

4123-17-61 Criteria for group experience rating.

- (A) The administrator shall offer a plan that groups employers for rating purposes. Employers shall retain their separate risk identity, but shall be pooled and grouped for rating purposes only, specifically with respect to experience rating.
- (B) In establishing a group for group rating purposes, the sponsoring group organization or individual employers in the group must satisfy all of the following requirements and must meet all the sponsorship rules as provided in rule 4123-17-61.1 of the Administrative Code:
- (1) All of the employers within the group must be governing members of the sponsoring organization or the affiliate organization.
 - (2) The employer must have a policy in good standing with the bureau. "Policy in good standing" means the employer is current on all payments due to the bureau and is in compliance with bureau laws, rules, and regulations at the time of enrollment or reenrollment.
 - (3) The employers' business in the organization must be substantially similar such that the risks which are grouped are substantially homogeneous. A group shall be considered substantially homogeneous if the main operating manual classifications of the risks as determined by the premium obligations for the rating year beginning two years prior to the coverage period are assigned to the same or similar industry groups, as determined by appendix B to rule 4123-17-05 of the Administrative Code. Industry groups seven and nine as well as eight and nine are considered similar.
 - (a) The bureau may allow an employer to move to a more homogeneous group, after September thirtieth for private employer groups and March thirty-first for public employer taxing district groups but before the application deadline for group rating identified in the appendices to rule 4123-17-74 of the Administrative Code, when the employer:
 - (i) Is an employer without a full year of recorded premium;
 - (ii) Is reclassified as a result of an audit; or
 - (iii) Fully or partially combines with another employer.
 - (b) An individual employer member of a continuing group who initially satisfied the homogeneous requirement shall not be disqualified from participation in the continuing group for failure to continue to satisfy such requirement.
 - (4) The group of employers must consist of at least one hundred individual members or a group where the aggregate workers' compensation premiums of the members are, as determined by the administrator, expected to exceed one hundred fifty thousand dollars during the policy year for which the application for group rating is made.
 - (5) As of the deadline for application for group rating set forth in the appendices to rule 4123-17-74 of the Administrative Code, each employer seeking to enroll in a group for workers' compensation coverage must meet the following requirements:
 - (a) The employer must be current with respect to all payments due the bureau, as defined in paragraph (A)(1)(b) of rule 4123-17-14 of the Administrative Code;
 - (b) The employer must be current on the payment schedule of any part-pay agreement into which it has

entered for payment of premiums or assessment obligations; and

- (c) Except as provided for in paragraphs (B)(5)(c)(i) and (B)(5)(c)(ii) of this rule, the employer cannot have cumulative lapses in workers' compensation coverage in excess of forty days within the prior twelve months.
 - (i) For the policy year commencing July 1, 2015, private employers must not have cumulative lapses in workers' compensation coverage in excess of forty days within the preceding nine months.
 - (ii) For policy year commencing January 1, 2016, public employer taxing districts must not have cumulative lapses in workers' compensation coverage in excess of forty days within the preceding nine months.
- (d) The employer must report actual payroll for the preceding policy year and pay any premium due upon reconciliation of estimated premium and actual premium for that policy year no later than the date set forth in rule 4123-17-14 of the Administrative Code. An employer will be deemed to have met this requirement if the bureau receives the payroll report and the employer pays premium associated with such report before the expiration of any grace period established by the administrator pursuant to paragraph (B) of rule 4123-17-16 of the Administrative Code.
 - (i) An employer removed from group experience rating for failure to meet this criteria will be rerated for the full policy year at the employer's base-rate or experience-modified rate as determined by their expected losses for the policy year.
 - (ii) The group shall retain, for the policy year, the experience of any employer removed from group experience rating for failure to meet these criteria.

(6) Cancellations, transfers, and combinations.

- (a) An employer whose coverage status becomes cancelled or combined during the rating year may not continue to participate in group rating. The effective date of the removal from the group rating program shall be on the first day of the next policy year, unless the date of cancellation or combination is determined to be the first day of the policy year, in which case the employer shall be removed from group as of the actual date of cancellation or combination. An employer who becomes active and obtains coverage after the group rating application deadline may not participate in group rating for that year except as defined in rule 4123-17-66 of the Administrative Code.
- (b) An employer that obtains initial coverage after the group rating application deadline as defined in the appendices to rule 4123-17-74 of the Administrative Code and for which a transfer of experience is indicated under rule 4123-17-02 of the Administrative Code may not participate in group rating for that year except as defined in rule 4123-17-66 of the Administrative Code.

(C) In providing employer group plans under section 4123.29 of the Revised Code, the bureau shall consider an employer group as a single employing entity for purposes of group rating. No employer may be a member of more than one group for the purpose of obtaining workers' compensation coverage.

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