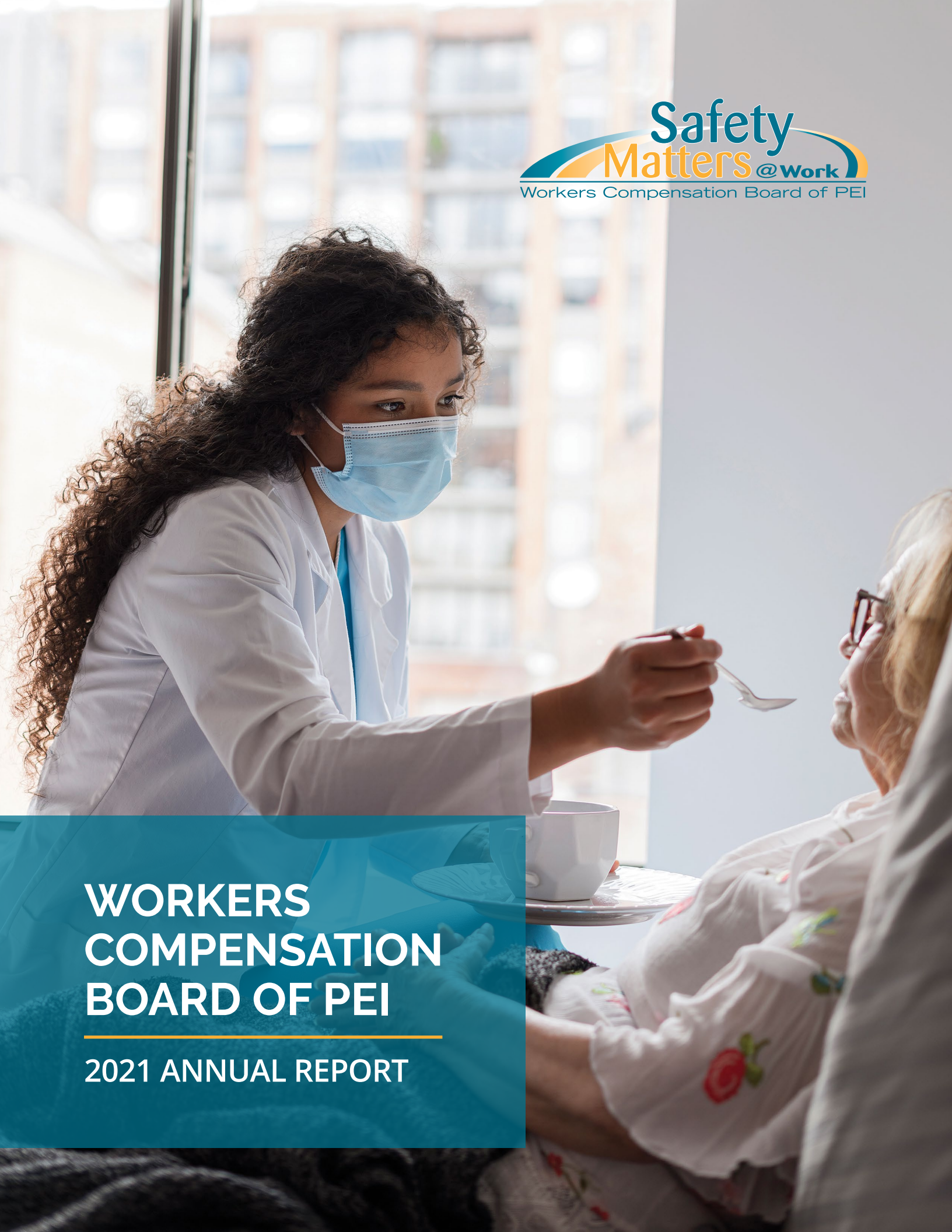


WORKERS COMPENSATION BOARD OF PEI

2021 ANNUAL REPORT



MISSION & VALUES

The Workers Compensation Board (WCB) has been an integral part of the Island community since 1949. The WCB supports all Island workplaces through education and enforcement of the *Occupational Health and Safety Act (OHS Act).* Over 75,000 workers and over 6,000 employers are protected through the fair and effective administration of the *Workers Compensation Act (WCB Act).*

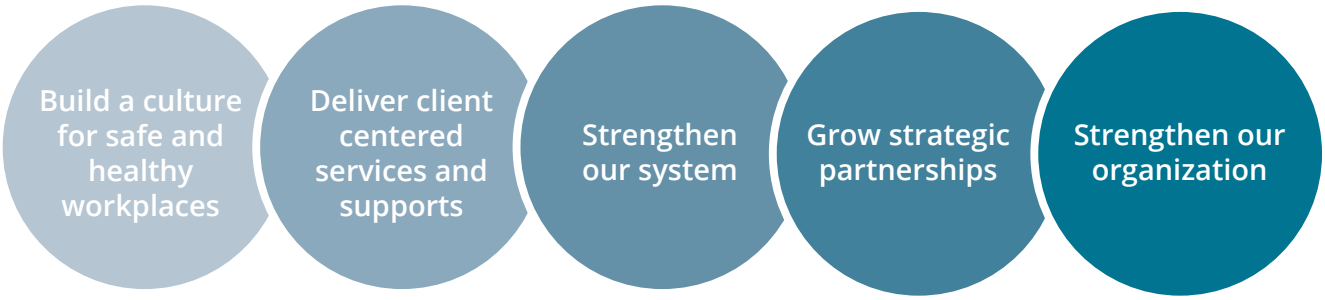
OUR VISION - WHAT WE STRIVE TOWARDS

Workplaces are safe
Injuries are eliminated
Service excellence is assured

OUR MISSION - WHAT WE DO

We partner in building safe and healthy workplaces and support recovery, if an injury occurs.

STRATEGIC PRIORITIES



OUR VALUES - WHAT WE STAND FOR

Integrity We are transparent and take responsibility for our actions and performance.

Compassion We are helpful and caring while balancing worker and employer interests.

Excellence We demonstrate high standards and empower staff to innovate, and continuously do things better.

Collaboration We work with each other and partners to serve our clients and achieve our vision.

Accountability We are stewards of PEI's workplace safety and compensation system and its entrusted resources.

BOARD OF DIRECTORS



Back row from left: Krishna Burugadda, Valerie Robinson, Alan MacKinnon, Gail Ellis and Nancy MacFadyen
Front row from left: Jim MacPhee (Chair) and Nicole McKenna (Vice Chair)

Please note that any photos represented in this Report reflect the personal protective equipment (PPE) requirement as per Chief Public Health Office (CPHO) guidelines at the time of the photo.

TABLE OF CONTENTS

YEAR AT A GLANCE 6

NEW INITIATIVES IN 2021 7

FROM INJURY TO RECOVERY, BY THE NUMBERS 8

GOVERNANCE AND OVERSIGHT

- Message from the Chair 12
- Message from the CEO 13

2021 PERFORMANCE REPORTS

- Build a Culture for Safe and Healthy Workplaces 19
- Deliver Client-Centered Services and Supports 22
- Strengthen Our System 24
- Grow Strategic Partnerships 26
- Strengthen Our Organization 28

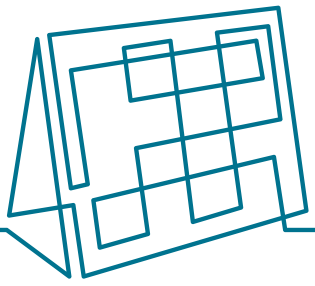
OVERVIEW AND ANALYSIS OF 2021 FINANCIAL RESULTS 32

YEAR AT A GLANCE

	2021	2020
Number of Assessed Employers[1]	**6,372**	6,003
Estimated Size of PEI Workforce *As reported by Statistics Canada*	**79,400** *March 31, 2021*	76,700 *March 31, 2020*
Total Adjudicated Claims	**1,826**	1,583
Temporary Wage Loss	**1,012**	852
Medical Aid Only	**668**	569
Denied	**146**	160
Compensable Worker Fatalities	**0**	2
Total Workplace Fatalities[2]	**0**	4
Workplace Inspections	**3,002**	2,485
Education Activities *Public presentations, virtual sessions, and in-person workshops*	**1,900** *participants*	1,908 *participants*

[1] *Employers with multiple operations may be classed as more than one assessed employer*

[2] *The Total Workplace Fatalities encompasses all compensable and non-compensable workplace injuries that resulted in the death of a worker, as reported to us.*



NEW INITIATIVES IN 2021



HEALTHY WORKPLACES

Created a web page with resources to support employers and workers in navigating through the key principles and best practices associated with creating a healthy workplace; including resources on Work Disability Prevention, Occupational Health and Safety- Physical and Psychological Safety, and Workplace Wellness.



WORKING AT HEIGHTS

Developed a widespread education and enforcement campaign surrounding working from heights. As part of the campaign, we developed a package of new safety resources, posters, media and educational videos to assist employers and workers in understanding their legal obligations.



EXPERIENCE RATING PROGRAM

The experience rating program was expanded to include the majority of Island employers, so that small employers can also experience rate reductions through enhanced safety performance. The calculation used to determine employers' rates has also been adjusted to minimize the impact for small employers. The experience rating program provides employers with the opportunity to see reductions in their assessment rates through investments in safety and work disability prevention that reduce claim cost experience.



YOUNG WORKERS

Launched a new education and awareness campaign for young workers which included digital ads, social media ads, a series of animated videos and print materials. The campaign aims to increase their awareness of hazards and confidence around workplace safety.



ENHANCED BENEFITS FOR WORKERS

Enhanced benefits to support personal independence and to provide more flexibility and choice for workers. The changes will better support worker needs related to independent living, personal care, and respite care. Changes included a transition to an annual allowance model, eliminating the need for clients to seek approval for specific services and to submit quotes and receipts.

Benefits related to out of province travel, necessary to access required healthcare, were also enhanced. An advanced allowance is provided to ensure that workers are not out of pocket and to eliminate the need for workers to request expense reimbursement and provide receipts. An additional benefit was introduced to support hospitalized workers and their families.

FROM INJURY TO RECOVERY

BY THE NUMBERS

TIME-LOSS INJURY FREQUENCY
(TIME-LOSS CLAIMS PER 100 WORKERS)

1.37

2021	1.37
2020	1.20

1.68 - 2020 Canadian Average as provided by AWCBC, excluding Yukon

NATURE OF INJURY
(TIME-LOSS CLAIMS)



57.2%
Sprains, Strains, Tears
58.2% in 2020

Musculoskeletal injuries continue to make up the highest percentage of time-loss injuries

AVERAGE CALENDAR DAYS TO FIRST PAYMENT



in 2021
15
days on average
16.2 days in 2020



WORKER SATISFACTION INDEX (2020)
76.2
76.2 (2018)

SATISFACTION INDEX

83.4
EMPLOYER SATISFACTION INDEX (2021)
85.0 (2019)

PERCENTAGES OF WORKPLACE INJURIES BY INDUSTRY (TIME-LOSS CLAIMS)

	2021	2020
HEALTH AND SOCIAL SERVICES	27.7%	29.5%
MANUFACTURING	18.3%	17.2%
CONSTRUCTION	11.6%	13.7%
RETAIL TRADE	9.4%	7.9%
GOVERNMENT SERVICES	9.2%	10.2%
ALL OTHER INDUSTRIES	23.8%	21.5%

MOST COMMON AREAS OF INJURY (TIME-LOSS CLAIMS)

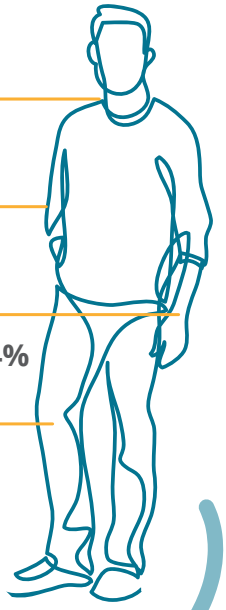
Head, Neck, Throat: 11.3%
(2020-12.3%)

Back: 20.8%
(2020 - 23.3%)

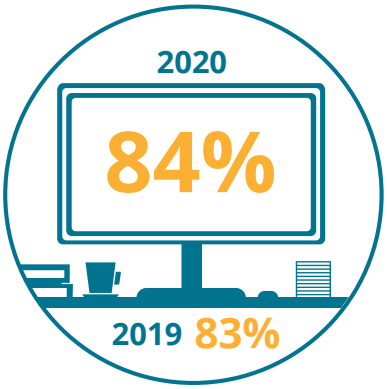
Arm, Wrist, Hand: 19.9%
(2020 - 18.6%)

Hip, Knee, Ankle, Foot: 20.4%
(2020 - 18.2%)

Multiple Body Parts: 12.1%
(2020 - 10.8%)



PERCENTAGE OF WORKERS WHO RETURN TO WORK WITH PRE-INJURY EMPLOYER



PERCENTAGE OF INJURED WORKERS NO LONGER ON WAGE LOSS BENEFITS

	2020	2019
90 Days	69%	68%
180 Days	81%	79%
360 Days	88%	87%



GOVERNANCE AND OVERSIGHT





MESSAGE
FROM THE CHAIR

Another year later and COVID-19 continues to be a constant for 2021.

One notable difference was the arrival of the COVID-19 vaccine, which brought along with it, a sense of hope and optimism. As an organization, we are committed to taking every reasonable precaution to prevent the spread of COVID-19 and to protect our staff and the clients we serve. To support these efforts, the Workers Compensation Board introduced a COVID-19 Vaccination Policy for all Board of Directors and WCB staff. The policy encouraged vaccination, but also provided individuals who were unvaccinated or partially vaccinated with an opportunity to test on a regular basis.

To ensure that we meet the needs of our clients, we continue to review our system to ensure that it protects workers and employers. We also continue to review our legislation to ensure that it is relevant today and in the future.

In the past year, new amendments to the *Workers Compensation Act* came into effect that will help clarify and modernize the current legislation. Among the recent amendments were changes to the indexation of compensation benefits, which would increase the amount of benefits paid to workers on long term benefits and survivors of fatally injured workers. Other notable amendments include updated definitions of "worker" and "accident", as well as the removal of the exclusion of the construction industry under return to work provisions. Amendments to the *Occupational Health and Safety Act* General Regulations and Fall Protection Regulations also came into effect in March which will ensure that any referenced standards are current.

We understand the important balance of serving our workers and employers who are instrumental in creating safe work environments on PEI.

Throughout 2021, we made several policy and legislative changes and benefit enhancements for workers. This included transitioning to an allowance model for support for personal independence, which enhanced benefits for eligible workers with significant impairments and amendments to the Travel & Related Benefits policy which will provide additional support to workers and streamline processes for improved client services.

In 2021, WCB reduced rates and provided a surplus distribution back to employers. This decision is in accordance with the Board's Funding Policy, and follows strong investment returns and strong growth in the Island's assessable payroll. We also made changes to our employer registration and personal coverage policies, to provide better clarity.

I would like to thank WCB staff, leadership, and my fellow Board members for their dedication to creating safer workplaces on PEI, and supporting employers and workers when workplace accidents happen.



Jim MacPhee
Chair, Workers Compensation Board

MESSAGE
FROM THE CEO



In 2021, we continued to feel the rippling effects of the COVID-19 pandemic across our province, within our communities, and in our organization. With periods of eased restrictions, we were pleased to have staff return to the office, with some staff continuing to work on a hybrid model. This approach helped us reduce individual interactions to help manage COVID-19 impacts, and provided staff with flexible work arrangements.

We consider ourselves very fortunate to live In Prince Edward Island, where we have managed to navigate through most of 2021 with relatively low numbers of cases and hospitalizations and our Public Health response has been seen as a leader across the Country. Unfortunately, the most recent wave, with the appearance of the omicron variant has led to an influx in cases in PEI, and inevitably an increase in workplace exposures.

2021 continued the need for our team to dig deep both professionally and personally. Changing protocols, restrictions and client needs made us more nimble and responsive, albeit much more challenging. Our collective resilience was put to the test in dealing with our own tragedy in the loss of one of our own late in the year.

Despite these real challenges, we were able to come together as a team and accomplish many outcomes under each of our strategic priority areas which you will see a sampling of in this report.

In an effort to build a culture for safe and healthy workplaces, we created numerous educational videos, guides and resources. We launched two significant educational campaigns to target workers who have a higher risk of workplace injury, including those who are working at heights, as well as our youngest workers, who are often inexperienced and reluctant to raise safety concerns. We also created a hub of information and resources on Healthy Workplaces to provide employers and workers with the key principles and best practices associated with creating a healthy workplace.

In an effort to improve safety and work disability prevention, we expanded the Experience Rating Program to include the majority of employers into the program. The program provides employers with the opportunity to see reductions in their assessment rates through investments in safety and work disability prevention that reduce claim cost experience. I would like to extend my thanks also to our Board of Directors for their wise counsel and support as we prioritize a series of operational improvements and position ourselves for a modernization of our services and systems in the years ahead.



Cheryl Paynter
Chief Executive Officer of the Workers Compensation Board



MESSAGE
DU PRÉSIDENT

Un an plus tard, la COVID-19 est toujours d'actualité en 2021.

Une différence notable était l'arrivée du vaccin contre la COVID-19, qui a fait naître un sentiment d'espoir et d'optimisme. En tant qu'organisme, nous nous engageons à prendre toute précaution raisonnable afin de prévenir la propagation de la COVID-19 et de protéger notre personnel et notre clientèle. Pour soutenir ces efforts, la Commission des accidents du travail (CAT) a instauré une politique de vaccination contre la COVID-19 pour l'ensemble du conseil d'administration et du personnel de la CAT. La politique encourageait la vaccination, mais donnait aussi l'occasion aux personnes non vaccinées ou partiellement vaccinées de subir des tests de dépistage sur une base régulière.

Afin de répondre aux besoins de notre clientèle, nous continuons d'examiner notre système pour nous assurer qu'il protège les travailleurs et les employeurs. Nous continuons également de revoir notre législation pour veiller à ce qu'elle soit pertinente aujourd'hui et à l'avenir.

Au cours de la dernière année, de nouvelles modifications à la Workers Compensation Act (loi sur les accidents du travail) sont entrées en vigueur afin de clarifier et de moderniser la législation actuelle. Parmi ces modifications récentes, on trouve des modifications à l'indexation des indemnités d'accident du travail, qui augmenteraient le montant des indemnités de longue durée versées aux travailleurs et aux survivants de travailleurs décédés. Entre autres modifications à noter, on trouve des définitions actualisées de « travailleur » (worker) et d'« accident », ainsi que le retrait de l'exclusion de l'industrie de la construction dans les dispositions sur le retour au travail. Des modifications à l'Occupational Health and Safety Act (loi sur la santé et la sécurité au travail) sont également entrées en vigueur en mars, ce qui permettra d'assurer que toutes les normes référencées sont à jour.

Nous reconnaissons la nécessité de servir à la fois nos travailleurs et nos employeurs qui jouent un rôle déterminant dans la création de milieux de travail sécuritaires à l'Île-du-Prince-Édouard.

Tout au long de 2021, nous avons effectué plusieurs changements de politique et de législation et amélioré certaines prestations pour les travailleurs. Ces modifications comprennent la transition vers un modèle d'allocations pour le soutien à l'indépendance personnelle, qui a eu pour effet d'améliorer les prestations pour les travailleurs admissibles souffrant de handicaps importants. Nous avons également ajusté la politique sur les voyages et les avantages connexes, ce qui permettra de fournir un soutien supplémentaire aux travailleurs et de rationaliser les processus en vue d'améliorer les services à la clientèle.

En 2021, la CAT a réduit ses taux de cotisation et procédé à une distribution de l'excédent aux employeurs. Cette décision respecte la politique de financement de la Commission, et fait suite à un bon rendement du capital investi et à une forte croissance de la masse salariale cotisable. Nous avons également apporté des changements aux politiques relatives à l'inscription des employeurs et à la couverture personnelle, pour assurer une meilleure clarté.

Je souhaite remercier le personnel, la direction et les membres du conseil d'administration de la CAT pour leur engagement à créer des lieux de travail plus sécuritaires à l'Île et à soutenir les employeurs et les travailleurs lorsque des accidents se produisent en milieu de travail.



Jim MacPhee
Président, Commission des accidents du travail

MESSAGE
DE LA DIRECTION GÉNÉRALE



En 2021, nous avons continué de ressentir les effets dévastateurs de la pandémie de la COVID-19 d'un bout à l'autre de la province, dans nos communautés et au sein de notre organisme. Durant les périodes d'assouplissement des restrictions, nous nous sommes réjouis du retour du personnel au bureau. Certaines personnes ont, cependant, décidé de poursuivre le travail en mode hybride. Grâce à cette approche, nous avons été en mesure de réduire les interactions entre individus afin d'aider à gérer les effets de la COVID-19, tout en offrant au personnel des modalités de travail flexibles.

Nous nous considérons chanceux de vivre à l'Île-du-Prince-Édouard, où nous avons réussi à éviter un grand nombre de cas et d'hospitalisations durant la majorité de 2021 et où nos interventions de santé publique ont été jugées exemplaires partout au pays. Malheureusement, la plus récente vague, et l'apparition du variant Omicron, a entraîné une augmentation du nombre de cas dans la province, et inévitablement, une hausse d'expositions en milieu de travail.

Durant 2021, notre équipe a dû continuer de se surpasser sur les plans professionnel et personnel. Face à l'évolution des protocoles, des restrictions et des besoins des clients, nous avons dû faire preuve d'une plus grande souplesse et d'une plus grande réactivité, même si cela s'est avéré beaucoup plus difficile. Notre résilience collective a été mise à l'épreuve à la fin de l'année, lorsque nous avons dû affronter une tragédie : la perte de l'une des nôtres.

Malgré ces enjeux réels, nous avons pu nous rassembler en équipe et atteindre de nombreux objectifs dans chacun de nos domaines stratégiques prioritaires. Vous en découvrirez une partie dans le présent rapport.

Dans un effort visant à bâtir une culture favorisant la sécurité et la santé dans les lieux de travail, nous avons créé plusieurs vidéos, guides et ressources pédagogiques. Nous avons lancé deux importantes campagnes de sensibilisation à l'intention des travailleurs qui présentent un risque plus élevé de blessures en milieu de travail, notamment les personnes qui travaillent en hauteur, ainsi que les plus jeunes travailleurs, qui sont souvent inexpérimentés et peu enclins à soulever des problèmes de sécurité. Nous avons également créé un carrefour d'information et de ressources consacré aux lieux de travail sains afin de fournir aux employeurs et aux travailleurs les pratiques exemplaires et les principes clés associés à la création d'un tel lieu.

Nous avons élargi le programme de tarification par incidence de sorte à y inclure tous les employeurs en vue d'améliorer la sécurité et la prévention des incapacités au travail. Ce programme permet aux employeurs de réduire leurs taux de cotisation en investissant dans la sécurité et la prévention des incapacités au travail, réduisant ainsi le coût des réclamations.

J'aimerais remercier notre conseil d'administration pour ses conseils judicieux et son soutien alors que nous accordons la priorité à une série d'améliorations opérationnelles et que nous nous préparons à moderniser nos services et nos systèmes au cours de la prochaine année.



Cheryl Paynter
Directrice générale, Commission des accidents du travail





2021 PERFORMANCE REPORTS



OVERVIEW OF THE 2019-2023 STRATEGIC PLAN

2021marked the third year of the 2019-2023 Strategic Planning cycle. The WCB's 2019-2023 Strategic Plan was developed through consultation with stakeholders, Board members and staff. The plan guides the way the WCB allocates resources and positions the organization to fulfill its mission.

STRATEGIC PRIORITIES:

- Build a Culture for Safe and Healthy Workplaces
- Deliver Client-Centered Services and Supports
- Strengthen Our System
- Grow Strategic Partnerships
- Strengthen Our Organization

BUILD A CULTURE FOR SAFE AND HEALTHY WORKPLACES

WCB is committed to building a safe and healthy workplace culture in PEI. Strong partnerships with employers, workers, service providers and other partners are required to positively impact change.

OHS ADVISORY COMMITTEE

Members of the Occupational Health and Safety Advisory Council are appointed by the Minister and reflect a breadth of knowledge and experience relating to the principles and promotion of occupational health and safety. The OHS Advisory Council advises the WCB Board of Directors on the following: the administration of the *OHS Act* and Regulations; monitoring and reporting on OHS activities throughout the province; and exclusions from all or part of the *OHS Act* and Regulations.

The Council consists of the WCB Chair, the WCB Director of OHS, and representative for workers, employers and a member that represents the general public. Members of the OHS Advisory Council include Karen Biggar, Lynn MacPhail, Sam Sanderson, Vernon Anderson, Betty Pryor, Ben MacDonald (Chair), Alan McCormick (Vice-Chair), Danny Miller (Director of OHS), and Jim MacPhee (WCB Chair).

HEALTHY WORKPLACES

There is a strong connection between the health and well-being of people and their work environments. When people feel valued, respected and satisfied in their jobs and work in safe, healthy environments, they are more likely to be more productive and committed to their work. When the workplace is unsafe, stressful or unhealthy, both the organization and the workers are impacted. Everyone benefits from a healthy workplace.

For many, employers and workers alike, the concept of workplace psychological health and safety is new and may feel overwhelming. The WCB has created a resource page on the website to support employers and workers in navigating through the key principles and best practices associated with creating a healthy workplace; including resources on Work Disability Prevention, Occupational Health and Safety (Physical and Psychological Safety), and Workplace Wellness.





WORKING AT HEIGHTS

In 2019, on a Prince Edward Island worksite, a worker suffered life altering injuries as a result of falling approximately 5.5 meters (18 feet) from unguarded scaffolding. Fines levied were used by WCB to develop an incremental and widespread education and enforcement campaign surrounding working from heights.

As part of the campaign, WCB developed a package of new safety resources, posters, media and educational videos to assist employers and workers in understanding their legal obligations. OHS Officers also spent time visiting work sites across the province with an increased focus on fall protection use.

YOUNG WORKERS

The WCB is committed to preventing injuries among workers of all ages, but we feel it's important to speak directly to young adults to increase their awareness of hazards and confidence around workplace safety. It's natural for less experienced workers to feel reluctant to raise workplace safety concerns, so we want to help ease that concern through providing safety knowledge and tools. By starting with young workers in what are likely their first jobs, we hope to develop safety champions early, and empower workers throughout the course of their careers. In Fall 2021, WCB launched a new widespread education and awareness campaign called "What you don't know." The campaign includes digital ads, social media ads, a series of animated videos and print materials that acknowledges every workplace has hazards, and the more young workers know, the better they will be able to protect themselves from harm.



NEW TOPICS ADDED TO THE OHS APP

In order to provide employers and workers with better access to information and resources, WCB added 10 new topics to the OHS App, bringing our total to 40 topics. The new topics are part of our annual work plan to continue to increase the number of topics available on the app. To access the mobile app, search for "Guide to OHS Legislation" on the App Store or Google Play or visit our website at wcb.pe.ca/ohsguide.



New topics include:

- Young Workers
- Psychological Health
- Competent Worker
- Risk of Drowning
- First Aid
- Lock Out Tag Out
- Hoisting
- Occupational Carcinogens
- Incident Investigation
- Work Refusal

NEW RESOURCES TO PROMOTE WORKPLACE SAFETY

Through visits to worksites, discussions with employers and workers, and utilizing accident and safety compliance data, we identified a number of priority areas where we could develop resources to build safer, healthier workplaces. In 2021, this included:

- Prevention Update on: Health and Safety Responsibilities of Self Employed Persons
- Safety Talk on: Scaffolding
- Hazard Alerts on: Scissor Lift, and Risk of Drowning
- New educational videos on Fall Protection Plans, Knowing Your Responsibilities, Hazard Controls, Job Hazard Analysis, Hazard Awareness, and Safety Committees

NEW GUIDES

To help employers and workers better understand important safety legislation and regulations and best practices, WCB developed several new guides on a variety of topics including:

- Workplace First Aid Regulations
- Asbestos Management
- Workplace Safety for Roof Truss Installation
- Joint Occupational Health and Safety Committees

INSPECTIONS AND EDUCATION

OHS Officers conducted 3,002 workplace inspections in 2021. In addition, OHS staff conducted numerous education activities during the year which included public presentations, virtual education sessions, and in-person workshops with a total number of 1,900 participants. These types of activities help in the effort to build safe workplaces on PEI.

DELIVER CLIENT-CENTERED SERVICES AND SUPPORTS

To meet the diverse needs of clients, the WCB works collaboratively with workers, employers and health care providers to support recovery and work disability prevention*, while being mindful to balance the interests of workers and employers.

Work disability prevention is any workplace activity or organizational program or policy designed to support workers remaining at work. It is about much more than workplace injuries.

Effective work disability prevention strategies can help reduce time missed from work and costs related to this. An important defense against work disability is to create an organizational culture that promotes a healthy workplace.

SURPLUS DISTRIBUTION TO EMPLOYERS

In 2021, a $25.4 million surplus was distributed to employers. This decision is in accordance with the Board's Funding Policy where a surplus distribution may be considered if the Board's funding status is greater than 140%.

ENHANCED BENEFITS TO SUPPORT WORKERS

The WCB enhanced benefits to support personal independence and to provide more flexibility and choice for workers. The policy changes were made to better support worker needs related to independent living, personal care, and respite care. Changes included a transition to an annual allowance model, eliminating the need for clients to seek approval for specific services and to submit quotes and receipts.

Benefits related to out-of-province travel, necessary to access required healthcare, were also enhanced. An advanced allowance is provided to ensure that workers are not out of pocket and to eliminate the need for workers to request expense reimbursement and provide receipts.

An additional benefit to support hospitalized workers and their families was also created. WCB understands the importance of family support when a worker is hospitalized with a work-related injury and the positive impact that this can have on recovery.

These adjustments reflect WCB's continued efforts to improve policies, enhance benefits and streamline processes to better support injured workers.

CHANGES TO EMPLOYER REGISTRATION AND PERSONAL COVERAGE

To better align the assessments paid by employers with the coverage provided to their workers, WCB completed work to clarify and increase understanding of employer payroll reporting requirements. This included a change, effective January 1, 2022, to eliminate the requirement for employers to include independent operators in their reported payroll. Changes also provide greater clarity in determining who qualifies for independent operator status. These changes are outlined in employer registration and personal coverage policies.



2021 EMPLOYER SURVEY

On an alternating biennial basis, the WCB surveys its two key stakeholder groups, injured workers and employers, to gauge satisfaction with the WCB's services and to identify areas for improvement.

The results of the 2021 Employer Survey reported a Satisfaction Index of 83.4, down slightly from the previous survey in 2019 at 85.0. The index is a measure of employers' satisfaction with a variety of service dimensions, including effectiveness, fairness and service delivery.

Based on the survey results, 93% of employers surveyed believe the WCB provides a benefit to employers and does a good job of keeping them informed. The results also demonstrated that over half of the employers surveyed feel that there are not a lot of administrative issues in their interactions with the WCB.

Awareness of WCB's education consultants was identified as an area for improvement with a decline in 2021 from 39% in the previous survey, to only 30% responding that they are aware of this free resource. Promoting availability of education on various health and safety topics will be a key priority for the Board going forward.

INDEPENDENT EXTERNAL RESOURCES AVAILABLE

Any worker or employer has the right to appeal a decision of the WCB. The Worker Advisor and Employer Advisor are free independent legal services available to workers and employers to support them in the reconsideration and appeal process. While the WCB is responsible for the operating costs of these programs, they are independent from the operations of the WCB and they report on their annual activity independent from this annual report.

For more information and/or inquiries for the Office of the Employer Advisor, visit their website or email the office at employeradvisor@gov.pe.ca. Information on the Worker Advisor can be found on their website or they can be reached at workeradvisor@gov.pe.ca



STRENGTHEN OUR SYSTEM

WCB ensures the delivery of a sustainable program that protects workers and employers. We will continue to strengthen the system to ensure it is relevant today and in the future.

WORKERS COMPENSATION ACT AMENDMENTS

New amendments to the *Workers Compensation Act* were recently approved in the fall 2021 sitting of the Legislative Assembly that help clarify and modernize the current legislation.

Among the recent amendments were changes to the indexation of compensation benefits, which would increase the amount of benefits paid to workers on long term benefits and survivors of fatally injured workers.

Indexation refers to the adjustments made to workers compensation benefits to address increases in the cost of living each year. Previously, the legislation allowed for annual adjustments to extended wage loss benefits, pensions and survivor benefits based on 80% of the Consumer Price Index, up to 4% of the benefit amount. The new changes saw the annual indexation of Extended Wage Loss, pension and survivor benefits increased to 100% of the annual change in the Consumer Price Index for PEI, up to a max of 4%.

Other notable amendments include updated definitions of “worker” and “accident”, as well as the removal of the exclusion of the construction industry under return to work provisions.



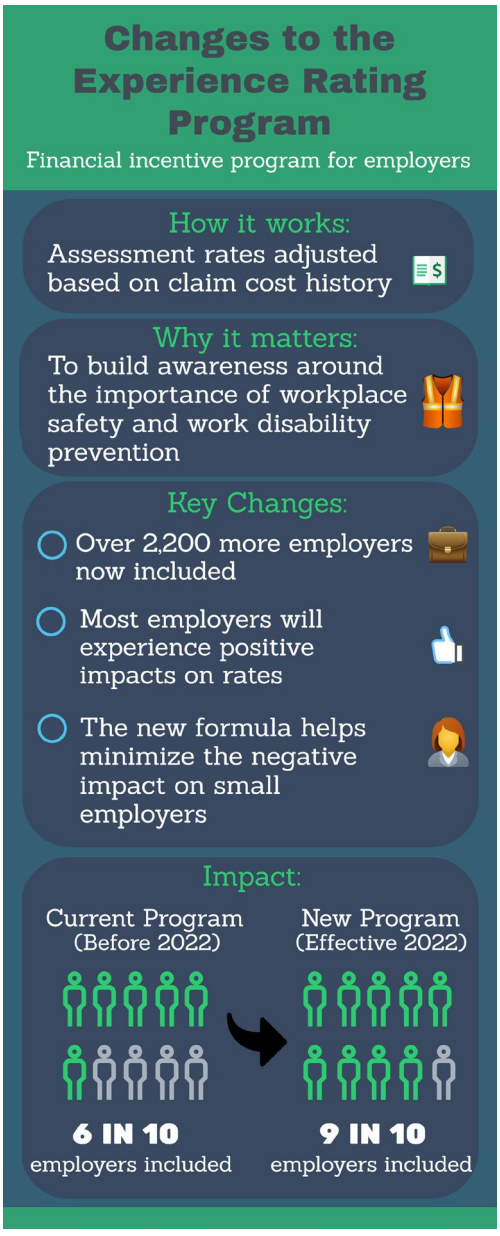
OHS ACT GENERAL REGULATIONS AND FALL PROTECTION REGULATION AMENDMENTS

Amendments to the *OHS Act* regulations came into effect March 2021 to ensure that they meet the requirements established in the National Occupational Health and Safety Reconciliation Agreement. They also ensure that the Canadian Standards Association (CSA) and American National Safety Institute (ANSI) standards that are referenced are current. The changes will help harmonize regulatory requirements to enable employers and workers to work more seamlessly across jurisdictions. Amendments include updates in areas related to Emergency Eyewash and Shower Equipment, Personal Protective Equipment (PPE), Powered Mobile Equipment, and First Aid. Additionally, a section on personal flotational devices and life jackets has been included under PPE.

EXPERIENCE RATING PROGRAM CHANGES

The experience rating program provides an opportunity for employers to see reductions in assessments through investment in safety and work disability prevention that reduce claim cost experience.

After an extensive review of the program, changes were recommended to ensure the program is effective, fair and easy to understand. Effective January 1, 2022, the experience rating program was expanded to include the majority of Island employers. The calculation used to determine employers' rates has also been adjusted to minimize the impact for small employers.



DISCLOSURE OF OHS INFORMATION

WCB is committed to ensuring that Prince Edward Island workplaces are safe through the administration of the *OHS Act*. Effective communication is an essential tool to promote workplace safety and ensure Islanders are informed about safety matters that are in the public interest.

In 2021 the creation of POL-161 sets out the conditions for public disclosure of information about OHS matters, such as investigation and inspection. The new policy represents a balanced approach to keep islanders up-to-date on safety concerns while complying with confidentiality and privacy legislation.

GROW STRATEGIC PARTNERSHIPS

WCB works with diverse stakeholders in Prince Edward Island and across the country. We will continue to grow and strengthen our partnerships to support our strategic priorities.

WORKING IN COLLABORATION

Healthcare providers play a critical role in an injured worker's recovery. Through collaboration and partnership, WCB creates opportunities for healthcare providers to participate in education on a variety of topics that they can integrate into their care of injured workers.

In December 2021, the WCB held a virtual health care provider education session "From Pain Management to Recovery" which focused on psychophysiological pain disorder. The seminar examined the emerging revolution in chronic pain treatment and included a session by Dr. Howard Schubiner, an international expert in non-pharmacological management of chronic pain. The session was provided free of charge to clinicians with a successful attendance of over 80 healthcare providers.

SAFE YOUTH AWARD

The opportunity to create safer workplaces rests in the hands of our younger generation. Our Safe Youth Award Contest is an opportunity to identify young workers who are safety champions and recognize them for their commitment to safety. Workers can apply themselves, or employers can nominate their workers. There are two age categories (15-19 years old and 20-24 years old).

- In 2021, the recipients of the Safe Youth Award were Elliot Fraser and Martina Ellis. Eliot was recognized in his role as a summer student with Environmental Industrial Service Inc. Martina is an Occupational Therapy/Physiotherapy Assistance with Health PEI. Both recipients were awarded $500 cash prizes as this year's winners.





Video Contest Winner - Etienne Foulkes

ON THE NATIONAL STAGE

Each year, the WCB challenges PEI students to use their creativity to produce an original video that could be used to illustrate to younger workers the importance of working safely on the job. The winner of this year's provincial content was Etienne Foulkes from École François Buote with his video "Stop the Spread."

As the winner of the provincial contest, Etienne received a $1000 cash prize and an additional $1000 for his school. His video was then submitted to the national Youth Video Contest, sponsored by the Canadian Centre for Occupational Health and Safety (CCOHS), where he competed against other provincial winners in the national contest and won the National title.

This is the first time in history an Island student has won the National Video Contest. Along with the title, Etienne was awarded a $2000 cash award for himself, as well as $2000 for his school École François Buote.

WORLD CONGRESS

In September 2021, the XXII World Congress on Safety and Health was held virtually. The main theme was *Prevention in the Connected Age: Global Solutions to achieve safe and healthy work for all*. As part of the event, safety leaders from across the nation came together to engage in meaningful discussions about occupational safety and health.

We were pleased to participate in the event, with a number of staff attending the event as delegates, bringing back valuable information and tools to our organization.

STRENGTHEN OUR ORGANIZATION

The WCB team works together to carry out our mission. Empowered to deliver service excellence, WCB staff live our values of integrity, compassion, excellence, and collaboration every day. WCB demonstrates accountability through strong leadership and governance.

POLICY ENHANCEMENT

Throughout the pandemic the WCB has strived to make operational decisions that will keep our workplace safe for WCB staff and clients. In 2021, WCB introduced a vaccination policy for WCB staff and Board. We are happy to report that all staff and board members are fully vaccinated (two doses).

Over the years, WCB has provided support to staff through flexible work arrangements, while ensuring that we continue to meet operational requirements. In the past this has included an Alternate Hours of Work Policy, which allowed staff to participate in slightly modified hours of work or compressed work week schedules. In late 2021, WCB added a Remote Work Policy for WCB staff. This new policy will provide WCB staff with an opportunity to apply for a remote work arrangement to carry out some of their work duties from an approved remote work site.

COMMITTEES AND GOVERNANCE

The pandemic has affected many aspects of day-to-day life, including our mental health and wellness. To support our staff during this challenging time, the WCB created a Wellness Committee to focus on the physical health and wellness of our staff. This committee is a sub-committee under the Psychological Health and Safety Committee. One of the initiatives that they introduced was a Summer of Steps Walking Challenge which was designed to encourage physical activity and promote health and wellness.

The WCB Board of Directors has also established two formal committees in 2021 which are responsible for providing guidance and expertise to the Board of Directors in the areas of Audit and Governance. Each committee is made up of three Board members with diverse backgrounds, experiences and credentials, along with a staff resource assigned to assist with the committee's workload. The Chair of the Board of Directors also sits as an ex-officio member of each of these committees. Working under a terms of reference and approved annual work plan, each committee is tasked with reviewing and making recommendations to the full Board of Directors on a number of areas.



STAFF TRAINING

The more we learn, the better we can support our clients. In 2021, staff continued their education in areas including: managing difficult telephone conversations, motivational interviewing, unconscious bias in the workplace, workplace diversity, and emergency first aid & CPR-A/AED training.

As part of our training calendar for 2021, Directors/Managers and Supervisors participated in Labour Relations seminars. These virtual legal lab workshops deliver training to support the continuous learning for our leaders by providing practical skills to further mitigate and manage legal risk to the organization.

SERVICE AWARDS

We're proud to have long-standing, dedicated staff who help support our mission every day. In 2021, 13 staff members were recognized at our Annual Service Awards for reaching significant milestones in their tenures for up to 35 years of service. With over 1,000 years of service collectively among WCB PEI staff, there is a significant amount of experience and corporate knowledge within our organization.



2021 Long Term Service Award Recipients



FINANCIAL ANALYSIS



OVERVIEW AND ANALYSIS OF 2021 FINANCIAL RESULTS

Financial Highlights for the Year Ending December 31, 2021

It is recommended the following pages be read in combination with the complete December 31, 2021 audited financial statements and accompanying notes which are available at **wcb.pe.ca/2021FinancialReports.** Numbers are rounded throughout this analysis for ease of reading.

FINANCIAL HIGHLIGHTS ($ MILLIONS)

OPERATIONAL HIGHLIGHTS	2021	2020
Assessment Revenue	**39.0**	35.7
Investment Revenue	**30.4**	11.7
Market Rate of Return on Portfolio	**13.12%**	5.40%
Claims and Administrative Costs Incurred	**25.4**	25.2
Administration Expenses	**8.4**	8.2
Total Comprehensive Income	**12.9**	12.5
Surplus Distribution to Employers	**25.4**	-
BALANCE SHEET HIGHLIGHTS		
Total Assets	**268.4**	258.4
Market Value of Investments (included in total assets)	**255.1**	243.4
Benefit Liabilities (included in total liabilities)	**159.4**	162.4
Total Liabilities	**163.4**	166.3
Fund Balance	**105.0**	92.1
Funding Status	**164.2%**	155.4%

FINANCIAL REPORTING STANDARDS

The WCB financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements of the WCB have been prepared on a historical cost basis except for all portfolio investments which are recorded at fair value.

OPERATIONAL HIGHLIGHTS

Revenues
The WCB's revenue includes two main sources: assessment revenue and investment income.

Assessment Revenue and Average Rates
Revenue from employers arises from two primary groups: assessed employers and self-insured employers. The total assessment revenue is a function of the assessment rate applied against the assessable payroll of each employer in the province. Revenue from self-insured employers is the transactional based administration fee that is charged to self-insured employers for the administration of their claim costs.

The changes in key inputs to the Board's 2021 assessment revenue compared to 2020 and to our budget estimates used for rate setting can be summarized as follows:

- The count of total assessable employers increased by 6.15% (or 369 more);
- Total assessable payroll increased by 6.84% (or $157 million dollars) compared to 2020;
- With no change in the 2021 maximum assessable earnings of $55,300, the total assessment revenue increased by 9.24% (or $3.3 million dollars) compared to 2020; and
- The 2021 year end final average assessment rate was $1.59 per $100 of assessable payroll compared to 2020's average assessment rate of $1.55 and to the 2021 estimated average assessment rate of $1.57 (2020 - $1.52) which was forecasted during the 2021 rate setting process.

ASSESSABLE EMPLOYERS					
	2021	**2020**	**2019**	**2018**	**2017**
Number of Assessable Employers	6,372	6,003	6,115	5,828	5,592
Variance to Prior Year	*369*	*(112)*	*287*	*236*	*316*

ASSESSABLE PAYROLL ($ MILLIONS)					
	2021	**2020**	**2019**	**2018**	**2017**
Year-End Assessable Payroll	2,454	2,297	2,266	2,104	2,002
Variance to Prior Year	*157*	*31*	*162*	*102*	*103*

ASSESSMENT REVENUE ($ MILLIONS)					
	2021	**2020**	**2019**	**2018**	**2017**
Year-End Assessment Revenue	39.0	35.7	36.4	34.1	33.6
Variance to Prior Year	*3.3*	*(0.7)*	*2.3*	*0.5*	*(1.2)*

AVERAGE ASSESSMENT RATE (PER $100 OF ASSESSABLE PAYROLL)					
	2021	**2020**	**2019**	**2018**	**2017**
Year-End Final Average Assessment Rate	$ 1.59	$ 1.55	$ 1.61	$ 1.62	$ 1.68
Estimated Average Assessment Rate	1.57	1.52	1.58	1.60	1.70
Variance to estimated	*$0.02*	*$ 0.03*	*$ 0.03*	*$ 0.02*	*$ (0.02)*

INVESTMENT INCOME

Investments are important to the WCB because the capital invested plus investment income must cover future claim obligations. Since compensation liabilities have an inflationary component, over time investment income must cover at a minimum that inflationary component.

All portfolio investments are recorded at fair value which means the WCB recognizes interest revenue as earned, dividends when declared and investment gains and losses when realized. Unrealized gains and losses on fair value through profit or loss investments are recognized as investment income at year end based on the fair value of the investments at that time. In 2021, the WCB had investment returns of 13.12% (or investment income of $30.4 million dollars). Positive investment returns continue to impact the Board's funding status which increased to 164.2% (2020 – 155.4%).

The intent of the WCB's strategic investment policy asset mix is to meet current and future benefit obligation for current injured workers. Over a 20 year period the average investment returns were 7.08%.

INVESTMENT RETURNS									
2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
10.89%	15.73%	8.46%	4.30%	9.16%	10.29%	-1.32%	14.01%	5.40%	**13.12%**

EXPENSES

The WCB's expenses consist of claim costs and operating costs. Claim costs represent current and future costs associated with workplace injuries occurring in the reporting year. Operating costs are for various components required for the administration of the WCB.

CLAIM COSTS

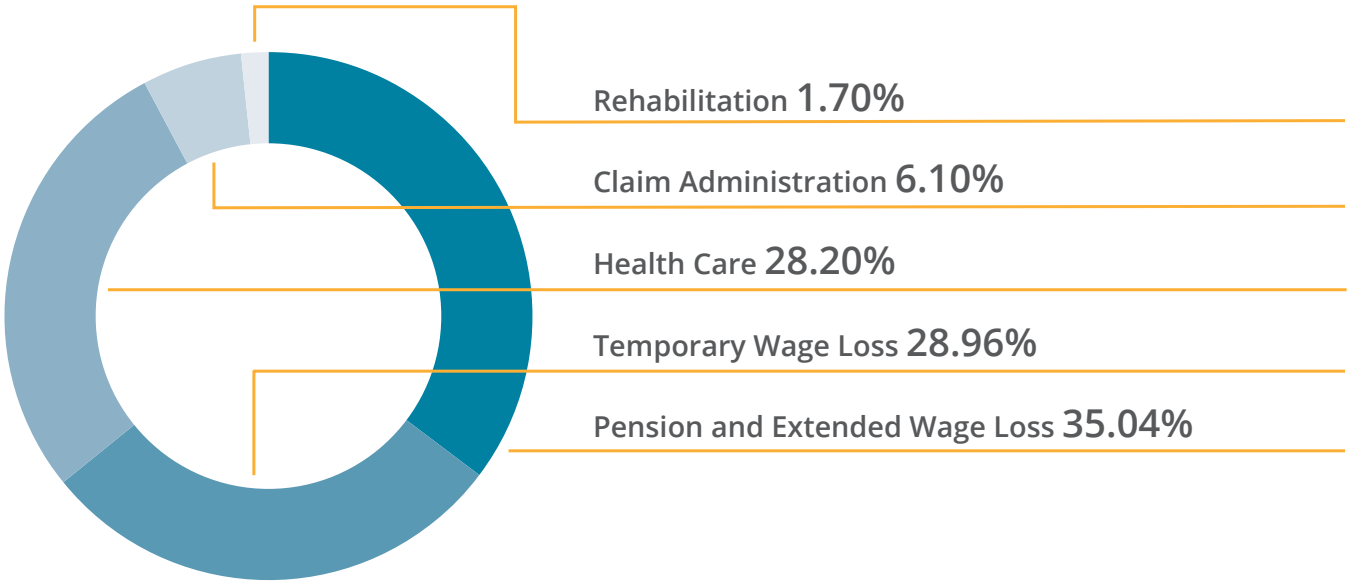
Claim cost expenditures are determined by estimating the outstanding benefits liabilities. This involves actuarial calculations that analyze experience, trends and other relevant factors, based largely on the assumption that past experiences are an appropriate predictor of the future. This process involves an actuarial projection of future claim costs and administration costs incurred to the end of the reporting year (2021).

Total claims cost expenses for 2021 are $22.1 million (2020 - $25.7 million) which represents a decrease from 2020 of 14.00% (or -$3.6 million) and is substantially attributable to year-over-year changes in claims experience, changes in actuarial assumptions, and changes in legislation.

Included in the $22.1 million (2020 - $25.7 million) total claims cost expenses are claims and administrative costs incurred of $25.4 million (2020 - $25.2 million) which have increased 1% (or $240 thousand) over 2020.

CLAIMS AND ADMINISTRATIVE COSTS INCURRED, 2021 AND 2020 ($ THOUSANDS)

	2021	2020
Temporary Wage Loss	**$7,353**	$6,900
Pension and Extended Wage Loss	**8,897**	9,112
Health Care	**7,159**	7,059
Rehabilitation	**432**	545
Claim Administration	**1,550**	1,535
Total	**$25,391**	$25,151



OPERATING EXPENSES ($ THOUSANDS)

ADMINISTRATION EXPENSES	2021	2020
Administration	**$8,041**	$7,774
Workers' Advisor Program	**151**	154
Employers' Advisor Program	**137**	115
Appeals Tribunal	**104**	109
Subtotal	**$8,433**	$8,152
OTHER EXPENSES		
Investment Management	**$1,101**	$869
Bad Debt (Recovery)	**106**	(33)
Grant Program	**(25)**	101
Subtotal	**$1,182**	$937
Total Operating Expenses	**$9,615**	$9,089

Total 2021 administration expenses ($8.433 million) have increased by $281 thousand (or 3.45%) over 2020 ($8.152 million). For comparison, prior to the Covid-19 impacted 2020 year, administration expenditures in 2019 were $8.321 million and in 2018 $8.466 million.

Staff salaries decreased by $71 thousand (or -1%) to $5.810 million (2020 - $5.881 million). Expenditures for professional fees have increased by $163 thousand during the year primarily due to a digital imaging project, an accounting standards project (IFRS17), and a human resources/ divisional alignment project.

Spending patterns in several other administrative expenses such as communications and printing supplies, interest and service charges, postage, professional development and travel changed in 2020 due to Covid-19 impacts on the office. These items have normalized in 2021, back to pre-2020 levels.

WCB funds the program expenses of the Office of the Worker Advisor, the Office of the Employer Advisor and the Workers Compensation Appeals Tribunal. These programs operate independently from the WCB. In 2021, the cumulative expenditures ($392 thousand) in these three areas have increased by $14 thousand (or 3.7%) compared to 2020 ($378 thousand). The majority of the costs associated with running these programs are salaries and professional services.

Investment Management Fees consist of two components: external management fees and management fees paid to WorkSafeNB for the management of the pooled fund. Management fees paid to WorkSafeNB are calculated on a cost recovery basis. As anticipated by WCB management, investment management fees increased by $231 thousand (or 26.6%) in 2021 which is a return to pre Covid-19 levels.

BALANCE SHEET HIGHLIGHTS

Investments

At December 31, 2021 the market value of the investment portfolio was $255.1 million, (2020 - $243.4 million). The increase in the portfolio is comprised of positive investment returns of $30.411 million (2020 returns of $11.653 million), contributions of $5 million made during the year, and withdrawals of $22.5M for the surplus distribution payment in 2021.

Financial markets have rebounded from the unpredictable and volatile 2020 year and in 2021, the investment portfolio had positive investment returns of 13.12% (2020 5.40%).

INVESTMENT FUND, 2012-2021 ($ MILLIONS)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
184.3	213.3	231.3	226.7	248.7	255.1	227.3	231.3	243.4	**255.1**

Benefits Liabilities

The other major component of WCB's balance sheet is its December 31, 2021 benefits liabilities of $159.4 million dollars (2020 – $162.4 million). For the year, the total benefits liabilities have decreased by 1.85% (or $3 million). The calculated liability represents the actuarial present value of all future benefits expected to be paid as a result of injuries that occurred on or before December 31, 2021.

During 2021, the WCB Act was amended to increase the indexing of extended wage loss, pension, and survivor benefits to 100% of the annual change in CPI for PEI to a maximum increase of 4% which increased the liability $2.5 million and, based on claims experience, the assumed average age at accident for extended wage loss claims was increased from 45 to 47, which decreased the liability by $3.2 million.

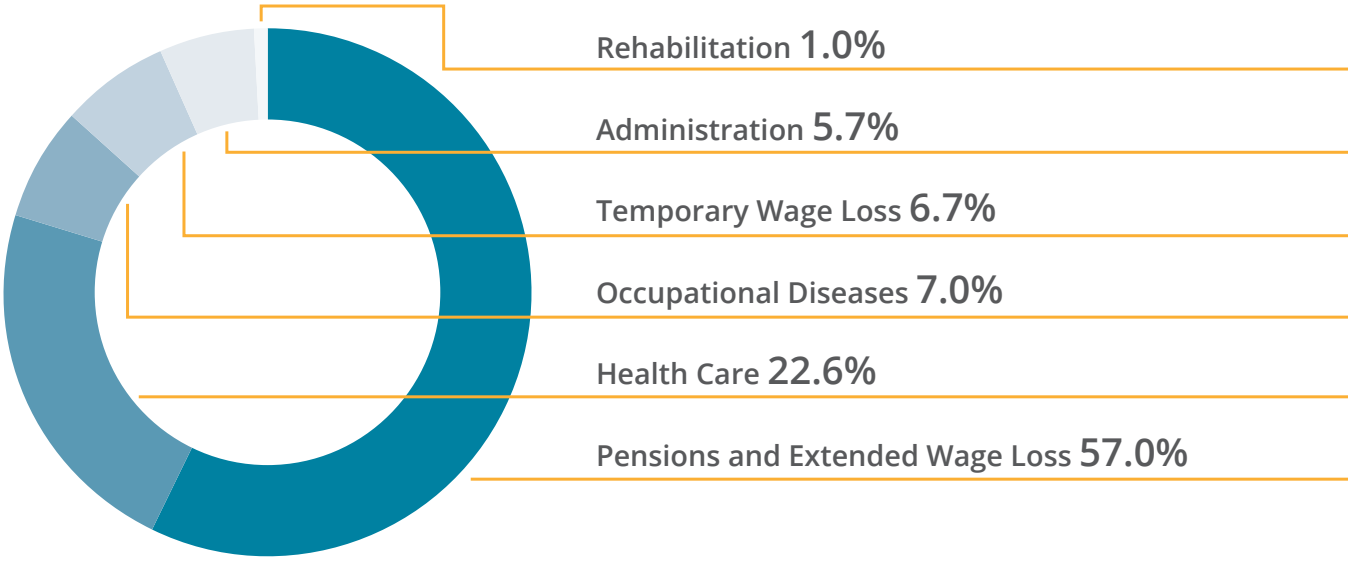
The benefits liabilities include a $9.1 million dollar provision (2020 - $9.2 million) for future administration expenses equal to 6.5% of the total benefits liabilities (before the provision for latent occupational disease).

Also included in the benefits liabilities is a 7.5% or $11.121 million dollar (2020 - $11.331 million) general provision for latent occupational disease claims expected to be diagnosed after December 31, 2021 as a result of exposures assumed to have occurred in the workplace prior to December 31, 2021. Examples of occupational disease claims include cancers, lung related diseases, carpal tunnel syndrome, and asbestos related diseases.

BENEFITS LIABILITIES, 2021 AND 2020 ($ THOUSANDS)

	2021	2020
Temporary Wage Loss	**$10,682**	$11,235
Pension and Extended Wage Loss	**90,863**	93,551
Health Care	**36,099**	35,101
Rehabilitation	**1,584**	1,970
Subtotal	**$139,228**	$141,857
Administration	**9,050**	9,221
Subtotal	**$148,278**	$151,078
Occupational Diseases	**11,121**	11,331
Total Benefits Liabilities	**$159,399**	$162,409

BENEFIT LIABILITIES



FUNDING REQUIREMENTS, POLICY AND STATUS

Funding Requirements

Pursuant to Section 63 of the *Workers Compensation Act*, R.S.P.E.I. 1988 Cap. W-7.1, the WCB is required to be fully funded. When it is not, it is required to have a plan to be fully funded within a reasonable time frame. Being in a fully-funded position means that the Board is in a position to pay all future benefits to which current injured workers are entitled, as well as the costs associated with administering those benefits.

Funding Policy

Our Funding Policy (POL-136) establishes a framework to achieve long term financial sustainability for our workers compensation system. The primary goals of the funding policy are to:

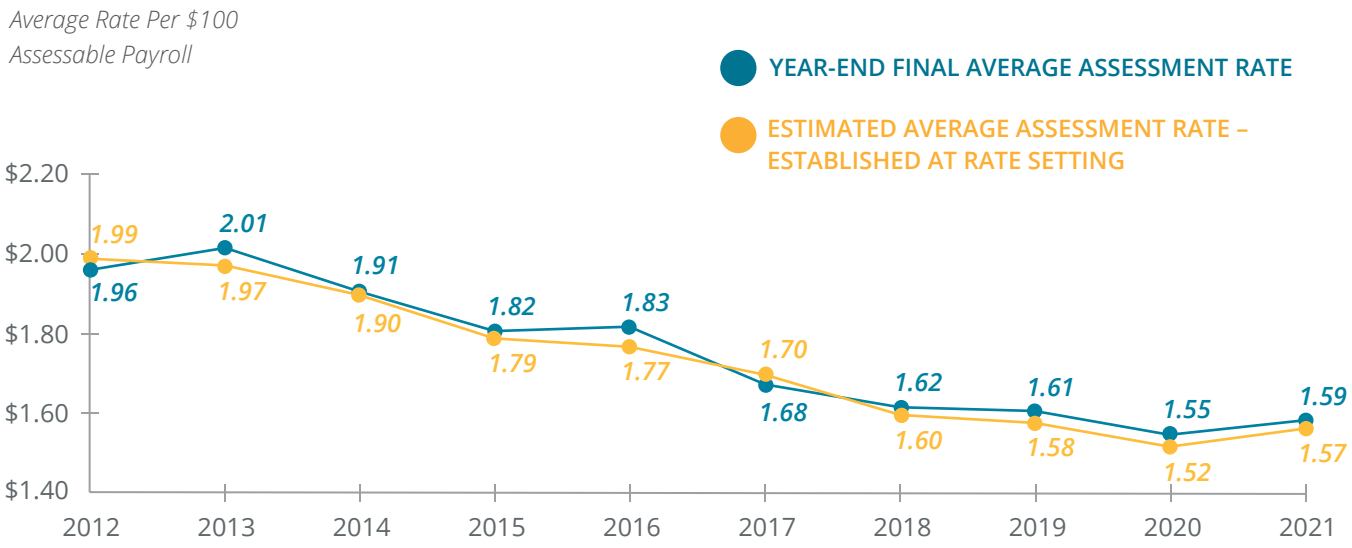
- minimize the risk of becoming unfunded;
- minimize cost volatility for employers so the overall average assessment rate for the current year will not vary significantly from the previous year's average assessment rate;
- minimize the total cost charged to employers by ensuring the funded status is appropriate in relation to financial needs; and
- ensure today's employers pay for the current and future cost of today's accidents.

The funding status is defined numerically as total assets expressed as a percentage of total liabilities.

The funding policy targets a funded status in the range of 100%-125% and includes specific adjustments to be applied to the assessment rate should the funded status fall outside this range.

When funding status is 125% to 140%, the surplus will be returned to employers by reducing assessment rates over a number of fiscal years until funding status returns to the 100% to 125% target range. As part of the 2021 rate setting exercise, the total revenue required to be collected was estimated to be $37.4 million (2020 - $35.9 million) less a funding policy adjustment of $1.7 million (2020 – $1.8 million) less a Covid19 related adjustment to maintain the 2020 rates for 2021 of $1.1 million for a net estimated assessment revenue target of $34.6 million (2020 - $34.1 million).

For rate setting purposes and when considered on an average rate basis, a required average assessment rate of $1.71 for 2021 (2020 - $1.60) was reduced by 8 cents (2020 – 8 cents) per $100 of assessable payroll in accordance with our funding policy and by an additional board approved 6 cents per $100 of assessable payroll for a net estimated average assessment rate of $1.57 (2020 - $1.52).



When the funding status is above 140%, the Board may consider a surplus distribution back to eligible employers, in an amount as determined by the Board.

In accordance with our funding policy, over the past seven years a cumulative $113.6 million dollars has been approved by the Board to be returned to employers based on better than expected investment returns. This benefit was transferred to employers over the past 7 years through board approved annual rate adjustments ($11.5 million dollars) and direct distributions ($102.1 million dollars).

Funding Status

FUNDING STATUS 2012-2021									
2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
124.1%	135.3%	147.2%	141.4%	159.4%	165.4%	146.3%	147.8%	155.4%	**164.2%**

The funding status of 164.2% as at December 31, 2021 will be considered in setting 2023 assessment rates.



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