

## Statements of Operations and Cash Flows

### Unaudited Statement of Operations

For the Three Months Ending March 31, 2010

	Budget (YTD) (000's)	Actual (YTD) (000's)	Previous (YTD) (000's)
<b>Income</b>			
Assessments including self-insured	\$49,464	\$49,903	\$47,210
Investments	14,503	\$16,588	(25,032)
Province of NB	225	(275)	225
	\$64,192	\$66,216	\$22,403
<b>Expenses</b>			
Claims costs incurred	51,722	52,800	50,764
Administration	9,049	8,090	7,638
Appeals Tribunal	420	333	337
Legislative obligations	344	329	295
	\$61,535	\$61,552	\$59,034
Excess of income over (expenses) for the period	\$2,657	\$4,664	(\$36,631)

### Unaudited Statement of Cash Flows

For the Three Months Ending March 31, 2010

	Actual (YTD) (000's)	Previous (YTD) (000's)
<b>Cash flow from operating activities</b>		
Cash received from:		
Assessed employers	\$ 63,941	\$ 60,782
Self-insured employers	7,771	6,766
Interest and dividends	5,566	5,402
Province of New Brunswick	400	900
	\$77,678	\$73,850
Cash paid to:		
Injured workers or third parties on their behalf	\$ 32,551	\$ 32,312
Suppliers & employees, for administration and other services	9,061	9,324
	\$41,612	\$41,636
<b>Net cash provided by operating activities</b>	<b>\$36,066</b>	<b>\$32,214</b>
<b>Cash received from:</b>		
Sale of Investments	\$54,401	\$82,431
Cash paid for:		
Purchase of investments	\$ 62,326	\$ 87,197
Purchase of capital assets	407	284
	\$62,733	\$87,481
<b>Net cash (used in) investing activities</b>	<b>(8,332)</b>	<b>(5,050)</b>
<b>Increase in cash during the year:</b>	<b>27,734</b>	<b>27,164</b>
Cash and short-term investments, beginning of period	51,092	34,428
<b>Cash and short-term investments, end of period</b>	<b>\$78,826</b>	<b>\$61,592</b>

The above statements have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in *WorkSafeNB's 2009 Annual Report*.

## Risk Assessment

The Board of Directors continues to monitor risks identified in the 2009-2014 Strategic Plan and Risk Assessment.

Level of Risk	2009-2014 Risk Strategy
<input type="checkbox"/> Acceptable	<input type="checkbox"/> Reduce
<input type="checkbox"/> Cautionary	<input type="checkbox"/> Accept
<input type="checkbox"/> Unacceptable	

### Unique Mandate Risks

1. Funding level
2. Gaps and delays in health and safety legislation
3. Appeals Tribunal decisions that are inconsistent with Board policy
4. Impact of negative inflation on benefits
5. Level and comprehensiveness of benefits
6. WorkSafeNB's role in return to work & meeting stakeholders' expectations
7. Changes to international financial reporting standards
8. Annuity set aside is subject to market volatility
9. Decisions that threaten intergenerational equity and the sustainability of the workers' compensation system
10. Varying expectations of WorkSafeNB's role in health & safety
11. New and emerging occupational diseases
12. Availability and cost of health care

### External Risks

### Management's Cautionary Notes:

The Funding Level risk is acceptable: The asset mix is in line with policy targets, and the funded ratio is 101.6% as of December 31, 2009.

### Endnotes

1. Source: Corporate Services, information as of December 31, 2009.
2. Source: WorkSafe Services, annual data as of December 31, 2009.
3. Source: Human Resources, December 31, 2009.
4. 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.
5. Source: WorkSafe Services, May 3, 2010.
6. Source: WorkSafeNB 2009 Client Satisfaction Survey.
7. Source: Corporate Services, April 26, 2010.
8. Days absent = the total days absent / (actual yearly budgeted - vacant positions).
9. Staff turnover = active positions / (active positions + terminated positions) per year.
10. Source: Human Resources, May 3, 2010.
11. Excludes files opened that do not result in a claim.
12. Prior years adjusted to most current data.
13. Staff Engagement is a new measure for 2008.
14. Annual Outcomes are reported using the data provided in the Annual Results Document and do not reflect changes as the data matures.
15. Previous industries = industries that have been, but are no longer focus industries; Active > 1 year = Current focus industries that have been focus industries for more than one year (nursing homes, supermarkets); Active < 1 year = Current focus industries that have been focus industries for less than one year (restaurants).
16. Manageable claims include, for example, claims that were reported late, appealed, or where an employer filed a form of election.
17. More precise trends in accident frequencies can be determined at year-end, when data has matured and seasonal influences have diminished.

## Contact information

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*Let's Make Workplace Injuries a Thing of the Past*

## Being Accountable:

*First Quarter Results: January to March 2010*

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 first quarter results. This scorecard provides a summary of WorkSafeNB's progress towards achieving its five strategic goals, measures, and targets as established during the Board of Directors' annual strategic planning and risk assessment process. This document includes a summary of:

- ➔ Annual outcomes related to the goals, measures, and targets;
- ➔ Year-to-date indicators that track the achievement of the goals;
- ➔ Management's notes to communicate how specific initiatives are helping to fulfill our strategic commitment;
- ➔ Statements of Operations and Cash Flows; and
- ➔ Risks that the Board continues to monitor with cautionary notes from management, when applicable.

**Strategic Plan & Risk Assessment**  
**2009-2014**

# Achieving Our Vision: Healthy and Safe Workplaces in New Brunswick

## Goals Annual Outcomes: December 31, 2009<sup>14</sup>

Accident Frequency Rate		2005	2006	2007	2008	2009	Target 2010
All accidents per 100 Full-time Equivalents (FTE) <sup>12</sup>		3.79	3.48	3.48	3.40	3.24	< 3.48
Lost-time accidents per 100 FTE <sup>4</sup>	NB	1.42	1.33	1.36	1.36	N/A	< Canada
	Canada	2.56	2.39	2.24	2.12	N/A	

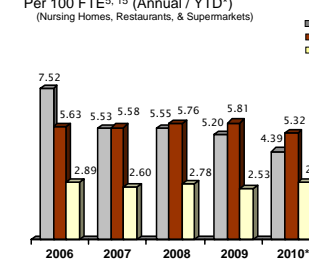
Percentage of workers & employers agreeing workplace accidents and injuries are inevitable				
	Injured Workers	General Workers	Registered Employers	Non-registered Employers
2008	65%	55%	57%	51%
2009	71%	52%	61%	61%

No data available prior to 2008

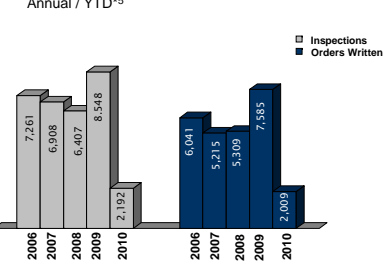
Safety

## Year-to-date Indicators\*: March 31, 2010

### Focus Industries Accident Frequency



### OHS Compliance



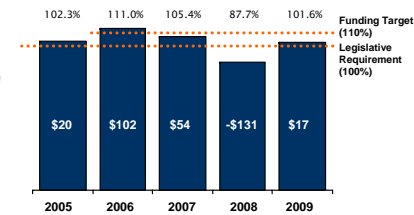
### Safety<sup>17</sup>

- ➔ The focus industries for 2010 under WorkSafeNB's strategy of targeting industries with high accident frequency are restaurants, supermarkets, and nursing homes. Accident frequency of active focus industries was 4.24 per 100 FTE in the first quarter, 4.1% below the previous five-year average of 4.42.
- ➔ Accident frequency of previous focus industries was 4.39 per 100 FTE in the first quarter, 31% below the most recent five-year average of 6.34.
- ➔ Improvements in accident frequencies of new focus industries are expected over a longer time period.
- ➔ Accident frequency of "focus firms" – firms with high accident frequencies targeted under another key safety strategy – was 6.02 accidents per 100 FTE in the first quarter of 2010, 31% below the 2005-2009 average of 8.72.
- ➔ WorkSafeNB continues to emphasize OHS compliance. Inspections and orders written in the first quarter of 2010 are 18% and 29% higher, respectively, than the same period in 2009. Inspections are targeted at high-risk and focus industries.
- ➔ Although data for 2009 is not final, results of the ongoing strategy to reduce musculoskeletal injuries appear positive, with a 9.4% reduction in 2009 compared to the reference year of 2005.
- ➔ The Board of Directors approved Policy No. 24-010 Occupational Health and Safety Prosecutions during the first quarter of 2010.

Balance

### Funding History<sup>1</sup>

Percent Funded and Dollar Amounts (in millions)

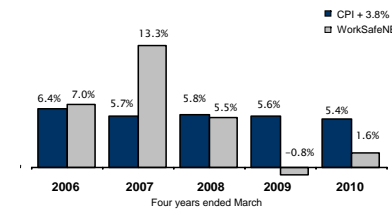


### Assets and Liabilities (\$000,000)<sup>1</sup>

	Assets	Liabilities
2005	\$920.2	\$899.9
2006	\$1,035.7	\$933.2
2007	\$1,065.5	\$1,011.0
2008	\$930.4	\$1,061.2
2009	\$1,066.0	\$1,049.2

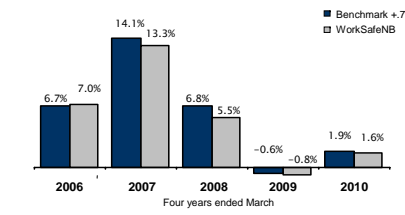
### Performance Objective 1:

The investment portfolio's rate of return is to exceed the increase in the CPI +3.8%, on a four-year, moving-average basis<sup>7</sup>



### Performance Objective 2:

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<sup>7</sup>

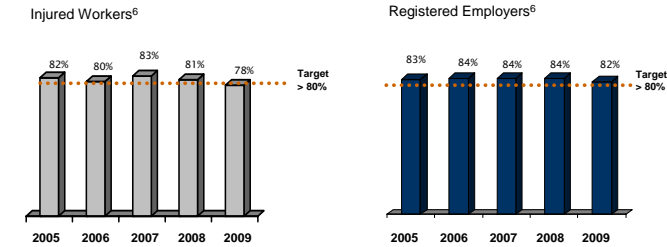


### Balance

- ➔ WorkSafeNB was 101.6% funded as of December 31, 2009. The Long-term Fiscal Strategy and Investment policies document WorkSafeNB's strategy for maintaining fully funded status and investment discipline in volatile market conditions.
- ➔ WorkSafeNB's investment portfolio gained 2.0% in the first quarter of 2010, and is up 24.6% over the past year. Equity markets around the world continued to experience gains in the first quarter of 2010, as economic data continues to improve, notably manufacturing, house prices and employment in the U.S.
- ➔ The rising government debt burden, and its potential impact on economic growth and asset prices, is a mounting concern.
- ➔ The Board began its strategic planning and risk assessment process in March by reviewing the 2009 Results Document and the results of the 2009 Client Satisfaction Survey.

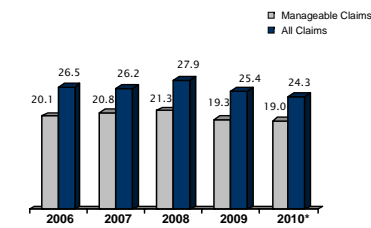
Service

### Client Satisfaction



### Days-to-First-Benefit Cheque<sup>5,16</sup>

Days from Date of Disablement (Annual / YTD\*)



### Client Satisfaction Survey Awareness Index

	Injured Workers	General Workers	Registered Employers	Non-registered Employers
2008	74%	69%	83%	73%
2009	73%	68%	80%	71%

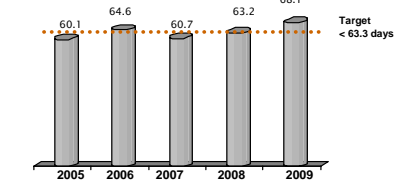
### Service

- ➔ Days-to-first-cheque improved significantly during the first quarter – by 13.2% and 15.7% for manageable claims and for all claims, respectively, compared to the first quarter of 2009.
- ➔ The improvement in days-to-first-cheque is due primarily to the increased reporting of workplace accidents using Electronic Form E67 and secondarily to the strategy to re-assign workloads, enabling adjudicators to dedicate more time to new lost-time claims.
- ➔ Of the 5,871 accidents reported in the first quarter, 14.0% were reported electronically, compared to 9.0% for all of 2009. As of the end of March, 114 employers were registered to report accidents electronically.
- ➔ In the first quarter, WorkSafeNB continued to implement Directive No. 24-015.01 Right to Refuse During the H1N1 Pandemic Influenza Outbreak, established in 2009. The directive is designed to help health and safety officers render decisions in cases of work refusal during a possible H1N1 pandemic.

Return to Work

### Claim Duration of Clients With a RTW Goal

Average Paid Compensation Days<sup>2</sup>

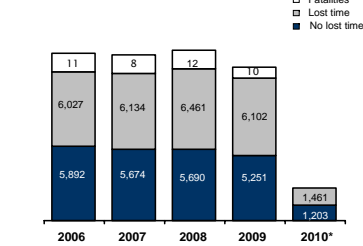


### Median paid compensation days<sup>2</sup>

2005	21.0 days
2006	22.0 days
2007	21.1 days
2008	20.7 days
2009	25.8 days

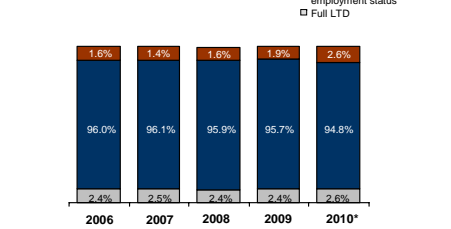
### Claims Accepted by Type<sup>5,11</sup>

Annual / YTD\*



### Lost-time Claim Disposition<sup>5</sup>

Claimants with a RTW Goal & Full LTD (Annual / YTD\*)



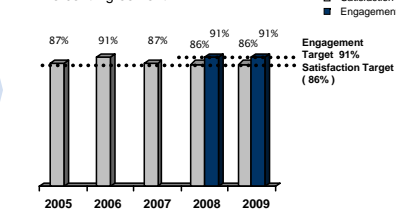
### Return to Work

- ➔ WorkSafeNB accepted 2,664 claims in the first quarter. Lost-time claims comprised 54.8% of all accepted claims, compared to 53.8% for the first quarter of 2009.
- ➔ Of the 1,461 lost-time claims in the first quarter, 382 involved only medical aid services.
- ➔ The objective of the pilot program for shoulder soft-tissue injuries is to improve outcomes for clients with these types of injuries. Preliminary results of the pilot, launched in 2009, indicate a decrease in claim duration and surgical management that is consistent with best practices.
- ➔ The Board approved the following policies during the first quarter of 2010:
  - Policy No. 25-001 Medical Aid – Principles; and
  - Policy No. 25-002 Medical Aid – Standards of Care.

Staff Satisfaction & Engagement

### Staff Satisfaction & Engagement<sup>3,13</sup>

Percent Agreement



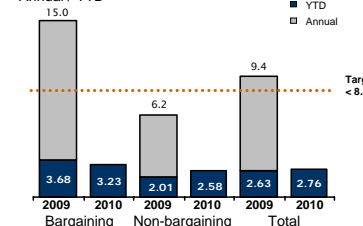
### Health & Safety<sup>3</sup>

Annual Safety Index

	Safety Index
2007	85%
2008	86%
2009	87%

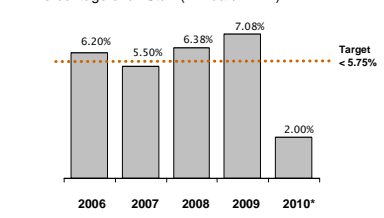
### Days Absent<sup>8, 10</sup>

Annual / YTD



### Staff Turnover<sup>9,10</sup>

Percentage of all Staff (Annual / YTD\*)



### Staff Satisfaction and Engagement

- ➔ One claim from a WorkSafeNB employee was accepted, compared to three for the first quarter of 2009.
- ➔ Three incidents of violence against WorkSafeNB employees were reported in the first quarter. There were 19 for all of 2009. WorkSafeNB hopes for positive outcomes of training held in 2009, the purpose of which was to train employees to recognize and safely respond to workplace violence.
- ➔ Increased absenteeism in the first quarter may be due to H1N1, with some absences in January attributed to the existence of flu-like symptoms.
- ➔ WorkSafeNB launched its 2010 Health and Safety Program in January.
- ➔ Five employees were promoted within WorkSafeNB, including one participant in the Growing Leaders Program.