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## **Rate Relief Possible for Employers with Paid Furloughed Employees and/or Changes in Operations due to COVID-19**

### **Paid Furloughed Employees due to COVID-19**

Maryland businesses (including government entities such as municipalities) insured by Chesapeake Employers Insurance that have suspended operations and furloughed employees due to the COVID-19 pandemic, **may have the payroll paid to those employees excluded for the purposes of calculating workers' compensation insurance premiums and experience ratings.**

Chesapeake Employers will not charge premium for paid furloughed employees who are kept on an employer's payroll and are not performing duties for the employer during the COVID-19 state of emergency. Premiums of individual employers **could decrease** based on the payroll of paid furloughed employees.

Employers with paid furloughed employees should keep separate, accurate, and verifiable records. If payroll records are not maintained, payroll will be assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 pandemic.

Payroll for paid furloughed employees will be assigned to a new class code: 0012. It is expected that exposure for many insured employers will shift from various classification codes to code 0012. No claims will be filed under this new class code. **Chesapeake Employers should be notified immediately of any class changes.**

This temporary rule is retroactive to March 1, 2020 and has a current expiration date of December 31, 2020. The expiration date may be amended as circumstances warrant and in consultation with state regulatory bodies.

### **Change in Operations/Duties due to COVID-19**

If the insured's organization has limited operations due to the COVID-19 crisis and places employees into new roles for the duration of the pandemic, those employees could be assigned to different classifications. A change in classification could occur, such as when:

1. The employer's operations have changed to a different classification, or
2. An employee's occupation for the employer has changed to a different classification that may be applied to the employer's policy.

**EXAMPLE:** *A retail store that remains open for delivery of goods but closes the showroom to consumers. Several of the retail showroom employees 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 after the pandemic has passed, their payroll would return to the store code that was assigned before the employer closed the showroom.*

**Chesapeake Employers should be notified immediately of any class changes.** The employer would be responsible for maintaining properly segregated payroll records for the wages earned while the employees were in their new job roles. If these records are not maintained, then all payroll would be assigned to the highest rated applicable classification.

**Please contact your insurance agent or underwriter at Chesapeake Employers (410-494-2000 or 1-800-264-4943) to make the necessary modifications to your payroll and classifications. You can also email [PremiumRelief@CEIWC.com](mailto:PremiumRelief@CEIWC.com).**