

**Alberta WCB
Policies &
Information**

Chapter:

PRICING

Subject:

EXPERIENCE RECORDS

Authorization:

BoD Resolution 2006/02/05

Date:

February 28, 2006

REFERENCE:

Workers' Compensation Act, RSA 2000, Sections 21-23, 95-98, 101, 113
General Regulations, Sections 16, 17

POLICY:

The WCB maintains a separate *experience record* for each employer in each industry classification assigned to that employer. When applicable, the employer's experience is used to determine *premium adjustments* to reflect the performance of the insured business. In some situations, the WCB may *combine experience records* to determine applicable premium adjustments.

This policy is effective March 1, 2006, unless noted otherwise. Any exceptions are noted within the specific policy section(s).

INTERPRETATION

1.0 Experience Record

An employer's experience record for each year includes:

- number of claims
- claim costs
- insurable earnings and personal coverage amounts, and
- the employer's premium and premium rate.

The experience record of the employer attaches to the individual or corporation responsible for the business at the time the record was created.

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2.0 Premium adjustments

The WCB has established programs under s.113 of the Act to provide financial incentives for employers to reduce work-related accidents. The pricing incentives are based on an individual employer's performance as measured by its accident experience. Performance based pricing is comprised of four main programs:

- Experience Rating Plan for Small Employers (See Application 2, Experience Rating)
- Experience Rating Plan for Large Employers (See Application 2, Experience Rating)
- Poor Performance Surcharge for Large Employers (See Application 2, Experience Rating)
- Partnerships in Injury Reduction (PIR) [See Application 3, Partnerships in Injury Reduction (PIR)].

The WCB may also develop custom premium adjustment plans which will accommodate the different circumstances of employers and employer groups and meet the WCB's objectives of reducing work-place injuries.

Participation in the programs allows eligible employers to receive a discount or surcharge to their premiums, based on their claim costs, number of claims, or other factors. Depending on the program, the premium adjustment may

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**Premium adjustments
(continued)**

be an adjustment to the premium rate (see Application 2, Experience Rating), or a lump sum payment or surcharge [see Application 3, Partnerships In Injury Reduction (PIR)].

Premium adjustments are subject to maximum limits for each program as well as the minimum annual premium for each account (see Policy 06-03, Premiums).

**3.0 Combining Experience
Records**

In certain situations, it may be necessary to combine experience records in order to establish a premium appropriate with the insured business, its health and safety practices and to ensure statistical credibility. Depending on the situation, the experience records used may be from one or more employer accounts and or industries.

Please see Part II for additional information on the following subjects:

Application

- 1 - General
- 2 - Experience Rating
- 3 - Partnerships in Injury Reduction (PIR)
- 4 - Combining Experience
- 5 - Transfer of Claim Costs
- 6 - Third Party Recoveries

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