

# Merit-Adjusted Premium (MAP) For Small Business

The Merit Adjusted Premium (MAP) plan is designed to meet the unique needs of small employers. It encourages small employers to prevent injuries and improve health and safety standards.

The MAP plan applies a percentage adjustment to the employer's basic premium rate, creating an individualized premium rate. This individualized rate is based on the employer's workplace injury performance over a three year review period.

The following Questions and Answers provide an overview of how the plan works and how employers can benefit.

## What are the benefits of the plan for small businesses?

The MAP plan is simple and focuses primarily on claim counts. Employers are given financial incentives for increased injury prevention. The MAP plan applies the individualized rate directly to the employer's annual premium rate in the form of a discount or surcharge.

## How does the Merit Adjusted Premium (MAP) plan work?

Under the plan, an employer's record is determined by the number of new claims incurred during a three year review period. For 2011, all claims incurred between 2007 and 2009 inclusive, costing more than \$500, will be counted. Based on this information, a percentage discount or surcharge is applied to the employer's rate group premium rate.

## Which employers are eligible?

The program applies to small businesses in Ontario whose average WSIB premiums range between \$1,000 and \$25,000 annually.

To be eligible for a premium discount under the MAP plan, employers must have been in continuous operation for the three year review period and must be in compliance with WSIB reporting requirements.

To provide stability for small employers whose premiums may fluctuate in and out of the MAP range, once eligible for MAP, employers remain in the plan for at least three years.

## Are there any special adjustments under the plan?

Employers with a fatality during the three year review period will receive an additional surcharge of 25 per cent. Also, any claim exceeding \$5,000 (total of all benefits) will receive an additional surcharge of 10 per cent. The WSIB's maximum premium rate surcharge under any circumstances is 50 per cent.

## Do eligible employers have to enrol in the MAP plan?

No. Employers who qualify are automatically included in MAP and receive written confirmation from the WSIB.

However, there is a phase-out plan for employers moving from other incentive programs to MAP. Employers issued a surcharge in their final review do not qualify for a premium discount in their first year under the MAP plan. Similarly, employers issued a refund at their last review do not qualify for an initial premium surcharge under the MAP plan.

## What is the impact of the MAP plan on employers who have been operating less than three years?

Premium rate discounts apply after being in continuous operation for three years. Premium rate surcharges may apply if claims are incurred within a shorter period (See *Table of Adjustments*). We encourage employers to consider health and safety as a priority at all times.

## What is the difference between the basic premium rate and the MAP premium rate?

The basic premium rate is applied to the rate group. The MAP premium rate is calculated by applying a percentage adjustment to the basic premium rate based on an individual employer's performance.

## What happens if an employer is in more than one rate group?

Annual premiums for these rate groups are combined and averaged to determine whether the employer meets the MAP annual premiums requirement of \$1,000 to \$25,000. Claim counts from all rate groups are combined to determine the premium rate adjustment, which is then applied to each premium rate covered.

## Can you provide an example of when an employer would receive a premium rate discount, and how it would be calculated?

A small employer has not had any claims during the three year review period and paid an average of \$20,000 in WSIB annual premiums. The employer's basic premium rate for the rate group is \$3.00 per \$100 of insurable earnings.

Under the MAP plan, the employer qualifies for the maximum discount of 10 per cent off the basic premium rate of \$3.00 – (see *Table of Adjustments*). Throughout the calendar year this employer would pay a premium rate of \$2.70, saving 30¢ per \$100 of insurable earnings.

Therefore, if the premium based on \$3.00 is \$20,000, then the new premium based on the MAP rate of \$2.70 is \$18,000, which is a \$2,000 savings.

## Can you provide an example of when and how an employer would receive a premium rate surcharge under the plan?

A small employer has had seven claims with costs exceeding the threshold value over the three year review period. During this time, the employer paid an average of \$20,000 in WSIB annual premiums. The employer's basic premium rate for the rate group is \$3.00 per \$100 of insurable earnings.

Under the MAP plan, this employer qualifies for the maximum surcharge of 50 per cent on the basic premium rate of \$3.00 – i.e., an increase of \$1.50 (see *Table of Adjustments*).

Throughout the calendar year this employer will pay a premium rate of \$4.50 per \$100 of insurable earnings. Therefore, if the premium rate is \$20,000 based on \$3.00 then the new MAP rate based on \$4.50 is \$30,000, which represents a \$10,000 increase in the annual premium.

## How are employers notified of their participation in the plan and what their MAP rate is for the new year?

Employers receive notice of their adjusted rate in late December.

## Where can I get more information about the WSIB's Merit Adjusted Premium plan?

For more information, please contact:

Actuarial Services  
Workplace Safety and Insurance Board  
200 Front Street West, 11th Floor  
Toronto, Ontario M5V 3J1

Telephone: (416) 344-1016 or 1-800-663-6639  
Fax: (416) 344-3493

Website: [www.wsib.on.ca](http://www.wsib.on.ca)

## MAP Table of Adjustments

Avg. Premium	0 Claims	1 Claim	2 Claims	3 Claims	4 Claims	5 Claims	6 Claims	7 or More Claims
\$1,000 – \$1,499	-5%	0%	8%	20%	40%	50%	50%	50%
\$1,500 – \$1,999	-5%	0%	8%	19%	38%	50%	50%	50%
\$2,000 – \$2,999	-5%	0%	7%	17%	34%	50%	50%	50%
\$3,000 – \$4,999	-5%	0%	7%	15%	30%	50%	50%	50%
\$5,000 – \$9,999	-6%	0%	6%	13%	26%	44%	50%	50%
\$10,000 – \$14,999	-7%	0%	5%	11%	22%	38%	50%	50%
\$15,000 – \$19,999	-8%	0%	3%	8%	16%	30%	46%	50%
\$20,000 – \$24,999	-10%	-5%	0%	5%	11%	22%	35%	50%

**Note:** The claims counted are those costing more than \$500, with an accident date within the three year review period. Negative values are applied as discounts to the basic rate group premium rates; positive values are applied as surcharges to the basic rate group premium rates.

**Note:** In addition to the values shown above, a further surcharge of 25% is added for a fatal injury claim, and a surcharge of 10% is added for each claim exceeding \$5,000 in cost.