



Business Bulletin

April 2010

WORKERS' COMPENSATION NEWS

Group Retrospective Rating – Deadline September 24th!!!

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 Friday in September 2010.

To obtain an analysis on how Sheakley's elite Group Retro Program can provide your company with valuable premium savings opportunities, please [Contact Us](#) or call 513-771-2277 today.

"FREE" Sheakley Seminars Coming May 2010!

Attend one of Sheakley's free 2-hour safety trainings to meet BWC requirements for mandatory "Green Year" training.

Sheakley is excited to announce our FREE upcoming seminars in May for public employers throughout the state! Our claims team will be there to answer any and all questions you may have on the new group rates for the 2011 rate year PLUS share the most current BWC updates on changes to workers' compensation coming in 2012.

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 because you don't want to miss out on Sheakley's informative seminars!

Cincinnati

May 4, 2010
8:00 a.m. - 9:45 a.m. Group/BWC Updates
10:00 a.m. – 12:00 p.m. Safety Training

Cleveland

May 7, 2010
8:00 a.m. - 9:45 a.m. Group/BWC Updates
10:00 a.m. – 12:00 p.m. Safety Training

Lima

May 11, 2010
8:00 a.m. - 9:45 a.m. Group/BWC updates
10:00 a.m. – 12:00 p.m. Safety Training

Toledo

May 12, 2010
8:00 a.m. - 9:45 a.m. Group/BWC Updates
10:00 a.m. – 12:00 p.m. Safety Training

Columbus

May 18, 2010
8:00 a.m. - 9:45 a.m. Group/BWC Updates
10:00 a.m. – 12:00 p.m. Safety Training

Youngstown

May 19, 2010
8:00 a.m. - 9:45 a.m. Group/BWC Updates
10:00 a.m. – 12:00 p.m. Safety Training

Drug-Free Safety Program

The Drug-Free Safety Program (DFSP) was approved by the BWC Board of Directors on Friday March 26th. The program will be available for the 2010 Policy Year beginning July 1st and will replace the current Drug-Free Workplace Program (DFWP) and Drug-Free EZ Program (DF-EZ). DFSP eliminates the current participation limit of five years, reduces available discounts, and allows employers who have exhausted their participation in the past to become eligible again.

Pricing for the new program was approved and will allow a 4% discount for participants in the Basic Level, a 7% discount for participants in the Advanced Level, and a “stacking option” with group rating. Group rated employers may now participate in the Advanced Level of the program and earn a 3% discount for their DFSP participation. As a comparison, employers previously participating in the Drug Free Workplace Program could obtain discounts of 10%, 15%, or 20% depending on their level of participation but could not stack the discount for the 2010-11 rate year.

Employers may begin participation in the program on either January 1st or July 1st of each year. The application deadline for policy year 2010 has been moved from May 28th to June 30th.

To learn more about program requirements for participation in the Basic or Advanced levels, drug testing requirements and training opportunities, please contact a Sheakley representative at 513-771-2277 x 2014 or visit our website at www.sheakley.com.

BWC Net Assets

BWC reported that as of February 28, 2010 their Net Assets are at \$4.1 billion.

SAFETY NEWS

BWC Safety Council Rebate Program

Recently BWC approved their Safety Council Rebate Program for the 2011 Fiscal Year. Any employer who is participating in either group rating or group retrospective rating is not eligible for the Safety Council Rebate Program.

Participation requirements include:

- **Enrollment in local safety council by July 31, 2010**
 - Find a list of Ohio safety councils at www.ohiobwc.com or call Sheakley to learn about councils in your area.

- **Attend 10 meetings or events between July 1, 2010, and June 30, 2011**
 - At least eight of the ten meetings must be safety council meetings. Up to two of the ten can be external educational options outlined below, but all ten can be safety council meetings.
 - A person can represent only one policy number with their attendance at a meeting.
 - An employer has the option to gain credit for up to two meetings through attendance at BWC’s Division of Safety & Hygiene (DSH) safety training courses or industry specific training.
 - DSH safety training credit is available for training conducted at the Ohio Center for Occupational Safety and Health (OCOSH) in Pickerington or one of its branches.
 - No matter the duration of the training or special event, attendance applies toward only one meeting credit.
 - Safety training conducted at the employers’ workplace, online or required Drug-Free Workplace training does not qualify for the safety council rebate program eligibility.
 - It is the employer’s responsibility to submit documentation to his or her safety council by June 30, 2011, for attendance at non-safety council training or events to qualify.
 - Documentation must be an official certificate of attendance or transcript.

- **CEO must attend any one safety council sponsored function or meeting**
 - CEO attendance counts as credit toward one of the 10 required meetings.
 - If a CEO is representing multiple policy numbers, his/her attendance fulfills the CEO attendance requirement for all policies, but counts as meeting credit for only one policy number.

- **Submit semi-annual reports to the BWC for the 2010 calendar year**

- **2% premium rebate**
 - Employers meeting these participation eligibility requirements will receive a rebate of 2 percent of their annual premium.
 - The rebate offer excludes self-insuring employers, state agencies and employers participating in BWC's group-rating or group-retrospective programs. However, BWC encourages everyone to become active safety members.
 - Employers must have active coverage status and no outstanding BWC balance to qualify.
 - Employers who meet the participation requirements will be eligible for a 2-percent performance bonus rebate.
 - BWC will calculate the performance bonus based on claims data.

- **2% performance bonus**
 - Employers who reduce their frequency or severity by 10% or more below the previous year's frequency or severity, or employers who maintain both frequency and severity at zero will receive an additional 2% refund of their annual premium.

- **Sheakley Safety Council alternative meetings for 2010**

CPR/AED Training (8:00-11:00am)

May 3rd – Cincinnati
 June 10th – Columbus

First Aid Training (11:30am-2:30pm)

May 3rd - Cincinnati
 June 10th – Columbus

**Department of Transportation
 Compliance Awareness Training (3:00-5:00pm)**
 May 3rd – Cincinnati

Workplace Violence Awareness
 June 29th – Cincinnati (8:00-10:00am)
 June 30th – Columbus (3:00-5:00pm)

Back Safety (10:30am-12:30pm)
 May 6th – Cincinnati
 June 9th – Columbus

Organizing a Safety Committee
 May 6th – Cincinnati (1:00-3:00pm)
 June 30th – Columbus (12:30-2:30pm)

Email safety@sheakley.com to register today!

UNEMPLOYMENT NEWS

Unemployment Rates – February

Ohio unemployment rises from 9.1% in February 2009 to 10.9% for February 2010. The United States unemployment rate has risen from 8.2% in February 2009 to 9.7% for February 2010.

LEGISLATIVE NEWS

Ohio Workers' Compensation Council (WCC)

The WCC is required to review and analyze legislation impacting the Ohio workers' compensation system. The WCC is modeled after the Ohio Retirement Study Council (ORSC), which is the oversight committee for retirement-related legislation.

The House Insurance Committee began their investigation of the Workers' Compensation Council in March, regarding allegations of political interference and whether the council should exist at all. Democrats have questioned the creation of the Council.

Since it's inception in June 2008 the Council has only produced one legislative analysis, SB 213. The concern with the one legislative analysis is the council did not offer policy recommendations on the proposed workers' compensation bill. The ORSC, which the WCC is modeled after, makes recommendations on legislation that would affect the state's retirement system and then the panel votes on whether or not to accept it.

Sheakley will keep you apprised of this investigation as it progresses.

BWC Board of Directors

In 2007 Ohio House Bill 100 required a more independent governance system for BWC. The BWC Board of Directors was created and the Oversight Commission was removed. The Board are considered independent fiduciaries entrusted with: setting overall administrative policy for BWC; advising BWC administrator on all policy and operational matters; safeguarding the assets of Ohio's workers' compensation system, including maintaining the solvency of the State Insurance Fund; and providing independent verification of BWC's financial and operational performance.

In a recent House Insurance Committee meeting Rep. Jay Hottinger stated that he has frequently heard criticism from employers that "Administrator Ryan and her staff make policy decisions for the Bureau rather than the Board of Directors." Committee members asked the Chairman Bill Lhota, of the BWC Board of Directors, whether Administrator Marsha Ryan "unduly influenced" the Board policies. Mr. Lhota responded by saying "I'm comfortable that the Board is setting the overall policy, is providing governance. The Administrator handles the day-to-day affairs under guidance of the Board." Another representative asked Chairman Lhota if Board members had access to information from senior staff members without influence from the Administrator. "She does not try to filter information coming to the Board," Mr. Lhota said.

Since the BWC Board of Directors inception in 2007 the board has voted on many issues regarding proper BWC investments, policy and procedures for public forums, committee charters, meeting minutes, group break-even factor, employer discount programs, program rules, and injured worker benefits. The following is an approximate summary of the Boards voting activity for these particular issues:

- 1 motion failed (8 to 3) in 2007
- 2 motions passed (9 to 2) in 2007
- 256 motions passed unanimously from August 2007 to February 2010

Recently Chairman Dodd of the House Insurance Committee offered a recommendation to consider expanding the BWC Board of Directors to include lawmakers and ensure legislative oversight as one potential option to improving the independent Board.

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.