

Wisconsin Compensation Rating Bureau**CIRCULAR LETTER 3210—APRIL 21, 2020**

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the WCRB Governing Board
COVID-19 Manual and Coding Changes
Stat Code 0012

Several questions have been raised with regard to the handling of stat code 0012 - Paid Furloughed Workers During A Governmental Emergency Order Impacting Employment. Some of the information on this Circular is a repeat of Circular Letter 3209. The intent is to expand on previous information provided to keep all information regarding COVID-19 in one Circular Letter.

Code 0012 is a stat code and does not affect the worker's compensation insurance premium and should not be included in the calculation of the exposure total on a unit statistical report. There is no rate, it is not used in the calculation of TRIA or Terrorism charges or in the calculation of an experience rating modification. Code 0012 will be limited in its application and will be in effective for the time specified in WI Governor Evers' Emergency Order #28.

The impact and treatment of claims reported under catastrophe code 12 will be discussed at the Actuarial Subcommittee meeting in November.

WISCONSIN EXPERIENCE RATING PLAN MANUAL

Wisconsin procedures will be consistent with those previously applied to other Extraordinary Loss Event Catastrophe codes. Valid claims coded with Catastrophe Code 12 and reported to Wisconsin will be excluded from experience rating calculations for any employer(s) incurring one or more such claims.

Wisconsin Experience Rating Plan Manual Section III.D.2. states:

2. Losses

The incurred losses in the experience period are those reported in accordance with the ***Wisconsin Worker's Compensation Statistical Plan Manual***. No loss can be excluded from the experience of a risk on the ground that the employer was not responsible for the accident that caused such loss.

EXCEPTION:

*Losses reported with a Catastrophe number assigned as a result of an Extraordinary Loss Event are excluded from experience rating calculations. For a list of the catastrophe numbers see the **Wisconsin Worker's Compensation Statistical Plan Manual**, Section III, Loss Information Codes.*

CIRCULAR LETTER 3210—APRIL 22, 2020—PAGE 2

For purposes of this Plan, losses, incurred under a state worker compensation law, the United States Longshore and Harbor Workers' Act, and Employers Liability Coverage will be subject to the respective accident limitations shown in the Table of Weighting Values. The values can be found on WCRB Web site on the Circulars tab in the annual rate revision circular.

WI UNIT STATISTICAL PLAN MANUAL

The following changes to the Unit Statistical Plan Manual have been identified and made to directly record claims associated with COVID-19:

- Change to the Extraordinary Loss Event (ELE) Table and Nature of Injury and Cause of Injury codes. These codes are for claims strictly attributed to COVID-19 with accident dates of 12/1/2019 and subsequent, and must be reported as follows:
 - Catastrophe Number = 12
 - Nature of Injury Code = 83 (COVID-19)
 - Cause of Injury Code = 83 (Pandemic)
- Establish statistical code 0012 - Paid Furloughed Workers During A Governmental Emergency Order Impacting Employment to report payroll attributed to paid furloughed workers related to COVID-19.

Unit Statistical Reporting

Unit statistical data should only be filed in Wisconsin in accordance with the updated and recently approved Statistical Plan manual rules when the following conditions apply:

Exposure State equals 48 (Wisconsin)

Catastrophe Code equals 12

As newly reported claims, these Catastrophe Code 12 claims should be reported on a going forward basis on the appropriate unit report level(s). Where correction reports are required, the Statistical Plan reporting rules should be followed.

The summary of changes to the WI Statistical Plan Manual:

March 17, 2020

Section	Field Name/Item	Reason for Update
II. Wisconsin Reporting Requirements	b. Premium Not Subject to Experience Modification	Paid Furloughed Workers During A Governmental Emergency Order Impacting Employment
III. Codes Applicable in Wisconsin	b. Premium Not Subject to Experience Modification Factor	Paid Furloughed Workers During A Governmental Emergency Order Impacting

WISCONSIN BASIC MANUAL

The WI Basic Manual also has been amended to provide direction for paid furloughed employees. This rule will not be restricted to COVID-19. If adopted, this rule will be permanent and will apply when a future emergency is declared.

Rule V – Premium Basis - H. Wages For Time Not Worked

Wages paid to employees who have been furloughed during the time period where a state-wide emergency order issued by a public official, whether or not the employer is exempted from the emergency order, shall be reported at audit under stat code 0012 - Paid Furloughed Workers During A Governmental Emergency Order Impacting Employment. The payroll during the furloughed period is not assigned to a classification code and no premium is calculated. If an employee is requested to perform any duties for their employer during this time period, they are not deemed furloughed while the task is being completed. If the employee is not deemed furloughed, the payroll will be assigned to the classification applicable to the work usually performed. Payroll records must clearly reflect the division of payroll between pre and post emergency declaration.

WIFDRA

The 2021 financial calls will also be amended, if needed, to include losses reported for COVID-19. The impacted calls include:

ACKNOWLEDGEMENT FORM

POLICY YEAR CALL (CALL #3)

CALENDAR/ACCIDENT YEAR CALL (CALL #5)

ASSIGNED RISK CALENDAR/ ACCIDENT YEAR CALL (CALL #5A)

RECONCILIATION REPORT (CALL #8)

COUNTRYWIDE RATING ADJUSTMENTS (CALL #10W)

COUNTRYWIDE LOSS ADJUSTMENT EXPENSE CALL (CALL #19)

LARGE LOSS & CATASTROPHE CALL (CALL #31)

For questions please contact:

Bernard Rosauer (262) 796-4584 bernard.rosauer@wcrb.org

Donna Knepper (262) 796-4576 donna.knepper@wcrb.org

Tad Cleveland (262) 796-4586 tad.cleveland@wcrb.org

Jaclyn de Medicci (262) 796-4578 jaclyn.demedicci@wcrb.org