

**Alberta WCB  
Policies &  
Information**

Chapter:  
**INSURANCE COVERAGE FOR WORKERS AND  
EMPLOYERS**

Subject:  
**OPTIONAL COVERAGE**

Authorization: **BoD Resolution 98/03/13**      Date: **March 24, 1998**

**REFERENCE:**

[Workers' Compensation Act, RSA 2000, Sections 1, 14, 15, 16, 23, 56, 103, 104, 108, and 141](#)  
[Workers' Compensation Regulation, Sections 1-6](#)

**POLICY:**

WCB may approve two types of *optional coverage*: *coverage for exempt industries* and *personal coverage*. When an application for optional coverage has been approved, the individuals covered are eligible to claim benefits under the *Workers' Compensation Act (WCA)* as workers. They are also *protected from civil action* resulting from compensable personal injury, while they are acting in the capacity for which they have coverage.

This policy is effective June 1, 1998, except when noted otherwise in a specific policy section(s).

**INTERPRETATION**

**1.0 Optional Coverage**

Optional coverage is effective the date an application is approved by WCB, or a later date if requested by the employer (see Policy 06-03, *Premiums*). Coverage will not be made effective prior to the date of application. Claims filed for an accident that occurred prior to the effective date of the coverage will not be accepted.

**2.0 Coverage for Exempt Industries**

An employer whose operations are in an industry exempted under Schedule A of the *Workers' Compensation Regulation (WC Regulation)* (also called "an exempt industry") may apply for coverage. Once approved, the coverage provides workers' compensation insurance to all the employer's workers in that industry. The employer may also apply for personal coverage.

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**3.0 Personal Coverage**

Personal coverage is workers' compensation insurance available for individuals who employ workers or who are:

- proprietors,
- partners in a partnership,
- directors of a corporation or society, or
- members of an association, board, authority, commission, or foundation.

Personal coverage protects the individual only while working in the industry for which coverage was approved.

**4.0 Protection from Civil  
Action**

Under s.23(1), injured workers who suffer a compensable injury are barred from bringing a civil action for personal injury against any employer or worker when the conduct of that employer or worker that caused or contributed to the injury arose out of and occurred in the course of employment in an industry to which the *WCA* applies. The injured worker's legal representatives, dependants (in the case of a compensable fatality), and employer are also barred from bringing civil action.

The protection provided by s.23(1) of the *WCA* applies only to actions for personal injury. It does not apply to civil actions for property damage (for example, vehicle damage in a motor vehicle accident).

Employers and workers who would not otherwise come under the *WCA* are protected from civil action for personal injury under s.23 when coverage for an employer in an exempt industry and/or personal coverage is in effect. This includes:

- Employers and workers in exempt industries, when there is an approved application for coverage

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### **4.0 Protection from Civil Action (continued)**

- Directors of a corporation with approved applications for Personal Coverage

Note, however, that the s.23(1) immunity from lawsuit does not extend to civil lawsuits for personal injury commenced by individuals who are not covered under the WCA (thus, a plumber with Personal Coverage would not be immune from a lawsuit commenced by a private homeowner).

Not all employers, proprietors, or partners in a partnership need to have Personal Coverage in order to have protection from civil action for personal injury. Individuals and partners in a partnership who employ workers in industries under the WCA are protected under s.23(1), regardless of whether they have Personal Coverage. Proprietors and partners in a partnership that does not employ workers are also protected under s.23(1) if they are deemed to be workers of a principal in an industry under the WCA.

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

#### **Application**

1 – [Coverage for Exempt Industries](#)

2 – [Personal Coverage](#)

**[Rescinded: Proprietor Identification Cards \(May 21, 2012\)](#)** (see Document History)

#### **[Document History](#)**

#### **Previous versions**

- [Policy 0602 Part I - August 2015](#)
- [Policy 0602 Part I - January 2014](#)

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- [Policy 0602 Part I - February 2012](#)
- [Policy 0602 Part I - March 2011](#)
- [Policy 0602 Part I - January 2004](#)
- [Policy 0602 Part I - June 2002](#)
- [Policy 0602 Part I - January 2002](#)
- [Policy 0602 Part I - June 2001](#)
- [Policy 0602 Part I \(consolidated manual 1st Issue\) - June 1998](#)