

**Saskatchewan Workers' Compensation Board**  
**Annual General Meeting, 2021**  
**Regina, Saskatchewan**

**Carolyn Van der Veen**

Good morning. And thank you for joining the WCB's Annual General Meeting. We will get started in just a few minutes. This AGM will be recorded and posted on the WCB YouTube channel. We will have time for questions at the end of the presentation and you will be able to submit your questions in the Chat. We will work to get to as many questions as possible. So, right now I will pass things over to our Chair, Gord Dobrowolsky.

**Gord Dobrowolsky**

Well, thank you, Carolyn. And good morning, Ladies and Gentlemen. On behalf of my fellow board members, Larry Flowers and Garry Hamblin, I certainly want to welcome you to the Saskatchewan Workers' Compensation Board's AGM. This is one of our most important public accountability events. And 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 the Chair of the WCB. Our top priority is always the health and safety of our staff, customers, and partners. Because of the ongoing COVID pandemic in the province and to maintain physical distancing for our attendees, we are using technology to communicate with you, our customers. We urge you to follow Saskatchewan Government guidelines on self monitoring and self isolation, protect yourself and your family. Hopefully, hopefully, we can all get together next year after we all stick it to COVID. I think I am no different than anyone else out there, I love that line "Stick it to COVID." So, thank you for taking the time to join us this morning. We are here to present our results from 2020, as well as our plans for the future. As a board, our actions are governed by The Workers' Compensation Act, 2013 and the WCB has exclusive jurisdiction in Saskatchewan, and we are an independent board fully funded by our employer premiums and investment income. As stewards of the workers' compensation system in Saskatchewan, we take our jobs very seriously. It is our vision at

the WCB to eliminate injuries and restore abilities. We will work to achieve our vision through our mission which is to be a customer-centric organization that continuously seeks to add value for our customers through a culture of continuous process improvement. Our agenda today is meant to give you a high-level overview of our 2020 results and of course more in-depth information is available in the Annual Report and on our website. We will respond to pre-submitted questions that were emailed to us which we will read at the end of the session. In just a few minutes our CEO and members of the WCB's executive team will share the 2020 financial and operational highlights with you. But first, I would like to briefly review the principles that govern our compensation system, the Meredith Principles. The workers' compensation system in Canada as we know it has been established through something known as the Meredith Principles. These principles were adopted over a hundred years ago and I believe they are still as valid and important today as they ever were. Reflecting on something known as the historic compromise, the Meredith Principles provide an employer-funded compensation system in exchange for which the workers give up their right to sue. The principles stipulate that the 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 totally 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. For those of you that attended the Compensation Institute yesterday, we heard from an injured worker from Great Britain, injured in 1993. He had to sue the employer and wait five years for benefits, five years. No Meredith Principles there. In 2020, 90% of employers achieved zero injuries and zero fatalities. That's right, 90, 9-0. That's incredible. It's a slight increase over 88% in 2019, but this is a huge success and a testament to the safety work being done in our province. So, sincere congratulations from the board to all of those employers who achieved that milestone of zero injuries and zero fatalities. Again, 90%. Last year we continued to

advance our multiyear strategy on psychological health and safety. We are working with Dr. Joti Samra to implement additional elements of that strategy. Despite the many challenges that the COVID pandemic has presented to us, we are continuing to make real progress in meeting the WCB's vision of eliminating injuries and restoring abilities. In '08, Saskatchewan had the second highest workplace injury rate in Canada. From that point on, all of us, business leaders, government, workers, and safety associations started to work even harder to bring that number down. Now, thanks to the health and safety efforts of people like you, our workplace injury has dropped by more than 56% from the '08 to 2020. The workplace total injury rate for 2020 was 4.46%, a 10% drop from the 2019 level. Last year fewer people and their families were affected because someone was hurt at work. Employers, workers, safety leaders, and labour unions all around the province, people like you, have worked diligently to bring our injury rates down. In 2020, our time loss injury rate also decreased to 1.78%, down from the 2019 rate of 1.86%. This represents a reduction of 4.3% from the 2019 rates. The 2020 time loss injury rate is the lowest rate in more than a decade. This is very encouraging, but we cannot become complacent in our efforts to ensure the safety of all Saskatchewan workplaces. But sadly, we lost 34 individuals in work related deaths last year. Of those, 16 were occupational disease and 18 were from other factors such as motor vehicle crashes, traumatic events, and heart attacks. Each one of these 34 deaths had a shattering impact on workers' families and communities. As we all know, even one is too many. In December of 2019, WorkSafe Saskatchewan launched the three-year Fatalities and Serious Injuries Strategy. This strategy works to address the high-risk industries, occupations, and the tasks within those industries that are resulting in fatalities and serious injuries. Collaboration with our stakeholders is critical to understanding industry needs and delivering sustainable injury prevention outcomes. By working together on initiatives like this strategy, we can all contribute to bringing our injury rates down and keeping all workers safe on the job. To illustrate the commitment we hope all business owners share, we feel the familiar phrase "on time and on budget" – and we have all heard that so many times, "on time and on budget," -- but this should be expanded to say, "on time, on budget, with no injuries." We

believe that by adding those last three words we are now covering every measure of success including the health and safety of the people working on those projects. By incorporating those three extra words, we are committing to no longer measuring success in strictly financial terms but also factoring in our shared desire to see every employee return safely to their loved ones at the end of each day. Not too much to ask. In 2020, after 12 consecutive years of decreases, our average premium rate remained at \$1.17. This was the same rate as in 2019. In October, although the 2021 premium rate could have been \$1.23, this board decided to hold the 2020 rate at \$1.17 and the industry level rates were capped at 10%. This board level hold was instituted to provide a measure of economic relief to Saskatchewan businesses struggling with the effects of the COVID-19 pandemic. Our 2021 premium rate is still the third lowest in Canada. Manitoba is at 95 cents and Alberta at \$1.14. We are able to maintain this position because you are investing time and money into preventing injuries. Injured workers and employers are cooperating with return-to-work plans. However, we will need to review the actuarial model again before setting the 2022 rates to ensure our system is financially sustainable. So, thank you. Sincerely, thank you on behalf of the board for your interest in our results and for taking the time to be here this morning. This morning Phil Germain, our CEO, Crystal Nett, our Chief Financial Officer, Kevin Mooney, our VP of Prevention & Employer Services, and Jennifer Norleen-Beitel, VP of Operations, will provide you with an overview and the details of the 2020 results. And we will end the morning with pre-submitted questions that were emailed to us. So, with that, again we really thank you for being with us this morning and I will now turn it over to Phil Germain, our CEO. Phil?

**Phil Germain**

Thanks, Gord. And good morning, everyone. It's my pleasure to be here with you today and provide you further details of our accomplishments at WCB during 2020. I want to thank each and every one of you who took time away from your work to participate in our AGM. It's very encouraging to have this level of participation. As Gord highlighted in his opening remarks, our vision is to eliminate injuries and restore abilities. The greatest value to our customers and stakeholders is if we are able to prevent all injuries

and fatalities. If someone is injured, we want to prevent workplace disability by helping our customers rehabilitate and return to work. We know work can be an important part of the healing process and that workers are better off over the long term when they return to work. We believe that prevention is better than rehabilitation and rehabilitation is better than compensation. We will move forward by working with our customers and partners to make the changes necessary to positively impact our customer service and value to our customers. Our vision of eliminating all workplace injuries and restoring everyone's abilities preinjury is a long-term view of where we want to be. And our True North keeps us constantly focussed on working towards our vision. We believe that by constantly improving these five areas of our business, safety, quality, timeliness, people, and financial, we will continuously deliver a better customer experience by improving service and value. As we all know, the COVID-19 pandemic impacted every corner of our province, and really the world, and this forced all of us to adjust in order to maintain business continuity and in some cases simply trying to stay alive in business. This includes how we were able to serve our customers at the WCB and through the WorkSafe Saskatchewan partnership. Last year the Government of Saskatchewan announced various measures to support provincial business owners during the COVID crisis. To provide further relief for Saskatchewan employers, the WCB introduced additional relief measures for employers who needed additional time to pay their 2020 WCB premiums because of the COVID pandemic. From April 1<sup>st</sup> to July 31<sup>st</sup>, 2020, the WCB waived penalties and interest charges for late premium payment. As well, the WCB removed penalties for late filing, underestimates, and late registration. We provided clearance letters to employers even when contractors' WCB accounts had not been paid. We suspended payroll audits from March to July except in situations where an employer may be eligible for a refund. We offered payment plans for employers and we prioritized payroll revisions to help employers reduce premiums. As Gord mentioned, in October we announced the 2021 premium rate would be held at the 2020 rate of \$1.17 and that we capped industry rates at 10%. This board level hold was instituted to provide a measure of economic relief to Saskatchewan businesses struggling with the effects of the COVID-

19 pandemic. Under the WCB's rate model, the 2021 average rate, required rate, should have been \$1.23 per \$100 of payroll without the board level hold. The increase determined by our actuarial model was driven by a combination of factors including the economic slowdown caused by COVID-19 and an increase in compensation and health care costs. While the current average premium rate is 43% below our 17-year high of \$2.05 in 2004, the average premium rate may rise in 2022 if payroll costs remain low while claims costs continue to rise. This tells us that we all need to do more work on eliminating injuries and fatalities and preventing work disability. To manage exposure to COVID-19 in workplaces, WorkSafe Saskatchewan, the partnership between WCB and the Ministry of Labour Relations and Workplace Safety created multiple resources for preventative measures. These resources included information on ergonomic hazards, information for working from home, managing mental health, how to conduct a hazard assessment, and how to develop an exposure control plan. Through WorkSafe we offered a free COVID-19 online course that aims to reduce anxiety and offers to help sustain safe workplaces during the pandemic. This is a 40-minute interactive online course that provides you with practical knowledge and training to help keep everyone safe. You can still access this course at [worksafesask.ca](https://worksafesask.ca). In 2020, the WCB accepted 334 compensation claims related to COVID-19. The WCB has focussed on mitigating the challenges of managing claims during the pandemic including gathering necessary information to adjudicate incoming claims and managing return to work plans. The latter required access in needed medical assessments and treatment programs when the delivery of those services was also struggling. The WCB worked closely and collaboratively with the health care provided community to explore a variety of ways to access timely and effective assessments and treatment options. During these challenging times, the WCB also introduced Telehealth opportunities for assessment and treatment to support workers impacted by the pandemic restrictions, through extended earning loss and job search benefits because of COVID-19 related delays. We formed a dedicated team of experienced claims staff to work through COVID-19 claims, to help speed up the adjudication process, and ensure consistency in decisions. We made all COVID-19

claims eligible for cost relief and we encouraged both employers and workers to report COVID-19 related claims by making sure employers were not held responsible for COVID-19 related claim costs in the pandemic unless they had intentionally violated the Government of Saskatchewan restrictions. I will now turn it over to Kevin Mooney to provide an overview of safety and prevention programs during 2020. Thank you.

**Kevin Mooney**

Thank you, Phil. And good morning, everyone. Thanks for taking the time to join us today. In this next section I would like to present our efforts to prevent workplace injuries, as the easiest injury claim is the one that never happens. In this next slide we are showing the raw numbers for the various indicators we track to help us determine if we are having a positive impact on health and safety. From a prevention perspective we tend to focus on a number of metrics to indicate that our prevention strategies are working. The total change in the total injury rate, time loss injury rate, and the number of claims and fatalities provide us a broader view of whether or not our injury prevention efforts are working well. We want to see all the numbers going down to get a better sense of improvement. Our 2020 cumulative number of external injuries including self-insured claims and fatalities is 17% below the 2019 level of 21,945. The total number of workers covered in the province decreased from 402,306 in 2020 from 433,622 in 2019. You will see from the next few slides that while we made great progress in 2020 compared to 2019, and with the exception of the total injury rate we are still seeing a flattening out or a plateauing of our safety performance. When I say “we” in this context I am meaning the WCB, The Ministry of Labour Relations and Workplace Safety, and other various safety partners in the province. Next slide please. The WCB accepted 34 fatality claims in 2020 compared to 36 in 2019, which is a decrease of 6%. These fatalities occurred in 28% of the 50 industry rate codes. The chart also illustrates a flat trend line. On average, Saskatchewan has roughly 38 fatalities per year every year over the last 10 years. Asbestos accounted for 29% of all workplace fatalities in 2020. Occupational disease related fatalities decreased to 16 in 2020 from 17 in 2019. Ten were related to asbestos exposure, five were firefighter related cancers, and one was a respiratory disease.

Traumatic related fatalities remained at seven in 2020, the same as in 2019. Two were due to being caught in equipment, two were due to being struck by a vehicle, two were due to falls, and one was due to being struck by equipment. Motor vehicle related fatalities increased to seven in 2020 from four in 2019. Six were due to motor vehicle accidents and one was due to being crushed between a vehicle and equipment. Heart attack related fatalities decreased to four in 2020 from five in 2019. The WCB and WorkSafe, a partnership between the Ministry of Labour Relations and Workplace Safety, has many partnerships focussed on helping to strengthen each of our four pillars of our strategy. The safety associations are longstanding partnerships with industry to help address injury prevention in their sector through education, training, and other prevention initiatives. We partner with industries to establish safety associations. Each safety association is governed by a board of directors representing employers and workers from rate codes that fund the association. All safety associations follow a strategic planning process and report on the results against their plans to industry and the WCB. There are currently seven industry-based safety associations representing 18 industry rate codes. Safety associations are funded through an extra levy on the premium rates of employers with specific rate codes. Safety associations received 11.4 million in WCB funding in 2020, which was up from 11.2 million in 2019. This slide shows the total injury rate performance of the rate codes covered by safety associations which is the blue bars, versus rate codes not covered by safety associations which is the gold bar. While historically the safety associations have outperformed the rate codes without safety associations, that trend has reversed during the last few years as shown by the widening of the blue and the gold trend lines. Total injury rates for industries with safety associations have decreased to 4.74% in 2020 from 5.46% in 2016. We continue to engage with all safety association boards of directors in implementing the new WCB Safety Association Funding Policy and finalizing the related Funding Agreement. In December 2019, WorkSafe Saskatchewan collaborated with employers and labour stakeholders to develop and launch a provincial Fatalities and Serious Injuries Strategy. This strategy was developed to prioritize and address the high-risk industries,

occupations, and the tasks within those industries that are resulting in those fatalities and serious injuries. In 2020, WorkSafe continued to implement initiatives outlined in the Fatalities and Serious Injuries Strategy. Through WCB's serious injury definition, analysis indicates that the province of Saskatchewan has approximately 2,500 serious injuries every calendar year. As a result, WorkSafe used this information to focus prevention initiatives going forward until the end of 2021. WorkSafe's focus in 2020 was on the following eight categories: asbestos exposure; work related motor vehicle crashes; firefighter cancer exposures; falls from heights; health care, transportation; first responders with a focus on psychological injuries; and manufacturing with a focus on hand injury prevention. More details and ongoing reporting of the results regarding the strategy can be found on the WorkSafe website at [www.worksafesask.ca](http://www.worksafesask.ca). I will now turn it over to Ray Anthony, Executive Director, Occupational Health & Safety Division from The Ministry of Labour Relations and Workplace Safety, to provide an OH&S update.

**Ray Anthony**

Thank you, Kevin. I would like to thank the board here for the opportunity to speak at your AGM and I would like to bring greetings from our Minister Don Morgan and our Acting Deputy Minister Greg Tuer. I would like to speak briefly about the role of LRWS OHS in the WorkSafe partnership. Essentially, our role is that of the regulator. We enforce Part III of The Saskatchewan Employment Act and Part 5 of The Radiation Health and Safety Act and along with it its associated regulations, the Occupational Health and Safety Regulations, the Mines Regulations, and of course the Radiation Health and Safety Regulations. While we advocate for these as the minimum standard for safety in a workplace, we advocate for best practice in all cases. Slide please. We generally break inspections down into two types. Those are proactive and reactive. Of course, the targeted inspection numbers that you see are proactive. These inspections take place based on data that we actually get from the WCB where we take into account those employers that are above the provincial average, above their rate code average, and generally have a higher number of incidents in their workplace. By doing that, we are working with those employers that are driving the incident rate, and it has proven to be

quite effective. So, that said, about 1,990 proactive inspections were driven last year. The reactive inspections, those that are complaint driven, officer initiated, and those notifications that we get that are legislated, and of course harassment complaints, totalled up to 4,434 worksite visits last year. This is actually down about 10%, but again, it would be remiss of me not to mention COVID, that we had a number of people deployed to The Ministry of Health, SASWH, to the Saskatchewan Health Association, and some other agencies that needed assistance during this which diminished our capacity. Along with it, of course, it was a little more difficult to actually perform inspections. But out of the 4,434 inspections, about 1,400 had an element of COVID in them. So, having said that, it was not too bad of a year, but again, COVID made it tougher than it should have been.

Slide please. One of the tools that are available to us, is we have 12 officers in the division that have been designated as peace officers. These people are eligible to issue any one of 12 summary offence tickets. Essentially, these are used for what we would call IDLH situations, immediately dangerous to life and health. They cover issues such as fall protection, safety in excavations, machine safety, personal protective equipment. Last year we issued 18 tickets with 15 of those people being found guilty. One is still in progress and three have been stayed or withdrawn by the courts. These tickets are no different in nature than you would get for speeding or perhaps catching too many pickerel. It goes through the provincial court system and is run through The Ministry of Justice. That said with it, it's average at about 20 a year, so 18 is down about 10%. But again, in a year with COVID-19 it's a bit of a strange year. Slide please. This slide shows our prosecutions, and as you can tell by the numbers, the prosecutions are up. Of course, in 2016 when The Saskatchewan Employment Act was first passed, the fine amounts were increased substantially, and we are beginning to see the effects of that. Because normally it takes about three years to four years to run a case through the provincial court system. This is done, we currently have two dedicated prosecutors at The Ministry of Justice and when files exceed the criteria under Section – I'm going to use the old number – Section 8 of the old regulations, that is someone being in the hospital for 72 hours as an inpatient, or in the case of a fatality -- that file is put under review and the file

is sent to the Crown Prosecutor's Office. If the Crown Prosecutors agree with us that there is sufficient evidence to warrant a prosecution, it goes forward and charges are laid by our officers. This year you can see that the fines are 2,227,800, up substantially, about a 34% increase from previous years. Again, the number of files sent to Justice is 26 this year and the number of prosecutions initiated is 22. Last year we had 21 convictions, so the prosecutors have been doing a pretty serious amount of work. This results in us being one of the largest contributors into the Victim Impact Fund that The Ministry of Justice carries forward. Slide please. I am going to turn it over now to Jennifer, and I would like again to thank the board for the opportunity to speak here.

**Jennifer Norleen-Beitel**

Thank you, Ray. In this next section I will present our Quality & Timeliness Highlights. We know that the longer injured workers rely on WCB supports, the more likely they are to lose earning capacity and suffer other life disruptions. We have a few indicators that help us understand how we are doing in restoring abilities, which are shown on this slide. One of our 2020 operational objectives was to reduce the number of payment defects or recalculations by 25%. We owe our customers defect free service, and an area that's frustrating for both worker and employer customers is when the WCB needs to recalculate claims payments. This adds stress at an already uncertain time. We ended 2020 with 3,786 recalculations, which is 186 or 5.2% above the target of 3,600. However, this is down just over a thousand recalculations, or 21%, from our 2019 results of 4,800. The WCB will continue to work in the areas that will have the greatest impact on reducing these required recalculations. A policy review was initiated in 2020 and will guide the WCB further in moving this work forward. Claims durations, which are the average amount of time missed because of a work injury, is an indicator of the timeliness of our claims processes and how well all the partners work together to support the worker in their recovery and return to work. This includes the employer, worker, union, health care providers, and the WCB. The average duration of claims in 2020 was 45.27 days, up from 41.52 days in 2019. This was above our 2020 target of 38 days. While we know that COVID-19 impacted durations by contributing to some delays in accessing treatment and

return to work for some workers, we were able to see some reductions in durations for psychological injuries. In March of 2020, the WCB hosted a Psychological Claims Visioning event with customers. The event brought together 30 participants representing injured workers, employers, and support organizations from within the first responder community. The purpose of the event was to identify gaps in the psychological claims management process so that WCB can better prioritize its improvement efforts. Within the newly established WCB psychological injury unit there were several adjustments made to service delivery and response to customers' feedback. A repository of online therapy options for workers was developed in collaboration with health care services, standardized processes related to addictions counselling were developed. And there was exploration of an opportunity to partner with public safety personnel in the province to pilot the Edmonton Police Services Reintegration Program, and this work was initiated and will continue throughout 2021. Our target was to reduce psychological injury durations by 10%. We ended 2020 at 65 days, which was one day below our target of 66 days and nine days below the baseline of 74. The time from when a claim was registered to when there is a decision on the file decreased to an average of 19 days in 2020 from an average of 31 days in 2019. In 2020 we also initiated our Claims Transformation Initiative which included a value stream mapping event where the organization completed an end-to-end analysis of our claims processes to identify opportunities for more significant sustainable improvements in timeliness and quality. Frontline staff, administration, an injured worker and family member, and an employer, were involved in the value stream mapping event. We developed a future state vision of what service delivery to our customers will look like in the next three to five years. All process adjustments will always be viewed through the lens of the attributes that will lead the WCB closer to its future state. As we continue our journey through the Claims Transformation Initiative, the organization will adjust our claims processes to address the gaps that have been identified by customers. Through Committee of Review and Voice of the Customer engagements, employer representatives provided feedback that the Saskatchewan WCB should investigate the creation of an internal employer resource

centre to address gaps and employer supports and to better facilitate an employer's ability to navigate through the Workers' Compensation system. As a result, the Employer Resource Centre was created to provide just-in-time employer support and was publicly launched on September 3<sup>rd</sup> of 2019. From an employer registration perspective, the time to register employers improved to 75% registered within five business days in 2020 with an average processing time of 7.2 days, from 62% registered within five business days in 2019 with an average processing time of 10.2 days. We did see a decline in the fourth quarter in the number of applications that were submitted to the office. We saw increased call volumes inquiring about potential business opportunities, but this didn't actually result in an increase in registrations. Another area that we focus on is employer payroll audit quality. So, audits completed in 2020 resulted in an overall net adjustment of just over \$88,000. 290 audits were conducted in 2020 compared to 745 in 2019, which is due, as was mentioned earlier, to a temporary pause from March to July when COVID hit Saskatchewan. During this time audits for purposes of issuing refunds were the only ones that were conducted, and the focus was shifted to proactively calling employers to support with payroll revision efforts. Payroll audits in 2020 resulted in premium adjustments for 53% of accounts. This is a decrease of 22% from 2019 where 68% of files had a premium adjustment. The top three reasons for adjustments were reporting errors, excess earnings above the maximum assessable level, and nonregistered contractors. At this time, I will now turn it over to Crystal Nett, our CFO, to provide financial highlights. Crystal?

### **Crystal Nett**

Thank you, Jennifer. Good morning, everyone. It is my pleasure to provide you with our 2020 financial highlights. As Gord mentioned, WCB was in a fully funded position of 112.4% as of December 31<sup>st</sup>, down from 115% in 2019. There was a significant decline in the 2020 total comprehensive income due primarily to the pandemic and its impact on the economy as well as the investment market, ending the year at a total comprehensive loss of 83 million compared to a total comprehensive income of 170 million in 2019. A new measure for 2020 was the total administration and claims expense per total active

number of claims. This resulted in a total cost of \$3,564 per active claim for the year compared to the target of 2,700. Premium revenue is the WCB's main source of revenue, and it's determined by industry payrolls and premium rates. And as you just heard, in 2020, our premium revenue was down by 11.6 million or 4.3% from 2019, ending the year with 256 million dollars. Although average premium rates remained constant at \$1.17 per \$100 of assessable payroll, there was a 3.2% decrease over the 2019 payroll numbers as a result of the pandemic's impact on Saskatchewan's workforce. Assessable payrolls decreased by .7 billion from 22.9 billion in 2019 down to 22.2 billion in 2020. Investment income is the other primary source of revenue for the WCB. And while we had revenue, as you can see, of 77 million, we actually dropped compared to the investment income earned in 2019 of 277 million. The pandemic had a significant impact on the investment returns in 2020. And because of the fact that our investment income is made up of both realized investment earnings and unrealized gains or losses, when the fair market value of investment is greater or lesser than the costs, we ended the year with a return of 4%. You can see the statement of operation on your screen, and this statement provides a complete picture of WCB's 2020 actual results compared to the budget and to last year's actual results. I have already covered premiums and investment results, so I will just provide a few other highlights from this statement. Our total expenses increased by 11% or just under 40 million, going from 360.3 million in 2019 to 401 million in 2020. Contained within that, claim costs comprised 79% of total expenses and account for more than 97% of the overall increase in expenses, going from 281 million to 320 million. Just a brief reminder that claim costs include short term wage loss, long term earnings replacement, health care, vocational rehabilitation, claims administration, and the actuarial adjustment to the benefits liabilities. The administration costs increased by 2 million, going from 52 million in 2019 to 54 million in 2020. Within that cost, salaries and employee benefits comprise 70% of total administration expenses and account for most of the increased administration costs. The most other significant administration expenses are for amortization of our leaseholds and capital and that comprised 13% of administration expenses at approximately 9 million. And now I will just provide a brief

overview of our financial outlook for 2021. The budget was developed without knowing the exact impact that the pandemic would have on the Saskatchewan economy or the WCB in 2021. It was also developed without knowing exactly when we would be kicking off the WCB's Business Transformation Program which Phil will describe in a few moments. When we developed this budget, we used payroll estimates of 23 billion and premiums were budgeted to increase 10 million over the 2020 actuals. For the expense side, we included an increase in the benefits liabilities of 26 million compared to the 2020 increase of 92 million. Claims paid are projected to increase 24 million. And while there was a significant drop in health care payments in 2020 due to treatment program sites being closed for part of the year, we did see an increase, as I just mentioned, in our overall claim costs. For investment income, we budgeted for a long-term average return of 5.25% or 114 million. But as we saw in 2020, the actual investment return can fluctuate quite significantly from year to year. This is evidenced by the 15% return in 2019 versus the -2% return in 2018 and 4% in 2020, with significant volatility throughout the year 2020. I will now turn it back to Phil to provide a bit more information regarding the year ahead and the Business Transformation Program.

**Phil Germain**

Thanks, Crystal. When we look at – for the next slide we are going to look at is the challenges and opportunities. When we think about the challenges going forward in the short to medium term, it's going to be, we are thinking about how to continue to operate within the COVID-19 pandemic, for example working from home, continued social distancing for now, the impact of employer closures and/or a slower than expected recovery for certain industries, and returning to the workplace protocols. This weekend I was on a phone call with CEOs from around North America, workers' comp CEOs from across North America, and the whole discussion was about the different approaches or ideas around returning to the workplace and what that might look like and why. Obviously, we also need to look at our financial management. There is a lot of uncertainty around future premiums and claims costs, both of which impact our cashflow. COVID-19 will continue to have a negative impact, like I said, on many claims just due

to continuing challenges of accessing medical supports on a timely basis and limited opportunities for return to work just due to business closures or, you know, reduced business opportunities. And on the medical side it's really trying to work through a lot of the backlogs that have happened. There is progress being made, but obviously any delays have a negative impact on people's abilities to recover and return to work. All of these things will come together and potentially drive up claims costs. Of course, market volatility continues to be a challenge. While we were on a significant upswing over the last few months, we never really know what this wild ride in the markets are going to deliver. And then high durations and high numbers of serious injuries. As Kevin pointed out, we continue to have a stubbornly high number of serious injuries and fatalities. We do have our Fatalities and Serious Injuries Strategy that started in 2019 that is starting to take shape. Elements are being implemented, we are starting to see some progress, but that will take time to fully implement, to learn and figure out what is working, what's not working, any adjustments, and then continuing to move forward. On the opportunities side, it's really kind of similar, just a different side of the coin. You know, how do we provide supports for employers and injured workers, create that resiliency of staff and management? Our pandemic response has accelerated our innovative thinking. And I mean quite honestly, when I talk to lots of other organizations, safety associations, employers, the lot of innovative thinking that got accelerated through the pandemic and it was kind of a forced learning environment for all of us, and we have learned how to create new standards for service delivery. We are doing things differently, trying to provide options around training and events like this and customer consult and – you know, we just need to continue to explore that innovation and innovative thinking and figure out how we can do things differently and better. So, we are working to determine what support and development, what our support and development needs are for our workforce now and into the future to be able to meet the evolving expectations of our customers. We are also assessing what a new operating paradigm might look like, and Jennifer has alluded to this in terms of how do we think about effective work disability prevention and return to work. There has been a longstanding model of what they call the

medically managed model and there is a lot of research that is saying that that element, you know, is important, but is it everything that's needed in order to get the best results that we all want. Which leads us to our Business Transformation Program. Today our customers expect to interact with us in new ways, in ways that work for them, and that means that we must adapt. More than ever our customers are at the centre of our future strategies, and we need to catch up to what they expect from us. And we heard from a few different, a couple of different VPs in terms of events where we are now bringing customers into the middle of the events with us to help us problem solve. It's been a very positive experience for management and staff to interact with our customers in that way. WCB's Business Transformation Program is the start of us trying to reimagine how we are going to better serve our customers. It will take staff, management, and our customers and partners on a five-to-seven-year journey where together we will work to reimagine how we deliver our products and services across all areas of the business and then make necessary changes. The end result will be better service for our customers through enhanced processes and technologies. Despite challenges presented in 2020, the WCB's commitment to the future state of our organization is firm. After completing an independent people, process, and technology review of the WCB's current system, the WCB developed and launched a high-level roadmap and a five-to-seven-year business transformation strategy. WCB's Business Transformation Program is the start of a transformation that will change how we serve our customers and see the organization invest in the processes, structures and technologies that will enable us to serve you, our customers, better. The program will take staff management and customers and our partners on that five-to-seven-year journey where together we will reimagine how we deliver our products and services. The end result will be better service for our customers, to enhance processes and technologies. We are confident this is going to create a win-win-win scenario for workers, employers, partners, and our staff. And although we have heard some inspiring stories over the years about our services, the need for business transformation has been evident from what our customers and staff have been telling us. To validate this, we completed an organization wide assessment of our current state and

worked with staff and customers to determine major gaps. This confirmed our need for change. One of the major objectives of the Business Transformation Program is to modernize WCB customer service delivery. Going forward, the vision of WCB's customer service delivery model will be more proactive and focussed on following the customers' needs from the first interaction through to the final interaction. In the long term the goal of the Business Transformation Program is to evolve our entire delivery model to support workers and employers and seek to reduce claim costs and loss time as well as preventing disabilities. WCB will need to better meet customer expectations and calculate and analyze data in a much more sophisticated way. The benefits of the Business Transformation Program will include enhanced customer service, providing better web and mobile tools for injured workers and employers, improving return to work outcomes, and reducing time loss from work related injuries, improved claims outcomes, equate to cost savings for employers. And we believe it will provide better self serve options for employers and workers. Before I close this portion of my presentation off, I just want to take a moment to recognize Ray Anthony who will be retiring soon. I want to acknowledge all the great work that Ray did to help workers and employers create a safer workplace in Saskatchewan. It was not an easy job, but one that he did very well and will have a lasting legacy in Saskatchewan. I would like to wish Ray very well and for a well-deserved retirement. Thank you. I think we will move on to the questions now. Carolyn?

## Questions

### **Carolyn Van der Veen**

Okay. So, our first question comes from Laura with the Service Hospitality. "At the 2019 AGM it was mentioned that the WCB is working with care providers to increase cooperation with timely and safe return to work for injured workers. Has there been progress made here, or when can we expect to see progress?"

### **Phil Germain**

Jennifer, do you want to take that one?

### **Jennifer Norleen-Beitel**

Sure. So, there's a couple things that I wanted to highlight in response to this question. So, in the short term we have taken some initial steps to encourage doctors to fill out those employer forms regarding restrictions and abilities. There were some changes made to the fee schedules last October which reimbursed doctors for the information at any time, so not just the first visit, which was a change. So, if employers need new information from the doctor along the way, the WCB will reimburse the doctor for that information as the claims progress. Longer term, we are looking to integrate our systems with the health system's electronic medical records system. So, the intent of that would speed up the receipt of medical information on our end so that our staff can then have conversations more timely and bring those parties together to talk about those return to work opportunities. Unfortunately, some of that was delayed just given the pressures that have been on the health authority over the last year with our pandemic, but that is something that we would still like to be pursuing in the future. And the other piece is really just – Phil mentioned a little bit earlier around the determinants of work disability and really just making sure that we understand the drivers of what's creating the challenges in our return to work. So, some of it may be medical, but there might be other determinants as well. And that's part of our transformation, is getting better at recognizing what some of those might be and being able to work with workers and employers to bring the parties together and have those conversations and develop those plans. So, that will influence our future transformation initiatives as well.

**Carolyn Van der Veen**

Our next question comes from Vicky, with PTI Transformers. Her question is, “For minor injuries how can employers/WCB influence physicians to return employees to work faster? Often by the time a claim is reviewed an employee has returned to work, yet time loss could have been avoided. Every little bit helps.”

**Phil Germain**

Jenn, do you want to maybe continue?

**Jennifer Norleen-Beitel**

Yeah, I'll take that one as well. Yeah, sure.

**Phil Germain**

Sure. Thank you.

**Jennifer Norleen-Beitel**

So, I think my last response, you know, addresses this one a little bit. But some of the other things to consider are, you know, employers talking to their staff early on, you know, when they are starting, about what the process is if they were to be injured and that modified duties are available and that they are able to be flexible and adapt to that. And arming the worker with that information when they take it to the doctor can really help shift the conversation from a – you know, if a generic template is taken and where they are asked what can't they do or what can they do, it's a lot harder than if we were to present something that says, "Here is the plan. Here is what the employer is offering" and shifting that conversation to "Will it cause harm? If I were to do what is laid out by my employer, will it cause harm to me?" So, that's one of the other things that we are looking to kind of change the conversation with our staff and with care providers and employers and building a little bit more on the determinants of work disability. In some cases, we may be asking doctors to solve a barrier that they are not aware of or that perhaps is outside of their control, so that might be something along the lines of, you know, the employer-employee relations, it could be something such as a fear. You know, a story that I have shared with staff in some cases is, you know, a worker that falls off a roof and, you know, physically they appear to be just fine but there is a fear there to being able to actually get back to work because heights are now presenting a barrier. So really needing to look at the injury from a holistic perspective and really help workers individually on that journey. So, we are looking to, as our transformation progresses looking to build in that within our processes to really identify what those determinants might be and get the medical support as well. But there are things that we can work on that aren't necessarily directly connected to the medical diagnosis that we need to help move forward with as well.

**Carolyn Van der Veen**

Okay. Our third question comes from Lisa, with Benchmark Reliability Services: "How

much has the WCB paid for COVID-19 related issues since the pandemic started and how did this affect the overall premiums of WCB in general?”

**Crystal Nett**

Thanks, Lisa. I will take this question. First, there is a number of facets to the COVID-19 numbers, so to speak. So, I am going to break it down into a few buckets, some of which I have already touched on. But for our own COVID related expenses for allowing our staff to work from home, supporting them with the necessary equipment that they needed, putting in additional sanitation, signage, a whole range of items, in 2020 WCB spent about 391,000, and in 2021 we have spent approximately 32,000 to date. Related to the COVID claims themselves, in 2020 we paid 413,000. None of that was charged to employers, as Phil mentioned earlier, so all of those amounts were charged against existing reserves. And in 2021 to date, WCB has paid 1.9 million for the COVID specific claims. So, the total to date, combining those amounts, is just over 2.3 million. We also provided relief to employers, that we mentioned earlier, and the total of the penalties that were removed in 2020 was approximately \$475,000. One thing to note is that we didn't have a mechanism to keep tracking the amounts that would have accumulated because we turned the penalties function off in our system so that it wouldn't continue to be applied to employer accounts. But as I mentioned, we did track the amount that we essentially removed and the total number of firms that had a penalty reversed was 5,621. I also previously mentioned that our premiums declined in 2020 by about 11 million dollars and so that had an impact on our overall financial results. And despite that, we have held the premium for 2021 at the \$1.17 average, as mentioned, so we are going to have to review that carefully given all the pressures on the system. And those pressures are coming from lower payrolls which is equating to lower premiums, longer wait time for medical treatments, and fewer return to work options which continue to cause longer durations and in some cases increased wage continuance. So, depending on the investment market fluctuations and that overall picture that I described earlier, that will summarize the impacts to date of the COVID pandemic. And, Lisa, if I haven't addressed your question fully, please don't hesitate to reach back out with follow-up. Thanks, Carolyn.

**Carolyn Van der Veen**

We have another question from Christie, with One Stop Service Limited. “How does WCB treat claims for injuries which occur during office hours in a workplace? Will it be a coordination of claims given that there is also an existing A & S insurance coverage?”

**Jennifer Norleen-Beitel**

Thanks for the question, Christie. So, the workers' compensation system provides that no fault insurance, as mentioned when we were chatting a little bit about the Meredith Principles earlier on, and this no fault insurance is for workplace injuries that are covered under our legislation. So, the WCB is considered the first payer for these types of injuries. So, what this means is that all workplace injuries come through the WCB for handling first before any other form of insurance coverage might kick in. So, you know, an example that we see sometimes is if there is a motor vehicle collision, for instance, if a worker is working there, you know, they come through us before they would go to SGI. So, first determine if it's covered from a workplace injury standpoint and then a secondary insurance provider might come in to either pick up additional costs or if it's not covered under WCB, take up the whole potential claim there. And I am hoping, Christie, that answers your question, but if there is anything more just let us know, as well.

**Carolyn Van der Veen**

Okay. So, we don't have any other questions coming in from the Chat, so we will just give an opportunity here. If anyone does have a question, please feel free to enter it into the Chat message and you can direct it to the panelists or a specific speaker. And I don't see any other questions coming in. So, we do have a question from Brian Mellor, and I will pass that over to Gord to respond. Thank you.

**Gord Dobrowolsky**

Carolyn, thank you. And Mr. Mellor, thank you for your questions. They are lengthy questions, to be sure. So, as has been the practice in previous years, with the questions that you have submitted to us we have answered them, but we will reply to you in writing like we always have. So again, we thank you for the question. And stay tuned. We will

reply to your questions in writing. Thank you, Mr. Mellor. Are there any other questions?

**Carolyn Van der Veen**

It looks like there is a question here coming in from Braelynn: “I am just wondering why the statistics are showing that the total number of injuries are lower for organizations without safety associations.”

**Phil Germain**

Yeah, I can start, and Kevin, if you want to jump in. That’s a great question that we have been working with the safety associations on. So, it’s about 2017 we started to see a flattening of performance, so to speak, around 2015-2016, and so it’s a conversation that we have been working with the safety associations on for a few years now. I wouldn’t say – you know, it’s not specific to every safety association every year, but that’s the general trend overall. And we don’t pretend to have all the answers there, but we are working collaboratively with the associations to try and figure that out. Kevin, anything to add, there?

**Kevin Mooney**

I think you have covered off the high points there, Phil. Definitely those safety associations look after specific rate codes, and those specific industries have specific issues within those rate codes, and so as Phil mentioned we have been working collaboratively with those organizations to help ensure they are staying focussed on the specific needs of those industries. Also, again, we have talked about fatalities and serious injuries. That’s a focus for WorkSafe and for the Workers’ Compensation Board. Roughly 2,500 serious injuries each year make up about 12% of our claims, but those claims account for about 85% of the costs in the system. So, there is a huge opportunity for I think collectively for all of us to double down our focus in those areas. So, I hope I have provided some extra context there.

**Gord Dobrowolsky**

Thank you, Kevin, and Phil, for that. Please, participants, anything else, any other questions, comments? I feel like I will go into the auctioneer mode, in other words, going once, twice, three times. But we are certainly happy to be here and happy to answer any

questions or comments that you might have, so we will give you a few more seconds to give this some thought.

**Phil Germain**

While we are waiting for a question to come in, I did have an indirect question for Ray Anthony, who mentioned that there are people out there who catch too many pickerel and get fined for it. I have never had that problem, so I am just wondering – you know, maybe they are doing something differently than I am.

(Chuckles)

**Gord Dobrowolsky**

And you caught that comment as well, Phil? Yeah. He didn't say who he was taking a shot at, but somehow, I feel it being personal, Ray?

**Phil Germain**

Yeah, I think so. I think so.

(Chuckling)

**Gord Dobrowolsky**

Alright. Is it safe to assume that there are no further questions? Going once, twice, three times. Carolyn, anything else on the Chat line?

**Carolyn Van der Veen**

Nothing coming in.

**Gord Dobrowolsky**

Okay. So, with that – I see there are no further questions, so we will conclude. But please, on behalf of the board and the executive, please have a safe and normal summer, whatever normal is, whatever that new normal might be. I guess Saskatchewan has three stages to the opening up plan and the last one takes effect sometime at the end of July. But first of all, who would have thought there would have been a pandemic? Secondly, who would have thought that we would have been in this pandemic for 15 months? Who would have thought that we haven't been to a restaurant for a year? Who would have thought that we haven't stayed in a hotel for a year? I mean this is beyond imagination. The adjectives have all been used and I don't have any new ones. But again, the board

and the executive wish you a very healthy, a very safe summer. And remember to stick it to COVID. So again, we thank you for your questions and your interest in this AGM. We certainly hope you found the AGM worthwhile and informative. And if you have further questions, simply email them to us at [wcbsask.com](mailto:wcbsask.com). So, with that again, the board and the executive wish you well, we thank you for attending, and have a great and safe summer.

Bye for now.

(END OF RECORDING)