
Corporate Report

3rd quarter 2004



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Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the 3rd quarter Corporate Report for 2004.

The report is intended to provide the Board of Directors with an update on the Commission's progress towards achieving its 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. 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 that of previous periods. Finally, there is a discussion of the activities the Commission is undertaking to meet each goal.

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

Our Vision

The Commission's Vision is "Healthy And Safe Workplaces in New Brunswick".

To achieve this, the Commission "promotes a safe and healthy work environment to the workers and employers of New Brunswick, and efficiently provides quality services, just adjudication, and fair administration of the legislation".

Our Goals

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

Safety Goal - Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents.

Service Goal - We will provide prompt, effective, efficient, just, fair, and caring services to our clientele.

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

Efficiency Goal - We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.

Staff Satisfaction Goal - Our employees will consider the Commission a good place to work.

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

Current Environment

The Provincial Context

The Commission delivers services to employers and workers in a continually changing 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.

Economic Indicators

A snapshot of New Brunswick's major economic indicators compared to the previous quarter and year follows:

	Q3 2004	Q2 2004	Q3 2003	Year Change
GDP (Basic Prices, Million \$ - 1997 Base)	19,275	19,005	18,873	↑
# Employed	355,500	351,000	342,500	↑
Unemployment Rate	10.0%	10.0%	10.7%	↓
Housing Starts	3,867	4,100	4,929	↓
Retail Sales (Million \$)	7,889	7,795	7,850	↑

Source – Conference Board of Canada

Although retail activity in the province is still below 2003 levels, job growth in the province appears to be stimulating consumer spending.¹ In the 3rd quarter, consumer spending in New Brunswick showed some signs of improvement with retail sales increasing by almost one percent.

For the second time in 2004 the Province's credit rating was upgraded². The Province continued to demonstrate sound fiscal and economic management practices. The rating agency also noted continued challenges such as a moderately high debt level, rising health care costs, reliance on federal funding and the uncertain future of NB Power.

¹ Statistics Canada. September 2004

² Dominion Bond Rating Service Ltd. upgraded the rating from 'A' to 'A (high)'.

Real Domestic Product in New Brunswick varies significantly by region and sector. Several selected sectors are compared in the following table.

	Q3 2004	Q2 2004	Q3 2003	Year Change
Forestry	403	385	359	↑
Manufacturing	3,079	3,004	2,906	↑
Transportation, Warehousing, Information and Cultural	1,814	1,806	1,759	↑
Agriculture, Fisheries and Trapping	417	415	414	↔
All Industries	19,275	19,005	18,873	↑

Source – Conference Board of Canada

* Real Domestic Product is GDP accounting for the effect of inflation.

The pulp and paper sector attracted a significant amount of attention in the third quarter of 2004. St.-Anne Nackawic closed their operations, eliminating 400 jobs from the sector. Additionally in Miramichi the permanent closure of the UPM-Kymene Kraft mill will result in 400 jobs lost by the first quarter of 2005. The current prospects for the sector have decreased due to the impact of technology on the sector, changes in the global market for their products and the strength of the Canadian dollar in export markets.

The call centre industry recovered some jobs that were lost in the second quarter when NuComm International announced the creation of 600 new jobs to be located in the former RMH Teleservices facility in Oromocto.

In the industrial construction sector, Irving Oil received approval from the Provincial Department of Environment and Local Government for the construction of its proposed Liquefied Natural Gas Terminal and Pier. The project is anticipated to be completed and operational by 2007. In the 3rd quarter of 2004, Irving Oil began a 30-day

planned maintenance and upgrade of their refinery in Saint John, employing a total 1,100 tradespersons 24 hours a day for the duration of the operation.

Economic Outlook

Despite the impact of the strong Canadian dollar on profits for both goods and services exporters in the resource sectors, export activity levels continued to grow slightly. The province's farmed salmon industry remained strong, accounting for two-fifths of total national aquaculture revenues. In the agriculture and fisheries sectors, potato farmers continued to receive low prices for their products and the level of lobster stocks remained a concern.³ Despite the negative impact of the strong Canadian dollar on profits for both goods and services exporters in the resource sectors, export activity levels continued to grow slightly.

Infrastructure projects including school and nursing home construction, further twinning of the Trans-Canada Highway, and improvements along the NB-Maine border will continue to help sustain capital investment activity in the province. The greater Moncton area continued to lead the province in housing and commercial development starts. However, most other areas of the province experienced a decline in the number of residential starts.⁴

For Further Information...

- New study on the factors contributing to projected skill shortages in the labour market. www.cprn.com - in the Work Network section.
- The gap in income levels for higher and lower levels of education has grown wider in recent years. www.statcan.ca/english/studies/
- The Province of New Brunswick released The Provincial Health Plan 2004-2008 - www.gnb.ca **keyword:** Health

³ Scotiabank Group. Provincial Pulse August 18, 2004

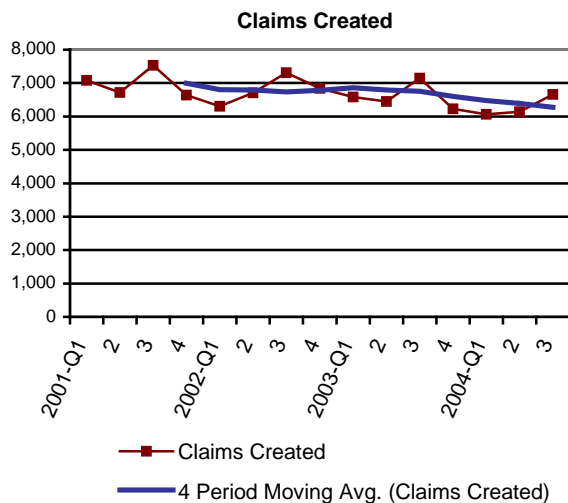
⁴ Ibid.

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.



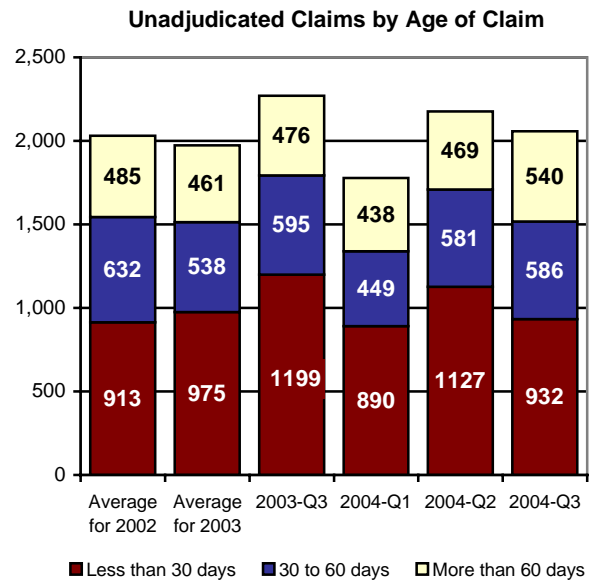
In the third quarter of 2004, the number of claims created was 6,657. This is:

- 8.5% more than in the 2nd quarter of 2004 (6,137); and
- 6.9% less than in the 3rd quarter of 2003 (7,148).

Overall, the number of claims created steadily decreased over the past few years. In addition, the traditional 3rd quarter peak in the number of claims created also steadily decreased.

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.



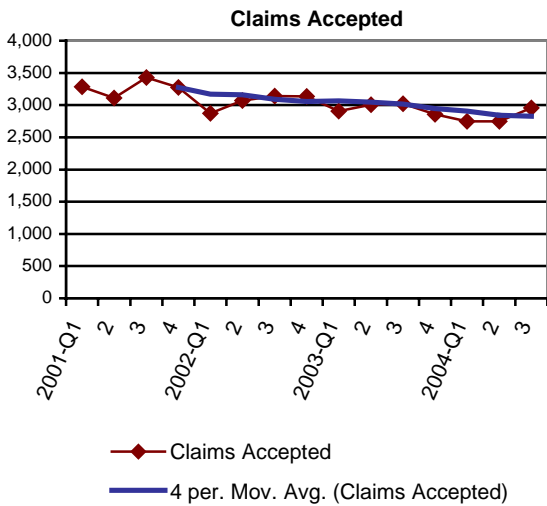
There were 2,058 claims in the backlog at the end of the 3rd quarter of 2004. This is:

- 5.5% less than the 2nd quarter of 2004 (2,177); and
- 9.3% less than the 3rd quarter of 2003 (2,270).

The number of unadjudicated claims at the end of the 3rd quarter was relatively consistent with the yearly averages for the previous two years.

Newly Accepted Claims

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



The Commission accepted 2,955 claims this quarter. This is:

- 7.6% more than the 2nd quarter of 2004 (2,747); and
- 2.2% less than in the 3rd quarter of 2003 (3,021).

To date in 2004, the Commission accepted 8,451 claims, which was 5.4% less than the number of claims accepted to date this time last year (8,932).

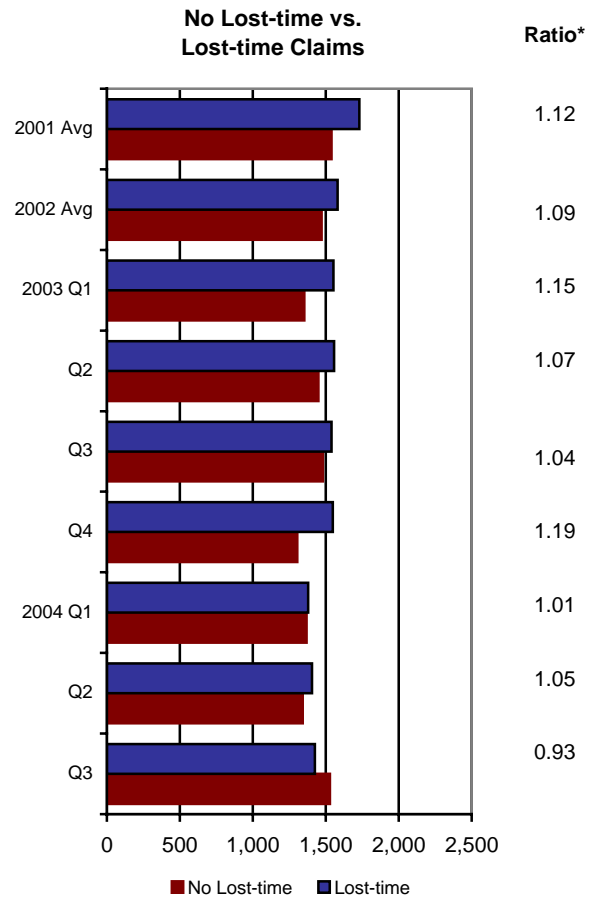
Types of Newly Accepted Claims

Newly accepted claims are broken down by wage loss 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 payment of loss of earnings benefits. 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 since 2001.



* The ratio of 0.93 means that for every 100 no lost-time claims, there were 93 lost-time claims.

The Commission accepted 1,425 new lost-time claims in the 3rd quarter of 2004. This is:

- 1.4% more than in the 2nd quarter of 2004 (1,405); and
- 7.5% less than in the 3rd quarter of 2003 (1,540).

There were 1,529 no lost-time claims accepted in the 3rd quarter of 2004. This is:

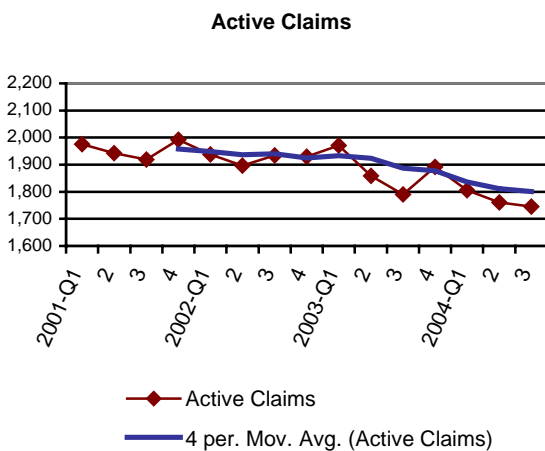
- 13.9% more than in the 2nd quarter of 2004 (1,342); and
- 3.3% more than in the 3rd quarter of 2003 (1,481).

Overall, there were 0.93 lost-time claims for every no lost-time claim in the 3rd quarter of 2004. This represents the first time there were fewer lost-time claims than no-lost time claims

since the 3rd quarter of 2000, when there were 0.94 no-lost time claims for every lost-time claim.

Active Claims

Active claims are those for which loss of earnings benefits are currently being paid. Despite fluctuations between quarters, the number of active claims steadily decreased over the past few years. The number of active claims at the close of the 3rd quarter of 2004 was 1,745, the lowest since the 3rd quarter of 2000 when it was 1,746.



Safety

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:

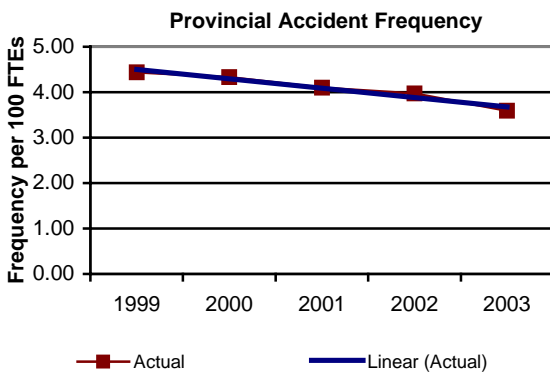
- Within the province;
- By payroll;
- By industry sectors; and
- By focus industries.

Indicators & Analysis

Provincial Accident Frequency

The Commission uses the 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.

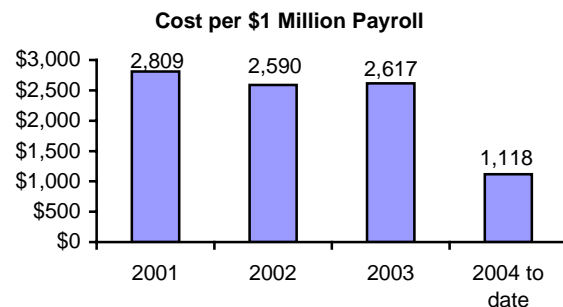


*These figures have been revised to reflect updates to the number of FTEs in the province, and to the number of claims recorded against any given year.

The 2002 accident frequency rate was 3.97 accidents per 100 FTEs. The provincial accident frequency rate declined in 2003, reaching 3.59 accidents per 100 FTEs. The Commission continues to focus prevention initiatives at reducing accident frequencies.

Average Cost per \$1 Million of Payroll

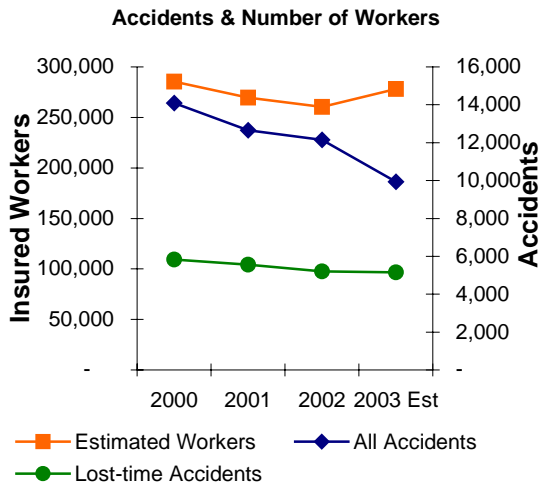
The next graph shows the decline in accident costs per \$1 million of payroll for all insured companies. There was a slight increase in 2003, which is reflected by increased medical care costs. However, this increase is smaller than the actual increase in medical care service costs overall. This reflects an overall reduction in accidents and severity, as a proportion of insured payroll in the province.



*Note – 2004 figures are incomplete. The impact of inflation is measured using provincial wage statistics.

All Industries

The number of insured workers in New Brunswick increased in 2003. However, the number of accidents overall declined, and the number of lost-time accidents remained flat, as demonstrated by the following graph.



Industry Sectors

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

The industry sectors were analyzed and the following four were chosen for further analysis because of the number of claims and high claim costs in their sector:

- Manufacturing;
- Agriculture & Natural Resources;
- Construction; and
- Government, Education, & Health.

Focus Industries

From these four sectors, WorkSafe Services selected four industries as part of their focus prevention initiative:

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

For each focus industry, a strategy was designed to address the health and safety issues in the industry across the province. Each strategy deals with awareness, and work at the industry or association level, with penetration down to the workplace level.

Other Industry Initiatives

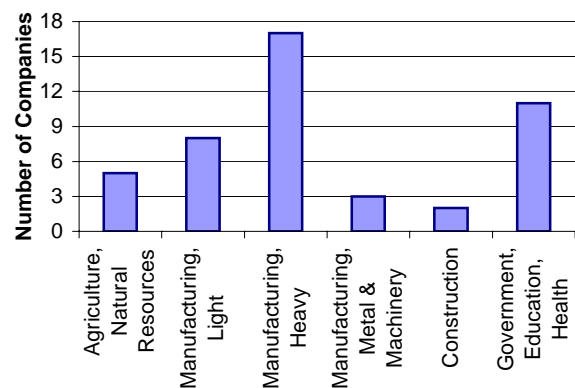
In addition to the four major focus industries, the Commission identifies a number of other industry for initiatives on a smaller scale. These are usually chosen as a result of changes in the industry, emergence of new industries, or other significant regional issues. For 2004, aquaculture, potato harvesting, and highway construction were identified.

Focus Workplaces

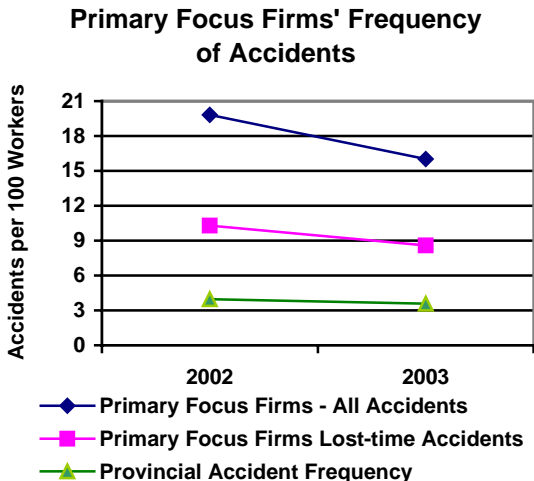
WorkSafe Services staff identifies workplaces based on the accident history of the industry group as well as the accident record of the individual firms. Intervention is done at three levels.

- **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** – Workplaces chosen from selected Standard Industrial Classifications (SIC's), with initiatives addressing basic compliance and issues identified within the industry.

Selected Primary Focus Firms by Industry



Primary Focus Firm initiatives are multi-year activities, requiring two to three years of intervention. The Primary Focus Firm initiative began in late 2001, and the following graph shows the accident frequency of the Primary Focus Firms as compared to the overall accident frequency.



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 and 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*.

General Education

The WorkSafe Services Division provides province-wide public workshops. A focus this year is the three day Joint Health & Safety Committee (JHSC) Core Training. Sessions are being held in Woodstock, Grand Falls, Dalhousie, Campbellton, Bathurst, Moncton, Sussex, Saint John, St. George, and Fredericton.

As of the end of September, there were 47 workshops for the three-day JHSC training, with 631 participants attending. Registrations for the remaining workshops in the 4th quarter are all complete.

The one day public workshops drew a total of 157 participants up to the end of the 3rd quarter.

Youth Programs

In the 3rd quarter of 2004, the Commission joined with the New Brunswick Department of Education to provide Passport to Safety to high school students, teaching young workers about workplace safety. This safety module will become part of the Broad Based Technology Education program, a mandatory course for all grade 10 students, and is also linked with programs such as:

- Co-operative Education;
- Youth Apprenticeship;
- Personal Development and Career Planning;
- Technology/Vocational Education; and
- Take Our Kids to Work.

To inform teachers of Passport to Safety, an article was featured in the New Brunswick Teacher's Association newsletter. In addition, as of the end of the 3rd quarter, over 150 teachers received training on the module with many other sessions scheduled until December. In addition, a website was developed for use by teachers and students at www.passporttosafety.com/NBteachers.

As of the end of September, the Commission received over one hundred requests from schools for youth safety educational resources. New resources include the second business card CD (SAFET-e-CARD), to be distributed to high schools in the 4th quarter.

Research is underway in the area of young workers and their susceptibility to workplace accidents. The research seeks to identify the existing barriers within the workplace in providing new and young worker health and safety training.

Finally, work continues on a new safety program, Stella the Safety Skunk, for the elementary level, which should be introduced by 2005.

OHS Legislation / Regulatory Review

The Commission, in conjunction with the Executive Council, continued its research concerning amendments to the legislation. This research concerns amendments dealing with first-aid and JHSCs.

Prosecutions

In the 3rd quarter of 2004, there were approximately 20 charges outstanding. None of the cases were resolved at the time of this publication.

Arbitrations

One hearing was held in the 3rd quarter of 2004. This hearing concerned alleged discriminatory action after complaints were made concerning air quality. The decision is expected in the 4th quarter of 2004.

No decisions were rendered and no new complaints were received in this quarter.

Service

Injured Worker and Employer Satisfaction

Goal

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

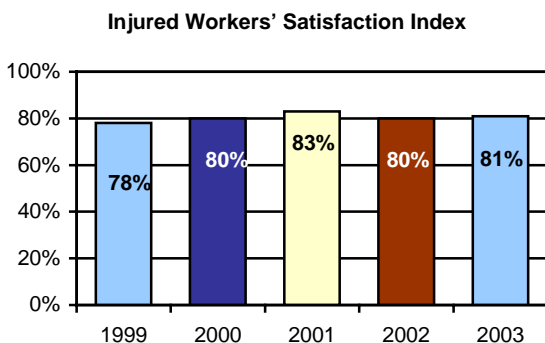
Measure

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%.

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 nine satisfaction

drivers considered important to employers' overall satisfaction.

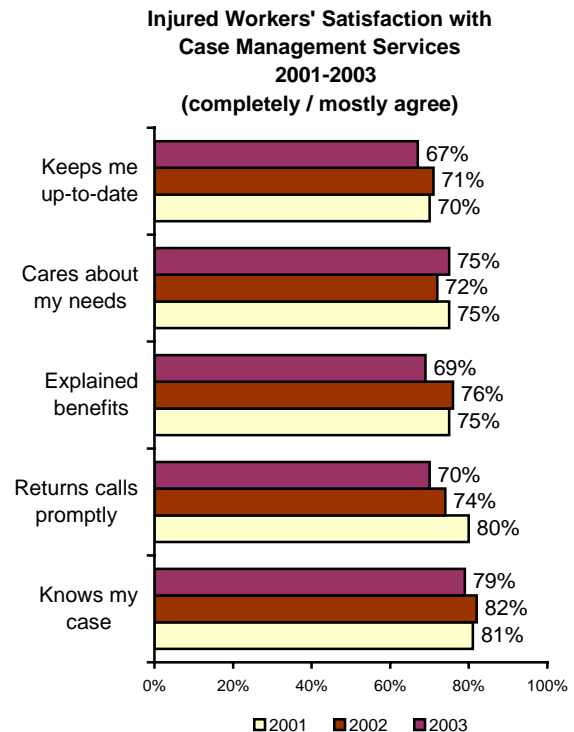


In 2003, the satisfaction index for employers rose slightly to 86%.

Key Research Findings

Case Management

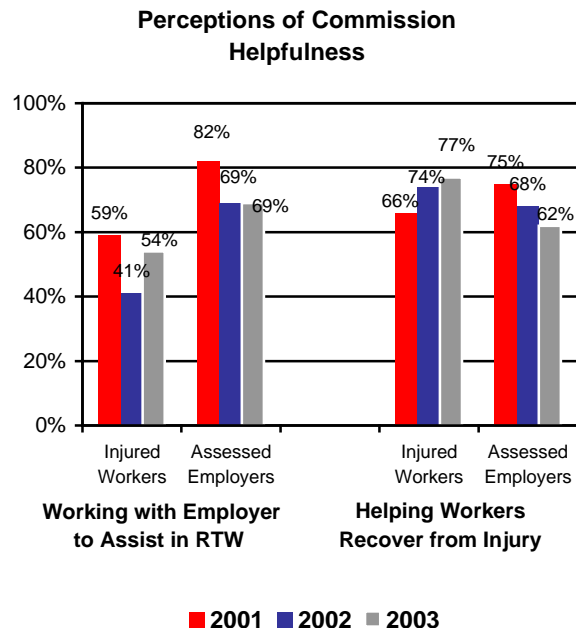
Agreement with five key service delivery attributes was used to determine the quality of service delivered by case managers.



With the exception of “cares about my needs”, agreement to these statements declined slightly over the past three years.

Helpfulness of the Commission

Assessed employers and injured workers were asked how helpful the Commission was in working with employers to assist injured workers in returning to work. They were also asked to rate the helpfulness of the Commission in assisting injured workers to recover from their workplace injuries.



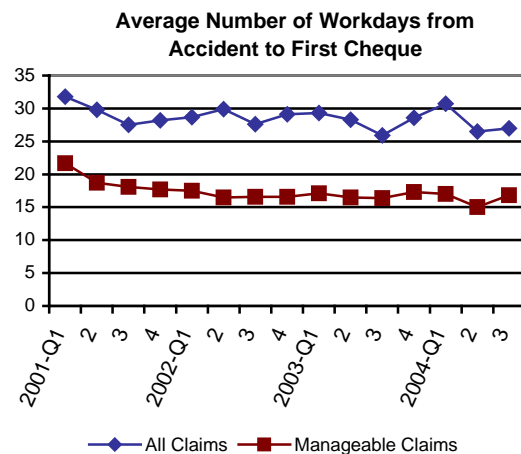
Assessed employers were more likely than injured workers to indicate that the Commission's programs and services were helpful in injured workers returning to work. However, the perception that the Commission is "somewhat helpful" increased among injured workers from the previous year.

Injured workers, on the other hand, are more likely than assessed employers to perceive the Commission as helpful in recovering from injuries. This may indicate that although employers believe the Commission is working towards return to work, they may feel that injured workers have not recovered from their injuries.

Days to First Cheque

The timeliness of benefits is an important factor in injured worker satisfaction. The following graph illustrates the Commission's recent per-

formance 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 3rd quarter of 2004 was 27 workdays. This is:

- Up 0.5 days over the 2nd quarter 2004 (26.5 days); and
- Up 1.1 days over the 3rd quarter 2003 (25.9 days).

The average wait for "manageable claims" was relatively stable in the past few years, and was 16.8 days in the 3rd quarter of 2004.

Communications

Events

In the 3rd quarter, Commission staff hosted a "New Brunswick Night" during the 2004 AWCBC Congress in Whitehorse, Yukon. The event attracted approximately 200 guests and promoted the 2006 AWCBC "Tides of Change" Congress to be held in St. Andrew's, New Brunswick.

The Commission continued its planning for the 24th Annual Health and Safety Conference. This involved finalizing workshop speakers and content, logistics, production and distribution of a number of publications, volunteer co-ordination and advertising.

During this quarter, Commission staff spoke on five occasions at various events and conferences. The Commission responded to 11 media enquiries.

Publications

Several publications were produced and issued in the 3rd quarter, including the Commission's 2003 *Report to Stakeholders*.

Other items produced included a(n):

- *OHS Act* booklet reprint;
- Let's S-T-R-E-T-C-H" wallet card;
- *OHS Act* Hazard Alert entitled "Battery Explosion"; and
- *OHS Act* Risk Alert entitled "Cart Safety".

Translation

A total of 106,019 words were translated in the 3rd quarter. At the end of the quarter, there was a backlog of 102,597 words.

Website

The Commission's internal website (Infonet) was re-launched in the 3rd quarter. The new functionality allows staff to add, edit and delete Infonet items. It also contains a summary page that lists current news, events, and announcements.

The Commission is preparing to produce its first issue of the e-newsletter. To date, 150 employers signed up to receive the e-newsletter.

The public website will soon have a search capability for Appeals decisions. Visitors will also be able to search for new policies on the policy main page.

The following table outlines the number of visitors to the Commission's public website.

Website Statistics	
Year-to-date	
Period Ending 3 rd Quarter 2004	
Number of visitors	21,876
Number of pages viewed	188,244
Average number of pages viewed per visitor	5.1

Advertising Campaign

The 2nd stage of the Commission's campaign to prevent accidents by young workers took place in the 3rd quarter. In this stage, the Commission used a series of radio advertisements during peak listening hours. Site visits by the Commission to workplaces will also determine use of CDs that were distributed containing health and safety information.

A study was commissioned in order to evaluate recall and impact for the television advertisements that aired in the 3rd quarter. The respondents indicated that recall of the 2004 television awareness campaign was strong. Amongst employers, 59% recalled the advertisement, and 56% of the parents contacted were able to identify with the advertisements. This is compared with 69% in 2003.

The 3rd and final 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.

Activities

New Services

Many small and medium employers in New Brunswick requested the ability to pay their assessments with credit cards. In addition, more options and locations for making these payments were requested.

Starting in the 3rd quarter, employers received the opportunity to make their annual Commission assessment payments through the facilities of Service New Brunswick (SNB). These facilities include over the counter (OTC) payments at any of the SNB service centres around the province, internet payments through either WHSCC's website (www.whscc.nb.ca) or SNB's website

(www.snb.ca), and payments made over the phone through SNB Teleservices (1-888-762-8600, toll free in New Brunswick).

Payments made OTC at the SNB service centres are made by either cash, cheque, electronic debit, or credit card. Payments made over the internet or through SNB Teleservices are made by credit card.

The expectation for the use of this new service is small for the first few months of operation, as most employers paid their 2004 assessments before this service was available. Usage should increase next year as the statements for 2005 are sent out, which will include instructions on how to make use of the new service offerings.

Approved Policies

During the 3rd quarter, the Board of Directors approved policies on:

- Environmental Tobacco Smoke;
- Vehicle Modifications;
- Permanent Physical Impairment;
- Conditions for Entitlement – General Principles
- Claim-related Travel Expenses; and
- Expenses – Part-time Appeals Tribunal Members.

The Board of Directors also approved Fee Schedules on:

- Accommodation Expenses;
- Child/Dependant Care Expenses;
- Training-related Travel Allowances;
- Medical Aid Providers;
- Release of Appeals Tribunal Decisions; and
- Release of Transcripts and Recordings of Appeal Tribunal Hearings.

Return to Work

Goal

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

Measure

The Commission uses a measure that focuses on return to work rates. This measure provides information on the percentage of injured workers who actually return to work within a range of time frames. It also tracks the percentage of injured workers who 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 tables that follow. These tables show lost-time claims only and exclude claims where the injured workers 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 September 30, 2004.

Percentage Returned to Work or Capable of Returning to Work			
Returning Within	Actual Return to Work	Ready & Not Working	Total
20 days	55.7%	0.2%	55.9%
80 days	69.6%	7.3%	76.9%
130 days	84.7%	4.5%	89.2%
260 days	91.7%	3.2%	94.9%
520 days	91.6%	4.4%	96.0%

Actual Return to Work*			
Returning Within	Same Job	Modified Job	Alternate Job
20 days	54.9%	0.5%	0.1%
80 days	67.8%	1.4%	0.5%
130 days	80.6%	2.4%	1.5%
260 days	86.6%	2.8%	2.2%
520 days	87.8%	2.4%	1.4%

**Due to other data not included in total figures, numbers for total actual return to work will not correlate with the previous table.*

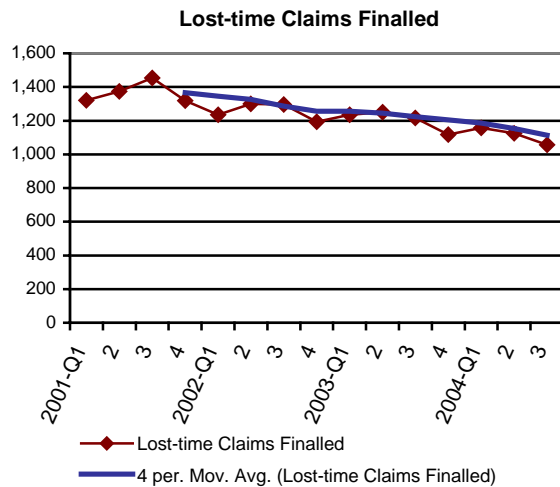
To allow sufficient tracked time, data for 20 days (4 weeks) and 80 days (16 weeks) was derived from 2004 claims; data for 130 days (26 weeks), and 260 days (52 weeks) was derived from 2003 claims; and data for 520 days (104 weeks or 2 years) was derived from 2002 claims.

A significant number of workers are employed in seasonal industries and are fit for work when the industry is “down”, resulting in the majority of the difference between “capable” of returning to work, and “actual” return to work.

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 the number of lost-time claims finalled each quarter. A claim is finalled when loss of earnings benefits cease.



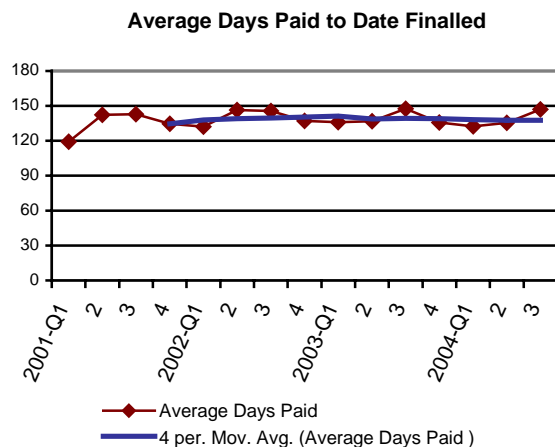
As shown by the trend line, the number of lost-time claims the Commission finalled decreased since the 3rd quarter of 2001.

There were 1,056 lost-time claims closed in the 3rd quarter of 2004. This is:

- Down 6.0% over the 2nd quarter of 2004 (1,124); and
- Down 13.2% over the 3rd quarter of 2003 (1,217).

Days Paid to Date Finalled

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

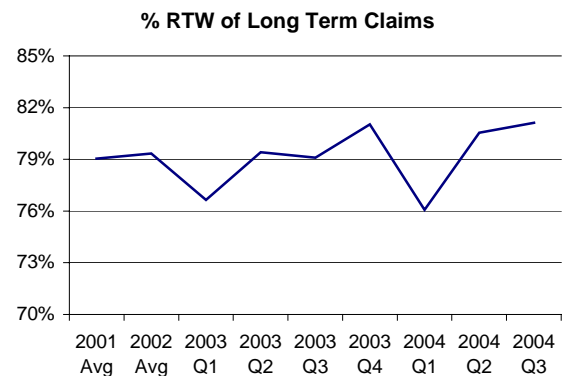


The average number of days paid before claims were finalled stabilized since mid year of 2001. In the 3rd quarter of 2004, the average days paid prior to the Commission finalled the claim was 147.0 days. This is:

- Up 11.7 days over the 2nd quarter of 2004 (135.3); and
- Down 0.5 days over the 3rd quarter of 2003 (147.5).

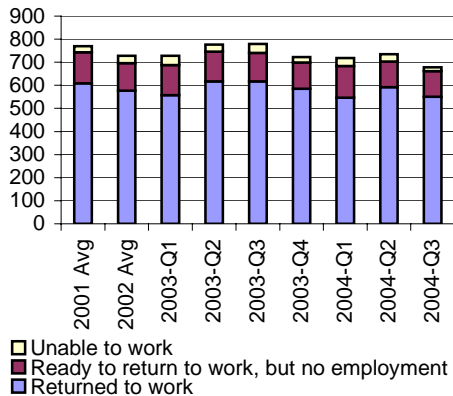
Return to Work Status

The following graph illustrates the percentage of injured workers with long-term claims who returned to work. This percentage in the 3rd quarter of 2004 was 81.1%.



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



There were 550 injured workers who returned to work in the 3rd quarter of 2004. This is:

- Down 7.1% from the 2nd quarter of 2004 (592); and
- Down 6.0% over the 3rd quarter of 2003 (585).

In the 3rd quarter of this year, there were 111 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalised. This number is:

- Equal to the 2nd quarter of 2004 (111), and
- Lower than in the 3rd quarter of 2003 (123).

To date in 2004, there were 84 injured workers considered unable to return to work due to a long-term disability (LTD) when their claims were finalised. This compares with 111 to the end of the 3rd quarter of 2003.

Activities

Workers’ Rehabilitation Centre (WRC)

Mild Traumatic Brain Injuries

The WRC implemented a treatment service for clients with mild traumatic brain injuries. Treatment is focused on the care of cognitive deficits and preparation for return to work.

The clinical coordinator of Psychology is leading a review aimed at establishing protocols for assessment and treatment.

Centre of Excellence / Research

Sleep disturbance is a common problem for injured workers with chronic pain, and negatively impacts their function.

The WRC, in collaboration with Dalhousie University, continues its research project for the treatment of sleep disturbance in injured workers with chronic pain. The second phase of the project, which measures how insomnia changes with the current Pain Management Program, commenced in May 2004 and is scheduled to be completed by November 2004. Following completion of phase two, the Pain Management Program 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.

Office of the Chief Medical Officer

Rapid Assessment Videos

The Commission continues to distribute rapid assessment videos developed by Dr. Eric Gozma. These videos are designed to assist the busy family physician in determining if a patient has a simple soft tissue injury or something more serious. Videos on the rapid assessment of shoulder and back injuries are currently being distributed. By the end of the year, a video on the rapid assessment of knee injuries should be available.

Occupational Medicine Training for Cadre of Family Physicians

The Commission provides basic training in occupational medicine to its Cadre of Family Physicians, through the American College of Occupational and Environmental Medicine (ACOEM). Instead of sending these physicians to the U.S., the Commission brought the ACOEM’s Basic Curriculum in Occupational Medicine course to Moncton. Physicians received the first half of the training in August 2004, and receive the last half in August 2005. In addition to the six New Brunswick Cadre of Family Physicians who attended, there were also two physicians from Brunswick Mines, one WCB physician from PEI, eight WCB physicians from NS, one Commission physician from NL and three Commission Medi-

cal Advisors. Topics in 2004 included epidemiology, industrial hygiene, ergonomics, occupational dermatoses, hearing conservation, respirators, airway disorders and cancer.

eFormulary

In the 4th quarter, the Commission will move from manually processing prescription drugs to an electronic formulary. The electronic formulary will notify a pharmacist prior to dispensing a medication whether or not the pharmacist is automatically reimbursed for that medication. If the medication is not automatically covered, then the injured worker pays for the medication and is given instructions on how to submit the receipt to the Commission for review of entitlement. This change will reduce the number of prescriptions for which injured workers have to pay up front and will provide faster payment to pharmacists.

The electronic formulary determining automatic coverage is a composite of 18 formularies associated with groupings of nature of injuries. If a medication is rejected for automatic payment and sent to the Commission for review, the Commission's Medical Advisor can recommend that the claimant's automatically assigned formulary be customized to include the new medication. Subsequent prescriptions for this new medication are automatically covered as long as the customized formulary remains active.

Efficiency

Assessments and Funding

Goal

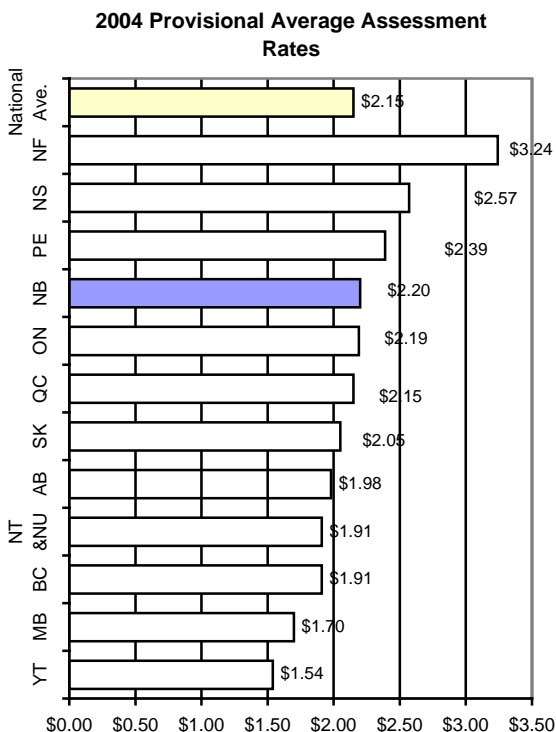
“We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.”

Measure

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

Indicators & Analysis

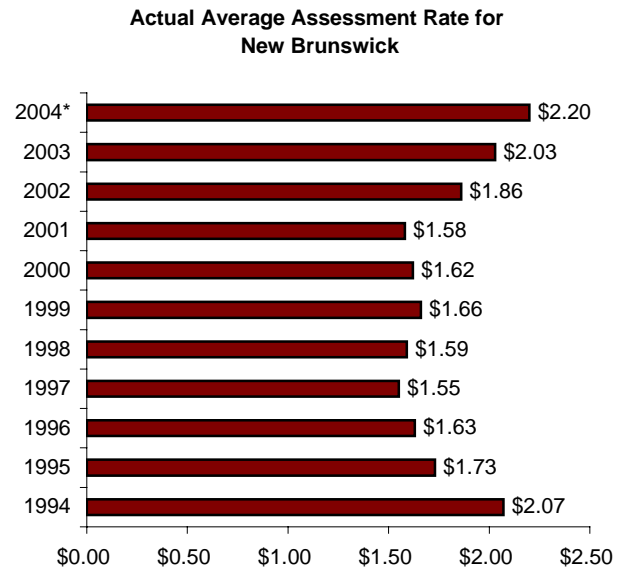
Assessment Rates Across Canada



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 remains 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 1994.

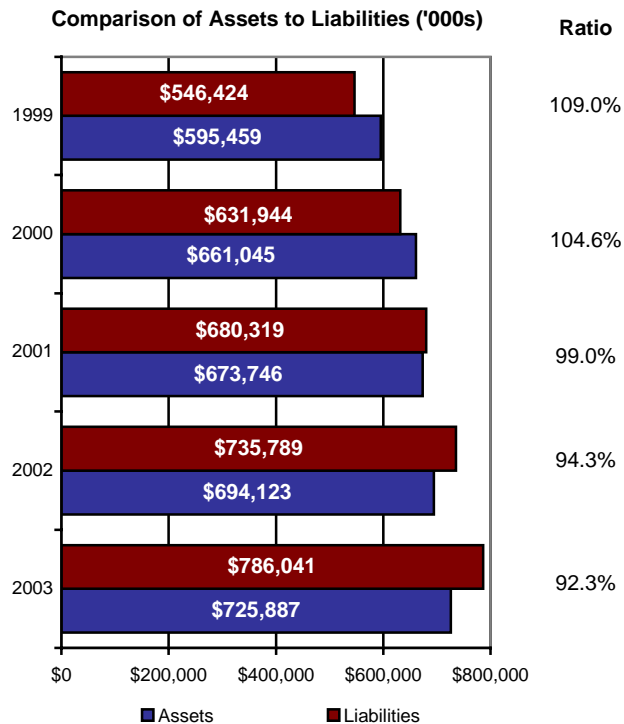


*Provisional average assessment rate

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
NF	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 is 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 nine 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 nine months of 2004 compared to the corresponding period for the previous year.

Unaudited Statement of Operations For the Nine Months Ending September 30, 2004			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$129,952	\$129,519	\$115,888
Investments and other	35,905	13,732	7,633
Province of NB	675	675	675
	166,532	143,926	124,196
Expenses			
Claims costs incurred	130,105	130,745	126,744
Administration	22,909	20,656	20,657
Appeals Tribunal	1031	857	782
Legislative obligations	728	666	750
Risk management rebates	225	64	105
	154,998	152,988	149,038
Excess of income over expenses for the period	\$11,534	(\$9,062)	(\$24,842)

Assessment income for the nine-month period ending September 30, 2004 was less than budgeted by \$433,000. Investment income for the same nine-month period was \$22,173,000 less than budgeted.

Total expenses for the nine months ending September 30, 2004 were less than budgeted by \$2,010,000. Claims costs were greater than budget by \$640,000 while Administration, Appeals Tribunal costs, Legislative Obligations and Risk Management rebates were lower than budget by \$2,650,000. The above results yield a deficiency (loss) of (\$9,062,000) compared to a budgeted excess of income over expenses of \$11,534,000.

Unaudited Statement of Cash Flows For the Nine Months Ending September 30, 2004		
	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$117,837	\$ 102,241
Self-insured employers	14,689	14,558
Investments	13,732	7,633
Province of New Brunswick	900	900
	<u>147,158</u>	<u>125,332</u>
Cash paid to:		
Injured workers or third parties on their behalf	85,407	85,143
Suppliers and employees, for administration and other services	<u>21,002</u>	<u>21,882</u>
	<u>106,409</u>	<u>107,025</u>
Net cash provided by operating activities	40,749	18,307
Cash flow from investing activities:		
Cash paid for:		
Purchase of capital assets	<u>663</u>	<u>861</u>
Net increase in investments	40,086	17,446
Investments, beginning of period	604,206	579,821
Investments, end of period	\$644,292	\$597,267

The above statements were 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.

Changes are proposed to the CICA Handbook regarding accounting for investments. If these changes become effective for 2004, the financial results to September 30 would vary from the statements above and the variance could be material.

Investment Portfolio Overview

The Markets

Many of the world's developed equity markets experienced losses in the 3rd quarter of 2004, as investors were concerned that surging oil prices may curb consumer spending and slow economic growth. Canadian equities avoided this downtrend and recorded a gain in the 3rd quarter, helped by energy stocks, which benefited from the increase in oil prices. Emerging markets equities achieved the strongest return in the quarter as the MSCI (Morgan Stanley Capital International) EMF (CAD) gained 2.18%. Canadian equities also had a relatively good return in the quarter with the S&P TSX (Standard and Poor's Toronto Stock Exchange composite index) gaining 1.88%. U.S. equities were the worst performing asset class in the 3rd quarter, with the S&P 500 (CAD) losing 7.37%. International equities also had a difficult quarter, with the MSCI EAFE (CAD) index losing 5.82%. The Canadian bond market benefited from investor concerns about slowing economic growth and the Scotia Capital Universe Bond index gained 2.82% in the quarter. The market value of the Commission's share of the investment fund at September 30, 2004 was \$642,230,848.

Growth in the Canadian economy was stronger than expected in the second quarter of 2004, with an annualized GDP growth rate of 4.3% versus a forecast of 4.0%. It was also above the first quarter growth rate of 3.0%. Preliminary figures for the 3rd quarter show GDP growth moderating to an annualized rate of 3.2%. The Canadian labour market was volatile in the 3rd quarter, losing 7,000 jobs in August and then adding 43,200 in September. Canada's overall inflation rate decreased in the 3rd quarter of 2004, with the year over year inflation rate at 1.9% in August, down from 2.2% at the end of June. The Bank of Canada increased its key policy rate by a quarter point at both its September 8th and October 19th meetings, in an effort to keep inflation on target. The increases brought the key policy rate to 2.50% on October 19th. The Canadian dollar rose to an 11-year high relative to the U.S. dollar on the final day of September. The dollar ended the

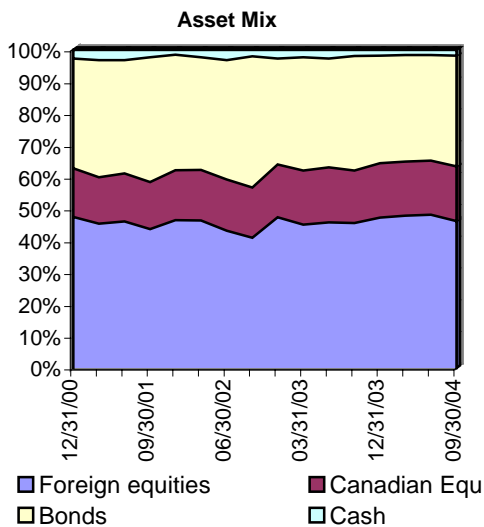
third quarter at 79.33 cents U.S., compared with 74.97 cents U.S. at the end of the second quarter.

U.S. growth was slightly disappointing in the second quarter with real GDP growing at an annualized rate of 3.3%, compared with 3.9% in the first quarter. Preliminary figures for the 3rd quarter of 2004 show GDP growth increasing to an annualized rate of 4.1%. U.S. employment figures were improving in the 3rd quarter, but not as much as expected, with the economy adding 128,000 new jobs in August and 96,000 in September. The overall annualized U.S. inflation rate fell to 2.7% in August, down from 3.0% in July. The U.S. Federal Open Market Committee increased its target for the federal funds rate by a quarter point at both its August 10th and September 21st meetings. The rate stood at 1.75% on September 21st.

U.S. equities. Security selection cost 0.4% in performance for the quarter. Much of this underperformance was attributable to the U.S. equities asset class. Canadian and International (EAFE) equities were the only asset classes to add value in the quarter. U.S. and Emerging Market equities underperformed their respective benchmarks for the quarter.

Negative returns in the majority of the world's equity markets from the 4th quarter of 2000 to the 1st quarter of 2003 continue to make it difficult to reach the performance goal of CPI + 4% on a four year annualized basis. In the 3rd quarter, the portfolio did not achieve the CPI + 4% target, which was 0.8%. On a ten year annualized basis the portfolio has achieved this objective.

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 are 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.

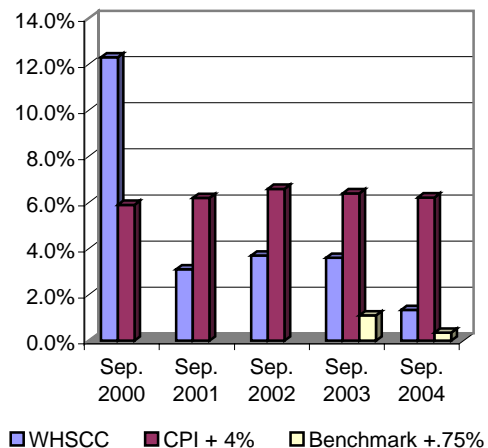


As of September 30, 2004, all asset classes are within their target ranges as defined by policy.

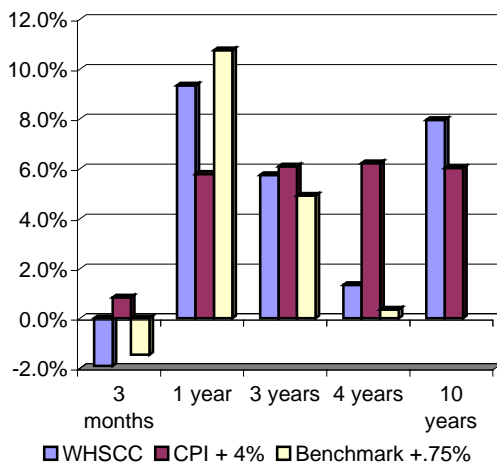
Fund Performance Versus Policy Objectives

The Commission portfolio underperformed its benchmark this quarter, but continued to exceed its benchmark on a four-year annualized basis. The Commission portfolio produced a quarterly return of -1.9%, compared to -1.7% for the benchmark. Asset mix deviations added 0.2% in performance during the quarter, with the largest impact coming from the underweight position in

4-Year Moving Average Rates of Return



Rates of Return - September 30, 2004



*Data Sources: TD Quantitative Capital, CIBC World Markets

Activities

Internal Audit

Audits completed or in progress at the end of the 3rd quarter of 2004 include: Assessment Revenue, Assessment Rates, Harmonized Sales Tax, and Network Accounts.

Fraud & Abuse

In the pursuit of additional avenues of fraud and abuse detection and prevention and in light of the increase in cross-border workers, the Commission partnered with the Maine State Workers' Compensation Board to provide assistance in investigative services.

Investigation activity continues to successfully detect and eliminate abuse within the compensation system. An Awareness Education Program for staff was developed, and is an integral part of new staff's orientation, providing early detection of indicators of potential fraud and abuse activity.

New Services

Assessment Services reduced its annual telecommunications costs by approximately \$20,000 by introducing a new method for sending electronic statements to the monthly assessed (MAAP) employers. Previously, the Commission used Bell Canada's ENVOY service to electronically deliver the monthly statements for these employers. The Commission currently uses in-house software

to deliver the statements instead. Along with the savings in budget, this method makes it easier for assessments staff to manage the delivery of the monthly statements.

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

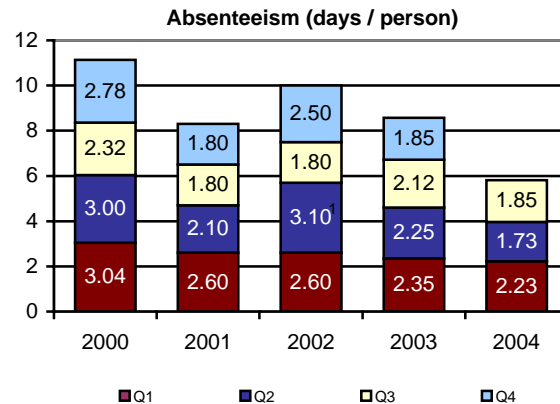
Research shows that there are many internal measures that may indicate workers’ satisfaction. High turnover, low attendance, and high accident rates may suggest that workers are less than satisfied with an organization and their job, whereas promotions, high attendance, and low accident rates may suggest 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 in the goal of staff satisfaction.

Employee Satisfaction Survey

As part of the 3rd quarter activities, the Commission administered the annual Employee Satisfaction survey. This survey was the first performed since the corporate merger which created the WorkSafe Services Division. The results are shared with staff in the 4th quarter and published in the Annual Report.

Absenteeism

At the end of the 3rd quarter, the average number of days absent to date per employee was 5.81 days. On average, since 2000, the number of days absent per employee to the end of the first three quarters was 7.27, and the rate for 2004 shows a marked improvement in attendance to the end of the quarter.

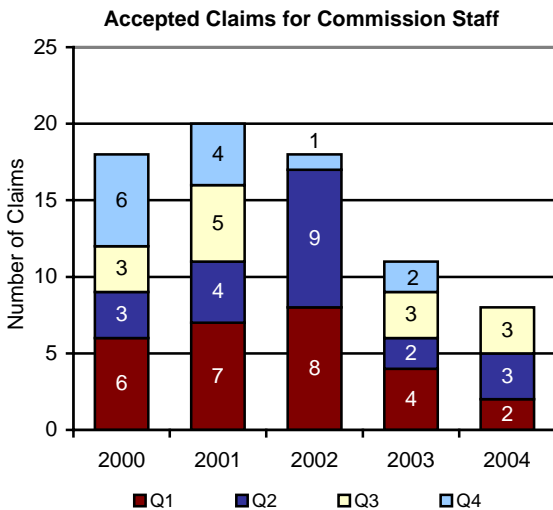


Absenteeism = total days absence / actual yearly budgeted positions-vacant positions at end of quarter

Managers and the Human Resources Department continue to monitor patterns and work with staff on maintaining a positive attendance pattern. In-service training for managers on the attendance management directive and procedures is planned for the 4th quarter.

Accident Analysis

Three claims were filed in the 3rd quarter bringing the total to 23 for 2004. None of these claims resulted in lost time for our employees. The total number of accepted claims by the end of the third quarter (8) is the lowest number recorded in the five-year period since 2000. The cost of all claims this year to date is \$1,726.69.



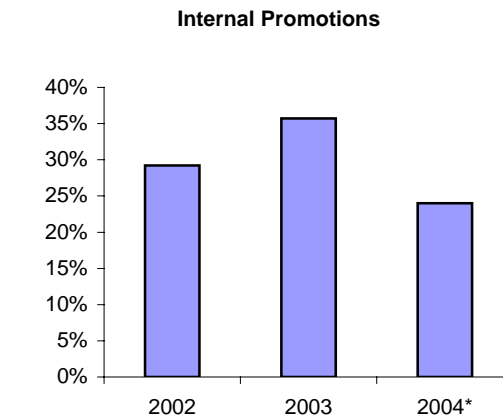
Note: The number of accepted claims reported in any quarter can change because accidents are not always adjudicated within the quarter they occur. Any claims accepted outside the quarter in which they occur will be noted in the next quarterly report.

During the 3rd quarter of the 2004 Health and Safety Action Plan, specific activities included:

- Implementation of the recommendations from the 2nd quarter's two Special Workplace Action Teams dealing with identified workplace hazards;
- Completion of the review and update to the MSDS sheets;
- Completion of the Health and Safety Orientation Training for all staff; and
- Implementation of the new Directive and Procedure on Inspections.

Internal Promotion

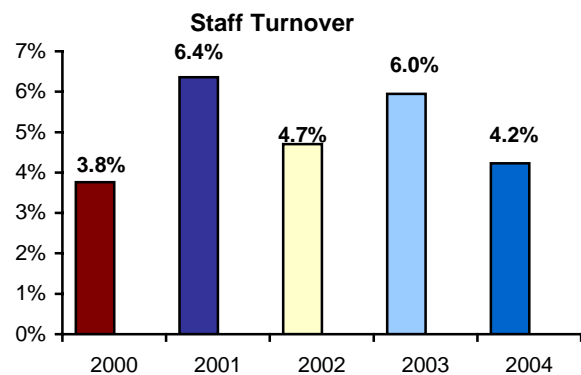
In the 3rd quarter, the Commission opened 16 competitions, closing 13, and canceling 5. Four of the 13 (31%) closed competitions resulted in a promotion for internal staff. To date in 2004, 24% of the completed competitions resulted in internal promotions for staff as demonstrated in the following graph.



* January 1 to September 30

Staff Turnover

The turnover rate for the first three quarters in 2004 is 4.2%. Five employees exited the organization during this quarter. When appropriate, exit interviews were completed to assist the organization in human resource planning and to support the staff satisfaction goal. Human Resources and an Executive member review results of the completed exit interviews.



Staff Turnover per HRIS Data

Activities

General

During the 3rd quarter, the Commission held the first course in the series for the "Growing Leaders Program".

In addition, two new Human Resources directives and one procedure were developed. One of these

directives was in the area of Workplace Inspections under our Health and Safety Program.

Wellness Program

The Commission continued to promote the monthly wellness themes, including:

- July – Summer Safety
- August – Family Wellness
- September – Teamwork

Activities to support these themes included monthly handouts and lunch and learn sessions. During the 3rd quarter, the Commission held 90 employee assistance sessions with either an employee or a family member to support organizational wellness.

Training Programs

The Commission offered a total of 23 training programs throughout the province during the 3rd quarter in the areas of:

- Leadership Development;
- Health and Safety Orientation;
- CPR Recertification;
- Employee Orientation;
- Winning Presentations;
- Standard First Aid; and
- Mentor and Mentee Workshops.

In total, three hundred and twenty participants registered in the above courses.