

# **Saskatchewan Workers' Compensation Board**

## **2022 Annual General Meeting**

### **Gord Dobrowolsky**

Good morning, Ladies and Gentlemen. On behalf of my fellow board members, Larry Flowers, and Gary Hamblin, and our two part-time board members, Judy Henley, and Jack Brodsky, I am pleased to welcome you to Saskatchewan Workers' Compensation Board's Annual General Meeting. This is one of our most important 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 the Chair of the WCB. A recording of today's event will be posted on our YouTube channel under Sask Workers' Compensation Board. Thank you for taking the time to join us this morning. We are here to present our results from 2021 as well as our plans for the future. As a board, our actions are governed by The Workers' Compensation Act, 2013. The WCB has exclusive jurisdiction in Saskatchewan, and we are an independent board fully funded by employers' premiums and investment income. As stewards of the Workers' Compensation system in Saskatchewan it is our vision at the WCB to eliminate injuries and restore abilities. We will work to achieve our vision through our mission which is to be a customer-centric organization that continuously seeks to add value for our customers through a culture of continuous process improvement. Our agenda today is meant to give you a high-level overview of our 2021 results. More in-depth information is available at the Annual Report or on our website. In just a few minutes our CEO and members of WCB's Executive Team will share the 2021 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 something known as the historic compromise, the Meredith Principles provide for an employer-funded compensation system in exchange for which the workers gave 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 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. In 2021, 90% -- that's 9-0 -- 90% of employers achieved zero injuries and zero fatalities in their workplace for the second year in a row. I would like to offer a special thankyou to all the safety leaders, workers and employers who have made this a priority in your workplace. By working together, I firmly believe we can keep everyone safe at work and get to our ultimate goal of zero injuries. Our total injury rate in 2021 was 4.56%, compared to 4.46% in 2020, which is a slight increase. In 2021, our time loss injury rate increased to 2.03% up from the 2020 rate of 1.78%. This represents an increase of 14% from 2020 rates. While our injury rates saw an increase in '21, from 2009 to 2021 our total injury rate has decreased by 51.1%, thanks to the health and safety efforts of workers, employers, and partners across the province. But sadly, we lost 31 individuals in work-related deaths last year. Every one of those deaths has had a devastating impact on their loved one's family and their community. It is imperative for all of us to keep focusing on preventing workplace deaths and serious injuries to eliminate the suffering in Saskatchewan. In December 2019, WorkSafe Saskatchewan launched the three-year Fatalities and Serious Injuries Strategy. Developed by WorkSafe, along with labour and employer representatives, the strategy addressed the high-risk industries, occupations, and the tasks within those industries that are resulting in fatalities and serious injuries. This three-year strategy is being extended for five more years and WorkSafe is reaching out to stakeholders to participate in the development of the next version. By working together on the initiatives like the strategy we can all contribute to bringing our injury rates down and keeping all workers safe on the job. Collaboration with our stakeholders is critical to understanding industry needs and delivering sustainable injury prevention outcomes. To illustrate the commitment, we

hope all organizations share -- we feel the familiar phrase “on time and on budget” should be expanded to say, “on time, on budget, with no injuries.” We believe that adding those last three words covers every measure of success including the health and safety of all workers. By incorporating those three extra words we are now committing to no longer measuring success in strictly financial terms but also factoring in our shared desire to see every employee returned safely to their loved ones at the end of each day. So, I hope you will join us at the WCB and WorkSafe Saskatchewan in committing ourselves to a new standard of excellence where we aspire to bring in every task, every job, and every project on time, on budget, with no injuries. In 2022, the average employer premium rate is \$1.23 per \$100 of payroll. This is the first increase to the average premium rate since 2004. The 2021 rate was \$1.17. Despite this increase, the province’s premium rates remain among the lowest in Canada. 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. Thank you. Sincerely, thank you for your interest in our results and for taking the time to be here. This morning Phil Germain, our Chief Executive Officer, Crystal Nett, our Chief Financial Officer, Kevin Mooney, our Vice-President of Prevention and Employer Services, Jennifer Norleen-Beitel, Vice-President of Operations, and Stuart Cunningham, Vice-President of our Business Transformation Program, will provide you with an overview and the details of the 2021 results. We will end the morning with a question-and-answer session open to everyone attending. We understand that we are a rural province, and we are constantly working to increase accessibility to our public meetings. This is why our livestream is equipped for customers to ask questions live. I will now turn it over to our CEO, Phil Germain.

**Phil Germain**

Thank you, Gord. And good morning, everyone. It’s my pleasure to be with you today to provide some of the details of our accomplishments at the WCB during 2021. I want to thank each and every one of you who took time away from your work to participate in our AGM. It’s encouraging to have this level of participation. While the logistics of

having a hybrid AGM this year didn't work out, we are looking forward to offering both in-person and online options next year. 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 disability by helping our customers recover and restore their abilities so they can return to work. We know workers are better off when they return to work. We know that prevention is better than rehabilitation, and rehabilitation is better than compensation. We will move forward to working with our customers and partners to make these changes necessary to positively impact our customer service and the value to our customers. Our vision of eliminating workplace injuries and restoring 100% of everyone's abilities preinjury is a long-term view of where we want to be. Our True North keeps us constantly focussed on working towards our vision. We believe 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. I certainly don't need to tell you how much COVID has impacted businesses across this province. Like all of you, we were challenged to meet the needs and expectations of our customers over the past two years. And in many ways, we rose to the challenge through compassion, innovation, and hard work. To ease the burden on Saskatchewan employers through the pandemic, we implemented a number of initiatives including: 1) providing more than 5.6 million in 2020 and 2021 in cost relief related to claims from COVID-19, and we extended this cost relief to June 2022. The decision was also to encourage workers and employers to report COVID claims. We also held premium rates at \$1.17 when the required rate was \$1.23, providing more than 13 million in financial relief to employers. We announced the 2022 premium rate at \$1.23 per \$100 of payroll. While this was the first increase in the average premium rate since 2004, the province's premium rate remains among the lowest in Canada. While the 2022 rate increase will affect most employers covered by the WCB, we are mitigating its impact by setting the average premium rate below the rate model requirement of \$1.25. The principal drivers of the 2022 increase are claims costs and payroll. While the number

of injury claims has gone down, claim-related costs like health care have increased more quickly than payroll. This difference is reflected in our premium rates. What was a positive downward trend in claims experience over the last several years has now flattened out and in some cases reversed. The Board's decision to set the average premium rate below the rate model requirement of \$1.25 is similar to its decision last year to hold the 2020 premium rate below the then-required rate of \$1.23. We recognize that employers and workers confronted tough economic hurdles due to COVID-19. By not changing the required premium rate in both 2021 and 2022, we saved employers about 13.4 million dollars in 2021 and we expect to save them another 3.3 million dollars in 2022. In 2021, the WCB accepted 1,051 compensation claims related to COVID-19. The organization continued to adapt to a different way of delivering service to its customers. The WCB 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 accessing necessary medical assessments and treatment programs at a time when the delivery of those services was hampered. The WCB collaborated with the healthcare provider community to explore various ways to access timely and effective assessment and treatment options. During these challenging times the WCB implemented initiatives to support injured worker and employer customers. Those initiatives included: the WCB reimbursed private test expenses if a work-related claim was being investigated or confirmed; continuing to offer Telehealth opportunities for assessment and treatment to support workers impacted by pandemic restrictions; expanding the WCB's dedicated team to handle COVID-19 claims and maintain service levels; continuing to provide cost relief for employers for COVID-19 claims; providing cost relief to employers for claims if a compulsory COVID-19 vaccination caused an injury attributable solely to a worker's pre-existing condition, for example, the worker had an allergic reaction to the vaccination; providing education and training to help workers and employers effectively manage hazards and risks associated with COVID-19. We are now going to give you an operational overview of our 2021 highlights. I will now turn it over to Stuart Cunningham, Vice-President of the Business

Transformation Program, to provide our Business Transformation highlights. For those that may not have heard yet of our Business Transformation Program, which was launched in 2021, we are on a journey to reimagine how we would better serve our customers. The catalyst for the significant changes that are coming over the next five to seven years are related to both risk and opportunities. On the risk side, our Workers' Comp core systems are outdated and at risk of not being supported by our vendors and will not enable us to make the changes necessary to help us better serve our customers. On the opportunities side, roughly 12% of claims represent 75% to 80% of our costs and 75 to 80% of compensation days, and 70 to 75% of medical costs. We need new strategies to reduce serious injuries and fatalities and we need new systems and processes that allow all stakeholders to effectively work together to eliminate work injuries and work disability.

**Stuart Cunningham**

Good morning, everyone. My name is Stuart Cunningham, and I am the Vice-President of our Business Transformation Program, and I have been in this role for the last 12 months. Corporately launched in April 2021, WCB's Business Transformation Program saw important advancements during 2021 and into 2022. At its most simple level, this multiyear transformation will change how the WCB serves its customers. The plan will see the WCB make necessary changes to processes, technology, and service delivery models and organizational structures in a thoughtful and staged manner so that it can meet the expectations of all customers with a core focus on the customer experience. Going forward, we see our customer service delivery model evolving to something that is far more proactive and focussed on supporting our customers' individual needs from the first interaction right through to the final interaction. Through the program we plan to use redesigned processes and modernized technology to support the achievement of all of that. And looking well into the future, the goal of the business transformation program is for the WCB to enhance its services, redesign its core processes, and modernize its technologies in pursuit of better outcomes for workers and employers. On the previous slide I mentioned the importance advancements that were made during 2021. Our focus

last year, and carried forward into this year, has been the establishment of strong foundations and competencies that will enable a successful transformation. One of our earliest steps was to reach out to a number of peer organizations across Canada and North America to create knowledge and sharing networks. These peer organizations consisted of businesses that had recently or were currently undergoing their own transformations. We are fortunate enough to have heard from them about their challenges, their risks, and their lessons learned, and we have incorporated these into our own early steps of planning. We continue to this day to share information and progress with many of these organizations. In addition to this, last year the WCB also invested in foundational processes to enable success. This included investments of things like delivery infrastructure, including organizational change management, project management, communications, and procurement. Investments in these processes we believe will optimize the benefits that will be realized by the customers and the organization overall over the next number of years. This also included investment in governance infrastructure, as the key to any successful transformation is effective governance. To this end we created a number of oversight entities from the Board of Directors level right down to the program level. These bodies or committees will support effective and timely decision making, drive performance and progress accountability and oversee risks and issues within the program. We also secured the services of independent advisory to support our various governance entities in carrying out their oversight responsibilities effectively. Finally, we also took steps to ready the organization for change. In addition to investing in change management, we also created regular and ongoing communication forums with our staff, and we began the implementation of what we call our change network, which is really a staff involvement process where a number of staff are engaged to build on top of the more formal lines of communication with our workplace that already exist. The change network will focus on the delivery of key messages and updates to their teams and then provide feedback back into the change management office which we will then use for future updates. So, to close I would like to talk a little about what 2022 has in store for the organization and what you, our valued customers,

can expect. Firstly, our commitment to ongoing connection and communication with all of our stakeholders. We are currently in the process of developing a process or a mechanism that will be rolled out in Q3 this year, that will see us connect intentionally, whether actively or passively, with our various stakeholders and key accounts. We are hoping to use these touchpoints to create further awareness of the objectives of the program, share progress with our stakeholders and look for opportunities to involve our stakeholders meaningfully in our journey over the next number of years. Secondly, our commitment to ongoing continuous improvement. While this is a multiyear program with many complex decisions and technology implementations ahead of us, we will not wait for technology to arrive before changing what we know we can change today. You can expect to see us continue to tackle the opportunities that are important to all of our customers and pursue improvements to things like quality and timeliness. And finally, 2022 will see us complete the procurement of the software solution that will modernize our employer services and claims management technologies. We have already invested a lot of time and effort into effecting an exceptional procurement process that will see us introduce the right technology that our customers need today but also as importantly with a mind to the future. We published our request for proposal in Late April and we expect that to conclude by the end of this year or Quarter One of 2023 at the latest. And in closing, as the WCB continues to take steps to transform its business and service delivery, the organization will continue to pursue excellence. WCB will not just prepare its staff for the transformative change to come over the next number of years but will also prepare its customers and continue to engage workers and employers in meaningful two-way dialogue that informs its priorities on decision making and ultimately that it assists WCB in our improvement activities. This truly is an exciting journey that's ahead of us all and I really do look forward to your participation in WCB's transformation. And with that, I would like to thank you all for your attention to my words this morning, and I will now turn it over to Kevin Mooney, Vice-President of Prevention and Employer Services, to provide highlights from his area.

**Kevin Mooney**

Thank you, Stuart, and good morning, everyone. Over the next several slides I will provide Prevention and Employer Services highlights. Through the 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 in employer supports and 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. The service publicly launched on September 3, 2019. In 2021, the Employer Resource Centre fielded 726 phone calls. Over half of these calls were related to employer services and claims-related questions. And in 2022, the team is exploring ways to provide more proactive approaches through the Employer Resource Centre. In terms of employer registrations, of the 7,275 employer registration inquiries, 67% were completed within five days, with an average time to process of 4.5 days. Although the percentage completed within five days was lower than 2020 levels of the 75%, the average time to process improved by 2.7 days in 2021. In 2021, there were 499 payroll audits representing 2.8 billion in assessable payroll. Payroll audits in 2021 resulted in premium adjustments to 58% of files in that year and this is an increase from 2020 when 53% of files had premium adjustments. The top three reasons remain the same, reporting errors, unregistered contractors, and excess earnings above the maximum. In this next section I would like to present our efforts to prevent workplace injuries. I think we can all agree that the easiest injury claim to manage is the one that doesn't happen. In this next slide we are showing the raw numbers for the various indicators that we track to help 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 and moving in the right direction. The change in the total injury rate, time loss injury rate, and number of claims and fatalities provide a broader view of whether or not injury prevention efforts are working well. We want to see all of these numbers going down in the same direction to get a better sense of improvement. As Gord mentioned, while our injury rate increased slightly in 2021, our total injury rate has decreased by 51% from 2009 to 2021. So that's

great improvement overall, but we did see that increase in 2021. This suggests that while we have made improvements, we still have a lot of work to do. And when I say “we” in this context I mean the WCB, the Ministry of Labour Relations and Workplace Safety, and various other safety partners in the province. This slide reviews the fatality claims in the province of Saskatchewan. The WCB accepted 31 fatality claims in 2021 compared to 34 in 2020, a decrease of 9%. These fatalities occurred in 34% of the 50 industry rate codes in our province, and this chart also illustrates a flat trend line. On average, Saskatchewan has 38 fatalities per year every year over the last past ten years. Asbestos accounted for 26% of all workplace fatalities in 2021. Occupational disease related fatalities remain at 16 in 2021, which is the same as 2020. Eight are related to asbestos exposure, four were due to COVID-19, three were firefighter-related cancers, and one was a respiratory disease. Traumatic-related fatalities decreased to two in 2021 compared to seven in 2020. Motor vehicle crash-related fatalities remained at seven in 2021, which was the same as 2020, and heart attack-related fatalities increased to six in 2021 from four in 2020. In December of 2019 WorkSafe Saskatchewan collaborated with the employer and labour stakeholders to develop and launch a provincial Fatalities and Serious Injuries Strategy. The strategy was developed to prioritize and address the high-risk industries, occupations, and tasks within those industries that are resulting in the fatalities and serious injuries. In 2021, WorkSafe continued to implement initiatives outlined in the Fatalities and Serious Injuries Strategy and through WCB’s Serious Injury definition analysis indicates that the province of Saskatchewan has approximately 2,500 serious injuries each calendar year. As a result, WorkSafe used this information to focus prevention initiatives going forward until the end of 2021. Now, this three-year strategy from 2019 to 2021 is coming to an end and we are looking to extend this for five more years and WorkSafe is currently reaching out to stakeholders to participate in the development of the next version. Government, employers, foreign workers, our Indigenous community, labour, and workers have all been part of the consultation process. WorkSafe’s focus in 2021 was in the following eight areas: asbestos exposure, work-related motor vehicle crashes, firefighter cancer exposures, falls from heights with

the focus in the construction industry, health care, transportation, first responders with a focus on psychological injuries, and manufacturing specifically focussed on hand injuries. Work in these areas included the creation of additional resources on the WorkSafe website, developing marketing campaigns, working closely with employers on serious injury investigations and creating partnerships focussed on reducing serious injuries in the workplace. This slide shows the targets and outcomes of the Fatalities and Serious Injuries Strategy. As you can see, we met several of our targets at the end of 2021. With 2021 being the final year of our Fatalities and Serious Injuries Strategy, WorkSafe completed the first phase of facilitating discussions with six different stakeholder groups. These meetings will help inform the focus and priorities of the next version of the Fatalities and Serious Injuries Strategy which we hope to launch some time in the Fall of this year. More details and ongoing reporting of the results regarding the strategy can be found on the WorkSafe website at [www.worksafesask.ca/prevention/serious-injuries-fatalities](http://www.worksafesask.ca/prevention/serious-injuries-fatalities). I will now turn it over to Bryan Lloyd, Executive Director of the Occupational Health and Safety with the Ministry of Labour Relations and Workplace Safety to provide an OH&S update. Thank you, everyone.

**Bryan Lloyd**

Thank you, Kevin. My name is Bryan Lloyd, I am the Executive Director with the Occupational Health and Safety branch on the Ministry of Labour Relations and Workplace Safety. The first slide I have is going to talk about our worksite visits for last fiscal year, so that's April 1<sup>st</sup>, '21 through March of 2022. The first piece we can see is targeted employers, so essentially that's made up of employers that fall into our Priority Employer Program or our Directed Employer Program. And essentially this is data driven analytics that steers us towards certain workplaces to ensure that we are there before an injury or illness actually occurs. And for those, we completed 2,018 worksite visits. In terms of complaints, we attended 567 workplaces associated to complaints. Officer initiated, these are where our Occupational Health Officers use their discretion and do spot checks and stop in on employers that aren't necessarily directed or part of the

Priority Employer Program. And for those we saw 1,353 worksite visits. In terms of notification – so this is notification as per the regulations – we had 817 worksite visits. And this brought us up to a total of 4,755 visits for last fiscal year. And that was within .8% of what we had targeted, so very proud that given the challenges we had with the pandemic and all of the logistics that we were able to achieve our targets and complete the number of worksite visits that we had forecasted. The next slide I have speaks to worksite visits associated with the pandemic and so this relates from April of 2020 when the pandemic really got off and got into full swing until March of 2022. And what we saw was that we completed 2,600 worksite visits associated to the pandemic, we issued 1,472 officer reports. Contraventions were essentially broken into two broad categories, one the General Duty clause, so under 3-1 we had 65 contraventions issued for that, and then under our Exposure Control Plan requirements, and that's under Regulation 6-22, and we saw 343 contraventions issued to that. The other piece that I will mention is that we did implement regulation supporting the pandemic during that period of time and that legislation came into effect in the Fall of 2021 and this was the Employers' COVID-19 Emergency Regulations. It was a short-term regulation in place to be able to support the pandemic, and those regulations were rescinded in February of 2022. And the next slide I have speaks to prosecutions. And so essentially last year our prosecutions, we had 29 files sent to Justice. Of those, 17 prosecutions were initiated. We had 11 prosecution convictions last year for total penalties of 1,545,600. I will add that the court systems became a little overwhelmed during the pandemic and that many of our files were not able to see its way through the court system in that period of time, so there will be carry over into this fiscal year as the court systems catch up. The next slide I have is on summary offence ticketing. So, on the one side it shows the number of summary offence tickets that we issued since the inception when we were given the statutory authority to issue tickets back in 2014, and on the right-hand side you will see the number of tickets that we issued in 2021, '22. So last fiscal year we issued 23 SOTs, resulted in 13 being found guilty, seven are still in progress, and three of those were stayed or withdrawn. So, ideally, we run around an 85, 86% success rate on issuing of SOTs either resulting in a

paid status or a guilty plea. And these are very limited offences; we are only able to issue SOTs for 12 offences under the OH&S Regs, so fairly restrictive. And that ends my update for LRWS, OHS Branch. Thank you for having me here today and look forward to the new year.

**Jennifer Norleen-Beitel**

Thank you, Bryan. 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 2021 goals was to reduce the number of payment defects by 25%. The WCB owes its customers defect-free service, and an area that is frustrating for both worker and employer customers is when the WCB needs to recalculate claims payments. This also adds stress at an already uncertain time. The WCB ended 2021 with 4,011 recalculations which is 1,167 or 41% above the target of 2,844. While recalculations increased in 2021 over 2020 numbers, the WCB saw a market decline over the last three years indicating a positive trend. Most of the year over year increases in 2021 resulted from payment practices for earnings loss recalculations. Specifically, advanced payments practices result in the need to recalculate any time an injured worker is later unable to make a treatment appointment, or a change occurs in their return-to-work plan. A policy review was completed in 2021 and a new policy was implemented in early 2022 that aims to reduce defects and the negative impacts of having to recalculate benefits. Other improvements planned as part of the WCB's business transformation over several years are expected to further reduce the need for recalculations in the future. Claim durations, which is 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 2021 was 40.24 days, down from 45.27 days in 2020. This was above our 2021 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, this measure is

trending in the right direction. And we are also seeing reduced claim durations for psychological injuries from 65 days in 2020 to 61 days in 2021. The WCB's Psychological Injuries Unit was established in the Fall of 2019 to provide specialized support to workers with psychological injury claims. Since that time the unit has continued to improve its processes to better serve customers. In 2021, the unit tested a new approach, providing customers with a single point of contact for the adjudication and management of psychological claims. Based on the success of this approach, the entire unit began delivering service in this way. The WCB expects psychological injury claims to continue to require specialized services in the years to come and will continue making improvements to enhance service levels. The unit developed a new standard for proactive communications with employers to ensure collaborative planning with those customers throughout the claim process from registration to closure. To better serve injured workers and employers, the unit also collaborated with Vocational Service providers to develop a new standard for early and proactive referrals to such services. We also know that wait times for psychiatrist services in Saskatchewan can be several months or more. The WCB's Healthcare Services Department is exploring a number of options, including the possibility of virtual appointments, to assist with this need. The unit also collaborated with WCB's Prevention Department to coordinate training for healthcare providers and employers in an innovative reintegration program developed by the Edmonton Police Service. The focus in 2022 will be to offer further training and seek commitment to the program from more Saskatchewan-based employers. The core mandate of the Appeals Department is to provide workers and employers with an accessible, independent and unbiased process for reviewing WCB decisions relating to a worker's claim for benefits and compensation. The Appeals Department is independent of the Operations Division which is where claim decisions are made. Injured workers or employers who disagree with a decision on an injury claim may appeal and request a review of that decision by the Appeals Department. The decision is made by the Appeals Officer who reviews the document and/or hears the evidence. The decisionmaker will ensure that he or she has obtained information that in the opinion of the Appeals Officer is required to make the

decision. Workers or employers who disagree with the decision of the Appeals Department may further appeal to the Board Appeal Tribunal. 1,017 appeals were registered by the Appeals Department which represents an 18% decrease compared to 2020. While aligned with the WCB's efforts to continually improve service, average year over year appeals decision wait times decreased by 53% from 66 days to 31 days. The Appeals Department's focus for 2022 is to continue serving customers in a timely and easily accessible manner along with a further emphasis on quality assurance and continuous learning. Customers who are dissatisfied with the decisions rendered by the Appeals Department or the Assessment Committee can apply to have those decisions reviewed by the Board Appeal Tribunal. Three fulltime board members serve as the Tribunal, the highest level of appeal within the WCB for all matters except for bonified medical questions which are determined by a Medical Review Panel. The Tribunal conducted 109 hearings and issued 220 decisions in 2021. Despite the need to adapt and make changes to processes because of the ongoing pandemic, the Tribunal was able to review and provide a decision to customers within six months. The Tribunal remained focussed in 2021 on providing thorough, well-reasoned decisions through thorough file development and ongoing staff and Tribunal member training. The majority of decisions made by the Tribunal relate to appeals brought forward by a worker or employer because of a decision made on an injury claim. An employer can also appeal a decision regarding WCB employer premiums or assessment. I will now turn it over to Crystal Nett, our Chief Financial Officer, to provide us with an overview of financial highlights.

### **Crystal Nett**

Thank you, Jennifer. Good morning, everyone. It is my pleasure to provide you with our 2021 financial highlights. The WCB was in a fully funded position of 107.6% as of December 31, 2021. Although this is down from 2020, the differences primarily related to higher unrealized gains in 2021. There was a significant recovery in the total comprehensive income from the decline in 2020 that have been caused by the pandemic and its impact on the economy and the investment market. For 2021, we ended the year at a total comprehensive income of 73 million compared to a total comprehensive loss of 83

million in 2020. Our measure for the total administration and claims expense per total active number of claims showed a total cost of 3,087 per active claim for the year compared to 3,564 per active claim in 2020. Now I am going to talk about premium revenue. It's the WCB's main source of revenue and is determined by industry payrolls and premium rates. In 2021 premium revenue was 259 million, up approximately three million or 1.2% from 2020. Although average premium rates remain constant at 1.17 per hundred of assessable payroll, there was a 1.5% increase over 2020 premium numbers as the provincial economy recovered from some of the most acute effects of the pandemic. Assessable payrolls increased to a provisional 22.6 billion from an actual 21.9 billion in 2020. Now, just to briefly touch on investment income, as it is the other source of revenue for the WCB. Our investment income is made up of realized investment earnings which are from regular interest dividends and gains and losses on the disposal of investments. It also includes unrealized gains or losses when the fair market value of investment is greater or less than the cost of those investments. Investment income in 2021 was 254 million compared to investment income of 77 million in 2020. For the year, the total return was 12% compared to only 4% for 2020. The pandemic had had a significant impact on investment returns in 2020. This total includes realized investment income of 113 million and an increase in unrealized gains on investments of 141 million. Now to our Statement of Operations. This statement provides a complete picture of the WCB's 2021 actual results compared to the budget and to the 2020 actual results. I have already covered premiums and investment results and will provide a few other highlights. Total expenses in 2021 increased by 4.3% or 17 million, going from 401 million in 2020 to 418 million. Claim costs comprised 80% of our total operating expenses in both 2021 and 2020, and account for more than 95% of the overall increase in expenses, going from 320 million to 336. Claim costs include short-term earnings loss, long-term earnings replacement, health care, vocational rehabilitation, claims administration, and the actuarial adjustment to the benefits liabilities. Administration costs, excluding our Business Transformation Program expenses, remained constant at just under 54 million in 2021. The total expenses are reduced by Government of Canada fees and future claims

administration costs. Salaries and employee benefits comprise 69% of total administration expenses and declined slightly in 2021. Now I will give you just a little bit of information about our future outlook and in particular the financial outlook. The 2022 budget was developed without knowing the exact impact of the pandemic or the recovery and what that would have on the Saskatchewan economy or the WCB in 2022. For revenue, the 2022 budget was based on payroll of 23.2 billion. Premiums were budgeted to increase 20 million over 2021 actuals based on the average premium rate of 1.23. In our expenses, the budget includes an increase in benefits liabilities of 37 million to 1.553 billion. The 2021 increase was 95 million. Claims paid are projected to increase 4 million as most wage-based benefits are expected to increase at the rate of inflation. In 2021 the claims environment moved closer to normal, but lingering effects of the pandemic could still be felt in higher-than-expected costs for current and past workplace injuries. The projected funding percentage for 2022, based on the budget comprehensive income of 13.1 million, is 108.1%. The capital budget for 2022 is not reflected on the slide but we budgeted 5 million for regular capital expenditures. I will now turn it back to Phillip to provide some information about our challenges and opportunities.

### **Phil Germain**

This slide provides an overview of the challenges and opportunities, some of which I have already talked about. On the challenges side, like many employers, we are challenged on recruiting and retaining workers. The Business Transformation Program is intended to improve processes, technology, and better enable our people to effectively serve our customers' new and evolving needs and expectations. It will be very challenging to continue to work in our many outdated and manual processes as we work towards changing the processes and implementing new IT systems that remove many manual tasks. This also includes a review of our assets and liabilities to make sure that we have the investment strategy that supports the long-term financial health of the WCB system. Inflation of the services we utilize, and the ongoing high durations and high number of serious injuries and fatalities, are putting upward pressure on our premium rates. On the opportunity side, psychological health and safety finally moved to the

forefront of many people's concerns and actions. The WCB and WorkSafe are investing in ways to help workers and employers prevent psychological injuries and ways to effectively support workers and employers when a work-related psychological injury occurs. We talked about this quite a bit, but I would like to add to our collective comments about the Business Transformation Program by saying, our customers expect to interact with us in new ways, in ways that work for them, and that means 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 today, what you expect from us today. The WCB's Business Transformation Program is the start of this. It will take staff, management, customers, and all our partners on a multiyear journey where together we will work to reimagine how we deliver our products and services across all areas of our business and then make the necessary changes. The end result will be better service and outcomes for our customers through enhanced processes and technologies. As I mentioned earlier, a small percentage of our claims represent a majority of our claims costs and the associated compensation days. Understanding how to prevent work disability through effective rehabilitation and return to work is critical for creating outcomes that benefit all of our customers. We need to understand the determinants of work disability and then implement programs, systems, and tools that help deal with those barriers and to effectively rehabilitate and return people to work. We have been working with national partners to gain free access to continuing education, professionalization, and free program assessments in the area of disability management and return to work. To help, we have been working with national partners to gain free access to continuing education, professionalization, and free program assessments in the area of disability management and return to work. We helped secure federal funding that provides Canadian residents with a scholarship to enter a Bachelor of Disability Management Program offered through the Pacific Coast University for Work Health Sciences, delivered through an online learning platform. In recognition of the key role which early intervention and successful job retention efforts can have in reducing the socio-economic impact of disability health impairments for disabled workers, employers,

and society at large, many employers, unions, WCBs, and other relevant stakeholders are expanding their efforts through various disability management programs, policies, and practices to build knowledge and capacity designed to improve successful accommodation of disabled workers. There is an ever-increasing number of employment opportunities in the return to work and disability management space across Canada and internationally. Frontline return to work coordination to senior management positions, working as disability management professionals, are financially rewarding careers which allow individuals to make a positive difference in people's lives. The application deadline is June 15<sup>th</sup>. You can learn more on the National Institute for Disability Management and Research website at [www.nidmar.ca](http://www.nidmar.ca). Please feel free to contact us if you would like to learn more about these exciting opportunities.

**Gord Dobrowolsky**

Thank you, Phillip, Crystal, Stuart, Kevin, and Jennifer, for providing so much information to us. That wraps up the presentation portion of our AGM. Right now, I would like to open the mics for you to ask any of us questions that you might have. To keep things timely and fair to everyone here, please ask your first question and then leave an opportunity for the next person to ask their question. If we have time, we can go back to your additional questions. Alright? The mics are open for your questions.

**(END OF RECORDING)**