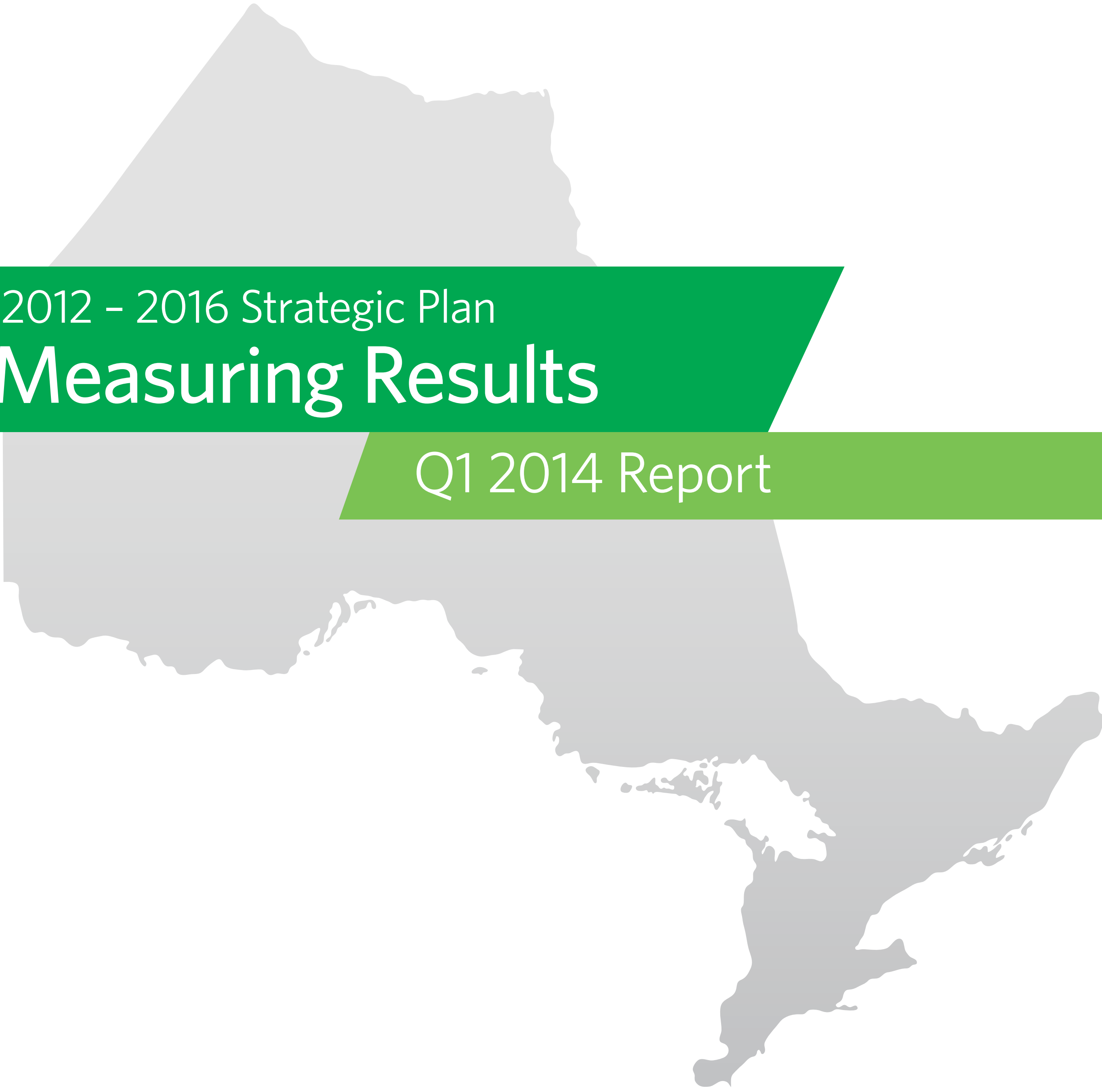


2012 – 2016 Strategic Plan

Measuring Results

Q1 2014 Report

wsib
cspaat
ONTARIO

Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
Published: June 12, 2014

Assessment of Q1 2014 Results

Return to Work and Fair Benefits ✓

Continued Focus on Improving Recovery and Return to Work Results

Sufficient Funding ↑

Improved Funding Position

Revenue Must be Fairly Assessed and Cover Costs ✓

Growth in Employment is Leading to Increased Premium Revenue

Service Excellence and Efficient Administration ✓

Continued Improvement in Customer Satisfaction

Stakeholder Relationships ✓

Perception of WSIB Improves Among all Stakeholders

LEGEND:

✓ Performance meeting or exceeding target	✗ Performance off target	↓ ↑ Positive change
▽ Performance marginally off target	✱ For tracking purposes only	↓ ↑ Negative change

Discussion & Analysis

Strategic Plan Update Provides Clarity

To help ensure the WSIB continues to be responsive to changes in its internal and external environment, the Board of Directors (BoD) determined changes were necessary to our 2012-16 Strategic Plan. The result is the 2014 Update, which is discussed in further detail in this report's Quarterly Focus section (see page 20).

To reflect the 2014 Update, the Measuring Results report has also been revised to include the objectives under each pillar and the WSIB's performance in meeting those objectives. This discussion and analysis provides managements' perspective on the key results in the first quarter of 2014.

Strong Results Continue

The WSIB continued to achieve strong operational and financial results in Q1 2014. 92% of all workers with lost-time injuries returned to work with no wage-loss within 12 months and premium revenue continued to cover operating expenses; the WSIB achieved $247M in Core Earnings in the first three months of 2014. Combined with strong investment returns, this resulted in a $629M decrease from the Q4 2013 unfunded liability (UFL) of $10,638M to a Q1 2014 UFL of $10,009M. The Sufficiency Ratio increased by 1.5% to 64.5%.

However, while improvements in most areas continued, results for the first quarter of 2014 indicate that two performance indicators are beginning to trend differently: claim volumes and short term durations. Given that these are key indicators of the future success of our core business practices, the WSIB has taken steps to improve resourcing, strengthen key case management practices and continue to analyse and respond to changing trends.

Operational Results

Claim volumes have increased

In the Q4 2013 Measuring Results report, the WSIB cautioned that year-over-year claim volumes had increased in the fourth quarter and that this may signal a change in our claim registration trend. Q1 results indicate that this may in fact be the case. For the second straight quarter, the number of registered claims experienced a year-over-year increase, as 47,842 claims were registered in Q1 2014 compared to 46,585 for the same quarter in 2013, an increase of 2.7%.

All large sectors experienced an increase in registered lost time claims for Q1 2014, with the exception of Healthcare (109 or 3.8% fewer claims). Most notable was the Transportation sector, which experienced a 6.1% increase in insurable payroll and a 14.2% (229) increase in lost time claims.

Registered Lost Time Claims - Top Six Sectors

Sector	Q1 2013	Q1 2014	Change	%
Transportation	1,608	1,837	229	14.2%
Manufacturing	1,987	2,125	138	6.9%
Automotive	550	581	31	5.6%
Services	4,101	4,233	132	3.2%
Construction	1,087	1,108	21	1.9%
Heath Care	2,893	2,784	(109)	(3.8%)

The increase in claim volume was associated with growth in Ontario's labour market. Employers reported a 4.8% increase in insurable earnings for Q1 2014 over the same quarter last year. Overall, Ontario workplaces continue to get safer. In the first quarter of 2014, the lost time injury rate decreased marginally by 0.01 to 0.98 claims per 100 workers.

The increase in claim volume is important for two reasons. First, sectors that have historically experienced return to work challenges, such as Transportation, are seeing the most significant increases in claim volumes. Continued increases in claim volumes in these sectors may impact our RTW outcomes. Secondly, as claim volumes increase, the resources required to assist them also increase. An early indicator of this challenge is the recent trend in the percentage of eligibility decisions made within two weeks of registration, the Q1 2014 results of 89.5% was slightly below our revised 2014 target of 90.0%. Timely eligibility decisions continued to be a priority, as they allow workers and employers to get back to what matters. We have increased our recruitment efforts and provided additional temporary

Discussion & Analysis

resourcing to increase the capacity of our eligibility decision-makers to achieve our corporate targets.

Results for long term claim durations continue to improve

The duration of an injured worker's claim is a key indicator of our success in supporting recovery and return to work. As discussed in the Q4 2013 report, the percentage of workers on benefits at 72 months decreased for the first time since 1998. This trend continued into 2014 with a further 0.2% reduction, to 5.4%. Results at 48 months also continued to be positive, with a 1.6% reduction over Q1 2013.

However, the deterioration of short term duration observed in the last two quarters of 2013 continued in the first quarter of 2014, with 12.1% of workers on benefits at 3 months, compared to 11.5% in Q1 2013. The results in short term duration, combined with the increase in claim volumes, has the potential to impact other performance indicators including benefit payments and longer-term durations. The WSIB has a plan to ensure that workers continue to be supported in their recovery and return to work efforts.

The increase in short term durations, combined with increased claim volumes, has not impacted the WSIB claim inventory. As the result of continuous improvements in longer term duration results, the non-locked in claim inventory decreased by 14.8% in Q1 2014. Workers requiring longer term support also continued to see improvements. In Q1 2014, 76% of workers who completed their WT plans found employment, and the average LOE percentage at lock-in continued to decrease from 48.7% in Q1 of 2013 to 45.7% in Q1 2014.

Better recovery outcomes

In 2014, the WSIB continued to move away from a traditional passive, fee-for-service payer system by developing a worker-centric health provider system with deep understanding of occupational health and work reintegration. In the first quarter of 2014, the WSIB, in conjunction with Sunnybrook Health Sciences Centre, updated the shoulder education pamphlet that is provided to all workers with a newly registered shoulder claim. The material provides workers with information and illustrations to help them understand their shoulder injury. It also explains common shoulder-related medical terms in plain language, and emphasizes how keeping active helps promote recovery. In 2014, we anticipate that more than 20,000 pamphlets will be distributed. Timely health care of injured workers was also enhanced by a 25% increase in dedicated operating room capacity at Sunnybrook Hospital. This increase enables surgical dates to be scheduled within days of approval to minimize wait times for injured workers.

Overall, in the first quarter of 2014, the WSIB's costs for Specialty Clinics and Programs of Care increased by 7.4% ($1M) and 34.5% ($1.2M) respectively. Combined, almost 15,000 injured workers participated in these programs, and the percentage of claims treated in an integrated health care program increased by 3% from 32% in Q1 2013 to 35% in Q1 2014. This investment continued to lead to improved recovery outcomes. In Q1 2014, the percentage of workers with a permanent impairment (PI) decreased to 5.6% from 7.6% in Q1 2013 and the average PI award remained steady at 9.9%.

Higher customer satisfaction results

Positive customer satisfaction results continued in Q1 2014. Injured workers' impressions of the WSIB have improved in all three areas – reputation, program excellence and service excellence. Over the past year, the WSIB has steadily improved its rating among workers for timeliness measures. Specifically, three services areas have seen improvement in their results: the time it takes to be contacted by WSIB after first submitting their claim, provide answers to their questions or requests in a timely manner, and to receive the service they require. Injured workers are more satisfied in all 12 measures within the service excellence index compared to one year ago, with 6 of the 12 measures at an all-time high.

Registered employers' perception of how well the WSIB performs versus its mandate, as well as how much they trust the WSIB, have increased steadily over the last

Discussion & Analysis

year. Registered employer ratings have also improved over several service excellence measures. Nearly 9 in 10 registered employers reported that they are very or somewhat satisfied with the service they received on account management.

The WSIB reputation index score also improved in 2013. Reputation scores among injured workers and employers increased to 64% and 70% respectively, from 60% and 68% in 2012.

Improved appeals process

In February 2013, the WSIB introduced several changes to its appeals program that centered on creating efficiencies and improving performance. Almost immediately, results demonstrated that our efforts were making a difference, and this trend continued in Q1 of 2014. The percentage of appeals resolved within 6 months increased from 47.4% in Q1 of 2013 to 87.5% for the first quarter of 2014. The active inventory of appeals was 2,766 cases in Q1 2014; well below historical levels and within our acceptable standards.

Financial Results

Strong investment returns continued

In the first quarter of 2014, the WSIB achieved a return of 3.8% on its investments. As a result, net investment income as of March 31, 2014 was $709M, $463M higher than budget. Equity markets remained strong in the quarter, while bond prices bounced back from negative returns in 2013 and delivered good returns. The recovery in fixed income markets in Q1, along with continued strength in equities, reflects the market's perception that economic conditions will continue to improve in coming months.

In Q1, we increased portfolio allocations to real estate, hedge funds and infrastructure. These investments further diversify investment revenue sources, consistent with the Strategic Investment Plan.

Premium revenue covered operating expenses

The WSIB's operations continued to show strong performance as core earnings continued to be positive for the 9th straight quarter. For the first three months of 2014, the WSIB achieved $247M of core earnings, $84M higher than 2013, clearly indicating improvement in underlying business performance.

In the first quarter of 2014, premium revenues increased by 3.3% to $1,127M. The growth in premium revenue was the result of stronger than expected insurable earnings in all WSIB covered industries. Notable increases in insurable earnings occurred in the Manufacturing, Automotive, Transportation and Construction sectors, which grew by 4.8%, 5.6%, 6.1% and 14.6%, respectively.

Continued improvement in recovery and long term durations results led to a $28M (4.4%) decrease in benefit payments to $612M. Improved claim experience also resulted in the WSIB decreasing benefit liabilities by $125M this quarter.

Despite ongoing investments in our business transformation efforts, the WSIB administrative expenses in Q1 of 2014 decreased by $16M, or 8.3%.

The WSIB continues on track to sustainability

Q1 results indicate that we have come a long way toward reaching our goal of being the leading workplace compensation board, but that we must remain vigilant in responding to emerging trends in our performance. Continued steady improvements in our financial results, together with achievements in our transformation efforts demonstrate that we are on track to a sustainable future while continuing to support the workers and employers of Ontario.

Schedule 1 Results by Pillar

Pillar 1: Return to Work and Fair Benefits

OBJECTIVES

1-1 We will work with the Chief Prevention Officer and the Ministry of Labour to promote healthy and safe workplaces.

1-2 We will support injured workers and employers in Return to Work.

1-3 We will administer benefits and services, for work-related injuries or illnesses, in a fair and equitable manner.

1-4 We will focus on improving recovery and return to work outcomes to reduce the incidence of permanent impairment caused by all injuries.

1-5 We will approach health care as an investment on behalf of injured workers, and manage medical recovery and return to work together.

Continued Focus on Improving Recovery and Return to Work Results

The number of registered claims in Q1 2014 increased by 2.7% (1,257 claims) compared to Q1 2013, the second straight quarter of year over year increases. However, Ontario workplaces continue to get safer. The lost-time injury rate decreased marginally to 0.98 from 0.99 in Q1 2013.

Improved results in the later stages of claims continued, as reflected in the percent of workers on benefits at 24, 48, and 72 months and the average entitlement percent at lock-in. While short term duration (3, 6 and 12 months) continued to increase, the WSIB has put a plan in place to ensure that workers recovery and return to work efforts are adequately supported in the early stages of their injury.

In 2014, the WSIB has added a new health care metric to the Measuring Result Report. The metric highlights the WSIB's effort to further utilize integrated health care programs. In the first quarter of 2014, the percentage of workers using integrated health care programs increased by 3.3% to 35.4%.

New Claims

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Registered	46,585	48,511	50,794	48,648	47,842	47,842
Pending	4,711	4,218	4,355	5,011	4,676	4,676
Allowed	33,659	35,920	38,109	35,287	34,756	34,756
	80.4%	81.1%	82.1%	80.9%	80.5%	80.5%

YTD Lost-time Injury/Illness Rate

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Result	0.99	0.92	0.94	0.98	0.98
Prior Year	1.11	1.03	1.02	1.04	0.99
Variance	(11.2%)	(10.7%)	(7.8%)	(6.0%)	(0.4%)
Assessment	✓	✓	✓	✓	✓

Total Wage Loss Claims Inventory

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Assessment
Total Claims	174,226	172,472	170,923	170,434	169,285	✓
Locked-in Claims	154,688	154,128	153,809	153,460	152,639	✓
Non-locked-in Claims	19,538	18,344	17,114	16,974	16,646	✓

Pillar 1: Return to Work and Fair Benefits

Benefit Payments

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	640	636	613	629	612	612
Prior Year	705	673	637	649	640	640
Variance	(65)	(37)	(24)	(20)	(28)	(28)
Assessment						

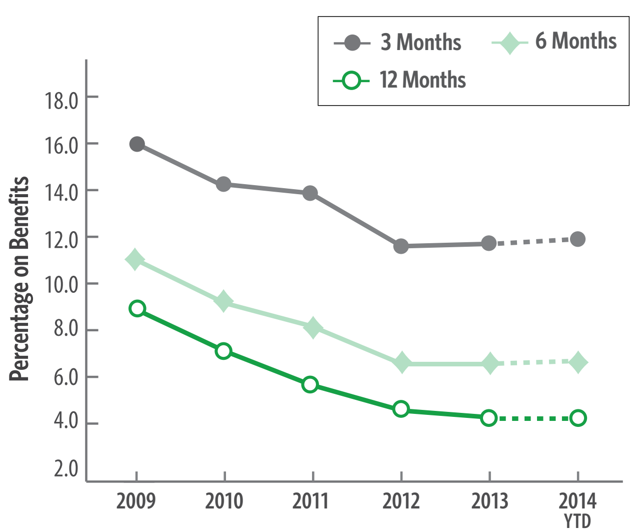
RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-time Claims)

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	91.2%	91.7%	90.9%	91.0%	91.2%	91.2%
Target	91.4%	91.4%	91.4%	91.4%	92.0%	92.0%
Variance	(0.2%)	0.3%	(0.5%)	(0.4%)	(0.8%)	(0.8%)
Assessment						

Duration

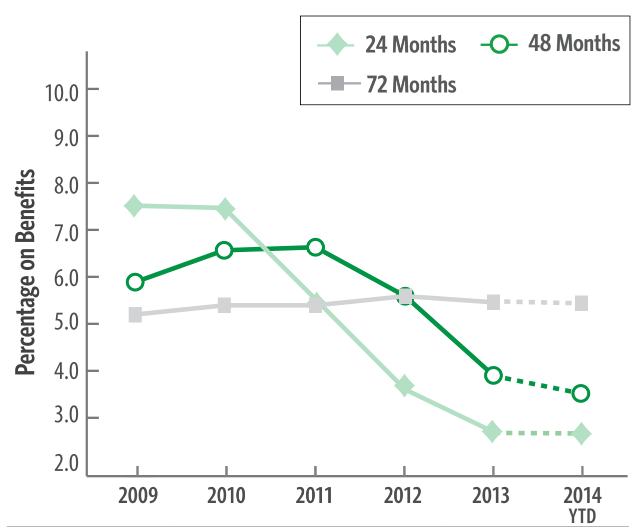
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Target	Assessment
3 months	11.5%	11.6%	11.7%	11.9%	12.1%	11.5%	
6 months	6.4%	6.4%	6.5%	6.6%	6.8%	6.4%	
12 months	3.9%	4.0%	3.9%	4.0%	4.1%	3.9%	
24 months	3.3%	3.1%	2.9%	2.7%	2.7%	2.7%	
48 months	5.1%	4.8%	4.3%	3.9%	3.5%	3.5%	
72 months	5.6%	5.7%	5.6%	5.5%	5.4%	5.5%	

Measuring Short-term Duration



	16.0	14.3	13.9	11.8	11.9	12.1
	11.2	9.2	8.2	6.6	6.6	6.8
	8.9	7.0	5.6	4.2	4.0	4.1

Measuring Long-term Duration



	7.5	7.4	5.5	3.6	2.7	2.7
	5.9	6.5	6.6	5.6	3.9	3.5
	5.1	5.4	5.4	5.6	5.5	5.4

Pillar 1: Return to Work and Fair Benefits

Continued Focus on Improving Recovery and Return to Work Results

The WSIB's investment in health care continued to lead to improved recovery outcomes. In Q1 2014, the percentage of workers with a permanent impairment (PI) decreased to 5.6% from 7.6% in Q1 2013 and the average PI award remained steady at 9.9%.

Average PI Award Percentage

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	9.9%	9.3%	10.1%	9.8%	9.9%	9.9%
Benchmark	11.0%	11.0%	11.0%	11.0%	10.0%	10.0%
Variance	(1.1%)	(1.7%)	(0.9%)	(1.2%)	(0.1%)	(0.1%)
Assessment	✓	✓	✓	✓	✓	✓

Percentage of Workers with a PI

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	7.6%	6.7%	5.9%	6.3%	5.6%	5.6%
Benchmark	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%
Variance	(1.4%)	(2.3%)	(3.1%)	(2.7%)	(2.4%)	(2.4%)
Assessment	✓	✓	✓	✓	✓	✓

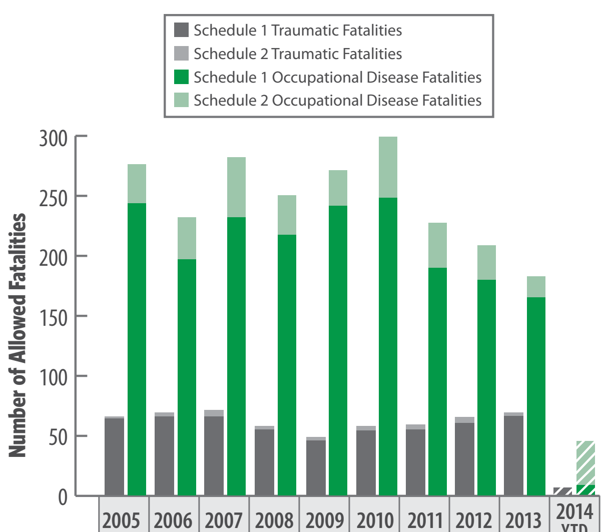
Average LOE Entitlement Award at Lock-in

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	48.7%	47.0%	46.6%	46.7%	45.7%	45.7%
Prior Year	51.5%	50.3%	48.0%	49.1%	48.7%	48.7%
Variance	(2.8%)	(3.3%)	(1.4%)	(2.4%)	(3.0%)	(3.0%)
Assessment	✓	✓	✓	✓	✓	✓

Percentage of Claims in Integrated Health Care Programs

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	32.2%	33.2%	33.3%	33.5%	35.4%	35.4%
Prior Year	29.4%	28.7%	28.3%	29.4%	32.2%	32.2%
Variance	2.7%	4.6%	5.0%	4.1%	3.3%	3.3%
Assessment	✓	✓	✓	✓	✓	✓

WSIB – Allowed Traumatic & Occupational Disease Fatalities



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 YTD
■	62	66	66	55	46	54	55	60	70	6
■	1	2	5	1	3	4	4	5	3	0
TRM Fatalities Total	63	68	71	56	49	58	59	65	73	6
■	230	197	229	221	229	250	191	189	159	37
■	30	34	51	37	32	51	38	32	23	8
OD Fatalities Total	260	231	280	258	261	301	229	221	182	45

Percentage of Claims in Integrated Health Care Programs

	2008	2009	2010	2011	2012	2013	2014 YTD
-O-	17.5%	24.3%	23.2%	24.3%	28.9%	32.8%	35.4%

Pillar 2: Sufficient Funding

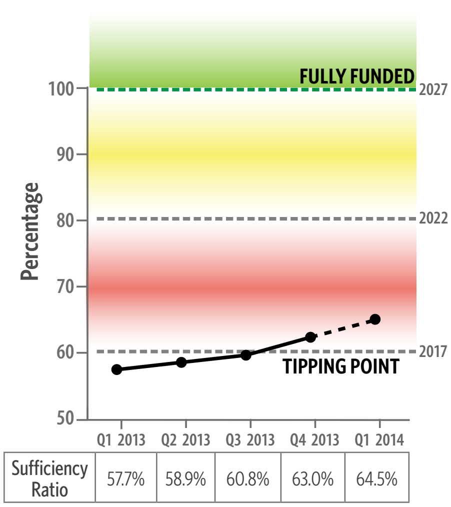
Improved Funding Position

In Q1 2014, as a result of continued improvements in all business drivers (investments, premiums, benefits and administration), the WSIB's Sufficiency Ratio increased to 64.5% and the Unfunded Liability decreased by $629M to $10,009M.

OBJECTIVES

2-1 We will achieve funding requirements as pre-scribed in regulation.

Sufficiency Ratio Trend



Sufficiency Ratio

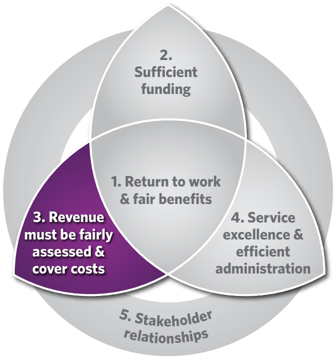
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Result	57.7%	58.9%	60.8%	63.0%	64.5%
Budget	N/A	N/A	N/A	N/A	61.4%
Variance	N/A	N/A	N/A	N/A	3.1%
Assessment					

Unfunded Liability

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Result	(13,359)	(13,181)	(12,161)	(10,638)	(10,009)
Budget	N/A	N/A	N/A	N/A	N/A
Variance	N/A	N/A	N/A	N/A	N/A
Assessment					

Revenue	
Premiums	Investments

Costs	
Benefit Costs	Administrative Expenses



Pillar 3: Revenue Must be Fairly Asssessed and Cover Costs

Growth in Employment is Leading to Increased Premium Revenue

Growth in employer reported insurable earnings of 4.8% was the primary reason for the 3.3% increase in premium revenue. This, combined with continued strong operational performance in recovery and return to work, and controlled administrative expenses, continued the trend of revenue covering expenses. In the first quarter of 2014, the WSIB achieved Core Earnings of $247M.

The WSIB achieved strong investment returns in Q1 2014, which positively impacted our funding position. In Q1 2014 the WSIB achieved a 3.8% return on the investment fund, 0.6% above benchmark. The WSIB continues to target a 6% long-term return on investments, which was met over the 10 and 15 year investment period.

In February 2014, the WSIB received Mr. Douglas Stanley's final report which recommended changes to the way employers are classified, and to the way premium rates are set. The WSIB is considering this report as it works with stakeholders to further consider and develop potential reforms to improve fairness in the rate setting process.

OBJECTIVES

3-1 We will collect premium revenue each year at a level that ensures all required payments can be made as they become due, and the UFL can continue to be retired.

3-2 We will continue to manage the Investment Fund with prudence and due regard for risk management and liability structures.

3-3 We will ensure a fair and transparent rate setting framework.

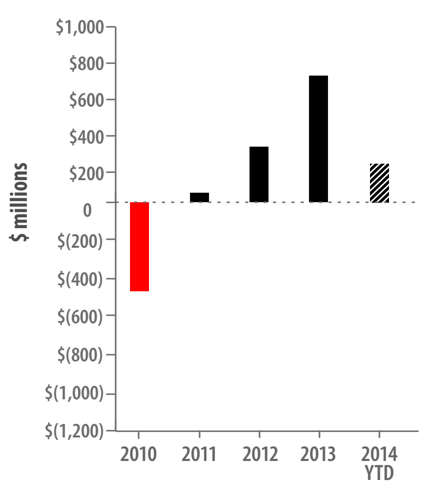
Core Earnings

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	163	196	254	102	247	247
Budget	97	156	177	35	183	183
Variance	66	40	77	67	64	64
Assessment	✓	✓	✓	✓	✓	✓

Premiums

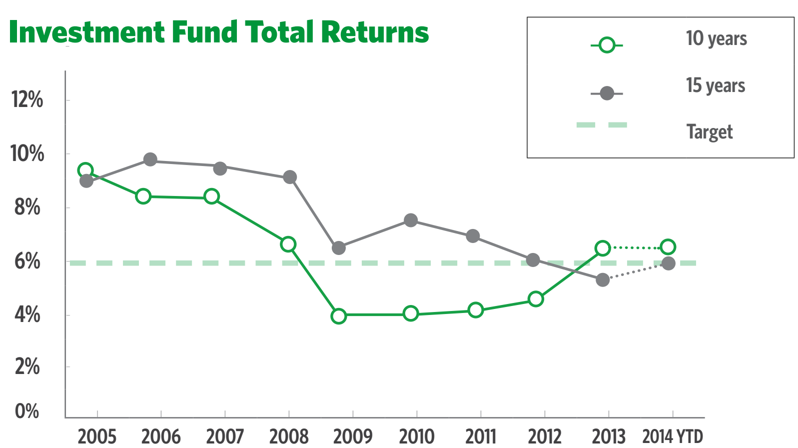
($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	1,091	1,113	1,149	1,034	1,127	1,127
Budget	1,049	1,096	1,100	996	1,097	1,097
Variance	42	17	49	38	30	30
Assessment	✓	✓	✓	✓	✓	✓

Core Earnings Trend



	2010	2011	2012	2013	2014 YTD
Core Earnings	(393)	34	308	715	247

Investment Fund Total Returns



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 YTD
10 years	8.6%	8.6%	6.9%	4.0%	4.1%	4.2%	4.6%	6.3%	6.3%	6.3%
15 years	9.8%	9.7%	9.1%	6.6%	7.6%	7.0%	6.1%	5.7%	5.8%	6.0%

Pillar 4: Service Excellence and Efficient Administration

Continued Improvement in Customer Satisfaction

Positive customer satisfaction results continued in Q1 2014. Injured workers' impressions of the WSIB have improved in all three areas – reputation, program excellence and service excellence. Registered employers' perception of how well the WSIB performs versus its mandate, as well as how much they trust the WSIB, have increased steadily over the last year. Improvements in worker and employer index scores indicate that the large majority of employers and injured workers continue to be satisfied with the programs and services that they receive.

OBJECTIVES

4-1 We will update policies so that they are clear and provide appropriate guidance to staff and customers.

4-2 We will ensure every interaction with customers is based on the values of trust, integrity and fairness.

4-3 We will enhance our ability to deliver excellent customer service.

4-4 We will administer an effective Appeals Resolutions process that efficiently responds to workers and employers.

4-5 By improving efficiencies, we will reduce the cost to administer the system.

Service Excellence Index* (Schedule 1 & 2)

		Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Assessment vs. Prior Year
Claims – Employers	% Very Satisfied or Somewhat Satisfied	81%	80%	85%	84%	85%	✓
	Average Rating	7.4	7.4	7.8	7.6	7.7	
Claims – Injured Workers	% Very Satisfied or Somewhat Satisfied	71%	74%	77%	77%	76%	✓
	Average Rating	6.9	7.1	7.3	7.4	7.2	
Account Management	% Very Satisfied or Somewhat Satisfied	82%	85%	84%	87%	89%	✓
	Average Rating	7.6	7.9	7.8	7.8	8.0	

* the percentage of injured workers or employers who are satisfied with the customer service they received.

Program Index* (Schedule 1 & 2)

		Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Assessment vs. Prior Year
Claims – Employers	% Very Satisfied or Somewhat Satisfied	76%	73%	80%	81%	80%	✓
	Average Rating	7.0	6.8	7.4	7.2	7.3	
Claims – Injured Workers	% Very Satisfied or Somewhat Satisfied	63%	65%	71%	71%	69%	✓
	Average Rating	6.4	6.4	6.8	6.9	6.7	
Account Management	% Very Satisfied or Somewhat Satisfied	77%	78%	78%	81%	84%	✓
	Average Rating	7.2	7.4	7.4	7.4	7.6	

* the percentage of injured workers or employers who are satisfied with WSIB's programs.

Pillar 4: Service Excellence and Efficient Administration

Continued Improvement in Customer Satisfaction

The WSIB has maintained a focus on balancing investment in its future business state, with strong stewardship of administrative expenses. The total administrative expenses for Q1 2014 were $177M, 12% ($24M) lower than budget. Administrative expenses per $100 of insurable earnings was $0.37, 14.7% lower than budget.

The WSIB's modernized appeals program continues to offer improved efficiency in the processing of appeals as 88% of appeals were resolved within 6 months. As a result, the inventory of appeals continues to be at historically low levels.

Total Administrative Expenses

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	193	202	194	217	177	177
Budget	201	193	191	210	201	201
Variance	(8)	9	3	7	(24)	(24)
Assessment	✓	▽	▽	▽	✓	✓

Administrative Expenses per $100 of Insurable Earnings

($ / $100)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	$0.42	$0.44	$0.45	$0.58	$0.37	$0.37
Budget	$0.45	$0.43	$0.45	$0.56	$0.43	$0.43
Variance	($0.03)	$0.01	$0.00	$0.02	($0.06)	($0.06)
Assessment	✓	▽	✓	▽	✓	✓

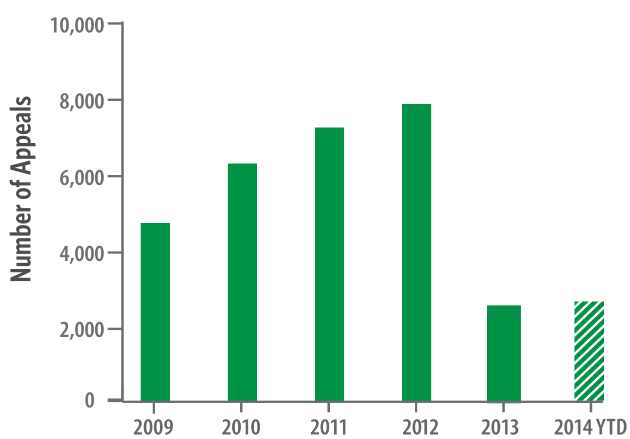
Appeals (Schedule 1 & 2)

		Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
# of Appeals Received		1,933	3,418	1,991	2,225	2,956
# of Appeals Resolved		3,328	3,047	3,034	3,090	2,623
% of Resolved Appeals	Allowed	14%	16%	14%	15%	16%
	Allowed/Denied in Part	14%	15%	13%	12%	13%
% Appeals Resolved in 6 months		47.4%	43.2%	45.9%	60.6%	87.5%

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

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	92.0%	91.8%	92.3%	90.8%	89.5%	89.5%
Target	85.0%	85.0%	85.0%	85.0%	90.0%	90.0%
Variance	7.0%	6.8%	7.3%	5.8%	(0.5%)	(0.5%)
Assessment	✓	✓	✓	✓	▽	▽

Appeals Year-End Inventory



	2009	2010	2011	2012	2013	2014 YTD
Appeals	4,683	6,222	7,140	7,958	2,519	2,766

Pillar 5: Stakeholder Relationships

Perception of WSIB Improves Among all Stakeholders

The WSIB reputation index score improved in 2013. Reputation score among injured workers and employers increased to 64% and 70% respectively, from 60% and 68% in 2012.

In the first quarter of 2014, the WSIB continued to actively engage with our stakeholders. In addition to the Benefit Policy Consultation and the Chair's Advisory Committees, WSIB senior management met with Ontario Hospital Association, the Canadian Vehicle Manufacturer Association, Schedule 2 Employers Group, Injured Workers Outreach Services and the C.D. Howe Institute among others. The WSIB is committed to continually engaging with our various partners to understand their concerns and solicit their feedback.

OBJECTIVES

5-1 We will develop and implement a proactive Communication Strategy that includes stakeholder engagement.

5-2 We will operate in a transparent manner.

5-3 We will build stakeholder confidence by promptly responding to stakeholder needs and concerns, and provide opportunities for engagement.

5-4 We will engage with the Chief Prevention Officer and the Ministry of Labour to ensure accountability for funding of Ontario's occupational health and safety system.

2013 Annual Reputation Index

	Injured Workers	Employers	Non-clients
% Very or Somewhat Favourable	64%	70%	64%
Average Rating	6.4	6.6	6.2

Legislated Obligations (Schedule 1 & 2)

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014	2014 YTD Budget	Assessment
Prevention	70.0	55.0	64.0	60.0	66.0	66.0	66.0	✓
Non-Prevention	9.0	9.0	8.0	11.0	10.0	10.0	10.0	✓
Total	79.0	64.0	72.0	71.0	76.0	76.0	76.0	✓

Schedule 2 Results

Pillar 1: Return to Work and Fair Benefits

Continued Focus on Improving Recovery and Return to Work Results

The number of registered claims in Q1 2014 increased by 10.1% (1,006 claims) compared to Q1 2013. The lost-time injury rate for Schedule 2 employers also increased to 2.84 from 2.34 in Q1 2013.

Short and long term duration results continued to remain steady, and the average entitlement at lock-in decreased to 42.1%, a reduction of 7.1%. As a result of improvement in recovery and return to work outcomes, benefit payments for Schedule 2 employers decreased by $2M (2.0%) to $60M in Q1 2014.

OBJECTIVES

1-1 We will work with the Chief Prevention Officer and the Ministry of Labour to promote healthy and safe workplaces.

1-2 We will support injured workers and employers in Return to Work.

1-3 We will administer benefits and services, for work-related injuries or illnesses, in a fair and equitable manner.

1-4 We will focus on improving recovery and return to work outcomes to reduce the incidence of permanent impairment caused by all injuries.

1-5 We will approach health care as an investment on behalf of injured workers, and manage medical recovery and return to work together.

New Claims

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Registered	9,935	9,799	8,528	9,704	10,931	10,931
Pending	1,315	1,053	1,107	1,265	1,230	1,230
Allowed	6,571	6,695	5,742	6,622	7,751	7,751
	76.2%	76.5%	77.4%	78.5%	79.9%	79.9%

YTD Lost-Time Injury/Illness Rate

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Result	2.34	2.07	1.95	1.90	2.84
Prior Year	2.25	2.00	1.91	1.87	2.34
Variance	4.2%	3.5%	2.1%	1.6%	21.4%
Assessment					

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

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	95.3%	94.9%	94.7%	94.7%	94.4%	94.4%
Prior Year	94.5%	95.0%	95.3%	95.1%	95.3%	95.3%
Variance	0.8%	(0.1%)	(0.6%)	(0.4%)	(0.9%)	(0.9%)
Assessment						

Pillar 1: Return to Work and Fair Benefits

Benefit Payments

($M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	62	62	58	62	60	60
Prior Year	67	65	60	61	62	62
Variance	(5)	(3)	(2)	1	(2)	(2)
Assessment						

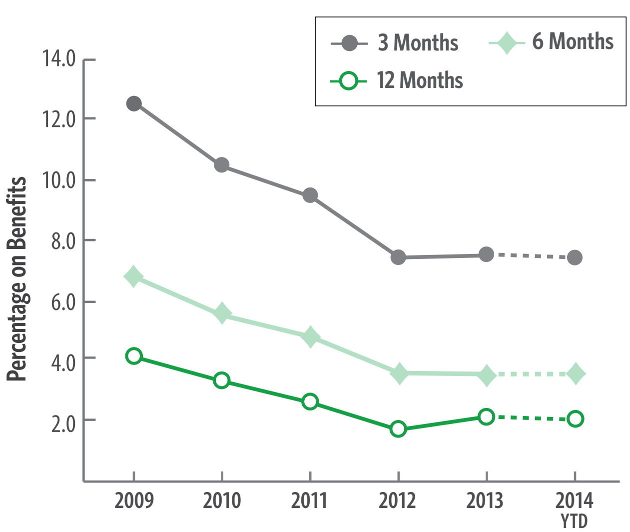
Average LOE Entitlement Award at Lock-in

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	49.2%	52.2%	40.5%	42.9%	42.1%	42.1%
Prior Year	58.5%	52.4%	51.9%	49.9%	49.2%	49.2%
Variance	(9.4%)	(0.2%)	(11.4%)	(7.0%)	(7.1%)	(7.1%)
Assessment						

Duration

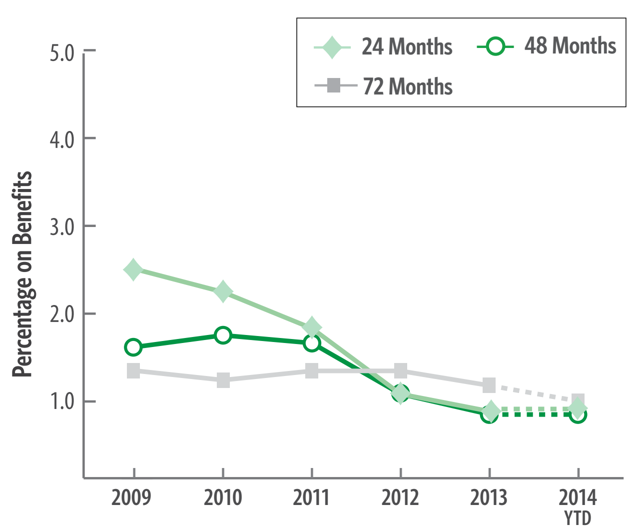
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Assessment
3 months	7.5%	7.9%	7.7%	7.8%	7.7%	
6 months	3.6%	3.8%	3.8%	3.6%	3.5%	
12 months	1.8%	1.8%	2.0%	2.1%	2.0%	
24 months	1.0%	1.0%	0.9%	0.9%	0.9%	
48 months	1.0%	0.9%	0.9%	0.8%	0.8%	
72 months	1.2%	1.2%	1.0%	1.1%	1.0%	

Measuring Short-term Duration



	2009	2010	2011	2012	2013	2014 YTD
3 Months	12.3	10.3	9.6	7.6	7.8	7.7
6 Months	6.8	5.7	4.9	3.6	3.6	3.5
12 Months	4.0	3.4	2.6	1.8	2.1	2.0

Measuring Long-term Duration



	2009	2010	2011	2012	2013	2014 YTD
24 Months	2.5	2.3	1.8	1.1	0.9	0.9
48 Months	1.5	1.7	1.6	1.1	0.8	0.8
72 Months	1.3	1.2	1.3	1.3	1.1	1.0

Pillar 1: Return to Work and Fair Benefits

Percentage of Claims in Integrated Health Care Programs

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	32.5%	35.1%	35.5%	35.2%	34.9%	34.9%
Prior Year	29.3%	28.7%	28.8%	30.7%	32.5%	32.5%
Variance	3.2%	6.4%	6.7%	4.6%	2.3%	2.3%
Assessment	✓	✓	✓	✓	✓	✓

Average PI Award Percentage

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	9.2%	9.3%	7.6%	8.6%	10.5%	10.5%
Prior Year	9.6%	10.7%	10.0%	9.1%	9.2%	9.2%
Variance	(0.4%)	(1.4%)	(2.4%)	(0.5%)	1.3%	1.3%
Assessment	✓	✓	✓	✓	▽	▽

Percentage of Workers with a PI

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	3.5%	2.3%	2.6%	2.3%	1.9%	1.9%
Prior Year	5.4%	5.7%	4.3%	4.0%	3.5%	3.5%
Variance	(1.9%)	(3.4%)	(1.7%)	(1.7%)	(2.6%)	(2.6%)
Assessment	✓	✓	✓	✓	✓	✓

Pillar 4: Service Excellence and Efficient Administration

Continued Improvement in Customer Satisfaction

In Q1 2014, eligibility decisions made within two weeks were marginally lower than the 90% target at 89.8%.

OBJECTIVES

4-1 We will update policies so that they are clear and provide appropriate guidance to staff and customers.

4-2 We will ensure every interaction with customers is based on the values of trust, integrity and fairness.

4-3 We will enhance our ability to deliver excellent customer service.

4-4 We will administer an effective Appeals Resolutions process that efficiently responds to workers and employers.

4-5 By improving efficiencies, we will reduce the cost to administer the system.

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

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YTD 2014
Result	90.9%	91.1%	90.7%	90.6%	89.8%	89.8%
Target	85.0%	85.0%	85.0%	85.0%	90.0%	90.0%
Variance	5.9%	6.1%	5.7%	5.6%	(0.2%)	(0.2%)
Assessment	✓	✓	✓	✓	▽	▽

Quarterly Focus

The 2014 Strategic Plan Update

In 2009, the long-term viability of Ontario's workplace compensation system was being challenged. For over a decade, claims volumes had been decreasing while costs were increasing. Finances were strained and we were drawing from our investments to cover costs. The Auditor General reported that the system was in crisis.

The Auditor General advised the WSIB to bring stakeholders together to work out an acceptable plan to bring the system back to financial health, or risk the Province taking on the existing $11.8B liability, servicing it through taxes. It was clear we had our work cut out for us. We needed a new approach to reduce and eliminate the unfunded liability (UFL) while at the same time ensuring workers were protected when a workplace injury or illness occurred.

The plan established the future direction of the WSIB and our new vision to be the leading workplace safety and insurance system.

Over the next year, the WSIB started building and implementing a plan. We launched an independent Funding Review and programs to improve outcomes for injured workers and employers. At the same time, extensive planning sessions were held to study our environment, identify the drivers of our business results, define our vision and values, and develop our strategic direction and modernization plan.

These efforts formally came together in January 2012 with the release of our 2012-2016 Strategic Plan. The plan established the future direction of the WSIB and our new vision to be the leading workplace safety and insurance system.

The Plan Delivers Results

With the introduction of our original 2012-2016 Strategic Plan, we also implemented a number of initiatives and programs aligned with our objectives and priorities. And, as a result, we have seen continuing steady improvement in the WSIB's operational and financial results.

Yet despite this progress and gains made towards sustainability, the system remains in a delicate state. Knowing that, we must maintain our focus on helping injured workers and employers get back to what matters and continue to exercise financial discipline in order to prevent the system from repeating recent history.

Since the creation of the Strategic Plan:

- Recovery and return to work outcomes have improved, allowing 92% of injured workers to return to work with no wage loss within one year.
- Workers are receiving early, personalized intervention, and faster access to care. As a result, we have improved recovery and reduced permanent impairments.
- Employers and injured workers are receiving improved support with return to work and customer service. In 2013, 70% of workers who completed their Work Transition Program gained employment compared to 36% under the old Labor Market Re-entry program.
- There are a growing number of self-serve options, including eRegistration, eForm 6 and 7, eClearance and ePay, making the WSIB more accessible to our customers. In addition, the WSIB introduced Teleclaim allowing injured workers and employers to directly report their claims to the WSIB over the telephone.
- The WSIB has reported positive core earnings, meaning premium revenue covered operational expenses and we have been able to begin paying down the UFL.
- Professor Harry Arthurs completed his review of the system and published his Funding Fairness report. Building on the Funding Review, the WSIB launched a Rate Framework Consultation, with a goal of reviewing employer classification, rate setting and experience rating. Special Advisor Douglas Stanley led the consultation process and published his final report, containing recommendations related to the reform.

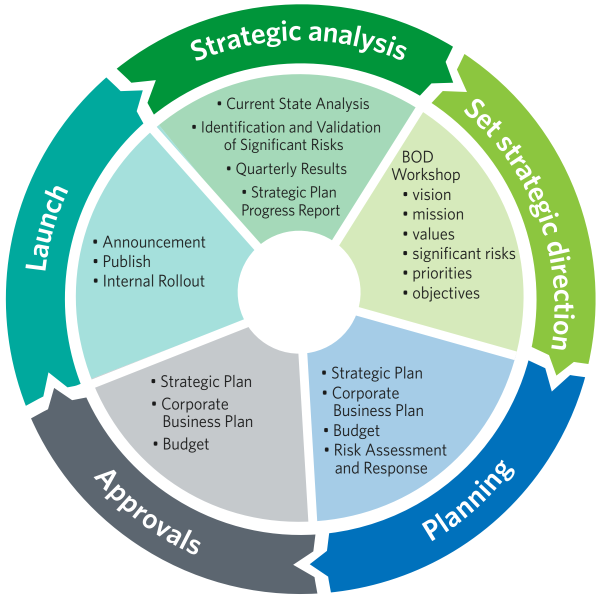
Quarterly Focus

2012-2016 Strategic Plan: 2014 Update

In 2013, to help ensure the WSIB is continuously responding to changes in its operating environment, we introduced a new strategic planning process. As part of the new annual strategic planning process, the WSIB engages in a number of activities, including monitoring the external environment, assessing our performance on key projects and initiatives, and identifying opportunities and risks. A key component of this process involves an annual review of our strategic plan by the WSIB's Board of Directors (BoD), assessing its effectiveness and, if necessary, identifying areas for update or revision.

In June 2013, the BoD met to review the 2012-2016 Strategic Plan. They undertook a comprehensive assessment of our current operating environment and performance since 2012. The BoD confirmed our strategic direction, core values of trust, integrity and fairness, and reaffirmed our vision to become the leading workplace compensation board. Like the original five-year plan, the 2014 Update outlines a range of solutions designed to enhance WSIB services, helping injured workers and employers get back to what matters and to bring the WSIB to a sufficiently funded position.

The WSIBs Planning Cycle



The updated plan continues to be organized around five interconnected pillars – meaning the WSIB cannot make the necessary gains in one area without also making significant progress in each of the others.

Pillar 1: Return to work and fair benefits

The most significant change occurred to this pillar, which was previously "right-sizing costs". The name was changed to better reflect the WSIB's focus and the intent of the objectives within that pillar. It is the first pillar in the plan and represents the core of our business – supporting workers and employers with recovery and return to work, while ensuring fair benefits to injured workers. The objectives for this pillar indicate our commitment to ensuring the best recovery and return to work outcomes for injured workers.

> The BoD confirmed our strategic direction, core values of trust, integrity and fairness, and reaffirmed our vision

Pillar 2: Sufficient funding

The WSIB recognizes that sufficient funding means a fair system for all: secure benefits for workers, stable and fair premiums for employers, and a solid foundation for service excellence. We understand that Ontario employers are seeking predictability in premium setting, and Ontario workers and their families must be assured that the system will be there for them in the future. The objective is this Pillar reinforces the WSIB commitment to meet its funding requirements as prescribed in the regulation.

Pillar 3: Revenue must be fairly assessed and cover costs

The WSIB recognizes that we cannot provide a sustainable system unless our premium revenues adequately cover our costs. This will keep the system fair for current and future generations, allowing us to optimize investment revenues and reduce the UFL. We also recognize that employers must believe that the premium revenue they pay to fund the system is fairly assessed in a transparent manner.

Quarterly Focus

The objectives in this pillar guide us towards ensuring that employer premiums are set in a fair and transparent manner and that we are prudently managing our investment fund.

Pillar 4: Service excellence and efficient administration

The WSIB continues to focus on delivering excellent customer service that efficiently respond to worker and employer needs.

The objectives for this pillar are based on achieving the highest levels of customer service and administering programs efficiently while demonstrating our core values of trust, integrity and fairness in every interaction with our stakeholders.

Pillar 5: Stakeholder relationships

Maintaining effective stakeholder relationships supports everything we do. The success of this pillar relies on our objectives to build open and transparent relationships with stakeholders. We recognize the value of listening to our stakeholders' concerns, appreciating the challenges they face, and incorporating their feedback into our planning for the future.

The pillars and their respective objectives continue to focus on transforming the WSIB into a sustainable, modern, customer-centric system.

Staying the Course

The 2012-2016 Strategic Plan: 2014 Update brings new clarity to the direction and intent of the original plan. The pillars and their respective objectives continue to focus on transforming the WSIB into a sustainable, modern, customer-centric system.

The WSIB remains committed to staying the course, and building on the achievements made to date. We continue to work towards realizing our vision: to be the leading workplace compensation board and to focus on making sure our stakeholders can get back to what matters – employers are able to carry on their businesses with protection from the financial consequences of workplace injuries and illnesses; injured and ill workers are secure in the knowledge that services and support are there to help them return to work, and to their lives.

Glossary

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	13
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	13
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	13
Appeals - % of Appeals Resolved in 6 Months	The percentage of appeals resolved by the Appeals Services Division within 6 months of receipt.	An appeal resolution includes an appeal decision, a return or a withdrawal of an appeal Schedule 1 and 2	13
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	14
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	14
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	9, 17

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	9, 18
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	8, 17
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		11
Duration	The year-to-date percentage of injured or ill workers that continue to receive full or partial LOE benefits on the specified anniversary		8, 17
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		11
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).		14
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	7, 16
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	9

Measure	Definition	Notes	Page
Percentage of Claims in Integrated Health Care Programs	The percentage of claims that receive a service from an integrated Health Care program versus all claims that received a direct Health Care service.	Integrated Health Care programs includes: Low Back Examinations, Physician Case File Reviews, Programs of Care, RECs, Shoulder Assessments, and Specialty Clinic Programs Direct Health Care Services includes services that are provided directly to injured workers.	9, 18
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	9, 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	11
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	12
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	12
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	8, 16
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	12
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	12

Measure	Definition	Notes	Page
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.		10
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	7
Traumatic Fatalities	The number of allowed traumatic fatal claims in the period specified	By year of death Data is un-matured	9
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	10
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	7
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)	16

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