

Staying the COURSE

Average premium rate for Alberta employers will remain at \$1.02 in 2018

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The workers' compensation system protects workers and employers against the impacts of workplace injuries and illnesses.

The premiums you pay fund the workers' compensation system and ensure injured workers receive the benefits they need now and in the future.

Our goal in setting annual premium rates is to ensure we collect enough premiums to fund all the claims that arise each year. WCB collects approximately \$1 billion each year to pay for the lifetime costs of injuries from accidents occurring throughout the year.

2018 rate highlights

Alberta's economy is expected to continue to grow in 2018, after experiencing improvement in 2017.

We anticipate modest increases in claim costs and insurable earnings in 2018 and, as a result, the average industry rate will remain flat at \$1.02.

There are 345 industries in Alberta. In 2018, the rates for:

- **Almost 80 per cent of industries** will stay relatively flat or decrease.
- **One in five industries** will increase by more than five per cent due to rising accident costs.

Legislative changes resulting from the review recommendations have not impacted 2018 rates. The initial costs related to these changes will be absorbed by the Accident Fund.

How does WCB determine industry premium rates?

Rate setting starts by forecasting the total fully-funded costs of all the claims that we expect to occur in the coming year; this includes the current and future costs of these claims. We look at how different groupings of industries, known as 'rate groups', have fared historically in terms of their claims experience. This helps us forecast what portion of total claim costs will come from each industry.

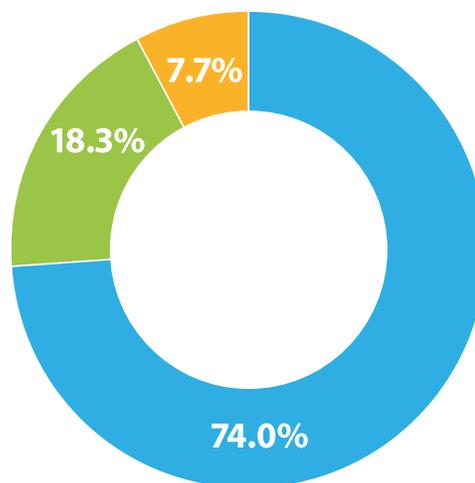
We then forecast insurable earnings—the portion of workers' gross earnings that WCB premiums are based on—and use them to calculate what each industry's rate must be in order to collect enough premiums to cover the forecasted claim costs.

When determining each employer's rate, we want to strike the right balance between individual accountability and collective liability. This is how we aim to achieve fairness in premium rate setting. Rates reflect an employer's own performance, as well as the performance of their industry. The best way to manage your premiums is to reduce the number of workplace accidents, and to provide timely modified work when injuries do occur.

Help is always available so you can lower your rates by improving your return-to-work results. Call us today (1-866-922-9221) or visit wcb.ab.ca > Insurance and Premiums > Lower your premiums. WS

What does WCB do with the premiums you pay?

The majority of funds spent in a given year go directly towards claim costs, with the rest allocated to administration, OH&S and other costs:



- Fully funded claim costs – **74.0%**
- Fully funded administration costs – **18.3%**
- Occupational Health and Safety, safety associations and Appeals Commission – **7.7%**

Statistics at a glance

	2014	2015	2016	2017 Forecast	2018 Budget
Covered workers (millions)	2.10	2.03	1.89	1.93	2.02
Registered employers	168,794	166,968	162,334	162,613	170,744
Fully-funded claim costs (\$millions)	786.9	768.0	778.7	836.2	837.1