

A Small Business Assessment of Workers' Compensation: British Columbia Summary¹

The Canadian Federation of Independent Business' (CFIB) 2015 *Small Business Workers' Compensation Index* provides a comparative analysis of all the Canadian workers' compensation systems through the lens of the small business owner. This research encompasses 35 indicators in seven major areas of workers' compensation: cost of premiums; claims management; experience rating; classification and assessment; coverage; long-term fiscal sustainability; and customer service. It should be noted that the system is inclusive of provincial workers' compensation boards and other regulatory bodies that play a role in overseeing some aspect of the workers' compensation system. This is the second edition of the *Index*. The first edition was published in 2011.

Overall Index Scores, workers' compensation boards, 2015 (10 is best; 0 is worst)

Best (10)	Province	Overall Index Scores	Cost of Premiums	Claims Management	Experience Rating	Classification and Assessment	Coverage	Long-Term Financial Sustainability	Customer Service
	NB	7.00	8.5	4.5	6.8	8.3	7.1	6.9	5.4
	PEI	6.69	5.2	10.0	4.0	10.0	5.1	5.7	8.6
	AB	6.35	8.7	4.5	6.7	6.6	2.9	7.0	3.8
	NS	5.86	4.2	7.0	7.4	6.5	8.3	3.6	3.5
	BC	5.70	5.6	5.4	9.4	5.8	1.6	7.7	1.8
	NL	5.61	4.1	6.7	7.3	4.1	5.6	9.8	3.0
	SK	5.17	6.6	4.8	4.1	6.0	3.3	5.0	3.5
	MB	5.15	6.9	4.2	6.9	3.7	1.6	6.8	1.8
	QC	4.30	2.8	4.4	5.3	5.2	1.9	10.0	5.5
Worst (0)	ON	3.59	4.3	5.1	0.2	4.3	4.7	2.6	0.5

For the 2015 *Index*, British Columbia's (BC) workers' compensation system ranks in 5th place with an overall score of 5.70 out of 10. The board has dropped two ranks overall since the 2011 report, bumping it out of the 'top three' position. Additional insight as to why this score was given to BC's system can be found in the full report.

Competitive Advantages

- ▶ Online injury reporting available for employers.
- ▶ No mandatory reinstatement for employers with ten or fewer employees.
- ▶ Employer advocate service available.
- ▶ Highest maximum discount for experience rating available to small businesses.
- ▶ Assessments payments are made on actual, rather than forecasted payroll.
- ▶ Five assessment payment methods available for employers.

¹ This is a summary based on the full report *A Small Business Assessment of Workers' Compensation: 2015 Small Business Workers' Compensation Index*. www.cfib.ca/a7890e.

- ▶ Only board with an Employer's Fairness and Service Code.

Areas for Improvement

Each of the seven areas of workers' compensation, along with the respective scores and areas for improvement for BC's system, are outlined below.

Cost of Premiums (score 5.6)

- ▶ Regularly review rate-setting process to ensure rates do not fluctuate widely from year to year.
- ▶ Ensure administrative costs are controlled.

Claims Management (score 5.4)

- ▶ Work closely with small business owners to promote health and safety, and to help with back-to-work transition of an injured worker—BC's system has the worst rating for assistance with back-to-work transition.
- ▶ Take steps to improve the professionalism and fairness of the claims process—BC's system has the second lowest score of 0.4 for overall rating of claims process.

Experience Rating (score 9.4)

- ▶ Reduce the ratio between maximum surcharge and discount levels—appropriate levels promote safety in the workplace, as well as control costs for employers.

Classification and assessment (score 5.8)

- ▶ Take steps to ensure that classification and premium information is communicated to employers in an understandable manner.
- ▶ Ensure auditors are trained to deal professionally and fairly with small business owners—WorkSafeBC has the second lowest score for overall rating of auditors.

Coverage (score 1.6)

- ▶ Ensure the amount of benefits offered to injured workers does not create a disincentive to return to work—BC's system is among those with the highest percentage of earnings that benefits are based on (90 per cent).
- ▶ Introduce a waiting period.

Long-term fiscal sustainability (score 7.7)

- ▶ Reduce premiums/distribute surplus assets to employers—WorkSafeBC's funding position is above CFIB's ideal funding range (95 per cent to 110 per cent), at 129.7 per cent in 2014.

Customer Service (score 1.8)

- ▶ Provide training to front-line staff to ensure they are knowledgeable about the needs of small business
- ▶ Ensure useful information is provided on board websites in a user friendly manner.
- ▶ Ensure that appeal boards continue to be bound by the law and policy of the workers' compensation board.
- ▶ Commit to compiling and publishing appeal statistics such as number of appeals, number of successful appeals from employers and employees, timeliness of appeal decisions, etc.