
The Liversidge e-Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

August 1, 2006

An Electronic Letter for the Clients of L.A. Liversidge, LL.B.

4 pages

WSIB Releases Preliminary 2007 Premium Rates New WSIB Chair, the Hon. Steve Mahoney, announces: Average premium for 2007 same as 2006

WSIB Chair Mahoney shows leadership on premium rates: Announces 2007 average premium set at \$2.26 – same as 2006

In his first high profile move as WSIB Chair, the Hon. Steve Mahoney, P.C., has demonstrated the type of leadership the business community has been demanding – hold the line on premium rates. In a press release issued yesterday, the WSIB announced the average premium rate for 2007 will remain the same as 2006 at \$2.26.

This announcement is a far contrast with last year's (average) 3% increase and predictions that employers would experience several years of premium hikes. Readers of **The Liversidge e-Letter** will recall that it was only a year ago that business leaders were demanding that the WSIB develop a different funding approach [see the **June 23 2005, July 22 2005 & July 26 2005** issues of **The Liversidge e-Letter**]. Employers though must meet the challenge – reduce accidents and time on claim

Still, employers must not be complacent. This move does not mean that the funding pressures facing the Board have \ – it just means that the Board has placed greater confidence in the capacity of Ontario employers and workers to reduce both accident rates and the length of time workers are on claim (through better return to work initiatives). While accident rates are still in modest decline, the average duration of lost time claims is actually increasing. Medical costs are still on a sharp upward swing. Long-term cases are taking longer to resolve.

Mahoney made this clear yesterday: ***“The WSIB has introduced a number of measures to improve its fiscal situation. These measures are helping to alleviate some of the financial pressures on the system, but they cannot address all of them”***. In an accompanying notice to employers, the Board hit this point home: ***“The WSIB’s decision to hold the line on the aggregate premium rate assumes that significant progress will continue on key issues of concern to Ontario workers – such as safer workplaces, and improved return to work outcomes for injured workers”***.

Advance Notice:

**New WSIB Chair to meet with
L.A. Liversidge clients
November 2, 2006 (A.M.)**

**The Hon. Steve Mahoney, P.C., to
engage in “town half” Q&A session**

Keep this date open

**Do not miss this opportunity to ask the
tough questions and get the straight
answers from the Chair**

A notice will be sent shortly

[Advance registration can be e-mailed to lal@laliversidge.com]

**The Board is banking, ahead of time, on expected
improvements**

This means that the Board, under Mahoney's leadership, is banking on *improved* performance. In other words, while not expressly broadcast – *the gauntlet has been thrown down*. As an act of confidence in the capacity of Ontario business to *continue* the downward trend of accident rates and *to improve* return to work outcomes, the Board is paying dividends on an *expected* investment return a little ahead of time.

**Specific commitments would be helpful and would
increase WSIB accountability**

However, specific targets and firm commitments would be very helpful. Rather than continue to parade out that old adage that lower accident rates equal lower premium rates

(this, by the way, is no longer necessarily true, no matter how intuitively perfect it may read), the Board’s accountability would be immeasurably enhanced with some specifics. With no targets, it is simply too easy for the Board to displace the impact of real reductions in accident rates.

To improve its credibility and to really push increased motivation to reduce injuries even further, ***the Board would be wise to announce that an (X%) decrease in accident rates WILL reduce premiums by (Y%), and that a reduction in time on claim by (X) days WILL reduce premiums by (Y%).*** In a recent stakeholder meeting, senior Board officials confirmed that such predictions can be made. ***So, why haven’t they? Not all premiums are staying the same; 42% of industries will see premiums increase; 23% will see a slight decline; and 35% will stay the same***

Even though the “average” 2007 premium is the same as 2006, within “the grid” premium rates are moving. ***In fact, “losers” outpace “winners” almost 2 – 1.*** Of 157 rate groups, 36 (23%) will have premiums reduced (from -1.7% to -6.4%) and 66 (42%) will see premiums increase next year (from +1.5% to +12.8%). For 55 industries (35%), 2007 premium rates will be the same as 2006.

Moreover, as with every year, the “earnings ceiling” is also increasing. This means that while the average premium rate remains unchanged 2006 to 2007, the average premium for workers at maximum earnings will increase 3.4% 2006 to 2007 [for 2006, the earnings ceiling was set at \$69,400 and for 2007 at \$71,800 – the 2006 premium for the worker at maximum ceiling based on the average premium rate is \$1,568.44 and for 2007, \$1,627.68]. In fact, the premium for workers at the maximum ceiling (based on the average premium) has increased almost 13% from 2003 to 2007 [for 2003 the ceiling was \$65,600 and the average premium \$2.19].

Table of 2007 WSIB Premium Rates

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
030	Logging	10.81	11.43	-5.4%
033	Mill Products and Forestry Services	7.77	8.22	-5.5%
036	Veneers, Plywood and Wood Preservation	4.15	4.41	-5.9%
039	Pulp, Newsprint and Specialty Papers	2.22	2.17	2.3%
041	Corrugated Boxes	2.89	2.89	0.0%
110	Gold Mines	8.27	8.53	-3.0%
113	Nickel Mines	5.31	5.47	-2.9%
119	Other Mines	6.40	6.40	0.0%

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
134	Aggregates	6.36	6.11	4.1%
159	Livestock Farms	7.10	7.10	0.0%
167	Field Crop, Fruit and Vegetable Farms	2.72	2.66	2.3%
174	Tobacco and Mushroom Farms	3.70	3.49	6.0%
181	Fishing and Miscellaneous Farming	3.10	3.10	0.0%
184	Poultry Farms and Agricultural Services	2.45	2.45	0.0%
190	Landscaping and Related Services	4.52	4.77	-5.2%
207	Meat and Fish Products	4.35	4.35	0.0%
210	Poultry Products	3.44	3.60	-4.4%
214	Fruit and Vegetable Products	1.87	1.83	2.2%
216	Dairy Products	1.54	1.51	2.0%
220	Other Bakery Products	4.01	4.01	0.0%
222	Confectionery	1.59	1.55	2.6%
223	Biscuits, Snack Foods and Other Food Products	2.36	2.26	4.4%
226	Crushed and Ground Foods	1.56	1.64	-4.9%
230	Alcoholic Beverages	1.54	1.54	0.0%
231	Soft Drinks	2.92	2.74	6.6%
237	Tires and Tubes	3.21	3.34	-3.9%
238	Other Rubber Products	3.46	3.40	1.8%
258	Foamed and Expanded Plastic Products	2.48	2.44	1.6%
261	Plastic Film and Sheeting	2.17	2.17	0.0%
263	Other Plastic Products	2.89	3.04	-4.9%
273	Tanneries and Leather Products	3.51	3.44	2.0%
289	Cloth, Carpets and Textile Products	3.62	3.79	-4.5%
301	Clothing, Fibre and Yarn	1.98	1.95	1.5%
308	Millwork and Other Wood Industries	5.34	5.61	-4.8%
311	Wooden Cabinets	4.24	4.46	-4.9%
312	Wooden Boxes and Pallets	7.30	7.68	-4.9%
322	Upholstered Furniture	2.86	2.86	0.0%
323	Metal Furniture	2.24	2.28	-1.8%
325	Wooden and Other Non-Metal Furniture	4.12	4.12	0.0%
328	Furniture Parts and Fixtures	3.93	3.86	1.8%

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
333	Printing, Platemaking and Binding	1.56	1.56	0.0%
335	Publishing	0.56	0.59	-5.1%
338	Folding Cartons	2.02	2.02	0.0%
341	Paper Products	2.88	2.88	0.0%
352	Steel and Other Smelting and Refining Industries	2.40	2.31	3.9%
358	Foundries	3.97	3.88	2.3%
361	Non-Ferrous Metal Industries	2.76	2.68	3.0%
370	Metal Tanks	4.98	4.89	1.8%
374	Doors and Windows	3.45	3.45	0.0%
375	Structural and Architectural Products	4.44	4.31	3.0%
377	Coating of Metal Products	4.09	4.01	2.0%
379	Hardware, Tools and Cutlery	2.76	2.56	7.8%
382	Metal Dies, Moulds and Patterns	1.78	1.73	2.9%
383	Heating and Air Conditioning Equipment	2.73	2.69	1.5%
385	Machine Shops	2.56	2.48	3.2%
387	Other Metal Fabricating Industries	3.56	3.56	0.0%
389	Metal Closures and Containers	2.49	2.62	-5.0%
390	Other Stamped and Pressed Metal Products	2.76	2.68	3.0%
393	Wire Products	3.15	3.15	0.0%
402	Major Appliances and Transmission Equipment	2.01	2.01	0.0%
403	Other Machinery and Equipment	1.55	1.55	0.0%
406	Elevators and Escalators	2.67	2.58	3.5%
408	Boilers, Pumps and Fans	2.27	2.37	-4.2%
411	Agricultural, Construction and Mining Machinery	2.76	2.91	-5.2%
417	Aircraft Manufacturing	1.44	1.33	8.3%
419	Motor Vehicle Assembly	2.76	2.68	3.0%
420	Motor Vehicle Engine Manufacturing	1.56	1.56	0.0%
421	Other Motor Vehicle Parts and Equipment	2.76	2.68	3.0%
424	Motor Vehicle Stampings	2.76	2.68	3.0%
425	Motor Vehicle Wheels and Brakes	2.76	2.68	3.0%
428	Motor Vehicle Fabric Accessories	3.04	2.73	11.4%

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
432	Trucks, Buses and Trailers	4.20	4.20	0.0%
442	Railroad Rolling Stock	2.26	2.20	2.7%
460	Lighting and Small Electrical Appliances	2.51	2.45	2.4%
466	Communication and Energy Wire Products	2.17	2.17	0.0%
468	Electronic Equipment & Communication Devices	0.34	0.32	6.3%
477	Industrial Electrical Equipment	1.47	1.43	2.8%
485	Bricks, Ceramics and Abrasives	4.46	4.46	0.0%
496	Concrete Products	5.44	5.44	0.0%
497	Ready-Mix Concrete	3.59	3.59	0.0%
501	Non-Metallic Mineral Products	2.59	2.55	1.6%
502	Glass Products	2.44	2.56	-4.7%
507	Petroleum and Coal Products	0.93	0.91	2.2%
512	Resins, Paint, Ink and Adhesives	1.56	1.56	0.0%
514	Pharmaceuticals and Medicines	0.65	0.61	6.6%
517	Soap and Toiletries	1.36	1.36	0.0%
524	Chemical Industries	1.58	1.52	3.9%
529	Jewellery and Instruments	0.99	1.03	-3.9%
533	Signs and Displays	3.14	3.14	0.0%
538	Sporting Goods and Toys	4.28	4.51	-5.1%
542	Other Manufactured Products	2.04	2.18	-6.4%
551	Air Transport Industries	1.78	1.71	4.1%
553	Air Transport Services	1.36	1.22	11.5%
560	Warehousing	2.73	2.73	0.0%
570	General Trucking	5.84	5.84	0.0%
577	Courier Services	2.54	2.54	0.0%
580	Miscellaneous Transport Industries	4.48	4.48	0.0%
584	School Buses	2.65	2.65	0.0%
590	Ambulance Services	5.91	5.91	0.0%
604	Food, Sales	2.33	2.24	4.0%
606	Grocery and Convenience Stores	1.63	1.48	10.1%
607	Specialty Food Stores	3.20	3.26	-1.8%

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
608	Beer Stores	4.14	3.92	5.6%
612	Agricultural Products, Sales	2.30	2.35	-2.1%
630	Vehicle Services and Repairs	3.33	3.40	-2.1%
633	Petroleum Products, Sales	2.30	2.12	8.5%
636	Other Sales	1.29	1.24	4.0%
638	Pharmacies	0.52	0.47	10.6%
641	Clothing Stores	1.09	1.03	5.8%
657	Automobile and Truck Dealers	0.66	0.63	4.8%
668	Electronic Equipment Sales	0.43	0.41	4.9%
670	Machinery and Other Vehicles, Sales	1.73	1.62	6.8%
681	Lumber and Builders Supply	2.79	2.79	0.0%
685	Metal Products, Wholesale	2.79	2.79	0.0%
689	Waste Materials Recycling	6.07	6.38	-4.9%
704	Electrical and Incidental Construction Services	3.25	3.25	0.0%
707	Mechanical and Sheet Metal Work	4.02	4.02	0.0%
711	Roadbuilding and Excavating	4.55	4.55	0.0%
719	Inside Finishing	6.75	6.75	0.0%
723	Industrial & Commercial Construction	4.58	4.58	0.0%
728	Roofing	12.98	12.53	3.6%
732	Heavy Civil Construction	6.26	6.26	0.0%
737	Millwrighting and Welding	6.32	6.32	0.0%
741	Masonry	11.15	11.79	-5.4%
748	Form Work and Demolition	16.02	15.40	4.0%
751	Siding and Outside Finishing	8.90	8.90	0.0%
764	Homebuilding	9.22	9.72	-5.1%
810	School Boards	0.76	0.70	8.6%
817	Educational Facilities	0.35	0.35	0.0%
830	Power and Telecommunication Lines	4.30	4.08	5.4%
833	Electric Power Generation	0.74	0.76	-2.6%
835	Oil, Power and Water Distribution	1.01	1.03	-1.9%
838	Natural Gas Distribution	0.44	0.39	12.8%

RG	Description	2007 Premium Rate (\$)	2006 Premium Rate (\$)	% Change
845	Local Government Services	1.70	1.73	-1.7%
851	Homes For Nursing Care	2.69	2.74	-1.8%
852	Homes For Residential Care	3.06	3.12	-1.9%
853	Hospitals	0.94	0.91	3.3%
857	Nursing Services	2.63	2.41	9.1%
858	Group Homes	2.85	2.65	7.5%
861	Treatment Clinics and Specialized Services	0.94	0.91	3.3%
875	Professional Offices and Agencies	0.65	0.62	4.8%
905	Apartment and Condominium Services	2.49	2.49	0.0%
908	Other Real Estate Services	1.23	1.17	5.1%
911	Security and Investigation Services	1.52	1.52	0.0%
919	Restaurants and Catering	1.65	1.65	0.0%
921	Hotels, Motels and Camping	2.65	2.54	4.3%
923	Janitorial Services	3.26	3.26	0.0%
929	Supply of Non-Clerical Labour	4.62	4.62	0.0%
933	Equipment Rental and Repair Services	2.78	2.78	0.0%
937	Recreational Services and Facilities	1.67	1.67	0.0%
944	Personal Services	2.83	2.65	6.8%
956	Legal and Financial Services	0.17	0.17	0.0%
958	Technical and Business Services	0.35	0.33	6.1%
962	Advertising and Entertainment	0.94	0.94	0.0%
975	Linen and Laundry Services	3.21	3.35	-4.2%
981	Membership Organizations	0.61	0.61	0.0%
983	Communications Industries	0.30	0.32	-6.3%

Remember to reserve November 2, 2006, 2006 (AM) for “town hall” meeting with WSIB Chair Mahoney

In the April 28, 2006 issue of *The Liversidge e-Letter* I “re-introduced” L.A. Liversidge clients to Mr. Mahoney. Twelve years ago, as an MPP and Labour Critic, at a Liversidge client meeting, Mr. Mahoney “told it as it was”. Since his appointment, I have had the opportunity to see him in action several times. His personal style has not wavered. As I said over a decade ago – “*He doesn’t hedge or evade the issues – you know where he stands*”. This is still true. **Find out for yourself.** E-mail to: lal@laliversidge.com for advance registration (re line: “Advance Registration”)