

**POLICY NUMBER: POL-58**

---

***Consultation Summary***

Amendments to the policy, Apportionment (POL-58) under the new title “Cost Relief for Employers”, are proposed to enhance clarity and readability and to broaden the focus of the policy to include any cause, other than the accident, which may be impacting the worker’s condition and associated healing times.

Proposed amendments to the existing policy content include:

- Reorganization of content throughout policy.
- Addition of written notification to employer when cost relief is approved by WCB. (4)
- New provision to clarify that self-insured employers are not eligible for cost relief. (5)

In addition to the proposed amendments, the policy has been updated and re-organized in accordance with WCB’s client-centred approach to policy design, which is intended to enhance clients’ understanding.

The attached draft policy is presented with the non-substantive changes applied. The proposed amendments are tracked, new content is bolded and content to be deleted is shown with a strikethrough. A copy of the current policy is attached for comparison.

---

**POLICY NUMBER: POL-58**

---

**Chapter:**  
**CLAIMS AND COMPENSATION**

**Subject:**  
**COST RELIEF FOR EMPLOYERS**

**Effective Date:**  
**January 24, 2002**

**Last Update:**  
**~~September 2, 2016~~ DRAFT June 10, 2024**

---

**PURPOSE STATEMENT**

The purpose of this policy is to explain how claim costs are divided between the employer and the rate group when recovery is prolonged due in part to an accident and in part to a cause other than an accident.

---

**REFERENCE:**

*Workers Compensation Act R.S.P.E.I.1988, Cap. W-7.1, Sections 6 (9)(11), 41 (7).*  
Workers Compensation Board Policy, POL-60, Reopening a Claim for Recurrence of Symptoms.  
Workers Compensation Board Policy, POL-61, Pre-existing Conditions.

---

**DEFINITION:**

In this policy:

“Cost Relief” means sharing total costs of a work-related injury between the employer and the employer's rate group

“Expected healing time” means the evidence-based period of time for healing following an injury or illness.

“Plateau in medical recovery” means there is little potential for improvement or any potential changes in the condition are in keeping with the normal fluctuations which can be expected with that kind of injury.

---

“Rate group” means a group to which an industry is assigned for assessment purposes.

“Work-related injury” means an injury arising out of and in the course of employment.

---

**POLICY:**

- ~~1. A worker who is injured as the result of an accident arising out of and in the course of employment is eligible for compensation, including periods where the expected healing time is delayed due to a pre-existing physical condition. Compensation will continue until such time as the worker, in the opinion of the Workers Compensation Board, has reached a plateau in medical recovery.~~
- 12. Where a worker’s condition is, in the opinion of the Workers Compensation Board (WCB), due in part to an accident and in part to a cause other than an accident, the WCB will determine what portion of the worker’s claim costs are a result of the accident and what portion are a cause other than an accident.**
- 2. If a worker approved for benefits has objective evidence of a pre-existing condition, cost relief may be approved if the expected healing time of the compensable injury has been delayed due to the pre-existing condition.**
- 3. Where the cause is in part related to something other than an accident, the portion of those costs will be charged against the rate group to which the worker’s employer belonged at the time of the accident. Where a worker has a pre-existing physical condition and the expected healing time is extended due to the pre-existing physical condition the costs for compensation beyond the expected healing time for the work injury will be apportioned to the rate group of the employer rather than to the employer.**
- 4. Written communication will be provided to the employer when cost relief is approved.**
- 5. Self-insured employers are not eligible for cost relief.**

---

**HISTORY:**

September 2, 2016 - Non-substantive changes. Policy reviewed by CEO and Director; no other

---

**POLICY NUMBER: POL-58**

---

revisions required.

April 24, 2008 - Policy was amended to replace the terminology related to “normal recovery time” with “expected healing time”.

March 27, 2003 - Policy amended to clarify situations where the claim has been prolonged beyond the normal recovery time because of a pre-existing condition. Policy updated to include the definition of normal recovery time.

March 28, 2002 - Policy revised to incorporate changes required as a result of Workers Compensation Act amendments (Bill 15) to be proclaimed April 1, 2002.

Board of Directors Approval Date: January 24, 2002

Draft Amendments

**POLICY NUMBER: POL-58**

---

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

**Subject:**  
**APPORTIONMENT**

**Effective Date:**  
**January 24, 2002**

**Last Update:**  
**September 2, 2016**

---

**PURPOSE STATEMENT**

The purpose of this policy is to explain how claim costs are divided between the employer and the rate group when recovery is prolonged due to a pre-existing condition.

---

**REFERENCE:**

*Workers Compensation Act R.S.P.E.I.1988, Cap. W-7.1, Sections 6 (9)(11), 41 (7).*  
Workers Compensation Board Policy, POL-60, Recurrence.  
Workers Compensation Board Policy, POL-61, Pre-existing Conditions.

---

**DEFINITION:**

In this policy:

“Apportionment” means the act or result of dividing and sharing total costs of work injury for the expected healing time according to a plan based on the needs of the worker and the responsibilities of the employer.

“Expected healing time” means the generally expected interval of time for physiological wound repair, following an injury or surgery.

“Plateau in medical recovery” means there is little potential for improvement or any potential changes in the condition are in keeping with the normal fluctuations which can be expected with that kind of injury.

---

**POLICY NUMBER: POL-58**

---

“Rate group” means a group to which an industry is assigned for assessment purposes.

“Work injury” means an injury arising out of and in the course of employment.

---

**POLICY:**

1. A worker who is injured as the result of an accident arising out of and in the course of employment is eligible for compensation, including periods where the expected healing time is delayed due to a pre-existing physical condition. Compensation will continue until such time as the worker, in the opinion of the Workers Compensation Board, has reached a plateau in medical recovery.
  2. Where a worker has a pre-existing physical condition and the expected healing time is extended due to the pre-existing physical condition the costs for compensation beyond the expected healing time for the work injury will be apportioned to the rate group of the employer rather than to the employer.
- 

**HISTORY:**

September 2, 2016 - Non-substantive changes. Policy reviewed by CEO and Director; no other revisions required.

April 24, 2008 - Policy was amended to replace the terminology related to “normal recovery time” with “expected healing time”.

March 27, 2003 - Policy amended to clarify situations where the claim has been prolonged beyond the normal recovery time because of a pre-existing condition. Policy updated to include the definition of normal recovery time.

March 28, 2002 - Policy revised to incorporate changes required as a result of Workers Compensation Act amendments (Bill 15) to be proclaimed April 1, 2002.

Board of Directors Approval Date: January 24, 2002

---