

OBWC Board of Directors Actuarial Committee Charter

Purpose

The Actuarial Committee has been established to assist the Ohio Bureau of Workers' Compensation Committee Board of Directors in fulfilling its responsibilities through:

- monitoring the actuarial soundness and financial condition of the funds and reviewing rates, reserves and the level of net assets
- monitoring the integrity of the actuarial audit process
- monitoring compliance with legal and regulatory requirements
- monitoring the design and effectiveness of the actuarial studies
- confirming external actuarial consultants' qualifications and independence
- reviewing any independent external actuarial work product

In order to constitute the will of the Board of Directors, Committee actions must be ratified or adopted by the Board of Directors to become effective.

Membership

The Committee shall be composed of a minimum of five (5) members. One member shall be the member of the Board who is an actuary. The Board, by majority vote, shall appoint at least four additional members of the Board to serve on the Actuarial Committee and may appoint additional members who are not Board members, as the Board determines necessary. Bureau management personnel cannot serve as a committee member.

The Chair and Vice Chair are designated by the Board, based on the recommendation of the Board Chair. If the Board Chair is not a member of the Committee, he/she shall be an ex-officio member. As an ex-officio member, the Board chair shall not vote if his/her vote will create a tie.

The Committee Chair will be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. The Committee will have a staff liaison designated to assist it in carrying out its duties.

Members of the Actuarial Committee serve at the pleasure of the Board and the Board, by majority vote, may remove any member except the member of the committee who is the actuary member of the Board.

Meetings

The Committee shall meet at least nine (9) times annually. The Committee Chair will provide a meeting report at the next subsequent Board meeting. Additional meetings may be requested by the Committee Chair, 2 or more members of the Committee, or the Chair of the Board.

A quorum shall consist of a majority of Committee members. Committee meetings will be conducted according to Robert's Rules of Order. All Directors are encouraged to attend the Committee meetings.

The Committee will invite members of management, external actuarial firms, internal actuarial staff and/or others to attend meetings and provide pertinent information, as necessary.

Minutes for all meetings of the Committee will be prepared to document the actions of the Committee's in the discharge of its responsibilities.

Duties and Responsibilities

The Actuarial Committee shall be responsible for the following statutory requirements:

- Recommend actuarial consultants for the Board to use for the funds specified in Chapters 4121, 4123, 4127, and 4131 of the Revised Code (RC 4121.129 (B)(1))
- Review the calculation of rate schedules prepared by the actuarial consultants with whom the Board contracts (RC 4121.129 (B)(2))
- Supervise, for the Board's consideration, the preparation of an annual report of the actuarial valuation of the assets, liabilities and funding requirements of the state insurance funds to be submitted to the Workers' Compensation Council and the Senate and the House. (RC 1421.125(C) and 4123.47)
- Arrange for an actuarial analysis of any legislation expected to have measurable financial impact on the system, within 60 days after introduction of the legislation. (RC 4121.125(C)(6) and (7) and 4121.125(G)).
- At least once every five (5) years, contract for an actuarial investigation of experience of employers; mortality, service and injury rate of employees; and payment of benefits in order to update the assumptions on the annual actuarial report. (RC 4121.125(C)(4) and RC 4121.125(F))
- Review, and make recommendations to the Board, regarding rate-making administrative code rules. (RC 4121.12(F)(13)(a))

1. Coordinate with other Board Committees on issues of common interest.
2. At least annually, review this charter and submit any proposed changes to the Governance Committee and to the Board for approval.
3. Create, by majority vote, a subcommittee consisting of one or more Directors on the Committee. As appropriate, and in consultation with the Chair, appoint other Board members to the subcommittee. The subcommittee shall have a specific purpose. The subcommittee shall keep minutes of its meetings. The subcommittee shall report to the Committee. At any time, the Committee, by majority vote, may dissolve the subcommittee.
4. Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to the Committee.

Actuarial Committee Charter.doc
Draft 092607
Review & Approved 112107, Chuck Bryan, Chair
Revised 012408
Revised 092408
Annual Review and Revision 112108
Annual Review and Revision 112009

Common Sense Business Regulation (BWC Rules)

(Note: The below criteria apply to existing and newly developed rules)

Rule 4123-17-72

Rule Review

1. The rule is needed to implement an underlying statute.

Citation: R.C. 4123.29

2. The rule achieves an Ohio specific public policy goal.

What goal(s): Provide for a large deductible program that is considered the industry standard and facilitates employers creating safer workplaces and receiving a financial incentive for their safety and claims management efforts and performance attained.

3. Existing federal regulation alone does not adequately regulate the subject matter.

4. The rule is effective, consistent and efficient.

5. The rule is not duplicative of rules already in existence.

6. The rule is consistent with other state regulations, flexible, and reasonably balances the regulatory objectives and burden.

7. The rule has been reviewed for unintended negative consequences.

8. Stakeholders, and those affected by the rule were provided opportunity for input as appropriate.

Explain: Meetings were held with various *stakeholders, and their support was obtained.
* Central Ohio Builders' Exchange, COSE, NFIB, Ohio Chamber of Commerce, Ohio Farm Bureau, Ohio Manufacturers' Association, Frank Gates, CCI, Sheakley, Gates McDonald, CompManagement (Sedgwick) and members of the SAO and WC Forum

Local roundtables with employers were held in various locations around the state for input.

9. The rule was reviewed for clarity and for easy comprehension.

10. The rule promotes transparency and predictability of regulatory activity.

11. The rule is based on the best scientific and technical information, and is designed so it can be applied consistently.

12. The rule is not unnecessarily burdensome or costly to those affected by rule.

If so, how does the need for the rule outweigh burden and cost? _____

13. The Chief Legal Officer, or his designee, has reviewed the rule for clarity and compliance with the Governor's Executive Order.

BWC Board of Directors Executive Summary

Deductible Program Rules Changes

Introduction

The changes to the Deductible Program Rule will expand the program to allow for the selection of larger deductible amounts.

Background Information

Rule 4123-17-72 was passed by BWC's Board of Directors in April of 2009. This rule enabled Ohio employers to receive a premium discount for agreeing to pay a per claim deductible. The program allows employers to choose a \$500, \$1,000, \$2,500, \$5,000 or \$10,000 deductible level.

Proposed Changes

Qualifying employer will be allowed to choose additional deductible levels of \$25,000, \$50,000, \$100,000, or \$200,000. Additional financial screening will be needed to offset the potentially large liability that may result from selecting these levels. Employers will annually submit financial statements for analysis and must adhere to more restrictive eligibility criteria.

An annual aggregate stop loss limit will be available to employers choosing a deductible level of \$25,000 or greater. The aggregate limit will cap an employer's total deductible liability related to the program year to three times the deductible level chosen.

To clarify the methodology used by the bureau to determine an employer's primary hazard group, section (K)(1) of the rule was updated to specify that experience premium from the last full policy year will be used.

4123-17-72 Deductible rule.

(A) As used in this rule:

- (1) "Coverage period" means the twelve month period beginning July first through June thirtieth for private employers, and January first through December thirty-first for public employers. The deductible selected by the employer will apply only to claims with a date of injury within the coverage period defined in the deductible agreement.
- (2) "Deductible" means a specified amount of money that the insured must pay on a claim before the bureau covers the costs of a workers' compensation claim.
- (3) "Modified rate" means the rate that employers who are experience rated pay as a percentage of their payroll. This rate is calculated by taking the base rate and multiplying it by the employer's experience modification (EM) factor.
- (4) "NCCI base rate" means the rate that employers who are not experience rated pay as a percentage of their payroll.
- (5) "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.
- (6) "Premium" means money paid (due) from an employer for workers' compensation insurance. It does not include money paid as fees, fines, penalties or deposits.
- (7) "Qualified employer" means an employer that has a bureau policy that is in good standing at the time of enrollment or reenrollment. Although the employer may be a qualified employer, the bureau may not accept the employer into the deductible program for other reasons set forth in this rule.

(B) Eligibility requirements.

Each employer seeking to enroll in the bureau deductible program shall have active workers' compensation coverage and shall meet the following standards:

- (1) The employer shall have a bureau policy that is in good standing at the time of enrollment.
- (2) The employer shall be a private state funded employer or public employer taxing district. A self-insuring employer or a state agency public employer shall not be eligible for participation in the deductible program.
- (3) The employer shall be current on all premium payments and deductible billings as of the original application deadline or anniversary date of participation.
- (4) The employer shall have active coverage as of the original application deadline or anniversary date of participation.

(5) The employer shall demonstrate the ability to make payments under the deductible program based upon a credit score established by the bureau on an annual basis which will be applicable to all applicants for the program year. The bureau shall obtain the credit reports from an established vendor of such information.

(6) ~~The employer~~ If the employer selects a deductible amount of five-hundred dollars, one-thousand dollars, two-thousand five-hundred dollars, five-thousand dollars, or ten-thousand dollars, the employer may not have cumulative lapses in workers' compensation coverage in excess of forty days within the twelve months preceding the original application deadline or subsequent anniversary deadline wherein the employer seeks renewal in the deductible program. If the employer selects a deductible amount of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars, the employer may not have cumulative lapses in workers' compensation coverage in excess of fifteen days within the five years preceding the original application deadline or subsequent anniversary deadline wherein the employer seeks renewal in the deductible program.

(C) In selecting an employer deductible program under this rule, the employer must select, on an application provided by the bureau, a per claim deductible amount, which shall be applicable for all claims with dates of injury within a one year coverage period. The employer shall choose one deductible level from the following:

(1) Five-hundred dollars.

(2) One-thousand dollars.

(3) Two-thousand five-hundred dollars.

(4) Five-thousand dollars.

(5) Ten-thousand dollars.

(6) Twenty-five thousand dollars.

(7) Fifty-thousand dollars.

(8) One-hundred thousand dollars.

(9) Two-hundred thousand dollars.

(D) In choosing a deductible amount of five-hundred dollars, one-thousand dollars, two-thousand five-hundred dollars, five-thousand dollars, or ten-thousand dollars, ~~under paragraph (C) of this rule~~ the employer may not choose a deductible amount that exceeds twenty-five per cent of the total premium paid by the employer during the most recent full policy year. For a new employer policy, the deductible amount shall not exceed twenty-five per cent of the employer's expected premium. In choosing a deductible amount of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars, the employer may not choose a deductible amount that exceeds forty per cent of the standard premium paid by the employer during the most recent full policy year. For self-insured employer re-entering the state

fund system, the bureau will use the paid compensation from the last full policy year in place of standard premium.

(E) A deductible level of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars will be considered a Large Deductible and will undergo additional credit analysis. Employers enrolling in a Large Deductible program must submit financial information to the bureau during the enrollment period preceding each policy year they elect to participate in the program.

(1) An employer choosing a deductible level of twenty-five thousand dollars or fifty-thousand dollars must submit reviewed or audited financials for at least the three most recent fiscal years. The financials must be prepared in accordance with Generally Accepted Accounting Principles.

(2) An employer choosing a deductible level of one-hundred thousand dollars or two-hundred thousand dollars must submit audited financials for at least the three most recent fiscal years. The financials must be prepared in accordance with Generally Accepted Accounting Principles.

(3) The bureau may require an employer to adopt additional risk mitigation measures as a prerequisite for participation in the program. These measures may include, but are not limited to: adoption of an alternative payment plan, providing securitization in the form of a letter of credit or surety bond, and selection of an aggregate stop-loss limit.

(F) An employer may elect an annual aggregate stop-loss limit option in combination with deductible levels of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars. If the employer elects the aggregate stop-loss limit option, the bureau will limit deductible billings for injuries which occur during the associated policy year to three times the deductible level chosen.

(EG) The employer shall file the application provided by the bureau and any other paperwork required for enrollment in the deductible program by the bureau by the appropriate enrollment period as follows:

(1) For a private employer, between April first and May thirty-first preceding a policy year that begins on July first.

(2) For a public employer taxing district, between October first and November ~~thirty-first~~thirtieth preceding a policy year that begins on January first.

(a) Where the due date falls on a weekend or holiday, the application and any related documentation must be received no later than the next business day following the deadline.

(b) Applications and any supporting documentation may be submitted by U.S. postal service, fax, e-mail containing scanned documentation, or online submission, so long as such paperwork is received by the bureau on or before the due date.

(3) The bureau shall not permit an employer to enroll in a deductible program outside of the deadlines set forth in this rule, except that the bureau will consider a new employer, establishing a policy in Ohio for the first time, for participation where the employer submits its deductible program application to the bureau within thirty days of obtaining coverage.

(FH) Renewal in the deductible program at the same level for each subsequent year shall be automatic, subject to review by the bureau of the employer's continued eligibility under paragraph (B) of this rule, unless the employer notifies the bureau in writing that the employer does not wish to participate in the program or that the employer wants to change the deductible amount for the next coverage period. The employer shall provide such notice to the bureau within the time and in the manner provided in paragraph (EG) of this rule.

(GI) An employer shall not be permitted to withdraw from the deductible program during the policy year, and no changes shall be made with respect to any deductible amount selected by the employer within the policy year. However, the bureau shall have the option of removing an employer from the deductible program for any of the reasons described in paragraph (N) of this rule.

(HJ) The bureau shall pay the claims costs under a deductible program and the employer shall reimburse to the bureau the costs under the deductible program as follows:

(1) The bureau shall pay all claims costs in accordance with the laws and rules governing payment of workers' compensation benefits. The bureau shall include the entire cost in the employer's experience for the appropriate policy year.

(2) The bureau shall bill the employer on a monthly basis for any claims costs paid by the bureau for amounts subject to the deductible as elected by the employer for the policy year. In addition to amounts paid by the bureau for which the bureau is seeking reimbursement from the employer, such monthly billings shall also reflect the payments to date for any claims to which a deductible is applicable.

(3) The employer shall pay all deductible amounts billed by the bureau within twenty-eight days of the invoice date. The employer will be subject to any interest or penalty provisions to which premiums are subject, including certification to the attorney general's office for collection.

(4) The employer shall continue to be liable beyond any deductible program period for billings covered under a deductible program for injuries that arose during any period for which a deductible is applicable, regardless of when payment was made by the bureau.

(IK) The bureau will apply the premium reduction calculation under the deductible program directly to the NCCI base rate established for the policy year for base-rated employers, or after the modified premium rate is established for experience-rated employers, but prior to any other premium discounts, as well as DWRP and administrative expenses. An individual employer participating in both group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code and the deductible program under this rule may implement the deductible program and receive the associated premium discounts in addition to the group discount; provided, however, the combined discounts may not exceed the maximum discount allowed under the group rating plan. The bureau will calculate the reduction in accordance with appendix A to this rule, which takes into account both the deductible amount chosen by the employer and the applicable hazard group under the most current version of NCCI as established by the primary manual classification of the employer as determined at the end of the enrollment period for that year.

(1) In determining the primary manual classification and appropriate hazard group, the bureau shall utilize payroll **and the associated experience premium** for the rating year beginning two years prior to the period in which the employer is seeking to enroll in the deductible program.

(2) For new employers, the bureau shall base the appropriate primary manual classification and hazard group upon estimated payroll.

(JL) Where there is a combination or experience transfer of an employer within a deductible program policy period, following the application of any other rules applicable to a combination or experience transfer, the employer may be eligible to remain in a deductible program as follows:

(1) Successor: entity not having coverage.

Predecessor: enrolled in deductible program currently or in prior policy years.

Where there is a combination or experience transfer, where the predecessor was a participant in the deductible program and the successor is assigned a new policy with the bureau, the successor shall make application for the deductible program within thirty days of obtaining a bureau policy, as set forth in paragraph **(EG)**(3) of this rule. Notwithstanding this election, the successor shall be responsible for any and all existing or future liabilities stemming from the predecessor's participation in the deductible program prior to the date that the bureau was notified of the transfer as provided under paragraph (C) of rule 4123-17-02 of the Administrative Code.

(2) Successor: enrolled in the deductible program.

Predecessor: not enrolled in the deductible program.

Where there is a combination or experience transfer involving two or more entities, each having Ohio coverage at the time of the combination or experience transfer, and the successor policy is enrolled in the deductible program for the program year, the successor shall automatically remain in the deductible program for the program year and is subject to renewal in accordance with paragraph **(FH)** of this rule.

(3) Successor: not enrolled in deductible program.

Predecessor: enrolled In deductible program.

Where there is a combination or experience transfer involving two or more entities, each having Ohio coverage at the time of the combination or experience transfer, and the successor policy is not enrolled in the deductible program, the predecessor shall not be automatically entitled to continue in the deductible program. The successor may make a formal application should it desire to participate in the deductible program for the next policy year.

Whether or not the successor chooses or is otherwise eligible to participate in a deductible program, under paragraph (C) of rule 4123-17-02 of the Administrative Code, the successor remains liable for any existing and future liabilities resulting from a predecessor's participation in the deductible program.

(~~K~~M) An employer participating in the deductible program shall be entitled to participate in any other bureau rate program, including group rating, concurrent with its participation in the deductible program, except that an employer cannot utilize or participate in, with respect to any injuries which occur during a period for which the employer is enrolled in a deductible program, the following bureau rate programs:

(1) Retrospective rating, whether group or individual.

(2) The fifteen-thousand medical-only program.

(3) Salary continuation.

(4) Group Rating if a deductible level of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars is selected.

(~~L~~N) The bureau may remove an employer participating in the deductible program from the program, effective the second half of the program year, with thirty days written notice to the employer based upon any of the following:

(1) Where the employer participates in any plan or program prohibited under paragraph (~~K~~M) of this rule.

(2) Where the bureau certifies a balance due from the employer to the attorney general during the program year.

(3) Where the employer makes direct payments to any medical provider for services rendered or supplies or to any injured worker for compensation associated with a workers' compensation claim.

(4) Where the employer engages in misrepresentation or fraud in conjunction with the deductible program application process.

Line	Rule #	Draft Rule Suggestions	Interested Parties Rationale	BWC Response	Resolution
1	4123.17-72 (F)	"An employer may elect an annual aggregate stop-loss limit option in combination with deductible levels of twenty-five thousand dollars, fifty-thousand dollars, one-hundred thousand dollars, or two-hundred thousand dollars. ..."	Interested Parties suggested that there would also be demand for an annual aggregate stop-loss for the small deductible levels.	Offering an aggregate stop-loss at these levels is very rare in the workers' comp market because of the associated pricing complications.	BWC will not offer an aggregate stop loss at lower levels but may re-examine this decision in the future.
2	4123.17-72 (F)	"... If the employer elects the aggregate stop-loss limit option, the bureau will limit deductible billings for injuries which occur during the associated policy year to three times the deductible level chosen."	Interested Parties suggested that there may be value in offering more than one aggregate stop-loss levels (for example 3 times or 5 times the deductible amount)	Adding another aggregate level would further complicate an already challenging pricing structure.	BWC will not offer multiple aggregate levels for the coming policy year but may re-examine this decision in the future.
3	4123.17-72 (J) (1)	"The bureau shall pay all claims costs in accordance with the laws and rules governing payment of workers' compensation benefits. The bureau shall include the entire cost in the employer's experience for the appropriate policy year."	Interested Parties suggested that claims costs covered by deductible payments should not be included in the employer's experience.	Per the recent Deloitte study, BWC is attempting to move away from programs that distort an employer's loss experience. NCCI has also published a study that excluding deductible costs disadvantages small employers.	BWC will continue to included deductible costs in an employer's experience.
4	4123.17-72 (M) (3)	"..except that an employer cannot utilize or participate in,(3) Salary continuation."	Allow employers to use salary continuation and participate in the deductible program.	Pricing for the deductible program is based on the full cost of a claim being known and managed. Deductible is an optional program designed to provide an upfront discount as the benefit of participation, not the suppression of loss history.	Salary continuation will continue to be incompatible with the deductible program.

Deductible Update/ Rules Changes

Deductible Update – PY 2009

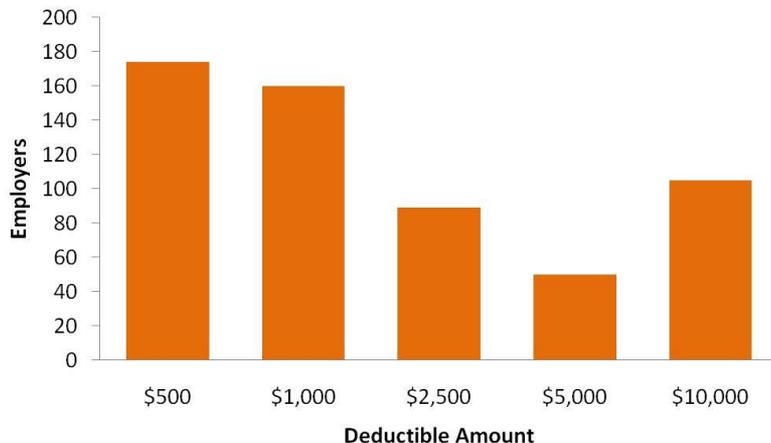
Level of Participation

- 578 individual employers
- Account for \$42M in estimated premium
- \$1.3B in estimated payroll
- Average Premium Discount of 8.6%

Employer Demographics

- 92% are in the manufacturing, services, construction, or commercial
- 100 do not use a TPA; the remaining are represented by 42 different TPAs

Deductible Levels of Participants



Risk Characteristics

- Average Experience Modifier of 0.94
- Employer rating types: 20% Base, 55% Experience, 25% Group Rated
- Employers with medium claim severity (HG C) were most likely to join
- 21% of employers have received a deductible bill in the first 3 months

Large Deductible Highlights

- Follow the same basic structure as the Small Deductible
 - Monthly billing, annual enrollment, etc.
- Per claim deductible levels: \$25K, \$50K, \$100K, \$200K
- An aggregate stop-loss option will be optional and would be set at 3 times the deductible level chosen
- More rigorous credit/financial review

Eligibility Criteria for All Deductible Levels

- Open to PA and PEC Employers
- Policy in good standing and active
- Current on all premium payments and deductible billings
- Incompatible with the \$15K Medical Only and Salary Continuation programs

Eligibility Variances by Deductible Level

Criteria	Deductible Levels of \$500 to \$10K	Deductible Levels of \$25K to \$100K
Minimum Lapsed Days	40 days in 12 months	15 days in 5 years
Minimum Premium	Deductible Level must be 25% of Standard Premium	Deductible Level must be 40% of Standard Premium
Allowance for Self Insured re-entering system	None	Paid compensation utilized to determine eligibility
Credit Score Check	Dunn & Bradstreet score screening	More Restrictive Dunn & Bradstreet score screening
Financial Statement Analysis	None	Must submit audited or reviewed GAAP financials
Program Compatibility	May use with Group Rating	Group Rating Incompatible

Clarification on Minimum Premium Rule

- Modified rule 4123-17-72(K)(1) to clarify that experience premium is used to determine the primary hazard group
 - “In determining the primary manual classification and appropriate hazard group, the bureau shall utilize payroll **and the associated experience premium** for the rating year beginning two years prior to the period in which the employer is seeking to enroll in the deductible program.”

Preliminary Large Deductible Pricing

- Base on draft pricing, the Large Deductible discounts would be as follows:

<u>Deductible Amount</u>	<u>Discount Range*</u>
\$25,000	15% - 34%
\$50,000	20% - 42%
\$100,000	27% - 50%
\$200,000	37% - 57%

Discount Examples

Restaurant with \$25,000 deductible - 34.1%
Office based company with \$50,000 deductible - 35.4%
Construction company with \$200,000 deductible - 53.2%

* Discounts do not include an aggregate stop loss option and will vary by Hazard Group.

2009 Ohio State-to-State Rate Comparison – November Update

The Board of Directors has requested that the bureau provide a rate level comparison for Ohio and similar states. Preliminary results from this study are reflected in the attached Ohio State-to-State Rate Comparison.

The Ohio Rate Comparison utilizes the 50 manual classes which represent 77% of private SIF employer payroll. The methodology for determining other states' rates follows the approach used in the *Oregon Workers' Compensation Premium Rate Ranking*.

Ohio's rates are those in effect for the policy year beginning July 1, 2009. The rate effective dates for the other states are available in the attached documentation. Advisory loss costs and published manual rates were gathered from the NCCI Basic Manual and various state departments of insurance websites. Load factors were applied to these advisory loss costs to reflect costs such as operational expenses, agent commissions, and profit, using the methodology from the 2008 Oregon study. For Ohio, the administrative cost assessment and DWRP assessments were added to reflect the total cost of insurance.

Only benchmark states based on economic size and/or proximity to Ohio were considered. The states of West Virginia and Michigan were not included because loading factor information or base rate information was not available.

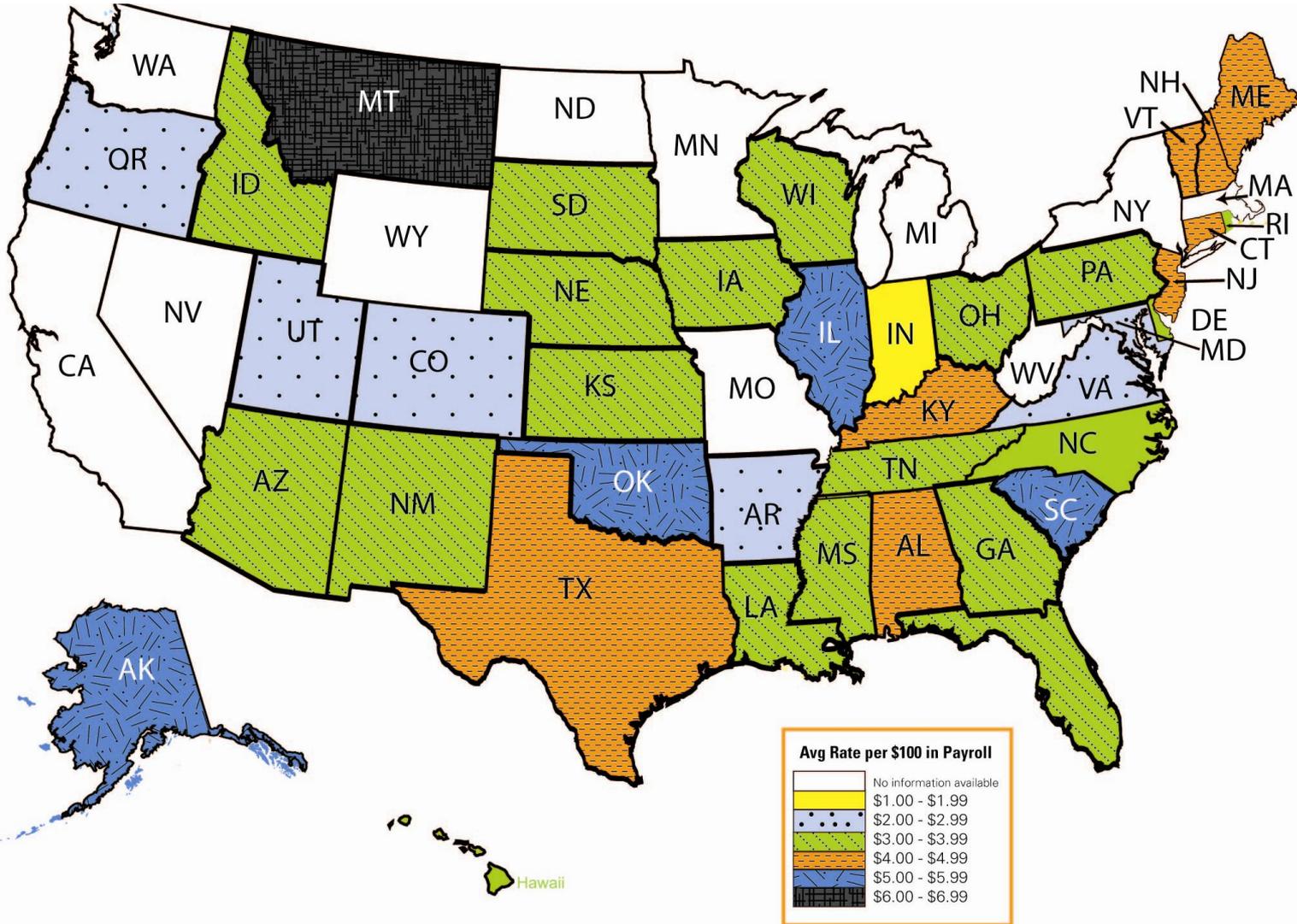
The 39 states were then ranked based upon the average rate across the 50 selected manual classes.

UPDATES: Since the Rate Comparison was provided to the board in September, the study has been expanded from 15 to 39 states. This encompasses all states with publicly available rate information. A map in the attached material provides a visual representation of the average rate for each state.

To summarize:

1. Manual Classifications are those with Ohio's greatest payroll.
2. Oregon's load factors were use to make comparison possible by factoring in various expenses to the loss cost such as insurer expenses, taxes, profits, fees and possible residual market effect.
3. This comparison did not compare benefit levels, either from a statutory perspective or a utilization perspective.
4. The rates reflected in the study are only manual rates. Individual employer rates will vary based on a number of factors.

2009 Ohio Rate Comparison



2009 Ohio State-to-State Rate Comparison

Ran	Manual Clas	Manual Class Description	OH	AL	AK	AZ	AR	CO	CT	DE	FL	GA	HI	ID	IL	IN	IA	KS
1	8810	CLERICAL OFFICE EMPLOYEES NOC	\$ 0.32	\$ 0.40	\$ 0.78	\$ 0.23	\$ 0.20	\$ 0.24	\$ 0.26	\$ 0.34	\$ 0.28	\$ 0.27	\$ 0.33	\$ 0.28	\$ 0.35	\$ 0.20	\$ 0.29	\$ 0.29
2	8742	SALESPERSONS OR COLLECTORS – OUTSIDE	\$ 0.45	\$ 0.96	\$ 1.08	\$ 0.38	\$ 0.42	\$ 0.36	\$ 0.58	\$ 0.53	\$ 0.49	\$ 0.43	\$ 0.51	\$ 0.48	\$ 0.65	\$ 0.36	\$ 0.64	\$ 0.51
3	8832	PHYSICIAN AND CLERICAL	\$ 0.61	\$ 0.51	\$ 1.08	\$ 0.41	\$ 0.24	\$ 0.53	\$ 0.58	\$ 0.56	\$ 0.46	\$ 0.39	\$ 0.64	\$ 0.51	\$ 0.55	\$ 0.24	\$ 0.44	\$ 0.48
4	8868	COLLEGE – PROFESSIONAL EMPLOYEES AND CLERICAL	\$ 0.69	\$ 0.61	\$ 1.22	\$ 0.50	\$ 0.37	\$ 0.56	\$ 0.63	\$ 0.57	\$ 0.40	\$ 0.54	\$ 0.58	\$ 0.56	\$ 0.64	\$ 0.28	\$ 0.48	\$ 0.49
5	9082	RESTAURANT NOC	\$ 2.81	\$ 3.00	\$ 4.00	\$ 1.78	\$ 1.34	\$ 1.61	\$ 2.00	\$ 2.28	\$ 2.49	\$ 2.21	\$ 2.01	\$ 2.28	\$ 2.88	\$ 1.47	\$ 2.03	\$ 1.84
6	8380	AUTOMOBILE SERVICE OR REPAIR CENTER AND DRIVERS	\$ 4.16	\$ 6.37	\$ 6.30	\$ 2.63	\$ 3.02	\$ 2.34	\$ 4.05	\$ 3.30	\$ 3.16	\$ 3.85	\$ 3.17	\$ 3.08	\$ 5.47	\$ 2.28	\$ 3.62	\$ 3.58
7	8803	AUDITORS, ACCOUNTANT OR FACTORY COST OR OFFICE SYSTEMATIZER – TRAVELING	\$ 0.20	\$ 0.13	\$ 0.28	\$ 0.09	\$ 0.07	\$ 0.10	\$ 0.14	\$ 0.15	\$ 0.23	\$ 0.11	\$ 0.15	\$ 0.12	\$ 0.15	\$ 0.07	\$ 0.18	\$ 0.11
8	8829	CONVALESCENT OR NURSING HOME – ALL EMPLOYEES	\$ 5.61	\$ 4.36	\$ 8.31	\$ 2.49	\$ 2.20	\$ 3.05	\$ 4.29	\$ 4.98	\$ 3.15	\$ 3.69	\$ 3.34	\$ 5.39	\$ 3.66	\$ 2.11	\$ 3.40	\$ 3.78
9	8820	ATTORNEY – ALL EMPLOYEES AND CLERICAL, MESSENGERS, DRIVERS	\$ 0.34	\$ 0.31	\$ 0.60	\$ 0.13	\$ 0.22	\$ 0.26	\$ 0.28	\$ 0.19	\$ 0.22	\$ 0.27	\$ 0.25	\$ 0.33	\$ 0.29	\$ 0.14	\$ 0.26	\$ 0.32
10	8864	PHRASEOLOGY SOCIAL SERVICES ORGANIZATION—ALL EMPLOYEES & SALESPERSONS, DRIVERS	\$ 3.78	\$ 2.97	\$ 3.84	\$ 2.10	\$ 1.06	\$ 3.29	\$ 2.68	\$ 2.69	\$ 4.58	\$ 1.58	\$ 2.06	\$ 2.96	\$ 2.53	\$ 1.53	\$ 1.65	\$ 2.77
11	9083	RESTAURANT – RESTAURANT – FAST FOOD	\$ 2.96	\$ 2.97	\$ 4.00	\$ 1.78	\$ 1.42	\$ 1.56	\$ 1.95	\$ 2.39	\$ 2.28	\$ 2.40	\$ 1.55	\$ 2.09	\$ 2.55	\$ 1.36	\$ 1.73	\$ 1.78
12	8601	ARCHITECT OR ENGINEER – CONSULTING	\$ 0.62	\$ 0.93	\$ 0.96	\$ 0.49	\$ 0.71	\$ 0.55	\$ 1.01	\$ 0.88	\$ 1.05	\$ 0.92	\$ 0.71	\$ 0.74	\$ 1.23	\$ 0.45	\$ 1.16	\$ 0.53
13	8833	HOSPITAL – PROFESSIONAL EMPLOYEES	\$ 1.84	\$ 1.97	\$ 2.72	\$ 1.54	\$ 0.79	\$ 1.31	\$ 1.15	\$ 0.98	\$ 1.11	\$ 1.35	\$ 1.58	\$ 1.65	\$ 1.52	\$ 0.78	\$ 1.53	\$ 1.76
14	3632	MACHINE SHOP NOC	\$ 4.45	\$ 7.92	\$ 8.71	\$ 2.89	\$ 3.37	\$ 3.68	\$ 3.64	\$ 4.85	\$ 4.24	\$ 5.29	\$ 4.21	\$ 4.74	\$ 7.55	\$ 2.24	\$ 4.83	\$ 3.76
15	8017	STORE – RETAIL NOC	\$ 2.70	\$ 3.95	\$ 3.03	\$ 2.03	\$ 1.12	\$ 1.64	\$ 2.21	\$ 2.35	\$ 1.61	\$ 2.30	\$ 1.77	\$ 2.20	\$ 3.03	\$ 1.20	\$ 1.75	\$ 1.87
16	8018	STORE – WHOLESALE NOC	\$ 5.28	\$ 6.19	\$ 6.45	\$ 3.39	\$ 2.14	\$ 2.64	\$ 4.71	\$ 3.23	\$ 3.79	\$ 3.77	\$ 5.71	\$ 3.73	\$ 6.07	\$ 2.17	\$ 3.24	\$ 3.40
17	4484	PLASTICS MANUFACTURING – MOLDED PRODUCTS NOC	\$ 5.76	\$ 3.08	\$ 5.65	\$ 3.22	\$ 1.84	\$ 2.69	\$ 4.01	\$ 4.93	\$ 3.85	\$ 3.63	\$ 4.42	\$ 4.12	\$ 4.50	\$ 2.40	\$ 3.48	\$ 5.04
18	8748	AUTOMOBILE SALESPERSON	\$ 0.77	\$ 0.97	\$ 1.62	\$ 0.40	\$ 0.36	\$ 0.60	\$ 0.93	\$ 1.79	\$ 0.69	\$ 0.76	\$ 0.83	\$ 0.79	\$ 1.06	\$ 0.41	\$ 0.94	\$ 0.56
19	7229	TRUCKING: LONG DISTANCE HAULING—ALL EMPLOYEES AND DRIVERS	\$ 10.66	\$ 9.52	\$ 16.24	\$ 9.52	\$ 5.91	\$ 7.67	\$ 12.65	\$ 9.17	\$ 10.11	\$ 9.79	\$ 9.66	\$ 8.66	\$ 13.01	\$ 5.82	\$ 8.88	\$ 8.42
20	5190	ELECTRICAL WIRING – WITHIN BUILDINGS AND DRIVERS	\$ 4.49	\$ 6.53	\$ 9.11	\$ 4.96	\$ 3.09	\$ 3.22	\$ 6.15	\$ 3.48	\$ 5.12	\$ 5.04	\$ 3.75	\$ 3.41	\$ 10.43	\$ 2.85	\$ 4.42	\$ 3.40
21	3400	METAL STAMPED GOODS MANUFACTURING – NOC AND METAL STAMPING MFG – NOC	\$ 6.76	\$ 4.51	\$ 10.12	\$ 6.24	\$ 2.39	\$ 3.12	\$ 6.11	\$ 4.77	\$ 3.82	\$ 5.35	\$ 4.38	\$ 8.41	\$ 9.03	\$ 2.87	\$ 3.89	\$ 6.54
22	5183	PLUMBING NOC AND DRIVERS	\$ 4.82	\$ 6.49	\$ 10.68	\$ 5.77	\$ 3.55	\$ 4.28	\$ 7.30	\$ 5.15	\$ 5.14	\$ 5.31	\$ 3.52	\$ 3.96	\$ 12.01	\$ 2.76	\$ 5.86	\$ 4.55
23	8835	PUBLIC AND TRAVELING HEALTHCARE – ALL EMPLOYEES	\$ 4.98	\$ 6.65	\$ 4.52	\$ 2.19	\$ 1.78	\$ 3.17	\$ 3.69	\$ 3.00	\$ 2.44	\$ 4.33	\$ 2.56	\$ 4.84	\$ 3.08	\$ 2.33	\$ 2.87	\$ 2.70
24	9012	BUILDING OPERATION BY OWNER, LESSEE, OR REAL ESTATE MANAGEMENT FIRM: PROFESSIONAL EMPLOYEES, PROPERTY MANAGERS AND LEASING AGENTS & CLERICAL, SALESPERSONS	\$ 1.05	\$ 1.75	\$ 3.30	\$ 3.69	\$ 2.00	\$ 1.08	\$ 1.65	\$ 4.63	\$ 1.54	\$ 0.78	\$ 1.12	\$ 1.49	\$ 1.80	\$ 0.84	\$ 1.81	\$ 2.05
25	5537	HEATING, VENTILLATION, AIR-CONDITIONING AND REFRIGERATION SYSTEMS - INSTALLATION SVC & REPAIR, SHOP, YARD & DRIVERS	\$ 5.76	\$ 6.40	\$ 12.27	\$ 6.92	\$ 3.51	\$ 4.24	\$ 9.19	\$ 4.74	\$ 7.50	\$ 7.02	\$ 3.81	\$ 6.82	\$ 14.59	\$ 4.48	\$ 4.44	\$ 5.15
26	7228	TRUCKING: LOCAL HAULING ONLY—ALL EMPLOYEES AND DRIVERS	\$ 12.46	\$ 10.37	\$ 16.24	\$ 8.79	\$ 5.93	\$ 7.60	\$ 11.00	\$ 9.17	\$ 10.11	\$ 8.48	\$ 8.82	\$ 8.66	\$ 14.92	\$ 5.11	\$ 8.34	\$ 8.69

Ran	Manual Class	Manual Class Description	OH	AL	AK	AZ	AR	CO	CT	DE	FL	GA	HI	ID	IL	IN	IA	KS
27	9015	BUILDINGS—OPERATION BY OWNER OR LESSEE OR REAL ESTATE MANAGEMENT FIRM: ALL OTHER EMPLOYEES	\$ 6.13	\$ 6.08	\$ 7.46	\$ 3.69	\$ 2.19	\$ 3.32	\$ 4.05	\$ 4.63	\$ 4.16	\$ 3.73	\$ 3.98	\$ 4.48	\$ 4.77	\$ 2.67	\$ 4.16	\$ 5.04
28	3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MANUFACTURING	\$ 4.12	\$ 5.04	\$ 8.02	\$ 3.47	\$ 2.73	\$ 4.02	\$ 6.79	\$ 2.88	\$ 5.34	\$ 3.98	\$ 4.67	\$ 5.14	\$ 9.75	\$ 2.71	\$ 5.61	\$ 5.64
29	4299	PRINTING	\$ 2.88	\$ 2.05	\$ 4.40	\$ 2.84	\$ 1.53	\$ 2.17	\$ 3.58	\$ 3.16	\$ 2.63	\$ 2.89	\$ 2.38	\$ 2.77	\$ 4.99	\$ 1.59	\$ 3.24	\$ 2.98
30	3113	TOOL MANUFACTURING – NOT DROP OR MACHINE FORGED – NOC	\$ 2.60	\$ 2.40	\$ 4.63	\$ 2.13	\$ 1.81	\$ 1.87	\$ 3.04	\$ 1.89	\$ 2.29	\$ 2.58	\$ 2.63	\$ 2.20	\$ 5.11	\$ 1.36	\$ 3.79	\$ 2.20
31	5605	CONSTRUCTION OR ERECTION ESTIMATORS	\$ 1.31	\$ 2.63	\$ 2.28	\$ 1.83	\$ 1.86	\$ 1.52	\$ 3.38	\$ 1.31	\$ 2.08	\$ 2.89	\$ 1.42	\$ 1.47	\$ 4.55	\$ 1.46	\$ 2.82	\$ 1.26
32	7380	DRIVERS, CHAUFFEURS, MESSENGERS AND THEIR HELPERS NOC – COMMERCIAL	\$ 8.18	\$ 10.02	\$ 6.45	\$ 6.73	\$ 3.53	\$ 4.44	\$ 9.56	\$ 8.05	\$ 6.11	\$ 4.87	\$ 4.67	\$ 5.16	\$ 10.67	\$ 3.20	\$ 5.27	\$ 5.35
33	8008	STORE – CLOTHING, WEARING APPAREL OR DRY GOODS – RETAIL	\$ 2.47	\$ 2.76	\$ 3.42	\$ 1.44	\$ 1.04	\$ 1.34	\$ 1.85	\$ 1.70	\$ 1.49	\$ 2.00	\$ 1.58	\$ 1.70	\$ 2.00	\$ 1.03	\$ 1.29	\$ 1.85
34	5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	\$ 11.50	\$ 25.39	\$ 19.08	\$ 12.47	\$ 7.70	\$ 11.51	\$ 13.95	\$ 10.09	\$ 15.56	\$ 23.46	\$ 8.65	\$ 13.41	\$ 23.28	\$ 7.38	\$ 10.13	\$ 13.10
35	9014	JANITORIAL SERVICES BY CONTRACTORS - NO WINDOW CLEANING ABOVE GROUND LEVEL & DRIVERS	\$ 6.67	\$ 4.55	\$ 6.71	\$ 3.13	\$ 2.06	\$ 3.19	\$ 4.09	\$ 4.63	\$ 4.26	\$ 3.96	\$ 4.19	\$ 4.49	\$ 5.22	\$ 2.39	\$ 3.98	\$ 4.27
36	9586	BARBER SHOP, BEAUTY PARLOR OR HAIR STYLING SALON	\$ 1.06	\$ 1.73	\$ 2.57	\$ 1.13	\$ 0.53	\$ 0.92	\$ 0.96	\$ 0.65	\$ 1.09	\$ 0.78	\$ 0.92	\$ 1.20	\$ 1.05	\$ 0.52	\$ 0.60	\$ 1.04
37	5191	OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	\$ 2.20	\$ 1.81	\$ 1.93	\$ 1.04	\$ 1.50	\$ 0.70	\$ 1.39	\$ 0.84	\$ 1.21	\$ 0.96	\$ 1.27	\$ 1.06	\$ 2.10	\$ 0.80	\$ 1.60	\$ 1.17
38	5403	CARPENTRY NOC	\$ 7.90	\$ 21.53	\$ 16.49	\$ 17.61	\$ 8.94	\$ 7.37	\$ 18.10	\$ 7.58	\$ 12.77	\$ 11.95	\$ 12.25	\$ 10.07	\$ 23.56	\$ 6.93	\$ 11.58	\$ 9.10
39	8869	CHILD DAY CARE CENTER – PROFESSIONAL EMPLOYEES AND CLERICAL, SALESPERSONS	\$ 2.26	\$ 1.57	\$ 2.48	\$ 0.94	\$ 0.63	\$ 1.08	\$ 1.08	\$ 1.37	\$ 1.23	\$ 0.68	\$ 0.96	\$ 1.30	\$ 1.23	\$ 0.68	\$ 1.00	\$ 0.93
40	8033	STORE – MEAT, GROCERY AND PROVISION STORES COMBINED – RETAIL NOC	\$ 4.19	\$ 3.17	\$ 7.27	\$ 4.39	\$ 1.87	\$ 2.48	\$ 2.98	\$ 3.88	\$ 2.60	\$ 3.83	\$ 3.45	\$ 2.97	\$ 4.17	\$ 2.05	\$ 1.99	\$ 2.64
41	3076	SHEET METAL PRODUCTS MFG – SHOP ONLY	\$ 6.33	\$ 4.89	\$ 7.44	\$ 4.95	\$ 2.09	\$ 3.65	\$ 5.69	\$ 7.81	\$ 4.98	\$ 4.66	\$ 5.25	\$ 5.61	\$ 8.68	\$ 2.87	\$ 4.15	\$ 4.49
42	4511	ANALYTICAL CHEMIST	\$ 1.15	\$ 1.00	\$ 1.56	\$ 1.11	\$ 0.62	\$ 0.66	\$ 0.80	\$ 0.88	\$ 1.08	\$ 0.89	\$ 1.60	\$ 1.31	\$ 1.25	\$ 0.55	\$ 0.98	\$ 1.18
43	6217	EXCAVATION AND DRIVERS	\$ 5.90	\$ 6.53	\$ 13.37	\$ 5.32	\$ 4.23	\$ 6.68	\$ 9.53	\$ 6.00	\$ 6.59	\$ 8.09	\$ 4.74	\$ 6.44	\$ 10.77	\$ 4.38	\$ 7.61	\$ 5.24
44	9060	CLUB – COUNTRY, GOLF, FISHING OR YACHT, AND CLERICAL	\$ 2.04	\$ 2.32	\$ 6.65	\$ 1.90	\$ 1.47	\$ 1.66	\$ 2.50	\$ 3.20	\$ 2.00	\$ 2.17	\$ 2.89	\$ 1.99	\$ 2.87	\$ 1.11	\$ 1.37	\$ 1.64
45	8824	RETIREMENT LIVING CENTERS – HEALTH CARE EMPLOYEES	\$ 7.32	\$ 7.02	\$ 8.50	\$ 2.79	\$ 1.99	\$ 3.79	\$ 4.84	\$ 3.68	\$ 4.59	\$ 5.05	\$ 3.10	\$ 7.15	\$ 4.89	\$ 2.51	\$ 3.62	\$ 3.19
46	8010	STORE – HARDWARE	\$ 2.96	\$ 4.32	\$ 5.81	\$ 1.99	\$ 1.64	\$ 2.30	\$ 2.84	\$ 2.30	\$ 2.12	\$ 3.25	\$ 3.24	\$ 2.24	\$ 3.90	\$ 1.41	\$ 2.24	\$ 2.25
47	8901	TELEPHONE OR TELEGRAPH CO.- OFFICE OR EXCHANGE EMPLOYEES AND CLERICAL	\$ 0.32	\$ 0.48	\$ 0.95	\$ 0.21	\$ 0.19	\$ 0.14	\$ 0.49	\$ 0.34	\$ 0.28	\$ 0.34	\$ 0.54	\$ 0.40	\$ 0.60	\$ 0.16	\$ 0.57	\$ 0.41
48	5606	CONTRACTOR – PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER OR CONSTRUCTION SUPERINTENDENT	\$ 1.62	\$ 2.63	\$ 2.28	\$ 1.83	\$ 1.86	\$ 1.52	\$ 3.38	\$ 1.62	\$ 2.08	\$ 2.89	\$ 1.42	\$ 1.47	\$ 4.55	\$ 1.46	\$ 2.82	\$ 1.26
49	8006	GASOLINE STATION: SELF-SERVICE AND CONVENIENCE/GROCERY – RETAIL	\$ 4.14	\$ 3.60	\$ 2.52	\$ 2.06	\$ 1.53	\$ 2.81	\$ 2.93	\$ 2.55	\$ 2.53	\$ 3.44	\$ 2.84	\$ 3.39	\$ 3.92	\$ 1.72	\$ 2.59	\$ 2.98
50	7610	RADIO OR TELEVISION BROADCASTING STATION – ALL EMPLOYEES AND CLERICAL, DRIVERS	\$ 0.70	\$ 0.72	\$ 1.53	\$ 0.73	\$ 0.52	\$ 0.55	\$ 0.38	\$ 0.54	\$ 0.60	\$ 0.41	\$ 1.06	\$ 0.55	\$ 0.96	\$ 0.34	\$ 0.67	\$ 0.45
TOTAL AVERAGE RATE			\$ 3.81	\$ 4.48	\$ 5.74	\$ 3.21	\$ 2.06	\$ 2.62	\$ 4.02	\$ 3.25	\$ 3.39	\$ 3.59	\$ 3.02	\$ 3.41	\$ 5.37	\$ 1.96	\$ 3.12	\$ 3.08
2009 OH Based Rate Comparison Rank			17	8	2	27	38	35	13	26	23	19	32	21	4	39	29	31
2008 Oregon Based Rate Comparison Rank of Benchmark States			3	8	1	35	37	33	17	6	23	21	28	26	10	39	31	32
Rate Ranking Change			-14	0	-1	+8	-1	-2	+4	-20	0	+2	-4	+5	+6	0	+2	+1

2009 Ohio State-to-State Rate Comparison

Ran	Manual Clas	Manual Class Description	KY	LA	ME	MD	MS	MT	NE	NH	NJ	NM	NC	OK	OR	PA	RI	SC	SD
1	8810	CLERICAL OFFICE EMPLOYEES NOC	\$ 0.31	\$ 0.30	\$ 0.51	\$ 0.22	\$ 0.42	\$ 0.75	\$ 0.31	\$ 0.40	\$ 0.25	\$ 0.52	\$ 0.39	\$ 0.62	\$ 0.19	\$ 0.41	\$ 0.32	\$ 0.72	\$ 0.30
2	8742	SALESPERSONS OR COLLECTORS – OUTSIDE	\$ 0.64	\$ 0.71	\$ 0.72	\$ 0.37	\$ 0.80	\$ 1.05	\$ 0.49	\$ 0.89	\$ 0.58	\$ 0.66	\$ 0.67	\$ 0.87	\$ 0.32	\$ 0.77	\$ 0.42	\$ 1.00	\$ 1.04
3	8832	PHYSICIAN AND CLERICAL	\$ 0.58	\$ 0.44	\$ 0.70	\$ 0.32	\$ 0.41	\$ 1.03	\$ 0.43	\$ 0.49	\$ 0.48	\$ 0.75	\$ 0.53	\$ 0.85	\$ 0.40	\$ 0.55	\$ 0.54	\$ 0.65	\$ 0.50
4	8868	COLLEGE – PROFESSIONAL EMPLOYEES AND CLERICAL	\$ 0.41	\$ 0.57	\$ 0.47	\$ 0.32	\$ 0.55	\$ 1.31	\$ 0.47	\$ 0.64	\$ 1.33	\$ 0.64	\$ 0.66	\$ 0.81	\$ 0.47	\$ 0.80	\$ 0.34	\$ 0.93	\$ 0.65
5	9082	RESTAURANT NOC	\$ 2.52	\$ 1.92	\$ 1.86	\$ 1.79	\$ 2.55	\$ 2.97	\$ 1.72	\$ 2.99	\$ 3.11	\$ 2.31	\$ 2.20	\$ 3.74	\$ 1.70	\$ 2.68	\$ 2.56	\$ 3.25	\$ 2.51
6	8380	AUTOMOBILE SERVICE OR REPAIR CENTER AND DRIVERS	\$ 4.57	\$ 2.84	\$ 5.63	\$ 2.62	\$ 3.42	\$ 6.84	\$ 3.31	\$ 5.64	\$ 5.94	\$ 3.23	\$ 4.16	\$ 5.85	\$ 3.31	\$ 5.09	\$ 3.40	\$ 5.98	\$ 3.00
7	8803	AUDITORS, ACCOUNTANT OR FACTORY COST OR OFFICE SYSTEMATIZER – TRAVELING	\$ 0.15	\$ 0.23	\$ 0.16	\$ 0.11	\$ 0.25	\$ 0.19	\$ 0.16	\$ 0.14	\$ 0.25	\$ 0.17	\$ 0.15	\$ 0.33	\$ 0.09	\$ 0.12	\$ 0.13	\$ 0.24	\$ 0.14
8	8829	CONVALESCENT OR NURSING HOME – ALL EMPLOYEES	\$ 5.02	\$ 2.78	\$ 5.46	\$ 2.48	\$ 2.84	\$ 6.33	\$ 4.43	\$ 5.70	\$ 4.34	\$ 5.71	\$ 4.07	\$ 9.24	\$ 4.85	\$ 5.37	\$ 3.29	\$ 4.57	\$ 3.71
9	8820	ATTORNEY – ALL EMPLOYEES AND CLERICAL, MESSENGERS, DRIVERS	\$ 0.20	\$ 0.27	\$ 0.50	\$ 0.17	\$ 0.29	\$ 0.54	\$ 0.37	\$ 0.42	\$ 0.33	\$ 0.36	\$ 0.32	\$ 0.67	\$ 0.16	\$ 0.27	\$ 0.25	\$ 0.72	\$ 0.26
10	8864	PHRASEOLOGY SOCIAL SERVICES ORGANIZATION—ALL EMPLOYEES & SALESPERSONS, DRIVERS	\$ 2.29	\$ 2.12	\$ 2.80	\$ 2.39	\$ 1.29	\$ 4.89	\$ 2.13	\$ 2.79	\$ 5.55	\$ 2.90	\$ 4.49	\$ 4.46	\$ 2.95	\$ 3.32	\$ 1.37	\$ 2.80	\$ 1.56
11	9083	RESTAURANT – RESTAURANT – FAST FOOD	\$ 2.36	\$ 2.16	\$ 2.06	\$ 1.42	\$ 1.70	\$ 2.90	\$ 1.81	\$ 3.90	\$ 3.11	\$ 2.10	\$ 2.11	\$ 4.04	\$ 1.70	\$ 2.51	\$ 2.77	\$ 3.66	\$ 1.56
12	8601	ARCHITECT OR ENGINEER – CONSULTING	\$ 0.90	\$ 0.80	\$ 1.19	\$ 0.96	\$ 1.64	\$ 1.53	\$ 1.02	\$ 1.18	\$ 1.00	\$ 1.04	\$ 1.43	\$ 1.15	\$ 0.79	\$ 0.77	\$ 0.98	\$ 1.65	\$ 0.85
13	8833	HOSPITAL – PROFESSIONAL EMPLOYEES	\$ 2.13	\$ 1.56	\$ 1.98	\$ 0.99	\$ 1.14	\$ 4.78	\$ 1.60	\$ 1.84	\$ 1.34	\$ 1.91	\$ 2.63	\$ 3.67	\$ 1.43	\$ 1.37	\$ 1.81	\$ 2.18	\$ 1.45
14	3632	MACHINE SHOP NOC	\$ 5.44	\$ 5.13	\$ 4.39	\$ 2.96	\$ 3.45	\$ 6.33	\$ 3.50	\$ 4.49	\$ 4.00	\$ 4.08	\$ 4.05	\$ 7.45	\$ 3.65	\$ 4.19	\$ 3.74	\$ 5.60	\$ 3.55
15	8017	STORE – RETAIL NOC	\$ 1.72	\$ 2.36	\$ 2.03	\$ 2.19	\$ 2.33	\$ 3.00	\$ 1.69	\$ 2.62	\$ 2.75	\$ 2.54	\$ 2.48	\$ 4.12	\$ 1.74	\$ 2.99	\$ 2.26	\$ 3.04	\$ 1.68
16	8018	STORE – WHOLESALE NOC	\$ 3.06	\$ 3.57	\$ 4.28	\$ 3.02	\$ 2.97	\$ 5.02	\$ 3.47	\$ 6.00	\$ 5.49	\$ 3.91	\$ 3.21	\$ 6.65	\$ 2.81	\$ 5.59	\$ 4.96	\$ 4.16	\$ 2.72
17	4484	PLASTICS MANUFACTURING – MOLDED PRODUCTS NOC	\$ 3.90	\$ 3.83	\$ 3.60	\$ 3.53	\$ 3.82	\$ 8.91	\$ 3.55	\$ 3.64	\$ 4.96	\$ 4.80	\$ 4.47	\$ 6.68	\$ 2.88	\$ 3.07	\$ 3.69	\$ 5.17	\$ 4.02
18	8748	AUTOMOBILE SALESPERSON	\$ 0.88	\$ 0.86	\$ 0.90	\$ 0.77	\$ 0.74	\$ 2.71	\$ 0.67	\$ 0.77	\$ 0.77	\$ 0.99	\$ 1.23	\$ 1.40	\$ 0.51	\$ 4.01	\$ 0.88	\$ 1.29	\$ 0.71
19	7229	TRUCKING: LONG DISTANCE HAULING—ALL EMPLOYEES AND DRIVERS	\$ 13.32	\$ 8.10	\$ 16.46	\$ 8.45	\$ 7.16	\$ 13.78	\$ 10.68	\$ 12.01	\$ 12.66	\$ 9.02	\$ 13.11	\$ 16.18	\$ 9.53	\$ 11.64	\$ 9.78	\$ 15.59	\$ 10.52
20	5190	ELECTRICAL WIRING – WITHIN BUILDINGS AND DRIVERS	\$ 5.49	\$ 4.56	\$ 6.48	\$ 5.97	\$ 4.57	\$ 7.19	\$ 5.21	\$ 6.22	\$ 4.38	\$ 4.61	\$ 7.97	\$ 8.51	\$ 3.78	\$ 5.39	\$ 5.15	\$ 9.51	\$ 3.76
21	3400	METAL STAMPED GOODS MANUFACTURING – NOC AND METAL STAMPING MFG – NOC	\$ 3.55	\$ 4.88	\$ 6.05	\$ 4.55	\$ 3.86	\$ 5.78	\$ 5.05	\$ 5.04	\$ 5.67	\$ 4.61	\$ 4.65	\$ 7.39	\$ 3.44	\$ 5.10	\$ 4.15	\$ 6.76	\$ 3.70
22	5183	PLUMBING NOC AND DRIVERS	\$ 6.17	\$ 4.16	\$ 8.94	\$ 6.41	\$ 5.60	\$ 9.73	\$ 6.66	\$ 8.56	\$ 5.79	\$ 4.99	\$ 7.03	\$ 9.36	\$ 3.59	\$ 6.65	\$ 4.42	\$ 10.27	\$ 7.58
23	8835	PUBLIC AND TRAVELING HEALTHCARE – ALL EMPLOYEES	\$ 5.19	\$ 4.07	\$ 5.95	\$ 3.39	\$ 2.64	\$ 9.12	\$ 2.85	\$ 5.96	\$ 4.98	\$ 3.59	\$ 3.43	\$ 7.42	\$ 3.39	\$ 5.13	\$ 3.91	\$ 5.73	\$ 2.42
24	9012	BUILDING OPERATION BY OWNER, LESSEE, OR REAL ESTATE MANAGEMENT FIRM: PROFESSIONAL EMPLOYEES, PROPERTY MANAGERS AND LEASING AGENTS & CLERICAL, SALESPERSONS	\$ 2.35	\$ 2.04	\$ 2.00	\$ 1.28	\$ 1.89	\$ 8.97	\$ 1.24	\$ 3.19	\$ 6.20	\$ 1.90	\$ 2.49	\$ 2.61	\$ 3.49	\$ 5.85	\$ 1.21	\$ 2.37	\$ 1.65
25	5537	HEATING, VENTILLATION, AIR-CONDITIONING AND REFRIGERATION SYSTEMS - INSTALLATION SVC & REPAIR, SHOP, YARD & DRIVERS	\$ 9.95	\$ 7.40	\$ 8.23	\$ 6.77	\$ 5.49	\$ 10.41	\$ 6.64	\$ 6.82	\$ 7.64	\$ 6.67	\$ 8.82	\$ 10.82	\$ 4.66	\$ 6.37	\$ 7.75	\$ 10.85	\$ 10.13
26	7228	TRUCKING: LOCAL HAULING ONLY—ALL EMPLOYEES AND DRIVERS	\$ 9.78	\$ 8.10	\$ 17.39	\$ 8.51	\$ 8.71	\$ 13.78	\$ 8.38	\$ 11.56	\$ 12.66	\$ 9.85	\$ 14.40	\$ 14.91	\$ 9.53	\$ 11.64	\$ 10.56	\$ 14.03	\$ 5.12

Ran	Manual Clas	Manual Class Description	KY	LA	ME	MD	MS	MT	NE	NH	NJ	NM	NC	OK	OR	PA	RI	SC	SD
27	9015	BUILDINGS—OPERATION BY OWNER OR LESSEE OR REAL ESTATE MANAGEMENT FIRM: ALL OTHER EMPLOYEES	\$ 4.68	\$ 3.54	\$ 5.58	\$ 3.86	\$ 4.78	\$ 8.97	\$ 4.20	\$ 8.23	\$ 6.20	\$ 4.38	\$ 4.07	\$ 8.74	\$ 3.49	\$ 5.85	\$ 5.07	\$ 5.31	\$ 4.50
28	3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MANUFACTURING	\$ 3.97	\$ 2.90	\$ 4.46	\$ 5.26	\$ 4.58	\$ 7.91	\$ 4.77	\$ 5.29	\$ 7.17	\$ 4.08	\$ 3.76	\$ 8.25	\$ 5.16	\$ 3.39	\$ 5.90	\$ 5.31	\$ 4.74
29	4299	PRINTING	\$ 2.87	\$ 2.15	\$ 3.55	\$ 2.91	\$ 2.63	\$ 5.83	\$ 3.21	\$ 2.36	\$ 3.36	\$ 2.26	\$ 2.49	\$ 4.55	\$ 2.12	\$ 3.46	\$ 3.58	\$ 3.12	\$ 1.80
30	3113	TOOL MANUFACTURING – NOT DROP OR MACHINE FORGED – NOC	\$ 1.84	\$ 3.56	\$ 2.86	\$ 1.94	\$ 2.18	\$ 9.32	\$ 2.45	\$ 2.42	\$ 3.19	\$ 2.75	\$ 2.71	\$ 4.22	\$ 1.45	\$ 2.17	\$ 2.42	\$ 4.86	\$ 1.87
31	5605	CONSTRUCTION OR ERECTION ESTIMATORS	\$ 3.17	\$ 2.46	\$ 2.96	\$ 2.24	\$ 2.64	\$ 2.26	\$ 3.67	\$ 2.56	\$ 2.75	\$ 2.20	\$ 2.73	\$ 2.44	\$ 0.83	\$ 1.20	\$ 2.41	\$ 3.49	\$ 5.81
32	7380	DRIVERS, CHAUFFEURS, MESSENGERS AND THEIR HELPERS NOC – COMMERCIAL	\$ 6.10	\$ 6.32	\$ 9.53	\$ 5.23	\$ 4.23	\$ 7.42	\$ 6.85	\$ 7.14	\$ 9.64	\$ 5.51	\$ 6.84	\$ 8.76	\$ 4.42	\$ 10.55	\$ 7.69	\$ 8.83	\$ 5.32
33	8008	STORE – CLOTHING, WEARING APPAREL OR DRY GOODS – RETAIL	\$ 2.23	\$ 1.71	\$ 2.49	\$ 1.43	\$ 1.70	\$ 2.86	\$ 1.42	\$ 2.15	\$ 2.73	\$ 1.73	\$ 2.06	\$ 2.14	\$ 1.34	\$ 2.83	\$ 1.53	\$ 2.73	\$ 1.16
34	5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	\$ 22.91	\$ 16.92	\$ 17.07	\$ 10.66	\$ 13.04	\$ 17.16	\$ 11.46	\$ 16.65	\$ 14.79	\$ 16.21	\$ 19.02	\$ 19.33	\$ 15.95	\$ 12.54	\$ 8.69	\$ 24.84	\$ 8.24
35	9014	JANITORIAL SERVICES BY CONTRACTORS - NO WINDOW CLEANING ABOVE GROUND LEVEL & DRIVERS	\$ 3.43	\$ 3.84	\$ 5.73	\$ 3.07	\$ 2.78	\$ 10.21	\$ 3.63	\$ 5.18	\$ 6.20	\$ 3.86	\$ 4.27	\$ 6.99	\$ 4.17	\$ 5.85	\$ 4.72	\$ 5.25	\$ 3.58
36	9586	BARBER SHOP, BEAUTY PARLOR OR HAIR STYLING SALON	\$ 0.99	\$ 1.07	\$ 1.53	\$ 0.51	\$ 1.79	\$ 4.89	\$ 0.84	\$ 1.26	\$ 0.65	\$ 1.33	\$ 0.79	\$ 2.73	\$ 1.10	\$ 1.36	\$ 1.47	\$ 1.29	\$ 0.89
37	5191	OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	\$ 1.02	\$ 1.10	\$ 1.38	\$ 0.99	\$ 1.68	\$ 3.24	\$ 1.02	\$ 1.47	\$ 1.50	\$ 1.18	\$ 1.02	\$ 1.89	\$ 0.90	\$ 1.36	\$ 1.40	\$ 2.47	\$ 0.89
38	5403	CARPENTRY NOC	\$ 27.58	\$ 14.96	\$ 24.81	\$ 8.80	\$ 12.19	\$ 30.20	\$ 11.11	\$ 16.84	\$ 14.79	\$ 12.33	\$ 12.03	\$ 15.11	\$ 10.05	\$ 10.35	\$ 10.96	\$ 18.68	\$ 17.46
39	8869	CHILD DAY CARE CENTER – PROFESSIONAL EMPLOYEES AND CLERICAL, SALESPERSONS	\$ 0.76	\$ 1.04	\$ 1.12	\$ 0.57	\$ 0.99	\$ 1.31	\$ 0.92	\$ 1.27	\$ 1.33	\$ 1.38	\$ 1.24	\$ 1.52	\$ 1.23	\$ 1.39	\$ 0.92	\$ 1.56	\$ 0.94
40	8033	STORE – MEAT, GROCERY AND PROVISION STORES COMBINED – RETAIL NOC	\$ 3.18	\$ 2.63	\$ 3.17	\$ 3.16	\$ 2.26	\$ 5.06	\$ 2.00	\$ 2.01	\$ 5.28	\$ 2.35	\$ 2.63	\$ 5.45	\$ 2.27	\$ 3.20	\$ 3.72	\$ 3.52	\$ 1.77
41	3076	SHEET METAL PRODUCTS MFG – SHOP ONLY	\$ 5.70	\$ 4.02	\$ 4.01	\$ 4.80	\$ 3.53	\$ 7.33	\$ 5.23	\$ 7.10	\$ 8.32	\$ 5.30	\$ 4.51	\$ 7.24	\$ 2.55	\$ 5.75	\$ 4.45	\$ 5.89	\$ 4.21
42	4511	ANALYTICAL CHEMIST	\$ 1.20	\$ 1.31	\$ 0.90	\$ 0.39	\$ 1.35	\$ 1.70	\$ 1.25	\$ 1.60	\$ 1.15	\$ 0.85	\$ 0.74	\$ 1.54	\$ 0.94	\$ 0.77	\$ 0.86	\$ 1.60	\$ 0.69
43	6217	EXCAVATION AND DRIVERS	\$ 7.95	\$ 7.79	\$ 8.61	\$ 7.73	\$ 7.88	\$ 15.41	\$ 8.51	\$ 11.03	\$ 8.18	\$ 6.87	\$ 8.81	\$ 12.78	\$ 6.75	\$ 7.81	\$ 7.50	\$ 9.79	\$ 6.55
44	9060	CLUB – COUNTRY, GOLF, FISHING OR YACHT, AND CLERICAL	\$ 2.01	\$ 1.71	\$ 2.40	\$ 1.76	\$ 2.54	\$ 2.50	\$ 1.48	\$ 4.48	\$ 3.05	\$ 2.43	\$ 2.21	\$ 4.04	\$ 1.56	\$ 2.89	\$ 2.22	\$ 3.47	\$ 1.49
45	8824	RETIREMENT LIVING CENTERS – HEALTH CARE EMPLOYEES	\$ 3.87	\$ 4.31	\$ 6.22	\$ 2.22	\$ 3.18	\$ 9.21	\$ 3.58	\$ 6.71	\$ 4.34	\$ 5.18	\$ 4.89	\$ 7.11	\$ 4.85	\$ 4.07	\$ 4.73	\$ 6.61	\$ 2.72
46	8010	STORE – HARDWARE	\$ 4.30	\$ 2.06	\$ 3.40	\$ 2.30	\$ 2.19	\$ 4.18	\$ 1.77	\$ 3.77	\$ 4.53	\$ 2.84	\$ 2.47	\$ 3.90	\$ 2.35	\$ 3.42	\$ 2.19	\$ 2.90	\$ 1.60
47	8901	TELEPHONE OR TELEGRAPH CO.- OFFICE OR EXCHANGE EMPLOYEES AND CLERICAL	\$ 0.28	\$ 0.27	\$ 0.50	\$ 0.31	\$ 0.49	\$ 0.45	\$ 0.53	\$ 0.34	\$ 0.33	\$ 0.66	\$ 0.40	\$ 0.56	\$ 0.23	\$ 0.41	\$ 0.45	\$ 0.58	\$ 0.38
48	5606	CONTRACTOR – PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER OR CONSTRUCTION SUPERINTENDENT	\$ 3.17	\$ 2.46	\$ 2.96	\$ 2.24	\$ 2.64	\$ 2.26	\$ 3.67	\$ 2.56	\$ 2.75	\$ 2.20	\$ 2.73	\$ 2.44	\$ 0.83	\$ 1.52	\$ 2.41	\$ 3.49	\$ 5.81
49	8006	GASOLINE STATION: SELF-SERVICE AND CONVENIENCE/GROCERY – RETAIL	\$ 2.71	\$ 3.17	\$ 2.91	\$ 2.04	\$ 3.26	\$ 5.02	\$ 2.35	\$ 3.38	\$ 2.52	\$ 2.57	\$ 3.65	\$ 4.80	\$ 2.05	\$ 3.14	\$ 3.46	\$ 4.72	\$ 2.25
50	7610	RADIO OR TELEVISION BROADCASTING STATION – ALL EMPLOYEES AND CLERICAL, DRIVERS	\$ 0.82	\$ 1.04	\$ 0.53	\$ 0.39	\$ 0.50	\$ 1.13	\$ 0.78	\$ 1.42	\$ 1.00	\$ 0.93	\$ 1.04	\$ 0.71	\$ 0.48	\$ 0.57	\$ 0.58	\$ 1.55	\$ 0.51
TOTAL AVERAGE RATE			\$ 4.19	\$ 3.36	\$ 4.59	\$ 2.93	\$ 3.11	\$ 6.11	\$ 3.29	\$ 4.42	\$ 4.43	\$ 3.50	\$ 3.97	\$ 5.54	\$ 2.97	\$ 3.95	\$ 3.40	\$ 5.09	\$ 3.21
2009 OH Based Rate Comparison Rank			12	24	7	34	30	1	25	10	9	20	14	3	33	15	22	5	28
2008 Oregon Based Rate Comparison Rank of Benchmark States			6	11	5	34	20	2	24	13	15	25	19	9	30	14	22	12	29
Rate Ranking Change			-6	-13	-2	0	-10	+1	-1	+3	+6	+5	+5	+6	-3	-1	0	+7	+1

2009 Ohio State-to-State Rate Comparison

Ran	Manual Class	Manual Class Description	TN	TX	UT	VT	VA	WI
1	8810	CLERICAL OFFICE EMPLOYEES NOC	\$ 0.36	\$ 0.34	\$ 0.18	\$ 0.45	\$ 0.17	\$ 0.28
2	8742	SALESPERSONS OR COLLECTORS – OUTSIDE	\$ 0.66	\$ 0.54	\$ 0.35	\$ 0.63	\$ 0.34	\$ 0.74
3	8832	PHYSICIAN AND CLERICAL	\$ 0.41	\$ 0.55	\$ 0.27	\$ 0.67	\$ 0.28	\$ 0.41
4	8868	COLLEGE – PROFESSIONAL EMPLOYEES AND CLERICAL	\$ 0.45	\$ 1.03	\$ 0.25	\$ 0.76	\$ 0.41	\$ 0.51
5	9082	RESTAURANT NOC	\$ 1.99	\$ 3.41	\$ 1.42	\$ 2.68	\$ 1.51	\$ 2.10
6	8380	AUTOMOBILE SERVICE OR REPAIR CENTER AND DRIVERS	\$ 3.28	\$ 10.88	\$ 2.79	\$ 5.35	\$ 2.79	\$ 3.82
7	8803	AUDITORS, ACCOUNTANT OR FACTORY COST OR OFFICE SYSTEMATIZER – TRAVELING	\$ 0.12	\$ 0.20	\$ 0.11	\$ 0.15	\$ 0.07	\$ 0.14
8	8829	CONVALESCENT OR NURSING HOME – ALL EMPLOYEES	\$ 2.61	\$ 6.91	\$ 2.82	\$ 8.17	\$ 2.90	\$ 2.93
9	8820	ATTORNEY – ALL EMPLOYEES AND CLERICAL, MESSENGERS, DRIVERS	\$ 0.43	\$ 0.21	\$ 0.12	\$ 0.37	\$ 0.14	\$ 0.17
10	8864	PHRASEOLOGY SOCIAL SERVICES ORGANIZATION—ALL EMPLOYEES & SALESPERSONS, DRIVERS	\$ 1.90	\$ 3.67	\$ 1.01	\$ 2.67	\$ 1.45	\$ 2.89
11	9083	RESTAURANT – RESTAURANT – FAST FOOD	\$ 1.71	\$ 3.41	\$ 0.99	\$ 2.58	\$ 1.36	\$ 1.84
12	8601	ARCHITECT OR ENGINEER – CONSULTING	\$ 1.01	\$ 0.63	\$ 0.85	\$ 1.04	\$ 0.70	\$ 1.78
13	8833	HOSPITAL – PROFESSIONAL EMPLOYEES	\$ 1.51	\$ 1.48	\$ 1.12	\$ 2.35	\$ 1.09	\$ 1.13
14	3632	MACHINE SHOP NOC	\$ 6.03	\$ 4.78	\$ 2.37	\$ 6.09	\$ 2.64	\$ 4.61
15	8017	STORE – RETAIL NOC	\$ 1.70	\$ 4.34	\$ 1.58	\$ 2.28	\$ 1.48	\$ 2.06
16	8018	STORE – WHOLESALE NOC	\$ 2.80	\$ 6.79	\$ 2.55	\$ 7.74	\$ 2.32	\$ 4.45
17	4484	PLASTICS MANUFACTURING – MOLDED PRODUCTS NOC	\$ 4.91	\$ 5.78	\$ 1.43	\$ 9.41	\$ 2.20	\$ 3.41
18	8748	AUTOMOBILE SALESPERSON	\$ 0.68	\$ 0.79	\$ 0.42	\$ 1.00	\$ 0.51	\$ 0.87
19	7229	TRUCKING: LONG DISTANCE HAULING—ALL EMPLOYEES AND DRIVERS	\$ 9.24	\$ 12.23	\$ 8.15	\$ 14.13	\$ 8.87	\$ 9.68
20	5190	ELECTRICAL WIRING – WITHIN BUILDINGS AND DRIVERS	\$ 4.95	\$ 5.76	\$ 3.50	\$ 5.39	\$ 3.95	\$ 6.39
21	3400	METAL STAMPED GOODS MANUFACTURING – NOC AND METAL STAMPING MFG – NOC	\$ 5.13	\$ 5.88	\$ 1.91	\$ 5.94	\$ 4.55	\$ 7.90
22	5183	PLUMBING NOC AND DRIVERS	\$ 5.80	\$ 5.88	\$ 4.08	\$ 7.31	\$ 4.52	\$ 6.03
23	8835	PUBLIC AND TRAVELING HEALTHCARE – ALL EMPLOYEES	\$ 2.54	\$ 6.03	\$ 2.44	\$ 3.80	\$ 2.98	\$ 3.49
24	9012	BUILDING OPERATION BY OWNER, LESSEE, OR REAL ESTATE MANAGEMENT FIRM: PROFESSIONAL EMPLOYEES, PROPERTY MANAGERS AND LEASING AGENTS & CLERICAL, SALESPERSONS	\$ 1.43	\$ 5.42	\$ 1.09	\$ 2.32	\$ 1.17	\$ 3.42
25	5537	HEATING, VENTILLATION, AIR-CONDITIONING AND REFRIGERATION SYSTEMS - INSTALLATION SVC & REPAIR, SHOP, YARD & DRIVERS	\$ 8.38	\$ 6.05	\$ 6.07	\$ 8.34	\$ 6.11	\$ 9.02
26	7228	TRUCKING: LOCAL HAULING ONLY—ALL EMPLOYEES AND DRIVERS	\$ 9.24	\$ 12.23	\$ 6.68	\$ 11.51	\$ 8.55	\$ 11.02

Ran	Manual Clas	Manual Class Description	TN	TX	UT	VT	VA	WI
27	9015	BUILDINGS—OPERATION BY OWNER OR LESSEE OR REAL ESTATE MANAGEMENT FIRM: ALL OTHER EMPLOYEES	\$ 3.62	\$ 5.42	\$ 3.00	\$ 4.72	\$ 2.77	\$ 5.47
28	3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MANUFACTURING	\$ 5.57	\$ 5.39	\$ 2.43	\$ 7.89	\$ 3.78	\$ 5.75
29	4299	PRINTING	\$ 2.95	\$ 3.83	\$ 1.39	\$ 6.76	\$ 1.89	\$ 2.89
30	3113	TOOL MANUFACTURING – NOT DROP OR MACHINE FORGED – NOC	\$ 2.86	\$ 5.86	\$ 1.35	\$ 7.01	\$ 1.32	\$ 2.15
31	5605	CONSTRUCTION OR ERECTION ESTIMATORS	\$ 1.80	\$ 1.92	\$ 1.66	\$ 2.53	\$ 2.40	\$ 2.99
32	7380	DRIVERS, CHAUFFEURS, MESSENGERS AND THEIR HELPERS NOC – COMMERCIAL	\$ 5.96	\$ 7.32	\$ 3.69	\$ 6.27	\$ 4.42	\$ 5.34
33	8008	STORE – CLOTHING, WEARING APPAREL OR DRY GOODS – RETAIL	\$ 2.09	\$ 2.86	\$ 0.80	\$ 1.79	\$ 1.45	\$ 1.36
34	5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	\$ 24.54	\$ 9.17	\$ 12.78	\$ 11.18	\$ 12.26	\$ 15.66
35	9014	JANITORIAL SERVICES BY CONTRACTORS - NO WINDOW CLEANING ABOVE GROUND LEVEL & DRIVERS	\$ 3.49	\$ 6.19	\$ 3.27	\$ 6.06	\$ 2.37	\$ 4.94
36	9586	BARBER SHOP, BEAUTY PARLOR OR HAIR STYLING SALON	\$ 0.84	\$ 1.98	\$ 0.68	\$ 1.59	\$ 0.48	\$ 0.93
37	5191	OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	\$ 1.13	\$ 1.44	\$ 0.95	\$ 1.10	\$ 0.84	\$ 1.76
38	5403	CARPENTRY NOC	\$ 11.13	\$ 9.17	\$ 8.82	\$ 15.55	\$ 7.26	\$ 17.41
39	8869	CHILD DAY CARE CENTER – PROFESSIONAL EMPLOYEES AND CLERICAL, SALESPERSONS	\$ 0.86	\$ 1.03	\$ 0.57	\$ 1.12	\$ 0.68	\$ 0.98
40	8033	STORE – MEAT, GROCERY AND PROVISION STORES COMBINED – RETAIL NOC	\$ 2.36	\$ 4.79	\$ 1.51	\$ 3.77	\$ 2.03	\$ 2.86
41	3076	SHEET METAL PRODUCTS MFG – SHOP ONLY	\$ 4.63	\$ 5.88	\$ 2.59	\$ 9.01	\$ 2.42	\$ 4.20
42	4511	ANALYTICAL CHEMIST	\$ 0.75	\$ 1.18	\$ 0.64	\$ 1.70	\$ 0.55	\$ 0.70
43	6217	EXCAVATION AND DRIVERS	\$ 11.40	\$ 5.87	\$ 7.17	\$ 11.27	\$ 6.18	\$ 8.17
44	9060	CLUB – COUNTRY, GOLF, FISHING OR YACHT, AND CLERICAL	\$ 2.25	\$ 2.99	\$ 1.69	\$ 2.49	\$ 1.68	\$ 2.03
45	8824	RETIREMENT LIVING CENTERS – HEALTH CARE EMPLOYEES	\$ 4.83	\$ 6.91	\$ 4.38	\$ 6.49	\$ 2.84	\$ 4.74
46	8010	STORE – HARDWARE	\$ 2.29	\$ 4.34	\$ 1.57	\$ 3.98	\$ 1.76	\$ 2.63
47	8901	TELEPHONE OR TELEGRAPH CO.- OFFICE OR EXCHANGE EMPLOYEES AND CLERICAL	\$ 0.54	\$ 0.41	\$ 0.38	\$ 0.54	\$ 0.17	\$ 0.17
48	5606	CONTRACTOR – PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER OR CONSTRUCTION SUPERINTENDENT	\$ 1.80	\$ 1.92	\$ 1.66	\$ 2.53	\$ 2.40	\$ 2.99
49	8006	GASOLINE STATION: SELF-SERVICE AND CONVENIENCE/GROCERY – RETAIL	\$ 2.22	\$ 5.42	\$ 1.77	\$ 5.29	\$ 2.33	\$ 3.85
50	7610	RADIO OR TELEVISION BROADCASTING STATION – ALL EMPLOYEES AND CLERICAL, DRIVERS	\$ 0.57	\$ 0.86	\$ 1.24	\$ 1.04	\$ 0.37	\$ 0.59
TOTAL AVERAGE RATE			\$ 3.59	\$ 4.35	\$ 2.41	\$ 4.70	\$ 2.55	\$ 3.83
2009 OH Based Rate Comparison Rank			18	11	37	6	36	16
2008 Oregon Based Rate Comparison Rank of Benchmark States			18	16	36	4	38	27
Rate Ranking Change			0	+5	-1	-2	+2	+11

Ohio Bureau of Workers' Compensation Comprehensive Study
BWC Implementation Quarterly Progress Report

Executive Summary

October 2009

Highlights since July Report

Administrator Ryan reported study findings to the Workers' Compensation Council in September and the House and Senate Insurance Committees in October

19 recommendations appear to be governed by statute

Project target dates established

Stakeholder involvement is underway

Accomplishments since July Report

8 more recommendations in place

- o Net assets (4 of 4)
- o Actuarial organization (1 of 7)
- o NCCI Classification System/Premium Auditing (2 of 3)
- o Out-of-State experience rating (1 of 2)

Up-coming quarter

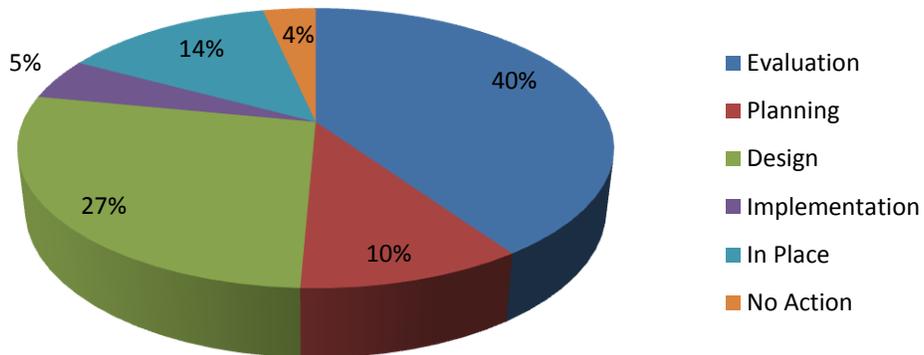
Project emphasis

- o Rate reform
- o Drug-Free Workplace Safety Program
- o Self-Insurance
- o New products

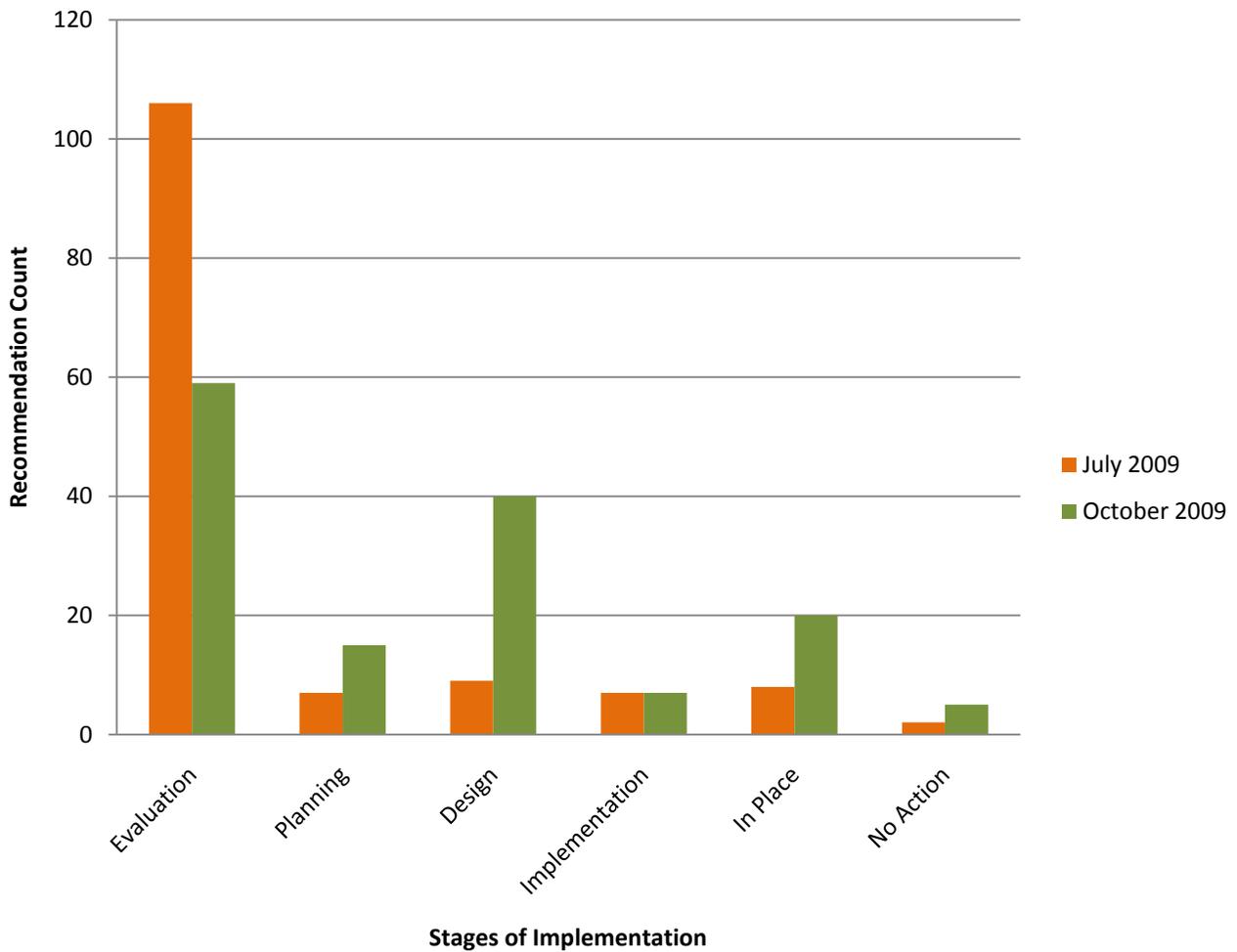
In the news

- o Workers' Compensation hearings expected by House Insurance Committee

Stages of Implementation



Deloitte Implementation Progress



Deloitte Recommendations - Stage of Implementation		Evaluate	Plan	Design	Implement	In Place	FY11 or later
Class Ratemaking							
1.1	7 Eliminate Use of ER Off-Balance Adjustment Factor for Class Base Rates	✓					
1.1	8 Apply Individual ER Off-Balance Adjustment to Individual ER Risks Only	✓					▶
1.1	9 Calculate Catastrophe Factor by NCCI Hazard Group	✓					▶
1.1	10 Provide More Detailed Documentation for Each Adjustment Factor			✓			
1.1	11 Use Alternative Indication of Class Loss Costs to Credibility Weight Class Loss Costs	✓					▶
1.1	12 Separate Case Reserves in Estimating Historical Loss Costs	✓					▶
Excess Insurance and Reinsurance							
2.4	5 Limit impact of CAT event to 5-10% of Net Assets	✓					
2.4	6 Test Reinsurance Market for CAT Protection	✓					
Experience Aggregation Approach							
4.1	19 Use NCCI Approach to Common Majority Ownership for Experience Rating	✓					▶
4.1	20 Discontinue the current practice of relying primarily on the federal tax identification number to identify separate employers.	✓					▶
Experience Rating							
1.1	30 Change Credibility for Individual Experience to be In Line with Industry Practices			✓			
1.1	31 Prohibit Exclusion of Claims from Experience Rating Calculation				✓		
Group Rating							
1.1	13 Change the structure of the Group Rating Program to mitigate present inequities.			✓			
1.1	14 Incent groups to focus on accident prevention and loss mitigation activities.			✓			
1.1	15 Eliminate the use of the individual e-mod formula for group rating.			✓			
1.1	16 Determine group rating through the use of a group discount factor.			✓			
1.1	17 Establish a minimum number of years of experience for a group to qualify.	✓					
1.1	18 Develop a group discount formula based on the past performance of each group.			✓			
1.1	19 Apply a separate group rating off-balance adjustment to the group discount factors.			✓			
1.1	20 Develop the group discount factor based on the actual past performance of each group.	✓					
1.1	21 Include the experience of all group members only during the period they were in the group	✓					
1.1	22 Apply the group discount factor to the individual e-mod adjusted premium of each.			✓			
1.1	23 Develop a group discount formula based on a loss ratio or loss rating approach.			✓			
1.1	24 Vary the maximum discount factor with the premium size of the group.			✓			
1.1	25 Apply a phase-in period of at least two years to new group members.			✓			
1.1	26 Evaluate Group Dividend plan as a group rating alternative.			✓			
1.1	27 Evaluate Group Retro Plan as a group rating alternative.					✓	
1.1	28 Evaluate Per Accident Loss Limitations as a group rating alternative.			✓			
1.1	29 Evaluate Tiering within a single group as a group rating alternative.			✓			
Handicap Reimbursement Program							
3.3	1 Terminate the Handicap Reimbursement Program	✓					
3.3	2 Exclude Arthritis as a Handicap	✓					
3.3	3 Require That Existing Conditions be the Proximate Cause of a More Severe Second Injury	✓					
3.3	4 Reduce the Lag Time Allowed for Handicap Reimbursement	✓					

Deloitte Recommendations - Stage of Implementation

MCO Effectiveness

- 2.6 1 Sustain Trend of Decreasing Numbers of Participating MCOs
- 2.6 2 Study feasibility of price-of-service competition among MCOs.
- 2.6 3 Remove the BWC from the ADR Appeal Process
- 2.6 4 Legislate Change to Mandatory IME Requirement at 90 Days Lost Time
- 2.6 5 Give MCOs More Flexibility in Allowable Condition Determinations
- 2.6 6 Establish ODG as Mandated Disability Duration Guidelines (replacement for DODM)
- 2.6 7 Integrate use of ODG into the overall MCO performance measurement and compensation system
- 2.6 8 Re-institute Customer Surveys
- 2.6 9 Continue Public Forums
- 2.6 10 Improve Provider Profiling, Credentialing, and De-Certification
- 2.6 11 Update All Fee Schedules Every 1 - 2 Years (duplicate of 2.3.1.2)
- 2.6 12 Build a database and study causes of increasing average medical costs.

Medical Payments

- 2.3 1 Conduct fee schedule update and maintenance
- 2.3 1.1 Phase in pay-for-performance or Tiered Fee Schedule for all service types.
- 2.3 1.2 Update the fee schedule every one-to-two years.
- 2.3 2 Address Medical Payment Process Duplication
- 2.3 2.1 Standardize bill review edits
- 2.3 2.2 Explore elimination of MCO medical bill review process
- 2.3 2.3 Adopt an audit model of provider medical payment monitoring
- 2.3 3 Eliminate the required employer waiver in proactive allowance
- 2.3 4 Continue development of Blue Ribbon panel with provider incentives
- 2.3 5 Continue development of EDI submission of C-9's

Minimum Premium Review

- 4.1 6 Examine the Feasibility of Raising the Minimum Premium
- 4.1 7 Increase Premium Audits for Accounts that Report No Payroll but Have Claims
- 4.1 8 Consider a different minimum premium for domestic employees

MIRA II Reserving

- 1.1 32 Develop an Alternative to the Exclusive Use of MIRA II
- 1.1 33 Determine Where MIRA II Claim Values are Most Predictive
- 1.1 34 Study the Impact of MIRA II Reserves on Class Rates and Experience Rating

NCCI Classification System

- 4.1 1 Consider Using NCCI Class Codes for Public Taxing Districts
- 4.1 2 Monitor Procedures used to Code Construction Classes
- 4.1 3 Audit most employers every three to five years
- 4.1 4 Increase Scope of Premium Audit Function
- 4.1 5 Consider an Audit Scoring Tool to Prioritize Audits

Net Asset Level

- 2.4 1 Adopt a Funding Policy with Guidelines
- 2.4 2 Develop a customized approach to managing net asset level using a few key metrics.
- 2.4 3 Target a Funding Ratio Range & Recommended Actions
- 2.4 4 Policy Guidance with Premium Options based on Funding Ratio

	Evaluate	Plan	Design	Implement	In Place	FY11 or later
2.6 1					✓	
2.6 2	✓					
2.6 3				✓		
2.6 4	✓					
2.6 5	✓					
2.6 6			✓			
2.6 7	✓					
2.6 8	✓					▶
2.6 9					✓	
2.6 10			✓			
2.6 11				✓		
2.6 12	✓					
Medical Payments						
2.3 1				✓		
2.3 1.1			✓			
2.3 1.2				✓		
2.3 2			✓			▶
2.3 2.1			✓			▶
2.3 2.2			✓			▶
2.3 2.3			✓			▶
2.3 3	✓					
2.3 4			✓			
2.3 5	✓					
Minimum Premium Review						
4.1 6	✓					▶
4.1 7					✓	
4.1 8	✓					▶
MIRA II Reserving						
1.1 32						▶
1.1 33						▶
1.1 34			✓			
NCCI Classification System						
4.1 1	✓					▶
4.1 2			✓			▶
4.1 3					✓	
4.1 4					✓	
4.1 5	✓					▶
Net Asset Level						
2.4 1					✓	
2.4 2					✓	
2.4 3					✓	
2.4 4					✓	

Deloitte Recommendations - Stage of Implementation

Out-of-State Employer Experience Rating

- 4.3 1 Utilize only Ohio based Information to Determine Eligibility for Experience Rating
- 4.3 2 Adopt the Industry Standard of using Base Premiums as the Eligibility Criteria for Experience Rating

PES Rate Setting

- 3.1 1 Change the Manner in which PES Rates are Calculated
- 3.1 2 Change the Method Used to Determine Expected Paid Losses in the Prospective Policy Year

Retrospective Rating

- 3.1 3 Redesign the Retrospective Rating Program

Safety Programs

- 3.2 1 Make Grants Available Even if No Claims Related to the Intervention
- 3.2 2 Require Safety Report With Application for Safety Intervention Grant
- 3.2 3 Combine DFWP and DF-EZ Programs
- 3.1 4 Develop the capability to track the experience of employers participating in the safety & hygiene program

Salary Continuation / \$15K Med Only Program

- 1.1 35 Terminate the Salary Continuation Program
- 1.1 36 Terminate the \$15,000 Medical Only Program
- 1.1 37 Consider an Appropriately Priced Deductible Program as an Alternative
- 1.1 38 Perform periodic actuarial studies to evaluate the appropriateness of the credits offered under the various discount programs.

Self-Insurance

- 1.4 1 Require an Actuarial Study for Self-Insurance Applicants
- 1.4 2 Require Additional Security for Employers Applying for Self-Insurance
- 1.4 3 Consider Offering Group Self-Insurance
- 1.4 4 Consider Trends within Industries to Determine Self-insurance Criteria
- 1.4 5 Incorporate Objective Financial Criteria as Part of the Self-Insurance application
- 1.4 6 Consider Offering Enhanced Customer Service Aid to Employers
- 1.4 7 Consider Requiring an Anti-Fraud Program as Part of the Self-Insurance Application
- 1.4 8 Consider Requiring a Formal Safety Program as Part of the Self-Insurance Application
- 1.4 9 Require Organization Documents for Self-Insurance Application
- 1.4 10 Require an Actuarial Study for Self-Insurers Returning to the SIF
- 1.4 11 Continuation of Security upon Returning to the State Insurance Fund
- 1.4 12 Do Not Allow Self-Insurers to Leave the State Insurance Fund Multiple Times
- 1.4 13 Expand Reporting Forms to Allow for More Detailed Internal Analysis

SIEGF

- 1.3 1 Institute Pre-Assessment Alternatives
- 1.3 2 Collect Enhanced Data
- 1.3 3 Require Collateral from Higher Risk Employers
- 1.3 4 Revise Assessment Base
- 1.3 5 Reinsure Certain Bankruptcy Losses

	Evaluate	Plan	Design	Implement	In Place	FY11 or later
4.3 1 Utilize only Ohio based Information to Determine Eligibility for Experience Rating					✓	
4.3 2 Adopt the Industry Standard of using Base Premiums as the Eligibility Criteria for Experience Rating						▶
3.1 1 Change the Manner in which PES Rates are Calculated	✓					▶
3.1 2 Change the Method Used to Determine Expected Paid Losses in the Prospective Policy Year	✓					▶
3.1 3 Redesign the Retrospective Rating Program			✓			
3.2 1 Make Grants Available Even if No Claims Related to the Intervention					✓	
3.2 2 Require Safety Report With Application for Safety Intervention Grant					✓	
3.2 3 Combine DFWP and DF-EZ Programs			✓			
3.1 4 Develop the capability to track the experience of employers participating in the safety & hygiene program		✓				▶
1.1 35 Terminate the Salary Continuation Program	✓					
1.1 36 Terminate the \$15,000 Medical Only Program	✓					
1.1 37 Consider an Appropriately Priced Deductible Program as an Alternative					✓	
1.1 38 Perform periodic actuarial studies to evaluate the appropriateness of the credits offered under the various discount programs.			✓			
1.4 1 Require an Actuarial Study for Self-Insurance Applicants			✓			
1.4 2 Require Additional Security for Employers Applying for Self-Insurance			✓			
1.4 3 Consider Offering Group Self-Insurance						▶
1.4 4 Consider Trends within Industries to Determine Self-insurance Criteria			✓			
1.4 5 Incorporate Objective Financial Criteria as Part of the Self-Insurance application			✓			
1.4 6 Consider Offering Enhanced Customer Service Aid to Employers			✓			
1.4 7 Consider Requiring an Anti-Fraud Program as Part of the Self-Insurance Application	✓					
1.4 8 Consider Requiring a Formal Safety Program as Part of the Self-Insurance Application	✓					
1.4 9 Require Organization Documents for Self-Insurance Application					✓	
1.4 10 Require an Actuarial Study for Self-Insurers Returning to the SIF	✓					▶
1.4 11 Continuation of Security upon Returning to the State Insurance Fund					✓	
1.4 12 Do Not Allow Self-Insurers to Leave the State Insurance Fund Multiple Times	✓					▶
1.4 13 Expand Reporting Forms to Allow for More Detailed Internal Analysis			✓			
1.3 1 Institute Pre-Assessment Alternatives			✓			
1.3 2 Collect Enhanced Data			✓			
1.3 3 Require Collateral from Higher Risk Employers			✓			
1.3 4 Revise Assessment Base	✓					▶
1.3 5 Reinsure Certain Bankruptcy Losses	✓					

Deloitte Recommendations - Stage of Implementation		Evaluate	Plan	Design	Implement	In Place	FY11 or later
Statewide Rate Level							
1.1	1 Provide More Responsiveness to Ohio Trends			✓			
1.1	2 Perform Baseline Indication Before Discounting	✓					
1.1	3 Develop the range of indicated rate changes (Optimistic to Conservative)	✓					
1.1	4 Include Alternative Method in Calculating Indicated Rate Change	✓					
1.1	5 Display Historical Loss Costs at Proposed Cost and Wage Levels	✓					
1.1	6 Display Impact of Collecting Premium in Arrears on the Rate Change Indication	✓					
Subrogation							
1.2	1 Limit caseloads to no more than 400	✓					▶
1.2	2 Build functionality in V-3 to manage subrogation claims	✓					▶▶
1.2	3 Establish a more robust set of performance metrics	✓					▶▶▶
1.2	4 Investigate utilization of text mining	✓					▶▶▶▶
Vocational Rehabilitation Program							
4.1	17 Change Rules to Give BWC Sole Authority to Direct Rehab Services		✓				▶▶
4.1	18 Reconsider the Rules Associated with the Experience Rating Treatment of LM Claims	✓					▶▶
Count = 146 total recommendations:		59	15	40	7	20	49

MIRA II Reserve Update

**Presented to the BWC-Actuarial Committee
November 19, 2009**

Rex Blateri: BWC-Actuarial Division

MIRA II: Implementation for Rate Making

- Released to the public via web service offerings August 30, 2008
- First used to calculate Private Employer rates for the July 1, 2009 policy year, reserves as of December 31, 2008
- First used to calculate Public Employer rates for the January 1, 2010 policy year, reserves as of June 30, 2009

MIRA II: Customer Feedback

“One year after MIRA II was implemented and I can’t even recall the last time I spent any time with an employer arguing over reserves...its just a non-issue these days.”

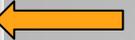
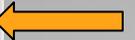
Message received from TPA on 7-31-2009

MIRA II: Impact on Operations

- Protests and Complaints have significantly decreased
- Appeals to the Adjudication Committee and Administrator's Designee have decreased
- Inquiries to the Rate Adjustment Unit have decreased

MIRA II vs. MIRA I Statistics

MIRA I		MIRA II	
Lost time claims w/DOI 2003-07		Lost time claims w/DOI 2004-08	
Reserve as of 6-30-08		Reserve as of 6-30-09	
Claim Count in Analysis	157,527	Claim Count in Analysis	137,909
Claims with reserve =0	110,789	Claims with reserve =0	116,041
claims with reserve >0	46,738	claims with reserve >0	21,868
Percent of reserves >0	30%	Percent of reserves >0	16%
Avg Reserve for claims >0	\$ 53,164	Avg Reserve for claims >0	\$ 63,984
Aggregate Reserve Amount	2,484,807,746	Aggregate Reserve Amount	1,399,144,073



MIRA II vs. MIRA I Statistics

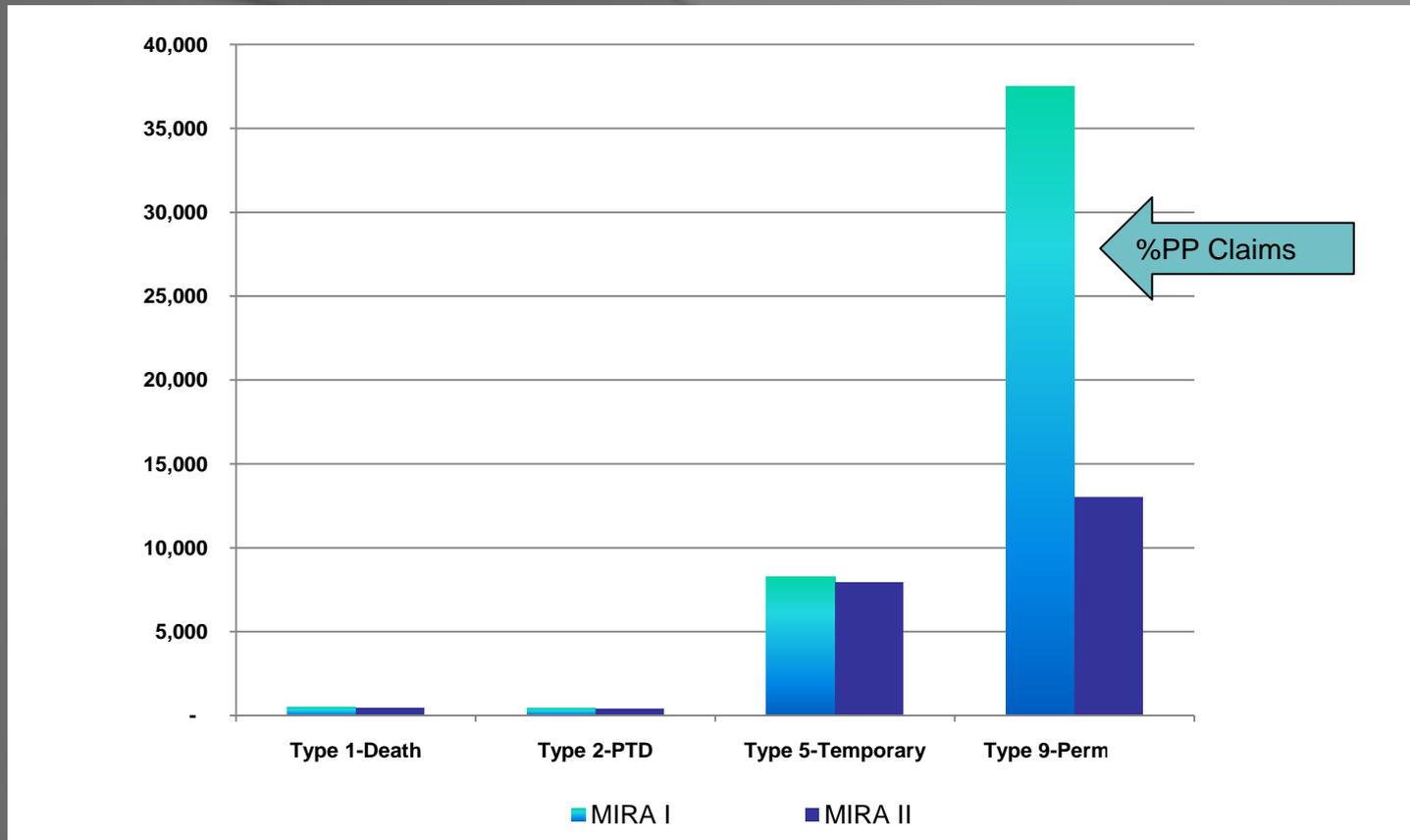
Claim Count by Injury Type

MIRA I		MIRA II	
Lost time claims w/DOI 2003-07		Lost time claims w/DOI 2004-08	
Reserve as of 6-30-08		Reserve as of 6-30-09	
Claim Count by Injury Type (reserve >0)		Claim Count by Injury Type (reserve >0)	
Type 1-Death	494	Type 1-Death	461
Type 2-PTD	449	Type 2-PTD	420
Type 5-Temporary	8,277	Type 5-Temporary	7,955
Type 9-Permanent	37,518	Type 9-Permanent	13,031
Total	46,738	Total	21,867



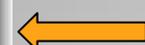
MIRA II vs. MIRA I Statistics

Claim Count by Injury Type

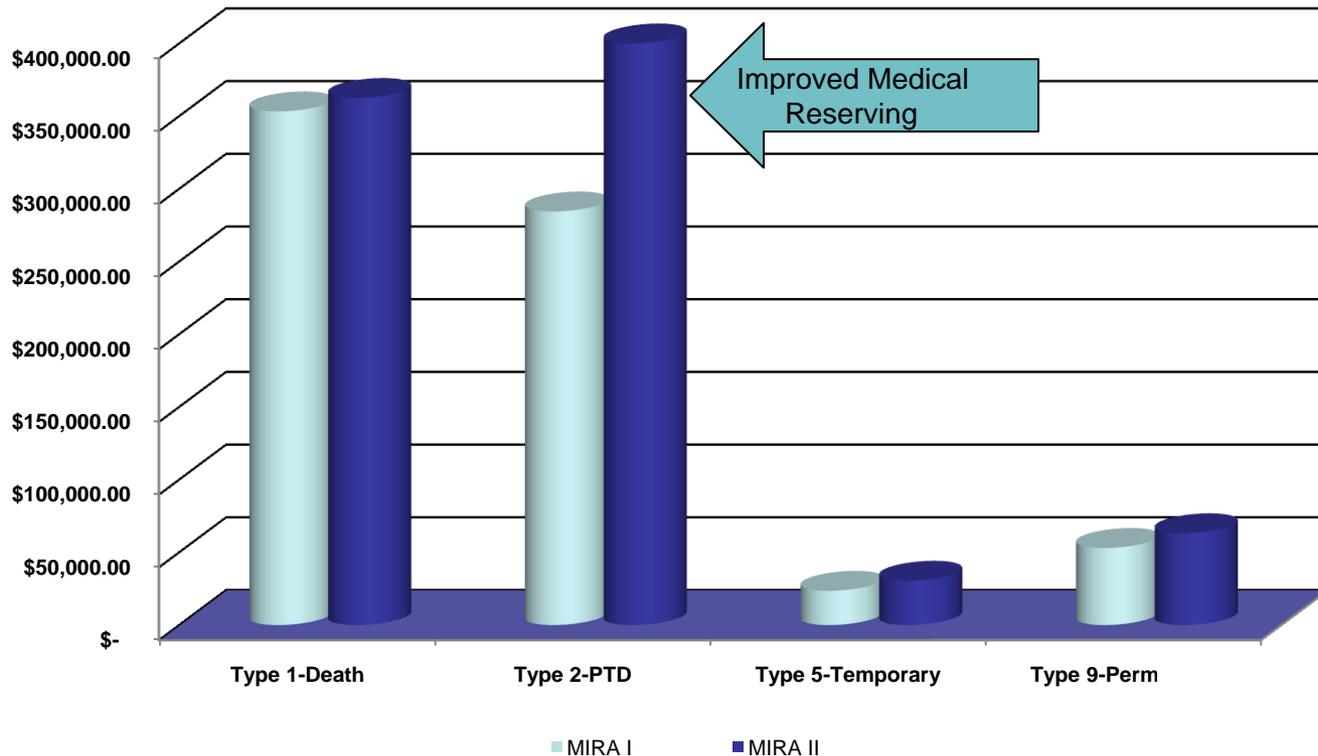


MIRA II vs. MIRA I Statistics

MIRA I		MIRA II	
Lost time claims w/DOI 2003-07		Lost time claims w/DOI 2004-08	
Reserve as of 6-30-08		Reserve as of 6-30-09	
Avg Reserve by Injury Type (reserve >0)		Avg Reserve by Injury Type (reserve >0)	
Type 1-Death	\$ 353,240	Type 1-Death	\$ 362,467
Type 2-PTD	\$ 284,419	Type 2-PTD	\$ 399,955
Type 5-Temporary	\$ 23,490	Type 5-Temporary	\$ 30,433
Type 9-Permanent	\$ 52,992	Type 9-Permanent	\$ 63,078



MIRA II vs. MIRA I Statistics Avg Reserve by Injury Type

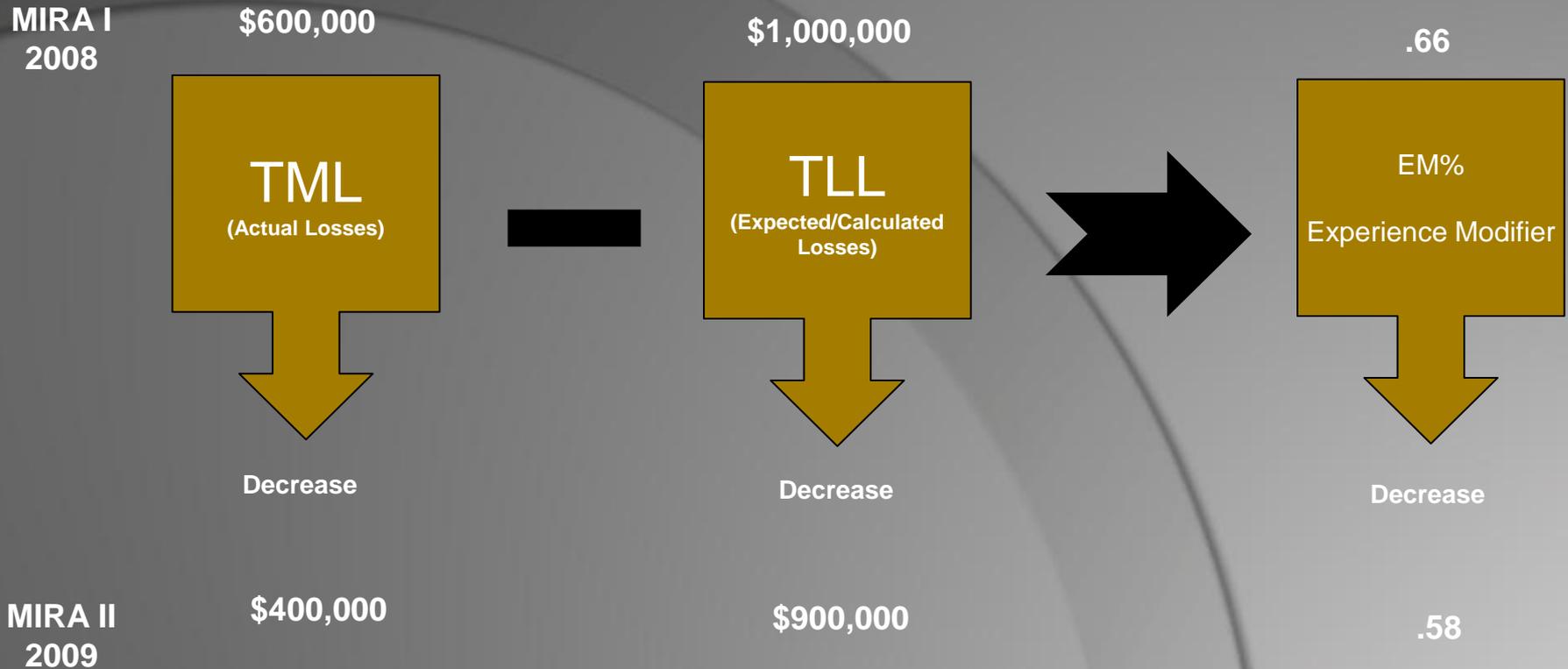


MIRA II: Rate Impact

For private employers, the average reserve (limited reserve amount used in rate making process) decreased 44% from MIRA I to MIRA II which resulted in an average decrease in the Expected Loss Rate (ELR) of 22%.

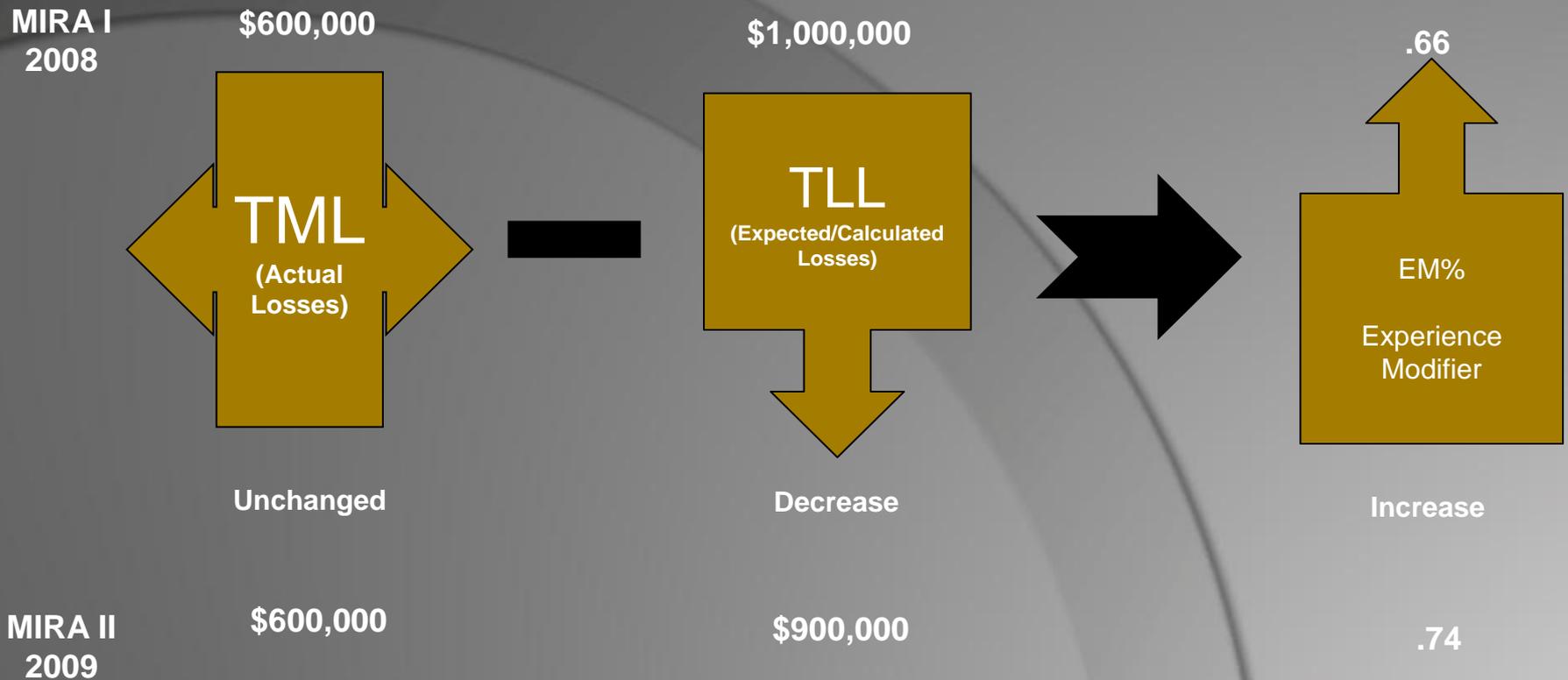
- Lower reserves may result in lower Total Modified Losses (TML)
- Lower ELR's may result in lower Total Limited Losses (TLL)

MIRA II: Rate Impact Scenario



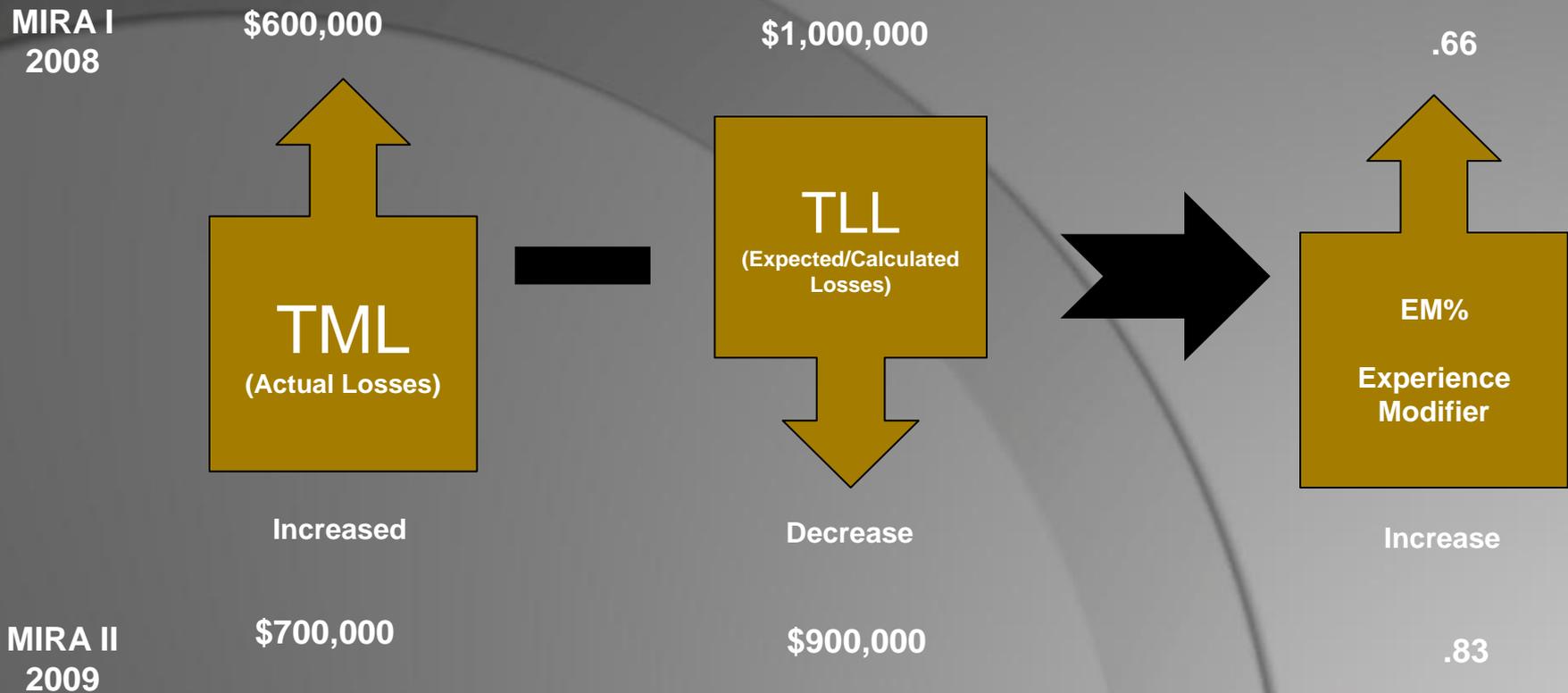
- For this scenario, TLL is not only impacted by a decrease in ELR but can be a change /shift in experience payroll amount
- Scenario focuses on the impact of lower expected loss rates in part due to MIRA II, thus causing lower total limited losses (TLL)
- Comparing TML and TLL levels of policy year 2008 to 2009
- The final EM calculation involves other factors in addition to TML and TLL, such as credibility. Max credibility was used for these scenarios

MIRA II: Rate Impact Scenario



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MIRA II: Rate Impact Scenario



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- Scenario focuses on the impact of lower expected loss rates in part due to MIRA II, thus causing lower total limited losses (TLL)
- Comparing TML and TLL levels of policy year 2008 to 2009
- The final EM calculation involves other factors in addition to TML and TLL, such as credibility. Max credibility was used for these scenarios

MIRA II: Ongoing Evaluation

- Review of Stop Logic for Appropriateness
- Identify ways to improve reserve accuracy on high claim cost/severe claims
 - Identify claim events that indicate high claim cost earlier in the claim
- Elimination of the Reserve Transition Rules
 - Deloitte Study/Recommendation
 - Salary Continuation
 - Medical Only Claims

Thank You

Actuarial Committee Meeting

Thursday, November 19

Loss Reserves

Today we're going to talk about:

1. What is a loss reserve?
2. How loss reserves affect the financial statement
3. How losses develop over time
4. How we measure that development
5. How that development leads to a reserve estimate

What Is A Loss Reserve?

- A loss reserve is an estimate of the remaining amount to be paid on a claim

Reserves In The Financial Statement

- The total amount of actual dollars that will be paid for incurred claims as of June 30, 2009 is \$33.7 billion. This is called the nominal reserve.
- The carried reserve in the financial statement is a discounted amount.
- Discounted reserves as of June 30, 2009 are \$19.2 billion.
- This is the largest liability in the financial statement.

A Hypothetical Claim

Date	Claim Type	Total Medical Paid	Medical Case Reserves	Total Indemnity Paid	Indemnity Case Reserves	Case Incurred Losses
7/2/2009	Medical Only	200	0	0	0	200
7/9/2009	Temp Total	800	0	0	400	1,200
7/16/2009	Temp Total	800	0	400	0	1,200
8/31/2009	Perm Partial	40,800	20,000	400	208,000	269,200
8/31/2010	Perm Partial	50,800	10,000	10,800	197,600	269,200
8/31/2012	Death	55,800	0	31,600	728,000	815,400
8/31/2022	Survivor Benefits	55,800	0	239,600	582,400	877,800
8/31/2032	Closed	55,800	0	447,600	0	503,400

Loss Triangles

- To estimate loss reserves, we aggregate all payments into loss triangles.
- The two main dimensions of a loss triangle are accident year and development age.

Loss Triangles (cont)

- Below is a sample loss triangle with medical payments to hospitals on lost time claims, with data through 6/30/2008 for claims occurring between 1/1/2001 and 6/30/2008.
- The rows in the triangle represent accident years. The boxed row shows medical payments for all injuries first occurring between 1/1/2004 and 12/31/2004, regardless of when they were reported to us.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2001	11,958	63,825	30,488	15,309	12,301	9,137	7,138	6,400
2002	13,919	73,968	30,227	19,286	12,735	9,934	8,771	
2003	18,588	70,850	30,080	17,286	10,523	9,687		
2004	18,157	73,852	27,636	15,030	12,038			
2005	17,165	70,637	25,080	18,956				
2006	14,603	64,164	32,178					
2007	14,568	61,327						
2008	15,129							

Loss Triangles (cont)

- The columns in the triangle represent development ages. The boxed column shows all medical payments made after an accident year was 6 months old and before it was 18 months old. This represents the age of the accident year, not the individual losses. So the accident year 2006 at 18 month entry represents all medical payments made between 7/1/2006 and 6/30/2007 on injuries occurring between 1/1/2006 and 12/31/2006.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2001	11,958	63,825	30,488	15,309	12,301	9,137	7,138	6,400
2002	13,919	73,968	30,227	19,286	12,735	9,934	8,771	
2003	18,588	70,850	30,080	17,286	10,523	9,687		
2004	18,157	73,852	27,636	15,030	12,038			
2005	17,165	70,637	25,080	18,956				
2006	14,603	64,164	32,178					
2007	14,568	61,327						
2008	15,129							

Loss Triangles (cont)

- The diagonals in a triangle represent medical payments in a given fiscal year. The boxed diagonal represents all medical payments made between 7/1/2006 and 6/30/2007 for accident years 2001 – 2007.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2001	11,958	63,825	30,488	15,309	12,301	9,137	7,138	6,400
2002	13,919	73,968	30,227	19,286	12,735	9,934	8,771	
2003	18,588	70,850	30,080	17,286	10,523	9,687		
2004	18,157	73,852	27,636	15,030	12,038			
2005	17,165	70,637	25,080	18,956				
2006	14,603	64,164	32,178					
2007	14,568	61,327						
2008	15,129							

Loss Triangles (cont)

The goal of a triangular analysis is to project all of the future payments for each accident year. After projecting the future payments for each accident year at each age, we can sum them to get a total reserve.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2001	11,958	63,825	30,488	15,309	12,301	9,137	7,138	6,400
2002	13,919	73,968	30,227	19,286	12,735	9,934	8,771	7,864
2003	18,588	70,850	30,080	17,286	10,523	9,687	8,081	7,246
2004	18,157	73,852	27,636	15,030	12,038	9,736	8,121	7,282
2005	17,165	70,637	25,080	18,956	13,485	10,906	9,097	8,157
2006	14,603	64,164	32,178	19,253	13,696	11,076	9,239	8,285
2007	14,568	61,327	25,820	15,449	10,990	8,888	7,414	6,648
2008	15,129	66,457	27,980	16,741	11,909	9,631	8,034	7,204

Loss Development

To estimate these future payments, we look at the historical relationship between payments in successive development ages. These are referred to as “Age-To-Age Factors”.

An Age-To-Age factor is the ratio of payments in one development period to payments in the prior development period.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	6	18	ATA factor = paid at 18 months / paid at 6 months					
2001	11,958	63,825	5.338					
2002	13,919	73,968	5.314					
2003	18,588	70,850	3.812	= 70,850 / 18,588				
2004	18,157	73,852	4.067					
2005	17,165	70,637	4.115					
2006	14,603	64,164	4.394					
2007	14,568	61,327	4.210					
2008	15,129	66,457	= 15,129 *	4.393				
				4.393	Selected ATA Factor			

Loss Development (cont)

We calculate an age to age factor for every pair of successive development ages. Dividing each pair of successive payments gives us a triangle of age to age factors, which we use to select the relationships we believe will hold in the future. Typically the selected relationship is based on an average of past relationships, unless there's a specific reason to believe that these past relationships will change.

Hospitals - Medical Payments on Lost Time Claims								
Age In Months								
Accident Year	6:18	18:30	30:42	42:54	54:66	66:78	78:90	
2001	5.338	0.478	0.502	0.804	0.743	0.781	0.897	
2002	5.314	0.409	0.638	0.660	0.780	0.883		
2003	3.812	0.425	0.575	0.609	0.921			
2004	4.067	0.374	0.544	0.801				
2005	4.115	0.355	0.756					
2006	4.394	0.501						
2007	4.210							
Selected ATA	4.393	0.421	0.598	0.711	0.809	0.852	0.897	

Loss Development (cont)

We then apply these relationships to the most recent payment data to estimate future payments.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)									
Accident Year	Age In Months								
	6	18	30	42					
2001	11,958	63,825	30,488	15,309					
2002	13,919	73,968	30,227	19,286					
2003	18,588	70,850	30,080	17,286					
2004	18,157	73,852	27,636	15,030					
2005	17,165	70,637	25,080	18,956					
2006	14,603	64,164	32,178	19,253	19,253 = 32,178 * 0.598				
2007	14,568	61,327	25,820	15,449	25,820 = 61,327 * 0.421; 15,449 = 25,820 * 0.598				
2008	15,129	66,457	27,980	16,741	66,457 = 15,129 * 4.393; 27,980 = 66,457 * 0.421;				
								16,741 = 27,980 * 0.598	
Selected ATA	4.393	0.421	0.598	0.711	0.809	0.852	0.897		

Loss Development (cont)

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2001	11,958	63,825	30,488	15,309	12,301	9,137	7,138	6,400
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2005	17,165	70,637	25,080	18,956	13,485	10,906	9,097	8,157
2006	14,603	64,164	32,178	19,253	13,696	11,076	9,239	8,285
2007	14,568	61,327	25,820	15,449	10,990	8,888	7,414	6,648
2008	15,129	66,457	27,980	16,741	11,909	9,631	8,034	7,204

Loss Development (cont)

- Depending on the accident year, our estimates were either higher or lower than the actual losses. Note that the difference in the total amount is similar to the differences in the individual accident years.

	(000's omitted)		
	Estimate	Actual	Difference
2002	7,864	7,093	(771)
2003	8,081	8,592	512
2004	9,736	10,113	377
2005	13,485	14,365	880
2006	19,253	19,696	443
2007	25,820	26,741	921
2008	66,457	65,020	(1,437)
Total	150,696	151,620	924

Judgment in Loss Development

- There is a certain amount of judgment involved in picking age to age factors.
- When selecting factors, one has to be careful not to be consistently too high or too low, as the following example demonstrates.

Judgment in Loss Development (Cont)

Suppose that when selecting development factors, we use an average of the factors, but exclude the lowest historical point from that average because we really want to avoid underestimating the reserves.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Age In Months								
Accident Year	6:18	18:30	30:42	42:54	54:66	66:78	78:90	
2001	5.338	0.478	0.502	0.804	0.743	0.781	0.897	
2002	5.314	0.409	0.638	0.660	0.780	0.883		
2003	3.812	0.425	0.575	0.609	0.921			
2004	4.067	0.374	0.544	0.801				
2005	4.115	0.355	0.756					
2006	4.394	0.501						
2007	4.210							
Initial	4.393	0.421	0.598	0.711	0.809	0.852	0.897	
Conservative	4.573	0.437	0.628	0.755	0.850	0.883	0.897	

Judgment in Loss Development (Cont)

Below is the completed triangle using our conservative age to age factor selections.

Hospitals - Medical Payments on Lost Time Claims (000's omitted)								
Accident Year	Age In Months							
	6	18	30	42	54	66	78	90
2002	13,919	73,968	30,227	19,286	12,735	9,934	8,771	7,867
2003	18,588	70,850	30,080	17,286	10,523	9,687	8,554	7,673
2004	18,157	73,852	27,636	15,030	12,038	10,233	9,035	8,105
2005	17,165	70,637	25,080	18,956	14,312	12,165	10,742	9,636
2006	14,603	64,164	32,178	20,208	15,257	12,968	11,451	10,271
2007	14,568	61,327	26,800	16,830	12,707	10,801	9,537	8,555
2008	15,129	69,184	30,234	18,987	14,335	12,185	10,759	9,651

Judgment in Loss Development (Cont)

- The chart below shows a comparison of our initial selections and our conservative selections for the fiscal year 2009 projection.
- Also shown is a comparison of total reserves through age 90 months. These are simply the sum of all the red numbers up to 90 months from our initial and conservative triangles.
- Notice how the effect increases on the reserve to age 90 months due to the additional number of conservative factors that get applied on the more recent accident years.

	(000's omitted)					
	Next 12 Months			To Age 90 Months		
	Initial	Conservative	Difference	Initial	Conservative	Difference
2002	7,864	7,867	0%	7,864	7,867	0%
2003	8,081	8,554	6%	15,327	16,227	6%
2004	9,736	10,233	5%	25,140	27,373	9%
2005	13,485	14,312	6%	41,646	46,855	13%
2006	19,253	20,208	5%	61,549	70,155	14%
2007	25,820	26,800	4%	75,208	85,231	13%
2008	66,457	69,184	4%	147,956	165,334	12%
Total	150,696	157,158	4%	374,689	419,041	12%

Next Month: Other Reserving Methods

Loss Development Method Weakness	Option
Cannot be used where data doesn't exist, in particular, for the tail liability.	Extrapolation methods to project age to age factors themselves.
The least mature years have very high development factors, and are very sensitive to early payment amounts.	Bornhuetter-Ferguson (BF) method uses an alternate estimate of ultimate losses to lend stability to estimates.
If historical trends and relationships are likely to change in the future, the loss development method can't adjust for this.	The persistency method removes the medical trend from the data and replaces it with an explicit trend assumption.

BWC Board of Directors
Actuarial Committee
CAO Report
 John Pedrick, Chief Actuarial Officer
 November 19, 2009

During this month's meeting, we'll present a discussion of reserves. Jon Turnes, Reserving Actuary, will lead the discussion which is aimed at developing an appreciation for some of the major assumptions, needs, and approaches actuaries in general and the BWC in particular use to estimate future claim costs. A central principle of determining loss reserves is that they are estimates of unpaid amounts for workplace injuries and illnesses that have already occurred. The actual amounts paid over future decades will differ from estimates we develop today.

The team from Deloitte Consulting LLP visited during the week following the previous Board meeting. The goal of the many meetings held was to set out the tasks ahead and to be sure we have a seamless transition from Oliver Wyman to the new consultant. Not only was the team from Deloitte thorough, but the team from Oliver Wyman was helpful as we look at the last two months of their contract.

Further details and current timelines for our various projects follow.

Comprehensive Plan Implementation

1. Communications/Group Structure and Governance Team

Jeremy Jackson		
Task/Function	Timeline	Status
Communications, Outreach	8/1/2008 start	Ongoing
PEC and PA group rating structure	1/1/2009 start	Ongoing
Split Plan Discussions	Late 2009	Ongoing
Targeted Employer Communications	8/1/2008 start	Ongoing

- BWC staff will continue to meet with external parties to discuss the final group rating structure and the split plan development.

2. Capping/Split Plan Team

Terry Potts		
Task/Function	Timeline	Status
Capping strategy for PA employers effective	July 1, 2009	Completed
Capping strategy and Group Break Even Factor for PEC employers effective	January 1, 2010	In-Progress
Rating strategies for PA employers effective July, 2010	October, 2009	In- Progress
Split Plan parameters decided	Fall, 2009	In-Progress
Split plan development	September, 2009 to July, 2010	In-Progress
Split Plan implementation	July 1, 2011	

- The break even factors for the 7/1/2010 Private Employers were approved at the October Board meeting. These factors are stratified by the group EM.
- The new 65% credibility table with lower minimum expected losses was approved at the October Board meeting.
- The 100 % Experience Modifier (EM) Capping will continue for the 7/1/2010 PA rating year.
- The split plan development is continuing among actuarial and IT staff to determine the parameters of the split plan and the programming requirements. Analysis continues to determine the appropriate split points.

3. New Products

Joy Bush and Jamey Fauque, Centric Consulting		
Task/Function	Timeline	Status
Small Deductible Plan Implemented	July, 2009	Completed
Group Retro Program Implemented	July, 2009	Completed
Research and Development of employer programs	Fall, 2009	In-Progress

- It is anticipated that the actuarial division will bring 2 new programs to the actuarial committee. These 2 new programs are an individual incurred loss retro program (in addition to our current paid loss retro program) and a large deductible program.

MIRA II

- Discussions are taking place with outside parties representing PA and PEC employers on the elimination of the “MIRA transition rules”. These rules were put into the system as a temporary transition from the old tabular reserving system to the MIRA 1 system. With the updated reserves from MIRA 2 the transition rules will be phased out over a period of time to lessen the impact to employers

1/1/2010 Public Employer Taxing Districts (PEC) Rates

Task/Function	Timeline	Status
Public Employer Taxing District Rates	July 2009 to November 2009	In progress
Summary Payroll	July – August 2009	Completed
Summary Losses	August – September 2009	Completed
Rate Calculations	September 2009 to November 2009	Completed
Rate recommendation received from Oliver Wyman	July 30, 2009	Completed
Rate decision from WCB	September 2009	Completed
Final Rates to WCB	November 2009	In-Progress
Mailing of Employer Rate Letters	December 2009	

Deloitte Consulting Preparation

- The BWC has transferred files to Deloitte to allow them to calculate reserves.
- Deloitte staff met with Deloitte on November 4th and 5th to discuss the work plans.
- A SharePoint site hosted by the BWC has been established for Deloitte and BWC staff to share information and files.

Comprehensive Study Implementation

- The BWC continues to prioritize, update and implement the recommendations from the comprehensive study.

12 - Month Actuarial Committee Calendar

Date	November 2009	Notes
11/19/2009	1. Actuarial Committee charter - 2 nd reading	
	2. Large Deductible Plan - 1 st st reading	
	3. State by State Competitiveness	
	4. Quarterly Update on the H.B. 100 Comprehensive report Deloitte recommendations	
	5. MIRA 2 Update	
	6. Reserving educational session	
Date	December 2009	
12/16/2009	1. Large Deductible Plan - 2 nd reading	
	2. Individual Incurred Retrospective Rating program - 1 st reading	
	3. Reserving educational session	
Date	January 2010	
1/28/2010	1. Quarterly Update on the H.B.100 Comprehensive report Deloitte recommendations	
	2. Individual Incurred Retrospective Rating program - 2 nd reading	
	3. Group Retrospective Rating Loss Development Factors - 1 st reading	
	4. Reserving education session	
Date	February 2010	
2/25/2010	1. Quarterly reserve update as of 12/31/09	
Date	March 2010	
3/25/2010	1. Private employer rate change indication - 1 st reading	
	2. PES Rate indication - 1 st reading	
Date	April 2010	
4/29/2010	1. Private employer rate change indication - 2 nd reading	
	2. PES Rate indication - 2 nd reading	
	3. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund Rule 4123-17-29 - 2 nd reading	
	4. Marine Industry Fund - Rule 4123-17-19 - 2 nd reading	
	5. Coal-Workers' Pneumoconiosis Fund - Rule 4123-17-20 - 2 nd reading	
	6. Self-Insured Assessments - Rule 4123-17-32 - 2 nd reading	
	7. Quarterly Update on the H.B.100 Comprehensive report Deloitte recommendations	
	8. March 30, 2010 Reserve Estimate	

12 - Month Actuarial Committee Calendar

Date	May 2010	
5/27/2010	1. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund Rule 4123-17-29 - 2 nd reading	
	2. Marine Industry Fund - Rule 4123-17-19 - 2 nd reading	
	3. Coal-Workers' Pneumoconiosis Fund - Rule 4123-17-20 - 1st reading	
	4. Self-Insured Assessments - Rule 4123-17-32 - 1st reading	
	5. Admin Cost Fund - 1st reading	
	6. Quarterly reserve update as of 3/31/10	
Date	June 2010	
6/17/2010	1. Admin Cost Fund - 2 nd reading - possible vote	
	2. PEC Credibility Table Rule 4123-17-33.1 - 1 st reading	
	3. PEC Capping recommendation - 1 st reading possible vote	
	4.	
	5.	
Date	July 2010	
7/29/2010	1. Reserve Audit as of 6-30-2010	
	2. PA credibility table effective 7-1-2011 - Rule 4123-17-05.1 - 1 st reading	
	3. Quarterly Update on the H.B.100 Comprehensive report Deloitte recommendations	
Date	August 2010	
8/26/2010	1. Reserve Audit update	
	2. Public Employer Taxing Districts rate change - 1 st reading	
	3. PA credibility table effective 7-1-2011 - Rule 4123-17-05.1 - 2 nd reading	
Date	September 2010	
Date	October 2010	