

## Additions in Bold; Deletions Strikethrough

ASSESSMENT OPERATING POLICY	POLICY NO. 20:50:20
SUBJECT: TERMS & CONDITIONS OF PERSONAL OPTIONAL PROTECTION	PAGE 1 OF 1
	DATE: JUNE 30/02
	REPLACES ISSUE DATED: MAR/95

Personal Optional Protection, once accepted by the Board, remains continuously in effect until cancelled by the applicant (by letter or telephone call) or by the Board. The minimum time period for which Personal Optional Protection may be granted is one month per application. In other words, each time Personal Optional Protection is granted, coverage for the applicant remains in effect and the assessment for the coverage remains payable until the coverage is cancelled, subject to a one-month minimum charge.

Coverage for a proprietor or partner should not be more than the individual's actual earnings. The amount of monthly coverage may not be less than the minimum. An individual may apply for coverage between the minimum and the average without providing verification of earnings to the Board. The average roughly corresponds to the average wages and salaries of all workers in all industries. An individual may apply for coverage between the average and the maximum but proof of earnings will be required before that application is accepted. If proof of earnings is not submitted or is not acceptable, the coverage will be reduced to the average and the firm advised accordingly.

The maximum corresponds to the annually adjusted maximum wage rate for benefit purposes. The average will be adjusted from time to time by the Board.

Compensation payments are based on a rate of ~~75~~ **90%** of the monthly **net** amount of coverage, and the minimum amounts of compensation and earnings in ~~Section 22(2), 23(1)(d)~~ **23(4)**, 29(2) and 30(2) of the ~~Act~~**Act** will have no application to persons covered by Personal Optional Protection. The minimum in ~~Section 17(3)(g)~~, along with other provisions of ~~Section 17~~ (compensation in fatal cases), apply in Personal Optional Protection claims to the same extent as in other claims.

The Board makes every reasonable attempt to ensure that applicants are aware of the terms and conditions of Personal Optional Protection before applying; the terms are printed in bold letters in several locations on the Application for Optional Protection form itself, and in all booklets and pamphlets relating to Assessment matters printed by the Board.

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An individual may apply for Personal Optional Protection by completing an Application for Optional Protection form or sending a letter to the Board requesting coverage. The application form or letter must at least contain the following information:

1. The name and address of the applicant (and account number, if applicable).
2. A selected monthly amount of coverage between the current minimum and maximum levels.
3. If the selected monthly amount of coverage is between the average and the maximum, verification of earnings to support the amount applied for must be provided. If it is not provided or is not acceptable to the Board, coverage will be reduced to the average by the Board.
4. An indication of the industry in which the applicant works (if more than one industry, the applicant must also indicate an approximate percentage for the amount of time spent in each industry).
5. The signature of the applicant or appropriate representative. (Appropriate representative means the applicant, members of the applicant's immediate family, the applicant's accountant, the applicant's lawyer or, in the case of a partnership, one of the partners.)

If no monthly amount of coverage is specified but the application form is otherwise complete, the Board will attempt to contact the applicant. If this is not possible, coverage will be accepted at the current monthly minimum. The applicant will be advised of this by letter and sent a new application form which may be used to increase the amount of coverage. Any increase will take effect from the date the new application form is received by the Board.

If an application form or letter:

- does not include the required information (other than the monthly amount of coverage),
- is illegible, or
- the terms of coverage have been altered

coverage will not be accepted. Either the form will be returned to the applicant or a new form sent, together with a letter of explanation.

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Personal Optional Protection for any applicant (partner, proprietor, or independent operator ) will also not be granted if the terms of the coverage have been altered in any way, or if the existing or previously existing cancelled account is not in good standing. An account is not in good standing if:

1. It has a balance which has been outstanding over 60 days and is over \$25.00; OR
2. A required remittance has not been received and the account has been penalized, regardless of whether or not payment has been received for the penalty; OR
3. An amount is outstanding on Judgment; OR
4. The account is being revived and a previous balance was written off.

Where an account is not in good standing, not only will there be no acceptance of new coverage, or increase in existing coverage, but the account will be examined with the view of canceling the existing coverage. However, existing coverage may be decreased or transferred to another industry classification while an account is not in good standing.

Applications for Personal Optional Protection for individuals who have previously had an outstanding balance written off through a Discharged Bankruptcy will not be automatically refused, but may be subject to terms and conditions imposed by the Board such as the prepayment of assessments.

If an application for Personal Optional Protection is not accepted, a letter must be sent to the applicant advising that coverage cannot be extended until the account is in good standing or until a correctly completed application has been received.

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The acceptance date of Personal Optional Protection is the date the application form or letter of request is received in a Board office. When the coverage has been accepted, a copy of the original application form (or a copy of the application which is prepared on the basis of a letter requesting Personal Optional Protection) is returned to the applicant to confirm acceptance of the coverage.

A difficulty may arise in selecting a monthly amount of Personal Optional Protection when the applicant is the recipient of a monthly WCB ~~pension~~ **permanent disability award**. The ~~Act~~**Act** specifies a maximum level of benefits that the Board may pay any individual each month subject to an adjustment each year according to fluctuations in the Consumer Price Index. Therefore, if the applicant is the recipient of a WCB ~~pension~~ **permanent disability award**, the maximum amount of Personal Optional Protection the applicant could apply for would be a monthly amount which, when ~~multiplied by 75% and then~~ added to the amount of the monthly ~~pension~~ **award**, would equal the current maximum level of benefits payable under the ~~Act~~**Act**.

When an individual operates more than one business entity, coverage is not transferable from one business to the next. For example, if a person is a proprietor of a firm and also an active principal of an incorporated company, Personal Optional Protection would have to be obtained to provide coverage while operating the proprietorship. In other words, automatic coverage as an active principal of a limited company only applies while the person is engaged in the operation of that company, and may not be extended to the operation of the proprietorship. Similarly, if the person has Personal Optional Protection as a proprietor, it is only in effect while that person is operating that proprietorship, and may not be extended to any other business or activity outside of the operations of that proprietorship.

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If an applicant for Personal Optional Protection is operating in more than one industry, the monthly coverage is prorated over the appropriate industry classifications in the same ratio as the amount of time the applicant spends working in each industry (subject to Policy 30:20:20). As in the case with applying for Personal Optional Protection, once the applicant selects a proration for coverage, the applicant is assessed accordingly until the Board is notified in writing or by telephone that the amount of time the applicant spends in each industry has changed. The effective date of any change would be the date this notification is received from the applicant.

The Board may change the proration of an individual's Personal Optional Protection at any time to match the correct ratio of the amount of time the individual spends in each industry.