

4123-17-52 Parameters of the retrospective rating plan.

(A) An employer participating in retrospective rating will pay the following:

- (1) Minimum premium. The minimum premium depends on the assigned hazard group, the per claim limit selected by the employer, the maximum premium limit selected by the employer, and the employer's base-rated premium or experience-rated premium. The employer's base-rated premium or experience-rated premium is assumed to be at least the minimum experience-rated/base-rated premium threshold listed on the "retrospective rating minimum premium percentages table". The minimum premium includes employer contributions to cover safety and hygiene costs, surplus costs, and the cost of losses exceeding the per claim and the maximum premium limitations and those health partnership program costs associated with the losses exceeding the per claim and the maximum premium limitations. The minimum premium is subject to the premium sized adjustment described in rule 4123-17-03.3 of the Administrative Code.
- (2) Premium based on paid losses. The employer will pay for any compensation payments, including death and permanent total disability, and medical payments made in covered claims. Billings to the employer will be sent annually for ten years to collect for these medical and compensation payments.
- (3) Premium based on claim reserves. The employer will pay the value of reserves on claims evaluated as of the end of the tenth year.
- (4) Premium for health partnership program costs on retained losses. In each evaluation period associated with a policy year, the employer will pay an additional premium based a percentage (loss conversion factor) applied to the paid losses and the premium based on reserves to cover the associated health partnership program costs of those paid losses or reserves. Each policy year will have a specific loss conversion factor, determined before the start of the policy year, which will apply for the ten year retrospective period.

(B) Surplus charges in claims will not be charged to the employer.

(C) Individual claims costs will be limited to the per claim limit selected by the employer. The usual experience rating limitations will not apply.

(D) The employer's maximum premium will be limited to a percentage of its base-rated or experience-rated premium as selected by the employer. That is, premiums based on losses, reserves and health partnership program costs charged to the employer cannot exceed the maximum premium minus the minimum premium. The maximum premium is subject to the premium sized adjustment described in rule 4123-17-03.3 of the Administrative Code

(E) The premium for health partnership program costs on retained losses is an aggregate calculation made on the total billings to an employer for either paid losses or reserves. As such, premiums associated with health partnership program costs are not allocated to individual claims, and therefore are not considered when evaluating whether an individual claim has reached the per claim limit.

(F) When an employer leaves a retrospective rating program and returns to the state fund program, the employer shall be subject to all of the provisions of rule 4123-17-03 of the Administrative Code, classification rates.

(G) An employer removed from retrospective rating for failure to comply with paragraph (B) of rule 4123-17-42 of the Administrative Code will be required to pay:

- (1) Claims costs according to this rule for all injuries incurred from the beginning of the policy year in which the employer participated in retrospective rating through the date of removal from the program.
- (2) Full experience-rated premium from the date of removal from retrospective rating through the remainder of the policy year.

Effective: 7/1/18

Prior Effective Dates: 7/1/91, 1/1/93, 7/1/97, 10/5/05, 7/1/15