

PB-14 WCB COVERAGE & YOU

THE ISSUE

There appears to be varied understanding on the issue of architects and licensed interior designers and their involvement with WCB in the province of Alberta. To begin with, many practitioners understand that as an “exempt” industry, professional services do not require coverage and therefore practitioners typically do not carry workers’ compensation insurance---- until a client insists, as more and more clients are.

BACKGROUND

Workers’ compensation is a liability and disability insurance system set up under the Alberta Workers’ Compensation Act that protects both employers and workers against the impact of work-related injuries. It compensates injured workers for lost income, health care and other costs related to their injury. It protects employers from being sued by workers if they are injured on the job and covered by Alberta workers’ compensation. This system brings stability and protection to the workplace by providing coverage at a cost shared by all employers. It also protects employers and workers against the risks and expenses of injury and uncertainties of litigation.

WCB-Alberta is a mutual insurance corporation that manages the workers’ compensation insurance business based on legislation and regulations of the Alberta Workers’ Compensation Act. WCB-Alberta is not a provincial government department or crown agency.¹

TODAY’S REALITY

The industry described in the Act as “*Provision of Architectural Services*” is exempt, which means that these businesses are not required to cover their employees with WCB on a mandatory basis. However, coverage is available through a voluntary application and premiums are levied based on the insurable earnings of the workers.

To protect the owners and directors of businesses, the WCB also offers optional personal coverage to these individuals. This extends the WCB’s no-fault coverage to the directors of a corporation, who otherwise would not be protected from lawsuit by an injured worker who is covered by workers’ compensation. Individuals who can apply for personal coverage are proprietors or partners in a business and directors of a corporation. Shareholders who are not directors and are working for the business, are considered workers and do not require personal coverage.

Taking voluntary coverage and optional personal coverage is a business and risk-management decision. More and more clients are making coverage of these individuals a requirement of their contract. They do not want to assume any unnecessary risk.

PREMIUMS AND COVERAGE RANGES

Because architecture is a “low risk” industry the premiums are relatively low for voluntary coverage of workers and for OPTIONAL coverage for business Owners/directors. Directors of the corporation are not automatically protected from lawsuits by injured workers under workers’ compensation insurance, nor are they covered for their own work-related injuries. Directors may apply for voluntary Personal Coverage that provides both forms of protection. When electing to obtain personal coverage however, an individual

may choose to select coverage based on a figure less than his actual income, provided it is within the WCB allowable range.

If a worker or owner makes more than the maximum allowable, other coverage may be needed from another provider. If a firm applies for voluntary coverage, all workers in the firm must be covered and personal coverage for the owners remains optional. Employee rates (and consequently benefits received in the event of an accident) are based on actual wages. The premium rate for employees is based on workers' gross earnings.

IDENTIFYING AND PASSING ON THIS COVERAGE COST

The premiums for covering workers and owners of the company can be passed on to the client through identified disbursements when this voluntary/optional coverage is requested. If it is not clearly noted in the RFP then it is the practitioner's responsibility to note it separately as a disbursement item.

For more information regarding specifics or your firm's WCB requirements you may call WCB directly toll-free from anywhere in Alberta: 1-866-922-9221. From outside Alberta call 1-800-661-9608. Visit the website at: www.wcb.ab.ca

REFERENCES

¹ 2012 WCB Alberta Employer Handbook, WCB Website www.wcb.ab.ca

NOTES

The *Alberta Association of Architects* thanks Barbara Komisar for kindly providing this article. Ms. Komisar is a lawyer with *Ogilvie and Company* and practices in the areas of corporate and commercial law. December, 1995

Revised:

2012 – Practice Advisory Committee

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