

The Liversidge Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

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Interview with former WSIB President & CEO Tom Teahen

Tom Teahen, former WSIB President & CEO

I am very pleased to present readers of **The Liversidge Letter** with my recent interview with Tom Teahen, former President and CEO of the WSIB (2016 – 2021). Tom is part of what I have called the “group of four” (Steve Mahoney, David Marshall, Elizabeth Witmer and Tom Teahen), a group who in my view literally saved the Ontario WSIB when it faced its darkest period.

Not only was Tom WSIB President and CEO overseeing the first part of the post-funding crisis period, he was CEO when COVID hit, which required remarkable executive dexterity against the tightest timetables imaginable. Tom previously held the senior position of WSIB Chief Corporate Services Officer (2010 – 2013), a rather fluid position often tailored to the incumbent at the time, during David Marshall’s tenure as President. As Chief Corporate Services Tom worked hand-in-glove with David to steer the WSIB away from the looming rocky shore and was WSIB President when the Board attained full-funding.

I worked with Tom quite closely throughout his entire period at the Board, as Chief Corporate Services and as WSIB President, and found him to be an immeasurably skilled executive. Tom holds a deep compassionate understanding of the role of Ontario’s workers’ compensation system in society. Unquestionably, Tom cares about the WSIB and the people it serves. What struck me from the outset was that his roles at the Board, and his approach to them, were not part of a career plan, but were about public service in its purest form.

It was a great personal pleasure to catch-up with Tom after many years.

The interview, Part 1



Initial/introductory conversation

LAL: First, Tom, let me say that I really appreciate you doing this.

TT: I appreciate you doing it at as well. Looking forward to be doing it also. Not a surprise, but you put in a lot of preparation and research in advance of this discussion. It was incredibly helpful.

LAL: It was fun. It’s amazing the amount of time that has passed. It has been years since you left.

TT: Yes, it was fun to go back and look at these things again, in hindsight, to recall what we were talking about, what I was thinking about at the particular moment, and how I reflect back on it now.

Introduction and biographical Qs

LAL: Tom let me begin by expressing my sincere thanks that you are doing this interview. I am very much looking forward to our discussion. I have to tell you though, that I am flabbergasted that so much time has passed since you arrived on the scene in early 2010. That this was almost 14 years ago is mindboggling. It is remarkable how much was accomplished during your time at the Board. You faced an enormous challenge – nothing less than the continued viability of the Ontario workers’ compensation system. It’s hard to fathom that now. Many may not be aware of your background, that you came from St. Marys Ontario and you grew up in a household where public service was a real focus. Your father was engaged in local politics for many years. How did your formative years contribute to your later pursuit of public service?

TT: It shaped it completely. I don’t have any hesitation saying that. My experience as a kid in St. Marys with my father in politics, local politics, shaped so much of my career path and commitment to public service. My father gets a lot of that credit, however, I will say, I also need to put in a pitch for my mother. Although my father was in politics, what was incredibly important for both of them was our family and our community. They were the two driving forces. Sitting around the kitchen table, as a kid growing up, we never hesitated to talk about public or political issues and

how they impacted people. That is what I saw my Dad doing, and my Mom was very supportive of that. So for me, I very naturally absorbed it, and it was natural for me to think that I would pursue that direction. This experience helped guide my decision to study politics in university and then pursuing law school. I knew I wanted to go law school, and I was very intentional that law was the right platform for me to take a step into public service. I thought at the time that I would follow in my father's footsteps and be involved in elected politics, but it turned out it was a different route that I did not expect. One that quite frankly, I never even imagined how fulfilling it would be. That public service commitment was established when I was growing up.

LAL: You were a practicing labour lawyer for many years, about a decade I think, from the mid-1990s to the mid-2000s, both in your local community and then in the city. Why labour law and not, say, corporate?

TT: Again, my father's influence. Not only was he involved in politics, but he worked for St. Marys Cement company in St. Marys. He worked there for 37 years and one of the last jobs he had, which I found very interesting, and that we talked about a lot was labour relations. So that is where I started to learn about labour relations and that helped me gravitate to labour law. What also attracted me to labour law, similar to public service, was that both are focused on relationships. Labour law is about people and the impact of their jobs on who they are and how they relate to their employer and their community. I continued to learn, as I practiced labour and employment law, that an individual's job was often fundamental to who they are. Whether it was someone who was making minimum wage in the job to support their family, or senior executives making several multiples of hundreds thousands of dollars, their job was often their entire identity. That part of labour and employment law fascinated me and this aspect definitely drew me to this area of law.

LAL: You had some exposure to the workers' comp scheme at that time. This was a time after the system had already experienced several reforms. This was after the 1970s reforms that started the ball rolling, and after the major changes flowing from the 1980 Weiler report - the two major reforms of 1985 (Appeals Tribunal) and 1990 (wage loss). The system had already responded a lot. What were your observations, if you can recall, what the system was like working in as an advocate at that time representing workers and employers?

TT: I will confess, I did not do many workers' compensation cases in my practice, but I did some. What I reflect on is that when I joined the WSIB as an executive I came to recognize that, there was a huge difference between the practice of WSIB cases – individual cases – and the operation of the WSIB system. In law practice I experienced the WSIB as a very complex system, quite frankly, one that was hard to navigate whether you were an individual worker or employer. It was not friendly.

What I didn't understand in law practice was the magnitude of the WSIB operation. When I got into the WSIB system as an executive, I started to really see and understand people's expectations of the system, beyond my experiences of individual cases. I started to see that people's expectations were not always being met. You know this Les from your own work. There are not many people like you, that are immersed, not just in the practice of worker's comp, but in the history and understanding of the system. That is to the detriment of the system, quite frankly, because it means a lot of things happen that not a lot of people understand. And the consequence of what is happening is often not well understood.

Chief of Staff to Minister of Labour Steve Peters, 2005 – 2007

LAL: Many are aware of you taking on the responsibilities of Chief Corporate Services Officer in 2010, which I will return to in a moment, but your involvement with workers' compensation, aside from being a practising lawyer for many years, started with your assumption of Chief of Staff to Labour Minister Steve Peters in 2005, a position that you held for just over two years.

I recall those times quite well. Workers' compensation, as a public issue, was just starting to heat up again. A year earlier, in May 2004, a [Third-Party Audit](#) of the WSIB was presented to (then) Labour Minister Bentley. That report touched on a number of pressing concerns with the WSIB, including strong commentary and as it would be shown just five years later, a quite accurate foretelling on the depth of problem the UFL was becoming.

The focus of the government though over the next several years was not the UFL. The Board was grappling with it and it was during this time that Steve Mahoney came on the scene as WSIB Chair. But the public focus seemed to be on benefit enhancements, specifically statutory indexation of benefits, and certain occupational diseases, particularly cancers in firefighters.

In preparation for this chat, I reviewed all the Hansards from 2005 to 2007, and read how Minister Peters responded to an increasing barrage from opposition critics. I recall meeting with Minister Peters on a few occasions during those times, and it was clear that the Minister was sincerely focused on enhancing worker equity and correcting unfairness when he became aware of it. A few questions on this important time – what I kind of think was a transition period, in a way. There was the beginning of increased worries of the UFL, but this didn't translate into any discernable action until, as we will explore, the November 2009 Auditor General Report. What did the government see as the core workers' compensation issues in the mid-2000s? How did your two years of exposure in the Minister's office prepare you for the bigger challenges you would face on this file in just a few years?

TT: I would suggest a slightly different view in terms of the government's focus. There was a combined focus on certain benefit enhancements, as well as the UFL. I remember that time very, very well. Two things that I am most proud of in my history of involvement in government and workers' comp are the indexation of benefits in 2007 and the firefighter presumptive legislation. I was directly involved in both. They were priorities of the government.

You will remember, it was still a somewhat new government at that time – the new government was elected in 2003. There was a commitment in the government to do something differently and refocus some attention on the benefit side. But I can tell you, at the same time that we were thinking about potential benefit enhancements there was tremendous discussion about how any enhancements might impact the UFL. That was top of mind. Then the Grant Thornton report came out, so it was very much top of mind. There was a tremendous amount of discussion between the ministry, political staff, and members of the administration of WSIB to understand the potential implications of the potential legislative changes and what the UFL impact might be.

If you look at the Grant Thornton report and subsequently the Auditor General's Report, you see in 2003/04 the UFL comes down a bit, levels off a bit, then bumps up a little bit. No one thought it was going to go where it went in 2008/2009. I can remember the view was that the benefit enhancements we were going to make would not have a significant impact on the UFL. We believed that we could manage through and maintain the trajectory to meet the 2014 goal for UFL elimination. That turned out to not be the right view.

This experience helped me when I came to the WSIB as part of the executive team in 2010, as well as in 2016 when I was CEO, that there was a need to develop and maintain a more sophisticated understanding of what drives costs inside the WSIB system. In in the 2005-2007 timeframe, there was a general belief that the WSIB's Road to Zero plan would bring the numbers of claims down and that would be the tool to manage the cost structure.

What I learned later was that, while bringing the number of claims down was one element, there were a number of other cost drivers that you had to understand, to get our hands around, if you were really going to impact the financial circumstances and ultimately the UFL. There were a lot of terrific, smart and dedicated people at the WSIB that I worked very closely with at the time, and then I ended up working with them directly when I joined the WSIB. But I don't think there was a clear understanding of how all the costs fit together. The potential implications on claims cost and the UFL.

Chief of Staff to the Minister of Education

LAL: You left Minister Peters office and took on a similar role within Education Minister Wynne's office, and later

still, which we will get to, took on the job as Premier Wynne's Chief of Staff. It is clear that a solid working relationship developed between you and the future Premier during that time. As I recall, those were pretty tense times on the education file, and as I want to keep a workers' compensation focus here, I won't get into that much. But, stakeholder outreach seems to be an overlapping focus. What exposures did you experience as Chief of Staff during this time that helped you when you went to the Board in early 2010?

TT: Well, you know, it is a theme, maybe not the right word, it is essential to how I operate. It goes back to my description of my law practice. Labour law was important to me because it was about relationships and finding opportunities to bring workers and employers together. I really developed, and it was front and centre to me, the critical importance of trying to find the right balance. There are very few things that were black and white, and you need to find common ground to get to a good result. That is a skill that I cultivated, that I was dedicated to, that is part of my DNA. When I started working at the Ministry of Education, that is a theme I brought. I was involved in a lot of labour work there during bargaining in the education sector, so I was continually doing outreach and cultivating relationships and recognizing that building relationships of trust were critically important. Because that is how you got to good outcomes, hopefully balanced outcomes.

When I got to the WSIB in 2010 I believed that finding the right balance was just the way you should operate.

What I love about government, which I took to WSIB, and which is different than building a law practice is that you have to try and find that balance among numerous, often competing, interests. In a law practice, when litigating a case there are one or two sides and you are advocating for a side. In government what I learned is that there are always 25 sides. And you have to figure out how to navigate all those sides. I brought that to the Board. Yes, there are employer and worker interests, but even within those groups there were differences. You had to try to understand them, navigate through them, and be responsive and sympathetic to them. It is a lot of work, and some people don't want to put in the work, some people aren't that good at the work. It was a skill I was able to bring with me to the WSIB.

WSIB Chief Corporate Services Officer 2010 - 2013

LAL: This was an incredibly important time. The Auditor General Report was released in November 2009 and David Marshall assumed the President and CEO position in January 2010, actually arriving on the scene to a degree, in December 2009. You moved to the WSIB as Chief Corporate Services Officer (CCSO), I believe around March 2010.

I have found that the CCSO position at the WSIB has been a rather fluid title with the position tailored to the incumbent to a degree. For you, the scope of responsibility was immense, from appeals, to HR, to policy, to legal, to IT.

As I said, quite immense. You arrived with no prior staff experience at the WSIB. I always thought of the WSIB as a “government in miniature” (see [The Liversidge Letter, June 15, 2004](#)), and your scope of responsibilities pretty much encompassed those of government. How did you get up to speed, having not been at the Board before? How were you received by the staff that immediately reported to you and all of whom were quite senior with many years invested at the Board? How did you develop the clear comradery that did develop within months/weeks?

TT: That is a great question, and I think it is a good description Les: the WSIB is a government in miniature. It has all the features. I was very fortunate that the team that I became accountable for had very senior leaders, and, highly skilled people who had been around the Board for a very long time. I spent my time with them immersing myself in the issues, and details of the areas I was accountable for. So that was one way that I got up to speed.

At the time the WSIB was on the cusp of a big change. The Auditor General’s Report had been delivered raising concerns about the WSIB sustainability. We had a new CEO, I was a new addition to the executive team. There was going to be a change, that was very clear.

David took the executive team through a detailed exercise focused on trying to understand better how the WSIB worked. David recognized as the new CEO that he needed to understand in detail how the place worked. This was important for me as a new member of the executive team. But in reality, it was essential for everyone on the team to really focus on understanding better what was actually driving costs in the system and where we could do better in terms of delivering services. As I noted earlier, we needed to develop a more sophisticated financial understanding of what was driving costs.

David has his own style which was very effective in achieving the goal. We would have an executive committee meeting that was supposed to be two hours and, honest to God, sometimes the meetings would go for 8 hours because we just would never leave the boardroom. David brought his skill as an executive leader and his accountant’s brain to the exercise. David said, “ok, we really don’t understand enough about why things costs what they do.” So, we started to unpack and examine everything about the business in great detail, like any business needs to. Why do things cost what they say they cost and how does that drive implications for premium rates, healthcare costs. If we are going to attack the UFL we need to know if we take this step, what will that contribute. It was not an exact science, but we came a long way.

As a result of this exercise, I started to learn and understand the business in detail, and the entire executive team started to understand the business better. There was a lot of great interactions with the executive members. I came in with a big portfolio, the COO had a big portfolio and between the two of us, we had to figure out how all the

pieces worked together. It was a really dynamic time of trying to really get our arms around what we were going to do to develop a plan to get at the challenge. It was exciting.

I will say this: You said it was a time of fundamental change – not many people understand how dramatic the implications of that Auditor General Report were for the government of the day.

I had the benefit of coming from inside government and then to WSIB as an executive. The Auditor General’s Report which reflected a UFL in 2009 of \$11.5 billion (it was there or coming) and suggested for the first time that the WSIB’s trust status would be called into question if the WSIB did not get its house in order. That was the catalyst for action. The WSIB needed to act. I sat in a meeting with David and the MOF, and I can tell you that under no circumstances was the government going to accept consolidation of that \$11.5 billion on the government’s books.

LAL: In my chat with David he advised that he discovered that the \$11 billion was closer to \$19 billion. The Minister of Finance at the time was Dwight Duncan. I remember that time extraordinarily well. It reflected the essence of how the Board evolves. Things have to reach a critical mass to attract the political determination to deliver that level of change. The critical mass was quickly achieved when there was a risk that \$11.5 billion was going to end up on the government books. It gave the Board and David an awful amount of influence to drive change which would have been difficult in other times.

TT: The flip side of that though, which may feed into other things we will talk about, is that there sometimes is a failure by the administration to recognise how much leeway they have. When I became WSIB CEO, I had the benefit of my experience as Chief of Staff to the Premier. This experience helped me put WSIB issues into a broader context and explain that context internally at the WSIB. For example, I can tell you from first-hand experience that day to day issues regarding what is going on inside the WSIB are not on the mind of the Premier’s Chief of Staff, or senior staff.

Administrative organizations are very worried about how the government is going to react to every decision they make. Often issues that inside the organization seem like a crisis, are not at all a crisis for the government in the context of the other issues they are dealing with. They just need to be managed competently. The government agencies need to act and not be paralyzed by fear of what the government might say – because as I say, often the government is focused on much bigger things. Yes, keep government informed, but don’t sit back and fail to act. I think there is a failure sometimes to recognize that. I think that is a mistake.

LAL: Every major WSIB change is in response to the contemporary crisis of the time. That is one of the problems. The inability to act before it gets to a certain political heat. In my view, the Board is good at administering change, but not so good absent that political crisis at effecting

incremental change and avoiding the crisis. I have long been of the view that the better way is not to wait to get into the crisis, service delivery, occupational disease, whatever the issue is. There has to be a greater political linkage. I have always been of the view that there ought to be a process, like they have in Manitoba, to require that the legislature gets more involved and directs a sort of mini-Auditor General review. This ensures all the issues are reported to the legislature so you can keep the political wheels going and grease the wheels where change is necessary. I don't know if we are going to get there. I hope we do, because it is better to effect change that way rather than wait for a crisis.

TT: Yes, I agree. Waiting for a crisis is not sound leadership.

The 2009 Auditor General Report

LAL: The Board was in the midst of a publicly recognized financial crisis as clearly articulated by the Auditor General. David was new on the scene as well. There was lots going on. Steve Mahoney had just wrapped up his provincial consultation tour in 2009 and [reported](#) on it in early 2010.

One of the suggestions he implemented was the development of the **Chair Advisory Committees**. There were four of them. That is where we first met, I think, in the inaugural CAC meetings in June 2010. I remember those first meetings quite well. I recently shared the minutes of the first CAC meeting with you and extract a bit from those:

Tom Teahen pointed out that the UFL exercise is an example of the need to be more transparent on policy and operational issues, and informed the committee that there will be a changed improvement on past practices in this regard. The advisory committees will be part of a comprehensive stakeholder engagement strategy that is being developed.

The CACs seem to fit right into your earlier experiences and approaches. The idea was not new to you. The CACs were tremendous. The idea of getting people together in that way (that had not been done before), allowed a sense of partnership to be cultivated very quickly. I am of the view that absent those formal discussions, progress would not have been achieved in the way that it was. A lot of the credit goes to you. I also think it would have been very difficult to get through the **Funding Review** without having that type of structure with the CACs. What did you see in developing the CACs as building on your opportunity to reach out to various communities?

TT: Thank you for acknowledging my role in that. I think they were a tremendous success. I am proud of the CAC's success, and that the CACs continued all the way through to when I left the Board as CEO, and through the term of Chair Witmer.

What is still remarkable to me about those processes is the extent to which the members adhered to the commitment to be open, transparent but also maintain

confidentiality about the issues discussed. We knew we were taking a bit of a risk in that regard, and we weren't sure how or if it would work. But my instincts and experience, said to me, if we are going to be able to tackle the challenges we are facing as a Board, we are going to need the stakeholders with us, hopefully, but certainly participating in the discussion and being open and transparent about what we were doing. There was just too much to do, and the notion that internally we could figure it all out ourselves, take our chances, and try things without testing them and getting feedback, wasn't going to work.

LAL: Right, I remember. That sense of trust did not exist before that, and that changed almost overnight, and it became a real partnership. I always accused the Board of promoting the "the culture of no" – new ideas were viewed rather suspiciously. And there wasn't a sense of collaborative interest. That changed almost overnight after the establishment of those committees. The CACs and you were largely responsible for that, David as well, Steve Mahoney as well and Elizabeth later too.

I fully supported the development of the Advisory Committees and have participated in them for 13 years. The CACs were particularly important through the **Funding Review** process, which I will of course get to. I am of the firm view that absent the type of engagement you envisioned in that very first meeting, the Board never would have been able to build the collaborative environment it did to address the most pressing issue facing it likely since its inception.

Your thoughts and mine about the need for the Board to be very transparent are in sync, I think. Yet, it seems to me that the last 13 years were the exception. The Board's "state of nature" if you will, was to conduct itself quite differently. Based on your experiences and observations outside and inside the WSIB, why do you think that is or was the case? What type of things did you open up and how did you go about to change the Board's culture and internal thinking about its relationship with its stakeholders?

TT: The change needs to start at the top. There was a commitment from David and then from me as CEO, that this is how we are going to have to operate. There certainly was a catalyst around the urgency and everybody understood it. The inclination to push back was perhaps dampened because of the understanding that something had to be done.

Internally, that process of shifting culture, was a long journey and continued throughout my time as CCSO and through my time as CEO. There was a principle or approach that I wanted to instill when I was in charge of corporate services: we need to operate and deliver services in such a way that our customers (workers or employers) would state publicly that they would choose to do business with the WSIB, even if they didn't "have to." They would choose us!!

I can tell you, maybe not universally, but when people heard me say this in my early days as CCSO they did not embrace the idea. Many would say: “we don’t have to operate that way. If we operate that way it will weigh us down, we won’t get stuff done, that is not what we are,” I fundamentally disagreed.

I believe a public agency has to set a higher standard. The way we delivered service, the way we managed the finances, all of those things. 10 year later when I left the WSIB in 2021, I would say staff of the WSIB had embraced that thinking and the culture had shifted significantly.

The CACs were a start to that shift. We were out there talking to our most important stakeholders, to understand what they were thinking.

Unfortunately, at times there is a view that delivering good service, customer service, good relationships with stakeholders, means you just have to do exactly what they want or tell you to do. I believe firmly that it is wrong to confuse good service and listening, with giving in. Building relationships with customers and stakeholders and delivering excellent service is hard work, you have to navigate it, you have to be thoughtful and set the standard, which I tried to do. The CACs were the starting point of that, there’s no question.

The Harry Arthurs Funding Review

LAL: In our first meeting, I shared my thoughts I had been developing for a couple of years by then. I called the striking of a what I termed a “Funding Summit.” (See **The Liversidge Letter**, [April 19, 2010](#)). I suggested, as I recall, that someone of the calibre of a Paul Weiler, with a process no less involved than the Weiler process of 1980, was a necessary step.

I don’t know if my suggestion had any influence or if it just supported what you were thinking at the time, but you took it several steps further, and better if I might add. You were directly involved in, if not the primary influence, of developing the **Funding Review** idea and engaging Dr. Harry Arthurs. It was a brilliant move. The **Funding Review** process, as it turned out, was significantly more ambitious on the funding question than the Weiler review thirty years earlier.

Many questions flow from this. First off, why did you see the need to go external rather than keep the process in-house? Dr. Arthurs was a superb choice I might add, and I certainly enjoyed engaging with him throughout the entire process. He was impeccably fair and ensured that a very broad and open process was put in place, one that consumed a lot of energy and resources and one which took a lot of time, more than a full year.

I can and did certainly see the benefits but wasn’t the **Funding Review** also a bit of a risk? You knew that it would take a lot of time. The Board’s clock was ticking. But also, by being a truly independent review, the Board didn’t have control over the process once it was kicked off.

Did that worry you, or were you committed to follow the process wherever it might lead?

There was a risk with this approach between the competition of getting this done quickly and doing it with Harry Arthurs. As I commented to David, I don’t think anything came out of the Harry Arthurs review in the context of what the Board actually did that the Board would probably not have done at any rate. How did you manage that risk, why did you take that risk when you could have it in house?

TT: I don’t think we could have done it in house. For this reason: There was not a consensus – in fact there was a dispute - over the fundamental question of whether the UFL was actually a problem. In a number of corners there were people saying it was not a problem. In some quarters it was suggested that the WSIB was focusing on the UFL with a goal to reduce benefits for workers. So, despite the apparent crisis, the AG report and the government’s backing which arguably gave us the context to act on our own internally – we recognized that if we were really going to achieve long term lasting change, we needed to try and get some consensus around the danger the UFL posed to the system.

David and I worked very closely together in developing the WSIB strategy. We formulated some very specific questions that we believed would guide us and the answers to which could provide us with the legitimacy we need to act. No question there was a risk. Harry Arthurs is a man of utmost integrity and intellect. That is why we picked him. However, we knew he would be independent and we couldn’t control the outcome. But again, that gave the process legitimacy.

I recall standing in my driveway, on the phone with Harry and asking Harry to lead the review - trying to convince him. There was no way Harry was going to do something like this - and this is why he was the right person - if there was a predetermined outcome that we wanted. He was going to go in there and be independent and look at all the details. We had enough confidence that Harry brought the balance and thoughtfulness that we were going to need to have something very legitimate. Regardless of where it went, we strongly believed that the process would give us some direction and context for action.

Ultimately, what proved to be incredibly helpful was the Review’s confirmation that the UFL was a problem – yes the UFL created a risk for high premium rates, but also that the UFL posed a risk to the security of benefits for workers. Harry was able to articulate that. With that we had the latitude to continue to act and get the government behind setting timelines to get the UFL under control.

In the next issue of **The Liversidge Letter**, my discussion with Tom continues. Tom will speak more about the **Funding Review** process, about his return as President and CEO and his priorities of that time, with a focus on customer service.