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ANNUAL REPORT

Workplace Health,
Safety and Compensation
Commission
of New Brunswick

WHSCC
CSSIAT

Commission de la santé, de la
sécurité et de l'indemnisation
des accidents au travail
du Nouveau-Brunswick

MINISTER'S LETTER

The Honourable Norman McFarlane
Minister
Department of Labour
Province of New Brunswick

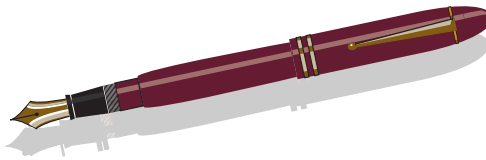
Dear Minister:

On behalf of the Workplace Health, Safety and Compensation Commission, I have the honour to submit to you the 1999 Annual Report. This report provides information on our program accomplishments, service activities, financial statements and statistical data, for the fiscal year ending December 31, 1999.

Respectfully submitted,



Raymond P. Campbell
Chairperson, Board of Directors



WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION

VISION

New Brunswick workers have access to a safe and healthy work environment.

MISSION STATEMENT

The Workplace Health, Safety and Compensation Commission is dedicated to the promotion of a safe and healthy work environment and the provision of services to workplaces, employers and the injured workers of New Brunswick.

THE MANDATE OF THE COMMISSION IS:

- 1 To create an environment where workplaces view all accidents as being preventable;
- 2 To provide insurance and related services to the employer community; and
- 3 To provide rehabilitation benefits, including compensation, medical, vocational and counseling services to injured workers.

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1999

YEAR AT A GLANCE		
	1999	1998
Maximum assessable earnings	\$44,600	\$44,100
Assessable payroll (in billions)	\$5.44	\$5.01
Number of assessed employers	13,500	13,391
Average assessment rate (provisional)	\$1.62	\$1.59
Income – assessed employers (in millions)	\$90.8	\$78.8
Income – self-insured employers (in millions)	\$18.0	\$13.0
Claims costs (in millions)	\$109.0	\$100.8
Fund balance (in millions)	\$49.0	\$31.7
Percentage funded	109%	106%
Total claims adjudicated	27,186	25,375
• lost time	6,480	5,937
• no lost time	6,637	5,976
• recorded, no benefits paid	14,049	13,647
Average payment per claim	\$3,928	\$3,908
Average days lost per lost-time claim	96.7	98.6
Number of workers in New Brunswick	336,000	324,000
Number of workers covered by the <i>Workers' Compensation Act</i>	269,000	264,000
Number of workers covered by the <i>Occupational Health and Safety Act</i> (excludes workers covered by federal legislation)	317,000	309,000
Number of workplace health and safety inspections	5,348	5,449
Number of orders (violations of the <i>Occupational Health and Safety Act</i>) written	3,714	3,587
Number of serious accident investigations	122	132
Work-related fatalities recorded	20	17
Number of health and safety awareness / training sessions	774	560
Appeals received	659	579
• initiated by workers (or their representative)	614	562
• initiated by employers (or their representative)	45	17
Appeals resolved	665	573

WELCOMING NEW LEADERSHIP



The Workplace Health, Safety and Compensation Commission is pleased to welcome Mr. Raymond P. Campbell as its new Chairperson. Mr. Campbell brings to the Commission a long history of accomplishments. He is a retired New Brunswick public servant, having served in no less than the following capacities: Deputy Minister of Labour and Manpower; Deputy Minister of

Social Services; and Secretary of the Treasury Board. Mr. Campbell's working career has brought him in day-to-day contact with both worker groups and employers of the province.

It was the "working with people" that Mr. Campbell considered his passion. "My first love is working with people. That was especially true when I was with the Department of Labour, so when the opportunity to be Chairperson of the Workplace Health, Safety and Compensation Commission presented itself, I couldn't resist."

Mr. Campbell was involved in the initial study that examined and eventually led to the amalgamation of the former Workers' Compensation Board with the Occupational Health and Safety Commission. As its new Chairperson, he is primed to lead the Commission and its Board of Directors into the new millennium. He will face real challenges in dealing with changing workforces, complex and ever-changing workplaces, unknown occupational hazards and increasing responsibilities to stakeholders.

The stakeholders of the province of New Brunswick, the Board of Directors and the staff of the Workplace Health, Safety and Compensation Commission look forward to continued success under Mr. Campbell's leadership.

ACKNOWLEDGMENTS



The Workplace Health, Safety and Compensation Commission, its Board of Directors and its staff wish to convey their sincere appreciation to Darline Cogswell who served as Acting Chairperson from January to December of 1999. During her term, she displayed a professionalism and grace when dealing with many difficult and often sensitive issues. As Chairperson, Mrs. Cogswell met the challenges facing the Commission,

bringing a dedication and commitment to her responsibilities on behalf of all of our stakeholders.

The Commission also wishes to thank former Board member Garry Sudul, who resigned in 1999 following twelve years of service with the Occupational Health and Safety Commission, the Workers' Compensation Board and the Workplace Health, Safety and

Compensation Commission. His insight, diplomacy and intelligence was much appreciated and will be missed.

The Board of Directors of the Commission recognizes the ever-increasing demands which are placed on staff each year. 1999 has been no exception. The manner in which staff have performed for the people of New Brunswick is commendable. The Board wishes to express its sincere gratitude to all the Commission's staff for their dedication and hard work.

Sincere appreciation is also extended to the staff members who retired during the year, namely: Kate Coffman, Ron Culbert, Norma Doucet, Bernie Duguay and Eudore Thériault. Their efforts were greatly appreciated.

The Commission and all its staff wish to extend a heartfelt sympathy to the family and friends of members of our staff who passed away during the year – Vernon Brideau, Lucille MacNeill and Kevin O'Connell. They will not be forgotten.

BOARD OF DIRECTORS

1999

CHAIRPERSON
Raymond Campbell ⁽¹⁾

CHAIRPERSON OF THE APPEALS TRIBUNAL (EX-OFFICIO)
Léonard Arsenault

PRESIDENT AND CHIEF EXECUTIVE OFFICER
Tom Calkin

REPRESENTING WORKERS

Sandy Beckingham
Darline Cogswell ⁽²⁾
Blair Doucet
Gary Ritchie

**REPRESENTING
GENERAL PUBLIC**

Roberta Dugas

REPRESENTING EMPLOYERS

Gérald Clavette
Gerry Cluney
Pat Darrah
Ted King ⁽³⁾

⁽¹⁾ Appointment effective November 18, 1999

⁽²⁾ Acting Chairperson January to December 1999

⁽³⁾ Appointment effective November 4, 1999



It is a pleasure to report on the 1999 activities of the Appeals Tribunal of the Workplace Health, Safety and Compensation Commission.

The primary responsibility of the Tribunal is to provide timely, fair, consistent and impartial decisions relative to appeals which arise from decisions rendered by the Commission. In 1999, a number of activities were pursued in order to ensure that the services provided by the Tribunal were of the highest quality. Service improvement, which is reflected in some of our primary goals, continues to be our priority.

One of the primary goals of the Appeals Tribunal is to complete appeals within 90 calendar days. That goal continues to be a challenge. Our staff remain committed and additional programs and alternatives will be researched and where beneficial, implemented in the year 2000.

In order to ensure that high quality and consistency of appeals decisions are sustained, special training opportunities were offered to Appeals Tribunal members.

1. Target workshops dealing with issues or topics specifically related to the responsibilities of the Appeals Tribunal were offered quarterly.
2. Tribunal members and staff were given the opportunity to attend training provided by the Council of Canadian Administrative Tribunals, the Atlantic Council of Administrative Tribunals and the Canadian Centre for Management Development.
3. Training was recognized as an integral part of the Tribunal's commitment towards quality service and additional training initiatives will be pursued for the upcoming year.

FOLLOWING ARE SOME OF THE APPEALS TRIBUNAL'S ACCOMPLISHMENTS FOR 1999:

- There was an increase of 14% in appeals received over last year which required continued dedication and commitment on the part of members and staff.
- A Code of Ethics for Tribunal members was developed and approved, as was a monitoring and feedback process to further enhance the educational development of Appeals Tribunal members.
- The *Workplace Health, Safety and Compensation Commission Act* was amended and now allows the Chief Compliance Officer and/or occupational health and safety officers to attend Appeals Tribunal hearings.
- A video describing the appeals process was developed and is expected to be a valuable tool for anyone considering an appeal or involved with the appeals process.
- The Appeals Tribunal developed and now has its own Web page located on the Commission's Web site.
- The deferred decision process was refined and shortened, leading to immediate follow-up of the deferred decision.

MESSAGE FROM THE CHAIRPERSON – APPEALS TRIBUNAL

1999

In December of this year, the term of one of the Vice-Chairpersons of the Appeals Tribunal, Ms. Kathy Rogers, expired after seven years of service. Ms. Nancy Forest (worker representative) and Mr. Garry Sudul (employer representative) also completed their term with the Tribunal in 1999. A most sincere thank you is extended to each of them for their dedication and their contributions.

A new Vice-Chairperson, Mr. Andrew Aalund, was appointed to the Tribunal effective December 31, 1999. We are looking forward to working with Mr. Aalund and to his support as we enter the new millennium with its additional challenges. These challenges will undoubtedly be met through ongoing commitment and dedication from all our members, staff and all those associated with the Appeals Tribunal.

On behalf of the stakeholders of the province of New Brunswick, a sincere thank you is extended to the Board of Directors, members and staff of the Appeals Tribunal, workers' and employers' advocates and all others who have been instrumental in the success of the Appeals Tribunal.

Respectfully submitted,

Léonard J. Arsenault
Chairperson, Appeals Tribunal

APPEALS TRIBUNAL MEMBERS

AT DECEMBER 31, 1999

CHAIRPERSON

Léonard J. Arsenault

The Chairperson of the Appeals Tribunal is appointed by the Lieutenant-Governor in Council and is responsible to the Board of Directors for the operation of the Appeals Tribunal.

VICE-CHAIRPERSONS

William E. McNulty
Andrew Aalund*
Kathy Rogers*
Lumina Sénéchal

The Vice-Chairpersons of the Appeals Tribunal are appointed by the Lieutenant-Governor in Council as deemed necessary by the Chairperson in consultation with the Board of Directors.

** Andrew Aalund was appointed Vice-Chairperson effective December 31, 1999 and the term of Kathy Rogers ended effective December 31, 1999.*

APPEALS PANEL MEMBERS

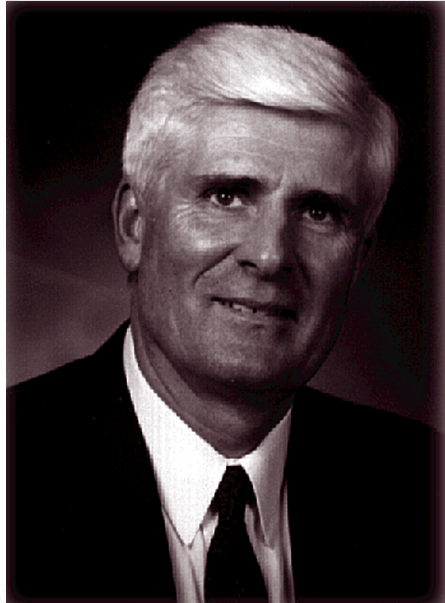
WORKERS' REPRESENTATIVES

Rodrigue Bossé
Leo Paul Cormier
Earl Garland
Linwood Lawrence
Abel LeBlanc
Louis LeBlanc
Linda Nadeau
Allain Robichaud

EMPLOYERS' REPRESENTATIVES

Stephen Beatteay
William Dixon
Gilbert Doucet
Lionel Landry
Marc Long
Sandy Robertson
Lee Sudsbury
Joe Veriker

Appeals Panel members represent workers and employers from throughout the province and are appointed by the Board of Directors. Members of the Commission's Board of Directors, who represent workers and employers, may serve on Appeals Panels.



I am pleased to report on the Workplace Health, Safety and Compensation Commission's activities for 1999. This year, we celebrated our 80th anniversary and at this time, a brief historical perspective on our organization and its primary responsibilities would be of interest to our stakeholders.

The original *Workers' Compensation Act* came into effect in New Brunswick on January 2, 1919. The concept was originally proposed by Mr. Justice William Ralph Meredith in Ontario. This enduring piece of social legislation has embodied the historical trade-off where workers gave up the right to sue an employer, and in turn, were granted partial protection from income loss due to industrial injury and disease, irrespective of fault. The main principles of the early system were collective liability, no-fault insurance, universal coverage, levies on employers, exclusive provincial jurisdiction, security of payments ensured by an accident fund and calculation of benefits on wage loss.

The workers' compensation history has been intertwined with health and safety over the years. In the late thirties, factory inspectors estimated that 50% of all accidents were avoidable. Today, we argue that **"all accidents are preventable."** Accident prevention and the provision of effective, efficient and caring delivery of services to our injured workers are the cornerstones of the Commission today.

The original principles and apparatus of workers' compensation in New Brunswick and in Canada, however appealing and enduring they may appear to be, may not serve us so well over the next few decades. We have seen fundamental changes in demographics, in work and in labour market realities. At the same time, we have gained new understandings on how to prevent injury and disease and on how to ensure timely treatment and safe return to work. Now we must make sure the workers' compensation system adapts to meet the challenges that are presented by new knowledge, new work environments, as well as trade and investment patterns.

In 1999, our assessment rates remained amongst the lowest in Canada and the Commission has again this year sustained its long-term fiscal strategy goal of a funded ratio (assets to liabilities) of 105%. We are financially healthy with a funded ratio which now stands at 109.0%. Nevertheless, there is a continual need to assess the long-term future and the objectives of this organization. We are constantly examining our service obligations, financial structure and our funding level requirements.

Again, this year, our investment strategies benefited the Commission as we were able to take advantage of conditions in the financial markets and provide a greater than anticipated yield from our investment portfolio. These returns, along with increased economic activity in the province and a low rate of inflation, enabled us to meet our financial obligations and to protect the Accident Fund.

Our provisional average assessment rate for 1999 was \$1.62. This was slightly higher than the previous year and as predicted, was necessary because of pressure on claims costs. From our peak of \$2.22 in 1992, we have reduced the average assessment rate by 27%.



Over the same period, we addressed the Unfunded Liability, restoring us to financial health. Both the workers and employers of New Brunswick were instrumental in the elimination of the Unfunded Liability.

This year, we consulted with stakeholders to identify issues of concern and opportunity. There is a growing awareness of the need for us to enhance our consultation process. Many, if not all, our stakeholders feel they should have input when it comes to the shape and future direction of our organization.

Workplace safety and accident prevention still remain paramount to our long-term strategy. This year, our focus on the reduction in the frequency of workplace accidents was thwarted somewhat by the heated economy. There were more employees in the existing workplaces of New Brunswick as well as more new workplaces. Next year, we will include severity reduction as a major goal, as we continue our efforts to stop the dreadful impact of workplace accidents on workers and their families.

There were six areas of focus in the Commission's 1999 Directional Plan. For each of these, we undertook a number of initiatives.

1. OUR VIGOROUS PURSUIT OF SAFETY WILL LEAD TO A SIGNIFICANT DECLINE IN THE FREQUENCY RATE OF ACCIDENTS.

- We have placed strong emphasis on health and safety education, investing in an awareness for future generations.
- We directed our resources to specific industries and workplaces in order to maximize value and ensure expenditures were being most effectively utilized. Successes have encouraged us to continue this approach.
- We have completed the development of a new Health and Safety Improvement System (HSIS), soon to be launched on a pilot basis.
- We are broadening our awareness for health and safety by participating in national awareness campaigns.

2. TO PROVIDE A PROMPT, EFFECTIVE, EFFICIENT AND CARING PROVISION OF SERVICES TO OUR INJURED WORKER CLIENTELE.

- We have shown a remarkable improvement in our client satisfaction levels this year. Our organization is constantly striving to be more customer driven and I applaud staff for their continued efforts in this regard. Our appreciation is extended to the injured workers for their guidance, feedback and advice.
- We implemented the recommended improvements from a "role study" at the Workers' Rehabilitation Centre (WRC). Service goals and performance objectives continue to be met at this "Centre of Excellence." Our outreach programs have been launched and will ensure wider distribution of services throughout the province.
- Increased workloads have resulted in our need to adjust staffing levels to support our Case Management programs. Training and development of Case Management staff has been emphasized.

3. DECREASING TIME BY WHICH INJURED WORKERS RETURN, OR ARE CAPABLE OF RETURNING, TO WORK.

- A pilot study to increase effectiveness and treatment of soft-tissue injuries through more timely intervention has been a success.
- We completed plans for a significant thrust towards disability management.
- We reached a new agreement with the New Brunswick Medical Society. Through our joint initiatives, we will work together to improve early return-to-work programs, enhance our communication and information sharing efforts, and because of timely treatment, will help eliminate some chronic conditions that arise from delays in treatment of workplace injuries. We applaud the New Brunswick Medical Society for their plans to reach out and help our clients in new ways.

1999

4. HOLDING THE ASSESSMENT RATES TO EMPLOYERS AT THE LOWEST POSSIBLE LEVEL, CONSISTENT WITH THE CONSCIENTIOUS PROVISION OF BENEFITS TO CLIENTS.

- Our 1999 provisional average assessment rate is significantly lower than many other boards and commissions in Canada. We have not been able to maintain our goal of keeping our average assessment rate amongst the lowest three in the country because of very favourable economic situations in other parts of the country. We are the lowest of the Atlantic Provinces and we remain committed to keeping our rate at the lowest possible level.

5. OUR STAKEHOLDERS WILL JUDGE THE WHSCC TO BE A WELL-MANAGED RESPONSIBLE ORGANIZATION.

- Initiatives of the Office of the General Counsel have provided substantial benefits to employees and employers.
- Cost effective systems implementation over the past few years would have been lost without the fine efforts of our Information Technology staff. We successfully avoided Y2K problems and our information technology infrastructure is compliant for the Year 2000.
- We concluded a consultation initiative with stakeholders in 1999 which will result in a number of legislative changes being recommended to government. These revisions will be the conclusion of a long-term plan to update the *Workers' Compensation Act*.

- We have been in need of better tools to measure our productivity. Our ability to reduce accident and severity rates and increase effectiveness in treatment requires that we identify the true underlying cause and effect relationships. Failing which, we cannot prove nor justify the return on new investments in this organization. We are committed and are moving towards better measures. The return on investment for new program initiatives must be identified if our expectation of funding is to be met.

6. OUR EMPLOYEES WILL CONSIDER THE COMMISSION "A GOOD PLACE TO WORK."

- The staff of the Commission have been under great pressure as they have faced increased volumes, new legislation and organizational changes. All of these take their toll and we are making every effort to improve our work environment, enhance team building and expand internal communication.

I take this opportunity to extend my congratulations to all our staff for their dedication and hard work in achieving our goals. To injured workers and employers, we appreciate your support. Our commitment to you and all of our stakeholders will remain and we will do our utmost to provide you with the services you deserve.

Sincerely,

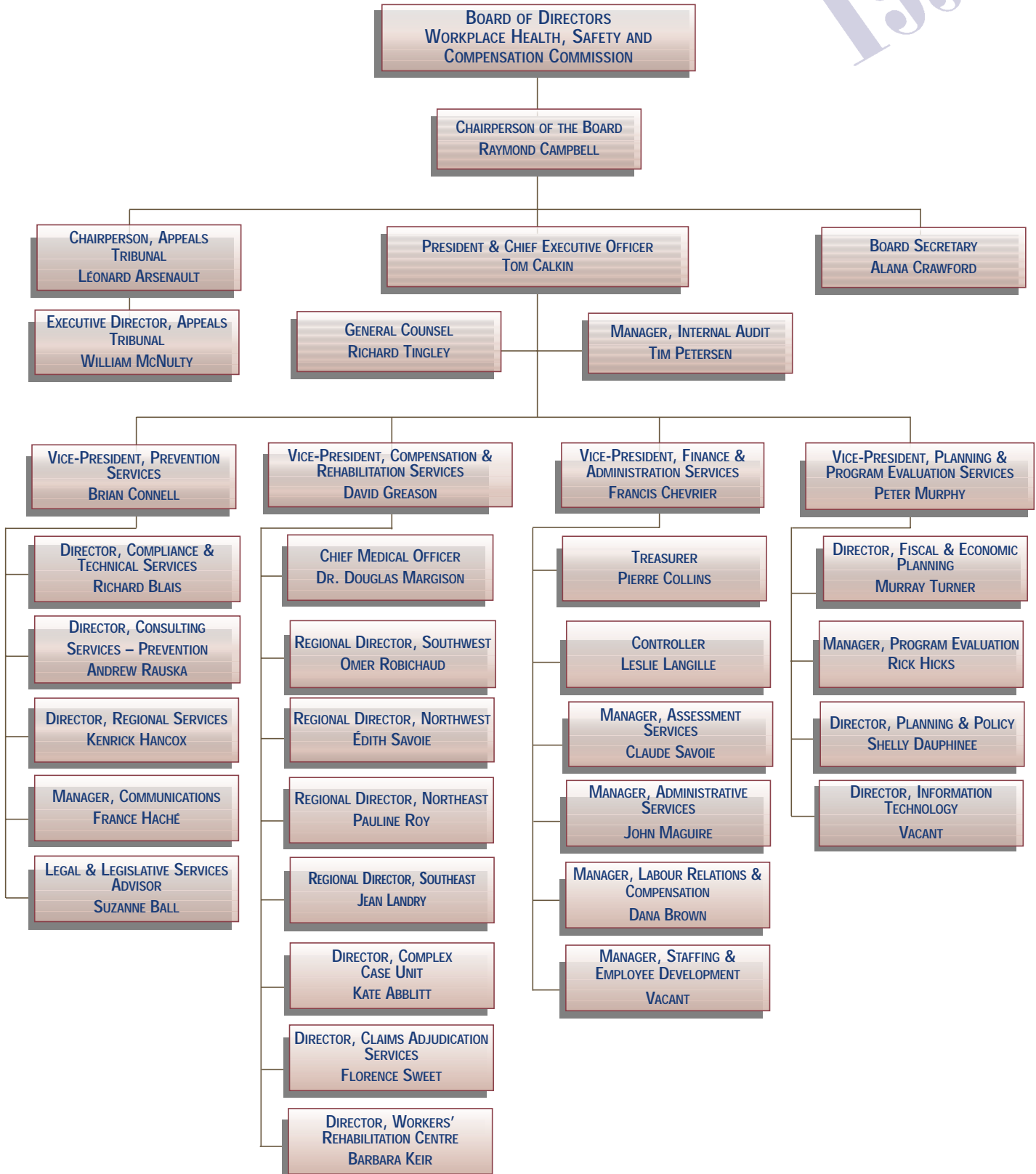


Tom Calkin
President & Chief Executive Officer

ORGANIZATIONAL STRUCTURE

AT DECEMBER 31, 1999

1999



DIVISIONAL ACCOMPLISHMENTS

PREVENTION

1999

PURPOSE

The Workplace Health, Safety and Compensation Commission has maintained its commitment to assist New Brunswick workers and employers with the elimination of workplace accidents and illnesses. The concept that “all accidents are preventable” is the philosophical cornerstone for Prevention Services, the Division dedicated to accident prevention. Communicating this message to all the people of New Brunswick is a long-term performance objective of Prevention staff.

The Commission delivers prevention services to the province from four regions, which have five service locations. These services include, but are not limited to: workplace inspections, education, occupational health, ergonomics, risk management and occupational hygiene. They are carried out as follows:

- Health and safety officers inspect workplaces and conduct accident and fatality investigations.
- Education consultants conduct workshops and seminars and assist joint health and safety committees.
- Occupational health consultants focus on soft-tissue injuries and assist workplaces with the implementation of various programs (e.g. Back in Form).
- Ergonomics consultants assist workplaces with the elimination of hazards that can cause soft-tissue injuries.
- Risk management consultants assist with the implementation of risk management services, an audit protocol for the workplace.
- Occupational hygienists inspect workplaces and work practices and investigate workplace environmental factors.

THE KEY OBJECTIVE FOR PREVENTION SERVICES CONTINUES TO BE:
“Our vigorous pursuit of safety will lead to a significant decline in the frequency rate of accidents.”

ACCOMPLISHMENTS

Prevention Services staff concentrated their efforts in a number of strategic areas.

STAFF RESOURCES

Four health and safety officer contract positions, which had been added to the complement in 1998, were renewed. Curriculum development and multimedia specialist contracts were also renewed.

BROADENING AWARENESS OF HEALTH AND SAFETY

- Staff worked with the New Brunswick Federation of Labour to produce a poster for the “Day of Mourning” (April 28).
- Events were organized in conjunction with the North American Occupational Safety and Health (NAOSH) Week, including five regional gatherings and a poster contest for elementary school children.
- The 19th Annual Health and Safety Conference was held in Moncton, October 31 through November 2, 1999, with over 700 delegates attending both the Conference and the 32 workshops that were offered.

TARGETED WORKPLACES

Regional health and safety staff targeted 18 firms for intensive intervention based on accident history and level of risk. An integrated approach was taken and staff from various Prevention disciplines were involved at the different workplaces. These included health and safety officers, education consultants, risk management consultants, occupational health consultants, occupational hygienists and ergonomists. There were 921 activities associated with these target firms, including 427 inspections and 188 orders written.

TARGETED INDUSTRIES

Criteria were developed to rate various industry groups based on accident frequency. Sawmills and machine shops which had been identified as a priority for intensive intervention in 1998 were

DIVISIONAL ACCOMPLISHMENTS

1999

subject to the same in 1999, with the forest industry sector added. The addition of the forest industry sector is a result of an unfortunate increase in serious accidents and fatalities. The major focus for sawmills in 1999 was the “lock-out and tag.” Staff met with various workplaces to create awareness and stress the importance of this basic safety procedure. Discussions were held with the industry associations involved and a joint working group was formed to address the health and safety issues which apply to sawmills.

Health and safety officers maintained their level of interventions with machine shops and began utilizing a hazard analysis checklist as an information tool. Results obtained from workplace visits will be reviewed and discussed with the industry association in 2000.

For the forest industry sector, staff are working with the Federation of Woodlot Owners on a plan to address the training needs of small operators.

HEALTH AND SAFETY IN THE SCHOOLS

New Brunswick teachers have participated along with Prevention staff in the development of an activity-based health and safety program for the school system. The program will provide teachers from kindergarten through grade 12 with the support they need to integrate health and safety concepts into the education curriculum and everyday teaching methodologies. The program is being piloted in 16 schools and will be reviewed early in 2000.

HEALTH AND SAFETY IMPROVEMENT SYSTEM

The recently developed Health and Safety Improvement System (HSIS) enables both the Commission and employers of the province to evaluate the health and safety performance of a workplace, and to track changes based upon performance measurements. HSIS is a model that has been designed based on the principles of leadership. It begins with the expectation that workplaces comply with health and safety legislation and then it challenges the workplace to accept a “continuous improvement” approach. Currently, there are six workplaces in the province piloting the system, including the Commission itself.



PARTNERSHIPS WITH ASSOCIATIONS

Commission staff have been working with officials from the St. John Ambulance, the Canadian Red Cross, the New Brunswick Safety Council, and the Association of Safety and Health Consultants and Trainers to develop a “young worker health and safety passport” program. The objective is to train young workers in both first aid and health and safety fundamentals, resulting in a safety record or “passport” to show future employers.

DATA DEVELOPMENT

A number of measurements were developed in 1999 to assist Prevention staff with the planning of health and safety interventions and the monitoring of progress thereon. Measurements were developed at both the employer level and industry level.

RISK MANAGEMENT SERVICES (RMS)

There are 136 active firms involved in the Risk Management Program, 17 of which were added in 1999. Excluding the 17 recent additions, the average score of active RMS firms increased from 56.5% to 61.5%. Approximately \$227,000 in rebates were paid out in 1999.

DIVISIONAL ACCOMPLISHMENTS

COMPENSATION AND REHABILITATION

1999

PURPOSE

The Compensation and Rehabilitation Services Division provides earnings replacement, medical services and return to work assistance to injured workers of the province from four regions, which have five service locations (Bathurst, Fredericton, Grand Falls, Moncton and Saint John) and the Workers' Rehabilitation Centre in Grand Bay-Westfield.

Services provided include: initial adjudication (acceptance or rejection of a claim for workplace injury), benefit payments, payments to service providers, long-term disability benefits, care allowances, provision of pensions, case management, job search assistance, medical rehabilitation and pain management.



ACCOMPLISHMENTS

Service levels and client satisfaction improved over the year, despite an increase in the number of claims.

Claims reported during the year increased 9.2% over 1998, a result of the growth in the number of employed workers in the province. Lost-time claims increased by 9.3% while the intake of case-managed claims increased by 8.3%.

Service improvements for 1999 in Compensation and Rehabilitation are reflected in these measures:

- The timeliness of provision of benefits improved by 11.2%, with the average time to first benefit payment reduced by 3.1 days.
- The Commission is now processing claims within 6 working days, which is the lowest ever.
- Approximately 23% of injured workers receive their first benefit cheque within 1 week of notification of the accident and 75% within 4 weeks.
- Client satisfaction increased in all categories of service as measured by an external satisfaction survey.
- The average length of time a claim is under case management has fallen from a high of 686 days in November of 1996 to an average 400 days throughout 1999.
- The average number of benefit days paid has fallen from a high of 584 in February 1997 to an average 180 days throughout 1999.
- The average length of time of a long-term disability claim has fallen from a high of 2,680 days from accident date in mid-1997 to approximately 1,400 days in 1999. LTD benefits are not awarded until the medical condition stabilizes and all vocational assistance has been provided.
- In 1999, an all-time high of 80% of injured workers who received case management assistance returned to employment immediately upon closure of the claim.

INITIATIVES

A number of initiatives to improve the quality, effectiveness and timeliness of service commenced in 1999. These were:

- A Disability Management program for workplaces. This is a joint labour management program to return injured workers to work.
- Continuum of Care. A specialized treatment regimen for soft-tissue injuries.

DIVISIONAL ACCOMPLISHMENTS

1999

- Recommended improvements emanating from a “role study” of the Workers’ Rehabilitation Centre were implemented.
- The negotiation of a fee structure and service schedule with the New Brunswick Medical Society was completed.
- A program was undertaken which improves communication with medical service providers.
- Divisional performance indicators were established.
- There were improvements to the timeliness of access to medical services.
- The initiation of a study into occupational diseases.
- The promotion of early reporting of injuries and the drafting of a communication brochure for workers.

WORKERS’ REHABILITATION CENTRE

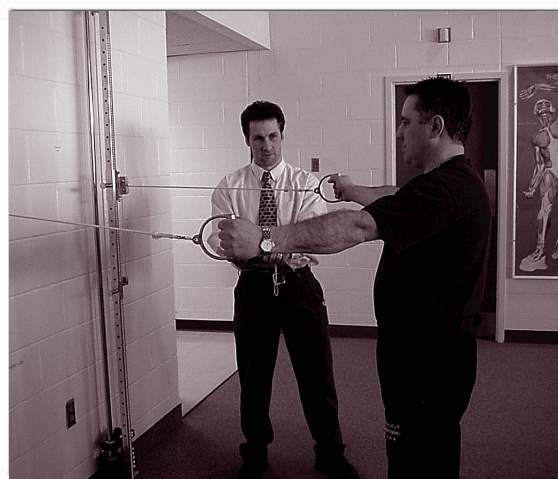
The Workers’ Rehabilitation Centre continues to provide a standard of excellence in the service it provides to workers and employers through its four programs: Work Recovery, Vocational Evaluation, Pain Management and Assistive Devices. The Centre had 2,209 admissions in 1999, an increase of 10% over 1998 and 27% above 1997.

The number of clients capable of returning to work following treatment at the Workers’ Rehabilitation Centre improved in all categories, as indicated in the following table:

	1998 ACTUAL	1999 OBJECTIVE	1999 ACTUAL
WITHIN 6 MONTHS OF ACCIDENT	68%	62%	71%
SIX TO 12 MONTHS FROM ACCIDENT	49%	52%	66%
ONE TO 2 YEARS FROM ACCIDENT	49%	47%	68%

The Workers’ Rehabilitation Centre enhanced services by implementing best practices, participating in professional and community programs, providing training opportunities through affiliation with regional universities, performing research into psychometric measurement tools, sponsoring provincial physiotherapy seminars and providing outreach programs in each region of the province. The Centre’s physiotherapy services received

a three-year accreditation award with commendation (the highest award) from the Canadian Physiotherapy Association. The occupational therapy and prosthetic/orthotic services are also nationally accredited and the Workers’ Rehabilitation Centre holds current accreditation with the Canadian Council of Health Services.



A client satisfaction survey carried out at the Workers’ Rehabilitation Centre showed satisfaction levels ranging from at least 80% to a high of 90% for various programs offered.

CHALLENGES

The Commission is facing a number of challenges as it enters the new millennium.

- the cost of acquiring medical services continues to rise;
- the workforce continues to age (with an increase in the cost of rehabilitation);
- the number of accidents continues to increase due to higher levels of employment (although the frequency of accidents per 100 workers has fallen);
- the medical options available to assist injured workers improve every year, with an associated increase in costs.

These issues will challenge the ability of the Commission to sustain its ever-increasing level of service within an acceptable cost framework.

DIVISIONAL ACCOMPLISHMENTS

FINANCE AND ADMINISTRATION

1999

PURPOSE

The Finance and Administration Services Division provides the financial framework and financial accountability under which the Commission carries out its legislated mandate. It generates from the assessment process and through the investing of assets in its Accident Fund, the revenues on which the Commission operates. The Division also oversees internal health and safety; employee services; staffing; training and development of human resources; and through facilities management, maintains and operates the Commission's buildings and premises.

In meeting its objectives and target measurables, the Division contributes to the Commission's ongoing effort to provide quality service to both injured workers and employers of the province.

ACCOMPLISHMENTS

During the year, the Division was successful in meeting its primary objectives.

OBJECTIVE

To meet the median investment return for the year of a recognized universe of investment funds – the SEI Universe of Fund Portfolios

The Commission's 1999 market rate of return of 13% on investments exceeded its target, the SEI Universe, by 1.7% (170 basis points), for the year.

OBJECTIVE

To maintain a funding level of at least 105% of assets to liabilities

As in the prior year, the 1999 investment returns accounted for a major portion of the Commission's greater than expected operating results for the year. These results helped sustain a greater than target funding level of 105%. We are financially healthy with a funded ratio which now stands at 109.0%. There is a continual need to assess the long-term future and the Commission constantly examines its service obligations, financial structure and funding level requirements.

OBJECTIVE

Investment strategy modifications

The Commission's investment strategies were modified and now provide a more conservative asset mix and less complex fund management structure. The modifications were considered prudent, given the ever-increasing volatility of the financial markets, our funding level and our overall financial health.

OBJECTIVE

Control of administration costs

The budget process establishes the guidelines which control expenditures for mandated operations and Board of Directors' initiatives. During the year, the Commission's total administration costs of \$26.4 million equalled the Board's approved budgeted amount and included continued spending on initiatives directed towards accident prevention.

OBJECTIVE

Roll out of Monthly Assessment on Actual Payroll (MAAP)

The MAAP system provides employers with the option to pay assessments on a monthly basis using actual payroll. This differs from the traditional method of paying once or twice a year. Employers choosing the MAAP method benefit through improved cash flow and the elimination of the need to estimate assessable earnings. At the end of 1999, the MAAP program had 1,183 participating employers (1998 – 916), a 30% increase over last year and better than planned. Of assessed revenue in 1999, close to 54% (1998 – 50%) was attributable to MAAP employers.

OBJECTIVE

MAAP Internet application

MAAP allows employers to file their actual payroll and pay their premiums to the Commission through pre-authorized payments. At present, employers have two methods of filing electronically. They can fax their monthly actual payroll to the Commission, or report their actual payroll through the Internet.

DIVISIONAL ACCOMPLISHMENTS

1999



Approximately 340 employers currently report their actual monthly payroll utilizing the Internet. By accessing the Commission's home page at www.whscc.nb.ca employers can input information through a secure Web site. Besides the data entry capability, these employers have electronic access to their recent *account statements*, *clearance certificates* and *cost of claims statements*. They can view, print and download the information.

OBJECTIVE

Human resource effectiveness

The Division's Staffing and Labour Relations groups have supported the Commission in two rounds of collective bargaining leading to new tentative agreements and have provided the recruiting services necessary for the areas of critical need.

OBJECTIVE

Employee services – Code of Ethics

The Commission's Board of Directors have a firm belief that ethics holds a place of predominance in the delivery of services to stakeholders and the people of New Brunswick. As a means of ensuring a better understanding of the Commission's Code of

Ethics, a bilingual guide was developed and presented to employees through information sessions. The guide is a comprehensive document that demonstrates, through examples, all sections of the Commission's Code of Ethics.

OBJECTIVE

Compliance with *Official Languages Act*

The Workplace Health, Safety and Compensation Commission is dedicated to the delivery of equal, quality service to both official linguistic groups in New Brunswick. The Division monitors linguistic service delivery and in 1999, all service delivery locations had a bilingual capacity that ensured client satisfaction and met or exceeded the requirements of the *Official Languages Act*.

OBJECTIVE

Employee "Wellness" initiative

The Commission has accepted the concept of "wellness" for the health and well-being of its employees. During the year, an internal Wellness Committee was established with representation from all parts of the organization. The objective of the wellness concept is to improve the health and well-being of all the Commission's employees. Under its terms of reference, the Wellness Committee is mandated to deliver a plan of action that will address the wellness needs. A needs analysis and an employee survey were conducted. In addition, research was undertaken and feedback solicited. Based on all of these, a plan of action has been developed and approved by the Commission's Executive Committee.

DIVISIONAL ACCOMPLISHMENTS

PLANNING AND PROGRAM EVALUATION

1999

PURPOSE

The Planning and Program Evaluation Services Division provides support to the Board of Directors and management of the Commission in carrying out its legislated responsibilities prescribed in the *Workplace Health, Safety and Compensation Commission Act*, the *Occupational Health and Safety Act* and the *Workers' Compensation Act*.

Each year, the Division provides support to the Board of Directors in establishing corporate direction through its goal-setting, strategic planning, fiscal planning and assessment rate setting process. On an ongoing basis, the Division assists the Board of Directors in researching and developing policies, monitoring corporate performance and communicating with stakeholder groups.

The Division supports management and staff of the Commission in their mandate to implement the corporate direction established by the Board of Directors by: facilitating the directional planning process; developing and maintaining efficient and effective technological infrastructure; and providing internal evaluation of programs and services delivered to injured workers and employers.

ACCOMPLISHMENTS

In 1999, the Division provided support to the Board of Directors and management of the Commission in reaching corporate goals and objectives through the following:

- A study was launched to measure injured worker and employer satisfaction. Each year, a random sample of over 700 clients will be interviewed through an independent research company. The results of the survey will be monitored and analyzed on an ongoing basis to ensure quality service for both injured workers and employers. Survey outcomes are measured and reported in relation to the corporate goals and objectives.
- Subsequent to province-wide consultation hearings seeking feedback on proposed legislative and regulatory changes, an evaluation process was established to assist the Board of Directors in finalizing its recommendations to government.



- Several infrastructure projects were completed in 1999 which:
 - ensured Y2K compliance and effective client service;
 - provided a secure system for employers choosing to send their monthly assessment information through the Internet.
- Expedited medical services through the Canadian Medical Network and case management service delivery were evaluated to determine overall effectiveness in meeting client needs, enabling management to continue to improve their services.

YEAR 2000 PLANS

- supporting the Board of Directors and staff in meeting the corporate goals and objectives;
- providing assistance to the Board of Directors in establishing policies to support any legislative amendments;
- enhancing technology to access and analyze accident information;
- modifying computer systems to meet processing needs as a result of policy changes;
- responsibly applying the advantages of recent improvements to our Information Technology infrastructure to help meet the Commission's objectives.

1999

The financial statements of the Workplace Health, Safety and Compensation Commission of New Brunswick were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgments, estimates and actuarial assumptions. This responsibility includes selecting and applying appropriate accounting principles and actuarial assumptions consistent with those generally accepted in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Commission's Board of Directors has reviewed and approved these financial statements. To assist the Commission in meeting its responsibilities, it has appointed an Audit Committee. This Committee meets periodically with management, internal audit, other staff, the external auditors and the external consulting actuary. The purpose is to discuss internal controls over financial activities, auditing matters, actuarial assumptions, financial reporting issues and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee reviews the financial statements and recommends approval to the Board of Directors.

Every two years, independent consulting actuaries complete an actuarial valuation of the benefits liabilities included in the financial statements of the Commission, issue a report thereon and state that the actuarial valuation has been prepared, in accordance with generally accepted actuarial practices. In the interim years, the Commission's internal actuary completes an estimate of the benefits liabilities of the Commission. This estimate is reviewed with the Commission's consulting actuary, but not in the same level of detail as when a full independent valuation is performed.

The external auditors for the Commission have performed an independent audit of the financial statements of the Commission in accordance with generally accepted auditing standards. The Auditors' Report outlines the scope of this independent audit and states the opinion expressed on the financial statements.



Francis D. Chevrier
Vice-President, Finance & Administration Services
and
Chief Financial Officer

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK BALANCE SHEET

December 31, 1999

	1999 (000s)	1998 (000s)
ASSETS		
Receivables (Note 3)	\$ 8,789	\$ 6,574
Recoverable benefits liabilities (Note 2)	63,128	61,284
Investments (Note 4)	510,489	482,878
Capital assets (Note 5)	9,217	8,272
Other assets	3,836	412
	<u>\$ 595,459</u>	<u>\$ 559,420</u>
LIABILITIES AND FUND BALANCE		
Payables and accruals (Note 6)	\$ 7,340	\$ 10,839
Benefits liabilities (Notes 7 and 8)	539,084	516,876
Total liabilities	546,424	527,715
Fund balance	49,035	31,705
	<u>\$ 595,459</u>	<u>\$ 559,420</u>

Contingent liability and uncertainty (Notes 14 and 15)

On behalf of the Board:



Gérald Clavette
Audit Committee, Board of Directors



Darline Cogswell
Audit Committee, Board of Directors



Raymond Campbell
Chairperson, Board of Directors

AUDITORS' REPORT

To the Honourable Minister of Labour of the Province of New Brunswick

We have audited the balance sheet of the Workplace Health, Safety and Compensation Commission of New Brunswick as at December 31, 1999 and the statements of operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Workplace Health, Safety and Compensation Commission of New Brunswick as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Saint John, New Brunswick
February 25, 2000



Chartered Accountants

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK STATEMENTS OF OPERATIONS AND FUND BALANCE

For the Year ended December 31, 1999

	OPERATIONS		1998 (000s) Actual
		1999 (000s)	
	Budget	Actual	
INCOME			
Assessments (Note 9)	\$ 82,200	\$ 90,834	\$ 78,272
Funding policy assessment	–	–	500
Self-insured employers (Note 10)	17,450	18,013	12,966
Investments (Note 4)	37,200	43,856	50,401
Province of New Brunswick	900	900	900
	137,750	153,603	143,039
EXPENSES			
Claims costs incurred (Note 7)			
Short-term disability and rehabilitation	33,500	37,729	35,724
Long-term disability	36,500	31,064	23,932
Survivor benefits	10,000	9,185	11,908
Health care	30,500	31,916	29,192
	110,500	109,894	100,756
Administration			
Operations (Note 11)	18,183	18,196	16,354
Occupational health and safety (Note 11)	6,068	6,251	5,405
Appeals Tribunal	1,186	1,137	1,007
Legislative obligations (Note 12)	530	534	540
Risk Management Services – rebates	350	227	76
Projects and research	40	34	19
	26,357	26,379	23,401
Total expenses	136,857	136,273	124,157
Excess of income over expenses for the year	\$ 893	\$ 17,330	\$ 18,882

FUND BALANCE

Fund balance, beginning of year	\$ 31,705	\$ 12,823
Excess of income over expenses for the year	17,330	18,882
Fund balance, end of year	\$ 49,035	\$ 31,705

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK STATEMENT OF CASH FLOWS

Year ended December 31, 1999

	1999 (000s)	1998 (000s)
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Assessed employers	\$ 82,840	\$ 77,480
Self-insured employers	15,956	15,521
Investments	43,683	50,382
Province of New Brunswick	-	900
	<u>142,479</u>	<u>144,283</u>
Cash paid to:		
Injured workers or third parties on their behalf	87,686	82,579
Suppliers, for administrative and other goods and services	24,776	21,086
	<u>112,462</u>	<u>103,665</u>
Net cash provided by operating activities	30,017	40,618
CASH FLOW FROM INVESTING ACTIVITIES		
Cash paid for:		
Purchase of capital assets	2,406	2,075
	<u>27,611</u>	<u>38,543</u>
Net increase in investments	27,611	38,543
Investments, beginning of year	482,878	444,335
Investments, end of year	\$ 510,489	\$ 482,878

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

1. NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission ("the Commission") was established by the New Brunswick Legislature effective January 1, 1995, under the *Workplace Health, Safety and Compensation Commission Act*. The Commission is responsible for the administration of the *Workers' Compensation Act* and the *Occupational Health and Safety Act*; and, in accordance with the provisions of these acts, for promoting accident prevention; administering the payment of benefits to injured workers; levying and collecting assessment revenues from employers in amounts sufficient to cover the current and future costs of existing claims; promoting occupational health and safety; and investing funds.

The Province of New Brunswick has committed to the funding of a grant to the Commission in support of occupational health and safety.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Unbilled assessments

A portion of assessment income for the year is not billed or received until after year end. Part of the amount receivable is an estimate based on an analysis of payroll data of assessed employers and on other information. The remainder is determined based on amounts billed and received subsequent to year end. Any difference between unbilled assessments and the actual assessment income received is credited or charged to income in the following year.

Recoverable benefits liabilities and self-insured employers

These financial statements include the effects of transactions carried out for self-insured employers (Federal and certain Provincial Government institutions) who directly bear the cost of their incurred claims and an appropriate share of administration costs.

The benefits liabilities recorded in these financial statements include obligations to injured workers of self-insured employers, excluding those injured workers and dependents receiving benefits under the *Government Employees Compensation Act* or the *Silicosis Compensation Act*. These obligations represent the actuarial present value of all future benefits payments on behalf of self-insured employers expected to be made for claims which occurred in the current fiscal year, or in any prior year. As these liabilities will be borne by the self-insured employers when paid in future years, an offsetting receivable in an amount equal to the benefits liabilities exists and is shown as recoverable benefits liabilities on the Commission's balance sheet. Self-insured employers who are Crown Corporations are required to provide the Commission with an irrevocable letter of credit or a guarantee from the Province of New Brunswick, as security for the receivable.

Investments

a) Fixed-term investments

Fixed-term investments are carried at amortized cost. Gains and losses realized on disposal of fixed-term investments are amortized on a straight line basis over a seven-year period, which approximates the period to maturity.

b) Equities

Equity investments and option contracts are stated at moving average market value. Realized and unrealized gains and losses occurring during the year are deferred and amortized on a straight line basis over a five-year period.

c) Fair values

Fair values of investments are determined as follows:

- Fixed-term investments and equities are valued at year-end quoted prices.
- Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which, together with accrued interest, approximates fair value.

d) Foreign currencies

Equity investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from equities is translated at the rate in effect at the time the income is received.

Exchange gains or losses resulting from the translation of foreign currency denominated equity balances are amortized into investment income in the same manner as other equity gains or losses.

Capital assets

Capital assets are reported at cost and are depreciated on a straight line basis over their estimated useful lives. The rates used are as follows:

Buildings	25 or 40 years
Furniture and equipment	5 years
Computer software and hardware	3 years
Motor vehicles	3 years, 35% residual value

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUED)

Post-employment benefits

In 1999, the Commission adopted an accounting policy to record its liability for post-employment benefits. Based on a December 31, 1999 actuarial valuation, the accumulated liability of \$2.1 million has been included in the financial statements, in the current year.

Benefits liabilities

Benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for claims which occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims. Benefits liabilities also include the estimated liability for latent occupational disease and a provision for future administration costs of existing claims. Due to the nature of the estimated liability for latent occupational disease and the extent of related historical claims information available, this liability is more uncertain by its nature than other benefits liabilities. As information is accumulated and analyzed, adjustments may be necessary to improve precision.

It is the Commission's policy to have an independent consulting actuary complete a valuation of the benefits liabilities of the Commission every two years. Such a valuation was performed as at December 31, 1998. In interim years, the Commission's internal actuary completes an estimate of the benefits liabilities. This estimate is reviewed with the Commission's consulting actuary, but not in the same level of detail as when a full independent valuation is performed. Actual future costs could vary from those amounts presented in the financial statements.

Included in benefits liabilities is an amount for pensions established to compensate injured workers and surviving spouses for the loss of retirement income due to an industrial accident, as provided in Sections 38.22, 38.54 and 38.7 of the *Workers' Compensation Act*. At year end, \$9.2 million (1998 – \$7.3 million) is included in benefits liabilities, representing the applicable pension on eligible compensation payments already made, plus interest calculated at the accounting rate of return on the Commission's investment portfolio. Future costs relating to these benefits are provided for as part of the benefits liabilities determined by actuarial valuation or review.

Funding policy

The Commission's funding policy permits a range for its funded ratio of assets to liabilities between 100% and 110% and specifies a funding goal of 105%. This permitted excess of assets over liabilities reduces the impact of year-to-year fluctuations, disasters and other unanticipated events, therefore providing rate stabilization. The assessment revenue raised in any year from assessed employers may include or be reduced by an amount designed to allow the Commission to attain a funded ratio considered financially advisable. The funded ratio at December 31, 1999 is 109.0% (1998 – 106.0%).

Workers' Rehabilitation Centre

Included in health care payments is \$7.1 million (1998 – \$5.9 million) for services provided by the Workers' Rehabilitation Centre, a department of the Commission.

Agreements with respect to certain employer assessments

The Commission has entered into agreements with certain employers which require these employers to provide funding to cover the specific costs of benefits to their injured workers. At a predetermined point in time, an actuarial determination is made of the future benefits payments expected for claims identified with each employer and a final settlement is reached. Subsequent adjustments to the actuarial determination of benefits liabilities associated with these agreements are the responsibility of, or for the benefit of, the Commission.

3. RECEIVABLES

	1999 (000s)	1998 (000s)
Assessments billed	\$ 1,340	\$ 1,231
Unbilled assessments	6,243	5,033
Self-insured employers – receivable	1,584	1,371
Self-insured employers – deposits	(1,674)	(1,674)
Other	1,296	613
	<u>\$ 8,789</u>	<u>\$ 6,574</u>

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS

December 31, 1999

4. INVESTMENTS

The Commission has an established policy for the management of its investments. As part of its investment process, it utilizes external investment portfolio managers. The compliance of these portfolio managers with the investment policy is monitored on a regular basis.

	1999 (000s)		1998 (000s)	
	Book Value	Fair Value	Book Value	Fair Value
i) Portfolio investments				
Money market	\$ 57,197	\$ 57,197	\$ 66,486	\$ 66,486
Fixed-term investments	181,492	179,310	170,771	168,769
Equities	314,162	378,843	302,782	326,564
	552,851	615,350	540,039	561,819
Deferred realized investment gains	(42,362)	-	(57,161)	-
	\$ 510,489	\$ 615,350	\$ 482,878	\$ 561,819

ii) Credit risk

Concentration of credit risk – 24% (1998 – 34%) of fixed-term investments are direct obligations of a Canadian chartered bank.

iii) Deferred realized investment gains

	1999 (000s)	1998 (000s)
Balance, beginning of year	\$ 57,161	\$ 59,995
Realized net investment gains for the year	16,660	26,033
	73,821	86,028
Amortization to investment income	(31,459)	(28,867)
Balance, end of year	\$ 42,362	\$ 57,161

iv) Investment income

	1999 (000s)	1998 (000s)
Interest and dividends	\$ 14,623	\$ 21,261
Reduction of fixed-term securities	(11,515)	-
Amortization of deferred realized investment gains	31,459	28,867
Amortization of deferred unrealized investment gains	11,030	2,382
	45,597	52,510
Less: Portfolio management expenses	(1,741)	(2,109)
	\$ 43,856	\$ 50,401

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS

December 31, 1999

4. INVESTMENTS (CONTINUED)

v) Derivative financial instruments

Certain of the Commission's external investment portfolio managers may from time to time utilize derivative financial instruments where appropriate to increase portfolio diversification, reduce interest rate and foreign currency volatility and enhance overall investment returns. At December 31, 1999, no derivative financial instruments were included in the investments. At December 31, 1998, included in equities were option contracts with a cost of \$1.1 million and a market value of \$1.1 million.

vi) Investment agreement

The Commission has entered into an investment agreement for the combined management of its investments and those of the Workers' Compensation Board of Prince Edward Island. These financial statements report the Commission's proportional share of the investments held in the fund which was 91.1% at December 31, 1999 (1998 – 91.7%). The Commission receives a fee for the administration of the Workers' Compensation Board of Prince Edward Island's share of the fund.

5. CAPITAL ASSETS

	1999 (000s)			1998 (000s)
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 162	\$ –	\$ 162	\$ 162
Buildings	10,807	5,097	5,710	5,850
Furniture and equipment	3,896	3,369	527	327
Computer software and hardware	11,500	8,824	2,676	1,782
Motor vehicles	314	172	142	151
	<u>\$ 26,679</u>	<u>\$ 17,462</u>	<u>\$ 9,217</u>	<u>\$ 8,272</u>

6. PAYABLES AND ACCRUALS

	1999 (000s)	1998 (000s)
Accounts payable and accruals	\$ 4,806	\$ 3,819
Post-employment benefits	2,091	–
Employer deposits	443	7,020
	<u>\$ 7,340</u>	<u>\$ 10,839</u>

Employer deposits represent funds deposited with the Commission in accordance with the agreements with respect to certain employers referred to in Note 2 of these financial statements.

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

7. BENEFITS LIABILITIES

The categories, short-term disability and rehabilitation, previously disclosed separately, have been combined to more accurately reflect the manner in which costs are accumulated under the Commission's approach to the Case Management of claims. The Case Management approach utilized does not distinguish between short-term disability and rehabilitation.

i) Continuity schedule

	1999 (000s)				1998 (000s)
	Short-term disability and rehabilitation	Long-term disability	Survivor benefits	Health care	Total
Balance, beginning of year	\$ 65,353	\$ 256,910	\$ 102,936	\$ 91,677	\$ 498,699
Add claims costs incurred:					
Current year injuries	33,427	16,658	2,564	24,528	77,177
Prior years' injuries	4,302	14,406	6,621	7,388	32,717
	37,729	31,064	9,185	31,916	109,894
Less claims payments made:					
Current year injuries	10,811	59	110	7,243	18,223
Prior years' injuries	20,060	22,243	7,849	19,311	69,463
	30,871	22,302	7,959	26,554	87,686
Balance, end of year	\$ 72,211	\$ 265,672	\$ 104,162	\$ 97,039	\$ 539,084

ii) Current year injuries

	1999 (000s)			1998 (000s)		
	Claims payments	Expected future costs	Claims costs incurred	Claims payments	Expected future costs	Claims costs incurred
Short-term disability and rehabilitation	\$ 10,811	\$ 22,616	\$ 33,427	\$ 9,389	\$ 18,878	\$ 28,267
Long-term disability	59	16,599	16,658	181	14,072	14,253
Survivor benefits	110	2,454	2,564	181	4,814	4,995
Health care	7,243	17,285	24,528	6,717	15,247	21,964
	\$ 18,223	\$ 58,954	\$ 77,177	\$ 16,468	\$ 53,011	\$ 69,479

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS

December 31, 1999

7. BENEFITS LIABILITIES (CONTINUED)

iii) Prior years' injuries

Significant changes in benefits liabilities and claims costs incurred for prior years' injuries arising from the estimate of those benefits liabilities, performed as at year end, included the following:

	Increase (decrease) in benefits liabilities and claims costs incurred	
	1999 (000s)	1998 (000s)
(Favourable) unfavourable experience on short-term disability and rehabilitation claims	\$ (1,300)	\$ 1,700
Unfavourable experience on health care costs	2,200	-
Reduction in assumed indexing rate for CPI-indexed benefits	\$ (6,500)	\$ (6,000)

8. ACTUARIAL ASSUMPTIONS

The estimate of the benefits liabilities is based on assumptions that reflect both short-term and long-term forecasts. The table below lists the principal economic assumptions used:

	1999		1998	
	CPI-indexed awards	Other payments	CPI-indexed awards	Other payments
Gross rate of return	8.00%	8.00%	8.00%	8.00%
Inflation – Year 1	1.10%	4.35%	1.20%	4.35%
– subsequent years	4.35%	4.35%	4.35%	4.35%
Net rate of return – Year 1	6.82%	3.50%	6.75%	3.50%
– subsequent years	3.50%	3.50%	3.50%	3.50%

9. ASSESSMENTS

	1999 (000s)		1998 (000s)
	Budget	Actual	Actual
Assessments earned	\$ 81,900	\$ 90,527	\$ 77,898
Interest and penalties	500	682	631
Assessments written off	(200)	(375)	(257)
	\$ 82,200	\$ 90,834	\$ 78,272

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS

December 31, 1999

10. SELF-INSURED EMPLOYERS

	1999 (000s)		1998 (000s)
	Budget	Actual	Actual
Assessment revenue	\$ 17,450	\$ 18,013	\$ 12,966
Claims costs incurred:			
Short-term disability and rehabilitation	4,700	7,341	5,988
Long-term disability	5,450	4,277	(597)
Survivor benefits	975	1,141	743
Health care	3,475	2,592	4,261
	14,600	15,351	10,395
Administration	2,850	2,806	2,617
Sub-total	17,450	18,157	13,012
Less: Share of investment income	-	(144)	(46)
	\$ 17,450	\$ 18,013	\$ 12,966

11. ADMINISTRATION

i) Categories

	1999 (000s)		1998 (000s)
	Budget	Actual	Actual
Salaries and employee benefits	\$ 17,588	\$ 16,889	\$ 15,872
Depreciation	1,750	1,385	1,540
Professional fees	965	851	1,183
Office and communications	1,650	1,603	1,478
Building operations	2,313	2,154	1,896
Travel and vehicle operations	987	973	941
Education and training	574	490	307
Other	624	643	630
Post-employment benefits	-	1,749	-
	26,451	26,737	23,847
Allocated to health care claims costs	(2,200)	(2,290)	(2,088)
	\$ 24,251	\$ 24,447	\$ 21,759

A portion of the Commission's administration costs represent charges incurred by the Commission on behalf of the Workers' Rehabilitation Centre. These costs, which relate to claims, have been allocated to health care.

ii) Disclosure

Operations	\$ 18,183	\$ 18,196	\$ 16,354
Occupational health and safety	6,068	6,251	5,405
	\$ 24,251	\$ 24,447	\$ 21,759

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

12. LEGISLATIVE OBLIGATIONS AND OTHER RELATED PARTY TRANSACTIONS

The Commission is required by legislation to reimburse the Provincial Government for all operating costs of the Workers' and Employers' Advocates. In 1999, the Commission budgeted \$530,000 for these costs and incurred \$534,000 (1998 – \$540,000).

These financial statements include the results of activity from normal operating transactions with various Provincial Government controlled departments, agencies and Crown Corporations, with which the Commission may be considered related.

The following investments held by the Commission are issued by the Province or its agencies, or are issued by municipalities and guaranteed by the Province:

	1999 (000s)	1998 (000s)
Province of New Brunswick	\$ 853	\$ 1,748

13. EMPLOYEE PENSION PLAN

The Commission and its employees participate in a contributory defined benefit pension plan, administered by the Province of New Brunswick, which provides pensions based on the length of service and best average earnings.

An actuarial valuation prepared as at April 1, 1989 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available to provide for these benefits. The Commission's portion of the shortfall was determined to be \$2.6 million. The unfunded liability is being funded through annual escalating payments which commenced in 1992.

Using the 1989 valuation, annual payments (including interest) in each of the next five years, bearing interest at CPI plus 2% (assuming an average rate of 6.0%) amortized to 2016, are as follows:

	(000s)
2000	\$ 198
2001	210
2002	222
2003	235
2004	250

An actuarial valuation was prepared as at April 1, 1997. This valuation also indicated that the present value of the accumulated plan benefits continued to exceed the market value of the net assets available to provide these benefits. No change has been made to the funding based on this valuation, however, future valuations may change the funding requirements.

14. CONTINGENT LIABILITY

Bill 21, *An Act to Amend the Workers' Compensation Act*, was proclaimed on February 26, 1998. Section 38.81 of this Bill reinstates benefits to surviving spouses who were disentitled on or after April 17, 1985 as a result of remarriage or cohabitation. Benefits liabilities include the future costs for these reinstated benefits. Some survivors who were disentitled prior to April 17, 1985 claim their benefits should be reinstated and have commenced legal action. As the outcome of this action is not determinable, these financial statements do not include a related liability. If it is determined the Commission is held liable for the cost of any reinstatement, these costs will be accounted for as an expense in the year of occurrence.

15. UNCERTAINTY WITH RESPECT TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as the year 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Commission, including those related to customers, suppliers, or other third parties, have been fully resolved.

16. BUDGET

The 1999 budget figures which are presented for comparison with the actual figures were approved by the Commission's Board of Directors and have not been audited.

17. COMPARATIVE FIGURES

Certain of the 1998 figures which are presented for comparative purposes have been reclassified to conform with the presentation adopted in the current year.

KEY STATISTICAL OUTCOME MEASURES

	(Unaudited)	
	1999	1998
Number of claims reported	27,714	25,375
Number of new lost-time claims	6,480	5,937
Number of fatalities accepted	20	17
Current year claims costs incurred (000s)	\$77,177	\$69,479
Claims payments made for current and prior years' injuries (000s)	\$87,686	\$82,579
Claims costs incurred for current and prior years' injuries (000s)	\$109,894	\$100,756
Total benefits liabilities – assessed employers (000s)	\$475,522	\$455,418
Total benefits liabilities – self-insured employers (000s)	\$63,562	\$61,458
Administration costs – Operations, excludes self-insured (000s)	\$15,390	\$13,737
Administration costs – Occupational Health and Safety (000s)	\$6,251	\$5,405
Assessment revenue (000s)	\$90,834	\$78,772
Total premium revenue (000s)	\$108,847	\$91,738
Assessable payroll (000s)	\$5,444,235*	\$5,009,408
Average assessment rate	\$1.62*	\$1.59
Market rate of return on portfolio	13.0%	8.5%
Percentage funded	109.0%	106.0%
Average calendar days from injury to first payment issued**	37	38
Average calendar days from registration to first payment issued**	24	27

Certain 1998 figures have been restated to reflect more up-to-date information.

* Projected pending receipt of final figures for 1999

** New for 1999

HISTORICAL FINANCIAL STATEMENTS

FIVE YEAR HISTORICAL FINANCIAL STATEMENTS (UNAUDITED)

BALANCE SHEET

As at December 31

	1999 (000s)	1998 (000s)	1997 (000s)	1996 (000s)	1995 (000s)
ASSETS					
Receivables	\$ 8,789	\$ 6,574	\$ 6,891	\$ 5,900	\$ 7,415
Recoverable benefits liabilities	63,128	61,284	63,290	59,044	58,082
Investments	510,489	482,878	444,335	403,773	375,164
Capital assets	9,217	8,272	7,855	8,762	9,078
Other assets	3,836	412	343	354	234
	\$ 595,459	\$ 559,420	\$ 522,714	\$ 477,833	\$ 449,973
LIABILITIES AND FUND BALANCE (UNFUNDED LIABILITY)					
Payables and accruals	\$ 7,340	\$ 10,839	\$ 11,192	\$ 9,914	\$ 23,170
Benefits liabilities	539,084	516,876	498,699	461,871	445,664
	546,424	527,715	509,891	471,785	468,834
Contingency reserves	–	–	–	–	279
Fund balance (unfunded liability)	49,035	31,705	12,823	6,048	(19,140)
	49,035	31,705	12,823	6,048	(18,861)
	\$ 595,459	\$ 559,420	\$ 522,714	\$ 477,833	\$ 449,973

NOTE: Certain of the above figures have been restated to reflect the retroactive effect of changes in accounting policies.

HISTORICAL FINANCIAL STATEMENTS

FIVE YEAR HISTORICAL FINANCIAL STATEMENTS (UNAUDITED) STATEMENT OF OPERATIONS AND FUND BALANCE (UNFUNDED LIABILITY)

For the Year ended December 31

	1999 (000s)	1998 (000s)	1997 (000s)	1996 (000s)	1995 (000s)
INCOME					
Assessments	\$ 90,834	\$ 78,272	\$ 63,055	\$ 60,244	\$ 69,637
Funding policy assessment	-	500	9,000	18,500	10,000
Self-insured employers	18,013	12,966	13,929	13,027	14,853
Investments	43,856	50,401	47,806	41,253	32,784
Province of New Brunswick	900	900	1,085	1,648	1,677
	153,603	143,039	134,875	134,672	128,951
EXPENSES					
Claims costs incurred					
Current year injuries	77,177	69,479	54,228	53,685	43,793
Prior years' injuries	32,717	31,277	34,055	32,555	18,616
	109,894	100,756	88,283	86,240	62,409
Administration					
Operations	18,196	16,354	16,206	16,512	16,592
Occupational health and safety	6,251	5,405	4,451	4,700	4,725
Appeals Tribunal	1,137	1,007	950	1,025	1,023
Legislative obligations	534	540	533	494	472
Risk Management services – rebates	227	76	200	374	-
Projects and research	34	19	149	418	175
	26,379	23,401	22,489	23,523	22,987
	136,273	124,157	110,772	109,763	85,396
Excess of income over expenses before unusual item	17,330	18,882	24,103	24,909	43,555
Unusual item – legislative amendments	-	-	(17,328)	-	-
Excess of income over expenses for the year	17,330	18,882	6,775	24,909	43,555
Transfer from contingency reserves	-	-	-	279	-
Net change in fund balance	17,330	18,882	6,775	25,188	43,555
Fund balance (unfunded liability), beginning of year	31,705	12,823	6,048	(19,140)	(62,695)
Fund balance (unfunded liability), end of year	\$ 49,035	\$ 31,705	\$ 12,823	\$ 6,048	\$ (19,140)

NOTE: Certain of the above figures have been restated to reflect the retroactive effect of changes in accounting policies.

OFFICIAL LANGUAGES

1999

The Workplace Health, Safety and Compensation Commission (Commission de la santé, de la sécurité et de l'indemnisation des accidents au travail) actively offers and provides services of equal quality in both official languages. The Commission continuously strives to deliver its services in both official languages in order to achieve compliance with its linguistic service obligations. If a problem arises with the delivery of service in both official languages, adjustments are made to ensure linguistic service obligations are met.

During the year, the Commission received three complaints with respect to lack of service in both official languages. These complaints were addressed immediately and corrective action was taken.

EXECUTIVE COMPENSATION

Senior executives of the Commission are compensated in accordance with policies approved by the Board of Directors. In 1999, salary scales for senior executives were:

President & Chief Executive Officer	\$119,025 to \$137,786
Vice-President, Compensation & Rehabilitation Services	\$97,762 to \$113,172
Vice-President, Finance & Administration Services	\$88,541 to \$102,497
Vice-President, Prevention Services	\$88,541 to \$102,497
Vice-President, Planning & Program Evaluation Services	\$80,219 to \$92,864
General Counsel	\$80,219 to \$92,864

STATISTICAL INFORMATION

PREVENTION / OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES

ALL ACTIVITIES BY REGION

Northeast Region	2,391
Northwest Region	1,918
Southeast Region	2,341
Southwest Region	3,275
Total	9,925

GENERAL HEALTH AND SAFETY

Workplace inspections	5,135
Orders written	3,589
Stop-work orders	57
Accident investigations	122
Fatalities investigated	12
Court cases	9
Awareness education / training	75
Consultation	985

OCCUPATIONAL HYGIENE

Workplace inspections	213
Orders written	125
Stop-work orders	1
Awareness education / training	36
Consultation	138
Evaluation and analysis	108
Tests	49

EDUCATION

Awareness education / training	422
Consultation	418

ERGONOMICS

Awareness education / training	13
Consultation	402
Evaluation and analysis	105

OCCUPATIONAL HEALTH

Awareness education / training	168
Consultation	282
Evaluation and analysis	28

RISK MANAGEMENT

Awareness education / training	60
Consultation	233
Evaluation and analysis	208

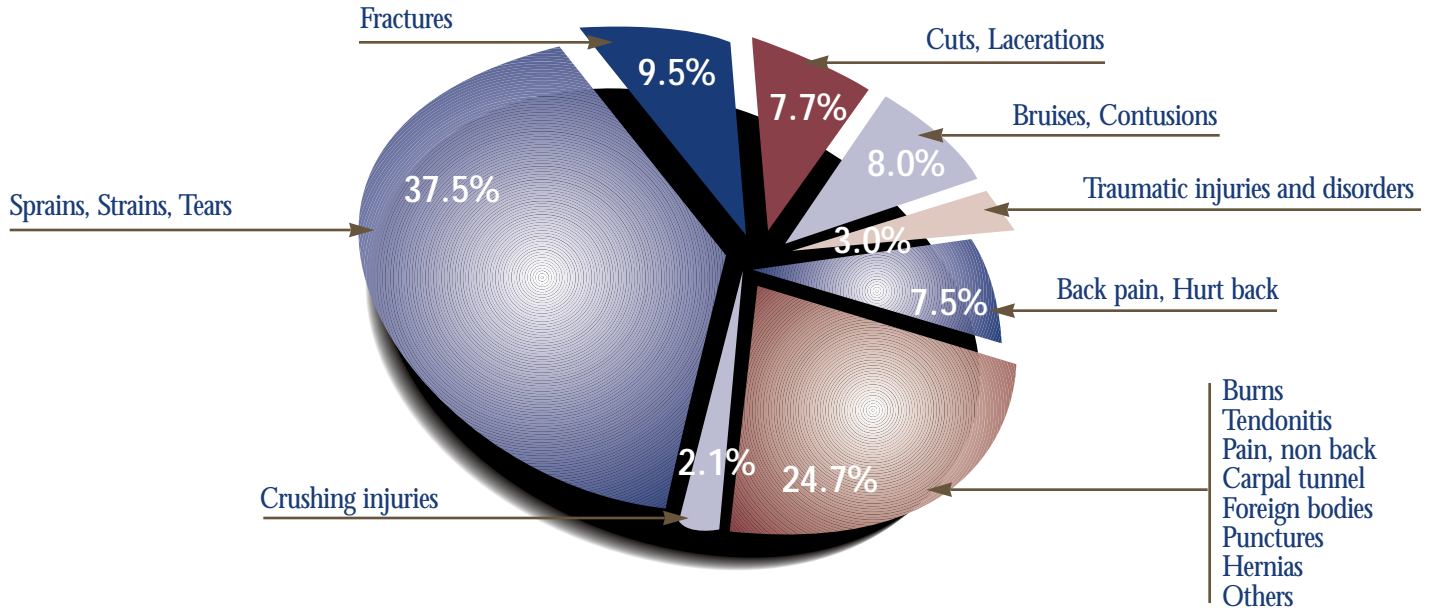
NOTE: During the year, the Commission implemented a new system which provides better reporting of workplace contacts. 1998 comparative figures are not available.

STATISTICAL INFORMATION

INJURIES

1999

NATURE OF INJURY



SUMMARY OF BENEFITS

COMPENSABLE EARNINGS MAXIMUM ANNUAL	COMPENSABLE EARNINGS MAXIMUM WEEKLY	PERCENTAGE RATE FOR DETERMINING BENEFITS	MAXIMUM WEEKLY BENEFITS	EFFECTIVE DATE
\$44,600	\$857.69	85% of net 85% of net	\$501.71* \$526.23**	January 1, 1999 January 1, 1999

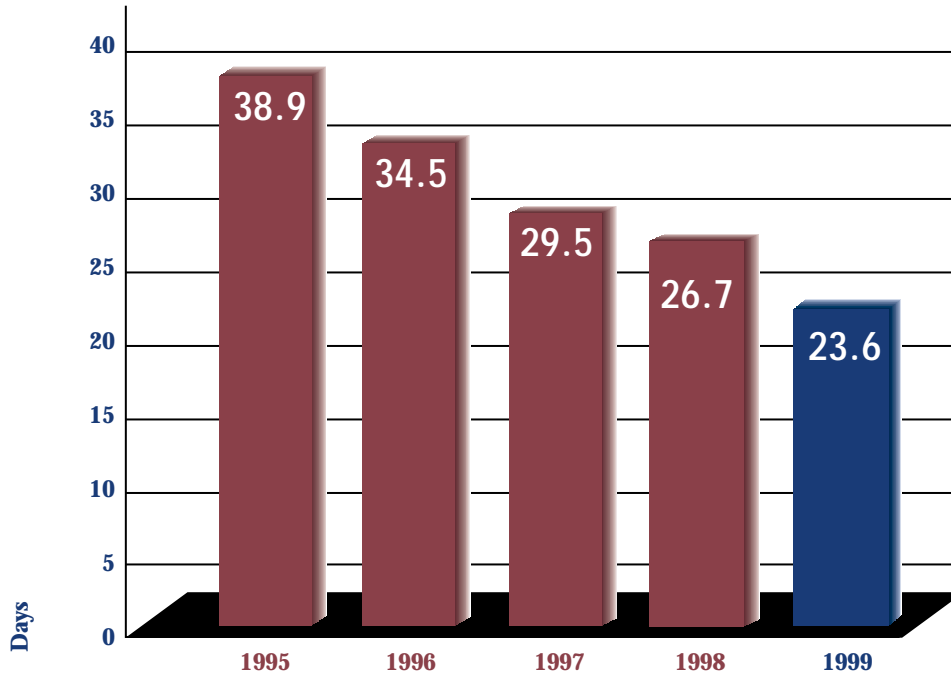
* No dependents
** Dependent spouse

STATISTICAL INFORMATION

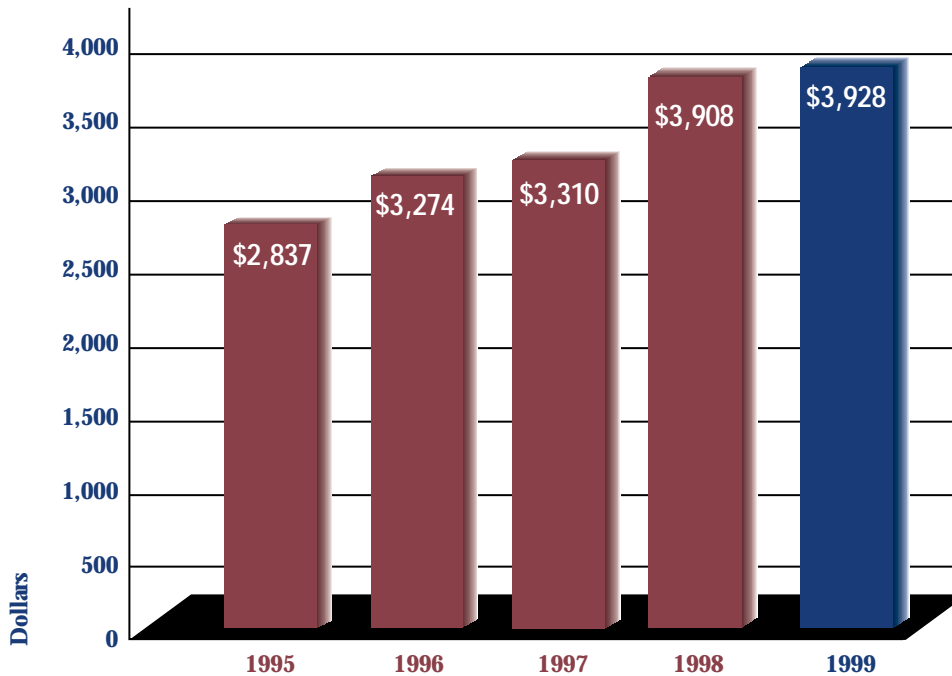
CLAIMS

1999

AVERAGE TIME (IN DAYS) FROM
REPORTING (OF INJURY) TO FIRST PAYMENT



AVERAGE PAYMENT PER CLAIM

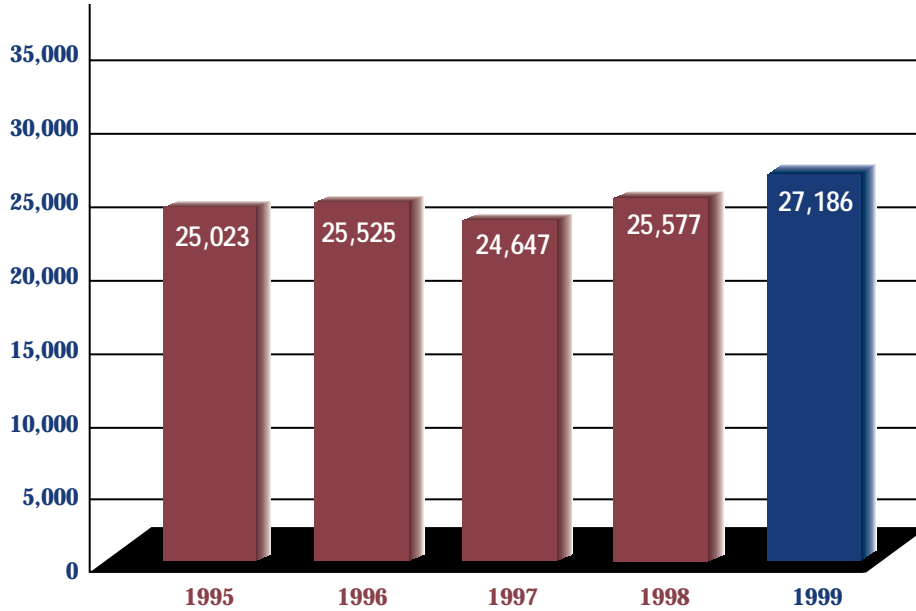


STATISTICAL INFORMATION

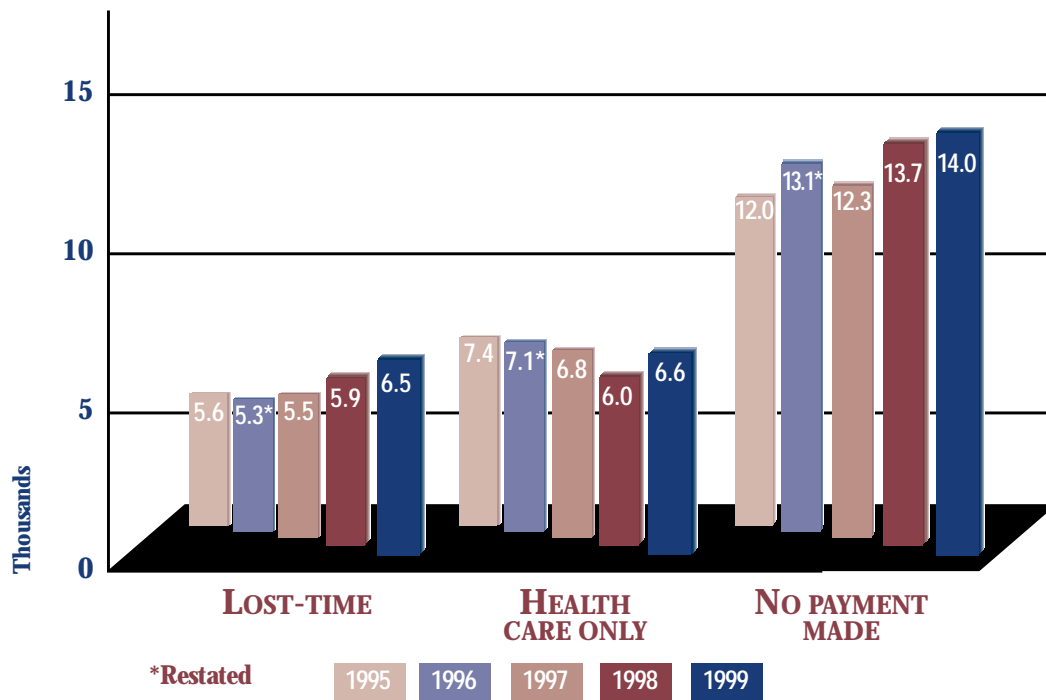
CLAIMS

1999

NUMBER OF CLAIMS ADJUDICATED



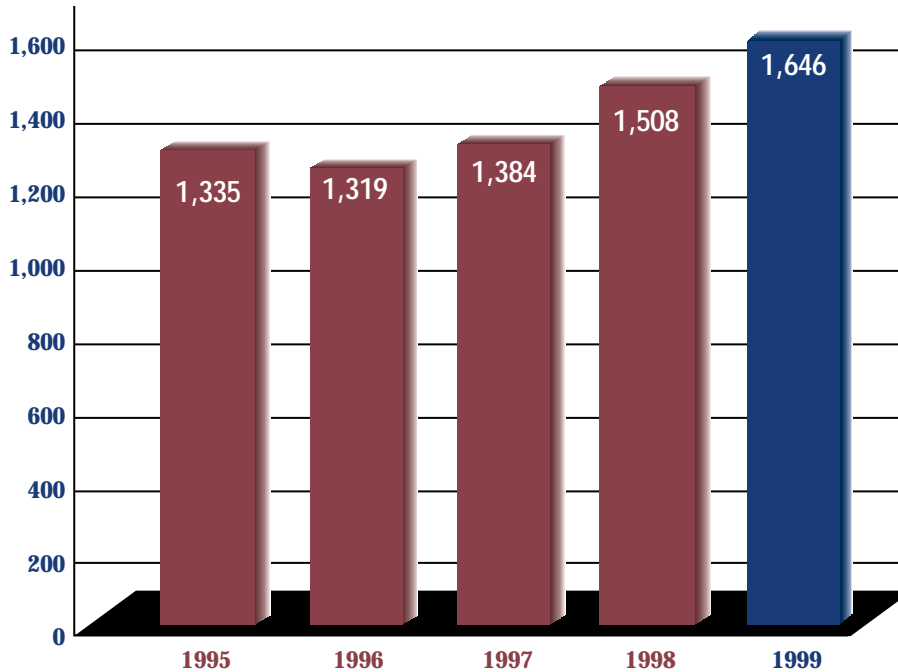
NUMBER OF CLAIMS ADJUDICATED BY TYPE



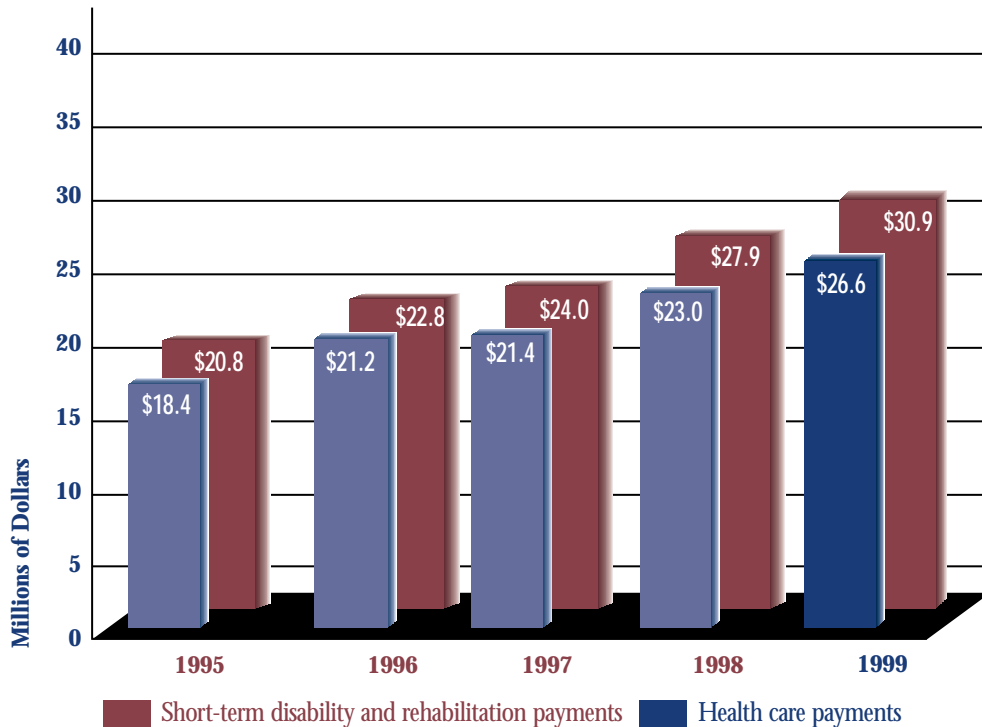
STATISTICAL INFORMATION

CLAIMS

NUMBER OF INJURED WORKERS RECEIVING LONG-TERM DISABILITY BENEFITS AT DECEMBER 31



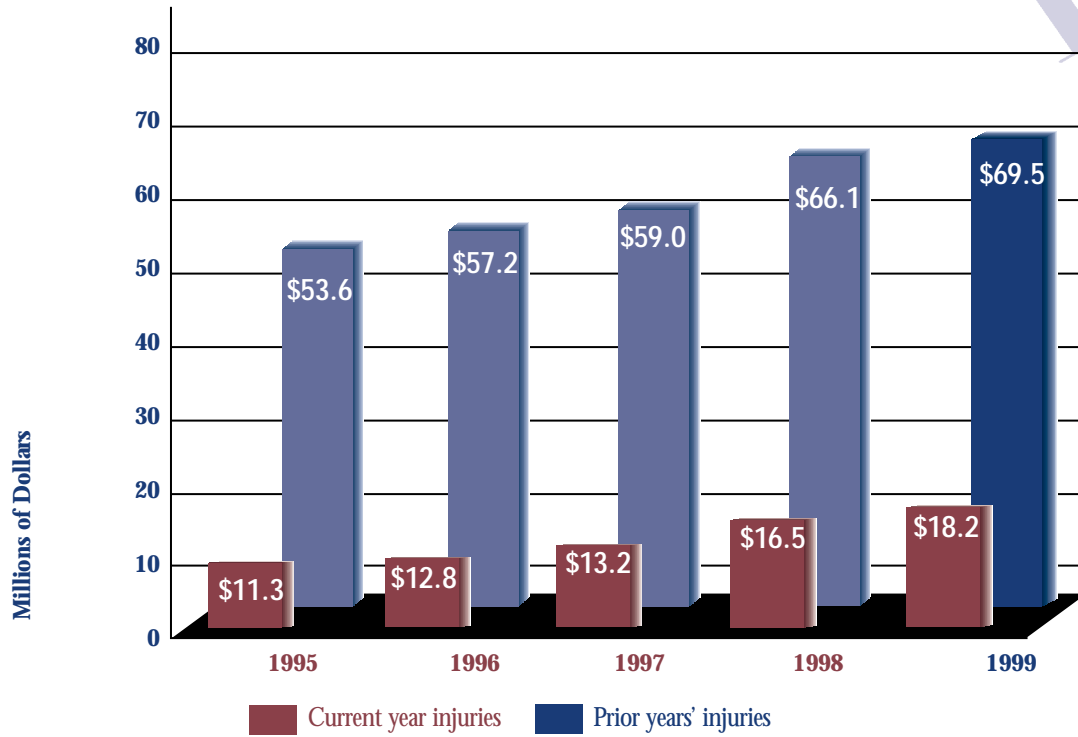
SHORT-TERM DISABILITY AND REHABILITATION, AND HEALTH CARE PAYMENTS



STATISTICAL INFORMATION

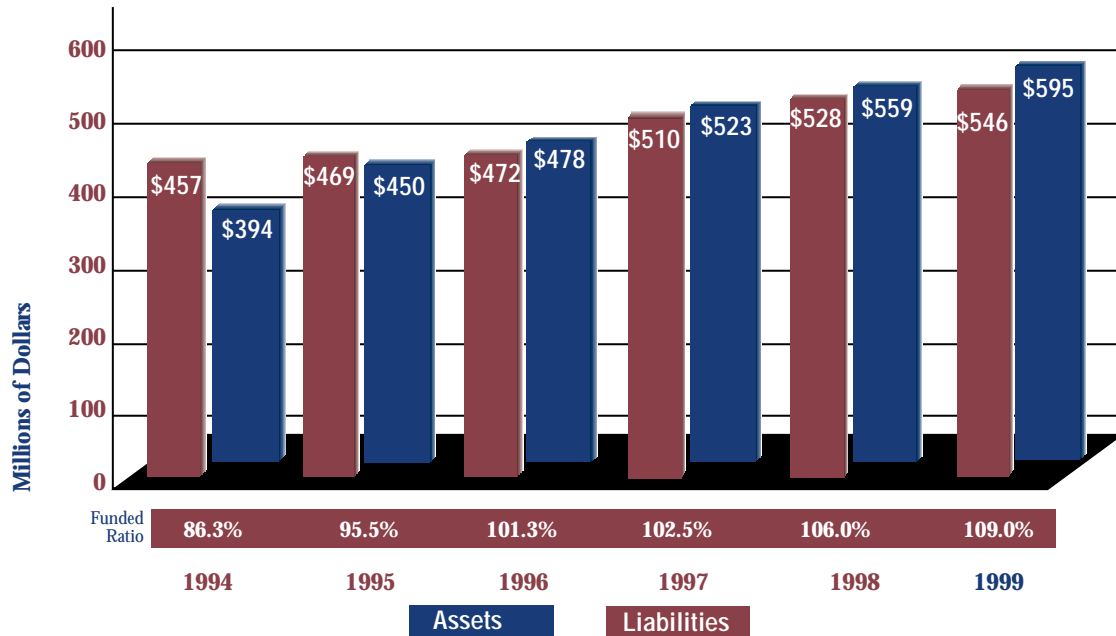
CLAIMS

BENEFITS PAYMENTS



FINANCIAL

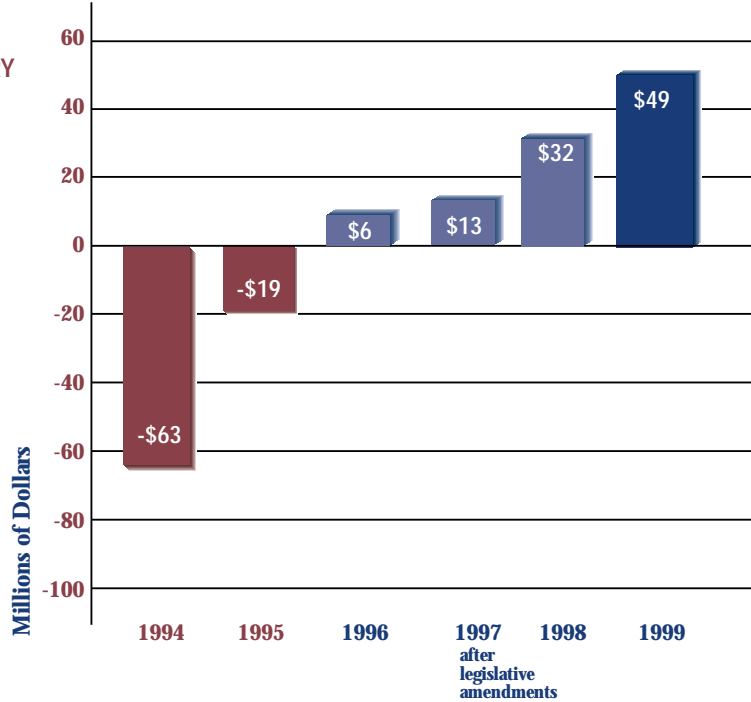
COMPARISON OF ASSETS TO LIABILITIES



STATISTICAL INFORMATION

FINANCIAL

FUNDING HISTORY

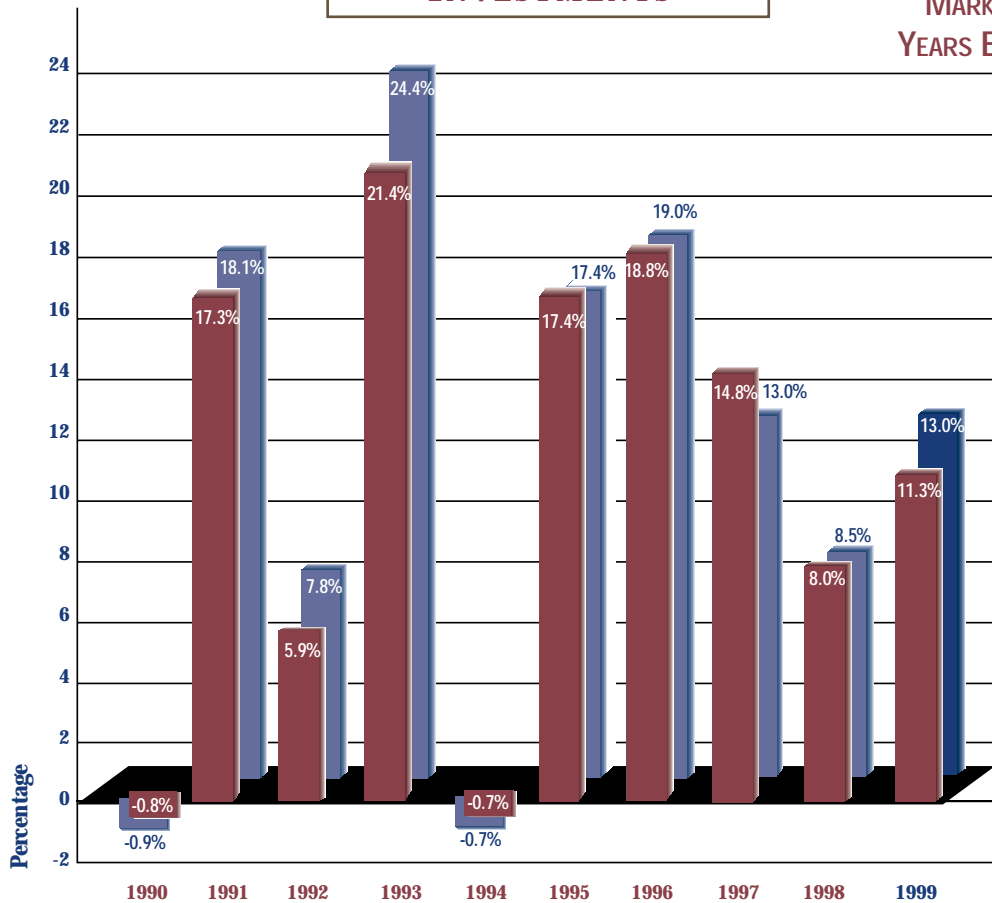


1999

Note: Certain of these figures have been restated to reflect the retroactive effect of changes in accounting policies.

INVESTMENTS

MARKET RATES OF RETURN YEARS ENDING DECEMBER 31



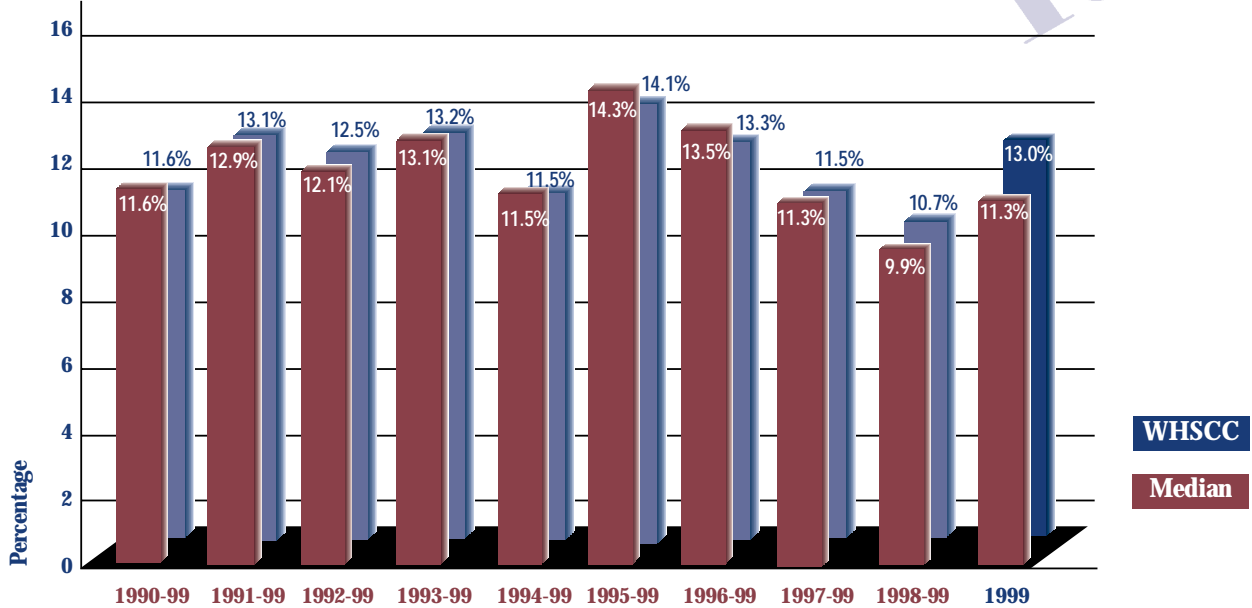
WHSCC

Median

STATISTICAL INFORMATION

INVESTMENTS

MARKET RATES OF RETURN
ANNUALIZED AT DECEMBER 31, 1999



ASSESSMENTS

CANADA – AVERAGE ASSESSMENT RATES (IN 1999 ASCENDING ORDER)

JURISDICTION	ACTUAL 1996	ACTUAL 1997	ACTUAL 1998	PROJECTED 1999
Alberta	\$1.50	\$1.48	\$1.30	\$1.05
Northwest Territories	\$2.39	\$2.30	\$1.87	\$1.21
Manitoba	\$2.20	\$2.04	\$1.88	\$1.49
Yukon	\$1.36	\$1.96	\$1.64	\$1.58
New Brunswick	\$1.63	\$1.55	\$1.59	\$1.62
Saskatchewan	\$2.02	\$2.09	\$1.80	\$1.65
Prince Edward Island	\$2.15	\$2.12	\$1.97	\$1.98
British Columbia	\$2.29	\$2.26	\$2.12	\$2.02
Quebec	\$2.54	\$2.56	\$2.47	\$2.22
Ontario	\$3.00	\$2.85	\$2.59	\$2.42
Nova Scotia	\$2.51	\$2.51	\$2.54	\$2.54
Newfoundland	\$3.05	\$2.96	\$2.96	\$2.99

Note: Caution should be exercised in comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry mix, benefits levels and assessable maximums can affect average assessment rates. The 1999 figures are only projections as actuals were not available at the time of printing.

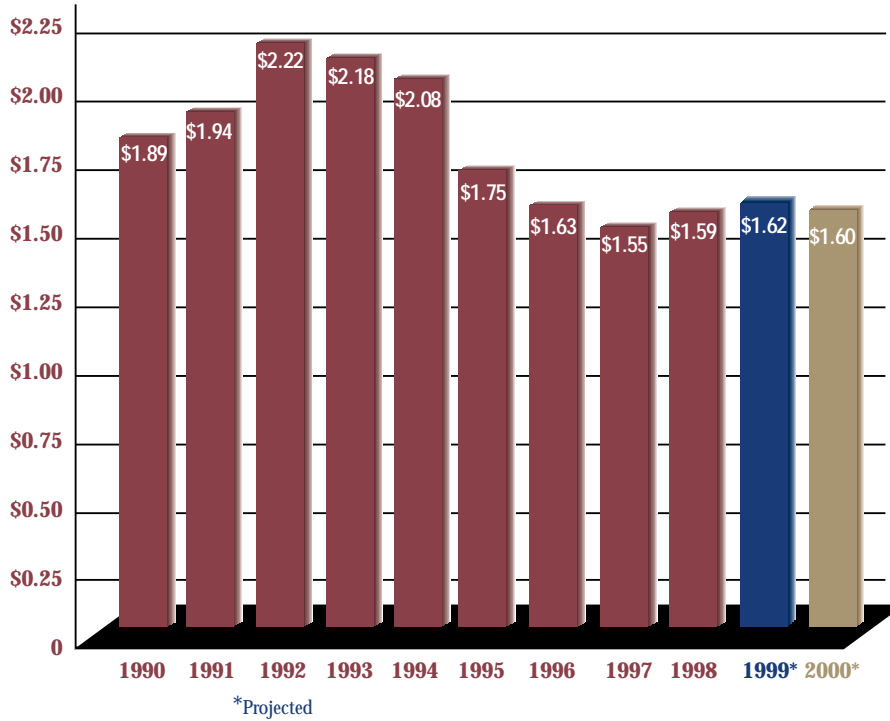
Source: Association of Workers' Compensation Boards of Canada

STATISTICAL INFORMATION

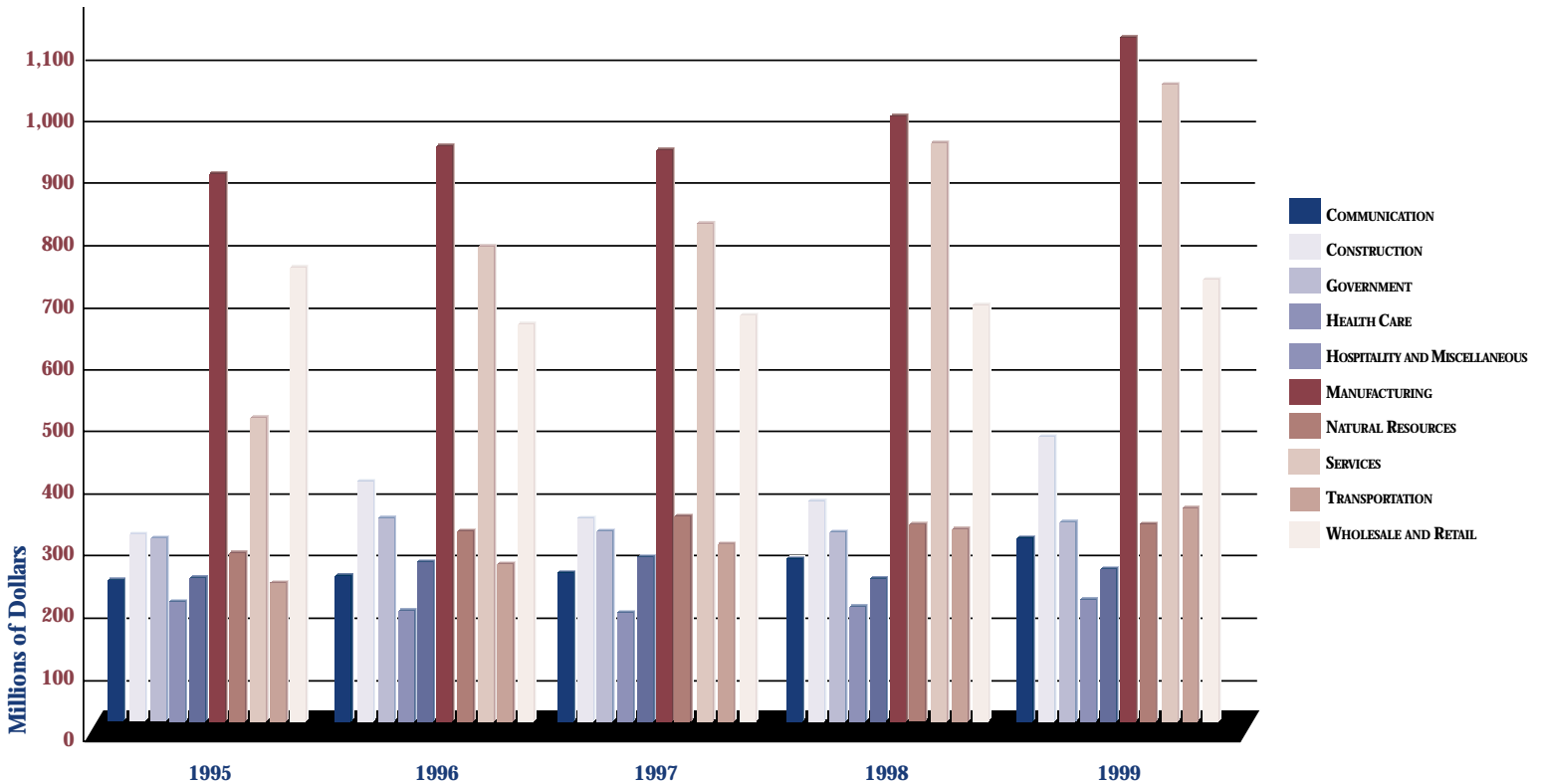
ASSESSMENTS

1999

NEW BRUNSWICK AVERAGE ASSESSMENT RATE



PAYROLLS BY SECTOR



STATISTICAL INFORMATION

LEGAL

1999

THIRD PARTY RECOVERIES – *Workers' Compensation Act*

	<u>1999</u>	<u>1998</u>
Number of cases under management	90	90
Number of cases finalized	32	18
Legal fees on finalized cases	\$439,100	\$270,912
Workers' benefits paid	\$1,792,656	\$1,051,287
WHSCC recovery	\$2,170,385	\$1,450,249
Excess paid to workers	\$2,114,819	\$753,687
WHSCC percentage of recovery	97.0%	109.7%
Legal fees percentage of recovery	10.0%	12.2%

ARBITRATIONS – *Occupational Health and Safety Act*

	<u>1999</u>	<u>1998</u>
Number of arbitrations	6	9
Arbitrations allowed	1	2
Arbitrations dismissed	1	2
Arbitrations resolved	3	3
Arbitrations withdrawn	1	2

PROSECUTIONS – *Occupational Health and Safety Act*

	<u>1999</u>	<u>1998</u>
Number of charges	13	16
Number of employers charged*	8	9
Number of workers charged	1	1
Number of convictions	8	8
Number of charges dismissed	–	1
Number of charges withdrawn	2	2
Number of charges outstanding	3	6
Value of fines	\$18,900	\$29,000

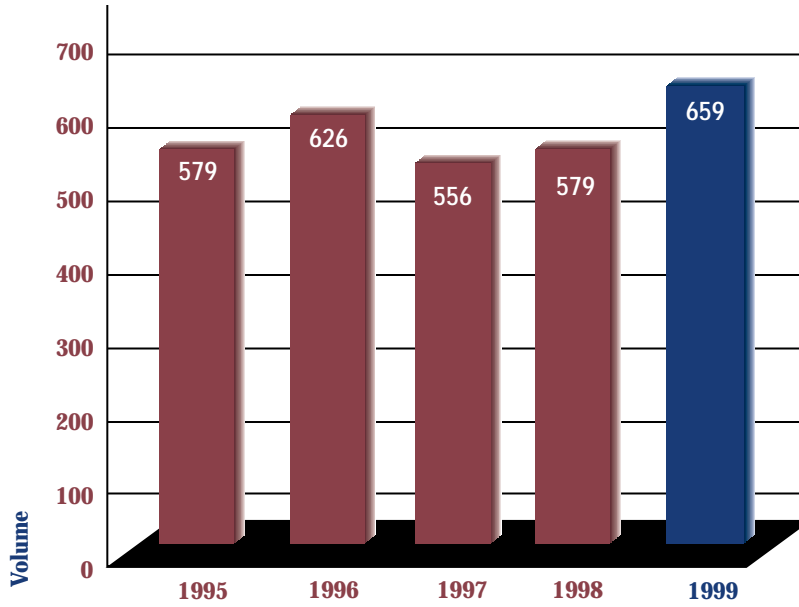
* In some cases, more than one charge has been laid.

STATISTICAL INFORMATION

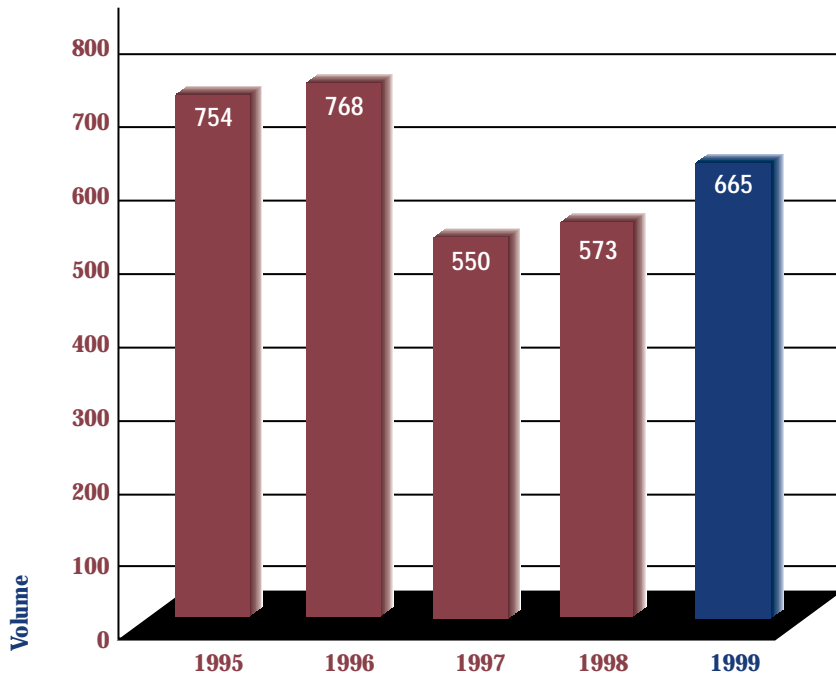
APPEALS

1999

APPEALS RECEIVED



APPEALS RESOLVED

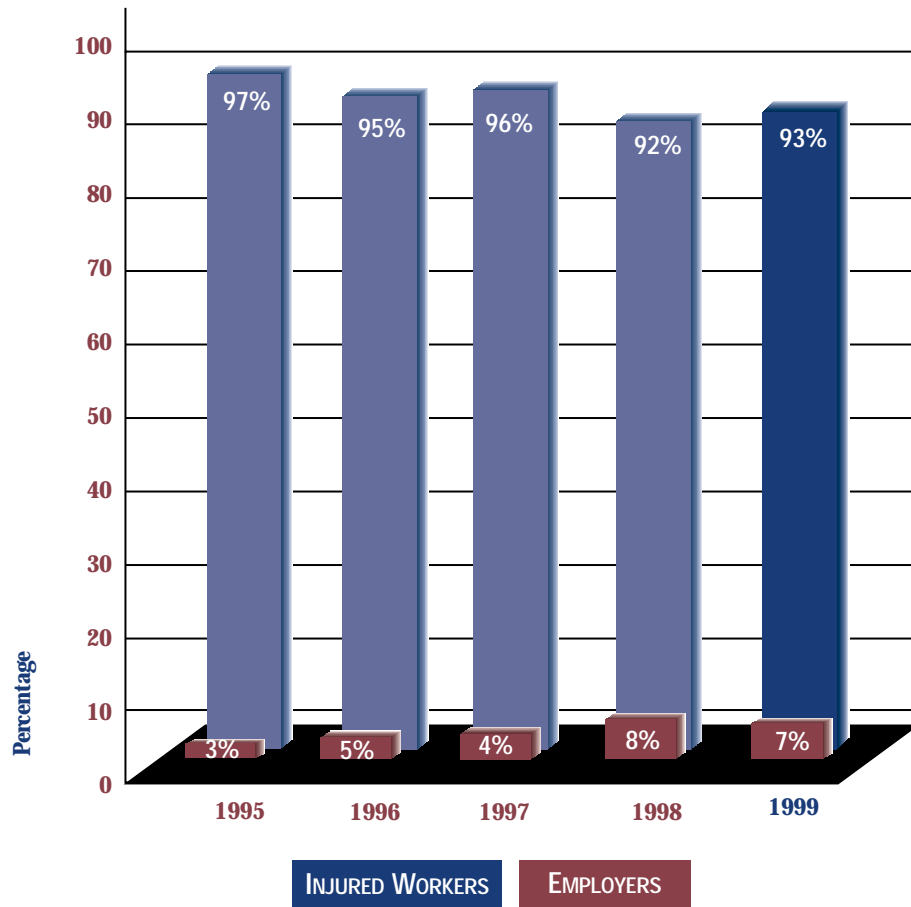


STATISTICAL INFORMATION

APPEALS

1999

APPEALS INITIATED BY:



APPEALS TRIBUNAL DECISIONS

	1995	1996	1997	1998	1999
Accepted	30%	40%	45%	45%	46%
Partial	22%	20%	19%	22%	23%
Denied	47%	40%	35%	32%	21%
Withdrawn	1%	-	1%	1%	-