

Dear Zenith Agent,

As the effects of COVID-19 continue, we recognize the impact to individuals and businesses is still very much being felt, and we want to continue to be proactive in our response.

As you are aware, in April, we introduced an online tool allowing small business policyholders with less complex operations to report how their payroll has been affected by COVID-19, if applicable, resulting in an adjustment to their premium and billing accordingly.

We are pleased to announce that we are extending the Payroll Impact Tool to eligible policyholders for the months of September and October, 2020.

If they choose to take advantage of this, policyholders will receive an adjustment to their monthly installment. Policyholders can also update prior months back to March 2020.

As a reminder, eligible policyholders are primarily single-state small business accounts that are not currently on payroll reporting. Today, we will [email policyholders](#) who previously used the portal to let them know they are eligible to provide updates for the months of September and October (if applicable) using the following link:

www.TheZenith.com/COVIDpayrollimpact

If you have other eligible Zenith clients who haven't previously used the online tool, please contact your Zenith Underwriter or Premium Account Specialist to get the information your client will need to access the online tool.

What You Need to Know About This Tool

If the policyholder participates in this program and the payroll entered results in a credit, the credit will be applied to their next invoice. If there are no remaining invoices for the policy period, the actual policy payrolls will be determined and adjusted at final audit. Please contact your underwriter if you need assistance identifying which of your clients qualify for this program, and they can provide a list of eligible policyholders.

Although this tool is not available for middle market or large accounts, we encourage you to contact the following to discuss potential options for these customers who may have also been impacted:

- Premium Account Specialists: for customers that need assistance/terms on already billed invoices. Simply call 800-4440-5020, option #4
- Zenith Underwriter: available to agents and policyholders to discuss changes and updates to future (unbilled) payroll exposure

COVID-19 Resources on TheZenith.com

Visit our comprehensive [COVID-19 resources page](#) on our website to help customers – and you – quickly find the resources you need about policies and billing, communications, employee health & safety guidance, and more.

Notices of Cancellation

Since March, and in response to state restrictions, we temporarily suspended issuing direct notices of cancellation for non-payment of premium for all policyholders. Throughout this process, we have proactively contacted policyholders with overdue balances. In many cases, we have done this with additional support from our agents, and we thank you.

As these restrictions are being lifted, we have selectively issued cancellations for non-payment of premium on overdue accounts. We are evaluating when it will be appropriate to again issue non-payment of premium notifications broadly and cancel policies as a result of non-payment of premium subject to normal state guidelines and requirements.

Like you, we know policyholders have been impacted significantly as a result of COVID-19, and we remain committed to partnering with you to notify policyholders in advance in an effort to help them preserve their coverage.

Jurisdictional Rule Changes

Because of shelter-in-place orders and businesses being closed, many states have adopted or are considering adopting rule changes to reduce workers' compensation premiums by:

- Excluding wages paid to furloughed workers
- Permitting temporary reassignment of employer or employee job classifications

We want you to know that we've implemented these changes, and will apply them at final audit*. However, we can only do this if our customers properly segregate their payroll records. They can prepare in advance of their final audit by:

1. Segregating wages and having them available at the time of audit for any furloughed employees who continue to receive pay but are not working during the time of the COVID-19 pandemic.
2. Identifying workers and segregating any wages for employees whose job duties temporarily changed to work at home performing strictly clerical duties during the COVID-19 pandemic.

Sincerely,

Paul Ramont
EVP and Chief Underwriting Officer
Zenith Insurance Company

**While we expect the rule changes to receive countrywide approval, we do reserve the right to revisit our audit decisions on policies in any state where the changes are not ultimately approved.*