

Safe Advantage

Safe Advantage is an employer safety incentive program. Its basic principles promote worksite safety and returning injured workers back to work as soon as they are medically fit, and as safely as possible. Safe Advantage is a sound business investment, with potentially high returns. This financial incentive program rewards Safe Advantage employers with proven health and safety management practices, and low claims experience costs. Those employers who fall short of Safe Advantage standards are required to pay penalties.

The WSCC developed this program at the request of employers who sent a message loud and clear that a few bad apples shouldn't spoil the entire basket. Employers must be accountable for driving up assessment rates if they have poor health and safety management practices and unreasonably high claims experience costs.

To ensure financial and administrative responsibility, Safe Advantage is targeted to a relatively small number of employers. The WSCC developed a custom program that creates positive change, not a program where increased administrative costs leave us static. Safe Advantage is a mandatory annual program with specific criteria. Currently, it includes all employers with a three year average assessment over \$40,000. This small number of employers is responsible for 50% of all WSCC new claim costs. In real numbers, that's around 120 companies.



Step 1: Management Practices Questionnaire

The lifecycle of Safe Advantage is an annual process. First, we identify the year's Safe Advantage employers based on average assessment rates over the last three years. Qualifying employers receive a Safe Advantage package, which includes the Management Practices Questionnaire. This questionnaire gives the WSCC a written assessment of employers' prevention and return-to-work programs. This is a program cornerstone; only employers that pass the questionnaire may be eligible for refunds. The questionnaire has two sections and each part is rated separately. To earn a pass, you must earn a minimum rating of 70% for each section. The prevention section evaluates an employer's health and safety program. The return-to-work section evaluates how an employer reintroduces injured workers to safe and productive employment, as soon as medically possible to minimize wage loss.

Employers must submit completed questionnaires to the WSCC by a specific date in early fall. The WSCC reviews the questionnaires and notifies failing employers of their status. The Management Practices Questionnaire is also a helpful tool for employers establishing health and safety benchmarks, and evaluating internal progress. Workplace health and safety is an active concept and the WSCC gives employers adequate time to correct shortcomings. In December, the WSCC distributes a second Management Practices Questionnaire to employers who failed the first time around. It's about second chances, and giving employers an opportunity to highlight steps they've taken to improve their safety and return-to-work programs.

Step 2: Questionnaire Verification

The next stage of the Safe Advantage cycle is to verify the questionnaire. In January, our Safe Advantage Technician begins to work with WSCC inspectors and other staff to confirm questionnaire results and verify prevention and return-to-work responses. Verification may include, but is not limited to, employee and management interviews, site observations, and document reviews.

Step 3: Claims Experience Costs Analysis

Along with the Management Practices Questionnaire, the other foundation block of the Safe Advantage program is the Claims Experience Costs Analysis. An employer's claims experience costs are all costs paid in the previous year for injuries that occurred anytime within the past three years. These costs are measured against an experience range to determine if they are reasonable, exceptionally high, or exceptionally low. The range

depends on the employer's average assessment and allows for reasonable variation in costs before either a refund or penalty kicks in. Sounds complicated, right?

Here's an example of how it works:

Like the average assessment rates, the WSCC calculates claims experience costs based on the normal 12-month calendar year running from January to December. Each year's numbers are available just prior to the final step in the Safe Advantage program.

CLAIMS EXPERIENCE COSTS ANALYSIS

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Below Range	Experience Incentive Range	Above Range
\$200,000	\$500,000	\$800,000
\$1,100,000		

Scenario #1
Company A's claims experience costs for 2007 are \$350,000. Company A falls below the experience incentive range. Company A is eligible for a potential refund.

Scenario #2
Company A's claims experience costs for 2007 are \$700,000. Company A falls within the experience incentive range. Company A is not eligible for a refund nor is it required to pay a penalty.

Scenario #3
Company A's claims experience costs for 2007 are \$850,000. Company A falls above the experience incentive range. Company A is required to pay an automatic claims experience penalty.

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Step 4: Results

June marks the end and the beginning of the Safe Advantage cycle. Safe Advantage employers can expect a results package from the WSCC. The following chart highlights the five potential results a Safe Advantage employer can have:

RESULTS

June marks the end and the beginning of the Safe Advantage cycle. Safe Advantage employers can expect a Results Package from the WSCC. The package includes either a refund cheque or an invoice based on the employer's overall results. The following chart highlights the five potential results a Safe Advantage employer can have:

Safe Advantage Results	Financial Outcome
Superior Claims Experience Costs & Safety Management Proven Health and Safety Practices	Refund
Superior Claims Experience Costs & Safety Management Poor Health and Safety Practices	Forfeit Refund
Claims Experience Costs Within Incentive Range	Neutral
Poor Claims Experience Costs & Safety Management Proven Health and Safety Practices	Automatic Claims Experience Penalty
Poor Claims Experience Costs & Safety Management Poor Health and Safety Practices	Automatic Claims Experience Penalty + Management Practices Penalty

To get things rolling for the next rotation, qualifying employers will also receive a new Management Practices Questionnaire in their results package. Employers are required to complete a new questionnaire each year.

