Recently Util Auditors hosted a webinar to provide valuable insight on how companies can be prepared to manage costs as a result of the changes from Covid-19. Here is a brief overview of some of the highlights from this call:

Scott is the Lead Workers Compensation Auditor at Util Auditors. He is also a licensed attorney in Illinois, and has been consulting in workers' compensation for over 15 years.

Scott, what are the changes to the industry since COVID-19?

The biggest change has been the shutdown of work. Workers compensation premiums are based off of payroll, and with significantly less payroll, there will be less premium. There is also the looming issue of Covid Workers Compensation claims for employees that may have been exposed to the virus on duty.

What are the vendors responses?

Their first response from the largest rating bureau, NCCI, was to put out a guideline to try to pick up idle time under the normal classification codes. NCCI has reversed its position and now idle time is not counting for businesses. In Illinois, for example, cancellation of policies has been halted, and audits have slowed down significantly.

What do these changes mean for businesses?

Your premium is likely going to be reduced for the coming year, and for front line business, there will likely be claims by employees exposed to the virus.

Do you expect these changes to be temporary or permanent moving forward?

That will depend on the individual business.

What are the recommended steps a business can take to protect itself / mitigate risk / stop losses / save money / cut costs?

Get your insurance carrier to endorse your current policy, if your payroll has been reduced.

No one knows how long this is going to last. On these estimates, be generous with your estimates as to how long this will last until things re-open. Better to pay a large audit bill a year from now than pay inflated estimates now.

Listen to the audio for this segment of our webinar