

Draft: 8/3/21

Workers' Compensation (C) Task Force
Virtual Meeting in lieu of Summer National Meeting
July 21, 2021

The Workers' Compensation (C) Task Force of the Property and Casualty Insurance (C) Committee met virtually July 21, 2021. The following Working Group members participated: Lori K. Wing-Heier, Chair, represented by Anna Latham (AK); Glen Mulready, Vice Chair represented by Kim Bailey, Cuc Nguyen, Andrew Schallhorn (OK); Jim L. Ridling represented by Jennifer Brown, Jimmy Gunn and Eric Wright (AL); Alan McClain and Crystal Phelps (AR); Evan G. Daniels represented by Erin Klug Tom Zuppan (AZ); Ricardo Lara represented by Yvonne Hauscarriague, Giovanni Muzzarelli and Mitra Sanandajifar (CA); Andrew N. Mais represented by Susan Gozzo Andrews, and Amy Waldhauer (CT); David Altmaier represented by Greg Jaynes and Sandra Starnes (FL); John F. King represented by Steve Manders (GA); Colin M. Hayashida represented by Grant Shintaku (HI); Dean L. Cameron represented by Michele MacKenzie and Randy Pipal (ID); Dana Popish Severinghaus represented by Reid McClintock, Judy Mottar and Julie Rachford (IL); Vicki Schmidt represented by James Norman (KS); James J. Donelon represented by Warren Byrd and Tom Travis (LA); Eric A. Cioppa represented by Brock Bubar and Robert Wake (ME); Grace Arnold represented by Steve Klebba, Tammy Lohmann and Phil Vigliaturo (MN); Chlora Lindley-Myers represented by LeAnn Cox; (MO); Mike Causey represented by Tracy Biehn and Fred Fuller (NC); Marlene Caride represented by Mark McGill and Carl Sornson (NJ); Russell Toal represented by Bogdanka Kurahovic (NM); Barbara D. Richardson and Gennady Stolyarov (NV); Andrew Stolfi represented by Brian Fordham and T.K. Keen (OR); Jessica K. Altman represented by Mark Lersch and Mike McKenney (PA); Elizabeth Kelleher Dwyer represented by Beth Vollucci (RI); Raymond G. Farmer represented by Will Davis (SC); Larry D. Deiter and Maggie Dell (SD); Michael S. Pieciak represented by Kevin Gaffney and Pat Murray (VT); and James A. Dodrill (WV). Also participating were: Robert Lutton (MI); Bob Biskupiak (MT); Mike Shinnick (TN); Nicole Elliott (TX); Tracy Klausmeier (UT); and Rebecca Nichols (VA).

1. Adopted its March 15 Minutes

Mr. Travis made a motion, seconded by Ms. Bailey, to adopt the Task Force's March 15 minutes (Attachment xx). The motion passed.

2. Heard a Presentation on Regarding the Classification of Telecommuters and the Potential Implications of an Increase in Telecommuting on Workers' Compensation

Jeff Eddinger (National Council on Compensation Insurance—NCCI) said in 2019 less than 6% of American workers worked primarily from home, although 25% of workers did some work from home. He said that most remote workers in 2019 were not eligible to be classified as telecommuters in workers' compensation. Mr. Eddinger said less than 1% of the payroll fell into the clerical telecommuting class code, which is 8871, where a clerical employee telecommutes at least 50% of the time. He said by comparison the clerical class code 8810 accounts for almost 30% of total payroll.

Mr. Eddinger said in May 2020, about 35% of the employed work force reported that they had worked from home in the previous four weeks due to COVID-19. At the time there was a McKinsey study done that estimated that about 29% of the work done in the U.S. would be done remotely with no loss in productivity, and that an additional 10% of the work could be done remotely if necessary.

Mr. Eddinger said most of the remote work was done in business and professional occupations. He said by December 2020 the remote working population dropped to about 24%. Mr. Eddinger said during 2020 the NCCI did not observe any significant change or shift from 8810 to the telecommuting class code.

Mr. Eddinger said a 2020 survey found that more than 80% of employees that can work from home would like to do so at least one day a week and 32% would prefer to work remotely full-time. He said a survey of U.S. companies found that employers expect 19% of their workforce to be fully remote after the pandemic, compared to 7% of the workforce being fully remote prior to the pandemic. Mr. Eddinger said that businesses that support traditional office work, such as transportation, leisure, hospitality and energy, are likely the ones that would be impacted to employees showing up to their work locations.

Mr. Eddinger said there may not be a dramatic shift in payroll to the telecommuting class code since many clerical jobs are embedded in other governing class codes. He said for example, insurance company workers who have been working remotely, or who may telecommute in the future, will still be classified under the insurance company class code, 8723. Mr. Eddinger said the jobs most likely to be performed remotely tend to have lower injury rates. He said there were however some important workers' compensation implications. Mr. Eddinger said home offices are less likely to be ergonomically compliant, which could lead to an increase in repetitive stress injuries. He said additionally workers in improvised offices may be more prone to slip and falls. However, workers that are not driving are at less risk for work-related car accidents.

Mr. Eddinger said if more permanent changes do occur there could be some payroll that would shift from 8810 to the telecommuting class code. He said that since clerical jobs have relatively low frequency, there would have to be a significant shift in the mix of claims in order for any measurable impact to overall workers' compensation costs. Mr. Eddinger said even if the number of repetitive stress injuries doubled, there would be a negligible impact in the office and clerical industry group. He said there are still a lot of unknowns, but NCCI does not expect to see any significantly large impacts to workers' compensation even if remote does catch on as expected. NCCI will continue to monitor remote work.

Mr. Stolyarov said he was interested in NCCI's assessment of the impact due to a lot more business being conducted remotely. He said not only are more workers telecommuting currently but will continue to telecommute. Mr. Stolyarov said there have been many discoveries, such as one does not necessarily have to fly to another city to conduct certain types of business. He said with less car travel and less air travel by these workers, would NCCI expect for this to have a favorable impact on workers' compensation loss costs in the long term.

Mr. Eddinger said in his opinion the less traveling that is necessary will reduce work-related travel injuries. He said motor vehicle accidents are one of the worst workers' compensation injuries and one of the riskiest temporary jobs that any employee in the U.S. could hold and sees downward pressure in travel injuries.

Commissioner Richardson asked if employers would see a push in providing home office equipment as part of a telework process or is it the opinion of NCCI that the claims will be low enough that this is not a mitigation effort that needs to take place. Mr. Eddinger said he did not have an answer as to what employers might do for their remote employees; however, he would not rule out this possibility. He said employers did a lot of education in the past when repetitive injuries were in the headlines regarding employee workstations, taking breaks and walking and making sure their posture was good, so he believes we are in a better position today than we were in the past. Mr. Eddinger said education regarding home office ergonomics will go a long way in mitigating an increase in these types of losses.

Commissioner Richardson said the federal government has concluded that remote work does not require an employee to come into the office at all. She asked if NCCI believed there would be any uptick in fraud claims because you do not know where workers are, what they are doing, or how they fit into the workers' compensation controls. Mr. Eddinger said he has no way of knowing this and would not want to guess if it would be an issue; however, employers will probably want to think about how they handle claims from home versus claims that occurred in the office.

Having no further business, the Workers' Compensation (C) Task Force adjourned.

W:\National Meetings\2021\Summer\TF\WC\0721 WCTF Minutes.docx