



CEO's Message



MOVING IN THE RIGHT DIRECTION

During trying economic conditions, we succeeded in achieving results for 2009 that were among the best ever for the Plan. Taking action to enhance the quality of life of our members and continuing to implement a proactive strategy enables us to strengthen our position.

In my CEO statement a year ago, I noted that claims for income continuation decreased, and in 2009 we continued to experience a decrease in the number of claims. We believe this is a combination of the results of the Short-term Illness Return to Work Program, and a general focus on health and safety in the workplace. While this is a positive trend, we also have more employees who are working past retirement age. We have prepared for the impact this may have on Plan resources by focusing on strong financial management and lower premiums.

More Benefits for Members

The Plan is at its best financial position in over 23 years. Members now benefit from increased coverage at a reduced cost and have the peace of mind that the Plan is fully funded to deliver on its promises during turbulent times and into the future.

Maintaining our Position as an Industry Leader

Taking proactive measures to inform and engage members on the work and benefits of the Plan is becoming increasingly more important for maintaining our position as an industry leader. We are also in the midst of selecting an investment consultant to advise the Board on future investment strategies.

Focus on Members

The Plan serves several thousand individuals throughout Nova Scotia and has benefited many in their time of need. Understanding the needs of members as well as how they think, feel and act when they are disabled or ill enables us to design a Plan that is comprehensive and forward thinking.

Communications That Connect With You

We've engaged more in digital media. For example, we produced a video that explained the Plan changes to members and created an online version of the annual report. We want to communicate with members in whatever form they're most comfortable—online, social media, print, video or podcast.

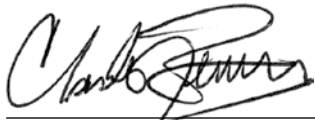
External Factors May Pose Obstacles

There is much that we can do on our own to achieve our goals. But the existence of external factors that can obstruct our development is part of the world we live in. In general, employees are expected to go through several changes in the coming years. We can only speculate on what these changes may be and the likely effect on the Plan's resources. This means that the fight to manage costs never ends.

But change and improvement is nothing new for the Plan. The Plan has evolved to better meet the needs of its changing members and participating employers. Together with a strong funded position, this enables us to maintain support for employees who are unable to work due to illness.

Better Outlook for 2010

We have complied with our strategy, we have strengthened our funding position, and we have taken a big step forward towards achieving our overall goal of positioning the Plan for the future. We have reason to be more optimistic about the coming year.



Charles J. Bruce
Chief Executive Officer, CFP, C. Dir.