

1       **Summary of the Annual Information Meeting Held**  
2       **September 26, 2006, at 3:00 p.m.**

3                       Mr. Tuton called the  
4       meeting to order at 3:00 p.m., and introduced  
5       the members of the board of directors who were  
6       present, as well as the President of WCB.

7       **OPENING REMARKS**

8                       Mr. Tuton explained that  
9       there was a requirement to hold the Annual  
10      Information Meeting within 90 days of  
11      releasing the audited financial statements.  
12      He pointed out that the board has worked very  
13      hard to consult and communicate openly with  
14      all stakeholders. He explained that the  
15      Annual Information Meeting is an opportunity  
16      to ask questions of the board of directors.

17                      Prior to doing a recap of  
18      events which have occurred over the previous  
19      year, Mr. Tuton addressed the issue of the  
20      announcement of rates for 2007. He indicated  
21      that the board actuary is presently working on  
22      the rates and he is expected to have the new  
23      rates finalized in the very near future. Once  
24      the actuary is finished his work, the board  
25      will be able to create an order and make the  
26      rates official.

27                      Mr. Tuton referred to a

1           booklet entitled "Premium Rates and Industry  
2           Classifications", and explained that it was  
3           released last year, and that employers were  
4           advised that, if they were concerned about  
5           budgeting, they could refer to this booklet  
6           for guidance. He then outlined the process  
7           which has been followed to date, in attempting  
8           to arrive at the rates for 2007:

- 9           • June 20<sup>th</sup>, the board gave direction for the  
10           2007 rates, and the actuary did all the  
11           appropriate calculations as directed by the  
12           board;
- 13           • August 15, the actuary presented his findings  
14           to the board;
- 15           • the board reviewed the proposed rates and  
16           realized they did not meet the requirements of  
17           the board;
- 18           • the actuary was then given directions to  
19           pursue a different course;
- 20           • it had been posted on the website that the new  
21           rates would be released in time for the Annual  
22           Information meeting; however, the revised  
23           calculations were not completed in time for  
24           that to occur;
- 25           • notice regarding the release of the new rates  
26           was removed as a result of their  
27           unavailability, as the actuary has not

1 completed his work at this time.

2 Mr. Tuton pointed out that,  
3 except for last year, normally the figures for  
4 the new rates are not released until December  
5 of a given year. He also indicated that the  
6 board has been very clear in advising  
7 stakeholders over the past four years, that  
8 the subsidies will begin being removed by the  
9 start of 2007, and that time is almost here.  
10 The assessment staff has been directed to  
11 advise people to use the base rates as  
12 published in the 2006 rate guide for their  
13 budgeting in preparation for 2007, as those  
14 figures are as precise as possible until the  
15 exact figures are received from the actuary.

16 Mr. Tuton acknowledged that  
17 the removal of the subsidies will mean the  
18 rates will be going up; the fact the rates are  
19 going up is a reflection of how safe the  
20 workplace is, and how quickly injured workers  
21 are able to return to work. He indicated  
22 that, in general, the Yukon does a terrible  
23 job at workplace safety. He pointed out that  
24 the equivalent of the entire Yukon workforce  
25 is injured every 13 years.

26 Mr. Tuton expressed the  
27 view that the recent attempt to politicize the

1           increase in rates is irresponsible, as it  
2           shifts the focus away from Yukoners who are  
3           suffering and dying because of a lack of  
4           proper workplace safety. To date, in 2006,  
5           more workers have been injured than in all of  
6           2005. Three Yukoners were killed on the job  
7           in the last year. Mr. Tuton stressed that  
8           every workplace injury is preventable.

9                           Mr. Tuton highlighted the  
10           key actions the board has undertaken. In  
11           2005, the board, for the first time, developed  
12           a strategic plan to guide the board from 2006  
13           to 2010, which envisions a Yukon where:

- 14           • work-related injuries and illnesses are  
15           substantially reduced;
- 16           • all employers have an effective safety  
17           management program;
- 18           • there are partnerships between the board,  
19           injured workers, employers, workers, the  
20           healthcare community, and territorial and  
21           First Nations legislators;
- 22           • all partners are focused on wellness, safety  
23           and health.

24                           He indicated that the  
25           strategic plan also speaks strongly to the  
26           board's values of partnership, accountability  
27           and compassion.

1                   Mr. Tuton pointed out that  
2                   the board developed a results based management  
3                   approach to hold itself accountable to its  
4                   strategic plan.

5                   Another part of the  
6                   strategic plan involves renewing the  
7                   governance model for the board. He encouraged  
8                   people to view the governance guide on the  
9                   board's website. The governance model speaks  
10                  to the fact that the board and its  
11                  stakeholders must be accountable to each  
12                  other.

13                  Mr. Tuton also referred to  
14                  the Workers' Compensation Act Review which was  
15                  conducted in the last year. He indicated that  
16                  the board worked with the Review Panel on a  
17                  document titled "Moving Forward Together", in  
18                  an effort to achieve some of the goals set out  
19                  for a good workers' compensation system: e.g.  
20                  return to work legislation; time limit on  
21                  appeals; mitigation of injury; etc.

22                  Mr. Tuton also referred to  
23                  the 2005 Annual Report, which includes the  
24                  audited financial statements for 2005. He  
25                  pointed out that this report was made public  
26                  in July, and he invited people to read the  
27                  document at their leisure. However, he did

1 point out that there has been an increase in  
2 claims costs for 2005 and 2006. Although  
3 claims costs are normally thought of in  
4 financial terms, he indicated that one of the  
5 bigger factors is measured in human terms.

6 Claims duration, which is  
7 the time that workers are off work due to  
8 injury, is the leading cost in regard to  
9 claims. Mr. Tuton explained that studies have  
10 shown that workers heal more quickly and fully  
11 when they can return safely and quickly to  
12 their pre-injury life. He stressed that the  
13 board, the workers and employers must work  
14 together to facilitate the safe and quick  
15 return of workers to the workplace.

16 Mr. Tuton stressed the  
17 importance of the partnership between the  
18 board, labour and the employers, in working  
19 together on the strategic prevention campaign.  
20 He indicated that the board has been attacking  
21 the known problems with vigour and has  
22 identified key resources needed to address  
23 them, and explained that the resources are in  
24 place and positive results will be seen in  
25 2007.

26 Mr. Tuton stated that the  
27 board is making improvements to the way they

1 do business. He gave the example of the new  
2 claims management system, which is planned to  
3 be implemented in mid December. This will  
4 provide a better tracking system; problems  
5 will be identified quicker, so they can be  
6 dealt with more quickly; there will be more  
7 comprehensive and faster reporting times, both  
8 internally and externally; and the payment  
9 process to injured workers will be  
10 streamlined. A more timely adjudication  
11 process will result because of these  
12 improvements.

13 With regard to the  
14 Prevention Fund, Mr. Tuton indicated that it  
15 is proceeding on schedule, and projects have  
16 been implemented which impact on the board's  
17 strategic areas and its prevention strategy.  
18 He explained that the prevention strategy was  
19 developed jointly with the stakeholders on the  
20 Prevention and Safety Advisory Group, who  
21 worked very hard in getting the strategy  
22 developed and presented to the board, and the  
23 board is very happy with the work the Group  
24 did.

25 Mr. Tuton indicated that  
26 the board has had a very progressive policy-  
27 setting agenda. He explained that a Policy

1 Working Group was struck, which consisted of  
2 board members and members of the stakeholders.  
3 Some of the policy work included: amendments  
4 to the Annuity Policy; a new policy on  
5 investigations; amendments to the hearing  
6 loss; a policy on determining suitable  
7 employment and earnings loss. Other policies  
8 that are being worked on include: suspension,  
9 reduction and termination; coverage; pre-  
10 existing conditions; cumulative trauma  
11 disorders; repetitive strain injury; carpal  
12 tunnel syndrome; relocation; and stress.

13 Mr. Tuton pointed out that,  
14 in 2005, the corporate development staff  
15 worked with the Board Policy Review Committee  
16 to develop five policies, which have been  
17 approved by the board of directors and which  
18 now provide direction for consistent policy  
19 development.

20 By way of a recap, Mr.  
21 Tuton pointed out that, so far in 2006, more  
22 people have been injured in the workplace than  
23 in all of 2005; three workers have died on the  
24 job; and the duration of time loss claims is  
25 still far too high. Despite all of this,  
26 Workers' Compensation is still fully funded.  
27 However, in order to protect the viability of

1 the fund and to bring assessment rates down,  
2 and to protect the workers, efforts must be  
3 relentless in preventing workplace injuries  
4 and in improving the return to work. The  
5 board has been focused on prevention over the  
6 last year, and in the next year there will be  
7 a great deal more heard about the return to  
8 work program. Any successes in these areas  
9 will only be possible to the degree in which  
10 employers and workers take action to improve  
11 safety and get injured workers back to work  
12 safely and quickly.

13 Mr. Tuton referred to the  
14 board's highly visible social marketing  
15 program called "Think About It", in which  
16 every month a new message is posted to  
17 challenge common attitudes about safety, and  
18 suggests another or better way of looking at  
19 it. He also indicated that the board is very  
20 happy with their partnership with the Yukon  
21 Construction Safety Association, and this has  
22 been extended and strengthened through the  
23 development of the Northern Safety Network  
24 Yukon. As a result of the training programs  
25 offered through these organizations, and the  
26 City of Whitehorse contracting requirements,  
27 in Yukon there are now eight employers with

1 COR certification, and there are two more that  
2 are very close to certification. These  
3 employers are leaders in health and safety and  
4 the board commends their commitment to the  
5 health and safety of their workers.

6 At this point, Mr. Tuton  
7 thanked everyone for their attention, and  
8 invited them to ask any questions they may  
9 have.

10 **QUESTIONS AND ANSWERS**

11 • With regard to rising claims costs, prevention  
12 and the return to work program are important.  
13 However, the return to work program is seen as  
14 long-term. What plans does the board have to  
15 address rising claims costs in the short term?

16 Mr. Tuton answered by  
17 agreeing that return to work is long-term.  
18 However, he pointed out that by directing their  
19 attention to the Claims Department, the board  
20 would like to shorten the time required to  
21 adjudicate a claim, from 40-some days at  
22 present, to less than 10 days.

23 If the time to adjudicate  
24 cases was reduced, it would do two things; it  
25 would get the claimant on the system more  
26 quickly; it would allow a more timely  
27 rehabilitation of the worker, and a quicker

1 return to work.

2 Ms Royle indicated there  
3 are specific internal strategies in place to  
4 deal with more timely adjudications. The WCB  
5 has done a process review and is changing how it  
6 deals with mail and forms, and the logistical  
7 matters that need to be done. However, the  
8 biggest piece is the timely reporting of  
9 injuries by workers and employers.

- 10 • The question was asked whether consideration  
11 has been given to making the process available  
12 through Internet.

13 Ms Royle answered that the  
14 WCB is looking at redesigning its website, with  
15 the intent that, before the end of the year,  
16 people will be able to fill out the forms and  
17 send them in via the Internet. This will be  
18 dependent on the IT security, as often the  
19 information on the forms is personal information  
20 and cannot be made public.

- 21 • The question was asked whether this Internet  
22 accessibility was part of the claims  
23 management.

24 Mr. Tuton answered that it  
25 was; when the switch was made from the ABCS to  
26 what it is known as today, the board realized  
27 that there were a number of areas to be updated

1 with respect to IT. One of the hindering  
2 factors to this updating has been the cost.  
3 However, it will be done, but it will be done  
4 responsibly.

5 • With respect to maximum weekly benefits, the  
6 question was asked as to what incentive there  
7 was for people to return to work if their  
8 compensation benefits are fairly high.

9 Ms Royle answered that  
10 there are two issues involved: the maximum  
11 weekly benefits are determined by the maximum  
12 compensable ceiling, which for Yukon in 2006 is  
13 \$69,500; and the benefits are set by  
14 legislation, which, at the current time in  
15 Yukon, are among the highest in Canada.

16 Mr. Tuton explained  
17 that the formula for setting the compensable  
18 limits is in the Act and the legislation. This  
19 matter was an issue considered by the Act Review  
20 Panel, so it may be addressed in their report.

21 • Thanks was expressed to the board for its  
22 funding and other contributions to the  
23 Northern Safety Network Yukon.

24 • On reviewing the Annual Report, there is not a  
25 lot of material involving prevention activity.  
26 The suggestion was made that, next year, there  
27 should be some reporting done with respect to

1 the activities surrounding prevention, the  
2 number of inspections done, investigations  
3 conducted, prosecutions initiated and  
4 penalties levied.

5 Mr. Tuton explained that  
6 the Occupational Health and Safety regulations  
7 have been approved, so they will come into  
8 effect in January. There will be a period of  
9 time required, internally, to educate staff on  
10 what those changes will mean. The board  
11 realizes that, although money has been  
12 committed to prevention, the payback is not  
13 going to be immediate. Mr. Tuton noted the  
14 request for information regarding prevention  
15 being included in the Annual Report.

16 • With respect to the accountability of the  
17 board in connection with its strategic  
18 plan, and the goals and accountability  
19 framework being established by the board,  
20 is it the intention of the board to make  
21 those goals, etc., known to the public?  
22 This information would be useful during the  
23 annual meetings, so that the board could  
24 compare its results against what their  
25 intentions were.

26 Mr. Tuton responded that  
27 this is what the board refers to as its

1 balanced scorecard; and he cannot see any  
2 reason why it wouldn't be made public.

3 • A question was asked whether the board has  
4 any position on the establishment of  
5 incentives for companies who are now COR  
6 certified. It was pointed out that some of  
7 the programs have cost a lot of money to  
8 implement, and the benefits are becoming  
9 obvious in the way of not injuring workers,  
10 but there is a question as to what  
11 financial payback there might be.

12 Mr. Tuton referred to  
13 last year's Annual Information Meeting, at  
14 which time there was a commitment to establish  
15 an incentive program by the start of 2007, and  
16 he indicated that is still the board's goal.  
17 It is hoped that by the time the actuarial  
18 advice on assessment rates is received, the  
19 board will also be able to release its  
20 incentive program, CHOICES.

21 • Given that injuries so far this year have  
22 exceeded the total for last year, have the  
23 claims costs already exceeded the total  
24 from last year?

25 Ms Royle indicated that  
26 they have not yet exceeded the total from last  
27 year, but, because of the increase in claims,

1 the costs are running ahead of last year. As  
2 well, the average cost per claim has gone up,  
3 which is related to the fact that the average  
4 wage rates for workers has gone up. Whether  
5 the claims costs will be greater than last  
6 year, Ms Royle indicated that would depend on  
7 what happens in the last quarter, but they  
8 probably will exceed the 2005 totals.

9 Mr. Tuton indicated that  
10 the board is not expecting a substantial  
11 increase. He thinks the increase from 2004 to  
12 2005 was greater than the increase from 2005  
13 to 2006 will be; however, he cannot state that  
14 for a fact at this time.

- 15 • It was pointed out that duration is up, the  
16 average claim cost is up and the numbers of  
17 injuries are up, which are all drivers of  
18 the claims costs, which means that the  
19 expenses must be up over last year.

20 Mr. Tuton agreed with this,  
21 but also pointed out that the participation in  
22 the Prevention Fund has also increased. The  
23 results of this increase are not expected to  
24 be seen immediately but, from all indicators,  
25 the board feels comfortable that it will have  
26 an impact. The board is happy with the  
27 involvement and participation from its

1 stakeholders.

- 2 • With respect to new regulations which will  
3 come into effect soon, there have been  
4 questions raised as to what will happen  
5 with the first aid regulations, the  
6 occupational health regulations, etc.; and  
7 where will they fit into the new book?

8 Mr. Dieckmann answered this  
9 question by explaining that the next phase of  
10 the regulation review will be to look at the  
11 ones that haven't been touched yet, do  
12 rewrites on them, go to consultation with the  
13 stakeholders, redraft the regulations, bring  
14 them up to date, and then make them look the  
15 same as the ones currently in place. At the  
16 present time, there are 17 sections in the new  
17 regulations, so the numbering will continue  
18 with section 18 and continue on until  
19 complete.

20 Mr. Dieckmann explained  
21 that there will be discussions with the  
22 Prevention Safety Advisory Group and other  
23 stakeholders, to determine what those people  
24 would like tackled first. He indicated that  
25 he has ideas on what he would like to tackle  
26 first, but he would like stakeholder input.  
27 There are too many items to deal with all at

1           once, so they will be done in chunks.

2                           Mr. Tuton added that the  
3 biggest challenge will be to educate the  
4 Department and the inspectors on what the  
5 changes are; and to educate the employers and  
6 workers.

7                           Mr. Dieckmann explained  
8 that the focus for the next year is going to  
9 be getting a clear understanding of the  
10 regulation package that was just passed, and  
11 getting it implemented, before starting  
12 consultation on new regulations.

- 13           • The question was asked whether the new  
14 sections, 18 through to the end, will mesh  
15 with parts 1 through 17.

16                           Mr. Dieckmann indicated  
17 that the intent is for them to mesh.

- 18           • Given that the subsidies will be finished  
19 as of December 2006, and there will be an  
20 increase in the WCB bill to employers; and  
21 given the increase in cost to administer  
22 the claims; can an assumption be made that  
23 there will be another cost increase, over  
24 and above the reduction of the subsidies?

25                           Mr. Tuton responded  
26 that, for 2007, the board is dealing strictly  
27 with the subsidy reduction.

1           • A question was asked regarding the funding  
2           policy; that if there was a shortfall in  
3           any of the reserves, would there be an  
4           amount tacked on to the assessments in  
5           order to comply with the funding policy?

6                           Mr. Tuton answered  
7           that, depending on the evaluations received  
8           from the actuary, there may have to be an  
9           increase in the assessments in order to comply  
10          with the funding policy.

11          • Given that the rate of injuries has  
12          increased significantly in 2006, as opposed  
13          to 2005, have trends or patterns of  
14          injuries been looked at, and what sectors  
15          they are happening in, and how that can be  
16          linked to the prevention?

17                          Mr. Tuton answered that the  
18          first and most important factor is that more  
19          people are working and, therefore, there are  
20          more people on the assessable payroll. When  
21          more people are working, there are likely to  
22          be more injuries. However, on the other side,  
23          because there are more people working, more  
24          assessment money is received as well.

25                          Mr. Tuton pointed out that  
26          another aspect relates to the value of the  
27          board's investments; and hopefully the

1 investment returns will be on the positive  
2 side in the next year.

3 Ms Royle indicated that  
4 a trend analysis is used to determine where to  
5 focus efforts. One of the reasons for  
6 investing in a new claims system is because it  
7 presently takes too long to process claims.  
8 The new system will allow faster and better  
9 reporting. At the present time, the board's  
10 actions are limited by the data available to  
11 it, which is sometimes quite dated.

12 **ADJOURNMENT**

13 The meeting was adjourned at 4:00 p.m.