2012-2016 Strategic Plan:
Measuring Results

Q2 2013 Report

Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
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Assessment of Q2 2013 Results

Sufficient Funding

Strong outcomes are leading to improved sustainability.

Revenue Must Cover Costs

Growth in employment led to increased premium revenue.

Right Sizing Costs

Fewer claims, improved recovery and return to work outcomes.

Efficient Administration

The WSIB continues to modernize while controlling administrative expenses.

Stakeholder Relationships and Service Excellence

Improved customer satisfaction results.

LEGEND:

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

Discussion & Analysis

Strong outcomes leading to improved sustainability

Results for the first half for 2013 indicate that the WSIB's investment in return to work and timely health care continues to improve outcomes for injured workers and employers. Overall economic growth in Ontario resulted in higher employment and increased premium revenues, but did not increase new claim volumes. Along with 4.0% investment returns, these improvements resulted in the WSIB's sufficiency ratio increasing to 59.4% as of June 30, 2013.

The following is Management's perspective on results that impacted the performance of the organization in the first six months of 2013.

Growth in Ontario's job market

In the first six months of 2013, the number of derived full time equivalent (FTEs) workers covered by the WSIB increased by 4.0%. The increase was higher than the 1.6% growth in Ontario employment as reported by Statistics Canada for June 2013.

The majority of WSIB covered sectors experienced an increase in FTEs. The increase was led by the electrical and construction sectors which grew by 16.7% and 12.5% respectively. The growth in construction was partly due to mandatory coverage requirements introduced in Bill 119. Notably, sectors that experienced declines were Automotive (-4.1%), Health Care (-2.4%) and Manufacturing (-0.6%).

This increase in employment affects three key performance indicators – premium revenue, new claim volumes and return to work outcomes.

Increased premium revenues

In the first six months of 2013, net premium revenues grew by 7.4% ($149M). $105M of the increase was due to higher insurable earnings related to employment growth and $58M was due to the 2.5% increase in average premium rates. The increase was partially off-set by an increase in net expenses for employer incentive programs as the result of improved recovery and return to work outcomes.

Reduction in new claims

The second expected impact of employment growth is on the number of new claims. Despite an increase in the number of derived FTEs, registered claims decreased by 2.9% (2,800 claims) in 2013. This translated into 0.92 allowed lost time injuries for every 100 workers employed, which is 10.2% lower than 2012. Ontario continues to have the lowest LTI rate among all Canadian jurisdictions.

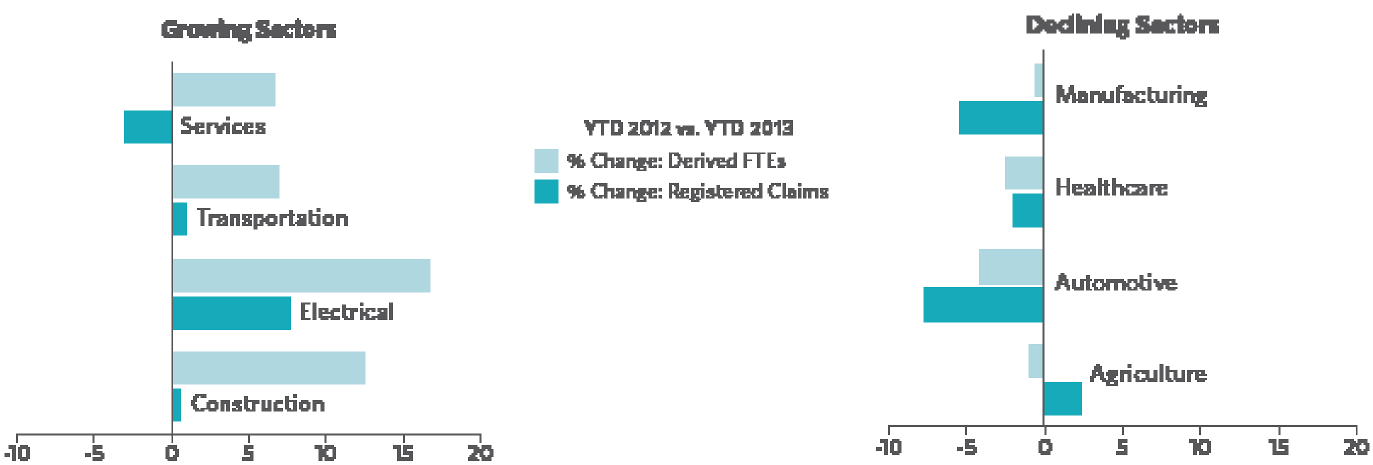
Registered claims decreased across most sectors, with notable decreases in Automotive (7.6%), Manufacturing (5.4%), Services (2.9%) and Health Care (2.0%). The lost time injury rate for all sectors improved in 2013 compared to 2012.

Improved return to work outcomes

The third effect of employment growth is on the WSIB's return to work efforts. A strong labour market positively impacts return to work outcomes as more re-employment opportunities are available for injured workers.

In 2013, injured workers continued to recover and return to work quicker. The percentage of workers who remain on benefits past key milestones (3, 6, 12, 24, and 48 months) continued to improve compared

INDUSTRY SECTOR SHIFTS



to Q2 2012, and 92% of workers with lost time injuries were back to work at 100% pre-injury earnings within one year. Workers who are not able to fully recover and return to work with their injury employer are having greater success mitigating their wage loss. For Q2 2013, the average loss of earnings (LOE) entitlement percentage at lock-in decreased by 3.3% to 47.0%.

Our improved outcomes are directly linked to the support provided by our Return to Work (RTW) and Work Transition (WT) Specialists. Between January and June of 2013, RTW Specialists made 7,600 workplace visits to assist in return to work efforts and WT Specialists received 1,870 referrals for service. Of the workers visited by RTW Specialists, 84% returned to work and were off-benefits one month after the closure of their RTW Plan.

Improved recovery outcomes

The WSIB's investment in health care continues to improve recovery and reduce permanent impairment (PI). In 2013, the percentage of workers with a PI decreased to 7.1% from 9.5% in Q2 2012. The average level of impairment also decreased to 9.6% from 10.7%. We are achieving these improvements by investing in early expert interventions, and as a result are spending more per claim - the average cost per health care claim increased by 3.1% to $1,240 in 2013.

One example of our increased investment is the expanded use of Programs of Care. The number of injured workers in Programs of Care increased by 19.9% to 15,977 and spending on these programs increased by 20.5% to $8.4M. With the continued focus on early customized medical interventions, we expect recovery outcomes for injured workers to continue to improve.

Overall, health care costs continued to decline as a result of improved recovery and fewer new claims. The total 2013 Schedule 1 year to date (YTD) health care costs were $235M, 3.3% ($8.1M) below 2012.

Investment returns remained positive despite a modest pullback in the quarter

In the first half of 2013 WSIB investment funds achieved a 4.0% rate of return on investments, 0.4% higher than benchmark, despite a 0.5% negative return for the second quarter. The 4.0% YTD return was led by gains in equities, which remain strong (+10% YTD), partially offset by negative returns from bonds as interest rates rose during May/June.

Markets were volatile in the second quarter, initially rising on improved sentiment about the US economy and subsequently falling sharply in reaction to information from the U.S. Federal Reserve regarding expectations for removing monetary support for the economy. The markets stabilized somewhat after the US Federal Reserve clarified that support would continue until late 2014 or 2015.

Overall net investment income as of June 30, 2013 was $616M, $78M higher than 2012. Additionally, as a result of the continued improvement in operational results, we were able to transfer $495M into the investment portfolio in the first half of 2013.

Customer satisfaction

Results from the Q2 2013 Customer Satisfaction Survey suggest that internal efforts to improve the customer experience over the past several quarters are proving successful. In Q2 2013, the Service Excellence Index for injured workers posted the highest score to date, while scores for employers also improved over the previous quarter.

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.

The Quarterly Focus section on Page 20 highlights the efforts that the Employer Service Centre has made to transform its business model to improve customer service and efficiency.

Discussion & Analysis

Appeals modernization

The new modernized appeals process was put in place to ensure workers and employers are able to proceed with their appeals in a timelier manner. However, as expected for 2013, the Appeals Services Division continues to address new incoming appeals alongside any cases from 2012 where the objecting party has chosen to transition to the new appeals process. For the first half of this year, 2,487 (46%) of the 5,351 total incoming appeals were transition cases.

The appeals allowance rate has remained steady in 2013. In total, 6,375 appeals were resolved in 2013 of which 15% were allowed and 15% were allowed/denied in part. As 2013 is a transition year, we continue to monitor our performance to establish new baselines.

Steady financial improvement continued

The WSIB's fundamental operations are on track. Core Earnings have been positive for seven out of the last eight quarters and have been increasing year over year. In the first six months of 2013, the WSIB had Core Earnings of $359M, $229M higher than 2012.

Fewer new claims and improved recovery and return to work outcomes resulted in a 7.4% ($102M) decrease in benefit payments. We continue to control overall administration expenses. In 2013, total administration expenses were marginally higher than budget and the corresponding period last year. During this same period, premium revenues grew by 7.4% or $149M. Rising interest rates in May/June contributed to the 0.5% ($106M) negative rate of return on investments for the three months ended June 30, 2013. However, these losses were more than offset by the $224M gain due to changes to the employee benefit plan assumptions also related to increasing interest rates.

Overall, 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. The UFL decreased from $14,061M in Q4 2012 to $13,181M, a 6.3% decline. The Sufficiency Ratio increased to 59.4% as of June 30, 2013.

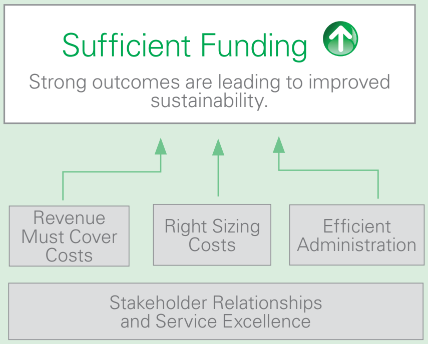
Other notables

Benefit policy review

In June 2013, the WSIB released the final report from Jim Thomas, the independent Chair of the Benefits Policy Review. The report provides advice on how the WSIB can achieve more consistent, clearer and more understandable policies in four benefits policy areas: recurrences, work disruptions, permanent impairments and aggravation basis. In addition, the report recommends that the WSIB create a policy on pre-existing conditions. Ontario is the only jurisdiction without a policy on pre-existing conditions and Mr. Thomas identified this as a critical policy gap. The report also highlights ways of improving the consultation component of future policy reviews.

As a next step, the WSIB will now draft policies in each of the policy areas under review, and draft a new pre-existing conditions policy, taking the recommendations of the Report into consideration. The draft policies will be available for public consultation in the Fall. The feedback received will be considered before finalizing the policies.

Schedule 1 Results by Pillar



Sufficient Funding

Overall, the steady improvement in operational and financial results indicates that the WSIB is on track to ensuring the system is sustainable, and to meet its legislated funding requirements in time.

As a result of strong operational, financial and investment performance, the WSIB's UFL decreased by 6.3% ($880M) to $13,181M from Q4 2012. The Sufficiency Ratio increased by 2.5% to 59.4%.

Sufficiency Ratio

	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Result	56.9%	59.3%	59.4%		
Budget	N/A	N/A	N/A		
Variance	N/A	N/A	N/A		
Assessment					

Unfunded Liability

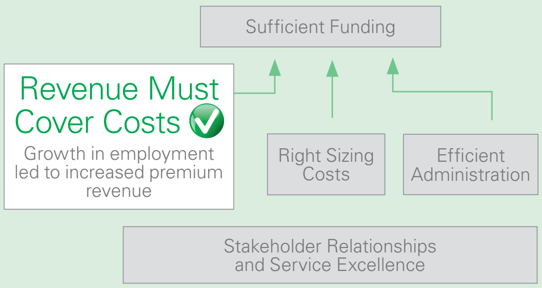
($M)	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Result	(14,061)*	(13,359)	(13,181)		
Budget	(13,772)	(14,108)	(13,965)		
Variance	(289)	749	784		
Assessment					

*Restated due to IFRS accounting changes.

Revenue Must Cover Costs	
Premiums	Investments

Right Sizing Costs
Benefit Cost

Efficient Administration
Administrative Expenses



Revenue Must Cover Costs

As the result of employment growth (see Discussion and Analysis) and the 2.5% increase of the average premium rate, premiums as of June 30, 2013 grew by 7.4% to $2,175M. The growth in premium revenue, combined with the decrease in benefit payments, resulted in Core Earnings of $359M, $229M higher than 2012.

As a result of improved recovery and return to work outcomes, the net rebate for incentive programs continued to grow. As of June 30, 2013, the WSIB has accrued a net rebate of $53M, $9M (20%) higher than budget.

Premiums

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	1,056	1,058	977	1,078	1,097	2,175
Budget	991	998	923	1,036	1,084	2,119
Variance	65	60	54	42	14	56
Assessment	✓	✓	✓	✓	✓	✓

Insurable Earnings

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	45,114	40,717	37,154	45,806	45,924	91,730
Budget	41,581	38,858	35,496	44,763	44,607	89,371
Variance	3,534	1,859	1,658	1,043	1,317	2,359
Assessment	✓	✓	✓	✓	✓	✓

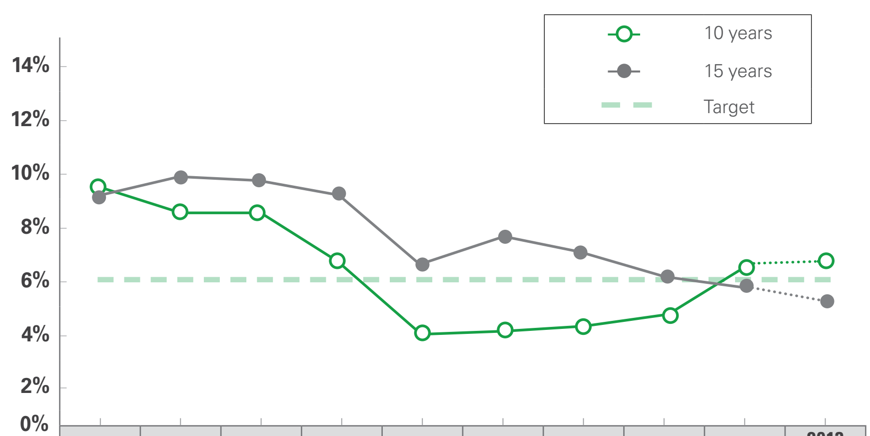
Net Surcharge / (Rebate) Incentive Programs

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	YTD 2013
Result	(16)	(22)	(26)	(23)	(30)	(53)
Budget	(11)	(11)	(11)	(22)	(22)	(44)
Variance	(5)	(11)	(15)	(1)	(8)	(9)
Assessment	✗	✗	✗	✗	✗	✗

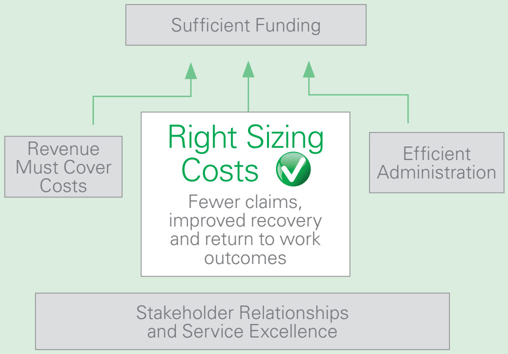
Core Earnings						
($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	150	165	11	163	196	359
Budget	29	48	(33)	97	156	254
Variance	121	117	44	66	40	105
Assessment						

Insurance Fund Total Returns				
	1 Year	5 Years	10 Years	15 Years
Q2 2013	10.5%	5.0%	6.6%	5.3%
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%	6.6%
15 years	9.2%	9.8%	9.7%	9.1%	6.6%	7.6%	7.0%	6.1%	5.7%	5.3%



Right Sizing Costs

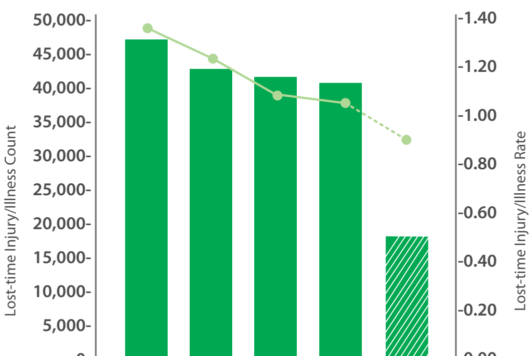
Workplace Injuries and Claims Inventory

The number of new registered claims decreased by 2.9% (2,800 claims) compared to the first six months of 2012. Proportionally, fewer workers are being injured. The Q2 YTD lost time injury rate was 0.92, 10.2% lower than 2012.

The WSIB continues to see improvements in the percentage of workers who remain on benefits past key milestones (3, 6, 12, 24, and 48 months) with the exception of 72 months. We expect duration at 72 months to begin declining in 2014.

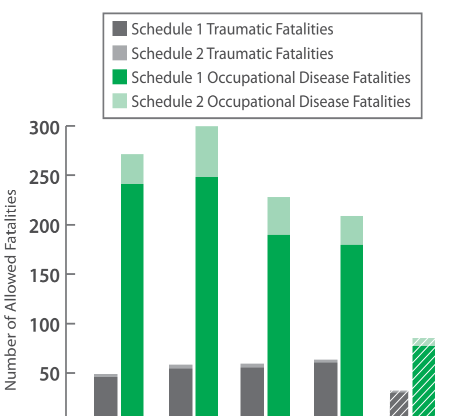
As a result of fewer new claims and improved durations, the total wage loss claim inventory continues to decline.

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	29
Schedule 2 Traumatic Fatalities	3	4	4	5	1
TRM Fatalities Total	**49**	**58**	**59**	**65**	30
Schedule 1 Occupational Disease Fatalities	229	250	191	189	80
Schedule 2 Occupational Disease Fatalities	32	51	38	32	13
OD Fatalities Total	**261**	**301**	**229**	**221**	93

New Claims

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Registered	50,080	50,441	46,954	46,585	48,511	95,072
Pending	4,092	4,312	4,160	4,711	4,218	4,792
Allowed	37,460	37,859	34,657	33,659	35,920	72,054
	81.5%	82.1%	81.0%	80.4%	81.1%	79.8%

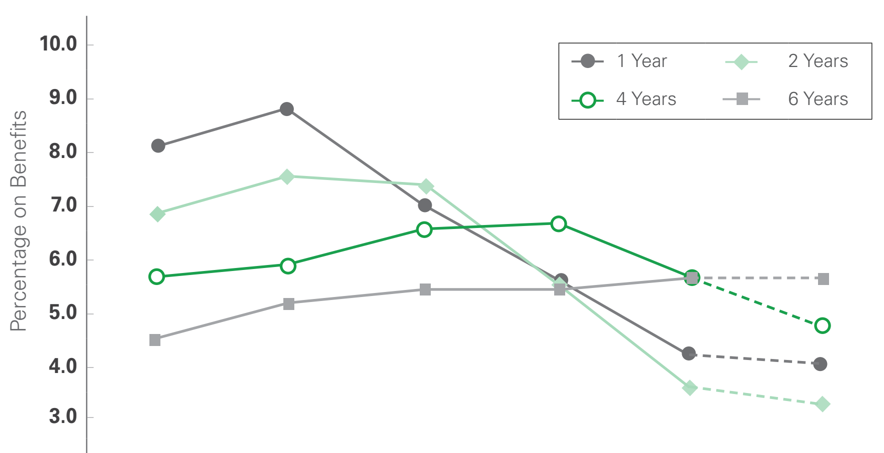
YTD Lost-time Injury/Illness Rate

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Result	1.03	1.02	1.04	0.99	0.92
Prior Year	1.05	1.05	1.07	1.11	1.03
Variance	(1.9%)	(2.9%)	(2.8%)	(11.2%)	(10.2%)
Assessment	✓	✓	✓	✓	✓

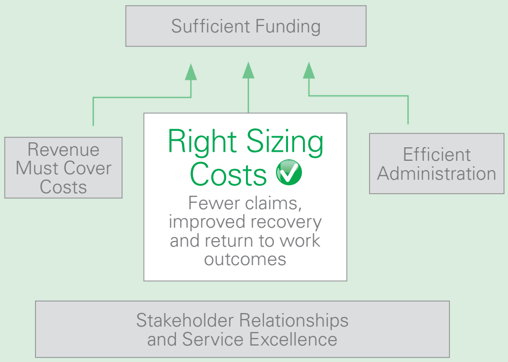
Total Wage Loss Claims Inventory						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment
Total Claims	179,009	176,560	175,696	174,226	172,472	✓
Variance (prior year)	(7,798)	(7,974)	(7,789)	(7,092)	(6,537)	
Locked-in Claims	155,572	155,484	155,328	154,688	154,128	✓
Variance (from base)	(1,339)	(1,427)	(1,583)	(640)	(1,200)	
Non-locked-in Claims	23,437	21,076	20,368	19,538	18,344	✓
Variance (prior year)	(5,763)	(6,301)	(6,206)	(5,724)	(5,093)	

Duration						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment vs. Prior Year
3 months	12.6%	12.1%	11.8%	11.5%	11.6%	✓
6 months	7.4%	6.9%	6.6%	6.4%	6.4%	✓
12 months	5.0%	4.5%	4.2%	3.9%	4.0%	✓
24 months	4.4%	4.0%	3.6%	3.3%	3.1%	✓
48 months	6.2%	6.0%	5.6%	5.1%	4.8%	✓
72 months	5.6%	5.7%	5.6%	5.6%	5.7%	✗

Measuring Duration



	2008	2009	2010	2011	2012	2013 YTD
	8.1	8.9	7.0	5.6	4.2	4.0
	6.8	7.5	7.4	5.5	3.6	3.1
	5.6	5.9	6.5	6.6	5.6	4.8
	4.5	5.1	5.4	5.4	5.6	5.7



Right Sizing Costs

Recovery and Return To Work

In 2013, workers with lost time injuries continued to recover and return to work quicker, with less permanent impairment. 91.5% of Schedule 1 workers with lost time injuries were back to work at 100% pre-injury earnings within one year.

As a result of the decrease in new claim volumes and improved recovery and return to work outcomes, benefit payments decreased by $102M (7.4%) to $1,276M.

Benefit Payments

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	673	637	649	640	636	1,276
Prior Year	719	695	692	705	673	1,378
Variance	(46)	(58)	(43)	(65)	(37)	(102)
Assessment						

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

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	91.0%	91.3%	91.4%	91.2%	91.7%	91.5%
Prior Year	90.5%	90.5%	90.5%	91.4%	91.4%	90.4%
Variance	0.5%	0.8%	0.9%	(0.2%)	0.3%	1.1%
Assessment						

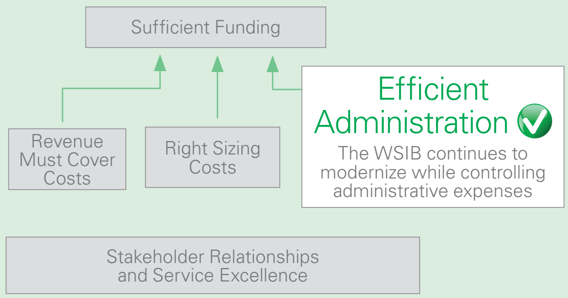
Percentage of Workers with a PI

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	9.1%	8.1%	8.3%	7.6%	6.7%	7.1%
Benchmark	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Variance	0.1%	(0.9%)	(0.7%)	(1.4%)	(2.3%)	(1.9%)
Assessment						

Average PI Award Percentage

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	10.8%	10.2%	9.7%	9.9%	9.3%	9.6%
Benchmark	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Variance	(0.2%)	(0.8%)	(1.3%)	(1.1%)	(1.7%)	(1.4%)
Assessment						

		Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment: Current Quarter	Assessment: YTD
Average LOE Entitlement Award at Lock-in	%	50.3%	48.0%	49.1%	48.7%	47.0%		
	Prior Year	54.6%	52.1%	51.3%	51.5%	50.3%		
	Variance	(4.3%)	(4.1%)	(2.2%)	(2.8%)	(3.3%)		



Efficient Administration

The WSIB is focused on maintaining strong stewardship of administrative expenses while it continues to modernize its business. In the first half of 2013, total administrative expenses were $395M, $2.0M (0.5%) higher than budget.

Legislated Obligations were $124M for 2013, $14M below budget, and $29M lower than 2012.

In 2013, 46% of all Schedule 1 registered claims were eAdjudicated, compared to 43% in 2012. This means more injured workers are now having their claims allowed within minutes of being registered with the WSIB. The percentage of eligibility decisions made within two weeks also increased, to 91.9% in 2013 from 90.7% in 2012.

Administrative Expenses

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	180	173	230	193	202	395
Budget	185	184	191	201	193	393
Variance	(5)	(11)	39	(8)	9	2
Assessment						

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

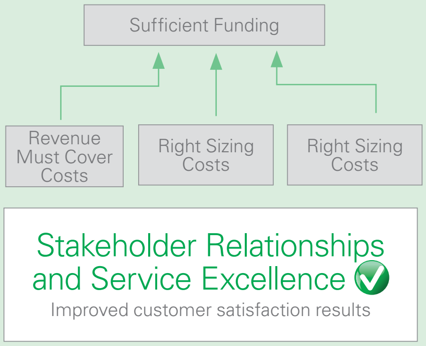
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	93.3%	94.9%	90.3%	92.0%	91.8%	91.9%
Target	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Variance	8.3%	9.9%	5.3%	7.0%	6.8%	6.9%
Assessment						

Administrative Expenses per $100 of Insurable Earnings

($ / $100)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	$0.40	$0.42	$0.62	$0.42	$0.44	$0.43
Budget	$0.44	$0.47	$0.54	$0.45	$0.43	$0.44
Variance	($0.04)	($0.05)	$0.08	($0.03)	$0.01	($0.01)
Assessment						

Legislative Obligations

($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD	2013 YTD BUDGET	ASSESSMENT
Prevention	27.0	58.0	57.0	57.0	38.0	95.0	119.0	
Non-Prevention	9.0	9.0	12.0	9.0	10.0	19.0	19.0	
Total	36.0	67.0	69.0	66.0	48.0	114.0	138.0	



Stakeholder Relationships and Service Excellence

Results from the Q2 2013 survey suggest that internal efforts to improve the customer experience over the past several quarters are proving successful. Service Excellence index measures continue to outperform Program index measures.

Employer satisfaction with the claims program decreased marginally to 73%. Service and program indexes for injured workers and employer accounts increased.

MEASURING APPEALS SCHEDULE 1 & 2

Appeals

		Q1 2013	Q2 2013	Q3 2013	Q4 2013
# of Appeals Received		**1,933**	**3,418**		
# of Appeals Resolved		**3,328**	**3,047**		
% of Resolved Appeals	**Allowed**	**14%**	**16%**		
	Allowed/Denied in Part	**14%**	**15%**		
% Appeals Resolved in 12 months		**77.3%**	**75.8%**		

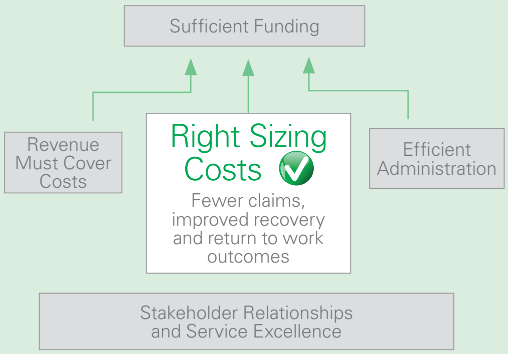
MEASURING CUSTOMER SATISFACTION SCHEDULE 1 & 2

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							
		Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment
Claims – Employers	% Very Satisfied or Somewhat Satisfied	73%	77%	76%	76%	73%	
	Average Rating	6.8	7.0	7.1	7.0	6.8	
Claims – Injured Workers	% Very Satisfied or Somewhat Satisfied	64%	67%	62%	63%	65%	
	Average Rating	6.2	6.4	6.0	6.4	6.4	
Account Management	% Very Satisfied or Somewhat Satisfied	77%	81%	78%	77%	78%	
	Average Rating	7.1	7.3	7.3	7.2	7.4	

Service Excellence Index							
		Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment
Claims – Employers	% Very Satisfied or Somewhat Satisfied	80%	83%	81%	81%	80%	
	Average Rating	7.4	7.5	7.5	7.4	7.4	
Claims – Injured Workers	% Very Satisfied or Somewhat Satisfied	71%	73%	69%	71%	74%	
	Average Rating	6.8	6.9	6.6	6.9	7.1	
Account Management	% Very Satisfied or Somewhat Satisfied	82%	87%	84%	82%	85%	
	Average Rating	7.5	7.7	7.6	7.6	7.9	

Schedule 2 Results by Pillar



Right Sizing Costs

Workplace Injuries and Claims Inventory

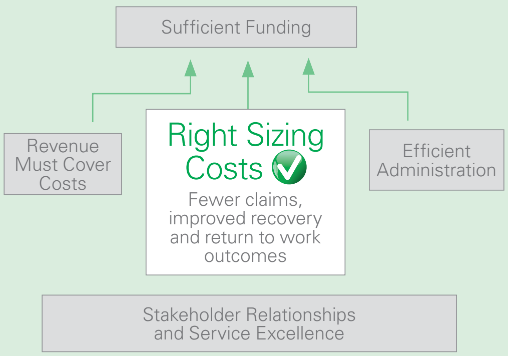
Employers had 1.1% (216) fewer claims registered in 2013 compared to 2012. However, the number of allowed lost time (LT) claims increased by 1.5%.

This increase combined with a 1.9% decline in Schedule 2 FTEs led to a 3.4% increase in the YTD lost-time injury/illness rate.

New Claims						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Registered	9,622	8,775	9,527	9,935	9,799	19,707
Pending	1,240	1,257	1,443	1,315	1,053	1,188
Allowed	6,438	5,557	6,224	6,571	6,695	14,003
	76.8%	73.9%	77.0%	76.2%	76.5%	75.6%

YTD Lost-Time Injury/Illness Rate					
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Result	2.00	1.91	1.87	2.34	2.07
Prior Year	2.07	1.99	1.92	2.25	2.00
Variance	(3.4%)	(4.0%)	(2.6%)	4.2%	3.4%
Assessment					

Duration						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Assessment Prior Year
3 months	8.0%	7.9%	7.6%	7.5%	7.9%	
6 months	3.8%	3.6%	3.6%	3.6%	3.8%	
12 months	2.2%	2.0%	1.8%	1.8%	1.8%	
24 months	1.4%	1.2%	1.1%	1.0%	1.0%	
48 months	1.4%	1.3%	1.1%	1.0%	0.9%	
72 months	1.3%	1.3%	1.3%	1.2%	1.2%	



Right Sizing Costs

Recovery and Return To Work

Early intervention and focused health care is resulting in injured workers recovering and returning to work faster. In 2013, the percentage of Schedule 2 injured workers who returned to work at 100% pre-injury earnings within 12 months improved slightly to 95.1%.

The average permanent impairment (PI) award and the percentage of workers with a PI decreased to 9.3% from 10% and 2.9% from 5.5% respectively.

Overall, as a result of improvements in return to work and recovery, benefit payments decreased by $8M (6.1%).

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

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	95.0%	95.3%	95.1%	95.3%	94.9%	95.1%
Prior Year	94.9%	95.0%	94.1%	94.5%	95.0%	94.8%
Variance	0.1%	0.3%	1.0%	0.8%	(0.1%)	0.3%
Assessment	✓	✓	✓	✓	▽	✓

Percentage of Workers with a PI

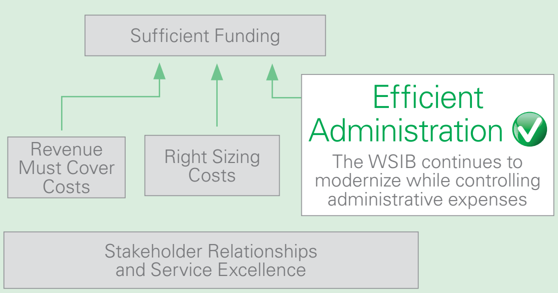
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	5.7%	4.3%	4.0%	3.5%	2.3%	2.9%
Prior Year	5.0%	5.5%	5.7%	5.4%	5.7%	5.5%
Variance	0.7%	(1.2%)	(1.7%)	(1.9%)	(3.4%)	(2.6%)
Assessment	✗	✓	✓	✓	✓	✓

Average PI Award Percentage

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	10.7%	10.0%	9.1%	9.2%	9.3%	9.3%
Prior Year	10.8%	14.0%	12.7%	9.6%	10.7%	10.0%
Variance	(0.1%)	(4.0%)	(3.6%)	(0.4%)	(1.4%)	(0.7%)
Assessment	✓	✓	✓	✓	✓	✓

Benefit Payments						
($M)	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	65	60	61	62	62	124
Prior Year	71	68	65	67	65	132
Variance	(6)	(8)	(4)	(5)	(3)	(8)
Assessment	✓	✓	✓	✓	✓	✓

Average LOE Entitlement Award at Lock-in						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	52.4%	51.9%	49.9%	49.2%	52.2%	50.8%
Prior Year	57.4%	49.0%	56.1%	58.5%	52.4%	56.0%
Variance	(5.0%)	2.9%	(6.2%)	(9.4%)	(0.2%)	(5.2%)
Assessment	✓	✗	✓	✓	✓	✓



Efficient Administration

This quarter, 91.1% of eligibility decisions were made within two weeks, well above the target of 85%. 38% of Schedule 2 eligibility decisions were eAdjudicated, 7% more than 2012.

Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date						
	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	2013 YTD
Result	92.3%	92.9%	87.5%	90.9%	91.1%	91.0%
Target	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Variance	7.3%	7.9%	2.5%	5.9%	6.1%	6.0%
Assessment	✓	✓	✓	✓	✓	✓

Quarterly Focus
Transforming our Account Services for Employers

The WSIB is working hard to keep pace with our customers increasing expectations for accessible and efficient customer service. Like many organizations in both the public and private sector, we have seen the demand for improved customer service expand continuously over the past few years. As people become accustomed to such modern conveniences as banking on their Smartphone, the bar is being raised for everyone to improve service through innovation.

We understand the importance of providing professional, timely and effective service to our customers, allowing them to minimize the time they spend on WSIB issues, and to get back to running their business as quickly as possible. At the WSIB, the Employer Service Centre (ESC) is the primary point of contact for employers for anything related to their accounts. In 2012, ESC was one of the first WSIB business areas to begin significant modernization as part of the organization-wide transformation efforts. The target was major improvements in efficiency and customer service.

The scope of the challenge

Prior to our modernization efforts, each employer, regardless of size, was assigned a dedicated Account Specialist who was responsible for managing all aspects of the employer's account. Although this allowed our staff to get to know their assigned employers well, it had the unfortunate side effect of causing delays in response – the dedicated Specialist could not help you if they were working with another customer. It is estimated that less than half of customer calls were answered live, with the rest going to voice mail and with no means of tracking service beyond this point. At the time, the number one complaint we received from employers was phone calls not being answered or returned.

The challenge was how to manage the anticipated increase in work volume and complexity without added resources, while at the same time improving customer satisfaction

In addition to this structural challenge, the government had introduced mandatory coverage in the construction industry. It was anticipated that up to 90,000 new accounts could become active with the WSIB as a result of this legislative change. The challenge was how to manage the anticipated increase in work volume and complexity without added resources, while at the same time improving customer satisfaction.

What we did

Step 1: Centralization

Under the old model, employer correspondence was directed to various account representatives and offices across the province. The first step to improve efficiency and customer service was to centralize all employer enquiries (i.e. fax, mail, telephone calls, and email) into one point of entry.

In order to consolidate the work, all telephone numbers, mailing addresses, email addresses and fax numbers were directed or consolidated into a single central queue. Getting all work consolidated into one place was crucial to eliminate hand-offs and get the work assigned to the right person in a timely manner.

The change provided staff with immediate access to the information they needed to service an enquiry

Step 2: Imaging all Correspondence

To efficiently distribute work, it was necessary to have documents readily accessible to all regional offices in a timely manner – this meant eliminating the paper which was previously moved around the province. A process was developed to ensure documents were scanned upon receipt, making electronic versions available immediately to staff. Priority queues were established based on the type of work, ensuring that the most time-sensitive and critical correspondence is dealt with first.

This change provides staff with immediate access to the information they need to service a customer enquiry. It also means that anyone can take a live call from any customer and have the information available to resolve their issue the first time.

Step 3: A New Service Model

To ensure that work is assigned efficiently, the WSIB moved away from having a dedicated owner for each account. Under the redesigned model, all work, including phone calls, is routed electronically to the next available staff member who is skilled to handle the enquiry. This decreases the reliance on a specific staff member's availability to address a specific customer's inquiry. The goal is to minimize handoffs and to resolve as many enquiries as possible at the first point of contact.

TRANSFORMING **Our Account Services**

OUR CUSTOMERS

260,000 employers
78% small business

Reported **$160B in payroll**

...and payed **$4B in premiums** in 2012

THE EMPLOYER SERVICE CENTRE

Manages the account life cycle:

Registration
- Approximately 25K new accounts registered each year
- Accounts classified into 155 rate groups

Decision-making
- Assists employers in re-classification, ownership changes, and worker status issues

Management
- Assists employers with account updates, clearance certificates, and premium remittances

Closure
- Approximately 15K accounts closed each year

Conducts awareness campaigns and supports eServices
- Assists employers to be compliant with registration and premium obligations.
- Supports five eServices including eClearance, eRegistration and ePremium. New services in 2013 include ePayment and eStatement.

Uptake of eServices
- eClearance 94%
- eRegistration 68%
- ePremium 55%

OUR PREVIOUS CUSTOMER SERVICE MODEL

Customer WSIB Staff

one-to-one
CUSTOMER ACCOUNT OWNERSHIP

- Work routed through a dedicated resource in paper format
- Created "bottlenecks" and inefficiencies

WHAT CHANGED

CENTRALIZED
processes to enable ...

NEW MODEL

WSIB Staff

Customer

one-to-many
CUSTOMER REQUEST MANAGEMENT

- Work routed electronically based on skill and availability
- Immediate response and efficiencies

DEMONSTRATING RESULTS

From January to June 2013 we received:

164,000 pieces of work

All tracked and managed

96% of calls answered live

384,000 phone calls

With a **quality score of 93%** in June 2013

Average speed of answer: **1 minute**

In Q2 2013
85% of employers
surveyed were
satisfied with the service
they received.

As a result of this model, management now has the flexibility to shift work within the ESC based on business needs and to utilize all staff across the province to deal with work volumes and priorities.

The Results

The new ESC launched on Monday October 22, 2012, and significantly transformed and modernized how employers interact with the WSIB. A new service model and new business structure were introduced. Staff were trained in advance of the change and quickly adapted to the new model. The distribution of work electronically, and routing of work based on tasks and skill, has significantly improved both efficiency and customer service, while providing management with increased oversight over the work.

96% of calls were answered live, with an average speed of answer of approximately one minute

Between January and June 2013, the ESC has answered over 384,000 phone calls, with an average of 64,000 calls per month. 96% of these calls were answered live, with an average speed of answer of approximately one minute. These results have been maintained even with increased work volume due to mandatory coverage in the construction industry and eService support. More importantly, the quality score – a metric that measures the quality of the service and outcome by randomly auditing recorded phone calls – has been consistently improving. In June 2013, the ESC achieved a quality score of 93%.

Management in the ESC now has a much improved line-of-sight to the amount and type of work, and the timeliness with which it is being handled. Between January and June 2013, the ESC received almost 164,000 pieces of correspondence from employers, all of which are now tracked and monitored to ensure optimal outcomes.

These improvements are reflected in the WSIB's overall customer satisfaction surveys, which found that 85% of employers surveyed in Q2 2013 were satisfied with the service they received related to their accounts.

An Important Step in the Right Direction

The transformation of the ESC was an early and important step in our modernization journey. It significantly improved both the quality and timeliness of service by building a more responsive unit focused on what matters to our stakeholders. The unit now manages an increased volume of work without additional resources, and with improved customer satisfaction.

The lessons learned and the improvements achieved through this transformation have been significant and clearly show that service improvements can be made in times of fiscal constraint. The WSIB is now leveraging the skills and expertise learned through this transformation to improve responsiveness and customer satisfaction for all injured workers and employers.

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 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 LOE, Workers' Pension, Health Care, Future Economic Loss (FEL), Survivor Benefits, External Providers and 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 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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