

Minutes
Financial and Statistical Data Comparability Committee & WCB CFO Meeting
May 27 & 28, 2015
The Omni King Edward Hotel, 37 King Street East, Toronto, Ontario

Attendees:

Peter Federko (Executive Sponsor, SK); Ron Helmhold (Chair, AB); Lorena Trann (Vice-chair, MB); Laurent Charron (AB); Mark Heywood (BC); Tim Petersen (NB); Paul Kavanagh (NL); Leo McKenna (NS); Len MacDonald (NT/NU); Pamela Steer (ON); Ernest Chui (ON); Guillaume Baril, *via conference call* (QC); Tammy Turner (PE); Ann Schultz (SK); Jim Stephens (YT); Michelle Beavington (AWCBC).

Guests:

Bill Xu (Alberta WCB); Richard Larouche (Eckler); Gerry Paquette, *via conference call* (WorkSafeBC).

Regrets:

Brian Erickson (BC); Carl Gauthier (QC); Anne St-Martin (QC).

Item 1: Welcoming Remarks and Introductions

Ron Helmhold welcomed everyone and introductions were made.

Item 2: Review of Agenda and Previous Meeting Minutes action items

The agenda and previous meeting minutes were reviewed with no revisions.

Item 3: Executive Sponsor Update – AWCBC Initiatives and Strategic Direction

Peter Federko updated on the work of the AWCBC Executive and Board of Directors.

Item 4: IAIABC Data Project Update

Peter Federko and Michelle Beavington updated on the IAIABC data project.

IT WAS DECIDED that:

- The IAIABC data project will continue to be supported through M. Beavington (to explore opportunities of mutual interest with IAIABC).

Item 5: KSM Review

Lorena Trann led discussions on the KSM review, itemized below:

a) KSM Dashboard / Overview / Highlight Report

See [Appendix A](#) for complete list of measures recommended to be included in the KSM highlight report.

IT WAS DECIDED that:

- KSM 8 (Administration Costs) should be replaced with IR1 (Administration Costs per \$100 of Assessable Payroll) in the highlight report.
- KSM 4.1 (Current Year Benefit Costs) should be replaced with IR2 (Current Year Benefit Costs per \$100 Assessable Payroll) in the highlight report.
- The 90 day time interval should be used for KSM 25 in the highlight report (KSM 25.3, Percentage of Wage-Loss Claims at 90 days).
- The highlight report (and detailed KSM report) will be presented using 2 main categories: Claim Measures and Financial Measures.
- KSM 13.1 should be renamed to remove “Provisional” in the highlight report. It should be made clear in the definitions that it is the provisional rate.
- Footnotes will not be included in the highlight report. The caveat in the highlight report will be amended to mention that footnotes can be found in the detailed report.
- AWCBC’s Communications Committee may be consulted to vet KSM highlight report and definitions before they are published on AWCBC website (with CFO Committee retaining final decision making of how KSMs are presented).

ACTION ITEMS:

- M. Beavington and KSM Review Subcommittee to prepare a revised draft highlight report incorporating the changes above.
- L. Trann, M. Beavington and G. Baril to recommend a name for the highlight report.

b) Re-categorization:

See [Appendix B](#) for recommended revised category and subcategory listing and ordering.

IT WAS DECIDED that:

- Categories should be ordered based on public usage (option 1 in meeting materials).
- There will be two main categories: (a) Claims Measures (Claims/Injury Frequency and Severity/RTW) and (b) Financial Measures (Financial; Assessments and Benefits).
- Subcategories will remain the same as in the draft detailed KSM report.

ACTION ITEMS:

- M. Beavington to revise categories to incorporate changes above.

c) KSM 25 time intervals (Percentage of Wage-Loss Claims off Compensation at X days):

IT WAS DECIDED that:

- The 60 day time interval (KSM 25.2) should be discontinued. The 5 remaining time intervals (30, 90, 120, 180 and 360 days) should be kept. No new time intervals should be added.

ACTION ITEMS:

- KSM 25.2 (Percentage of Wage-Loss Claims off Compensation at 60 days) will be recommended to be discontinued.

d) Healthcare and Vocational Rehabilitation KSMs:

IT WAS DECIDED that:

- Healthcare and Vocational Rehabilitation KSMs and IRs should be discontinued.

ACTION ITEMS:

- KSMs 4.1.1, 5.1.1, 7.1.1, IR2.1, IR3.1, IR7 and IR8 will be recommended to be discontinued.

e) Final Recommendation of Measures:

13 KSMs and IRs are recommended to be discontinued. See [Appendix C](#) for complete list of KSMs recommended to be discontinued.

See [Appendix D](#) for complete list of recommendations for all current KSMs (i.e. categorizations and external vs discontinue).

IT WAS DECIDED that:

- Peter Federko will present recommendation of measures to be discontinued at AWCBC Board of Directors meeting in June 2015.
- Definitions should be reviewed for readability and consistency.
- Once final revision of KSM package is complete, it may be beneficial to have Communications Committee review for presentation on AWCBC website. CFO Committee to retain final decisions on how data is presented publicly.

ACTION ITEMS:

- Recommendation to be prepared to present to AWCBC Board of Directors.
- M. Beavington to review KSM Definitions and draft revised presentation of KSM highlight report and detailed KSM report for KSM Review Subcommittee's review.
- Communications Committee to be contacted for feedback on revised KSM presentation.
- WG to consider:
 - Fatality rate: G. Baril to share what QC does for fatality rate per 100,000 workers.
 - Healthcare: Do we need a healthcare measure to replace discontinued healthcare and rehab measures? Is there a better healthcare measure instead (e.g. % change of healthcare costs)?

Item 6: Actuarial Update

Bill Xu, from WCB Alberta presented on bringing actuarial valuation systems out of Excel. See presentation in meeting materials.

Richard Larouche, from Eckler, presented an actuarial update including WCB occupational disease liability trends and emerging issues.

ACTION ITEMS:

- M. Beavington to email R. Larouche's presentation to the Committee.

Item 7: Accounting Update

Laurent Charron updated on the accounting working committee's activities.

Item 8: Terms of Reference Review

IT WAS DECIDED that:

- No changes were required to the Committee Terms of Reference.

ACTION ITEMS:

- M. Beavington to update the review date in the Terms of Reference.

Item 9: Committee Work Plan Update

The following revisions were made to the work plan:

- Mandate:
 - Added: "To monitor national and international financial trends that may impact Canadian WCBs".
 - Removed "and" from "and/or" in "To investigate items of national financial importance, as required and/or requested by AWCBC Executive Committee."
- Activities:
 - Statuses and target dates were updated as required.
 - Removed "timing" from activity 2(c).
 - Revised activity 5 to read: "Continue to explore opportunities of mutual interest to collaborate with IAABC to develop North American KSMs."

Item 10: Roundtable Discussion and Preliminary Financials

Roundtable discussions were held on the following topics:

a) Preliminary Financials:

See Preliminary Financial summary document in meeting materials for details.

Pamela Steer informed the Committee of a new Canadian CFO network being developed as part of the Prince of Whales trust. The initial topic of discussion would be sustainability.

ACTION ITEMS:

- M. Beavington to make the following changes to the Preliminary Financials summary document going forward:
 - Change comprehensive income column to other comprehensive income.
 - Add required rate column to Assessment Rates section.
 - Add a funding target and position chart (similar to Larouche's presentation).
- Committee members to let Pamela Steer know of any suggested topics related to sustainability for Prince's Trust network.

b) Software as a service (SaaS) solutions:

Mark Heywood shared BC's recent experience with financial SaaS solutions.

c) Interest in Canadian version of Oregon's Rate Ranking Study:

Mark Heywood and Gerry Paquette presented on BC's involvement in Oregon's Rate Ranking Study and canvassed whether there was any interest in creating a similar Canadian version to benchmark rates against one another. BC has the ability to produce, house and analyse such a project. Jurisdictions would have to map their industry mixes and provide rates to BC. The estimated workload would be about one week to create the first mapping (then a handful of days to validate remaining maps). After the initial setup it would just be maintaining for changes on an annual basis.

IT WAS DECIDED that:

- Interested jurisdictions to contact Mark Heywood.

ACTION ITEMS:

- Mark Heywood to circulate presentation to committee.

Conclusion

Ron Helmhold thanked everyone for their attendance and participation.

IT WAS DECIDED that:

- There likely aren't enough agenda items to warrant an in-person meeting later this year. A conference call to finalize the KSM Review may be required.

ACTION ITEMS:

- M. Beavington to solicit for agenda topics in early fall to see if there are enough agenda items to warrant an in-person meeting.

Appendix A – Measures to be included in KSM highlight report

The following measures are to be included in the KSM highlight report:

Claims Measures	
KSM 2	Lost Time Claims
KSM 21	Lost Time Injury Frequency (per 100 workers)
KSM 3	Fatalities
KSM 22	Workforce Covered (%)
KSM 25.3	Percentage of Wage Loss Claims off Compensation at 90 Days
KSM 18	Duration (Average - Days)

Financial Measures	
KSM 15	Percentage Funded
KSM 14	Market Rate of Return (%)
IR1	Administration Costs per \$100 Assessable Payroll
KSM 13.2	Average Assessment Rate
KSM 12	Assessable Payroll
IR2	Current Year Benefit Costs Per \$100 Assessable Payroll

Appendix B – Revised Category Listing and Ordering

Here is the revised category listing of KSMs (categories and subcategories):

Claim Measures
• Claims
• Injury Frequency
• Fatalities
• Coverage
• Duration
• Return to Work
• Impairment
Financial Measures
• Funding / Investment
• Admin Costs
• OH&S Costs
• Assessment Rate
• Revenue
• Payroll
• Benefit Costs
• Benefit Liabilities
• Benefit Payments

Appendix C – KSMs Recommended to be Discontinued

The following 13 KSMs are recommended to be discontinued:

KSM	KSM Name
4.1.1	Current Year Health Care and Rehab Benefit Costs Incurred for Assessable Employers
4.2	Current Year Benefit Costs Incurred for Self-Insured Employers
5.1.1	Health Care and Rehab Benefit Payments for All Years Paid During the Year for Assessable Employers
5.2	Benefit Payments for All Years Paid During the Year for Self-Insured Employers
7.1.1	Health Care and Rehab Total Benefit Liabilities for Assessable Employers
7.2	Total Benefit Liabilities for Self-Insured Employers
25.2	Percentage of Wage-Loss Claims off Compensation at 60 days
IR2.1	Health Care and Rehab Current Year Benefit Costs per \$100 Assessable Payroll
IR3	Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Year
IR3.1	Health Care and Rehab Benefit Liabilities as a Multiple of Health Care and Rehab Payments
IR7	Health Care and Rehab Payments as a Percentage of Total Benefit Payments
IR8	Health Care and Rehab Liabilities as a Percentage of Total Benefit Liabilities
26	Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits

Appendix D – Recommended List of KSMs (External vs Discontinue)

Items highlighted below in green are recommended to be kept external. Items in red are recommended to be discontinued.

KSM	Status	New Category	New Subcategory
1	Number of Claims Reported	External	Claims Measures Claims
2	Lost-Time Claims	External	Claims Measures Claims
2.1	Lost-Time Claims - Assessable	External	Claims Measures Claims
2.2	Lost-Time Claims - Self-Insured	External	Claims Measures Claims
3	Fatalities Accepted	External	Claims Measures Fatalities
3.1	Fatalities Accepted - Occupational Disease	External	Claims Measures Fatalities
3.2	Fatalities Accepted - Injury	External	Claims Measures Fatalities
4.1	Current Yr Benefit Costs - Assessable	External	Financial Measures Benefit Costs
4.1.1	Current Yr HealthCare and Voc Rehab Benefit Costs	xDiscontinue	
4.2	Current Yr Benefit Costs - Self-Insured	xDiscontinue	
5.1	Benefit Payments for All Yrs - Assessable	External	Financial Measures Benefit Payments
5.1.1	HealthCare&VocRehab Benefit Payments for All Yrs	xDiscontinue	
5.2	Benefit Payments for All Yrs - Self-Insured	xDiscontinue	
6	Benefit Costs Incurred	External	Financial Measures Benefit Costs
7.1	Total Benefit Liabilities - Assessable	External	Financial Measures Benefit Liabilities
7.1.1	HealthCare and VocRehab Benefit Liabilities	xDiscontinue	
7.2	Total Benefit Liabilities - Self-Insured	xDiscontinue	
8	Admin Costs - Assessable	External	Financial Measures Admin Costs
9	OH&S Costs Paid	External	Financial Measures OH&S Costs
10	Assessment Revenue - Assessable employers	External	Financial Measures Revenue
11	Total Premium Revenue	External	Financial Measures Revenue
12	Assessable Payroll - Assessable employers	External	Financial Measures Payroll
13.1	Actual Avg Assess Rate - Assessable	External	Financial Measures Assessment Rate
13.2	Provisional Avg Assess Rate - Assessable	External	Financial Measures Assessment Rate
14	Market Rate of Return	External	Financial Measures Funding / Investment
15	Percentage Funded	External	Financial Measures Funding / Investment
16	Avg Days fr Injury to First Payment	External	Financial Measures Benefit Payments
17	Avg Days fr Registration to First Payment	External	Financial Measures Benefit Payments
18	Avg Composite Duration of Claim	External	Claims Measures Duration
19	Avg New Impairment Award Percentage	External	Claims Measures Impairment
20	Proportion of Claims Awarded Impairment Benefits	External	Claims Measures Impairment
21	Injury Frequency	External	Claims Measures Injury Frequency
22	Percentage of Workforce Covered	External	Claims Measures Coverage
23	Real Rate of Return to Discount Benefits	External	Financial Measures Benefit Liabilities
24.1	% of LTIs Receiving Wage-loss at end of 2nd yr	External	Claims Measures Return to Work
24.2	% of LTIs Receiving Wage-loss at end of 6th yr	External	Claims Measures Return to Work
25.1	% of Wage-Loss Claims off Compensation at 30 days	External	Claims Measures Return to Work
25.2	% of Wage-Loss Claims off Comp at 60 days	xDiscontinue	
25.3	% of Wage-Loss Claims off Comp at 90 days	External	Claims Measures Return to Work
25.4	% of Wage-Loss Claims off Comp at 120 days	External	Claims Measures Return to Work
25.5	% of Wage-Loss Claims off Comp at 180 days	External	Claims Measures Return to Work
25.6	% of Wage-Loss Claims off Compensation at 360 days	External	Claims Measures Return to Work
26	% of LTC Awarded Long-Term Wage-Loss Benefits	xDiscontinue	
IR1	Admin Costs Per \$100 Assessable Payroll	External	Financial Measures Admin Costs
IR2	Current Yr Benefit Costs Per \$100 Assess Payroll	External	Financial Measures Benefit Costs
IR2.1	HC+Rehab Current Yr Benefit Costs per 100\$ Payroll	xDiscontinue	

KSM		Status	New Category	New Subcategory
IR3	Liabilities as Multiple of Benefit Payments made in Yr	xDiscontinue		
IR3.1	HC+Rehab Liabilities as Multiple of HC+Rehab Payments	xDiscontinue		
IR4	OH&S Costs paid per \$100 of Assessable Payroll	External	Financial Measures	OH&S Costs
IR5	Current Yr Avg Benefit Cost per Lost-Time Claim	External	Financial Measures	Benefit Costs
IR6	Admin Costs per Lost-Time Claim	External	Financial	Admin Costs
IR7	HC+VocRehab Payments as a % of Total Benefit Payments	xDiscontinue		
IR8	HC+VocRehab Liabilities as a % of Total Benefit Liabilities	xDiscontinue		