2016 – 2018 Strategic Plan

MEASURING RESULTS

2017 Q1 | 2017 Q2 | **2017 Q3** | 2017 Q4

WORKPLACE SAFETY & INSURANCE BOARD

PUBLISHED DECEMBER 2017

Assessment of Q3 2017 Results

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

LEGEND:

✓ Performance meeting or exceeding target

X Performance off target

△ Performance marginally off target

Metric		Result	Target	Assessment
1.1 New Claims		50,592	52,538	✓
1.2 Traumatic Fatalities (Year to Date)*		34	0	✗
1.3 Lost-Time Injury/Illness Rate		0.87	0.86	△
3.1 RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)		90.4%	92%	△
3.2 Average LOE Entitlement Award at Lock-in		52%	45% - 47%	✗
3.3 Percentage on Benefits at 12 Months		4.8%	3.9% - 4.1%	✗
3.4 Percent Employed on Completion of Work Transition Plan		88%	80%	✓
4.1 Percentage of Workers with a Permanent Impairment		5.8%	6.5%	✓
4.2 Percentage of Claims in Integrated Health Care Programs (Year to Date)		42%	40% - 45%	✓
5.1 Core Earnings		$395M	$280M	✓
5.2 Unfunded Liability (Sufficiency Ratio Basis)		($1,777M)	($5,045M)	✓
5.3 Sufficiency Ratio		94.5%	85.5%	✓
6.1 Investment Fund Total Returns (10 Years)		5.8%	4% - 7%	✓
8.1 Administrative Expenses per $100 of Insurable Earnings		$0.40	$0.48	✓
8.2 Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date		93%	90%	✓
8.3 Appeals – Allowed, Allowed in Part*	ALLOWED	15%	14% - 17%	✓
	ALLOWED IN PART	13%	12% - 16%	✓
8.4 Percentage of Appeals Resolved within Six Months*		90%	85%	✓
9.1 Overall Satisfaction*	INJURED WORKERS	71%	68% - 72%	✓
	EMPLOYERS	78%	75% - 79%	✓

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

* Schedule 1 & 2 combined

Message from Management

A highlight of the year took place in Q3 — the opportunity to meet with some of our stakeholders in person at our Annual General Meeting in September, to share and discuss the current state of Ontario's workers' compensation system and what's ahead for 2018.

Our Q3 results show that our efforts to support worker recovery and return to work are for the most part delivering stable, positive outcomes. After years of improving claim durations though, short- and medium-term durations rose once again this quarter. We remain confident in our financial position and our projection that we will be 100 per cent funded by 2020.

Compared to last year, fewer claims are reaching lock in – instead we are seeing more workers recover and return to work before that point. Permanent impairments from workplace injuries or illnesses are less common (5.8 per cent of claims) than a year ago, and even more workers (88 per cent in Q3) are finding employment after completing the WSIB's Work Transition program. And new support is on the way for injured workers starting on January 1, 2018 as we begin to offer benefits and services to those experiencing work-related chronic mental stress.

Financially, we continue to move closer to eliminating the Unfunded Liability, which now stands at $1.8B, down $844M during Q3. Our financial position has strengthened yet again this quarter in part due to above-budget premium revenue, fueled by the growth of the Ontario economy and investments. Also, our costs have remained within budget. Our positive financial performance means that we are able to reduce the average employer premium rate for 2018, for the second year in a row, making for a combined reduction of nearly 10 per cent in two years.

And perhaps most importantly, a strong majority of our stakeholders continue to be satisfied with the services they are receiving from us. Approximately three-quarters of injured workers and employers once again report satisfaction with their overall experience with the WSIB.

As of the end of Q3, the year is shaping up to be another positive one. Our focus will be on closing the year with strong performance while we look ahead for new opportunities to do even more to support the workers and employers of Ontario, next year and in the years to come.

Q3 2017 Highlights

WHAT'S NEW THIS QUARTER

WSIB's Annual General Meeting. On September 20th, the WSIB welcomed the opportunity to gather with workers, employers and a variety of other stakeholders at our Annual General Meeting in Toronto. The WSIB shared an update on our financial position and our continued, collective progress towards eliminating the Unfunded Liability, which is now expected to occur by 2020, one year sooner than forecast at last year's AGM. The event was also used to announce 2018 premium rates and to recognize and honour the recipients of the WSIB's inaugural Small Business Health and Safety Leadership Awards.

2018 Premium Rates Announced. Last year, the WSIB announced the first employer premium rate reduction in over 15 years when it lowered the average premium rate by 6.2 per cent for 2017. For 2018, the average premium rate will be reduced by a further 3.3 per cent.

Premium rates are set at the rate group level. 2018 rates reflect:

- Increases, only due to the expected costs of Chronic Mental Stress benefits and capped at a maximum of 5 per cent; and
- Decreases due to positive performance by the rate group on health and safety and return to work, up to a maximum of 7.6 per cent.

Compass. Over the summer the WSIB worked to finalize Compass, a new online health and safety tool, and to prepare for its launch in early October. The tool marks a major step towards making our data more open and accessible. It will allow Ontarians to view health and safety statistics for individual workplaces across the province, including:

- The number and types of injuries at the workplace over the past five years;
- How many of those injured or ill at the workplace are still receiving benefits one year later;
- How two or more organizations compare to one another.

Compass has been developed to help employers and other Ontarians identify opportunities to improve workplace health and safety. It increases the WSIB's transparency, lets citizens and community-based organizations reuse our data and supports innovation. Future phases of Compass will provide even more information to guide health and safety priority-setting.

#PracticeSafeWork Campaign for Young Workers. For the third year in a row, the WSIB reached out to young workers through leading social media apps to highlight the importance of developing good health and safety habits, and to show them the very real consequences of what can happen in a workplace accident. The annual campaign is designed to make this critical group more aware of their rights when it comes to workplace health and safety and to empower them to raise any safety issues with employers. The theme of this year's campaign was unexpected workplace accidents.

Proposed Employer Classifications Under the New Rate Framework. Starting in September, the WSIB began mailing letters to each of our over 300,000 registered employers to provide information about the new premium rate framework, including each employer's proposed classification under the new system. Starting in 2020 when the new rate framework will come into effect, the classifications will replace our current rate groups. The classifications are based on the widely-accepted NAICS (the North American Industry Classification System), which is already in use by organizations such as the Canada Revenue Agency. Coinciding with the mail-out of the letters, the WSIB has planned extensive stakeholder and media outreach during the fall to help raise awareness and understanding about the new rate framework.

ACHIEVEMENTS

Working Towards Full Funding. With Q3, Ontario's workers' compensation system has moved another quarter closer to being 100 per cent funded. The Sufficiency Ratio has reached 94.5 per cent and the Unfunded Liability (sufficiency basis) has decreased to $1,777M. This progress has been achieved alongside lower premium rates in 2017, since the average employer premium rate was reduced by 6.2 per cent for this year. The WSIB has also committed to further reducing the average premium rate (by 3.3 per cent) for 2018.

As we approach the funding level of 100 per cent, our emphasis will shift to ensuring that we move past it. We are planning on a "full funding" Sufficiency Ratio of over 100 per cent to provide a margin that will protect benefits and rate stability without creating a new Unfunded Liability, even during times of economic downturn.

Year-to-date progress in reducing the Unfunded Liability has been supported by strong Core Earnings, $1,039M as of the end of Q3. Core Earnings are just below their 2016 level ($1,081M), despite lower premium rates this year, and they are one-third (33 per cent) higher than budget. Investment performance has also been strong, delivering above-budget net investment income with portfolio returns of 6.9 per cent so far this year.

Administrative Expenses Below Budget. Despite inflation and employment growth across the businesses that we cover, the WSIB's total administrative expenses year-to-date ($592M) are well below budget ($691M). Administrative expenses per $100 of insurable earnings are $0.39 year-to-date, down from $0.41 in 2016.

Incidence of Permanent Impairment Remains Low. Approximately one in 20 injured workers with a lost-time claim experiences a permanent impairment from their workplace injury or illness. This percentage fell steadily between 2009 and 2014 and has remained stable and low since then. The percentage who experienced a permanent impairment in Q3 (5.8 per cent of Schedule 1 claims) was below Q3 2016 (6.3 per cent) and well below our 6.5 per cent benchmark. At the same time, the severity of the permanent impairments, as measured by the average percentage of permanent impairment across individuals, has decreased. In Q3, the average permanent impairment award percentage (Schedule 1) was 8.8 per cent, consistent with Q3 2016 (8.7 per cent) but well below the 10 to 15 per cent range from five years ago and before.

The percentage of permanent impairments fell as the WSIB expanded our integrated health care programs, which offer timely, specialized, best practice treatment for some of the most common types of workplace injuries and illnesses. The percentage of claims treated through these programs has remained high. So far in 2017, 42 per cent of Schedule 1 claims and 50 per cent of Schedule 2 claims received treatment through the WSIB's integrated health care programs.

ON OUR RADAR

Volume of New Claims is Stabilizing. In Q1 of this year, we reported that process changes resulting from the introduction of the WSIB's new Guidewire-based system had caused inconsistencies in data collection and reporting for some metrics. Since then, we have seen registered claim volumes and the lost-time injury rate come more closely in line with past results. As of Q3, year-to-date registered claim volume is 2 per cent higher than in 2016, whereas it was 9 per cent higher as of Q1 and 6 per cent higher as of Q2. In Q3 alone, we saw a 4 per cent decrease in registered claims compared to Q3 2016. A similar pattern has occurred for the lost-time injury rate, which is now only 1 per cent above its 2016 level (0.87 in Q3 2017 compared to 0.86).

Short- and Medium-Term Durations Continue to Rise, but Within "Risk Corridor." As observed in past quarters, the length of time that injured and ill workers continue to require benefits – claim duration – has increased once again in Q3. This quarter, 4.8 per cent of Schedule 1 claims were on benefits one year following their injury/illness compared to 3.9 per cent in Q3 2016. At the same time, 72-month duration continues to improve (2.0 per cent in Q3 compared to 2.6 per cent last year), and, compared to 2016, 22 per cent fewer claims were "locked in" after 72 months.

As mentioned in Q2, the WSIB has established a "risk corridor," inside which duration results may fluctuate without impacting on our financial position. Our Q3 2017 results remain well within this corridor.

HEALTH & SAFETY

OBJECTIVES

1

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

2

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

Growth in registered claim volume slows

Year-to-date, Schedule 1 registered claim volume continues to be higher than in 2016, but the gap over 2016 has been narrowing as the year progresses. As of the end of Q3, there were 148,893 registered claims, 2.3 per cent more than the same period in 2016 (145,504). The increase was driven primarily by higher volume earlier in the year.

In Q3 alone, registered claim volume was 3.7 per cent lower than in Q3 2016 (50,592 compared to 52,538). This is the first quarter in the past four that year-over-year registered claim volume has decreased. Lost-time claims have declined by 4.6 per cent, slightly more than no-lost-time claims (-3.3 per cent). Schedule 2 registered claim volume in Q3, 8,333 claims, was the lowest it has been since 2011.

As with registered claim volume, the lost-time injury (LTI) rate remains higher than this point in 2016, but the gap over 2016 has narrowed during each subsequent quarter of 2017. As of the end of third quarter, there were 0.87 lost-time claims per 100 workers, compared with 0.86 in 2016. Considering the WSIB's largest industry sectors, the LTI rate has improved over 2016 in the transportation (1.53 compared with 1.58) and automotive (0.89 compared with 0.90) sectors. LTI rates for the other four large sectors have remained stable (health care) or increased slightly (construction, manufacturing and services).

1.1 New Claims

SCHEDULE 1

		Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
✓	Registered	52,538	47,736	49,730	48,496	50,592	148,893
	Pending	4,095	4,415	5,181	4,108	3,772	5,233
	Allowed	38,834	34,523	36,070	35,985	38,504	115,056
		80.2%	79.7%	81.0%	81.1%	82.2%	80.1%

SCHEDULE 2

		Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
✓	Registered	8,754	9,770	10,756	9,546	8,333	28,573
	Pending	951	1,240	1,519	1,096	929	1,256
	Allowed	5,948	6,740	7,495	6,624	5,885	21,357
		76.2%	79.0%	81.1%	78.4%	79.5%	78.2%

1.2 Fatalities: Allowed Traumatic & Occupational Disease

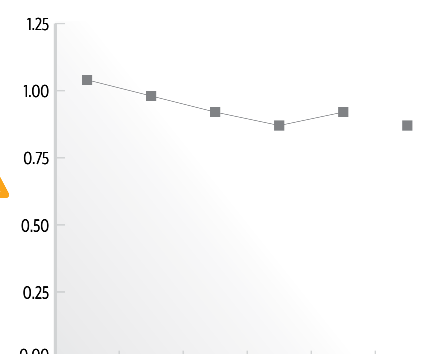
SCHEDULE 1 & 2

		2012	2013	2014	2015	2016	2017 YTD
✗	Schedule 1 Traumatic Fatalities	60	70	59	53	45	34
	Schedule 2 Traumatic Fatalities	5	3	1	4	3	0
	Traumatic Fatalities Total	65	73	60	57	48	34
	Schedule 1 Occupational Disease Fatalities*	189	159	167	175	148	128
	Schedule 2 Occupational Disease Fatalities*	32	23	42	38	65	38
	Occupational Disease Fatalities Total*	221	182	209	213	213	166

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

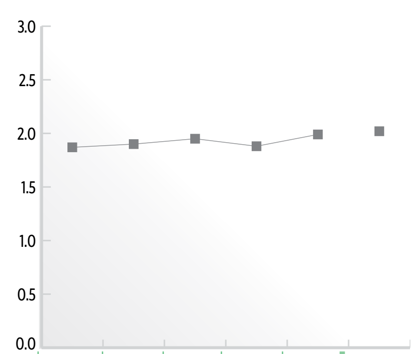
1.3 Lost-Time Injury/Illness Rate

SCHEDULE 1



	2012	2013	2014	2015	2016	2017 YTD
Result	1.04	0.98	0.92	0.87	0.92	0.87
Prior Year	1.07	1.04	0.98	0.92	0.87	0.86
Variance	-2.8%	-5.8%	-6.1%	-5.4%	5.7%	1.2%

SCHEDULE 2



	2012	2013	2014	2015	2016	2017 YTD
Result	1.87	1.90	1.95	1.88	1.99	2.02
Prior Year	1.92	1.87	1.90	1.95	1.88	1.94
Variance	-2.6%	1.6%	2.6%	-3.6%	5.9%	4.1%

OBJECTIVES

3

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

4

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

Fewer permanent impairments

The percentage of workers who are permanently affected by their injury or illness remains low by historic standards and has decreased compared to 2016. Year to date, 5.9 per cent of Schedule 1 claims experienced a permanent impairment, down from 6.1 per cent last year and well below the 6.5 per cent benchmark. This reduction in permanent impairments has been supported by ongoing high participation in our integrated health care programs. Over two in five Schedule 1 claims (42 per cent) and half of Schedule 2 claims have been treated through at least one of the WSIB's integrated health care programs such as Specialty Clinics and Programs of Care so far this year.

Injured workers continue to require benefits for longer compared to 2016 and to the historic low durations seen in 2015. Durations of up to 24 months are each higher in Q3 2017 than last year among both Schedule 1 and 2 claims. Each of these durations has also increased compared to Q2 2017.

Longer-term, 72-month duration continues to decrease among Schedule 1 claims (from 2.6 per cent in Q3 2016 to 2.0 per cent) and to hold steady among Schedule 2 claims (0.5 per cent). This is the point at which claims that continue to require benefits may be "locked in," which occurred for 818 claims year to date, down from 1,055 by Q3 2016. With a smaller number of claims reaching lock in than in the past, those that remain tend to be more serious and are being locked in at higher average entitlement percentages. We have seen higher average loss-of-earnings entitlement throughout 2017 and Q3 is no exception.

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

SCHEDULE 1

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	92.1%	91.3%	90.9%	91.1%	90.4%	90.8%
Target	92.2%	92.2%	92%	92%	92%	92%
Variance	-0.1%	-0.9%	-1.1%	-0.9%	-1.6%	-1.2%

SCHEDULE 2

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	94.8%	93.6%	94.0%	93.3%	93.1%	93.4%
Prior Year	95.1%	94.9%	94.7%	94.2%	94.8%	94.6%
Variance	-0.3%	-1.3%	-0.7%	-0.9%	-1.7%	-1.2%

3.2 Average LOE Entitlement Award at Lock-in

SCHEDULE 1

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	46%	49%	51%	54%	52%	52%
Target	45%	45%	45% - 47%	45% - 47%	45% - 47%	45% - 47%
Variance	1%	4%	4%	7%	5%	5%

SCHEDULE 2

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	50%	46%	53%	51%	63%	55%
Prior Year	51%	37%	38%	45%	50%	45%
Variance	-1%	9%	15%	6%	13%	10%

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

3.4 Percentage Employed on Completion of Work Transition Plan

SCHEDULE 1

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	85%	86%	86%	91%	88%	88%
Target	79%	79%	80%	80%	80%	80%
Variance	6%	7%	6%	11%	8%	8%

SCHEDULE 2

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	96%	99%	98%	97%	97%	97%
Prior Year	93%	94%	99%	97%	96%	97%
Variance	3%	5%	-1%	0%	1%	0%

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

3.3 Duration

SCHEDULE 1

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Target	Assessment
3 mos	11.6%	11.5%	11.9%	12.4%	12.7%	11.3% - 11.6%	✗
6 mos	6.2%	6.6%	6.8%	7.3%	7.8%	6.0% - 6.2%	✗
12 mos	3.9%	3.9%	4.2%	4.6%	4.8%	3.9% - 4.1%	✗
24 mos	2.5%	2.6%	2.6%	2.7%	2.8%	2.4% - 2.6%	✗
48 mos	2.1%	2.1%	2.1%	2.1%	2.1%	2.1% - 2.3%	✓
72 mos	2.6%	2.4%	2.2%	2.1%	2.0%	2.6%	✓

SCHEDULE 2

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Assessment vs. Prior Year
3 mos	9.1%	9.5%	10.2%	10.9%	11.8%	✗
6 mos	5.0%	5.3%	5.7%	6.3%	7.0%	✗
12 mos	2.7%	2.8%	3.1%	3.6%	4.0%	✗
24 mos	1.2%	1.4%	1.5%	1.5%	1.6%	✗
48 mos	0.7%	0.7%	0.8%	0.7%	0.7%	✓
72 mos	0.5%	0.5%	0.6%	0.5%	0.5%	✓

4.1 Percentage of Workers with a Permanent Impairment

SCHEDULE 1

✓

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	6.3%	6.3%	6.0%	5.7%	5.8%	5.9%
Benchmark	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Variance	-0.2%	-0.2%	-0.5%	-0.8%	-0.7%	-0.6%

SCHEDULE 2

△

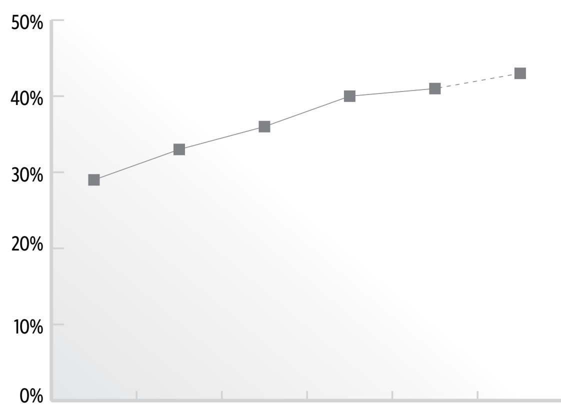
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	2.9%	2.4%	2.5%	2.5%	2.7%	2.6%
Prior Year	2.7%	2.4%	2.5%	2.1%	2.9%	2.5%
Variance	0.2%	0.0%	0.0%	0.4%	-0.2%	0.1%

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

4.2 Percentage of Claims in Integrated Health Care Programs

SCHEDULE 1

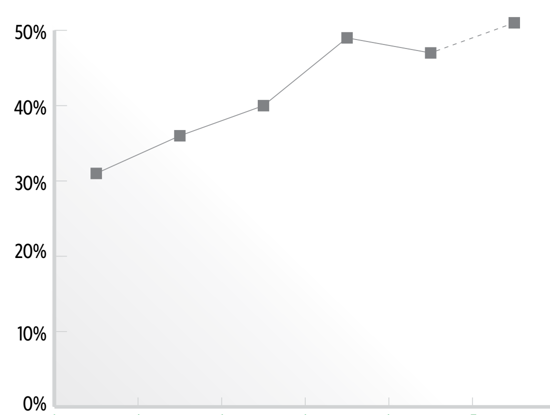
✓



	2012	2013	2014	2015	2016	2017 YTD
Result	29%	33%	36%	40%	41%	42%
Target	24%	29%	33%	36%	45%	40%-45%
Variance	5%	4%	3%	4%	-4%	0%

SCHEDULE 2

✓



	2012	2013	2014	2015	2016	2017 YTD
Result	31%	36%	40%	49%	47%	50%
Target	24%	31%	36%	40%	45%	40%-45%
Variance	7%	5%	4%	9%	2%	5%

FINANCIAL SUSTAINABILITY

OBJECTIVES

5

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

6

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

Strong Core Earnings alongside lower premium rates

The average employer premium rate is 6.2 per cent lower for 2017 than it was last year. As a result, premium revenue has stayed nearly identical to 2016 ($3,637M year-to-date compared to $3,631M last year) even though insurable earnings have increased by 5 per cent year-over-year. Despite lower premium rates, Q3 Core Earnings ($395M) were comparable to last year ($393M in Q3), when – for the full year - we saw the highest Core Earnings of any recent year.

The WSIB's investment portfolio, which now totals over $32B, continues to deliver returns within our long-term expected range of 4 to 7 per cent. As of Q3, 10-year returns were 5.8 per cent and 15-year returns were 7.4 per cent. In Q3 alone, the portfolio returned 2.0 per cent, which was 0.4 per cent above benchmark. Q3 returns were driven by strong returns in Public Equities and Diversified Markets.

5.1 Core Earnings

SCHEDULE 1

✓

$M	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	393	393	246	398	395	1,039
Budget	321	238	207	295	280	782
Variance	72	155	39	103	115	257

5.2 Unfunded Liability (Sufficiency Ratio Basis)

SCHEDULE 1

✓

$M	2012*	2013*	2014	2015	2016	2017 YTD
Result	(13,299)	(10,638)	(8,697)	(6,984)	(4,004)	(1,777)
Budget	(13,772)	(13,777)	(11,424)	(8,129)	(5,659)	(5,045)
Variance	473	3,139	2,727	1,145	1,655	3,268

*on a Funding Basis

6.1 Investment Fund Total Returns (10 Years)

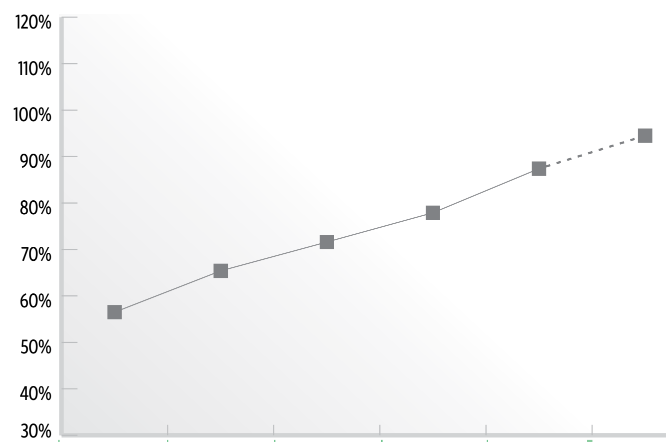
SCHEDULE 1

	2012	2013	2014	2015	2016	2017 YTD	Target	Assessment
10 Years	6.3%	6.3%	6.5%	6.0%	5.1%	5.8%	4% - 7%	✓

5.3 Sufficiency Ratio

SCHEDULE 1

✓



	2012*	2013*	2014	2015	2016	2017 YTD
Result	56.5%	65.4%	71.6%	77.9%	87.4%	94.5%
Budget	53.9%	56.4%	64.3%	74.3%	82.8%	85.5%
Variance	2.6%	9.0%	7.3%	3.6%	4.6%	9.0%

* Funding Ratio

INNOVATION

OBJECTIVES

7

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

8

Drive improved efficiencies and prioritization of resources throughout the organization

Timely decision making in appeals and eligibility

In Q3, 90 per cent of the appeals resolved by the WSIB's Appeals Services Division were resolved within six months, well above the 85 per cent target and consistent with Q3 2016 (89 per cent). The number of appeals received also continues to decline; 1,247 new appeals came in during Q3, down from 1,374 last quarter. With fewer incoming appeals and ongoing timeliness in decision making, the inventory of active appeals is at a new low of 1,369 cases.

In Q3, 15 per cent of appeals were allowed and 13 per cent were allowed in part. Both of these results are within target ranges and consistent with recent quarters.

Eligibility decision making also continues to be more timely than target for both Schedule 1 and 2 claims. 93 per cent of Schedule 1 and 92 per cent of Schedule 2 decisions were made within two weeks compared to the target of 90 per cent. These results are slightly below Q3 2016 timeliness (95 per cent of Schedule 1 and 94 per cent of Schedule 2 decisions within two weeks).

8.1 Administrative Expenses per $100 of Insurable Earnings

SCHEDULE 1 ✓

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	$0.44	$0.49	$0.39	$0.39	$0.40	$0.39
Budget	$0.45	$0.50	$0.47	$0.46	$0.48	$0.46
Variance	($0.01)	($0.01)	($0.08)	($0.07)	($0.08)	($0.07)

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

SCHEDULE 1 ✓

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

SCHEDULE 2 ✓

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	94%	94%	94%	94%	92%	93%
Target	90%	90%	90%	90%	90%	90%
Variance	4%	4%	4%	4%	2%	3%

8.3 Appeals – Allowed, Allowed in Part

SCHEDULE 1 & 2

		Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD	Target	Assessment
% of Resolved Appeals	Allowed	17%	17%	18%	14%	15%	16%	14-17%	✓
	Allowed in Part	13%	13%	11%	13%	13%	12%	12-16%	✓

8.4 Percentage of Appeals Resolved within Six Months

SCHEDULE 1 & 2 ✓

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2017 YTD
Result	89%	89%	88%	85%	90%	88%
Target	85%	85%	85%	85%	85%	85%
Variance	4%	4%	3%	0%	5%	3%

OUR PEOPLE

OBJECTIVES

9

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

10

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

Benchmark results set for employee engagement

The WSIB's first organization-wide employee experience survey in over five years has shown that, overall, 69 per cent of employees had a high level of "sustainable engagement." "Sustainable engagement" is a composite measure based on nine of the questions from the survey. These questions cover the extent to which employees feel engaged, enabled and energized. Survey results are being used to understand where and how the level of employee engagement should be most urgently addressed and to guide action plans to increase engagement. The survey will be repeated in the years to come to measure progress in developing higher levels of engagement, critical work for ensuring that we are able to deliver high quality, efficient service and true value to Ontarians.

In Q3, 71 per cent of injured workers and 78 per cent of employers reported that they were satisfied with their overall experience with the WSIB. These results are comparable to Q3 2016 (73 per cent of injured workers and 76 per cent of employers were satisfied).

9.1 Overall Satisfaction

SCHEDULE 1 & 2

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Target	Assessment
Injured Workers	73%	71%	71%	72%	71%	68% - 72%	✓
Employers	76%	77%	77%	80%	78%	75% - 79%	✓

9.2 Employee Engagement

69%

2017 Sustainable Engagement Level

Q3 2017 Quarterly Focus

Industry Close Up: Transportation

Last year, the WSIB shared an in-depth look at construction, one of the largest industry sectors that we cover. This Quarterly Focus takes a similar look at another major sector for the WSIB, transportation. Detailed understanding of the industries that we serve helps us anticipate needs for resource planning, and target our efforts to improve health and safety outcomes where they will have the most impact. Sharing what we have learned about specific sectors may also help employers in those sectors and our workplace health and safety partners plan improvements.

TRANSPORTATION SECTOR TRENDS

Importance of transportation. In 2016, the transportation and warehousing sector was responsible for almost five per cent of Canada's GDP and four per cent of Ontario's. The industry directly employs over 300,000 workers in Ontario, representing four per cent of all jobs in the province. According to Statistics Canada's latest census data, transport truck driver is the second most common occupation among Canadian men, after retail salesperson. Employment growth in transportation (+13 per cent in the past decade) has been strong, and greater than that in Ontario overall (+10 per cent).

TRANSPORTATION DIRECTLY EMPLOYS OVER 300,000 WORKERS IN ONTARIO, REPRESENTING FOUR PER CENT OF ALL JOBS IN THE PROVINCE

Beyond the direct impact of transportation on our economy, its indirect influence touches nearly every other industry sector. Businesses inside and outside the province depend on the transportation industry to support their supply chains so that the goods they produce can move smoothly around the world. In fact, research by the U.S. Department of Transportation has shown that measures of freight and passenger volumes (their Freight and Passenger Transportation Services indices, respectively) are both leading indicators of recession and expansion in the economy as a whole, with a lead time of approximately four months.

When transportation does not happen smoothly, the resulting congestion exacts huge costs to society in the form of lost time and productivity. In 2013, the Toronto Board of Trade estimated that based on the current state of transportation, the direct annual cost of congestion in the Greater Toronto and Hamilton Area could reach $15 billion by 2031. There are also less obvious, "hidden" impacts from congestion, such as businesses needing to keep higher volumes of supplies on hand, or workers choosing jobs based as much on commute times as on the suitability of the position.

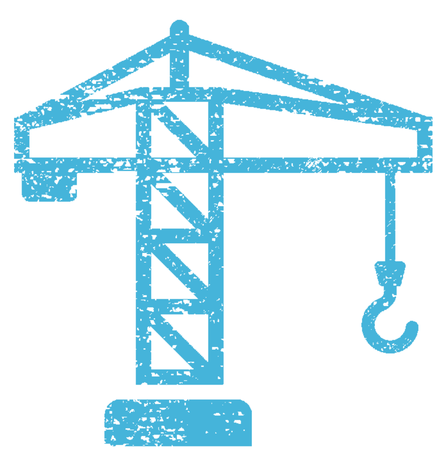
Workforce demographics. The pressures of an aging workforce in Ontario are expected to be particularly apparent for trucking and marine transportation, even with increased automation in the transportation industry. Those who work in transportation and warehousing in Ontario are older than average for the province's workforce. One-quarter are 55 years old or older (compared with 21 per cent across all industries) and only five per cent are under 25 (compared with 13 per cent across all industries).

Transportation employees are predominantly male (78 per cent), tend to work more hours per week (40 hours per week on average) compared with the Ontario workforce overall (36 hours per week) and keep the same job for longer (115 versus 104 months average job tenure). More than half of transportation employees (56 per cent) work for large employers with 500 or more employees compared to 47 per cent of employees across all industries.

TRANSPORTATION AND WORKERS' COMPENSATION IN ONTARIO

While every worker, employer and industry matters to the WSIB and is treated with the same consideration and quality of service, transportation is critical as one the largest industries we cover. With six per cent of all of our covered employees, the transportation sector is our fifth-largest sector in terms of employment. Transportation employers paid 11 per cent of the WSIB's premium revenue in 2016, after only construction, services and manufacturing.

The industry was also responsible for 11 per cent of our allowed lost-time claims (Schedule 1) in the past decade and second only to construction for the number of traumatic fatalities occurring in the industry over that time (158 fatalities, 24 per cent of the total).



What's included in transportation. The types of work we cover under transportation are shown below. The largest rate group in transportation, general trucking, is one of the WSIB's largest rate groups in all of Schedule 1, responsible for over one-third of employees in the transportation sector and 58 per cent of the premium revenue from transportation in 2016. In the past decade, employment in trucking has grown relatively slowly while sub-sectors such as waste materials recycling and air transport industries have shown much stronger growth.

Better transportation safety. Like most other industries we cover, transportation has become safer for its employees in recent decades even while the industry has grown. In 2007, there were 3.01 lost-time injuries or illnesses per 100 transportation workers, a rate that fell to 1.76 by 2016. This improvement of 42 per cent is better than the average for Schedule 1 industries (39 per cent) over the same period.

Lost-time injury rates have improved across all rate groups within transportation, but the improvement has been most dramatic in warehousing, waste materials recycling, and courier services. Air transport rate groups have seen the least improvement in LTI rate in the past decade.

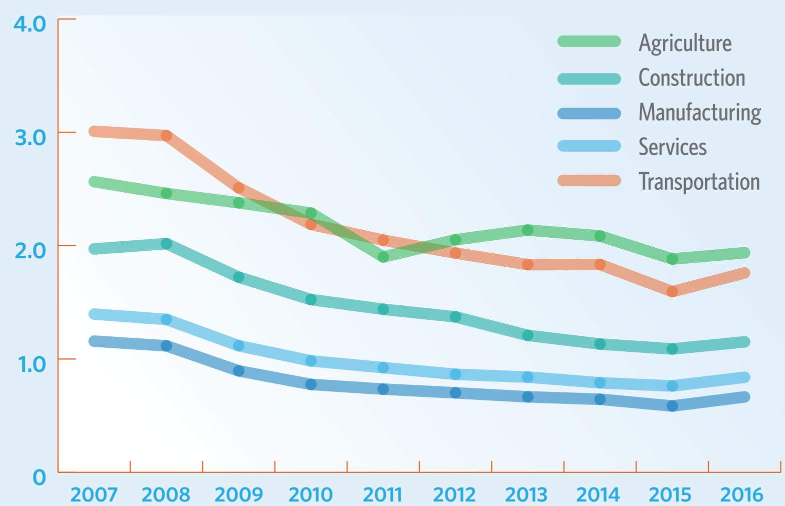
Nevertheless, the lost-time injury rate for transportation remains higher than for any other major industry. In fact, the only one of all of the WSIB's 16 industries to have a higher lost-time injury rate is agriculture. So despite such dramatic improvement in injury and illness prevention in transportation, more remains to be done.

Nature of transportation injuries. Work-related injuries and illnesses in the transportation sector go well beyond collisions. In fact, fewer than one in 10 claims (nine per cent) from the past decade were the result of a transportation accident. Over-exertion (46 per cent of transportation claims from the past decade), falls (22 per cent) and contact with objects or equipment (20 per cent) made up the majority

Covered Employment by Rate Group

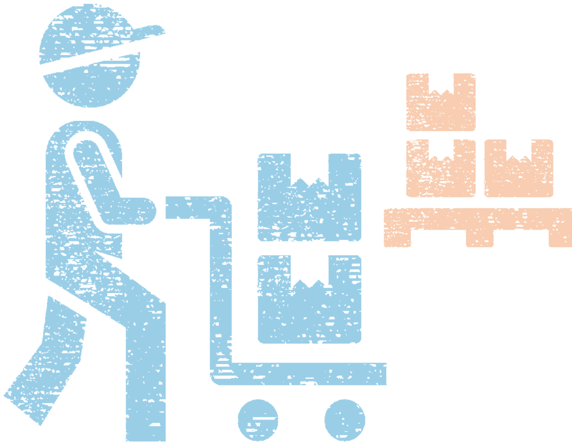
	% Total Transportation (2016)	2016	2007	% Change
570 GENERAL TRUCKING	35%	92,217	88,072	5%
681 LUMBER AND BUILDERS SUPPLY	19%	48,333	38,901	24%
560 WAREHOUSING	10%	26,956	21,965	23%
577 COURIER SERVICES	8%	21,145	21,226	0%
584 SCHOOL BUSES	6%	16,364	13,691	20%
553 AIR TRANSPORT SERVICES	5%	13,967	11,540	21%
551 AIR TRANSPORT INDUSTRIES	5%	13,609	10,264	33%
580 MISC. TRANSPORT INDUSTRIES	4%	9,933	9,106	9%
689 WASTE MATERIALS RECYCLING	4%	9,778	6,779	44%
497 READY-MIX CONCRETE	2%	5,442	4,485	21%
590 AMBULANCE SERVICES	1%	2,056	1,993	3%

Lost-Time Injury Rates Over Time



Lost-Time Injury Rate by Rate Group

	2016	2007	% Change
560 WAREHOUSING	1.15	2.88	-60%
689 WASTE MATERIALS RECYCLING	2.09	4.29	-51%
577 COURIER SERVICES	1.43	2.87	-50%
497 READY-MIX CONCRETE	1.05	1.90	-45%
580 MISC. TRANSPORT INDUSTRIES	2.01	3.60	-44%
681 LUMBER AND BUILDERS SUPPLY	1.39	2.35	-41%
584 SCHOOL BUSES	1.08	1.78	-39%
570 GENERAL TRUCKING	2.23	3.56	-37%
590 AMBULANCE SERVICES	6.08	9.33	-35%
553 AIR TRANSPORT SERVICES	1.77	2.23	-21%
551 AIR TRANSPORT INDUSTRIES	1.59	1.77	-10%



of transportation claims, as they did for Schedule 1 as a whole. Motor vehicle / transit driver was the most likely occupation within transportation to file an injury or illness claim.

Most Common Injury Events (Lost-Time Claims Since 2007)

	TRANSPORTATION	SCHEDULE 1
OVER-EXERTION	46%	42%
FALLS	22%	20%
CONTACT WITH OBJECTS AND EQUIPMENT	20%	26%
TRANSPORTATION ACCIDENTS	9%	3%
EXPOSURE TO HARMFUL SUBSTANCES OR ENVIRONMENTS	2%	6%

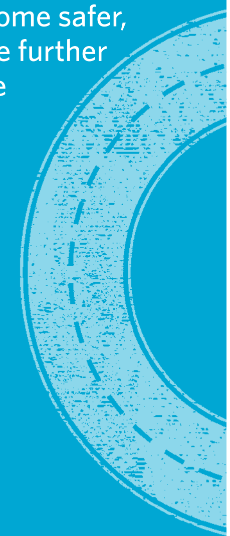
Thirty-nine per cent of transportation claims from the past decade were "high-impact" claims, more than among Schedule 1 overall (34 per cent). Each type of high-impact claim (fractures, nine per cent of transportation claims; shoulder injuries, eight per cent; and lower back injuries, 22 per cent) was more common in transportation than Schedule 1 as a whole. Compared with 10 years ago, though, there are fewer high-impact claims in the transportation sector and overall. Lower back claims, for example, have decreased by nearly half among transportation claims (down by 47 per cent) and overall for Schedule 1 (down by 46 per cent).

Tied to the greater likelihood of transportation lost-time claims to be high-impact, injured and ill workers in transportation tend to require benefits longer. Considering durations (the percentage of claims that continue to require benefits after certain periods of time) of up to 24 months, the only major industry to have higher durations than transportation by the end of 2016 was construction. The 12-month duration for transportation was 5.3 per cent, compared with 9.2 per cent for construction and 3.9 per cent for Schedule 1 as a whole.

As discussed earlier, the workforce in the transportation sector is older than average for Ontario. Workers experiencing workplace injuries or illnesses in transportation are also more

INNOVATIONS IN TRANSPORTATION SAFETY

It is not just while at work that transportation has become safer: accident rates across all modes of transportation have come down over the past decade in Canada. In many cases it is thanks to new technology that our travel has become safer, and there is untapped potential to make further advances in transportation safety in the years to come. A sample of these technologies is listed below.



On the road...

- Front crash detection systems and automatic braking
- Adaptive cruise control, which keeps a set distance between a vehicle and the vehicle ahead of it
- Lane departure warning systems
- Rear-view cameras
- Blind-spot detection systems
- Roll stability, which applies braking to the wheels independently to help prevent vehicle roll-overs

On the rails...

- Positive Train Control (PTC) technology, which can automatically stop a train before an accident caused by human error occurs
- Driver alertness detection systems
- Rail cars that are easier to load and unload and more crash resistant
- Ultrasonic rail flaw detectors
- Real-time track performance evaluation

In the sky...

- Better pilot training and flight simulation
- Sensors to support predictive maintenance for aircraft
- Improved turbulence detection

likely to be older. Of lost-time claims from the General Trucking rate group for 2016, 42 per cent were for workers aged 50 and older. This compares with 37 per cent for transportation and just 32 per cent for Schedule 1 overall. Older workers who are injured require more time, on average, to recover.

WHAT'S AHEAD?

Transformation in transportation. Transportation is an industry in flux. It has always been sensitive to economic conditions which affect trade, our need to move goods and our ability to travel for leisure. Now, even more than most, it is an industry undergoing transformation due to disruptive technology. Beyond progress in autonomous vehicles, new technologies are starting to allow smarter, more efficient use of cargo transport, vehicles, roads, other transportation infrastructure and warehouses.

Productivity in transportation has increased faster than productivity in Canada as a whole since the 1980s due to factors such as deregulation in some sub-sectors, better fuel efficiency, and infrastructure improvements, among others. The ongoing, profound changes expected in the industry will have implications for the Ontario economy as a whole, the environment and, for employment, the nature of work, health and safety within the industry.

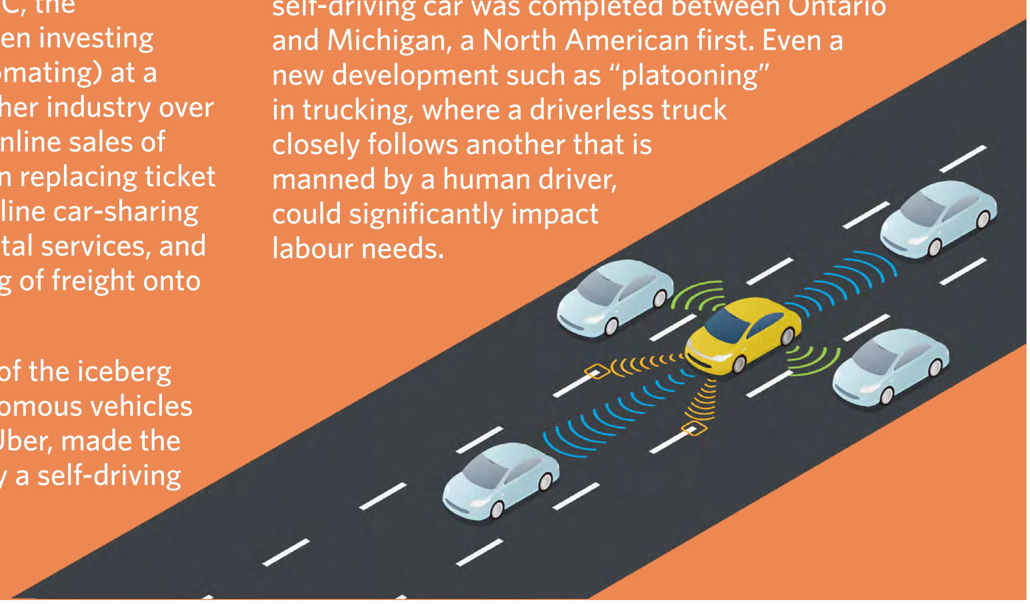
THE ONLY MAJOR INDUSTRY TO HAVE HIGHER DURATIONS THAN TRANSPORTATION BY THE END OF 2016 WAS CONSTRUCTION

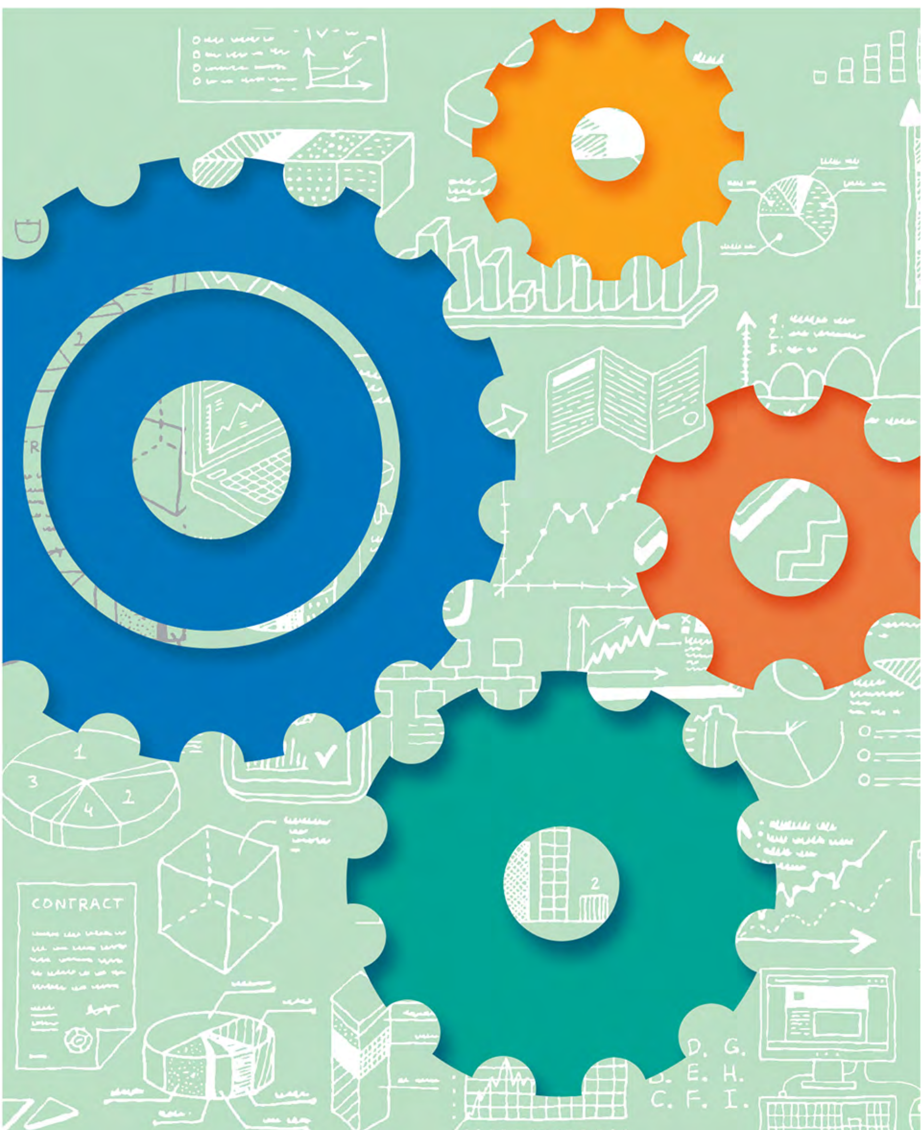
The changes on the horizon in transportation and the large influence the sector has on our work make it essential for us to continue to pay close attention to it. The impact of technology on the nature of work in transportation is likely to accelerate, and alongside it the potential for fewer accidents and injuries. In the meantime though, those in transportation continue to experience more lost-time injuries per 100 workers than virtually any other industry, and more than any other large industry. The WSIB will continue to work with employers and industry stakeholders to provide ongoing support in workplace safety, worker recovery and return to work. We will also be making every effort to ensure that we are ready to adapt to changes as they emerge, so that we can continue to help workers and employers reach the best possible outcomes in this critical industry.

AUTOMATION IN TRANSPORTATION

Mention automation, and more often than not autonomous vehicles are quick to come up. According to the consultancy PwC, the transportation sector has already been investing in capital to replace labour (i.e., automating) at a faster rate than that of nearly any other industry over the past decade. Examples include online sales of airline tickets or cargo transportation replacing ticket counters and phone sales offices, online car-sharing services replacing traditional car rental services, and automation replacing manual loading of freight onto trains and planes.

This automation may be just the tip of the iceberg if and when driver-assisted or autonomous vehicles become common. Otto, created by Uber, made the world's first commercial shipment by a self-driving truck in 2016. Testing of automated vehicles has been permitted on Ontario roads since the start of 2016. This summer, a border-crossing test of a self-driving car was completed between Ontario and Michigan, a North American first. Even a new development such as "platooning" in trucking, where a driverless truck closely follows another that is manned by a human driver, could significantly impact labour needs.





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WORKPLACE SAFETY & INSURANCE BOARD

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