



Rate Framework – It’s Very Different from NEER but most companies are still managing and appealing claims in a “NEER world”

2025 is year six of the Rate Framework Model (RFM) but it appears very few companies have modified their claims management systems to align with the mechanisms of Rate Framework.

SE-GA works with a large sample size of businesses, either directly as clients or indirectly through our no-charge public education sessions and have found that very few employers have adapted their strategies to meet the challenges of the Rate Framework Model (RFM).

Using a 2019 claim from a mid-sized employer should help show the difference between the two models:

It is reasonable a company would take significant actions, either internal or external, to challenge a \$40,000 penalty if they had reasonable cause to believe this worker was not entitled to these benefits (such as refusal to participate in modified work, did not report the workplace accident, suspect this was a personal injury reported at work or for any other reason).

The reason the real dollar impact is \$0.00 is this amount of claim cost is not enough additional cost to move your account into a higher risk-band.

If you would like to have a discussion on risk-bands and how they determine your premium rate, please contact your SE-GA representative.

The question is if your company knew the actual financial impact to your company is \$0.00 would you apply the same resources?

NOTE: Using the example above - There may be other reasons for your company to appeal a WSIB decision but if your primary reason for the appeal is financial, there is no argument to support the cost and effort an appeal as the result will be a NEGATIVE return on investment.

Or to look at this problem another way – Noise Induced Hearing Loss claims (NIHL) - while they appear on your accident cost statement, are non-experience rated, and any costs are not applied to your premium rate calculation: They are free. Appealing a claim with no cost obviously has no financial merit. Most claims under Rate Framework should be looked at the same way as NIHL claims.

NEER MADE YOU MANAGE THE CLAIM

RFM ALLOWS YOU TO MANAGE THE WORKER

**Please participate in the quiz on our website at the link below
and read the summary after you select your answers.**

segaconsulting.com/rate-framework-quiz

2025: WSIB to repay Ontario employers \$2 Billion Dollars

The WSIB is roughly 50% funded through employer premium contributions and 50% through the performance of their stock portfolio, and the WSIB is allowed to be funded up to 115% of their needs (claim costs and the costs of administration of the

system) with the excess added to their reserve funds. The reserve is used to finance their stock acquisitions.

The Board's portfolio well outperformed expectations – as they have previously – and the Province has ordered to Board to share those dividends and profits with their stakeholders -as they did a few years ago.

A formal announcement as to the distribution of these funds is expected in February but it is our expectation this distribution will follow how the Board handled this problem previously.

THIS IS NOT A PERFORMANCE BASED REFUND (like the ones that existed in NEER and CAD-7) it is a redistribution of excess revenues.

2025 WSIB Education Webinars

Since the summer of 2021 SE-GA has been offering WSIB working groups webinars to educate employers on WSIB policies, practices and decision making. Starting in 2022 the WSIB's Stakeholder Relationship Team has partnered in these sessions and have created many excellent presentations to these groups, on topics including:

- Entitlement decisions
- Mental Stress claims
- Understanding your Statement
- Reporting & Compliance issues
- Excellence Program
- How to Use the Employee Portal
- Compass & Safety Check
- Re-Employment Obligations

There is **NO COST** to attend and you do not have to be a SE-GA client to participate. If you are not yet part of these sessions, please contact info@segaconsulting.com

MONTH	TOPIC
January 15th 11:00 am	WSIB Compass/Digital Services (Healthcare session)
January 22nd 11:00 am	WSIB Compass/Digital Services (Non-Healthcare session)
January 29th	

10:30-12:00 pm	Understanding your 2025 Premium Rate Extended Statements (All groups)
February 12th 11:00 am	Re-Employment& Cooperation (Healthcare session)
February 19th 11:00 am	Re-Employment& Cooperation (Non-Healthcare session)

