



March 31, 2016

Submitted via email: (consultation_secretariat@wsib.on.ca)

Consultation Secretariat
Workplace Safety & Insurance Board
200 Front Street West
Toronto, ON M5V 3J1

RE: WSIB Consultation on the December Rate Framework Review Submission

RESCON is an association which represents the construction interests of high-rise and low-rise residential builders in Ontario, with more than 100 union and non-union member companies. As a founding member of the Construction Employers Coalition (CEC), RESCON reconfirms its support for the CEC position and is taking the opportunity to provide further comments.

Specifically, RESCON supports the CEC's submission which calls for: **the elimination of the Unfunded Liability (UFL) before the implementation of the Rate Framework Review (RFR); the maintenance of the executive officer rate group; starting all companies at the class target premium rates; and shadowing billing as a transition tool.**

In addition to the above, RESCON would like to emphasize the following issues:

- **Decoupling rate reduction and the rate framework review**: As outlined in RESCON's October 2nd submission on RFR, we are continuing to commend the WSIB and its leadership for improvements that have been made with respect to the UFL. Part of this good news story has been a reduction in LTIs within construction (class G) and as outlined in previous CEC submissions, we echo the call for lower premium rates for

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residential construction employers. RESCON, as a member of the CIAC, is aware of the potential for progress on this issue, but nonetheless finds it important to restate this as a top priority of our members.

- **Maintenance of Rate Group 755 – the Executive Rate:** As outlined in RESCON's January 18th letter to Chair Witmer, RESCON outlined a number of concerns related to rate group 755 including:
 1. Construction is the only sector with mandatory coverage (Bill 119). With respect to executive officers, this creates an equity issue. Specifically, executives in other sectors are given the option of opting in or out of WSIB coverage (and usually at a much lower rate).
 2. Executive officers will be heavily overcharged with no recourse available as an executive's risk premium, as clearly illustrated by the existing rate group structure, is a fraction of the proposed G1, G2 and G3-expanded classifications. Furthermore, due to the prevalence of subcontracting in residential construction, the vast majority of RESCON members fall below the 10% threshold on the **predictability scale** in the proposed RFR. This means an above average safety record will have an extremely limited impact on their overall premium rate.
 3. Construction has been recognized as a unique sector by virtually all government-related tribunals, ministries and legislation, including the Ontario Labour Relations Bureau (OLRB), MOL and Ontario Labour Relations Act (OLRA). Across government, construction is consistently recognized as unique and provisions to reflect this understanding are put in place. The OLRA takes this a step further and has implemented sector specific legislation solely for the residential construction industry within the GTA. The removal of rate group 755 would lump the construction sector executives in with all other construction workers and would signal a move away for the guiding principle upon which the RFR was started – "risk premiums should reflect the risk profile of employers and sectors."

RESCON is also aware that other stakeholders have taken the opportunity to discuss the creation of an administration group. While unaware of specific details, this is an issue RESCON would be open to discussing further to address above noted concerns.

- **Multi-rating and the G1 Building Construction Classification:** As outlined in our stakeholder engagement meeting related to the December 1st RFR update, residential construction is a unique sector which requires additional consideration with respect to multi-rating. In addition to the request for shadow billing, more information needs to be provided with respect to how residential builders will be affected. This is especially the case for builders which are both multi-rated and at the low end of the predictability scale.

- **G1 Building Construction Classification:** As discussed in our stakeholder engagement meeting related to the December 1st RFR update, RESCON continues to urge the WSIB to further examine the G1 Building Construction classification rate group. Specifically, it may prove prudent to examine the relationship between the current RG: 723 and RG: 764. Current rate premiums indicate a variance and the creation of sub G1 classifications could result in improved accuracy. RESCON is committed to the consultation process and would welcome the opportunity to discuss this issue further.

On behalf of all RESCON members, I appreciate the continued efforts of WSIB staff related to the RFR. RESCON will continue to work as a partner with the WSIB and will dedicate resources necessary to provide meaningful input and feedback. Finally, we appreciate the opportunity to make the above noted comments and are open to discuss any questions the WSIB may have.

As always I remain available via email at pariser@rescon.com or at (905) 760-7777.

A handwritten signature in black ink, appearing to read 'Andrew Pariser', with a long horizontal flourish extending to the right.

Andrew Pariser
Vice President
RESCON