



# Business Bulletin

March 2010

## WORKERS' COMPENSATION NEWS

### [Sheakley Seminars Coming May 2010!](#)

#### **FREE Mandatory BWC Green Year 2-Hour Training (The following dates only!)**

Sheakley is excited to announce our FREE upcoming seminars in May for Public employers throughout the state! Our claims team will be available to answer all questions you may have regarding the new Group Rates for the 2011 rate year and share the most current BWC updates. Also, representatives from our *New* public group rating sponsoring organizations will be on hand to review *amazing* new membership rates as well as outline the benefits of membership in their organizations.

Immediately following our morning BWC/Group update session our Safety Team will present the 2 hour mandatory Safety training required by the BWC for all 2010 Public Group rated employers who have had a claim in calendar year 2008 or 2009. The deadline for this mandatory training is December 31, 2010. Check out the locations below and mark your calendars. You don't want to miss attending one of these informative seminars!

More details will be coming soon so mark your calendars now!

Cincinnati-May 4, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training  
Cleveland-May 7, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training  
Lima-May 11, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training  
Toledo-May 12, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training  
Columbus-May 18, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training  
Youngstown-May 19, 2010-8-9:45am Group/BWC updates; 10-12:00pm Safety Training

**With Sheakley... It's Done!**

## Drug-Free Safety Program

The Drug-Free Safety Program (DFSP) was reviewed during the Medical Services and Safety Committee meeting that occurred on February 25<sup>th</sup>. The Program was also presented by the Deloitte Consultants during the 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 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 to incorporate drug-free 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.)
- Program Compatibility, 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 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 5 years to be eligible for the program again.

## BWC Board of Directors Meeting

On Friday, February 26<sup>th</sup> 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 January 01, 2011 start date is the last business day in September 2010.

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 January 31, 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

## School Bus Safety:

The Ohio Department of Education (DOE) has set guidelines for all Ohio school bus drivers. The guidelines have been established to ensure bus drivers not only have an understanding of the role of pupil transportation in the educational program, but meet physical, mental and moral requirements as well.

All bus drivers should receive training:

- 12 hours of on-the-bus instruction, including:
  - Bus operation and safety practices
  - Pupil loading and unloading
  - Emergency procedures
  - Railroad crossing safety
  - Driving using a detailed route sheet
  - Route observations with an experienced driver
  
- 15 hours of classroom instruction, including:
  - Pupil management
  - First aid
  - Public relations
  - Transporting preschool and special needs children
  - Radio/cellular phone communications

Bus driver qualifications are:

- At least two years of driving experience or meet local policy age requirements
- Annual physical examination
- Drug and alcohol testing (subject to the DOT testing program)
- Annual driver record check (including criminal background check)
- Commercial Driver License (CDL)

Bus drivers must be certified every six years, the certification requires:

- Completion of pre-service training
- Driving performance evaluation and review
- Criminal background check
- Review of pupil transportation management policies

General Safety Rules for Bus Drivers:

- Transport only students assigned to particular route, unless otherwise authorized by the building administrator's with consent of parents
- Cleans interior and exterior of vehicles regularly
- Cleans windows, including windshield and rear window, and warning and signal lights regularly
- Requires pupils to keep the bus clean

Child Safety:

- Children can be injured in a variety of ways while riding a school bus.
  - Boarding or exiting the bus
  - Crossing the street after exiting the bus
  - Vehicle crash
  
- Never go back for anything you have left on the bus.

- Never bend down near or under the bus.
- When you are waiting for the school bus, you should wait at the bus stop, and stand well back from the curb.

**(Children are more likely to be injured while waiting for the bus or crossing the street)**

Emergency Preparedness:

- Provide adequate instruction so that every student is familiar with emergency procedures
- Bus drivers are required to conduct three emergency drills per year for all students who ride to and from school
- The drills and evacuation instruction help the children to be prepared in the event the driver is incapacitated

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 8.6% in January 2009 to 10.8% for January 2010. The United States unemployment rate has rose from 7.7% in January 2009 to 9.7%% for January 2010.

### Extended Benefits

President Obama signed legislation on March 2<sup>nd</sup> 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 last up to 26 weeks - by March 27<sup>th</sup>, 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 3<sup>rd</sup> can move to the next tier.

## LEGISLATIVE NEWS

### [Senate Bill 192 – School Transportation Employees \(Cates, Seitz\)](#)

The Senate Bill (introduced October 2009 and referred to the Education Committee) would permit non-Civil service school district boards to terminate positions of district transportation employees for reasons of economy and efficiency and to contract with independent agents to provide transportation services as long as certain conditions are satisfied. The committee is scheduled to meet and hear testimony on March 9<sup>th</sup>.

### [Senate Bill 213 – Workers' Compensation \(Faber\)](#)

The Senate Bill (introduced November 19<sup>th</sup>) 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 2<sup>nd</sup>. The first Sponsor Hearing occurred in the House on February 17<sup>th</sup>.

### [House Bill 330 – School District Purchasing \(Patten\)](#)

The House Bill (introduced October 27, 2009) would authorize the director of transportation to include school districts in purchase contracts for machinery, materials, supplies and other articles. The bill was assigned to the Transportation & Infrastructure Committee on December 16, 2009 and is scheduled for a hearing on January 26<sup>th</sup>. The bill passed the House 95 to 0 and has been referred to the Senate Highways & Transportation Committee.

### [House Bill 415 – Text Messaging \(DeBose, Garland\)](#)

The House Bill (introduced January 19<sup>th</sup>) 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 26<sup>th</sup>. The committee had their second proponent hearing on February 23<sup>rd</sup>. 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](http://www.sheakley.com).**