

COVID-19 QUESTIONS AS OF JULY 7, 2020*

CLAIMS

- Q1. Does workers' compensation cover the testing, medical treatment, and/or lost wages (including those caused by quarantine) of an employee who suspects they have been exposed to COVID-19 during the course of their employment?**
- A1. Workers' compensation does not normally cover ordinary illnesses that the general public is exposed to outside of the employment setting. However, in some instances, there may be facts and circumstances associated with a claim that connect the illness to a workplace event or exposure. We will investigate each COVID-19 claim on a case by case basis. COVID-related claims should be reported to us in the same manner used to report all claims.
- Q2. Our insured has an employee who was recently injured at work and placed on light duty. Due to COVID-19, they do not have a sufficient volume of work to provide the employee with continued light duty. Is this situation covered under the new COVID-19 unemployment or workers' compensation coverage?**
- A2. The employee or employer would need to notify us. Once we confirm with the employer that modified duty is not available, the injured worker would likely be eligible for Temporary Disability payment.
- Q3. How will CopperPoint utilize telehealth during the COVID-19 pandemic?**
- A3. CopperPoint has well established telehealth platforms available in all of our states. The COVID-19 pandemic makes telemedicine a timely alternative to traditional clinic visits. With telemedicine, a medical appointment can be completed from the safety and comfort of your own home. We encourage our policyholders and injured workers to take advantage of this service.
- Most, if not all medical providers have implemented some form of telemedicine option for injured workers. CopperPoint will assist with telemedicine facilitation if/when a provider is unable to accommodate, or the required technology is unavailable.
- Telemedicine and telerehab offer many benefits to injured workers. These proven, virtual options enable injured workers to safely access quality care from the comfort of their own homes. There is no driving to a clinic or sitting in crowded waiting rooms to see a provider.
- Q4. Will the GL policy pay for defense costs if someone claims they got COVID-19 from a restaurant or any other business**
- A4. Whether a specific claim triggers a duty to defend depends upon the terms of the policy, the specific facts involved and the allegations made in any complaint. If an insured receives notice of a claim or a potential claim related to COVID-19, they should notify us immediately so that we can investigate and make a coverage determination.

Q5. *New:* If the insured has a deductible, will the insured be responsible for satisfying the deductible on payments made on COVID-19 claims?

A5. Yes, satisfaction of the deductible is required under the terms of the policy. There is no exception for COVID-19 claims. We will follow our regular deductible billing practice.

Workers' compensation rating bureaus have advised that COVID-19 claims will not be included in calculation of experience modification factors (x-mods, e-mods) because past COVID-19 losses are not necessarily indicative of future losses and therefore should not be included in calculation of future premiums. This action by rating bureaus does not change the applicability of deductible and/or retro provisions as to actual losses under existing policies.

Q6. *New:* If the insured has a retrospective rating plan, will losses paid on COVID-19 claims be included in calculation of the final premium?

A6. Yes, losses paid on COVID-19 claims will be included in determining final premium under retro plans. Final premium will be based upon the insured's actual loss experience, including amounts paid on COVID-19 claims.

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BILLING & COLLECTIONS

Q7. Will you be delaying notice of cancellation for late payments?

A7. As requested by the California insurance regulator, CopperPoint Insurance Companies will suspend cancellation for nonpayment of premiums until July 14, 2020 for California policies.

Q8. Will you be delaying notice of cancellation for late payroll reports?

A8. As requested by the California insurance regulator, CopperPoint Insurance Companies will suspend cancellation for nonpayment of premiums until July 14, 2020 for California policies. Nonpayment of premiums includes failure to report.

Q9. How do we plan to get cancellation notices to insureds if they are sent by mail?

A9. As requested by the California insurance regulator, CopperPoint Insurance Companies will suspend cancellation for nonpayment of premiums until July 14, 2020 for California policies.

Q10. How many times will we allow a policy to be endorsed to reduce the payroll before we expect it to ride through until audit?

A10. Contact your Underwriter, we are here to support your changing business needs as they arise.

Q11. Will I still receive an invoice?

A11. Yes, invoices will generate in the same manner as always.

Q12. Will the due date of my invoice change?

A12. No, invoices will reflect the original due date.

Q13. Do I have to pay my invoice now?

A13. The suspension of cancellation for nonpayment of premiums for California policies until July 14, 2020 does not eliminate the obligation to pay the premium.

Q14. Does the suspension apply to my deposit invoice?

A14. Yes, we will suspend cancellation for nonpayment of a deposit invoice for a California policy until July 14, 2020.

Q15. Does the suspension apply to surcharges?

A15. Yes, we will suspend cancellation for nonpayment of surcharges for a California policy until July 14, 2020.

Q16. Will my account still be subject to late fees?

A16. We will waive any late fees assessed on past due balances on California policies from March 20, 2020 until July 14, 2020.

Q17. Can I stop automatic payments on my account/policy?

A17. CopperPoint policyholders can contact billing@copperpoint.com to cancel automatic payments. PacificComp policyholders can cancel automatic payments via EasyPay.

Q18. A mid-term endorsement was processed on my policy. What happens to any resulting credit?

A18. CopperPoint and PacificComp will spread the credit amongst any scheduled invoices. If there are no scheduled invoices, the credit will remain on the policy and will be applied to future charges (e.g. Final Audit). Alaska National will immediately apply the full credit and then adjust the amount available for a refund based on the remaining scheduled invoices.

Q19. Will you pick up payroll at audit for employees told to work remotely from home and will you change the classification?

A19. If the employee is sent home to work by the employer, and is essentially doing the same job at home as they would be doing if still at the employer's location, then the payroll while working at home would be classified as it was when he/she was working at the employer's location and we will not change the classification.

Q20. Will you pick up payroll for furloughed employees who are sent home, continue to be paid by their employer, but are not working?

A20. ~~*Previous Answer:* The current WCIRB and NCCI interpretation considers this as "idle time" which is included in remuneration and would be auditable payroll. We continuously monitor the various rating bureaus for updates and will adhere to their rules.~~

~~**Updated Answer:** NCCI and WCIRB recognize these are unique circumstances and are expediting rule changes to address the question of payroll for furloughed employees who are being paid but are not working. Subject to formal adoption and regulatory approvals, insurers will still collect this payroll information for statistical purposes, but it will **NOT** be used in the calculation of premium.~~

~~**In anticipation of these changes, we encourage insureds to separately track payroll of employees who are being paid but are not working, back to March 1, 2020.** We will advise you as the rule changes take effect.~~

~~As of May 1, 2020, the new rule has been approved in all NCCI states effective March 1, 2020. The WCIRB rule is pending review in California.~~

Newly Updated Answer: For CopperPoint policyholders - Code 0012 has been approved by NCCI for furloughed employees who are at home, continue to be paid and are not working. An endorsement will be added to each policy adding this code. The endorsement will be effective 3-1-20. The payroll for these employees should be included in this class and removed from whatever code they are currently being reported in. The rate is \$.00, so there will be no charge for these employees. At the same time, the payroll must be reported for statistical purposes. Payments are excluded contingent upon employer recordkeeping that is "separate, accurate, and verifiable". Loans or appropriations made to employers as authorized by law specifically for the purpose of hiring/retaining working employees are not excluded.

For payroll reporting policies, a stuffer will be included with next reporting form with instructions how to add code 0012 to the reports. We are encouraging online reporting to avoid any reporting fees.

For California policyholders - Code 0012 has been approved by the WCIRB for your furloughed employees who are at home, continue to be paid (up to their regular rate of pay) and are not working during the period from March 19, 2020 until 30 days after California's statewide stay-at-home order is lifted. Please encourage employers to separately track payroll of employees who are being paid but are not working, back to March 19, 2020 as payments are excluded contingent upon employer recordkeeping that "document[s] the change in duties and ... segregate[s] such payments".

For Alaska National policyholders - Please encourage employers to separately track payroll of employees who are being paid but not working back to March 1, 2020. The process for reporting will follow. Please encourage any policyholder that has, or has had, furloughed/non-working employees to contact you to ask about obtaining an endorsement that will allow this particular class of remuneration to be excluded from their workers' compensation policy.

Q21. Should insureds track payroll for employees who have had a material change in their daily job function (e.g. a restaurant where a waiter is now doing delivery work) and will you adjust payroll mid-term or pick up at audit?

A21. *Previous Answer:* ~~Yes, track payrolls for new job functions. These should be communicated to your underwriter and will be used for premium audit. We will adjust payrolls and classifications in accordance with the respective state's applicable bureau rules. Adjustments will be applied mid-term. We continuously monitor the various rating bureaus for updates and will adhere to their rules.~~

Updated Answer: Yes, the employer should track payrolls for new job functions. These should be communicated to your underwriter and will be used for premium audit.

An example provided by NCCI: Could be a retail store that remains open for delivery of goods but closes the showroom to consumers. Several of the retail showroom employees will work from home to assist with phone orders, customer service calls, and related clerical paperwork. These employees may be reassigned to Code 8871—Clerical Telecommuter Employees. In addition, this same employer has other showroom employees delivering goods to customers. These employees would be reassigned to Code 7380— Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial while they are in their new role as delivery drivers. In both situations, the employees' original job descriptions were included in the applicable store code, but their new job descriptions place them in a new code. Once the employees return to their former roles, their payroll would return to the store code that was assigned before the employer closed the showroom.

The employer is responsible for maintaining properly segregated payroll records for the wages earned while the employees were in their new job descriptions. If these records are not maintained, then in accordance with NCCI guidelines all payroll will be assigned to the highest rated applicable classification.

Q22. How will you classify payroll if an employee is sent home with full pay but is being asked to perform a different position?

A22. It is important to accurately track payrolls for new job functions. These should be communicated to your underwriter. If the employee is sent home with full pay, and cannot perform his or her normal duties, but is being asked to perform a different position (e.g., he/she used to be a machine operator and now is reviewing accounts payable and doing billing) the employee's payroll, while at home, will be classified to the proper class of the new job they are performing. Any change to an employee's classification will be made in accordance with the respective state's applicable bureau rules. We continuously monitor the various rating bureaus for updates and will adhere to their rules.

RISK MANAGEMENT/ LOSS CONTROL

Q23. Are there cleaning resources for policyholders in the event an employee tests positive for COVID-19?

A23. Please refer to the Center for Disease Control (CDC) [guidelines](#).

UNDERWRITING

Q24. Are we okay with an insured changing their operation/classification mid-term?

A24. We are prepared to make every possible effort to support our agents/brokers and policyholders through this very difficult time.

Q25. Will you accept mid-term endorsement requests to reduce payroll and/or receipts? If so, do we send this to our Underwriter or is there a centralized email?

A25. Please send your change requests as you have submitted in the past. If the insured is on interim audit / monthly reporting simply continue reporting as usual. As per normal business procedure, final premium will be determined at audit.

Q26. How quickly will mid-term endorsement requests to reduce payroll/receipts be processed and when can my insured expect a check?

A26. We will endorse policies as quickly as possible and any credits will show up on the billing statement. Any change to premium will be handled in the same manner as always.

Q27. Will you reduce your current deposit premium for New Business and Renewals?

A27. As with our normal course of business, please discuss our flexible payment options and corresponding deposit premiums with your underwriter prior to the policy effective date.

Q28. In cases where a new business or renewal policy requires additional underwriting information or a physical loss control visit as a condition to bind or post binding, will accommodations be made and conditions removed or delayed until barriers are eliminated due to quarantines, physical accessibility of locations and acts of civil authority?

A28. We will work to make accommodations on accounts which are quoted as new business, or renewals where the quotations were offered subject to additional information or a loss control visit.

Q29. Will you be offering any new or different payment plans?

A29. Our payment plans remain unchanged. Many flexible payment options are available. Speak with your underwriter or service team if you have any questions.

Q30. Are remote employees automatically covered? Do we need to list all addresses on the policy?

A30. Employees temporarily working from home are covered. You do not need to list employee home addresses on the policy.

Q31. If an insured's business is temporarily closed, how will you handle renewals?

A31. Coverage remains in place until cancellation or expiration. Our normal rate/quote/bind process is in place.

Q32. Is there language in CopperPoint property policies that prevent or exclude coverage for business interruption, either voluntarily or due to an order of a civil authority, as a result of COVID-19?

A32. The business income forms in the CopperPoint policies state that the suspension of operations must be caused by direct physical loss or damage, and the loss or damage must be caused by or result from a Covered Cause of Loss. CopperPoint policies also include an endorsement that excludes loss or damage caused by or resulting from any virus. If a claim is submitted, we will investigate the particular facts and circumstances of such claim and the terms of the applicable policy.

*These FAQs are based upon available information as of **July 7, 2020** and are subject to change without prior notice. FAQs are intended for informational purposes only and do not modify or invalidate any of the provisions, exclusions, terms or condition of any policy.