WCB

Update

SPECIAL ISSUE:
ASSESSMENT MODEL DISCUSSION PAPER

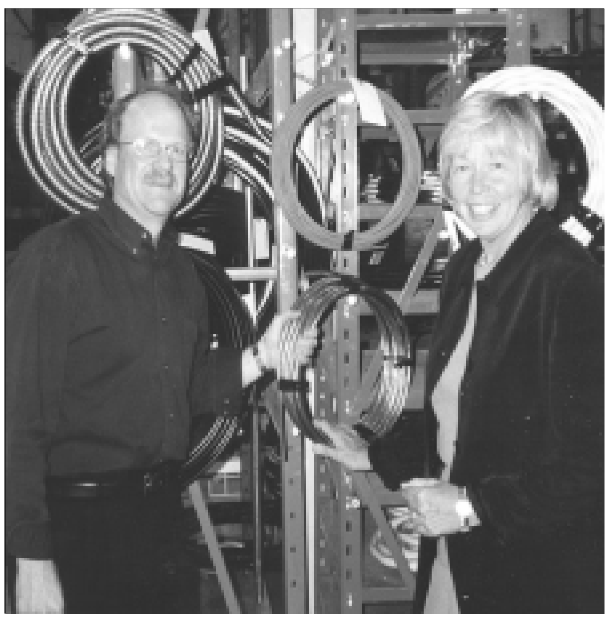
Inside

WORKPLACE SAFETY IMPACTS NEW ASSESSMENT MODEL

What happens at the workplace has the biggest influence on what employers will pay for workers compensation premiums in the future.

The WCB is undergoing a fundamental shift in focus, from being an agency that compensates workers for job-related injuries to an organization that, in addition to its traditional role, also promotes the prevention of workplace injuries and promotes return to health and work. One of many initiatives underway is the design of a new assessment model that ensures premiums paid by employers are not only fair and financially sound, but also help attain the fundamental goals of workplace safety and effective disability management.

After months of internal analysis, meetings with key stakeholders, advice from actuarial experts, extensive public hearings and the refinement of mathematical formulas, the new model is ready for final review and approval by the WCB's Board of Directors in late September.



The WCB met with key stakeholders to discuss the development of the assessment model. Pat Jacobsen, WCB President and CEO (right) with Paul Challoner,Regional Manager of EECOL.

This issue of *WCB Update* focuses exclusively on the assessment model. Various issues are covered in separate articles to make it easier to identify those that are of greatest interest and relevance.

Since 1989, the average rate of assessment for the 23,000 Manitoba workplaces covered by workers compensation has fallen by 35% to $1.49, one of the lowest in Canada, as are the WCB's administrative costs. However, over the last three years, injuries have risen by 5.2%. Employers can bring about additional reductions in their WCB assessment or hold down their costs through their own workplaces – by striving to eliminate on-the-job injuries and illnesses. Safety is not only good for the worker; it is good for business.

While the new model will not affect the total amount of revenue that the WCB needs to collect from employers in the form of assessments, it will greatly affect how much of that money will be collected from each employer.

Pat Jacobsen
President and CEO
WCB of Manitoba

What Is an Assessment Model?

The assessment is the amount of money that employers pay each year to have their workers covered by the WCB. The amount of assessment a firm pays is calculated by multiplying its assessment rate by its assessable payroll, divided by 100.

The assessment model sets out the criteria, standards and formulas used to determine the injury risk among employers and to determine each employer's assessment rate.

The assessment model is revenue neutral - it has no effect on the total revenue collected each year from the province's employers. Rather, the model is the tool used to determine how much will be collected, in the form of WCB assessments, from each employer. As well, the model has no effect on the benefits available to injured workers. Both the benefits and the money required to pay for them would be the same, regardless of the assessment model used.

There are a total of five classes of employers covered by the WCB:

Class A – Government-sponsored institutions.

Class B – Private self-insured employers.

Class C – Province and crown corporations.

Class D – The City of Winnipeg
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Class E – General employers.

The assessment model review concerns only Class E employers.

Why A New Assessment Model?

Technological changes and new industries are some key reasons why the WCB's assessment rate model needed to be revised.

The WCB's old assessment model broke new ground in 1989 when it introduced claims cost experience as the principal factor in determining how much each employer paid into the system.

Employers with costly on-the-job injuries paid higher assessments than employers with good safety records that helped reduce the WCB's costs. In this way, the old model also provided a financial incentive for employers to improve workplace safety.

This model has served Manitoba well by enabling the WCB to operate a financially secure no-fault insurance system that provides substantial benefit to the province's workers and employers.

Over time, however, technological advancements, evolving markets and new industries have created challenges for the assessment rate setting model. These changes have had an impact on the nature and cost of workplace injuries. By early 1999 it became apparent that the model used to set WCB assessment rates needed to be revised.

Seeking Input

Internal Analysis

The first step in the process of developing a new assessment model began in 1999 with the creation of an Internal Steering Committee, which conducted a SWOT (strengths, weaknesses, opportunities and threats) analysis of the old model.

External Consultations

The internal group later met jointly with an External Steering Committee consisting of public, labour and employer representatives. The group also received advice from an external actuarial firm.

Public Consultations

The consultation process included meetings with labour and employer groups as well as a series of public hearings across the province from May 23 to June 2.

In all, the WCB received 24 written submissions and oral presentations from a wide variety of sources including employers and workers who are covered by workers compensation; labour unions; professional, trade, industrial and business associations, and individuals or organizations with an interest in promoting workplace safety and effective disability management.

The views, concerns and suggestions expressed during the public hearings were conveyed to the WCB Board of Directors and contributed significantly to the shaping of the new assessment model.

The Guiding Principles of the New Assessment Model

An assessment rate setting model sets out the criteria, standards and formulas that are used to determine the injury risk among employers, and to determine each employer's rate. The WCB wants to use the assessment rate setting model, not only as a means of raising money to pay the costs associated with work-related injuries and illnesses, but also as a tool to promote improved health and safety practices in the workplace.

To accomplish this, the WCB has identified the following four guiding principles that the new assessment rate setting model must support:

1. Prevention/Safety/Injury Reduction

The assessment model should provide employers with financial incentives to focus on safety in the workplace, so that both the frequency and severity of injuries are significantly reduced.

2. Workplace Disability Programs

It is imperative that injuries are reported quickly to the WCB, and that injured workers quickly receive high quality and appropriate treatment and rehabilitation so that they can return to health and employment.

3. Financial Soundness

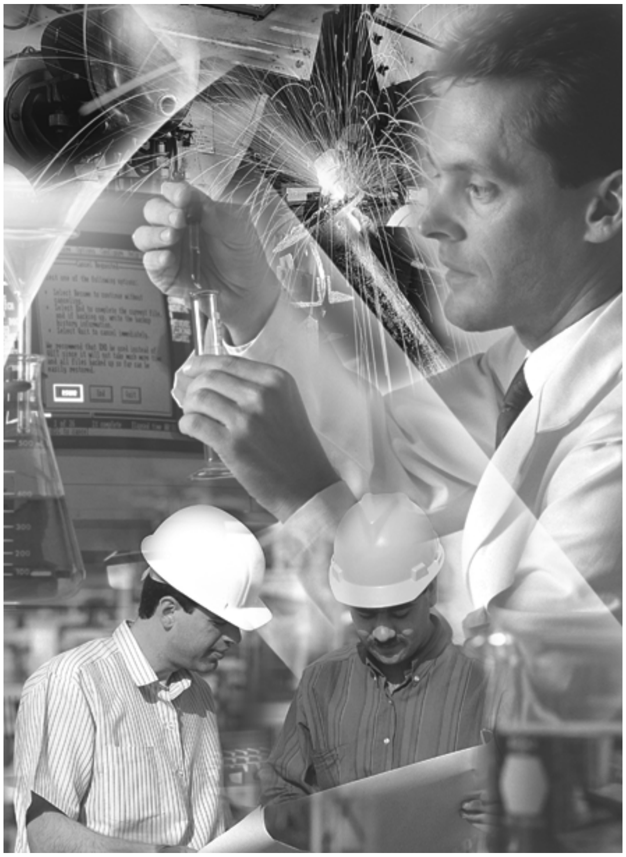
The WCB must collect sufficient revenue to pay existing claims and administrative costs, and have sufficient financial resources to be able to pay anticipated future claims. Each employer's assessment rate must accurately reflect the balance between workplace injury and collective liability.

4. Fairness

There is always a risk that injuries will occur, so it is reasonable that employers, even the safest ones, pay something for their coverage. The new assessment model should ensure, however, that each business pay no more or no less than its fair share. The model should also be sufficiently simple and clear so that employers understand how their rates were set.

The New Assessment Model

The WCB, Industry and Labour agree - reducing workplace injuries must be a priority



On July 13, the WCB Board of Directors gave approval in principle to a new assessment model.

The new model draws much from the old, especially in its retention of the fundamental concept of experience-rating. Employers with good safety records and lower claims costs will pay less than employers with poor safety records that increase claims costs.

In deciding to retain experience-rating, the Board of Directors weighed the major advantages – the financial incentive for employers to improve workplace safety and the inherent fairness of assessing employers on the basis of their claims costs – against the drawback that assessment rates based on claims payments encourages claims suppression.

To mitigate against claims suppression, the new model introduces the frequency of significant injuries as one of the factors determining a firm's annual assessment rate. As well, the board has stepped up its claims supression investigation process.

Several other features of the old model remain unchanged. For example:

- Each firm will be assigned to one or more of 222 industry classifications.
- Each industry classification will be assigned to one of eight risk categories based on similar long-term claims experience.
- A very large firm, regardless of its industry classification, can go into a risk category that best reflects its own experience.
- An average assessment rate will be calculated for each risk category.
- There will be rate boundaries for firms in each risk category, but the limits of the boundaries are different in the new model.

A rate boundary is the limit that an individual employer's assessment rate may vary, upwards or downwards, from the average rate of the risk category to which the employer belongs.

- The new model retains limits on annual rate increases or decreases, but these limits work differently under the new model.
- The new model, like the old, will be based on an overall average rate, which will be determined by the amount of money the WCB needs to raise.

Remaining features from the old assessment model

Experience Rating	Employers with good safety records have lower assessment rates compared to employers with poor records.
Industry Classifications	Each firm will be assigned to one of 222 classifications.
Risk Categories	Each firm will be assigned to one of 8 categories. As well, a very large firm can go into a category that best suits its experience.
Risk Category Rates	Average assessment rates will be calculated for each category.
Rate Boundaries	Boundaries are the maximum and minimum in each risk category.
Rate Limits	There are annual limits on both rate increases and decreases.
Overall Average Rate	The model is based on an overall average rate, determined by the WCB's needs.
Safety Officer Programs	Funds will be collected for safety officer programs from those involved in the programs.

- The new model retains the collection of funds for Safety Officer programs. Employers who belong to industry safety associations are charged an additional amount to support their association's safety program. The additional funds pass directly through to the safety association.

New model features

Firm Cost Index

Direct claims cost expressed as a percentage of assessable earnings is the cornerstone of any experience-rating assessment model. Direct claims costs are payments for compensation, medical and rehabilitation, and permanent disability awards made on a firm's injuries. To calculate a measure of a firm's cost experience under the old model, the claim payments in the current year (even if those payments were generated by injuries occurring up to five years earlier) were divided by the firm's current payroll. This could end up inflating the assessments for firms with declining payrolls and deflating assessments for firms with expanding payrolls.

To eliminate this inequity, the new model calculates direct cost experience on the ratio of current claim payments to those of an average Class E employer with the same five-year payroll history. This produces what is called the Firm Cost Index.

Class E Target Rate

The Class E Target Rate is a new concept that did not exist in the old assessment model. Each year, the Board of Directors will determine the revenue required by the WCB. The Target Rate is then set as the required revenue expressed per $100 of expected assessable workers' earnings.

To make the Target Rate transparent to stakeholders, the required revenue will be stated in terms of the WCB's four cost drivers:

- Estimated cost of new injuries;
- Estimated cost of operating expenses;
- Additional funds for reserve strengthening and new initiatives; and
- Gain or loss on the prior fiscal year (investments, etc.).

Firm Target Rate

The new rate model will calculate a Target Rate for each firm. The Firm Target Rate is not the actual assessment rate, but rather represents what the rate would have been if there were no lower and upper boundaries to an employer's rate, or no limits on annual rate increases or decreases.

The Firm Target Rate is also a measure of how high or how low a firm's assessment rate could become, if its experience remains consistent. This will give a strong and clear indication of the financial rewards for operating an injury-free workplace and of the financial penalties that will be incurred if workplace safety is ignored.

Determining the Firm Target Rate for each employer entails four steps.

The **first** step is to calculate the Class E ratios of direct costs per

$100 of payroll for current year claims and for claims in each of the last four years. These five ratios are called Class E Average Cost Ratios.

The **second** step is to calculate the Firm Average Cost. This represents what the firm's direct costs would be if it were an average Class E employer. The calculation entails multiplying each of the firm's most recent payrolls by the Class E Average Cost Ratios and summing the results.

The **third** step is to calculate the Firm Cost Index, which represents a relative measure of the firm's cost experience to the entire Class E cost experience. This is the relative measure of the firm's cost experience, arrived at by dividing the firm's direct costs by the firm's average cost.

The **final** step is to multiply the Firm Cost Index by the Class E Target Rate, which gives the Firm Target Rate.

New features In the new assessment model

Firm Average Cost	What the firm's direct costs would be if the firm was an average Class E employer.
Firm Cost Index	The ratio of the firm's direct cost experience calculated on the ratio of current claim payments to those of an average Class E employer with the same 5-year payroll history.
Class E Target Rate	The revenue required (per $100 of assessable earnings) by the WCB for the year.
Firm Target Rate	Shows rewards for a safe workplace. This represents what the rate would be if there were no boundaries, or no limits on annual rate increases or decreases.
Easier Calculation of System-Wide Costs	All system-wide costs will be allocated by direct claims costs, making it easier for firms to measure and understand cost performance over the years.
Fatalities	$250,000 cost for a fatal claim (approximately the average fatality cost).
Rate Boundaries	The upper boundary increases compared to the old model, while a multi-year average is used to set the average rate for each risk category.
Prediction Index	This predicts a firm's future claims costs by tracking the frequency of the firm's current timeloss injuries and fatalities.
Annual Limits to Rate Changes	The annual limits to a firm's rate change will increase with the years of consistent performance.
Fatality Adjustment	If a firm experiences a workplace fatality, its assessment rate will rise an additional 25% (after application of upper and lower boundaries.)
Balancing Adjustment	A final adjustment of the same percentage for all firms, to ensure that the WCB's revenue requirements are maintained.
Application of the Model	A firm's preliminary assessment rate is set in three stages: One, applying annual change limits to the target rate; two, applying boundaries; and three, adding the fatality adjustment.

Simplifying the calculation of system-wide costs

Under the old model, the WCB's system-wide costs were pooled and allocated to firms in part based on the amount of the firm's direct claims costs as well as the size of the firm's assessable workers' earnings. Pooled costs include items such as shared claims costs and administration.

The way the old model worked, an increase in direct costs would give a corresponding percentage increase to each employer's assessment rate, but costs allocated to payroll would result in an identical increase to the rate for all employers. Allocating costs by payroll resulted in a larger percentage increase in assessment rates for employers with rates that were below average (that is, firms with better claims cost experience) and a smaller percentage increase for employers with higher-than-average assessment rates. Under the new model, all system-wide costs will be allocated by direct claims costs. This will make it easier for firms to measure and understand their cost performance consistently over the years.

Fatalities

The claim payment for fatalities can vary widely, so in some cases an employer's cost experience (and therefore any corresponding increase in assessment rates) might be minimal.

To ensure that there is a real and consistent financial consequence to workplace fatalities, the cost for a fatal claim under the new model will be set at $250,000, which is approximately the average cost of a fatality.

Rate boundaries

The rate boundaries are the maximum and minimum rates for a firm in a particular risk category.

In the new rate model the upper boundary on the maximum firm rate deviation from the category average rate will increase from +40% to +80%. The lower boundary will remain at –40%.

Increasing the upper boundary will reduce the subsidy that all firms with good safety records provide to those firms with poor safety records.

To help stabilize rates, the new model will use a multi-year average (instead of the one-year average that the old model uses) to set the average rate for each of the eight risk categories.

The upper and lower boundaries for each firm is then calculated from the average rate of the firm's risk category.

Prediction Index

The Prediction Index is designed to predict a firm's future claims costs by tracking the frequency of the firm's current timeloss injuries and fatalities. It is also one of the elements used to set the annual upward or downward limit on a firm's annual assessment rate change.

Tracking the frequency of time loss injuries by duration or, potentially, by the cost of the claim is being considered. As an example, each firm would accumulate points for the following occurrences:

- 1 point for each time-loss claim reaching a preliminary state in 12 months ending September;
- 1 additional point for each time-loss claim reaching a significant state in 12 months ending September; and,
- 10 points for each fatality accepted in 12 months ending September.

The definitions of "preliminary state" and "significant state" are still under review by our actuaries.Their assignment is to determine rules that enhance how well the prediction index anticipates a firm's future experience.

A firm's point total is normalized for the size of the firm. The Prediction Index is the ratio of a firm's normalized points to the normalized points of all employers.

In effect, the Prediction Index is an indication of what a firm's Cost Index will be two or more years in the future.

Annual limits to rate changes

The annual limit to a firm's rate change under the new rate model will not be ± 15% as it is under the old rate model. Instead, the limit will depend on the consistency of the firm's experience.

Consistency is measured in two stages. The first stage is to arrive at the Basic Annual Change Limit. This is determined by the relationship between a firm's target rate and its assessment rate.

To start with, in year zero, a firm is given a basic annual change rate of –5% if its target rate is less than its assessment rate. If a firm's target rate is greater than its assessment rate in year zero, the basic annual change rate will be +10%. In this way, each firm will begin moving towards its respective target rate.

The basic annual rate change limit will increase or decrease by 5% for each of the next four years that the firm's experience remains consistent. Thus, a firm whose target rate remains less than its assessment rate for a second year will have an annual rate change limit of –10%. If the firm's target rate remains below its assessment rate for a third year, the change limit will be –15%, and so on until it reaches –25%.

Conversely, a firm whose target rate remains greater than its assessment rate for a second year will have a basic annual rate change limit of +15%. This will increase by another 5% for each additional year that the firm's target rate remains greater than its assessment rate, until a maximum of +30% is reached.

The second stage is to calculate the Experience Measure, which is an adjustment to the annual change rate. This involves the relationship between three measures.

In the **first** measure (for purposes of this calculation only) the model has what is called a Price Index. This is a measure of the firm's *past* cost experience.

The **second** measure is the Firm Cost Index, which measures the firm's *current* cost experience.

The **third** measure is the Prediction Index, which predicts what a firm's *future* cost experience is likely to be. If the Firm Cost Index (current) and the Prediction Index (future) are lower than the Price Index (past), the firm's annual change limit will be adjusted by –5%.

If the current and future indices are higher than the Price Index, then the firm's annual change limit will be adjusted by +5%. If one index is higher and the other lower than the Price Index, then no adjustment will be made to the firm's basic annual change rate.

Therefore, if a firm's experience remains unchanged for many years, the speed with which its assessment rate approaches its target rate will accelerate. This acceleration will continue until the firm reaches its target rate, or until it reaches the upper or lower boundaries of its risk category.

Fatality adjustment

A firm experiencing a workplace fatality will have its assessment rate increased by an additional 25%. This increase will be imposed after application of the upper and lower boundaries and the annual change limit, ensuring that firms already at the upper boundary are still held to a consequence for a fatality.

Any shortfall or excess (in required WCB revenue) is shared proportionally by all Class E employers.

Balancing adjustment

The new rate model will do a final balancing adjustment by applying the same percentage adjustment to each firm.

Such an adjustment is necessitated by the application of the annual rate change limits and the upper and lower boundaries. If all firms paid their Target Rate, the WCB's Class E revenue requirement would be met, and no further adjustments to assessment rates would be necessary. But because of the limits and boundaries to each firm's assessment, the revenue collected may fall short of the requirement.

Any shortfall or excess is shared proportionally by all Class E employers. If, for example, the shortfall is 2% of required revenue, then assessment rates for all employers are increased by 2%. If there is an excess of 2%, then assessment rates for all employers fall by 2%.

How the new model is applied

A firm's preliminary premium rate is set in three stages: One, by applying the annual change limits to the target rate; two, by applying the boundaries, and three, by adding the fatality adjustment.

For example, consider a firm that has a target rate of $4.00 compared to an actual rate of $3.00 last year whose upper category boundary is $3.50. If this is the first year that the target rate is greater than the actual rate, then the firm will have a basic annual change limit of +10%.

If its prediction index is higher than last year's Cost Index (because it had 10 points for a fatality) and its cost index is higher than it was last year because of the $250,000 cost of one fatality, the firm's annual change limit would be increased by another +5%.

Thus the firm is subjected to an annual change limit of 15%. This firm would move to a preliminary assessment rate of $3.45, which would be just below its upper category boundary of $3.50.

In our example, the $3.45 is then subjected to the 25% fatality adjustment, which would bring the assessment to $4.31. As $4.31 is higher than its target rate of $4.00 the preliminary assessment rate would be held at the target rate of $4.00. If the final balancing adjustment were 2%, then the firm's assessment rate would be set at $4.08 (102% of $4.00).

If applicable, a charge for the safety officer program would then be added to the assessment rate. In our example, if this firm had a safety officer charge of 2.5%, then the firm's final assessment rate would be $4.18.

Assessment Rate Glossary

Annual Change Limit: The limit to the change in this year's rate over last year's rate, before the application of the fatality adjustment, balancing adjustment and safety officer charge.

Assessment Rate Model: The criteria, standards and mathematical formulas that the WCB uses to determine the injury risk among employers and to determine each employer's assessment rate.

Assessment Rate: The rate of assessment per $100 of assessable earnings, set annually for Class E employers.

Balancing Adjustment: The final percentage adjustment applied to each employer's preliminary assessment rate to ensure that the WCB's revenue requirement for the year is maintained.

Class E Cost Indicators: The cost indicators calculated for all Class E firms combined. There is one cost indicator for the current year claims and one for each of the last four years' claims. They are each set as the last 12 months direct costs for the injury year, per $100 of assessable payroll in the injury year.

Class E Prediction Indicator: The points for lost time and fatal claims normalized by dividing the point total by the Class E derived full time equivalents.

Class E Target Rate: The required revenue, expressed per $100 of estimated Class E assessable earnings.

Direct Costs: The payments for compensation, medical aid, rehabilitation and permanent disability awards charged to a firm's record plus the fixed cost for each fatality that is made on a firm's injuries.

Experience Measure: The comparison between the Firm Cost Index and Prediction Index to the Price Index.

Experience Rating: The process of adjusting a firm's assessment rate to reflect the firm's recent past claims experience.

Fatality Adjustment: The adjustment (25% for 2001) applied to a firm's rate after application of the annual change and boundary limits to the target rate.

Firm Average Cost: What the firm's direct costs would be if the firm was an average Class E employer.

Firm Cost Index: The ratio of a firm's direct costs to the firm's average cost. The cost index is a relative measure of cost experience.

Firm Target Rate: The target rate for the firm calculated by multiplying the firm's cost index by the Class E target rate.

Firm Prediction Indicator: The points for time loss and fatal claims normalized by dividing the point total by the firm's derived full time equivalent workers.

Firm Prediction Index: The ratio of the firm's prediction indicator to the Class E prediction indicator.

Firm Price Index: This is a firm's previous year's Cost Index, after applying limits and boundaries. The Price Index is only used in the Experience Measure calculation.

Industry Classification: The grouping of firms into industry codes based upon the nature of their business. There are 222 industry codes for 2001.

Lower Boundary: The minimum level for the rate for firms within a category. For 2001 the lower boundary will be 60% of the category average rate.

Preliminary State: The level of seriousness of a claim under review, when one point is added to the firm's record for the prediction index.

Risk Category: The group of industry rate codes of similar cost experience. The WCB has eight risk categories for Class E employers. Each of the 222 industry rate codes is assigned to one of the eight risk categories.

Safety Officer Funding: adjustment to the rate applied after the balancing adjustment for employers in a safety officer program.

Significant State: The level of seriousness on a claim still under review, when an additional point is added to the firm's record for the prediction index.

Upper Boundary: The maximum rate level for firms within a category. For 2001, the upper boundary will be 180% of the category average rate.

Example

Medium Employer (above max. to below min.)

Category Average Rate: $1.50

Category Boundries: $0.90 (-40%) to $2.70 (+80%) [$2.10 (+40%)]

Firm Assessable Payroll: $1,000,000

Firm costs & counts are 200% of category average starting October 2001

Firm Target Rate $3.00 up to 2002 and $0.45 for 2003 and later

						Current System	
Coverage Year	**Target Rate**	**Consistency Indicator**	**Experience Measure**	**Change Limit**	**Assessment Rate**	**Change Limit**	**Assessment Rate**
2001	$3.00	3 years	Higher	0%	$2.70	0%	$2.10
2002	$3.00	4 years	Higher	0%	$2.70	0%	$2.10
2003	$0.45	0 years	Lower	-10%	$2.43	-15%	$1.79
2004	$0.45	1 years	Lower	-15%	$2.07	-15%	$1.52
2005	$0.45	2 years	Lower	-20%	$1.66	-15%	$1.29
2006	$0.45	3 years	Lower	-25%	$1.25	-15%	$1.10
2007	$0.45	4 years	Lower	-28%	$0.90	-15%	$0.94
2008	$0.45	5 years	Lower	-0%	$0.90	-4%	$0.90

This is an example of an employer that has had poor claims experience in 2000. Their Target Rate (the rate justified by their accident costs) is $3.00, exceeding the upper risk category boundary for both the current and new rate setting models.

Under the current rate setting system, their 2001 rate would be limited to the upper risk category boundary of $2.10 which is 40% greater than the risk category average rate.

Under the new rate setting model, the firm will be charged $2.70 as the upper category boundary has been moved to 80% greater than the risk category average rate. This more accurately reflects their target rate while providing the firm with a greater financial incentive to address safety and workplace disability management issues. It also removes $.60 from the collective liability employers with better experience would have to share.

In addition, the new rate model is more responsive than the current model. Once the employer in this model addressed their safety and disability management issues, their accident experience justified rate decreases more significant than those available under the old model. This firm reached the $.90 category low one year sooner than the current model would allow.

The new model is more responsive to an employer's experience as a whole because rate increases and decreases are more significant and timely in accordance with an employer's claims experience.

Example

Medium Employer (below min. to above max.)

Category Average Rate: $1.50

Firm Assessable Payroll: $1,000,000

Firm Target Rate $0.45 up to 2002 and $3.00 for 2003 and later

Category Boundries: $0.90 (-40%) to $2.70 (+80%) [$2.10 (+40%)]

Firm costs & counts are 30% of category average from Oct.'97 to Sept.'01, and 200% of category average starting Oct. '01.

						Current System	
Coverage Year	Target Rate	Consistency Indicator	Experience Measure	Change Limit	Assessment Rate	Change Limit	Assessment Rate
2001	$0.45	3 years	Lower	0%	$0.90	0%	$0.90
2002	$0.45	4 years	Lower	0%	$0.90	0%	$0.90
2003	$3.00	0 years	Higher	15%	$1.04	15%	$1.04
2004	$3.00	1 years	Higher	20%	$1.25	15%	$1.20
2005	$3.00	2 years	Higher	25%	$1.56	15%	$1.38
2006	$3.00	3 years	Higher	30%	$2.03	15%	$1.59
2007	$3.00	4 years	Higher	33%	$2.70	15%	$1.83
2008	$3.00	5 years	Higher	0%	$2.70	15%	$2.10

This is an example of an employer that has had good experience in 2000. Their rate is at the category low of $.90. However in 2002 they started having experience which caused their Target Rate (the rate justified by their accident experience) to increase to $3.00.

Under the new rate setting model, proportionately higher rate increases are charged in successive years until either the firm reaches the category boundary, or addresses its safety and risk management issues. The new model caused the firm to reach the category high of $2.70 sooner than the old model because of consistent performance.

Also, the rate increases between 2004 and 2007 are higher than those under the current model. Therefore, employers continually responsible for poor experience will be required to pay a higher proportion of the liability they created. Meanwhile, employers with good experience benefit by sharing less of the collective costs than under the current model.

The new model is more responsive to an employer's experience as a whole because rate increases and decreases are more significant and timely.

WCB: Who to Call

Employer Services

- firm classification
- employer registration
- assessment rate system
- Annual Workers' Earnings Report

Phone	**954-4505**
Fax	**954-4900**

Experience Rating

- identification and explanation of compensation costs
- questions concerning claim experience or industry group
- how rates are determined

Phone	**954-4343**

Clearance Certificates

Phone	**954-4988**
Fax	**954-4983**

Employment Services

- to hire a formerly injured worker

Phone	**954-4501**

Claim Information

- reporting a claim
- assistance filling out forms
- questions about an existing claim
- general information
- reporting suspected fraud
- to obtain a WCB publication

Phone	**954-4922**
Fax	**954-4330**

WCB Policy

- questions related to WCB policy
- to obtain a copy of policy

Phone	**954-4395**

Fair Practices Advocate

- specific concerns from workers, employers & the public

Phone	**954-4467**

24 Hour Worker Distress Line

- a confidential service provided free-of-charge by KLINIC

Phone	**786-8175**
Toll-free	**1-800-362-3340**

All departments	**954-4321**
	1-800-719-3809

Let Us Know

The WCB's Board of Directors gave approval in principle to the new assessment model on July 13, 2000.

If you have any questions, comments or concerns about the new assessment model, please get in touch with Ray Dickinson, Acting Director of Employer Services, prior to the Board's final approval in mid-September.

Phone (toll-free)	1-888-504-1339
Fax	(204) 954-4900
E-mail	rdickins@wcb.mb.ca

Note: Employers will find out their individual 2001 rates by mid-December.

WCB Update

WCB Update is published by the Workers Compensation Board of Manitoba for employers 10 times a year . Your comments and story ideas are always welcome.

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