

**Operational  
Policy**

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Section  
Employer Coverage

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## Policy

Employers who operate in Ontario generally require WSIB coverage for their workers. WSIB coverage provides employers with legal protection if a workplace injury occurs, and provides injured workers a variety of benefits and services.

Employers who have business activities covered under Schedule 1, Part I and Schedule 2 of Ontario Regulation 175/98 (the regulation) require coverage.

Ontario employers with business activities listed in Schedule 1, Part II do not require coverage, but have the ability to apply for WSIB coverage for their workers.

## Purpose

The purpose of this policy is to outline coverage requirements for the business activities of employers. For information on applying for coverage for non-mandatory industries, special coverage rules for construction, and individual coverage, this policy should be read in conjunction with the following:

- 12-01-02, Employer by Application
- 12-01-06, Expanded Compulsory Coverage in Construction
- 12-03-02, Optional Insurance
- 12-03-03, Who Can Obtain Optional Insurance?

## Guidelines

### Mandatory Coverage

WSIB coverage is mandatory for any industry named in Schedule 1, Part I or Schedule 2 of the regulation, unless specifically excluded by Schedule 1, Part II of the regulation.

Workers of Schedule 1 and Schedule 2 industries are automatically covered by the *Workplace Safety and Insurance Act, 1997* (WSIA) unless the industry is excluded by Schedule 1, Part II of the regulation.

### Schedule 1

Coverage for Schedule 1, Part I employers is mandatory. These employers must contribute to the insurance fund.

Schedule 1 employers are protected by a system of collective liability. Since the WSIB pays benefits to injured workers out of money pooled in the insurance fund, Schedule 1 employers are relieved of individual responsibility for accident costs.

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**Temporary employment agencies**

An employer who supplies workers to perform work for another employer on a temporary basis for a fee is subject to mandatory coverage, regardless of the coverage status of the client employer.

**Schedule 2**

Employers under mandatory coverage as part of Schedule 2 must individually pay the total costs of WSIB benefits for their injured workers.

To cover the cost of these benefits, the WSIB may request a Schedule 2 employer to provide security, [see refer to 12-01-0514-04-01](#), Schedule 2 Security Requirement.

The WSIB also charges each Schedule 2 employer for the cost of administering their claims. Each year administration rates are calculated and applied as a percentage added to employers' benefit costs.

**Transfer to Schedule 1**

Any Schedule 2 employer may request a transfer to Schedule 1 and receive the protection of collective liability. Schedule 2 employers transferring to Schedule 1 will be classified in one or more 6-digit North American Industry Classification System (NAICS) codes based on their Schedule 1 business activity. Additional guidelines for Schedule 2 employers requesting transfers to Schedule 1 can be found in 12-01-02, Employer by Application.

**Federal government**

Federal government workers are covered under the *Government Employees Compensation Act*. These workers are entitled to the same benefits as any worker covered by the WSIA. Their claims are administered as if the federal government were a Schedule 2 employer.

**Exemption from mandatory coverage**

An operation that is otherwise in Schedule 1, Part I is exempted from mandatory coverage if the operation forms part of a non-mandatory business activity and meets both the following:

1. The entirety of the operation supports a non-mandatory business activity, [and](#)
2. The operation is not organized as a business in its own right to make a financial profit or gain.

**Non-mandatory coverage**

WSIB coverage is not mandatory for any industry named in Schedule 1, Part II of the regulation. An employer that is engaged in any of the business activities with non-mandatory coverage may apply for WSIB coverage under Schedule 1, and if approved, is entitled to the same rights, and subject to the same obligations, as employers who are mandatorily covered under Schedule 1 of the regulation.

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For non-mandatory employers who wish to apply for coverage, ~~see~~ [refer to 12-01-02](#), Employer by Application.

**Coverage for part of an operation****Employers with both mandatory and non-mandatory business activities**

When an employer is engaged in multiple business activities and one or more business activities require coverage, and the other business activities do not require coverage, any worker that is engaged in both the mandatory and the non-mandatory business activities is considered covered.

**Employer with non-mandatory business activities**

Employers classified in more than one non-mandatory business activity may enter only part of their operation in Schedule 1, provided **all** of these conditions are met:

- The Schedule 1 business activity is distinct from the rest of the operation (for the purposes of this policy, the WSIB considers business activities to be distinct when the activities fall under different 6-digit NAICS codes). For the classification of business activities in 6-digit NAICS codes, ~~see~~ [refer to 14-01-01](#), The Classification Structure.
- The operation is situated at a different location from the rest of the operation (in most cases operations at different mailing addresses are considered to be at different locations).
- Schedule 1 coverage is provided for all workers engaged in the business activity.
- Each worker covered under Schedule 1 engages exclusively in that one business activity, ~~and~~
- The payroll for the activity is properly segregated from the rest of the employer's payroll.

**Not eligible for WSIB coverage**

The WSIB does not extend coverage, under any circumstances, to the following individuals:

- ~~F~~oreign diplomats
- ~~C~~ompetitors in individual or team sports
- ~~S~~tunt performers, ~~and~~
- ~~C~~ircus performers.

**Application date**

This policy applies to all decisions made on or after ~~January 1, 2020~~ [December 5, 2024](#).

**~~Policy review schedule~~**

~~This policy will be reviewed within five years of the application date.~~

**Document history**

This document replaces 12-01-04 dated January ~~2, 2020~~ [1, 2017](#).

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## References

### Legislative authority

*Workplace Safety and Insurance Act, 1997*, ~~as amended~~  
Sections 12.2, 67, 68, 74, 88(2), 90(1), 91, 92, 137 183(2)

~~O. Reg. 175/98~~ [Ontario Regulation 175/98](#),  
[Sections 2, 3, 5, 12](#), Schedule 1, Schedule 2, ~~s. 2, s. 3, s. 5, s. 12~~

### [Minute Approval](#)

~~Administrative  
#2, June 1, 2018, Page 560~~