

The Liversidge e-Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

October 18, 2004

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

5 pages

No Increase for 2005 Average WSIB Premium *But, Premiums Likely to Rise for 2006*

WSIB Interim Chair warns that premiums likely to increase for 2006

“Zero percent increase” for 2005 average premium

In the August 25, 2004 issue of **The Liversidge e-Letter**, I set out an argument for holding the average 2005 premium at 2004 levels. This is what I said: *“Continue last year’s strategy, hold 2005 premium levels at 2004 levels, start the long-term funding discussions as soon as a new Chair is in place, and be ready for the big decisions next Spring”*.

I am pleased to report that the WSIB has accepted this advice. Last Friday, the Board’s Interim Chair, Ms. Jill Hutcheon announced that the 2005 premium rates will be held at 2004 levels. Specific rates will still move upwards or downwards for different industries (and most industries will experience some change), but, the average rate for all Schedule 1 employers remains set at \$2.19, the same as 2004 (the preliminary 2005 premium rates are found beginning at page 2).

A zero percent increase is not a free pass – a principled, collaborative debate must begin immediately

As I set out in the August e-Letter, a zero percent increase is not a free pass. Important issues require significant discussion and debate. Next Spring, the Board will re-commit to a renewed funding strategy. What happens between then and now will effect the next twenty plus years. It is now up to the funders of the system to roll up their collective sleeves, get down to work and work in a collaborative way with the WSIB to solve the very real and pressing problems facing the workplace safety and insurance system.

Text of October 15, 2004 letter from WSIB Interim Chair, Ms. Jill Hutcheon

Dear Mr. Liversidge,

We have entered a new phase of action and opportunity in Ontario’s workplace safety and insurance system.

There will be more inspectors on the road helping to make workplaces safer. Initiatives such as tackling the underground economy and the new Canada Revenue Agency agreement will help protect workers and bring a new level of fairness to the employers of the province. And of course, the WSIB is working

collaboratively on a series of prevention initiatives with the Ministry of Labour.

These are all opportunities that will make this province a healthier and safer place.

We have begun to take action on the financial challenges facing the system now and other challenges that may face us in the future.

The funding framework of the WSIB is complex and you, our stakeholders have some specific but often very diverse matters upon which you seek further information. The worker community wants to talk about specific issues. We will do so. Employers want to discuss particular items. We will do so. Health and Safety Associations want to discuss issues as well. We will do so. We will continue to look for ways for the workplace safety and insurance system to operate at maximum efficiency and effectiveness.

In short, we will work with all of our partners in the system over the coming months on priority issues of interest including experience rating, health care, occupational disease and the funding framework.

We also want to engage in discussing other critical issues such as accreditation, co-location of health and safety associations and tackling the fact that poor performers in this province account for a disproportionate cost of the system. This is a reality that cannot continue to exist.

We want your participation and engagement. We are moving forward in an open and transparent manner.

In light of all the discussions that must take place, the WSIB will hold off on making any decisions regarding an increase in the average premium rate until the 2006 premium rate setting process next spring. For 2005, even though the preliminary aggregate rate will remain unchanged, there will be changes in the rates of individual rate groups based mostly on experience and accident records. The WSIB remains committed to the elimination of the unfunded liability by 2014.

But next spring the WSIB will act. We must and will make decisions at that time regarding the best interests and financial sustainability of the system.

While we are not precluding the outcome of our discussions, it is our strong belief that a rate increase will be required in 2006. The size of the increase will depend on the cost pressures and the mitigating impact of any solutions that are identified over the coming months.

The WSIB will be contacting you shortly to discuss next steps.

Thank you,

Jill Hutcheon, Interim Chair

Rate Group	Description	2005 Premium Rate (\$)	2004 Premium Rate (\$)	Percent Change
030	Logging	11.16	11.36	-1.8%
033	Mill Products and Forestry Services	7.67	7.83	-2.0%
036	Veneers, Plywood and Wood Preservation	4.58	4.90	-6.5%
039	Pulp, Newsprint and Specialty Papers	2.05	2.02	1.5%
041	Corrugated Boxes	2.57	2.75	-6.5%
110	Gold Mines	7.80	7.80	0.0%
113	Nickel Mines	5.63	5.49	2.6%
119	Other Mines	5.80	5.32	9.0%
134	Aggregates	5.48	5.38	1.9%
159	Livestock Farms	6.45	6.45	0.0%
167	Field Crop, Fruit and Vegetable Farms	2.39	2.21	8.1%
174	Tobacco and Mushroom Farms	3.12	3.29	-5.2%
181	Fishing and Miscellaneous Farming	3.03	3.22	-5.9%
184	Poultry Farms and Agricultural Services	2.19	2.13	2.8%
190	Landscaping and Related Services	4.69	5.07	-7.5%
207	Meat and Fish Products	4.06	4.06	0.0%
210	Poultry Products	3.66	3.56	2.8%
214	Fruit and Vegetable Products	1.86	1.89	-1.6%
216	Dairy Products	1.53	1.57	-2.5%
220	Other Bakery Products	3.93	3.93	0.0%
222	Confectionery	1.44	1.38	4.3%
223	Biscuits, Snack Foods and Other Food Products	2.05	1.93	6.2%
226	Crushed and Ground Foods	1.58	1.61	-1.9%
230	Alcoholic Beverages	1.37	1.24	10.5%
231	Soft Drinks	2.53	2.37	6.8%
237	Tires and Tubes	3.40	3.66	-7.1%
238	Other Rubber Products	3.02	2.71	11.4%
258	Foamed and Expanded Plastic Products	2.27	2.17	4.6%
261	Plastic Film and Sheeting	1.95	1.82	7.1%
263	Other Plastic Products	3.09	3.17	-2.5%
273	Tanneries and Leather Products	3.11	2.77	12.3%
289	Cloth, Carpets and Textile Products	3.79	3.79	0.0%
301	Clothing, Fibre and Yarn	1.91	1.83	4.4%
308	Millwork and Other Wood Industries	5.44	5.44	0.0%
311	Wooden Cabinets	4.54	4.70	-3.4%
312	Wooden Boxes and Pallets	7.68	7.84	-2.0%
322	Upholstered Furniture	2.80	2.80	0.0%
323	Metal Furniture	2.32	2.32	0.0%
325	Wooden and Other Non-Metal Furniture	4.01	4.10	-2.2%
328	Furniture Parts and Fixtures	3.54	3.54	0.0%
333	Printing, Platemaking and Binding	1.49	1.45	2.8%
335	Publishing	0.59	0.60	-1.7%
338	Folding Cartons	1.88	1.77	6.2%
341	Paper Products	2.55	2.31	10.4%

Rate Group	Description	2005 Premium Rate (\$)	2004 Premium Rate (\$)	Percent Change
352	Steel and Other Smelting and Refining Industries	2.16	2.05	5.4%
358	Foundries	3.81	4.11	-7.3%
361	Non-Ferrous Metal Industries	2.58	2.59	-0.4%
370	Metal Tanks	4.98	4.75	4.8%
374	Doors and Windows	3.51	3.67	-4.4%
375	Structural and Architectural Products	4.18	4.09	2.2%
377	Coating of Metal Products	3.89	3.96	-1.8%
379	Hardware, Tools and Cutlery	2.37	2.30	3.0%
382	Metal Dies, Moulds and Patterns	1.68	1.64	2.4%
383	Heating, Refrigeration and Air Conditioning Equipment	2.50	2.28	9.6%
385	Machine Shops	2.39	2.39	0.0%
387	Other Metal Fabricating Industries	3.32	3.25	2.2%
389	Metal Closures and Containers	2.53	2.68	-5.6%
390	Other Stamped and Pressed Metal Products	2.58	2.58	0.0%
393	Wire Products	2.81	2.54	10.6%
402	Major Appliances and Transmission Equipment	2.05	2.01	2.0%
403	Other Machinery and Equipment	1.49	1.49	0.0%
406	Elevators and Escalators	2.56	2.70	-5.2%
408	Boilers, Pumps and Fans	2.19	2.13	2.8%
411	Agricultural, Construction and Mining Machinery	2.99	3.10	-3.5%
417	Aircraft Manufacturing	1.18	1.07	10.3%
419	Motor Vehicle Assembly	2.58	2.58	0.0%
420	Motor Vehicle Engine Manufacturing	1.50	1.47	2.0%
421	Other Motor Vehicle Parts and Equipment	2.58	2.58	0.0%
424	Motor Vehicle Stampings	2.58	2.58	0.0%
425	Motor Vehicle Wheels and Brakes	2.58	2.58	0.0%
428	Motor Vehicle Fabric Accessories	2.33	2.29	1.7%
432	Trucks, Buses and Trailers	3.72	3.34	11.4%
442	Railroad Rolling Stock	2.24	2.30	-2.6%
460	Lighting and Small Electrical Appliances	2.37	2.15	10.2%
466	Communication and Energy Wire Products	2.09	2.09	0.0%
468	Electronic Equipment & Other Communication Devices	0.32	0.30	6.7%
477	Industrial Electrical Equipment	1.27	1.15	10.4%
485	Bricks, Ceramics and Abrasives	4.32	3.91	10.5%
496	Concrete Products	5.08	5.18	-1.9%
497	Ready-Mix Concrete	3.60	3.60	0.0%
501	Non-Metallic Mineral Products	2.37	2.42	-2.1%
502	Glass Products	2.47	2.38	3.8%
507	Petroleum and Coal Products	0.84	0.80	5.0%
512	Resins, Paint, Ink and Adhesives	1.44	1.47	-2.0%
514	Pharmaceuticals and Medicines	0.54	0.50	8.0%
517	Soap and Toiletries	1.25	1.20	4.2%
524	Chemical Industries	1.35	1.21	11.6%
529	Jewellery and Instruments	1.00	0.98	2.0%

Rate Group	Description	2005 Premium Rate (\$)	2004 Premium Rate (\$)	Percent Change
533	Signs and Displays	3.32	3.53	-5.9%
538	Sporting Goods and Toys	4.71	4.71	0.0%
542	Other Manufactured Products	2.14	2.14	0.0%
551	Air Transport Industries	1.59	1.66	-4.2%
553	Air Transport Services	1.05	1.12	-6.3%
560	Warehousing	2.73	2.80	-2.5%
570	General Trucking	5.68	5.83	-2.6%
577	Courier Services	2.62	2.75	-4.7%
580	Miscellaneous Transport Industries	4.15	4.15	0.0%
584	School Buses	2.60	2.60	0.0%
590	Ambulance Services	6.08	6.29	-3.3%
604	Food, Sales	2.28	2.36	-3.4%
606	Grocery and Convenience Stores	1.30	1.30	0.0%
607	Specialty Food Stores	3.11	3.11	0.0%
608	Beer Stores	3.73	3.62	3.0%
612	Agricultural Products, Sales	2.35	2.45	-4.1%
630	Vehicle Services and Repairs	3.41	3.57	-4.5%
633	Petroleum Products, Sales	1.90	1.75	8.6%
636	Other Sales	1.19	1.22	-2.5%
638	Pharmacies	0.43	0.44	-2.3%
641	Clothing Stores	0.92	0.95	-3.2%
657	Automobile and Truck Dealers	0.61	0.62	-1.6%
668	Computer, Electronic and Electrical Equipment, Sales	0.37	0.38	-2.6%
670	Machinery and Other Vehicles, Sales	1.50	1.54	-2.6%
681	Lumber and Builders Supply	2.80	2.80	0.0%
685	Metal Products, Wholesale	2.80	3.03	-7.6%
689	Waste Materials Recycling	6.71	7.25	-7.4%
704	Electrical and Incidental Construction Services	2.94	3.03	-3.0%
707	Mechanical and Sheet Metal Work	3.67	3.83	-4.2%
711	Roadbuilding and Excavating	4.20	4.20	0.0%
719	Inside Finishing	6.41	6.83	-6.1%
723	Industrial, Commercial & Institutional Construction	4.62	4.83	-4.3%
728	Roofing	11.60	12.34	-6.0%
732	Heavy Civil Construction	5.84	5.84	0.0%
737	Millwrighting and Welding	6.20	6.70	-7.5%
741	Masonry	11.44	12.21	-6.3%
748	Form Work and Demolition	15.25	16.47	-7.4%
751	Siding and Outside Finishing	8.12	8.12	0.0%
764	Homebuilding	9.66	10.43	-7.4%
810	School Boards	0.65	0.65	0.0%
817	Educational Facilities	0.33	0.35	-5.7%
830	Power and Telecommunication Lines	3.66	3.66	0.0%
833	Electric Power Generation	0.77	0.77	0.0%
835	Oil, Power and Water Distribution	1.07	1.15	-7.0%

Rate Group	Description	2005 Premium Rate (\$)	2004 Premium Rate (\$)	Percent Change
838	Natural Gas Distribution	0.34	0.31	9.7%
845	Local Government Services	1.62	1.62	0.0%
851	Homes For Nursing Care	2.67	2.76	-3.3%
852	Homes For Residential Care	2.80	2.76	1.4%
853	Hospitals	0.83	0.85	-2.4%
857	Nursing Services	2.17	2.13	1.9%
858	Group Homes	2.46	2.41	2.1%
861	Treatment Clinics and Specialized Services	0.83	0.85	-2.4%
875	Professional Offices and Agencies	0.59	0.60	-1.7%
905	Apartment and Condominium Services	2.41	2.41	0.0%
908	Other Real Estate Services	1.19	1.26	-5.6%
911	Security and Investigation Services	1.53	1.61	-5.0%
919	Restaurants and Catering	1.67	1.76	-5.1%
921	Hotels, Motels and Camping	2.58	2.72	-5.1%
923	Janitorial Services	3.16	3.36	-6.0%
929	Supply of Non-Clerical Labour	4.51	4.82	-6.4%
933	Equipment Rental and Repair Services	2.76	2.76	0.0%
937	Recreational Services and Facilities	1.56	1.56	0.0%
944	Personal Services	2.36	2.36	0.0%
956	Legal and Financial Services	0.17	0.17	0.0%
958	Technical and Business Services	0.29	0.30	-3.3%
962	Advertising and Entertainment	0.88	0.94	-6.4%
975	Linen and Laundry Services	3.06	3.15	-2.9%
981	Membership Organizations	0.59	0.58	1.7%
983	Communications Industries	0.33	0.35	-5.7%