

**APPENDIX A**  
**JURISDICTIONAL INFORMATION ON CLASSIFICATION SYSTEMS IN CANADA**  
**Source: AWCBC and Jurisdictional Websites/Policies (where applicable)**

PROVINCE	Basic Building Blocks of the Classification System	Levels of Classification <sup>1</sup>	Coverage <sup>2</sup>	Self-Insured Industries <sup>3</sup>
<b>Alberta</b> <b>Source:</b> <a href="#">Policy 06-01</a> <b>Part I:</b> <a href="#">Insurance</a> <a href="#">Coverage for</a> <a href="#">Workers and</a> <a href="#">Employers</a>	<p>Employers assigned industry classification based on business activity.</p> <p>Industry classifications are further categorized into rate groups (based on similar business characteristics and loss patterns) for the purpose of determining premium rates.</p> <p>Employer premium rates are set based on the claims experience of each rate group.</p>	<p>Agriculture and Forestry (3 rate groups / 4 rates)</p> <p>Mining and Petroleum Development (8 rate groups/ 17 rates)</p> <p>Manufacturing, and Processing (29 rate groups / 48 rates)</p> <p>Construction and Construction Trade Services (17 rate groups/ 30 rates)</p> <p>Transportation, Communication and Utilities (12 rate groups/ 21 rates)</p> <p>Wholesale and Retail (17 rate groups/ 24 rates)</p> <p>Municipal Government, Education and Health Services (11 rate groups/ 21 rates)</p>	<p>Uses the exclusionary model, 85.52% workforce coverage.</p>	<p>While not technically 'self insured', the Government of Alberta is charged claims costs plus administrative fees.</p> <p>The Government of Canada plan is administered based on an agreement outside of the Act.</p>

<sup>1</sup> Source: [AWCBC](#)

<sup>2</sup> From 2010 data. Source: [AWCBC](#)

<sup>3</sup> Source: [AWCBC](#)

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		Provincial Government (1 rate group/ 1 rate)  Business, Personal and Professional Services (12 rate groups/ 22 rates)		
<b>British Columbia</b> <b>Source:</b>  <a href="#">Policy AP1-37-1 of the BC Assessment Manual</a>  <a href="#">Policy AP1-37-5 of the BC Assessment Manual</a>	<p>Employers are classified as follows: assigned to classification units. Classification units are then combined into industry groups on the basis of similarity of industrial undertaking. Industry groups are then combined into rate groups based on similarity of cost rates. Base rates are then calculated for each rate group.</p> <p>Employers are classified into one of 11 classes, as established by s.37(1) of the Act.</p> <p>The Board classifies the individual firm into a classification unit on the basis of the industry in which the firm is operating.</p>	<p>Total Number of Sectors/Classes: 11 (four are self-insurers)</p> <p>Total number of rate groups/units: 70 (some cross over into other sectors)</p> <p>Total number of actual rates: 272</p> <p>Total number of industries (560)</p>	<p>Exclusionary model, 95% workforce coverage.</p>	<p>Classes 8-11 are self-insurers: Government of B.C., Permanent Boards and Commissions of B.C., Air Canada, Canadian Pacific Ltd., and associated companies, Canadian National Railways, Via Rail, Burlington Northern, Workers' Compensation Board of British Columbia.</p>

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<p><b>Manitoba</b>  <b>Source:</b>  <a href="#">Employer Classification</a>    <a href="#">Policy 35.20.10</a></p>	<p><i>Employer Status</i>  All employers in all industries not excluded by the <i>Excluded Industries, Employers and Workers Regulation</i> (the Regulation) are classified into industry sectors and placed in industry sub-groups.</p> <p><i>Business Description</i>  The business description is used to determine the employer's classification into an industry sector and industry sub-group.</p> <p><i>Industry Sector</i>  As a general rule employers are classified into an industry sector based on the principal nature of their business activity.</p> <p><i>Sub-Group</i>  Within each industry sector, an employer's sub-group is also determined by the employer's principal business operation. It is not affected by the legal structure of the business or the various occupations within the employer's operation. The assignment into a sub-group follows a comparative process which</p>	<p>Five different 'classes' of employers, as per s.73 of the <i>Workers Compensation Act</i>:</p> <p>Class A includes provincially funded industries;</p> <p>Class B comprises self-insurers set out in regulation. They pay the cost of compensation for their employees directly. Self-insurers wishing to have "pay as you go" status are responsible for future costs by fully funding their reserves, or posting an acceptable security with the WCB;</p> <p>Class C is the Government of Manitoba and its agencies;</p> <p>Class D is the City of Winnipeg;</p> <p>Class E includes employers in all industries in Manitoba not excluded by regulation.</p>	<p>Exclusionary, 74.7% of workforce coverage.</p>	<p>Government of Canada, Canada Post Corp., Province of Manitoba, Manitoba Liquor Control Commission, Manitoba Workers' Compensation Board, Manitoba Hydro, Manitoba Public Insurance, City of Winnipeg, Air Canada, Canadian Pacific Railways, Canadian National Railways, Via Rail.</p>

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	<p>takes into account the similarity (or differences) in all of the following factors:</p> <ul style="list-style-type: none"> <li>The employer’s industrial activity,</li> <li>Operational and production processes;</li> <li>Use of similar equipment;</li> <li>End products or services;</li> <li>Customer base; and</li> <li>Competitors.</li> </ul>			

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<p><b>New Brunswick</b></p> <p><b>Source:</b></p> <p><a href="#">Employer Classification, Policy 23-300</a></p>	<p>Employers are classified by type of industry and the classification is intended to reflect the total activities and output of the industry. New Brunswick's more than 14,300 employers are each assigned one of 785 industrial classification codes, as defined by the North American Industry Classification System (NAICS).</p> <p>The Board does not ask the employer to provide their existing NAICS code, rather, they assign a NAICS code based on the description of business activity that the employer provides them with.</p> <p>Employers are then sorted into one of 86 industry groups, based on their similarity of business activity, nature of work, and risk. To ensure credible data for assessment purposes, these industry groups generally will have at least \$500,000 in new injury costs over the exposure period.</p> <p>Employers are next assigned a rate group according to their accident or hazard risk. Industry groups with similar historical cost ratios are</p>	<p>Total number of rate groups: 20            Total number of industry groups: 86            Total number of industries: 785(NAICS codes)</p>	<p>Exclusionary. 92.06% of the workforce is covered.</p>	<p>Government of Canada, Government of New Brunswick (including Education), Hospital Corporations &amp; Ambulances, Marine Atlantic Inc., Via Quebec/Atlantic, Canadian National Railway.</p>

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	<p>combined into the same rate groups. Industry groups that bear no relationship to each other, in terms of activity, could be charged the same basic assessment rate because their cost history is similar. In order to ensure rate groups have credible data, each rate group generally will have at least \$3,000,000 in new injury costs over the five-year exposure period.</p>			
<p><b>Newfoundland</b>  <b>References:</b>  <b>Policy ES-03</b>  <b>AWCBC</b></p>	<p>The Newfoundland Industrial Classification (NIC) code encompasses all work incidental to the production of goods and services provided. Incidental is where an operation, regardless of whether separated by location or payroll, exists to service the primary industry of the firm. This includes management, administration, marketing, accounting and all other functions which are supportive of, incidental to, and/or integral to the employer's business activity. The Commission also considers</p>	<p>Total # of Sectors/Classes : 19  Total # of Rate Groups/Units: 778  Industry Groups  Total # of Actual Rates: 799 (does not include experience rates)  Total # of Industries (Ind. Codes): 904  Newfoundland Industrial Classifications (NICs)</p>	<p>Exclusionary model, 97.66% of the workforce is covered.</p>	<p>Government of Canada, Government of Newfoundland and Labrador (departmental basis), Marine Atlantic Inc., Terra Transport, Memorial University.</p>

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	<p>activities that are contracted out when determining the industry classification assigned to an employer. The fact that an employer contracts out parts of an industry to other employers does not preclude an employer from being classified in that industry. NIC codes are not based on occupations.</p> <p>The Commission does not take the individual employer's level of risk or perceived level of risk, claim experience or accident cost history into account when classifying the employer's business activity.</p>			
<p><b>Nova Scotia</b>  <b>Source:</b> <a href="#">2012 Assessment Rates-What You Should Know</a></p>	<p>Each employer is assigned an SIC code based on the primary industry in which they operate. Employers with different operating divisions, with different industries at each, may qualify for more than one classification.</p> <p>Assessment rates are assigned to each industry as defined by the SIC.</p>	<p>Total # of Sectors/Classes : 18            Total # of Rate Groups/Units: 48            Total # of Actual Rates: 53            Total # of Industries (Ind. Codes): 861 SIC codes</p>	<p>Inclusionary model with 72.78% coverage.</p>	<p>Government of Canada, Government of Nova Scotia, N.S. Crown corporations and agencies which have their liabilities guaranteed by the Province.</p>
<p><b>Quebec</b></p>	<p>The classification units (with applicable assessment rates) are set out in the <i>2010 Classification Table</i></p>	<p>Total number of sectors/classes: 5            Total number of rate groups/units: 184</p>	<p>Exclusionary model, 93.03% of the workforce is</p>	<p>Government of Canada<sup>3</sup>, Air Canada, and interprovincial and international railway</p>

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	<p>which is only available in French. Beside each CU is a general assessment rate along with a particular assessment rate. The individual CU's are supposed to consist of the same/similar business activities which, by presumptive extension, must have a similar risk of injury. Ergo, employers are classified based on the business activities they actually engage in.</p>		covered.	and sea transport businesses
<p><b>Saskatchewan Source: AWCBC and Employer Classification (POL 14/2011)</b></p>	<p>The Workers' Compensation Board classifies employers based on the nature of their industrial undertaking. Each industry classification includes all occupations within the industry.</p> <p>2. The following factors shall be considered in determining an employer's classification:</p> <ul style="list-style-type: none"> <li>a. the nature of the service or product provided;</li> <li>b. the process involved in providing the service or manufacturing the product;</li> <li>c. the customers and competitors of the business;</li> </ul>	<p>Total # of Sectors/Classes : 10            Total # of Rate Groups/Units: 50            Total # of Actual Rates: 50            Total # of Industries (Ind. Codes): 423</p>	<p>Exclusionary model used, 74.52% coverage</p>	<p>Government of Canada.</p>



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	<p>d. any other information the WCB requires to gain a complete understanding of the business.</p> <p>3. Employers are assigned the industry rate code that best represents the industrial undertaking of the employer. All employers with similar industrial undertakings are classified in the same industry rate code since they are generally exposed to similar risks and hazards.</p> <p>4. Where an industry rate code is not clearly or easily determined, the WCB will assign the rate code that most closely represents the industrial undertaking of the employer.</p> <p>5. Where the industrial undertaking of a business is such that it does not align with other classifications, or the group of employers with the same industrial undertaking is not large enough to support its own rate code, injury experience may be considered and the employer(s) may be classified with other employers with a similar risk profile.</p>			

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<p><b>Prince Edward Island</b></p> <p><b>Source:</b>  <a href="#">AWCBC and Classification of Industries and Assessment Rates 2013</a></p>	<p>Employers are classified into industries (SIC) based on their primary business activity. Industries are then divided into Industry Groups based on similarity of activity. Industry Groups are assigned to a rate group with their class/sector based on their historical injury cost experience.</p> <p>Industry groups within the same rate group will pay the same assessment rate. The assessment rate is based on the cost of claims for the entire group. In this way, employers collectively share the costs of claims within their rate group.</p>	<p>Total # of Sectors/Classes : 6            Total # of Rate Groups/Units: 20            Total # of Actual Rates: 859            Total # of Industries (Ind. Codes): 339</p>	<p>Exclusionary model used, 95.97% coverage.</p>	<p>Government of Canada, U.P.E.I. Faculty, Air Canada, Marine Atlantic Ferries, CNR, CN Marine.</p>
<p><b>Yukon Territory</b></p>	<p>The classification system is based upon the industry the employer operates in.</p>	<p>Total # of Sectors/Classes : 4            Total # of Rate Groups/Units: 9            Total # of Actual Rates: 9            Total # of Industries (Ind. Codes): 69</p>	<p>Inclusionary model is used, 96.51% coverage.</p>	<p>The “Government of Canada” is administered by Alberta.</p>

## PREMIUM RATE COMPONENTS<sup>i</sup>

PROVINCE	New Claims Costs (fully funded)	Administration	Occupational Health and Safety (and/or Safety Associations)	Appeals Commission	Reserve Requirement	UFL (if applicable)	Amortization of Surpluses and Deficits	Other (specified in footnotes)
Alberta <sup>ii</sup>	✓	✓	✓	✓	✓	N/A	✓	
British Columbia <sup>iii</sup>	✓	✓	✓	✓	✓	N/A	✓	✓ <sup>iv</sup>
Manitoba <sup>v</sup>	✓	✓	✓	✓	✓	N/A	N/A	✓ <sup>vi</sup>
New Brunswick <sup>vii</sup>	✓	✓	✓	✓	✓	N/A	✓	✓ <sup>viii</sup>
Newfoundland	✓	✓	✓	✓	✓	N/A	✓	
Nova Scotia <sup>ix</sup>	✓	✓	✓	✓	✓	✓	✓	✓ <sup>x</sup>
Prince Edward Island <sup>xi</sup>	✓	✓	✓	✓	✓	N/A	✓	✓ <sup>xii</sup>
Quebec <sup>xiii</sup>	✓	✓	✓	✓	✓	✓	✓	✓ <sup>xiv</sup>
Saskatchewan <sup>xv</sup>	✓	✓	✓	N/A	N/A	N/A	✓	N/A
Yukon Territory <sup>xvi</sup>	✓	✓	✓	✓	✓	N/A	✓	✓ <sup>xvii</sup>

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<sup>i</sup> Source: [AWCBC-Breakdown of Provisional Average Assessment Rates \(2011\)](#), and various provincial Board websites (where applicable).

Definitions are found here: [External KSM definitions](#).

Responsibility for occupational health and safety can be found here: [Occupational Health and Safety, who is responsible?](#)

<sup>ii</sup> For additional information, see: [http://www.wcb.ab.ca/pdfs/employers/2013\\_fact\\_sheet.pdf](http://www.wcb.ab.ca/pdfs/employers/2013_fact_sheet.pdf)

<sup>iii</sup> For additional information, see: [http://www.worksafebc.com/publications/policy\\_manuals/assessment\\_policy\\_manual/Assets/PDF/assessment\\_manual.pdf](http://www.worksafebc.com/publications/policy_manuals/assessment_policy_manual/Assets/PDF/assessment_manual.pdf)

<sup>iv</sup> Includes penalties, rate change limits, and surplus credits.

<sup>v</sup> For additional information, see: [http://www.wcb.mb.ca/sites/default/files/files/31\\_05FundingPolicy.pdf](http://www.wcb.mb.ca/sites/default/files/files/31_05FundingPolicy.pdf)

<sup>vi</sup> MB investment income requirements offset by reserve strengthening (for 2011).

<sup>vii</sup> For additional information, see: <http://www.worksafenb.ca/pdf/resources/policies/23-600.pdf>

<sup>viii</sup> Revenue adjustments required to achieve funded ratio goal of 100%, and achieve strategic goals of WorkSafeNB

<sup>ix</sup> For additional information, see: [http://www.wcb.ns.ca/app/DocRepository/5/About/Review/Plans/WCB\\_Funding\\_Strategy\\_2013.pdf](http://www.wcb.ns.ca/app/DocRepository/5/About/Review/Plans/WCB_Funding_Strategy_2013.pdf)

<sup>x</sup> Worker advisor programs and injured worker association funding.

<sup>xi</sup> For additional information, see: [http://www.wcb.pe.ca/DocumentManagement/Document/pol23\\_settingassessmentrates.pdf](http://www.wcb.pe.ca/DocumentManagement/Document/pol23_settingassessmentrates.pdf)

<sup>xii</sup> Cap adjustment, amortization of surpluses and deficits

<sup>xiii</sup> For additional information, see: [http://www.wcb.mb.ca/sites/default/files/files/31\\_05FundingPolicy.pdf](http://www.wcb.mb.ca/sites/default/files/files/31_05FundingPolicy.pdf)

<sup>xiv</sup> Safe Maternity Program

<sup>xv</sup> For additional information, see: <http://www.wcb.sask.com/WCBPortalWeb/ShowProperty?nodePath=/WCBRepository/pdfs/PolicyManual>

<sup>xvi</sup> For additional information, see: <http://www.wcb.yk.ca/EmployerInformation/GettingCoverage/YukonEmployersCoverageNeeds.aspx>

<sup>xvii</sup> Includes administration expenses not covered under the AWCB's KSM definition. Also includes an offset for recovery of occupational health and safety mine rescue costs from the Yukon government.