

Application of cost relief

Cost relief may be granted on claim costs when it has been determined that the costs are associated with one or more of the following:

- A pre-existing injury OR condition that solely attributes or prolongs the recovery of a work injury, per policy, Second Injury and Re-Employment Reserve (POL 03/2021).
- A new injury that occurs during a return-to-work plan or alternate/accommodated employment, per policy, Second Injury and Re-Employment Reserve (POL 03/2021).
- A latent occupational disease, per policy, Occupational Disease Reserve (POL 05/2014).
- High-cost claims and firm premium rate volatility caused by exceptional circumstances that are considered a disaster, per WCB policy, Disaster Reserve (POL 07/22).

What does it mean when cost relief has been granted on a claim?

The amount of cost relief granted on claim costs will be credited to the employer's claim cost experience (experience rating) automatically in the year in which cost relief was granted. This credit will adjust the total claim costs in that year and may be used to calculate the employer's experience rating in the future.

If the claim costs relieved impacted the employer's experience rating in the current or prior two rate years, the employer may qualify for a premium rate decrease in these years only.

The amount of cost relief granted on a claim will NOT be credited as a refund to the employer, but instead will be incorporated into the calculation for your experience rating.

How does cost relief impact my premium rate?

The impact cost relief might have on your premium rate depends on whether you have your firm rate calculated under the **Standard Experience Rating Program** or **Advanced Experience Rating Program**.

Standard Program	Advanced Program
This is based on the number of Time Loss claims within the three-year evaluation window.* Under this program, claims costs are not used in the calculation of your experience rate.	This is based on claims costs within the three-year evaluation window.* The annual cost of a claim, up to the maximum assessable wage rate, is used in the calculation of your experience rate.

* **What is the evaluation window?** The WCB calculates your rate discounts or surcharges by looking at your claims record for a three-year period called the evaluation window. The evaluation window includes the three calendar years prior to the year in which rates are being set. For example, the evaluation window used for the calculation of your 2020 rates is shown in the diagram below:



The following two options are available if the claim costs relieved had an impact on the employer's experience rating in the current or prior rate years:

Option 1

To leave the credit in the year in which the cost relief was granted, this will happen automatically unless Option 2 is requested. If you have your rate calculated under the Advanced Program, this cost relief credit will be used to offset claim costs used in the calculation of future experience ratings. For example, cost relief granted in 2020 will be used in the experience rating calculation for 2022, 2023 and 2024.

This option is recommended when:

- a. The claim happened in the current year (for example, claim occurred in 2020 and cost relief was granted in the same year).
- b. There are significant costs already in the current year.
- c. The claim did not impact your rate in the current or prior rate years.

Option 2

Employers, regardless of whether they have their experience rating calculated under the Advanced or Standard Program, may make a written request to have their current and prior two rate years recalculated, based on the cost relief granted on the claim. A recalculation may result in an adjustment to your premium rate and, in addition, may generate a refund for any overpayment of premiums. For information on recalculations due to cost relief granted on a claim(s), see information below.

Written requests can be submitted via email to premiuminquiry@wcbask.com.

Where can I find information about my claim costs and experience with the WCB?

Please log in to your WCB online account for access to your five-year claims cost reports and premium rate history with the WCB. If you do not have an online account, please sign up by visiting www.wcbask.com.

The following reports can be retrieved using your WCB online account by selecting "Reports":

- ✓ **Experience rate statement:** This statement provides you with information on your experience rate calculation including the program you are under (Standard or Advanced) and your premium rate discount or surcharge.
- ✓ **Employer experience summary:** The information on this report is used in the calculation of your experience rating, such as base premiums, capped claim costs and number of claims. This report will display all claim costs over a five-year period.
- ✓ **Annual costs per claim:** This report will provide a breakdown of your claim costs per year over a five-year period.
- ✓ **Total costs per claim:** This report provides total claimscosts for each claim over a five-year period.

Who can I contact to discuss the impact of cost relief on my experience rating?

Employer premiums department

Phone: 1.800.667.7590 ext. 8120
Email: premiuminquiry@wcbask.com

References:

Experience rating brochure:
wcbask.com/documents/experience-rating-brochure
POL 27/2019 — Experience Rating Program –
Discounts or Surcharges