



## State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Insurance Department

TODD E. KISER  
*Insurance Commissioner*

# BULLETIN 2020-3

To: Insurers Offering Workers' Compensation Insurance in Utah  
From: Todd E. Kiser, Utah Insurance Commissioner  
Date: March 26, 2020  
Subject: **Premium Holiday for Employers that have Closed Due to the Coronavirus but Continue to Pay Employees**

The Utah Insurance Department issues this bulletin as guidance to workers' compensation insurers collecting premium from certain employers that have closed due to COVID-19 (coronavirus) restrictions.

Government authorities recently imposed social distancing restrictions to reduce the spread of the coronavirus in Utah communities. Those restrictions have the effect of limiting the operations of many businesses. In response, some business owners have decided to close but continue to pay employees. That decision may, in turn, minimize or eliminate risks covered by workers' compensation insurance.

Utah law does not prohibit workers' compensation carriers from suspending premium payments by the closed-but-paying employers. Although "authorized insurer[s] may not knowingly ... receive a premium that departs from" its filed rates, Utah Code Section 31A-19a-216(1), this provision does not apply where a carrier is not "receiving premium." The statute does not bar a carrier from electing not to receive premium during the time that an employer is closed but continuing to pay employees.

The Insurance Commissioner expects that a carrier will exercise sound business and actuarial judgment in deciding whether or not to receive premium under these circumstances. Regardless of the decision, all reporting requirements of the National Council on Compensation remain in effect.

Any domestic carrier that elects not to receive premium should notify Jake Garn in the Insurance Department's Financial Regulation and Licensing Division (801-538-3811 or [jwgarn@utah.gov](mailto:jwgarn@utah.gov)).

Please direct questions about this Bulletin to Reed Stringham (801-538-3870 or [mrstringham@utah.gov](mailto:mrstringham@utah.gov)) or Tracy Klausmeier (801-538-3869 or [tklausmeier@utah.gov](mailto:tklausmeier@utah.gov)).

DATED this 26<sup>th</sup> day of March 2020.

---

Todd E. Kiser  
Insurance Commissioner