

# Balance and Fairness in the Rates You Pay



If you're  
hurt at work,  
we're  
here to help.

# Changes to How We Set Your Rate

We asked stakeholders how our assessment rate model could be improved. We listened to Manitobans and as a result, we're changing the way we calculate annual rates. We're moving towards a rate model that responds to the unique needs of different-sized employers, is more fair and balanced, and enhances shared liability and protection.

## What We've Done

**We've narrowed the risk category ranges to limit how much your rate moves above or below the category average.**

Your business has been assigned to a risk category based on your industry. The size of your business determines the highest and lowest rate that you can pay.

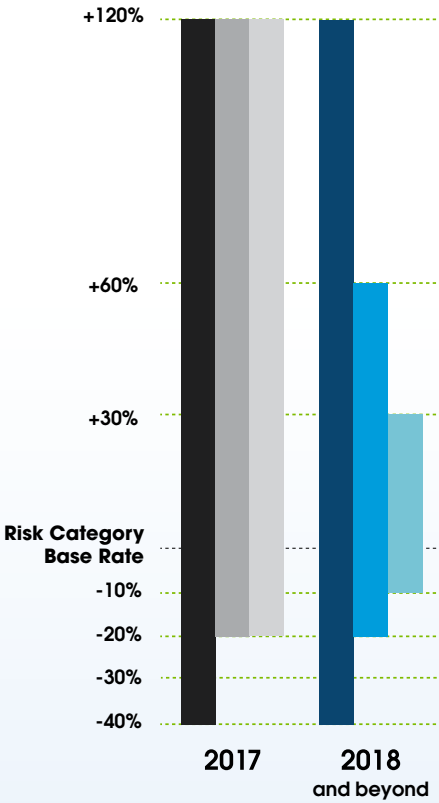
Small employers are those with a payroll of less than \$750,000; medium employers are those with a payroll of less than \$7.5 million; and large employers have a payroll of more than \$7.5 million.

We've narrowed the category ranges for small and medium employers, which means their rates can't rise as high or fall as low as they used to.

The rate range for large employers is 40 per cent below to 120 per cent above their risk category base rate, or starting point for their category range. For medium employers, that range is 20 per cent below to 60 per cent above their base rate. Small employers have the smallest range: 10 per cent below to 30 per cent above their base rate.

This change is now complete and fully implemented.

## Risk Category Range



- Large employer range
- Medium employer range
- Small employer range

### What's the benefit?

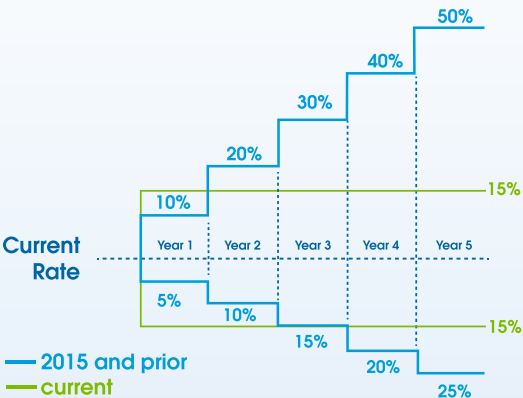
Narrowing the ranges helps to ensure that rates can't climb as high as they once did. For small and medium employers, it also ensures that rates are more reflective of their industry risk rather than their individual experience. A slightly higher rate at the lower range of the risk category means more protection from the type of high cost claim that may have otherwise resulted in large rate increases. These smaller ranges help to enhance shared liability and provide more protection.

## We've reduced the annual basic rate change limit to reduce volatility.

Previously, an employer's rate could move up at an ever increasing pace if they had high claims costs. For example, after three years of excessive claims costs, their rate would increase by 30 per cent, after four years by 40 per cent, and after five years by 50 per cent. As their experience improved, their rate would decrease much more slowly.

Now, the basic annual rate change limit is capped to restrict how much your rate can move to a maximum of 15 per cent up or down per year. This reduces how quickly rates can rise and fall in any given year. This change is now fully implemented.

### Annual Rate Change Limit



### What's the benefit?

This helps to lower the year-to-year volatility of employers' rates and protect against large rate increases, while still responding in a reasonable way to changes in experience. Rate changes going up and down at the same speed allows improved claims experience to impact your rate more quickly.

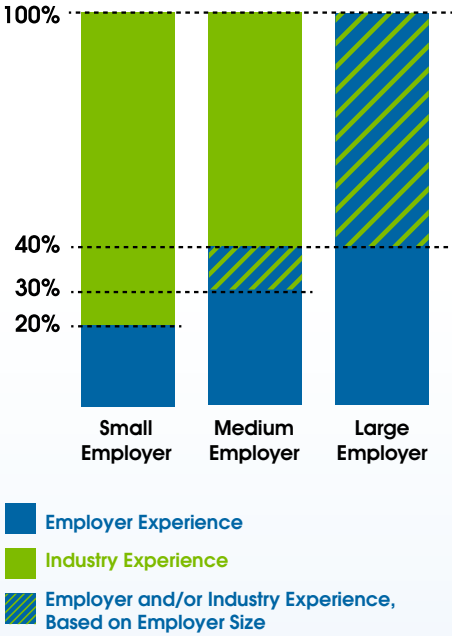
**We've introduced a feature called the experience factor, which means your claims experience is weighted differently, depending on your size.**

If you're a small or medium employer, your industry classification experience carries more weight than your individual claim costs experience. As an employer becomes larger, more weight is assigned to their own experience rather than to their industry experience.

In addition to this, Manitoba has many industry-based safety programs to help keep workers safe on the job. Through these safety programs, employers can work together to reduce their individual and classification-wide injuries and resulting costs.



## Experience Factor



### What's the benefit?

This more fairly balances individual and collective risk based on relative size. Typically the larger an employer is, the more consistent their claims experience is. That's why we look at the past experience of large employers to determine their rates: it's a more reliable predictor of what their costs will be in the future.

The claim costs among small and medium employers, however, are quite varied. That means they need more protection against the impact of high cost claims, which is why we tie their rates more closely to their industry. This provides them with greater stability and protection.

# What's to Come

## **The experience period will change to provide more consistent treatment of short and long duration claims.**

The experience period is the timeframe in which we collect costs to project your future risk. The experience period continues to move towards rates being based on three years of costs for claims incurred over the same three year period.

This new approach will be fully implemented for 2020 rates.

### **What's the benefit?**

Over time, this will help to balance the incentive to place more effort on preventing injuries from occurring in the first place, rather than focusing on controlling claim costs after an injury has occurred.

## **For 2019, we've introduced new risk categories.**

We began moving from nine risk categories to eighteen. The first phase will involve moving classification codes that currently reside in risk categories which no longer exist to new risk categories. These classification codes have been moved to the most appropriate new risk category based on a review of the past three years of claims costs.

The next phase will allow all industry classifications to flow within the eighteen risk categories. Movement will be as a result of four years of claims data. Employers will receive notifications of possible movement based on two year trends which will be part of 2020 rates. Movement will then begin for 2022 rates.

### **What's the benefit?**

Adding more categories adds more flexibility. As your industry's experience improves, you have more opportunities to drop into a lower risk category - and ultimately pay a lower rate.

# What makes the new model better?

- It's more fair and balanced.
- It's tailored to the unique needs of different sized employers.
- It provides better collective liability protection against large rate increases.
- It reduces rate volatility.
- It balances the rate impact of preventing injuries with the impact of controlling claim costs after an injury has occurred.

Ultimately, the most effective ways to reduce your WCB costs are by improving health and safety at your workplace and strengthening your return to work programs.

## Here's a snapshot of the new rate model as of 2020:

	Small	Medium	Large
Payroll Size	Up to \$750,000	\$750,000 to \$7.5 million	Over \$7.5 million
Experience Factor	20%	30% - 40%	40% - 100%
Risk Category Range	10% below to 30% above category average	20% below to 60% above category average	40% below to 120% above category average
Annual Basic Rate Change Limit	+ / - 15%		
Experience Period	3 years of costs on 3 years of claims		



## Where can I get more information?

Visit **wcb.mb.ca** and click on **Employers** for more information. Here you'll find a short video that simply explains how we calculate employers' rates as well as new information to help you understand what goes into our rate setting model.

You can also contact Assessment Services at **204-954-4505** or toll free at **1-855-954-4321**, extension **4505**.





SAFE Work Certified is Manitoba's safety and health certification standard that helps make workplaces safer and provides a financial reward to employers who take proactive steps to prevent workplace injuries and illnesses.

Built around the safety essentials of leadership commitment, hazard identification and risk control, and worker participation, SAFE Work Certified can provide employers with benefits such as lower WCB premiums over time, improved employee engagement, and assistance in meeting legal safety requirements.

Employers who achieve SAFE Work Certified can also qualify to receive a Prevention Rebate of 15 per cent of their WCB assessed premiums, while smaller employers will receive up to a maximum of \$3,000.

To learn more:

visit **[safemanitoba.com/safe-work-certified](https://safemanitoba.com/safe-work-certified)**

call **204-957-SAFE (7233)**

email **[swc@safeworkmanitoba.ca](mailto:swc@safeworkmanitoba.ca)**.



**If you're  
hurt at work,  
we're  
here to help.**

## **How to Reach Us**

The Workers Compensation Board of Manitoba  
333 Broadway, Winnipeg, MB R3C 4W3

Email us at  
**wcb@wcb.mb.ca**

For more information, visit  
**wcb.mb.ca**

or call us at  
**204-954-4321**

or toll free  
**1-855-954-4321**

## **Report fraud and non-compliance**

Call 204-888-8081 or toll free 1-844-888-8081  
Email **Compliance@wcb.mb.ca**

SAFE Work is everyone's responsibility.  
Preventing injuries is good for employers and  
workers. To learn more, go to:

**safemanitoba.com**

or call 204-957-SAFE (7233) in Winnipeg  
or 1-855-957-SAFE (7233) outside Winnipeg

