

**Alberta WCB
Policies &
Information**

Chapter:

PRICING

Subject:

EXPERIENCE RECORDS

Authorization:

BoD Resolution 98/03/13

Date:

March 24, 1998

REFERENCE:

*Workers' Compensation Act, 1981 (as amended), Sections 16, 17, 18, 89 - 92, 95, 110
General Regulations Section 17, 18*

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*. Experience records may be combined with experience in other industry classifications or accounts of the same employer or related accounts.

This consolidated policy is effective June 1, 1998.

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. An employer who purchases the assets of an existing business will not assume the experience record of the vendor unless the WCB considers the transaction is not arms length, or there is otherwise a continuing obligation for the experience record (see Application 4, Combining Experience).

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**Experience Record
(continued)**

The WCB does not recognize a sale or transfer of shares in a corporation, or a change in the composition of a partnership as the sale of a business.

2.0 Premium adjustments

The WCB has established programs under s.110 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 programs:

- Small Business Discount/Surcharge Plan (See Application 2, Experience Rating)
- Experience Rating Plan (See Application 2, Experience Rating)
- Poor Performance Surcharge for Large Employers (See Application 2, Experience Rating)
- Voluntary Incentive Plan (VIP) as part of Partners in Injury Reduction (PIR) [See Application 3, Voluntary Incentive Plan (VIP) / Partners In Injury Reduction (PIR)].

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 be an adjustment to the premium rate (see Application 2, Experience Rating), or a lump sum payment or surcharge [see Application 3, Voluntary Incentive Plan (VIP) / Partners 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).

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