

**Alberta WCB
Policies &
Information**

Chapter:

PRICING

Subject:

EXPERIENCE RECORDS

Authorization:

BoD Resolution 2010/10/30

Date:

November 30, 2010

APPLICATION 1: GENERAL

1. *What claim costs are included in an employer's experience records?*

All claim costs for an employer's workers are included in the employers' experience record with the exception of:

- costs charged to an industry as a whole in accordance with WCB policy or decision
- costs charged to administrative expenses

2. *What costs are charged to an industry as a whole and what costs are charged to administrative expenses?*

Claim costs are charged collectively to an industry as a whole when they cannot be attributed to a specific employer. For example, in the case of a non-traumatic hearing loss, the worker may have worked for several employers in the same industry. When it is not possible to determine the portion of the costs that should be charged to each employer, the costs are charged to the industry as a whole.

Costs charged to administrative expenses include, but are not limited to, the cost of providing copies of files to employers or injured workers (see Policy 01-02, *Access and Privacy*).

3. *Do all costs charged to an employer's experience record affect an employer's premium adjustments?*

While WCB continues to pay all claim costs for injured workers, not all costs in an employer's experience record affect premium adjustments. Costs may be limited by maximums, cost relief, or time periods, to ensure premium adjustments are fairly applied to all employers. The specific program will determine which claim costs are used to determine premium adjustments [see Application 2, Experience Rating; Application 3, Partnerships in Injury Reduction (PIR); and Application 7, Industry Custom Pricing (ICP)].

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4. *How are permanent disability awards charged to an employer's experience record?*

Permanent disability awards are charged to employer's experience records as capitalized costs. The capitalized costs of permanent disability awards are actuarial estimates of funds needed at the time of the award to meet the expected cost over the life of that award. This amount is charged to an employer's experience record in the year the permanent disability award is established.

For example, an injury to a worker results in a permanent disability award of \$1,000 per month for the rest of the worker's life. WCB might determine the capitalized cost of this award to be \$360,000. This amount would then be charged to the employer's experience record.

5. *How are the costs of fatal accidents charged to an employer's experience record?*

The costs of the capitalized survivor benefits (pensions) awarded in a calendar year are distributed equally amongst all fatal accidents accepted in the same calendar year (see Policy 05-02, *Cost Relief*).

6. *How does WCB set or change the threshold amount for claims with no time loss?*

WCB sets the threshold amount for claims with no time loss by reviewing the cost of medical aid that a worker may reasonably need for an uncomplicated injury that does not result in time loss or modified work. For example, necessary medical aid may include a combination of:

- an emergency room visit
- follow-up physician visits
- pre-approved physiotherapy or chiropractic treatments
- a diagnostic service such as an X-ray or blood test
- minor medical supplies or prescriptions

7. *When is this policy application effective?*

This policy application (Application 1 – General) is effective December 1, 2010, except when noted otherwise in a specific policy section(s).

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Previous versions

- [Policy 0702 Part II - August 2015](#)
- [Policy 0702 Part II - December 2014](#)
- [Policy 0702 Part II - November 2011](#)
- [Policy 0702 Part II - December 2010](#)
- [Policy 0702 Part II - January 2004](#)
- [Policy 0702 Part II - June 2001](#)
- [Policy 0702 Part II - December 2000](#)
- [Policy 0702 Part II - January 2000](#)
- [Policy 0702 Part II - March 1999](#)
- [Policy 0702 Part II \(consolidated manual 1st Issue\) - June 1998](#)