



## Chapter 3

# Workers' Compensation Board: Governance and Long-term Sustainability

### Overall Conclusions

- The Board of Directors has governance structures and processes to provide oversight and accountability in support of the achievement of the Workers' Compensation Board's goals and objectives
- The Workers' Compensation Board has a plan to become fully funded and has made continued progress in reducing the unfunded liability

### Governance, Oversight, and Accountability

The Board of Directors is carrying out its established roles and responsibilities

- The Board and committees meet regularly, including in camera
- An established agenda of reporting and meeting topics guides processes
- Performance evaluations of the CEO and Board of Directors occur annually

The governance manual is not up to date with some current practices

### Long-term Sustainability

Many steps have been taken to achieve sustainability

- The Workers' Compensation Board publicly shares its plan to become fully funded. The plan is to become fully funded between 2020 and 2024
- The rate-setting process is in line with the funding strategy, clearly communicated to employers, and followed
- The annual average assessment rate target has been \$2.65 per \$100 of assessable payroll since 2005. The rate is set above annual funding requirements in order to reduce the unfunded liability, while maintaining stability for employers
- The Board of Director's Investment Committee monitors and evaluates the investment strategy which is managed externally by a third party



## Recommendations at a Glance

### Recommendation 3.1

The Board of Directors of the Workers' Compensation Board should examine the process for reviewing the Corporate Governance Manual to ensure it is adequate to identify any changes or updates required.

### Recommendation 3.2

The Board of Directors of the Workers' Compensation Board should review annual performance evaluation processes for the Board of Directors and the CEO to address weaknesses and ensure processes are efficient and effective.

### Recommendation 3.3

The Worker's Compensation Board should evaluate and define the process for assessing, documenting, and reviewing changes to employer industry classifications.