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Dear employer:

The Workplace Safety and Insurance Board's (WSIB) projected unfunded liability – the difference between the costs of claims currently in the system, and funds in the system to pay for them – has risen over the past two decades due to insufficient premiums, rising costs, and declining investment returns following the recent economic downturn.

In response to growing concerns about the future viability of our insurance system, the WSIB has announced modest increases in employer premiums and a long-term plan for financial sustainability. This plan will ultimately ensure lower and stable premium rates for employers in the long term and help to keep Ontario among the best places in the world to live, work and do business.

The WSIB's Board of Directors has made a decision to increase the average premium rate by 2% for both 2011 and 2012. This doesn't mean that costs will increase by 2% for all employers. In fact, close to half of all employers will be paying the same premium rate for each \$100 of their insurable earnings in 2011 as they are paying now. The WSIB maximum insurable earnings ceiling for 2011 is \$79,600.

Premium rates for all employer rate groups have been posted on the WSIB website at www.wsib.on.ca, along with detailed backgrounders explaining how premium rates were set for each rate group based on claims costs and injury frequency. You may also wish to register for a premium rate information session – details are on our website.

Ontario's workplace safety and insurance system belongs to all of us: Employers fund the system, and workers depend on it for support when they are injured. We all need to be at the table, developing solutions together. That's why we're launching a year-long Funding Review, which will give the workers and employers of Ontario a say in the WSIB's future financial direction.

Professor Harry Arthurs, former Dean of Osgoode Hall Law School and President Emeritus of York University will Chair the Funding Review, consulting broadly on a range of public policy issues related to the WSIB's financial future. We urge you to visit www.wsibfundingreview.ca to find out more about how you can participate – in person and online – in this important process.

Through dialogue and evaluation of alternatives, the Funding Review is intended to work towards building consensus around the best path to follow and inform WSIB strategies moving forward. At the same time, there is an immediate need for action from within the WSIB to slow the growth of the UFL and address costs. We are doing our part with substantial and immediate actions to address some of the key drivers of the unfunded liability while improving customer service and operational efficiency, including a value for money audit of the claims administration and adjudication process.

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Unsafe workplaces and delays in return to work mean higher claim costs due to more injuries and illnesses, and more time on benefits for injured workers. Premium rates are a reflection of your rate group's health and safety and work reintegration performance. By reducing injuries and claims costs in your own workplace, and by working with the other employers in your rate group, you can help to reduce your rate group's premium rate.

Become a leader by encouraging other members of your rate group to talk to the WSIB and Ontario's Health and Safety Associations, and to enroll in prevention programs such as Safety Groups and the Safe Communities Incentive Program.

Our ultimate goal is to reduce employer premiums and protect worker benefits by improving the funding position of Ontario's workplace safety and insurance system. A financially prudent approach to premium rate setting, along with responsible management actions and consultation with stakeholders will ensure the long-term financial sustainability of our system for years to come.

Yours sincerely,



David Marshall
President & CEO



Hon. Steven W. Mahoney
Chair