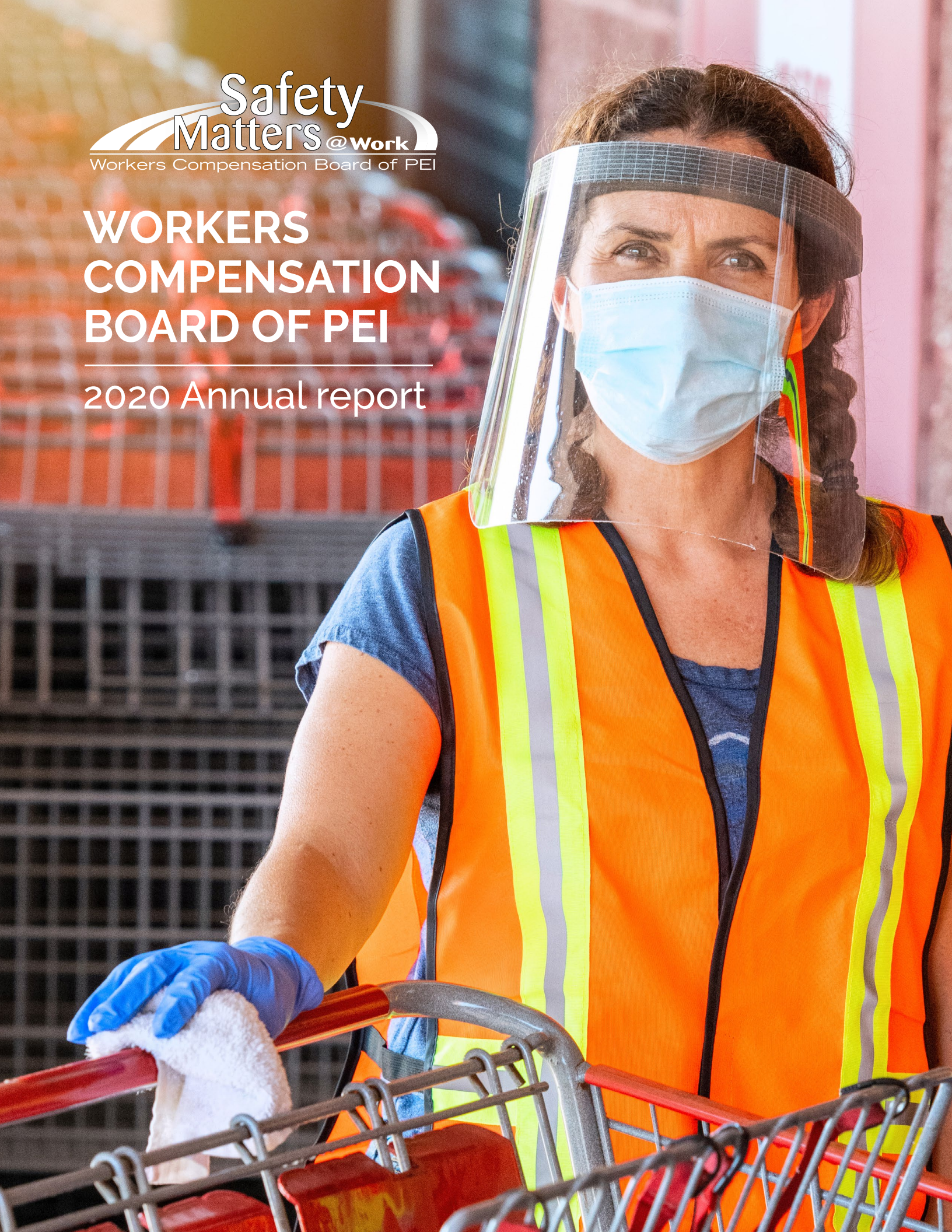


# WORKERS COMPENSATION BOARD OF PEI

2020 Annual report





# MISSION & VALUES

The Workers Compensation Board (WCB) has been an integral part of the Island community since 1949. The WCB supports all Island workplaces through education and enforcement of the *Occupational Health and Safety Act (OHS Act)*. Over 70,000 workers and over 6,000 employers are protected through the fair and effective administration of the *Workers Compensation Act (WCB Act)*.

## OUR VISION - WHAT WE STRIVE TOWARDS

Workplaces are safe  
Injuries are eliminated  
Service excellence is assured

## OUR MISSION - WHAT WE DO

We partner in building safe and healthy workplaces and support recovery, if an injury occurs.

## STRATEGIC PRIORITIES



## OUR VALUES - WHAT WE STAND FOR

- Integrity** We are transparent and take responsibility for our actions and performance.
- Compassion** We are helpful and caring while balancing worker and employer interests.
- Excellence** We demonstrate high standards and empower staff to innovate, and continuously do things better.
- Collaboration** We work with each other and partners to serve our clients and achieve our vision.
- Accountability** We are stewards of PEI's workplace safety and compensation system and its entrusted resources.

# BOARD OF DIRECTORS



From left to right: Nicole McKenna (Vice Chair), Gail Ellis, Christopher Gillis, Jim MacPhee (Chair), Alan MacKinnon, Nancy MacFadyen, and Valerie Robinson.

Please note that any photos represented in this Report reflect the personal protective equipment (PPE) requirement as per Chief Public Health Office (CPHO) guidelines at the time of the photo.

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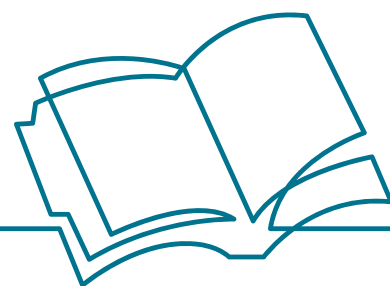
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# YEAR AT A GLANCE

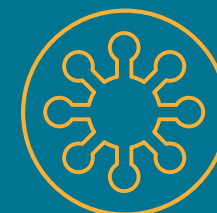
	2020	2019
Number of Assessed Employers <sup>1</sup>	6,003	6,115
Estimated Size of PEI Workforce <i>As reported by Statistics Canada</i>	76,700 <i>March 31, 2020</i>	78,000 <i>March 31, 2019</i>
Total Adjudicated Claims	1,583	1,984
<i>Temporary Wage Loss</i>	852	1,046
<i>Medical Aid Only</i>	569	748
<i>Denied</i>	160	190
<i>Compensable Worker Fatalities*</i>	2	0

<sup>1</sup>Employers with multiple operations may be classed as more than one assessed employer

\* WCB PEI acknowledges that there may be fatalities which occur at work each year that are not represented in the number of compensable worker fatalities represented above. WCB PEI cannot accurately determine the number of work related fatalities that are outside of the compensation system.



## NEW INITIATIVES IN 2020



### COVID-19 RESOURCES

Created a webpage of resources for employers, workers, and services providers about COVID-19.



### OHS INSPECTIONS

Completed over 700 COVID-19 Operational Plan Inspections for Public Health at Workplaces across the province.



### TELEHEALTH

Developed guidelines for service providers to support the recovery of injured workers through Telehealth Services.



### WORK FROM HOME

Swift transition that enabled the majority of staff to work securely from home, providing uninterrupted service to our clients and prioritizing staff safety.



### WORKPLACE HARASSMENT

New Workplace Harassment Regulations came into effect July 1. To support workers and employers, WCB developed a variety of resources, including a guide and a video tutorial.



### DEFERRAL OF ASSESSMENTS

Deferral of Employer Assessments to alleviate additional pressures that employers were facing related to managing their business through COVID-19.

# FROM INJURY TO RECOVERY

## BY THE NUMBERS

### TIME-LOSS INJURY FREQUENCY (TIME-LOSS CLAIMS PER 100 WORKERS)

**1.20**

2020	1.20
2019	1.43

1.68 - 2019 Canadian Average (2020 national average is not yet available)

### NATURE OF INJURY (TIME-LOSS CLAIMS)



**58.2%**

Sprains, Strains, Tears  
58.3% in 2019

Musculoskeletal injuries continue to make up the highest percentage of time-loss injuries

### PERCENTAGES OF WORKPLACE INJURIES BY INDUSTRY (TIME-LOSS CLAIMS)



### MOST COMMON AREAS OF INJURY (TIME-LOSS CLAIMS)

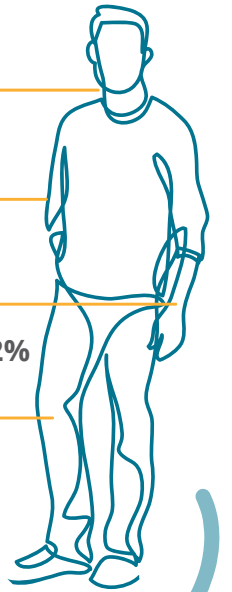
Head, Neck, Throat: 12.3%  
(2019 - 10.4%)

Back: 23.3%  
(2019 - 20.8%)

Arm, Wrist, Hand: 18.6%  
(2019 - 20.2%)

Hip, Knee, Ankle, Foot: 18.2%  
(2019 - 18.2%)

Multiple Body Parts: 10.8%  
(2019 - 10.6%)



### AVERAGE CALENDAR DAYS TO FIRST PAYMENT



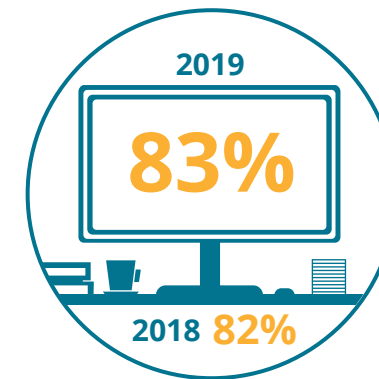
in 2020  
**16.2**  
days on average  
16.1 days in 2019



WORKER SATISFACTION INDEX (2020)  
**76.2**  
76.2 (2018)

SATISFACTION INDEX  
**85.0**  
EMPLOYER SATISFACTION INDEX (2019)  
82.0 (2017)

### PERCENTAGE OF WORKERS WHO RETURN TO WORK WITH PRE-INJURY EMPLOYER



### PERCENTAGE OF INJURED WORKERS NO LONGER ON WAGE LOSS BENEFITS

	2019	2018
90 Days	68%	70%
180 Days	79%	82%
360 Days	87%	88%



# GOVERNANCE AND OVERSIGHT

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# MESSAGE FROM THE CHAIR

The foundation of the Workers Compensation system was built to support workers if they are injured and protect employers from liability. This year was a true test of the strength of our system, and our funding and rate setting policies which are meant to safeguard against extreme fluctuations from market volatility. While there was fluctuation in the investment portfolio over the year, we are confident that the funding status and investment strategies are doing what they were designed to do

during rate stabilization periods, and will help us weather this storm.

If we have learned anything from the COVID-19 pandemic, it's that the virus does not discriminate. A positive diagnosis can happen to anyone, anytime, anywhere. The past year has reminded us how diverse workplace safety is. As the pandemic evolved, we broadened our efforts to provide guidance and resources to employers and workers that were at greater risk for exposure of COVID-19, especially those providing essential services.

We know that Island employers were facing additional pressures as a result of managing their business through COVID-19. To help ease the immediate cash flow demands on our Island business community, we deferred all assessment billing related to employer payrolls with no interest or penalty charges through to September 2020. The Board was also pleased to maintain employer assessment rates for Island employers for 2021 at 2020 rates. To assist workers, we continued to maintain services by phone and email, and processed benefit payments in a time-frame on par with 2019. These are just a few of the measures we took to support Island workers and employers through a very unsure and unprecedented time.

Aside from our efforts to manage our response to the COVID-19 pandemic, we introduced several significant legislative and regulatory changes in 2020. This included enhancements to the regulations on Asbestos as well as Workplace Harassment.

I would like to thank Island employers, workers, WCB staff, and my fellow Board members, for their commitment to improving workplace health and safety and building a workers' compensation system that meets the needs of employers and workers.

Jim MacPhee  
Chair, Workers Compensation Board



# MESSAGE FROM THE CEO

By any measure, 2020 was a challenging year for all and the effects of COVID-19 will leave large footprints on our organization and our stakeholders for the foreseeable future. Occupational Health and Safety (OHS) became top of mind for everyone, our officers became prominent in the front lines of the fight against COVID at our borders and in our workplaces, and personal protective equipment (PPE) became a very well-known acronym for the general public. It was a year that stretched us all, and we made very fast pivots in how we continue to deliver services. But despite the pandemic, and the obstacles we faced, there was a significant amount of great work accomplished.

Like most businesses, the WCB acted swiftly to move to an essential services model early on, and arranged for a majority of our staff to work from home. This helped us facilitate a seamless transition for our clients.

With access to in-person service providers restricted by public health measures, it was important to look at alternative ways to ensure that workers continued to receive the support they needed to continue their recovery. As a result, we developed new guidelines to enable service providers to continue to provide treatment and support through the provision of Telehealth. While in-person education sessions were not possible, we shifted our focus to providing virtual presentations. The shift allowed us to continue to provide important courses that employers and workers wanted, while adhering to Chief Public Health Office (CPHO) guidelines. We also held our first ever virtual Annual General Meeting and were very happy with an increased attendance and to offer our interested stakeholders a more convenient way to connect with us.

Ensuring the safety of our staff and our clients has remained our first priority throughout the public health emergency and throughout our reopening plan.

I am appreciative of the support and strong governance and oversight from our Board of Directors. We were able to transition quickly to virtual meetings when required and were not deterred from our regular schedule. In fact, we added several special update meetings and two training sessions throughout the year.

I would like to extend my sincere gratitude to our staff for their flexibility and willingness to adapt to the many changes that we encountered. Their contributions are most valued and very important in our efforts to support injured workers and employers alike. This pandemic has shown us that big changes can happen quickly when something needs to be done. Safety is our number one concern and north star, and has certainly elevated some priority items for our organization going forward, including the need for new and innovative ways for our constituencies to connect with us and our services.

Cheryl Paynter  
Chief Executive Officer of the Workers Compensation Board



## MESSAGE DU PRÉSIDENT

À sa base, le système d'indemnisation des accidents du travail a été créé pour appuyer les travailleurs en cas de blessure tout en protégeant les employeurs sur le plan de la responsabilité. La dernière année a mis à l'épreuve notre système, ainsi que les politiques de financement et d'établissement des taux visant à offrir une protection contre les fluctuations extrêmes de la volatilité des marchés. Bien que les placements aient fluctué, nous sommes persuadés que le taux de

financement et les stratégies d'investissement jouent bien leur rôle lors de la stabilisation des taux et nous aideront à essayer cette tempête.

Si nous avons appris quelque chose au cours de la pandémie de COVID-19, c'est que le virus ne discrimine pas. Un cas positif peut se présenter n'importe où, à n'importe quel moment, et chez n'importe quelle personne. La dernière année nous a rappelé que la sécurité au travail peut prendre diverses formes. Au fil de la pandémie, nous avons élargi nos efforts pour fournir des lignes directrices et des ressources aux employeurs et aux travailleurs qui couraient un plus grand risque d'être exposés à la COVID-19, particulièrement les personnes fournissant des services essentiels.

Nous savons que les employeurs de l'Île ont dû affronter des difficultés supplémentaires en gérant leurs entreprises en temps de pandémie. Afin de soutenir les besoins immédiats en matière de trésorerie, nous avons reporté toutes les factures de cotisation liées à la masse salariale des employeurs jusqu'en septembre 2020, sans intérêt ni frais de pénalité. La Commission a aussi été en mesure de garder les mêmes taux de cotisation des employeurs en 2021 qu'en 2020. Pour aider les travailleurs, nous avons continué d'offrir nos services par téléphone et par courriel. Le délai de traitement des paiements de prestations était équivalent à celui de 2019. Ce ne sont là que quelques exemples des mesures que nous avons prises pour appuyer les employeurs et les travailleurs de l'Île durant cette période d'incertitude sans précédent.

Outre nos efforts visant à gérer nos mesures d'adaptation à la pandémie de COVID-19, nous avons présenté plusieurs modifications législatives et réglementaires importantes en 2020, notamment les changements apportés aux règlements en matière d'amiante et de harcèlement sexuel au travail.

Je souhaite remercier les employeurs et les travailleurs de l'Île, ainsi que le personnel et les membres du conseil d'administration de la CAT. Votre dévouement permet d'améliorer la santé et la sécurité des milieux de travail et de bâtir un système d'indemnisation qui répond aux besoins des employeurs, et des travailleurs.

Jim MacPhee  
Président, Commission des accidents du travail



## MESSAGE DE LA DIRECTION GÉNÉRALE

Il va sans dire que 2020 a été une année difficile pour tous les Insulaires. Les répercussions de la COVID-19 laisseront de grandes empreintes sur notre organisation et nos parties prenantes pendant encore un certain temps. Chacun a fait de la santé et de la sécurité au travail une priorité, et l'équipement de protection individuelle est devenu chose courante.

Nos employés ont été appelés à jouer un rôle de première ligne important dans la lutte contre la COVID-19, tant aux frontières que dans les milieux de travail. L'année a pesé sur tout le monde : nous avons dû nous adapter rapidement afin de continuer d'offrir nos services. Mais malgré la pandémie et les défis qu'elle nous a présentés, nous avons accompli une quantité importante de travail remarquable.

Comme beaucoup d'entreprises, nous avons rapidement fait les démarches nécessaires pour passer à un modèle axé sur les services essentiels et permettre à la majorité de notre personnel de travailler de la maison. Ces mesures nous ont aidés à assurer une transition harmonieuse pour nos clients.

Puisque les mesures de santé publique ont réduit l'accès aux services en personne, il a fallu examiner d'autres moyens d'offrir l'appui nécessaire pour que les travailleurs puissent continuer à récupérer. De ce fait, nous avons établi de nouvelles directives permettant aux fournisseurs de continuer la prestation de soins et de soutien grâce aux services de télésanté. Il nous était aussi impossible de tenir des séances d'éducation en personne; nous avons donc décidé de mettre l'accent sur les présentations virtuelles. Ce changement nous a permis de continuer de donner des cours importants à la demande des employeurs et des travailleurs tout en respectant les lignes directrices émises par le Bureau du médecin hygiéniste en chef. Nous avons aussi tenu notre toute première assemblée générale annuelle virtuelle. Nous étions heureux de pouvoir offrir un moyen plus commode d'y assister, et nous avons constaté une meilleure participation.

La sécurité de notre personnel et de nos clients est demeurée notre priorité absolue tout au long de cette urgence sanitaire, de même que dans notre plan de réouverture.

Je suis reconnaissante d'avoir eu l'appui du conseil d'administration, qui a appliqué de rigoureuses pratiques de gouvernance et de contrôle. Nous avons pu passer rapidement aux réunions virtuelles sans nous éloigner de l'horaire prévu. En fait, nous avons organisé plusieurs réunions de suivi supplémentaires ainsi que deux séances de formation.

Je tiens à transmettre mes sincères remerciements aux membres de notre personnel pour leur flexibilité et leur adaptation aux nombreux changements. Leurs précieuses contributions jouent un rôle clé pour appuyer tant les travailleurs blessés que les employeurs. Cette pandémie nous a montré qu'il est possible d'apporter des changements importants lorsque la situation l'exige. La sécurité demeure notre principale préoccupation et continue de guider notre travail. La dernière année a certainement soulevé des actions prioritaires pour l'avenir de notre organisation, notamment le besoin d'offrir à notre clientèle des moyens novateurs de communiquer avec nous et d'accéder à nos services.

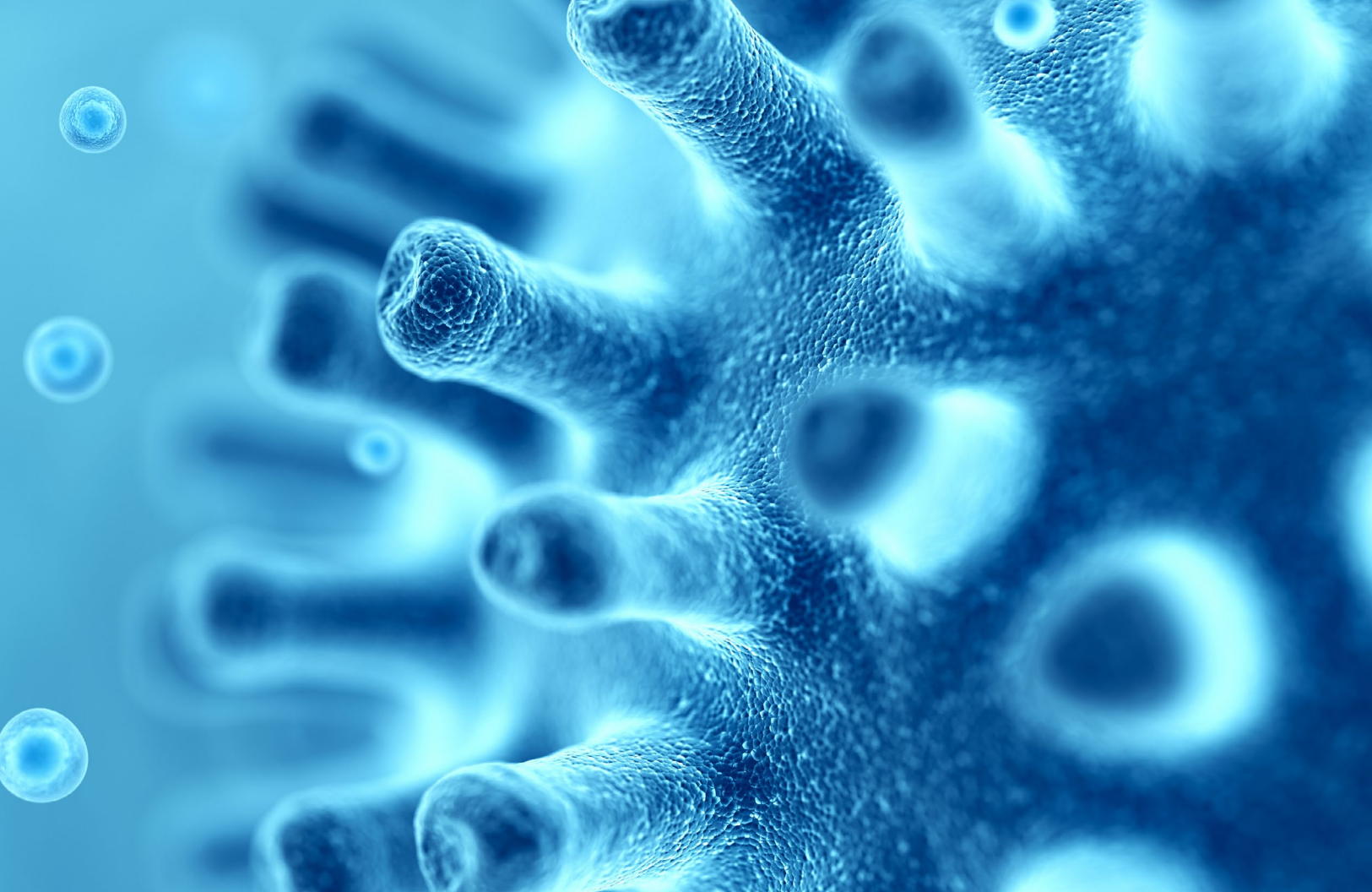
Cheryl Paynter  
Directrice générale de la Commission des accidents du travail





2020  
PERFORMANCE  
REPORTS

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# BUILD A CULTURE FOR SAFE AND HEALTHY WORKPLACES

WCB is committed to building a safe and healthy workplace culture in PEI. Strong partnerships with employers, workers, service providers and other partners are required to positively impact change.

### OHS ADVISORY COMMITTEE

Members of the Occupational Health and Safety Advisory Council are appointed by the Minister and reflect a breadth of knowledge and experience relating to the principles and promotion of occupational health and safety. The OHS Advisory Council advises the WCB Board of Directors on the following: the administration of the *OHS Act* and Regulations; monitoring and reporting on OHS activities throughout the province; and exclusions from all or part of the *OHS Act* and Regulations. The Council consists of the WCB Chair, the WCB Director of OHS, and representative for workers, employers and a member that represents the general public. Members of the OHS Advisory Council include Karen Biggar, Lynn Bowyer, Sam Sanderson, Vernon Anderson, Eric MacDonald, Ben MacDonald (Chair), Alan McCormick (Vice-Chair), Danny Miller (Director of OHS), and Jim MacPhee (WCB Chair).

### COVID-19 INFORMATION

In March 2020, the WCB acted swiftly to promote workplace safety during the pandemic by developing tools and resources, and providing guidance for employers, workers and service providers. This included information and guidance on personal protective equipment, responsibilities of employers and workers in keeping their workplace safe, as well as information on how to refuse work properly if there is an imminent threat to safety. The WCB also developed an [Employer Toolkit](#) to provide employers with information and resources to assist them in ensuring the risks associated with COVID-19 in the workplace are minimized.

### NEW RESOURCES TO PROMOTE WORKPLACE SAFETY

Through visits to worksites, discussions with employers and workers, and utilizing accident and safety compliance data, we identified a number of priority areas where we could develop resources to build safer, healthier workplaces. In 2020, this included:

- Prevention Updates on [Distracted Driving](#), [Fit for Duty](#), [Psychological Health](#), [Solar Radiation](#), and [Supervisor Safety Responsibilities](#)
- Safety Talks on [Excavation and Trenching](#) and [Silica Dust](#)
- Hazard Alerts on [Blind Spots](#) and [Towing](#)
- [A Guide on Performing a Hazard Assessment](#)

### FARM SAFETY DAY

In partnership with the Canadian Society of Safety Engineering (CSSE) and Cavendish Farms, we provided a Farm Safety Day to approximately 75 farmers to promote safety and legislation related to keeping workers safe. Presentations were provided by OHS Officers, OHS Consultants and Cavendish Farms Managers. The day included key topics such as: Understanding Occupational Health and Safety Legislation, Farm Equipment Safety, Supervisor’s Responsibilities, Due Diligence, and Protecting Vulnerable Workers.



WCB CEO Cheryl Paynter provides opening remarks at Farm Safety Day, February 2020

### ENHANCED SAFETY REGULATIONS

Throughout the year, there were a number of significant updates and enhancements to safety regulations introduced. This included enhancements to the regulations on Asbestos as well as Workplace Harassment. You can read more about the regulations under the Strengthen our Organization section.

### OVERVIEW OF THE [2019-2023 STRATEGIC PLAN](#)

2020 marked the second year of the 2019-2023 Strategic Planning cycle. The WCB’s 2019-2023 Strategic Plan was developed through consultation with stakeholders, Board members and staff. The plan guides the way the WCB allocates resources and positions the organization to fulfill its mission.

### STRATEGIC PRIORITIES:

- Build a Culture for Safe and Healthy Workplaces
- Deliver Client-Centered Services and Supports
- Strengthen Our System
- Grow Strategic Partnerships
- Strengthen Our Organization



WCB staff providing public health information to truck drivers at the Confederation Bridge, April 2020.



## FEATURE STORY:

Throughout 2020, workplace safety quickly became one of the top priorities for employers and workers around the world. As we navigated through the ever-changing path of the global pandemic, conversations around personal protective equipment, physical distancing, and other public health measures dominated the agenda.

On March 16, 2020, a state of public health emergency was declared for the province under the *Public Health Act*. Soon after, we received a call from the Chief Public Health Office requesting support in the efforts to protect Islanders from COVID-19. With the public health officials and epidemiologists at the forefront, we were happy to offer our knowledge and expertise in health and safety to the great fight against COVID-19. “Within the span of 24 hours, our entire unit had pivoted to offer help,” said Janice Whalen, Manager of Occupational Health and Safety with the WCB. “From assisting with screening at entry points to the province, to helping answer calls and inquiries, we were happy to help support this important work.”

In addition to border screening, OHS Officers completed over 700 COVID-19 Operational Plan Inspections for Public Health at workplaces across the province. As part of these inspections, they were looking to confirm that employers had an Operational Plan developed, that it was well communicated to their staff, and that it was being followed.

The inspections also included a review of requirements for: physical distancing, self-isolation, increased cleaning and disinfecting, hand sanitizer availability, and mask guidelines. If there were questions or concerns, the OHS Officers supported the employer by providing educational guidance on the CPHO requirements.

When asked why it was important for OHS to help these efforts, Whalen said, “Ensuring that all workplaces are aware and comply with the Public Health Orders will help support healthy and safe workplaces for all.”

## DELIVER CLIENT-CENTERED SERVICES AND SUPPORTS

To meet the diverse needs of clients, the WCB works collaboratively with workers, employers and health care providers while being mindful to balance the interests of workers and employers and create greater understanding of the WCB's role in supporting recovery and work disability prevention.

### DEFERRAL OF EMPLOYER ASSESSMENTS

As the COVID-19 pandemic evolved in early 2020, WCB PEI took steps to support Island workers and employers. In March 2020, WCB deferred payment of employer assessments with no interest or penalty charges. This was one way we attempted to assist in the immediate challenges that faced our Island business community. Knowing that the impacts of COVID-19 will continue to persist beyond 2020; the WCB also committed to maintaining 2020 employer assessment rates into 2021.

### SUPPORTING WORKERS

With many Island employers facing partial or complete shut down of operations, our ability to obtain information for processing claims and to effectively help injured workers return to work in a safe and timely way, was tested. Despite those challenges, WCB continued to support workers and maintain average claim duration through proactive case management while also ensuring timely delivery of benefit payments.

### DIRECT ACCESS PILOT PROGRAM

In 2019, the WCB launched direct access to physiotherapy assessment of work-related injuries. In 2020, we continued to promote this option for injured workers to enable more streamlined and timely access to care. This program recognizes the important role physiotherapists play in primary health care and in diagnosing and treating work related injuries.

To learn more about this program visit: <http://www.wcb.pe.ca/DirectAccess>



### CLIENT-CENTERED APPROACH

Putting clients at the center of our policy development and decision making helps us to reflect on the diverse needs of those we serve. We seek to improve aspects of our programs and services by increasing the clarity of the language we use, providing additional context to inform clients of their rights, roles and responsibilities around compensation and workplace safety. We believe this client focus is foundational for providing effective ongoing supports. In 2020, this client lens was specifically used for policies on decision making, wage loss benefits and internal reconsideration.

### FAMILY SUPPORT BENEFIT FOR SERIOUSLY INJURED WORKERS

The WCB recognizes that family support is important for the emotional well-being of seriously injured workers and the costs associated with the need for out-of-province healthcare may be a barrier to accessing this support. Amendments to our travel and related expenses policy now provides assistance with travel costs.

### INDEPENDENT EXTERNAL RESOURCES AVAILABLE

Any worker or employer has the right to appeal a decision of the WCB. The Worker Advisor and Employer Advisor are free independent legal services available to workers and employers to support them in the reconsideration and appeal process. While the WCB is responsible for the operating costs of these programs, they are independent from the operations of the WCB and they report on their annual activity independent from this annual report.

For more information and/or inquiries for the Office of the Employer Advisor, visit their [website](#) or email the office at [employeradvisor@gov.pe.ca](mailto:employeradvisor@gov.pe.ca). Information on the Worker Advisor can be found on their [website](#) or they can be reached at [workeradvisor@gov.pe.ca](mailto:workeradvisor@gov.pe.ca)





## STRENGTHEN OUR SYSTEM

WCB ensures the delivery of a sustainable program that protects workers and employers. We will continue to strengthen the system to ensure it is relevant today and in the future.

### WORKPLACE HARASSMENT REGULATIONS

Workplace Harassment Regulations came into effect July 1, 2020. To support the new Regulations, WCB developed a variety of resources for employers and workers (workshops, FAQ, policy templates, webpage, guide, and video). We also offered numerous virtual presentations on the new Regulations through the Greater Charlottetown Area Chamber of Commerce, as well as an information sharing session with OHS, Employment Standards and Human Rights. These resources can be found at [wcb.pe.ca/WH](http://wcb.pe.ca/WH).

### ASBESTOS REGULATIONS

New Asbestos Regulations came into effect March 14, 2020. The amendments set out the heightened safety standards related to asbestos abatement for PEI workplaces, to ensure the health and safety of workers. WCB will develop new resources that will support asbestos abatement contractors in navigating asbestos regulations.

### NEW TOPICS ADDED TO THE OHS APP

In order to provide employers and workers with better access to information and resources, WCB added 10 new topics to the OHS App, bringing our total to 30 topics. The new topics are part of our annual work plan to continue to increase the number of topics available on the app. To access the mobile app, search for Guide to OHS Legislation on the App Store or Google Play or visit our website at [wcb.pe.ca/ohsguide](http://wcb.pe.ca/ohsguide).

#### New topics include:

- Workplace Harassment
- Hazard Assessment
- Workplace Inspections
- New Worker Safety Orientation
- Supervision
- Ventilation
- Asbestos
- OHS Program Components
- Toilet and Washing Facilities
- Posting Requirements and Reporting Serious Injuries



### NEW ONLINE REPORT

In 2020, we developed an online Multi/Interdisciplinary Program report. Previously, physio clinics that offer this type of program had to submit reports and invoices separately. This created extra paperwork for both the clinics and our staff. The new online report is more convenient, efficient and streamlines invoicing and reporting. The report also provides a template for all of the clinics to use, which will ensure that we receive consistent information related to a worker's progress, regardless of where they are receiving treatment.

### GOING VIRTUAL

While WCB's plan was to expand our service delivery to include virtual/online course options, the COVID-19 pandemic accelerated the urgency of offering these sessions online.

Virtual presentations have allowed us to continue to provide important courses, while adhering to CPHO restrictions. They also provide better accessibility and flexibility to our clients, and have proven to be cost effective and popular. For these reasons, providing virtual education presentations will remain a priority option for us, even when we are able to resume safe in-person sessions.

### EXPERIENCE RATING SYSTEM

In April 2020, WCB completed a review of the Experience Rating System for Employers, which included an analysis of the entire program, including the process and rationale used to evaluate the program.

The review concluded that the current program design is consistent with the WCB's mission and values and supported the objectives of being simple to understand and explain to stakeholders, minimizes unintended consequences, and provides a fair application of discounts and surcharges to employers.

### TELEHEALTH

With access to in-person health services being restricted, it was important to look at alternative ways to ensure that workers continued to receive the support they needed in recovering from injury. In April 2020, WCB developed guidelines for service providers to enable telehealth services to ensure workers could continue to receive appropriate treatment and support. Physicians, Nurse Practitioners, Physiotherapists, Occupational Therapists, and Mental Health Care Providers were able to use platforms like Zoom to provide ongoing support to injured workers.

In an effort to offer service alternatives, manage workers' claims, and stay connected with our workers, employers, and providers, we also introduced the use of teleconferences, video conferencing, and email communication, while continuing to protect the privacy of our clients.

Now that the guidelines have been established, this enables our workers to get support where in-person visits are not possible, and the option to communicate via email has made it easier for workers to connect with us and provide information.



## GROW STRATEGIC PARTNERSHIPS

WCB works with diverse stakeholders in Prince Edward Island and across the country. We will continue to grow and strengthen our partnerships to support our strategic priorities.

### SEAT AT THE TABLE

To continue to advance our health and safety mission, we believe in the importance of engagement at the local, provincial and national levels. In 2020, we actively participated and held leadership positions in a range of committees.

Across sectors, the entire Island community was focused on the response to COVID-19 and its far reaching impacts on Islanders. For WCB PEI, this included participation in the Government Response Table regarding COVID-19 and the Premier's Council for Recovery and Growth which assembled a diverse representation of members and partners to establish a plan for recovery and growth potential for the province over the next one, two, five and 10 year periods.

From an occupational health and safety perspective, we understand work-related illnesses and injuries are a national challenge. The Canadian Centre for Occupational Health and Safety (CCOHS) is a national board that is unified with the common vision of eliminating workplace injuries. As a small province we have the benefit of learning from other jurisdictions' experience, as well as providing our unique Prince Edward Island experience to the conversation. This year, CEO Cheryl Paynter was appointed as a Governor to CCOHS.



In June 2020, WCB PEI's Director of Occupational Health and Safety, Danny Miller, was appointed as the Vice Chair of the Canadian Association of Administrators of Labour Legislation's sub-committee on Occupational Health and Safety (CAALL-OSH). The advisory committee consists of membership from the provincial and federal levels, and is a venue for an exchange of ideas and proposals related to occupational safety and health. Over the past few years the committee has developed the National Occupational Health and Safety Reconciliation Agreement signed by all Ministers responsible for labour in Canada which reconciles standards for specific personal protective equipment (PPE) and first aid kit contents. The common equipment requirements across Canada helps to provide consistency and remove barriers for workers and employers who operate between jurisdictions. The Agreement also recognizes the need to maintain a high standard of OHS and ensure the public interest while respecting locally unique needs and circumstances.

Many of the WCB staff participate on committees with the Association of Workers Compensation Boards of Canada (AWCBC). This allows us to have collaborative discussions with our colleagues from workers' compensation boards across the country. Through our participation, we stay current on relevant and emerging issues, including cross-jurisdictional information sharing on COVID-19.

WCB PEI also participates in industry specific initiatives where possible to support solutions for safe and healthy work environments. Led by Health PEI, the Workplace Violence Reduction Steering Committee focuses on workplace violence in health care. WCB PEI continues to have an important role on the committee to ensure compliance with OHS legislation and to influence policy related to workplace violence.



# STRENGTHEN OUR ORGANIZATION

The WCB team works together to carry out our mission. Empowered to deliver service excellence, WCB staff live our values of integrity, compassion, excellence, and collaboration every day. WCB demonstrates accountability through strong leadership and governance.

## PSYCHOLOGICAL HEALTH AND SAFETY COMMITTEE

In support of the work of the Psychological Health and Safety Committee, the organization continues to provide training and education to support a thriving work environment. In 2020, a virtual seminar was provided to all staff to engage in meaningful discussion about the attitudes and skills necessary to contribute to creating and sustaining a respectful workplace.

## OPERATIONAL PLAN

To maintain physical well-being during COVID-19, WCB PEI made a swift transition that enabled the majority of our staff to work from home, while providing uninterrupted service to our clients. The creation of a WCB Operational plan was instrumental in keeping staff up to date on evolving CPHO guidelines and modifying the workplace space to reflect those guidelines. Modifications included the increased height of cubicles, installation of plexiglass barriers in meetings rooms and hand hygiene stations.



## STAFF TRAINING AND BOARD EDUCATION

As we gained increasing familiarity with virtual training and meeting tools, staff continued their education in areas including: decision making and decision letter writing. Board education related to governance and an overview on actuarial valuation.

## SERVICE AWARDS

We're proud to have long standing, dedicated staff who help support our mission every day. In 2020, 8 staff members were recognized at our Annual Service Awards for reaching significant milestones in their tenures for up to 25 years of service. With over 1,000 years of service collectively among WCB PEI staff, there is a significant amount of experience and corporate knowledge within our organization.



2020 Long Term Service Award Recipients, February 2020. Photo taken prior to Covid-19 pandemic.



CALLING PEI HOME:  
PART OF OUR  
ISLAND COMMUNITY

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WCB Staff promote kindness on Pink Shirt Day, February 2020. Photo taken prior to Covid-19 pandemic.

At WCB, we are proud of who we are, who we help, and most of all, where we're from. We look for meaningful ways to give back to communities and organizations across the Island. This past year some of our community initiatives included the following:

- Funds raised through dress down days were donated to local charities
- Continued support for Threads of Life, a national community organization that helps families who have been impacted by workplace tragedy
- Supported Pink Shirt Day by wearing pink to increase awareness about bullying, and raise funds for the Charlottetown Boys and Girls Club
- WCB staff participated in Earth Day 2020 by picking up garbage off the roadside and ditches
- In place of printed Christmas cards, a donation was made to the Canadian Mental Health Association PEI's White Cross Christmas Campaign, which supports individuals who experience mental or emotional health issues
- In place of luncheons provided during staff training, WCB opted to support the provincial Food Island Campaign to help bolster Island businesses
- WCB staff contributed approximately \$2,500 to the United Way and Health Partners through payroll deduction
- A monetary donation was made to the Island Foodbank by the WCB Social Committee, on behalf of staff



WCB staff share the reasons why they wear a mask.



# FINANCIAL ANALYSIS

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# OVERVIEW AND ANALYSIS OF 2020 FINANCIAL RESULTS

## Financial Highlights for the Year Ending December 31, 2020

It is recommended the following pages be read in combination with the complete December 31, 2020 audited financial statements and accompanying notes which are available at [wcb.pe.ca/2020FinancialReports](http://wcb.pe.ca/2020FinancialReports). Numbers are rounded throughout this analysis for ease of reading.

### FINANCIAL HIGHLIGHTS (\$ MILLIONS)

OPERATIONAL HIGHLIGHTS	2020	2019
Assessment Revenue	35.7	36.4
Investment Revenue	11.7	28.3
Market Rate of Return on Portfolio	5.40%	14.01%
Claim Costs	25.2	26.0
Administration Expenses	8.2	8.3
Operating Surplus	12.5	4.5
Surplus Distribution to Employers	-	19.8
BALANCE SHEET HIGHLIGHTS		
Total Assets	258.4	246.0
Market Value of Investments (included in total assets)	243.4	231.3
Benefit Liabilities (included in total liabilities)	162.4	163.1
Total Liabilities	166.3	166.4
Fund Balance	92.1	79.5
Funding Status	155.4%	147.8%

## FINANCIAL REPORTING STANDARDS

The WCB financial statements are prepared in accordance with International Financial Reporting Standard (IFRS). The financial statements of the WCB have been prepared on a historical cost basis except for all portfolio investments which are recorded at fair value.

## OPERATIONAL HIGHLIGHTS

### Revenues

The WCB's revenue includes two main sources: assessment revenue and investment income.

### Assessment Revenue and Average Rates

Revenue from employers arises from two primary groups: assessed employers and self-insured employers. The total assessment revenue is a function of the assessment rate applied against the assessable payroll of each employer in the province. Revenue from self-insured employers is the transactional based administration fee that is charged to self-insured employers for the administration of their claim costs.

The changes in key inputs to the Board's 2020 assessment revenue compared to 2019 and to our budget estimates used for rate setting can be summarized as follows:

- The count of total assessable employers decreased by 1.83% (or 112 less);
- Total assessable payroll increased by 1.37% (or \$31 million dollars) compared to 2019;
- The revenue mix changed with certain rate groups experiencing increased payrolls while others have decreased. Considered with the Board's maximum assessable earning of \$55,300, the total assessment revenue decreased by approximately 2.0% (\$700 thousand dollars) compared to 2019; and
- The 2020 year end final average assessment rate was \$1.55 per \$100 of assessable payroll compared to 2019's average assessment rate of \$1.61 and to the 2020 estimated average assessment rate of \$1.52 (2019 - \$1.58) which was forecasted during the 2020 rate setting process.

### ASSESSABLE EMPLOYERS

	2020	2019	2018	2017	2016
Number of Assessable Employers	6,003	6,115	5,828	5,592	5,276
Variance to Prior Year	(112)	287	236	316	220

### ASSESSABLE PAYROLL (\$ MILLIONS)

	2020	2019	2018	2017	2016
Year-End Assessable Payroll	2,297	2,266	2,104	2,002	1,899
Variance to Prior Year	31	162	102	103	65

### ASSESSMENT REVENUE (\$ MILLIONS)

	2020	2019	2018	2017	2016
Year-End Assessment Revenue	35.7	36.4	34.1	33.6	34.8
Variance to Prior Year	(0.7)	2.3	0.5	(1.2)	1.5

### AVERAGE ASSESSMENT RATE (PER \$100 OF ASSESSABLE PAYROLL)

	2020	2019	2018	2017	2016
Year-End Final Average Assessment Rate	\$ 1.55	\$ 1.61	\$ 1.62	\$ 1.68	\$ 1.83
Estimated Average Assessment Rate	1.52	1.58	1.60	1.70	1.77
Variance to estimated	\$ 0.03	\$ 0.03	\$ 0.02	\$ (0.02)	\$ 0.06

### INVESTMENT INCOME

Investments are important to the WCB because the capital invested plus investment income must cover future claim obligations. Since compensation liabilities have an inflationary component, over time investment income must cover at a minimum that inflationary component.

All portfolio investments are recorded at fair value which means the WCB recognizes interest revenue as earned, dividends when declared, and investment gains and losses when realized. In 2020, the WCB had investment returns of 5.40% (or investment income of \$11.7 million dollars). Positive investment returns continue to impact the Board's funding status which increased to 155.4% (2019 - 147.8%).

The intent of the WCB's strategic investment policy asset mix is to meet current and future benefit obligation for current injured workers. Over a 20 year period the average investment returns were 6.41%.

### INVESTMENT RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2.63%	10.89%	15.73%	8.46%	4.30%	9.16%	10.29%	-1.32%	14.01%	<b>5.40%</b>

#### Expenses

The WCB's expenses consist of claim costs and operating costs. Claim costs represent current and future costs associated with workplace injuries occurring in the reporting year. Operating costs are for various components required for the administration of the WCB.

### CLAIM COST

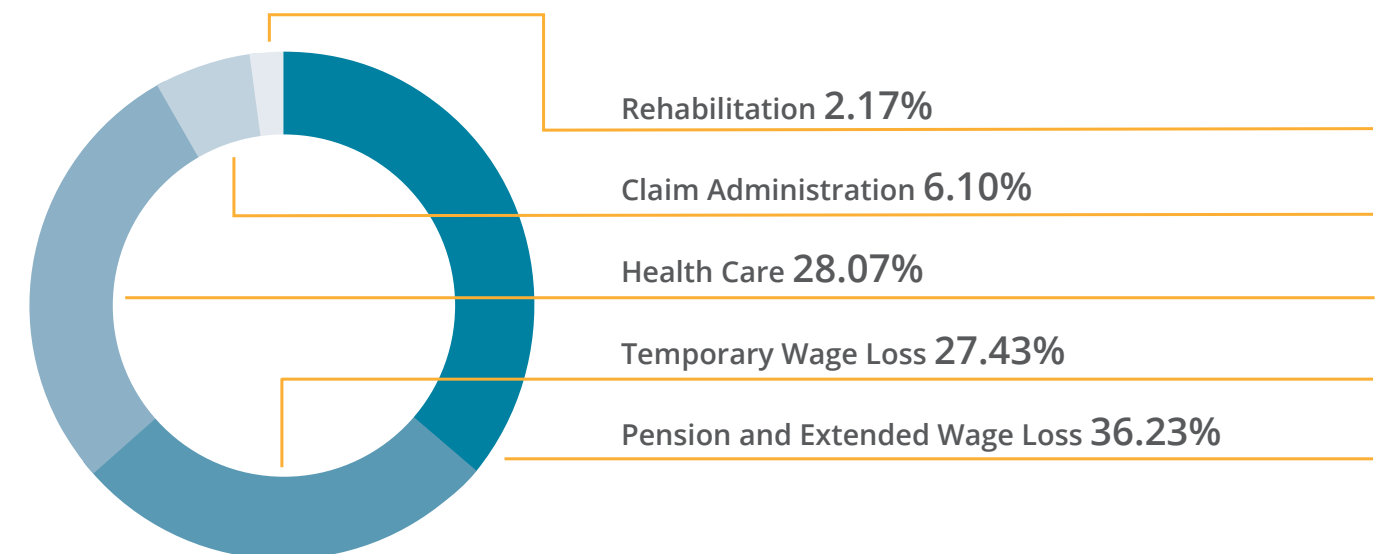
Claim cost expenditures are determined by estimating the outstanding benefits liabilities. This involves actuarial calculations that analyze experience, trends and other relevant factors, based largely on the assumption that past experiences are an appropriate predictor of the future. This process involves an actuarial projection of future claim costs and administration costs incurred to the end of the reporting year (2020).

The total claims cost expenses for 2020 are \$25.7 million (2019 - \$30.9 million) which represents a decrease of 16.83% (or -\$5.2 million) from 2019. The 2019 claim costs include a \$4.6 million dollar expense related to an increase in the general latent occupational disease ("LOD") provision included in the total benefit liability from 4.5% to 7.5%.

Claims and administrative costs of \$25.2 million (2019 - \$26.0 million) represent 98% (2019 - 84%) of the \$25.7 million (2019 - \$30.9 million) of total claims cost expenses incurred for the year.

### CLAIMS AND ADMINISTRATIVE COSTS INCURRED, 2020 AND 2019 (\$ THOUSANDS)

	2020	2019
Temporary Wage Loss	<b>\$6,900</b>	\$7,392
Pension and Extended Wage Loss	<b>9,112</b>	9,320
Health Care	<b>7,059</b>	7,258
Rehabilitation	<b>545</b>	485
Claim Administration	<b>1,535</b>	1,590
<b>Total</b>	<b>\$25,151</b>	\$26,045



## OPERATING EXPENSES (\$ THOUSANDS)

ADMINISTRATION EXPENSES	2020	2019
Administration	\$7,774	\$7,974
Workers' Advisor Program	154	104
Employers' Advisor Program	115	113
Appeals Tribunal	109	130
<b>Subtotal</b>	<b>\$8,152</b>	<b>\$8,321</b>
OTHER EXPENSES		
Investment Management	\$869	\$1,137
Bad Debt (Recovery)	(33)	53
Grant Program	101	274
<b>Subtotal</b>	<b>\$937</b>	<b>\$1,464</b>
<b>Total Operating Expenses</b>	<b>\$9,089</b>	<b>\$9,785</b>

The total 2020 administration expenses (\$8.152 million) have decreased by \$169 thousand (or -2.03%) over 2019 (\$8.321 million). Administration expenses comprised approximately 23% in 2020 (20% in 2019) of total expenditures.

Staff salaries increased \$166 thousand to \$5.881 million (2019 - \$5.715 million) primarily due to cost increases associated with collective agreements. Expenditures for professional fees have decreased by \$243 thousand during the year.

Several other administrative expenses such as communication and printing supplies, postage, professional development and travel were reduced significantly during the year.

Other expenses such as computer maintenance, insurance and telephone experienced increases, but the overall operating expense reduction of \$696 thousand is largely due to the operational impacts related to Covid-19.

WCB funds the program expenses of the Office of the Worker Advisor, the Office of the Employer Advisor and the Workers Compensation Appeals Tribunal. These programs operate independently from the WCB. In 2020, the cumulative expenditures (\$378 thousand) in these three areas have increased by \$31 thousand (or 8.9%) compared to 2019. The majority of the costs associated with running these programs are salaries and professional services.

Investment Management Fees consist of two components: external management fees and management fees paid to WorkSafeNB for the management of the pooled fund. Management fees paid to WorkSafeNB are calculated on a cost recovery basis. Investment management fees decreased by \$268 thousand (or -23.6%) in 2020 due to the decreased value of the investment pool for much of 2020 and also decreased activity within the investment pool.

## BALANCE SHEET HIGHLIGHTS

### Investments

At December 31, 2020 the market value of the investment portfolio was \$243.4 million, (2019 - \$231.3 million). The increase in the portfolio is comprised of positive investment returns of \$11.653 million (2019 returns of \$28.274 million) and contributions of \$1.5 million made during the year.

Financial markets were volatile and unpredictable in 2020 and the Board experienced a \$32 million dollar decrease in the market value of investments in March 2020, compared to their market value at December 31, 2019. By October 1, 2020, the cumulative investment loss for the year had improved to an estimated \$11 million dollar loss. The investment portfolio benefited from a very strong fourth quarter to conclude 2020 with positive investment returns of \$11.653 million (or a 5.40% return).

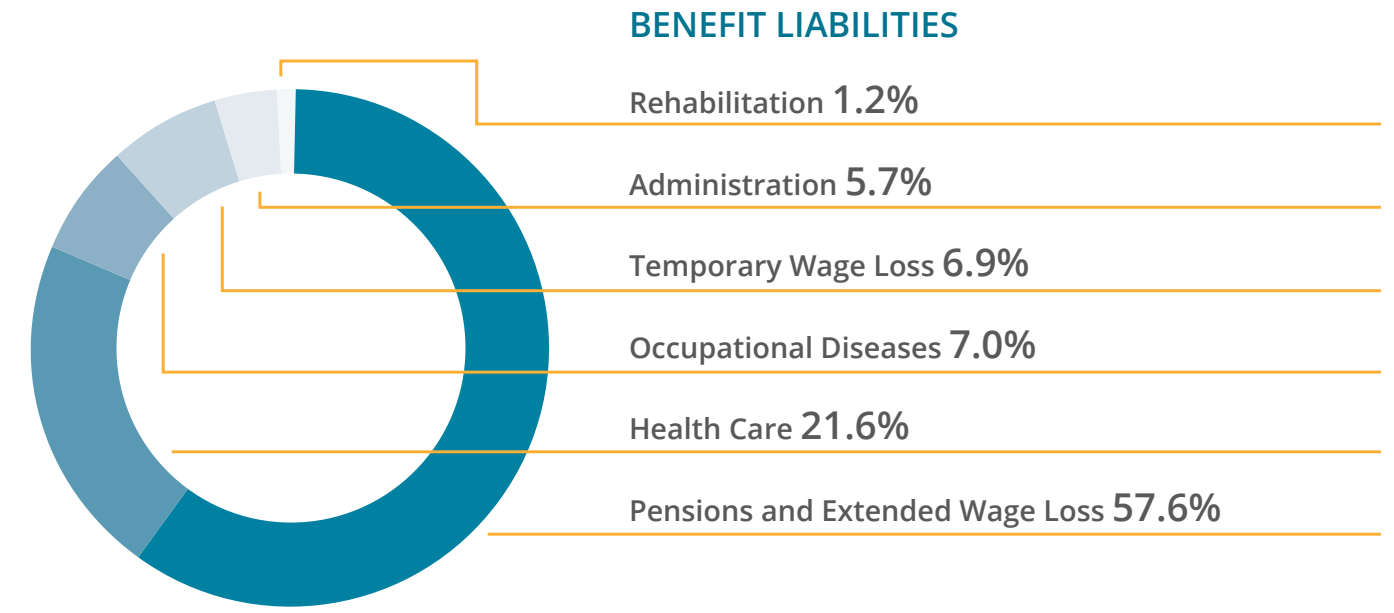
INVESTMENT FUND, 2011-2020 (\$ MILLIONS)									
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
161.0	184.3	213.3	231.3	226.7	248.7	255.1	227.3	231.3	243.4

### Benefits Liabilities

The other major component of WCB's balance sheet is its December 31, 2020 benefits liabilities of \$162.4 million dollars (2019 - \$163.1 million). For the year, the total benefits liabilities have decreased by 0.4% (or \$653 thousand). The calculated liability represents the actuarial present value of all future benefits expected to be paid as a result of injuries that occurred on or before December 31, 2020.

The benefits liabilities include a \$9.2 million dollar provision (2019 - \$9.3 million) for future administration expenses equal to 6.5% of the total benefits liabilities (before the provision for latent occupational disease).

Also included in the benefits liabilities is a 7.5% or \$11.331 million dollar (2019 - \$11.376 million) general provision for latent occupational disease claims expected to be diagnosed after December 31, 2020 as a result of exposures assumed to have occurred in the workplace prior to December 31, 2020. Examples of occupational disease claims include cancers, lung related diseases, carpal tunnel syndrome, and asbestos related diseases.



### BENEFITS LIABILITIES, 2020 AND 2019 (\$ THOUSANDS)

	2020	2019
Temporary Wage Loss	\$11,235	\$11,012
Pension and Extended Wage Loss	93,551	95,427
Health Care	35,101	34,353
Rehabilitation	1,970	1,636
<b>Subtotal</b>	<b>\$141,857</b>	<b>\$142,428</b>
Administration	9,221	9,258
<b>Subtotal</b>	<b>\$151,078</b>	<b>\$151,686</b>
Occupational Diseases	11,331	11,376
<b>Total Benefits Liabilities</b>	<b>\$162,409</b>	<b>\$163,062</b>

### FUNDING REQUIREMENTS, POLICY AND STATUS

#### Funding Requirements

Pursuant to Section 63 of the Workers Compensation Act, R.S.P.E.I. 1988 Cap. W-7.1, the WCB is required to be fully funded. When it is not, it is required to have a plan to be fully funded within a reasonable time frame. Being in a fully-funded position means that the Board is in a position to pay all future benefits to which current injured workers are entitled, as well as the costs associated with administering those benefits.

#### Funding Policy

Our Funding Policy (POL-136) establishes a framework to achieve long term financial sustainability for our workers compensations system. The primary goals of the funding policy are to:

- minimize the risk of becoming unfunded;
- minimize cost volatility for employers so the overall average assessment rate for the current year will not vary significantly from the previous year's average assessment rate;
- minimize the total cost charged to employers by ensuring the funded status is appropriate in relation to financial needs; and
- ensure today's employers pay for the current and future cost of today's accidents.

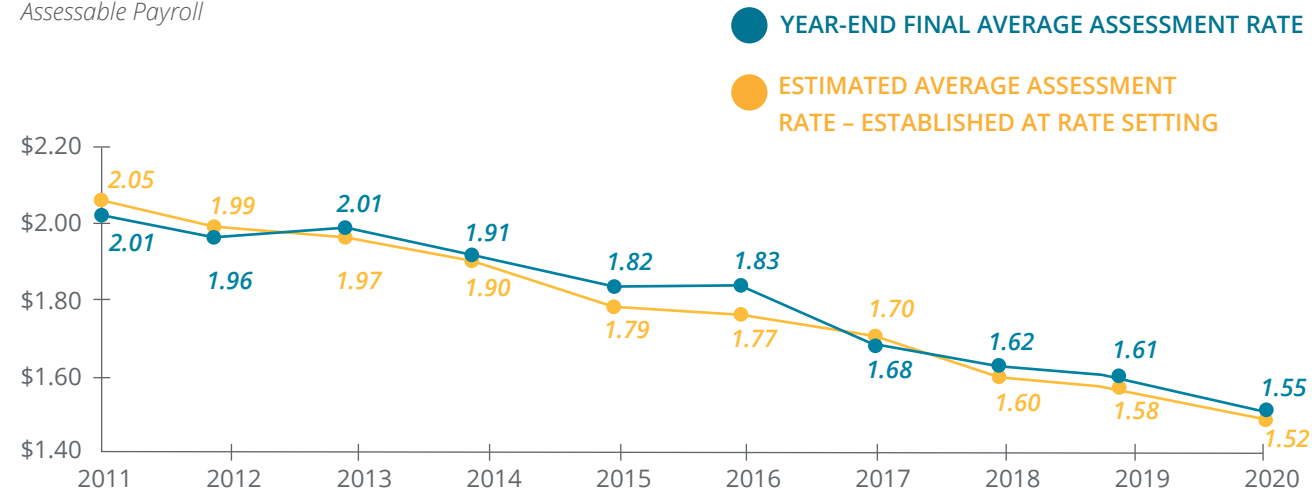
The funding status is defined numerically as total assets expressed as a percentage of total liabilities.

The funding policy targets a funded status in the range of 100%-125% and includes specific adjustments to be applied to the assessment rate should the funded status fall outside this range.

When funding status is 125% to 140%, the surplus will be returned to employers by reducing assessment rates over a number of fiscal years until funding status returns to the 100% to 125% target range. As part of the 2020 rate setting exercise, the total revenue required to be collected was estimated to be \$35.9 million (2019 - \$34.9 million) less a funding policy adjustment of \$1.8 million (2019 - \$1.6 million) for a net estimated assessment revenue target of \$34.1 million (2019 - \$33.3 million).

For rate setting purposes and when considered on an average rate basis, a required average assessment rate of \$1.60 for 2020 (2019 - \$1.66) was reduced by 8 cents (2019 - 8 cents) per \$100 of assessable payroll in accordance with our funding policy for a net estimated average assessment rate of \$1.52 (2019 - \$1.58).

Average Rate Per \$100 Assessable Payroll



When the funding status is above 140%, the Board may consider a surplus distribution back to eligible employers, in an amount as determined by the Board.

In accordance with our funding policy, over the past six years a cumulative \$85.3 million dollars has been approved by the Board to be returned to employers based on better than expected investment returns. This benefit has been transferred to employers over the past 6 years through board approved annual rate adjustments (\$8.7 million dollars) and direct distributions (\$76.6 million dollars).

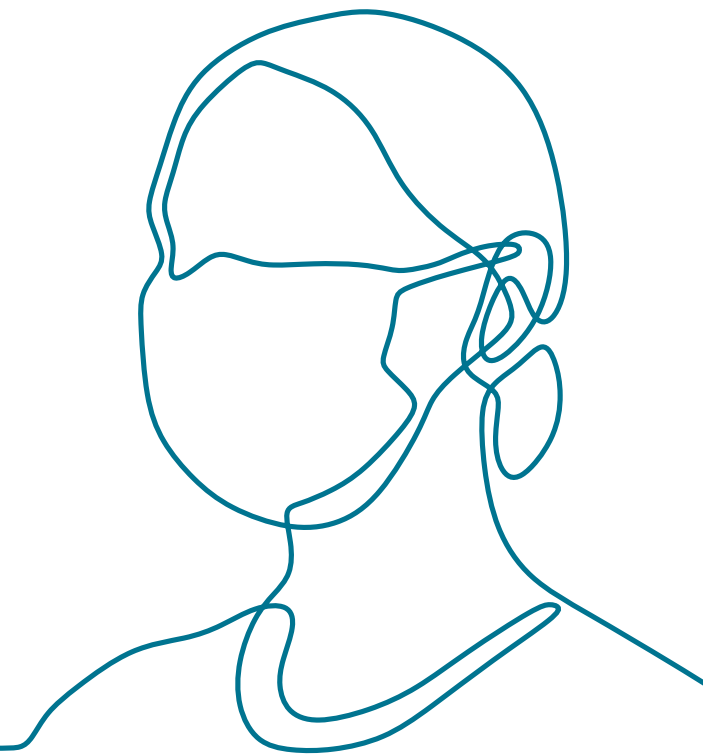
#### Funding Status

FUNDING STATUS 2011-2020									
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
113.7%	124.1%	135.3%	147.2%	141.4%	159.4%	165.4%	146.3%	147.8%	<b>155.4%</b>

The funding status of 155.4% as at December 31, 2020 will be considered in setting 2022 assessment rates.

## COVID-19

In March 2020, the World Health Organization declared a global pandemic as a result of the emergence and rapid transmission of a novel strain of the coronavirus (COVID-19). The pandemic has significantly affected the global economy, disrupting business operations and economic activity worldwide. The Board has not observed any material impairment of assets or a significant change in operations as a result of the COVID-19 pandemic. However; due to rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the future impact that COVID-19 may have on the Board's financial position and operating results in the future. It is possible that estimates will change as a result of COVID-19, and the impact of changes could be material to the Board. Management is closely monitoring the global pandemic impact on the Board's operations and will update results, as necessary.





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