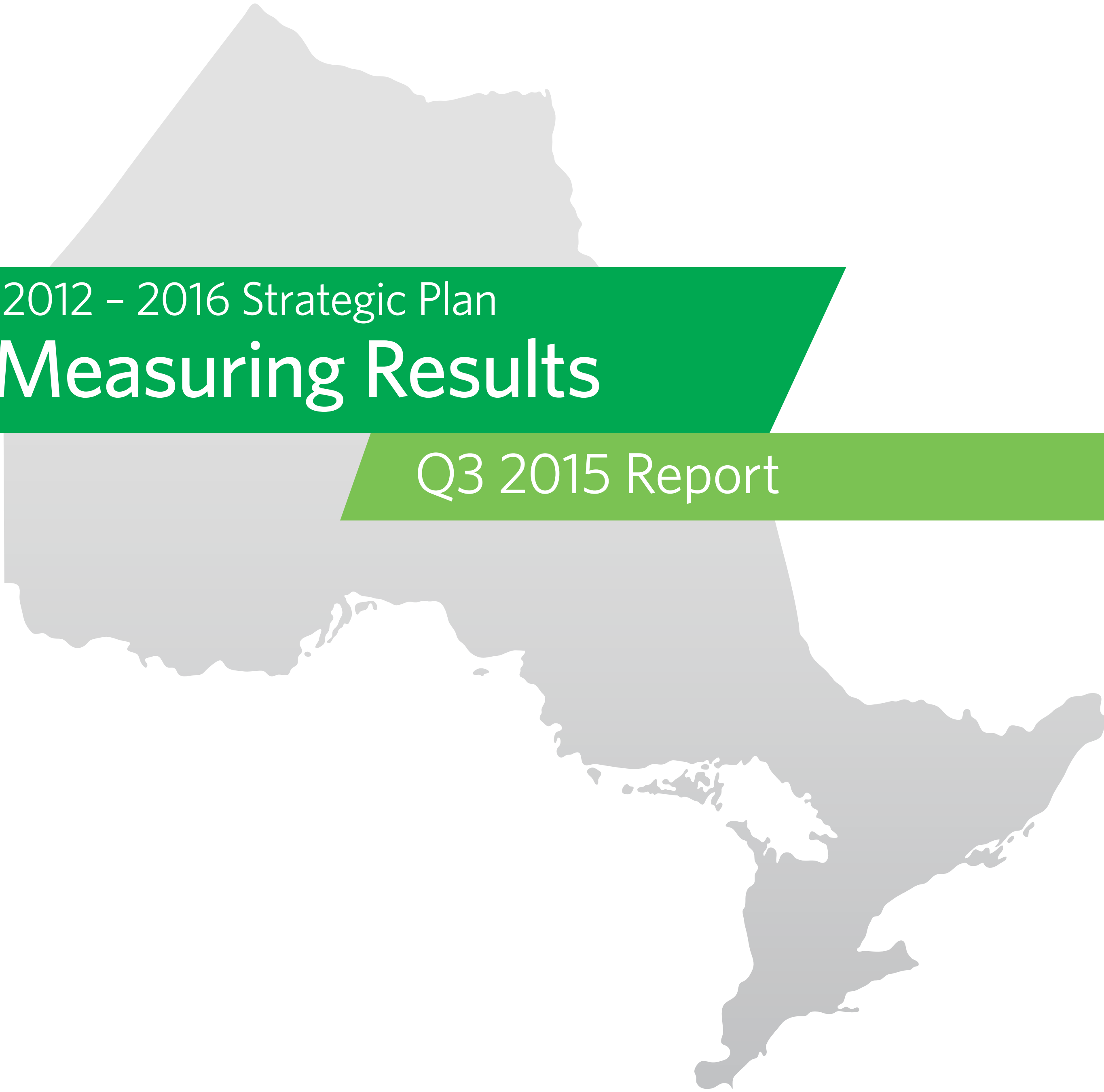


2012 - 2016 Strategic Plan

Measuring Results

Q3 2015 Report

Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
Published: December 10, 2015

Assessment of Q3 2015 Results

Return to Work and Fair Benefits ✓

Ongoing improvement in recovery and return to work

Sufficient Funding ✓

Strengthening funding position

Revenue Must be Fairly Assessed and Cover Costs ✓

Premium revenues continue to exceed operating costs

Service Excellence and Efficient Administration ✓

Strong majorities satisfied with claims services and account management

Stakeholder Relationships ✓

Launch of stakeholder eNewsletter

LEGEND:

✓ Performance meeting or exceeding target	✗ Performance off target	Positive change
Performance marginally off target	For tracking purposes only	Negative change

Discussion & Analysis

With one quarter remaining in the year, 2015 continues to be another year of strong performance for the WSIB. Results for Q3 are consistent with the positive results seen during the first half of the year.

Recovery and return-to-work outcomes continue to show improvement with a higher percentage of workers with lost-time claims than ever before (92.4 per cent) who returned to work at full pre-injury earnings within 12 months of their injury. Durations for most time periods (6, 12, 48, 72 months) were once again lower, even though Q2 levels were already at historic lows. Durations for other periods (3, 24 months) have held steady since last quarter.

These strong results have contributed to another quarter of positive Core Earnings ($334M) which, despite challenging economic conditions and investment markets, have helped in bringing the WSIB's Sufficiency Ratio up to 77.8 per cent. Last quarter, the WSIB's funding position was stronger than it had been since 1980; this quarter, sufficiency is up another 2.2 per cent and the UFL has been brought down to $6,792M.

The WSIB is investigating the need to lower its long-term investment return target and the discount rate used to calculate long-term liabilities. The reductions would be made for prudence in light of recent economic conditions. If these changes are made, our Q4 2015 sufficiency results will be impacted, as it may be necessary to add up to $950M to our long-term liabilities. Even with this possible change, we are expecting a year-end Sufficiency Ratio above 75 per cent, well ahead of the legislated requirement of 60 per cent by 2017.

This discussion and analysis provides management's perspective on the key results to date for 2015.

Slight decline in claim volumes

Compared to Q3 2014, the WSIB registered 0.4 per cent fewer claims this quarter, mostly due to a 0.8 per cent decrease in lost-time claims. The reduction in lost-time claims has contributed to a lost-time injury rate of 0.85 per 100 workers, well below the Q3 2014 level of 0.90. According to the latest data on the Association of Workers' Compensation Boards of Canada (AWCBC) website, no other jurisdiction in Canada reports an injury rate as low.

While in recent quarters we had observed a slightly lower allowance level of claims (e.g., 78.5 per cent in Q1), this quarter's allowance rate of 80.1 per cent is fully in line with the historical average of approximately 80 per cent.

Changes in the six largest sectors

Claim volume has continued to decline in recent years even as insurable earnings have been steadily increasing. However, the trend of reduced claims, with employment increases, cannot be expected to continue indefinitely and we have been expecting claims volumes to level off or possibly increase marginally. As of Q3, the health care, services and construction sectors are each showing slight increases in lost-time claim volume YTD (claim volume up 3.4 per cent, 0.8 per cent and 0.6 per cent respectively).

These increases are still more than out-weighed by increases in the insurable earnings of each of these three sectors. In fact, insurable earnings from all six of the WSIB's large industry sectors have increased YTD, most notably in services (up 3.7 per cent) and construction (up 3.6 per cent).

Lost-time injury rates – top six sectors

Sector	Q3 YTD 2014	Q3 YTD 2015	Change	% Change
Automotive	1.02	0.84	-0.18	-17.6%
Construction	1.11	1.10	-0.01	-0.9%
Health Care	1.34	1.28	-0.06	-4.5%
Manufacturing	0.63	0.57	-0.06	-9.5%
Services	0.80	0.77	-0.03	-3.8%
Transportation	1.86	1.61	-0.25	-13.4%

Insurable earnings ($M) – top six sectors

Sector	Q3 YTD 2014	Q3 YTD 2015	Change	% Change
Automotive	5,718	5,821	103	1.8%
Construction	14,414	14,934	520	3.6%
Health Care	18,034	18,371	337	1.9%
Manufacturing	29,775	30,514	739	2.5%
Services	36,822	38,183	1,361	3.7%
Transportation	7,796	7,936	140	1.8%

Discussion & Analysis

Further improvement in recovery and return-to-work outcomes

Injured workers in Ontario are recovering and returning to work sooner than ever previously. All short and long-term durations have improved compared to 2014 and most have also come down from historic low levels last quarter. For instance, this quarter, 3.6 per cent of workers are on benefits 12 months after their injury compared to 4.1 per cent last year and 3.8 per cent last quarter. Claim durations could show flattening in the quarters to come. Three-month duration may be an early indication of this as it has remained at 10.8 per cent, consistent with last quarter.

Contributing to improved durations is the WSIB's ongoing emphasis on early, specialized treatment for injuries and illnesses. This quarter, 39.2 per cent of claims were treated through the WSIB's integrated health care programs, up from 35.4 per cent in 2014. Positive Work Transition outcomes are another factor behind strong duration results. Over 8 in 10 workers (80.5 per cent) completing a Work Transition plan have been successful in finding employment YTD this year compared to 77 per cent for the same period in 2014.

The percentage of workers who experience a permanent impairment is up slightly compared to last year (5.7 per cent in Q3 2015 compared to 5.2 per cent in Q3 2014). The current percentage remains below the historical average. The average percentage of impairment is unchanged from Q3 2014 at 9.4 per cent.

Of all lost-time claims registered by the WSIB in Q3 2015, three types of injuries made up over 36 per cent: lower back injuries, fractures and shoulder injuries. Given these claim volumes, in recent years, the WSIB has worked to ensure that the treatment of these injuries in particular is delivering the best possible outcomes. As part of this process, in September 2014, the WSIB put in place an enhanced program for the treatment of shoulder injuries, improvements which are now contributing to lower durations. This quarter, 15.6 per cent of workers with shoulder injuries still needed benefits three months post-injury compared to 18.1 per cent in Q3 2014, an improvement of 14 per cent since the program enhancements were introduced in 2014.

Strong Core Earnings

Q3 insurable earnings, while somewhat below budget for the quarter, have increased 3.1 per cent ($1,338M) compared to 2014. YTD, insurable earnings continue to be above budget (0.2 per cent). Premium revenue was 4.6 per cent ($51M) higher than last year. Increased premium revenue contributed to this quarter's Core Earnings of $334M, which were 19.7 per cent higher than budgeted and 19.3 per cent higher than 2014.

Consistent with Q1 and Q2, total administrative spend in Q3 of $182M remains higher than in 2014 (Q3 2014 spend was $168M) as the WSIB continues to invest in business transformation this year. These higher administrative costs were not unexpected, and both total administrative spend and

Q3 YTD Financial Results

	Q3 YTD 2014	Q3 YTD 2015	Variance
Premium Revenue ($M)	3,340	3,507	167
Net Investment Income ($M)	1,373	473	(900)
Benefit Payments ($M)	1,810	1,741	(69)
Total Admin. Expenses ($M)	522	569	47
Core Earnings ($M)	744	939	195
UFL (sufficiency basis) ($M)	(9,537)	(6,792)	2,745
Sufficiency Ratio	69.1%	77.8%	8.7%

Discussion & Analysis

spend per $100 of insurable earnings ($0.41) for the quarter were well within budget ($197M and $0.44, respectively).

Positive Core Earnings have contributed to improvements to the Sufficiency Ratio, which is up 2.2 per cent since last quarter to 77.8 per cent, and to the UFL (sufficiency basis), which has decreased $747M this quarter to ($6,792M).

YTD investment returns remain positive

In Q3, the WSIB's total investment assets decreased $231M to $25.3B (investment returns of -2.1 per cent). These results were driven by sharply lower equity and commodity markets. The Sufficiency Ratio was developed to deal with short-term market volatility and we do not expect our year-end sufficiency results to be unduly impacted by this quarter's investment performance.

Total fund returns YTD remained positive due to a boost in foreign asset values from a falling Canadian dollar and positive private market and bond returns. Returns for 10 and 15 years were 5.9 per cent and 5.2 per cent respectively, relative to our 6 per cent total return target.

Equity markets fell in the third quarter, on investor concerns about the level of growth in the Chinese economy and its impact on resource-oriented markets such as Brazil, Norway and Canada. The U.S. Federal Reserve's signal that interest rates would rise also hurt sentiment, and bond returns were meagre.

Growth has been below expectations this year in emerging and resource-based markets, causing the International Monetary Fund to reduce its forecast for global GDP growth to its lowest rate since 2009 – followed by an expected pickup in 2016. And while the U.S. Federal Reserve has indicated that the U.S. economy is healthy enough to support a rise in rates in the near future, it has so far held off due to fragile global conditions.

Here in Canada, reliance on energy and materials exports has dampened growth, while the export benefits of a lower dollar have been slow to materialize.

Schedule 2 results

Among Schedule 2 employers, claim volume is down slightly YTD (2.2 per cent or 618 fewer claims). The LTI rate improved 5.9 per cent, from 2.02 in 2014 to 1.91 this year. The rate has not been this low since 2013.

Longer-term durations have mostly continued to improve since Q3 2014 for Schedule 2 claims. Short-term durations have increased compared to 2014. Three-month duration is 8.2 per cent compared to 7.7 per cent last year and six-month duration is 4.1 per cent, a deterioration compared to last year's 3.5 per cent. Slightly fewer claims (95.1% or 0.2 per cent fewer) returned to work at full, pre-injury earnings within 12 months of their injury.

Schedule 2 recovery and return-to-work results continue to be better than Schedule 1 results and to reflect strong improvement compared to even five years ago. We are looking into the short-term duration trend to better understand it and the actions we can take to better support recovery and return to work for these claims.

Reduced volume of appeals

In Q3 2015, the WSIB internal appeals service received 17 per cent fewer incoming appeals than last year and 7 per cent fewer compared to last quarter. With fewer appeals coming in and ongoing timeliness of appeals decisions, the active inventory of appeals has come down by 4 per cent since last quarter to 2,251.

In terms of timeliness of appeals decisions, the percentage of appeals resolved within six months has fallen slightly, from 88.9 per cent last quarter to 85.0 per cent in Q3. The decline is partially explained by seasonality; appeals submissions by the parties may be delayed during peak vacation periods such as summer, which can negatively impact on decision timeliness. With YTD results of 87 per cent of appeals resolved within six months, both Q3 and YTD 2015 timeliness remain on target and continue to be well below levels seen before the appeals modernization in 2013.

Of the appeals resolved in Q3, 14 per cent were allowed, slightly below rates in recent quarters of approximately 16 per cent. Another 14 per cent were allowed/denied in part this quarter.

Consistently high levels of customer satisfaction

The WSIB, through a third-party research firm, continues to survey injured workers and employers each quarter using the questionnaire that was redesigned for Q1 2015. A strong majority of customers is once again satisfied with the level of service they receive from the WSIB and positive results this quarter are consistent with the first half of 2015.

Discussion & Analysis

For claims management, 85 per cent of registered employers who had claims in the past three months were satisfied with how they were handled by the WSIB. This level is unchanged from Q2 and consistent with Q3 2014 (86 per cent were satisfied). Among injured workers, 76 per cent were satisfied, consistent with last year (75 per cent) but down from Q2 (80 per cent, the highest level achieved since the survey began in 2011).

For service related to account management, 89 per cent of employers were satisfied, unchanged from last year. Employers particularly appreciate the courteousness of staff (92 per cent satisfied) and the flexibility offered to them to interact with the WSIB through the channel of their choice (90 per cent satisfied).

Promoting safety among young workers

July 2015 marked the launch of a major WSIB social media campaign aimed at young workers. Given that 15- to 24-year-olds and new workers are more likely than average to experience workplace injuries, and since safe practices at work can last through an entire career, the WSIB is particularly interested in encouraging safety among this group. The campaign followed the Ministry of Labour's annual young worker summer safety blitz which was initiated in May.

Running through to September 2, the campaign centred on the #PracticeSafeWork contest, through which young workers were asked to share photos of themselves demonstrating safe work practices through Twitter. The first such initiative the WSIB has undertaken, the campaign drew 94 photo entries from across Ontario, reached 900,000 people on Twitter and generated 794 retweets for 83 tweets sent.

Sustaining positive results

The WSIB is determined to maintain the positive results achieved so far this year and to mitigate against any possible risks or setbacks. On November 9, 2015, the WSIB released an **economic statement** which described how our progress towards becoming fully funded has been even faster than anticipated. The WSIB now expects to reach 100 per cent funding in 2021 or 2022, five to six years ahead of the legislated requirement. The statement also described the opportunity to provide premium rate relief to employers starting in 2017, as the average premium rate could be reduced by 10 to 15 per cent between 2017 and 2022, should current assumptions hold.

We take seriously our responsibility to ensure that injured workers and employers obtain the best possible outcomes for every dollar of premium revenue entrusted to us. The Q3 Quarterly Focus article (see p. 22) details precisely how each dollar of 2014 premiums was spent, always with the best interests of injured workers, their families and employers in mind.

Schedule 1 Results by Pillar

Pillar 1: Return to Work and Fair Benefits

Ongoing improvement in recovery and return to work

In Q3 2015, registered claims decreased by 0.4 per cent (-198 claims) from Q3 2014. The decrease was largely due to a 0.8 per cent decrease in registered lost-time injuries from 14,168 to 14,053 (115 claims). At the same time, we have seen a 6.7 per cent increase (265 claims) in pending claims, though decision timeliness continues to be above target (as discussed on page 14).

Q3 2015 saw 92.4 per cent of injured workers return to work at full wages, a historical high. As a result of return-to-work efforts, the percentage of injured workers on benefits at six and twelve months improved to historically low levels at 5.8 per cent and 3.6 per cent respectively.

OBJECTIVES

1-1 We will work with the Chief Prevention Officer and the Ministry of Labour to promote healthy and safe workplaces.

1-2 We will support injured workers and employers in Return to Work.

1-3 We will administer benefits and services, for work-related injuries or illnesses, in a fair and equitable manner.

1-4 We will focus on improving recovery and Return to Work outcomes to reduce the incidence of permanent impairment caused by all injuries.

1-5 We will approach health care as an investment on behalf of injured workers, and manage medical recovery and Return to Work together.

New Claims

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Registered	50,874	49,126	45,789	48,161	50,676	144,522
Pending	3,977	3,975	4,255	4,323	4,242	5,275
Allowed	37,813	35,809	32,593	34,738	37,209	108,600
	80.6%	79.3%	78.5%	79.2%	80.1%	78.0%

YTD Lost-time Injury/Illness Rate

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Result	0.90	0.92	0.90	0.83	0.85
Prior Year	0.94	0.98	0.98	0.91	0.90
Variance	(4.3%)	(6.1%)	(8.2%)	(8.8%)	(5.8%)
Assessment	✓	✓	✓	✓	✓

Total Wage Loss Claims Inventory

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Assessment
Total Claims	165,214	164,444	162,834	161,248	159,831	✓
Locked-in Claims	150,877	150,477	149,372	148,473	147,493	✓
Non-locked-in Claims	14,337	13,967	13,462	12,775	12,338	✓

Pillar 1: Return to Work and Fair Benefits

Benefit Payments

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	586	610	592	575	574	1,741
Prior Year	613	629	612	612	586	1,810
Variance	(27)	(19)	(20)	(37)	(12)	(69)
Assessment						

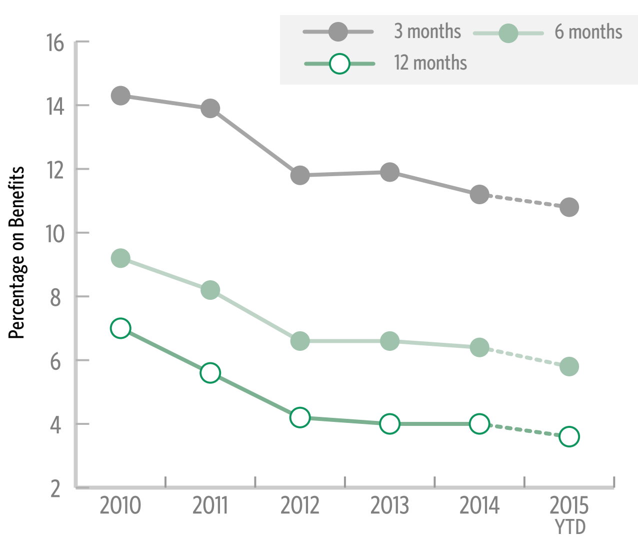
RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-time Claims)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	91.6%	91.0%	91.0%	92.0%	92.4%	91.8%
Target	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
Variance	(0.4%)	(1.0%)	(1.0%)	0.0%	0.4%	(0.2%)
Assessment						

Duration

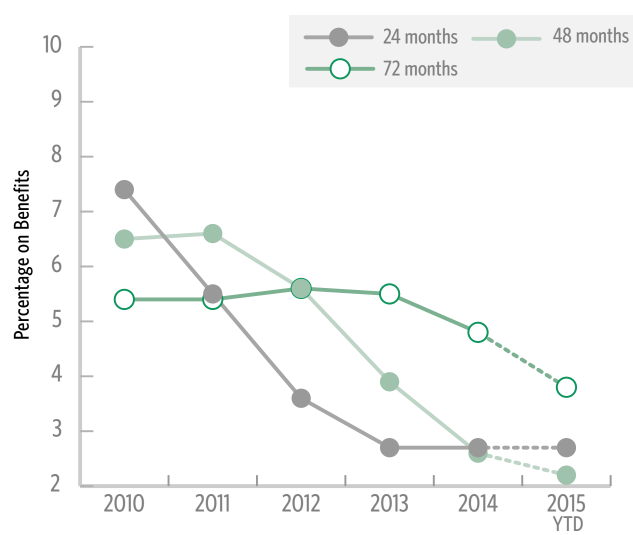
	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Target	Assessment vs Prior Year
3 months	11.6%	11.2%	11.0%	10.8%	10.8%	11.0%	
6 months	6.6%	6.4%	6.1%	6.0%	5.8%	5.9%	
12 months	4.1%	4.0%	3.9%	3.8%	3.6%	3.8%	
24 months	2.8%	2.7%	2.8%	2.7%	2.7%	2.7%	
48 months	2.9%	2.6%	2.4%	2.3%	2.2%	2.6%	
72 months	5.0%	4.8%	4.4%	4.2%	3.8%	4.8%	

Measuring Short-term Duration



	14.3	13.9	11.8	11.9	11.2	10.8
	9.2	8.2	6.6	6.6	6.4	5.8
	7.0	5.6	4.2	4.0	4.0	3.6

Measuring Long-term Duration



	7.4	5.5	3.6	2.7	2.7	2.7
	6.5	6.6	5.6	3.9	2.6	2.2
	5.4	5.4	5.6	5.5	4.8	3.8

Pillar 1: Return to Work and Fair Benefits

The percentage of workers using integrated health care programs, such as Programs of Care and Specialty Clinics, increased by 3.8 per cent from 35.4 per cent in Q3 2014 to 39.2 per cent this quarter. In Q3 2015, the average PI award remained unchanged compared to Q3 2014 at 9.4 per cent, while the percentage of workers with a PI saw a marginal increase from 5.2 per cent in Q3 2014 to 5.7 per cent in Q3 2015.

Average PI Award Percentage

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	9.4%	9.2%	9.6%	9.5%	9.4%	9.5%
Benchmark	10.0%	10.0%	9.5%	9.5%	9.5%	9.5%
Variance	(0.6%)	(0.8%)	0.1%	0.0%	(0.1%)	0.0%
Assessment	✓	✓	▽	✓	✓	✓

Percentage of Workers with a PI

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	5.2%	5.9%	5.6%	5.8%	5.7%	5.7%
Benchmark	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%
Variance	(2.8%)	(2.1%)	(1.4%)	(1.2%)	(1.3%)	(1.3%)
Assessment	✓	✓	✓	✓	✓	✓

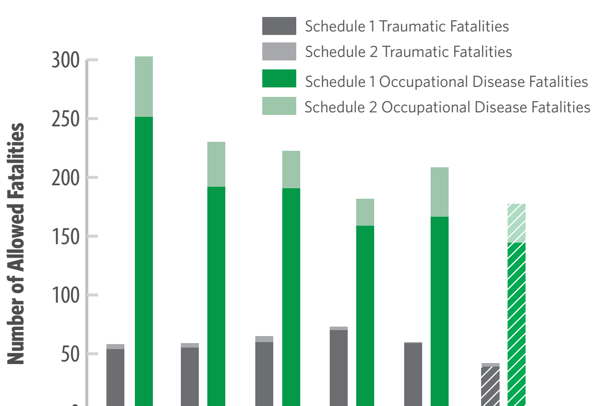
Average LOE Entitlement Award at Lock-in

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	45.7%	46.6%	44.8%	44.8%	45.0%	44.9%
Prior Year	46.6%	46.7%	45.7%	45.6%	45.7%	45.7%
Variance	(0.9%)	(0.1%)	(0.8%)	(0.8%)	(0.7%)	(0.8%)
Assessment	✓	✓	✓	✓	✓	✓

Percentage of Claims in Integrated Health Care Programs

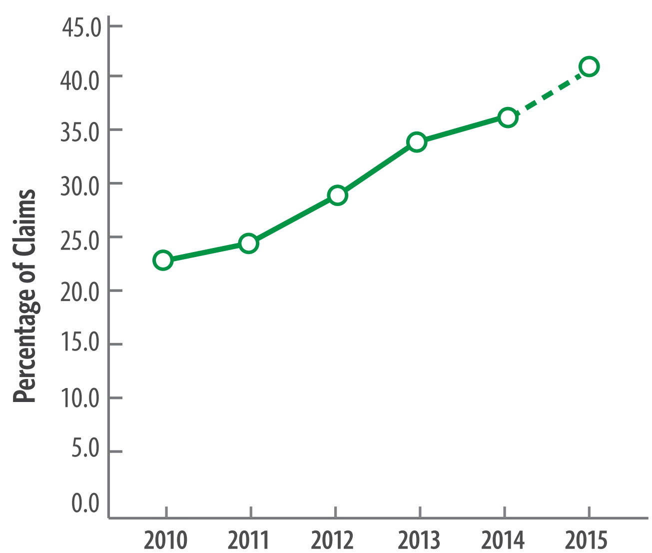
	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	35.4%	36.9%	40.6%	41.2%	39.2%	40.1%
Prior Year	33.3%	33.5%	35.4%	36.4%	35.4%	35.8%
Variance	2.1%	3.4%	5.2%	4.8%	3.8%	4.3%
Assessment	✓	✓	✓	✓	✓	✓

WSIB – Allowed Traumatic & Occupational Disease Fatalities



	2010	2011	2012	2013	2014	2015 YTD
	54	55	60	70	59	39
	4	4	5	3	1	3
TRM Fatalities Total	**58**	**59**	**65**	**73**	**60**	**42**
	250	191	189	159	167	134
	51	38	32	23	42	33
OD Fatalities Total	**301**	**229**	**221**	**182**	**209**	**167**

Percentage of Claims in Integrated Health Care Programs



	2010	2011	2012	2013	2014	2015
-o-	23.2%	24.3%	28.9%	32.8%	35.6%	40.1%

Pillar 2: Sufficient Funding

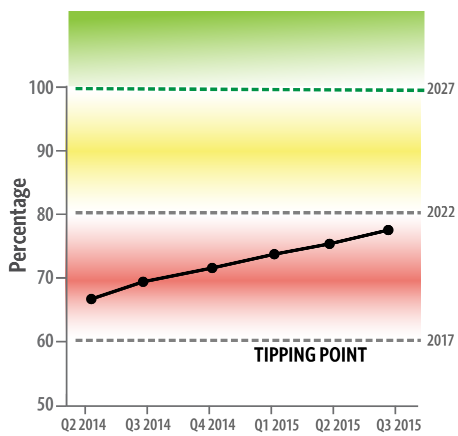
Strengthening funding position

Strong operational and financial performance allowed the WSIB to continue making progress towards financial sustainability. The Unfunded Liability (sufficiency basis) decreased by $747M, from $7,539M in Q2 2015 to $6,792M in Q3 2015. The Sufficiency Ratio increased by 2.2 per cent from 75.6 per cent in Q2 2015 to 77.8 per cent in Q3 2015. These results may be impacted in Q4 2015 if our assumptions about our long-term investment returns and discount rate are adjusted, but we still expect a year-end Sufficiency Ratio above 75 per cent, well ahead of legislated requirements.

OBJECTIVES

2-1 We will achieve funding requirements as prescribed in regulation.

Sufficiency Ratio Trend



Sufficiency Ratio	66.2%	69.1%	70.9%	72.9%	75.6%	77.8%

Sufficiency Ratio

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Result	69.1%	70.9%	72.9%	75.6%	77.8%
Budget	63.7%	64.3%	69.7%	71.4%	73.1%
Variance	5.4%	6.6%	3.2%	4.2%	4.7%
Assessment					

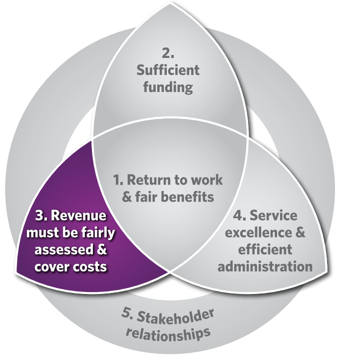
Unfunded Liability (Sufficiency Basis)*

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Result	(9,537)	(8,905)	(8,313)	(7,539)	(6,792)
Budget	N/A	N/A	N/A	N/A	N/A
Variance	N/A	N/A	N/A	N/A	N/A
Assessment					

*The UFL is reported on a sufficiency basis (defined in the glossary). As a result, prior quarters have been re-stated and will not match previously published reports.

Revenue	
Premiums	Investments

Costs	
Benefit Costs	Administrative Expenses



Pillar 3: Revenue Must be Fairly Assessed and Cover Costs

Premium revenues continue to exceed operating costs

Employer-reported insurable earnings as well as premium revenue both increased in Q3 2015 compared to Q3 2014 (3.1 per cent and 4.6 per cent respectively). This, combined with strong performance in recovery and return to work and controlled administrative expenses has led to the continued trend of premium revenue exceeding operating expenses. In the third quarter of 2015, the WSIB achieved Core Earnings of $334M, $54M higher than Q3 2014, and $55M higher than budgeted.

The WSIB had a third quarter return of -2.1 per cent on its investments, slightly lower than benchmark (-1.9 per cent). However, strong performance in Q1 2015 continues to result in a year-to-date return of 2.5 per cent, matching benchmark. Returns for 10 and 15 years were 5.9 per cent and 5.2 per cent respectively.

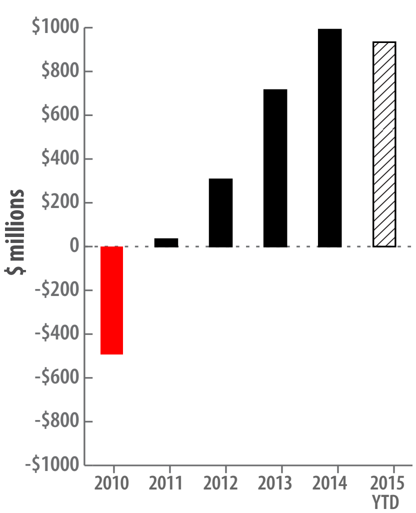
OBJECTIVES

3-1 We will collect premium revenue each year at a level that ensures all required payments can be made as they become due, and the UFL can continue to be retired.

3-2 We will continue to manage the Investment Fund with prudence and due regard for risk management and liability structures.

3-3 We will ensure a fair and transparent rate setting framework.

Core Earnings Trend



Core Earnings	(493)	34	307	715	991	939

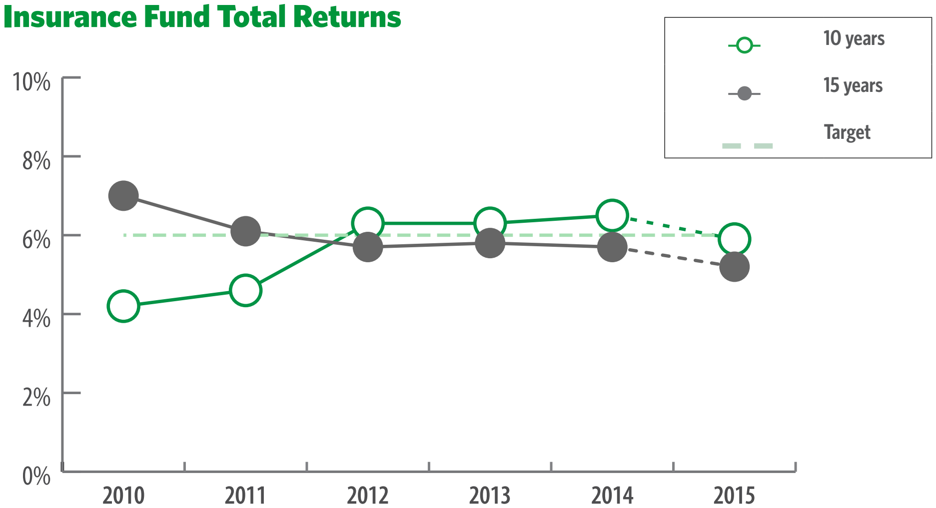
Core Earnings

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	280	247	271	334	334	939
Budget	223	144	215	294	279	788
Variance	57	103	56	40	55	151
Assessment	✓	✓	✓	✓	✓	✓

Premiums

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	1,120	1,127	1,134	1,202	1,171	3,507
Budget	1,118	1,045	1,122	1,182	1,164	3,468
Variance	2	82	12	20	7	39
Assessment	✓	✓	✓	✓	✓	✓

Insurance Fund Total Returns



	2010	2011	2012	2013	2014	2015
10 years	4.2%	4.6%	6.3%	6.3%	6.5%	5.9%
15 years	7.0%	6.1%	5.7%	5.8%	5.7%	5.2%

Pillar 4: Service Excellence and Efficient Administration

Strong majorities satisfied with claims services and account management

The Q3 2015 customer satisfaction survey reveals that efforts to improve customer satisfaction are proving successful. Seventy-six per cent of injured workers and 85 per cent of employers expressed satisfaction with the WSIB's claims-related services. Nine in ten employers were satisfied with the way in which the WSIB manages their account.

OBJECTIVES

4-1 We will update policies so that they are clear and provide appropriate guidance to staff and customers.

4-2 We will ensure every interaction with customers is based on the values of trust, integrity and fairness.

4-3 We will enhance our ability to deliver excellent customer service.

4-4 We will administer an effective Appeals Resolutions process that efficiently responds to workers and employers.

4-5 By improving efficiencies, we will reduce the cost to administer the system.

Service Excellence Index (Schedule 1 & 2)

		Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Assessment vs. Prior Year
Claims – Employers	% Very Satisfied or Somewhat Satisfied	86%	89%	86%	85%	85%	
Claims – Injured Workers	% Very Satisfied or Somewhat Satisfied	75%	77%	73%	80%	76%	
Account Management	% Very Satisfied or Somewhat Satisfied	89%	89%	88%	90%	89%	

Pillar 4: Service Excellence and Efficient Administration

The modernized appeals process continues to maintain both the timeliness and the quality of appeal decisions. Compared to the year prior, the incoming volume of appeals decreased 17 per cent, from 2,273 cases in Q3 2014 to 1,883 in Q3 2015. The inventory of active cases stands at 2,251 cases, which is down from 2,646 cases at the end of 2014 and also lower than the inventory of 2,345 cases at the end of Q2 2015.

Total Administrative Expenses

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	168	180	179	208	182	569
Budget	202	201	200	201	197	598
Variance	(34)	(21)	(21)	7	(15)	(29)
Assessment	✓	✓	✓	▽	✓	✓

Administrative Expenses per $100 of Insurable Earnings

($ / $100)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	$0.39	$0.45	$0.37	$0.44	$0.41	$0.41
Budget	$0.46	$0.50	$0.42	$0.42	$0.44	$0.43
Variance	($0.07)	($0.05)	($0.05)	$0.02	($0.03)	($0.02)
Assessment	✓	✓	✓	▽	✓	✓

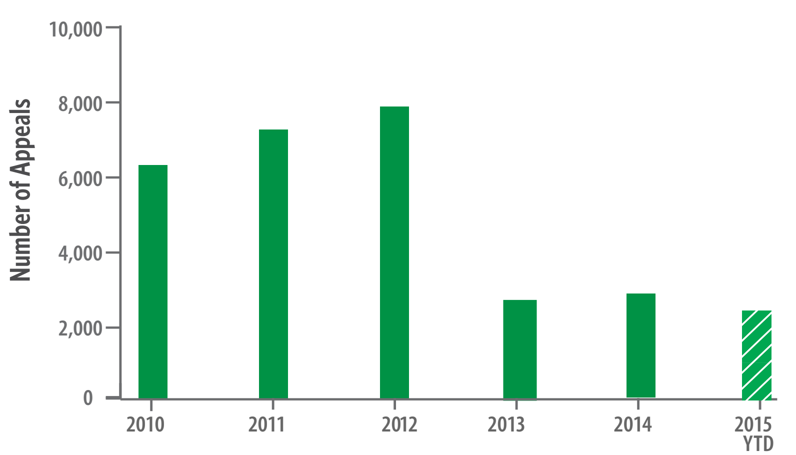
Appeals (Schedule 1 & 2)

		Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
# of Appeals Received		2,273	2,279	2,270	2,015	1,883
# of Appeals Resolved		2,116	2,392	2,390	2,304	1,983
% of Resolved Appeals	Allowed	16%	16%	16%	17%	14%
	Allowed/Denied in Part	16%	14%	12%	13%	14%
% Appeals Resolved in 6 months		91.5%	86.1%	87.1%	88.9%	85.0%
Target – % Appeals Resolved in 6 months		N/A	N/A	85.0%	85.0%	85.0%
Assessment		✱	✱	✓	✓	✓

Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	95.0%	94.7%	92.2%	91.5%	92.4%	92.0%
Target	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Variance	5.0%	4.7%	2.2%	1.5%	2.4%	2.0%
Assessment	✓	✓	✓	✓	✓	✓

Appeals Year-End Inventory



	2010	2011	2012	2013	2014	2015 YTD
Appeals	6,222	7,140	7,958	2,519	2,646	2,251

Pillar 5: Stakeholder Relationships

Launch of stakeholder eNewsletter

In Q3 2015, the WSIB launched a new, public, seasonal eNewsletter called WSIB@WORK. The eNewsletter contains news and updates from the WSIB, providing stakeholders with a convenient and reliable service to stay current on our business.

Consultations with stakeholders on the WSIB's proposed preliminary Rate Framework continued throughout Q3 bringing us to the close of consultations on October 2. Since the process began in March 2015, the WSIB has received over 50 consultation submissions from individual employers, associations, representatives/consultants, labour and injured worker/labour groups from a cross-section of industries. The WSIB is now working on reviewing and incorporating this invaluable feedback as we prepare a revised Rate Framework to be shared during an information session on December 1, 2015.

OBJECTIVES

5-1 We will develop and implement a proactive Communication Strategy that includes stakeholder engagement.

5-2 We will operate in a transparent manner.

5-3 We will build stakeholder confidence by promptly responding to stakeholder needs and concerns, and provide opportunities for engagement.

5-4 We will engage with the Chief Prevention Officer and the Ministry of Labour to ensure accountability for funding of Ontario's occupational health and safety system.

2015 Annual Reputation Index

	Injured Workers	Employers
% Very or Somewhat Favourable	N/A	N/A

Legislated Obligations (Schedule 1 & 2)

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015	2015 YTD Budget	Assessment
Prevention	64	64	68	63	57	188	200	✓
Non-Prevention	8	11	10	8	9	27	29	✓
Total	72	75	78	71	66	215	229	✓

Schedule 2 Results

Pillar 1: Return to Work and Fair Benefits

Marginal increase in short-term duration results

Longer-term durations continue to improve, with the percentage of workers on benefits at 48 months reaching historical levels. Year-over-year results for short-term durations have increased slightly; three month and six month durations are up 0.5 per cent and 0.6 per cent respectively. However, due to the lower volume and durations of Schedule 2 claims, some volatility in duration results is expected. Schedule 2 durations are still significantly lower than Schedule 1 results and we will be continuing to monitor them closely to ensure that Schedule 2 workers and employers continue to receive the best possible outcomes.

OBJECTIVES

1-1 We will work with the Chief Prevention Officer and the Ministry of Labour to promote healthy and safe workplaces.

1-2 We will support injured workers and employers in Return to Work.

1-3 We will administer benefits and services, for work-related injuries or illnesses, in a fair and equitable manner.

1-4 We will focus on improving recovery and Return to Work outcomes to reduce the incidence of permanent impairment caused by all injuries.

1-5 We will approach health care as an investment on behalf of injured workers, and manage medical recovery and Return to Work together.

New Claims

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Registered	8,348	9,564	10,257	9,260	8,444	27,935
Pending	1,085	1,334	1,397	1,169	1,096	1,330
Allowed	5,576	6,435	6,854	6,343	5,535	20,081
	76.8%	77.3%	77.4%	78.4%	75.3%	75.5%

YTD Lost-Time Injury/Illness Rate

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Result	2.02	1.95	2.50	2.03	1.91
Prior Year	1.95	1.90	2.84	2.22	2.02
Variance	3.9%	2.6%	(13.6%)	(9.4%)	(5.9%)
Assessment					

RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-time Claims)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	95.3%	94.4%	95.1%	95.2%	95.1%	95.1%
Prior Year	94.7%	94.7%	94.4%	95.0%	95.3%	94.9%
Variance	0.6%	(0.3%)	0.7%	0.2%	(0.2%)	0.2%
Assessment						

Pillar 1: Return to Work and Fair Benefits

Benefit Payments

($M)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	60	59	63	64	59	186
Prior Year	57	62	60	62	60	182
Variance	3	(3)	3	2	(1)	4
Assessment	✗	✓	✗	✗	✓	▽

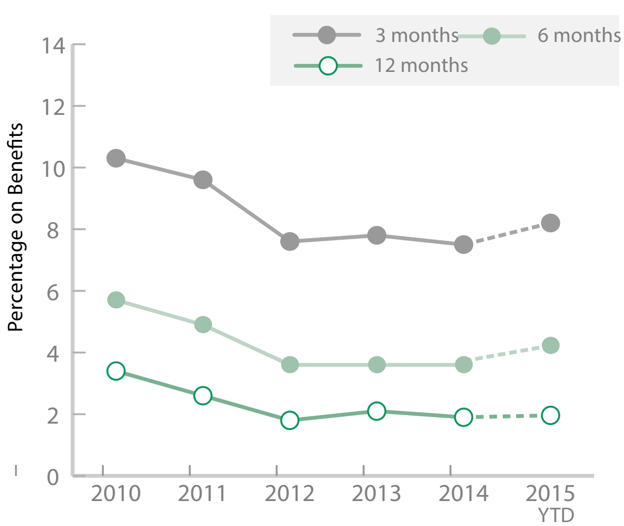
Average LOE Entitlement Award at Lock-in

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	52.5%	45.2%	44.4%	32.4%	43.5%	39.5%
Prior Year	40.5%	42.9%	42.1%	41.7%	52.5%	45.6%
Variance	12.0%	2.3%	2.3%	(9.3%)	(9.0%)	(6.1%)
Assessment	✗	▽	▽	✓	✓	✓

Duration

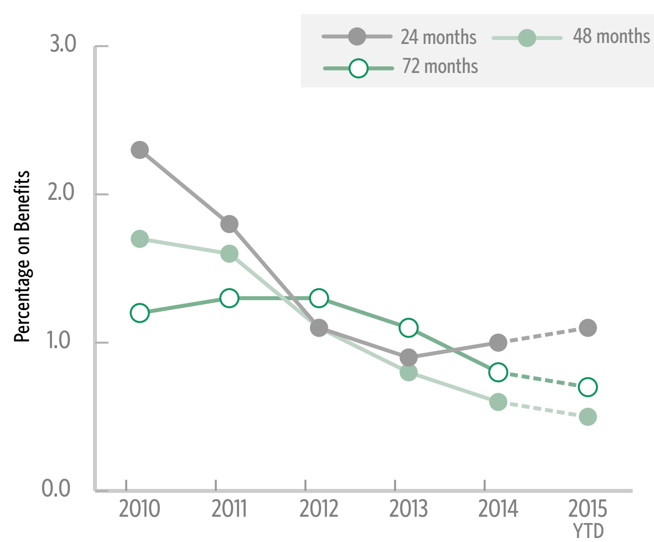
	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Assessment
3 months	7.7%	7.5%	7.8%	8.0%	8.2%	▽
6 months	3.5%	3.6%	3.7%	3.9%	4.1%	▽
12 months	2.0%	1.9%	1.8%	1.9%	1.9%	✓
24 months	0.9%	1.0%	1.1%	1.0%	1.1%	▽
48 months	0.6%	0.6%	0.6%	0.6%	0.5%	✓
72 months	0.9%	0.8%	0.8%	0.7%	0.7%	✓

Measuring Short-term Duration



	2010	2011	2012	2013	2014	2015 YTD
●	10.3	9.6	7.6	7.8	7.5	8.2
●	5.7	4.9	3.6	3.6	3.6	4.1
○	3.4	2.6	1.8	2.1	1.9	1.9

Measuring Long-term Duration



	2010	2011	2012	2013	2014	2015 YTD
●	2.3	1.8	1.1	0.9	1.0	1.1
●	1.7	1.6	1.1	0.8	0.6	0.5
○	1.2	1.3	1.3	1.1	0.8	0.7

Pillar 1: Return to Work and Fair Benefits

Investments in integrating recovery and return to work continued and resulted in an 8.6 per cent increase in the percentage of workers using integrated health care programs. These investments have continued to support early recovery and return-to-work results, with 95.1 per cent of workers returning to their pre-injury work without wage loss within the first year of their injury/illness.

Percentage of Claims in Integrated Health Care Programs

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	38.3%	40.1%	45.1%	48.4%	46.9%	49.0%
Prior Year	35.5%	35.2%	34.9%	38.0%	38.3%	38.8%
Variance	2.8%	4.9%	10.2%	10.4%	8.6%	10.2%
Assessment	✓	✓	✓	✓	✓	✓

Average PI Award Percentage

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	12.0%	12.0%	10.3%	11.0%	12.1%	11.2%
Prior Year	7.6%	8.6%	10.5%	11.2%	12.0%	11.3%
Variance	4.4%	3.4%	(0.2%)	(0.2%)	0.1%	(0.1%)
Assessment	▽	▽	✓	✓	▽	✓

Percentage of Workers with a PI

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YTD 2015
Result	1.9%	1.6%	1.9%	2.5%	2.7%	2.3%
Prior Year	2.6%	2.3%	1.9%	1.9%	1.9%	1.9%
Variance	(0.7%)	(0.7%)	0.0%	0.6%	0.8%	0.4%
Assessment	✓	✓	✓	▽	▽	▽

Pillar 4: Service Excellence and Efficient Administration

Small decrease in percentage of eligibility decisions made within two weeks

In Q3 2015, the percentage of eligibility decisions made within two weeks was marginally lower than the 90 per cent target at 89.3 per cent. Year-to-date, this measure is slightly higher than target at 90.2 per cent.

OBJECTIVES

4-1 We will update policies so that they are clear and provide appropriate guidance to staff and customers.

4-2 We will ensure every interaction with customers is based on the values of trust, integrity and fairness.

4-3 We will enhance our ability to deliver excellent customer service.

4-4 We will administer an effective Appeals Resolutions process that efficiently responds to workers and employers.

4-5 By improving efficiencies, we will reduce the cost to administer the system.

Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date

	Q3 2014	Q4 2014	Q1 20145	Q2 2015	Q3 2015	YTD 2015
Result	93.5%	94.5%	91.0%	89.9%	89.3%	90.2%
Target	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Variance	3.5%	4.5%	1.0%	(0.1%)	(0.7%)	0.2%
Assessment	✓	✓	✓	▽	▽	✓

OVERALL RESULTS Q3 2015

Schedule 1 and 2

The tables below present results for Schedule 1 and 2 claims combined and allow for a complete view of all claims coming in to the WSIB. The current quarter is compared to the previous quarter and to the same quarter last year. When Schedule 1 and 2 claims are viewed together, Q3 performance has improved on all but three measures compared to last year.

The percentage of claims experiencing permanent impairments is up slightly over 2014 due to slight increases among both Schedule 1 and 2 claims. The average permanent impairment award percentage has increased among workers with Schedule 2 claims only, while the figure for Schedule 1 has remained stable. It is worth noting that only a small percentage of claims experience permanent impairments, meaning that the award percentage may fluctuate from one quarter to the next.

The percentage of eligibility decisions made within two weeks for all claims was 92.1 per cent, above the 90 per cent target for the year and an improvement compared to Q2 2015.

Return to Work & Fair Benefits

		Q3 2014	Q2 2015	Q3 2015	Assessment
Registered Claims		59,222	57,421	59,120	
Pending Claims		5,062	5,492	5,338	
Allowed Claims		43,389	41,081	42,744	
YTD Lost-Time Injury/Illness Rate		1.04	0.98	0.98	
RTW at 100% Pre-Injury Earnings at 12 Months (Allowed Lost-Time Claims)		92.5%	92.9%	93.1%	
Duration	3 months	10.7%	10.1%	10.2%	
	6 months	5.8%	5.5%	5.4%	
	12 months	3.6%	3.3%	3.2%	
	24 months	2.3%	2.3%	2.3%	
	48 months	2.3%	1.9%	1.8%	
	72 months	4.2%	3.4%	3.1%	
Percentage of Workers with a PI		4.5%	5.0%	5.1%	
Average PI Award Percentage		9.7%	9.6%	9.8%	
Average LOE Entitlement at Lock-In		46.0%	44.1%	44.9%	
Percentage of Claims in Integrated Health Care Programs		35.9%	42.3%	40.3%	
Benefit Payments		$646M	$639M	$633M	

Service Excellence & Efficient Administration

	Q3 2014	Q2 2015	Q3 2015	Assessment
Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date	94.8%	91.3%	92.1%	

Quarterly Focus

Making Every Dollar Count

In recent years, the employers of Ontario have entrusted the WSIB with over $4 billion of premium revenue to support injured and ill workers throughout their claims. Other than the returns earned on investments, premium revenues from employers are the WSIB's only source of income. The WSIB receives no funding from taxes and no deductions are taken from workers' pay for the workplace compensation system. It is up to the WSIB to ensure that every dollar of this money is used as efficiently as possible in the best interest of those requiring support.

On average, employers covered by the WSIB paid $2.46 per $100 of payroll in 2014. Actual base premium rates are determined by the employer's industry and type of work—employers engaged in riskier types of work pay higher than average premiums. The average premium rate of $2.46 makes Ontario one of the most expensive jurisdictions in Canada for workplace compensation. This is in large part due to the WSIB's debt or "unfunded liability" (UFL). In fact, the UFL has such a large impact on the average premium rate in Ontario that, without it, premium rates would be among the lowest of any Canadian province or territory (see chart on page 26).

In 2014, of every dollar collected 77 per cent was used towards current and future payments for workers. This Quarterly Focus is meant to shed light on where the funds provided by employers end up—what are the direct and indirect costs associated with workplace compensation and how much are they.

Did you know?* *Through the WSIB, employers take financial responsibility for all health care costs associated with workplace injuries and illnesses.

Benefit Payments: Direct Support to Injured and Ill Workers

77% of Premium Revenue

Current Year Benefit Payments (54%)

Of the funds coming in to the WSIB more, by far, are spent in direct support of injured and ill workers than any other expense. In any given year, benefits are paid to those injured that year or in any prior year when the worker has not been able to return to work at full, pre-injury earnings or continues to require health care services. In 2014, the WSIB paid $2.4 billion in benefit payments including to those injured or found to be ill during the year (over 160,000 claims) and to claims from prior years. While most injured workers recover quickly and need little or no time away from work, some injuries or illnesses are more serious and require many years' worth—or even a full lifetime—of support. The WSIB must ensure that premiums collected in any given year will be sufficient to cover all short and long-term benefits so that the money will be there for workers counting on it.

This direct support goes well beyond wage replacement and medical expenses. The main categories of benefits provided to workers are listed below.

Did you know?* *Seventy-seven cents of every premium dollar spent in 2014 was used towards current and future payments for workers.

Wage-loss benefits (42%)

For nearly 30 per cent (39,597) of claims in 2014, the worker needed time off work for recovery, for a suitable new position to be found or even to retrain. In these cases, the WSIB pays up to 85 per cent of the worker's net average earnings until they are able to safely return to work. If the worker is unable to return to their regular job or to another position paying an equivalent amount, the WSIB will make up the difference in wages, again up to 85 per cent of the worker's net average earnings. In 2014, loss-of-earnings benefits represented $863 million.

Making Every Dollar Count in 2014

PREMIUM REVENUE $4,467M

CURRENT YEAR BENEFIT PAYMENTS
$2,420M
54%

WAGE-LOSS BENEFITS 42%
Replacement of earnings for injured/ill workers off work, or making less than they did pre-injury

HEALTH CARE COSTS 10%
OHIP, WSIB's integrated healthcare programs, drugs and medical devices, physical and occupational therapy, other healthcare services and supplies

EXTERNAL PROVIDERS FOR RTW 1%
Tuition payments, training programs, career and job placement services for workers unable to return to their pre-injury position

NON-ECONOMIC LOSS (NEL AWARDS) 1%
Financial awards to workers who experience permanent impairments

BENEFIT PAYMENTS FOR PAST CLAIMS
Core Earnings available to reduce the UFL
$991M
22%

LOSS OF RETIREMENT INCOME FUND CONTRIBUTIONS
Retirement savings for injured/ill workers
$59M
1%

ADMINISTRATION
Cost to manage claims and run the workplace compensation system
$702M
16%

OTHER ADMINISTRATION 4%
Costs for WSIB offices, equipment, software and maintenance, etc.

SALARIES AND BENEFITS 12%
WSIB front-line and support staff at all WSIB offices

LEGISLATED OBLIGATIONS AND FUNDING COMMITMENTS
Payments to organizations outside the WSIB
$295M
7%

NON-PREVENTION 1%
Funding of WSIAT (external appeals service), the Offices of the Worker Advisor and Employer Advisor

PREVENTION 6%
Programs to improve safety and reduce injuries/illnesses at Ontario workplaces

Health care costs (10%)

Even though Ontario's health care system is publicly funded through tax dollars, it is not the public who pay the health care costs for injuries or illnesses incurred at workplaces covered by the WSIB (about 70 per cent of all Ontario employers). Through the WSIB, employers take financial responsibility for these accidents and illnesses – a cost of $452 million in 2014.

Health care benefits go well beyond what would be provided through OHIP. The WSIB pays for all drug benefits, a total of $62 million in 2014 (3 per cent of benefit payments). Other types of health care benefits include travel expenses to get to medical treatment, personal care allowances, occupational and physiotherapy, medical devices and hearing aid devices and services.

We also have our own contracted, specialized services for early intervention to help workers recover as quickly and as fully as possible. We have developed evidence-based programs of care and have partnered with hospitals throughout the province to offer specialized clinics for workers with the most common of more complex injuries or illnesses. Given the success of these services in helping workers to recover more quickly, we have been expanding them in recent years. Last year's spending on these programs amounted to $87 million (4 per cent of benefit payments) and included over a third (36 per cent) of claims.

Non-economic loss (NEL) awards (1%)

Beyond wage loss and health care, some injuries or illnesses can have consequences that will continue to impact workers throughout their lives, on and off the job. For the small proportion of workers who are unable to fully recover from their injury or illness, the WSIB offers a NEL award in recognition of the physical, functional or psychological loss suffered. The amount of the award is determined by the percentage of whole body impairment, the age of the worker and by the severity of the impairment.

In 2014, 5.6 per cent of claims suffered a permanent impairment[1] and were awarded a NEL. Some of the most common types of permanent impairment were hearing loss and fractures. NEL awards totaled $48 million and represented 2 per cent of the WSIB's benefit payments in 2014.

External providers for RTW (1%)

In some cases, due to the nature of their injury or illness, the worker is not always able to return to their previous position and an accommodated or alternative position may not be available. In these cases, the WSIB offers services to assist the worker in choosing and preparing for a new type of work. These include detailed skills assessments, specialized training or education, training on the job, specialized work placements and job placement assistance.

The WSIB supported nearly 7,000 workers in preparing for new jobs in 2014, spending a total of $44 million or 2 per cent of 2014 benefit payments towards retraining and placement services. Of the workers who completed their Work Transition plans in 2014, over 80 per cent were successful in finding employment, an improvement from 70 per cent in 2013 and 36 per cent in 2009.

Benefit Payments for Past Claims (22%)

Core Earnings Available to Reduce the UFL

For many years, the revenue collected by the WSIB was inadequate to cover the cost of claims. This chronic underfunding of the system created an "unfunded liability" (UFL), essentially money that the WSIB owes to injured workers for future benefits that it does not have (for more information on the UFL, please refer to the Q4 2014 Quarterly Focus). The UFL had become so large by 2011—peaking at over $14 billion—that the Government of Ontario passed legislation requiring the WSIB to eliminate this debt by 2027.

Since 2010, the WSIB has worked hard to reduce the UFL through improved recovery and return-to-work results, strengthened investment management plus administrative improvements. Employers, too, have been doing their part. Premium rates were raised for three years in a row starting in 2010, despite declining numbers of registered claims. In 2014, $991 million or 22 per cent of premium revenue went towards paying down the UFL. In other words, for every dollar of premium revenue collected from employers, $0.22 went towards reducing the UFL. Were it not for the UFL, Ontario would have among the lowest premium rates in Canada; instead, the average rate of $2.46 in 2014 was one of the highest in the country.

Did you know? Were it not for the UFL, Ontario would have among the lowest premium rates in Canada.

The above contributions have been paying off. Premium revenue has been more than adequate to cover the cost of claims since 2012 and as of the end of 2014, the UFL (sufficiency basis) stood at less than $9 billion, down 37 per cent since 2011 (UFL on an IFRS basis in 2011).

1. Per cent of claims with a permanent impairment is calculated with a three-year lag, so the per cent is based on claims with the injury year of 2011.

The pace of decline of the UFL has been even faster than anticipated and considerably ahead of legislated funding requirements. This progress was underlined in an **economic statement** released by the WSIB on November 9, 2015. The statement described that, provided that current assumptions hold, premium rate relief may be possible starting as early as 2017; employers may see a 10 to 15 per cent reduction in the average premium rate over the period of 2017 to 2022. The statement also included a future target average premium rate, which is expected to be approximately $1 lower per $100 payroll, so $1.46 in place of the current $2.46. By eliminating the UFL and moving to lower, steady-state premium rates, the WSIB estimates that it will be able to return over $2B to the Ontario economy annually. Plus the compensation system will be stable, sustainable and able to provide benefits for generations to come.

Loss of Retirement Income Fund Contributions (1%)

Savings for the Future

For injured or ill workers who have been off work for 12 months continuously, the WSIB begins to contribute towards a retirement income benefit, so that time lost due to injury or illness does not set them back in saving for retirement. The benefit amounts to 5 per cent of the worker's loss-of-earnings benefits. Workers who wish to, may contribute an additional 5 per cent to their retirement savings. The WSIB is responsible for investing these funds and to ensure that they are available to be paid out when the worker retires. The WSIB paid $59 million in retirement income fund contributions in 2014.

Administration: Managing the Workplace Compensation System

16% of Premium Revenue

Each year, premium revenue is required to run the workplace compensation system. This includes administering claims, helping workers recover and return to work, managing employer accounts and handling the system's substantial portfolio of investments. Salaries and benefits of WSIB staff make up the largest portion (74 per cent) of 2014 administrative costs, but also included are costs to run WSIB offices and equipment (12 per cent) and the development and updating of IT systems (1 per cent). Overall, these costs were 13 per cent lower in 2014 than in 2013.

Did you know? Overall, administration costs were 13 per cent lower in 2014 than in 2013.

REWARDING SAFETY

Each year the WSIB offers financial incentive programs to reward employers who have good health and safety practices. The programs, including our Small Business Health and Safety Programs and Safety Groups, help employers to meet their responsibilities to prevent injury and illness at their workplace. Helping to reduce accidents leading to claims makes good business sense, while also strengthening the workplace compensation system as a whole by preventing workers from getting injured or becoming ill in the first place.

In addition, the WSIB's experience rating programs mean that employers are given rebates or surcharges depending on their actual, individual accident records. The programs encourage safety and prevention and help to ensure that the final amount of premium revenue taken in by the WSIB aligns with actual needs given the year's accident record.

An employer's experience rating is significantly impacted by a workplace accident and the employer may also be prosecuted by the Ministry of Labour (MoL) if the workplace is found to be unsafe, resulting in possible fine(s) and conviction(s). A recent analysis of MoL convictions showed that the average cost increase from experience rating for a claim that resulted in a conviction for an injury to a worker was approximately $96,000 in addition to $71,000 for the MoL fine.

The $4.5 billion of premium revenue collected in 2014 already reflects $124 million in financial incentives and rebates and $50 million in Safety Group rebates awarded to employers, net of surcharges charged to employers.

Our front-line staff work to register claims, make eligibility decisions, assess and issue benefits and respond to worker and employer queries. The WSIB builds a unique case plan for each worker needing return-to-work services, with the goal of helping the worker return to their pre-injury job whenever possible. Our team made 25,000 in-person visits to employer premises in 2014 to discuss and build case-specific return-to-work plans together with workers. Staff are also needed to register new employers and manage the WSIB's 290,000 existing employer accounts.

Behind the front line, a specialized team manages the WSIB's $25 billion (Q3 2015) investment portfolio to ensure that it achieves sufficient returns without taking on too much risk. There are also the teams that support front-line staff to help them deliver high-quality work as efficiently as possible, for instance IT, human resources, policy development and legal/compliance.

Legislated Obligations and Funding Commitments: Investment in Health and Safety

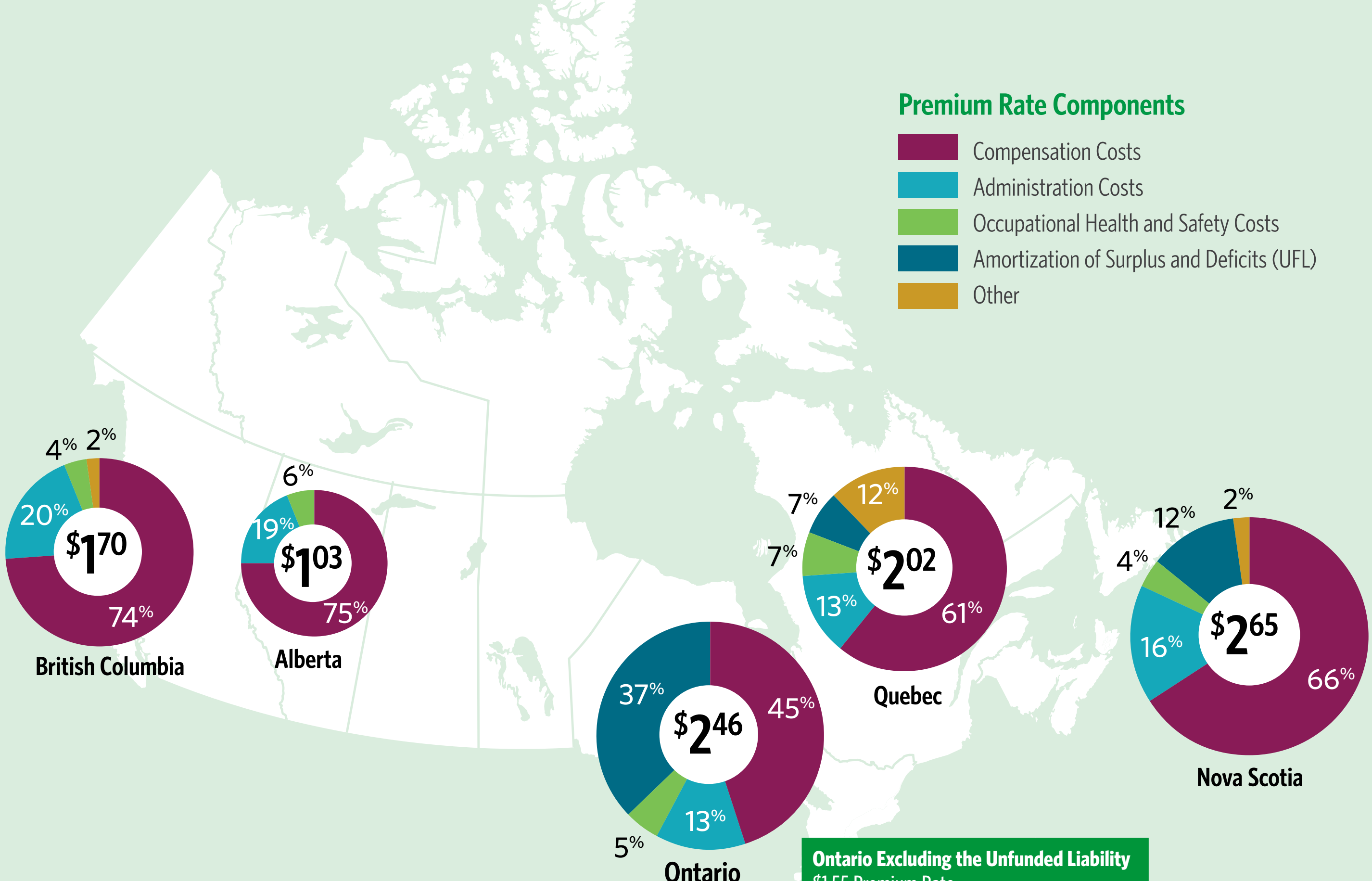
7% of Premium Revenue

In addition to the direct support the WSIB pays to injured and ill workers, we are also obliged, by legislation, to pay the government close to $300 million per year to cover the cost of programs outside of the WSIB. For example, the WSIB provides funding to the Ministry of Labour to administer the *Occupational Health and Safety Act* and the prevention system, including various health and safety associations. For the most part, these programs address prevention and improving workplace safety—to stop injuries and illnesses from occurring in the first place.

The WSIB also funds the Workplace Safety and Insurance Appeals Tribunal (WSIAT), a critical, independent channel for hearing appeals by workers and employers who are dissatisfied with the WSIB's final decision on their claim. In 2014, over 5,000 incoming appeals were received by WSIAT (down 13 per cent compared to 2013) and the WSIB provided $21 million to WSIAT in legislated obligations. To assist workers and employers with dealing with the WSIB, the WSIB also provides funding to the Office of the Worker Adviser and the Office of the Employer Adviser.

Moving into its second century of serving Ontario's workers and employers, the WSIB will continue to ensure that every dollar of premium revenue entrusted to us from employers is spent wisely and efficiently towards helping injured workers recover, return to work and get back to what matters to them. As Ontario's workplace compensation system regains sustainability in the coming years as the UFL is eliminated, we look forward to an increasing proportion of premiums going directly towards our highest priority: support for injured workers.

How Does Ontario's Premium Rate Compare?



Note: The size of circles represents the relative size of that province's average premium rate (based on 2014 provisional rates).

Source: AWCBC website, based on provisional average assessment rates for 2014.
https://aoc.awcbc.org/KsmReporting/KsmSubmissionReport/1

Ontario Excluding the Unfunded Liability $1.55 Premium Rate	
Compensation Costs	71%
Administration Costs	21%
Occupational Health and Safety Costs	8%

Glossary

Measure	Definition	Notes	Page
Administrative Expenses per $100 of Insurable Earnings	The administrative costs to operate the system per $100 of insurable payroll (applicable payroll required by legislation to determine premiums submitted by employers to the WSIB)	Includes operating expenses and project costs prior to the allocation of administrative costs associated with claims administration and Schedule 2 reimbursements	14
Appeals Received	The volume of appeals received by the Appeals Services Division in the denoted period.	Schedule 1 and 2	14
Appeals Resolved	The volume of appeals resolved by the Appeals Services Division in the denoted period.	An appeal resolution includes an appeal decision, a return or a withdrawal of an appeal Schedule 1 and 2	14
Appeals - % of Resolved Appeals Allowed / Allowed/ Denied in Part	The percentage of resolved appeals allowed, in full or in part	Represents a percentage of total appeal resolutions Schedule 1 and 2	14
Appeals - % of Appeals Resolved in 6 Months	The percentage of appeals resolved by the Appeals Services Division within six months of receipt.	An appeal resolution includes an appeal decision, a return or a withdrawal of an appeal Schedule 1 and 2	14
Annual Reputation Index Employers or Injured Workers	The percentage of registered employers or injured workers that have a positive perception of the WSIB in the specified year. Average rating of the questions in the index.	External survey results: index calculated using a straight average of six measures equally weighted Schedule 1 and 2	15
Average LOE Entitlement Award at Lock-in	The average entitlement per cent for workers having reached Loss of Earnings (LOE) lock-in in the denoted period.	By quarter of lock-in decision for Bill 99 claims This measure does not use a lag period	10, 18
Average PI Award Percentage	The average NEL award quantum (permanent impairment %) for awards made in the specified period	By NEL award year, including lost-time and no-lost-time claims This measure does not use a lag period	10, 19
Benefit Payments	Benefit costs paid (or Benefit payment) represent the amount paid to or on behalf of injured and ill workers	Includes LOE, Workers' Pension, Health Care, Future Economic Loss (FEL), Survivor Benefits, External Providers and NEL Excludes changes in benefit liabilities and claims administration costs	9, 18

Measure	Definition	Notes	Page
Core Earnings	The total comprehensive income excluding the impacts of investment income, changes in actuarial valuation and any items that are considered as material and exceptional in nature		12
Duration	The year-to-date percentage of injured or ill workers that continue to receive full or partial LOE benefits on the specified anniversary		9, 18
Insurance Fund Total Returns	The total compounded annual returns for the Insurance Fund as at the end of the reporting period over one, five, 10- and 15- year periods		12
Legislated Obligations	Reimbursement to the Government of Ontario for Prevention (all administrative costs of the Occupational Health and Safety Act and Ministry of Labour prevention costs) and non-prevention (the Workplace Safety and Insurance Appeals Tribunal, the Office of the Worker Adviser and the Office of the Employer Adviser).		15
New Claims	The distribution of new registered claims by allowed and pending status that were registered in the specified period % allowed excludes pending	By registration year (regardless of injury year) Includes lost-time injuries (LTIs), no-lost-time injuries (NLTIs), fatalities and abandoned claims Pending claims are claims for which a decision has not yet been made Excludes amalgamated and PEIR (Program for Exposure Incident Reporting) claims	8, 17
Occupational Disease Fatalities	The number of allowed occupational disease fatal claims by decision date	By year of entitlement (regardless of injury year) Data is un-matured	10
Percentage of Claims in Integrated Health Care Programs	The percentage of claims that received a service from an integrated Health Care program versus all claims that received a direct Health Care service.	Integrated Health Care programs include: Low Back Examinations, Physician Case File Reviews, Programs of Care, RECs, Shoulder Assessments, and Specialty Clinic Programs Direct Health Care Services includes services that are provided directly to injured workers.	10, 19
Percentage of Eligibility Decisions Made within Two Weeks from the Claim Registration Date	The percentage of claims where eligibility decisions are made within the targeted timeframe of 10 business days after their registration date	Excludes occupational disease, pre-1990, serious injury, fatality, withdrawn, abandoned and re-opened claims	14, 20

Measure	Definition	Notes	Page
Percentage of Workers with a PI	The percentage of allowed lost-time cases with a non-economic loss (NEL) award	By injury year Data has a three year lag	10, 19
Premiums	Premiums that are charged to Schedule 1 employers to cover the cost of the current year's claims, the future cost of administering these claims, overhead expenses and the cost of incentive programs	Excludes Schedule 2 Reimbursement of benefits paid	12
RTW at 100% Pre-injury Earnings at 12 months (Allowed Lost-time Claims)	The percentage of allowed lost-time claims returned to work with no wage loss within 12 months of injury date	Data is matured three months	9, 17
Service Excellence Index – Account Management	The percentage of registered employers that are very satisfied or somewhat satisfied with their interactions relating to their account management	External survey results: index calculated using a straight average of nine measures equally weighted Schedule 1 and 2	13
Service Excellence Index – Employers **Service Excellence Index – Injured Workers**	The percentage of registered employers and injured workers that are very satisfied or somewhat satisfied with their interactions relating to claims	External survey results: index calculated using a straight average of 12 measures equally weighted Schedule 1 and 2	13
Sufficiency Ratio	The ratio of total assets of the WSIB, less non-controlling interests, to the total liabilities of the WSIB, as presented in the Sufficiency Statement, and is expressed as a percentage.		11
Total Administrative Expenses	Total cost of administering the Workplace Safety and Insurance Act (WSIA).	Includes operating expenses, project costs, and administrative costs associated with claims administration allocated to benefit costs Excludes Schedule 2	14
Total Wage Loss Claims Inventory	The distribution of wage loss claims	Includes Schedule 1 locked-in and non-locked-in claims Includes claims from all legislations (Pre-1990, Bill 162, Bill 99) Excludes health care claims and no lost-time claims	8
Traumatic Fatalities	The number of allowed traumatic fatal claims in the period specified	By year of death Data is un-matured	10

Measure	Definition	Notes	Page
Unfunded Liability (Sufficiency Basis)	The deficiency of net assets attributable to WSIB stakeholders as at the end of the reporting period. Valuations of assets and liabilities are based on actuarial valuations that are consistent with accepted actuarial practices for going concern valuations.	Reflects the WSIB's ability to meet all future payment obligations based on existing assets and liabilities, expressed as an absolute dollar value Excludes Schedule 2	11
YTD Lost Time Injury/ Illness Rate **Schedule 1**	The year-to-date number of allowed lost-time injury and illness claims per 100 Full-Time Equivalent (FTE) workers for the injury year specified	A calculation based on total allowed lost-time injuries/illness/fatalities and derived FTE Derived FTE is based on employer's insurable earnings and average hourly wage defined by the WSIB's Actuarial Services	8
YTD Lost-time Injury/ Illness Rate **Schedule 2**	The year-to-date number of allowed lost-time injury and illness claims per 100 Full-Time Equivalent (FTE) workers for the injury year specified	A calculation based on total allowed lost-time injuries/illness/fatalities and derived FTE Since the WSIB does not collect Schedule 2 payroll information, the same methodology cannot be used to derive Schedule 2 FTE. The Schedule 2 FTE is an estimate based on data from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH).	17

Workplace Safety & Insurance Board
Commission de la sécurité professionnelle et de l'assurance contre les accidents du travail
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