



Serving British Columbians

2020 Annual Report and 2021-2023 Service Plan

WORK SAFE BC

Strategic foundations of WorkSafeBC



Our vision

British Columbians free from workplace injury, disease, and death.

Our values

As an organization and as individuals, we make decisions and take action based on these values:

Service — Make a difference to the people of British Columbia

Integrity — Do the right thing

Partnership and collaboration — Collaborate for success

Innovation — Adapt to change and challenge complacency

Accountability — Be open and transparent



2.3 million
workers



255,000
registered employers

WorkSafeBC (the Workers' Compensation Board of British Columbia) is an independent agency governed by a board of directors appointed by the provincial government. We provide coverage to workers and employers throughout B.C., and are funded through insurance premiums paid by employers and investment returns. In administering the *Workers Compensation Act*, WorkSafeBC remains separate and distinct from government; however, we are accountable to the public through the provincial government, which is responsible for protecting and maintaining the overall well-being of the workers' compensation system.

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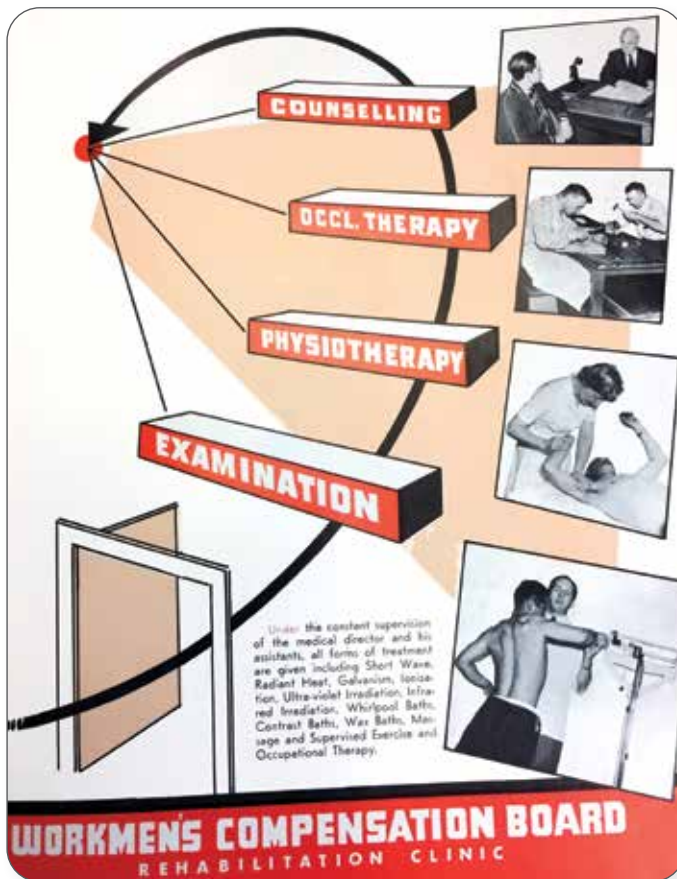
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About WorkSafeBC



Historical publication from the 1950s promoting the rehabilitation services offered to injured workers at the then named, Workmen's Compensation Board Rehabilitation Centre in Vancouver.

More than 100 years ago, legislation was passed to create a workers' compensation system for British Columbia's workers and employers. Over time, the mandate of the organization expanded to include a focus on safety and prevention, to help eliminate work-related injury, disease, and death in B.C. workplaces. When British Columbia's workers get sick, injured, or killed on the job, we are committed to easing the physical, financial, and psychological burden on them and their families.

With a legislated responsibility for establishing and enforcing occupational health and safety standards, we are dedicated to making a difference to the people of British Columbia — one worker, one employer, one workplace at a time. To meet these responsibilities, we focus on the following areas:

Preventing workplace injury and illness

Guided by provincial legislation, we establish standards and guidelines for occupational health and safety practices, and consult, educate, enforce, and investigate to help shape healthy and safe workplaces. We work closely with employers, workers, and other key stakeholders from industry, labour, and government to further health and safety in B.C. workplaces.

We also have the legislative authority to monitor compliance with occupational health and safety laws and regulations, investigate serious incidents, and, in certain cases, levy financial penalties or other sanctions against employers for health and safety infractions.

Compensating and rehabilitating injured workers

When work-related injuries and illnesses do occur, we provide support to injured workers through compensation, which includes facilitating their recovery and safe, lasting return to work. During this process we make entitlement decisions on compensation benefits and administer health care and wage-loss benefits, as well as permanent disability and survivor benefits. While the majority of B.C.'s injured workers are able to return to work within days or weeks, some workers require specialized care and support.

Maintaining the system's financial sustainability

As an insurer, it is our responsibility to ensure the financial viability of the compensation system. We take a prudent approach to managing the premiums collected from employers to ensure sufficient funding for current and future claim and compensation benefits, as well as the costs of administering the workers' compensation system. We are committed to sound financial management, with strategies and initiatives in place to manage costs and optimize investment returns to maintain the long-term financial sustainability of the system.

Ensuring that ethics and integrity are paramount

Within WorkSafeBC, ethics and integrity govern our daily work. Internally, we use various means to maintain checks and balances and strive for fairness in everything we do.

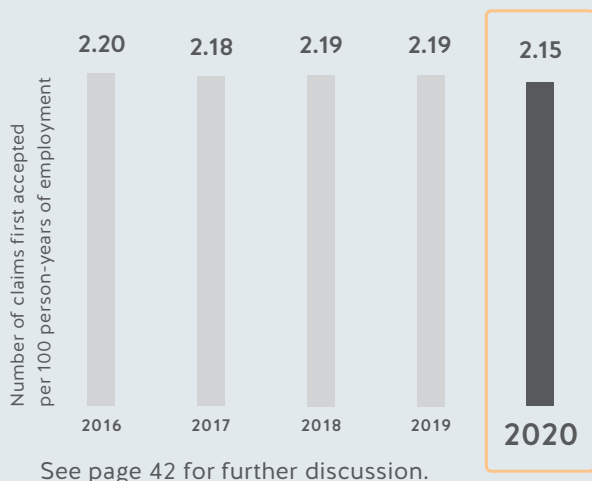
As the first level of appeal, our Review Division provides a simplified and flexible process for obtaining an independent review of specific decisions. Our Fair Practices Office serves as an independent and impartial source of assistance for individuals navigating the workers' compensation system. Since much of the information our team deals with is confidential, we have an office dedicated to ensuring that we meet our obligations under the *Freedom of Information and Protection of Privacy Act* (FIPPA).

Our Board of Directors engages an independent firm to perform an external audit of this annual report, including the key performance indicators and financial statements. We also have an Internal Audit department that supports the Board of Directors, Audit Committee, and executive leadership by providing independent and objective assurances.

Our Board of Directors includes broad and balanced representation from stakeholders in the compensation system as a whole.

Operational highlights

Provincial injury rate*



See page 42 for further discussion.

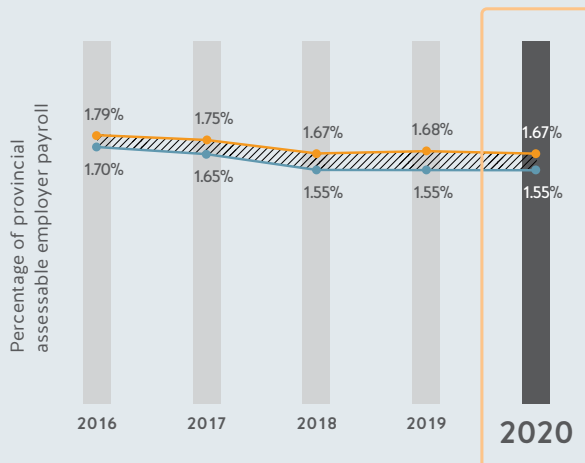
*The provincial injury rate for 2020 is preliminary and subject to change. The 2019 result has been restated from what was published in the 2019 *Annual Report and 2020-2022 Service Plan*.

Top five incident types*

	2020	2019
Overexertion, bodily motion.....	40.6%	40.2%
Struck by.....	12.7%	13.9%
Fall on same level	12.5%	12.1%
Fall from a height	7.8%	8.0%
Exposure to harmful substances or environments.....	5.7%	4.1%

*Incident type "struck against," published as the fifth incident type in the 2019 *Annual Report and 2020-2022 Service Plan*, was the sixth in 2020, and as such it is not shown above. The "struck against" incident type accounted for 5.4 percent in 2020 and 5.9 percent in 2019

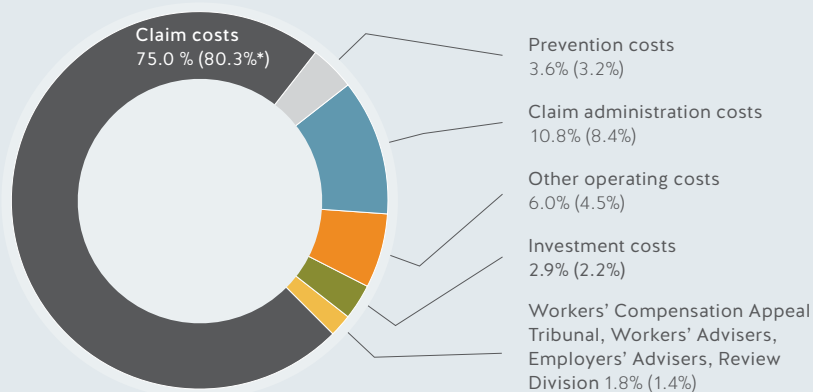
Premium rates



Premium rates have been discounted since 2008, limiting premium volatility for employers. Rates have been less than the cost rate and funded by the accumulated surplus. See page 93.

- Average cost rate
- Average base premium rate
- ▨ Amount base rates were discounted below cost rates

Breakdown of 2020 expenses (2019)

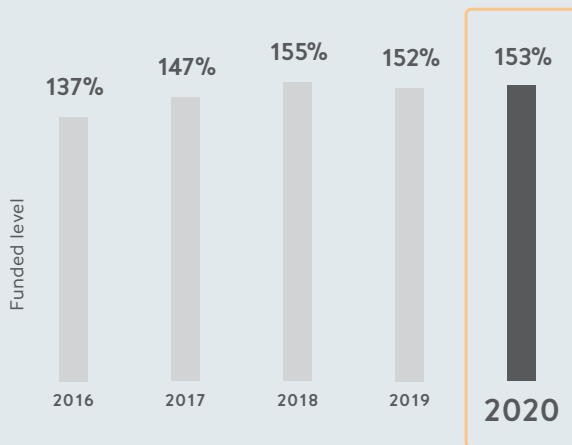


*Excluding the change to the discount rate in 2019, claim costs would have been 76.6 percent of the total expenses.

Our expenses consist mostly of claim and claim administration costs. These costs include compensation payments to injured workers and their families, health care, and rehabilitation costs. The remaining expenses are general operating costs to administer the *Workers Compensation Act*.

For further discussion regarding the expense breakdown, see Management Discussion and Analysis, pages 96-100.

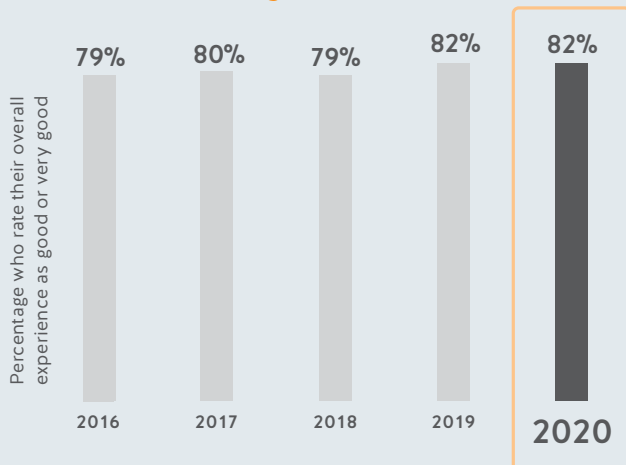
Financial strength



The primary indicator of WorkSafeBC's financial strength is the funding level. Our Board of Directors has set the required funding level where assets are at no less than 130 percent of liabilities on a smoothed accounting basis.

Sufficient capital reserves ensure financial sustainability of the workers' compensation system and provide greater security for future worker benefits. See page 70.

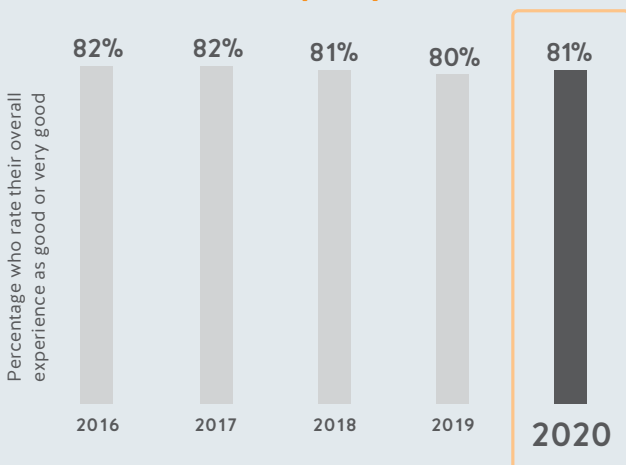
Service to injured workers



We are committed to delivering exceptional service that meets or exceeds the expectations of injured workers.

For more information and our survey results. See page 62.

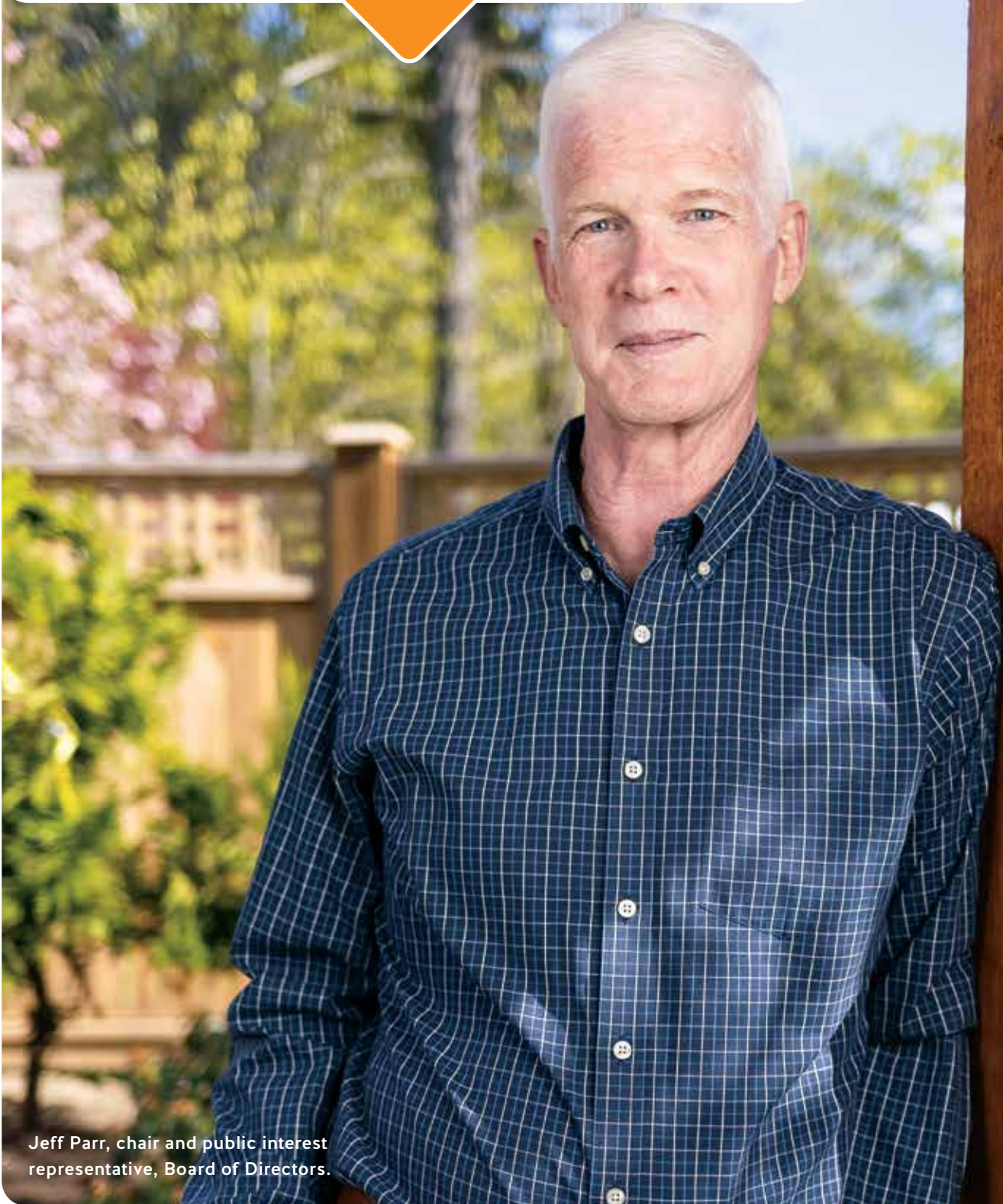
Service to employers



We are committed to providing exceptional service to employers through our core functions of prevention, assessments, and compensation.

For more information and our survey results. See page 64.

Message from the chair



Jeff Parr, chair and public interest representative, Board of Directors.

In August 2020, I was honoured to be appointed chair of WorkSafeBC's Board of Directors. My appointment was precipitated by the sudden death of board chair Ralph McGinn, who was truly dedicated to occupational health and safety in this province. I hope to bring the same commitment and compassion to the role as Ralph did throughout his long career in health and safety. Since joining the Board of Directors in August, I have been working closely with my fellow board members, president and CEO Anne Naser, and the executive to chart our course forward in enhancing workplace health and safety in British Columbia, while improving compensation and benefits.

As I joined the Board of Directors mid-year, WorkSafeBC had been responding to the global COVID-19 pandemic and the evolving effects the pandemic was having in B.C.'s workplaces. As part of that work, in July the Board of Directors approved amendments to Schedule 1 of the *Workers Compensation Act* relating to infections caused by communicable viral pathogens, including COVID-19. This change provides a presumption for workers filing a claim for contracting COVID-19 through a workplace exposure. When a claim is accepted, workers are eligible to receive the same range of compensation benefits and services as are provided to any other injured worker. (See page 17.)

During the year, the Board of Directors reviewed and approved a number of key decisions supporting our strategic priorities. Most significant were the policy changes as a result of amendments made through the *Workers Compensation Amendment Act* (Bill 23). Bill 23 amendments included addressing issues related to occupational health and safety investigations and convictions, workers' compensation benefits, collection of unpaid assessments, and the powers of WorkSafeBC's Review Division. In October 2020, we approved changes to 45 policies to align with the amendments. (See page 17.)

We also approved a new Capital Adequacy Reserve (CAR) funding policy supporting our priority to maintain a financially sustainable workers compensation system. The CAR policy ensures that we reserve sufficient capital to fund future payments for current and prior-years claims, and the update to the policy provides greater assurance that WorkSafeBC will continue to fund the CAR up to the target funding level. (See page 18.)

As part of our continued focus on improving service to injured workers and engaging workers in occupational health and safety, the Board of Directors approved statements regarding a worker-centred approach for compensation and worker engagement in prevention. These statements will help guide the organization in our continued commitment to making workplaces in B.C. healthy and safe while improving service and providing fair compensation and benefits. (See pages 50 and 57.)

As for the Board of Directors, board member Lillian White concluded her term in December 2020, and we would like to thank her for her contributions over the last six years. I would also like to thank Lee Loftus, vice-chair, for his leadership as interim chair of the Board of Directors after Ralph's death. Lastly, I would like to welcome our newest board member, Lorna Pawluk, who was appointed as the employer representative.

As we look to 2021, the Board of Directors has begun work on our next strategic plan. We are looking closely at the future of work in B.C. and are focused on improving service and how we can continue to best support workers and employers. We are also reviewing the way we currently measure our performance against our strategic priorities to ensure that the measurements best reflect our progress.

I look forward to continuing to work with my fellow board members and WorkSafeBC's executive as we address the challenges that lie ahead.



Jeff Parr

Chair, Board of Directors

Q&A with the president and CEO

Q: In March 2020, COVID-19 became a global pandemic and WorkSafeBC was declared an essential service. Since that time, how has WorkSafeBC responded?

The World Health Organization declared COVID-19 a global pandemic as we were finalizing last year's annual report. Like anyone else at the time, we could not have fully predicted the impact COVID-19 would have on our daily lives. While our planning could not have forecasted what the nature of the disruption would be, our business continuity plan made it possible for us to respond quickly. We immediately switched to a work-at-home model, moving staff out of our offices in a few short weeks, while providing uninterrupted service to injured workers and employers who had questions and concerns about how COVID-19 would affect them and their workplaces.

We activated our Pandemic Response Team, and throughout the pandemic we have been working closely with the Province, the Office of the Provincial Health Officer, the BC Centre for Disease Control, regional health authorities, and other stakeholder groups. Together, we have worked hard to safeguard worker health, share information, and identify and resolve key issues as the pandemic has evolved. This collaboration has resulted in a coordinated and targeted approach, helping to protect workers and employers from the risk of COVID-19 transmission in B.C.'s workplaces. We continue to adjust and change our approach as the situation changes.

Between March and December 2020, our prevention officers conducted more than 16,000 workplace inspections to ensure that COVID-19 safety plans and appropriate measures were in

place, helping reduce the risk of COVID-19 transmission. Our prevention officers have also been conducting targeted inspections with regional health authority environmental health officers, where necessary.

Our Prevention Information Line, which allows workers and employers to speak directly to a prevention officer, answered more than 26,000 COVID-19-related calls in 2020. We also created a suite of resources for employers and workers, including a six-step COVID-19 safety plan framework for employers to reduce COVID-19 transmission in the workplace.

We looked for ways to adjust services throughout the organization to enable us to continue supporting our stakeholders. We offered measures aimed at supporting B.C.'s employers, including waiving premiums on wages for employers who were approved to receive the Canada Emergency Wage Subsidy for furloughed workers, and providing the option of deferring second- and third-quarter premium payments without penalty or interest charges.

Our staff conducted virtual town halls with health and safety associations, labour organizations, and industry groups to respond to industry-specific questions and concerns. And our work with stakeholders continues as the pandemic stretches into 2021 and has an ongoing impact on B.C. workplaces. For more about our response, see page 30.



Anne Naser,
president and CEO.

Q: How is WorkSafeBC positioned financially?

Our funded position remains strong, at 153 percent. During the early stages of the pandemic, we saw financial markets react initially, causing a sharp decline in the market value of some of our investments. As the year progressed, however, markets rebounded and the pandemic's influence on our financial position was diminished. Our funded level has helped offset a reduction in premium income revenue for the year. We also saw lower health care payments as a result of fewer new claims registered and first paid during the year. We continue to be well positioned to meet our commitments to injured workers and their families.

In 2020, we delayed 2021 premium rate setting to gain a better understanding of the possible effects of the pandemic on our financial position. After taking additional time to collect more information, we were able to keep the average base premium rate unchanged for the coming year. The 2021 average base rate has been set at 1.55 percent and is below the expected average cost rate of 1.84 percent for the year. Keeping the average base rate unchanged for another year continues to limit premium rate volatility for employers. (See page 93.).

Q: Shifting to overall performance, how did WorkSafeBC perform during the year?

Many employers and workers continued to provide essential services around the province from the outset of the pandemic, while many more resumed operations as the year progressed. This required us to keep working with employers to limit workplace health and safety risks and hazards.

In addition to COVID-19-related consultations and inspections, our prevention team continued work on our high-risk strategies focusing on construction, forestry, health care,

and manufacturing — completing 36 percent more inspection reports than in 2019. However, 2020 saw more than 6,000 workers seriously injured on the job, and 151 deaths because of a workplace injury or illness, including one death from COVID-19. Occupational disease-related deaths, primarily driven by asbestos-related illness, remained high, predominantly affecting workers in construction.

We continued to help injured workers with their recovery and return to work — even as access to health care services was limited in the early stages of the pandemic, and as employment opportunities were diminished. We were able to help more than 44,000 workers (77.3 percent) return to work within

26 weeks, though we fell short of our target of 82 percent for the year. For those workers who lost wages as a result of a workplace injury, we improved our timeliness of first payment by 2.6 days over 2019, providing payments to workers in an average of 17.8 days.

Q: In May 2020, you received the news that the chair of the Board of Directors, Ralph McGinn, had died suddenly. Can you share your thoughts on Ralph's contributions to WorkSafeBC and the greater health and safety community?

Everyone at WorkSafeBC — and everyone who knew him — were deeply saddened to learn of Ralph's death. He left behind a long legacy as a leader in workplace health and safety. Ralph served as WorkSafeBC's vice-president of Prevention Services and then as our president and CEO before retiring in 2003. He joined us again as chair of the Board of Directors in 2017, where he continued to dedicate himself to protecting workers in the workplace. Ralph's work in health and safety spanned the globe, and here in B.C. his efforts included overseeing

significant revisions to our Occupational Health and Safety Regulation. Since his death, so many people have shared their memories of working with Ralph. His impact was felt beyond his expertise; what stands out was his decency, incredible work ethic, and compassion.

In his honour, with the support of our Board of Directors, we have created the Ralph McGinn Postdoctoral Fellowship to continue his passionate commitment to occupational health and safety.

Q: This year saw some significant legislative changes through the *Workers Compensation Amendment Act (Bill 23)*. What do these changes mean for workers and employers in B.C.?

The Bill 23 changes focus on improving supports for injured workers while advancing worker safety. The 34 legislative amendments were based on recommendations from a series of reports completed between 2018 and 2020.

Changes included enabling WorkSafeBC to obtain search and seizure warrants through the *Workers Compensation Act*, and allowing for victim impact statements in court. The amendments also provide for earlier access to health care-related services and supplies for injured workers, even when claims are pending,

and include a provision to reconsider a decision after 75 days have passed, if the decision contains an obvious error or omission. Changes also add a specific reference to mental disorders and the starting point for filing a claim.

We worked to implement Bill 23 changes and provided training as the changes came into effect, ensuring that staff could continue to provide quality claim adjudication that is consistent with workers' compensation law and policy. See page 17 for more information.

Q: What lies ahead for WorkSafeBC in 2021 and beyond?

It has been an extremely challenging year for many, and I am proud of how the WorkSafeBC team has risen to the challenges we've faced. As we publish our 2020 annual report, the global pandemic continues — and its impact on workplace health and safety, injured workers, and the future of work continue to be felt.

We are seeing changes in the types of injuries workers are experiencing. We have been able to assist workers who have trauma claims with well-understood treatment and recovery plans, but new injury types and societal changes require us to evolve our approach. This includes continuing to tailor

recovery and return-to-work planning that is specific to each injured worker, and updating our processes to help us better meet their needs.

We are also seeing an increase in mental disorder claims; these psychological injuries present a more complex claims process — one that is often more lengthy than a typical trauma claim. As more workers are experiencing these injuries, we are adjusting our approach to better serve these injured workers. This, coupled with growing claims volume will result in increasing claim and administrative costs as we ensure that we are meeting the needs of injured workers now and into the future.

Ralph McGinn Postdoctoral Fellowship



In May 2020, Ralph McGinn, Chair of WorkSafeBC's Board of Directors, died suddenly. Ralph was a visionary advocate for worker health and safety, and in honour of his leadership and legacy of service to the workers and employers of British Columbia, our Executive Leadership Team, with support of our Board of Directors, has established a new grant, the Ralph McGinn Postdoctoral Fellowship, to support postdoctoral researchers in B.C.

Encompassing our shared values of innovation, partnership, and collaboration, the fellowship will foster research capacity in occupational health and safety and work-related disability in B.C. and Canada by supporting postdoctoral researchers in these areas. Awards will be given to two postdoctoral researchers every year, beginning in 2021. Successful applicants will receive \$50,000 per year for up to three years.

With the introduction of this fellowship program, WorkSafeBC becomes the second workers' compensation board in Canada to provide dedicated research grants supporting researchers at the master's, doctoral, and postdoctoral level and entering the field of occupational health and safety and work-related disability. The fellowship award increases the total annual investment in our research program to \$1.8 million and continues our commitment to exploring new and emerging workplace risks and advancing ways to mitigate them.

For more information on this fellowship and our research program, visit worksafebc.com.



Governance — Board of Directors

Duties

In accordance with the *Workers Compensation Act (the Act)*, the Board of Directors must:

- Set and revise, as necessary, the policies of the Board of Directors, including policies respecting compensation, assessment, rehabilitation, and occupational health and safety
- Set and supervise the direction of WorkSafeBC
- Select the president of WorkSafeBC, determine the president's functions, and assess their performance
- Approve the operating and capital budgets of WorkSafeBC
- Establish policies and accounting systems to ensure adequate funding of the Accident Fund¹
- Approve major programs and expenditures of WorkSafeBC
- Approve the investment of WorkSafeBC funds in accordance with requirements imposed under the Act
- Plan for the future of WorkSafeBC
- Enact bylaws and pass resolutions for the conduct of WorkSafeBC's business and the functions of the Board of Directors, including enacting bylaws regarding the manner in which the policies of the Board of Directors are to be published
- Each year, provide the Minister Responsible for Labour with a service plan that addresses the three-year period starting on January 1 of that year and:
 - Sets out WorkSafeBC's priorities
 - Identifies specific objectives and performance measures for WorkSafeBC
 - Provides a fiscal forecast for WorkSafeBC, including a statement of all material assumptions and policy decisions underlying the forecast
 - Compares actual results with expected results identified in the previous year's service plan
 - Presents other information that WorkSafeBC considers appropriate

On or before April 30 of each year, the Board must provide the Minister Responsible for Labour an annual report of the Board's transactions during the calendar year. The report must include:

- a review of activities including financial, statistical, and performance information
- an evaluation of the occupational health and safety record of workplaces in B.C.

In addition, the Board must appoint an auditor to audit the accounts at least once each year, and establish and maintain an accounting system satisfactory to the Minister of Labour. The Board also must appoint a chief review officer and one or more officers to conduct reviews under the Act.

Priorities of the Board of Directors²



Prevent workplace injury, disease, and death



Improve return-to-work outcomes and claims service



Operate an effective and efficient business



Maintain a financially sustainable system



Adapt to social, economic, and technological change



Strengthen government and stakeholder relationships

In 2020, the
Board of Directors

held 15 meetings

Committees

Audit Committee (AC)

held 6 meetings

Governance Committee (GC)

held 2 meetings

Human Resources and Compensation Committee (HRCC)

held 2 meetings

Policy, Regulation, and Research Committee (PRRC)

held 6 meetings

Advisory committee
↓
Investment Committee (IC)

held 5 meetings



Jeff Parr, BA, MPA

Chair and public interest representative

Appointed August 2020

AC
Member

GC
Member

HRCC
Member

PRRC
Member

Jeff is a retired deputy minister with more than 25 years of experience in senior executive roles with the governments of Saskatchewan, Manitoba, and Alberta. He's led teams through the major reform of labour legislation, encompassing workers' compensation, occupational health and safety, labour relations, and employment standards statutes and regulations. Former Board of Directors chair, Manitoba Housing and Renewal Corporation; Special Operating Agency Advisory Board for the Manitoba Office of the Fire Commissioner; and president, Canadian Association of Administrators of Labour Legislation.



Anne Naser

President and chief executive officer

Ex officio member

Appointed June 2019

Anne is an established innovator and strategic leader with more than 20 years of executive leadership experience. As president and CEO, her focus is on championing health and safety, improving supports for injured workers, and ensuring the financial sustainability of the workers' compensation system. Previously she was the senior vice-president, Information Technology, British Columbia Investment Management Corporation and chief information officer, WorkSafeBC. Anne was named Canadian CIO of the year, *Computerworld*, and is a recipient of the Premier's Award for Innovation.

Terms and appointments*

Board member terms and appointments are outlined by the *Workers Compensation Act*. Each voting director holds office for up to three years and must not be appointed for a continuous period of more than six years.

The chair may hold office for up to five years and may not be appointed for a continuous period of more than 10 years.

Appointments and terms are set by the Lieutenant Governor in Council.



Appointed
December 2017



**Baltej Dhillon,
Honorary LL.D**

Law enforcement representative

Baltej is a retired member of the RCMP, has served as a police officer for more than 31 years, and has extensive investigative experience. He is the program manager, Crime Guns Intelligence and Investigative Group, Combined Forces Special Enforcement Unit of BC; former officer in charge, RCMP Operational Readiness and Response, Protective Technical Services Section; former investigator, Air India Task Force and Pickton investigations; and a recipient of the Queen Elizabeth II Golden and Diamond Jubilee Medals for community service.



Appointed
December 2019



Michelle Laurie

Worker representative

Michelle is a Red Seal certified electrician and has spent 24 years as a worker representative and advocate. She was a staff representative for United Steelworkers, and prior to that represented workers in the International Brotherhood of Electrical Workers, as president of Local 258. She has considerable board experience, having been a vice-president of the BC Federation of Labour and past chair of the boards of the Tumbler Ridge Health Care Centre, United Way of the Lower Mainland, BC Citizens for Public Power, and the Electrical Industry Training Institute.



Appointed
December 2017



Lee Loftus

Vice-chair and public interest representative

Lee has 45 years of experience in the B.C. construction sector. He has extensive governance experience as a labour leader with the BC Federation of Labour, BC Building Trades, and BC Insulators Union. He is the former governor, Board of Governors, Canadian Centre for Occupational Health and Safety; director, Canadian Standards Association, Canadian Society of Safety Engineers; and administrator, Insulation Industry Apprenticeship Board. He is active on not-for-profit boards with a focus on mental health, medical research, essential skills, climate research, and literacy. He also maintains his involvement in pension trust funds, B.C. credit unions, and local municipal commissions.



Appointed
February 2020



**Rebecca Packer, MScPT,
BCom, GCVBL**

Health care representative

Rebecca (Becky) is a registered physical therapist with a special interest in long-term care, working for Island Health in the unceded traditional territory K'ómoks First Nation on Vancouver Island. She has experience working with joint occupational health and safety and regional coordination committees with a focus on safe patient handling and the mental health of health care workers. She is a board director and secretary treasurer, Health Science Association of British Columbia.

*Board member whose term ended: Lillian White, term ended December 1, 2020.

Decisions

The Board of Directors makes decisions on policy and regulations affecting the workers and employers of British Columbia. Board decisions can affect occupational health and safety as well as the premium rates employers pay, and the level of benefits workers receive. As part of its commitment to remaining open and accountable to its stakeholders and the public, WorkSafeBC posts decisions and formal resolutions at worksafebc.com.



Appointed
September 2015

Brooks Patterson, CRSP, CDir

Occupational health and safety representative

Brooks has 24 years of experience in occupational health and safety, as well as extensive board governance experience. He is the vice-president, Health, Safety, Environment and Loss Control, NorLand Limited; secretary/treasurer, SkillPlan; member, Board of Trustees, Construction Industry Rehabilitation Plan; and past chair and current board member, BC Construction Safety Alliance.



Appointed
February 2021

Lorna Pawluk, Q.C.

Employer representative

Lorna is a lawyer with 30 years of experience in the workers compensation field. She was the appeal commissioner for the Appeal Division, Workers' Compensation Board of British Columbia (WorkSafeBC). She is an advocate on behalf of employers in health and safety, assessment, and claims matters. Previous board experience includes chair and vice chair roles at the BC Safety Authority (now Technical Safety BC), BCIT, and the College of Massage Therapists of BC.



Appointed
December 2018

Donald Smith, FCIA

Actuary

Donald (Don) has 40 years of experience providing actuarial, pension, employee benefits, compensation, and investment consulting services to public and private sector organizations and joint boards of trustees, across Canada. He is the partner at Smith Pension and Actuarial Consultants Inc.; former partner in three actuarial, compensation, and benefit consulting firms; and senior vice-president of an international human resources consulting firm. He holds an MBA in finance, completed the CFA and ICD.D programs.



Appointed
December 2017

Kay Teschke, MPH, PhD

Public interest representative

Kay has 40 years of experience in occupational and environmental health, as a professional and an academic. She is professor emeritus, School of Population and Public Health, University of British Columbia where she was a co-founder and director of the graduate program in occupational and environmental hygiene. She led research on occupation and various diseases and injuries, determinants of exposure modelling, and exposure assessment for epidemiological studies. She served on the boards of Population Data BC, the Canadian Association for Research on Work and Health, and HUB Cycling.



Outcomes in review, 2020

The Board of Directors provides and supports the strategic direction of WorkSafeBC. Included in the role of the board is setting and revising, as necessary, policies and regulations that affect compensation, assessments, rehabilitation, and occupational health and safety.



Priority: Prevent workplace injury, disease, and death

Aligned with our vision of workplaces free from injury, disease, and death, the Board of Directors reviewed and approved a number of changes to policy and regulation during the year, including the following:

B.C. exposure limits

WorkSafeBC reviews and enforces exposure limits for approximately 800 chemical substances. The purpose of establishing exposure limits is to protect workers from hazardous levels of exposure. Based on recommendations from our Exposure Limit Review Committee, the Board of Directors approved the adoption of the 2016, 2017, and 2018 new and revised American Conference of Governmental Industrial Hygienists Threshold Limit Values for 15 additional substances as B.C. exposure limits. The new exposure limits became effective January 4, 2021. These changes help protect workers from being exposed to hazardous levels of these substances.

Equipment inspection

Concrete pumps and placing booms are complex pieces of equipment commonly used in construction. Concrete placing activity requires workers to be in the area of the pump and at the discharge end of a placing boom. Any component failure could pose a high risk of serious injury to workers who are working with, or in the vicinity of, the equipment.

In March 2020, the Board of Directors approved amendments to the Occupational Health and Safety Regulation specifying that a person with appropriate qualifications is to conduct periodic inspections of concrete pumps and placing booms. The amendments also ensure that a professional engineer reviews the results of those inspections and, if appropriate, certifies the concrete pump and placing boom as safe for use.



Priority: Improve return-to-work outcomes and claims services

When work-related injuries and illnesses occur, we support injured workers through compensation and rehabilitation, facilitating their recovery and safe, durable return to work. The Board of Directors sets policy on how we fulfill these objectives. Policy guides decision makers in the application of the *Workers Compensation Act* (the Act) and related regulations, which form the legal framework for the workers' compensation system in B.C.

Legislative changes effective in 2020 affected many aspects of this foundational legislation, requiring extensive amendments to policy.

Statute revision

In April 2020, the *Workers Compensation Act*, R.S.B.C. 2019, c.1, became effective as part of the Province's standard statute revision process. The revised statute modernized the language of the Act and resulted in renumbering and terminology changes; these amendments were not intended to change the legal effect.

Ensuring that policy and other documentation reflected these changes was a significant undertaking, requiring extensive rewrites of all three policy manuals — the *Rehabilitation Services and Claims Manual*, Volume II, the *Prevention Manual*, and the *Assessment Manual*; consequential amendments to the Occupational Health and Safety Regulation and other regulations; and updates to forms and documents used throughout the organization to ensure consistency with the revised Act.

COVID-19 response

As the world worked to adjust to the effects of the global COVID-19 pandemic, on July 22, 2020, the Board of Directors approved amendments to Schedule 1 of the Act related to COVID-19 exposure. These changes addressed the possibility of workers being exposed to COVID-19 in the course of their employment. Following an expedited analysis, a presumption for infections caused by communicable viral pathogens (including COVID-19), which are the subject of a B.C.-specific emergency declaration or notice, was added to Schedule 1 and became effective on August 20, 2020.

These changes mean that where a worker contracts COVID-19, for the purpose of making a claim for compensation they are presumed to have contracted it in the course of their employment, provided certain conditions are met.

Bill 23 amendments

Further legislative amendments were made in August 2020, when the *Workers Compensation Amendment Act, 2020* (Bill 23) was passed. Many of these changes were substantive in nature. Thirty-two of the 34 legislative amendments became effective in August on royal assent, while two others relating to permanent partial disability and retirement age determinations became effective on January 1, 2021.

To ensure alignment with the amended Act, policy changes related to compensation, rehabilitation, assessment, and prevention were required.

At the October 2020 meeting, our Board of Directors approved changes to 45 policies in the *Rehabilitation Services and Claims Manual*, Volume II, the *Assessment Manual*, and the *Prevention Manual*, to ensure that policy is consistent with the 32 amendments that were effective August 14, 2020.

The Bill 23 amendments address issues related to:

- Occupational health and safety investigations and convictions
- Workers' compensation benefits
- Collection of unpaid assessments
- Powers of WorkSafeBC's Review Division

The remaining two legislative amendments became effective on January 1, 2021:

- **Permanent partial disability:** In November 2020, the Board of Directors approved changes to 37 policies in the *Rehabilitation Services and Claims Manual*, Volume II, and the *Assessment Manual* to ensure that policy is consistent with the Bill 23 amendments regarding permanent partial disability benefits, and to make various housekeeping changes. Under the Act, there are two methods of calculating a worker's permanent partial disability benefits: the loss of earnings method, and the loss of function method. These changes entitle a worker with a permanent partial disability to have their benefits assessed using both methods. The amount of a worker's permanent partial disability benefits will be based on whichever method results in a greater amount of compensation.
- **Retirement age determination:** At their December 2020 meeting, the Board of Directors approved changes to three policies in the *Rehabilitation Services and Claims Manual*, Volume II, to ensure that policy is consistent with the Bill 23 amendments regarding retirement age determinations. As a result of these changes, WorkSafeBC is able to wait until after a worker is 63 years of age to make the worker's retirement age determination and may consider the worker's circumstances at the time of that determination.

Due to the abridged timeline and to ensure that policy is consistent with the Act when the amendments on these issues became effective, the Board of Directors approved policy changes prior to stakeholder consultation being held.

However, these issues were posted for stakeholder review and comment from January 2021 to April 16, 2021, to ensure that stakeholder feedback was considered and incorporated in decisions as to whether further revisions to policy should be made.



Priority: Maintain a financially sustainable system

As an insurer, we are responsible for ensuring that there are sufficient funds to meet current and future claim costs for injured workers, while providing a fair funding mechanism that limits rate volatility for employers.

In October 2020, the Board of Directors approved the average base premium rate for 2021. The rate was set at 1.55 percent of employers' assessable payroll, which has been maintained at the same level since 2018.

In November 2020, the Capital Adequacy Reserve (CAR) policy was updated. This policy provides for an increased contribution limit to the CAR, up to the target level of 130 percent of total liabilities on a smoothed accounting basis. This change provides a mechanism to fully fund the CAR.



Priority: Adapt to social, economic, and technological change

Research Services

Our research grants program provides funding for occupational health and safety and work disability research, and the transfer of research knowledge and insights for policy and practice initiatives and changes.

In 2020, we provided \$1.5 million for research focused on relevant issues, such as COVID-19, and ongoing priorities, including developing sampling methods to assess occupational disease exposure; addressing psychological injury; addressing experiences of vulnerable worker populations; and developing innovative tools to assist employers, workers, and workplaces. Funded projects include:

- Developing new analytical methodologies and sampling techniques to ensure that chemical exposures are within the threshold limit values established by the American Conference of Governmental Industrial Hygienists
- Investigating a software tool to assist Canadian small- to medium-sized workplaces in undertaking risk assessments and establishing control measures for chemical and hazardous products
- Piloting a work-related stress and burnout intervention for workers in long-term care centres
- Investigating how shift work affects the aging nursing population by comparing physiological and cognitive responses to shift work in pre- and post-menopausal nurses
- Developing a new sensing device for prevention and management of pressure ulcers in immobile workers



In addition, we are continuing our work with researchers at the University of British Columbia through a unique research collaboration, *Partnership for Work, Health and Safety*. Through this partnership, we work with UBC researchers to identify current and emerging issues relating to occupational health and safety, and work-related disability. In 2020, these researchers conducted work on timely and relevant issues, including workplace transmission of COVID-19 and gender/sex analyses of risk compensation for certain compensable conditions.



Priority: Strengthen government and stakeholder relationships

Stakeholder feedback is an important part of developing policy and regulation. A robust stakeholder consultation process ensures that the Board of Directors considers the real-world experiences of workers and employers in making decisions. Engaging our stakeholders early in the process ensures that this feedback informs project direction from the outset, improving the quality of policy and regulation outcomes.

Policy and Practice Consultative Committee

The Policy and Practice Consultative Committee (PPCC) is a key forum for stakeholder input and advice and plays a significant role in the policy and regulation development process. The PPCC is composed of representatives from WorkSafeBC and the employer and worker communities, and provides input and advice on the stakeholder consultation process, assists in identifying issues, and provides stakeholder perspectives on priority issues. PPCC also receives updates on key initiatives on behalf of their communities.

Stakeholder consultation

We conduct extensive stakeholder consultation on policy and regulation changes above and beyond any statutory obligation to do so. While the Act requires a minimum of one public hearing to amend the Occupational Health and Safety Regulation, there are no consultation requirements to revise policy. In addition to playing a key role in developing policy and regulation outcomes, all stakeholder feedback from consultations and public hearings is reviewed and considered by the Board of Directors and informs an important part of their decision-making when determining whether to approve proposed changes.

Historically, stakeholder feedback sessions were held in person. Since in-person sessions could not be held in 2020 because of the COVID-19 pandemic, we used technology platforms to connect and engage with stakeholders and maintain momentum on policy and regulation projects.

- **Issue identification sessions:** These sessions provide an opportunity for staff to meet with stakeholders to identify and discuss issues before drafting policy or regulation changes. In 2020, one issue identification session was held in relation to a review of policy on chronic pain.
- **Pre-consultation sessions:** Pre-consultation sessions provide stakeholders with an opportunity to identify potential issues with proposed amendments before these are released for public consultation. In 2020, we held 15 pre-consultation sessions on a variety of policy and regulation projects.
- **Public consultations:** Public consultations continued throughout the year, with 17 consultations being held.
- **Public hearings:** Public hearings also moved online, and virtual public hearings were held on six regulation projects in December 2020. These hearings were seen by more than 240 viewers from Canada, the United States, and Germany, with an average viewing time of 1.5 hours.

We also publicized our consultations and public hearing sessions through social media, increasing our stakeholder engagement. In 2020, we received 953 feedback submissions from stakeholders, compared with 330 in 2019.

Accountability

This *2020 Annual Report and 2021–2023 Service Plan* was prepared under our direction in accordance with the *Workers Compensation Act*. WorkSafeBC is accountable for the results achieved, selection of performance indicators, and reporting of performance.

The information contained in this document reflects WorkSafeBC's actual performance for the 12 months beginning January 1, 2020, and ending December 31, 2020. All material fiscal assumptions and policy decisions up to April 27, 2021, have been considered in developing this publication.

This annual report and service plan presents a comprehensive picture of our actual performance against targets set in the *2019 Annual Report and 2020–2022 Service Plan*. It also includes estimates and significant interpretive information representing the best judgment of WorkSafeBC management. The indicators reported are consistent with the organization's mission, goals, and objectives, and focus on aspects critical to understanding WorkSafeBC's performance. We are responsible for ensuring that WorkSafeBC's performance information is measured accurately and in a timely manner.

Any significant limitations in performance data reliability have been identified and explained. This report and service plan has been prepared in accordance with *Performance Reporting Principles for the British Columbia Public Sector*³ and the *BC Government Guidelines for Service Plan Reporting*, and is intended for a general audience. More detailed information about WorkSafeBC is available at [worksafebc.com](https://www.worksafebc.com).

On behalf of the Board of Directors and management of WorkSafeBC,



Jeff Parr

Chair, Board of Directors
WorkSafeBC



Anne Naser

President and Chief Executive Officer
WorkSafeBC

Financial context

This annual report and service plan provides financial information that conforms to the audited consolidated financial statements, except for additional financial information noted as being based on the smoothed accounting⁴ approach.

In accordance with International Financial Reporting Standards (IFRS), WorkSafeBC's consolidated financial statements reflect the market value of investments and fair value of post-employment employee benefit plan assets and liabilities at the end of the reporting year (fair value accounting). The statements provide a point-in-time valuation of financial assets and liabilities. Short-term financial market fluctuations are reflected.

For the purposes of setting premium rates and the required funding level (see key performance indicator 8, page 70), however, a smoothed accounting approach is used. Under this approach, investment income in excess of the required rate of return and actuarial gains or losses relating to our employee benefit plan assets and liabilities are amortized over a five-year period, moderating the effect of capital market volatility on financial results. This approach also enables us to maintain premium rate stability for employers and benefit sustainability for injured workers and their dependants.

A 10-year summary table (unaudited), prepared using the smoothed accounting approach, is available at worksafebc.com/annualreport.

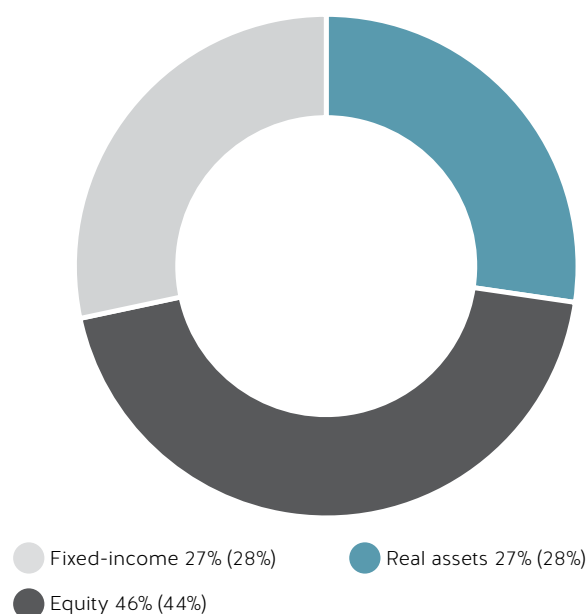
Prudent investment promotes sustainability

A priority for WorkSafeBC is to ensure the long-term financial sustainability of the workers' compensation system in B.C. We achieve this by collecting assessments (premiums) from active employers to cover present and anticipated future costs arising from an injury in a given year, as stipulated by the *Workers Compensation Act*.

WorkSafeBC also seeks to promote the sustainability of the workers' compensation system through prudent investment of the Accident Fund.⁵ The primary determinant of the Accident Fund's risk and expected return is the asset mix of its investment portfolio. The portfolio is diversified, with a long-term objective of earning a return sufficient to cover claim liabilities; this is determined by our Board of Directors with the advice of the Investment Committee. On December 31, 2020, the Investment Committee was made up of two independent external members and WorkSafeBC's president and chief executive officer, chief financial officer, and Audit Committee chair. As of February 1, 2021, two additional external members were added.

The Board of Directors regularly reviews and updates a statement of investment policies and goals for the investment portfolio. One of the objectives of this document is to set out an asset allocation policy to guide investment strategies. See the Management Discussion and Analysis section on page 94 for further information on the investment portfolio asset allocation.

Portfolio investments asset allocation 2020 (2019)



Funding policy offers protection

We manage our funding level to provide security for workers and reduce premium rate volatility for employers. The valuation of both our assets and our liabilities is subject to variability due to financial market volatility, demographic changes, and potential changes in policies or other environmental factors,⁶ including disruptions like the global COVID-19 pandemic in 2020.

To ensure we maintain an adequate margin of assets over liabilities, our Board of Directors sets the target funding level at no less than 130 percent. The funding level is the ratio of assets over liabilities, on a smoothed accounting basis. At the end of 2020, this indicator was 153 percent (2019: 152 percent). See key performance indicator 8, page 70.

The Association of Workers' Compensation Boards of Canada reports a comparative indicator of financial strength using the funding level based on fair value accounting (see aoc.awcbs.org). On December 31, 2020, WorkSafeBC's fair value-basis funding level was 161 percent (2019: 155 percent).

Our performance





Smit Nursery agricultural workers harvesting crops in one of the greenhouses.



Independent practitioner's reasonable assurance report on WorkSafeBC's Annual Report and Service Plan

To the Directors of WorkSafeBC

We have undertaken a reasonable assurance engagement on whether the 2020 Annual Report and Service Plan (together the Annual Report) of the Workers' Compensation Board of British Columbia (WorkSafeBC) for the year ended December 31, 2020 has been prepared in accordance with the eight principles established in the Performance Reporting Principles for the British Columbia public sector (the criteria) as detailed in exhibit 1.

Management's responsibility

Management is responsible for preparation of the Annual Report in accordance with the criteria, which was endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts in 2003 for use by public sector organizations in British Columbia. Management is also responsible for such internal control as management determines necessary to enable the preparation of the Annual Report that is free from material misstatement.

Our responsibility

Our responsibility is to express a reasonable assurance opinion on the Annual Report based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audit or Reviews of Historical Financial Information*.

This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Annual Report is free from material misstatement.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatements, whether due to fraud or error, and involves examining evidence about management's preparation of the Annual Report in accordance with the criteria.

Our reasonable assurance procedures included, but were not limited to the following:

- Making enquiries of management and senior executives to obtain an understanding of management's process for initiating, recording and approving journal entries and manual adjustments for KPI reporting.
- Evaluation of the design of controls and implementation of WorkSafeBC's Key Performance Indicators (KPIs) results.
- Performed analytical procedures and trend analysis of reported data for the reported KPIs;
- Recalculation of the KPIs; and
- Corroborate consistency in reviewing narrative description throughout the Annual Report.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting

PricewaterhouseCoopers LLP

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bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matters

As called for by the reporting principles, the annual report contains a number of representations from management concerning the appropriateness of the goals, objectives, and targets established by WorkSafeBC, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of management and inherently cannot be subject to independent verification. Therefore, our reasonable assurance engagement was limited to assessing whether the annual report contains those representations called for by the reporting principles and, where the information was derived from the WorkSafeBC consolidated financial statements, we conducted procedures to assess whether the information was consistent with the consolidated financial statements.

A separate audit, to determine if WorkSafeBC's consolidated financial statements for the year ended December 31, 2020 (the financial statements) have been prepared and reported in accordance with International Financial Reporting Standards, was also conducted. This report does not address WorkSafeBC's consolidated financial statements.

Opinion

In our opinion, WorkSafeBC's Annual Report during the year ended December 31, 2020 has been prepared, in all material respects, in accordance with the criteria.

Purpose of statement and restriction on use of our report

Our reasonable assurance report has been prepared to report to the directors and management of WorkSafeBC to assist in determining whether WorkSafeBC has complied with the Reporting Principles. As a result, our reasonable assurance report may not be suitable for another purpose. Our report is intended solely for the use of WorkSafeBC. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, BC
April 28, 2021

Exhibit 1 – Criteria

Principle 1 – Explain the Public Purpose Served

The report explains WorkSafeBC's public purpose, enabling legislation, and mission. Core business areas, services, clients, and stakeholders are described, as is the role of partners. The report explains WorkSafeBC's governance structure and external accountabilities.

Principle 2 – Link Goals and Results

The report explains the performance indicators against the goals, priorities, and strategic initiatives. The relevance of these indicators is explained in the context of WorkSafeBC's priorities and strategic initiatives, and in relation to issues of concern to an external audience (the public and legislators). Performance measurement focuses on outcomes in the short and long term, explaining how short-term achievements impact long-term results. Variances between planned and actual results are explained and related to expectations and plans for the future.

Principle 3 – Focus on the Few, Critical Aspects of Performance

The report states why the priorities, strategic initiatives and 10 key performance indicators are important to WorkSafeBC and to an external reader. The performance information provides a clear performance story. Key results are clear and apparent.

Principle 4 – Relate Results to Risk and Capacity

The report summarizes key risks and capacity issues in relation to each key performance indicator, their impact on results, and strategies for dealing with them in the future. Issues related to organization-wide financial, infrastructure and technology risks and capacity are discussed separately.

Principle 5 – Link Resources, Strategies and Results

Revenue and expense variances are described as part of management's commentary on the financial statements. Costs are related to key business activities and goals. Planned and actual amounts are provided for key revenue and expense items. Critical measures of efficiency are identified; administrative efficiency is the focus of one key performance indicator, and operational financial performance is the focus of another.

Principle 6 – Provide Comparative Information

Actual performance is clearly reported in relation to the service plan. Current performance is graphically related to historic trends and related to relevant industry benchmarks. Inconsistencies in trend data are fully explained, and future performance targets are explained in the context of current performance.

Principle 7 – Present Credible Information, Fairly Interpreted

We are providing a reasonable level of assurance that the data supporting the 10 key performance indicators is reliable. Systems to compile performance indicator data have been established and documented, although we do not provide assurance on the effectiveness of the control environment. The report is reasonably concise and specialised terminology has been largely avoided.

Principle 8 – Disclose the Basis for Key Reporting Judgments

The report provides explanations for how performance indicators are derived and the period to which data relates. WorkSafeBC's Chair and Chief Executive Officer have affirmed their ownership of the report, and their responsibility for ensuring the accuracy and timeliness of performance information. The report explains the importance and relevance of the priorities and strategic initiatives, and it discusses how targets are selected.

Our performance

Measuring our performance

Our five-year strategic plan, *A Safe and Healthy Future for B.C. Workplaces*, outlines WorkSafeBC's strategic priorities for 2018–2022 (see page 36), as established by our Board of Directors. We use a set of key performance indicators (KPIs) to track and benchmark our progress in meeting these strategic priorities. Reporting the results of our performance in this annual report also enables us to remain open and accountable to British Columbians.

By looking at both financial and performance-based indicators, we gain a more complete picture of our performance overall. Throughout the year we monitor and assess each KPI, tracking our progress against our performance targets. These indicators are updated monthly or quarterly, allowing us to adapt to changes and — when necessary — make corrective policy, program, or operational adjustments.

Consistency in measurement

Though some definitions and calculations have changed over time, nine of the 10 KPIs have been used since 2011. The exception is KPI 8: Maintain a smoothed funded level of no less than 130 percent (last revised in 2017). If an indicator changes after the annual report and service plan has been submitted to the Minister Responsible for Labour, the change is detailed in the following year's report.

Linking priorities and performance

The strategic plan outlines the organization's strategic priorities for 2018–2022. The plan also identifies the 10 KPIs we use to measure our performance and helps align resources with established priorities. The table on pages 38–39 details the linkages between the KPIs and the priorities and initiatives in the strategic plan.

Target setting

In setting long-term targets, WorkSafeBC looks to maintain or improve performance. In some cases, however, targets we set for future years may be the same as or less favourable than levels achieved the previous year. This can happen when factors contributing to past performance have changed. We consider desired service levels, operational requirements, and resources available for achieving short- and long-term goals. We also look at environmental, economic, and other external factors, such as the impact of the global COVID-19 pandemic. All of these factors may affect performance, as well as our capacity to manage or control them through processes, programs, and initiatives.

Forward-looking information

This annual report and service plan contains forward-looking information — including forecasting our anticipated performance. These projections and statements are subject to risks and uncertainties that may cause actual results to differ from those outlined. The Management Discussion and Analysis section (see page 101) includes a discussion of key strategic, financial, and operational risk factors affecting current and future performance.

Ensuring data reliability

In addition to the yearly audit of our consolidated financial statements, our annual report is audited with the intention of verifying the accuracy of our results. For more information on the auditor's report, see pages 24–26.

Comparing results over time

Each key performance indicator reported in this publication includes a comparison with past results. To gain a better understanding of annual results, several factors should be considered. They include legislative changes or changes to the provincial employment base, and the overall business environment, which could also include process or organizational changes. For this report, KPI results for 2016–2020 and targets for 2020–2023 are provided.

COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the outbreak and spread of COVID-19. In 2020, federal and provincial government-mandated restrictions to manage the spread of COVID-19 resulted in economic disruptions, and equity markets experienced significant downturns earlier in the year, later rebounding. The impacts on our performance are discussed throughout the annual report, including within each KPI, the Management Discussion and Analysis, and the notes to our consolidated financial statements.

Future impacts on our performance outcomes may lie in the continued management of the COVID-19 pandemic and could extend beyond 2021.

Comparing results with other workers' compensation organizations

Canadian workers' compensation organizations each use different approaches to measure performance; these variations allow for differing legal requirements, policies, goals, governing structures, and operating procedures. However, these variations can also make it difficult to compare results from one jurisdiction to another or to discern national trends. The Association of Workers' Compensation Boards of Canada (AWCBC) annually compiles and publishes a set of unaudited key statistical measures (KSMs).⁷ The KSMs include injury frequency, return-to-work statistics, and financial measures for all Canadian workers' compensation organizations — including WorkSafeBC. When comparing provincial or territorial data, it is important to note that the KSMs published by the AWCBC are not adjusted for jurisdictional differences in the collected data.

Service plan reporting

As outlined in the *Workers Compensation Act*, we must provide the Minister Responsible for Labour with an annual service plan on or before April 30 each year. The service plan must address the three-year period starting January 1 of that year and it must:

- Set out the priorities of the Board of Directors (page 36)
- Identify specific objectives and performance measures, including:
 - Performance targets for the next three years (pages 38–39)
 - A fiscal forecast (page 70)
 - Comparison of actual results with targets identified in the previous years' service plans (pages 38–39)

Together with our annual reporting requirements, including outlining our performance from the last calendar year, we create a combined publication.



Many workers moved to work from home during the pandemic. We created resources to support healthy and safe home-based workspaces.

COVID-19: Our response

On March 17, 2020, novel coronavirus disease, COVID-19, was declared a public health emergency, resulting in significant changes in the day-to-day lives of workers and employers in B.C. Declared by the Province as an essential service, we began developing and providing workplace health and safety information to help slow the spread of COVID-19 in B.C.'s workplaces.

Collaboration with health agencies

To safeguard worker and public health through clear and consistent messaging, we worked with the Office of the Provincial Health Officer, the BC Centre for Disease Control, Public Health, and regional health authorities. This collaborative effort included establishing a strategic working group to guide approaches for a coordinated response to the pandemic. This, coupled with a safer operations working group, we were able to identify and resolve key issues as we learned more about COVID-19.

As part of our efforts, we worked with the regional health authorities to create a framework for addressing employer safety plans, workplace complaints, inspections, and our coordinated response to workplace exposure incidents.

Working with the health authorities, we were able to identify sectors at greater risk for exposure to COVID-19, and document workplace clusters and outbreaks. This supported the development of our inspection strategies for these sectors.

Prevention in the workplace

To help employers protect workers and limit the spread of COVID-19, we increased consultations and inspections to ensure employers were, and continue to be, appropriately managing the risk of COVID-19 transmission.



All employers need an up-to-date COVID-19 safety plan. The COVID-19 Safety Plan app lets employers create and update their plan directly on their mobile device.

Support for workers and employers

Over the course of the year, we developed protocols and resources to support employers and workers during the pandemic. Resources were created after extensive consultation with more than 200 employers, the BC Centre for Disease Control, Public Health, industry and health and safety associations, and labour organizations allowing us to provide sector-specific support.

Public information campaign

In May 2020, we launched a multi-language and multi-phase public awareness campaign across a number of channels. The campaign supported ongoing prevention efforts with a message that safe and healthy workplaces support a safe and healthy province. As the pandemic evolved and we entered the second wave, in November a second awareness campaign ran in Cantonese, Mandarin, and Punjabi. And our public awareness messaging continued as the pandemic extended into 2021. For more information, see page 67.

Resources and information

As public health orders were implemented and updated, we created a COVID-19 safety plan framework for employers. This six-step tool helps employers develop a comprehensive plan to reduce the spread of COVID-19 in the workplace. In addition to the safety plan, we developed more than 20 different resources on topics ranging from effective cleaning and disinfecting practices to guidelines for mask use. Resources included downloadable information sheets, checklists, occupancy limit signage, and entry check posters and were available in 17 different languages. They have been viewed 1.18 million times through our website.

The COVID-19 safety plan, which was mandated as part of a public health order, was made available as an app through the Apple App Store and Google Play.

Health and safety information

Workers and employers can use our Prevention Information Line to contact us directly and speak with a prevention officer. They can ask questions about COVID-19 and workplace risks.

Stakeholder engagement

COVID-19 specific content was created with input from industry to help employers and workers understand the implications of COVID-19 prevention measures specific to their workplaces.

We also engaged with industry and health and safety associations and labour organizations to provide information and answer industry-specific questions. This included holding a series of virtual town hall sessions with more than 100 stakeholder groups.

More than

96%

of surveyed employers and workers found WorkSafeBC's COVID-19 information, tools, and resources helpful



Our COVID-19 resources were viewed more than

1.18 million
times



The Prevention Information Line received more than

26,000

calls relating to COVID-19



Consultation and inspections

Through workplace consultations and inspections, prevention officers have the opportunity to engage with B.C. employers and provide on-site support. Prevention officers conducted more than 16,000 workplace inspections to review employers' COVID-19 safety plans and assess the effectiveness of protocols aimed at keeping workers safe.

In November, 2020 we increased our enforcement and consultation efforts, targeting initiatives where the risk of COVID-19 transmission was deemed greatest. This included following up with workplaces in which health authorities identified clusters or outbreaks and where claims had been registered with us.

We also conducted joint inspections in a number of sectors with health authority environmental officers, ensuring that our inspection approaches were aligned.

Support for injured workers

In July, 2020 the Board of Directors approved amendments to Schedule 1 of the *Workers Compensation Act* relating to exposure to COVID-19. This amendment provided a presumption for infections caused by communicable viral pathogens (including COVID-19), that are the subject of a B.C.-specific emergency declaration or notice.

These changes mean that workers can file a claim for compensation relating to contracting COVID-19 through a workplace exposure. For the purpose of making a claim for compensation, workers are presumed to have contracted the disease in the course of their employment, provided certain conditions are met. Claims for exposure where the worker never developed the illness are not accepted. Workers with an accepted COVID-19 claim are eligible to receive the same range of compensation benefits and services provided to any other injured worker.

Financial support for employers

Recognizing the challenges faced by B.C. employers as a result of the measures taken to slow the spread of COVID-19, we implemented programs to support them:

- **Deferred premium payments**

Employers could elect to defer their second- and third-quarter premium payments until October 2020, deferring payments for up to six months without penalty or interest charges.

- **Waived premiums for furloughed workers**

For employers receiving the Canada Emergency Wage Subsidy (CEWS), we waived premiums payable on furloughed workers' wages. This change was effective March 15, 2020, and will continue for the duration of the federal government's CEWS program.

Prevention officers completed more than

25,300

COVID-19-related workplace consultations and inspections



More than

1,185

COVID-19-related claims have been accepted



The Health Care and Social Services sector accounted for

73%

of all COVID-19-related claims





Langley Farm Market manager, Terry Fan reviewing COVID-19 health and safety processes with WorkSafeBC occupational safety officer, Peter Graveson.

Linking priorities and performance





1 Fish 2 Fish Fresh Seafood Market owner, Heather Jenkins and her staff have been doing their part during the COVID-19 pandemic.

Linking priorities and performance

Our annual report and service plan details our performance as guided by our 2018–2022 strategic plan, *A Safe and Healthy Future for B.C. Workplaces*. Our values and priorities are outlined in the following pages and linked to key areas of performance.

We are committed to tracking, measuring, and reporting on our strategic priorities through our key performance indicators (KPIs). These measures help benchmark and track our progress, while aligning our resources and efforts to our strategic plan.

Our strategies and initiatives

To ensure that our efforts and resources are focused and aligned with our established priorities, we have identified a number of strategic initiatives to further contribute to making workplaces healthy and safe while serving the workers and employers of B.C. Our strategic initiatives continue to evolve to meet new and emerging challenges in B.C.'s workplaces and to continue meeting the needs of our stakeholders. Work on our current strategies and initiatives is detailed under each KPI.

Our values

As an organization and as individuals, we make decisions and take action based on these values:

Service — Make a difference to the people of British Columbia

Integrity — Do the right thing

Partnership and Collaboration — Collaborate for success

Innovation — Adapt to change and challenge complacency

Accountability — Be open and transparent

Our priorities



Prevent workplace injury, disease, and death



Improve return-to-work and claims service



Operate an effective and efficient business



Maintain a financially sustainable system



Adapt to social, economic, and technological change



Strengthen government and stakeholder relationships



Hand faller, Jim Carr preparing tools to fall trees in Clearwater, B.C.

Measuring performance

Key performance indicators (KPIs)



Prevention KPI



- Provincial injury rate



Return-to-work and service KPIs



- Return-to-work percentage at 26 weeks
- Vocational rehabilitation return to work
- Short-term disability timeliness
- Overall experience — worker
- Overall experience — employer
- Overturn rates — Review Division and WCAT



Effectiveness and efficiency KPIs



- Target funding level
- Administration costs per \$100



Financial KPI



- Target funding level



Transformational KPI



- Contributes to all KPIs



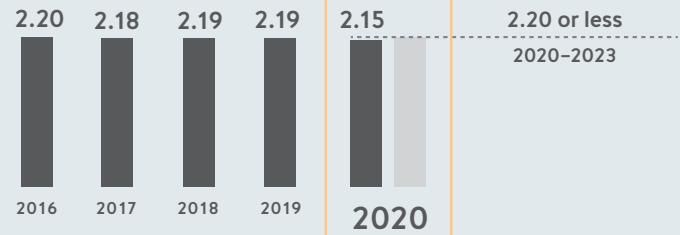
Relationship KPIs



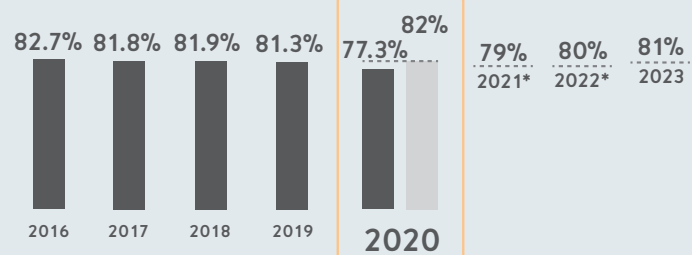
- Provincial injury rate
- Overall experience — employer
- Public Contribution Index

Performance targets and results at a glance

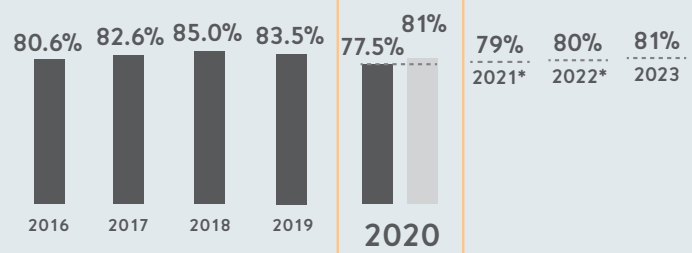
1 Reduce the provincial injury rate



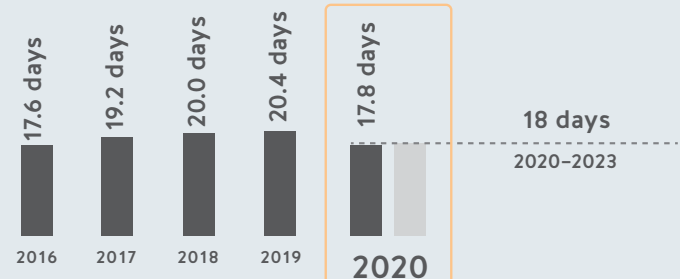
2 Improve return-to-work



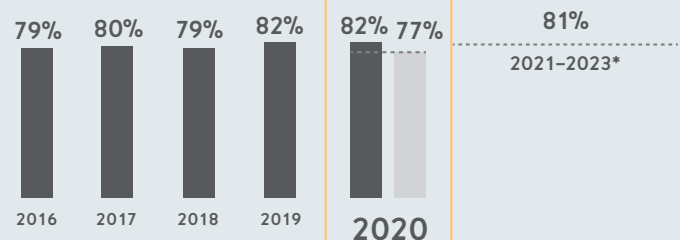
3 Improve return-to-work outcomes for workers in vocational rehabilitation



4 Improve timeliness of initial short-term disability payments



5 Improve injured workers' rating of overall experience

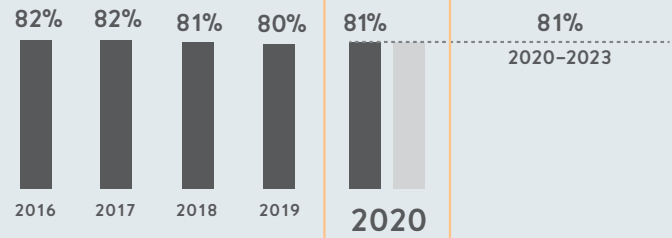


*Targets for 2021 and 2022 have been adjusted from those published in the 2019 Annual Report and 2020-2022 Service Plan.

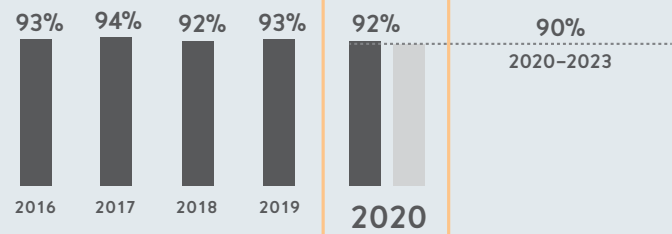
Key performance indicators

Actual Target Future year targets

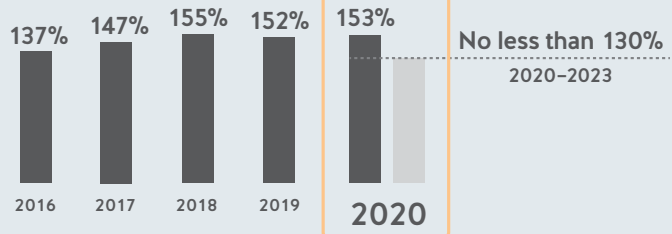
6 Improve employers' rating of overall experience



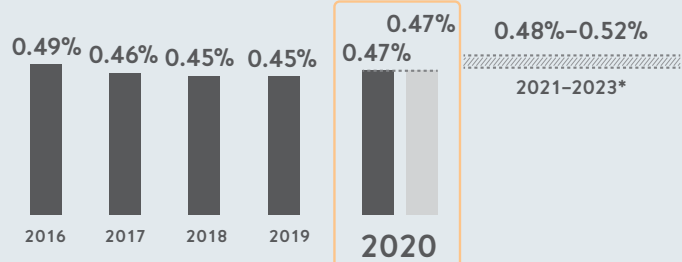
7 Raise public confidence



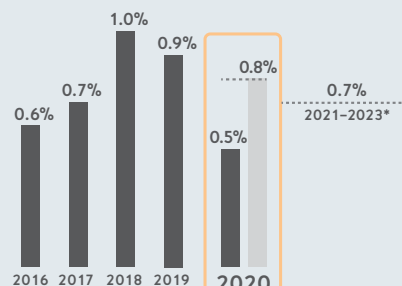
8 Maintain a smoothed funded level of no less than 130 percent



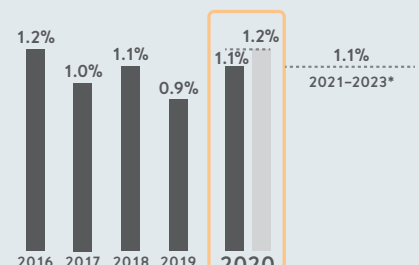
9 Control administration costs



10 Improve decision making throughout WorkSafeBC, ensuring consistency with legislation and policy



Review Division



Workers' Compensation Appeal Tribunal (WCAT)

Key performance indicators



Redlen Technologies production technician, Marilyn Macaia demonstrates the new cleaning process for radiation sensors.

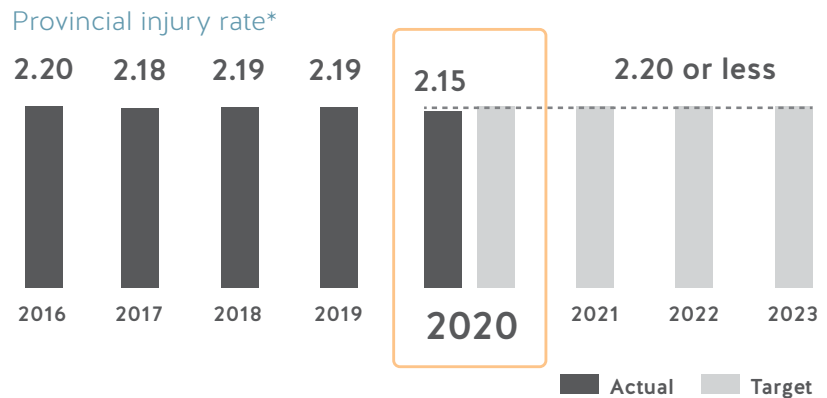




Key performance indicator 1:

Reduce the provincial injury rate

The provincial injury rate target is a threshold measure; the lower the result, the better the outcome for B.C.'s workers, employers, and other stakeholders in the workers' compensation system.



*The provincial injury rate for 2020 is preliminary and subject to change. The injury rate is finalized in July each year; prior-year results are restated, if necessary, to reflect final figures. The 2019 injury rate has been restated from what was published in the 2019 Annual Report and 2020–2022 Service Plan.

Importance

Our vision is to prevent workplace injury, disease, and death for workers in British Columbia. One indicator of our collective workplace health and safety efforts is through the provincial injury rate⁸ — a measurement to calculate the frequency of worker injury in the province.

This key performance indicator (KPI) represents injuries⁹ in all employment sectors within our jurisdiction. Variables such as economic activity, industry practices and mix, and the injury risk in each sector are all contributing factors to the provincial injury rate. The KPI does not directly reflect the impact or severity of injuries on workers, or measure workplace health and safety culture, prevention outreach, and other variables that affect the overall health and safety of B.C.'s workplaces.

Our prevention efforts aim to further workplace health and safety by directing resources to employers, workers, industries, sectors, and activities that present the greatest risk or frequency of injury or disease. We create strategies and initiatives to support sustained compliance, while engaging the health and safety community in risk reduction through improved risk management in their workplaces.

Setting targets

Since the provincial injury rate measure is affected by various factors, including increased employment in high-risk or emerging industries and overall provincial employment growth or decline, we set the targets for this KPI as a threshold measure; strategies are targeted to keep the result at or below the threshold. The intended result requires focused attention and the collective efforts of all stakeholders in workplace health and safety.

To determine target thresholds, we review injury rates by sector, estimate the impact that active strategies and initiatives may have on the provincial injury rate in future years, and balance the targets against historical trends and forecasts for provincial employment. Early in 2020, when we were in the beginning stages of the global COVID-19 pandemic, the possible impact of the pandemic on the provincial injury rate was unknown. As we move into 2021 and the beginning of economic recovery, we have maintained an injury rate threshold target of 2.20 for 2021 through 2023, with the expectation that registered claims volume will normalize during this period.



Our response to COVID-19

Before the World Health Organization declared COVID-19 a global pandemic, in March 2020, our Risk Analysis Unit had identified COVID-19 as an emerging risk. In January, the unit activated our pandemic preparedness team, which involved preparing the initial strategic messaging to stakeholders, and preparing our prevention officers for what might be coming.

Throughout the pandemic, we have engaged with provincial and municipal governments, the Provincial Health Officer, and public health agencies to ensure that strategies, protocols, and interpretations of guidelines are aligned, and that robust communications between agencies is in place. This collaboration has been a cross-jurisdictional effort and has strengthened the collective response to preventing the spread of COVID-19 across the province.

For a more in-depth look at how our prevention officers and many others at WorkSafeBC have worked to support workers and employers during the pandemic, see page 30.

Performance results

In 2020, the provincial injury rate was 2.15¹⁰ — 2.07 percent lower than the 2019 rate. This decrease in the injury rate was primarily driven by a decrease in the number of time-loss claims, which was greater than the decrease in the number of people working in the province. This result provides a clear example of how the employment base and the number of accepted time-loss claims drive the provincial injury rate.



The number of time-loss claims decreased by 9.20 percent in 2020. While this drop was driven in part by the response to the COVID-19 pandemic, as businesses adapted operations and worker capacity, it is uncertain whether this decrease will continue into 2021, further impacting the provincial injury rate. However, we do not anticipate that the effects of the pandemic will permanently impact the injury rate.

In 2020, measures to slow the spread of COVID-19 significantly impacted the accommodation, food, and leisure services sector, which saw a decrease of 39 percent in time-loss claims. While all other industry sectors also had decreases in claims, the health care and social services sector experienced a 12 percent increase in time-loss claims over 2019. This increase was attributed to the pandemic, which created a greater demand for health care services.

As the effects of the pandemic diminish, we anticipate that the provincial injury rate will return to pre-pandemic levels.

Industry sector

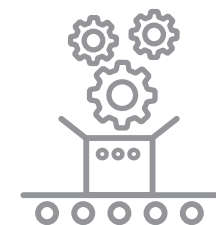
In 2020, measures to slow the spread of COVID-19 significantly affected some industry sectors, reducing the number of time-loss claims accepted during the year.



-39% Accommodation, Food, and Leisure Services



-18% Forestry



-13% Manufacturing



-9% Retail and Wholesale



-9% Construction



-8% Transportation and Warehousing

Impact of serious injuries and work-related deaths

Given the life-changing consequences for workers and their families when serious injuries and work-related deaths occur, we focus specifically on preventing serious injuries by targeting those industries and risks most likely to result in serious harm. It is difficult to directly correlate the success of our strategies with a quantifiable or measurable improvement in the serious injury measure. However, we believe that our programs and strategies positively influence the provincial injury rate and support healthy and safe B.C. workplaces over the long term.

To calculate the serious injury rate, we track claims¹¹ meeting the criteria for injuries and diseases classified¹² as serious or potentially serious with a long recovery period.¹³

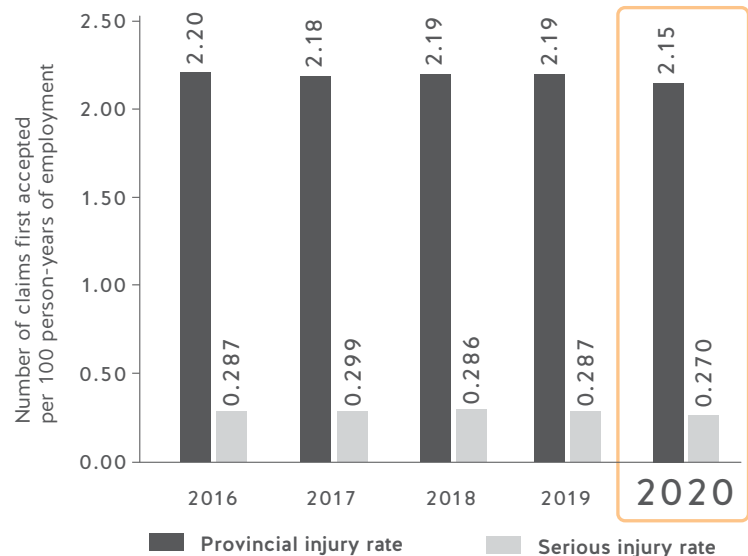
As a subset of the provincial injury rate, the serious injury measure also includes work-related deaths occurring during the reporting year. On average, serious injuries impact the lives of 6,640 workers and their families each year. In 2020, 6,094¹⁴ workers were seriously injured — 889 fewer than in 2019.

There were 151 work-related deaths in B.C. in 2020,¹⁵ 63 resulting from traumatic injuries and 88 resulting from occupational disease. One of these deaths was attributed to coronavirus disease. The number of work-related deaths can fluctuate from year to year, primarily due to traumatic injury deaths, where patterns or trends are difficult to discern.

Death from occupational diseases remains high, driven primarily by asbestos-related illnesses. In 2020, 357 workers reported workplace exposure to asbestos, as compared to 431 exposures reported in 2019. As occupational disease usually develops many years or even decades after a person has been exposed, it has been a priority for us to have an ongoing occupational disease strategy. This strategy focuses on developing and putting in place projects and programs designed to mitigate worker exposure to occupational hazards, through industry awareness, support tools, and targeted inspection programs. We use a risk-based approach to proactively identify and address the occupational diseases of greatest risk to workers across B.C.

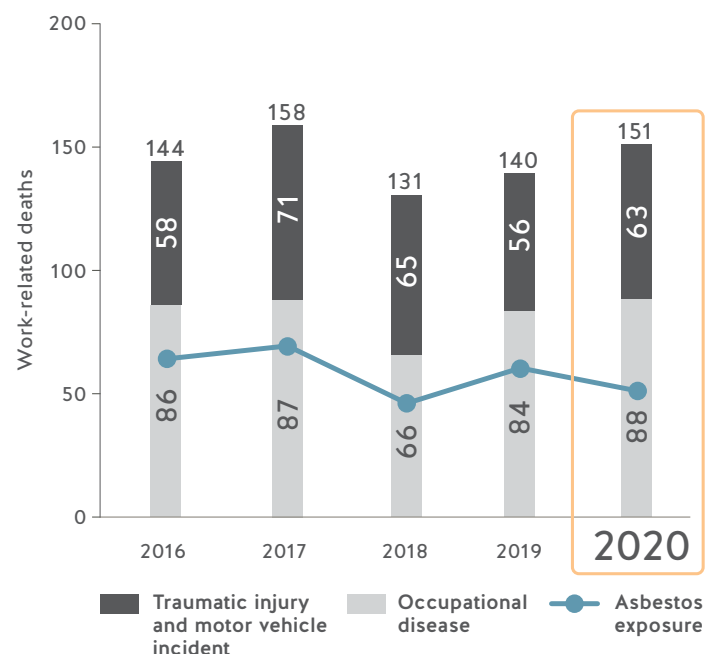
 For more information, see *WorkSafeBC Statistics 2020* and our interactive data dashboards at worksafebc.com/statsreport.

Provincial injury rate versus serious injury rate*



*The 2019 serious injury rate has been restated from what was published in the 2019 Annual Report and 2020–2022 Service Plan to reflect the final data reported in July 2020.

Work-related deaths



Strategies and initiatives

In our 2019 annual report, we touched on the changing nature of work in the province and our focus on engaging employers in the creation of robust health and safety cultures in their workplaces. While we did not specifically foresee the challenges we would face in 2020 as a consequence of the COVID-19 pandemic, we were able to respond quickly to the pandemic through our corporate risk management strategy (see page 101). We worked with our provincial health colleagues and stakeholders to develop and implement infection control guidelines for B.C. workplaces, which included measures to reduce the risk of COVID-19 exposure for workers.

As we worked to educate stakeholders and distribute resources to help prevent the spread of COVID-19, we continued with our planned prevention efforts, through workplace inspections, education, consultation, and enforcement activities. In 2020, we completed 60,679 inspection reports¹⁶ and issued 26,979 orders, compared to 44,398 inspections and 34,013 orders issued in 2019.

High-risk strategies

Using a risk-based approach to identify potential risks¹⁷ and hazards,¹⁸ and proactively developing strategies to prevent them, allows us to deploy resources to areas with the greatest risk of injury — particularly injuries that could be life-altering or life-threatening. We support employers and joint occupational health and safety committees in taking responsibility for identifying and mitigating risks and hazards in their workplaces based on assessments of related risks.

In 2020, we continued to focus on industries and employers with a high rate or risk of injury. Our overarching high-risk strategies target four industry sectors: construction, forestry, health care, and manufacturing. The strategies identify categories of serious injury and areas of accepted time-loss claims. Given the range and complexity of activities across industry sectors, we educate and consult with employers, and enforce the Occupational Health and Safety Regulation in order to support our vision and develop plans to effect change in workplaces.

We adapted our high-risk strategies in 2020 to address immediate risks related to the COVID-19 pandemic. This included reviewing employers' COVID-19 safety plans and assessing the effectiveness of workplace protocols to keep workers safe and reduce the risk of COVID-19 transmission. We focused our efforts on industries where the risk of transmission to workers was higher, including construction, forestry, health care, and manufacturing.¹⁹

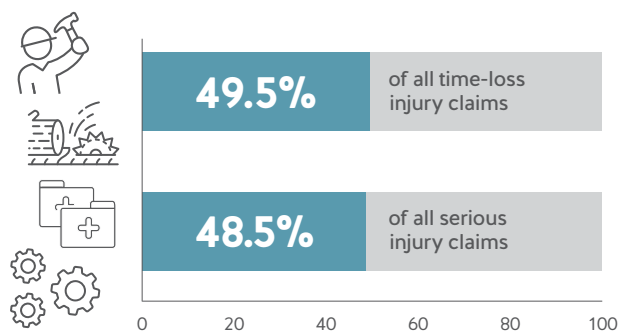
These four industries accounted for 49.5 percent of all time-loss injury claims and 48.5 percent of serious injury claims accepted in 2020.

37%

of all workplace inspections in 2020 included a COVID-19 inspection




In 2020, construction, forestry, health care, and manufacturing industries accounted for



Based on the previous five-year average of person-years, construction, forestry, health care, and manufacturing combined make up 29 percent of the workforce in B.C. but account for an average of 46 percent of all time-loss claims and 66 percent of serious injury claims.

The forestry sector represents less than 1 percent of the workforce but continues to have the highest average number of all serious injury claims, at 23 percent. Health care has the lowest average number of serious injury claims of the four sectors but the highest average number of time-loss claims.


Construction		2020	
	Inspection reports	Planned 5,793	Completed 8,046 7,054 in 2019
	Total percentage of time-loss claims*	14.57%	
	Total percentage of serious injury claims*	20.80%	

Construction is the largest industry in the province, employing more than 213,000 workers and representing 14 percent of all injuries and claim costs in B.C. As part of the construction high-risk strategy, we are focusing on health and safety responsibilities specific to planning and supervision, in addition to other high-risk work activities.

We continued to promote the selection of the right tool, equipment, or process to reduce the risk of serious injury in the workplace. We engaged contractors, owners, employers, supervisors, and workers promoting effective supervision and planning to prevent the development of unsafe working conditions and practices. In 2020, we completed a total of 8,046 inspections as part of the construction high-risk strategy. This result is 39 percent over the target and 14 percent higher than the total completed in 2019.


We also focused on partnerships and collaboration with external stakeholders, like the BC Construction Safety Alliance (BCCSA), by encouraging open communication to respond quickly to evolving industry challenges.

As part of our commitment to providing high-quality service to the B.C. construction industry, we have expanded our prevention team by 12 officers over the last two years to help address the industry's high-risk activities.

Forestry		2020	
	Inspection reports	Planned 1,894	Completed 2,343 2,228 in 2019
	Total percentage of time-loss claims*	1.47%	
	Total percentage of serious injury claims*	23.60%	

In 2020, this sector continued to have the highest estimated injury and serious injury rates²⁰ in B.C. for a single sector. The injury rate remained the same as in 2019, at 4.3, and the serious injury rate decreased to 0.70 from 1.1 in 2019.

We expanded our forestry hand-falling²¹ team to make a consistent, coordinated, and focused effort to inspect, consult, educate, and evaluate hand-falling operations across the province. In 2020, we issued 918 orders, compared to 1,259 orders in 2019.

Health care		2020	
	Inspection reports	Planned 305	Completed 258 208 in 2019
	Total percentage of time-loss claims*	18.08%	
	Total percentage of serious injury claims*	5.60%	

The primary focus of the health care high-risk strategy is on work areas and occupations providing direct patient care or services to individuals. Time-loss claims from health care assistants continue to rise, making workers in that occupation the most injured in B.C.

Interactions between workers and patients pose the greatest risk of injury to workers, including serious injuries due to acts of violence. Combined, health care assistants, registered and licensed practical nurses, social workers, home support workers, and paramedics represented 11 percent of all time-loss claims from 2016 to 2020 in the health care and social services subsector.

In 2020, we focused on reducing the risk of workplace violence and related injuries to health care and community social services workers. We also continued to focus on reducing health care and community social services workers' risk of overexertion or musculoskeletal injuries related to patient lifting and mobility limitations.

In 2020, 209 orders were issued, compared with 380 in 2019.

During the COVID-19 pandemic, we have also worked diligently with various agencies involved in safeguarding all workers and public health to coordinate strategies, align messaging, and share information. See page 30.

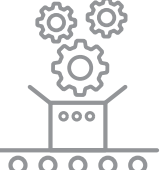
Health care assistants are the most injured, accounting for

8%

of all claims in 2020



* Total percentage of time-loss and serious injury claims is a five-year average (2015–2019). Data for 2020 will not be available until July 2021.

Manufacturing		2020	
	Inspection reports	Planned 783	Completed 661 720 in 2019
	Total percentage of time-loss claims*	12.04%	
	Total percentage of serious injury claims*	16.20%	

The injury and serious injury rates in the manufacturing sector are greater than the overall provincial injury rate, and the risks that drive serious injuries in this sector are highly fragmented. The top 15²² general risks represent 56 percent of all manufacturing claims, and the top risk (caught in or struck by machinery or conveyors) represents 18 percent of all serious injury claims in this sector.

In 2020, we worked with employers to help strengthen their safety management systems by focusing on risk reduction through employer self-evaluations of their health and safety programs and joint health and safety committee effectiveness. We issued 1,854 orders, compared with 1,912 orders in 2019.

Specialized teams

In addition to our high-risk strategies and industry initiatives, we use specialized teams to address specific issues in occupational health and safety, and ensure compliance in those B.C. workplaces identified as posing high risks for workers. Based on past successes with the specialized team approach, such as the manual hand-falling, confined space, and marine teams, in 2020 we formed four new teams to address small business, musculoskeletal injuries, psychological health and safety, and sustained compliance.

Small business

In B.C., small businesses²³ accounted for more than 90 percent of registered employers, growing by 9 percent over the last five years. Many of these employers have minimal contact with us or any other health and safety organization, presenting unique challenges related to being informed about, understanding, or implementing healthy and safe work practices.

In 2020, we created a dedicated small business team focused on employers with nine or fewer employees. Our focus was to ensure that these employers have a health and safety culture designed to prevent injuries and occupational diseases.

We adopted a multi-phase inspection approach for this employer group; our prevention team has been conducting inspections with a focus on management commitment, health and safety worker representative effectiveness, risk-based inspections, incident investigations, and regular monthly meetings for discussion of health and safety awareness and compliance.

In 2020, prevention officers completed 114 consultative inspections with small business employers. As a result, the percentage of these employers meeting minimum occupational health and safety requirements increased from 71 percent to 100 percent.

Musculoskeletal injuries

Ergonomic-related claims account for approximately 30 percent of all time-loss claims, 30 percent of workdays missed, and 20 percent of total claim costs paid. The musculoskeletal injury (MSI) prevention team was launched in 2020 to expand our field presence and enforcement across industries with high rates of these injuries. The MSI inspection initiative focused on the identification and control of MSI risk factors as well as education and training of workers in grocery stores, local government, public school districts, and large retail stores. In 2020, prevention officers completed 248 out of 315 planned inspections, issued 244 orders, and provided 27 consultation and education sessions.

Bullying and harassment and psychological safety

We work closely with workers, employers, industry groups, and health and safety associations to promote workers' rights to a healthy, safe, and respectful workplace, and employers' responsibilities for creating it.

Our bullying, harassment, and prohibited action²⁴ team increased outreach and education in 2020, in addition to improving and sustaining compliance. The team received 3,509 inquiries and 1,001 filed complaints, a decrease of 23.4 and 1.8 percent, respectively, over 2019. The team also completed 1,396 outreach inspections focused on bullying and harassment prevention.

In 2020, we established a psychological safety team and developed a three-phase project to help reduce mental disorder injuries in the workplace. The focus was on completion of phase one work, which included researching and reporting on existing standards, practices, resources, and gaps; developing a mental health stakeholder registry; and creating and presenting a virtual series on management health and safety programs for small professional employers.

Sustained compliance

In 2020, we created a new sustained compliance team focused on monitoring for effective and sustainable compliance in workplaces that have been included in previous prevention strategies and initiatives. Sustained compliance measures the long-term compliance of an employer or employer groups, using a standardized approach for us to determine whether employers are continuing to manage risk within acceptable levels and maintaining systems to support ongoing compliance.

* Total percentage of time-loss and serious injury claims is a five-year average (2015–2019). Data for 2020 will not be available until July 2021.

BC First Responders' Mental Health Committee and COVID-19

We recognize the potential negative mental health impacts of the COVID-19 pandemic on workers and employers. In 2020, we developed two guides to help workers and employers manage the mental health effects of COVID-19 in the workplace.

In 2020, the BC First Responders' Mental Health Committee updated and revised its goals to ensure that first responders had the mental health support they needed during the COVID-19 pandemic. Chaired by WorkSafeBC, this multi-agency committee is made up of representatives from police, fire, and ambulance services, including labour and management, paid and volunteer, urban and rural, and First Nations representatives. The committee's focus includes addressing the full range of mental health conditions, including depression, anxiety, and post-traumatic stress disorder.

At the onset of the COVID-19 pandemic, the committee met more frequently to facilitate discussion and the sharing of resources, knowledge, and best practices relating to the pandemic, which included updating the committee's website²⁵ to provide pandemic-specific materials. The committee also raised awareness of the psychosocial impacts on first responders.

For example, in 2020, the sustained compliance team engaged with the craft brewing industry, focusing on confined space entry risks. The team worked with employers in the craft brewing sector that had previously been included in a 2016 initiative, to determine if the measures implemented had been upheld and successful.

In 2016, 74 percent of the employers inspected received orders related to confined space. As part of the 2020 initiative, a portion of the employers were reinspected, resulting in 22 percent receiving confined space orders.

Other initiatives

Innovation in responsiveness — Prevention Information Line

Our Prevention Information Line is a single point of contact for workers and employers to get information, resources, and guidance related to occupational health and safety regulations, rights, and responsibilities. Callers can speak directly to dedicated information centre officers stationed across B.C. who are trained and experienced prevention officers with backgrounds in both health and safety and occupational hygiene.

In 2020, the Prevention Information Line was a key resource for employers and workers with questions about COVID-19 and concerns about workplace risks. From March to December 2020, the centre received approximately 33,600 calls, more than 20,000 of which were related to the COVID-19 pandemic.

Occupational disease

Occupational disease kills more workers in B.C. than all other types of injury combined. In 2020, our occupational disease efforts focused on four categories of disease and nine primary risk exposures:

- Cancer (asbestos, silica, solar radiation, welding fumes, hazardous drugs, diesel exhaust fumes)
- Asthma (sensitizers)
- Poisoning (lead)
- Hearing loss (noise exposure)

Hearing loss was added as a category of disease in 2020, with noise exposure as a primary risk. While hearing loss has always been an important and debilitating occupational disease issue, in recent years it has received more attention because of the number of workers in B.C. exposed to noise. Exposure can be painless, and the damage irreversible; approximately one in seven people who work around noise have noise-induced hearing loss.

Over the past five years, we have accepted an average of 375 new hearing loss claims each year. The construction and manufacturing sectors have reported the most exposures in the last five years, each accounting for more than 23 percent of new claims.

By targeting diseases instead of limiting the scope to risks within specific industries, we are able to partner with external organizations that focus on those diseases. This will give us a new perspective and allow us to conduct research and communicate across multiple industries where the operations and job activities might differ but where the same disease outcomes exist.

Asbestos

Asbestos-related diseases have a long latency period, which means the disease usually does not develop until years after the exposure that caused it. In most cases, symptoms can take 20 to 30 years to present from the time someone is initially exposed. Asbestos-related diseases are preventable, yet asbestos remains the leading cause of work-related deaths in B.C. In the last 10 years, there have been 608 deaths related to asbestos exposure — with the heaviest impacts among workers in construction and demolition.

As part of our ongoing efforts to address this problem, we are continuing our asbestos strategy, utilizing outreach and education, enforcement, compliance, and collaboration with stakeholders. Our goal is to reduce occupational disease and death caused by exposure to asbestos in residential and commercial demolition and renovation worksites.

In 2020, our prevention officers conducted 1,388 inspections of residential and commercial sites, issuing 1,751 asbestos orders and imposing 67 penalties.

Workplace violence prevention

We work with employers, associations, and unions to develop strong violence prevention strategies, including worker and employer education plans. In 2020, 13 percent of all time-loss claims in health care and social services were due to acts of violence or force, with the majority of these incidents occurring in the health care industry, which remains one of the most hazardous for B.C. workers.

We continued to support B.C.'s health authorities in reducing the incidence of violence in their workplaces, and to promote stronger health and safety cultures, including violence prevention. As part of the initiative, we engaged with the health authority's senior executive to discuss opportunities to strengthen their health and safety systems.

Since 2018, we have been supporting the Provincial Health Services Authority (PHSA) and BC Mental Health and Substance Use Services in improving overall health and safety performance at the Forensic Psychiatric Hospital. We collaborated with the PHSA to develop a formal action plan that includes various initiatives and approaches: expanding staffing, increasing training and supervision, revising the care model, improving clinical care, and realigning work areas with best practices. Meetings continued to be held in 2020 to support and monitor joint initiatives and activities related to implementation of the action plan. A dedicated prevention team assigned to the health authority also supported these efforts.

Through this initiative, the PHSA reported a 23 percent decrease in violent incidents in 2020 from 2019.

Leaders in prevention

Risk-based initiatives

In addition to prevention work directed through the high-risk strategies, our Risk Analysis Unit continued to identify and mitigate new and emerging workplace risks. Among the 12 risk-based projects completed in 2020, risk advisories were issued to industries in relation to fire, explosion, electrocution from damaged electric vehicles, and freeze burn risks due to incorrectly installed, maintained, or damaged hydrogen fuel cell systems.

Agriculture — cannabis

B.C.'s cannabis industry has continued to expand, and by the end of 2020 the number of licensed commercial cultivators and processors had grown to 98, a 50 percent increase from 2019. Workers in the cannabis industry face risks from items such as hazardous chemicals and pathogens, confined spaces, and inadequate electrical systems.

Our Risk Analysis Unit carried out a project in 2019 to identify and assess critical risks and controls in cannabis cultivation. Guided by the project findings, in 2020 Prevention Field Services officers ensured compliance by inspecting 25 cultivators, including office operations, growing facilities, and shipping and receiving, which resulted in 41 orders.

In 2020, the Risk Analysis Unit undertook a subsequent project to identify hazards, assess risks, and determine controls in cannabis extraction operations, which have distinctly unique hazards, such as flammable solvents, pressure vessels, and chemicals that can cause toxicity and/or asphyxiation. The project team engaged employers through telephone calls, virtual meetings, and on-site inspections.

Electric vehicles

Electric road vehicles have become very accessible and are rapidly being adopted by consumers. Although electric vehicles are relatively new, and the hazards, risks, and controls of this technology are not well understood, we do know that when these vehicles are compromised in an accident, they present fire, explosion, and electrocution risks to workers associated with these incidents.

In response, the Risk Analysis Unit carried out a project focusing on new and emerging risks posed by damaged electric vehicles to workers in B.C. We engaged with employer groups with workers likely to be exposed to this risk, including first responders, towing contractors, vehicle manufacturers, servicing contractors, and body shops, as well as ICBC. We completed the project in 2020 and published a risk advisory to warn stakeholders. In addition, our consultation and education services team worked with the Automotive Retailers Association to develop and launch safe working procedures to reduce the risk of injury to workers.

Looking ahead

In 2020, we used a systematic approach that focuses on setting up industry sectors and workplaces for long-term, sustainable change through identifying, assessing, and controlling risks, coupled with an emphasis on fundamental elements of occupational health and safety programs.

Since this approach focuses on basic, necessary requirements for workplace health and safety, it enables us to address a wide range of workplace risks and hazards across sectors, while addressing industry- and employer-specific risks. We will continue to use this approach in 2021 and beyond the COVID-19 pandemic and integrate it into our ongoing high-risk strategies and industry initiatives.

As the transmission of COVID-19 continues to be a prominent risk in workplaces in 2021, we will have a dedicated COVID-19 initiative that will focus our resources on sectors at greater risk for workplace exposure. In addition to this initiative, we are including a COVID-19 component in our high-risk strategies and industry initiatives.

To realize further improvements in health and safety outcomes for B.C.'s workers, we will continue to strengthen existing relationships to extend our reach and ensure that our health and safety message reaches a wide audience.

In 2021, we will continue to focus on emerging risks in growing industries, such as cannabis and hydrogen fuel cell production. We will be working with internal and external partners to pursue further risk-reduction opportunities.

We will also advance our specialized team approach by continuing to invest in prevention resources. This includes building on the successes of new teams that support key health and safety challenges, including psychological health and safety, small business, and sustained compliance teams. In 2021, our psychological health and safety team will start work on phase two, which includes developing resources required for officers and consultants to start inspections and consultations in 2022. In addition, we will be starting work on an overarching corporate mental health strategy.

We will also promote worker engagement in prevention and continue to work on our consultation and education services model, with a focus on connecting with employers and workers to create awareness of health and safety, answer questions, and help employers and workers with their health and safety challenges.

Worker engagement in prevention

To continue our focus of engaging workers in occupational health and safety, the Board of Directors defined worker engagement in prevention as follows:

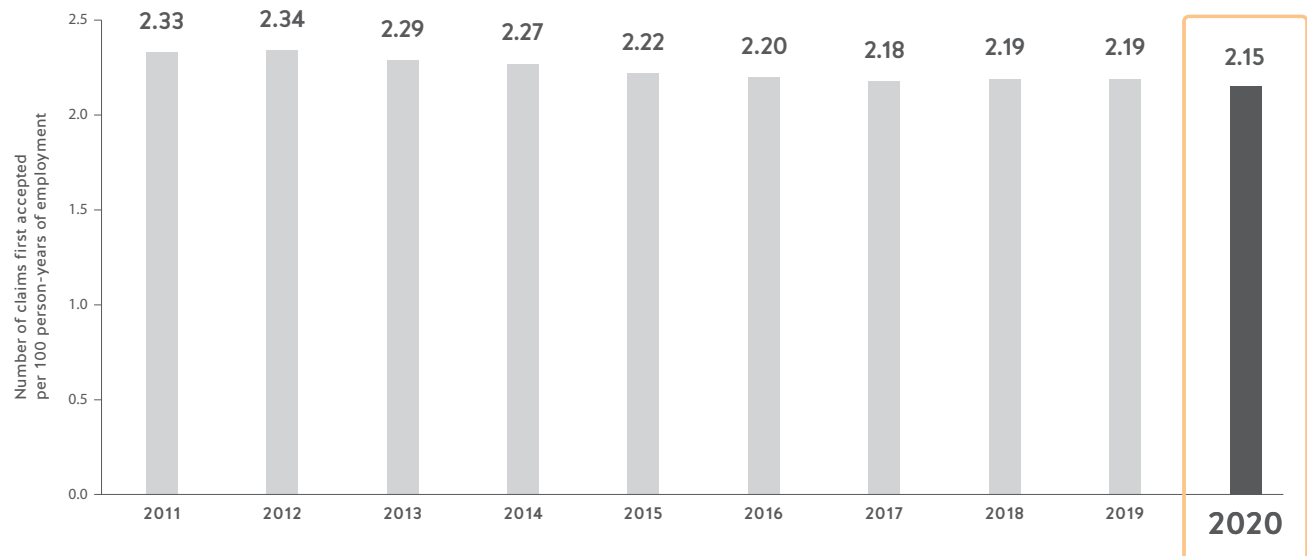
We foster co-operative and consultative relationships between employers and workers and promote workers, and promote worker participation in occupational health and safety. We work hard to protect and support workers' rights to know about hazards in the workplace, participate in health and safety activities in the workplace, and refuse unsafe work. We also strive to ensure that workers are not subject to prohibited actions for exercising their rights or fulfilling their obligations under the *Workers Compensation Act*. Workers need to be heard, respected, and engaged to keep workplaces healthy and safe.



Two workers setting a crane base in Maple Ridge, B.C.

Supplementary 10-year data

Provincial injury rate, 2011–2020

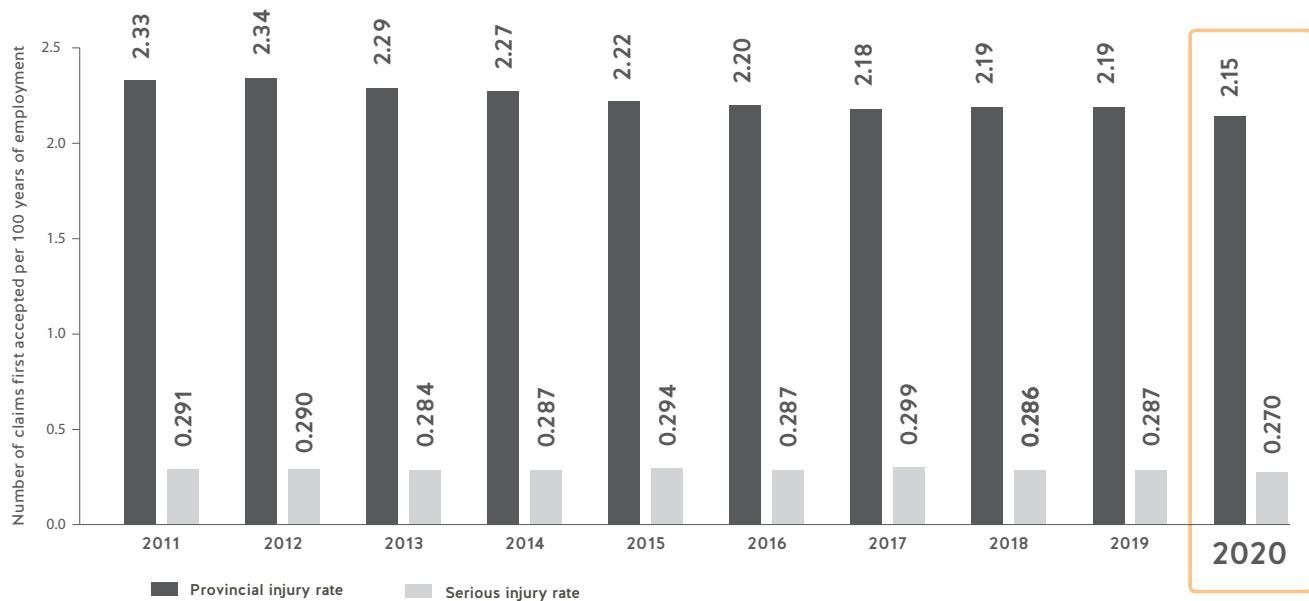


Serious injury rate, 2011–2020

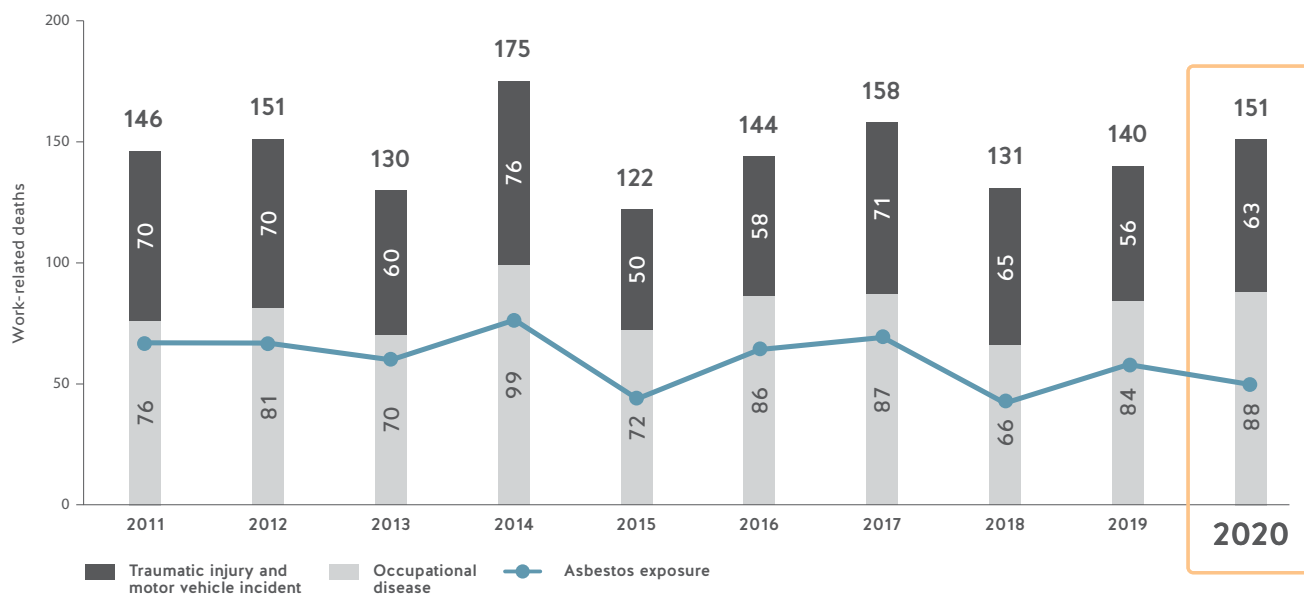


For more information, see *WorkSafeBC Statistics 2020* and our interactive dashboards
worksafebc.com/statsreport.

Provincial injury rate versus serious injury rate, 2011–2020



Work-related deaths, 2011–2020



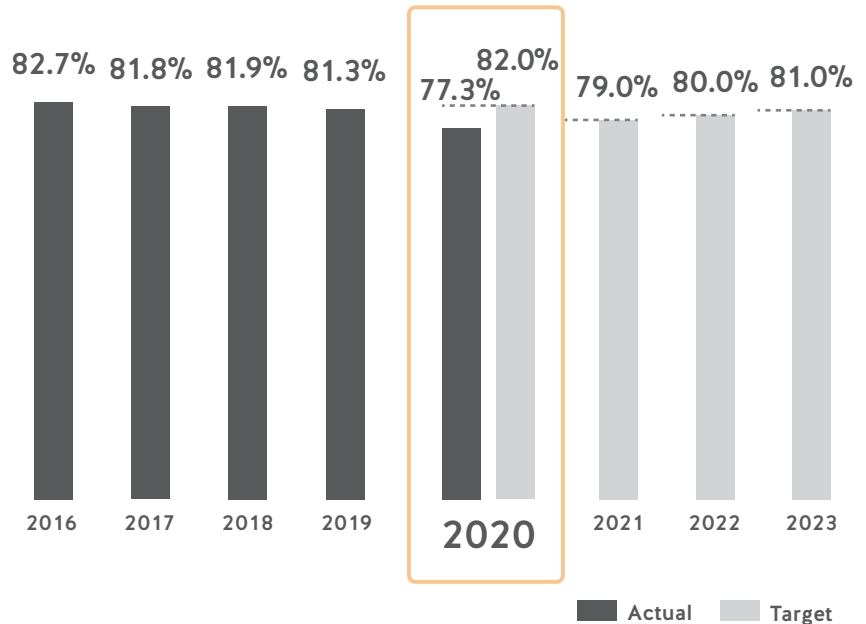


Key performance indicator 2:

Improve return-to-work outcomes

This indicator measures the success of initiatives designed to engage injured workers and their employers in returning to work. Meeting or exceeding this return-to-work target is the intended result.

Percentage of workers returning to work by 26 weeks²⁶



Importance

When a worker is injured, our priority is to provide the worker and employer with the necessary services to support safe and durable return to work. The percentage of workers returning to work by 26 weeks²⁷ is one measure of our progress on this priority. This measure typically reflects outcomes for injured workers receiving short-term disability payments and returning to the same job and responsibilities as they had before their workplace injury. This key performance indicator (KPI) measures when an injured worker returns to work within 26 weeks,²⁸ the return to work is voluntary (the worker does not object), and the return to work is safe and durable (with no subsequent inability to work for 30 days after return).

Setting targets

We recognize that because of the serious and complex nature of some injuries not all workers can or will return to work within 26 weeks. Our return-to-work targets reflect expected outcomes based on an assessment of current programs and services, the overall economic climate, and projected employment opportunities. This assessment includes the ability of employers and workers to engage in return-to-work initiatives, undertake workplace modifications, or participate in accommodation programs.

In addition, we have considered the continued impacts of the COVID-19 pandemic and the uncertainty it casts on the economy and future employment opportunities. After assessing all of these factors, we have updated targets from what was published in the *2019 Annual Report and 2020–2022 Service Plan*; 2021 and 2022 targets have been changed to 79 and 80 percent, respectively. The 2023 target has been set at 81 percent based on projections for modest improvement in economic and employment conditions.

Performance results

This year's result did not meet the target of 82 percent.²⁹ The return-to-work-within-26-weeks outcome was 77.3 percent — 5.7 percent lower than target and a four-point decrease from our 2019 result.

In 2020, the COVID-19 pandemic challenged our ability to intervene earlier in the recovery and return-to-work process. In the second quarter of the year, access to health care services was limited and traditional work environments drastically changed, resulting in a 10-year high in the provincial unemployment rate, at 8.8 percent, significantly influencing the success of our return-to-work outcomes. Many workers were no longer able to return to their pre-injury employer because of business reductions or closures implemented to reduce the spread of COVID-19.

Despite these challenges, we continued to work with injured workers and their employers, and assisted 41,295 workers with their return to work, 6,340 less than in 2019. This outcome was achieved through the willingness of workers, their employers, and health care professionals to engage with us in the process of safe, durable, and timely return to work despite the challenges resulting from the pandemic.

Strategies and initiatives

Maintaining a connection with the workplace is a key part of recovery for injured workers. One of our primary goals is to support injured workers and their employers in achieving successful return-to-work outcomes wherever possible. Our approach includes partnering with employers (and labour associations) to support workplace return-to-work programs, helping employers develop their own disability management expertise, conducting ongoing outreach to our service providers, and focusing on the individual return-to-work needs of injured workers.

Changing nature of claims

We are continuing to see greater injury complexity within time-loss claims. These changes include mental disorder claims and additional secondary injuries that arise during the recovery and return-to-work process, including secondary mental disorder and chronic pain injuries. These complex injuries present significant barriers for injured workers in their recovery and return to work process.

Since 2016, mental disorder claims have increased by

210%



From 2016 to 2020, primary mental disorder claims increased by 210 percent, while the number of claims with secondary chronic pain conditions increased by 58 percent. Although these types of claims represent a small portion (8 percent) of overall claim volume, they account for more than 50 percent of claim costs from 2016.³⁰

Personalized service delivery

For much of 2020, priority was given to supporting injured workers and employers impacted by the COVID-19 pandemic. Despite significant challenges presented by the pandemic, our focus was on providing responsive service to injured workers, their employers, and health care providers. As the pandemic eliminated or drastically reduced in-person treatment options, our health care services team worked with providers to transition in-person treatment programs to telehealth delivery.³¹ Early in the pandemic, most health care services were accessed via telehealth, but as the year progressed and the pandemic evolved, we continued to review and alter treatment plans, providing a hybrid model of in-person and telehealth delivery.

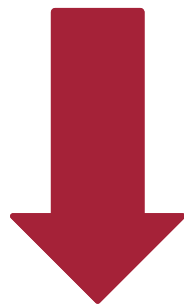
In addition to impacts on in-person treatment, injured workers who required access to in-person physiotherapy treatment programs experienced an average delay of three weeks in the early stages of the pandemic. However, by year-end, access times to in-person treatment had normalized, when compared to 2019.

Health care provider education and outreach

In 2020, we continued to build on the success of our Opioid Harm Reduction program. We conducted physician outreach and education around safely prescribing opioids. Information included key principles for tapering opioid use through substitution and exit strategies. A number of workshops were planned for 2020, but as the pandemic shifted our operational priorities, these workshops were deferred or moved online. However, we still saw a 29 percent³² decrease from 2017 to 2020 in the number of claims with prescribed opioids.

29%

decrease in claims with
prescribed opioids*



* As of March 31, 2021.

Early intervention

We continue to collaborate with health care providers and employers to support return-to-work planning through the Early Medical Advisor Intervention pilot. In this pilot, a WorkSafeBC medical advisor works with an injured worker and their physicians to support the worker's recovery and return to work. Through the pilot, the medical advisor consults with the worker's physician to address all aspects of the worker's recovery and return-to-work planning. This worker-centred approach addresses their initial injury and considers psychological and social issues, helping to create a recovery plan that is the best fit for the individual worker, while focusing on a return-to-work plan.

Early successes noted in the pilot included quicker information gathering and earlier collaboration, allowing us to provide more timely return-to-work plans and opportunities. The pilot was to be implemented across our claims team in 2020; however, this initiative was delayed as we focused our efforts on minimizing the impacts of the pandemic.

Timely, consistent, quality adjudication

Throughout the year we allocated resources to Vocational Rehabilitation Services and Long-Term Disability Services to address incoming claim referral growth and more complex injury claims, and, as a longer-term strategy, to create capacity for our staff to facilitate more responsive and timely decisions for injured workers.

In addition, we worked to implement Bill 23 legislative changes effective in 2020, and prepared for those coming into effect in 2021. These changes impact workers and employers in a number of ways, including through:

- Providing access to health care services earlier, even when claims are pending
- Recognizing the complexity of mental disorders, changes distinguish mental disorders from personal injuries. Workers submitting mental disorder claims will no longer be required, in all cases, to do so within one year from the date of exposure to a workplace traumatic event or significant stressor
- A provision to reconsider a decision after 75 days have elapsed, if the decision contains an obvious error or omission

To ensure that these changes were reflected in claim decision making, we developed a training series targeting specific job roles, updated internal processes, and recruited additional Long-Term Disability Services staff in anticipation of increased workload driven by the changes in legislation.

Looking ahead

As this performance measure is influenced by the strength of the economy and labour market, we are hopeful that improving economic conditions will better support return-to-work opportunities for injured workers. While these conditions remain uncertain as the pandemic persists in 2021, we will maintain our strategic approach of intervening earlier in the claim process to support injured workers and facilitate early, safe, and durable return to work.

In 2021, we will continue to improve the timeliness and quality of psychological assessments to support adjudication of mental disorder injuries, including determining treatment needs, addressing new or evolving issues, and planning for return to work.

We will also work on the ongoing psychological assessment improvement project³³ in tandem with a smart-form referral process³⁴ that will provide a referral letter that clearly reflects the worker's needs and minimizes inconsistencies in worker assessments. We will work to improve return-to-work outcomes by promoting timely and complete referral documents, aligning worker and case management expectations for assessments, outlining treatment goals, and improving the quality of input from medical evidence and community health care providers on diagnostics, treatment, and return-to-work planning.

We are planning to implement the Early Medical Advisor Intervention initiative piloted in 2020 to increase communication and collaboration between WorkSafeBC medical advisors and attending physicians in order to better support injured workers' recovery and safe, durable return to work.

In addition, we will continue to focus on our Opioid Harm Reduction program and provide more dedicated resourcing and outreach to physicians and injured workers. We will also provide training and support to staff, focusing specifically on critical job demands, return-to-work planning, and practice changes. We will also provide tools that assist in increasing safe and durable modified or graduated return-to-work options.

We recognize that our claims are evolving as claim and injury complexity continues to increase. Complex injuries, such as mental disorder injuries and injuries with chronic pain, often present additional barriers to returning to work and require more time for intervention and personalized return-to-work planning. Similarly, we recognize that the needs and expectations of stakeholders are changing and necessitate a more worker-centred³⁵ approach to claim management and decision making.

While several adjustments have been made in recent years to respond to the growing pressures of claim volume and injury complexity, we will continue developing strategies to address gaps in resources and expertise, and provide further training to enable staff to support injured workers and their employers.

Worker-centred approach for compensation

To continue improving services for injured workers, our Board of Directors provided this outline to guide our approach:

A worker-centred approach for injured and disabled workers is one that considers the worker's individual circumstances in applying policy and making decisions about benefits entitlement and rehabilitation measures. This approach is designed to maximize the worker's recovery from work-related injury or disease and to restore, as closely as possible, the worker to their pre-injury employment status without a loss of earnings. A worker-centred approach treats the worker with compassion, respect, and dignity, and ensures that WorkSafeBC is responsive to the needs of the worker, whose health and well-being is at the centre of the workers' compensation system.



Molson Brewery engineer, Dave Mazaraki stops to wash his hands before entering the production area.

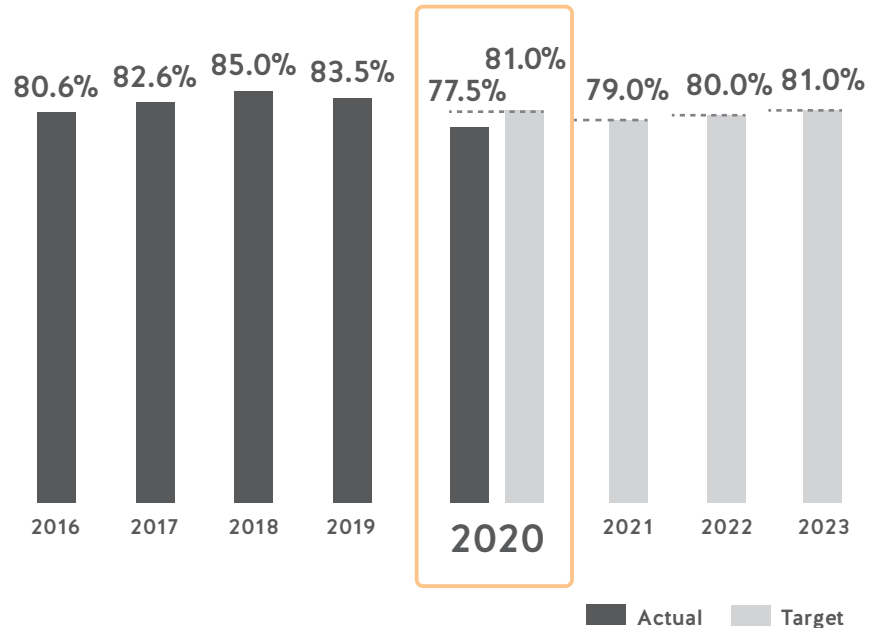


Key performance indicator 3:

Improve return-to-work outcomes for workers in vocational rehabilitation

This indicator measures the success of initiatives designed to engage injured workers and their employers in returning to work. Meeting or exceeding this return-to-work target is the intended result.

Successful return to work outcomes*



*Based on the inverse relationship between the return-to-work outcomes and the B.C. unemployment rate, the 2020 target was set at 81 percent using a forecasted 5.0 percent unemployment rate. The actual unemployment rate in 2020 was 8.8 percent.

Importance

We continually strive to improve return-to-work outcomes and claim service for injured workers and their employers. While most injured workers fully recover from their injuries and return to their pre-injury employer, for some workers this is not possible.

Our Vocational Rehabilitation Services department supports those workers who can return to work but, because of severe or complex injuries, cannot return to the same job responsibilities as they had before being injured.

In 2020, approximately 3,000 workers, or 6 percent of workers with lost workdays,³⁶ were provided with vocational rehabilitation services and benefits. We measure the success of these services by tracking and recording the number of workers successfully returning to employment as a percentage of all return-to-work referrals completed annually by our Vocational Rehabilitation Services department.

An additional number³⁷ of injured workers were referred to the department for services and support not related to returning to work. These referrals include workers who have declined participation in vocational rehabilitation programs, or where services were not connected with returning to work; services include appellate findings,³⁸ commutations,³⁹ assessments of employability, adjustments to long-term disability benefits, referrals where the worker returns to wage loss benefits, or referrals to gather information for setting a wage rate.

Setting targets

Our return-to-work targets are based on an assessment of our current strategies, prior-year results, and the overall economic climate, which includes the provincial unemployment rate. We also take into consideration the fact that some workers referred to Vocational Rehabilitation Services may have suffered serious or complex injuries that could ultimately prevent a successful return to work, while others may opt to retire rather than return to work.

Target setting for this KPI is guided by a formula based on the inverse correlation of the vocational rehabilitation return-to-work outcomes and the annual B.C. unemployment rate. When we set the 2020 target, the unemployment rate was forecasted to be 5.0 percent. However, pandemic-related economic and employment conditions during the year resulted in an unemployment rate of 8.8 percent, dampening the expected results for the year.

Based on the ongoing COVID-19 conditions, the forecast for modest economic growth, a gradually recovering unemployment rate, and an increasingly complex injury mix, our targets for 2021 and 2022 have been changed from what was published in the *2019 Annual Report and 2020–2022 Service Plan*. We have updated the 2021 target to 79 percent, increasing to 80 percent for 2022 and 81 percent for 2023. Targets for future years may be adjusted if the provincial unemployment rate or economic conditions vary significantly.

Performance results

The Vocational Rehabilitation Services department has experienced increased referral volumes over the last five years. In 2020, the department experienced a further 8.2 percent increase in referrals over 2019, as more workers required vocational rehabilitation assistance. Over the same period, there was a 22.4 percent increase in active cases as a result of the increasing volume and growth in complex injuries, as well as pandemic-related delays, which disrupted existing vocational rehabilitation plans and lengthened return-to-work time frames.

Against this backdrop, our return-to-work success rate was 77.5 percent, compared with 83.5 percent in 2019. While proportionately lower than 2019, more than 2,380 workers participating in the vocational rehabilitation program did return to work during the year — similar to the 2019 result; of these, approximately 45 percent found work with new employers or became self-employed. These workers returned to work in jobs that spanned more than 230 of 500 unique occupation groups, and demonstrate the diverse range of occupations that make up successful return-to-work outcomes for workers. Of the remaining workers in the vocational rehabilitation program, 55 percent returned to work with their pre-injury employer, either in their former role or in a new role.

Strategies and initiatives

In 2020, the Vocational Rehabilitation Services department focused on ensuring consistent quality of service for workers and employers while adapting to new working conditions.

Vocational rehabilitation

For our caseworkers, the COVID-19 pandemic presented barriers to meeting with injured workers and employers in person, making it challenging to design suitable return-to-work opportunities.

In response to changing labour market conditions, the Vocational Rehabilitation Services department established interim guidelines that increased the duration of job-search benefits and levels of support; this included additional return-to-work planning, rehabilitation assistance and assessments, and formal training, beyond pre-COVID-19 levels, to provide more time for workers to find employment.

During the year, the pandemic had a significant impact on workers' vocational rehabilitation plans, especially for training. As a result of COVID-19-related restrictions, most programs, courses, practicums, and exams were suspended, delayed,

or cancelled. Many vocational rehabilitation plans required adjustments or extensions, resulting in increased costs and few workers graduating on time — and ultimately delaying the start of the job-search process for many.

Although some areas of our business experienced decreased claim volumes due to the pandemic, Vocational Rehabilitation Services experienced increased referrals. The decreased volume in other areas allowed us to divert resources to vocational rehabilitation to help support workers, gather information, and assist with return-to-work planning. Focusing further on resourcing and capacity, in 2020 we continued recruiting vocational rehabilitation consultants to address the increased workload and complexity in claim referrals to Vocational Rehabilitation Services.

In addition, we initiated the Improve Return-to-Work program in 2020. While progress was hampered by the pandemic, the program is designed to review policies, processes, tools, and resources that can improve outcomes for workers. The program will also outline strategies to better address the volume and complex nature of claims being referred to Vocational Rehabilitation Services, while enabling us to better meet the expanding service expectations of stakeholders.

Looking ahead

Our goal continues to be facilitating a safe return to work for injured workers; in 2021, additional improvements will be made in Vocational Rehabilitation Services to support our progress.

We will continue to strengthen our increasingly worker-centred service⁴⁰ delivery model by improving current claim processes, reviewing programs offered to injured workers, and providing training to claim officers. These worker-centred service improvements include continuing our work on the Improve Return-to-Work program and on process adjustments resulting from legislative changes made in 2020.

In 2021, we plan to add resources to the client relations team to expand support and responsiveness to claimants, while addressing opportunities to improve services. These efforts, along with placing an even greater focus on working with employers, unions, and health care professionals to assist workers in returning to their former employer, are aimed at improving overall return-to-work outcomes.

Responsiveness and engagement play a pivotal role in supporting return-to-work outcomes, and by aligning the role of claims staff, we can reduce the number of touch points, be responsive to the needs of injured workers, and more effectively communicate and support returning to work, life, and function.

The recovering labour market and unemployment rate, if sustained, may combine to significantly increase the number of workers returning to work in 2021. However, the overall vocational rehabilitation return-to-work result is expected to remain lower than in prior years because of the increase in claim complexity and the unemployment rate remaining above pre-COVID-19 pandemic levels.

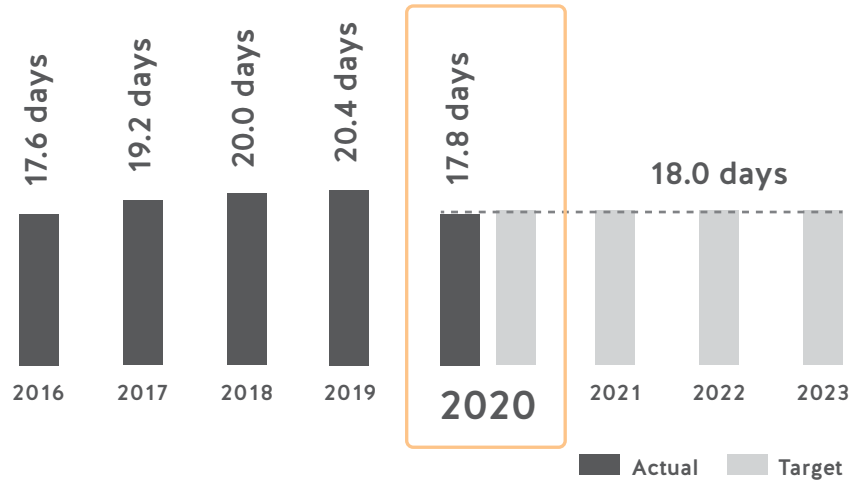


Key performance indicator 4:

Improve timeliness of initial short-term disability payments

The lower the result for this indicator, the more quickly injured workers are receiving their first payment following their workplace injury. Success is measured as a result at or below the target.

Average timeliness of initial short-term disability payments*



*Claims with timeliness of more than 365 days have been excluded from this KPI calculation because they typically result from an appeal of a timely initial disallow decision; including these claims would have resulted in timeliness of 32.7 days.

Importance

We are continually striving to improve the claim and rehabilitation services we provide to injured workers. A fundamental component of our service is providing wage-loss benefits. These benefits help sustain injured workers in the period between injury and return to work. Recognizing that workers may face financial uncertainty after injury, our goal is to provide these benefits as quickly as possible while providing consistency and quality in the decision-making process. To measure our progress, we calculate the average interval between the disablement date (the first day an injured worker is entitled to wage-loss benefits) and the date of first payment.⁴¹

Setting targets

To set targets for this key performance indicator (KPI), we review our prior results, evaluate current strategies and initiatives, and review results from surveys of injured workers. In 2020, 87 percent of surveyed injured workers who received their first benefit payments within 20 days⁴² said overall timeliness was good or very good. However, we recognize that a missed paycheck can be a significant hardship and present a barrier to returning to work, so we work to provide the best possible timeliness of first payment.

We also assess our performance outcomes from prior years and review trends in registered claims, including claims with secondary and complex injuries, initiatives that are in progress, and our future strategies. Based on our assessment, including the expectation of a gradual return to pre-pandemic claim volumes, we have retained our target of 18 days⁴³ through to 2023.

Performance results

Our goal is to minimize any interruption in income by providing timely first payments to injured workers. In 2020, the timeliness-of-first-payment result was 17.8 days, which was lower than the target and represented an improvement of 2.6 days over the 2019 result. Overall, 75.8 percent of injured workers received their first payment from us within 20 days, 4.5 points more than in 2019.

This outcome was driven, in part, by a 11.2 percent decrease in new time-loss claims received during the year. While we experienced a decrease in new claims, the improved result can also be attributed, in-part, to changes resulting from ongoing initiatives.

The total number of claims registered with us decreased by 18.9 percent because of the COVID-19 pandemic. However, we accepted a higher percentage of time-loss claims in 2020, 9.4 percent more than in 2019. In total, 50,514 first payments were made, compared with 56,907 in 2019.

As a result of the pandemic, the number of claims being processed was reduced, allowing us to divert resources to other areas without impacting timeliness of payments, and timeliness improved. However, as volumes increase to pre-pandemic levels, we may be challenged to achieve the same timeliness outcomes.

Like many organizations in 2020, we adapted to workplace changes related to COVID-19, while maintaining service to our stakeholders. The 11.2 percent decrease in time-loss claims first paid allowed us to redeploy staff normally engaged in initial claim adjudication to other areas that were seeing workload surges as a result of the pandemic.

Strategies and initiatives

The more quickly we receive accurate and complete information from all parties, the faster we can make claim-related decisions and provide first payments to injured workers. Therefore, we try to make it as straightforward and simple as possible for injured workers and employers to interact with us. One way we do this is by communicating through various channels and providing service options in multiple languages through real-time interpretation services.

We continue to undertake initiatives designed to refine the claim decision and payment processes, with the ultimate goal of reducing the time required to get a first benefit payment to an injured worker. Minimizing the financial impact of injury or disease allows injured workers and employers to focus on function, life, and work.

Timely, consistent, quality adjudication

In response to the COVID-19 pandemic, in 2020 we were able to address privacy concerns and expanded our communication options to include the use of email, replacing traditional letter mail. This process change improved our communication with employers and injured workers, helping to reduce delays in receiving necessary claim information, and allowing us to more quickly make claim decisions.

The Payment Timeliness program, initiated in 2019, was completed in 2020. Through the program, we optimized systems and processes to support enhanced claims triaging, and improved functionality to support Teleclaim adjudication and automated expedited payments. Using this targeted approach allowed us to fine-tune specific system and process components that had previously been impacting timeliness, resulting in an improved outcome for the year.

Email correspondence introduced in 2020 sped up claim decisions



Expedited payments

We continued to focus on expediting wage-loss payments to workers — even if the wage rate information was not complete. Expedited payments are a one-time payment offered to injured workers to help reduce financial uncertainty while we gather the remaining information to set the wage rate for their claim. In 2020, 5,259 injured workers received expedited payments, 2,869 (120 percent) more than in 2019. Through this service, eligible workers received their first wage-loss payment one day sooner than if they had waited for their full wage-loss payment.

New Adjudication Services department

As part of our commitment to exceptional service for injured workers and their employers, we moved the initial claim intake and adjudication functions into one department, providing processing efficiencies and increased focus on consistent, quality decisions. Streamlining these functions is intended to further support timely payments to workers by reducing the time between when the claim information is received and when it is routed to a claim officer.

Looking ahead

As the pandemic extends into 2021, our priority will continue to be minimizing financial uncertainty for injured workers.

We will build on the efficiencies gained by continuing to use email as a communication option, and in 2021 will continue to identify digital solutions that support timeliness of claim decisions and first payments for injured workers.

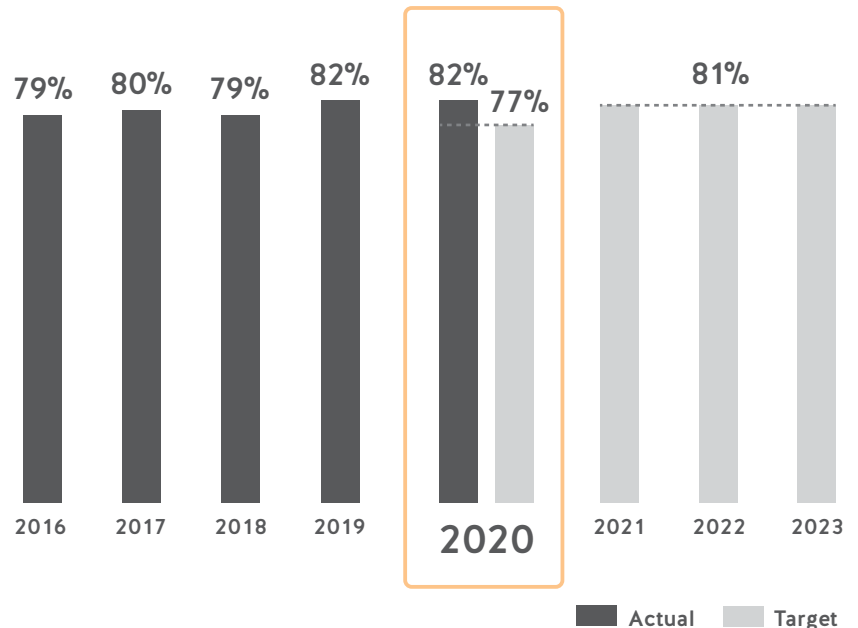


Key performance indicator 5:

Improve injured workers' rating of overall experience

We are committed to providing exceptional service to injured workers during their claim process. Through this indicator, success is measured as meeting or exceeding the target.

Injured workers' rating their overall experience as good or very good*



* The margin of error is +/-4 percent, 95 times out of 100.

Importance

WorkSafeBC's goal is to deliver responsive and caring service that meets or exceeds the expectations of B.C.'s injured workers. To measure performance, our worker experience program contracts market research provider Ipsos to conduct random surveys of 800 injured workers per year. We survey injured workers at all stages of a claim to gauge their impressions of our organization and the services we provide.

This key performance indicator (KPI) helps assess our success in all interactions with individual injured workers. Through the survey, workers rate their overall experience with us as very good, good, average, poor, or very poor. We then determine success based on the percentage of respondents providing good or very good ratings.

Setting targets

In setting our targets for this KPI, we consider past results and the margin of error associated with surveying a sample of injured workers. As part of the target-setting process, we assess other factors directly impacting this measure:

- We are mandated to provide compensation and other benefits for workplace injury, disease, or death within the boundaries set by law and policy. Given the nature of our work, it is unlikely that all injured workers will agree with every claim-related decision we make.
- We measure our service at each claim stage and for all claim types — even those not allowed because of law, policy, or evidence. For disallowed claims, it is unlikely that all injured workers will rate their overall experience with us as good or very good.

Based on prior results, we have changed our 2021 to 2023 targets for workers rating their overall experience with us as good or very good to 81 percent.

Performance results

In 2020, 82 percent of injured workers rated their overall experience with WorkSafeBC as good or very good. Most injured workers rating their overall experience as good or very good noted that WorkSafeBC staff were easy to work with, provided responsive communication, offered clear explanations, and provided efficient service.

We are committed to improving the experience for all workers, regardless of their claim status. In 2020, 6 percent of workers surveyed indicated that their experience was poor or very poor; this result is an improvement over 2019. The main reasons cited by these respondents for their rating included poor communication, staff were not easy to work with, claim refusal, and dissatisfaction with treatment.

Injured workers' service scores*					
Claim stage	2016	2017	2018	2019	2020
Paid claims					
Initial adjudication	92%	89%	91%	95%	86%
Entitlement	84%	85%	86%	88%	95%
Return-to-work services	84%	91%	85%	86%	85%
Case management, vocational rehabilitation	79%	80%	79%	81%	83%
Disallowed claims					
Entitlement, case management	39%	36%	38%	43%	45%

*Results represent the percentage of injured workers rating their overall experience as good or very good.

Strategies and initiatives

In 2020, we continued with the previous year's initiatives to improve timely payments; we also introduced new initiatives to improve responsiveness to our stakeholders, in particular our telephone response. In order to ensure that workers continued to be supported throughout the COVID-19 pandemic, and to address some communication challenges that arose in the early stages of the pandemic, we had to be nimble and creative.

Personalized service delivery

Our survey results show that injured workers value timely payments as part of their claim experience. After a successful pilot, the Pay-to-Plan⁴⁴ initiative was launched province-wide in September 2019. The initiative has further improved the service experience of injured workers and reduced the anxiety they feel when their wage payments are delayed. This initiative has also simplified the process for employers, resulting in less paperwork for them.

Responsiveness through the pandemic

In the early stages of the COVID-19 pandemic, we couldn't predict how the response to the pandemic would affect mail delivery. To support timely service for injured workers, we launched an immediate outreach initiative urging workers, their beneficiaries, and recipients of permanent disability payments to sign up for direct deposit. Through these efforts, we transitioned 4,045 clients to direct deposit, allowing continuity of payments. By the end of December 2020, the number of workers using mail as the default payment delivery method had dropped to 14.4 percent from 18.7 percent in March.

To support service continuity, we deployed internet-based calling for our staff; this change allowed them to make and receive telephone calls while working from home, just as if they were using their landline at the office. Staff were encouraged to ensure regular contact with workers and responded positively.

We were also able to address privacy concerns and expanded our communication options to include the use of email, with an injured worker's consent. All of our claims departments now have the option to communicate with workers via email, improving communication with our stakeholders.

We are engaging with injured workers to better understand their needs and expectations for online services and communication preferences. Leading into next year, we will be working on providing workers with online direct deposit set-up and improved online access to their payment information.

Looking ahead

In 2021, we are planning additional outreach and research to better understand worker needs and their experiences as they engage with us.

We will continue to expand our online services to better serve injured workers by providing more options for quickly and efficiently interacting with us. In addition to providing injured workers with payment information, we want to make it even easier for them to request assistance and obtain claim status updates online.

We will continue to work on enhancing our call management model to ensure that inquiries are resolved in a timely and responsive manner. Finally, recognizing the positive impact of direct deposit, we are working on adding this payment option as a self-service feature through our website in 2021.

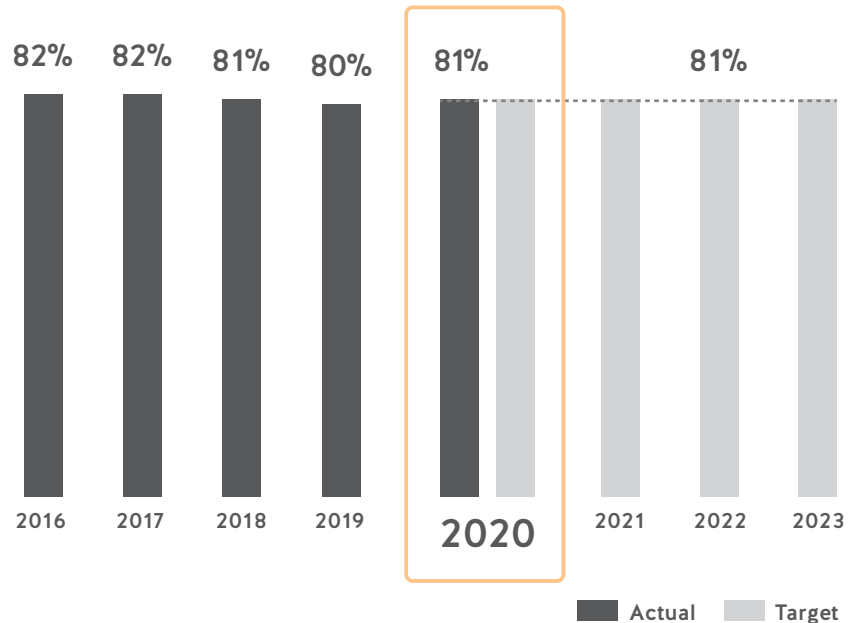


Key performance indicator 6:

Improve employers' rating of overall experience

We are committed to providing exceptional service to employers through prevention, assessments, and compensation. Through this indicator, success is measured as meeting or exceeding the target.

Employers' rating their overall experience as good or very good*



* The margin of error is +/-3 percent, 95 times out of 100.

Importance

To measure our performance in providing exceptional service to employers, we contract market research provider Ipsos to survey employers⁴⁵ with two or more claims in the previous 12 months. In 2020, Ipsos surveyed 1,600 employers, starting with a broad measurement and exploring specific components of the employers' experiences with us.

This key performance indicator (KPI) helps us assess our success in providing exceptional service in all interactions with individual employers, through inspections, assessments, and the claim process. Employers rate their overall experience with us as very good, good, average, poor, or very poor.

Setting targets

In establishing our targets, we consider past performance and any anticipated operational challenges resulting from current or future economic environments. Such challenges could include changes in business processes, assessment rates, claim volumes, staff availability, or other factors. For this KPI target, we consider potential challenges, the margin of error associated with surveying a sample of employers, and our mandate as a regulatory and decision-making body.

Based on these factors, our targets for 2021 through 2023 are set at 81 percent of employers rating their overall experience with us as good or very good.

Performance results

In 2020, 81 percent of employers rated their overall experience with us as good or very good. This result meets the target set for the year and is one percentage point above the 2019 result of 80 percent.

In gathering feedback from employers, we recognize that businesses of different sizes have different needs and expectations; consequently, survey results are broken out by size. Ratings from small employers changed from 77 to 81 percent, medium-sized employers changed from 81 to 83 percent, and ratings from large employers moved from 82 to 80 percent.

The most reported reasons why employers rated their overall experience as good or very good relate to the ability to have questions answered with appropriate information and good explanations, and staff being easy to work with, patient, co-operative, and supportive. The 3 percent of employers who had a poor or very poor experience were more likely to reference staff not being easy to work with, patient, or co-operative; a lack of communication, or calls returned too slowly; bias or unfairness; and the acceptance of claims (employers) deemed fraudulent.

Strategies and initiatives

We are committed to strengthening our relationships with employers and their workers. As part of that priority, we collect feedback from employers who have interacted with us through prevention, assessments, or claims services to help us better understand their unique service and support needs.

Optimization and continuous improvement

The multi-year initiative to update the systems and tools that support our assessment- and collections-related functions continued in 2020, with further enhancements to fine-tune the services available. The updated infrastructure made it easier for employers to conduct business with us online. This helped minimize any service disruption that might have been caused by the public health response to the COVID-19 pandemic.

During the year, our Employer Return-to-Work Programs department partnered with the Mental Health Claims Unit to reach out to employers to better understand how we can support them with mental disorder injury claims. We will review the opportunities identified by employers and work on strengthening our relationships to support safe and durable return to work.

Employer support during COVID-19

In March, after the coronavirus was declared a global pandemic and a public health emergency, we implemented a number of measures to help support employers and manage the related impacts.

Workplace safety

We have supported employers in reducing the risk of workplace COVID-19 transmission through the development of protocols and resources, as well as workplace consultations and inspections. Our officers and consultants worked directly with employers to ensure that their COVID-19 safety plans were complete and provided adequate protection for workers. For more information, see pages 31–32.

Financial support

To support employers who may have been impacted financially by the COVID-19 pandemic, we provided the option of deferring their second- and third-quarter premiums. Premiums could be deferred until October 20, 2020, without penalty or negative effect on the employer's clearance status.⁴⁶ Approximately 27,000 employers elected to defer their premiums during the year. In addition to deferral options, we worked with employers who were experiencing difficulties in paying premiums to create payment plans, and waived premiums for employers approved to receive the Canadian Emergency Wage Subsidy for wages paid to furloughed workers.⁴⁷

As well, we delayed setting the 2021 base premium rate to provide more time to assess the overall financial and economic outlook for the year, allowing us to keep the average base premium rate unchanged for 2021.

Claims support

We introduced the Employer Connect initiative to help workers stay connected with their employer immediately following an injury and throughout the claim process. We also increased telephone outreach directly to employers. We provided guidance to employers related to COVID-19-specific claims and communicated COVID-19-related delays for other active claims. To further facilitate communication during the pandemic, we also significantly expanded the use of email as a means of claim-specific correspondence. Use of email for an individual claim is subject to the worker's consent.

Looking ahead

Employers are key stakeholders in the successful recovery of and return to work for those injured on the job. Engaging both employers and injured workers earlier in the process helps ensure safe, durable, and timely return to work.

We will have more conversations with employers earlier on in the return-to-work process, outlining light duty and modified work options for injured workers. This will help identify return-to-work opportunities earlier and lead to better return-to-work outcomes for injured workers.

We will also continue to explore opportunities to enhance online service offerings for employers, in addition to continuing to provide education and consultation to small businesses, better enabling them to meet their health and safety requirements.

In 2021, we are planning new and additional research to better understand an employer's experience as they engage with us.

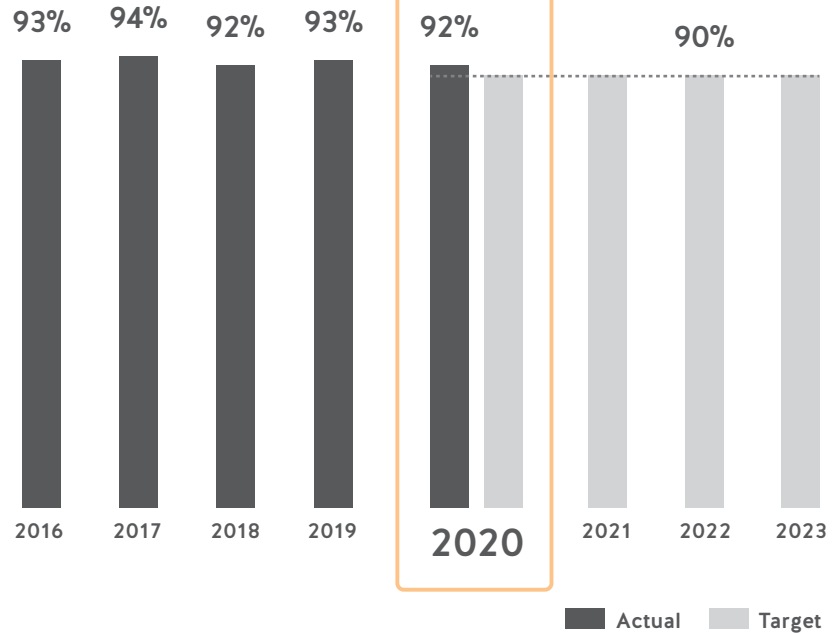


Key performance indicator 7:

Raise public confidence

We survey the public to measure their perception of our overall contribution to the health and safety culture in B.C. workplaces. For this indicator, success is measured as meeting or exceeding the target.

Public Contribution Index*



* The annual margin of error is +/- 1.7 percent, 95 times out of 100.

Importance

We strive to be recognized by stakeholders and the public as a valued partner in shaping a health and safety culture in B.C.'s workplaces. We rely on the trust and support of the larger community to improve workplace health and safety and return-to-work outcomes for injured workers. Increased public confidence in us and the work we do allows us to deliver our health and safety message more effectively while building lasting partnerships with workers, employers, unions, health and safety associations, and other workplace participants.

To measure public confidence, we contract Ipsos, a market research company, to poll approximately 800 British Columbians randomly, four times a year, using the Public Contribution Index survey. In 2020, B.C. residents were surveyed in March, June, September, and December. Those surveyed are asked to rate our contribution to the province as very positive, somewhat positive, somewhat negative, or very negative. This key performance indicator (KPI) calculates the percentage of those who rate WorkSafeBC's contribution as somewhat or very positive.

Setting targets

We believe that to be a leader in prevention, rehabilitation, and return-to-work initiatives we require a high level of credibility, and every increase in the Public Contribution Index suggests greater public confidence and trust in our organization. We set targets based on our most recent results and the effects of external factors, with a long-term focus on maintaining a result of 90 percent or more.

This KPI is especially sensitive to high-profile events, as well as mainstream and social media coverage that may occur at any time. Since we are a regulatory and enforcement agency, it is inevitable that actions or decisions by our organization may be perceived negatively. These negative perceptions can and do drive down results for this measure; therefore we have set 90 percent as the target through 2023.

In addition to maintaining a strong public confidence rating, we are piloting alternative measures that may provide a more robust understanding of public perceptions. As such, we have been measuring the importance of trust and understanding of purpose, as well as the experience people have with WorkSafeBC and their overall perceptions of us. We know that both trust and experience play very important roles in the confidence people have in our role in shaping workplace health and safety in B.C.

Performance results

In 2020, our average public contribution rating remained strong at 92 percent — exceeding the year’s 90 percent target. Our public contribution rating measures British Columbians’ perceptions of all aspects of our role and contributions to workplace health and safety. The result summarizes how we are viewed — and valued — as contributing to society. Our employer, worker, and public awareness campaigns impact awareness and perceptions and contribute to our strong public contribution rating.

Of the 3,203 British Columbians who responded to our four 2020 surveys, 2,952 said WorkSafeBC is making a somewhat or very positive contribution to the province.

Strategies and initiatives

Through societal transformation, our campaigns help change attitudes and behaviours toward workplace health and safety, and contribute to preventing workplace injury, disease, and death.

In 2020, we planned to continue with key health and safety awareness campaigns, but the COVID-19 pandemic altered some of the scheduled campaigns. We responded quickly to the evolving pandemic, conducting research to understand perceptions and fears among B.C.’s workers and employers. The findings informed our COVID-19 awareness campaign, reaching British Columbians in multiple languages and on many channels, including TV, radio, and social media. We provided 26 resources in multiple languages to directly address pandemic-specific workplace health and safety needs.

Societal transformation

In 2020, we conducted 93 projects and had more than 42,000 research interactions with people, gaining insights that gave us a better understanding of worker, employer, and provider perceptions of our services and workplace health and safety needs. An example of this research and its application is our continued work in behavioural science:

- We conducted research to better understand and monitor workplace health and safety awareness, perceptions, and behaviours in the workplace relating to COVID-19. The insights gained from this research informed our COVID-19-related communications and advertising campaigns, and provided context for our prevention work in this area.

- We conducted discussions, interviews, surveys, and prototype tests with injured workers, employers, and health care and service providers to understand their needs and service experiences. These interactions informed the design and enhancement of online self-service tools.

Understanding what people think or believe, and why they behave in certain ways, helps us design and update our services and products to better serve our stakeholders.

We conducted



research and insight
projects in 2020

Our COVID-19-specific outreach included a two-phase campaign reinforcing the message that healthy and safe workplaces contribute to a healthy and safe province, and encouraging everyone to do their part as restrictions were lifted and businesses reopened:

- Advertisements ran on radio, TV, and digital channels in English, as well as on radio in Cantonese, Mandarin, and Punjabi.
- Radio and audio streaming achieved 21 million impressions⁴⁸ for English ads, and 2.37 million impressions in Punjabi, Cantonese, and Mandarin ads.
- Through traditional television and digital (Connect) TV, we received a total of 48.7 million impressions, with digital content achieving 10 million impressions and 40,400 visits to our website.
- Multilingual outreach earned 1.37 million impressions on digital and social media, and 1.7 million impressions in print.
- Between April 1 and December 31 we had 2.66 million page views of our COVID-19 content on worksafebc.com, as well as 1.18 million views and 425,500 downloads of COVID-19-related resources.

We also continued with targeted risk and safety awareness campaigns in industry as well as innovative approaches to increasing young worker⁴⁹ engagement.

The “Spot the Hazards” contest shared through Instagram engaged young workers on workplace health and safety in a new way. Young workers had the opportunity to answer a series of polls to identify workplace hazards and win a prize. The contest reached 105,976 young workers across the province, with 825 taking part over a five-day period.

In 2020, the annual in-person public Day of Mourning ceremonies were replaced by a virtual ceremony as a result of measures to reduce the spread of COVID-19. The ceremony was broadcast on our social media channels and shared by the BC Federation of Labour, Business Council of British Columbia, and the Vancouver and District Labour Council. The Day of Mourning website received more than 38,000 site visits, nearly a 300 percent increase over the previous year, with 88 percent of visitors being new. The virtual ceremony was viewed live by more than 660 people, with an additional 3,400 viewers who watched the ceremony later in the day on YouTube, Facebook, and LinkedIn. There were 159 related news stories and 25 radio items covering the Day of Mourning.

We received an unprecedented amount of media coverage in 2020, as media interest in occupational health and safety intensified during the COVID-19 pandemic. We received 790 media enquiries from news organizations across the province — a 25 percent increase over the prior year. WorkSafeBC appeared in 8,741 media stories in B.C. — a 70 percent increase over 2019. We received extensive media coverage when sector-specific protocols and resources were published, and there was significant interest in COVID-19-related inspections and enforcement activities (see pages 31–32).

An independent research firm assessed our media coverage during the year and found that 34 percent of stories were positive toward the organization, 1 percent were negative, and 65 percent (almost two-thirds) were neutral.

In 2020, we continued to be active on four social media channels: Twitter, LinkedIn, Facebook, and Instagram. Using these channels, we shared health and safety information, answered questions from workers and employers, and facilitated question and concern resolutions with our claims and prevention teams.

On social media, the most discussed topics of 2020 were COVID-19-related workplace health and safety, the Day of Mourning, and young worker health and safety. Through these

platforms we addressed more than 800 questions and direct messages, an increase of 166 percent over 2019. These questions were related to unsafe worksites, COVID-19 inquiries, claim questions or concerns, and general queries. Our average response time was three hours, during office hours.

Promotion of our COVID-19 content and resources earned 147,600 website visits on worksafebc.com from social media posts and partner referrals, and approximately 12 million impressions and 82,800 clicks.

During the year, we continued to track social media sentiment — the attitudes toward and feelings about WorkSafeBC that people express on social media and other online channels — giving additional context to the mentions, comments, and shares. In 2020, sentiment about WorkSafeBC was 51 percent positive, 45.5 percent neutral, and 3.5 percent negative, an improvement over the 2019 result of 5 percent negative.

More of our stakeholders sought us out through social media for their news, questions, and issues resolution; this was mostly due to our COVID-19 workplace health and safety outreach. Our earned content (people sharing our posts, resources, and media coverage) grew by 128 percent in May 2020 — our highest month of engagement. We attribute this engagement to influencers and partners sharing our content more than ever before.

Looking ahead

In 2021, we will continue to focus on providing responsive service and continue research to gain further insights to better understand the needs of our stakeholders. This will help us provide the service experience workers and employers need to be healthy and safe in their workplaces.

In addition, we will focus on supporting return-to-work strategies with behavioural awareness and communications initiatives to promote a consistent understanding of the benefits of returning to work after an injury.

Our behavioural research will continue in the form of surveys, focus groups, interviews, online discussion boards, behavioural insight projects, and more. In turn, and in keeping with our mandate for continuous improvement, we will create service experience guidelines that govern how we respond to worker and employer needs.

As we move through the year, we will continue to create targeted campaigns that capture the attention of our stakeholders and the public as we strive to change workplace health and safety attitudes and behaviours in support of our strategic priorities.



Blacksmith Bakery manager, Erica Downie reviews their COVID-19 safety plan with WorkSafeBC occupational safety officer, Joti Dhaliwal.

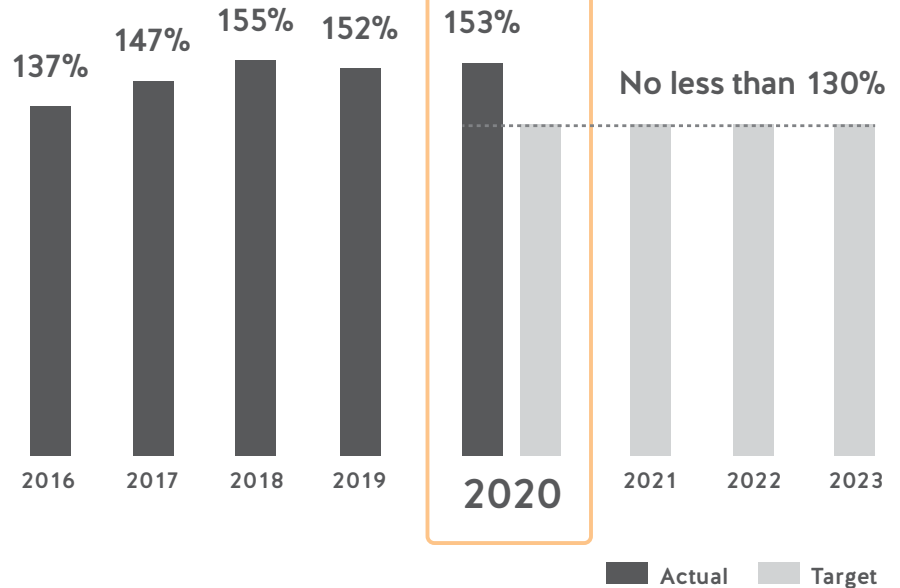


Key performance indicator 8:

Maintain a smoothed funded level of no less than 130 percent

This indicator measures that we have sufficient funds (assets) to meet the cost of claims for injured workers into the foreseeable future (liabilities). Our goal is to maintain a long-term smoothed funded level of no less than 130 percent.

Smoothed funded level*



*The real discount rate used to value the benefit liabilities was lowered to 2.4 percent at December 31, 2019. Performance results for 2018 and prior years were based on the real discount rate of 3.0 percent.

Importance

WorkSafeBC has a fiduciary responsibility to ensure that funds are available to meet the cost of claims for injured workers into the foreseeable future. Meeting this objective requires targeting a smoothed funded level (total assets available divided by total liabilities, on a smoothed basis) sufficient to fund future payments for current claims. In addition, the target funding level should include adequate capital to manage volatility in the valuation of those assets and liabilities.

We invest in a diversified portfolio (see Financial Context, page 21) that includes equity investments that are expected to generate higher long-term returns. While higher returns allow for lower long-term net employer premiums, equity investments are subject to greater market value variability. Similarly, because our liability payments are long-term in nature, they are subject to potential changes in environmental factors,⁵⁰ legislation, and policies that could result in significant cost increases. When any of these risks occurs — a significant downturn in equity values or significant cost increases — we can draw on capital reserves.

$$\text{Funded level} = \frac{\text{Total assets (funds)}}{\text{Total liabilities (claim payments)}}$$



A strong funded position ensures the future sustainability of the workers' compensation system and provides greater security for benefits to injured workers; it also serves the interests of employers by allowing us to dampen rate volatility that could otherwise arise from fluctuating returns on investments and/or unforeseen costs beyond those assumed in the liabilities.

Setting targets

The long-term goal for this performance indicator is a smoothed funded level of no less than 130 percent. This target is similar in range to those of other western Canadian workers' compensation organizations. At this long-term funded level or greater, we expect to have a sufficient capital reserve to withstand the risk that the valuation of assets and liabilities may fluctuate from year to year (see Note 19 of the consolidated financial statements, page 155).

While 130 percent is the long-term goal for this key performance indicator (KPI), values in any given year may rise above or fall below this level — particularly as equity markets rise and fall. Maintaining the smoothed funded level at no less than the target also largely depends on consistently earning investment returns that meet or exceed actuarial assumptions.

Performance results

On December 31, 2020, actual smoothed assets were 153 percent of smoothed liabilities, higher than our target. A detailed calculation of this KPI is shown in the table, which also compares the smoothed funded level with the fair value — or International Financial Reporting Standards (IFRS) basis — used in the consolidated financial statements.

We're committed to sound financial management to ensure the long-term financial sustainability of the workers' compensation system in B.C. In 2020, our finances were affected by the global COVID-19 pandemic, but we were able to maintain our funded position through the initial economic and investment market response to the pandemic. Our surplus funding helped to cover costs related to operations and ongoing claims, as well as offset the reduction in premium income experienced during the year.

Financial markets recovered toward the end of 2020, and by year-end the global pandemic did not have a significant impact on the overall funded level, avoiding the potential for premium rate volatility.

Strategies and initiatives

In alignment with our strategic priority to maintain a financially sustainable system, we apply sound investment policies and practices, review the premium rate-setting and employer assessment process, and manage claim costs by helping B.C.'s employers reduce workplace injuries and implement successful return-to-work initiatives. In addition, while ensuring sufficient funds to meet future claim costs, we also provide a mechanism to limit premium rate volatility for employers.

Return on investment and risk

To provide a long-term required level of investment returns without undue risk to the system, we maintain a prudent and diversified investment portfolio (see Financial Context, page 21). In the long term, this investment approach is intended to provide adequate investment returns to cover inflationary increases in claim benefit liabilities.⁵¹

Funded level calculation

(\$ millions)	2020			2019		
	Smoothed accounting basis	Adjustment	IFRS basis	Smoothed accounting basis	Adjustment	IFRS basis
Total assets ^a	20,022	1,893	21,915	19,432	1,109	20,541
Total liabilities ^b	13,073	532	13,605	12,812	431	13,243
Funded position ^c	6,949	1,361	8,310	6,620	678	7,298
Funded level (assets ÷ liabilities)	153%	+8 points	161%	152%	+3 points	155%

a Smoothed accounting-basis assets exclude deferred investment gains and/or losses.

b IFRS-basis liabilities include the latent occupational disease liability plus the difference in accruals and payables due to actuarial gains and losses on the WorkSafeBC employee benefit plan.

c The funded position is made up of capital reserves and the unappropriated balance.

Premium rate setting and internal controls

For the last 14 years, we have drawn on our strong financial position to keep the average base premium rate below the actual average cost rate. In 2020, we delayed setting the 2021 premium rates, taking additional time to gain a better understanding of the impact of the pandemic on our financial position. By delaying the 2021 rate setting to collect more information, we were able to keep the average base rate unchanged for the coming year. For more information on premium rate setting, see page 93.

To ensure timely and accurate collection of employer premiums, we work closely with employers to verify estimated payrolls, confirm receivable amounts, collect overdue accounts, and educate employers about payment obligations and potential savings opportunities. We also investigate employers who default on their payments and may initiate proceedings against them, resulting in administrative penalties or court-imposed sanctions.

In response to the challenges employers were facing as a consequence of COVID-19 exposure control measures in 2020, we implemented a premium deferral program for second- and third-quarter premiums. This allowed employers to defer payments to us for up to six months, without penalty. In addition, we waived premiums for employers who were approved to receive the Canada Emergency Wage Subsidy for their furloughed workers. For employers who had difficulty paying their outstanding assessments at the end of the deferral period, we offered interest- and penalty-free repayment plans.

Manage claim costs

Claim costs relating to injured workers account for approximately 87 percent of all costs. As such, we work with stakeholders to reduce the incidence of occupational injury, disease, and death (see KPI 1, page 42). When workplace injuries occur, we work with injured workers and employers to resolve claims quickly and help injured workers safely return to lasting employment. This early intervention also helps to reduce benefit payments and liabilities, resulting in lower claim costs. However, the COVID-19 pandemic has negatively impacted the economy and available employment opportunities, hampering our efforts to support workers in returning to work (see KPIs 2 and 3, pages 54 and 58).

Cost of claims accounted for

87%
of all costs



In addition to the ongoing pandemic, in recent years, the severity and complexity of injury claims has changed, resulting in longer recovery times and increasing claim costs. Complex claims, such as those for mental disorder injuries or chronic pain, require more intervention and support from us; as a result, future claim and administrative costs are expected to increase.

Looking ahead

In 2021, we plan to complete an asset-liability review to update the long-term target asset mix strategy while incorporating more up-to-date assumptions, such as inflation and investment return expectations. This periodic review allows us to maintain a prudent and diversified investment portfolio that reflects the most recent investment outlook.

As the pandemic continues into 2021, the post-pandemic environment remains uncertain. This environment, coupled with potentially volatile financial markets and increasing claim costs, will require our continued prudent investment of the Accident Fund.⁵²

We anticipate that our assessment collection and investment strategies and policies will support a funded level of no less than 130 percent into the future.



Physiotherapist, Tyler Dumont conducts a virtual patient appointment during the early stage of the COVID-19 pandemic.

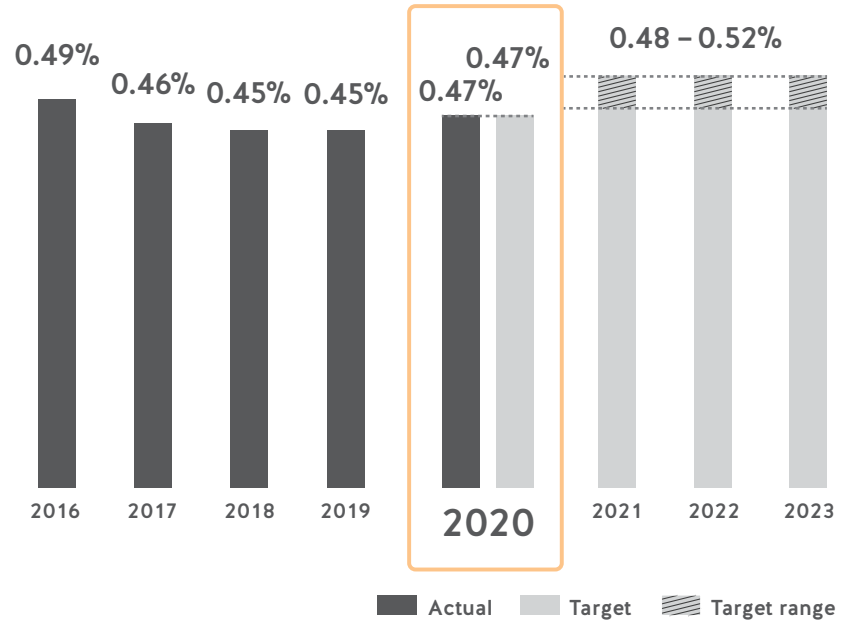


Key performance indicator 9:

Control administration costs

To provide value for our stakeholders, we strive to be cost-effective while providing high-quality service. We measure our success by maintaining an administration cost ratio within the target range.

WorkSafeBC's administration costs as a percentage of the provincial assessable employer payroll



Importance

We aim to deliver a high level of service to our stakeholders in a cost-effective manner. To measure our administrative efficiency, we calculate our annual administration costs, including prevention costs, as a percentage of assessable employer payroll. In so doing, we can compare and monitor the cost of administering B.C.'s workers' compensation system relative to the size of the province's overall employment base.

We evaluate our year-over-year performance against targets approved by our Board of Directors. An alternate measure, based on the Association of Workers' Compensation Boards of Canada definition,⁵³ adjusts for operating and legislative differences; this allows for comparison of our administration costs with other workers' compensation organizations in Canada.⁵⁴

$$\begin{aligned} &\text{Administration cost ratio} \\ &= \\ &\frac{\text{Administration costs (numerator)}}{\text{Assessable payroll (denominator)}} \end{aligned}$$



Setting targets

The target-setting approach for this key performance indicator (KPI) has been updated for 2021 and future years. We have amended the target from a specific administration costs percentage to a long-term target range. This approach better reflects the potential impact of factors outside of our control (e.g., provincial assessable payroll) in any given year. This range also recognizes the relative importance of long-term trends to the metric, versus a single-year result. The 0.48–0.52 percent target range reflects past performance and provides a reasonable range for us to operate within. Administrative costs above of this range may be considered by some stakeholders as an inappropriate growth in the organization's budget as compared to growth in the economy overall. Alternatively, some stakeholders may consider costs below the range as an inadequate investment in operations over the long term.

Increases in the administration cost budget are required, at times, to ensure that we continue meeting our commitment to high-quality service to employers and workers, and enhanced prevention support. When considering changes to the administration budget, we review the effect additional programs could have in reducing the provincial injury rate and improving return-to-work outcomes for injured workers, helping to limit increased claim costs — and consider whether these benefits would outweigh the administration cost increases.

The administration cost ratio can be affected by changes in administration costs (the numerator) or the province's assessable payroll (denominator). Starting in 2021, targets for this KPI are set as a range rather than a precise target to recognize the variation that may occur in both the numerator and the denominator.

- The future provincial assessable payroll (denominator) is an estimate that can vary significantly depending on factors affecting the B.C. economy.
- For the administrative costs budget (numerator), a target range allows for flexibility for us to address areas of focus or concern in a given year while still targeting to hold administrative costs within range.

Uncertainty about the continuing effect and duration of the COVID-19 pandemic, as well as the pace and timing of the economic recovery, contributes to the potential volatility in B.C.'s economic and fiscal outlook. As a consequence, we have taken extra care to ensure that our administrative costs are prudent and appropriate to the current conditions.

Targets for 2021 and 2022 have been updated from the figures published in the *2019 Annual Report and 2020–2022 Service Plan*.

Performance results

In 2020, assessable payroll was lower than expected as a result of the impact of the COVID-19 pandemic on the provincial economy. Assessable payroll was lower across all sectors, with the most significant decrease in accommodation, food, and leisure services. As a result, the administration cost ratio was 0.47 percent — 0.02 percentage points higher than the 2019 result, but meeting our 2020 target. These results are explained as follows:

- **Compared with the 2019 result of 0.45 percent** — The administration cost ratio was higher than the 2019 result because of the combined effect of administration cost increases and a decrease in the provincial assessable payroll. Administration costs, including claim administration costs, increased by \$23.8 million in 2020, mostly as a result of planned increases in payroll costs and planned expenditures for facilities improvements. Increased payroll costs were for negotiated increases in staff salaries and related benefits.
- **Compared with the 2020 target of 0.47 percent** — The result of 0.47 percent met the target for 2020. Although provincial assessable payroll was lower than anticipated during the year as a result of the pandemic, our administration spending was also lower than budgeted. Administration cost savings were from hiring delays, reduction in travel costs, and cancellation of training, conferences, and other events due to measures to prevent the spread of COVID-19.

For more information on the total administration cost variance, see page 99 of the Management Discussion and Analysis section. See Note 15 of the consolidated financial statements, page 153, for a breakdown of total administration costs by category and function.

Strategies and initiatives

We are responsible for administering the workers' compensation system and ensuring that expenditures are appropriate in effectively delivering our services. To fulfill these responsibilities, we invest in strategies to prevent workplace injuries and disease while focusing on how to best support injured workers.

Optimization and continuous improvement

Throughout 2020 we had to reassess how we deliver our services to workers and employers, as their needs changed because of COVID-19 and the resulting economic downturn. We maintained continuity in service delivery, while moving most of our workforce to work from home. We managed our administration costs by delaying hiring new staff, reducing overtime, and implementing various other savings strategies. These savings more than offset the increase in costs in the year resulting from the response to the pandemic.

Internal controls

To monitor and manage administration costs and ensure that we are effectively carrying out our plans, we maintain a system of internal controls. They consist of monthly reviews to report on administrative costs compared to budget, with variance explanations provided to the chief financial officer (CFO). The CFO regularly reports results from these reviews to the Executive Leadership Team, including the president and chief executive officer, and the Audit Committee of the Board of Directors.

Looking ahead

The Canadian economy is forecasted to gradually recover in 2021; however, the COVID-19 pandemic continues to pose uncertainties for B.C. businesses and the labour market. In addition to the challenges presented by the ongoing pandemic, we are seeing increasing complexity in our claims environment (e.g., increasing numbers of mental disorder and chronic pain injuries), which will require greater intervention and effort from us.

In 2021, we will continue to add resources to implement Bill 23 legislative changes. We will also continue to look for ways to improve responsiveness to injured workers and employers.

We also expect additional cost pressures in 2022 and 2023 as we address the trend of an increasing number of complex injuries claims and continue to invest in prevention efforts. Over the same period, assessable payroll is expected to increase, based on projected changes in B.C.'s labour market, as estimated by the provincial Ministry of Finance.⁵⁵





Warmac Logging operation driver hauls
out logs south of Prince George, B.C.

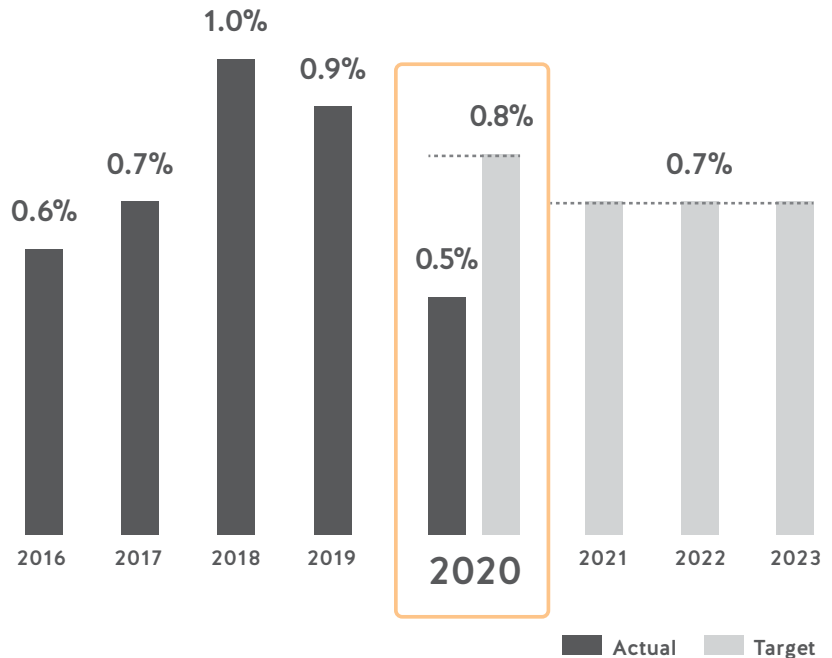


Key performance indicator 10:

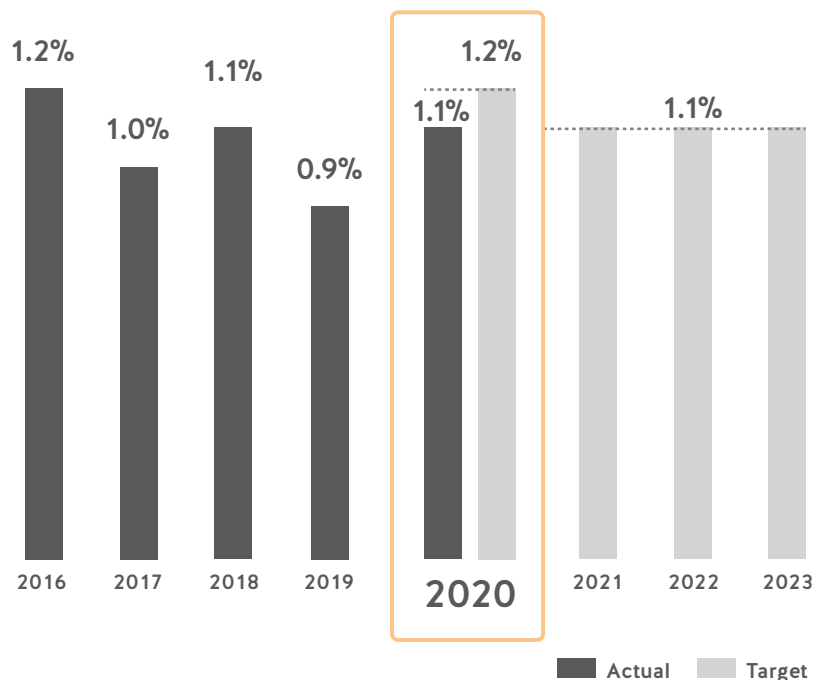
Improve decision making throughout WorkSafeBC, ensuring consistency with legislation and policy

Consistent and quality decision making is an integral part of the workers' compensation system. This indicator is a threshold target; the lower the result, the more consistent the decision making.

Issues leading to overturned decisions due to WorkSafeBC errors in law or policy — Review Division (internal)



Issues leading to overturned decisions due to WorkSafeBC errors in law or policy — WCAT (external)



Importance

Over the course of a year, we make thousands of decisions regarding compensation, prevention, assessment, and rehabilitation matters affecting B.C. workplaces. The goal is to arrive at the correct decision by weighing evidence consistently and ensuring compliance with applicable law and policy. In most cases, our decisions are accepted by those involved; however, workers and employers have the right to appeal decisions should they disagree with our findings.

To maintain accountability and provide consistent, quality decision making, a two-level appeal system is available to B.C.'s workers and employers. The first level involves impartial internal reviews through our Review Division. The second involves an external level of appeal via the Workers' Compensation Appeal Tribunal (WCAT). Both are key components of the decision-making process and provide our stakeholders and the public with a better understanding of adjudication and policy application principles. The appeals system is integral to the workers' compensation system, working in partnership with stakeholders to continuously improve service delivery and strengthen relationships.

Setting targets

In setting targets, we track the rate of errors coded by the Review Division or WCAT in applying law and/or policy — the most objective and readily available measure of quality decision making.

Each year, the threshold targets are adjusted to reflect the 10-year average result for this KPI. In keeping with this formula, the Board of Directors has set the upper threshold for this target at 0.7 percent or less for initial decisions reviewed at the Review Division level and at 1.1 percent or less for Review Division decisions appealed at the WCAT level. Targets have been set through to 2023.

Performance results

In response to the COVID-19 pandemic, the Review Division established a new service-delivery model reflecting the corporate priorities of ensuring the continuation of service to workers and employers, and protecting the health and safety of our employees. Through this model, the majority of Review Division staff worked from home with minimal impact on review processing and completions.

In 2020, total requests for decision reviews were down 2.6 percent over 2019. Starting in May 2020, we saw a year-over-year decline in requests for reviews. This is tied to a drop in claims registered, combined with challenges in obtaining medical and other information required for the decision-making process — particularly during the initial wave of the COVID-19 pandemic.

During the year, the Review Division decided on 13,080 issues related to 10,516 WorkSafeBC decisions. Of the issues reviewed, 59 (0.5 percent) resulted in overturned decisions because of a perceived error in applying legislation or policy. This result was lower than the 0.8 percent target for 2020 and better than the 0.9 percent result in 2019.

WCAT decided on 2,930 issues related to 1,995 completed appeals of Review Division decisions in 2020. Of these, 31 (1.1 percent) resulted in overturned decisions due to perceived error in the application of legislation or policy. This result was better than the 1.2 percent target for 2020, but slightly higher than the 0.9 percent result in 2019.

Overall, the Review Division confirmed 54 percent of the issues it reviewed, compared with 53 percent in 2019. Of those issues reviewed, 26 percent were allowed or allowed in part — down 1 percent from 2019. The remaining 20 percent of completed issues were returned to the initial decision-making division for further investigation or determination, unchanged from 2019.

Of the total appeals completed by WCAT in 2020, 70 percent of issues appealed were confirmed — the same as in 2019 — while 30 percent were allowed or allowed in part, the same as in the prior year.

The top two issues under review and appeal related to the acceptance of a claim for an injury and the duration of permanent disability benefits.

Strategies and initiatives

We have strategic initiatives and programs in place to ensure that we are delivering high-quality adjudication decisions that are consistent with legislation, regulation, and policy. As a safeguard, the Review Division regularly undertakes various quality initiatives to help educate decision makers on appropriate methods of evidence gathering and weighing, legislation and policy application, decision making, and decision writing.

Timely, consistent, quality adjudication

In 2020, the Review Division continued to provide training and quality oversight for new review officers. Training was provided to all review officers during the last five months of the year to prepare for the legislative changes resulting from the *Workers Compensation Amendment Act, 2020* (Bill 23) and amendments to 45 policies in the *Prevention Manual*, the *Rehabilitation Services and Claims Manual*, Volume II, and the *Assessment Manual*. In addition, review officers received ongoing training and quality oversight in specific subject matter areas, such as relief of costs, entitlement to wage loss, and due diligence determinations.

As part of our ongoing focus on quality adjudication, team managers and the quality assurance team in the Review Division review select decisions — either before or after they are issued. Without encroaching on the independence of decision makers, review officers also peer review each other's draft decisions and provide constructive feedback.

Our Review Division's quality assurance team conducts in-depth audits of completed Review Division and WCAT decisions in areas with a higher-than-average overturn rate at WCAT. These audits identify trends and areas where further training, policy, or procedural clarification is warranted. (In 2020, an audit was completed on relief-of-cost decisions.) Audit results are shared with the operating divisions and may be conducted jointly by the Review Division and the appropriate operating division.

To identify issues related to decision-making quality, Review Division staff consult with representatives from across WorkSafeBC. In 2020, we convened quality councils on compensation, prevention, and assessment matters with senior-level representatives from different areas of our organization. In these councils, issues related to decision-making quality are identified and plans are developed for resolving these issues.

In 2020, sessions were also held with various stakeholder groups, such as our Policy and Practice Consultative Committee, the Workers' and Employers' Advisers Offices, worker and employer organizations, and other government agencies. These sessions assist in identifying issues related to both the quality of decisions and the services delivered. A key focus of these sessions was to further enable stakeholders to work with us through various online applications and telephone offerings.

In addition, the Claims and Rehabilitation Services Division continued to support the delivery of quality adjudication consistent with workers' compensation law, policy, and practice. In 2020, the Practice and Quality Support Services department continued to take the lead in promoting continuous quality improvement, focusing on the response to the COVID-19 pandemic and Bill 23 changes.

As well, a key focus for the Claims and Rehabilitation Services Division was continued development of the quality feedback process between it and the Review Division. Ongoing analysis of Review Division outcomes and claims quality audits were

used to identify areas within the claims lifecycle to focus quality improvement initiatives. A key component of the division's commitment to quality improvement is regular quality council meetings with claims services and Review Division leadership to discuss trends and explore joint opportunities for improvement.

Strengthening stakeholder relationships

In support of the Government of British Columbia's commitment to reconciliation with Indigenous Peoples, the Review Division and the Fair Practices Office are working to implement the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP) and the Truth and Reconciliation Commission of Canada (TRC) *Calls to Action*. In keeping with this mandate, the Review Division is undertaking an assessment of all practices, procedures, and forms to identify and remove any potential barriers that may exist for Indigenous people. This work is based on input from our Community Advisory Council, a group composed of Indigenous lawyers and advocates from across B.C.

Looking ahead

To support our commitment to providing timely, consistent, and quality adjudication, in 2021 we will continue to work collaboratively with both internal and external stakeholders.

Our efforts will focus on developing, refining, and enhancing the expertise of our decision makers at all levels so we can improve customer service and quality assurance.

Through our partnerships and collaborations with stakeholders, we will identify opportunities to provide services tailored to meet individual client needs. In keeping with our commitment to improving our services for Indigenous clients, in 2021 all Review Division staff will be participating in further cultural competency and trauma-informed training.

We will continue to make improvements to our delivery of services to stakeholders through our online applications. Staff will continue to experience pressure from impacts of the ongoing COVID-19 pandemic on incoming review volumes, implementation of changes related to Bill 23, policy changes, and staff movement — potentially resulting in additional errors in law and policy. Ongoing training and initiatives to enhance quality and service should assist in mitigating this risk.

Corporate social responsibility



WorkSafeBC occupational safety officer, Jacqueline Spain set up a hand washing station in the back of her vehicle to wash up after a worksite inspection.

Corporate social responsibility

Corporate social responsibility connects to multiple strategic priorities that aid progress toward the important goals of our organization. We work with stakeholders to better engage in occupational health and safety.

Importance

Environmental management

Environmental management ties into our strategic priority to operate an effective and efficient business and adapt to societal change.

We seek to create a sustainable workplace by balancing social, environmental, and economic considerations. Good corporate citizenship requires this integrated approach in optimizing our operational activities, achieving sustainable use of resources, and minimizing our environmental impact.

As an organization, we cannot function without consuming energy or producing waste, but good stewardship requires that we approach our operations as efficiently as possible.

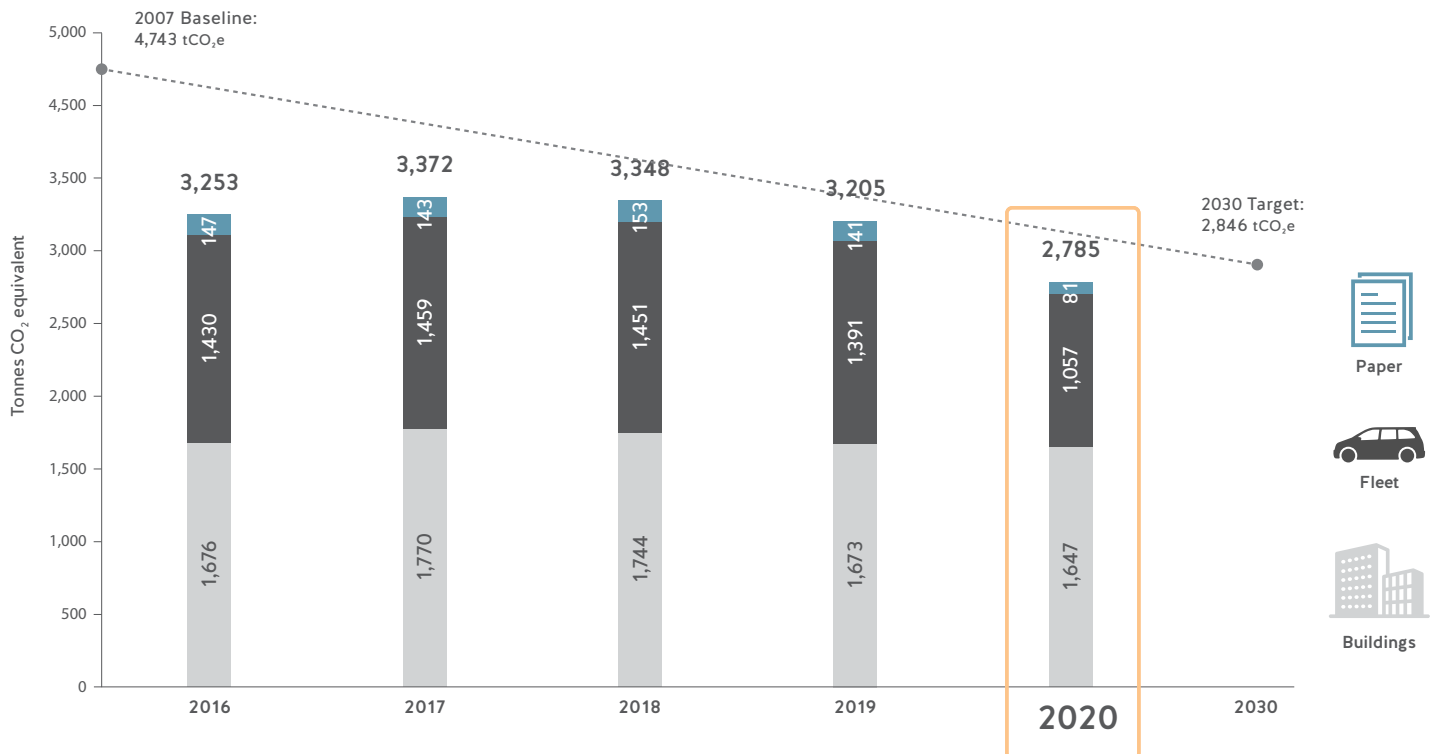
Setting targets

Greenhouse gas emissions

All our major energy sources involve emitting greenhouse gases (GHGs) with various global warming potentials. To express our energy consumption, we use a universal measure of total emissions: tonnes of CO₂ equivalent (tCO₂e). This allows us to monitor both our resource usage and our potential impact on climate change, using the same measurements.

We voluntarily align with B.C.'s *Climate Change Accountability Act*, which calls for a 40 percent reduction from our 2007 emissions by 2030. In 2007, the baseline was 4,743 tCO₂e — resulting in a 2030 target of 2,846 tCO₂e. We will need to re-evaluate that target in light of changes to our office space and vehicle fleet since the baseline year. However, we continue striving to optimize our buildings' efficiency while working toward the 2030 target.

Greenhouse gas emissions

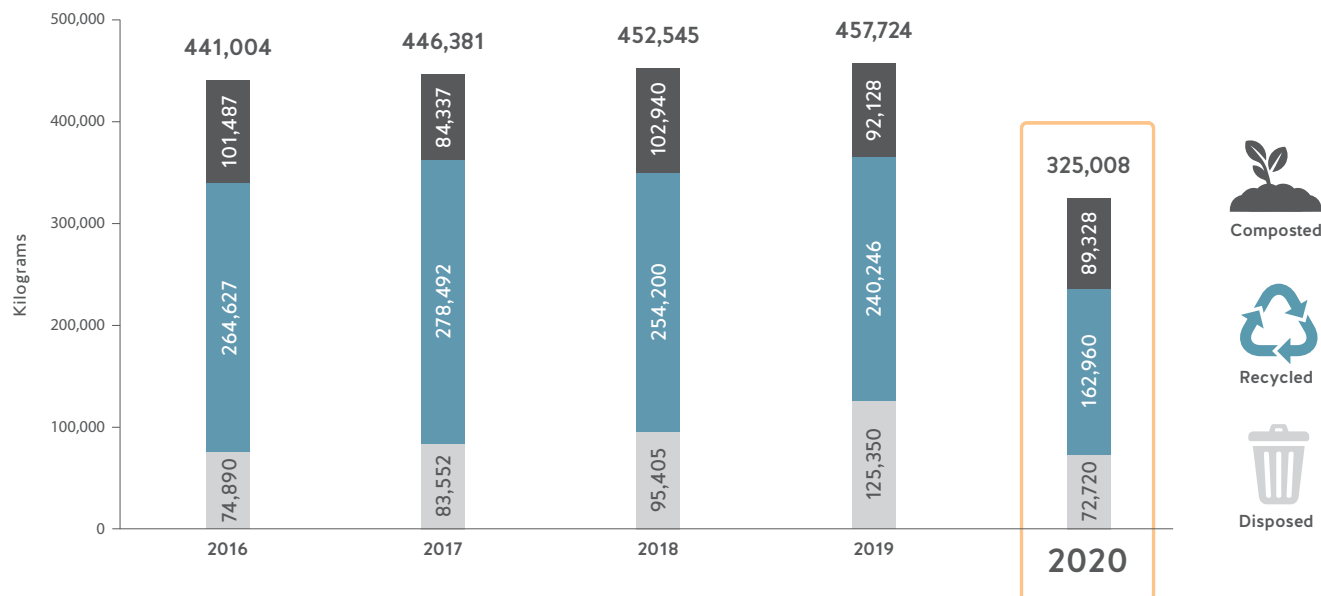


Waste diversion

Beyond reducing our GHGs, we voluntarily align our head office in Richmond with Metro Vancouver's *Integrated Solid Waste and Resource Management Plan*. The plan calls for reducing the total waste generated and diverting at least 80 percent from landfills and into recycling or composting. Our goals include:

- Minimizing waste generation
- Maximizing reuse, recycling, and material recovery, with at least 80 percent of waste diverted from landfill

Waste diversion



Performance results

Emissions calculations are based on three components: buildings (including consumption of electricity, natural gas, and diesel), our vehicle fleet, and paper consumption.

In 2020, emissions from buildings fell by 2 percent to 1,647 tCO₂e, from 1,673 tCO₂e in 2019. With most staff working from home because of COVID-19 protocols, we saw reduced demand for lighting, computer usage, and other staff-driven energy consumption. However, in accordance with pandemic-related best practices for workplace management, we adjusted the air ventilation systems to take in more outdoor air, adjusted temperature set points in unoccupied areas, and kept our systems running longer, which increased usage of both electricity and natural gas. Initiatives to upgrade our equipment and systems helped balance consumption in other areas. Therefore, overall building emissions fell, but only slightly.

Fleet emissions fell by 24 percent in 2020, to 1,057 tCO₂e, compared with 1,391 tCO₂e in 2019. In the early months of 2020, emissions were similar to those of prior years, but the pandemic contributed to fleet vehicles logging fewer kilometres. As we moved through the year, logged kilometres returned to similar rates but, overall, the reduction in mileage resulted in lower emissions for the year.

Paper-related emissions dropped even more sharply than fleet vehicle emissions in 2020 — a decline of 43 percent, to 81 tCO₂e from 141 tCO₂e in 2019. This drop is not surprising, since the majority of staff worked from home for eight months of the year as part of our efforts to reduce the spread of COVID-19.

Our COVID-19 response also predictably decreased the volume of waste produced in the Richmond office in 2020 — 325,008 kg, compared with 457,724 kg in 2019 (a decrease of 29 percent). In particular, we saw far less commercial waste — the kind typically produced by people in the workplace, like food, packaging, and paper waste.

While our generation of commercial waste decreased, activities that produced construction-related waste continued as we worked to sustain the functioning of our buildings and workplace services. Although we didn't quite reach our target of 80 percent of waste diverted from landfill, we saw improvement from the previous year. In 2020, we sent 22 percent of waste to landfill, while composting 28 percent and recycling 50 percent, compared with 27 percent to landfill, 20 percent composted, and 53 percent recycled in 2019.

Strategies and initiatives

The COVID-19 pandemic focused our attention on health-and-safety issues in the physical workplaces required for service delivery. Along with the planning and execution of safety protocols, we implemented sustainability-related initiatives to support an effective and efficient business.

Facilities space and office planning

In 2020, as the lease on our Kelowna office expired, we commissioned a new office. While preparing the new space, we selected vendors committed to the environment — from product design through manufacturing and disposal. We also incorporated high-efficiency equipment to maximize energy efficiency, and designed workspaces according to best practices for worker comfort, safety, and engagement.

Elsewhere, we continued to optimize our facilities for sustainability. To encourage proper waste sorting by staff and reduce overall waste generation, we increased the number of waste-sorting stations in many of our offices, and continued to remove desk-side waste bins from staff workstations.

People strategy

As staff settled into working remotely, we surveyed them to solicit opinions and ideas on post-pandemic work practices, which will inevitably impact organizational sustainability. The survey obtained a 93 percent response rate, underlining the significance of this issue for staff.

Investing in communities

Our community investments help to build and strengthen relationships with key stakeholders and community organizations across the province, making us better able to engage on occupational health and safety and prevent workplace injury and disease.

In 2020, we sponsored SafeCare BC's Hearts and Hands virtual conference, the leading conference for health care assistants in the province. Health care assistants are frontline caregivers in homes, residential-care facilities, and hospitals in B.C. — and often the most injured workers in the province. The conference celebrated the work of health care assistants and provided ideas and tools to improve workplace health and safety.

As part of our efforts to expand our reach into the small business community, we participated as a sponsor of the 2020 BC Chamber of Commerce Annual General Meeting, and worked with local chambers throughout the province to provide virtual town halls on COVID-19-specific health and safety.

Information and guidance on COVID-19 health and safety issues was also provided through virtual town hall meetings with the Surrey Board of Trade, Vancouver Regional Construction Association, Tourism Industry Association of BC, BC Municipal Safety Association, and Junior Achievement BC.

To help tell the stories of workers during the pandemic, we sponsored the BC Labour Heritage Centre's project, COVID Chronicles: BC Labour's Story.⁵⁶ The purpose of the project was to document first-hand experiences of B.C.'s workers and capture, expand, and enrich history by documenting their experiences and how their work was impacted by the pandemic.

We also sponsored and partnered with numerous other not-for-profit organizations in B.C. in 2020 that aligned with our health and safety goals, including Richmond Centre for Disability, Threads of Life, and Working Gear.

Looking ahead

While we work through the COVID-19 pandemic, we will continue to evaluate our operations. Through our Future of Work Task Force, we are developing an operational model that incorporates remote work on an ongoing basis. We expect that a hybrid work model will conserve resources, reduce carbon-intensive commuting, and maximize employee engagement. As our organization progresses toward this new working model, we will simultaneously prepare for the impacts of that future on our sustainability efforts.

We will continue to align our objectives with provincial and municipal GHG emission and waste diversion targets. We remain mindful that GHG emissions, specifically, are affected by various factors, including aging infrastructure, weather, increased office space, organizational growth, and cost and availability of relevant technologies.

We will continue to focus on educating staff and increasing overall awareness of our organizational goals. Encouraging and enabling a culture of sustainability is a key part of our effort to create a meaningful workplace, and we further understand that an informed, engaged staff is a vital factor in making our sustainability vision a reality.

Implementing these strategies will enable us to set meaningful sustainability goals, develop appropriate action plans, and evaluate progress toward our goals into the foreseeable future.

Helping Hands

Helping Hands is a registered charity funded by WorkSafeBC employees, with infrastructure support provided by WorkSafeBC. In 2020, Helping Hands did not hold any in-person fundraising events because of the pandemic. However, by partnering with internal stakeholders, we were able to continue supporting our employees and communities throughout the province.

Through Helping Hands, WorkSafeBC employees donated \$123,738 to 128 non-profit organizations in 2020. Organizations receiving support included Backpack Buddies, more than a dozen food banks across the province, Jeremy's Memorial Foundation, and the Angela Boddez Memorial Fund.

Province-wide food banks

Helping Hands has long supported food banks in the province and was proud to carry on the tradition of supporting food banks in 2020. This was an especially difficult year for many. Employees were invited to donate to help support food banks, and they responded.

\$32,545

was donated to 16 food banks
around the province in 2020



Our finances

Otter Co-op store manager, Roberto Roberti demonstrates the plexiglass barrier in their Langley retail location.



SAFETY DURING COVID-19

Management discussion and analysis

This section provides management's perspective on WorkSafeBC's consolidated financial results and financial position for the year ending December 31, 2020. The following areas are discussed: funded position, premium income, investments, claims, operating costs, and comparison with our 2020 plan.

This section should be read in conjunction with the consolidated financial statements and accompanying notes. It also includes a discussion of the new accounting standard, IFRS 17, that we are monitoring and key strategic, financial, and operational risk factors potentially affecting current and future performance.

Some statements included in this section contain forward-looking information that is subject to uncertainties and may cause actual results to differ from those outlined. Forward-looking statements include the outlook for our business and projections for the provincial and national economies. Uncertainties include changing market, industry, and general economic factors, and changes in provincial legislation affecting our policies and practices.

Supplementary information on our operating results, prepared based on the smoothed accounting⁵⁷ approach (the accounting method used for rate-setting purposes), is available online at worksafebc.com/annualreport. This information includes a 10-year summary table, gain and loss analysis, and statement of changes in rate group balances.

Highlights 2020 and 2019

Financial highlights (\$ millions)	2020	2019	Change
Total assets	21,915	20,541	1,374
Total liabilities	13,605	13,243	362
Reserves	3,922	3,652	270
Unappropriated balance and accumulated other comprehensive income	4,388	3,646	742
Premium income	1,603	1,666	(63)
Investment income	2,063	2,259	(196)
Other income	8	9	(1)
Claim costs before discount rate change	2,208	2,248 ^a	(40)
Claim costs adjustment due to discount rate change	—	486 ^a	(486)
Operating costs	332	316	16
Surplus from operations	1,134	884	250
Other comprehensive loss	(122)	(12)	(110)
Total comprehensive income	1,012	872	140
Operational highlights			
Smoothed funding level (see KPI 8, page 70)	153%	152%	1 point
Average base premium rate	1.55%	1.55%	—
Investment return	10.5%	12.5%	(2.0 points)
Number of insured employers (at year-end)	255,490	249,336	6,154
Number of workers covered (estimated average for the year)	2.34 million	2.51 million	(0.17 million)
Provincial injury rate (see KPI 1, page 42)	2.15 ^d	2.19 ^d	(0.04)
Number of claims registered	128,274	158,128 ^b	(29,854)
Number of short-term disability claims first paid ^c	45,261	52,226	(6,965)

^a At December 31, 2019, the real discount rate, used to value benefit liabilities, decreased from 3.0 percent to 2.4 percent. Total claim costs were adjusted as a result of this change. See Claim Benefit Liabilities, page 98.

^b The number of claims registered has been revised from that published in the 2019 Annual Report and 2020–2022 Service Plan because of the claim consolidation process to remove duplicate claims.

^c The number of short-term disability claims to receive a first payment during the year.

^d The provincial injury rate for 2020 is preliminary and subject to change. The injury rate is finalized in July each year; prior-year results are restated if necessary to reflect final figures. The 2019 injury rate has been restated from what was published in the 2019 Annual Report and 2020–2022 Service Plan.

Overview of 2020 financial results

In 2020, the total comprehensive income was \$1,012 million, contributing to an increase in the Accident Fund.⁵⁸ Total comprehensive income was higher by \$140 million, compared to 2019, because of lower claim costs in 2020, partially offset by reduced premium and investment income, and a higher other comprehensive loss.

The federal and provincial governments mandated restrictions during the year to manage the spread of COVID-19. This resulted in economic disruptions and a contraction of the national and provincial labour markets. Many employers had to change their operations, causing temporary business closures or greatly reduced operations and resulting in a decline in employer payroll and thus lower premium assessments. The outcome was a decrease in premium income by \$63 million over 2019.

Equity markets also experienced significant downturns earlier in the year as a result of the pandemic, but rebounded when central banks and governments intervened to support the economy. Net of fees, our portfolio investment return was 10.5 percent in 2020, 2.0 percentage points or \$196 million less than the prior year. Although lower than in 2019, the 2020 portfolio return outperformed the investment policy benchmark⁵⁹ of 10.0 percent and significantly exceeded the required rate of return⁶⁰ of 3.1 percent.

Claim costs decreased by \$526 million in 2020 over the prior year. This decrease is mostly because of a one-time liability increase of \$486 million in 2019, which was the result of a change to the real discount rate⁶¹ used to value claim benefit liabilities. At the end of 2019, the real discount rate decreased from 3.0 percent to 2.4 percent, impacting the 2019 claim costs and subsequently the 2020 year-over-year change. Had there been no discount rate change in 2019, the difference between 2019 and 2020 claim cost would have been approximately \$40 million.

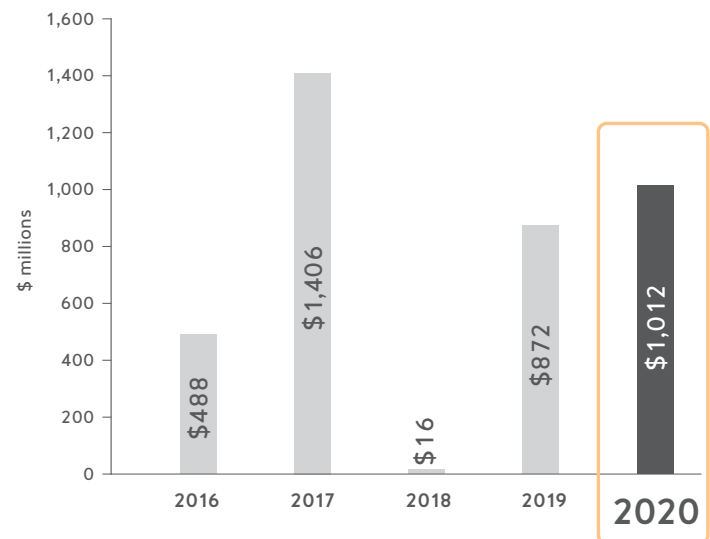
Another significant contributor to the \$526 million claim cost decrease was a reduction in health care costs of \$342 million, (see Claim Costs, page 96). This decrease is attributed to fewer new claims registered and first paid, and limited access to

health care services in the early months of the COVID-19 pandemic. These cost decreases were partially offset by increases in other claim costs, most notably a \$187 million increase resulting from Bill 23 legislation changes (see page 17).

Looking ahead, neither a change to the discount rate nor reduced access to health care services are expected to reoccur in the near future. Discount rate changes are infrequent,⁶² and access to health care services is not expected to be a continued concern. As such, the reduction in 2020 claim costs is not considered representative of long-term projected cost trends, which are expected to increase in future years.

Excluding the impact of the discount rate change, claim costs decreased by 1.8 percent during the year, while operating costs increased by 5.1 percent over 2019. This increase was because of higher payroll costs for negotiated increases in staff salaries and related benefits, and to a lesser extent the increase in number of staff, partially offset by lower spending due to COVID-19 restrictions (see Operating Costs, page 99).

Total comprehensive income



Gain and loss table (rateable classes only)^a

(\$ millions)	2020	2019	Change
Premium income deficiency in covering current-year claim and operating costs	(487)	(316)	(171)
Investment income excess over the annual interest requirement on the liability from prior-years claims	1,625	1,651	(26)
Lower (higher) actuarial liabilities than previously anticipated for prior-years claims	(8)	36	(44)
Real discount rate basis change ^b	—	(474)	474
Actuarial gains (losses) on latent occupational disease liability	4	(14)	18
Actuarial losses on employee benefit plans	(122)	(11)	(111)
Total comprehensive income	1,012	872	140

^a The gain and loss table excludes costs relating to deposit classes, which are fully recoverable.

^b In 2019, of the \$486 million increase in claim benefit liabilities due to the decrease in the real discount rate in 2019, liabilities of rateable classes accounted for \$474 million, while deposit-class employers⁷² accounted for the other \$12 million.

Our funding model operates on a break-even basis; premiums are intended to cover current-year claim and operating costs, while annual investment returns are expected to finance the annual interest requirement on the liability from prior-years claims.

However, gains or losses do arise when investment income is higher than liability requirements and/or when we discount

the premium rates to return a portion of the unappropriated surplus to employers. Additionally, actual costs may differ from those forecasted for rate-setting purposes, resulting in further gains or losses. Factors contributing to gains and losses are best understood when presented in the format shown in the gain and loss table above.



Black Orchid Hair Studio co-owner and stylist, Shelly Sturmev consults with a client during the COVID-19 pandemic.

Funded position

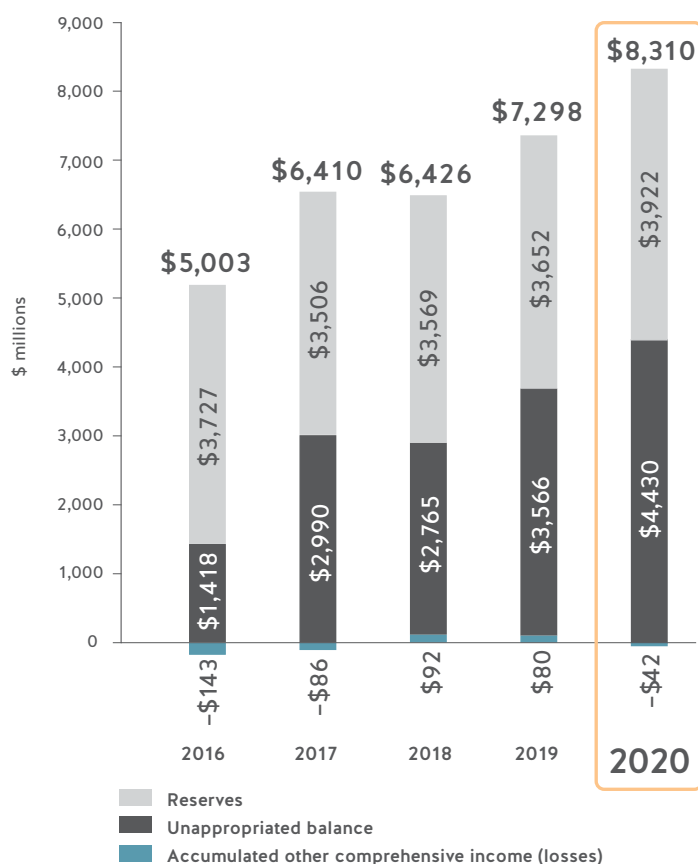
Our funded position is made up of the unappropriated balance, reserves, and accumulated other comprehensive income. For financial reporting purposes, we report our funded position in the consolidated financial statements and in this section based on International Financial Reporting Standards (IFRS). However, our required funding level is determined on the basis of smoothed accounting. For a comparison of the funded position on the IFRS versus smoothed accounting basis, see the table below.

Changes in funded position				
(\$ millions)	Unappropriated balance	Accumulated other comprehensive income (losses)	Reserves	Total
Funded position — January 1, 2020	3,566	80	3,652	7,298
Surplus for the year	1,134	—	—	1,134
Actuarial losses on employee benefit plans	—	(122)	—	(122)
Net transfer to Capital Adequacy Reserve	(270)	—	270	—
Funded position IFRS basis — December 31, 2020	4,430	(42)	3,922	8,310
Adjustment ^{a,b}	(1,403)	42	—	(1,361)
Funded position smoothed accounting basis — December 31, 2020	3,027	—	3,922	6,949

^a A portion of investment gains and/or losses are deferred in the smoothed accounting approach.

^b Actuarial gains and losses on employee benefit plans are included in the unappropriated balance in the smoothed accounting approach.

Funded position (IFRS basis)



Looking ahead

As the provincial economy recovers in 2021, we anticipate that claim volumes will again increase. Further, the high unemployment rate in B.C. may continue due to the implications of the COVID-19 pandemic. This will affect our ability to help return injured workers to work, resulting in longer claim duration and potentially increasing claim costs.

There is also an increasing trend in the number of claims with complex injuries, such as mental disorder injuries and chronic pain. These complex claims and injuries are resulting in increasing claim costs. In addition, changes made as a result of Bill 23 legislation will result in additional claim cost increases. Further increases could also materialize from future legislative or policy changes.

Administration costs will rise as we respond to the increasing trend in injury complexity in our claims environment. Greater intervention and effort will be needed to assist injured workers in their recovery and return-to-work process.

The 2021 average base premium rate remains unchanged at 1.55 percent, for the fourth consecutive year. Drawing on our excess investment returns, we have been able to continue discounting the base premium rates, keeping the average base rate below the projected 2021 average cost rate of 1.84 percent, despite the average cost rate increasing from 1.67 percent in 2020. Discounting the base premium rates provides continued stability for employers.

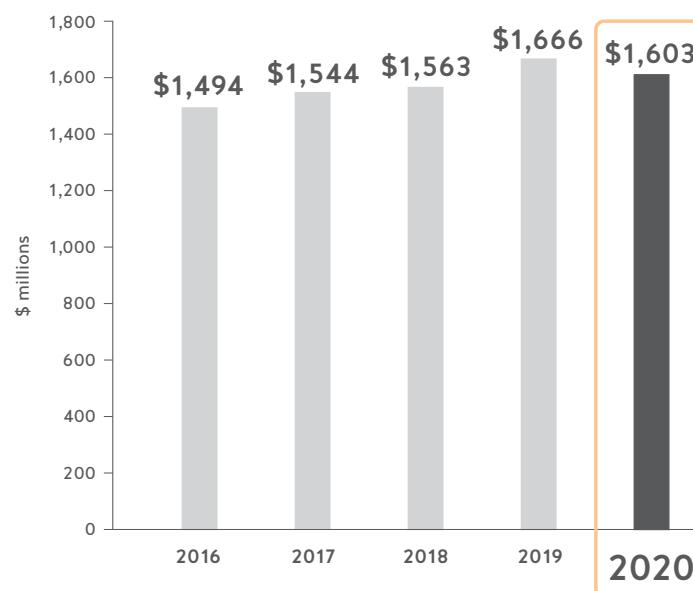
However, in light of the anticipated cost pressures, if investment returns do not continue to be in excess of the required rate of return⁶³ or there is not an increase in premium rates, our funded position will gradually decrease.

Premium income

In 2020, premium income accounted for 44 percent of total revenue, consisting mostly of assessments received from rateable employers and, to a much lesser extent, deposit-class employers. Rateable premium income is determined by the sum of each employer's assessable payroll multiplied by the appropriate premium rate for each.

Premium income from rateable employers was lower for the year because of a decrease in the provincial assessable payroll resulting from the effects of measures taken to slow the spread of COVID-19. Most industry sectors were affected by the pandemic; however, accommodation, food, and leisure services saw the greatest decrease in assessable payroll during the year, an estimated reduction of 25 percent.

Premium income



Premium income			
(\$ millions)	2020	2019	Change
Rateable employers	1,551	1,598	(47)
Deposit-class employers	52	68	(16)
Total	1,603	1,666	(63)
Average base premium rate	1.55%	1.55%	—
Assessable payroll (\$ billions)	\$110.0	\$111.7	(\$1.7)

Recognizing that employers might be facing cash flow challenges, we implemented a measure to provide premium payment deferrals without penalty or interest charges. Employers could choose to defer second- and third quarter premiums until October 31, 2020. When the deferred assessments came due in the third quarter, employers had the option, if they indicated financial hardship in paying the outstanding balance, to pay the amount over four months without interest or penalties (see page 32).

In 2020, premium income from deposit-class employers decreased by \$16 million as a result of lower claim costs incurred by these employers. Income from deposit-class employers includes the recovery of claim costs paid by WorkSafeBC on their behalf, an allocation of administration costs to manage compensation claims and changes in the actuarial valuation of their benefit liabilities.

Premium income reported in the consolidated financial statements is partially based on estimates for the year. Premium income for the 2020 assessment year will not be finalized until May 2021, when almost all employers have submitted their final premium reconciliation statements. To meet the reporting deadlines for this annual report, we estimate the value of premium income based on financial data as at March 2021. Given the uncertainty associated with this estimate, we take a conservative approach. In the past five years, the difference between the estimated value of premium income and the final amount averaged 0.7 percent. Any difference between final remittances from employers and the accrued amount resulting from estimates is recognized as premium income in the following year.

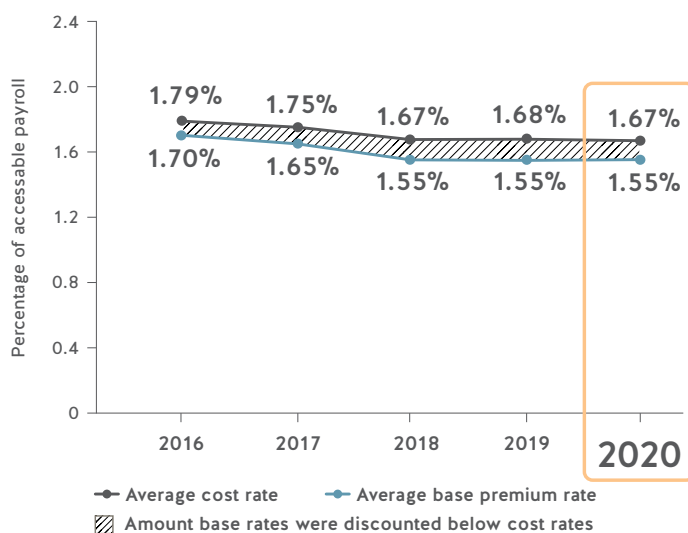
Premium rates

For the last 14 years, we have discounted the average base premium rate, keeping it lower than the average cost rate. That is, we have intentionally priced employer premiums at less than the cost rate, resulting in planned premium income deficits. In 2020, these premium income deficits, along with higher actuarial losses on employee benefit plans were offset by strong investment returns (see gain and loss table, page 90), allowing us to maintain a surplus funded position at year-end.

Because of a reduction in the average cost rate from 2016 to 2018 and better than required investment returns, the average base premium rate declined from 1.70 percent in 2016 to 1.55 percent in 2018, and has remained flat at 1.55 percent through to 2020.

The following graph presents a five-year comparison of the average cost rate and published average base premium rate. The difference between the average cost rate and the average base premium rate, indicated by the shaded area of the graph, represents the discounting of the average base premium rate, primarily made possible by investment returns in excess of liability requirements.

Premium rate



Cost rate

A major component of the premium rate is the expected average cost rate, an estimated cost of new injuries and administration for the upcoming calendar year. The expected average 2020 cost rate was determined in mid-2019 and set at 1.67 percent of provincial assessable employer payroll. Any difference between the expected and actual cost rate results in a current-year gain or loss, reported in the gain and loss table on page 90. Any current-year gains and losses will be reflected in future years' rates.

In 2020, the expected average cost rate remained relatively flat compared to 2019. However, based on the more recent cost experience and the change in the real discount rate used to value claims liabilities, this low level of cost rate will not carry into 2021. Based on our projections, we are forecasting an increase of 0.17 percentage points to the 2021 expected average cost rate, moving the expected average cost rate to 1.84 percent.

Base premium rate

The base premium rate is determined by deducting from or adding to the cost rate as a result of the amortization of rate group surpluses or deficits, capping of rate increases and decreases, and any other required adjustments to the rate. In 2020, the average base premium rate was 1.55 percent of provincial assessable employer payroll. In the absence of continued investment returns in excess of requirements, base premium rates would increase to align with the cost rate.

Claim costs are a key driver of the base premium rate. To manage claim costs, we act in partnership with employers, workers, and other stakeholders to strengthen workplace health and safety; reduce the incidence of workplace injury, disease, and death; and assist injured workers in safe, durable, and timely return to work following a workplace injury (see KPIs 1, 2, and 3, pages 42, 54, and 58, respectively).



WorkSafeBC officer reviews the safe work procedure paperwork during an inspection.

Investments

As mandated by the *Workers Compensation Act*, we maintain the Accident Fund to provide for all present and future payments (liabilities) for injuries arising in the current year as well as those from prior years. The Accident Fund is invested in pooled funds, directly held investments, and investment corporations managed by the British Columbia Investment Management Corporation. In 2020, our portfolio accounted for 96 percent of our total assets and generated 56 percent of total revenues.

Financial markets overview

It was a volatile year for financial markets; equity markets experienced significant losses earlier in the year, mainly due to the fear of significant negative economic effects from the global COVID-19 pandemic. Fear abated, and equity markets experienced significant gains when central banks and governments intervened to minimize the effects of the economic downturn and when effective vaccines were reported. In 2020, developed global equity markets gained 14.0 percent. In the fixed-income markets, relatively low bond yields decreased further; the Canadian bond market gained 8.7 percent.

Portfolio investments

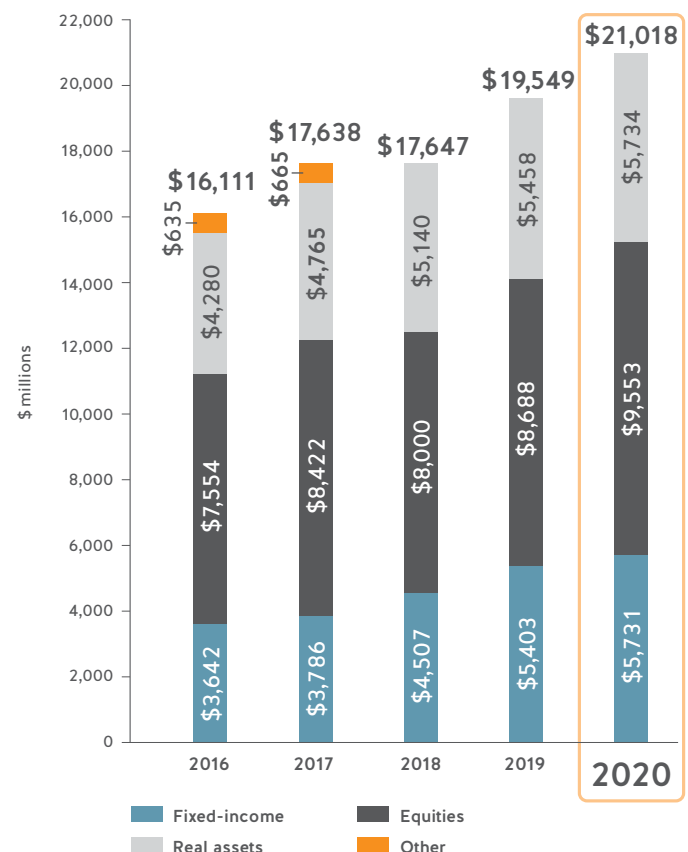
The portfolio investments graph shows the value of WorkSafeBC investments by asset allocation category. In 2020, the portfolio value increased by \$1.5 billion. This increase reflects \$2.1 billion in investment income, less withdrawals required to fund claim payments, investment fees, and other operating costs not covered by current-year premiums.

In 2020, our Investment Committee maintained an investment portfolio close to its asset allocation targets.⁶⁴ The targets established under our investment policy are intended to be prudent, with more than half the assets allocated to fixed-income and real asset investments. At year-end, the portfolio consisted of 46 percent equity, 27 percent real assets,⁶⁵ and 27 percent fixed-income investments.

Based on long-term assumptions, we anticipate a gradual increase in the market values for our investments over the long term. In 2020, the investment portfolio returned 10.5 percent net of investment fees (compared with 12.5 percent in 2019), above the investment policy benchmark⁶⁶ of 10.0 percent and significantly exceeding our long-term return requirement⁶⁷ of 3.1 percent for the year. However, rather than focusing on annual variations in market return, we take a long-term view of results.



Portfolio investments



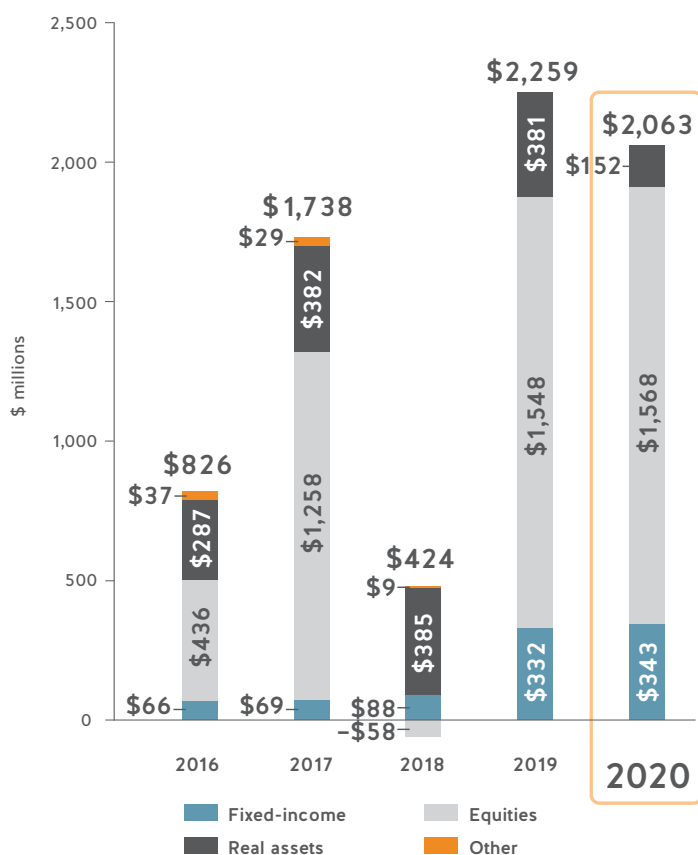
Investment income

(\$ millions)	2020	2019	Change
Income distributions from investments	577	862	(285)
Net realized gains on investments	423	707	(284)
Net unrealized gains on investments	1,063	690	373
Total	2,063	2,259	(196)

Investment income

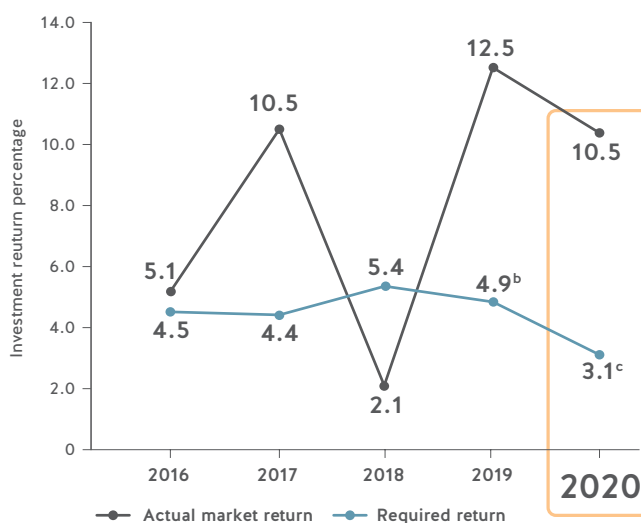
In 2020, investment income was \$2.1 billion. Although this is \$196 million lower than in 2019, investment income in both years was significantly higher than the expected long-term returns for the investment portfolio. Major stock markets around the world reported significant gains during the latter part of the year, as discussed in the Financial Markets Overview section, page 89. Our equity, real assets, and fixed-income investments had positive returns of \$1,568 million, \$152 million, and \$343 million, respectively.

Investment income



Investment income is made up of income distributions, realized gains on sales of investments, and unrealized gains due to market value adjustments, as shown in the table below. Note that investment income reported in this section is not reduced by investment management fees (see the Operating Costs section, page 99, for a discussion of investment costs).

Market return versus required return^a



a The rate of return is shown as net of investment fees.

b The 2019 rate was restated to 4.9 percent (from 4.3 percent published in the 2019 Annual Report and 2020–2022 Service Plan), as the 0.6 percentage point reduction in the required rate of return is in effect from January 1, 2020.

c Effective January 1, 2020, the long-term required rate of return (to fund future payments for current and prior-years injuries) was adjusted downward by 0.6 percentage points, reflecting a decrease in the real discount rate from 3.0 to 2.4 percent.

Claims

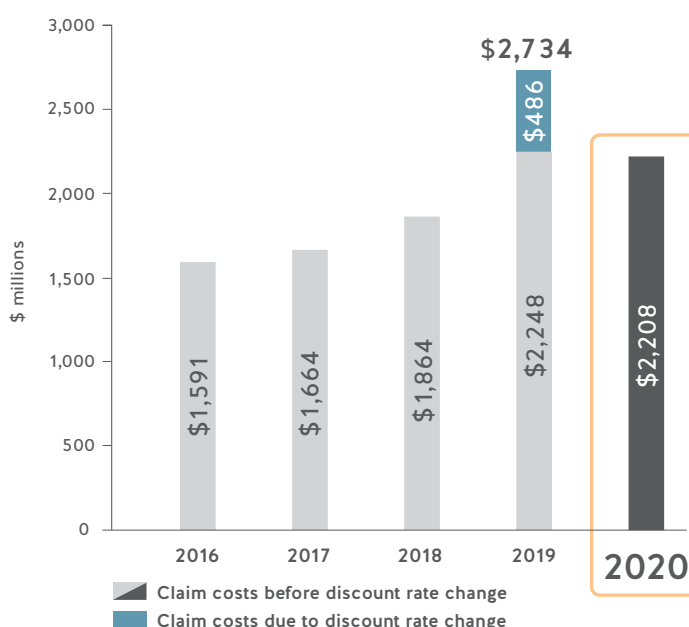
Workers' compensation claims make up our largest cost and liability.

Claim costs

Claim costs consist of benefit payments and the change in actuarial valuation of benefit liabilities. In 2020, overall claim costs decreased by \$526 million or 19 percent compared to 2019 — \$645 million lower changes in actuarial valuations partially offset by a \$119 million increase in benefit payments. The most notable decrease was due to the change in the real discount rate used to value claim benefit liabilities at the end of 2019. A breakdown is provided in the table below.

Benefit payments include an allocation of internal costs for the Vocational Rehabilitation Services department and claim administration. Benefit payments and the change in actuarial valuation of benefit liabilities are discussed in further detail in the following sections.

Claim costs



Claim costs							
(\$ millions)	2020			2019			
	Benefit payments	Change in actuarial valuation of benefit liabilities	Total	Benefit payments	Change in actuarial valuation of benefit liabilities	Total	Change
Short-term disability	434	46	480	384	37	421	59
Long-term disability	588	383	971	555	191	746	225
Survivor benefits	69	(8)	61	70	7	77	(16)
Health care	360	(208)	152	378	116	494	(342)
Vocational rehabilitation	164	36	200	127	17	144	56
Claim administration	303	29	332	285	44	329	3
Latent occupational disease	—	12	12	—	37	37	(25)
Change in discount rate	—	—	—	—	486	486	(486)
Total	1,918	290	2,208	1,799	935	2,734	(526)

Benefit payments

Total claim benefit payments were up 6.6 percent in 2020. Specifically, short-term disability payments (\$434 million) were \$50 million, or 13.0 percent, higher than in 2019. This increase was a result of higher average days paid per claim (increased to 70.0 days from 57.4 days), and an increase in the average daily wage-loss rate (increased to \$124.64 from \$119.04). These increases were partially offset by decreases in the number of claims registered and claims first paid as measures to reduce the spread of COVID-19 resulted in temporary business closures or reductions province-wide.

Long-term disability payments, which continue to be the largest category of payments we make on an annual basis, totalled \$588 million, an increase of \$33 million, or 5.9 percent, over 2019. This increase is primarily due to a higher number of pensions being paid in the year, as well as annual indexing.

Survivor benefit payments remained relatively stable year-over-year, at \$69 million for 2020. These payments have remained at approximately the same level for the last five years.

Health care payments decreased by \$18 million, or 4.8 percent, in 2020, to \$360 million. The primary expenditures in this category are for services related to hospitals, physicians, hearing aids, physiotherapy, home care, and mental disorder injury treatment. Fewer claims registered in 2020 and limited access to health care services in the early stages of the COVID-19 pandemic were the primary causes of decreased payments.

Vocational rehabilitation benefit payments grew by \$37 million, or 29.1 percent, in 2020. This is mainly due to increased claim referrals for vocational rehabilitation services in combination with the pandemic's impact on economic conditions, specifically the reduction in available training programs and employment opportunities. As a result, many training plans required extensions, impacting return-to-work planning for injured workers. These expenditures reflect continued efforts to assist seriously injured workers in returning to work (see KPI 3, page 58).

Claim administration payments totalled \$303 million — an increase of \$18 million, or 6.3 percent, over 2019. Further discussion on the increase in administration costs is provided in the Operating Costs section, page 99.



Landscaper, Crystal Forest participates in WorkSafeBC's COVID-19 public awareness campaign.

Claim benefit liabilities

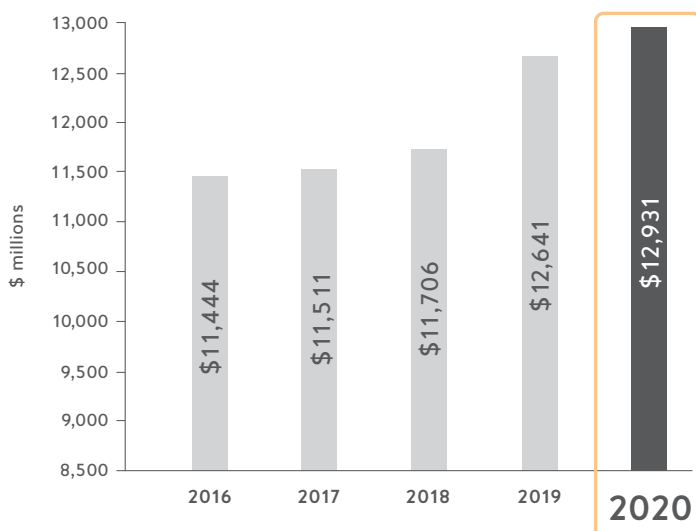
Claim benefit liabilities represent an estimate of the present value of future payments to be made on claims and are calculated based on actuarial assumptions. The methods and assumptions used by WorkSafeBC and resulting liability valuations are reviewed and certified by an independent actuary. For more information, see Actuary's opinion, page 106.

Benefit liabilities									
(\$ millions)	2020				2019				Change
	Unfinalled claims	Pension awards	Future claims	Total	Unfinalled claims	Pension awards	Future claims	Total	
Short-term disability	411	—	—	411	365	—	—	365	46
Long-term disability	2,425	4,853	—	7,278	2,046	4,849	—	6,895	383
Survivor benefits	134	892	—	1,026	138	896	—	1,034	(8)
Health care	2,513	—	—	2,513	2,721	—	—	2,721	(208)
Vocational rehabilitation	360	—	—	360	324	—	—	324	36
Claim administration	829	—	—	829	800	—	—	800	29
Latent occupational disease	—	—	514	514	—	—	502	502	12
Total	6,672	5,745	514	12,931	6,394	5,745	502	12,641	290

In 2020, total benefit liabilities increased by \$290 million (or 2.3 percent), of which \$187 million was a result of Bill 23 legislation changes, in particular the retirement age determination for long-term disability benefits (see page 17). A breakdown of the total liability increase by claim benefit type is shown in the benefit liabilities table below. The change was mainly driven by the increase in long-term disability unfinalled liability due to Bill 23 legislation changes, wage growth, and updated future payment pattern expectations, reflecting the most recent claim-cost experience; this was partially offset by the decrease in the health care unfinalled liability due to lower payment levels resulting from decreases in the number of claims registered.

In estimating benefit liabilities, the two most important underlying assumptions are the net discount rates and anticipated future payment patterns.

Benefit liabilities



Net discount rates

The liability amount is the present value of the expected benefit payments that will be made in future years. This present value is determined by the net discount rates that are based on the assumed long-term investment return and benefit payment growth rates. A change of 1 percentage point in the overall net discount rates would see liabilities increase or decrease by approximately \$1.4 billion. See Note 10 of the consolidated financial statements, page 143, for further information on net discount rates⁶⁸ used in calculating the various components of benefit liabilities.

Future payment pattern

Benefit liabilities consist of two major categories (excluding the liability provision for long-latency occupational diseases; see next Section). Each category incorporates an estimate of the future payment pattern:

- **Pension awards, capitalized values** — This is the present value of monthly annuities (or pensions) already awarded to injured workers (long-term disability) or survivors of fatally injured workers. As the award amounts are already known, the potential estimation error in this \$5.7 billion liability is relatively small.
- **Provision for unfinalled claims** — This is the present value of estimated future payments and pension awards relating to injuries that have already occurred or diseases that have already been diagnosed. The unfinalled claims liability is currently estimated at \$6.7 billion. While we cannot determine the exact measure of uncertainty in the unfinalled claim liability estimate, historical data suggests that it could range from plus 20 percent to minus 20 percent (a range of about \$1.3 billion).

Other factors could also influence a change in liability value. These include short-term disability duration, the success of vocational rehabilitation initiatives to return injured workers to work, the likelihood of injured workers receiving long-term disability awards, the cost of health care services, new information regarding future long-latency occupational disease, and general economic conditions. Judicial or legislative decisions that alter policy or scope of coverage and/or accounting and actuarial standards changes could also affect the valuation of benefit liabilities.

Latent occupational disease

With respect to the provision for future long-latency occupational disease claims, workers' compensation organizations are required to recognize a liability for long-latency occupational diseases.⁶⁹ These are work-related diseases (for which there has already

been exposure to the disease-causing agent) recognized as compensable and expected to manifest as claims in future years. At December 31, 2020, this liability was valued at \$514 million, an increase of \$12 million from the previous year.

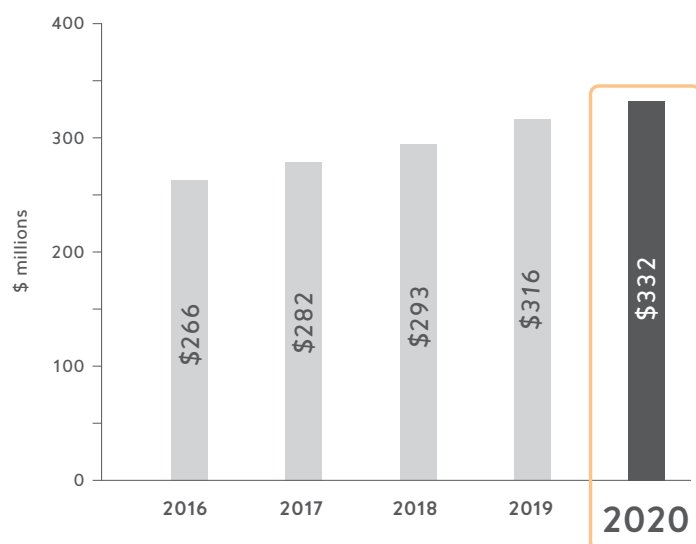
Operating costs

Operating costs include prevention, administration, and investment costs; injury research and reduction initiatives; and bad debts. In 2020, operating costs increased by \$16 million (see table below).

Prevention strategies play a critical role in the risk-based approach to workplace health and safety. We engage employers and workers in risk reduction through education, consultation, and enforcement. In 2020, prevention costs were \$76 million, compared with \$81 million in 2019.

Operating costs			
(\$ millions)	2020	2019	Change
Prevention costs	76	81	(5)
Administration costs	454	426	28
Less: Claim administration payments	(303)	(285)	(18)
Subtotal	227	222	5
Injury research and reduction initiatives	17	17	—
Bad debts	15	10	5
Investment costs	73	67	6
Total	332	316	16

Operating costs



We continue to direct resources to employers, industries, and activities with the greatest risk of injury. In 2020, we continued to invest in occupational disease prevention and high risk strategy initiatives, and developed three additional dedicated teams to address small business, musculoskeletal injuries, and psychological health and safety (see KPI 1, page 47).

Administration costs (including claim administration) increased by \$28 million (6.6 percent). Claim and other administration costs were higher than in 2019, primarily because of planned increases in payroll and related benefit costs. Increased payroll costs were for negotiated increases in staff salaries and related benefits, partially offset by hiring deferrals⁷⁰ and savings from travel, conferences, training, and external events that were postponed or cancelled because of COVID-19 restrictions, as noted in KPI 9, page 75.

Claim administration payments relate to the portion of operating costs incurred to adjudicate claims for compensation, manage claims, and process claim payments. They are excluded from total operating costs, as they are already included as a claim cost, in keeping with the standardized financial statement presentation used by workers' compensation organizations in Canada.

We measure administration cost efficiency using the ratio of annual administration costs as a percentage of employer assessable payroll, a key performance indicator. In 2020, the administration cost ratio was 0.47 percent — higher than the 2019 result of 0.45 percent, and the same as the 2020 budgeted ratio of 0.47 percent. See KPI 9, page 75, for further discussion.

Expenses for injury research and reduction initiatives remained the same as in 2019, at \$17 million. Bad debts increased by \$5 million from 2019, to \$15 million. The increase is due to an increase in the provision for expected credit losses, which is based on a higher collection inventory and a higher provision rate to allow for greater uncertainty in collection resulting from effects on the economy of the COVID-19 pandemic. Investment costs increased by \$6 million because of higher fund management fees.

Other comprehensive income

Other comprehensive income reflects gains or losses on remeasurements as a result of changes in actuarial assumptions or valuations of employee benefit plan assets or liabilities. For WorkSafeBC, other comprehensive income consists entirely of actuarial gains or losses arising from the employee pension plan and retiree health care plan.

In 2020, a \$122 million net actuarial loss resulted from changes in the actuarial assumptions used to value the liabilities for both plans (\$283 million), partially offset by a return on employee pension plan assets that was \$161 million higher than expected.

Comparison with plan

Each year, we prepare pro-forma financial projections as part of our annual business planning process. Performance targets for KPIs 8 and 9, pages 70 and 74, are based on these projections.

Total comprehensive income in 2020 was \$935 million higher than planned — primarily because of investment income.

Premium income was unfavourable for the year, at \$97 million, mainly because of assessable payroll reductions resulting from the pandemic-related economic contraction.

Investment income was budgeted in accordance with our long-term investment return assumption (i.e., a required return equal to the real discount rate of 2.4 percent plus an assumed consumer price index increase of 2.5 percent). The actual return for the year was 10.5 percent, resulting in investment income that was \$1,045 million better than planned.

Claim costs were lower than planned by \$88 million, because of lower-than-planned changes in actuarial valuation of liabilities of \$144 million, partly offset by higher-than-planned benefit payments of \$56 million.

The variance in benefit payments was due to short-term disability and vocational rehabilitation payments that were higher than budgeted for, partly offset by lower-than-planned health care payments due to impacts from COVID-19, as noted on page 97. The favourable variance in benefit liabilities was largely due to actuarial valuation decreases in the health care benefit liabilities, as discussed on page 98.

Comparison with plan			
(\$ millions)	2020 actual	2020 plan	Favourable (unfavourable) variance
Premium income	1,603	1,700	(97)
Investment income	2,063	1,018	1,045
Other income	8	8	—
Total revenues	3,674	2,726	948
Claim costs	2,208	2,296	88
Operating costs			
Prevention and administration costs	530	549	19
Less: Claim administration payments	(303)	(309)	(6)
Injury research and reduction initiatives	17	24	7
Bad debts	15	10	(5)
Investment costs	73	79	6
Total expenses	2,540	2,649	109
Operating surplus	1,134	77	1,057
Other comprehensive loss	(122)	—	(122)
Total comprehensive income	1,012	77	935
Smoothed funding level	153%	154%	(1 point)

Prevention and administration costs were lower than planned by \$19 million because of lower-than-budgeted administration costs from hiring delays, reduction in travel costs, and cancellation of training, conferences, and other events in accordance with measures put in place to prevent the spread of COVID-19.

The 2020 funding level for the Accident Fund, at 153 percent (smoothed assets compared to smoothed liabilities), was one percentage point lower than planned. Both smoothed assets and liabilities were lower than planned for 2020; the variances were \$403 million and \$184 million, respectively.

Accounting standards

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which are issued by the International Accounting Standards Board (IASB). As IFRS continue to evolve, future changes could impact our financial reporting. IFRS 17 (*Insurance contracts*) is one such standard.

IFRS 17 (*Insurance contracts*)

IFRS 17 was issued in 2017 and has a mandatory effective date of January 1, 2023.

The impact of this new standard is expected to be significant. We expect increased volatility in our future reporting of financial results because of the requirement to measure claim benefit liabilities using a market-based real discount rate, rather than the long-term real discount rate⁷¹ used currently. The standard also requires an explicit risk adjustment to be applied to measure the benefit liabilities, though this may not be applicable for WorkSafeBC.

Clarification and further guidance are required for the selection of the real discount rate and the applicability of risk adjustment. As a result, at the time of writing, the expected impact on the valuation of our claim benefit liabilities could not be reasonably estimated. While we expect that financial results may be volatile, after IFRS 17 implementation, for financial reporting purposes, these results are not currently expected to be used for future rate setting. At present, we use the financial results based on smoothed accounting for rate setting, including using the long-term real discount rate for the valuation of claim benefit liabilities, currently, there are no plans to change this methodology.

When implemented, the new standard will also result in changes in our financial statement presentation, separating insurance from financing activities, and increased disclosures. Management has been working with other workers' compensation boards across Canada to determine accounting policies under IFRS 17. The Canadian Institute of Actuaries published a draft Education Note in 2020 to provide non-binding guidance on the application of IFRS 17

for workers' compensation boards in Canada. Management will continue to refine our transition plan as we approach the proposed 2023 effective date.

Risk management

Our strategic framework requires that management review external and internal factors to assess the risks facing our organization, including risks to programs, operations, finances, information, and staff required by WorkSafeBC to provide ongoing service to British Columbians.

Like any organization, we are susceptible to risks that could lead to significant consequences if unmitigated. As such, we have established internal controls, policies, and processes to assist in containing those risks. Management assesses the effectiveness of these procedures annually, and results are reported by the chief financial officer to the Audit Committee of the Board of Directors. Our Internal Audit department conducts operational and control audits on a sample basis to test for compliance. The Audit Committee also receives semi-annual reporting on key risk factors, including assessments of the potential impact of identified risks and the likelihood that they will occur, as well as the effectiveness of our risk management strategies.

The overall impact of the COVID-19 pandemic on our enterprise risk management assessment was low. See page 30 for our response. We will continue to monitor the COVID-19 pandemic and address potential impacts as necessary in 2021 and beyond.

Management has identified the following risk exposures as having the potential to significantly impact the organization and our operations.

Workplace health and safety risk

We continue to strengthen our prevention efforts to combat the risk that could be perceived as failing to diligently fulfill our role as a regulator, which could lead to a loss of public and stakeholder confidence and trust and potentially hinder the effectiveness of our prevention activities.

We continue to engage with industry and labour and facilitate collaboration in order to strengthen our relationships. A lack of consultation, collaboration, or communication could result in deteriorating relationships and cause stakeholders to become disengaged from workplace health and safety, hindering our ability to leverage our partnerships in furthering our health and safety mandate.

We keep abreast of emerging issues resulting from social, economic, or technological change that could result in significant injury, disease, or death. Management routinely evaluates these risks and puts in place plans to respond appropriately. This approach includes trying to identify and mitigate new and emerging occupational diseases.

Claim management risk

Service expectations are growing throughout society, not just for WorkSafeBC. We continue to monitor our service delivery model and are working to ensure that we are positioned to respond to the pace of increased expectations.

An increase in mental disorder and chronic pain injuries is creating greater overall claim complexity, challenging existing service and treatment interventions and affecting return-to-work and recovery outcomes for these injured workers. In response to this trend, we will continue to seek ways to strengthen our programs and initiatives, better aligning resources to support injured workers and mitigate the impacts of these complex injuries. This will be an area of continued focus for us.

In addition, societal or technological changes in the labour market or the economic climate could make it more difficult to find return-to-work opportunities for some injured workers. Access to existing programs and services that promote recovery and return to work may also be affected by the limited availability of health care providers and resources for more complex injuries. Our vocational rehabilitation programs aim to help injured workers to return to safe employment, and we continue to work on delivering timely and effective supports for them.

Business interruption risk

We have a tested corporate business continuity plan in place to ensure that critical services can be maintained or expeditiously restored in the event of a business disruption. Tests have included facilitated analysis of simulated scenarios involving our emergency response team, communications staff, and senior management.

Stakeholder relations risk

We continue to meet with labour and employer stakeholders to provide updates and discuss policy, practice, and significant operational issues. We strive to maintain or improve our relationships with stakeholders to ensure continued support for our policies, practices, and initiatives.

Human resources risk

Inability to attract and retain people with the right skills and competencies could negatively impact our ability to meet our strategic priorities. Our People and Culture division responds proactively to operational recruitment needs and monitors risks associated with hiring and succession planning. In addition, the division is providing staff development and training programs, maintaining labour relations, and ensuring staff health, safety, and security.

Financial risk

There is a risk that premium rates may not be set at a sufficient level to maintain the sustainability of the workers' compensation system. However, ongoing efforts to mitigate risk in this area include monitoring the financial health of rate groups and industry pools and maintaining an appropriate funding level.

Our investment portfolio is diversified (i.e., invested in public and private debts, public and private equities, real estate, infrastructure, and renewable resources). There are always risks that the investment portfolio will not be sufficiently liquid or will suffer a significant loss (e.g., from stock/bond market crashes). This loss could impact the overall health of the workers' compensation system and could result in higher future premium rates if the investment portfolio does not generate enough income to supplement premium income over the long term. To manage these risks, we have a prudent investment policy, with oversight from our board-appointed Investment Committee, and a capital adequacy policy to mitigate market volatility.

Management is responsible for maintaining cost-effectiveness and accountability in the services we deliver. As such, we have implemented a system of internal controls to ensure that appropriate financial policies and procedures are in place and to ensure the reliability of our financial information and reporting. We are carefully monitoring the increasing impact of mental health issues on claim complexity and implementing strategies to address these concerns in order to mitigate the increasing cost pressures we are seeing with such claims.

In addition, we conduct periodic reviews to ensure that we meet our fiscal responsibilities and maintain our ability to manage the costs related to the WorkSafeBC pension plan and employee benefits program.

Information privacy and technology risk

Unauthorized collection of, use of, disclosure of, access to, or storage of personal or confidential information through intentional actions, or inadequate knowledge, processes, and security could result in a lack of confidence in our safeguarding of confidential information. Our information technology security program has appropriate policies, procedures, and technical controls in place to protect critical information assets. Our Freedom of Information and Protection of Privacy Office maintains a privacy management program that includes compliance policies, organization-wide training, reporting, privacy breach protocols, and risk assessments in order to oversee and ensure compliance with privacy laws.

Appropriate strategies and governance structures are in place for maintaining effective, efficient, and reliable systems and technology that meet our operational and information needs. Systems resiliency and recovery procedures for core business application systems are also in place.



Avigilon team lead, Eric Zhu testing electrical equipment on the production line.

Consolidated Financial Statements

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Responsibility for financial reporting

Management is responsible for preparing the accompanying consolidated financial statements in accordance with International Financial Reporting Standards. These consolidated financial statements include some amounts based on management's best estimates and judgments.

Management is responsible for the integrity and fairness of the consolidated financial statements and has established systems of internal control to provide reasonable assurance that relevant and reliable financial information is produced and that assets are safeguarded from loss.

Our Board of Directors is responsible for overseeing management in the performance of our financial reporting responsibilities and has approved the consolidated financial statements and other financial information included in this annual report and service plan.

The Audit Committee assists the Board of Directors in discharging its responsibilities. The committee reviews and recommends approval of the consolidated financial statements. It meets periodically with management, internal and external actuaries, and internal and external auditors concerning internal controls and all other matters relating to our financial reporting.

Our actuarial staff perform an annual actuarial valuation of the claim benefit liabilities included in the consolidated financial statements of WorkSafeBC.

We have appointed an independent peer actuary, Eckler Ltd., to review the annual actuarial valuation of the claim benefit liabilities and report thereon in accordance with accepted actuarial practice.

The Internal Audit department performs audits to test the adequacy and consistency of our internal controls, practices, and procedures.

Our external auditor, PricewaterhouseCoopers LLP, has full and unrestricted access to the Audit Committee. It has performed an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Its report outlines the scope of this independent audit and its opinion on the consolidated financial statements of WorkSafeBC.



Anne Naser
President and Chief Executive Officer
WorkSafeBC



Mark Heywood, CPA, CA, CIA
Chief Financial Officer
WorkSafeBC

April 27, 2021

Actuary's opinion

The liabilities included herein have been computed by WorkSafeBC in accordance with methods and assumptions approved by us. We reviewed the calculations and performed tests to confirm their accuracy and the reasonableness of results. We have also examined the data upon which the calculations were based and found it to be sufficient and reliable for the purpose of the valuation and consistent with WorkSafeBC's financial statements.

The liabilities under pension awards, capitalized values are for pensions in payment, and include the effect of any cost-of-living increases granted effective January 1, 2021. They have been computed using the same assumptions used for the valuation as at December 31, 2019. A net interest rate of 3.4% was used to discount pensions. This rate makes implicit provision for the future indexing of pensions on the assumption that investment earnings on WorkSafeBC's assets will exceed increases in the consumer price index (CPI) by 2.4% per year, over the long term, and that indexing will be provided at CPI minus 1.0%. The mortality rates used make allowance for future mortality improvement.

The provision for unfinalled claims represents the liabilities for future claims costs in respect of injuries which occurred during 2020 and prior years, including future pensions other than those already in payment, and future claim administration expenses. It is based on projections of future claim payments and awards using ratios developed from WorkSafeBC's claims experience, average benefit rates, net discount rates reflecting the real rate of return above and, where applicable, the mortality and other assumptions

used for computing pension liabilities. The health care liability is calculated assuming that healthcare costs will increase at the same rate as investment returns, resulting in a net discount rate for this liability of 0.0%. The final liabilities include an allowance for the additional liabilities due to legislative changes in the Workers Compensation Amendment Act, 2020 (also referred to as Bill 23).

The methods used in calculating the above mentioned liabilities were substantially the same as those employed in the previous valuation as at December 31, 2019 except for the additional liabilities due to Bill 23.

The latent occupational disease liability (LODL) is for future benefit payments on occupational disease claims that will be diagnosed in the future, but for which some exposure to disease-causing agents has already occurred. The estimated future benefits are discounted to the valuation date and are adjusted to reflect the estimated portion of the total latency period exposure which has already transpired.

In our opinion, the data are sufficient and reliable for the purposes of the valuation, the assumptions made and the methods used are appropriate for the purposes of the valuation. In our opinion, the resulting amounts set out below make reasonable provision, as at December 31, 2020, for the future benefit and claims administration expenditures of WorkSafeBC in respect of injuries to December 31, 2020. Our review has been carried out, and our opinions given, in accordance with accepted actuarial practice in Canada.

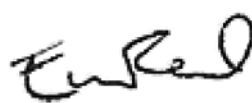
(\$ thousands)	Pension awards, capitalized values	Provision for unfinalled claims	Latent occupational disease	Total
Benefit liabilities:				
Short-term disability	—	410,813	—	410,813
Long-term disability	4,852,988	2,425,437	—	7,278,425
Survivor benefits	891,790	133,578	—	1,025,368
Health care	—	2,513,539	—	2,513,539
Vocational rehabilitation	—	360,348	—	360,348
Claim administration	—	828,878	—	828,878
Latent occupational disease	—	—	514,080	514,080
	5,744,778	6,672,593	514,080	12,931,451



Richard A. Border, FIA, FCIA

Actuary with the firm of Eckler Ltd

April 16, 2021



Euan Reid, FIA, FCIA



Independent auditor's report

To the Board of Directors of WorkSafeBC

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WorkSafeBC and its subsidiaries (together, WorkSafeBC) as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

WorkSafeBC's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in funded position for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of WorkSafeBC in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Other information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in the 2020 Annual Report and 2021-2023 Service Plan.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing WorkSafeBC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate WorkSafeBC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing WorkSafeBC's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WorkSafeBC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WorkSafeBC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WorkSafeBC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within WorkSafeBC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 28, 2021

Consolidated statement of financial position (\$ Canadian thousands)

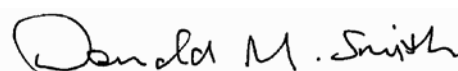
	Note	December 31, 2020	December 31, 2019
Assets			
Cash.....	6	—	298
Receivables.....	3	611,121	587,769
Portfolio investments.....	4	21,018,437	19,549,109
Property, equipment, intangible assets, and right-of-use assets.....	5	285,816	280,020
Benefit assets of employee pension plan.....	9	—	124,267
Total assets.....		21,915,374	20,541,463
Liabilities and funded position			
Outstanding payments.....	6	32,870	39,109
Payables and accruals.....	7	111,397	121,751
Injured workers' retirement benefit liability.....	8	130,312	113,765
Employee benefit liabilities.....	9	399,564	327,945
Claim benefit liabilities.....	10	12,931,451	12,640,814
Total liabilities.....		13,605,594	13,243,384
Unappropriated balance.....		4,429,672	3,566,013
Accumulated other comprehensive (loss) income.....		(41,892)	80,066
Reserves.....	11	3,922,000	3,652,000
Total funded position.....		8,309,780	7,298,079
		21,915,374	20,541,463

The accompanying notes are an integral part of the consolidated financial statements.

Authorized for issue on April 27, 2021, on behalf of the WorkSafeBC Board of Directors:



Jeff Parr, MPA, BA
Chair, Board of Directors
WorkSafeBC



Donald Smith, FCIA
Chair, Audit Committee
WorkSafeBC

Consolidated statement of comprehensive income for the years ended December 31 (\$ Canadian thousands)

	Note	2020	2019
Income			
Premium income.....	12,13	1,603,270	1,665,921
Investment income.....	4	2,062,778	2,258,762
Other income.....	14	8,105	9,082
Total income		3,674,153	3,933,765
Expenses			
Claim costs	10		
Benefit payments		1,917,058	1,799,194
Changes in actuarial valuation of benefit liabilities.....		290,637	935,147
		2,207,695	2,734,341
Prevention and administration costs	15		
Prevention costs.....		76,000	80,976
Administration costs.....		454,306	425,579
Less: Claim administration costs.....		(302,552)	(285,083)
		227,754	221,472
Injury research and reduction initiatives.....	16	16,698	16,731
Investment costs	4	73,277	66,776
Bad debt expense	3	15,070	10,368
Total expenses.....		2,540,494	3,049,688
Surplus for the year.....		1,133,659	884,077
Other comprehensive (loss) income			
Actuarial losses on employee benefit plans	9	(121,958)	(11,635)
Total comprehensive income.....		1,011,701	872,442

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in funded position (\$ Canadian thousands)

	Note	December 31, 2020	December 31, 2019
Unappropriated balance — opening balance		3,566,013	2,764,936
Surplus for the year		1,133,659	884,077
Appropriation to Capital Adequacy Reserve.....	11	(270,000)	(83,000)
Unappropriated balance — closing balance.....		4,429,672	3,566,013
Accumulated other comprehensive income — opening balance		80,066	91,701
Actuarial losses on employee benefit plans.....	9	(121,958)	(11,635)
Accumulated other comprehensive (loss) income — closing balance...		(41,892)	80,066
Reserves — opening balance.....	11	3,652,000	3,569,000
Appropriation to Capital Adequacy Reserve from unappropriated balance.....	11	270,000	83,000
Reserves — closing balance		3,922,000	3,652,000
Total funded position		8,309,780	7,298,079

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows for the years ended December 31 (\$ Canadian thousands)

	Note	2020	2019
Cash obtained from (used for) operating activities			
Cash received from:			
Employers' premiums		1,583,118	1,599,980
Other		8,105	9,082
		1,591,223	1,609,062
Cash paid to:			
Claimants or third parties on behalf of claimants		(1,614,506)	(1,514,111)
Employees and vendors for goods and services		(463,269)	(448,125)
		(2,077,775)	(1,962,236)
Net cash flow used for operating activities		(486,552)	(353,174)
Cash obtained from (used for) investing activities:			
Sale of portfolio investments		5,753,436	7,010,961
Purchase of portfolio investments		(5,232,292)	(6,719,967)
Disposal of property, equipment, and intangible assets		440	224
Purchase of property, equipment, and intangible assets		(29,091)	(15,938)
Net cash flow obtained from investing activities		492,493	275,280
Net increase (decrease) in cash and outstanding payments		5,941	(77,894)
Cash and outstanding payments — January 1		(38,811)	39,083
Cash and outstanding payments — December 31	6	(32,870)	(38,811)

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements for the year ended December 31, 2020

Unless otherwise stated, all dollar amounts are in thousands of Canadian dollars.

Note 1 — Nature of operations

General information

WorkSafeBC administers the *Workers Compensation Act* (the Act) for the Province of British Columbia. WorkSafeBC has its corporate office in Richmond, B.C., Canada, with area offices in various locations throughout the province. Under the Act, WorkSafeBC's primary functions include establishing and enforcing occupational health and safety standards; compensating workers for occupational injury, disease, or death; rehabilitating injured workers; collecting the funds necessary for its operations from employers covered under the Act; and managing the portfolio investments.

WorkSafeBC does not receive government funding or other financial assistance. The Act requires that an Accident Fund be maintained to meet all present and future costs and liabilities for injuries arising in the current and previous years. WorkSafeBC's financial strategy is to accumulate adequate capital reserves to mitigate the risks in its assets and liabilities. While International Financial Reporting Standards (IFRS) are the reporting basis for the consolidated financial statements, WorkSafeBC applies a smoothed accounting method for the funding policy (see Financial Context, page 21). This policy helps manage premium rate volatility caused by short-term financial market fluctuations.

Premium rates are established at a level to provide for current and future costs of claims and operations arising from current claims, subject to a capping policy to moderate excessive changes in rates from year to year. When considered necessary, WorkSafeBC may also levy a special premium. For rate-setting purposes, the unappropriated balance and accumulated other comprehensive income are amortized on a five-year averaging basis through adjustments to future premium rates.

Note 2 — Significant accounting policies

Basis of preparation

WorkSafeBC's consolidated financial statements have been prepared in accordance with IFRS in effect as at December 31, 2020, adopted by the Canadian Accounting Standards Board as Canadian generally accepted accounting principles for publicly accountable enterprises. WorkSafeBC presents its consolidated statement of financial position in order of liquidity. The principal accounting policies applied in preparing the consolidated financial statements are set out below.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for the carrying value of land, which is measured at deemed cost (fair value at the date of transition to IFRS), and certain financial assets and liabilities, which are measured at fair value, as explained in the accounting policy notes.

Basis of consolidation

WorkSafeBC has investments in a number of fully owned investment entities, which in turn have investments in investment funds and other financial instruments. In each case, WorkSafeBC owns 100 percent of the participating, non-voting shares of the investment entity, and the British Columbia Investment Management Corporation (BCI), WorkSafeBC's investment manager, owns one non-participating voting share of the entity. The voting share gives BCI full authority to manage these investment entities on WorkSafeBC's behalf. WorkSafeBC controls the investment entities, as WorkSafeBC is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to affect those returns through its power over the entities. The substance of the relationship between WorkSafeBC and the fully owned investment entities indicates that they are controlled by WorkSafeBC. Accordingly, these investment entities are fully consolidated from the date on which control is transferred to WorkSafeBC; they are no longer consolidated from the date that control ceases. WorkSafeBC has consolidated the assets and liabilities and results of 64 (2019: 59) fully owned investment entities within these financial statements.

Transactions, balances, and gains or losses on transactions between WorkSafeBC and the fully owned investment entities are eliminated.

Note 2 — continued

Use of estimates and measurement uncertainty

In accordance with IFRS, WorkSafeBC's consolidated financial statements include management's judgments, assumptions, and estimates of the reported amounts of assets and liabilities as at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting periods presented. As a result, some reported amounts are subject to measurement uncertainty. Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Assumptions and estimates are reviewed on an ongoing basis, with any related revisions recorded in the period when they are adjusted. Consequently, actual results may differ from management's best estimates by material amounts. Claim benefit liabilities and costs (Note 10); claim administration costs (Note 15); accrued premiums (Note 12); employee benefit assets, liabilities, and costs (Note 9); and Level 3 portfolio investments (Note 4) are the most significant items reflecting estimates in these consolidated financial statements.

In 2020, the global COVID-19 pandemic affected the operations (see page 99) and certain balances and transactions recorded within the financial statements. These include premiums receivable and premium income (Notes 3 and 12), portfolio investments (Note 4), employee pension plan assets (Note 9), and claim benefit liabilities and costs (Note 10). Assessments of the impacts are contained within the specific notes.

Specific accounting policies and related critical judgments

To facilitate better understanding of WorkSafeBC's consolidated financial statements, significant accounting policies and related critical judgments (where applicable) are disclosed in the notes on the accounting topics.

Note	Topic	Page
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4	Portfolio investments	119
5	Property, equipment, intangible assets, and right-of-use assets	128
6	Cash and outstanding payments	131
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Changes in accounting policy

International Financial Reporting Standards issued and in effect during 2020

No new or amended International Financial Reporting Standards (IFRS) issued or in effect had significant impacts on the financial statements of WorkSafeBC in 2020.

International Financial Reporting Standards issued but not in effect in 2020

IFRS 17 (*Insurance Contracts*) was issued on May 28, 2017, and will replace IFRS 4 (*Insurance Contracts*). In June 2019, the International Accounting Standards Board issued an exposure draft to amend IFRS 17. The amended standard was issued in June 2020, with a deferral of the effective date from annual reporting periods beginning on or after January 1, 2022, to January 1, 2023, and early adoption permitted. This standard is expected to have a significant impact on the valuation of WorkSafeBC's claim benefit liabilities. Increased volatility in financial results is expected, reflecting the requirement to measure the claim benefit liabilities using a market-based discount rate. At this time, the range of values cannot be reasonably estimated.

The standard will also change the consolidated financial statements presentation, with a separation of insurance and investment activities, and expand disclosures about amounts recognized in the consolidated financial statements, significant judgments, and the nature and extent of risks arising from contracts.

Other standards

There are no other standards that are not yet effective and that would be expected to have a material impact on WorkSafeBC in the current or future reporting periods and on foreseeable future transactions.

Note 3 — Receivables

Accounting policy

Receivables are non-derivative financial assets, not quoted in an active market, with fixed or determinable payments. They arise primarily from premiums but also incorporate other types of contractual monetary assets. Under IFRS 9 (*Financial Instruments*), receivables are classified as amortized cost financial assets and are recorded at fair value on initial recognition; they are subsequently measured at amortized cost.

The expected credit loss allowance is made based on lifetime expected credit losses, applying an expected cash flow approach, recognizing the expected credit risk impairment at the initial date of asset recognition. When there is no reasonable expectation of future cash flows of the receivables, the amounts are written off and recognized in operating costs.

Accrued premiums

Employers are required to periodically report their assessable payrolls and remit premiums owing. The employer deadline for reporting and remitting for the period ending December 31

is not until after year-end; WorkSafeBC therefore estimates the unremitted portion of premium revenue. The accrual of premiums is calculated using the estimated assessable payroll for the year and applying current-year premium rates. The estimated assessable payroll is determined using the actual reported payroll and projected payroll to December 31, taking into account economic changes in the province, including, for 2020, any effect that the COVID-19 pandemic may have had during the year.

Deposit-class employers

The receivable from deposit-class employers represents an estimate of expected future costs of current claims for deposit classes, for which the final settlement amount has not been determined. This receivable also includes unpaid current billings.

Receivables

	December 31, 2020	December 31, 2019
Premiums receivable		
Premiums and accrued premiums	411,051	391,652
Deposit-class employers.....	208,742	201,715
	619,793	593,367
Prepaid expenses	16,540	15,219
Claim overpayments receivable	19,595	17,483
Other receivables	5,297	3,444
Expected credit losses.....	(50,104)	(41,744)
Total	611,121	587,769

Note 3 — continued

Changes in the provision for doubtful accounts are as follows:

	Premiums receivable	Claim overpayments receivable	Total
January 1, 2019	24,277	14,623	38,900
Additions	36,197	8,625	44,822
Write-offs	(8,741)	(3,167)	(11,908)
Reductions	(25,829)	(4,241)	(30,070)
December 31, 2019	25,904	15,840	41,744
Additions	45,114	10,225	55,339
Write-offs	(8,796)	(3,356)	(12,152)
Reductions	(30,043)	(4,784)	(34,827)
December 31, 2020	32,179	17,925	50,104

The total net addition to the allowance for expected credit losses in relation to premiums receivable in 2020 is \$15,071 (2019: net addition of \$10,368). The current portion of receivables is estimated to be \$424,986 (2019: \$446,001).

Credit risk

Premiums receivable are written off when there is no reasonable expectation of recovery. However, WorkSafeBC continues to pursue enforcement activity to collect the amounts due. WorkSafeBC has aggregated its receivables into shared risk categories to facilitate the analysis of credit losses on a collective basis.

Premiums receivable from B.C. employers have credit risk, which varies based on employer-specific factors, industry conditions, and macroeconomic or other factors. Their credit risk is largely subject to the economic circumstances they face; in periods of economic slowdown, credit risk is increased and a corresponding increase in expected credit losses is recognized. Specific employer accounts with increased credit risk indicators are assessed individually for expected credit losses, applying debt collection information and forward-looking economic information. Impairments are recognized for the remainder of premiums receivable, applying a historical matrix and taking into consideration the general economic conditions in the province. The maximum credit risk exposure is the carrying value of \$619,793 (2019: \$593,367).

To assist employers with the cash flow challenges associated with measures taken to prevent the spread of COVID-19, WorkSafeBC deferred the due date for second- and third-quarter premiums to October 20, 2020. WorkSafeBC monitored assessments receivable to determine any required impairment allowances, in accordance with IFRS 9 — expected credit losses — and has included an additional risk adjustment factor to historical rates applied to the shared

risk categories. Some industry sectors continue to face cash flow challenges resulting from the pandemic; WorkSafeBC is working with employers to facilitate options for payment of the assessment premiums.

Claim overpayments receivable are recovered from future claim payments. Where no future payments are expected, the remaining overpayments are recognized as specifically credit impaired. The maximum credit risk exposure is the carrying value of \$19,595 (2019: \$17,483).

Other receivables, not past due or impaired, have been assessed as having minimal risk of default. These are primarily composed of the goods and services tax (GST) refund receivable from the Government of Canada of \$2,026 as at December 31, 2020 (December 31, 2019: \$1,345), and vendor deposits of \$2,245 as at December 31, 2020 (December 31, 2019: \$2,012). For the remainder of other receivables, the maximum credit risk exposure is the carrying value of \$1,026 (2019: \$1,730).

Liquidity risk

Premiums receivable determined to be individually impaired include employer accounts on which WorkSafeBC has obtained judgments attaching liens to land and insolvent accounts, totalling \$4,241 as at December 31, 2020 (December 31, 2019: \$3,500), and other specific employers with evidence of unlikely collection, totalling \$9,649 (December 31, 2019: \$10,774). Claim overpayments receivable, where no future payments are anticipated, of \$17,925 (2019: \$15,840) have been assessed as individually impaired.

Note 4 — Portfolio investments

Accounting policy

WorkSafeBC invests in fixed-income, equity, and real asset investments. The investments are held through pooled funds, held directly, and held through investment entities managed by the British Columbia Investment Management Corporation (BCI).

Classification

WorkSafeBC's portfolio investments are classified as fair value through profit or loss (FVTPL) investments. WorkSafeBC manages and evaluates the portfolio investments' performance based on fair values and makes key decisions, such as whether to sell portfolio investments based on fair value performance. Therefore, the portfolio investments are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale and are categorized as FVTPL. All portfolio investments are measured at their fair value, with all changes in fair value immediately recorded in investment income in the consolidated statement of comprehensive income. The changes in fair value of FVTPL instruments comprise net realized and unrealized gains or losses on investments.

Unconsolidated structured entities

WorkSafeBC invests in pooled funds, which have underlying objectives ranging from achieving short-term investment income to achieving long-term capital growth. WorkSafeBC holds redeemable units in each of its investee pooled funds that entitle the holder to a proportional share in the respective fund's net assets. WorkSafeBC's rights do not provide the ability to direct the investments within the pooled funds. These investments do not satisfy the criteria for control and have not been consolidated; they are accounted for at FVTPL. As at December 31, 2020, WorkSafeBC's interests ranged from 3 percent to 82 percent of the net assets of pooled funds held directly (2019: 3 percent to 51 percent), and varying percentages of pooled funds held through investment entities — none individually significant as a proportion of the ownership interests of the respective pooled fund, which are typically in the form of units or shares.

WorkSafeBC also holds minority interests in investment entities ranging from 6.6 percent to 15.0 percent (2019: 7.1 percent in an investment entity). These investments do not satisfy the elements for control or significant influence, and are therefore accounted for as financial instruments under IFRS 9 (2014) as FVTPL.

These investments in the investment entities are carried at fair value and presented as part of the portfolio investments in the consolidated statement of financial position. The changes in fair value of these investments are included

in the consolidated statement of comprehensive income in net unrealized gains (losses) on investments within investment income.

WorkSafeBC's maximum exposure to loss from its interest in these unconsolidated structured entities is equal to the total fair value of its investments.

Recognition and measurement

WorkSafeBC uses trade date accounting for the purchase and sale of all financial instruments in its investment portfolio. Transactions are recorded on the date an agreement is entered into (the trade date), not on the date the transaction is finalized (the settlement date). If the transaction involves interest, the interest is recorded on an accrual basis from the trade date onward. Investment transactions pending settlement at December 31 are disclosed as a receivable or payable.

WorkSafeBC's portfolio investments are measured at fair value on initial recognition and on a recurring basis. The fair values of foreign currency exchange contracts are based on dealer-quoted prices or derived from valuation methods involving directly observable market data. Pooled funds are valued based on WorkSafeBC's share of the net asset value of the pooled fund. The fair values of global real estate, private equity, renewable resources, and infrastructure assets, which are held directly through debt and equity instruments and held through investment entities, are based on independent appraisals or valuation estimates. These appraisals and estimates use the most appropriate valuation technique for each investment type (see Fair value hierarchy, page 122).

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amount, and an intention to either settle on a net basis or realize the asset and settle the liability simultaneously. Over-the-counter currency hedging contracts are offset on the consolidated statement of financial position only where there is both a legal right of offset and an intention to settle on a net basis or simultaneously through a payments exchange system.

Investments denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect on the consolidated statement of financial position date. Revenues and expenses are translated at the exchange rates in effect on the transaction date. Foreign currency exchange gains or losses for these investments are recorded as an integral component of the overall change in fair value in investments within investment income in the consolidated statement of comprehensive income.

Note 4 — continued

Income recognition

Investment income includes income from directly held investments, income distributions from pooled funds, income from the minority-owned investment entity, and income from fully owned investment entities.

WorkSafeBC recognizes investment income from pooled funds and the minority-owned investment entity when the income is distributed from the fund or the entity to unit-holders. These distributions are automatically reinvested into the pool and the investment entities.

Income from fully owned investment entities is recognized through consolidation (Note 2), including mortgages, private equity, infrastructure, renewable resources, and global

real estate. The consolidated financial statements include the fully owned investment entities' income and expenses, with all inter-entity transactions eliminated on consolidation.

Fair value adjustments at the reporting date are disclosed as investment income and represent a change in unrealized gains or losses in the consolidated statement of comprehensive income as disclosed in this note. When an investment is sold, the cumulative unrealized gain or loss is reclassified as a realized gain or loss in investment income in the year of disposition.

Portfolio investments

	December 31, 2020				
	Investments in pooled funds	Investments held directly	Investments held through minority-owned investment entity	Investments held through fully owned investment entities	Total
Fixed-income investments					
Money market funds.....	602,649	—	—	—	602,649
Bond funds.....	3,057,484	—	—	—	3,057,484
Mortgage funds	414,020	—	—	—	414,020
Mortgages	—	—	—	426,907	426,907
Credit funds.....	1,186,095	—	—	—	1,186,095
Currency hedging contracts.....	—	44,335	—	—	44,335
	5,260,248	44,335	—	426,907	5,731,490
Equity investments					
Canadian equity funds	2,279,775	—	—	—	2,279,775
Global equity funds	4,628,582	—	—	—	4,628,582
Emerging markets equity fund.....	581,065	—	—	—	581,065
Private equity	129,094	—	226,170	1,708,407	2,063,671
	7,618,516	—	226,170	1,708,407	9,553,093
Real asset investments					
Infrastructure	31,404	287,983	—	1,462,602	1,781,989
Renewable resources.....	—	—	31,780	409,839	441,619
Domestic real estate funds	2,114,437	—	—	—	2,114,437
Global real estate	—	—	987	1,325,754	1,326,741
Currency hedging contracts.....	—	69,068	—	—	69,068
	2,145,841	357,051	32,767	3,198,195	5,733,854
Total	15,024,605	401,386	258,937	5,333,509	21,018,437

Note 4 — continued

The realization of portfolio investments is dependent on operational needs to ensure that adequate cash is available for payment of WorkSafeBC's obligations — mainly benefit liabilities and administration expenses. See Note 10 for the estimated percentage of payments expected for the next 12 months.

	December 31, 2019				
	Investments in pooled funds	Investments held directly	Investments held through minority-owned investment entity	Investments held through fully-owned investment entities	Total
Fixed-income investments					
Money market funds.....	524,962	—	—	—	524,962
Bond funds.....	3,179,092	—	—	—	3,179,092
Mortgage funds.....	439,892	—	—	—	439,892
Mortgages.....	—	—	—	326,009	326,009
Credit funds.....	918,981	—	—	—	918,981
Currency hedging contracts.....	—	14,352	—	—	14,352
	5,062,927	14,352	—	326,009	5,403,288
Equity investments					
Canadian equity funds.....	2,105,753	—	—	—	2,105,753
Global equity funds.....	4,520,770	—	—	—	4,520,770
Emerging markets equity fund.....	456,992	—	—	—	456,992
Private equity.....	75,352	—	112,104	1,416,816	1,604,272
	7,158,867	—	112,104	1,416,816	8,687,787
Real asset investments					
Infrastructure.....	—	297,410	—	1,345,146	1,642,556
Renewable resources.....	—	—	—	385,198	385,198
Domestic real estate funds.....	2,261,886	—	—	—	2,261,886
Global real estate.....	—	—	—	1,144,712	1,144,712
Currency hedging contracts.....	—	23,682	—	—	23,682
	2,261,886	321,092	—	2,875,056	5,458,034
Total.....	14,483,680	335,444	112,104	4,617,881	19,549,109

Note 4 — continued

Hedging contracts

WorkSafeBC does not enter into foreign exchange forward contracts for speculative purposes; these contracts are periodically entered into based on an assessment of the portfolio's foreign currency exposure. Foreign currency exposure can be direct or indirect based on the underlying investments. WorkSafeBC has an enforceable right of offset with BCI for its currency hedging contract sets and intends to settle these on a net basis. All contracts have settlement dates within one year. The table below shows the gross amounts of hedging contracts offset presented within the preceding tables.

	Notional gross amount of receivable contracts	Notional gross amount of payable contracts	Net offset
December 31, 2020			
Liabilities.....	1,013,302	(1,036,780)	(23,478)
Assets.....	2,891,408	(2,754,527)	136,881
Net total assets presented in portfolio investment assets			113,403
December 31, 2019			
Liabilities.....	515,139	(524,028)	(8,889)
Assets.....	2,622,884	(2,575,961)	46,923
Net total liabilities presented in portfolio investment assets			38,034

Investment income

	2020			
	Fixed-income investments	Equity investments	Real asset investments	Total
Income distributions from pooled funds.....	149,216	265,741	35,130	450,087
Income from investment entities				
Infrastructure.....	—	—	56,282	56,282
Private equity	—	19,573	—	19,573
Global real estate.....	—	—	1,629	1,629
Renewable resources.....	—	305	11,202	11,507
Mortgages.....	38,301	—	—	38,301
	38,301	19,878	69,113	127,292
Realized gains on investments	13,563	368,663	40,452	422,678
Unrealized gains on investments	141,880	913,457	7,384	1,062,721
Total	342,960	1,567,739	152,079	2,062,778

Note 4 — continued

	2019			
	Fixed-income investments	Equity investments	Real asset investments	Total
Income distributions from pooled funds	139,819	408,573	212,015	760,407
Income from investment entities				
Infrastructure	—	—	86,847	86,847
Private equity	—	13,395	—	13,395
Global real estate	—	—	(27,545)	(27,545)
Renewable resources	—	—	5,837	5,837
Mortgages	23,245	—	—	23,245
	23,245	13,395	65,139	101,779
Realized gains on investments	56,559	328,574	321,458	706,591
Unrealized gains (losses) on investments	112,090	795,167	(217,272)	689,985
Total	331,713	1,545,709	381,340	2,258,762

Investment expenses

	2020	2019
External investment management fees	72,306	65,891
Internal investment management fees	971	885
Total	73,277	66,776

Fair value hierarchy

Portfolio investments have been classified within a three-level fair value hierarchy in accordance with IFRS 7 (*Financial Instruments: Disclosures*). Fair value hierarchy levels are defined as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities. They offer the most persuasive evidence of fair value and are used whenever possible.
- Level 2 inputs are market-based inputs that are directly or indirectly observable but not considered Level 1 quoted prices. They consist of quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in non-active markets (e.g., markets with few transactions and where prices are not current or price quotations vary substantially); inputs other than quoted prices that are observable (e.g., interest rates, yield curves, volatilities, credit risks, and default rates); and inputs derived from, or corroborated by, observable market data.

- Level 3 inputs are unobservable inputs. They reflect assumptions about market pricing using the best internal and external information available. The valuation approaches applied are the most appropriate for the type of investments.

The fair values of portfolio investments are adjusted to incorporate the counter-party risk of non-performance. In certain situations, WorkSafeBC uses inputs to measure the fair value of asset positions that fall into different levels of the fair value hierarchy. In these situations, WorkSafeBC will determine the level into which the fair value falls based on the lowest-level input that is significant in determining the fair value. Fund holding is the unit of account for pooled funds applied for classification within Level 2 of the fair value hierarchy.

Note 4 — continued

The fair values of assets and liabilities measured by level of input are as follows:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2020				
Fixed-income investments.....	—	4,586,406	1,145,084	5,731,490
Equity investments.....	—	7,489,422	2,063,671	9,553,093
Real asset investments.....	—	69,068	5,664,786	5,733,854
Total portfolio investments at fair value.....	—	12,144,896	8,873,541	21,018,437
December 31, 2019				
Fixed-income investments.....	—	4,581,809	821,479	5,403,288
Equity investments.....	—	7,083,515	1,604,272	8,687,787
Real asset investments.....	—	23,682	5,434,352	5,458,034
Total portfolio investments at fair value.....	—	11,689,006	7,860,103	19,549,109

WorkSafeBC did not have Level 1 investments at December 31, 2020.

Changes in portfolio investments measured at fair value using significant unobservable inputs (Level 3) were as follows:

	2020	2019
Opening balance as at January 1.....	7,860,103	6,945,647
Net realized and unrealized gains.....	459,243	419,493
Purchases.....	1,093,195	1,798,847
Dispositions.....	(539,000)	(1,303,884)
Closing balance as at December 31.....	8,873,541	7,860,103

There were no transfers of assets between levels in either 2020 or 2019.

Net unrealized gains of \$1,391,327 attributable to assets held at December 31, 2020 (December 31, 2019: \$1,179,235) are included within the net unrealized gains in Level 3 equity investments.

Note 4 — continued

Valuation techniques

WorkSafeBC's investment portfolio is measured at fair value on a recurring basis; fair values are determined as the net asset value, as provided by the fund administrator (BCI) for pooled funds. BCI obtains the values for each holding annually, as determined by external managers and valuers using accepted industry valuation methods most suitable for the type of business or property held by the funds.

The following table provides information on the valuation techniques employed for assets directly held by hierarchy level, with significant unobservable inputs for each. Regarding changes to unobservable inputs in the table, WorkSafeBC does not have sufficient information to provide sensitivities on the fair values of the related investments.

Level 1 assets		Level 2 assets		Level 3 assets	
Valuation technique	Significant unobservable inputs	Valuation technique	Significant unobservable inputs	Valuation technique	Significant unobservable inputs
Market approaches:		Market approaches:		Market approaches:	
• Derived from external quotations	N/A	• Derived from external quotations	N/A	• Appraisals	Adjustment to current conditions and attributes of comparables
		• Net asset values provided by fund administrators	N/A	• Third-party transactions	
				Income approaches:	
				• Discounted cash flows	Longer-term operating margin and discount rate for lack of liquidity
				• Earnings multiples	Variability of earnings and discount rate for lack of liquidity

The valuation of Level 3 assets is dependent on assumptions included within valuation models. In 2020, the COVID-19 pandemic resulted in significant global economic disruptions that affected the amount and timing of future cash flows, discount rates, growth rates and other inputs incorporated into fair value of these assets. The uncertainty in those assumptions has been incorporated into the valuations of these assets through wider credit spreads and higher discount rates, as applicable, compared with those applied at December 31, 2019.

Investment risk management

WorkSafeBC's Board of Directors is responsible for developing policies to ensure adequate funding of the Accident Fund, and for approving investments of funds under section 320(2)(c) of the *Workers Compensation Act*. To this end, the Board of Directors has developed an investment policy specifying the asset allocation target and limits for investing funds. To assist the board in discharging these responsibilities, the board has appointed an

Investment Committee consisting of internal and independent external voting members. This committee manages WorkSafeBC's investment portfolio under the parameters set out by the Board of Directors' statement of investment policies and goals for the Accident Fund.

Under the direction of the Investment Committee, within the parameters established by the Board of Directors and management, investment of the portfolio is carried out by BCI.

Portfolio investment disclosures show investments in pooled funds by type of fund (i.e., the primary investment focus), while investments held directly are shown by investment type. Many of the pooled funds hold cash, net investment receivables and payables, and/or small amounts of other investments outside their primary investment focus. For the purpose of describing WorkSafeBC's exposure to investment price and currency risks in pooled funds, the risk analysis has been prepared using the holdings of funds; the risks described are therefore indirect and indivisibly linked to the exposure of the underlying fund assets.

Note 4 — continued

In 2020, government-mandated restrictions to manage the COVID-19 pandemic resulted in global economic disruptions; equity markets experienced significant downturns earlier in the year. Central banks intervened with more accommodative monetary policies and governments provided fiscal support to individuals and organizations to stabilize economies; equity markets rebounded later in the year. The Investment Committee and management continue to closely monitor and actively manage the diversified investment portfolio and its investment risk management policies, given the volatility and uncertainty in financial markets as a result of the pandemic.

Credit risk management

Credit risk on financial instruments arises from the possibility of a counter-party to an instrument failing to meet its obligations. WorkSafeBC has direct credit risk exposure, through investments held directly and through interests in investment entities. Debt instruments held in conjunction with related equity investments in private companies through those entities, totalling \$411.8 million (2019: \$168.5 million), are not rated. Debt instruments held as mortgages through those entities total \$279.7 million (2019: \$188.2 million).

WorkSafeBC has indirect credit risk exposure through its investments in pooled funds and its investments held through minority interest. The indirect credit risk exposures are mitigated by ensuring that the Accident Fund invests in accordance with the investment policies and a well-diversified portfolio with limited exposure to any one entity, industry, or country.

Foreign exchange risk management

WorkSafeBC holds investments directly and through interests in investment entities denominated in foreign currencies and, as such, is directly exposed to the currency risks shown in the following table.

	December 31, 2020	December 31, 2019
Currency		
U.S. dollars	3,909,873	3,489,146
Other currencies.....	1,550,002	1,224,560
Total.....	5,459,875	4,713,706

Currency risk

The following table presents the estimated effect of a material adverse change in the Canadian dollar/U.S. dollar and other currency exchange rates on foreign currency-based investments held directly or through interests in investment entities. WorkSafeBC minimizes its currency risk through use of directly held currency hedging contracts. For this analysis, the base exchange rates are those at December 31.

	10% appreciation in the Canadian dollar	
	2020	2019
Estimated loss in fair value		
Appreciation in Canadian dollar versus U.S. dollar	\$130,000	\$120,000
Appreciation in Canadian dollar versus other currencies	\$70,000	\$40,000

Inflation risk management

WorkSafeBC is exposed to fluctuations in the inflation rate because its compensation benefits are indexed annually to the increase in the annual Canadian consumer price index (CPI), as measured in October each year, less 1 percent, up to a maximum annual rate of 4 percent and a minimum of zero. To mitigate the effect of inflation on WorkSafeBC's future liabilities over the long term, the Accident Fund holds real assets, including real estate, infrastructure, and renewable resources.

Liquidity risk management

The Accident Fund is exposed to liquidity risk because it must provide funding for operations, such as benefit payments and administration expenses. WorkSafeBC always maintains a portion of its investments in money market and bond pooled funds, which are highly liquid. WorkSafeBC has made commitments to participate in future funding for investment purchases (Note 17). If necessary, units of pooled fund investments will be liquidated to satisfy these funding requirements.

There were no restrictions on the redemptions of WorkSafeBC's portfolio investments for the reporting period, except those listed in the following table. Because of the absence of active markets, the investments listed in the table cannot be sold or converted easily to cash in a timely or cost-effective manner.

Note 4 — continued

	December 31, 2020	December 31, 2019
Fixed-income investments		
Mortgages	426,907	326,009
Credit funds	718,177	495,470
Equity investments		
Private equity	2,063,671	1,604,272
Real asset investments		
Infrastructure	1,781,989	1,642,556
Renewable resources	441,619	385,198
Domestic real estate funds	2,114,437	2,261,886
Global real estate	1,326,741	1,144,712
Total	8,873,541	7,860,103

Market risk management

Market risk is the risk of loss in the value of portfolio investments that may arise as a result of changes in market factors, such as public equity prices, interest rates, foreign exchange rates, and valuations of real estate, private equity, infrastructure, and renewable resources. These changes are subject to economic factors and other movements in global capital markets. The COVID-19 pandemic negatively affected these factors, especially early in 2020. As previously disclosed, market risk is managed by the Investment Committee through established investment policies that BCI must follow, as well as through risk monitoring and portfolio diversification. WorkSafeBC is exposed to varying levels of market risk, depending on the type of investment and conditions within various global markets.

The tables that follow provide estimates of the potential dollar impact on the fair value of investments when there are material changes in key risk variables, such as equity market

indices, interest rates, and valuations of mortgages, real estate, private equity, infrastructure, and renewable resources. Each table shows the potential impact of the risk under normal market conditions within the 12-month period following the consolidated statement of financial position date. It should be noted that each table shows the impact of the specific downside risk, independent of the correlation to other market variables, and that these estimates do not address worst-case scenarios or potential losses arising from even more extreme market conditions and events.

Price risk

The following table presents the estimated effect of a material adverse change in the equity index benchmark for public equity investments, through pooled funds and directly held investments. Standard deviations are based on historical values for the past five years of market benchmark indices, ending on December 31.

	One standard deviation	
	2020	2019
Percentage decrease in Canadian equity market benchmark	13.5%	8.8%
Estimated loss in fair value — Canadian equity pooled funds	\$305,000	\$185,000
Percentage decrease in global equity market benchmark	20.5%	17.5%
Estimated loss in fair value — global equity pooled funds	\$950,000	\$790,000
Percentage decrease in emerging markets equity market benchmark	23.2%	22.0%
Estimated loss in fair value — emerging markets equity pooled fund	\$135,000	\$100,000

Note 4 — continued

The following table presents the estimated effect of a material adverse change in the valuations of WorkSafeBC's indirect investments in domestic real estate, private equity, and pooled funds, as well as investments held directly or through interests in investment entities in mortgages, global real estate, private equity, infrastructure, and renewable resources.

	10% decline in asset value	
	2020	2019
Estimated loss in fair value		
Mortgages	\$45,000	\$35,000
Domestic real estate funds	\$210,000	\$225,000
Global real estate	\$135,000	\$115,000
Private equity	\$205,000	\$160,000
Infrastructure	\$180,000	\$165,000
Renewable resources	\$45,000	\$40,000

The following presents the estimated effect of a material adverse change in the valuations of WorkSafeBC's investments in fixed-income pooled funds due to changes in the nominal and real interest rates.

	75 basis points increase in nominal interest rate	
	2020	2019
Estimated loss in fair value		
Bond pooled funds	\$160,000	\$160,000
Mortgage pooled funds	\$5,000	\$10,000
Credit pooled funds	\$70,000	\$45,000

Interest rate risk management

Fluctuations in interest rates can affect the fair value of the fixed-income securities and shift investor preferences among asset classes. WorkSafeBC's investments are directly exposed to interest rate risk through debt instruments that are directly held and held in investment entities of \$691.5 million (2019: \$356.7 million). WorkSafeBC is also indirectly exposed to interest rate risk through its investments in fixed-income pooled funds. Interest rate risk on the fixed-income portfolio is minimized by managing its duration. The fixed-income portfolio consists of mortgages held through fully owned investment entities and investments in fixed-income pooled funds.

Interest rate risk for private debt held through directly held investments and interests in investment entities included within the equity and real asset portfolios are not material. These debt investments are held in conjunction with related

equity investments in private companies; any change in the market value of these debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investments.

Real estate risk management

Risk in the real estate portfolio is managed by investing across real estate types and locations. Adverse effects in any one segment of the market or geographic location are minimized through diversification, which includes investments in domestic real estate indirectly held through pooled funds, and global real estate directly held through fully owned investment entities.

Encumbrances

No investments held by WorkSafeBC were pledged at December 31, 2020.

Note 5 — Property, equipment, intangible assets, and right-of-use assets

Accounting policies

Recognition and measurement of property, equipment, and intangible assets

Property, equipment, and intangible assets are reported at historical cost less accumulated depreciation/amortization and any amount for impairment, with the exception of land. Land is reported at deemed cost (fair market value on date of transition to IFRS); subsequent acquisitions of land will be measured at historical cost.

Operating systems represent the direct costs incurred in developing new internally generated systems. Costs are deferred and amortized on a straight-line basis on the date the asset is ready to use. Project costs incurred in the definition stage for feasibility studies are recognized in administration costs in the consolidated statement of comprehensive income as incurred.

Additions and subsequent expenditures are capitalized only to the extent that they enhance future economic benefits expected to be derived from the asset — either a significant extension of the asset’s expected useful life or major enhancements to the asset’s functions.

Expenditures incurred to replace a component of an asset are separately capitalized and the replaced component is derecognized. All other expenditures, including maintenance, costs of minor enhancements, and costs relating to the minor extension of an asset’s useful life, are recognized in administration costs in the consolidated statement of comprehensive income as incurred.

Recognition and measurement of right-of-use assets

In accordance with IFRS 16 (*Leases*), at the inception of a contract, WorkSafeBC assesses whether a contract is, or contains, a lease and conveys the right to control the use of an identified asset for a period of time in exchange for consideration. WorkSafeBC uses the definition of a lease in IFRS 16, which stipulates that the contract must enable the right of WorkSafeBC to obtain substantially all of the economic benefits and direct the use of an identifiable asset throughout the period. WorkSafeBC has applied this approach to all contracts entered into or changed since January 1, 2019. WorkSafeBC elected not to recognize right-of-use assets for intangible assets, those of low value, and those with contract durations of less than 12 months.

WorkSafeBC recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Depreciation and amortization

Depreciation and amortization are charged to administration costs in the consolidated statement of comprehensive income. Property, equipment, and intangible assets are depreciated and amortized beginning on the date the asset is ready for use, on a straight-line basis, over the asset’s estimated useful life or the life of its major component.

Right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to WorkSafeBC before the end of the lease term, or there is an assumption that a purchase option will be exercised. In that case, the right-of-use asset will be depreciated over the shorter of the lease term or the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

Useful lives and any residual values of assets are reviewed annually to take into account any change in circumstances, including technological obsolescence, redundancy due to change in business strategy or economic conditions, and physical deterioration or loss. Land is not depreciated, as it is deemed to have an indefinite life.

The ranges of estimated useful lives of assets are shown in the following table.

Property and equipment:

Buildings.....	10–40 years
Equipment.....	2–7 years
Furniture.....	10 years
Vehicles.....	7 years

Intangible assets:

Operating systems	5–10 years
Computer software.....	3 years

Right-of-use assets:

Buildings.....	2–26 years
Equipment and other	5 years

Impairment

Property, equipment, intangible assets, and right-of-use assets are assessed at each consolidated statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets are subject to an impairment review. If an asset is impaired, an impairment loss is recognized in administration costs in the consolidated statement of comprehensive income.

Note 5 — continued

When indicators of impairment exist, IAS 36 (*Impairment of Assets*) requires an entity to test assets for impairment. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level — the smallest identifiable group of assets generating cash inflows (independent of cash inflows from other assets or groups of assets).

Based on an analysis of cash flows, WorkSafeBC has established that the appropriate cash-generating unit for impairment review is the entity. As WorkSafeBC has statutory power to increase premiums and/or impose levies to ensure full funding into the foreseeable future under the *Workers Compensation Act*, impairment at the entity level is remote. On an annual basis, WorkSafeBC conducts a review to ensure that no events or changes in circumstance have occurred that would provide evidence of impairment.

Management conducted impairment indicator reviews at the entity level at December 31, 2020, and December 31, 2019; these reviews confirmed no significant impairment indicators — changes in the legislative, economic, or business environments — that would have a material impact on WorkSafeBC's ability to generate future economic benefits from its operating (non-financial) assets.

Property, equipment, intangible assets, and right-of-use assets

	December 31, 2020	December 31, 2019
Property and equipment	201,357	190,478
Intangible assets	41,052	43,271
Right-of-use assets	43,407	46,271
Total	285,816	280,020

Property and equipment

	Land	Buildings	Furniture and equipment	Vehicles	Total
Cost.....	145,873	107,525	15,192	14,869	283,459
Less: Accumulated depreciation	—	74,324	9,197	8,876	92,397
Balance at January 1, 2019	145,873	33,201	5,995	5,993	191,062
Changes during the year:					
Cost					
Additions (reclassifications).....	—	6,153	(395)	668	6,426
Disposals.....	—	(1,478)	(1,393)	(1,294)	(4,165)
Less: Accumulated depreciation					
Depreciation.....	—	4,152	967	1,635	6,754
Disposals.....	—	(1,265)	(1,393)	(1,251)	(3,909)
Balance at December 31, 2019	145,873	34,989	4,633	4,983	190,478
Representing:					
Cost.....	145,873	112,200	13,404	14,243	285,720
Less: Accumulated depreciation	—	77,211	8,771	9,260	95,242
Balance at December 31, 2019	145,873	34,989	4,633	4,983	190,478
Changes during the year:					
Cost					
Additions	—	14,332	1,392	2,649	18,373
Disposals.....	—	—	(1,291)	(1,720)	(3,011)
Less: Accumulated depreciation					
Depreciation.....	—	4,509	1,378	1,544	7,431
Disposals.....	—	—	(1,291)	(1,657)	(2,948)
Balance at December 31, 2020	145,873	44,812	4,647	6,025	201,357
Representing:					
Cost.....	145,873	126,532	13,505	15,172	301,082
Less: Accumulated depreciation	—	81,720	8,858	9,147	99,725
Balance at December 31, 2020	145,873	44,812	4,647	6,025	201,357

Note 5 — continued

Intangible assets

	Operating systems	Computer software	Total
Cost.....	225,898	24,498	250,396
Less: Accumulated amortization	184,259	20,019	204,278
Balance at January 1, 2019	41,639	4,479	46,118
Changes during the year:			
Cost			
Additions	8,768	218	8,986
Disposals.....	(369)	(76)	(445)
Less: Accumulated amortization			
Amortization	10,795	1,037	11,832
Disposals.....	(368)	(76)	(444)
Balance at December 31, 2019	39,611	3,660	43,271
Representing:			
Cost.....	234,297	24,640	258,937
Less: Accumulated amortization	194,686	20,980	215,666
Balance at December 31, 2019	39,611	3,660	43,271
Changes during the year:			
Cost			
Additions	9,446	273	9,719
Disposals.....	(13,075)	(134)	(13,209)
Less: Accumulated amortization			
Amortization	10,632	1,306	11,938
Disposals.....	(13,075)	(134)	(13,209)
Balance at December 31, 2020	38,425	2,627	41,052
Representing:			
Cost.....	230,668	24,779	255,447
Less: Accumulated amortization	192,243	22,152	214,395
Balance at December 31, 2020	38,425	2,627	41,052

Note 5 — continued

Right-of-use assets

	Buildings	Equipment and other	Total
Cost.....	35,521	442	35,963
Less: Accumulated depreciation	—	—	—
Balance at January 1, 2020	35,521	442	35,963
Changes during the year:			
Cost			
Additions	12,899	—	12,899
Disposals	—	—	—
Less: Accumulated depreciation			
Depreciation	2,494	97	2,591
Disposals	—	—	—
Balance at December 31, 2020	45,926	345	46,271
Representing:			
Cost	48,420	442	48,862
Less: Accumulated depreciation	2,494	97	2,591
Balance at December 31, 2020	45,926	345	46,271
Changes during the year:			
Cost			
Additions	6	478	484
Disposals	—	—	—
Less: Accumulated depreciation			
Depreciation	3,202	146	3,348
Disposals	—	—	—
Balance at December 31, 2020	42,730	677	43,407
Representing:			
Cost	48,426	920	49,346
Less: Accumulated depreciation	5,696	243	5,939
Balance at December 31, 2020	42,730	677	43,407

Note 6 — Cash and outstanding payments

Accounting policy

Cash and outstanding payments represent the net balance of cash on hand and items in transit, including cheques issued but not cashed. In the event that these cheques are cashed and there are insufficient funds held at that time in its bank accounts, WorkSafeBC can use available credit facilities. As at December 31, 2020, the unused credit facility was \$1,772 (2019: \$1,782). WorkSafeBC is also a partner in an offset program with the Province of British Columbia; this program provides WorkSafeBC with access to additional credit facilities for varying amounts in connection with the daily cash balance of the partners.

Cash and outstanding payments

	December 31, 2020	December 31, 2019
Cash	—	298
Less:		
Outstanding payments	32,870	39,109
Net cash	(32,870)	(38,811)

All outstanding payments are expected to be settled within 12 months.

Note 7 — Payables and accruals

Accounting policy

Payables and accruals are financial liabilities representing obligations to pay for goods or services received by WorkSafeBC in the ordinary course of operations. WorkSafeBC recognizes a liability and an expense for goods on receipt or transfer of control and for services when they have been performed. Other payables include credit balances on employer accounts. The timing and amount of payables and accruals are readily determinable. These amounts are normally settled before the end of the next reporting period.

Payables and accruals in the following table are classified as amortized cost under IFRS 9 (*Financial Instruments*), recorded at fair value on initial recognition, and subsequently measured at amortized cost. The carrying value of these items approximates fair value.

Lease liabilities

In accordance with IFRS 16 (*Leases*), at the inception of a contract WorkSafeBC assesses the contract to determine if a lease is contained within. Right-of-use assets and lease liabilities are recognized at the lease commencement dates (Note 5).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at WorkSafeBC's incremental borrowing rate. The incremental borrowing rate is determined using a build-up approach as at the date of lease inception that starts with a risk-free interest rate adjusted for credit risk for leases.

The lease liability is subsequently increased by the interest cost on the liability and decreased by lease payments made. It is remeasured when future lease payments are adjusted as a result of changes in an index or rate, the estimated amount expected to be payable under a residual value guarantee or, as appropriate, the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Lease payments include all fixed payments, variable payments that are tied to an index, and payments for renewal periods, if it is reasonably certain the extension options will be exercised. Lease payments do not include operating costs.

Payables and accruals

	December 31, 2020	December 31, 2019
Accrued staff salaries.....	20,553	34,735
Vendor payables.....	25,111	19,407
Other payables and accruals	16,291	18,672
Lease liabilities	49,442	48,937
Total	111,397	121,751

Payables and accruals expected to be settled within 12 months total \$63,761 (2019: \$74,002).

Note 8 — Injured workers' retirement benefit liability

Accounting policy

The injured workers' retirement benefit obligation is a financial liability that represents obligations under section 204 of the *Workers Compensation Act*, effective for all injuries occurring on or after June 30, 2002. This section requires that WorkSafeBC contribute a monthly amount for permanently disabled workers equal to 5 percent of a worker's permanent disability monthly benefit payment. This amount is over and above the benefit payment issued monthly and separate from the long-term disability benefit liability (Note 10). In addition, workers may voluntarily choose to contribute between 1 percent and 5 percent of their monthly benefit.

WorkSafeBC recognizes a liability for past contributions made to the injured workers' retirement benefit liability when a worker's permanent disability monthly benefit is paid. The corresponding liability for future monthly contributions is included in the long-term disability benefit liability (Note 10). The injured workers' retirement benefit liability accrues interest at the greater of WorkSafeBC's annual smoothed accounting rate of return or the Government of Canada's 90-day treasury bill rate. Future cash flows to be paid to a worker are discounted at a rate equal to the rate of interest. On the end date of long-term disability benefits, workers receive a lump-sum payout of these amounts and the liability is derecognized. Future anticipated liabilities for the WorkSafeBC contribution have been included within claim liabilities, as part of pension awards (Note 10).

The injured workers' retirement benefit liability is classified as amortized cost under IFRS 9 (*Financial Instruments*), recorded at fair value on initial recognition and subsequently measured at amortized cost. The carrying value of this liability approximates fair value.

Injured workers' retirement benefit liability

Changes in the injured workers' retirement benefit liability are as follows:

	2020	2019
Balance at January 1	113,765	97,733
Interest income	6,609	6,810
Contributions by WorkSafeBC	15,235	13,652
Contributions by injured workers...	2,497	2,313
Benefits paid	(7,794)	(6,743)
Balance at December 31	130,312	113,765

The duration of the liability, based on all workers reaching the age of 65, is as follows:

	December 31, 2020	December 31, 2019
Under 1 year	8,066	5,768
1–5 years	33,364	29,969
5–10 years	33,210	23,290
Over 10 years	55,672	54,738
Total	130,312	113,765

Note 9 — Employee benefit assets, liabilities, and costs

Accounting policy

Employee benefits

WorkSafeBC has various employee benefits, including plans that provide pension benefits and retiree health care benefits. The cost of the plans and present value of obligations are determined using actuarial valuations; these valuations involve making assumptions about discount rates, rates of returns on net assets, future salary increases, mortality rates, and future pension changes. Obligations are sensitive to changes in these assumptions because of their long-term nature and the complexity of the valuations and underlying assumptions. All assumptions are reviewed at each reporting date. Details of key assumptions used in the estimates are disclosed below.

Employee pension plans

WorkSafeBC and its employees contribute to the WorkSafeBC Pension Plan, a defined benefit plan. Appointed by WorkSafeBC's Board of Directors, the Pension Committee is responsible for overseeing prudent investment of plan assets and ensuring that administration services are provided to plan members. The Pension Committee is composed of three appointed members: one represents WorkSafeBC, another represents WorkSafeBC employees, and the third is an independent member nominated jointly by the other Pension Committee members.

The plan provides pensions based on length of service and an employee's best five-year average earnings for all active plan members (permanent employees and eligible temporary employees), with immediate vesting on joining the plan. In accordance with WorkSafeBC Pension Plan rules, WorkSafeBC may apply surplus funds to reduce or eliminate contributions that might otherwise be required. In 2020, an option to purchase pensionable service during an *Employment Standards Act* leave of absence was added to the pension plan.

For funding purposes, and to determine employee/employer contribution rates, the plan requires an actuarial valuation of plan liabilities at intervals of not more than three years. The most recent valuation was carried out at December 31, 2019 (report issued December 16, 2020); its results were used to derive projected liabilities at year-end.

The WorkSafeBC Pension Plan is subject to the B.C.'s *Pension Benefits Standards Act* and, as such, requires certain certifications relating to the plan's solvency. In accordance with the legislation, WorkSafeBC must adequately fund all benefits earned by plan members and is required to make scheduled special payments to make up any funding or solvency deficits. The most recent actuarial valuation, as at December 31, 2019, reported a solvency ratio greater than 100 percent.

WorkSafeBC also has a supplementary executive retirement plan (SERP). Established and effective January 1, 2009, it provides additional pension benefits to designated executives. Pension benefits in this plan, which is not funded, are based on the same earnings as the WorkSafeBC Pension Plan. For financial reporting purposes, an actuarial valuation for the SERP was carried out as at December 31, 2020. The SERP amounts are included in the detailed disclosures for the employee pension plan in tables within this note. The present value of the defined benefit obligation for the SERP at December 31, 2020, was \$4,692 (December 31, 2019: \$4,403).

Retiree health care plan

WorkSafeBC also has a financial liability relating to extended health care benefits it provides to eligible WorkSafeBC retirees. WorkSafeBC employees are not required to contribute to these health care benefits. During 2020, mandatory generic medication, a direct-pay drug card, and a limitation period of 90 days per trip on out-of-province/country claims was added to the retiree health care plan.

Actuarial assumptions and method

The cost of the pension and retiree health care benefits earned by employees is actuarially determined using the projected benefit method, which is pro-rated on service and actuarial assumptions about discount rates, returns on net assets, future salary increases, employee retirement ages, mortality rates, and expected health care costs. Because of the long-term nature of the plans, such estimates are subject to significant uncertainty. All actuarial gains and losses are recognized as they occur through other comprehensive income in the consolidated statement of comprehensive income.

Note 9 — continued

The significant actuarial assumptions adopted in valuing WorkSafeBC's benefit plan expenses are shown in the following table.

	Employee pension plans		Retiree health care plan	
	2020	2019	2020	2019
Discount rate — obligations	2.65%	3.40%	2.75%	3.40%
Discount rate — current service cost	3.50%	4.15%	3.50%	4.15%
Future salary increases/health care cost increases	2.50%	2.50%	4.50%	4.50%

The discount rates shown for obligations were effective as at December 31 and applied in determining benefit plan balances at the end of the reporting period. Rates shown for current service costs were applied in determining 2020 benefit plan expenses for the reporting period. A split discount rate approach is used, whereby the discount rate for the current service cost is determined based on duration of the current service cost with respect to active employees.

Long-term disability benefits

Long-term disability benefits are provisions representing the present obligation for the amount of income to be provided to employees unable to work for extended periods due to non-work-related illness or injury. WorkSafeBC recognizes this liability when the disability occurs. The present value of the obligation is calculated using a 1.8 percent discount rate as at December 31, 2020 (December 31, 2019: 2.8 percent). The discount rates were based on high-quality corporate bonds with the same estimated term as the liability.

Long-service benefits

Long-service benefits are liabilities representing the amount payable to employees who have completed at least 10 years of service with WorkSafeBC. WorkSafeBC recognizes the liability as these employees render their service, which accumulates toward entitlement of the long-service benefit. The benefit vests after 10 years of service, with payment made on termination, death, or retirement. WorkSafeBC recognized

the expected benefit liability by applying a 2.15 percent discount rate as at December 31, 2020 (December 31, 2019: 3.1 percent); current service costs were recognized by applying a 3.35 percent discount rate (2019: 3.95 percent). The rates were based on the yield on high-quality corporate bonds with the same estimated terms.

Other benefits

Other benefits include liabilities for WorkSafeBC claims from WorkSafeBC employees and accumulated sick leave.

Workers' compensation claims are liabilities representing the present obligation for expected employee claim costs. WorkSafeBC recognizes the provision when the claim is accepted. The present value of the obligation was calculated using a 2.6 percent discount rate as at December 31, 2020 (December 31, 2019: 3.1 percent). The discount rates were based on high-quality corporate bonds with the same estimated term as the liability.

Accumulated sick leave entitlements are recognized as employees render their service, to the extent of expected future use. Accumulated sick leave does not vest.

Employee benefit liabilities

WorkSafeBC has several employee benefit plans, including pension, retiree health care, long-term disability, long-service benefits, and other benefits. Liabilities for these benefit plans consist of the following:

	December 31, 2020	December 31, 2019
Retiree health care plan	183,640	153,039
Accrued long-term disability	132,800	122,900
Employee pension plans (net of plan assets)	25,189	—
Accrued long-service benefits	45,419	41,690
Accrued other benefits	12,516	10,316
Total	399,564	327,945

The current portion of the employee benefit liabilities is estimated to be \$24,805 (2019: \$23,720).

Note 9 — continued

Employee pension and retiree health care plans

The amounts recognized in the consolidated statement of financial position are as follows:

	Employee pension plans		Retiree health care plan	
	2020	2019	2020	2019
Present value of defined benefit obligations.....	(2,596,990)	(2,234,202)	(183,640)	(153,039)
Fair value of plan assets	2,571,801	2,358,469	—	—
Funded status — plan (deficit) surplus	(25,189)	124,267	(183,640)	(153,039)
Benefit (liability) asset	(25,189)	124,267	(183,640)	(153,039)

Changes in the defined benefit obligation are as follows:

	Employee pension plans		Retiree health care plan	
	2020	2019	2020	2019
Balance January 1	2,234,202	1,963,889	153,039	146,715
Current service cost.....	59,261	46,113	7,043	5,663
Interest cost	75,234	78,670	5,562	5,871
Contributions by plan participants.....	20,608	18,669	—	—
Net transfers from other plans	2,619	1,311	—	—
Employer contributions receivable	(330)	—	—	—
Actuarial losses (gains) arising from:				
Changes in financial assumptions.....	235,797	161,335	22,721	20,379
Experience adjustments	46,676	29,701	(12,829)	(22,043)
Changes in demographic assumptions.....	(8,055)	—	(1,162)	—
Past service cost	—	—	11,860	—
Benefits paid	(69,022)	(65,486)	(2,594)	(3,546)
Balance December 31	2,596,990	2,234,202	183,640	153,039

The current portion of the employee pension plan liability is estimated to be \$67,543 (2019: \$64,070).

The introduction of a direct-pay drug card under the retiree health care plan, effective January 1, 2020, resulted in an increase of \$11,860 in the plan's defined benefit obligation. In accordance with IAS 19 (*Employee Benefits*), this has been reflected in the 2020 benefit expense as a past service cost.

Note 9 — continued

Changes in the fair value of plan assets are as follows:

	Employee pension plans		Retiree health care plan	
	2020	2019	2020	2019
Balance January 1	2,358,469	2,122,043	—	—
Return on plan assets (excluding amounts included in net interest expense)	161,190	177,737	—	—
Interest income	79,763	85,401	—	—
Employer contributions	20,797	18,815	2,594	3,546
Employer contributions receivable	(2,623)	(21)	—	—
Employee contributions	20,608	18,669	—	—
Benefits paid	(69,022)	(65,486)	(2,594)	(3,546)
Net transfers from other plans	2,619	1,311	—	—
Balance December 31	2,571,801	2,358,469	—	—

The amounts recognized in the consolidated statement of comprehensive income are as follows:

	Employee pension plans		Retiree health care plan		Total	
	2020	2019	2020	2019	2020	2019
Recognized in administration expenses:						
Employer current service cost	59,261	46,113	7,043	5,663	66,304	51,776
Employer past service cost	—	—	11,860	—	11,860	—
Net interest (income) cost	(4,529)	(6,731)	5,562	5,871	1,033	(860)
	54,732	39,382	24,465	11,534	79,197	50,916
Recognized in other comprehensive income:						
Actuarial losses (gains) on plan liabilities arising from:						
Changes in financial assumptions	235,797	161,335	22,721	20,379	258,518	181,714
Experience adjustments	46,676	29,701	(12,829)	(22,043)	33,847	7,658
Changes in demographic assumptions	(8,055)	—	(1,162)	—	(9,217)	—
Return on plan assets (excluding amounts included in net interest expense)	(161,190)	(177,737)	—	—	(161,190)	(177,737)
	113,228	13,299	8,730	(1,664)	121,958	11,635
Total benefit plan expenses	167,960	52,681	33,195	9,870	201,155	62,551

Cumulative actuarial (losses) gains recognized in other comprehensive income are as follows:

	Employee pension plans		Retiree health care plan		Total	
	2020	2019	2020	2019	2020	2019
As at January 1	5,998	19,297	74,068	72,404	80,066	91,701
Actuarial (losses) gains on plan liabilities for the year	(274,418)	(191,036)	(8,730)	1,664	(283,148)	(189,372)
Actuarial gains (losses) on plan assets for the year	161,190	177,737	—	—	161,190	177,737
As at December 31	(107,230)	5,998	65,338	74,068	(41,892)	80,066

Note 9 — continued

Employee pension plans and retiree health care plan risks

WorkSafeBC is subject to the risks attached to assumptions employed in determining net plan obligations. Changes in assumptions may negatively impact the net funded position of the plans. The most significant assumption risks are discussed below.

COVID-19

In 2020, the global COVID-19 pandemic created volatility and significant uncertainty as it progressed through the year. The future long-term effects of COVID-19 on the actuarial valuations for employee pension plans and retiree health care plans cannot be reasonably estimated. As the pandemic evolves, future actuarial assumptions affecting the valuation, and the long-term impacts of the related investment portfolio that funds the plans, may be adjusted.

Investment risk

The present value of the defined benefit plans' liabilities is calculated using a discount rate determined by reference to high-quality corporate bond yields. If actual returns on pension plan assets are below this rate, the plan's funded status will decrease. See WorkSafeBC's asset-liability management strategy, on this page.

Interest risk

A decrease in the bond interest rate will increase the plan's liabilities; however, any related effect may be partially offset by an increase in the value of the pension plan's debt investments.

Mortality risk

The present value of the defined benefit plans' liabilities is calculated by referencing the best estimate of the mortality of plan members. An increase in their life expectancy will subsequently increase the plans' liabilities.

Salary risk

The present value of the defined benefit pension plan liability is calculated by referencing the estimated increase in future salaries of plan members. As such, an increase in their salaries in excess of the estimate will subsequently raise the pension plan's liability.

Health care cost risk

The present value of the retiree health care plan liability is calculated by referencing estimated future health care costs. As such, an increase in health care costs in excess of the estimate will increase the retiree health care plan's liability. The COVID-19 pandemic affected health care costs in 2020, resulting in greater volatility than typically expected. However, the impact of the pandemic on the retiree health care plan's liability cannot be reasonably estimated at this time.

Asset-liability management strategy

Periodic asset/liability studies are conducted to review the WorkSafeBC Pension Plan investment policy. The policy's primary objective is to manage risks related to the asset mix, considering both returns and risks of investment classes, in conjunction with the anticipated amounts and timing of liability payments. The policy identifies a targeted asset mix and range of acceptable level of investments for each investment type and sub-class. Pension plan assets are managed by BCI and are invested in fixed-income, equity, real assets, and other investments, directly held or through pooled funds. The assets and related performance of plan assets are monitored on a quarterly basis by the Pension Committee.

Note 9 — continued

Sensitivity of employee pension plan and retiree health care plan liability

Significant actuarial assumptions for determining employee defined benefit plan liabilities are discount rate, life expectancy, expected salary increases, and health care costs. The effect on the employee defined benefit obligations, excluding the supplementary executive retirement plan, of a change in assumptions applied is as follows:

		2020			
		Effect on defined benefit obligations			
		Employee pension plan		Retiree health care plan	
Assumption	Change in assumption	Increase	Decrease	Increase	Decrease
Discount rate	0.5%	(7.4)%	8.4%	(9.6)%	11.1%
Mortality rate	10.0%	(2.0)%	2.2%	(3.6)%	4.1%
Salary rate	0.5%	1.4%	(1.3)%	N/A	N/A
Health care costs	0.5%	N/A	N/A	11.2%	(9.8)%

		2019			
		Effect on defined benefit obligations			
		Employee pension plan		Retiree health care plan	
Assumption	Change in assumption	Increase	Decrease	Increase	Decrease
Discount rate	0.5%	(6.8)%	7.7%	(9.1)%	10.4%
Mortality rate	10.0%	(1.9)%	2.1%	(3.5)%	3.9%
Salary rate	0.5%	1.6%	(1.5)%	N/A	N/A
Health care costs	0.5%	N/A	N/A	10.4%	(9.1)%

The sensitivity analysis presented in the table above may not be representative of the actual change in the defined benefit obligation; it is unlikely that a change in assumptions would occur in isolation, as some assumptions may correlate.

Employee pension plan assets

The WorkSafeBC Pension Plan assets, at fair value, are listed in the table that follows. The pension plan investments disclosure shows investments in pooled funds by type of fund (i.e., the primary investment focus), while investments held directly are shown by investment type. Many of the pooled funds hold cash, net investment receivables and payables, and/or small amounts of other investments outside their primary investment focus.

Pooled funds are valued based on WorkSafeBC's share of the net asset value of the pooled fund. The fair values of global real estate, private equity, renewable resources, and infrastructure investments are based on the fair values of the net assets and supported by independent appraisals or valuation estimates. These appraisals and estimates use the most appropriate valuation technique for each investment type. The fair value of foreign currency exchange contracts is based on quoted prices.

Note 9 — continued

	December 31, 2020	December 31, 2019
Fixed-income investments		
Money market funds.....	48,431	41,823
Bond funds.....	696,665	668,524
Mortgage funds.....	85,032	76,606
Private debt fund.....	85,496	58,984
Currency hedging contracts.....	4,977	1,579
	920,601	847,516
Equity investments		
Canadian equity funds.....	87,340	81,291
Global equity funds.....	516,295	489,116
Emerging markets equity funds.....	102,445	119,711
Private equity funds.....	258,737	201,738
Currency hedging contracts.....	5	—
	964,822	891,856
Real asset investments		
Infrastructure and renewable resources funds.....	307,980	274,571
Domestic real estate funds.....	226,730	231,356
Global real estate funds.....	143,231	117,660
Currency hedging contracts.....	6,961	2,455
	684,902	626,042
Other assets/liabilities		
Cash/receivables and (payables).....	1,476	(6,945)
Total	2,571,801	2,358,469

Future cash flows for employee pension plan

Employer contributions to the pension plan was 6.5 percent of salaries up to the year's maximum pensionable earnings (YMPE) and 8.0 percent of salaries in excess of the YMPE. WorkSafeBC anticipates that \$42,650 will be contributed to the employee defined benefit pension plan in 2021, consisting of \$21,238 from employee contributions and \$21,412 from employer contributions.

The average duration of the benefit obligation for the employee pension plan, excluding the supplementary executive retirement plan, at December 31, 2020, and 2019 was 16.5 years (2019: 15.5 years), based on the actuarial valuation performed as at December 31, 2019. The estimated maturity (i.e. average duration) of the obligation, also based on the latest actuarial valuation, is as follows:

	December 31, 2020	December 31, 2019
Active members.....	21 years	19 years
Terminated members.....	18 years	17 years
Retired members.....	11 years	10 years

Risk management of plan assets

The Board of Directors established an investment policy for the WorkSafeBC Pension Plan to manage the investment risk of the pension assets.

Market risk

Plan assets are invested in fixed-income, equity, real estate, infrastructure, renewable resources, and other assets; they are subject to market risk. Market risk is the risk of loss in the value of pension plan investments that may arise as a result of changes in market factors, such as public equity prices, interest rates, foreign exchange rates, and valuations of real estate, private equity, infrastructure, and renewable resources. These changes are subject to economic factors and other movements in global capital markets. The COVID-19 pandemic negatively affected these factors, especially early in 2020.

Credit risk management

Credit risk on financial instruments arises from the possibility of a counter-party to an instrument failing to meet its obligations. The WorkSafeBC Pension Plan does not have material direct credit risk exposure; however, it has indirect credit risk exposure through its investments in pooled funds. Credit risk exposures are mitigated by ensuring that the pension plan invests in accordance with the investment policies and a diversified portfolio with limited exposure to any one entity, industry, or country.

Interest rate risk management

Fluctuations in interest rates can affect the fair value of the fixed-income securities and shift investor preferences among asset classes. The WorkSafeBC Pension Plan is indirectly exposed to interest rate risk through its investments in fixed-income pooled funds. Interest rate risk on the fixed-income portfolio is minimized by managing its duration.

Foreign exchange risk management

The WorkSafeBC Pension Plan holds investments denominated in foreign currencies, indirectly through the investments in pooled funds, which are exposed to currency risk. The WorkSafeBC Pension Plan minimizes its foreign exchange risk through the use of currency hedging contracts.

Real estate risk management

Indirect risk in the real estate portfolio of WorkSafeBC Pension Plan assets is managed by investing across real estate types and locations. Adverse effects in any one segment of the market or geographic location are minimized through diversification, including investments in domestic and global real estate.

Industry and geographic risk management

The WorkSafeBC Pension Plan holds investments in various industries and regions. These are monitored and reviewed on a quarterly basis to help ensure that appropriate diversification is achieved.

Note 10 — Claim benefit liabilities and costs

Accounting policy

Benefit liabilities fall into three categories:

- Unfinalled claim liabilities consisting of:
 - A provision for future payments on claims not finalized to date
 - The capitalized value of the estimated future cost of administering existing claims and pension awards
- Capitalized value of future monthly payments for pension awards already made (pension fund liabilities) under the long-term disability and survivor benefits
- Long-latency occupational disease liability for claims to be diagnosed in the future but for which some exposure to disease-causing agents has already occurred

For the first two categories, at year-end WorkSafeBC determines its claim benefit liabilities for all injuries that have occurred to that time. WorkSafeBC recognizes these claim benefit liabilities in the year a reported compensable workplace injury occurs or disease is diagnosed, as defined by the *Workers Compensation Act* and/or by WorkSafeBC policy. For the third category, long-latency occupational disease claims, the liability is determined as the estimated future benefit payments anticipated on disease claims expected to be diagnosed in the future and for which some exposure to a disease-causing agent has already occurred. These estimated future benefit payments are discounted and adjusted to reflect the estimated portion of the total latency period exposure that has transpired to the valuation date.

Applying actuarial methods, benefit liabilities are measured as the present value of all future benefit and claim administration payments expected to be made for claims occurring in the current fiscal year or in any prior year. Benefit liabilities include provision for all benefits covered by applicable legislation, policies, and/or administrative practices with respect to existing claims.

WorkSafeBC's internal actuary sets the actuarial assumptions and methods and computes the benefit liabilities. An independent actuary is appointed to validate and express an opinion on these elements; the opinion is appended to these consolidated financial statements.

Liability for long-latency occupational disease claims

The Canadian Actuarial Standards Board's actuarial standards of practice for workers' compensation organizations requires the recognition of a liability for long-latency occupational diseases. These are occupationally caused diseases, currently recognized as compensable, that will manifest as claims in future years, for which there has already been partial exposure to the disease-causing agent but no current disease diagnosis.

Actuarial assumptions and methods

The following table summarizes the main underlying actuarial assumptions used to estimate the three categories of benefit liabilities noted above.

Actuarial assumptions underlying benefit liability calculation									
					Economic assumptions				
	Runoff pattern	Future mortality	Expense rate	Disease latency period	Investment return	CPI increase	Wage growth	Health care inflation	Claim administration inflation
Unfinalled claim liabilities									
Short-term disability	✓				✓	✓	✓		
Long-term disability	✓	✓			✓	✓	✓		
Survivor benefits	✓	✓			✓	✓	✓		
Health care	✓				✓			✓	
Vocational rehabilitation	✓				✓	✓	✓		
Claim administration			✓		✓	✓	✓		✓
Pension fund liabilities									
Long-term disability		✓			✓	✓			
Survivor benefits		✓			✓	✓			
Long-latency occupational disease liability		✓		✓	✓	✓	✓	✓	✓

Runoff pattern

The runoff pattern for unfinalled claims is intended to be an unbiased estimate of the future cost runoff on existing claims. It is normally calculated using the average runoff pattern of the five most recent calendar years. This averaging period may be modified where there is reason to believe the observed experience in the most recent five years is not representative of future expected payments.

Future mortality

Future mortality rates must be estimated to determine the liability for monthly pensions established for long-term disability claimants and dependants receiving survivor benefits. This mortality basis is reviewed and revised, if necessary, every five years; the last review was conducted in 2017. This mortality basis is used for both the unfinalled claims liability and the pension fund liability. The liability is calculated recognizing that mortality improvement is expected to occur each year.

Mortality assumptions are intended to be unbiased estimates of future mortality experiences among WorkSafeBC pension recipients (claimants and survivors).

Mortality assumptions are determined through a two-stage process:

- First, the mortality levels currently experienced by pensioners (long-term disability and survivor benefits) are measured via a study of recent actual experience of these claimants and survivors. The Canada life tables, published by Statistics Canada, are also used in assessing current mortality levels.
- The mortality rates are then projected forward. This involves reducing them to allow for anticipated greater longevity in the future. The improvement rates used are based on studies and projections by the Social Security Administration agency in the United States. These rates have historically paralleled the improvements observed for WorkSafeBC claimants.

Expense rate

The expense rate is the ratio of claim administration costs divided by benefit dollars paid (or capitalized, in the case of pension awards), or how much it costs to pay one dollar of claim benefits.

Expense rates are determined by periodically examining actual claim administration expenses incurred in a given year (across all cost centres in WorkSafeBC) as a proportion of the claim payments/awards in that year. Expense rates vary by benefit type and are intended to represent the ongoing cost of administering existing claims. They are the prime drivers for calculating the claim administration liability.

Latency period

The latency period represents the number of years between initial exposure to the disease-causing agent and the time of diagnosis for each disease type. The latency period is estimated based on available information from medical literature.

Economic assumptions

Claim benefit liabilities are calculated using a real discount rate of 2.4 percent; the assumption is that investment income will be earned at an annual rate that is 2.4 percent higher than the annual rate of general inflation in the long term. This real discount rate gives rise to the net discount rates used to calculate various components of the benefit liabilities. The net discount rates are the differences between the assumed investment rate (long-term assumption of 4.4 percent return) and the assumed growth rates of the specific factors driving benefit increases. The net discount rates are as follows:

Factor	Net discount rate	
	2020	2019
Health care inflation	0.0%	0.0%
Wage growth	1.4%	1.4%
Claim administration inflation.....	1.9%	1.9%
Benefits indexed to inflation minus 1%.....	3.4%	3.4%

In 2019, WorkSafeBC reviewed the margin for adverse deviations embedded within the discount rate. The margin, which reflects the degree of uncertainty embedded within the actuarial assumptions, has consistently decreased over the last five years. As a result, WorkSafeBC reinstated the margin for adverse deviations to the mid-point of the 0.5 percent to 1.5 percent target range, thereby lowering the real discount rate from 3.0 percent to 2.4 percent per annum. This change resulted in a \$485,617 increase in liabilities as at December 31, 2019.

COVID-19 pandemic

Measures to prevent the spread of COVID-19 resulted in contraction in the provincial economy and labour market. The outcome was fewer work-related injuries in 2020, but an increase in claim duration and short-term disability payments, in part because of increased unemployment, which made it challenging for workers to return to work during the year.

In addition, vocational rehabilitation payments increased, as workers were unable to complete job training programs and available employment opportunities were significantly reduced.

In addition, fewer registered claims and limited access to health care services during the initial stages of the pandemic resulted in a decrease in health care payments. All of these factors are reflected in the liability calculation for 2020. Future developments relating to COVID-19 could lead to additional estimation uncertainty over the claim liabilities.

Note 10 — continued

Benefit liabilities

2020

	Short-term disability	Long-term disability	Survivor benefits	Health care	Vocational rehabilitation	Claim administration	Latent occupational diseases	Total
Balance — January 1	364,562	6,894,936	1,033,395	2,721,357	324,261	799,778	502,525	12,640,814
Add: Claim costs:								
Current-year injuries.....	404,794	571,407	33,243	363,999	141,829	315,172	—	1,830,444
Prior-years injuries.....	75,387	399,410	27,898	(211,304)	57,825	16,480	—	365,696
	480,181	970,817	61,141	152,695	199,654	331,652	—	2,196,140
Less: Claim payments made:								
Current-year injuries.....	209,765	1,026	599	100,370	2,734	133,635	—	448,129
Prior-years injuries.....	224,165	586,302	68,569	260,143	160,833	168,917	—	1,468,929
	433,930	587,328	69,168	360,513	163,567	302,552	—	1,917,058
Add:								
Latent occupational diseases.....	—	—	—	—	—	—	11,555	11,555
Changes in actuarial benefit liabilities.....	46,251	383,489	(8,027)	(207,818)	36,087	29,100	11,555	290,637
Balance — December 31	410,813	7,278,425	1,025,368	2,513,539	360,348	828,878	514,080	12,931,451
Represented by:								
Provision for unfinalled claims	410,813	2,425,437	133,578	2,513,539	360,348	828,878	—	6,672,593
Pension awards, capitalized values	—	4,852,988	891,790	—	—	—	—	5,744,778
Latent occupational diseases.....	—	—	—	—	—	—	514,080	514,080
Total	410,813	7,278,425	1,025,368	2,513,539	360,348	828,878	514,080	12,931,451

Legislative changes resulting from the *Workers Compensation Amendment Act* (Bill 23) came into effect on August 14, 2020, and January 1, 2021 (see page 17). The amendments resulted in a \$187 million increase in the claims liabilities at the 2020 year-end. The amendment that most significantly increased the valuation of claim liabilities pertains to long-term disability liabilities, which are impacted by the retirement age of injured workers. The legislative changes are expected to result in higher retirement ages for some injured workers, resulting in higher claims liabilities. Given the limited history of claim data available, there is material estimation uncertainty in the measurement of those impacts. If an additional 5 percent of claims were to be extended to age 70, the total long-term disability liabilities would increase by \$50 million.

WorkSafeBC anticipates that \$1,425,839 (2019: \$1,362,474) of the claim liability will be settled within 12 months and is therefore considered the current portion.

Note 10 — continued

2019

	Short-term disability	Long-term disability	Survivor benefits	Health care	Vocational rehabilitation	Claim administration	Latent occupational diseases	Total
Balance — January 1	318,695	6,334,707	961,460	2,604,903	300,553	720,000	465,349	11,705,667
Add: Claim costs:								
Current-year injuries.....	378,083	454,826	33,932	418,900	129,240	301,218	—	1,716,199
Prior-years injuries.....	43,310	291,125	42,666	75,280	15,522	27,446	—	495,349
	421,393	745,951	76,598	494,180	144,762	328,664	—	2,211,548
Less: Claim payments made:								
Current-year injuries.....	203,161	1,406	634	124,756	3,381	131,630	—	464,968
Prior-years injuries.....	180,995	554,141	68,742	252,970	123,925	153,453	—	1,334,226
	384,156	555,547	69,376	377,726	127,306	285,083	—	1,799,194
Add:								
Latent occupational diseases.....	—	—	—	—	—	—	37,176	37,176
Discount rate adjustment.....	8,630	369,825	64,713	—	6,252	36,197	—	485,617
Changes in actuarial benefit liabilities.....	45,867	560,229	71,935	116,454	23,708	79,778	37,176	935,147
Balance — December 31	364,562	6,894,936	1,033,395	2,721,357	324,261	799,778	502,525	12,640,814
Represented by:								
Provision for unfinalled claims	364,562	2,046,373	137,203	2,721,357	324,261	799,778	—	6,393,534
Pension awards, capitalized values.....	—	4,848,563	896,192	—	—	—	—	5,744,755
Latent occupational diseases.....	—	—	—	—	—	—	502,525	502,525
Total	364,562	6,894,936	1,033,395	2,721,357	324,261	799,778	502,525	12,640,814

Note 10 — continued

	2020							
	Short-term disability	Long-term disability	Survivor benefits	Health care	Vocational rehabilitation	Claim administration	Latent occupational diseases	Total
Balance — January 1	364,562	6,894,936	1,033,395	2,721,357	324,261	799,778	502,525	12,640,814
Add:								
Provision for current-year injuries	195,029	570,381	32,644	263,629	139,095	181,537	—	1,382,315
Accretion expense for prior-years liabilities	8,535	203,363	30,674	79,557	8,120	21,861	15,451	367,561
Prior-years claim costs experience higher (lower) than expected	66,852	196,047	(2,776)	(290,861)	49,705	(5,381)	—	13,586
Latent occupational diseases	—	—	—	—	—	—	(3,896)	(3,896)
Less:								
Payments for prior-years injuries	224,165	586,302	68,569	260,143	160,833	168,917	—	1,468,929
Balance — December 31	410,813	7,278,425	1,025,368	2,513,539	360,348	828,878	514,080	12,931,451

Accretion expense for prior-years liabilities represents the expected interest accrued for opening benefit liabilities.

	2019							
	Short-term disability	Long-term disability	Survivor benefits	Health care	Vocational rehabilitation	Claim administration	Latent occupational diseases	Total
Balance — January 1	318,695	6,334,707	961,460	2,604,903	300,553	720,000	465,349	11,705,667
Add:								
Provision for current-year injuries	174,922	453,420	33,298	294,144	125,859	169,588	—	1,251,231
Accretion expense for prior-years liabilities	11,969	298,519	45,567	122,066	12,039	31,515	22,896	544,571
Prior-year claim costs experience higher (lower) than expected	31,341	(7,394)	(2,901)	(46,786)	3,483	(4,069)	—	(26,326)
Latent occupational diseases	—	—	—	—	—	—	14,280	14,280
Discount rate adjustment	8,630	369,825	64,713	—	6,252	36,197	—	485,617
Less:								
Payments for prior-years injuries	180,995	554,141	68,742	252,970	123,925	153,453	—	1,334,226
Balance — December 31	364,562	6,894,936	1,033,395	2,721,357	324,261	799,778	502,525	12,640,814

Note 10 — continued

Sensitivity of actuarial assumptions

The most significant assumptions in determining claim benefit liabilities are the net discount rates. These are differences between the assumed investment rate (long-term assumption of 4.4 percent return) and the assumed growth rates of the specific factors driving benefit increases. A reduction in the assumed net discount rates would increase claim benefit liabilities and reduce the operating surplus, and vice versa.

The following table shows the sensitivity of claim benefit liabilities to an immediate 1 percentage point increase or decrease in these key net discount rate assumptions used to determine the liabilities.

	Net discount rate		Increase (decrease) in liabilities (\$ millions)			
	2020	2019	2020		2019	
+/- % change in net discount rates			+1%	-1%	+1%	-1%
Health care inflation	0.0%	0.0%	(332)	429	(359)	463
Wage growth	1.4%	1.4%	(138)	163	(125)	147
Claim administration inflation	1.9%	1.9%	(66)	81	(66)	82
Benefits indexed to inflation to minus 1%	3.4%	3.4%	(703)	824	(683)	805

Another significant actuarial assumption is the runoff pattern (or future payment pattern). While we cannot determine the exact measure of uncertainty in the unfinalled claim liability estimate due to a change in the runoff pattern, historical data suggests that it could range from plus 20 percent to minus 20 percent (a range of about \$1.3 billion).

Management of insurance risks and rate-setting

In accordance with the *Workers Compensation Act*, the Accident Fund is financed by charging annual assessment rates to employers. These are applied as a percentage of assessable payroll to determine employer-paid premiums.

The annual rate applicable to a given employer is determined as the sum of four main components:

- Cost of new injuries — This is calculated based on the industry in which the employer operates and the historical actuarial cost experience of that industry.
- Amortization of the industry surplus or deficit — Each industry group maintains its own insurance pool and is responsible for funding any deficits and receiving the benefit (rate reduction) of any surpluses.
- Capping of rate increases and decreases — The change in rate for any classification unit within an industry group is usually limited to a 20 percent increase or decrease, according to WorkSafeBC's normal rate-setting practices.
- Experience rating — The actual rate paid by a given employer within an industry group is further increased or decreased depending on the employer's historical cost performance relative to other employers in that industry group.

Under the *Workers Compensation Act*, WorkSafeBC has the power to set assessment rates to recover any shortfalls in assessment collection or fund any required reserves.

Concentration of risks

WorkSafeBC underwrites workplace injury insurance for all employers in British Columbia. Premium rates charged to employers vary by industry, reflecting the variety of loss frequencies experienced in different industries. In addition, rates charged for employers in the same industry are further adjusted based on the historical claims experience of each employer relative to the industry as a whole. WorkSafeBC is also potentially subject to risks resulting from litigation or legislative changes. Such changes can produce an immediate pervasive increase in the cost of the entire portfolio of insurance contracts.

Liquidity of benefit liability risks

The following table estimates the expected amounts and timing of future benefit and associated claim administration payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty.

Expected timing of future payments for outstanding claims	2020	2019
Up to 1 year	7%	6%
Over 1 year and up to 5 years	17%	16%
Over 5 years and up to 10 years	17%	16%
Over 10 years and up to 15 years	15%	15%
Over 15 years	44%	47%
Total	100%	100%

Note 10 — continued

Claims development

In the following table, cumulative claim costs are shown for each year of injury (YOI) and year of estimate (YOE). Each cell contains actual costs paid from YOI to YOE plus estimated costs projected to be paid beyond the YOE.

	Year of injury (\$ millions)										Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Year of estimate											
2011	1,236										1,236
2012	1,381	1,446									2,827
2013	1,422	1,520	1,498								4,440
2014	1,405	1,526	1,520	1,485							5,936
2015	1,365	1,484	1,481	1,481	1,513						7,324
2016	1,329	1,443	1,421	1,436	1,479	1,533					8,641
2017	1,320	1,425	1,394	1,409	1,442	1,514	1,648				10,152
2018	1,290	1,392	1,355	1,373	1,394	1,482	1,601	1,729			11,616
2019	1,238	1,337	1,295	1,317	1,335	1,436	1,567	1,668	1902		13,095
2020	1,182	1,276	1,229	1,252	1,271	1,387	1,526	1,648	1,835	1,877	14,483
Current (2020) estimate of cumulative claim costs	1,182	1,276	1,229	1,252	1,271	1,387	1,526	1,648	1,835	1,877	14,483
Cumulative payments	(915)	(977)	(909)	(909)	(884)	(943)	(975)	(921)	(727)	(316)	(8,476)
Outstanding claims (undiscounted)	267	299	320	343	387	444	551	727	1,108	1,561	6,007
Discounting											(2,295)
2010 and prior years of injury											1,997
Survivor benefits											134
Claim administration											829
Subtotal of outstanding claims — unfinalled billings											6,672
Pension liabilities											5,745
Latent occupational disease liability											514
Total outstanding claims per consolidated statement of financial position											12,931

Claim costs for most YOIs exhibit a downward trend by the YOE. This is primarily due to a general reduction in unit liability costs over the past decade. It results in a higher estimated cost being replaced by a lower actual cost each year as the YOE progresses, which in turn produces the downward trend shown.

Note 11 — Reserves

Accounting policy

WorkSafeBC has established different reserves for both specific and general purposes. They were created either because of legislative requirement, as specified below, or at the direction of the Board of Directors. Reserves are funded through appropriations from the unappropriated balance. Transfers to and from reserves are accounted for as appropriations from or returns to the unappropriated balance. In accordance with the funding policy, total reserves may be provided up to 130 percent of smoothed liabilities.

Special reserves

The \$40,000 Accident Fund special reserves, established under section 240 of the *Workers Compensation Act*, include:

- The Contingent Reserve (section 240[1][b]), which provides a reserve in aid of industries or classes that may become depleted or extinguished
- The Disaster Reserve (section 240[1][c]), which provides a reserve to meet the loss arising from a disaster or other circumstances that WorkSafeBC considers an unfair burden to the employers in a particular class
- The Enhancement Reserve (section 240[1][d]), which provides a reserve for payment of that portion of a disability enhanced by reason of a pre-existing disease, condition, or disability

Claims deemed by WorkSafeBC to be covered by these reserves are charged to current operations. The claim costs are pro-rated to all employer classes.

Latent Occupational Disease Reserve

WorkSafeBC established a \$200,000 Latent Occupational Disease Reserve relating to occupational diseases not currently recognized as compensable but that may be recognized in the future based on new scientific evidence. These claims, unknown at present, will not be reported for a number of years because of the extended latency periods and delay before they are scientifically recognized. This reserve is in addition to the latent occupational disease liability (Note 10), which covers occupational diseases currently recognized as compensable.

Earthquake Disaster Reserve

A \$20,000 Earthquake Disaster Reserve was established to provide for claims from workers who may be injured in the course of their employment during an earthquake disaster.

Research Reserve

The \$30,000 Accident Fund Research Reserve, established under section 17 of the *Workers Compensation Act*, funds initiatives in scientific study, as well as disseminating information and applying ways to reduce occupational injury, disease, impairment, or disability arising from employment, in support of WorkSafeBC's strategic plan. The \$30,000 reserve will remain intact; investment income attributed to the reserve, calculated using WorkSafeBC's smoothed accounting rate of return, is directed to funding research.

Injury Reduction and Return-to-Work Initiatives Reserve

In 2010, WorkSafeBC established a \$50,000 reserve from its unappropriated balance to provide funding for piloting and implementing initiatives in workplace injury reduction and injury and disability management. This reserve will remain intact; investment income attributed to the reserve, calculated using WorkSafeBC's smoothed accounting rate of return, is directed to funding projects in this area.

General Reserve

In 2006, WorkSafeBC established a \$250,000 General Reserve from its unappropriated balance to provide for special circumstances, including legislative changes that might significantly impact the organization's consolidated financial statements and assessment rates levied in a particular year. The target level of the reserve will be evaluated and, if necessary, adjusted yearly based on emerging circumstances — including pending legislation.

Capital Adequacy Reserve

In 2007, WorkSafeBC established a Capital Adequacy Reserve (CAR) to ensure that it maintains a funding level for the Accident Fund that is adequate to mitigate risks, as described within the notes to these financial statements, in its assets and liabilities and the revenue and expenses.

The target CAR level, when taken together with all of the other reserves, produces a funding level equivalent to 130 percent of the liabilities on the smoothed accounting basis. Funds are drawn from the unappropriated balance into the CAR to reach the target CAR level.

On December 31, 2020, \$270,000 (2019: \$83,000) was contributed to the CAR:

	December 31, 2020	December 31, 2019
Capital Adequacy Reserve	3,332,000	3,062,000
Target Capital Adequacy Reserve level	3,332,000	3,254,000

Note 11 — continued

Reserves

	December 31, 2020	December 31, 2019
Special reserves		
Contingent Reserve.....	2,500	2,500
Disaster Reserve.....	16,500	16,500
Enhancement Reserve.....	21,000	21,000
	40,000	40,000
Latent Occupational Disease Reserve	200,000	200,000
Earthquake Disaster Reserve	20,000	20,000
Research Reserve.....	30,000	30,000
Injury Reduction and Return-to-Work Initiatives Reserve	50,000	50,000
General Reserve.....	250,000	250,000
Capital Adequacy Reserve	3,332,000	3,062,000
Total.....	3,922,000	3,652,000

Note 12 — Premiums

Accounting policy

Premium revenue consists primarily of statutory employer assessments for workplace injury coverage. Rateable employer premiums are assessed when employers report their insurable earnings for the current premium year. For employers who have not reported, premiums are estimated and any differences between actual and estimated premiums are adjusted when insurable earnings are reported. Deposit-class employers' premiums are recognized based on the costs of their workers' claims (Note 13).

Premium revenue is fully earned and recognized over the coverage period. As a significant portion of premium income for the year relating to rateable employers is not received until after year-end, the amount shown is an estimate based on economic and statistical data, including the economic impact of the COVID-19 pandemic (Note 3). The difference between the estimate and actual income received is credited or charged to income in the following year. Historically, the difference has not been significant.

Reported premium revenue for the current period includes adjustments for premiums from prior periods and penalties on overdue assessments, and is net of Certificate of Recognition program financial incentives.

Capping of rate changes

The capping of rate changes represents the effect of WorkSafeBC's policy to limit changes to the base rates of any rate group from year to year.

Amortization of balance

Amortization of the balance represents the effect of the planned amortization of the projected unappropriated balance (surplus or deficit, determined on a smoothed basis) of each rate group at the beginning of each assessment year.

Industry funding via balance

This amount represents the charge in the assessment rate for external health and safety programs, which are funded over a five-year period.

Certificate of Recognition

The Certificate of Recognition program is a voluntary employer incentive program supporting WorkSafeBC's vision of workplaces that are healthy and safe, and secure from injury, disease, and death. Through financial incentives, the program encourages employers to create and maintain audited health and safety programs and commit to a high standard of occupational health and safety. WorkSafeBC recognizes the estimated payments to qualified employers expected to have satisfied the program criteria as at December 31 as a provision. These amounts are recognized as offsets against accrued premiums (Note 3). The difference between the estimate and actual payments provided to employers is credited or charged to income in the following year. Historically, the difference has not been significant.

Note 12 — continued

The amounts shown as the Certificate of Recognition program financial incentives represent the estimated premium reductions to employers granted under the Certificate of Recognition program. The amounts shown below as Certificate of Recognition charge represent the amortization of Certificate of Recognition premium reductions over a five-year period.

Premium income

	2020	2019
Rateable classes.....	1,740,569	1,802,052
Certificate of Recognition program financial incentives.....	(41,426)	(47,015)
Capping of rate changes and amortization of balance		
Capping of rate changes	(30,788)	(23,189)
Amortization of balance	(169,546)	(204,511)
Industry funding via balance.....	493	455
Certificate of Recognition charge.....	46,668	59,424
	(153,173)	(167,821)
Penalties on overdue assessments	5,201	10,710
Rateable employers	1,551,171	1,597,926
Deposit-class employers (Note 13).....	52,099	67,995
Total	1,603,270	1,665,921

Note 13 — Deposit-class employers

Accounting policy

Employers specified in classes 8 to 11 of section 244(1) of the *Workers Compensation Act* have their own classification units (deposit-class employers). These employers are billed and amounts are recognized on a monthly basis equal to the benefit payments made for short-term disability, health care, and vocational rehabilitation, and for the values of pension reserves for long-term disability and survivor benefits, based on the present value of monthly pension payments over the expected length of the pension; they are also billed for their proportionate share of WorkSafeBC administration costs and other costs where applicable. They earn or are charged interest on the monthly average deposit balance under section 248 of the Act. In years when investment return on the pension reserve differs from the minimum required return, the surplus (deficit) is credited (charged) to the employer billings.

Premium income — deposit-class employers

	2020	2019
Claim costs		
Short-term disability	10,957	11,496
Long-term disability	19,402	28,328
Survivor benefits	2,277	2,271
Health care	2,402	10,963
Vocational rehabilitation	3,606	3,776
Long-latency occupational diseases	433	1,426
Claim administration	8,686	9,481
	47,763	67,741
Share of special reserves costs	9,315	7,500
Operating costs	2,828	3,008
Other income	195	(1,195)
	60,101	77,054
Less:		
Share of investment income	(8,002)	(9,059)
Total	52,099	67,995

Included in the benefit liabilities is \$188,165 (December 31, 2019: \$180,289) of provision for unfinalled claims for deposit-class employers, including a liability for claim administration, and \$12,616 (December 31, 2019: \$12,182) for the long-latency occupational disease liability. An equivalent amount is included in receivables because these liabilities will be paid by those employers in future years; they do not affect WorkSafeBC's funded position.

Note 14 — Other income

Accounting policy

Other income includes prevention penalties for workplace safety infractions, third-party litigation fee recoveries, Freedom of Information and disclosure fees, and amounts charged for publications and rentals, along with other incidental revenues. Prevention penalties are recognized when penalties are assessed; other revenues are recognized when goods or services are provided.

Other income

	2020	2019
Prevention penalties	7,339	7,796
Third-party litigation fee recoveries	411	614
Miscellaneous income	355	672
Total	8,105	9,082

Note 15 — Prevention and administration costs

Accounting policy

Prevention and administration costs are recognized once goods and services have been received. Administration costs include claim administration costs, appellate costs, and general and administrative support costs.

Claim administration costs is the portion of administration costs related to managing claims, which includes claim adjudication, payment processing, and overhead costs associated with claims administration. This is determined by assessing the percentages of the total administration expenses that are related to the administration of the claims for each division and department.

Prevention and administration costs

	2020						
	Administration costs						
	Prevention costs	Customer services	Information technology and facilities	Corporate services	WCAT,* Review Division, and advisers	Subtotal	Total
Salaries and employee benefits	66,888	182,822	36,848	126,999	14,639	361,308	428,196
Amortization of capital assets	1,899	8,907	10,930	951	31	20,819	22,718
WCAT* and advisers	—	—	—	—	29,276	29,276	29,276
Office expenses and communication	2,280	7,612	15,123	2,294	491	25,520	27,800
Consulting fees	732	5,524	19,649	4,869	46	30,088	30,820
Building expenses	93	462	9,253	1,459	32	11,206	11,299
Sessional doctor fees	—	4,441	—	—	103	4,544	4,544
Travel and vehicle expenses	2,190	815	319	132	4	1,270	3,460
Other administration expenses	2,229	7,475	5,092	17,111	149	29,827	32,056
Cost recoveries	(311)	(24,675)	(8,898)	(25,979)	—	(59,552)	(59,863)
	76,000	193,383	88,316	127,836	44,771	454,306	530,306
Less:							
Claim administration costs	—	145,430	59,945	67,945	29,232	302,552	302,552
Total	76,000	47,953	28,371	59,891	15,539	151,754	227,754

*Workers' Compensation Appeal Tribunal

Note 15 — continued

	2019						
	Administration costs						
	Prevention costs	Customer services	Information technology and facilities	Corporate services	WCAT,* Review Division, and advisers	Subtotal	Total
Salaries and employee benefits	65,051	170,325	33,685	112,188	13,928	330,126	395,177
Amortization of capital assets	2,572	7,315	10,395	859	37	18,606	21,178
WCAT* and advisers.....	—	—	—	—	28,734	28,734	28,734
Office expenses and communication...	2,118	7,574	15,753	2,113	457	25,897	28,015
Consulting fees.....	2,912	2,797	19,504	5,268	8	27,577	30,489
Building expenses.....	100	464	9,805	931	40	11,240	11,340
Sessional doctor fees.....	2	4,043	—	—	97	4,140	4,142
Travel and vehicle expenses.....	4,366	3,012	399	381	30	3,822	8,188
Other administration expenses	4,219	9,873	4,860	18,627	249	33,609	37,828
Cost recoveries.....	(364)	(26,757)	(8,914)	(22,501)	—	(58,172)	(58,536)
	80,976	178,646	85,487	117,866	43,580	425,579	506,555
Less:							
Claim administration costs	—	142,624	52,716	61,216	28,527	285,083	285,083
Total	80,976	36,022	32,771	56,650	15,053	140,496	221,472

*Workers' Compensation Appeal Tribunal

Note 16 — Injury research and reduction initiatives

Accounting policy

WorkSafeBC provides funding to support high-quality, independent scientific study relating to workplace health and safety, as well as research in the area of workers' compensation. Funding is also provided to organizations furthering the education and development of safe workplace practices. These expenses are recognized when the services or deliverable milestones have been performed.

Certificate of Recognition program administration

The Certificate of Recognition program supports WorkSafeBC's vision of workers and workplaces safe and secure from injury, disease, and death. Funding is provided to health and safety associations to administer this financial incentive program.

Injury research and reduction initiatives

	2020	2019
Certificate of Recognition program administration.....	7,882	7,178
Injury-reduction initiatives	7,346	7,790
Research grants.....	1,470	1,763
Total	16,698	16,731

Note 17 — Commitments

WorkSafeBC has committed to participating in the future funding of a variety of financial instruments that hold investments in fixed income, equities, and real assets. Unfunded commitments as at December 31, 2020, were \$2,801,906 (December 31, 2019: \$2,891,313) of which \$261,463 (2019: \$218,093) relate specifically to pooled funds. Timing of the funding and related acquisition of the investments is uncertain, as it is dependent on appropriate investing opportunities identified by BCI. If necessary, units of pooled fund investments will be liquidated to satisfy these funding requirements.

Note 18 — Contingencies

Legal proceedings

At any given time, WorkSafeBC is party to various claims and legal proceedings relating to its operations. Management believes WorkSafeBC has strong defences against these claims and that no financial provisions for them are appropriate or required.

Indemnification agreements

In the normal course of operations, WorkSafeBC enters into contractual agreements containing standard contract terms that provide that WorkSafeBC will indemnify certain parties. The potential liability of WorkSafeBC under the terms will vary depending on the wording of the terms and/or the occurrence of contingent or future events, the nature of which prevents WorkSafeBC from making a reasonable estimate of the potential amount that may be payable to those contractual parties.

WorkSafeBC also indemnifies its employees and members of its Investment Committee against all claims or proceedings brought against them for any actions performed that they believed were within the jurisdiction of WorkSafeBC and in the course of their employment, or performed with reasonable care within the committee's terms of reference. WorkSafeBC has not made any payments or accrued any amounts in the consolidated financial statements relating to these indemnifications.

Legislation changes

The Minister Responsible for Labour commissioned a review of the workers' compensation system in 2019. The review was published in 2020, and recommendations made in the review report provided to the minister could potentially result in amendments to the *Workers Compensation Act*. The potential cost of these changes cannot be reasonably estimated until the legislation is amended, and will be recorded at the time of that determination.

Note 19 — Capital management

WorkSafeBC's total capital available or funded position is represented by the sum of the unappropriated balance, accumulated other comprehensive loss or income, and reserves. When managing capital, WorkSafeBC's objectives are to:

- Maintain capital at a level that provides security in the payment of future worker benefits — a capital adequacy policy that specifies a capital level of no less than 30 percent of liabilities on a smoothed accounting basis
- Mitigate the risks in the investment portfolio and reduce the volatility of employer premium rates arising from investment in equities — equity investments are expected to produce higher long-term returns and, thus, lower long-term employer assessment costs, but are subject to market volatility; strong capital reserves can be drawn on to limit premium-rate volatility arising from such investments
- Cover reasonable levels of foreseen and unforeseen plausible events that, though they occur infrequently, could have a significant financial impact on WorkSafeBC

These objectives align with WorkSafeBC's strategic priority to maintain a financially sustainable workers' compensation system.

WorkSafeBC maintains a Capital Adequacy Reserve and has set a target level (Note 11) to achieve the capital management

objectives noted above.

Note 20 — Related party transactions

The information presented in this note has not been rounded to the nearest \$ thousands.

Government-related entities

WorkSafeBC (the Workers' Compensation Board of British Columbia) is an independent agency governed by a Board of Directors appointed by the Lieutenant Governor in Council of British Columbia and not part of the provincial government's reporting entity. In administering the *Workers Compensation Act*, WorkSafeBC is separate and distinct from government; however, WorkSafeBC is accountable to the public through the provincial government.

Key management personnel

Compensation

The following table shows the compensation for WorkSafeBC's key management personnel.

	2020				
	Remuneration	Short-term benefits	Other earnings	Pension	Total
President and CEO	388,821	17,241	7,600	29,428	443,090
Head of Assessments, Finance, and Corporate Operations	334,312	16,770	8,526	25,939	385,547
Head of Law and Policy	300,882	17,686	9,476	23,340	351,384
Head of Prevention	291,908	16,017	9,581	22,631	340,137
Head of Stakeholder Experience, Marketing, and Communications	288,724	17,404	10,625	22,468	339,221
Total	1,604,647	85,118	45,808	123,806	1,859,379

	2019				
	Remuneration	Short-term benefits	Other earnings	Pension	Total
Former President and CEO	350,892	6,323	7,940	25,838	390,993
Current President and CEO	196,149	11,570	6,162	14,977	228,858
Senior vice-president, Finance and IT, and CFO	326,081	17,731	9,626	25,347	378,785
Senior vice-president and general counsel	284,071	18,493	9,625	21,987	334,176
Senior vice-president, Operations	79,251	7,601	62,436	4,481	153,769
Total	1,236,444	61,718	95,789	92,630	1,486,581

In 2020, WorkSafeBC reorganized its structure and renamed the senior management positions from vice-presidents to heads.

In 2019, the president and chief executive officer (CEO) position was held by two different individuals and is presented separately. Also in 2019, the senior vice-president, Finance and IT, and chief financial officer (CFO) was acting president and CEO; the acting salary premium was included in the CFO remuneration presented above. In addition, the senior vice-president, Operations, position was only held for a short period and remained vacant for most of 2019.

Short-term benefits include medical and dental benefits, group life insurance, accident insurance, and the employer's share of contributions or payments to the Canada Pension Plan and Employment Insurance.

Other earnings include car allowances and supplementary executive allowances for reimbursement of medical, dental, and insurance expenses not covered by employee benefit plans, and, in 2019, the long-service benefits paid to the senior vice-president, Operations.

Pension costs represent the employer's share of contributions or payments to the WorkSafeBC Pension Plan for the reported earnings.

Note 20 — continued

The following tables show total compensation for the WorkSafeBC Board of Directors.

	2020			
	Number of positions	Fees	Statutory benefits	Total
Chair, Board of Directors	1	47,707	2,716	50,423
Directors	8	164,249	9,535	173,784
Total	9	211,956	12,251	224,207

	2019			
	Number of positions	Fees	Statutory benefits	Total
Chair, Board of Directors	1	35,750	735	36,485
Directors	8	158,875	9,813	168,688
Total	9	194,625	10,548	205,173

Annual retainers of \$15,000 and \$7,500 were provided to the chair of the Board of Directors and other directors, respectively. In addition, directors received \$500 per meeting attended, or \$250 per meeting attended with duration of less than or equal to four hours. Board directors serving as committee chairs received an additional annual retainer of \$5,000 for the Audit Committee and \$3,000 for other committees. Statutory benefits consist of WorkSafeBC's share of Canada Pension Plan contributions and Employment Insurance premiums when compensation is paid to the individual.

Employee pension plan

WorkSafeBC has an employee pension plan (see Note 9) that is a related party by virtue of IAS 24 (*Related Party Disclosures*). Transactions with the WorkSafeBC Pension Plan are detailed in the following table.

	2020	2019
Contributions from employees	20,608	18,669
Contributions from employer	20,797	18,815

All terms and conditions of the pension plan remained unchanged throughout 2020. The plan does not provide guarantees to any parties.

Endnotes



WhistlerBlackcomb Resort maintenance worker takes a hydration break while working on the construction of new mountain bike terrain.

Endnotes

1. The Accident Fund provides for the payment of compensation, outlays, and expenses referred to in section 239 of the *Workers Compensation Act*. It is made up of the portfolio of investments and other WorkSafeBC assets.
2. For priorities and strategic initiatives as defined by the *WorkSafeBC Strategic Plan 2018–2022*, see page 36.
3. An outline for public performance plans and reports providing a set of performance reporting principles for the British Columbia public sector, often referred to as the BC Reporting Principles. For a complete list of reporting principles, visit www.bcauditor.com.
4. Smoothed accounting recognizes investment income at the required rate of return (based on the inflation rate plus the 2.4 percent discount rate used to calculate liabilities) plus amortization, over a five-year period, of the difference between the actual and required return on investments. The smoothed basis investment income is adjusted, if necessary, to ensure that the smoothed value of assets is between 90 and 110 percent of the market value of assets. Smoothed accounting also amortizes actuarial gains or losses relating to WorkSafeBC's employee benefit plan assets and liabilities on a straight-line basis over a five-year period. In addition, the benefit liability for long-latency occupational diseases (which may result in future claims) is not recognized under smoothed accounting.
5. The Accident Fund provides for the payment of compensation, outlays, and expenses referred to in section 239 of the *Workers Compensation Act*. It is made up of the portfolio of investments and other WorkSafeBC assets.
6. Examples of environmental factors that could result in increased costs are potential legislative changes, judicial reviews, class action lawsuits, and natural disasters.
7. See aoc.awcbc.org, *Key Statistical Measures*.
8. The provincial injury rate is calculated according to the method provided by the Association of Workers' Compensation Boards of Canada's definition, 21: Lost-Time Injury Frequency (see KSM definitions at aoc.awcbc.org). Wage-loss injuries, work-related death claims (cases involving funeral expenses and/or survivor benefits), and long-term disability claims occurring in 2020 that were first paid in the year (or anticipated to be initially paid in the first quarter of 2021) are counted and expressed as a ratio to 100 person-years of employment. However, injuries arising from employment related to deposit-class (self-insured) employers (employers directly paying the claim costs) are excluded from this calculation. A person-year is the equivalent of one person working all year on either a part- or full-time basis. Estimates for person-years are based on gross payrolls submitted by employers, as well as matching wage-rate data.
9. Injuries requiring time off work are included in this calculation; injuries that require only health care are not included.
10. The provincial injury rate is determined by the relationship between the number of injuries and the employment base. In 2020, the number of time-loss claims decreased by 9.20 percent and the employment base (person-years) decreased by 7.28 percent.
11. For more information on the serious injury rate, see *WorkSafeBC Statistics 2020*, worksafebc.com/annualreport.
12. WorkSafeBC uses the *International Classification of Diseases, Ninth Revision (ICD-9)* to categorize specified injury or disease types.
13. Fifty or more lost workdays.
14. The serious injury result is preliminary and subject to change. The injury rate is finalized in July of each year. This calculation is as of March 31, 2021.
15. The methodology for calculating work-related deaths accounts for work-related death claims in the year they are accepted.
16. Inspection reports document the activities of a prevention officer; this activity typically involves a site visit to evaluate regulatory compliance under the *Workers Compensation Act* and the *Occupational Health and Safety Regulation*. An inspection report may relate to either the prevention officer's initial worksite visit or follow-up activity.
17. As defined by the Canadian Centre for Occupational Health and Safety, risk is the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.
18. As defined by the Canadian Centre for Occupational Health and Safety, a hazard is any source of potential damage, harm, or adverse health effect on something or someone.
19. Manufacturing subsectors include Food and Beverage Products; Metal and Non-Metallic Mineral Products; Petroleum, Coal, Rubber, Plastic, and Chemical Products; Wood and Paper Products and Other Products (not elsewhere specified).
20. The injury and serious injury result is preliminary and subject to change. The injury rate is finalized in July of each year. This calculation is as of March 31, 2021.
21. Manual hand-falling is an occupation in forestry where trees are cut manually. Falling trees by hand requires highly specialized skills.
22. Top 15 general risks: caught in or struck by machinery or conveyors; struck by or against metal items; struck by or against logs, tree products; struck by or against hand tools; struck by or against power tools; exposure to toxic substances; fall or other incident involving a ladder; slip, trip, or loss of balance involving bodily motion; motorized vehicle incident involving non-road vehicles; slip, trip, or loss of balance involving environmental cold; struck by or against boxes, containers; fall from non-moving vehicle; struck by or against building and structures; caught in metal items; struck by or against building materials.
23. Small businesses are defined as having 20 employees or less.
24. Prohibited action is defined by a worker experiencing certain negative employment-related actions by an employer or union-related actions from a union, after raising a health and safety concern, or if an employer fails to pay wages to a worker in specific circumstances. If a worker experiences one of these actions, they can submit a prohibited action complaint to WorkSafeBC. Complaints may be referred for resolution by mediation or may be resolved through a written hearing held by a WorkSafeBC lawyer. Our Prevention Services department will respond to and investigate the underlying health and safety concern in the workplace.

25. For more information, see bcfirstrespondersmentalhealth.com.
26. This measure tracks the percentage of concluded wage-loss claims within the calendar year plus current wage-loss claims open for more than 26 weeks. Only the most recent outcome of a claim within the calendar year that is greater than 26 weeks is included.
27. The 26-week milestone was chosen for several reasons, including the Association of Workers' Compensation Boards of Canada's use of 180 days (25.7 weeks) for return to work as a key statistical measure, and medical recovery guidelines (such as MDGuidelines) indicating that the majority of injuries show recovery before six months.
28. Within 26 weeks of the date on which the worker became unable to work due to injury.
29. We calculate this measure as the number of injured workers with time-loss claims who received their first benefit payment in the year.
30. The increase in primary mental disorder time-loss claims and chronic pain injuries is preliminary and the outcome dependent upon the categorization of claims. This calculation is as of March 31, 2021.
31. Telehealth is a service allowing injured workers to access physicians over the telephone or through video consultations.
32. The decrease in prescribed opioids is a preliminary result as of March 31, 2021, and is subject to change. The outcome is finalized in July of each year.
33. The psychological assessment improvement project seeks to improve both the quality of medical evidence in assessments and workers' experience during the recovery and return-to-work process.
34. The smart-form referral process will guide users through creating a referral and referral letter that clearly reflects the worker's needs and focuses on abilities, thereby minimizing gaps and inconsistencies in worker assessments.
35. Worker-centred approach considers the worker's individual circumstances in applying policy and making decisions about benefit entitlement and rehabilitation measures. It is designed to maximize the worker's recovery and restore, as close as possible, the worker to their pre-injury employment status without loss of earnings. This approach treats the worker with compassion, respect, and dignity, and ensures WorkSafeBC is responsive to the needs of the worker.
36. Workers with accepted claims who have missed time at work (lost workdays) and received their first compensation payment during the year.
37. In 2020, 429 completed return-to-work referrals were excluded from this KPI calculation. The majority of these cases were forwarded to our Long-term Disability Services department.
38. Claims referred back to claim officers to implement any revised findings after review by an appeal body such as the Review Division or the Workers' Compensation Appeals Tribunal (WCAT).
39. Full or partial lump sums of monthly payments to injured workers.
40. A worker-centred approach considers the worker's individual circumstances in applying policy and making decisions about benefit entitlement and rehabilitation measures. It is designed to maximize the worker's recovery and restore, as closely as possible, the worker to their pre-injury employment status without loss of earnings. This approach treats the worker with compassion, respect, and dignity, and ensures that WorkSafeBC is responsive to the needs of the worker.
41. Payment timeliness can be affected by external factors, which can include delays in parties informing us about a workplace injury; delays in receiving necessary claim information from workers, employers, or health care providers; delays attributed to the time required to fully diagnose and investigate occupational diseases; claims undergoing appeal; and other unusual circumstances that may cause delays in the decision-making process. Claims with timeliness of more than 365 days are therefore excluded from this calculation; including them would have resulted in timeliness of 32.7 days in 2020.
42. Survey results for 2020 are comparable with results published in our *2016 Annual Report and 2017–2019 Service Plan* and onward but not with prior years.
43. For this key performance indicator, the number of days reported is calculated as calendar days, not business days.
44. Pay-to-Plan aligns ongoing wage-loss benefit payments with an injured worker's gradual-return-to-work plan, where previously the employer needed to provide information about hours worked.
45. In 2017, we updated the employer listing provided to Ipsos. It now includes employers registering out-of-province telephone numbers with us but excludes employers in Quebec or outside Canada.
46. Clearance status describes an employer's compliance status with WorkSafeBC — whether an employer is registered with WorkSafeBC and is up to date with its payroll reporting and payments.
47. Employees on leave with full or partial pay.
48. An impression is the number of times a person may see, hear, or experience an advertisement, social media post, or other content.
49. A worker between the ages of 15 and 24 years.
50. Examples of environmental factors that could result in increased costs are potential judicial reviews, class-action lawsuits, and natural disasters.
51. Under the *Workers Compensation Act*, short-term disability, long-term disability, and survivor benefits are indexed against the annual increase in the consumer price index (CPI), as measured by the year-over-year CPI at October each year. These benefits are indexed to inflation at CPI growth less 1.0 percent, with a maximum of 4.0 percent and a minimum of 0.0 percent. Inflation adjustments applied to benefit rates were 0.86 percent at January 1, 2020 (1.86 percent CPI growth less 1.00 percent), and 0.00 percent at January 1, 2021 (0.66 percent CPI growth).
52. The Accident Fund provides for the payment of compensation, outlays, and expenses referred to in section 239 of the *Workers Compensation Act*. It is made up of the portfolio of investments and other WorkSafeBC assets.

53. In accordance with the Association of Workers' Compensation Boards of Canada's (AWCBC) calculation method, administration costs are adjusted for operating and legislative differences; they do not include costs associated with prevention, treasury investment, third-party recoveries and related legal expenses, grants, external appeals, workers' and employers' advisers, sessional physicians, external medical service providers, or costs related to self-insured employers — all listed as costs excluded per the AWCBC's definition. Because of differences among Canadian workers' compensation organizations, Review Division (internal appeals) costs are also excluded.
54. Comparative measures are available at aoc.awcbc.org.
55. The B.C. Ministry of Finance estimates that B.C.'s labour market will not be operating at full capacity for some time in 2021, as stated in *B.C.'s Fall 2020 Economic and Fiscal Update*.
56. To view the BC Labour Heritage Centre's project, visit <https://www.labourheritagecentre.ca/covid/>.
57. For premium rate-setting purposes, WorkSafeBC uses an approach in which investment returns in excess of the required rate of return and actuarial gains or losses relating to employee benefit plans are amortized over a five-year period. This approach moderates the effect of capital market volatility on financial results and premium rates. See the Financial Context section, page 21, for further information.
58. The Accident Fund provides for payment of compensation, outlays, and expenses referred to in section 239 of the *Workers Compensation Act*. It is made up of the portfolio of investments and other WorkSafeBC assets.
59. WorkSafeBC regularly evaluates its investment portfolio return by comparing it with the investment policy benchmark return. This benchmark portfolio is a weighted average of the individual asset class indices (44 percent equity, 29 percent real assets, and 27 percent fixed-income).
60. WorkSafeBC's investments are expected to produce a long-term average real return of 2.4 percent (equal to the real discount rate used to calculate liabilities) over and above the inflation rate, as measured by the annual increase in the consumer price index (CPI) — that is, the required return is CPI growth plus 2.4 percent.
61. The real discount rate is the long-term assumption of the difference between the rate of return on investments and the general rate of inflation. Claim benefit liabilities are calculated using a real discount rate of 2.4 percent; the assumption is that investment income will be earned at an annual rate that is 2.4 percent higher than the annual rate of general inflation, in the long term. The real discount rate was decreased to 2.4 percent, from 3.0 percent, at December 31, 2019.
62. The long-term real discount rate does not change every year; it is adjusted only when the future economic outlook has changed significantly. The most recent adjustment occurred in 2019; prior to that, it was last changed in 2008.
63. WorkSafeBC's investments are expected to produce a long-term average real return of 2.4 percent (equal to the real discount rate used to calculate liabilities) over and above the inflation rate, as measured by the annual increase in the consumer price index (CPI) — that is, the required return is CPI growth plus 2.4 percent.
64. Effective July 2018, investment policy asset allocation targets were set at 44 percent equity (allowable range 40–55 percent), 29 percent real assets (allowable range 20–40 percent), and 27 percent fixed-income (allowable range 15–35 percent). The investment policy also allows for investment in other asset classes (allowable range 0–5 percent).
65. The real assets category includes asset classes with valuations affected by the inflation rate over the long term, such as real estate and infrastructure investments. See Note 4 of the consolidated financial statements, page 118, for more detail.
66. WorkSafeBC regularly evaluates its investment portfolio return by comparing it with the investment policy benchmark return. This benchmark portfolio is a weighted average of the individual asset class (44 percent equity indices, 29 percent inflation-based and other indices, and 27 percent fixed-income indices).
67. WorkSafeBC's investments are expected to produce a long-term average real return of 2.4 percent (equal to the real discount rate used to calculate liabilities) over and above the inflation rate, as measured by the annual increase in the consumer price index (CPI) — that is, the required return is CPI growth plus 2.4 percent.
68. The net discount rates used to calculate various components of the benefit liabilities are based on the real discount rate of 2.4 percent (see endnote 60). The net discount rates are the differences between the assumed long-term investment return rate and the assumed growth rates of the specific factors driving benefit increases. See Note 10 of the consolidated financial statements for further detail.
69. The Canadian Actuarial Standards Board's actuarial standards of practice for workers' compensation organizations require the recognition of a liability for long-latency occupational diseases that are expected to manifest as claims in future years.
70. In 2020, for our Claims and Rehabilitation Services, most of the planned recruitment was cancelled or delayed because of a decrease in registered claim volumes; however, we continued recruitment for those departments affected by additional claim volume and/or increased claim complexity.
71. The long-term real discount rate does not change every year. It is normally changed when the future economic outlook is significantly different. The most recent change occurred in 2019. Prior to that, the long-term real discount rate was last changed in 2008.
72. Deposit-class employers do not pay premiums based on assessable payroll, but instead pay WorkSafeBC the cost of all compensation benefits distributed to their workers plus a share of administration and other costs. They are required to maintain a deposit balance in their accounts, from which amounts for claim costs and administration are drawn monthly. This group of employers includes the provincial government and certain other companies, listed in subsection 244(1) of the *Workers Compensation Act*.

Executive leadership

The members of our executive leadership team are responsible for implementing the strategic initiatives as outlined by our board of directors, and for managing our day-to-day operations.

Anne Naser

President and CEO

Al Johnson

Head of Prevention Services

Joe Pinto

Head of Claims and Rehabilitation Services

Wendy Strugnell

Head of People and Culture

Brian Erickson

Head of Assessments, Finance, and Corporate Operations

Kevin La Freniere

Head of Stakeholder Experience, Marketing, and Corporate Communications

Ian Shaw

Head of Law and Policy

Todd Yule

Head of Innovation Services and Chief Digital Officer

For more information

Claim assistance

For questions about the claim process or to register a claim, call 888.967.5377

Health and safety assistance

For help with workplace health and safety, call our Prevention Information Line, 888.621.7233

Employer assistance

For questions about an account or to register for coverage, call 888.922.2768

Worksite emergency

To report a serious incident, fatality, or unsafe working conditions, call 888.621.7233

Feedback

To comment on WorkSafeBC's *2020 Annual Report and 2021–2023 Service Plan*, contact Terence Little, director, Corporate Communications, at 604.276.7666 or email terence.little@worksafebc.com.

For more information, visit us online at worksafebc.com.

