2012-2016 Strategic Plan: **Measuring Results**

Q1 2013 Report

wsib cspaat ONTARIO
Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
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Assessment of Q1 2013 Results

Sufficient Funding

Continued improvement in funding position

Revenue Must Cover Costs

Premiums continue to cover operating expenses

Right Sizing Costs

Recovery and RTW outcomes continue to improve

Efficient Administration

The WSIB held the line on administrative expenses

Stakeholder Relationship and Service Excellence

Survey results indicate that customer service remains a key strength

LEGEND:

Performance meeting or exceeding target	Performance off target	Positive change
Performance marginally off target	For tracking purposes only	Negative change

Discussion & Analysis

Introduction

The *2012-2016 Strategic Plan*, establishes a range of initiatives designed to improve outcomes for injured workers and employers while bringing the WSIB to a sufficiently funded position. The Measuring Results Report was developed to help the WSIB assess its performance against the objectives of the Plan.

For 2013, the Report has been updated and streamlined to provide focus on our business fundamentals. Management's perspective on results that impacted the performance of the organization in the first quarter of 2013 are discussed further in this discussion and analysis.

Improvements continued

Many of the 2012 trends continued in 2013. Focused case management and health care (discussed further in the Quarterly Focus Section) continued to help injured workers return to work and recover faster, with less permanent impairment.

Financially, the WSIB is on the path to sustainability. Premium revenue increased this quarter, while benefit and administration costs decreased. As a result, premium revenues once again covered all operating expenses and the WSIB achieved Core Earnings (i.e. premium revenues minus operating expenses) of $163 million.

These improvements resulted in the WSIB Sufficiency Ratio – a new metric defined in the glossary – increasing from 56.9% in Q4 2012 to 59.3% in Q1 2013.

Outcomes for workers and employers

New claims

The number of Schedule 1 registered claims, along with the number of allowed lost time claims, has been decreasing for more than a decade. This trend continued in Q1 2013 as allowed lost time claims decreased by 7.2% (690 claims), compared to the same quarter last year.

Once claims are registered, the WSIB continues to make accurate eligibility decisions quickly. This quarter, 92.0% of Schedule 1 eligibility decisions were made within two weeks, 7.0% over target.

Return to work and recovery

Return to work and recovery outcomes continued to improve this quarter. The impact of the Service Delivery Model introduced in 2009 is noted in the percentage of workers on-benefits across all durations up to 48 months, which continues to improve. Duration at 72 months remained stable. These improved durations, combined with fewer new allowed lost time claims, resulted in a 4.1% (830 claims) decrease in the non-locked-in claims inventory from Q4 2012.

The WSIB continues to have more success in helping injured workers mitigate their wage loss. In Q1 2013, the average LOE entitlement at lock-in was 48.7%, compared to 51.5% in Q1 2012. More importantly, 91.2% of Schedule 1 injured workers were able to return to work at no wage loss within 12 months of their injury, compared to 89.7% in Q1 2012.

Health care

We continued to invest in early, appropriate and specialized health care. Fewer new claims, combined with improved recovery and return to work, led to a 5.6% decrease in the number of claims in Specialty Clinics and a 2.1% decrease in claims in Programs of Care. However, the number of these services per claim has increased this quarter compared to Q1 2012. The average paid health care cost per claim also increased by 6.2% to $988.

This investment in health care on behalf of injured workers and employers is improving recovery outcomes. The percentage of workers with a permanent impairment (PI) decreased to 7.6% in Q1 2013, from 9.8% in Q1 2012. During this period, the average PI award also decreased to 9.9% from 10.6%.

Overall, fewer claims and improved recovery led to a 12.7% (17,748) decrease in the number of paid health care claims and a $9.5 million (7.3%) decrease in Schedule 1 health care costs.

Appeals modernization

The WSIB modernized its appeals program effective February 1, 2013. The changes support service excellence and will ensure that workers and employers are able to proceed with their appeals in a timelier manner.

The WSIB is committed to ongoing evaluation of the appeals program and we continue to develop appropriate measures for the new process.

Discussion & Analysis

Customer service results

Results from the Q1 2013 WSIB customer satisfaction survey reveal that customer service remains a key strength for the organization. Service excellence measures continue to outperform program indexes among both registered employers and injured workers. The service excellence measures with continued strong performance include courteous, knowledgeable and competent staff; as well as ensuring our employers and workers receive information needed upon contact.

We have achieved these results through continued efforts in training, telephone workforce management and quality programs. We balance speed and accessibility of our service with quality – ensuring staff members focus on resolving inquires in one contact when possible, and provide consistent responses. Our eServices portfolio continues to grow and evolve to provide flexibility through a range of services, offering convenient options for doing business with the WSIB.

We continue to use the customer satisfaction survey results together with other internal indicators to highlight areas of improvement and ultimately provide a customer experience that helps us achieve our vision of becoming the leading workplace compensation board.

Financial Sustainability

Insurable Earnings

In the first quarter of the fiscal year, the WSIB traditionally adopts a more conservative outlook for insurance earnings growth, as many employers do not report actual payrolls until after the end of the first quarter. In 2012, due to the on-going volatility in the economy, the WSIB used conservative estimates regarding insurable earnings growth.

This approach resulted in the WSIB reporting a growth of 8.6% in insurable earnings, corresponding to an 11.1% ($108 million) increase in premium revenues. However, after reflecting actual insurable earnings remittances, the growth in insurable earnings and premium revenues were 3.9% and 6.6% respectively.

Insurable earnings is also used to calculate the LTI rate, therefore, the LTI rate compared to Q1 2012 shows a significant improvement which must be viewed with caution.

Investment returns

For the third consecutive quarter, the WSIB's investment returns were significantly higher than budget. The WSIB achieved a 4.5% rate of return on investments before expenses in Q1 2013, resulting in net investment income of $722 million, $509 million higher than budget.

It is not expected that returns will continue at this pace nor that equity markets will crash, however some form of correction should not be unexpected in 2013. The WSIB continues to target 6% long term return on its investment, as reflected in its Sufficiency Plan.

Administration Costs

In 2013, the WSIB has updated its administrative costs measure in this Corporate Measures Report to capture all of the WSIB's administration and other expenses, prior to allocation of claim administration costs. In addition, a new measure has been added to account for Legislated Obligations paid for by employer premiums.

In Q1 2013, administration costs decreased by $15 million (7.2%) to $193 million. Administration expense per $100 of insurable payroll this quarter decreased by 14.0% to $0.42 vs. $0.49 in Q1 2012.

In this report, legislated obligations are reported under two categories, Prevention and Non-Prevention. Prevention costs include all premiums transferred to the Ministry of Labour to fund Prevention activities (see glossary for complete definition). In Q1 2013, this was $57 million. This value does not include the costs to fund the Prevention Incentive Programs (Safety Groups and Safe Communities Incentive program). Non-Prevention legislated obligations (Workplace Safety and Insurance Tribunal, the Office of the Workers Advisor and the Office of the Employer Advisor) was $9.0 million in Q1 2013.

Benefit Costs

As discussed earlier, this quarter the number of new claims decreased and recovery and return to work outcomes continued to improve. As a result, loss of earnings payments decreased by $28 million (11.2%), non-economic loss benefit payments decreased $9 million (42.9%), and external provider costs decreased by $2 million (11.8%).

Overall benefit payments decreased by $65 million (9.2%) compared to Q1 2012.

UFL

As noted in our previous quarterly reports, the WSIB was required to implement accounting standards relating to employee benefits on January 1, 2013. This retrospective adjustment required the WSIB to restate its 2012 UFL results to $14,061 million, an increase of $762 million.

In Q1 2013, as a result of improvements in all key drivers, the UFL decreased by $702 million to $13,359 million.

Sufficiency Ratio

Prior to Q4 2012, the WSIB reported its funding ratio, a point in time measurement based on IFRS accounting. Starting in Q4 2012, the WSIB introduced a Sufficiency Ratio measure to meet the sufficiency funding requirements introduced through Ontario Regulation 141/12. The Sufficiency Ratio was established to provide an objective measure to track achievement toward legislated and regulatory requirements and demonstrate sustainable funding.

Based on the current regulation, the Sufficiency Ratio is presently calculated using total assets, including investment returns, presented in the WSIB's condensed interim consolidated financial statements. Liabilities include the total liabilities presented in the consolidated financial statements adjusted to reflect the valuation of employee benefit plans obligations on a going concern basis. Using this methodology, the WSIB's Sufficiency Ratio increased to 59.3% in Q1 2013, from 56.9% in Q4 2012.

The current method for calculating the Sufficiency Ratio continues to be subject to volatility due to changes in investment returns. The WSIB's management has requested a change in the current regulation to reduce this volatility by also presenting investments on a going-concern basis and amortizing the difference between actual and expected returns over five years. This practice is consistent with Ontario pension legislation and has been endorsed by experts as well as the Auditor General's Office. Under the proposed methodology, the WSIB's Sufficiency Ratio would be 57.7% for Q1 2013.

Other notable items

Rate Framework Consultation

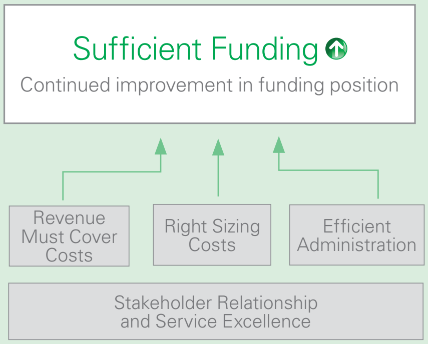
In the fall of 2012, the WSIB announced a comprehensive engagement with stakeholders on reforms to employer classification, rate setting, and experience rating. This rate framework consultation initiative is being led by Mr. Douglas Stanley.

In January 2013, Mr. Stanley released a discussion paper and began accepting submissions from stakeholders. Public consultations were held in April 2013, engaging stakeholders across Ontario and getting their input and ideas, which will be used to inform Mr. Stanley's final report.

Steady Improvement Continued

The continued steady improvement in operational and financial results indicates that the WSIB is on track to ensuring the system is sustainable for future employers and workers, and to meet its legislated funding requirements on time.

Schedule 1 Results by Pillar



Sufficient Funding

Strong performance in all key drivers (premiums, investments, benefit costs and administrative expenses) led to an increase in the WSIB's Sufficiency Ratio to 59.3% from 56.9%. The WSIB has requested a change to Ontario Regulation 141/12 to reduce the volatility in its Sufficiency Ratio calculation (discussed further on page 5). Under the proposed change the Sufficiency Ratio for Q1 2013 would be 57.7%.

As mentioned in the discussion and analysis, a change in accounting method resulted in the Q4 2012 UFL being restated to $14,061M. In Q1 2013, the continued focus on core objectives resulted in the UFL decreasing by $702 to $13,359M, $749M below budget.

Sufficiency Ratio

	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Result	56.9%	59.3%			
Budget	N/A	N/A			
Variance	N/A	N/A			
Assessment					

Unfunded Liability

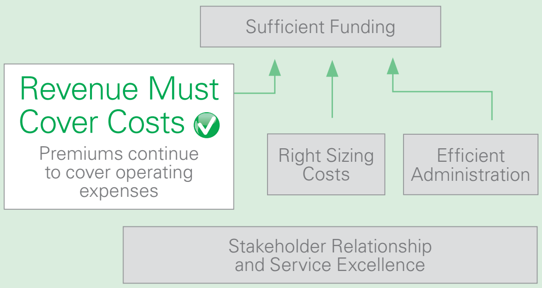
($M)	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Result	(14,061)*	(13,359)			
Budget	(13,772)	(14,108)			
Variance	(289)	749			
Assessment					

*Restated due to IFRS accounting changes. Please see Discussion & Analysis on page 5.

Revenue Must Cover Costs	
Premiums	Investments

Right Sizing Costs
Benefit Cost

Efficient Administration
Administrative Expenses



Revenue Must Cover Costs

The WSIB achieved strong investment returns in Q1 2013, which positively impacted our funding position. In Q1 2013, investment income was $722 million, $509 million higher than budget. We continue to target a 6% long-term return on investments.

Premium revenue increased by 11.1% ($108 million) versus Q1 2012, and covered all operating expenses. However, this increase must be viewed with caution due to conservative estimates for insurable payroll in Q1 2012. We expect a modest growth in premium revenue in 2013 (discussed in the D&A section).

An area we continue to monitor closely is the net surcharge/(rebate) for incentive programs which is forecast to be higher than budget in 2013.

Premiums

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	970	1,056	1,058	977	1,078	1,078
Budget	934	991	998	923	1,036	1,036
Variance	36	65	60	54	42	42
Assessment	✓	✓	✓	✓	✓	✓

Insurable Earnings

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	42,168	45,114	40,717	37,154	45,806	45,806
Budget	40,851	41,581	38,858	35,496	44,763	44,763
Variance	1,317	3,534	1,859	1,658	1,043	1,043
Assessment	✓	✓	✓	✓	✓	✓

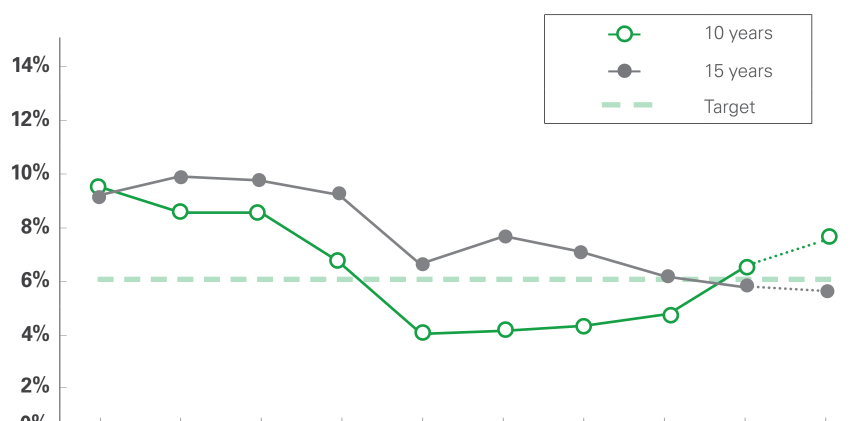
Net Surcharge / (Rebate) Incentive Programs

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	(11)	(16)	(22)	(26)	(23)	(23)
Budget	(11)	(11)	(11)	(11)	(22)	(22)
Variance	0	(5)	(11)	(15)	(1)	(1)
Assessment	✓	✗	✗	✗	✗	✗

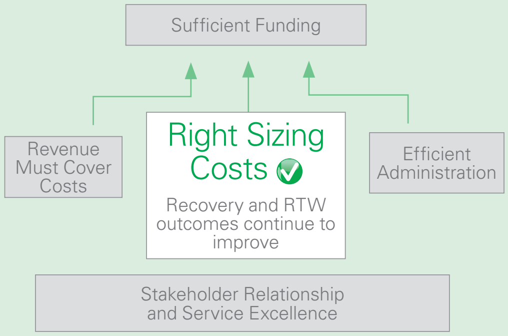
Core Earnings						
($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	(19)	150	165	11	163	163
Budget	(45)	29	48	(33)	97	97
Variance	26	121	117	44	66	66
Assessment						

Insurance Fund Total Returns				
	1 Year	5 Years	10 Years	15 Years
Q1 2013	9.9%	4.9%	7.6%	5.5%
Target	N/A	N/A	6.0%	6.0%
Assessment				

Investment Fund Total Returns



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 YTD
10 years	9.4%	8.6%	8.6%	6.9%	4.0%	4.1%	4.2%	4.6%	6.3%	7.6%
15 years	9.2%	9.8%	9.7%	9.1%	6.6%	7.6%	7.0%	6.1%	5.7%	5.5%



Right Sizing Costs

Workplace Injuries and Claims Inventory

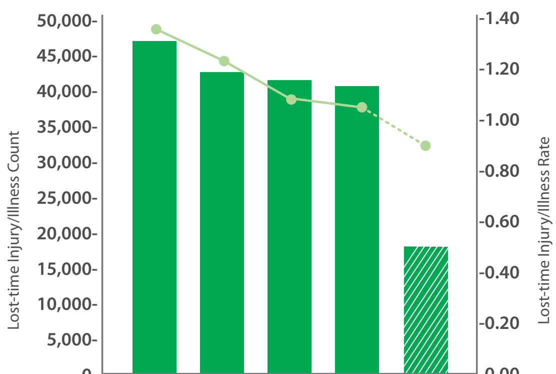
The number of registered claims in Q1 2013 decreased by 2.6% (1,251 claims) compared to Q1 2012. The percentage of claims allowed remained relatively stable at 80.4%.

WSIB continues to see improvements in almost all stages of return to work with the strongest improvement occurring in the 3 month duration window which decreased to 11.5% from 13.3% in Q1 2012.

The claims inventory also continued to improve with the volume of non-locked in claims decreasing by 23% (5,724 claims) compared to the same quarter last year. This improvement reflects the continued emphasis on our responsibility to ensure that workers recover and return to work.

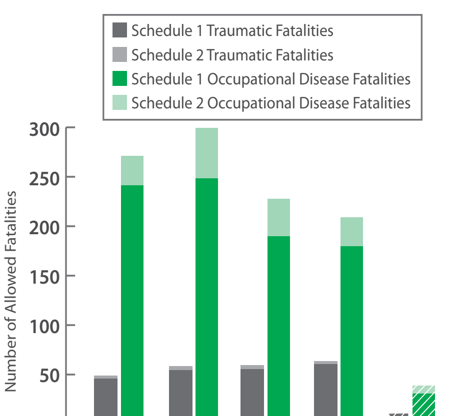
FIVE-YEAR TREND

Lost-Time Injury Illness Count & Rate



	2009	2010	2011	2012	2013 YTD
Total Allowed LTI	46,679	43,003	40,593	40,501	18,185
LTI Rate	1.29	1.17	1.07	1.04	0.92

WSIB – Allowed Traumatic & Occupational Disease Fatalities



	2009	2010	2011	2012	2013 YTD
Schedule 1 Traumatic Fatalities	46	54	55	60	8
Schedule 2 Traumatic Fatalities	3	4	4	5	0
TRM Fatalities Total	**49**	**58**	**59**	**65**	8
Schedule 1 Occupational Disease Fatalities	229	250	191	189	41
Schedule 2 Occupational Disease Fatalities	32	51	38	32	7
OD Fatalities Total	**261**	**301**	**229**	**221**	48

New Claims

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Registered	47,836	50,080	50,441	46,954	46,585	46,585
Pending	5,034	4,092	4,312	4,160	4,711	4,711
Allowed	34,733	37,460	37,859	34,657	33,659	33,659
	81.1%	81.5%	82.1%	81.0%	80.4%	80.4%

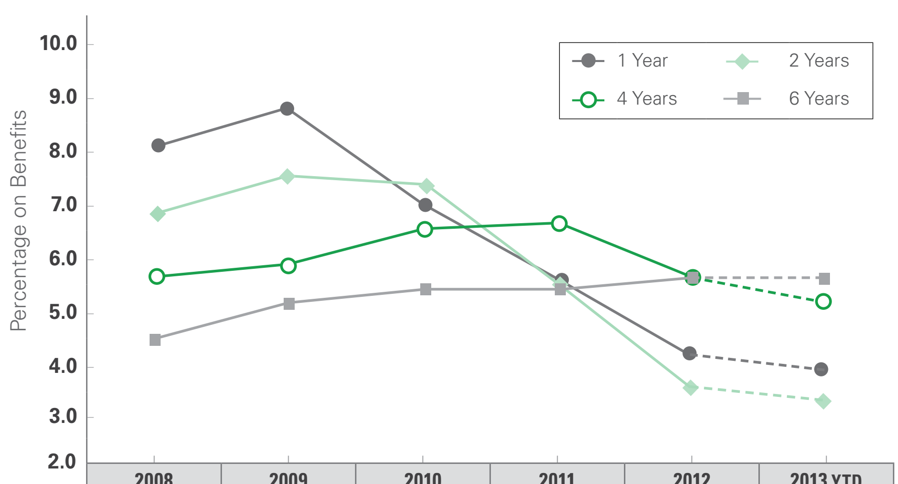
YTD Lost-time Injury/Illness Rate

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Result	1.11	1.03	1.02	1.04	0.99
Prior Year	1.21	1.05	1.05	1.07	1.11
Variance	(8.3%)	(1.9%)	(2.9%)	(2.8%)	(11.2%)
Assessment	✓	✓	✓	✓	✓

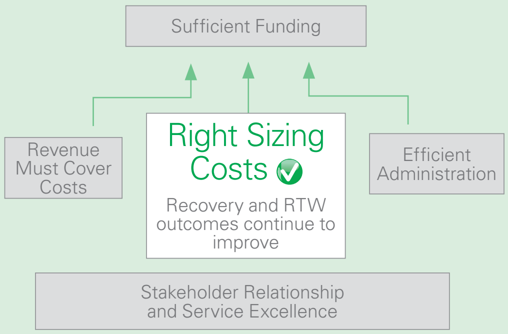
Total Wage Loss Claims Inventory						
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment
Total Claims	181,318	179,009	176,560	175,696	174,226	✓
Variance (prior year)	(7,649)	(7,798)	(7,974)	(7,789)	(7,092)	
Locked-in Claims	156,056	155,572	155,484	155,328	154,688	✓
Variance (from base)	(855)	(1,339)	(1,427)	(1,583)	(640)	
Non-locked-in Claims	25,262	23,437	21,076	20,368	19,538	✓
Variance (prior year)	(5,537)	(5,763)	(6,301)	(6,206)	(5,724)	

Duration						
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment vs. Prior Year
3 months	13.3%	12.6%	12.1%	11.8%	11.5%	✓
6 months	7.7%	7.4%	6.9%	6.6%	6.4%	✓
12 months	5.3%	5.0%	4.5%	4.2%	3.9%	✓
24 months	4.9%	4.4%	4.0%	3.6%	3.3%	✓
48 months	6.4%	6.2%	6.0%	5.6%	5.1%	✓
72 months	5.5%	5.6%	5.7%	5.6%	5.6%	✗

Measuring Duration



	2008	2009	2010	2011	2012	2013 YTD
●	8.1	8.9	7.0	5.6	4.2	3.9
◆	6.8	7.5	7.4	5.5	3.6	3.3
○	5.6	5.9	6.5	6.6	5.6	5.1
■	4.5	5.1	5.4	5.4	5.6	5.6



Right Sizing Costs

Recovery & Return To Work

Early intervention and a focused health care strategy are ensuring strong outcomes for injured workers in recovery, return to work and mitigating wage loss.

This quarter 91.2% of injured workers returned to work with no wage loss, and 7.6% of workers suffered an injury requiring permanent impairment benefits – a 23% improvement from last year. The average PI award also decreased to 9.9% from 10.6% in Q1 2012, indicating better recovery outcomes. The average PI award continues to be higher than the Canadian average of 9.5% in 2011.

These improved recovery and return to work outcomes resulted in a $65M (9%) decrease in benefit payments for the quarter.

Benefit Payments

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	705	673	637	649	640	640
Prior Year	744	719	695	692	705	705
Variance	(39)	(46)	(58)	(43)	(65)	(65)
Assessment	✔	✔	✔	✔	✔	✔

RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	89.7%	91.0%	91.3%	91.4%	91.2%	91.2%
Prior Year	90.5%	90.5%	90.5%	90.5%	91.4%	91.4%
Variance	(0.8%)	0.5%	0.8%	0.9%	(0.2%)	(0.2%)
Assessment	▽	✔	✔	✔	▽	▽

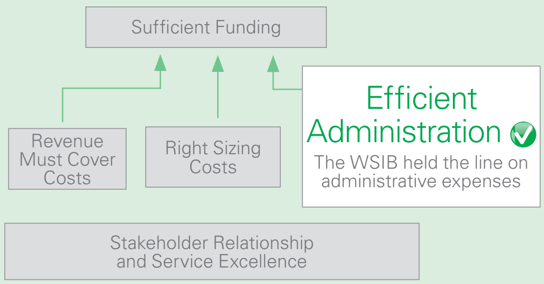
Percentage of Workers with a PI

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	9.8%	9.1%	8.1%	8.3%	7.6%	7.6%
Benchmark	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Variance	0.8%	0.1%	(0.9%)	(0.7%)	(1.4%)	(1.4%)
Assessment	✖	▽	✔	✔	✔	✔

Average PI Award Percentage

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	10.6%	10.8%	10.2%	9.7%	9.9%	9.9%
Benchmark	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Variance	(0.4%)	(0.2%)	(0.8%)	(1.3%)	(1.1%)	(1.1%)
Assessment	✔	✔	✔	✔	✔	✔

		Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment: Current Quarter	Assessment: YTD
AVERAGE LOE ENTITLEMENT AWARD AT LOCK-IN	%	51.5%	50.3%	48.0%	49.1%	48.7%	✔	✔
	Prior Year	60.0%	54.6%	52.1%	51.3%	51.5%		
	Variance	(8.5%)	(4.3%)	(4.1%)	(2.2%)	(2.8%)		



Efficient Administration

This quarter, 92.0% of eligibility decisions were made within two weeks compared to 87.9% in Q1 2012, and 45.3% of all Schedule 1 registered claims were eAdjudicated, compared to 33% in 2012. This ensures both workers and employers are getting fast feedback on the status of claims, as well as timely intervention to assist them in return to work and recovery.

In Q1 2013, the WSIB's Legislated Obligations were $66 million.

Administrative Expenses

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	208	180	173	230	193	193
Budget	190	185	184	191	201	201
Variance	18	(5)	(11)	39	(8)	(8)
Assessment	✗	✓	✓	✗	✓	✓

Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date

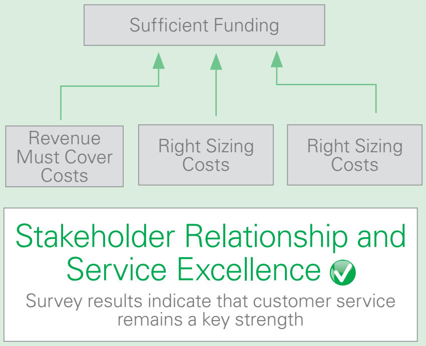
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	87.9%	93.3%	94.9%	90.3%	92.0%	92.0%
Target	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Variance	2.9%	8.3%	9.9%	5.3%	7.0%	7.0%
Assessment	✓	✓	✓	✓	✓	✓

Administrative Expense per $100 of Insurable Earnings

($ / $100)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	$0.49	$0.40	$0.42	$0.62	$0.42	$0.42
Budget	$0.47	$0.44	$0.47	$0.54	$0.45	$0.45
Variance	$0.02	($0.04)	($0.05)	$0.08	($0.03)	($0.03)
Assessment	▽	✓	✓	✗	✓	✓

Legislative Obligations

($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD	2013 YTD BUDGET	ASSESSMENT
Prevention	50.0	27.0	58.0	57.0	57.0	57.0	57.0	✱
Non-Prevention	9.0	9.0	9.0	12.0	9.0	9.0	9.0	✱
Total	59.0	36.0	67.0	69.0	66.0	66.0	66.0	✱



Stakeholder Relationship and Service Excellence

Worker and employer index scores have held steady since Q1 2012. Results indicate that the majority of employers and injured workers continue to be satisfied with the programs and services that they receive.

In Q1 2013, 63% of workers and 76% of employers were satisfied with the claims process, and 71% of workers and 81% of employers were satisfied with the service they received regarding claims. For account management, 77% of employer's satisfied with the account management process and 82% satisfied with the service they received.

The WSIB modernized its appeals program effective February 1, 2013 and we continue to develop appropriate measures for the new process.

MEASURING APPEALS SCHEDULE 1 & 2

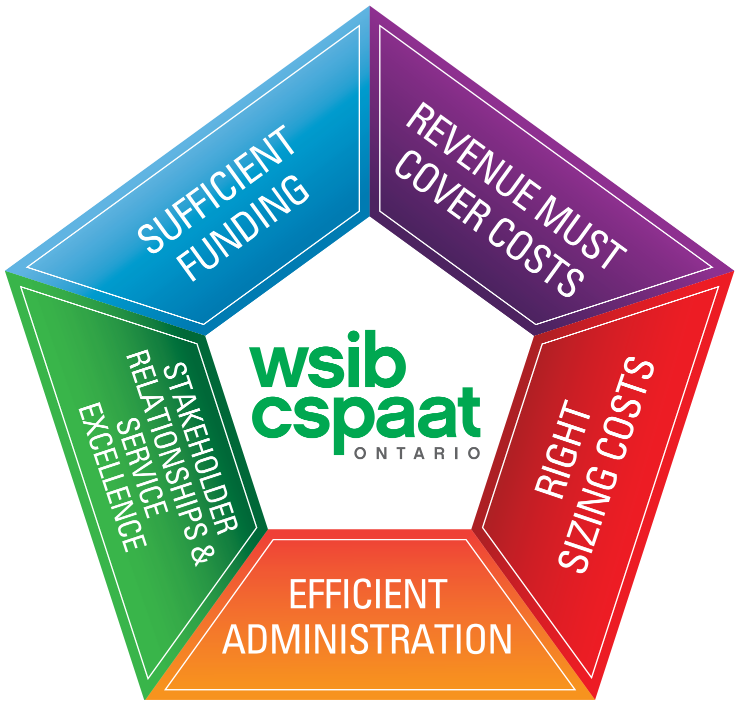
Appeals				
	Q1 2013	Q2 2013	Q3 2013	Q4 2013
# of Appeals Received	**1,933**			
# of Appeals Resolved	**3,328**			
% of Resolved Appeals Allowed / Allowed in Part	**28.5%**			
% Appeals Resolved in 12 months	**77.3%**			

MEASURING CUSTOMER SATISFACTION SCHEDULE 1 & 2

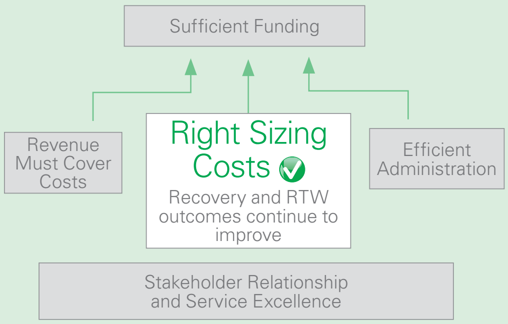
2012 Annual Reputation Index			
	Injured Workers	Employers	Non-clients
% Very or Somewhat Favourable	60%	68%	56%
Average Rating	6.0	6.5	6.2

Program Index							
		Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment
Claims – Employers	% Very Satisfied or Somewhat Satisfied	81%	73%	77%	76%	76%	
	Average Rating	7.3	6.8	7.0	7.1	7.0	
Claims – injured Workers	% Very Satisfied or Somewhat Satisfied	66%	64%	67%	62%	63%	
	Average Rating	6.5	6.2	6.4	6.0	6.4	
Account Management	% Very Satisfied or Somewhat Satisfied	83%	77%	81%	78%	77%	
	Average Rating	7.6	7.1	7.3	7.3	7.2	

Service Excellence Index							
		Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment
Claims – Employers	% Very Satisfied or Somewhat Satisfied	86%	80%	83%	81%	81%	
	Average Rating	7.7	7.4	7.5	7.5	7.4	
Claims – injured Workers	% Very Satisfied or Somewhat Satisfied	72%	71%	73%	69%	71%	
	Average Rating	6.9	6.8	6.9	6.6	6.9	
Account Management	% Very Satisfied or Somewhat Satisfied	86%	82%	87%	84%	82%	
	Average Rating	7.8	7.5	7.7	7.6	7.6	



Schedule 2 Results by Pillar



Right Sizing Costs

Workplace Injuries and Claims Inventory

Employers had fewer claims in Q1 2013 as the number of registered claims decreased by 3.8% (389 claims). However, the YTD lost-time injury/illness rate increased by 4.2% to 2.34.

Duration results are beginning to stabilize.

New Claims

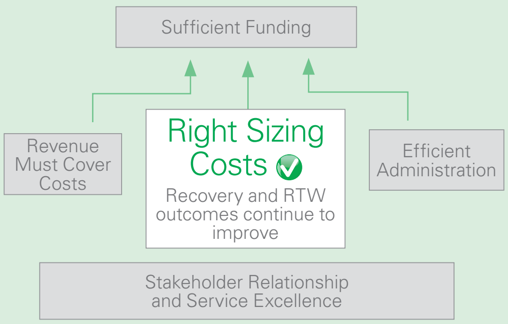
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Registered	10,324	9,622	8,775	9,527	9,935	9,935
Pending	1,531	1,240	1,257	1,443	1,315	1,315
Allowed	6,495	6,438	5,557	6,224	6,571	6,571
	73.9%	76.8%	73.9%	77.0%	76.2%	76.2%

YTD Lost-Time Injury/Illness Rate

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Result	2.25	2.00	1.91	1.87	2.34
Prior Year	2.46	2.07	1.99	1.92	2.25
Variance	(8.5%)	(3.4%)	(4.0%)	(2.6%)	4.2%
Assessment					

Duration

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Assessment Prior Year
3 months	8.9%	8.0%	7.9%	7.6%	7.5%	
6 months	4.5%	3.8%	3.6%	3.6%	3.6%	
12 months	2.3%	2.2%	2.0%	1.8%	1.8%	
24 months	1.6%	1.4%	1.2%	1.1%	1.0%	
48 months	1.4%	1.4%	1.3%	1.1%	1.0%	
72 months	1.3%	1.3%	1.3%	1.3%	1.2%	



Right Sizing Costs

Recovery & Return To Work

Early intervention and focused health care is resulting in injured workers recovering and returning to the workplace faster. This quarter 95.3% of injured workers returned to work at 100% pre-injury earnings within 12 months, a 0.8% improvement compared to Q1 2012.

The average PI award and the percentage of workers with a PI decreased to 9.2% from 9.6% and 3.5% from 5.4% respectively.

Overall, as a result of improvements in return to work and recovery, benefit payments decreased by $5 million (8.2%).

RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	94.5%	95.0%	95.3%	95.1%	95.3%	95.3%
Prior Year	94.7%	94.9%	95.0%	94.1%	94.5%	94.5%
Variance	(0.2%)	0.1%	0.3%	1.0%	0.8%	0.8%
Assessment						

Percentage of Workers with a PI

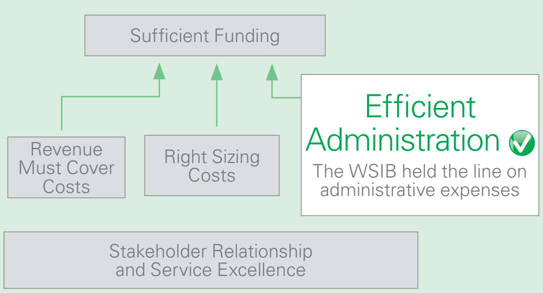
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	5.4%	5.7%	4.3%	4.0%	3.5%	3.5%
Prior Year	6.0%	5.0%	5.5%	5.7%	5.4%	5.4%
Variance	(0.6%)	0.7%	(1.2%)	(1.7%)	(1.9%)	(1.9%)
Assessment						

Average PI Award Percentage

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	9.6%	10.7%	10.0%	9.1%	9.2%	9.2%
Prior Year	13.7%	10.8%	14.0%	12.7%	9.6%	9.6%
Variance	(4.1%)	(0.1%)	(4.0%)	(3.6%)	(0.4%)	(0.4%)
Assessment						

Benefit Payments						
($M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	67	65	60	61	62	62
Prior Year	73	71	68	65	67	67
Variance	(6)	(6)	(8)	(4)	(5)	(5)
Assessment	✓	✓	✓	✓	✓	✓

Average LOE Entitlement Award at Lock-in						
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	58.5%	52.4%	51.9%	49.9%	49.2%	49.2%
Prior Year	54.1%	57.4%	49.0%	56.1%	58.5%	58.5%
Variance	4.5%	(5.0%)	2.9%	(6.2%)	(9.4%)	(9.4%)
Assessment	✗	✓	✗	✓	✓	✓



Efficient Administration

This quarter 90.9% of eligibility decisions were made within two weeks compared to 86.2% in Q1 2012.

Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date						
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	2013 YTD
Result	86.2%	92.3%	92.9%	87.5%	90.9%	90.9%
Target	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Variance	1.2%	7.3%	7.9%	2.5%	5.9%	5.9%
Assessment	✓	✓	✓	✓	✓	✓

Quarterly Focus

Improving Return to Work and Recovery Outcomes

Introduction

The WSIB's fundamental mandate is to make sure injured workers return to work, recover, and get the benefits they are entitled to. We've been working together with injured workers, employers and health care providers to improve and support return-to-work (RTW) and recovery.

Research shows that returning to work improves recovery. Overall health and mental well-being is enhanced by being at work, while prolonged absence from work can delay recovery. Through active case-management support, the WSIB is helping workplace parties achieve better results. This Quarterly Focus outlines the strategies we've used to achieve our improved outcomes.

Transition to the New Service Delivery Model

In 1998, in conjunction with the passing of Bill 99, the WSIB underwent significant change. The WSIB introduced a self-reliance model that shifted responsibility for return to work to employers and injured workers. The self-reliance model was based on the premise that return to work was best coordinated by the workplace parties themselves.

To support this model and the prevention mandate, we introduced a consolidated adjudicator role, responsible for managing all aspects of a claim from eligibility until claim closure. To strengthen customer service and prevention efforts, we assigned adjudicators to specific industries to improve relationships and understanding of workplaces. These approaches and roles helped us achieve improvements in customer satisfaction levels. However, problems began to appear in claim outcomes.

Overall health and mental well-being is enhanced by being at work, while prolonged absence from work can delay recovery.

Within this model, consolidated adjudicators had to become experts in all claim policies from eligibility to lock-in, a significant undertaking. Additionally, the wide diversity of claims at various stages resulted in inconsistencies in prioritization and monitoring. During this time almost every indicator of return to work and recovery deteriorated. By 2008, only 65% of all eligibility decisions were being made within two weeks and the percentage of workers on benefits after 12 months more than doubled from 4.3% in 1999 to 8.9% in 2009.

The WSIB established a New Service Delivery Model in 2009 which recognized that workers and employers need the WSIB's specialized assistance to achieve successful work reintegration outcomes. The goal of the model is to improve return to work and recovery outcomes for workplace injuries and illnesses, while demonstrating financial stewardship of our resources and delivering high levels of customer service.

The new model introduced a consistent and standardized case management framework to indentify, assess and coordinate services. This evidence-based case management framework helps the WSIB and the workplace parties develop a goal-oriented RTW and recovery plan. In addition to new processes, we changed the consolidated Claims Adjudicator role into specialized case management roles. Eligibility Adjudicators are focused on ensuring the eligibility of new claims is quickly and efficiently determined. Case Managers are specialized by the duration of a case (short and longer term) and work with workplace parties to develop and manage goal-oriented RTW and recovery plans. Nurse Consultants engage workers and our health care providers, and provide guidance to support the case plan. Other roles have been designed to meet the specialized needs of workers and employers and to ensure focus and expertise.

This specialization has led to improved results. Today, over 90% of all Schedule 1 eligibility decisions are made within two weeks and the percentage of workers still on benefits after 12 months has improved to 3.9%. And, our customer satisfaction surveys have shown that the majority of injured workers and employers are satisfied with the service they receive.

Health Care

A major change in our approach is the focus on early expert medical services. The WSIB has been working to improve access to specialized and timely care that workers need: we've expanded the availability and use of specialty clinics; we've established specialized Programs of Care for low back and shoulder injuries; in 2012, we introduced a new service of medical consultants who interact frequently with worker's treating physicians to address a worker's health care needs. We have also sharpened our focus on the quality of services that workers receive from health care providers.

In 2011, the WSIB adopted the "Better at Work" principle, i.e., staying at work or returning to work is part of the recovery process and acting early is key to preventing permanent impairment. "Better at Work" is considered to be best practice internationally. Although different jurisdictions use different terminology, the benefits of being at work during the recovery phase are well recognized.

Today, workers get access to expedited medical services to assist them in their recovery and, as a result, are returning to work faster with less permanent impairment (PI). The percentage of workers with a PI decreased to 7.6% in Q1 2013 from 12.7% in 2009.

Use of long-acting narcotics for new claims within 12 weeks of injury declined by 87.4% as compared to 2009.

Appropriate Narcotic Therapy

Between 2001 and 2009, narcotic prescription costs increased by close to 700% from $4.4 million to $35 million while the number of lost-time claims was decreasing. Many jurisdictions, including public and private insurers, were also experiencing increasing use of prescription narcotics. The WSIB was one of the first to take action to address appropriate narcotic therapy for pain management.

As part of its Narcotic Strategy, the WSIB increased oversight on narcotic use to support treatment goals and safe RTW. We allow prescriptions for short-acting narcotics only during the first 12 weeks following most injuries. Where there is ongoing prescription narcotic use, we schedule reviews and include discussion with the prescribing physician and our medical consultants.

As a result, use of long-acting narcotics for new claims within 12 weeks of injury declined by 87.4% as compared to 2009. Additionally, our narcotics spend has decreased by 6.1 million (17.3%) since 2009. This means that fewer injured workers are exposed to the potential harmful effects of these medications.

Work Reintegration

As stated earlier, in 1998, the WSIB introduced a self reliance model based on the premise that workplace parties (injured workers and employers) were best positioned to plan return to work themselves. At the same time, the WSIB eliminated our Vocational Rehabilitation program and outsourced Labour Market Re-entry (LMR) to private providers.

By 2009, the WSIB was spending $168 million on LMR and related services. The WSIB had lost its core RTW functions and skills, and the results were reflected in outcomes for injured workers. RTW following LMR had fallen to 36% and satisfaction with LMR services had dropped to 49% among injured workers.

As a first step, in 2009 the WSIB introduced the role of Return to Work Specialist. While the case manager develops a plan with the workplaces parties to facilitate RTW, there are occasions where an onsite visit at the workplace proves necessary. This specialized role facilitates RTW and case resolution at the workplace in the early phase of a claim.

In 2010, the WSIB replaced its LMR Program with an in-house comprehensive Work Re-Integration Program. We hired 200 professionally designated Work Transition Specialists. The WSIB introduced new Work Reintegration policies to support the program and provide guidelines for decision-makers.

Key principles to the new approach include maintaining the employment relationship with the injury employer, goal oriented work transition plans that focus on ability rather than disability and ensuring that workers are provided with meaningful input and choice. We also strengthened our relationships with public institutions to support learning, and maintain strong quality oversight of private institutions that provide specialized training.

As a result, we are achieving better outcomes at lower costs and with higher customer satisfaction levels. In 2012, the costs for Work-Reintegration decreased to $91 million. In the first two years of the program, 69% of workers who completed their program returned to work. This compares to a 36% RTW rate for the outsourced Labour Market Re-entry program in 2009. Satisfaction with the new program has also been impressive. Survey results for 2011 – 2012 showed that 85% of workers and 87% of employers were satisfied with Work Re-integration Specialists.

Focus on Quality and Results

The Service Delivery model, in the simplest terms, is about having the right people do the right thing at the right time. Our goals of RTW and recovery are clear and transparent. To support these goals we've established a quality management framework that includes standards for performance in service delivery.

Manager reviews at critical milestones and key decision points support high quality, consistent case management practice. We have also introduced a quality audit function that helps us identify opportunities to continually improve results for workers and employers.

Survey results for 2011 – 2012 showed that 85% of workers and 87% of employers were satisfied with Work Re-integration Specialists.

As a key part of our quality oversight, we also take an active role in the management of our contracted external provider network. Health Care and Work Re-integration Quality Management Specialists monitor and manage the services provided by Regional Evaluation Centers, Specialty Clinics, contracted medical specialist, Vocational Assessment and our external placement providers. Ongoing review of these programs allows us to make the necessary adjustments that lead to programs that meet the evolving needs of our stakeholders.

Better Outcomes

The improved RTW and recovery outcomes observed since 2009 are the result of incremental change that the WSIB implemented through our health care and work reintegration strategies, and delivered through our service delivery model. As a result of these changes, 92% of all workers returned to work within one year of their injury without a wage loss, compared to 85% in 2008. The Quarterly Measuring Results Report provides all stakeholders with a current view of our progress and results.

We know that you expect us to do better, and we believe we can. We are improving our systems, renewing our policies, continually seeking expert opinion and advice and consulting with stakeholders on ways to improve RTW and recovery outcomes. In 2013, our focus continues to be on improving RTW and recovery outcomes and helping our stakeholders get back to what matters to them.

Glossary

Results in this report may not match other corporate reports due to maturing of data and changes to data definitions.

Measure	Definition	Notes	Page
Administrative Expenses	Total cost of administering the Workplace Safety and Insurance Act (WSIA).	Includes operating expenses, project costs, and administrative costs associated with claims administration allocated to benefit costs Excludes Schedule 2	13
Administrative Expenses per $100 of Insurable Earnings	The administrative costs to operate the system per $100 of insurable payroll (applicable payroll required by legislation to determine premiums submitted by employers to the WSIB)	Includes operating expenses and project costs prior to the allocation of administrative costs associated with claims administration and Schedule 2 reimbursements	13
Appeals Received	The volume of Appeals received by the Appeals Services Division in the denoted period.	Schedule 1 and 2	14
Appeals Resolved	The volume of Appeals resolved by the Appeals Services Division in the denoted period.	An appeal resolution includes an appeal decision, a return or a withdrawal of an appeal Schedule 1 and 2	14
Appeals - % of Resolved Appeals Allowed/Allowed in part	The percentage of resolved appeals allowed, in full or in part	Represents a percentage of total appeal resolutions Schedule 1 and 2	14
Appeals - % of Appeals Resolved in 12 months	The percentage of Appeals resolved by the Appeals Services Division within 12 months of receipt.	An appeal resolution includes an appeal decision, a return or a withdrawal of an appeal Schedule 1 and 2	14
Annual Reputation Index Employers or Injured Workers	The percentage of registered employers or injured workers that have a positive perception of the WSIB in the specified year Average rating of the questions in the index	External survey results: index calculated using a straight average of 6 measures equally weighted Schedule 1 and 2	15
Annual Reputation Index Non-Clients	The percentage of non-registered employers and general workers (without a WSIB claim) that have a positive perception of the WSIB in the specified year Average rating of the questions in the index	External survey results: index calculated using a straight average of 4 measures equally weighted Schedule 1 and 2	15
Average LOE Entitlement Award at Lock-in	The average entitlement percent for workers having reached Loss of Earnings (LOE) lock-in in the denoted period	By quarter of lock-in decision for Bill 99 claims This measure does not use a lag period	12, 19

Glossary

Measure	Definition	Notes	Page
Average PI Award Percentage	The average Non-Economic Loss (NEL) award quantum (permanent impairment %) for awards made in the specified period	By NEL award year, including lost time and no lost-time claims This measure does not use a lag period	12, 18
Benefit Costs	Benefit costs consist of benefit payments (the amount paid to or on behalf of injured and ill workers) the change in benefit liabilities (the adjustment to the actuarially determined estimates for future claim costs for current and prior-year claims) and claims administration costs	Excludes Schedule 2	8
Benefit Payments	Benefit costs paid (or Benefit payment) represent the amount paid to or on behalf of injured and ill workers	Includes Loss of Earnings (LOE), Workers' Pension, Health Care, Future Economic Loss (FEL), Survivor Benefits, External Providers and Non-Economic Loss (NEL) Excludes changes in benefit liabilities and claims administration costs	12,19
Core Earnings	The total comprehensive income excluding the impacts of investment income, changes in actuarial valuation and any items that are considered as material and exceptional in nature		9
Duration	The year-to-date percentage of injured or ill workers that continue to receive full or partial Loss of Earnings (LOE) benefits on the specified anniversary		11, 17
Insurable Earnings	Applicable payroll required by legislation to determine premiums submitted by employers to the WSIB	Excludes Schedule 2	**8**
Insurance Fund Total Returns	The total compounded annual returns for the Insurance Fund as at the end of the reporting period over one, five, 10- and 15- year periods		9

Glossary

Measure	Definition	Notes	Page
Legislative Obligations	Reimbursement to the Government of Ontario for Prevention (all administrative costs of the Occupational Health and Safety Act and Ministry of Labour prevention Costs) and Non-Prevention (the Workplace Safety and Insurance Appeals Tribunal, the office of the Worker Advisor and the Office of the Employer Adviser).		13
Net Surcharge/ (Rebate) Incentive Program	Provision on 'surcharges to be paid by employers' net of 'refunds to be paid to employers' for all experience rating programs	Includes NEER, CAD-7, Safety Group, SCIP, Workwell and MAP	8
New Claims	The distribution of new registered claims by allowed, and pending status that were registered in the specified period % Allowed excludes pending	By registration year (regardless of injury year) Includes Lost-Time Injuries (LTIs), No Lost-Time Injuries (NLTIs) and Fatalities and abandoned claims Pending claims are claims for which a decision has not yet been made Excludes amalgamated, and PEIR (Program for Exposure Incident Reporting) claims	10,17
Occupational Disease Fatalities	The number of allowed occupational disease fatal claims by decision date	By year of entitlement (regardless of injury year) Data is un-matured	10
Percentage of Eligibility Decisions made within two weeks from the Claim Registration Date	The percentage of claims where eligibility decisions are made within the targeted timeframe of 10 business days after their registration date	Excludes occupational disease, pre-1990, serious injury, fatality, withdrawn, abandoned and re-opened claims	13, 19
Percentage of Workers with a PI	The percentage of allowed lost-time cases with a Non-Economic Loss (NEL) award	By injury year Data has a three year lag	12, 18
Premiums	Premiums that are charged to Schedule 1 employers to cover the cost of the current year's claims, the future cost of administering these claims, overhead expenses, and the cost of incentive programs	Excludes Schedule 2 reimbursement of benefits paid	8

Glossary

Measure	Definition	Notes	Page
Program Index – Account Management	The percentage of registered employers that are very satisfied or somewhat satisfied with the WSIB's account management processes	External survey results: index calculated using a straight average of 8 measures equally weighted Schedule 1 and 2	15
Program Index – Employers **Program Index – Injured Workers**	The percentage of registered employers and injured workers that are very satisfied or somewhat satisfied with the WSIB's claims processes	External survey results: index calculated using a straight average of 8 measures equally weighted Schedule 1 and 2	15
RTW at 100% Pre-injury Earnings at 12 months (Allowed Lost-time Claims)	The percentage of allowed lost-time claims returned to work with no wage loss within 12 months of injury date	Data is matured 3 months	12, 18
Service Excellence Index – Account Management	The percentage of registered employers that are very satisfied or somewhat satisfied with their interactions relating to their account management	External survey results: index calculated using a straight average of 9 measures equally weighted Schedule 1 and 2	15
Service Excellence Index – Employers **Service Excellence Index – injured Workers**	The percentage of registered employers and injured workers that are very satisfied or somewhat satisfied with their interactions relating to claims	External survey results: index calculated using a straight average of 12 measures equally weighted Schedule 1 and 2	15
Sufficiency Ratio	The ratio of total assets of the WSIB, less non-controlling interests to the total liabilities of the WSIB, as presented in the Sufficiency Statement, and is expressed as a percentage.		7
Total Wage Loss Claims Inventory	The distribution of wage loss claims	Includes Schedule 1 locked-in and non-locked in claims Includes claims from all legislations (Pre-1990, Bill 162, Bill 99) Excludes health care claims and no lost-time claims	11
Traumatic Fatalities	The number of allowed traumatic fatal claims in the period specified	By year of death Data is un-matured	10

Glossary

Measure	Definition	Notes	Page
Unfunded Liability	The deficiency of net assets attributable to WSIB stakeholders as at the end of the reporting period	Reflects the WSIB's ability to meet all future payment obligations based on existing assets and liabilities, expressed as an absolute dollar value Excludes Schedule 2	7
YTD Lost Time Injury/Illness Rate **Schedule 1**	The year-to-date number of allowed lost-time injury and illness claims per 100 Full-Time Equivalent (FTE) workers for the injury year specified	A calculation based on total allowed lost-time injuries/illness/fatalities and derived FTE Derived FTE is based on employer's insurable earnings and average hourly wage defined by the WSIB's Actuarial Services	10
YTD Lost-time Injury/Illness Rate **Schedule 2**	The Year-to-Date number of allowed lost-time injury and illness claims per 100 Full-Time Equivalent (FTE) workers for the Injury Year specified	A calculation based on total allowed lost-time injuries/illness/fatalities and derived FTE Since the WSIB does not collect Schedule 2 payroll information the same methodology cannot be used to derive Schedule 2 FTE. The Schedule 2 FTE is an estimate based on data from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH)	17

Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
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