

Minutes
Financial and Statistical Data Comparability Committee & WCB CFO Meeting
May 17 & 18, 2017
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); Brian Erickson (BC); Mark Heywood (BC); Christine Stratton (NL); Len MacDonald (NT/NU); Pamela Steer (ON); Ernest Chui (ON); Tammy Turner (PE); Anne St-Martin (QC); Guillaume Baril (QC); Ann Schultz (SK); Jim Stephens (YT); Michelle Beavington (AWCBC).

Guests:

Michael Norris (Willis Towers Watson); Trisha LeBlanc and Colin MacLean (Grant Thornton); Crispina Caballero, *via conference call* (CIA WC Committee & WorkSafeNB); Cheryl Tucker (AWCBC).

Regrets:

Laurent Charron (AB); Tim Petersen (NB); Carolyn MacDonald (NB); Paul Kavanagh (NL); Leo McKenna (NS); Carl Gauthier (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

Peter Federko updated on AWCBC Board of Directors and IAIABC activities.

Item 4: Funding Reviews

Lorena Trann led a discussion on Funding Reviews.

Item 5: Reinsurance

Michael Norris and associates, from Willis Towers Watson, presented on Reinsurance. See meeting materials for presentation.

ACTION ITEMS:

- M. Bevington to electronically distribute presentation.

Item 6: Accounting Standards Update

Trisha LeBlanc and Colin MacLean, from Grant Thornton, presented an update of accounting standards including IFRS 9 (Financial Instruments); IFRS 16 (Leases); and IFRS 17 (Insurance Contracts).

ACTION ITEMS:

- M. Bevington to electronically distribute presentation.

Item 7: Accounting Standards Update – General Discussion

There was committee discussion on actuarial standards. Please see Financial Reporting Sub-committee report in meeting materials.

ACTION ITEMS:

- A fall CFO meeting will be arranged to discuss IFRS developments further and to coordinate the work of the Actuaries and the IFRS sub-committee. (See also [Item #13](#))

Item 8: IAIABC Data Project Update

M. Bevington gave an update on IAIABC's Claims Measures Survey including a request from IAIABC that Canadian jurisdictions provide two additional measures: fatality rate and denied claims. As these are not published KSMS, there was no appetite to add these additional measures.

ACTION ITEMS:

- M. Bevington to inform IAIABC that AWCBC will not be able to provide fatality rates and denied claims numbers to IAIABC for their Claims Measures Survey.

Item 9: QuikStats – Annual Review

There was a general review of the content and format of QuikStats. This is a standing item.

IT WAS DECIDED that:

- There will be no revisions or measures added to QuikStats at this time.

Item 10: KSM Review

Lorena Trann led the discussions on KSM items.

(a) Reevaluate “Year at a Glance” Report

For background information, see meeting materials “Year at a Glance Report – Review – May 2017”.

IT WAS DECIDED that:

- Injury Frequency (KSM 21) should be reevaluated to determine if it should remain for assessable employers only or include both assessable and self-insured employer (to be consistent with other “Claims Measures” KSMs).
- KSM 11 (Total Premium Review) will be reevaluted and possibly discontinued as, unlike other “Financial” KSMs which relate only to assessable employers, KSM 11 includes both self-insured and assessable employers.
- For KSM 11, make the Canada total N/A as without Quebec included it appears as if the Total Premium Revenue (KSM 11) is lower than Assessment Revenue for Assessable Employers (KSM 10).
- For KSM measures that are only for assessable employers (e.g. KSM 4, 5, 6, 8), we should add “of assessable employers” to the Intent section.
- KSM 2.1 and 2.2. (Lost Time Claims for Assessable and Self-Insured Employers) should not be discontinued.

ACTION ITEMS:

- Injury Frequency (KSM 21) to be discussed at next meeting (should it include self-insured?)
- Total Premium Revenue (KSM 11) to be discussed at next meeting and possibly discontinued.
- Add “of assessable employers” to intent sections of KSM measures only for assessable employers.
- Make Canada total ‘N/A’ for KSM 11 (Total Premium Revenue)

(b) Outstanding KSM Definition Review

For background information, see meeting materials “KSM Definitions – Outstanding KSM Review Items – May 2017”.

IT WAS DECIDED that:

- Latent occupational disease will be excluded from KSM 4 (Current Year Benefit Costs), KSM 6 (Benefit Costs Incurred) and KSM 7 (Benefit Liabilities).
- For KSM 6 (Benefit Costs Incurred) edit definition to indicate that it is KSM 4 “plus ...”. Remove “as reported in the Annual Report” from Definition section of KSM 6.

- For KSM 7 (Benefit Liabilities) indicate in Definitions that only assessable employers are included.

ACTION ITEMS:

- Edit definitions for KSMs 4, 6 and 7 per decisions above.
- KSM Review Subcommittee to review additional feedback received from WCBs regarding KSM Definitions (mostly minor wording changes that do not affect the calculation of KSMs). If the subcommittee feels an item needs to be discussed by the full Committee, then it will be brought back to entire Committee, otherwise subcommittee will decide whether or not suggested changes should be incorporated.

(c) Reconnect with KSM Working Group

IT WAS DECIDED that:

- To assist in reconnecting with the KSM Working Group (i.e. submitters), KSM submitters who attend the NWISP Committee meetings, should be invited to participate in KSM discussions.

ACTION ITEMS:

- At future All Committee Meetings, invite KSM Submitters attending the NWISP Committee meeting to participate in discussions on KSMs.

Item 11: Terms of Reference Review

As Ron Helmhold’s term is coming to an end as chair, a new vice-chair needs to be selected.

IT WAS DECIDED that:

- No content changes were required to the Committee Terms of Reference.
- Laurent Charron will be the new vice-chair starting in 2018 when Ron Helmhold’s term as chair comes to an end.

Item 12: Committee Work Plan Update

Ron Helmhold led the update to the Committee work plan.

There were no changes made to the mandate, goals or objectives. The following revisions were made to the work plan:

- Activities:
 - Statuses were updated as appropriate.
 - A new category was created for “Ongoing review and maintenance of KSM measures.”
 - New activity added: Explore opportunities to engage KSM WG in discussions on KSMs.

- Updated monitoring of accounting and actuarial developments to include:
 - High level updates on IFRS standards in development (IFRS 9, IFRS 16, and IFRS 17)
 - Draft briefing notes including practical WCB applications and high level outcomes on business (IFRS subcommittee)
- Edited IAIABC item to “Monitoring opportunities of mutual interest ...”

ACTION ITEMS:

- M. Beavington to distribute draft orientation guides to KSM Submitters and Quality Assurance members for feedback.
- AWCBC to draft historical log of KSMs for spring 2018.

Item 13: Actuarial Update

Crispina Caballero from WorkSafeNB and Canadian Institute of Actuaries (CIA) presented via conference call on CIA’s Workers’ Compensation Committee initiatives. See presentation in meeting materials.

ACTION ITEMS:

- A fall CFO meeting will be arranged to discuss IFRS developments further and to coordinate the work of the Actuaries and the IFRS sub-committee. (See also [Item #7](#))

Item 14: Roundtable Discussion

There was a discussion regarding US tax exemptions for workers’ compensation funds. See bclMC briefing note included in meeting materials.

There was a discussion on preliminary financials and major initiatives going on at WCBs. See Preliminary Financial and Major Initiatives summary documents in meeting materials for details.

ACTION ITEMS:

- BC will continue to explore the feasibility of pursuing a US tax exemption.
- AWCBC to add a sub-field for defined benefit pension plan accounting valuation discount rates for 2016 and 2015 to the "Preliminary financials document" in order to further discuss the discrepancies among boards' OCI.

Conclusion

Ron Helmhold thanked everyone for their attendance and participation.

It was concluded that a fall meeting should be called in order to discuss IFRS standards.

ACTION ITEMS:

- A poll will be sent out to determine an appropriate date and location for a possible fall meeting.