “on time and on budget” should be expanded to say “on time, on budget, but with NO INJURIES.”

We believe that by adding those last three words, we’re now covering every measure of success – including the health and safety of the people working on every project.

At the WCB, we strive to balance the needs of workers and employers. To achieve our vision, our mission is to protect Saskatchewan workers and employers today and tomorrow through innovative and effective programs and services. This means we are always working with our customers and partners to make the necessary changes to our systems, processes and procedures to enhance our customer service and improve our outcomes. Through your secure WCB online account, we have many self-serve options available to ensure you get the information you need faster.

For the past few years and again this year, you can log into your WCB online account to view your 2025 premium rate statement, experience rating letter and certificate, if eligible. In December, you will be able to view your rate advice letters through your WCB online account.

Having this information available to you online means you not only get the information quicker, it also helps protect your privacy.

To make our preliminary rate information meeting more accessible to you, our customers, as in previous years, today's information will be available online after the meeting on the WCB's website, wcbask.com. This is all part of our effort to be transparent and make working with us easier. Not only can you find recordings of all of our public events, you can also find how-to videos and step-by-step instructions available on our YouTube channel. Just search for Saskatchewan Workers' Compensation Board.

As a board, it is our legislative obligation to guarantee the future of our compensation system and as such, we are also obligated to be effective and astute financial stewards on behalf of the employers who fund the system.

This slide reflects the previous years' average premium rates and historical method of the premium rate calculations.

Our rate model assures fairness, transparency, collective liability and predictability. We use this model every year to determine the following year's rate. Similar to the 2024 rates, for 2025 we are forecasting that increasing claim costs will be offset by rising employer payroll next year.

As a result, we are proposing the board-level average preliminary premium rate for 2025 should remain unchanged for the second year in a row at \$1.28 per \$100 of assessable payroll.

These are the workers' compensation boards in Canada who have released their 2025 preliminary average premium rates.

By comparison, Saskatchewan's premium rate remains among the lowest rates in Canada and have for the past several decades.

Our goal, however, is not to have the lowest rate in Canada. Our goal is to uphold a balance between stable rates that ensure fairness, transparency, collective liability and predictability, and a fully funded compensation system. Over the last 10 years, Saskatchewan's average premium rate has also been among the most stable and predictable.

Employers can influence their industry and individual premium rate through effective injury prevention and return-to-work programs. The degree to which employers in an industry work to eliminate workplace injury affects industry premium rates. After all, the least expensive injury is the one that doesn't happen.

Individually, employers who succeed in eliminating injuries in their workplace benefit from lower premium rates through the experience rating program. In 2023, for the fourth year in a row, 90 per cent of employers achieved a remarkable milestone – zero injuries and zero fatalities in their workplace.

This means that Saskatchewan workers and employers are making safety a priority in their workplace culture to create safer workplaces in the province. Sincerely, thank you for all of your health and safety efforts.

Having said that, we know there is still more work to be done to eliminate

fatalities, injuries and suffering. We must all remain vigilant to keep every workplace safe. WorkSafe Saskatchewan provides new and existing businesses with online and classroom safety training, as well as consulting and advisory services at no additional cost.

The premiums employers pay cover several benefits for workers and employers.

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 underline all workers' compensation legislation in Canada today. I believe these principles are still as valid and important today as they ever were.

These principles are an historic compromise in which employers fund the workers' compensation system and, in return, workers surrender their right to sue their employer for the injury. The principles stipulate that the WCB will provide 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.

We remain committed to the Meredith Principles that protect workers, families, employers and communities.

I'd now like to turn it over to our CEO Phillip Germain to discuss evolving economic conditions and future funding costs. Thank you.

Phillip Germain

Thanks, Gord. Good morning everyone and thank you for joining us for our preliminary rate information meeting for our 2025 preliminary rates. I'm the WCB's CEO, Phillip Germain, and today I'd like to start off by thanking you again for your time and wishing you, your families and co-workers well.

As Gord mentioned, for the second year in a row, our 2025 proposed average premium rate is consistent with last year's rate. A number of factors contributed to the stabilized rate.

In 2025, we are projecting a 3.3 per cent increase in payroll from expected 2024 payroll figures. This is mostly driven by strong economic growth, supported by a growing workforce. Increases in payroll can be a mixed blessing. When payroll increases faster than claims costs, it can put downward pressure on premium rates. However, increases in payroll can also mean increases in earnings loss benefit amounts, which puts upward pressure on premium rates.

Regarding higher long-term claim costs, the costs of long-term benefits to workers and their dependants are increasing because of a combination of demographic and economic factors. Currently, long-term claims are staying with us longer and becoming more complex, so we need to set aside more of the premiums to meet these obligations.

This is one of the trends we are attempting to tackle through our Business Transformation Program. Our timeliness of adjudication project looks to improve processes to lead to quicker initial claims decisions. This includes our focus on

preventing work disability.

When it comes to inflation, the impacts can be felt by all industries. For us, this has resulted in increased costs for medical services, increases in compensation rates to workers and increases in administration costs. The key drivers of claims costs are medical costs and compensation costs.

As most of you know, the WCB has a legal obligation to be fully funded so we can meet all of our current and future obligations to workers and employers.

The number of claims and costs per claim are combining to put upward pressure on costs. Fortunately, the claims costs increases continue to be offset by payroll growth expected for the next year.

Premiums collected from employers are invested to pay future costs on claims that occur in the rate year. Higher investment returns tend to reduce the premium rate we need to collect from employers. In 2024, the WCB completed some investment optimization work, which is expected to improve investment returns without adding more risk. This improved investment outlook has been reflected in the model and is helping keep premiums stable in 2025.

The WCB also relies on investment returns to cover certain costs within the system, such as cost relief and the disaster reserve. Large capital investments like the Business Transformation Program are also funded through investment returns and reserves.

After a rate increase in 2022 and 2023, and a stabilized rate in 2024, the WCB is once again proposing a constant average rate for 2025.

The safety associations provide valuable programs and training to support employers and workers in these rate codes to help reduce injuries and fatalities.

Our average preliminary premium rate includes 4.5 cents for safety associations. These costs are only charged to 18 rate codes, seen here on this slide. They are not spread across all 50 rate codes. Within those rate codes that pay for the safety associations, the costs range from 6.9 cents to 22.7 cents, which is added to the members' premiums rates.

This slide shows the 18 rate codes that we partner with to invest in safety and prevention programming. The safety associations, with support from a board of directors that is represented by workers and employers from these rate codes, submit an annual funding request to the WCB. They also submit a strategic and operational plan to confirm how the funding that we provide will be utilized to help employers and workers in these rate codes reduce injuries and fatalities.

To learn more about the safety associations and the good work that they do, please go to the WorkSafe Saskatchewan website under the resources heading. You'll see a link to all the safety associations where you can access their websites and contact information.

I will now turn it over to Thomas Webb to discuss the rate setting process.

Thomas Webb

Thank you, Phillip. Good morning everyone. My name is Thomas Webb and I'm the director of actuarial services for the WCB. The actuarial services team extracts data and analyzes it to create financial models and forecasts, which are used to determine the premium rate.

I'd like to provide some insight into the process we used to determine the rates for the 2025 rate year. The most important concept is that rate setting is a balance between rate stability and sufficiency.

Sufficiency means that premiums collected during the rate year must, over the long term, be sufficient to cover expected costs of injuries within the rate year, as well as the administration expenses.

At the same time, the model must be fair and equitable for all employers. The objective is to target the "just right" zone that ensures costs will be covered without collecting more than the system needs to operate.

The WCB has a legislative requirement to remain fully funded. In 2023, we conducted a comprehensive review of our funding policy as a result of some changes to the way we need to report our financial statements. Without some adjustment, these changes had the potential to add a lot more volatility to employer premium rates. Rather than address this issue in isolation, we took the opportunity to make some other changes to the calculation to smooth out short-term swings caused by movements in investment markets and to keep premium rates more stable.

The result was a new policy with a new target range and name. The sufficiency policy replaced the funding policy. The name change reflects that it's really focused on ensuring the WCB's assets are sufficient to meet our long-term obligations to workers and employers. The target range of the new policy was calibrated to produce a similar range of outcomes as the previous policy, so the impact on employer premiums is expected to be minimal.

The sufficiency policy helps keep us aligned to the national change in accounting standards that apply to all Canadian WCBs. You can read more about the sufficiency policy on the WCB's website at wcbask.com.

Rate setting is governed by our rate setting model policy, which is built around these four foundational principles.

Fairness is about equity between groups of employers over time, as well as across different industries and employers within industries. Premiums paid by current employers should cover the costs of injuries involving their workers during the premium period. Current employers should not be paying for claims costs generated by past employers, just as they should not be subsidizing the claim cost of future employers.

In a similar way, employer rate codes that incur injuries should bear more responsibility for the costs associated with those injuries. A fair rate setting model encourages workplace safety and effective return-to-work policies by financially incentivizing employers' positive behaviours. Rate codes that have been successful in improving workplace safety outcomes should expect to see premium reductions over the long term.

Collective liability means that employers are jointly responsible for workers' compensation costs. However, employers should not be excessively punished for unusually costly claims. Therefore, portions of unusually costly or very long-term claims are shared by all employers through a pooling approach.

Another balancing rate model principle is rate stability. Employers should rely on a level of predictability in premium rates to help them plan and budget effectively.

One of the ways we achieve this is by gradually recognizing claim trends in the rate model rather than reacting to short-term fluctuations.

Finally, the principles include transparency. This means employers should be able to understand the factors that went into setting their premiums and the WCB should be able to clearly communicate this information to employers, which is why we're here today. More detail on the WCB's rate setting approach can be found on the WCB's website, wcbask.com, and in the rate setting model policy.

The determination of industry premium rates is not the only factor that contributes to the rates an individual employer pays. There are really three key steps, including industry classification, establishing industry premium rates and experience rating, which considers an individual employer's claims experience. I'll explain a bit more about each one.

The first step in the rate setting process is classification, which is the process where similar employers are grouped together to form an industry rate code. Our classification system currently has 50 industry rate codes. Premium rates are set for each rate code based on the collective claims experience of employers within the rate code. All employers within an industry rate code start with the same industry premium rate.

The classification system is not static and every year some employers and subclassifications move between rate codes. As the industries and the economy evolve, some larger changes to the classification system may become necessary to achieve the rate model principles I described earlier. In particular, the small size of some rate codes is contributing to year-over-year volatility in industry premium rates. Employers should expect to see some realignment in the coming years, as the WCB is committed to maintaining a fair and appropriate classification system.

You have already heard me talk about the second step. The WCB is funded 100 per cent by the premiums our employer customers pay and the investment income earned from those premiums.

Premiums that we collect in a year are intended to cover all costs of claims that happen in the year. This means we need to forecast all the disability, medical and rehabilitation costs that will ultimately result from each injury. To do this, we study historical trends, develop assumptions and project possible scenarios. Some variation is expected since injuries don't always behave predictably. This is why we take an actuarial approach that attempts to forecast the most likely, or what we call best estimate, level of costs.

To determine the rate, we then take the total of expected costs incurred in the rate year, including our administration expenses, and divide it by employer payrolls.

Assessable payroll for the 2025 rate year is projected to reach \$28.6 billion. This is an increase of 3.3 per cent over the current 2024 estimate of \$27.7 billion.

The maximum assessable wage for 2025 is indexed to the change in the provincial average weekly wage. Based on our most current estimates, we expect this amount to increase by at least 4.5 per cent from the 2024 level of \$96,945. This will be the first time the maximum assessable wage has exceeded \$100,000.

Once the maximum wage calculations have been completed and approved by the WCB, the final amount will be announced, posted on the WCB's website and reflected in updated policies.

The last step in the rate setting process applies individual employer experience to the industry premium rate. Employers will receive a discount for positive claims experience and pay a surcharge for poor claims experience.

The experience rating program adjusts your premium rate based on your individual claims experience and provides an incentive to influence injury prevention. Reducing the number and cost of claims through injury prevention and workplace safety can improve your experience rating and reduce the WCB premiums you pay.

There are two programs in the experience rating program. The standard program is for smaller employers and the advanced program is for larger employers.

The standard program applies to employers with less than \$21,000 in premiums over a three-year period, is based on the frequency of time loss injuries, has a maximum discount of 25 per cent and a maximum surcharge of 75 per cent and it applies to approximately 88 per cent of Saskatchewan employers.

The advanced program applies to employers with premiums of at least \$21,000 over a three-year period. It is a cost-based program where individual employers are compared to others in their industry. If they're better, they'll receive a discount up to a maximum of 30 per cent and if they're are worse, they'll receive a surcharge, up to a maximum of 200 per cent.

At the highest level, this slide breaks down the 2025 preliminary premium rate of \$1.28.

Claim costs make up the bulk of the premium rate component at 68 per cent. Admin costs account for 23 per cent.

Legislative obligations account for five per cent and include funding Injured Worker Appeal Services and the Ministry of Labour Relations and Workplace Safety. Safety association funding represents the remaining four per cent. These proportions are unchanged from the previous year's rate setting.

The pie chart on this slide shows the breakdown of the change to the preliminary 2025 rates from the 2024 rates.

Overall, 24 per cent of employers in 20 rate codes will see a higher 2025 preliminary industry premium rate, as depicted by the gold section noted in this chart. Only one rate code is expected to receive an increase of more than 10.5 per cent, which you will see in this chart as a green line.

Seventy-three per cent of employers from 23 rate codes will see a decrease in their industry preliminary premium rate, as represented in the dark blue section of the chart.

The light blue section indicates that three per cent of employers in seven rate codes will see no change to their 2025 preliminary industry premium rate.

I will now hand this over to Jennifer Norleen-Beitel to discuss more about the claim costs impacting the 2025 preliminary rate decision.

Jennifer Norleen-Beitel

Thank you, Thomas. Good morning everyone. I am Jennifer Norleen-Beitel, vice-president of operations for the Saskatchewan Workers' Compensation Board.

Overall, we are seeing an increase in claim-related costs within the 2025 rate model.

The increase in total claim costs in 2025 can mostly be attributed to growth in the number of workers active in the Saskatchewan workforce and the impact of increased wages and price inflation on all goods and services over the past two years.

Best practices in preventing long-term work and medical disability confirm that early reporting and services are an investment to improved recovery and return-to-work outcomes, ultimately reducing costs. The longer a worker is off work, the more challenging it can be to get them back to work. The sooner we can help workers rehabilitate and return to work, the lower the claim costs will be. But this needs to be done in the right way, which I will touch on a bit on the next slide.

This slide shows the overall cost increases from 2019 to 2023, the years that were used in the 2025 rate setting model.

Costs for long-term or “pension” claims continue to increase recently due to a mix of demographic and economic factors. The main driver is increasing average monthly benefit amounts. These have rapidly grown over the last several years as average wages have continued to rise. We also see annual increases to the maximum assessable wage.

In 2023, there was an increase in medical aid and vocational rehabilitation costs as shown on this slide. Between 2019 and 2023, the main drivers of increases in medical aid and vocational rehabilitation included tertiary treatment programs and costs related to psychological injuries, with annual psychological injury claim costs doubling since 2019 to approximately \$22 million in 2023 from

approximately \$11 million in 2019.

Tertiary treatment programs involve an interdisciplinary team of health-care providers who provide multiple services. This team has experience in managing injuries with permanent impairments or significant psychosocial and pain management issues. Some claims become serious injuries, as we define them, because of preventable work disability or time away from work. This development of long-term work disability is often unrelated to the significance of the injury itself.

When we look at compensation cost increases, serious injuries continue to be a concern and a significant contributor to these increases.

The Saskatchewan WCB's definition of "serious injury" includes the following criteria: if a claim is a fatality, if a claim has more than 50 days of compensation paid, if a claim has a Ministry of Labour Relations and Workplace Safety referral flag (that is, amputations, fractures, head injuries, neck injuries, serious eye injuries, third degree burns, and more), and if a claim is a primary psychological mental health claim, if a claim includes a permanent functional impairment greater than or equal to 10 per cent.

Serious injuries represent approximately 11 to 14 per cent of our total claims and account for more than 80 per cent of our claim costs in the province's compensation system each year.

We anticipate that serious injury claims will continue placing cost pressure on the system, which is why we are taking a two-pronged approach to prevent work disability.

The first is preventing serious injuries and fatalities in the first place. Kevin will touch on this more in a few minutes.

The second is the WCB's renewed focus on partnering for better outcomes to prevent unnecessary work disability as part of the WCB's claims transformation. Work disability occurs when a worker is unable to effectively rehabilitate, stay at work or return to work because of an injury or disease. There are multiple determinants that contribute to work disability, including personal, workplace and societal factors, compensation and health care.

In 2023, the WCB began an initiative focused preventing work disability. This initiative represents a cultural transformation and overall mindset shift that will lead to improved collaboration, return-to-work outcomes and customer experience.

Over the last two years, the WCB began helping staff learn how to involve workers in decisions that impact them and to partner with them in developing safe and sustainable return-to-work plans. As a result of these efforts, the WCB will not only reduce work disability and needless time off work, but fundamentally improve the experience of and outcomes for WCB customers.

This also included a focus on enriching worker and employer experiences with the WCB, as well as enhancing training and skills development for WCB staff as partners. This includes relationship building, communication skills and motivational interviewing techniques. These skills will help identify barriers to a worker's motivation to return to work. This could include difficult relationships with an employer or fear of re-injury. By identifying and addressing these barriers sooner, the worker can be supported to return to work earlier.

The anticipated benefits of this work will include improvements in return-to-work outcomes through enhanced collaboration between the worker, employer, health-care provider and the WCB to ensure a safe and suitable return-to-work plan. This may mean changing some of the tasks the worker does or the number of hours they work.

To better support employers with returning to work, we updated return-to-work educational resources for employers, which are available on the WorkSafe Saskatchewan website.

Looking ahead, in collaboration with employers, we will be building, testing and rolling out a practical toolkit for employers at the small business level. We will also continue to develop risk-based approaches to improve education and support to help customers understand their rights and obligation. As it relates to injury reporting, employers have an opportunity to reduce delays in reporting, which may impact the overall duration of a claim. As of September of 2024, roughly 62 per cent of employer injury reports are filed within the legislated five-day requirement. The average time for employers to file injury reports is 12.3 days in 2024.

I will now turn it over to Kevin Mooney to share some details on injury prevention and the injury breakdown.

Kevin Mooney

Hello everyone. I'm Kevin Mooney, vice-president of prevention and employer services at the WCB.

Over the next several slides, I'll talk about prevention and highlight what unions,

employer associations and individual employers can do to improve safety and positively influence premium rates. As well, I'll speak to what the WCB is doing to influence the system on a broader scale.

There are ways to influence and reduce your premium rates. You can do so by making sure that you have a culture that values worker safety, an effective safety management system and by supporting sound disability prevention practices.

The safety management system prevents injuries and a return-to-work program assists with the worker's recovery.

Preventing injuries is the best way to control the premiums you pay to the WCB. WorkSafe Saskatchewan has 24 free online training programs available. In addition, the WCB's prevention department has resources to help you with your safety needs. The services include training for occupational health committee members and supervisors, safety management system assessments, information on how to develop the elements of your safety management system or return-to-work program, and assisting employers to understand the root causes of serious injuries and fatalities so they can be prevented going forward.

We also work one-on-one with employers to implement effective investigation processes and hazard assessments, and bring stakeholders together to share best practices and trial safety solutions to prevent serious injuries and fatalities.

There's also six funded safety associations that work closely with the members of their industry rate codes to prevent workplace injuries.

As it relates to return to work, we recently updated resources on the WorkSafe Saskatchewan website and a return-to-work course is currently under

development and will be completed later this year.

As a result of the work being undertaken across this province by workers, employers, WorkSafe Saskatchewan and our many safety partners, including the safety associations, the province's Total injury rate decreased by 8.78 per cent in 2023 compared to a 5.04 decrease in 2022. And the 2023 Time Loss injury rate decreased by 12.75 per cent compared to an increase of 0.49 per cent in 2022.

Our 2023 Total injury rate of 3.95 per 100 workers was the lowest in the province's recorded history. In fact, the WCB's Total injury rate has dropped by 57.62 per cent from 2009 to 2023.

Our 2024 injury rates are continuing a downward trend from 2023. As of September 30, the 2024 Total injury rate is projected at 3.72 per cent and the Time Loss injury rate is projected at 1.62 per cent.

Through the WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety, as a province, we're on the right track as we see our Total and Time Loss injury rates continue to come down.

Since rolling out our fatalities and serious injuries strategy in 2019, we have seen a decline in serious injuries. However, it appears those numbers of serious injuries are starting to plateau and this is a signal that we need to do much more work.

As of December 31, 2023, the total number of registered serious injuries in 2022 was 2,352, which represents a 3.02 per cent increase over the 2,283 serious injuries in 2021. Just as a reminder, serious injuries are reported at a one-year

lag period because it may take some time for claims to mature into serious injuries.

Research completed by organizations, including the Campbell Institute and the International Social Security Association, highlight the opportunity to focus efforts on serious injuries as a strategy to reduce workplace injuries overall. It appears this approach is bearing some results as we've seen that our Total Injury Rate and Time Loss injury rate have dropped after years of plateauing.

Annually, as Jennifer mentioned, serious injuries represent approximately 11 to 14 per cent of total claims and account for more than 80 per cent of our claims costs in the province's compensation system each year.

As a result, there's good reason to focus on these serious injuries.

One, to reduce the injuries that have the most devastating impact on workers, families and communities, and two, to reduce injury rates overall.

This slide is another reminder as to why we're shifting our focus. Every year, fatalities continue to take place in Saskatchewan workplaces, having a profound impact on workers, employers, families and communities.

As of September 30, 2024, we've had 24 workplace fatalities in the province. Nine fatalities were due to occupational diseases and five fatalities were due to motor vehicle collisions. The remaining 10 fatalities resulted from medical complications due to workplace injuries, and from heart attacks and traumatic events like falls from heights and being caught in equipment.

Fatalities happen in many different industries. For example, fatalities happened in 41 of the 50 rate codes from 2018 to 2023.

Over the past few years, WorkSafe Saskatchewan has challenged its traditional approach to preventing injuries and fatalities and has pivoted to a greater focus on preventing serious injuries and fatalities in the province.

Building off the 2019 strategy, WorkSafe Saskatchewan's new 2023 to 2028 Fatalities and Serious Injuries Strategy was launched in March of last year. This new strategy focuses on eliminating and preventing occupational injuries through five pillars –awareness, education, targeting and consulting, partnerships and enforcement.

Under this strategy, WorkSafe Saskatchewan is focusing on three main workplace sectors and common issues that will benefit all Saskatchewan workplaces. The sectors we're focused on include health care, transportation and construction, as well as the seven common issues affecting most Saskatchewan

workplaces. This includes motor vehicle collisions, asbestos, falls, industrial ergonomics, machinery, violence and psychological health.

This strategy brings industry together into learning collaboratives to share best practices to mitigate serious injuries.

Some examples include motor vehicle crash prevention; city transit on violence and psychological health; health care on violence prevention and ergonomics; construction on falls from heights; first responders on psychological safety; youth workers on violence and psychological health; and construction and mining on leading indicators and contractor management.

Performance measures and targets for the strategy include a decrease in the Total injury rate, a decrease in the number of workplace fatalities and a decrease in serious injuries.

More information on the 2023 to 2028 Fatalities and Serious Injuries Strategy can be found on the WorkSafe Saskatchewan website.

In addition to our provincial fatalities and serious injuries strategy, WorkSafe Saskatchewan is endeavouring to strengthen Saskatchewan's safety culture in the future by engaging safety leadership, next generation workers and the public to become the safest place to work in Canada.

We will also be conducting a review of the WorkSafe Saskatchewan brand and considering options to refresh and revitalize a province-wide promotional campaign.

This initiative centres on driving safety leadership engagement, shifting the

provincial safety culture, enhancing partnerships and collaboration to achieve better safety outcomes.

We also recognize the need to support industry in advancing proactive health and safety metrics and this includes steps toward predictive analytics to help our employers and system partners focus health and safety efforts and resources.

We will also continue to invest in building the capacity of the WCB's prevention team to move to a consulting role from a training role. We offer consulting to help our customers investigate and learn from past events, use risk assessments to plan safe work and proactively develop serious injury prevention plans.

We also recognize the need to integrate psychological health and safety into future approaches and the 2023 to 2028 psychological health and safety program helps stakeholders learn how to practically complete psychological health and safety assessments and develop action plans to make improvements.

In addition, we continue to support the psychological health resource centre, which was launched in 2020 on the WorkSafe Saskatchewan website. The centre includes materials to help you in creating or enhancing your own psychological health programs in your workplace and these resources will help you protect the psychological health and safety of your workers. The resource centre is available at worksafesask.ca.

I will now hand the reins back over to Phillip to walk us through the long-term outlook.

Phillip Germain

Thanks, Kevin.

As we've mentioned, though claims costs are expected to rise, the impact is mostly offset by the previously mentioned strong payroll growth based on strong economic growth in the province, resulting in a stable average preliminary premium rate.

Premiums collected from employers are invested to pay future costs on claims that occur in the rate year. The WCB also relies on investment returns to cover certain costs within the system, such as cost relief and the disaster reserve. Large capital investments like the Business Transformation Program are also funded through the investment returns and reserves.

Each year, we revisit our risks and opportunities and adjust our strategic plan to address these risks and opportunities.

The high risks identified and evaluated by the board members and management in 2023 were recruitment and retention - In the current environment, the WCB, like all employers, faces challenges in attracting and retaining talent across the organization, as well as developing and retaining a competent workforce. Key risk mitigation strategies include workforce planning on understanding the jobs of the future and preparing our staff to be ready for those new roles. It also includes modernizing our core technologies and processes, as well as advancing a new enterprise learning strategy.

The second risk is data adequacy. Current system architecture, system controls and data sourcing expose the organization to certain information technology risks. The key risk management strategies include implementation of the WCB's advanced analytics and replacement of key business systems such as finance,

human resources, employer accounts and claims, to provide the foundation for restructuring and protecting our data. This also includes establishing the proper governance, policies and procedures and tools to take advantage of artificial intelligence and machine learning in a responsible manner.

The next risk is business continuity. Adverse events, such as cybersecurity breaches, maintaining IT systems, natural disasters, strike and pandemics, can lead to a suspension of the WCB's operations. Key risk control strategies include establishment of short-term and long-term plans to address critical gaps and reprioritizing the business continuity plan across the organization.

The next key risk was IT systems adequacy. While we have made dramatic improvements by replacing our finance and HR systems, some of our current systems, such as claims system, does not adequately support the evolution of the WCB's business processes and the organization's ability to maintain current systems due to the technical limitations is at risk. The WCB is mitigating this risk by replacing aging systems with modern technology through the Business Transformation Program, which includes transition to vendor-supported cloud implementations.

The next risk is cybersecurity. Increasing incidents of cyberattacks and phishing attempts elevate the risk of cybersecurity breaches, causing information technology networks to fail or become unavailable and significantly impacting staff, partners and customers. Key mitigation strategies include continued investment in internal staff cybersecurity training and processes, as well as upgrading the WCB's technologies to increase maturity in cybersecurity protection.

And the last is investment markets. Greater than normal volatility in external factors such as capital markets, inflation and interest rates, have long-term financial impacts on premiums, insurance contract liabilities and investments, which increase uncertainty in the WCB's ability to accurately forecast and maintain sufficient funding levels. Key risk management strategies include re-establishment of the WCB's risk appetite through an asset liability management study and diversifying the investment portfolio in line with the targets in the WCB's Statement of Investment Policies and Goals.

On the flipside of risks are opportunities and there are a number of opportunities for us, which include Business Transformation Program. The WCB's multi-year Business Transformation Program will make enhancements and changes to the WCB's business model, including technology, processes, human capital, knowledge requirement and organizational structure, resulting in a changing internal and external risk profile.

Risk management strategies include implementation of enhanced governance, reporting and oversight, change management, and timely staffing and organizational reviews to balance the BTP program and the organizational needs.

Focus on preventing work disability is the next opportunity. As part of the WCB's claims transformation, the WCB has a renewed focus on preventing work disability and partnering for better outcomes.

The renewed focus on preventing work disability represents a cultural transformation and overall mindset shift that will lead to improved collaboration, return-to-work outcomes and customer experience.

The next key opportunity is the next generation of prevention and WorkSafe Saskatchewan revitalization. The WCB's next generation prevention initiative works to reduce serious injuries by engaging workers, employers and partners across Saskatchewan in a health, safety and well-being journey through a collaborative consulting and data-driven approach.

WorkSafe Saskatchewan is endeavouring to strengthen Saskatchewan's safety culture in the future by engaging leadership, next generation workers and the public to refocus on workplace safety and adopting a provincial target of becoming the safest province to work in Canada through a rebranding, revitalization and province-wide promotional campaign.

The work in the sustainability study conducted last year indicated we should expect long-term upward pressure on premium rates. However, there is a strategic plan that is meant to minimize the impact of the factors pushing premium rates upward by reducing serious injuries and fatalities, and improving rehabilitation and return-to-work outcomes.

As Kevin mentioned, last year, WorkSafe Saskatchewan launched the 2023-2028 Fatalities and Serious Injuries Strategy, building on the initial strategy launched in 2019.

The updated strategy utilized customer feedback and engagement, as well as claims and injury data, to target the specific industries and occupations with the highest serious injury rates and reoccurring injury types.

As Gord said, "the least expensive injury is the one that does not happen." I'll say it a slightly different way. The easiest claim to manage is the one that doesn't happen. But when an injury occurs, we need to have robust systems that allow

us to effectively and very efficiently partner with the worker, employer and health-care providers to rehabilitate the worker so they can return to work. We know that this outcome is what is in the best interests of the worker and the employer.

Assuming that our plan is successful, we could see the pressure on premium rates reverse in the next few years as we work together to reduce serious injuries, reduce fatalities and improve return-to-work outcomes.

This plan will require partnerships and support from employers, workers, employer associations, safety associations, labour organizations and the health-care community. Working together, we can make the changes necessary to improve the system for workers, employers, health-care providers and staff.

At the WCB, we believe that by working together with all of our stakeholders, we can eliminate fatalities and decrease serious injuries and improve return-to-work outcomes. This is a good reason to try and reduce system costs by investing in work disability prevention and the Business Transformation Program.

Through our strategic and operational planning, we charted a course that will enable us to fulfil our commitment to improve performance, transparency and effective stewardship in pursuit of a service-focused, financially stable, fair and balanced compensation system.

Three years ago, in support of delivering on this commitment, we initiated our Business Transformation Program, which aims to support the achievement of our mission-critical strategic and operational objectives.

In alignment with our strategic direction, the Business Transformation Program is providing the supports necessary to the business to enable and deliver

improvements to the customer experience, key indicators and outcomes, and to reduce key risks related to functional and technical obsolescence of our front-office and back-office technologies. These investments will support the long-term health of the Saskatchewan workers' compensation system.

The vision of the WCB's customer service delivery model is proactive service focused on the customers' needs from the first interaction through to the final interaction.

Many areas, including our support areas, have developed integrated target operating models that set out our processes, functional design and technology needs to be designed and integrated more intentionally so that we can realize our long-term improvement goals and enable better service and better outcomes.

As I mentioned, as part of the transformation, the WCB is looking to modernize its core technology systems through an integrated platform that is purpose-built for the workers' compensation industry. This includes transforming the technologies that enable key processes related to claims, employer accounts and the finance functions that are embedded in these areas, like payments and premiums. This integrated platform approach is intended to result in greater efficiencies in how we deliver service and result in changes that not only improve our overall customer experience, but also critically allow us to continue to make improvements well into the future.

If you would like to learn more about the Business Transformation Program, please visit the WCB's website at wcbask.com.

A recommendation from 2016 Committee of Review led to the creation of an Employer Resource Centre in 2019. Ongoing feedback through 2023 showed the

desire by some employers for additional levels of service, including the appeals process.

One key objective is to ensure that the WCB remains active in the support of the employer community. As a result, in the first quarter of 2025, we're proud to announce that we will evolve the Employer Resource Centre into the Employer Advisory Centre.

When fully operational, the services provided by the Employer Advisory Centre will be expanded to include education and support, as well as assistance for employers with appeals.

We believe that the increased education and support focus for this service will balance the needs for employers and workers.

We have already recruited a manager for the Employer Advisory Centre and completed stakeholder engagement to inform the development of the new services. A focus on support for small- to medium-sized businesses was a theme that was shared by stakeholders. The new centre will launch in the coming months.

So what's next? In October, we are sharing preliminary premium rates information with employers.

Our practice is to provide employers with 30 days to provide feedback regarding premium rates and we welcome your feedback within this timeframe. Please email askwcb@wcbask.com with any feedback you have.

In November, we gather all feedback and the board members consider this

feedback before they approve final rates.

In December, employers' 2025 premium rate notices will be available online at wcbask.com through your secure WCB online account.

Ensure your business has a WCB online account for early access to your premium rate notice.

Industry rate sheets will be available on our website. This information includes some rate code statistics, as well as premium rate information.

WCB resources are available if you have any questions. If you'd like more industry discussion, our account managers from our prevention team can arrange this for you.

As a reminder, the information presented today will be available on our website, wcbask.com, and on our YouTube channel. Just search for "Sask Worker's Compensation Board."

This now brings our formal presentation to a close. I'll now pass it over to Gord for some final remarks and lead us through our question and answer period. Thank you.