2016 – 2018 Strategic Plan

MEASURING RESULTS

2016 Q1 | 2016 Q2 | **2016 Q3** | 2016 Q4

WORKPLACE SAFETY & INSURANCE BOARD

PUBLISHED DECEMBER 2016

Assessment of Q3 2016 Results

Theme	Objectives
Health & Safety	**1** Promote strategies to prevent fatalities, injuries and illnesses in Ontario workplaces **2** Strengthen integration within the occupational health and safety system through community partnerships and engagement
Return to Work, Recovery & Fair Benefits	**3** Advance return-to-work and recovery programs and administer benefits fairly **4** Improve the integration of medical services and healthcare programs through focused partnerships
Financial Sustainability	**5** Ensure that premium revenues cover costs and benefits are sustainable while implementing a transparent rate setting framework **6** Ensure that the investment strategy improves funding resiliency while implementing asset pooling
Innovation	**7** Make focused investments in technology and programs to maximize outcomes and the quality of services we deliver to workers and employers **8** Drive improved efficiencies and prioritization of resources throughout the organization
Our People	**9** Attract and retain engaged, accountable and skilled employees who deliver high quality service to workers, employers and our stakeholders **10** Ensure organizational stability through succession management and development and continuity of corporate knowledge

LEGEND:

- ✓ Performance meeting or exceeding target
- X Performance off target
- △ Performance marginally off target
- * For tracking purposes only

Metric		Result	Target	Assessment
1.1 New Claims		52,538	50,676	△
1.2 Traumatic Fatalities (Year to Date)*		34	0	✗
1.3 Lost-Time Injury/Illness Rate		0.86	0.85	△
3.1 RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)		92.1%	92.2%	△
3.2 Average LOE Entitlement Award at Lock-in		46%	45%	△
3.3 Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date		95%	90%	✓
3.4 Percentage on Benefits at 12 Months		3.9%	3.7%	△
3.5 Percent Employed on Completion of Work Transition Plan		85%	79%	✓
4.1 Percentage of Workers with a Permanent Impairment		6.3%	6.5%	✓
4.2 Percentage of Claims in Integrated Health Care Programs (Year to Date)		41%	44%	△
5.1 Core Earnings		$393M	$321M	✓
5.2 Unfunded Liability (Sufficiency Basis)		($4,799M)	($6,042M)	✓
5.3 Sufficiency Ratio		84.9%	81.6%	✓
6.1 Investment Fund Total Returns (10 Years)		5.9%	5.25%	✓
8.1 Administrative Expenses per $100 of Insurable Earnings		$0.44	$0.45	✓
8.2 Appeals – Allowed, Allowed in Part*	ALLOWED	17%	14-17%	✓
	ALLOWED IN PART	13%	12-16%	✓
8.3 Percentage of Appeals Resolved within Six Months*		89%	85%	✓
8.4 Appeals Active Inventory*		2,054	2,500	✓
9.1 Service Excellence Index*	CLAIMS - INJURED WORKERS	76%	77%	△
	CLAIMS - EMPLOYERS	85%	87%	△
	ACCOUNT MANAGEMENT	89%	90%	△
9.2 Overall Satisfaction*	INJURED WORKERS	73%	71%	✓
	EMPLOYERS	76%	74%	✓

NOTE: For a listing of metric definitions see website, www.wsib.on.ca

* Schedule 1 & 2 combined

Message from Management

This quarter has been a positive one for WSIB's performance and the organization is well positioned to deliver solid annual results as we move into the last quarter of the year. Our revenue, from employer premiums, continues to be higher than anticipated due to strength in the Ontario economy. Investment returns in the quarter benefitted from strong equity markets. Combined with costs that have remained within budget, we have been able to achieve Core Earnings as of Q3 that are 15 per cent higher than last year. The WSIB's strong financial performance continues alongside improvements in worker and employer satisfaction with their experience with the WSIB. Satisfaction is up by 2 per cent over last year among each group.

Beyond the numbers, the WSIB was thrilled this quarter to have the opportunity to welcome all types of stakeholders to come together for our Annual General Meeting (AGM) in mid-September. Workers, employers and interest groups, among other stakeholders, gathered with us so that we could together review the state of Ontario's workplace compensation system and plans for the future. The story we were able to share at the AGM was good news. The strength of the WSIB's finances has given us the privilege of announcing the first reduction in employer premiums in the past 15 years. This is a move we would not be making without the certainty that we can continue to provide injured workers with secure benefits, including the increases to benefits specified in recent legislation. The event was an example of how the WSIB has been working to increase its openness, transparency and collaboration with stakeholders and we will be continuing in this direction.

The WSIB's solid financial progress and strengthening position mean that we can continue to pursue opportunities to do more for Ontarians. In particular, we will continue to use innovation to deliver greater value, to improve our service and to develop our own talent. We invite you to review our latest performance in these areas in the pages that follow.

Q3 2016 Highlights

WHAT'S NEW THIS QUARTER?

Stakeholder Annual General Meeting. On September 14, the WSIB was proud to welcome employers and workers along with a variety of other stakeholders to its Annual General Meeting for 2016. The event was used to update stakeholders on the progress made by the WSIB in achieving financial sustainability and eliminating the Unfunded Liability (UFL), plus to announce employer premium rates for 2017. It was also an opportunity to describe the WSIB's areas of focus for the near future, work that will ensure that we continue to build on progress made to date and deliver even greater value to workers and employers. Compared to one year ago, the WSIB is now even stronger financially and anticipates that the UFL will be eliminated one year sooner than expected, by 2021. The materials distributed at the AGM, including the WSIB's 2016 Economic Statement and the list of 2017 premium rates by rate group are now available on our website.

Decrease to the Average Employer Premium Rate Announced. As part of the AGM, the WSIB announced that for the first time since 2001 we will be reducing the average premium rate paid by employers for 2017. Each rate group will either see its premium rate go down (by up to 14 per cent) or remain unchanged, depending on the group's health and safety performance in recent years. No rate group will see a premium rate increase in 2017 with the exception of two that are impacted by presumptive posttraumatic stress disorder (PTSD) legislation passed this year, Ambulance Services and Local Government Services. The reduction to the average premium rate is being done alongside legislated increases to benefits for injured workers and in light of the continued, growing strength in the WSIB's finances. In no way will benefits be compromised by the lower premiums.

Young Worker Safety. Following on the success of last summer's first-ever #PracticeSafeWork contest for young workers, the WSIB was thrilled by the nearly 400 entries submitted this year. The enthusiastic response demonstrates the commitment of the next generation of Ontario workers to safety. Young workers were asked to send in photos of themselves engaging in safe work practices, for the chance to win a cash prize. The social media and traditional advertising campaigns designed around the contest were also well received – the Facebook ads alone reached 1.7 million viewers.

Inventory of WSIB Datasets Available for Feedback. In the next phase of the WSIB's response to the Ontario Government's Open Data directive, which came into effect in April 2016, a list of datasets that are created and managed by the WSIB is now available on our website. Stakeholders are invited to share their preference for the datasets they would like to see published first by voting online or through a written submission. Over time, all of the data in the inventory will be made publicly available in clear and easy-to-use formats for use in solving everyday problems, to create or grow businesses or for any other purpose.

Progress on ACES. This quarter, the implementation of the WSIB's new integrated system for administering employer accounts and managing claims continued. The employer accounts component of the Accounts and Claims Enterprise System (ACES) was fully implemented in 2015 and continues to work well. Implementation of the claims management portion is continuing this year and will be complete by December 2016. The fourth stage of implementation, scheduled for late October, will bring ACES to WSIB's Sudbury, North Bay and Timmins offices, plus to our Occupational Disease and Specialized Services team.

ACHIEVEMENTS

Increased Financial Sustainability. At our AGM in September, we were pleased to share our continued progress in reducing the Unfunded Liability (UFL). At the time, based on Q2 YTD results, the UFL (sufficiency basis) had been brought down to $5,633M and the WSIB announced that we are an estimated six years ahead of legislated requirements for eliminating the UFL. In Q3, the UFL (sufficiency basis) was reduced a further $834M to $4,799M and the Sufficiency Ratio increased to 84.9 per cent. It is this financial progress that is making it possible for us to implement legislated increases to benefits for injured workers (e.g., indexation of benefits, presumptive PTSD legislation). It has also put the WSIB in a position to lower employer premium rates for the first time in 15 years.

Timely Eligibility Decisions. The WSIB strives for high quality and timely decision making when it comes to determining whether or not a claim is eligible for workers' compensation benefits. In this way, we can ensure that those entitled to benefits can access them as quickly as possible. In recent quarters, the WSIB has regularly exceeded its target of making 90 per cent of eligibility decisions within two weeks of the claim being filed. In Q3, 95 per cent of Schedule 1 eligibility decisions met this threshold, the highest level achieved since late 2014. Among Schedule 2 claims, 94 per cent were decided within two weeks.

Injured Worker Satisfaction with the WSIB Experience. The WSIB has identified service excellence as one of four areas of focus in the coming years. To better track the satisfaction of injured workers and employers, and to hold ourselves to a higher standard of service, we began gathering a new overall satisfaction metric in Q1 2015 and began reporting on it this year. In Q3 2016, injured workers reported their highest level of satisfaction to date (73 per cent) on the new metric. While we recognize that there is still a long road ahead to sustain consistently high levels of satisfaction among both injured workers and employers, it is nevertheless encouraging to see that satisfaction among injured workers is moving in the right direction. Employers' satisfaction also improved compared to last year (76 per cent satisfied in Q3 2016 compared to 74 per cent in Q3 2015). The WSIB will be implementing its new customer experience strategy—aimed at delivering higher and sustained satisfaction—in the months to come.

WHAT WE'RE WORKING TO IMPROVE

Increase in the LTI Rate. For the first time since at least 2008, the year-to-date lost-time injury (LTI) rate (Schedule 1) is higher than prior year as of Q3. The Q3 2016 rate was 0.86 injuries per 100 workers, up 1.2 per cent compared to the 0.85 rate at this time last year. Driving the Schedule 1 increase are higher LTI rates in the automotive (+7 per cent), manufacturing (+4 per cent) and construction (+3 per cent) sectors. The LTI rate among Schedule 2 employers has also increased this year, from 1.91 in Q3 2015 to 1.94.

The WSIB is working with stakeholders such as the Prevention Office at the Ministry of Labour to better understand this trend and to collaborate wherever possible to address it. The WSIB is also in the early stages of developing an online tool to support employers in analyzing trends in their claims and comparing their performance to peers. This information is designed to help employers make targeted improvements in their health and safety and return-to-work strategies and increase overall workplace safety.

Higher Short-Term Durations. In tracking claim durations (how long claims require benefits), the WSIB has seen several years of almost constant improvement followed by a leveling off of short-term durations. In Q3, durations of one year or less each increased over last year. For instance, 11.6 per cent of Schedule 1 claims continued to require benefits after three months compared to 10.8 per cent at this time last year. It is worth noting that last year's short-term duration results were historic lows and that the fluctuation in the results seen this year was not unexpected. Among Schedule 2 employers, short-term durations also increased, continuing a trend begun in early 2015.

In response to increasing durations, we are working to improve our understanding of the results—what is behind the trend and what claim durations we should strive for. The improvement in recent years could not be expected to continue indefinitely and now that results have leveled off, we need to consider carefully what range of duration results represents the safest, fastest and most sustainable level of worker recovery and return to work.

HEALTH & SAFETY

OBJECTIVES

1

Promote strategies to prevent fatalities, injuries and illnesses in Ontario workplaces

2

Strengthen integration within the occupational health and safety system through community partnerships and engagement

Increase in registered claim volume

Year to date, registered Schedule 1 claim volume increased by 0.7 per cent compared to the same period in 2015, from 144,522 to 145,504 claims. The year-to-date increase is explained by higher claim volume in Q3 (52,538 compared to 50,676 in Q3 2015). Both lost-time and no-lost-time claim volumes were higher in Q3, by 5.4 and 3.0 per cent respectively.

Alongside this higher claim volume, the Schedule 1 lost-time injury rate has increased (+1.2 per cent), from 0.85 injuries per 100 workers in 2015 to 0.86 in 2016. Of the WSIB's largest industry sectors, automotive (+7 per cent) and manufacturing (+4 per cent) experienced the largest increases in LTI rates. By contrast, LTI rates for health care (down 4 per cent) and transportation (down 2 per cent) were both better than last year, for the fifth consecutive quarter.

Schedule 2 registered claim volume in Q3 was 3.7 per cent (310 claims) higher than last year. The increase was primarily due to higher lost-time claims (up 6.5 per cent or 237 claims).

1.1 New Claims

SCHEDULE 1

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Registered	50,676	47,676	45,447	47,658	52,538	145,504
Pending	4,242	4,175	4,135	3,732	4,095	5,400
Allowed	37,209	34,608	32,328	34,830	38,833	109,814
	80.1%	79.6%	78.3%	79.3%	80.2%	78.4%

SCHEDULE 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Registered	8,444	9,365	9,566	9,701	8,754	27,983
Pending	1,096	1,073	1,054	1,044	951	1,221
Allowed	5,535	6,540	6,492	6,685	5,948	20,293
	75.3%	78.9%	76.3%	77.2%	76.2%	75.8%

1.2 Fatalities: Allowed Traumatic & Occupational Disease

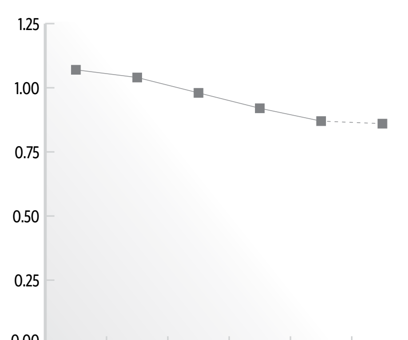
SCHEDULE 1 & 2

	2011	2012	2013	2014	2015	2016 YTD
Schedule 1 Traumatic Fatalities	55	60	70	59	53	31
Schedule 2 Traumatic Fatalities	4	5	3	1	4	3
Traumatic Fatalities Total	59	65	73	60	57	34
Schedule 1 Occupational Disease Fatalities*	191	189	159	167	175	125
Schedule 2 Occupational Disease Fatalities*	38	32	23	42	38	55
Occupational Disease Fatalities Total*	229	221	182	209	213	180

***Note:** Due to legislative changes, occupational disease fatalities results are not comparable year-over-year.

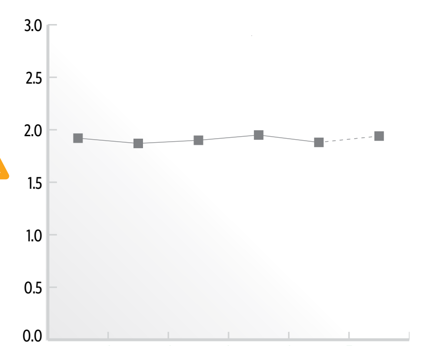
1.3 Lost-Time Injury/Illness Rate

SCHEDULE 1



	2011	2012	2013	2014	2015	2016 YTD
Result	1.07	1.04	0.98	0.92	0.87	0.86
Prior Year	1.17	1.07	1.04	0.98	0.92	0.85
Variance	-8.5%	-2.8%	-5.8%	-6.1%	-5.4%	1.2%

SCHEDULE 2



	2011	2012	2013	2014	2015	2016 YTD
Result	1.92	1.87	1.90	1.95	1.88	1.94
Prior Year	2.02	1.92	1.87	1.90	1.95	1.91
Variance	-5.0%	-2.6%	1.6%	2.6%	-3.6%	1.6%

OBJECTIVES

3

Advance return-to-work and recovery programs and administer benefits fairly

4

Improve the integration of medical services and healthcare programs through focused partnerships

Longer-term claim durations continue to improve

As of Q3 2016, 24-, 48- and 72-month Schedule 1 durations had each improved compared to the same period in 2015. While 2.7 per cent of claims remained on benefits at 24-month duration in Q3 2015, this result improved to 2.5 per cent in 2016. Similarly, 48-month duration declined from 2.2 per cent to 2.1 per cent, and 72-month duration from 3.8 per cent to 2.6 per cent. These improvements were once again anticipated due to the reductions in short-term durations experienced in previous quarters.

In contrast to longer-term durations, Schedule 1 durations of one year or less have increased in 2016, particularly 3-month duration which increased from 10.8 per cent in Q3 2015 to 11.6 per cent in 2016. In 2015, the WSIB achieved historically low short-term duration results, and this levelling off and now fluctuation in duration results after several years of improvement is not unexpected.

For workers whose injuries prevent them from returning to their pre-injury job and who are considering alternative work, WSIB Work Transition Specialists are available to assist them in creating and completing a Work Transition plan. Year to date, 84 per cent of workers who completed their Work Transition plans (Schedule 1) were successful in finding employment, up 5 percentage points compared to the same period in 2015. The strength of this and other WSIB services in helping workers to recover and return to work have helped ensure that, year to date, 92 per cent of injured workers returned to work at 100 per cent of their pre-injury earnings within 12 months of their injury. This result has been maintained at 91 per cent or higher since early 2012.

The WSIB continues to exceed its target (90 per cent of decisions within two weeks) for the timeliness of eligibility decisions. In Q3, 95 per cent of Schedule 1 and 94 per cent of Schedule 2 eligibility decisions were made within two weeks of the claim being registered.

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

SCHEDULE 1

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	92.4%	91.7%	91.0%	92.1%	92.1%	91.7%
Target	92.0%	92.0%	92.2%	92.2%	92.2%	92.2%
Variance	0.4%	-0.3%	-1.2%	-0.1%	-0.1%	-0.5%

SCHEDULE 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	95.1%	94.9%	94.7%	94.2%	94.8%	94.6%
Prior Year	95.3%	94.4%	95.1%	95.2%	95.1%	95.1%
Variance	-0.2%	0.5%	-0.4%	-1.0%	-0.3%	-0.5%

3.2 Average LOE Entitlement Award at Lock-in

SCHEDULE 1

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	45%	45%	46%	46%	46%	46%
Prior Year	46%	47%	45%	45%	45%	45%
Variance	-1%	-2%	1%	1%	1%	1%

SCHEDULE 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	51%	37%	38%	45%	50%	45%
Prior Year	47%	44%	49%	42%	51%	46%
Variance	4%	-7%	-11%	3%	-1%	-1%

Note: Due to small numbers, Schedule 2 is assessed based on YTD rather than quarterly performance

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

SCHEDULE 1

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	92%	94%	93%	94%	95%	94%
Target	90%	90%	90%	90%	90%	90%
Variance	2%	4%	3%	4%	5%	4%

SCHEDULE 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	89%	94%	93%	95%	94%	94%
Target	90%	90%	90%	90%	90%	90%
Variance	-1%	4%	3%	5%	4%	4%

3.4 Duration

SCHEDULE 1

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Target	Assessment
3 mos	10.8%	11.1%	11.0%	11.3%	11.6%	10.9%	✗
6 mos	5.8%	5.9%	6.0%	6.0%	6.2%	5.8%	✗
12 mos	3.6%	3.7%	3.6%	3.7%	3.9%	3.7%	✗
24 mos	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	✓
48 mos	2.2%	2.1%	2.0%	2.0%	2.1%	2.2%	✓
72 mos	3.8%	3.4%	3.2%	2.8%	2.6%	3.2%	✓

SCHEDULE 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Assessment vs. Prior Year
3 mos	8.2%	8.6%	8.8%	9.0%	9.1%	✗
6 mos	4.1%	4.2%	4.3%	4.7%	5.0%	✗
12 mos	1.9%	2.1%	2.3%	2.4%	2.7%	✗
24 mos	1.1%	1.0%	1.0%	1.1%	1.2%	△
48 mos	0.5%	0.6%	0.6%	0.6%	0.7%	✗
72 mos	0.7%	0.6%	0.6%	0.6%	0.5%	✓

3.5 Percentage Employed on Completion of Work Transition Plan

SCHEDULE 1

✓

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	79%	79%	79%	86%	85%	84%
Prior Year	81%	77%	79%	79%	79%	79%
Variance	-2%	2%	0%	7%	6%	5%

SCHEDULE 2

✓

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	93%	94%	99%	97%	96%	97%
Prior Year	92%	94%	93%	96%	93%	94%
Variance	1%	0%	6%	1%	3%	3%

Note: Due to small numbers, Schedule 2 is assessed based on YTD rather than quarterly performance

4.1 Percentage of Workers with a Permanent Impairment

SCHEDULE 1

✓

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	5.7%	6.4%	6.1%	5.9%	6.3%	6.1%
Benchmark	7.0%	7.0%	6.5%	6.5%	6.5%	6.5%
Variance	-1.3%	-0.6%	-0.4%	-0.6%	-0.2%	-0.4%

SCHEDULE 2

△

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	2.7%	2.4%	2.5%	2.1%	2.9%	2.5%
Prior Year	1.9%	1.6%	1.9%	2.5%	2.7%	2.3%
Variance	0.8%	0.8%	0.6%	-0.4%	0.2%	0.2%

Note: Due to small numbers, Schedule 2 is assessed based on YTD rather than quarterly performance

4.2 Percentage of Claims in Integrated Health Care Programs

SCHEDULE 1

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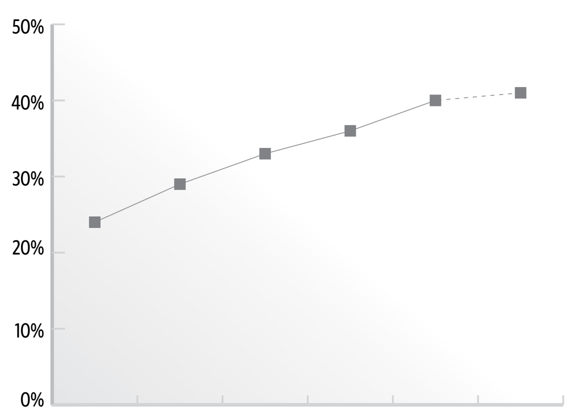
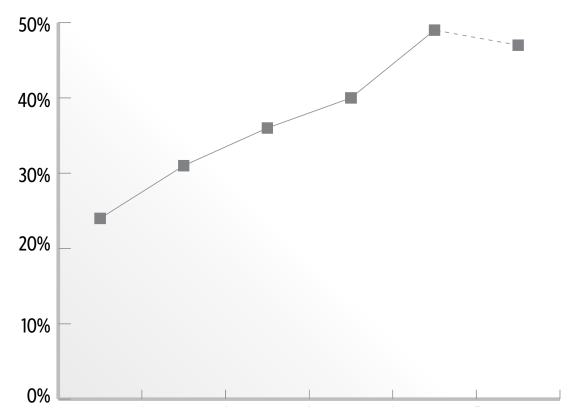


	2011	2012	2013	2014	2015	2016 YTD
Result	24%	29%	33%	36%	40%	41%
Target	23%	24%	29%	33%	36%	44%
Variance	1%	5%	4%	3%	4%	-3%

SCHEDULE 2

✓



	2011	2012	2013	2014	2015	2016 YTD
Result	24%	31%	36%	40%	49%	47%
Target	22%	24%	31%	36%	40%	44%
Variance	2%	7%	5%	4%	9%	3%

FINANCIAL SUSTAINABILITY

OBJECTIVES

5

Ensure that premium revenues cover costs and benefits are sustainable while implementing a transparent rate setting framework

6

Ensure that the investment strategy improves funding resiliency while implementing asset pooling

Strong Core Earnings continue

The WSIB has once again achieved strong Core Earnings this quarter, contributing to a solid reduction in the Unfunded Liability (UFL) and improved financial sufficiency. Q3 Core Earnings of $393M were 18 per cent higher than Q3 2015, while year-to-date Core Earnings were 15 per cent higher this year than last. The increase in Core Earnings stems from strong premium revenue, which is up by 4.4 per cent year to date and, in turn, results from increased insurable earnings (up 3.2 per cent compared to 2015).

As of the end of Q3, the UFL (sufficiency basis) was $4,799, down $834M over the quarter and down $2,185M year to date. Our Sufficiency Ratio is now well above the 80 per cent "comfort zone" level at 84.9 per cent. This represents an increase of 7.0 per cent so far in 2016.

The WSIB's investment portfolio returned positive returns both for the quarter (+3.8 per cent) and for the past 12 months (+8.5 per cent) and now totals $28.9B. Q3 investment returns were driven primarily by strong equity returns, along with moderate returns from multi-asset and infrastructure strategies. The WSIB's portfolio outperformed the benchmark portfolio by 0.5 per cent this quarter, though its year-to-date performance was 0.4 per cent below that of the benchmark.

5.1 Core Earnings

SCHEDULE 1

$M	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	334	290	281	407	393	1,081
Budget	279	187	254	337	321	912
Variance	55	103	27	70	72	169

5.2 Unfunded Liability (Sufficiency Basis)

SCHEDULE 1

$M	2011*	2012*	2013*	2014	2015	2016 YTD
Result	(14,199)	(13,299)	(10,638)	(8,697)	(6,984)	(4,799)
Budget	(12,294)	(13,772)	(13,777)	(11,424)	(8,129)	(6,042)
Variance	(1,905)	473	3,139	2,727	1,145	1,243

*on a Funding Basis

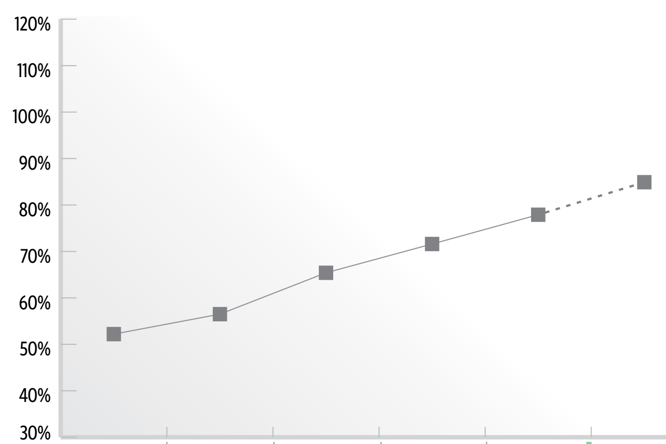
6.1 Investment Fund Total Returns (1 and 10 Years)

SCHEDULE 1

	2011	2012	2013	2014	2015	Q3 2016	Target	Assessment
1 Year	2.3%	10.5%	12.7%	10.3%	5.8%	8.5%	5.25%	✓
10 Years	4.6%	6.3%	6.3%	6.5%	6.0%	5.9%	5.25%	✓

5.3 Sufficiency Ratio

SCHEDULE 1



	2011*	2012*	2013*	2014	2015	2016 YTD
Result	52.2%	56.5%	65.4%	71.6%	77.9%	84.9%
Budget	55.8%	53.9%	56.4%	64.3%	74.3%	81.6%
Variance	-3.6%	2.6%	9.0%	7.3%	3.6%	3.3%

* Funding Ratio

OBJECTIVES

7
Make focused investments in technology and programs to maximize outcomes and the quality of services we deliver to workers and employers

8
Drive improved efficiencies and prioritization of resources throughout the organization

Timely appeals resolution keeps inventory low

Compared to Q3 2015, 10 per cent fewer appeals came in to the WSIB in Q3 2016 (1,883 in 2015 compared to 1,687 this year). Year to date, incoming appeal volume is down 11 per cent.

Appeals resolution continues to be timely, with 89 per cent of appeals resolved within six months in Q3, an improvement of 4 percentage points compared to Q3 last year. This timeliness is helping to keep appeals inventory down. There were 2,054 active appeals as of the end of Q3, unchanged since last quarter, and down from 2,251 cases in Q3 2015.

The percentage of appeals allowed (17 per cent) is up 3 percentage points compared to Q3 2015, but unchanged compared to last quarter.

8.1 Administrative Expenses per $100 of Insurable Earnings

SCHEDULE 1

✓

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	$0.41	$0.51	$0.41	$0.39	$0.44	$0.41
Budget	$0.44	$0.49	$0.42	$0.43	$0.45	$0.43
Variance	($0.03)	$0.02	($0.01)	($0.04)	($0.01)	($0.02)

8.2 Appeals – New, Allowed, Allowed in Part

SCHEDULE 1 & 2

		Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD	Target	Assessment
New Appeals		1,883	1,880	1,791	2,013	1,687	5,499	5,625	✓
% of Resolved Appeals	Allowed	14%	17%	16%	17%	17%	17%	14-17%	✓
	Allowed in Part	14%	12%	13%	13%	13%	13%	12-16%	✓

8.3 Percentage of Appeals Resolved within Six Months

SCHEDULE 1 & 2

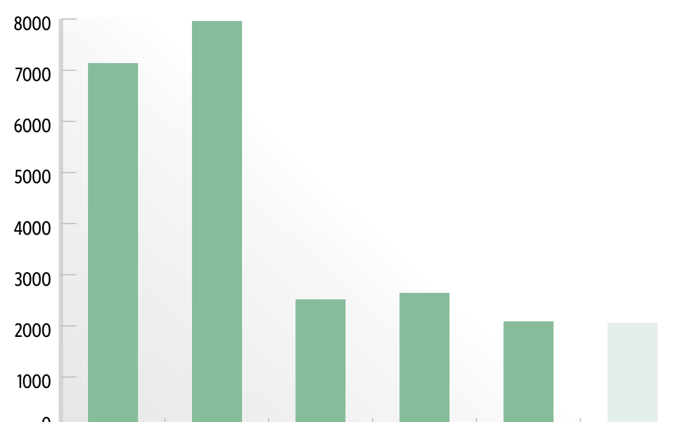
✓

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	2016 YTD
Result	85%	87%	89%	91%	89%	90%
Target	85%	85%	85%	85%	85%	85%
Variance	0%	2%	4%	6%	4%	5%

8.4 Appeals Active Inventory

SCHEDULE 1 & 2

✓



	2011	2012	2013	2014	2015	2016 YTD
Result	7,140	7,958	2,519	2,646	2,088	2,054
Target	2,500	2,500	2,500	2,500	2,500	2,500
Variance	4,640	5,458	19	146	-412	-446

OUR PEOPLE

OBJECTIVES

9

Attract and retain engaged, accountable and skilled employees who deliver high quality service to workers, employers and our stakeholders

10

Ensure organizational stability through succession management and development and continuity of corporate knowledge

Progress on injured worker satisfaction

In Q3, based on the results from the new overall satisfaction measure, injured workers reported their highest level of satisfaction (73 per cent) since the measure was introduced at the start of 2015. Employers' overall satisfaction at 76 per cent is down slightly compared to last quarter (79 per cent) but above the Q3 2015 result (74 per cent). This improvement is taking place as the WSIB prepares to finalize development and implementation of its new customer experience strategy, which is intended to improve and then maintain both injured workers' and employers' satisfaction levels with WSIB services. Customer service excellence continues to be one of the WSIB's four main areas of focus.

9.1 Service Excellence Index

SCHEDULE 1 & 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Target	Assessment
Claims - Injured Workers	76%	74%	76%	74%	76%	77%	△
Claims - Employers	85%	85%	85%	84%	85%	87%	△
Account Management	89%	88%	89%	87%	89%	90%	△

9.2 Overall Satisfaction

SCHEDULE 1 & 2

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Assessment vs. Prior Year
Injured Workers	71%	69%	67%	70%	73%	✓
Employers	74%	74%	78%	79%	76%	✓

9.3 Employee Engagement

In Development

Q3 2016 Quarterly Focus

Understanding Noise Induced Hearing Loss

Noise is all around us. Whether it's the subtle whoosh of your office HVAC system, the low thrum of city traffic, or unmistakable buzz of cicadas on a hot summer day, noise is as common as the air we breathe, and generally just as safe.

But for many miners, construction workers, steelworkers and others, the noise they are exposed to in the workplace is actually harmful and unsafe. Prolonged, continuous or intermittent exposure to hazardous noise levels at work can result in occupational noise induced hearing loss (NIHL) – damage to the inner ear that causes a permanent loss of hearing in both ears.

This type of hearing loss is a cumulative process that develops over many years and may not become apparent to the worker until long after retirement. In fact, the majority of workers with NIHL are 65 years of age or older at the time of diagnosis. For these workers, hearing loss that may have begun earlier in their working lives doesn't become apparent until it is compounded by the loss of hearing that is a natural part of the aging process, a condition known as presbycusis. The WSIB must determine how much of the hearing loss is due to workplace noise and compensate for that.

WHY NIHL MATTERS

NIHL is an entirely preventable condition that can have serious repercussions for a worker's quality of life. Once hearing is lost through NIHL, there is no treatment that will bring it back. While advances are being made in hearing aid technology, hearing aids are still not a replacement for natural hearing. Sounds heard through a hearing aid may not seem natural, it can be difficult to filter out unwanted sound and it may take months to adjust to using a hearing aid. The worker's ability to enjoy activities, entertainment, social interaction and time with family may be seriously impacted.

Currently, the WSIB supports approximately 43,000 workers receiving hearing-related health care services. The WSIB will continue to support the hearing aid and related health care needs of these workers throughout their lifetimes. This number continues to rise as the volume of NIHL claims increases and with life expectancy rising. Damage done to hearing from workplace exposures decades ago means that more and more claims will continue to be supported for years to come, regardless of any action taken today. NIHL is responsible for nearly one-quarter (23 per cent) of allowed occupational disease claims and one-fifth (20 per cent) of allowed occupational disease benefit costs in recent years.

WHAT IS A DECIBEL?

Decibels are the units used to measure the intensity of sound. Because the human ear can hear such a large range of sound, the decibel scale is not linear. A ruler is an example of a linear scale, where a length of 20 cm is twice as long as 10 cm, 30 cm is three times as long, etc. On the decibel scale, the smallest audible sound is 0 dB, a sound measuring 10 dB is 10 times more intense, 20 dB is 100 times more intense, 30 dB is 1000 times more intense, etc. The decibel's logarithmic scale goes up in powers of ten. While we might expect that a sound of 100 dB would be 10 times more powerful than a 10 dB sound, it's actually 1,000,000,000 more intense. It's easy to imagine how a sound of this strength will cause damage to human hearing.

An average of 70 decibels for a 24-hour period is generally considered to be safe. Decibel levels for a variety of sounds are shown in the table to the right.

	COMMON SOUNDS	DECIBEL LEVELS dB(A)
DAMAGING	rock concert, jet takeoff, gun shot	120 to 140
	chainsaw, air gun, portable stereo, dance club, boiler room, sandblasting	100 to 120
HARMFUL	power tools, motorcycle, headphones, snowmobile, manufacturing plant, lawnmower, hydraulic press, pneumatic drill	90 to 100
IRRITATING	dishwasher, computer room, subway, busy restaurant or kitchen	75 to 90
	city traffic, hair dryer, office equipment, cell phone	70 to 80
	normal conversation	50 to 70
SAFE	countryside with rustling leaves	20 to 50

Strong prevention efforts today are critical to ensure that more workers can maintain their hearing and quality of life and that the influx of NIHL claims is eventually stemmed. Increased focus on hearing loss prevention must be a priority for workers and employers, even if we don't see the impact of today's efforts for decades.

Audiograms from individuals with NIHL show a pattern that is distinct from other types of hearing loss, such as hearing loss from a traumatic incident

NIHL ADJUDICATION

The criteria for allowing a claim for NIHL are prescribed by WSIB policy which stipulates:

- Five or more years working eight hours a day in a job where the average noise level was 90 decibels, or equivalent (i.e., higher decibel levels for shorter periods of time or lower levels for longer periods);
- Audiogram pattern of hearing loss compatible with occupational NIHL; and
- Average hearing loss of 22.5 dB in each ear, after adjustment for age-related hearing loss.

Adjudicating NIHL claims can be complex. Workers may have been employed by multiple employers throughout their careers and, as noted above, exposure to hazardous noise may have taken place decades ago.

The NIHL Adjudicator gathers and reviews all of the available information to confirm that the worker's employment and noise exposure history meet the criteria set out in WSIB policy. Workers' noise exposures may be obtained from various sources including sound surveys from the employer, the Canadian Centre for Occupational Health and Safety noise database or noise measurements obtained through a site visit by a WSIB Occupational Hygienist.

To confirm NIHL, the Adjudicator also needs to obtain medical information about the worker, including any audiometric testing done in the past and a recent audiogram. In more complex cases, or where assistance is required to confirm the degree and pattern of hearing loss, the Adjudicator refers the case to the WSIB Audiologist for an expert opinion. Once all the necessary information has been gathered, the Adjudicator can make a decision on entitlement to benefits for NIHL.

BENEFITS AND SERVICES

Workers with allowed NIHL claims are entitled to hearing-related health services for life, including hearing aids and related accessories and services. Health care costs associated with NIHL, approximately $57 million, represent over 10 per cent of the WSIB's annual health care spending (over $500 million per year). Workers may also be entitled to a non-economic loss (NEL) benefit if their level of hearing loss meets the criteria set out in policy. NEL benefits are provided in recognition that the worker has suffered physical, functional or psychological loss. Since many of the workers are retired, only a small percentage receives loss-of-earnings benefits.

HEALTH AND SAFETY

Advances in our understanding of the nature of NIHL have generated opportunities for preventing NIHL through improved engineering controls to reduce the amount of noise generated by tools and machinery and better hearing protection.

To contribute to these prevention efforts, the WSIB is developing a multi-channel NIHL awareness campaign that we are aiming to launch in early 2017. In addition, the WSIB has included noise-specific initiatives in several of its employer incentive programs. The Workwell Program identified employers with demonstrated challenges in preventing NIHL claims. Workwell evaluators reached out to these employers to offer them health and safety

HOW DOES NOISE AFFECT US?

Unwanted sound or "noise" has been shown to affect us in a variety of ways beyond hearing loss.

The World Health Organization groups the impacts on human health that can result from noise as follows:

- Hearing impairment
- Interference with communication (speech)
- Disturbance of sleep
- Cardiovascular effects (e.g., short term potential impacts of increased blood pressure, increased heart rate; longer term potential impacts of hypertension, certain types of heart disease)
- Psychophysiological, mental health and cognitive performance effects (e.g., anxiety, emotional stress, headaches, memory)
- Changes in social behaviour and annoyance responses
- Interference with our daily activities (work, school, home, leisure)

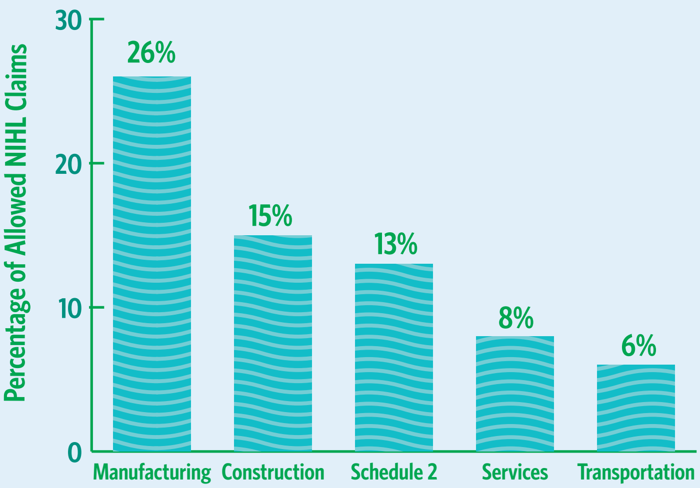
Increased awareness of the seriousness of noise as an issue and stronger prevention efforts can be expected to provide benefits in each of these areas. Even if instances of hearing loss will only be reduced in the longer-term, shorter-term "wins" would also result.

TRENDS

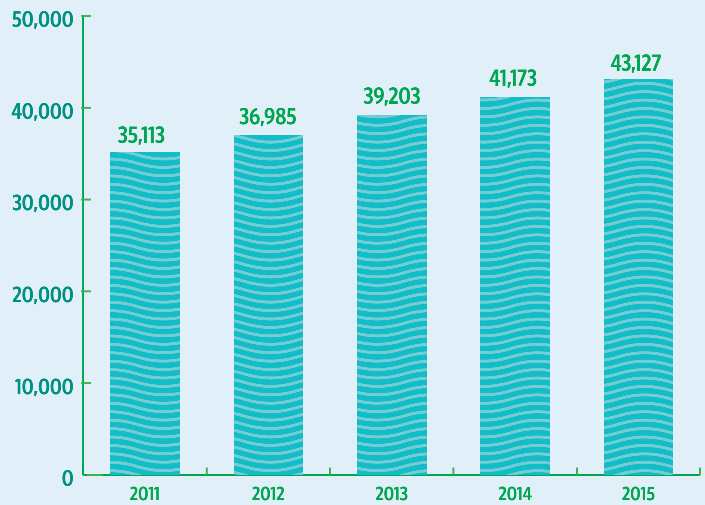
Because hearing loss is permanent and these workers receive WSIB benefits throughout their lifetimes, the inventory of hearing loss claims actively supported by the WSIB has been steadily increasing each year as workers are living longer. In the past five years alone, the inventory of claims increased by nearly one-quarter (23 per cent), from 35,000 to 43,000 claims.

The manufacturing sector has been associated with more allowed NIHL claims than any other over the past decade. Manufacturing and construction represent over 40 per cent of all NIHL claims. Altogether, the five sectors shown in the chart below represents two-thirds (68 per cent) of allowed claims in recent years.

Allowed NIHL Claims by Industry Sector Registered 2006 to 2015



Active NIHL Claims by Service Year



management system evaluations, including suggesting measures to address NIHL hazards specifically. The WSIB's Safety Groups Program incents employers with NIHL hazards to include a NIHL component in their health and safety management systems, and the Small Business Program provides information to employers about legislative requirements and best practices to address NIHL hazards.

The WSIB is supporting the Ministry of Labour in its efforts to help Ontario employers introduce hearing loss prevention programs in their workplaces. We regularly share data with the Ministry of Labour regarding the sectors associated with the most NIHL claims and other relevant NIHL trends. The Ontario government's new noise regulation, which came into effect on July 1, 2016, was informed in part by WSIB data and analysis. The new regulation expands the sectors included from primarily mining and manufacturing to include all Ontario workplaces (e.g., construction sites, health care facilities, schools). Employers will now be required to take all reasonable measures to protect workers from exposure to hazardous sound levels. We have promoted the new regulation on our website and in our stakeholder newsletter, WSIB@work.

Workers with allowed NIHL claims are entitled to hearing-related health services for life

WHAT THE WSIB IS DOING ABOUT NIHL

Since 2007, the WSIB has undertaken a number of initiatives to improve services to workers, enhance program effectiveness and support cost efficiency in managing NIHL claims.

In 2015, a third-party Value for Money Audit (VFMA) on the NIHL program was completed and found that, while the NIHL program was indeed providing value for money, there were still opportunities for improvement. In particular, the VFMA recommended that we continue to look for new ways to enhance our procurement strategy for hearing aid technologies.

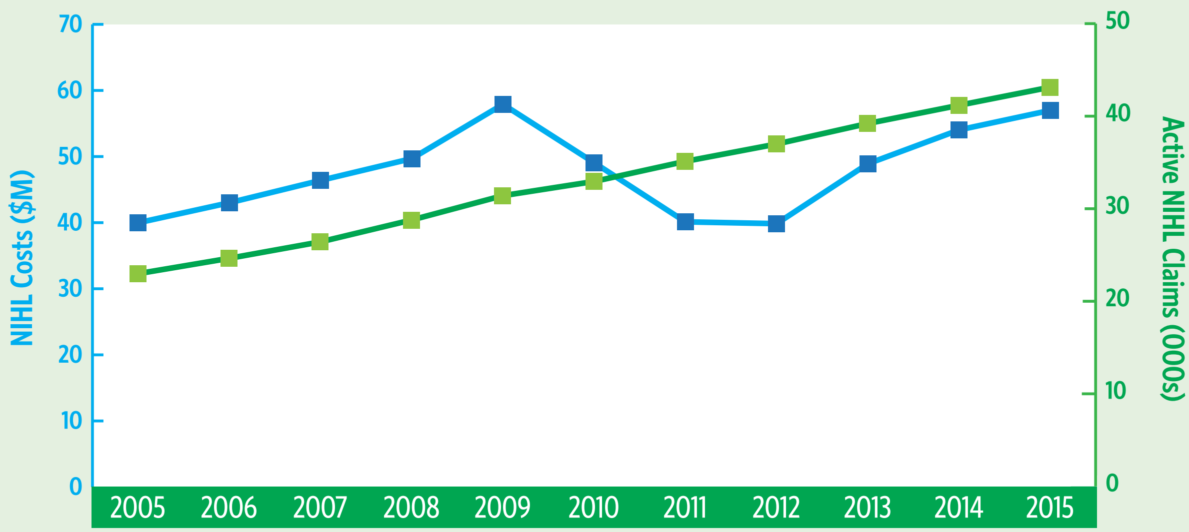
As with household electronics and other products, manufacturing costs and prices go down as technology improves and becomes more widely available. This holds true for hearing aids. On October 25, 2016, the WSIB concluded a successful procurement initiative aimed at ensuring workers with work-related hearing loss have wide access to high-quality hearing technology that they need to address their hearing loss and improve their quality of life. The WSIB has entered into an agreement with three hearing aid manufacturers who met the high standards set as part of our procurement initiative. Under the new agreement, workers will continue to have access, across Ontario, to a wide range of high-quality hearing devices to meet their needs. In addition, the manufacturers are providing an improved warranty, and bundling with other hearing aid technologies and accessories. The new three-year contract is effective from January 9, 2017.

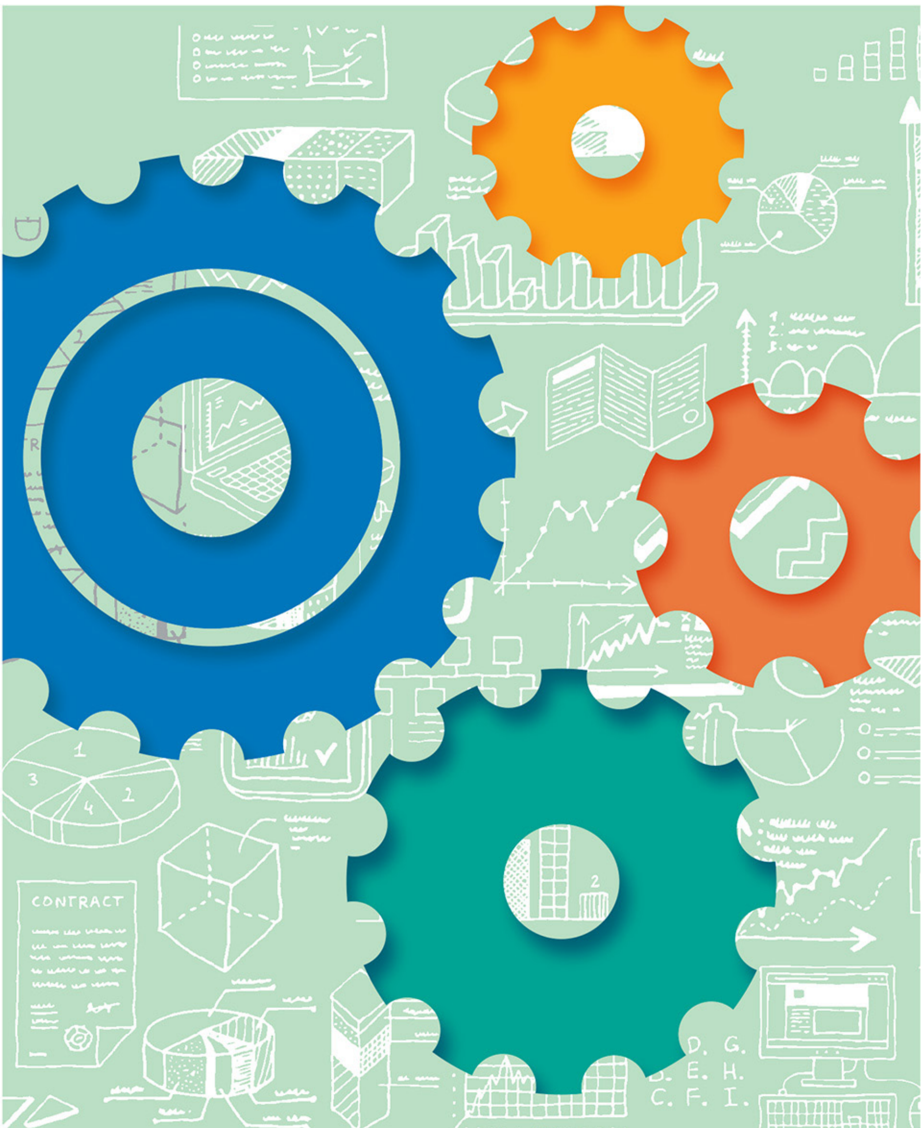
Another means for improving care for workers with NIHL, while maintaining efficiency and effectiveness, is through a Program of Care (POC) for NIHL. POCs draw on the latest evidence to describe recommended health care plans for specific injuries or illnesses, such as lower back, shoulder and mild traumatic brain injuries. For NIHL, the WSIB has a one-year POC that covers fitting and maintenance for hearing aids. Over the coming months, the WSIB will review options for developing a multi-year service plan with hearing aid clinics that will eliminate paper work and streamline billings to make it easier for workers to obtain the services they require for repairs, battery replacement, and other services over the life of their hearing aid.

Enhancing services for workers with NIHL and for employers is a priority for the WSIB. We've recently introduced a number of initiatives to improve communication about NIHL, including updated web content that's easy to find and written in plain language. We have also improved the content of our NIHL decision letters and put protocols in place to ensure quality and timeliness for NIHL communication with workplace parties. And, there are more service improvements on the way that will further streamline and enhance NIHL decision-making.

Occupational NIHL is one part of a larger societal issue and it is not just noise in the workplace that is becoming a growing concern. According to the Canadian Hearing Society, incidence of hearing loss among the general population is "poised to climb dramatically as our population ages." It will be up to the WSIB to continue to effectively identify work-related NIHL and to ensure that these Ontarians receive the full benefits to which they are entitled. The sheer volume of active NIHL claims means that the WSIB faces a unique opportunity – offering high quality and efficient service for these claims will help us deliver true value in the province, and continuing to contribute to NIHL prevention efforts will help ensure that the scope of the issue is diminished in the decades to come.

NIHL Spend and Active Claims by Service Year





WORKPLACE SAFETY & INSURANCE BOARD

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