

Actuarial Committee Agenda

Thursday, March 19, 2009

William Green Building

Level 2, Room 3

2:30 pm– 5:30 pm

Call to Order

Chuck Bryan, Committee Chair

Roll Call

Jill Whitworth, Scribe

Approve Minutes of February 19, 2009 meeting

Chuck Bryan, Committee Chair

Executive Session

Litigation update

Action Items

1. Private Employer Rate Proposal (Possible motion to adopt the rate making methodology and instruct staff to prepare appropriate rules)
John Pedrick, Chief Actuarial Officer
Ray Mazzotta, Chief Operating Officer
Bill Hansen, FCAS, MAAA, Oliver Wyman
Independent Consulting Actuary Report on Rate Proposal
James S. Shoenfelt, ACAS, MAAA
Shoenfelt Consulting, Inc.
2. Discussion on Alternative Discount Program Rule Changes,
Rule 4123-17- 70 Premium Discount Program (First reading, possible motion to waive second reading)
3. Drug Free Program modifications:
Tina Kilmeyer, Chief of Customer Service
4. Rule 4123-17-62 "Application for Group Experience Rating"
Tina Kilmeyer, Chief of Customer Service
5. Group Retrospective Rules, Rule 4123-17-73 (First reading)
Joy Bush, Employer Management Project Manager

Discussion Items*

1. Quarterly reserve update as of 12-31-08
Jeff Scott, FCAS, MAAA
Jeff Scholl, FCAS, MAAA
Oliver Wyman
2. CAO Report
John Pedrick, Chief Actuarial Officer
3. Committee calendar

Adjourn

Chuck Bryan, Committee Chair

Next Meeting: Wednesday, April 29, 2009, 2:00 pm – 4:00 pm

*Not all discussion items have materials included.

3/20/2009 1:54:25 PM

3.1

Group and Non Group Rate Level Recommendations

Since the initial release of board meeting materials roughly two weeks ago there have been a number of meetings with staff and stakeholders to work through the details and mechanics of the rate change. The additional analysis and feedback has resulted in updates and revisions to exhibits 10.2 through 10.4, which are outlined below:

- The impact of adopting the new '77%' credibility table was updated from 8.3% to 9.6%, which is a result of using more current premiums that reflect the proposed uniform off-balance factors.
- Additional columns were added to tables 3, 4 and 5 to show the explicit movement in the base rate off-balance through the different phases of the rate change. This allows for better tracking of how each component contributes to the total.
- The group break even factor has an explicit adjustment to account for the adoption of a uniform base rate off-balance, as the implementation process requires group and non group to have the same base rate off-balance factor.
- The overall target rate change is -12%, instead of -15%. This also translates into a lower selected segment relativity for group of 0.706.

March 6, 2009

Rate Recommendations for
Private Employers
Ohio Bureau of Workers'
Compensation

OLIVER WYMAN



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March 6, 2009

Mr. John Pedrick, FCAS, MAAA
Chief Actuarial Officer
Ohio Bureau of Workers' Compensation
30 West Spring Street
Columbus, OH 43266-0581

Subject:
Private Employer 7-01-09 Rate Recommendations

Dear Mr. Pedrick:

The accompanying exhibits provide rate level scenarios, incurred loss projections, group and non-group rate level recommendations and rate level factors for calculations of private employer (PA) rates to be effective July 1, 2009.

We have calculated a baseline rate recommendation, as well as a reasonable range around that recommendation, as shown in Exhibit 1. The indicated rate change in the baseline scenario contemplates maintaining the "baseline" experience. The range around the baseline rate change is based on the average error from the baseline trend analysis. The following table illustrates the indicated rate changes by scenario at a BWC recommended 4.5% discount rate:

Scenarios	Baseline	Reasonable Expectation Optimistic	Reasonable Expectation Conservative
4.50% Discount Rate	-11.8%	-18.1%	-5.5%

The "baseline" rate level indication in Exhibit 1 is a statistical extrapolation of the historical pure premiums for accident years 1999 to 2008. The pure premiums are derived from our December 2008 actuarial evaluation of the PA losses, using the same methodology (with lower medical inflation assumptions) as was used in the projections of reserves in the actuarial audit. Cost containment efforts and recent changes in BWC's procedures, to the extent they are reflected in payments, are considered in the rate indications.

The reasonable expectation-optimistic scenario relates to the low end of our range, as determined by one standard deviation around our base line trend. The result of this analysis is an indicated rate decrease of 18.1%.

OLIVER WYMAN

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March 6, 2009

Mr. John Pedrick, FCAS, MAAA

Ohio Bureau of Workers' Compensation

The reasonable expectation-conservative scenario relates to the high end of our range, as determined by one standard deviation around our base line trend. The result is a higher loss cost prediction than the baseline, which translates into a decrease of -5.5%.

We have also shown our rate recommendation using discount rate assumptions of 5.0% and 4.0%. The 5.0% discount rate was used in the most recent year end financial statement (June 30, 2008) as well as was used in last year's rate recommendation. The 4.0% discount rate assumption is one half of a percentage point less than the discount rate selected by BWC for this recommendation.

At this time, it is our opinion that a rate change of -18.1% to -5.5% in the PA rate level is appropriate. Base rates for the individual manual classes should be adjusted according to their experience so as to achieve the applicable overall change in the total collectible premium per \$100 payroll.

Exhibit 3 provides the applicable "rate level factors" for base rate calculations. Also included are incurred loss projections to be used to derive loss development factors for the base rate calculations.

Section 3 contains our analysis of the rate change as distributed by class (group and non-group employers).

If we can provide further information or assistance in the rate calculations, please let us know.

Sincerely,

Jeffery J. Scott, FCAS, MAAA

Jeffery W. Scholl, FCAS, MAAA

William D. Hansen, FCAS, MAAA

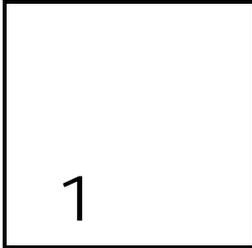
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Enclosure

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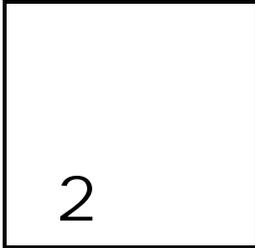


Background

Rates for private employers are promulgated each June, to be applicable to payrolls from July 1 to June 30 of the following year. Billings are actually sent to employers in December and June, with payments made in February and August. Rates are applicable to \$100 of payroll.

The rates to be effective 7/1/09 are to be established using the National Council on Compensation Insurance (NCCI) class definitions. An employer may have payrolls assigned to more than one class if its operations so require. Employers with over \$8,000 of expected losses for the experience period are merit rated. The experience period used for merit rating is the oldest four of the last five calendar years (e.g., 2004 to 2007 for the 2009 rate calculations). Retrospective rating plans also apply on an optional basis for employers with at least \$25,000 in annual premium.

Base rates are calculated for each class to cover the expected cost of accidents to be incurred during the coverage period. Anticipated investment income is reflected in the calculation of expected costs. The base rate calculations use the loss experience for the oldest four of the last five calendar years for each class to project pure premiums (i.e., premiums necessary to cover the losses for a specific period of time). The projected pure premiums for each class are compared to the current average class rate to determine the indicated rate changes by class. It has been a long-standing policy to limit the changes in rates by class to no more than 30%.



Rate Level Recommendations

Based on our analysis of current loss costs and historical loss cost trends, we have calculated the rate level indications shown in Exhibit 1 as the baseline. We have also developed conservative and optimistic scenarios which are predicated on the variability of these loss cost trends.

The rate level indications are predicated on the following assuming a 4.50% interest rate assumption (see Exhibit 1):

- The overall annual trend in pure premiums has been approximately -2.3% per year over the period 1999 - 2008. We have used this trend assumption in Exhibit 1 to estimate the “baseline” scenario pure premium for the rating year effective 7/1/09. This indication does not consider possible savings from additional cost containment measures and claims management programs. The reasonable expectation-optimistic scenario relates to the low end of our range, as determined by one standard deviation around our base line trend. The reasonable expectation-conservative scenario relates to the high end of our range, as determined by one standard deviation around our base line trend.
- HPP costs are projected to be 8.7% of the discounted total pure premium (\$0.12 per \$100 of payroll for the baseline scenario). The percentage was determined in our latest actuarial audit by relating MCO payments in the latest fiscal year to the fiscal year loss payments. The percentage is adjusted based on the current 2009 MCO contract fees for PA employers of \$137 million.
- For all three scenarios, we have shown an estimated current average collectible rate of \$1.76, which is based on the targeted collected rate for policy year 7/1/08.

- We have assumed that reductions in losses attributable to the Premium Discount Program (PDP) and Drug Free Work Place (DFWP) Program have been considered in the projection of the pure premiums.
- A loading of 0.5% is included for the Premium Payment Security Fund (PPSF) for all scenarios.
- A loading of 1.0% is included for Safety and Hygiene;
- No margin has been included for contingencies.

Individual manual classification base rates should be changed using their own loss experience as well as “off-balance” factors resulting from experience rating and group rating.

Change From The 7/1/2008 Rate Indication

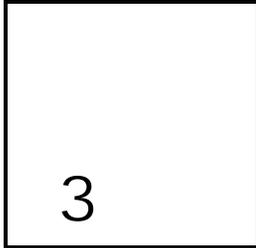
In our prior rate indication study, our baseline estimated rate change at a 5.0% discount rate was for a decrease of 7.4%. The approved rate action for the 7/1/2008 policy year was a decrease of 5.0% to the rates. Based on the 2001 - 2006 trend of -2.5% shown in last years study, the expected change for this year would be -9.7%. Our current recommendation of -15.1% at a discount rate of 5.0% is lower than the expected, which reflects an additional improvement of 5.4 percentage points during the past 12 months.

(1)	Baseline Indicated Change at 7/1/2008 (From 7/1/08 rate indication at 5.0% discount rate)	-7.4%
(2)	Actual Rate Change (Approved Rate Change for Policy Year 7/1/2008)	-5.0%
(3)	Pure Premium Trend (recent years) 2001-2006 (From 7/1/08 rate indication at 5.0% discount rate)	-2.5%
(4)	Expected Baseline Change at 7/1/2009 [{ 1 + (1) } / { 1 + (2) } * { 1 + (3) }] - 1	-9.7%
(5)	Current Base Line Change (From 7/1/09 rate indication at 5.0% discount rate)	-15.1%
(6)	Additional Improvement during past year [(5) - (6)]	-5.4%

Terrorism Risk Insurance Act (TRIA)

Due to the passage of the Terrorism Risk Insurance Act and its subsequent renewal through December 31, 2014, the Ohio BWC is subject to assessment for terrorist related losses in other locations and lines of business, provided certain thresholds are met. The assessment is limited to a maximum of 3% of annual premium per year.

Consistent with our prior analyses, we have not included a provision for this act in the rate level indication. Due to Ohio's unique status as an exclusive fund, the ability to collect premium after the fact is a possibility that can be considered in any decision to collect for potential terrorism connected losses.



Group and Non Group Rate Level Recommendations

The overall rate level change is distributed at the segment (or classification) level to policyholders based on their status as group or non group. An actuarial analysis of the loss ratio performance by segment is included as Exhibit 10.1. This table demonstrates a very consistent pattern of rate relativities across the policy years. A 30% surcharge (1.30) is indicated for non group, while a 20% credit (0.80) is indicated for group. It is important to note that this analysis completely excludes experience rating plan factors, namely the experience mods and base rate off-balances. As a result, it is a pure measure of loss ratio performance relative to the statewide average before any other rating programs are applied.

Allocation of the rate level change by segment is sequentially presented in the 6 tables flowing from Exhibit 10.2 to 10.4. Table 1 is reproduced below for convenience, providing the class level indications based on the target relativities of 1.30 and 0.80 for non group and group, respectively (Exhibit 10.1). To help mitigate employer level rate volatility, a smaller segment relativity is selected for groups as shown in column [2]. The segment indicated change is computed by comparing the selected segment relativity to the current 2008 level. For example, the credit level for group in 2008 is the product of the experience mod (EM) and off-balance, or [3] * [4] = 0.387 * 1.529 = 0.591. The indicated group change is then calculated as 0.738 / 0.591 = 1.249 (or 24.9%).

	[1]	[2]	[3]	[4]	[5]
Segment	Target Segment Relativity	Selected Segment Relativity	Current 2008 EM	Current 2008 Off-Bal	Segment Indicated Change
Non Group	1.300	1.300	1.115	1.430	-18.5%
Group	0.800	0.738	0.387	1.529	24.9%
Average			0.67	1.49	

These segment indications by group and non group feed into Table 2, where they are combined with the overall base rate indication. Since segment level changes are implemented on a revenue neutral basis, columns [2] and [3] function to balance the segment indications to a 0% overall, while maintaining the same relative impact. Columns [4] and [5] provide the baseline indications and selected base rate changes respectively, where an overall change of -15.0% is selected for policy year 2009. This decrease breaks down by segment with non group decreasing 29.3%, and group increasing 8.3%.

The impact of changing credibility tables from the '85%' maximum table to the '77%' table is the step shown in Table 3, which is reproduced below. Updating the experience rating plan credibility tables is done on a revenue neutral basis, as column [5] shows the total remaining change is still -15.0%. However the key impact here is in moving the segment level changes toward their target indication, with non group making progress from -29.3% to -25.5%, and group hitting the 0% target level.

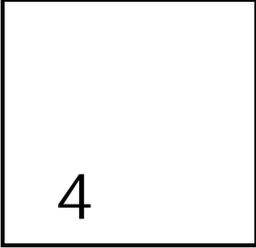
	[1]	[2]	[3]	[4]	[5]
Segment	2008 Projected Premium	77% Table Adoption	Dollar Impact	Adjusted Premium	Remaining Segment Change
Non Group	\$1,270,000,000	-5.1%	-\$64,624,186	\$1,205,375,814	-25.5%
Group	\$780,000,000	8.3%	\$64,624,186	\$844,624,186	0.0%
	\$2,050,000,000	0.0%	\$0	\$2,050,000,000	-15.0%

Reaching the non group target premium level is the purpose of Table 4, with additional detailed steps to show the mechanics of the change. Column [2] applies a decrease to base rates moving non group premiums to their actuarial indicated level. However, any change to base rates also flows through the group policies. To reverse this unintended revenue loss and bring the group premium back to their target level, a break even factor is computed in column [4] that exactly offsets the reduction and brings the group back to target (see column [7]).

The capping of one year changes in experience modification factors at 130% results in a premium decrease for the non group segment, estimated at \$25 million in column [3] of Table 5. The remaining columns in Table 5 show how this premium reduction is reversed by adjusting the base rate. Finally, because the base rate adjustment in Table 5 also increases the group premium level, the group break even factor from Table 4 is updated in Table 6, moving group premiums back to the selected target level.

The payroll and premium values used here to measure the rate impacts are projections, as the actual values are not known until after the policy year expires. In addition, variations from these estimates are likely given the major changes in group composition and group membership from year to year. The expectation for variance is biased towards lower

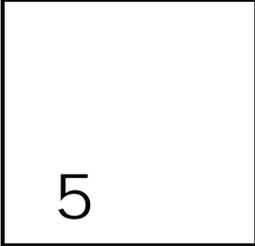
premium collections, as groups and employers alike tend to make membership choices that result in lower premiums.

4

Caveats

The costs of claims to be covered by the 7/1/09 rates will be the result of many future contingent events. There is considerable uncertainty in the projection of these costs. We have analyzed past loss experience and applied informed judgment to project loss costs into the future. The actual required rate level can vary significantly from our forecasts for many reasons. Some reasons for possible variance from our projections are:

- unanticipated changes in wage and benefit levels
- legislative changes
- unforeseen changes in claims consciousness
- unforeseen changes in claims settlement practices, cost containment programs and fraud investigation efforts
- unexpected judicial interpretation of statutes
- changes in medical inflation rates or utilization of medical services
- unexpected investment results, and
- other unforeseen economic conditions

5

Loss Cost Trends and Projections

Losses are separately projected for medical and compensation in the base rate calculations. The projections use “rate level factors” to adjust the losses from the experience period to the level anticipated for the rate period. We have used data from our actuarial evaluation as of 12/31/08 to calculate the historical trends in medical and compensation costs. The results of these calculations are shown in Exhibit 1. Our projection of the pure premium anticipated for the rating period is derived separately for medical and compensation, and the total projected pure premium is the sum of the projections for medical and compensation.

The baseline annual pure premiums for medical and compensation losses display annual trends of approximately -1.4% and -3.3%, respectively. The overall trend in loss costs for medical and compensation combined is approximately -2.3%. This implies that combined medical and compensation costs have been rising somewhat less than payrolls have been increasing. The projected (discounted) pure premium for the rating year effective 7/1/09 to 6/30/10 is \$1.35 using an extrapolation based on the “fitted” historical pure premiums.

The rate level factors required to adjust the experience period losses to levels anticipated for the rate period are shown in Exhibit 3. We have also shown in Exhibit 3 the relevant incurred loss projections, which will be used to calculate “loss development factors” for the base rate calculations. These losses are calculated on a discounted basis, with an evaluation date as of December 31 of the given accident year.

Various statistics are provided in Exhibit 4 and in the graphs in Exhibits 6 through 9.

The frequency trend of claims per employee is decreasing steadily from 2005 to 2008 at an annual rate of approximately 3.9%. For the period from 1999 to 2008, the annual frequency of claims has declined at an annual rate of approximately 5.4%. As shown in Exhibit 8, the countrywide change in frequency from 1999 to 2008 has been -5.4%.

The exhibit below shows the loss time claim counts by accident year.

Ohio Bureau of Workers' Compensation
Claims with Comp. Awarded
Private Employers

Accident Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
1995	21,396	32,549	36,282	38,488	39,972	41,122	41,999	42,519	42,748	42,867	42,972	43,059	43,124	43,152
1996	20,455	28,966	32,910	35,212	36,575	37,615	38,467	38,966	39,175	39,276	39,388	39,467	39,536	
1997	18,429	26,330	30,299	32,442	33,713	34,850	35,723	36,238	36,436	36,629	36,766	36,858		
1998	18,384	26,203	30,009	31,968	33,357	34,414	35,225	35,674	35,902	36,079	36,229			
1999	18,680	26,628	30,544	32,708	34,193	35,200	36,160	36,755	37,037	37,219				
2000	18,538	26,300	30,711	32,863	34,212	35,402	36,504	37,171	37,489					
2001	15,254	22,681	26,410	28,199	29,480	30,788	32,193	32,833						
2002	14,268	21,455	25,168	27,507	28,883	30,335	32,518							
2003	13,255	19,739	23,798	25,740	27,039	28,673								
2004	11,494	17,674	21,994	24,000	25,212									
2005	9,873	16,114	20,104	21,861										
2006	8,125	14,381	17,576											
2007	7,564	13,873												
2008	7,123													

We have also shown a comparison to countrywide of the average medical severity in Exhibit 6 and in the table below.

Medical Severity Trend		
Years	Countrywide	BWC
1997 - 2007	8.6%	8.6%
1998 - 2007	8.5%	8.2%
1999 - 2007	8.3%	8.1%
2000 - 2007	8.1%	7.5%
2001 - 2007	7.6%	6.8%
2002 - 2007	7.7%	6.7%
2003 - 2007	7.8%	6.5%
2004 - 2007	8.0%	5.2%
2005 - 2007	7.2%	3.3%
2006 - 2007	5.8%	-1.5%
1999 - 2008		7.4%

The average medical severity trend over the baseline period from 1999 to 2008 is 7.4%.

The comparison of average indemnity severity trend to countrywide is shown in Exhibit 7 and the table below.

Indemnity Severity Trend		
Years	Countrywide	BWC
1997 - 2007	5.4%	6.8%
1998 - 2007	4.8%	6.3%
1999 - 2007	4.2%	5.8%
2000 - 2007	3.6%	5.2%
2001 - 2007	3.1%	4.6%
2002 - 2007	3.2%	4.6%
2003 - 2007	3.3%	4.7%
2004 - 2007	3.9%	4.4%
2005 - 2007	4.3%	4.2%
2006 - 2007	3.7%	1.4%
1999 - 2008		5.3%

The average indemnity severity trend for the baseline period of 1999 to 2008 is 5.3%.

The table below shows the trend in average medical and indemnity severity for BWC.

Medical and Indemnity Severity Trend	
Years	BWC
1997 - 2007	7.7%
1998 - 2007	7.2%
1999 - 2007	6.9%
2000 - 2007	6.3%
2001 - 2007	5.7%
2002 - 2007	5.7%
2003 - 2007	5.6%
2004 - 2007	4.9%
2005 - 2007	3.7%
2006 - 2007	-0.2%
1999 - 2008	6.4%

The average medical and indemnity severity trend for the baseline period of 1999 to 2008 is 6.4%.

The payroll trend over the base line period is 2.6%. The actual reported payrolls and various trends are shown below.

Calendar Year	Payroll
1997	\$68,077
1998	\$71,447
1999	\$75,245
2000	\$79,122
2001	\$80,397
2002	\$81,621
2003	\$82,433
2004	\$84,633
2005	\$86,912
2006	\$90,693
2007	\$93,245
2008*	\$96,043

*Calendar year 2008 payroll is estimated.

Payroll Trend	
Years	BWC
1997 - 2007	2.9%
1998 - 2007	2.7%
1999 - 2007	2.5%
2000 - 2007	2.4%
2001 - 2007	2.6%
2002 - 2007	2.8%
2003 - 2007	3.2%
2004 - 2007	3.4%
2005 - 2007	3.6%
2006 - 2007	2.8%
1999 - 2008	2.6%

The pure premium trend combines the frequency trend, the severity trend and the payroll trend. When using the base line trends as shown below, the indicated pure premium trend is -1.9%.

$$\text{Pure Premium Trend} = (\text{Frequency Trend}) \times (\text{Severity Trend}) / (\text{Payroll Trend}) - 1$$

$$\text{Pure Premium Trend} = (1-0.054) \times (1+0.064) / (1+.026) - 1$$

$$\text{Pure Premium Trend} = -1.9\%$$

The resulting trend from our baseline pure premium analysis in Exhibit 1 is -2.3%. The main difference in the two analyses is that our baseline analysis in Exhibit 1 uses the pure premium, which incorporates all the individual components into one number, whereas the above analysis estimates the trends individually. The separate trend analysis allows one to identify the individual trend assumptions that underlie the total pure premium change.

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident <u>Year</u>	(1) Discounted Medical Pure <u>Premium</u>	(2) Discounted Indemnity Pure <u>Premium</u>	(3) Discounted Total Pure <u>Premium</u>	
1999	\$0.78	\$0.83	\$1.62	
2000	0.85	0.89	1.74	
2001	0.84	0.86	1.70	
2002	0.89	0.90	1.79	
2003	0.88	0.86	1.74	
2004	0.88	0.83	1.70	
2005	0.84	0.76	1.60	
2006	0.77	0.69	1.46	
2007	0.73	0.68	1.41	
2008	0.74	0.67	1.41	
2009	(estimated) 0.76	0.66	1.42	
2010	(estimated) 0.75	0.64	1.39	
Fitted Annual % Change 2001 - 2007	-2.6%	-4.7%	-3.7%	
Fitted Annual % Change 1999 - 2008 (Baseline)	-1.3%	-3.3%	-2.3%	
Fitted Annual % Change 2000 - 2005	0.2%	-2.6%	-1.2%	
Projected 7/1/2009 to 6/30/2010 using 01-07	\$0.72	\$0.61	\$1.32	
Projected 7/1/2009 to 6/30/2010 using 99-08 (Baseline)	\$0.76	\$0.65	\$1.40	
Projected 7/1/2009 to 6/30/2010 using 00-05	\$0.87	\$0.71	\$1.57	
Scenarios:		<u>Baseline</u>	<u>Reasonable Expectation- Optimistic</u>	<u>Reasonable Expectation- Conservative</u>
Deviation from baseline due to one standard deviation		0.00%	-7.19%	7.19%
Selected Discounted Pure Premium		\$1.40	\$1.30	\$1.50
Estimated Pure Premium for HPP Costs (Exhibit 5, Row 8)		\$0.12	\$0.11	\$0.13
Indicated Rate Change Prior to Loadings for 7/1/09 Rates:		-13.1%	-19.4%	-6.9%
Additional Loadings:				
PPSF		0.50%	0.50%	0.50%
S&H		1.00%	1.00%	1.00%
Contingency Margin		0.00%	0.00%	0.00%
Pure Premium including HPP Costs		\$1.55	\$1.44	\$1.66
Estimated Current Avg Rate		\$1.76	\$1.76	\$1.76
Indicated Rate Change		-11.8%	-18.1%	-5.5%

Notes:

1. Pure premiums are based on the December 31, 2008 actuarial evaluation (discounted @ 4.50%).
2. Pure premiums shown were rounded to 2 decimal places. Actual calculations were performed using unrounded numbers.

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident Year	(1) Discounted Total Pure <u>Premium</u>	(2) Projected Total Pure <u>Premium</u>	(3) Estimated Squared <u>Error</u>
1999	\$1.62	\$1.79	0.0294
2000	\$1.74	\$1.75	0.0001
2001	\$1.70	\$1.71	0.0000
2002	\$1.79	\$1.67	0.0155
2003	\$1.74	\$1.63	0.0112
2004	\$1.70	\$1.59	0.0121
2005	\$1.60	\$1.56	0.0023
2006	\$1.46	\$1.52	0.0032
2007	\$1.41	\$1.49	0.0054
2008	\$1.41	\$1.45	0.0023
2009	(estimated) \$1.42	\$1.42	0.0000
2010	(estimated) \$1.39	\$1.39	<u>0.0000</u>
			0.0814
		Standard Deviation	0.1009
		Baseline Pure Premium	\$1.40
		Standard Deviation as a % of Pure Premium	7.19%

Notes:

Column 1 From Exhibit 1-5.00% column (3).
Column 2 Based on a regression of column (1).
Column (3) [Column (1) - Column (2)] ^ 2

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident Year	(1) Discounted Medical Pure <u>Premium</u>	(2) Discounted Indemnity Pure <u>Premium</u>	(3) Discounted Total Pure <u>Premium</u>		
1999	\$0.76	\$0.80	\$1.57		
2000	0.82	0.86	1.68		
2001	0.82	0.83	1.65		
2002	0.87	0.87	1.74		
2003	0.85	0.83	1.68		
2004	0.85	0.80	1.64		
2005	0.81	0.74	1.55		
2006	0.74	0.67	1.41		
2007	0.71	0.65	1.36		
2008	0.71	0.64	1.35		
2009	(estimated) 0.73	0.64	1.37		
2010	(estimated) 0.72	0.61	1.34		
Fitted Annual % Change 2001 - 2007	-2.7%	-4.7%	-3.7%		
Fitted Annual % Change 1999 - 2008 (Baseline)	-1.4%	-3.3%	-2.3%		
Fitted Annual % Change 2000 - 2005	0.1%	-2.6%	-1.3%		
Projected 7/1/2009 to 6/30/2010 using 01-07	\$0.69	\$0.59	\$1.27		
Projected 7/1/2009 to 6/30/2010 using 99-08 (Baseline)	\$0.73	\$0.63	\$1.35		
Projected 7/1/2009 to 6/30/2010 using 00-05	\$0.84	\$0.68	\$1.51		
Scenarios:		<u>Baseline</u>	<u>Reasonable Expectation- Optimistic</u>	<u>Reasonable Expectation- Conservative</u>	
Deviation from baseline due to one standard deviation		0.00%	-7.26%	7.26%	
Selected Discounted Pure Premium		\$1.35	\$1.25	\$1.45	
Estimated Pure Premium for HPP Costs (Exhibit 5, Row 8)		\$0.12	\$0.11	\$0.13	
Indicated Rate Change Prior to Loadings for 7/1/09 Rates:		-16.4%	-22.4%	-10.3%	
Additional Loadings:					
PPSF		0.50%	0.50%	0.50%	
S&H		1.00%	1.00%	1.00%	
Contingency Margin		0.00%	0.00%	0.00%	
Pure Premium including HPP Costs		\$1.49	\$1.38	\$1.60	
Estimated Current Avg Rate		\$1.76	\$1.76	\$1.76	
Indicated Rate Change		-15.1%	-21.3%	-8.9%	

Notes:

1. Pure premiums are based on the December 31, 2008 actuarial evaluation (discounted @ 5.00%).
2. Pure premiums shown were rounded to 2 decimal places. Actual calculations were performed using unrounded numbers.

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident Year	(1) Discounted Total Pure <u>Premium</u>	(2) Projected Total Pure <u>Premium</u>	(3) Estimated Squared <u>Error</u>
1999	\$1.57	\$1.73	0.0280
2000	\$1.68	\$1.69	0.0001
2001	\$1.65	\$1.65	0.0000
2002	\$1.74	\$1.61	0.0148
2003	\$1.68	\$1.58	0.0108
2004	\$1.64	\$1.54	0.0110
2005	\$1.55	\$1.50	0.0021
2006	\$1.41	\$1.47	0.0029
2007	\$1.36	\$1.43	0.0050
2008	\$1.35	\$1.40	0.0022
2009	(estimated) \$1.37	\$1.37	0.0000
2010	(estimated) \$1.34	\$1.34	<u>0.0000</u> 0.0770
Standard Deviation			0.0981
Baseline Pure Premium			\$1.35
Standard Deviation as a % of Pure Premium			7.26%

Notes:

Column 1 From Exhibit 1-5.00% column (3).
Column 2 Based on a regression of column (1).
Column (3) [Column (1) - Column (2)] ^ 2

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident Year	(1) Discounted Medical Pure <u>Premium</u>	(2) Discounted Indemnity Pure <u>Premium</u>	(3) Discounted Total Pure <u>Premium</u>	
1999	\$0.81	\$0.86	\$1.67	
2000	0.88	0.92	1.80	
2001	0.87	0.89	1.76	
2002	0.92	0.93	1.86	
2003	0.91	0.89	1.80	
2004	0.91	0.86	1.77	
2005	0.87	0.79	1.67	
2006	0.80	0.72	1.52	
2007	0.76	0.71	1.47	
2008	0.77	0.69	1.46	
2009	(estimated) 0.79	0.69	1.48	
2010	(estimated) 0.78	0.66	1.45	
Fitted Annual % Change 2001 - 2007	-2.5%	-4.7%	-3.6%	
Fitted Annual % Change 1999 - 2008 (Baseline)	-1.2%	-3.2%	-2.2%	
Fitted Annual % Change 2000 - 2005	0.3%	-2.6%	-1.1%	
Projected 7/1/2009 to 6/30/2010 using 01-07	\$0.75	\$0.63	\$1.38	
Projected 7/1/2009 to 6/30/2010 using 99-08 (Baseline)	\$0.79	\$0.68	\$1.46	
Projected 7/1/2009 to 6/30/2010 using 00-05	\$0.91	\$0.73	\$1.64	
Scenarios:		<u>Baseline</u>	<u>Reasonable Expectation- Optimistic</u>	<u>Reasonable Expectation- Conservative</u>
Deviation from baseline due to one standard deviation		0.00%	-7.12%	7.12%
Selected Discounted Pure Premium		\$1.46	\$1.36	\$1.57
Estimated Pure Premium for HPP Costs (Exhibit 5, Row 8)		\$0.13	\$0.12	\$0.14
Indicated Rate Change Prior to Loadings for 7/1/09 Rates:		-9.5%	-16.0%	-3.1%
Additional Loadings:				
PPSF		0.50%	0.50%	0.50%
S&H		1.00%	1.00%	1.00%
Contingency Margin		0.00%	0.00%	0.00%
Pure Premium including HPP Costs		\$1.61	\$1.50	\$1.73
Estimated Current Avg Rate		\$1.76	\$1.76	\$1.76
Indicated Rate Change		-8.1%	-14.7%	-1.6%

Notes:

1. Pure premiums are based on the December 31, 2008 actuarial evaluation (discounted @ 4.00%).
2. Pure premiums shown were rounded to 2 decimal places. Actual calculations were performed using unrounded numbers.

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Analysis at 7/1/09**

Calendar Accident Year	(1) Discounted Total Pure <u>Premium</u>	(2) Projected Total Pure <u>Premium</u>	(3) Estimated Squared <u>Error</u>
1999	\$1.67	\$1.85	0.0310
2000	\$1.80	\$1.81	0.0001
2001	\$1.76	\$1.77	0.0000
2002	\$1.86	\$1.73	0.0164
2003	\$1.80	\$1.69	0.0116
2004	\$1.77	\$1.65	0.0133
2005	\$1.67	\$1.62	0.0024
2006	\$1.52	\$1.58	0.0035
2007	\$1.47	\$1.55	0.0058
2008	\$1.46	\$1.51	0.0024
2009	(estimated) \$1.48	\$1.48	0.0000
2010	(estimated) \$1.45	\$1.45	<u>0.0000</u>
			0.0865
		Standard Deviation	0.1040
		Baseline Pure Premium	\$1.46
		Standard Deviation as a % of Pure Premium	7.12%

Notes:

Column 1 From Exhibit 1-5.00% column (3).
Column 2 Based on a regression of column (1).
Column (3) [Column (1) - Column (2)] ^ 2

**Ohio Bureau of Workers' Compensation
Private Employers (PA)
Rate Level Factors and Incurred Loss
Projections at 7/1/09**

Accident Year	7/1/09 Rate Level Factors		7/1/09 Incurred Loss Projections (000's) Including Catastrophe Losses And Excluding Loss Limitations		
	Medical	Comp.	Medical	Comp.	Totals
2004	0.864	0.784	\$740,562	\$700,882	\$1,441,444
2005	0.899	0.851	730,927	663,491	1,394,418
2006	0.981	0.936	699,474	628,958	1,328,432
2007	1.030	0.956	684,928	633,186	1,318,114
2008	1.025	0.973	708,843	640,721	1,349,564

Note:

Evaluation date of losses is December 31 of each accident year.

Ohio Bureau of Workers' Compensation
Private Employers (PA)
Number of Lost-Time Claims, Frequency, and Ratio
Of Medical To Total Losses @ 12/31/08

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year	Discounted Medical Incurred @ 12/xx	Discounted Indemnity Incurred @ 12/xx	Total Incurred @ 12/xx	Ultimate Number of Claims	Frequency per Employee	SAWW	Number of Employees (Millions)	Discounted Medical % Total	Payroll (Millions)
1999	590,027	626,353	1,216,380	37,604	0.0155	596.41	2.426	48.5%	75,245
2000	670,298	702,924	1,373,222	38,034	0.0155	618.35	2.461	48.8%	79,122
2001	677,618	691,904	1,369,522	33,650	0.0137	631.45	2.448	49.5%	80,397
2002	729,339	734,181	1,463,520	33,889	0.0141	652.48	2.406	49.8%	81,621
2003	722,663	708,513	1,431,177	31,729	0.0134	670.77	2.363	50.5%	82,433
2004	740,562	700,882	1,441,444	29,637	0.0126	694.68	2.343	51.4%	84,633
2005	730,927	663,491	1,394,418	27,003	0.0115	710.72	2.352	52.4%	86,912
2006	699,474	628,958	1,328,432	23,864	0.0101	735.05	2.373	52.7%	90,693
2007	684,928	633,186	1,318,114	23,692	0.0101	761.22	2.356	52.0%	93,245
2008	708,843	640,721	1,349,564	23,692	0.0101	784.05	2.356	52.5%	96,043

Notes :

Columns (2), (3), And (4) Are In Thousands.

Col(6) = Col(5) / Col(8) / 1,000,000

Col(8) = Payroll / [Col(7) X 52].

All data is from the actuarial evaluation as of December 31, 2008.

Ohio Bureau of Workers' Compensation

HPP

Rate Level Analysis at 7/1/09

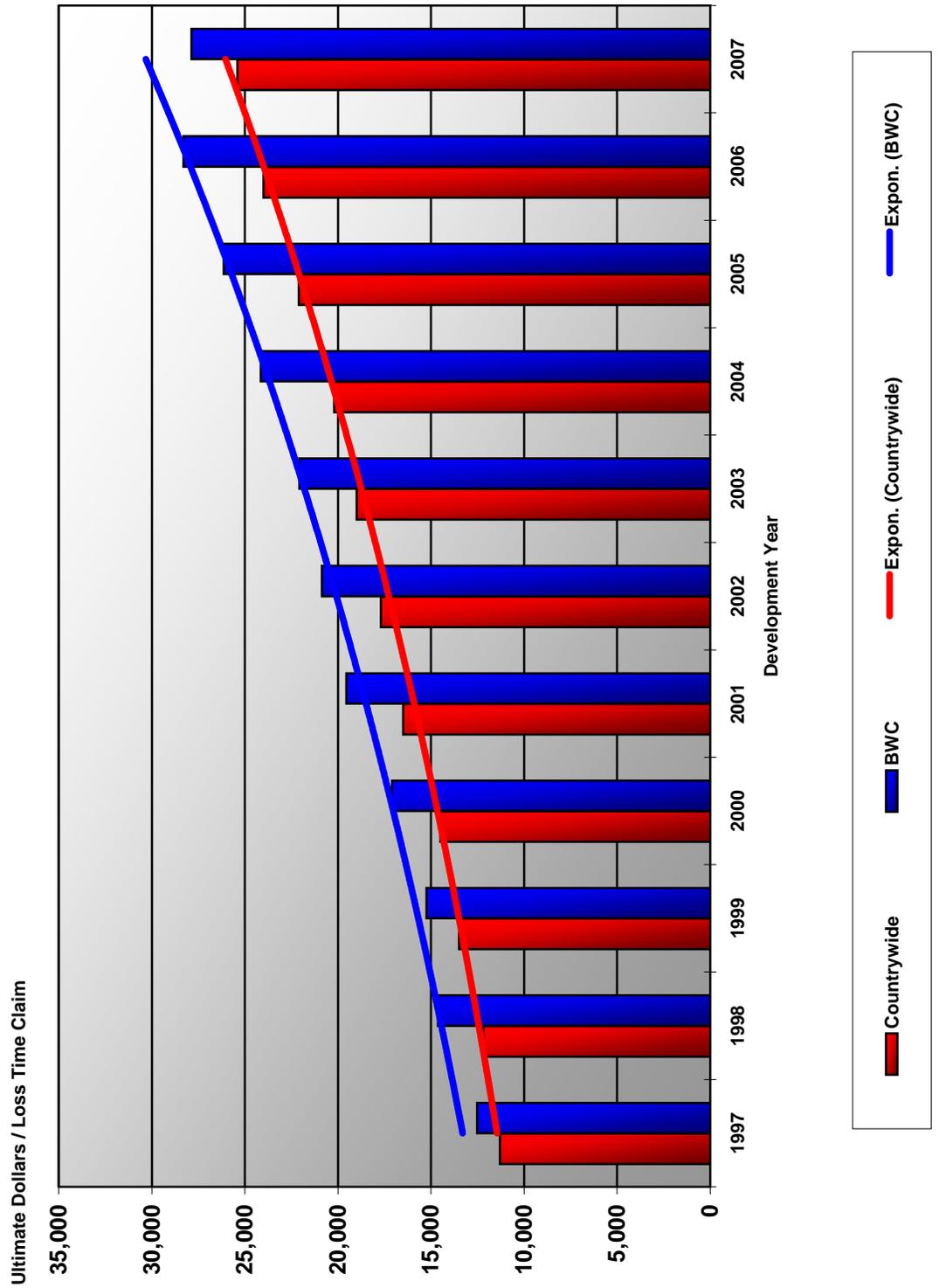
(Dollars in millions)

Fiscal Year 2008 MCO Payments:		
(A)	PA	\$137.2
(B)	PEC	\$23.9
(C)	PES	\$6.1
(D)	SI	\$1.0
(1)	Fiscal Year 2008 MCO Payments - all employer groups	\$168.3
(2)	Fiscal Year-End 2008 SIF Benefit Payments - all employer groups	\$1,881.6
(3)	Paid HPP to Paid Benefit Ratio [(1) / (2)]	8.9%
(4)	Selected ratio	8.9%
(5)	Estimated PA MCO Fee	\$133.4
(6)	Selected adjusted ratio due to lower MCO fees	8.7%
(7)	Baseline Pure Premium	\$1.35
(8)	MCO Fee	\$0.12

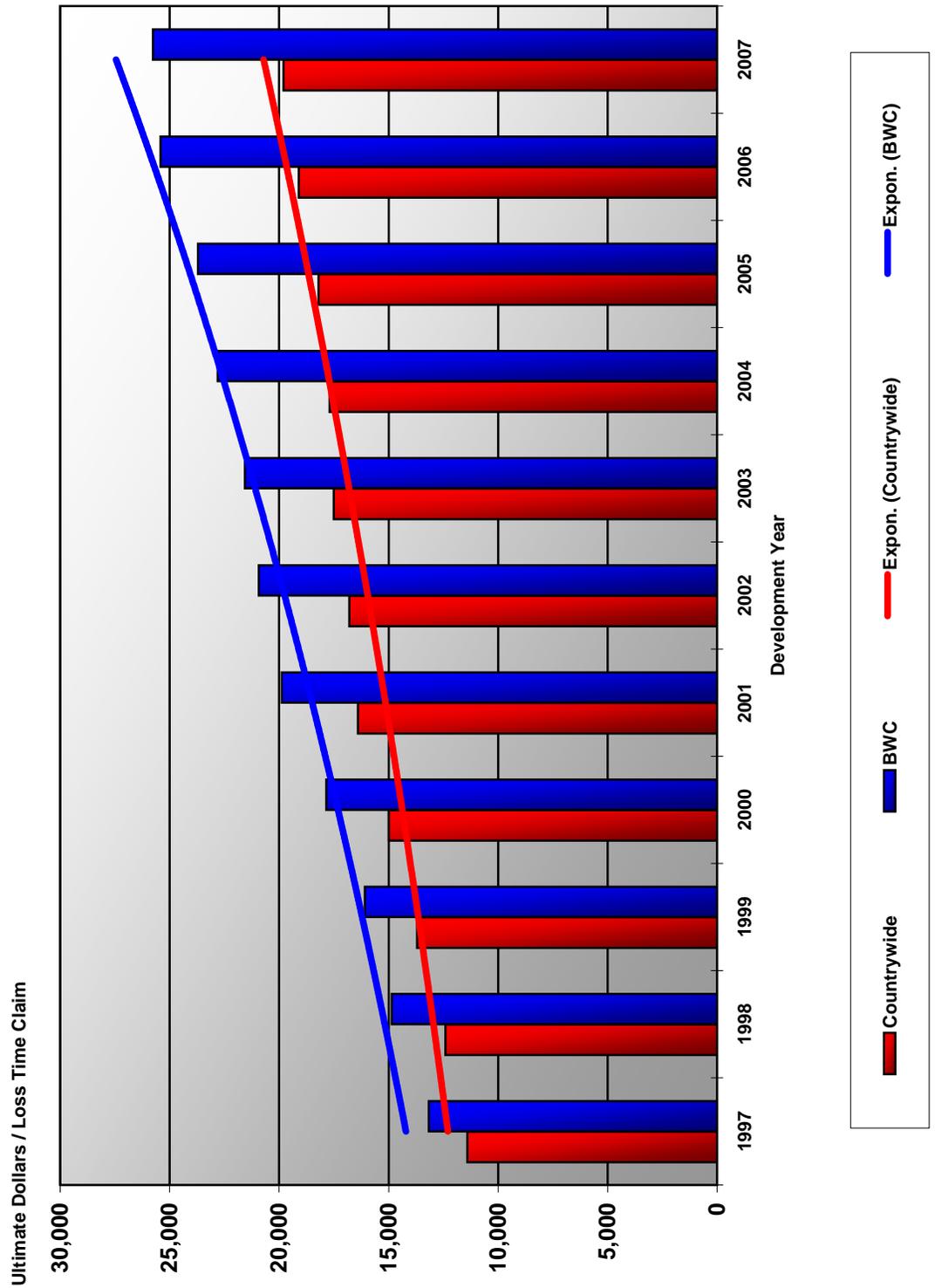
Notes by Row:

- (1) From BWC Actuarial Department.**
- (2) From JPMT reports.**
- (3) Row (1) / Row (2)**
- (5) From BWC Actuarial Department.**
- (6) Row (4) x Row (5) / Row (A)**
- (7) Exhibit 1-5.00%, column (1) projected 2009 medical pure premium.**
- (8) Row (6) x Row (7)**

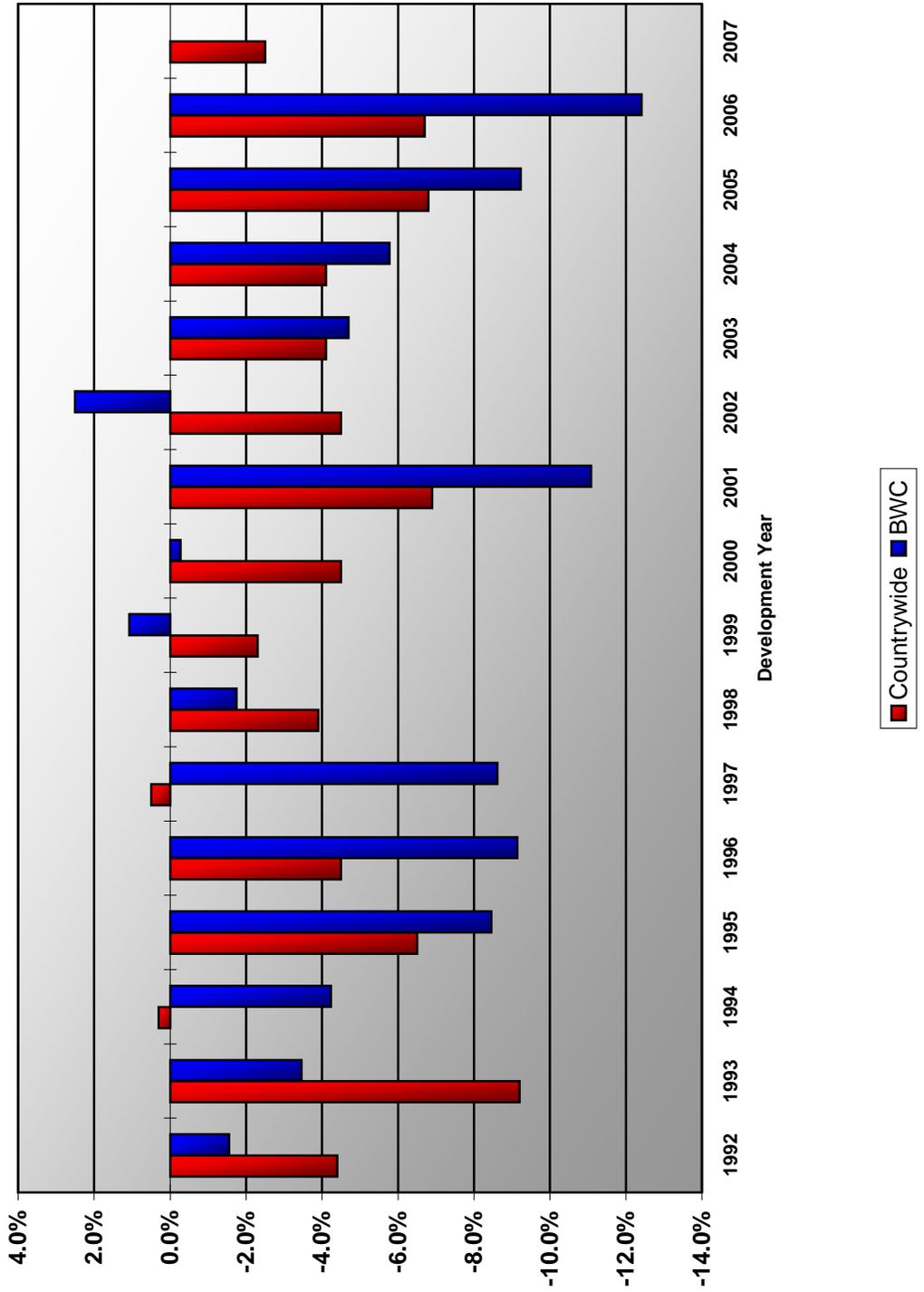
AVERAGE MEDICAL SEVERITY Countrywide and BWC (PA)



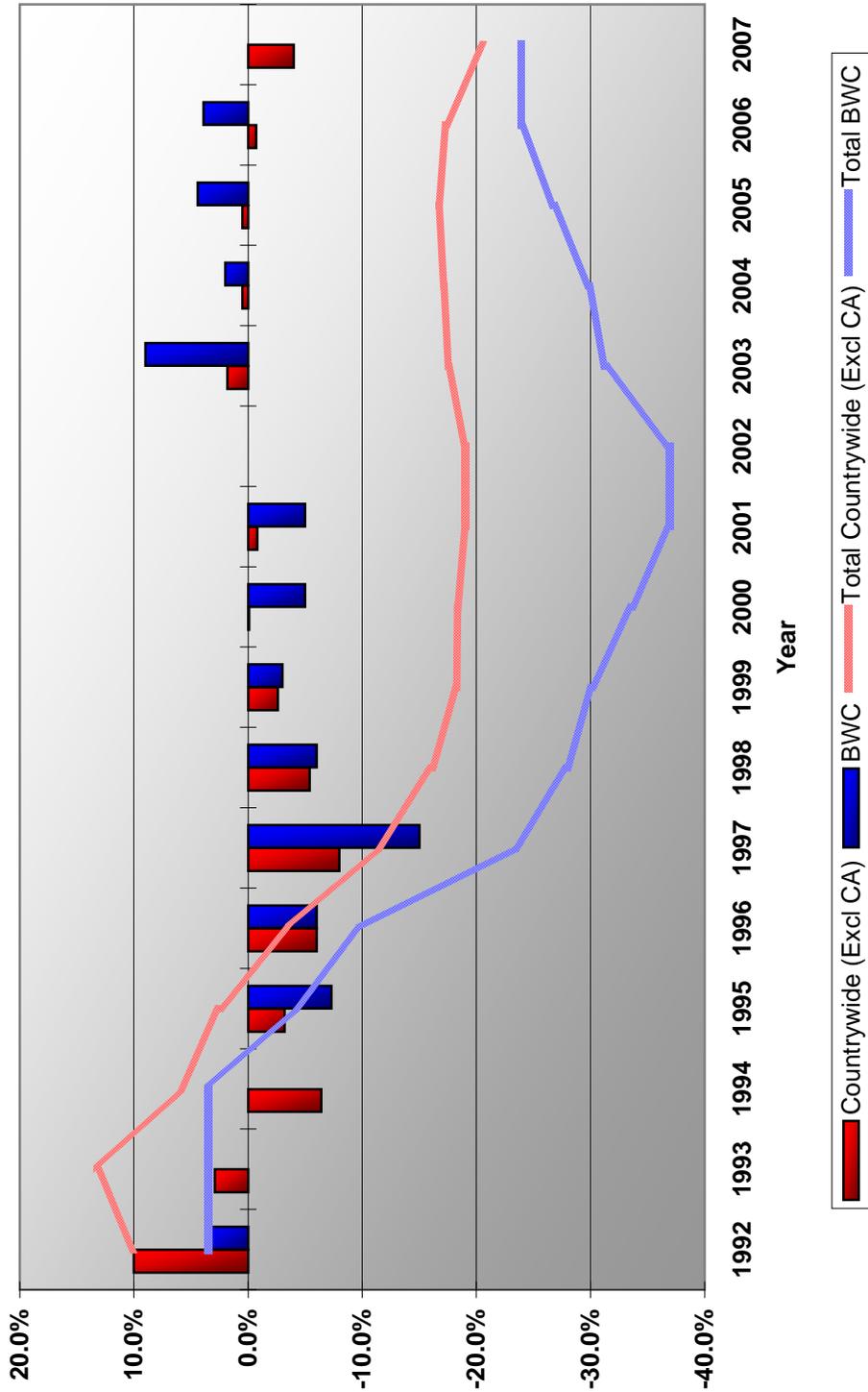
AVERAGE INDEMNITY SEVERITY Countrywide and BWC (PA)



LOSS TIME CLAIM FREQUENCY CHANGE Countrywide and BWC (PA)



RATE/LOSS COST CHANGE Countrywide (excl CA 2000-06) and BWC (PA)



Classification Experience for Group and Non Group Using Base Rated Premiums

Non Group policies (including base rated)

[1] Policy Year	[2] Base Premium (before EM)	[3] Undeveloped Paid Losses	[4] Undeveloped Incurred Losses	[5] Paid Loss Ratio	[6] Incrd Loss Ratio	[7] Paid Relativity	[8] Incrd Relativity
2003	789,301,892	361,418,196	479,389,869	46%	61%	1.26	1.25
2004	894,942,490	321,693,830	432,821,194	36%	48%	1.25	1.27
2005	847,481,900	284,447,626	403,929,069	34%	48%	1.26	1.29
2006	762,310,457	206,573,779	305,887,615	27%	40%	1.29	1.32
2007	755,038,836	138,809,006	241,055,687	18%	32%	1.26	1.31
Total	4,049,075,577	1,312,942,438	1,863,083,435	32%	46%	1.28	1.30

Selected: 1.3

Group Policies

[1] Policy Year	[2] Base Premium (before EM)	[3] Undeveloped Paid Losses	[4] Undeveloped Incurred Losses	[5] Paid Loss Ratio	[6] Incrd Loss Ratio	[7] Paid Relativity	[8] Incrd Relativity
2003	978,680,269	278,838,859	378,292,412	28%	39%	0.79	0.80
2004	1,024,185,653	228,804,073	298,984,182	22%	29%	0.78	0.77
2005	943,752,774	192,759,060	258,577,422	20%	27%	0.77	0.74
2006	1,080,275,523	179,218,286	253,534,626	17%	23%	0.79	0.77
2007	1,137,732,626	136,506,406	220,608,651	12%	19%	0.82	0.79
Total	5,164,626,845	1,016,126,684	1,409,997,293	20%	27%	0.78	0.77

Selected: 0.80

All Policies Combined

[1] Policy Year	[2] Base Premium (before EM)	[3] Undeveloped Paid Losses	[4] Undeveloped Incurred Losses	[5] Paid Loss Ratio	[6] Incrd Loss Ratio
2003	1,767,982,161	640,257,055	857,682,281	36%	49%
2004	1,919,128,143	550,497,903	731,805,376	29%	38%
2005	1,791,234,675	477,206,685	662,506,491	27%	37%
2006	1,842,585,981	385,792,065	559,422,241	21%	30%
2007	1,892,771,462	275,315,413	461,664,338	15%	24%
Total	9,213,702,422	2,329,069,122	3,273,080,728	25%	36%

Notes:

Losses Evaluated as of 12/31/2008; incurred include Mira 2 case reserves; reserves are suppressed;

Losses exclude surplus

Premiums developed using base rates with experience rating off-balances removed.

[2] Base Premium calculated using base rates with the experience rating off-balance removed

[3] , [4] provided by BWC, see notes on losses above

[5] = [3]/[2]

[7] = [5]/All policies [5]

[8] = [6]/All policies [6]

Exhibit 10.2

Table 1: Rate Level Indications By Segment--Before Consideration of Base Rate Indications

Segment	[1] Target Segment Relativity	[2] Selected Segment Relativity	[3] Current 2008 EM	[4] Current 2008 Off-Bal	[5] Segment Indicated Change
Non Group	1.300	1.300	1.115	1.430	-18.5%
Group	0.800	0.738	0.387	1.529	24.9%
Average			0.67	1.49	

Notes:

Column [1] from exhibit 10.1
 Column [2] is selected by BWC staff based on column [1]
 Columns [3] and [4] are from actual 2008 base rates and mods, along with projected payroll
 Column [5] = $([2]/[3]*[4])$

Table 2: Rate Level Indications By Segment Combined with the Statewide Base Rate Change

Segment	[1] 2008 Projected Premium	[2] Segment Indicated Change	[3] Segment Change (on balance)	[4] Baseline Indicated Change	[5] Selected Base Rate Change	[6] Overall Selected Change	[7] Dollar Impact	[8] Target Premium Level
Non Group	\$1,270,000,000	-18.5%	-16.8%	-11.8%	-15.0%	-29.3%	-\$372,124,186	\$897,875,814
Group	\$780,000,000	24.9%	27.4%	-11.8%	-15.0%	8.3%	\$64,624,186	\$844,624,186
Total	\$2,050,000,000	-2.0%	0.0%	-11.8%	-15.0%	-15.0%	-\$307,500,000	\$1,742,500,000

Notes:

Column [1] is projected based on actual OBWC 2007 blended premium
 Column [2] is from table 1, column [5]
 Column [3]= $(1+[2]) / (1+Total [2]) - 1$
 Column [4] is from Exhibit 1 - 4.5%
 Column [5] is selected by BWC staff based on Exhibit 1 - 4.5%
 Column [6]= $(1+[3]) * (1+[5]) - 1$
 Column [7]= $[1]*[6]$
 Column [8]= $[1]+[7]$

Exhibit 10.3

Table 3: Impact of Adopting the 77% Maximum Credibility Table in 2009

	[1]	[2]	[3]	[4]	[5]
Segment	2008 Projected Premium	77% Table Adoption	Dollar Impact	Adjusted Premium	Remaining Segment Change
Non Group	\$1,270,000,000	-5.1%	-\$64,624,186	\$1,205,375,814	-25.5%
Group	\$780,000,000	8.3%	\$64,624,186	\$844,624,186	0.0%
	\$2,050,000,000	0.0%	\$0	\$2,050,000,000	-15.0%

Notes:

- Column [1] is projected based on actual BWC 2007 blended premium
- Column [2] is from Oliver Wyman modeled results
- Column [3]= [1]*[2]
- Column [4]= [1]+[3]
- Column [5]= (1+table 2, col [6])/(1+[2])-1

Table 4: Impact of Adopting the full Non Group Segment Indication in 2009 (through base rates)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Segment	Adjusted Premium	Non Group Base Rate Change	Dollar Impact	Group Break Even Factor	Dollar Impact	Adjusted Premium	Difference From Target Premium
Non Group	\$1,205,375,814	-25.5%	-\$307,500,000	1.000	\$0	\$897,875,814	\$0
Group	\$844,624,186	-25.5%	-\$215,469,677	1.342	\$215,469,677	\$844,624,186	\$0
	\$2,050,000,000	-25.5%	-\$522,969,676		\$215,469,677	\$1,742,500,000	\$0

Notes:

- Column [1] is from table 3, column [4]
- Column [2] is from table 3, column [5] non group
- Column [3]= [1]*[2]
- Column [4]= 1/(1+[2]), group only
- Column [5]= (1+[3])*([4]-1)
- Column [6]= [1]+[3]+[5]
- Column [7]= [6]-table 2, col [8]

Exhibit 10.4

Table 5: Impact of Capping Experience Mod Changes to 130%

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Segment	Adjusted Premium	Estimate Capping Impact	Dollar Impact	Base Rate Adjustment	Dollar Impact	Adjusted Premium	Difference From Target Premium
Non Group	\$897,875,814	-2.8%	-\$25,000,000	1.029	\$25,000,000	\$897,875,814	\$0
Group	\$844,624,186	0.0%	\$0	1.029	\$24,190,846	\$868,815,033	\$24,190,847
	\$1,742,500,000	-1.4%	-\$25,000,000		\$49,190,846	\$1,766,690,847	\$24,190,847

Notes:

- Column [1] is from table 4, column [6]
- Column [2]=[3]/[1]
- Column [3] is from Oliver Wyman modeled results
- Column [4]=1/(1+[2])
- Column [5]=[1]+[3]*([4]-1)
- Column [6]=[1]+[3]+[5]
- Column [7]=[6]-table 2, col [8]

Table 6: Capping Base Rate Adjustment Reversed for Group

	[1]	[2]	[3]	[4]	[5]	[6]
Segment	Adjusted Premium	Adjustment Factor	Dollar Impact	New Group Break Even Factor	Adjusted Premium	Difference From Target Premium
Non Group	\$897,875,814	1.000	\$0	1.000	\$897,875,814	\$0
Group	\$868,815,033	0.972	-\$24,190,846	1.305	\$844,624,186	\$0
	\$1,766,690,847		-\$24,190,846		\$1,742,500,000	\$0

Notes:

- Column [1] is from table 5, column [6]
- Column [2]=1/(table 5, col [4]), group only
- Column [3]=[1]*([2]-1)
- Column [4]=[2]*(table 4, col [4])
- Column [5]=[1]+[3]
- Column [6]=[5]-table 2, col [8]

OLIVER WYMAN

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1 614 227 5509

Oliver Wyman, Inc.



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Table 1: Rate Level Indications By Segment--Before Consideration of Base Rate Indications

Segment	[1] Target Segment Relativity	[2] Selected Segment Relativity	[3] Current 2008 EM	[4] Current 2008 Off-Bal	[5] Segment Indicated Change
Non Group	1.300	1.300	[85% Table] 1.115	1.430	-18.5%
Group	0.800	0.706	0.387	1.529	19.5%
Average			0.67	1.49	

Notes:

Column [1] from exhibit 10.1
 Column [2] is selected by BWC staff based on column [1]
 Columns [3] and [4] are from actual 2008 base rates and mods, along with projected payroll
 Column [5] = [2] / ([3] * [4])

Table 2: Rate Level Indications By Segment Combined with the Statewide Base Rate Change

Segment	[1] 2008 Projected Premium	[2] Segment Indicated Change	[3] Segment Change (on balance)	[4] Baseline Indicated Change	[5] Selected Base Rate Change	[6] Overall Selected Change	[7] Dollar Impact	[8] Target Premium Level
Non Group	\$1,270,000,000	-18.5%	-15.1%	-11.8%	-12.0%	-25.3%	-\$320,708,236	\$949,291,764
Group	\$780,000,000	19.5%	24.5%	-11.8%	-12.0%	9.6%	\$74,708,236	\$854,708,236
Total	\$2,050,000,000	-4.0%	0.0%	-11.8%	-12.0%	-12.0%	-\$246,000,000	\$1,804,000,000

Notes:

Column [1] is projected based on actual OBWC 2007 blended premium
 Column [2] is from table 1, column [5]
 Column [3]= (1+[2])/(1+Total [2])-1
 Column [4] is from Exhibit 1 - 4.5%
 Column [5] is selected by BWC staff based on Exhibit 1 - 4.5%
 Column [6]= (1+[3])*(1+[5])-1
 Column [7]=[1] * [6]
 Column [8]=[1]+ [7]

Table 3: Impact of Adopting the 77% Maximum Credibility Table in 2009

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Segment	2008 Projected Premium	77% Table Adoption	Dollar Impact	Adjusted Premium	Remaining Segment Change	Intermediate Off-Balance	Off-Balance Change
Non Group	\$1,270,000,000	-5.9%	-\$74,708,236	\$1,195,291,764	-20.6%	1.33	-7.0%
Group	\$780,000,000	9.6%	\$74,708,236	\$854,708,236	0.0%	1.42	-7.0%
	\$2,050,000,000	0.0%	\$0	\$2,050,000,000	-12.0%	1.36	-7.0%

Notes:

Column [1] is projected based on actual BWC 2007 blended premium

Column [2] is from Oliver Wyman modeled results

Column [3]=[1] * [2]

Column [4]=[1] + [3]

Column [5]=(1+table 2, col [6])/(1+[2])-1

Column [6] is from Oliver Wyman modeled results

Column [7]=[6] / (table 1, col [4])-1

Table 4: Impact of Adopting Full Non Group Indication and Uniform Base Rate Off-Balance in 2009

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Segment	Adjusted Premium	Intermediate Off-Balance	Off-Balance Change	Pure Premium Change	Rate Change by Segment	Dollar Impact	Group Break Even Factor	Dollar Impact	Adjusted Premium	Difference From Target Premium
Non Group	\$1,195,291,764	1.20	-9.8%	-12.0%	-20.6%	-\$246,000,000	1.000	\$0	\$949,291,764	\$0
Group	\$854,708,236	1.20	-15.6%	-12.0%	-25.7%	-\$219,748,905	1.346	\$219,748,905	\$854,708,236	\$0
	\$2,050,000,000	1.20	-12.2%	-12.0%	-22.7%	-\$465,748,905		\$219,748,905	\$1,804,000,000	\$0

Notes:

Column [1] is from table 3, column [4]

Column [2] is from Oliver Wyman modeled results

Column [3]=[2] / (table 3, col [6]) - 1

Column [4] is from table 2, column [5]

Column [5]=(1 + [3]) * (1 + [4]) - 1

Column [6]=[1] * [5]

Column [7]= 1 / ((1 + [3]) * (1 + [4])), group only

Column [8]=([7] - 1) * ([1] + [6])

Column [9]=[1]+[6]+[8]

Column [10]=[9]-table 2, col [8]

Table 5: Impact of Capping Experience Mod Changes

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Segment	Adjusted Premium	Estimated Capping Impact	Dollar Impact	Base Rate Adjustment	Final Off-Balance	Dollar Impact	Adjusted Premium	Difference From Target Premium
Non Group	\$949,291,764	-2.6%	-\$25,000,000	1.027	1.23	\$25,000,000	\$949,291,764	\$0
Group	\$854,708,236	0.0%	\$0	1.027	1.23	\$23,117,923	\$877,826,159	\$23,117,923
	\$1,804,000,000	-1.4%	-\$25,000,000		1.23	\$48,117,923	\$1,827,117,923	\$23,117,923

Notes:

Column [1] is from table 4, column [9]

Column [2]=[3]/[1]

Column [3] is from Oliver Wyman modeled results

Column [4]=1/(1+[2])

Column [5]= [4] * (table 4, col [2])

Column [6]= ([1]+[3])*([4]-1)

Column [7]=[1]+[3]+[6]

Column [8]=[7]-table 2, col [8]

Table 6: Capping Base Rate Adjustment Reversed for Group

	[1]	[2]	[3]	[4]	[5]	[6]
Segment	Adjusted Premium	Adjustment Factor	Dollar Impact	New Group Break Even Factor	Adjusted Premium	Difference From Target Premium
Non Group	\$949,291,764	1.000	\$0	1.000	\$949,291,764	\$0
Group	\$877,826,159	0.974	-\$23,117,923	1.311	\$854,708,236	\$0
	\$1,827,117,923		-\$23,117,923		\$1,804,000,000	\$0

Notes:

Column [1] is from table 5, column [7]

Column [2]=1/(table 5, col [4]), group only

Column [3] =[1] * ([2]-1)

Column [4]=[2] * (table 4, col [7])

Column [5]=[1] + [3]

Column [6]=[5]-table 2, col [8]

Comprehensive rate reform and July 1, 2009 private employer (PA) rate recommendation

Thursday, March 19, 2009

Goals

- Lower base rates
- Provide actuarially sound rates for non-group employers
- Bring group rate levels closer to their indicated level for July 1, 2009
- Set group rates at the indicated level for July 1, 2010 to achieve full rate equity for the group and non-group segments

July 1, 2009 rate level recommendation

Rate level indications

- Oliver Wyman's analysis of claim costs and trends produced a range of claim cost projections which resulted in a recommended actuarially sound range of overall rate changes:
 - Optimistic (low end of range): -18.1 percent
 - Baseline change: -11.8 percent
 - Conservative (high end of range): -5.5 percent
- Projected claim costs for policy year 2009 indicate that a decrease will produce actuarially sound rates.

Impacts of rate level proposal

- The Administrator and staff recommend an overall rate decrease of **12 percent**.
- Claims costs projections show a significant decrease is warranted
- Decrease will be directed entirely to non-group employers
- The change would be distributed as follows:
 - Non-group employers: -25.3 percent
 - Group employers: + 9.6 percent

Impacts of rate level proposal

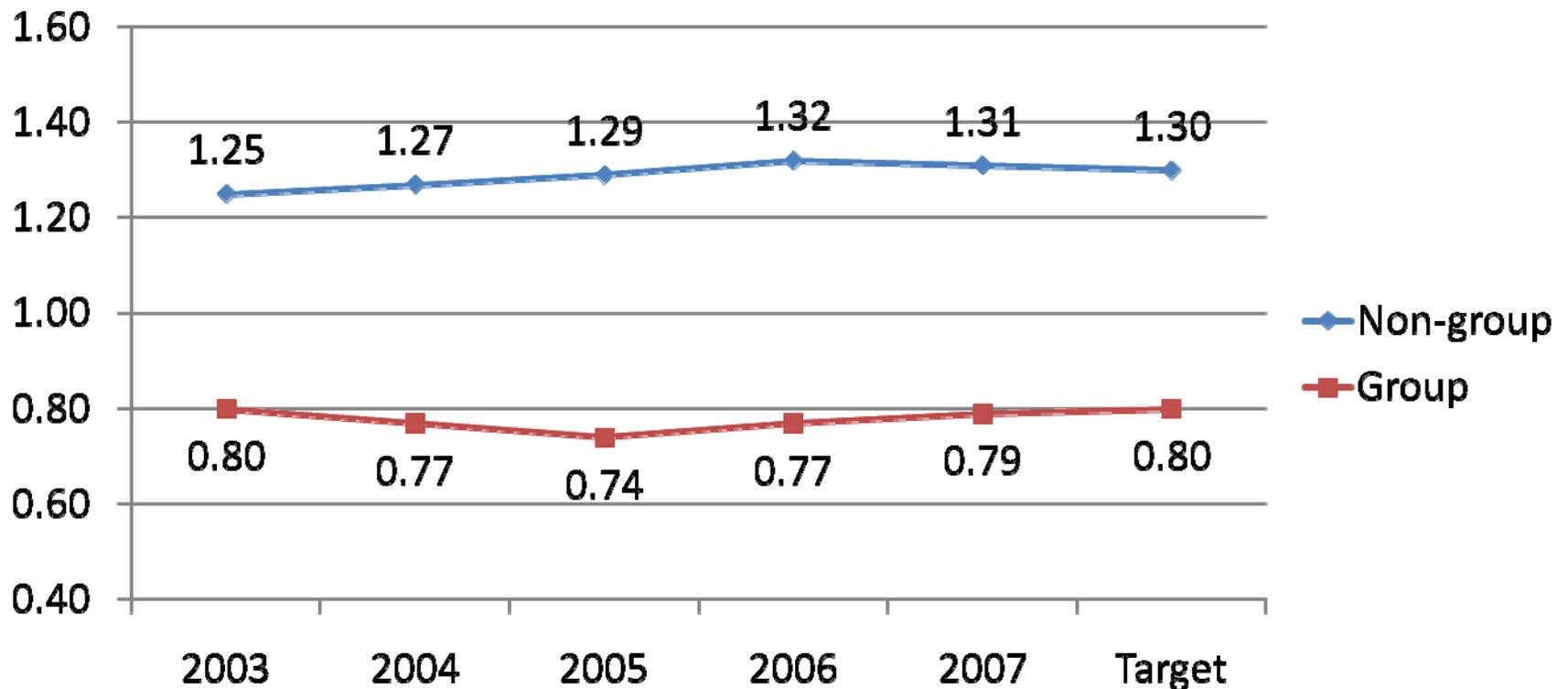
- Recommended changes will not result in an expected shortfall and the resulting pressure on net assets
- Decrease will be directed entirely to non-group employers
- The result will be lower base rates and actuarially sound rates for non-group employers

Comprehensive rate reform proposal

Differentials in claim costs

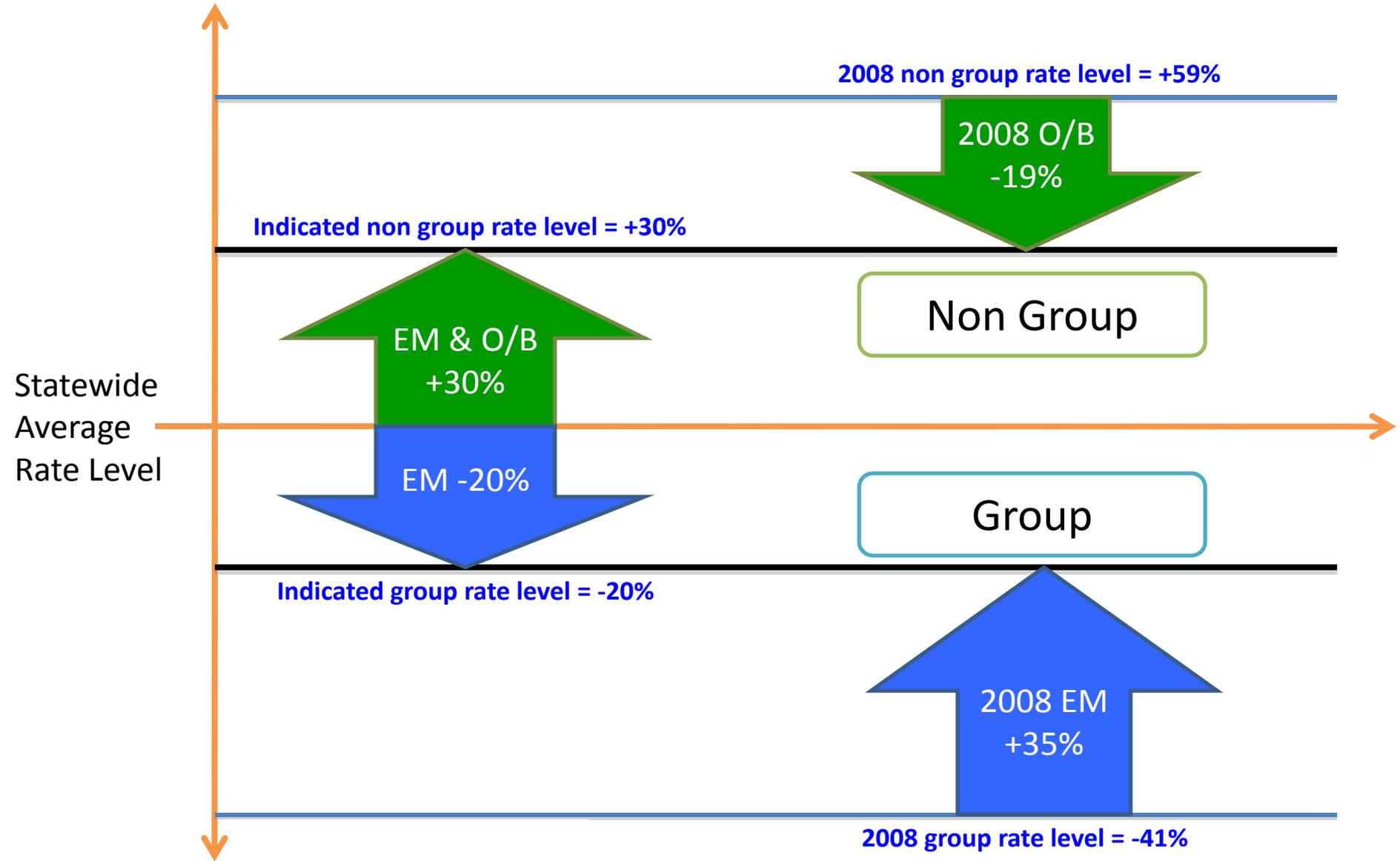
- Last month, BWC showed the actual difference in costs presented by group-rated employers and non-group employers
 - Claim costs for non-group employers are 30 percent higher than average
 - Claim costs for group employers are 20 percent lower than average

Incurred loss differentials: Group and non-group employers



BWC Class Rate level Targets

[EM = experience mod factor; O/B= base rate off-balance factor]



Key conclusions

- Eliminate 500+ varying off-balances averaging 1.49
- Set standard off-balance for non-group employers at 1.23
- Additional base rate decrease of 12 percent brings non-group employers to the target rate level relativity of 1.30
- Published base rates will decline approximately 25 percent

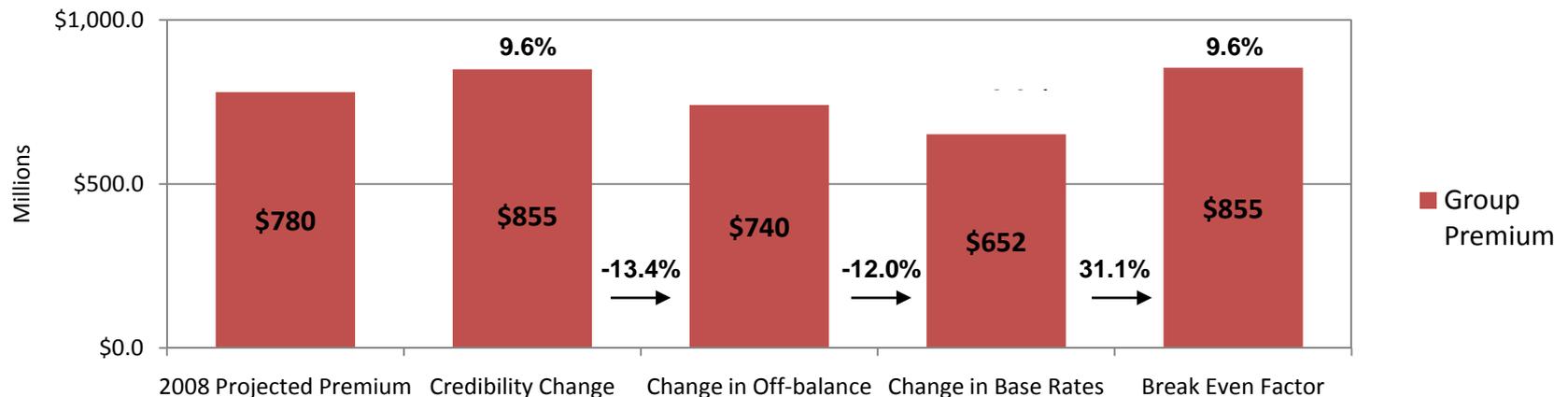
Set group rates closer to indicated levels

- Reduce credibility from 85 percent to 77 percent, which will increase premiums by an average of 9.6 percent for group employers
- Apply base rate reductions
- Institute adjustment factor for group-rated employers to offset base rate reductions
- Eliminate stacking of discounts for group-rated employers

Impacts for group employers

- Preserve the impact of changing to a 77 percent maximum credibility, which increases premiums by an average of 9.6 percent
- Implement a “break-even factor” (group adjustment factor) offsets changes for non-group employers that would otherwise impact group employers

Private Employer Group Projected Premiums 2008 and 2009



Impacts for group employers

- Reduction of maximum credibility to 77 percent increases group rate levels by 9.6 percent. **This remains their target change for July 1, 2009.**
- Mechanism for accomplishing this is a 31 percent assessment factor
- In 2009, group rate level relativity will be 0.71 - midway to the indicated 0.80 level

Projected premium impacts - group

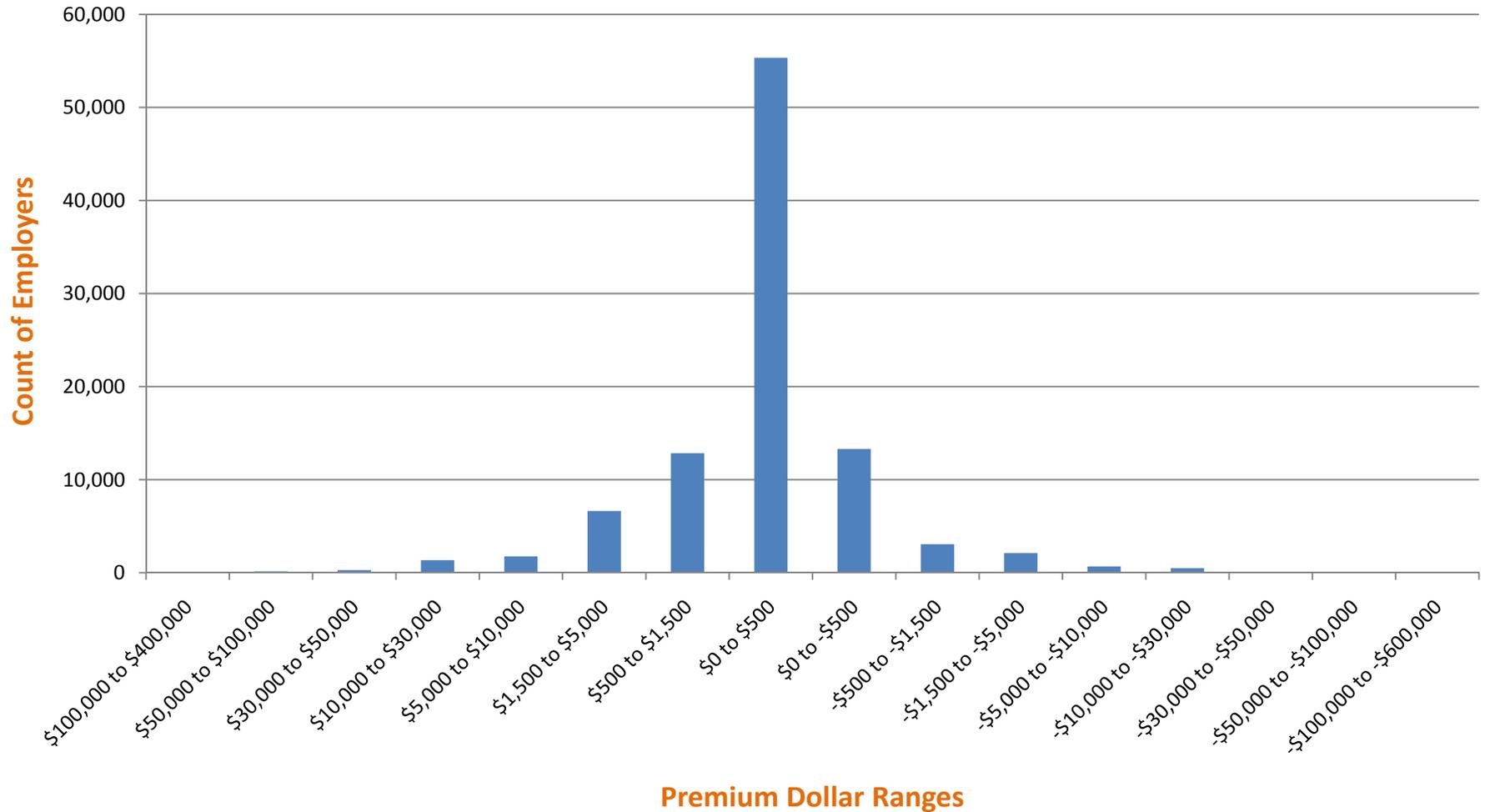
Policy Year 2008 Group Rated Employers

Distribution of premium dollar increase or decrease PY 2008 to 2009 ¹	Total premium dollars in category	Policy Count n category	Percentage of group population	Average premium increase
\$300,000 to \$400,000	\$300,076	1	0.00%	\$300,076
\$200,000 to \$300,000	\$1,208,183	5	0.01%	\$241,637
\$100,000 to \$200,000	\$2,940,497	24	0.02%	\$122,521
\$50,000 to \$100,000	\$9,832,769	150	0.15%	\$65,552
\$30,000 to \$50,000	\$10,542,266	281	0.29%	\$37,517
\$10,000 to \$30,000	\$22,859,834	1,354	1.38%	\$16,883
\$5,000 to \$10,000	\$12,527,136	1,769	1.80%	\$7,081
\$1,500 to \$5,000	\$17,534,876	6,636	6.75%	\$2,642
\$500 to \$1,500	\$11,099,085	12,855	13.08%	\$863
\$0 to \$500	\$7,847,728	55,337	56.31%	\$142
\$0 to -\$500	-\$1,411,688	13,306	13.54%	-\$106
-\$500 to -\$1,500	-\$2,734,041	3,071	3.13%	-\$890
-\$1,500 to -\$5,000	-\$5,824,272	2,116	2.15%	-\$2,752
-\$5,000 to -\$10,000	-\$4,751,471	678	0.69%	-\$7,008
-\$10,000 to -\$30,000	-\$8,204,450	493	0.50%	-\$16,642
-\$30,000 to -\$50,000	-\$3,475,001	93	0.09%	-\$37,366
-\$50,000 to -\$100,000	-\$4,290,389	62	0.06%	-\$69,200
-\$100,000 to -\$200,000	-\$3,211,241	23	0.02%	-\$139,619
-\$200,000 to -\$300,000	-\$2,014,114	8	0.01%	-\$251,764
-\$300,000 to -\$400,000	-\$699,042	2	0.00%	-\$349,521
-\$400,000 to -\$500,000	-\$456,132	1	0.00%	-\$456,132
-\$500,000 to -\$600,000	-\$1,199,826	2	0.00%	-\$599,913

¹Dollar Difference in proposed rating plan using the 77% credibility table, base rates with a standard 1.23 off balance factor and with a group adjustment factor of 1.31.

Projected premium impacts - group

Policy Year 2008 Group Rated Employers



Additional elements

- Modify the 100-percent EM cap
- Without changes, it will become part of a premium strategy – an unintended result
 - Proposed changes:
 - Cap of 100 percent only applies to an employer whose individual experience modifier is 1.01 or greater
 - The employer must actively incorporate safety measures with guidance from BWC or a sponsor
 - Employers not in good standing with BWC are ineligible

Additional elements

- BWC will actively target those employers who aren't selected for group rating and examine other options to help them to mitigate their costs
 - Typically in lower-tier discount groups
 - Approximately 40 percent of these employers will pay less premium in 2009 by being individually rated than they did in group during 2008
 - Because those employers will leave groups, many lower-tier discount groups will cease to exist leaving other employers needing other options
- BWC will also monitor impacts of ELRs on groups and consider revising the assessment if it collects excessive premiums from group-rated employers

Elements of rate reform proposal

- Set accurate non-group rates with standard off-balance at 1.23
- Capture 9.6 percent average premium increase that resulted from moving the credibility table from 85 percent to 77 percent
- Reduce overall rates by 12 percent (but apply to non-group only)
- Implement flat “break-even” factor at 1.31 for all group employers
- Eliminate premium shortfall through “break-even” factor, restricting stacking of discount programs, and overall rate reduction
- Modify 100-percent EM cap to target employers whose individual EM is 1.01 or greater and who are in good standing with BWC

Elements of rate reform proposal

- Sponsoring associations have until April 6 to notify employers they will not be renewed (currently March 30)
- Monitor ELR impacts on groups and consider revising assessment
- Assist with managing employers not selected for group as a result of the assessment
- Implement group rating program in 2010 that creates no shortfall

Outreach

- Met with various audiences to discuss comprehensive proposal with employers, sponsoring associations, and third-party administrators representing both group and non-group employers
 - Business Coalition
 - SAO
 - We've Had Enough
 - Workers' Compensation Forum

Group rating 2010

- Implement comprehensive solution to accurately reflect risk that groups bring to the system:
 - Maintain current infrastructure with continuity and “break-even” factor
 - Convert current group system to group retrospective rating
 - Devise process where groups are submitted to BWC, who will then quote the discount for the group
- Reduce credibility to 65 percent
- Consider modifications to homogeneity, benefits of sponsorship requirements, and other aspects of the program to improve performance
- Provide parameters for multi-split rating plan
- **Target completion date: July 1, 2009**

Comprehensive rate reform and July 1, 2009 private employer (PA) rate recommendation

Thursday, March 19, 2009

Ohio Bureau of Workers' Compensation
Private Employer Preliminary Expected Loss Rates
Policy Year 2008 Compared to Policy year 2009

NCCI	NCCI Manual Class Description	7-1-2008 Expected Loss Rates per \$100	7-1-2009 Expected Loss Rates per \$101	Percent Change
0005	FARM: NURSERY EMPLOYEES & DRIVERS	\$0.90	\$0.85	-5.56
0008	FARM: GARDENING-MARKET OR TRUCK & DRIVERS	\$0.98	\$0.49	-50.00
0016	FARM: ORCHARD & DRIVERS	\$3.74	\$0.73	-80.48
0034	FARM: POULTRY OR EGG PRODUCER & DRIVERS	\$1.62	\$1.21	-25.31
0035	FARM: FLORIST & DRIVERS	\$1.32	\$1.14	-13.64
0036	FARM: DAIRY & DRIVERS	\$1.11	\$1.06	-4.50
0037	FARM: FIELD CROPS & DRIVERS	\$2.51	\$1.72	-31.47
0042	LANDSCAPE GARDENING & DRIVERS	\$2.93	\$2.06	-29.69
0050	FARM MACHINERY OPERATION - BY CONTRACTOR & DRIVERS	\$0.94	\$0.95	1.06
0079	FARM: BERRY/VINEYARD & DRIVERS	\$0.44	\$3.16	618.18
0083	FARM: CATTLE OR LIVESTOCK RAISING NOC & DRIVERS	\$2.65	\$1.94	-26.79
0106	TREE PRUNING SPRAYING REPAIRING - ALL OPERATIONS & DRIVERS	\$9.71	\$10.99	13.18
0113	FARM: HATCHERY & DRIVERS	\$0.53	\$0.18	-66.04
0170	FARM: ANIMAL RAISING & DRIVERS	\$0.22	\$0.19	-13.64
0251	IRRIGATION WORKS OPERATION & DRIVERS	\$0.00	\$0.00	0.00
0400	COTTON COMPRESSING & DRIVERS	\$1.34	\$1.05	-21.64
0401	COTTON GIN OPERATION & LOCAL MANAGERS & DRIVERS	\$1.34	\$1.05	-21.64
0917	DOMESTIC SERVICE CONTRACTOR - INSIDE	\$3.58	\$2.58	-27.93
1005	COAL MINING-SURFACE & DRIVERS	\$1.46	\$1.56	6.85
1016	COAL MINING-NOC	\$1.82	\$1.71	-6.04
1164	MINING NOC-NOT COAL-UNDERGROUND & DRIVERS	\$0.00	\$0.00	0.00
1165	MINING NOC-NOT COAL-SURFACE & DRIVERS	\$0.10	\$0.14	40.00
1320	OIL OR GAS LEASE OPERATOR, ALL OPERATIONS & DRIVERS	\$1.90	\$1.64	-13.68
1322	OIL/GAS WELL CLEAN WELL PRV PRD GAS/OIL-BY CONTR-NO DRILLING & DRIVERS	\$1.69	\$1.28	-24.26
1430	SMELTING, SINTERING OR REFINING, LEAD & DRIVERS	\$4.96	\$23.75	378.83
1438	SMELTING, SINTERING OR REFINING METALS-NOT IRON/LEAD- NOC & DRIVERS	\$3.23	\$2.36	-26.93
1452	ORE MILLING & DRIVERS	\$0.00	\$0.00	0.00
1463	ASPHALT WORKS & DRIVERS	\$1.83	\$1.48	-19.13
1472	DISTILLATION-WOOD-& DRIVERS	\$0.45	\$0.32	-28.89
1624	QUARRY NOC & DRIVERS	\$1.40	\$1.34	-4.29
1642	LIME MFG	\$2.27	\$1.74	-23.35
1654	QUARRY-CEMENT ROCK-SURFACE-& DRIVERS	\$0.22	\$0.08	-63.64
1655	QUARRY-SURFACE-& DRIVERS	\$0.12	\$1.83	1,425.00

Ohio Bureau of Workers' Compensation
Private Employer Preliminary Expected Loss Rates
Policy Year 2008 Compared to Policy year 2009

1699	ROCK WOOL MFG	\$3.73	\$3.21	-13.94
1701	CEMENT MFG	\$1.44	\$1.14	-20.83
1710	STONE CRUSHING & DRIVERS	\$4.30	\$2.69	-37.44
1741	FLINT OR SPAR GRINDING & DRIVERS	\$4.63	\$1.76	-61.99
1747	EMERY WORKS & DRIVERS	\$1.17	\$2.11	80.34
1748	ABRASIVE WHEEL MFG & DRIVERS	\$1.26	\$1.08	-14.29
1803	STONE CUTTING OR POLISHING NOC & DRIVERS	\$2.35	\$1.92	-18.30
1852	ASBESTOS GOODS MFG	\$1.66	\$1.27	-23.49
1853	MICA GOODS MFG & MICA PREPARING	\$1.98	\$1.80	-9.09
1860	ABRASIVE PAPER OR CLOTH PREPARATION	\$1.37	\$1.07	-21.90
1924	WIRE DRAWING OR CABLE MFG-NOT IRON OR STEEL	\$2.31	\$1.86	-19.48
1925	DIE CASTING MFG	\$2.03	\$1.64	-19.21
2001	CRACKER MFG	\$2.66	\$2.21	-16.92
2002	MACARONI MFG	\$2.52	\$1.39	-44.84
2003	BAKERY & DRIVERS, ROUTE SUPERVISORS	\$2.31	\$1.37	-40.69
2014	GRAIN OR FEED MILLING	\$2.36	\$1.82	-22.88
2016	CEREAL OR BAR MFG	\$4.27	\$1.87	-56.21
2021	SUGAR REFINING	\$1.50	\$1.31	-12.67
2039	ICE CREAM MFG & DRIVERS	\$2.94	\$2.09	-28.91
2041	CANDY CHOCOLATE & CONFECTION MFG	\$1.70	\$1.20	-29.41
2065	MILK PRODUCTS MFG NOC	\$1.21	\$0.77	-36.36
2070	CREAMERY & ROUTE SUPERVISORS & DRIVERS	\$1.90	\$1.61	-15.26
2081	BUTCHERING	\$4.03	\$2.39	-40.69
2089	PACKING HOUSE-ALL OPERATIONS	\$1.31	\$1.55	18.32
2095	MEAT PRODUCTS MFG NOC	\$2.11	\$1.51	-28.44
2105	FRUIT PACKING	\$1.72	\$2.83	64.53
2110	PICKLE MFG	\$1.93	\$1.47	-23.83
2111	CANNERY NOC	\$1.37	\$0.98	-28.47
2112	FRUIT EVAPORATING OR PRESERVING	\$1.06	\$0.66	-37.74
2114	OYSTERMEN	\$1.66	\$1.27	-23.49
2121	BREWERY & DRIVERS	\$2.67	\$1.74	-34.83
2130	SPIRITUOUS LIQUOR DISTILLERY	\$0.53	\$2.42	356.60
2131	SPIRITUOUS LIQUOR BOTTLING	\$0.81	\$0.39	-51.85
2143	FRUIT JUICE MFG & DRIVERS	\$2.34	\$1.91	-18.38
2157	BOTTLING NOC & ROUTE SUPERVISORS , DRIVERS	\$3.24	\$2.34	-27.78
2172	CIGARETTE MFG	\$1.66	\$1.27	-23.49
2174	TOBACCO REHANDLING OR WAREHOUSING	\$0.00	\$5.37	0.00
2211	COTTON BATTING, WADDING OR WASTE MFG	\$7.38	\$8.40	13.82
2220	YARN OR THREAD MFG-COTTON	\$5.06	\$3.52	-30.43
2286	WOOL SPINNING & WEAVING	\$0.00	\$5.27	0.00
2288	FELTING MFG	\$2.02	\$1.56	-22.77
2300	PLUSH MFG	\$1.66	\$1.27	-23.49
2302	SILK THREAD OR YARN MFG	\$1.07	\$0.77	-28.04
2305	TEXTILE FIBER MFG-SYNTHETIC	\$4.90	\$2.60	-46.94
2361	HOSIERY MFG	\$1.66	\$1.27	-23.49
2362	KNIT GOODS MFG NOC	\$0.47	\$0.13	-72.34

Ohio Bureau of Workers' Compensation
Private Employer Preliminary Expected Loss Rates
Policy Year 2008 Compared to Policy year 2009

2380	WEBBING MFG	\$1.17	\$0.95	-18.80
2386	LACE MFG	\$0.00	\$0.00	0.00
2388	EMBROIDERY MFG	\$0.94	\$0.82	-12.77
2402	CARPET OR RUG MFG NOC	\$0.00	\$0.00	0.00
2413	TEXTILE-BLEACHING, DYEING MERCERIZING, FINISHING	\$3.97	\$2.31	-41.81
2416	YARN DYEING OR FINISHING	\$0.96	\$0.00	-100.00
2417	CLOTH PRINTING	\$1.65	\$1.04	-36.97
2501	CLOTH, CANVAS & RELATED PRODUCTS NOC	\$1.68	\$1.13	-32.74
2503	DRESSMAKING OR TAILORING-CUSTOM EXCLUSIVELY	\$0.37	\$0.27	-27.03
2534	FEATHER OR FLOWER MFG-ARTIFICIAL	\$0.03	\$0.00	-100.00
2570	MATTRESS OR BOX SPRING MFG	\$4.16	\$2.68	-35.58
2585	LAUNDRY NOC & ROUTE SUPERVISORS , DRIVERS	\$2.56	\$1.78	-30.47
2586	CLEANING OR DYEING & ROUTE SUPERVISORS, DRIVERS	\$1.61	\$0.95	-40.99
2587	TOWEL OR TOILET SUPPLY CO & ROUTE SUPERVISORS, DRIVERS	\$2.25	\$1.99	-11.56
2589	LAUNDRY & DRY CLEANING STORE- RETAIL-ROUTE SUPERVISORS, DRV	\$1.36	\$0.96	-29.41
2600	FUR PROCESSING - PREPARING SKINS	\$1.66	\$1.27	-23.49
2623	LEATHER MFG - INCL TANNING, LEATHER EMBOSSEING & WOOL PULLING	\$0.02	\$0.03	50.00
2651	SHOE STOCK MFG	\$0.77	\$0.78	1.30
2660	BOOT OR SHOE MFG NOC	\$1.13	\$1.96	73.45
2670	GLOVE MFG-LEATHER OR TEXTILE	\$57.76	\$26.92	-53.39
2683	LUGGAGE MFG	\$3.12	\$2.99	-4.17
2688	LEATHER GOODS MFG NOC	\$0.59	\$0.33	-44.07
2701	LOGGING OR TREE REMOVAL - LOG HAULING AND DRIVERS	\$3.70	\$2.99	-19.19
2702	LOGGING OR LUMBERING & DRIVERS	\$8.88	\$7.45	-16.10
2709	LOGGING OR TREE REMOVAL - MECHANIZED EQUIPMENT OPERATORS	\$8.88	\$7.24	-18.47
2710	SAWMILL	\$3.68	\$3.18	-13.59
2714	VENEER MFG	\$2.07	\$1.54	-25.60
2731	PLANING OR MOLDING MILL	\$1.98	\$1.60	-19.19
2735	FURNITURE STOCK MFG	\$1.86	\$0.92	-50.54
2759	PALLET, BOX OR BOX SHOOK MFG	\$3.67	\$2.84	-22.62
2790	PATTERN MAKING NOC	\$1.22	\$0.99	-18.85
2802	CARPENTRY-SHOP ONLY-& DRIVERS	\$2.45	\$1.71	-30.20
2812	CABINET WORKS-WITH POWER MACHINERY	\$1.70	\$1.24	-27.06
2835	BRUSH OR BROOM ASSEMBLY	\$4.97	\$5.58	12.27
2836	BRUSH OR BROOM MFG NOC	\$1.03	\$0.72	-30.10
2841	WOODENWARE MANUFACTURING NOC	\$0.76	\$0.36	-52.63
2881	FURNITURE ASSEMBLY-WOOD-FROM MANUFACTURED PARTS	\$1.30	\$0.88	-32.31
2883	FURNITURE MFG-WOOD-NOC	\$1.69	\$1.54	-8.88
2913	RATTAN, WILLOW OR TWISTED FIBER PRODUCTS MFG	\$2.40	\$1.94	-19.17
2915	VENEER PRODUCTS MFG	\$3.15	\$0.00	-100.00

Ohio Bureau of Workers' Compensation
Private Employer Preliminary Expected Loss Rates
Policy Year 2008 Compared to Policy year 2009

2916	VENEER PRODUCTS MFG-NO VENEER MFG	\$1.81	\$1.53	-15.47
2923	PIANO MFG	\$2.55	\$1.56	-38.82
2942	PENCIL, PENHOLDER OR CRAYON MFG	\$0.96	\$4.45	363.54
2960	WOOD PRESERVING & DRIVERS	\$1.66	\$0.99	-40.36
3004	IRON OR STEEL: MANUFACTURING: STEEL MAKING-& DRIVERS	\$1.88	\$1.45	-22.87
3018	IRON OR STEEL: MANUFACTURING: ROLLING MILL & DRIVERS	\$2.32	\$1.20	-48.28
3022	PIPE OR TUBE MFG NOC & DRIVERS	\$2.20	\$1.90	-13.64
3027	ROLLING MILL NOC & DRIVERS	\$1.39	\$0.95	-31.65
3028	PIPE OR TUBE MFG-IRON OR STEEL- & DRIVERS	\$2.01	\$1.76	-12.44
3030	IRON OR STEEL: FAB IRON OR STEEL WORKS-SHOP-STRUCTURAL- & DRIVERS	\$2.92	\$2.35	-19.52
3040	IRON OR STEEL: FABRICATION: IRON WORKS-SHOP- ORNAMENTAL-& DRIVERS	\$2.64	\$2.01	-23.86
3041	IRON/STEEL:FAB IRON WORKS-SHOP DECOR/ARTISTIC & FOUNDRY,DRIVERS	\$5.01	\$4.57	-8.78
3042	ELEVATOR OR ESCALATOR MFG	\$0.61	\$0.49	-19.67
3064	SIGN MFG-METAL	\$1.98	\$1.72	-13.13
3069	SHEET METAL PRODUCTS MANUFACTURING	\$2.32	\$1.99	-14.22
3076	SHEET METAL PRODUCTS MFG. - SHOP ONLY	\$2.06	\$1.61	-21.84
3081	FOUNDRY-FERROUS-NOC	\$4.30	\$3.73	-13.26
3082	FOUNDRY-STEEL CASTINGS	\$5.25	\$4.10	-21.90
3085	FOUNDRY-NON-FERROUS	\$2.63	\$2.12	-19.39
3110	FORGING WORK-DROP OR MACHINE	\$3.52	\$2.85	-19.03
3111	BLACKSMITH	\$2.32	\$1.51	-34.91
3113	TOOL MFG-NOT DROP OR MACHINE FORGED-NOC	\$0.85	\$0.67	-21.18
3114	TOOL MFG-DROP/MACH FORGED-NOC: MACH/FNSHNG OF TOOL/DIE MAKNG OP	\$1.99	\$1.56	-21.61
3118	SAW MFG	\$1.30	\$0.86	-33.85
3119	NEEDLE MFG	\$1.66	\$1.27	-23.49
3122	CUTLERY MFG NOC	\$1.30	\$0.91	-30.00
3126	TOOL MFG-AGRIC, CONSTRUCTION, LOGGING, MINING, OIL OR ARTESIAN WELL	\$1.68	\$1.35	-19.64
3131	BUTTON FASTENER MFG-METAL	\$0.17	\$0.12	-29.41
3132	NUT OR BOLT MFG	\$1.62	\$1.36	-16.05
3145	SCREW MFG	\$1.40	\$0.94	-32.86
3146	HARDWARE MFG NOC	\$1.59	\$1.06	-33.33
3169	STOVE MFG	\$1.79	\$1.48	-17.32
3175	RADIATOR OR HEATER MFG	\$0.50	\$0.11	-78.00
3179	ELECTRICAL APPARATUS MFG NOC	\$1.03	\$0.91	-11.65
3180	ELECTRIC OR GAS LIGHTING FIXTURES MFG	\$4.12	\$2.48	-39.81
3188	PLUMBERS' SUPPLIES MFG NOC	\$2.92	\$1.58	-45.89
3220	CAN MFG	\$1.23	\$1.24	0.81
3223	LAMP OR PORTABLE LANTERN MFG	\$0.00	\$0.00	0.00
3224	AGATE WARE MFG	\$0.49	\$0.13	-73.47

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3227	ALUMINUM WARE MFG	\$2.92	\$2.01	-31.16
3240	WIRE ROPE MFG-IRON OR STEEL	\$0.79	\$1.00	26.58
3241	WIRE DRAWING-IRON OR STEEL	\$2.58	\$2.21	-14.34
3255	WIRE CLOTH MFG	\$0.57	\$0.44	-22.81
3257	WIRE GOODS MFG NOC	\$1.80	\$1.25	-30.56
3270	EYELET MFG	\$6.87	\$5.94	-13.54
3300	BED SPRING OR WIRE MATTRESS MFG	\$3.36	\$2.11	-37.20
3303	SPRING MFG	\$4.95	\$3.45	-30.30
3307	HEAT-TREATING-METAL	\$1.88	\$1.38	-26.60
3315	BRASS OR COPPER GOODS MFG	\$0.87	\$0.26	-70.11
3334	TIN FOIL MFG	\$0.00	\$1.27	0.00
3336	TYPE FOUNDRY	\$2.27	\$1.80	-20.70
3365	WELDING OR CUTTING NOC & DRIVERS	\$3.38	\$2.48	-26.63
3372	ELECTROPLATING	\$1.90	\$1.59	-16.32
3373	GALVANIZING OR TINNING-NOT ELECTROLYTIC	\$1.10	\$0.72	-34.55
3383	JEWELRY MFG	\$1.58	\$0.91	-42.41
3385	WATCH MFG	\$0.28	\$0.33	17.86
3400	METAL GOODS MFG-NOC	\$2.17	\$1.74	-19.82
3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MFG	\$1.23	\$0.99	-19.51
3515	TEXTILE MACHINERY MFG	\$1.17	\$1.15	-1.71
3548	PRINTING OR BOOKBINDING MACHINE MFG	\$0.42	\$0.36	-14.29
3559	CONFECTION MACHINE MFG	\$0.38	\$0.46	21.05
3574	COMPUTING, RECORDING OR OFFICE MACHINE MFG NOC	\$0.61	\$0.43	-29.51
3581	CARBURETOR MFG	\$0.90	\$0.46	-48.89
3612	PUMP MFG	\$1.10	\$0.90	-18.18
3620	BOILERMAKING	\$2.26	\$1.72	-23.89
3629	PRECISION MACHINED PARTS MFG NOC	\$0.71	\$0.60	-15.49
3632	MACHINE SHOP NOC	\$1.37	\$1.15	-16.06
3634	VALVE MFG	\$0.90	\$0.57	-36.67
3635	GEAR MFG OR GRINDING	\$1.20	\$0.78	-35.00
3638	BALL OR ROLLER BEARING MFG	\$1.83	\$1.36	-25.68
3642	BATTERY MFG-DRY	\$0.33	\$0.22	-33.33
3643	ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	\$1.06	\$0.79	-25.47
3647	BATTERY MFG-STORAGE	\$1.34	\$1.56	16.42
3648	AUTOMOTIVE LIGHTING, IGNITION OR STARTING APPARATUS MFG NOC	\$1.14	\$1.02	-10.53
3681	TV, RADIO, TELEPHONE/TELECOMMUNICATION DEVICE MFG NOC	\$0.72	\$0.57	-20.83
3685	INSTRUMENT MFG NOC	\$0.37	\$0.29	-21.62
3719	OIL STILL ERECTION OR REPAIR	\$0.97	\$0.82	-15.46
3724	MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	\$2.37	\$1.76	-25.74
3726	BOILER INSTALL OR REPAIR-STEAM	\$1.08	\$0.66	-38.89
3803	AUTOMOBILE WHEEL MFG- METAL- NOT CAST	\$6.39	\$3.59	-43.82
3807	AUTOMOBILE RADIATOR MFG	\$6.29	\$4.06	-35.45

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3808	AUTOMOBILE MFG OR ASSEMBLY	\$2.56	\$2.52	-1.56
3821	AUTOMOBILE RECYCLING & DRIVERS	\$3.52	\$2.65	-24.72
3822	AUTOMOBILE, BUS, TRUCK OR TRAILERBODY MFG: DIE-PRESSED STEEL	\$2.80	\$2.14	-23.57
3824	AUTOMOBILE, BUS, TRUCK OR TRAILER BODY MFG: NOC	\$2.16	\$1.94	-10.19
3826	AIRCRAFT ENGINE MFG	\$0.14	\$0.14	0.00
3827	AUTOMOBILE ENGINE MFG	\$0.39	\$0.23	-41.03
3830	AIRPLANE MFG	\$0.97	\$0.39	-59.79
3851	MOTORCYCLE MFG OR ASSEMBLY	\$0.03	\$0.00	-100.00
3865	BABY CARRIAGE MFG	\$3.46	\$3.70	6.94
3881	CAR MFG-RAILROAD-& DRIVERS	\$3.28	\$2.73	-16.77
4000	SAND OR GRAVEL DIGGING & DRIVERS	\$2.16	\$1.61	-25.46
4021	BRICK OR CLAY PRODUCTS MFG NOC & DRIVERS	\$3.07	\$1.66	-45.93
4024	REFRACTORY PRODUCTS MFG & DRIVERS	\$2.02	\$1.55	-23.27
4034	CONCRETE PRODUCTS MFG & DRIVERS	\$2.60	\$2.15	-17.31
4036	PLASTER BOARD OR PLASTER BLOCK MFG & DRIVERS	\$1.78	\$1.58	-11.24
4038	PLASTER STATUARY OR ORNAMENT MFG	\$0.26	\$0.34	30.77
4053	POTTERY MFG: CHINA OR TABLEWARE	\$3.06	\$2.79	-8.82
4061	POTTERY MFG: EARTHENWARE-GLAZED OR PORCELAIN-HAND & MOLDED OR CAST	\$1.56	\$0.89	-42.95
4062	POTTERY MFG: PORCELAIN WARE- MECHANICAL PRESS FORMING	\$1.39	\$1.01	-27.34
4101	GLASS MFG-& DRIVERS	\$3.82	\$2.36	-38.22
4111	GLASSWARE MFG-NO AUTOMATIC BLOWING MACHINES	\$2.90	\$2.58	-11.03
4112	INCANDESCENT LAMP MFG	\$1.36	\$0.83	-38.97
4113	GLASS MFG-CUT	\$1.83	\$2.33	27.32
4114	GLASSWARE MFG NOC	\$0.21	\$0.18	-14.29
4130	GLASS MERCHANT	\$1.98	\$1.76	-11.11
4131	MIRROR MFG	\$2.32	\$0.71	-69.40
4133	CATHEDRAL OR ART GLASS WINDOW MFG	\$0.81	\$0.64	-20.99
4150	OPTICAL GOODS MFG NOC	\$0.60	\$0.29	-51.67
4206	PULP MFG-GROUND WOOD PROCESS	\$1.66	\$1.27	-23.49
4207	PULP MFG-CHEMICAL PROCESS	\$1.66	\$1.27	-23.49
4239	PAPER MFG	\$2.28	\$1.79	-21.49
4240	BOX MFG-SET-UP PAPER	\$2.23	\$1.61	-27.80
4243	BOX MFG-FOLDING PAPER-NOC	\$1.86	\$1.36	-26.88
4244	CORRUGATED OR FIBER BOARD CONTAINER MFG	\$2.02	\$1.40	-30.69
4250	PAPER COATING	\$1.19	\$0.84	-29.41
4251	STATIONERY MFG	\$1.44	\$1.10	-23.61
4263	FIBER GOODS MFG	\$1.41	\$2.46	74.47
4273	BAG MFG-PAPER	\$1.36	\$0.87	-36.03
4279	PAPER GOODS MFG NOC	\$2.35	\$1.53	-34.89
4282	DRESS PATTERN MFG-PAPER	\$1.66	\$1.27	-23.49
4283	BUILDINGS OR ROOFING PAPER OR FELT PREPARATION -NO INSTALL	\$0.79	\$1.28	62.03
4299	PRINTING	\$0.96	\$0.72	-25.00

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4304	NEWSPAPER PUBLISHING	\$1.75	\$1.51	-13.71
4307	BOOKBINDING	\$1.24	\$0.57	-54.03
4351	PHOTO ENGRAVING	\$0.64	\$0.17	-73.44
4352	ENGRAVING	\$1.25	\$1.29	3.20
4360	MOTION PICTURE: DEVELOPMENT OF NEG, PRINT & ALL SUBSEQNT OPER	\$0.03	\$0.00	-100.00
4361	PHOTOGRAPHER-ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS	\$0.54	\$0.37	-31.48
4362	MOTION PICTURE: FILM EXCHANGE & PROJECTION ROOMS, CLERICAL	\$0.72	\$0.23	-68.06
4410	RUBBER GOODS MFG NOC	\$1.92	\$1.50	-21.88
4420	RUBBER TIRE MFG	\$3.80	\$2.57	-32.37
4431	MAGNETIC AND OPTICAL MEDIA MFG	\$0.00	\$0.00	0.00
4432	FOUNTAIN PEN MFG	\$0.38	\$0.24	-36.84
4439	LACQUER OR SPIRIT VARNISH MFG	\$0.07	\$0.07	0.00
4452	PLASTICS MFG: FABRICATED PRODUCTS NOC	\$2.11	\$1.50	-28.91
4459	PLASTICS MFG: SHEETS, RODS/TUBES	\$1.82	\$1.24	-31.87
4470	CABLE MFG-INSULATED ELECTRICAL	\$0.87	\$0.37	-57.47
4484	PLASTICS MFG MOLDED PRODUCTS NOC	\$1.95	\$1.51	-22.56
4493	FABRIC COATING OR IMPREGNATING NOC	\$3.26	\$2.90	-11.04
4511	ANALYTICAL CHEMIST	\$0.32	\$0.26	-18.75
4557	INK MFG	\$1.17	\$0.82	-29.91
4558	PAINT MFG	\$1.23	\$0.80	-34.96
4561	VARNISH MFG-OLEO-RESINOUS	\$0.23	\$0.16	-30.43
4568	SALT, BORAX/POTASH PRODUCING OR REFINING & DRIVERS	\$0.51	\$0.49	-3.92
4581	PHOSPHATE WORKS & DRIVERS	\$1.66	\$1.27	-23.49
4583	FERTILIZER MFG & DRIVERS	\$1.93	\$1.78	-7.77
4611	DRUG, MEDICINE OR PHARMACEUTICAL PREPARATION NO MFG OF INGRED.	\$0.59	\$0.46	-22.03
4635	OXYGEN OR HYDROGEN MFG & DRIVERS	\$1.09	\$0.67	-38.53
4653	GLUE MFG & DRIVERS	\$2.17	\$1.99	-8.29
4665	RENDERING WORKS NOC & DRIVERS	\$6.01	\$4.76	-20.80
4670	COTTONSEED OIL MFG-MECHANICAL & DRIVERS	\$1.66	\$1.27	-23.49
4683	OIL MFG-VEGETABLE-NOC	\$0.51	\$0.44	-13.73
4686	VEGETABLE-SOLVENT EXTRACTION PROCESS	\$0.13	\$0.12	-7.69
4692	DENTAL LABORATORY	\$0.27	\$0.17	-37.04
4693	PHARMACEUTICAL OR SURGICAL GOODS MFG NOC	\$1.05	\$0.88	-16.19
4703	CORN PRODUCTS MFG	\$1.66	\$0.00	-100.00
4717	BUTTER SUBSTITUTE MFG	\$1.66	\$1.27	-23.49
4720	SOAP OR SYNTHETIC DETERGENT MFG	\$1.98	\$1.45	-26.77
4740	OIL REFINING-PETROLEUM-& DRIVERS	\$1.40	\$0.77	-45.00
4741	ASPHALT OR TAR DISTILLING OR REFINING & DRIVERS	\$1.02	\$1.61	57.84
4751	SYNTHETIC RUBBER MFG	\$0.64	\$0.46	-28.13
4771	EXPLOSIVES OR AMMUNITION MFG: NOC & DRIVERS	\$0.70	\$0.64	-8.57
4777	EXPLOSIVES DISTIBUTORS & DRIVERS	\$1.22	\$3.44	181.97

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4825	DRUG, MEDICINE OR PHARMACY PREP MFG & INCID MFG OF INGRED	\$0.31	\$0.16	-48.39
4828	CHEMICAL BLENDING OR MIXING NOC ALL OPERATIONS & DRIVERS	\$1.45	\$0.95	-34.48
4829	CHEMICAL MFG. NOC ALL OPERATIONS & DRIVERS	\$0.74	\$0.59	-20.27
4902	SPORTING GOODS MFG NOC	\$0.85	\$1.80	111.76
4923	PHOTOGRAPHIC SUPPLY MFG	\$0.83	\$0.48	-42.17
5020	CEILING INSTALL-SUSPENDED ACOUSTICAL GRID TYPE	\$3.49	\$2.95	-15.47
5022	MASONRY NOC CROSS-REF	\$2.88	\$2.18	-24.31
5037	PAINTNG: METAL STRUCTURES-OVER TWO STORIES IN HEIGHT- & DRIVERS	\$22.76	\$17.17	-24.56
5040	IRON OR STEEL: ERECTION-FRAME STRUCTURES	\$4.41	\$3.63	-17.69
5057	IRON OR STEEL: ERECTION NOC	\$3.14	\$2.15	-31.53
5059	IRON OR STEEL: ERECTION-FRAME STRUCT NOT OVER TWO STORIES IN HGT	\$3.88	\$2.64	-31.96
5069	IRON/STEEL: EREC-CONSTR OF DWELLINGS NOT OVER 2 STORIES IN HGT	\$0.83	\$0.85	2.41
5102	DOOR, DOOR FRAME/SASH ERECTION- METAL OR METAL COVERED	\$1.84	\$1.81	-1.63
5146	FURNITURE/FIXTURES INSTALL - PORTABLE - NOC	\$3.05	\$2.21	-27.54
5160	ELEVATOR ERECTION OR REPAIR	\$0.61	\$0.58	-4.92
5183	PLUMBING NOC & DRIVERS	\$1.37	\$1.10	-19.71
5188	AUTOMATIC SPRINKLER INSTALL & DRIVERS	\$1.04	\$1.31	25.96
5190	ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	\$1.40	\$1.07	-23.57
5191	OFFICE MACHINE OR APPLIANCE INSTALL, INSPECT, ADJUST OR REPAIR	\$0.64	\$0.59	-7.81
5192	MACHINES-VEND OR COIN OP-INSTALL, SRVC OR REPAIR & SALESPRSNS, DRIVRS	\$2.12	\$1.82	-14.15
5213	CONCRETE CONSTR NOC	\$2.34	\$1.94	-17.09
5215	CONCRETE WORK-INCIDENTAL TO THE CONSTR OF PRIVATE RESIDENCE	\$2.36	\$1.73	-26.69
5221	CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS/SIDEWALKS-& DRV	\$2.31	\$1.58	-31.60
5222	CONCRETE CONSTR IN CONNECTION WITH BRIDGES OR CULVERTS	\$3.38	\$2.18	-35.50
5223	SWIMMING POOL CONSTR NOT IRON OR STEEL & DRIVERS	\$3.58	\$2.57	-28.21
5348	CERAMIC TILE, INDOOR STONE, MARBLE OR MOSAIC WORK	\$2.41	\$1.72	-28.63
5402	HOTHOUSE ERECTION-ALL OPERATIONS	\$2.84	\$1.32	-53.52
5403	CARPENTRY NOC	\$2.48	\$1.90	-23.39
5437	CARPENTRY-INSTALL OF CABINET WORK OR INTERIOR TRIM	\$1.71	\$1.35	-21.05
5443	LATHING & DRIVERS	\$5.75	\$8.26	43.65
5445	WALLBOARD INSTALL BUILDINGS & DRIVERS	\$2.03	\$1.64	-19.21
5462	GLAZIER-AWAY FROM SHOP & DRIVERS	\$2.06	\$2.30	11.65

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5472	ASBESTOS CONTRACTOR-PIPE & BOILER WORK EXCLUSIVELY & DRIVERS	\$1.04	\$1.77	70.19
5473	ASBESTOS CONTR-NOC & DRIVERS	\$2.84	\$2.46	-13.38
5474	PAINTING OR PAPERHANGING NOC & SHOP OPERATIONS, DRIVERS	\$2.65	\$2.12	-20.00
5478	FLOOR COVERING INSTALLATION-RESILIENT FLOORING-CARPET & LAMINATE FLOORING	\$2.06	\$1.89	-8.25
5479	INSULATION WORK NOC & DRIVERS	\$3.40	\$2.00	-41.18
5480	PLASTERING NOC & DRIVERS	\$2.78	\$2.59	-6.83
5491	PAPERHANGING & DRIVERS	\$0.06	\$0.06	0.00
5506	STREET OR ROAD CONSTRUCTION: PAVING OR REPAIRING & DRIVERS	\$2.62	\$2.07	-20.99
5507	STREET OR ROAD CONSTRUCTION: SUBSURFACE WORK & DRIVERS	\$1.16	\$1.03	-11.21
5508	STREET OR ROAD CONSTRUCTION: ROCK EXCAVATION & DRIVERS	\$0.53	\$0.53	0.00
5535	SHEET METAL WORK - INSTALLATION AND DRIVERS	\$2.33	\$2.03	-12.88
5537	HVAC & REFRIG SYSTEMS - INSTALL, SVC & REPAIR & DRIVERS	\$1.60	\$1.37	-14.38
5538	SHEET METAL WORK-SHOP & OUTSIDE- NOC & DRIVERS	\$2.33	\$2.07	-11.16
5551	ROOFING-ALL KINDS & YARD EMPLOYEES & DRIVERS	\$6.17	\$4.56	-26.09
5605	CONSTRUCTION OR ERECTION ESTIMATORS	\$0.30	\$0.29	-3.33
5606	CONTRACTOR-PROJECT MGR, CONST EXEC, CONST MGR OR CONST SUPT	\$0.49	\$0.35	-28.57
5610	CLEANER-DEBRIS REMOVAL	\$8.26	\$2.35	-71.55
5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	\$3.61	\$2.80	-22.44
5651	CARPENTRY-DWELLINGS-THREE STORIES OR LESS	\$3.22	\$2.48	-22.98
5703	BUILDING RAISING OR MOVING	\$8.15	\$1.77	-78.28
5705	SALVAGE OPERATION-NO WRECKING OR ANY STRUCTURAL OPERATIONS	\$22.32	\$22.32	0.00
5951	SERUM, ANTI-TOXIN OR VIRUS MFG & DRIVERS	\$0.00	\$0.00	0.00
6003	PILE DRIVING	\$0.56	\$0.63	12.50
6005	JETTY OR BREAKWATER CONSTRUCTION ALL OPERATION TO COMPLETION & DRV	\$0.13	\$0.13	0.00
6017	DAM OR LOCK CONSTRUCTION: CONCRETEWORK-ALL OPERATIONS	\$2.17	\$1.68	-22.58
6018	DAM OR LOCK CONSTRUCTION: EARTH MOVING OR PLACING-ALL OPER & DRV	\$2.17	\$1.68	-22.58
6045	LEVEE CONSTRUCTION-ALL OPERATIONS TO COMPLETION & DRIVERS	\$2.17	\$1.68	-22.58
6204	DRILLING NOC & DRIVERS	\$3.17	\$2.64	-16.72
6206	OIL OR GAS WELL: CEMENTING & DRIVERS	\$0.01	\$0.00	-100.00
6213	OIL OR GAS WELL: SPECIALTY TOOL OPER-NOC-BY CONTR-ALL EMPS & DRIVERS	\$2.17	\$0.00	-100.00

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6214	OIL OR GAS WELL: PERFORATING OF CASING-ALL EMPLOYEES & DRIVERS	\$0.37	\$7.25	1,859.46
6216	OIL OR GAS LEASE WORK NOC-BY CONTRACTOR & DRIVERS	\$3.02	\$2.02	-33.11
6217	EXCAVATION & DRIVERS	\$2.03	\$1.50	-26.11
6229	IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	\$2.75	\$1.70	-38.18
6233	OIL OR GAS PIPELINE CONSTRUCTION & DRIVERS	\$1.62	\$1.60	-1.23
6235	OIL OR GAS WELL: DRILLING OR RE-DRILLING & DRIVERS	\$9.72	\$9.30	-4.32
6236	OIL OR GAS WELL: INSTALLATION OR RECOVERY OF CASING & DRIVERS	\$0.70	\$2.30	228.57
6237	OIL OR GAS WELL: INSTRUMENT LOGGING OR SURVEY WORK & DRIVERS	\$0.02	\$0.09	350.00
6251	TUNNELING-NOT PNEUMATIC-ALL OPERATIONS	\$5.58	\$3.91	-29.93
6252	SHAFT SINKING-ALL OPERATIONS	\$2.58	\$1.64	-36.43
6260	TUNNELING-PNEUMATIC-ALL OPERATIONS	\$0.08	\$0.06	-25.00
6306	SEWER CONSTR-ALL OPERATIONS & DRIVERS	\$1.70	\$1.34	-21.18
6319	GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	\$2.39	\$1.92	-19.67
6325	CONDUIT CONSTRUCTION-FOR CABLES OR WIRES	\$2.80	\$2.60	-7.14
6400	FENCE ERECTION-METAL	\$1.78	\$1.51	-15.17
6504	FOOD SUNDRIES MFG NOC-CEREAL MILLING	\$1.94	\$1.44	-25.77
6704	RAILROAD CONST ALL OPER INCLUD CLERICAL, SALESPERSONS & DRIV	\$2.92	\$2.30	-21.23
6811	BOAT BUILDING-WOOD-NOC & DRIVERS	\$4.39	\$2.13	-51.48
6834	BOAT BUILDING OR REPAIR & DRIVERS	\$1.46	\$0.98	-32.88
6836	MARINA & DRIVERS	\$2.13	\$2.13	0.00
6854	SHIP BUILDING-IRON OR STEEL- NOC & DRIVERS	\$26.77	\$1.27	-95.26
6882	SHIP REPAIR CONVERSION - ALL OPERATIONS & DRIVERS	\$0.53	\$0.08	-84.91
6884	PAINTING: SHIP HULLS	\$1.66	\$1.27	-23.49
7133	RAILROAD OPERATION: NOC - ALL EMPLOYERS AND DRIVERS	\$1.42	\$2.47	73.94
7222	TRUCKING: OIL FIELD EQUIPMENT- ALL EMPLOYEES & DRIVERS	\$2.92	\$0.00	-100.00
7228	TRUCKING- LOCAL HAULING ONLY- ALL EMPLOYEES AND DRIVERS	\$3.70	\$2.99	-19.19
7229	TRUCKING- LONG DISTANCE HAULING- ALL EMPLOYEES AND DRIVERS	\$3.20	\$2.61	-18.44
7230	TRUCKING: PARCEL OR PACKAGE DELIVERY- ALL EMPLOYEES & DRIVERS	\$5.43	\$4.48	-17.50
7231	MAIL, PARCEL OR PCKG DELIVERY & COURIER OR MESSENGER SVC - ALL EMPS & DRIVERS	\$5.61	\$4.34	-22.64
7232	TRCKNG: MAIL PARCEL/PKG DLV-CNTCT U S POST SERV-ALL EMPS & DRV	\$2.80	\$2.69	-3.93
7360	FREIGHT HANDLING NOC	\$3.87	\$2.94	-24.03
7370	TAXICAB CO : ALL OTHER EMPLOEES & DRIVERS	\$3.30	\$2.35	-28.79

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7380	DRIVERS, CHAUFFEURS, MESSENGERS & HELPERS NOC - COMMERCIAL	\$2.67	\$1.95	-26.97
7382	BUS CO : ALL OTHER EMPLOYEES & DRIVERS	\$2.69	\$1.99	-26.02
7390	BEER OR ALE DEALER-WHOLESALE & DRIVERS	\$2.91	\$2.29	-21.31
7403	AVIATION: ALL OTHER EMPLOYEES & DRIVERS	\$1.64	\$1.26	-23.17
7405	AVIATION: AIR CARRIER - SCHEDULED, COMMUTER, SUPPLEMENTAL - FLYING CREW	\$1.10	\$0.80	-27.27
7420	AVIATION: STUNT FLYING, RACING, PARACHUTE JUMPING - FLYING CREW	\$16.12	\$20.39	26.49
7421	AVIATION: TRANSPORT OF PERSONNEL FOR EMPLOYER BUSINESS - FLYING CREW	\$0.35	\$0.21	-40.00
7422	AVIATION: NOC - OTHER THAN HELICOPTERS - FLYING CREW	\$1.06	\$0.97	-8.49
7425	AVIATION: NOC - HELICOPTERS - FLYING CREW	\$0.30	\$0.08	-73.33
7431	AVIATION: AIR CHARTER OR AIR TAXI - FLYING CREW	\$1.05	\$0.79	-24.76
7502	GAS COMPANY: GAS CO-NATURAL GAS-LOCAL DISTRIBUTION & DRIVERS	\$0.55	\$0.54	-1.82
7515	OIL OR GAS PIPELINE OPERATION & DRIVERS	\$1.02	\$0.89	-12.75
7520	WATERWORKS OPERATION & DRIVERS	\$1.61	\$1.11	-31.06
7538	ELECTRIC LIGHT OR POWER LINE CONTRACTOR & DRIVERS	\$5.03	\$3.85	-23.46
7539	ELECTRIC LIGHT OR POWER CO NOC- ALL EMPLOYEES & DRIVERS	\$1.29	\$1.04	-19.38
7540	ELEC LIGHT/POWER COOPERATIVE-REA PROJECT ONLY-ALL EMPLOYEES & DRV	\$1.44	\$1.48	2.78
7580	SEWAGE DISPOSAL PLANT OPERATION & DRIVERS	\$0.98	\$0.78	-20.41
7590	GARBAGE WORKS	\$2.96	\$2.14	-27.70
7600	TELEPHONE OR TELEGRAPH CO: ALL OTHER EMPLOYEES & DRIVERS	\$1.01	\$0.87	-13.86
7601	TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	\$2.10	\$1.77	-15.71
7605	BURGLAR ALARM INSTALL OR REPAIR & DRIVERS	\$1.24	\$1.01	-18.55
7610	RADIO/TV BROADCASTING STATION- ALL EMPLOYEES & CLERICAL, DRIVERS	\$0.20	\$0.17	-15.00
7611	TELEPHONE/CABLE TV LINE INST CONTRACTORS, UNDERGROUND & DRIVER	\$3.58	\$2.95	-17.60
7612	TELEPHONE OR CABLE TV LINE INST CONTRACTORS, OVERHEAD & DRIVERS	\$2.89	\$2.32	-19.72
7613	TELEPHONE/CABLE TV LINE INST CONT. SERV. LINE & CONN. & DRIVERS	\$6.88	\$5.00	-27.33
7704	FIREFIGHTERS & DRIVERS	\$3.82	\$2.04	-46.60
7705	AMBULANCE SERVICE COMPANIES AND EMS AND DRIVERS	\$3.30	\$3.59	8.79
7710	FIREFIGHTERS AND DRIVERS	\$3.82	\$2.16	-43.46
7711	FIREFIGHTERS AND DRIVERS - VOLUNTEER	\$3.82	\$2.04	-46.60
7720	POLICE OFFICERS & DRIVERS	\$1.61	\$1.35	-16.15

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7855	RR CNST LAY/RELY TRCKS/MAINT OF WAY CONTR-NO WORK ON ELEV RR-DRV	\$3.40	\$2.15	-36.76
8001	STORE: FLORIST & DRIVERS	\$1.18	\$1.16	-1.69
8002	AUTOMOBILE RENTAL CO:ALL OTHER EMPLOYEES & COUNTER PERSONNEL, DRV	\$2.01	\$1.68	-16.42
8006	STORE: GROCERY RETAIL	\$1.55	\$1.16	-25.16
8008	STORE: CLOTHING, WEARING APPAREL/DRY GOODS-RETAIL	\$0.95	\$0.66	-30.53
8010	STORE: HARDWARE	\$0.94	\$0.75	-20.21
8013	STORE: JEWELRY	\$0.18	\$0.16	-11.11
8015	QUICK PRINTING-COPYING/DUP SERV-ALL EMPS/CLERICAL, SALESPRSNS DRV	\$0.34	\$0.32	-5.88
8017	STORE: RETAIL NOC	\$0.84	\$0.68	-19.05
8018	STORE: WHOLESALE NOC	\$1.75	\$1.36	-22.29
8021	STORE: MEAT, FISH OR POULTRY DEALER WHOLESALE	\$1.26	\$1.04	-17.46
8031	STORE: MEAT, FISH OR POULTRY- RETAIL	\$1.70	\$1.16	-31.76
8032	STORE: CLOTHING, WEARING APPAREL OR DRY GOODS-WHOLESALE	\$1.53	\$1.19	-22.22
8033	STORE: MEAT, GROCERY & PROVISION STORES COMBINED-RETAIL NOC	\$1.32	\$1.05	-20.45
8039	STORE: DEPARTMENT-RETAIL	\$2.98	\$1.66	-44.30
8044	STORE: FURNITURE & DRIVERS	\$1.57	\$1.21	-22.93
8045	STORE: DRUG RETAIL	\$0.16	\$0.18	12.50
8046	STORE: AUTO ACCESSORY-RETAIL NOC & DRIVERS	\$1.19	\$0.91	-23.53
8047	STORE: DRUG-WHOLESALE	\$0.82	\$0.87	6.10
8058	BUILDING MATERIAL DEALER-NEW MATERIALS ONLY: STORE EMPLOYEES	\$1.69	\$0.86	-49.11
8072	STORE:BOOK, RECORD, DISC, SOFTWARE,VIDEO OR AUDIO CASSETTE RETAIL	\$0.67	\$0.49	-26.87
8102	SEED MERCHANT	\$0.79	\$0.57	-27.85
8103	WOOL MERCHANT	\$0.08	\$0.16	100.00
8105	STORE: HIDE OR LEATHER DEALER	\$1.53	\$1.99	30.07
8106	IRON OR STEEL MERCHANT & DRIVERS	\$2.04	\$1.71	-16.18
8107	MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	\$1.30	\$1.11	-14.62
8111	PLUMBERS' SUPPLIES DEALER & DRIVERS	\$1.38	\$1.30	-5.80
8116	FARM MACHINERY DEALER-ALL OPERATIONS & DRIVERS	\$0.59	\$0.47	-20.34
8203	ICE MFG OR DISTRIBUTION & DRIVERS	\$1.90	\$2.39	25.79
8204	BUILDING MATERIAL YARD & LOCAL MANAGERS, DRIVERS	\$1.85	\$0.73	-60.54
8209	VEGETABLE PACKING & DRIVERS	\$1.17	\$1.01	-13.68
8215	HAY, GRAIN OR FEED DEALER & LOCAL MANAGERS, DRIVERS	\$1.37	\$1.09	-20.44
8227	CONSTRUCTION OR ERECTION PERMANENTYARD	\$1.57	\$1.11	-29.30
8232	LUMBERYRD NEW MTRLS ONLY: ALL OTH EMP & YARD, WAREHOUSE, DRV	\$2.51	\$1.91	-23.90
8233	COAL MERCHANT & LOCAL MANAGERS, DRIVERS	\$2.44	\$2.11	-13.52

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8235	SASH, DOOR/ASSEMBLED MILLWORK DEALER & DRIVERS	\$1.81	\$1.36	-24.86
8263	JUNK DEALER & DRIVERS	\$6.26	\$4.74	-24.28
8264	BOTTLE DEALER-USED & DRIVERS	\$3.36	\$2.57	-23.51
8265	IRON OR STEEL SCRAP DEALER & DRIVERS	\$4.17	\$3.45	-17.27
8279	STABLE/BREEDING FARM & DRIVERS	\$4.13	\$3.41	-17.43
8288	LIVESTOCK DEALER OR COMMISSION MERCHANT & SALESPERSONS, DRIVERS	\$2.28	\$3.57	56.58
8291	STORAGE WAREHOUSE-COLD	\$2.25	\$1.69	-24.89
8292	STORAGE WAREHOUSE NOC	\$2.42	\$1.91	-21.07
8293	STORAGE WAREHOUSE-FURNITURE & DRIVERS	\$4.61	\$3.41	-26.03
8304	GRAIN ELEVATOR OPERATION & LOCAL MANAGERS, DRIVERS	\$1.82	\$1.69	-7.14
8350	GASOLINE DEALER & DRIVERS	\$2.16	\$1.74	-19.44
8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	\$1.32	\$1.05	-20.45
8381	GASOLINE STATION-RETAIL-SELF- SERVICE	\$1.10	\$1.33	20.91
8385	BUS CO : GARAGE EMPLOYEES	\$1.79	\$1.14	-36.31
8392	AUTO STORAGE GARAGE, PARKING LOT OR PARKING STATION, VALET SVC, CASHIERS, COUNTER AND DRIVERS	\$2.95	\$2.36	-20.00
8393	AUTOMOBILE BODY REPAIR	\$0.94	\$0.78	-17.02
8500	METAL SCRAP DEALER & DRIVERS	\$3.20	\$2.32	-27.50
8601	ARCHITECT OR ENGINEER-CONSULTING	\$0.23	\$0.16	-30.43
8606	GEOLOGICAL EXPLORATION SEISMIC- ALL EMPLOYEES & DRIVERS	\$0.31	\$0.18	-41.94
8720	INSPECTION OF RISKS FOR INSUR OR VALUATION PURPOSES NOC	\$1.52	\$1.11	-26.97
8721	REAL ESTATE APPRAISAL COMPANY OUTSIDE EMPLOYEES	\$0.11	\$0.09	-18.18
8742	SALESPERSONS OR COLLECTORS - OUTSIDE	\$0.13	\$0.09	-30.77
8745	NEWS AGNT/DIST OF MAG/OTH PERIODS NOT RETL DEALRS & SALESPERSONS, DRV	\$1.64	\$1.07	-34.76
8748	AUTOMOBILE SALESPERSONS	\$0.20	\$0.16	-20.00
8755	LABOR UNION-ALL EMPLOYEES	\$0.18	\$0.19	5.56
8799	MAILING OR ADDRESSING COMPANY OR LETTER SERVICE SHOP - CLERICAL	\$0.56	\$0.46	-17.86
8800	MAILING OR ADDRESSING CO & CLERICAL	\$0.56	\$0.48	-14.29
8803	AUDITORS, ACCNT OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	\$0.04	\$0.03	-25.00
8810	CLERICAL OFFICE EMPLOYEES NOC	\$0.08	\$0.06	-25.00
8820	ATTORNEY-ALL EMPLOYEES & CLERICAL MESSENGERS & DRIVERS	\$0.10	\$0.07	-30.00
8824	RETIREMENT LIVING CENTERS: HEALTHCARE EMPLOYEES	\$2.36	\$1.94	-17.80
8825	RETIREMENT LIVING CENTERS: FOOD SERVICE EMPLOYEES	\$1.35	\$1.04	-22.96
8826	RETIREMENT LIVING CENTERS ALL OTHER EMPLOYEES, SALESPERSONS & DRV	\$1.52	\$1.06	-30.26
8829	CONVALESCENT OR NURSING HOME ALL EMPLOYEES	\$2.00	\$1.50	-25.00
8831	HOSPITAL-VETERINARY & DRIVERS	\$0.73	\$0.49	-32.88

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8832	PHYSICIAN & CLERICAL	\$0.18	\$0.14	-22.22
8833	HOSPITAL: PROFESSIONAL EMPLOYEES	\$0.60	\$0.46	-23.33
8835	HOME - PUBLIC & TRAVELING HEALTHCARE - ALL EMPLOYEES	\$1.68	\$1.27	-24.40
8842	GROUP HOMES ALL EMPLOYEES AND SALESPERSONS, DRIVERS	\$1.28	\$0.97	-24.22
8864	SOCIAL SERVICES ORGANIZATION ALL EMPLOYEES AND SALESPERSONS, DRIVERS	\$1.28	\$0.97	-24.22
8868	COLLEGE: PROFESSIONAL EMPLOYEES & CLERICAL	\$0.19	\$0.15	-21.05
8869	CHILD DAY CARE CENTER: PROFESS EMPLOYEES & CLERICAL SALESPERSONS	\$0.71	\$0.59	-16.90
8871	CLERICAL TELECOMMUTER EMPLOYEES	\$0.05	\$0.01	-80.00
8901	TELEPHONE OR TELEGRAPH CO: OFFICE EXCHANGE EMPLOYEES & CLERICAL	\$0.08	\$0.06	-25.00
8989	DOMESTIC WORKERS - RESIDENCES	\$1.44	\$1.25	-13.19
9012	BUILDING OP. - BY OWNER, LESSEE, REAL ESTATE MANGT. FIRM: PROFESS	\$0.31	\$0.25	-19.35
9014	BUILDINGS-OPERATION BY CONTRACTORS	\$2.29	\$1.75	-23.58
9015	BUILDINGS-OPERATION BY OWNER OR LESSEE ALL OTHER EMPLOYEES	\$2.22	\$1.67	-24.77
9016	AMUSEMENT PARK OR EXHIBITION OPERATION & DRIVERS	\$1.53	\$1.61	5.23
9019	BRIDGE OR VEHICULAR TUNNEL OPERATION & DRIVERS	\$0.89	\$0.67	-24.72
9033	HOUSING AUTHORITY & CLERICAL, SALESPERSONS, DRIVERS	\$1.13	\$0.98	-13.27
9040	HOSPITAL: ALL OTHER EMPLOYEES	\$1.61	\$1.33	-17.39
9044	CASINO GAMBLING-HOTEL - ALL EMP.CLERICAL, SALESPERSONS & DRIVERS	\$0.89	\$0.67	-24.72
9052	HOTEL: ALL OTHER EMPS & SALESPERSONS, DRIVERS	\$1.57	\$1.20	-23.57
9058	HOTEL: RESTAURANT EMPLOYEES	\$1.37	\$1.07	-21.90
9059	CHILD DAY CARE CENTER: ALL OTHER EMPLOYEES AND DRIVERS	\$0.78	\$0.57	-26.92
9060	CLUB-COUNTRY, GOLF, FISHING OR YACHT & CLERICAL	\$0.75	\$0.51	-32.00
9061	CLUB NOC & CLERICAL	\$1.30	\$1.05	-19.23
9062	CASINO GAMBLING-ALL EMPLOYEES & CLERICAL, SALESPERSONS & DRIVERS	\$1.07	\$6.77	532.71
9063	YMCA, YWCA, YMHA OR YWHA, INSTITUTION-ALL EMPS & CLERICAL	\$0.59	\$0.43	-27.12
9082	RESTAURANT NOC	\$0.99	\$0.74	-25.25
9083	RESTAURANT: FAST FOOD	\$1.02	\$0.74	-27.45
9084	BAR, DISCOTHEQUE, LOUNGE, NIGHT CLUB OR TAVERN	\$1.16	\$0.86	-25.86
9088	ROCKET OR MISSILE TESTING OR LAUNCHING & DRIVERS	\$1.61	\$1.27	-21.12
9089	BILLIARD HALL	\$0.11	\$0.12	9.09
9093	BOWLING LANE	\$0.90	\$0.80	-11.11
9101	COLLEGE: ALL OTHER EMPLOYEES	\$1.08	\$0.83	-23.15
9102	PARK NOC-ALL EMPLOYEES & DRIVERS	\$1.42	\$1.03	-27.46

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9154	THEATER NOC: ALL OTHER EMPLOYEES	\$1.10	\$0.81	-26.36
9156	THEATER NOC: PLAYERS, ENTERTAINERS OR MUSICIANS	\$0.69	\$0.44	-36.23
9170	JANITORIAL SERVICES BY CONTRACTORS	\$2.29	\$1.71	-25.33
9178	ATHLETIC TEAM OR PARK: NON-CONTACT SPORTS	\$7.98	\$7.50	-6.02
9179	ATHLETIC TEAM/PARK: CONTACT SPORTS	\$23.82	\$17.86	-25.02
9180	AMUSEMENT DEVICE OPERATION NOC- NOT TRAVELING-& DRIVERS	\$1.76	\$0.99	-43.75
9182	ATHLETIC TEAM/PARK: OPERATION & DRIVERS	\$2.03	\$1.71	-15.76
9186	CARNIVAL, CIRCUS/AMUSEMENT DEVICE OPER-TRVL-ALL EMPS & DRIVERS	\$3.16	\$2.70	-14.56
9220	CEMETERY OPERATION & DRIVERS	\$3.40	\$2.60	-23.53
9402	STREET CLEANING & DRIVERS	\$2.26	\$2.09	-7.52
9403	GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS	\$4.33	\$3.40	-21.48
9501	PAINTING: SHOP ONLY & DRIVERS	\$1.47	\$1.11	-24.49
9505	PAINTING: AUTOMOBILE OR CARRIAGE BODIES	\$0.83	\$0.56	-32.53
9516	RADIO, TV, VIDEO & AUDIO EQUIP. INSTALL, SERVICE OR REPAIR & DRV	\$2.31	\$2.04	-11.69
9519	ELECTRICAL HOUSEHOLD & COMM L APPLIANCES - INSTALL, SERVICE OR REPAIR & DRIVERS	\$2.31	\$1.35	-41.56
9521	HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING	\$1.83	\$1.37	-25.14
9522	UPHOLSTERING	\$1.37	\$0.93	-32.12
9534	MOBILE CRANE & HOIST SRVC CONTRS- NOC-ALL OP-INCL YARD EMPS & DRV	\$1.26	\$1.05	-16.67
9554	SIGN INSTALL, MAINT., REPAIR, REMOVAL OR REPLACEMENT: NOC & DRIVERS	\$3.47	\$2.71	-21.90
9586	BARBER SHOP	\$0.40	\$0.29	-27.50
9600	TAXIDERMIST	\$4.05	\$1.17	-71.11
9620	FUNERAL DIRECTOR & DRIVERS	\$0.34	\$0.28	-17.65
9984	ATOMIC ENERGY: PROJECT WORK	\$0.53	\$0.31	-41.51
9985	ATOMIC ENERGY: RADIATION EXPOSURE NOC	\$0.00	\$0.00	0.00

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Manual Number	NCCI Manual Class Description	7/1/2008 Base Rate	7/1/2009 Base Rate	Percent Change
0005	FARM: NURSERY EMPLOYEES & DRIVERS	4.48	3.00	-33.04
0008	FARM: GARDENING-MARKET OR TRUCK & DRIVERS	5.03	1.79	-64.41
0016	FARM: ORCHARD & DRIVERS	25.65	6.62	-74.19
0034	FARM: POULTRY OR EGG PRODUCER & DRIVERS	5.77	4.21	-27.04
0035	FARM: FLORIST & DRIVERS	4.89	4.03	-17.59
0036	FARM: DAIRY & DRIVERS	8.65	3.50	-59.54
0037	FARM: FIELD CROPS & DRIVERS	16.59	6.12	-63.11
0042	LANDSCAPE GARDENING & DRIVERS	14.00	6.96	-50.29
0050	FARM MACHINERY OPERATION - BY CONTRACTOR & DRIVERS	10.66	4.95	-53.56
0079	FARM: BERRY/VINEYARD & DRIVERS	5.56	7.23	30.04
0083	FARM: CATTLE OR LIVESTOCK RAISING NOC & DRIVERS	12.00	6.36	-47.00
0106	TREE PRUNING SPRAYING REPAIRING - ALL OPERATIONS & DRIVERS	48.19	40.92	-15.09
0113	FARM: HATCHERY & DRIVERS	2.93	3.81	30.03
0170	FARM: ANIMAL RAISING & DRIVERS	6.08	3.15	-48.19
0251	IRRIGATION WORKS OPERATION & DRIVERS	10.31	4.57	-55.67
0400	COTTON COMPRESSING & DRIVERS	4.51	3.51	-22.17
0401	COTTON GIN OPERATION & LOCAL MANAGERS & DRIVERS	4.51	3.51	-22.17
0917	DOMESTIC SERVICE CONTRACTOR - INSIDE	15.14	8.48	-43.99
1005	COAL MINING-SURFACE & DRIVERS	4.66	5.55	19.10
1016	COAL MINING-NOC	4.88	5.99	22.75
1165	MINING NOC-NOT COAL-SURFACE & DRIVERS	24.78	13.65	-44.92
1320	OIL OR GAS LEASE OPERATOR, ALL OPERATIONS & DRIVERS	7.47	4.46	-40.29
1322	OIL/GAS WELL CLEAN WELL PRV PRD GAS/OIL-BY CONTR-NO DRILLING & DRIVERS	28.06	9.58	-65.86
1430	SMELTING, SINTERING OR REFINING, LEAD & DRIVERS	48.46	63.00	30.00
1438	SMELTING, SINTERING OR REFINING METALS-NOT IRON/LEAD-NOC & DRIVERS	9.53	7.25	-23.92
1463	ASPHALT WORKS & DRIVERS	8.16	4.77	-41.54
1472	DISTILLATION-WOOD-& DRIVERS	6.87	1.87	-72.78
1624	QUARRY NOC & DRIVERS	5.44	4.67	-14.15
1642	LIME MFG	3.43	4.46	30.03
1654	QUARRY-CEMENT ROCK-SURFACE-& DRIVERS	5.86	3.04	-48.12
1655	QUARRY-SURFACE-& DRIVERS	2.15	2.80	30.23
1699	ROCK WOOL MFG	9.29	11.18	20.34
1701	CEMENT MFG	6.95	3.57	-48.63
1710	STONE CRUSHING & DRIVERS	13.83	8.10	-41.43
1741	FLINT OR SPAR GRINDING & DRIVERS	17.69	7.84	-55.68
1747	EMERY WORKS & DRIVERS	3.57	4.64	29.97
1748	ABRASIVE WHEEL MFG & DRIVERS	8.53	3.65	-57.21
1803	STONE CUTTING OR POLISHING NOC & DRIVERS	9.82	5.93	-39.61
1852	ASBESTOS GOODS MFG	5.35	4.22	-21.12
1853	MICA GOODS MFG & MICA PREPARING	8.74	6.16	-29.52
1860	ABRASIVE PAPER OR CLOTH PREPARATION	5.26	3.45	-34.41

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Manual Number	NCCI Manual Class Description	7/1/2008 Base Rate	7/1/2009 Base Rate	Percent Change
1924	WIRE DRAWING OR CABLE MFG-NOT IRON OR STEEL	4.52	5.55	22.79
1925	DIE CASTING MFG	7.39	5.42	-26.66
2001	CRACKER MFG	8.24	7.42	-9.95
2002	MACARONI MFG	11.81	5.87	-50.30
2003	BAKERY & DRIVERS, ROUTE SUPERVISORS	7.43	5.09	-31.49
2014	GRAIN OR FEED MILLING	8.06	5.23	-35.11
2016	CEREAL OR BAR MFG	16.47	9.52	-42.20
2021	SUGAR REFINING	6.42	4.82	-24.92
2039	ICE CREAM MFG & DRIVERS	8.93	7.09	-20.60
2041	CANDY CHOCOLATE & CONFECTION MFG	6.75	3.96	-41.33
2065	MILK PRODUCTS MFG NOC	2.82	2.48	-12.06
2070	CREAMERY & ROUTE SUPERVISORS & DRIVERS	5.74	5.57	-2.96
2081	BUTCHERING	15.45	8.01	-48.16
2089	PACKING HOUSE-ALL OPERATIONS	17.22	6.17	-64.17
2095	MEAT PRODUCTS MFG NOC	6.35	4.97	-21.73
2105	FRUIT PACKING	5.80	7.54	30.00
2110	PICKLE MFG	7.68	6.26	-18.49
2111	CANNERY NOC	4.02	3.40	-15.42
2112	FRUIT EVAPORATING OR PRESERVING	3.42	3.09	-9.65
2114	OYSTERMEN	5.35	4.22	-21.12
2121	BREWERY & DRIVERS	8.83	6.11	-30.80
2130	SPIRITUOUS LIQUOR DISTILLERY	4.42	4.73	7.01
2131	SPIRITUOUS LIQUOR BOTTLING	2.12	2.23	5.19
2143	FRUIT JUICE MFG & DRIVERS	6.11	6.83	11.78
2157	BOTTLING NOC & ROUTE SUPERVISORS , DRIVERS	7.92	7.06	-10.86
2172	CIGARETTE MFG	5.35	4.22	-21.12
2174	TOBACCO REHANDLING OR WAREHOUSING	83.50	25.89	-68.99
2211	COTTON BATTING, WADDING OR WASTE MFG	6.55	8.52	30.08
2220	YARN OR THREAD MFG-COTTON	10.63	10.26	-3.48
2286	WOOL SPINNING & WEAVING	39.81	7.48	-81.21
2288	FELTING MFG	4.55	4.86	6.81
2300	PLUSH MFG	5.35	4.22	-21.12
2302	SILK THREAD OR YARN MFG	7.95	3.76	-52.70
2305	TEXTILE FIBER MFG-SYNTHETIC	7.79	8.08	3.72
2361	HOSIERY MFG	10.53	4.22	-59.92
2362	KNIT GOODS MFG NOC	8.32	4.72	-43.27
2380	WEBBING MFG	6.31	5.96	-5.55
2386	LACE MFG	3.53	3.86	9.35
2388	EMBROIDERY MFG	4.28	2.66	-37.85
2402	CARPET OR RUG MFG NOC	10.95	13.89	26.85
2413	TEXTILE-BLEACHING, DYEING MERCERIZING, FINISHING	6.75	6.15	-8.89
2416	YARN DYEING OR FINISHING	4.92	3.86	-21.54
2417	CLOTH PRINTING	9.67	7.27	-24.82

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2501	CLOTH, CANVAS & RELATED PRODUCTS NOC	5.13	3.78	-26.32
2503	DRESSMAKING OR TAILORING-CUSTOM EXCLUSIVELY	6.79	2.29	-66.27
2534	FEATHER OR FLOWER MFG-ARTIFICIAL	7.51	9.53	26.90
2570	MATTRESS OR BOX SPRING MFG	10.91	8.26	-24.29
2585	LAUNDRY NOC & ROUTE SUPERVISORS , DRIVERS	8.28	5.83	-29.59
2586	CLEANING OR DYEING & ROUTE SUPERVISORS, DRIVERS	4.94	3.53	-28.54
2587	TOWEL OR TOILET SUPPLY CO & ROUTE SUPERVISORS, DRIVERS	11.25	7.57	-32.71
2589	LAUNDRY & DRY CLEANING STORE- RETAIL-ROUTE SUPERVISORS, DRV	6.02	2.84	-52.82
2600	FUR PROCESSING - PREPARING SKINS	5.35	4.22	-21.12
2623	LEATHER MFG - INCL TANNING, LEATHER EMBOSSING & WOOL PULLING	20.00	4.72	-76.40
2651	SHOE STOCK MFG	2.96	2.63	-11.15
2660	BOOT OR SHOE MFG NOC	34.14	11.98	-64.91
2670	GLOVE MFG-LEATHER OR TEXTILE	8.10	10.53	30.00
2683	LUGGAGE MFG	7.78	8.07	3.73
2688	LEATHER GOODS MFG NOC	2.88	1.74	-39.58
2701	LOGGING OR TREE REMOVAL - LOG HAULING AND DRIVERS	16.11	10.64	-33.95
2702	LOGGING OR LUMBERING & DRIVERS	49.22	23.77	-51.71
2709	LOGGING OR TREE REMOVAL - MECHANIZED EQUIPMENT OPERATORS	49.22	23.09	-53.09
2710	SAWMILL	14.99	9.90	-33.96
2714	VENEER MFG	5.10	4.89	-4.12
2731	PLANING OR MOLDING MILL	8.44	4.55	-46.09
2735	FURNITURE STOCK MFG	3.64	3.15	-13.46
2759	PALLET, BOX OR BOX SHOOK MFG	12.92	8.56	-33.75
2790	PATTERN MAKING NOC	4.35	3.56	-18.16
2802	CARPENTRY-SHOP ONLY-& DRIVERS	8.18	5.36	-34.47
2812	CABINET WORKS-WITH POWER MACHINERY	6.72	4.26	-36.61
2835	BRUSH OR BROOM ASSEMBLY	8.03	10.44	30.01
2836	BRUSH OR BROOM MFG NOC	3.38	2.54	-24.85
2841	WOODENWARE MANUFACTURING NOC	7.55	2.20	-70.86
2881	FURNITURE ASSEMBLY-WOOD-FROM MANUFACTURED PARTS	4.74	3.04	-35.86
2883	FURNITURE MFG-WOOD-NOC	8.24	4.79	-41.87
2913	RATTAN, WILLOW OR TWISTED FIBER PRODUCTS MFG	9.36	6.71	-28.31
2915	VENEER PRODUCTS MFG	12.89	13.30	3.18
2916	VENEER PRODUCTS MFG-NO VENEER MFG	5.72	4.72	-17.48
2923	PIANO MFG	3.78	4.91	29.89
2942	PENCIL, PENHOLDER OR CRAYON MFG	22.85	18.80	-17.72
2960	WOOD PRESERVING & DRIVERS	5.52	4.26	-22.83
3004	IRON OR STEEL: MANUFACTURING: STEEL MAKING-& DRIVERS	6.29	4.38	-30.37
3018	IRON OR STEEL: MANUFACTURING: ROLLING MILL & DRIVERS	5.90	3.98	-32.54
3022	PIPE OR TUBE MFG NOC & DRIVERS	6.07	6.39	5.27

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3027	ROLLING MILL NOC & DRIVERS	3.33	3.38	1.50
3028	PIPE OR TUBE MFG-IRON OR STEEL- & DRIVERS	6.77	5.62	-16.99
3030	IRON OR STEEL: FAB IRON OR STEEL WORKS-SHOP-STRUCTURAL-& DRIVERS	10.07	7.84	-22.14
3040	IRON OR STEEL: FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	8.07	5.84	-27.63
3041	IRON/STEEL:FAB IRON WORKS-SHOP DECOR/ARTISTIC & FOUNDRY,DRIVERS	7.79	10.13	30.04
3042	ELEVATOR OR ESCALATOR MFG	3.96	1.99	-49.75
3064	SIGN MFG-METAL	6.08	5.50	-9.54
3069	SHEET METAL PRODUCTS MANUFACTURING	8.34	6.45	-22.66
3076	SHEET METAL PRODUCTS MFG. - SHOP ONLY	6.75	5.37	-20.44
3081	FOUNDRY-FERROUS-NOC	12.13	12.66	4.37
3082	FOUNDRY-STEEL CASTINGS	14.75	12.71	-13.83
3085	FOUNDRY-NON-FERROUS	7.40	7.23	-2.30
3110	FORGING WORK-DROP OR MACHINE	10.61	9.38	-11.59
3111	BLACKSMITH	7.24	4.36	-39.78
3113	TOOL MFG-NOT DROP OR MACHINE FORGED-NOC	3.41	2.15	-36.95
3114	TOOL MFG-DROP/MACH FORGED-NOC: MACH/FNSHNG OF TOOL/DIE MAKNG OP	5.14	4.97	-3.31
3118	SAW MFG	3.50	2.66	-24.00
3119	NEEDLE MFG	5.35	4.22	-21.12
3122	CUTLERY MFG NOC	4.19	3.30	-21.24
3126	TOOL MFG-AGRIC, CONSTRUCTION, LOGGING, MINING, OIL OR ARTESIAN WELL	5.81	4.34	-25.30
3131	BUTTON FASTENER MFG-METAL	1.95	2.54	30.26
3132	NUT OR BOLT MFG	5.91	4.53	-23.35
3145	SCREW MFG	4.46	3.00	-32.74
3146	HARDWARE MFG NOC	4.41	3.40	-22.90
3169	STOVE MFG	4.69	5.08	8.32
3175	RADIATOR OR HEATER MFG	2.02	2.63	30.20
3179	ELECTRICAL APPARATUS MFG NOC	3.22	2.96	-8.07
3180	ELECTRIC OR GAS LIGHTING FIXTURES MFG	13.25	7.11	-46.34
3188	PLUMBERS' SUPPLIES MFG NOC	6.60	4.99	-24.39
3220	CAN MFG	3.41	4.42	29.62
3223	LAMP OR PORTABLE LANTERN MFG	14.87	3.86	-74.04
3224	AGATE WARE MFG	5.02	3.61	-28.09
3227	ALUMINUM WARE MFG	7.34	6.11	-16.76
3240	WIRE ROPE MFG-IRON OR STEEL	6.95	4.24	-38.99
3241	WIRE DRAWING-IRON OR STEEL	9.99	7.18	-28.13
3255	WIRE CLOTH MFG	5.80	4.31	-25.69
3257	WIRE GOODS MFG NOC	5.11	3.87	-24.27
3270	EYELET MFG	12.97	16.86	29.99

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3300	BED SPRING OR WIRE MATTRESS MFG	8.03	6.59	-17.93
3303	SPRING MFG	10.69	10.94	2.34
3307	HEAT-TREATING-METAL	6.40	4.54	-29.06
3315	BRASS OR COPPER GOODS MFG	5.34	2.57	-51.87
3334	TIN FOIL MFG	4.49	4.22	-6.01
3336	TYPE FOUNDRY	6.77	7.27	7.39
3365	WELDING OR CUTTING NOC & DRIVERS	16.38	8.22	-49.82
3372	ELECTROPLATING	5.34	5.15	-3.56
3373	GALVANIZING OR TINNING-NOT ELECTROLYTIC	4.07	2.40	-41.03
3383	JEWELRY MFG	4.36	2.74	-37.16
3385	WATCH MFG	4.18	1.05	-74.88
3400	METAL GOODS MFG-NOC	6.27	5.74	-8.45
3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MFG	4.62	3.46	-25.11
3515	TEXTILE MACHINERY MFG	8.18	3.73	-54.40
3548	PRINTING OR BOOKBINDING MACHINE MFG	1.70	1.29	-24.12
3559	CONFECTION MACHINE MFG	2.46	1.47	-40.24
3574	COMPUTING, RECORDING OR OFFICE MACHINE MFG NOC	2.47	1.40	-43.32
3581	CARBURETOR MFG	3.12	2.19	-29.81
3612	PUMP MFG	3.47	3.22	-7.20
3620	BOILERMAKING	7.20	5.81	-19.31
3629	PRECISION MACHINED PARTS MFG NOC	2.36	2.05	-13.14
3632	MACHINE SHOP NOC	4.88	3.74	-23.36
3634	VALVE MFG	3.41	1.83	-46.33
3635	GEAR MFG OR GRINDING	3.62	2.68	-25.97
3638	BALL OR ROLLER BEARING MFG	3.38	4.10	21.30
3642	BATTERY MFG-DRY	2.60	1.23	-52.69
3643	ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	3.72	2.64	-29.03
3647	BATTERY MFG-STORAGE	3.64	4.73	29.95
3648	AUTOMOTIVE LIGHTING, IGNITION OR STARTING APPARATUS MFG NOC	5.08	3.64	-28.35
3681	TV, RADIO, TELEPHONE/TELECOMMUNICATION DEVICE MFG NOC	2.56	1.81	-29.30
3685	INSTRUMENT MFG NOC	1.43	0.97	-32.17
3719	OIL STILL ERECTION OR REPAIR	5.20	3.58	-31.15
3724	MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	9.57	6.16	-35.63
3726	BOILER INSTALL OR REPAIR-STEAM	5.24	2.83	-45.99
3803	AUTOMOBILE WHEEL MFG- METAL- NOT CAST	4.73	6.15	30.02
3807	AUTOMOBILE RADIATOR MFG	13.66	14.28	4.54
3808	AUTOMOBILE MFG OR ASSEMBLY	7.10	9.23	30.00
3821	AUTOMOBILE RECYCLING & DRIVERS	14.02	8.13	-42.01
3822	AUTOMOBILE, BUS, TRUCK OR TRAILERBODY MFG: DIE-PRESSED STEEL	18.62	6.90	-62.94
3824	AUTOMOBILE, BUS, TRUCK OR TRAILER BODY MFG: NOC	6.66	6.34	-4.80

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3826	AIRCRAFT ENGINE MFG	0.90	0.66	-26.67
3827	AUTOMOBILE ENGINE MFG	1.26	0.78	-38.10
3830	AIRPLANE MFG	2.96	1.74	-41.22
3865	BABY CARRIAGE MFG	5.76	7.49	30.03
3881	CAR MFG-RAILROAD-& DRIVERS	8.95	8.80	-1.68
4000	SAND OR GRAVEL DIGGING & DRIVERS	9.33	5.41	-42.02
4021	BRICK OR CLAY PRODUCTS MFG NOC & DRIVERS	10.23	4.53	-55.72
4024	REFRACTORY PRODUCTS MFG & DRIVERS	5.50	4.90	-10.91
4034	CONCRETE PRODUCTS MFG & DRIVERS	8.62	6.57	-23.78
4036	PLASTER BOARD OR PLASTER BLOCK MFG & DRIVERS	5.06	5.33	5.34
4038	PLASTER STATUARY OR ORNAMENT MFG	6.06	2.23	-63.20
4053	POTTERY MFG: CHINA OR TABLEWARE	36.07	17.29	-52.07
4061	POTTERY MFG: EARTHENWARE-GLAZED OR PORCELAIN-HAND & MOLDED OR CAST	6.51	3.46	-46.85
4062	POTTERY MFG: PORCELAIN WARE- MECHANICAL PRESS FORMING	3.60	3.72	3.33
4101	GLASS MFG-& DRIVERS	9.71	8.09	-16.68
4111	GLASSWARE MFG-NO AUTOMATIC BLOWING MACHINES	9.37	6.41	-31.59
4112	INCANDESCENT LAMP MFG	7.74	2.92	-62.27
4113	GLASS MFG-CUT	8.97	5.52	-38.46
4114	GLASSWARE MFG NOC	3.98	2.31	-41.96
4130	GLASS MERCHANT	6.38	5.57	-12.70
4131	MIRROR MFG	9.32	6.00	-35.62
4133	CATHEDRAL OR ART GLASS WINDOW MFG	6.18	2.70	-56.31
4150	OPTICAL GOODS MFG NOC	2.19	1.16	-47.03
4206	PULP MFG-GROUND WOOD PROCESS	5.35	4.22	-21.12
4207	PULP MFG-CHEMICAL PROCESS	15.49	4.22	-72.76
4239	PAPER MFG	5.95	5.96	0.17
4240	BOX MFG-SET-UP PAPER	6.14	5.26	-14.33
4243	BOX MFG-FOLDING PAPER-NOC	5.61	4.19	-25.31
4244	CORRUGATED OR FIBER BOARD CONTAINER MFG	6.19	4.26	-31.18
4250	PAPER COATING	3.37	2.84	-15.73
4251	STATIONERY MFG	4.46	3.30	-26.01
4263	FIBER GOODS MFG	5.71	7.42	29.95
4273	BAG MFG-PAPER	3.49	2.95	-15.47
4279	PAPER GOODS MFG NOC	6.52	4.58	-29.75
4282	DRESS PATTERN MFG-PAPER	5.35	4.22	-21.12
4283	BUILDINGS OR ROOFING PAPER OR FELT PREPARATION -NO INSTALL	3.15	3.53	12.06
4299	PRINTING	3.20	2.39	-25.31
4304	NEWSPAPER PUBLISHING	5.60	4.48	-20.00
4307	BOOKBINDING	4.29	2.37	-44.76
4351	PHOTO ENGRAVING	2.96	1.27	-57.09
4352	ENGRAVING	3.56	2.98	-16.29

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4360	MOTION PICTURE: DEVELOPMENT OF NEG, PRINT & ALL SUBSEQNT OPER	15.11	10.13	-32.96
4361	PHOTOGRAPHER-ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS	1.70	1.19	-30.00
4362	MOTION PICTURE: FILM EXCHANGE & PROJECTION ROOMS, CLERICAL	2.47	2.19	-11.34
4410	RUBBER GOODS MFG NOC	5.76	4.99	-13.37
4420	RUBBER TIRE MFG	7.48	8.16	9.09
4431	MAGNETIC AND OPTICAL MEDIA MFG	3.85	3.86	0.26
4432	FOUNTAIN PEN MFG	3.32	4.32	30.12
4439	LACQUER OR SPIRIT VARNISH MFG	24.73	27.00	9.18
4452	PLASTICS MFG: FABRICATED PRODUCTS NOC	6.80	4.63	-31.91
4459	PLASTICS MFG: SHEETS, RODS/TUBES	5.34	3.97	-25.66
4470	CABLE MFG-INSULATED ELECTRICAL	4.78	2.58	-46.03
4484	PLASTICS MFG MOLDED PRODUCTS NOC	5.56	4.88	-12.23
4493	FABRIC COATING OR IMPREGNATING NOC	8.66	8.67	0.12
4511	ANALYTICAL CHEMIST	1.30	0.90	-30.77
4557	INK MFG	4.13	2.77	-32.93
4558	PAINT MFG	3.36	2.64	-21.43
4561	VARNISH MFG-OLEO-RESINOUS	11.36	8.64	-23.94
4568	SALT, BORAX/POTASH PRODUCING OR REFINING & DRIVERS	1.09	1.19	9.17
4581	PHOSPHATE WORKS & DRIVERS	5.35	4.22	-21.12
4583	FERTILIZER MFG & DRIVERS	6.09	5.67	-6.90
4611	DRUG, MEDICINE OR PHARMACEUTICAL PREPARATION NO MFG OF INGRED.	2.12	1.47	-30.66
4635	OXYGEN OR HYDROGEN MFG & DRIVERS	3.00	2.53	-15.67
4653	GLUE MFG & DRIVERS	4.94	6.42	29.96
4665	RENDERING WORKS NOC & DRIVERS	21.54	14.52	-32.59
4670	COTTONSEED OIL MFG-MECHANICAL & DRIVERS	5.35	4.22	-21.12
4683	OIL MFG-VEGETABLE-NOC	3.60	1.81	-49.72
4686	VEGETABLE-SOLVENT EXTRACTION PROCESS	3.11	1.49	-52.09
4692	DENTAL LABORATORY	1.16	0.62	-46.55
4693	PHARMACEUTICAL OR SURGICAL GOODS MFG NOC	2.56	3.10	21.09
4703	CORN PRODUCTS MFG	5.35	3.85	-28.04
4717	BUTTER SUBSTITUTE MFG	5.35	4.22	-21.12
4720	SOAP OR SYNTHETIC DETERGENT MFG	6.34	4.26	-32.81
4740	OIL REFINING-PETROLEUM-& DRIVERS	3.98	4.16	4.52
4741	ASPHALT OR TAR DISTILLING OR REFINING & DRIVERS	5.89	5.85	-0.68
4751	SYNTHETIC RUBBER MFG	2.36	1.45	-38.56
4771	EXPLOSIVES OR AMMUNITION MFG: NOC & DRIVERS	3.63	2.13	-41.32
4777	EXPLOSIVES DISTIBUTORS & DRIVERS	15.04	10.81	-28.13
4825	DRUG, MEDICINE OR PHARMACY PREP MFG & INCID MFG OF INGRED	0.99	0.58	-41.41

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4828	CHEMICAL BLENDING OR MIXING NOC ALL OPERATIONS & DRIVERS	5.51	3.34	-39.38
4829	CHEMICAL MFG. NOC ALL OPERATIONS & DRIVERS	2.56	1.94	-24.22
4902	SPORTING GOODS MFG NOC	5.15	5.38	4.47
4923	PHOTOGRAPHIC SUPPLY MFG	3.07	2.11	-31.27
5020	CEILING INSTALL-SUSPENDED ACOUSTICAL GRID TYPE	16.32	9.79	-40.01
5022	MASONRY NOC CROSS-REF	11.77	7.55	-35.85
5037	PAINTNG: METAL STRUCTURES-OVER TWO STORIES IN HEIGHT-& DRIVERS	46.36	46.95	1.27
5040	IRON OR STEEL: ERECTION-FRAME STRUCTURES	20.46	13.00	-36.46
5057	IRON OR STEEL: ERECTION NOC	11.61	7.75	-33.25
5059	IRON OR STEEL: ERECTION-FRAME STRUCT NOT OVER TWO STORIES IN HGT	14.49	9.01	-37.82
5102	DOOR, DOOR FRAME/SASH ERECTION- METAL OR METAL COVERED	8.35	6.39	-23.47
5146	FURNITURE/FIXTURES INSTALL - PORTABLE - NOC	11.73	7.62	-35.04
5160	ELEVATOR ERECTION OR REPAIR	3.55	1.94	-45.35
5183	PLUMBING NOC & DRIVERS	6.07	4.06	-33.11
5188	AUTOMATIC SPRINKLER INSTALL & DRIVERS	4.64	5.03	8.41
5190	ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5.67	3.79	-33.16
5191	OFFICE MACHINE OR APPLIANCE INSTALL, INSPECT, ADJUST OR REPAIR	2.26	1.81	-19.91
5192	MACHINES-VEND OR COIN OP-INSTALL, SRVC OR REPAIR & SALESPRSNS, DRIVRS	7.94	5.92	-25.44
5213	CONCRETE CONSTR NOC	9.75	6.59	-32.41
5215	CONCRETE WORK-INCIDENTAL TO THE CONSTR OF PRIVATE RESIDENCE	9.47	5.58	-41.08
5221	CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS/SIDEWALKS-& DRV	9.79	5.27	-46.17
5222	CONCRETE CONSTR IN CONNECTION WITH BRIDGES OR CULVERTS	8.81	7.74	-12.15
5223	SWIMMING POOL CONSTR NOT IRON OR STEEL & DRIVERS	13.98	9.49	-32.12
5348	CERAMIC TILE, INDOOR STONE, MARBLE OR MOSAIC WORK	9.82	6.17	-37.17
5402	HOTHOUSE ERECTION-ALL OPERATIONS	21.66	7.99	-63.11
5403	CARPENTRY NOC	11.13	6.71	-39.71
5437	CARPENTRY-INSTALL OF CABINET WORK OR INTERIOR TRIM	7.75	4.40	-43.23
5443	LATHING & DRIVERS	31.95	23.32	-27.01
5445	WALLBOARD INSTALL BUILDINGS & DRIVERS	8.00	5.76	-28.00
5462	GLAZIER-AWAY FROM SHOP & DRIVERS	8.42	7.83	-7.01
5472	ASBESTOS CONTRACTOR-PIPE & BOILER WORK EXCLUSIVELY & DRIVERS	14.18	5.51	-61.14
5473	ASBESTOS CONTR-NOC & DRIVERS	14.73	9.80	-33.47
5474	PAINTING OR PAPERHANGING NOC & SHOP OPERATIONS, DRIVERS	13.74	7.87	-42.72

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5478	FLOOR COVERING INSTALLATION-RESILIENT FLOORING-CARPET & LAMINATE FLOORING	9.90	6.20	-37.37
5479	INSULATION WORK NOC & DRIVERS	15.84	8.20	-48.23
5480	PLASTERING NOC & DRIVERS	4.26	5.54	30.05
5491	PAPERHANGING & DRIVERS	28.79	8.18	-71.59
5506	STREET OR ROAD CONSTRUCTION: PAVING OR REPAIRING & DRIVERS	8.54	7.02	-17.80
5507	STREET OR ROAD CONSTRUCTION: SUBSURFACE WORK & DRIVERS	5.28	3.68	-30.30
5508	STREET OR ROAD CONSTRUCTION: ROCK EXCAVATION & DRIVERS	22.84	14.96	-34.50
5535	SHEET METAL WORK - INSTALLATION AND DRIVERS	8.38	6.91	-17.54
5537	HVAC & REFRIG SYSTEMS - INSTALL, SVC & REPAIR & DRIVERS	6.93	4.88	-29.58
5551	ROOFING-ALL KINDS & YARD EMPLOYEES & DRIVERS	30.45	17.28	-43.25
5605	CONSTRUCTION OR ERECTION ESTIMATORS	1.63	1.04	-36.20
5606	CONTRACTOR-PROJECT MGR, CONST EXEC, CONST MGR OR CONST SUPT	1.26	1.31	3.97
5610	CLEANER-DEBRIS REMOVAL	29.97	15.11	-49.58
5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	19.55	9.82	-49.77
5651	CARPENTRY-DWELLINGS-THREE STORIES OR LESS	13.61	8.31	-38.94
5703	BUILDING RAISING OR MOVING	21.41	13.19	-38.39
5951	SERUM, ANTI-TOXIN OR VIRUS MFG & DRIVERS	3.85	3.86	0.26
6003	PILE DRIVING	13.66	7.64	-44.07
6005	JETTY OR BREAKWATER CONSTRUCTION ALL OPERATION TO COMPLETION & DRV	41.42	13.06	-68.47
6017	DAM OR LOCK CONSTRUCTION: CONCRETWORK-ALL OPERATIONS	9.07	5.94	-34.51
6018	DAM OR LOCK CONSTRUCTION: EARTH MOVING OR PLACING-ALL OPER & DRV	9.07	5.94	-34.51
6045	LEVEE CONSTRUCTION-ALL OPERATIONS TO COMPLETION & DRIVERS	9.07	5.94	-34.51
6204	DRILLING NOC & DRIVERS	14.25	9.17	-35.65
6206	OIL OR GAS WELL: CEMENTING & DRIVERS	10.04	6.81	-32.17
6213	OIL OR GAS WELL: SPECIALTY TOOL OPERNOB-CY CONTR-ALL EMP & DRIVERS	9.07	6.10	-32.75
6214	OIL OR GAS WELL: PERFORATING OF CASING-ALL EMPLOYEES & DRIVERS	5.11	6.64	29.94
6216	OIL OR GAS LEASE WORK NOC-BY CONTRACTOR & DRIVERS	13.69	7.36	-46.24
6217	EXCAVATION & DRIVERS	8.20	4.99	-39.15
6229	IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	16.84	6.55	-61.10
6233	OIL OR GAS PIPELINE CONSTRUCTION & DRIVERS	6.59	5.24	-20.49
6235	OIL OR GAS WELL: DRILLING OR RE-DRILLING & DRIVERS	29.14	29.19	0.17
6236	OIL OR GAS WELL: INSTALLATION OR RECOVERY OF CASING & DRIVERS	7.74	6.51	-15.89

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Manual Number	NCCI Manual Class Description	7/1/2008 Base Rate	7/1/2009 Base Rate	Percent Change
6237	OIL OR GAS WELL: INSTRUMENT LOGGING SURVEY WORK & DRIVERS	3.34	2.15	-35.63
6251	TUNNELING-NOT PNEUMATIC-ALL OPERATIONS	13.85	13.29	-4.04
6252	SHAFT SINKING-ALL OPERATIONS	7.59	6.07	-20.03
6306	SEWER CONSTR-ALL OPERATIONS & DRIVERS	5.21	4.33	-16.89
6319	GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6.10	5.36	-12.13
6325	CONDUIT CONSTRUCTION-FOR CABLES OR WIRES	7.54	8.93	18.44
6400	FENCE ERECTION-METAL	8.51	4.99	-41.36
6504	FOOD SUNDRIES MFG NOC-CEREAL MILLING	5.47	4.72	-13.71
6704	RAILROAD CONST ALL OPER INCLUD CLERICAL, SALESPERSONS & DRIV	10.31	8.21	-20.37
6811	BOAT BUILDING-WOOD-NOC & DRIVERS	4.13	4.95	19.85
6834	BOAT BUILDING OR REPAIR & DRIVERS	6.48	5.15	-20.52
6836	MARINA & DRIVERS	10.61	7.10	-33.08
6854	SHIP BUILDING-IRON OR STEEL- NOC & DRIVERS	49.58	4.22	-91.49
6882	SHIP REPAIR CONVERSION - ALL OPERATIONS & DRIVERS	10.91	3.86	-64.62
6884	PAINTING: SHIP HULLS	5.35	4.22	-21.12
7133	RAILROAD OPERATION: NOC - ALL EMPLOYERS AND DRIVERS	6.02	7.83	30.07
7228	TRUCKING- LOCAL HAULING ONLY- ALL EMPLOYEES AND DRIVERS	16.11	10.65	-33.89
7229	TRUCKING- LONG DISTANCE HAULING- ALL EMPLOYEES AND DRIVERS	10.11	9.10	-9.99
7230	TRUCKING: PARCEL OR PACKAGE DELIVERY- ALL EMPLOYEES & DRIVERS	27.98	14.00	-49.96
7231	MAIL, PARCEL OR PCKG DELIVERY & COURIER OR MESSENGER SVC - ALL EMPS & DRIVERS	20.23	15.73	-22.24
7232	TRCKNG: MAIL PARCEL/PKG DLV-CNTCT U S POST SERV-ALL EMPS & DRV	9.94	9.59	-3.52
7360	FREIGHT HANDLING NOC	10.65	8.53	-19.91
7370	TAXICAB CO : ALL OTHER EMPLOEES & DRIVERS	10.26	8.07	-21.35
7380	DRIVERS, CHAUFFEURS, MESSENGERS & HELPERS NOC - COMMERCIAL	8.59	6.96	-18.98
7382	BUS CO : ALL OTHER EMPLOYEES & DRIVERS	8.38	7.73	-7.76
7390	BEER OR ALE DEALER-WHOLESALE & DRIVERS	7.48	7.83	4.68
7403	AVIATION: ALL OTHER EMPLOYEES & DRIVERS	5.13	4.14	-19.30
7405	AVIATION: AIR CARRIER - SCHEDULED, COMMUTER, SUPPLEMENTAL - FLYING CREW	2.61	2.47	-5.36
7420	AVIATION: STUNT FLYING, RACING, PARACHUTE JUMPING - FLYING CREW	3.78	4.91	29.89
7421	AVIATION: TRANSPORT OF PERSONNEL FOR EMPLOYER BUSINESS - FLYING CREW	7.81	2.68	-65.69
7422	AVIATION: NOC - OTHER THAN HELICOPTERS - FLYING CREW	3.68	3.02	-17.93
7425	AVIATION: NOC - HELICOPTERS - FLYING CREW	2.86	1.43	-50.00
7431	AVIATION: AIR CHARTER OR AIR TAXI - FLYING CREW	4.00	2.22	-44.50

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7502	GAS COMPANY: GAS CO-NATURAL GAS-LOCAL DISTRIBUTION & DRIVERS	1.91	1.72	-9.95
7515	OIL OR GAS PIPELINE OPERATION & DRIVERS	2.70	3.51	30.00
7520	WATERWORKS OPERATION & DRIVERS	5.86	3.48	-40.61
7538	ELECTRIC LIGHT OR POWER LINE CONTRACTOR & DRIVERS	14.74	12.59	-14.59
7539	ELECTRIC LIGHT OR POWER CO NOC- ALL EMPLOYEES & DRIVERS	2.76	3.59	30.07
7540	ELEC LIGHT/POWER COOPERATIVE-REA PROJECT ONLY-ALL EMPLOYEES & DRV	5.05	4.89	-3.17
7580	SEWAGE DISPOSAL PLANT OPERATION & DRIVERS	3.11	2.81	-9.65
7590	GARBAGE WORKS	9.39	7.32	-22.04
7600	TELEPHONE OR TELEGRAPH CO: ALL OTHER EMPLOYEES & DRIVERS	4.00	2.97	-25.75
7601	TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7.18	7.14	-0.56
7605	BURGLAR ALARM INSTALL OR REPAIR & DRIVERS	3.97	3.23	-18.64
7610	RADIO/TV BROADCASTING STATION- ALL EMPLOYEES & CLERICAL, DRIVERS	0.60	0.53	-11.67
7611	TELEPHONE/CABLE TV LINE INST CONTRACTORS, UNDERGROUND & DRIVER	10.74	6.99	-34.92
7612	TELEPHONE OR CABLE TV LINE INST CONTRACTORS, OVERHEAD & DRIVERS	11.48	9.85	-14.20
7613	TELEPHONE/CABLE TV LINE INST CONT. SERV. LINE & CONN. & DRIVERS	19.57	16.50	-15.69
7705	AMBULANCE SERVICE COMPANIES AND EMS AND DRIVERS	10.26	8.84	-13.84
7710	FIREFIGHTERS AND DRIVERS	26.66	7.31	-72.58
7711	FIREFIGHTERS AND DRIVERS - VOLUNTEER	26.66	6.64	-75.09
7720	POLICE OFFICERS & DRIVERS	5.09	4.58	-10.02
7855	RR CNST LAY/RELY TRCKS/MAINT OF WAY CONTR-NO WORK ON ELEV RR- DRV	12.77	5.87	-54.03
8001	STORE: FLORIST & DRIVERS	4.56	3.91	-14.25
8002	AUTOMOBILE RENTAL CO:ALL OTHER EMPLOYEES & COUNTER PERSONNEL, DRV	4.45	5.55	24.72
8006	STORE: GROCERY RETAIL	5.49	3.48	-36.61
8008	STORE: CLOTHING, WEARING APPAREL/DRY GOODS-RETAIL	2.52	2.05	-18.65
8010	STORE: HARDWARE	3.30	2.47	-25.15
8013	STORE: JEWELRY	0.79	0.53	-32.91
8015	QUICK PRINTING-COPYING/DUP SERV-ALL EMPS/CLERICAL, SALESPRSNS DRV	1.09	0.98	-10.09
8017	STORE: RETAIL NOC	2.78	2.25	-19.06
8018	STORE: WHOLESALE NOC	4.94	4.47	-9.51
8021	STORE: MEAT, FISH OR POULTRY DEALER WHOLESALE	3.90	3.52	-9.74
8031	STORE: MEAT, FISH OR POULTRY- RETAIL	6.93	3.61	-47.91

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8032	STORE: CLOTHING, WEARING APPAREL OR DRY GOODS-WHOLESALE	3.08	4.00	29.87
8033	STORE: MEAT, GROCERY & PROVISION STORES COMBINED-RETAIL NOC	4.28	3.52	-17.76
8039	STORE: DEPARTMENT-RETAIL	7.09	5.55	-21.72
8044	STORE: FURNITURE & DRIVERS	5.61	3.93	-29.95
8045	STORE: DRUG RETAIL	0.90	0.68	-24.44
8046	STORE: AUTO ACCESSORY-RETAIL NOC & DRIVERS	3.70	3.02	-18.38
8047	STORE: DRUG-WHOLESALE	2.94	3.20	8.84
8058	BUILDING MATERIAL DEALER-NEW MATERIALS ONLY: STORE EMPLOYEES	4.83	2.66	-44.93
8072	STORE:BOOK, RECORD, DISC, SOFTWARE,VIDEO OR AUDIO CASSETTE RETAIL	2.16	1.39	-35.65
8102	SEED MERCHANT	2.46	1.79	-27.24
8103	WOOL MERCHANT	38.99	7.48	-80.82
8105	STORE: HIDE OR LEATHER DEALER	15.91	10.68	-32.87
8106	IRON OR STEEL MERCHANT & DRIVERS	6.34	5.85	-7.73
8107	MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	4.34	3.60	-17.05
8111	PLUMBERS' SUPPLIES DEALER & DRIVERS	5.15	4.21	-18.25
8116	FARM MACHINERY DEALER-ALL OPERATIONS & DRIVERS	2.72	1.52	-44.12
8203	ICE MFG OR DISTRIBUTION & DRIVERS	8.99	6.54	-27.25
8204	BUILDING MATERIAL YARD & LOCAL MANAGERS, DRIVERS	4.57	3.76	-17.72
8209	VEGETABLE PACKING & DRIVERS	4.24	4.66	9.91
8215	HAY, GRAIN OR FEED DEALER & LOCAL MANAGERS, DRIVERS	5.43	3.45	-36.46
8227	CONSTRUCTION OR ERECTION PERMANENTYARD	6.12	4.01	-34.48
8232	LUMBERYRD NEW MTRLS ONLY: ALL OTH EMP & YARD, WAREHOUSE, DRV	8.22	6.18	-24.82
8233	COAL MERCHANT & LOCAL MANAGERS, DRIVERS	5.36	5.49	2.43
8235	SASH, DOOR/ASSEMBLED MILLWORK DEALER & DRIVERS	5.68	4.40	-22.54
8263	JUNK DEALER & DRIVERS	16.74	14.08	-15.89
8264	BOTTLE DEALER-USED & DRIVERS	10.49	9.00	-14.20
8265	IRON OR STEEL SCRAP DEALER & DRIVERS	13.29	11.06	-16.78
8279	STABLE/BREEDING FARM & DRIVERS	24.02	12.16	-49.38
8288	LIVESTOCK DEALER OR COMMISSION MERCHANT & SALESPERSONS, DRIVERS	6.44	8.37	29.97
8291	STORAGE WAREHOUSE-COLD	6.23	6.67	7.06
8292	STORAGE WAREHOUSE NOC	6.00	6.04	0.67
8293	STORAGE WAREHOUSE-FURNITURE & DRIVERS	15.68	10.71	-31.70
8304	GRAIN ELEVATOR OPERATION & LOCAL MANAGERS, DRIVERS	5.08	5.21	2.56
8350	GASOLINE DEALER & DRIVERS	6.36	5.37	-15.57
8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	5.12	3.50	-31.64
8381	GASOLINE STATION-RETAIL-SELF- SERVICE	5.55	4.42	-20.36
8385	BUS CO : GARAGE EMPLOYEES	4.62	3.79	-17.97

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8392	AUTO STORAGE GARAGE, PARKING LOT OR PARKING STATION, VALET SVC, CASHIERS, COUNTER AND DRIVERS	7.55	7.00	-7.28
8393	AUTOMOBILE BODY REPAIR	3.31	2.53	-23.56
8500	METAL SCRAP DEALER & DRIVERS	9.67	7.73	-20.06
8601	ARCHITECT OR ENGINEER-CONSULTING	1.01	0.45	-55.45
8606	GEOPHYSICAL EXPLORATION SEISMIC- ALL EMPLOYEES & DRIVERS	5.99	3.75	-37.40
8720	INSPECTION OF RISKS FOR INSUR OR VALUATION PURPOSES NOC	3.60	3.67	1.94
8721	REAL ESTATE APPRAISAL COMPANY OUTSIDE EMPLOYEES	0.47	0.30	-36.17
8742	SALESPERSONS OR COLLECTORS - OUTSIDE	0.43	0.30	-30.23
8745	NEWS AGNT/DIST OF MAG/OTH PERIDS NOT RETL DEALRS & SALSPRSNS,DRV	4.28	3.92	-8.41
8748	AUTOMOBILE SALESPERSONS	0.84	0.58	-30.95
8755	LABOR UNION-ALL EMPLOYEES	0.62	0.58	-6.45
8799	MAILING OR ADDRESSING COMPANY OR LETTER SERVICE SHOP - CLERICAL	1.84	1.74	-5.43
8800	MAILING OR ADDRESSING CO & CLERICAL	1.86	1.80	-3.23
8803	AUDITORS, ACCNT OR FACTORY COST OR OFFICE SYSTEMATIZER- TRAVELING	0.15	0.09	-40.00
8810	CLERICAL OFFICE EMPLOYEES NOC	0.27	0.19	-29.63
8820	ATTORNEY-ALL EMPLOYEES & CLERICAL MESSENGERS & DRIVERS	0.44	0.21	-52.27
8824	RETIREMENT LIVING CENTERS: HEALTHCARE EMPLOYEES	6.77	6.22	-8.12
8825	RETIREMENT LIVING CENTERS: FOOD SERVICE EMPLOYEES	3.96	3.37	-14.90
8826	RETIREMENT LIVING CENTERS ALL OTHER EMPS, SALESPERSONS & DRV	4.47	3.29	-26.40
8829	CONVALESCENT OR NURSING HOME ALL EMPLOYEES	5.10	4.74	-7.06
8831	HOSPITAL-VETERINARY & DRIVERS	2.94	1.48	-49.66
8832	PHYSICIAN & CLERICAL	0.68	0.44	-35.29
8833	HOSPITAL: PROFESSIONAL EMPLOYEES	1.72	1.50	-12.79
8835	HOME - PUBLIC & TRAVELING HEALTHCARE - ALL EMPLOYEES	5.40	4.20	-22.22
8842	GROUP HOMES ALL EMPLOYEES AND SALESPERSONS, DRIVERS	3.66	3.17	-13.39
8864	SOCIAL SERVICES ORGANIZATION ALL EMPLOYEES AND SALESPERSONS, DRIVERS	3.66	3.17	-13.39
8868	COLLEGE: PROFESSIONAL EMPLOYEES & CLERICAL	0.72	0.51	-29.17
8869	CHILD DAY CARE CENTER: PROFESS EMPLOYEES & CLERICAL SALESPERSONS	2.22	1.86	-16.22
8871	CLERICAL TELECOMMUTER EMPLOYEES	0.69	0.45	-34.78
8901	TELEPHONE OR TELEGRAPH CO: OFFICE EXCHANGE EMPLOYEES & CLERICAL	0.20	0.19	-5.00
8989	DOMESTIC WORKERS - RESIDENCES	3.60	3.82	6.11
9012	BUILDING OP. - BY OWNER, LESSEE, REAL ESTATE MANGT. FIRM: PROFESS	1.04	0.82	-21.15
9014	BUILDINGS-OPERATION BY CONTRACTORS	6.91	5.66	-18.09

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9015	BUILDINGS-OPERATION BY OWNER OR LESSEE ALL OTHER EMPLOYEES	7.84	5.19	-33.80
9016	AMUSEMENT PARK OR EXHIBITION OPERATION & DRIVERS	5.54	4.98	-10.11
9019	BRIDGE OR VEHICULAR TUNNEL OPERATION & DRIVERS	3.06	2.19	-28.43
9033	HOUSING AUTHORITY & CLERICAL, SALESPERSONS, DRIVERS	3.17	3.25	2.52
9040	HOSPITAL: ALL OTHER EMPLOYEES	4.03	4.59	13.90
9052	HOTEL: ALL OTHER EMPMS & SALESPERSONS, DRIVERS	5.32	3.96	-25.56
9058	HOTEL: RESTAURANT EMPLOYEES	4.32	3.61	-16.44
9059	CHILD DAY CARE CENTER: ALL OTHER EMPLOYEES AND DRIVERS	2.92	1.99	-31.85
9060	CLUB-COUNTRY, GOLF, FISHING OR YACHT & CLERICAL	2.70	1.67	-38.15
9061	CLUB NOC & CLERICAL	4.71	2.99	-36.52
9062	CASINO GAMBLING-ALL EMPLOYEES & CLERICAL, SALESPERSONS & DRIVERS	5.13	6.67	30.02
9063	YMCA, YWCA, YMHA OR YWHA, INSTITUTION-ALL EMPMS & CLERICAL	2.02	1.50	-25.74
9082	RESTAURANT NOC	3.34	2.33	-30.24
9083	RESTAURANT: FAST FOOD	3.47	2.46	-29.11
9084	BAR, DISCOTHEQUE, LOUNGE, NIGHT CLUB OR TAVERN	4.47	2.73	-38.93
9088	ROCKET OR MISSILE TESTING OR LAUNCHING & DRIVERS	5.28	4.26	-19.32
9089	BILLIARD HALL	1.99	1.65	-17.09
9093	BOWLING LANE	3.39	2.45	-27.73
9101	COLLEGE: ALL OTHER EMPLOYEES	4.16	2.74	-34.13
9102	PARK NOC-ALL EMPLOYEES & DRIVERS	5.56	3.34	-39.93
9154	THEATER NOC: ALL OTHER EMPLOYEES	3.79	2.73	-27.97
9156	THEATER NOC: PLAYERS, ENTERTAINERS OR MUSICIANS	4.19	1.45	-65.39
9170	JANITORIAL SERVICES BY CONTRACTORS	6.91	5.55	-19.68
9178	ATHLETIC TEAM OR PARK: NON-CONTACT SPORTS	23.00	23.93	4.04
9179	ATHLETIC TEAM/PARK: CONTACT SPORTS	37.86	49.22	30.01
9180	AMUSEMENT DEVICE OPERATION NOC- NOT TRAVELING-& DRIVERS	7.00	3.63	-48.14
9182	ATHLETIC TEAM/PARK: OPERATION & DRIVERS	6.29	5.74	-8.74
9186	CARNIVAL, CIRCUS/AMUSEMENT DEVICE OPER-TRVL-ALL EMPMS & DRIVERS	22.09	9.12	-58.71
9220	CEMETERY OPERATION & DRIVERS	9.36	7.04	-24.79
9402	STREET CLEANING & DRIVERS	7.78	7.26	-6.68
9403	GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS	13.53	10.89	-19.51
9501	PAINTING: SHOP ONLY & DRIVERS	5.47	3.92	-28.34
9505	PAINTING: AUTOMOBILE OR CARRIAGE BODIES	2.25	1.85	-17.78
9516	RADIO, TV, VIDEO & AUDIO EQUIP. INSTALL, SERVICE OR REPAIR & DRV	5.50	5.97	8.55
9519	ELECTRICAL HOUSEHOLD & COMMML APPLIANCES - INSTALL, SERVICE OR REPAIR & DRIVERS	8.91	4.48	-49.72
9521	HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING	3.99	4.68	17.29

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9522	UPHOLSTERING	2.94	2.99	1.70
9534	MOBILE CRANE & HOIST SRVC CONTRS- NOC-ALL OP-INCL YARD EMPS & DRV	4.91	3.64	-25.87
9554	SIGN ISTALL, MAINT., REPAIR, REMOVAL OR REPLACEMENT: NOC & DRIVERS	12.85	9.52	-25.91
9586	BARBER SHOP	1.42	0.83	-41.55
9600	TAXIDERMIST	3.58	2.93	-18.16
9620	FUNERAL DIRECTOR & DRIVERS	1.79	0.86	-51.96
9984	ATOMIC ENERGY: PROJECT WORK	1.61	1.24	-22.98
9985	ATOMIC ENERGY: RADIATION EXPOSURE NOC	3.32	3.65	9.94
ing manuals have not yet been calculated:				
1164	MINING NOC-NOT COAL-UNDERGROUND & DRIVERS			
1452	ORE MILLING & DRIVERS			
3851	MOTORCYCLE MFG OR ASSEMBLY			
5069	IRON/STEEL: EREC-CONSTR OF DWELLINGS NOT OVER 2 STORIES IN HGT			
5705	SALVAGE OPERATION-NO WRECKING OR ANY STRUCTURAL OPERATIONS			
6260	TUNNELING-PNEUMATIC-ALL OPERATIONS			
7222	TRUCKING: OIL FIELD EQUIPMENT- ALL EMPLOYEES & DRIVERS			
9044	CASINO GAMBLING-HOTEL - ALL EMP.CLERICAL, SALESPERSONS & DRIVERS			



March 19, 2009

Analysis of Section 3 of Oliver Wyman’s March 6, 2009 Report, “Rate Recommendations for Private Employers – Ohio Bureau of Workers’ Compensation”*

SHOENFELT CONSULTING

James S. Shoenfelt, ACAS, MAAA

Actuary, Shoenfelt Consulting, Inc.

* Including Exhibits 10.1 and replacement Exhibits 10.2 – 10.4

Background

An Ohio employer's workers' compensation premium is a function of the employer's "experience modification percentage". The experience modification percentage depends on a ratio – (actual adjusted losses less expected adjusted losses) divided by expected adjusted losses – where these losses correspond to either 1) the employer or 2) the employer's group. The experience modification percentage equals this ratio multiplied by a "credibility percentage". The credibility percentage is such that it increases with the dollar amount of the expected losses. Since employer groups tend to have more dollars of expected losses than single employers, the credibility percentage tends to be larger for employer groups. Thus employer groups with low ratios tend to enjoy lower experience modification percentages than single employers with similar low ratios. So, if an employer has low ratio and is a member of a group, it may enjoy a small experience modification percentage. If the same employer's ratio increases such that it loses membership in the group, the employer may be subject to a very large rate increase.

Proposed Changes

- **Overall Rate Decrease.** Apply a -12.0% Rate Decrease, applicable to groups and non-groups
- **Credibility Table Change.** Move from the 85% Maximum Credibility table to the 77% Maximum credibility table
- **Experience Modification Off-balance Change in Calculation Procedure:** The experience modification off-balance factors currently vary by class. The average off-balance factor is 1.49. An experience modification off-balance factor of 1.23 is proposed for all classes.
- **Experience Modification Factor Cap.** Introduce a cap such that an employer's experience modification factor may increase no more than 130%.
- **Group Factor.** Introduce a group factor of 1.311.

Definition

Segment: Grouped Employers or Non Grouped Employers.

Scope

This review is limited to a review of Section 3 and Exhibit 10.1 of Oliver-Wyman's report dated March 6, 2009 and the replacement Exhibits 10.2 – 10.4 emailed from John.P.17@bwc.state.oh.us to jim@shoenfeltconsulting.com on Mon 3/16/2009 5:25 PM.

Reliance

I have relied on the following:

- All premium and loss figures in this report are correct.
- The current 2008 Experience Modification and Current 2008 Off-balance for Non Group and Group (Columns 3 & 4 of Exhibit 10.2) is correct.
- The following calculations of Oliver Wyman are correct:
 - Average 2008 Experience Modification Factor and Off-balance Experience Modification Factor (Exhibit 10.2, Table 1, Columns 3 and 4), and the average off-balance after the application of the 77% Maximum Credibility Table (Exhibit 10.3, Table 3, Col. 6)
 - 2008 Projected Premium (Exhibit 10.2, Table 2, Column 1)
 - The percentage impact on 2008 projected premium of adopting the 77% Credibility Adoption (Exhibit 10.3, Table 3, Column 2)
 - Impact of the capping the experience mod changes at 130% (Exhibit 10.4, Table 5, Column 3)
- Dollar impact of the capping experience Mod Changes to 130% (Exhibit 10.4, col, 3)

Judgment and Sensitivity Analysis. Oliver Wyman’s conclusions are based in part on judgment. In addition to any judgment which may be implicit in the figures listed in the “Reliance” section above, I have identified two additional items relying on judgment: 1) the implemented segment relativities, 2) the projected 2008 premiums. The premium impact of the proposed changes including Oliver Wyman’s judgment on these two items is a 9.6% increase for groups. (See Table 2, Column 3). The sensitivity of this figure to changes in judgment and the rationale for such are shown below.

Implemented Segment Relativities

Judgment

The “selected” segment relativities in Exhibit 10.1 are within the range of the historical relativities calculated for policy years 2003 – 2007. The “selected” relativity for non-group is a little higher than the 5-year average historical paid relativity. The “selected” relativity for group is a little higher than both the 5-year average historical paid relativity and the 5-year average historical incurred relativity. However, these “selected” relativities are not implemented. The *implemented* group relativity (Table 1, Column 2) is lower. (This represents an intention to limit the group premium increase to that which would result from the adoption of the 77% Maximum Credibility table alone.)

Sensitivity

Implementing the indicated group segment relativity

Exhibit 10.1 indicates that the “selected” non-group and group relativities are 1.30 and 0.80, respectively. The premium impact of the proposed changes when implementing these relativities in lieu of the relativities shown in Oliver Wyman’s report on Table 1, column 2 is a 16.8% increase for groups.

Implementing the average of the 5-year average paid relativity and the 5-year average incurred relativities

The average of the 5-year average paid relativity and the 5-year average incurred relativities for non-group and group respectively are 1.29 and 0.775. The premium impact of the proposed changes and implementing these relativities in lieu of the relativities shown in Oliver Wyman's report on Table 1, column 2 is a 15.4% increase for groups.

Conclusion

It may be actuarially appropriate to implement segment relativities that are closer to the "selected" segment relativities or perhaps to select segment relativities that are closer to the 5-year average indicated relativities. However, such selections result in even greater percentage premium increases to group policies. Implementing segment relativities of 1.30 and 0.706 for non-groups and groups, respectively, have the effect of limiting the premium increase to groups than would otherwise be generated by the two other reasonable sets of segment relativities described in the "sensitivity" section above.

2008 projected premium.

Judgment

Oliver-Wyman projects 2008 premium as \$1,270K for non-groups and \$780K for groups. These projections rely on some judgment. The calculations underlying Oliver-Wyman's 2008 premium calculations are complex and recognize other rating factors in the plan. One simple but somewhat reasonable method to project 2008 premium by segment is as follows: projected 2008 segment premium equals 2007 segment base premium before experience modification (from Exhibit 10.1) multiplied by the current 2008 segment average experience modification factor (from Table 1, column 3) and the corresponding segment off-balances (from Table 1, Column 4). This method yields 2008 premium as \$1,203K for non-groups and \$670K for groups.

Sensitivity

The premium impact of implementing the proposed changes and implementing these 2008 projected segment premiums in lieu of the 2008 projected segment premiums shown in Oliver Wyman's report on Table 2, column 1 while holding all else constant (i.e. still limiting group premium increases to those resulting from the adoption of the 77% Maximum Credibility Table alone) is a 10.0% increase for groups.

Conclusion

The implementation of the alternative 2008 projected premiums (all else the held constant, i.e. group premiums capped at that resulting from the 77% Maximum Credibility Table adoption) results in a slightly higher percentage increase for groups.

Other notes

Suitability of basing segment relativities on undeveloped losses

Oliver-Wyman bases relativities on undeveloped losses, rather than developed losses. I expect to see no significant differences as the relativities based on undeveloped losses are reasonably similar between policy years (of varying levels of loss development). See Exhibit 10.1.

Suitability of basing segment relativities on premiums “before Experience Modification”

If other rating factors applied after the experience modification in the premium algorithm impact group premium differently than non-group premium, then the proposed group and non-group relativities could be an inaccurate starting point for the computation of the “segment indicated change”. To that concern, Oliver-Wyman provided the following explanation:

There are other rating steps after the experience mod which could impact the premium between group and non group; however none are significant enough to move the relativities in a material way. Here is a brief summary of those rating factors:

Premium Discount Program (PDP): The PDP program is a discount that is primarily for the non group insureds with higher mods, and while older studies have supported the credit, more recent reports have been conflicting. A major consideration in evaluating the soundness of the credit is the impact of changing the experience rating credibility tables each year, as that will affect the PDP results. Since the PDP program is set to be discontinued in policy year 2009, my premise has been that we can ignore it for this analysis. If PDP continues in a form that favors non group, additional analysis may be required.

Drug Free Work Place: This program offers credits at levels that are currently being questioned, however the issue here is whether or not the participation levels strongly favors group or non group. From the "slippage" data we have seen I do not believe the participation levels differ enough between group and non group to have a material impact on the loss ratio relativities.

Salary continuation and 15k Medical programs: These options allow employers to assume costs in a deductible fashion, especially those who are motivated to stay in Group and/or keep their experience mod low. As this incentive may dissipate over time, it is possible the system may see less participation in these programs. Offsetting this would be an increase in experience mods as more losses flow into the experience rating history. A majority of participants in these programs are in Group. Note that this is not a rating factor in the plan; however it is a dynamic that could change.

Another program not mentioned is the “one claim” program, which is a plan designed for employers that have been kicked out of group. This rating factor was treated as part of the experience mod for non group, and therefore has been incorporated already.

I have relied that this information is correct.

CAS Statement of Principles Regarding Property and Casualty Ratemaking and Rate Capping

The May 1988 Casualty Actuarial Society's Statement of Principles Regarding Property and Casualty Ratemaking's Principle #4 explains that "A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer." The proposed rates limit the selected group relativity to .706 although indicated relativities are in the 0.74 – 0.82 range. The proposed rates include a cap on experience modification factor changes, too. These rate caps represent an effort to strike a balance between rates that are stable (i.e. avoiding large rate swings for employers whose underlying risk characteristics have been stable) and having rates represent an actuarially sound estimate of all future costs associated with an individual risk transfer. Additionally, Ohio Bureau of Workers Compensation has used rating caps in the past:

- The BWC limited the amount of penalty or debit TM (total modifier, which has since been replaced by the EM or experience modifier) that could be applied to the base rate.
- When BWC adopted the NCCI classification system

Conclusion

I have reviewed section 3 and Exhibit 10.1 of Oliver-Wyman's March 6, 2009 report and the replacement Exhibits 10.2 – 10.4 emailed from John Pedrick to me on 3/16/2009 5:25 PM. Subject to the caveats in the "Reliance" section above, it is my opinion that:

- The selected segment relativities are reasonably supported by the data and calculations in Exhibit 10.1.
- The implemented segment relativities correctly reflect an effort to limit rate increases for groups.
- Tables 1 and 2 demonstrate that the premium impact of applying a 12% base rate decrease and the implemented segment relativities of 1.30 (for non-groups) and 0.706 (for groups) is -25.3% for non-groups and 9.6% for groups.
- Tables 3 through 6 demonstrate that the impact of all proposed changes also results in a premium change of -25.3% for non-groups and 9.6% for groups.

In addition to any judgment that may be implicit in the items listed in the "Reliance" section above, I have identified two sources of judgment in Oliver Wyman's exhibits. For these two sources of judgment, I have provided alternative judgments and my rationale for such above. These alternative judgments have the effect of increasing the premium impact of the proposed changes for groups.

The proposal includes rate capping. While it is not clear whether rate capping *may* be consistent with Ratemaking Principles #4, it clearly represents an effort to minimize premium swings for policyholders whose underlying rate characteristics have been relatively stable. There is precedence in capping rates as Ohio BWC has used rate capping in the past.

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-73

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 group retrospective rating 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 Grocers' Association, Ohio Manufacturers' Association, Ohio Retail Merchants, 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

Group Retrospective Rating Program Rules

Introduction

Chapter 4123-17 of the Ohio Administrative Code contains BWC rules for alternative rating and discount programs. Rule 4123-17-73 is a new rule to create a group retrospective rating program.

Background Information

Pursuant to division (A) of section 4123.29 of the Ohio Revised Code, the administrator shall consider an employer group as a single employing entity for purposes of retrospective rating. The group retrospective rating program provides a means for employers to form a group and benefit from safe workplace practices.

Proposed Changes

A sponsoring organization certified by BWC will have the right to form a retrospective rating group comprised of a collection of its constituent members. For a one year period of time BWC will track the combined premium and claims costs of the retro group. At intervals of 12, 24, and 36 months after the end of the retro year, BWC will look back and calculate the retrospective premium of the group. This is also known as “retro adjustment”.

If claims costs for the retro year are lower than anticipated, a portion of the premiums paid are refunded. If, however, claims costs are above a certain point (depending on the level of risk chosen by the group), an assessment for additional premium would be made. There is a pre-selected limit to this additional assessment, called a “Maximum Premium Ratio”, but it is critical that this risk is recognized. Refunds and assessments will be directly distributed to employers on a pro rata basis.

4123-17-73 Group Retrospective Rating Program.

(A) As used in this rule:

(1) “Group retrospective rating” or “group retro rating” is a voluntary workers' compensation insurance program offered by the bureau of workers' compensation. Group retro rating is designed to provide financial incentive to employer groups participating in the program that, through improvements in workplace safety and injured worker outcomes, are able to keep their claim costs below a predefined level.

(2) “Basic premium ratio” means a component of the retrospective rating premium formula. The basic premium ratio (BPR) represents an insurance charge that covers the cost of having retrospective premium limited by the selected maximum premium ratio, a charge for a per loss limit for incurred losses, and a charge for surplus claims.

(3) “Developed losses” or “total incurred losses (developed)” means a component of the retrospective rating premium formula. Based on historical trends, the total incurred losses for claims in a coverage period tend to increase over time. This can be the result of claim reactivation, claims incurred but not reported, etc. The developed losses computation increases the total incurred losses to account for these anticipated but unaccounted for costs.

(4) “Evaluation period” means the three-year period beginning immediately after the end of the retro policy year. Annual evaluations will occur three times during the evaluation period at twelve, twenty-four, and thirty-six months after the end of the policy year.

(5) “Incurred losses” means compensation payments and medical payments paid to date as well as open case reserves.

(6) “Loss development factor” means actuarially determined factors that are multiplied by incurred losses of non-PTD/death retro claims to produce developed losses. Loss development factors (LDF) are unique to each coverage period.

(7) “Maximum premium ratio” means a factor pre-selected by the retro group that is multiplied by the standard premium to determine the maximum retrospective premium for the group.

(8) “Member of a retro group” means the individual employers that participate in a group retro plan of a sponsoring organization.

(9) "Reserve" means the bureau's estimate of the future cost of a claim at a specific point in time.

(10) "Retro year" means the policy year in which an employer is enrolled in group retrospective rating. Claim losses which occur during this year will be tracked for all retro group members and refunds/assessments will be distributed based on those losses in the subsequent evaluation period. The retro year start and end date will match that of the policy year. For public employer taxing districts, the coverage period shall be January first through December thirty-first of a year. For private employers, the coverage period shall be July first through June thirtieth of the following year.

(11) "Standard premium" for the purposes of retro evaluation means the total premium paid by an employer for a given coverage period, excluding the assessments for the disabled workers' relief fund and the administrative cost fund.

(B) Sponsor eligibility requirements.

Each sponsoring organization seeking to sponsor a retro group must be certified under the bureau's sponsor certification process as specified in rule 4123-17-61.1 of the Administrative Code.

(C) Retro group eligibility requirements.

Each retro group seeking to participate in the bureau group retro program shall meet the following standards:

(1) A retro group must be sponsored by a bureau certified sponsoring organization.

(2) The employers' business in the organization must be substantially similar such that the risks which are grouped are substantially homogeneous. A group shall be considered substantially homogeneous if the main operating manuals of the risks as determined by the premium obligations for the rating year beginning two years prior to the coverage period are assigned to the same or similar industry groups. Industry groups are determined by appendix B to rule 4123-17-05 of the Administrative Code. Industry groups seven and nine as well as eight and nine are considered similar. The bureau may allow an employer to move to a more homogeneous group when, after December thirty-first for private employer groups and June thirtieth for public employer taxing district groups, but before the application deadline, the employer:

(a) Is a new employer;

(b) Is reclassified as a result of an audit; or

(c) Fully or partially combines with another employer.

(3) A retro group of employers must have aggregate workers' compensation premiums expected to exceed one million dollars, as determined by the administrator based upon the last full coverage period for which premium information is available.

(a) For new employers without a full year of recorded premium, the bureau may use the employer's expected premium.

(b) The bureau shall calculate the premium based upon the experience modified premium of the individual employers excluding group rating discounts.

(4) The retro group must include at least two employers.

(5) The formation and operation of the retro group program by the organization must substantially improve accident prevention and claims handling for the employers in the retro group. The bureau shall require the retro group to document its safety plan or program for these purposes, and, for retro groups reapplying annually for group retro coverage, the results of prior programs. The safety plan must follow the guidelines and criteria set forth under rule 4123-17-68 of the Administrative Code.

(D) Employer eligibility requirements.

Each employer seeking to participate in the bureau group retrospective program shall meet the following standards:

(1) 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 group retro program.

(2) Each employer seeking to enroll in a retro group for workers' compensation coverage must have active workers' compensation coverage according to the following standards:

(a) Unless the employer submits prior to the application deadline a dispute of the obligation to the bureau's adjudicating committee by a written letter containing the detailed reasons for the objection and the supporting documentation, the employer must be current (not more than forty-five days past due) on any and all premiums, administrative costs, assessments, fines or monies otherwise due to any fund administered by the Ohio bureau of workers' compensation, including amounts due for retrospective rating at the time of the application deadline date.

(b) As of the deadline for the application for group retrospective rating, the employer must be current on the payment schedule of any part-pay agreement into which it has entered for payment of premiums or assessment obligations.

(c) The employer cannot have cumulative lapses in workers' compensation coverage in excess of forty days within the twelve months preceding the application deadline date for group retro rating.

(3) No employer may be a member of more than one retro group or a retro and non-retro group for the purpose of obtaining workers' compensation coverage. Applying for more than one group, whether retro or not, on a valid application, will result in the bureau contacting the associated sponsor or sponsors for all groups for which the employer applied. The employer must notify the bureau of the employer's final group selection. If no notification is received by the start of the policy year, the employer will be rejected from participating in any groups for the year.

(4) An employer must be homogeneous with the industry group of the retro group as defined in paragraph (C)(2) of this rule.

(a) An individual employer member of a continuing retro group who initially satisfied the homogeneous requirement shall not be disqualified from participation in the continuing retro group for failure to continue to satisfy such requirement.

(5) An employer participating in the group retrospective program shall be entitled to participate in any other bureau rate program concurrent with its participation in the group retrospective 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 group retro, the following bureau rate programs:

(a) Individual retrospective rating;

(b) The \$15,000 medical-only program;

(c) Deductible program;

(d) One claim program;

(e) Group rating.

(E) A sponsoring organization shall make application for group retro on a form provided by the bureau and shall complete the application in its entirety with all documentation attached as required by the bureau. If the sponsoring organization fails to include all pertinent information, the bureau will reject the application.

(1) The group retro application (U-151) shall be signed each year by an officer of the sponsoring organization.

(2) The sponsoring organization shall identify each individual employer in the retro group on an employer roster for group retro plan (U-152).

(F) For public employer taxing districts, applications for group retro coverage shall be filed with the bureau on or before the last Friday of August of the year immediately preceding the rating year. For private employers, applications for group retro coverage shall be filed with the bureau on or before the last business day of February of the year of the July first beginning date for the rating year; except that for 2009 only, the application for group retro coverage shall be filed on or before the last business day in May. A retro group's application for group retrospective rating is applicable to only one policy year. The retro group must reapply each year for group retro coverage. Continuation of a plan for subsequent years is subject to timely filing of an application on a yearly basis and the meeting of eligibility requirements each year.

(G) Upon receipt of an application for retro group, the bureau shall do the following:

(1) Update its records to reflect the industry category selected by the sponsoring organization.

(2) Screen prospective retro group members to ensure that their business operations fit appropriately in the category selected.

(3) In reviewing the retro group's application, if the bureau determines that individual employers in the retro group do not meet the eligibility requirements for group retrospective rating, the bureau will notify the individual employers and the retro group of this fact, and the retro group may continue in its application for group retro coverage without the disqualified employers.

(H) The group retro sponsor shall submit to the bureau an employer statement (U-153) each year for each employer that wishes to participate in group retrospective rating with the sponsor. Where an employer files a new employer statement form during an application period, it shall be presumed that the latest filed employer statement form of the employer indicates the employer's intentions for group retro. An employer statement form shall remain effective until the end of the policy year as defined on the employer statement form.

(I) The bureau may request of individual employers or the retro group sponsor, additional information necessary for the bureau to rule upon the application for group retro coverage. Failure or refusal of the retro group sponsor to provide the requested information on the forms or computer formats provided by the bureau

shall be sufficient grounds for the bureau to reject the application and refuse the retro group's participation in group retrospective rating program.

(J) Individual employers who are not included on the final retro group roster or do not have an individual employer application (U-153) for the same retro group or another retro group sponsored by the same sponsoring organization on file by the application deadline, will not be considered for the group retro plan for that policy year; however, the bureau may waive this requirement for good cause shown due to clerical or administrative error, so long as no employer is added to a retro group after the application deadline. The group retro sponsor shall submit all information to the bureau by the application deadline.

(K) A sponsoring organization shall notify an employer that is participating in a retro group of that sponsoring organization if the employer will not be included in a retro group by that sponsoring organization for the next rating year. For private employer retro groups, the sponsoring organization shall notify the employer in writing prior to the first Monday in February of the year of the retro group application deadline. For public employer taxing district retro groups, the sponsoring organization shall notify the employer in writing prior to the second Friday of August of the year of the group retro application deadline. If an employer notifies the bureau that a sponsoring organization has not complied with this rule and the sponsoring organization fails to prove that the notice was provided in a timely manner, the bureau will, without the approval of the sponsoring organization, allow the employer to remain in the retro group for the rating year for which the notice was required. If that retro group no longer exists, the bureau will, without the approval of the sponsoring organization, place the employer in a homogeneous retro group with the same sponsoring organization or take other appropriate action.

(L) Once a retro group has applied for group retrospective rating, the organization may not voluntarily terminate the application. . All changes to the original application must be filed on a bureau form provided for the application for the group retrospective rating plan and must be filed prior to the filing deadline. Any rescissions made must be completed in writing, signed by an officer of the sponsoring organization and filed prior to the filing deadline. The retro group may make no changes to the application after the last day for filing the application. Any changes received by the bureau after the filing deadline will not be honored. The latest application form or rescission received by the bureau prior to the filing deadline will be used in determining the premium obligation.

(M) After the group application deadline but before April first for a private employer retro group or before October first for a public employer taxing district retro group, the sponsoring organization may notify the bureau that it wishes to remove an employer from participation in the retro group. The sponsoring organization may request that the employer be removed from the retro group after the application deadline only for the employer's gross misrepresentation on

its application to the retro group. A retro group may not retroactively include or exclude an employer during the policy year.

(N) A retro group formed for the purpose of group retrospective rating may not voluntarily terminate a plan during the policy year. A change in the name of the retro group will not constitute a new retro group. A change of the organization sponsoring a retro group or moving a retro group to a new sponsoring organization shall constitute a new retro group and the members of the new retro group must meet the homogeneity requirement of paragraph rule (C)(2) of this rule. A retro group shall be considered a continuing retro group if more than fifty per cent of the members of the retro group in the previous rating year are members of the retro group in the current rating year.

(O) Selection of an authorized representative for the retro group shall meet the following requirements:

(1) A retro group that has been established and has been accepted by the bureau of workers' compensation for the purpose of group retrospective rating shall have no more than one permanent authorized representative for representation of the retro group and the individual employers of the retro group before the bureau and the industrial commission in any and all risk-related matters pertaining to participation in the workers' compensation fund.

(2) The selection of an authorized representative must be made by submission of a completed form U-151, and any change or termination of the authorized representative can be made only by a subsequent submission of form U-151. Only an officer of the retro group may sign a U-151.

(P) The bureau shall consider an employer individually when assessing the premium payments for the retro year. The retro group will be considered a single entity for purposes of calculating retrospective premium adjustments.

(Q) The retrospective premium calculation will occur at twelve, twenty-four, and thirty-six months following the end of the group retro policy year.

(1) On the evaluation date, the bureau will evaluate all claims with injury dates that fall within the coverage period. The incurred losses and reserves that have been established for these claims are "captured" or "frozen." The group's retrospective premium will be calculated based on the developed incurred losses of the group. The retrospective premium will be compared to the group standard premium (the combined standard premiums of retro group members for the retro year) and all subsequent group retro refunds/assessments. The difference will be distributed or billed to employers as a refund or assessment.

(a) These assessments will be limited per a maximum premium ratio selected during the group retro application process.

(b) Any reserving method that suppresses some portion of an employer's costs for the purpose of calculating an experience modification will not apply in the calculation of incurred losses for group retrospective rating.

(c) The bureau may hold a portion of refunds in the first and second evaluation periods to minimize possible future assessments. Any net refund will be fully distributed by the bureau in the third evaluation period.

(2) Incurred losses used in the retrospective premium will be limited to \$500,000 per claim.

(3) Incurred losses will not include surplus or VSSR costs.

(R) The retrospective premium calculation that will occur at various evaluation points after the policy year end will be as follows (please note that standard premium and developed incurred losses are for the total of the entire retro group):

Group retrospective premium =

(Basic premium ratio x standard premium)

+

(Loss conversion factor x developed incurred losses).

(1) A group will elect a maximum premium ratio for the group each year as part of the group retro application process. This ratio will determine the maximum amount of total premium a retro group may pay after refunds and assessments.

(2) Options for the Maximum Premium Ratio will be as follows: 1.05, 1.10, 1.15, 1.20, 1.25, 1.50, 1.75, or 2.00.

(3) A basic premium ratio is applied in the retro premium calculation to account for administrative and insurance costs. The basic premium ratio is determined using the following factors: group size by standard premium and maximum premium ratio.

(4) Developed incurred losses are created by totaling incurred losses and reserves for the entire retro group and applying an actuarially determined loss development factor.

(5) Refunds and assessments will be distributed directly to group retro employers. The amount refunded or assessed to an individual employer will be based upon the percentage of the total group standard premium paid by the

employer at the time of evaluation. The refund or assessment will be multiplied by this percentage and the resulting amount will be distributed or billed to the employer.

(6) Within four months of the evaluation date, if entitled, the bureau will send premium refunds.

(7) If additional premium is owed, it is due twenty-eight days after the employer is invoiced for the assessment. The bureau will charge penalties on any additional premium not paid when it is due. If the group retro member is entitled to a refund for one coverage period and owes additional premium for another coverage period, the bureau will deduct the additional premium due the bureau from the refund. The bureau will refund the difference to the group retro member. In the event that this adjustment still leaves a premium balance due, the bureau will send a bill for the balance.

(S) Terminations, transfers, and change of ownership will be handled in regards to group retrospective as follows:

(1) Predecessor: enrolled in group retro program.
Successor: new entity.

Where there is a combination or experience transfer during the current policy year, wherein the predecessor was a participant in the group retro program, and the successor is assigned a new policy with the bureau, the successor may be considered a member of the group retro program if agreed to by both the succeeding employer and the group retro sponsor. Written agreement signed by both the succeeding employer and the group retro sponsor must be received by the bureau within thirty days of the date of succession. If the succeeding employer and the group sponsor agree to successor joining the retro group, the successor's group retro evaluation shall be based on the group's reported payroll and claims incurred. Notwithstanding this election, the successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code.

(2) Predecessor: not enrolled in group retro program.
Successor: enrolled in group retro program.

Where one legal entity that has established coverage and is enrolled in the group retro program, wholly succeeds one or more legal entities having established coverage and the predecessor entities are not enrolled in the group retro program at the date of succession, the payroll reported and claims incurred by the predecessor from the date of succession to the end of the policy year, shall be included in successor's retrospective rating plan. If the predecessor had at

any time participated in a group retro program, the successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code..

(3) Predecessor: enrolled in group retro program.
Successor: not enrolled in group retro program.

Where one legal entity that has established coverage and is not currently enrolled in a group retro plan wholly succeeds one or more entities that are enrolled in a group retro plan, predecessor's plan(s) shall terminate as of the ending date of the evaluation period. Payroll reported and claims incurred on or after the date of succession will be the responsibility of the successor under its current rating plan. The successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code..

(4) Predecessor: enrolled in group retro program.
Successor: enrolled in different group retro program.

Where one legal entity that has established coverage and is enrolled in a group retro plan wholly succeeds one or more entities that are enrolled in a group retro plan, predecessor's plan(s) shall terminate as of the ending date of the evaluation period. Payroll reported and claims incurred on or after the date of succession will be the responsibility of the successor under its group retro plan. The successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code..

(5) Predecessor: enrolled in group retro program.
Successor: enrolled in same group retro program.

Where one legal entity that has established coverage and is enrolled in a group retro plan wholly succeeds one or more entities that are enrolled in the same group retro plan, the successor shall be responsible for any and all existing or future liabilities stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code.. If the predecessor had any time participated in a different group retro program, the successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro

program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code..

(6) Successor: cancels coverage and was enrolled in group retro program.
Predecessor: no predecessor.

If the successor cancels coverage and there is no predecessor, the premium and losses of the cancelling employer will remain with the retro group for future retrospective premium calculations. The resulting refund or assessment will be collected from the remaining members of the retro group.

Group retro sponsors and authorized representatives have the right to represent the interest of the cancelled employer on behalf of the group with regard to claims which occurred during the year or years the employer was active in a retro group sponsored by the organization.

(7) Successor and/or predecessor: open group retro policy years in the evaluation period.

If the successor and predecessor are not currently enrolled in the group retro program, but either or both have open group retro policy years in the evaluation period, the successor shall be responsible for any and all existing or future rights and obligations stemming from the predecessor's participation in the group retro program prior to the date that the bureau was notified of the transfer as prescribed under paragraph (C) of rule 4123-17-02 of the Administrative Code..

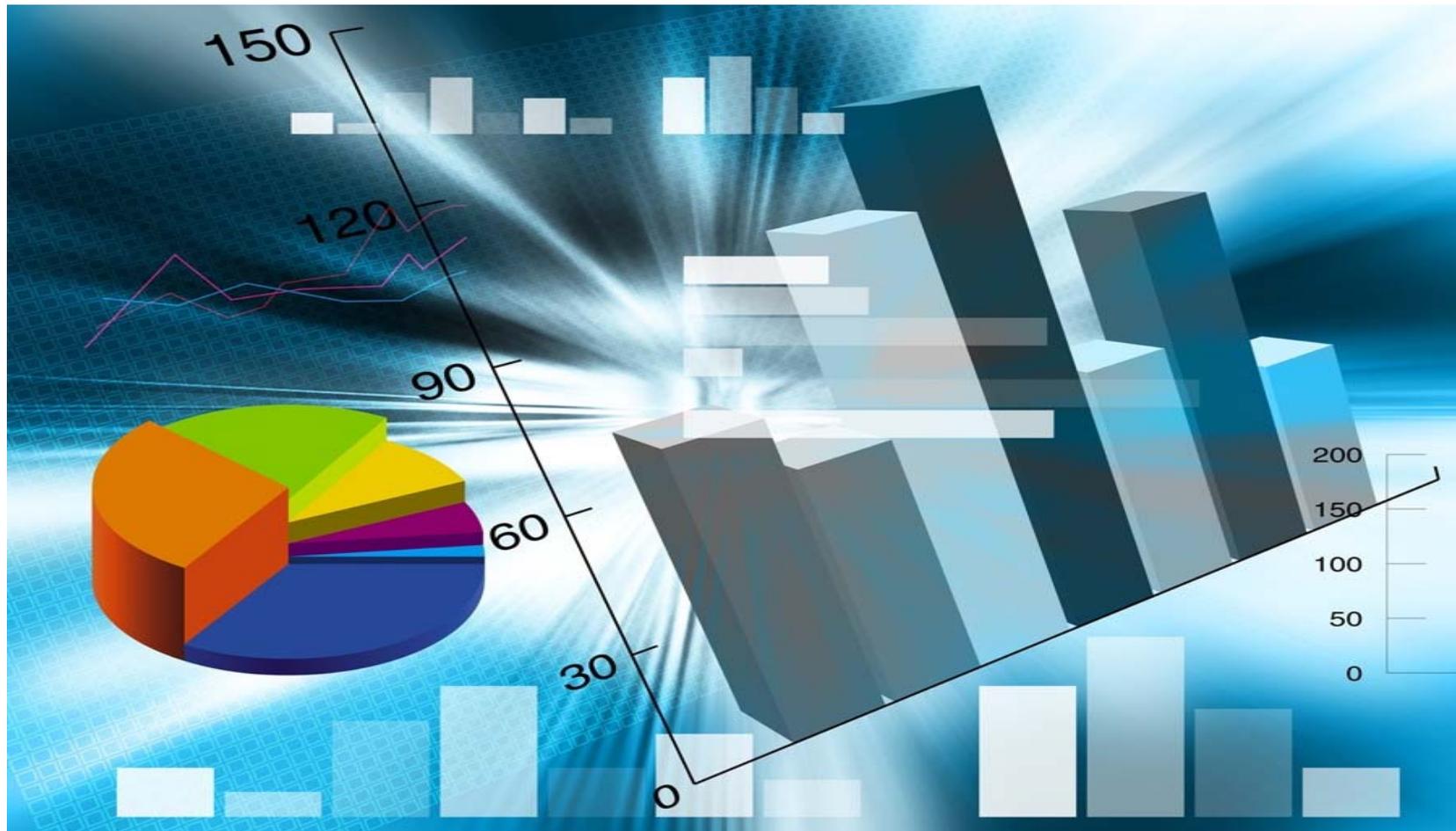
(8) Partial transfer.

If an entity partially succeeds another entity and the predecessor entity has any group retro policy years in the evaluation period, the predecessor entity will retain any rights to assessments or refunds. If the successor is enrolled in the group retro program, payroll reported and claims incurred on or after the date of the partial transfer will be the responsibility of the successor under its group retro plan.

(9) Successor: files a petition for bankruptcy.
Predecessor: no predecessor.

If a current or previously group retro program employer with open policy years files a petition for bankruptcy under chapter seven or chapter eleven of the Federal bankruptcy law, that employer shall notify the bureau legal division by certified mail within five working days from the date of the bankruptcy filing. The bureau will petition the bankruptcy court to take appropriate action to protect the state insurance fund and other related funds.

Group Retrospective Rating - Overview



Overview

- Voluntary performance based incentive program
- Certified sponsors form groups of homogeneous employers
- Employers continue to pay their individual premium

Overview

- Employers will have the opportunity to receive retrospective premium adjustments
- Adjustments will be based upon combined performance of the group
- Employers may receive either a premium refund or assessment

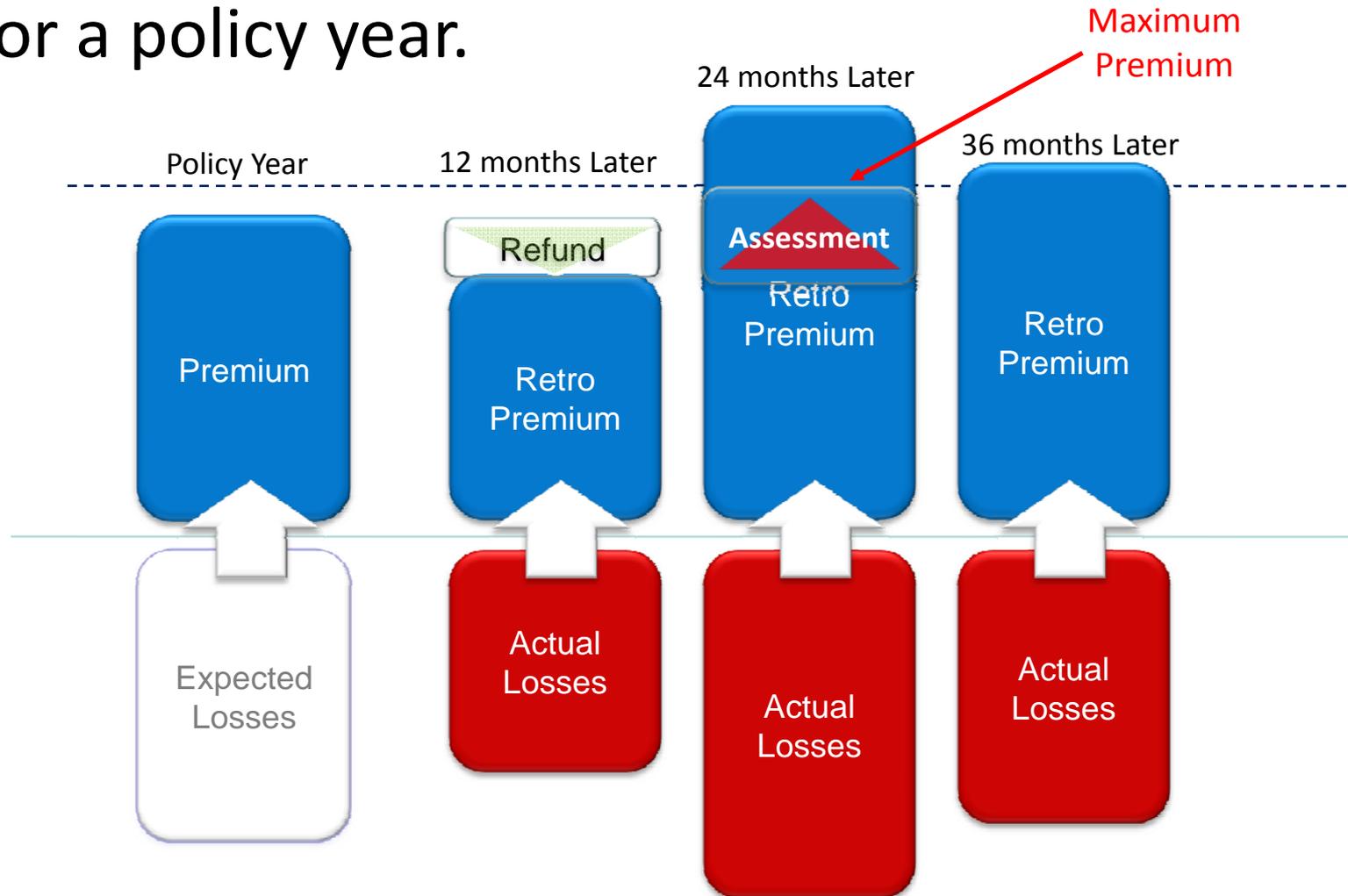
Premium Reviews

- The Group's Retrospective Premium will be recalculated:
 - 12 months
 - 24 months
 - 36 months
- Refunds or assessments will be determined when the premium is recalculated

Refunds and assessments

- The new premium will be compared to the Standard Premium.
 - Standard Premium is the total premium for the entire group.
 - Standard Premium is the benchmark for future reviews

A Maximum Premium Ratio limits the amount of premium a risk could possibly pay for a policy year.



Program Eligibility

- Be a private, state-fund employer or a public employer taxing district
- Be current on any and all premiums, administrative costs, assessments, fines or monies owed to BWC
- Have active coverage by the application deadline
- Not have cumulative lapses in workers' compensation coverage in excess of 40 days within the 12 months preceding the application deadline

Compatibility with Other Programs

- While participating in the Group Retrospective Rating Plan, employers cannot participate in the programs listed below for injuries that occur during that policy year
 - Individual retrospective rating plan
 - \$15,000 Medical-Only Program
 - Deductible Program
 - One Claim Program
 - Group-Rating

Application/Enrollment

- Enrollment Dates
 - Private Employers
 - For 2009, enrollment will be May 1st to May 31st
 - Application deadline will be the last business day of February for all subsequent policy years
 - Public Employers
 - Application deadline will be the last Friday of August
- Application
 - A certified sponsor hosting a group will submit a group retro application including a group roster
 - Each employer will need to complete an Employer Statement Form stating their intention to participate in Group Retro

Target Employers

- Medium to Large employers (over \$5,000 in premium) who have the resources to implement comprehensive safety programs
- Employers who currently have effective safety programs or are willing to adapt to the sponsor's safety approach
- Both Debit and Credit rated employers may be candidates since discounts will be based on future performance not past losses

Communication/Marketing Plan

- Sponsor and Third Party Administrators
- BWC Communication Channels

Next Steps

- 1. More comprehensive and detailed program review next month – including pricing*
- 2. Potential vote on 4123-17-73*
- 3. Work Session with Sponsors on Prospecting Methods*

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-70

Rule Review

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

Citation: R.C. 4123.34

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

What goal(s): Provide for a clearly articulated safety program that mirrors professionally recognized, industry standards and serves as a replacement for the rescinded version of this rule from which discount and bonus eligibility has been removed.

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 Grocers' Association, Ohio Manufacturers' Association, Ohio Retail Merchants, PIA, Frank Gates, CCI, Sheakley, Gates McDonald, SAO, CompManagement (Sedgwick)

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 Changes to Program Rules

Introduction

Chapter 4123-17 of the Ohio Administrative Code contains BWC rules for alternative rating and discount programs including the Premium Discount Program + (PDP+).

Background Information

Pursuant to division (E) of section 4123.34 of the Ohio Revised Code, the administrator may grant a discount on premium rates to an eligible employer that meets the program requirements under the provisions of rules with advice and consent of the BWC Board of Directors. Pursuant to this statute, BWC adopted Ohio Administrative Code 4123-17-70 (PDP+) in 1995. This rule has been amended numerous times as operational needs dictated.

Proposed Changes

BWC seeks to modify OAC 4123-17-70, by removing both discount and bonus eligibility associated with the program. This recommendation is based on the Deloitte report and its analysis of the PDP+. The report stated that “current credits for the Premium Discount Program ...are not supported by the loss experience of those participating....”

Based on this actuarial review, BWC believes that this program’s life cycle has reached a phase where moving to new alternative rating programs makes more sense rather than continuing to invest dollars in a program that is no longer functioning optimally. However, BWC recommends retaining the 10-Step Business Plan – the main component of PDP+ – as a key safety strategy for employers. This will be accomplished by rescinding the current version of the PDP+ rule and adopting a new version of OAC 4123-17-70 which contains the essential portion of the rule, the 10-Step Business Plan.

RESCIND

4123-17-70 Premium discount program plus.

(A) Pursuant to division (E) of section 4123.34 of the Revised Code, the administrator may grant a discount on premium rates to an eligible employer who meets the loss prevention program under the provisions of this rule.

(1) For private employers, the premium discount program (PDP plus) application may be submitted at any time. The employer shall file the application with the bureau by thirty-five days after the bureau's publication of the employer's individual modification. If the application is not received by this time, the employer's participation and discounts are to begin on the next payroll period beginning on either January first if the application is received by December thirty-first, or on July first if the application is received by June thirtieth.

(2) For public employer taxing districts, the application may be submitted at any time. The employer's participation and discount are to begin on next payroll period beginning on January first.

(B) An employer's opportunity to participate in PDP plus will be limited to three consecutive twelve month years.

(1) If an employer is ineligible for PDP plus in its second year, the employer may reapply for its third year of participation and received a five per cent discount if the employer is eligible under paragraph (C) of this rule.

(2) If an employer opts out of PDP plus after the start of a policy year, the employer will no longer be eligible for the PDP plus program.

(3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, a private employer enrolled in the original premium discount program prior to July 1, 2001, will have until June 30, 2004 to complete four years of participation in PDP. A public employer taxing district employer enrolled in the original premium discount program prior to July 1, 2001, will have until December 31, 2004 to complete four years of participation in PDP. If the employer maintains its eligibility it may continue in the PDP until it has completed four years of participation. However, no employer will be allowed more than seven years from the original date of entry in PDP to complete the four years of eligibility.

(4) Once an employer uses and or completes its years of eligibility for the PDP plus program, and has been out of the program for two years, the employer will have the opportunity to participate and to receive two additional years of premium discount in PDP plus under the following conditions:

(a) An employer that reapplies for PDP plus will receive a ten per cent premium discount for an additional participation year for implementing the ten-step business plan. The

employer will also be eligible for up to a twenty per cent bonus for meeting the claims frequency and claims severity objectives as defined in paragraphs (F)(6), (F)(7), and (F)(8) of this rule. The employer that meets both the claims frequency and claims severity objectives will be eligible for a second additional year of premium discount:

(b) An employer that meets both the claims frequency and claims severity objectives in paragraphs (F)(6), (F)(7), and (F)(8) of this rule will be eligible to participate in a second addition year. For the second additional year of participation in PDP plus, the employer will be entitled to a premium discount of five per cent and may receive up to a twenty per cent bonus for meeting the specified claims frequency an claims severity objectives.

(C) The PDP plus program under this rule is available to any employer who satisfies all of the following eligibility requirements. The bureau shall determine whether the employer is eligible for PDP plus under this rule.

(1) The employer must be experience rated pursuant to rule 4123-17-03 of the Administrative Code. That is, the employer must have Experience modification (EM) of .90 per cent or greater for the policy year of the program.

(2) The employer cannot participate in either group or retrospective rating in the same policy year as the PDP plus under this rule.

(3) The employer must be current as of the beginning of the policy year or anniversary date of participation (not more than forty-five days past due) on any and all premiums, assessments, fines or monies otherwise due to any fund administered by the bureau, including amounts due for retrospective rating.

(4) The employer cannot have cumulative lapses in workers' compensation coverage in excess of fifty-nine days within the eighteen months preceding the beginning of the policy year or anniversary date of participation.

(5) The employer must be in an active status the first day of the policy year or anniversary date of participation for PDP plus.

(D) If the bureau determines that an employer is eligible to participate in PDP plus under this rule, the employers must comply with the following loss prevention requirements for the initial participation and continuation of participation in the program.

(1) The employer must participate in and comply with the ten step business plan as provided in paragraph (E) of this rule.

(2) The employer must permit the bureau access to the employer's job sites to review the employer's safety program and safety progress.

(3) The employer must agree to submit to the bureau, or if working through a bureau certified sponsor as provided in paragraph (F) or paragraph (O) of this rule, to its certified sponsor, a PDP plus plan of action identifying the activities the employer has performed with regard to the top ten step business plan within the past year and the planned improvements for the next year.

(a) For continuation, the risk division or bureau certified sponsor will evaluate the employer's effectiveness in establishing the ten step business plan. The evaluation of each step will be based on an employer's has substantially implemented or maintained each step of the ten step business plan or that the employer has not substantially implemented or maintained them. The employer shall immediately submit any additional documentation of implementation to the evaluator on request.

(b) Employers not submitting a bureau approved plan of action will lose the premium discount for the entire year. A private employer plan of action document is due to the bureau no later than March thirty-first for participants having a July first effective date, or by September thirtieth for participants having a January first effective date. A public employer taxing district employer plan of action document is due no later than September thirtieth, except for public school districts, which are due by November fifteenth.

(4) A participating employer must use the bureau standardized plan of action form when submitting its plan of action during the first and second years of participation in the program as well as for the first additional year following reapplication pursuant to paragraph (B)(4)(a) of this rule. The employer must submit, at a minimum, a plan of action for each of the five steps the employer is completing for that year and, in addition, an employer that reapplies for the first additional year must submit a plan of action for all ten steps. An employer in the third year of the program will not be required to submit a new plan of action. However, the employer's earning the discount for the second and third year in the program is contingent upon passage of all ten steps and performance measure improvement, such as a reduction in claims frequency, claims severity, claims cost, or experience modification, or a combination of any of these factors. A first year employer earns the discount by filing a plan of action and documenting the implementation of these steps.

(E) The employer must implement the ten step business plan prescribed by the superintendent of the division of safety and hygiene as provided in this rule. The ten steps of the business plan and their point value for evaluation are as follows:

(1) Visible senior management leadership that promotes the belief that the management of safety is an organizational.

(2) Employee involvement and recognition that affords employees the opportunity to participate in the safety management process.

(3) Early return-to-work strategies to help injured or ill workers return to work.

- (4) A program of regular communications on safety and health issues to keep all employees informed and to solicit feedback and suggestions.
- (5) Timely notification of accidents, including lag time reporting standards. Under the health partnership program, an employer must immediately report its claims to its managed care organization.
- (6) Assigning an individual the role of coordinating safety efforts for the company. The coordinator shall attend a bureau safety and hygiene course or a bureau approved safety course and shall document the attendance to the bureau. An employee designated as the accident prevention coordinator who has a bureau recognized health and safety credential (CSP, CIH, CIE, or any other comparable safety certification) is exempt from mandatory attendance at a safety course under this paragraph. If the employer is exempt, the employer shall submit a copy of the certificate of the employee's such designation.
- (7) Writing an orientation and training plan for all employees.
- (8) Publishing a general and job specific safe work practices document so that employees have a clear understanding of how to safely accomplish their job requirements.
- (9) Publishing a written safety and health policy document signed by the top company official that expresses the employer's values and commitment to workplace safety and health.
- (10) Internal program verification to assess the success of company safety efforts, to include audits, surveys, and record analysis.
- (F) The bureau or the employer's bureau certified sponsor will evaluate the employer's compliance with all ten steps of the ten step business plan based upon the employer's plan of action report and supporting documentation and information on the progress of the implementation of the ten step business plan.

(1) An employer will be required to complete steps one, two, and six of the ten step business plan under paragraph (E) of this rule, to include mandatory attendance at bureau pre-approved sessions to include the OCOOSH course entitled "controlling workers' compensation costs," workers' compensation university, safety congress and other pre-approved private or public courses deemed comparable by the bureau, during the first year and complete any two of the remaining seven steps to qualify for program continuation. The employer's attendance at a ten step business plan workshop is strongly encouraged for the employer to properly complete the plan of action.

(2) Every year thereafter, the employer shall continue with the first five steps the employer selected and complete the remaining five steps during the second year of participation to qualify for program continuation. The employer shall continue all ten steps during the third year of participation.

(3) The bureau may perform special underwriting analysis of the employer. The bureau will monitor loss frequency, (number of medical only and lost time claims by calendar year), severity, experience modification, and lag time statistics as indicators to determine the employer's progress whether administered by the bureau or its certified sponsors.

(4) The premium discount program plus (PDP plus) is an enhancement to the original premium discount program where an employer may receive additional discounts over and above the discounts stated in paragraph (I)(1) of this rule.

(5) The PDP plus program is available to an employer participating in the program where the employer has successfully implemented the ten step business plan under paragraph (E) of this rule.

(6) PDP plus commences July 1, 2001, where discounts are dependent on the employer's completion of the ten step business plan, and additional credits are allowed for a fifteen per cent reduction of claims frequency and for a fifteen per cent reduction of claims severity.

(7) Claims frequency is defined as total number of reported claims (medical only and lost time) in a given policy year multiplied by one million dollars divided by the reported payroll of the same year.

(8) Claims severity is defined as the total number of days away from work in a given policy year multiplied by one million dollars divided by the reported payroll of the same year.

(9) In calculating the total number of days away from work, a permanent total disability claim or a death claim will be counted as resulting in a full three hundred sixty-five days away from work. A settlement will shorten the full three hundred sixty-five days if settled as of the end of the policy period.

(10) A PDP plus participant will be provided base line data of claims frequency and claims severity within the first thirty to forty-five days of starting the program. The data will compare one policy year to the following policy year. A participant will be compared to the prior policy year.

(11) A PDP plus participant will be provided annual updates on its claims frequency or claims severity improvement or regression within thirty to forty-five days after the end of the policy period.

(12) If an employer participating in PDP plus two years has not shown improvement in either claims frequency or claims severity measurements, the employer may be removed from PDP plus at the discretion of the bureau.

(G) If the bureau disqualifies an employer from PDP plus under this rule for failure to perform the ten step business plan or to demonstrate statistical improvement under

paragraph (F)(3) of this rule, the employer will be ineligible to reapply for the discount program for a period of one year and will not be eligible for PDP plus discounts.

(H) An employer who is found to be ineligible for participation in PDP plus may reapply in subsequent years subject to the year limitation under paragraph (J) of this rule, unless the employer is ineligible to reapply due to disqualification based upon paragraph (L) of this rule.

(I) An employer participating in PDP plus with an experience modification of .90 or greater shall be eligible to receive premium discounts as provided for this rule.

(1) The premium discount shall be as follows:

(a) For the first year of participation, ten per cent;

(b) For the second year of participation, ten per cent;

(c) For the third year of participation, five per cent;

(d) For the fourth year of participation for any employer enrolled in the original premium discount program prior to July 1, 2001, as provided in paragraph (B)(3) of this rule, five per cent.

(e) An employer who is experience rated with an experienced modification of .90 to 1.00 (not to include a base rated employer) will be eligible for the credits associated with meeting the claims frequency and claims severity goals.

(f) The premium discount may not bring the employer's premium below an amount of premium that would be calculated using an experience modification of .90 for the policy year the discount is applied.

(2) The PDP plus discount will be applied to the premium rate, but not to the disable workers' relief fund assessments or other assessments. The premium discount will not alter the employer's actual experience modification calculation under rule 4123-17-03 of the Administrative Code.

(3) PDP plus discounts are as follows:

(a) Ten per cent for a fifteen per cent or greater claims severity reduction;

(b) Five per cent for a fifteen per cent or greater claims frequency reduction;

(c) Five per cent bonus for meeting both a fifteen per cent or greater claims severity reduction and a fifteen per cent or greater claims frequency reduction.

(4) A PDP plus discount check will be sent to an employer by the end of October for an employer whose anniversary date in PDP plus is the first of July, and by the end of April for an employer whose anniversary date in the program is the first of January.

(5) An employer whose experience modification becomes .89 or less for any reason at any time during any year of participation in the program will not be eligible for the discount under this program.

(J) If an employer reapplies for PDP plus after skipping the second year of PDP plus participation, whether the employer was eligible or ineligible for PDP plus, the employer will be considered in year three and receive the five percent discount.

(1) An employer is limited to three years to complete its participation in PDP plus under this rule. Discounts with or without breaks in participation are as provided in paragraph (I) of this rule. An employer with breaks in participation must reapply by application.

(2) A participating employer must complete the remaining five steps of the plan of action.

(3) An employer who has completed its three years of participation in PDP plus under this rule is ineligible to reapply for the program.

(K) An employer participating in the PDP plus program who becomes ineligible after completing on half year of a rating year of participation will be considered as using an entire year of participation.

(L) An employer may withdraw the application for enrollment in PDP plus under this rule anytime prior to the enrollment deadline. An employer that has denied site access to the bureau, failed to submit a ten step plan of action, or voluntarily opted out of the program will not be permitted to reapply for the PDP plus at any time in the future.

(M) An employer may appeal enrollment rejection and continuation rejection to the adjudicating committee pursuant to rule 4123-14-06 of the Administrative Code.

(N) If there is a combination or experience transfer resulting in a new policy number, the successor employer is not eligible for participation in PDP plus unless the successor employer made application during the premium year in which the combination took place.

(O) The bureau may grant certification as a program sponsor to any trade or business association or its authorized representative that satisfies all of the following eligibility requirements. The bureau shall determine whether the association or its agent is eligible for certification as a program sponsor under this rule. An association or its agent that is found to be ineligible to be a certified program sponsor may reapply in subsequent years. The sponsor shall:

- (1) Have been in existence for at least two years prior to the last date upon which a request for certification can be filed.
 - (2) Have at least two years experience in assisting Ohio employers in accident prevention and claims management.
 - (3) Have on staff or unlimited access to a practicing safety and health professional, excluding bureau personnel, with at least five years experience working full-time in accident prevention.
 - (4) Sign an agreement with the bureau to fully support the basic principles associated with managing occupational safety in accordance with the bureau's ten step business plan. The agreement must indicate the commitment of the association or its agent to the criteria for continued participation as specified in paragraph (P) of this rule.
- (P) Any trade or business association or its authorized agent meeting the above eligibility requirements must submit documentation supporting all eligibility requirements to the bureau's superintendent of the division of safety and hygiene for certification. The deadline for submitting the documentation and credentials for certification is June fifteenth.
- (Q) If the bureau determines that a trade or business association or its authorized agent is eligible to be a certified sponsor under this rule, the association or its agent must comply with the following standards. The sponsor shall:
- (1) Include in the agreement or contract to provide services under this program to a sponsored employer, in bold type, that the services provided under this agreement or contract by the sponsor are available at no additional fee to the employer from the bureau of workers' compensation.
 - (2) Send the sponsor's safety and health professional to attend a bureau sponsored course or seminar on basic safety principles and the ten step business plan prior to certification.
 - (3) Send the sponsor's safety and health professional to attend an annual safety conference sponsored by the bureau's division of safety and hygiene.
 - (4) Hold an annual full-day conference on managing safety and claims for all sponsored employers. An attending employer is to complete the bureau's plan of action for all ten step indicating what actions the employer will complete to fulfill the ten step business plan.
 - (5) Communicate at least quarterly to all sponsor employers current and pertinent safety and health information.
 - (6) Communicate at least quarterly to all sponsored employers specific guidance on implementing and maintaining the ten step business plan.

(7) Annually assess the safety perceptions and safety needs of each sponsored employer and adjust its approach to meet each employer's needs.

(8) Notify the bureau of a change in its safety and health professional and apply for re-certification at the time.

(9) Submit a complete list, in the format provided by the bureau, containing each sponsored employer's policy number, name, and federal employer identification number in policy number order, of all private employers it will sponsor annually to the bureau by June fifteenth for those employer that began the program on July first and by December fifteenth for those employers that began the program on January first. This requirement does not alter the employer application deadline for the premium discount program under this rule as provided in paragraph (A) of this rule.

(10) Submit a complete list, in the format provided by the bureau, containing each sponsored employer's policy number, name, and federal employer identification number in policy number order, of all public employer taxing districts it will sponsor annually to the bureau by December fifteenth. This requirement does not alter the employer application deadline for the premium discount program under this rule as provided in paragraph (A) of this rule.

(11) Assist all sponsored employers in implementing and complying with the bureau's ten step business plan.

(12) Objectively evaluate the plan of action report of all sponsored employers using the evaluate guidelines outlined in paragraphs (D) and (E) of this rule.

(13) Submit a list, in the format provided by the bureau, containing each sponsored employer's policy number, name, federal employer identification number, and an indication of the pass or fail for each employer, in policy number order, of all private employers to the bureau by June first and December first.

(14) Submit a list, in the format provided by the bureau, containing each sponsored employer's policy number, name, federal employer identification number, and an indication of the pass or fail for each employer, in policy number order, of all public employer taxing districts to the bureau by December first.

(15) Submit to the bureau upon request the plan of action report, evaluation score justification, and any other documentation, such as safety audits, that will support the analysis of the sponsored employer.

(16) Safety professionals of a certified sponsor must make at least one on-site consultation during each year of an employer's participation. Documentation of discussions with an employer official or employer representative during a visit shall be furnished to the bureau on request.

(17) A certified sponsor must write a letter of instruction to each employer desiring to switch to bureau PDP plus sponsorship and shall immediately provide a copy to the bureau.

(R) The bureau retains all rights provide under paragraph (D) of this rule with respect to all certified sponsored employers.

(S) The bureau may de-certify a trade or business association or its authorized agent as a sponsor under this program for the following:

(1) Failure to meet requirements as outlined in paragraph (Q) of this rule.

(2) Falsification of an evaluation or assessment.

(3) Incorrectly evaluating more than ten per cent of the employer evaluations in any one year.

(4) Failure to notify the bureau within thirty days of a change in safety and health professionals.

(5) Failure to apply for re-certification within thirty days of a change in safety and health professionals.

HISTORY: Eff 4-1-95; 4-10-01; 7-1-01; 10-10-01; 10-14-02; 5-26-03

Rule promulgated under: RC 111.15

Rule authorized by: RC 4121.12, 4121.121

Rule amplifies: RC 4123.34

h:rules subjects/rate programs 2009/PDP+ rescind v1.doc
February 3, 2009

NEW RULE

4123-17-70 Ten step business plan.

(A) This rule describes the elements of the bureau's ten step business plan for the purpose of any bureau program that requires the employer to implement a ten step business plan.

(B) The ten step business plan is designed by the bureau division of safety and hygiene as provided in this rule. The ten steps of the business plan are as follows:

(1) Visible senior management leadership that promotes the belief that the management of safety is an organizational.

(2) Employee involvement and recognition that affords employees the opportunity to participate in the safety management process.

(3) Early return-to-work strategies to help injured or ill workers return to work.

(4) A program of regular communications on safety and health issues to keep all employees informed and to solicit feedback and suggestions.

(5) Timely notification of accidents, including lag time reporting standards. Under the health partnership program, an employer must immediately report its claims to its managed care organization.

(6) Assigning an individual the role of coordinating safety efforts for the company. The coordinator shall attend a bureau safety and hygiene course or a bureau approved safety course and shall document the attendance to the bureau. An employee designated as the accident prevention coordinator who has a bureau recognized health and safety credential (CSP, CIH, CIE, or any other comparable safety certification) is exempt from mandatory attendance at a safety course under this paragraph. If the employer is exempt, the employer shall submit a copy of the certificate of the employee's such designation.

(7) Writing an orientation and training plan for all employees.

(8) Publishing a general and job specific safe work practices document so that employees have a clear understanding of how to safely accomplish their job requirements.

(9) Publishing a written safety and health policy document signed by the top company official that expresses the employer's values and commitment to workplace safety and health.

(10) Internal program verification to assess the success of company safety efforts, to include audits, surveys, and record analysis.

(C) The bureau will evaluate the employer's compliance with all ten steps of the ten step business plan based upon the employer's plan of action report and supporting documentation and information on the progress of the implementation of the ten step business plan.

h:rules subjects/rate programs 2009/PDP+ rescind v2.doc
February 3, 2009

Proposed Rule Change

Rule 4123-17-70 Premium Discount Program Plus (PDP+)

PDP+

- Risk management/loss control program
- Started July 1, 1995
- Since implementation:
 - 15,563 employers have participated
 - \$450 million dollars in discounts

PROPOSED CHANGES

- Purpose: Rescind current version of Rule 4123-17-70
- Retain the 10-Step Business Plan to provide a model safety program for employers to follow
- Replace current rule with modified version that removes discounts and bonuses for program participation

NEW RULE

4123-17-70 Ten step business plan.

(A) This rule describes the elements of the bureau's ten step business plan for the purpose of any bureau program that requires the employer to implement a ten step business plan.

(B) The ten step business plan is designed by the bureau division of safety and hygiene as provided in this rule. The ten steps of the business plan are as follows:

(1) Visible senior management leadership that promotes the belief that the management of safety is an organizational.

(2) Employee involvement and recognition that affords employees the opportunity to participate in the safety management process.

(3) Early return-to-work strategies to help injured or ill workers return to work.

(4) A program of regular communications on safety and health issues to keep all employees informed and to solicit feedback and suggestions.

(5) Timely notification of accidents, including lag time reporting standards. Under the health partnership program, an employer must immediately report its claims to its managed care organization.

(6) Assigning an individual the role of coordinating safety efforts for the company. The coordinator shall attend a bureau safety and hygiene course or a bureau approved safety course and shall document the attendance to the bureau. An employee designated as the accident prevention coordinator who has a bureau recognized health and safety credential (CSP, CIH, CIE, or any other comparable safety certification) is exempt from mandatory attendance at a safety course under this paragraph. If the employer is exempt, the employer shall submit a copy of the certificate of the employee's such designation.

(7) Writing an orientation and training plan for all employees.

(8) Publishing a general and job specific safe work practices document so that employees have a clear understanding of how to safely accomplish their job requirements.

(9) Publishing a written safety and health policy document signed by the top company official that expresses the employer's values and commitment to workplace safety and health.

(10) Internal program verification to assess the success of company safety efforts, to include audits, surveys, and record analysis.

(C) The bureau will evaluate the employer's compliance with all ten steps of the ten step business plan based upon the employer's plan of action report and supporting documentation and information on the progress of the implementation of the ten step business plan.

h:rules subjects/rate programs 2009/PDP+ rescind v2.doc
February 3, 2009

PROPOSED RULE CHANGES

BWC's Drug-Free Programs

- Rule 4123-17-58 (DFWP)
- Rule 4123-17.58.1 (DF-EZ)

Drug-Free Program

- **Implemented in 1997**
- **Since implementation:**
 - 14,000 employers have participated
 - Over \$403 million dollars in discounts

Drug-Free Rule Changes:

- **Modify DFWP and DF-EZ eligibility requirements to remove the ability to to stack drug-free discounts with group rating**

Drug-Free Rule Changes

- **Modify DFWP and DF-EZ :**
 - **Not compatible with Group Retro Rating**
 - **Not stackable with PDP+**
 - **Consistent Lapse eligibility criteria**

OLIVER WYMAN



Consulting Actuaries

February 19, 2008

June 30, 2009 Actuarial Reserve Analysis Ohio Bureau of Workers' Compensation Actuarial Committee

Jeffery J. Scott, FCAS, MAAA
Jeffery W. Scholl, FCAS, MAAA

Results

Results

Comparison Of Discounted Unpaid Liability as of 6/30/09 9/30/08 data versus 12/31/08 data

<u>Category</u>	Using 09/30/08 <u>Data</u>	Using 12/31/08 <u>Data</u>	% <u>Change</u>	Dollar <u>Change</u>
Medical	\$6,456	\$6,471	0.2%	\$15
Temporary Total	775	783	1.0%	8
Permanent Total Disability	3,401	3,409	0.2%	8
Death	1,173	1,161	-1.0%	(12)
%Permanent Partial	303	304	0.2%	1
Permanent Partial	82	82	-0.2%	(0)
WL+TP+LMWL+CO	151	153	1.1%	2
Lump Sum Settlements	2,152	2,122	-1.4%	(30)
Living Maintenance	104	104	0.1%	0
Lump Sum Advancements	166	169	1.7%	3
Additional Awards	29	29	0.3%	0
Self Insured	148	148	0.0%	0
<u>HPP</u>	<u>668</u>	<u>668</u>	<u>0.0%</u>	<u>(0)</u>
<u>Total SIF Unpaid</u>	<u>15,609</u>	<u>15,603</u>	0.0%	<u>(6)</u>
Disabled Workers' Relief Fund (DWRF)	1,874	1,864	-0.6%	(10)
Coal-Workers Pneumoconiosis Fund (CWPF)	63	63	0.0%	0
Public Work-Relief Employees' Comp. Fund (PWREF)	3	3	0.0%	(0)
Marine Industry Fund (MIF)	3	3	0.2%	0
Intentional Tort Fund (IT)	0	0	0.0%	0
Self-Insuring Employers Guaranty Fund (SIEGF)	717	717	0.0%	(0)
Administrative Cost Fund (ACF)--	<u>1,092</u>	<u>1,092</u>	<u>0.0%</u>	<u>(0)</u>
Unpaid Loss Adjustment Expense (LAE)				
Total Unpaid Loss and LAE	<u>19,362</u>	<u>19,344</u>	-0.1%	<u>(17)</u>

Results

Total PA, PEC and PES Undiscounted Unpaid Loss Unpaid Loss Reestimates as of June 30, 2009 (Dollars In Millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Discounted	13,136	14,077	14,360	14,868	14,632	14,487	14,838	14,787
Amount of Discount	13,572	13,978	14,505	14,191	13,983	12,548	12,090	11,912
Nominal	26,708	28,055	28,866	29,060	28,615	27,034	26,928	26,699
Payments during 1st Year	1,635	1,725	1,736	1,794	1,753	1,763	1,882	1,871
Incremental Payments as of:								
One year later	1,453	1,477	1,539	1,513	1,540	1,656	1,650	
Two years later	1,193	1,259	1,244	1,291	1,405	1,403		
Three years later	1,073	1,068	1,122	1,234	1,239			
Four years later	932	991	1,103	1,112				
Five years later	880	992	1,004					
Six years later	888	904						
Seven years later	810							
Cumulative Payments as of:								
One year later	3,088	3,202	3,276	3,307	3,293	3,419	3,532	
Two years later	4,281	4,460	4,519	4,598	4,697	4,823		
Three years later	5,355	5,529	5,641	5,833	5,936			
Four years later	6,287	6,520	6,744	6,944				
Five years later	7,167	7,511	7,748					
Six years later	8,054	8,415						
Seven years later	8,864							
Liability reestimated as of:								
One year later	26,256	27,125	27,474	27,106	25,647	25,854	25,717	
Two years later	25,467	25,835	25,792	24,474	24,787	24,863		
Three years later	24,240	24,431	23,313	23,713	23,980			
Four years later	23,000	22,029	22,621	23,067				
Five years later	20,738	21,515	22,101					
Six years later	20,434	21,090						
Seven years later	20,097							

Results

Total PA, PEC and PES Discounted Unpaid Loss Unpaid Loss Reestimates as of June 30, 2009 (Dollars In Millions)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Discounted</u>	13,136	14,077	14,360	14,868	14,632	14,487	14,838	14,787
Amount of Discount	13,572	13,978	14,505	14,191	13,983	12,548	12,090	11,912
Nominal	26,708	28,055	28,866	29,060	28,615	27,034	26,928	26,699
Payments during 1st Year	1,518	1,635	1,725	1,736	1,794	1,753	1,763	1,871
Discount Rate:	5.80%	5.50%	5.50%	5.25%	5.25%	5.00%	5.00%	5.00%
<u>Incremental Payments as of:</u>								
One year later	1,453	1,477	1,539	1,513	1,540	1,656	1,650	
Two years later	1,193	1,259	1,244	1,291	1,405	1,403		
Three years later	1,073	1,068	1,122	1,234	1,239			
Four years later	932	991	1,103	1,112				
Five years later	880	992	1,004					
Six years later	888	904						
<u>Cumulative Payments as of: (Discounted)</u>								
One year later	2,889	3,029	3,178	3,167	3,250	3,327	3,331	
Two years later	3,985	4,191	4,326	4,363	4,551	4,631		
Three years later	4,917	5,125	5,307	5,449	5,641			
Four years later	5,682	5,947	6,222	6,378				
Five years later	6,365	6,726	7,010					
Six years later	7,016	7,399						
Seven years later	7,578							
<u>Liability reestimated as of:</u>								
One year later	12,930	13,625	13,931	13,978	13,600	14,359	14,341	
Two years later	12,682	13,292	13,173	13,132	13,578	14,014		
Three years later	12,369	12,643	12,455	13,150	13,360			
Four years later	11,822	12,028	12,506	13,017				
Five years later	11,325	12,111	12,437					
Six years later	11,448	12,077						
Seven years later	11,444							

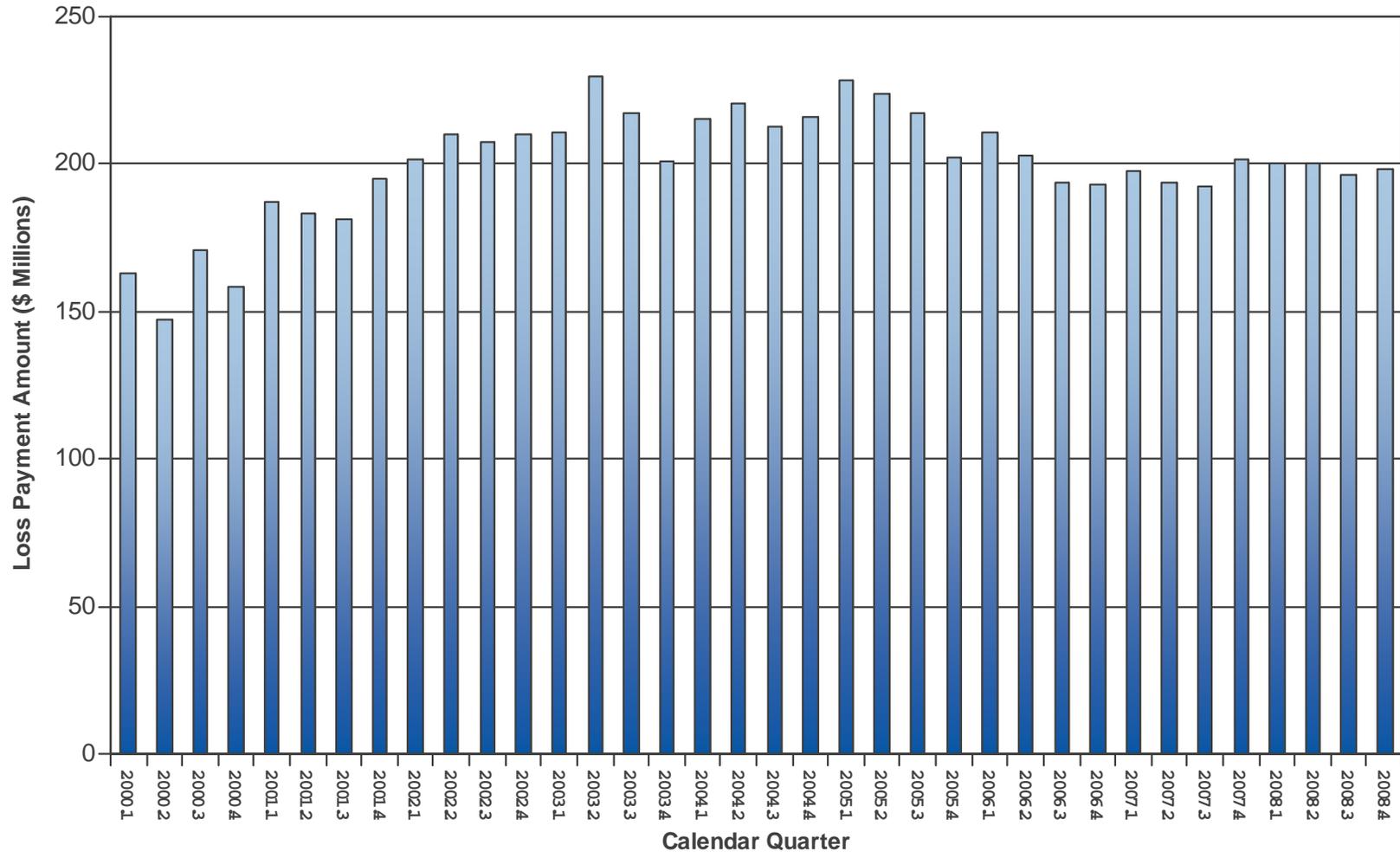


Results

- Liability estimate is slightly lower
Estimated liability is lower by \$17 million (-0.1%). Assumptions are the same as prior quarter. Potential change (slight decrease) at next quarterly evaluation for medical inflation.
- Slightly higher medical payments
Medical payments, excluding OHA payments, were slightly higher (\$1.7 million, or +0.9%) than first quarter of 2008/2009. The higher payments resulted in a slight increase in liability of \$12 million, or +0.2%.
- Lower lump sum settlements
Lump sum settlement payments for the second quarter were 14% (\$9.6 million) lower than first quarter. The result was a reduction in liability of \$30 million, or -1.4%.

Results

Calendar Quarter Medical Payments

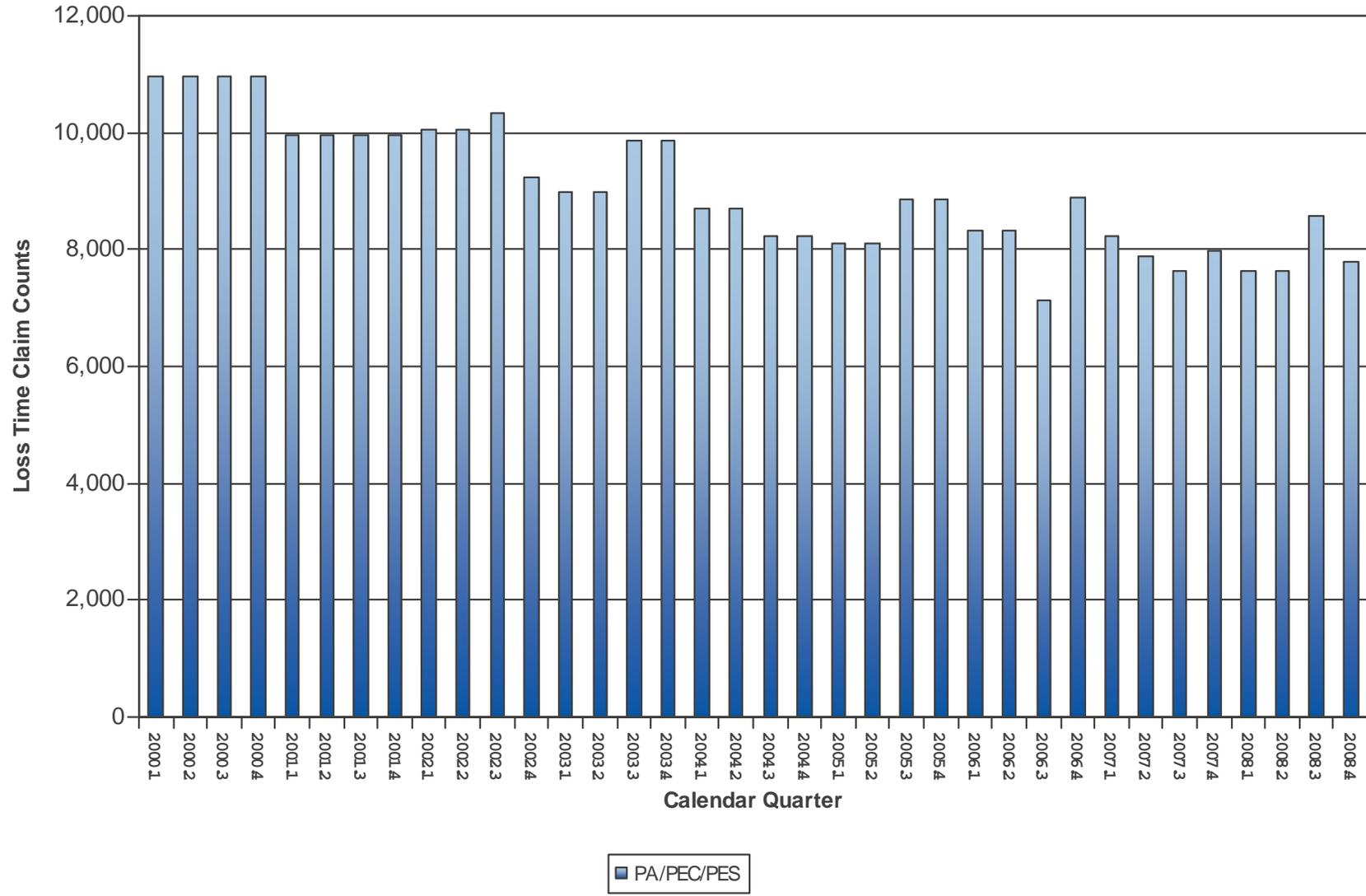


■ PA/PEC/PES Medical

Excludes Ohio Hospital Association Payments for 2nd, 3rd and 4th quarter 2008.

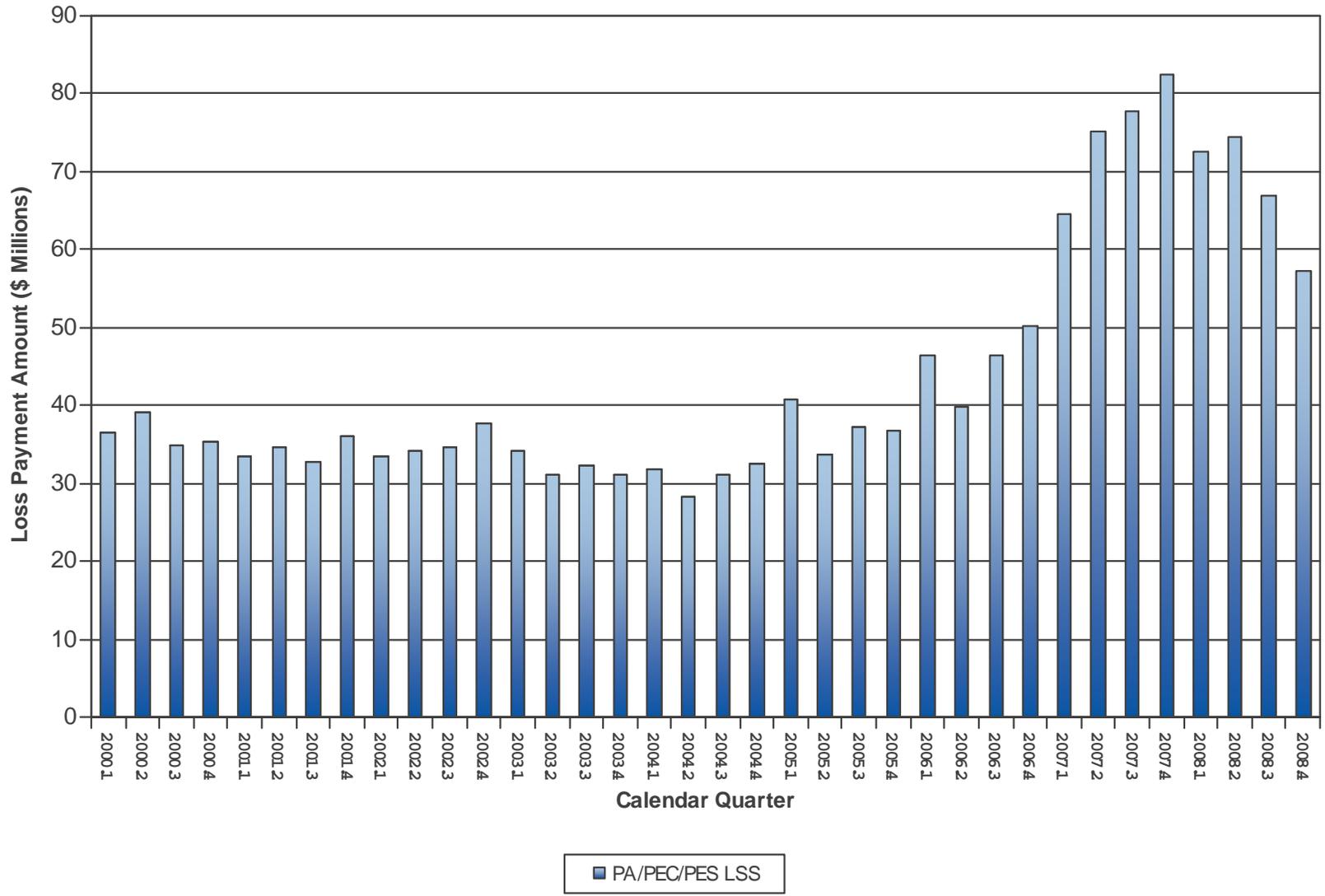
Results

Calendar Quarter Loss Time Claim Counts



Results

Calendar Quarter Lump Sum Settlement Payments





OLIVER WYMAN



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

BWC Board of Directors
Actuarial Committee
CAO Report

John Pedrick, Chief Actuarial Officer
 March 19, 2009

Progress on our comprehensive reform efforts continues. The status of the various elements can be found in the report on group and non-group rate levels provided separately.

We are finalizing expected loss rates (ELRs) for the July 1, 2009 policy year. Due to the greater accuracy of the new MIRA II system, claim reserves are more accurate and lower. As a result, the incurred loss values for claims have dropped by approximately 28%. Incurred claim costs are used in each employer's experience period losses and in aggregate to determine expected losses in the form of ELRs. A separate report is included with Board materials. We provided preliminary ELRs to group sponsors and third party administrators near the end of 2008, using data from calendar years 2004 through 2007, valued as of September 30, 2008. The final ELRs will be based on the same experience period, valued as of December 31, 2008, the standard time periods.

We have interviewed several well qualified candidates for our three open actuarial positions, and expect to move forward soon with our effort to build a staff of credentialed actuaries and actuarial analysts.

The RFP for actuarial services has been released. We are in the blackout period. Information regarding the RFP can be found at <http://www.ohiobwc.com/bwcccommon/services/RFP/RFPDetails.asp>. The next step is posting answers to questions that have been submitted from potential candidate firms.

Current timelines for our various projects follow.

Comprehensive Plan Implementation

1. Communications/Group Structure and Governance Team

Jeremy Jackson		
Task/Function	Timeline	Status
Stakeholder Communications	8/1/2008 start	Ongoing
Rules/ Outreach	8/1/2008 start	Ongoing
Media	8/1/2008 start	Ongoing
Targeted Employer Communications	8/1/2008 start	Ongoing

- Workgroups will continue to meet on programs, continuity, and the split plan parameters.
- Individual meetings with group sponsors and TPA's continue. Recent meetings have been focused on the break even factor and the changes to discount programs.

2. Capping/Split Plan Team

Terry Potts and Paul Flowers		
Task/Function	Timeline	Status
Capping System development	Sep 2008 to Dec 2009	In progress
Capping strategy for PA employers effective	July 1, 2009	In progress
Capping strategy for PEC employers effective	January 1, 2010	

Split Plan parameters decided	Summer, 2009	
Split plan development	July, 2009 to July, 2010	
Split Plan implementation	July 1, 2011	

- The capping parameters are being developed in the BWC’s IT systems and are on schedule to be implemented for the July 1, 2009 rating period.
- It is anticipated that the split plan modeling will begin in spring, 2009.

3. New Products/Deloitte Integration Team

Joy Bush and Jamey Fauque, Centric Consulting		
Task/Function	Timeline	Status
Develop Project Plan	Aug 11-15	Completed
Develop Deductible Plan	Aug – Jan, 2009	Completed
Develop Dividend/Retro/Sharing Plans	Aug – July, 2009	In progress
Develop Group Retro Program	Dec 2008 – April, 2009	In progress
Review Current Programs	Aug – Feb, 2009	In progress
Board Meeting to Review Final Proposals	January 22, 2009	In progress

- The deductible program was approved by the board in February, 2009 for the July 1, 2009 rating year
- The first reading of the group retro rule will be presented to the Actuarial Committee at the March, 2009 meeting. The group retro program will be available for the July 1, 2009 rating period.
- Additional products are being reviewed for development including a safety dividend and a no claim discount.

MIRA II

- The MIRA II reserves are being used for the 7/1/2009 PA rate calculation.
- Work is continuing on the reprediction system for MIRA II. This system will allow the BWC to re-predict a claim that has a clerical error that is affecting the reserve as of the date that the reserve was used in the rate calculation.

7/1/2009 Private Employer (PA) Rates

Task/Function	Timeline	Status
Private Employer Rates	January 2009 to July 2009	In-process
Summary Payroll	January – February 2009	Completed
Summary Losses	January – February 2009	Completed
Rate Calculations	February 2009 to June 2009	In-progress
Rate recommendation received from Oliver Wyman	March 1, 2009	
Rate consent from WCB	March, 2009	
Final Rates to WCB	June 2009	
Mailing of Employer Rate Letters	July 2009	

7/1/2009 Public Employer State Agency (PES) Rates

Task/Function	Timeline	Status
Public Employer State Agency Rates	January 2009 - May 2009	
Run payroll and premium jobs & verify	February 6-19, 2009	Completed
Run losses & verify	February 26 – March 5, 2009	Completed
Run base rates & verify	March 6-16, 2009	In-progress
Discuss rate change with administrator	March 23-27, 2009	
Actuarial Committee/Board Meeting – Initial Consideration	April 29-30, 2009	
Actuarial Committee/Board Meeting – Final Consideration	May 28-29, 2008	

House Bill 100 §512.50 Actuarial Study

- All reports are scheduled to be finalized by the beginning of April.
- Deloitte will be submitting their work papers to the BWC.
- The BWC is creating a project management team and project management plan to review the recommendations from the comprehensive study to determine priority, implementation strategy, and required legislative or rule changes.

Actuarial Consultant Contract

We are now in the “blackout period” for the actuarial consultant contract RFP. The current contract expires December 31, 2009.

The new contract begins after August 1, 2009 and before January 2, 2010. The contract will be for 2 years with 2 one year renewal periods.

Steps	Dates	Status
Blackout Period Begins	November 2008	In-Progress
2006 Actuarial consultant RFP scope provided to Actuarial Committee for review	November 20, 2008	Completed
Comments and recommendations from actuarial committee members	November and December, 2008	Completed
Scope and evaluation criteria determined	February 6, 2009	Completed
RFP issued	February 27, 2009	In-Progress
Question submission begins	March 2, 2009	Completed
Question submission ends	March 13, 2009 10:00 AM EST	Completed
Answers posted on the web site	March 27, 2009	In-Progress
Proposals due	April 16, 2009 2:00 PM EST	
Initial Proposal review and scoring	April 16 to April 24, 2009	
Optional Phone interviews	Week of May 4, 2009	
Optional in person interviews	May 11 to May 29, 2009	
Presentation from recommended consultant to actuarial committee	June 18, 2009	
RFP review committee makes recommendation to Actuarial committee and Workers’ Compensation Board	June 18, 2009	
Workers Compensation Board approves selection	June 19, 2009	
Blackout Period ends at selection of actuarial consultant	June 19, 2009	
Contract begins	August, 2009 –January, 2010	
Initial contract ends	December 31, 2011	

- The RFP was issued on time, February 27, 2009.
- The BWC has received 80 questions from 6 consulting firms.

12 - Month Actuarial Committee Calendar

Date	March 2009	Notes
3/19/2009	1. Accelerated rate reform - possible vote	
	2. PA rate indication - 1st reading	
	3. PES Rate indication	
	4. Employer "How to Buy" guide	
	5. RFP progress	
	6. Group Retrospective Rules - 1st reading	
Date	April 2009	
4/29/2009	1. Review of Performance based discount options	
	2. PES rate approval	
	3. Ancillary fund rates and SI assessments - 1st reading	
	4. PA rate indication - 2nd reading possible vote	
	5. Group Retrospective Rules - 2nd reading possible vote	
Date	May 2009	
5/28/2009	1. Quarterly reserve update as of 3/31/09	
	2. Ancillary fund rates and SI assessment rate approval	
	3. PEC Credibility Table Rule 4123-17-33.1 - 1st reading	
	4. PEC Capping recommendation - 1st reading	
	5. PA rate recommendations	
Date	June 2009	
6/18/2009	1. PEC Credibility Table Rule 4123-17-33.1 - 2nd reading	
	2. PEC Capping recommendation - 2 nd reading possible vote	
	3. PA Rate Recommendations - possible vote	
	4. Admin Cost Fund - possible vote	
	5. Group rating Sponsor requirements	
	6. RFP recommended Actuarial Consultant presentation	

12 - Month Actuarial Committee Calendar

Date	July 2009	Notes
7/30/2009	1. Reserve Audit update as of 6-3-08 (assuming change in procedure)	
	2. PA Group Rules - 1st reading	
	3. PA Capping - 1st reading	
	4. PA Credibility Table Rule 4123-17-05.1 - 1st reading	
	5. Selection of actuarial consultants	
Date	August 2009	
8/27/2009	1. Reserve Audit update	
	2. PA Group Rules - 2nd reading	
	3. PA Capping - 2nd reading	
	4. PA Credibility Table Rule 4123-17-05.1 - 2nd reading	
Date	September 2009	
9/24/2009	1. Public Employer Taxing Districts rate change	
	2. PA Group Retrospective Rating Rules - 1st reading	
	3. First report from actuarial consultants	
	4. PEC rate indication - 1 st reading	
Date	October 2009	
10/29/2009	1. Charter changes	
	2. Projected Reserves as of 6/30	
	3. Split plan - 1 st reading	
	4. PEC rate indication	
Date	November 2009	
11/19/2009	1. Split plan - 2 nd reading	
	2. PEC Base Rates and Expected loss rates	

12 - Month Actuarial Committee Calendar

Date	December 2009	Notes
Date	January 2010	
Date	February 2010	
		3/20/2009 2:18:52 PM

Common Sense Business Regulation (BWC Rules)

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

Group Sponsor Rules

4123-17-62

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): R.C. 4123.29(A)(4) permits BWC to offer group rating plans. This group rating rule is revised to permit sponsoring organizations more time to notify an employer if the employer is not going to be included in the group for the 7-1-09 rating year.

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: BWC worked on the rules with input from: Central Ohio BX, CCI, COSE, CompManagement, County Commissioners' Association, Comprehensive Risk Management, Farm Bureau, Frank Gates, Greater Cleveland Auto Dealers' Association, Greater Cleveland Auto Dealers' Association, Gates McDonald, NFIB, Sheakley, Ohio Association of School Board Officials, Spooner, Ohio Manufacturers' Association, Workers' Comp Management Solutions, Ohio Retail Merchants, Ohio School Board Association.

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.

Executive Summary
4123-17-62
Application for Group Experience Rating

The Ohio Bureau of Workers' Compensation is bringing OAC 4123-17-62 for consideration to modify the rule to extend the date from March 30, 2009 to April 6, 2009 for group rating sponsoring organizations to notify employers that they will not be included in their group. This change to the rule will allow sponsoring organizations additional time to review applicants based upon the information presented to the Board of Directors on March 19, 2009.

4123-17-62 Application for group experience rating.

(A) A sponsoring organization shall make application for group experience rating on a form provided by the bureau and shall complete the application in its entirety with all documentation attached as required by the bureau. If the sponsoring organization fails to include all pertinent information, the bureau will reject the application.

(1) The group application shall be signed each year by an officer of the sponsoring organization to which the members of the group belong, and the sponsoring organization shall identify each individual employer in the group in the AC-25 application and shall provide information on each employer as follows:

(a) All employers which were in the group in the previous rating year. The employer does not need to file an AC-26 form.

(b) All employers which were not in the group in the previous rating year, but were in another group of the same sponsoring organization for the previous rating year. The employer does not need to file an AC-26 form.

(c) All employers which were not in the group in the previous rating year, and were not in another group of the same sponsoring organization for the previous rating year. The employer must file an AC-26 form for the group. Effective July 1, 2009 for private employer groups and January 1, 2010 for public employer taxing district groups, the sponsoring organization does not need to file the AC-26 form with the bureau, but shall maintain the original AC-26 form at the sponsoring organization to be available to the bureau upon the bureau's request. The AC-26 must be date stamped by the group rating filing deadline.

(2) In a separate report, or on the AC-25 form in a manner that clearly distinguishes the employers, which are in the group from those which are not in the group, the sponsoring organization shall provide information on each employer as follows:

(a) All employers which were in the group in the previous rating year and are no longer in the group, but are in another group of the same sponsoring organization. The employer does not need to file an AC-26 form.

(b) All employers which were in the group in the previous rating year, are no longer in the group, and are not in another group of the same sponsoring organization. If the employer is participating in group rating with another sponsoring organization, the employer must file an AC-26 form for that group.

(3) An individual employer's application for group rating (AC-26) is applicable for the upcoming policy year and all subsequent policy years where the employer remains in the same group or another group sponsored by the same sponsoring organization. The employer does not need to file a new AC-26 each year where the employer remains in any group sponsored by the same sponsoring organization, whether it is the same group

as the previous rating year or a new group of the same sponsoring organization. The employer must file an AC-26 if the employer applies for group rating with a different sponsoring organization or was not participating in group rating the previous rating year. Where an employer files a new AC-26 during an application period, it shall be presumed that the latest filed AC-26 of the employer indicates the employer's intentions for group rating. The employer's AC-26 shall remain effective until any of the following occurs:

- (a) The employer timely files a subsequent AC-26 indicating the desire to participate in a group with a different sponsor for the upcoming policy year;
- (b) The sponsoring organization for the group does not include the employer on the group roster (AC-25);
- (c) The group does not reapply for group rating or is rejected for failure to meet group eligibility requirements; or
- (d) The employer fails to meet individual eligibility requirements and is rejected from participation in the group for the purpose of group rating by the bureau.

(4) The bureau may request of individual employers or the group additional information necessary for the bureau to rule upon the application for group coverage. Failure or refusal of the group to provide the requested information on the forms or computer formats provided by the bureau shall be sufficient grounds for the bureau to reject the application and refuse the group's participation in group experience rating. Individual employers who are not included on the final group roster or do not have an individual employer application (AC-26) for the same group or another group sponsored by the same sponsoring organization on file by the application deadline will not be considered for the group plan for that policy year; however, the bureau may waive this requirement for good cause shown due to clerical or administrative error, so long as no employer is added to a group after the application deadline. All rosters, computer formats or typewritten, must be submitted by the application deadline.

(5) A sponsoring organization shall notify an employer that is participating in a group of that sponsoring organization if the employer will not be included in a group by that sponsoring organization for the next rating year. For private employer groups, the sponsoring organization shall notify the employer in writing prior to the first Monday in February of the year of the group application deadline; except that for 2009 only, the sponsoring organization shall notify the employer in writing by ~~March 30, 2009~~ April 6, 2009. For public employer taxing district groups, the sponsoring organization shall notify the employer in writing prior to the second Friday of August of the year of the group application deadline. If an employer notifies the bureau that a sponsoring organization has not complied with this rule and the sponsoring organization fails to prove that the notice was provided in a timely manner, the bureau will, without the approval of the sponsoring organization, allow the employer to remain in the group for the rating year for which the notice was required. If that group no longer exists the

bureau will, without the approval of the sponsoring organization, place the employer in a homogeneous group with the same sponsoring organization or take other appropriate action.

(B) For public employer taxing districts, applications for group coverage shall be filed on or before the last Friday of August of the year immediately preceding the rating year. For private employers, applications for group coverage shall be filed on or before the last business day of February of the year of the July 1 beginning date for the rating year; except that for 2009 only, the application for group coverage shall be filed on or before April 24, 2009.

(C) A group's application for group rating is applicable to only one policy year. The group must reapply each year for group coverage. Continuation of a plan for subsequent years is subject to timely filing of an application on a yearly basis and the meeting of eligibility requirements each year; however, an individual employer member of a continuing group who initially satisfied the homogeneous requirement of paragraph (B)(3) of rule 4123-17-61 of the Administrative Code shall not be disqualified from participation in the continuing group for failure to continue to satisfy such requirement.

(D) The application shall be filed in the risk technical services section of the bureau of workers' compensation, Columbus, Ohio.

(E) The application for any group to participate in group experience rating is optional with the group, subject to acceptance by the bureau. Once a group has applied for group rating, the organization may not voluntarily terminate the application during the bureau's evaluation period. All changes to the original application must be filed on a bureau form provided for the application for the group experience rating plan and must be filed prior to the filing deadline. Any rescissions made must be completed in writing, signed by an officer of the organization to which the members of the group belong, and filed prior to the filing deadline. The group may make no changes in the application after the last day for filing the application. Any changes received by the bureau after the filing deadline will not be honored. The latest application form or rescission received by the bureau prior to the filing deadline will be used in determining the premium obligation.

(F) In reviewing the group's application, if the bureau determines that individual employers in the group do not meet the eligibility requirements for group rating, the bureau will notify the individual employers and the group of this fact, and the group may continue in its application for group coverage without the disqualified employers, if the group still satisfies the minimum requirements for group rating as provided in rule 4123-17-61 of the Administrative Code.

(G) After the group application deadline but before the end of the policy year for the group, the sponsoring organization may notify the bureau that it wishes to remove an employer from participation in the group. The sponsoring organization may request that the employer be removed from the group after the application deadline only for the employer's gross misrepresentation on its application to the group.

(1) “Gross misrepresentation” is an act by the employer that would cause financial harm to the other members of the group. Gross misrepresentation is limited to any of the following:

(a) Where the sponsoring organization discovers that the employer applicant for group rating has recently merged with one or more entities, such that the merger adversely affects the employer’s experience modification and adversely affects the experience modification of the group, and the employer did not disclose the merger on the employer’s application for membership in the group.

(b) Where the sponsoring organization discovers that the employer applicant for group rating has failed to disclose the true nature of the employer’s business pursuit on its application for membership in the group, and this failure adversely affects the experience modification of the group.

(2) Where the sponsoring organization requests that an employer be removed from the group, the burden of proof is on the sponsoring organization to provide documentation. The bureau shall review the request to remove the employer from the group, and the employer shall be removed from the group only upon the bureau’s consent.

Prior Effective Dates: 10/2/90; 11/11/91; 9/14/92; 1/1/95; 7/1/96; 12/10/96; 11/17/97; 11/8/99; 7/1/001; 1/1/02; 7/1/02; 12/1/02, 2/7/09

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-58.1

Rule Review

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

Citation: R.C. 4123.34

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

What goal(s): Provide for a drug-free workplace program that is considered the industry standard and facilitates employers creating safer workplaces, free from accidents and injuries attributable to workplace substance abuse. Rule modifies application of a discount for participation in program in conjunction with participation in other alternate rating programs.

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 Grocers' Association, Ohio Manufacturers' Association, Ohio Retail Merchants, PIA, Frank Gates, CCI, Sheakley, Gates McDonald, SAO, CompManagement (Sedgwick)

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.

4123-17-58 Drug-free workplace (DFWP) discount program.

Pursuant to division (E) of section 4123.34 of the Revised Code, the administrator may grant a discount on premium rates to an eligible employer that meets the drug-free workplace (DFWP) program requirements under the provisions of this rule.

(A) As used in this rule:

- (1) "Drug-free workplace program" or "DFWP program" means the bureau's rate program which offers a premium discount to eligible employers for implementing a program addressing workplace use and abuse of alcohol and other drugs, including prescription, over-the-counter, and illegal drug abuse.
- (2) "Prescription drug abuse" means the use of over-the-counter drugs or medications prescribed by a licensed medical practitioner by someone other than the person for whom they were prescribed or for purposes other than those for which they were prescribed or manufactured.
- (3) "Accident" means an unplanned, unexpected, or unintended event which occurs on the employer's property, during the conduct of the employer's business, or during working hours, or which involves employer-supplied motor vehicles or motor vehicles used in conducting the employer's business, or within the scope of employment, and which results in any of the following:
 - (a) A fatality of anyone involved in the accident;
 - (b) Bodily injury requiring off-site medical attention away from the employer's place of employment;
 - (c) Vehicular damage in apparent excess of a dollar amount stipulated in the employer's DFWP policy; or
 - (d) Non-vehicular damage in apparent excess of a dollar amount stipulated in the employer's DFWP policy.

As used in this rule, "accident" does not have the same meaning as provided in division (C) of section 4123.01 of the Revised Code, and the definition of this rule is not intended to modify the definition of a compensable injury under the workers' compensation law.

- (4) "Reasonable suspicion" means evidence that an employee is using drugs or alcohol in violation of the company's DFWP policy, drawn from specific, objective facts and reasonable inferences drawn from these facts in light of experience and training. Such facts and inferences may be based on, but are not limited to, any of the following:

- (a) Observable phenomena, such as direct observation of drug or alcohol use, possession or distribution, or the physical symptoms of being under the influence of drugs or alcohol, such as but not limited to slurred speech, dilated pupils, odor of alcohol or marijuana, changes in affect, dynamic mood swings, etc.;
 - (b) A pattern of abnormal conduct, erratic or aberrant behavior, or deteriorating work performance (e.g., frequent absenteeism, excessive tardiness, recurrent accidents) which appears to be related to substance abuse and does not appear to be attributable to other factors;
 - (c) The identification of an employee as the focus of a criminal investigation into unauthorized drug possession, use, or trafficking;
 - (d) A report of alcohol or other drug use provided by a reliable and credible source;
 - (e) Repeated or flagrant violations of the company's safety or work rules, which are determined by a supervisor to pose a substantial risk of physical injury or property damage and which appear to be related to substance abuse or substance use that may violate the employer's DFWP policy, and do not appear attributable to other factors.
- (5) "Random selection" means drug testing of an employee selected from a pool of employees made regardless of whether any suspicion of illegal drug use exists. This testing is made without advanced notice to the employee and is based on an equal probability of selection. Random selection testing is based upon an objective and non-discretionary computer program operated and maintained by an outside contractor to identify and test a specified percentage of the total workforce over the course of a year. All employees, including those previously selected for testing, have an equal chance of being selected each time the testing process occurs, such that some employees may be selected more than once for random selection testing while other employees may not be selected at all.
- (6) "Safety-sensitive position or function" means any job position or work-related function or job task designated as such by the employer, which through the nature of the activity could be detrimental or dangerous to the physical well-being of the employee, co-workers, customers or the general public through a lapse in attention or judgment. The safety-sensitive position or function may include positions or functions where national security or the security of employees, co-workers, customers, or the general public may be seriously jeopardized or compromised through a lapse in attention or judgment.
- (7) "Supervisor" means an employee who supervises others in the performance of their jobs, has the authority and responsibility to initiate reasonable suspicion

testing when it is appropriate, and has the authority to recommend or perform hiring or firing procedures.

(8) "Ohio Department of Alcohol and Drug Addiction Services" or "ODADAS" means the state agency an employer may contact to provide technical assistance or referral to available community resources for employers interested in developing a DFWP program. ODADAS shall maintain a list of DFWP developmental consultant programs meeting specified criteria and offering training to assist employers in developing a DFWP program. Such training shall be experience equivalency for purposes of this rule.

(9) "Experience equivalency" means consultation and training services offered through a program which facilitates the development of an employer's DFWP program and may qualify the employer to receive a higher discount based on the program level implemented in conjunction with this experience equivalency credit.

The criteria for a program to be an experience equivalency shall include:

(a) All primary consultants for the organization shall have a minimum of ten hours annual continuing education in drug-free workplace issues;

(b) The organization shall have provided drug-free workplace policy and operational procedures development consultation and training for a period of at least two years; and

(c) For purposes of this rule, the organization shall provide a certificate only to an employer that completes a minimum of fifteen hours of face-to-face consultation and training and a minimum of twenty additional hours developing the employer's drug-free workplace policy and program operations.

(10) "Employee assistance plan" means an employer's plan of action and designated appropriate resources to assist employees who:

(a) Seek help on their own for an alcohol or drug problem;

(b) Are referred by management for a possible problem with alcohol or drugs; or

(c) Have a positive alcohol or drug test.

(11) "Employee assistance program" or "EAP" means a cost-effective program to assist employees and their families in dealing with problems affecting their work performance. An EAP identifies and helps resolve problems by applying short-term counseling, referral, and follow-up services, as determined by the contractual arrangement with the employer. In addition, the EAP provides such

services as management training and consultation; prevention and education programs; crisis intervention; benefits analysis; and organizational development. A qualified EAP is one recognized by industry standards which employs certified personnel and operates in compliance with core-technology specific to the EAP discipline. An "employee assistance program" is to be distinguished from an "employee assistance plan," which is used generically by employers offering a composition of assistance services for employees but which do not adhere to the core technology of the EAP field, as defined by the employee assistance professional association (EAPA). Employers are not required to have an EAP at any level in the DFWP program but are encouraged to consider this option which offers broad-based employee assistance services as well as a good return on investment.

- (12) "Drug and alcohol testing" means a range of tests that may be utilized to address employee use or abuse of alcohol and other drugs that affect workplace safety. These tests include pre-employment or new hire testing to screen from the workforce persons with existing substance use or abuse problems that may affect workplace safety; post-accident testing, for employees who may have caused or contributed to an accident due to use or abuse of alcohol or other drugs; reasonable suspicion testing, which utilizes observations from trained supervisors to identify employees whose behavior suggests use or abuse of alcohol or other drugs that may endanger the employee or other employees; and random drug testing to identify employees who use alcohol or other drugs in contravention of the employer's DFWP policy, with such testing likely to deter substance abuse because employees will not know whether or when they might be tested. The five drugs that are included in the drug testing are amphetamines, cannabinoids (THC), cocaine (including crack), opiates, and phencyclidine (PCP).
- (13) "Consortia" means an entity established to provide more cost-effective services to employers to help the employers meet the DFWP program requirements. Consortia may involve varied pools of employers and their employees, wherein employer education, supervisor training, and drug and alcohol testing may be offered at a reduced cost to the employers who choose to participate. Consortia for drug and alcohol testing purposes may involve contracts with laboratories certified by the department of health and human services and will operate in concert with established protocols and procedures that are consistent with federal guidelines for testing.
- (14) "Vendor" means any person or organization that provides service to employers participating in the DFWP program for purposes of employers meeting DFWP program requirements.

(B) Application process.

The bureau shall provide application and renewal forms for use in the DFWP program and shall have final authority to approve a state fund employer to receive a discount based on its participation in this program. An employer's participation in a DFWP program shall be on a program year basis, as shall renewal of participation in a DFWP program. Only state fund employers requesting consideration for the DFWP program discount should submit an application. The bureau shall evaluate each application to determine the employer's eligibility to receive a discount under the DFWP program, the employer's eligibility for a specific program level, and the applicable discount per cent.

- (1) A private employer may apply either by June thirtieth for the program year beginning July first of that year to June thirtieth of the following year, or by December thirty-first for the program year beginning January first of the following year to December thirty-first of that year. The progress report and renewal deadlines are March thirty-first for a program year that begins on July first, and September thirtieth for a program year that begins on January first.
- (2) A public employer taxing district may apply by December thirty-first prior to the program year beginning January first of the following year to December thirty-first of that year. The progress report and renewal deadlines are September thirtieth for a program year beginning January first.
- (3) An employer may withdraw its application for enrollment in the DFWP program under this rule at any time prior to receiving the discount on its premium. When an employer becomes aware that it is unable to meet the program requirements associated with its approved DFWP program level by the required implementation date, the employer shall notify the bureau of its inability and shall withdraw from the program. The employer shall return any monetary benefits associated with any discount received, including interest, which shall be calculated as provided in division (E) of section 4123.41 of the Revised Code.

(C) Eligibility requirements.

The DFWP program under this rule is available in the form of technical assistance and support to all private and public employers. However, eligibility for the discount is limited to state fund employers, with the per cent of discount based on an employer's participation in one or more alternate rating programs. A state fund employer seeking a discount shall apply on a bureau application form to implement a DFWP program and shall satisfy all of the eligibility requirements of this rule. The bureau shall review the application to determine whether the employer is eligible to receive a discount for participation in the DFWP program, determine whether the employer is eligible for the level of program applied for, and determine and approve the discount percentage for the level of program for which the employer is determined to be eligible. An employer that is found to be ineligible for participation

in the DFWP program may reapply in a subsequent program year. It is recognized that an employer may implement a DFWP program that exceeds the minimum requirements for the discount level approved by the bureau. For all levels of a DFWP program, the employer shall meet the following eligibility requirements:

(1) If an employer participates in any other alternate rating program offered by the bureau, ~~or receives a discount, credit, or benefit for participation in group rating, retrospective rating, or the premium discount program in the same policy year at the same time~~ as the employer participates in the DFWP program, the employer may participate in the DFWP program and may receive the discount provided for under this rule in addition to the benefit for participating in the other alternative rating program, subject to the provisions and restrictions below:. ~~The employer may receive only the maximum discount, credit, or benefit for whichever program amount is greater for the given policy or program year, or as specifically defined below, as follows:~~

~~(a) An employer participating in both the premium discount program plus under rule 4123-17-70 of the Administrative Code and the DFWP program may receive a premium discount equal to the greater of the premium discount program discount or the DFWP program discount as earned individually for the given policy or program year.~~

~~(i) Notwithstanding the provision of paragraph (C)(1)(a) of this rule, an employer participating in both the PDP plus under rule 4123-17-70 of the Administrative Code and the DFWP program under this rule may receive a premium discount for both programs. The discounts shall apply so long as the employer satisfies the requirements of each of the programs.~~

~~(ii) In applying the discounts for the two programs, the bureau shall first apply the PDP plus discount to the extent allowable under paragraph (I) of rule 4123-17-70 of the Administrative Code, and then the DFWP discount allowable under this rule.~~

~~(b) An individual employer participating in both group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code and the DFWP program may implement the DFWP 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.~~

~~(c)~~(a) An employer participating in both retrospective rating under rules 4123-17-41 to 4123-17-54 of the Administrative Code and the DFWP program may only receive a premium discount equal to the maximum of either the discount under the DFWP program or the difference between the employer's

premium calculated as an individual employer and calculated in the retrospective rating program.

(b) An employer participating in group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code or in group retrospective rating under rule 4123-17-73 of the Administrative Code and that participates in the DFWP program during a given program period is not eligible for a DFWP discount in addition to the benefit for participating in either of these other alternative rating programs.

(c) An employer participating in the deductible program under rule 4123-17-72 of the Administrative Code and the DFWP program may implement the DFWP program under this rule and receive the associated premium discounts in addition to the deductible benefit.

(d) An employer that has an existing substance-free program that has been in place for four or more years at the time of application and is evaluated as comparable to the level one program under this rule is not eligible for a discount under this rule.

(e) An employer not eligible for a discount under this rule may implement a DFWP program and is encouraged to do so. The bureau and ODADAS will identify available resources for support and technical assistance.

(2) The employer shall be current as of March thirty-first for the application year beginning July first, or September thirtieth for the application year beginning January first, and subsequent renewal years (not more than forty-five days past due) on any and all premiums, assessments, penalties or monies otherwise due to any fund administered by the bureau, including amounts due for retrospective rating at the time of the application deadline.

(3) The employer cannot have cumulative lapses in workers' compensation coverage in excess of ~~fifty-nine~~forty days within the ~~eighteen~~twelve months preceding the application or renewal deadline.

(4) The employer shall be in an active or reinstated policy status the first day of the policy year for the DFWP program.

(5) An employer in the DFWP program shall continue to meet all eligibility requirements during the year of participation in the program, when applying for renewal, and during each subsequent year of participation in the program, regardless of the level of the employer's DFWP program.

(D) General program requirements.

In signing the application form, the chief executive officer or designated management representative of the employer shall certify that the employer shall meet, at a minimum, the program requirements associated with the level DFWP program for which the employer has applied. This certification is required for the employer to be considered for the discount associated with implementing the specific level DFWP program, and the signature certifies that the employer shall return any monetary benefits associated with any discount received, including interest, based on failure to implement or meet the DFWP program level requirements for which it has applied and been approved.

- (1) An employer approved by the bureau for a DFWP program that does not have an existing substance-free workplace program at the time of application or that has a program in place for less than one year, may receive a maximum of five years of discount under this rule.
- (2) An employer that has an existing substance-free workplace program at the time of application for at least one year but less than four years that is evaluated as comparable to the level one program under this rule may receive a maximum of four years of discount under this rule.

(E) Program requirements – all program levels.

To receive a discount for implementing and operating a DFWP program, an employer shall fully implement, at a minimum, the following program components by the applicable dates.

- (1) Policy – The DFWP program shall include a written policy statement, which, at a minimum, shall consist of the following:
 - (a) Articulate all the elements of the level DFWP program which the employer is implementing;
 - (b) State management's incentive for creating a substance-free workplace (e.g., concern for employee safety and health, productivity, accident prevention, and loss control);
 - (c) Identify a DFWP program administrator and indicate the person's role or responsibilities with regard to the DFWP program;
 - (d) Communicate the DFWP program and policy through initial presentation to all employees prior to the program implementation and/or on a repetitive basis annually through employee education sessions;
 - (e) Clearly state that the program applies to all employees, including all levels of management;

- (f) Contain appropriate references to collective bargaining agreements and show how the DFWP program works in concert with these agreements to promote a safer workplace for all employees;
 - (g) Address the use or abuse of alcohol, prescription medications, over-the-counter medications, or illegal drugs. The policy should include which drug or alcohol tests will be used, at what cutoff levels and what testing procedures and protocols will be applied; and a clear statement that supervisors will be trained regarding their responsibilities related to various testing prior to the implementation of any testing;
 - (h) Include a commitment to rehabilitation;
 - (i) Describe how referrals may be made for testing, assessment, and employee assistance;
 - (j) Be in compliance with all federal and state laws or regulations;
 - (k) State what is prohibited and the consequences for employees of a violation of this policy;
 - (l) State the consequences, if any, for an employee's refusal to submit to a medical examination or a drug or alcohol test in conjunction with the operation of the employer's DFWP program;
 - (m) State the consequences for any employee attempting to adulterate a specimen or otherwise manipulate the drug or alcohol testing process;
 - (n) State that law enforcement authorities may be contacted and requested to come onto the employer's property when appropriate in conjunction with a referral for criminal prosecution;
 - (o) Contain a statement that nothing in the policy alters the employment-at-will status as it affects any other employment issues with the employer;
 - (p) State that an employee's violation under the DFWP policy shall not be reported to law enforcement officials unless required by a regulatory body or by criminal law provisions; and
 - (q) Include a discussion of confidentiality of the program records to ensure the privacy rights of individuals.
- (2) Employee education – The DFWP program shall include employee education, which, at a minimum, shall consist of the following:

- (a) A total of at least two hours annually for all current employees prior to implementation of the DFWP program, and at least annually thereafter for each program year in which the employer operates a DFWP program, and with at least one hour for all new employees within the employee's first four weeks of employment;
 - (b) Inform employees about the content of the DFWP program as delineated in the written policy, a copy of which will be presented, discussed and acknowledged by each employee's signature on an appropriate form;
 - (c) Stress management's commitment to the program;
 - (d) Include the disease model for alcohol and other drugs, the signs and symptoms associated with substance use and abuse, and the effects and dangers of commonly used drugs in the workplace;
 - (e) Share a list of helping resources in the community for employees to utilize for themselves or their families; and
 - (f) Be presented by a qualified educator or a presenter supervised by a qualified educator holding one of the following credentials:
 - (i) Substance abuse professional (SAP);
 - (ii) Certified employee assistance professional (CEAP);
 - (iii) Certified chemical dependency counselor (CCDCIII);
 - (iv) Ohio certified prevention specialist 1 (OCPS 1); or
 - (v) Ohio certified prevention specialist 2 (OCPS 2).
- (3) Supervisor training – The DFWP program shall include supervisor training, which, at a minimum, shall consist of the following:
- (a) At least four hours of initial training for all current and new supervisors (with at least two hours of training within six weeks of a current employee becoming a supervisor or from the date of hire of a supervisor), in addition to the annual two hours of employee education, for a total of six hours annually;
 - (b) In subsequent program years, a minimum of two hours of refresher training for supervisors who have received the initial four hours of training, which is in addition to the annual two hours of employee education, for a total of four hours;

- (c) A discussion of a supervisor's responsibilities in relationship to the employer's DFWP program, including but not limited to how to recognize a possible alcohol or other drug problem; how to document behaviors that demonstrate an alcohol or other drug problem; how to confront employees with the problem in terms of their observed behaviors; how to initiate reasonable suspicion testing; how to make an appropriate referral for assistance; how to follow up with employees re-entering the work setting after a positive drug test; and how to handle DFWP program responsibilities in a manner that is consistent with any pertinent collective bargaining agreements; and
 - (d) Be presented by a qualified trainer or a presenter supervised by a qualified trainer holding one of the credentials provided in paragraphs (E)(2)(f)(i) to (E)(2)(f)(v) of this rule.
- (4) Drug and alcohol testing – The DFWP program shall include drug and alcohol testing which, at a minimum, shall consist of a five-panel drug screen with gas chromatography/mass spectrometry (GC/MS) and alcohol testing consistent with federal standards. The employer shall implement and pay for drug and alcohol testing as follows, with the stipulation that all categories of testing shall be clearly described and defined in the employer's written policy.
- (a) Pre-employment/new-hire testing: at one hundred per cent (drug test required), with testing to be conducted before or within the first ninety days of employment;
 - (b) Post-accident: All employees who may have caused or contributed to an on-the-job accident, as defined in paragraph (A)(3) of this rule, shall submit to a drug or alcohol test. This test will be administered as soon as possible after necessary medical attention is received, or within eight hours for alcohol and within thirty-two hours for other drugs.
 - (c) Reasonable suspicion testing based on documentation and concurrence among the trained observing supervisor and a second trained supervisor, wherever possible.
 - (d) Follow-up testing, for any employee with a positive test, commencing with a return-to-duty test as the first in a minimum of four tests over the period of a year from the date of return to duty for such employee where the employer brings the employee back to work or returns the employee to a safety-sensitive position or function after a positive test; no set maximum during the first year that begins with the date of return to duty. A maximum number of tests after the first year from date of return to work are to be determined by agreement between the employee, the substance abuse professional assessing or treating the employee, and the employer.

For the purposes of the DFWP program, the forms of testing to be utilized will be urinalysis (EMIT screen, also referred to as a drug screen, plus GC/MS confirmation) for a panel of five drugs, and breath or saliva with a confirmatory evidential breath test (EBT) for alcohol. However, if an EBT is not available or reasonably accessible, a blood test should be made available to the employee to determine the presence of alcohol. The employer is required to document and maintain on file the reason the EBT was not administered. To ensure the integrity of testing and for the safety of employees, participating companies must adopt the procedures and chain-of-custody guidelines recommended by the federal department of health and human services (DHHS) and required by the federal department of transportation. Employers shall ensure that DHHS certified laboratories process the test results, and that a qualified medical review officer is responsible for evaluating all test results.

Supervisors shall receive training regarding their responsibilities related to various testing prior to implementation of testing. Cut-off levels shall be clearly stated in the written policy, along with the procedures or protocols, such as chain of custody, that define the testing process.

- (5) Employee assistance – The DFWP program shall include an employee assistance plan as defined in paragraph (A)(10) of this rule for levels 1 and 2 DFWP programs, or an EAP as defined in paragraph (A)(11) of this rule for a level 3 DFWP program. Upon an employee's positive test, in addition to any corrective action deemed appropriate, the employer shall explain to the employee what a substance abuse assessment is and, by way of referral, shall provide a list containing names and addresses of qualified substance abuse assessment resources who can administer an assessment.

The specifics of the employee assistance plan as well as any requirements for which the employer contracts with a provider are dependent upon the level DFWP program which the employer implements.

- (6) Other – The DFWP program may contain other provisions related to specific program requirements that do not fall into one of the five basic program components.
- (7) An employer may use a vendor for any of the following: to develop its DFWP program policy under paragraph (E)(1) of this rule; for an educator or presenter supervised by an educator for employee education under paragraph (E)(2) of this rule; for a trainer or presenter supervised by an educator for supervisor training under paragraph (E)(3) of this rule; for drug and alcohol testing under paragraph (E)(4) of this rule; or for employee assistance under paragraph (E)(5) of this rule.

- (a) For an employer to use the services of a vendor under this rule, the vendor, if required by law to possess workers' compensation coverage, either:
 - (i) Shall be a current participant in the bureau's DFWP program under this rule;
 - (ii) Shall have completed all of the vendor's years of eligible discount in the DFWP program and shall still maintain a DFWP program comparable to the DFWP program under this rule; or
 - (iii) If the vendor has applied to the DFWP program under this rule but the bureau has determined the vendor to be ineligible for the program based upon the provisions of paragraph (C)(1)(e) of this rule, shall develop and maintain a DFWP program comparable to the DFWP program under this rule.
 - (b) If the vendor has applied to the DFWP program under this rule but the bureau has determined the vendor to be ineligible for the program based upon any of the provisions of paragraphs (C)(2), (C)(3), or (C)(4) of this rule, the employer may not use the vendor in the DFWP program to develop its DFWP program or meet any of the DFWP program requirements under this rule.
 - (8) The bureau may establish and administer consortia for the purpose of more effective program administration and reduced costs for employers participating in the DFWP program under this rule. Consortia will allow the bureau to develop pools to offer groups of employers and their employees the employee awareness information for the employer education requirement of paragraph (E)(2) of this rule, the skill building training requirement of paragraph (E)(3) of this rule, and to pool random testing and other drug and alcohol testing services for the drug testing requirements of paragraph (E)(4) of this rule. The bureau will develop the criteria that will govern how the consortia will operate.
- (F) Additional level-specific program requirements.

In addition to the general requirements of paragraph (E) of this rule applicable to all employers participating in the DFWP program and receiving a discount, this paragraph of this rule describes additional specific program requirements for the various levels of the DFWP program.

(1) Level 1 DFWP program.

To receive a discount for a level 1 DFWP program, an employer shall meet all of the general requirements of paragraph (E) of this rule.

(2) Level 2 DFWP program.

To receive a discount for a level 2 DFWP program, an employer shall apply for level 2 DFWP program and, after the first full program year, shall have had a level 1 DFWP program in place for at least one year, shall demonstrate to the satisfaction of the bureau proficiency and readiness to implement a level 2 DFWP program through a documented safety program that is already in place, or shall either have an existing comparable level 1 substance-free workplace program in place or demonstrate its proficiency and readiness to implement a level 2 DFWP program through documented experience equivalency from a program offering employer DFWP development training that has met the criteria specified in paragraph (A)(9) of this rule and is on the list maintained by ODADAS, or shall be a participant in a consortium that meets the requirements established by the bureau pursuant to paragraph (A)(13) of this rule. The employer shall fully implement the program components detailed in paragraph (E) of this rule, and in addition shall implement the following:

- (a) In addition to the drug and alcohol testing DFWP program requirements of paragraph (E)(4) of this rule, the employer shall include random drug testing of ten per cent of the employer's workforce each program year, as shall be clearly described and defined in the employer's DFWP policy. For public employers, random drug testing applies only to safety-sensitive positions or functions, as defined by the employer in the DFWP policy and paragraph (A)(5) of this rule.
- (b) In addition to the employee assistance plan DFWP program requirements of paragraph (E)(5) of this rule, the employer shall have pre-established a relationship for assessment which allows for a three-way exchange of information, with the appropriate consent, among the employee, employer, and provider. A first positive drug or alcohol finding shall result in a direct referral for assessment rather than just providing a list of names and addresses of qualified substance abuse assessment resources, unless otherwise defined within the DFWP policy for specific employment positions. In addition, the employer shall identify in the policy who will pay for the services associated with an assessment.
- (c) The employer shall implement five steps of the bureau's ten step business plan under rule 4123-17-70 of the Administrative Code during the first program year in which it operates a level 2 DFWP program.

(3) Level 3 DFWP program.

To receive a discount for a level 3 DFWP program, an employer shall apply to implement a level 3 DFWP program; shall have conducted a DFWP program at level 1, 2, or 3 for two full years, and shall have met the renewal requirements. The employer shall fully implement the program components detailed in paragraph (E) of this rule, and in addition shall implement the following:

- (a) In addition to the drug and alcohol testing DFWP program requirements of paragraph (E)(4) of this rule, the employer shall include random drug testing of twenty-five per cent of the employer's entire workforce each program year. For public employers, random drug testing applies only to safety-sensitive positions or functions, as defined by the employer in the DFWP policy and paragraph (A)(5) of this rule.
- (b) In addition to the employee assistance plan DFWP requirements of paragraphs (E)(5) and (F)(2)(b) of this rule, the employer shall offer employees health care coverage which includes chemical dependency counseling and treatment services.
- (c) At level 3, the employer shall implement all ten steps of the bureau's ten step business plan under rule 4123-17-70 of the Administrative Code.

(G) Progress reporting and renewal requirements.

If the bureau determines that an employer is eligible to implement a DFWP program, the employer shall comply with the following requirements for initial participation, and renewal of annual participation in the DFWP program. In order to qualify for renewal, an employer shall have implemented all of the program requirements associated with the DFWP program level for which a discount was obtained by the appropriate implementation date.

- (1) The employer shall permit the bureau or its designee access to the employer's job sites for on-site audit of the employer's DFWP program components, related records and documentation. The employer shall sign a "release of information form" for compliance monitoring and cost-benefit analysis purposes which authorizes the bureau to have access to various aggregate information from drug testing laboratories, medical review officers and the employee assistance plan or employee assistance program.
- (2) By the end of the first quarter of the program year or a subsequent date established by the bureau, for the first year of an employer's DFWP program, the chief executive officer or designated management representative of the employer shall certify on a form provided by the bureau a statement that the employer has fully implemented and is operating its DFWP program in

accordance with the program level requirements for which the employer has applied or is receiving the discount.

- (3) The employer shall submit to the bureau a DFWP program progress report on a form provided by the bureau providing information regarding its DFWP program for the program year. The progress report shall include information related to drug and alcohol testing and may also include additional information related to other DFWP program components as requested on the progress form. If the employer is applying for renewal, the employer shall include the DFWP program level that is requested for the next year. The reports shall be certified by the chief executive officer or designated management representative of the employer.
 - (a) Policy – The employer shall certify that it has developed a DFWP policy that meets or exceeds the program requirements associated with the level of DFWP program for which the employer is receiving a discount. The employer shall submit a copy of the written policy with the certification form. The employer shall maintain the following information on site for audit purposes:
 - (i) A copy of the written policy; and
 - (ii) Copies of signed acknowledgments from all employees regarding receipt of a copy of the employer's DFWP program policy.
 - (b) Employee education – The employer shall maintain on site statistics regarding the number of employees educated under the DFWP program, the names and qualifications of all educators who presented the DFWP program employee education sessions, and the names and qualifications of persons supervising any of these educators. In addition, the employer shall maintain the following information on site for audit purposes:

Original attendance sheets, signed by each employee who attended DFWP program employee education, indicating the date and number of hours of each session.
 - (c) Supervisor training – The employer shall maintain on site statistics regarding the number of supervisors trained under the DFWP program, the names and qualifications of all trainers who presented the DFWP program supervisor training, and the names and qualifications of persons supervising any of these trainers. In addition, the employer shall maintain the following information on site for audit purposes:

Original attendance sheets, signed by each supervisor who attended DFWP program supervisor training, indicating the date and number of hours of each session.

(d) Drug and alcohol testing – The employer shall report statistics regarding the number of employees tested under the employer's DFWP program. The employer shall maintain on site for audit purposes copies of all billings from medical review officers and laboratories. The following statistics shall be reported:

(i) Total number of employees employed by the company;

(ii) Number of safety-sensitive positions or functions for both private employers and public employers;

(iii) Program year and dates or periods of time in which the testing occurred;

(iv) Number of new hires and percentage tested;

(v) Aggregate reporting of the number of employees tested for each category of testing required in the employer's DFWP program, including the number and per cent of employees tested for pre-employment/new hire, reasonable suspicion, post-accident, government required, random (if applicable), and other testing if applicable; number of positive versus negative tests for each category; and

(vi) Names of medical review officers and names, addresses, phone numbers, and contact persons for all labs or collectors utilized by the employer for drug and alcohol testing under the DFWP program.

(e) Employee assistance – The employer shall maintain on site the following information regarding its employee assistance plan or EAP under the DFWP program:

The name of the organization that provided the employee assistance services, and the name and telephone number of the contact person.

(f) Other – An employer implementing a level 2 DFWP program shall report its progress in implementing the first five steps of the bureau's ten step business plan, and an employer implementing a level 3 DFWP program shall report its progress in implementing all ten steps of the ten step business plan. An employer implementing a level 2 or level 3 DFWP program shall maintain records on site of its implementation of either the first five steps or all ten steps of the bureau's ten step business plan, as applicable.

(H) Disqualification from program and reapplication.

The bureau may cancel an employer's participation in the DFWP program for the employer's failure to fully implement a DFWP program in compliance with the approved program level. The bureau shall send written notice of cancellation to the employer, and shall require the employer to reimburse the bureau for any discounts received inappropriately, plus interest, as provided in paragraphs (B)(3) and (D) of this rule.

- (1) If the bureau cancels an employer from the DFWP program under this rule for failure to meet the program requirements, the employer may reapply for the DFWP program for the next program period, unless the employer has received a discount and has failed to reimburse the bureau for the discount plus interest. The bureau may deny the application based on circumstances of the initial program period.
- (2) When an employer becomes aware that it is unable to fully implement its DFWP program by the required implementation date, the employer shall notify the bureau immediately. The employer's failure to notify the bureau of its inability to fully implement the DFWP program may disqualify the employer from re-applying for the program in the future, even after the required repayment of any discount that may have been received.

(I) Discount requirements.

An employer participating in the DFWP program or meeting renewal performance standards under this rule shall be eligible to receive discounts as provided for in this rule.

- (1) The discount for an employer implementing a DFWP program shall be as follows:
 - (a) For an employer implementing a level 1 DFWP program, ten per cent;
 - (b) For an employer implementing a level 2 DFWP program, fifteen per cent;
 - (c) For an employer that has operated a DFWP program at level 1, level 2 or level 3 (the latter without a level 3 discount) for a total of no less than two full years; upon implementing a level 3 DFWP program, the employer is eligible for twenty per cent for each year of remaining eligibility in which the employer is approved to participate at a level 3 DFWP program,
- (2) The discount will be applied to the employer's premium rate, but not to the disabled workers' relief fund assessments or other assessments. The discount will not alter the employer's actual total modification calculation under rule 4123-17-03 of the Administrative Code.

- (3) The application of the discount associated with the level of the DFWP program approved by the bureau for each employer shall occur effective July first or January first of the appropriate program year for private employers, and January first of the appropriate program year for public employers.
- (4) An employer is limited to four continuous years, if eligible for four years of discount, or five continuous years, if eligible for five years of discount, to complete its maximum participation in the discount program under this rule; except that an employer which drops out of the DFWP program without receiving a discount or which repays any discount that was received, plus interest, may be considered for four or five years of discount, based on eligibility.
- (5) An employer which has completed its eligible four years or five years of participation in the DFWP program under this rule is ineligible to reapply.
- (J) An employer may appeal enrollment rejection and renewal rejection to the bureau's adjudicating committee pursuant to rule 4123-14-06 of the Administrative Code.
- (K) Hold harmless statement.

Nothing in this rule requires an employer to implement any policies or practices in developing a DFWP program that conflict or interfere with existing collective bargaining agreements. Rather, the bureau suggests that the employer and employees engage in a collaborative effort to be successful in improving workplace safety by implementing a DFWP program that includes employee input and support.

Where there are legal issues related to development and implementation of a DFWP program, it is the employer's responsibility to consult with its legal counsel to resolve these issues. An employer shall certify in its application to the bureau that it shall hold the state of Ohio harmless for responsibility or liability under the DFWP program.

- (L) Pursuant to section 4121.37 of the Revised Code, the administrator may establish a program of safety grants for employee education, supervisor training, development and legal review of a written substance policy, employee assistance, and research for eligible employers who participate in the safety grant program. The safety grant program may include grants to an employer participating in the drug-free workplace discount program under this rule or to an employer with a program comparable to the DFWP program under this rule for the employer to provide for employee and supervisor education and training as required under paragraphs (E)(2) and (E)(3) of this rule.

The administrator or administrator's designee may authorize special safety grants which will be given in furtherance of drug-free workplace efforts to those employers who demonstrate capability of promoting the development of any drug-free workplace program component on a regional, statewide or industry-specific level including, but not limited to, incorporation of labor efforts to promote education, training and testing.

- (1) The bureau shall determine whether the employer is eligible for the safety grant program grants under this rule. The bureau may limit participation in the safety grant program based upon the availability of bureau resources for the program and upon the merits of the employer's proposal. The safety grant program is available only to a private state fund employer or a public employer taxing district that shall pay workers' compensation premiums to the state insurance fund, shall have active coverage on the date of agreement to participate in the safety grant program, and shall be a participant in the drug-free workplace discount program under this rule or an employer with a program comparable to the DFWP program under this rule at the time of application for the safety grant program.
- (2) The bureau will assess whether the employer is eligible to receive a safety grant under this rule. The bureau and employer shall enter into a written agreement detailing the rights, obligations, and expectations of the parties for performance of the safety grant program.
- (3) The bureau may meet with the owner or chief executive officer of the employer to evaluate the employer's progress in the safety grant program. The employer shall provide the bureau access to records or personnel to conduct research into the effectiveness of the safety grant program.
- (4) An employer who complies with the requirements of the safety grant program under this rule shall be eligible to receive a grant from the bureau as provided in the written agreement.
 - (a) The bureau may establish by written agreement with the employer the maximum amount of the safety grant program grant.
 - (b) The bureau may establish by written agreement with the employer a requirement for matching funds from the employer in a ratio to be determined by the bureau.
 - (c) The bureau shall monitor the employer's use of the safety grant program grant and may recover the entire grant if the bureau determines that the employer has not used the grant for the purposes of the safety grant program or has otherwise violated the written agreement on the safety grant program.

- (5) The bureau shall evaluate the research data from the safety grant program on a periodic basis. The bureau may publish reports of the research to assist employers in maintaining a drug-free workplace.

| [Effective: 07/01/2004](#)

4123-17-58.1 Drug-free workplace (DFWP) discount program for small employers.

Pursuant to division (E) of section 4123.34 of the Revised Code, the administrator may grant a discount on premium rates to an eligible employer that meets the drug-free workplace (DFWP) program requirements under the provisions of this rule.

(A) As used in this rule:

- (1) "Drug-free workplace program for small employers" or "DFWP program" means the bureau's rate program which offers a premium discount to eligible small employers for implementing a program addressing workplace use, misuse and abuse of alcohol and other drugs, including prescription, over-the-counter, and illegal drug abuse.
- (2) "Prescription drug abuse" means the use of over-the-counter drugs or medications prescribed by a licensed medical practitioner by someone other than the person for whom they were prescribed or for purposes other than those for which they were prescribed or manufactured.
- (3) "Accident" means an unplanned, unexpected, or unintended event which occurs on the employer's property, during the conduct of the employer's business, or during working hours, or which involves employer-supplied motor vehicles or motor vehicles used in conducting the employer's business, or within the scope of employment, and which results in any of the following:
 - (a) A fatality of anyone involved in the accident;
 - (b) Bodily injury requiring off-site medical attention away from the employer's place of employment;
 - (c) Vehicular damage in apparent excess of a dollar amount stipulated in the employer's DFWP policy; or
 - (d) Non-vehicular damage in apparent excess of a dollar amount stipulated in the employer's DFWP policy.

As used in this rule, "accident" does not have the same meaning as provided in division (C) of section 4123.01 of the Revised Code, and the definition of this rule is not intended to modify the definition of a compensable injury under the workers' compensation law.

- (4) "Reasonable suspicion" means evidence that an employee is using drugs or alcohol in violation of the company's DFWP policy, drawn from specific, objective facts and reasonable inferences drawn from these facts in light of experience and training. Such facts and inferences may be based on, but are not limited to, any of the following:

- (a) Observable phenomena, such as direct observation of drug or alcohol use, possession or distribution, or the physical symptoms of being under the influence of drugs or alcohol, such as but not limited to slurred speech, dilated pupils, odor of alcohol or marijuana, changes in affect, dynamic mood swings, etc.;
 - (b) A pattern of abnormal conduct, erratic or aberrant behavior, or deteriorating work performance (e.g., frequent absenteeism, excessive tardiness, recurrent accidents) which appears to be related to substance abuse and does not appear to be attributable to other factors;
 - (c) The identification of an employee as the focus of a criminal investigation into unauthorized drug possession, use, or trafficking;
 - (d) A report of alcohol or other drug use provided by a reliable and credible source;
 - (e) Repeated or flagrant violations of the company's safety or work rules, which are determined by a supervisor to pose a substantial risk of physical injury or property damage and which appear to be related to substance abuse or substance use that may violate the employer's DFWP policy, and do not appear attributable to other factors.
- (5) "Random selection" means drug testing of an employee selected from a pool of employees made regardless of whether any suspicion of illegal drug use exists. This testing is made without advanced notice to the employee and is based on an equal probability of selection. Random selection testing is based upon an objective and non-discretionary computer program operated and maintained by an outside contractor to identify and test a specified percentage of the total workforce over the course of a year. All employees, including those previously selected for testing, have an equal chance of being selected each time the testing process occurs, such that some employees may be selected more than once for random selection testing while other employees may not be selected at all.
- (6) "Safety-sensitive position or function" means any job position or work-related function or job task designated as such by the employer, which through the nature of the activity could be detrimental or dangerous to the physical well-being of the employee, co-workers, customers or the general public through a lapse in attention or judgment. The safety-sensitive position or function may include positions or functions where national security or the security of employees, co-workers, customers, or the general public may be seriously jeopardized or compromised through a lapse in attention or judgment.
- (7) "Supervisor" means an employee who supervises others in the performance of their jobs, has the authority and responsibility to initiate reasonable suspicion

testing when it is appropriate, and has the authority to recommend or perform hiring or firing procedures.

(8) "Ohio Department of Alcohol and Drug Addiction Services" or "ODADAS" means the state agency an employer may contact to provide technical assistance or referral to available community resources for employers interested in developing a DFWP program. ODADAS shall maintain a list of DFWP developmental consultant programs meeting specified criteria and offering training to assist employers in developing a DFWP program. Such training shall be experience equivalency for purposes of this rule.

(9) "Experience equivalency" means consultation and training services offered through a program which facilitates the development of an employer's DFWP program and may qualify the employer to receive a higher discount based on the program level implemented in conjunction with this experience equivalency credit.

The criteria for a program to be an experience equivalency shall include:

(a) All primary consultants for the organization shall have a minimum of ten hours annual continuing education in drug-free workplace issues;

(b) The organization shall have provided drug-free workplace policy and operational procedures development consultation and training for a period of at least two years; and

(c) For purposes of this rule, the organization shall provide a certificate only to an employer that completes a minimum of fifteen hours of face-to-face consultation and training and a minimum of twenty additional hours developing the employer's drug-free workplace policy and program operations.

(10) "Employee assistance plan" means an employer's plan of action and designated appropriate resources to assist employees who:

(a) Seek help on their own for an alcohol or drug problem;

(b) Are referred by management for a possible problem with alcohol or drugs; or

(c) Have a positive alcohol or drug test.

(11) "Employee assistance program" or "EAP" means a cost-effective program to assist employees and their families in dealing with problems affecting their work performance. An EAP identifies and helps resolve problems by applying short-term counseling, referral, and follow-up services, as determined by the contractual arrangement with the employer. In addition, the EAP provides such

services as management training and consultation; prevention and education programs; crisis intervention; benefits analysis; and organizational development. A qualified EAP is one recognized by industry standards which employs certified personnel and operates in compliance with core-technology specific to the EAP discipline. An "employee assistance program" is to be distinguished from an "employee assistance plan," which is used generically by employers offering a composition of assistance services for employees but which do not adhere to the core technology of the EAP field, as defined by the employee assistance professional association (EAPA). Employers are not required to have an EAP at any level of participation in the DFWP program but are encouraged to consider this option which offers broad-based employee assistance services as well as a good return on investment.

- (12) "Drug and alcohol testing" means a range of tests that may be utilized to address employee use or abuse of alcohol and other drugs that affect workplace safety. These tests include pre-employment or new hire testing to screen from the workforce persons with existing substance use or abuse problems that may affect workplace safety; post-accident testing, for employees who may have caused or contributed to an accident due to use or abuse of alcohol or other drugs; reasonable suspicion testing, which utilizes observations from trained supervisors to identify employees whose behavior suggests use or abuse of alcohol or other drugs that may endanger the employee or other employees; follow-up testing, including a return-to-duty test; and random drug testing to identify employees who use alcohol or other drugs in contravention of the employer's DFWP policy, with such testing likely to deter substance abuse because employees will not know whether or when they might be tested. The five drugs that are included in the drug testing are amphetamines, cannabinoids (THC), cocaine (including crack), opiates, and phencyclidine (PCP).
- (13) "Consortia" means entities established to provide more cost-effective services to employers to help the employers meet the DFWP program requirements. Consortia may involve varied pools of employers and their employees, wherein employer education, supervisor training, and drug and alcohol testing may be offered at a reduced cost to the employers who choose to participate. Consortia for drug and alcohol testing purposes may involve contracts with laboratories certified by the federal department of health and human services and will operate in concert with established protocols and procedures that are consistent with federal guidelines for testing.
- (14) "Vendor" means any person or organization that provides service to employers participating in the DFWP program for purposes of employers meeting DFWP program requirements.
- (15) "Small employer" means any employer that typically employs twenty-five or fewer employees.

(B) Application process.

The bureau shall provide application and renewal forms for use in the DFWP program and shall have final authority to approve a state fund employer to receive a discount based on its participation in this program. An employer's participation in a DFWP program shall be on a program year basis, as shall renewal of participation in a DFWP program. Only state fund employers requesting consideration for the DFWP program discount should submit an application. The bureau shall evaluate each application to determine the employer's eligibility to receive a discount under the DFWP program, the employer's eligibility for a specific program level, and the applicable discount per cent.

- (1) A private employer may apply either by June thirtieth for the program year beginning July first of that year to June thirtieth of the following year, or by December thirty-first for the program year beginning January first of the following year to December thirty-first of that year. The progress report and renewal deadlines are March thirty-first for a program year that begins on July first, and September thirtieth for a program year that begins on January first.
- (2) A public employer taxing district may apply by December thirty-first prior to the program year beginning January first of the following year to December thirty-first of that year. The progress report and renewal deadlines are September thirtieth for a program year beginning January first.
- (3) An employer may withdraw its application for enrollment in the DFWP program under this rule at any time prior to receiving the discount on its premium. When an employer becomes aware that it is unable to meet the program requirements associated with its approved DFWP program level by the required implementation date, the employer shall notify the bureau of its inability and shall withdraw from the program. The employer shall return any monetary benefits associated with any discount received.

(C) Eligibility requirements.

The DFWP program under this rule is available in the form of technical assistance and support to all private and public employers. However, eligibility for the discount is limited to state fund employers, with the per cent of discount based on an employer's participation in one or more alternate rating programs. A state fund employer seeking a discount shall apply on a bureau application form to implement a DFWP program and shall satisfy all of the eligibility requirements of this rule. The bureau shall review the application to determine whether the employer is eligible to receive a discount for participation in the DFWP program, determine whether the employer is eligible for the level of program applied for, and determine and approve the discount percentage for the level of program for which the employer is determined to be eligible. An employer that is found to be ineligible for participation in the DFWP program may reapply in a subsequent program year. It is recognized

that an employer may implement a DFWP program that exceeds the minimum requirements for the discount level approved by the bureau. For all levels of a DFWP program, the employer shall meet the following eligibility requirements:

(1) If an employer participates in any other alternate rating program offered by the bureau, ~~or receives a discount, credit, or benefit for participation in group rating, retrospective rating, or the premium discount program in the same policy year at the same time~~ as the employer participates in the DFWP program, ~~in the same policy year as the DFWP program~~, the employer may participate in the DFWP program and may receive the discount provided for under this rule in addition to the benefit for participating in the other alternate rating program, subject to the provisions and restrictions below:- ~~The employer may receive the maximum discount, credit, or benefit for whichever program amount is greater for the given policy or program year, or as specifically defined below, as follows:~~

~~(a) An employer participating in both the premium discount program plus under rule 4123-17-70 of the Administrative Code and the DFWP program may receive a premium discount equal to the greater of the premium discount program discount or the DFWP program discount as earned individually for the given policy or program year.~~

~~(i) Notwithstanding the provision of paragraph (C)(1)(a) of this rule, an employer participating in both the premium discount program plus under rule 4123-17-70 of the Administrative Code and the DFWP program under this rule may receive a premium discount for both programs. The discounts shall apply so long as the employer satisfies the requirements of each of the programs.~~

~~(ii) In applying the discounts for the two programs, the bureau shall first apply the PDP plus discount to the extent allowable under paragraph (I) of rule 4123-17-70 of the Administrative Code, and then the DFWP discount allowable under this rule.~~

~~(b) An individual employer participating in both group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code and the DFWP program may implement the DFWP program and receive a 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.~~

~~(e)~~(a)-An employer participating in both retrospective rating under rules 4123-17-41 to 4123-17-54 of the Administrative Code and the DFWP program may only receive a premium discount equal to the maximum of either the discount under the DFWP program or the difference between the employer's premium calculated as an individual employer and calculated in the retrospective rating program.

(b) An employer participating in group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code or in group retrospective rating under rule 4123-17-73 of the Administrative Code and also participating in the DFWP program during a given program period is not eligible for a DFWP discount in addition to the benefit for participating in any of these other alternative rating programs.

(c) An employer participating in both the deductible program under rule 4123-17-72 of the Administrative Code and the DFWP program may implement the DFWP program under this rule and receive the associated premium discounts in addition to the deductible benefit.

(d) An employer that has an existing substance-free program that has been in place for four or more years at the time of application and is evaluated as comparable to the level one program under this rule is eligible for a discount under this rule with the following stipulation. Such employer must implement all ten steps of the bureau's ten step business plan if participating at either level 2 or level 3.

(e) An employer not eligible for a discount under this rule may implement a DFWP program and is encouraged to do so. The bureau and ODADAS will identify available resources for support and technical assistance.

(2) The employer shall be current as of March thirty-first for the application year beginning July first, or September thirtieth for the application year beginning January first, and subsequent renewal years (not more than forty-five days past due) on any and all premiums, assessments, penalties or monies otherwise due to any fund administered by the bureau, including amounts due for retrospective rating at the time of the application deadline.

(3) The employer cannot have cumulative lapses in workers' compensation coverage in excess of ~~fifty-nine~~forty days within the ~~eighteen~~twelve months preceding the application or renewal deadline.

(4) The employer shall be in an active or reinstated policy status the first day of the policy year for the DFWP program.

(5) An employer in the DFWP program shall continue to meet all eligibility requirements during the year of participation in the program, when applying for renewal, and during each subsequent year of participation in the program, regardless of the level of the employer's DFWP program.

(D) General program requirements.

In signing the application form, the chief executive officer or designated management representative of the employer shall certify that the employer shall

meet, at a minimum, the program requirements associated with the level DFWP program for which the employer has applied. This certification is required for the employer to be considered for the discount associated with implementing the specific level DFWP program, and the signature certifies that the employer shall return any monetary benefits associated with any discount received based on failure to implement or meet the DFWP program level requirements for which it has applied and been approved.

- (1) An employer approved by the bureau for a DFWP program that does not have an existing substance-free workplace program at the time of application or that has a program in place for less than one year, may receive a maximum of five years of discount under this rule.
- (2) An employer that has an existing substance-free workplace program at the time of application for at least one year but less than four years that is evaluated as comparable to the level one program under this rule may receive a maximum of four years of discount under this rule.

(E) Program requirements – all program levels.

To receive a discount for implementing and operating a DFWP program, an employer shall fully implement, at a minimum, the following program components by the applicable dates.

- (1) Policy – The DFWP program shall include a written policy statement, which, at a minimum, shall consist of the following:
 - (a) Articulate all the elements of the level DFWP program which the employer is implementing;
 - (b) State management's incentive for creating a substance-free workplace (e.g., concern for employee safety and health, productivity, accident prevention, and loss control);
 - (c) Identify a DFWP program administrator and indicate the person's role or responsibilities with regard to the DFWP program;
 - (d) Communicate the DFWP program and policy through initial presentation to all employees prior to the program implementation and/or on a repetitive basis annually through employee education sessions;
 - (e) Clearly state that the program applies to all employees, including all levels of management;

- (f) Contain appropriate references to collective bargaining agreements and show how the DFWP program works in concert with these agreements to promote a safer workplace for all employees;
 - (g) Address the use or abuse of alcohol, prescription medications, over-the-counter medications, or illegal drugs. The policy should include which drug or alcohol tests will be used, at what cutoff levels and what testing procedures and protocols will be applied; and a clear statement that supervisors will be trained regarding their responsibilities related to various testing prior to the implementation of any testing;
 - (h) Include a commitment to rehabilitation;
 - (i) Describe how referrals may be made for testing, assessment, and employee assistance;
 - (j) Be in compliance with all federal and state laws or regulations;
 - (k) State what is prohibited and the consequences for employees of a violation of this policy;
 - (l) State the consequences, if any, for an employee's refusal to submit to a medical examination or a drug or alcohol test in conjunction with the operation of the employer's DFWP program;
 - (m) State the consequences for any employee attempting to adulterate a specimen or otherwise manipulate the drug or alcohol testing process;
 - (n) Include a discussion of confidentiality of the program records to ensure the privacy rights of individuals.
- (2) Employee education – The DFWP program shall include employee education, which, at a minimum, shall consist of the following:
- (a) At least one hour initially for all current employees prior to implementation of the DFWP program, and at least one hour annually thereafter for each program year in which the employer operates a DFWP program, and with information on the employer's written policy provided to all new employees within each employee's first six weeks of employment which may include written information provided during orientation;
 - (b) Inform employees about the content of the DFWP program as delineated in the written policy, a copy of which will be presented, discussed and acknowledged by each employee's signature on an appropriate form;
 - (c) Stress management's commitment to the program;

- (d) Include the disease model for alcohol and other drugs, the signs and symptoms associated with substance use and abuse, and the effects and dangers of commonly used drugs in the workplace;
 - (e) Share a list of helping resources in the community for employees to utilize for themselves or their families; with information provided by bureau staff and obtained from the local county alcohol, drug abuse and mental health service (ADAMH) board or alcohol and drug addiction services (ADAS) board to link employees who need assistance with helping resources in the community and which can be utilized by the employees and/or their families for assessment or treatment.
 - (f) Be presented by a qualified educator or a presenter supervised by a qualified educator or, if in-house personnel are utilized to present the employee education sessions, the presenter must have attended a training-for-trainers session offered by a qualified educator. A qualified educator includes anyone having at least three years of experience providing substance educational awareness within the past five years or holding one of the following credentials:
 - (i) Substance abuse professional (SAP);
 - (ii) Certified employee assistance professional (CEAP);
 - (iii) Certified chemical dependency counselor (CCDCIII);
 - (iv) Ohio certified prevention specialist 1 (OCPS 1);
 - (v) Ohio certified prevention specialist 2 (OCPS 2); or
 - (vi) Other, which includes any other credential that demonstrates comparable education or training pertinent to providing education or training in the substance use/abuse field.
- (3) Supervisor training – The DFWP program shall include supervisor training, which, at a minimum, shall consist of the following:
- (a) At least two hours of initial skill-building training for all current and new supervisors (with at least one hour of training within six weeks of a current employee becoming a supervisor or from the date of hire of a supervisor), in addition to the annual hour of employee education, for a total of three hours;
 - (b) In subsequent program years, a minimum of one hour of refresher training for supervisors who have received the initial two hours of training, which is

in addition to the annual hour of employee education, for a total of two hours;

- (c) A discussion of a supervisor's responsibilities in relationship to the employer's DFWP program, including but not limited to how to recognize a possible alcohol or other drug problem; how to document behaviors that demonstrate an alcohol or other drug problem; how to confront employees with the problem in terms of their observed behaviors; how to initiate reasonable suspicion testing; how to make an appropriate referral for assistance; how to follow up with employees re-entering the work setting after a positive drug test; and how to handle DFWP program responsibilities in a manner that is consistent with any pertinent collective bargaining agreements; and
 - (d) Be presented by a qualified trainer or a presenter supervised by a qualified trainer. A qualified trainer includes anyone having at least three years of experience providing substance training within the past five years or holding one of the following credentials provided in paragraphs (E)(2)(f)(i) to (E)(2)(f)(vi) of this rule.
- (4) Drug and alcohol testing – The DFWP program shall include drug and alcohol testing which, at a minimum, shall consist of a five-panel drug screen with gas chromatography/mass spectrometry (GC/MS) and alcohol testing consistent with federal standards, including split specimen as utilized in federally mandated testing. The employer shall implement and pay for drug and alcohol testing as follows, with the stipulation that all categories of testing shall be clearly described and defined in the employer's written policy. Only the cost of a re-test requested by an employee and utilizing the split specimen may be charged to an employee. If a re-test comes back negative for drugs, the employer will pay the cost of the re-test.
- (a) Pre-employment/new-hire testing: at one hundred per cent (drug test required), with testing to be conducted before or within the first ninety days of employment;
 - (b) Post-accident: All employees who may have caused or contributed to an on-the-job accident, as defined in paragraph (A)(3) of this rule, shall submit to a drug or alcohol test. This test will be administered as soon as possible after necessary medical attention is received, or within eight hours for alcohol and within thirty-two hours for other drugs. The employer may determine when an accident should result in a post-accident test through considering the following: if the accident resulted in an injury that is considered "minor" even where off-site medical attention was required, and if there was no violation of work rules associated with the accident, and if there was no reasonable suspicion related to possible substance use in violation of the employer's written policy and if the accident is considered

"normal" in relationship to the job functions of all involved employees, then the employer may require but does not have to require a drug and/or alcohol test of all employees who may have caused or contributed to the accident.

- (c) Reasonable suspicion testing based on documentation and concurrence among the trained observing supervisor and a second trained supervisor, wherever possible.
- (d) Follow-up testing, for any employee with a positive test, commencing with a required return-to-duty drug and/or alcohol test. The employer may determine whether there are to be additional tests on an unannounced basis over the period of a year from the date of return to duty for such employee where the employer brings the employee back to work or returns the employee to a safety-sensitive position or function after a positive test.

For the purposes of the DFWP program, the forms of testing to be utilized will be urinalysis (EMIT screen, also referred to as a drug screen, plus GC/MS confirmation) for a panel of five drugs, and breath or saliva with a confirmatory evidential breath test (EBT) for alcohol. However, if an EBT is not available or reasonably accessible, a blood test should be made available to the employee to determine the presence of alcohol. The employer is required to document and maintain on file the reason the EBT was not administered. To ensure the integrity of testing and for the safety of employees, participating companies must ensure that the collection sites with which they contract follow the procedures and chain-of-custody guidelines recommended by the federal department of health and human services (DHHS) and required by the federal department of transportation. Employers shall ensure that DHHS certified laboratories process the test results, and that a qualified medical review officer is responsible for evaluating all test results.

Supervisors shall receive training regarding their responsibilities related to various testing prior to implementation of testing. Cut-off levels shall be clearly stated in the written policy, along with the procedures or protocols, such as chain of custody, that define the testing process.

- (5) Employee assistance – The DFWP program for small employers does not require either an employee assistance plan as defined in paragraph (A)(10) of this rule or an EAP as defined in paragraph (A)(11) of this rule for any program level. The bureau strongly recommends that the employer consider providing employee assistance beyond the assistance information that will be compiled by bureau staff from local ADAMH or ADAS boards. When an employee tests positive, in addition to any corrective action deemed appropriate and specified in written policy, the employer should consider sharing with the employee what a substance abuse assessment is and, by way of referral, shall provide the list containing names and addresses of qualified substance abuse resources who can administer an assessment and serve as a link to possible treatment services.

Offering employee assistance does not preclude the employer from making a decision on retaining an employee or termination of employment consistent with applicable state and federal laws and regulations.

- (6) Other – The DFWP program may contain other provisions related to specific program requirements that do not fall into one of the five basic program components.
- (7) An employer may use a vendor for any of the following: to develop or review its DFWP program policy under paragraph (E)(1) of this rule; for an educator or presenter supervised by an educator for employee education under paragraph (E)(2) of this rule; for a trainer or presenter supervised by an educator for supervisor training under paragraph (E)(3) of this rule; for drug and alcohol testing under paragraph (E)(4) of this rule; or for employee assistance under paragraph (E)(5) of this rule.
- (8) The bureau may establish and administer or set standards for consortia for the purpose of more effective program administration and reduced costs for small employers participating in the DFWP program under this rule. Consortia will facilitate the development of drug testing pools that can be utilized by groups of small employers and their employees. Consortia can help small employers meet additional DFWP requirements such as employee education, skill-building supervisor training, facilitate random testing, and provide other drug and alcohol testing services for the drug testing requirements and providing employee assistance. The bureau will develop the criteria that will govern how the consortia will operate.

(F) Additional level-specific program requirements.

In addition to the general requirements of paragraph (E) of this rule applicable to all employers participating in the DFWP program and receiving a discount, this paragraph of this rule describes additional specific program requirements for the various levels of the DFWP program.

(1) Level 1 DFWP program.

To receive a discount for a level 1 DFWP program, an employer shall meet all of the general requirements of paragraph (E) of this rule.

(2) Level 2 DFWP program.

To receive a discount for a level 2 DFWP program, an employer shall apply for level 2 DFWP program and shall demonstrate to the satisfaction of the bureau proficiency and readiness to implement a level 2 DFWP program such as through having a documented safety program or an existing substance-free workplace program or through documented experience equivalency from a

program offering employer DFWP development training that has met the criteria specified in paragraph (A)(9) of this rule and is on the list maintained by ODADAS, through some other form of demonstrated proficiency/readiness to implement a level 2 DFWP program or through participation in a consortium that meets the requirements established by the bureau pursuant to paragraph (A)(13) of this rule. The employer shall fully implement the program components detailed in paragraph (E) of this rule, and in addition shall implement the following:

- (a) In addition to the drug and alcohol testing DFWP program requirements of paragraph (E)(4) of this rule, the employer shall include random drug testing of ten per cent of the employer's workforce each program year, as shall be clearly described and defined in the employer's DFWP policy. For public employers, random drug testing applies only to safety-sensitive positions or functions, as defined by the employer in the DFWP policy and paragraphs (A)(5) and (A)(6) of this rule.
- (b) The employer shall implement three specified steps of the bureau's ten step business plan under rule 4123-17-70 of the Administrative Code. The three steps are senior leadership, employee involvement, and written and communicated safe work practices.

(3) Level 3 DFWP program.

To receive a discount for a level 3 DFWP program, an employer shall apply to implement a level 3 DFWP program; shall have conducted a DFWP program at level 1, 2, or 3 for two full years, and shall have met the renewal requirements. The employer shall fully implement the program components detailed in paragraph (E) of this rule, and in addition shall implement the following:

- (a) In addition to the drug and alcohol testing DFWP program requirements of paragraph (E)(4) of this rule, the employer shall include random drug testing of twenty-five per cent of the employer's entire workforce each program year. For public employers, random drug testing applies only to safety-sensitive positions or functions, as defined by the employer in the DFWP policy and paragraphs (A)(5) and (A)(6) of this rule.
- (b) At level 3, the employer shall implement three steps of the bureau's ten step business plan under rule 4123-17-70 of the Administrative Code. The steps are senior leadership, employee involvement, and written and communicated safe work practices.

(G) Progress reporting and renewal requirements.

If the bureau determines that an employer is eligible to implement a DFWP program, the employer shall comply with the following requirements for initial participation,

and renewal of annual participation in the DFWP program. In order to qualify for renewal, an employer shall have implemented all of the program requirements associated with the DFWP program level for which a discount was obtained by the appropriate implementation date.

- (1) The employer shall permit the bureau or its designee access to the employer's job sites for on-site audit of the employer's DFWP program components, related records and documentation. The employer shall sign a "release of information form" for compliance monitoring and cost-benefit analysis purposes which authorizes the bureau to have access to various aggregate information from drug testing laboratories and medical review officers.
- (2) By the end of the first quarter of the program year or a subsequent date established by the bureau, for the first year of an employer's DFWP program, the chief executive officer or designated management representative of the employer shall certify on a form provided by the bureau a statement that the employer has fully implemented and is operating its DFWP program in accordance with the program level requirements for which the employer has applied or is receiving the discount.
- (3) The employer shall submit to the bureau a DFWP program progress report on a form provided by the bureau providing information regarding its DFWP program for the program year. The progress report shall include information related to drug and alcohol testing and may also include additional information related to other DFWP program components as requested on the progress form. If the employer is applying for renewal, the employer shall include the DFWP program level that is requested for the next year. The reports shall be certified by the chief executive officer or designated management representative of the employer.
 - (a) Policy – The employer shall develop a DFWP policy that meets or exceeds the program requirements associated with the level of DFWP program for which the employer is receiving a discount. The employer shall maintain the following information on site for audit purposes:
 - (i) A copy of the written policy; and
 - (ii) Copies of signed acknowledgments from all employees regarding receipt of a copy of the employer's DFWP program policy.
 - (b) Employee education – The employer shall maintain on site statistics regarding the number of employees educated under the DFWP program, the names and qualifications of all educators who presented the DFWP program employee education sessions, and the names and qualifications of persons supervising any of these educators. In addition, the employer shall maintain the following information on site for audit purposes:

Original attendance sheets, signed by each employee who attended DFWP program employee education, indicating the date and number of hours of each session.

- (c) Supervisor training – The employer shall maintain on site statistics regarding the number of supervisors trained under the DFWP program, the names and qualifications of all trainers who presented the DFWP program supervisor training, and the names and qualifications of persons supervising any of these trainers. In addition, the employer shall maintain the following information on site for audit purposes:

Original attendance sheets, signed by each supervisor who attended DFWP program supervisor training, indicating the date and number of hours of each session.

- (d) Drug and alcohol testing – The employer shall report statistics regarding the number of employees tested under the employer's DFWP program. The employer shall maintain on site for audit purposes copies of all billings from medical review officers and laboratories. The following statistics shall be reported:

- (i) Total number of employees employed by the company;

- (ii) Number of safety-sensitive positions or functions for both private employers and public employers;

- (iii) Program year and dates or periods of time in which the testing occurred;

- (iv) Number of new hires and percentage tested;

- (v) Aggregate reporting of the number of employees tested for each category of testing required in the employer's DFWP program, including the number and per cent of employees tested for pre-employment/new hire, reasonable suspicion, post-accident, government required, random (if applicable), and other testing if applicable; number of positive versus negative tests for each category; and

- (vi) Names of medical review officers and names, addresses, phone numbers, and contact persons for all labs or collectors utilized by the employer for drug and alcohol testing under the DFWP program.

- (e) Employee assistance – The employer shall maintain on site the following information regarding its employee assistance under the DFWP program:

The name of the organization that provided the employee assistance services, and the name and telephone number of the contact person.

- (f) Other – An employer implementing a level 2 DFWP program shall report its progress in implementing the three specified steps of the bureau's ten step business plan, and an employer implementing a level 3 DFWP program shall report its progress in implementing the three specified steps. An employer implementing a level 2 or level 3 DFWP program shall maintain records on site of its implementation of the three required steps.

(H) Disqualification from program and reapplication.

The bureau may cancel an employer's participation in the DFWP program for the employer's failure to fully implement a DFWP program in compliance with the approved program level. The bureau shall send written notice of cancellation to the employer, and shall require the employer to reimburse the bureau for any discounts received inappropriately, as provided in paragraphs (B)(3) and (D) of this rule.

- (1) If the bureau cancels an employer from the DFWP program under this rule for failure to meet the program requirements, the employer may reapply for the DFWP program for the next program period, unless the employer has received a discount and has failed to reimburse the bureau for the discount. The bureau may deny the application based on circumstances of the initial program period.
- (2) When an employer becomes aware that it is unable to fully implement its DFWP program by the required implementation date, the employer shall notify the bureau immediately. The employer's failure to notify the bureau of its inability to fully implement the DFWP program may disqualify the employer from re-applying for the program in the future, even after the required repayment of any discount that may have been received.

(I) Discount requirements.

An employer participating in the DFWP program or meeting renewal performance standards under this rule shall be eligible to receive discounts as provided for in this rule.

- (1) The discount for an employer implementing a DFWP program shall be as follows:
 - (a) For an employer implementing a level 1 DFWP program, ten per cent;
 - (b) For an employer implementing a level 2 DFWP program, fifteen per cent;
 - (c) For an employer that has operated a DFWP program at level 1, level 2 or level 3 (the latter without a level 3 discount) for a total of no less than two

full years; upon implementing a level 3 DFWP program, the employer is eligible for twenty per cent for each year of remaining eligibility in which the employer is approved to participate at a level 3 DFWP program.

- (2) The discount will be applied to the employer's premium rate, but not to the disabled workers' relief fund assessments or other assessments. The discount will not alter the employer's actual total modification calculation under rule 4123-17-03 of the Administrative Code.
- (3) The application of the discount associated with the level of the DFWP program approved by the bureau for each employer shall occur effective July first or January first of the appropriate program year for private employers, and January first of the appropriate program year for public employers.
- (4) An employer is limited to four continuous years, if eligible for four years of discount, or five continuous years, if eligible for five years of discount, to complete its maximum participation in the discount program under this rule; except that an employer which drops out of the DFWP program without receiving a discount or which repays any discount that was received, plus interest, may be considered for four or five years of discount, based on eligibility.
- (5) An employer which has completed its eligible four years or five years of participation in the DFWP program under this rule is ineligible to reapply.
- (6) Employers participating in DFWP are eligible to obtain a DFWP plus benefit as follows:
 - (a) Additional credits are allowed for a fifteen per cent reduction of claims frequency and for a fifteen per cent reduction of claims severity;
 - (b) Claims frequency is defined as total number of reported claims (medical only and lost time) in a given policy year multiplied by one million dollars divided by the reported payroll of the same year;
 - (c) Claims severity is defined as the total number of days away from work in a given policy year multiplied by one million dollars divided by the reported payroll of the same year;
 - (d) Plus credits are as follows:
 - (i) Ten per cent for a fifteen per cent or greater claims severity reduction;
 - (ii) Five per cent for a fifteen per cent or greater claims frequency reduction;

(iii) Five per cent bonus for meeting both a fifteen per cent or greater claims severity reduction and a fifteen per cent or greater claims frequency reduction.

(iv) A plus discount check will be sent to an employer by the end of October for an employer whose anniversary date in DFWP is the first of July, and by the end of April for an employer whose anniversary date in the program is the first of January.

(J) An employer may appeal enrollment rejection and renewal rejection to the bureau's adjudicating committee pursuant to rule 4123-14-06 of the Administrative Code.

(K) Hold harmless statement.

Nothing in this rule requires an employer to implement any policies or practices in developing a DFWP program that conflict or interfere with existing collective bargaining agreements. Rather, the bureau suggests that the employer and employees engage in a collaborative effort to be successful in improving workplace safety by implementing a DFWP program that includes employee input and support.

Where there are legal issues related to development and implementation of a DFWP program, it is the employer's responsibility to consult with its legal counsel to resolve these issues. An employer shall certify in its application to the bureau that it shall hold the state of Ohio harmless for responsibility or liability under the DFWP program.

(L) Pursuant to section 4121.37 of the Revised Code, the administrator may establish a program of safety grants in support of meeting drug-free workplace requirements such as policy development, employee education, supervisor training, employee assistance, and research for eligible employers who participate in the safety grant program. The safety grant program may include grants to an employer participating in the drug-free workplace discount program under this rule or to an employer with a program comparable to the DFWP program under this rule for the employer to provide for employee and supervisor education and training as required under paragraphs (E)(2) and (E)(3) of this rule.

The administrator or administrator's designee may authorize special safety grants which will be given in furtherance of drug-free workplace efforts to those employers who demonstrate capability of promoting the development of any drug-free workplace program component on a regional, statewide or industry-specific level including, but not limited to, incorporation of labor efforts to promote education, training and substance testing.

(1) The bureau shall determine whether the employer is eligible for the safety grant program grants under this rule. The bureau may limit participation in the safety grant program based upon the availability of bureau resources for the program

and upon the merits of the employer's proposal. The safety grant program is available only to a private state fund employer or a public employer taxing district that shall pay workers' compensation premiums to the state insurance fund, shall have active coverage on the date of agreement to participate in the safety grant program, and shall be a participant in the drug-free workplace discount program under this rule or an employer with a program comparable to the DFWP program under this rule at the time of application for the safety grant program.

- (2) The bureau will assess whether the employer is eligible to receive a safety grant under this rule. The bureau and employer shall enter into a written agreement detailing the rights, obligations, and expectations of the parties for performance of the safety grant program.
- (3) The bureau may meet with the owner or chief executive officer of the employer to evaluate the employer's progress in the safety grant program. The employer shall provide the bureau access to records or personnel to conduct research into the effectiveness of the safety grant program.
- (4) An employer who complies with the requirements of the safety grant program under this rule shall be eligible to receive a grant from the bureau as provided in the written agreement.
 - (a) The bureau may establish by written agreement with the employer the maximum amount of the safety grant program grant.
 - (b) The bureau may establish by written agreement with the employer a requirement for matching funds from the employer in a ratio to be determined by the bureau.
 - (c) The bureau shall monitor the employer's use of the safety grant program grant and may recover the entire grant if the bureau determines that the employer has not used the grant for the purposes of the safety grant program or has otherwise violated the written agreement on the safety grant program.
- (5) The bureau shall evaluate the research data from the safety grant program on a periodic basis. The bureau may publish reports of the research to assist employers in maintaining a drug-free workplace.

| [Effective: 07/01/2004](#)

BWC Board of Directors Executive Summary Changes to Program Rules

Introduction

Chapter 4123-17 of the Ohio Administrative Code contains BWC rules for alternative rating and discount programs including the Drug-Free Workplace Program (DFWP) and Drug-Free EZ (DF-EZ).

Background Information

Pursuant to division (E) of section 4123.34 of the Ohio Revised Code, the administrator may grant a discount on premium rates to an eligible employer that meets the program requirements under the provisions of rules with advice and consent of the BWC Board of Directors. Pursuant to this statute, BWC adopted OAC 4123-17-58 (DFWP) in 1997 and OAC 4123-17-58.1 (DF-EZ) in 2002. These rules have been amended numerous times as operational needs dictated.

Proposed Changes

BWC is seeking a change to both DFWP and DF-EZ to remove the opportunity for an employer to stack a drug-free discount on top of certain other discounts and modification of eligibility criteria. BWC is asking to modify its two drug-free rules to prevent employers that participate in group rating or retrospective group rating (“group retro”) from receiving a second discount for participating concurrently in DFWP or DF-EZ.

- BWC is asking that the DFWP/DF-EZ rules be modified for consistency and clarity purposes as reflected below:
 - OAC 4123-17-70 is the Premium Discount Program Plus (PDP+) rule. BWC is seeking to “sunset” this program and have discounts eliminated from this rule. Therefore, BWC is also seeking to remove the ability to stack a drug-free discount on top of a PDP+ discount since this would make no sense.
 - OAC 4123-17-72 is the new BWC Deductible Program rule which allows employers participating in this program to stack a drug-free discount as an additional benefit.
 - OAC 4123-17-73 is the new Group Retrospective Rating Plan rule which will **not** allow participating employers to stack a drug-free discount.
 - In addition, BWC is seeking to modify all of its program rules including the drug-free rules to avoid unduly penalizing employers with lapsed coverage by moving from 59 days of lapses over the past 18 months to 40 days over the past 12 months as a basis for determining eligibility for program participation.

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-58

Rule Review

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

Citation: R.C. 4123.34

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

What goal(s): Provide for a drug-free workplace program that is considered the industry standard and facilitates employers creating safer workplaces, free from accidents and injuries attributable to workplace substance abuse. Rule modifies application of a discount for participation in program in conjunction with participation in other alternate rating programs.

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 Grocers' Association, Ohio Manufacturers' Association, Ohio Retail Merchants, PIA, Frank Gates, CCI, Sheakley, Gates McDonald, SAO, CompManagement (Sedgwick)

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.