

Board of Directors' Meeting of February 28, 2006 Website Summary

Policy 06-03, Premiums and Policy 07-02, Experience Records

Decision

The Board of Directors approved revisions to Policies 06-03 and 07-02.

Rationale

To establish a premium commensurate with the insured business and its health and safety practices, experience may need to be transferred from one account or employer to another. In the transfer of both good experience and poor experience, clear and consistent policy and processes are required to ensure fair and constant premium rate determination. The current policy regarding different corporate structures (e.g., branch operations, service company, management company) enables some employers to arrange beneficial premiums, which can disadvantage others in the sector.

For the experience rating system to run fairly and effectively, appropriate employer experience needs to be identified and properly analyzed. Employers should not be able to structure sales or business transfers to either evade a poor experience record or sustain a good record. Employers should also be able to benefit from another employers' good experience, if the business they purchase remains substantially unchanged.

As part of this policy and process review, a discussion paper was posted on the website (from May 27, 2005 to August 4, 2005) for stakeholder input on the principles, issues, and options relating to combining experience. No major issues were raised and stakeholders indicated that they supported the principles outlined in the discussion paper.

The draft policy was posted on the website (from October 14, 2005 to December 14, 2005). Many of the questions and comments were about how the policy would be interpreted and implemented. Of specific interest was how WCB would interpret and apply the policy provision under branch accounts that "each business has their own independent management team with responsibilities that include their own health and safety programs."

2006 Legislative and Regulatory Review

Decision

The Board of Directors recommends to the Minister of Alberta Human Resources and Employment that proposed amendments be made to the *Workers' Compensation Regulation* (A.R. 325/2002).

Rationale

The Board of Directors annual topic cycle indicates that a legislative review is to be conducted in February of each year by the Board of Directors. Management proposes that the legislative review requirement in 2006 be fulfilled by:

1. the Board of Directors considering management's 2005 proposal for amendment to the *Workers' Compensation Regulation* (A.R. 325/2002); and
2. review of on-going legislative and regulatory amendment activity affecting the workers' compensation system in Alberta.

Management recommends the following amendments:

Section 2: Clarify that persons in exempt industries who are deemed workers by Board order, are included under the *Workers' Compensation Act* ("WCA").

Sections 3(1), 7(1) and 9(1): Update statutory references as the *Colleges Act*, *University Act* and *Technical Institutes Act* have all been repealed and replaced by the *Post-secondary Learning Act*. Similarly, the *Advanced Education and Career Development Grants Regulation* has been repealed and replaced by the *Learning Grants Regulation*, and the *First Aid Regulation* has been repealed and replaced by the *Occupational Health and Safety Code*.

Section 6: Clarify that municipal councillors and school board trustees are exempt from the application of the WCA, unless they make application to have the WCA apply.

Schedule A (exempt industries): Clarify that the WCA applies to the Cancer Board and the Alberta Mental Health Board.

Schedule B (occupational diseases): The listed conditions are not caused by interviews but by contact with patients or ill persons.

2006 Corporate Objectives and Performance Measures – Final

Decision

The final 2006 corporate objectives and performance measures were approved.

| Objective | Performance Measures |
|-----------------------------------|--|
| Leverage prevention opportunities | Increase the number of Partners in Injury Reduction companies covered by a Certificate of Recognition |
| Focus on return to work | Improve return to work outcomes on cases lasting longer than three months to achieve an active count of 1,144 or fewer claims while managing a 4% volume increase. |
| Commitment to fairness | Improve the quality of customer communication by exceeding an 80% quality score on key decision communication letters. |
| Assure financial stability | Transaction year claim costs not to exceed the 2006 budget by more than 5%. |

2006 President and CEO Goals and Objectives

Decision

The Board of Directors approved the President and CEO's 2006 goals and objectives and performance award targets.

Rationale

In 2006, the President and CEO will be evaluated on his role in achieving the corporate objectives.