



MEMBER BULLETIN

September 26, 2019

WSIB 2020 Premium Rates

On Wednesday, the WSIB announced important information regarding the new premium rate-setting model which will officially come into effect on **January 1, 2020**. The new premium rates reflect the WSIB's new classification structure: North American Industry Classification System (NAICS) and will replace the current rate group classification (i.e. 711 or 732). Letters regarding your company specific 2020 premium rates and new classification should be arriving from the WSIB late this week, or early next.

Each business will pay their own individualized rate beginning in 2020, with companies no longer paying a uniform sector-based rate. Companies will receive a notification from the WSIB that assigns a starting point rate and projected premium rate based on previous rates, claims experience, size of business, NAICS classification, and whether or not they were in an experience rating program previously, to determine the 2020 premium rate they will pay. For the new rate class of Infrastructure Construction (G2), where most OSWCA members will find themselves grouped under, the 2020 average rate will be \$2.31. By way of example, in 2019 the premium rates for rate groups 711 and 732 were \$2.98 and \$3.71 respectively.

Additionally, reflected in the new premium rates is the final elimination of the Past Claims Cost (PCC) component of premium rates, that were previously used to reduce the WSIB's Unfunded Liability. In 2019 the WSIB released the majority of the PCC surcharge back to employers, with the remaining surcharge component to be eliminated in 2020. The below chart illustrates the 2019 premium rate components:

Rate Group 711: Roadbuilding and Excavation

Component	2018 Rate	2019 Rate	% Change
New Claims Cost	1.711	1.665	-2.7%
Administrative Expenses	0.912	0.908	-0.4%
Past Claims Cost	1.877	0.407	-78.3%
Total Premium Rate	4.50	2.98	-33.8%

If you have any questions about the new Premium Rates or the upcoming Rate Framework modernization, please contact Patrick McManus at 905-629-7766 ext. 222 or patrick.mcmanus@oswca.org.