



Legislative Alert

What?

A WSIB roundtable was held on Wednesday, January 6, 2016 at the Kawartha Shrine Centre. The event was in partnership with the Kawartha Manufacturers' Association (KMA) and Peterborough and the Kawartha Home Builders Association (PKHBA).

Why?

To inform members and gather feedback on changes from the WSIB as to how the WSIB determines its premium rates for businesses that require WSIB coverage.

What is the WSIB?

The WSIB is an independent trust agency that administers compensation and no-fault insurance for Ontario workplaces.

Feedback?

Email:

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or
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WSIB Roundtable

Current Framework

- Complex classification system with 130+ categories - not reflective of current industries
- A lot of volatility in the premium rates because there is the rate paid and then 18-24 months later a rebate or a surcharge is issued to the business based on claims
- Rates are currently determined by identifying predominant business activity through payroll; predominant business activity also determines which category your business falls into

WSIB Proposed Framework

- Goals of the proposed rate framework: Clear and Consistent, Fairly Allocated Premiums, Balanced Rate Responsiveness, Transparent and Understandable, Collective Liability, Ease of Administration
- Fundamental Change: Rates will be individual to each business and reflect the risk that particular business brings to the system in their category
- Categories will be based on the North American Industrial Classification System (NAICS); which is reviewed every five years and is more reflective of the current economic makeup
- 3 variables from the employer will be considered by WSIB to set future rates: payroll, cost of claims, number of claims (speaks to predictability)
- Each industry class will have a projected premium rate and a risk band associated with it that covers 40 - 80 pricepoints, with the Class Projected Premium Rate serving as the median
- Once a business is placed on the risk band, it's premium will not move more than 3 pricepoints in either direction per year
- The last six years of WSIB experience will be used in the premium equation, with the most recent three weighted at 2/3 and the remaining three at 1/3

Next Steps

- Comments on proposed framework are open until the end of March 2016
- WSIB will be releasing updated premium rate information by the end of January 2016
- WSIB will be seeking approval of the framework by late 2016
- The current implementation date is no sooner than 2019 with a year before implementation so businesses will have time to determine how the changes will affect their business.

Resources

Peterborough and Ontario Chamber Documents:

- Voice of Business Blog: [New rate framework on the way... have your say on WSIB](#)
- Blog: [Good News: WSIB acting on key Chamber Network recommendations](#)
- Report: [Response to The Workplace Safety and Insurance Board's Proposed Preliminary Rate Framework](#)

WSIB Information:

- Presentation slide deck: [Updated Rate Framework January 2016](#)
- Website: www.wsibratereform.com

