



"Little things matter."



ACHIEVING OUR GOALS

THIRD QUARTER RESULTS

July to September 2011

Being Accountable

WorkSafeNB is committed to ensuring the highest standards in governance and administration. As such, management is pleased to present to the Board of Directors, WorkSafeNB's quarterly results. This document provides a summary of WorkSafeNB's progress towards achieving its five strategic goals, targets, and strategies as established during the Board of Directors' annual strategic planning and risk assessment process. In addition, this document contains Risks that the Board continues to monitor, legislative and policy priorities, and Statements of Operations and Cash Flows. The current strategic plan and risk assessment is available at www.worksafenb.ca.

Vision

Healthy and Safe Workplaces in New Brunswick

Mission

WorkSafeNB will promote a safe and healthy work environment to the workers and employers of New Brunswick and efficiently provide quality services, just adjudication, and fair administration of the legislation.

Mandate

Promote the creation of a workplace safety culture in which all employees and employers view all occupational diseases and accidents as being preventable.

Provide timely compensation benefits, medical aid, rehabilitation, and safe return-to-work services to injured workers.

Provide sustainable insurance and insurance-related services to the employer community.

Represent stakeholders and provide recommendations and advice to government with respect to legislation and publish such reports, studies, and recommendations.

Contents

Strategic Goals	2
Safety	4
Balance	5
Service	6
Return to Work	7
Staff Satisfaction & Engagement	8
Risk Assessment	9
Legislative & Policy Priorities	10
Statement of Operations and Cash Flows	12
Endnotes & Contact	14

Values

We dedicate ourselves to the provision of prompt, effective, efficient, and caring services to each of our clients.

We believe that a team approach ensures that all members of WorkSafeNB are working towards a shared Vision, Mission, Values, and Goals.

We are committed to providing competent and energetic leadership that is focused on a clear direction for WorkSafeNB.

We ensure that our decisions are made with integrity, credibility, and accountability.

We ensure that our communications are based on trust, mutual respect, openness, and clear and reliable information.

We manage our human, material, and financial resources effectively in responding to our mandate and established priorities.

Strategic Goals

- Target Achieved in 2010
- Target Not Achieved in 2010

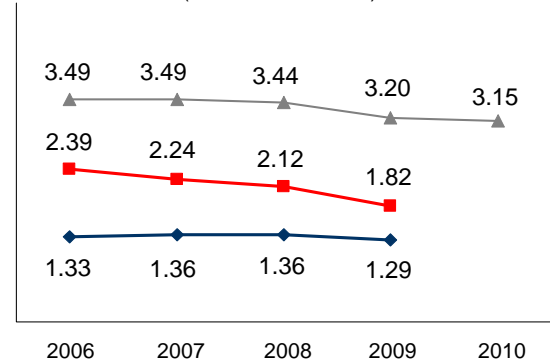
Safety

Our vigorous pursuit of a safe work culture will lead to a decline in the overall frequency of workplace injuries, and a decline in the perception of the inevitability of workplace injuries in New Brunswick.

Annual Targets

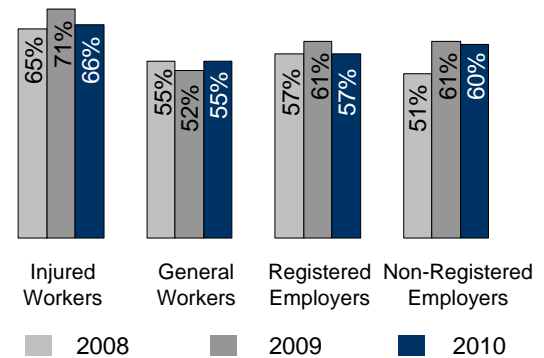
- The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than the previous five-year average.
- The lost-time workplace injury frequency rate per 100 FTE in New Brunswick will be lower than the Canadian average.
- The percentage of workers and employers agreeing that workplace injuries are inevitable will be lower than the previous five-year average.

Accident Frequency Rates^{10,12}
(Accidents/100 FTE)



- ▲ All Accidents per 100 FTE (2011 Target <3.37)
(2010 Target <3.48)
- Canada Lost Time
- ◆ NB Lost Time (Target <Canada)

Workplace Accidents & Injuries are Inevitable^{1*}
(Percent Agreeing)



* Target to be established once five years of data is available

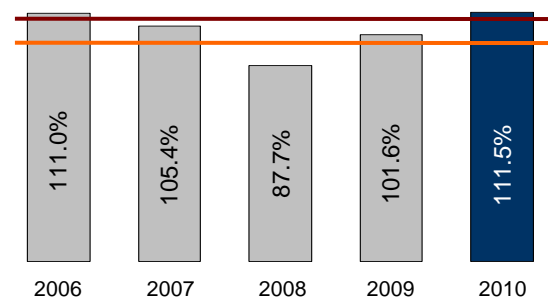
Balance

We will provide the best possible benefits to injured workers while maintaining the lowest possible assessment rates for employers.

Annual Target

- At a minimum, we will maintain a 100% funded liability.

Funding History¹



- Percent Funded
- Funding Target 110%*
- Legislative Requirement 100%

*Target of 105% prior to September 2006

Strategic Goals

- Target Achieved in 2010
- Target Not Achieved in 2010

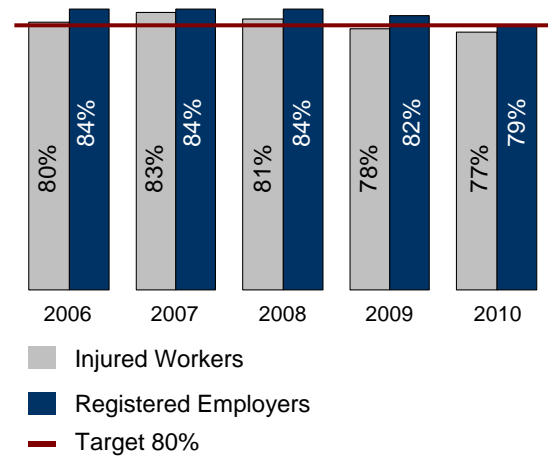
Service

We will provide effective programs and services, implemented with care, compassion, efficiency, promptness, and fairness, to benefit both workers and employers.

Annual Target

- We will maintain or exceed the high level of satisfaction, in excess of 80%, that both our injured worker and employer clients have come to expect.

Client Satisfaction¹



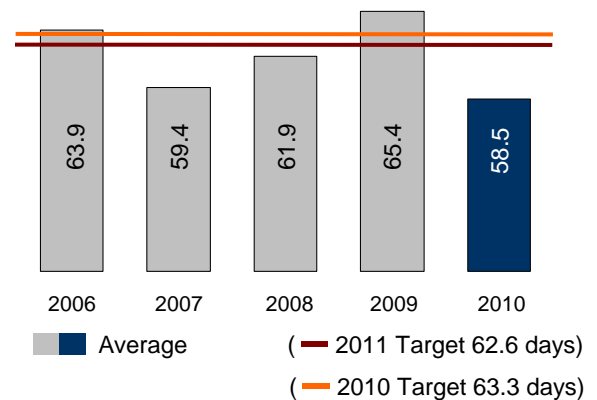
Return to Work

We will decrease the time by which injured workers safely return or are ready to safely return to employment.

Annual Target

- The average paid compensation days for claimants with a return to work goal will be lower than the previous five-year average.

Paid Compensation Days¹⁰



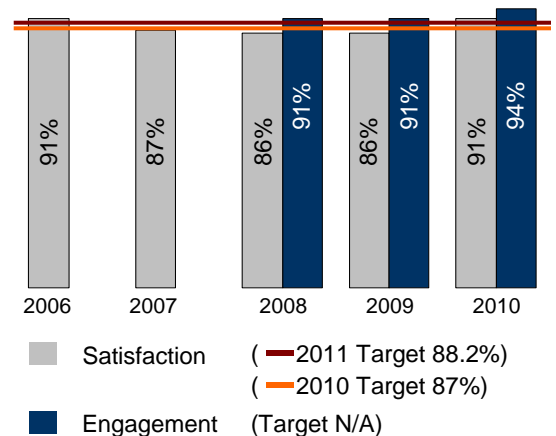
Staff Satisfaction & Engagement

Our employees will feel their work is valuable and makes a difference, motivated by the understanding of how their role and individual contribution is critical to achieving our Vision, Mission, Mandate, Values, and Goals.

Annual Targets

- Employee satisfaction and engagement levels will meet or exceed the previous five-year average.

Percent Satisfied & Engaged^{1*}

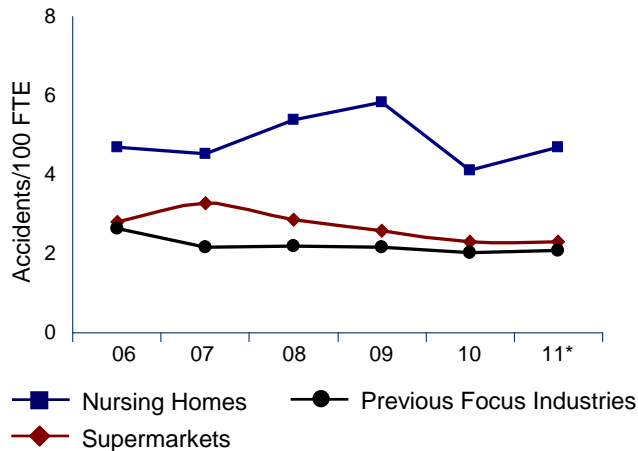


* Target to be established once five years of data is available

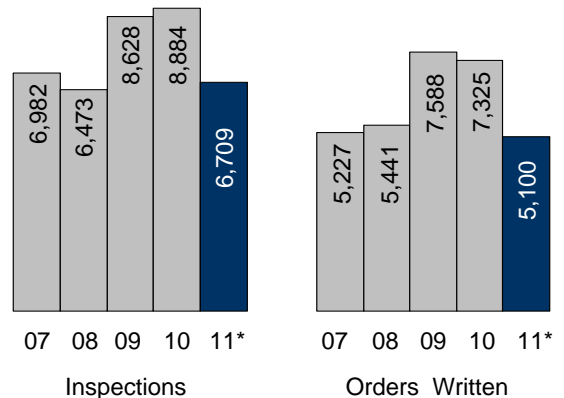
Achieving Our Goals: 3rd Quarter Management Notes

Safety

Focus Industries Lost Time Accident Rate^{2,10,11}
(Annual / YTD*)



OHS Compliance^{2, 11}
(Annual / YTD*)



Annual Target Year-to-Date

- At the end of September 2011, the provincial accident frequency for all accidents is 3.12 accidents per 100 FTE. This is an improvement from second quarter and is below the 2011 target of 3.37.

High-risk Industries

- WorkSafeNB continues to focus on high-risk industries to develop a sustainable safety culture. Year-to-date:
 - Lost-time accident frequency per 100 FTE for current focus industries is below the previous five-year average for supermarkets at 2.30 (5yr = 2.77) and nursing homes at 4.70 (5yr = 4.91); and
 - Lost-time accident frequency of previous focus industries is 2.08 accidents per 100 FTE, lower than the previous five-year average (2.24).

WorkSafe Culture

- WorkSafeNB, organized and hosted Progressive Agriculture Safety Day focused on teaching youth about farm health and safety. The three events involved 1,033 individuals including 766 students, 78 teachers and parents, and 189 volunteers.

- Social marketing efforts continue with a pilot focused on online advertising on Facebook. Aimed at a younger demographic, the ads featured a youth poster. It is a cost effective site for advertising where the number of impressions and clicks are the greatest.
- WorkSafeNB released an Orientation Guide for Employers with the message "Informed workers are safe workers". The guide promotes best practices to develop a workplace-specific employee orientation to ensure that new workers work safely. The guide can be viewed online at www.worksafenb.ca and will be promoted by the NB Construction Safety Association.

Firm Level Intervention

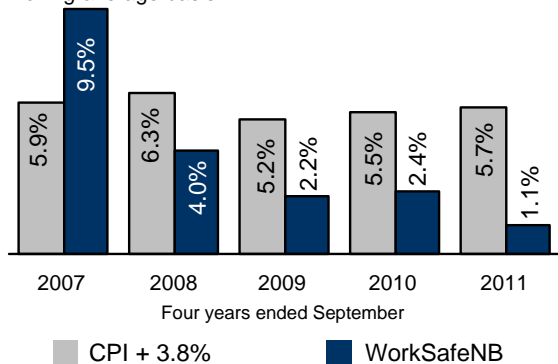
- WorkSafeNB provides focused attention to individual firms based on their accident record and the accident history of the industry group. This focused attention contributes to creating a sustainable health and safety infrastructure within these firms. Up to September 30, the aggregate frequency for focus firms in 2011 is 5.85 accidents per 100 FTE. This is 33.7% lower than the pre-intervention frequency of 8.82, in 2001. In comparison, all firms over the same ten-year period reduced their frequency by 22%.

Achieving Our Goals: 3rd Quarter Management Notes

Balance

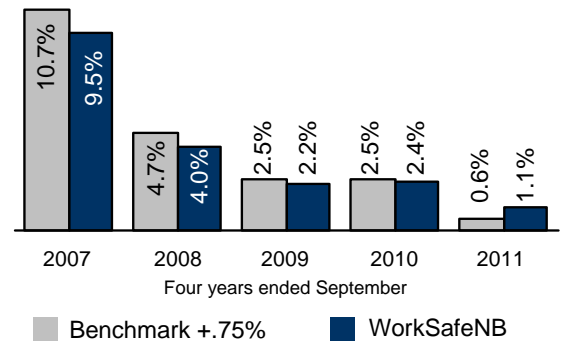
Performance Objective 1⁴

The investment portfolio's rate of return is to exceed the increase in the CPI +3.8%, on a four-year, moving-average basis



Performance Objective 2⁴

The investment portfolio's rate of return is to exceed the return generated by the investment policy-defined benchmark portfolio by 0.75% on a four-year, moving-average basis



Disciplined Investment and Financial Management

- WorkSafeNB's investment portfolio lost 6.0% in the third quarter of 2011, and has lost 2.5% year-to-date to September 30, 2011. Most world equity markets declined significantly in the third quarter of 2011 as there was increasing concern about the possibility of European sovereign debt default and fear that the economic recovery was slowing. Canadian equities posted their worst quarterly return since 2008, losing 12.0%. U.S. stocks also posted their worst performance in three years, with the S&P500 index falling 7.0% in CAD terms. The Long Term Fiscal Strategy and Investment policies document WorkSafeNB's strategy for maintaining a fully funded status and maintaining investment discipline in volatile market conditions.
- Assessment income for the nine-month period ending September 30, 2011 was greater than budgeted by \$591,000. Investment income for the same nine-month period was \$76,381,000 less than budgeted. Total expenses for the nine months ending September 30, 2011 were less than budgeted by \$10,771,000. Claims costs were less than budgeted by \$7,590,000.

Administration, Appeals Tribunal costs and legislative obligations were less than budgeted by \$3,181,000. The above results yielded an excess of expenses over income for the period of (\$45,997,000) compared to a budgeted excess of income over expenses of \$19,222,000.

Assessment Rates

- The provisional assessment rate for 2012 is \$1.70 per \$100 of payroll, a reduction of 15 percent over the rate of \$2.00 in 2010. An improving financial position, lower claims costs, and fewer accidents warranted the rate reduction that will lead to assessed premiums for all employers to either drop or remain stable in 2012.

Governance

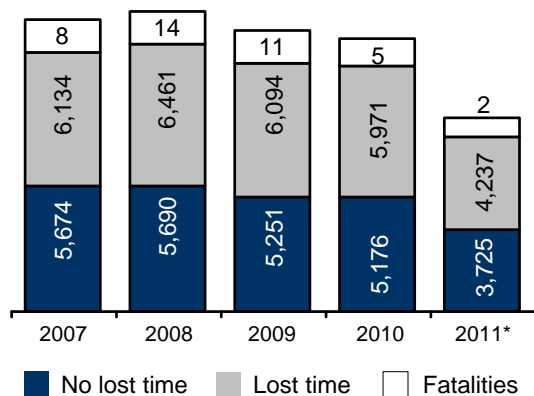
- As part of its ongoing commitment to professional development, the Board of Directors:
 - Attended a retreat to discuss governance, strategic planning, and legislative responsibilities; and
 - Participated in an investment education session to assist with oversight responsibilities associated with the accident fund.

Note: Statements of Operations and Cash Flows are available on page 12 & 13.

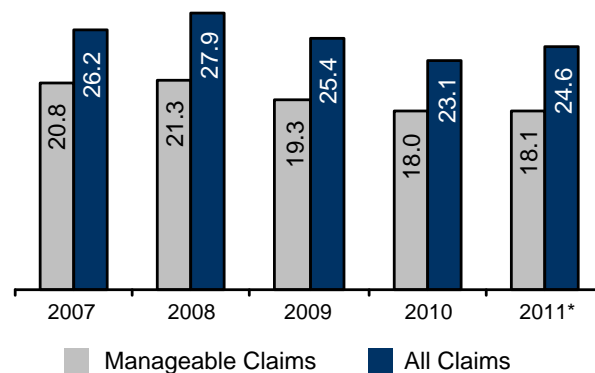
Achieving Our Goals: 3rd Quarter Management Notes

Service

Claims Accepted by Type^{2,6,7}
Annual / YTD*



Days-to-First-Benefit Cheque^{2,5}
Days from Date of Disablement
(Annual / YTD*)



Claims Volume

- Year-to-date claims volume is down when compared to the same quarter in 2010, total claims accepted decreased 4.9%, no lost time claims decreased 3.7%, and lost time claims decreased 5.9%.

Helping Clients Navigate the System

- The Appeals Tribunal received 581 requests for appeals, up 13.9% when compared to the same quarter in 2010. The Tribunal also resolved 570 appeals, up 1.6% when compared to the same quarter in 2010.
- WorkSafeNB in partnership with the Canadian Payroll Association presented a seminar on the New Brunswick workers' compensation legislation and its affect on the payroll function. The seminar included information on:
 - Compensation coverage;
 - Experience rating;
 - Employer and employee responsibilities in work related injuries; and
 - Workers' compensation premiums and assessable earnings.

Time to First Cheque

- Days to first cheque were relatively stable in the third quarter. When compared to the same quarter of 2010:
 - Manageable claims did not change; and
 - All claims increased by 1.5 days (6.5%).

Cost-effective Service Delivery

- WorkSafeNB offers employers the option to register for electronic filing of accident reports (*Form 67*). At the end of third quarter there were 148 employers registered for this service and approximately 20% of all *Form 67*'s received by WorkSafeNB were filed electronically.

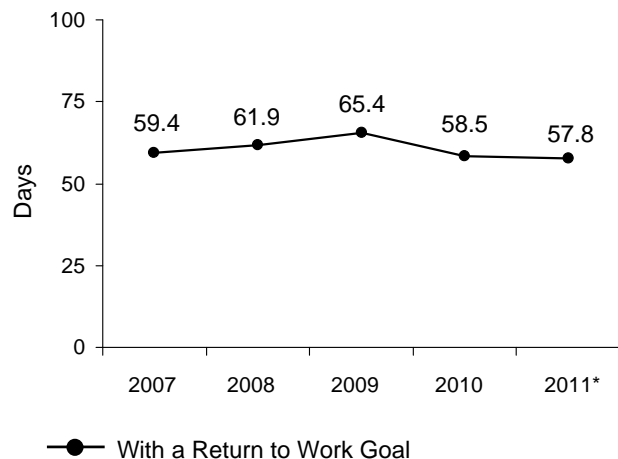
Measuring and Evaluating Satisfaction

- WorkSafeNB's annual client satisfaction survey is underway with:
 - Telephone interviews with workers, employers, and stakeholders; and
 - Structuring a one-time project for in-depth interviews to examine clients' service expectations and the attributes and drivers of client satisfaction.

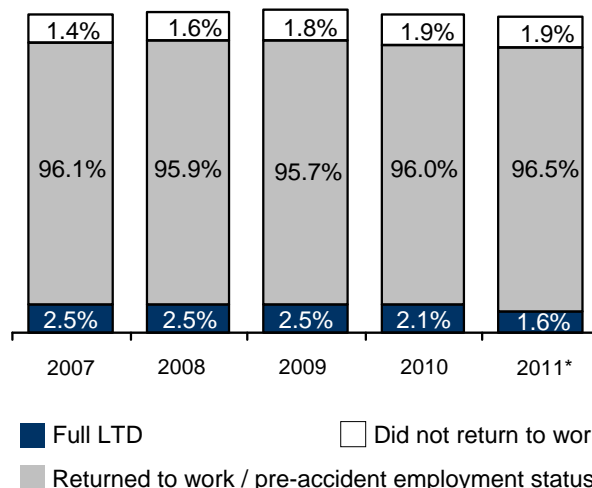
Achieving Our Goals: 3rd Quarter Management Notes

Return to Work

Paid Compensation Days^{2,10}
(Annual / YTD*)



Lost-time Claim Disposition^{2,10}
RTW Goal & Full LTD (Annual / YTD*)



Annual Target Year-to-Date

- As of September 2011, the number of paid compensation days for claimants with a return to work goal is well below (4.8 days) the 2011 target of 62.6 days and the target for return to work is projected to be achieved.

Best Practices in Medical Rehabilitation

- WorkSafeNB together with Canadian Health Solutions held sessions in three communities to engage both employers and family physicians. Participation rates were quite strong, with over 80% of family physicians attending in St. Stephen and Sussex, 95% in Sackville, and over half of the family physicians in Bathurst meeting to discuss issues around timely and safe return to work with employers.

Best Practices in Return to Work Management

- Based on the success of the shoulder injury pilot, WorkSafeNB will implement a similar care map for managing low back injuries. This program will facilitate timely and appropriate rehabilitation and medical management by:
 - Developing a network physiotherapist and orthopaedic surgeons;
 - Ensuring thorough assessment; and
 - Ensuring earlier access to surgeons if required.

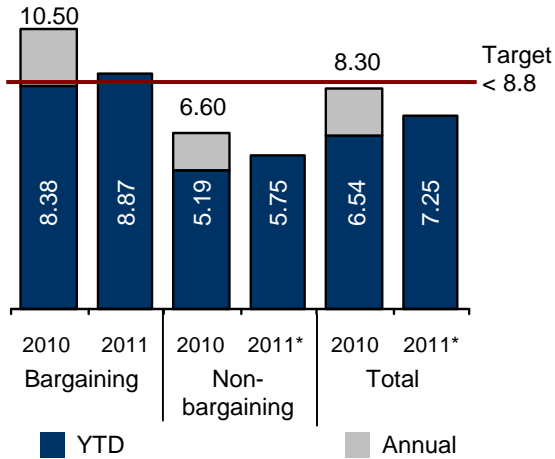
Medical Case Management

- WorkSafeNB together with the Physiotherapy Clinical Practice Issues Committee continues work with online report services. This secure web-based application will benefit injured workers, physiotherapy clinics and WorkSafeNB. Improvements include:
 - Increased efficiencies in progress reporting;
 - Easier access to claim authorizations; and
 - Improved invoicing processes for treatment and supplies.

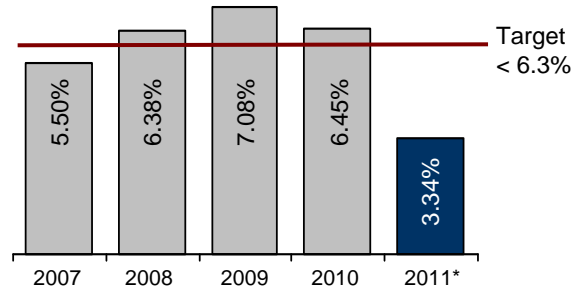
Achieving Our Goals: 3rd Quarter Management Notes

Staff Satisfaction and Engagement

Days Absent ^{3,8}
Annual / YTD



Staff Turnover ^{3,9}
Percentage of all Staff (Annual / YTD*)



Health, Safety, and Wellness

- WorkSafeNB employees reported two incidents of violence in the third quarter. WorkSafeNB continues to develop processes for managing incidents of violence including:
 - The development of a booklet for staff titled "Employee Guide to Managing Difficult Situations"; and
 - Updating the Violent Incident Report used when reporting incidents of violence.
- Four employees were assisted through the disability management program to remain at work or return to work.
- Two staff claims were accepted under the *Workers' Compensation Act*, for a total of five claims year-to-date. The cost of the five claims to date is \$6,672.16.
- The WorkSafeNB Wellness Committee developed a provincial Wellness Action Plan for 2011-2012. The plan outlines activities and goals concerning mental fitness, healthy eating, increasing physical activity, and tobacco free living.

Succession and Development

- In the third quarter, 16 competitions were opened and 12 competitions were concluded, resulting in three internal promotions.
- Two new staff joined the growing leaders program for a total of six year-to-date.
- Professional development activities involved 32 employees participating in presentations and workshops on:
 - Working smart with Microsoft Outlook;
 - Preparing for your retirement; and
 - Roles and responsibilities when dealing with contractors.

Wages and Benefits

- As part of disaster planning, WorkSafeNB in consultation with our payroll service provider is exploring the ability to perform payroll functions remotely.

Risk Assessment

As part of its annual strategic planning process, the Board identifies and assesses risks that could impact WorkSafeNB's ability to achieve its goals.

Management's Cautionary Notes:

No issues identified in the third quarter.

	Level	Strategy
Unique Mandate Risks		
Balancing benefit-related decisions to ensure intergenerational equity and system sustainability	Cautionary	Reduce
Balancing benefit improvements and assessment rates	Cautionary	Reduce
Impact of Board's policy agenda not being achieved	Unacceptable	Reduce
Board succession planning	Cautionary	Reduce
Appeals Tribunal decisions that are inconsistent with WorkSafeNB policy	Unacceptable	Reduce
Varying expectations of WorkSafeNB's role in health and safety	Acceptable	Reduce
Gaps and delays in OHS legislation	Cautionary	Reduce
Funding level	Cautionary	Accept
Defining WorkSafeNB's role in return to work	Cautionary	Reduce
Higher accident frequencies in focus industries	Cautionary	Reduce
Operational Risks		
Impact of catastrophic events on business continuity	Cautionary	Reduce
Employee retirement levels	Unacceptable	Reduce
Retaining WorkSafeNB employees in specialized fields	Cautionary	Reduce
Risks To Reputation		
Government decisions that are independent of WorkSafeNB advice	Unacceptable	Reduce
Protecting the integrity of the system	Acceptable	Reduce
Impact of external agencies' recommendations upon WorkSafeNB	Cautionary	Reduce
External Risks		
Impact of culture, language, and literacy	Acceptable	Reduce
Increased accidents associated with skills and labour shortages	Acceptable	Accept
Emerging high-risk industries	Cautionary	Reduce
Changes to legislation, regulation, and policy in other jurisdictions	Cautionary	Reduce
General health status of New Brunswick workers	Cautionary	Accept
Availability and cost of health care	Cautionary	Accept
Impact of aging on safe workplaces	Acceptable	Accept

Legislative and Policy Priorities

The WorkSafeNB Board of Directors identifies and allocates resources towards key legislation and policy priorities. This scorecard identifies when the priority is completed.

2010/2011 Priorities Approved in the First Quarter of 2011	Completed
21-207 Pension Benefits – Pre-1982 Accidents	February 17, 2011
21-213 Transitional Entitlement	January 27, 2011
21-260 Minimum Benefits	January 27, 2011
24-013 Occupational Health and Safety Inspections & Investigations	January 27, 2011
26-005 Occupational Health and Safety – Provincial Jurisdiction	January 27, 2011
31-401 Purchasing Goods and Services	January 27, 2011
2011/2012 Priorities Established April 2011	Completed
Governance	
41-002 Governance Statement	May 27, 2011
NEW - 41-011 Governance – Engaging Stakeholder Technical Committees in Legislative and Regulatory Reform	May 27, 2011
NEW – Benefit balance policy	
<i>WHSCC Act</i> : Appeals Tribunal Adhering to Board Policy	
Occupational Health & Safety	
General Provisions under the <i>OHS Act</i>	
Conventional logging	
Occupational hygiene	
WHMIS	
Liquefied natural gas (LNG) processing	
Demerits	
Medical Aid & Rehabilitation	
21-220 Claim-related Travel Expenses	May 27, 2011
29-220 Travel Expenses	May 27, 2011
29-223 Child/Dependent Care Expenses	May 27, 2011
29-224 Training-related Travel Expenses	May 27, 2011
21-400 Rehabilitation	
25-003 Home Care & Independence	
29-550 Care Allowance	September 22, 2011
21-402 Vehicle Modifications	
21-403 Home Modification Projects	
29-551 Hearing Aids and Batteries	
29-510 Prescription Eyeglasses	September 22, 2011
25-008 Clothing and Footwear	
29-557 Clothing and Footwear	September 22, 2011

Compensation	Completed
Burial Expenses	
Permanent Physical Impairment Regulations	
21-211 Three-Day Waiting Period	
21-215 Supplements to Compensation	
25-010 Personal Non-compensable Intervening Conditions	
Funding and Administration	
32-401 Expenses, Allowances & Per Diems for Part-time Members of the Board of Directors and the Appeals Tribunal	May 27, 2011
39-205 Expense Rates and Allowances for Part-time Members of the Board of Directors and the Appeals Tribunal	May 27, 2011
34-200 Investment Goals & Objectives	
34-205 Statement of Investment Philosophy & Beliefs	
21-300 Allocation of Claim Costs	
49-200 Release of AT Transcripts & Recordings	
49-310 Release of AT Decisions	
Entitlement to Benefits	
<i>NEW - Firefighters' Compensation Act Policy</i>	
21-100 General Principles	August 25, 2011
21-104 Tests of Time, Place and Activity	August 25, 2011
21-101 Pre-existing Conditions	
21-102 Recurrences	August 25, 2011
21-103 Stress	
21-106 Accident Reporting & Application for Benefits	August 25, 2011
21-108 Injuries During Rehabilitation	
21-112 Hearing Loss	
21-150 Cardiac Injuries & Diseases	
21-011 Federal Government Employees	
Employer Services	
23-100 Employer Registration	
23-200 Assessable Earnings	
23-305 Administration of Out-of-Province Operations	
23-400 Auditing Employer Accounts	
23-500 Payment of Employer Assessments	
23-703 Underestimated/Underreported Payroll	
29-301 Assessment of Volunteers	
<i>Workers' Compensation Act penalties, fines, accident reporting</i>	
Evaluation & Stakeholder Engagement	
Quality of Life Grant	
Client Satisfaction	

Statements of Operations and Cash Flows

Unaudited Statement of Operations For the 9 Months Ending September 30, 2011

	Budget (YTD)	Actual (YTD)	Previous (YTD)
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$151,522	\$152,113	\$153,285
Investments	49,066	(27,315)	48,233
Province of NB	300	100	(75)
	\$200,888	\$124,898	\$201,443
Expenses			
Claims costs incurred	148,281	140,691	147,948
Administration	30,972	28,027	27,592
Appeals Tribunal	1,382	1,190	1,136
Legislative obligations	1,031	987	978
	\$181,666	\$170,895	\$177,654
Excess of income over (expenses) for the period	\$19,222	\$(45,997)	\$23,789

The Statement of Operations and Statement of Cash Flows have been prepared in accordance with International Financial Reporting Standards, which were adopted January 1, 2011.

Statements of Operations and Cash Flows

Unaudited Statement of Cash Flows For the 9 Months Ending September 30, 2011

	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities		
Cash received from:		
Assessed employers	\$ 137,164	\$ 140,872
Self-insured employers	20,278	20,922
Interest and dividends	20,805	20,567
Province of New Brunswick	400	400
	<u>178,647</u>	<u>182,761</u>
Cash paid to:		
Injured workers or third parties on their behalf	99,067	99,698
Suppliers & employees, for administration and other services	31,989	29,877
	<u>131,056</u>	<u>129,575</u>
Net cash provided by operating activities	47,591	53,186
Cash flow from investing activities		
Cash received from:		
Sale of Investments	263,622	250,341
Cash paid for:		
Purchase of investments	294,888	306,405
Purchase of capital assets	1,057	1,818
	<u>295,945</u>	<u>308,223</u>
Net cash (used in) investing activities	(32,323)	(57,882)
Increase in cash during the year:	15,268	(4,696)
Cash and short-term investments, beginning of period	28,374	51,092
Cash and short-term investments, end of period	<u>\$43,642</u>	<u>\$46,396</u>

Endnotes

1. Annual outcomes are reported using the data provided in the 2010 Annual Results Document.
 2. Source: WorkSafe Services, September 30, 2011.
 3. Source: Human Resources, September 30, 2011.
 4. Source: Corporate Services, September 30, 2011.
 5. Manageable claims excludes, for example, claims that were reported late, appealed, or where an employer filed a form of election.
 6. Excludes files opened that do not result in a claim.
 7. All fatalities occurred under the *WC Act* in 2011, based on year of accident.
 8. Days absent = the total days absent / (actual yearly budgeted - vacant positions).
 9. Staff turnover = active positions / (active positions + terminated positions) per year.
 10. Numbers are adjusted quarterly as data matures.
 11. More precise trends can be determined at year-end, when data has matured and seasonal influences have diminished.
 12. Source: AWCBC Key Statistical Measures #21. Note: New Brunswick has a three-day waiting period; therefore, the number of lost-time claims may not reflect every lost-time injury as defined by AWCBC.
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Contact

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