

## Proposed Preliminary Rate Framework – Q&A

### Why is the WSIB considering changing the premium rate framework?

- The WSIB is consulting on a proposed preliminary Rate Framework that aims to address some of the fundamental issues, raised by stakeholders, partners and the WSIB itself, with the current framework and its associated business processes.
- The WSIB's objective is to consider reforms that ensure that there is a reasonable balance between premium rate stability and responsiveness, and that stakeholders can easily understand and engage in the process.

### What are the key goals of the reforms?

- Clear and Consistent: A new streamlined and simpler classification structure that is clear and consistent in its application as a foundation.
- Fairly Allocated Premiums: An approach that ensures a fair premium for workplace coverage, based on each employer's risk and claims experience to ensure occupational health and safety is top of mind for employers as it relates to their premiums.
- Balanced Rate Responsiveness: A reasonable consideration for premium rate stability, while also ensuring responsiveness to risk and claims experience attained through occupational health and safety efforts to reduce workplace injuries and return workers to productive work.
- Transparent and Understandable: A Rate Framework that stakeholders can easily understand, and promotes active and informed participation.
- Collective Liability: A risk sharing arrangement exists among employers who collectively pay premiums to maintain the insurance fund.
- Ease of Administration: Efficient and effective for the employer community and the WSIB to administer and maintain.

### What changes are being proposed?

- The WSIB is recommending a proposed preliminary Rate Framework that replaces its current classification structure, premium rate setting process, and experience rating programs. Its key features proposed are:
  - A simplified, transparent and modernized classification system, aligned to an accepted national standard;
  - A fair process that prospectively sets premium rates, reflecting individual employers' claims experience relative to their industry; and
  - Consideration for a reasonable transition path to ensure employers can gradually adjust to the new premium rate setting process.

### Why is the WSIB doing this now?

- The WSIB is modernizing and transforming all of its services to meet the changing nature of Ontario's workplaces, and the economic and financial environment in which they operate.

**Are you doing this to get more money from employers? or Is the WSIB doing this to reduce the unfunded liability?**

- No. Any reform of the Rate Framework would be revenue neutral across Ontario's workplace safety and insurance system and focus on improving fairness in the premium rate setting process.

**Is this proposed preliminary Rate Framework already decided or will employers have a chance to provide input and feedback before the changes take place?**

- It is not decided. The WSIB is consulting to ensure various perspectives are considered before finalizing any potential Rate Framework reforms.

**Are you going to wait until the UFL reaches zero before making any changes?**

- At this stage, the WSIB is consulting on the proposed model. From this engagement, and further discussion with stakeholders on any potential transition, a path forward would be determined towards the elimination of the UFL.

**Once a new Rate Framework is ready for implementation, how are you planning to roll it out?**

- If we move forward, the WSIB is committed to ensuring that any significant reform is implemented gradually and in a manner that fosters stability.