

Blackburn Tamara D.

From: Debbie Hosterman [debbie@grinders.net]
Sent: Tuesday, November 13, 2007 6:53 PM
To: Group Rating Info
Subject: WC Premiums
Follow Up Flag: Follow up
Flag Status: Green

To Whom It May Concern:

I would like to urge the BWC Board to hold off on increasing WC rates until a thorough review of the system is completed.

We are still trying to absorb wage increases that were implemented by the State of Ohio this year, energy increases as well as cost of goods, due to gasoline prices.

Thank you for your time.

Sincerely,

Debbie Hosterman
President
Grinders & Such, Inc.
Grinders Above & Beyond Restaurants
805 E. Lincoln Way
Minerva, Ohio 44657

11/14/2007

Blackburn Tamara D.

From: Chuck Childers [chuck@riversidechamber.com]
Sent: Tuesday, November 13, 2007 6:55 PM
To: Group Rating Info
Subject: PLEASE DO NOT INCREASE OUR BWC TAXES!!!

Dear Sirs:

Please do not raise the amount that I am already paying for Workman's Compensation. I am paying approximately \$24,000 for all my insurance. That is for auto, house, liability, health, life, etc. I think that the average income in Ohio is around \$35,000 and I am spending almost that much for the "just in case" scenarios. \$24,000 a year, half of which is health insurance, and I get nothing for it but poorer on a daily basis. And you can bet that if I needed any of it for a problem I would have to fight with the insurance company to collect.

Please do NOT RAISE the amount I have to pay for BWC. We are having enough trouble staying a float as it is. I really cannot afford it.

The State of Ohio must protect the small businesses since we, as a group, make up a huge portion of the tax revenues collected.

Sincerely,
Chuck

Chuck Childers
Childers Photography
5616 Burkhardt Road
Dayton, OH 45431
(937) 256-0501
(937) 252-5111 fax
www.childersphoto.com

11/14/2007

Blackburn Tamara D.

From: Casey Logsdon [clogsdon@mac.com]
Sent: Tuesday, November 13, 2007 10:25 PM
To: Group Rating Info
Subject: Workers Compensation Premiums

To Whom It May Concern:

I would like to urge the Bureau Board to hold off on increasing Workers Compensation rates until a thorough review of the system is completed.

We are still trying to absorb wage increases that were implemented by the State of Ohio this year, energy increases as well as cost of goods, due to gasoline prices.

Thank you for your time.

Sincerely,

Casey Logsdon

Owner

Off the Beaten Path

404 East Lincoln Way

Minerva, Ohio 44657

11/14/2007

Blackburn Tamara D.

From: elcay@juno.com
Sent: Tuesday, November 13, 2007 10:31 PM
To: Group Rating Info
Subject: Group Rating Increase

BWC -

We employ fifteen people from Ohio and our business revenue has had no increase since the early 90s. This increase would affect us greatly if BWC changes the discount from 90%-80%. Please hold off til a complete review has been done.

Thank you,
An Ohio employer

11/14/2007

Blackburn Tamara D.

From: matrixgroup628@sbcglobal.net
Sent: Wednesday, November 14, 2007 9:09:AM
To: Group Rating Info
Subject: group ratings for workers comp

Please do not be in a rush to increase the workers comp rates without a careful study. We are in a group and the rates seem high enough. We cannot afford to have significant increases in the cost of doing business.

I hope this message reaches you before the proposed meeting to discuss the rates.

Thank you.
Sincerely,

Weston Moran Principal Member
Matrix Group, LLC

11/14/2007

Blackburn Tamara D.

From: Charles Briggs [reditoroam2003@yahoo.com]
Sent: Wednesday, November 14, 2007 8:21 AM
To: Group Rating Info
Subject: Rate increase

I can't understand how you can consider raising the rate on my workers comp. at this time. I live and have been self employed in Logan county for the past 20 years and in the last 12 months have seen my business drop 75%, my property taxes raising 20%, our schools failing, our businesses leaving or closing. I have been told that Ohio is #3 in the US for housing foreclosures and that Logan county is #2 in the state.

I don't understand what the people in the gov. think they are doing. When gov. gets all of the peoples money and they have to go on Welfare to eat, you will get no money and no one will eat.

Never miss a thing. Make Yahoo your homepage.

11/14/2007

Blackburn Tamara D.

From: Judy Day [jday@jdsi.com]
Sent: Wednesday, November 14, 2007 8:29 AM
To: Group Rating Info
Subject: Workmen's Comp Rates

We are submitting a "no" vote on any increases.

Judith Day, Pres/Gen. Mgr.

J.D. SERVICES, INC. (JDSI)

6063 Frantz Rd., Ste. 101
Dublin, Ohio 43017
Phone: 614.792.0100
Fax: 614.792.0137

 SINCE 1976
email: jday@jdsi.com
www.jdsi.com

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11/14/2007

Blackburn Tamara D.

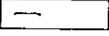
From: Judy Day [jday@jdsi.com]
Sent: Wednesday, November 14, 2007 8:22 AM
To: Group Rating Info
Subject: Actuarial committee

Inquiring on further instructions on Workmen's Comp Rate as outlined in your Nov 9, 2007 letter to our office.

Judith Day, Pres/Gen. Mgr.

J:D:SERVICES, INC.(JDSI)

6063 Frantz Rd., Ste. 101
Dublin, Ohio 43017
Phone: 614.792.0100
Fax: 614.792.0137

 SINCE 1976
email: jday@jdsi.com
www.jdsi.com

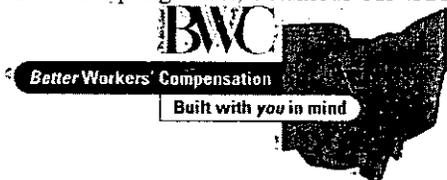
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11/14/2007

Blackburn Tamara D.

From: Ohio BWC Support
Sent: Wednesday, November 14, 2007 8:35 AM
To: Group Rating Info
Subject: Case ID: 171075

Ohio Bureau of Workers' Compensation
30 West Spring Street, Columbus OH 43215-2256



ohiobwc.com
1-800-OHIOBWC

Ted Strickland
Governor

Marsha P. Ryan
Administrator

November 14, 2007

Dear Group Rating Dept,

Please see attached request for information regarding the group rating program.

Sincerely,

Katrina G.
Employer Service Representative

To reply to this email, you MUST click here. If you use your email 'Reply' or 'Reply All' email buttons, your response will not be delivered to the Ohio Bureau of Workers' Compensation.

From Address: Marge Onslow <SMTP:monslow@specialtyhose.com>
Received: 2007-11-12 13:28:15
Subject: New email from EMPLR about OTHER
Attachments:
First: Marge

MI:

Last: Onslow

Suffix:

Phone: 330-497-9650 Ext. 116

11/14/2007

Email: monslow@specialtyhose.com

Claim:

Policy: 682885

BusSeqNumber: 0

Provider:

Customer Type: EMPLR

Nature: OTHER

Source:

[http://www.ohiobwc.com/basics/guidedtour/generalinfo/employer\(faq\).asp](http://www.ohiobwc.com/basics/guidedtour/generalinfo/employer(faq).asp)

Comment:

In July 2007 I received renewal group rating information/rates. I completed the AC-26 to renew my group rating for the policy year beginning 7-1-08. Subsequently, I have received group rating analyses from other potential groups. Is it possible to revoke my membership in my current group in order to participate in another? If so, how do I go about the process?

Blackburn Tamara D.

From: Scott Sauter [SSauter@continentalmgmt.com]

Sent: Wednesday, November 14, 2007 8:47 AM

To: Group Rating Info

Subject: Group Rating Change

To whom it may concern:

I understand that the BWC is considering an increase in rates by a modification of the Group Rating Program. This is completely unnecessary and inconceivable. If we are trying to grow Ohio you cannot continue to penalize the businesses of Ohio!

Additionally, the BWC System is completely broken. You have individuals who use our money illegally by cheating the system (i.e. Individuals who say they are hurt and they are not) The Bureau is filled with corruption! All one has to do is read the papers about "Coin-Gate"... Should you not fix these problems to insure our money is used for workers who need it instead of "Just Raising Rates"!

Respectfully submitted,
Scott Sauter
Chief Operating Officer
Continental Management Company

11/14/2007

Blackburn Tamara D.

From: Tom Kathman [Tomk@spagency.com]
Sent: Wednesday, November 14, 2007 8:51 AM
To: Group Rating Info
Subject: Proposed rate increase for groups

My wife owns Kiddie Korral, Inc. and she is part of a group rating plan. A rate increase would drastically affect her small business. We urge you to hold off until a thorough review of the system has been completed.

Tom Kathman
SP AGENCY, INC.
513-985-3600 (phone)
513-619-8751 (direct fax)

11/14/2007

Blackburn.Tamara.D.

From: ..JudysOasis@aol.com
Sent: Wednesday, November 14, 2007 8:52 AM
To: Group Rating Info
Subject: RE: Group rating Increase

Marsha Ryan, Administrator,

I was outraged when I received the letter from the BWC.
As as a business owner, I went to the marketplace in an attempt to control a very costly expense..I was able to do so...now
the.BWC says I am saving:to much money.
I am holding back on my disdain for an organization which has squandered money, placed political hacks in charge and now
you have the nerve to want to take it out of *my* hide!
Where is the encouragement and assistance from the State of Ohio re: small.businesses?

As a business owner.and a fiscally responsible citizen..I say the BWC has a lot of nerve and should be ashamed of the
people who came up.with yet another.way to burden businesses.

Judy Khoury, President
..Judy's Oasis

PS: The best.was the nine actuarial's recommended the max. discount of 60%...but the BWC is *only* going to lay the wood
to you by.80%.:thanks!

See what's new at AOL.com and [Make AOL Your Homepage.](#)

11/14/2007

Blackburn Tamara D.

From: doubledozer [doubledozer@myway.com]
Sent: Wednesday, November 14, 2007 9:27 AM
To: Group Rating Info
Subject: BWC Rates.

To Whom It May Concern:

We strongly disagree with the increase of rates for Worker's Compensation. At the present, we are in a group, which relieves some of the burden. Before we were able to get group ratings, our Worker's Compensation rates were enough to cripple us. It took months to recoup the loss of income.

We believe Worker's Compensation can be a good thing if people use it correctly, but there is not enough follow up on those who are "milking the system", because they do not want to work. It is also not fair that the current employer is responsible for injuries that have occurred prior to them being employed by their current company. Back injuries, bad knees, etc.

Sincerely

No banners. No pop-ups. No kidding.

Make My Way your home on the Web - <http://www.myway.com>

11/14/2007

Blackburn, Tamara D.

From: David Kubicki [taiuaw@sbcglobal.net]
Sent: Wednesday, November 14, 2007 9:27 AM
To: Group Rating Info
Subject: 2008 Rate Increase

Dear Mr. Haenszel:

I am writing on behalf of the Toledo Area Industries UAW Insurance & Welfare Fund. In considering the BWC increase for 2008 the bureau should hold off until a thorough review of the system has been completed.

Thank you,

David Kubicki
Plan Director
Toledo Area Industries

11/14/2007

Blackburn Tamara D.

From: David Kubicki [taiuaw@sbcglobal.net]
Sent: Wednesday, November 14, 2007 9:31 AM
To: Group Rating Info
Subject: Workers Compensation Increase Response

In reply to your letter of November 9, 2007 in considering the Bureau of Workers Compensation increase for 2008, the bureau should hold off until a thorough review of the system is completed.

David Kubicki

Northwest Ohio Area Industries UAW Retirement Income Plan

11/14/2007

Blackburn, Tamara D.

From: Mike Shinner [mshinner@trmcom.com]
Sent: Wednesday, November 14, 2007 9:33 AM
To: Group Rating Info
Subject: WC increase

We do not agree with the group rate reduction of 90% to 80%.

Mike Shinner - Controller
Tower Resource Management
979 S. High St.
Columbus, OH
614-443-9862
614-443-9863 (fax)

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Blackburn Tamara D.

From: David Zapf, D.O. [davidmzapf@sbcglobal.net]
Sent: Wednesday, November 14, 2007 9:38 AM
To: Group Rating Info
Subject: increase in wc premiums

Dear Ms Ryan,

I recently was advised that the BWC was planning an increase in my 2008 premium. I respectfully request the board reconsider this action. This potentially could cause a more than doubling of premiums, resulting in a negative impact on the finances of small businesses. Please place this decision on hold until the financial aspects for Ohio small businesses can be determined.

Thank you in advance for your additional consideration,

Sincerely,

Connie Dunaway
office mgr for Dr. Zapf

11/14/2007

Blackburn Tamara D.

From: Lee Stultz [electricle@fuse.net]
Sent: Wednesday, November 14, 2007 9:39 AM
To: Group Rating Info
Subject: Change in Group Rating Discounts

BWC Board

As a small residential electrical contractor for 30 years I've been hard hit recently by the downturn in residential work due to the mortgage and credit problems.

Now is not the time to penalize those of us who operate our businesses safely. This proposed discount decrease will take money directly out of my pocket, and therefore the local economy.

Please consider the big picture, not just what appears to be an easy and quick fix.

Thank you for your consideration.

Lee Stultz

Lee Stultz Electric, Inc.

1133 W. Galbraith Rd.

Cincinnati, OH 45231

513-521-3939

electricle@fuse.net

Blackburn, Tamara D.

From: Northwest Physical Therapy [nwpt@bright.net]
Sent: Wednesday, November 14, 2007 10:09 AM
To: Group Rating Info
Subject: Premium Discount Program

Dear BWC Administration and Board Members,

I am writing to express my concerns about the recommendation to reduce the maximum allowable discount for the Ohio Group Rating Program. I received a letter from Administrator Ryan outlining the reasons supporting this as a possibility to the bureau's current program; but argue that other avenues must be investigated prior to changing the premium discounts.

First, as the financial officer for an employer, a change in premium discount program at this time encounters another cost that we have to absorb as an organization as we already head into another year of stagnant growth.

Second, we work closely with many employers who also will see this as an increase in premiums and cut programs that they may have already implemented to try to decrease injuries and promote health and well being. Ergonomics programs, on-site therapy, wellness programs, and safety programs will most likely be cut to make up for the differences that the employers need to balance their budgets.

Third, as a member of the health care community, I see other avenues to cost cutting and increased services to those injured workers who are in need of health care of any kind without cutting reimbursement or services. By further streamlining the bureau's approach to medical care and looking at alternatives to creative pathways, the bureau can enjoy a significant savings

This being said, I am discouraged that a member of the medical community is NOT on the board of directors for the bureau. The medical community is your front line dealing with the injured workers and needs representation in the process of caring for these individuals.

Thank you for your time and consideration of these comments from a concerned employer, an employer representative, and a medical provider. I must also say that I do believe that Ohio's Workers' Compensation System is a fine system and that can sustain a bright future with a complete analysis of all systems and operations.

Yours in Health,

Todd Hanneman
Executive Director
Northwest Physical Therapy & Northwest Fitness Club
1880 N. Perry, Suite 100
Ottawa, OH 45875
(419) 523-9003

11/14/2007

Blackburn Tamara D.

From: Dave Calhoun [boatboys@boatboys.com]

Sent: Wednesday, November 14, 2007 10:27 AM

To: Group Rating Info

Subject: Increase of Premiums

BWC BOARD,

I am asking you to hold off on the 2008 change of maximum rate of discount from 90% to 80%. Please do a thorough review of the system before you make up your mind. I am in a group administered by CompManagement and my rates are acceptable. For this year my business has struggled to remain profitable and next year does not look any better for us. We may be able to absorb the premium increase but it could also be the straw that breaks the camel's back. Please be careful before you make the decision.

David Calhoun
Boat Boys LLC.
Newark, Ohio

11/14/2007

Blackburn Tamara D.

From: Ron Trusty [rtrusty@cinci.rr.com]
Sent: Wednesday, November 14, 2007 11:18 AM
To: Group Rating Info
Subject: RATE INCREASE

OUR SMALL BUSINESS CAN NOT STAND ANY MORE RATES INCREASES. IF THERE ARE RATE INCREASES WE WILL HAVE TO LET EMPLOYEES GO. PLEASE TRY TO STOP THIS

RON TRUSTY

TRUSTY INSURANCE AGENCY

Note: The information contained in this message and any attachments are privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Although the company has taken reasonable precautions to ensure no viruses are present in this email, the company cannot accept responsibility for any loss or damage arising from the use of this email or any attachments in it. Thank You!

Trusty Insurance Agency
2750 STATE ROUTE 22 East
Wilmington, Ohio 45177
937-382-7270
937-383-2499 Fax

11/14/2007

Blackburn Tamara D.

From: Service Desk
Sent: Wednesday, November 14, 2007 11:33 AM
To: Group Rating Info
Cc: Service Desk
Subject: FW: Group Rating

This email has been forwarded from the Spam Box.

Thank You, HDM
IT Service Desk
(614) 644-0479

From: Val Schmitz [mailto:val@std-displays.com]
Sent: Wednesday, November 14, 2007 10:57 AM
To: Group Rating Info
Subject: Group Rating

TO WHOM IT MAY CONCERN:

Standard Displays is a family company in its third generation. We proudly employ 27 people. We have been thrown out of group for the second time. The first time for one injury and the second time for two. We spend an enormous time having to deal with workers comp issues. The group rating system as it stands now does not benefit the employer. It seriously harms them. The average employer is scared. They know if they are out of group they are going to get penalized. TPA's and MCO's have conditioned us well. The message they send. Do anything to get back into group. It has created a corruption all its own. Pay the injured employee and their attorneys anything - you may have a shot to get back into group. The result you are not back into group but they can put your programs together for a discount for a nominal charge - usually one year's discount. GROUP RATING AS IT STANDS IS SERIOUSLY FLAWED.

Valerie Schmitz
Standard Displays

Blackburn Tamara D.

From: kturnbulle@buckeye-express.com
Sent: Wednesday, November 14, 2007 11:06 AM
To: Group Rating Info
Subject: BWC board increase.2008

BWC

We do not consider it necessary in increase our premiums for 2008. Do not approve this reduction in discounted rates. Hopefully you will hold off until a thorough review of the system has been completed.

H Park Partners LLC

11/14/2007

Blackburn Tamara:D.

From: Jeni Reida [jrvc@earthlink.net]
Sent: Wednesday, November 14, 2007 11:44 AM
To: Group Rating Info
Subject: No to increasing our cost
Importance: High

NO TO INCREASING OUR COST ON WORKERS COMP INSURANCE...

WHO WILL THIS BENEFIT NOT US THE SMALL BUSINESSES.

No virus found in this outgoing message.

Checked by AVG Free Edition.

Version: 7:5.503 / Virus Database: 269.15.31/1130 - Release Date: 11/14/2007 9:27 AM

11/14/2007

Blackburn Tamara D.

From: Pat Carr [pat.carr@demrk.com]
Sent: Wednesday, November 14, 2007 1:06 PM
To: Group Rating Info
Subject: Group Rating

BWC Board:

Please hold off until a thorough review of the system has been completed.

Thanks,
Pat Carr
DeMark

11/14/2007

Blackburn Tamara D.

From: Laurie Kornos [lak@pmhci.com]
Sent: Wednesday, November 14, 2007 1:08 PM
To: Group Rating Info
Subject: Discount Group Rating
Importance: High

Dear Sir or Madam,

The proposed reduction in the group rating discount percentage will severely affect a numerous businesses in OHIO that are already feeling the tax crunch by the new Commercial Activity Tax, higher sales tax rates, (more items/services being taxed). It has become a debate as to whether it is financially feasible to remain in the state of Ohio doing business and being taxed to death.

Please do not take away OR reduce the percentage of our clients' group rating discounts. They need every savings they are able to get.
Thank you.

Laurie A. Kornos, CPP
Practice Management Healthcare Consultants, Inc.
P O Box 189
Sylvania, OH 43560
(419)868-7200 fax (419)868-7300
lak@pmhci.com

Don't ask for an easier life; ask to be a stronger person.

11/14/2007

Blackburn Tamara D.

From: MELINDA-ELLIOTT [finedesigns99@sbcglobal.net]
Sent: Wednesday, November 14, 2007 3:16 PM
To: Group Rating Info
Subject: Higher workers comp rates

Dear Sirs,
Please note that I am very concerned that you may be raising the premiums on workers compensation rates. I am a very small business and feel overly taxed as it is. I never turn in any claims and feel this is a very bad thing for me.

Melinda Peters Elliott
Fine Designs & Interiors, Ltd.

Melinda Peters Elliott
Fine Designs & Interiors, Ltd.

Blackburn Tamara D.

From: Nell Snodgrass [NSnodgrass@cantonbethel.org]
Sent: Wednesday, November 14, 2007 3:00 PM
To: Group Rating Info
Subject: Reducing the rate of Discount

Dear Committee:

We are a church that has had under 10 claims in all the 22 years I have been the representative of BWC. This reduction in the discount rate would be a huge blow to our budget since it has already been approved for our new year. I trust the committee will consider all the small businesses and other organizations that this would affect.

Thank You!

Nell Snodgrass
Bethel Temple Assembly of God

Abilene, TX
79601

NSnodgrass

Mail
FD



EST. 1960

WELDED RING PRODUCTS CO.

Carbon Steels to Super Alloys

2180 West 114th Street Cleveland, Ohio 44102

PHONE: 216/961-3800 FAX: 216/961-5051

November 14, 2007

Via email to: GroupRatingInfo@bwc.state.oh.us

George Haenszel, CAE
Executive Vice President
PIA Ohio
600 Cross Pointe Road
Gahanna, OH 43230

.RE: Reduced Discounts (group ratings)

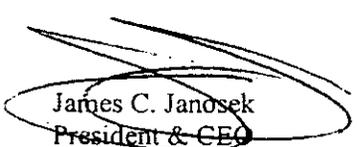
Dear Actuarial Committee:

Welded Ring Products Co. respectfully requests that the BWC postpone any increases in Workers Comp Premiums until a thorough review of the system is complete.

By reducing the discount rate, we feel that the BWC would unfairly penalize companies with excellent safety records such as ours. Other avenues to enhance revenues should be explored during the complete "system review".

Thank you for your consideration in this matter.

Sincerely,


James C. Janosek
President & CEO

JCJ/ty

Blackburn Tamara D.

From: D Moss [dmoss4@columbus.rr.com]

Sent: Wednesday, November 14, 2007 6:23 PM

To: Group Rating Info

Ohio businesses are experiencing too many other negative factors in the State of Ohio. Higher workers compensation premium will cause them to lay off more workers or not hire additional staff and therefore hurt the overall economy.

Please do not raise rates.

Dan Moss
Moss Properties and Investments

11/15/2007

Blackburn Tamara D.

From: Sullivan Carey
Sent: Thursday, November 15, 2007 7:04 AM
To: Blackburn Tamara D.
Subject: FW: group rating
Attachments: Berno Donald.vcf

Carey Sullivan
Director of Marketing/Special Events
Division of Communications
Ohio Bureau of Workers' Compensation
office 614.466.0692
cell 614.273.5165
fax 614.621.9412
Carey.Sullivan@bwc.state.oh.us

From: Berno Donald
Sent: Wednesday, November 14, 2007 5:03 PM
To: Sullivan Carey
Subject: FW: group rating

another one.

Donald C. Berno
Board Liaison
Ohio Bureau of Workers' Compensation
30 W. Spring Street, L 29
Columbus, Ohio 43215
Phone: 614-728-0756
Cell: 614-202-4255
Fax: 614-621-1456
Donald.Berno@bwc.state.oh.us

From: WDA@aol.com [mailto:WDA@aol.com]
Sent: Wednesday, November 14, 2007 10:16 AM
To: Berno Donald
Subject: group rating

Dear Mr. Berno:

I would like to express my concern over the potential increase in worker compensation costs via the reduction of the group discount. Such an increase will immediately affect my business and will also further decrease the growth of businesses in Ohio. Please urge the Actuarial Committee to consider the full, long term effect of another increase in the cost of doing business in Ohio.

Thank You,

David Ackley, CPA/MBA

11/15/2007

Board of Directors
Public Forum Nov. 14, 2007

Public Participation Form

Thank you for your interest in participating in the public forum on group rating hosted by members of the Ohio Bureau of Workers' Compensation Board of Directors on Nov. 14, 2007.

We welcome this opportunity to hear public comments on the proposed changes to the group-rating program. We will limit each speaker's presentation to a few minutes based on the number of speakers who sign up for the forum. If you present prepared remarks, please bring one copy for the board.

Please send the completed form to GroupRatingInfo@bwc.state.oh.us or fax it to (614) 621-9421 by Friday, Nov. 9. Direct questions about the forum to Don Berno, BWC board liaison, at (614) 728-0756 or Don.Berno@bwc.state.oh.us.

Name: MONA J. CLARK

Title: PRESIDENT/OWNER

Company or association representing: ISABEL CT INC. DBA CLARKO BINGO

Mailing address: 723 SLOCUM ST
LAWCASTEV, OHIO 43130

Email address: FAX - 740 681 1918

Phone number: 740 654-5510

Please summarize your presentation/issues with group rating:

I SAY NO TO THE
BWC BOARD, CONCERNING
RAISING PREMIUMS
IS IT OHIO'S INTENTION
TO PUT ALL SMALL
BUSINESS
OUT OF BUSINESS?

Ohio Bureau of Workers' Compensation

Mr. Chairman and members of the Actuarial Committee, my name is Bob Schmitz, Executive Vice President of the Service Association of Ohio. SAO is a trade association for TPAs in Ohio and collectively our members represent more than 75,000 employers in the state.

We want to make sure that everyone understands that the proposed changes before you will have a significant negative impact to over 100,000 employers in this state. In other words, one of every three employers will suffer an increase in their premiums as a result of the proposed changes to the credibility table. And to make matters worse, these employers happen to be those that have invested time, money and resources to provide the safest work places for Ohio workers. These businesses fuel our economy! Your decision could have a devastating impact on the ability of those employers to maintain sound business operations, continue delivering quality services and goods, and provide much needed job opportunities here in Ohio.

Let's consider the data provided to you by the BWC at the last Actuarial Committee meeting. The BWC's estimate of the aggregate increase in premium for all group rated employers is only 17%. First of all, this number portrays a discount of 90% in 2005, which is not accurate. In fact, the discount was actually 95%. This is an important fact because when we analyze the effect based on the actual 95% discount, we find that the aggregate change to a maximum discount of

80% would actually cause an average increase of all grouped employers of more than 40% since 2005. The BWC's data seems to be incomplete.

While 17% does not sound significant, when you drill down and look at the employers impacted, you see that if the credibility were to be lowered to the proposed 80%:

Over 75,000 employers will see an increase in premium of 65% or more.

Of those 75,000 employers, nearly half (over 36,000) will see their premiums nearly double!

And, as I mentioned before, these are the employers in this state that have proven their commitment to safety and have gone the extra mile by aggressively managing claims and incorporating solid return to work practices in an effort to help reduce BWC's costs.

History of Prior Changes

Our organization participated in a stakeholder's workgroup this past summer that was charged with helping to evaluate this situation. Frankly, the workgroup was little more than a lesson in rate making by the BWC, with little opportunity afforded to discuss concrete solutions. During this workgroup, various members specifically requested numerous data elements used to support BWC's conclusions

so that all interested parties would be able to provide informed input regarding the recommendations presented. Unfortunately BWC has not yet responded to those requests, which has led to further speculation and concern about the accuracy of BWC's findings.

Similarly, SAO and the business community responded to the BWC in writing on July 30, 2007, with a comprehensive and prudent proposal that included outlined time frames for complying with requirements of HB 100. Again, the BWC has not yet responded.

Since the inception of group rating, the BWC and business community members have worked closely together to evaluate necessary changes and have arrived at amicable solutions that are in the best interest of both the BWC and Ohio employers. Most recently these solutions have included:

- 1) A systematic plan for a phased-in reduction in maximum discounts from 95% to 93% to 90% over a period of 3 years.
- 2) Providing a discount to non-group rated employers which, unfortunately, was discontinued for the 2006 rating period.

These prior solutions have taken a much slower and measured approach by capping the credibility reduction to no more than 5% over a 3 year period. This gradual decrease has allowed Ohio employers to plan for the increased premiums and budget accordingly. The current proposal is to potentially move the credibility table to a point where discounts will be lowered by as much as 10% in one year, with very little time for employers to make financial adjustments for such a dramatic increase.

In contrast to successful past practices, the BWC is proposing a more significant change without working closely with all stakeholders to achieve a solution that is in the best interest of everyone involved. Additionally, based on most recent financial statements, the BWC has reported that they currently have a \$2.7 billion surplus, which makes the proposed dramatic move even more shocking and difficult to support, especially for those employers who are struggling to remain solvent in a difficult economy.

In closing, we encourage you to ask the questions that enable you to make a well-informed decision. The SAO is willing and able to assist in any manner necessary to arrive at the best solution for Ohio employers.

Blackburn Tamara D.

From: Sullivan Carey
Sent: Thursday, November 15, 2007 7:04 AM
To: Blackburn Tamara D.
Subject: FW: Proposed Bureau of Workers Comp Rate Change
Attachments: Berno Donald.vcf

Carey Sullivan
Director of Marketing/Special Events
Division of Communications
Ohio Bureau of Workers' Compensation
office 614.466.0692
cell 614.273.5165
fax 614.621.9412
Carey.Sullivan@bwc.state.oh.us

From: Berno Donald
Sent: Wednesday, November 14, 2007 5:02 PM
To: Sullivan Carey
Subject: FW: Proposed Bureau of Workers Comp Rate Change

for the written record. . .

Donald C. Berno
Board Liaison
Ohio Bureau of Workers' Compensation
30 W. Spring Street, L 29
Columbus, Ohio 43215
Phone: 614-728-0756
Cell: 614-202-4255
Fax: 614-621-1456
Donald.Berno@bwc.state.oh.us

From: Dan Telzrow [mailto:east_dt@access-k12.org]
Sent: Wednesday, November 14, 2007 3:47 PM
To: Berno Donald
Subject: FW: Proposed Bureau of Workers Comp Rate Change

From: Dan Telzrow [mailto:east_dt@access-k12.org]
Sent: Wednesday, November 14, 2007 3:22 PM
To: Don Berno (don.berno@bwc.state.oh.us)
Subject: Proposed Bureau of Workers Comp Rate Change

11/15/2007

Mr. Berno:

I was quite concerned to recently learn that the Ohio Bureau of Workers Compensation has proposed changes to the rate system which could significantly impact our rates in calendar 2008.

The East Liverpool City School District, by participating in a group rating system, is projected to save slightly in excess of \$40,000 in workers compensation premiums for calendar 2008. My understanding is that the BWC proposal is to lower the group rating discount by 10% thus increasing our projected group premium by almost \$12,000 and lowering our savings to \$28,000 for calendar 2008.

Our district is currently trying to extricate ourselves from a fiscal emergency designation that has been our situation since December 2003. Experiencing an increase in our workers compensation premiums despite our efforts to minimize costs by participating in a pool would be very hurtful to our efforts.

We ask the board of directors of BWC to rethink their proposed changes to the rate system in view of their impact upon public systems throughout the state particularly those who struggle financially.

Thank You
Daniel J. Telzrow
Treasurer – East Liverpool City Schools

11/15/2007

Blackburn Tamara D.

From: Marcia Kuper [mkuper@bladderhealthforlife.com]

Sent: Thursday, November 15, 2007 10:44 AM

To: Group Rating Info

Subject: Fw: rate change consideration

Dear Ms. Ryan:

Please do not reduce the maximum rate of discount for the BWC. This state is putting everyone out of business by charging alarmingly higher and higher rates of fees and taxes, and in turn, families are going under. The people of Ohio deserve to have a thorough review of the system before changes are made.

The goose can lay only a certain number of golden eggs per hour, and after that, she gets sick and dies.

...Or she moves to another state that appreciates and takes better care of her.

Stop the madness, please.

Thank you,
Marcia Kuper

11/15/2007

Blackburn Tamara D.

From: kevin@jordanpower.com
Sent: Monday, November 19, 2007 9:29 AM
To: Group Rating Info
Subject: No new increase

We do not need another increase on our workers comp premium.

Vote NO!!!

Thank you,

Kevin Zwick
Controller
Jordan Power Equipment Co., Inc.

11/19/2007

Blackburn Tamara D.

From: Lisa Rupert [milcaminc@earthlink.net]
Sent: Monday, November 19, 2007 2:13 PM
To: Group Rating Info
Subject: Increased Premiums

In regards to the BWC Board of Directors increasing our worker's comp premiums, if this increase goes into effect, we will be forced to substantially reduce our work force. We ask that this increase does not go into effect thereby sparing many jobs. Thank you. Wayne Miller.

11/19/2007

Blackburn Tamara D.

From: Ann Hunt [ann@w-mfinancial.com]
Sent: Tuesday, November 20, 2007 9:13 AM
To: Group Rating Info
Subject: group rating

To Whom It May Concern:

Ohio is a wonderful place to live and to raise families. We have a lot to be thankful for.

Small business owners are vitally important to our state. Taxes are high and much industry has moved out of the state partly for this reason. We need not only to retain existing small businesses in Ohio but to also attract small businesses to come to our state.

If the Bureau of Workers Compensation increases premiums for businesses that are in a group rating program how do you think it's going to affect us? Has the bureau actually thought about how many businesses will have to shut their doors simply because their maximum savings has been reduced? There are many companies that have high risks such as tree trimmers, builders, nursing homes, group homes for mentally handicapped, taxi cab companies, truckers, roofers, just to name a few. Businesses need workers compensation but they shouldn't have to pay a large portion to the bureau just because they are in a group. Would you rather have companies go out of business? Would you rather have that business lay employees off for that reason alone?

The bureau hasn't thought this through. Although our business is small, are risk isn't high but we can't afford an increase either. Honest, decent, hard working business owners need a break. It's hard enough to make a profit by the time all the necessary bills are paid. Such incidentals as heat, light, rent, taxes, phone, not to mention payroll are just a few necessary bills.

I hope Governor Strickland and the full board seriously consider all aspects before they make a decision.

And by the way, why did the bureau wait until the groups had already determined the maximum savings for 2008? Some businesses already paid the group they are affiliated with. How will this be remedied?

Ann Hunt

Ann Hunt, CITRMS

Vice-President

W-M Financial Services, Inc.

330-345-7733 or 877-345-7733

Blackburn Tamara D.

From: Mindy Pohlabel [Mindy@CornettCompanies.com]
Sent: Tuesday, November 20, 2007 4:20 PM
To: Group Rating Info
Cc: Michelle L. Cornett
Subject: Proposed 2008 Group Discount Reductions
Importance: High

NO! NO! NO! This proposed change would have a severely negative impact on our businesses and I am quite certain most other Ohio employers. This proposed increase could create a situation that many companies could not pay the increased premiums at all and lapse in coverage and/or close their doors! This would create a downward spiral for the entire state. It is not appropriate to take swift action against group rating programs as a whole. The Ohio BWC system needs changes undoubtedly, but one that penalizes Ohio employers as a whole is not the answer. And certainly it is not appropriate to make such a decision prior to a complete review of the system has been done.

Better claims management, more accountability for BWC certified physicians' practices, prompt claims resolution, etc. are areas that should be reviewed for change. Requiring Ohio employers to pay and pay and pay and continue to throw money into a system that is in need of repair/reform is not the solution!

Please reconsider the group rating discount reduction currently proposed!

Mindy Pohlabel

Cornett Companies
2752 Springboro Road
Dayton, OH 45439
937-298-6369 ext. 101
937-298-8369 fax
mindy@cornettcompanies.com

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11/20/2007

Blackburn Tamara D.

From: Pack Heidi
Sent: Tuesday, November 20, 2007 5:55 PM
To: Group Rating Info
Subject: The Policy 1469535 has the current status of COMB and is in group for a future period(s).

The Policy 1469535 has the current status of COMB and is in group for a future period(s).

Blackburn Tamara D.

From: Carter Mary
Sent: Wednesday, November 21, 2007 8:57 AM
To: Group Rating Info
Subject: The Policy 1025623 has the current status of COMB and is in group for a future period(s).

The Policy 1025623 has the current status of COMB and is in group for a future period(s).

A Report on the proceedings of the Bureau of Workers' Compensation's public hearing regarding proposed reductions in premium discounts.

After attending a special meeting on Nov. 14, 2007 of the BWC Board of Directors and the Actuary Committee (a subset of the BWC Board), I am compelled to document the overwhelming sentiments of approximately 400 attendees and some 55 speakers, including owners of many Cleveland businesses like Corky & Lenny's, Spudnut Donuts, Aladdin's Baking Co., Cuyahoga Vending, and my business, The Linderme Tube Company. Aside from the public scandal and money mismanagement that has plagued the BWC, employers were virtually unanimous that the system is broken.

The meeting was held to hear public input on the BWC's proposed reduction of Ohio's group rating discount from a maximum of 90 percent to no greater than 80 percent. I applied to speak at the forum, as I was pleased to finally have a chance to express my views and needs on not only the group-rating program but also the "out-of-group" program. I was anxious to articulate the many inconsistencies, abuses, and irregularities of the BWC program that I've experienced within our company and have learned about from others. I was overwhelmed by the turnout, the passion of the speakers, and most importantly the virtually unanimous expression of injustice that this broken system is delivering day in and day out to the companies of Ohio.

Within three hours approximately 55 speakers, allotted three minutes each, captured the essence of this broken system and the major issues that are begging for redress. Many issues were advanced more than once and strengthened the obvious conclusion – the BWC is no longer fairly protecting workers, offering companies better than competitive worker's compensation insurance, or helping advance a desirable climate for business growth and business relocation in Ohio. On the contrary, it is stifling growth, virtually eliminating relocation to Ohio, crippling small business, and causing businesses to close; furthermore, it is sustaining a monopolistic program with unsupervised practices, unsupportable rate determinations, reckless case management, and a deaf ear to cries for help.

I've summarized some of the sentiments expressed to the BWC by its member companies:

- **Many companies have received rate increases in excess of 100%, the largest reported was up to 1000%.** Increases are a surprise because the process is unexplainable, undocumented and unchallengeable. Our company's insurance premium went up \$100,000 after we completed implementing random drug testing, a program that supposedly rewards companies with lower premiums.
- **The Industrial Commission often recklessly awards benefits to workers where the preponderance of evidence and medical expertise support the company.** This unjustly aggravates the company's experience base resulting in larger premiums and puts a financial drain on the Trust long after the case falls outside the company's responsibility window.

- **Companies live in fear of one accident and its associated claims** – and often the accident is not the result of inadequate safety or training. One accident can drive companies out of group rates and into multiples of higher premium and potentially out of business. Out-of-group premiums are calculated from reserve requirements, a calculation that defies explanation, transparency and proportion. Reserve calculations are the BWC's best-kept secret.
- **Abuses abound:** Worker's are working their favorite doctors and lawyers for benefits. Companies are negotiating painful settlements to avoid more painful insurance premiums. Wage continuation is employed to stay below the radar. Anything, to avoid accident reporting and exposure to the system is worth taking a hard look at.
- **Group insurance rates are considerably below actuarial norms, while out-of-group rates are ridiculously volatile, unsupported, and excessive.** Rates are greatly misapplied across all companies and tweaking in this "zero-sum game" will only result in a bigger game. Two thirds of Ohio's companies are "out-of-group" and supply 80% of the incoming revenue. Working an in-group issue is rearranging deck furniture on the Titanic.
- **Several employers with the capacity to expand jobs in Ohio will not because of W/C rates and unpredictable rate outcomes.** Some are considering moving to friendlier lower insurance cost states. In my company, W/C costs add \$3.00 per hour to basic wages – larger than FICA or Medicare and many other expenses. One family-owned business shut its doors this year because of skyrocketing worker's compensation costs.
- **Many in group companies objected to the 90 to 80 percent change in discounts because premiums could increase by 100 percent.** Out-of-groupers supported the change because increased premiums by group participants might mean lower rates for them. Simple arithmetic shows that resulting premium increases, although traumatic for some, will have a small favorable impact on the rest. It's a weak attempt to play the Peter-Paul game.
- **Often premiums are way out of line with accident experience.** In Linderme's case, our \$400,000 worker's comp premium equals 80% of the cost of our entire company's medical insurance program. The workplace injuries we've experienced don't compare in cost or reserves to the sum of all of our employees and their family's annual medical costs. Another company pays annual premiums of \$80,000/year when they have only incurred an average of \$13,000/year in total claims.
- **Several companies pointed out the disappointing financial performance of the invested Trust.** What once yielded dividends to help companies offset premiums (the only real reason to support a monopolistic state run system) is no more. Not only has the governance of the investment Trust failed and thereby allowed corrupt and crony investments, its overall financial performance has been less than what similar-sized pension funds and university endowments realize.

- **Several companies proposed abolishing the BWC and privatizing the insurance like so many other states.**
- **The BWC must study the whole system for more comprehensive changes.**
The system needs a more comprehensive look, a holistic solution. A quick decision on a change to group discounts without more study will be irresponsible. Many asked the BWC to hold the change and study the real problem – knowing that chasing a “comprehensive solution” often results in nothing material happening after an even longer time.

These issues can't be new. The BWC can't be surprised by these inputs. What governance has existed? Who has been watching the store? What and who allowed our investment Trust to be such a shame, the insurance operations to be so oblivious to employers, and the protection of employees to become such a game? There must be more to this story.

I left the meeting discouraged – the task too daunting, too big for a bureaucracy to turn itself in and then solve the problem. We have no political champion. The issue is not on the media's agenda – yet it should be; even the Executive Director of the Ohio Newspaper Association took the time out of his day to speak on behalf of Ohio companies. There is no other issue more vital to the survival of Ohio companies – many now *bleeding and uncertain about surviving the months ahead.*

Jim Sadowski
President
The Linderme Tube Co.

Blackburn Tamara D.

From: Ewing Landscape & Design [ewing_landscaping@yahoo.com]
Sent: Wednesday, November 21, 2007 11:34 AM
To: Group Rating Info
Subject: BWC rate increase

Below is a letter to Governor Strickland in reference to your letter of rate balance/increase. Thank you.

November 21, 2007

Governor's Office
Riffe Center, 30th Floor
77 South High Street
Columbus, OH 43215-6108

RE: I agree with BWC Rate Increase for all groups

Dear Governor Strickland,

In reference to the WC rate increase proposal I agree that it needs raised to be equitable to all business owners. I am very concerned as a small business owner. I support having all rates more balanced for group members. To be kicked out of a group increases premiums so much that it makes it very difficult to stay in business. Because of one serious accident and the previous owners past claims we are facing this scenario. We are making adjustments to compensate for this increase, but to go from about \$7,227.03 to \$22,153 is definitely a challenge for us as a small business owner. Going from a group rate plan to an individual plan is extremely costly! I have enclosed our current rate schedule and the proposed rate increase schedule for your review. As you can see my rates will change drastically if I am kicked out of our group rate plan!

My hands are tied and I need your help, as many other small business owners do. Can you help?

Thank you for your time.

Respectfully submitted,

G. Douglas Cook

General Manager/Owner

11/21/2007

Midwest Super-Kleen, Inc, dba

Ewing Landscape & Design

Enclosures

cc: BWC via email: GroupRatingInfo@bwc.state.oh.us

Be a better pen pal. Text or chat with friends inside Yahoo! Mail. See how.