

wcb

Saskatchewan
Workers'
Compensation
Board



2022

Annual Report

2022



WCB staff member at the Saskatoon office

Cover image: Saskatoon waterfront



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The Meredith Principles

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

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

- 1. No-fault compensation:** Workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
- 2. Security of benefits:** A fund is established to guarantee funds exist to pay benefits.
- 3. Collective liability:** Covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.
- 4. Independent administration:** The organizations that administer workers' compensation insurance are separate from government.
- 5. Exclusive jurisdiction:** Only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.



Saskatchewan
Workers'
Compensation
Board

Our vision

We eliminate injuries and restore abilities.

Our mission

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



WCB staff member at Regina office



WCB staff member at Regina office

Letters of transmittal





The Honourable Russell B. Mirasty

Lieutenant-Governor, Province of Saskatchewan

May it please Your Honour:

I respectfully submit the annual report of the Workers' Compensation Board for the calendar year 2022.



Don Morgan

The Honourable Don Morgan, K.C.

Minister Responsible for the Workers' Compensation Board

The Lieutenant-Governor in Council

We are pleased to submit the 93rd annual report of the Workers' Compensation Board for the year ended Dec. 31, 2022.

Respectfully submitted,

Gord Dobrowolsky

Gord Dobrowolsky
Chair

L. Flowers

Larry Flowers
Board Member

Garry Hamblin

Garry Hamblin
Board Member

Judy Henley

Judy Henley
Board Member

Jack Brodsky

Jack Brodsky
Board Member



WCB staff member at Regina office

Year at a glance

	2022	2021	2020	2019	2018
Number of workers covered ¹	400,392	392,813	402,306	433,622	410,600
Time Loss injury rate (per 100 workers) ²	2.04	2.03	1.78	1.86	1.99
Total injury rate (per 100 workers) ³	4.33	4.56	4.46	4.95	5.44
Number of claims reported	27,087	25,751	23,746	28,865	29,140
Number of No Time Loss claims accepted ³	9,156	9,918	10,788	13,415	14,192
Number of Time Loss claims accepted ³	8,148	7,963	7,134	8,036	8,151
Fatal claims accepted					
Registered in current year	17	18	22	22	28
Registered in prior year	22	11	12	14	19
Self-insured	0	2	0	0	1
Total	39	31	34	36	48
Average duration in days ⁴	38.56	40.24	45.27	41.52	41.89
Active employer accounts ⁵	48,740	48,147	48,070	49,297	49,598
Average premium rate (\$ per \$100 of assessable earnings)	1.23	1.17	1.17	1.17	1.19
Maximum assessable wage (\$)	94,440	91,100	88,906	88,314	82,627
Number of appeals registered					
Appeals department	1,054	1,017	1,169	1,144	1,165
Board level	256	231	273	234	287
Claim costs (\$ millions)	189.4	336.2	319.6	281.0	278.2
Premium revenue (\$ millions)	304.0	259.5	255.6	267.2	256.5
Investment income (\$ millions)	(132.1)	254.1	77.4	277.1	(41.6)
Benefits liabilities (\$ millions)	1.459	1.515	1.420	1.328	1.280
Funded position (\$ millions)					
Injury fund	436.0	549.4	479.6	567.3	399.8
Reserves	43.8	45.5	42.6	39.8	38.4
Funding percentage ⁶	114.8	107.6	112.4	115.1	115.2

1 Full-time equivalent (FTE) workers based on Statistics Canada average wage and WCB payroll information as of Dec. 31, 2022.
Does not include workers for self-insured employers.

2 Time Loss injury rate includes Time Loss + fatalities in 2020, 2021 and 2022.

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

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

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

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

Comparison with Canadian WCBs

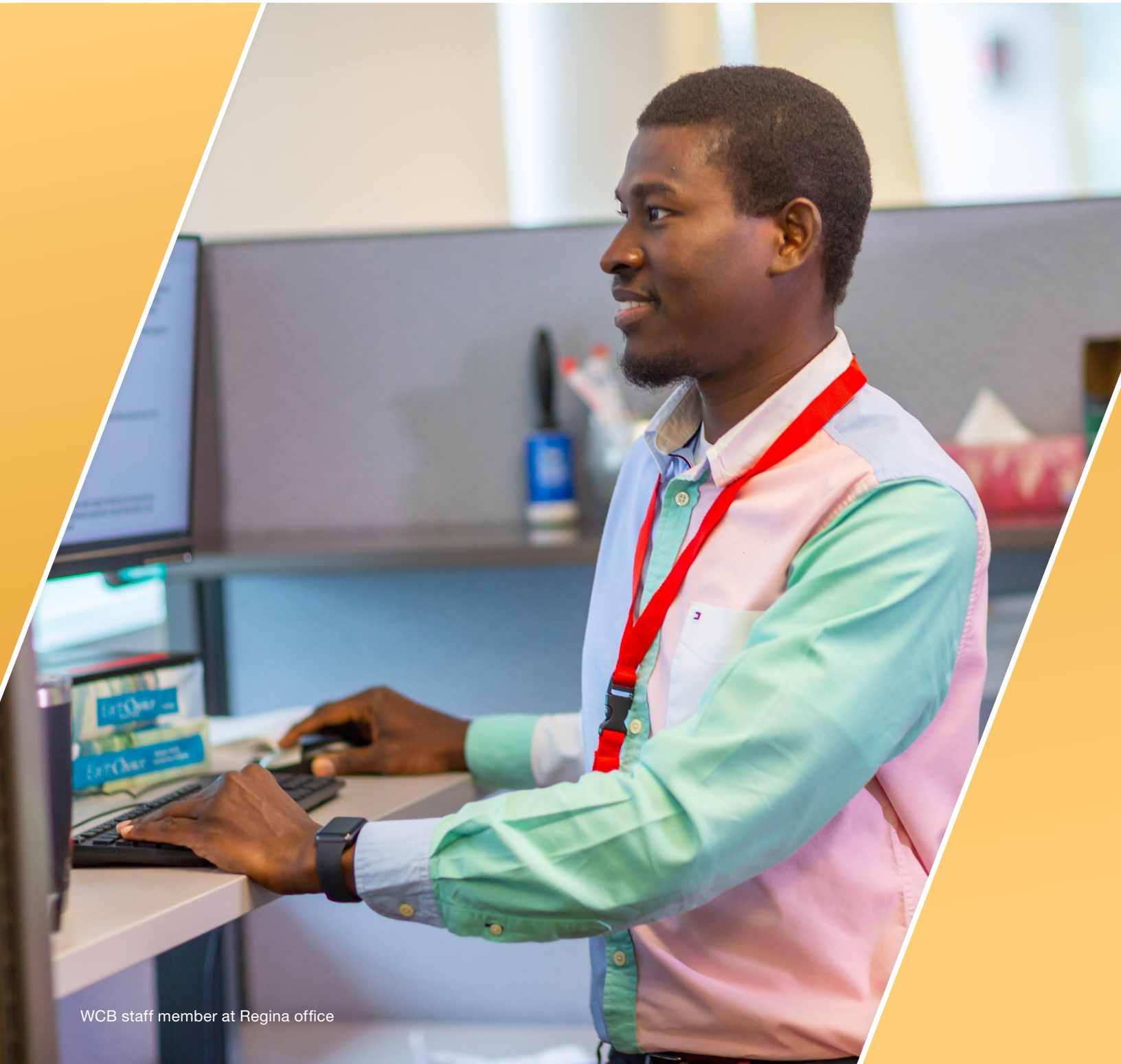
The Saskatchewan WCB is a member of the Association of Workers' Compensation Boards of Canada (AWCBC), which represents workers' compensation boards or commissions from each of Canada's provinces and territories.

The following comparisons are based on 2021 data (the most recent data available). View the complete report on the AWCBC's website at awcbc.org.

	AB	BC	MB	NB	NL	NS	NT/NU	ON	PE	QC	SK	YT
Admin cost per Time Loss claim ¹	\$6,675	\$6,707	\$6,722	\$12,976	\$11,603	\$10,406	\$34,176	\$13,777	\$6,418	\$4,773	\$7,927	\$25,762
Admin cost per \$100 assessable payroll	\$0.22	\$0.28	\$0.37	\$0.32	\$0.40	\$0.42	\$0.90	\$0.35	\$0.27	\$0.21	\$0.29	\$0.64
Average calendar days from injury to first payment issued	29.90	31.20	20.60	47.60	N/A	39.00	39.17	34.79	36.28	N/A	48.65	27.28
Average calendar days from registration of claim to first payment issued	23.90	23.10	14.70	32.20	N/A	33.00	29.18	22.38	28.14	N/A	36.62	23.80
Injury rate per 100 workers of assessable employers ²	1.81	2.24	2.61	1.16	1.51	1.62	2.05	1.30	1.37	1.99	2.01	1.43
Average composite duration of claim (in days)	113.51	96.30	36.02	76.50	197.91	175.12	96.09	N/A	61.79	N/A	63.39	36.69

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

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



WCB staff member at Regina office



Downtown Regina

Message from the board

In 2022, the Saskatchewan Workers' Compensation Board (WCB) focused on transformation and adapting to broad-reaching change, which required flexibility and agility at every level.

As an organization, we have embraced this change, which allows us to continue acting on our vision to eliminate injuries and restore abilities. We made significant strides throughout the year to evolve further into a more modernized, responsive and efficient organization for our staff and customers.



We took important steps to achieve our 2022 priorities in our second year of the Business Transformation Program, a \$150-million, multi-year investment in this major corporate initiative. Through this initiative, we are addressing critical risks, as well as adapting our processes, technologies and systems to ultimately deliver improved service to our customers.

We will be better positioned to serve injured workers and employers, reduce claim costs and lost work time, and prevent disabilities. These outcomes help us fulfil our mission to be customer-centric and continuously add value for our customers.

Since 1911, the WCB has operated according to the Meredith Principles: no-fault compensation, security of benefits, collective liability, independent administration and exclusive jurisdiction. Financial stewardship is embedded in these principles and is a priority for this board. The WCB remains fully funded, with the financial resources to pay all injury claims. To support our financial position, the WCB investment committee worked to diversify our portfolio, maximize our investment returns and minimize our financial risk. As a board and as chair of the investment committee, we will never put customer benefits at risk.

The board supports WCB operations through strategic direction, governance, and financial and risk oversight. The board-appointed executive committee, which provides guidance on our policy directives, governance and corporate objectives, helped shape 13 policies in 2022.

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 per hundred dollars of payroll. This five-cent increase over 2022 helps the WCB meet its legal obligation to remain fully funded.

The WCB's Board Appeal Tribunal, a customer appeal and adjudication function that represented two-thirds of the board's work in 2022, rendered 279 decisions on appeals and applications. As a board, we are highly cognizant of

appeal wait times and are pleased to report a decrease in wait times in 2022. We will continue to work to make progress toward reducing wait times.

Cybersecurity continues to be a top-of-mind issue for the board. To mitigate the risks of a cybersecurity attack against the WCB that could affect operations or data integrity, we intensified our efforts to update and safeguard our IT infrastructure and processes.

In 2022, our Total injury rate was 4.33, compared to 4.56 in 2021. In the bigger picture, our Total injury rate decreased by 53.54 per cent from 2009 to 2022, thanks to the tremendous efforts of workers and employers to advance safe, healthy workplaces. To maintain this momentum, we encourage all organizations to expand the familiar phrase "on time and on budget" to "on time, on budget, with no injuries."

Last year, we built on the successful outcomes of WorkSafe Saskatchewan's 2019-2021 Fatalities and Serious Injuries Strategy. The WCB, through WorkSafe Saskatchewan, met with more than 300 stakeholders to develop the 2023-2028 strategy. This strategy will focus on eliminating and preventing occupational injuries through the five pillars of awareness, education, targeting/consulting, partnerships and enforcement.

As chair, I would like to thank my fellow board members for their commitment to serving the workers and employers of our province, including Garry Hamblin and Judy Henley, representing workers, and Larry Flowers and Jack Brodsky, representing employers.

Finally, the important work of the WCB cannot happen without the noble work of our staff, who play a pivotal role in delivering exceptional service and value to our customers. Every day, through their hard work, dedication, decisions and actions, they live out our corporate values — safety, respect for people, excellence, collaboration and customer focus — and contribute significantly to the workers' compensation system in Saskatchewan.



Gord Dobrowsky

Chair



Larry Flowers

Board Member



Garry Hamblin

Board Member



Judy Henley

Board Member



Jack Brodsky

Board Member



WCB staff member at Saskatoon office

The WCB's structure, mandate and role

The WCB is an independent board that is legislated to administer Saskatchewan's no-fault workplace insurance system under *The Workers' Compensation Act, 2013* (the Act), which came into force on Jan. 1, 2014. The WCB follows the Meredith Principles, and the Act establishes the legislative framework within which employers in industries and occupations covered by the Act pay premiums to the board to provide guaranteed



benefits and programs to injured workers. In exchange, covered employers are protected from lawsuits related to workplace injuries. These employers are required to register with the WCB and pay invoiced premiums based on employer payrolls that are subject to adjustments that reflect claims experience. Premiums paid by employers and income from investments fully fund the WCB's work.

In 2022, 48,740 firms with 400,392 full-time equivalent workers were registered with the WCB. In the year, the WCB accepted 17,321¹ injury claims, which included 8,148 Time Loss injuries. Time Loss injuries are those that keep a worker away from work beyond the day of the injury.

In 2022, \$189.4 million in claim costs were incurred to provide benefits and programs to injured workers.

Board structure

Effective Jan. 1, 2022, the board consists of five board members, three of whom also make up the Board Appeal Tribunal (the tribunal). The chair and board members are appointed by the provincial government. Two board members are appointed to bring the viewpoint of workers and two are appointed to bring the viewpoint of employers. The bios of the board members are available on the WCB's website, wcbask.com.

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

Board mandate and responsibilities

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

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

1. Providing strategic direction to the WCB's leadership to ensure the delivery of high-quality services to workers and employers, and the protection of the public interest.
2. Appointing a chief executive officer (CEO), who is to be the WCB's chief administrative officer.
3. Providing effective oversight of the WCB's financial and operational performance, both directly and through their roles on the audit and investment committees.
4. Approving policies through which the organization's objectives can be accomplished.
5. Overseeing enterprise risk management.
6. Effectively engaging with customers and partners.

In addition to their governance responsibilities, three board members are appointed to serve on the tribunal, which is the highest level of appeal within the WCB for workers or employers dissatisfied with decisions impacting their claims or accounts. They fulfil their responsibilities on the tribunal by thoroughly reviewing applications that come before it and by ensuring processes are in place to provide decisions.

In 2022, the tribunal received 256 appeals and issued 279 decisions, which included 19 non-appeal applications (for barring of lawsuits, orders for collection of overpayments and medical review panels). In the process of issuing these decisions, the tribunal conducted 104 hearings during

the year. Throughout 2022, the tribunal continued to offer multiple hearing options to make it easier for appellants to participate. These options included in-person, teleconference and secure video-enabled hearings.

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

All board members are required to maintain skills and knowledge appropriate to their responsibilities. This begins with a comprehensive orientation and includes other relevant topics like cybersecurity, diversity and risk management. The WCB is a corporate member of the Institute of Corporate Directors, which provides all board members with access to training and resources relevant for their roles.

In addition to training and education for all board members, the tribunal members' training continues with professional development offered by organizations such as the Foundation of Administrative Justice, the Council of Canadian Administrative Tribunals, the Saskatchewan Administrative Tribunals Association, and various industry and educational conferences and courses.

A governance framework that defines accountability

Since 2019, the board has undertaken annual, or more frequent, reviews of its governance policy and other key governance documents because the board members recognize the importance of a clearly defined governance framework that supports their accountability as stewards of the workers' compensation system. To support that review process, the board tasked the CEO and senior leadership with conducting their own assessment of the governance policy, committee structures and governance

processes, and providing feedback to the board as part of its annual governance review. In 2022, the board also completed its annual review of the board members' code of conduct, and its orientation and education plan. Each year, the board also establishes a plan for the upcoming year to address key governance issues.

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

- **Strategy setting and performance monitoring**

Each year, the CEO and vice-presidents participate in strategic planning sessions with the board. These include a review of the WCB's vision, mission, values, risk register and True North objectives, which drive the strategic plan. The WCB's corporate values are the standards by which its actions and decisions are to be considered and judged by others. The True North objectives represent five areas the organization must focus on to continuously improve the customer experience:

- **Timeliness:** Our customers rely on us to deliver service at the right time, when they need it.
- **Safety:** Every injury is predictable and preventable. Our customers rely on us to help them eliminate injuries. Our staff deserve to work in a safe and secure environment.
- **Quality:** We owe our customers defect-free service.
- **People:** Our people expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve our customers.

- **Financial:** Customers expect us to deliver value through our services and programs at a fair and reasonable cost, and to meet all of our obligations now and in the future.

The CEO submits a strategic plan for board review, feedback and approval. Regular management reports on the plan's progress are provided to the board members. The annual strategic plan is published and forms part of the required reporting at the WCB's annual general meeting. The WCB holds annual stakeholder meetings as part of its governance and accountability framework.

- **Code of conduct**

To achieve effective governance, board directors are responsible for influencing the culture of the organizations they govern. As part of the annual review of its governance framework, the board examines its code of conduct and its key governance documents. These documents are available on the WCB's website.

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

- **Budget and employer rate approvals**

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

Employer premium rates are set through a rigorous process that is supplemented by the review and advice from internal and external actuaries. Once the proposed rates have been presented to customers and partners (who have the opportunity to provide input to the board), the board approves the rates.

- **WCB investment committee**

Fundamental to the workers' compensation system is the guarantee to workers and employers that benefits and programs will be available if they are needed. To back up that guarantee, the WCB is required to be fully funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of those claims. Termed the WCB's "benefits liabilities," the amount needed at the end of 2022 to meet future obligations was \$1.459 billion. Investment assets, the financial resources that back up the funding guarantee to workers, were valued at \$2.151 billion at the end of 2022.

The WCB investment committee consists of board members, with support from management and external investment experts, who oversee the organization's financial policies and investments.

- **WCB audit committee**

The WCB audit committee consists of the three full-time board members, with support from management and external experts. Their role is to oversee the quality and integrity of the WCB's financial statements, its compliance with legal and regulatory requirements, and the appointment and performance of the WCB's internal and external auditors.

The committee's role does not relieve WCB management of their responsibility to prepare financial statements

that present the WCB's financial results and condition accurately and fairly, or the external auditors of their responsibility to audit the financial statements.

- **Executive committee**

The board appoints an executive committee to monitor the WCB's ongoing administration by considering policy directives, governance and legal matters, strategic planning, corporate objectives and general operational updates.

- **Transformation oversight committee**

The board appointed a transformation oversight committee in 2021 as a temporary governance entity to oversee the multi-year Business Transformation Program.

The committee is intended to support the board in fulfilling its fiduciary responsibilities related to the transformation program. Given the specialized and complex scope of the Business Transformation Program, the committee has the ability to appoint outside non-voting advisors. These advisors provide additional support and expertise on matters coming before the committee.

- **Funding status**

The board oversees the funding status of the WCB by establishing policies that administration implements. When managing capital, the WCB's objectives are to build a funded position that supports the organization's

long-term financial stability, ensure sufficient funds are available to meet required benefit levels and mitigate fluctuations in the average premium rate. The process for managing the WCB's funded position is based on its approved funding policy. The funding policy establishes guidelines to maintain a fully funded status and sets the target range for the injury fund. The funding policy is currently under review to align with new accounting standards that will be effective for the fiscal year ending Dec. 31, 2023.

- **Board Appeal Tribunal**

Read about the tribunal on page 20 of this report, and the principles and responsibilities of the tribunal on the WCB's website, wcbask.com/board-appeal-tribunal.

Setting high standards and expecting results

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

Quality oversight

The board and the WCB's executive management recognize that complying with legislation and policies, and achieving effective and efficient operations, requires continually monitoring operations and key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims, and include team leaders reviewing files for completeness and accuracy.
- An internal audit department that provides independent, objective assurance and consulting services to the board's audit committee and to management. This department evaluates processes for risk management, internal control and governance.
- An appeal process that provides injured workers and employers with an objective review of the WCB's decisions and actions. An appeal is first considered by the appeals department or the assessment committee and, if not resolved, can be reviewed by the tribunal.
- The Fair Practices Office (FPO), which reports to the board, reviews concerns about the fairness of the WCB's actions and decisions and, where appropriate, forwards recommendations to WCB managers to resolve concerns.
- Certification by the CEO and chief financial officer (CFO) that financial statements are presented fairly in all material respects and that internal controls are adequate to prevent material misstatement in financial statements based on an internal assessment by management of the adequacy of internal controls.

Please visit the WCB's website, wcbask.com, for more information on board governance and the WCB's operations and performance.



Saskatoon waterfront

Board Appeal Tribunal

The three full-time board members serve as the Board Appeal Tribunal (the tribunal), the highest level of appeal within the WCB for all matters except for 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. The tribunal was able to review and provide a decision to customers within five months.

The tribunal remained focused in 2022 on providing thorough, well-reasoned decisions, thorough file management, and ongoing training for staff and tribunal members.



The majority of decisions made by the tribunal relate to appeals brought forward by a worker or employer because of a decision made on an injury claim. An employer can also appeal a decision regarding WCB employer premiums or assessment. Customers who are dissatisfied with decisions rendered by the appeals department or the assessment committee can apply to have those decisions reviewed by the tribunal.

Previously, the tribunal reported the appeals volume separately from other types of decisions it rendered. However, in 2020, the tribunal began reporting all of its decisions together. As such, all appeal and non-appeal issues are reported in one table.

Other types of decisions include board orders, which allow the WCB to collect overpayments and compel documentation, decisions under Section 169 of the Act, and applications to determine whether certificates required with respect to medical review panels comply with the Act.

For more information regarding medical review panels or Section 169 applications, please refer to the WCB's website.

Appeals and applications activity

	2022	2021	2020	2019	2018
Appeals and applications received	256	231	273	234	287
Accepted	114	91	70	77	116
Denied	165 ¹	129 ¹	154 ¹	154	144
Total appeals and applications decided ¹	279	220	224	231	260
Appeals withdrawn	32	22	35	12	17
Appeals pending	100	120	112	90	99
Average number of days to reach decision	144	170	160	130	115
Hearings	104	109	87	85	110

¹ The total denied for 2020-2022 includes medical review panels and barred Section 169 applications.

Two important things to note:

- Appeals may carry over from the previous year or be decided the following year.
- Appeals pending for each year after 2019 include appeal and non-appeal applications.

Source of appeals and applications

	2022	2021	2020	2019	2018
Workers' advocate	103	82	92	95	126
Worker	98	83	98	79	85
Employer	16	18	56	50	68
Other	56	37	15	8	5
Lawyer	5	10	11	2	2
Union official	1	1	0	0	0
Family	0	0	1	0	1
Total	279 ¹	231	273	234	287

¹ The total for 2022 includes medical review panels and Section 169 applications.

Nature of appeals and applications decided¹

	2022		2021		2020		2019		2018	
	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>	<i>total</i>	<i>accepted</i>
Initial acceptance	90	39	70	31	74	12	76	29	89	36
Relationship (of condition to injury)	77	32	59	25	59	19	64	14	61	29
Cost relief	27	4	24	5	14	4	42	15	21	12
Recovery/fitness for work	1	0	9	5	9	3	14	6	38	22
Other	52	28	23	14	15	7	11	5	12	6
Suspension	3	2	7	2	6	2	9	3	2	1
Expenses	5	3	9	2	5	1	6	1	12	3
Retraining	0	0	2	0	0	0	3	1	5	1
Wage base	4	1	0	0	3	0	3	1	4	2
Estimated earnings	4	0	2	1	3	0	1	1	8	2
Assessment/surcharge	2	2	6	3	16	16	1	1	3	1
Permanent functional impairment	2	0	2	0	4	0	1	0	5	1
Independence allowance	0	0	0	0	2	1	0	0	0	0
Medical Review Panel enabling certificate applications	6	2	3	1	8	3	23	4	26	4
Medical Review Panel examination decisions	2	1	2	2	2	1	3 ²	1	4	2
Section 169 applications	4	0	2	0	4	1	2	0	5	0
Total	279	114	220	91	224	70	259	82	295	122

¹ The above table provides the total number of appeals and applications decided, as well as the number of those accepted. The totals provided in the above table differ from the totals provided in previous annual reports because of the addition of Medical Review Panel enabling certificate applications, Medical Review Panel examination decisions and Section 169 applications for each year. The Medical Review Panel enabling certificate applications and Section 169 applications were previously outlined in separate tables. The Medical Review Panel examination decisions were previously provided in the commentary rather than in a table.

² The 2019 total has been restated to reflect the actual number of total Medical Review Panel examination decisions. The number of appeals and applications withdrawn are not included in this table.



WCB staff member at Regina office

Appeals department

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 an appeals officer, who reviews the documents and, if applicable, hears the evidence.

The decision-maker will ensure that they have obtained information that, in the appeals officer's opinion, is required to make the decision. Workers or employers who disagree with the appeals department's decision may further appeal to the Board Appeal Tribunal.

The appeals department has continued to work to improve customer service by focusing on quality and timeliness. Average appeal wait times have decreased by 10 per cent since 2021 and by 58 per cent when compared to 2020. The appeals department has also initiated work to improve quality through the development of new quality standards and assurance processes.

Appeals activity

	2022	2021	2020	2019	2018
Prior year's pending	90	157	235	152	145
Appeals received	1,047	1,017	1,169	1,144	1,165
Total appeals	1,137	1,174	1,404	1,296	1,310
Accepted	257	229	290	245	256
Denied	661	723	821	697	813
Returned for development	108	88	102	75	51
Subtotal completed	1,026	1,040	1,213	1,017	1,120
Withdrawn	35	44	34	44	38
Appeals pending	76	90	157	235	152
Average days to decision	28	31	66	80	57
Appeals decided within 30 days	66%	67%	15%	11%	12%
Appeals decided within 45 days	96%	86%	15%	12%	20%
Appeal meetings ¹	7	2	0	2	26

¹ Hearings are granted if requested by a worker or employer, and are conducted in person or over the phone. The 2022 number is based on decisions made between Jan. 1 and Dec. 31, 2022.

Assessment committee for employer services appeals

Employers can appeal a decision on their worker's injury claim or a decision on the employer account. While the appeals department manages claim decisions, the employer services department is responsible for employer registration, industry classification, experience rating and other services that affect an employer's WCB account.

Employer appeals follow a three-step appeal process:

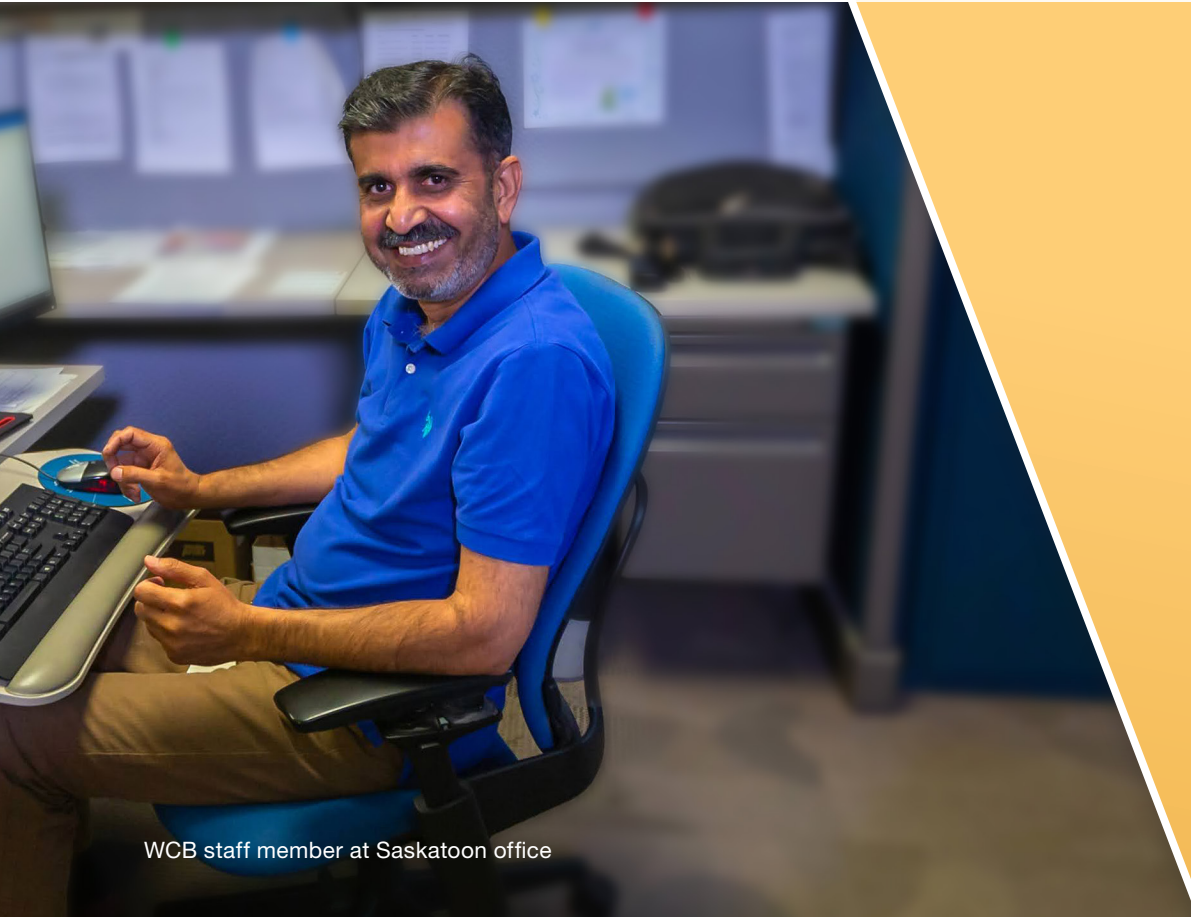
1. Discuss the decision with an employer services department representative.
2. If the concern is not resolved, the employer can appeal to the assessment committee. The committee will review the file and advise the employer of its decision, with reasons.
3. If the concern still remains unresolved, the employer can appeal to the Board Appeal Tribunal.

Assessment committee appeals activity

	2022	2021	2020	2019	2018
Prior year's pending	1	5	1	5	1
Appeals received	9	17	25	14	21
Total appeals	10	22	26	19	22
Accepted	4	4	4	4	2
Denied	5	15	17	14	15
Returned to first level	0	1	0	0	0
Withdrawn	0	1	0	0	0
Appeals pending	1	1	5	1	5



Committee of Review



WCB staff member at Saskatoon office

The Saskatchewan government establishes a WCB Committee of Review (COR) every five years. The WCB's principal customers (workers and employers) are represented on each COR. The COR may inquire into all aspects of the WCB's operations.

The COR's recommendations may include legislative changes such as amendments to *The Workers' Compensation Act, 2013* (the Act), WCB policy changes, public awareness campaigns, training and partnerships, and enhancement of communication methods with injured workers and employers.

The most recent COR, appointed on Aug. 5, 2021, completed its intake of submissions, public hearings and deliberations in 2022. The committee provided a report to the Ministry of Labour Relations and Workplace Safety. The ministry shared 34 recommendations with various stakeholder groups for further consultations.

The previous COR (2016) noted 11 recommendations. As of 2021, all 11 recommendations were advanced, implemented or legislated. Please see the WCB's website, wcb.sask.com, for the full 2016 COR report and recommendations.

Read the 2022 COR report at saskatchewan.ca.



WCB staff member at Regina office

Fair Practices Office

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

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

Read about the FPO's role and mandate on the WCB's website at [wcb.sask.com](https://www.wcb.sask.ca).



Number of inquiries received and resolved

	2022	2021	2020	2019	2018
New inquiries received	513	440	352	401	355
New inquiries resolved ¹	504	440	352	397	345

¹ Inquiries resolved are based on the number of closed inquiry files per year. Inquiries not resolved in one calendar year are carried over to the following year.

In 2022, the FPO received an average of 43 inquiries per month.

How inquiries were resolved

	2022	2021	2020	2019	2018
Completed by the FPO without referral	372	320	270	276	250
Contacted the WCB for clarification	63	31	16	27	19
Referred to the WCB for review	35	64	52	71	60
Referred to outside entity	34	25	14	23	16
Total	504	440	352	397	345

In 2022, the FPO referred approximately one in five inquiries back to the WCB decision-maker for either clarification or review/reconsideration of the decision. The FPO refers cases back for reconsideration of the decision based on

several factors, such as the interpretation of policy, the use of discretion by the decision-maker and the availability of information to the decision-maker.

Outcome of referrals to the WCB

	2022	2021	2020	2019	2018
Decision changed	3	9	5	4	10
New action taken	28	40	40	53	41
Reviewed, but no change made	4	15	7	14	9
Total	35	64	52	71	60

New inquiries

	2022	2021	2020	2019	2018
Worker	461 (90%)	390 (89%)	322 (91%)	362 (90%)	328 (92%)
Employer	32 (6%)	34 (8%)	23 (7%)	23 (6%)	20 (6%)
Other	20 (4%)	16 (3%)	7 (2%)	16 (4%)	7 (2%)
Total	513	440	352	401	355

In 2022, most individuals who contacted the FPO identified themselves as injured workers.

Purpose of inquiry

	2022	2021	2020	2019	2018
Decision/decision-making process	316	365	323	339	304
Communication/services	60	97	60	124	113
Timeliness	43	32	34	63	40
General information	102	118	66	91	89
Relationship ¹	42	-	-	-	-
Other	14	13	10	28	5
Total²	577	625	493	645	551

¹ The relationship category was added in 2022.

² More than one issue can be raised per inquiry file.

Workers and employers contacted the FPO with a variety of questions and concerns that fell into five broad categories:

- 1. Decision/decision-making process:** These are questions or concerns about a decision made or the decision-making process used by WCB staff. Examples of this may include disagreement with decisions to accept or deny a claim, suspension or calculation of benefits, involvement in return-to-work or vocational plans, and/or the application of WCB policies related to the claim.
- 2. Communication and services:** These are questions or concerns related to a customer's experience and level of satisfaction with the services provided by, or communication with, WCB staff and/or service providers. Examples of this may include unclear communication, difficulty contacting WCB staff or in having calls returned, and problems with accessing information or with the sufficiency of information provided.
- 3. Timeliness:** These are questions or concerns about the length of time it takes the WCB to render a decision or provide a service related to a claim.

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

- 4. General information:** These are questions or concerns about the WCB's case management process, policies, procedures or legislation. This category could also include information about the status of a claim, and referrals to the WCB or external organization that could assist the customer.
- 5. Relationship:** These are questions or concerns regarding interactions with WCB staff, the quality of the relationship with a customer or a customer's perception of their rights not being considered. Examples of this may include complaints of dismissive, disrespectful or unempathetic exchanges with WCB staff or the perception of staff not being transparent or impartial.

In 2022, more than half (55 per cent) of the inquiries the FPO received were from workers concerned about decisions made or the decision-making process used in their claim file.

Response time to close new inquiries (% of inquiries)

	2022	2021	2020	2019 ¹	2018
0-7 days	89.9	84.5	74.4	69.6	68.5
8-30 days	9.9	13.2	19.6	22.2	23.7
Over 30 days	0.2	2.3	6.0	8.2	7.8
Total	100.0	100.0	100.0	100.0	100.0

¹ 2019 numbers have been restated to reflect files reopened after the end of the year.

In 2022, almost 90 per cent of the inquiries the FPO received were resolved within seven calendar days.



WCB staff member at Regina office

New and amended policies and procedures

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



WCB policies and procedures are available on the WCB's website, wcbask.com. The following policies and procedures were amended or introduced in 2022:

- Industry Premium Rates – 2022 (POL 01/2022)
- Chiropractors (PRO 02/2022)
- Injury Claims – Administrative Errors (POL and PRO 03/2022)
- Partnerships and Sponsorships – Corporate and WorkSafe (POL 04/2022)
- Calculation of Probable Compensation (PRO 05/2022)
- Coverage – Students in Work Experience Programs (POL and PRO 06/2022)
- Disaster Reserve (POL and PRO 07/2022)
- Minimum Average Weekly Earnings (Section 70(5)) (PRO 08/2022)
- Minimum Compensation (Section 75) (PRO 09/2022)
- Maximum Assessable Wage Rate (POL 10/2022)
- Maximum Wage Rates (POL and PRO 11/2022)
- Industry Premium Rates – 2023 (POL 12/2022)
- Consumer Price Index – Annual Increase – 2023 (PRO 13/2022)



WCB staff member at Regina office

Management discussion and analysis

This management discussion and analysis explains the Saskatchewan Workers' Compensation Board's financial position and results for the year that ended on Dec. 31, 2022. The information in this document complements and supplements the audited financial statements and supporting notes.

Year over year, the WCB aims to function with greater effectiveness and efficiency in the delivery of excellent service. In 2022, the organization's

journey was influenced by multiple internal and external factors, business transformation and global change. In the midst of this change, the leadership team focused on various ways to support staff and lessen the impact on them, including the establishment of a change management team and other general supports. Because of this, the organization was able to continue to improve customer service while also readying for further change.



The WCB's 2022 strategic initiatives were the means through which the organization translated its vision, mission, values and objectives into practice. The following three strategic initiatives are the foundation of our strategic plan:

Customer
experience
transformation

Enabling
systems

Next
generation
prevention

The Business Transformation Program enables us to deliver many of our strategic initiatives in a co-ordinated fashion. Launched in 2021, the Business Transformation Program will engage customers, partners and WCB staff in a multi-year journey to implement the changes that we

believe are necessary to meet our customers' expectations now and into the future. Our program involves improving customers' experience and outcomes, updating, replacing or introducing new technologies, and improving our processes and approach to service delivery. Read more about the transformation program on page 42.

The WCB advanced multiple strategic initiatives and priorities in 2022, with some highlights including:

- Year-over-year advancements relating to our **True North objectives**, such as customer service improvements, fewer provincial injuries, implementation of improvement ideas, and reductions in administration and claim costs. Our True North objectives enabled us to stay accountable for our decisions and actions to our staff, customers and stakeholders.
- Recognizing that our success as an organization depends on the strength of our team, we continued in 2022 to focus on cultivating a work environment that prioritizes the **health and safety of our staff**. Promoting and supporting the physical and psychological well-being of WCB staff is central to our ability to live up to our values and be a customer-centric organization. By ensuring a positive and safe work experience at the WCB, we empower our team members.
- **Customer experience transformation** is the core goal driving our changes in service delivery in claims and employer services. In this area, we made progress in making our claims process more seamless and tailored to the individual. We also developed a high-level, multi-year roadmap for the maturity of our compliance function.
- In 2022, the WCB continued to make solid strides toward implementing a new **core workers' compensation solution**, which involved the processes to update our technologies and systems relating to claims, payments and premiums, and

employer accounts. Through a comprehensive procurement process, we were able to identify strong solutions to replace our core operating systems.

- In closely examining our **enabling systems**, we identified system and process opportunities that would help us better enable staff, improve business effectiveness and outcomes, and improve customer experience. Priorities advanced in 2022 included improvements to processes and/or technologies in varied support areas such as finance, corporate services, human resources, communications and IT infrastructure.
- To make further progress on our vision, we invested in 2022 in **next-generation transformation of injury prevention** by strengthening our community partnerships, educational capacities and data analytics capabilities. These efforts included developing a consulting and education model that focuses on practical ways to strengthen safety culture in workplaces and raises awareness of workplace hazards that affect the most vulnerable workers in high-injury sectors.
- The WCB laid the groundwork to launch our 2023-2028 **Fatalities and Serious Injuries Strategy**. Led by WorkSafe Saskatchewan, this strategy aims to significantly reduce the number of fatalities and serious injuries that occur in Saskatchewan workplaces. In 2022, our review of the outcomes of our 2019-2021 Fatalities and Serious Injuries Strategy involved engaging more than 300 stakeholders in a series of meetings to reflect on the strategy's successes, validate areas of focus and discuss considerations for the future. Understanding that

workplace safety is everyone's responsibility, we will continue to partner with employers, workers and partners to achieve improvements in safety performance and change the culture of workplaces. See page 56 for more details on the strategy.

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. Our ongoing focus on modernization, efficiency and community engagement will guide our decisions and actions throughout 2023 and beyond. In all of the work we do, we will continue to prioritize our overarching objective of shifting workplace culture in Saskatchewan toward Mission: Zero – zero injuries, zero fatalities and zero suffering.

We offer our sincere gratitude to all WCB staff for their devotion to customers, their insights and ideas in support of our organizational transformation and their dedication to delivering exceptional service to our customers.

We also extend our thanks to the members of the board for setting an inspiring direction and providing the support that allows us to be customer-centric and continuously add value for customers.

Finally, we would like to thank the workers and employers of Saskatchewan for joining us in our efforts to transform our operations so that together, we can transform the compensation system in our province and more effectively promote workplace safety and disability prevention in the province.



Phillip Germain
Chief Executive
Officer



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



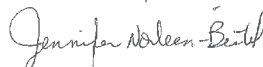
George Georgiadis
Chief Technology Officer
and Vice-President,
Business Intelligence



Kevin Mooney
Vice-President,
Prevention and
Employer Services



Trevor Hall
Vice-President, Human Resources,
Communications and Appeals



Jennifer Norleen-Beitel
Vice-President,
Operations



Stuart Cunningham
Vice-President, Business
Transformation Program



WCB staff member at Regina office

Enterprise risk management

Enterprise risk management identifies risks to achieving strategic and operational success, and the actions required to mitigate those risks. The WCB also identified risks that can guide strategic and operational planning to help prioritize process improvement initiatives and projects that can reduce or mitigate identified risks. Management completes the identification and evaluation of risks process and the board reviews the results.

The high risks management identified in 2022 were:

Staff relations, managing change and uncertainty	There is a risk that periods of significant change and uncertainty can create substantial stress on staff, impacting staff relations and, by extension, WCB customers, particularly if not handled well.
Health, wellness, safety and security	There is a risk that the health, wellness, safety and security of staff, consultants, customers and visitors of the organization are impacted by internal and external factors. For example, ergonomic issues, mental health concerns and occupational diseases continue to impact all.
Privacy and information protection	There is a risk that identifiable information is not properly protected, resulting in negative impacts to WCB customers.
Capacity	There is a risk that the organization may not have the current capacity to execute the WCB's strategic plan successfully while continuing to meet the WCB's operational targets.
Technology and functional obsolescence	There is a risk that the current operating systems and enabling technologies within the WCB do not enable the organization to respond to the needs and expectations of customers today, and provide limited ability for ongoing improvement and innovations to service delivery.
Cybersecurity	There is a risk that the WCB will be the victim of an internal or external malicious attack that disrupts its business operations by affecting system availability, system performance or data integrity.
Claims management	There is a risk that claim acceptance, payments, management processes and decisions will not comply with applicable policies, procedures and/or leading practice service-level agreements (expectations regarding timeliness).
Asset liability management	There are financial risks related to economic capital, investments, liquidity, catastrophic events, insurance products and claims.
Customers/ stakeholders	There is a risk that, during the transformation program, the WCB is not able to adequately consider and develop effective relationships with customers and partners/stakeholders, or respond proactively and in a timely manner to customers and partners/stakeholders.
Recruitment and retention	Staff are the key to success at the WCB. There is a risk that the WCB is unable to recruit and retain competent people.

WCB True North

The WCB's True North objectives guide the organization toward a culture of continuous process improvement (CPI) and are core to creating a customer-centric organization. The following objectives measure against the targets the WCB has set and the actual results.



WCB staff member at Saskatoon office

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

2022 objective measures	2022 target	2022 actual	2021 target	2021 actual
Injured worker survey – overall satisfaction Q1 and Q3 survey	4.20 out of 5	4.06 ¹ out of 5	4.20 out of 5	4.27 ¹ out of 5
Employer survey – overall satisfaction Q2 and Q4 survey	4.20 out of 5	4.22 ¹ out of 5	4.20 out of 5	4.34 ¹ out of 5
Total number of external accepted injuries (includes fatalities, excludes self-insured claims)	16,800	17,311	18,659	17,890
WCB staff – number of internal accepted injuries	4	10	4	9
Payment defects (recalculations)	2,844	3,727	2,844	4,011
Percentage of files with premium adjustments	33%	56.4%	33%	58%
12-month rolling average durations of Time Loss claims (days)	38	38.56	38	40.24
Staff engagement survey	8 out of 10	6.2 out of 10	8 out of 10	6.1 out of 10
Improvement ideas implemented	756	1,203	756	889
Funded position	105%-120%	114.8%	105%-120%	107.6%
Total admin and claim costs/total claims	\$2,996	\$2,897	\$2,700	\$3,087

¹ 2022 and 2021 results are a composite of quarterly results through the year.



WCB staff member at Regina office

Business Transformation Program

The WCB established the multi-year Business Transformation Program in 2021 to ensure ongoing alignment of the WCB's collective efforts to its overarching strategic direction, as noted on page 34 of this report. As such, the program's purpose is to co-ordinate the planning and delivery of priority objectives within the WCB's strategic plan.

A co-ordinated approach to the planning and delivery of the various projects under the Business Transformation Program will allow the WCB to monitor and manage project dependencies, advance and embed change at an appropriate pace, enable the realization of benefits at various points along the way and build a foundation that supports improvement and innovation into the future.

In alignment with the WCB's overarching strategic direction, the program's transformation objectives

are to improve the customer experience, improve key indicators and outcomes, and support the long-term health of Saskatchewan's workers' compensation system. With this as the guiding focus, the WCB will advance the necessary changes to the organization to build stronger partner relations, modernize and replace outdated technologies, improve business processes, and shift the culture and effectiveness of service delivery models.

Before the program launched in 2021, the WCB invested time evaluating, assessing and preparing for its transformation journey.

In 2022, the WCB further created and stabilized the infrastructure required to enable delivery and success of such a complex undertaking over multiple years. This included effective governance, stakeholder engagement, change readiness, and project and program delivery. At the same time, the WCB advanced pilot projects within the transformation plan to simultaneously test the infrastructure and achieve identified 2022 strategic objectives.

The major streams within the WCB's transformation program are aligned with the strategic initiatives, which are centred on customer experience transformation, enabling systems transformation and next generation prevention transformation.

2022 Business Transformation Program highlights

In 2022, the transformation program advanced key initiatives and priorities. Highlights included:

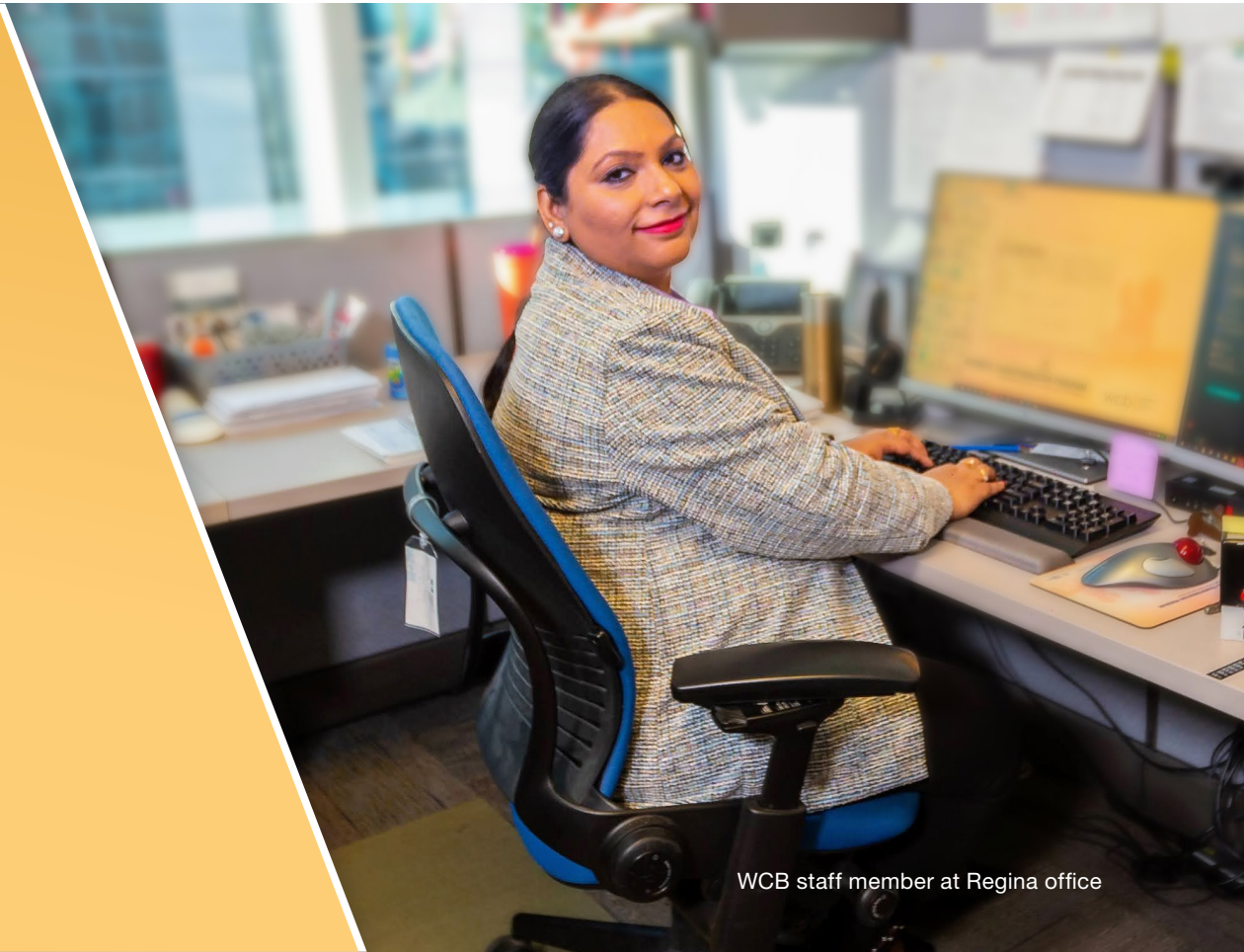
- Advancing a thorough, open and fair procurement process to update the core workers' compensation solution used for claims management and employer accounts.
- Completing phase one of claims transformation, which included testing and implementing adjudication improvements and enhancements to forms. See the quality and timeliness section of this report for more details on the initial benefits and outcomes achieved.
- Beginning a modernization project to migrate the WCB's financial system to the cloud environment, with completion scheduled for Q1 2023. This technology provides the foundation to build additional capabilities and functionality for financial systems, corporate services and human capital

management. The pilot project provided lessons learned, setting the stage for the WCB's core workers' compensation solution.

- Completing phase one of the voice of the customer project. The WCB now has increased ability to listen to, draw insights from and share timely feedback related to the customer experience, which will inform ongoing improvements. This pilot project also provided valuable learnings that will inform ongoing transformation projects and initiatives.
- Completing phase one of the WCB's data modernization strategy, which included implementing the required governance and operational processes to ensure high data quality and data integrity that will serve the needs of the WCB and its customers during and post transformation. This project also produced an actionable, advanced analytics roadmap to transition the WCB to an organization that leverages data assets to make data-driven decisions in service of our customers.
- Implementing organizational change management as a core capability within the WCB through the creation of a change management office. This team focused on the delivery of new processes to support change capacity within the organization, including training for all leaders and staff, and processes to engage dialogue with staff, customers, partners and stakeholders. Assessing and increasing change readiness, internally and externally, are critical to the success of the WCB's transformation efforts.

Looking forward

The Business Transformation Program will, over time, see the organization develop new capabilities and deliver benefits to the WCB's 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 its transformation plan by focusing on service redesign in claims and employer accounts, further implementation of modern enabling systems, technologies and processes in areas such as finance and human resources, and shifting toward an education and partnership approach within the next generation of prevention. Involving people meaningfully in change is critical to the success of the WCB's transformation. It will continue to be a significant focus as the WCB supports the needs of internal and external groups throughout its transformation journey.



WCB staff member at Regina office

2022 operational highlights

The WCB's operational highlights focus on its True North objectives. These objectives provide the framework within which the organization serves its customers and reflect how the WCB will strive to better meet the needs of its customers at an operational level.



The following sections will outline highlights in the following key areas:

- **Voice of the customer highlights** profile feedback received from customers on their overall experience with the WCB.
- **Prevention and WorkSafe Saskatchewan highlights** share the 2022 provincial injury rates, fatalities and serious injuries updates, as well as Time Loss and No Time Loss claims statistics. In this section, the WCB will also review major initiatives introduced in 2022.
- **Quality and timeliness highlights** outline improvements made to the claims process in the past year. This section includes progress made in

enhancing the experiences of customers, and in developing new ways to deliver service that aligns with best practices and is tailored to customers' unique needs.

- **People highlights** detail WCB staff engagement and reflect on the development of the WCB's strategy deployment system, organizational development efforts and the transformation work focused on the WCB culture.
- **Financial highlights** provide an in-depth review of the WCB's financial results in 2022, which include claim costs, administrative costs and the WCB's funded position.



WCB staff member at Regina office

4.06 out of 5

Injured workers' overall satisfaction with the WCB's quality of service

4.22 out of 5

Time Loss employers' overall satisfaction with the WCB's quality of service



Voice of the customer

The WCB adopted a new voice of the customer framework that aims to guide and direct organization-wide customer experience improvement efforts. In 2022, the WCB implemented the first phase of the foundational design of its new voice of the customer (VoC) system.

The voice of the customer framework is a customer feedback system that, once fully implemented, will be used to guide and direct organization-wide customer experience improvement efforts. Customer and staff feedback were instrumental in informing and shaping the VoC framework.

2022 customer satisfaction survey results

The WCB collects feedback from injured workers and employers on a wide variety of indicators that can generally be grouped into the categories of high quality of service (HQS) and high standard of values (HSV). HQS measures the quantitative service attributes of the WCB, such as performing services correctly and keeping promises. HSV measures the qualitative aspects of experiences with the WCB, such as honesty, politeness and fairness. This considers the more personal attributes of WCB staff when providing service to injured workers and employers.

Worker service feedback

- Measure
- Target 4.20 (out of 5)

* Results from 2019 to 2021 are a composite of quarterly results through the year.



In 2022, the overall customer satisfaction score for workers was 4.06 out of five. This is down from 4.27 the previous year. The quarterly survey tracks customers' levels of agreement with statements regarding HQS, HSV and overall satisfaction, which together form the basis of a customer's overall satisfaction score.

Worker satisfaction survey results included:

Attribute	2022 (out of 5)	2021 (out of 5)
When my WCB representative made a promise to do something by a certain time, they did it.	4.00	4.29
My WCB representative kept me informed on the status of my claim.	3.99	4.12
My WCB representative clearly explained how my claim was decided.	3.78	4.01
My WCB representative was honest.	4.45	4.59
I was treated fairly.	4.31	4.46

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

The 2022 injured worker survey results saw a decrease from the 2020 and 2021 customer satisfaction surveys. A primary driver of these results is organizational churn, which challenged the WCB's ability to adjudicate all claims in a timely manner.

Employer service feedback

■ Measure

— Target 4.20 (out of 5)

* Results from 2019 to 2021 are a composite of quarterly results through the year.



The 2022 overall satisfaction score from employers was 4.22 out of five, which is down from 4.34 a year ago. This score is in line with the five-year average. The quarterly survey tracks customers’ levels of agreement with statements regarding HQS, HSV and overall satisfaction, which together form the basis of an employer’s overall satisfaction score.

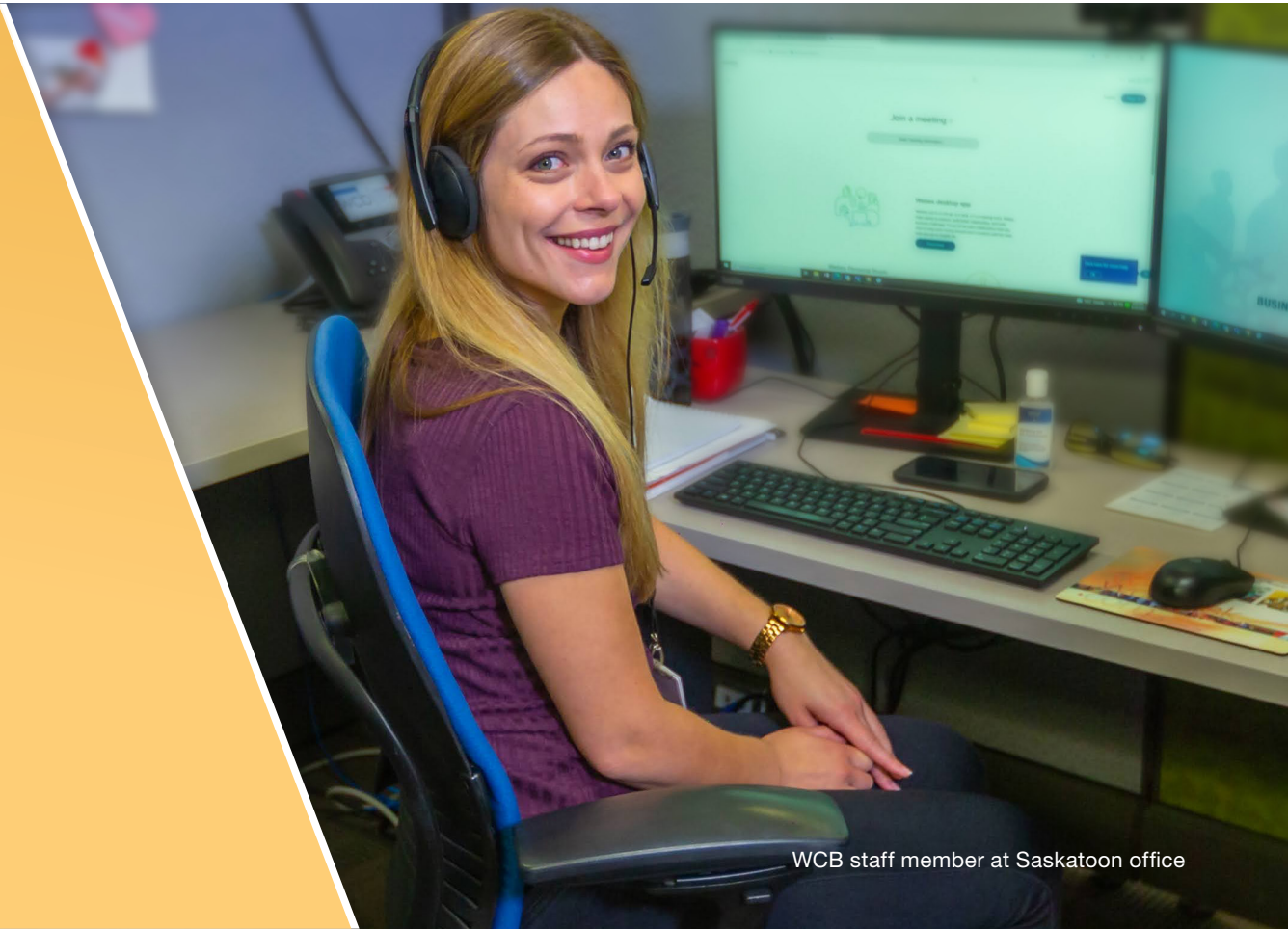
Employer satisfaction survey results included:

Attribute	2022 (out of 5)	2021 (out of 5)
The WCB was honest.	4.49	4.48
I was treated fairly.	4.46	4.40
The WCB was knowledgeable.	4.37	4.41
The WCB was quick to resolve problems.	3.65	3.62
Overall, I was satisfied with the ease of accessing WCB services.	4.19	4.25

Employer scores are aggregate scoring from Q2 and Q4 surveys.

A response from an employer:

“Any time I have dealt with someone from the WCB, they have been kind and courteous in answering any of my questions.”



WCB staff member at Saskatoon office

Prevention and WorkSafe Saskatchewan highlights

2.04

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

39

Fatalities

4.33

Total injury rate
per 100 workers



To support the WCB's vision, the organization promotes workplace safety and injury prevention for workers and employers across the province. Prevention department staff are members of WorkSafe Saskatchewan (the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety) and they work to promote injury prevention and safety education by helping employers, workers and unions develop health and safety management systems and return-to-work programs.

The WorkSafe Saskatchewan working group, which includes representatives from the Ministry of Labour Relations and Workplace Safety's Occupational Health and Safety (OHS) division and the WCB, regularly reports progress from its annual work plan against injury prevention targets. Targets include the Total injury rate, Time Loss injury rate and priority employers' injury rates.

The working group shares updates on those targets with the WorkSafe Saskatchewan steering committee, whose members include representatives from the Ministry and the WCB. Read more about the injury prevention work at worksafesask.ca.

- By Dec. 31, 2022, there would be a seven per cent reduction in the Total injury rate (to 4.24 per cent in 2022 from 4.56 per cent in 2021).
 - In 2022, there was a 5.1 per cent improvement, achieving 4.33 per cent at the end of Q4 2022.
- By Dec. 31, 2022, there would be a five per cent reduction in the Time Loss injury rate (to 1.93 per cent in 2022 from 2.03 per cent in 2021).
 - In 2022, the Time Loss injury rate was 2.04 per cent, which was an increase from the 2021 Time Loss injury rate of 2.03 per cent.

2022 top injuries

2022 top five rate codes with injuries¹

Rate code	Number of claims accepted
G22 – Health Authority, Hospitals, Care Homes	3,392
G31 – Cities, Towns, Villages, RMs	931
S21 – Community and Social Services	919
G51 – Government of Saskatchewan and Ministries	762
T42 – Transportation, Courier, Commercial Bus	736

¹ All claims reported and accepted in 2022, excluding self-insured.

2022 top five occupations with injuries²

Occupation	Number of claims accepted
Nurse aides, orderlies and patient service associates	1,281
Truck drivers	709
Material handlers	686
Registered nurses	623
Retail salespersons and sales clerks	556

² All claims reported and accepted in 2022, excluding self-insured.

2022 top five injured body parts³

Part of body	Number of claims accepted
Hand	3,186
Back	2,645
Leg	2,398
Arm	1,593
Body system	1,505

³ All claims reported and accepted in 2022, excluding self-insured.

2022 injuries by age and gender⁴

Age	Male	Female	Total
Under 25	1,818	959	2,777
25-34	2,538	1,540	4,078
35-44	2,258	1,644	3,902
45-54	1,739	1,426	3,165
55-64	1,650	1,123	2,773
65 and over	420	206	626
Total	10,423	6,898	17,321

⁴ All claims reported and accepted in 2022, excluding self-insured.

Injury rates

RATE CODE	DESCRIPTION	TIME LOSS INJURY RATE ¹ (%)					TOTAL INJURY RATE (%)				
		2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
All class ²		2.04	2.03	1.78	1.86	1.99	4.33	4.56	4.46	4.95	5.44
A11	Light Agricultural Operations	2.94	3.88	3.13	4.37	5.10	6.43	8.12	8.37	10.81	10.57
A21	Farming & Ranching	1.34	2.00	1.61	2.01	2.26	2.43	3.57	3.63	4.01	4.07
A31	Grain Elevators & Inland Terminals	0.50	0.75	0.91	0.59	0.61	1.90	2.29	2.29	2.73	2.55
B11 ³	Construction Trades	2.15	2.04	1.95	2.09	2.44	6.68	7.57	6.90	7.37	8.31
B12 ³	Residential Construction	3.26	3.77	3.05	3.15	3.18	6.65	8.40	7.76	7.70	8.54
B133	Commercial, Industrial Construction	1.71	2.20	1.54	1.57	2.06	5.86	7.07	5.60	6.59	7.45
C12	Light Commodity Marketing	0.83	1.02	1.09	1.09	1.07	1.97	2.35	2.74	3.01	3.06
C32	Grocery, Department Stores, Hardware	1.61	1.78	1.53	1.57	2.00	3.73	4.09	4.06	4.29	4.96
C33	Wholesale, Chain Stores	2.41	2.78	3.08	2.89	2.87	5.99	6.50	6.76	7.39	6.86
C41	Co-operative Associations	1.88	1.69	2.03	2.32	2.40	3.93	3.71	4.91	5.42	5.92
C51	Lumber Yard, Builders' Supplies	2.62	2.33	2.85	2.36	2.45	5.25	6.06	6.93	6.13	6.71
C61	Automotive, Implement Sales & Service	1.18	1.33	1.12	1.35	1.27	3.01	3.22	3.20	3.70	4.04
C62	Automotive Service Shops, Towing	1.41	1.58	1.20	1.72	1.57	3.97	4.18	4.21	5.23	5.28
D32	Operation of Oilwells	0.47	0.34	0.40	0.61	0.48	1.62	1.84	1.54	2.07	2.20
D41	Oilwell Servicing	3.02	1.43	1.71	1.39	2.07	6.73	5.56	4.85	5.78	7.06
D51	Service Rigs, Water Well Drilling	2.33	1.89	1.60	1.91	2.07	9.57	10.15	7.07	8.74	11.38
D52	Seismic Drilling	2.05	2.90	1.48	1.32	1.83	9.06	8.13	5.04	6.28	9.24
D71	Open Pit Mining	1.94	1.47	2.11	1.79	2.25	7.52	6.50	6.67	6.52	7.99
D72	Underground Softrock Mining	0.79	1.11	0.67	0.65	0.49	3.85	4.20	3.78	3.72	5.11
D73	Underground Hardrock Mining	1.31	1.86	0.99	0.83	0.83	3.76	3.93	3.68	3.89	3.91
G11	Post Secondary Education	0.55	0.39	0.37	0.70	0.89	1.70	1.42	1.53	2.19	2.48
G12	Elementary & Secondary Education	2.71	2.54	2.00	2.66	2.87	5.33	5.60	4.88	6.95	6.94
G22 ³	Health Authority, Hospitals, Care Homes	3.88	4.05	3.57	3.39	3.50	6.23	6.96	7.17	7.22	7.90
G31	Cities, Town, Villages, RMs	3.38	3.39	3.04	3.31	3.30	6.82	7.37	7.35	8.29	9.30
G51	Government of Saskatchewan & Ministries	3.52	2.98	1.69	2.01	1.82	5.12	4.82	3.52	4.55	5.00
M31	Manufacturing, Pipeline Operations	0.63	0.53	0.55	0.70	0.55	1.49	1.48	1.64	1.96	1.82
M33	Refineries and Upgrader	0.68	0.64	0.73	0.41	0.72	1.88	1.54	2.69	1.88	2.31
M41	Dairy Products, Soft Drinks	2.49	3.72	2.41	2.83	2.91	8.25	8.77	9.80	8.48	9.97
M42	Bakeries, Food Prep & Packaging	1.40	1.98	2.19	2.08	1.99	3.43	5.13	5.98	6.49	6.60
M62	Mills, Semi Medium Manufacturing	2.69	2.72	2.97	3.09	3.71	6.57	6.45	8.76	9.06	9.84
M72	Processing Meat, Poultry and Fish	5.56	5.98	4.74	4.79	5.31	10.94	13.16	13.39	13.17	16.22
M81	Metal Foundries & Mills	2.58	1.65	2.65	2.49	3.00	7.67	4.81	7.45	8.68	9.61
M91	Agricultural Equipment	3.62	3.90	2.55	2.51	3.08	8.67	9.85	7.08	8.60	10.87
M92	Machine Shops, Manufacturing	2.98	2.55	2.61	2.33	2.85	8.11	7.55	8.10	8.32	10.31
M94	Iron and Steel Fabrication	2.40	1.91	2.81	3.13	3.06	8.47	6.93	9.44	11.25	11.53
R11	Road Construction and Earthwork	1.25	1.36	1.37	1.25	1.42	4.66	4.81	4.48	4.56	5.34
S11	Legal Offices, Financial, Drafting	0.16	0.16	0.16	0.15	0.23	0.36	0.37	0.35	0.62	0.56
S12	Offices, Professionals	0.40	0.38	0.34	0.41	0.48	1.05	1.12	0.98	1.38	1.50
S21	Community & Social Services	1.48	1.37	1.03	1.22	1.33	2.77	2.90	2.49	2.93	3.13
S22	Restaurants, Catering, Dry Cleaning	1.09	0.99	1.04	0.94	1.05	1.84	2.11	2.22	2.33	2.60
S23	Hotels, Motels, Taxis	1.19	1.10	1.11	1.36	1.42	2.36	2.64	2.61	2.94	3.28
S32	Personal, Business & Leisure Services	1.92	1.72	1.55	2.00	1.88	3.95	3.58	4.47	5.16	5.00
S33	Caretaking, Park Authorities	1.54	1.46	1.24	1.13	1.94	3.77	3.38	3.57	4.16	4.73
S41	Engineering, Testing & Surveying	0.39	0.54	0.30	0.34	0.51	1.12	1.43	1.13	1.26	1.68
T42 ³	Transportation, Courier, Commercial Bus	3.58	3.18	3.66	3.67	4.59	6.92	6.57	7.40	7.94	10.31
T51	Operation of Railways	1.40	1.03	1.47	1.50	1.92	2.60	2.07	2.66	3.01	4.08
T61	Commercial Air Transportation	1.53	0.78	1.06	1.13	1.62	2.93	2.14	2.19	4.06	4.37
U11	Telecommunications	0.93	1.59	1.64	1.41	1.30	2.13	2.61	3.38	3.04	3.14
U31	Electric Systems	1.06	0.39	0.55	0.42	0.53	3.56	2.76	3.08	3.65	3.22

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

¹ Time Loss injury rate definition includes Time Loss + Fatalities for 2019 to 2022.

² All class injury rates exclude self-insured claims and workers.

³ There are three main workplace sectors and focus industries in the 2023-2028 Fatalities and Serious Injuries Strategy. Read more at worksafesask.ca.

Injury rates in Saskatchewan

Thanks to health and safety prevention efforts by customers and partners, the WCB's Total injury rate has dropped by 53.54 per cent from 2009 to 2022.

2022 Time Loss injury rate¹: 2.04 per 100 workers (2021: 2.03 per 100 workers)

2022 Total injury rate: 4.33 per 100 workers (2021: 4.56 per 100 workers)

2022 Total claims reported: 27,087 (2021: 25,751)

2022 Total claims accepted²: 17,321 (2021: 17,899)

In 2022, the WCB covered 7,579 more workers and accepted 17,321³ claims, 578 fewer than in 2021. Of those accepted claims, 9,156 were No Time Loss claims and 8,148 were Time Loss claims, which is 185 more Time Loss claims than in 2021. There was a 3.23 per cent decrease in the number of claims accepted in 2022 over 2021.

The 2022 Time Loss injury rate⁴ was 2.04 per 100 workers, an increase of 0.01 per 100 workers or 0.49 per cent from 2021. The WCB also calculates a Total injury rate that includes accepted No Time Loss, Time Loss and fatality claims. As of Dec. 31, 2022, the Total injury rate was 4.33 per 100 workers, a 5.04 per cent decrease from 2021.

Since 2016, the Total injury rate has not shown the same decreases as in previous years. It is important that everyone continues to work together on prevention initiatives that seek to eliminate workplace injuries, which will result in reduced injury rates in the province.

¹ Time Loss injury rate definition includes Time Loss + fatalities from 2019 to 2022.

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

³ Ibid.

⁴ Time Loss injury rate definition includes Time Loss + fatalities from 2019 to 2022.

Claims reported and injury rates



Injury prevention programs and services

The WCB, through its partnership with WorkSafe Saskatchewan, invests heavily in injury prevention, working toward Mission: Zero, which is zero injuries, zero fatalities and zero suffering. WorkSafe Saskatchewan works through an integrated provincial injury prevention strategy to deliver programs that move Saskatchewan toward zero workplace injuries.

In 2022, WorkSafe Saskatchewan's strategic focus continued in the following eight areas:

- asbestos exposures
- work-related motor vehicle collisions
- firefighter cancer exposures
- falls from heights (construction industry)
- health care
- transportation
- first responders (psychological injuries)
- manufacturing (specifically hand injuries)

Work in these areas included creating additional tools, resources and training materials available on the WorkSafe Saskatchewan website, worksafesask.ca, developing provincial marketing campaigns, working closely with employers on serious injury investigations and creating partnerships focused on reducing serious injuries in the workplace.

Serious injury investigations

In 2022, the prevention department contacted more than 1,000 employers to offer support with serious injuries, psychological health and safety, and return-to-work resources. The prevention team conducted 59 serious injury investigations with Saskatchewan employers, identified 190 root causes and provided support.

Priority employer program

WorkSafe Saskatchewan continued working with priority employers who were identified based on their total injury numbers. Priority employers receive assistance from the Ministry of Labour Relations and Workplace Safety's Occupational Health and Safety (OHS) division, the WCB and, if applicable, their funded safety associations to assess their safety systems, receive training and improve their safety performance.

At the end of 2022, there were 66 employers involved in the priority firm program (excluding health-care firms). Those employers accounted for 2,314 claims or 13 per cent of all accepted claims.

Psychological injuries program

In 2020, WorkSafe Saskatchewan partnered with Dr. Joti Samra, a registered psychologist and founder of MyWorkplaceHealth. The goal of this partnership is to implement a long-term psychological health and safety strategy that will, in part, provide resources to Saskatchewan employers to help them protect the psychological health of their workers, and respond to new injuries and concerns in the workplace.

In 2022, the final year of the three-year partnership, the WCB continued working with MyWorkplaceHealth to complete a complementary psychological health and safety plan for its new 2023-2028 Fatalities and Serious Injuries Strategy.

Education sector program

WorkSafe Saskatchewan's partnership with the Saskatchewan Association for Safe Workplaces in Health to improve health and safety in the education sector expanded to a second school division. The Good Spirit School Division will replicate the implementation of a safety management system that was completed in the South East Cornerstone Public School Division.

Agriculture sector program – animal handling

Between 2017 and 2021, the WCB accepted 32 serious injury claims caused by animal handling incidents in Saskatchewan. To address these injuries, the WCB facilitated the development of an advisory committee composed of employers, workers and industry experts in the animal handling business. This committee met during 2022 as a group, engaging industry experts to develop procedures and plan education events to support the industry as a whole.

Health-care sector program

Health care remains the province's top industry with serious injuries, accounting for 568 serious injuries in 2021 or 24.8 per cent of all serious injury claims that year⁷. In 2022, as part of its Fatalities and Serious Injuries Strategy, WorkSafe Saskatchewan completed serious injury investigations and hazard assessments in the health-care sector.

Transportation sector program

In 2022, WorkSafe Saskatchewan continued to work with the Saskatchewan Trucking Association to support its implementation of the Certificate of Recognition certification in the industry.

Cities, towns, villages and rural municipalities program

In 2022, WorkSafe Saskatchewan continued to support the Saskatchewan First Responders Mental Health Committee.

Youth program

WorkSafe Saskatchewan invests in providing safety awareness education to youth by continuing to support the Career Safety Education program of the Saskatchewan Safety Council and the Ready for Work Program of the Saskatchewan Federation of Labour.

⁷ 2021 figures are the most recent data available for serious injuries.



WCB staff member at Regina office

Fatalities and Serious Injuries Strategy

WorkSafe Saskatchewan has challenged its traditional approach to fatalities and serious injuries in the province. Building on its 2019-2021 Fatalities and Serious Injuries Strategy, in 2022 WorkSafe Saskatchewan developed its 2023-2028 strategy. While the first strategy demonstrated significant improvement in some of its targeted areas, there is still work to be done to achieve zero injuries and fatalities in Saskatchewan workplaces.

In 2021 and 2022, WorkSafe Saskatchewan consulted with more than 300 individual stakeholders that included employers, industry associations, organized labour, safety associations, Indigenous community members, foreign worker community members, health and safety leadership, seriously injured workers and students.

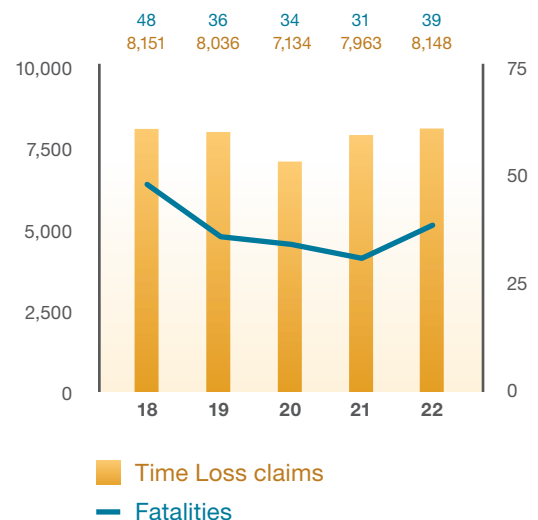


The updated strategy is a multi-year plan that utilizes customer feedback and engagement, as well as claims and injury data, to target specific industries and injury types to further decrease serious injuries and fatalities in the province. The strategy will work to address the most devastating injuries and highest claim costs. Serious injuries account for 12.6 per cent of the injuries and more than 81.4 per cent of the costs in Saskatchewan's workers' compensation system each year.

Based on statistical analysis and extensive consultation in 2022, WorkSafe Saskatchewan identified three sectors and common issues as the main focus for the 2023-2028 strategy.

More information on the 2023-2028 Fatalities and Serious Injuries Strategy can be found on the WorkSafe Saskatchewan website at worksafesask.ca/fatalities-and-serious-injuries.

Time Loss claims and fatalities





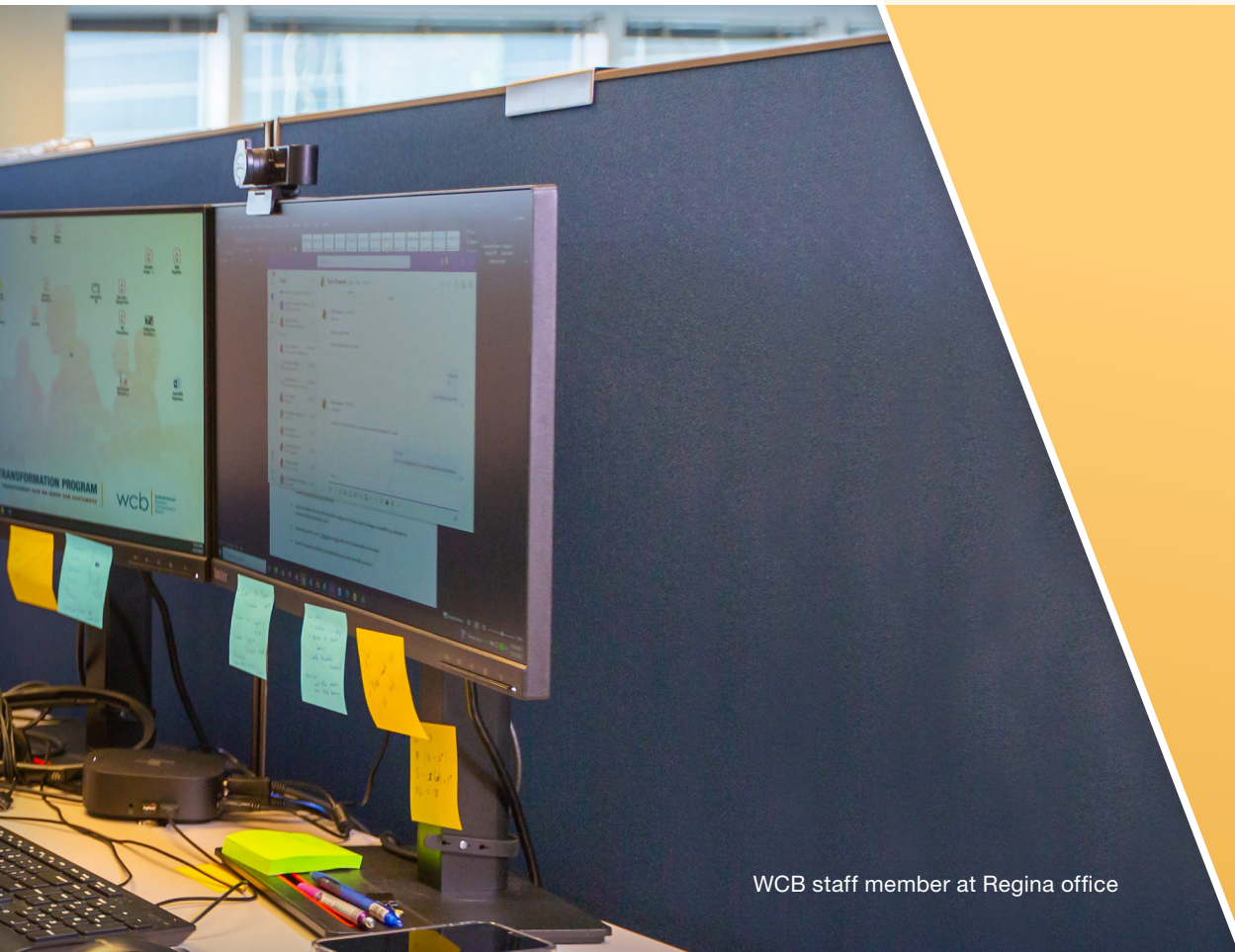
Quality and timeliness highlights

38.56 DAYS

**Average duration
of claims**

3,727

**Payment defects
(recalculations)**



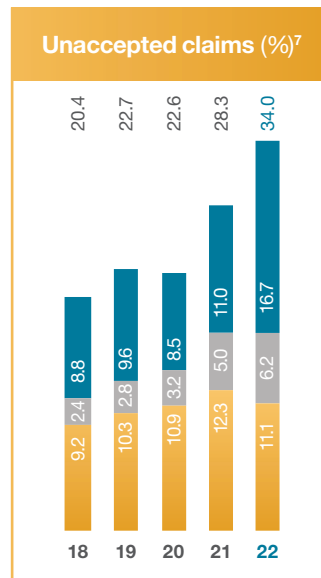
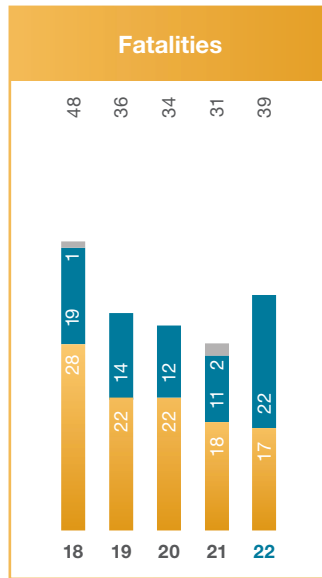
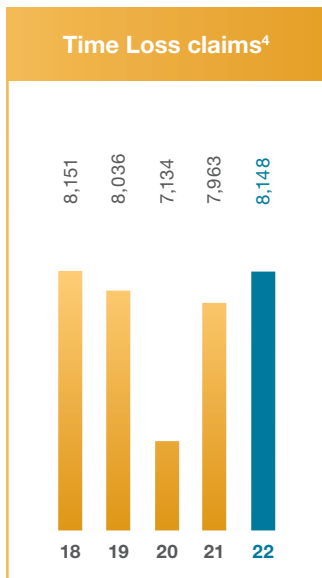
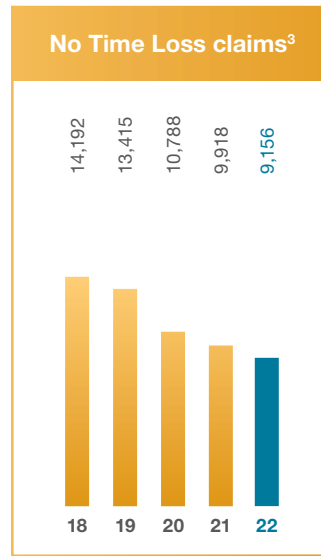
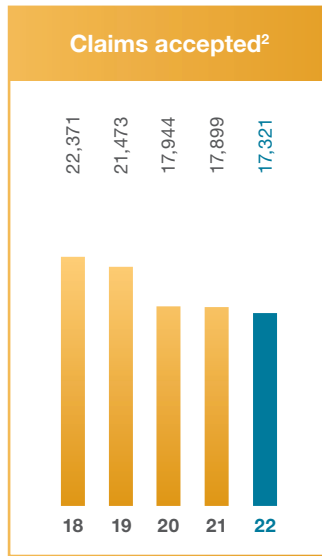
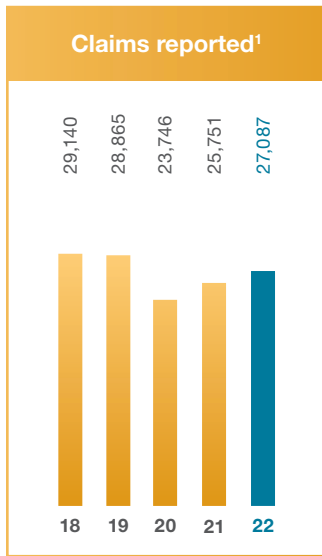
WCB staff member at Regina office

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. The WCB works to sustain the system for current and future claim costs while providing reliable, high-quality services to injured workers and employers.

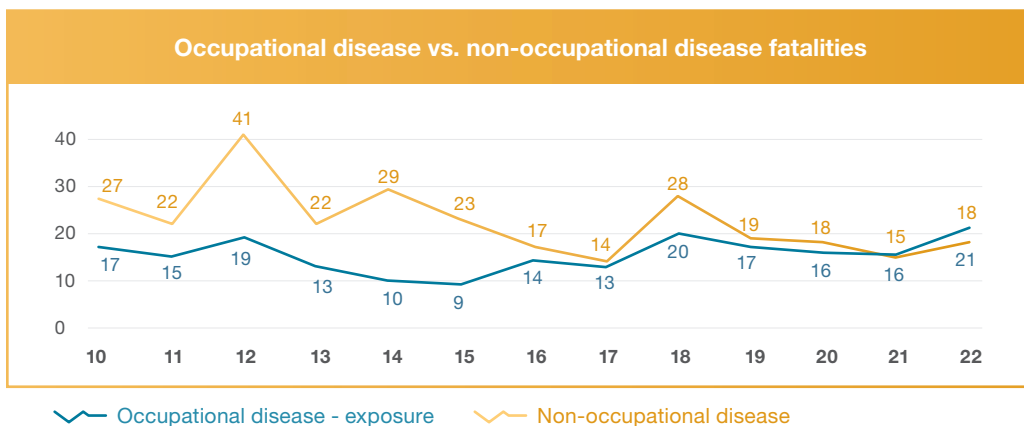
Quality and timeliness objectives:

- By Dec. 31, 2022, there would be 2,844 payment defects (recalculations).
 - In 2022, there were 3,727 payment defects (recalculations).
- By Dec. 31, 2022, the 12-month average duration of Time Loss claims would be 38 days.
 - In 2022, the 12-month average duration of Time Loss claims was 38.56 days.

Claims summary



■ In year⁵
■ Prior to year⁶
■ Self-insured
 ■ No response
 ■ No coverage
 ■ Not work-related



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

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

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

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

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

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

7 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at Jan. 31, 2023 for 2022 claims reported. Claims are not accepted when the industry is not covered by the Act, a claim is not work-related or no further information is received following the initial report of the injury.

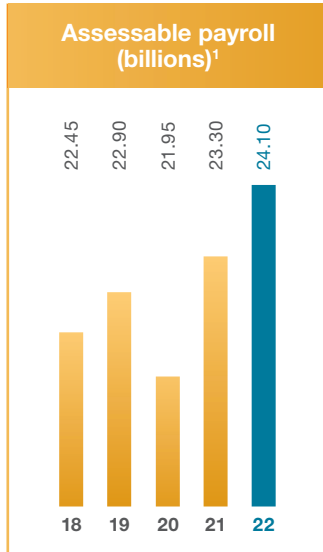
Claim durations

RATE CODE	DESCRIPTION	AVERAGE DURATIONS IN DAYS				
		2022	2021	2020	2019	2018
All class ¹		38.56	40.24	45.27	41.52	41.89
A11	Light Agricultural Operations	44.20	36.17	40.98	42.37	51.33
A21	Farming & Ranching	74.23	59.63	57.42	51.56	63.64
A31	Grain Elevators & Inland Terminals	68.50	65.68	23.66	57.00	55.46
B11	Construction Trades	42.55	50.35	60.94	53.05	51.85
B12	Residential Construction	63.64	65.47	67.46	71.49	65.35
B13	Commercial, Industrial Construction	68.09	68.74	77.55	73.72	63.90
C12	Light Commodity Marketing	27.44	25.27	33.91	28.62	26.67
C32	Grocery, Department Stores, Hardware	32.39	33.31	39.91	35.32	32.26
C33	Wholesale, Chain Stores	39.41	29.62	33.45	26.39	32.59
C41	Co-operative Associations	33.58	36.35	35.21	26.34	24.45
C51	Lumber Yard, Builders' Supplies	31.28	37.33	39.09	46.03	38.24
C61	Automotive, Implement Sales & Service	36.06	40.33	45.29	35.71	30.92
C62	Automotive Service Shops, Towing	53.93	48.22	56.45	37.47	55.30
D32	Operation of Oilwells	35.81	38.37	71.39	83.96	48.00
D41	Oilwell Servicing	86.32	93.52	99.84	86.55	64.17
D51	Service Rigs, Water Well Drilling	63.83	113.07	101.79	108.97	51.13
D52	Seismic Drilling	43.68	61.38	111.95	100.92	83.27
D71	Open Pit Mining	24.89	36.53	52.68	34.29	29.73
D72	Underground Softrock Mining	42.76	38.92	52.35	48.00	42.28
D73	Underground Hardrock Mining	46.56	48.75	42.85	44.37	60.86
G11	Post Secondary Education	17.63	30.78	24.49	18.34	18.33
G12	Elementary & Secondary Education	31.06	28.32	31.76	33.03	34.49
G22	Health Authority, Hospitals, Care Homes	30.47	29.22	32.53	30.17	33.48
G31	Cities, Town, Villages, RMs	33.93	32.27	36.62	30.70	30.91
G51	Government of Saskatchewan & Ministries	31.27	41.47	51.19	51.07	54.38
M31	Manufacturing, Pipeline Operations	21.19	40.08	21.41	35.19	35.83
M33	Refineries and Upgrader	37.38	56.52	39.58	31.18	39.65
M41	Dairy Products, Soft Drinks	32.94	31.38	32.48	18.05	24.70
M42	Bakeries, Food prep & packaging	29.09	29.79	36.52	40.61	40.41
M62	Mills, Semi Medium Manufacturing	48.93	36.95	37.04	40.79	39.65
M72	Processing Meat, Poultry and Fish	16.87	27.04	22.54	37.60	42.78
M81	Metal Foundries & Mills	50.56	52.32	56.31	40.61	37.62
M91	Agricultural Equipment	24.80	38.24	35.36	29.51	32.14
M92	Machine Shops, Manufacturing	34.96	46.68	57.66	46.33	46.66
M94	Iron and Steel Fabrication	37.35	64.06	75.00	17.67	46.95
R11	Road Construction and Earthwork	84.80	80.90	87.00	78.90	75.78
S11	Legal Offices, Financial, Drafting	19.67	44.23	42.94	36.18	28.09
S12	Offices, Professionals	28.54	36.09	51.65	39.47	42.34
S21	Community & Social Services	30.09	29.97	30.96	29.82	30.99
S22	Restaurants, Catering, Dry Cleaning	29.19	32.03	35.01	29.18	28.74
S23	Hotels, Motels, Taxis	33.46	45.66	73.49	42.28	33.83
S32	Personal, Business & Leisure Services	39.24	34.29	33.01	35.17	47.80
S33	Caretaking, Park Authorities	45.24	50.86	56.27	65.49	47.86
S41	Engineering, Testing & Surveying	78.28	55.06	79.33	66.30	52.44
T42	Transportation, Courier, Commercial Bus	60.55	65.13	69.91	69.40	64.04
T51	Operation of Railways	55.63	52.88	50.56	51.64	44.57
T61	Commercial Air Transportation	34.55	56.31	27.80	55.55	50.53
U11	Telecommunications	19.47	34.11	27.85	40.48	30.26
U31	Electric Systems	40.12	41.95	31.23	27.38	18.21

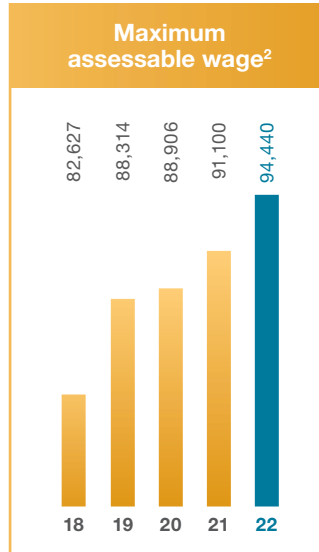
The average duration in days equals the total number of days lost divided by the number of claims with time lost.

¹ All class durations exclude self-insured claims.

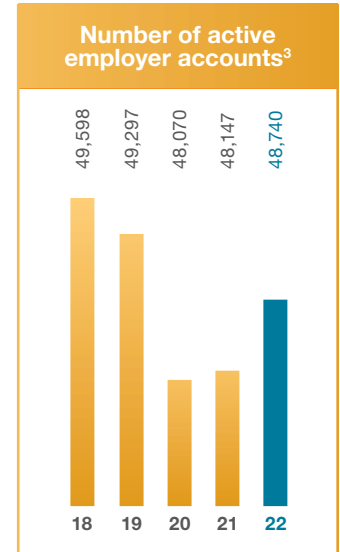
Payroll and premium summary



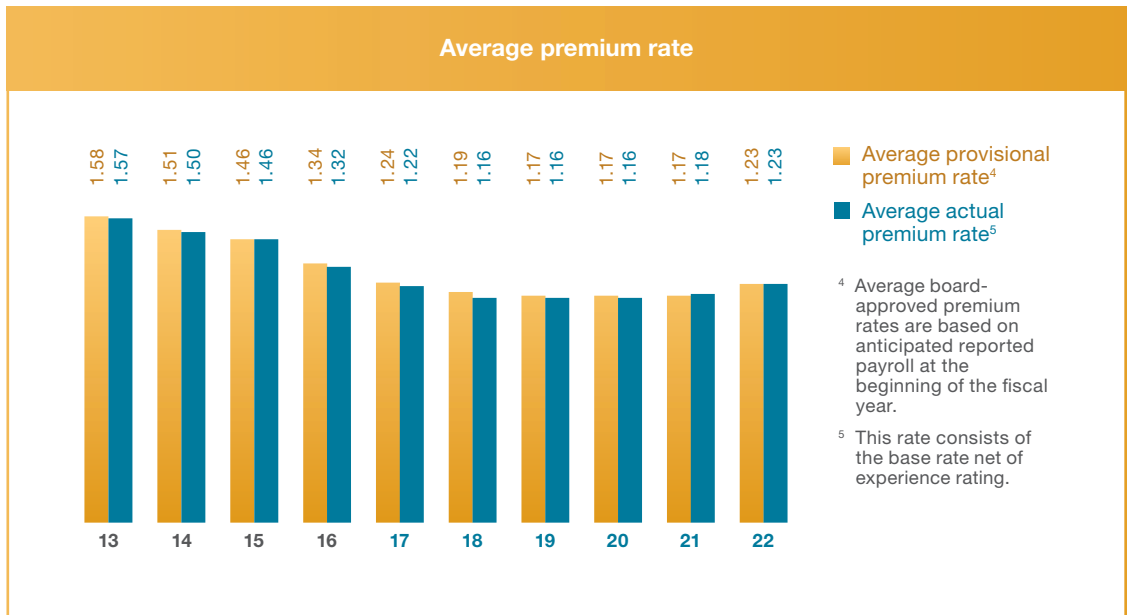
¹ Payroll provisional as at Dec. 31, 2022. Previous year's figure has been updated to reflect actual assessment payroll.



² Maximum wage per person reported annually by employers.



³ Active employers excludes employers whose assessment accounts were finalized during the year.



Impact of COVID-19 in 2022

In 2022, the WCB continued focusing on mitigating the challenges of managing COVID-19 claims, including gathering necessary information to adjudicate incoming claims and managing return-to-work plans. The WCB collaborated with the health-care provider community to explore various ways for affected workers to access timely and effective assessment and treatment options.

Throughout 2022, the WCB once again implemented initiatives to support injured workers and employers, such as:

- Continuing to accept work-related COVID-19 injury claims, which are covered by the WCB's communicable diseases policy. The WCB reimbursed private test expenses if a work-related claim was being investigated or confirmed.
- Continuing to offer telehealth opportunities for assessment and treatment to support workers.
- Expanding the WCB's team dedicated to handling COVID-19 claims to maintain service levels.

Claims registered related to COVID-19¹

Industry	2022 accepted ¹	2021 accepted	2022 pending	2021 pending	2022 disallowed	2021 disallowed
Health Authority, Hospitals, Care Homes (G22)	524	424	5	2	214	121
Cities, Towns, Villages, RMs (G31)	39	44	0	0	9	11
Government of Saskatchewan and Ministries (G51)	292	203	1	0	86	43
Other	350	364	3	2	201	207
Total	1,205	1,035	9	4	510	382

¹ 2022 accepted claims include 26 No Time Loss claims, 1,178 Time Loss claims and one fatality.

Compensation programs and services

In 2022, the WCB continued to focus on implementing innovative approaches to improving services for customers. One change was the implementation of a new, quick adjudication model for simple claims. This change helped the WCB reduce the backlog of customers waiting for decisions by 43 per cent from January to December 2022.

To reduce the burden on customers and ensure medical reporting focused on abilities to support earlier returns to work, the WCB implemented improvements to forms and processes. Teams continued to focus on improving the experiences of workers with psychological injuries. This included an event that engaged stakeholders and customers to identify priorities for improvement in adjudicating and managing psychological claims. The organization also developed and tested new ways of delivering services based on best practices and each customer's unique needs, such as a new risk factor assessment tool and new guidelines for proactive customer communication.

Payment services

2022 operational objective – quality: Payment defects (recalculations)

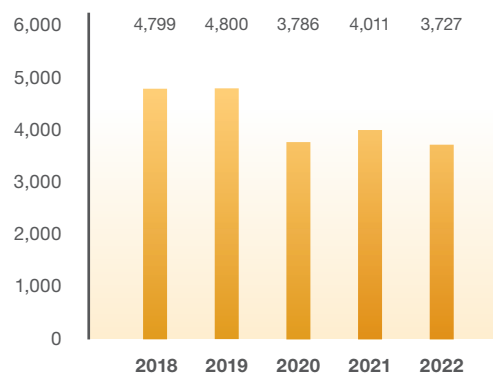
The WCB has been working to eliminate defects in payment services to reduce the negative impacts of payment recalculations on both worker and employer customers.

Target: Reduce payment defects (recalculations) by 25 per cent to 2,844 in 2022.

Result: The WCB ended 2022 with 3,727 recalculations, which is 883 (31 per cent) above the target of 2,844.

After completing a policy review in 2021, the WCB implemented a new policy in early 2022 that aims to reduce payment defects and the negative impacts of having to recalculate benefits. Other technological enhancements planned as part of the WCB's business transformation over the next several years are expected to further reduce the need for recalculations in the future.

Payment defects (recalculations)



Psychological injuries unit

2022 operational objective – timeliness: Psychological injury durations

The WCB's focus on psychological injury durations involves continuing to respond to the unique challenges of workers and employers dealing with these types of injuries.

Target: Reduce psychological injury durations by 10 per cent to 55 days.

Result: The WCB ended 2022 at 70 days, which was 15 days above the target of 55 days.

The WCB's psychological injuries unit was established in the fall of 2019 to provide specialized support to workers with psychological injury claims. Since that time, the unit has continued to improve its processes to better serve customers.

The unit tested a new approach in 2021 – providing customers with a single point of contact for the adjudication and management of psychological claims. Based on the success of this approach, the entire unit began delivering service in this way throughout the course of 2022. The WCB expects psychological injury claims to continue to require specialized services in the years to come and will continue making improvements to maintain service levels.

Current customer wait times for some mental health specialists in Saskatchewan continue to be several months or more. To increase capacity for mental health services, the health-care services department is working with practitioners to explore multiple options, including virtual appointments on an expedited basis, to shorten wait times.

Together with the WCB's prevention department, the psychological injuries unit co-ordinated a stakeholder engagement event in December 2022 to gather input on the top priorities for improvement in 2023. The themes identified at that session included improving the timeliness of initial claim decisions, improving forms and processes, exploring options for addressing health-care capacity concerns and focusing on a policy review.

The psychological injuries unit and the prevention department led a community of practice involving more than 600 health and safety leaders in Saskatchewan. The psychological injuries unit also collaborated with the prevention department on other initiatives, which are noted in the prevention and WorkSafe Saskatchewan highlights section of this report.

The WCB updated training for unit staff in 2022 and will continue to provide ongoing professional development into 2023 to further build skills in unit staff.

Psychological injury durations vs. overall durations



Claims transformation initiative

In 2022, the WCB continued its claims transformation initiative, part of the WCB's Business Transformation Program. This initiative continues to focus its efforts on achieving the future state for effective claims management and disability prevention. The future state includes building trusting relationships with customers, supporting the unique needs of individual customers, getting it right the first time, improving timeliness, reducing handoffs, increasing value, increasing proactive communication, providing self-serve options and leveraging technology. Developed in 2020 with input from injured workers, employers and WCB staff, this direction guides the transformation of the WCB's claims operations. It continues to be the blueprint for what service delivery will look like in the future.

With continued oversight and support from the Business Transformation Program, the WCB completed research, planning and development related to new service delivery models aligned with the future state. For example, a pilot team tested a number of changes designed to improve services, including:

- Segmenting claims by industry, risk and area of injury to ensure customers receive quicker and more tailored services.
- Combining adjudication and management roles for customer care facilitators to reduce handoffs.
- Creating guidelines for proactive communication with customers.
- Developing a new model for automated adjudication.

Pilot test results exceeded targets and showed promise in reducing handoffs, improving the quality of services, and supporting a timelier recovery and return to work for workers. The WCB implemented a modified version

of the automatic adjudication model in May 2022. Other improvements tested during the pilot will be integrated into the new work disability prevention model being implemented in 2023.

Additional completed improvement projects included the design and implementation of a:

- Streamlined form and process for workers to provide updates to the WCB on their progress.
- New primary provider initial report form, which was trialled to focus more on abilities to support improved return to work.
- New initial recovery and return-to-work plan that focuses on abilities and aims to reduce unnecessary time away from work.

These improvements will result in more consistent, quality and streamlined communications with workers and health-care providers, as well as better alignment with leading practices to prevent and mitigate work disability.

As the WCB progresses its claims transformation journey, the organization will continue to engage its customers and staff, and focus on improving processes to address service gaps.

Employer services

In 2022, the WCB's employer services department created the foundation for employer transformation, which is part of the Business Transformation Program.

One of the first initiatives as part of the employer transformation in 2022 was to align WCB staff resources to better meet customer needs. The goal is to reduce time to process employer registrations, decrease phone wait times and abandoned rates, and streamline staff workflows, roles and responsibilities.

As part of the transformation journey, the WCB in late 2022 began developing a vision and high-level roadmap to implement a risk-based, responsive and customer-centric compliance approach. This will enable the WCB to ensure premiums are charged and collected fairly.

Most of the employer transformation work in 2022 prepared for technology modernization. Employer services staff documented dozens of their processes to identify automation opportunities and self-serve capabilities in the core workers' compensation solution to provide a better customer experience.

In 2022, quality and timeliness highlights for employer services included:

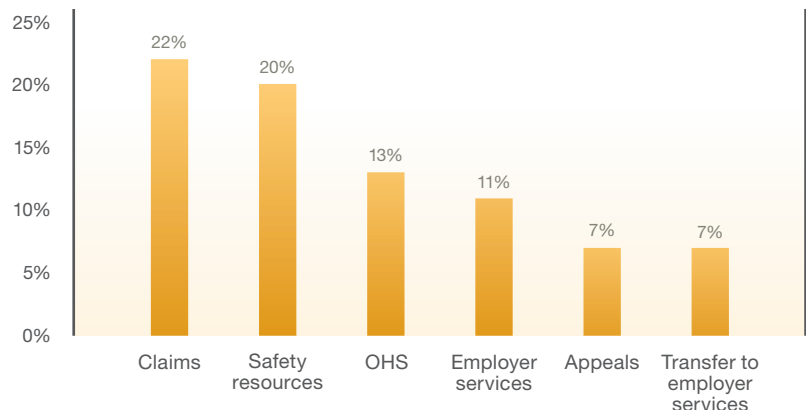
- Handling 7,372 registration inquiries. Of those, 61 per cent were completed within five days, with an average time to process of 5.8 days.
- Seeing an increase in online Employer's Payroll Statement submissions. In 2022, 94 per cent of employers submitted online, compared to 93 per cent in 2021.

- Completing 511 employer audits representing \$2.98 billion in assessable payroll. In 2021, the WCB completed 499 employer audits, representing \$2.8 billion in assessable payroll.
- Making premium adjustments to 56.4 per cent of files that were audited in 2022. This is an improvement from 2021, when 58 per cent of files audited contained errors and required premium adjustments. The top three reasons for adjustments were reporting errors, unregistered contractors and excess earnings above the maximum.
- Handling more than 55,000 calls. The abandoned call rate was 5.4 per cent in 2022, which was the same as 2021.

Employer Resource Centre

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

Employer Resource Centre inquiries¹



¹ Shows the top six inquiry types the Employer Resource Centre handled in 2022.

The Employer Resource Centre is available at wcbask.com/employers.



6.2 out of 10

Staff engagement average quarterly survey score

11 out of 13

Engagement indicators improved in 2022

76%

Seven per cent increase in **perception regarding support for development**

71%

Reduction in ergonomic injuries



WCB staff member at Regina office

People highlights

The WCB's greatest resource is its people and the organization strives to ensure work environments empower, engage and protect the health and safety of each staff member. This type of environment better positions staff to serve the WCB's customers. The WCB is developing a strong and focused culture that positions the organization as an employer of choice and that is supportive of the WCB's transformational objectives. The organization is working to create an environment that enables the application of staff's energy, knowledge and creativity.

People objectives:

- **Safety:** By Dec. 31, 2022, the WCB would have no more than five staff injury claims (a 38 per cent reduction from the previous four-year average of eight claims).
 - In 2022, the WCB had 10 staff injury claims, a 25 per cent increase from the previous four-year average. While claim numbers increased in 2022, injury severity and claim costs were significantly reduced. All claims in 2022 were No Time Loss, with the exception of three COVID-19-related claims.
- **People:** By Dec. 31, 2022, WCB staff would have successfully implemented 756 improvement ideas.
 - In 2022, WCB staff successfully implemented 1,203 improvement ideas, exceeding the 2022 target by 59 per cent.

Telework program implementation

In early 2022, staff returned to the WCB workplace, almost two years from when working from home was first enabled as a COVID-19 risk response. As this return was occurring, the WCB began to define and test a new formal hybrid office/work-from-home telework program. This new program, which gave eligible staff the possibility of working up to two days a week from home, was formally implemented later in the year. The WCB is continually studying and adjusting the value and principles of the program, which include safety, productivity, quality, security and privacy.

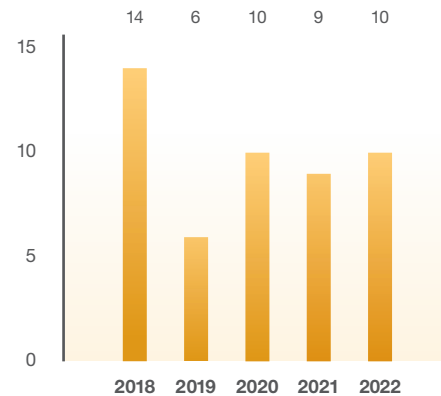
Engaged workforce

The WCB knows that service excellence and effective transformation can only be achieved when staff are engaged, equipped and enabled in their work. To this end, the WCB strives to ensure a work environment that is safe, inclusive, supportive and engaging, and that fosters continuous improvement. The WCB conducts biannual staff engagement surveys in addition to conducting quarterly, single-question pulse surveys. These processes provide leaders with feedback that better enables focused communication and activity at the team and corporate levels in support of staff engagement.

In 2022, improvements were noted in 11 of the 13 semi-annual indicators used to measure engagement. The average quarterly, single-question engagement score was 6.2 out of 10.

Staff safety

WCB staff injury claims accepted



One of the key strategic objectives for the WCB is a safe, healthy and engaged workforce. In 2022, the WCB made continual investments in advancing its safety program and culture. An assessment of the WCB's safety management system resulted in a three-year action plan to implement improvement opportunities.

Continuous process improvement

In 2022, the WCB continued its work of maturing its continuous process improvement approach. The continuous process improvement efforts began in 2018. Some highlights:

- By the end of 2022, 81 per cent of all WCB teams were on track in sustaining the daily management system in their area.
- The number of improvements implemented increased by 35 per cent over 2021.

The WCB's continuous process improvement efforts have positioned the organization to remain focused on strategy to improve customer experience. The daily management system provides the required infrastructure across the WCB teams to monitor and sustain changes arising from our Business Transformation Program initiatives.



WCB staff member at Saskatoon office



114.8%

Funded percentage

\$2,897

Total admin and claim costs/total claims



WCB staff member at Regina office

Financial highlights

The WCB's True North financial objective measures value through total costs incurred per total claims, as well as its funded position.

Financial highlights objectives:

- By Dec. 31, 2022, the WCB would reduce total costs incurred per total claims to be less than \$2,996.
 - In 2022, the WCB's total admin and claim costs/total claims decreased to \$2,897.
- By Dec. 31, 2022, the WCB would have a funded position of between 105 per cent and 120 per cent.
 - In 2022, the WCB had a funded position of 114.8 per cent.

In 2022, the WCB's funded position was 114.8 per cent. The WCB's funding policy sets the parameters for the injury fund and each of its reserves. The targeted range for the injury fund is five per cent to 20 per cent of the total of benefit liabilities and the annuity fund payable. This results in a targeted funding percentage range of 105 per cent to 120 per cent. For 2022, the WCB's funding percentage was 114.8 per cent, which was within the targeted range.

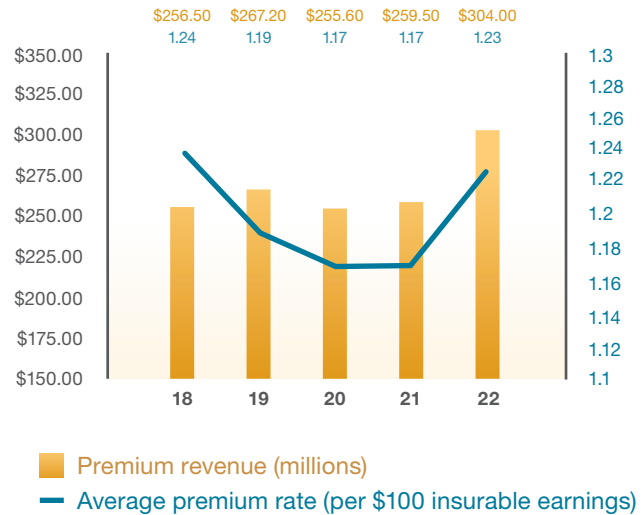
Global markets have experienced volatility as central banks raised interest rates in response to concerns regarding inflation. The WCB recorded investment losses of \$132.1 million in 2022, compared to investment income of \$254.1 million in 2021.

In 2022, the WCB reported an underwriting gain of \$37.5 million. This compares to an underwriting loss in 2021 of \$158.6 million. The operating profit, which includes the Business Transformation Program costs, was \$28.4 million in 2022 compared to the operating loss of \$162.6 million in 2021. The operating profit – combined with investment losses of \$132.1 million, annuity fund interest expense of \$11.3 million and finance charges of \$0.09 million – resulted in a total comprehensive loss at the end of the year of \$115.1 million. Despite the total comprehensive loss and a small decrease in reserves, distributions from the WCB's investment holdings combined with greater than expected premiums resulted in the funded position of 114.8 per cent. The funded position is discussed in greater detail in a later section.

Premiums

Total premium revenue is made up of base premiums plus discounts and surcharges through the experience rating program (ERP). There are two types of ERPs – the standard program and the advanced program. In 2022, 1,163 employers paid \$27.8 million in surcharges, while 23,139 employers received discounts of \$30.5 million. The

Premium revenue and average premium rate



number of employers affected by the ERP was similar to 2021 when 1,188 paid surcharges and 21,067 received discounts.

Employer assessable payrolls increased by 3.5 per cent to a provisional \$24.1 billion in 2022 from an actual \$23.3 billion in 2021. Assessed 2022 payroll was higher than the forecast of \$22.9 billion made at the end of 2021. The provincial economic recovery that started in 2021 continued into the first half of 2022. Midway through the year, rising inflation and interest rates started to have an impact on several sectors, notably the residential construction and building supplies sectors. Volatile global economic conditions and commodity prices have also affected, both positively and negatively, resource extraction (oil, potash and uranium), manufacturing and agricultural employers. Service industry and public sector payrolls have remained resilient. Premium revenue was \$304.0 million in 2022, an increase of \$44.5 million from 2021.

Expenses

The WCB manages cost effectiveness in five expense categories:

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

In addition, the WCB is undertaking a multi-year Business Transformation Program, the costs of which will primarily be funded by reserves.

Claim costs

Claim costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. As reported in the statement of operations and other comprehensive income, claim costs totaled \$189.4 million in 2022, a 43.7 per cent

decrease from 2021. The total claim costs consisted of \$246.0 million in cash expenses minus a \$56.6 million actuarial decrease to benefits liabilities. Benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail below.

The compensation component of claim costs consists of:

- short-term earnings loss and long-term earnings replacement payments to injured workers and their dependants,
- health-care services provided to injured workers, and
- vocational rehabilitation costs required to return injured workers to meaningful employment.

In 2022, compensation costs paid held steady at \$228.7 million. Administration costs for adjudicating and managing claims were also allocated to claim costs, bringing the total 2022 compensation payments to \$246.0 million, a two per cent or \$5.1 million increase from 2021.

	2022	2021	Amount change	Percentage change
Average duration of Time Loss claims	38.56	40.24	(1.68)	(4.2%)
Total days paid	401,785	423,806	(22,021)	(5.2%)
Earning replacement cost (in millions)	\$60.7	\$59.1	\$1.6	2.7%
Workers and their dependants receiving long-term benefits	4,645	4,809	(164)	(3.4%)

Benefits liabilities

Benefits liabilities decreased by \$56.6 million in 2022 to \$1.459 billion. The most significant driver of this change was an increase in the valuation discount rate to 5.50 per cent from five per cent to reflect a higher expected long-term level of investment returns. Liabilities were also reduced by improvements in medical and short-term disability claims persistency. This was partly offset by increases in the liabilities set aside for existing and future long-term disability benefits.

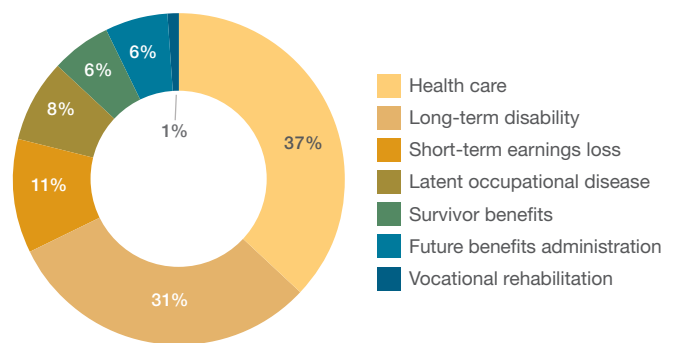
Except for the updated discount rate, the remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2021. Going forward, wages are expected to increase by one per cent above the assumed 2.25 per cent inflation rate. The WCB considers these assumptions to be a realistic best estimate of future expectations.

Most wage-based benefits are expected to increase at the rate of inflation and will be discounted at the nominal rate of 5.50 per cent. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using a 3.25 per cent real rate of return. However, all wage-based benefits, including short-term and long-term disability and survivor benefits, are subject to a ceiling based on the maximum wage rate prescribed under Section 37 of *The Workers' Compensation Act, 2013* (the Act). For the purpose of determining the present value of these future obligations that are capped by statutory limits, the obligations have been discounted using the nominal rate of return of 5.50 per cent.

The benefits liabilities also include an amount set aside to administer benefits in future years. For 2022, the allowance for the expenses included in the liability valuation was 4.9 per cent of the liability for long-term disability and survivor awards, and 8.5 per cent of the liability for all other claims. Future benefits administration accounted for \$87.4 million of the \$1.459 billion total benefits liabilities, representing just under six per cent.

The WCB utilizes a metric of total cost incurred per total claims. This metric had a target in 2022 of \$2,996 of total costs for each claim paid. At December 31, 2022, the actual total cost per claim was \$2,897.

Benefits liabilities



Administration expenses

Administration costs, before costs charged to future benefits administration, remained constant at \$66.3 million in 2022. There were increases in consulting services, salaries and benefits and training and development which were offset by a decrease in amortization.

An important measure of administrative efficiency is the administration cost per Time Loss claim. In 2021, the most recent year that data is available from the Association of Workers' Compensation Boards of Canada (AWCBC), Saskatchewan had the sixth lowest administration cost per Time Loss claim in Canada. The WCB calculated this to be \$8,927 in 2022 compared to \$8,416 in 2021.

The reason for the increase in this measure is that the number of Time Loss claims decreased while the administration costs remained constant.

A second measure of administrative efficiency is the administration cost per \$100 of assessable payroll. For 2021, the most recent year that actual payroll data is available, the ratio was \$0.29 per \$100 of assessable payroll. In comparison to its AWCBC peers, in 2021, Saskatchewan was the fifth lowest in Canada.

Administration expenses and administration cost per Time Loss claim



¹ Restated 2021 to reflect the Association of Workers' Compensation Boards of Canada (AWCBC) metrics for comparability.

Safety and prevention funding

Safety and prevention expenses include funding to the Occupational Health and Safety (OHS) division of the Ministry of Labour Relations and Workplace Safety, funding to safety associations and safety initiatives through the WorkSafe Saskatchewan partnership. The role of the OHS division is to help workplace parties comply with OHS legislation and, in doing so, identify and correct health and safety hazards. The Act requires that the WCB funds the operations of the OHS division.

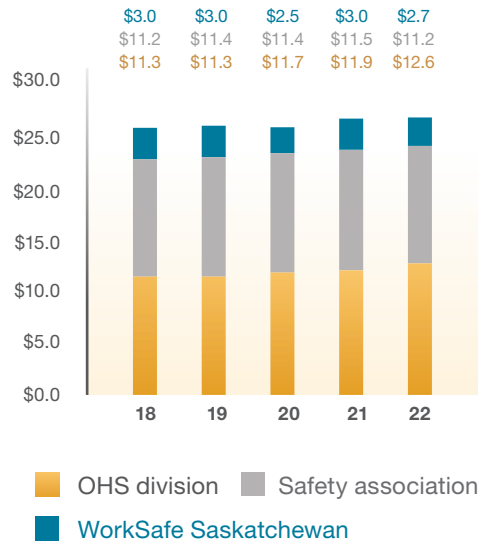
The Government of Saskatchewan approves the OHS budget through the provincial budgeting process. In 2022,

the OHS funding increased to \$12.6 million from \$11.9 million in 2021.

Funding is provided to seven industry safety associations that represent 18 rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funding provided for the year decreased to \$11.2 million in 2022 from \$11.5 million in 2021.

WorkSafe Saskatchewan expenditures decreased in 2022 to \$2.7 million from \$3.0 million in 2021.

Safety and prevention (millions)



Legislated obligations

Under the Act, the WCB is obliged to fund the operations of the Office of the Workers' Advocate and every five to six years, the Committee of Review. Funding in 2022 remained at \$1.5 million for the Office of the Workers' Advocate, while Committee of Review costs were \$0.2 million.

Annuity fund interest

The Act requires the WCB to compensate injured workers for the loss of retirement income due to a workplace injury. An additional 10 per cent of all eligible benefits payments is contributed into an injured worker’s annuity fund once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker reaches age 65 or returns to work. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2022, contributions to the fund amounted to \$6.7 million, down from \$7.0 million in 2021.

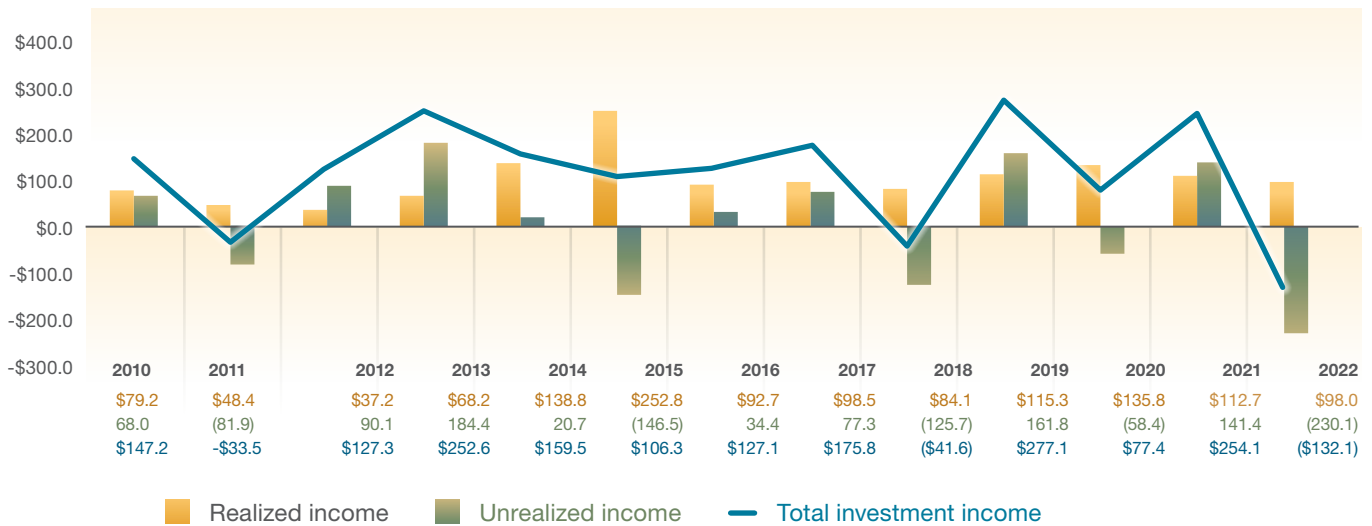
The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of the WCB’s investment portfolio, but spreads gains and losses on investments over five years to reduce the impact of fluctuations in the market rate of return.

In 2022, interest allocated equalled \$11.3 million due to a decrease in the rate of return to 4.9 per cent. In 2021, \$18.6 million was allocated at a rate of return of 8.6 per cent.

Investment income

The WCB ensures financial stability through its investment and funding policies. Investment income is an important revenue stream. It supplements premiums to cover expenses. The long-term assumption that investments will generate an annual nominal rate of return of 5.50 per cent is built into the calculation of benefits liabilities, as well as the premium rate-setting model. In 2022, the investment portfolio had a return of (5.5) per cent at market, compared to a return of 12.2 per cent in 2021. Investment income includes realized income and unrealized gains or losses on investments during the year and can fluctuate significantly year to year to reflect the change in the market value of investments.

Investment income (loss)



Realized investment income decreased by \$14.7 million to \$98.0 million in 2022 from \$112.7 million in 2021. Unrealized gains on investments decreased by \$230.1 million at December 31, 2022 and were \$186.1 million, compared to unrealized gains of \$416.2 million at December 31, 2021.

The \$132.1 million investment loss consists of:

- \$98.0 million of realized investment income made up of:
 - \$78.9 million in income from interest and dividends.
 - \$24.4 million in net gains realized from the sale of equities and bonds.
- Less \$5.4 million for investment expenses.

Less:

- A \$230.1 million decrease in unrealized investment gains for the year.

Investment strategy

The WCB’s Statement of Investment Policies and Goals (SIP&G) outlines its investment and risk philosophy. It reflects the long-term nature of the WCB’s liabilities and the impact of future inflation on existing liabilities. The WCB diversifies investments among asset classes to achieve long-term investment goals and to maximize returns at an acceptable risk.

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

The WCB’s investment committee reports to the board and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. The investment committee recommends prudent policy goals and objectives to safeguard the funded position. The

committee meets regularly to monitor the performance of the investment managers against established benchmarks and to review the ongoing relevance of the policy.

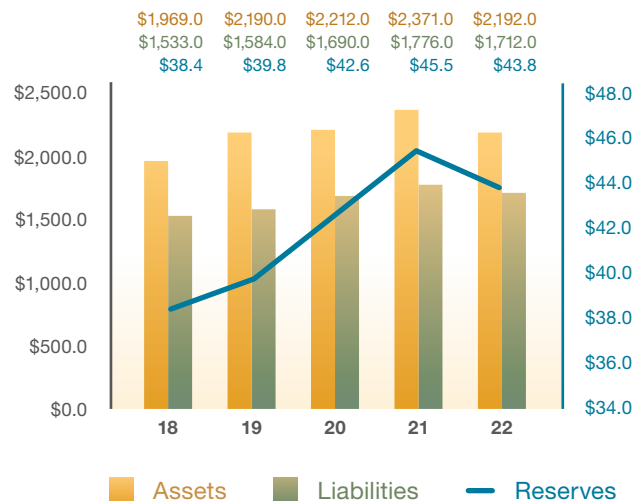
Funding strategy

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

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

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

Funded position and reserves (millions)



The funding policy, therefore, removes these unrealized gains and losses from the injury fund for the purposes of calculating the funding percentage. Accordingly, the funding percentage is not subject to the significant fluctuations in the market value of investments. The funding policy also establishes reserves, appropriated from the injury fund. At December 31, 2022, the WCB maintained the disaster reserve and the second injury and re-employment reserve. The second injury and re-employment reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help workers return to work through retraining. Currently, the \$14.6 million in this reserve is one per cent of the benefits liabilities as recommended by the funding policy.

The disaster reserve was created to meet the requirements of the Act with respect to disasters and has two components: one for less severe disasters that meet the threshold outlined in policy and one for rare, but very severe, disasters. The funding policy specifies one per cent of benefits liabilities for each component. The total of the disaster reserve was \$29.2 million at the end of 2022.

The balances in the two reserves combined for a total of \$43.8 million at December 31, 2022, compared to a total reserve balance of \$45.5 million at the end of 2021.

The net loss in 2022 of \$115.1 million and a net \$1.7 million decrease to reserves to comply with the funding policy results in a balance of \$436.0 million in the injury fund at the end of 2022. However, for funding policy purposes, net unrealized gains and losses are excluded from the injury fund. When the accumulated unrealized gains on investments of \$186.1 million are excluded, this decreases the injury fund to \$249.9 million at December 31, 2022. The calculation of the funding percentages is disclosed in note 20 of the financial statements.

Based on the funding policy, the funding percentage at December 31, 2022 was 114.8 per cent, within the targeted range of 105 per cent to 120 per cent.

Sustainability study

In 2022, the WCB started the process of conducting a sustainability study. The purpose of the study is to provide management and the board with a good understanding of the WCB's long-term financial position and the key risks it faces. This work will be useful in strategic planning, and will help calibrate a revised funding policy in 2023.

Internal control over financial reporting

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

To support the certification, management, with the support of internal audit, assesses the WCB's controls and provides assurance that internal controls are adequate to prevent material misstatement of the financial statements.

The assessments and evaluation of internal controls related to certain financial processes, transactions and applications in 2022 did not identify any weaknesses in internal controls over financial reporting that would result in material misstatement of the December 31, 2022 financial statements. The 2022 report by the CEO and the CFO can be found on page 81 of this annual report.

Responsibility for financial reporting

The financial statements are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent, in all material respects, the financial condition, results of operations and cash flows as at December 31, 2022.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are recorded accurately on a timely basis, are approved properly and result in reliable financial statements. With the support of internal audit, management assesses the WCB's internal controls over financial reporting using the 2013 Internal Control Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this assessment, the effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2022 operated effectively with no material weaknesses in the design or operation of the controls.

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

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

BDO Canada LLP has been appointed as external auditors. The Independent Auditor's Report outlines the scope of their examination and their opinion.



Phillip Germain
Chief executive
officer



Crystal Nett
Chief financial officer
& vice-president
corporate services

Actuarial certification

To the Board of Directors of the Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2022 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 2013* in respect of claims that occurred prior to the valuation date.

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

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

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

The actuarial valuation of the benefits liabilities of \$1,459,178,000 represents the actuarial present value at December 31, 2022 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2022. In our opinion, the amount of the benefits liabilities makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

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



FCIA, FSA
Mark Mervyn Partner

Aon
401 West Georgia Street, Suite 1200
Vancouver, British Columbia V6B 5A1

March 7, 2023

Independent Auditor's Report

To the Members of the Saskatchewan Workers' Compensation Board

Opinion

We have audited the financial statements of The Saskatchewan Workers' Compensation Board (the WCB), which comprise the statement of financial position as at December 31, 2022, and the statement of operations and other comprehensive (loss) income, statement of changes in funded position and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Comparative Information

The financial statements of the WCB for the year ended December 31, 2021 were audited by another auditor, who expressed an unmodified opinion on those financial statements on April 7, 2022.



Other Information

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

- The information, other than the financial statements and our auditor's report thereon, included in the annual report.

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

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

We obtained the annual report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan

April 4, 2023

Statement of Financial Position

As at December 31

<i>(thousands of dollars)</i>	2022	2021
Assets		
Cash and cash equivalents (note 4)	\$ 14,602	\$ 4,272
Receivables (note 5)	12,976	12,982
Investments (note 6)	2,150,804	2,339,075
Property and equipment (note 7)	9,433	9,763
Other assets (note 8)	4,401	4,526
	\$ 2,192,216	\$ 2,370,618
Liabilities		
Payables and accrued liabilities (note 9)	\$ 24,690	\$ 26,762
Benefits liabilities (note 10)	1,459,178	1,515,723
Annuity fund payable (note 11)	228,524	233,241
	1,712,392	1,775,726
Funded Position		
Injury Fund	436,049	549,420
Reserves (note 12)	43,775	45,472
	479,824	594,892
	\$ 2,192,216	\$ 2,370,618

Commitments (note 19)
See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on April 4, 2023.



Gord Dobrowolsky
Chairman



Larry Flowers
Board Member



Garry Hamblin
Board Member



Jack Brodsky
Board Member



Judy Henley
Board Member

Statement of Operations and Comprehensive (Loss) Income

Year ended December 31

<i>(thousands of dollars)</i>	2022	2021
Premiums (note 13)	\$ 304,006	\$ 259,480
Expenses		
Claim costs (note 10)	189,424	336,244
Administration (schedule 1)	48,993	53,998
Safety and prevention (note 14)	26,481	26,369
Legislated obligations (note 15)	1,651	1,454
	266,549	418,065
Underwriting Gain (Loss)	37,457	(158,585)
Business transformation program (note 18)	(9,020)	(4,002)
Operating Profit (Loss)	28,437	(162,587)
Investment (loss) income (note 5)	(132,087)	254,076
Annuity fund interest (note 11)	(11,332)	(18,648)
Finance charges	(86)	(192)
Total Comprehensive (Loss) Income	\$ (115,068)	\$ 72,649

See accompanying notes to financial statements.

Statement of Changes in Funded Position

Year ended December 31

<i>(thousands of dollars)</i>	2022	2021
Injury Fund		
Balance, beginning of year	\$ 549,420	\$ 479,632
Total comprehensive (loss) income	(115,068)	72,649
Appropriation of funds from (to) reserves	1,697	(2,861)
Balance, end of year	436,049	549,420
Reserves (note 12)		
Balance, beginning of year	45,472	42,611
Appropriation of funds (to) from injury fund	(1,697)	2,861
Balance, end of year	43,775	45,472
Funded Position	\$ 479,824	\$ 594,892

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31

<i>(thousands of dollars)</i>	2022	2021
OPERATING ACTIVITIES		
Cash received from:		
Premiums	\$ 309,575	\$ 265,407
Cash paid to:		
Claimants, or third parties on their behalf	252,250	243,875
Employees and suppliers, for administrative and other goods and services	75,264	67,369
Safety and prevention programs	26,107	26,878
Ministry of Labour Relations and Workplace Safety	1,525	750
	355,146	338,872
Net cash used in operating activities	(45,571)	(73,465)
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	554,859	547,389
Dividends	59,331	68,431
Interest	19,668	16,098
	633,858	631,918
Cash paid for:		
Purchase of investments	572,440	529,643
Purchase of property and equipment	2,136	1,157
Purchase of other assets	2,882	3,732
	577,458	534,532
Net cash provided by investing activities	56,400	97,386
FINANCING ACTIVITIES		
Cash paid for:		
Leased buildings	499	457
	499	457
Net cash used in financing activities	(499)	(457)
Increase in cash and cash equivalents during the year	10,330	23,464
Cash and cash equivalents (bank indebtedness), beginning of year	4,272	(19,192)
Cash and cash equivalents, end of year	\$ 14,602	\$ 4,272

See accompanying notes to financial statements.

Notes to Financial Statements

As at December 31

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (the WCB) is a statutory corporation that operates under the authority of *The Workers' Compensation Act, 2013* (the Act). Its purpose is to provide workplace insurance and injury prevention services to Saskatchewan employers and provide benefits to workers who are injured in the course of their employment.

The WCB is also considered a Government Business Enterprise and as such, its financial results are included in the Government of Saskatchewan's summary financial statements. As a Government Business Enterprise, the WCB is exempt from income tax. The WCB has its corporate head office in Regina, Saskatchewan.

Though the WCB does not receive government funding or other assistance, it is required by the Act to maintain an injury fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims, and operations arising from current claims.

2. BASIS OF PRESENTATION:

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the significant accounting policies note (note 3).

Statement of financial position classification

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

Functional and presentation currency

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

Use of critical accounting estimates and judgement

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the valuation of receivables (note 5), the determination of fair value of level 3 investments (note 6), and the actuarial determination of the benefits liabilities (note 10).

3. SIGNIFICANT ACCOUNTING POLICIES:

Financial Assets and Liabilities

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

The WCB has designated its cash and investments as fair value through profit and loss. This designation has been made to eliminate or significantly reduce the measurement inconsistency that would arise between these assets and the benefits liabilities. Receivables are designated as loans and receivables. Payables and accrued liabilities are designated as other financial liabilities. Benefits liabilities and annuity fund payable are exempt from the above requirement.

The fair value of financial assets and liabilities other than investments (note 6) approximates carrying value due to their immediate or short-term nature.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and (for the purpose of the statement of cash flows) bank indebtedness. Bank indebtedness is shown separately in liabilities on the statement of financial position.

Investments

All investments are carried at fair value through profit and loss. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value of equities is determined based on the quoted market price, based on the latest bid prices. The fair values of

pooled equity funds and the pooled bond fund are based on the quoted market values of the underlying investments, based on the latest bid prices. The fair value of bonds and debentures is based on model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of the pooled mortgage fund is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage. The fair value of the pooled real estate fund is determined based on the market values of the underlying real estate investments, normally based on appraisals.

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

Investments under Securities Lending Programs

The WCB participates in a securities lending program through an intermediary for the purpose of generating fee income. Securities lending transactions are entered into on a collateralized basis. The fair value of the loaned securities is monitored on a daily basis by an intermediary financial institution with additional collateral obtained or refunded as the fair value of the underlying securities fluctuates. The intermediary indemnifies the WCB against any shortfalls in collateral in the event of default by the counterparty. These transactions are conducted under terms that are usual and customary to security lending activities. The securities lent are not derecognized on the statement of financial position given that the risks and rewards of ownership are not transferred from the WCB to the counterparties in the course of such transactions.

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

Property and Equipment

Property and equipment are measured at cost less accumulated amortization and any accumulated impairment losses. When significant components of an item of property and equipment have different useful lives, they are accounted for as separate items. As no borrowing costs are attributable to the acquisition of property and equipment, there are no capitalized borrowing costs included in cost.

Amortization of property and equipment is included in administration expenses. Property and equipment are amortized on a straight-line basis over their estimated useful lives.

The estimated useful lives of the assets are as follows:

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

Intangible Assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. When significant components of an item of intangible assets have different useful lives, they are accounted for as separate items. Intangible assets include both internally developed and acquired software. Development costs, which include employee costs and an appropriate portion of relevant overhead directly attributable to internally developed software, are recognized as an intangible asset when certain criteria are met. The criteria to capitalize development costs include the WCB's intention and ability to complete the development of the software from which it is probable the WCB will generate future economic benefits. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. As no borrowing costs are attributable to the acquisition or development of intangible assets, there are no capitalized borrowing costs included in cost.

Amortization of intangible assets is included in administration expenses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets ranges from three to ten years.

Impairment of Non-financial Assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets that were adjusted for impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Benefits Liabilities

Benefits liabilities represent the actuarially determined present value of the estimated future payments for reported and unreported claims incurred on or prior to the reporting date using best estimate assumptions related to workers of Saskatchewan employers.

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2022 has been determined by estimating future benefits payments in accordance with the WCB's administrative policies and practices in effect at December 31, 2022.

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

Annuity Fund Payable

The annuity fund is established pursuant to sections 73 and 81 of the Act. These sections require, where compensation is paid for a period exceeding twenty-four consecutive months, that an additional amount equal to 10 per cent of eligible benefits paid be set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. This amount is over and above the benefits payments. The WCB recognizes a liability in the annuity fund when a worker's eligible benefit is paid. The fund earns interest based on an internally calculated rate of return. At age 65 or upon death, the injured worker or their beneficiary receives their contributions to the Annuity Fund plus any investment income earned.

Assets attributable to the Annuity Fund are included and managed as part of the WCB's investment portfolio. All future costs, excluding interest, are provided for as part of benefits liabilities.

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. For employers who have not reported, premiums are estimated and any differences between actual and estimated premiums are adjusted when insurable earnings are reported. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through the WCB's Experience Rating Program.

Premium revenue is fully earned and recognized over the annual coverage period. Any difference between actual and estimated premiums is adjusted in the following year. Historically, this difference has not been significant.

Investment Income

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

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

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

Software-as-a-Service (SaaS) Arrangement

SaaS arrangements are service contracts providing the WCB with the right to access the cloud provider's application software over the contract period. As such, the WCB does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the WCB the power to obtain the future economic benefits flowing from the software

itself and to restrict others' access to those benefits. Costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider's application software, are recognized as expenses when the services are received.

Self-Insured Employers

The Government of Canada is a self-insured employer whose claims are administered by the WCB. The Government reimburses the WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to the WCB for reimbursement of these claims are reflected in the statement of cash flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2022 were \$6,453,000 (2021 - \$6,496,000).

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency monetary assets and liabilities are translated at the rates in effect at the reporting date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

Employee Future Benefit Plan

The WCB provides a defined contribution pension plan that provides retirement benefits for its employees.

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

Standards, Amendments, and Interpretations Issued but Not Yet Effective

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

IFRS 17, Insurance Contracts

On May 18, 2017, the IASB issued IFRS 17, which is effective for annual periods beginning on or after January 1, 2023. IFRS 17 will replace IFRS 4, Insurance Contracts. In June 2020, IASB issued amendments to IFRS 17 which are designed to simplify certain requirements in the standard and make it easier for entities to explain the results from applying IFRS 17.

This standard introduces consistent accounting for all insurance contracts. The standard requires companies to measure insurance contract liabilities as the risk-adjusted present value of the cash flows plus the contractual service margin, which represents the unearned profit the entity will recognize as future service is provided. This

is referred to as the general model. Expedients are specified, provided the insurance contracts meet certain conditions. If, at initial recognition or subsequently, the contractual service margin becomes negative, the contract is considered onerous and the excess is recognized immediately in the statement of operations and other comprehensive income. The standard also includes significant changes to the presentation and disclosure of insurance contracts within entities' financial statements. The WCB is evaluating the impact this standard will have on the financial statements.

IFRS 9, *Financial Instruments*

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

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

The standard includes introduction of a fair value through other comprehensive income measurement category for debt instruments meeting certain criteria. In this measurement category, the statement of financial position will reflect the fair value carrying amount while amortized cost information is presented in the statement of operations and other comprehensive income. The difference between the fair value and amortized cost information will be recognized in other comprehensive income.

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

In September 2016, the IASB issued amendments to IFRS 4, which provide optional relief to eligible insurers in respect of IFRS 9. Entities, who have not previously applied any version of IFRS 9 and whose predominant activity is issuing insurance contracts within the scope of IFRS 17, are provided a temporary exemption to defer the implementation of IFRS 9. The WCB will be required to adopt IFRS 9 on January 1, 2023, with additional required disclosures, which aligns with the effective date of IFRS 17.

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

The table below categorizes the WCB's financial assets between two groups: a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) and b) all other financial assets. SPPI includes cash and cash equivalents, receivables, short-term holdings and bonds and debentures. Other financial assets include invested assets in a pooled bond fund, pooled equity funds, equities, a pooled real estate fund and a pooled mortgage fund.

<i>(thousands of dollars)</i>	2022		2021	
		Change in unrealized gains (losses)		Change in unrealized gains (losses)
SPPI	\$	427,419	\$	(42,096)
Other financial assets	\$	1,750,963	\$	(187,981)
	\$	2,178,382	\$	(230,077)
			\$	430,734
			\$	(14,123)
			\$	1,925,595
			\$	155,490
			\$	2,356,329
			\$	141,367

Credit risk exposure related to financial assets categorized as SPPI:

	2022		2021	
		Fair Value		Fair Value
AAA	\$	151,347	\$	111,302
AA		131,521		160,224
A		43,721		62,796
BBB		27,816		37,073
Not rated		73,014		59,339
	\$	427,419	\$	430,734

IAS 1, *Presentation of Financial Statements*

Narrow-scope amendments to IAS 1 were issued in January 2020 to provide clarification over the classification of debt and other liabilities as current or non-current. The amendments aim to promote consistency in the application of the classification requirements of the standard by entities. Further, the amendments affect only the presentation of liabilities in the balance sheet, not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The effective date is January 1, 2024. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates (Amendment). Effective for the annual periods beginning on or after January 1, 2023; early adoption is permitted. The amendment clarifies the definition of “accounting policies” and “accounting estimates” by making those two definitions more distinct and concise. The standard will be effective for the WCB on January 1, 2023, and reflected in the financial statements for the year ended December 31, 2023. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The IASB amended IAS 1 to require entities to disclose material, rather than significant, accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The standard will be effective for the WCB on January 1, 2023, and reflected in the financial statements for the year ended December 31, 2023. The WCB is currently evaluating the impact that these amendments will have on its financial statements.

4. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consists entirely of deposits held at financial institutions for the years ended December 31, 2022 and 2021.

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

5. RECEIVABLES:

<i>(thousands of dollars)</i>	2022	2021
Recoverable claims costs	\$ 6,249	\$ 6,371
Premiums	4,938	4,130
Accrued interest	2,058	1,872
Government of Canada	1,865	1,657
Subrogation	1,782	1,774
Interprovincial claims	1,542	1,209
Investment proceeds and other	73	133
	18,507	17,146
Allowance for doubtful accounts	(5,531)	(4,164)
	\$ 12,976	\$ 12,982

At the end of the year, receivables of \$8,948,000 (2021 - \$10,065,000) were due within one year.

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

<i>(thousands of dollars)</i>	2022	2021
Balance, beginning of year	\$ 4,164	\$ 4,690
Amounts written off	(869)	(487)
Current provision	2,236	(39)
Balance, end of year	\$ 5,531	\$ 4,164

The aging of receivables is as follows:

<i>(thousands of dollars)</i>	2022	2021
Less than 60 days	\$ 6,884	\$ 6,431
61 to 180 days	1,135	2,423
181 to 365 days	929	1,211
Greater than one year	9,559	7,081
	\$ 18,507	\$ 17,146

6. INVESTMENTS AND INVESTMENTS UNDER SECURITIES LENDING PROGRAMS:

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

<i>(thousands of dollars)</i>	2022	2021
Investments		
Bonds and debentures	\$ 127,226	\$ 213,976
Pooled bond fund	106,541	130,460
Pooled equity funds	970,408	1,065,510
Equities	181,560	259,024
Pooled real estate fund	289,554	286,265
Pooled mortgage fund	140,176	146,573
Short-term holdings	45,436	42,085
	1,860,901	2,143,893
Investments under Securities Lending Programs		
Bonds and debentures	227,179	157,419
Equities	62,724	37,763
	289,903	195,182
	\$ 2,150,804	\$ 2,339,075

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

(i) Bonds and debentures:

<i>(thousands of dollars)</i>	2022			2021	
	Term to Maturity In Years	Fair Value	Average Effective Yield	Fair Value	Average Effective Yield
Government of Canada Securities					
	1 - 5	\$ 55,223	1.70%	\$ 61,629	1.81%
	6 - 10	77,827	1.40%	32,231	1.59%
	Over 10	18,298	3.67%	12,719	3.00%
Provincial & Municipal Securities					
	1 - 5	-	0.00%	7,957	2.59%
	6 - 10	30,137	3.51%	5,470	2.79%
	Over 10	67,680	3.48%	99,608	3.22%
Corporate Securities					
	1 - 5	51,196	2.99%	72,966	1.93%
	6 - 10	28,840	3.39%	44,635	2.91%
	Over 10	25,204	3.99%	34,180	4.01%
Total		\$ 354,405		\$ 371,395	

(ii) Pooled bond fund

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

(iii) Equities and pooled equity funds:

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

The WCB's equity investments include foreign equities of \$978,440,000 (2021 - \$1,071,256,000).

The WCB has investments in pooled equity funds with the following carrying values:

	2022	2021
Global Low Volatility Equity funds	\$ 624,962,000	\$ 662,618,000
Europe, Asia and the Far East (EAFE) Equity fund	124,410,000	147,265,000
Canadian Low Volatility Equity fund	123,265,000	135,785,000
Global Equity Small Cap fund	89,711,000	108,618,000
Canadian Special Equity fund	8,060,000	11,224,000
	\$ 970,408,000	\$ 1,065,510,000

(iv) Pooled real estate fund:

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

(v) Pooled mortgage fund:

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

(vi) Short-term holdings:

Short-term holdings are comprised of treasury bills and bank notes with effective interest rates of 4.3% to 4.9% (2021 – 0.1% to 0.5%) and average term to maturity of 2.29 months (2021 – 2.13 months).

(vii) Securities lending:

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

At December 31, 2022, the WCB had \$289,903,000 (2021 - \$195,182,000) in equities and bonds on loan to various counterparties. At December 31, 2022, the total amount of collateral pledged to the WCB amounted to \$304,491,000 (2021 - \$204,943,000).

(b) Investment income

Net investment income was derived from the following sources:

<i>(thousands of dollars)</i>	2022			2021		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Cash and foreign exchange	\$ 848	\$ -	\$ 848	\$ 101	\$ -	\$ 101
Bonds and debentures	(1,330)	(42,098)	(43,428)	8,166	(14,121)	(5,955)
Pooled bond fund	852	(14,771)	(13,919)	64	3,620	3,684
Pooled equity funds	55,485	(113,617)	(58,132)	65,234	84,439	149,673
Equities	27,347	(61,102)	(33,755)	38,084	32,726	70,810
Pooled real estate fund	11,922	9,345	21,267	-	36,500	36,500
Pooled mortgage fund	7,411	(7,836)	(425)	6,451	(1,795)	4,656
Short-term holdings	829	2	831	214	(2)	212
Investment expenses	(5,374)	-	(5,374)	(5,605)	-	(5,605)
	\$ 97,990	\$ (230,077)	\$ (132,087)	\$ 112,709	\$ 141,367	\$ 254,076

Included in realized investment income is interest income of \$19,668,000 (2021 - \$16,098,000).

(c) Determination of fair value

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

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

The WCB defines active markets based on the frequency of valuation and any restrictions or illiquidity on disposition of the underlying investment and trading volumes. Assets measured at fair value and classified as Level 1 include equity funds and equities. Fair value is based on market price data for identical assets obtained from the investment custodian, investment managers or dealer markets;

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

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

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

Level 3 assets and liabilities include financial instruments whose values are determined using internal pricing models, discounted cash flow methodologies or similar techniques that are not based on observable market data, as well

as instruments for which the determination of estimated fair value requires significant management judgement or estimation. Assets classified as Level 3 include the investment in the pooled real estate fund. The fair value of the investment is based on the WCB's share of the net asset value of the respective fund, as determined by its investment manager, and is used to value purchases and sales of units in the investment.

The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties. Real estate properties are appraised by external, independent professional real estate appraisers who are accredited through the Appraisal Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and, are based primarily on the discounted cash flow and income capitalization methods. Changes in the rate used to discount the cash flows can cause significant changes in the fair value. The rates vary by each asset depending on quality and leasing profile, property type and location. The range of rates used to discount the cash flows when determining the appraisal values is 5% to 8.5%. The approximate impact of a one quarter per cent increase in the average discount rate results in a decrease in the fair value of \$4,580,000.

Assets at fair value as at December 31, 2022

<i>(thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 354,405	\$ -	\$ 354,405
Pooled bond fund		106,541	-	106,541
Pooled equity funds	970,408	-	-	970,408
Equities	244,284	-	-	244,284
Pooled real estate fund	-	-	289,554	289,554
Pooled mortgage fund	-	140,176	-	140,176
Short-term holdings	-	45,436	-	45,436
	\$ 1,214,692	\$ 646,558	\$ 289,554	\$ 2,150,804

Assets at fair value as at December 31, 2021

<i>(thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ -	\$ 371,395	\$ -	\$ 371,395
Pooled bond fund		130,460	-	130,460
Pooled equity funds	1,065,510	-	-	1,065,510
Equities	296,787	-	-	296,787
Pooled real estate fund	-	-	286,265	286,265
Pooled mortgage fund	-	146,573	-	146,573
Short-term holdings	-	42,085	-	42,085
	\$ 1,362,297	\$ 690,513	\$ 286,265	\$ 2,339,075

During the year, no investments were transferred between levels. The WCB's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 3 Reconciliation

<i>(thousands of dollars)</i>	2022	2021
	Pooled Real Estate Fund	Pooled Real Estate Fund
Balance, beginning of year	\$ 286,265	\$ 249,765
Acquisitions	-	-
Dispositions	(6,056)	-
Realized gain	(11,922)	-
Change in unrealized gain	21,267	36,500
Balance, end of year	\$ 289,554	\$ 286,265

(d) Financial risk management

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

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

(i) Market risk

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

Equity price risk

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

The following table indicates the approximate change that would be expected to net income based on a 10 per cent change in the WCB's benchmark indices at December 31, 2022:

Change in Equity Benchmarks

<i>(thousands of dollars)</i>	2022	2021
World (ex-Canada) Index	\$ 62,496	\$ 66,262
MSCI EAFE Index	12,913	14,715
S&P 500 Index	14,058	19,253
S&P/TSX Composite Index	12,326	13,579
MSCI World Small Cap	8,971	10,862

Interest rate risk

The WCB is exposed to fluctuations in interest rates that can impact the fair value of its short-term holdings, bonds and debentures, pooled bond fund and pooled mortgage fund. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a one per cent increase in interest rates would decrease net income by approximately \$28,496,000 at December 31, 2022 (2021 - \$29,475,000), representing 4.4% (2021 - 4.3%) of the \$646,558,000 (2021 - \$690,513,000) fair value of short-term holdings, bonds and debentures, the pooled bond fund and the pooled mortgage fund.

Foreign exchange risk

The WCB has certain investments denominated in foreign currencies. During the year the WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, the WCB's current benchmark for foreign equities is 45 per cent of the investment portfolio. As at December 31, 2022, the WCB's holdings in foreign equities and pooled equity funds had a fair value of \$978,440,000 (2021 - \$1,071,256,000) representing 45.5% (2021 - 45.8%) of the fair value of the total investment portfolio. At December 31, 2022, it is estimated that a 10 per cent appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in a decrease in net income of approximately \$57,772,000 (2021 - \$66,995,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. The WCB's credit risk arises primarily from cash and cash equivalents, receivables, short-term holdings, bonds and debentures, the pooled bond fund and the pooled mortgage fund. The maximum credit exposure related to these financial instruments is \$674,137,000 (2021 - \$707,767,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15 per cent to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For short-term holdings, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10 per cent of the market value of the bond investment portfolio. The WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by the WCB (note 5).

Credit ratings for the bonds and debentures are as follows:

<i>(thousands of dollars)</i>		2022		2021	
Credit Rating	Fair Value	Per cent of Portfolio	Fair Value	Per cent of Portfolio	
AAA	\$ 151,347	42.7%	\$ 111,302	30.0%	
AA	131,521	37.1%	160,224	43.1%	
A	43,721	12.3%	62,796	16.9%	
BBB	27,816	7.8%	37,073	10.0%	
	\$ 354,405		\$ 371,395		

(iii) Liquidity risk

Liquidity risk is the risk that WCB will encounter difficulty in meeting its obligations associated with its liabilities, particularly claim benefits liabilities, which are funded from cash and cash equivalents, and from investments when necessary. Cash resources are managed daily based on anticipated cash flows. The WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities. To cover any short-term cash needs WCB has a \$25 million line of credit, which has not been drawn upon as at December 31, 2022 or 2021.

7. PROPERTY AND EQUIPMENT:

<i>(thousands of dollars)</i>		2022						2021	
	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2022 Total	2021 Total	
Cost									
Balance, beginning of year	\$ 1,375	\$ 14,017	\$ 4,518	\$ 1,706	\$ 1,965	\$ 3,960	\$ 27,541	\$ 27,288	
Additions during the year	-	-	617	-	604	538	1,759	1,491	
Disposals during the year	-	-	(783)	-	(440)	(661)	(1,884)	(1,238)	
Balance, end of year	\$ 1,375	\$ 14,017	\$ 4,352	\$ 1,706	\$ 2,129	\$ 3,837	\$ 27,416	\$ 27,541	
Accumulated Amortization									
Balance, beginning of year	\$ -	\$ 10,262	\$ 2,914	\$ 727	\$ 1,165	\$ 2,710	\$ 17,778	\$ 16,961	
Amortization for the year	-	351	288	363	205	882	2,089	2,055	
Disposals during the year	-	-	(783)	-	(440)	(661)	(1,884)	(1,238)	
Balance, end of year	\$ -	\$ 10,613	\$ 2,419	\$ 1,090	\$ 930	\$ 2,931	\$ 17,983	\$ 17,778	
Net Book Value	\$ 1,375	\$ 3,404	\$ 1,933	\$ 616	\$ 1,199	\$ 906	\$ 9,433	\$ 9,763	

The leased buildings represent the right-of-use assets related to the leases payable in note 9.

8. OTHER ASSETS:

<i>(thousands of dollars)</i>	2022	2021
Intangible assets	\$ 3,482	\$ 3,639
Prepaid expenses	919	887
	\$ 4,401	\$ 4,526

Intangible Assets

Intangible assets are comprised of the following:

<i>(thousands of dollars)</i>	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
System development				
Balance, beginning of year	\$ 65,153	\$ (61,514)	\$ 3,639	\$ 6,751
Additions during the year	3,571	-	3,571	3,568
Amortization for the year	-	(3,728)	(3,728)	(6,680)
Disposals during the year	(579)	579	-	-
Balance, end of year	\$ 68,145	\$ (64,663)	\$ 3,482	\$ 3,639

During the year, \$3,571,000 (2021 - \$3,568,000) of internally generated system development costs were capitalized.

9. PAYABLES AND ACCRUED LIABILITIES:

<i>(thousands of dollars)</i>	2022	2021
Salaries and employee benefits	\$ 8,319	\$ 8,805
Premium refunds	6,125	5,952
Accounts payable	4,548	3,373
Occupational Health & Safety	4,036	3,324
Leases	675	1,173
Workers' Advocate	498	488
Claims payable	489	3,647
	\$ 24,690	\$ 26,762

At the end of the year, payables and accrued liabilities of \$24,309,000 (2021 - \$25,914,000) were due within one year.

10. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2022 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

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

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

	2022	2021
Inflation	2.25%	2.25%
Expected future growth in gross wages	3.25%	3.25%
Expected future increase in health care costs	5.00%	5.00%
Discount rate	5.50%	5.00%

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

Benefits Liabilities Continuance Schedule

<i>(thousands of dollars)</i>		2022							2021	
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Latent Occupational Disease	Total	Total	
Balance, beginning of year	\$ 157,455	\$ 443,154	\$ 98,071	\$ 605,656	\$ 14,768	\$ 78,198	\$ 118,421	\$ 1,515,723	\$ 1,420,379	
ADD:										
Claim costs incurred:										
Current year injuries	75,077	34,475	10,221	84,328	2,218	15,934	(5,609)	216,644	215,239	
Prior years' injuries	2,814	17,137	(2,589)	(56,372)	1,236	10,554	-	(27,220)	121,005	
	77,891	51,612	7,632	27,956	3,454	26,488	(5,609)	189,424	336,244	
DEDUCT:										
Claim payments made:										
Current year injuries	25,247	495	917	27,675	6	4,576	-	58,916	58,817	
Prior years' injuries	48,201	48,498	10,820	64,029	2,828	12,677	-	187,053	182,083	
	73,448	48,993	11,737	91,704	2,834	17,253	-	245,969	240,900	
Balance, end of year	\$ 161,898	\$ 445,773	\$ 93,966	\$ 541,908	\$ 15,388	\$ 87,433	\$ 112,812	\$ 1,459,178	\$ 1,515,723	

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

<i>(thousands of dollars)</i>	
2023	\$ 191,753
2024 - 2027	414,186
2028 - 2032	298,502
2033 - 2037	187,750
2038 - 2042	125,799
2043 - 2047	88,248
2048 and beyond	152,940
	<u>\$ 1,459,178</u>

The following is a reconciliation of the benefits liabilities:

<i>(thousands of dollars)</i>	2022	2021
Balance, beginning of year	\$ 1,515,723	\$ 1,420,379
ADD:		
Provision for current year injuries	227,053	210,261
Provision for prior years' injuries		
Interest allocated	65,189	63,710
Prior years' claim cost experience (lower) higher than expected	(88,785)	16,561
Effect of actual cost of living adjustment higher than expected	58,018	13,956
Impact of change in provision for latent occupational disease	3,263	(8,171)
Changes in actuarial methods and assumptions	(75,314)	39,927
	189,424	336,244
DEDUCT:		
Benefit payments	228,716	228,626
Claim adjudication expense	17,253	12,274
	245,969	240,900
Balance, end of year	\$ 1,459,178	\$ 1,515,723

Claims Development Table

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

<i>(thousands of dollars)</i>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
End of year	\$ 280,072	\$ 242,681	\$ 235,431	\$ 245,689	\$ 218,464	\$ 232,436	\$ 224,001	\$ 211,146	\$ 222,786	\$ 223,850
One year later	266,940	256,888	238,610	245,537	226,645	236,701	246,499	230,016	226,586	
Two years later	266,478	265,626	233,650	250,493	225,557	242,215	255,275	228,941		
Three years later	274,505	268,150	242,435	253,573	233,342	250,593	254,661			
Four years later	276,441	274,861	245,076	263,694	239,486	250,194				
Five years later	274,371	276,106	250,736	268,799	237,803					
Six years later	276,500	280,734	254,773	264,148						
Seven years later	278,870	283,043	253,700							
Eight years later	280,513	280,853								
Nine years later	276,475									
Estimate of cumulative claims	276,475	280,853	253,700	264,148	237,803	250,194	254,661	228,941	226,586	223,850
Cumulative payments	(233,859)	(229,508)	(204,180)	(209,283)	(181,619)	(184,278)	(178,693)	(139,748)	(121,218)	(60,515)
Benefits liabilities	\$ 42,616	\$ 51,345	\$ 49,520	\$ 54,865	\$ 56,184	\$ 65,916	\$ 75,968	\$ 89,193	\$ 105,368	\$ 163,335
Post 2012 benefits liabilities										\$ 754,310
Pre-2013 benefits liabilities										592,056
Latent occupational disease										112,812
Total benefits liabilities										\$1,459,178

Sensitivity of Actuarial Assumptions

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

The actuarial assumption most sensitive to change is the assumed discount rate of 5.5 per cent. The approximate impact of a one per cent decrease in the assumed discount rate results in a \$149,554,000 increase in the benefits liabilities.

A one per cent increase in inflation rates for general prices and wages (while holding the assumed investment return constant), results in a \$141,797,000 increase in the benefits liabilities.

Health care benefits liabilities are calculated assuming a future rate of escalation of health care costs of five per cent per year. A one-half per cent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately \$43,132,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes the WCB's injured worker claim termination experience. A flat reduction of five per cent in these termination rates would increase benefits liabilities by approximately \$11,451,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits is based on Saskatchewan mortality experience. A flat reduction of five per cent in these mortality rates would increase benefits liabilities by approximately \$1,366,000.

Insurance Risk Management

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

11. ANNUITY FUND PAYABLE:

<i>(thousands of dollars)</i>	2022	2021
Balance, beginning of year	\$ 233,241	\$ 227,418
ADD: Contributions		
Principal	6,733	7,002
Interest	11,332	18,648
	18,065	25,650
DEDUCT: Payouts		
Principal	7,537	6,544
Interest	15,245	13,283
	22,782	19,827
Balance, end of year	\$ 228,524	\$ 233,241

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2022.

<i>(thousands of dollars)</i>	
2023	\$ 27,141
2024 - 2027	82,632
2028 - 2032	56,316
2033 - 2037	29,030
2038 - 2042	17,294
2043 - 2047	8,718
2048 and beyond	7,393
	\$ 228,524

12. RESERVES:

<i>(thousands of dollars)</i>	2022			2021	
	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	Total	Total
Balance, beginning of year	\$ 30,314	\$ -	\$ 15,158	\$ 45,472	\$ 42,611
Appropriation from Injury Fund	(1,131)	-	(566)	(1,697)	2,861
Appropriation to fund cost relief for employers	16,214	12,377	33,515	62,106	66,754
Allocations for cost relief for employers	(16,214)	(12,377)	(33,515)	(62,106)	(66,754)
Balance, end of year	\$ 29,183	\$ -	\$ 14,592	\$ 43,775	\$ 45,472

To maintain a funded status that is consistent with the statutory requirements of the Act, the WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, revised in 2017, maintains the following reserves and specifies that they be determined based on the current benefits liabilities:

- The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two per cent of benefits liabilities for this reserve. During the current year, \$1,131,000 was transferred to the injury fund from this reserve. (2021 - \$1,907,000 was transferred from the injury fund to this reserve).
- The Occupational Disease Reserve is used to cover costs that may have arisen from latent occupational diseases where exposure today may result in the establishment of a future claim. During the year, the cost relief for employers included \$4,878,000 (2021 - \$5,768,000) related to claims from the COVID-19 pandemic.
- The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one per cent of benefit liabilities for this reserve. During the current year, \$566,000 was transferred to the injury fund from this reserve (2021 - \$954,000 was transferred from the injury fund to this reserve).

13. PREMIUMS:

<i>(thousands of dollars)</i>	2022	2021
Premiums	\$ 306,732	\$ 260,098
Experience Rating Program - discounts	(30,515)	(24,446)
Experience Rating Program - surcharges	27,789	23,828
	\$ 304,006	\$ 259,480

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

14. SAFETY AND PREVENTION:

<i>(thousands of dollars)</i>	2022	2021
Occupational Health & Safety funding	\$ 12,566	\$ 11,853
Safety association funding	11,174	11,468
WorkSafe Saskatchewan	2,741	3,048
	\$ 26,481	\$ 26,369

Pursuant to section 115(g) of the Act, the WCB may expend monies, to the Ministry of Labour Relations and Workplace Safety, for the cost of administration of the occupational health and safety program.

Pursuant to section 146 of the Act, the WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. During the year, the WCB provided funding to the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Energy Safety Canada.

15. LEGISLATED OBLIGATIONS:

<i>(thousands of dollars)</i>	2022	2021
Workers' Advocate funding	\$ 1,465	\$ 1,454
Committee of Review funding	186	-
	\$ 1,651	\$ 1,454

Pursuant to section 115(h) and (i) of the Act, the WCB may expend monies, to the Ministry of Labour Relations and Workplace Safety, for the expenses, including salaries and remuneration, of the office of the Workers' Advocate and the expenses of any Committee of Review established under the Act.

16. EMPLOYEE FUTURE BENEFITS:

The WCB sponsors a defined contribution pension arrangement, through the Public Employees Benefits Agency, covering all current employees.

The WCB's financial liability is limited to matching employee contributions of seven and one quarter per cent to the plan. During the year, the WCB incurred costs of \$3,228,000 (2021 - \$2,829,000) related to its defined contribution plan.

17. RELATED PARTIES:

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

- ii) Key Management Compensation:

At December 31, 2022, key management personnel is made up of 12 people (2021 - ten people) and includes the Chairman of the Board, two board members, two new part-time board members, the Chief Executive Officer, the Chief Financial Officer, and five (2021 - five) members of the senior executive group.

<i>(thousands of dollars)</i>	2022	2021
Salaries and other short-term benefits	\$ 3,065	\$ 2,730
Post employment benefits	135	169
	\$ 3,200	\$ 2,899

18. BUSINESS TRANSFORMATION PROGRAM:

<i>(thousands of dollars)</i>	2022	2021
Consulting services	\$ 5,828	\$ 3,439
Salaries and employee benefits	2,585	531
Other	607	32
	\$ 9,020	\$ 4,002

In 2020, an independent review of the WCB's processes, technologies and organizational culture confirmed a number of opportunities to significantly improve service-delivery, modernize its technologies and add value for the benefit of its customers.

The Business Transformation Program (BTP) was launched in 2021 to address key risks and opportunities relating to service delivery, process efficiency and technology obsolescence. Costs incurred include items related to internal BTP salaries, project delivery and various program planning and consulting costs.

19. COMMITMENTS:

The WCB has committed to participating in the future funding of two new financial instruments that hold investments in private debt and infrastructure. Unfunded commitments as at December 31, 2022, were \$200 million. The timing of the funding and related acquisition of the investments is uncertain, as it depends on the timing of the WCB's place in the queues of each investment opportunity. Existing investments in bonds and debentures, equities, short-term holdings or pooled funds will be liquidated to satisfy these funding commitments in alignment with the WCB's Statement of Investment Policies and Goals.

20. CAPITAL MANAGEMENT:

The WCB considers its total capital available to be its funded position, which is represented by the sum of the injury fund and reserves. The Act established and requires the Injury Fund be sufficient to meet all the payments to be made out of the fund with respect to the cost of the administration of the occupational health and safety program and compensation as it becomes payable.

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

The process for managing the WCB's funded position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and sets the target range for the injury fund, excluding unrealized gains and losses on investments at the end of the year, at five per cent to 20 per cent of benefits liabilities plus annuity fund payable.

Where the injury fund shifts out of the targeted range, the funding policy states the WCB will replenish or regulate the fund to maintain the targeted range. Where the funding percentage falls below 100 per cent, the WCB will take action to replenish the injury fund immediately to reach 100 per cent. If the funded percentage falls below 103 per cent, the WCB, at its discretion, will take action to replenish the Injury Fund to reach 105 per cent within 3 years. Generally, where the funding percentage rises above 122 per cent, the WCB, at its discretion, will distribute surplus funds to employers, within the year following the WCB's fiscal year in which the funding percentage exceeded 122 per cent.

The WCB monitors its funded status on the basis of its funding percentage. The funding percentage is calculated as the benefits liabilities plus the annuity fund payable, plus the balance in the injury fund, excluding unrealized gains and losses on investments at the end of the year, divided by the benefits liabilities plus the annuity fund payable.

The funding percentages at December 31 were as follows:

<i>(thousands of dollars)</i>	2022	2021
Injury fund	\$ 436,049	\$ 549,420
Unrealized gains on investments	(186,081)	(416,158)
	\$ 249,968	\$ 133,262
Benefits liabilities plus annuity fund payable	1,687,702	1,748,964
Injury fund, less unrealized gains on investments, as a percentage of benefits liabilities plus annuity fund payable	14.8%	7.6%
Funding percentage	114.8%	107.6%

Schedule 1 - Administration Expenses

Year ended December 31

<i>(thousands of dollars)</i>	2022	2021
Salaries and employee benefits	\$ 47,976	\$ 47,566
Amortization (notes 6 & 7)	5,817	8,735
Computer services	3,695	3,569
Consulting services	3,466	1,906
Building operations	2,216	2,341
Communications and postage	1,407	1,475
Office rental	1,158	1,073
Office expenses	1,056	943
Training and development	846	437
Professional services	747	625
Travel and automobile expenses	445	171
Community relations	235	148
Market research	162	202
Advertising	137	131
Miscellaneous	(67)	(122)
	69,296	69,200
Less: Fees charged to self-insurers	3,050	2,928
	66,246	66,272
Less: Administration costs charged to Future Benefits Administration (note 10)	17,253	12,274
	\$ 48,993	\$ 53,998

See accompanying notes to financial statements.



Head Office
200 – 1881 Scarth St.
Regina, Sask.
S4P 4L1

Toll free: 1.800.667.7590
Phone: 306.787.4370

wcb.sask.com

