

2016 – 2018 Strategic Plan

MEASURING RESULTS

2017 Q1

2017 Q2

2017 Q3

2017 Q4



Assessment of Q1 2017 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



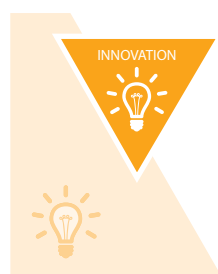
Return to Work, Recovery & Fair Benefits

- 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



Performance off target



Performance marginally off target

Metric		Result	Target	Assessment	
1.1 New Claims		49,730	45,447	⚠	
1.2 Traumatic Fatalities (Year to Date)*		14	0	✖	
1.3 Lost-Time Injury/Illness Rate		1.00	0.87	⚠	
3.1 RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)		90.9%	92%	⚠	
3.2 Average LOE Entitlement Award at Lock-in		51%	45% - 47%	✖	
3.3 Percentage on Benefits at 12 Months		4.2%	3.9% - 4.1%	✖	
3.4 Percent Employed on Completion of Work Transition Plan		86%	80%	✓	
4.1 Percentage of Workers with a Permanent Impairment		6.0%	6.5%	✓	
4.2 Percentage of Claims in Integrated Health Care Programs (Year to Date)		43%	40% - 45%	✓	
5.1 Core Earnings		\$246M	\$207M	✓	
5.2 Unfunded Liability (Sufficiency Ratio Basis)		(\$3,482M)	(\$5,932M)	✓	
5.3 Sufficiency Ratio		89.0%	82.5%	✓	
6.1 Investment Fund Total Returns (10 Years)		5.3%	4% - 7%	✓	
8.1 Administrative Expenses per \$100 of Insurable Earnings		\$0.39	\$0.47	✓	
8.2 Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date		94%	90%	✓	
8.3 Appeals – Allowed, Allowed in Part*		ALLOWED	18%	14% - 17%	⚠
		ALLOWED IN PART	11%	12% - 16%	⚠
8.4 Percentage of Appeals Resolved within Six Months*		88%	85%	✓	
9.1 Overall Satisfaction*		INJURED WORKERS	71%	68%-72%	✓
		EMPLOYERS	77%	75%-79%	✓

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

* Schedule 1 & 2 combined

Message from Management

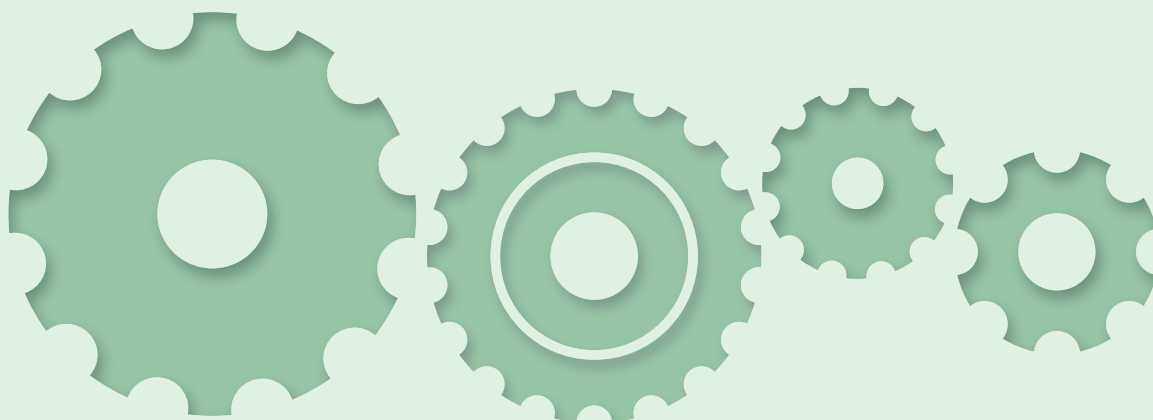
Q1 is the first full quarter during which the WSIB has been working with our new Accounts and Claims Enterprise System (ACES). The system replaces multiple end-of-life systems and has presented both challenges and opportunities for the WSIB. Overall, the implementation of the new system (completed in December 2016) was remarkably smooth, with WSIB staff quickly finding that ACES offered good support in the work that they do. ACES has not only improved our ability to respond to worker and employer needs, but has also resulted in faster processing of claims.

As can be expected with such large-scale technological change, ACES has led to changes to some processes, which in turn have altered the way that select organizational data is collected and reported. Over the course of 2017, we will be investigating and addressing these issues, clearly identifying any expected or unexpected breaks in trends due to process changes, and ultimately ending up with cleaner, more consistent data and reporting. One such example of this change is further discussed in the disclosure at the top of page 5. Most noticeable this quarter are considerable increases to registered claim volumes and lost-time injury rates among both Schedule 1 and 2 employers. These results should be viewed with caution as we anticipate that adjustments to come in 2017 will bring these values closer to previous quarters' results.

After lowering the average employer premium rate by 6.2 per cent, the first reduction in more than 15 years, our financial position has not suffered. Our premium revenue continues to fully cover costs and we continue to reduce our Unfunded Liability on a path to achieving financial sustainability ahead of the schedule required by legislation. This quarter our investment performance was particularly strong, with our portfolio returning close to one billion dollars (net investment income of \$896M). Positive investment performance has been, and will continue to be, a key contributor to our strengthening financial position.

Among other opportunities ahead for 2017 will be the development of a fair, comprehensive and clear chronic mental stress policy that will ensure that Ontario workers experiencing chronic mental stress in the workplace receive the support they require. During Q2 we will be reaching out to Ontarians for feedback on our draft policy.

We value the opportunity provided by this report to openly share and discuss our results each quarter and look forward to ongoing discussion in 2017.



Q1 2017 Highlights

UPDATE TO CORPORATE MEASURES REPORTING: LIMITED-ENTITLEMENT CLAIMS

The Accounts and Claims Enterprise System (ACES), the WSIB's recently implemented case and account management solution, revealed that some limited-entitlement cases (an average of approximately 2.7 per cent or 1,200 claims annually from 2009 to 2016) were inaccurately coded as lost-time claims.

Limited-entitlement claims are claims where:

- health care benefits are granted, and
- loss-of-earning benefits are not granted because appropriate modified work is available.

Because these claims were being labelled as lost-time claims, it impacted a number of our performance indicators. The measure most affected is the lost-time injury (LTI) rate. Had the claims been labelled no-lost-time, the LTI rate for 2016 would have been approximately 0.83 (matured result), 0.11 lower per 100 workers than reported.

This is a reporting issue only: it does not affect how claims are managed or the WSIB's financial liabilities.

We are correcting our claims coding for 2017 to ensure clarity and accuracy in future reporting. The WSIB strongly believes that ensuring workers receive the benefits that they are entitled to is important to the integrity of the Workplace Safety and Insurance system. We will therefore continue to track limited-entitlement claims and assess their impact on workers' benefits.

WHAT'S NEW THIS QUARTER?

Grants for Research to Improve Recovery and Return to Work. Early this year, the WSIB announced the results of its 2016 grants competition, which seeks to fund research into innovative, practical approaches to improving outcomes for injured and ill workers. Better outcomes mean a stronger overall workers' compensation system, now and in the future. Funding has been awarded to two researchers. Dr. Cameron Mustard with the Institute for Work and Health will be studying disability management practices in the Ontario municipal sector. The work will result in the development and implementation of quality improvement plans at eight partner municipalities across the province. Dr. Chris McLeod with the University of British Columbia has also received funding to look at improving recovery and return-to-work in the construction sector specifically. Dr. McLeod and his team will be drawing on best practices internationally and across Canada, and will be using predictive analytics to determine which opportunities are most promising for enhancing the WSIB's Work Reintegration program for construction workers. The WSIB is currently reviewing the initial proposals for the 2017 grants program.

Raising Awareness of Noise Induced Hearing Loss. To increase awareness of noise induced hearing loss (NIHL) and to encourage hearing protection efforts at work, the WSIB launched a NIHL campaign this quarter. Through the campaign, we have been inviting Ontarians to visit toneitdown.ca to do a simple test of their own hearing, to find out the "age" of their ears. We have also released a video entitled "Don't Lose the Sounds You Love" to increase understanding of this preventable condition and to motivate action against hearing loss.

Preparing for the 2017 Day of Mourning. The Day of Mourning is an annual event during which we pause to remember and honour the thousands of workers who have been killed, injured or who have suffered illness in the workplace, along with the families and friends whose lives have been impacted by workplace tragedies. As in the past, the WSIB will be participating in public ceremonies across the province and we will be hosting an outdoor ceremony by our headquarters in downtown Toronto. Throughout the month of April, the WSIB will run a multi-language public campaign featuring print ads, radio ads, Facebook, YouTube videos and Twitter posts. Other events include the Steps for Life 5 km fundraising walk organized by Threads of Life, starting on April 29 in communities across Ontario. In Toronto, the CN Tower and the TORONTO sign at Nathan Phillips Square will be lit in yellow, a colour symbolic of hope, at sunset on the Day of Mourning.

Drug Formularies Published Online. The WSIB has now posted a list of over 15,000 medications that may be covered by the WSIB on our website. The simple, interactive search engine serves as an important tool for physicians and pharmacists, to assist them in decisions regarding an injured worker's healthcare, and demonstrates the WSIB's commitment to greater transparency. The WSIB is the first workplace compensation board in Canada to make this information publicly available in a searchable format. While the tool provides important guidance, the WSIB will continue to assess the medication needs of injured workers on a case-by-case basis.

ACHIEVEMENTS

Strong Investment Performance to Start the Year. The WSIB's investment performance was strong in Q1, with the portfolio returning 3.4 per cent in the quarter, or close to one billion dollars (net investment income of \$896M). Behind this positive performance was strong returns from public equities as well as diversified markets. Global markets were positive as investors perceived global growth to be accelerating, and as investors have embraced risk, emerging markets have done particularly well.

The quarter has contributed to positive longer-term investment performance. Both 10-year (5.3 per cent) and 15-year (6.2 per cent) returns are within the long-term target level of 3.5 to 6.5 per cent.

Stronger Financial Position Alongside Lower Premiums. At its Annual General Meeting in fall 2016, the WSIB announced that 2017 employer premium rates would reflect the first rate reduction in over 15 years. The average premium rate was reduced by 6.2 per cent. Q1 was the first time we are seeing the impact of this reduction on premium revenue, which has decreased by 2.2 per cent compared to Q1 2016 despite a 4.3 per cent increase in insurable earnings compared to the same time period. Even with lower premium revenue, the WSIB's financial sustainability continued to improve this quarter. The Unfunded Liability (sufficiency ratio basis) decreased by \$522M to \$3,482M, and the Sufficiency Ratio improved by 1.6 per cent to 89.0 per cent.

Due to the decrease in premium revenue compared to last year, Core Earnings are also lower (\$246M in Q1 2017 compared to \$281M in Q1 2016), but they continue to be positive. Revenues continue to cover benefit and administrative costs, both of which were well within budget for Q1.

Greater Use of Integrated Health Care Programs. The WSIB's integrated health care programs, such as Specialty Clinics and Programs of Care, emphasize specialized medical assessment and treatment services. In Q1, 43 per cent of Schedule 1 claims and 48 per cent of Schedule 2 claims were treated through these programs, more injured and ill workers than ever previously.

This type of early, specialized medical assessment and treatment, along with efforts to facilitate return to work as soon as it is safe to do so, have helped to keep the level of permanent impairment experienced by workers to a minimum. This quarter, 6.0 per cent of injured or ill workers experienced a permanent impairment, down slightly from last year (6.1 per cent) and well below the benchmark of 6.5 per cent set for this metric.

Employment Following the Work Transition Program. The WSIB's Work Transition program is designed to assist workers whose injury or illness prevents them from returning to the position they held before the injury or illness. It includes services such as skills assessments, academic upgrading and formal training. In 2016, we saw some of the strongest results to date for this program in terms of the percentage of workers completing Work Transition plans who went on to find work. So far in 2017, results are once again strong with 86 per cent of Schedule 1 workers finding employment, a notable increase from 79 per cent in Q1 2016.

WHAT WE'RE WORKING TO IMPROVE

Short- and Medium-Term Durations Continue to Increase. In Q1 2017, higher percentages of both Schedule 1 and 2 claims continued to require benefits in the short- and medium-term compared to last quarter and to Q1 last year. For instance, 11.9 per cent of Schedule 1 claims continued to receive benefits at three months, compared to 11.0 per cent in Q1 2016, and 4.2 per cent received benefits at 12 months, compared to 3.6 per cent. This increasing trend was observed throughout 2016 and into 2017. After historically low duration results in 2015, the increase was not unexpected. The increase coincides with the introduction of ACES, the WSIB's integrated new system for administering employer accounts and managing claims, which impacts on virtually every customer-facing role and task throughout the organization.

Enhancements Aimed at Higher Overall Satisfaction. In 2016, service excellence was identified as one of four areas of focus that the WSIB would be working on in the coming years. As such, service excellence will continue to be a high priority in 2017 as we begin implementing our new service excellence strategy. To ensure that service excellence has the high profile that it merits and that we consistently consider the customer perspective in all that we do, in Q1 we formed a new service excellence team at the WSIB. The head of this team reports directly to the President and CEO.

Currently, nearly three-quarters of injured workers (71 per cent) and over three-quarters of employers (77 per cent) express satisfaction with their overall experience with the WSIB. While we have seen overall satisfaction levels stay relatively positive during 2016, we know that there is more that we can do to demonstrate innovation and leadership in this area, so that working with the WSIB becomes as smooth and simple as possible for all.

Results Reporting Following ACES. As highlighted by the disclosure on page 5, the introduction of the WSIB's new Accounts and Claims Enterprise System (ACES) and resulting process changes, completed in December 2016, are potentially leading to inconsistencies in data collection and reporting for select metrics. As a result, some metrics may be over- or under-stated for 2017 and may be adjusted in future reports once the nature and extent of any discrepancies are fully established. The WSIB will continue to monitor for these issues closely and to ensure we have full understanding of any impacts on results. This type of adjustment to data collection and results is not uncommon in organizations transitioning to new IT or service platforms.



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

Increase in lost-time claims

As described in the Message from Management (p. 4), in Q1 2017 we are reporting a substantial increase in claim volumes (particularly lost-time) and in lost-time injury rates. We attribute these increases to changes in processes as we have implemented our new Accounts and Claims Enterprise System (ACES). In future quarters, as we investigate differences in data collection and reporting, we anticipate that these results may be brought back in line with what we have observed in recent quarters. Q1 results in this section should therefore be treated with caution.

The number of occupational disease fatalities so far in 2017 is high compared to previous years. The increase can be explained in part by presumptive cancer legislation for firefighters and the addition of skin cancer as of January 1, 2017.

1.1 New Claims

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Registered	45,447	47,658	52,538	47,736	49,730	49,730
Pending	4,135	3,732	4,095	4,415	5,181	5,181
Allowed	32,328	34,830	38,834	34,523	36,070	36,070
	78.3%	79.3%	80.2%	79.7%	81.0%	81.0%

SCHEDULE 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Registered	9,566	9,701	8,754	9,770	10,756	10,756
Pending	1,054	1,044	951	1,240	1,519	1,519
Allowed	6,492	6,685	5,948	6,740	7,495	7,495
	76.3%	77.2%	76.2%	79.0%	81.1%	81.1%

1.2 Fatalities: Allowed Traumatic & Occupational Disease

SCHEDULE 1 & 2

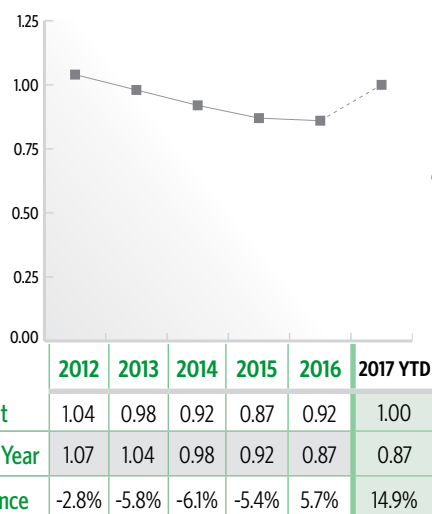


	2012	2013	2014	2015	2016	2017 YTD
Schedule 1 Traumatic Fatalities	60	70	59	53	45	14
Schedule 2 Traumatic Fatalities	5	3	1	4	3	0
Traumatic Fatalities Total	65	73	60	57	48	14
Schedule 1 Occupational Disease Fatalities*	189	159	167	175	148	57
Schedule 2 Occupational Disease Fatalities*	32	23	42	38	65	14
Occupational Disease Fatalities Total*	221	182	209	213	213	71

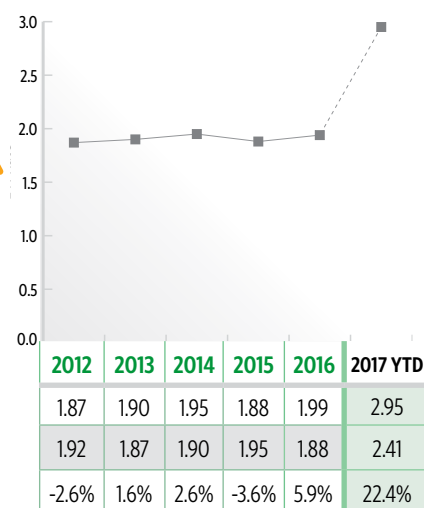
*Note: Due to legislative changes, occupational disease fatalities results are not comparable year-over-year.

1.3 Lost-Time Injury/Illness Rate

SCHEDULE 1



SCHEDULE 2



RETURN TO WORK, RECOVERY & FAIR BENEFITS



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

Higher claim durations

As observed throughout 2016, short- and medium-term claim durations have been rising. This trend is so far continuing in 2017, among both Schedule 1 and 2 claims. Durations of 12 months and less have each increased compared to last year for Schedule 1 workers, and all but 72-month duration have increased among Schedule 2 workers. Increasing durations follow historic lows seen in 2015. Also, we expected some deterioration in duration results due to the implementation of a new Accounts and Claims Enterprise System (ACES) at the WSIB, a system that was rolled out to staff across all offices as of late 2016.

This quarter we are seeing a higher percentage of injured and ill workers treated through the WSIB's integrated health care programs than we have previously. Forty-three per cent of Schedule 1 and 48 per cent of Schedule 2 claims were treated through at least one of these programs compared to 41 per cent and 47 per cent, respectively, in Q1 2016.

Timely and specialized medical assessment and treatment continue to help reduce the risk of workers developing permanent impairments. Six per cent of workers experienced a permanent impairment to date in 2017, below the benchmark of 6.5 per cent and below the Q1 2016 result (6.1 per cent).

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

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	91.0%	92.1%	92.1%	91.3%	90.9%	90.9%
Target	92.2%	92.2%	92.2%	92.2%	92%	92%
Variance	-1.2%	-0.1%	-0.1%	-0.9%	-1.1%	-1.1%

SCHEDULE 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	94.7%	94.2%	94.8%	93.6%	94.0%	94.0%
Prior Year	95.1%	95.2%	95.1%	94.9%	94.7%	94.7%
Variance	-0.4%	-1.0%	-0.3%	-1.3%	-0.7%	-0.7%

3.2 Average LOE Entitlement Award at Lock-in

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	46%	46%	46%	49%	51%	51%
Target	45%	45%	45%	45%	45% - 47%	45% - 47%
Variance	1%	1%	1%	4%	4%	4%

SCHEDULE 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	38%	45%	50%	46%	53%	53%
Prior Year	49%	42%	51%	37%	38%	38%
Variance	-11%	3%	-1%	9%	15%	15%

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

3.4 Percentage Employed on Completion of Work Transition Plan

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	79%	86%	85%	86%	86%	86%
Target	79%	79%	79%	79%	80%	80%
Variance	0%	7%	6%	7%	6%	6%

SCHEDULE 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	99%	97%	96%	99%	98%	98%
Prior Year	93%	96%	93%	94%	99%	99%
Variance	6%	1%	3%	5%	-1%	-1%

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

3.3 Duration

SCHEDULE 1

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Target	Assessment
3 mos	11.0%	11.3%	11.6%	11.5%	11.9%	11.3%-11.6%	X
6 mos	6.0%	6.0%	6.2%	6.6%	6.8%	6.0%-6.2%	X
12 mos	3.6%	3.7%	3.9%	3.9%	4.2%	3.9%-4.1%	X
24 mos	2.6%	2.6%	2.5%	2.6%	2.6%	2.4%-2.6%	✓
48 mos	2.0%	2.0%	2.1%	2.1%	2.1%	2.1%-2.3%	✓
72 mos	3.2%	2.8%	2.6%	2.4%	2.2%	2.6%	✓

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Assessment vs. Prior Year
3 mos	8.8%	9.0%	9.1%	9.5%	10.2%	X
6 mos	4.3%	4.7%	5.0%	5.3%	5.7%	X
12 mos	2.3%	2.4%	2.7%	2.8%	3.1%	X
24 mos	1.0%	1.1%	1.2%	1.4%	1.5%	X
48 mos	0.6%	0.6%	0.7%	0.7%	0.8%	X
72 mos	0.6%	0.6%	0.5%	0.5%	0.6%	✓

4.1 Percentage of Workers with a Permanent Impairment

SCHEDULE 1

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	6.1%	5.9%	6.3%	6.3%	6.0%	6.0%
Benchmark	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Variance	-0.4%	-0.6%	-0.2%	-0.2%	-0.5%	-0.5%

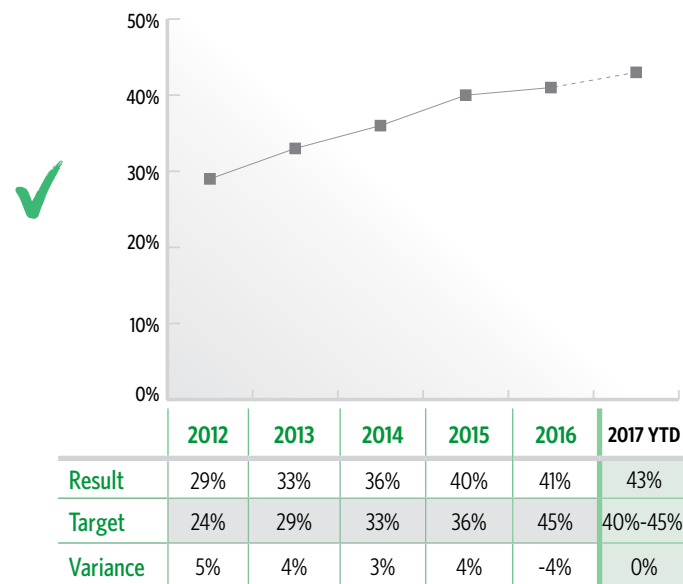
SCHEDULE 2

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	2.5%	2.1%	2.9%	2.4%	2.5%	2.5%
Prior Year	1.9%	2.5%	2.7%	2.4%	2.5%	2.5%
Variance	0.6%	-0.4%	0.2%	0.0%	0.0%	0.0%

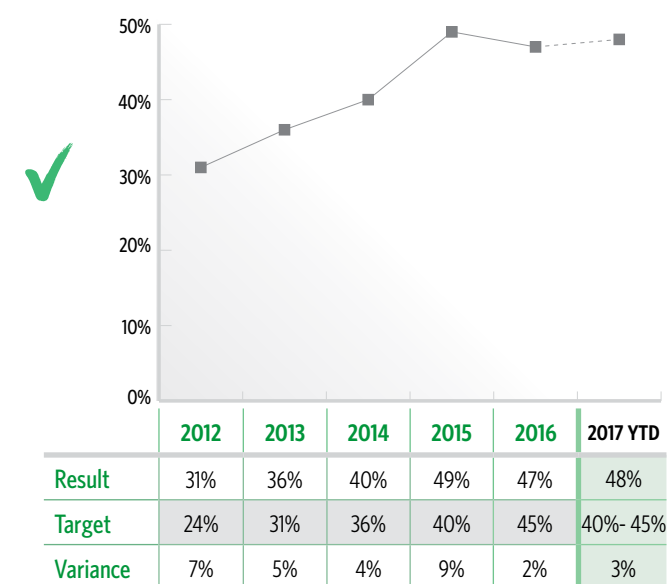
Note: Due to small numbers, Schedule 2 is assessed based on YTD rather than quarterly performance

4.2 Percentage of Claims in Integrated Health Care Programs

SCHEDULE 1



SCHEDULE 2



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

Financial sufficiency continues to improve alongside lower premiums

In 2017, the WSIB is continuing to make progress on eliminating the Unfunded Liability (UFL) and increasing our financial sufficiency. Since the end of 2016, the UFL (sufficiency ratio basis) has decreased by \$522M to \$3,482M. Over the same period, the Sufficiency Ratio has increased 1.6 per cent to 89.0 per cent.

Behind this growing level of financial sufficiency are positive Core Earnings, which are once again strong this quarter at \$246M. While this amount exceeded budget by \$39M, it does represent a decrease compared to 2016 (down 12 per cent from \$281M in Q1 2016). The decrease can be explained by premium revenue that was 2.2 per cent lower than last year (\$1,125M compared to \$1,150M in Q1 2016). Reduced premium revenue, in turn, is a result of the lower premium rates being paid by employers. The average premium rate was reduced by 6.2 per cent compared to 2015. Higher insurable earnings this quarter (up 4.3 per cent compared to Q1 2016) are partially off-setting the lower premium rates.

Q1 saw positive investment performance. The portfolio returned 3.4 per cent in Q1 alone, driven primarily by strong returns in public equities and diversified markets. Q1 portfolio performance was above benchmark by 0.3 per cent.

5.1 Core Earnings

SCHEDULE 1



\$M	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	281	407	393	393	246	246
Budget	254	337	321	238	207	207
Variance	27	70	72	155	39	39

5.2 Unfunded Liability (Sufficiency Ratio Basis)

SCHEDULE 1



\$M	2012*	2013*	2014	2015	2016	2017 YTD
Result	(13,299)	(10,638)	(8,697)	(6,984)	(4,004)	(3,482)
Budget	(13,772)	(13,777)	(11,424)	(8,129)	(5,659)	(5,932)
Variance	473	3,139	2,727	1,145	1,655	2,450

*on a Funding Basis

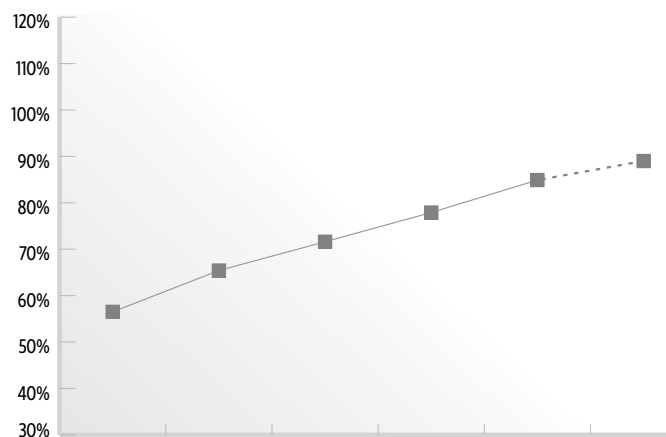
6.1 Investment Fund Total Returns (10 Years)

SCHEDULE 1

	2012	2013	2014	2015	2016	Q1 2017	Target	Assessment
10 Years	6.3%	6.3%	6.5%	6.0%	5.1%	5.3%	4% - 7%	✓

5.3 Sufficiency Ratio

SCHEDULE 1



	2012*	2013*	2014	2015	2016	2017 YTD
Result	56.5%	65.4%	71.6%	77.9%	87.4%	89.0%
Budget	53.9%	56.4%	64.3%	74.3%	82.8%	82.5%
Variance	2.6%	9.0%	7.3%	3.6%	4.6%	6.5%

* Funding Ratio

INNOVATION



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

Appeals resolution continues to be timely

In Q1 2017, 88 per cent of appeals were resolved within six months, above the 85 per cent target and consistent with Q1 2016 (89 per cent). While the percentage of appeals allowed (18 per cent) was slightly above the target of 14 to 17 per cent, the percentage of appeals allowed in part (11 per cent) was relatively low, making for a combined percentage in line with recent quarters.

The inventory of active appeals at the end of the first quarter (1,834 cases) has decreased since year-end 2016 (1,867) when the inventory was at its lowest level in at least the past five years. The low inventory is in part due to fewer new appeals (Q1 2017 incoming appeal volume was 1,534, down from 1,791 in Q1 2016, a 14 per cent decrease). This decrease can be attributed to better front-line decision-making, resulting in fewer appeals being made to the WSIB, plus the continued work of an Operations team to ensure that cases are “appeal ready” before being referred to the WSIB’s Appeals Services Division.

Claim eligibility decisions also remain timely, and above target. Ninety-four per cent of eligibility decisions were made within two weeks in Q1, compared to the 90 per cent target. Performance on this metric exceeded the target for both Schedule 1 and 2 claims throughout 2016 and, so far, 2017 performance is equally strong.

8.1 Administrative Expenses per \$100 of Insurable Earnings

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	\$0.41	\$0.39	\$0.44	\$0.49	\$0.39	\$0.39
Budget	\$0.42	\$0.43	\$0.45	\$0.50	\$0.47	\$0.47
Variance	(\$0.01)	(\$0.04)	(\$0.01)	(\$0.01)	(\$0.08)	(\$0.08)

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

SCHEDULE 1



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	93%	94%	95%	93%	94%	94%
Target	90%	90%	90%	90%	90%	90%
Variance	3%	4%	5%	3%	4%	4%

SCHEDULE 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	93%	95%	94%	94%	94%	94%
Target	90%	90%	90%	90%	90%	90%
Variance	3%	5%	4%	4%	4%	4%

8.3 Appeals – Allowed, Allowed in Part

SCHEDULE 1 & 2

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD	Target	Assessment
% of Resolved Appeals Allowed	16%	17%	17%	17%	18%	18%	14%-17%	△
Allowed in Part	13%	13%	13%	13%	11%	11%	12%-16%	△

8.4 Percentage of Appeals Resolved within Six Months

SCHEDULE 1 & 2



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2017 YTD
Result	89%	91%	89%	89%	88%	88%
Target	85%	85%	85%	85%	85%	85%
Variance	4%	6%	4%	4%	3%	3%



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

Consistent satisfaction with overall experience

The percentages of injured workers and employers who were satisfied with their overall experience with the WSIB in Q1 2017 are unchanged compared to last quarter. Nearly three-quarters of injured workers (71 per cent) and over three-quarters (77 per cent) of employers reported overall satisfaction. The WSIB will be continuing to emphasize quality service and service enhancements as we implement our new service excellence strategy in 2017.

For our employees to deliver the positive experiences we intend for Ontario workers and employers, they must themselves feel positive and engaged at their workplace. The WSIB's employee experience survey has been finalized and employees will have the opportunity to respond, in confidence, in May 2017. The organization-wide survey will be the first of its kind for the WSIB in over five years. Once the survey has concluded and results have been analyzed, we look forward to beginning to share our employee engagement results in this section of Measuring Results. Survey results will be used to drive improvement as action plans are developed in response to any common themes to emerge from the survey and by individual business areas.

9.1 Overall Satisfaction

SCHEDULE 1 & 2

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Target	Assessment
Injured Workers	67%	70%	73%	71%	71%	68%-72%	✓
Employers	78%	79%	76%	77%	77%	75%-79%	✓

9.2 Employee Engagement



In Development

Q1 2017 Quarterly Focus

Measuring Return-to-Work Outcomes for Injured Workers

Guiding workers through recovery and safe, sustainable return to work is at the very core of the WSIB's purpose. We are here to help workers get back to work and back to the same health and financial condition they were in before the injury or illness. This responsibility distinguishes us from other types of insurance and is an area through which we can add real value for Ontarians. Given the importance of recovery and return to work in our mandate, it is critical that we effectively measure and track the extent to which we are helping workers back to their pre-injury state. This Quarterly Focus explains how we currently measure progress in this area, and why we have chosen that approach, including what the measure does and does not consider.

It is worth noting that the return-to-work metric is not the only way that we assess our effectiveness in supporting injured workers; while critical, it is only one in a full range of measures. Each quarter, the WSIB has a third-party research provider survey both injured workers and employers about their satisfaction with WSIB service broadly, and a number of service-specific follow-up surveys are also conducted to gather immediate, focused feedback. Other metrics that we consider related to recovery and return to work include claim duration (how long the injured worker requires benefits), the percentage of workers who experience a permanent impairment, the percentage of claims in our integrated health care programs and the percentage of those who complete a Work Transition plan who go on to find employment.

Measuring return-to-work success. The WSIB's key return-to-work metric is the percentage of workers who have returned to work at 100 per cent of their pre-injury earnings within 12 months. This metric appears in each Measuring Results report and is shown on page 8 of this report, 90.9 per cent this quarter. The metric was developed in 2011 as the WSIB's preferred measure for assessing our success at helping workers recover both medically and financially to the point they were at pre-injury. It has since been widely reported across a variety of WSIB communications, so merits a more detailed explanation.

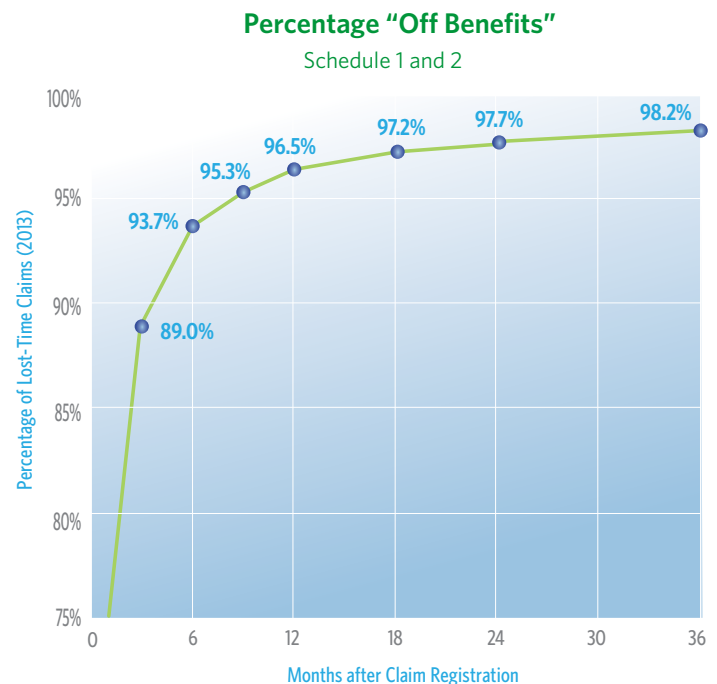
To highlight key elements of this measure:

- The percentage is based on only allowed lost-time claims – if it were based on all allowed claims the percentage would be considerably higher. This is because, for most claims, workers do not require time off work.
- The percentage only includes those who are back to work with no wage loss. Whether they are back in their pre-injury position or a new position, the worker is earning at least as much as they were before their injury/illness.

- The time frame for the measure is 12 months or less from the date that the injury occurred or, in the case of illnesses, from the time the illness was diagnosed.

Alternative measures. The WSIB is the only workers' compensation board in Canada to report this return-to-work metric. Most other jurisdictions use claim duration—how long we continue to pay full or partial loss-of-earnings benefits—as a proxy for return-to-work effectiveness. For instance, in 2015, injured workers in one jurisdiction had an “average duration” of 39 days. Some jurisdictions use a “return to employability” metric, which includes workers who are “fully capable” of returning to their pre-injury earning level even if they are not yet back at work.

The Association of Workers' Compensation Boards of Canada (AWCBC) asks its members to report the percentage of workers “off benefits” (no longer receiving compensation for wage loss) after certain periods of time. The WSIB's “off benefits” result is shown below for lost-time claims registered in 2013.



The challenge with these other measures is that there are several reasons why a worker could be off benefits; none of the measures captures how many workers have actually returned to work. The returned to work at 100 per cent of pre-injury earnings metric is limited to those who have returned to employment, and there is a validation process in place to confirm that the workers are indeed re-employed.

Claims included as “returned to work.” In WSIB data records, any time an injured or ill worker stops receiving wage-loss benefits, the claim must be labelled with the reason. For example, the following reason “codes” might be shown:

- Worker has returned to work with the pre-injury employer in their pre-injury job
- Worker has returned to work with a new employer, doing the same type of work as pre-injury
- Worker has returned to work with a new employer in a permanent position in a new type of work.

Each of the above scenarios would count as “returned to work” in calculating our returned-to-work metric. If the claim is labelled as “employable, but not employed,” even if the worker has completed a Work Transition plan with the WSIB, they are *not* counted as “returned to work.”

Verifying the returned-to-work metric. To check the accuracy of the metric, two separate processes are run in tandem each quarter to arrive at the final percentage.

- 1) First, we pull the counts of claims with each acceptable “returned to work” scenario or code (as described above), as of the specified day, from our database. The sum of the various types of returned-to-work claims is divided by the total of all allowed, lost-time claims for that period.
- 2) The parallel approach, to verify the first result, involves drawing a random sample of 400 Schedule 1 claims and 400 Schedule 2 claims each quarter and manually reviewing their return-to-work and wage-loss status. The records on each claim are assessed for accurate categorization. If ever the return-to-work or wage-loss status of the claim is unclear, the WSIB contacts the worker or workplace by phone to confirm or correct the current status. In the event that we are unable to confirm a worker’s status, they are by default counted as not returned to work. Once all claims have been reviewed, a final returned to work percentage is calculated based on each set of 400 claims.

The results obtained from each of the two processes described

above are then compared. The first result must be within close range of the second for it to be acceptable. Our target is a 95 per cent confidence interval. The results obtained from both approaches for 2012 to 2015 are shown below. In each case, the first result was confirmed by the result from the second approach.

Year	“Main” Methodology	“Audit” Methodology, with Target Confidence Interval	Main Methodology Result within Interval?
2012	91.8%	91.6% ± 1.1%	✓
2013	92.1%	92.0% ± 1.1%	✓
2014	92.1%	91.8% ± 1.1%	✓
2015	92.6%	91.8% ± 1.1%	✓

Strengths and limitations of the metric. No one performance measure is all encompassing and they are typically designed to understand one key outcome. Our “returned to work” metric is no exception. Although we believe that the benefits of this metric outweigh what it does not do, it is important to be aware of what the metric is *not* designed for when using and interpreting the results. This is also why we use a number of different measures, gathered through multiple channels, when assessing our effectiveness in supporting recovery and return to work.

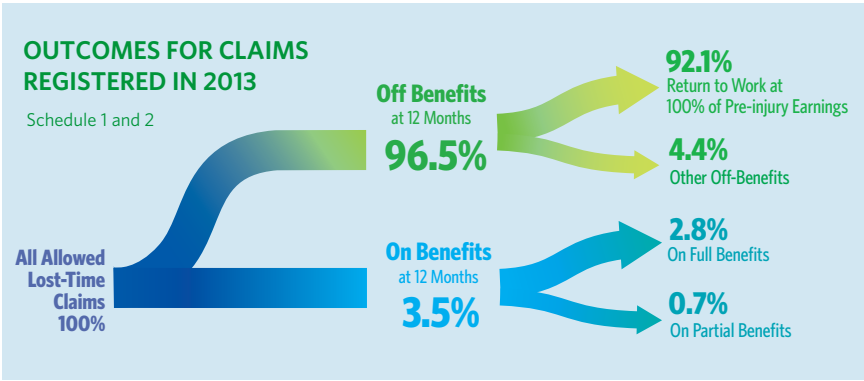
What about the other 8 per cent? The WSIB takes its responsibility to help workers recover and return to work very seriously. Starting when a claim is first registered, the WSIB has specialized staff and processes in place to ensure that workers are on the path to recovery and return to work while being adequately compensated for time lost due to injury or illness. Our services include those provided by return-to-work specialists, who assist workers and employers directly in their return-to-work efforts, and timely, specialized health care that enables quick recovery. All of the services offered are customized to the worker’s needs with a focus on helping their recovery and return to work. However, even with all of this effort, there are some

RETURNED TO WORK AT 100 PER CENT PRE-INJURY EARNINGS AT 12 MONTHS METRIC	
What it does	What it does not do
■ Includes only workers who have actually returned to work—excludes those who are “employable” but not yet working ■ Not only do workers have to have returned to work, but they must be earning as much as they were prior to their injury/illness ■ Parallel approach to validate the initial returned-to-work result ■ Only considers workers who were off work due to their injury/illness to begin with ■ Shows the strength of the WSIB’s return-to-work program	■ It is not a qualitative assessment of return-to-work outcomes. The WSIB has separate methods to measure worker and employer satisfaction. ■ The measure is limited to return to work within the first year. The sustainability of work in the longer term is not captured. ■ Does not tell us anything about those workers who have not returned to work at full wages. ■ It does not provide insight on the health status of the worker. Many workers return to work prior to full recovery or work with permanent impairments.

cases where the WSIB is not successful in facilitating return to work. This group represents approximately 8 per cent of workers at 12 months.

The WSIB is very interested in how it can improve outcomes for all injured workers and particularly for the approximately 8 per cent of workers who are not back at work within 12 months with no wage loss. Breaking down this 8 per cent, we know that close to half (approximately 3.5 per cent) continue to receive some form of wage-loss benefits at 12 months, and most of those individuals (2.8 per cent) are receiving full wage-loss benefits.

Another 4.4 per cent are no longer receiving benefits, but have not returned to work at full pre-injury wages or at all. Under provincial legislation, the WSIB is required to stop loss-of-earnings benefits once a worker is able to return to work. Workers in this situation may be fully recovered but work may no longer be available for them (e.g., seasonal employment) or they may have decided to retire or move out of the province. They may have recovered, returned to work, but then subsequently been laid off or retired. There may also be some instances of workers who disagree with a WSIB decision and who may be actively appealing that decision.



These workers, the 8 per cent who have not returned to work, will continue to be a focus for the WSIB as we look into what more we might do to better support them in recovery, and to return to stable employment. As one example, the WSIB has recently awarded research grants for studies beginning in 2017 that focus on innovative approaches to improving return-to-work outcomes. One group of University of British Columbia researchers, funded through the program, will be focusing on better supporting construction workers specifically in early, sustainable return to work. The 2017 grants application process is now underway with the goal of funding further research with innovative approaches to supporting recovery and return to work.

MEASURING RETURN-TO-WORK OUTCOMES IN AUSTRALIA AND NEW ZEALAND: THE NATIONAL RETURN TO WORK SURVEY

Every two years, thousands of injured and ill workers from across Australia and New Zealand are surveyed about their experiences including:

- Their satisfaction with the services and benefits they received
- Whether they have returned to work, and in what capacity
- What it was like to return to work
- The extent to which they feel they have recovered, or will still recover, from the workplace injury/illness.

The survey was started in 2012 to replace its predecessor, the more limited *Return to Work Monitor*. It is designed to shed light on recovery and return-to-work outcomes, and the factors that may affect these outcomes. All Australian jurisdictions (except for the Australian Capital Territory) and New Zealand’s Accident Compensation Corporation (ACC) now participate. Respondents are those who have submitted a workers’ compensation claim within the past two years and who were off work for at least one day due to the injury/illness.

The most recent survey was conducted in 2016, with over 6,000 respondents. At that time, some of the key findings are shown in the charts to the right.

Since the survey began, it has become a helpful tool to participating jurisdictions for identifying strengths and weaknesses and for guiding their efforts to improve.

