

A Small Business Assessment of Workers' Compensation: New Brunswick 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 the workers' compensation system: 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' Compensations Systems, 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*, New Brunswick's system receives the highest overall score (7.00 out of 10). Compared to the 2011 report, New Brunswick's system has moved up one spot from second to first place. Additional insight as to why this score was given to New Brunswick's system can be found in the full report.

Competitive Advantages:

The following include some small business friendly aspects of New Brunswick's system:

- ▶ Some of the lowest industry specific premium rates across sectors.
- ▶ Over the last 10 years New Brunswick's system has achieved the most pronounced reduction (58.5 per cent) in its average premium rate relative to other systems.
- ▶ Employer advocate service available for employers.
- ▶ Assessment payments are made on actual, rather than forecasted payroll.
- ▶ Five payment methods available for employers to pay their assessments.
- ▶ Only system that uses a three-day waiting period.

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.

Areas for Improvement

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

Cost of Premiums (score 8.5)

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

Claims Management (score 4.5)

- ▶ Provide online injury reporting for employers.
- ▶ Ensure employee reinstatement policies take into consideration the realities of running a small business—New Brunswick's system is one of two systems to have mandatory reinstatement in place for very small employers.
- ▶ Work closely with small business owners to promote health and safety, and assist with back-to-work transition of an injured worker.
- ▶ Take steps to improve the professionalism and fairness of the claims process.

Experience Rating (score 6.8)

- ▶ Set proportional surcharge and discount levels—appropriate levels promote safety in the workplace, as well as control costs for employers.

Classification and assessment (score 8.3)

- ▶ 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.
- ▶ Work to improve the online payment process for employers.

Coverage (score 7.1)

- ▶ Maintain a maximum insurable earnings limit that is closely aligned with New Brunswick's average yearly earnings.
- ▶ Ensure the amount of benefits offered to injured workers does not create a disincentive to return to work.

Long-term fiscal sustainability (score 6.9)

- ▶ Reduce premiums/distribute surplus assets to employers—WorkSafeNB's funding position is significantly above the ideal funding range (95 per cent to 110 per cent), at 137.3 per cent in 2014.

Customer Service (score 5.4)

- ▶ 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.
- ▶ 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.
- ▶ Develop an Employer Fairness Code, similar to the WorkSafeBC *Employer Fairness and Service Code*, making it simpler for employers to understand the services and requirements of the workers' compensation system.