

## *The Workers' Compensation Insurance Rating Bureau Just Voted and Approved Some Regulatory Changes*

### **Exclude Payments to Employees Who Continue to Be Paid While Not Working**

On April 14, 2020 the WCIRB Classification and Rating Committee reviewed a proposal to exclude from reported payroll the payments made to employees who are continuing to be paid while not engaged in any work activities. This exclusion would apply while California's stay-at-home order is in place and for up to 30 days thereafter if the employee continues not to work. Excluding this payroll recognizes the extraordinary circumstances resulting from the stay-at-home order and the fact that employees not engaged in work activities have virtually no work-related exposure.

At this time, we do not know if this would apply to sick time under the Families First Coronavirus Response Act (FFCRA). Additionally, we do not know if this would be adjusted at final audit or if employers can exclude this payroll on their monthly payroll reports (if applicable). Regardless, employers should track the payroll for any employees who are continuing to get paid while not working from home.

### **Allow Assignment of Classification 8810 for Temporary Change in Duties**

The Committee also reviewed a proposal to allow the assignment of Classification 8810, *Clerical Office Employees*, to the payroll of employees whose job duties, during California's stay-at-home order, meet the definition of a Clerical Office Employee. This provision would apply while California's stay-at-home order is in place and for up to 60 days thereafter if the employee continues to meet the definition of a Clerical Office Employee but does not apply to the payroll of employees whose payroll is otherwise assignable to a standard classification that specifically includes Clerical Office Employees.

Employers should track the employees that are working from home and may qualify under the 8810 classification, so it will be easier for the insurer and the WCIRB. There are no guidelines to tracking yet since it has not been approved.

### **Exclude COVID-19 Claims from Experience Rating**

Lastly, the Committee reviewed a proposal to exclude claims with a diagnosis of COVID-19 and an accident date on or after December 1, 2019 from the experience rating calculations of individual employers. Since the occurrence of COVID-19 workers' compensation claims are unlikely to be a strong predictor of future claim costs incurred by an employer, their inclusion in an experience modification calculation would not meet the intended goal of experience rating.

If there are COVID-19 related workers' comp claims, it will be advantageous for employers to have these claims excluded from their X-Mod calculation. However, please remember that the experience rating calculation does not include losses from the most current policy year, so even if the COVID-19 claims were included, claims that occur in 2020 will not show up in the X-Mod calculation until 2022.

It is still unclear how the insurers will handle rates due to COVID-19 claims, but it is anticipated rates will increase if the insurers are not able to collect additional premium from the experience modification. It is also important to note that other states, such as Pennsylvania, Delaware and New York Rating Bureaus feel it is too soon to determine if claims should be excluded.

### **Timeline**

While the Classification and Rating Committee approved these changes, they are still not official. These recommendations will be presented at a special meeting of the WCIRB's Governing Committee on April 17, 2020. If the Governing Committee approves, then they will make a special Regulatory Filing with the California Department of Insurance (CDI) the following week. The CDI will then hold a hearing sometime in May. It will require final approval by the CA Insurance Commissioner, Ricardo Lara.

For more information, please reach out to your Agent, Claims Consultant or [CAWorkComp@relationinsurance.com](mailto:CAWorkComp@relationinsurance.com)

## / Our People: **Claims Management Services**



### **Joe Dunn**

**CPDM, CCMP, SIP,CAWC / Claims Services Manager**

Joe started in workers' compensation in 2001 and served in roles ranging from Claims Adjuster to Hearing Representative to Senior Claims-Management Consultant. Joe is responsible for our clients' workers'-compensation and property-casualty claims advocacy and works closely with our clients and insurance carriers to reduce overall claims cost, frequency, and duration. Joe has a Certified Professional Disability Management (CPDM), Certified Case Management Professional (CCMP) and Self Insured Plans (SIP) designations. Joe has extensive knowledge in investigations, reviews, injury management, defense strategies, reserve analysis, unit statistical filing reviews, and experience-modification projections.

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### **Christina Gomez**

**CPDM, SIP / Senior Claims Management Consultant**

Christina joined the realm of workers' compensation in 2001. In her role as Senior Claims Management Consultant, she assists and educates employers in managing their workers' compensation claims. She handles claims management, analysis of loss data, experience rating forms, claim-status reports, and daily interaction with claims examiners and employers to educate them on how to navigate and manage the complex workers' compensation system. Christina obtained her Certified Professional Disability Management (CPDM) designation and her Self Insured Plans (SIP) designation. Christina is also a presenter at Fresno City College for the Farm Labor Contractor continuing-education program.

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### **Dennis Yee**

**Property & Casualty Claims Specialist**

Dennis has worked in the property-and-casualty claims management space since 1985. He brings a wealth of knowledge and experience to our clients when they need it most—at the time of claim. Having worked in the claims departments of several major carriers during his career, Dennis understands what goes on behind the scenes with insurance companies and is excellent at interfacing with adjusters and claimants alike. We're sure you'll be glad to have Dennis on your team—his analytical, communication, investigative and interpretive skills are top tier in the industry.

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## Mary Ann Romero

### Senior Workers' Compensation Claims Advocate

Mary Ann began her workers' compensation career as an Agency-Claim Manager in 1992; as such, she managed property and casualty claims, including workers' compensation for Northern California clients. She joined the Pan American family in 1998 as a Workers' Client Relations Representative and worked establishing claims and risk-management services. She ultimately became the team's Claim Manager, handling property-casualty claims and developing various claim products (e.g., injury risk-management tools, employer training, cost containment, and settlement strategies). Mary Ann continues to analyze workers' compensation claims for the development of innovative tools that are applicable to today's claims-handling throughout California.

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## Pete Montalvo

### Claims Management Consultant

Pete has been involved in California workers' compensation since 2004 in the capacity of adjuster and senior adjuster. During this time, Pete has had the pleasure of working alongside California employers to proactively manage and resolve an inventory of indemnity claims. Pete efficiently manages claims from the initial liability determination through finalization while maintaining excellent working relationships with injured workers, employers, attorneys, and the medical community.

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## Alicia Cervantes

### Workers' Compensation Claims Administrator

Alicia began her career working for a farm labor contractor in 2011, during which she was responsible for reporting all injuries to the carrier. Since then she has been a Claims Assistant, Claims Adjuster, and is now our Workers' Compensation Claims Administrator. Her services include assisting claims consultants in claims management, analysis of loss data, claim-status reports, and aiding the employer with the workers' compensation system.

**Yo Hablo Español!**

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