Saskatchewan Workers' Compensation Board

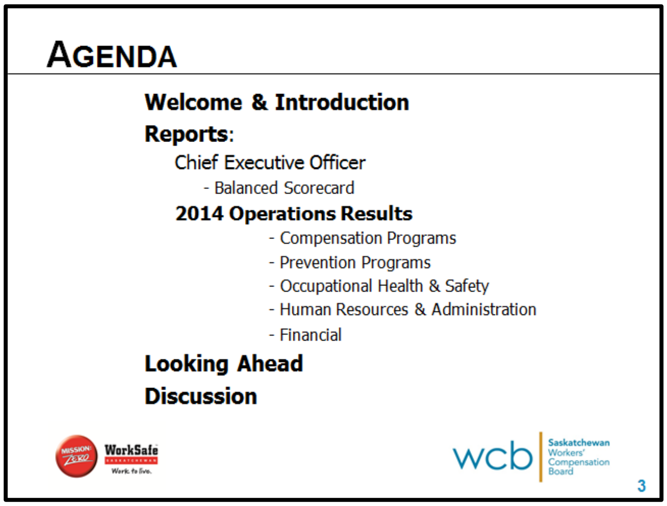
Annual General Meeting

May 6 & 7, 2015

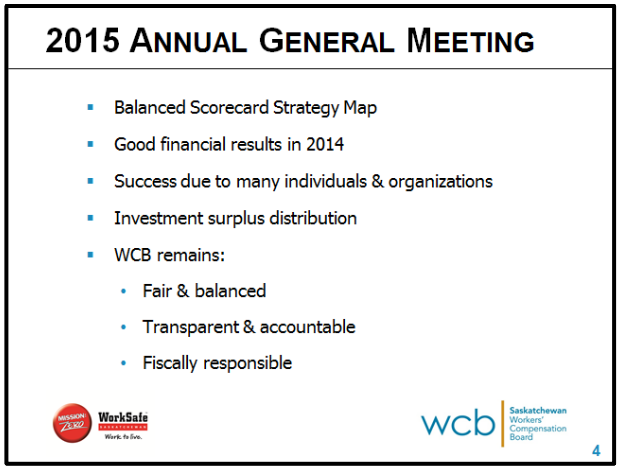
Gord Dobrowolsky

Good Morning, my name is Gord Dobrowolsky and I indeed have the pleasure of being chair of the board and working with a very competent group of people that I have come to admire and respect. I want to make sure that everyone is aware that the two board members are here, Karen Smith and Marg Romanow.

Ladies and Gentlemen, this is our most important, I believe, of public accountability events. Thank you so much for your interest in what we do to serve you as employers and workers in Saskatchewan. It is indeed my privilege to be addressing you as chair. We are here this morning to share the results from 2014 as well as our plans for the future. The new Workers' Compensation Act of 2013 became effective January 1st of 2014. This Act governs our actions as a board. WCB has exclusive jurisdiction in Saskatchewan and we are an independent board fully funded by our employers' premiums and investment income.



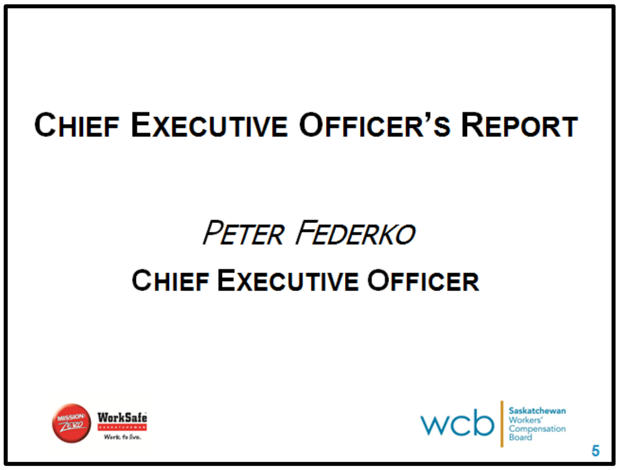
The WCB had two key strategic areas of focus, providing excellent customer service and injury prevention. We want to continuously serve you better while we strive to move Saskatchewan ever closer to achieving Mission Zero. The workers' compensation system in Canada as we know it has been established in something called the Meredith Principles. 2014 marked over 100 years since these principles were adopted and I believe they are still as valid today as they were 100 years ago. Reflecting on something known as the historic compromise, the Meredith Principles provide for an employer-funded compensation system in exchange for which workers give up their right to sue. The principles stipulate that WCB will provide no-fault mandatory insurance coverage to protect workers from wage loss. Through this no-fault system employers are protected from legal action arising from a workplace injury and collectively fund the compensation system. We remain committed to the Meredith Principles that protect families, employers and entire communities. All of us here representing the Saskatchewan WCB are extraordinarily proud to be able to help injured workers, their families and employers when they are affected by a workplace injury.



Here are few highlights from our year. The WCB remains a fully-funded workers' compensation board, and in 2014 we have been able to offer our lowest average premium rate in over two decades. We share this success with you. Our average premium rate dropped for the 12th straight year in 2014 to $1.51 and our 2015 average premium rate is $1.46, which puts us at the fourth-lowest in Canada. Our rates remain low because you are investing time and money into preventing injuries. Injured workers and employers are cooperating in return-to-work plans. Our system is sustainable and constantly improving because we work together.

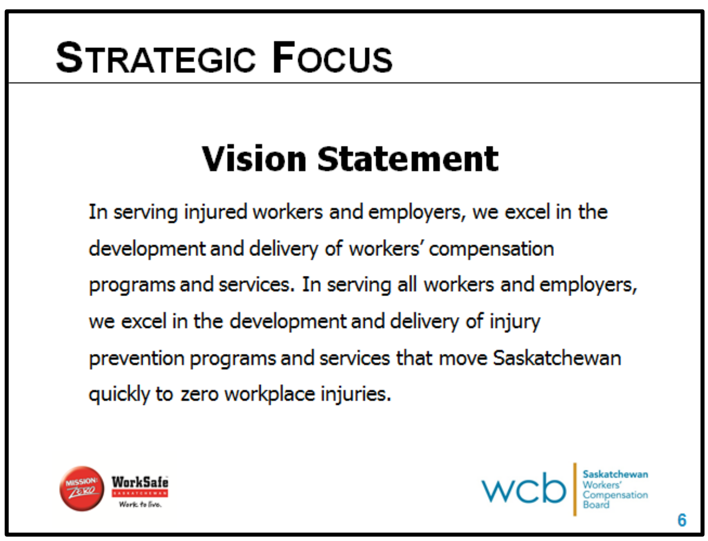
In 2014 our operational results are positive for employers, injured workers and the public. It is now safer to work in Saskatchewan than ever before. In 2014, 87% of employers achieved Mission Zero. I keep repeating that, I think to the point of ad nauseam with some people who have heard me speak over the last little while, but I keep saying it because it's such a tremendous, tremendous statistic. 87% of employers achieved Mission Zero in 2014. Our time loss injury rate is at 2.41%. This is the lowest it's been in over 20 years. Our total injury rate continues to drop and is now 6.99%.

Our vision is to provide the best service to our customers, employers and injured workers. When injuries are prevented and when people are able to return to work safely after an injury, then it follows that premium rates also decrease. I would like to say this is a credit to our Saskatchewan workers and employers and to our WCB staff who work together to make our system here one of the best in Canada. This morning Peter Federko, our Chief Executive Officer, and his executive team will provide you with details of our 2014 results I leave you with Peter and the VPs.

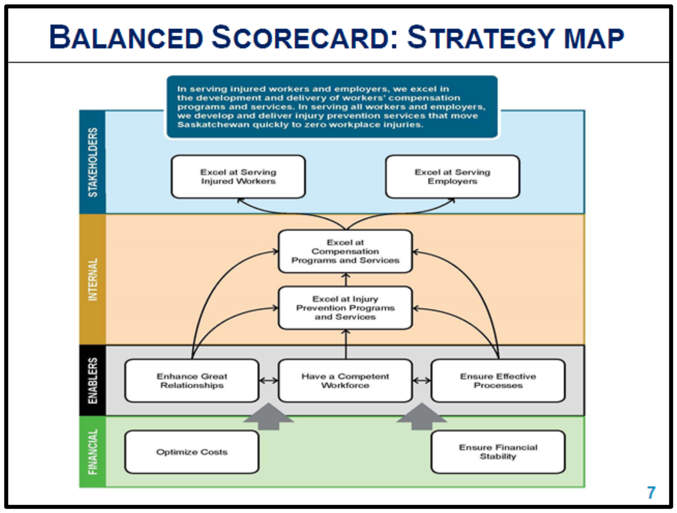


Peter Federko

Thank you, Gord. And good morning everyone and welcome and thank you so much for coming and showing an interest in your workers' compensation system. It's my pleasure to be the first to kick off the executive's accountability in terms of the year 2014 as well as share with you what sort of our plans, are for 2015 and beyond. I always like to start with talking about the strategy.



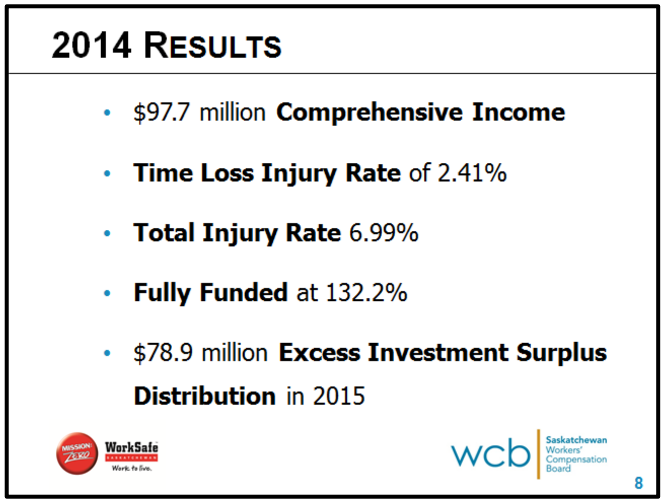
Not unlike any other organization, we go through a formal strategic planning process with our board on an annual basis. On our website, www.wcbsask.com, you will see our updated strategic and operational plan. We maintain a three-year rolling plan, so as one year goes by we add another year on, we always have a three-year plan. The vision of our organization has been stable, really stable, for a number of years. And as Gord indicated, our focus is really on providing excellent service to our customers, both on the workers' compensation side as well as the injury prevention side.



We adopted, back in 2000, something called the balanced scorecard and that has evolved over time. What I am showing you here is what we call our balanced scorecard & strategy map. And it's divided into four perspectives. There is a stakeholder perspective up at the top. We start with that vision statement up at the top, excelling and serving workers and employers on both compensation and prevention programs. From an external stakeholder-facing perspective we want to serve our workers and serve our employers. Now behind each of these objectives are actually indicators of how well we are doing relative to meeting those particular objectives. And essentially we use survey methodology to survey workers and employers twice a year and ask them for their feedback in terms of how well we are doing in serving them. I am joined by my VPs this morning and Graham Topp, our VP of Operations, will get into greater detail in terms of our survey methodology and the results of those surveys.

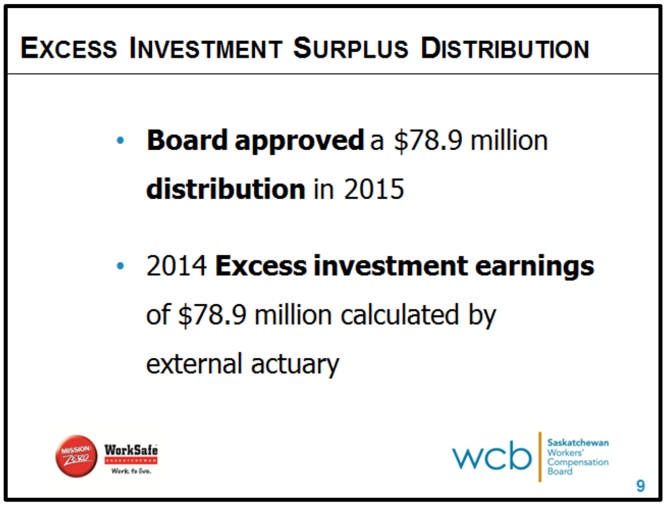
What happens up here is generated from what we do down here, what we call the enabler perspective, and I will talk about that a little bit more as well. The next perspective is what we call internal, so internally focussed, internally looking, how well are we doing in terms of running our business, so how are we doing in terms of excelling at compensation programs. And for our purposes -- this is the 2014 balanced scorecard & strategy map. At the end I will share with you the 2015 which looks very similar to this. But behind this is what we call our average duration of claim as an indicator of how well we are doing with respect to our compensation programs. With respect to our prevention programs and services, the indicator we use is the injury rate. And, again, Graham is going to talk about the duration and Phil Germain, our VP of Prevention & Employer Services, will talk to you in greater detail about the injury rates that we are seeing. This is really where the focus for us as an organization is when it comes to operational planning. We are a knowledge-based organization, a people-based organization, and so the three things, partnerships, people, and processes, are key to generating any positive results. Hence the arrows going all over the place, because if we don't have the right people in the right jobs we are not likely going to have very good programs and we are not likely going to be able to meet your needs. If we don't have great partnerships both internally with our staff, so employee engagement, or externally with our partners that we rely on in terms of effective return-to-work programs as well as injury-prevention programs, again, we are not going to do very well in terms of our programs and services.

The last perspective is what we called financial and it's just the foundational piece. In order for us to execute up here, we need to have a strong financial base. We measure that through something we call financial stability and there we are looking at our funding percentage, how well funded are we. We have a policy established by the board that says we need to maintain our funded position within a certain range, so we track that on an ongoing basis. With respect to these three -- I didn't talk about the indicators here -- we have indices that we have established to measure the degree to which we are creating great relationships, have a competent workforce, and have effective processes. We also look at the efficiency with which we run our organization. We have a ratio that takes into account the administrative costs for running our organization combined with the program costs and that's built into an index that we have here. Together this strategy map really drives what we do from an operational planning perspective and initiatives flow out of this. So this cascades down into the organization. We would call this our evaluative scorecard. This is what I look at, what my board looks at. But below this, each operating unit will have its own scorecard and strategy map that's based on their specific area of responsibility that cascades down from this. This really creates alignment and a clear line of sight in terms of what we are ultimately trying to accomplish and how we would go about doing that. If we see this objective turn red, for example, or yellow, caution, we would drill down into the scorecards below it to see what's actually happening there and where the corrective action needs to be taken.



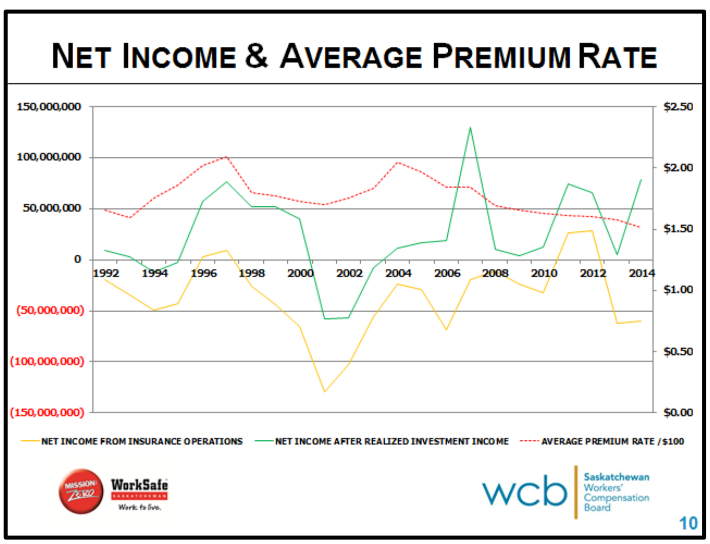
As Gord said, 2014 was, in my opinion, a very, very positive year and the VPs, Graham and Ann, Phil, and Mick, will dive into the detail. I pass on the regrets of Donna Kane, who is our Vice-President of Human Resources and Communications. Donna couldn't be with us this morning so Mick is going to cover off the Human Resources and Communications area for us. The VPs will get into greater detail about what I have talked about already, plus, Ann will cover off the Comprehensive Income more in depth. We finished 2014 with what we would call a comprehensive income of 97.7 million dollars. That is generated as a result of still continued strong premium revenue, very, very good investment returns in 2014. Our market rate of return was over 9%. In 2013 we were at 17.2%. In 2012 we were around 8%. We have had very, very good, good years in terms of investment returns. That, combined with stable and reducing costs, has allowed us to generate another operating surplus or comprehensive income of 97.7 million. Contributing significantly to that is the reduction in injuries. And, again, Phil is going to get into greater detail around that. But we saw the injury rate decline down to 2.41%, just shy of our target of 2.4, our total injury rate. So these are just the time loss claims. These are all claims in the system whether there is any time loss attached to them or not. That rate dropped to just 7%, below our target of 7 ½%.

As at December 31, 2014 we were 132.2% funded. Now according to our funding policy, we are to maintain between 5 and 20% in our surplus, 5 and 20% of our liability, of our benefit liability, which is about 1.2 billion dollars. We have to maintain a maximum of 20% in that injury fund and a minimum of 5% in order to continue to meet our obligations. That policy was developed by our external actuary, who said, "In order to prevent you from going into an underfunded position, that's the range you must maintain." What the policy goes on to say is if we exceed 122%, then we will take up to five years to rebate the surplus, the difference between 120 and wherever we are at, so in this case 132%, for up to a five-year period.



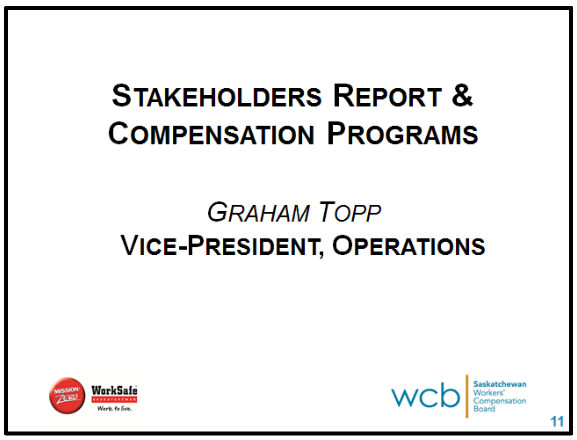
In 2015, or Spring of 2015, February I think or maybe early March, the board actually approved an excess surplus distribution of 78.9 million dollars. Those cheques and/or credits to employer accounts will be going out we are anticipating no later than July 31st. If the amount of the refund is over $300, you will actually get a, physically get a cheque. If the amount of distribution is less than $300 it will just show up as a credit in your account with us. The total amount of the excess surplus, the difference between 120 and 132.2 is roughly 141 million dollars. Now we are distributing only, roughly 79 million of that in 2015 for a few reasons. I think everyone is aware of some of the things that are happening with respect to our economy and while we have projected payroll growth and we are seeing payroll growth, it's really muted. We don't know -- we are just in the middle of our assessing process so we've got actual payrolls now reported to us for 2014 -- we are just in the process of processing those payroll statements that we received from employers so we don't really know what the impact is and we don't know what the revised estimates for 2015 are going to be.

Equally and maybe even more important is we have undertaken something called an asset liability study. An asset liability study is where we go out and contract with an external actuary and what the actuary does is runs literally hundreds of scenarios -- they call it stochastic modelling -- but runs hundreds of scenarios with different asset mix returns, different effects on the liability, different injury projections, all those kinds of things, and says, "The probability of you becoming underfunded is this." Under our legislation we are to be 100% funded at all times. And with the exception of one year, Saskatchewan is one of a few jurisdictions in Canada that has been able to do that. What the actuary is currently studying -- and we are anticipating having that report probably within the month -- but they will tell us a couple of things. They will tell us the adequacy of the investment policy that we have. So, again, the board approves a policy that says, “Here is how we want you to invest the 1.9 billion dollars that we have on hand” and so much in equities and bonds and so on and so forth. He will look at the adequacy of that policy. He is also looking at the adequacy of our funding policy. So is 5 to 20% too much, not enough, or just about right? And if you look across the country, different jurisdictions, except for two who are actually below 100%, have similar kind of funding guidelines or policies in terms of how much they are to maintain in those reserves. As matter of fact, if you look at the insurance industry as a whole, the Office of the Superintendent of Insurance has very specific requirements and regulations in terms of how much insurance companies need to maintain in reserves in order to continue to honour their future obligations in the event that they went out of business or what have you. For all of those reasons the board had decided that we are going to return about 56% of that excess surplus, so 78.9 million of that 141 to be returned in 2015. And as the year progresses, as we get to the end of the year and look at what’s happening next year the board will make another decision. If we continue to be in an excess surplus position after all of this stuff sorts its way out, the board will be considering another surplus distribution next year.



Where does this come from? Now this graph looks like it’s a little bit busy but it’s really not that complicated. The red dotted line here is what’s happened to the premium rate over this period of time. And I see the years aren’t on here, but this is from 1992 all the way to 2014. The red line represents what the average premium rate has done over that 12-year period? The yellow line is what we call our income from insurance operations. If we just take premiums that we have assessed and/or collected in in each of these years, so ’92 right through to 2014, and we subtract the total costs that we paid out per year, the difference is what we call income or loss from insurance operations. The middle line here is zero, a breakeven position, no profit, no loss. And you will see but for I think five or a couple of years here in ’96 and ’97 and then here again in 2011, 2012, our insurance operations were actually generating insurance losses. In other words, the premium collected in the year did not cover the costs paid out for claims and administration in that particular year. The green line represents the income after we include investment income. Now it says down here, “net income after realized investment income” -- and I don’t want to spend a lot of time or steal some of Ann’s thunder, but under the current accounting rules, as markets change we are required to record the change in markets right into our income. If markets increase by 100 million dollars, we have to add 100 million dollars into our income in that year, whether we sold anything or not.

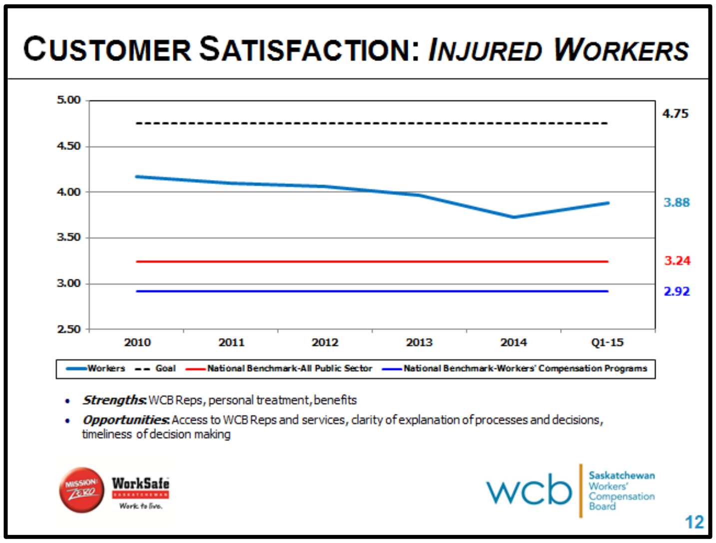
For funding policy purposes, what the board has decided is, we only want to look at our funded position based on real money in the bank, based on real transactions. Our investment managers have sold some bonds or some stocks and we actually realized a gain, we want that gain to go into the income, not how much the market’s grown. It’s like the equity in your house growing because your house prices are up, but actually if you sell your house today and you counted on the market value of the house at December 31st you are going to be a little bit disappointed because housing prices have corrected. So it’s that same sort of theory. Until the money is actually in the bank as a result of a transaction, we are not including it in our income for purposes of determining funded position. So this green line has taken out the effects of market increases or decreases. This is real investment income, real interest, real dividends, real gains and losses, on transactions. When we adjust our income, the income from operations, you will see that all but for a five-year period -- now this was the tech bubble here, remember? The technology stocks were driving markets like crazy and all of sudden they crashed because there was no intrinsic value in those stocks. And so our investment income took a big dip in 2001 and 2002. But for the most part, if not for that investment income we would not have generated surpluses over the years. Now if you add this all up in that 12-year period, it probably comes pretty close to a wash. However, my point being is really what’s generated, that 141 million dollars, 78.9 million of which is being rebated or paid out to employers is as a result of these excess investment returns that have accumulated over the years. Now out of those investment returns remember we have also covered the cost of legislation, increased maximum. Ann is going to talk about the implications on our reserves in terms of occupational disease requirements and so on and so forth. We have absorbed all of those costs which are included in our income from insurance operations, but have been able to do that without affecting premium rates, continuing to decrease premium rates even though those other things happening, and are now in a position where we do have excess surplus that we are then rebating to you. On that note, I would like to turn it over to Graham Topp to take you through the Operations piece. And I will return at the end just to sum up and show you our projections for the next few years and to participate in the Question and Answer.



Graham Topp

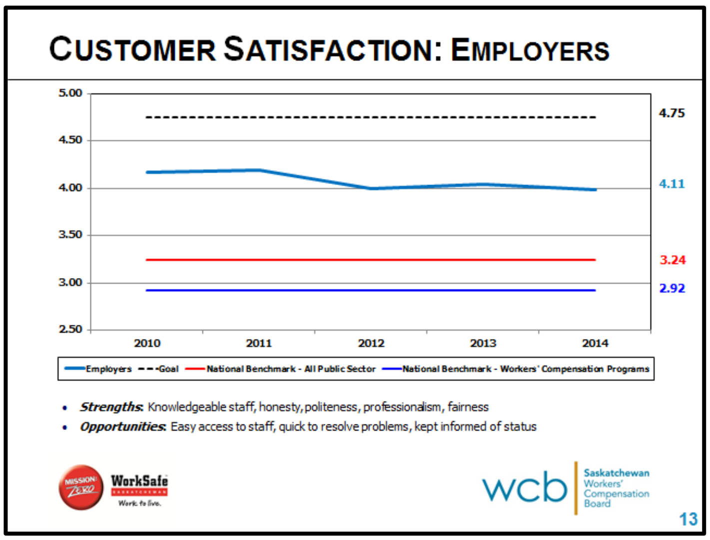
Thanks for coming out and showing some interest, as Peter said, in your compensation system. I'm going to run through some fairly high-level results of the compensation system as a whole before passing it off to Phil to get more into some of the Prevention area. I'm going to start with our most important objective which is customer satisfaction.

A little bit about this survey tool and methodology, it's administered by an independent party. The survey itself is based on a design put together by the Institute for Citizen-Centred Service. It's a service satisfaction survey especially designed for the public sector. 4.75 is our strategic goal. That's from our customers. We asked them, "What are your expectations?" and that's how that was said. That equates to 95% satisfied. We benchmarked nationally against other public sector organizations and other compensation programs. 3.24 out of 5 is the average service satisfaction for all public sectors nationally and 2.92 is for workers' compensation programs.

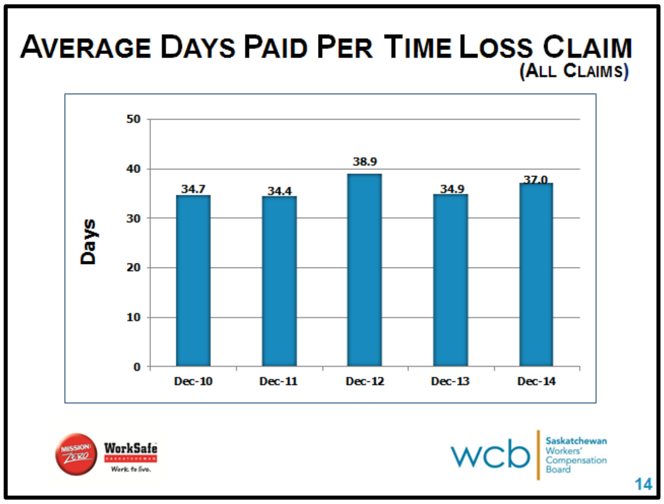


You can see that we struggled a little bit last year. And I'll talk a little bit about the uptake in there. As a general comment I would say that we struggled to keep up. Driven primarily I believe by employers getting faster and better at accommodating, understanding the value, investing in programs, the doctors are cooperating a little bit better -- injured workers have always wanted, generally speaking, to cooperate and get better -- we weren't keeping up. We undertook during this time to do some pretty fundamental process changes focussed at the front-end of the claims system, we call it. That's primarily from injury you have got to go get treatment, then it's reporting, registration, initial adjudication and initial compensation payments to injured workers.

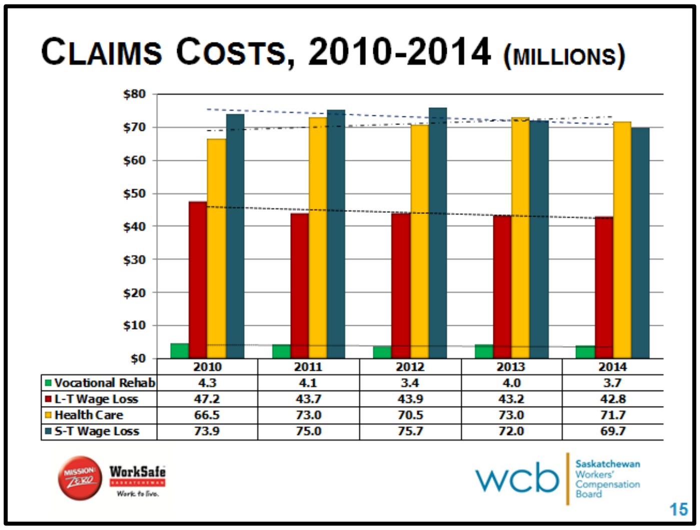
Our latest feedback indicates that -- our injured workers tell us our strengths are our reps, personal treatment, and benefits. Our opportunities are access to our people and our services, clarity of explanation, processes, decisions, what can I expect, what do I have to do, and also timeliness of decision making, and primarily at this point in time initial adjudication decisions. We made some changes based on this kind of feedback. This feedback goes right into our plans. Please continue to participate in surveys when they call. We actually use this information. We made some pretty fundamental changes to how we do it. And I included the first quarter survey feedback here. At yearend we were at about 3.7. That's low, that's very low for us and we are definitely not satisfied with that and obviously the injured workers felt there was room for improvement as well. But I just want to make a comment that you should see today, especially at the frontend of the claim, whether you are an injured worker or an employer, much better access to our people and our services, much better and more communication including status and the critical information that needs to be communicated earlier in a claim. As a result of that better communication you should see faster problem resolution and faster decision making. We did make some investments based on your feedback and it is responding to some extent, so it's an encouraging sign. We feel like we have turned the corner a little bit. This coming year our focus will be on improving the core return-to-work process from end-to-end. This is just initial acceptance where we had backlogs and it was taking way too long, people weren't getting calls returned, it was just breaking down a little bit. This coming year we are going to look at it from end-to-end and try and make sure that core return to work works as good as it possibly can in terms of the performance of your compensation system and the involvement of the stakeholders.



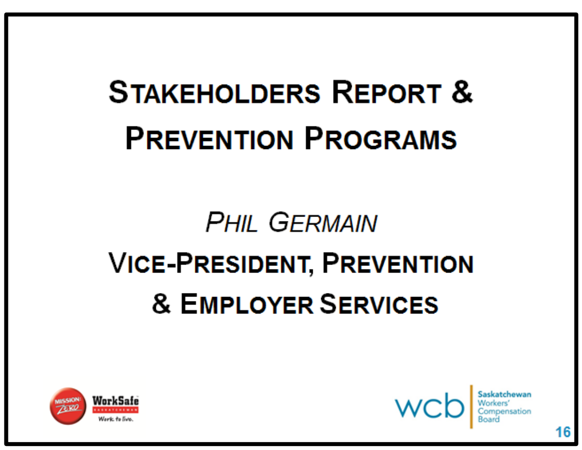
On the employer side, you can see it's about 4.11. 4.11 is an average of claims and non-claims services we survey on. Our performance in the claims service area dipped to 3.99 or basically 4.0. And that was a decline and for the exact same reasons that injured workers were telling us we need to improve access, communications, problem resolution and decision making. 4.22 was the rating for non-claims services. So it averages out at 4.11. The strengths our employers told us were we had knowledgeable staff, honesty, politeness, professionalism, and fairness. Fairness hasn't always been on the strength list, so that's a change. Opportunities: again, access to staff, speed of problem resolution, and kept informed of status. Things are moving so fast, no one wants a time loss claim, everyone can accommodate, so everyone really needs to know what's going on all the time. And as the facilitator of the system, we have got to step up to that challenge better.



Average days paid: this is the single biggest or most important indicator. It is an indicator in terms of the general performance of the system, how quickly do people get safely back to work. It increased to 37.0. In fact I just got the April results. We are at 37.0 just today. It's stabilizing in that area. We have talked in the past about the changing mix of claims in the system and how there is more no-time loss relative to time loss and that the changing mix of claims in the system means days are allocated over more full time loss and it's making this indicator a little bit more volatile and a little bit more informative. We are actually reviewing the value of this indicator in terms of the health of the system overall. Over the past five years the mathematical impact of a declining number, a relative decline in the number of time loss claims in the system, has forced this indicator up 3.46 days. So if you take 3.46 off 37, you will see the equivalent of what it was five years ago. The bottom line on this, this benchmarks very well. This is a true systemic indicator and this isn't just Workers' Comp, how well do we accommodate, mitigate, treat and work together getting injured workers back to work. It benchmarks very well. We are among the best in Canada. But there is opportunity here. Our objective this last year was 34.5. We didn't make it. Our strategic objective is 32. I think everybody who works in the system, wherever you are in the system, would recognize that there can be some improvements made here getting injured workers safely back to sustainable return to work. Every day you take off this average is worth a million and a half dollars to the system, so it's really good value here to chase the gains. And encouraging signs, we break this down quite a bit with the actuaries. Current-year claims, the duration of current-year claims, so how are we doing lately, is coming down. So some of the improvements we are making, wherever you are in the system, accommodating or facilitating, is starting to show encouraging signs underneath in terms of duration, how are we doing lately.

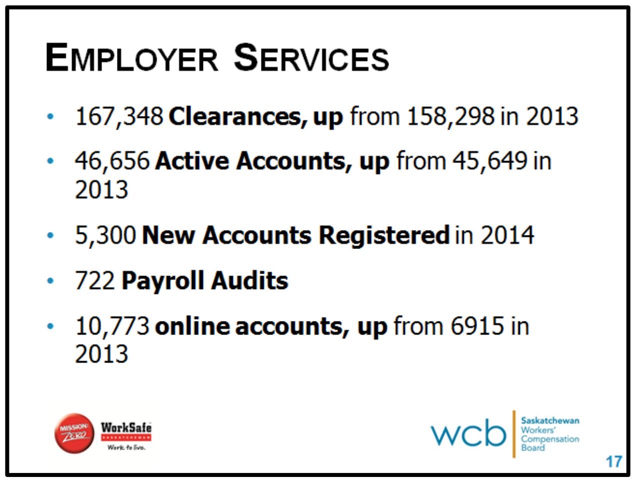


Finally, this is part of the optimized cost objective. Peter talked about the financial foundation. This is about claims costs. The picture here is stable and improving. A little bit of decline due to the decline in claims volumes mostly. A little bit of a decline in voc rehab, a few less people in the system. One encouraging sign there is we are spending vocational rehab money sooner, earlier intervention in claims, so that is working better. Health care is still the biggest concern on this. The rate of inflation in health care and the cost of health care is something that we watch very closely. But the rate of increase is slowing. So from a cost per claim point of view, this is pretty stable. The cost per claim isn't increasing any more than our forecast parameters. And I think overall the picture here is I think it's a very stable picture. But it's about optimizing. We work with health care best practices and that type of thing. This is not about cost cutting or cost minimization. It's about getting value for money spent in this area and it's a pretty stable picture. I will pass it on to Phil Germain now to get into the prevention program results.

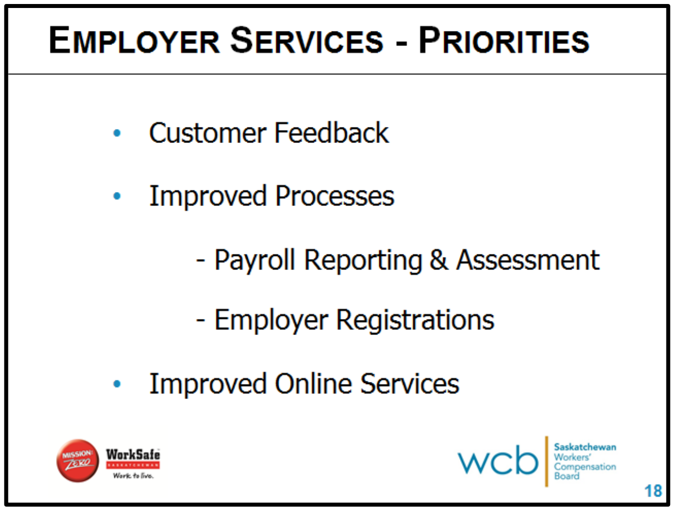


Phillip Germain

Good morning, everyone. In this particular portion of the morning I am going to talk about prevention and employer services which affects in the balanced scorecard that Peter talked about both the compensation and prevention side of the equation.

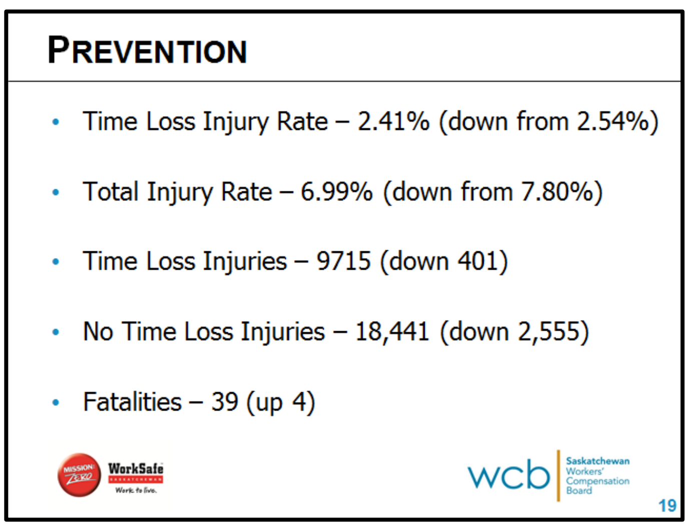


On the compensation side it's how we ultimately determine our rate classification, premiums, collection of premiums, reviewing payroll, all those types of things, and then obviously on the prevention side. So if we focus on employer services first, you can see that employer services from these numbers it's a high volume area of our business. We do a lot of transactions every year and those transactions are growing, especially on the employer side. It's no surprise to anyone that the number of employers in this province are increasing. Even though we started to see a slowdown, we saw a significant number of new employers in the province, while we lose some and add some, so it's not a one-to-one correlation, the more employers however many accounts we have. It's not always one-to-one because some businesses shut down, change, amalgamate. But overall we had over 46,000, creeping up on 47,000, accounts. Not that long ago we had 37,000 accounts in the system. We have seen dramatic increase in that area, which affects everything else that we do in these areas, getting payroll sorted out, making sure employers get the communications that they need and dealing with managing that account and the expectations that our clients have in managing that account. So you can see overall the activity is up, 167,000 clearances which is really proof of coverage. Of those 167,000 clearances, about 99.9% of them get completed in less than half a day. In that regard we're pretty good. On the registration of accounts and new accounts registered we have struggled over the last few years and it's been part of our focus for the last couple of years.

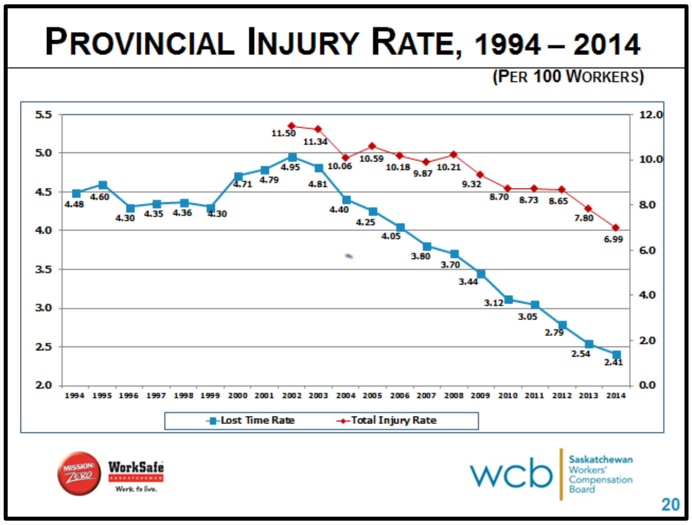


Last year at the AGM last year, we talked about the need to go out and collect better customer information. And we did that, we started down that road I'll say in 2013 and 2014. We did focus groups with employers to find out how the payroll processes, and employer registration processes were working. And we took that feedback and used it to improve processes. And our management and staff took that feedback I can tell you to heart because the delays that we were seeing in being able to register employers and being able to get payroll assessed quickly, which are the expectations of our customers, it was bothering our staff and our management as much as it was frustrating our customers. We were working very aggressively on trying to find solutions that were able to provide better and excellent customer service. And through the feedback we were able to conduct some process reviews in the employer services area specifically focussed on payroll reporting and assessment and employer registrations. And we came up with a number of opportunities to improve the process and provide better service and we basically aligned those opportunities over the last year and the next couple of years going forward. And what we have seen is some immediate and good response. On the payroll reporting we are getting constant feedback from employers that the ability to report payroll and the ability to report it online is much easier and more straightforward. I'm getting at my level customer feedback. People are phoning me and saying, "I want to talk to So-and-So's manager because they are doing such a great job and were very helpful." We are starting to see real a positive change in those areas. But we're not done. Make no mistake, we're not done. We have taken some initial steps and they have been very positive steps.

On the employer registration side, we have been in what I will call backlogs for the last couple of years. Based on the customer feedback, based on the process changes, we were able to eliminate backlogs in this area by the end of 2014. We were typically for the last couple of years meeting our customer service standards by about 50% - 60%. By the end of 2014 and into 2015 we are well over 80%. So again we are seeing some improvements based on industry and employer's feedback, taking that feedback to heart, looking at our processes and making the necessary changes to provide better service. A lot of the services we have initially changed based on customer feedback were online. We have improved, we created some smart forms. And what's happened in that is it's not only saved us time and our ability to speed this up, but it's also allowed us to not necessarily have to pick up the phone and phone employers back multiple times. That eats up time for the employers, it eats up time for our staff, and it delays our ability to get that service completed for you in a timely way. We've seen positive impacts not only on our ability to do the work, but the amount of time that employers typically need to get this stuff done. Overall volumes, like I said, while up, we are making gains. From my perspective and the work that the staff and the management have done in Employer Services and some of the feedback we are initially getting from employers is we are starting to see some positive, moving in the right direction in regards to the services that we provide in this area of the business.

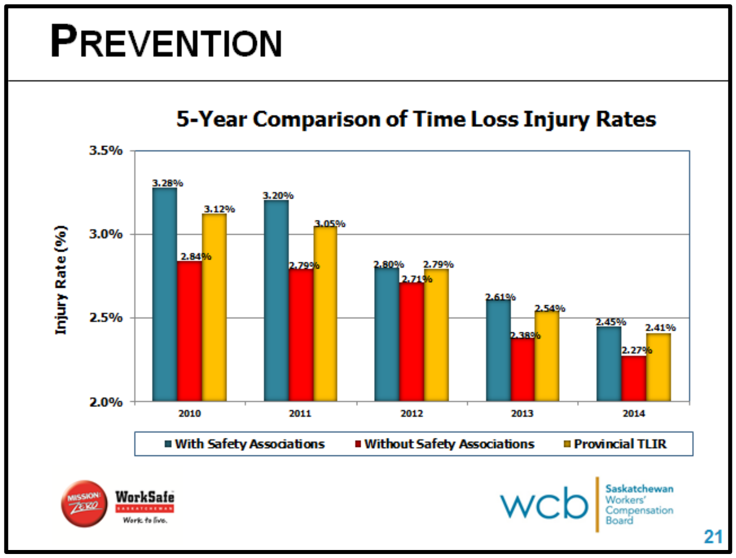


As Peter mentioned, the time loss injury rate and the total injury rate in 2014 went down. We did not meet our target of 2.40 on the time loss injury rate. We came close but we didn't meet that target. But it is still down. That was caused by two things. Number one, there were fewer time loss injuries, over 400 fewer time loss injuries in the system, and about 4,000 more employers. So the combination caused the time loss injury rate to go down. On the total injury rate, a similar type of story: over 2,900 fewer claims in the system from 2013 to 2014 and about again 4,000 more full-time equivalent workers causing the injury rate to go down. Time loss injuries: because again we are not just focussed on the injury rate, we are focussed on the total number of injuries and the total number of claims and injuries went down to just over 9,700. So from a prevention perspective we don't focus on just the time loss injury rate, we don't focus on just the total injury rate, and we don't just focus on claims. We look at all of them and we want to see all three numbers going down at the same time. That to us is an indication that injury prevention is improving. We manage those expectations -- from the injury prevention perspective we know that return to work is critically important. Once someone is injured we want them to be cared for and we want to mitigate the loss and the harm to the employer and worker as a result of an injury. But at the end of the day, every claim that's registered with us is an indication that there is some type of hazard or risk in the workplace. The difference between a time loss injury and a no-time loss injury and a fatality can be a quarter of second, a couple of centimetres or millimetres. So we look at all of these data points, fatalities, no-time loss and time loss in the same way from a prevention perspective. You can see that fatalities were up. Of all the metrics that we track and we are keenly concerned about from an injury prevention perspective, fatalities are up. And it's one of those very puzzling scenarios that we are struggling to address. And we speak about this issue across all jurisdictions that are struggling to try and figure out why. What do we need to do to help employers and workers not only reduce injuries but ultimately reduce fatalities? We know there is a cultural component to all of this and we are working very hard and at the end of the day I think the issues around fatalities are cultural. There seems to be certain issues, certain tasks, where if push comes to shove people will take unnecessary risks. There is a speaker in NAOSH who talked about -- Greg Johnson talked about the other day at the national NAOSH launch, "You know, all things we do in life are risky. What we don't want to be is reckless about it." And there are certain points where employers, workers, supervisors seem to get reckless and there's too much risk involved to the point where people are dying. And we have to try and figure out and understand how to deal with that much more effectively.

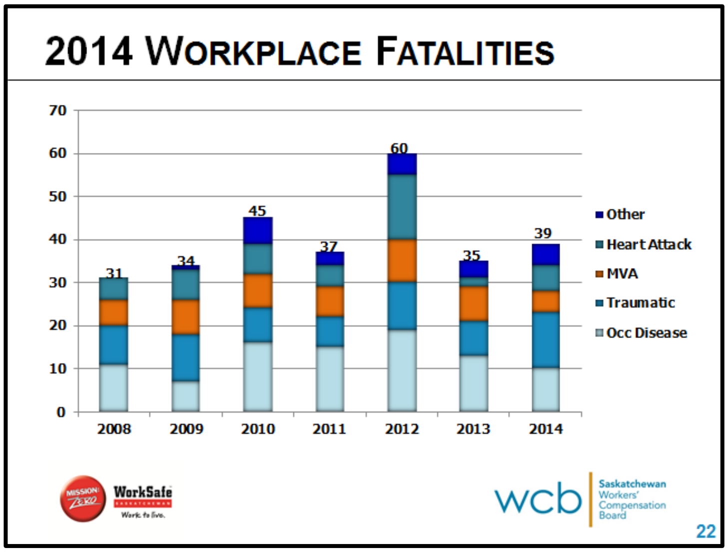


This slide shows the provincial injury rate, so the trend, the overall trend over the last few years, and you can see that trend has been positive for quite a while now. There is an increase, obviously a significant increase in payroll and the number of FTEs. I'm looking at some data here and the payroll since 2002 has jumped from 9.5 billion to over 20 billion in 2014. FTEs went from just under 300,000 to over 400,000 during the same period. Time loss claims went from over 15,000 to just over 9,700. And total claims accepted went from 35,000, over 35,000, to just over 28,000. The positive impact this has on people's lives and ultimately from a business perspective, allowing your business, having your workers in your workplace, doing the work that you have hired them to do, having positive impacts on premiums and premium rates. I was doing some calculating on the year-over-year over change since 2002 on the time loss injury. We estimate -- and we use a conservative estimation -- that each time loss removed from the system saves about $10,000. If you look at the cumulative effect of those, the constant reduction in time loss claims in the system, the improvement in injury prevention, it actually adds up from 2002 to 2014 to just over 300 million dollars stripped out of the system in that time period. The trend is positive and we want to keep it going in that direction.

Just from a bit of a comparative note, if you look at the latest numbers available from the AWCBC, the Association of Workers' Compensation Boards, the 2012 national average for time loss injury rate was 1.65. In 2011 it was 1.72. And we can argue whether or not those are apples to apples comparisons, but the point is even though we have done fabulous things together, there's been a lot of people, a lot of suffering in injuries saved, and we still have a long ways to go.

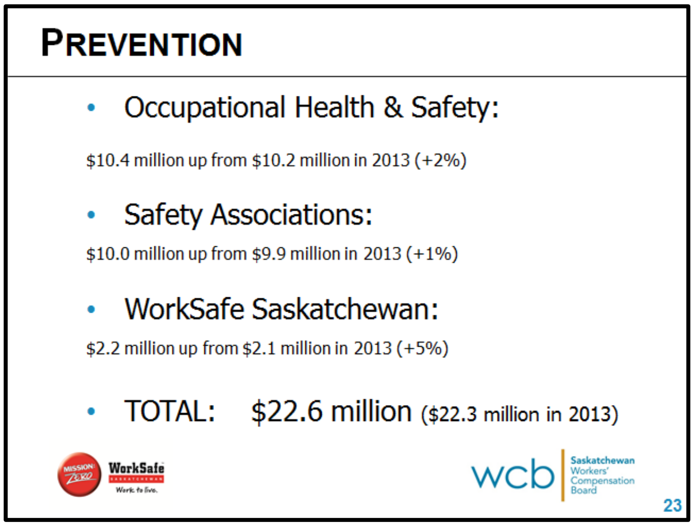


This slide shows the overall performance but with one differentiation. We partner with seven safety associations that represent 18 rate codes in various industries supporting industry-based safety associations. These safety associations have a board of directors that represent employers and workers. What's interesting about this chart it's the difference between the blue line and the red line that's interesting, to me anyway. And you will notice that over time the difference between the blue line and the red line -- so the blue bar you see represents safety associations, the red bar represents all rate codes without safety associations -- and you will notice, even though the safety associations represent construction, manufacturing, health care, oil and gas, the high, high risk industries, the gap between the industries with safety associations and the rate codes without safety associations is shrinking. The difference in 2010, the difference between those two bars is .44. The difference between those two bars in 2014 was .21. So in partnering with industry to help fund safety associations, this is one of the major positive impacts that we are having in helping employers and helping workers develop and create safer work environments. I mentioned earlier, fatalities.



For all intents and purposes fatalities are disturbingly flat. In fact, if you really look at it I would even suggest there might be -- you know, it's up, it's down. The trend is maybe slightly up but it is not going in the direction we want it to go. It is nowhere near zero and we've got a lot of work to do to get it there. Occupational disease: when you look at these stats they are broken into different colours. The occupational disease fatalities decreased from 13 to 10 in 2014. Six of those were asbestos related, two were cancer and nonrelated to asbestos, and two were related to substances in environments causing COPD. Traumatic fatalities increased from 8 to 13. Four were chemical exposures like sewer gas and H_2S, three were struck by an object, two were struck by a vehicle, two were falls, and two were electrocutions. Motor vehicle related fatalities decreased from 8 to 5. Heart attack fatalities increased from 2 to 6. And then there are what we call the other category where two people were found dead -- we are not sure of the cause exactly -- and three people died due to medical complications associated after the fact with their injuries.

You can see this is a very difficult issue that we are struggling with and we want to keep encouraging employers and workers and unions and employer associations to work hard with us in trying to figure out how to reduce these fatalities. We are working, the Prevention Department and WorkSafe is working on trying to get a detailed analysis of fatalities for the last few years. We thought we had an agreement with the University of Saskatchewan but the person we were going to be working with isn't there right now. But we are going to keep working on trying to get better analysis, better information, related to fatalities so that we can make better decisions around helping prevent these fatalities.



This slide represents the total funds spent on safety and prevention activities in 2014. Of the 22.6 million that was invested in injury prevention, 10.4 was used for the OH&S division at the Minister of Labour Relations and Workplace Safety, 10 million was invested in the safety associations, and 2.2 million was focussed on WorkSafe. This is as you can see slightly up from 2013 and we know the 2015 budgets are up slightly from 2014 to about 23 million.

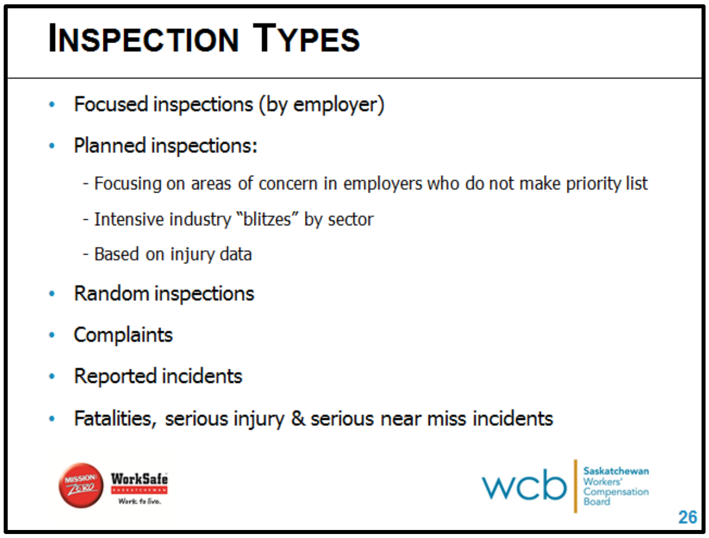
WorkSafe Saskatchewan is a partnership between the Ministry of Labour Relations and Workplace Safety. It was created in 2002 and renewed again in 2008. Since then we have committed to an integrated strategy to help reduce injuries and fatalities. Through our integrated plan and process we consider who is best positioned to execute a particular initiative, project or activity. We are trying to get better at figuring out who has got the resources, what's the priority that needs to get done, who is best positioned to do that. So we reduce duplication or overlap and try and get more done with the resources that we have.

You see the focus, the provincial focus on injury prevention, is Mission Zero. We partner with many, many organizations to help promote injury prevention in Mission Zero. One of those key partners is Safe Saskatchewan. While WorkSafe developed and still owns Mission Zero, Safe Saskatchewan has adopted it as their provincial goal or vision that all unintentional injuries are eliminated, zero injuries, zero suffering and zero fatalities. All of our partners are working together with us to help create the cultural change that we need both on and off the job to help address this high incidence of injuries and fatalities. The truth is people's fundamental beliefs and values outside of work are often brought into work. And if they are willing to go on a roof and clean out their gutters without fall protection, there is a chance when push comes to shove to get a job done at work they may cut that same corner. And from an employer's perspective, for any reason that your worker is not there and available to do their work it has the same impact whether the injury was on the job or off the job. You can see from a WorkSafe perspective the WorkSafe strategy is built on four pillars: awareness campaigns, education and training, targeting strategies, and then partnerships, leadership and governance. We are focussed on all four of these pillars. It is not one, it is all of them that need to be moving in the right direction in order to get the change and sustain the changes that we have made. The WorkSafe campaign continues to evolve. We survey around the campaign, we get excellent feedback. There's high recognition on the campaign, there's high recognition for WorkSafe and Mission Zero. The numbers improved from just over 66% recognition for WorkSafe and Mission Zero in 2013 to 73% WorkSafe and Mission Zero in 2014. So we continually make gains in raising awareness about WorkSafe, about Mission Zero and the need for change. One of WorkSafe's ads, the distracted driving ad that some of you may have seen, actually was nominated for an international award this year. It was one of 20 safety related ads or videos that was selected to be shown at the International Media Festival for Prevention in Frankfurt, Germany last year. And while we didn't win an award or a medal, we were very honoured to be one of 20 worldwide to be shown in that media festival, which does speak to the quality of the campaigns that we have out there.

On the targeting side, our targeting initiatives continue to achieve good results. We were very focussed with LRWS this year on looking at all our targeting initiatives, were they working, how we can improve them. And we have revamped -- what was traditionally called the Priority 50, we are expanding it. Last year we went from 50 to 65 employers. Those employers achieved a 23.12% reduction in their total injury rate and a 25.15% reduction in their time loss injury rate. So our targeting strategies at the employer level continue to achieve good results. By the end of 2015 we are hoping to reach over 120 employers with this targeting strategy. So while we have kind of managed it at 50 for several years, we expanded it to 65 last year, and we are going to be expanding it to over 120 in 2015. In addition, we started to look at other types of what we are calling the targeted field campaigns where we look at very specific issues in industries and have very focussed approaches on them. We piloted it in the residential construction area last year. We have had very good results. And now we are partnering with the folks at the Saskatchewan Construction Safety Association and the Safety Association of Saskatchewan Manufacturers, to target key issues within their industries. There will be awareness campaigns which I think some have already started to see in the residential construction, there will be focussed inspections, and then there will be resources made available so employers can actually address those issues.

The health care strategy which was revamped in 2013 with the support of the health care safety association -- Sandra and her folks were very instrumental in shaping ultimately, pretty much owning that strategy, but it was through our industry's support, we collectively came together and developed a new strategy for health care. And I can tell you that strategy and the health care safety association is making great success and progress on that strategy. The total number of accepted claims: so we chose specific facilities within health care to focus on and support within this one element to this health care strategy. Within those focussed facilities claims dropped from 1,599, 13 facilities, over 1,500 claims, down to 1,109. That's a serious change within one year and that's the power of all of us working together to support injury prevention. So we are going to continue to work through this strategy. We have recently updated it again. But the health care strategy overall is working and the injury rates in health care are continuing to decline. The youth strategy is being revamped as we speak. While we will continue our campaigns in awareness, we are going to start focussing on the issue of orientations for youth: are our youth getting the proper safety orientation when they start work?

The last piece of our strategy is the whole partnerships piece. And we recognize -- as Peter started off, when he started off with the strategy map, he talked about the importance of relationships. And we at WCB and WorkSafe, are not going to achieve any of these results on our own, we won't. We know it's through partnerships, partnerships with employers and workers and health care providers on getting the right outcomes for a return to work and on accommodation. It's partnerships on the injury prevention side. Most of the work being done on the injury prevention side are through our partners. We have over 30 partners on the injury prevention side and they do amazing work every day to promote WorkSafe, Mission Zero and injury prevention. That's the reason these numbers are going down, our partners, the employers and the workers. We partner with the Sask Chamber, the Saskatchewan Federation of Labour, the Prince Albert Chamber, CNIB and the safety associations. There's a whole host of organizations that we work with that go out and make a difference every day and we appreciate it. It's very important to us to continue to work on building those positive relationships, working together, because that's how we are going to ultimately achieve all the results that we are trying to achieve. Now I'm going to turn it over to Tariq, Executive Director of OH&S, to kind of give you the other half of the WorkSafe partnership.



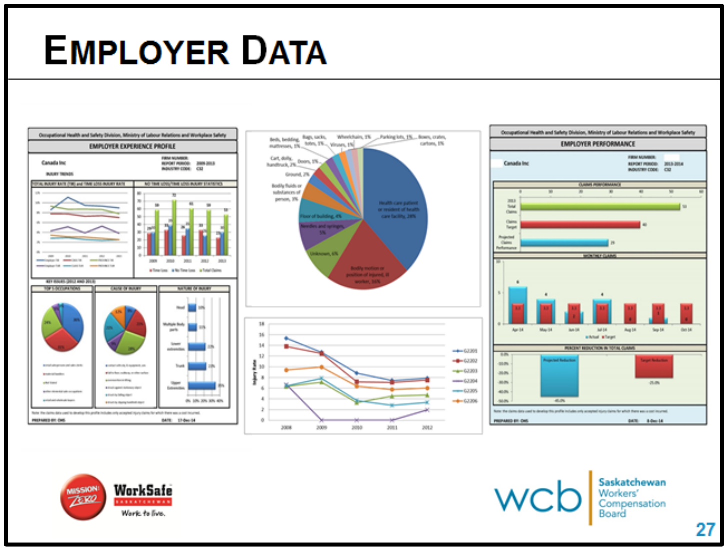
Tariq Alzabet

Good morning, everyone. I think Phil probably captured most of what I was going to say today, so I'm just going to probably give you a little bit of the operational details that might help you linking the dots together there. Before going forward, I just want to say also that WorkSafe has actually captured the same concept that is in the WCB strategic system, so we have actually a balanced scorecard system that is so detailed that we are actually tracking where we are in terms of our initiatives that Phil spoke about, where we need to improve, and where we are actually doing some good work there. The other piece I want you guys to think about is what Gord said today, the 87%. 87% is the workplaces that have zero injuries, 87%. So really our biggest problem right now is on those 13%. I'm not saying that those 87% are going to be always safe. We need to keep thinking and working with those places and work to make sure that we maintain that zero injury thing. But we have a problem and we know right now that the problem is actually in a very small fraction which is probably 13%.

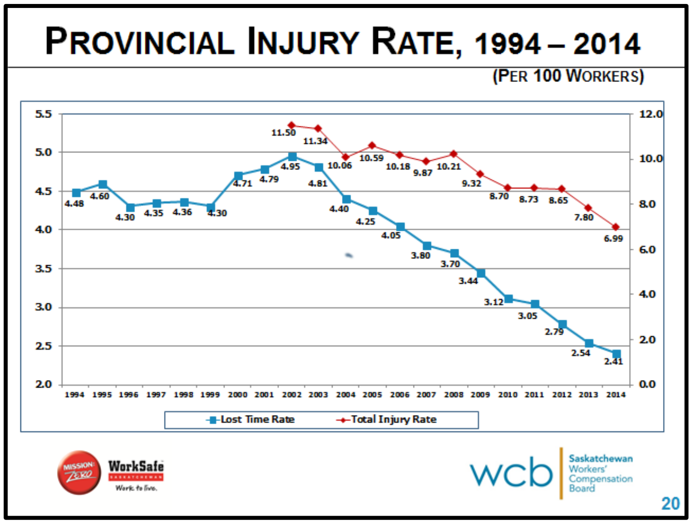
So two years ago the WorkSafe -- as Phil spoke, we have probably been together in this probably now for more than seven, eight years and it's going really well and I think we have made a lot of strides there. I think now -- two years ago we did some research and we found out that we needed to shift gears a little bit. The Ministry in collaboration to the WorkSafe, the way we used to do an inspection was basically going everywhere trying to capture every location and make sure that we could help as much as possible. But we know that in a province where there was more than 50,000 increase in the workforce is that it's going to impossible to capture every location everywhere and to be there for every location. So in this day and age where we have the information, we have the intelligence, we have all that information that we have, there was no other way except capturing that knowledge and capitalizing on that to go forward into more what we call an optimized approach. What we did is we have started what we call target intervention. And by the way, this is not a new concept. It has been there before and all that we did is actually we probably more focussed on making it more optimized and more accurate. So what we did, two years ago we looked at the data we had and the effort that we did in terms of inspection, where were we going, number of inspections, the relevance of the inspection between the macro level and the micro level. In another words, if an officer goes to a workplace, does this officer know how much impact he did visiting that workplace and does this officer understand the impact of his intervention to the provincial injury rate? I don't think we had that answer two years ago. So we shifted gears and was said, "You know what? We need to understand the level of intervention that we do and the efficiency of that," because in a province that is considered the second-highest injury rate province in Canada, that was not something that we can just sit there and keep doing what we think that was the right thing to do. And I'm going to talk about the numbers to explain this further. So we moved to this what we call targeted intervention. And through our amazing partnership and through WorkSafe we have revamped the quality of information we have and now we are more focussed on that what we call places that have high injuries or clusters of injuries. As Phil said, in 2013, '14 we had 63 targeted intervention workplaces that we have identified that represent around 65,000 workers. That number of workplaces represents 16% of the total workforce. By focusing on those ones we have made a lot of improvement and reduction in injury around more than 24% on those locations, which actually eventually impacted our provincial injury rate as you saw from the trend that is going down there.

Now today as we are going forward we are now going to have more employers this year and our target is to add another batch which is probably another hundred -- so we are actually around 100 to 130 by end of December this year, which is again going to take us to another layer there. We are actually getting to the employers that had even a smaller workforce, lower injuries and lower claims. So as we move forward we are actually getting into the areas where the smaller ones are now into this target intervention concept, which means we are actually, we are ahead of the pack, and we are moving in the right direction there. So what kind of inspection do we do right now? As I said, we have focussed inspections which are the target ones and normally they are the ones who have more than 15 claims and their injuries are above the provincial injury rate for their sector. Because we have seen a lot of success we are actually moving to what we call the employers that have less claims and less than the provincial injuries, so we are really going to the ones who have less injuries now. And that's what we define as called a blitz inspection on those employers that are not high or above their provincial injury rate. We also did blitzes and we are going to do another three this year. Last year we did two, one in the construction and one in the manufacturing and at those two places last year we had a lot of information and feedback that we are actually capitalizing on them this year. The difference this year is because of this great relationship and partnership through WorkSafe, safety associations are going to be in this as well. The construction safety associations, I know they are going to be involved as well in this year. So we have three blitzes: there's construction, there is going to be manufacturing, and another one for youth. Probably as we speak, our first blitz, inspection on construction, is actually started a couple of days ago, so we are on track and our offices are doing a lot of that work again in collaboration with the safety associations. And, again, we are not punitive, we are trying to improve, educate and work collaboratively with those workplaces through education and also when we need to go there and enforce the regulations.

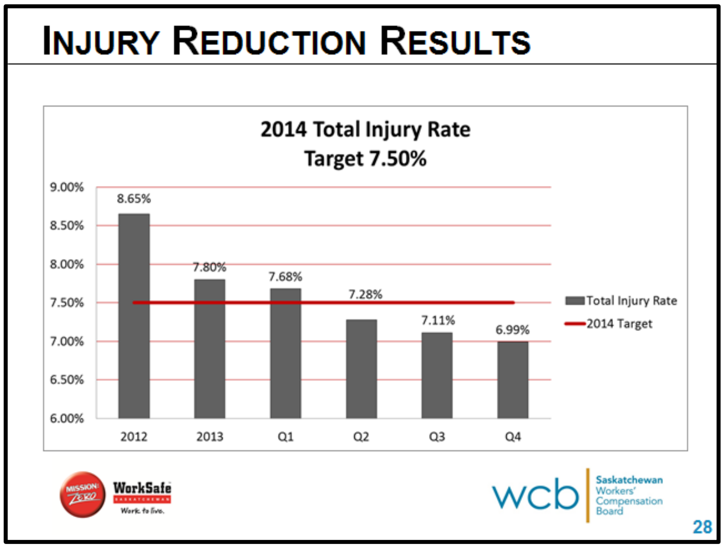
We also are looking at random inspections. I know we had some issues about random inspections and that the division was not doing enough of that. Again, random inspections are a great tool and a strong tool. I think we -- probably if I could say this in a way, we were so busy the first year to figure out how to target those big employers and how to train our officers how to analyze the data, we don't think that a random inspection was of the radar. It just was probably not being seen or we were not so focussed on having those moving parallel. But as of this year we are actually doing a lot of random inspections. 25% of all our inspections will be random. So that's going to be there as well. I want to talk also about complaints. Every complaint that comes to the division is addressed, whether it's a phone call, it's a word-of-mouth, whatever it is. We are actually addressing every complaint. We have probably received last year more than 700 complaints and most of them were addressed and solved. Reporting incidents, again, we address those one and the most biggest one for us, fatalities, serious injuries and serious incidents. The division a year ago has restructured its legal unit, so we have right now what we call a dedicated legal unit which means every time there is a fatality or a serious injury -- historically, the officers who used to do other areas of inspection and so on were the ones who would do the investigation and the fatality binder and the work that is needed for our crown prosecutor. A year ago we thought, "You know what? We need to have this improved because there is a lot at stake there and there is a lot of complexity and legal issues that we need to address and therefore" -- and, again, from a customer service perspective now the legal unit is a dedicated unit. It's headed by a director that is actually a lawyer. We have people who are very trained and educated in the justice system.



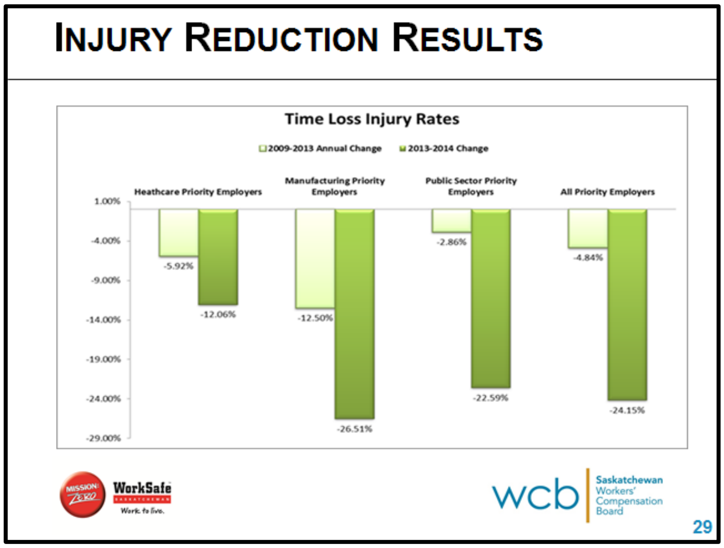
This is just an example of what we call intelligence data. What you see there could not be achieved without WorkSafe. Without that we will not have that information that was -- actually, you know, WCB took that data and we digested that data and we worked with them. They have their own team and we have our team and they sit together all the time to analyze the injuries. And as you can see there, we have a profile for those, the ones I have said they are targeted employers or the ones who have a planned inspection on them and others. And the difference -- again, two years ago we used to go and inspect locations and places and we have no clue what we are looking for. We just go there assuming we, hopefully we would find what we were looking for. We know that there is a high-injury-rate employer but we were not sure what we were looking for. This employer can have many franchises and stores across the province and you might be going to the branch or the store that has the least injuries or we would be chasing fire extinguishers or other things that we had no idea what we were looking for. The difference is now we know exactly which branch, which store, which kind of injury, trend, what time of the day, even what body part that has been injured, all that because of the intelligence data and the collaboration we have right now. So we are not blindsided anymore. We go there with a purpose, we know what we are looking for and we deal with it. This is what I call basically evidence based. This is a very scientific approach that actually makes sense, it takes us in the right direction and addresses the right problem and not try to boil the ocean. And I'm quoting this "boil the ocean" from a friend of mine. We are very excited about this. I think we know what's going on. Every single profile of those for employers is actually shared with the employer. We don't want to, again, to spook people there. We want to make sure that everyone knows what the problem is. When we met with people there and we showed them their injuries, some of their VPs or CEOs they had no clue where their injuries were. Because they are so big they thought they just relied on someone can figure out that piece. But when they saw that, they actually knew where the problem is, and actually they were more capable of fixing the problem once they knew that it was specific to a certain area there. Let’s talk about numbers there again.



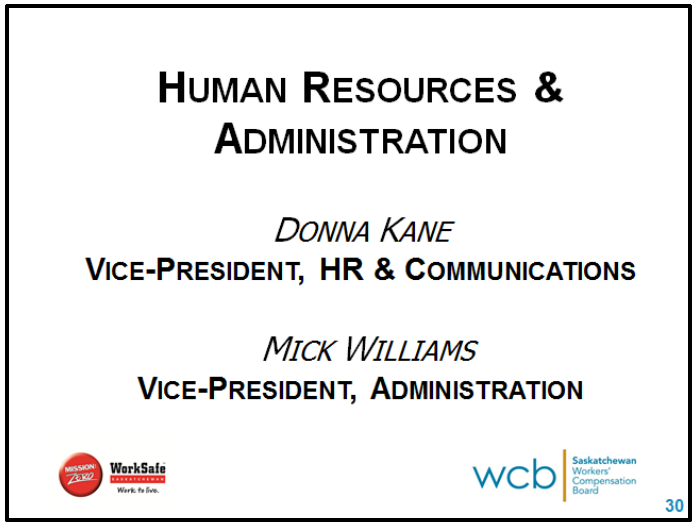
I’m going to go back to Phil’s slide. If you look at the red line, the total injury rate, in 2010, 2011 and 2012 we reached to a plateau there. I’m not going to talk about the injuries because this is a whole science. Honestly, there is so much into it. As Phil said, it could be the increase in workforce, it could be a reduction in injury it could be a lot of different issues that has to do with this. But all what I am trying to say, from an operational perspective we had done in those years around, roughly around 5,000 inspections per year, 5,000 a year of this, and you can still see that the rate wasn’t going anywhere probably. Again, it might be related to the inspection, it might not, but for me when I see that number I think, how much effect is our micro level to the macro level there.



But when we look at the last three years, 2013, '14, we did almost a fraction of what we did in terms of inspections. We did around 1,200 in '13 and '14 and our injury rate, as you can see there, went in a good way in the right direction there. For me and for the division and for our partnership -- this is again about evidence based -- is that how do you tackle a province that is booming, there is a growth there, and you want to make an impact? This is important. We need to think outside the box, we need to be ahead of the pack, because we cannot simply be and accept that we will always be the second-highest province in Canada. And for your information, if you look at other provinces -- because Manitoba is probably the highest injury province and they are doing an amazing work there, so if we really don't catch up with that we might end up the first, the highest injury province in Canada. We don't have the luxury even to keep doing what we think for many years is the right thing to do and we are not going anywhere.

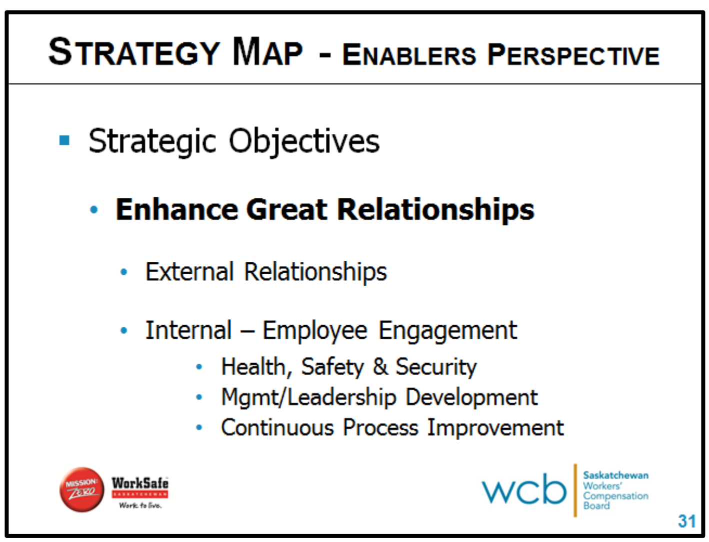


The slide you see here are the colours, are the different sectors that we have actually identified through WorkSafe to target because of their high injuries. The lighter colour there, for example in health care, shows you the injury rate reduction between 2009 and 2013. The dark green for the same sector -- and again with help with Sandra's team there -- is those, based on the intelligence we did as a team we found out that at least 13 to 14 health facilities are the ones that are driving injuries, mainly the big ones that are driving injuries. Among all other health facilities 13 or 14 are the ones who are actually the big ones. When we looked at our inspection again we found out, a lot of our inspection was not even in those places. We were just going to the place -- either it's close to where the person is or because we feel that there is something that we can do there. But our intelligence showed that those 13, 14s and the kind of injuries there are in those specific facilities. So when we worked with those facilities, the reduction in those facilities as you could see is 12%. The same concept applies to all the other different sectors. When we looked at the ones who are causing the injuries and we have targeted those ones and we looked for the right reason, we got 26% in the manufacturing, in the public there was 20%, and overall a 24% reduction. I think what I am trying to say is this is a great relationship. I am here today because we are, as an OH&S division and WCB, are trying to work together as innovative as much as we can. We need to keep working together, we need to think together, we need your support and we need to make sure we always implement science in our action and in the way we do business.



Mick Williams

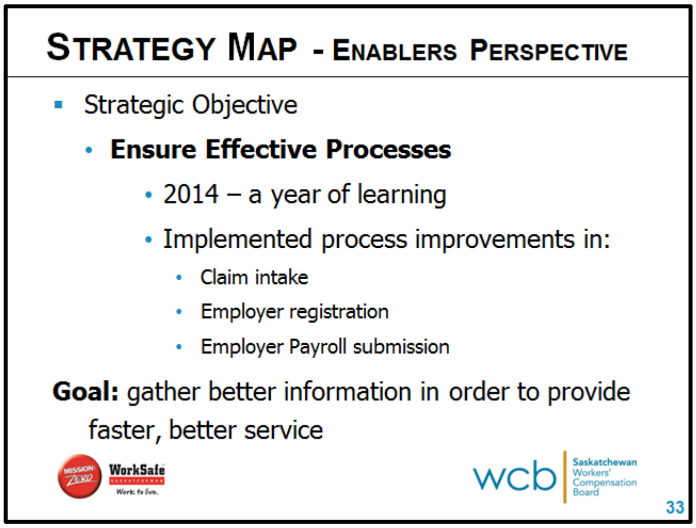
As Peter mentioned earlier, Donna is not with us today, so I'm going to cover both of the areas that her and I were going to cover today. In order to do that, I'm going to be talking about the enabler's perspective on our balanced scorecard.



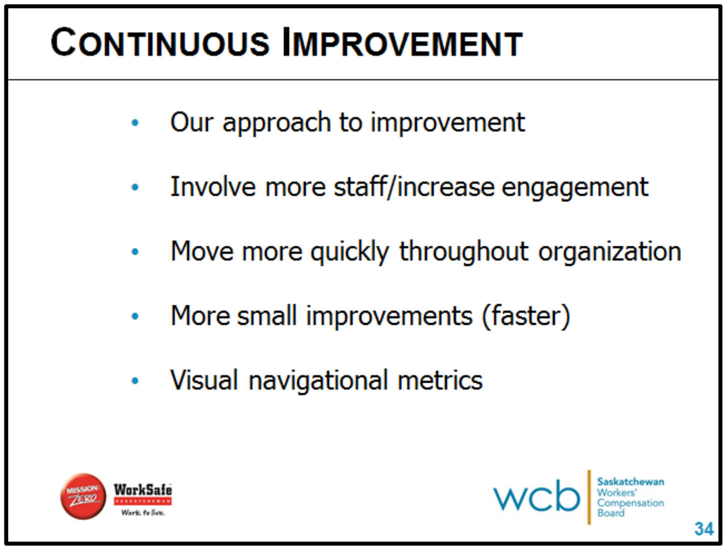
When you think about how does that work, that's kind of what happens inside the house so that we can provide the compensation program and the prevention initiatives that we do in order to support the satisfaction of our stakeholders. So when you think about that perspective, relationships are really the kind of cornerstone of that because when you talk about excelling at serving workers and employers, that's really the survey that Graham pointed the results out to. And if you remember back to those slides, you will remember that the trend was going in a direction that we weren’t happy about. So we’ve got some work to do here and I want to talk about what we are doing in that area and what some of that work is. In order for us to have great relationships -- relationships are key to everything we do, whether it’s with prevention initiatives that Tariq and Phil have been talking about or the return to work initiatives on claims that Graham was talking about earlier. These are things that we do in conjunction with the stakeholders, so the relationships are really key. So we do a number of things to measure those.

We have external relationships which are with people like you in order that we are able to accelerate the performance of the program. And in order for that to work we have internal relationships which is the relationship of our staff and our employees with stakeholders and with the program and the results around that. So I want to talk a little bit about that first. I’ll just catch up in my notes here. Internal relationships: one of the things that we have monitored over the years and worked with over the years is the level of engagement that our staff have and a number of initiatives are up there that we undertake in order to enhance that engagement. I think probably the single-biggest thing we are banking on going forward that ties these things together is our initiatives that we are undertaking around improving the processes in which we work. In order for us to enhance these relationships and excel at this level, we need to have programs and initiatives that help our staff be more competent and in order for them to be competent and serve we need to provide them with great processes to work in. And great processes and engagement go hand-in-hand because as we work towards working with our staff in order that they are in a better position to solve problems with stakeholders in a more hands-on fashion it leads to the development and the engagement of our staff. Process improvement initiatives I’m going to talk about in a little while are very key to this. Some of the other things we do, we have a health safety and security program that we are always trying to get better at in the organization and one of the things we measure around that is the number of days lost to injury that we have or the days lost to illness that we have and those types of things. We have got initiatives that go on around that. Another area for our internal engagement is that as we move to a different way of managing in the organization where we want to shift from maybe a predominantly the boss as the problem solver to more of the boss as someone who facilitates problem solving and create problem solving closer to the customer. We have got to revisit and relook at the way we do our leadership development and our management development because we are asking our managers and our leaders to operate in a different way in order that our staff has the opportunity to be more engaged and more able to and more prepared to solve problems. Those are the initiatives that we undertake in order that our staff are more engaged. So that’s all part of -- the way we look at that, the way we organize our work, that's in our great relationships and enhancing our great relationships.

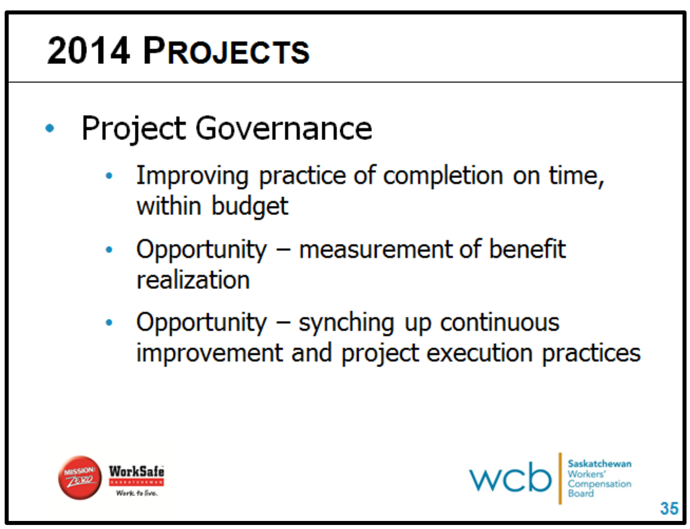
The next slide is about a competent workforce. We have some things that we measure we have an alignment index that has a lot of the traditional HR measures in it, things like retention rate, days of development per employee, some of the tangible, measurable things. We attained one of Saskatchewan's Top Employers which helps us attract and helps us retain and more importantly we want to keep that so it helps us keep focussed on doing what we need to do in order to be able to maintain and retain that standing. And one of the areas that we are expanding in is we recognize that we need to provide, whether it's training or whether it's standards or whether it's expectations around what does it mean to create excellent customer experiences. We have got a service excellence strategy that we have undertaken and all in an effort to create and strengthen those relationships in order to increase or change the trend or increase the speed at which we are creating better experiences for the stakeholders. The third bubble in that enabler's perspective is effective processes.



As I talked about earlier, I want to get a little bit deeper into it. Phil and Graham again talked about some of the process work that we have done in some of the big processes in the organization whether it's claim intake or employer registration or our payroll submission and some of the work we have done around that, processes that we have done some changes to, some automation that's helped enable that. I think that if you look at what we did in 2014, I would say that we would characterize it as a year where we learned a lot. We had some improvements along the way. And, again, when you look at these three, really what we are up to there with the goal that we have set out was to get better information quicker in order that we can provide better, faster service. So we did some things and had some success, but I would say that what we probably learned was that in an odd way we had done some process improvement before and we went at it in a somewhat similar fashion and ironically what we ended up not achieving was that we hadn't been able to sustain our results. So we hadn't gotten our continuous, part of the continuous improvement installed. Our results were better but fragile and not maybe as sustainable or maybe we weren't quite as confident in being able to maintain those improvements. Our approach to improvement was to take an isolated process and to take a really in depth look at it and that involved a few people over time. But one of the things we found was that when we went to implement some of those improvements it took us longer to implement than we wanted it to because, you know, folks hadn't had the opportunity to draw the same conclusions, understand the reasons why we were doing it and those kinds of things.



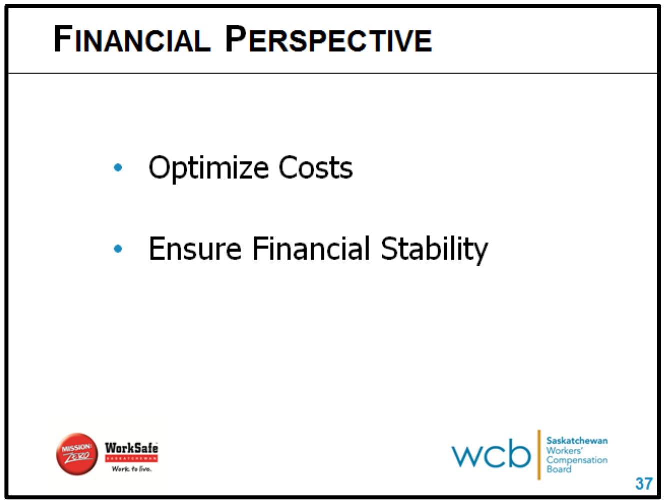
Going in 2015 we thought we needed to do something a little bit differently. So what we are going to do is change our approach a little bit more, involve more people, move more quickly through the organization, and focus more on making smaller, more frequent improvements. Things that we are going to need to do in order to enable that include things like just having in front of our staff on a more frequent basis a navigational type of metrics, the types of indicators that really focus on sort of are we getting the daily work to where we need it to be.



We also, when we reported out last year we talked about project governance and I would say that, you know, in 2014 we kind of got that to a stable place that has enabled us to move into some other areas with some of our time and attention. We have been able to achieve some gains with respect to on-time, on-budget when it comes to projects, but we, like many other organizations, we are still not where we want to be with respect to achieving the kinds of benefits from our projects when we run them. Some of that is a function of us getting a little bit better at understanding specifically what we are going to be able to accomplish with it or what we want to accomplish with the project and some of it will be simply around a more disciplined approach after implementing the projects. And the projects are typically around a specific chunk of work that we are implementing and some of the discipline after the project's done to ensure that those results are achieved and maintained. Our opportunity here, going forward, as I talked about, getting better at measuring benefit realization and getting better at syncing up our continuous improvement and our project execution practices. I wanted to provide you with a quick overview of what we are doing internally in order to facilitate some of the other results. And now Ann Schultz will give us a closer look at our financials.

Ann Schultz

Thank you, I am the CFO of the WCB and besides looking after the finances, and my strategic finance group. I also look after an area called Data Governance and ITS. We work a lot in that enabler's perspective that has been flashed up several times here today with our balanced scorecard to help other unit's progress with their process improvement initiatives. And areas like Tariq mentioned his employer-board relies heavily on some of the information that the Data Governance unit provides.



Today I'm going to be going over the financial results, the corporate financial results, in a little more detail. On the balanced scorecard one of the foundational perspectives is ensuring financial stability and optimizing costs. This perspective helps ensure that we have adequate financial resources to fulfil our legislated obligations and execute our strategic and operational plans. Financial resources must be maintained to meet obligations to injured workers by collecting the right amount of premiums, maximizing our investment returns while managing the risks associated with volatility and being cost effective with our administrative expenses as well as keeping an eye on the costs of the program.

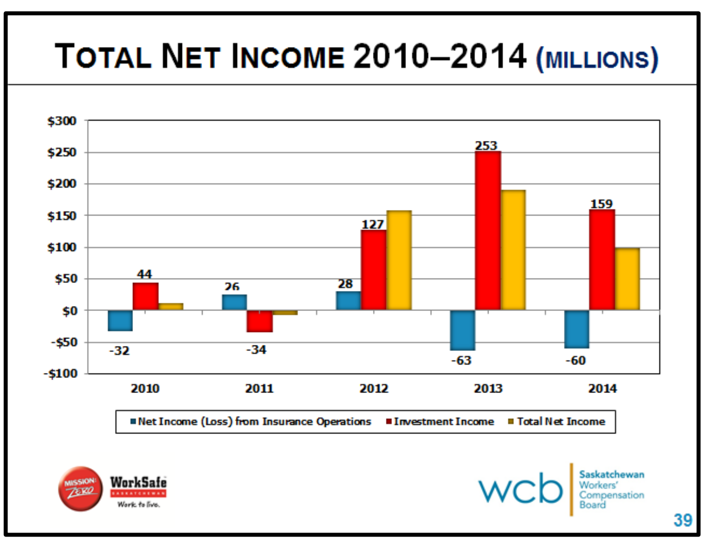
One of the main tools we have for ensuring financial stability is our statement of investment policy and goals which outlines our investment and risk philosophy and reflects the long-term nature of benefits liabilities and the impact of future inflational liabilities. In 2013 we did a review of our asset mix and we are currently working on step two of the revision to our asset allocation as authorized by SIP and G (this refers to the WCB Statement of Investment Policy and Goals) and we hope to complete our asset mix change by the end of 2016. And the whole intent of that was to reduce some of the volatility we have in our investment earnings while maintaining at the rate of return that we currently enjoy.

2014 Financial Results (millions)

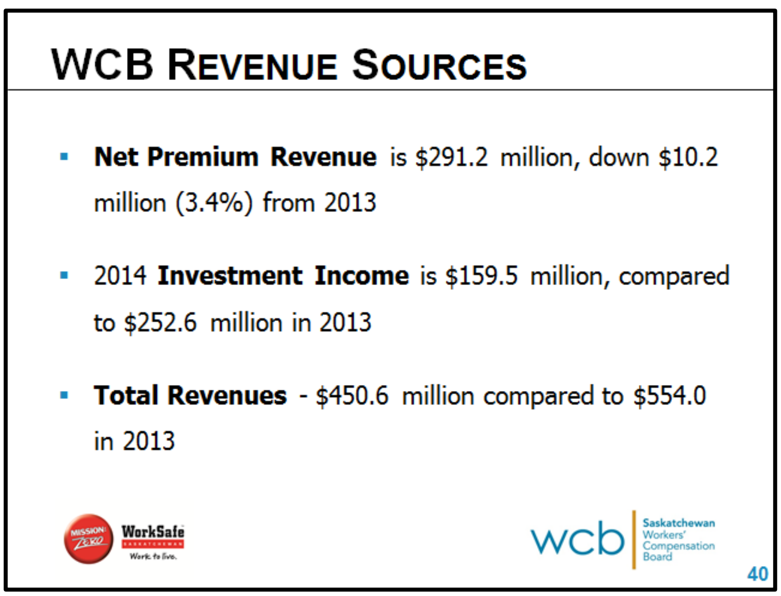
Revenue	$ 291.2
Expenses	$ 351.5
Underwriting Loss	$ (60.3)
Investment Income	$ 159.5
Other Comprehensive Loss	$ (1.5)
Comprehensive Income	$ 97.7

38

Peter already talked about our financial results. This just is a high-level picture of our revenue and expenses and investment income resulting in our comprehensive income of 97.7 million. The revenue line of 291 is our premium revenue and it's down about 3.4% from 2013. Total expenses: so this includes claims costs and administrative expenses -- are down about 3.4% from 2013. Our total investment income is also down from last year's 259.6 million. Other comprehensive income -- this is an adjustment, it's a I guess an actuarial in accounting thing. Actuaries look at our defined benefit pension plan obligation periodically and we had a review this year and it resulted in a recognition of a 1.5 million dollar loss. We record this through our other comprehensive income line. Our total comprehensive income for the year was 97.7 million. We are going to go into more details on these revenues and expenses in the following slides.

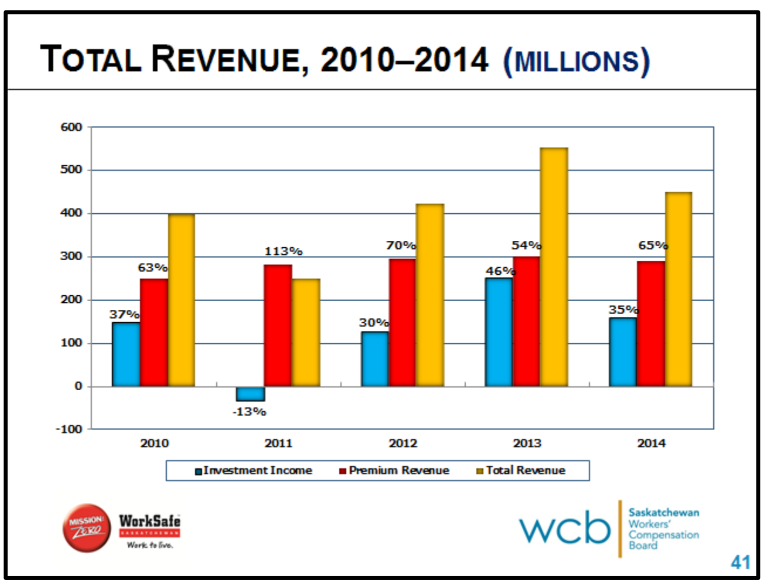


This slide is showing the relative proportion of our income or loss from insurance operations and investment income. As you can see, the percentage mix can change quite dramatically from year-to-year and that's totally driven by the volatility in investment returns. The blue line represents our net income from insurance, the red line is our investment income, and the yellow lines are our total net income. You will notice in 2014 that we had quite a negative loss from the insurance operations and that was something we knew was going to be happening. That includes the 79.3 million dollar adjustment for the increase in the provision of latent occupational disease in the benefits liability. I will get into that a little bit further when I talk about the benefit liability. However, without this adjustment we would have had an underwriting profit of about 19 million dollars. Under the International Financial Reporting Standards, or IFRS, we are required to recognize unrealized gains and losses on our investment income. Again, that just adds potential volatility to our net income. There is a slide coming up that really demonstrates the volatility in our revenues on account of recognizing those unrealized gains and losses.

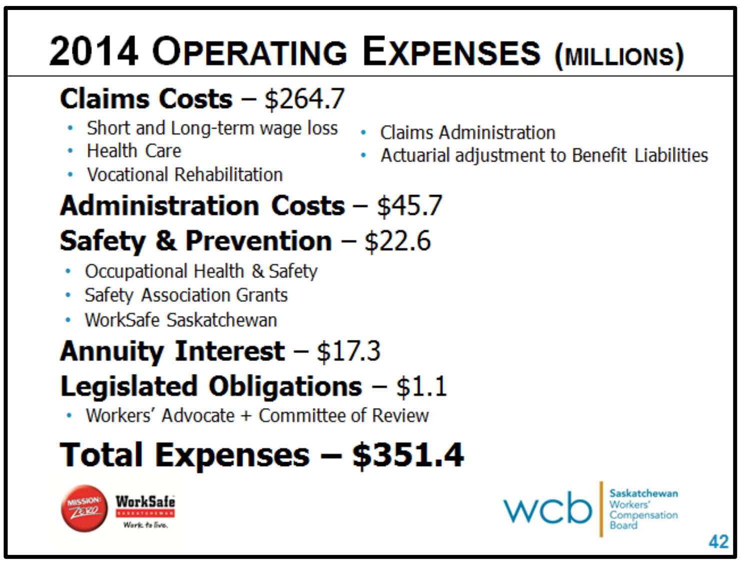


The WCB has two sources of revenue, premiums and investment income. As Peter mentioned and I have covered already, our net premium revenue is down from 2013, our investment income is also down from 2013, and our total revenues are down from 2013. Net premium revenue is down because it's driven by industry payrolls and premium rates. In 2014 the average premium rate reduced seven cents or about 4.4% to $1.51 from $1.58 in 2013. While that was happening, the premium rates are going down, the assessable payroll was going up. The drop in the premium rates was somewhat offset by an increase in the assessable payrolls in 2014. That increase was about 6 ½%. If you compare the assessable payroll, from five years ago from 2009, our assessable payroll has grown by 35%. This speaks to the tremendous growth in the province in the last five years. This assessable payroll growth has resulted in an additional 9,500 calculated FTEs in the province. In 2014 two sectors with the most growth were the commercial industrial construction and health authorities, hospitals and care homes. Of that 6 ½% increase in 2014 about 1.2% is estimated to be on account of the increase in the maximum insurable earnings that was effective January 1, 2014.

What I have just talked about is base payroll. We also have the experienced rating program. The experienced rating program, while it's intended to be revenue neutral, in 2014 there was a net cost to the program of about 6.8 million dollars. 1,500 and some employers paid about 22.3 million in surcharges while about 20 to 600 employers received discounts totalling 29 million. I will just briefly talk a bit about investment income again. You're going to hear a lot about investment income and unrealized and realized gains. But in 2014 we saw a significant -- the mix of our realized and unrealized investment income shifted quite considerably in 2014. So of the 160 million dollars approximately of investment income, 139 million was realized while the unrealized portion was about 21 million. That compares to 2013 where our realized was 68 million and our unrealized was 184 million for a total of 252 million. I talked about the slide that showed the volatility of revenue.

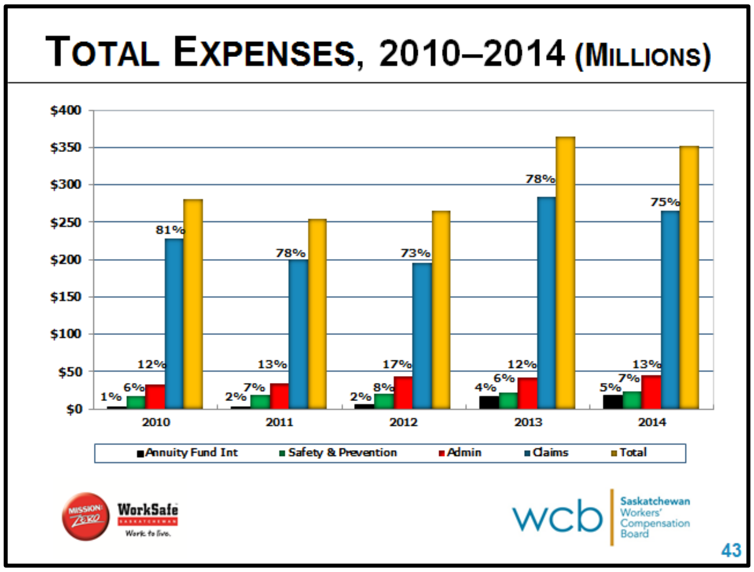


This graph shows the relative proportion of our payments and investment income. The percentage mix can change dramatically from year to year driven by the volatile investment returns. As mentioned in the net income slide, with unrealized gains and losses on investments recorded in investment income, there is potential for significant fluctuation from year-to-year. You can see by the slide, in 2011 we actually had a loss from investments of 13% and in 2013 a very good year. In the five years demonstrated here we had 46% of our total revenue was from investment earnings. Last year 35% of our total revenue was from investment earnings.



This slide is going through the other side of the ledger, our expenses. So the biggest category of course is our claims costs. In 2014 they were approximately 265 million and they include short and long-term wage loss, health care, voc rehab, claims admin, and the actuarial adjustment to our benefits liability. I will talk more about the benefits liability adjustment in a bit. Administrative costs were 45.7 million dollars after a 10.3 million dollar allocation to future claims. Our gross admin costs started out at 56 million and then under the actuarial standards we have to allocate a portion of that to future claims that also impacts that benefit liability that I'm going to talk about. Safety and prevention: those costs were 22.6 million and I think Phil covered most of them and so I won't speak too much to that. Annuity interest in 2014 was 17.3 million. What annuity interest is, is we set up annuities for workers that are receiving long-term wage loss, and that's defined as 24 months or longer, so that when they reach the age of 65 they have an annuity that will help provide some pension income because while they are on those long-term wage loss replacement plans they are not contributing to the Canada Pension Plan or other pension plans. So we pay interest on that based on an internally calculated rate of return and it's based on the five-year average of our investment returns. For 2014 that interest rate was calculated at 9.6%.

We also have legislated obligations of 1.1 million dollars and that covers the Office of the Workers' Advocate and any Committee of Review expenses. The lion's share of that 1.1 million did go to the Workers' Advocate Office and Committee of Review expenses were only $24,000 in 2014.



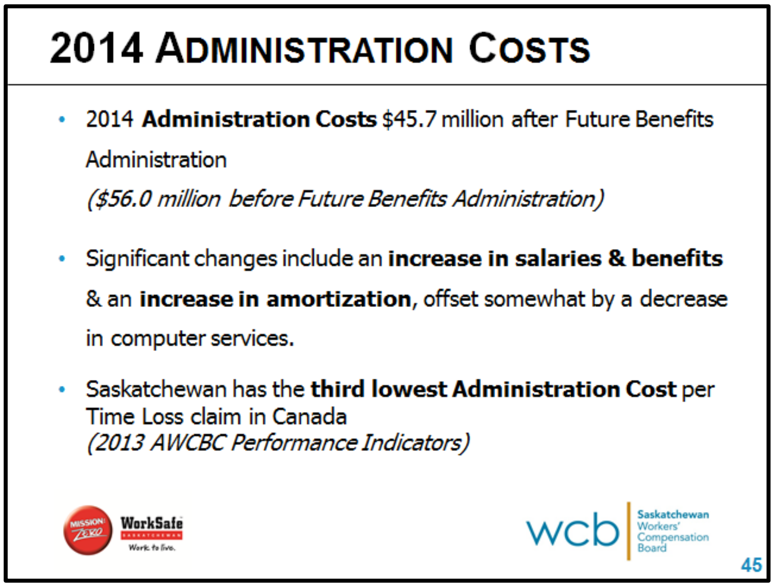
This slide shows the relative percentage of expenses to total expenses. As you can see, there is a lot more stability in these graphs or the bars represented on these graphs than in the total revenue graph that was a few slides ago. However, in 2013 and 2014 we did have large adjustments to the claims costs and those were related in 2014 to the fact that we had to bring in nearly 80 million dollars in additional costs because of the occupational disease adjustment to the benefit liability. And in 2013 we had additional costs to the benefit liability of about 84 million on account of the new Act and the increase in insurable earnings for claims that were in the system as of January 1, 2014. The slide just shows that it is fairly stable except when we do have large adjustments as in the last couple of years.

CLAIMS COSTS (THOUSANDS)

	2014		2013	
Program Expenses				
• Short & long term wage loss	$112,506		$115,218	
• Health care	71,727		73,049	
• Vocational rehabilitation	3,697		4,026	
• Claims administration	10,376		10,976	
Total		$198,306		$203,269
Actuarial Claims Experience Adjustment		66,377		80,089
TOTAL		$264,683		$283,358

44

The actuarial claims experience adjustment is actually the change in the benefit liability that's recognized on our statement of financial position or our balance sheet. Every year the actuary evaluates that liability and whatever changes there gets recognized either as an income or expense as part of our program costs. In 2014 the benefit liability increased by a little over 66 million dollars. The assumptions used by the actuary when going through the calculations were basically the same as in other years except for some of the things I'm going to talk about. The first thing he did, that our actuary did, was update the Saskatchewan population mortality tables from Stats Canada. The occupational disease was recorded for the first time in 2014 and that provision, the first, initial provision, was 79.3 million. The other change that happened in 2014 is that the discount rate which is used to project future benefit payments or the present value of the future cash flows for claims in the system decreased from 5.75% to 5.5%. The actuary recommended this decrease because of decreased expectations for long-term asset returns into the future. This adjustment to the discount rate impacted our benefit liability by increasing it by almost 22 million dollars. This wasn't a change in assumptions, but the other impact -- because of our good current claims experience or the new time loss counts are down, the actuary was able to reduce the benefit liability by almost 33 million dollars. That benefit increase of 66 million is made up of three numbers. There is an increase due to the occupational disease of about 80 million, an additional 22 million because of the discount rate change, less 33 million because of our good claims experience reflected in the lower time loss counts. I just want to mention again in 2013 you see a fairly significant adjustment to that actuarial claims experience of 80 million dollars and that included the 83.6 million that I mentioned earlier on account of the increased maximum insurable earnings under the new Act that was effective January 1, 2014.



I talked about claims costs and now I will talk a little bit about administrative costs. In 2014 the gross administrative expenses increased to 56 million which was about a 6% or a 3.1 million dollar increase from 2013 when those expenses at a gross level were close to 53 million. The biggest component of that 3.1 million dollars was an addition of 2 million dollars to our expenses on account of the defined benefit plan. We were required to recognize an additional 2 million dollars of expense on that, so that makes up the lion's share of that increase. The other increase from between 2013 and 2014 that is fairly significant is our amortization expense increased from 2013 to 2014 by $400,000. And the other impact -- if you will notice on the schedule at the back of our financial statements of administrative costs we weren't able -- the federal claims or the self-insured claims also reduced during the year so we couldn't charge them as much administration costs under the formula that we have with them, so there was a $600,000 impact to that when calculating our net administrative costs. Administrative expenses continue to be a small part of the total WCB operating expense. For 2014, admin costs were about 16% of operating expenses compared to 14.5% in 2013. However, when we remove those rather large adjustments to the benefit liability in both years, we level out at about 20% of our costs being related to administrated costs. 20% of our total expenses are devoted to administrative expenses.

We do look to AWCBC, which is the Association of Workers' Comp Boards of Canada, to provide benchmarks for how we are doing compared to other boards and one of those benchmarks is an administrative cost per time loss claim measure. The most available statistics from the AWCBC are for 2013 and we were the third-lowest administrative cost in 2013 -- because that's the most recent information they have -- at $4,893 per claim, while the Canadian average was $7,100 at that time.

STATEMENT OF OPERATIONS & OTHER COMPREHENSIVE INCOME

($000)	2014 Budget	2014 Actual	2013 Actual
Revenues			
Premiums	$318,438	$291,158	$301,382
Expenses			
Claims Costs	325,872	264,683	283,358
Administration	41,725	45,660	41,874
Safety & Prevention	23,134	22,636	22,277
Annuity Fund Interest	16,200	17,344	15,511
Legislated Obligations	997	1,124	1,019
	407,928	351,447	364,039
Underwriting Profit (Loss)	**(89,490)**	**(60,289)**	**(62,657)**
Investment Income	96,000	159,473	252,609
Net Income	6,510	99,184	189,952
Other Comprehensive Income (Loss)	0	(1,491)	5,825
Total Other Comprehensive Income (Loss)	**$6,510**	**$97,693**	**$195,777**

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46

This slide compares our 2014 actual to our 2014 budget and then 2013 actual. I have talked a lot about the differences between 2014 and '13 actuals, so I'll just maybe focus on some of the bigger changes compared to budget. In the premium revenue line we were under budget by about 27 million dollars. There is three things that are impacting that. Actual payrolls came in a little bit less than we had anticipated and that accounted for about 15 million dollars in reduced premium revenue. I mentioned the experienced rating. We had budgeted a certain net cost for experienced rating, but actual results were 6 million dollars higher than what we had anticipated. And then there were some adjustments for prior year revenues. That totalled up to 27 million dollars. The claims costs to budget are down and that is totally attributable to two things. We had anticipated -- we didn't know that we were going to have that decreased lower time loss counts, so when the actuary did the projections for us -- actuaries are very conservative and they don't like to count the eggs in the basket until they actually happen -- so they had provided us with an estimate of what they thought our liability adjustment was going to be. So the difference there is about 62 million dollars in claims costs. Claims costs, like the annual costs, were about 30 million less than what we had anticipated and then the benefit liability ended up being about 33 million dollars than what we thought would happen when we set the budget or the forecast.

Again, administrative costs were 4 million dollars over what we had budgeted and the main attributing factor there as already mentioned was that 2 million dollar adjustment that we were required to record as an expense on account of our defined benefit plan obligations. And we had overtime salaries that were not budgeted of about 800,000 and that was offset by some decreased amortization that I talked about already so not only did it impact a comparison to actual but we were under budget for amortization. And those adjustments were offset by the amount that we could charge to our future claims under formula. There is a formula that determines, but because we had less time loss counts there was less money that got charged to the benefit liability. So those all net out to about 4 million dollars, those are the major differences.

You will notice that the annuity fund interest is over budget by about a million dollars. When we set the budget we had anticipated a 9% five-year average. The actual actually turned out to be 9.6% because our returns were a little bit better than what we had, well, obviously quite a bit better than what we had budgeted.

HOW 2014 INCOME WAS ALLOCATED

Funded Position and Comprehensive Income Allocation (Millions)	2013 Balance	2014 Allocation	2014 Balance
Injury Fund	521.1	182.2	703.3
Disaster Reserves	21.7	1.3	23.0
Occupational Disease Reserve	85.0	(85.0)	0.0
2nd Injury Reserve	10.8	0.7	11.5
Total Injury Fund and Reserves	**638.6**	**99.2**	**737.8**
Accumulated Other Comprehensive Income (AOCI)	(2.6)	(1.5)	(4.1)
Total Funded Position	**636.0**	**97.7**	**733.7**

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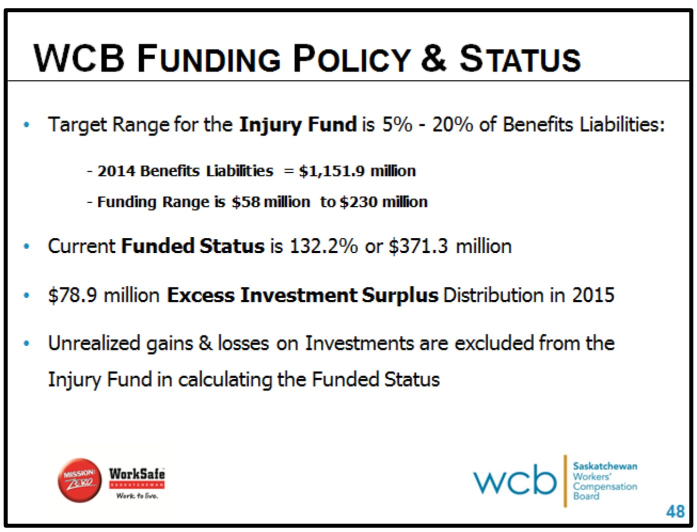
This slide attempts to portray how we allocated the comprehensive and net income and what impact the reserves had on our balance sheet. At the end of 2013 our funded position totalled 636 million. We allocate the components of the 2014 comprehensive income of 97.7 million to come up with a total of 733 million at the end of 2014. Peter talked about the funding policy and I just want to elaborate a bit on that. The funding policy states that unrealized gains and losses on investments should not be considered in the determination of the funding status of the WCB or considered for purposes of determining premium rates or available for benefit enhancements. I will talk a bit more about the funded position on the next slide. The net change to the injury fund in 2014 was 182 million which includes those unrealized investment returns. You will also notice that the occupational disease reserve that was increased to 85 million in 2013 in anticipation of that occupational disease liability that we had to record this year -- we had back in 2013 increased the reserve to 85 million -- that reserve was drawn down this year to apply to that 79 million dollar benefit increase and so that reserve no longer exists because it was closed now that the occupational disease liability is recognized in the liability.

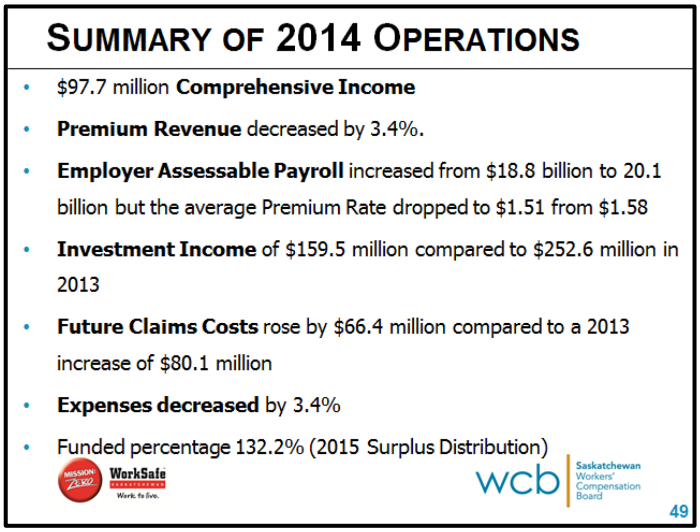
The second injury reserve and disaster reserves are basically a percentage of the benefit liability. So disaster reserves are set at 2% of the benefit liability and the second injury reserve is 1%. That accumulated other comprehensive income, which is quite a mouthful, at the end of 2014 is 4.1 million and that is made up of the accumulated actuarial gains/losses on the defined benefit plan which at the end of 2014 sit at 4.1 million dollars. Peter spoke to the funding policy and he did introduce the concept of our excess amount that's in the funding policy, so I'm not going to spend a lot of time on the injury fund.



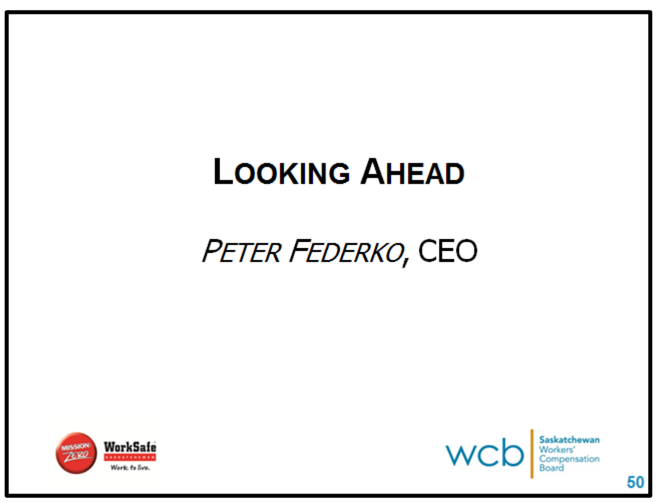
Again, the target is between 5 and 20% of the benefit liability. For 2014 our benefit liability is about 1.2 billion dollars. Therefore, the funding range is between 58 million and 230 million. Our current funding status is 132% or 371.3 million dollars. So that 371.3 million dollars includes unrealized gains that are sitting on our balance sheet of approximately 332 million at the end of December.

Peter talked about the excess investment surplus distribution in 2015 and I will provide some more details of how that's all going to work. The board approved the excess investment surplus distribution which was actually determined by our actuaries. There are two components to that. The first is the actuary calculated what our excess investment returns were over what our long-term expected return rates were and that was about 50 million. The balance of it was interest that he calculated as being earned on our reserves. That's how we came up with that very precise number of 78.9 million. I'm going to try to just briefly explain the mechanics of how we are going to determine who is eligible to receive a portion of that and how it will be allocated. Eligibility will be determined by employers who have net premium contributions in excess of their claims costs for the three years, 2011 to 2013. Net premiums will include an employer's base premium plus or minus their surcharge or discount, the cheque you write us will be your net premium. We are going to compare that to your claims costs and in those three years if that totals to a positive number you become eligible to receive part of that investment surplus distribution.

With respect to the claims costs, cost relief will be considered if it was granted up to the end of 2014. So if there was cost relief granted for 2011 to 2013 to the end of 2014 it will be considered in the cost. And the other thing that we are considering in cost is capitalization. If an employer had costs that were capitalized and they were charged a big chunk of capital amount to get that claim cost off future costing, we are also adjusting for that because those decisions are not the employer's decisions to capitalize those months. The costs are going to be adjusted for both cost relief and capitalization and we are comparing that to your net premium. Those numbers over those three-periods are positive. In total you will be eligible to receive part of the distribution. Your proportionate share of the surplus distribution will be based on your 2013 base premiums for employers that were active at December 31, 2014. 2013 was chosen as the year to base the allocation on because that's the most current year that we have fully assessed payroll. We are still working on the 2014 it's not finalized yet, so that's why 2013 was chosen. As Peter mentioned, we do have a cheque limit amount, so anyone receiving $300 or more will receive a cheque. And below that, if your share of that 79.8 million is less than 300, it will be applied as a credit to your account. We also will be looking at employers. If you owe us more than $50 at the time of the distribution, we are going to be applying your share to that account, because it doesn't make sense for us to trade cheques in the mail. I'm just going to give you some very preliminary stats. When we had initially run some of the numbers -- and we are still working on the programming to finalize all of this, but based on preliminary estimates, 80% or 37,000 of the 46,600 active accounts, will be eligible for a portion of the distribution. And because of that $300 cheque limit, 45% of the eligible employers are going to be getting a cheque versus a credit to their account. And I guess a couple other interesting statistics are that we are estimating the average distribution overall, so for all employers participating, the average distribution will be approximately $2,000, and for those in that cheque category, so $300 and up, the average distribution is about $4,500. And as Peter indicated, we are targeting the end of July to have those cheques in the mail and we are busily working on the programming to get that done. This next slide is just a summary of I think all of the things that I and Peter have talked about.

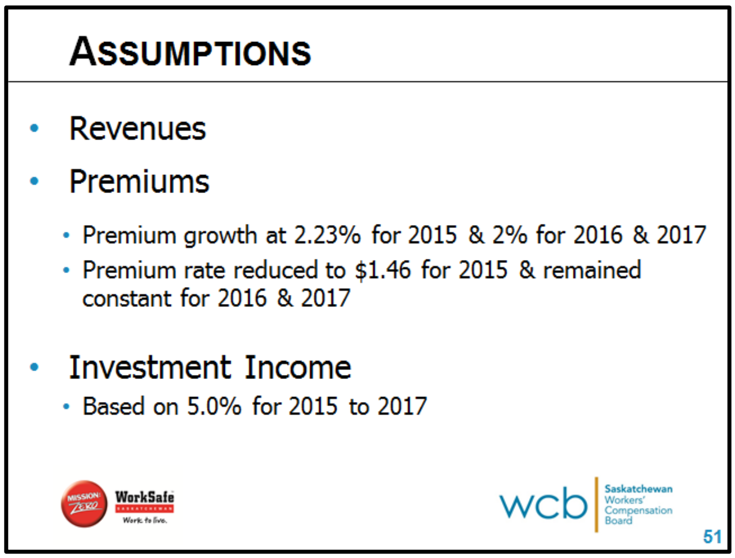


I'm not going to spend a whole lot of time on it and I'm going to turn it over, back to Peter, and he will cover the looking ahead part of our presentation today.

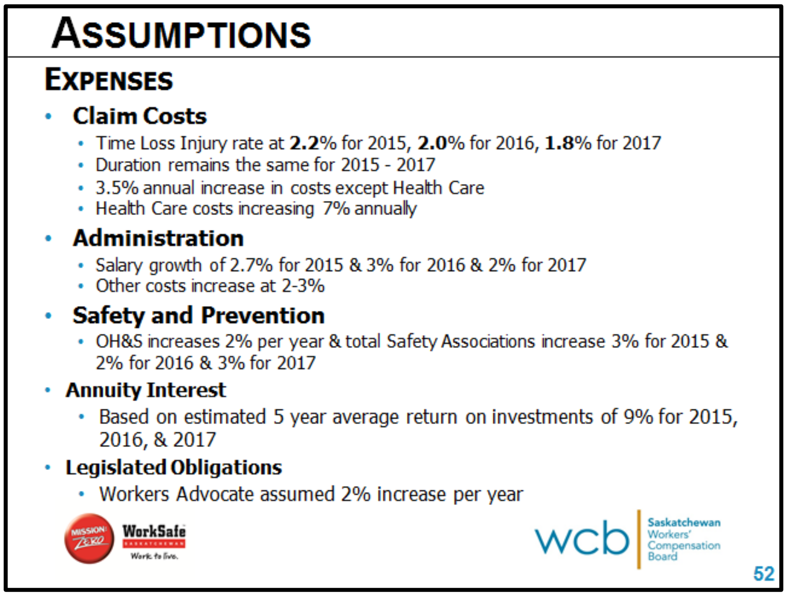


Peter Federko

Thanks, Ann. The other thing we are required or obliged to do under our legislation is to provide you with a look ahead in terms of what we are expecting both from a financial perspective, strategically what our plans might include, and so on and so forth. The first is just to look at our projections for the next three years so you can have an idea, when we look into the crystal ball as best we can on what we are anticipating.



When we look at the premiums, we are anticipating premium growth of about 2.23% in 2015. That's because of a drop in premium rates and we don't know where the final payrolls are going to come in 2015 but a bit of muted growth there. With respect to 2016 and '17 this 2% is actually payroll growth. We are assuming that the premium rate of $1.46, which is the current rate for 2015, is going to stay constant for both 2016 and '17 and then apply that to a 2% increase in payroll in each of those next two years and that gives us our premium forecast for the three-year period. Investment income: we are assuming a modest return for all three years, 2015 through 2017, of 5%. So that's what goes into our forecast with respect to revenues.



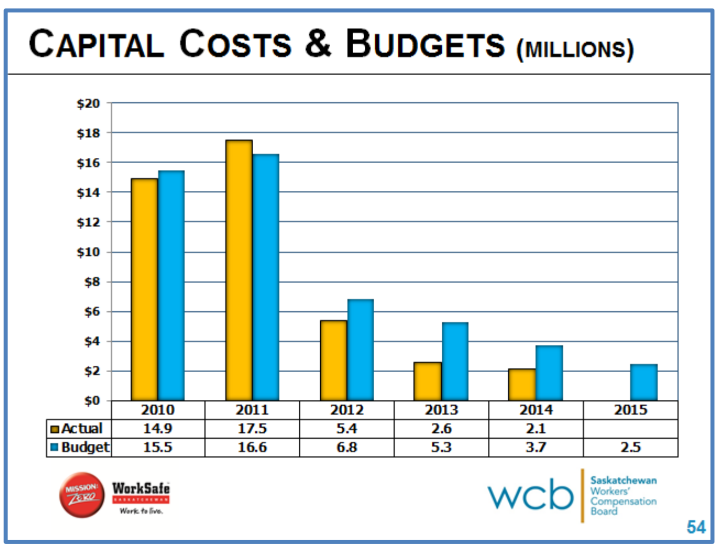
When we look at the costs, so the first thing we look at is the claims costs. Our target for the time loss injury rate is 2.2% in 2015, 2% in 2016 and I think 1.8% in 2017. So building those reductions in the injury rates into the number of claims we anticipate coming in is one of the things that we use. We also look at the duration numbers that Graham talked about. We are assuming durations are going to stay flat at 37 days, which is where we ended up in 2014. With respect to the cost inflation, with respect to claims costs other than health care costs, we have assumed a 3 ½% wage and other inflationary increase. With respect to health care costs, which are running about two times general inflation, we are assuming 7% growth in those health care costs. So on a per claim basis, a fee for service basis; we are assuming a 7% inflationary increase on health care and 3 ½% otherwise. Administration: driven by really negotiated increases in salaries, you can see 2.7% in '15, 3% in '16, and 2% in '17. And all other administrative costs are assumed to rise at the rate of inflation between 2 and 3%. Safety and prevention: Occupational Health & Safety is assumed to grow 2% per year, safety associations as indicated there. A five-year average with respect to annuity interest, we have assumed a 9% return for '15, '16 and '17. And legislated obligations, a 2% increase in the Workers' Advocate funding. Plus we do have a Committee of Review that has been appointed -- and they will be sitting through 2015 -- we have included about $275,000 in our administrative budget in order to cover off the activities of the Committee of Review.

STATEMENT OF OPERATIONS, INJURY FUND PROJECTION

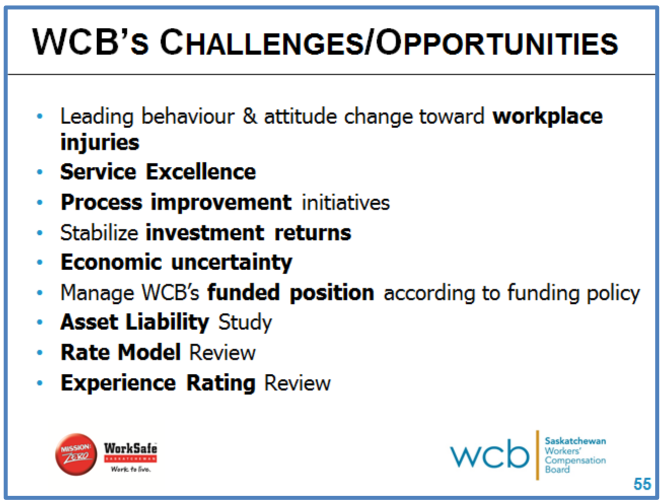
	2013 Actual	2014 Actual	2015 Projected	2016 Forecast	2017 Forecast
Revenues					
Premiums	$301,382	$291,158	$307,748	$313,902	$320,180
Expenses					
Claims costs	283,358	264,683	248,809	260,257	271,416
Administration Expenses	41,874	45,660	44,200	45,022	44,967
Safety and Prevention	22,277	22,636	23,058	23,500	24,045
Annuity Fund Interest	15,511	17,344	17,500	18,800	20,300
Legislated Obligations	1,019	1,124	1,374	1,121	1,144
	364,039	351,447	334,941	348,700	361,872
Underwriting Profit (Loss)	**(62,657)**	**(60,289)**	**(27,193)**	**(34,798)**	**(41,692)**
Investment income	252,609	159,473	100,000	105,000	111,000
Net Income	189,952	99,184	72,807	70,202	69,308
Injury Fund, beginning of year	298,288	521,055	703,248	696,072	765,159
Investment Surplus distribution			(78,900)		
Appropriation (to) from reserves	32,815	83,009	(1,083)	(1,115)	(1,148)
Injury Fund, end of year	**521,055**	**703,248**	**696,072**	**765,159**	**833,319**
Reserves	$117,566	$34,557	$35,640	$36,755	$37,903

53

When we put all of those revenue assumptions together and all of those expense assumptions together, here is what it kinda looks like. So there is '13 and '14 actual and here is what we are projecting for 2015, a net income of about 73 million dollars, 16, 70 million, 17, 69 million dollars. The best information we have today, some relatively I would suggest conservative assumptions with respect to what the future might look like, continues to show us in a strong funded position throughout this period of time.



We also budget separately for our capital costs, so things like -- this is 2 ½ million dollars here. This is pretty much all, except for a couple hundred thousand dollars, all computer related, so it's enhancements to our systems both on the software and hardware side that we have anticipated for 2015 and included in our approved budget for 2015. One of our challenges moving forward -- we always talk about this and I guess as Tariq said, until we are no longer second-worst and hopefully never become the worst in Canada with respect to injury rates, we are going to continue to lead cultural change with respect to injury reduction and injury elimination in this province.



Phil indicated the national average and, you know, they are not total apples to apples comparisons because the definition of national is a little different, but the 2013 injury national average was 1.65%, if I remember it correctly, and we are sitting at 2.54 at the end of 2013. Even with the slight changes in terms of definition, clearly still a lot of room for us just to get to where the national average is. And so we are going to continue to drive that through.

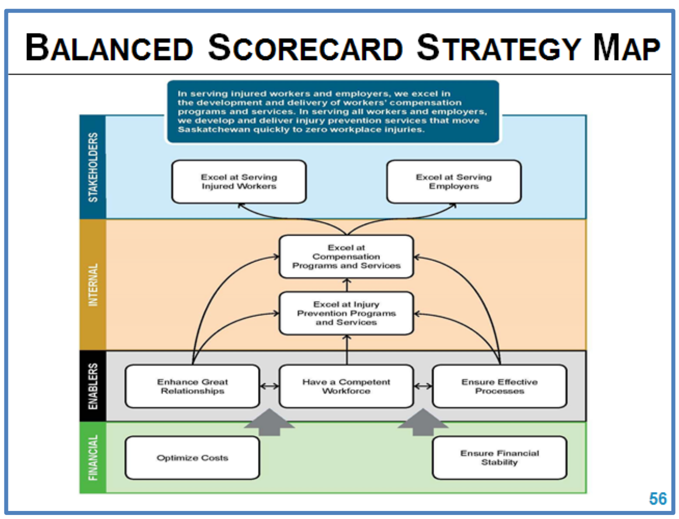
Our focus on service excellence is not diminishing at all. As a matter of fact, as Mick indicated, the creation of a specific service excellence unit focussing on creating service standards and delivering training and ensuring quality of decisions and quality of communications will improve the level of services that we do provide. A big focus on process improvement to ensure that tools that our staff have, the processes that they use in terms of serving our customers, are the best processes that they have, driven by two things: one, what they learn from the customer in their interactions with the customer; and secondly, what they know just from doing their work. We will continue to push process improvement through the organization not as a project but as a way that our staff are empowered in order to continue to figure out what they need to do process wise in order to meet the customers' needs.

Stabilizing investment returns: Ann talked about the continued implementation of our new investment policy, moving out of Canadian equities for example into high yield bonds and into low volatility equities, to try and take the volatility out of the returns but yet maintain the same returns that we have enjoyed. Economic uncertainty: we don't know exactly what the impact is going to be economically the downturn in oil and gas. I mean if you judged it on the basis of what's happened at the gas pumps in the last two days, you would think we are back in full recovery, with a nine cent per litre increase. Gas, oil is running at over $60 a barrel now. We don't know how that's all going to settle out. We do know that there are still a lot of projects on the go. EVRAZ has announced their expansion, Mosaic announcing their expansion, which is going to drive some economic activity. We just don't know what the net effect is going to be and how the markets are going to settle out. Markets have been really volatile in 2015, and so trying to sort all that out is going to be I think a bit of a challenge for us. I mean I think once we get through third quarter when we are talking to you at rate setting in October we should have a better idea of exactly how that's all going to settle out. And then in combination with all of that, how do we continue to manage the ongoing funded position.

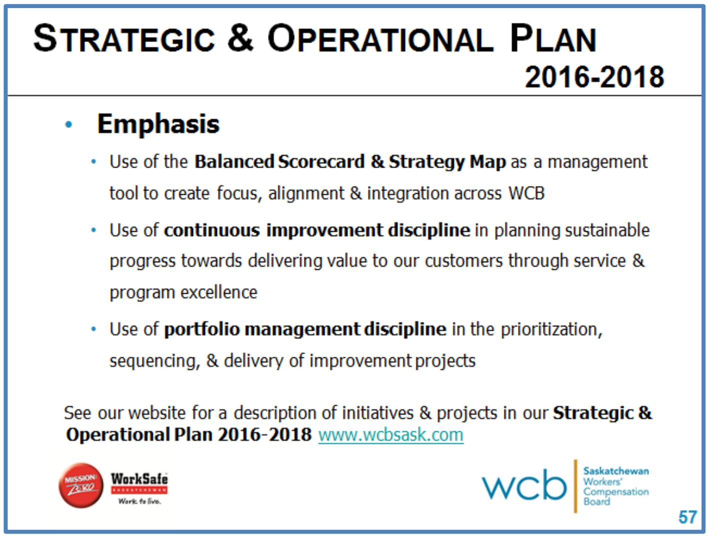
A big piece, as I talked earlier, is having this asset liability study concluded to figure out so that we can get another view -- we had one done about six years ago; this is to update it -- and advise us whether that 5 to 20% is still valid and will hold us in a position to not jeopardize benefit levels to workers and maintain stable premium rates for employers.

We have scheduled a rate model review starting in the fall, so it won't be ready for the 2016, but any changes would be implemented in the 2017 premium setting. It's just time -- we do have the rate model reviewed annually by our current consulting actuary to ensure that it is producing rates that in his opinion are indicative of the kind of sustained experience that we have seen. We just think it's time maybe to give another set of eyes to that just to confirm what we have heard from our consulting actuary who has been with us for more than five years.

In 2014 we undertook an experienced rating review. We had a committee put together of employers and labour representatives who studied the current experienced rating program. Experienced rating program is simply to reward or frankly penalize employers who have good or bad safety records. It is time for a review of that program -- we were hearing some things that it's not responsive enough. There is what we call a standard program which is for small employers, if they flipped from standard into the advanced because of their payroll growth, the implications of that. So we brought this stakeholder committee together to study the program. They filed a report with us with six recommendations, two of which were non-consensus recommendations. A report and our analysis from an administrative perspective was provided to the board. The board has decided they wanted to take further consultation on those particular recommendations, in part because of the two non-consensus recommendations and also because our analysis of the recommendations that the committee has put forward didn't totally align with what the recommendations of the committee were. We have come up with some other things that we think might accomplish the same thing the committee was striving to do but perhaps in a little better way. We are in the process of trying to put together the discussion paper that can go out. We don't know when that's actually going to come together because we have got a lot of other stuff going on right now including trying to put distribution cheques together and sort all of that stuff out. But I would suspect sometime this summer somehow you will be getting notifications or there will be a discussion paper out there and inviting, comments and responses to what the committee has come up with respect to the review.



Our balanced scorecard continues to look the same, the same focus with respect to all the perspectives. So this is now what's guiding us through 2015 through 2017. Although as Graham indicated, we are looking at different measures within, or different indicators within these objectives that we think are better indicative of what's actually going on and can actually provide us with information that is actionable. As opposed to changing demographic acclaims that bumps up the duration number, there is not a whole lot we can do about that other than try and prevent the more severe injuries. But the long-term injuries that are in the system already are there and we are just going to have to continue to pay and they will go into the stats. So this continues to drive our planning although we are looking at the indicators underneath.



Our emphasis with respect to the plan moving forward is to continue to use the scorecard to drive our plans, pushing continuous improvement and discipline through the organization as a tool that allows us to create greater value and better meet the needs of our customers, and as Mick indicated, aligning that with our portfolio management discipline which helps us prioritize and sequence the events and create measurable outcomes for those projects that are tied to things that come out of process improvement. That doesn't necessarily mean they are of a capital nature. It just simply means that there might be a project not requiring any investment, just a different way of doing things, in order to better meet the needs.

Thank you all very much for coming.