



CLIENT ALERT

WCIRB Changes to Workers' Compensation in Light of COVID-19

On April 20, 2020, the Workers' Compensation Insurance Rating Bureau of CA (WCIRB) submitted a Workers' Compensation special regulatory filing to the CA Department of Insurance (CDI) to address issues related to the Coronavirus Disease of 2019.

The proposal if approved by the Commissioner, will be effective on July 1, 2020. The key changes would:

- **EXCLUDE** COVID-19 Workers' Compensation claims arising from a medical diagnosis of SARS-CoV-2 with an accident date on or after Dec. 1, 2019, from the experience rating calculation of individual employers.
- **PERMIT** payments made to employees who are continuing to be paid by their employers while not performing duties for their employer, to be temporarily EXCLUDED from payroll reporting to the employer's Workers' Compensation insurance carrier. This exclusion would apply while California's stay-at-home order is in place and for up to 30 days thereafter if the employee continues not to work.
- **PERMIT** employers to temporarily use Class Code 8810 (Clerical Office Employees), when an employee's work has been shifted to be exclusively clerical in nature, during California's stay-at-home order.

Ricardo Lara, the Insurance Commissioner of the CA Department of Insurance is expected to approve the changes in less than 30 days.

As we journey through uncharted territory with COVID-19 and potential payroll changes, we recommend the following for payroll tracking guidance:

- The Insured should maintain payroll records for employees that continue to work but have taken on different duties in a manner that the payroll is identified and split based on the applicable Workers' Compensation class code
- Payroll given to employees for time not work related to the Covid-19 crisis should be separately identified in the Insured's records. This exposure should be captured to a unique payroll category.

This will help identify payroll related to COVID-19 when the Workers' Compensation audit is performed.

Should you have any questions or concerns, **please engage your local Alliant contact immediately** or you can visit:

<https://insurance.alliant.com/COVID19-questions>