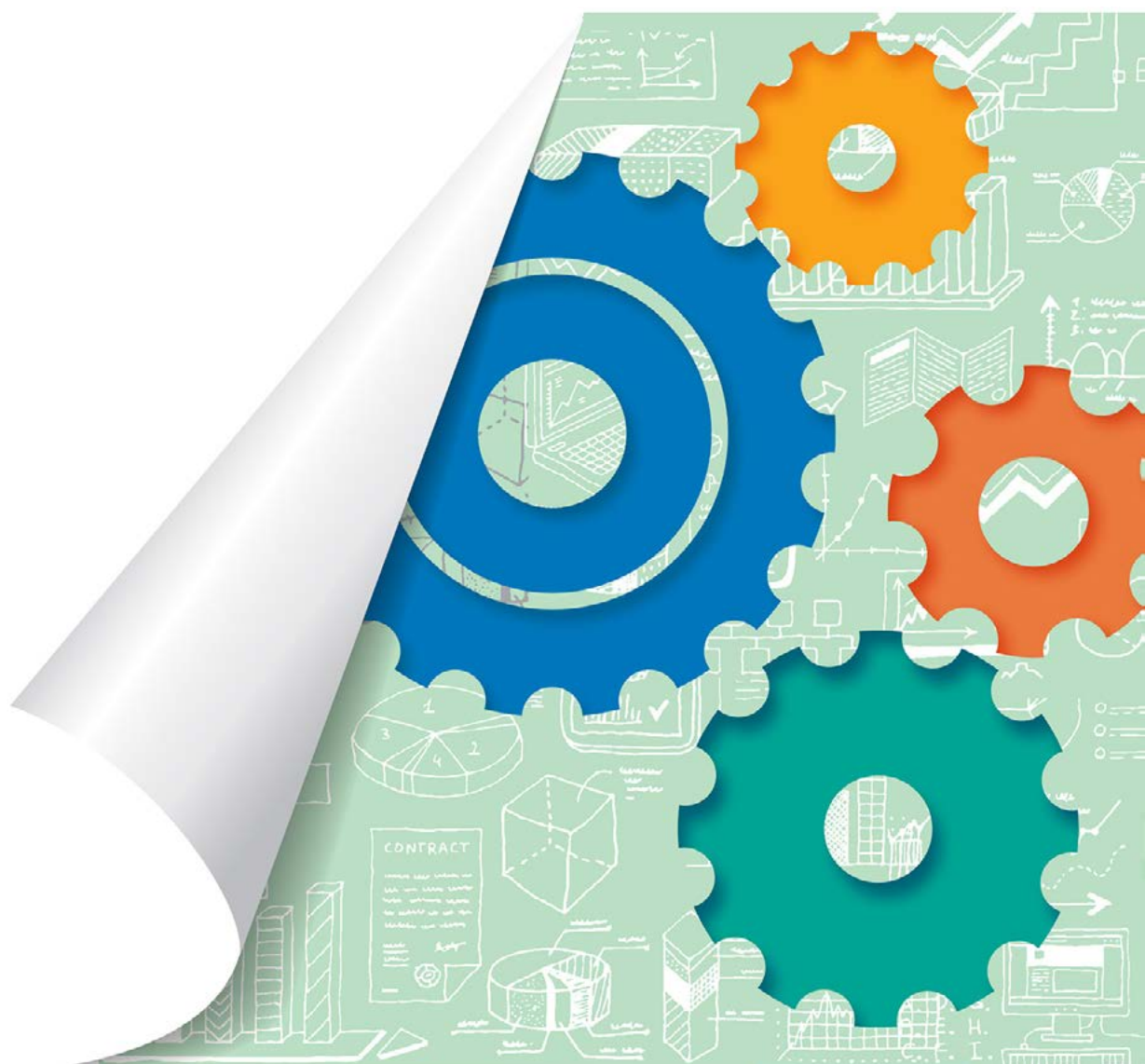


2016 - 2018 Strategic Plan

MEASURING RESULTS

2016 Q1	2016 Q2	2016 Q3	2016 Q4
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Assessment of Q4 2016 Results

Theme	Objectives
	<p>Health & Safety</p> <ol style="list-style-type: none"> Promote strategies to prevent fatalities, injuries and illnesses in Ontario workplaces Strengthen integration within the occupational health and safety system through community partnerships and engagement
	<p>Return to Work, Recovery & Fair Benefits</p> <ol style="list-style-type: none"> Advance return-to-work and recovery programs and administer benefits fairly Improve the integration of medical services and healthcare programs through focused partnerships
	<p>Financial Sustainability</p> <ol style="list-style-type: none"> Ensure that premium revenues cover costs and benefits are sustainable while implementing a transparent rate setting framework Ensure that the investment strategy improves funding resiliency while implementing asset pooling
	<p>Innovation</p> <ol style="list-style-type: none"> Make focused investments in technology and programs to maximize outcomes and the quality of services we deliver to workers and employers Drive improved efficiencies and prioritization of resources throughout the organization
	<p>Our People</p> <ol style="list-style-type: none"> Attract and retain engaged, accountable and skilled employees who deliver high quality service to workers, employers and our stakeholders Ensure organizational stability through succession management and development and continuity of corporate knowledge

LEGEND:

- ✓ Performance meeting or exceeding target
- ✗ Performance off target
- △ Performance marginally off target

Metric	Result	Target	Assessment	
1.1 New Claims	47,736	47,676	△	
1.2 Traumatic Fatalities (Year to Date)*	48	0	✗	
1.3 Lost-Time Injury/Illness Rate	0.92	0.87	✗	
3.1 RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)	91.3%	92.2%	△	
3.2 Average LOE Entitlement Award at Lock-in	49%	45%	✗	
3.3 Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date	93%	90%	✓	
3.4 Percentage on Benefits at 12 Months	3.9%	3.7%	✗	
3.5 Percent Employed on Completion of Work Transition Plan	86%	79%	✓	
4.1 Percentage of Workers with a Permanent Impairment	6.3%	6.5%	✓	
4.2 Percentage of Claims in Integrated Health Care Programs (Year to Date)	41%	45%	✗	
5.1 Core Earnings	\$393M	\$238M	✓	
5.2 Unfunded Liability (Sufficiency Basis)	(\$4,004M)	(\$5,659M)	✓	
5.3 Sufficiency Ratio	87.4%	82.8%	✓	
6.1 Investment Fund Total Returns (10 Years)	5.1%	4%-7%	✓	
8.1 Administrative Expenses per \$100 of Insurable Earnings	\$0.49	\$0.50	✓	
8.2 Appeals – Allowed, Allowed in Part*	ALLOWED	17%	14-17%	✓
	ALLOWED IN PART	13%	12-16%	✓
8.3 Percentage of Appeals Resolved within Six Months*	89%	85%	✓	
8.4 Appeals Active Inventory*	1,867	2,500	✓	
9.1 Service Excellence Index*	CLAIMS - INJURED WORKERS	76%	77%	△
	CLAIMS - EMPLOYERS	85%	87%	△
	ACCOUNT MANAGEMENT	89%	90%	△
9.2 Overall Satisfaction*	INJURED WORKERS	71%	69%	✓
	EMPLOYERS	77%	74%	✓

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

* Schedule 1 & 2 combined

Message from Management

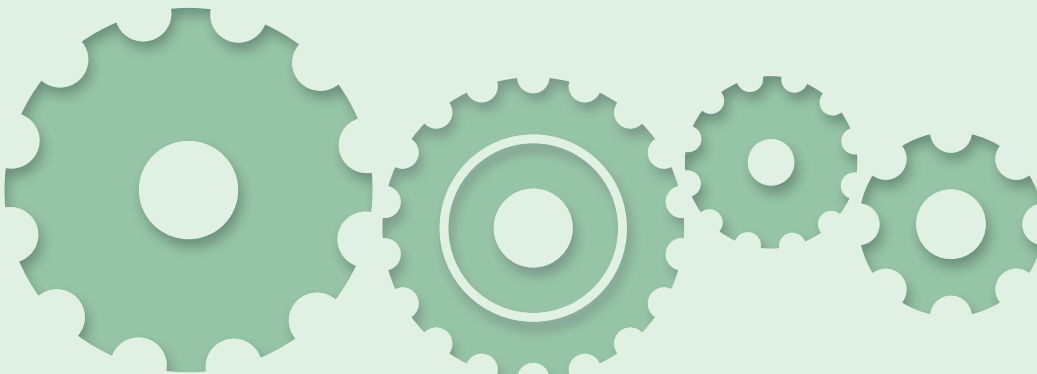
2016 has been a year of change for the WSIB - with a new CEO and new Chief Operating Officer, our first Annual General Meeting of the modern era, the first reduction in employer premiums in more than 15 years and becoming a founding member of the Investment Management Corporation of Ontario. We are pleased with the direction the organization is taking and are confident that the year has ended with the WSIB well-positioned to continue to do more for Ontarians.

Looking back at our operational and financial performance in 2016, here too we have seen change. After years of steady improvement in some of our key operational performance metrics, in 2016 we have seen results for them begin to level off, as expected. The charts on pages 5 and 6 provide a clear picture of a few of these trends.

In 2017 we will be switching from single data points to ranges for several of our performance targets. The switch is designed to better call attention to noteworthy changes in results, rather than small, natural fluctuations which occur from quarter to quarter. For some metrics, the switch also signals that we believe we have reached performance levels where further improvements may not be possible without unintended consequences.

Satisfaction with our service is not a metric for which we will be content with the status quo. We are looking forward to implementing our new customer experience strategy in 2017 and working hard to ensure that it delivers enhanced experiences with the WSIB for both injured workers and employers. Enhancing our service will be core to all that we do in the coming years and will require innovation and the ongoing development of our team and our talent.

Financially, the WSIB's strong progress continued in 2016. In fact, the Unfunded Liability (UFL) (sufficiency basis) was reduced by more this past year (\$2,980M) than any year since it began to come down from its 2011 peak; it fell from \$6,984M at the end of 2015 to \$4,004M at the end of 2016. The WSIB's Core Earnings in 2016 (\$1,474M) were 20 per cent higher than last year, and 2015 Core Earnings had already been 20 per cent higher than in 2014. We are determined to complete the task of fully funding the system; with our 2016 results this goal is ever more within reach.

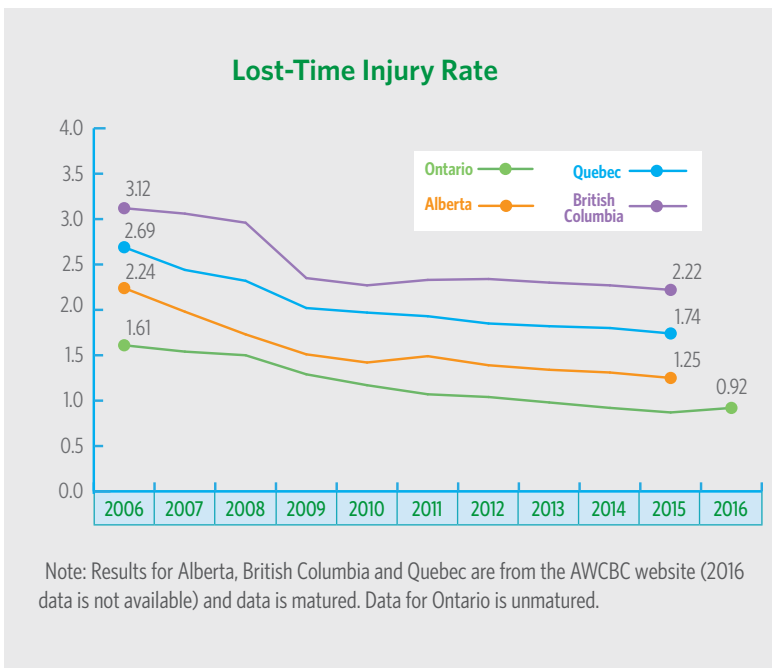


2016 Performance Summary

In this, the final Measuring Results report of 2016, we are taking the opportunity to look beyond our performance over the past quarter. This section provides an overview of full-year 2016 results compared to previous years, and further discussion of where and why we have or have not achieved annual targets.

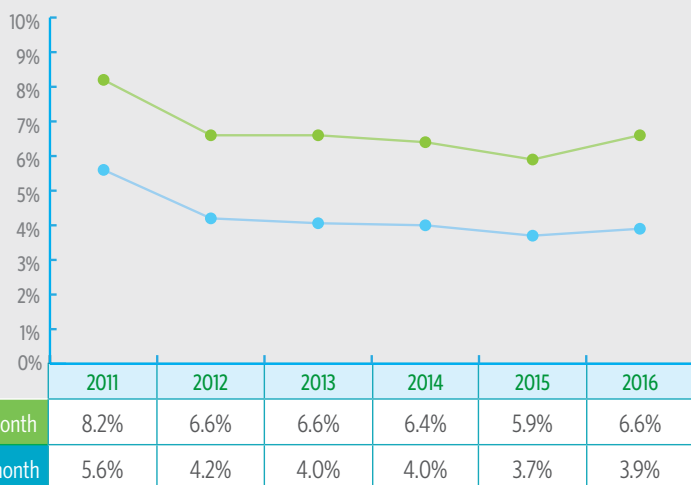
Operational Results Leveling Off After Steady Improvement. For several years, the WSIB has been reporting continuous improvement in our operational performance and we have regularly been achieving all, or nearly all, of our operational performance targets. In 2016, we have begun to see results for some metrics level off. For instance, registered claim volume increased slightly (0.5 per cent), from 192,168 claims in 2015 to 193,215 claims in 2016. The lost-time injury rate (0.92) increased for the first time in over 15 years as it rose from 0.87 in 2015. And durations, the length of time that claims continue to require benefits, increased for each time interval of 12 months or less. For instance, three-month duration increased from 11.1 per cent to 11.5 per cent and 12-month duration, from 3.7 per cent to 3.9 per cent.

Despite increases this year, these results continue to be strong by historical standards and when compared to other Canadian workers' compensation boards. The WSIB must now assess where further improvement can and should continue to be sought and where, instead, further improvement may not be possible or beneficial for workers, employers and the workplace compensation

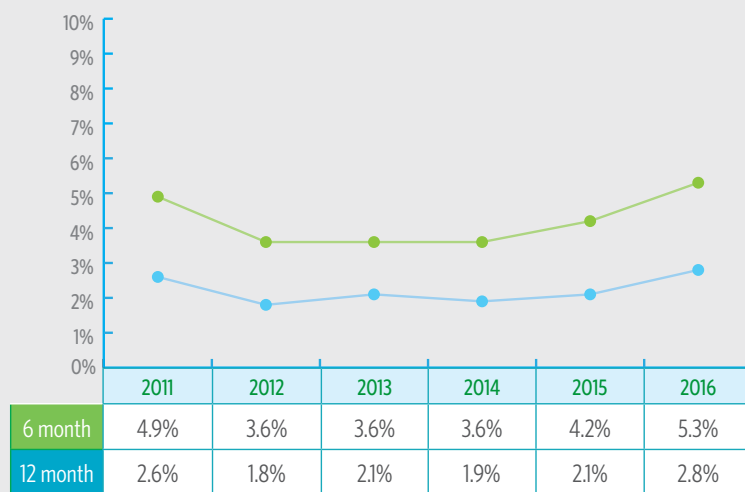


system. For duration, for example, we will be switching from a performance target that is a single number to a range of acceptable performance for 2017. After several years of improvement, we see no further need to target lower duration values and consider that maintaining results that are close to current percentages is appropriate. We are also switching to ranges to better highlight meaningful changes in results, as opposed to natural fluctuations due to small shifts in economic conditions, changes in injury type or other contextual factors.

Duration (Schedule 1)



Duration (Schedule 2)



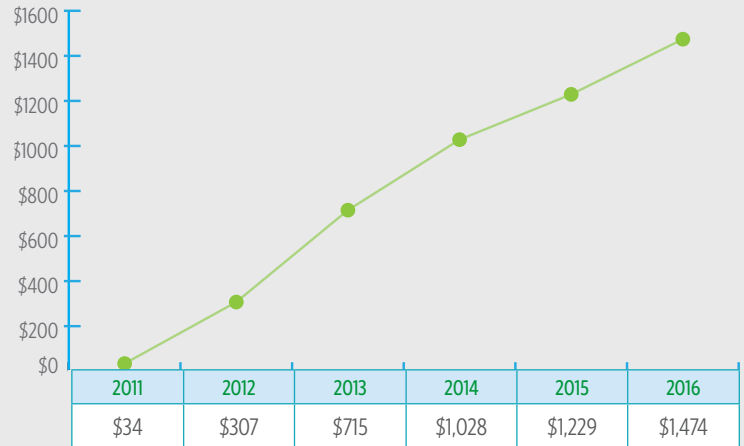
Strong Return-to-Work Results. The WSIB's return-to-work services continue to provide positive outcomes for injured workers and employers. Consistent with 2015, 92 per cent of injured workers returned to work within 12 months with no wage loss in 2016. In particular, the Work Transition program, which supports workers unable to return to their pre-injury positions, is yielding some of its most positive results to date; 84 per cent of workers who completed a Work Transition plan in 2016 went on to find employment, up from 79 per cent in 2015. Also supporting worker recovery and return to work are the WSIB's integrated health care programs such as our Specialty Clinics and Programs of Care. In 2016, over two in five claims (41 per cent) were part of at least one of these programs and services.

Continued Progress on Reducing the UFL. The WSIB remains well ahead of the legislated schedule to eliminate the Unfunded Liability and ensure the financial sustainability of the province's workers' compensation system. According to the WSIB's Economic Statement in 2016, we are on track to eliminate the UFL by 2021, six years ahead of the legislated requirement.

As of year-end, the UFL (sufficiency basis) totaled \$4,004M and the Sufficiency Ratio was 87.4 per cent. During 2016, the UFL (sufficiency basis) was reduced by \$2,980M, from a combination of positive operational performance and gains in the investment portfolio. The reduction made to the UFL in 2016 is greater than the reductions made in either 2015 or 2014, and the WSIB reported strong performance results during both of those years. It was this ongoing progress in increasing financial sustainability that allowed the WSIB to announce the first employer premium rate reduction in over 15 years in 2016.

As of year-end 2016, the WSIB has lowered its discount rate by 25 basis points to reflect more conservative expectations about the future (e.g., long-term investment outlook, economic growth assumptions). The new discount rate is 4.50 per cent, down from 4.75 per cent. Were it not for this change, which has a negative impact on our financial sufficiency, the Sufficiency Ratio would have been even higher at year-end (approximately 1.8 per cent higher, or 89.2 per cent).

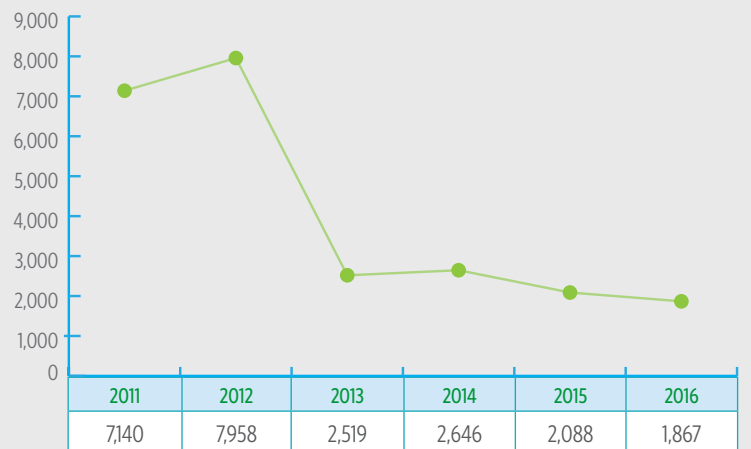
Core Earnings (\$M)



Fewer Incoming Appeals. The WSIB has been working to enhance front-line decision making, effort which is now being reflected in the declining volume of incoming appeals. After decreasing by 19 per cent in 2015, the number of appeals coming in to the WSIB's Appeals Services Division is once again down in 2016, by 13 per cent. In 2016, 6,979 new appeals were received compared to 8,063 in 2015. This ongoing reduction is also attributed to the long-term decline in registered claims, which continues to impact on appeals, and the work of an Operations team at the WSIB to ensure that cases are "appeal ready" before they are forwarded to the Appeals Services Division.

In 2016, 90 per cent of appeals were resolved within six months, a 3 per cent increase from the 2015 level. The strong 2016 result for timeliness of resolution has helped to keep the inventory of active appeals at a reasonable level. The active inventory at year-end 2016 was 1,867, down from 2,088 in 2015.

Appeals Active Inventory



Injured Workers and Employers Report Higher Overall Satisfaction. Starting in 2016, we began reporting a new single-question measure of satisfaction with the overall WSIB experience. The measure was designed to hold the WSIB accountable to an even higher standard of service, while also allowing easier comparison to other workers' compensation boards and agencies. Compared to 2015, overall satisfaction has increased among both injured workers and employers based on the new metric. Seventy-one per cent of injured workers and 77 per cent of employers were satisfied in the fourth quarter of 2016, compared to 69 per cent and 74 per cent, respectively, in 2015.

The WSIB has identified customer service as one of four main areas of focus for the organization in the coming years. To this end, we have been developing a new customer experience strategy, to be finalized and implemented in 2017. The strategy provides a roadmap for the WSIB to improve and then maintain both injured workers' and employers' satisfaction with WSIB services.

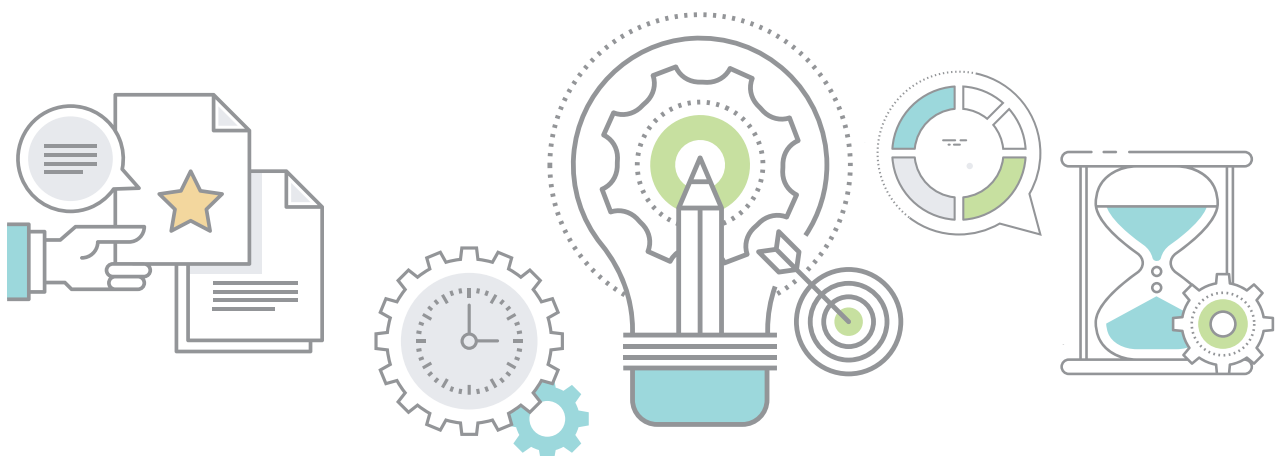
What's New this Quarter?

WSIB's United Way Campaign. In September, the WSIB launched its annual employee fundraising campaign for donations to the United Way. Since forming a partnership with the United Way in 1989, the WSIB has raised just over \$4M for the charity. In 2016 alone, the WSIB's fundraising target was \$270,000. We closed the year just short of this target, having raised a considerable \$263,000. United Way was chosen in part due to the close alignment of its mission with the WSIB's; both organizations

provide support at a local level across Ontario. In addition to supporting excellent causes in the province, our United Way campaign is a chance for employees to improve engagement by coming together outside of regular, daily tasks, to strengthen our teams and have fun together.

ACES Implementation Complete. After years of careful planning and sweeping implementation efforts, our Accounts and Claims Enterprise System (ACES) is now fully rolled out and working well. ACES is the WSIB's new integrated system for administering employer accounts and managing claims. Implementation began with the employer accounts component in 2014 and concluded on December 6, 2016 with the sixth and final phase of the case management component. Staff training on ACES has been completed, and ACES is now available at every WSIB office across the province and to all staff who require it. Managers and staff have advised that they find the system to be intuitive, well organized and a good support in the work that they do.

Approval of the New Rate Framework. The WSIB has been working on a new approach to setting employer premium rates to address the challenges with the current system. In late 2016, the WSIB's Board of Directors approved the proposed Rate Framework. Substantial and thoughtful input was provided by both stakeholders and technical experts during extensive consultations which began in 2015. We greatly appreciate the feedback, guidance and advice received from all who participated in this process and wish to thank stakeholders for their valuable time and support. With Board approval, the WSIB will be moving forward with planning for implementation of the new Rate Framework, including the considerable system modifications which will be necessary to facilitate implementation.



New Program of Care for Noise Induced Hearing Loss.

WSIB Programs of Care describe recommended health care plans for specific injuries or illnesses. They are based on the latest medical evidence and help to streamline care and services for some of the most common types of claims coming in to the WSIB including lower back, shoulder and mild traumatic brain injuries. In 2016, the WSIB updated its Program of Care for occupational noise-induced hearing loss (NIHL), claims which represent nearly one-quarter (23 per cent) of allowed occupational disease claims. The new program will draw on any new developments in the field and make it easier for workers with NIHL to quickly and smoothly obtain the support that they need. It will also simplify administrative requirements for hearing health care providers. To develop the new program, the WSIB worked together with the Association of Hearing Instrument Practitioners of Ontario and the Ontario Association of Speech-Language Pathologists and Audiologists, drawing on the invaluable front-line experience of these groups.



HEALTH & SAFETY

OBJECTIVES

1

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

2

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

Increase in the lost-time injury rate

After over 15 years of steady improvement, the Schedule 1 lost-time injury rate (0.92) has increased 5.7 per cent compared to last year (0.87). The LTI rate now matches what it was in 2014. It remains low by historic standards and compared to other Canadian jurisdictions. Each of the WSIB's largest industry sectors has seen an increase in LTI rate this year, most notably the automotive sector (LTI rate up 17 per cent to 1.06) and the services sector (up 8 per cent to 0.85). The health care sector experienced the smallest increase in LTI rate, an increase of 2 per cent in 2016.

Registered claim volume increased slightly (0.5 per cent or 1,047 claims) in 2016 compared to 2015. The increase is a result of higher lost-time claims (up 5 per cent, from 55,601 to 58,124). In contrast, no-lost-time claims decreased 1 per cent this year, from 136,567 to 135,091.

Similar to Schedule 1, the Schedule 2 LTI rate increased 5.9 per cent in 2016, from 1.88 to 1.99. Schedule 2 registered claim volume increased 1 per cent, from 37,275 claims in 2015 to 37,740 in 2016. Lost-time claim volume increased 5 per cent (800 claims) while no-lost-time claims decreased by 2 per cent (335 claims).

1.1 New Claims



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Registered	47,676	45,447	47,658	52,538	47,736	193,215
Pending	4,175	4,135	3,732	4,095	4,415	5,725
Allowed	34,608	32,328	34,830	38,834	34,523	146,821
	79.6%	78.3%	79.3%	80.2%	79.7%	78.3%

SCHEDULE 2



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Registered	9,365	9,566	9,701	8,754	9,770	37,740
Pending	1,073	1,054	1,044	951	1,240	1,529
Allowed	6,540	6,492	6,685	5,948	6,740	27,646
	78.9%	76.3%	77.2%	76.2%	79.0%	76.3%

1.2 Fatalities: Allowed Traumatic & Occupational Disease

SCHEDULE 1 & 2

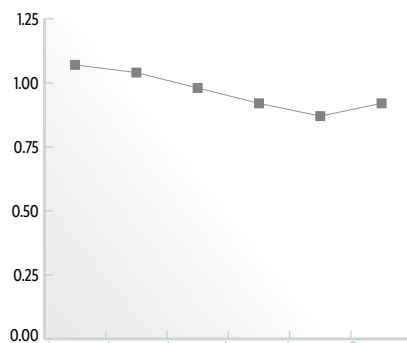


	2011	2012	2013	2014	2015	2016 YTD
Schedule 1 Traumatic Fatalities	55	60	70	59	53	45
Schedule 2 Traumatic Fatalities	4	5	3	1	4	3
Traumatic Fatalities Total	59	65	73	60	57	48
Schedule 1 Occupational Disease Fatalities*	191	189	159	167	175	148
Schedule 2 Occupational Disease Fatalities*	38	32	23	42	38	65
Occupational Disease Fatalities Total*	229	221	182	209	213	213

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

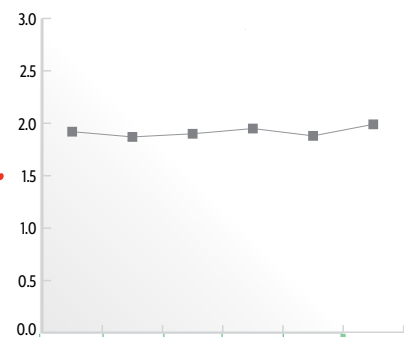
1.3 Lost-Time Injury/Illness Rate

SCHEDULE 1



	2011	2012	2013	2014	2015	2016
Result	1.07	1.04	0.98	0.92	0.87	0.92
Prior Year	1.17	1.07	1.04	0.98	0.92	0.87
Variance	-8.5%	-2.8%	-5.8%	-6.1%	-5.4%	5.7%

SCHEDULE 2



	2011	2012	2013	2014	2015	2016
Result	1.92	1.87	1.90	1.95	1.88	1.99
Prior Year	2.02	1.92	1.87	1.90	1.95	1.88
Variance	-5.0%	-2.6%	1.6%	2.6%	-3.6%	5.9%

RETURN TO WORK, RECOVERY & FAIR BENEFITS



OBJECTIVES

3

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

4

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

Leveling off of duration results after steady improvement

After several years of steady improvement in claim durations, in 2016 we began to see Schedule 1 durations level off and even begin to rise. As of the end of the year, duration results increased for each short- and medium-term time interval (up to and including 12-month duration). For instance, three-month duration rose from 11.1 per cent to 11.5 per cent and 12-month duration, from 3.7 per cent to 3.9 per cent. These results continue to be low by historic standards.

Schedule 2 short- and medium-term durations have continued to rise each quarter in 2016, including Q4. Schedule 2 three-month duration has risen from 8.6 per cent at the end of 2015 to 9.5 per cent at the end of 2016, and 12-month duration from 2.1 to 2.8 per cent.

At the same time, 92 per cent of Schedule 1 injured workers continue to return to work with no wage loss within 12 months of the injury or illness, consistent with 2015. The WSIB's Work Transition program has had its most successful year since the program began in 2013 in terms of helping workers who are unable to return to their pre-injury positions find employment. Eighty-four per cent of workers who completed their Work Transition plans in 2016 went on to find work, up from 79 per cent in 2015. Eligibility decisions continue to be timely; 94 per cent of decisions were made within two weeks of the claim being registered in 2016, well over the 90 per cent target and also above the 92 per cent achieved in 2015. And while the percentage of claims supported by our integrated health care programs (e.g., Specialty Clinics, Programs of Care) has fallen short of the ambitious target set for 2016, the result reflects improvement compared to 2015 (41 per cent compared to 40 per cent in 2015).

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

SCHEDULE 1



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	91.7%	91.0%	92.1%	92.1%	91.3%	91.6%
Target	92.0%	92.2%	92.2%	92.2%	92.2%	92.2%
Variance	-0.3%	-1.2%	-0.1%	-0.1%	-0.9%	-0.6%

SCHEDULE 2



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	94.9%	94.7%	94.2%	94.8%	93.6%	94.4%
Prior Year	94.4%	95.1%	95.2%	95.1%	94.9%	95.1%
Variance	0.5%	-0.4%	-1.0%	-0.3%	-1.3%	-0.7%

3.2 Average LOE Entitlement Award at Lock-in

SCHEDULE 1



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	45%	46%	46%	46%	49%	47%
Target	47%	45%	45%	45%	45%	45%
Variance	-2%	1%	1%	1%	4%	2%

SCHEDULE 2



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	37%	38%	45%	50%	46%	45%
Prior Year	44%	49%	42%	51%	37%	45%
Variance	-7%	-11%	3%	-1%	9%	0%

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

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

SCHEDULE 1



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

SCHEDULE 2



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	94%	93%	95%	94%	94%	94%
Prior Year	90%	90%	90%	90%	90%	90%
Variance	4%	3%	5%	4%	4%	4%

3.4 Duration

SCHEDULE 1

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Target	Assessment
3 mos	11.1%	11.0%	11.3%	11.6%	11.5%	10.9%	X
6 mos	5.9%	6.0%	6.0%	6.2%	6.6%	5.8%	X
12 mos	3.7%	3.6%	3.7%	3.9%	3.9%	3.7%	X
24 mos	2.7%	2.6%	2.6%	2.5%	2.6%	2.5%	△
48 mos	2.1%	2.0%	2.0%	2.1%	2.1%	2.2%	✓
72 mos	3.4%	3.2%	2.8%	2.6%	2.4%	3.2%	✓

SCHEDULE 2

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Assessment vs. Prior Year
3 mos	8.6%	8.8%	9.0%	9.1%	9.5%	X
6 mos	4.2%	4.3%	4.7%	5.0%	5.3%	X
12 mos	2.1%	2.3%	2.4%	2.7%	2.8%	X
24 mos	1.0%	1.0%	1.1%	1.2%	1.4%	X
48 mos	0.6%	0.6%	0.6%	0.7%	0.7%	△
72 mos	0.6%	0.6%	0.6%	0.5%	0.5%	✓

3.5 Percentage Employed on Completion of Work Transition Plan

SCHEDULE 1

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

SCHEDULE 2

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	94%	99%	97%	96%	99%	98%
Prior Year	94%	93%	96%	93%	94%	94%
Variance	0%	6%	1%	3%	5%	4%

4.1 Percentage of Workers with a Permanent Impairment

SCHEDULE 1

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

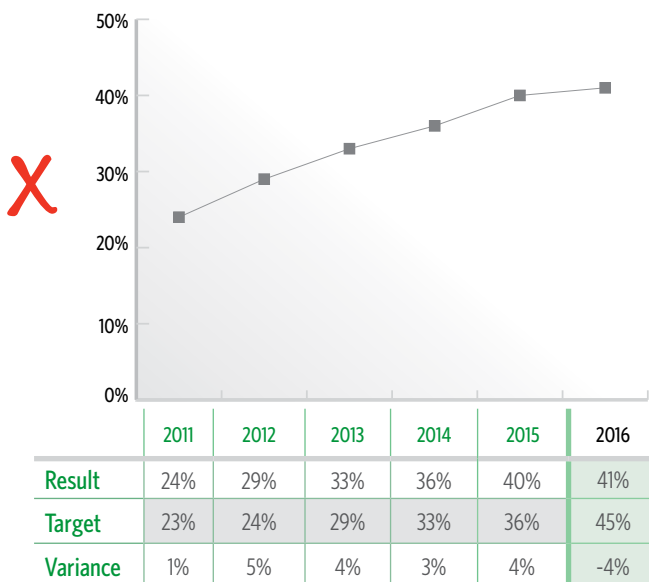
SCHEDULE 2

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	2.4%	2.5%	2.1%	2.9%	2.4%	2.5%
Prior Year	1.6%	1.9%	2.5%	2.7%	2.4%	2.4%
Variance	0.8%	0.6%	-0.4%	0.2%	0.0%	0.1%

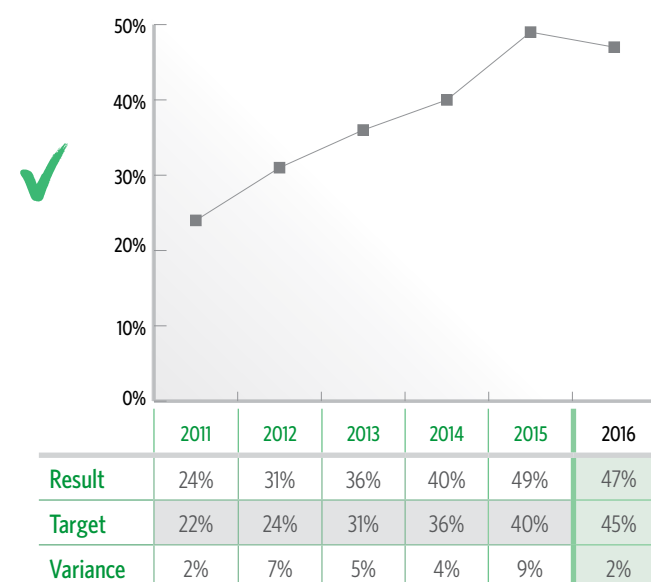
Note: Due to small numbers, Schedule 2 is assessed based on YTD rather than quarterly performance

4.2 Percentage of Claims in Integrated Health Care Programs

SCHEDULE 1



SCHEDULE 2





OBJECTIVES

5

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

6

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

Financial sufficiency continues to grow

2016, including Q4, was a very strong year for the WSIB financially. Core Earnings of \$1,474M for the year were higher than any recent year, up 20 per cent compared to 2015. This positive Core Earnings result is due to growing premium revenue (up 3.8 per cent compared to 2015) and costs that remained within budget. In Q4 alone, Core Earnings of \$393M were 36 per cent higher than Q4 2015.

In addition to Core Earnings, positive investment performance is also contributing to improved financial sufficiency. In 2016, WSIB's investment portfolio returned 6.3 per cent and now totals \$29.4B. In Q4 alone, investment returns were 1.1 per cent, 0.3 per cent higher than that of the benchmark. Q4 returns were driven primarily by infrastructure, absolute return and equities performance.

Positive financial performance has allowed the Sufficiency Ratio to increase by 2.5 per cent in Q4 and by 9.5 per cent in 2016, despite the fact that we have become more conservative about our assumptions for the future and have lowered our discount rate by 25 basis points. The UFL (sufficiency basis) now amounts to \$4,004M, down \$2,980M since the end of 2015 and down \$795M during Q4.

5.1 Core Earnings

SCHEDULE 1

	\$M	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result		290	281	407	393	393	1,474
Budget		187	254	337	321	238	1,150
Variance		103	27	70	72	155	324

5.2 Unfunded Liability (Sufficiency Basis)

SCHEDULE 1

	\$M	2011*	2012*	2013*	2014	2015	2016 YTD
Result		(14,199)	(13,299)	(10,638)	(8,697)	(6,984)	(4,004)
Budget		(12,294)	(13,772)	(13,777)	(11,424)	(8,129)	(5,659)
Variance		(1,905)	473	3,139	2,727	1,145	1,655

*on a Funding Basis

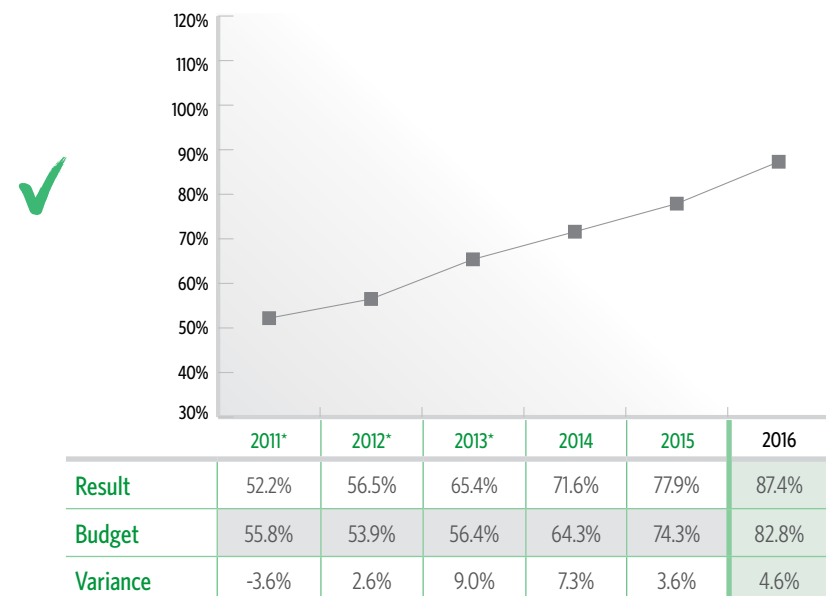
6.1 Investment Fund Total Returns (1 and 10 Years)

SCHEDULE 1

	2011	2012	2013	2014	2015	2016	Target	Assessment
1 Year	2.3%	10.5%	12.7%	10.3%	5.8%	6.3%	4%-7%	✓
10 Years	4.6%	6.3%	6.3%	6.5%	6.0%	5.1%	4%-7%	✓

5.3 Sufficiency Ratio

SCHEDULE 1



* 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

Low incoming appeals volume

The WSIB received fewer than 1,500 appeals in Q4 2016, less than any quarter in recent years. The decline is a result of the long-term downward trend in claims registered by the WSIB. Since many incoming appeals relate to benefit entitlement issues from claims with an injury or illness from years ago, we continue to see the impact of lower overall WSIB claim registrations even as registered claim volume has begun to stabilize this year. Also, our Operations team continues to work to ensure that claims are given due reconsideration by front-line staff when appropriate and that cases are “appeal-ready” before being referred to the WSIB’s Appeals Services Division.

Regardless of the lower volume of incoming appeals, the percentages that were allowed and allowed in part have been consistent all year and Q4 was no exception; 17 per cent were allowed and 13 per cent were allowed in part this quarter.

The timeliness of appeals resolution has also been consistent this year. Eighty-nine per cent of appeals continued to be resolved within six months in Q4, unchanged over last quarter and up 2 per cent compared to Q4 2015. Ongoing timeliness has ensured that the active inventory of appeals remains at a reasonable level. The inventory was 1,867 active appeals at the end of Q4, down from 2,088 at the end of 2015.

8.1 Administrative Expenses per \$100 of Insurable Earnings

SCHEDULE 1

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD
Result	\$0.51	\$0.41	\$0.39	\$0.44	\$0.49	\$0.43
Budget	\$0.49	\$0.42	\$0.43	\$0.45	\$0.50	\$0.45
Variance	\$0.02	(\$0.01)	(\$0.04)	(\$0.01)	(\$0.01)	(\$0.02)



8.2 Appeals - New, Allowed, Allowed in Part

SCHEDULE 1 & 2

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016 YTD	Target	Assessment
New Appeals	1,880	1,791	2,013	1,687	1,497	6,979	7,500	✓
% of Resolved Appeals	Allowed	17%	16%	17%	17%	17%	14-17%	✓
	Allowed in Part	12%	13%	13%	13%	13%	12-16%	✓

8.3 Percentage of Appeals Resolved within Six Months

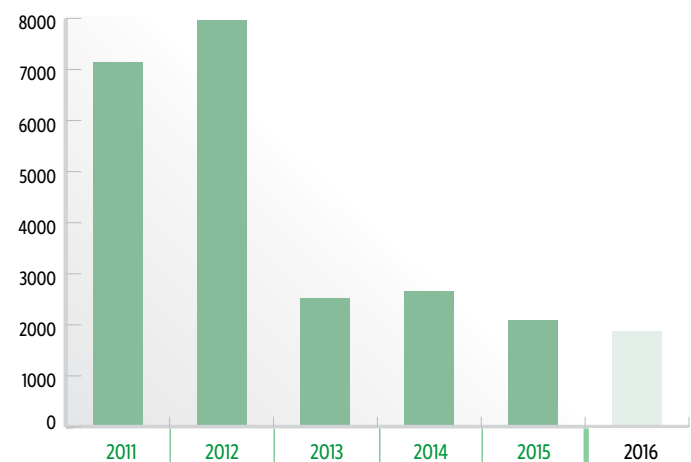
SCHEDULE 1 & 2

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



8.4 Appeals Active Inventory

SCHEDULE 1 & 2





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

Higher overall satisfaction

Overall satisfaction among injured workers (71 per cent satisfied) and employers (77 per cent) has increased compared to last year, up from 69 per cent and 74 per cent respectively. In 2017, the WSIB will focus on further enhancements to the WSIB experience as we implement our new customer experience strategy.

Service Excellence Index results, which are straight averages of responses to a series of survey questions covering satisfaction with different aspects of service, were consistent throughout 2016, and Q4 was no exception. They were also just below target each quarter, though each Q4 result has improved or held steady compared to Q4 2015. To complete the transition to the new overall satisfaction metric which we began reporting in 2016, the WSIB will no longer be reporting the Service Excellence Index results starting in 2017.

We look forward to being able to share employee engagement results for the first time in 2017. Having an engaged workforce is a strong pre-requisite for delivering the ambitious levels of service, innovation and operational and financial performance we are aiming to achieve in the years to come.

9.1 Service Excellence Index

SCHEDULE 1 & 2

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

9.2 Overall Satisfaction

SCHEDULE 1 & 2

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Assessment vs. Prior Year
Injured Workers	69%	67%	70%	73%	71%	✓
Employers	74%	78%	79%	76%	77%	✓

9.3 Employee Engagement



In Development

Q4 2016 Quarterly Focus

Tracking Ontario's Progress on Workplace Health and Safety

It has been said that “what gets measured, gets done.” For decades, international organizations such as the United Nations (UN Human Development Index) and the Organization for Economic Cooperation and Development (OECD, Better Life Index) have shared index results as a way to summarize complex socio-economic information, and to assess and underline the importance of progress on international development.

With this in mind, the WSIB and its health and safety system partners have been working on a better way to measure whether Ontario workplaces overall are becoming safer and healthier. Only with a clear sense of our progress on workplace health and safety in the province can we be sure that our collective efforts are truly helping to move the system in the right direction, and only then can we understand what is needed next. The result is a new Health and Safety Index (HSI) for Ontario.

The HSI is a single metric, to be calculated and released by the WSIB each year. It will share with Ontarians how much the province's workplace health and safety system's performance as a whole has improved (or worsened) with each successive year, and what is behind any change. It is the first index of its kind and includes a variety of information from workers directly (through phone surveys), the WSIB and health and safety system partners such as the Ministry of Labour.

Why Do We Need the Health and Safety Index?

To date, the WSIB and its partners in workplace health and safety have measured the performance of the health and safety system for Ontario workers through “after-the-fact” (or “lagging”) metrics such as the number of fatalities, the number of new

claims, or the lost-time injury rate over a given time period. While these results are important and must continue to be monitored,

none of them tells us whether adequate safety systems and controls were there in the first place (“leading” indicators). None of these metrics captures whether new changes and improvements are actually being made at workplaces or what is being done to avoid accidents and illnesses in the future. On their own, these measures do not offer the kind of sophisticated, holistic view of system performance that the province needs.

The Health and Safety Index has been designed to offer a more complete picture of progress on occupational health and safety in Ontario. It includes a variety of indicators of system performance. The index will help system partners to raise awareness about this critical issue and to keep it top-of-mind in the province. It will also allow all Ontarians to quickly and easily see whether or not progress is being made in occupational health and safety and to hold system partners accountable for delivering improvement.

More specifically, the HSI is intended to:

- ▶ Assess the health and safety system's success at improving outcomes for workers and employers
- ▶ Act as a call to action for system partners to improve performance
- ▶ Support critical discussions about health and safety among system partners
- ▶ Help define and manage system priorities, and
- ▶ Allow for potential cross-jurisdictional comparisons.

On this last point, the elements that make up the index are such that it would be relatively easy for other Canadian provinces or jurisdictions outside of Canada to calculate and track their own HSI scores, which in turn could eventually allow transparent, “apples to apples” comparisons of workplace health and safety across jurisdictions. Knowing who is performing well or poorly compared to others on improving health and safety can motivate weaker jurisdictions and show them who they may be able to learn from. The same will be true for industry sectors in Ontario, since the index will allow comparison by industry. Health and safety system partners will benefit from seeing performance by industry and by individual aspect of the system to know where greater attention and efforts are needed.

The Health and Safety Index has been designed to offer a more complete picture of progress on occupational health and safety in Ontario






How Is the Index Calculated?

The most critical aspect of developing the HSI was determining which elements to include. We needed to choose only those metrics that, when combined, truly reflect the level of workplace health and safety. Too many metrics would make the index cumbersome and difficult to replicate, while too few would prevent it from providing the comprehensive, system-wide view we were after.

In creating the HSI, the WSIB followed guidelines by the OECD on index development. To support our selection of metrics, we referred to the World Health Organization's (WHO) Healthy Workplace Model, which described a group of four major impacts on occupational health and safety. WHO came up with the list after systematically reviewing the latest literature by leading occupational health experts. We also considered the Institute for Work and Health's Ontario Leading Indicators Project (OLIP) survey tool, along with a range of other research into key components of a safe workplace. The index was developed in consultation with the Ontario Ministry of Labour.

In the end, the index is made up of the following components and metrics. Each metric has been "weighted" using a technique called principal components analysis, respecting OECD guidelines. Weighting helps reduce the impact of overlapping metrics (correlation) so that they do not contribute disproportionately to the final index score (see Sidebar on page 17 for more detail on weighting).

Prevention. To consider the effectiveness of prevention efforts in the province, the HSI includes the number of inspections conducted by the Ministry of Labour in Ontario each year, with a higher number impacting positively on the index. Prevention also includes two metrics from our survey of Ontario workers. These survey questions cover the extent to which the respondent's organization is undertaking prevention on its own, and the size and quality of the health and safety support in the organization (e.g., the number of health and safety representatives).

	COMPONENT	METRIC	CONTRIBUTION TO COMPONENT WEIGHT	COMPONENT WEIGHT	INTEGRATED WEIGHT
	Prevention	# of inspections	27%	24%	6%
		# of workplace prevention activities*	48%		12%
		Amount of workplace safety support (e.g., # of health and safety reps)*	25%		6%
	Worker Empowerment	# of complaints	39%	10%	4%
		Involvement in the health and safety of the workplace*	32%		3%
		# of worker refusals	29%		3%
	Workplace Safety Awareness & Culture	Worker awareness of OHS and WSIB legislation*	44%	40%	17%
		Worker's experience of a workplace culture aimed at safety*	28%		11%
		Leadership involvement in the organization's health and safety*	28%		11%
	Enforcement	# of convictions	5%	15%	1%
		Average value of fines	45%		7%
		# of orders per inspection	50%		7%
	Injuries	# of injuries per 100 workers	27%	11%	3%
		Serious occurrence and fatality rate	24%		3%
		% of injured workers off compensation at 30 days	48%		6%

Notes: Due to rounding, percentages may not precisely reflect the actual values and all numbers presented may not add up to 100%. Based on best practice, weighting will be re-calibrated prior to launch.

*information gathered through the phone survey of Ontario workers

THE HSI AND DATA WEIGHTING

When developing the HSI, we made a conscious decision to include a wide range of metrics to ensure we would get a full, multi-dimensional view of the state of workplace health and safety. We knew we wanted the HSI to be an improvement on the one-dimensional metrics used to date.

In bringing together diverse streams of data, it was important to ensure that we were not “double counting” trends and giving them undue influence over the final survey result. To avoid this issue (i.e., to minimize the impact of “correlated” data), weighting was used. Our weighting does not reflect the importance of each metric to the health and safety system—it simply shows how much the metric overlaps with (is correlated to) the other measures included in the index. For example, “number of convictions” and “number of orders per inspection” were found to be correlated. When one of these metrics goes up, the other usually does too, and vice versa.

As recommended in OECD guidelines, principal component analysis (PCA) was used to find weights to reduce the effect of correlation among metrics. PCA is a statistical procedure used to produce a number of uncorrelated (unique) variables within a set of data. These are called “principal components.” Together, they explain the maximum amount of variation in a phenomenon (in this case the state of workplace health and safety) for their number.

Weighting for stability. We also applied a modifier to each weight to “reward” more stable metrics. This second use of weighting helps prevent the final HSI results from swinging too widely from year to year. We wanted the index to be relatively stable for easier interpretation of the result and to reduce the likelihood of random “noise” in the index result rather than genuine change in the health and safety system.

Strength of metric weights

Note that the weight is not an indication of how important the metric is to health and safety.

<p>Medium weight:</p> <ul style="list-style-type: none"> ■ Low correlation (overlap) with other metrics ■ Fluctuates from one time period to the next 	<p>Most heavily weighted in index:</p> <ul style="list-style-type: none"> ■ Low correlation (overlap) with other metrics ■ Stable over time
<p>Least heavily weighted in index:</p> <ul style="list-style-type: none"> ■ High correlation (overlap) with other metrics ■ Fluctuates from one time period to the next 	<p>Medium weight:</p> <ul style="list-style-type: none"> ■ High correlation (overlap) with other metrics ■ Stable over time

Worker Empowerment. As part of a safe workplace, employees must be aware that they can—and feel able to—report and/or refuse unsafe work. To measure the level of empowerment, the index includes the number of complaints as well as work refusals raised by Ontario workers that year. Survey responses related to workers’ sense that they are involved in health and safety at their place of employment are also incorporated.

Workplace Safety Awareness & Culture. Input for the workplace culture category of the HSI comes entirely from the survey of Ontario workers. Select questions test workers’ awareness of existing legislation, while others are designed to capture the worker’s impression of the extent to which a culture of safety exists in their workplace.

Enforcement. Effective enforcement deters poor health and safety performance by ensuring that there are consequences for those who do not follow workplace health and safety regulations.

For the index, enforcement is measured through the number of workplace health and safety convictions by the Attorney General in Ontario that year, along with the average value of the fines resulting from these convictions. The index also includes the average number of orders per Ministry of Labour workplace inspection. An order is issued by a Ministry inspector and specifies an action the employer must take to comply with the law. The higher these three values, the more positive the HSI, since this would suggest strong enforcement activities in the province.

Injuries. The injuries component of the HSI is made up of three outcome metrics covering the frequency, severity and duration of workplace injuries and illnesses. The safer and healthier Ontario workplaces are, the lower we would expect these injury metrics to be. All data for this category comes from the WSIB’s own records.

Surveying Ontario Workers

In developing the HSI, we found that some of the metrics we wished to include as important aspects of workplace safety were not readily available among our own data sources or those of our partners. This was particularly true for “leading” indicators of health and safety, which help make the index robust and unique. To fill this gap, we developed a survey which we have been administering by phone with Ontario workers since April 2016. As of the end of February 2017, 1,487 surveys had been completed, and our intention is to survey 1,600 Ontarians each year who

Our intention is to survey 1,600 Ontarians each year who represent a cross-section of the province’s workers

represent a cross-section of the province’s workers.

Respondents to the survey include any individual working in paid employment in Ontario who is over 14 years old, including self-employed and business owners. Results are reported in aggregate only for use in calculating the index; employers are never

identified, and the survey will not be used to assess the health and safety practices of individual employers.

Survey themes include worker awareness of health and safety requirements, the health and safety activities conducted at their workplace and their impressions of the health and safety of their own workplace. Survey responses will help in calculating performance for three of the five index components, as described above.

To share just a few results from the survey in 2016:

- 47 per cent of Ontario workers surveyed “strongly agree” that their workplace is as safe as it can be
- 58 per cent agree¹ that they are personally involved in health and safety activities in their workplace
- 62 per cent feel that they are familiar² with Ontario’s safety laws and regulations for workplaces.

Next Steps

The WSIB will formally launch the HSI to coincide with this year’s North American Occupational Health and Safety week, from May 7 to 13, 2017. Because it is not possible to obtain previous years’ survey data and the index is based on year-over-year change, we will release the first index score in 2018. We will then be issuing the index results every spring, using the same tools and a consistent methodology to continue to report progress and to help keep workplace health and safety top-of-mind among Ontarians.

We look forward to spreading the word about the effectiveness of workplace health and safety efforts in the province, and to continuing to do our part to drive forward and keep raising the bar on this critical issue. We also look forward to supporting the use of the HSI beyond our borders to share experiences and learn from other jurisdictions. Given what is at stake—the health and well-being of Ontario’s workers—the importance of carefully measuring health and safety and working together to improve is clear.

1 4 or 5 on a 5-point scale where 1 is “strongly disagree” and 5 is “strongly agree”

2 4 or 5 on a 5-point scale where 1 is “not at all familiar” and 5 is “very familiar”

