

Operational  
Policy

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Section  
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Subject  
**Safe Communities Incentive Program - Revised (2002 and later entrants)**

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## Law

### s.82

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

### s.83(1)

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

### s.83(3)

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

## Policy

### NOTE

For employers entering the SCIP program on or after January 1, 2002 the terms of participation differ from those applying to earlier entrants. The new program, referred to as the Safe Communities Incentive Program-Revised (SCIP-R) is described in the following document. For the terms applicable to earlier entrants see 13-02-03, Safe Communities Incentive Program (pre 2002 entrants).

The Safe Communities Incentive Program-Revised (SCIP-R) issues a refund of up to 5% of the annual premium in each of two program phases. Participating employers must achieve individual and group based safety and prevention goals prescribed by the program administrator to earn the refunds.

For an employer enrolled in SCIP-R, the program does not extend beyond its two phases.

Participation in SCIP-R is voluntary and there is no SCIP-R premium surcharge.

Employers enrolled in SCIP or participating in the Safety Groups Program may not participate in SCIP-R.

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## Guidelines

### General

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 employer's annual premium, before any refund, surcharge or other adjustment from experience or merit rating programs.

Employers enrolled in SCIP-R remain subject to a refund/surcharge on their annual premium or a premium rate adjustment arising from their participation in the WSIB's other experience or merit rating programs.

Specific details of the health and safety training requirements of SCIP-R may be obtained from program administrators.

For the purpose of this policy a Group has the characteristic of consisting entirely of employers who have taken prescribed health and safety training at the same time. WSIB reserves the right to merge different Groups.

### Enrollment in SCIP-R

Employers wishing to participate in SCIP-R must apply to the WSIB. To be eligible for participation employers must satisfy all of the following

- they must be a registered Schedule 1 firm with WSIB account(s) in good standing
- the annual premium (which may be averaged or annualized) of any given account is not more than \$90,000.
- they are not enrolled in SCIP or in a Safety Group, and
- any other requirements as may be deemed necessary by program administrators.

### Phase 1: The Individual Performance Refund

In Phase 1 an employer can earn a refund of 5% of annual premium, to a maximum of \$4500 per account, provided the owner or a senior manager has

- completed the "5 Steps to Managing Health and Safety" program, previously known as The Safe Workplace Awareness Program (SWAP), which provides employers with training in health and safety management.
- completed a workplace Self-Evaluation and Action Plan
- completed and submitted, as the case may be, such elements of their workplace health and safety program as may be deemed necessary by program administrators.

Employers that do not complete these requirements by their due date are removed from SCIP-R but can re-enter Phase 1 at a later date provided they still meet the enrollment criteria.

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When the annual premium is derived from annualization or averaging methods the maximum refund of \$4500 per employer account still applies.

**Phase 2: The Group Performance Refund**

In Phase 2, employers in a Group (see "General" above) are required to complete additional workplace health and safety program elements prescribed by program administrators.

Each employer account can receive up to a 5% refund of annual premium for a demonstrated improvement in the Group's health and safety performance.

**The Group refund calculation**

SCIP-R uses claim costs (e.g. LOE, Health Care etc. from any claims) residing on WSIB systems at given times. It converts these claim costs into Points according to the following table.

Claims Costs	Points
\$500 or less	0
>\$500 to \$5000	1
>\$5000 to \$10,000	5
>\$10,000	10
Fatality*	25

The Group's Points are derived from the costs of all its member employers. SCIP-R compares a Group's Phase 2 Points to its Baseline Points, which are the average Points from a period prior to Phase 1. A refund is only possible when the Group's Phase 2 Points are less than its Baseline Points.

\*Costs arising from a fatality are not included in the Baseline Points but are included in the Phase 2 Points.

Any decrease in Points in Phase 2, compared to the Baseline, is calculated as a % of the Baseline (i.e. decrease in Points divided by Baseline Points). This yields a % Points decrease.

Any % Points decrease yields a % premium refund equal to half the % Points decrease.

Each Group member's annual premium is adjusted by the % premium refund earned by the Group. The maximum % premium refund possible in Phase 2 is 5% per Group member account, up to a maximum of \$4500 per employer account.

Details of the calculation of Phase 2 and Baseline Points, for any given Group, are available from program administrators.

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**Compliance**

After enrollment in SCIP-R, an employer whose annual premium grows to be greater than \$90,000, before adjustment by any of the WSIB's other experience rating or merit rating programs, remains in SCIP-R for both Phases.

Employers wishing to leave SCIP-R at the end of Phase 1 must notify the WSIB.

Employers wishing to leave SCIP-R during Phase 2 may do so. However their claim costs (the costs used to derive Baseline and Phase 2 Points) remain with the Group and they do not participate in the Phase 2 refund.

**Application date**

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

**References****Legislative Authority**

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

**Minute**

Board of Directors  
#9(c), December 5, 2002, Page 6478  
#7(b), October 16, 2001, Page 6374 Administrative  
#8, July 14, 2004, Page 394

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