

November 2009

WORKERS' COMPENSATION NEWS

BWC Board of Directors Meeting

On Friday, October 30, 2009 the Board convened for their monthly meeting and unanimously approved the following changes to the Ohio Bureau of Workers' Compensation Program for Private Employers:

Private Employers Credibility Table & "stratified" Break-Even Factor

The Board unanimously approved to reduce the maximum credibility for Policy Year 2010 to 65%. This modification will take the maximum credibility down 12% from the Policy Year 2009 maximum credibility of 77%. In addition to this considerable modification, the Board unanimously approved a "stratified" Break-Even Factor (BEF) to be applied to the group discount a group rated employer earns for Policy Year 2010. The "stratified" BEF is a new introduction for PY 2010; in 2009 the Board unanimously approved a flat BEF of 31.1% to be applied to the earned group discount for an employer.

In 2009, with the approved 31.1% flat BEF, an employer who earned a maximum group discount of 77% was receiving a 70% because of the "surcharge". The introduction of a "stratified" BEF for PY 2010 will result in a 51% group discount for employers who have earned the maximum discount of 65%. The average BEF for 2010 will be 27.5%, with the highest BEF at 40.7% and the lowest at .008% based on an employer's discount level.

Group Rating Quotes

If you qualify for a 2010 group rating discount, your quote should be delivered to you by the end of November. If you have any questions regarding the ongoing BWC Rate Reform please contact us.

New Programs & Changes to Claim Reserving

BWC has discussed proposed changes to the current workers' compensation system in previous months and future BWC Board of Directors meetings will begin generating these proposed changes:

Reserving all lost time claims from date of injury of 1/1/2010 for private employers and 1/1/2011 for public employers

- Claims with date of injury prior to January 01, 2010 will continue to have the reserve suppressed if *salary continuation* is the only compensation being paid on the claim.
- Employers may continue *salary continuation* on a claim, but this will only eliminate the compensation cost out of the experience rating calculation.

Apply a reserve to all medical-only claims

The introduction of reserving medical-only claims would impact private employers for policy year 2011 and public employers for policy year 2012.

Introduction of Large Deductible Program and Individual Loss Retro Program

BWC indicated that program criteria, such as deductible levels, credit qualifications, safety requirements, etc. are still under consideration. BWC will be conducting the first reading to the Board for the Large Deductible Program in November and the first reading of the Individual Loss Retro Program in December.

UNEMPLOYMENT NEWS

Unemployment Extension

The U.S. Senate has not moved forward with their decision to extend unemployment benefits to individuals who have exhausted state and federal jobless benefits. An extension was proposed in late September by the U.S. House, which would authorize states with unemployment rates of at least 8.5% to receive a 13-week benefit extension. The U.S. Senate bill

proposal authorizes a 14-week benefit extension in all states and an additional 6-week extension for states with an unemployment rate of 8.5% or higher. Without any action from the U.S. Senate no proposed extension will take effect.

Tax Rate Release for Ohio

Ohio will be releasing the rate notices for 2010 at the end of this month. Please be sure to submit your rate notice to Sheakley Unemployment Services for a free review for potential qualified tax savings on next year's rates.

LEGISLATIVE NEWS

House Bill 311

The House Bill was introduced and referred to the State Government Committee on October 13, 2009. The bill would require state agencies to perform a cost-benefit and regulatory flexibility analysis on how proposed rules might impact small businesses and issue reports. The bill would also create the Ohio Small Business Ombudsperson to ensure compliance and assist companies with the state requirements.

House Bill 320

The House Bill was introduced on October 19, 2009 and referred to the Commerce and labor Committee on October 27, 2009. The bill would allow private companies to offer compensatory time off in lieu of overtime pay. Many employers in Ohio pay their hourly employees one and a half times their hourly wage for any work beyond their forty hour work weeks. This bill would give employees the option to take time off at their regular rate of pay instead of overtime pay.

House Bill 337

The House Bill was introduced on October 28, 2009 and would require the Department of Development to track companies that relocate to other states and produce annual reports explaining why businesses are leaving Ohio. The focus for this bill is to offer insight to what legislative changes need to be made to make Ohio a more competitive business market.

House Bill 342

The House Bill was introduced on October 29, 2009 and would limit overdraft fees chargeable by financial institutions and establish certain requirements for overdraft protection services. The House Bill is proposing that banks charge an account holder an overdraft fee of no more than five dollars per transaction for any check or debit authorized transaction which there were insufficient funds in the specified account.

To learn more about these changes and how they will impact your business, please contact our office at 513-326-4675 x2044 or visit our website at www.sheakley.com.