

Ohio Bureau of Workers' Compensation
30 W. Spring St.
Columbus, OH 43215-2256



Ted Strickland
Governor
ohiobwc.com

Marsha P. Ryan
Administrator
1-800-OHIOBWC

Date: November 21, 2007

To: Ohio Group Rating Plan Sponsors and Third-Party Administrators
From: Administrator Marsha P. Ryan, Ohio Bureau of Workers' Compensation
Re: Group Rating Maximum Credibility Reduced (85 percent maximum for 2008 Policy Year)

As a part of the review of Ohio's Group Rating Program, the BWC Board of Directors unanimously voted today to reduce the maximum credibility to 85 percent, effective July 1, 2008. This change accompanies a thorough review of all components of the program such as rules, group continuity, and the potential adaptation of a new experience rating system used by the National Council on Compensation Insurance.

Program changes to group rating are necessary to bring greater equity among all premium-paying employers throughout Ohio. Although a five percent reduction in the credibility will not resolve this inequity, it is a responsible step toward the establishment of sound rates and a stable system. Furthermore, by reducing the premium subsidy among employers, Ohio will be better positioned to attract capital investment as base rates will be reduced by approximately 2.5 percent overall.

BWC's partnership with employer associations and third-party administrators is important. We serve a common customer, and it is in that spirit of service that we strive to improve Ohio's workers' compensation system. I recognize, however, that the employer community is not always unified regarding improvements to Ohio's system. These differences of opinion were extremely clear at the Nov. 14, 2007, public forum on group rating, and I welcome more productive dialogue as we continue to move forward.

As additional reforms and improvements to Ohio's workers' compensation system are considered, please know that BWC values the input of its stakeholders but must continue to act on behalf of *all* its customers.

Like each of you, I care deeply about those we serve. And it is my strong belief that improving Ohio's workers' compensation system is paramount to the future success of Ohio's economy. To accomplish this, the BWC and the BWC Board of Directors must confront numerous challenges, such as continuing to stabilize group rating, analyzing all rating programs and establishing a new, more accurate and transparent reserving system, among many other important improvements.

Should you have additional questions or concerns, please don't hesitate to contact Joy Bush, Executive Director of Employer Services at (614) 644-9944 or Joy.Bush@bwc.state.oh.us. Thank you.