

I. David Marshall
President & CEO
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October 27, 2010

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Bright Lights Injured Workers' Group
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Dear Mrs. Osso:

Thank you for your letter of Oct 14, 2010. I would like to assure you that the Meredith Principles are very much front and center in the Review. The focus of the review is to ensure that injured worker benefits are protected. Properly funding these benefits is critical to this goal. As long as a substantial unfunded liability exists the pressure to review benefits will exist hence our focus on resolving the unfunded liability before this becomes an issue. The existence of a large unfunded liability today results in Ontario's employers having one of the highest premium rates in Canada. This is due to the need for a 43% surcharge in current premium rates to pay for past benefit claims which have not been adequately funded. It is in this context that employers can look forward to reducing their premiums once they have fully funded the system.

With respect to the other issues raised in your letter:

- The question of what is the appropriate level of funding for Ontario is the question to be addressed through the consultation. This may be more or less than 100% funding. Once agreed upon through the consultation, this will become the goal for the Insurance Fund.
- The best way to compensate partially disabled workers for inflation is also a part of the consultation and hopefully will result in an agreed upon method to replace the modified Friedland Formula which now exists.
- One of the main goals of the Funding review is to look at the full suite of employer incentive programs such as experience rating and advise as to the way they are structured and suggest improvements.

Once again, we wish to thank you for taking the time to raise your concerns with us and to assure you that the interests of injured workers are very much central to the Review now taking place. We encourage and welcome your participation in the process.

Sincerely,

A handwritten signature in black ink, appearing to read 'I. David Marshall'. The signature is fluid and cursive, with a horizontal line underneath the name.

I. David Marshall
President & CEO

Copy: Hon. Premier Dalton McGuinty
Hon. Peter Fonseca, Minister of Labour