
Corporate Report

1st quarter 2004



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Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the first quarter Corporate Report for 2004.

The report is intended to provide the Board of Directors with an update of the Commission's progress towards achieving the organization's five strategic goals.

The preface of this report provides an overview of the external economic environment and a summary of internal claim volumes.

The main body of the report is organized around the strategic goals, which are listed in order. Beneath each of the strategic goals you will find an account of the Commission's performance, drawing on operational indicators and other data. This data is then analyzed in comparison to previous periods.

Finally, there is a discussion of the activities the Commission is undertaking pursuant to each goal.

We hope you find this information helpful, and we welcome any feedback you may have.

Our Vision – Healthy And Safe Workplaces in New Brunswick

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 injured workers of New Brunswick.

Our Goals

In order to achieve our vision, the Commission has adopted the following five strategic goals:

1. Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents;
2. We will provide prompt, effective, efficient, and caring services to our clientele;
3. We will decrease the time by which injured workers return to pre-accident, modified or alternate employment;
4. We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients; and
5. Our employees will consider the Commission a good place to work.

At the June 26-27, 2003 Board meeting, the Board of Directors confirmed these strategic goals.

The goals and their measures, approved to guide the Commission from 2002 to 2007, are discussed in more detail throughout the report.

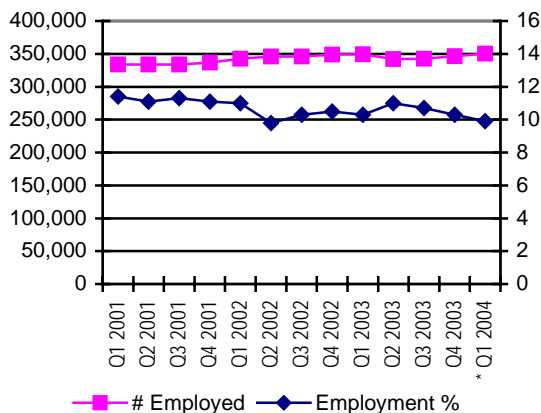
Preface

The Provincial Context

The Commission delivers services to employers and workers in a continually changing and shifting environment. Several economic and demographic indicators are monitored and evaluated on a regular basis to ensure a continued understanding of that environment and to facilitate future planning.

This section provides a snapshot of the current employment and economic environment in New Brunswick.

Employment Level and Rate



* Forecasted
Source: Conference Board of Canada. April 2004¹

The level of employment is the number of people employed on a full-time, part-time or casual basis. Forecasts in April 2004 indicated there were 350,267 people working in New Brunswick at the end of the first quarter of 2004, an increase of 1.2% from the previous quarter. Overall, the level of employment in New Brunswick remained flat, rising by only 0.3% from the same period one year ago.

¹ Conference Board of Canada figures for Employment Level and Rate in previous releases of the Corporate Report were based on averaging month-end results over the quarter. Actual quarterly data are now used to illustrate the trends of these indicators resulting in the restating of some figures.

The unemployment rate is the portion of New Brunswick's labor force that were not working. The unemployment rate for the first quarter of 2004 fell to 9.9%, a slight decrease from the previous quarter. New Brunswick has the third highest unemployment rate in the country and continues to have the lowest growth of all provinces in employment and retail sales.

In the first quarter of 2004, the construction sector continued to benefit from peak labour activity at the Coleson Cove Generating Station, employing close to 800 people. The \$750-million project is expected to extend into the fall of 2004.² A strong Canadian dollar in the US marketplace has dampened export activity in many manufacturing sectors with overall export volumes down by 15.5% from the same period in 2003.

Economic Outlook

New Brunswick is expected to recover some ground in 2004, with the Province of New Brunswick projecting a GDP growth rate of 2.8%.³ It is anticipated that non-residential construction activities will provide a large portion of the growth. In addition to the completion of the Coleson Cove Generating Station refurbishment project, construction activities on the Trans-Canada Highway between Fredericton and St. Leonard are anticipated to result in 4,000 direct and indirect jobs over the next five years. As well, \$95 million in changes to the border crossings near Woodstock and St. Stephen are anticipated to commence.

Canada's strong currency is expected to continue its negative impact on the province's exporters. A rebound in the pulp and paper sector and continued steady activity in the food-product sector will produce a projected 2% growth in the manufacturing sector in 2004. Growth in manufacturing will advance further by a forecasted 4.8% in 2005 when it is anticipated the Canadian dollar will weaken.⁴

² Conference Board of Canada. Provincial Outlook Winter 2004.

³ Province of New Brunswick. Budget 2004-2005.

⁴ Ibid 2.

In the first quarter of 2004, there were a total of 139 residential housing starts, compared to 244 over the same period in 2003. This is a decrease of 43% from the previous year.⁵

New Brunswick's forestry sector employs more than 17,000 New Brunswickers and has average weekly earnings that are 10% higher than the provincial average.⁶ The softwood lumber tariff dispute between Canada and the US threatens many of those jobs, as over 90% of New Brunswick's softwood exports go to the United States.

The service sector will continue to expand in New Brunswick. Competitive airfares and increased production levels in shippable goods will advance the transportation industry by a projected 2.2% in 2004 and 3.1% in 2005.

The provincial budget announced on March 30th contained a deficit of \$21.3 million for fiscal 2003-04 and small surpluses of \$2 million and \$2.4 million for 2004-05 and 2005-06, respectively.⁷ Despite equalization payments from the federal government being lower than expected, forecasters see this as a sign of fiscal stability that will promote future economic growth. Despite this projected stability, there is current labour unrest within the province, including an estimated 750 public sector positions being cut as a result of the budget.⁸

⁵ New Brunswick Statistics Agency – Monthly Economic Indicators.

⁶ APEC. The New Brunswick Forest Industry: The Potential Economic Impact of Proposals to Increase the Wood Supply. December 2003.

⁷ *Supra* note 2.

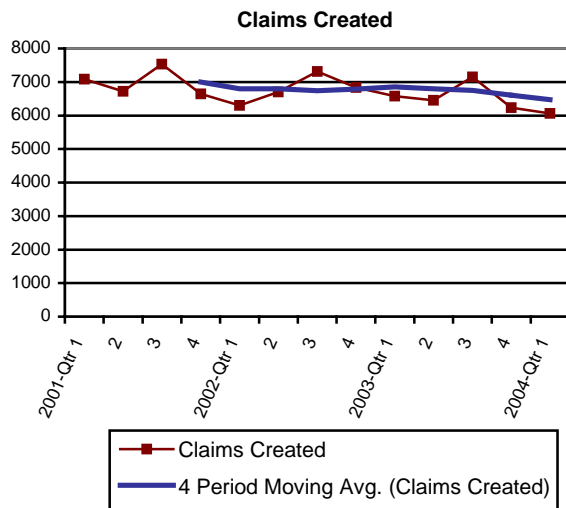
⁸ *Supra* note 3.

At the WHSCC

Work Volumes

Newly Reported Claims

“Claims created” represents all claims reported to and recorded by the Commission. In the majority of cases, claims are created as new, pre-adjudication claims. These claims are counted by the date the claim was created.



In the first quarter of 2004, the number of claims created was 6,060. This is:

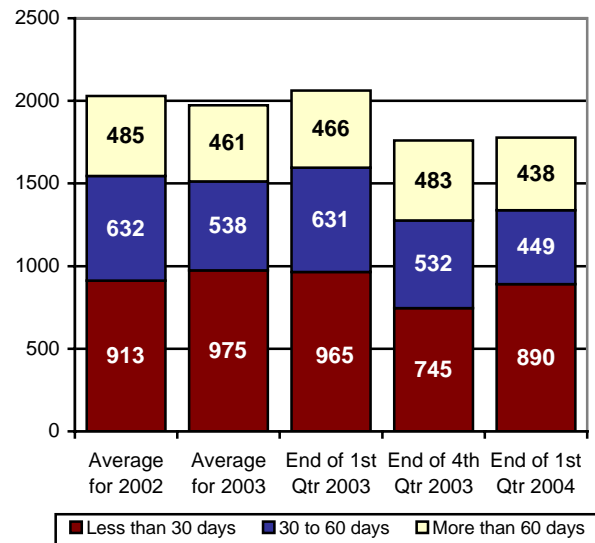
- 2.8% less than in the 4th quarter of 2003 (6,232), and
- 7.9% less than in the 1st quarter of 2003 (6,578).

Overall, based upon the trend, the number of claims created has steadily decreased over the past few years, despite an increase in the third quarter of each year.

Unadjudicated Claims

An important factor in injured worker satisfaction is how long injured workers wait to find out if the Commission will accept their claims. The following chart shows the age of the claim and number of claims in the backlog.

Unadjudicated Claims by Age of Claim

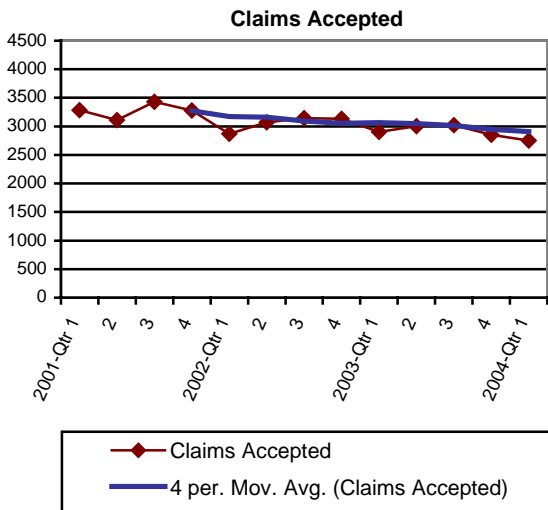


There were 1,777 claims in the backlog at the end of the first quarter of 2004. This is:

- On par with the 4th quarter of 2003 (1,760), and
- Down 13.8% from the 1st quarter of 2003 (2,062).

Newly Accepted Claims

A claim that is accepted is one that has been adjudicated and benefits are due to be paid. The following graph shows the count of new workplace accidents accepted by the Commission.



The number of claims accepted by the Commission continued to decrease in the first quarter of 2004.

The Commission accepted 2,749 claims this quarter. This is:

- 3.7% less than in the 4th quarter of 2003 (2,855), and
- 5.4% less than in the 1st quarter of 2003 (2,905).

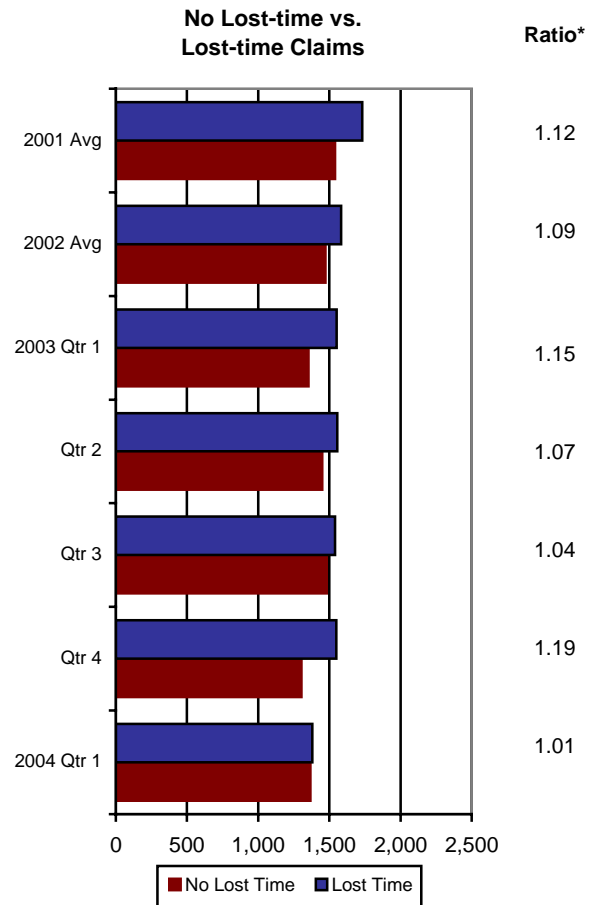
Types of Newly Accepted Claims

Newly accepted claims are broken down by type (no lost-time and lost-time) to analyze the nature of new workplace accidents.

No Lost-time / Lost-time

Lost-time claims are those in which injured workers miss time from work, including claims in which no benefits are paid due to the 3-day waiting period. No lost-time claims are claims in which there is no loss of time from work and therefore, no loss of earnings benefits are paid. However, in both cases, injured workers are entitled to health care benefits.

The next chart compares the number of lost-time and no lost-time claims accepted each quarter since 2001.



* The ratio of 1.01 means that for every 100 no lost-time claims, there were 101 lost-time claims.

The Commission accepted 1,380 new lost-time claims in the first quarter of 2004. This is:

- 10.7% less than in the 4th quarter 2003 (1,546), and
- 11.1% less than in the 1st quarter 2003 (1,552).

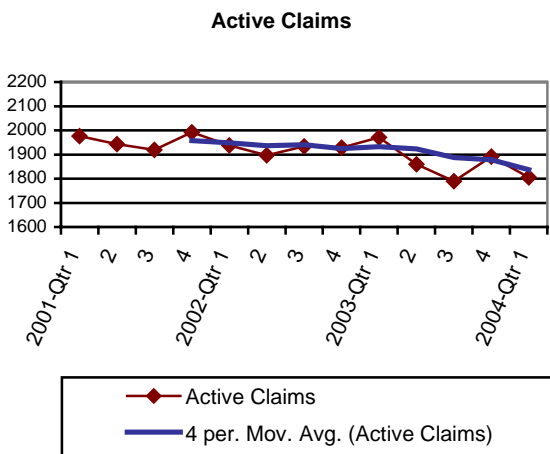
There were 1,368 no lost-time claims accepted in the first quarter of 2004. This is:

- 4.8% more than in the 4th quarter of 2003 (1,305), and
- 1.1% more than in the 1st quarter of 2003 (1,353).

There were 1.01 lost-time claims for every no lost-time claim for the first quarter of 2004. This has declined since the fourth quarter of 2003, and is at its lowest level since 2001.

Active Claims

Active claims are those for which loss of earnings benefits are currently being paid. The number of active claims at the close of the first quarter of 2004 was 1,805. Overall, based upon the trend, since the 1st quarter of 2001, this number has been steadily decreasing, despite fluctuations between quarters.



1

Accident Frequency

Goal

“Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents.”

Measure

This goal is measured by examining the accident frequency rates:

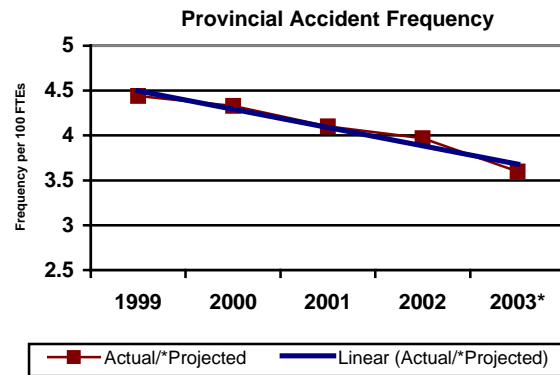
- Within the province;
- By payroll;
- By industry sectors; and
- By focus industries.

Indicators & Analysis

Provincial Accident Frequency

The Commission uses the accident frequency rate, using the number of accidents per estimated 100 full-time equivalent workers (FTE) to track the frequency of accidents in the province.

The following graph illustrates the number of claims accepted by the Commission for insured employers since 1999, divided by the estimated number of workers insured.



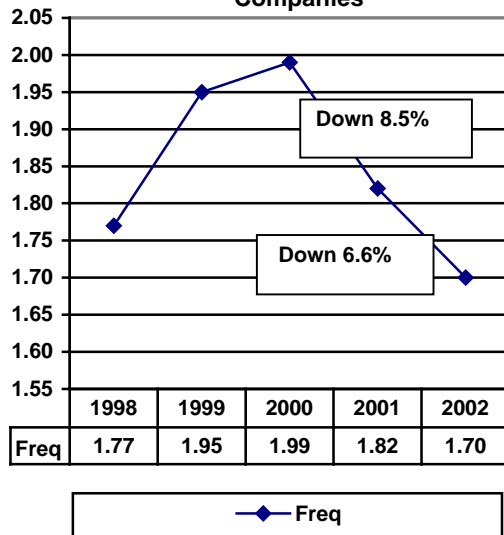
**These figures have been revised to reflect updates to the number of FTEs in the province, and to the number of claims recorded against any given year.*

The 2002 accident frequency rate was 3.97 accidents per 100 FTEs. Based upon preliminary statistics, the provincial accident frequency rate is projected to decline in 2003, reaching 3.60 accidents per 100 FTEs. This number is updated in the 3rd quarter. The Commission continues to pursue a steady decline in this figure as shown in the past five years.

Accident Frequencies for \$1MM Inflation Adjusted Payroll for Total Insured Companies

The next graph shows the decline in the accident frequency per \$1 million of payroll for all insured companies. This measure examines the accident frequency based upon actual assessed payroll, and therefore, does not require an estimation of the number of FTEs. There was a decrease of 6.6% from 2001 to 2002, part of a steady decline since 2000.

2002 Measures: Per \$1MM Inflation Adjusted Payroll Total Insured Companies



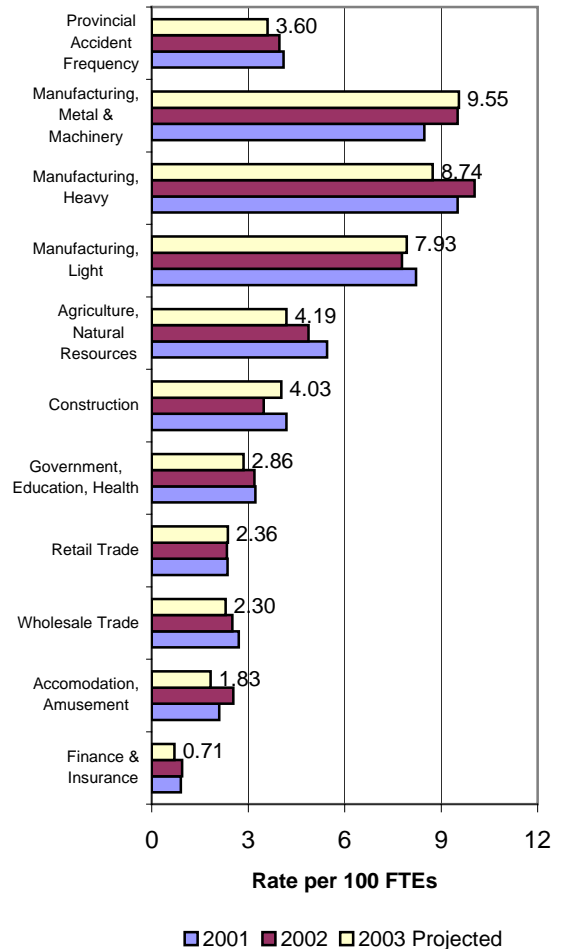
Note – this is a new measure and will require further examination to confirm its usefulness and accuracy.

Industry Sectors

The Commission has made a conscious decision to concentrate its greatest efforts on those industries and workplaces that, through statistical analysis, were identified as being above the norm in relation to number and severity of workplace injuries.

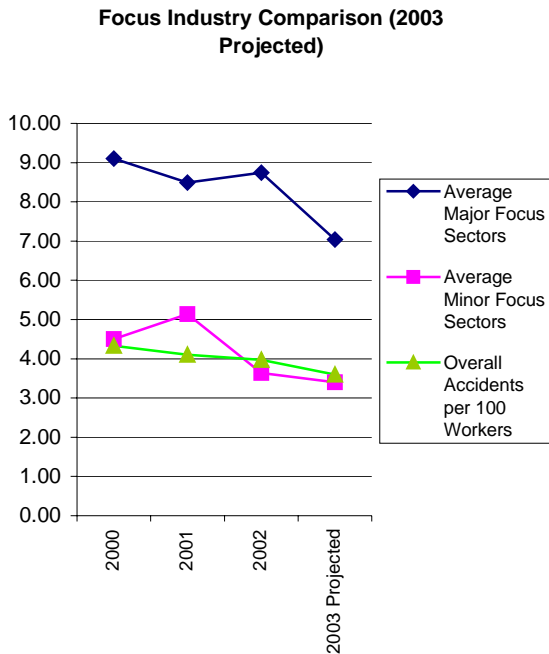
The following chart shows the accident frequency for each of the 10 major industry sectors. Manufacturing, Agriculture & Natural Resources, Construction, and Government, Education, & Health were analyzed and selected because of the number and costs of the claims in their industry.

Industry Sector Accident Frequency (2003 Projected)



Focus Industries

The following graph shows the accident frequency of the focus industries in comparison to that of all total insured companies in the province. While these industries are showing a decline, the frequency rates are collectively still running at approximately twice the provincial average.



WorkSafe Services has selected four of these industries as part of their focus initiative:

- Logging;
- Sawmills;
- Garages; and
- Nursing Homes.

Each focus industry has a comprehensive strategy dealing with awareness, and work at the industry or association level, with penetration down to the workplace level. The strategy is designed to address the health and safety issues in the industry province-wide. During the first quarter, staff developed the objectives of the industry strategies.

Other Industry Initiatives

In addition to the focus industries, there are a number of other industry groups that have been identified for initiatives on a smaller scale. These are usually regional initiatives and as a result of changes in the industry, emergence of new industries, or other significant issues. For 2004, aquaculture, potato harvesting, and highway construction have specific involvement.

Focus Workplaces

WorkSafe Services staff identifies workplaces to focus attention, based on the accident history of the industry group as well as the accident record of the individual firms. The extent of intervention is done at three levels.

- **Primary Workplaces** – Workplaces with higher cost and/or accident frequency for priority intervention, with primary objectives being injury reduction and infrastructure building.
- **Secondary Workplaces** – Workplaces with higher cost and/or accident frequency for priority intervention, with initiatives directed toward rapid cycle injury reduction, and some infrastructure building.
- **Tertiary** – Workplaces chosen from selected SIC's, with initiatives addressing basic compliance and issues identified within the industry.

The combination of primary, secondary and tertiary interventions in workplaces helps achieve a penetration into the specific industry groups to ensure a better impact in addressing industry-wide health & safety issues.

Activities

General

The WorkSafe Services Division of the Commission administers New Brunswick's *Occupational Health and Safety Act (OHS Act)*, and promotes workplace health and safety through accident prevention. The division offers a variety of services including;

- Awareness education;
- Consulting to provide in-depth safety programs for employers;
- Health and safety inspections; and
- Investigations; and arbitration hearings under the *OHS Act*.

Legislation / Regulatory Review

The Fall Protection Technical Committee met in the 4th quarter of 2003 to review the outcome of

the consultation sessions and finalize the proposed recommendations.

Members on the Technical Committee representing the interests of workers and employers were asked to review the proposed amendments with their membership and report back to the Commission.

During the 1st quarter of 2004, these reports (with some concerns identified by Technical Committee members) were submitted to the Commission. It was determined that the Technical Committee should reconvene in the 2nd quarter of 2004 to resolve any remaining outstanding issues.

General Education

The WorkSafe Services Division provides province-wide public workshops. One focus this year is on the 3-day Joint Health & Safety Committee (JHSC) Core Training. Sessions have or will be held in Woodstock, Grand Falls, Dalhousie, Campbellton, Bathurst, Moncton, Sussex, Saint John, St. George and Fredericton. Registration will be on a first-come first-served basis.

Sessions are offered monthly with the exception of July, August and December.

Communications

Events

In the fourth quarter of 2003 the Commission hosted the 23rd annual WHSCC Health and Safety Conference in Saint John, New Brunswick. The conference was very successful, with more than 600 delegates from across Canada taking part.

In the first quarter of 2004, work continued on many upcoming events, including the North American Occupational Safety and Health (NAOSH) week (May 2-8). The department helped the Canadian Society of Safety Engineering (CSSE) plan five annual breakfasts for members of Joint Health and Safety Committees around the province.

The Communications Department was also involved in preparations for the National Day of Mourning on April 28, 2004. The department de-

veloped a joint letter from Blair Doucet, President of the New Brunswick Federation of Labour, and Doug Stanley in honour of the National Day of Mourning, and supported the AWCBC Communication Committee in the design of a poster. A press release concerning Day of Mourning will be issued, and a fact sheet has been posted on the WHSCC website.

Preparation continues for the 24th Annual WHSCC Health and Safety Conference, scheduled in Moncton from October 17-19, 2004. The program will feature some new topics, such as Bill C-45, and the number of sessions offered in French will increase from last year's program. Contracts have been signed for the 2005 conference in Saint John.

Finally, in the first quarter, Commission staff members spoke on 17 occasions at a variety of organizations such as the Canadian Law Institute, New Brunswick Metal Working Association, and UNBSJ.

Publications

The *2003 Workers' Compensation: A Guide for New Brunswick Employers* was completed and distributed in early January with the *Form 100* mailout from the Assessment Services Department.

The *2003 WHSCC Annual Report* was presented to the Minister of Training and Employment Development by the Chair and the President on March 29, 2004. In addition to the usual stakeholders, copies were also sent to the Board of Directors and the Legislative Assembly.

In response to our health and safety plan, the Communications Department developed corporate posters of the WHSCC health and safety policy. These posters were signed by a member of each of the regional joint health and safety committees, and distributed to the regional offices at the end of the first quarter.

The production of the *2003 WHSCC Report to Stakeholders* is underway. The format and design are similar to last year's report in that it features

stories relating to the services WHSCC provides to its stakeholders. Articles featuring comments from both stakeholders and WHSCC employees are included in the profiles attached to each of the five corporate goals. The report also contains numerous statistics and a detailed report from the Appeals Tribunal. The report is scheduled for distribution in mid-June.

Website

The Communications Department facilitated sessions providing a demonstration of the new WHSCC website in all regional offices. The meetings were designed to provide employees with a comprehensive overview of the content on the website and the location of the content. The new Infonet, our internal website, will be launched in late August. A mock-up of that website was also presented to staff.

The webmaster is collecting data from the feedback section of the website. The data will allow the Communications Department to target sections of the website that are of greater interest to visitors.

Advertising Campaign

Over the past two years, the Commission has utilized television commercials as a means towards bringing greater awareness of health and safety issues. The style of commercials was one of shock and surprise. The commercials presented employees sustaining an injury while on-the-job, and in 2003, the message included a legislated remedy in order to prevent such accidents in the future. These commercials have been highly successful with recall studies near 70% (two times the industry average).

In 2004, the Commission will focus its campaign efforts on accidents to young workers. Although accidents have decreased in this sector over the past three years, there are still five young workers between the ages of 15-24 injured on a daily basis. This campaign uses methods such as television and radio advertisements, and business CD's for employers, to give direction for training of young workers.

The campaign activities have been divided into three distinct stages in order to capture our three intended audiences: young workers, parents and employers. The first stage consisting of television advertisements will begin airing on May 1.

Pre-employment Stage (May-June)

In preparation for summer and a student's first full-time employment, the Commission will air two TV commercials, both focused on accidents to youth as told by a parent and an employer. The call to action for parents will be to talk to their kids about how safe their workplace is, and whether or not they have been trained in health and safety.

From the employer's perspective, the expected action will be for employers to ensure that they train all workers and specifically young workers on health and safety matters.

In conjunction with these commercials, business CD's will be developed and sent out to all workplaces, containing information on health and safety training, as well as links to internet resources to assist employers in developing sound health and safety training programs.

For parents, a poster and checklist will accompany students home from school in cooperation with the Dept. of Education. The Commission also intends to supply magnets with the checklist so that it can be displayed at home. The action expected will be for the parents to go through the health and safety checklist with their son/daughter just prior to them starting work.

The second stage is scheduled for the 3rd quarter of 2004, and uses a series of radio advertisements during peak hours. Site visits by the Commission to workplaces will also determine use of the distributed CD's.

The third stage is scheduled for the 4th quarter of 2004, and targets teachers, youth, and parents, using a CD with health and safety material, and connecting into the school curriculums.

Youth Programs

During the first quarter of 2004, the youth programs distributed copies of the WHSCC 2004 calendar along with the youth promotional pamphlet featuring all available resources to all schools. This mail-out prompted numerous requests from teachers for resources in support of safety education for the classroom.

The new OHS component of the Co-op Education curriculum, continues to be piloted with several teachers in NB with final revisions planned this summer, followed by province-wide distribution. The Commission maintains support for their OHS modules for the Department of Education Middle School Technology Education (grades 6 to 8) and Broad Based Technology Education curriculum (BBTE - grades 9/10). The Work Smart Work Safe CD-ROM module, which explores the fundamentals of OHS, continues to be a regular part of classroom instruction within the BBTE course.

Teacher in-service sessions, involving a sharing of ideas and resources for integrating health and safety issues into the classroom, continue to be a mainstay method to keep OHS issues visible within school programs.

Research was conducted in the area of young workers and their susceptibility to workplace accidents. A lack of safety training was identified as a significant contributor in accidents suffered by young workers. A comprehensive new employee checklist was created to help support the efforts within the workplace. Current discussions are taking place regarding future research identifying the existing barriers within the workplace in providing new and young workers health and safety training.

Efforts are being made to explore new educational initiatives in support of health and safety education for the public school system. A high school program and one for the elementary level, is being considered by the Commission for distribution during the 2004/05 school year.

Prosecutions / Arbitrations

In the 1st quarter of 2004, two employers entered guilty pleas to charges under the *Occupational Health and Safety Act*. In the first case, the employer had been hired by a general contractor to paint part of an electrical substation. The equipment was not properly de-energized and an employee was injured. The employer was fined a total of \$3,900 in recognition for having spent \$10,000 to improve health and safety. In the second case, the employer was charged for not providing fall-arrest equipment to employees who required it. This employer was fined \$1,150.

Also in the 1st quarter of 2004, two other prosecutions were adjourned by the Court until the 2nd quarter of 2004.

There were three complaints of discriminatory action filed with the Commission in the 1st quarter of 2004. One complaint was filed against both an employer and a union, alleging that both discriminated against the employee after he complained of safety issues. A related case saw a complaint filed against a union. The employee complained that the union discriminated against him after he complained of safety practices to his employer. This employee had previously filed a complaint against his employer (see below). The third complaint filed was against an employer whose employee complained about working conditions and was fired. All three cases are set to be heard in the 2nd quarter of 2004.

Two hearings were held as a result of complaints of discriminatory actions. In one, the employee alleged that he was discriminated against by his employer after he complained of safety practices. The arbitrator ruled that there was no causal link between the complaints and the disciplinary action taken. This employee has since filed a complaint against his union. The second hearing was held on preliminary matters only, with the main hearing to be held in the 2nd quarter of 2004.

2

Injured Worker & Employer Satisfaction

Goal

“We will provide prompt, effective, efficient and caring services to our clientele.”

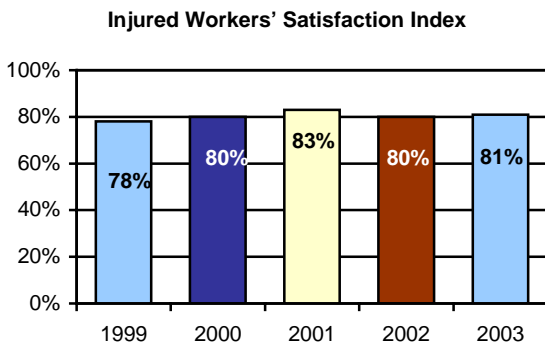
Measure

Our annual survey of public opinion will produce consistently high results. At a minimum, we will maintain a satisfaction score of 82% for injured workers and 85% for assessed employers.

Indicators & Analysis

Injured Workers’ Satisfaction

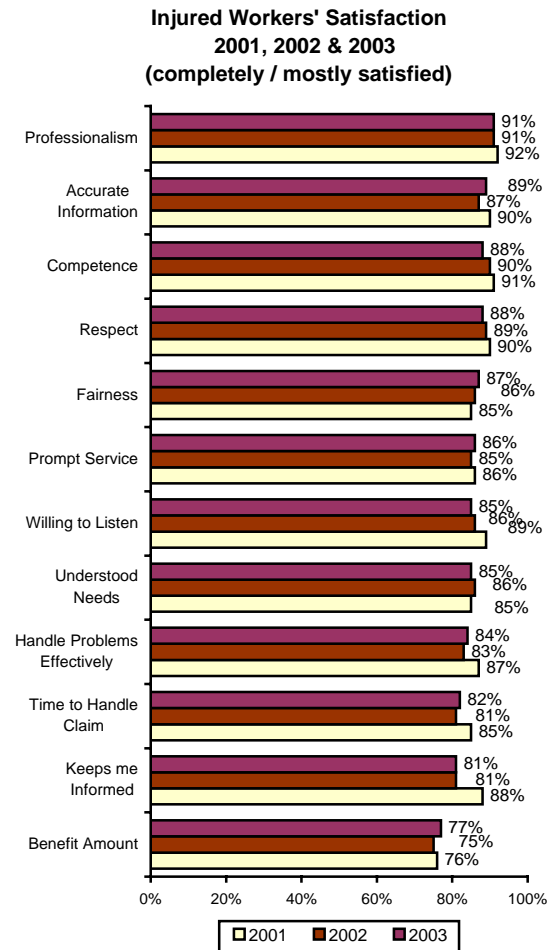
Injured workers’ satisfaction with the Commission is measured using a satisfaction index prepared by an independent research firm. The index provides an average score derived from 12 service delivery attributes considered to be important to injured workers’ overall satisfaction.



In 2003, the satisfaction index for injured workers remained stable, increasing slightly to 81%.

Satisfaction Drivers

Collectively, “satisfaction drivers” provide insight into how well the Commission achieves its goal, i.e. “prompt, effective, efficient, and caring provision of services”. The table below measures injured workers’ satisfaction with individual service attributes, but does not include those that responded with “don’t know” to the questions.



In 2003, injured workers were satisfied the most with the Commission’s professionalism (91%), and the accuracy of the information provided (89%).

Injured workers were satisfied the least with the Commission’s level of benefits (77%), and the Commission’s ability to keep them informed (81%).

Employer's Satisfaction

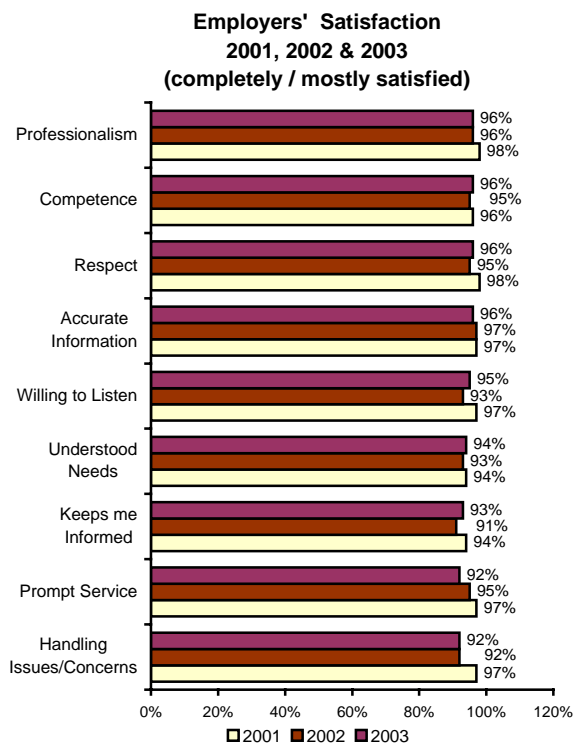
Employer satisfaction with the Commission is measured using a satisfaction index prepared by an independent research firm. The index provides an average score derived from 9 satisfaction drivers considered important to employers' overall satisfaction.



In 2003, the satisfaction index for employers rose slightly to 86%.

Satisfaction Drivers

The following table measures employers' satisfaction with individual service attributes, but does not include those that responded with "don't know" to the questions.



In general, employers are completely or mostly satisfied with the Commission (92%-96%). In addition, the degree of satisfaction in the areas of competence and respect increased from 2002 (95% to 96%). However, the degree of satisfaction in the areas of providing prompt service and handling of issues and concerns has steadily declined from 97% satisfaction in 2001 to 92% in 2003.

Key Research Findings

A "gap analysis" is used to determine the top drivers of overall satisfaction for injured workers and assessed employers. It looks at the relationship between two variables (importance and satisfaction) and identifies which variables have the greatest impact on overall satisfaction as reported in the annual survey. The results for 2003 are listed in the following table and are ranked according to what assessed employers consider an important service attribute.

Rank	Assessed Employer Satisfaction Driver
1.	Demonstrates competence
2.	Willingness to listen
3.	Demonstrates professionalism
4.	Effectively handles compensation issues
5.	Shows respect
6.	Promptness in providing service
7.	Provides accurate information
8.	Keeping you informed and up-to-date
9.	Understanding needs

In comparison to the three-year average from 2000-2002, assessed employers placed increased importance on the Commission's willingness to listen (previous rank 3), ability to effectively handle compensation issues (rank 8), and understanding their needs (rank 9).

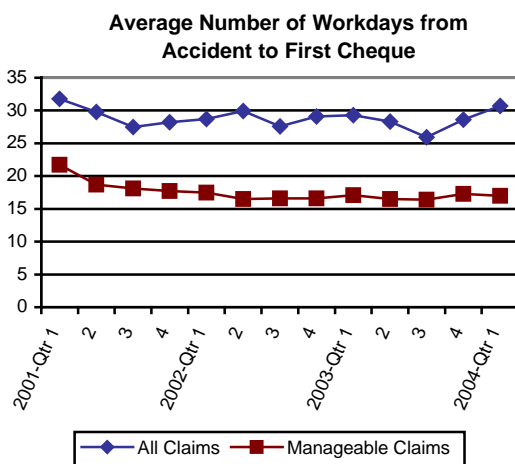
The next table illustrates the satisfaction drivers for injured workers, ranked according to what they considered an important service attribute.

Rank	Injured Worker Satisfaction Driver
1.	Provides appropriate amount of benefits Shows respect Demonstrates competence Demonstrates professionalism Willingness to listen
2.	Handles claims in a timely manner Handles claims in a fair manner Promptness in providing service Provides accurate information
3.	Keeping you informed and up-to-date Effectively handling problems
4.	Understanding needs

Compared to the three year average from 2000-2002, injured workers placed a marked increased importance on the Commission showing respect (previous rank 4), demonstrating competence (rank 7), demonstrating professionalism (rank 5), willingness to listen (rank 4), and keeping injured workers informed and up-to-date (rank 8).

Days to First Cheque

The timeliness of benefits is an important factor in injured worker satisfaction. The following graph illustrates the Commission's recent performance in this area for all claims and for "manageable" claims.



"Manageable" includes all claims except those:

1. That were filed late (more than 10 working days after the accident date when the Commission received first documentation of the claim);
2. In which there was initially no lost time;
3. Accepted via an Appeals Tribunal decision;
4. In which a third party is involved; or

5. Requiring special investigations, such as occupational diseases, fatalities, and pre-existing conditions.

The average number of days from accident to first cheque for all claims in the first quarter of 2004 was 30.7 workdays. This is:

- Up 7.3% over the 4th quarter 2003 (28.6 days), and
- Up 4.8% over the 1st quarter 2003 (29.3 days).

The average wait for "manageable claims" has been relatively stable in the past few years.

Activities

Approved Policies

The Board of Directors approved policies on:

- Disclosure of Claim File Information (Oct. 2003);
- Diverting Benefits (Oct. 2003);
- Allocation of Claims Costs (Nov. 2003);
- Claim Cost History Transfer/Affiliation (Nov. 2003);
- Deduction of CPP Disability Benefits from Loss of Earnings Benefits (Nov. 2003);
- Home Care and Independence (Nov. 2003);
- Identifying Suitable Employment (Nov. 2003);
- Income Tax Reimbursement on CPP Disability Benefits (Nov. 2003);
- Interest on Claim-related Benefits and Employer Accounts (Nov. 2003);
- Conditions for Entitlement – Pre-existing Conditions (Nov. 2003);
- Recovery of Claim-related Overpayments (Nov. 2003); and
- Clothing and Footwear (Jan. 2004).

During the first quarter of 2004, the WHSCC Board of Directors approved a policy framework to address OHS issues. These issues included initial discussions surrounding Environmental Tobacco Smoke in the Workplace.

The Board of Directors continued its discussions concerning Home Modifications, Vehicle Modifications, Re-employment Obligations, and Prostheses, Orthoses and Assistive Devices.

3

Return to Work

Goal

“We will decrease the time by which injured workers return to pre-accident, modified or alternate employment.”

Measure

The Commission utilizes a measure that focuses on return to work rates. This measure provides information on the percentage of injured workers that actually return to work within a range of time frames. It also tracks the percentage of injured workers that are capable of returning to work but are not working at the time of claim disposition.

Indicators & Analysis

The return to work goal is measured using the following tables. These tables include lost-time claims only and exclude claim dispositions where clients remove themselves from the workforce (i.e. retirement, return to school not resulting from Commission interventions). The data in the following tables is generated from the internal management information system and includes data up until March 31, 2004.

% Returned to Work or Capable of Returning to Work			
% Returning Within	Total For Actual Return to Work	Ready & Not Working	Total
20 days	60.0%	0.5%	60.5%
80 days	77.8%	2.4%	80.2%
130 days	84.3%	4.0%	88.3%
260 days	89.8%	5.0%	94.8%
520 days	91.2%	4.7%	95.9%

Actual Return to Work			
% Returning Within	Same Job	Modified Job	Alternate Job
20 days	58.2%	1.4%	0.4%
80 days	74.2%	2.2%	1.2%
130 days	80.7%	1.9%	1.5%
260 days	84.9%	2.5%	2.1%
520 days	86.7%	1.9%	2.4%

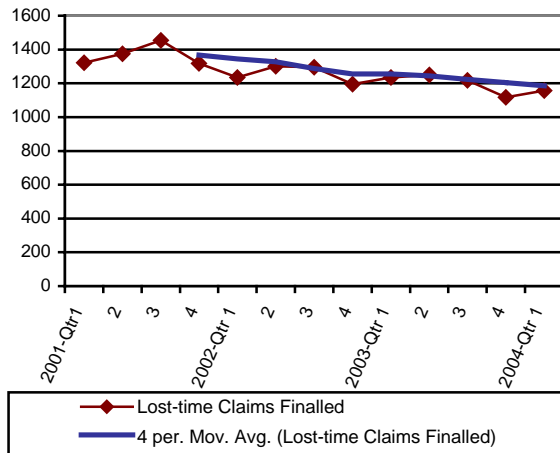
To allow sufficient tracked time, data for 20 days (4 weeks) and data for 80 days (16 weeks) was derived from 2003 claims; 130 days (26 weeks), and 260 days (52 weeks) was derived from 2002 claims; data for 520 days (104 weeks or 2 years) was derived from 2001 claims.

Number of Claims Closed & When

Another way to view return-to-work outcomes is by looking at how many claims were finalled in the quarter, the average length of time those claims were open, and the injured worker’s status when the claim was closed.

The following graph shows how many lost-time claims were finalled each quarter. A claim is “finalled” when loss of earnings benefits cease.

Lost-time Claims Finalled



As shown by the trend line, the number of lost-time claims finalled by the Commission has decreased since the third quarter of 2001.

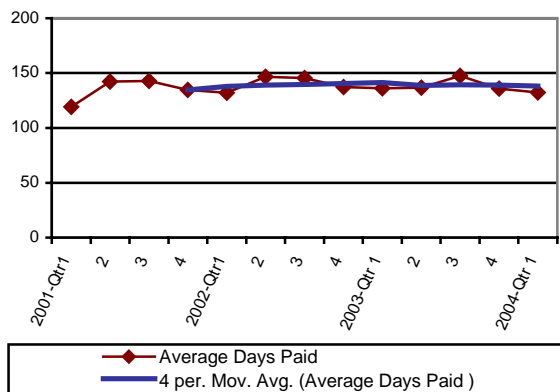
There were 1,157 lost-time claims closed in the first quarter of 2004. This is:

- Up 3.7% over the 4th quarter of 2003 (1,116), and
- Down 6.3% over the 1st quarter of 2003 (1,235).

Days Paid to Date Finalled

The following graph illustrates the average number of days paid in all finalled lost-time claims.

Average Days Paid to Date Finalled



The average number of days paid before claims were finalled has been relatively stable since mid year of 2001. In the first quarter of 2004, the av-

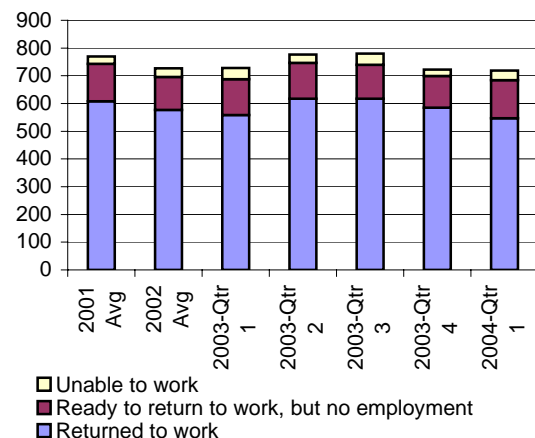
erage days paid prior to the claim being finalled was 132.4 days. This is:

- Down 2.5% over the 4th quarter of 2003 (135.8), and
- Down 2.6% over the 1st quarter of 2003 (136.0).

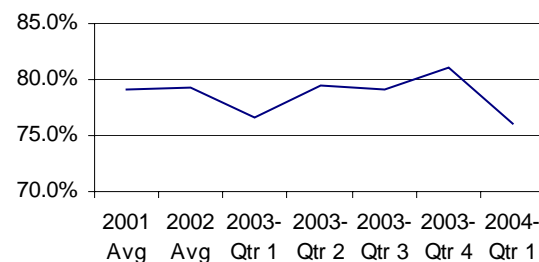
Return to Work Status

The following graph shows the number of case-managed claims in which injured workers returned to work, or were considered by the Commission to be “ready to return to work,” or “unable to return to work” when the claim was finalled. (Return to work status information is only available for case-managed claims.)

RTW Status of Long Term Claims



% RTW of Long Term Claims



The average percentage of injured workers with long-term claims returning to work in the first quarter of 2004 was 76.1%, lower than the average since 2001 of 78.7%. The total number of

injured workers who returned to work in the first quarter of 2004 is:

- Down 6.5% from the 4th quarter of 2003 (585), and
- Down 2.0% over the 1st quarter of 2003 (558).

In the first quarter of this year, there were 137 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalised. This is:

- Higher than the 4th quarter of 2003 (114), and
- Higher than the 1st quarter of 2003 (130).

There were 35 injured workers who were considered unable to return to work due to a long-term disability (LTD) when their claims were finalised in the first quarter of this year. This compares with:

- 23 in the 4th quarter of 2003, and
- 40 in the 1st quarter of 2003.

Activities

Workers' Rehabilitation Centre (WRC)

Amber Flags

The WRC continued its focus on improving the management of claims using Amber Flags.

Amber Flags are defined as factors that increase the risk of developing or perpetuating long-term disability and/or work loss, i.e. barriers for return to work. Amber Flags are thought of as psychosocial risk factors.

The Centre is scheduled to hold a workshop in April to assist treatment teams in the management of Amber Flags.

Symptom Management Strategies

Effective self-management of symptoms is a key factor in successful return to work for WRC clients. In 2003, WRC teams implemented a systematic process for assisting clients to develop and implement an individualized program of strategies to effectively manage their symptoms upon return to work. The client's program may include a combination of strategies such as heat

or cold packs, use of pacing techniques or micro-breaks, or specific exercises that relieve discomfort that can be integrated into their work-day.

The WRC is planning a research project to determine the effect of symptom self-management on return to work outcomes.

Centre of Excellence / Research

The WRC, in collaboration with Dalhousie University, completed a research proposal for the treatment of sleep disturbance in injured workers with chronic pain. Sleep disturbance, a common problem in injured workers with chronic pain, negatively impacts their function. Following Dalhousie University's ethics review of the proposal, the Centre will apply specific interventions to improve injured workers' sleep and measure the effectiveness of these interventions. Effective interventions will be incorporated into the rehabilitation program of injured workers.

Open House

The WHSCC is hosting the Third Annual WRC Open House on June 4, 2004, in honour of Disability Awareness Week. Guest speaker is Randy Dickinson, Executive Director of the Premier's Council on the Status of Disabled Persons. Some of the sessions offered include an accredited physician education program, as well as a workshop on Disability Management.

Cadre of Family Physicians

The Cadre of family physicians is a network of physicians that the Commission has contracted with to examine injured workers.

Cadre physicians are increasingly being used to provide consistent care for WHSCC claimants without family physicians.

The Commission will be sponsoring a basic curriculum in occupational medicine course for its Cadre physicians in August. This will provide the Cadre physicians with an enhanced skill set not generally available in New Brunswick.

Work Capacity Evaluation Network

Contracts were signed with four private-sector clinics in January. Quality of service is being monitored through audits.

Primary Physiotherapy Clinics

The Commission has renewed its contracts with most of the primary physiotherapy clinics. The joint WHSCC-NBPPP (New Brunswick Private Physiotherapy Partners) Clinical Practice Issues Committee continues to meet. The Committee has developed a newsletter to keep physiotherapy clinics informed of issues discussed. Planning is underway for the annual regional physiotherapy-case manager meetings.

Chronic Pain and Opioid Prescribing Guidelines

In February 2004, the Board of the New Brunswick Medical Society adopted the Commission's proposed Chronic Pain and Opioid Prescribing guidelines. These guidelines and a new progress report, Chronic Pain Form 10P, are being translated. Distribution of the guidelines is planned for the Medical Society's July newsletter.

Physician Medical Education

The Commission continues to provide sessions to physicians through the Medical Society's Community Hospital Program. A new session in the 4th quarter of 2003 was "Four Thoughts on the Knee". Another new session in the 1st quarter of 2004 was "Family Practice Office Management of LBP: an Algorithmic Approach". This session ties together and reinforces other sessions on the management of low back pain. The session on "Third Party Medicine: Principles and Pitfalls" was also provided in the 1st quarter of 2004.

4

Assessments & Funding

Goal

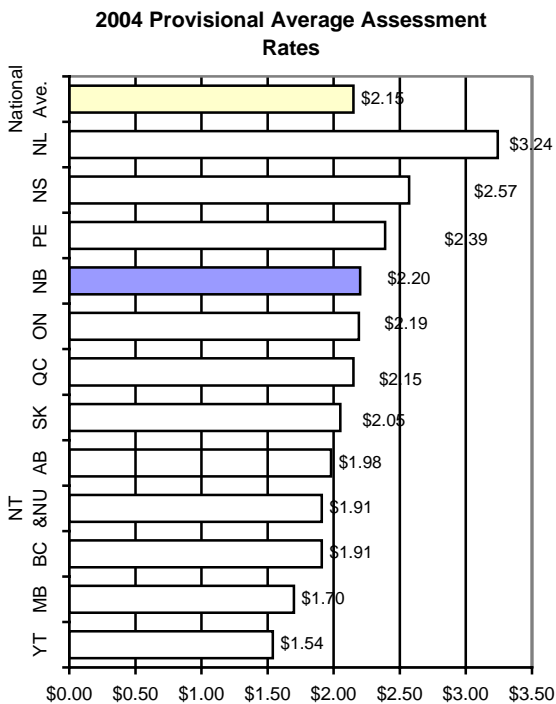
“We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.”

Measure

At a minimum, we will maintain a fully funded liability.

Indicators & Analysis

Assessment Rates Across Canada



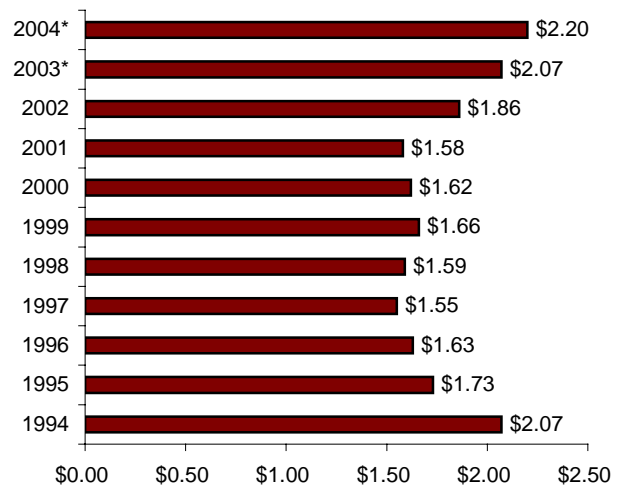
Note: Caution should be exercised when comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry

mix, benefit levels, and assessable maximums can affect rates.

Our provisional average assessment rate for 2004 is \$2.20. This is slightly above the national average of \$2.15, but still the lowest in Atlantic Canada.

The goal speaks to “holding” the rates at a low level. The following chart shows the movement in the average assessment rate in New Brunswick since 1991.

Actual Average Assessment Rate for New Brunswick



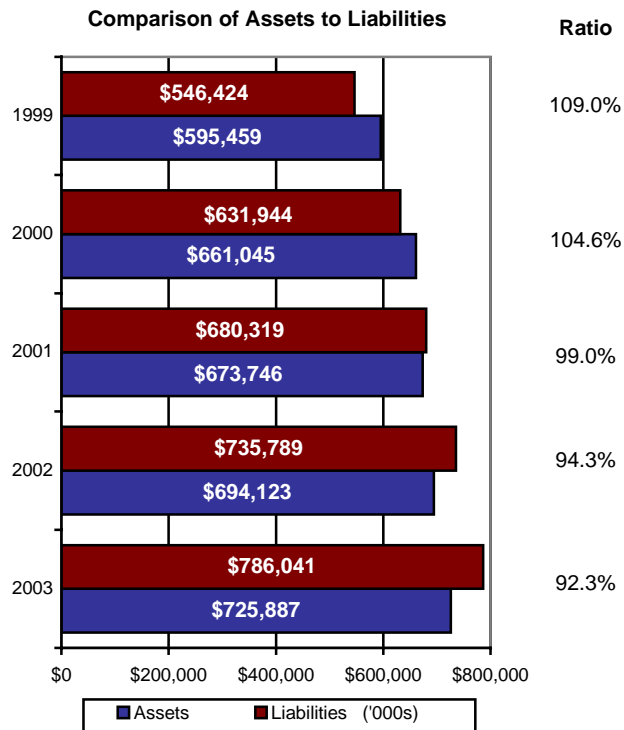
*Provisional average assessment rate

AWCBC Provincial Benefit Comparison for 2004

Province	% Earnings Based	Waiting Period	Max. Comp. Earnings
ON	85% net	No	\$66,800
NT & NU	90% net	No	\$66,500
YT	75% gross	No	\$65,800
AB	90% net	No	\$61,200
BC	90% net	No	\$60,700
MB	90% net 1st 24 mths of cumulative benefits, then 80% net	No	\$56,310
QC	90% net	No	\$55,000
SK	90% net	No	\$53,000
NB	85% loss of earnings	3/5ths of wkly benefits	\$50,000
NL	80% net	No	\$45,500
NS	75% net 1st 26 wks, then 85% net	2/5ths of wkly benefits	\$43,200
PE	80% net 1st 38 wks, then 85% net	3/5ths of wkly benefits	\$41,200

Comparison of Assets to Liabilities

Fully funded liabilities occur when the sum of the Commission's financial obligations are fully covered by the Commission's assets. The following illustrates the ratio of the Commission's assets to liabilities from 1999 to 2003.



Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first three months of 2004 compared to the budgeted figures, and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first three months of 2004 compared to the corresponding period for the previous year.

Unaudited Statement of Operations For the Three Months Ending March 31, 2004			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$39,623	\$40,071	\$36,691
Investments and other	11,973	10,591	(2,009)
Province of NB	225	225	225
	\$51,821	\$50,887	\$34,907
Expenses			
Claims costs incurred	43,368	43,903	41,117
Administration	7,170	6,238	6,636
Appeals Tribunal	333	246	255
Legislative obligations	242	240	208
Risk management rebates	75	18	14
	\$51,188	\$50,645	\$48,230
Excess of income over expenses for the period	\$633	\$242	(\$13,323)

Assessment income for the three-month period ending March 31, 2004 was greater than budgeted by \$448,000. Investment income for the same three-month period was \$1,382,000 less than budgeted.

Total expenses for the three months ending March 31, 2004 were under budget by \$543,000. Claims costs were greater than budget by \$535,000. Administration, appeals tribunal costs, and Risk Management rebates were lower than budgeted by \$1,076,000 while Legislative Obligations were on target. The above results yield an excess of income for the period of \$242,000 compared to a budgeted excess of income of \$633,000.

Unaudited Statement of Cash Flows For the Three Months Ending March 31, 2004		
	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$ 40,223	\$ 33,059
Self-insured employers	4,437	4,850
Investments	10,591	(2,009)
Province of New Brunswick	900	900
	<u>56,151</u>	<u>36,800</u>
Cash paid to:		
Injured workers or third parties on their behalf	28,809	28,967
Suppliers and employees, for administration and other services	7,034	7,444
	<u>35,843</u>	<u>36,411</u>
Net cash provided by operating activities	20,308	389
Cash flow from investing activities:		
Cash paid for:		
Purchase of capital assets	166	112
Net increase in investments	20,142	277
Investments, beginning of period	604,206	579,821
Investments, end of period	624,348	580,098

The above statements have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in the Commission's 2003 Annual Report.

There are proposed changes to the CICA Handbook regarding accounting for investments. If these changes become effective for 2004, the financial results to March 31 would vary from the statements above and the variance could be material.

Investment Portfolio Overview

The Markets

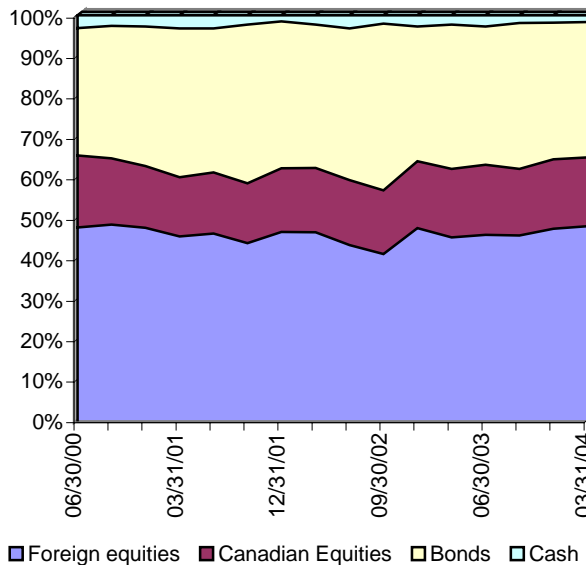
Most world equity markets continued to provide positive returns in the first quarter of 2004. Emerging markets equities continued to lead the advance, with the MSCI (Morgan Stanley Capital International) EMF (CAD) gaining 11.59% this quarter. International equities were next, with the MSCI EAFE (CAD) index gaining 6.18%. Canadian and U.S. equities also enjoyed positive returns in the first quarter, with the S&P (Standard and Poor's) Toronto Stock Exchange (TSX) and S&P 500 (CAD) returning 4.86% and 3.42%, respectively. The Canadian bond market was strongly positive this quarter as well with the Scotia Capital Universe index increasing 3.14%.

The Canadian economy expanded more than expected in the fourth quarter of 2003, with an annualized GDP growth rate of 3.8%. However, GDP fell by an annualized rate of 0.1% in January 2004. Preliminary figures for the first quarter show GDP growth decreasing to an annualized rate of 2.4%. The Canadian labour market weakened in the first quarter, losing 21,000 jobs in February and 13,000 in March. Canada's overall inflation rate slowed again in the first quarter of 2004, with the year over year inflation rate at 0.7% in February, the lowest increase in 2 years. The strong dollar, slowing GDP growth and employment losses caused the Bank of Canada to cut its key policy rate by a quarter point at its March 2nd meeting and at its April 13th meeting. The rate cuts had an effect, with the Canadian dollar weakening relative to the U.S. dollar during the quarter to end at 76.21 cents U.S., compared with 77.21 cents U.S. at the end of 2003.

U.S. growth continued to outpace Canada with real GDP growing at an annualized rate of 4.1% in the fourth quarter of 2003. Preliminary figures for the first quarter of 2004 show GDP growth increasing to an annualized rate of 5.0%. There was a long awaited improvement in the U.S. labour market in the first quarter of 2004, with the economy adding 513,000 new jobs. The overall annualized U.S. inflation rate declined slightly to

1.7% in February. The Fed did not change its target for the federal funds rate during the quarter.

Asset Mix



As of March 31, 2004, all asset classes are within their target ranges as defined by policy.

Fund Performance Versus Policy Objectives

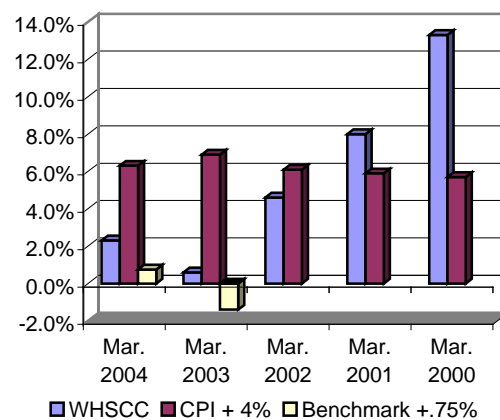
The Commission portfolio underperformed its benchmark this quarter, but continued to exceed its benchmark for longer time periods. The Commission portfolio produced a quarterly return of 4.0%, compared to 4.4% for the benchmark. Asset mix deviations added 0.1% in performance during the quarter, with the largest contributor being the overweight position in emerging market equities. Security selection lost value, costing 0.4% in performance for the quarter. Only U.S. equities and bonds added value relative to their benchmarks this quarter. Canadian equities, International (EAFE) equities and emerging markets equities all underperformed their respective benchmarks for the quarter. The most significant contribution from active management came from U.S. equities.

Negative returns in the majority of the World's equity markets from Q4 2000 to Q1 2003 make it

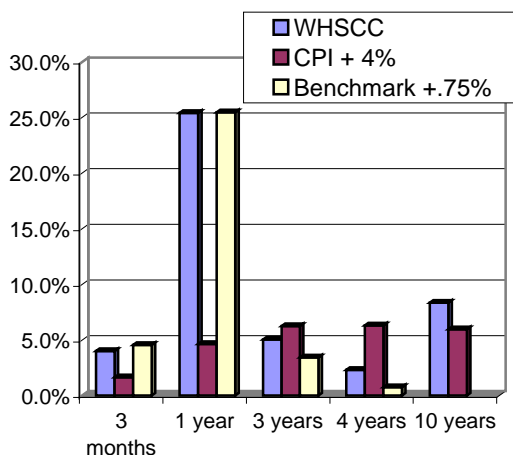
difficult to reach the performance goal of CPI + 4% on a four year annualized basis. In the first quarter the portfolio easily exceeded the CPI + 4% target, which was 1.7%.

The illustrations below depict the fund's rate of return over various time periods relative to the two objectives outlined in the Commission's policy on Investment Goals and Objectives: (1) CPI +4%, and (2) the benchmark portfolio + 0.75%. Only five years of data is available for the second objective (relating to the benchmark portfolio). The policy's performance objective is to exceed each of these over four-year periods.

4-Year Moving Average Rates of Return



Rates of Return - March 31, 2004



* Data Sources: TD Quantitative Capital, CIBC World Markets

Activities

Internal Audit

Audits completed / in progress at the end of the first quarter of 2004 include: Statement of Benefits Paid, F67 Wage Review, Costs Allocated to Reserves, and Screen Savers.

Fraud & Abuse

In 2003, there were 72 new claims that were referred to investigation, compared to 100 referrals in 2002. In 64% of these investigations in 2003, entitlement to benefits was confirmed, compared to 74% in 2002. Consequently, the investigations resulted in the adjudication of non-entitlement to benefits of 36% in 2003 compared to 26% in 2002. Increased investigator presence has created greater awareness among stakeholders of fraud and abuse activities.

A Strategic Framework for improved Fraud and Abuse detection and prevention by staff will be presented to the Executive Committee with implementation targeted for 2005.

5

WHSCC Staff Satisfaction

Goal

“Our employees will consider the Commission a good place to work.”

Measures

Employee satisfaction surveys will produce a consistently high rating. In addition, other indicators that will be measured in support of the objective include:

- Absenteeism;
- Accepted Claims for Commission Staff;
- Internal Promotions; and
- Staff Turnover.

Indicators & Analysis

Research has shown that there are many internal measures that may indicate workers’ satisfaction. High turnover, low attendance and high accident rates may suggest that workers were less than satisfied with an organization and their job, whereas promotions, high attendance and low accident rates may suggest that workers are satisfied with an organization and their job. These preceding indicators are measurable and will be analyzed; however, many other factors contribute to success with goal five.

Wellness Program

This quarter an employee survey was conducted on the wellness program to assist in planning this year’s wellness activities. During this quarter, the monthly themes were:

- January – Commitment
- February – Cardiac Health
- March - Nutrition Month

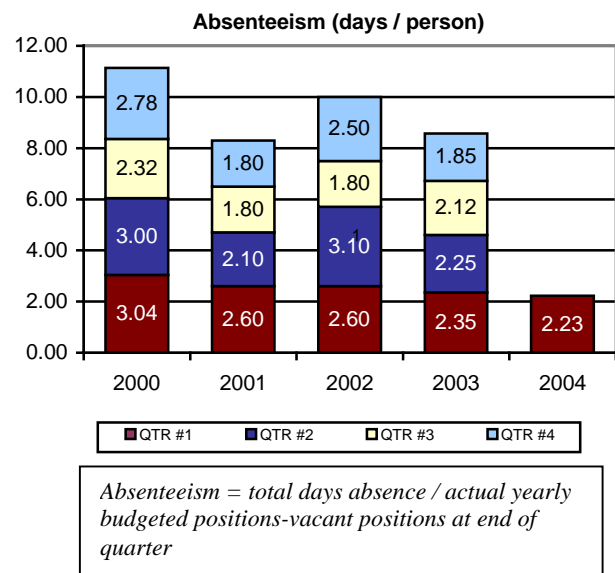
Activities to support these themes included: cardiac assessments, monthly handouts, and lunch and learn. This quarter, sixty-eight (68) Employee Assistance Sessions were held with either an employee or a family member to support organizational wellness.

Training Programs

This quarter, an online training calendar was launched, and demonstrations were offered in the Regions. A Collision Avoidance Program was offered and fifty-five (55) employees successfully completed the program. Other training programs offered this quarter included: MS Project 2002, CPR Recertification - Level B and MS Excel – Intermediate.

Absenteeism

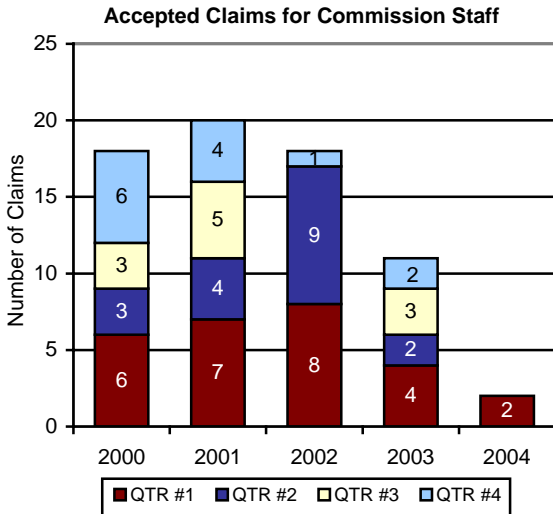
At the end of the first quarter, the average number of days absent per employee was 2.32 days, which is lower than the previous years’ total of 2.35 days and the lowest first quarter rate in the last five years.



Managers and the Human Resources Department will continue to monitor patterns and work with staff on maintaining a positive attendance pattern. The Return to Work Program assisted in returning one employee to their regular full-time duties during the first quarter.

Accident Analysis

Two claims were accepted this quarter. The total cost of these claims is \$70.92.



Note: The number of accepted claims reported in any quarter can change because accidents are not always adjudicated within the quarter they occur in. Any claims accepted outside the quarter they occur in will be noted in the next quarter report.

The 2004 Health and Safety Action Plan was launched in January. At this meeting the assignments for the first quarter were handed out. Activities for this quarter included:

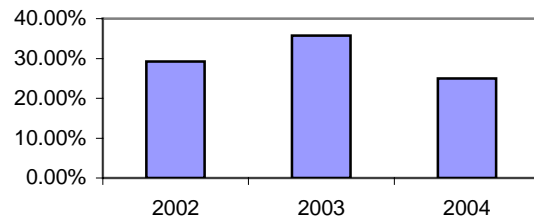
- Presentation of the framed H&S Policy for each location; and
- Annual review of the H&S Policy and Program for all staff.

In addition, H&S Quarterly meetings are held in each Department with specific agenda items to be covered.

Internal Promotion

Twenty competitions were opened during this quarter. Eight competitions were closed and two cancelled. Two of the eight that were closed resulted in a promotion for internal staff. (25%)

Internal Promotions



Staff Turnover

Exit interviews are conducted with departing employees to gauge their impressions of the organization's strength and weaknesses. Four (4) employees exited the organization during this period due to retirement. Human Resources and an Executive member review results of the completed exit interviews.

