

KSM Review Worksheet - Spring 2014 CFO Meeting - Summary of Responses

Indicator Ratios:	Keep External	Keep Internal; Do not Keep External	Do not Keep External; Do not Keep Internal
IR2. Current Year Benefit Costs Per \$100 of Assessable Payroll	4	3	5
IR2.1. (Health Care + Voc Rehab) Current Year Benefit Costs per 100\$ of Assessable Payroll	0	1	11
IR3. Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Year	1	1	10
IR3.1. (Health Care + Voc Rehab) Benefit Liabilities as a Multiple of (Health Care + Rehab) Payments	0	1	11
IR4. Occupational Health & Safety Costs paid by Boards/Commissions per \$100 of Assessable Payroll	4	4	4
IR5. Current Year Average Benefit Cost per Lost-Time Claim	3	4	5
IR6. Administration Costs per Lost-Time Claim	5	5	2
IR7. (Health Care + Voc Rehab) Payments as a Percentage of Total Benefit Payments	0	3	9
IR8. (Health Care + Voc Rehab) Liabilities as a Percentage of Total Benefit Liabilities	0	1	11

Self-Insured KSMs:	Keep External	Keep Internal; Do not Keep External	Do not Keep External; Do not Keep Internal
2.2. Number of New Lost-Time Claims for Self-Insured employers	3	1	8
4.2. Current Year Benefit Costs Incurred for Self-Insured employers	1	1	10
5.2. Benefit Payments for All Years Paid During the Year for Self-Insured employers	0	1	11
7.2. Total Benefit Liabilities for Self-Insured employers	0	1	11

Other KSMs in bottom 10 of 2 or more categories in survey:	Keep External	Keep Internal; Do not Keep External	Do not Keep External; Do not Keep Internal
19. Average New Impairment Award Percentage	4	3	5
20. Proportion of Claims Awarded Impairment Benefits	4	3	5
24.1. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 2nd yr after the injury year	3	4	5
24.2. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 6th yr after the injury year	3	2	7
26. Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits. NOTE: NOT PUBLISHED	1	2	9

Jurisdictional Rationale for Keeping External

Indicator Ratios:

IR2. Current Year Benefit Costs Per \$100 of Assessable Payroll

Intent of Measure:

To measure the fully funded cost of injuries occurring in the year from a rate setting point of view. To provide an indication of what rate should have been charged to finance the cost of injuries occurring in the year when compared to the component for the compensation costs in the provisional assessment rate (available in the Preface Reports). To improve comparability of key statistical measures. Useful for monitoring trends.

Survey Results:

External 4 Internal 3 Don't Keep 5

	Why do you want to keep this KSM?	What's impact if discontinued?
PE	useful as a comparative ratio across jurisdictions	Minimum
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	This fundamental measure allows to compare rate setting (1st component of the average rate) with actual year-end results. Difference between IR2 and compensation cost component of average rate leads directly to operational surplus and deficit, and should be closely monitored.	Nothing except having to calculate the ratio ourselves.
AB	Fully-funded costs and employer insurable earnings are key financial drivers, the ratio providing a cross-jurisdictional comparative base from a rate setting perspective. Easily calculated. Reviewed on occasion by WCB-AB Executive.	Elimination of a key cross-jurisdictional comparative financial metric

IR2.1. (Health Care + Voc Rehab) Current Year Benefit Costs per 100\$ of Assessable Payroll

Intent of Measure:

To measure the fully funded health care and vocational rehabilitation services cost of injuries occurring in the year from a rate setting point of view. To provide an indication of what portion of the rate should have been charged to finance the health care and vocational rehabilitation services cost of injuries occurring in the year. This measure ought to be compared to the component for the total compensation costs in the provisional assessment rate (available in the Preface Reports). To improve comparability of key statistical measure. To improve the understanding of the components of the rate. Useful for monitoring trends.

Survey Results:

External 0 Internal 1 Don't Keep 11

IR3. Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Year

Intent of Measure:

To provide an indication of how many dollars will be paid in the future on average for each dollar paid in the year. To provide an indication of the number of years injured workers would keep on receiving benefits if new claims ceased to appear. Is related to the duration of long-term claims. To improve comparability of key statistical measures. Useful for monitoring trends.

Survey Results:

External  1 Internal  1 Don't Keep  10

	Why do you want to keep this KSM?	What's impact if discontinued?
PE	useful as a comparative ratio across jurisdictions	Minimum

IR3.1. (Health Care + Voc Rehab) Benefit Liabilities as a Multiple of (Health Care + Rehab) Payments

Intent of Measure:

To provide an indication of how many dollars of health care and vocational rehabilitation benefits will be paid in the future on average for each dollar paid in the year. To provide an indication of the number of years injured workers would keep on receiving health care and vocational rehabilitation benefits if new claims ceased to appear. Is related to the duration of claims. To improve comparability of key statistical measures. To improve the understanding of the components of the benefit liabilities. Useful for monitoring trends

Survey Results:

External 0 Internal  1 Don't Keep  11

IR4. Occupational Health & Safety Costs paid by Boards/Commissions per \$100 of Assessable Payroll

Intent of Measure:

To measure the cost of occupational health and safety activities from a rate setting point of view. To provide an indication of what rate should have been charged to finance the cost of occupational health & safety (OH&S) when compared to the component for the OH&S costs in the provisional assessment rate (available in the Preface Reports). To improve comparability of key statistical measures.

Survey Results:

External  4 Internal  4 Don't Keep  4

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	Same rationale as IR2 except IR4 compares with the OHS costs (3rd) component of the average rate.	Nothing except having to calculate the ratio ourselves.
ON	This KSM lets stakeholders know how much of the actual premium rate is outside of the WSIB's control as these amounts are mandated. Also, this indicator ratio is the result of providing KSM OH&S costs and assessable payroll. If KSM OH&S and assessable payroll kept, then this IR is easily produced.	Comparisons with other jurisdictions' actual portion of mandated expenses will be difficult to obtain.
AB	Related to IR2 and factors into the cross-jurisdictional rate comparison the cost of funding prevention activates, as mandated or not. Indicator of level of investment in prevention.	Elimination of a key cross-jurisdictional comparative financial metric

IR5. Current Year Average Benefit Cost per Lost-Time Claim

Intent of Measure:

To measure the average severity per lost-time claim in monetary terms. System cost driver. To improve comparability of key statistical measures. Useful for monitoring trends.

Survey Results:

External  3 Internal  4 Don't Keep  5

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None.
QC	Most straightforward measure of severity. May be useful to answer questions from someone who is not familiar with our business.	Nothing except having to calculate the ratio ourselves.
SK	Publish in our annual report, benchmark to other boards, performance target, Stakeholders request	
AB	Lost-time claims are a main system driver of costs. Higher costs per lost-time claim provides a broad indicator of the severity of the claimant population in any given year. This is particularly true with regards to the provision of healthcare services and related costs as well as future pension related costs (economic or non-economic based).	Loss of a key comparative financial and operational system driver.

IR6. Administration Costs per Lost-Time Claim

Intent of Measure:

To give an indication of the cost of administering the system from the compensation mission point of view measured by the total amount of resources spent per lost-time claim. To improve comparability of key statistical measures. Useful for monitoring trends.

Survey Results:

External  5 Internal  5 Don't Keep  2

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	We have an internal admin costs comparative study that uses this measure. It is updated upon request, every 5 years or so.	Nothing except having to calculate the ratio ourselves.
ON	This indicator ratio is the result of providing KSM administration costs and the number of lost-time claims for rateable employers. If KSM administration costs and LTI kept, then this IR is easily produced.	While WSIB does not use this IR, it will be produced if the KSM administration costs and LTI are kept.
AB	Lost-time claims are a key driver of system costs, incurring significant costs and resources to administer relative to no time-loss claims. This ratio provides a high-level comparative basis with respect to the administrative efficiency of each jurisdiction in managing these types of claims.	Elimination of a key cross-jurisdictional comparative operational metric

IR7. (Health Care + Voc Rehab) Payments as a Percentage of Total Benefit Payments

Intent of Measure:

To improve the understanding of the structure of the benefit payments. Useful for monitoring trends.

Survey Results:

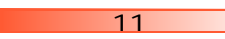
External 0 Internal  3 Don't Keep  9

IR8. (Health Care + Voc Rehab) Liabilities as a Percentage of Total Benefit Liabilities

Intent of Measure:

To improve the understanding of the structure of the benefit liabilities. Useful for monitoring trends.

Survey Results:

External 0 Internal  1 Don't Keep  11

2.2. Number of New Lost-Time Claims for Self-Insured employers

Intent of Measure:

To measure the volume of compensated lost-time claims resulting from injuries, which occurred in the reference year, and diseases, which were diagnosed/reported in the reference year. Also a system cost driver.

Survey Results:

External  3 Internal  1 Don't Keep  8

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None.
QC	<p>- The total number of claims (KSM 2.1 + 2.2) is a fundamental measure that is used in the calculation of other KSMs.</p> <p>- Claims in general are also used to put other measures in perspective, like we do with IRs. While some KSMs refer to assessable employers exclusively, or to both types of employers separately, others KSMs (like admin costs) sometimes cannot be separated. For instance, if admin costs per lost time claims (IR6) was based only on claims from assessable employers, it would be unfair to jurisdictions that spend 30% of their admin costs on self-insured employers.</p> <p>- As long as it remains a part of the NWISP program, it seems coherent to keep it as a KSM as well, and it requires no effort to produce.</p>	<p>Self-insured employers represent a significant portion of the business in some jurisdictions, namely ON and NB. Losing that information will hinder comparability with these jurisdictions in many ways.</p>
ON	<p>This is a key cost driver of the system. Schedule 2 employers are key interest groups for WSIB. Keeping this KSM is also consistent with WSIB corporate metrics since this is included in the published document "By the Numbers".</p>	<p>Comparisons with other jurisdictions on Lost -Time Claims for Self Insured employers will be difficult to obtain and there is already minimal information available for this employer group.</p> <p>This data is also available through National Work Injuries Statistics Program (NWISP). NWISP summarizes the information on all the lost -time injuries and diseases that were accepted by boards and commissions and prepares reports. Since March 1996, the Association of Workers' Compensation Boards of Canada (AWCBC) assumed the responsibility for NWISP. Retaining this information as an AWCBC KSM ensures alignment to the data available through NWISP.</p>

4.2. Current Year Benefit Costs Incurred for Self-Insured employers

Intent of Measure:

To measure the cost of benefits related to injuries and diseases that occurred in the year.

Survey Results:

External  1 Internal  1 Don't Keep  10

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None.

5.2. Benefit Payments for All Years Paid During the Year for Self-Insured employers

Intent of Measure:

To measure payments made for compensation during the year.

Survey Results:

External 0 Internal  1 Don't Keep  11

7.2. Total Benefit Liabilities for Self-Insured employers

Intent of Measure:

To measure the liabilities related to benefits of self-insured employers.

Survey Results:

External 0 Internal  1 Don't Keep  11

Other KSMs in bottom 10 of 2 or more categories in survey:

19. Average New Impairment Award Percentage

Intent of Measure:

To provide a system measure of injury severity. One of two measures used to monitor trends in permanent impairment awards over time. System cost driver.

Survey Results:

External  4 Internal  3 Don't Keep  5

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	-Although the impairment percentage awarded is not really comparable, its evolution over time is meaningful. -It is one of only 2 measures that pertains to permanent impairment and although it is not a hot issue right now, it may become one in the future. -With number of small claims going down across the country, the relative severity is expected to go up. However we see decreasing KSM 19 in some jurisdictions and it seems relevant to keep monitoring this.	-If a question comes up, or an issue arises in a jurisdiction, we would have no information with respect to the level of permanent impairment. -If a jurisdiction changes any of its policies with respect to permanent impairment we would probably not know about it and may miss an opportunity to share a good practice.
AB	An impairment award is assigned on a non-economic basis to compensate for a reduction in one's quality of life resulting from a workplace injury. Awarded on a percentage basis according to the degree of permanent clinical impairment, may be considered an estimate of injury severity from a non-economic perspective. One of the few currently available metrics for measuring injury severity.	Elimination of a comparative severity metric. Assumed to be relatively stable cross-jurisdictionally given the assignment of clinical ratings based on the application of the AMA guidelines for impairment rating.
YT	used to see if Yukon trend has changed	will not be able to spot trends or anomalies

20. Proportion of Claims Awarded Impairment Benefits

Intent of Measure:

To provide a system measure of injury severity. One of two measures used to monitor trends in permanent impairment awards over time. System cost driver. Also used to monitor trends in permanent impairment awards over time.

Survey Results:

External  4 Internal  3 Don't Keep  5

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	-Although the impairment percentage awarded is not really comparable, its evolution over time is meaningful. -It is one of only 2 measures that pertains to permanent impairment and although it is not a hot issue right now, it may become one in the future. -With number of small claims going down across the country, the relative severity is expected to go up. However we see decreasing KSM 19 in some jurisdictions and it seems relevant to keep monitoring this.	-If a question comes up, or an issue arises in a jurisdiction, we would have no information with respect to the level of permanent impairment. -If a jurisdiction changes any of its policies with respect to permanent impairment we would probably not know about it and may miss an opportunity to share a good practice.
AB	Related to item 19 and is a high-level severity indicator which measures the proportion of a given jurisdiction's claimant population with some newly assigned clinical impairment.	Elimination of a comparative severity metric. Assumed to be relatively stable cross-jurisdictionally given the assignment of clinical ratings based on the application of the AMA guidelines for impairment rating.
YT	used as to see if Yukon trend has changed	will not be able to spot trends or anomalies

24.1. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 2nd yr after the injury year

Intent of Measure:

To provide a system measure of the persistency of claims on wage-loss benefits. Is related to the severity of claims. To measure the extent to which injured workers are unable to return to work in the longer term. System cost driver.

Survey Results:

External  3 Internal  4 Don't Keep  5

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	-The claims identified in KSM 24.1 typically represents more than 50% of the claim cost. We want to monitor these claims closely because they have a direct impact on the claim cost. -KSM 24.1 and 24.2 are very simple severity measures that all jurisdictions can publish. The fact that ON does not publish an average duration (KSM 18) makes this measure even more important. It is one of the very few way we can compare our severity with that of ON.	-We would no longer be able to track the evolution of severe claims in other jurisdictions and see if our trends are unique or not. -Another example of KSM 24 value is to help identify major policy changes. For instance, ON's KSM 24.1 has decreased sharply in 2011 and 2012 and looking into that we learned there was some major changes with respect to their Labour Market Re-entry program. This might have gone unnoticed otherwise.
YT	long term wage loss is a major cost driver. Monitoring trends and relationships to other boards help identify if corrective action is required. It can also be used to support legislative changes if Yukon's costs are out of line to national costs.	will not be able to spot trends or anomalies

24.2. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 6th yr after the injury year

Intent of Measure:

To provide a system measure of the persistency of claims on wage-loss benefits. Is related to the severity of claims. To measure the extent to which injured workers are unable to return to work in the longer term. System cost driver.

Survey Results:

External  3 Internal  2 Don't Keep  7

	Why do you want to keep this KSM?	What's impact if discontinued?
NS	Simple to calculate, widely used, relevant	None initially. I expect periodically we'll get asked to provide comparison to other jurisdictions and will have to survey.
QC	-The claims identified in KSM 24.1 typically represents more than 50% of the claim cost. We want to monitor these claims closely because they have a direct impact on the claim cost. -KSM 24.1 and 24.2 are very simple severity measures that all jurisdictions can publish. The fact that ON does not publish an average duration (KSM 18) makes this measure even more important. It is one of the very few way we can compare our severity with that of ON.	-We would no longer be able to track the evolution of severe claims in other jurisdictions and see if our trends are unique or not. -Another example of KSM 24 value is to help identify major policy changes. For instance, ON's KSM 24.1 has decreased sharply in 2011 and 2012 and looking into that we learned there was some major changes with respect to their Labour Market Re-entry program. This might have gone unnoticed otherwise.
YT	long term wage loss is a major cost driver. Monitoring trends and relationships to other boards help identify if corrective action is required. It can also be used to support legislative changes if Yukon's costs are out of line to national costs.	will not be able to spot trends or anomalies

26. Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits. NOTE: NOT

Intent of Measure:

To provide a system measure of the prevalence of long-term wage loss. Is related to the severity of claims. Used to monitor trends in long-term wage loss. System cost driver.

Survey Results:

External  1 Internal  2 Don't Keep  9

	Why do you want to keep this KSM?	What's impact if discontinued?
YT	long term wage loss is a major cost driver. Monitoring trends and relationships to other boards help identify if corrective action is required. It can also be used to support legislative changes if Yukon's costs are out of line to national costs.	will not be able to spot trends or anomalies

Jurisdictional Responses

	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
Indicator Ratios:												
IR2. Current Year Benefit Costs Per \$100 of Assessable Payroll	Internal	External	External	Don't Keep	External	Don't Keep	Don't Keep	Don't Keep	External	Don't Keep	Internal	Internal
IR2.1. (Health Care + Voc Rehab) Current Year Benefit Costs per 100\$ of Assessable Payroll	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
IR3. Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Yr	Don't Keep	External	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
IR3.1. (Health Care + Voc Rehab) Benefit Liabilities as a Multiple of (Health Care + Rehab) Payments	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
IR4. Occupational Health & Safety Costs paid by Boards/Commissions per \$100 of Assessable Payroll	Internal	Internal	External	Don't Keep	External	External	Don't Keep	Internal	External	Don't Keep	Internal	Don't Keep
IR5. Current Year Average Benefit Cost per Lost-Time Claim	Internal	Don't Keep	External	Don't Keep	External	Don't Keep	Don't Keep	Internal	External	Don't Keep	Internal	Internal
IR6. Administration Costs per Lost-Time Claim	Internal	Internal	External	Don't Keep	External	External	Don't Keep	External	External	Internal	Internal	Internal
IR7. (Health Care + Voc Rehab) Payments as a Percentage of Total Benefit Payments	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep	Don't Keep	Internal	Internal
IR8. (Health Care + Voc Rehab) Liabilities as a Percentage of Total Benefit Liabilities	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep

Self-Insured KSMs:	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
2.2. Number of New Lost-Time Claims for Self-Insured employers	Don't Keep	Don't Keep	External	Don't Keep	External	External	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
4.2. Current Year Benefit Costs Incurred for Self-Insured employers	Don't Keep	Don't Keep	External	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
5.2. Benefit Payments for All Years Paid During the Year for Self-Insured employers	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep
7.2. Total Benefit Liabilities for Self-Insured employers	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep

Other KSMs in bottom 10 of 2 or more categories in survey:	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
19. Average New Impairment Award Percentage	Don't Keep	Internal	External	Don't Keep	External	Don't Keep	Don't Keep	Internal	External	Don't Keep	External	Internal
20. Proportion of Claims Awarded Impairment Benefits	Don't Keep	Internal	External	Don't Keep	External	Don't Keep	Don't Keep	Internal	External	Don't Keep	External	Internal
24.1. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 2nd year after the injury year	Internal	Internal	External	Don't Keep	External	Don't Keep	Don't Keep	Internal	Don't Keep	Don't Keep	External	Internal
24.2. Percentage of Lost-Time Claims Receiving Wage-loss Benefits at the end of the 6th year after the injury year	Don't Keep	Internal	External	Don't Keep	External	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	External	Internal
26. Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits. NOTE: NOT PUBLISHED	Internal	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Don't Keep	Internal	Don't Keep	Don't Keep	External	Don't Keep