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**NCOIL Spring Meeting  
April 15th-18th Charleston, SC**



Rep. Matt Lehman, IN  
President



Thomas B. Considine  
NCOIL CEO



Asm. Ken Cooley, CA  
Vice President

## **Workers' Comp: Resilience in Responding to the Pandemic**

### **Bill Donnell, President and CEO, National Council on Compensation Insurance**

**By: The Industry Education Council\***



One year ago, the workers compensation system faced uncertainty, doubt, and widespread fear about the unknown consequences of the rapidly spreading COVID-19 pandemic. The pandemic is not over nor do we have all the answers yet. However, the workers compensation system demonstrated resilience and agility in response to this challenge.

For example, more than 20 states considered legislation to establish workers compensation presumptions for employees impacted by COVID-19. Nine states enacted COVID-19 presumption legislation in 2020, and several states issued executive orders, directives, and adopted emergency rules on COVID-19 presumptions and compensability. Most of these actions applied to first responders, health care providers, and other essential workers.

We expect these legislative and regulatory efforts to continue in 2021, as highlighted in our recent article [2021 Legislative Trends: Top Issues to Watch](#).

### **Recession Risk**

The acute crisis now for the workers compensation system is the recession. Workers have faced a devastating drop in employment, especially in hospitality, retail, and travel services, as well as education and healthcare.

In fact, the US Census Household Pulse Survey for Feb 3–Feb 15 estimates that 47% of the US adult population experienced loss of household employment income (either themselves or a household member) since March 13, 2020. An estimated 23% expected a loss of household employment income between mid-February and mid-March. This drop in payroll, whether from reduced hours, wage cuts, or layoffs, means less workers compensation premium.

NCCI estimates that the drop in payroll contributes to an approximate 8% decrease in overall national workers comp premium for 2020 vs. 2019. That's a significant issue for insurers and brokers. While it's not an insurmountable challenge, it is a critical business risk.

\*This column is a submission of the Industry Education Council (IEC) and reflects the IEC's perspective on the issue(s) discussed. The views, thoughts, and opinions expressed in the column do not necessarily reflect those of NCOIL.

## Workers' Comp IEC Quarterly Column Cont'd

### Workers Compensation Claims

In the early months of the pandemic in 2020, we worried primarily about potentially large claims swamping the system and diminishing carrier financial reserves. Indeed, COVID-19 has taken an extraordinary physical and emotional toll on many workers, especially in healthcare and other workers requiring close personal proximity.

Even though the pandemic has contributed to more than 525,000 deaths in the US at the time of this writing, the workers compensation system has not been overwhelmed by claims. NAIC data through third quarter 2020 shows that total incurred losses have dropped approximately 7.5% compared with the same time period in 2019. While we recognize this is early data and more people will suffer work-related COVID-19 illnesses, carriers have generally suggested that during 2020 decreases in non-COVID-19 losses have more than offset increases directly attributable to the pandemic.

Workers who have contracted COVID-19 have generated some claim activity. To date, these losses are predominantly lost time from work. Medical claims can range from testing costs to intensive care hospital costs. From a recent NCCI analysis of medical payments through the end of 2020, the top 5% of the COVID-19 treated claims are driving approximately 70% of the medical COVID-19 related payments. This early data validates that serious claims exist, but they are few relative to the total. Among other issues, we are closely monitoring the impact of co-morbidities and are considering the possibility of long-term COVID-19-related health concerns. So, we still have a long way to go to fully understand the claims story from this pandemic.

With losses reducing at nearly the same rate as premium, we can say with confidence that COVID-19 claims will not undermine the foundations of the workers compensation system.

### Essential Architecture of Commerce

Just think back to early 2020: a pandemic was not even ranked as a top business risk for the year ahead. Within a few weeks, it became THE issue of our time. While we see light at the end of this long, dark tunnel, the US and the workers compensation system continue to face challenging issues from COVID-19.

In May, NCCI will hold our *Annual Issues Symposium 2021 - Stronger Together* in a virtual format. Registration is now available, and there's no charge to attend. Sharing critical insights and providing data-driven analysis provides policymakers, regulators, carriers, and other stakeholders with perspective so we can sustain a healthy workers compensation system.

Workers compensation is essential to the architecture of commerce in this nation. More than 100 years ago, the industry developed rapidly to create a safety net for workers. Our system balances the needs of employees and employers and has helped create much safer workplaces.

Together, we must continue to demonstrate strength, integrity, and compassion in helping injured workers as we reach the final stages of this pandemic.

Additional information and resources on the impact on COVID-19 on the workers compensation system can be found in the [COVID-19 Resource Center](#) at ncci.com.

Bill Donnell, CPCU  
NCCI

Bill Donnell is President and CEO of the National Council on Compensation Insurance based in Boca Raton, Fla. [www.ncci.com](http://www.ncci.com)

### About the IEC

The IEC's primary mission is to support the education of legislators through NCOIL. Our members include insurers, state and national trade associations, and other parties with a stake in the insurance public policy decisions formulated at NCOIL, including those involved in pharmaceuticals, auto repair, and healthcare providers. Our membership also includes rating agencies and law firms.

Under its bylaws, the IEC is prohibited from lobbying.



Asm. Kevin Cahill, NY  
Treasurer



Rep. Joe Fischer, KY  
Secretary



Sen. Jason Rapert, AR  
Immediate Past President



Sen. Travis Holdman, IN  
Immediate Past President

## Future NCOIL Meetings:

Spring 2021  
April 15—18  
Charleston, SC

Summer 2021  
July 14—17  
Boston, MA

Annual 2021  
November 17—20  
Scottsdale, AZ

Spring 2022  
March 3—6  
Las Vegas, NV

Summer 2022  
July 13—16  
Jersey City, NJ

Annual 2022  
November 16—19  
New Orleans, LA

## REGISTRATION FOR NCOIL SPRING MEETING IS OPEN

Registration for the 2021 NCOIL Spring Meeting at the Francis Marion Hotel in Charleston, SC from April 15th—18th is open.



*See the full tentative schedule on page 6 or view at the NCOIL website [here](#)*

## DON'T FORGET TO BOOK YOUR HOTEL!!!

**Legislators book here:**



**General Participants book here:**



## NCOIL Special Committee on Race in Insurance Underwriting Holds Virtual Interim Meeting

The NCOIL Special Committee on Race in Insurance Underwriting (Committee) held an interim virtual meeting on Friday, March 5. New York Senator Neil Breslin chairs the Committee. The Committee adopted a definition of “proxy discrimination” which can be found in the link below as amendments to the existing NCOIL Property/Casualty Insurance Modernization Model Act. Senator Breslin sponsored the amendments along with Indiana Representative Matt Lehman, NCOIL President. The definition will be considered by the NCOIL Executive Committee for final adoption at the NCOIL Spring Meeting in April.

Senator Breslin said, “Knowing how important this issue is, I am thrilled with both the attendance for the interim meeting and the fact that we were able to adopt the definition in order to provide states critical guidance. State legislation has already been introduced containing the term proxy discrimination but it is not defined. Leaving terms in statutes undefined creates problems for the legislators that enacted the law, regulators that enforce the law, courts that are called upon to interpret the law, and those governed by the law. We began important discussions in Tampa during the NCOIL Annual Meeting and were able to build upon those discussions during the interim meeting. As is always the case throughout NCOIL deliberations, hearing different viewpoints on the issues being considered is extremely beneficial and is going to give us a lot to discuss at the Spring Meeting as the Committee continues its work on other related issues.”

Representative Lehman remarked, “I am proud to co-sponsor this Model with Senator Breslin. I think that we can all agree that these conversations are not easy to have, but it’s important that we continue to have them. As an organization dedicated to producing sound public policy and serving as an educational forum for public policy makers, we can’t sit idly by while these issues have the potential to have such a large impact on our constituents. I am pleased that we are able to provide a platform for these discussions to occur, whether it be at one of NCOIL’s National Meetings or on an equally important interim call.”

*Cont’d on Page 4*

## NCOIL Special Committee on Race in Insurance Underwriting Holds Virtual Interim Meeting Cont'd

There were over 100 participants for the interim virtual meeting which included 14 legislators from 9 states. In addition to the extensive comments and discussion from legislators, NCOIL heard perspectives on these issues from a wide array of interested parties at both the December and interim meetings including: the American Property Casualty Insurance Association (APCIA); the Center for Economic Justice (CEJ); Professor Anya Prince of the University of Iowa College of Law; the American Council of Life Insurers; and the Honorable Nat Shapo, former Director of the Illinois Department of Insurance.

"The virtual meeting was excellent, a really wonderful, respectful exchange of views on a critical topic," stated NCOIL CEO, Commissioner Tom Considine. "The definition of proxy discrimination adopted by the Committee was very carefully crafted to prohibit and preclude discrimination against protected classes by proxy, as the word proxy is defined already in the English languages," he continued.

"Some of the opponents to the definition sought to equate proxy discrimination with disparate impact, but that is impossible without ignoring the plain existing meaning of the word proxy. The Committee will now examine disparate impact closely through the individual factors used in the underwriting process," Considine concluded.

You can find the video recording from the meeting [here](#).

All material discussed during the meeting can be viewed [here](#).

A copy of the NCOIL Property and Casualty Insurance Modernization Act can be found [here](#).

## NCOIL Visits the Oklahoma Insurance Department



Thank you to the Oklahoma Insurance Department and Commissioner Glen Mulready for welcoming NCOIL and University of Georgia Professor, Dr. David Eckles to present, respectively, an information session about NCOIL, and a session on the fundamentals of insurance regulation to a number of Oklahoma legislators.



# REGISTER NOW

[CLICK HERE](#)

**Reminder that Contributing States are eligible for two legislator stipends per National Meeting to help underwrite the cost of participating. Click below for more information**

**Please contact Tess Badenhausen at [tbadenhausen@ncoil.org](mailto:tbadenhausen@ncoil.org) with any questions.**

## **LEGISLATOR STIPENDS NOW AVAILABLE FOR CONTRIBUTING STATES**

**CLICK HERE FOR MORE INFORMATION**

### **Reminder to subscribe to the NCOIL YouTube Channel**

Weren't able to attend our past meetings? Interested in our upcoming meeting, but not able to attend? Good news— you can visit our YouTube channel for recordings of past meetings. We will also be posting sessions from the upcoming Spring Meeting in Charleston after the meeting, so stay tuned!

Visit the link below to subscribe and keep up to date on all things NCOIL!

<https://www.youtube.com/channel/UCe09Z77z4q6HG1kv3fDG7Bq>

### **NCOIL One on One**

NCOIL has implemented a new program: NCOIL One on One! Interested in hearing about how your colleagues got involved in NCOIL and what their background is? Get excited, because you are about to find out!

Our first segment of NCOIL One on One is with NCOIL President, Indiana Representative Matt Lehman. Please visit the link [here](#) to find out more about Rep. Lehman's background, how he got involved with NCOIL, and advice for those thinking of joining.

Stay tuned for next months NCOIL One on One, coming in April!

### **Building the Bridge: Consumers, Government & Insurers Uniting to Fight Fraud Webinar**

We hope you were able to tune into the Coalition Against Insurance Fraud's webinar on Wednesday March 17, but if you were not able to make it, please visit the link [here](#) to view. There were multiple panelists who spoke on insurance fraud, including NCOIL Vice President, Assemblyman Ken Cooley. Other panelists included Doug Heller from the Consumer Federation, Maureen Hasselmann from State Farm Insurance, and Tracy M. Thompson, acting New Jersey Insurance Fraud Prosecutor.

## NCOIL 2021 SPRING MEETING TENTATIVE SCHEDULE

### THURSDAY, APRIL 15TH

CIP Planning Meeting	10:00 AM	-	2:00 PM
Special Committee on Race in Insurance Underwriting	2:30 PM	-	5:30 PM
Welcome Reception	6:00 PM	-	7:00 PM

### FRIDAY, APRIL 16TH

Welcome Breakfast	8:30 AM	-	10:00 AM
Networking Break	10:00 AM	-	10:15 AM
Joint State-Federal Relations & International Insurance Issues Committee	10:15 AM	-	11:30 AM
General Session	11:30 AM	-	12:45 PM
Legislator Luncheon	12:45 PM	-	1:45 PM
NCOIL- NAIC Dialogue	1:45 PM	-	3:00 PM
Networking Break	3:00 PM	-	3:15 PM
Life Insurance & Financial Planning Committee	3:15 PM	-	4:30 PM
Workers' Compensation Insurance Committee	4:30 PM	-	5:45 PM
CIP Member & Sponsor Reception	6:00 PM	-	7:00 PM

### SATURDAY, APRIL 17TH

Financial Services & Multi-Lines Issues Committee	9:00 AM	-	10:30 AM
Networking Break	10:30 AM	-	10:45 AM
General Session	10:45 AM	-	12:00 PM
Luncheon with Keynote Address	12:00 PM	-	1:30 PM
Health Insurance & Long Term Care Issues Committee	1:30 PM	-	3:00 PM

### SUNDAY, APRIL 18TH

Property & Casualty Insurance Committee	9:00 AM	-	10:30 AM
Business Planning Committee & Executive Committee	10:30 AM	-	11:30 AM