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## Law

### s.82

The WSIB may increase or decrease the premiums otherwise payable by a particular employer in such circumstances as the WSIB considers appropriate.

### s.83(1)

The WSIB may establish experience and merit rating programs to encourage employers to reduce injuries and occupational diseases and to encourage workers' return to work.

### s.83(2)

The WSIB may establish the method for determining the frequency of work injuries and the accident costs of an employer.

### s.83(3)

The WSIB shall increase or decrease the amount of an employer's premiums, based upon either the frequency of work injuries or the accident costs or both.

## Policy

### NOTE

For employers that entered the Safe Communities Incentive Program (SCIP) before January 1, 2002, the terms of participation differ from those applying to later entrants. The older program, referred to as SCIP, is described in the following document. For the terms applicable to later entrants see 13-02-08, Safe Communities Incentive Program - Revised (2002 and Later Entrants).

Under the Safe Communities Incentive Program (SCIP), a community group may receive a premium refund. The SCIP refund is equal to 75% of the difference between the community group's limited claim costs for a given period and a predetermined cost threshold. There is no SCIP surcharge.

Employers enrolled in a community group remain subject to any premium or premium rate adjustment that arises from their participation in any of the WSIB's other experience rating programs.

## Guidelines

Under SCIP, participation in the Safe Workplace Awareness Program (SWAP) is mandatory.

A premium rate for each rate group is set annually by the WSIB. The premium rate, in conjunction with the employer's annual insurable earnings, determines the annual premium to be paid by the employer.

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The premium rate or the annual premium may be adjusted by the WSIB's experience rating programs.

**Safe Workplace Awareness Program**

The SWAP provides training in health and safety management and includes an evaluation component. SWAP requires participation by the legal employer or an authorized officer of each member of the community group. Details of the program are available from the WSIB.

**Community group**

A community group is a group of employers with business operations located in the same geographic area. There can only be one community group in a geographic area. A community group must be represented by a steering committee.

**Steering committee**

It is the responsibility of the steering committee to prepare a letter of application and to ensure that potential group members understand the conditions of enrollment. The steering committee must notify the WSIB of changes in group composition (see **Non-compliance** below).

**Application procedure****Community group enrollment**

Community groups that wish to enroll in SCIP must apply to the WSIB. A letter of application submitted on behalf of a steering committee member and accompanied by a completed application signed by the legal employer or an authorized officer of each member firm, must be provided to the WSIB by December 31 for entry effective the following January 1.

The WSIB, at its discretion, accepts a community group's application to participate in SCIP. Criteria that may be considered by the WSIB to accept or reject a group's application are

- the existence of an action plan that identifies the group's health and safety objectives, and which covers members' health and safety activities in the workplace
- the number of employers in the group
- the geographic boundaries of the group
- the group's total limited claim costs, and total premium
- an agreement to participate in the evaluation of SCIP, and
- any other conditions deemed important by the WSIB.

Applications for enrollment in SCIP must be resubmitted annually.

**Employer enrollment**

Employers enroll in a community group voluntarily by contacting the steering committee.

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Employers wishing to participate in SCIP must meet or agree to all of the following conditions

- to register with the WSIB
- to remain in the community group for the entire year once the WSIB has accepted the community group application
- to comply with the requirements of SWAP
- to participate in the overall evaluation of SCIP
- the annual premium of an operation within the geographic area of the community group, before adjustment by any of the WSIB's experience rating programs, is not more than \$90,000. If an employer's annual premium rises above \$90,000, the employer remains in SCIP for the year but is not eligible for enrollment the next year.

In addition, the WSIB may require employers to establish separate accounts covering only those of their operations in the geographic area of the community group into which they wish to enroll.

Employers wishing to leave the community group at year end must notify their steering committee before the group applies for enrollment in SCIP for another year.

### **Limited Claims Costs**

The costs used by SCIP are the New Experimental Experience Rating (NEER) Limited Claim Costs (LCC). See the section on claim cost limits in 13-02-02 for details. An equivalent to the LCC is calculated for those employers who do not participate in NEER, including those covered by the CAD-7 program.

### **Community group cost forecast**

The community group cost forecast is the base figure against which a group's actual costs are compared. A new forecast is calculated each year.

The forecast is a projection of what the total LCCs of the group will be for a given year and is based on the cost performance of its members in prior years.

In calculating the group cost forecast for a particular year the WSIB takes into consideration

- the actual LCCs of the group members for up to three full calendar years before the year in which the forecast is set
- general trends over this period, in LCCs, for the community group or for the NEER system as a whole
- changes made, or expected to be made, in the NEER parameters (e.g., reserves) that affect the calculation of the LCCs
- any other factors relevant to
- the accurate quantification of actual or projected LCCs, and
- ensuring comparability in the way each is calculated.

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If a full three-year cost history is not available for all members of a community group, appropriate adjustments are made to estimate the contribution of such employers to the group cost totals.

**Community group actual costs**

The community group's actual costs are the LCCs of claims with accident dates on and after the group's date of entry into SCIP (i.e., January 1 of any given year).

**Review of costs**

The community group LCCs for a given year are reviewed on June 30 of each of the three following years.

**Example**

A community group application is received May 1997 for enrollment in SCIP January 1, 1998. The 1998 group cost forecast is derived from member employer LCCs for the years 1996, 1995, 1994. The group's actual LCCs for 1998 are compared to their 1998 forecast three times; for the first time on June 30, 1999, for the second time on June 30, 2000 and for the last time on June 30, 2001.

**Premium refunds**

Members of the community group have an opportunity to earn premium refunds but will not be subject to surcharges. The community group premium refund is calculated as 75% of the difference between its actual LCCs in a given year and its cost forecast for the same year.

**Refunds pro-rated**

The premium refund earned by a community group is shared by its member employers in proportion to each employer's share (before adjustment by any of the WSIB's experience rating programs) of the total group premium.

**Non-compliance**

Regardless of the circumstances, non-compliance occurs when an employer

- does not stay in the community group for the entire year, or
- does not participate fully in SWAP.

Non-compliance may affect a group's cost forecast, a group's LCCs, a group's refund as well as a participating employer's refund.

**Non-compliance in the first year****Employer leaves group**

When an employer in the first year of participation in SCIP leaves the community group before year end, the steering committee notifies the WSIB. The WSIB considers whether the

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employer left before SWAP training, between training and evaluation, or after evaluation and takes the appropriate action as described in the examples below.

**Example: Leaving before SWAP training**

Employer A has enrolled with a community group for participation in SCIP in 1998. Employer A leaves the group before completing the 1998 SWAP training. The WSIB restates the group's cost forecast for 1998 minus Employer A's LCCs. The WSIB removes from the group's cost experience any LCCs that have been incurred by Employer A in 1998. Employer A does not participate in the group refund for 1998.

**Example: Leaving between training and evaluation**

Employer B has enrolled with a community group for participation in SCIP in 1998. Employer B completes its 1998 SWAP training but leaves the group before completion of SWAP evaluation. The WSIB does not restate the group's cost forecast and the LCCs incurred by Employer B for all of 1998 are included in the group's cost experience. Employer B does not participate in the group refund for 1998. (Employer B participates in the refund if SWAP evaluation was delayed by the WSIB.)

**Example: Leaving after evaluation**

Employer C has enrolled with a community group for participation in SCIP in 1998. Employer C completes its 1998 SWAP training and evaluation but then decides to leave the group. The WSIB does not restate the group's cost forecast and the LCCs incurred by Employer C for all of 1998 are included in the group's cost experience. Employer C participates in the group refund for 1998.

**Employer fails to participate fully in SWAP**

When an employer in the first year of participation in SCIP fails to comply with the training or evaluation elements of SWAP but stays in the group, the steering committee notifies the WSIB. Upon such notification the WSIB applies the action described in the following example.

**Example**

Employer D has enrolled with a community group for participation in SCIP in 1998. Employer D attends some of the SWAP training sessions but does not finish. The WSIB removes Employer D from the community group, restates the group's cost forecast minus the Employer's LCCs and removes from the group's cost experience any LCCs that have been incurred by the employer during the year. Employer D does not participate in the group refund but may reapply for enrollment in the community group for the following year.

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**Non-compliance after the first year****Employer leaves the group**

Employers that leave the community group part way through their second or later years of participation in SCIP are dealt with like Employers B or C described above, whichever is appropriate.

**Employer fails to participate fully in SWAP**

Employers that stay in the community group but fail to comply with the annual evaluation elements of SWAP in their second or later years of participation in SCIP are dealt with like Employer D described above.

**Application date**

This policy applies to all decisions made on or after January 1, 2002 with respect to employers entering the program before January 1, 2002.

**Document History**

This document replaces 13-02-03 dated January 31, 2002.

**References****Legislative Authority**

*Workplace Safety and Insurance Act, R.S.O. 1997*, as amended  
Sections 82, 83 (1)(2)(3)

**Minute**

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