

A Small Business Assessment of Workers' Compensation: Northwest Territories and Nunavut Summary¹

The Canadian Federation of Independent Business' (CFIB) *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.

Given that both the Yukon and Northwest Territories/Nunavut workers' compensation systems serve a small number of clients, they are not included in the main comparison of the provincial systems and do not affect the provincial rankings. Rather, Appendix A of the report illustrates the relative scores for the territorial systems if they were included in the main comparison.

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
	YT	3.50	4.8	3.5	N/A	4.6	3.8	5.0	1.1
Worst (0)	NT/NU	3.40	3.7	3.8	N/A	2.9	2.9	9.4	2.8

Competitive Advantages:

The following include some small business- friendly aspects of the Northwest Territories and Nunavut system:

- ▶ Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut funding position of 116 per cent is close to CFIB's ideal funding range (95 per cent to 110 per cent).
- ▶ No mandatory reinstatement for employers with ten or fewer employees.
- ▶ High percentage (91 per cent) of claimants back to work at 90 days.
- ▶ Four payment methods available for employers' to pay their assessments.

¹ This is a summary based on the full report *Ranking Workers' Compensation Boards in Canada: 2015 Small Business Workers' Compensation Index*. www.cfib.ca/a7890e.

Areas for Further Improvement:

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

Cost of Premiums (score 3.7)

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

Claims Management (score 3.8)

- ▶ Establish an independent office of the employer advocate to provide meaningful support to small business owners.
- ▶ Work closely with small business owners to promote health and safety, and assist with back-to-work transition.
- ▶ Take steps to improve the professionalism and fairness of the claims process.

Classification and assessment (score 2.9)

- ▶ Take steps to ensure that classification and premium information is communicated to employers in an understandable manner.
- ▶ Provide the ability for employers to pay their assessments based on actual payroll.
- ▶ Ensure auditors are trained to deal professionally and fairly with small business owners.
- ▶ Provide a range of payment methods, particularly online, to allow for convenient and timely payments.

Coverage (score 2.9)

- ▶ Ensure the amount of benefits offered to injured workers does not create a disincentive to return to work.
- ▶ Introduce a waiting period.

Long-term fiscal sustainability (score 9.1)

- ▶ Maintain a funded position within the ideal funding range (95 per cent to 110 per cent).

Customer Service (score 2.8)

- ▶ 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.
- ▶ 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* to make it simpler for employers to understand the services and requirements of the workers' compensation system.