



"Little things matter."



ACHIEVING OUR GOALS

THIRD QUARTER RESULTS

July to September 2010

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 and Statements of Operations and Cash Flows.

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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.

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.

Annual Results¹: Strategic Goals

Safety

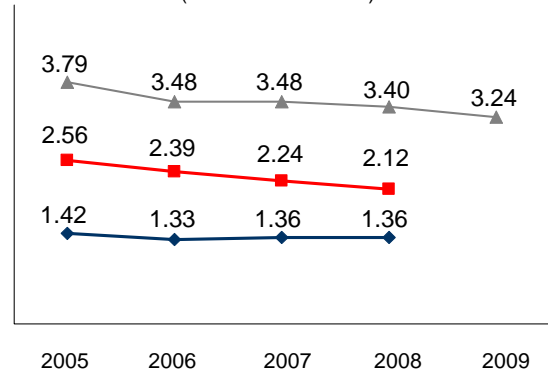
Our vigorous pursuit of a safe work culture will lead to a decline in the overall frequency of workplace injuries, and a decline in the perception of the inevitability of workplace injuries in New Brunswick.

Annual Targets

- The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than 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.

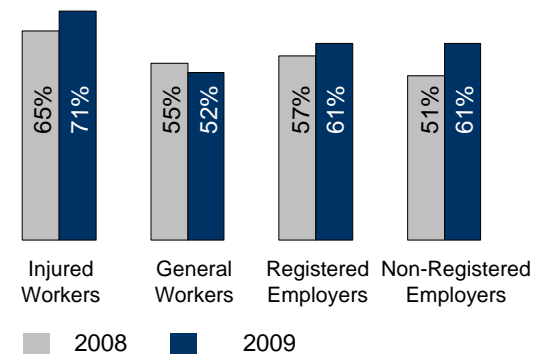
Accident Frequency Rates¹⁸

(Accidents/100 FTE)



- ▲ All Accidents per 100 FTE (Target <3.48²⁻¹⁵)
- Canada Lost Time¹⁶
- ◆ NB Lost Time (Target <Canada¹⁶)

Percentage Agreeing Workplace Accidents & Injuries are Inevitable³



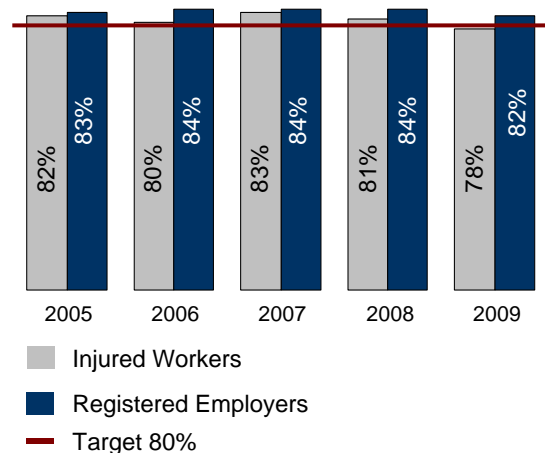
Service

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

Annual Targets

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 Satisfaction⁴



- Injured Workers
- Registered Employers
- Target 80%

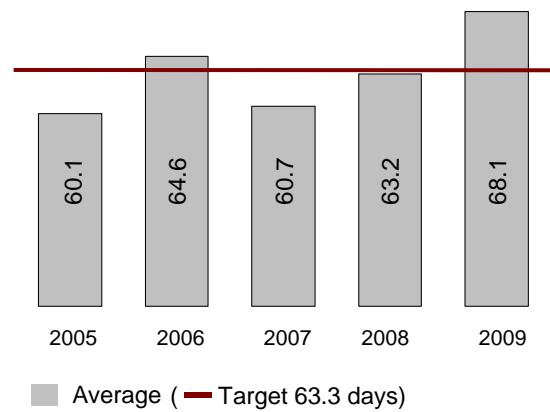
Return to Work

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

Annual Targets

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

Paid Compensation Days^{5,18}



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 & Engaged⁶



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

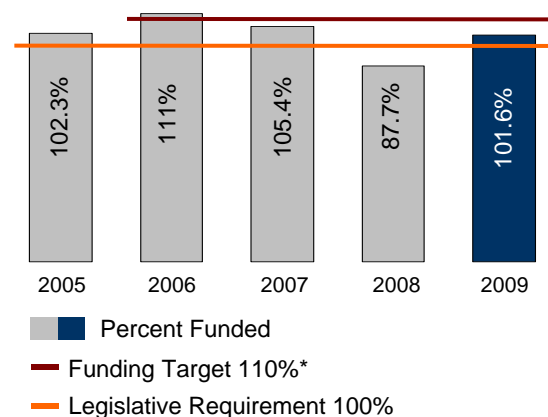
Balance

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

Annual Targets

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

Funding History⁷

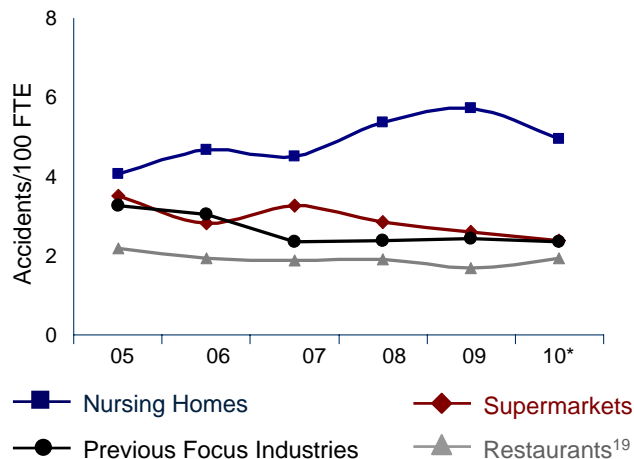


*Target of 105% prior to September 2006

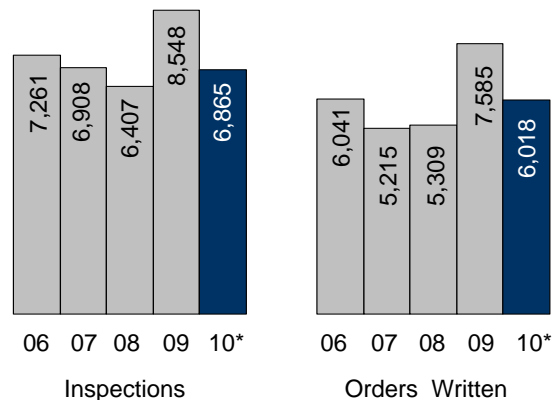
Achieving Our Goal: 3rd Quarter Management Notes

Safety

Focus Industries Accident Rate^{2,17,18}
(Annual / YTD*)



OHS Compliance^{2,18}
(Annual / YTD*)



Annual Target Year-to-Date

- As of September 2010, year end projections (3.26 accidents per 100 FTE) indicate that the 2010 accident frequency target (3.47) is expected to be achieved.

High-risk Industries

- WorkSafeNB continues to focus on high risk industries to develop a sustainable safety culture. Year-to-date:
 - Accident frequencies of previous focus industries continues to remain stable at 2.35 per 100 FTE, lower than the overall provincial rate; and
 - Accident frequency per 100 FTE for current focus industries is below the previous five-year average for supermarkets 2.38 (5yr = 3.01) and it was slightly higher for nursing homes at 4.95 (5yr = 4.89) and restaurants at 1.95 (5yr = 1.92).

Compliance

- When compared to the same period last year, OHS compliance activities resulted in a:
 - 9.9 percent increase in inspections; and
 - 7.6 percent increase in orders written.

Regulatory Review

- Two Health and Safety Regulations were amended this quarter:
 - Regulation 96-105, Underground Mining effective October 1, 2010, introduced new requirements for air quality, fire suppression, and employee training.
 - Regulation 91-191, the General Regulation, effective January 1, 2011, incorporates revisions to standards in fall protection.

WorkSafe Culture

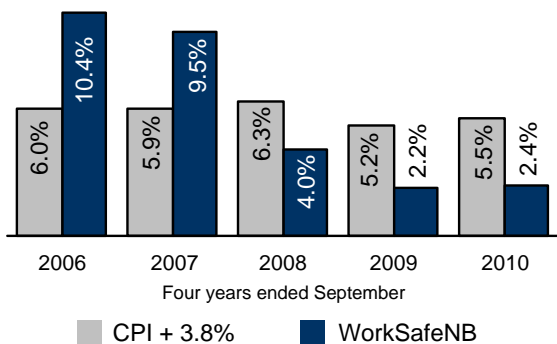
- WorkSafeNB, in partnership with 30 local sponsors and government agencies, hosted its fourth annual Progressive Agriculture Safety Day. Organized with Potatoes NB, 370 individuals participated in the event focused on teaching youth about farm health and safety. WorkSafeNB is the only agency in Atlantic Canada to host and organize this North American wide safety education program.
- Ongoing partnerships with the NB Construction Safety Association and the NB Forest Industries Safety Association continues to produce additional education opportunities for workers and management in these industries. To date, over 108,000 certificates of participation have been issued to attendees of workshops presented by these associations.

Achieving Our Goals: 3rd Quarter Management Notes

Balance

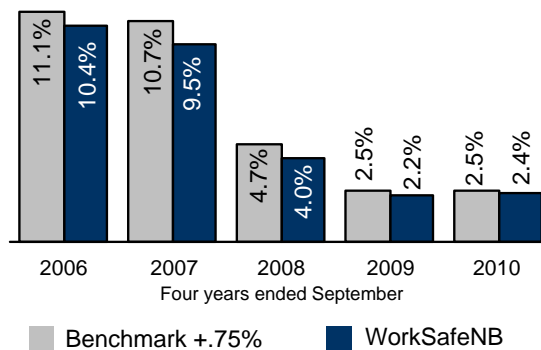
Performance Objective 1:¹⁴

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 2:¹⁴

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



Investment Management

- WorkSafeNB's investment portfolio gained 7.2% in the third quarter of 2010, and has gained 5.6% year-to-date to September 30, 2010. World equity markets experienced strong gains in the third quarter of 2010, particularly in September. The S&P 500 index experienced its best September return in 71 years despite a slowdown in the U.S. economy. Equity investors' enthusiasm was likely buoyed by the prospect of further quantitative easing by the U.S. Federal Reserve.

Governance

- The Board of Directors indexed those benefits and allowances required under legislation and policy by 0.73% effective January 1, 2011.
- As part of its ongoing commitment to professional development, the Board of Directors attended a retreat in the third quarter to discuss governance, succession planning, and legislative responsibilities.

Assessment Rates

- The Board of Directors established the provisional assessment rate for 2011 at \$2.00 per \$100 of payroll. This is a reduction of four percent over the rate of \$2.08 in 2010. An improving financial position, lower claims costs, and lower accident frequency warranted the rate reduction that will lead to net rate decreases for approximately 80% of assessed employers in New Brunswick.

Oversight, Audit, and Evaluation

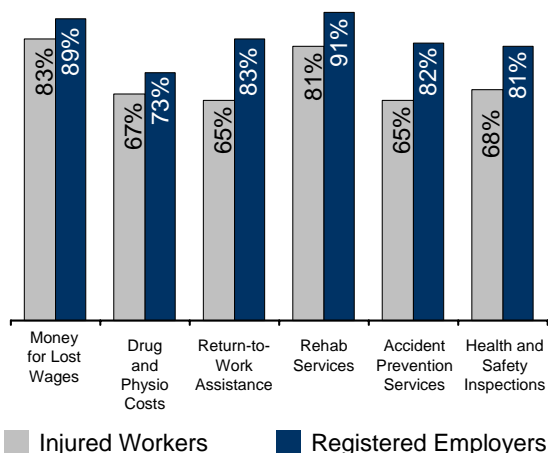
- Internal audits completed in the third quarter include Investment Fiduciary Review and Appeals Tribunal Process. The audits examine the existence and reliability of internal controls, information technology, and compliance with legislation and policies to ensure key risks are effectively controlled.
- Audits in progress include:
 - Quarterly benefits payment review;
 - General ledger balancing;
 - Active directory implementation;
 - Interjurisdictional agreement audit;
 - IT threat and risk assessment; and
 - VoIP implementation review.

Note: Statements of Operations and Cash Flows are available on page 10 & 11.

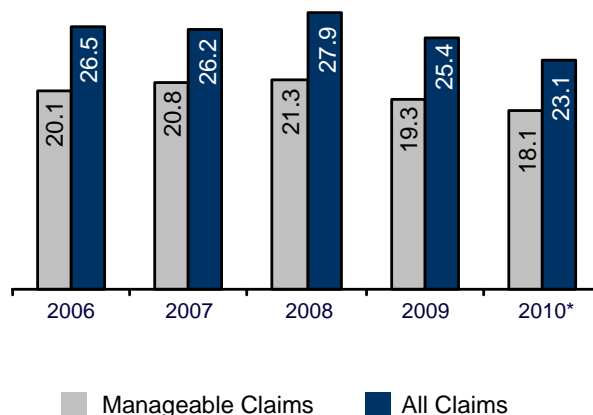
Achieving Our Goal: 3rd Quarter Management Notes

Service

Awareness of Programs and Services⁴
Completely and Mostly Aware (2009)



Days-to-First-Benefit Cheque^{2,8,18}
Days from Date of Disablement
(Annual / YTD*)



Service Delivery and Evaluation

- WorkSafeNB initiated research to further examine factors that influence client satisfaction. This research will continue into the fourth quarter with focus groups being conducted with injured workers and employers across the province.
- An independent research firm interviewed workers, employers, and stakeholders to better understand the usability of the WorkSafeNB website. Overall, participants had a positive impression of the site but felt it could be enhanced by:
 - Reducing the amount of text heavy content;
 - Improving navigation through better links; and
 - Making the site more intuitive.

This feedback will be incorporated as WorkSafeNB updates its website.

- WorkSafeNB's rehabilitation facility was awarded a three-year accreditation for its Vocational Evaluation Program and Work Recovery Program. The accreditation is granted by the Commission of Accreditation of Rehabilitation Facilities (CARF), an international accrediting agency for health sectors.

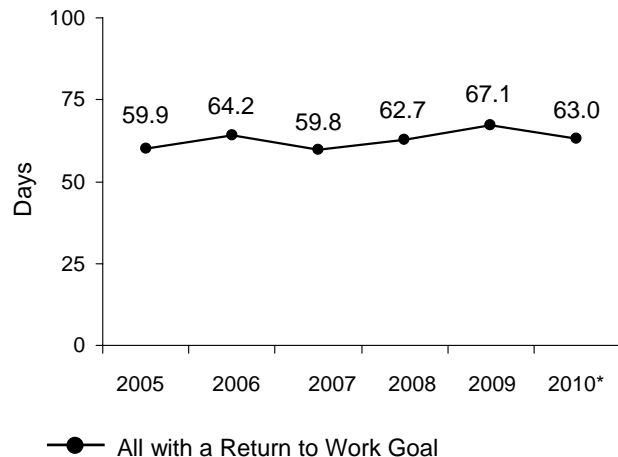
Time to First Cheque

- Days-to-first-cheque continued to improve in the third quarter – down by 1.8 days (9.0%) for manageable claims and by 3.2 days (12.7%) for all claims, compared to the third quarter of 2009. The continued use of the electronic accident reporting form by workplaces positively impacts initial claim processing.

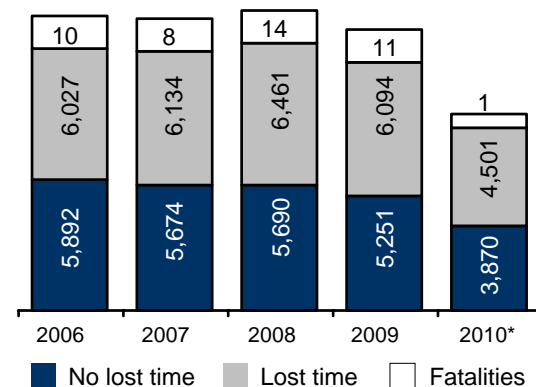
Achieving Our Goal: 3rd Quarter Management Notes

Return to Work

Paid Compensation Days²
(Annual / YTD*)



Claims Accepted by Type^{2,9,10,18}
Annual / YTD*



Annual Target Year-to-Date

- As of September 2010, the number of paid compensation days for claimants with a return to work goal is expected to decrease by just over 6% when compared to 2009 results. The 2010 year end projection for claim duration (63.0 days) indicates that the target for return to work (63.3 days) is expected to be achieved.

Partnering for Return to Work

- WorkSafeNB has successfully reduced the risk of prolonged disability from psychosocial factors during claim management through the use of the Orebro Musculoskeletal Pain Questionnaire (OMPQ). The questionnaire assists in focusing treatment and resources during claim management. WorkSafeNB findings were presented at the International Forum on Disability Management conference.

Regional Case Management

- Final results of the Southwest Region Soft Tissue Shoulder Injury pilot included a:
 - 58% reduction in claim duration (41 weeks to 17 weeks); and
 - 7% increase in the number of clients who returned to work.

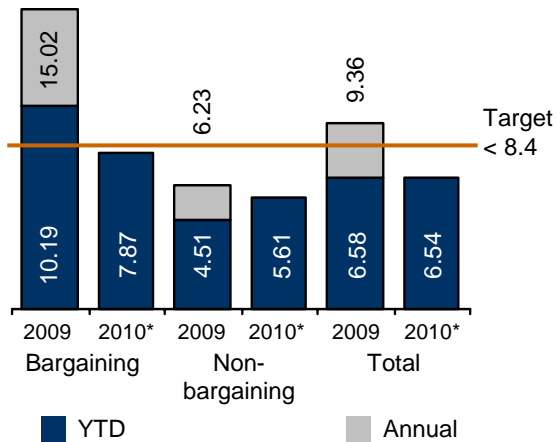
Based on the success of the pilot, the model will be extended to the rest of the province as the tool for managing soft tissue shoulder injuries.

- WorkSafeNB conducts a bi-annual audit of case management service delivery. The 2009 audit reported positive results, with WorkSafeNB showing high rates of compliance with the 90 factors evaluated.

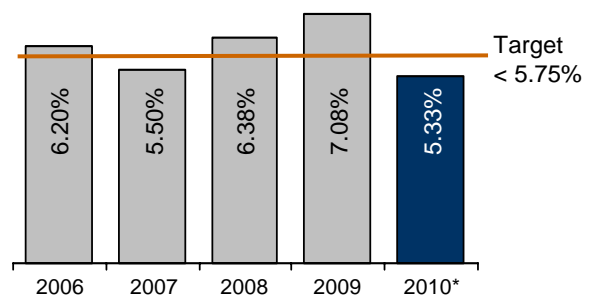
Achieving Our Goals: 3rd Quarter Management Notes

Staff Satisfaction and Engagement

Days Absent ^{11, 12}
Annual / YTD*



Staff Turnover ^{13,12}
Percentage of all Staff (Annual / YTD*)



Employee Satisfaction and Engagement

- Preparations for the WorkSafeNB annual employee satisfaction survey, designed to be delivered in an electronic on-line format for the first time, were undertaken in the third quarter. The survey, administered by an independent third party, measures employees' perspectives on:
 - Corporate leadership;
 - Working environment;
 - Communication;
 - Job satisfaction;
 - Supervision;
 - Staff engagement;
 - Compensation; and
 - Opinion of WorkSafeNB as a good place to work.

Health, Safety and Wellness

- WorkSafeNB employees reported four incidents of violence in the third quarter. Year-to-date, there have been 11 reported incidents, a reduction of 21% from the same time period in 2009.
- Third quarter health and safety plan activities were completed and the fourth quarter plan was approved and circulated to staff.
- One staff claim was accepted under the *Workers' Compensation Act* in the third quarter. Year-to-date, five staff claims have been accepted with a total cost of \$10,111.37.

Succession and Development

- Staff development activities in the third quarter included:
 - Workplace Violence Prevention workshop held twice with a total of 44 participants;
 - Preparing for Retirement workshop held with 18 participants; and
 - A workshop on Understanding Your Personal Income Tax held with 10 participants.

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
Board succession planning	Cautionary	Reduce
Appeals Tribunal decisions that are inconsistent with WorkSafeNB policy	Unacceptable	Reduce
Gaps and delays in OHS legislation	Unacceptable	Reduce
Varying expectations of WorkSafeNB's OHS role	Acceptable	Reduce
Funding level	Cautionary	Accept
Changes to international financial reporting standards	Cautionary	Reduce
Defining WorkSafeNB's role in return-to-work	Cautionary	Reduce
Operational Risks		
Impact of external agencies' recommendations upon WorkSafeNB	Cautionary	Reduce
Employee retirement levels	Unacceptable	Reduce
Retaining WorkSafeNB employees in specialized fields	Cautionary	Reduce
Impact of catastrophic events on business continuity	Cautionary	Reduce
Risks To Reputation		
Government decisions that are independent of WorkSafeNB advice	Unacceptable	Reduce
Fraud and Abuse	Acceptable	Reduce
External Risks		
Impacts of culture, language, and literacy	Acceptable	Reduce
Skills and labour shortages	Acceptable	Accept
Emerging high-risk industries	Cautionary	Reduce
Changes to legislation and policies in other jurisdictions and levels of government	Acceptable	Reduce
General health status of New Brunswick workers	Cautionary	Accept
Availability and cost of health care	Cautionary	Accept

Statements of Operations and Cash Flows

Unaudited Statement of Operations For the 9 Months Ending September 30, 2010

	Budget (YTD)	Actual (YTD)	Previous (YTD)
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$152,590	\$153,285	\$142,285
Investments	43,494	48,233	107,633
Province of NB	675	(75)	675
	\$196,759	\$201,443	\$250,593
Expenses			
Claims costs incurred	155,167	147,948	148,025
Administration	29,625	27,592	25,607
Appeals Tribunal	1,344	1,136	1,059
Legislative obligations	1,031	978	1,091
	\$187,167	\$177,654	\$175,782
Excess of income over (expenses) for the period	\$9,592	\$23,789	\$74,811

The Statement of Operations and Statement of Cash Flows 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.

Statements of Operations and Cash Flows

Unaudited Statement of Cash Flows

For the 9 Months Ending September 30, 2010

	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities		
Cash received from:		
Assessed employers	\$ 140,872	\$ 130,521
Self-insured employers	20,922	20,272
Interest and dividends	20,567	19,212
Province of New Brunswick	400	900
	<u>\$182,761</u>	<u>\$170,905</u>
Cash paid to:		
Injured workers or third parties on their behalf	\$ 99,698	\$ 97,729
Suppliers & employees, for administration and other services	29,877	29,622
	<u>\$129,575</u>	<u>\$127,391</u>
Net cash provided by operating activities	\$53,186	\$43,514
Cash flow from investing activities		
Cash received from:		
Sale of Investments	\$250,341	\$169,745
Cash paid for:		
Purchase of investments	\$ 306,405	\$ 189,032
Purchase of capital assets	1,818	916
	<u>\$308,223</u>	<u>\$189,948</u>
Net cash (used in) investing activities	(57,882)	(20,203)
Increase in cash during the year:	(4,696)	23,311
Cash and short-term investments, beginning of period	51,092	34,428
Cash and short-term investments, end of period	\$46,396	\$57,739

Endnotes

1. Annual outcomes are reported using the data provided in the Annual Results Document and do not reflect changes as the data matures.
2. Source: WorkSafe Services, September 30, 2010.
3. This is a new measure. Targets will be established once five years of data exists.
4. Source: WorkSafeNB 2009 Client Satisfaction Survey.
5. Source: WorkSafe Services, annual data as of December 31, 2009.
6. Source: Human Resources, December 31, 2009. Staff Engagement is a new measure for 2008.
7. Source: Corporate Services, information as of December 31, 2009.
8. Manageable claims include, for example, claims that were reported late, appealed, or where an employer filed a form of election.
9. Excludes files opened that do not result in a claim.
10. All fatalities occurred under the *WC Act* in 2009, based on year of accident.
11. Days absent = the total days absent / (actual yearly budgeted - vacant positions).
12. Source: Human Resources, September 30, 2010.
13. Staff turnover = active positions / (active positions + terminated positions) per year.
14. Source: Corporate Services, information as of September 30, 2010.
15. Prior years adjusted to most current data.
16. 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.
17. More precise trends in accident frequencies can be determined at year-end, when data has matured and seasonal influences have diminished.
18. Previous years data is based on year end data and does not reflect changes as the data matures.
19. Restaurants includes both full-service restaurants and limited-service eating places.

Contact

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