



Workers' Compensation Board of Nova Scotia
Experience Rating Statement for 2006

P.O. Box 1150
Halifax, Nova Scotia
B3J 2Y2
Assessment Services Department:
Telephone: 902 491-8324
Toll Free: 877 211-9267
Fax: 902 491-8326
Website: www.wcb.ns.ca

PETER WILLIAMS CONTRACTING LTD.
836 HORSEFEATHER LANE
SUNNYVALE NS B3W 1A7

Business No:	99999 9999 NW0001
Firm Number:	999999 99
Date:	31/08/2005
Page 01 of 02	

Your 2006 assessment rate: \$3.71 per \$100 assessable payroll

This is the rate you pay for 2006

SECTION A: Your Rate Components

Basic Industry Rate:	\$4.02	
Experience Rating Merit/Demerit:	-\$0.40	see details in Section D below
Poor Safety Performance Surcharge:	pending	see attached warning notice
Levy - NS Construction Safety Association:	+\$0.09	
TOTAL RATE for 2006:	\$3.71	per \$100 assessable payroll

Employers with consistently poor safety performance will be assessed a surcharge beginning in 2008

Note: Your company's workplace injuries and the associated costs determine your Experience Rating adjustment. You can control your rate by eliminating workplace injuries and helping injured workers return to work in a safe and timely manner. Your 2006 rate could have been as low as: **\$2.89** or as high as: **\$6.60**.

This is the range of potential rates for an employer of your size operating in your industry

SECTION B: SIC and Industry Group

To set rates, the WCB classifies employers by the industry in which they operate, and groups industries with similar activities and risk into industry groups.

Your Standard Industrial Classification (SIC) Code:
4299 OTHER TRADE WORK N.E.C.

Your Industry Group for 2006:
4290 MISC. MAINTENANCE AND REPAIRS

SECTION C: Cost and Payroll

Assessable Payroll	
2004	\$940,529
2003	\$510,907
2002	\$689,862
TOTAL	\$2,141,298

Cost of New Injuries from 2002 to 2004: **\$2,715.45**

Please review the detailed list of claims on page 2.

This payroll information was used to calculate your cost ratio, as explained in Sec. D

These are the costs from 2002 to 2004 associated with injuries from 2002 to 2004

SECTION D: Your Experience Rating Details

Experience Rating for 2006 is calculated using injury and payroll data from the years 2002 to 2004. The 3-year costs and payroll are determined, and costs are weighted so that more recent experience has more impact on rates.

The key measure in determining your Experience Rating adjustment is the "cost ratio", which is your weighted cost divided by your payroll. The lower your cost ratio relative to your rate group, the lower your rate will be.

Your Cost Ratio is: **33.61% LOWER** Than Your Rate Group's Cost Ratio
Resulting Merit/Demerit: **10.09% MERIT** Produces an Experience Rating adjustment of **-\$0.40**

If you wish to see the mathematical details behind the calculation of your Experience Rating adjustment, ask us for an Experience Rating detail report

This is the rate paid by all employers in your industry, prior to Experience Rating adjustments

Experience Rating adjusts rates based on your own cost experience, relative to your industry

The WCB collects levies on behalf of employers to support safety training in certain industries

Employers are classified by industry. All workers within an industry are assessed at the same rate, regardless of occupation.

For more information on the application of weighting factors, please see our website

Workers' Compensation Board of Nova Scotia

GUIDE TO 2006 ASSESSMENT RATES



www.wcb.ns.ca
1.877.211.9267.

5668 South Street, P.O. Box 1150, Halifax, NS B3J 2Y2

SAFE & SECURE

Workers' Compensation Board of Nova Scotia

GUIDE TO 2006 ASSESSMENT RATES

SAFE & SECURE

How the WCB Works

The Workers' Compensation Board (WCB) of Nova Scotia promotes workplace injury prevention and provides comprehensive workplace injury insurance. Workers' compensation is funded entirely by employers. Workers do not pay for workers' compensation insurance.

The WCB's goal is to prevent workplace injuries from ever happening. However, in cases where an injury occurs, we provide financial assistance and other services to help injured workers return to work in a safe and timely manner.

One of the key features of workers' compensation insurance is the protection it offers employers against lawsuits over workplace injuries. Regardless of who is at fault, a worker cannot sue their employer if the employer has workers' compensation coverage.

Preventing Workplace Injuries

Workplace safety is a serious issue in Nova Scotia. Every day, 25 Nova Scotians are seriously injured and every two weeks someone dies on the job. To help tackle this epidemic of injuries, the WCB promotes workplace injury prevention and safety education.

Every workplace injury is avoidable. Through training and education initiatives, as well as responsive assessment rates, the WCB is working to create a workplace safety culture in Nova Scotia. This will help reduce the human and financial toll of workplace injuries.

Last year the WCB paid over \$135 million in benefits to injured workers. This cost means Nova Scotia has some of the highest workers' compensation assessment rates in Canada. Employers can lower their premiums by reducing the number of workers injured on the job and helping those who are injured return to work as soon as possible.

What's New for 2006

The WCB recognizes that most employers in Nova Scotia take the safety and well-being of their employees seriously. Rates are one lever the WCB can push to encourage those who don't to take steps to improve their safety performance. That's why the WCB developed the Safety Incentive Program, the principle of which is simple: employers who improve their safety records will see their rates go down sooner, while those with poor safety records will pay more unless they take action to improve their safety performance.

We've made a few changes to the rate-setting model in order to quickly reward good safety performance and have a more immediate and substantial impact on rates for poor performers. These include:

- Applying weighting factors so employers will see their WCB rates go down more quickly if they embrace safety and reduce the frequency and cost of workplace injuries. Similarly, employers whose safety performance gets worse will see their rates increase faster.
- Doubling the impact of fatalities and serious injuries by doubling the maximum cost per claim that is used when calculating an employer's Experience Rating.
- Introducing a Poor Safety Performance Surcharge for companies whose cost experience is consistently at least 200% worse than their peers. This surcharge is cumulative and does not apply until an employer consistently shows poor experience over at least four consecutive Experience Rating statements (longer for smaller firms). Employers facing a surcharge will be notified in 2006, but the first surcharge will not come into effect until 2008, giving them time to improve their safety performance and avoid paying the surcharge.

We've also revised the Experience Rating statement for 2006 to make it easier for employers to understand. A sample of the new statement is on the back panel of this brochure.

How Assessment Rates are Set

Assessment rates consist of an Industry Rate, an Experience Rating adjustment, and for some, an Industry Safety Association levy.

Step 1: Classify and Group Employers

- Employers are categorized by industry using **Standard Industrial Classification (SIC)** codes*.
- SIC codes with similar types of activity and cost experience are grouped into **Industry Groups**.
- Some large industry groups stand alone. Smaller industry groups get combined further into **Rate Groups**, based on cost experience. This is the level at which **Industry Rates** are set.

* *SIC codes are published by Statistics Canada. They are a recognized standardized method of classifying employers in Canada.*

Step 2: Set Industry Rates

- The costs of new injuries over the most recent five years are compared with payroll over the same period. Beginning in 2006, costs will be weighted so the industry's most recent experience will have more impact on their rate.
- The higher the costs per payroll dollar, the higher the rate. For example, an industry with costs per payroll dollar three times the provincial average will pay three times the average rate.

Step 3: Make Experience Rating Adjustments

- Employers' costs over the most recent three years are compared with their payroll over the same period to create a **cost ratio**. Beginning in 2006, costs will be weighted so the employer's most recent experience has more impact on their rate.

- Employers with low cost ratios relative to their industry peers receive rate merits (or reductions). Those with higher than average cost ratios receive rate demerits (or increases).
- These adjustments range from -10% to +20% for small employers, and from -30% to +60% for large employers.

Step 4: Industry Levies

The WCB collects levies on behalf of employers in several industries (forestry, trucking, construction and retail gasoline) to fund industry-based safety associations. These levies are calculated as a set percentage of premiums for all employers in the industry. Employers not in these industries do not pay a levy. The safety associations focus on improving the safety performance of the industry and lowering the industry's assessment rates.

Control Your Destiny

Employers can have greater control over the premiums they pay. By providing a safe workplace and ensuring your employees work safely, you can keep your employees at work and keep your assessment rates down.