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Business Bulletin

January 2010

WORKERS' COMPENSATION NEWS

BWC Board of Directors Meeting

On Thursday, December 16, 2009 the BWC Actuarial Committee and Friday, December 17, 2009 the BWC Board of Directors convened for their monthly meetings and the Bureau of Workers' Compensation staff presented two programs that BWC expects the Board of Directors to vote on in January.

Individual Incurred Loss Retrospective Program will allow individual private employers and public employer taxing districts to participate in retrospective rating by receiving a premium adjustment (refund/assessment) based on performance. The program is strictly performance-based and an employer's claim performance will determine if an employer receives a refund or assessment at each evaluation period.

- One year program with evaluations periods occurring at 12, 24, and 36 months after the policy year end
- Employers must have \$75,000 in standard premium (total premium excluding the assessments for disabled workers' relief fund and the administrative cost fund) for the last full policy year to participate in program
- Program is incompatible with: Individual Retrospective Rating, \$15K Medical-Only Program, Deductible Program, One Claim Program, Group Rating, Drug-Free Workplace Program or Group Retrospective Rating.
- Employer cannot have cumulative lapses in coverage in excess of 40 days within the 12 months preceding the application deadline date

Large Deductible Plan would add deductible level options of \$25,000, \$50,000, \$100,000, & \$200,000. These options will have a more restrictive eligibility criterion:

- No cumulative lapses in coverage in excess of 15 days within the 5 years preceding the original application deadline
- Deductible Level must be 40% of Standard Premium
- More restrictive Dun & Bradstreet score screening
- Must submit reviewed (\$25K or \$50K level) or audited (\$100K or \$200K level) GAAP financials
- Higher deductible levels are incompatible with Group Rating, Individual & Group Retro Rating, \$15,000 Medical-Only Program, and Salary Continuation

Changes to Claim Reserving

BWC "rate reform" changes to the current workers' compensation system are on their way:

Reserving all lost time claims from date of injury of January 01, 2011 for public employers

- Claims with date of injury prior to January 01, 2011 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 beginning July 1, 2010

The introduction of reserving medical-only claims will impact public employers for policy year 2012.

SAFETY NEWS

PERRP Recordkeeping

Did you know the Public Employment Risk Reduction Program (PERRP) 300AP Summary must be posted by February 1, 2010?

Ohio Administrative Code (OAC) 4167-6-01 through 04 outlines all fundamental PERRP recordkeeping requirements.

Did you know . . .

- Public employers must maintain a PERRP 300P log, a PERRP 300AP summary and a PERRP 301P form on all recordable occupational injuries and illnesses.
- Employers are required to post the 300AP summary of occupational injuries and illnesses for each establishment annually.
- Employers must submit a master summary to PERRP on or before February 1. (Employers with multiple locations are asked to create and submit a master summary).
- Employers are required to retain the current records plus records from the previous five years.

Key Points:

- All Ohio public employers must log recordable work-related injuries and illnesses. As of July 2007, there are no exemptions.
- Public employers must record each fatality, injury or illness that is work-related and is a new case and meets one or more of the recording criteria contained in the instructions.
- The creation and maintenance of this documentation must be a top priority for the employer.

It is important to remain in compliance with your recordkeeping and reporting requirements, as a failure to post a copy of your establishment's annual summary will result in the issuance of a citation. Sheakley Health and Safety Services can assist you with the completion of your PERRP injury and illness recordkeeping logs. [Contact us](#) today for more information!

Also, please visit [Sheakley Health & Safety Services Virtual University](#) for your on-line safety training opportunities.

UNEMPLOYMENT NEWS

Unemployment Rates – November

Ohio unemployment rises from 7.1% in November 2008 to 10.6% for November 2009. The United States unemployment rate has rose from 6.8% in November 2008 to 10.0% for November 2009.

Ohio Extended Benefits

On April 1, 2009, Ohio law was amended so that individuals may receive up to 20 weeks of state-extended benefits (known as "Ohio Extended Benefits" or "Ohio EB") after their federal-extended benefits expire. The first payable week of Ohio EB was the week beginning March 15, 2009. The last payable week of Ohio EB is the week ending December 26, 2009. Ohio law requires that the Ohio EB program begin to phase out three weeks before the last payable week. This means that Ohio EB applications effective prior to December 6, 2009, may be approved for payment of benefits through the week ending December 26, 2009.

Emergency Unemployment Compensation Program

Federal legislation that would extend deadlines for the Emergency Unemployment Compensation program has been approved, extending the deadline until February 28, 2010. Before the approved extension, the law stated that claimants who exhaust their regular 26 weeks of unemployment benefits after December 19 will not be eligible for any federal extended benefits. In addition, claimants who exhaust their extended benefits after December 26 will not be eligible for any additional extended benefits.

LEGISLATIVE NEWS

Potential Measures of the Desirability of Legislation as a Matter of Public Policy

The Workers' Compensation Council (WCC), under their Ohio Revised Code (ORC 4121.78) duties, has created a new state panel to review and analyze legislation impacting the Ohio workers' compensation system adopting a set of guidelines that will be used to scrutinize future legislation:

- Technical qualities of the legislative proposal
- Congruence with basic tenets of the workers' compensation system
- Historical precedent
- Cost-benefit analysis
- Potential effects on stakeholders
- Impact on the stated goals of the Bureau of Workers' Compensation
- Impact on the Industrial Commission's ability to perform its duties
- Experiences in other states and nationwide best practices

The state panel delayed consideration of Senate Bill 213, which seeks to block administrative changes to the group rating program. Although the bill has been delayed, the panel has included the measure in their prioritized BWC related legislation that will be reviewed in early 2010.

Senate Bill 213 – Workers' Compensation (Faber)

The Senate Bill (introduced November 19th) requires the BWC administrator to adopt a rule that sets the discount for programs or alternative premium plans no later than the first day of September prior to the policy year in which the discount for programs or alternative premium plans is to be in effect; establishes a moratorium on BWC's use of the break-even factor for a two-year period; and prohibits lowering the maximum group premium discount below sixty-five percent.

House Bill 387 – School District Ratings (Lehner)

The House Bill (introduced December 3rd) requires revision to the performance ratings for school districts and buildings.

House Bill 365 – Collective Bargaining (Chandler)

The House Bill (introduced November 12th) would eliminate an exemption from the Public Employees' Collective Bargaining Law for specified educational employees.

House Bill 19 – Dating Relationships (Hardwood)

The House Bill (introduced February 18th and delivered to the Governor on December 22nd to sign) enacts the "Tina Croucher Act", which requires public schools to incorporate dating violence into their policies prohibiting harassment, intimidation, or bullying; to require school districts to include dating violence prevention education in the health curriculum; to clarify the conditions under which a community school must close for poor academic performance; and to revise the criminal offenses that disqualify school bus drivers for employment.

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.