

State: Texas **Filing Company:** National Council on Compensation Insurance, Inc.
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1447 Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic - Paid Furloughed Employees and Final Premium Reporting
Project Name/Number: /

Filing at a Glance

Company: National Council on Compensation Insurance, Inc.
Product Name: B-1447 Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic - Paid Furloughed Employees and Final Premium Reporting
State: Texas
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Rate/Rule
Date Submitted: 02/01/2023
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Effective Date: 07/01/2023
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Requested (Renewal):
Author(s): Lesley O'Brien, Nancy Mattei, Tyler Santos, Simone Lawrence, Andrew Scott, Mario Morales
Reviewer(s): David Trautman (primary)
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Effective Date (Renewal):
State Filing Description:
WC 1
Intake: Revisions - S692689 S684071 Both (RT/RU)

State: Texas **Filing Company:** National Council on Compensation Insurance, Inc.
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General Information

Project Name: Status of Filing in Domicile:
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 02/02/2023
State Status Changed: 02/02/2023 Deemer Date:
Created By: Nancy Mattei Submitted By: Nancy Mattei
Corresponding Filing Tracking Number:
State TOI: Workers Compensation State Sub-TOI: Workers Compensation

Filing Description:

This item establishes an expiration date of June 30, 2023, for:

- Statistical Code 0012—Paid Furloughed Employees
- The exclusion of 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
- The final premium reporting rule exception for the COVID-19 (coronavirus) pandemic in NCCI's Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)

Company and Contact

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Filing Company Information

National Council on Compensation Insurance, Inc. CoCode: State of Domicile: Florida
901 Peninsula Corporate Circle Group Code: Company Type:
Boca Raton, FL 33487 Group Name: State ID Number:
(561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

State: Texas **Filing Company:** National Council on Compensation Insurance, Inc.
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
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Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

- [PII] Does this filing contain any personally identifiable information (PII)? (See SERFF General Instructions for the definition and examples of PII.) Answer either YES or NO:: No
- [Associated filing] Provide the TDI file number or SERFF tracking number for all associated filings:: S692689; S684071
- [Deemer date] Do you waive the deemer for form, endorsement, and certificate of insurance filings under 28 TAC 5.9325? Answer either YES or NO:: Yes
- Do you waive the limits on requests for information for rate/rule filings under 28 TAC 5.9336? Answer either YES or NO:: Yes
- [Replacement number] Provide the TDI file number or SERFF tracking number of the previously approved forms and endorsements or accepted rates, rules, or rate/rules that you are replacing:: S692689; S684071
- [Reference/adopt] Provide the TDI file number or SERFF tracking number that contains approved forms and endorsements or accepted rates, rules, or rate/rules that you are referencing/adopting.: S692689; S684071
- [Interline] State if this is an interline filing and list all lines of insurance the endorsement or rate/rules applies to.: N/A
- [Dual] For dual filings (monoline and multi-peril) state if this is a new program. If not, provide the TDI file number or SERFF tracking number for either the previous dual filing, or the previous monoline and multi-peril filings approved for this program:: N/A
- [Policy form] What policy form do these endorsements and forms go with? List the TDI file number or SERFF tracking number where the policy form was approved or referenced:: N/A
- [RPG] Will this filing be used for a Risk Purchasing Group? Answer either YES or NO. If yes, provide the name:: No

SERFF Tracking #:

NCCI-133543302

State Tracking #:

S708575

Company Tracking #:

B-1447

State:

Texas

Filing Company:

National Council on Compensation Insurance, Inc.

TOI/Sub-TOI:

16.0 Workers Compensation/16.0004 Standard WC

Product Name:

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

Project Name/Number:

/

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Neutral

Overall Percentage of Last Rate Revision:

0.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

SERFF Tracking Number of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
National Council on Compensation Insurance, Inc.	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Exhibit 1	Rules for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic	Withdrawn	B-1444	B-1447 Exhibit 1.pdf
2		Exhibit 2	Rules for wages paid during idle time	Replacement	B-1444	B-1447 Exhibit 2.pdf
3		Exhibit 3	Rules 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	Withdrawn	B-1444	B-1447 Exhibit 3.pdf
4		Exhibit 4	Paid Furloughed Employees	Replacement	B-1443	B-1447 Exhibit 4.pdf
5		Exhibit 5	COVID-19	Replacement	B-1443	B-1447 Exhibit 5.pdf
6		Exhibit 6	Paid Furloughed Employees	Replacement	B-1443	B-1447 Exhibit 6.pdf
7		Exhibit 7	STATISTICAL CODES	Replacement	B-1443	B-1447 Exhibit 7.pdf

**ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM
REPORTING**

Exhibit 1

Basic Manual—Effective 2021

**(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**Rules for excluding from payroll payments issued due to the COVID-19 (coronavirus)
pandemic**

Rule ID: ~~BM PAYE P3491~~

Effective Date: November 1, 2021

Exclude from payroll 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.

Payments not excluded

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.

Applicability of rule

This rule for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic 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.

References

Refer to [Rules 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](#) the definitions of paid furloughed employees and payments to paid furloughed employees.

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

Exhibit 2**Basic Manual—Effective 2021**

(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

Rules for wages paid during idle time**Rule ID: BM-PAYW-RD3B7***Effective Date: ~~November 1, 2021~~ July 1, 2023*

Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked. You must include in payroll all wages paid to the employee for idle time. Assign wages paid during this time to the classification for work normally performed by the employee under the following circumstances:

- delays or suspension of work due to weather conditions
- delays while waiting for materials
- delays while waiting for another party to complete certain work
- delays due to breakdown in equipment
- "stand-by" time where employees such as equipment operators are on the job but their active services are not required continuously
- special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances
- inability of nonstriking employees to perform normal duties due to other employees who are on strike, or
- all other causes of a similar nature.

Rule for idle nonstriking employees unable to perform normal duties due to other employees who are on strike

If nonstriking employees perform absolutely no work for their employer and are not present at their employer's premises or job sites during a strike period, you must assign their payroll to Code 8810, provided adequate records are maintained by the employer.

Applicability of the rules

For purposes of the Rules for wages paid during idle time, idle time does not include "paid furloughed employees" or "payments to paid furloughed employees" as provided in NCCI's ~~Basic Manual~~ [Rules 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](#). 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 rule as determined and approved by the regulator.

References

Refer to

- [Rules for wages paid to key employees](#) for information about the treatment of idle time by construction, erection, stevedoring, or oil and gas field operations employers, and
- NCCI's *Basic Manual User's Guide* for an example.

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

Exhibit 3**Basic Manual—Effective 2021**

(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

~~Rules 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~~**Rule ID: BM-PAYW-RD481***Effective Date: November 1, 2021*

~~Payments to paid furloughed employees must be assigned to Code 0012, in accordance with NCCI's **Statistical Plan**. Payments to paid furloughed employees made in accordance with the Rules 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 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.~~

Employee not deemed a paid furloughed employee

~~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 NCCI's **Basic Manual** Classification system purpose and application rule.~~

~~Definitions for Rules 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~~

~~For the purposes of the Rules 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, paid furloughed employees and payments to paid furloughed employees are defined as:~~

- ~~• **Paid furloughed employees**—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**—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.~~

Applicability of the rules

~~The Rules 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 are effective March 1, 2020. These rules 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.~~

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

**EXHIBIT 4
STATISTICAL PLAN—2008 EDITION
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT****2. Nonpayroll Exposure**

(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

d. 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,~~ 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 ~~G~~classification ~~G~~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.

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

**EXHIBIT 5
STATISTICAL PLAN—2008 EDITION
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT**

3. Final or Estimated Premium

(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

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.~~

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

**EXHIBIT 6
STATISTICAL PLAN—2008 EDITION
PART 4—LOSS AND EXPENSE INFORMATION
E. CLAIM COMPONENTS
1. Required Claim Components
f. Classification Code**

(2) Additional Classification Code Loss Reporting

(Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(d) 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.~~

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

**EXHIBIT 7
STATISTICAL PLAN—2008 EDITION
PART 6—CODING VALUES**

(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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

E. STATISTICAL CODES

3. Premium Amount *Not Part* of Standard Premium

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
Paid Furloughed Employees	0012	N/A	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, RI, SC, SD, TN, TX, UT, VA, VT, WV	03/01/2020	<u>06/30/2023</u>	Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees. 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. 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

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

**EXHIBIT 7 (CONT'D)
STATISTICAL PLAN—2008 EDITION
PART 6—CODING VALUES**

(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, RI, SC, SD, TN, TX, UT, VA, VT, WV)

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
						approved by the regulator.
Paid Furloughed Employees	0012	N/A	FL	03/01/2020	<u>06/30/2023</u>	Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees. Code 0012 must be displayed on the policy Information Page with a zero rate and zero premium.

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B-1447

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Texas

Filing Company:

National Council on Compensation Insurance, Inc.

TOI/Sub-TOI:

16.0 Workers Compensation/16.0004 Standard WC

Product Name:

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

Project Name/Number:

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Supporting Document Schedules

Bypassed - Item:	Does this filing contain confidential information?
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Exhibit A
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Exhibit C
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memorandum (Rates/Rules)
Comments:	
Attachment(s):	B-1447 Memorandum.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Narrative
Comments:	
Attachment(s):	COVID Filing Narrative.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Side by Side
Comments:	
Attachment(s):	B-1447 National Side_by_side.pdf
Item Status:	
Status Date:	

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FILING MEMORANDUM

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

PURPOSE

This item establishes an expiration date of June 30, 2023, for:

- Statistical Code 0012—Paid Furloughed Employees
- The exclusion of 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
- The final premium reporting rule exception for the COVID-19 (coronavirus) pandemic in NCCI's *Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)*

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.

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)*

NCCI COVID-19 Pandemic Filings Related to Premium for Payments to Paid Furloughed Employees

The following item filings established or revised NCCI manual rules and Statistical Code 0012—Paid Furloughed Employees to address payments made to paid furloughed employees:

- B-1441—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic
- B-1443—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic—Removal of Expiration Date

Item B-1441 created the framework necessary to exclude payments to paid furloughed employees as defined in the *Basic Manual* from premium and experience rating calculations and established Statistical Code 0012—Paid Furloughed Employees for the reporting of payments to paid furloughed employees. Item B-1441 also implemented a final premium reporting exception in the *Statistical Plan* to address instances when final premium cannot be reported due to the COVID-19 pandemic. This item stated that the expiration date of the

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FILING MEMORANDUM

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

rule revisions was December 31, 2020. As we approached the December 31, 2020, expiration date, there were many unresolved questions about the spread of coronavirus and no firm date of the availability of a coronavirus vaccine. NCCI determined that it was not appropriate to expire the rules on December 31, 2020, as initially provided in Item B-1441. Item B-1443 removed the expiration date and stated that a future filing would be made to establish a new expiration date.

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.

Expiration Date for the Rules Related to the COVID-19 (Coronavirus) Pandemic

NCCI is filing to establish an expiration date of June 30, 2023, for the workers compensation treatment of paid furloughed employees that was implemented when the COVID-19 national emergency was initially declared. The payments to paid furloughed employees reported to Code 0012 have declined significantly over the last two years and are negligible in comparison to total reported payroll. Based on the negligible amount of payroll being assigned to Code 0012, NCCI determined that the code is no longer needed, and June 30, 2023 is an appropriate expiration date for Code 0012 and its associated rules. The expiration date of June 30, 2023, will also apply to the final premium reporting exception in the **Statistical Plan**. As of July 1, 2023, the COVID-19-related rule for audited or estimated exposure and premium final reporting is no longer applicable. **Statistical Plan** Part 3-F-3-a—Audited or Estimated Exposure will apply.

As of July 1, 2023, this item proposes that it will no longer be appropriate to report payroll to Code 0012. Therefore, payroll that would have qualified for assignment to Code 0012 under current manual rules would be assigned and reported to the classification applicable to the work normally performed by the employee in accordance with **Basic Manual** and **Statistical Plan** rules.

PROPOSAL

This item proposes to:

1. Eliminate Rules for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic in the **Basic Manual**
2. Revise Rules for wages paid during idle time in the **Basic Manual**
3. Eliminate Rules 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 in the **Basic Manual**

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FILING MEMORANDUM

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM REPORTING

4. Revise Part 3-F-2-d—Paid Furloughed Employees in the *Statistical Plan*
5. Revise Part 3-F-3-c—COVID-19 in the *Statistical Plan*
6. Revise Part 4-E-1-f(2)(d)—Paid Furloughed Employees in the *Statistical Plan*
7. Revise Part 6-E-3—Premium Amount *Not Part* of Standard Premium (Paid Furloughed Employees) in the *Statistical Plan*

The filing of this item, Item B-1447, proposes to establish an expiration date of June 30, 2023, for Code 0012 and the final premium reporting rule exception. Refer to Item E-1410—Revisions to NCCI Manual Rules Related to the Inclusion of COVID-19 (Coronavirus) Claims in Experience Rating and Merit Rating, which 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).

IMPACT

As a result of this item, payroll may shift from Code 0012 to the applicable classification codes of exposure based on audited payroll. The overall premium impact on a statewide basis is anticipated to be negligible. The extent of the shift on individual classifications is unknown because it depends on the nature of individual employers' business practices. Premiums of individual employers may increase if payments are made to employees subject to *Basic Manual* rule, Rules for wages paid during idle time.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
National Exhibits		
1	<ul style="list-style-type: none"> • Details the elimination of rule, Rules for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic (Rule ID: BM-PAYE-P3491), in NCCI's <i>Basic Manual</i> • Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV • Refer to state exhibit for FL 	<ul style="list-style-type: none"> • For all states where applicable, except Hawaii, this item is to become effective for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023. • In Hawaii, the effective date will be determined upon regulatory approval of the individual carriers' election to adopt this change.
2	<ul style="list-style-type: none"> • Details the revisions to rule, Rules for wages paid during idle time (Rule ID: BM-PAYW-RD3B7), in NCCI's <i>Basic Manual</i> • Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV • Refer to state exhibits for FL and OR 	

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FILING MEMORANDUM

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM
 REPORTING

Exhibit	Exhibit Comments	Implementation Summary
3	<ul style="list-style-type: none"> Details the elimination of rule, Rules 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 (Rule ID: BM-PAYW-RD4B1), in NCCI's Basic Manual Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV Refer to state exhibit for FL 	
4	<ul style="list-style-type: none"> Details the revisions to Part 3-F-2-d in NCCI's Statistical Plan Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV Refer to state exhibit for FL 	
5	<ul style="list-style-type: none"> Details the revisions to Part 3-F-3-c in NCCI's Statistical Plan Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV Refer to state exhibits for FL and OR 	<ul style="list-style-type: none"> For all states where applicable, except Hawaii, this item is to become effective for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.
6	<ul style="list-style-type: none"> Details the revisions to Part 4-E-1-f(2)(d) in NCCI's Statistical Plan Applies 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, RI, SC, SD, TN, TX, UT, VA, VT, WV Refer to state exhibit for FL 	<ul style="list-style-type: none"> In Hawaii, the effective date will be determined upon regulatory approval of the individual carriers' election to adopt this change.
7	<ul style="list-style-type: none"> Details the revisions to Part 6-E-3 in NCCI's Statistical Plan 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, RI, SC, SD, TN, TX, UT, VA, VT, WV 	

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FILING MEMORANDUM

ITEM B-1447—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
 (CORONAVIRUS) PANDEMIC—PAID FURLOUGHED EMPLOYEES AND FINAL PREMIUM
 REPORTING

Exhibit	Exhibit Comments	Implementation Summary
State Exhibits		
8	Details the elimination of rule, Rules for applying changes in classification assignments due to COVID-19 (coronavirus) pandemic (Rule ID: BM-CHAN-R9529), in NCCI's Basic Manual for Alaska.	This item is to become effective for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.
8	Details the revisions to Florida's exception to Rule 2-B-2 in NCCI's Basic Manual .	
9	Details the revisions to Florida's exception to Rule 2-F-1 in NCCI's Basic Manual .	
10	Details the elimination of Florida's exception to Rule 2-F-3 in NCCI's Basic Manual .	
11	Details the revisions to Florida's exception to Part 3-F-2-d in NCCI's Statistical Plan .	
12	Details the elimination of Florida's exception to Part 3-F-3-c in NCCI's Statistical Plan .	
13	Details the establishment of national rule Part 3-F-3-c in Florida in NCCI's Statistical Plan .	
14	Details the elimination of Florida's exception to Part 4-E-1-f(2)(d) in NCCI's Statistical Plan .	
15	Details the establishment of national rule Part 4-E-1-f(2)(d) in Florida in NCCI's Statistical Plan .	
8	Details the revisions to rule, Rules for excluding from payroll vacation pay (Rule ID: BM-PAYE-R252D), in NCCI's Basic Manual for Oregon.	
9	Details the elimination of rule, Rules for excluding from payroll vacation pay for administrative leave or furlough (Rule ID: BM-PAYE-V5829), in NCCI's Basic Manual for Oregon.	
10	Details the revisions to rule, Rules for wages paid during idle time (Rule ID: BM-PAYW-RD3B7), in NCCI's Basic Manual for Oregon.	
11	Details the revisions to Oregon's exception to Part 3-F-3-c in NCCI's Statistical Plan .	

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Summary of the Proposed Revisions to NCCI Manual Rules Related to the Inclusion of COVID-19 Claims in Experience Rating and Merit Rating, Paid Furloughed Employees, and Final Premium Reporting

This summary explains The National Council on Compensation Insurance's (NCCI)¹ proposed workers compensation (WC) insurance countrywide item filings related to COVID-19 claims, E-1410 and B-1447, that were filed with the majority of NCCI jurisdictions under separate cover on February 1, 2023, for their review and approval.

Background

In response to the COVID-19 pandemic, NCCI decided to designate the COVID-19 pandemic as a catastrophe. This decision enabled NCCI to collect data for all COVID-19-related WC claims under a designated catastrophe code. In spring 2020, NCCI made filings² in all NCCI states to establish the framework necessary to exclude

- all claims data related to COVID-19 from experience rating, and
- payments to paid furloughed employees due to COVID-19 from premium.

Current Environment

More than three years into the pandemic, much has changed relative to the general US population and the WC environment. As of December 1, 2022, more than 80% of the US population received at least one dose of a COVID-19 vaccine. In addition, more than two-thirds of Americans are fully vaccinated. Relative to the WC environment, employers have implemented several strategies to mitigate the impact of COVID-19 on US workers, including wearing PPE, working remotely when possible, implementing workspace layout changes, conducting health/symptom screenings, and cleaning and disinfecting.

While the general US population remains in a pandemic, it is expected that the prevalence of vaccinations combined with multifaceted workplace mitigation strategies, mentioned above, will continue to have the intended impact of mitigating the risk of COVID-19 transmission in the workplace. In fact, COVID-19 claims data collected by NCCI shows that all of these measures seem to be having the intended impact of mitigating the workplace hazard. NCCI also has seen evidence of WC COVID-19 claims becoming more consistent and less impactful to overall WC system costs. Recently, NCCI performed an analysis comparing WC COVID-19 claims to total COVID-19 cases in the general population. In 2020, there was a fairly strong relationship between WC COVID-19 claims and the surges in US COVID-19 cases. However, as we moved into 2021 and 2022, the level of WC COVID-19 claims did not match the intensity of the surges in total COVID-19 cases brought on by new variants.

Inclusion of COVID-19-related claims

Items E-1410 and B-1447 propose an expiration date of June 30, 2023, for the special treatment of COVID-19 (coronavirus) claims and reporting rules because NCCI has observed sufficient evidence that COVID-19's relative impact on WC is no longer expected to be catastrophic. If approved, COVID-19-

¹ NCCI is a licensed rating organization authorized to make recommended workers compensation infrastructure filings on behalf of workers compensation insurance companies in 38 jurisdictions. NCCI's filings are objectively prepared, utilizing widely accepted actuarial methodologies.

² In April 2020, NCCI filed Items B-1441 and U-1401; in May 2020, NCCI filed Item E-1407.



Summary of the Proposed Revisions to NCCI Manual Rules Related to the Inclusion of COVID-19 Claims in Experience Rating and Merit Rating, Paid Furloughed Employees, and Final Premium Reporting

related claims with Accident Dates on and after July 1, 2023, would be included in the experience rating calculations, except in Illinois³, and merit rating plans (where applicable).

Components of the item filings revise 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), and
- Establish an expiration date of June 30, 2023, for
 - Statistical Code 0012—Paid Furloughed Employees
 - The exclusion of 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, and
 - The final premium reporting rule exception for the COVID-19 (coronavirus) pandemic in NCCI's ***Statistical Plan***.

Conclusion

It is reasonable to expect that COVID-19 claims will continue—perhaps for many years into the future—given COVID-19's ability to mutate. However, it is important to revisit the reason why these COVID-19 claims were excluded from experience rating in the first place. Early in the pandemic, there was much uncertainty about COVID-19 itself, as well as how it would impact WC claims. Different scenarios showed a wide range of possible WC system impacts, and it was uncertain whether actual WC claims at the time would be indicative of future claim activity. From an actuarial perspective, during that time of significant uncertainty, it was more appropriate to treat COVID-19 as a catastrophe until typical claim activity could be expected. Now that typical claim activity is expected, it is important to reintroduce the incentives that motivate employers to promote safety in their workplaces. This can be accomplished by including COVID-19 claim experience in experience ratings going forward.

³ In Illinois, per statute 820 ILCS 331/1(g)(5), "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."

COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

Current	Proposed	Comments
BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021	BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021	
<p>Rules for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic Rule ID: BM-PAYE-P3491 <i>Effective Date: November 1, 2021</i></p> <p>Exclude from payroll 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.</p> <p>Payments not excluded 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.</p> <p>Applicability of rule This rule for excluding from payroll payments issued due to the COVID-19 (coronavirus) pandemic 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.</p> <p>References Refer to Rules 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 the definitions of paid furloughed employees and payments to paid furloughed employees.</p>		Eliminated rule.
BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021	BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021	
Rules for wages paid during idle time	Rules for wages paid during idle time	

*This Comparison is provided as a reference only in order to show the differences between the existing rule(s) or form(s), and the changes being proposed in the item filing. In the unlikely event that there is a conflict between the item filing Exhibits and this Comparison, the item filing Exhibits will control.

COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

<p>Rule ID: BM-PAYW-RD3B7 <i>Effective Date: November 1, 2021</i></p> <p>Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked. You must include in payroll all wages paid to the employee for idle time. Assign wages paid during this time to the classification for work normally performed by the employee under the following circumstances:</p> <ul style="list-style-type: none"> • delays or suspension of work due to weather conditions • delays while waiting for materials • delays while waiting for another party to complete certain work • delays due to breakdown in equipment • "stand-by" time where employees such as equipment operators are on the job but their active services are not required continuously • special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances • inability of nonstriking employees to perform normal duties due to other employees who are on strike, or • all other causes of a similar nature. <p>Rule for idle nonstriking employees unable to perform normal duties due to other employees who are on strike If nonstriking employees perform absolutely no work for their employer and are not present at their employer's premises or job sites during a strike period, you must assign their payroll to Code 8810, provided adequate records are maintained by the employer.</p> <p>Applicability of the rules For purposes of the Rules for wages paid during idle time, idle time does not include "paid furloughed employees" or "payments to paid furloughed employees" as provided in NCCI's Basic Manual Rules for payments to paid furloughed employees during federal, state, and/or local emergency orders,</p>	<p>Rule ID: BM-PAYW-RD3B7 <i>Effective Date: July 1, 2023</i></p> <p>Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked. You must include in payroll all wages paid to the employee for idle time. Assign wages paid during this time to the classification for work normally performed by the employee under the following circumstances:</p> <ul style="list-style-type: none"> • delays or suspension of work due to weather conditions • delays while waiting for materials • delays while waiting for another party to complete certain work • delays due to breakdown in equipment • "stand-by" time where employees such as equipment operators are on the job but their active services are not required continuously • special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances • inability of nonstriking employees to perform normal duties due to other employees who are on strike, or • all other causes of a similar nature. <p>Rule for idle nonstriking employees unable to perform normal duties due to other employees who are on strike If nonstriking employees perform absolutely no work for their employer and are not present at their employer's premises or job sites during a strike period, you must assign their payroll to Code 8810, provided adequate records are maintained by the employer.</p> <p>References Refer to</p> <ul style="list-style-type: none"> • Rules for wages paid to key employees for information about the treatment of idle time by construction, erection, stevedoring, or oil and gas field operations employers, and • NCCI's Basic Manual User's Guide for an example. 	<p>Eliminated section, Applicability of the rules, in the rule, Rules for wages paid during idle time.</p>
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COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

Current	Proposed	Comments
<p>laws, or regulations issued due to the COVID-19 (coronavirus) pandemic. 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 rule as determined and approved by the regulator.</p> <p>References Refer to</p> <ul style="list-style-type: none"> • Rules for wages paid to key employees for information about the treatment of idle time by construction, erection, stevedoring, or oil and gas field operations employers, and • NCCI's <i>Basic Manual User's Guide</i> for an example. 		
<p>BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021</p>	<p>BASIC MANUAL FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—EFFECTIVE 2021</p>	

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COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

<p>Rules 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 Rule ID: BM-PAYW-RD4B1 <i>Effective Date: November 1, 2021</i></p> <p>Payments to paid furloughed employees must be assigned to Code 0012, in accordance with NCCI's Statistical Plan. Payments to paid furloughed employees made in accordance with the Rules 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 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.</p> <p>Employee not deemed a paid furloughed employee 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 NCCI's Basic Manual Classification system purpose and application rule.</p> <p>Definitions for Rules 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 For the purposes of the Rules 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, paid furloughed employees and payments to paid furloughed employees are defined as:</p>		<p>Eliminated rule.</p>
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COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

Current	Proposed	Comments
<ul style="list-style-type: none"> • Paid furloughed employees—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—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. <p>Applicability of the rules The Rules 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 are effective March 1, 2020. These rules 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.</p>		
<p>STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—2008 EDITION</p>	<p>STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—2008 EDITION</p>	
<p>PART 3—EXPOSURE INFORMATION F. EXPOSURE AMOUNT 2. Nonpayroll Exposure d. Paid Furloughed Employees</p>	<p>PART 3—EXPOSURE INFORMATION F. EXPOSURE AMOUNT 2. Nonpayroll Exposure d. Paid Furloughed Employees</p>	
<p>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, payments by an employer or any public</p>	<p>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.</p>	<p>Added information to clarify the effective date of Part 3-F-2-d.</p>

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COMPARISON OF RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC AND ITEM B-1447*

Current	Proposed	Comments
<p>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.</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> <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>Payments reported to Code 0012 are excluded from premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records.</p>	<p>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.</p> <p>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 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.</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>Payments reported to Code 0012 are excluded from premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records.</p>	
<p>STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—2008 EDITION</p>	<p>STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—2008 EDITION</p>	
<p>PART 3—EXPOSURE INFORMATION F. EXPOSURE AMOUNT 3. Final or Estimated Premium c. COVID-19</p>	<p>PART 3—EXPOSURE INFORMATION F. EXPOSURE AMOUNT 3. Final or Estimated Premium c. COVID-19</p>	
<p>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.”</p> <p>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</p>	<p>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.</p> <p>COVID-19 final premium rule is applicable for new, renewal, and in-force policies effective March 1, 2020 through June 30, 2023.</p> <p>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</p>	<p>Added information to clarify the effective date of Part 3-F-3-c.</p>

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<p>PART 4—LOSS AND EXPENSE INFORMATION E. CLAIM COMPONENTS 1. Required Claim Components f. Classification Code (2) Additional Classification Code Loss Reporting (d) Paid Furloughed Employees</p>	<p>PART 4—LOSS AND EXPENSE INFORMATION E. CLAIM COMPONENTS 1. Required Claim Components f. Classification Code (2) Additional Classification Code Loss Reporting (d) Paid Furloughed Employees</p>																													
<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Added information to clarify the effective date of Part 4-E-1-f(2)(d).</p>																												
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