September 30, 2015

Workplace Safety & Insurance Board
Consultation Secretariat
200 Front Street West, 17th floor
Toronto, Ontario M5V 3J1
Attention: consultation_secretariat@wsib.on.ca

Re: WSIB Preliminary Rate Framework Consultation

Thank you for the opportunity to provide input into the Rate Framework discussions. This extremely consultative process is very much appreciated.

Bruce Power is Canada's first private nuclear generator. Bruce Power's 2,300-acre site on the shores of Lake Huron houses the Bruce A and B generating stations, which each hold four CANDU reactors. Over the past decade, Bruce Power has refurbished all four units at its Bruce A station, returning 3,000 megawatts of low-cost, reliable electricity to Ontario consumers. Combined with its Bruce B units, Bruce Power generates 6,300 megawatts, providing power to over one in four hospitals, homes, schools, and businesses in Ontario.

The following employers have been meeting and discussing the consultation materials, updates, and analysis communicated by the WSIB Consultation group:
- Bruce Power
- Enbridge Gas Distribution
- Hydro One Networks Inc.
- Ontario Power Generation
- Union Gas.

Please find attached our submission.

Bruce Power very much appreciates the collaborative approach that the WSIB is taking and I am available now and in the future, both as an individual employer or with the group of employers listed above, to participate in more discussions on the WSIB Rate Framework.

Regards,

Mike

Mike Murray,
Manager, Human Resources
Employee Wellness
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519-361-2948

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October 1, 2015

Workplace Safety & Insurance Board
Consultation Secretariat
200 Front Street West, 17th floor
Toronto, Ontario M5V 3J1
Attention: consultation_secretariat@wsib.on.ca

Re: <u>WSIB Preliminary Rate Framework Consultation</u>

<u>GROUP SUBMISSION - Class B – Utilities Working Group</u>

Please receive the following collaborative submission in regards to the WSIB proposed Preliminary Rate Framework. The following employers have been meeting and discussing the consultation materials, updates, and analysis communicated by the WSIB Consultation group:

- Bruce Power
- Enbridge Gas Distribution
- Hydro One Networks Inc.
- Ontario Power Generation
- Union Gas

Since the release of the WSIB consultation materials in March 2015, the above mentioned group of employers ("*The Group"*) have continued to review and participate in WSIB-led Technical Sessions, as well as Working Group Sessions held in July, August, and September with J.S. Bidal, WSIB Executive Director and Earl Glyn-Williams, WSIB Lead. The Group appreciates the opportunity to continue in this consultation and we look forward to reviewing the outcomes following stakeholder input.

<u>Introduction</u>

The Group as a whole represents large employers with significant experience managing claims within the current NEER Experience Rating program under Schedule 1. Currently, The Group is represented in various Rate Groups (833, 835, and 838) under Class H: Government & Related Industries. Based on the current proposed changes, it would appear that the majority of the group will transition to the new "Class B: Utilities". The Group's familiarity with the current system, similar claims experience and similar industry trends led to discussions and shared interests with respect to the Rate Framework Consultation.

For the purposes of this submission The Group has focused primarily on Paper 3, but has also addressed questions raised in Paper 4 and 5. As a whole, The Group has taken into account the breadth of information provided by the information sessions, as well as the July Consultation Update, and the August Rate Group Analyses and

Risk Disparity Analyses documents. For clarity and continuity, the submission will focus on addressing the "Questions for Consideration", in the order they were posed within Papers 3, 4, and 5. Additional items/interests not addressed by the Papers will be included separately at the end of the submission.

PAPER 3: THE PROPOSED PRELIMINARY RATE FRAMEWORK

Step 1: Employer Classification

Employer Classification

Is the proposed structure adapted from NAICS an appropriate grouping of employers?

Yes, The Group supports the proposed adoption of the NAICS system, and believes it will provide a more appropriate grouping of employers. In contrast to the current SIC system, NAICS will provide an updated grouping of employers noting changes in industry, technology, and today's business climate.

Although the updated NAICS system is a move forward, the WSIB should endeavor to develop a Policy which specifically outlines a process for regular review of classifications similar to the NAICS review of every 5 years, in order to adapt to ongoing and future changes in business, industry, technology, etc. The prior SIC system was not reviewed regularly and eventually resulted in Employers applying in and out of rate groups in an effort to re-align themselves, as outlined by Mr. Douglas Stanley. Additionally, the policy and any periodic reviews should not only address changes in classifications, but undertake review and adjustment of classes based on the new make-up of classes to ensure self-sufficiency and credibility of classes based on risk profiles, claims costs, and insurable earnings.

Caution should also be undertaken noting that at the time the SIC system was implemented in 1993, a plan for review was also anticipated but was not followed. In the event the overseeing statistical agencies managing the NAICS structure disbands, or is modified, a plan for change/adaptation would have to be built into the governing Policy.

Do the proposed 22 classes appropriately reflect the industry categories in Ontario's economy today?

Yes, The Group support the change to the increased number of classes as outlined in the consultation materials. The Group understands the WSIB is reviewing a further expansion to 32 classes, as outlined in the July consultation update. Understandably, any expansion to additional classes will have to ensure that these additional classes can support the appropriate levels of risk, experience, and predictability for rate setting and liability. As mentioned above, if the WSIB establishes "classes" that differ from the true NAICS grouping, this further emphasizes a need for a Board policy which outlines how the board will manage the classification system on a go-forward basis; including thresholds for when classes may be expanded and/or contracted further.

The WSIB is proposing to classify employers according to their predominant class, where the predominant class would generally be defined based on the class representing the largest share of an employer's annual insurable earnings.

- *Should the WSIB consider factors other than just insurable earnings?*
- *Should the WSIB also consider the risk involved in the business activity when determining the appropriate classification?*
- *Or a mix of both insurable earnings and risk?*

The Group supports the WSIBs plan for basing the rate and classification on the predominant class/business activity. The WSIB should endeavor to communicate the specific new Class that employer's will be assigned to well in advance of the 'go-live' date. Clear and early communication of anticipated class assignment, will provide employers the ability to review and evaluate the determination, and if concerned, employers will be afforded the opportunity to clarify/correct their assignment prior to "go-live". This process will limit confusion, further adjustments/movement, and reduce the possible financial impact that could result from an incorrect classification/rating.

Is a three year window for determining an existing employer's predominant class appropriate?

- *Is a longer window (e.g. four years) more appropriate or is a single year enough?*

Yes, 3 years should be sufficient for most employers and will limit the effect of changes in business activities.

Temporary Employment Agencies (TEA)

Should TEAs be treated differently from other employers under a new Rate Framework to address the premium cost avoidance issue (e.g. be allowed to have multiple premium rates)?

Within The Group providing this submission, these employers either do not utilize TEAs regularly, or where they are used, the temporary employees are hired for low risk labour (i.e. Clerical and Administrative workers). As a result, The Group does not have a definitive position on the issue, noting our limited experience.

How should the claims cost avoidance issue be addressed under a new Rate Framework?

The Group does support the proposed direction of incorporating increased "rates" by the TEAs allocated/billed to their "clients", whereby TEAs would have varying rates dependent on the nature of the labour they are supplying, which they would bill/allocate to the “client employer”. If a “Client Employer” knows they will be billed by the TEA for premium costs and risk associated with their temporary employees, this does have the potential of limiting the ability of employers to use TEAs to avoid high rates and premiums.

The Group does question how the WSIB is going to govern and monitor how TEAs allocate/assign costs to their ‘clients’, and whether the WSIB has the authority to monitor and audit the proposed changes. Will TEAs be required to provide Client Employers with a breakdown of the associated “rate” related to premium costs?

Step 2: Class Level Premium Rate Setting

New Claims Costs & Administration Cost:

Should the WSIB use the current RG approach of fixed per claim limit of 2.5 times the annual insurable earnings at the employer level, or should the WSIB use the graduated per claim limit approach outlined?

The Group’s current understanding is that the size and experience of each employer participating in this submission would indicate we will be considered 90-100% predictable with respect to the predictability scale. Therefore, either approach is appropriate and would have limited impact even if the WSIB was to adopt a new Graduated Per Claim Limit approach.

Should the WSIB consider using a different graduated per claim limit than the one proposed? If so, what features should it have?

See above. Either approach would have minimal impact on employers who are 90-100% predictable under the over-arching proposed framework.

Should the WSIB continue with its current allocation of administration costs?

The Group supports the position to continue with the current allocation of administration costs and legislative obligations.

Long Latency Occupational Disease (LLOD)

Should LLOD (long-latency occupational disease) claim costs be shared equally by all employers as a collective cost or should these costs be charged directly to the individual employer?

The Group agrees that the LLOD claims should be shared equally by all employer’s across Schedule 1. Today’s employment climate has changed where workers’ movement from occupation to occupation spans across multiple classes and workers do not reside in one class/industry for the entirety of their working life.

Understandably, through years of claims experience and data collection, the WSIB has significant data on the number of LLOD claims, costs, pensions, etc. and the type of LLOD (NIHL, Silica, Asbestosis, etc.). It would be beneficial for this information to be shared and referenced in relation to further plans and direction related to the allocation of costs.

Additionally, as consideration is given for how the WSIB will issue "Claims Reports" (i.e. similar to the current Quarterly NEER Reports), it would be beneficial for the WSIB to include information related to LLODs to the appropriate 'exposure employers'. Including information related to the employer's Costs, awards, their percentage of accountability/responsibility, as well as the over-all cost to the system, would assist in driving prevention and improvement of safe work practices for employers. Knowledge of the 'true cost' to the collective system would assist employers in understanding the effect these claims have on their rates within the new framework, even if it is not impacting their own individual Employer Actual Premium Rate.

The Group recommends the WSIB endeavor to review and explore the Final Report of the Chair of the Occupational Disease Advisory Panel, issued in February 2005. The Group does recognize that the broader topic of Occupational Disease adjudication, and operational policy, is not within scope of the Rate Framework consultation, but has included some additional thoughts related to this topic, in the "Additional Comments" section below.

The WSIB should consider applying a threshold for entitlement to a NEL award for Noise Induced Hearing Loss claims, as done in other jurisdictions. By identifying a threshold for when a NEL is awarded, the board would reduce costs associated with administering and issuing the minimal-NEL benefits, where the cost outweighs the actual benefit itself. The entitlement to hearing aids and HC benefits would still apply, but a limit to the NEL award would ease the burden on the system.

SIEF

Given the design elements of the proposed preliminary Rate Framework that promote greater stability in premium rates, as well as the current legal landscape on disability issues, is the SIEF policy as it currently designed still relevant?

It has been expressed to The Group that the WSIBs implemented changes and improved adjudication related to the SIEF program has resulted in the New Claims Costs associated with SIEF being reduced from 30% of NCC to 5% of NCC over the last 5 years.

The Group believes that SIEF is still a relevant aspect of the WSIB process related to pre-existing conditions and their effect on claims and benefits. However, noting the strides made by the WSIB in recent years, and the recent Operational Policy changes related to pre-existing conditions, it may be warranted to continue to use SIEF, in a new/redesigned SIEF Policy, change in scope, and updated definition, and its applicability.

Discussion was also undertaken in regards to whether the WSIB would allow employers the option to opt out of SIEF Coverage, and what effect it would have on the Employer Premium Rate, and perhaps the Class Target Premium Rate.

Self-Sufficiency of Classes:

How should the WSIB handle catastrophic new claim costs situations that occur in a particular class?

a) Include claim costs in the year that they occur, which may result in a higher premium rate being charged to employers?
OR
b) Reduce the premium rate increase and add the remainder as an amount for future premium rate consideration?

c) How should catastrophic situations be defined? Should the WSIB consider pooling these costs at the class level or Schedule 1 level?

The Group's understanding is that "catastrophic new claims costs" can be defined as either:

- A pandemic/wide-spread type illnesses that affect a specific group of employer's (i.e. Health Care industry affected by SARS, H1N1, etc.) burdening a specific class, or classes, which significant increased claims costs in a specific period, OR

- An unexpected event (i.e. plant explosion, mining disaster, plane crash, multiple homicides in the workplace) resulting in significant injuries/costs to a large number of employees for a particular employer, OR

- An unexpected change in a particular class (i.e. a number of employers suddenly leaving the marketplace) resulting in the class having to compensate for the disparity of future claims costs, no longer gathered through premiums.

Understandably, unique situations such as those described above (and perhaps other scenarios not yet identified) could arise and the employers, class, or classes, would be burdened with significantly high and unexpected costs that would not be considered through review of risk profiles and past claims experience. For situations where "catastrophic claims" occur and there is limited-to-no control at the employer level, it would be The Group's position that the WSIB should consider some form of pooling for these costs. However, what level they are pooled could differ depending on the nature of the "catastrophe". Following a catastrophic event that affects one employer (i.e. plant explosion), or a limited number of employers, consideration should be given to pooling the costs at the class level, where a collective of similar employers can support the affected employer(s). Alternatively, a catastrophe that affects multiple, or the majority, of employers in a particular class (i.e. pandemic, or significant reduction in class insurable earnings), the costs could be pooled at the Schedule 1 level, noting that pooling at the class level would not be sufficient and would result in significant impacts to a multitude of employers.

The Group supports that in catastrophic scenarios, some level of pooling should occur in an effort to limit significant volatility in scenarios where employers have limited control and the event is significantly unpredictable. In order to better prepare and educate all employers of when this would apply, a clearly defined definition (or definitions) of "catastrophic claims" should be developed as part of an overarching Operational Policy. The policy would provide clarity of what will occur, how it will be applied, and how it will be communicated to employers, in the event these situations were to arise. Furthermore, consideration could be given to identifying an 'arms-length' entity to oversee these types of matters in an effort to eliminate political-based decisions, and ensure decisions are based on an objective review of the catastrophe itself and the effect it would have of employer, class, and Schedule 1 rates.

Step 3: Employer Level Premium Rate Adjustments

Actuarial Predictability

In setting employer level premium rates, what are the factors that the WSIB should consider in assessing the level of protection an employer needs from large rate fluctuations?

a) *Should the WSIB include in the assessment of actuarial predictability, insurable earnings, claim costs, number of claims, lost time injuries or some other factor?*
b) *Should the WSIB use different mixes of insurable earnings, number of claims?*
c) *Are the percentages of assignment between individual and collective experience appropriate?*
d) *Should a new employer be treated the same as an existing employer?*

The Group supports the proposed Framework's structure and the proposed process, and associated factors, for setting employer level premium rates, resulting in individualized Employer Premium Rates based on their own experience and predictability. Based on the data provided in Paper 3 (page 45), it would appear that the WSIB attempted numerous variations of weighted factors.

The resulting actuarial predictability appears appropriate based on the information provided.

Similarly, the Predictability Scale outlined (Paper 3, page 47) appears to provide a sufficient balance between individual experience and collective experience.

The proposed Framework offers challenges for new employers entering the system with no prior individual experience. Consideration could be given to introducing new employers to either; 1) the Class Target Premium Rate, or 2) the Class 'Average Premium Rate" initially. Thereafter, a formula could be established to apply a graduated/weighted "Employer Target Premium Rate" based on experience and total claims, year-over-year until sufficient experience is obtained to better establish a truer 'Employer Actual Premium Rate'. Consideration should be given to still allowing minor movement within the risk band, noting the Risk Band Limitations (discussed below) would afford protection from volatility, even to 'new' employers.

Does the introduction of experience adjusted premium rates for small employers, currently excluded from WSIB experience rating programs, introduce too much premium rate sensitivity?

No, the use of the predictability scale and collective liability will limit volatility in premium rate changes year over year. Small employers will be afforded the appropriate level of protection from large fluctuations, but also allow for an appropriate level of employer accountability.

<u>Risk Banding:</u>

Is using the average of the last 3 years net premium rate for experience rated employers or the premium rate of the RG for those employers who are not experience rated, a reasonable starting point for employers to transition to a new Rate Framework?

Yes, The Group supports the use of the last 3 years net premium rate. It would be beneficial for all Employers if the WSIB would provide (in written form) a breakdown of how the "net premium rate" is calculated. Understandably, the WSIB is reluctant to share the calculations/rates used in assessing the proposed framework, as the 'net rate' may change before final implementation. However, providing employers with a clear breakdown of the formula (and examples from mock NEER/CAD-7 statements) would allow employers to evaluate their own individual status as part of ongoing preparation.

Are the risk bands that are set at 5% increments to provide great sensitivity, and avoid large premium rate swings for employer with small changes in risk appropriate? Should the percentage increments be larger?

5% increments is appropriate and allows for adjustments based on experience, while also protecting against volatility.

Should the proposed preliminary Rate Framework use the most recent six prior years for determining employer level premium rates? Or three or four years?

The Group supports the use of six years for establishing Employer's Total Claims Costs. Six years would be more appropriate to support a truer picture of the actual costs of the claim. This would also increase predictability and make employers more accountable for their own costs.

The July Consultation Update outlines that some stakeholders are requesting/ recommending the use of a weighting scale, putting greater emphasis on recent data versus older data. The Group holds the position that the use of 6-years of unweighted costs is likely sufficient data to determine premium rates and question the level of benefit 'weighting' different years will provide.

Noting the WSIB has reviewed 'alternatives' and other models as part of the development of Paper 3, an updated Paper as part of the consultation process could include an alternative model **with various types of weighting** to outline the effect the weighting would have (if any), and offer discussion on the pros and cons of this proposition.

Does a three risk band limitation, relative to the experience of the class, provide suitable stability? Consider that this limitation itself leads to greater collective liability, should the limitation be higher? Should it be lower?

The Group supports the proposed limit on Risk Band movement of +/- 3 risk bands. However, the WSIB should provide clear analysis/reports annually (quarterly?) to employers allowing them to gauge where they are trending, and outline the Employer Target Rate to provide transparency to employers.

As discussed further below, improved online real-time information and accessibility to information would be strongly recommended as part of any proposed framework. The WSIB has made strides in improving eservices, but further improvement would offer increase service to stakeholders.

Should we consider forgiving employers who increase/decrease one or two risk bands? If so, would there be a need to increase the risk band limitation to four or five risk bands to appropriately balance premium rate stability and responsiveness?

The Group doesn't support the notion of forgiveness of 1 or 2 bands as it would result in confusion for employers. Additionally, forgiveness could potentially result in annual appeals by employers, and unnecessary administration and costs to the system. The simplicity within the +/- 3 band movement will benefit all employers and make it easier to understand. Movement of 4 to 5 bands would result in increased volatility and decrease stability for employers, which goes against the intent of the new framework.

Do risk bands generally provide a positive support and a level of stability in setting rates for employers, or would individualize rates for each employer capped at a specific %, plus or minus, relative to the experience of the class be preferred?

The Group supports the risk band approach, and the +/- 3 band movement. To a certain degree, the proposed framework already incorporates "individualized rates" for each employer, as well as a cap of "15%" movement from year to year. Additionally, the approach of having a broad range/number of "Risk Bands" dependent on the Class (and their risk/experience), allows for appropriate movement.

Furthermore, Paper 3 discusses that the maximum premium rate would be approx. three times the Class Target Premium Rate, and through the working group sessions, The Group understands that when/if needed maximum premium rate (i.e. highest risk bands) could potentially fluctuate from year to year as the class's collective liability changes. Similar to the recommendation to develop of policy on "Classification", the WSIB may consider outlining a specific policy on when, why, and how changes in Risk Band Ranges may change.

Overall, The Group believes the proposed framework appears to find a strong balance between collective accountability and individual employer accountability.

New Employers:

Should the WSIB charge new employers with less than 12 months of experience the Class Target Premium Rate? Or should they be risk banded?

The Group agrees that new employers should start at the Class Target Premium Rate, and as they gain experience/predictability over years in the system, they will move accordingly towards an individualized Employer Target Rate. A graduated approach based on year-by-year experience could be developed, similar to the predictability scale, but designed for new employers being as the employer begins to gain experience and

Similar to other topics outlined in this submission, a clear policy clarifying how new employer's will be treated should be established.

Surcharging Employers:

What factors should the WSIB consider when determining if an employer should be surcharged?

The Group supports the need for some type of surcharge mechanism for employers who fail to improve overall claims performance. Factors that should be evaluated would include; claims costs and rate increases (+3 risk bands) over a number of years, and/or employers continually residing in the maximum risk band for the class for a pre-determined number of years. Although collective/class liability is part of the new Framework for greater protection to rate volatility, the Framework does also incorporate increase employer accountability. In instances where employers are meeting the 'threshold' for penalties, mechanisms to hold employers accountable should be built into the new framework. The Group supports a graduated/tiered approach to reaching a surcharge threshold, whereby Employers are provided with escalating notifications in the event they are trending towards a surcharge scenario.

Additionally, the surcharge mechanism should be linked to overall claims/cost/experience performance over time (to-be defined), and should not be linked to individual claim types (i.e. fatality claims).

It would seem obvious to The Group that a well-defined policy would be required to outline processes, thresholds, level of accountability, maximum surcharges, support resources, etc. that would be required within the framework.

Should the WSIB not surcharge employers at all and include all the claim costs above a certain level as a collective cost in setting the Class Target Premium Rate?

As noted above, The Group supports that a surcharge approach should be included as part of the Framework. However, an integrated approach of surcharging continually 'poor' performing employers along with providing "collective accountability" within the class should be undertaken as well.

Noting the fact that the Maximum Risk Band is not a fixed amount and can increase over time, in relation to the class target rate, there is also the potential that employers at the maximum risk band may not be 'protected' by the collective group over the passage of time. Continually poor performance could lead to an increased maximum, resulting in increased rates for the 'poor' employer as well.

Paper 4: The Unfunded Liability

Should the WSIB use the NCC method or consider Method 2 of apportioning the UFL as described earlier in this paper?

The Group supports the ongoing use of the NCC method to assist in paying down the UFL. The WSIB should consider a graduated diminishment of the UFL portion of the 'rate' as we approach the full re-payment of the UFL. By gradually moving towards the "$0 UFL Rate" there may be some built in protection for employers and the board alike, and it would remove the 'perception' from other external parties/groups of an unwarranted sudden reduction in rates.

Paper 5: A Path Forward

Are there any other key considerations that could be considered in the development of a transition plan from the current system to a new Rate Framework?

The Group believes that a significant amount of communication to all employers, regardless of size and current experience rating program, will be required. The communication should be rolled out in multiple forums, including but not limited to:

- Direct Employer communications
- Communication to Employer Groups
- WSIB website & Social Media

With respect to employer-specific information, the WSIB should ensure significant advance notification (1 – 1.5 years notice) of each employer's anticipated *Class Target Rate*, *Employer Target*, and *Employer Actual Rates*.

Proper training and education on the new framework and any applicable electronic portals should be provided in advance in an effort to make the transition as seamless as possible for employers.

Where necessary, it would be appropriate to provide additional resources to employer groups (such as the Office of the Employer Advisor, OEA) in an effort to provide increased information to small employers who may not be equipped with internal resources to review and interpret information as it is conveyed. These enhanced resources should remain in place both during and after the transition, as it can be expected that many smaller employers won't react to the change until it has already taken place.

Additional Comments from The Group:

Operational Policies & Legislative Changes:

Throughout The Group's submission, we've outlined instances where we believe policies should be drafted and considered. The Group proposes that the WSIB should draft an all-inclusive list of new policies and current policies that will require revisions/updates. Presumably, the Rate Framework Consultation itself will include drafts of these policies requesting employer/stakeholder feedback as part of the overall process.

Similarly, proposed changes in legislation and legislative language should also be shared with stakeholders for consideration and feedback.

Occupational Disease Advisory Panel (ODAP):

Noting the relation to questions on Long Latency Occupational Diseases and the way those claims fit into the Framework, the WSIB should also explore the previous recommendations made in the 2005 ODAP report. Given the overall intent of the new Framework is tied to the recommendations to provide Funding Fairness, it is The Group's position that there is opportunity within the scope of the framework to review how LLODs are reviewed and managed, and that there could be increased fairness obtained by having an arms-length panel to review how Occupational Diseases (new and historical) are assessed with regards to entitlement. A separate body that could evaluate objective occupational, epidemiological, and scientific evidence, in determining presumptive legislation and/or entitlement, would result in a more transparent and objective assessment and implementation of conditions, processes, entitlement, etc.

Fatalities

In the current experience rating programs for NEER and CAD-7, Operational Policy 14-02-17 Fatal Claim Premium Adjustment outlines when and how the WSIB applies a one-time premium increase in the year an employer incurs a traumatic fatality claim. It is The Group's position that the upon the transition to a new Rate Framework this policy will be become void and no longer be applicable, as NEER and CAD-7 will no longer exist. In addition, it is The Group's position that the new Framework would not revise/implement a new or similar version of the policy to penalize employers in a similar manner.

Currently, through discussions within working group sessions with the WSIB, The Group is aware of three possible considerations for how Fatality Claims could be addressed. In the event of a fatality, three possibilities include;

- Employers pay for the actual associated costs based on entitlements, related to funeral expenses and dependents, based on the worker's circumstances. These costs would be subject to a graduated per claim limit based on an employer's insurable earnings and the new Framework, whereby if the actual costs were greater than the maximum claim limit for that employer, the employers experience would be affected only by the maximum. Or,
- The employer is charged with the "average cost" of a fatality, and the amount would NOT be subject to the graduate per claim limit. The WSIB

would determine (and continually evaluate) the “average” cost that a ‘fatality’ costs the system based on claims data over a period of time (i.e. 6-years prior).

- The employer would be charged with the maximum graduated per claim limit outlined in the proposed Rate Framework. Whereby, the employer pays the per claim limit regardless of the worker’s circumstances at the time of the fatality (i.e. funeral expenses, dependents, etc.).

The Group has undertaken various conversations surrounding how fatalities may be treated within the new Rate Framework, and prior to offering a position on the matter The Group feels more information, data, and modelling is required. The WSIB possess the necessary data related to costs and should endeavor to provide additional information to various scenarios.

The Group acknowledges the seriousness of any fatality claim, and the fact that it is likely the most significant claim any employer could experience, and as such additional information pertaining to the costs to employers and the system would be beneficial to all stakeholders evaluating how costs associated with fatalities should be administered.

Customer Service, Reporting, and Access to Information

The Group would be remiss not to express the need for ongoing improvements in services and availability of information to employers. Currently, for employers in the NEER Program, cost related information is issued on a quarterly basis but is typically not communicated to employers until 6 – 8 weeks after the closing of the “quarter”. Improved electronic-based systems and portals providing real-time claims information, costs, decisions, etc. would benefit both Employers and WSIB Operations staff. Additionally, over time, improved systems and availability of information should reduce administrative costs.

Through working sessions related to the Framework, it has been shared that the WSIB is looking at the WorkSafeBC model and their online “Employer Safety Planning Tool Kit”. The Tool Kit reportedly offers employers not only real-time claim information (costs, benefit types, decisions), but real time experience and premium rate information in the form of forecasting and other information which would benefit employers in reviewing what claim trends, risk profile projections, and premium rate projections are occurring, and where safety measures could be implemented to improve performance. Employers would benefit from additional presentations/slides/ screenshots related to the BC Tool Kit, or a mock Tool Kit, providing more specific examples of what would be provided to employers.

Additionally, employers continue to struggle with the limited electronic services provided by the WSIB with respect to claims management, and it is The Group’s position that WSIB costs as well as indirect costs at the employer-level could be reduced by expanding the e-services offered by the board, including but not limited to:

- Decision Letters
- Submission of Objection Letters
- Submission of Forms (WREO7E, Form 9s, etc.)
- WSIB Requests for Forms (i.e. Employer Progress Reports)
- Confirmation of Claim Numbers
- Appeals – Access to Claim Files
- Communication
    - o WSIB could set minimum security/system requirements for email correspondence)

Movement to a more employer-centric model should include efforts to provide more timely information in an easy and accessible manner to all employers.

Self-Insurance

The Group understands that the notion of Self-Insurance and changing legislation is not within scope of the proposed Rate Framework Consultation. However, in an effort to review future opportunities and other avenues for improved funding fairness, The Group requests that the WSIB obtain and provide cost and claim data related to specific time-period data for claims. Specifically;

- Can the WSIB provide data to employers in relation to how many claims are closed within specific thresholds (5-days, 7-days, and/or 10-days of onset), along with associated claims costs and benefits paid?
- Can the WSIB review and analyze the data and determine the administrative and man-power costs associated with these "thresholds" to determine model what benefit (or detriment) a Self-Insurance model may provide to employers and the WSIB?

WSIB Autonomy

The Group believes that the WSIB's current policy and legislative approach which clearly outlines the WSIB's accountability and jurisdiction to oversee and apply funding and rate setting should continue. The efforts in recent years to ensure the UFL can be paid within the designated time frame, as well as the assurance afforded to employers that the premium dollars gathered are adequate to cover future benefits should remain in place.

Conclusion

Overall, based on the information included to-date The Group is of the position that the proposed Rate Framework will drive employer accountability and proper claims management which should drive decreased claims costs, reduced rates, proactive Health & Safety measures in the workplace and better prepare employers to visit true trends in costs, claim frequency, severity, etc.

Going forward, The Group would suggest that the WSIB should consider offer training/Web-Ex sessions to employers to become familiar with the new Rate Framework. This would assist in reaching as many employers (large and small) as possible and limit confusion and increase the knowledge base moving towards any new Framework.

We appreciate the opportunity to provide comments on this very important WSIB Rate Framework Consultation. We look forward to the next phase of the process and reviewing the report and submissions provided by all the stakeholders.

Yours Sincerely,

Bruce Power ***Enbridge Gas Distribution*** ***Hydro One***

Union Gas ***Ontario Power Generation***