

# Workers' Compensation Board Provides Safety Net in a High-Risk Industry

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The Farm Accident Monitoring System reported there were 1,630 farm injuries in Alberta, or **more than four per day**, in the year 2000. Work-related injuries in the agriculture industry can be very serious and have a significant impact on the injured person, but also, the farm business, family, and community. It is important for Alberta farmers to prepare themselves for the effects of an injury, before one occurs.

The agriculture industry in Alberta is voluntary under the Workers' Compensation Act. Without coverage, farmers are liable for any work-related farm injuries, including those sustained by workers, neighbours, and contractors. If hiring a contractor, it is a good idea to call the Workers' Compensation Board – Alberta (WCB-Alberta) to determine if the contractor has workers' compensation coverage, including Personal Coverage for the owner, to ensure the farmer can't be sued. Farmers can also cover those contractors who operate as sole proprietors if the proprietor is not already covered by WCB-Alberta.

Even though farmers are not required by law to cover themselves and/or their workers, over 1,700 farm businesses have voluntarily decided to purchase coverage from the WCB-Alberta. The WCB-Alberta is a non-profit, mutual insurance company that provides no-fault protection for work-related injuries. It is funded 100% by employers and is not a government department.

Farmers purchase coverage for a number of reasons including; disability benefits for workers who have a work-related injury, lawsuit protection from those who have a work-related injury, and the availability of Personal Coverage for farm owner(s) or corporate director(s).

Personal Coverage is an optional coverage that provides disability benefits for owners and directors who have a work-related injury. Corporate director(s) are also protected, personally, from any lawsuits arising out of a work-related injury.

Personal Coverage premiums are calculated at the same premium rate as workers.

Claimant benefits include; wage replacement (90% of net income), comprehensive medical and rehabilitation services, payment for damaged clothing and glasses, dental benefits, home modification (for injuries that result in the use of a wheelchair), and in the case of death, payment is made to eligible dependants and funeral expenses are paid. For permanent disabilities lump sum payments, or pensions, are issued to the claimant. As well, there are many other benefits available to injured workers. There is no waiting period to collect benefits on approved claims and there is no expiry to benefits for the life of the claim.

The premium rate in the agriculture industry has dropped by about 45% since 1994. The rate for 2002 is \$4.06 per \$100 of insurable earnings. For example, to cover the farm owner or a worker making \$20,000 per year, coverage would only cost \$68 per month.

The WCB-Alberta has two premium programs that affect employer premium rates based on claims history. The first is a mandatory insurance pricing program that all employers participate in, and affects small and large employers differently. The second is a voluntary program called Partners in Injury Reduction (PIR).

Employers that pay less than \$15,000 in premiums over 3 years are included in the Small Business program. These employers don't experience insurance pricing changes in their premium rate until the account has been open for 5 years. If there are no claims on the account (within the previous 4 year window), there is a 5% decrease in the industry base rate. If there are 1-4 claims, there is no change and the employer continues to pay the industry base rate. If there are 5 or more claims the employer pays the base rate plus 5%.

The Large Business Program is for those that pay \$15,000 or more in premiums over 3 years. In this program the employer is compared to his industry to determine his rate adjustment, a maximum 40% discount or surcharge is possible.

Employers that have received a Certificate of Recognition, from Alberta Human Resources and Employment, by successfully completing a safety audit by a certified external auditor are eligible to participate in the PIR program. Premium discounts of up to an additional 20% are available through PIR.

Agriculture is exempt from Occupational Health and Safety laws in Alberta; therefore, farmers don't need to worry about site safety inspections. It does make good business sense, though, to maintain a safe work environment to avoid injuries occurring in the first place.