

California Insurance Commissioner Issues Decision on Special Regulatory Filing

As anticipated, the California Insurance Commissioner approved all of the Workers' Compensation Insurance Rating Bureau's proposed changes to the California Compensation Uniform Statistical Reporting Plan and California Workers' Compensation Experience Rating Plan. These changes are effective July 1, 2020.

Updated Workers' Compensation Rating Rules

1. **Exclusion of COVID-19 workers' compensation claims from an employer's Experience Modification Rating.**

Claims arising directly from a diagnosis of COVID-19, with an accident date on or after December 1, 2019, will be excluded from the experience rating calculations of individual employers. Claims where a COVID-19 diagnosis is a compensable consequence of another workplace injury are not excluded from the employer's experience modification calculation.

Employer impact: Employers and insurers need to track COVID-19 claims to ensure they are excluded from the calculation. This exclusion will reduce the risk factors used to calculate workers' compensation premiums for employers.

2. **Exclude payments to employees who continue to be paid while not working.**

Effective as of the date of the California statewide stay-at-home order (03/19/20) and concluding thirty (30) days after the order is lifted, payments made to an employee, including but not limited to sick or family leave payments, while the employee is performing no duties of any kind in service of the employer shall be excluded from remuneration; however, the excluded amounts shall be no greater than the employee's regular rate of pay.

Employer impact: Employers must maintain records that document the change in duties and that segregate such payments during the timeframe specified above.

3. **Reclassify eligible stay-at-home workers to Clerical Office Employees (8810).**

Effective as of the date of the California statewide stay-at-home order (03/19/20) and concluding sixty (60) days after the order is lifted, the payroll of an employee who meets the definition of a Clerical Office Employee, and whose payroll for the balance of the policy period is not assignable to a standard classification that specifically includes Clerical Office Employees, shall be assigned to Classification

8810. A single employee's payroll may be divided between Classification 8810 and another classification only once during the above time period.

Employer impact:Employers must maintain records that document the change in duties and that segregate such payments during the timeframe specified above.

MMA Is Here To Help

Marsh & McLennan Agency is monitoring regulatory and legislative developments in Sacramento. Our team has extensive resources and experience to help during this period of uncertainty. More information and ongoing updates are available at Marsh & McLennan Agency's [COVID-19 Resource Center](#).