

Present:

Michael Werier, Chairperson
Winston Maharaj, President and CEO (Non-voting)
Peter Dyck Jan Schubert
Sylvia Farley Rob Labossiere
Yvette Milner Jane MacKay

Being a quorum of the Board of Directors under *The Workers Compensation Act*.

Also Attending:

Lori Ferguson Sain, General Counsel & Vice President, Compliance & Corporate Services

In Attendance for Specific Items:

Lorena Trann, Chief Financial Officer, Finance and Administration Services (CFO)
Deana Martz, Fair Practices Advocate (FPA)

Regrets:

Colleen Seymour, Director
Jean-Guy Bourgeois, Director
Chris Lorenc, Director

CALL TO ORDER

The Chairperson called the meeting to order at 12:22 p.m. He noted regrets were received from Colleen Seymour, Chris Lorenc and Jean-Guy Bourgeois.

MINUTES OF PREVIOUS MEETING

The Chairperson presented the minutes from the April 19, 2017 meeting of the Board of Directors.

On motion duly made and carried,

BE IT RESOLVED THAT the minutes of the April 19, 2017 Board of Directors Annual meeting are confirmed as a reasonable record.

On motion duly made and carried,

BE IT RESOLVED THAT the Summary of Discussions from the May 1, 2017 Board of Directors Strategic Planning Meeting is confirmed as a reasonable record.

BUSINESS ARISING

The Board of Directors received the information provided with the agenda.

FOR CONSIDERATION/DECISION

ANNUAL REVIEW: RATES AND FINANCIALS AND SET 2018 AVERAGE ASSESSMENT RATE AND MAXIMUM ASSESSABLE EARNINGS
(Board Order No. 15/17)

The CFO joined the meeting.

Jan Schubert introduced this item on behalf of the Finance Committee.

The CFO noted that as part of the transition to the new rate model, the average assessment rate is being set earlier allowing for earlier notification to employers. The average assessment rate of \$0.95 will mitigate some of the effects of the implementation of the new rate model. The maximum assessable earnings remain unchanged as this matter is under consideration by the Legislative Review Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve:

- The 2018 budgeted Class E average assessment rate be lowered to \$0.95 (2017, \$1.10).
- The 2018 maximum assessable earnings be set at \$127,000 (2017, \$127,000).

It was also noted that premium dividends are under consideration for the upcoming five year period. Further work will be undertaken on the timing and amounts.

The CFO left the meeting.

POLICY 31.05.10 COST RELIEF/COST TRANSFER - CLASS E AND POLICY 31.05.05 COST TRANSFER - SELF INSURED
(Board Order No. 16/17)

The Chairperson introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

He noted that Class E and self-insured employers pay for claim costs in different ways. The policies are intended to improve transparency and ease of understanding. The Board asked for information about thresholds, including how the amounts were determined and the reason for having a threshold before cost relief is provided.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve:

- The proposed new Policy 31.05.10 *Cost Relief/Cost Transfer - Class E*; and
- The proposed new Policy 31.05.15 *Cost Transfer - Self Insured*

These two new policies apply to cost relief/cost transfer decisions made on or after January 1, 2018 and any reconsiderations or appeals of these decisions.

The existing policy 31.05.10 *Cost Relief/Cost Transfers* will be re-numbered as 31.05.10.01 and apply to decisions made from October 1, 2014 to December 31, 2017 and any reconsiderations or appeals of these decisions.

POLICY 31.05.20, TRANSFER OF EMPLOYER COST EXPERIENCE ON CHANGE OF OWNERSHIP; POLICY 35.20.10, CLASSIFICATION OF EMPLOYERS INTO INDUSTRY SECTORS AND SUB-GROUPS; AND POLICY 35.20.15, ASSOCIATED EMPLOYERS
(Board Order No. 17/17)

The Chairperson introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

As part of the transition to a new rate-setting model, policies related to rate setting are being reviewed to ensure they align with the terminology and features of the new rate-setting model and associated policy. The three policies under consideration at this stage deal with industry classification and claims cost experience, which are two key factors in setting assessment rates. The changes to the policies include raising the threshold for what is considered a medium-sized employer to \$750,000 which is consistent with the new rate-setting model. Terminology is also being updated to reflect the new rate-setting model and consistency across policies.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the revisions to the following policies effective January 1, 2018:

- Policy 31.05.20, *Transfer of Employer Cost Experience on Change of Ownership*;
- Policy 35.20.10 *Classification of Employers into Industry Sectors and Sub-Groups*; and
- Policy 35.20.15, *Associated Employers*.

POLICY 44.10.80.40, FURTHER INJURIES SUBSEQUENT TO A COMPENSABLE INJURY

(Board Order No. 18/17)

The Chairperson introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

The Board requested more information about the proposed policy change and the impact on cost relief.

The matter was deferred to a future meeting.

2016 RETIREMENT PLAN VALUATION

(Board Order No. 19/17)

Jan Schubert introduced this item on behalf of the Finance Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors directs the Administration to file the 2016 WCB Retirement Plan valuation, as prepared by Aon Hewitt, with the Manitoba Pension Commission according to the regulatory due date.

EXTERNAL AUDITOR APPOINTMENT

(Board Order No. 20/17)

Peter Dyck introduced this item on behalf of the Audit Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the appointment of Grant Thornton LLP as the external auditor of the WCB of Manitoba for a five year period commencing with the 2017 audit.

BOARD OF DIRECTORS QUALIFICATIONS

(Board Order No. 21/17)

The Chairperson introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors confirm the matrix of Board of Directors competencies.

REVIEW OF BOARD BY-LAW NO. 1 CONDUCT OF AFFAIRS

(Board Order No. 22/17)

The Chairperson introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve amendments to By-Law No. 1 Relating to Conduct of the Affairs of the Board of Directors.

OTHER BUSINESS

BOARD OF DIRECTORS MEETING SCHEDULE

The Board of Directors received the 2018 Board of Directors meeting schedule for information.

REPORTS

COMMITTEE REPORTS

The Board of Directors received the following Committee reports as information:

- Policy, Planning, Governance & Service Committee Meeting - April 12, 2017
- Audit Committee Meeting - May 30, 2017
- Prevention Committee Meeting - June 6, 2017
- Policy, Planning, Governance & Service Committee Meeting - June 8, 2017

The President & CEO noted the Prevention Committee agreed to endorse the recommendation to maintain status quo and not revise Policy 52.20 *Funding Industry-Based Safety Programs*, with the issue to be revisited in 12 - 24 months. This closes off the consultation process.

ADMINISTRATION REPORTS

The Board of Directors received the information provided with the agenda.

MEETING WITH THE FAIR PRACTICES ADVOCATE

The FPA joined the meeting to discuss her First Quarter 2017 report.

The FPA provided highlights of her report. She noted call volumes have increased in the second quarter. She reviewed a number of cases and provided information on actions taken. There was discussion regarding training initiatives.

The FPA left the meeting.

The Board of Directors adjourned to an *in camera* session.

The Board of Directors moved out of *in camera*.

MANAGEMENT RESPONSE TO THE FAIR PRACTICES ADVOCATE'S REPORT

The Board of Directors received the information provided with the agenda.

CORPORATE SECRETARY REPORT

The Board of Directors received the information provided with the agenda.

BOARD OF DIRECTORS WORK PLAN

The Board of Directors received the information provided with the agenda.

IN CAMERA DISCUSSION

The Board of Directors adjourned to an *in camera* session.

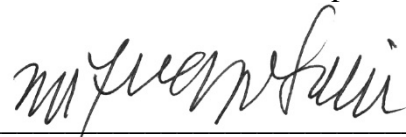
CONCLUSION

As all matters coming before the Board had been dealt with, the Chairperson declared the meeting to be concluded at 2:17 p.m.

The next regular meeting will be held in the 6th floor Boardroom, 333 Broadway on September 28, 2017 at 12:00 Noon.



Chairperson



Corporate Secretary