

The Liversidge e-Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

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An Electronic Letter for the Clients of L.A. Liversidge, LL.B.

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Will a Liberal Government change workplace safety and insurance?

With an election of a Liberal majority government a certainty if recent polls hold true, readers of **The Liversidge e-Letter** are wondering if a Liberal government will take the "time for a change" approach to the front doors of the WSIB and reform workplace safety and insurance ["WSI"]?

WSI no longer on the political radar screen

As a political issue, WSI is no longer on the political radar screen. There are no loud cries for reform. One must turn to the views of the Ontario Liberals of 1995, when WSI was a hot issue (and a hot potato).

Clients may recall that on January 18, 1995 Mr. Steve Mahoney, MPP for Mississauga West and the Liberal Labour Critic (and now a federal MP), addressed our client group and answered some tough questions. The previous year, the Liberals unveiled their then blueprint for reform, **Back to the Future**, at a Liversidge client meeting in April, 1994. First, let us put a few things in perspective. The WSI scheme was a mess in 1995. As a reminder to our readers, here are a few facts:

<u>Year</u>	<u>Unfunded Liability</u>	<u>Average Premium</u>
1985	\$ 5.381 billion	\$2.31
1990	\$ 9.088 billion	\$3.18
1995	\$10.892 billion	\$3.00
2002	\$ 6.591 billion	\$2.13

So then, let us turn to the comments of the Liberal Party of Ontario as expressed through the Liberal Labour Critic in early 1995 [first reported in the January 25, 1995 issue of **The Liversidge FaxLine**].

On the unfunded liability:

The Liberals acknowledged that the unfunded liability is a problem. The key is to set medium term targets of 75% funding. *Since then, the state of the unfunded has improved dramatically.*

On benefit levels:

The Liberals rejected a reduction in the benefit replacement level. *Since then, the wage replacement ratio has been set at 85% of net. There is no indication that a Liberal Government will increase it back to 90% (nor an indication that they will not).*

On the WCB Board of Directors:

The Liberals committed to restructuring the Board with an independent multi-partite Board, and no political patronage. *Since then, the Board was restructured.*

On the administration of the system:

A Liberal Government would ensure a zero tolerance to fraud, would close the Occupational Health & Safety Agency, and merge OH&S into a Board department. *Since then, all of these suggestions were implemented.*

On the top leadership of the WCB:

The President of the WCB would not be appointed by the Government but, would be hired by the Board of Directors, to ensure the most qualified person is selected. *Since then, we have seen a top level insurance executive in the person of the present Chair and CEO, Mr. Wright in the top two slots. Many in labour and business support Mr. Wright continuing in the job.*

On voluntary self-insurance:

A Liberal Government would give serious consideration to a voluntary two week period of direct self-insurance. *This issue has never been addressed since, although the subject is timely during a period of experience rating reform.*

On deeming:

A Liberal Government would eliminate the process of "deeming" (introduced by the Liberals in Bill 162). *Since then, deeming was effectively eliminated with the loss of earnings model introduced in Bill 99.*

On compensation for stress:

The Act was not designed to deal with stress claims. *Since then, stress was removed from WSI coverage (except for post-traumatic stress).*

On experience rating:

A Liberal Government is committed to experience rating. *Since then, the Board and employers have continued to support experience rating.*

On privatization:

The Liberals will not privatize the WCB but would run it like a private company.

The bottom line:

Based on the 1995 platform, it does not appear that WSI will be an immediate issue. The approach of the 1995 Liberals was pretty much the same as the 1995 Tories. But, as has often been heard in the past when political regimes change:

"That was then – This is now".