

# Frequently Asked Questions

## Personal Coverage

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### ***What is Personal Coverage?***

Personal Coverage is voluntary workers compensation coverage available for proprietors and partners of a non-incorporated business, owners and directors of a corporation, and independent operators. It provides the same protections as workers have under the *Workers Compensation Act*.

### ***What are the benefits of Personal Coverage?***

If you have Personal Coverage and have a workplace injury or illness, you may be eligible for compensation benefits including wage loss and health care benefits to help you recover from your injury. You may also be protected from lawsuits if there is a workplace accident.

Please note that Personal Coverage does not protect you if you have an injury or illness unrelated to work.

### ***How do I apply?***

To apply, you must complete a Personal Coverage Application form and submit it to WCB. We will review your application and advise you in writing whether you qualify.

If you think you are an independent operator, you must also complete an Independent Operator Checklist. This is so we can determine if you are eligible for Personal Coverage as an independent operator.

If your application is approved and your payment is received, coverage begins when your application is received or the start date requested on the application, whichever is later.

### ***Is Personal Coverage mandatory?***

No. This is voluntary coverage. However, if you bid on contracts or work with other employers or independent operators, you may need to produce a WCB Clearance Letter. To get this, you need WCB coverage with an account in good standing.

### ***How much Personal Coverage should I purchase?***

You can purchase coverage to protect a range of annual income set annually by WCB. For 2022, the range is a minimum of \$11,660 and a maximum of \$58,300.

It is important to base the amount of coverage you purchase on your actual personal employment earnings. This way if you are injured at work and your claim is accepted, you will be eligible for TWL benefits based on your actual earnings loss. There is no benefit to purchasing Personal Coverage for a higher amount than your actual earnings.

### ***How much does Personal Coverage cost?***

Costs are calculated based on the amount of coverage purchased and the assessment rate for your industry. We multiply your assessment rate by every \$100 of earnings that you purchase coverage for to determine the cost of coverage. If you purchase Personal Coverage for less than one full year, the cost of coverage will be prorated. For example, a contractor applies for \$50,000 in Personal Coverage. If the assessment rate is \$1.51 per \$100 of coverage, the calculation is:

$$\begin{array}{c} \$1.51 \\ \times \\ \frac{\$50,000}{100} \\ = \\ \text{WCB} \\ \text{Premium} \\ \$755 \end{array}$$

Please note there is a minimum \$50 cost for coverage for Prince Edward Island residents and \$100 for non-residents.

### ***Is Personal Coverage right for me?***

Personal Coverage may be the protection you need if:

- Your personal earnings would be reduced or your business would not operate if you were unable to work as a result of a workplace injury or illness.
- If you require a WCB clearance letter to work or bid on contracts.
- For protection from lawsuit from workplace accidents.

Personal Coverage may not be the protection you need if:

- Your personal earnings are lower or higher than the range of income noted above.
- You do not need a WCB clearance letter to work or bid on contracts.
- You have private insurance that covers your needs.
- You are looking for protection for non-work related injuries or illnesses.

If you are unsure, you may want to speak with a financial advisor or private insurance carrier.

### ***I'm a Director with my employer. Do I need Personal Coverage?***

If you are employed as a director (e.g. Director of Communications) with an employer and you receive a regular pay cheque with payroll deductions, you are likely already covered as a worker under the *Workers Compensation Act*.

If you are a director on a Board of Directors, you are likely not covered under the *Workers Compensation Act* so you should consider if Personal Coverage is appropriate for you.

### ***What happens if I am injured at work?***

If you have Personal Coverage, and you have an injury or illness at work, you should submit a Worker's Report Form 6. If your claim is approved, and you are unable to work as a result of your injury or illness, you will be eligible for wage loss and health care benefits. Even if you are able to continue working you will still be eligible for health care benefits such as physiotherapy, medication or doctor visits, for example.

To calculate your wage loss benefits, you will have to submit proof of your actual earnings. Your wage loss benefits will be calculated based on 85% of the net amount of Personal Coverage purchased or your actual personal earnings, whichever is lower.

### ***Where can I get more information?***

More information is available on our website at [www.wcb.pe.ca/Employers](http://www.wcb.pe.ca/Employers). If you have any questions, you can reach us by phone at 902-368-5680 or toll-free in Atlantic Canada at 1-800-237-5049. You can also reach us by email at [safetymatters@wcb.pe.ca](mailto:safetymatters@wcb.pe.ca).