



March 23, 2023

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance: COVID-19 Updates

Revisions to Manual Rules Related to the Inclusion of COVID-19
(Coronavirus) Claims in Experience Rating and Merit Rating
(Comparable to NCCI Item E-1410)

Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus)
Pandemic – Paid Furloughed Employees and Final Premium Reporting
(Comparable to NCCI Item B-1447)

The North Carolina Rate Bureau (Bureau) has filed and the North Carolina Commissioner of Insurance has approved revisions to the state-specific North Carolina Basic Manual for Workers Compensation and Employers Liability (**Basic Manual**), the state-specific North Carolina Workers Compensation Statistical Plan Manual (**Statistical Plan**) and NCCI's Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (**Experience Rating Plan**). The approved revisions are related to changes being made by way of NCCI Items E-1410 and B-1447. The approved changes become effective for all new and renewal policies with effective dates on and after July 1, 2023.

These manual changes establish an expiration date of June 30, 2023 for paid furloughed employees reported in code 0012, which was established for the Pandemic (NCRB Circular C-20-7). The changes also establish an end accident date of June 30, 2023 for reporting of Extraordinary Loss Catastrophe Code 12 claims, and excludes these claims from experience rating.

A complete copy of NCCI's Item Filing B-1447, Filing Memorandum, and exhibits outlining all changes are included for your review.

If you have any questions, contact the NCRB Information Center at 919-582-1056 or via email at support@ncrb.org.

Sincerely,

Jarred Chappell
Chief Operating Officer

JC:ko
C-23-4
Attachments

FILING MEMORANDUM

ITEM E-1410—REVISIONS TO NCCI MANUAL RULES RELATED TO THE INCLUSION OF COVID-19 (CORONAVIRUS) CLAIMS IN EXPERIENCE RATING AND MERIT RATING

PURPOSE

This item revises rules to:

- Establish an end Accident Date of June 30, 2023, to Extraordinary Loss Event (ELE) Catastrophe Number 12 for the reporting of claims attributable to COVID-19 (coronavirus)
- Include claims attributable to COVID-19 (coronavirus) with Accident Dates on and after July 1, 2023, in experience rating calculations, except in Illinois, and merit rating plans (where applicable)
- Report COVID-19 (coronavirus) claims to ELE Catastrophe Number 12 only if these claims have Accident Dates between December 1, 2019, and June 30, 2023
- Exclude COVID-19 (coronavirus) claims from experience rating calculations and merit rating plans (where applicable) only when these claims have Accident Dates between December 1, 2019, and June 30, 2023, and are reported with ELE Catastrophe Number 12

Note: In Illinois, claims attributable to COVID-19 (coronavirus) will continue to be excluded from experience rating calculations after June 30, 2023. However, ELE Catastrophe Number 12 will not be reported after June 30, 2023.

BACKGROUND

On March 11, 2020, the World Health Organization categorized the COVID-19 outbreak as a pandemic in response to the rising rates of infection in many locations around the world and across the United States. On March 13, 2020, the President of the United States declared the COVID-19 outbreak as a national emergency beginning March 1, 2020. According to the Centers for Disease Control and Prevention (CDC), by mid-March 2020, transmission of COVID-19 had become widespread in the United States. At the start of the pandemic, the COVID-19 virus was novel and there was a lack of understanding of how to mitigate transmission in the general population and the workplace. There was a lack of guidance on workplace safety measures (social distancing, temperature readings, face masks, and sanitizing), effective treatments, COVID-19 testing, and COVID-19 vaccines. There was also a shortage of personal protection equipment (PPE), and there were widespread lockdowns and business closures.

The workers compensation industry was closely monitoring the developments surrounding COVID-19 (coronavirus), and in response to the pandemic, the Workers Compensation Insurance Organizations (WCIO) approved new nature of injury and cause of injury codes and a new ELE catastrophe number to identify and track COVID-19 pandemic claims with Accident Dates of December 1, 2019, and subsequent. The codes were implemented by NCCI and other workers compensation bureaus to promote the uniformity of code values for all workers compensation data collection organizations.

In response to the COVID-19 pandemic, NCCI made filings in 2020 that impacted the following NCCI manuals:

- ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***
- ***Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)***
- ***Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)***
- ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)***

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NCCI COVID-19 Pandemic Filings Related to Experience Rating and Loss Reporting

In May 2020, NCCI filed Item E-1407—Exclusion of COVID-19 Claims From Experience Rating and Merit Rating. This item:

- Established ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic for reporting claims attributable to the COVID-19 pandemic as an Extraordinary Loss Event beginning with Accident Dates of December 1, 2019, and subsequent
- Excluded claims reported with ELE Catastrophe Number 12 from experience rating calculations for experience rating modifications with rating effective dates of August 16, 2020, and later
- Excluded claims reported with ELE Catastrophe Number 12 from merit rating plans (where applicable) for new and renewal policies effective on and after August 16, 2020

Additionally, NCCI's Item U-1401—Nature and Cause of Injury Codes for COVID-19 (Coronavirus) Claims established Nature of Injury Code 83—COVID-19 and Cause of Injury Code 83—Pandemic in the **Statistical Plan** for claims reported with ELE Catastrophe Number 12 with Accident Dates of December 1, 2019, and subsequent.

NCCI excluded COVID-19 (coronavirus) claims from experience rating and merit rating (where applicable) because pandemics have been rare, initial cost estimates on the workers compensation industry were in the billions, and there was a lack of historical pandemic experience in the workers compensation system. Without adjustment, the presence or absence of COVID-19 (coronavirus) claims from this historical period was not a reliable predictor of whether claims would return in a given future year and was not a true predictor of employers' safety practices due to this uncertainty.

Current Environment

The COVID-19 pandemic has been affecting the workplace for more than three years. Over this period, the CDC has published workplace prevention strategies and the Occupational Safety and Health Administration (OSHA) has provided resources to help prevent COVID-19 exposure and infection in the workplace. According to OSHA, many employers have established COVID-19 prevention programs that include a number of important steps to keep unvaccinated and otherwise at-risk employees safe. Vaccines are available and, according to the Centers for Disease Control and Prevention (CDC), over 80% of the US population are vaccinated with at least one dose of a booster vaccine. There is widespread availability of PPE, accessibility of testing, and effective treatments for infected persons. The US economy is at or near full employment, has been resilient to recent COVID-19 variants, and is beginning to reflect a post-pandemic new normal.

It is unknown at this time whether the disease will ever be fully eradicated. On October 13, 2022, the US Government continued to declare the COVID-19 pandemic as a national emergency. The US Government's National COVID-19 Preparedness Plan was published to help the country move forward safely, and it focuses on four key goals:

- Protect against and treat COVID-19
- Prepare for new variants
- Prevent economic and educational shutdowns

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- Continue to lead the effort to vaccinate the world and save lives

Inclusion of Future COVID-19 Claims in Experience Rating and Merit Rating (Where Applicable)

NCCI is recommending that COVID-19 (coronavirus) claims with Accident Dates on and after July 1, 2023, be included in the experience rating calculations, except in Illinois, and merit rating plans (where applicable). To support this recommendation, an end Accident Date of June 30, 2023, would be established for ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic. Only claims attributable to the COVID-19 (coronavirus) pandemic with Accident Dates of December 1, 2019, through June 30, 2023, would be reported with ELE Catastrophe Number 12 and would be excluded from experience rating calculations and merit rating plans (where applicable). **Note:** In Illinois, claims attributable to COVID-19 (coronavirus) will continue to be excluded from experience rating calculations after June 30, 2023. However, ELE Catastrophe Number 12 will not be reported after June 30, 2023.

NCCI is filing to update manual rules in recognition of the reality that the workforce will likely be living with COVID-19 for the foreseeable future. The special treatment of COVID-19 (coronavirus) claims as catastrophic was intended to be temporary. Actuarial Standards of Practice 39, Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking, discusses the identification of catastrophes in property and casualty insurance as “perils or events that have the potential to generate catastrophe losses that differ materially from the expected aggregate losses or the expected distribution of losses.” As COVID-19 losses are expected to continue into the future, they are no longer a novel peril in workers compensation. NCCI anticipates the experience for accidents occurring on or after the selected date of July 1, 2023, which will be defined as the end date of the catastrophe, to produce limited aggregate losses which reflect more typical claims activity. COVID-19 (coronavirus) claims after this Accident Date no longer require special treatment and should be treated like any other workers compensation claims in experience rating calculations, except in Illinois, and merit rating plans (where applicable).

The primary purpose of experience rating is to improve the estimate of an employer’s expected losses in an upcoming policy period by incorporating the predictive ability of that employer’s prior loss experience. Experience rating also provides a clear financial incentive for employers to develop loss prevention and to have injured employees return to work as soon as reasonably possible. While the pandemic has not ended, NCCI has determined that it is appropriate to include claims attributable to COVID-19 (coronavirus) in experience rating calculations, except in Illinois, and merit rating plans (where applicable) going forward for the following reasons:

1. Predictor of Future Claims:

- Certain employers with workers compensation coverage, due to the nature of their occupations, have higher expected exposure to COVID-19 claims. NCCI expects that most COVID-19 claims will continue to be present in these occupations going forward. In experience rating, historical data should be used to determine future cost estimates when the historical period is believed to be a reliable predictor of future experience. Therefore, future COVID-19 claims should be treated the same as all other compensable workers compensation claims.
- Several states have passed COVID-19 presumptive workers compensation laws and regulations, increasing the likelihood of future compensable COVID-19 claims for certain classifications. Loss experience in these classifications has predictive ability.

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2. Reflective of Safety Practices:

- Many employers have made adjustments as a result of the COVID-19 pandemic and have implemented loss prevention and safety programs. Authorities such as the US Department of Labor's Occupational Safety and Health Administration (OSHA) have issued guidance and mandatory OSHA standards to help employers reduce the risk of COVID-19 transmission in their workplaces. Employers that have implemented COVID-19 loss prevention and safety measures should have premiums that accurately reflect their experience through the experience rating modification factor.
- As businesses have reopened and have become progressively less sensitive to fluctuations in infection rates, it will likely become more challenging to prove that COVID-19 infections are work-related. Continued COVID-19 workers compensation claim frequency is likely to be reflective of specific employer loss prevention and safety programs.

PROPOSAL

This item proposes to establish an end Accident Date of June 30, 2023, for the reporting of COVID-19 (coronavirus) claims to ELE Catastrophe Number 12 and the exclusion of COVID-19 (coronavirus) claims from experience rating calculations, except in Illinois, and merit rating plans (where applicable). For COVID-19 (coronavirus) claims with Accident Dates on and after July 1, 2023, these claims must continue to be reported with Nature of Injury Code 83—COVID-19. And, when applicable, these claims must be reported with Cause of Injury Code 83—Pandemic. COVID-19 (coronavirus) claims with Accident Dates on and after July 1, 2023 must not be reported to ELE Catastrophe Number 12. This item revises the following NCCI manuals:

1. **Experience Rating Plan Manual** Rule 1-C-3—Losses

Note: In addition to revising the ELE Catastrophe Number 12 claim exception, this item proposes to eliminate the exceptions in Rule 1-C-3 related to Catastrophe Numbers 48 and 87 because it is no longer necessary to maintain these exceptions for experience rating purposes. Catastrophe Number 48 is assigned to claims attributable to the September 11, 2001, attacks. Catastrophe Number 87 is assigned to claims resulting from the rescue, recovery, and cleanup work at the World Trade Center.

2. **Statistical Plan** Part 4-E-2-a(2)(a)—ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic
3. **Statistical Plan** Part 4-F—Additional Claim Reporting Rules by revising #10
4. **Basic Manual, Residual Market Manual for Workers Compensation and Employers Liability Insurance (Residual Market Manual), and Experience Rating Plan Manual** Merit Rating Plans in Alabama, Arkansas, Georgia, Hawaii, Maine, Oklahoma, Oregon, South Dakota, and Vermont
5. **Forms Manual** Maine Merit Rating Endorsement (WC 18 04 02 B)

The filing of this item, Item E-1410, proposes revisions to NCCI manual rules related to the reporting of COVID-19 (coronavirus) claims and their inclusion in experience rating calculations and merit rating plans (where applicable). Refer to Item B-1447—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic—Paid Furloughed Employees and Final Premium Reporting, which proposes to establish an expiration date of June 30, 2023, for Code 0012 and the final premium reporting rule exception.

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Illinois Statute 820 ILCS 310/1(g)(5)

Illinois Statute 820 ILCS 310/1(g)(5) states: "Under no circumstances shall any COVID-19 case increase or affect any employer's workers' compensation insurance experience rating or modification, but COVID-19 costs may be included in determining overall State loss costs."

The rule revisions to *Experience Rating Plan Manual* Rule 1-C-3 described in this Proposal do not apply in Illinois because of the above-referenced statute. Therefore, claims attributable to COVID-19 (coronavirus), beginning on Accident Date December 1, 2019, with no end date, will continue to be excluded from experience rating calculations in Illinois. Refer to state exhibits for Illinois.

IMPACT

Experience Rating Calculations

Based on the July 1, 2023, Accident Date, ratings effective beginning July 1, 2024, and subsequent have the potential to be affected by COVID-19 (coronavirus) claims being reported without ELE Catastrophe Number 12 in the experience rating calculation.

Note that the earliest policy effective date under which COVID-19 (coronavirus) claims could be reported, without ELE Catastrophe Number 12, is June 16, 2022. *Experience Rating Plan Manual* Rule 1-B-5 requires that a policy of one year and 16 days be treated as a one-year policy. *Experience Rating Plan Manual* Rule 2-E-1-a states that experience used in a rating is not less than 21 months before the rating effective date and not more than 57 months before the rating effective date. Based on these rules, the proposed changes have the potential to impact affected employers with experience rating modifications with rating effective dates of March 16, 2024, and later. To the extent that affected employers incur any COVID-19 (coronavirus) claims on or after the Accident Date of July 1, 2023, the experience rating modifications will include such claims for those employers, except in Illinois. However, the ratings with potential COVID-19 (coronavirus) claims exposure before July 1, 2024, are estimated to be less than 0.1% of all ratings.

Merit Rating Plans

COVID-19 (coronavirus) claims with Accident Dates on and after July 1, 2023, will be included in merit rating plans (where applicable).

Catastrophe (other than Certified Acts of Terrorism) Provision

NCCI is proposing no change to the Catastrophe (other than Certified Acts of Terrorism) provision, where applicable.¹ The Catastrophe (other than Certified Acts of Terrorism) provision premium is not used by NCCI in experience rating or merit rating. The Catastrophe (other than Certified Acts of Terrorism) provision is used

¹ The Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 F) is effective in Texas for new and renewal policies as of July 1, 2022, and as of August 1, 2022, for new and renewal policies in AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, and WV.

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to account for future exposure to a single event or peril resulting in a group of claims with aggregate workers compensation losses in excess of \$50 million, which may include the exposure to new pandemics. Both the definition of “catastrophe” and the treatment of catastrophe losses in property and casualty ratemaking are addressed in the Actuarial Standards of Practice (ASOP). As defined in ASOP 39, Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking, a catastrophe is “a relatively infrequent event or phenomenon that produces unusually large aggregate losses.” ASOP 39 also states that “consideration should be given to the impact of catastrophes and that procedures should be developed to include an allowance for catastrophe exposure in the rate.”

NCCI is proposing to treat the period of the pandemic between Accident Dates of December 1, 2019, and June 30, 2023, as a catastrophic phenomenon. ELE Catastrophe Number 12 claims reported during this period will be excluded from experience rating calculations. The claims that occurred during this period are not expected to be a reliable predictor of future years for experience rating purposes. COVID-19 (coronavirus) claims occurring on and after July 1, 2023, are expected to be predictive of future experience, without adjustment.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
National Exhibits		
1	<ul style="list-style-type: none"> • Details the revisions to Rule 1-C-3—Losses in NCCI’s <i>Experience Rating Plan Manual</i> • Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV • Refer to state exhibits for IL, MA, and ME 	<p>In all applicable states, except Hawaii, this item is to become effective for:</p> <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
2	<ul style="list-style-type: none"> • Details the revisions to Part 4-E-2-a(2)(a) in NCCI’s <i>Statistical Plan</i> • Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV 	<p>In Hawaii, the effective date will be determined upon regulatory approval of the individual carriers’ election to adopt this change.</p>
3	<ul style="list-style-type: none"> • Details the revisions to Part 4-F-10 in NCCI’s <i>Statistical Plan</i> • Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV 	

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Exhibit	Exhibit Comments	Implementation Summary
State Exhibits		
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Basic Manual for Alabama.	To become effective in Alabama for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Residual Market Manual for Arkansas.	To become effective in Arkansas for: <ul style="list-style-type: none"> • new and renewal residual market policies only, with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force residual market policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Residual Market Manual for Georgia.	To become effective in Georgia for: <ul style="list-style-type: none"> • new and renewal residual market policies only, with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force residual market policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Basic Manual for Hawaii.	The effective date will be determined upon regulatory approval of the individual carriers' election to adopt this change.
4	Details the establishment of Illinois' exception to Rule 1-C-3 in NCCI's Experience Rating Plan Manual .	To become effective in Illinois for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Basic Manual for Maine.	To become effective in Maine for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
5	Details the revisions to Maine's exception to Rule 1-C-3 in NCCI's Experience Rating Plan Manual .	
6	Details the revisions to the Maine Merit Rating Endorsement (WC 18 04 02 B) in NCCI's Forms Manual .	

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Exhibit	Exhibit Comments	Implementation Summary
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Basic Manual for Oklahoma.	To become effective in Oklahoma for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
4	Details the revisions to the Merit Rating Plan Oregon Miscellaneous Rule in NCCI's Experience Rating Plan Manual .	To become effective in Oregon for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Basic Manual for South Dakota.	To become effective in South Dakota for: <ul style="list-style-type: none"> • new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force policy in effect on and after July 1, 2023.
4	Details the revisions to the rule, Merit Rating Plan application, in NCCI's Residual Market Manual for Vermont.	To become effective in Vermont for: <ul style="list-style-type: none"> • new and renewal residual market policies only, with effective dates on and after 12:01 a.m. on July 1, 2023, and • any in-force residual market policy in effect on and after July 1, 2023.

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**EXHIBIT 1
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
RULE 1—GENERAL EXPLANATIONS****C. DEFINITIONS**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

3. Losses

Incurring losses for each classification in the experience period are those reported according to the **Statistical Plan**.

- a. No loss is excluded from the experience of a risk even if the employer was not responsible for the accident that caused such loss.

Exception: Claims that are reported with Catastrophe Number 12 are excluded from experience rating calculations. Catastrophe Number 12 claims include all claims as attributable to the COVID-19 (coronavirus) pandemic according to the **Statistical Plan** with Accident Dates of December 1, 2019 through June 30, 2023 are excluded from experience rating calculations. with Accident Dates of December 1, 2019, and subsequent. This rule applies to experience rating modifications with rating effective dates of August 16, 2020, and later.

Exception: Losses reported with Catastrophe Number 87 are excluded from experience rating calculations. Catastrophe Number 87 claims include all workers compensation occupational disease claims resulting from the rescue, recovery, and clean-up work at the World Trade Center occurring between the dates of September 11, 2001 and September 12, 2002. This rule applies to experience rating modifications with rating effective dates of May 27, 2002 through June 12, 2007.

Exception: Losses reported with Catastrophe Number 48 are excluded from experience rating calculations. Catastrophe Number 48 claims include all workers compensation claims directly attributable to the September 11, 2001 attacks with accident dates of September 11 through September 14, 2001. This rule applies to experience rating modifications with anniversary rating dates of May 27, 2002 through June 14, 2006.

Exception: Claims that are reported as noncompensable according to the **Statistical Plan** are excluded from experience rating calculations.

Exception: Claims that are reported as fraudulent according to the **Statistical Plan** are excluded from experience rating calculations.

Exception: Claims that are reported as coal mine disease (Black Lung) according to the **Statistical Plan** are excluded from experience rating calculations.

- b. Loss amounts may be limited in the experience rating calculation. For application of a loss limitation, refer to Rule 2-C-13.

ITEM E-1410—REVISIONS TO NCCI MANUAL RULES RELATED TO THE INCLUSION OF COVID-19 (CORONAVIRUS) CLAIMS IN EXPERIENCE RATING AND MERIT RATING

EXHIBIT 2
STATISTICAL PLAN—2008 EDITION
PART 4—LOSS AND EXPENSE INFORMATION
E. CLAIM COMPONENTS
2. Conditional Claim Components
a. Catastrophe Number

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(2) Extraordinary Loss Event Claims

An Extraordinary Loss Event (ELE) catastrophe is a significant loss event from a workers compensation (WC) perspective, which is determined by NCCI on a case-by-case basis. When an ELE catastrophe code has been established and identified by NCCI, report the specific catastrophe number for each claim. The series of ELE catastrophe numbers are 11–99.

(a) ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic

ELE Catastrophe Number 12 must be reported for claims attributable to the COVID-19 (coronavirus) pandemic ~~beginning~~ with Accident Dates of 12/1/2019 through 6/30/2023, and subsequent. For claims reported with Catastrophe Number 12, the Nature of Injury Code 83–COVID-19 and Cause of Injury Code 83–Pandemic must also be reported.

For claims attributable to COVID-19 (coronavirus) with Accident Dates on and after 7/1/2023, ELE Catastrophe Number 12 must not be reported. These claims must only be reported with Nature of Injury Code 83–COVID-19, and if applicable, these claims are also reported with Cause of Injury Code 83–Pandemic when the description of Pandemic applies to these claims, as described in Part 6 of the *Statistical Plan*.

Refer to NCCI's *Unit Statistical Reporting Guidebook* for additional information.

ITEM E-1410—REVISIONS TO NCCI MANUAL RULES RELATED TO THE INCLUSION OF COVID-19 (CORONAVIRUS) CLAIMS IN EXPERIENCE RATING AND MERIT RATING

EXHIBIT 3
STATISTICAL PLAN—2008 EDITION
PART 4—LOSS AND EXPENSE INFORMATION
(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

F. ADDITIONAL CLAIM REPORTING RULES

1. Claims are reportable when, as of the valuation date, there are loss values in the paid losses, incurred losses, and/or ALAE.
2. Claims closed without any payments and ALAE as of the 1st unit report valuation date are not to be reported. If these claims subsequently reopen at a future unit report valuation date with loss values in the paid losses, incurred losses, and/or ALAE, these claims are reportable.
3. An accident for one claimant with reportable losses under both Workers Compensation and Employers Liability are to be reported as one claim, with combined loss experience. These claims are to be reported with Type of Claim Code 03 (Workers Compensation Including Employers Liability). Refer to Part 6, Item D-9—Type of Claim Code.
4. Claims are reportable for traumatic injuries that occur on an accident date within the policy period.
5. Claims are reportable for disease injuries that occur on an accident date within the policy period.
6. Claims are reportable for disease injuries where the accident date is not specified, and the claimant's last date of exposure to the conditions causing or aggravating the disease injury is within the policy period.
7. Claims with accident dates outside of the policy period that are required to be paid due to an official ruling, and where there is no corresponding exposure, must not be reported.
8. An accident for one claimant with reportable losses paid or payable under different coverages or benefits of the policy (e.g., state and federal acts) must be reported as one claim, with combined loss experience. These claims are to be reported with the appropriate Loss Condition Codes. Refer to Part 6, Item D-6—Loss Coverage Act Code.
9. Statistical codes that require the reporting of premium and any corresponding losses are identified in the Notes column of Part 6, Item E—Statistical Codes.
10. For coronavirus claims attributable to COVID-19:
 - With Accident Dates of on and after 7/1/2023 ~~12/1/2019~~ and subsequent, report Nature of Injury Code 83—COVID-19 as outlined in Part 6 of the **Statistical Plan**. Additionally, report these claims with Cause of Injury Code 83—Pandemic when the description of Pandemic applies to these claims, as described in Part 6 of the **Statistical Plan**. Do not report ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic.
 - With Accident Dates of 12/1/2019 through 6/30/2023, report Nature of Injury Code 83—COVID-19, Cause of Injury Code 83—Pandemic, and ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic.

**North Carolina Rate Bureau
Filing Memorandum**

Revisions to Rules Related to COVID: Experience Rating, Paid Furloughed Employees, and Final Premium Reporting

PURPOSE

The purpose of this filing is to:

- Establish an expiration date of June 30, 2023 for Extraordinary Loss Event (ELE) Catastrophe Number 12 for the reporting of claims attributable to COVID-19 (coronavirus) and Report COVID-19 (coronavirus) claims to ELE Catastrophe Number 12 only if these claims have an Accident Dates between December 1, 2019 and June 30, 2023
- Include claims attributable to COVID-19 (coronavirus) with Accident Dates on and after July 1, 2023, in experience rating calculations, where applicable
- Exclude COVID-19 (coronavirus) claims from experience rating calculations, where applicable, only when these claims have Accident Dates between December 1, 2019, and June 30, 2023, and are reported with ELE Catastrophe Number 12.
- Establish an expiration date of June 30, 2023 for Statistical Code 0012 – Paid Furloughed Employees
- Establish an expiration date of June 30, 2023 for excluding payments to paid furloughed employees during federal, state and/or local emergency orders, laws or regulations issued due to the COVID-19 (coronavirus) pandemic from premium and experience rating calculations
- Establish an expiration date of June 30, 2023 for the final premium reporting rule exception for the COVID-19 (coronavirus) pandemic

The proposed filings revise rules in the:

- ***North Carolina Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*** – Exhibit 1
- ***North Carolina Workers Compensation Statistical Plan Manual (Statistical Plan)*** – Exhibit 2
- ***NCCI Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)*** – NCCI Item E-1410 (including only Exhibit 1)

BACKGROUND

The World Health Organization categorized the COVID-19 outbreak as a pandemic on March 11, 2020 in response to the rising rates of infection continued to rise in many locations around the world and across the United States. On March 13, 2020, the President of the United States declared the COVID-19 outbreak a national emergency that began on March 1, 2020. By mid-March, the Centers for Disease Control and Prevention (CDC) reported that transmission of COVID-19 had become widespread in the United States.

Since the COVID-19 virus was novel and there was a lack of guidance and understanding in the general population and the workplace, the workers compensation industry was closely monitored during the developments surrounding COVID-19 (coronavirus). In response to the pandemic, the Workers Compensation Insurance Organizations (WCIO) approved new nature of injury and cause of injury codes and a new ELE catastrophe number to identify and track COVID-19 pandemic claims with Accident Dates of December 1, 2019, and subsequent. The codes were implemented by North Carolina, NCCI and other workers compensation bureaus, to promote the uniformity of code values for all workers compensation data collection organizations.

North Carolina Rate Bureau Filing Memorandum

In early 2020, North Carolina implemented several Basic Manual, Statistical Plan, and NCCI Experience rating plan changes. These changes are as follows:

C-20-7: Established ELE Cat Code 12, Cause of Injury Code 83-Pandemic and Nature of Injury Code 83-COVID-19

C-20-17: Excluded payments paid to furloughed employees from premium calculations from 3/1/20 – 12/31/20 and allowed temporary reassignment of higher-rated class codes to 8871-Clerical Telecommuter from 3/30/20 – end of NC stay at home order. (Note: C-20-31 removed the 12/31/20 expiration date, and C-21-7 further refined to end 4/12/21 to be consistent with the end of the NC stay at home order.)

C-20-21: Exclusion of COVID-19 claims from Experience for ratings effective 8/16/20 (as proposed by NCCI Item E-1407)

North Carolina excluded COVID-19 (coronavirus) claims from experience rating, where applicable, because pandemics have been rare, initial cost estimates on the workers compensation industry were in the billions, and there was a lack of historical pandemic experience in the workers compensation system. Without adjustment, the presence or absence of COVID-19 (coronavirus) claims from this historical period was not a reliable predictor of whether claims would return in a given future year and was not a true predictor of employers' safety practices due to this uncertainty.

The NC Rate Bureau recommends adoption of NCCI Item E-1410, which includes COVID-19 (coronavirus) claims with Accident Dates on and after July 1, 2023 in the experience rating calculations, where applicable. To support this recommendation, an end Accident Date of June 30, 2023, would be established for ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic. Only claims attributable to the COVID-19 (coronavirus) pandemic with Accident Dates of December 1, 2019, through June 30, 2023, would be reported with ELE Catastrophe Number 12 and would be excluded from experience rating calculations and merit rating plans (where applicable).

PROPOSAL

This proposal changes rules from the following manuals:

Revise ***Experience Rating Plan Manual*** Rule 1-C-3 to establish an end Accident Date of June 30, 2023 for reporting of COVID-19 claims to ELE Catastrophe Number 12. This rule will clarify that claims with Accident Dates on and after July 1, 2023 must be reported. These changes are outlined in Exhibit 1 of E-1410, attached.

Revise the ***Basic Manual*** to:

1. Eliminate Rule 2-B-2-n for excluding from payroll payments on furloughed workers issued due to the COVID-19 (coronavirus) pandemic
2. Revise Rule 2-F-1 for wages paid during idle time
3. Eliminate Rule 2-F-3 for payments to paid furloughed employees during federal, state, and/or local emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic

Revise the ***Statistical Plan***:

1. Revise Part 3-F-1 – Exposure amounts related to COVID-19
2. Revise Part 3-F-4-c – Non-Payroll Exposure revisions for paid furloughed employees
3. Revise Part 4-H-5— Note on Paid Furloughed Employees reported in statistical code 0012

**North Carolina Rate Bureau
Filing Memorandum**

4. Revise Part 4-H-13 – ELE Catastrophe Number 12 to discontinue the code for Accident Dates on and after 7/1/2023
5. Revise Part 6-I-3-g—Premium Amount Not Subject to Standard Premium (Non-Standard) – Paid Furloughed Employees

IMPLEMENTATION

Revisions to North Carolina ***Basic Manual, Statistical Plan, and NCCI's Experience Rating Plan*** (proposed by way of NCCI Item E-1410) are filed to be applicable to new and renewal policies with effective dates on and after July 1, 2023 and any in-force policy in effect on and after July 1, 2023.

North Carolina Basic Manual – Summary of Rule Changes

Revisions Related to COVID-19 (Coronavirus) Pandemic - Paid Furloughed Employees and Final Premium Reporting

Revisions to Rules Related to the Inclusion of COVID-19 (Coronavirus) Claims in Experience Rating and Merit Rating`

Change	Page
Remove Rule 2-B-2-n	2-4
Edit Rule 2-F-1	5
Edit Rule 2-F-3	6

Rule 2 – PREMIUM AND PAYROLL

B. Payroll

2. Excludes

- a. Tips or other gratuities received by employees.
- b. Group insurance or group pension payments made by an employer for employees, other than those covered by [Rule 2-B-1-f](#) and [Rule 2-B-1-m](#).
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or similar prevailing wage laws, provided the pension trust is qualified under the Internal Revenue Code, Sections 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery.
- e. Payments for dismissal or severance except for time worked or vacation accrued.
- f. Payments for active military duty.
- g. Employee discounts on goods purchased from the employee's employer.
- h. Expense reimbursements to employees if the employer's records confirm that the expense was incurred as a valid business expense.

Flat expense allowances and reimbursed expenses paid to employees may be excluded from the audit if all three of the following conditions are met:

- 1) The expenses or allowances are incurred for the business of the employer
- 2) The amount of each employee's expense or allowance is shown separately in the records of the employer.
- 3) The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of their work.

NOTE: If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. Refer to [Rule 2-B-1-p](#) exception for the maximum employee expense allowance.

Allowable travel expenses permitted by any contract with a federal, state, or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

Example of payroll exclusions:

Consider an employer that allows a \$0.55 per mile reimbursement for an employee that uses a personal vehicle for company business. The employer considers the \$0.55 per mile reimbursement a fair estimate of actual incurred expenses. The employee drives 100 miles in a personal vehicle for the company. The \$55.00 reimbursement (100 miles x \$0.55) is a fair estimate and is excluded from payroll.

- i. Meal money for late work
- j. Work uniform allowance
- k. Disability income benefits paid to an employee by a third party such as an insured's group insurance carrier
- l. Employer-provided perks including, but not limited to:
 - 1) Use of company car
 - 2) Airplane flights
 - 3) Incentive vacations (e.g., contest winners)
 - 4) Discounts on property or services
 - 5) Club memberships
 - 6) Tickets to entertainment events
 - 7) Educational assistance
 - 8) Relocation and moving expenses
- m. Employer contributions to employee benefit plans such as:
 - 1) Employee savings plans
 - 2) Retirement plans
 - 3) Cafeteria plans (Internal Revenue Code 125)
 - 4) Health savings accounts
 - 5) Flexible spending accountsThese include any contributions made by the employer, at the employer's expense, which are based upon the amount contributed by the employee.

~~n. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations.~~

~~However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.~~

~~Refer to Rule 2-F-3 for the definitions of paid furloughed employees and payments to paid furloughed employees.~~

~~This Rule 2-B-2-n is effective March 1, 2020. This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory~~

~~authorities. A future filing will be made to establish an expiration date to this rule as determined and approved by the regulator.~~

Rule 2 – PREMIUM AND PAYROLL

F. Wages for Time Not Worked

1. Idle Time

Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked.

All wages paid to the employee for idle time must be included in payroll. Wages paid during this time are assigned to the classification for work normally performed by the employee under the following circumstances:

- Delay or suspension of work due to weather conditions
- Delays while waiting for materials
- Delays while waiting for another party to complete its portion of the work
- Delays arising from breakdown in equipment
- “Stand by” time where employees such as operators of cranes, hoists, or other equipment are on the job but their active services are not continuously required
- Union requirements or special agreements between employer and employees calling for pay for idle time under specific circumstances
- Inability of non-striking employees to perform normal duties due to other employees who are on strike. If non-striking employees perform absolutely no work for their employer and are not present at their employer’s premises or job sites during a strike period, their payroll must be assigned to Code 8810 – Clerical Office Employees, provided adequate records are maintained by the employer.
- All other causes of a similar nature

~~For purposes of this Rule 2-F-1, idle time does not include “paid furloughed employees” or “payments to paid furloughed employees” as provided in **Basic Manual** Rule 2-F-3. This paragraph will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this paragraph as determined and approved by the regulator.~~

NOTE: For idle time by construction, erection, or stevedoring risks refer to [Rule 2-F-2](#).

Example of wages paid for time not worked:

An insured’s employees regularly work 8 hours per day, 5 days a week. In a given week, there were two work stoppages for a total of 3 hours, because of delays in delivering of materials to the site. The employees were paid their regular rate of pay while idle for the 3 hours. The payroll is assigned to the classification for the work normally performed and is included in the policy’s payroll audit.

Rule 2 – PREMIUM AND PAYROLL
F. Wages for Time Not Worked

~~**3. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws, or Regulations Issued Due to the COVID-19 (Coronavirus) Pandemic**~~

~~For purposes of this Rule 2-F-3, “paid furloughed employees” and “payments to paid furloughed employees” are defined within this rule. “Paid furloughed employees” means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.~~

~~“Payments to paid furloughed employees” means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer’s staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.~~

~~Payments to paid furloughed employees must be assigned to Code 0012, in accordance with the **Statistical Plan**. Payments to paid furloughed employees made in accordance with this Rule 2-F-3 are excluded from the premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.~~

~~If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with **Basic Manual** Rule 1 A.~~

~~This Rule 2-F-3 is effective March 1, 2020. This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this rule as determined and approved by the regulator.~~

North Carolina Statistical Plan – Summary of Rule Changes

Revisions Related to COVID-19 (Coronavirus) Pandemic - Paid Furloughed Employees and Final Premium Reporting

Revisions to Rules Related to the Inclusion of COVID-19 (Coronavirus) Claims in Experience Rating and Merit Rating`

Change	Page
Rule 3.F.1.	2-3
Rule 3.F.4.c	4
Rule 4.H.5.	5
Rule 4.H.13.	6
Rule 6.I.3.	7

Part 3 – Exposure Information

Rule F – Exposure Amount

1. Payroll Exposure

Exposures are required for all classification codes. The exposure reported shall be the audited exposure corresponding to the charged premium amount.

a. Audited or Estimated Exposure

If the final audit has been completed by the USR valuation date, the Estimated Audit Code field should contain the value "N" when the unit is submitted to the Bureau.

If the final audit has not been completed by the USR valuation date, the Estimated Audit Code field should contain the value "Y" when the unit is submitted to the Bureau. Without further request from the Bureau, a correction to the USR must be submitted updating the value to "N" as soon as audited payrolls are available.

b. Audit Noncompliance Charge

If the final audit has not been completed by the USR valuation date due to the insured being uncooperative with the audit; the Estimated Audit Code filed must contain the value "U" when the unit is submitted to the Bureau. Statistical Code 9757 - Audit Noncompliance Charge may be reported when conditions have been met to apply the audit noncompliance charge as outlined in the Basic Manual. Without further request from the Bureau, the USR must be replaced by a correction report as soon as audited payrolls are available.

Note:

When the exposure reported on the 1st report includes Statistical Code 9757 - Audit Noncompliance Charge, the Estimated Audit Code must be reported as "U".

If, at any time, a final audit is successfully completed, a correction must be submitted to remove statistical code 9757 and update the value of the Estimated Audit Code to "N".

c. COVID-19

[COVID-19 final premium rule is not applicable for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.](#)

[COVID-19 final premium rule is applicable for new, renewal, and in-force policies effective March 1, 2020 through June 30, 2023.](#)

If final premium based on audited exposure cannot be reported due to federal, state, and/or local emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations, report the applicable exposure and premium in the class code(s) and the Estimated Audit Code as an "N."

~~This rule is effective March 1, 2020. This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this rule as determined and approved by the regulator.~~

Part 3 – Exposure Information
Rule F – Exposure Amount
4. Non-Payroll Exposure
c. Paid Furloughed Employees

Statistical Code 0012—Paid Furloughed Employees and its associated rules are not applicable for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.

Statistical Code 0012—Paid Furloughed Employees and its associated rules are applicable for new, renewal, and in-force policies effective March 1, 2020 through June 30, 2023.

Paid furloughed employees means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer. ~~Effective March 1, 2020, p~~Payments by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer’s staffing or business operations must be reported to Statistical Code 0012—Paid Furloughed Employees. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

~~This code will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this code as determined and approved by the regulator.~~

Code 0012 may be used as a ~~S~~statistical ~~C~~code to report the payments only; or it may be used as a ~~C~~classification ~~C~~code to report the payments with a zero rate and zero premium.

Payments reported to Code 0012 are excluded from premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records.

Part 4 – Losses and Expense Information
Rule H. Claim Components

5. Classification Code

Submit the classification code corresponding to the injured employee's payroll determined in accordance with the rules of the *Basic Manual for Workers Compensation and Employers Liability Insurance*.

No claim may be assigned to any classification unless exposure has also been reported for that classification. Report the classification code under which the injured employee's payroll is assigned, even if, at the time of injury, the employee may have been involved in an activity that would be classified differently.

Note:

Paid Furloughed Employees

Statistical Code 0012 – Paid Furloughed Employees and its associated rules are not applicable for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.

Statistical Code 0012 – Paid Furloughed Employees and its associated rules are applicable for new, renewal, and in-force policies effective March 1, 2020 through June 30, 2023.

For any claims attributable to an employee occurring prior to or after a temporary layoff or an involuntary leave, report losses to the classification for work normally performed by the employee that corresponds to the employee's payroll. No claim can be reported to Code 0012— Paid Furloughed Employees.

~~This rule is effective March 1, 2020. This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this rule as determined and approved by the regulator.~~

Part 4 – Losses and Expense Information
H. Claim Components

13. Catastrophe Number

Any accident resulting in two or more reported claims must be reported as a catastrophe. All claims resulting from the accident are assigned a number beginning with 01. If there is more than one catastrophe under the policy, each succeeding catastrophe should be increased by one with the highest number available being 10. In the event the number of catastrophes under the policy exceeds 10, report another set of catastrophes beginning with 01. A separate set of catastrophe numbers beginning with 01 must be used for each policy. Numbers 11 through 99 are reserved for Extraordinary Loss Event Catastrophe Numbers.

ELE Catastrophe Number 12—COVID-19 (Coronavirus) Pandemic

ELE Catastrophe Number 12 must be reported for claims attributable to the COVID-19 (coronavirus) pandemic ~~beginning~~ with Accident Dates of 12/1/2019 through 6/30/2023 and subsequent. For claims reported with Catastrophe Number 12, the Nature of Injury Code 83–COVID-19 and Cause of Injury Code 83–Pandemic must also be reported.

For claims attributable to COVID-19 (coronavirus) with Accident Dates on and after 7/1/2023, ELE Catastrophe Number 12 must not be reported. These claims must only be reported with Nature of Injury Code 83–COVID 19, and if applicable, these claims are also reported with Cause of Injury Code 83–Pandemic when the description of Pandemic applies to these claims, as described in Part 6 of the *Statistical Plan*.

Part 6 – Coding Values

I. Statistical Codes

3. Premium Amount Not Subject to Standard Premium (Non-Standard)

g. Paid Furloughed Employees

Statistical Code	Description	Effective Date	Discontinued Date	Notes
0012	Paid Furloughed Employees	03/01/2020	<u>06/30/2023</u>	<p>Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees.</p> <p>Code 0012 may be used as a Statistical Code to report the payments only; or it may be used as a Classification Code to report the payments with a zero rate and zero premium.</p> <p>This code will continue to remain in effect and will not expire until determined at a later date as circumstances warrant and in consultation with state regulatory authorities. A future filing will be made to establish an expiration date to this code as determined and approved by the regulator.</p>