

News You Can Use



Because You're Different

Workers' Compensation

Commissioner Orders Benchmark Rate Cut

CALIFORNIA'S INSURANCE commissioner has approved a 3.4% reduction in the average workers' compensation benchmark rate as of Sept. 1, 2021.

Ricardo Lara order the rate decrease despite the fact that the Workers' Compensation Insurance Rating Bureau, the state's rate-making agency, had recommended that the average benchmark rate be increased 2.7%.

The 3.4% reduction is an average across all of California's 500-plus class codes. The benchmark rate – also known as the pure premium rate – is a base rate that carriers can use as a guidepost to price their policies. It is supposed to cover the cost of claims and of administering them. The benchmark rate is voluntary and carriers can choose to use it or not when pricing their policies.

Companies with higher claims experience may not see a reduction, and some industries too may see additional surcharges.

The rate reduction applies to all policies incepting on or after Sept. 1. The change will reduce the average benchmark rate by \$.05 to \$1.41 per \$100 of payroll for workers' compensation insurance. That's compared with the industry-filed average pure premium rate of \$1.86 as of Jan. 1.

COVID-19

The average pure premium rate does not include any provision for the estimated cost of the COVID-19 claims that will incur during the Sept. 1, 2021 policy period. Lara ordered that any provision in the rates filed by insurers to cover the estimated costs of the COVID-19 claims, be accounted for and tracked separately.

In ordering the reduction, the commissioner noted that claims frequency continues to fall, and that claims costs have largely remained stable. There was also a substantial decrease in workers' compensation claims in 2020 as many workplaces were idled. If people aren't working, they can't get injured on the job.

He also noted that the Jan. 1, 2021 rate filing included a load for an expected surge in cumulative trauma claims as a result of the pandemic, and for resulting shutdowns and many people losing their jobs. Often during periods of heavy layoffs these types of post-termination claims surge.

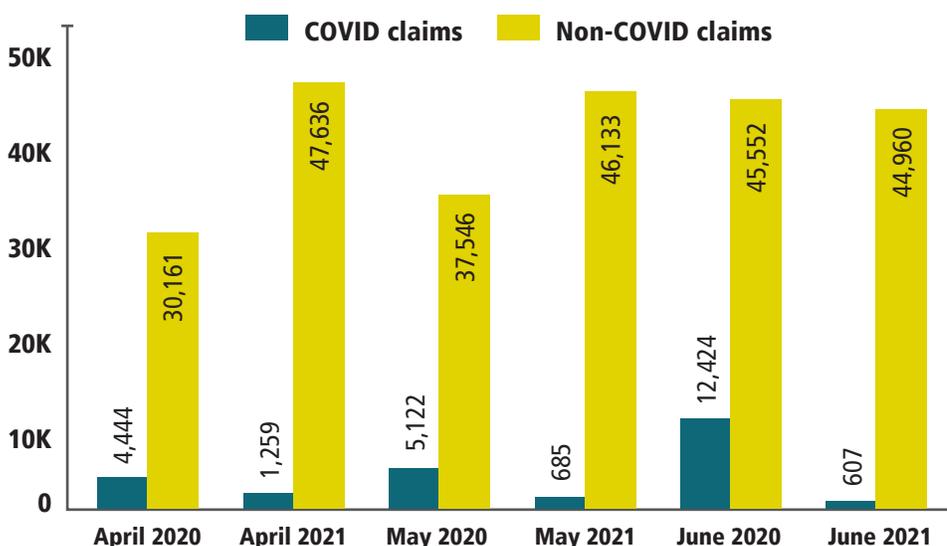
However, a preliminary analysis of the 2020 accident year has shown that this expected surge never materialized.

The takeaway

This new rate will apply to all policies that take effect or renew on or after Sept. 1.

As always, your final rate will depend on your claims experience, your industry and what part of the state you are operating in. Not all employers will see a decrease in their rates. ❖

INJURY, ILLNESS CLAIMS DURING PANDEMIC



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Pandemic Fight

Program Lets Employers Set Up Vaccination Clinics

THE STATE of California has launched a new initiative aimed at helping employers set up on-site COVID-19 vaccination clinics for their employees.

As vaccine uptake starts to slow down while more employees return to work, employers have been wrestling with how to get as many of their workers vaccinated as possible. Some companies are requiring staff to get vaccinated while others have been offering incentives like gift certificates to urge them to take the plunge.

Due to the complexity of organizing an on-site vaccination clinic, the California Department of Public Health (CDPH) has created a straightforward “Employer Vaccination Toolkit,” where an employer can seek approval for an on-site clinic or vaccination event. The site covers ways employers can promote inoculations among their staff, including COVID-19 vaccination resources and more.

Before an employer decides to host an event, they must survey staff to see who has and who has not been vaccinated and ensure they have access to proper facilities.

Infrastructure requirements

In particular, to qualify to host a vaccine clinic, the site an employer wants to use needs to meet certain “infrastructure requirements” for on-site vaccinations. There are four types of sites:

- Indoor,
- Outdoors covered site (such as a large tent),
- Vaccination bus, and
- Vaccination van.

Site requirements

Sites must be large enough to accommodate the required number of check-in stations, vaccination stations and observation areas:

- **Check-in, screening and registration areas** – Each station must be at least 6 feet from any other station.
- **Vaccination area** – Spacing between vaccination stations needs to be at least 10 feet.
- **Observation area** – There should be six chairs per vaccinator, spaced at least 6 feet apart.

There are also requirements for:

- Emergency medical support
- HVAC and temperature control
- Space for storing supplies
- Restrooms
- Break area for staff working the site
- Cleaning
- Electrical
- Number of chairs
- Vaccination site licensing and insurance

If you can ensure you have access to these types of facilities, you can apply to host a site using the toolkit and application process [here](#). The site also includes information on other ways employers can promote COVID-19 vaccinations.

Application process

Here are the steps you should follow in applying:

1. Understand your employee vaccination needs:
 - What percentage of your employees need inoculation?
 - Would a worksite vaccination event help support your employees (and potentially their family members) access vaccines?
2. [Review the infrastructure requirements](#) for a worksite mobile clinic.
3. Submit a support request for the event:
 - Fill out the [application](#).
 - A representative should contact you within three business days to follow up.
4. Help your employees get vaccinated on-site on your schedule:
 - Promote the vaccination event widely.
 - Host the event on scheduled dates and times.

If an employer is too small, the CDPH can help them band together with other employers in their area to sponsor a clinic.

If approved, the CDPH will provide you with a list of local providers with which to arrange vaccinations. ❖



Workers' Compensation

COVID-19 Payroll Reporting Rules Sunsetting

THE WORKERS' Compensation Insurance Rating Bureau has announced that two temporary payroll reporting rules to reflect changes brought on by the COVID-19 pandemic stay-at-home orders are sunsetting.

The move comes after Gov. Gavin Newsom's June 9 executive order which revoked the statewide stay-at-home order that had been in place since March 19, 2020.

You may recall that after the stay-at-home order took effect, the Rating Bureau issued new rules for classifying staff who were suddenly working remotely, as well as payroll reporting for staff who were at home but not working.

The Coronavirus Disease 2019 (COVID-19) rules that are expiring:

A. Classifying remote workers in the Classification 8810 – Clerical Office Employees – As a result of the California stay-at-home order, many employers have altered employees' duties so they could be accomplished from home, and often those duties are clerical-like in nature.

Under the rule, an employee could be assigned payroll Classification 8810 if:

- Their duties meet the definition of a "clerical office employee" while working from home,

- Their payroll for the balance of the policy period is not assignable to a standard classification that specifically excludes clerical office employees.

Expiration: This rule expires 60 days after the end of the stay-at-home order, or Aug. 10.

B. Salaries of non-working staff – Salaries paid to workers who were at home not working, yet still collecting a paycheck, would be excluded from payroll for workers' comp premium calculation purposes when the payments were less than or equal to the employee's regular rate of pay.

Expiration: This rule expired 30 days after the end of the stay-at-home order, or July 11.

The takeaway

What this means is that if you have been classifying remote workers under Classification 8810, they will need to be returned to their original classification.

Also, the rules still require that you maintain records that document any changes in duties for your staff during the period these rules were in effect and they were working from home.

The rules also require you to maintain records of their payroll during that period. ❖

FILLING UP: *With the stay-at-home orders expired, the special classification for employees working remotely due to the pandemic has sunsetted.*



Workplace Safety

Heat Increases Risk of Injuries Even for Inside Workers

AS MANY parts of the country are wrestling with record-high temperatures this summer, a new study has found that the hotter the weather gets, the higher the risk of workplace accidents and injuries for all workers.

The study by researchers at University of California, Los Angeles, looked at claims data from between 2001 and 2018.

on days with highs above 95 degrees, manufacturing workers had a 7% higher risk of injury than on days when the temperatures were in the low 60s.

Many manufacturing facilities are not air conditioned. The same is often true for warehouses and other production line-type operations, bakeries and laundries.

When temperatures rise, it increases your risk of making mistakes or errors in judgment. Heat stress can cause fine motor performance to deteriorate.

What to do

Get management commitment and buy-in for providing effective controls.

If you have new workers who have not spent time in hot environments or being physically active in the heat, they need time to build tolerance and acclimatize to the heat.

OSHA recommends that staff working in hot conditions should:

- Consume adequate fluids (water and sport drinks),
- Work shorter shifts,
- Take frequent breaks, and
- Learn how to identify heat illness symptoms.

For indoor spaces, air conditioning with cooled air and increased air flow, leading to increased evaporative cooling, can make the workplace safer.

Other ways to reduce the risk of accidents during hot weather include:

- Telling workers to slow down physical activity, like reducing manual handling speeds.
- Scheduling work for the morning.
- Scheduling shorter shifts.
- Requiring staff to take frequent breaks in the shade or away from heat sources.
- Encouraging workers to drink hydrating fluids regularly.
- Training workers about heat-related symptoms and first aid. ❖



WORK ACCIDENT LIKELIHOOD*

| | |
|--------------|--------------|
| 100 degrees: | + 10% to 15% |
| 90 degrees: | + 6% to 9% |

* Compared to temperatures in 50s and 60s for both inside and outdoor workers.

The report found that high temperatures not only put outdoor workers at higher risk of accidents and injuries, but also indoor workers.

For example, the UCLA study found that