

A Small Business Assessment of Workers' Compensation: Saskatchewan 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 financial 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 Boards, 2015 (10 is best; 0 is worst)

Best (10) ↑	Province	Overall Index Scores	Cost of Premiums	Claims Management	Experience Rating	Classification and Assessment		Long-Term Financial Sustainability	Customer Service
						Coverage			
	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*, Saskatchewan's workers' compensation system receives an overall score of 5.17 out of 10, and ranks in 7th place. Compared to the 2011 report, the Saskatchewan's system has declined in its overall score and has moved down one spot from 6th to 7th place. Additional insight as to why this score was given to the Saskatchewan's system can be found in the full report.

Competitive Advantages:

The following include some small business friendly aspects of Saskatchewan's workers' compensation system:

- ▶ Online injury reporting available for employers.
- ▶ No mandatory reinstatement for employers with ten or fewer employees.
- ▶ Least amount of years for a business to obtain an experience discount.
- ▶ Five payment methods available for employers' to pay their assessments.
- ▶ Second lowest gap between maximum insurable earnings and the average annual earnings—set 10.5 per cent lower than the province's average annual earnings.

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 the Saskatchewan's system are outlined below.

Cost of Premiums (score 6.6)

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

Claims Management (score 4.8)

- ▶ 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.

Experience Rating (score 4.1)

- ▶ Set proportional experience surcharge and discount levels— Saskatchewan's system has the highest ratio of maximum surcharge to maximum discount relative to all other boards.

Classification and assessment (score 6.0)

- ▶ Allow employers to pay assessments based on actual rather than forecasted payroll.
- ▶ 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 3.3)

- ▶ Ensure the amount of benefits offered to injured workers does not create a disincentive to return to work—Saskatchewan 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 5.0)

- ▶ Reduce premiums/distribute surplus assets to employers— Saskatchewan's Worker's Compensation Board funding position is significantly above CFIB's ideal funding range (95 per cent to 110 per cent), at 153.3 per cent in 2014.

Customer Service (score 3.5)

- ▶ 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.
- ▶ Ensure that appeal boards continue to be bound by the law and policy of workers' compensation boards—Saskatchewan's system has the lowest score for overall rating of the appeals process.
- ▶ 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.