

**POLICY NUMBER: POL-125**

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**Chapter:**  
**EMPLOYER SERVICES**

**Subject:**  
**OPTIONAL COVERAGE**

**Effective Date:**  
**September 22, 2005**

**Last Update:**  
**December 9, 2021**

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**PURPOSE STATEMENT:**

The purpose of this policy is to explain how employers who are not required to have workers compensation coverage may obtain optional coverage.

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**REFERENCE:**

*Workers Compensation Act* R.S.P.E.I.1988, Cap. W-7.1, Sections 2, 4  
*Workers Compensation Act* R.S.P.E.I.1988, Cap. W-7.1, General Regulations, Sections 2, 3  
*Workers Compensation Board Policy*, POL-14, Assessable Payroll and Assessment Billing

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**DEFINITION:**

In this policy:

“Optional coverage” means optional workers compensation coverage available for employers who are engaged in an industry excluded from the application of the *Workers Compensation Act*.

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**POLICY:**

1. Employers in industries that are excluded from the *Workers Compensation Act*, as set out in General Regulations, are not required to register with the Workers Compensation Board (WCB). They may be eligible for optional coverage.
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2. Optional coverage is voluntary workers compensation coverage. It provides excluded employers and their workers with the same protections as other employers and workers under the *Workers Compensation Act*.

#### **Applications for Optional Coverage**

3. Employers requesting optional coverage must complete an Employer Registration form and submit it to the WCB for consideration. Forms are available on the WCB website.
4. The WCB will determine if coverage is approved and advise the applicant of the decision. The WCB may request additional information, as required to make this decision.

#### **Costs of Optional Coverage**

5. The costs for optional coverage are calculated based on the employer's assessable payroll and the assessment rate of the employer's industry, as set out in WCB policy, POL-14, Assessable Payroll and Assessment Billing.

#### **Duration of Coverage**

6. Optional coverage is effective from the date of approval by the WCB or on a later date, if requested by the applicant, and continues until the end of the calendar year.
7. Optional coverage does not automatically renew each year. Employers must submit their Employer Registration Renewal Form to the WCB no later than February 28 of each year to renew coverage. To ensure continuity of coverage, workers compensation claims filed in a new calendar year prior to the renewal deadline will be processed as if coverage had been renewed for that year.
8. Optional coverage will be cancelled if any of the following circumstances applies:
  - The employer requests that coverage be cancelled.
  - The applicant does not renew their registration by February 28 of the applicable year.
  - The WCB determines that the employer is not in compliance with their obligations under the *Workers Compensation Act*.

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9. If optional coverage is cancelled, as of the cancellation date, the employer and their workers will no longer be protected under the *Workers Compensation Act* in the event of a workplace accident.
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**HISTORY:**

December 9, 2021 - Non-substantive changes following amendments to WCB policy, POL-22, Personal Coverage.

July 24, 2019 - Non-substantive changes to policy references.

January 18, 2018 - Amended to ensure continuity of workers compensation coverage prior to the registration renewal deadline. Non-substantive changes for clarity and consistency with other Workers Compensation Board policies.

April 29, 2010 - The policy was updated as a result of the 60 month policy review process.

Board of Directors Approval Date: September 22, 2005