



COVID-19 Actions & Insurance Implications

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(If you missed our June 4th webinar, Reopening Your Buildings - Let's Get Technical, it will be available soon!)

Recent News

- The insurance industry continues to issue warnings regarding solvency if forced to pay COVID-19 claims without support. [Click Here](#)
- D&O premiums are set to continue rising. [Click Here](#)
- The EEOC has warned against barring older workers from the workplace in the name of COVID-19 related safety. [Click Here](#)
- The EEOC issued guidance that the ADA does not require employers to accommodate employees who want to avoid exposing family members to COVID-19. [Click Here](#)
- Parties are disagreeing over the possible consolidation of COVID-19 related litigation as the number of suits continues to grow. [Click Here](#)
- COVID-19 will complicate civil unrest interruption claims. [Click Here](#)
- Claimants are pushing the definition of a “public nuisance” in a suit against McDonald’s related to alleged unsafe working conditions. [Click Here](#)
- Senate Democrats are supporting a second round of PPP loans for businesses with fewer than 100 employees. [Click Here](#)
- Recent increases in COVID-19 infection rates are still a part of the “first wave” as opposed to a “second wave” which may come later in the year. [Click Here](#)
- Oregon has paused reopening due to higher COVID-19 infection rates.

Actions & Analysis - Week in Review

- Review class codes for employees who are or were furloughed as a result of COVID-19 with your broker to discover possible opportunities for cost savings in workers compensation coverage as a result of the class code change.

As was previously mentioned in the newsletter, the emergence of new codes for employees who are not working, as a result of COVID-19, offers the opportunity for organizations to save on workers’ compensation costs, especially in situations where the furloughed employees worked in more dangerous occupations with a higher risk of injury. The new code was developed and has been accepted by most states, applies only to employees who are not currently working. Therefore, the new code does not apply to the following categories of employees:

- Employees performing their regular duties, albeit remotely
- Employees still working even if being paid as a result of a loan such as those from the PPP
- Employees who are now working a different job than their regular occupations

While employees who switched occupations may not be eligible for this new COVID-19 related code, organizations should determine whether a different code change would be appropriate. Savings may be possible despite an inability to qualify for the code related to COVID-19 furloughs. Most importantly, organizations need to maintain separate, accurate, and verifiable records reflecting payroll spent on employees not currently working due to COVID-19. As Parallel has continued to investigate this issue, we can share the following preliminary official responses from several carriers.

Carrier	Guidance
CEIWC (Chesapeake)	Keep detailed records and they will address at audit.
CNA	No specific guidance, at a minimum it is recommend that insured’s keep detailed records for application at audit.
The Hartford	Keep detailed records and they will address at audit.
Travelers	Actively accepting mid-term changes and expects to have class codes programed by the end of June. Critical to keep detailed records to support use.

As always, organizations should consult with their own brokers and carriers for details about their specific policies and options. In the meantime, organizations would be well served to maintain detailed payroll records, especially if they are interested in potential premium savings from a change in class codes.

[Claims Processing](#)

[RM Best Practices for Operating Properties](#)

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

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[Debbie Dorsch](#)
Principal + Owner
(410) 491-2391

[Eileen Hartzell](#)
Principal + Owner
(443) 386-8075

[Jessica Gray](#)
Principal + Owner
(202) 262-4711

[Matthew Fischer](#)
General Counsel, Director of Claims & Risk Management
(443) 353-0559