# Gord Dobrowolsky

Good afternoon, ladies and gentlemen. On behalf of my fellow board members Larry Flowers, Judy Henley, Jack Brodsky and Dion Malakoff, I am pleased to welcome you to the Saskatchewan Workers’ Compensation Board’s 2024 annual general meeting. It is indeed my privilege to be addressing you as the chair of the WCB. This is one of our most important public accountability events. Thank you for your interest in the WCB. A copy of this presentation will be posted on our YouTube channel under Saskatchewan Workers’ Compensation Board. We’re here to present our results from 2023, 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 our employer customers’ premiums and investment income from those premiums. As stewards of the workers’ compensation system in Saskatchewan, it is our vision at the WCB to eliminate injuries and restore abilities. We work to achieve our vision through our mission, which is to protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services. Our agenda today is meant to give you a high-level overview of our 2023 results. More in depth information is available in the annual report and on our website. In just a few moments, our CEO and members of the WCB’s executive team will share the 2023 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 systems in Canada were implemented based on lobbying from employer organization and labour organizations. Back then, the system of the day was not working well for either group and changes were needed. Since 1911, the workers’ compensation system in Canada as we know it, has operated according to the Meredith Principles. The Meredith Principles are five basic concepts that underlie most workers’ compensation legislation in Canada today. I believe these principles are still as valid and important today as they ever were. These principles are a historic compromise in which employers fund the workers’ compensation system and, in return, workers surrender their right to sue their employer for the injury. The principles stipulate that the WCB will provide no-fault, mandatory insurance coverage to protect workers from earnings loss. Through this no-fault system, employers are protected from legal action arising from a workplace injury and collectively fund the compensation system. We remain committed to the Meredith Principles that protect workers, families, employers and communities. Financial stewardship is embedded in these principles and is a priority for this board. We work to fulfil this mandate providing responsible, informed governance and our financial stewardship is grounded in our commitment to never put benefits at risk. The WCB’s objective is to ensure sufficient funds are available to meet required benefit levels and protect against unexpected claim activity or potential fluctuations in economic conditions. The process for managing the WCB’s funded position is based on its approved sufficiency policy. The sufficiency policy establishes a framework of guidelines, measurements and targets to achieve a fully funded status and sets the target range for the sufficiency ratio of between 100 and 140 per cent. Fundamental to the workers’ compensation system is the guarantee to workers and employers that benefits and programs will be available when they are needed. To back up that guarantee, the WCB is required to have sufficient financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of those claims. I am pleased to report that the WCB remains fully funded with a sufficiency ratio of 135.7 per cent in 2023. As a brief overview of our 2023 results, the WCB covered four hundred and nine thousand, one hundred and fifty-eight full-time equivalent workers in our province. There were forty-eight thousand, five hundred and eighty-three Saskatchewan employers who funded the compensation system. And I am thrilled to share that, in 2023, for the fourth year in a row, 90 per cent of these employers achieved a remarkable milestone – zero injuries and zero fatalities in their workplaces. Even more significant in 2023, is that our Total injury rate of 3.95 per 100 workers was the lowest in the province’s recorded history. Through the WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety, as a province, we are on the right track as we see our Total and Time Loss injury rates continue to come down. In fact, the WCB’s Total injury rate has dropped by 57.62 per cent from 2009 to 2023. This is thanks to the combined efforts of WorkSafe Saskatchewan, workers, employers, our safety associations, safety leaders across the province, employer associations and labour. Last year, the number of claims accepted by the WCB decreased by 6.8 per cent to 16,143 claims, even while the number of workers covered rose by almost nine thousand. Our Time Loss injury rate, which is time loss claims plus fatalities, dropped to 1.78 per 100 workers in 2023, a 12.75 per cent decrease from 2022. Saskatchewan’s Time Loss injury rate is fourth highest among Canadian provinces. Even though these numbers are the best in our province’s history, we can and must do better because even one injury is too many. WorkSafe Saskatchewan provides new and existing businesses with online and classroom safety training, as well as consulting and advisory services at no additional cost. While we are moving in a positive direction, we all need to continue prioritizing workplace safety to drive our rates even lower. Serious injuries represent approximately 11 to 14 per cent of our total claims and account for more than 80 per cent of our claim costs in the province’s compensation system each year. Sadly, we lost 29 workers in work-related incidents in 2023 compared to 39 fatalities in 2022. It is so tragic that these 29 workers in Saskatchewan had their lives cut short because of a work-related injury and occupational disease. The impact of losing a loved one is felt most at home, but that devastating impact also extends into our communities and our province. The number of workplace fatalities decreased by 25.64 per cent in 2023. These deaths occurred in a variety of Saskatchewan industries. Of the 29 fatalities last year, 10 fatalities were due to occupational disease (five of which resulted asbestos exposure) and nine fatalities were due to motor vehicle collisions. The remaining 10 fatalities resulted from heart attacks and traumatic events, and from medical complications due to workplace injuries. We will not rest until Saskatchewan records no workplace fatalities and we will continue working with our customers and partners to make Saskatchewan the safest place to work in Canada. Last year, WorkSafe Saskatchewan launched the 2023-2028 Fatalities and Serious Injuries Strategy. Building on the success of the first strategy, this document lays out a new approach to preventing fatalities and serious injuries in Saskatchewan’s workplaces. The strategy is a multi-year plan. It uses customer feedback and engagement, as well as claim and injury data, to inform a provincial strategy, aimed at reducing serious injuries and fatalities. Kevin Mooney will speak more to this later in the presentation. Without question, we must continue to work together to make all workplaces in Saskatchewan safe, all the time. Only together can we create safe workplaces where lives are never at risk and loved ones always return home safely. Our 2023 average employer premium rate was $1.28 per hundred dollars of payroll, compared to the 2022 rate of $1.23. The 2024 average employer premium rate is $1.28, unchanged from 2023.

We use our rate model every year to determine the following year’s rate. In 2021 and 2022, we adjusted the average premium rate to help relieve pressure on employers because of the COVID-19 pandemic. The premium rates collected ensure the WCB meets its legal obligation to remain fully funded. Saskatchewan’s premium rates continue to remain among the lowest in Canada. This is only possible because employers across the province are investing time and money into injury prevention, and workers and employers are supporting return-to-work plans. So, on behalf of all of us at the WCB, thank you for your interest in our results and for taking the time to be here today. This afternoon Phillip Germain, our CEO, Thomas Webb, our director of actuarial services, Kevin Mooney, our vice-president of prevention and employer services, Jennifer Norleen-Beitel, our vice-president of operations, and Stuart Cunningham, our vice-president of our Business Transformation Program, will provide you with an overview and the details of the 2023 results. We will end the afternoon with a question and answer session open to everyone attending. We are a rural province and we are constantly working to increase accessibility to our public meetings. I will now turn it over to our CEO, Phillip Germain.

# Phillip Germain

Thank you, Gord, and good afternoon everyone. I am pleased to be here with you today to share some of our 2023 accomplishments at the WCB. I want to thank each and every one of you who took time away from your busy schedules to participate in our AGM. As Gord highlighted in his opening remarks, our vision is to eliminate injuries and restore abilities. We want to prevent all work-related injuries and fatalities. If someone is injured, we want to prevent disability by co-operating with employers, health-care providers and workers so that injured workers rehabilitate and return to work. The WCB’s annual strategic planning process identified a need to update and simplify our mission statement and values to better reflect our inherent purpose as an organization and the work we do in current times. The WCB’s new mission is to protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services. Our mission, along with our values of safety, respect, excellence and collaboration, are a vital reminder of the WCB’s purpose, guiding how we operate and serving as a call to action that inspires excellence. The vision, mission and values inspire us to continue modernizing and innovating as an organization, and to focus on providing the right solutions and best service to our customers. The strategic initiatives that animated the work of the WCB in 2023 were improving our customer experience, improving our enabling systems and focusing on the next generation of prevention initiative. The WCB’s 2023 strategic initiatives were the means through which we translated our vision, mission, values and objectives into practice. Our three strategic initiatives are the foundation of our strategic plan. Last year, we continued making gains in achieving our customer experience transformation objectives. While building strategic partnerships with workers and employers, we actively pursued the transformation of employer services and of claims processing by implementing process changes relating to people, process and technology. Significant strides were made in our journey to preventing and mitigating work disability. Phase one of the work disability prevention and mitigation project was successfully completed in 2023 and phase two is targeted to wrap up in 2024. The project includes a comprehensive training program focused on upskilling staff in a variety of areas to improve communication, collaboration and customer relationships. In addition, a number of processes, forms and letters are being updated or developed to support a more collaborative approach to service delivery. A major initiative in 2023 was the ongoing work to replace our core workers’ compensation systems to increase operational efficiency through automated workflows and work management. We selected Sapiens’ CoreSuite for Workers’ Compensation, to transform our legacy core systems with a modern, integrated platform for efficient service delivery. The first phase of the core solution project — the replacement of our employer accounts functionality — began in August 2023. To optimize the efficiency of our internal processes, we continued to focus on our enabling objectives. To optimize the efficiency of our internal processes, we continued to focus on our enabling system objectives. This involved implementing foundational modules for new integrated financial and human capital management systems, the capabilities of which will support the organization in achieving business outcomes, and enhancing customer and staff experiences. These implementations also aligned with our plan for a broader shift to cloud-enabled technologies and help to prepare the organization for the cloud-based Sapiens solution. Our vision to eliminate injuries and restore abilities propelled our progress in 2023 toward our next generation of prevention objectives, which encompassed diverse facets such as leadership engagement, partnership enhancement, data analysis, a psychological health and safety plan and resources, and an occupational disease prevention program. Another key aspect of the next-generation prevention transformation effort, as Gord alluded to earlier, was the 2023-2028 Fatalities and Serious Injuries Strategy through WorkSafe Saskatchewan. WorkSafe Saskatchewan is endeavouring to strengthen Saskatchewan’s safety culture in the future by engaging safety leadership, next generation workers and the public to refocus on workplace safety and adopting a provincial target of becoming the safest place to work in Canada through efforts to rebrand the WorkSafe campaign. By taking concrete steps to improve processes through a variety of impactful initiatives — modernizing systems, increasing efficiencies and building strategic partnerships — we set a strong foundation for enhanced business functions that will better meet the needs of workers and employers in Saskatchewan tomorrow and well into the future. Our vice-president of business transformation, Stuart Cunningham, will speak more to this further in the presentation. I will now turn it over to Kevin Mooney to provide insights on employer services and prevention highlights.

# Kevin Mooney

Thank you, Phillip, and good afternoon. Over the next few slides, I will present some of our employer services and prevention highlights. This slide shows some indicators we track to help us determine if our efforts, and the efforts of our partners, are having a positive impact on health and safety across the province. By monitoring changes in the Total injury rate, Time Loss injury rate and total number of claims and fatalities, we are able to have a broader view of how well our injury prevention efforts are working. In 2023, the WCB covered 8,766 more workers and accepted 16,143 claims, 1,178 fewer than in 2022. Total claims accepted includes Time Loss, No Time Loss and current year fatality claims. Of those 16,143 accepted claims, 8,870 were No Time Loss claims and 7,256 were Time Loss claims, which is 892 fewer Time Loss claims than in 2022. As Gord mentioned, WorkSafe Saskatchewan has challenged its traditional approach to the prevention of fatalities and serious injuries in the province under the 2023-2028 Fatalities and Serious Injuries Strategy. Under this strategy, WorkSafe Saskatchewan is focusing on three main workplace sectors and common issues that will benefit all Saskatchewan workplaces – health care, transportation and construction – as well as seven common issues affecting most Saskatchewan workplaces. This includes motor vehicle collisions, asbestos, falls, industrial ergonomics and MSI’s (musculoskeletal injuries), machinery, violence and psychological health.

Performance measures and targets for the strategy include a decrease in the Total injury rate, a decrease in the number of workplace fatalities and a decrease in serious injuries. As a result of the work being undertaken across this province by workers, employers, WorkSafe Saskatchewan and our many safety partners, including the safety associations, the province’s Total injury rate decreased by 8.78 per cent in 2023 compared to 2022, and the Time Loss injury rate decreased by 12.75 per cent in 2023 compared to 2022. As Gord mentioned, the Total injury rate decreased by 57.62 per cent from 2009 to 2023. However, the number of serious injury claims in Saskatchewan remains steady at approximately 2,400 each year. As of Dec. 31, 2023, the total number of registered serious injuries in 2022 was 2,352, which represents a 3.02 per cent increase over 2,283 serious injuries in 2021. Serious injuries are reported at a one-year lag because it may take some time for claims to mature into serious injuries. As Gord mentioned, sadly 29 workers lost their lives last year in work-related incidents compared to 39 fatalities in 2022. Each of these fatalities represent spouses, children, families, friends, workplaces and communities who have been tragically impacted by these losses. To honour their memories, we all must intensify our efforts to make every workplace safe from serious injuries and fatalities. More information on the 2023-2028 Fatalities and Serious Injuries Strategy and the 2023 updates can be found on the WorkSafe Saskatchewan website. As Gord mentioned, the WCB accepted 29 workplace fatality claims in 2023, compared to 39 in 2022. This is a decrease of 25.64 per cent. These deaths occurred in a variety of Saskatchewan industries. Of the 29 fatalities in 2023, 10 fatalities were due to occupational disease (five of which resulted from exposure to asbestos) and nine fatalities were due to motor vehicle collisions. The remaining 10 fatalities resulted from heart attacks and traumatic events, and from medical complications due to workplace injuries. I will now turn it over to Bryan Lloyd, executive director of Occupational Health and Safety, to come and share his report.

# Bryan Lloyd

Thank you, Kevin, and good afternoon, everyone. My name is Bryan Lloyd. I am the executive director with the occupational health and safety branch in the Ministry of Labour Relations and Workplace Safety. Thank you for inviting the OHS branch and providing this opportunity to share our work with you. Over the next several slides I will highlight our roles and responsibilities and the goals that drive the work done by the OHS branch. First slide shows one of our cornerstone ministry strategic goals, and that is to foster a culture of safety and compliance. There’s two key aspects: expanding our outreach activities, and ensuring fair impartial treatment of clients through consistent application of legislation. Our key OHS branch roles and responsibilities are to build awareness of the OHS legislation and continuously educate on those provisions, dealing with complaints, so responding to safety concerns and inquiries.

* Conducting worksite inspections
* Doing our first-on-scene work and investigations of serious injuries and fatalities
* Advising and assisting occupational health committees
* Working with stakeholder groups and industry partners to improve safety in the province.
* Couple of our key initiatives that we completed in the last fiscal year:
* The release of the fatalities and serious injury strategy 5-year plan 23 out to 28

We continue to harmonize OHS legislation across the province by standards and referring to CSA standards. We completed the legislative review, so this is part three of the Saskatchewan Employment Act, and we rolled out our post inspection survey program, which is a client service metric that we have in the branch. Another important key change is all employers must have a violence prevention policy and violence prevention plan in place in a couple of days, going into effect on May 17, 24. Previously, violence policy and violence prevention plan were only for prescribed places of employment, now it will be requirement of all employers in the province.

All incidents and violence and harassment in the workplace must be investigated by employer so this was just clearing up the language, making it very clear to employers that an investigation is a required component of both harassment and violence. Clarification that occupation have the authority to take photos and video recordings while in inspection mode. Officers now have the authority to exclude nominees from investigation interviews if the officer perceives a conflict of interest. So those individuals who might be present during an interview that doesn’t represent that worker. The removal of the concept of damages from the discriminatory action provisions to legislation. Some basic housekeeping amendments to ensure that the legislation to aligned to other parts of the Saskatchewan Employment Act. The Ministry of Labour Relations and Workplace Safety set a goal to reduce the injury rate in the province by 25 per cent. Out to year 2030. The Ministry of Labour Relations and Workplace Safety set a goal to reduce the injury rate in the province by 25 per cent out to year 2030. I’m pleased by this year’s results for 2023 that we were able to meet our goal on Total injury rate, and Time Loss injury rate. OHS activities over the course of last year. This is up to and including the end of February. We had completed 4,945 worksite visits. The majority of those were done in the targeted intervention group, which is directed and priority employer inspections. And then complaints, 801, notifications, 389, harassment and discriminatory action, 182. When you look at the key sectors that we visited during that period of time, health care was the leading sector at 730 visits, asbestos, manufacturing, mining, and residential construction made up the remainder.

In terms of reports that have been issued as a result of those worksite visits, notice of contravention was the most commonly used enforcement tool. 1,801 notices of contraventions issued. Compliance undertaking at 196, officer’s reports, 2,592, and then 356 note to file.

Summary offense ticketing, OHS branch was given the authority to issue summary offense tickets back in 2014. Over the course of the last year, we issued approximately 35 SOT’s, the majority of those being issued in the summer months when construction activities were at their peak. In terms of prosecution, again this is data ending in the end of February, we had 26 files sent to the Ministry of Justice, 20 prosecutions initiated, 19 convictions, with total penalties of 1.3 million. I will now pass it over to Jennifer Norleen-Beitel, the WCB’s vice-president of operations. Thank you.

# Jennifer Norleen-Beitel

Thank you. Good afternoon, everyone. I am Jennifer Norleen-Beitel, vice-president of operations for the WCB. The WCB works with workers, employers and care providers to

support workers with injuries through recovery and return to work. The goal is to partner with them to achieve better outcomes, including returning workers to their normal activities as soon as it is medically possible. The WCB works to ensure the system is sustainable now and into the future by providing reliable, efficient and high-quality services. We have a few indicators that help us understand how we’re doing in restoring abilities, which are shown on this slide. The WCB’s objective was for the 12-month average duration of Time Loss claims to be 38 days by Dec. 31, 2023. In 2023, the 12-month average duration of Time Loss claims was 43.49 days. This is an increase from 2022 when the 12-month average duration of Time Loss claims was 38.56 days. While injury duration is a fairly simple concept, it is affected by a range of internal and external factors. In 2023, average duration increased by just under five days. Some of this is due to the way the data gets measured. When appeals result in retroactive large numbers of compensation days, they are applied all at once. In 2023, a handful of claims resulted in more than 5,400 being dumped into the system all at once, which impacted the overall duration by a half day and about 17.5 days in psychological injury duration. The Time Loss injury rate showed great improvement in 2023. It dropped by more than eight per cent, while compensation days grew by more than 14,000, of which more than 5,400 were related to five retroactive appeals. This impacted durations by approximately 1.5 days. The good news is that time loss injuries dropped significantly. This had a mathematical impact on durations that only with the five significant retroactive appeals account for about two days of the duration increase, which appear to be a bit of an anomaly. There are other potential factors that we are working on, such as timeliness of medical, access to medical and access to return to work options, and looking into, including conducting analysis to see if there is anything else we are missing that we could be doing. External factors also play into the duration workers hurt on the job return to work, which has the potential to further increase durations. In 2023, the WCB focused on reducing the time to initial decision to improve the outcomes related to psychological claims. Reducing the time to initial decision (to allow or disallow a psychological injury claim) means workers with a psychological injury receive a decision on their claim faster and get supports to help them recover and return to work more quickly. The WCB set a target in 2023 to reduce time to initial decision to 14 days for psychological injury claims. As of Dec. 31, 2023, the average time to initial decision was 27 days, a 22 per cent decrease from the average of 35 days in 2022.

In 2024, work to improve services for those with psychological injuries and their employers will continue to be a priority. Collaborative efforts with workers, employers, health-care providers and partners in prevention will inform the improvements. Aligned with the efforts to transform the customer experience for workers and employers, the WCB embarked on a project in 2023 to reduce the time it takes to make an initial decision on a claim, improve the quality of those decisions through an internal reduction in handoffs and enhance customer relationships. This new service delivery model allows more relevant information to be gathered at the outset of the claim, resulting in reduced numbers of reversed customer claim decisions. The model revealed that decisions changed at a later date are detrimental to a customer’s overall experience and outcomes. The WCB surveys customers to gather direct feedback on their experience and relies on that feedback to drive improvements to this service delivery. Through appeals, the WCB provides workers and employers with an accessible, independent and unbiased process for reviewing WCB decisions relating to a worker’s claim for benefits and compensation. Appeals is independent of operations, which is where claim decisions are made. 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 appeals officer makes the decisions, reviews the documents and, if applicable, hears the evidence. The appeals officer will ensure that they have obtained information that is required to make the decision. Workers or employers who disagree with the decision may further appeal to the Board Appeal Tribunal. Of the 25,236 claims reported in 2023, the appeals department registered 1,220 appeals in 2023. Appeals continues to work on improving customer service by focusing on quality and timeliness. Despite an increase in appeals in 2023, the average appeal wait times remained steady at 28 days. Appeals implemented a new quality standard and assurance program in 2023. As it relates to the board-level appeals, three board members are appointed to serve on the Board Appeal Tribunal, the highest level of appeal within the WCB for all matters except for those involving bona fide medical questions related to accepted claims, which are determined by a medical review panel. In 2023, the tribunal received 253 appeals and applications and issued 208 decisions, which included 37 applications for barring of lawsuits, board orders for collection of overpayments and medical review panels. In the process of issuing these decisions, the tribunal conducted 77 hearings during the year. Throughout 2023, the tribunal offered in-person, teleconference and secure video-enabled hearings to make it easier for appellants to participate. The tribunal was able to review and provide a decision to customers within six months. The tribunal remained focused in 2023 on providing thorough, well-reasoned decisions, comprehensive file reviews and ongoing training for staff and tribunal members. I will now turn it over to Stuart Cunningham, our vice-president of transformation program to provide an update.

# Stuart Cunningham

Thank you for that introduction, Jennifer. Hello everyone and thank you again for joining us today. As Phillip mentioned earlier, through our strategic and operational planning, we charted a course that will enable us to fulfil our commitment to performance, transparency and effective stewardship in pursuit of a service-focused, financially sustainable, fair and balanced compensation system. Three years ago, in support of delivering on this commitment, we initiated our Business Transformation Program, which aims to support the achievement of our mission-critical strategic and operational objectives. In alignment with our strategic direction, the Business Transformation Program is providing the supports necessary to the business to enable and deliver improvements to the customer experience, key indicators and outcomes, and to reduce key risks related to functional and technical obsolescence of our front-office and back-office technologies. These investments will support the long-term health of Saskatchewan’s workers’ compensation system. With these objectives as a guide, we are working to build stronger partner relations, shift organizational culture, enhance the skillset of our staff, modernize and replace outdated technologies, advance business processes, and enhance the overall effectiveness of our programs and service delivery models. The vision of the WCB’s customer service delivery model is proactive service focused on the customers' needs from the first interaction through to the final interaction. Many areas, including our support areas, have developed integrated target operating models that set out how our processes, functional design and technology need to be designed and integrated more intentionally so that we can realize our long-term improvement goals and enable better service and better outcomes. As mentioned, as part of this transformation, the WCB is looking to modernize its core technology systems through an integrated platform that is purpose-built for the workers’ compensation industry. This includes transforming the technologies that enable key processes related to claims, employer accounts and the finance functions that are embedded in these areas, like payments and premiums. This integrated platform approach is intended to result in greater efficiencies in how we deliver service and result in changes that not only improve our overall customer experience, but also critically allow us to continue to make improvements well into the future. Initially, we focused on building a delivery infrastructure to enable and sustain a successful transformation. This infrastructure includes processes and frameworks for effective governance, decision-making and reporting, stakeholder engagement, change management, contracting, and project and program delivery. In 2023, the transformation program advanced a number of priority initiatives and achieved key milestones. We concluded procurement and launched the early stages of a project that will see us replace our core front-office technologies for employer accounts and claims management. We will implement this new technology in a phased manner over a three-year period. Significant strides were made to prevent and mitigate work disability. The first phase of the work disability prevention and mitigation initiative was successfully completed in 2023 and the second phase is targeted to wrap up in 2024. The initiative includes a comprehensive training program focused on upskilling staff in a variety of areas to improve communication, collaboration and customer relationships. In addition, a number of processes, forms and letters are being updated or developed to support a more collaborative approach to service delivery. In 2024, the WCB will partner with employers to build an employer resource toolkit to support employers in their critical role of supporting disability prevention and return-to-work planning. Last year, we actively engaged with customers who worked with us on site to develop processes to improve the timeliness of claim decisions and communications with customers. We started to implement those changes in the second half of 2023. Our most critical milestone in 2024 will be related to implementing a modernized and integrated customer-facing technology solution. Our commitment during this time of significant focus is that we will continue to partner with employers, workers, safety organizations and care providers to identify opportunities for better outcomes and seek to engage you in our transformation efforts. Involving internal and external groups meaningfully in change remains a firm commitment, now and throughout our transformation journey. Your feedback during this time will inform our future key priorities in support of ongoing commitment to transform and continually improve. I would like to extend my gratitude to everyone who has contributed to our journey to date and I look forward to continuing to engage with many more of you over the coming years. I will now turn it over to Thomas Webb, our director of actuarial services, to provide us with 2023 financial highlights.

# Thomas Webb

Thank you, Stuart. Good afternoon everyone. Thank you again for joining us today. I am pleased to share some of the financial highlights from 2023. In 2023, the WCB redefined one of its key measures of success and introduced a new sufficiency ratio. The new sufficiency ratio replaces the funding ratio as a general measure of stewardship over WCB assets and was designed to address changes to International Financial Reporting Standards (IFRS). In 2023, IFRS 17 – Insurance Contracts came into effect which introduced several key accounting changes resulting in expectations of balance sheet volatility. With a focus on rate stability, the WCB aimed to address this volatility by replacing the funding percentage with a newly designed sufficiency measure. In creating the sufficiency policy, the WCB reviewed a number of scenarios for employers to determine what would result in the greatest stability for employer premium rates. This resulted in a target range of 100 to 140 per cent. In 2023, the WCB’s sufficiency ratio was 135.7 per cent. IFRS 17 also introduced several new reporting and disclosure requirements leading to several changes to the statement of financial position and the statement of operations. Some of these changes were related to presentation and disclosure within the financial statements, while others required some items to be classified or grouped differently. The WCB recorded investment income net of fees of $172.6 million in 2023, compared to investment losses of $132.1 million in 2022. In 2023, the WCB reported a net income of $31.3 million. This compares to a restated net income in 2022 of $144.2 million. This does include the Business Transformation Program costs, of twenty million in 2023, compared to nine million in 2022. The 2023 measure for the total administration and claims expense per total active number of claims showed a total cost of $2,972 per active claim for the year, compared to $2,897 per active claim in 2022. Employer premiums are the WCB’s main source of revenue and are determined by industry payrolls and premium rates. Net premium revenue was $337.6 million in 2023, an increase of $32.8 million from 2022. This was primarily a result of strong growth in employer assessable payrolls, which increased by 2.9 per cent to a forecast $25.89 billion in 2023 from an actual $25.15 billion payroll in 2022. Assessed 2023 payroll was higher than the forecast of $24.3 billion, which was made at the end of 2022. Most sectors of the provincial labour force experienced strong growth in 2023, in spite of global volatility and increased borrowing costs. Construction, the service sector, and resource extraction, which includes oil and gas, potash, and uranium all outperformed payroll expectations. The overall Saskatchewan workforce covered by the WCB expanded by nearly four per cent in 2023, resulting from both increased population and a higher rate of workforce participation. Growth in average wages was another contributing factor, with particularly strong growth in accommodation and food services which can partly be attributed to the increased minimum wage. This statement provides a complete picture of the WCB’s 2023 actual results compared to the 2022 actual results. All of the 2022 results have been restated due to the implementation of IFRS 17. The new presentation of statement of operations will have underwriting results being referred to as the insurance service result. This is comprised of insurance revenue, which includes revenues related to the direct insurance activities, mostly made up of employer premiums. It also includes insurance service expenses, which includes expenses related to direct insurance activities, as well as claims costs, safety association grants and allocated indirect administration expenses. Insurance service results are presented without the impact of discount unwinding and changes in discount rates, which are shown separately in net insurance finance income or expenses. IFRS 17 introduces additional disclosure requirements on the amounts recognized from insurance contracts and the risks arising from these contracts. It also requires disclosing information at a more granular level than under IFRS 4. The 2024 budget was developed using the IFRS 4 framework. For 2025, the presentation of budgeted figures will shift to IFRS 17. Premium revenue is budgeted at $335.5 million for 2024, which is close to the level reached in 2023. As mentioned, payroll has been growing more rapidly than expected and has been driven by strong economic performance and population growth. Updated 2024 forecasts will be developed once 2023 actual payroll has been assessed. Both claim costs and the costs of administration are expected to increase in 2024. Part of the increase is due to growth in benefit costs due to inflation and falling discount rates, but the main driver of claims costs is expected to be the larger exposure base due to growth in the number of covered workers. Investment income is forecasted to reach $128 million, which offsets the growth in the liabilities and helps fund claims incurred in previous rate years. The sufficiency ratio has not yet been reforecasted for 2024, but is expected to remain within the target range of 100 to 140 per cent. In part, this is due our planned increased spending on the business transformation, which is expected to increase to $49.6 million in 2024 from $20 million in 2023. Phillip and Stuart already described the goals of this program, but I did want to point out that funding for the business transformation is provided by accumulated investment gains, and does not come from premium rates. I will now turn it back to Phillip to provide some information about our risks and opportunities.

# Phillip Germain

Thanks, Thomas. I am now going to touch on the future outlook for 2024. The high risks identified and evaluated by the board members and management in 2023 were:

* Recruitment and retention
* Union and employee relations
* Data adequacy
* Business continuity
* IT systems adequacy
* Cybersecurity
* Investment markets
* Procurement
* And the business transformation

Risk management strategies include implementation of enhanced governance, reporting, oversight processes, change management, and timely staffing and organizational reviews to balance the program and organizational needs. This slide shows the percentage of claims each year from 2018 to 2022 that represented roughly 80 per cent of costs from 2018 to 2022. As you can see, these numbers have remained fairly constant over the past five years. There is a slight increase as to the percentage of claims required to represent 80 per cent of costs. This is an early indication that our strategies are working. In theory, 80 per cent of claims should represent 80 per cent of costs, so we do want to see this number increase over time. This assumes we are meeting other critical targets like timeliness of adjudication and durations. Based on feedback from the employer community, we have heard the process to navigate successfully through the WCB processes can be complicated. This can put a lot of uncertainty and stress on employers, workers and our staff.

A recommendation from 2016 committee of review led to the creation of an employer resource centre in 2019. Ongoing feedback through 2023 showed the desire by some employers for a greater level of service. One key objective is to ensure that the WCB remains active in the support of the employer community without creating new areas of friction. As a result, in 2024, we will evolve the employer resource centre into the employer advisory centre. The services provided through the employer advisory centre will be expanded to assist employers with appeals, along with education of disability prevention. We believe that the increased education and support focus for this service will balance the needs of employers and workers. We are currently recruiting a manager for the employer advisory centre who will begin setting up the education and services in the coming months. I will now turn it back over to Gord for questions. Thank you.

# Gord Dobrowolsky

Thank you, Phillip, Thomas, Kevin, Bryan, Jennifer and Stuart for providing so much information to us. That wraps up the presentation portion of our AGM. Right now, I’d like to open the mics for you to ask any questions that you have of us. 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. OK, the mics are open for your questions. Thank you to everyone for your questions and interest in the WCB. I hope you found today’s session worthwhile and informative. Thank you everyone! Have a safe day.

# (End of recording)