



APRIL 23, 2020

ITEM FILING ANNOUNCEMENT

CIF-2020-26

## Countrywide—Announcement of Item B-1441—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic

### ACTION NEEDED

Please review the changes outlined in the attachment to this circular for impact on your company's systems and procedures. Also, review the weekly *Status of Item Filings* circular for state approval of this item.

**Note:** Arkansas law does not permit NCCI to file rules and rates on its members' behalf. Therefore, insurance carriers must make an independent filing with the Arkansas Insurance Department electing to adopt, or not adopt, an item filing filed by NCCI and subsequently approved by the Department. When such a filing is made with the Department, make sure that the NCCI item filing number (not the NCCI circular number) is referenced.

**Caution:** At the time of distribution of this circular, this filing has been filed with the regulator but is **not yet approved**. This information is provided for your convenience and analysis. Please do not use this information until the regulator has approved the filing.

### BACKGROUND

NCCI has submitted Item B-1441—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic to the appropriate state regulatory authority.

This item is applicable to new, renewal, and outstanding policies, and is proposed to become effective on and after March 1, 2020, in all states indicated in the filing except Hawaii. In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.

Additionally, this item has been submitted to the independent bureaus for their consideration.

This item proposes to revise and establish rules related to:

- Definitions, treatment, and reporting of payments by an employer 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
- Any claims attributable to paid furloughed employees
- Reporting final premium for employers affected by the COVID-19 pandemic

This item impacts the *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* and the *Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)*.

Refer to the attachment for details on this item, including all state-specific treatments.

### IMPACT

As a result of this item, it is expected that exposure will shift from various classification codes to Code 0012. The extent of this shift is unknown at this time because it will depend on the nature of the individual employer's business and reporting by carriers. To this extent, the premiums of individual employers could decrease based on the payments made to paid furloughed employees.

### NCCI ACTION

NCCI will take the following actions for Item B-1441:

- Issue a circular notifying you when the item is approved as filed, approved with changes, disapproved, or withdrawn

- Update the weekly *Status of Item Filings* circular on **ncci.com** with the latest state status
- Publish updated pages for NCCI's *Basic Manual* and the *Statistical Plan* prior to the effective date, if approved

If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123).

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**PERSON TO CONTACT**

If you have any questions, please contact:

Customer Service Center  
NCCI  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487-1362  
800-NCCI-123 (800-622-4123)

Technical Contact:

Linda Bello  
Regulatory Filing Consultant  
NCCI  
901 Peninsula Corporate Circle  
Boca Raton, FL 33487-1362  
561-893-3813  
linda\_bello@ncci.com

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