

2018

**WSIS**

Workplace Safety  
and Insurance System

## Year-End Report

SEPTEMBER 2019

Working together to build a safety culture

## **Nova Scotia's Workplace Safety and Insurance System**

The Workplace Safety and Insurance System (WSIS) includes workers, employers, the agencies—Workers' Advisers Program (WAP), Workers' Compensation Appeals Tribunal (WCAT), Occupational Health and Safety (OHS) and the Workers' Compensation Board of Nova Scotia (WCB)—and others who provide services in the System.

**Our mission** is to work together to help keep people healthy and safe at work, to insure against loss and to support workers' rehabilitation. We strive to be fair, open and responsible in everything we do.

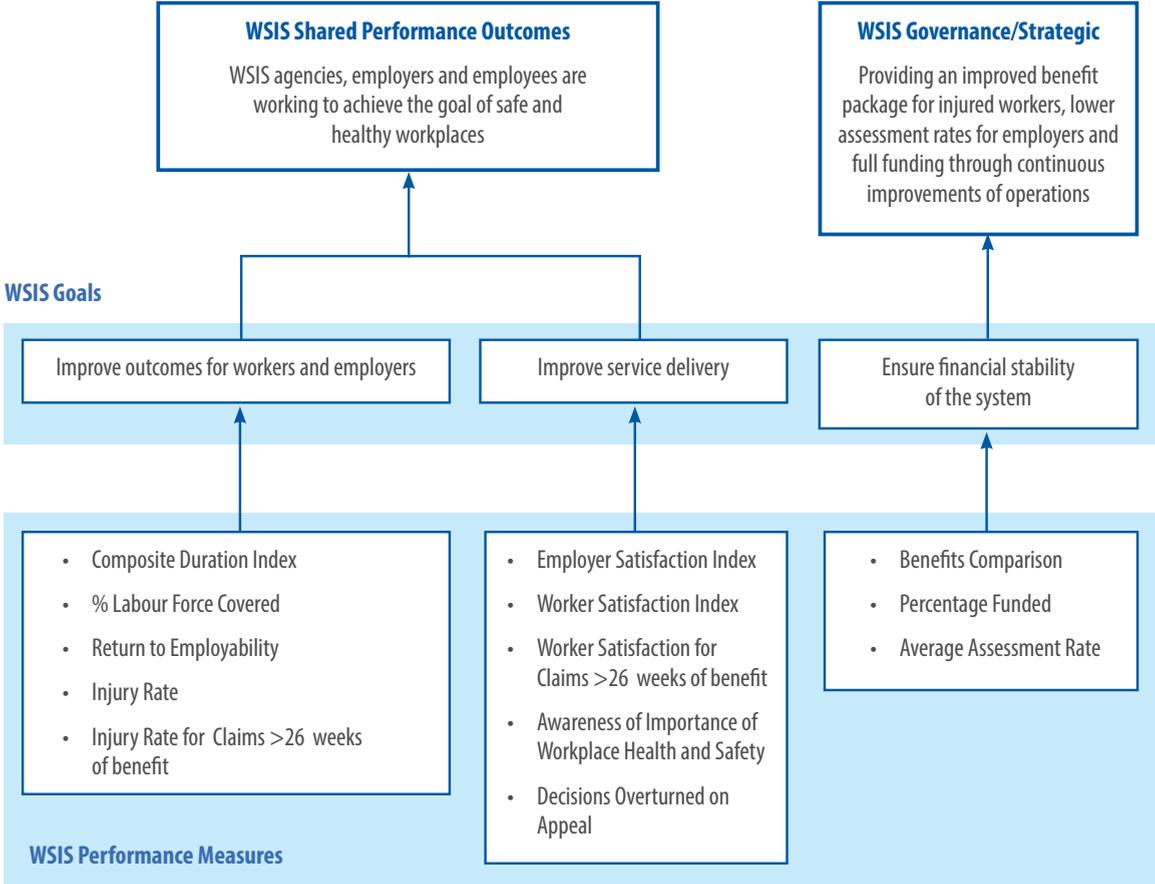
This report presents key outcomes for 2018 related to the WSIS strategic goals, which include:

- Improving outcomes for workers and employers;
- Improving service delivery
- Ensuring effective governance of the System
- Ensuring the financial stability of the System

# WSIS Performance Measures

When agency partners and stakeholders first came together in 2005 to officially form the WSIS, they established a set of performance measures to track System outcomes. Together, the agencies and stakeholders combined the measures that correspond to the System’s goals. The chart below depicts the measurement alignment that was adopted.

## WSIS Performance Measures



# System Performance

The performance results are used by stakeholders and agencies to gauge the health of the System, and to measure progress on System goals.

The table below presents the System Scorecard, and shows the specific group of measures that together indicate performance related to each goal.

**TABLE 1 – 2018 WORKPLACE SAFETY AND INSURANCE SYSTEM SCORECARD**

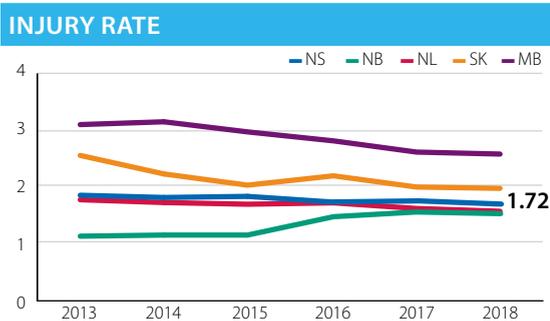
Measures	2017	2018
<b>Outcomes for Workers and Employers</b>		
Composite Duration Index	117	127
% Labour Force Covered	75%	74%
% Return To Employability	94.4%	93.8%
Injury Rate	1.76	1.72
* Injury Rate, Claims > 26 Weeks*	12.0%	13.0%
<b>Service Delivery</b>		
Injured Worker Satisfaction Index for WCB	76%	75%
Employer Satisfaction Index for WCB	78%	81%
Workers' Advisers Program Client Satisfaction	94%	95%
Injured Worker Satisfaction, claims > 26 weeks	71%	72%
Awareness of Importance of Workplace Health& Safety	87%	87%
Decisions allowed or allowed in part (WCAT)	48%	40%
<b>Financial Sustainability</b>		
% Funded	89.4%	85.5%
Average Assessment Rate (Actual)	\$2.66	\$2.64

*\*The proportion of workers with a lost-time injury who received short-term disability benefits exceeding 26 weeks*

Comparison of Nova Scotia's results relative to other similar jurisdictions in terms of size and industrial mix, helps to clarify our performance. The following charts show WSIS performance measures comparing Nova Scotia with New Brunswick, Newfoundland, Manitoba and Saskatchewan:

## Injury Rate

The Injury Rate is a measure of the number of time-loss claims per 100 WCB-covered workers. In Nova Scotia, the injury rate has improved by over 30 percent in the past ten years. The injury rate continued its long-term downward trend in 2018, dropping to 1.72 from 1.76 in 2017. The rate is at its lowest point since measurement of the injury rate in this manner began in the early 1990s.

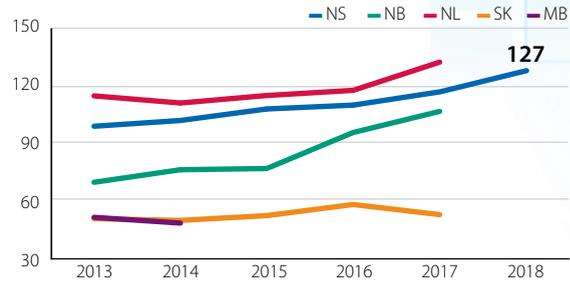


## Composite Duration Index

While there has been long term progress in reducing the number of days lost to workplace injury, the composite duration index rose to 127 days in 2018. The Composite Duration Index is a measure of how long workers are off the job due to injury. Several factors, including claim complexity, an aging population, population health issues, and system partners adjusting to new computer systems and business processes are contributing to the increase.

Work is underway by WSIS partners on several fronts to reduce the impact of workplace injury.

## COMPOSITE DURATION INDEX

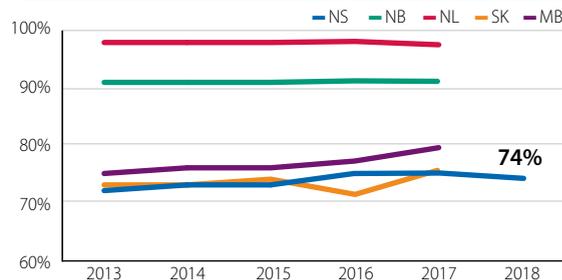


Note: After 2014, Manitoba data unavailable; 2018 data unavailable for other jurisdictions.

## Percent of Labour Force Covered

Compared to other jurisdictions, Nova Scotia's workforce coverage percentage tends to be lower. This has an impact on the injury rate and on financial results, as workers' compensation coverage for many typically low-risk occupations is voluntary. In 2018, the percent of the labour force covered dropped by 1 percent to 74 percent.

## % OF LABOUR FORCE COVERED

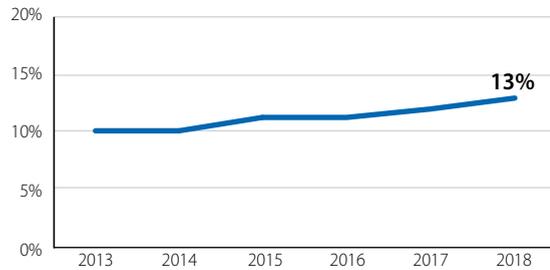


Note: 2018 data unavailable for other jurisdictions.

## Injury rate >26 weeks

The injury rate related to claims that require benefits for a period longer than 26 weeks increased to 13 percent in 2018, up from 12 percent in 2017.

### INJURY RATE FOR INJURED WORKERS WHERE STD BENEFITS > 26 WEEKS – NOVA SCOTIA

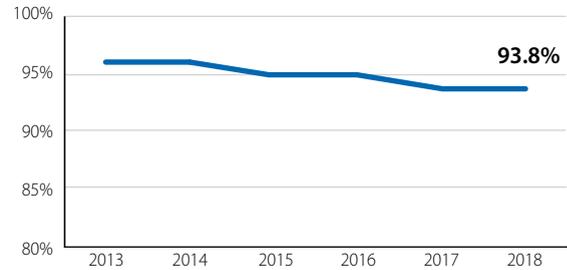


Note: Other jurisdictions do not track this performance measure.

## Return to Employability

The percentage of injured workers who returned to work at pre-injury income levels remained relatively stable at approximately 94 percent in 2018.

### RETURN TO EMPLOYABILITY – NOVA SCOTIA



Note: Other jurisdictions do not track this performance measure.

# SYSTEM GOAL – Improve Outcomes for Workers and Employers

In 2018, the System partners continued to support all industry sectors to improve injury prevention and return to work outcomes for workers and employers. The provincial injury rate, a primary indicator of progress towards this goal, dropped to 1.72 time loss injuries per 100 covered workers, the lowest level on record. Five of the six largest industry sectors in Nova Scotia (based on assessable payroll) showed improvements in injury frequency compared to 2017. Improvements in Health/Social Services, Retail Trade, Manufacturing, Wholesale Trade, and Accommodation/ Food/ Beverage reflect a growing understanding within these sectors that efforts to prevent injuries and support safe and timely return to work are key to a strong workplace safety culture.

Despite continued progress, 2018 was a tragic year too. Forty Nova Scotians died as a result of their work: 14 fatalities were caused by traumatic injuries at a workplace, and another 26 were caused by past exposures or other health issues not necessarily connected to the workplace, such as heart attacks.<sup>1</sup> Regardless of the cause, System partners and stakeholders must continue to focus on ensuring every Nova Scotian is safe at work.

Nova Scotia's workplaces continue to face challenges with claim durations – the time it takes for workers to return to work after a workplace injury. The number of days lost to workplace injury increased across most sectors and the average duration of a short-term disability claim increased to 127 days in 2018, up from 117 days in 2017.

There was also an increase in claims that require more than 26 weeks of benefits. In 2018, 13 percent of claims (a 1 percent increase over 2017) received short term benefits extending beyond 26 weeks.

A higher number of claims in receipt of long-term benefits, coupled with a change in actuarial assumptions led to an 18 percent increase in long-term disability claims costs.

<sup>1</sup> Deaths classified as chronic include two categories: deaths related to occupational diseases or conditions, often from previous exposures; and deaths occurring at a workplace, from other health conditions not necessarily related to the work, primarily cardiac events.

## Initiatives

System partners are working together on a number of initiatives to positively impact workplace health and safety outcomes in Nova Scotia.

### OCCUPATIONAL HEALTH AND SAFETY ADVISORY COUNCIL UPDATE

The Occupational Health and Safety Council in its new format has been in place for one year. Its focus is to provide strategic advice to the Minister of Labour and Advanced Education, and is comprised of a representative from each of LAE and WCB, four worker and four employer representatives. The Council is focused on several areas of concern to all Nova Scotians including occupational health and workplace mental health.

### SUPPORTING IMPROVED HEALTH AND SAFETY OUTCOMES IN HEALTH CARE

The WCB and LAE are working with AWARE-NS to support the implementation of *Charting the Course: A plan for Workplace Safety in Nova Scotia's Home Care, Long Term care, and Disability Service Sectors*. The plan, which was developed through a collaboration between Government, industry and the WCB, focuses on publicly-funded home care, long-term care, and community services sectors, which continue to have high rates of injury and the largest number of time-loss claims reported to WCB. With 19 percent of the total assessable payroll in the province, the health and community service sectors account for almost 30 percent of all time-loss claims.

### SOCIAL MARKETING

The WCB and the Nova Scotia Department of Labour and Advanced Education introduced a new awareness campaign, to follow up on the successful 'What Matters Most' social marketing campaign. Launched in the fall of 2018, the new campaign is focused on the importance of workplace safety, and the connection between safety at work, families, and communities.

### PTSD REGULATIONS

New regulations that provide the benefit of presumption for front-line workers in emergency services occupations who are diagnosed with PTSD were implemented in the fall of 2018. The regulations follow changes announced by the Government of Nova Scotia in 2017. The WCB and the Department of Labour and Advanced Education worked together on the consultations that helped inform the regulations.

### SUPPORTING FIRST RESPONDERS

The WCB is working with the first responder community to address resource gaps identified by stakeholders during consultations for the new PTSD regulations. The initiative, which will be led by a Steering Committee of volunteers from across the first responder community, aims to provide tools and resources to help first responders maintain good mental health throughout their careers. LAE is participating as part of the Steering Committee.

### IMPROVING APPEALS EFFICIENCY

The WCB, WAP, WCAT and LAE, are working together as part of the Appeals Efficiency Improvement Committee to explore and leverage opportunities to improve the timeliness of appeals. The Committee has identified areas of focus and is beginning to develop plans in an effort to resolve appeals sooner.

### BUILDING SAFETY CULTURE

The WCB and the Department of Labour and Advanced Education continue to work together to deliver Joint Workplace Initiatives (JWI), to help employers build a safety culture that results in fewer injuries and lower injury durations. The JWI approach combines and applies the resources and talents of both organizations to work with employers to achieve improved and sustainable health and safety outcomes.

# SYSTEM GOAL – Improve Service Delivery

The Stakeholder Satisfaction Indices, established through quarterly worker and employer satisfaction surveys, provide an overall rating of satisfaction with services provided by the WCB.

This multiple measure approach provides a more comprehensive reporting of overall stakeholder satisfaction.

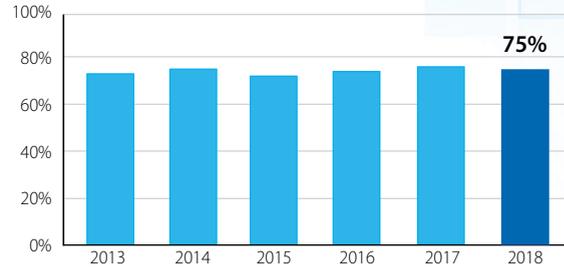
Both injured worker and employer satisfaction with WCB service remains above established targets for these measures. The 2018 target for both worker and employer satisfaction was 70 percent.

Satisfaction with services provided by the Workers' Advisers Program (WAP) is also favourable with 95 percent of clients indicating they are satisfied with the WAP's services.

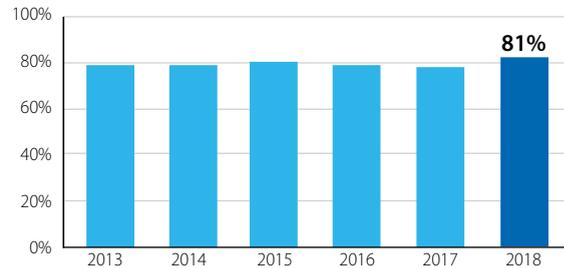
In 2018, 87 percent of survey respondents indicated that health and safety is critically important or important, statistically holding steady for the past several years.

**95%** OF CLIENTS  
INDICATED THEY ARE **SATISFIED**  
WITH WAPs SERVICES.

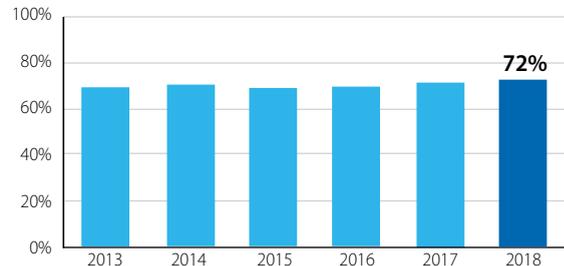
## WORKER SATISFACTION INDEX FOR WCB



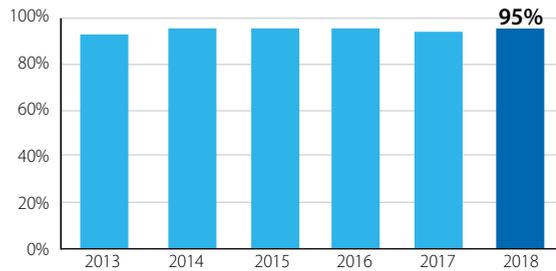
## EMPLOYER SATISFACTION INDEX FOR WCB



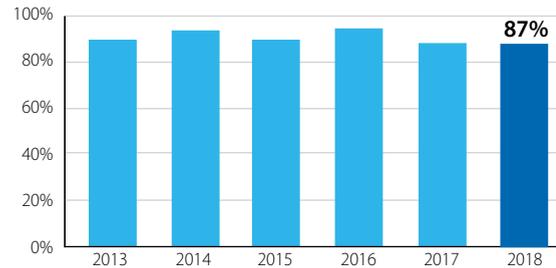
## SATISFACTION INDEX FOR INJURED WORKERS WHERE STD BENEFITS EXCEED 26 WEEKS



## SATISFACTION WITH SERVICES PROVIDED BY THE WORKERS' ADVISERS PROGRAM



## AWARENESS OF IMPORTANCE OF HEALTH AND SAFETY



IN 2018, **87%**  
OF SURVEY RESPONDENTS  
INDICATED THAT **HEALTH  
AND SAFETY IS CRITICALLY  
IMPORTANT OR IMPORTANT.**

## Initiatives

**The Nova Scotia Department of Labour's Safety Branch** *continues to evolve from an enforcement-based approach, toward more collaboration and engagement, that helps build awareness and understanding to ensure safety is valued and prioritized in Nova Scotia. In 2018, key initiatives were advanced to enhance service delivery within the System, including:*

### **IMPLEMENTATION OF THE ATLANTIC REGIONAL MEMORANDUM OF UNDERSTANDING FOR MUTUAL RECOGNITION OF OHS EQUIPMENT AND TRAINING**

The Atlantic provinces are working together to identify common equipment and training standards that can be formally recognized by all four provinces. The agreement will include personal protective equipment for head, foot, face, respiratory and hearing protection as well as high visibility clothing and personal flotation devices. Safety training is also being considered, for Joint Occupational Health and Safety Committees (JOHSC), first aid, fall protection, traffic control and confined spaces. When fully implemented, the agreement will establish a common understanding across the Atlantic region regarding recognized safety equipment and training.

### **IMPLEMENTATION OF THE NATIONAL OCCUPATIONAL HEALTH AND SAFETY RECONCILIATION AGREEMENT**

An agreement was negotiated by federal, provincial and territorial jurisdictions which outlines common standards for personal protective equipment and first aid kit contents. Personal protective equipment includes head, face, hearing and foot protection and personal flotation devices. When fully implemented by December 2019, the agreement will allow businesses operating across multiple Canadian jurisdictions to be clear on the standards for personal protective equipment and first aid kit contents that will be accepted when required by regulation.

### **PARTNERSHIP DEVELOPMENT**

In 2018 the Department of Labour's Safety Branch continued to build strategic partnerships, aimed at strengthening safety knowledge and culture in Nova Scotia. Partnership outreach activities involved AWARE-NS, the Immigrant Services Association of Nova Scotia, Threads of Life and the Nova Scotia Community College.

The ultimate goal is for everyone to achieve compliance of our safety rules, regulations and laws voluntarily. The Department continues to engage with associations, employers, workers and Nova Scotians to achieve this.

### **ENFORCEMENT**

Despite all the positive work and collaboration to achieve compliance there are still times when a more direct response is required, and the Department must take enforcement action. In 2018 there were court convictions involving three workplaces. A further four court actions were taken.

**WCB Nova Scotia** continued to move forward with initiatives aimed at improving service and timeliness for workers, employers and service providers across the province. Key initiatives in 2018 included:

### WCB MODERNIZATION

Through 2018 the WCB evolved and improved its online service portals for workers, employers and service providers, and continued to prepare for the implementation of Guidewire, an industry-leading cloud-based software platform to power its claims and assessment systems. Following a period of transition, Guidewire will enable even more digital service options for workers and employers, and more streamlined business processes going forward.

### AUDITOR GENERAL'S REPORT

The Office of the Auditor General released a report on the first phase of the audit of WCB operations, focusing on governance and long term sustainability. Overall the report was favourable, offering an opportunity for the WCB to strengthen its stewardship and service to Nova Scotians. The audit found that WCB governance and oversight is effective, and that its plan to become fully funded is making good progress. The second phase of the audit, focused on claims management, was completed and reported in May of 2019. A plan to address the twelve recommendations contained in the second phase report is currently being implemented.

WCB CONTINUED TO

**MODERNIZE** PREPARING FOR THE  
IMPLEMENTATION OF GUIDEWIRE, AN **INDUSTRY-  
LEADING CLOUD-BASED SOFTWARE PLATFORM** TO  
POWER ITS CLAIMS AND ASSESSMENT SYSTEMS.

## APPEALS

The quality of service provided by System partners is also measured by the number of decisions overturned through appeals.

The number of appeals per year received by WCB Internal Appeals decreased by 20 percent from 2013 to 2018. There was also a decrease in the number of decisions rendered, which led to a decrease in the number of appeals received at the Workers' Compensation Appeals Tribunal (WCAT). Over the same five-year period, while there was a six percent increase in appeal decisions overturned by WCB Internal Appeals, the number of overturns at the WCAT dropped by eight percent. There were 71 appeals to the Nova Scotia Court of Appeal from 2013 to 2018, with 15 new appeals opened in 2018, compared to 13 in 2017. Another 12 files were closed during the year; five of these were discontinued, five were denied or dismissed, and two were returned to WCB/WCAT by consent.

**TABLE 2 – SYSTEM APPEALS, 2013 TO 2018**

Year	WCB – Claims		WCB – Internal Appeals			WCAT			NS Court of Appeal
	Received	Time Loss	Received	Decisions	Allowed/ Allowed in part	Received	Decisions	Allowed/ Allowed in part	
2018	24,584	5,819	1,354	968	191 (20%)	553	528	209 (40%)	15
2017	23,952	5,906	1,418	1,139	198 (14%)	744	526	253 (48%)	12
2016	24,311	5,847	1,450	1,080	182 (17%)	639	519	267 (51%)	14
2015	23,933	6,014	1,313	1,119	259 (23%)	720	587	250 (43%)	14
2014	24,505	5,953	1,524	1,482	308 (21%)	740	582	270 (46%)	9
2013	25,050	6,034	1,670	1,392	309 (22%)	774	655	308 (47%)	9

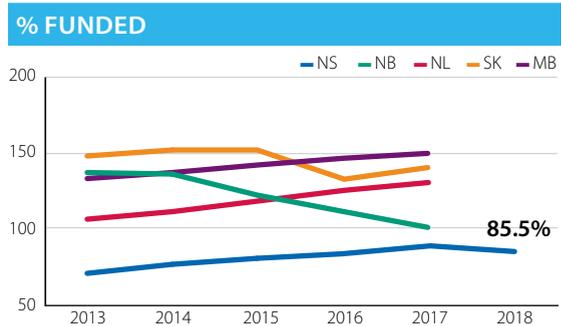
# SYSTEM GOAL – Ensure Financial Sustainability of the System

Financial stability of the System is linked to a number of factors – the number of people who get hurt on the job, how long they are off the job and in receipt of benefits, investment returns and the health of the Nova Scotia economy. The System partners have more direct influence on some of these stability factors than they do on others.

For example last year, due to market volatility, progress slowed in moving the System closer to full funding. After five consecutive years of progress, the WCB reported a comprehensive loss in 2018. The shortfall between invested funds and liabilities was \$304 million for 2018. As of December 31, 2018, the System was 85.5 percent funded, and remains on track to be fully funded by 2024.

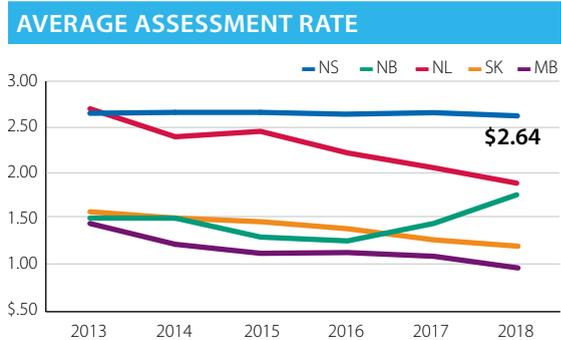
The assessment revenue collected from employers by the WCB funds the entire workers' compensation system, including the Workers' Advisers Program, Workers' Compensation Appeals Tribunal, the OHS Division and aligned organizations.

As the System approaches financial sustainability, new possibilities are emerging. The WCB's Strategic Plan 2016-2020 includes a commitment to engage stakeholders in helping to define what financial stability for the workers' compensation system means: for today, and in the years to come. Through these conversations, system partners and stakeholders will have opportunities to explore what a fully funded system may provide for workers and employers.



Note: 2018 data unavailable for other jurisdictions.

The funded percentage refers to the degree to which all benefit commitments made into the future are covered by the WCB's current assets.



The average actual assessment rate is the average rate required to fund the System.

When contrasted to other jurisdictions, Nova Scotia's benefits regime is lower than other jurisdictions, as shown in the table below.

**TABLE 3 – COMPARISON OF COMPENSATION BENEFITS, SELECTED CANADIAN JURISDICTIONS**

<b>Index Area</b>	<b>NS</b>	<b>NB</b>	<b>NL</b>	<b>MB</b>	<b>SK</b>
Percentage of the Workforce Covered (2017)	74%	91%	97%	79%	76%
Waiting period	2/5ths of work week	3/5ths of work week	No	No	No
CPP offset for earnings loss benefit	Yes, 50% is offset	Yes, 50% is offset	Yes, 75% of net CPP benefits is offset	Yes, 100% offset	Yes, after 12 months of loss of earnings capacity, 50%
Percentage of earnings covered: Long-term	85% of net	85% loss of earnings	80% of net	90% of net	90% of net
Fatality benefits other than pensions – immediate lump sum	\$15,000 at date of death	An amount equal to 50% of the New Brunswick Industrial Aggregate Earnings 2015: \$20,307.50	\$15,000 or 26 times the worker's average weekly net earnings at time of injury, whichever is greater	\$76,530	None
Maximum Earnings Covered (2018)	\$59,800	\$63,600	\$64,375	\$127,000	\$82,627
Average New Impairment Award (2016)	7.93%	7.10%	15.18%	4.86%	7.43%
Annuity	Yes, 5% of extended earnings replacement benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity	Worker paid a pension replacement benefit at age 65 if loss of a pension benefit due to compensable injury can be proven.	Yes, up to 7% of 'long term earning loss' benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity
CPI Index or AIW index	Yes, 50% of CPI	Yes, 100% of CPI	Yes, 100% of CPI	Yes, AIW	Yes, 100% of CPI
Supplementary Benefits	Yes, for claims prior to 1990	No	No	No	No

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