2020 preliminary rate information meeting for 2021 rates

Oct. 28, 2020

Questions and answers

Moderator

Why was a 10 per cent cap selected?

Phil Germain

A 10 per cent cap was implemented for a couple of different reasons. We have seen in the past some pretty significant increases and decreases in particular rate codes. And AON has advised us that other jurisdictions use a cap to smooth out increases or decreases over time, so that's one factor. And it's something that we will be looking at, not just on a one-year basis. That 10 per cent cap is a temporary change. We will look at something like that maybe going forward as a consideration based on AON's recommendation. But then, secondarily, even at $1.17, without a cap we could have seen some rate codes go up quite a bit. And some of the rate codes that are hit hardest by payroll reductions could have been hit hardest by premium rate increases. And because the pandemic was a shutdown of some industries, we felt it was important to mitigate any increase going to any particular rate codes. Hopefully, that answers your question. VPs, do you have anything else to add?

Kevin Mooney

I think you have covered it off, Phil. It's just, you know, under the 10 per cent cap it was more reflective of the experience. And so, I think you have covered it off there.

Moderator

How much will WCB cover for a wage loss considering that the funding will reduce?

Phil Germain

The coverage for wage loss is not changing. In fact, it's going up from $88,000 to $91,100. So, the way we make wage loss payments to injured workers and the way we cap wages for employers will still be dealt with in the same way.

Sandra Cripps
I am interested to know when the last sustainability study was completed and if the impact from COVID is an influencer.

Phil Germain
I think anytime you have a major shift that you don't anticipate, I think you need to step back as an organization, like WCB, because we have the fund. The fund is invested in a way that reduces any losses to that fund, and get a certain return so that we can pay for the future costs of claims. So, when somebody is injured or the premiums that employers pay us in a given year aren't spent in that year, a portion of that premiums is set aside and invested. Because claims don't start and end within a calendar year. Somebody might be injured today and they might need medical aid or compensation or both, rehabilitation, for the next eight months, they might need it for the next 50 years, we don't know. So, the actuarial model says, "Here is how much money you probably need to set aside. If you invest that and get a certain rate of return you should be able to cover off all of the costs associated with claims within that year." What the rate sustainability model looks at is a number of different factors. Certainly, COVID is an impact, but it's not the only one. We also have an IFRS new standard coming in. It's just good practice every few years to look at what you are, how you are investing and managing the fund overall and making sure that your assets line up with your liabilities. Crystal, do you have more detail or a different way of explaining that?

Crystal Nett
I think you did a great job, Phil. The only thing I would add is, we are anticipating that the sustainability study would have just a little bit broader mandate than the historic asset liability studies that have been conducted. And we just think it's a good time to move to that model based on advice from our external actuary.

Moderator
I think what Sandra was looking for is also when, what was the date when the last one was done, the last sustainability study.

Phil Germain
The asset liability study, which Crystal has pointed out, is not 100 per cent the same but very

close to a sustainability study that was done in ’14, ’15, ’16, with changes implemented I think in ’17.

Moderator

Will the WCB consider a hold in 2022 if things do not get better? Will there be gradual increases to the board level rate over time or will things revert to normal in 2022?

Phil Germain

Okay, thanks for that question. As we indicated kind of throughout the presentation, we are going to monitor the situation. At the end of the day if things track the way they are – right now we are not anticipating holding the premium in 2022 or easing increases into rate codes in 2022, but we are going to monitor all the factors involved from investments, to payroll, to claims costs. And, we may have a different decision to make at this time next year, but for now we are not anticipating holding the 2022 premium rate or gradually increasing premium rates over time.

Kevin Mooney

Phil, I would just add to that, that we do have a collaborative group of finance folks in employer services, a cash flow committee, that meets on a regular basis, and we are reviewing a number of economic factors ongoing and one of those factors includes the revision of payrolls. So as Phil talked about earlier in the presentation that payroll revisions were revising in the negative for a number of months there from March to the end of September, October is looking good. We are starting to see positive payroll revisions coming in now, too, so it’s kind of an early sign that employer confidence is starting to improve. But we will continue to monitor the economy and make decisions accordingly.

Moderator

We question from Jennifer. Her question is, “Will there be a tutorial or a webinar available to users to explain the 2021 moving to the paperless method, to help navigate using it?”

Kevin Mooney

All I have right now, is that we are posting right after the presentation, like you mentioned, it’s the individual industry rate statements. I know this is our first year going to paperless due to COVID and other reasons. I think it’s a good suggestion, I think it’s something that we should consider and put a short explainer video or something on the website to explain it.

Moderator

Barb has a question here: “I am curious about other jurisdictions and whether there are trends elsewhere showing a plateau of injury stats or whether trends point upward or downward in other locals.”

Phil Germain

When I speak to other jurisdictions across Canada and North America, most jurisdictions are seeing a flattening of injury rates, and in particular an ongoing what I will say a stubbornly high fatality rate. It’s something that we have discussed. Now it’s not, that’s not specific to every jurisdiction, but for the most part we are seeing a flattening of injury rates across North America and little to no improvement on the reduction of fatalities.

Kevin Mooney

Just to add to that, Phil, I am hearing the same conversation when I talk to my counterparts across the country and with other jurisdictions, where we have seen significant reductions in time loss injury rates and total injury rates over the last decade, but to Phil’s point we have not had the same level of performance as it relates to workplace fatalities and serious injuries. So, there is a lot of emerging research coming out around changing a focus and focussing more on the reduction of serious injuries. And what some of the early research is showing is that employers that do that, the workforce becomes more (INAUDIBLE) to understanding (INAUDIBLE) in the workplace and that has a compounding effect which not only further reduces serious injuries and fatalities but reduces other types injuries kind of breaking through that plateau.

Moderator

We have another pre-submitted question: “What is the WCB doing to help employers get injured workers back to work as soon as it’s medically safe?”

Jennifer Norleen-Beitel

Sure, I certainly can. I think I was on mute there for a second. There is two pieces to this. I spoke a little bit to our claims transformation, so there’s a little bit of a longer term. In the short term we are really focussed on getting enough information from the care providers on restrictions as we can to be able to partner with employers and workers on that. Also, 2020 is an anomaly year. There were a number of impacts because of COVID, that impacted our abilities. So, when we had a bit of a shutdown and you couldn't access treatment, we are still kind of working through those backlogs, yet there's not many left that are there. But, we have to make sure that we can get the workers into the appointments that they need to be able to be seen in order for us to be able to move forward with some of that. So, there is kind of two pieces to the story. 2020 is a little bit of a challenging year because of COVID, but if we kind of set that off to the side as we look towards our claims transformation our intent is that we are getting to the claims as quickly as we possibly can, that we are engaging all the partners in conversations and collaborative dialogue so that we can establish what workers might be able to still do at the workplace, and get them there as quickly as we can. And, key to our future is that relationship piece and making sure that we are building trusting relationships with all parties involved in the process as we move forward.

Moderator

Another pre-submitted question, "Does the WCB have plans to increase the discounts and surcharges in the experience rating program?"

Phil Germain

At this time, we have no plans. We have a process that we periodically go through that reviews the experience rating program. As Kevin pointed out, it's likely we are going to have a Committee of Review starting sometime in the near future, maybe 2021. And so, our thought is it's possible that that could get discussed through the next Committee of Review. If not, then we may strike a subcommittee to start to look at the experience rating program. So there hasn't been any major changes I think since 2017, through customer feedback we made sure that claims where that time spent attending medical appointments wouldn't be considered time loss for the purposes of experience rating and rate setting. Especially if you are a small employer and had a positive impact on many employers' experience overall. So, those were the last changes, and we have no current changes in the hopper, but we will be looking at that over the next few years either through the Committee of Review or potentially a separate committee.

Moderator

We have got another question here from Terez: "What cost relief is going to be applied to those claims where workers cannot return to work as they were waiting for surgery which was cancelled?"

Phil Germain

We have a couple of different documents on the website and that the board had made a decision to assess workers and employers through COVID. One was that any COVID-related claim and associated costs would come off an employer's experience assuming the employers were at least reasonably attempting to meet all the protocols. If an employer was completely ignoring protocols, then we do have a mechanism to put those claims and claims costs back onto an employer's file. We haven't had to do that yet, but that still may happen. Secondarily, the other decision is as it relates to cost relief, so to speak, for COVID-related claims, the board also looked at and agreed that any claims that were extended because of COVID, meaning they couldn't access health care services and/or could not access a workplace for return-to-work because the workplace was shut down or there were job losses, those types of things, those costs would not directly impact the employer, those costs would be eligible for cost relief for the period by which COVID is impacting that claim.

Kevin Mooney

I would just add, Phil, that it won't affect an employer's safety rating either as it relates to the COVID-related claims. So, the ones that we are giving 100 per cent cost relief for, those ones show up on the employer's statement. I know that was another common concern from the employer community when they are bidding for work and whatnot, that these claims might adversely affect their ratings, but they won't. And then, I think you have covered everything off but the partial cost relief for current claims that are extended due to COVID reasons and the slowdown in the health care community. Nothing else to add.

Jennifer Norleen-Beitel

The other piece that I would just add is that there is currently around 700 claims that have been identified as being impacted, so it kind of gives you a little bit of an idea as to the quantity that we are looking at related to this.

Moderator

We have another question here from Sandra, and Gord, this one is for you: "If you could give just an update on the appeals for this year?"

Gord Dobrowolsky

Sandra, thanks for that question. I have some approximate figures for you, but I certainly could give you some more exact figures after the meeting by way of an email. But the Board Appeal Tribunal has been very active by teleconference with hearings since approximately March 16th. Every hearing since then for those appellants that want it have had a teleconference hearing unless they want what we call is a non-hearing or a paper review, and the tribunal, quite frankly, is doing very well in lowering of the waiting times for appellants. And I believe the September statistic for a turnaround time for appellants was around 120 days, which is certainly within our acceptable level, that's for sure. But, again, Sandra, I can give you, I will get you more specific information by way of email stating the number of hearings that we have had since March 16th or thereabouts and certainly from the beginning of the year. But COVID-19 has certainly eliminated in-person hearings since the middle of March and will continue to do so until to do so until we feel it's safe to have in-person hearings. So, again, thanks for that question, Sandra.

Moderator

We have a question here from Steve: "If an employee feels they have contracted COVID during their working shift, should they make a WCB claim?"

Phil Germain

Yes, they should. And then there is a process by which we confirm: a) the individual has COVID; and then b) contact tracing to confirm whether or not it was in fact contracted through the workplace. Right now I don't know the numbers but I think the majority of what I will say is denied COVID claims, I think about almost 100 per cent -- it's not quite, but almost 100 per cent don't have COVID. So, the first step is getting them tested. So they should submit, they get tested, confirm whether or not they have got COVID, if they've got COVID we have a contract tracing process in order to confirm whether or not it was work-related.

Moderator

I have another pre-submitted question: "As an employer we don't always know where to focus our prevention efforts. Does the WCB have information on the causes of serious workplace injuries in the province?"

Kevin Mooney

We have got lots of resources. WorkSafe Saskatchewan is a good place to start, and that's the partnership between the WCB and The Ministry of Labour Relations and Workplace Safety. As mentioned earlier, we do have a three-year strategy that outlines key targets and accidents related to serious injuries and fatalities, and we worked with industry, the employer groups, and labour, and others, to develop those objectives. The serious injury part of the strategy focusses on a couple of different industries right now: health care; transportation; public safety; personnel; construction and manufacturing, which has some of the highest work-related serious injuries. It also prioritizes other areas, we are focussed on hand injuries, hand serious injuries in manufacturing, that sort of thing. You can learn more about the strategy on WorkSafe Saskatchewan. We do have that posted on the website. And we are looking to engage with stakeholders in the new year to focus on other areas. As mentioned in my presentation as well, we do offer services, training services, we train Occupational Health & Safety Committee members, supervisors. We have a number of free online training courses on WorkSafe Saskatchewan related to inspections, investigations, mental health, etc.

We have formed partnerships with the University of Fredericton to offer us highly subsidized training related to psychological health and safety. We do WorkSafe safety management system assessments. So, we come out and do a gap assessment on your safety management system, and provide guidance and assistance with addressing the gaps that you might have. We do have return-to-work resources. I would say that that's probably a resource that's maybe underutilized by employers, so there is further opportunity there where we can do a bit of a gap assessment and provide assistance with some of the fundamentals there on how an employer can safely return a person back to work, and develop modified duties and good reporting and all that good stuff. So, I would encourage you to go to the website as a good place to start, otherwise you can reach out to our prevention department for more details. And we also have our Employer Resource Centre which is the 1-800 number on our website which can field a number of prevention-related questions you might have.

Phil Germain

Kevin, can we post the phone numbers that employers can call if they believe they have had what we would consider a serious injury, just to talk to a prevention consultant or an account manager about looking at root causes or things like that?

Kevin Mooney

Yeah, we are just finishing up our pilot with health care and refining our process. And so that's going to be a – it's a coaching process to help employers through the five y's, you know, get to root causes of serious injuries. And then we offer a systematic kind of hazard control recommendation. I think we should post that information on there, because as we have alluded to throughout this whole presentation is collectively as an employer community if we can all focus on those 2,500 serious injuries and really get focussed on identifying those root causes and developing strategic partnerships to address those root causes, not only are we going to reduce the harm that is realized by the workers that have a serious injury, but we saw the business side too, right, 85 per cent of our costs. So, the entire health of the system kind of depends on it as well. Yes will put that information on there.

Moderator

There is a follow-up question from Naomi about the COVID testing: "So, an employee should start a WCB claim prior to their COVID test if they believe they have contracted COVID at the workplace and then rather than starting it after the positive test result has been confirmed?"

Phil Germain

Yeah, you can submit your claim information at any time. You can go for your COVID test. You don't have to wait for our permission for a COVID test. I would say if you suspect you have COVID for any reason, go get tested. You could submit -- at any point in time if you think it's maybe work-related you can submit a W1 or pick up the phone. There are phone numbers that you can call and talk to our claims area to get more specific direction or instructions. But I wouldn't wait for any type of testing and/or wait to submit. There is no harm in submitting to us and then if we confirm you don't have COVID or confirm it's not work-related nobody is out anything, but the quicker we get on these things the quicker we can help resolve them.

Jennifer Norleen-Beitel

The only thing I would add is if you think you have been exposed, the first step is to go and get that test, right, in order for us – for us to be even considering whether something is work-related there needs to be that confirmed diagnosis, at the end of the day. So, going for that step and then whether you are submitting that claim immediately thereafter, that's just fine. We are here, we are happy to help.

Moderator

Another pre-submitted questions and then we have another question coming in from Rokshana. "How is the maximum assessable wage rate determined?"

Kevin Mooney

The maximum assessable wage rate is determined by a number of economic indicators such as the inflation rate and the consumer price index. So, the maximum amount per employee may change from year-to-year. And Phil talked about that, how at 2020 it was 88,906 I believe, and for 2021 it's going to be right around I think 91,000. And that's related to provincial legislation requires us to set a maximum assessable wage rate annually.

Moderator

Another pre-submitted question. It says, "Do we pay premiums on the full salary of each of our employees?"

Phil Germain

You do up to the maximum. So if the maximum is 91,100 -- if all your workers are let's say getting paid under whatever the 2021 number is 91,100 I think it is, if all your workers are under that amount you would submit full wages, those full wage numbers. But if you have a number of workers making over that cap, the 91,100, you only pay premiums on the first 91,100.

Kevin Mooney

Yeah, and I would just maybe add to that, that's a common error that we see when people are reporting payroll, is folks reporting more than the max assessable. And I think sometimes even like as we dig into some of those root causes, even some of the payroll systems that the organizations are using, sometimes some of the controls are maybe set for a BC WCB or a different province. I really look forward to if folks on the phone have ideas on how we could better educate and provide awareness around this, I think there could be a win-win here.

Moderator

We have a question from Rokshanna. "Employees who have a precondition or are vulnerable, would WCB cover them even though as an employer we have all security measures put in place?"

Jennifer Norleen-Beitel

What we are looking for when we have a claim submitted is whether the injury arose out of and in the course of employment, and we actually have a policy around pre-existing conditions, there. The worker's pre-existing condition isn't necessarily considered in the initial determination to accept the claim, but it will determine ongoing responsibility. We need to take the appropriate measures for all individuals in our workplace to ensure that we are providing the appropriate safety precautions. Recognizing that there may be some that are more susceptible to things than others, we might need to adapt accordingly. But we do certainly have this particular policy related to pre-existing conditions which speaks to aggravating the pre-existing condition or accelerating it. And I can certainly follow up, Rokshanna, to provide you with a little bit more information on that following the event.

Moderator

We have a question here from Lori: "If coworkers practice social distancing at work and are effectively protecting each other from COVID, but they also live together, if they have contracted COVID from each other would this be accepted as a WCB injury, as they got it from their co-worker/housemate?"

Jennifer Norleen-Beitel

That's a really good question. We have to sift through the scenarios that are presented, and what we are really trying to understand is if there was potential exposure within the workplace. If there was exposure within the workplace is the starting point, then that might indicate that both end up with it from a certain way, but there's a certain investigation that will be undertaken when we reviewing these claims to help us understand if it's more likely than not that the exposure occurred in the workplace versus outside in the personal space. So that one in particular, we would have to work through the details around that just to understand what are the patterns for the individuals. If they are only ever leaving their house to go to the workplace, that's one thing, versus if they are out in the public a little more frequently. So, it will depend on the specific circumstances. But that one would be one that would be, we would need to be asking some different questions given that particular circumstance, for sure. In the event that it's hard to tell, if it's more likely, then we would give benefit of the doubt to the workplace exposure being there. But again, I don't want to just say yes, that's what it would be. We would have to look at the specific circumstances.

Phil Germain

I was just going to add – and I don't think it was the exact question that you are asking, but just as an example. We have had situations where two workers have been found to have had COVID in the work environment that hang out quite a bit together, but the contact tracing showed the first individual actually caught it at a barbeque or a lounge or a party and brought it into the workplace and gave it to the second one. So, the first person, it's not a work-related COVID case, the second one, because they contracted it in the work environment while working, is a work-related COVID case. So, as Jennifer pointed out, one of those two individuals that cohabitate together, one of them would have gotten it from somewhere. We would start from that point and figure out, where did that happen, how did that happen, was it in the workplace, was it not, and go from there.

Moderator

We have another question here: "It's my first year with WCB, as a small business, and last year the previous owner had an estimated payroll and I increased that estimated payroll for this year. If the payroll is less than the estimated, would we get a refund? I'm not sure how WCB works."

Phil Germain

Yes you would. Anytime you know that your estimate is inaccurate, especially as you get closer to the end of the year, contact employer services and let them know what your new estimate is or potentially what your actual was likely to be, and we can adjust that accordingly. If you have paid us too much, then we will return premiums if we can confirm that at the end of the day your estimate was too high.

Moderator

A question here from Jessica: "What is the max. assessable earnings forecast? With COVID and the effects of the economy, some industries have experienced wage reductions. Would that be considered for future max. earnings calculations?"

Phil Germain

If we have a situation that COVID caused enough layoffs, caused the average weekly wage to not increase, we obviously wouldn't increase the average weekly wage. This year, surprisingly throughout COVID approximately 80 – and I heard last night 87 per cent, so somewhere in that range – of workers continued to work through COVID. And a lot of those were higher wage earners that continued to work. If there no increase, then we don't automatically increase the maximum assessable wage rate, but in this case using the figures that we got from Stats Canada in March we were able to show that there had been an increase from 2019 to 2020 of about 2.5 per cent.

Moderator

The final submitted question: "Will any part of the 13.4 million be charged to industry in the future or is it a full subsidization with no strings attached?"

Phil Germain

We are not anticipating recovering that 13.4 million. We are proposing to take it out of the fund. Now, obviously that decreases our funded ratio, it gets us closer to the minimum amount that we need legally by legislation to be funded, but assuming we don't go below 105 per cent funding, we have at this point no reason to try to get that money back. Right now, that 13.4 million we are anticipating is just an offset of costs to employers and we are not expecting to recover that money back.

Kevin Mooney

If I could, just a point of clarification related to the question earlier about a tutorial online? We will have the individual employer rate statements available online December 7th. So, I just wanted to add that as well.

Moderator

And I think it requires a secure online account in order to access that area.

Kevin Mooney

Correct.

Gord Dobrowolsky

If there are no other questions, I will just wrap up today's session. First of all, I want to thank that one question that was submitted about the tribunal. For those of you that are not aware, tribunal work encompasses over two-thirds of what this board actually does. One-third is governance and two-thirds is tribunal work. And we seldom get questions on our tribunal work, so I do appreciate that one question that we received. And as I mentioned, Sandra, we will get you further information on what we have been doing, for sure. So, with that, ladies and gentlemen, all 300 approximately of you that joined us today, we certainly hope that you found the session worthwhile and informative. And again, we thank you for taking the time to join us today and for your attention to this important meeting and information.

Thank you also for all of your continued efforts to help keep Saskatchewan achieving zero workplace injuries and to help keep everyone safe on the job and at home. Speaking of injury prevention, we encourage you to join us on December 3rd in Regina for WorkSafe Saskatchewan's second annual one-day Psychological Health and Safety Learning Event. Speakers include mental health experts from the national stage and Saskatchewan employers sharing their lessons learned following the launch of successful workplace mental health initiatives. Registration opens on October 30th, and you can find more information at www.worksafesask.ca.

So again, the board and the executive thank you for joining us today. And in this day and age of COVID-19 we wish you a safe and healthy day and a safe trip home wherever you might be going. So, with that again we sincerely thank you.