



NYCIRB

New York Compensation
Insurance Rating Board
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July 1, 2020

R.C. 2518

Re: Status of the Rating Board's March 27, 2020 Legislative Analysis

Members of the Rating Board:

Following the release of the Rating Board's June 25, 2020 Research Brief on the COVID-19 pandemic ("Research Brief"), several stakeholders asked whether the Rating Board's March 27, 2020 Legislative Analysis, which evaluated language that was subsequently introduced as S.8266 (Ramos) / A.10401 (Simotas) (2020), can continue to be used to estimate the impact of that bill. I write to address this question and state that for the reasons detailed herein, it is no longer appropriate to utilize the Rating Board's March 27, 2020 Legislative Analysis. Instead, the Rating Board encourages stakeholders to review the Research Brief, which analyzes the pandemic's potential impact on the New York State workers' compensation system.

As noted in the Research Brief, the March 27, 2020 Legislative Analysis was released at the request of public officials during New York State's 2020 budget negotiations and was based upon infection rate modeling prior to community mitigation activities and the April 2020 apex of hospitalizations and fatalities in New York State. March 2020 modeling, which is now over 3 months old, is outdated and can no longer serve as a basis for analysis.

Information that was not available in March of 2020, such as preliminary and anecdotal data on medical treatment utilization, virus transmission, claim filing rates, and the efficacy and impact of mitigation activity, is beginning to emerge and should be considered and studied. Further, over the past few months, it has become clear that the ultimate cost impact of any bill will likely reflect a variety of continually evolving factors unrelated to workers' compensation, including the infection rate, the availability of income replacement programs, New York State's experience reopening the economy, human behavior, and the timing of scientific discovery. For this reason, until the pandemic concludes, any cost estimate related to COVID-19 may become quickly outdated as these factors continue to evolve.

At this moment, it is prudent to develop a general framework for understanding the direct impact of COVID-19 claims on medical and indemnity costs and to recognize the indirect impact that the pandemic may have on the State's workers' compensation system. For this discussion and analysis, I invite you to view and download the Research Brief on the Rating Board's [COVID-19 Resources web page](#).



The Rating Board remains committed to providing the marketplace with further research and analysis as more information becomes known.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JA", is positioned above the printed name and title.

Jeremy Attie
President and CEO