

**Alberta WCB
Policies &
Information**

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

Subject:
OPTIONAL COVERAGE

Authorization:
BoD Resolution 2001/03/15

Date:
March 27, 2001

APPLICATION 2: PERSONAL COVERAGE

1. *What does personal coverage do and how long does it remain in effect?* 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. It remains in effect until the individual with personal coverage requests that the coverage be terminated, or until WCB terminates it.

For the purposes of s.114 of the WCA, individuals with personal coverage cannot direct themselves to do other work that is not in an industry to which the WCA applies.

WCB will normally accept applications by phone, however, at its discretion, it may require a written application.

WCB will not approve an application for personal coverage if the individual is responsible for paying the premium on any account which is in arrears (see Policy 06-03, *Premiums*).

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2. *How much personal coverage can an individual buy?*

Eligible individuals can buy personal coverage for any amount between the yearly minimum and maximum (see Appendix F). However, if the purchased amount is more than the Guaranteed Coverage amount (see Question 3), individuals must be able to prove that their actual annual gross earnings* are the same as, or more than, the purchased amount.

Usually, WCB does not ask for proof of earnings when someone applies for personal coverage. However, proof of earnings is required if the person is injured and files a WCB claim.

Individuals who buy personal coverage for an amount higher than the Guaranteed Coverage amount and who cannot confirm their earnings will not be reimbursed for the extra premium paid.

- * Gross earnings are not the same as gross income. To determine gross earnings, WCB normally deducts the business expenses from gross income and may require Canada Revenue Agency information to confirm the personal income amount. Owner-operators (see Glossary) are an exception to this general rule.

For information about how WCB calculates compensation for injured workers with personal coverage, see Policy 04-01, Part II, Application 2, Question 2. For owner-operators, see Question 3 of the same policy.

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3. *What is the Guaranteed Coverage amount and how is it determined?*

The Guaranteed Coverage amount is an amount that WCB deems as representative of an applicant’s annual gross earnings. The amount may be different for different industries.

The Guaranteed Coverage amount is based on WCB’s determination of the annual gross earnings of similarly employed workers. WCB uses earnings information from external wage sources and its own records to determine average earnings in an industry.

If WCB has not set a Guaranteed Coverage amount for an industry, the minimum personal coverage amount is the Guaranteed Coverage amount for that industry. This may happen when, for example, average earnings in a particular industry do not differ significantly from the minimum personal coverage amount. It may also happen if there are wide fluctuations in earnings or insufficient data to determine a representative amount.

Guaranteed Coverage amounts are reviewed annually by WCB and reported to the Board of Directors.

4. *Can individuals change the amount of their personal coverage?*

Yes. An individual or the individual’s agent may request a change in the amount of personal coverage at any time. The change:

- becomes effective the date WCB receives an oral or written request, and
- must be within the established limits.

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5. *Does personal coverage protect an individual who works in more than one industry?*

When personal coverage is in effect, it only covers the individual while working in the industry or industries for which it was approved. Individuals who are active in more than one industry can split their personal coverage between industries, based on the percentage of working time spent in each.

When an individual splits coverage between two or more industries with different Guaranteed Coverage amounts (see Questions 2 and 3), the lowest Guaranteed Coverage amount is used.

6. *In what circumstances will WCB terminate an individual's personal coverage?*

WCB may terminate personal coverage:

- when the individual with personal coverage is injured and is receiving temporary total disability (TTD) benefits, in which case, termination of coverage will be effective the day before TTD benefits commenced
- upon death, in which case, termination of coverage will be effective the date of death
- when there are outstanding premiums on any account which the individual is responsible for paying, in which case termination is effective the date of notice
- when the personal coverage holder's status changes (see Question 7)
- in any other instances WCB determines personal coverage should be terminated

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7. *When is personal coverage terminated due to a change of status?*

Personal coverage is terminated when the individual who has personal coverage is:

- a partner who leaves a partnership,
- a director of a corporation or society who ceases to be a director, or
- a member of an authority, commission, board, or foundation who ceases to be a member.

Termination is effective the date of the change in status.

In each case, the employer must advise WCB to terminate the personal coverage.

8. *Can an employer in an exempt industry apply for personal coverage?*

Yes, an employer in an exempt industry may apply for personal coverage. However, the application must be made at the same time or after coverage has been approved by WCB for the employer’s business (see Application 1).

9. *Are there any arrangements for individuals with personal coverage to split coverage with other jurisdictions?*

WCB-Alberta has a special agreement with Saskatchewan that allows personal coverage to be split between the two provinces for individuals working in similar industries. This ensures the individual pays for and has coverage in each province based on the amount of time spent working in each. The total amount of coverage must not be less than the minimum amount of coverage established by WCB-Alberta.

When an individual with personal coverage is injured while working in all other jurisdictions, the claimant must meet the conditions set out in s.28(1) of the WCA in order to be eligible for benefits (see Policy 06-01, *Employers and Workers*).

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10. *When is this policy application effective?*

This policy application (Application 2 – Personal Coverage) is effective January 1, 2001, except when noted otherwise in a specific policy section(s).

[Document History](#)

Previous versions

- [Policy 0602 Part II - December 2014](#)
- [Policy 0602 Part II - January 2014](#)
- [Policy 0602 Part II - May 2006](#)
- [Policy 0602 Part II - January 2004](#)
- [Policy 0602 Part II - June 2002](#)
- [Policy 0602 Part II - January 2002](#)
- [Policy 0602 Part II - June 2001](#)
- [Policy 0602 Part II - February 1999](#)
- [Policy 0602 Part II \(consolidated manual 1st Issue\) - June 1998](#)