Funding Framework

July 20, 2005

Workplace Safety & Insurance Board

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

Table of Contents

Introduction

Purpose

The purpose of this document is to formalize the funding strategy of the Workplace Safety and Insurance Board (WSIB), to describe the criteria for projecting funding requirements, and to set the basis for determining premium rates.

The WSIB is committed to providing benefits and services to injured workers and employers that they are entitled under the *Workplace Safety and Insurance Act* (*WSIA*). Employers are obligated to pay premiums as required under the *WSIA* and provide funding as described in this document.

Although funding requirements and premium rates are reviewed and re-calibrated each year, it is expected that the funding strategy would remain in effect from 2006 until 2014 and would be reviewed every three years. If circumstances between review dates should become material, the WSIB would undertake an earlier review of the funding strategy.

This document describes how the workers' compensation system in Ontario intends to eliminate its unfunded liability (UFL) and describes the following:

- relevant sections from the *WSIA*, regarding the insurance fund, premium rates and payment of premiums, and duties of the Board of Directors,
- the funding principles that govern recognition of the UFL, its changes, and the rate of its pay down, and introduction of three funding scenarios,
- the funding elements that affect such things as the opening and closing UFL balances, and the target full funding date,
- the methods and assumptions, including the rate of amortizing the UFL, elements that are (or are not) included in the funding projections, and
- the processes, roles, responsibilities and timeframes to develop and report funding projections and premium rates.

Background

Although funding requirements have been reviewed each year as part of setting premium rates for the upcoming year, the funding strategy has not had a major review since 1998.

In years prior to 2005, employer stakeholders reconfirmed their commitment to fully funding the system by 2014.

Workplace Safety and Insurance Act (WSIA)

The following sections of the *WSIA* apply to the WSIB, its Board of Directors and to the employers of the province of Ontario.

Purpose

1. The purpose of this Act is to accomplish the following in a financially responsible and accountable manner:

1. To promote health and safety in workplaces and to prevent and reduce the occurrence of workplace injuries and occupational diseases.
2. To facilitate the return to work and recovery of workers who sustain personal injury arising out of and in the course of employment or who suffer from an occupational disease.
3. To facilitate the re-entry into the labour market of workers and spouses and same-sex partners of deceased workers.
4. To provide compensation and other benefits to workers and to the survivors of deceased workers. 1997, c. 16, Sched. A, s. 1; 1999, c. 6, s. 67 (1).

Insurance fund

96. (1) The Board shall maintain a fund for the following purposes:

- To pay for benefits under the insurance plan to workers employed by Schedule 1 employers and to the survivors of deceased workers.
- To pay the expenses of the Board and the cost of administering this Act.
- To pay such other costs as are directed under any Act to be paid by the Board or out of the insurance fund.

Sufficiency of fund

(2) The Board has a duty to maintain the insurance fund so that it is sufficient to make the required payments under the insurance plan as they become due.

(3) The Board has a duty to maintain the insurance fund so as not to burden unduly or unfairly any class of Schedule 1 employers in future years with payments under the insurance plan in respect of accidents in previous years.

Direction re sufficiency of fund

(4) If the Lieutenant Governor in Council is of the opinion that the insurance fund is not sufficient to meet the standards described in subsections (2) and (3), the Lieutenant Governor in Council may direct the Board to increase employers' premiums to the extent that the Lieutenant Governor in Council considers necessary to ensure that the fund meets those standards.

(5) The Board shall increase the rates used to calculate premiums in accordance with the direction of the Lieutenant Governor in Council.

(6) The Board shall promptly notify employers of the increase in rates and shall require employers to pay the additional premiums within such time as the notice may specify.

Transition

(7) The accident fund maintained under the *Workers' Compensation Act* is continued as the insurance fund. 1997, c. 16, Sched. A, s. 96.

Premiums, all Schedule 1 employers

81. (1) The Board shall determine the total amount of the premiums to be paid by all Schedule 1 employers with respect to each year in order to maintain the insurance fund under this Act.

Apportionment among classes, etc.

(2) The Board shall apportion the total amount of the premiums among the classes, subclasses and groups of employers and shall take into account the extent to which each class, subclass or group is responsible for, or benefits from, the costs incurred under this Act.

Premium rates

(3) The Board shall establish rates to be used to calculate the premiums to be paid by employers in the classes, subclasses or groups for each year.

(4) The Board may establish different premium rates for a class, subclass or group of employers in relation to the risk of the class, subclass or group. The rates may vary for each individual industry or plant.

Method of determining premiums

(5) The Board shall establish the method to be used by employers to calculate their premiums. The method may be based on the wages earned by an employer's worker.

Bases for calculation

(6) The Board may establish different payment schedules for different employers for premiums to be paid in a year based on such factors as the Board considers appropriate. 1997, c. 16, Sched. A, s. 81.

Duties of the board of directors

163. (1) The board of directors shall act in a financially responsible and accountable manner in exercising its powers and performing its duties.

(2) Members of the board of directors shall act in good faith with a view to the best interests of the Board and shall exercise the care, diligence and skill of a reasonably prudent person. 1997, c. 16, Sched. A, s. 163.

Funding Principles

The funding principles described in this document apply to Schedule-1 employers[1] in the province of Ontario. The principles do not necessarily apply to Schedule-2 employers who are individually responsible for funding their own claims.

It is recognized that the application of an individual principle may appear to create an internal conflict with another principle. For the purposes of funding, the principles are to be applied as a complete and balanced set of principles.

An insurance fund exists for Schedule-1 employers to pay claims to injured workers. As at the December 31, 2004, the insurance fund was not sufficient to pay all claims that were currently registered with the WSIB. The difference is called the unfunded liability (UFL), and at the end of 2004 was reported as $6.4 billion. If the Accumulated Other Comprehensive Income[2] were removed, the UFL would have been $7.7 billion.

Collective liability

Every employer shares collectively in the obligation to pay WSIB premiums to pay-down the unfunded liability (UFL).

In addition, actuarial assumptions used to value the future payments on claims (recorded in the annual report as the benefits liability) are applied collectively in the development of premium rates. No Schedule 2 experience is used.

Since 1998, experience gains and losses, arising from the differences between premiums and claims for each year's injuries are shared collectively by employers within each class from where the experience arose. Experience gains and losses may also arise from changes to assumptions that are applied to value the future payments of claims. Two different periods apply to recognize and amortize[3] experience gains and losses. For experience gains and losses observed beyond the total number of years of these two periods, all employers share collectively in such gains and losses. This process helps to reduce any potential for one rate group to cross-subsidize another rate group.

In addition, all employers share collectively in the investment earnings of the insurance fund, and in the expenses to administer the *WSIA* and the *Occupational Health and Safety Act*.

[1] In this document, unless otherwise specified, the term "employer" means a Schedule-1 employer in the province of Ontario.

[2] Since 2004, the financial statements of the WSIB have reported investments at fair value. Accumulated Other Comprehensive Income is the amount held in the financial statements for unrealized gains and losses, and for the 2004 year end was a net unrealized gain of $1.3 billion.

[3] For the 2005 premium rates, 2 years was used to recognize experience gains and losses, and 5 years was used to amortize the gains and losses.

However, data with respect to claim costs, lost time injuries, insurable earnings and the administration costs to fund health & safety associations are allocated separately to each premium rate group and shared collectively with all employers in that rate group[4].

For employers that are experience rated under the NEER[5], CAD-7[6] or MAP[7] experience rating programs, premiums and claims are recorded individually at the employer level and are not shared with other employers. However, each experience-rating program has risk sharing elements, such as the NEER program, which has per claim and per firm limits. The excesses of claim costs over the limits are shared collectively among other experience-rated employers in that rate group.

Equity among generations of employers and workers

While recognizing that there is a considerable amount of unfunded liability to be paid for from future premiums, the WSIB will minimize any undue or unfair shift of the financial burden in respect of injuries from previous years to future generations of employers and workers.

While workers are not responsible for paying WSIB premiums, WSIB premium costs are a part of doing business in Ontario. The access of workers to workplaces (or injured workers returning to work) may be indirectly impacted if the effect of shifting the UFL to them is not minimized.

Financial prudence and sustainability

The WSIB will act in a financially prudent manner with respect to analyses, assumptions and methods used to determine current and long-term funding requirements to pay down the unfunded liability.

Funding projections are based on the fundamental premises that:

- the employers in Ontario's workers' compensation system are obligated to fund the system and are collectively capable of managing their financial affairs over the long-term, and
- the system is financially self-contained without any financial assistance from government.

[4] Data are collected within classification units (CU). A CU is the lowest level that data is collected, and represents a unique unit of risk or business activity. CU data can be summarized into rate groups, sectors, classes, or at the Schedule-1 level.

[5] NEER means New Experimental Experience Rating program, and applies to about 11,500 (2004) of the larger employers.

[6] CAD-7 means Council Amendment Draft number 7 experience rating program, and applies to about 4,300 (2004) construction employers.

[7] MAP means Merit Adjustment Program experience rating program, and applies to about 77,000 (2004) employers with annual premiums between $1,000 and $25,000.

Stable and predictable premium rates

Because of the long-term nature of the benefit obligations and the significant impact premiums may have on individual employers and on the economy of Ontario, the WSIB will carefully consider the impact and make reasonable efforts to ensure premium rates do not change in any unusual or unpredictable manner from year to year.

Retirement of unfunded liability

A premium rate component shall be included in each year's premium rate sufficient to retire the unfunded liability.

Ease of administration, communication and understanding

Wherever possible, the funding principles, elements, methods and assumptions shall be used that promote ease of administration, and facilitate communication and understanding of how the funding and premium rate setting processes affect stakeholders.

Funding Elements

Opening unfunded liability balance

The opening unfunded liability (UFL) balance, for funding scenarios and premium rate setting purposes, shall be the amount of unfunded liability as reported by the WSIB in its latest annual report, adjusted by the amount of reported Accumulated Other Comprehensive Income (AOCI).

Under fair value accounting for investments, the AOCI quantifies the net amount of unrealized investment gains or losses held by the WSIB at year-end. Because the AOCI has not been realized, its value may change quickly and significantly over a short period. Also, because the intrinsic value of the WSIB business has not changed due to the AOCI, the WSIB will remove its impact for funding and premium rate setting purposes.

For example, if the AOCI is a net unrealized gain, the AOCI shall be removed from the reported UFL by increasing the amount of UFL by the AOCI. Conversely, if the AOCI is a net unrealized loss, the reported UFL shall be reduced by the AOCI.

Closing unfunded liability balance

The closing UFL for funding and premium rate setting purposes shall be determined on the same basis as the opening UFL stated above, adjusting the projected UFL for the projected AOCI.

Target full funding date

The target full funding date is 2014, which was the original 30-year funding date established in 1984.

Time periods for recognizing and amortizing experience gains and losses

Since 1998, a two-year waiting period has been used in order for experience gains and losses to mature before they are recognized in the premium rate setting process. These gains and losses are then amortized on a straight-line basis in future premium rates over a five-year period.

Starting with the 2006 premium rates, the waiting period decreased to one year, but the amortization period remained at five years.

Experience gains or losses beyond this six-year period are shared collectively with all employers.

Time period and interest rate for amortizing the unfunded liability

The UFL component in premium rates is based on the funding strategy, which calls for the UFL to be amortized on a straight-line basis with interest until the target full funding date.

If a straight-line amortization is not possible due to limitations imposed by the maximum premium-rate increases, the UFL is modified in that particular year. As soon as funding deficiencies (excesses) have been recovered, the UFL component returns to being amortized on a straight-line basis with interest to the target full funding date.

The interest rate used to amortize the UFL is the same as the nominal discount rate assumed in valuing the UFL portion of the benefits liability.

Funding scenarios

To facilitate understanding of financial prudence and sustainability, at least three scenarios are to be considered to project funding and potential future aggregate premium rates. Each scenario uses a separate set of assumptions.

1. **Base Case Scenario** – assumptions are based on a reasonable, best-estimate view of the future after removing Accumulated Other Comprehensive Income, and use the best information available at the time of making the projection.
2. **Plausible Adverse Scenario** – potential funding risks, that may adversely affect the assumptions of the base case scenario in future years, are incorporated into a plausible adverse scenario projection. The scenario is possible and adverse to the base case, but is not a worst-case scenario.
3. **Mitigation Scenario** – assumptions that may manifest from potential mitigation opportunities are provided in the mitigation scenario. The mitigation scenario will only be used as the basis for premium rate setting if substantial plans among the WSIB and its stakeholders are in place to realize the potential opportunities that are being assumed.

Maximum increases in premium rates

The aggregate premium rate will not increase in any year by more than 3% to 5%. Calculated increases in the aggregate premium rate of less than 3% may be deferred to a future year.

Rate-group premium rates will not increase in any year by more than 10% over the aggregate rate change for 95% of all rate groups. This means a 3% increase in the aggregate premium rate would translate, for 95% of rate groups, into a potential maximum increase for an individual premium rate of not more than 13%.

Premium rates – aggregate or individual – may decrease in any year by as much as is reasonable given the principle of stable and predictable premium rates. A “cliff” premium-rate reduction at (or in the few years immediately before) the target full funding date is not considered desirable.

These requirements may lead to pricing deficiencies from time to time among different classes, sectors or rate groups. The WSIB will, subject to the experience gains and losses component already included in the subsequent premium rates, reduce over a 5-year period any such prior-year deficiencies, subject to maximum premium rate increases.

Expected sources of additional (or reduced) costs and revenues

Additional sources of costs and revenues affecting funding may arise only to the extent that they have not already been included (or only partially been included) in the base-case funding scenario.

The financial impacts of such additional sources shall be analysed in the two additional funding scenarios – the plausible adverse scenario and / or the mitigation scenario.

Indexation of wage-loss benefits, other than those already assumed in the new claims cost component, is currently excluded from the funding scenarios.

Methods and Assumptions

Methods and assumptions are reviewed as part of the quarterly process to value the benefits liability, and also annually when funding projections are made and premium rates are set.

If a change to a method or assumption is material, a detailed actuarial study is performed. If the change affects the year-end valuation of the benefits liability, the study is reviewed by the external actuary and auditor.

Methods

Classification

The classification system groups similar risks and activities for premium rate setting purposes. A classification unit is the lowest level where data is collected. Data, for such things as lost time injuries, insurable earnings and claims costs, can be summarized into rate groups, sectors and classes from the classification unit data.

The table below shows the distribution of the 157 rate groups and 815 classification units for 2004 across the nine classes.

Class	Description	Number of Rate Groups	Number of Classification Units
Class A	Forest Products	5	16
Class B	Mining and Related Industries	4	22
Class C	Other Primary Industries	6	46
Class D	Manufacturing	76	234
Class E	Transportation & Storage	8	51
Class F	Retail & Wholesale Trades	16	130
Class G	Construction	12	62
Class H	Government & Related Services	14	80
Class I	Other Services	16	174
Total	Schedule 1	157	815

Premium rates

Premium rates are re-calibrated each year based on economic and actuarial data at the fund, class and rate group levels. Data includes lost-time injury rates, insurable earnings and claims costs. Insurable earnings data by sector is validated with Operations.

Also included are expected outcomes from WSIB business plans and project work, preliminary projections of expected expenses, amortization considerations and the funding strategy. These views are consolidated, analysed, and projected forward as the aggregate premium rate for the coming year.

Projected premium rates are based on the current best information and are shown to help facilitate discussions of funding. They will be re-calibrated in each future year as new information becomes available. Accordingly, premium rates used in funding projections are not guaranteed and should be viewed as illustrative only.

Four components make up premium rates, at both the aggregate and individual rate group levels. They are described below, including the amortization rules for experience gains (losses) and the unfunded liability component.

New claim costs (NCC)	The new claim costs component covers all future expected benefit payments arising from injuries assumed to occur in the coming year. An example is wage-loss benefits, where payments may continue for many years – well after the premium has been collected. The premium rate is determined such that excess funds are anticipated that can be invested to ensure that long-term claims can be paid when due. Also included in the new claim cost is a factor for future claims administration expenses.
Administration expenses	The administration expense component covers the costs to run the workers compensation system, other than future claims administration expenses included in the NCC component. These expenses include other administration costs of the WSIB, the costs to run health and safety associations, other legislative obligations, and the costs to fund the health and safety activities of the Ministry of Labour.

Experience gains (losses)	Because the premium rate is an estimate based on the best available information and judgment at that time, actual performance will vary from the original expectations in the premium rates. Actual experience is not known until after the premium for the premium year has been collected. For wage-loss claims, this could take many years because of the long claim-payment tail. Since 1998, premium rates have contained an experience gain (loss) component to "true-up" emerging experience where the amount of gain (loss) is allocated to the class or rate group from which it arose. Starting with the 2006 premium rates, experience gains (losses) are amortized on a straight-line basis over five years, but the delay in first recognizing such experience gains (losses) is reduced to one year from two years. Therefore, the recovery period of experience gains (losses) is six years in total. The experience gain (loss) component is also used to adjust for changes in assumptions from those that were used in the original premium rate. Any experience gains (losses) not recognized over the six-year recognition period go to the collective liability shared by all employers. These amounts of experience gains (losses) are included in the UFL component of the premium rate.
Unfunded liability (UFL)	Because the system does not have sufficient assets to sustain its long-term claim payment obligations, the unfunded liability component is used to cover the shortfall. If legislation or operating policies change, which may increase (or decrease) the costs of past claims (and in turn the unfunded liability), the recovery of these additional costs is charged to the unfunded liability component of the premium rate. The UFL component is based on the funding strategy, which calls for the UFL to be amortized on a straight-line basis with interest until the target full funding date. If straight-line amortization is not possible due to limitations imposed by the maximum premium-rate increases, the UFL is modified in that particular year. As soon as funding deficiencies (excesses) have been recovered, the UFL component is amortized on a straight-line basis with interest to the target full funding date.

Assumptions

Over the next five years, the WSIB plans to undertake detailed actuarial studies of assumptions, which may impact the valuation of the benefits liability, funding scenarios and premium rates. The proposed studies are as follows:

- a follow-up study in 2005 to the 2004 study of loss of earnings claims,

- costs of occupational diseases in 2005,
- health care utilization and cost escalation in 2006,
- discount rate and wage-loss benefit growth rates in 2007, and
- mortality rates in 2008.

Employment growth rate

The employment growth rate assumption is based on information in the short term and long term from Infometrica. The short-term assumption may be further refined with historical actuarial analysis and current views from Operations.

Discount rate and indexation rates (benefit growth rates)

The discount rate and indexation rates are closely tied together due to their offsetting characteristics. Due to the long-term nature of the business, and the actuarial standards of practice governing the work of workers' compensation actuaries, the discount and indexation rates have rarely been changed, even during times of highly positive or negative investment returns, or high inflation.

This approach is distinctly different than that taken by Canadian life insurance company actuaries, who do not specifically develop a discount rate. The Canadian Asset Liability Method requires actuaries to analyse scenarios of future asset and liability cashflows with margins for adverse deviations, and to choose a reasonable funding basis, which fully funds all liability obligations.

As international accounting standards with respect to benefit (and policy) liabilities are under review and will likely change in the next few years, it is unlikely that there will be any change in the WSIB's methods to determine the discount rate or indexation rates in the near future. However, subject to the proposed actuarial studies, the assumptions for such things as discount rate, indexation rate or health care cost escalation rate may change.

The rate used to discount the UFL portion of the benefits liability is assumed to be the same as the rate used to discount the funded portion of the benefits liability.

Health care cost escalation rate

There continues to be upward pressure on health care costs. Subject to a detailed review of health care utilization and costs and the results of an internal health care review, this assumption and the methodology may change in the future.

Loss of earnings (LOE) – mix and claim persistency

As a result of the 2004 detailed study, the assumption for the mix of fully and partially indexed LOE wage-loss benefits changed and a new claim persistency table was developed. The first locked-in LOE benefits from 1998 injuries occurred in 2004.

However, because some 1998 claims remained under labour market re-entry programs, their final benefit amounts were not known at 2004-year end.

A follow-up LOE study of mix and persistency is planned for 2005, which will analyse more complete 1998 injury-year claims data and the first locked-in claims from 1999 injuries.

Occupational Disease

Following the release of a report on occupational diseases in 2005, along with the development of new research, policy and adjudication protocols, a major actuarial study of claim incidences and costs, including analyses of latencies and workplace exposures, is being undertaken in 2005.

For 2006, it was assumed under the base case scenario that occupational disease claim costs would increase by 10% per year. The results of the actuarial study may indicate a different cost increase than 10%, and a different method to fund such future claims. It is anticipated that the earliest changes may be made to funding and premium rates will be for the 2007 premium-rate year.

Investment returns

Current investment returns (from an asset-liability study in 2004) are projected to be less than the discount rate. Therefore, to reflect the 2005 view of the WSIB for future years, the assumed investment return was decoupled and assumed to be less than the discount rate used in the benefits liability.

Future claims administration expenses (FCAE)

A comprehensive review of WSIB claims administration expenses was undertaken in 2004, which resulted in a small decrease in the 2004 assumption to 4.6% of the benefits liability without the FCAE, from 5.0%.

A FCAE factor for future administration costs to service claims is included in the NCC of the premium rate.

Administration and legislative obligations expenses

WSIB administration expenses (excluding the FCAE portion already included in the NCC), legislative obligations to administer the *Occupations Health and Safety Act*, health and safety organization expenses, and the health and safety initiatives of the Ministry of Labour, are reviewed in the context of what is likely to occur in the coming year.

The long-term rate of administration expense increase assumes that the WSIB will be about 1% more efficient than the economy is growing.

Processes, roles, responsibilities and timelines

There are two major stages – developing funding scenarios based on a set of overall assumptions and aggregate premium rates, and the calibration of rate-group premium rates.

Due to considerably more detailed analyses, rate-group premium rates are determined when the individual components of the aggregate premium rate have been established. The projected aggregate premium rates used in the funding scenarios are based on assumptions, which have not been fully analysed for emerging information at the rate group level.

This means that discussions among employers of changes to their premium rates from the previous year may not take place until the aggregate preliminary premium rate has been set.

Governance in developing funding scenarios and setting premium rates

Under the direction and supervision of the Chief Actuary and Chief Financial Officer, Actuarial Services works with Financial Planning and Analysis to develop actuarial and economic growth assumptions and the revenue and expense cashflows that are used in the funding scenarios projections. In this way, financial statement values and assumptions supporting short- and long-term planning, as well as macro and micro planning are internally consistent.

The detailed components of premium rates are developed by Actuarial Services with input for Financial Planning and Analysis, Revenue Policy, sector directors, and internal data sources such as the cost and pricing system. This process leads to the development of set of preliminary premium rates. Financial impact analyses are performed to help develop strategies, which may be applied for those rate groups that are hardest hit by the year-over-year change in rates.

The Chief Actuary, Chief Financial Officer and executive committee review the funding scenarios, premium rates, financial impact analyses and a communication plan before they are submitted to the Board of Directors (BOD) for approval.

The BOD approves the premium rates in two stages. After the preliminary set of premium rates is approved by the BOD, WSIB management uses these rates to discuss and solicit feedback from employers and employer stakeholders. The communication plan is presented to the Ministry of Labour (MOL) for advice and feedback. Feedback from employers, employer stakeholders and the MOL is used to develop a final set of premium rates, which the BOD approves in the fall.

After the BOD approves the final set of premium rates, rate notifications are mailed to individual employers and the rates are posted to the WSIB's website.

Funding projections and expected timeline

Funding projections are first available during early spring and usually refined throughout the spring as scenarios are tested and more information becomes available. The number of scenarios depends on the status of the funding strategy and the choice of assumptions used in the three scenarios – base case, plausible adverse and mitigation.

The process helps to develop a clear view of the funding goal for the following year, and the years leading up to the target full funding date.

Premium rate setting process and expected timeline

After the funding strategy has been clarified, a preliminary aggregate premium rate is developed along with a set of preliminary rate-group premium rates, financial impact analyses, the funding document, and funding scenarios.

In addition, a communication plan is developed for release of premium rates to employer associations, employers and their representatives. These documents are brought to the Board of Directors in late spring for approval to proceed.

Release of Rate-Group Premium Rates

Shortly after the Board of Directors approves the preliminary aggregate premium rate and the set of preliminary rate-group premium rates, the rates are released to employer associations and employers in early summer.

Throughout the summer months, the WSIB hosts meetings, as requested or required, with employer associations, employers and their representatives regarding proposed changes to their premium rates for the coming year.

In the fall, the Board of Directors approves the final aggregate and rate-group premium rates. Shortly thereafter, the premium rates by rate group, and a premium rate manual, are developed and posted on the WSIB's website.

When	**Who**	**Planned Activity**
Spring	WSIB	Prepare and present assumptions, funding scenarios and potential future aggregate premium rates to stakeholders.
Spring	Employer Stakeholders	Provide feedback and advice on funding scenarios and direction of future aggregate premium rates. Work with WSIB on developing viable plans to mitigate cost pressures.
Late Spring	WSIB	Develop set of preliminary rate-group premium rates and financial analyses.

When	Who	Planned Activity
Early Summer	Board of Directors	Approve preliminary premium rate, including review analyses of rate-group premium rates. Approve premium rate communication plan to stakeholders.
Within 1 month following Board of Directors approval.	Ministry of Labour	Review premium rate communication plan.
After MoL approval.	WSIB	Prepares and publishes preliminary rate-group premium rates on website.
Summer	Employers	WSIB and employer stakeholders work with employers and their representatives to help them understand the changes in preliminary premium rates.
Summer	WSIB	Prepare and present funding scenarios and preliminary aggregate premium rate to worker stakeholders.
Summer	Worker Stakeholders	Provide feedback on funding scenarios and preliminary aggregate premium rates.
Fall	WSIB	Consolidate results of meetings with stakeholders and employers. Prepare (and revise if necessary) final aggregate premium rate and final set of rate-group premium rates.
Fall	Board of Directors	Approve final set of rate-group premium rates.
Late Fall	WSIB	Prepare and publishes premium rates on WSIB website.
Winter	WSIB	Prepare and publishes premium rate manual.

Performance Measures

The following measure is suggested to help monitor and analyse progress under funding strategy.

Measure	Description	Performance
Funding ratio	The ratio of total assets, excluding the Accumulated Other Comprehensive Income, to total liabilities	62.9% by 2006 100% by 2014