



COVID-19 Actions & Insurance Implications

Prior Editions of this Newsletter Available - [CLICK HERE](#)

If you missed our Webinar, COVID-19: What the H@!?! Do We Do Next? [CLICK HERE](#) for a recording.

Recent News

- D&O premium rates jumped significantly in Q1. [Click Here](#)
- The CDC has issued new guidance regarding the opening of bars and restaurants as well as other workplaces. [Click Here](#)
- A significant drop in retail sales increases risk for additional closures of brick and mortar establishments exacerbating risk for landlords in that space. [Click Here](#)
- The House is poised to pass a \$3T COVID-19 package, but the legislation has little to no probability of further advancement. [Click Here](#)
- The Louisiana legislature abandoned legislation aimed at forcing retroactive coverage of business income claims. [Click Here](#)
- Rentals in Manhattan seriously decline with high residential apartment vacancy rates. [Click Here](#)
- The Treasury Department is expressing concern over proposed legislation to force carriers to provide retroactive business income coverage for COVID-19 affected businesses. [Click Here](#)
- UnitedHealth and Microsoft are offering a free COVID-19 screening app called ProtectWell to assist in clearing employees for work on a daily basis. [Click Here](#)
- Businesses with PPP loans below \$2M will not be subject to additional scrutiny. [Click Here](#)
- Inviting only certain workers back as a part of COVID-19 reopening could expose employers to discrimination suits and litigation risk. [Click Here](#)
- McDonald's has issued a 59-page guide to reopening its restaurants. [Click Here](#)
- Three categories of COVID-19 testing exist with hundreds of tests now available. [Click Here](#)

Actions & Analysis - Week in Review

- Review new CDC guidance and pass along same to tenants as appropriate.
- Review payrolls and ensure accurate record keeping regarding status of employees who are or were being paid while not actively working due to COVID-19.

In a previous newsletter, the possibility of changing codes under workers' compensation coverage was discussed as it related to workers who were still being paid all or a portion of their salaries while not actively working as a result of COVID-19 related closures. At the time, the recommendation was aimed at changing codes for higher risk positions to lower risk positions such as administrative or clerical. Now, however, a new class code was created specifically for employees who are being paid but not working as a result of COVID-19. The code has been approved in many states with some approvals still pending. The usage of this code can possibly lead to lower workers compensation premium rates resulting in savings for business owners.

By way of background, the premiums for workers' compensation insurance are generally set by code which represents the type of work in which an employee is engaged. The use of codes is meant to allow for an accurate representation of the risk associated with each type of employee. For example, injuries to a construction worker are typically of a more severe and more frequent type than those associated with clerical staff who are not present on a job site. Thus, the code for a construction worker results in higher premiums for the workers' compensation coverage for those types of employees. Similarly, bartenders and restaurant workers who are on their feet may have a greater probability of slipping and falling and thus higher rates than a clerical employee. However, with the closure of many businesses from COVID-19, some businesses made efforts to continue compensating employees while they were not actively engaged in their assigned duties. Thus, the risk associated with injuries on the job for those idled employees became nonexistent. This new code allows businesses to appropriately designate such idled employees with resulting reductions in workers' compensation premium costs to the point that businesses may not have to pay any premiums for those idled workers.

Businesses should seek the advice of their brokers as soon as they have the opportunity to do so, to review policies and determine if such savings may be available for any of their idled employees. Businesses should also keep specific and accurate records for each employee affected by COVID-19 and the dates upon which employees had duties changed or were idled.

[Claims Processing](#)

[RM Best Practices for Operating Properties](#)

[RM Best Practices for a Construction Operation](#)

[List of Useful Websites](#)

[Latest Executive Orders by State](#)

[Additional News Resources by State](#)

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