

**POLICY NUMBER: POL-22**

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

**Subject:**  
**PERSONAL COVERAGE**

**Effective Date:**  
**November 15, 1994**

**Last Update:**  
**September 23, 2016**

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**PURPOSE STATEMENT:**

The purpose of this policy is to explain who may be eligible to apply for personal coverage, the application process and the conditions of personal coverage.

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**REFERENCE:**

*Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, Section 3.*  
Workers Compensation Board Policy, POL-19, Employer Registration.

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**DEFINITION:**

In this policy:

“Assessable payroll” means the portion of an employer’s payroll subject to assessment.

“Personal coverage” means workers compensation coverage that is available for proprietors, partners, and officers and directors of a corporation as well as independent operators but is not mandatory.

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**POLICY:**

1. Proprietors, partners, directors, and officers of a corporation are not automatically
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**POLICY NUMBER: POL-22**

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covered by the *Workers Compensation Act*.

2. Proprietors, partners, directors, and officers of a corporation may be eligible for personal coverage.

**Application for Personal Coverage**

3. Proprietors, partners, directors, and officers of a corporation who wish to be considered for personal coverage must complete a Personal Coverage Application Form and submit it to the Workers Compensation Board for consideration.
4. Personal coverage applications must be for a minimum time period of thirteen weeks. Assessable payroll for a personal coverage application must be for a minimum of \$10,000 and is limited to the maximum annual earnings established pursuant to the *Workers Compensation Act*.
5. Applicants with multiple registered business operations must divide earnings among all Workers Compensation Board registered business operations in proportion to the assessable payroll of each account. The total personal coverage amount for applicants with earnings from multiple businesses is limited to the maximum annual earnings established pursuant to the *Workers Compensation Act*.
6. If the applicant is not registered with the Workers Compensation Board and is applying for personal coverage, the **Personal Coverage Application Form** must be accompanied by a completed **Employer Registration Form**.
7. All applications for personal coverage must include payment in full for the assessment premium, as calculated on the **Personal Coverage Application Form**.
8. Decisions of the Worker Compensation Board related to applications for personal coverage will be communicated in writing.

**Conditions of Personal Coverage**

9. When an application for personal coverage is approved, applicants have the same rights and obligations as workers of employers covered within the scope of the *Workers Compensation Act*.
10. If it is determined that an applicant is not in compliance with obligations under the

**POLICY NUMBER: POL-22**

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*Workers Compensation Act*, the Workers Compensation Board may terminate coverage.

11. Personal coverage may be provided for a period of up to twelve months but will expire on December 31<sup>st</sup> of the calendar year in which coverage was purchased unless termination on an earlier date is requested by the applicant.
12. Personal coverage is effective from the date the Workers Compensation Board receives the **Personal Coverage Application Form** or on a later date if requested by the applicant on the **Personal Coverage Application Form**.

**Renewal of Personal Coverage**

13. Personal coverage does not automatically renew each year. Proprietors, partners, directors, and officers who wish to renew their coverage must submit an application to the Workers Compensation Board each year to obtain coverage. All personal coverage renewals must be paid by December 31<sup>st</sup>.

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**HISTORY:**

September 23, 2016 - Amended to clarify the application, conditions and renewal of personal coverage. The due date for annual payment was amended to ensure continuity of coverage from year to year.

April 29, 2010 - The policy was updated as a result of the 60 month policy review process. The minimum assessable payroll was raised from \$6,000 to \$10,000 and some terminology related to corporations was clarified.

September 22, 2005 - The policy was updated as a result of the 60 month policy review process. The name was changed from "Optional Personal Coverage Applications Employers, Directors, Officers & Independent Operators" to "Personal Coverage."

May 18, 2000 - Replaced "Board" with "Workers Compensation Board" and amended format.

February 4, 1999 - Reviewed and reaffirmed with the Board of Directors.

Board of Directors Approval Date: November 15, 1994