

**POLICY NUMBER: POL-58**

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

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

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

**Last Update:**  
**December 5, 2024**

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### **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.

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### **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.

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### **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.

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

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

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**POLICY:**

1. 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.
  4. The WCB will consider written requests for cost relief from employers, which must include rationale.
  5. The WCB will provide the employer with a written decision on cost relief, including an explanation of how cost relief was applied.
  6. Self-insured employers are not eligible for cost relief.
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**HISTORY:**

December 5, 2024 – Amended to consider written requests for cost relief from employers which must include rationale for the request; written decision to employer to explain how cost relief was applied.

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”.

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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