

*State of Idaho*  
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Director

**BULLETIN NO. 20-09**

DATE: April 27, 2020  
TO: Workers' Compensation Carriers  
FROM: Dean L. Cameron, Director  
SUBJECT: Guidance regarding COVID-19 related rule and code adjustments

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This Bulletin applies to carriers offering workers' compensation coverage.

The Idaho Department of Insurance has accepted the National Council on Compensation Insurance's ("NCCI") April 21, 2020 filing, revising their Basic Manual and Statistical Plan as related to the COVID-19 pandemic. The filing is publicly accessible and can be reviewed as SERFF tracking number NCCI-132346714, and the revised manual rules are attached to this bulletin. The Department advises all carriers to review the revisions, make necessary system changes, and clearly communicate the revisions and recordkeeping expectations to all insureds as soon as possible.

The revisions are effective March 1, 2020 and are valid through December 31, 2020. NCCI has established rules related to definitions, treatment, and reporting of payments made by an employer to employees who are furloughed as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 pandemic which impact an employer's staffing or business operations; any claims attributable to paid furloughed employees; and reporting final premium for employers affected by the COVID-19 pandemic. This includes:

- Clarifying that idle time is paid downtime and is distinct from paid furloughed employees;
- Payments made to paid furloughed employees are excluded from premium calculations;
- Payments to paid furloughed employees should be properly tracked and assigned Code 0012;
- Claims cannot be reported to Statistical Code 0012.

Note that this Bulletin includes only a summary of the changes; carriers and employers should consult the manual directly.

Additionally, carriers should consider advising insureds to work with their agent or company representative to evaluate their operations to see changes in classification codes are warranted during this emergency.

If you have questions concerning this bulletin, please contact Randy Pipal or Wes Trexler at the Department of Insurance.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
(CORONAVIRUS) PANDEMIC

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EXHIBIT 1  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
B. PAYROLL

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

**2. Excludes:**

- a. Tips or other gratuities received by employees.
- b. Payments by an employer to group insurance or group pension plans for employees, other than those covered by Rule 2-B-1-f and Rule 2-B-1-m.
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Sections 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery.
- e. Dismissal or severance payments except for time worked or vacation accrued.
- f. Payments for active military duty.
- g. Employee discounts on goods purchased from the employee's employer.
- h. Expense reimbursements to employees if the employer's records confirm that the expense was incurred as a valid business expense.

Reimbursed expenses and flat expense allowances paid to employees may be excluded from the audit only if all three of the following conditions are met:

- (1) The expenses or allowances are incurred for the business of the employer
- (2) The amount of each employee's expense or allowance is shown separately in the records of the employer
- (3) The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of their work

*Refer to NCCI's **User's Guide** for an example.*

**Note:** If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. *Refer to Rule 2-B-1-p Exception for the maximum employee expense allowance.*

Allowable travel expenses permitted by any contract with a federal, state, or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

- i. Meal money for late work.
- j. Work uniform allowances.
- k. Sick pay paid to an employee by a third party such as an employer's group insurance carrier that is paying disability income benefits to a disabled employee.
- l. Employer-provided perks such as:
  - Use of company-provided automobiles
  - Airplane flights
  - Incentive vacations (e.g., contest winners)

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
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EXHIBIT 1 (CONT'D)  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
B. PAYROLL

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

- Discounts on property or services
  - Club memberships
  - Tickets to entertainment events
  - Educational assistance
  - Relocation and moving expenses
- m. Employer contributions to employee benefit plans such as:
- Employee savings plans
  - Retirement plans
  - Cafeteria plans (IRC 125)
  - Health savings accounts
  - Flexible spending accounts
- These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.
- n. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.
- Refer to Rule 2-F-3 for the definitions of paid furloughed employees and payments to paid furloughed employees.
- This Rule 2-B-2-n is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This rule will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
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EXHIBIT 2  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
F. WAGES FOR TIME NOT WORKED

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

1. Idle Time

Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked.

~~Some employers pay employees for time not worked.~~ All wages paid to the employee for such idle time must be included in payroll. ~~These wages paid during this time~~ are assigned to the classification for work normally performed by the employee under the following circumstances:

- Suspension or delay of work due to weather conditions
- Delays while waiting for materials
- Delays while waiting for another party to complete certain work
- Delays arising from breakdown in equipment
- “Stand-by” time where employees such as operators of cranes, hoists or other equipment are on the job, but their active services are not required continuously
- Special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances
- Inability of non-striking employees to perform normal duties due to other employees who are on strike. If non-striking employees perform absolutely no work for their employer and are not present at their employer’s premises or job sites during a strike period, their payroll must be assigned to Code 8810—Clerical Office Employees, provided adequate records are maintained by the employer.
- All other causes of a similar nature

For purposes of this Rule 2-F-1, idle time does not include “paid furloughed employees” or “payments to paid furloughed employees” as provided in **Basic Manual** Rule 2-F-3. The expiration date of this paragraph will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This paragraph in this Rule 2-F-1 will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

Refer to **User’s Guide** for an example.

Refer to Rule 2-F-2 for the treatment of idle time by construction, erection or stevedoring risks.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
(CORONAVIRUS) PANDEMIC

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EXHIBIT 3  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
F. WAGES FOR TIME NOT WORKED

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

3. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws, or Regulations Issued Due to the COVID-19 (Coronavirus) Pandemic

For purposes of this Rule 2-F-3, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.

"Payments to paid furloughed employees" means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

Payments to paid furloughed employees must be assigned to Code 0012, in accordance with the **Statistical Plan**. Payments to paid furloughed employees made in accordance with this Rule 2-F-3 are excluded from the premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is 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 (coronavirus) pandemic.

If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with **Basic Manual** Rule 1-A.

This Rule 2-F-3 is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This rule will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
(CORONAVIRUS) PANDEMIC

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EXHIBIT 4  
STATISTICAL PLAN—2008 EDITION  
PART 3—EXPOSURE INFORMATION  
F. EXPOSURE AMOUNT  
2. Nonpayroll Exposure

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

**d. Paid Furloughed Employees**

Paid furloughed employees means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer. Effective March 1, 2020, payments by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations must be reported to Statistical Code 0012—Paid Furloughed Employees. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

The expiration date of this code will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

Code 0012 may be used as a Statistical Code to report the payments only; or it may be used as a Classification Code to report the payments with a zero rate and zero premium.

Payments reported to Code 0012 are excluded from premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records.

**ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
(CORONAVIRUS) PANDEMIC**

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**EXHIBIT 5  
STATISTICAL PLAN—2008 EDITION  
PART 3—EXPOSURE INFORMATION  
F. EXPOSURE AMOUNT**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

**3. Final or Estimated Premium****a. Audited or Estimated Exposure**

When the exposure reported on the 1st report corresponds to the final premium amount by class code, report as follows:

- The exposure and class code(s) corresponding to the final premium
- “N” for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report is based on estimated exposure, report as follows:

- The estimated exposure and class code(s) corresponding to the estimated premium
- “Y” for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report was based on estimated exposure and subsequently the final premium is determined, a correction to the 1st report must be reported as follows:

- The exposure and class code(s) corresponding to the final premium
- “N” for the Estimated Audit Code—Policy Conditions

**b. Audit Noncompliance Charge**

When the exposure reported on the 1st report includes Statistical Code 9757—Audit Noncompliance Charge, report the Estimated Audit Code as an “N” in the applicable Policy Condition Indicator field.

If subsequent to reporting Statistical Code 9757, and the final policy premium is determined in accordance with NCCI’s *Basic Manual* rules, the statistical code and its accompanying charge must be removed. Additionally, the Estimated Audit Code must continue to be reported as “N,” and the exposure and premium must reflect the final audit. Refer to Part 5, Item A-1 for correction reports.

**c. COVID-19**

If final premium based on audited exposure cannot be reported due to federal, state, and/or local emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic which impact an employer’s staffing or business operations, report the applicable exposure and premium in the class code(s) and the Estimated Audit Code as an “N.”

This rule is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
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EXHIBIT 6  
STATISTICAL PLAN—2008 EDITION  
PART 4—LOSS AND EXPENSE INFORMATION  
E. CLAIM COMPONENTS

1. Required Claim Components

f. Classification Code

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(2) Additional Classification Code Loss Reporting

Additional classification code reporting rules apply as follows:

**(a) Aircraft Operation Losses**

**For Policies Effective January 1, 2015, and Subsequent:**

For policies that include Classification Code 7421—Aviation—Transportation of Personnel in Conduct of Employer's Business—Flying Crew, report all exposure and any losses for members of the flying crew to Classification Code 7421.

For all other employees covered on the policy, all exposure and any losses are reported to the classification code to which the injured worker's payroll is assigned.

**For Policies Effective Prior to January 1, 2015:**

Losses incurred under the policy—other than to members of the flying crew—must be reported under Statistical Code 9108—Aircraft Operation—Passenger Seat Surcharge.

**(b) Losses Resulting From Black Lung and Supplementary Disease**

Losses resulting from Black Lung and supplementary disease exposure must be reported to the appropriate statistical code.

Refer to Part 1, Item L—Coal Mine and Black Lung Disease Experience for reporting losses resulting from Black Lung disease.

Refer to Part 3, Item F-2-c—Other Miscellaneous Exposures for a listing of supplemental disease statistical codes.

**(c) Contract Medical**

A class code is not required for contract medical claims.

**Note:** Contract medical claims are medical-only claims covered entirely by a medical contract.

**(d) Paid Furloughed Employees**

For any claims attributable to an employee occurring prior to or after a temporary layoff or an involuntary leave, report losses to the classification for work normally performed by the employee that corresponds to the employee's payroll. No claim can be reported to Code 0012—Paid Furloughed Employees.

This rule is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.



ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19  
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EXHIBIT 7  
STATISTICAL PLAN—2008 EDITION  
PART 6—CODING VALUES

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

E. STATISTICAL CODES

3. Premium Amount *Not Part* of Standard Premium

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
Paid Furloughed Employees	0012	N/A	AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV	03/01/2020	12/31/2020*	Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees. Code 0012 may be used as a Statistical Code to report the payments only; or it may be used as a Classification Code to report the payments with a zero rate and zero premium.  *Code 0012 will expire on December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.