



**Workplace Safety
& Insurance Board**

**Commission de la sécurité
professionnelle et de l'assurance
contre les accidents du travail**

August 7, 2020

FERN DOMINELLI
CHIEF ADMINISTRATION OFFICER
MANITOULIN-SUDBURY DISTRICT
SERVICES BOARD
210 MEAD BLVD
ESPANOLA ON
P5E 1R9

Head Office:
200 Front Street West
Toronto, Ontario
Canada M5V 3J1

Siège social :
200, rue Front Ouest
Toronto (Ontario)
Canada M5V 3J1

Account 8590834
Firm 625561

(416) 344-1000 1-888-313-7373
TTY/ATS : 1-800-387-0050
1-800-387-0750

Dear MR. Dominelli:

Subject: Classification Review – Manitoulin-Sudbury District Services Board (MDSB)

This is further to your email of October 21, 2019 and subsequent telephone conversations with Sean Adams, Manager, Employer Service Centre and myself regarding your organization's eligibility/request for multiple premium rates under the new rate framework model. Specifically you are requesting that MDSB be assigned separate premium rates under class N1 classification code 621911 Ambulance (except air ambulance) services and class D2 classification code 913910 Other local, municipal and regional public administration.

Discussions with yourself and other representatives of MDSB led to several classification changes on your account which resulted in delays. We are now able to respond to your request and I apologize for the delay.

As discussed, one of the key features of our new premium rate-setting model is a new classification structure based on the North American Industry Classification System (NAICS). Our classification structure has been streamlined from 155 rate groups down to just 34 classes/subclasses, making it easier for businesses to understand how they are classified.

Under the WSIB's new classification structure, your business is assigned one or more six-digit industry classification code(s), based on your business activities. If your business has more than one business activity, your premiums are generally based on the class or subclass that corresponds to your predominant business activity – the business activity with the highest amount of insurable earnings – unless your business is eligible for multiple premium rates.

Effective January 1, 2020, MDSB had been classified under the following classification codes that reflected its business activities of providing ambulatory services, along with a variety of services to local municipalities:

- 485990: Other transit and ground passenger transportation Class F2
- 531112: Lessors of social housing projects Class K
- 621911: Ambulance (except air ambulance) services Class N1
- 913910: Other local, municipal and regional public administration Class D2

Based on MDSB's operations, you are requesting separate premium rates for MDSB's business activities under 621911 Ambulance (except air ambulance) services and 913910 Other local, municipal and regional public administration.

As noted above, firms with more than one business activity are assigned a single premium rate based on the employer's predominant class, unless they are eligible for multiple premium rates. The predominant class is generally the class with the largest share of insurable earnings, over a three-year review period prior to the premium rate-setting year. In the case of MDSB, the predominant class has been identified as class N1, Ambulatory health care.

You raised concerns that administrative staff dedicated to delivering social services programs under the municipal, services classification codes are subject to the same premium rate as staff directly involved in providing ambulatory services. You indicated that the way the Workplace Safety Insurance Board (WSIB) assigns premium rates based on predominance did not recognize the financial impacts to your organization.

Criteria

When reviewing eligibility for multiple premium rates, we must review the Workplace Safety and Insurance Board's (WSIB) Operational Policy Manual *document# 14-01-07 – Single and Multiple Premium Rates*. The policy states the following:

Predominant class

*An employer who is classified in more than one 6-digit classification code and is paying a single premium rate based on predominant class may have the classification codes assigned separate premium rates, provided the business activity in a 6-digit classification code is significant and is considered **not** integrated with the employer's other operations.*

*The business activity is **significant** if it meets one of the following conditions:*

- 1. generates an annual insurable earnings of at least five times the maximum insurable earnings ceiling for the premium year, or*
- 2. generates at least 20% of the employer's total annual insurable earnings.*

*The business activity is considered **integrated** with the employer's other operations and not eligible for a separate premium rate, if the business activity meets **any** of the following criteria:*

- 1. A substantial share of either staff, supplies, equipment, or processes of one business activity are combined with those of another business activity.*
- 2. The product or service of the business activity is primarily offered to external, unaffiliated clients together with the product or service of the employer's other operations.*

If an employer is classified in more than one 6-digit classification code and only some of the classification codes qualify to be assigned a separate premium rate, the classification codes that do not meet the significance test and/or are integrated operations will remain assigned a single premium rate following the guidelines in the "Predominant class" section.

Decision

As detailed above, when reviewing MDSB's eligibility for multiple premium rates, I must determine if MDSB's business activities individually meet the conditions of being both significant and non-integrated with other operations based on the current classification codes.

- 485990: Other transit and ground passenger transportation Class F2
- 531112: Lessors of social housing projects Class K
- 621911: Ambulance (except air ambulance) services Class N1
- 913910: Other local, municipal and regional public administration Class D2

To qualify for multiple rates we have to determine the criteria as outlined in the Workplace Safety and Insurance Board's (WSIB) Operational Policy Manual document# 14-01-07 – Single and Multiple Premium Rates.

A detailed review of MDSB's activities indicates that MDSB offers their ambulance services to client municipalities together with the services of MDSB's other operations. Specifically:

MDSB provides services to their 18 client municipalities. The ambulance services under NAICS 621911 are offered together with the services of their other operations i.e. ground transit services under NAICS 485990, 531112 social housing services and municipal services under NAICS 913910.

In accordance with Policy 14-01-07, it was determined that MDSB's operations meet the significance criteria. However, the operations are considered integrated as the product or service of the business activity under consideration is being primarily offered to external, unaffiliated clients along with the products or services of the MDSB's other operations.

In conclusion, I find that your firm's business activities are integrated, and therefore do not meet the criteria for multiple premium rates.

As with any WSIB decision, you have the right to appeal this decision. The *Workplace Safety and Insurance Act (WSIA)* imposes time limits on appeals. If you plan to appeal this decision, the WSIA requires that you notify me in writing no later than February 7, 2021.

If you do not understand the reasons for this decision, or if you have any questions, please call the toll-free number below.

Yours sincerely,

Jason Warner
Account Specialist
Employer Account Services Division
1-800-387-0750