

Building trust
through fairness
and integrity

Chair's message

President's message

The year in review

MD&A

Contents



Home



Back



Next



Print



Contact



Search

Contents

[Chair's message](#)

[President's message](#)

[The year in review](#)

[Summary of results](#)

[2011-2013 corporate business plan](#)

[The way forward](#)

[Board of directors and committees](#)

[Management's discussion & analysis \(822k, pdf\)](#)

[Responsibility for financial reporting \(456k, pdf\)](#)

[Independent Auditors' report \(441k, pdf\)](#)

[Actuarial opinion \(440k, pdf\)](#)

[Consolidated financial statements \(461k, pdf\)](#)

[Notes to the consolidated financial statements \(571k, pdf\)](#)

[Ten-year summary \(40k, pdf\)](#)

[Download entire Management's discussion & analysis \(1,581k, pdf\)](#)



Home



Back



Next



Print



Contact



Search



Steven W. Mahoney
WSIB Chair

Listening to you: Finding balance and finding solutions

2010 began with the release of a report on my 2009 stakeholder consultations. This critical examination of the WSIB's programs and policies provided valuable feedback to our Board of Directors and our entire organization. It also helped our new President and CEO David Marshall understand the vital concerns of the workers and employers we serve.

What we heard was that our stakeholders want an affordable, value-added workplace health and safety system for Ontario. They want a system that is clearly accountable to the people of Ontario and a system that is financially sustainable. How we get there remains a matter of debate and discussion between the WSIB, our system partners, workers, organized labour and employers of all sizes across the industry sectors.

The Funding Review, launched in the fall of 2010 and chaired by Professor Harry Arthurs, is aimed at getting to those answers through formal consultation and input from stakeholders on the best way to address the unfunded liability (UFL). Through the Funding Review, ideas, priorities and suggestions will be heard within a framework based on a common understanding of the real-world environment in which the WSIB operates.

Dialogue for change: Advisory Committees

In 2010, regular meetings of newly established stakeholder Advisory Committees commenced. With representatives from key industry, labour, and worker groups, these Advisory Committees provide a forum for discussing the impact of WSIB policy and program changes. I want to thank the members of these committees for their time and ongoing commitment to working with the WSIB to foster a frank and productive dialogue about the issues and challenges we are facing together.

These Advisory Committees are an important step toward building an environment of meaningful consultation, continuous stakeholder engagement and a two-way conversation about our future direction.

Moving forward: From talk to transformation

Early in 2010, the Standing Committee on Public Accounts was told that this would be a transformative year for the WSIB. Given the comprehensive work we've already done to target the key drivers of the UFL, the launch of the Funding Review and the development of a strategic plan, it is clear that change is underway. Our 2010 financial



Home



Back



Next



Print



Contact



Search

results are already showing incremental improvements to our bottom line. David Marshall has provided valuable leadership and a keen understanding of what it will take to move the WSIB toward financial sustainability. We must ensure that our core values and obligations are met as we serve the workers and employers of Ontario.

What matters most is that we're providing employers with value for the premiums they pay and that we're treating injured workers with fairness and compassion. To do this, we need sufficient funding to protect the long-term integrity of the system, preserve worker benefits, and provide a solid foundation for service excellence.

Voices for change: Protecting workers

Injured workers and their families remain at the heart of everything we do at the WSIB. On Christmas Eve 2009, we experienced the tragic loss of four workers who were killed in a 13 storey fall from a scaffold. In the aftermath of the worst one-day construction tragedy in Toronto in half a century, the Ontario government appointed an Expert Advisory Panel on Occupational Health and Safety to conduct hearings across Ontario and make recommendations to improve workplace safety in Ontario.

The Panel's report was released late in 2010 and included a recommendation to create a new prevention organization within the Ministry of Labour. Many have characterized this recommendation as taking the WSIB "out of the prevention business." I want to assure the workers and employers of this province that the WSIB will always have a vital role as a key partner in Ontario's occupational health and safety system.

“The end of 2010 marked the end of a challenging decade for the WSIB. Each of these challenges has provided us with an opportunity for constructive growth as we continue to build a stronger workplace health and safety and insurance system for Ontario's workers and employers.”

- HON. STEVEN W. MAHONEY, CHAIR

We are very proud of our achievements in contributing to the reduction of workplace injuries in Ontario workplaces. Over the past 12 years, we have changed the way people see workplace injuries. And the difference we have made goes beyond attitudes and beliefs. There are hard numbers that reflect our success:

- ▶ Lost time injuries reduced by 46 per cent since 1999
- ▶ Traumatic fatalities among young workers down by more than 75 per cent since 1999
- ▶ Employers' belief that the WSIB helps prevent workplace injuries rose from 74 per cent in 2000 to 84% in 2008

- ▶ In a 2008 survey, 94 per cent of workers and 95 per cent of employers strongly agreed that workplace injuries are preventable.

Looking ahead, the WSIB will do all it can to work with the Ministry of Labour and our system partners to refocus and renew prevention efforts in Ontario. We are still

committed to making this province the safest place in the world to work.

A call to action: Working together

The end of 2010 marked the end of a challenging decade for the WSIB. Each of these challenges has provided us with an opportunity for constructive growth as we continue to build a stronger workplace health and safety and insurance system for Ontario's workers and employers.

I firmly believe that we are moving in the right direction and the work of the last five to ten years has built a solid foundation for the hard work ahead.



Home



Back



Next



Print



Contact



Search



The WSIB cannot do this work in isolation from its stakeholders. We need every worker and employer, every service provider and health professional, every health and safety partner and our government leaders to work cooperatively toward a shared goal. And we know that the WSIB and our partners are up for this challenge. Over the course of my five years as Chair of the WSIB, the people I've met have made it clear that they want our system to work. They may have different ideas about how we get there but we all share a common belief in the need for a reliable, fair, and cost-effective system of no-fault workplace insurance for Ontario.

These are the core principles on which workers' compensation was founded almost a hundred years ago by Sir William Meredith. I am confident that the next few years will see a renewal of our commitment to those principles, and we will continue to support an environment of cooperation, open communication and genuine collaboration that will bring everyone to the table to find solutions that work for Ontario.

Hon. Steven W. Mahoney, Chair



Home



Back



Next



Print



Contact



Search



I. David Marshall
WSIB President and CEO

Solving the unfunded liability problem

For the WSIB, 2010 was a year of rigorous and objective examination and analysis of the WSIB. It was also a year of change, and a year in which stakeholders saw the WSIB gaining momentum towards a range of successful outcomes.

Beginnings

When the WSIB began in 1914, its founding principles were the care of workers injured in the workplace and an historic compromise under which workers gave up their rights to sue employers in cases of work-related injury and, in exchange, employers agreed to pay into a fund that would provide fair and efficient compensation. At the time, similar provisions were being introduced across Canada and in the United States.

In the Ontario system, employers pay premiums into an insurance fund that pools their liabilities to pay benefits to injured workers. Since the question of appropriate compensation for injured workers has been removed from the court system, the government sets benefit levels under legislation, which is administered by the WSIB.

Evolution

Over the almost 100 years of its existence, the WSIB system has served Ontario's businesses, workers, and society well. During that time, there have, of course, been changes. One of these changes introduced the payment of medical care for injured workers, pre-dating Canada's public health-care system.

This feature continues today, with the workplace insurance scheme paying some half a billion dollars annually for medical care that is not charged to the public health-care system. Other changes have extended benefits to include retirement income support, and benefit adjustments to provide some protection from inflation.

Stakeholder interests

There are inherent differing interests among the WSIB's stakeholders. Employers want to see lower premiums and lower benefits paid, while workers want benefits that compensate them not only for the medical costs of injuries but for loss of wages and pain and suffering caused to themselves and their families. These differing interests serve to create tensions and a certain degree of debate as to the proper functioning of the insurance scheme on the part of both sets of stakeholders, neither of whom sees all their interests being served in full.



Home



Back



Next



Print



Contact



Search

Role of government

The government has an important part to play in the functioning of the workplace insurance system. Appropriately, it is government that defines fair compensation for people who are injured at work. It is the government that balances the interests of workers and employers by setting benefits at appropriate levels.

But there is an equally compelling reason for the government to be involved, and that is the significant impact that the workplace insurance system has on Ontario's economy. Compensation for workplace injuries is about more than the calculation of medical costs and costs of lost wages; the total liability for workplace insurance benefits in the system currently stands at some \$45 billion dollars. A liability that large has a significant effect on the economy of this province.

Hundreds of thousands of workers are injured each year, and billions of dollars are paid in compensation. This is a matter that cannot be left entirely to the marketplace to decide. Government has to get involved because – as well as considering our workplace insurance system's impact on the level of productive employment in Ontario, and the overall cost and impact of injuries in the workplace – our system also very much reflects the values we want to live by.

Factors such as what benefit levels are adequate, what should be done to reduce injury levels, how premiums can be reduced, and what can be done about new risks to workers are weighed by the Ministry of Labour and other branches of government. Their decisions influence the

dialogue and priorities the Ministry sets for the managers of the insurance legislation and scheme – the WSIB.

Concerns for the future

The UFL has heightened concerns about the viability of the workplace insurance scheme. Employers complain that the cost of carrying the liabilities of past claims is causing Ontario to lose competitive advantage; workers complain that employers have not been paying fair premiums, so that their benefits are insufficient.

The reality is that the workplace insurance scheme has become financially challenged and, as the Auditor

General pointed out in 2009, all stakeholders must come to the table and work out an acceptable plan to bring it back to financial health or government will be forced to take the existing liability onto its own books and service it through

taxes on the general taxpayer. The actions required to deal with this situation will become more drastic and their consequences less desirable for all stakeholders.

Why has the scheme fallen out of balance? Why has this condition persisted for so many years? Is it possible to run a well-funded, well-financed worker's insurance scheme that is both affordable and fair? There are many examples amongst other Canadian provinces where this is indeed the case, but can it be done here in Ontario? These are the questions that this document and the WSIB's 2011-2013 Corporate Business Plan aim to address.

“The WSIB has taken charge of its agenda. It must fulfil the responsibility of an independent trust organization to be accountable and to make the hard decisions and the changes necessary to bring itself to financial viability. It must provide services and benefits focused on what matters to its customers.

- I. DAVID MARSHALL, PRESIDENT AND CEO”



Home



Back



Next



Print



Contact



Search

The solution: A commitment to reform

The WSIB is committed to change and improvement. To achieve this, it has put in place in 2010 several key initiatives to address the causes of the UFL.

The WSIB needs to improve its financial situation by eliminating the UFL and moving towards a sufficiently funded system. This is the standard for most other Canadian workers' compensation systems. With a sufficiently funded system, future benefits are secure and employer premiums are lower.

Building integrity, trust, fairness

The WSIB has taken charge of its agenda. It must fulfil the responsibility of an independent trust organization to be accountable and to make the hard decisions and the changes necessary to bring itself to financial viability. It must provide services and benefits focused on what matters to its customers.

The WSIB is now focused on making sure employers are able to carry on their businesses with a measure of protection from the financial consequences of workplace injuries and illnesses; and on making sure that workers are secure in the knowledge that services and support are there to help them return to work, and to their normal lives, after workplace incidents.

A balanced plan

The WSIB's 2011-2013 Corporate Business Plan sets out the strategic direction and objectives the WSIB will pursue

over the next three years. It provides a range of solutions designed to bring the WSIB to a sufficiently funded position within a reasonable time frame.

The WSIB's plan has equal measures of management actions and premium increases. It is not reducing benefits, and it is not just asking employers to take the whole burden. In 2011, the WSIB will build the change on trust, integrity, and fairness in the services it provides to workers and employers. Ontario's workplace insurance system will be run with financial rigour and discipline to ensure the long-term viability of this essential service in Ontario.

In 2010, the WSIB built up a great deal of momentum. This will help us in the coming years as we build a reputation as an organization of integrity that consistently demonstrates fairness and earns the trust of the people it serves.

Stakeholders and staff rising to the challenge

On a personal note, I wish to thank stakeholders for their participation, support, and cooperation. I must also thank the managers and staff of the WSIB for their extraordinary effort during 2010. The results speak for themselves, and are due in large part to the dedication and hard work of our people.



I. David Marshall, President and CEO



Home



Back



Next



Print



Contact



Search



The year began with the Auditor General's report's warning that the unfunded liability (UFL) had reached an alarming level. Competing, and as yet unreconciled, stakeholder interests and government interventions were making the situation more difficult to manage. 2010 turned out to be a year of landmark events that will influence the WSIB and its performance for many years to come.

- ▶ Over the next few months, responsibility for prevention will be moved from the WSIB to the Ministry of Labour, leaving the WSIB to focus on its insurance function.
- ▶ The government, for the first time in the WSIB's history, passed legislation requiring the WSIB to become sufficiently funded in its Insurance Fund, and to stay sufficiently funded.
- ▶ The Funding Review, which includes a year-long consultation and dialogue with stakeholders, will make recommendations for improvement to a range of structural issues.
- ▶ The value-for-money audit being conducted by KPMG will report on a range of improvements to the administration of WSIB claims.
- ▶ The WSIB developed a corporate business plan following an extensive examination of operational, cost, and revenue drivers of its insurance operations.
- ▶ At the same time, management proceeded to act on key operational issues, showing remarkable early results.

An in-depth review of the WSIB's business

2010 was a watershed year in which the WSIB looked very closely at every aspect of its business to find out why its finances have been out of balance for 30 years or more.

The WSIB looked at its revenue; it looked at premiums; it looked at its investment strategies, and what they were returning. The WSIB looked at its incentive programs, and their effects on its balance sheet; and it looked at its actuarial assumptions, because the UFL is based on projected costs.

The WSIB also looked closely at injury frequency and types of injuries, to see if different types of injuries lead to different costs. It looked at how claims are being administered and how health care is provided, and it looked at its service delivery model.

Health and Safety Associations and other partners in the system were also examined carefully; and the WSIB looked at its legislation, its mandate, and the support it is getting from government.



Home



Back



Next



Print



Contact



Search

The UFL is a real problem

The very clear conclusion is that the UFL is a real-world problem with real-world impacts on businesses in this province.

Claims for WSIB benefits are paid for by employer premiums. Premiums have to cover the cost of benefits for new claims as they come in, as well as claims already in the system. Future revenue has to pay for future claims and our liability for some 160,000 claims, whose benefits are locked in by law. As of the end of 2010, there was a very real \$12.36-billion dollar shortfall – a shortfall for the future projected costs of claims already in the system for which premiums were not collected.

The real cost of the UFL

Ontario employers are, in effect, also paying interest on that uncollected \$12.36 billion through higher premiums. In 2010 alone, Ontario businesses collectively paid the WSIB \$815 million to carry the UFL. That is essentially the same as a paying about a 7 per cent interest rate on a loan. The UFL “loan” has cost businesses \$6 billion in “interest” over the last 10 years.

Cost of the claims inventory

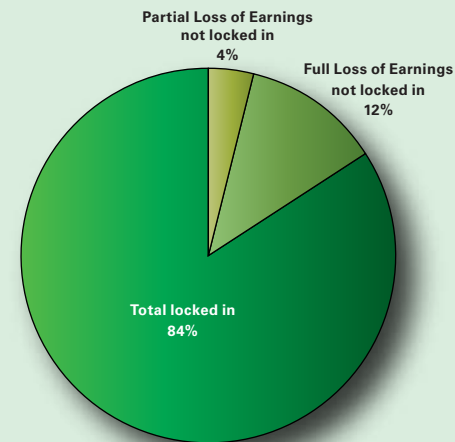
In spite of the fact that the number of lost-time injuries over the past few years has come down, costs per claim have gone up. A major cause of this has been rising claims duration. This is driven in turn by an increase in the severity of claims, as evidenced by the rising incidence and extent of permanent impairment awards in Ontario compared with other provinces. A few categories of high-impact claims – lower back, shoulder, and fractures – cause a disproportionate extent of duration and costs.

The vast majority of WSIB claims are paid out within a few weeks, with more paid out after a few years. But 160,000 claims with locked-in benefits will be paid out 10, 20, and 30 years from now. They make up 84 per cent of the almost 190,000 claims in the WSIB's inventory, and \$17

billion of the \$24.35 billion net present value (\$45 billion lifetime costs) of the claims in the system.

There is little that can be done about these costs, which is why the focus of the WSIB's management actions must be on claims entering the system and those not yet locked in.

Schedule 1: allowed lost-time claims inventory (2010)



The impacts of WSIB incentive programs

Employer incentives have also added huge costs to the system in recent years. The WSIB has given out \$2.5 billion more in rebates than it has collected in surcharges since 1994, and that difference goes straight to the UFL.

About 40 per cent of locked-in claims at 100 per cent loss of earnings have had relief under the WSIB's Second Injury and Enhancement Fund (SIEF). The WSIB has found that some employer incentives are actually encouraging employers not to get people back to work, and that SIEF relief can actually remove the incentive under the experience-rating programs for employers to take injured workers back.



Home



Back



Next



Print



Contact



Search

Controlling administrative costs

The WSIB has found that its administrative costs are in line with other Canadian jurisdictions. In turn, an Institute for Work and Health (IWH) study says that administrative costs in Canada are lower than in California, where the system is privatized.

Improvements in customer service

The WSIB knows from talking to its customers that there is still room for improvement in the area of customer service. It has listened to calls from customers for a more accessible WSIB, and for more opportunities to do business online. It responded with an initial suite of eServices that allow many transactions to be completed via the WSIB website 24/7, and will develop more.

The WSIB knows it needs to work to keep the lines of communication open, to maintain an ongoing dialogue with its stakeholders on all of the important issues so it can continue to be responsive to their changing needs and concerns.

WSIB funding review

The Funding Review, initiated in 2010, is seeking input from workers, labour, and employers of all sizes on a range of public-policy issues relating to the WSIB's financial future. The review will continue throughout 2011. At its conclusion, the WSIB expects to have valuable new insights on how to manage its financial situation while meeting the needs of its customers. Incorporating findings from the review, clear funding targets, and timelines will be established to help the WSIB meet its legislated obligation to achieve and maintain sufficient funding.

Value-for-money audit

In 2010, KPMG conducted a value-for-money audit of the WSIB claims administration and adjudication process. The audit is focusing on key decision-making points in the life of a case as they relate to the efficiency and effectiveness

of the claim processing and decision-making function. The findings will tell us whether these decision points are achieving accurate, timely, and consistent decisions in a financially responsible and accountable manner. KPMG will deliver the results of this audit in 2011.

Premium rates

A large part of the steady rise in the UFL in recent years can be attributed to insufficient premium revenue. Benefit costs have outpaced premium revenue increases by five per cent each year since 1999; and between 1996 and 2009, premium rates actually fell by 25 per cent in absolute terms.

Premiums have to increase in the short term to achieve full funding in the longer term. Recognizing this, the WSIB Board of Directors made the decision in 2010 to implement average premium rate increases of two per cent for 2011 and 2012.

Work Reintegration program

After extensive research and review of vocational rehabilitation services and work reintegration interventions around the world, the WSIB successfully started the implementation of a new Work Reintegration program. The new work reintegration model is developing strategies to draw on a range of programs and services that include more involvement for workers and expanded and practical pathways for successful reintegration into the workforce. The model addresses key rights and protection for people with disabilities, responds to the needs of older and vulnerable workers, and incorporates leading practices for success.

The WSIB has hired staff with specialized skills, competent in supporting people with disabilities to re-enter the workforce. During 2010 alone, the WSIB helped over 50,000 injured workers get back on their feet and back to work earning as much as they did before their injuries. We expect the program to produce better outcomes for injured workers.



Home



Back



Next



Print



Contact



Search

Health care strategy

Research has shown that not all time off work is medically required. Some is caused by administrative delays and over medicalization of injuries. In 2010, the WSIB initiated development of a comprehensive health care strategy that uses early, specialized, evidenced-based care to reduce disability and support work reintegration as an active approach to recovery. The WSIB also introduced a leading narcotics strategy, which is already showing results through earlier intervention. It is also moving to focused care for high-impact claims.

Service delivery

The WSIB receives over 200,000 claims every year; decisions are rendered on 87 per cent of them within two weeks, and 90 per cent of the workers return to work within one year. The WSIB continued to refine its service delivery model in 2010 to improve the way it manages each injured worker's case. The WSIB now has more specialized teams addressing specific areas such as permanent injury cases, long-term case management, and workers who have lost their jobs despite having returned to work after their injury. Decisions are being rendered faster and with more attention to eligibility rules, resulting in better outcomes for workers and less cost to the system.

On the employer side, the WSIB is reviewing every aspect of its incentive programs and is making changes to ensure desired results in injury and illness prevention and work reintegration outcomes.

New website and Customer Experience Office

In 2010, the WSIB launched its new website, which makes the WSIB more accessible online and supports a range of new and improved eServices. Many of the WSIB's employees received training in Voice of the Customer in 2010 and the WSIB established a Customer Experience Office, an example of our commitment to customer service excellence. Through these and other programs the WSIB is repositioning itself to be more responsive to the needs of its customers.

Business analytics

With the development of the strategy cluster, the WSIB is more focused than ever on enhancing its capability to manage its business effectively and to increase its focus on business measures so that it can fully understand its business drivers and track key performance outcomes. 2010 saw the hiring of a chief statistician to help guide this work.

Skip to main content

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Home



Back



Next



Print



Contact



Search



Summary of results

Results by the end of 2010 represented a good start. By the fourth quarter of 2010, the WSIB had experienced positive financial results, fewer new claims, and better results in claims management while maintaining consistent customer satisfaction. Results are discussed in greater detail on pages 24 to 26 below.

Unfunded liability

As a result of achieving better performance across all indicators, the unfunded liability was lower than projected for 2010. Although the unfunded liability grew from \$11,751 to \$12,355 million, the funding ratio rose from 54.2 per cent to 54.5 per cent. The reasons for this change are discussed in detail on pages 24 to 26 below.

Revenue

Total revenue, made up of total premium revenue and investment income, was higher than in 2009. Total premium revenue exceeded the previous year's result due to management's success in controlling the costs of employer incentives and bad debt, as well as a rise in employment and average wages, which produced an increase in insurable payroll. Despite an uncertain start in 2010, our investment returns exceeded the long-term target of 7 per cent and achieved a 9.6 per cent return by year-end.

Benefit costs

Benefit costs paid fell in 2010 compared to 2009 for the first time in 11 years. The WSIB received fewer lost-time claims and exercised more stringent application of eligibility rules, reducing the number of paid claims. The inventory of claims was also reduced in size due to shorter duration of lost time. There were fewer workers needing 100 per cent loss-of-earnings replacement, and lower benefit costs for those claims at the statutory six-year lock-in period. Medical costs fell despite expectations that they would continue to rise.

Long-term claims durations, however, continue to be a challenge, and will probably continue to be for the next three to four years as these older claims work their way through the system.

Customer satisfaction remained consistent

The WSIB tracks the number and rate of successful appeals as an indicator of stakeholder trust in the WSIB's decisions. Although the number of appeals increased slightly in 2010, the percentage of decisions upheld improved.



Home



Back



Next



Print



Contact



Search

Despite significant changes in our service delivery model and the introduction of more disciplined practices in claims management, the granting of Second Injury Enhancement Fund (SIEF) relief, and changes to employer incentive programs, the 2010 Ipsos Reid survey results suggest there was no significant change in overall customer satisfaction – an indication that the new policies and services are being well received. In 2010, the WSIB's customer satisfaction index indicated 67 per cent of

employers and 68 per cent workers expressed satisfaction with the WSIB.

While it has only been a short time since the launch of some of the WSIB's key strategies and initiatives, the organization is already seeing positive results and indications that its plan is on track.



Home



Back



Next



Print



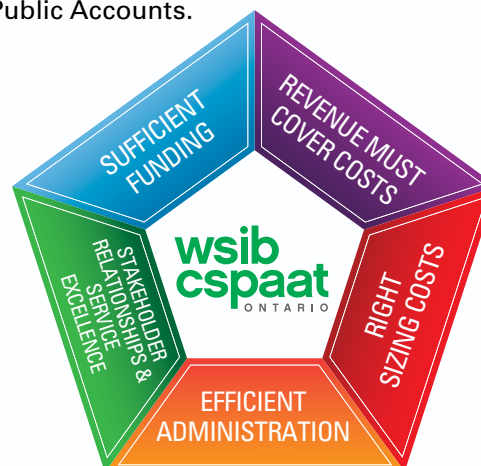
Contact



Search

2011-13 Corporate Business Plan

The WSIB's 2011-2013 Corporate Business Plan sets out the strategic direction and objectives that the WSIB will pursue over the next three years. It provides a range of solutions designed to bring the WSIB to a sufficiently funded position within a reasonable time frame and ensures responsible stewardship and good governance. In executing this plan, the WSIB will address concerns raised in the 2009 Chair's Report on Stakeholder Consultations, in the Ontario Auditor General's 2009 Annual Report, and by the Standing Committee on Public Accounts.



The plan is organized around the following five pillars, each of which represents a guiding principle that will help the WSIB meet its corporate goals.

1. Sufficient funding: The WSIB will keep its focus on the unfunded liability and strive to reduce it significantly.

Currently, the WSIB does not have sufficient funds to cover the future cost of existing claims in the system. Sufficient funding means a fair system for all - secure benefits for workers, stable and competitive premiums for employers, and a solid foundation for service excellence.

In September 2010, a comprehensive funding review was initiated, led by Professor Harry Arthurs, to consult broadly with stakeholder groups on a range of public-policy issues regarding the financial future of Ontario's workplace insurance system. The year-long review will explore sufficient funding of the Insurance Fund and how best to achieve it, the design of employer incentive programs, and the efficiency of the WSIB's rate group structure and premium rate-setting methodology.



Home



Back



Next



Print



Contact



Search

In support of this objective, the Minister of Labour introduced legislation that would require the WSIB to be sufficiently funded. Bill 135: *Helping Ontario Families and Managing Accountability Act* received Royal Assent on December 8, 2010, and requires the Insurance Fund to be sufficiently funded to enable the WSIB to make payments for current benefits as they come due and to provide for future benefits.

2. Revenue must cover costs: The WSIB will optimize its premium and investment revenue as critical measures of fiscal health.

The WSIB has been running annual deficits every year since 2001. Premium revenue has not kept pace with benefit costs, and investment returns have not been able to make up the shortfall. Insufficient revenue to cover annual system costs is a significant contributor to the present level of the unfunded liability. The WSIB will collect premium revenue each year at a level that ensures all required payments can be made as they become due. To move towards this objective, the WSIB's Board of Directors approved modest average premium rate increases of 2 per cent for 2011 and 2012. The WSIB will also continue to manage its Insurance Fund by optimizing returns through investments that are less volatile.

3. Right-sizing costs: The WSIB will reduce total benefit costs through reducing workplace fatalities, injuries, and illnesses, and promoting early recovery and return to work.

Benefit costs and the average cost per lost-time injury (LTI) claims have been rising sharply despite the number of LTIs steadily dropping. The best outcome for any injured worker is to return to safe work as soon after injury as possible. Both workplaces and the WSIB have an obligation to assist in return-to-work efforts.

The WSIB will administer benefits in a fair, consistent, and equitable manner, having due regard to legislation and the needs of each injured worker. The WSIB will

support injured workers in return-to-work efforts that will speed rehabilitation and recovery through a new Work Reintegration program, prevent and mitigate the consequences of high-impact injuries, and improve the management of health-care costs. The WSIB will also ensure employer incentives are better aligned with return-to-work goals, are equitably redistributed, and better reflect costs.

4. Efficient administration: The WSIB will keep administrative costs in line with budgets through increased efficiency.

The WSIB is responsible for administering the *Workplace Safety and Insurance Act*, along with its operational and revenue policies. Although the WSIB's administration costs compare favourably with those of other jurisdictions, it recognizes and responds to the need for fiscal prudence. The WSIB will operate in as transparent and efficient a manner as possible, and will work to reduce and simplify the administrative burden it places on those who deal with the WSIB.

The WSIB will ensure that its published data is relevant and informative, and that its policies are up to date and clear. The WSIB's 2010 value-for-money audit will assess the efficiency and effectiveness of its claims administration and adjudication process. The WSIB will also conduct a comprehensive internal policy renewal of existing policies to streamline, update, and repurpose policy development, and will review its corporate data holdings and practices to improve accuracy, relevance, and quality of information used in decision-making.

5. Stakeholder relationships and service excellence: In every interaction, the WSIB will deliver the best customer service and achieve the highest-ever customer satisfaction.

Successful implementation of the 2011-2013 Corporate Business Plan and financial budget requires a response from the WSIB that establishes a foundation of effective relationships with all stakeholders while



Home



Back



Next



Print



Contact



Search

ensuring the integrity of the WSIB system. Successful implementation also requires a workplace that supports the health, safety, and wellness of each employee. The WSIB's standard will be meaningful consultation, excellence in customer service, consistent and fair decision-making, and robust checks and balances to ensure a high degree of compliance.

The WSIB will continue to consult regularly with stakeholders on a range of issues that affect their interests, support fair and consistent decision-making based on the principles of service, trust, and integrity, and foster better collaboration and information sharing

with key government partners. The WSIB will enhance its constructive stakeholder engagement strategy, roll out a suite of eServices to provide customer service excellence through all channels of engagement, and develop a strategy to encourage compliance with workplace insurance legislation.

Internally, the WSIB will pursue Level 3 healthy workplace certification as part of the Progressive Excellence program with the National Quality Institute to demonstrate its commitment to staff health and wellness.



Home



Back



Next



Print



Contact



Search



The way forward

Positioned for success

The WSIB already has a comprehensive, flexible, yet cost-effective approach to addressing the challenges it faces. Its 2011-2013 Corporate Business Plan has established the framework for meeting key objectives through strategies and programs that will ultimately improve the WSIB's financial position, reduce the unfunded liability, and sustain the value of the WSIB to workers, employers, and Ontario's economy. The results necessary for success in the future are already being seen.

Delivering what matters

The WSIB is demonstrating a stronger and sharper focus on understanding and delivering what really matters to customers, built on the understanding that reintegration in the workforce is the best outcome. Understanding this also means rigour and discipline in our approach – to deliver fair benefits and services that are cost-effective and achieve results.

The WSIB recognizes that it needs to meet growing stakeholder expectations of fast, accessible, and effective service. It has already begun the change with the introduction of new eServices, and is committed to significantly improving levels of service in the coming years.

Integrity, trust, and fairness

The WSIB will demonstrate it can take charge of its business and manage with rigour and discipline and act with integrity and fairness. Working transparently, the WSIB will build trust and confidence that the workplace insurance system can continue to deliver value – to protect workers and their families from financial burden and to allow employers to focus on growing Ontario's businesses.

With its stakeholders, the WSIB will continue the evolution of workplace compensation insurance to meet its challenges while balancing benefits, coverage, and financing to ensure the long-term viability of the system.

Changing course after more than 30 years of inadequate funding and a variety of practices and policies that have not delivered optimal results, either for injured workers or employers, will take time before beginning to show consistent results.

The WSIB plays an incredibly important role in the whole area of industrial productivity and worker protection in Ontario. Every year, thousands of workers get injured in the workplace and must be supported. This costs employers billions of dollars, and workers find their lives disrupted and changed. It is in the interests of all stakeholders – employers, workers, the government, and the WSIB – to take ownership of the system of workplace insurance and ensure that it delivers the best results possible.



Home



Back



Next



Print



Contact



Search

Board of directors and committees

The members of the WSIB Board of Directors have a diverse range of skills and understanding, reflecting their experience across many business and industry sectors.

Steven W. Mahoney

Chair: May 17, 2006 – May 16, 2011

I. David Marshall

President and CEO: January 24, 2010 – January 23, 2015
Investment Committee, Governance Committee

Lawrence R. Barnett

Member: January 15, 2007 – January 14, 2013
Health and Safety Committee (Chair), Human Resources and Compensation Committee

Estelle M. Caines

Member: November 18, 2009 – November 17, 2012
Human Resources and Compensation Committee

Patrick Dillon

Member: July 17, 1996 – July 16, 2010
Health and Safety Committee, Governance Committee, Human Resources and Compensation Committee (Chair)

Louis Girard

Member: January 28, 2009 – January 27, 2012
Audit and Finance Committee, Health and Safety Committee, Human Resources and Compensation Committee

P. Morgan McCague

Member: August 21, 2008 – August 20, 2011
Audit and Finance Committee, Investment Committee (Chair), Human Resources and Compensation Committee

Marlene McGrath

Member: October 14, 2004 – October 13, 2013
Audit and Finance Committee (Chair), Investment Committee

Lea M. Ray

Member: December 3, 2008 – December 2, 2011
Health and Safety Committee, Investment Committee, Governance Committee (Chair)

Sari Sairanen

Member: September 24, 2008 – September 23, 2011
Health and Safety Committee, Governance Committee

Committees of the Board of Directors

The **Audit and Finance Committee** advises on financial and other reporting practices and internal controls.

The **Health and Safety Committee** advises on workplace health and safety policies, performance objectives, and measurement criteria.

The **Human Resources and Compensation Committee** advises on the health and safety of WSIB employees and the human resources function.

The **Governance and Policy Committee** advises on governance and policy matters.

The **Investment Committee** provides counsel on investment policy, monitors investment returns, and reviews the performance of investment managers and their compliance with applicable laws and regulations, and their respective mandates. (The committee includes external advisors Maureen Farrow, Don Walcot, and Paul Grise.)



Home



Back



Next



Print



Contact



Search

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- Statement of management's responsibility
- Accounting changes for 2010
- About the WSIB
- Corporate strategy
- Factors that may affect results
- 2010 financial performance at a glance
- Outlook
- Enterprise risk management
- Accounting matters
- Future changes in accounting policies
- 2010 financial performance – additional details

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[Independent Auditors' report \(441k, pdf\)](#)

[Actuarial opinion \(440k, pdf\)](#)

[Consolidated financial statements \(461k, pdf\)](#)

- Consolidated balance sheet
- Consolidated statement of operations
- Consolidated statement of changes in unfunded liability
- Consolidated statement of comprehensive income (loss)
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Home



Back



Next



Print



Contact



Search