



# Recommendations for Experience Rating

*For Discussion with Stakeholders*

Prepared by Morneau Sobeco on October 28, 2008

*Integrating*

*Design*

*& Delivery*

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## Executive Summary

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In June 2008, the Workplace Safety and Insurance Board of Ontario (WSIB) appointed Morneau Sobeco to review its Experience Rating programs. The goal of the review is to strengthen incentives to improve prevention and return-to-work practices in Ontario workplaces. Ultimately, this will allow the WSIB to take important steps towards achieving its goal of zero injuries, illnesses, and fatalities.

The purpose of this report is to present the results of the review. It is intended to act as a reference point for stakeholders who would like to comment on the report.

The key findings contained in this report point to the need for:

- > Better integration of the WSIB's Experience Rating programs with its legislative obligations;
- > Better alignment of its programs and policies with the Road to Zero in order to achieve the desired outcomes; and
- > Improved fairness and equity so that the programs enhance the focus on real improvements in prevention and return-to-work outcomes.

Morneau Sobeco believes that the WSIB should consider developing a new world class system that addresses the needs outlined above. In doing so, the WSIB should take into account the long term considerations outlined in Section 5 of this report. Morneau Sobeco also believes the development of such a system will take years, not months. In the meantime, Morneau Sobeco advises implementation of the following short term recommendations which are described in more detail in Section 5:

### Short Term Recommendations

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1. Implement mandatory disclosure of workplace practices which would include an annual declaration of compliance by the CEO, CFO, or Senior Executive with both the Workplace Safety and Insurance Act and the Occupational Health and Safety Act. Refunds would only be paid if compliance is confirmed. However, a reasonable time limit would be allowed to correct shortfalls. (see p. 16)
  2. Convictions should result in an audit by the Validation Unit. Corrective action should be required, and a minimum score achieved on the audit in order to receive a refund. A portion or all of the refund could be used to finance the costs of the corrective action. In addition, employers in a surcharge position would need to meet minimum audit requirements to avoid increased penalties. (see p. 17)
  3. The SIEF policy should be amended to eliminate cost relief where there is a pre-existing condition but no pre-existing disability. Cost relief should also no longer be available for a pre-existing disability resulting from an injury with the same employer. Finally the percentage of cost relief should be limited to 50%. Although this will increase costs charged to employer accounts, a corresponding increase should also be made to the benchmarks against which these costs are compared. (see p. 18)
  4. The practice that allows employers to advance wages to injured workers should apply only when the worker is attending a medical appointment. (see p. 19)
  5. Reduce the weight applied to the frequency component in the CAD-7 experience rating formula below the current level of 33%, and make an appropriate adjustment to the benchmarks against which experience is compared. (see p. 20)
  6. Implement a time limit for adjustments to experience rating after the window has expired. (see p. 22)
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## Section 1 – Terms of Reference / Objectives / Methodology

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In June 2008, the Workplace Safety and Insurance Board of Ontario (WSIB) appointed Morneau Sobeco to review its Experience Rating programs. The goal of the review is to strengthen the incentives to improve prevention and return-to-work practices in Ontario workplaces. Ultimately, this will allow the WSIB to take important steps towards achieving its goal of zero injuries, illnesses, and fatalities.

### Objectives of the Project

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- > Ensure that the Experience Rating programs provide incentives for real improvements in workplace safety.
  - > Align the programs with the WSIB's Strategic Plan – Road to Zero, the Prevention Strategy and return-to-work initiatives.
  - > Determine if there are any gaps in the Experience Rating programs that reduce the effectiveness of the incentives provided.
  - > Provide information to support the development of a world-class program that results in real improvements in workplace practices and improves prevention and return-to-work outcomes.
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For the review, Morneau Sobeco used a four-person project team with substantial experience in the development of incentive programs.

### Highlights of Morneau Sobeco Experience

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- > Average business experience of team members is over 30 years.
  - > Currently advises clients in seven jurisdictions on classification, rate-setting, and incentive programs.
  - > Recently advised three clients on the design of programs that directly link experience incentives to health and safety, prevention, and return-to-work practices.
  - > Consultants to several statutory review groups including the Newfoundland and Labrador 2001 Task Force, which made improvements in prevention the primary element of a sustainable and affordable workers compensation system.
  - > Developed processes for three clients to prioritize employers for health and safety interventions based on emerging experience.
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In addition to the objectives of the project, additional principles were developed by the WSIB to help guide the selection of recommendations.

#### **Guiding Principles for Incentive Program**

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- > Be aligned and coordinated with the efforts of prevention partners and legislative obligations.
  - > Provide effective motivation for employers to develop and maintain safe workplaces.
  - > Have appropriate insurance features to make the programs fair to workers and employers, and responsive to the diversity of Ontario workplaces.
  - > Discourage behaviours aimed at maximizing financial incentives without improving prevention and return-to-work outcomes.
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The major steps of the project are outlined below:

#### **Major Project Steps**

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- > Examine the results of the NEER and CAD-7 programs in detail.
  - > Receive and summarize the input and opinions of stakeholders about Experience Rating programs.
  - > Review incentive programs in Canada to identify features that could be used to improve the programs in Ontario.
  - > Review all available information and research, and carry out tests, where possible, to support the development of recommendations that can be implemented in the short-term.
  - > Outline the work required to identify and research best practices around the world for incentive programs that have objectives similar to the WSIB.
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Morneau Sobeco met directly with stakeholders. This input helped guide the development of the recommendations presented in this report.

## Section 2 – Background / Context

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### WSIB Background

The WSIB is a statutory corporation created by the *Workplace Safety and Insurance Act, 1997*. The WSIB administers Ontario’s no-fault workplace insurance plan for workers and employers and oversees the province’s prevention system.

Under the insurance plan, the WSIB provides compensation benefits to injured workers, monitors the quality of health care they receive, and assists in their early and safe return to work. The WSIB is funded entirely by employer premiums and receives no funding from the Ontario government.

More information about the WSIB can be found at: [www.wsib.on.ca](http://www.wsib.on.ca)

The WSIB’s prevention role was broadened through legislative changes which became effective January 1, 1998. Specifically, Part II of the *Act* confers on the WSIB a number of prevention-related functions intended to “promote health and safety in workplaces and to prevent and reduce the occurrence of workplace injuries and occupational diseases”.

This legislative authority and mandate was in addition to the WSIB’s longstanding powers to establish experience rating programs based on performance, and to adjust premiums based on an employer’s prevention activity/behaviour. In the context of the Experience Rating review, the linkages between the *Workplace Safety and Insurance Act* and the *Occupational Health and Safety Act* are self-evident. These provisions are found in Sections 82 and 83 of the *Workplace Safety and Insurance Act*. They include the following contents:

- 82.** *The Board may increase or decrease the premiums otherwise payable by a particular employer in such circumstances as the Board considers appropriate considering the following:*
- 1. If, in the opinion of the Board, the employer has not taken sufficient precautions to prevent accidents to workers or the working conditions are not safe for workers.*
- 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.*
- (2) The Board may establish the method for determining the frequency of work injuries and accident costs of an employer.*
  - (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.*

Under its legislative mandate and corporate powers (*s.159*), the Board can establish policies concerning premiums, and can review and approve major changes in its programs.

In the WSIB’s Five Year Strategic Plan – The Road to Zero (2008 – 2012), the WSIB has undertaken to “accelerate its drive to zero workplace fatalities, injuries and illnesses”. One of the major initiatives identified in the Road to Zero (page 14) is as follows:

“The WSIB will review its current set of incentive programs to ensure that together they provide effective motivation to develop and maintain healthy and safe workplaces, and share best practices with other workplaces.”

With this background and context, the WSIB retained Morneau Sobeco to review its current Experience Rating programs, to make recommendations that could be implemented in the short term, and to provide considerations for researching a prevention incentive plan to be developed in the long term.

By recognizing and rewarding superior workplace behaviours through improved incentive programs and by delivering on the other key initiatives identified in the Road to Zero, the WSIB believes Ontario can be the safest place to work in the world.

### **Overview of Experience Rating Programs at the WSIB**

The WSIB has Experience Rating programs that are intended to promote good health and safety practices, early and safe return to work, and appropriate disability management practices among premium-paying employers. Experience rating is also intended to improve insurance equity among participating employers. These programs provide rebates or surcharges to employers based on claims experience.

The WSIB first introduced experience rating in 1984. Two programs were introduced – Council Amended Draft-7 (CAD-7) for the construction industry, and the New Experimental Experience Rating (NEER) program for other industries. Both of these programs were designed for larger employers. In 1998, the Merit Adjusted Premium (MAP) program was introduced for small employers.

The MAP program can be summarized as follows:

#### **MAP Program**

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- > Employers that pay premiums averaging from \$1,000 to \$25,000 per year over a three-year period are included in the plan.
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- > The amount of the incentive depends on the size of the employer and the number of claims during the most recent three years that cost more than \$500.
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- > For employers with no claims, the premium for the next year is reduced by between 5% (for the smallest employers) and 10% (for the largest employers).
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- > For employers with more than one claim, the premium is increased by between 3% and 50%. Employers with smaller numbers of claims have the lowest increases. Employers with larger numbers of claims have the highest increases. In addition, employers that have claims that cost more than \$5,000 or fatality claims will tend to have higher increases.
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More information about the MAP program can be found at:

<http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/MAP>.

The CAD-7 and NEER programs have many similar features. The most significant difference is that CAD-7 is based on both the number of claims and their cost, and NEER is based only on claim costs. Another important difference is that NEER incorporates estimated future costs on claims and CAD-7 does not.

The key features of the two programs are summarized below:

#### **CAD-7 and NEER Programs**

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- > Employers that pay premiums averaging over \$25,000 per year over a three-year period are included in CAD-7 if they are in the construction industry and in NEER if they are not.

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- > Each employer's claims experience is compared to the average for their rate group. For CAD-7, claims experience is determined using 33% of the claims frequency and 67% of the cost of the claims. For NEER, only the cost of the claims is taken into account.

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- > To protect smaller employers from large fluctuations in premium rates, the size of the employer is taken into account in determining the incentive.

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- > In addition, certain features in the programs are designed to increase the accountability for claims experience. For example, in NEER, claims payments are increased by the expected future cost of those claims. This "multiplier" effect increases the amount of claims costs, and also increases the amount of premium available to all employers for experience rating.

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- > An employer that has claims experience that is better than expected receives a refund.

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- > An employer that has claims experience that is worse than expected pays a surcharge.

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More information about the CAD-7 and NEER programs can be found at:

<http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/NEER> and  
<http://www.wsib.on.ca/wsib/wsibsite.nsf/Public/CAD-7>

#### **Impact of Experience Rating Programs**

About half of the 230,000 employers registered with the WSIB participate in an Experience Rating program. About 90,000 employers participate under MAP and about 17,000 participate under CAD-7 and NEER. Table 1 below provides an analysis of the impact of experience rating by size of incentive for CAD-7 and NEER employers.

**Table 1: Analysis of Experience Rating by Size of Incentive**

	Number of Accounts *	Total Premiums \$ millions	Total Payments \$ millions	Average Payment	Average Percent
<b>Surcharges</b>					
> Over \$ 1,000,000	14	\$52.8	\$40.6	\$2,897,014	77%
> \$ 500,000 to \$ 1,000,000	29	\$25.5	\$19.8	\$684,315	78%
> \$ 100,000 to \$ 500,000	417	\$190.8	\$82.3	\$197,459	43%
> \$ 10,000 to \$ 100,000	2,053	\$285.1	\$66.4	\$32,321	23%
> \$ 1,000 to \$ 10,000	3,637	\$181.6	\$15.5	\$4,265	9%
> Under \$ 1,000	1,312	\$32.8	\$0.5	\$383	2%
<b>Zero</b>	748	\$14.8	\$0.0	\$0	0%
<b>Refunds</b>					
> Over \$ 1,000,000	20	\$108.4	\$38.2	\$1,908,797	35%
> \$ 500,000 to \$ 1,000,000	42	\$98.8	\$29.1	\$693,537	29%
> \$ 100,000 to \$ 500,000	537	\$365.0	\$105.2	\$195,962	29%
> \$ 10,000 to \$ 100,000	3,155	\$514.9	\$97.2	\$30,813	19%
> \$ 1,000 to \$ 10,000	8,178	\$408.3	\$25.5	\$3,113	6%
> Under \$ 1,000	7,348	\$104.0	\$2.8	\$377	3%
<b>Total</b>	27,490	\$2,382.9	-\$72.9	-\$2,651	-3%

\* Note that some employers have more than one account.

Table 1 shows, for example, that there were 14 accounts that paid surcharges that exceeded \$1,000,000. These 14 accounts paid total premiums of \$52.8 million, not including the surcharges. The total surcharges paid amounted to \$40.6 million. The average amount of the surcharge paid was \$2,897,014, which amounts to 77% of the average premium paid.

The incentives under the CAD-7 and NEER programs have grown substantially over the past 10 years. In 1998, total surcharges amounted to \$35 million. However, this figure was unusually low compared to the 1999 figure of \$152 million. By 2007, total surcharges had grown to \$278 million. Refunds in 1998 amounted to \$160 million, and had grown to \$350 million by 2007. From 1998 to 2007, refunds to employers exceeded surcharges by a total of about \$880 million. This figure is about 3% of the premiums collected during that period.

In addition to these incentives, the WSIB has invested significantly in prevention activities over the ten-year period. For example, funding for Safe Workplace Associations have grown from \$61 million in 1998 to \$86 million in 2007. The total investment in prevention represents about 2.6% of premiums over the ten-year period.

The figures presented in the table above demonstrate that these programs provide significant financial incentives to employers in Ontario.

### **Recent Changes to Experience Rating Programs**

In the late 1990s and early 2000s the WSIB undertook a review of its Experience Rating programs. In addition to the introduction of the MAP plan for small employers in 1998, improvements were also made to the NEER and CAD-7 programs in 2004 and 2006. These changes were intended to increase financial incentives, improve fairness and provide stronger accountability.

## Section 3 – Issues

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Three issues have been identified which need to be addressed as soon as possible. Effective action is needed to increase the credibility of the WSIB's incentive programs and its ability to move forward on the Road to Zero. The three issues are identified below:

### 1. Reporting Behaviours

One of the potential unintended consequences of the Experience Rating program is that some employers may achieve improved performance by not reporting injuries.

Even though the actual numbers are difficult to accurately assess, it is clear that this behaviour occurs. The following indicators give us a reasonable sense that it is not uncommon:

1. 7% of workers felt they were discouraged from reporting injuries (IWH study in June 2005)
2. 8% of employers surveyed agree with the statement that “my organization does not always report injuries” (Ipsos Reid Survey – February 2008)

Although the percentages are relatively small, they could represent a large number of claims (up to 25,000 claims in 2007). In addition, Harry S. Shannon reported (June 2002), based on a survey of 2,500 workers of which only 143 had an eligible injury, that 57 (or 40%) of the Canadian employees eligible for worker's compensation did not submit a claim.

A robust system of checks and balances to minimize non-compliant reporting behaviour is needed to ensure that all stakeholders view the Experience Rating program as credible and fair.

### 2. Linkages, Alignment and Consistency with Legislative Obligations

There is currently no link within the Experience Rating programs between an employer receiving a refund (or surcharge) and its meeting its legislative obligations under either the *Occupational Health & Safety Act* or the *Workplace Safety & Insurance Act*. Changes are needed to ensure that the WSIB's Experience Rating programs are not working at cross-purposes with legislation and regulation governing injury reporting and workplace safety. Employers may be entitled to rebates for “performance” as defined by Experience Rating programs while at the same time being non-compliant with their regulatory obligations.

This disconnect is evident when reviewing WSIB and Ministry of Labour data from 2005 to 2007. During that period, 73 employers that received experience rating refunds were convicted of offences under the *Occupational Health & Safety Act* leading to a fine under Part III of the *Provincial Offences Act* or were fined for offences under sections 149(3) and 152(1) of the *Workplace Safety & Insurance Act*.

Although this reflects a relatively small number of employers, it raises concerns about the lack of alignment and integration between “performance” measures and “behavioural” measures.

It is clear that legislation (*Workplace Safety and Insurance Act*), which is intended to prevent injuries, illnesses and fatalities in workplaces and to financially compensate workers for injury or disease occurring by virtue of their employment, and legislation (*Occupational Health and Safety Act* and the *Canada Labour Code*), which are intended to protect and promote worker health and safety, must work together for real improvements in prevention and return to work to be achieved.

### 3. Fairness

Two areas where potential unfairness exists are the Second Injury & Enhancement Fund (SIEF) and the payment of Advances. Changes to both of these need to be made in the short term to allow experience rating to function in a fair and credible fashion.

#### i) SIEF

The purpose of SIEF policy is to encourage employers to employ disabled workers who might otherwise have difficulty securing employment by reducing the employers' financial risk.

SIEF has been used to shield individual employers from all or a portion of the accident costs of a claim where a pre-existing condition or disability is either aggravated by a compensable injury or causes, prolongs, or enhances a compensable injury. This limitation on employer costs is designed to remove the financial disincentive to hire workers who may be perceived to be at higher risk of having accidents or aggravating pre-existing conditions.

In the last 10 years, the number of claims receiving SIEF treatment has more than doubled. Over \$420 million (30%) of 2007 benefit costs were excluded from experience rating because of the SIEF policy. This percentage is substantially higher than for all other jurisdictions except Quebec. Based on a review of recent data from other Boards, we note that PEI and Nova Scotia do not have SIEF. In British Columbia, 11% of costs receive SIEF treatment, while in Alberta the corresponding figure is around 5%. For some of the other provinces, the percentage of SIEF claims is as low as 1%.

Greater usage of SIEF cost relief leads to higher rebates (or lower surcharges). CAD-7 and NEER employers benefit from cost relief, and the usage is greater for larger employers.

Although it is important to recognize that many of the systems in the United States are quite different from the Ontario system, it is worth noting that a total of 21 US jurisdictions have eliminated SIEF over the last 10 years because it had ceased to be financially viable and/or no longer met its original purpose. The concept of SIEF does not exist in the private insurance industry.

Sample WSIB audits have not shown that the SIEF policy positively impacts return to work. In fact, for some claims a negative impact on return to work was observed.

A number of companies ask for SIEF treatment for all claims, even where there is no evidence that the claim is prolonged or that any pre-existing condition exists. In the last 5 years, there have been over 4,000 appeals relating to SIEF. From 2005 to 2007, SIEF

appeals increased by 21%. WSIB adjudicators estimate that they spend about 10% of their time adjudicating SIEF issues.

To illustrate the potential significance of the SIEF policy, four large NEER employers were examined. These employers had 18 SIEF claims on average, and received average refunds of \$1.0 million, representing about 9% of premiums. If the employers had not requested SIEF cost relief, they would have had to pay an average surcharge of \$0.8 million. In other words, the use of the SIEF policy resulted in an average savings of \$1.8 million, or 17% of premiums for each of the four large employers.

The evidence above raises the following concerns:

- > Results in misalignment with the Road to Zero objectives because incentives for prevention and return to work are reduced by cost relief for workers with pre-existing conditions;
- > Undermines the effectiveness of experience rating by reducing the portion of premium available for experience rating. For example, employers who achieve the ultimate Road to Zero objectives could have their potential refund significantly reduced to support SIEF cost relief for other employers;
- > A continuation of the trend towards increased SIEF claim usage could reduce the portion of premiums actually experience rated to such a low level that the programs would no longer achieve their objectives. In that case, the WSIB would need to question the merits of continuing the SIEF policy and/or the experience rating programs;
- > Results in inequity in the sharing of workers compensation costs because of unequal use of SIEF particularly by size of account. For example, larger employers are much more likely than small employers to utilize SIEF, and no SIEF is applicable to Schedule 2 employers.

It should be noted that concerns with SIEF as it relates to experience rating were identified in a 1990 review conducted by the WSIB. The 1990 report stated:

“Each plan, through its own formula, rewards employers who reduce their accident costs through rebates, and penalizes employers with excessive accident costs through surcharges. The clear intent of the programs is to focus assessment costs on employers with the worst accident experience – not to spread this risk amongst other employers. Therefore, experience rating and SIEF may not always be compatible.

For example, some employers may try to reduce their costs by seeking SIEF relief for any perceived pre-existing condition, rather than concentrating on improving workplace safety to reduce the number and severity of accidents. This practice undermines the ‘risk focusing’ intent of experience rating programs.”

With the doubling of SIEF relief in the past ten years, this has become a very significant problem.

ii) Employer Advances

The WSIB's policy entitled "Employer Advances" OPM document #18-01-11 provides that:

- > For Schedule 1 employers, the WSIB reimburses all advances; and
- > For Schedule 2 employers, the WSIB records all advances as a bookkeeping entry, i.e., covered by advances.

In 1996, the policy rules respecting Schedule 1 advances were relaxed. Under certain conditions, Schedule 1 employers can decline to be reimbursed for advances. As a result those claims do not generate WSIB costs, thereby producing savings (or greater rebates) in experience rating results.

This practice has given employers discretion in choosing to continue to pay or not pay a worker. It is the exercise of this discretion that can determine if a claim is considered to be a lost time or no-lost-time injury.

For example, if an employer re-employed a worker in suitable employment for 4 hours a day, but paid the worker for 8 hours a day and exercised its discretion not to be reimbursed by the WSIB, the claim would be treated as no-lost-time.

Employers and employer representatives have acknowledged that by doing this, they are essentially self-insuring some worker claims. This results in savings from an experience rating perspective.

The practice also blurs the distinction between lost-time and no lost-time injuries, which makes it difficult to accurately assess real advances in workplace health and safety.

Greater use of advances by some employers can result in fundamental inequities among employers. For example, it is common practice for employers, especially in the construction industry, to use lost-time frequency rates as evidence of positive prevention practices in the awarding of contracts. The use of advances can make this indicator unreliable and misleading.

Finally, the use of advances can result in an impact on return to work outcomes because the WSIB tends to become involved later in these no lost-time injuries.

## Section 4 – Stakeholders Perspective

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Representatives of Morneau Sobeco and/or the WSIB met with representatives from:

- > Ontario Business Council (OBC),
- > Canadian Federation of Independent Businesses (CFIB),
- > Ontario Federation of Labour (OFL),
- > Provincial Building Trades Unions,
- > Injured Worker Outreach Services (IWOS), and
- > Business Council on Occupational Health & Safety (BCOHS).

At meetings held through July to September, presentations were made on the Experience Rating review project, and stakeholder representatives expressed their ideas and opinions. This provided Morneau Sobeco and the WSIB with a good understanding from stakeholders of the important issues for this review.

There were many different views about the effectiveness of experience rating in its current form and how it could be improved. A summary of the comments made during the meetings is attached as an Appendix.

Everyone agrees on the importance of sound workplace practices in the areas of health and safety, prevention of injuries, fatalities and illnesses, and early and safe return-to-work. Morneau Sobeco believes that truly successful incentive programs need to meet the following criteria:

- > Effectively encourage safe and healthy workplaces, and prevent occupational injuries and diseases.
- > Motivate employers to develop and maintain safe workplaces, and to adhere to sound practices that allow an early and safe return-to-work.
- > Discourage undesirable practices that do not lead to improvements in health and safety, prevention and an early and safe return-to-work.
- > Improve health and safety in the workplace as supported by evidence of efforts.
- > Emphasize sound principles, as opposed to a focus on design features alone.
- > Be affordable and sustainable in the long run.

While there is general agreement on the purpose and objectives of incentive programs in workers compensation, employer and labour representatives do not always agree on the effectiveness of Experience Rating programs in meeting these objectives.

Worker groups suggest that experience rating leads some employers to hide or misrepresent claims and provide meaningless work to injured workers in order to maximize financial incentives, as opposed to focusing on real improvements in health and safety. The Provincial Building Trades Council has clearly indicated they would like to see experience rating eliminated and replaced with an incentive program that provides for direct investment in health and safety and prevention initiatives. Also, an Ontario Federation of Labour October 2007 report cited situations where employers who lost a worker

to a workplace fatality had received experience rating refunds while at the same time being convicted for an offence under the *Occupational Health and Safety Act*.

Employers, on the other hand, suggest that the reduction in claims frequency in Ontario is an indicator that experience rating works. They believe that experience rating leads to improved workplace practices in health and safety, prevention, and early and safe return-to-work. As an example of supporting evidence, they point to the decrease in the frequency of lost time claims in the construction sector over the last 20 years. When CAD-7 was introduced in 1985, there were 10.92 incidents per 200,000 hours worked. By 2006, there were only 2.15 incidents per 200,000 hours worked. Other employers suggest that experience rating is about fair and equitable premiums and not primarily about behaviour change; although they also warn that without experience rating many employers may adopt negative management strategies and behaviours.

The validity of both points of view is appreciated, and each is important to prioritizing the changes that need to be made to experience rating.

## Section 5 – Analyses, Recommendations and Considerations

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An Experience Rating review requires the analysis of large volumes of data, and consideration of different alternatives. In the material that follows, the results of analysis work that point to the need for change are shown as key findings. In some cases, there is a need for more detailed analysis as part of a long term comprehensive review of experience rating. This analysis work is not included in this report, but should be considered in the scope of work required to develop a world-class incentive system. For example, the 3-year window for NEER (**Experience Rating Window**) should not be analyzed on a stand-alone basis because of the significant interactions with other design elements.

Based on the key findings for each issue, recommendations are made for short-term improvement either to the Experience Rating programs themselves or to policies or practices that impact the effectiveness of experience rating. Considerations for long-term research are also given where either further detailed analysis would be appropriate, or where additional research should be undertaken.

The key findings, recommendations and/or considerations are grouped into the following three categories:

- > **Reporting behaviours;**
- > **Linkages, alignment and consistency** of experience rating with legislative obligations; and
- > **Fairness** – in addition to SIEF and Advances discussed earlier in this report, some Experience Rating program design elements are also analysed. These include the multiplier effect in NEER and CAD-7, the frequency component of CAD-7, size of the financial incentive, the impact of different incentives as employers pass through the \$25,000 threshold of MAP, and the experience rating window.

Reporting Behaviour	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; Research suggests that not all workplace parties are reporting claims to the WSIB:               <ul style="list-style-type: none"> <li>a) 7% of non-union and union employees felt they were discouraged from reporting a claim. (IWH 2005)</li> <li>b) 8% of employers surveyed agreed with the statement that “my organization does not always report injuries.” (Ipsos-Reid Survey2008)</li> </ul> </li> </ul> <p><b><u>Other Findings from 2008 Ipsos-Reid Survey</u></b></p> <ul style="list-style-type: none"> <li>&gt; 55% of employers surveyed agreed with the statement that “some employers are not fully reporting their WSIB claims.”</li> <li>&gt; 33% of employers surveyed agreed with the statement that “employees in my organization do not always report injuries to their supervisor.”</li> <li>&gt; 65% of employers surveyed agreed with the statement that “they worry that some employers who should be registered with the WSIB are not registered and paying their fair share.”</li> </ul> <p><b><u>Other Findings</u></b></p> <ul style="list-style-type: none"> <li>&gt; 40% of employees (in a sample survey of 2,500 workers, 57 workers of 143 who were eligible for worker’s compensation benefits) did not submit a claim. (Shannon 2002)</li> <li>&gt; 1.5% of net surcharges (i.e., about \$1.5 million per year on average) were attributable to employers that closed between October 1 and December 31. Nine of the closed employers had surcharges in excess of \$50,000 over the period.</li> </ul>
<b>Recommendations (Short Term)</b>	<ul style="list-style-type: none"> <li>&gt; Implement mandatory disclosure of workplace practices which would include:               <ul style="list-style-type: none"> <li>▪ Annual Declaration of Compliance by CEO, CFO, or Senior Executive with both the Workplace Safety and Insurance Act and the Occupational Health and Safety Act.                   <ul style="list-style-type: none"> <li>▪ If compliance is confirmed, refund is paid</li> <li>▪ If compliance cannot be confirmed:                       <ul style="list-style-type: none"> <li>- Time limit is given to correct shortfalls, and a refund is then paid.</li> <li>- A portion of the refund could be used to address the shortfall.</li> </ul> </li> </ul> </li> </ul> </li> <li>&gt; The Validation Unit would monitor employer reporting requirements and the accuracy of the annual Declaration of Compliance.</li> </ul>
<b>Considerations (Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; Could consider an increased surcharge if compliance is not confirmed.</li> </ul>

Linkages, Alignment and Consistency	
<b>Key Findings</b>	<p>&gt; Evidence shows that some employers convicted for violations of the <i>Occupational Health and Safety Act</i> and <i>Workplace Safety and Insurance Act</i> are receiving refunds from experience rating. This undermines the stated purposes for experience rating and insurance in general where good performers are rewarded with premium reductions and poor performers receive premium increases.</p> <p><b><u>Convictions (2005 to 2007):</u></b></p> <p>&gt; 60 employers, with average premiums of \$870,000, eligible for a refund were convicted of an offense under the <i>Occupational Health and Safety Act</i> leading to a fine under Part III of the <i>Provincial Offenses Act</i> (total employers convicted were 115 or about 40 per year on average).</p> <p>&gt; 13 employers, with average premiums of \$1.1 million, fined under Sections 149(3) and 152(1) of the <i>Workplace Safety and Insurance Act</i> received a refund under CAD-7 or NEER. Another two experience-rated employers who were fined under the <i>WSIA</i>, were assessed surcharges.</p> <p>&gt; Surcharge employers were four times as likely to be convicted for similar offenses.</p>
<b>Recommendations (Short Term)</b>	<p>&gt; A conviction would result in an audit by the Validation Unit. Possible outcomes would be:</p> <ul style="list-style-type: none"> <li>▪ The employer would need to address the reasons for the conviction, where possible, and make changes to meet a minimum score on the audit before receiving a refund.</li> <li>▪ A portion, or all, of the refund would be used to make improvements in the area where a shortfall exists.</li> <li>▪ An employer in a surcharge position would need to meet minimum audit requirements to avoid increased penalties.</li> </ul>
<b>Considerations (Long Term)</b>	<p>&gt; As an alternative for convictions, the WSIB could consider withholding refunds in the year of a conviction and possibly in the next year or two.</p> <p>&gt; Unpaid refunds could be set aside in a prevention/return-to-work fund, for example an Excellence Fund, to be used to finance investments to improve outcomes where most needed.</p>

Fairness: SIEF	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; SIEF is one of the major factors driving experience rating. It was not designed to save employers money but rather to encourage employers to help injured workers return to work.</li> <li>&gt; Use of SIEF undermines the Road to Zero objectives because incentives for prevention and return to work are reduced by cost relief for workers with pre-existing conditions.</li> <li>&gt; As SIEF cost relief increases, the SIEF insurance charge in experience rating that is shared by all employers, also increases. This effectively reduces the potential size of financial incentives and also the potential effectiveness of experience rating.</li> <li>&gt; SIEF usage suggests practices may have gone beyond the original intent of the policy.</li> <li>&gt; Some employers may be investing more in SIEF than in prevention.</li> <li>&gt; Some employers request SIEF cost relief on 100% of their lost time claims.</li> <li>&gt; Retroactive SIEF cost relief after expiry of the experience rating window creates experience losses that need to be funded by all employers. Application for retroactive SIEF cost relief for claims after the expiry of the experience rating window increased by an average of about 15% per year since 2004.</li> <li>&gt; An increase of about 10,000 SIEF claims from 2002 to 2007 (i.e., a 51% increase).</li> <li>&gt; In the last 10 years, the number of claims receiving SIEF has more than doubled. In 2007 more than \$420 million (30% of total) benefit costs were relieved under the SIEF policy.</li> <li>&gt; A total of 21 US jurisdictions have eliminated SIEF in the last 10 years.</li> <li>&gt; SIEF claims last much longer than other claims. SIEF claims are about 13 times more likely to still be active after 60 months than non-SIEF claims.</li> <li>&gt; No positive relationship between SIEF and return to work, with some claims demonstrating negative return to work consequences.</li> <li>&gt; Of four large NEER employers who each had 18 SIEF claims on average, the average refund was \$1.0 million. Had these employers not requested SIEF cost relief, they would have had to pay an average surcharge of \$0.8 million - a savings of \$1.8 million for each of the four employers.</li> <li>&gt; CAD-7 employers have about 3 times (1.8 times for NEER employers) as many SIEF lost time claims as other Schedule 1 employers.</li> <li>&gt; For CAD-7 and NEER employers, close to 50% of payments made over the last five years are on SIEF claims, about twice the level of other Schedule 1 employers.</li> </ul>
<b>Recommendations (Short Term)</b>	<ul style="list-style-type: none"> <li>&gt; Amend existing SIEF policy as follows: <ul style="list-style-type: none"> <li>o Eliminate relief for pre-existing conditions where no pre-existing disability exists.</li> <li>o Employers would not be entitled to SIEF where pre-existing disability resulted from an injury occurring with the same employer.</li> <li>o Limit percentage of relief to a maximum of 50%.</li> </ul> </li> <li>&gt; Increase the portion of premiums that are subject to experience rating adjustments as a result of above changes.</li> </ul>
<b>Considerations (Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; The usage of SIEF to be included as part of the long-term review of best practices from other jurisdictions.</li> <li>&gt; Further study ways to diminish current challenges associated with SIEF.</li> </ul>

<b>Fairness: Advances</b>	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; Employers can exercise discretion in the use of advances, resulting in potential inequity among employers.</li> <li>&gt; By advancing wages to workers during their injury, employers can self-insure their worker claims in the short term and reduce their experience rating costs in the long term.</li> <li>&gt; Practice may be inconsistent with WSIB policy.</li> <li>&gt; Practice may blur the obligations of employers to report workplace injuries, thereby contributing to potential for negative reporting behaviours.</li> <li>&gt; Practice distorts the distinction between lost-time and no lost-time injuries, which makes it difficult to accurately assess real advances in workplace health and safety. This distortion is problematic given that lost-time frequency rates are used by the WSIB and other prevention system partners to prioritize workplaces for interventions.</li> <li>&gt; It is also common practice for employers, especially in the construction industry, to use lost-time frequency rates as evidence of positive prevention practices in the awarding of contracts. The use of advances can make this indicator unreliable and misleading.</li> </ul>
<b>Recommendations (Short Term)</b>	<ul style="list-style-type: none"> <li>&gt; Limit existing practice by only permitting advances when the injured worker is attending a medical appointment.</li> </ul>
<b>Considerations (Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; Monitor the use of advances to ensure that the recommended change is effective.</li> <li>&gt; Consider eliminating the practice that distinguishes between no lost-time and lost-time workplace injuries.</li> </ul>

<b>Fairness: Program Design Elements – Multiplier Effect and CAD-7 Frequency Component</b>	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; There are significant differences in results between NEER and CAD-7.</li> <li>&gt; Both programs have significant multiplier effects. Multipliers increase the impact of reported claims on experience rating results, and can significantly influence claims reporting if they are too high. For example, the reserve factors in NEER provide a multiplier effect on the actual dollars paid on a claim. In other words, \$1.00 spent on a claim results in more than \$1.00 impact on the experience rating adjustment.</li> <li>&gt; The multiplier effect increases the amount of premium subject to experience rating for all employers.</li> <li>&gt; Under NEER, \$1.00 in claim payments made by the WSIB can impact the financial incentive to an employer by \$0.80 to \$2.00. Where an employer falls in this range depends on the amount of premiums paid and insurable payroll. Employers with smaller amounts of payroll are at the low end of the range, while employers with larger amounts are at the high end of the range.</li> <li>&gt; One \$2,000 lost time claim for an employer paying \$250,000 in premiums can lead to an experience rating adjustment of: <ul style="list-style-type: none"> <li>o \$52,000 for a CAD-7 employer if the claim lasts more than 7 days (i.e., multiplier effect of 26 times the actual payments)</li> <li>o \$3,000 for a NEER employer (i.e., 1.5 times the actual payments)</li> </ul> </li> <li>&gt; One \$20,000 lost time claim for an employer paying \$250,000 in premiums can lead to an experience rating adjustment of: <ul style="list-style-type: none"> <li>o \$76,000 for a CAD-7 employer (i.e., 3.8 times the actual payments)</li> <li>o \$30,000 for a NEER employer (i.e., 1.5 times the actual payments)</li> </ul> </li> <li>&gt; Because of the way experience rating works, an employer with zero claims costs does not share in the financing of the WSIB's overhead expenses. The allocation of overhead expenses to claims contributes to the multiplier effect presented in the above examples.</li> <li>&gt; Under CAD-7, the frequency component may no longer be relevant and effective given that claims frequency has reduced by about 80% since 1985.</li> <li>&gt; The frequency component under CAD-7 causes a very significant multiplier effect.</li> <li>&gt; The doubling of the rating factors under CAD-7 also increases the multiplier effect.</li> </ul>
<b>Recommendation (Short Term)</b>	<ul style="list-style-type: none"> <li>&gt; Reduce the weight applied to the frequency component in the CAD-7 experience rating formula below the current 33%.</li> <li>&gt; Adjust the portion of premiums that are subject to experience rating under CAD-7 as a result of this change.</li> </ul>
<b>Considerations (Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; Consider reducing the weight factor for the CAD-7 frequency component to zero.</li> <li>&gt; The following points could be considered for NEER and CAD-7: <ul style="list-style-type: none"> <li>o Adjust the NEER overhead factors to include a smaller proportion of fixed administration costs in experience rating;</li> <li>o Simplify NEER reserve factors by reducing the number of claim categories; and</li> <li>o Reduce the rating factors for CAD-7.</li> </ul> </li> </ul>

Fairness: Program Design Elements – Size of Financial Incentive	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; In 2007, 17 NEER rate groups had SIEF cost relief of 35% or more of their total new claim costs for the year.</li> <li>&gt; Increased SIEF usage leads to reduced financial incentives unless other factors are changed.</li> <li>&gt; The average portion of the premium subject to experience rating for NEER employers has decreased from 36% in 2002 to 29% in 2007. The reduction would have been greater without the changes made in 2004 and 2006.</li> <li>&gt; Had the decision not been made to double rating factors under CAD-7 in 2005, an average of only 18% of the premium would be subject to experience rating in 2007.</li> <li>&gt; To be effective, financial incentives need to be large enough to motivate changes that improve outcomes, but not so large that they result in a shift of focus away from outcomes to maximizing the incentive itself.</li> <li>&gt; Current trends suggest that the financial incentive may not be high enough to reward those employers with the very best prevention and return to work experience.</li> <li>&gt; Employers with cost experience well beyond the maximum surcharge may have little incentive to improve because incremental improvements may not lead to improved experience incentives.</li> </ul>
<b>Recommendations (Short Term)</b>	<ul style="list-style-type: none"> <li>&gt; none</li> </ul>
<b>Considerations (Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; Consider introducing extra surcharges for employers who have been at the maximum surcharge for successive years. Surcharges would get progressively higher until the employer improves or pays a fair share of its costs. For example, employers with two consecutive years at the surcharge limit could be issued a warning of impending additional surcharges with an offer of prevention assistance. Continued poor experience would, for example, lead to an extra 20% surcharge in the third year, 40% surcharge in the fourth year, 60% in the fifth year and so on until the total surcharge is in line with cost experience.</li> <li>&gt; Extra surcharges could be set aside in a prevention/return-to-work fund to be used to finance investments to improve outcomes where most needed, such as through an Excellence Fund.</li> </ul>

<b>Fairness: Program Design Elements – \$25,000 Participation Threshold</b>	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; There are differences in the results for each Experience Rating program for an employer at or near the \$25,000 premium threshold.               <ul style="list-style-type: none"> <li>o The maximum additional premium under MAP is about 4.5 times higher than the additional NEER surcharge. (i.e., \$12,500 versus \$2,750)</li> <li>o The maximum discount under MAP is almost three times greater than the additional NEER rebate. (i.e., \$2,500 versus \$900)</li> <li>o One \$20,000 claim will produce a surcharge under CAD-7 that is almost five times greater than the additional premium required under MAP. (i.e., \$6,100 versus \$1,250)</li> </ul> </li> </ul>
<b>Recommendations (Short Term)</b>	> none
<b>Considerations ((Long Term)</b>	<ul style="list-style-type: none"> <li>&gt; Increase or decrease the threshold to a level where differences in results are less significant.</li> <li>&gt; Consider the interaction of the three Experience Rating programs (MAP, NEER and CAD-7) and the threshold level to better harmonize results across sectors and account size.</li> </ul>

<b>Fairness: Design Elements – Experience Rating Window</b>	
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>&gt; The length of the experience rating window can have a significant influence on the potential for behaviour that is focused on maximizing incentives, instead of improving prevention and/or return to work outcomes.</li> <li>&gt; The length also impacts the relative weighting of prevention versus return-to-work in the calculation of the incentive.</li> <li>&gt; Many claims may not be fully stabilized after three years.</li> </ul>
<b>Recommendations (Short Term)</b>	> Implement a time limit for adjustments to experience rating after the window has expired.
<b>Considerations (Long Term)</b>	> Consider increasing the length of the experience rating window.

## Section 6 – Where Do We Go from Here?

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To address the issues raised, there are four possible approaches the WSIB could take.

### Possible Approaches

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- > Maintain the status quo.

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- > Eliminate experience rating entirely.

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- > Design a completely new world class incentive system.

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- > Make changes to address priority issues immediately, and address the remaining issues as part of the development of a new world class system.

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### Maintain the Status Quo

The issues and analysis presented in this report suggest that the current programs could be made considerably more effective. Improvements in effectiveness would almost certainly lead to faster progress towards the Road to Zero objectives, and fewer injuries in Ontario. Because of this, Morneau Sobeco does not recommend maintaining the status quo.

### Eliminate Experience Rating Entirely

From 2005 to 2007, experience rating refunds averaged over \$350 million per year. Eliminating refunds would mean that those companies that have invested in health and safety would no longer receive the anticipated return on their investment. This would be a particular problem for companies that were counting on those refunds to finance further improvements. Also important is the fact that, the WSIB collected an average of over \$260 million per year in surcharges between 2005 and 2007. Companies who pay surcharges would benefit from the elimination of experience rating because they would pay lower premiums. For companies who comply with legislation, but have a weak health and safety culture, the WSIB would be left without a financial incentive to persuade such companies to make improvements. As a result, Morneau Sobeco does not recommend the complete elimination of experience rating unless it can be replaced by a more effective program.

### Design a New World Class System

This review has not yet reached the stage where a world class system can be designed. However, the review has led to the identification of several desirable features of such a system. It would be ideal to implement a new world class system. However, recent experience in two other jurisdictions suggests that the development and implementation of effective incentive systems takes years, not months. In the meantime, unless changes are made to existing programs, progress towards the Road to Zero objectives will likely be significantly slower than required.

### Make changes to address priority issues in the short term

The WSIB should consider developing a new world class system as indicated in the project objectives. However, in the time that it will take to develop and implement that system, it is Morneau Sobeco's

recommendation that changes as described in this report be made to the existing Experience Rating programs in the short term to:

- > Reduce the impact of **Reporting Behaviours** that can undermine the effectiveness of experience rating;
- > Increase the **Linkages, Alignment and Consistency** to the *Workplace Safety and Insurance Act* and *Occupational Health and Safety Act*, and to the WSIB's Five Year Strategy – Road to Zero 2008-12; and
- > Improve **Fairness** of the Experience Rating programs.

Further, it is Morneau Sobeco's recommendation that the considerations for long term improvement, presented in this report, be included in the scope of work and research that is required to develop a world class prevention incentive model.

### **Next Steps**

The WSIB values the views of its stakeholders and is planning to initiate a consultation in the fall of 2008. Interested parties will be asked to provide comments regarding the recommendations and/or considerations as outlined in section 5 of this report. A summary of the results of this consultation, together with finalized recommendations, will be presented to the Board of Directors of the WSIB.

## Appendix – Summary of Stakeholder Comments

Category	Comments
Access to Treatment	<ul style="list-style-type: none"> <li>&gt; Access to health care professionals, particularly in rural areas, is a continued concern. For example, the limited number of approved physiotherapists limits access to treatment and delays proper recovery and return to work..</li> </ul>
Adjudication	<ul style="list-style-type: none"> <li>&gt; There are issues with adjudication that need to be addressed before any changes can be made to the SIEF.</li> <li>&gt; Adjudication should pick up on issues before they get to investigators.</li> </ul>
Business environment	<ul style="list-style-type: none"> <li>&gt; Need to be careful not to build an anti-business program.</li> <li>&gt; The program must be affordable.</li> <li>&gt; Any new program will need to have buy-in from the business community to be effective.</li> </ul>
Claim Appeals	<ul style="list-style-type: none"> <li>&gt; Experience rating leads employers to appeal claims (there would be a time delay).</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>&gt; A significant proportion of employers are not compliant with OHSA and WSIA.</li> <li>&gt; Employers encourage workers to use private insurance. This can negatively impact eligibility for future WSIB benefits.</li> <li>&gt; There should be no refund to an employer convicted of an offense under OHSA and WSIA, but there is also a concern that the WSIB should not be enforcing the OHSA.</li> <li>&gt; Experience rating encourages non-reporting or under-reporting of claims.</li> <li>&gt; There is significant under reporting of claims.</li> <li>&gt; Large employers punish workers for reporting claims or have programs that discourage reporting.</li> <li>&gt; Need to look at reporting practices and find ways to have injuries reported.</li> </ul>
Coverage	<ul style="list-style-type: none"> <li>&gt; There should be mandatory coverage for all construction employers including independent operators.</li> </ul>
Education / information	<ul style="list-style-type: none"> <li>&gt; Employers (especially small employers) need practical and targeted information and training.</li> <li>&gt; Workers need to be educated on their rights and responsibilities for reporting injuries.</li> </ul>
Experience Rating Review Process	<ul style="list-style-type: none"> <li>&gt; The process should be at “arms length” from the WSIB. Some have suggested the provincial auditor or Ombudsman.</li> <li>&gt; It is important to establish principles before pursuing solutions. Insurance equity is an important principle. Culpability should not be relevant to experience rating.</li> <li>&gt; Need to engage employers who want to do the right thing.</li> <li>&gt; Needs to be an analysis of the impact of experience rating and potential changes.</li> </ul>

Category	Comments
	<ul style="list-style-type: none"> <li>&gt; The programs have already undergone massive changes in recent years.</li> <li>&gt; The timeframe for developing recommendations seems short.</li> <li>&gt; Stakeholders are very concerned that there may be major changes in the short run.</li> <li>&gt; Stakeholder confidence needs to be restored. Stakeholder buy-in is important to success.</li> <li>&gt; It is important that changes are tested.</li> </ul>
Impact of ER	<ul style="list-style-type: none"> <li>&gt; No studies exist that definitely prove experience rating improves health and safety, and prevention.</li> <li>&gt; Experience rating is about fair and equitable premiums, and must be contingent solely on costs experienced.</li> <li>&gt; Critical principle is 'collective no-fault liability'.</li> <li>&gt; Experience rating is not primarily about behaviour changes.</li> <li>&gt; Without experience rating, many employers may adopt negative management strategies and behaviours.</li> <li>&gt; Experience Rating programs are financially weak.</li> <li>&gt; Employers believe that experience rating is effective and has resulted in significant reductions in lost time due to injuries.</li> <li>&gt; A reduction in frequency may be due to economic shifts and technological advances and not necessarily due to experience rating.</li> </ul>
Incentive model	<ul style="list-style-type: none"> <li>&gt; Experience rating should be abandoned in favour of a program that provides money directly for health and safety improvements, like a grant system.</li> <li>&gt; Look at incentives on a broad basis.</li> <li>&gt; Simplify programs to avoid schemes that promote opportunities for employers not to pay.</li> <li>&gt; Incentives must focus on injury prevention.</li> <li>&gt; Workers propose setting up an Excellence Fund.</li> <li>&gt; Incentives should address return-to-work separately.</li> <li>&gt; Incentives should be given for exceeding minimum standards.</li> <li>&gt; Incentives should be based on both practices and performance (i.e., results).</li> <li>&gt; Prospective model would reduce media attention on rebates.</li> <li>&gt; In looking at other provinces and countries, it is important to consider significant differences between Ontario and those provinces and countries.</li> <li>&gt; NEER, CAD-7, and MAP need to be better integrated with each other.</li> <li>&gt; Situations where a small business could be wiped out after a serious injury must be avoided.</li> <li>&gt; The fatality policy seems overly punitive.</li> <li>&gt; New contingent policy on fatalities is an attack on no-fault principle.</li> </ul>
Organizational Structure	<ul style="list-style-type: none"> <li>&gt; Prevention and compensation should be under two separate operational entities.</li> </ul>

Category	Comments
Prevention focus	<ul style="list-style-type: none"> <li data-bbox="578 289 1352 317">&gt; Experience rating statements currently focus on cost, not prevention.</li> <li data-bbox="578 331 1105 359">&gt; Reintroduce prevention questions on Form 7.</li> <li data-bbox="578 373 1406 432">&gt; Only pay refunds after improvements in health and safety, and prevention have been demonstrated.</li> <li data-bbox="578 447 1321 506">&gt; WSIB's focus should be on prevention. Compliance should be the responsibility of the Ministry of Labour.</li> <li data-bbox="578 520 1308 548">&gt; Rebates should be invested in prevention and health and safety.</li> <li data-bbox="578 562 1101 590">&gt; Employers should do more about prevention.</li> </ul>
Return-to-work	<ul style="list-style-type: none"> <li data-bbox="578 615 1430 705">&gt; Return-to-work strategies need to be improved. In some cases, returning workers are paid to do nothing, given unsuitable or unsafe modified work, or given menial work just to keep them in the workplace.</li> <li data-bbox="578 720 1344 779">&gt; WSIB policies and practices induce employers to offer RTW without knowing the level of disability and functional abilities.</li> <li data-bbox="578 793 1393 877">&gt; Some workers have been fired for not cooperating with return-to-work efforts, despite showing medical evidence that they were to abstain from work.</li> </ul>
SIEF	<ul style="list-style-type: none"> <li data-bbox="578 903 997 930">&gt; Review the purpose/intent of SIEF.</li> <li data-bbox="578 945 1094 972">&gt; SIEF is overused and abused by employers.</li> <li data-bbox="578 987 1333 1045">&gt; What may appear to be overuse may also be the result of an aging population.</li> <li data-bbox="578 1060 1032 1087">&gt; SIEF is important for insurance equity.</li> <li data-bbox="578 1102 1382 1125">&gt; SIEF may have gone beyond what it was originally intended to achieve.</li> </ul>
Successor Employers	<ul style="list-style-type: none"> <li data-bbox="578 1150 1390 1209">&gt; Some employers close their businesses to avoid surcharges. Then they re-open a new business.</li> </ul>
Suppliers of Labour	<ul style="list-style-type: none"> <li data-bbox="578 1234 1341 1293">&gt; Some employers are transferring responsibility for accidents to sub-contractors and agencies who supply temporary labour.</li> <li data-bbox="578 1308 1146 1335">&gt; Poor health and safety and prevention standards.</li> </ul>
Window	<ul style="list-style-type: none"> <li data-bbox="578 1360 1422 1451">&gt; A longer window would contribute further to the mistreatment of workers, and may also lead to more appeals, more employer challenges, and more pressure to get back to work.</li> <li data-bbox="578 1465 1422 1524">&gt; A shorter window may mean that employers would not work to get a worker back to work after the window closes.</li> <li data-bbox="578 1539 1300 1566">&gt; The window affects employer participation at Appeals Hearings.</li> <li data-bbox="578 1581 1057 1598">&gt; A six-year window should be considered.</li> </ul>