

ADVISORY LETTER

AL 09 – 01

February 21, 2001

TO: ALL FIR MEMBER COMPANIES

Gentlemen and Mesdames:

Re: Weekly Indemnity Plan – Experience Rating

The Trustees of our Industry Health and Welfare Plan (IWA-Forest Industry Health and Welfare Plan #1) have now finalized the details of the “Experience-Rated Rebate” which is referred to in Article XVII, Sec. 3(iv) of the new Master Agreement. The new experience-rating system will be based on operational rather than company results and will go into effect April 1, 2001. Operations will be receiving further information on any necessary rate changes directly from Pacific Blue Cross in the near future.

Under the new experience rating system (described in detail on the attached Appendix) most operations will continue to pay the monthly Health and Welfare Plan rate of \$95/member/month. However, those operations whose Weekly Indemnity claims experience (relative to the expected average claims experience) is greater than 125% will be subject to a monthly surcharge and those operations whose claims experience (relative to expected average claims experience) is less than 75% will be entitled to a contribution credit.

It is expected that the new experience-rated approach will promote more interest in disability management at the operational level because effective disability management should result in improved claims experience and lower health and welfare costs. To learn more about establishing a Disability Management Program in your operation, you may wish to attend the upcoming seminar described in the enclosed brochure.

If you have questions regarding this issue, please feel free to contact me.

Yours very truly,



T.J. Getzie
Vice President, Education and
Benefits Administration

APPENDIX

IWA – FOREST INDUSTRY HEALTH AND WELFARE PLAN NO. 1

WEEKLY INDEMNITY BENEFIT

EXPERIENCE RATING BY DIVISION

Background / Summary of Proposed Approach

- Since 1996, the Weekly Indemnity benefit contribution has been experience rated on a Company basis, resulting in surcharges where the ratio of actual/expected claims over a three-year period exceeds a pre-determined threshold.
- In 2000, six companies were subject to a surcharge which, on an annualized basis, would generate approximately \$290,000 in additional contributions to Plan No. 1, assuming no material change in the number covered members relative to the previous three-year period.
- Commencing in 2001, arising from the last set of negotiations, it has been agreed that two changes be made to the current experience rating approach:
 - that experience rating be on a Divisional vs. Company basis; and
 - that, in addition to contribution surcharges, experience rating credits be generated where the ratio of actual/expected claims falls below a pre-determined threshold
- The new experience rating approach is an extension of the existing approach, as follows:
 - For each Division, the “Expected Average Claims” are calculated for the three-year period ending on the previous December 31; this amount represents what the weekly indemnity benefit payments would have been within that Division for this three-year period if the Division had experienced the average experience of all Plan No. 1 members
 - A comparison is made between the Actual Claims and Expected Average Claims for each Division over the three-year period; if this ratio is greater than 125% or less than 75%, a calculation is undertaken to determine either a contribution surcharge or credit for the Division relative to the “standard” contribution rate
 - The surcharge or credit, respectively, is calculated as the product of the standard contribution rate and the percentage by which the ratio of Actual/Expected claims exceeds 125% or falls below 75%

Background / Summary of Proposed Approach (Cont'd.)

- The weight attached to the surcharge or credit depends on the average number of employees in a Division over the three-year period in question:

Average No. of Employees	Weight
100 or more	100%
75 or more	75%
50 or more	50%
25 or more	25%
24 or less	0%

WORKSHOP REGISTRATION

Workshop Date: _____
Workshop City: _____
Registration Fee: **\$350.00 (GST Included)**
Name: _____
Title/Position: _____
Organization: _____
Mailing Address: _____
City/Prov/PC: _____
Phone: _____
Fax: _____
Email: _____

To register, mail or fax the completed form to:

Bernie Gruber
IWA - Forest Industry LTD Plan
900 - 5945 Kathleen Avenue
Burnaby BC V5H 4J7
Fax: (604) 433-0518
Ph: (604) 454-5467 or Toll Free: 1-800-663-4384

REBATE APPLICATION

I am a current employee of _____
(Company and Division), which is a participating
Employer in the IWA - Forest Industry LTD Plan. I am
authorized by _____
(Employer's name or Union Local's name) to attend this
Seminar.

The rebate cheque should be sent to (address of Employer
or Union Local):

Signature of Participant

Please Print Name

REGISTRATION FEE

\$350.00 (GST included) Your registration fee should be received *no later than 3 weeks prior to the workshop date*. Your cheque should be made payable to the "IWA - Forest Industry LTD Plan", and forwarded to **Bernie Gruber**.

(Note: Current employees of participating Employers in good standing in the IWA - Forest Industry LTD Plan, may be entitled to a tuition rebate.)

The registration fee includes two days of sessions, handouts, continental breakfasts, lunches and coffee breaks.

CANCELLATION POLICY

Complete refunds will be made for cancellations received at least two weeks prior to the Workshop date.

WORKSHOP LOCATIONS

Nanaimo, BC
Coast Bastion Inn
April 2/3, 2001
(250) 753-6601

Prince George, BC
Coast Inn of the North
April 23/24, 2001
(250) 563-0121

Kelowna, BC
Coast Capri Hotel
May 17/18, 2001
(250) 860-6060

HOTEL ACCOMMODATION

A block of rooms is reserved for workshop participants at each location (*see above*). To obtain the conference rate, please ask for the IWA - Forest Industry Disability Management Workshop group block. Contact the hotel directly to reserve your room.

All reservations must be made at least 30 days prior to arrival.

505-44 0000 1-800-88

IWA - FOREST INDUSTRY LTD PLAN

Presents

Establishing Joint Disability Management in Forest Industry Workplaces



April 2-3, 2001
Nanaimo, BC

April 23-24, 2001
Prince George, BC

May 17-18, 2001
Kelowna, BC

A MESSAGE TO THE PARTICIPANTS

Building on the success of the November 20-21, 2000 Disability Management Conference in Richmond, B.C., we are pleased to offer a more in-depth and participatory workshop.

This workshop will guide you through the steps of developing a Disability Management Program in the workplace, and offer a Business Case for developing a program.

DAY 1 Registration: 8:00am to 8:30am

Workshop Hours: 8:30am to 4:15pm

DAY 2 Workshop Hours: 8:30am to 4:15pm (approximately)

WORKSHOP CONTENT

- ☐ Exemplary Disability Management Practices
- ☐ Strategic Business and Process Development
- ☐ Duty to Accommodate
- ☐ Early Intervention - Early Return to Work
- ☐ Resolving Disability Problems: Case Study Analysis
- ☐ Disability Management Programs in Action
- ☐ Building a Disability Management Infrastructure
- ☐ Disability Management Policy & Worksite Resources
- ☐ Importance of Joint Labour-Management Committee
- ☐ Infrastructure Development & Committee Member Selection Criteria
- ☐ Roles & Functions of Committee Members
- ☐ Development & Implementation of Program Policies, Procedures and Protocol
- ☐ Designing the Return to Work Program for Success
- ☐ Disability Management for High Maintenance Employees with Invisible Disabilities

PRESENTERS

Sponsored in part by the Prevention Division of the Workers' Compensation Board of B.C.

Mike Adam

Mike Adam is a Labour Relations Advisor with Forest Industrial Relations Ltd. He has been a labour and employment lawyer since 1996, with considerable experience in dealing with human rights and duty to accommodate issues.

Dr. Ray Baker

Dr. Ray Baker is a physician who specializes in Disability Management for high maintenance employees with invisible disabilities. He is currently the Medical Director at HealthQuest Occupational Health Corp.

Carol Keane

Carol Keane has worked in the fields of Vocational Rehabilitation and Disability Management for the last 25 years. The primary focus of Carol's business is to provide training, education and implementation assistance for onsite Disability Management programs.

Rochelle Morandini

Rochelle Morandini is the President of Morandini & Associates, who offer consulting services in the areas of strategic business and process development. Rochelle is also a professor at the B.C. Institute of Technology within the Occupational Health and Safety faculty.

Susan O'Donnell

Susan O'Donnell is the Executive Director of the B.C. Human Rights Coalition. Susan has taught human rights for the Labour Studies Programme at Capilano College, the Justice Institute of B.C., and the Canadian Labour Congress.