

1 Q. **Reference: Section 2, Regulated Activities, Section 2.4.1.1, Salaries and Benefits,**  
2 **Fringe Benefits, page 2.23**

3 Has Hydro's emphasis on health and safety resulted in the lowering of Workers  
4 Compensation premiums?

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7 A. Yes. Hydro's focus on Health and Safety continues to positively impact the amount  
8 of premiums paid to the Workplace Health, Safety and Compensation Commission  
9 (WHSCC). Despite an increase in the assessable payroll over the same period and  
10 on which premiums are calculated, net premiums<sup>1</sup> paid to the WHSCC have  
11 decreased. This can be attributed to improved industry experience as well as  
12 Hydro's positive claims experience. Hydro's occupational health and safety  
13 programs and its early and safe return to work practices continue to lower claims  
14 experience for Hydro and results in larger PRIME<sup>2</sup> Incentive refunds.

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16 From 2009 to 2013, Hydro has received a total of \$402,462 in PRIME Practice and  
17 PRIME Experience refunds, averaging \$80,492 per year. The premium refunds from  
18 2009 to 2013 ranged from a low of \$57,229 to a high of \$102,788.

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<sup>1</sup> Premiums are paid in advance for any given year and are calculated based on an estimate of assessable payroll. An adjustment is applied the following year based on actual payroll. Amounts noted above are net of refund credits received in that year.

<sup>2</sup> Under PRIME, there are two financial incentives available to employers who can lower their WHSCC premiums by meeting PRIME Practice requirements and by managing their claim costs. The *PRIME Practice Incentive* rewards employers who have good occupational health and safety (OH&S) and return-to-work practices in place and the *PRIME Experience Incentive* rewards employers based on their claim cost experience. Employers with low claim costs can receive an Experience refund, while employers with high claim costs may receive an Experience charge.