

\*\*\* DRAFT - NOT YET FILED \*\*\*

4123-17-13

**Employer Application for Workers' Compensation Coverage.**

(A) To institute workers' compensation coverage under this rule, the employer shall submit an application for coverage that completely provides all the information required for the bureau of workers' compensation to establish coverage for the employer.

(1) The application for coverage shall be submitted on a form designated by the bureau, and shall include, at a minimum, the following information:

(a) The legal name and business entity type (corporation, L.L.C., sole proprietorship, partnership, etc.);

(b) Address of the employer;

(c) The federal tax identification number or social security number of the employer;

(d) Information related to the description of the employer's operations, including:

(i) A description of the work done or industry conducted by the employer, and

(ii) The estimated average number of employees in each kind of work; and

(iii) The estimated wages of employees in each kind of work over the next twelve months.

(e) Information related to whether the applicant for coverage has purchased an existing business or has another associated policy;

(f) Name of the owners or corporate officers, and, where applicable for elective coverage, the name and necessary identifying information of the sole proprietor, partners, or ministers;

(g) Signature of the person completing the application for coverage; and

(h) A non-refundable application fee equal to the minimum administrative annual charge set forth in rule 4123-17-26 of the Administrative Code.

(2) If the bureau receives an application for coverage that does not contain all of the information required by paragraph (A)(1) of this rule, the bureau will attempt to contact the employer to obtain the required information. If the applicant

does not provide the required information, the bureau shall deny the employer's application for coverage based upon the employer's failure to provide all the information required by paragraph (A)(1) of this rule.

- (3) When an applicant fails to provide the information required by paragraph (A)(1) of this rule and has employed one or more persons, the employer may be considered a non-complying employer under rule 4123-14-01 of the Administrative Code, and the bureau may recover premium and penalties from the employer under rule 4123-14-02 of the Administrative Code.
- (B) Upon receipt of the application, the bureau shall assign payroll to the classification applicable to the duties performed. The bureau shall send the employer notice of its determination regarding the employer's manual classifications and division of the employer's payroll within those classifications, the manual rates for those classifications, and estimated premium due for the remainder of the policy year in which the employer applies for initial coverage.
- (C) If the bureau determines, after reviewing the information submitted with the application provided for in paragraph (A) of this rule, that the employer was subject to division (B)(2) of section 4123.01 of the Revised Code but failed to comply with the law in matters of workers' compensation coverage, the bureau shall notify the employer in writing of such a finding and request any additional information required to make a determination of the period for which the employer was not in compliance with the law. Upon such determination, the bureau shall notify the employer of the premium and assessments due for the period of noncompliance.
- (D) If the bureau determines, after reviewing the information submitted with the application provided for in paragraph (A) of this rule, that the employer is essentially the same employer regardless of entity type for which risk coverage previously had been provided, the bureau may transfer the prior risk coverage to the employer pursuant to rule 4123-17-02 of the Administrative Code and the employer shall assume any outstanding obligations under the prior risk coverage. The bureau may reactivate a previously cancelled policy in order to complete this transfer.
- (E) Upon receipt of the application fee, the bureau shall issue a notice of workers' compensation coverage pursuant to section 4123.82 of the Revised Code. The notice shall indicate that coverage is contingent on payment of estimated premium and assessments due.
- (F) Upon receipt of the first estimated premium payment, the employer's coverage shall begin.
- (1) Such coverage shall be effective from the date of receipt of the application for coverage required by paragraph (A) of this rule.
- (2) A credit in an amount equal to the application fee shall be applied to the employer's account upon receipt of the first estimated premium payment.

Replaces:

Replaces 4123-17-13

Effective:

Five Year Review (FYR) Dates:

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Certification

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Date

Promulgated Under:

119.03

Statutory Authority:

4121.12, 4121.121, 4121.13, 4121.30

Rule Amplifies:

4123.29, 4123.32, 4123.34

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7/1/62, 10/1/79, 9/1/93, 7/27/06, 12/20/07

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TO BE RESCINDED

4123-17-13

**Rule controlling the making of the initial application for rating.**

(A) The bureau shall ascertain the amount of premium due from an individual employer by applying the basic rate for the occupation or employment in which the employer is engaged to the estimated expenditure of wages for the ensuing six months and also for an additional adjustment period of two months; that is, the advance estimate should be made for a period of eight months. Employers are required to file with the bureau of workers' compensation an application setting forth the name and address of the employer, a description of the work done or industry conducted by the employer, the estimated average number of employees in each kind of work, the estimated total payroll for the ensuing six months, and an estimated total payroll for an additional adjustment period of two months, and such other information as may be requested by the bureau. Upon receipt of the application, the bureau will classify the applicant-employer's status as to the type of industry or nature of the enterprise with respect to the degree of hazard involved and the bureau shall advise the applicant as to the employer's classification, rate, and amount of first premium security deposit, calculated on a basis of an estimated expenditure or wages for eight months in advance, and at the same time the bureau will furnish the applicant with an invoice on which to remit payment of such premium security deposit. The bureau shall retain this premium security deposit as an adequate eight-month premium deposit subject to a periodic review by the bureau. The bureau shall return any unearned portion of this deposit to the employer upon cancellation of the coverage, if there is no successor, subject to audit.

(1) On the occasion of instituting coverage under this rule, the employer shall submit an application for coverage that completely provides all the information required for the bureau to establish coverage for the employer. The employer shall, at a minimum, provide the following information:

(a) Legal name of the employer;

(b) Address of the employer;

(c) Federal identification number or social security number;

(d) Business entity type (corporation, L.L.C., sole proprietorship, partnership, etc.);

- (e) Information related to whether the applicant for coverage has purchased an existing business or has another associated policy;
  - (f) Name of the owner or corporate officer, and, where applicable for elective coverage, the name of the sole proprietor, partners, or minister;
  - (g) Information related to the description of the employer's operations;
  - (h) Signature of the person completing the application for coverage.
- (2) If the bureau receives an application for coverage that does not contain all of the information required by paragraph (A)(1) of this rule, the bureau will attempt to contact the employer to obtain the required information. If the applicant does not provide the required information, the bureau shall deny the employer's application for coverage based upon the employer's failure to provide all the information required by paragraph (A)(1) of this rule.
- (3) An employer's coverage shall begin at the time the bureau receives the application for coverage that completely provides all the information required for the bureau to establish coverage for the employer and the minimum security deposit required by rule 4123-17-16 if the Administrative Code. The employer's coverage is subject to the bureau's verification of the application for coverage. If the bureau is required to contact the employer to obtain any of the information required by paragraph (A)(1) of this rule and the bureau obtains the required information, the employer's coverage shall remain effective from the time of the receipt of the application. If the applicant does not provide the required information, the bureau shall deny the employer's application for coverage from the time of the application. When an applicant fails to provide the information required by paragraph (A)(1) of this rule and has employed one or more persons, the employer may be considered a non-complying employer under rule 4123-14-01 of the Administrative Code, and the bureau may recover premium and penalties from the employer under rule 4123-14-02 of the Administrative Code.
- (B) New coverage shall be granted upon receipt of a written binder when deemed to be in the best interest of the risk and the bureau. Such binder shall be granted by the administrator or his designee. The binder shall be effective for the period of thirty days from the date of issuance and cannot be renewed. The premium security deposit must be billed by the bureau and paid by the risk before the thirty days expire. Payroll reports and premium charges shall coincide with the effective date of said binder.

- (C) If the bureau determines, after reviewing the information submitted with the application provided for in paragraph (A) of this rule, that the employer is essentially the same employer regardless of entity type for which risk coverage previously had been provided, the bureau may transfer the prior risk coverage to the employer and the employer shall assume any outstanding obligations under the prior risk coverage. The bureau may reactivate a previously cancelled risk coverage in order to complete this transfer.

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