513.771.2277 Phone
800.877.2053 Phone
One Sheakley Way
Cincinnati, Ohio 45246
Sheakley.com

Sheakley
It's done.

Business Bulletin

March 2010

WORKERS' COMPENSATION NEWS

Important Training Requirement for 2009/10 Group Rating Participants:

Beginning July 1, 2009, the BWC is requiring all group rating participants with a claim in the two years prior to the rate year (green year) to attend a 2 hour training on safety related topics by no later than June 30, 2010. Sheakley is actively working with our 2009/10 group participants who meet the criteria to make sure they are Green Year Training compliant. If you are a current Sheakley client, but were a member of a group through another TPA/Sponsor for the 2009 rate year, it is important to make sure that you have completed the 2 hour safety training requirement and have submitted proof of such training to your 2009/10 sponsor. The Ohio Bureau of Workers' Compensation (BWC) has indicated that each sponsor is required to provide verification to the BWC that each participating member is compliant with the necessary training.

The consequences for not completing the Green Year Training are not yet specified by BWC however we are strongly urging all of our clients to make sure they are compliant to ensure that their group rating participation is not placed in jeopardy. Sheakley offers a wide variety of FREE training opportunities to our clients that help meet the compliance requirements as defined by the BWC. To attend, please contact us 800-877-5055 x 2014 or safety@sheakley.com.

Drug-Free Safety Program

The Drug-Free Safety Program (DFSP) was reviewed during the Medical Services and Safety Committee meeting that occurred on February 25th at the Ohio Bureau of Workers' Compensation. The Program was also presented by the Deloitte Consultants during the BWC's Actuarial Committee meeting, where the discussion was focused on the plan pricing of the program. The Drug-Free Safety Program is expected to be on the Board of Directors agenda for the March, 2010 meeting. The "re-tooling" and launch of the new program is expected for the July 01, 2010 Policy Year.

During the Deloitte Consultants presentation on plan pricing it was announced that BWC will be proposing to the BWC Board of Directors a Basic Level discount of 4% and an Advanced Level discount of 7%. The proposal will also include a "stacking option" with group rating, allowing employers to participate in the Advanced Level of the program while participating in group rating where they can earn a 3% additional discount for their DFSP participation.

The Drug-Free Safety Program (rule 4123-17-58) proposal includes the following recommendations:

- Combine the Drug-Free and Drug-Free EZ into one program with two levels:
  - Basic Program Level
  - Advanced Program Level
- The proposed design is to incorporate drug-free training into employers' holistic approach to safety for both levels.
- Participation elements included in both levels are:
  - Safety
  - Written substance policy
  - Employee substance awareness
  - Supervisor training
  - Drug and alcohol testing
  - Employee assistance
- Safety elements included in both levels are:
  - Online safety self-assessment

    - Accident analysis training for supervisors
    - Online accident reporting
    - BWC safety services available upon request or as indicated (increasing loss ratios, injury trends, inadequate accident analysis, catastrophic claim, fatality, etc.)
- Programs are not compatible with BWC programs except:
    - Deductible Program (not Large Deductible)
    - Safety Council
    - Salary Continuation prior to January 1, 2011
    - Group Rating (Advanced Level at 3%)

The Basic and Advanced Levels of the new DFSP will require participants to move from a 5-panel to 6-panel drug test. The Advanced Level will require participants to randomly drug test 25% of their total workforce.

The DFSP proposal will also include the removal of the five-year participation limit, which will allow employers who have already exhausted their five years to be eligible for the program again.

BWC Board of Directors Meeting

On Friday, February 26th the BWC Board of Directors convened for their monthly meeting and unanimously passed the change to the Experience Modifier Cap program. The new change makes the rule effective for future policy years. The Board also unanimously passed the Group Retrospective Rating Loss Development Factors, which were studied and recommended by Deloitte Consulting. The following Loss Development Factors are effective for program year beginning July 01, 2009 and will continue until BWC proposes new LDF's to the Board of Directors:

Private Employers (PA)

- 12 Month Evaluation LDF – 1.858
- 24 Month Evaluation LDF – 1.565
- 36 Month Evaluation LDF – 1.349

Public Employers-Taxing Districts (PEC)

- 12 Month Evaluation LDF – 2.014
- 24 Month Evaluation LDF – 1.681
- 36 Month Evaluation LDF – 1.510

Group Retrospective Rating

Group Retrospective Rating is a BWC performance-based incentive program designed to reward participants that are able to keep their claims cost below a predetermined level. Employers are required to pay their individual premiums as normally scheduled, however participants can realize an additional premium refund or assessment, depending on the overall performance of the group. If the group is able to maintain claims cost lower than what the BWC expects them to spend, they may qualify for a refund. However, if the group as a whole realizes actual claim costs that are higher than what is expected, they may incur an assessment that is in addition to their individual premium payments. The deadline to participate in this program for the July 01, 2010 start date is the last business day in April.

Sheakley is pleased to offer employers the opportunity to join an elite Group Retro Program. If you are interested in being evaluated and learning more about this premium savings opportunity please Contact Us .

BWC Net Assets

BWC reported that as of January31, 2010 their Net Assets are at $3.9 billion. It was further defined that $3.4 billion of the $3.9 is accredited to the State Insurance Fund.

SAFETY NEWS

Drug-Free Workplace Program Reminder:

Sheakley would like to remind our clients about the requirements of the Drug-Free Workplace Program (DFWP). If your company participates in this program with a July 1 start date, you **must submit a Self-Assessment Progress Report** to the Ohio Bureau of Workers' Compensation (BWC) **by March 31, 2010**.

In order to comply with the DFWP program, **first year participants must implement the program and complete the training within 90 days of the initial program period start date**. If you are completing years 2 through 5 of the DFWP Program your training **must** be completed prior to your report due date in order to include a sign-in sheet and invoice with your annual report. Sheakley offers a variety of services to assist with the implementation of your Drug-Free Workplace Program, including:

- Drug & alcohol policy development
- Onsite, regional and webinar training
  - *Initial Supervisor Training*
  - *Refresher Supervisor Training*
  - *Employee Education*
  - *Train the Trainer (To Train your Employees and Supervisors)*
- Drug & alcohol testing services
  - *Set-up of an occupational clinic or onsite testing*
- Employee assistance referral

Please review the regional training schedule below.

Date	Initial Supervisor	Refresher Supervisor	Employee Education	Location
March 2	1:00-5:00pm	10:30am-12:30pm	8:00-10:00am	Middleburg Heights
March 10	1:00-5:00pm	10:30am-12:30pm	8:00-10:00am	Cincinnati
March 16	8:00am-12:00pm	10:00am-12:00pm	3:00-5:00pm	Columbus
March 23	8:00am-12:00pm	10:00am-12:00pm	3:00-5:00pm	Dayton
March 24	8:00am-12:00pm	10:00am-12:00pm	3:00-5:00pm	Lima
March 25	1:00-5:00pm	10:30am-12:30pm	8:00-10:00am	Toledo

If you participate in Level 2 or Level 3 of this program, you must also complete some or all of the BWC's 10-Step Business Plan by March 31. Sheakley is proud to be a BWC approved Step 6 provider. If you are required to complete Step 6 and you **have not** attended classes held by the BWC, we are offering courses that will meet this requirement on March 18th in Cincinnati and March 29th in Columbus.

Annual Progress Reports can be faxed to the number on the report that is sent in the mail by the BWC. Be sure to keep a copy of your Progress Report along with your fax confirmation for your records. **Please remember, non-reporting can result in a charge back from the BWC to your policy for the already applied discount.** If you are participating in the Sheakley DFWP Assist Program your Sheakley Safety Consultant will contact you regarding your report submission.

If you have questions about your Drug-Free Workplace Program or would like to schedule your training please contact us at 800-877-5055 x2014 or safety@sheakley.com.

Visit Sheakley at **booth 511** during the **Ohio Safety Congress & Expo, March 30-April 1**, at the Columbus Convention Center to learn more about the upcoming changes that may affect your Drug-Free Workplace Program.

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

UNEMPLOYMENT NEWS

Unemployment Rates – January

Ohio unemployment rises from 7.4% in January 2009 to 10.9% for January 2010. The United States unemployment rate has rose from 7.4% in January 2009 to 9.7%% for January 2010.

Extended Benefits

President Obama signed legislation on March 2nd that extends eligibility deadlines for the federally funded Emergency Unemployment Compensation (EUC) program, Federal Additional Compensation (FAC) program, and federal funding for state extended benefits through April 3, 2010.

Under the new law, people who exhaust their regular state benefits - which can last up to 26 weeks - by March 27th, can begin receiving the first of four federal extensions:

- Tier 1 lasts up to 20 weeks.
- Tier 2 lasts up to 14 weeks.
- Tier 3 lasts up to 13 weeks.
- Tier 4 lasts up to 6 weeks.

People who are already receiving one of these four extensions and exhaust it by April 3rd can move to the next tier.

LEGISLATIVE NEWS

Senate Bill 213 – Workers' Compensation (Faber)

The Senate Bill (introduced November 19, 2009) 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. The Senate passed the bill 20 -11 and the bill was referred to the House Insurance Committee on February 2nd. The first Sponsor Hearing occurred in the House on February 17th.

Senate Bill 195 – Employee Determination (Patton)

The Senate Bill (introduced October 2009 and referred to the Insurance, Commerce & Labor Committee) would create a uniform standard to determine whether an individual performing services for an employer is an employee of that employer. The proposal is scheduled for testimony in front of the Senate Insurance, Commerce & Labor Committee in two weeks.

House Bill 216 – Professional Employee Organizations (Carney)

The House Bill (introduced June 2009 and referred to the Commerce and Labor Committee) would establish certain financial capacity requirements for professional employer organizations, clarify rights and liabilities of professional employer organizations and client employers, and make other changes to the professional employer organization law. In January, the committee unanimously reported the bill after accepting a substitute version. The substitute adds a provision requiring the Department of Job and Family Services to adopt rules dealing with the method for a "professional employer organization reporting entity" to report quarterly wages and contributions. A second new section requires such organizations to file a report with the State Tax Commissioner listing specified information about each client employer. The substitute also permits, rather than requires, adoption of rules for the acceptance of electronic filings under the PEO law.

House Bill 415 – Text Messaging (DeBose, Garland)

The House Bill (introduced January 19th) prohibits driving a vehicle while text messaging on a mobile communication device. Those found guilty of the offense would be charged with a minor misdemeanor and could pay a fine of up to $150. This bill has been assigned to the Public Safety and Homeland Security Committee, who performed their first sponsor hearing on January 26th. The committee had their second proponent hearing on February 23rd. The committee is in the process of reviewing how the 19 other states with texting bans have addressed the issue.

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.