

Yesterday afternoon, the WSIB released the finalized premium rates for 2011. Although the average premium rate across all industries will rise 2%, many of the construction specific rate groups will be subject to substantial increases for 2011. Information on the construction specific rate groups has been attached for your reference.

Unlike in previous years, the WSIB did not release preliminary rates prior to releasing the finalized rates. Although the Homebuilding rate group (764) remains unchanged, most of the trade specific rate groups have increased substantially. In addition, WSIB **maximum insurable earnings ceiling** for 2011 increased 2.6% from \$77,600 to **\$79,600**. More information about the 2011 finalized premium rates can be found here:

<http://www.wsib.on.ca/wsib/wsibsite.nsf/public/PremiumRates2011>

Rate Group	Description	2011 Premium Rate	2010 Premium Rate	Percent Change
704	Electrical And Incidental Construction Services	3.53	3.25	8.6%
707	Mechanical And Sheet Metal Work	3.98	3.98	0.0%
711	Roadbuilding And Excavating	5.06	4.68	8.1%
719	Inside Finishing	7.19	6.75	6.5%
723	Industrial, Commercial & Institutional Construction	4.35	4.35	0.0%
728	Roofing	14.16	13.30	6.5%
732	Heavy Civil Construction	6.73	6.34	6.2%
737	Millwrighting And Welding	6.60	6.25	5.6%
741	Masonry	12.15	11.15	9.0%
748	Form Work And Demolition	17.51	16.50	6.1%
751	Siding And Outside Finishing	9.80	9.25	5.9%
764	Homebuilding	8.71	8.71	0.0%

The WSIB also announced a comprehensive funding review aimed at ensuring the long term financial sustainability of the WSIB. The Funding Review will be chaired by Professor Harry Arthurs, former Dean of Osgoode Hall Law School and President Emeritus of York University. Professor Arthurs will also have a small committee provide expert advice as the Funding Review proceeds. Members of the Advisory Committee include:

- Maureen Farrow: External advisor on the WSIB Board of Directors Investment Committee
- Buzz Hargrove: Former President of the Canadian Auto Workers
- John O'Grady: Chair of the Institute of Work and Health
- John Tory: Former leader of the Progressive Conservative Party of Ontario

The Construction Industry Task Force (CITF), which RESCON is key member of, has long been an advocate for a Funding Summit and will be an active participant in the process going forward. The substantial rate increases that the construction industry will experience for 2011 only underscores the urgency for this Summit. More information about the Funding Summit can be found here: <http://www.wsibfundingreview.ca> and in the media backgrounder attached.

In addition, the WSIB will be conducting a Value for Money Audit of the Claims Adjudication Processes, which has been identified as key contributor to the WSIB current Unfunded Liability which is estimated at \$12 Billion.

A Value for Money Audit (VFMA) on the WSIB's Claims Administration and Adjudication process will be conducted by an independent firm. The audit will evaluate claims processing at the WSIB and provide an opinion on whether the WSIB's current adjudicative processes are being delivered in an operationally efficient and effective manner. This will include an assessment of:

- The effectiveness of WSIB operational policies and guidelines, and whether they provide adequate guidance to help ensure consistent and timely decisions.
- Improving the efficiency of the WSIB's claims administration and adjudicative processes.
- The adequacy of resources, information and systems to support cost-effective and efficient decisions.

The VFMA will also include inter-jurisdictional comparisons to identify current practices as they relate to policy and decision making processes that achieve appropriate, timely and consistent decisions in a financially responsible and accountable manner. More information about the VFM Audit and other changes can be found here:

<http://www.wsib.on.ca/wsib/wsibsite.nsf/public/WSIBWorksForYou>