

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual Class	Manual Class Description	7/1/2009 Base Rate	7/1/2010 Base Rate	Percent Change
0005	FARM: NURSERY EMPLOYEES & DRIVERS	\$2.99	\$2.47	-17%
0008	FARM: GARDENING-MARKET OR TRUCK & DRIVERS	\$1.79	\$1.60	-11%
0016	FARM: ORCHARD & DRIVERS	\$6.62	\$4.79	-28%
0034	FARM: POULTRY OR EGG PRODUCER & DRIVERS	\$4.21	\$4.62	10%
0035	FARM: FLORIST & DRIVERS	\$4.02	\$4.11	2%
0036	FARM: DAIRY & DRIVERS	\$3.50	\$3.55	1%
0037	FARM: FIELD CROPS & DRIVERS	\$6.11	\$4.95	-19%
0042	LANDSCAPE GARDENING & DRIVERS	\$6.95	\$6.07	-13%
0050	FARM MACHINERY OPERATION - BY CONTRACTOR & DRIVERS	\$4.95	\$3.51	-29%
0079	FARM: BERRY/VINEYARD & DRIVERS	\$7.23	\$9.03	25%
0083	FARM: CATTLE OR LIVESTOCK RAISING NOC & DRIVERS	\$6.35	\$5.06	-20%
0106	TREE PRUNING SPRAYING REPAIRING - ALL OPERATIONS & DRIVERS	\$40.88	\$41.82	2%
0113	FARM: HATCHERY & DRIVERS	\$3.81	\$4.39	15%
0170	FARM: ANIMAL RAISING & DRIVERS	\$3.15	\$2.71	-14%
0251	IRRIGATION WORKS OPERATION & DRIVERS	\$4.57	\$4.39	-4%
0400	COTTON COMPRESSING & DRIVERS	\$3.51	\$3.28	-7%
0401	COTTON GIN OPERATION & LOCAL MANAGERS & DRIVERS	\$3.51	\$3.28	-7%
0917	DOMESTIC SERVICE CONTRACTOR - INSIDE	\$8.47	\$8.23	-3%
1005	COAL MINING-SURFACE & DRIVERS	\$5.55	\$4.94	-11%
1016	COAL MINING-NOC	\$5.98	\$5.69	-5%
1164	MINING NOC-NOT COAL-UNDERGROUND & DRIVERS	\$5.53	\$4.91	-11%
1165	MINING NOC-NOT COAL-SURFACE & DRIVERS	\$13.64	\$4.91	-64%
1320	OIL OR GAS LEASE OPERATOR, ALL OPERATIONS & DRIVERS	\$4.46	\$2.91	-35%
1322	OIL/GAS WELL CLEAN WELL PRV PRD GAS/OIL-BY CONTR-NO DRILLING	\$9.57	\$7.50	-22%
1430	SMELTING, SINTERING OR REFINING, LEAD & DRIVERS	\$63.00	\$81.90	30%
1438	SMELTING, SINTERING OR REFINING METALS-NOT IRON/LEAD-NOC	\$7.25	\$5.48	-24%
1452	ORE MILLING & DRIVERS	\$5.53	\$4.91	-11%
1463	ASPHALT WORKS & DRIVERS	\$4.77	\$4.62	-3%
1472	DISTILLATION-WOOD-& DRIVERS	\$1.87	\$1.35	-28%
1624	QUARRY NOC & DRIVERS	\$4.67	\$3.96	-15%
1642	LIME MFG	\$4.46	\$5.80	30%
1654	QUARRY-CEMENT ROCK-SURFACE-& DRIVERS	\$3.04	\$3.95	30%
1655	QUARRY-SURFACE-& DRIVERS	\$2.80	\$3.64	30%
1699	ROCK WOOL MFG	\$11.17	\$9.19	-18%
1701	CEMENT MFG	\$3.57	\$4.64	30%
1710	STONE CRUSHING & DRIVERS	\$8.10	\$8.28	2%
1741	FLINT OR SPAR GRINDING & DRIVERS	\$7.83	\$6.35	-19%
1747	EMERY WORKS & DRIVERS	\$4.64	\$6.03	30%
1748	ABRASIVE WHEEL MFG & DRIVERS	\$3.65	\$4.75	30%
1803	STONE CUTTING OR POLISHING NOC & DRIVERS	\$5.92	\$5.26	-11%
1852	ASBESTOS GOODS MFG	\$4.22	\$3.86	-9%
1853	MICA GOODS MFG & MICA PREPARING	\$6.16	\$4.97	-19%
1860	ABRASIVE PAPER OR CLOTH PREPARATION	\$3.45	\$3.14	-9%
1924	WIRE DRAWING OR CABLE MFG-NOT IRON OR STEEL	\$5.55	\$5.17	-7%
1925	DIE CASTING MFG	\$5.42	\$4.99	-8%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
2001	CRACKER MFG	\$7.41	\$7.53	2%
2002	MACARONI MFG	\$5.86	\$4.51	-23%
2003	BAKERY & DRIVERS, ROUTE SUPERVISORS	\$5.09	\$4.43	-13%
2014	GRAIN OR FEED MILLING	\$5.22	\$6.32	21%
2016	CEREAL OR BAR MFG	\$9.51	\$6.97	-27%
2021	SUGAR REFINING	\$4.81	\$4.05	-16%
2039	ICE CREAM MFG & DRIVERS	\$7.08	\$4.54	-36%
2041	CANDY CHOCOLATE & CONFECTION MFG	\$3.95	\$3.20	-19%
2065	MILK PRODUCTS MFG NOC	\$2.47	\$1.88	-24%
2070	CREAMERY & ROUTE SUPERVISORS & DRIVERS	\$5.56	\$4.71	-15%
2081	BUTCHERING	\$8.00	\$6.58	-18%
2089	PACKING HOUSE-ALL OPERATIONS	\$6.16	\$5.40	-12%
2095	MEAT PRODUCTS MFG NOC	\$4.96	\$5.03	1%
2105	FRUIT PACKING	\$7.54	\$6.63	-12%
2110	PICKLE MFG	\$6.25	\$6.89	10%
2111	CANNERY NOC	\$3.39	\$3.99	18%
2112	FRUIT EVAPORATING OR PRESERVING	\$3.09	\$4.02	30%
2114	OYSTERMEN	\$4.22	\$3.86	-9%
2121	BREWERY & DRIVERS	\$6.10	\$4.30	-30%
2130	SPIRITUOUS LIQUOR DISTILLERY	\$4.72	\$3.86	-18%
2131	SPIRITUOUS LIQUOR BOTTLING	\$2.23	\$1.86	-17%
2143	FRUIT JUICE MFG & DRIVERS	\$6.82	\$5.36	-21%
2157	BOTTLING NOC & ROUTE SUPERVISORS , DRIVERS	\$7.05	\$6.06	-14%
2172	CIGARETTE MFG	\$4.22	\$3.86	-9%
2174	TOBACCO REHANDLING OR WAREHOUSING	\$25.87	\$23.76	-8%
2211	COTTON BATTING, WADDING OR WASTE MFG	\$8.52	\$11.08	30%
2220	YARN OR THREAD MFG-COTTON	\$10.25	\$8.01	-22%
2286	WOOL SPINNING & WEAVING	\$7.47	\$7.29	-2%
2288	FELTING MFG	\$4.86	\$5.94	22%
2300	PLUSH MFG	\$4.22	\$3.86	-9%
2302	SILK THREAD OR YARN MFG	\$3.76	\$3.40	-10%
2305	TEXTILE FIBER MFG-SYNTHETIC	\$8.08	\$6.69	-17%
2361	HOSIERY MFG	\$4.22	\$3.86	-9%
2362	KNIT GOODS MFG NOC	\$4.71	\$3.86	-18%
2380	WEBBING MFG	\$5.96	\$5.03	-16%
2386	LACE MFG	\$3.86	\$3.86	0%
2388	EMBROIDERY MFG	\$2.66	\$2.25	-15%
2402	CARPET OR RUG MFG NOC	\$13.88	\$3.86	-72%
2413	TEXTILE-BLEACHING, DYEING MERCERIZING, FINISHING	\$6.14	\$5.66	-8%
2416	YARN DYEING OR FINISHING	\$3.86	\$3.86	0%
2417	CLOTH PRINTING	\$7.27	\$3.86	-47%
2501	CLOTH, CANVAS & RELATED PRODUCTS NOC	\$3.78	\$3.14	-17%
2503	DRESSMAKING OR TAILORING-CUSTOM EXCLUSIVELY	\$2.28	\$1.90	-17%
2534	FEATHER OR FLOWER MFG-ARTIFICIAL	\$9.53	\$3.86	-59%

Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010

Manual Class	Manual Class Description	7/1/2009 Base Rate	7/1/2010 Base Rate	Percent Change
2570	MATTRESS OR BOX SPRING MFG	\$8.25	\$7.88	-4%
2585	LAUNDRY NOC & ROUTE SUPERVISORS , DRIVERS	\$5.83	\$5.32	-9%
2586	CLEANING OR DYEING & ROUTE SUPERVISORS, DRIVERS	\$3.52	\$2.76	-22%
2587	TOWEL OR TOILET SUPPLY CO & ROUTE SUPERVISORS, DRIVERS	\$7.56	\$6.41	-15%
2589	LAUNDRY & DRY CLEANING STORE- RETAIL-ROUTE SUPERVISORS, DRV	\$2.84	\$2.82	-1%
2600	FUR PROCESSING - PREPARING SKINS	\$4.22	\$3.86	-9%
2623	LEATHER MFG - INCL TANNING, LEATHER EMBOSSING & WOOL PULLING	\$4.71	\$3.86	-18%
2651	SHOE STOCK MFG	\$2.62	\$3.41	30%
2660	BOOT OR SHOE MFG NOC	\$11.97	\$3.86	-68%
2670	GLOVE MFG-LEATHER OR TEXTILE	\$10.53	\$13.69	30%
2683	LUGGAGE MFG	\$8.06	\$10.09	25%
2688	LEATHER GOODS MFG NOC	\$1.74	\$1.44	-17%
2701	LOGGING OR TREE REMOVAL - LOG HAULING AND DRIVERS	\$10.64	\$9.77	-8%
2702	LOGGING OR LUMBERING & DRIVERS	\$23.75	\$26.52	12%
2709	LOGGING OR TREE REMOVAL - MECHANIZED EQUIPMENT OPERATORS	\$23.08	\$25.44	10%
2710	SAWMILL	\$9.89	\$9.43	-5%
2714	VENEER MFG	\$4.89	\$6.21	27%
2731	PLANING OR MOLDING MILL	\$4.54	\$3.17	-30%
2735	FURNITURE STOCK MFG	\$3.14	\$3.27	4%
2759	PALLET, BOX OR BOX SHOOK MFG	\$8.55	\$7.62	-11%
2790	PATTERN MAKING NOC	\$3.55	\$3.29	-7%
2802	CARPENTRY-SHOP ONLY-& DRIVERS	\$5.36	\$4.24	-21%
2812	CABINET WORKS-WITH POWER MACHINERY	\$4.26	\$3.92	-8%
2835	BRUSH OR BROOM ASSEMBLY	\$10.44	\$13.57	30%
2836	BRUSH OR BROOM MFG NOC	\$2.54	\$2.55	0%
2841	WOODENWARE MANUFACTURING NOC	\$2.19	\$1.72	-21%
2881	FURNITURE ASSEMBLY-WOOD-FROM MANUFACTURED PARTS	\$3.04	\$2.19	-28%
2883	FURNITURE MFG-WOOD-NOC	\$4.78	\$5.04	5%
2913	RATTAN, WILLOW OR TWISTED FIBER PRODUCTS MFG	\$6.71	\$5.99	-11%
2915	VENEER PRODUCTS MFG	\$13.29	\$3.86	-71%
2916	VENEER PRODUCTS MFG-NO VENEER MFG	\$4.71	\$4.22	-10%
2923	PIANO MFG	\$4.91	\$5.56	13%
2942	PENCIL, PENHOLDER OR CRAYON MFG	\$18.79	\$16.86	-10%
2960	WOOD PRESERVING & DRIVERS	\$4.26	\$3.47	-19%
3004	IRON OR STEEL: MANUFACTURING: STEEL MAKING-& DRIVERS	\$4.38	\$3.40	-22%
3018	IRON OR STEEL: MANUFACTURING: ROLLING MILL & DRIVERS	\$3.98	\$3.64	-9%
3022	PIPE OR TUBE MFG NOC & DRIVERS	\$6.38	\$8.11	27%
3027	ROLLING MILL NOC & DRIVERS	\$3.38	\$3.43	1%
3028	PIPE OR TUBE MFG-IRON OR STEEL- & DRIVERS	\$5.61	\$4.15	-26%
3030	IRON OR STEEL: FAB IRON OR STEEL WORKS-SHOP-STRUCTURAL	\$7.83	\$7.56	-3%
3040	IRON OR STEEL: FABRICATION: IRON WORKS-SHOP-ORNAMENTAL	\$5.83	\$5.76	-1%
3041	IRON/STEEL:FAB IRON WORKS-SHOP DECOR/ARTISTIC & FOUNDRY	\$10.13	\$11.68	15%
3042	ELEVATOR OR ESCALATOR MFG	\$1.98	\$1.66	-16%
3064	SIGN MFG-METAL	\$5.50	\$4.43	-19%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
3069	SHEET METAL PRODUCTS MANUFACTURING	\$6.44	\$8.37	30%
3076	SHEET METAL PRODUCTS MFG. - SHOP ONLY	\$5.36	\$4.81	-10%
3081	FOUNDRY-FERROUS-NOC	\$12.64	\$10.41	-18%
3082	FOUNDRY-STEEL CASTINGS	\$12.70	\$10.67	-16%
3085	FOUNDRY-NON-FERROUS	\$7.22	\$7.34	2%
3110	FORGING WORK-DROP OR MACHINE	\$9.37	\$8.67	-7%
3111	BLACKSMITH	\$4.35	\$3.96	-9%
3113	TOOL MFG-NOT DROP OR MACHINE FORGED-NOC	\$2.15	\$1.87	-13%
3114	TOOL MFG-DROP/MACH FORGED-NOC: MACH/FNSHNG OF TOOL/DIE	\$4.97	\$4.63	-7%
3118	SAW MFG	\$2.65	\$2.25	-15%
3119	NEEDLE MFG	\$4.22	\$3.86	-9%
3122	CUTLERY MFG NOC	\$3.29	\$2.66	-19%
3126	TOOL MFG-AGRIC, CONSTRUCTION, LOGGING, MINING, OIL OR ARTESIAN	\$4.34	\$4.55	5%
3131	BUTTON FASTENER MFG-METAL	\$2.54	\$3.30	30%
3132	NUT OR BOLT MFG	\$4.52	\$3.62	-20%
3145	SCREW MFG	\$3.00	\$3.05	2%
3146	HARDWARE MFG NOC	\$3.39	\$3.45	2%
3169	STOVE MFG	\$5.07	\$4.68	-8%
3175	RADIATOR OR HEATER MFG	\$2.63	\$3.42	30%
3179	ELECTRICAL APPARATUS MFG NOC	\$2.96	\$2.93	-1%
3180	ELECTRIC OR GAS LIGHTING FIXTURES MFG	\$7.10	\$5.53	-22%
3188	PLUMBERS' SUPPLIES MFG NOC	\$4.98	\$4.64	-7%
3220	CAN MFG	\$4.41	\$3.63	-18%
3223	LAMP OR PORTABLE LANTERN MFG	\$3.86	\$3.86	0%
3224	AGATE WARE MFG	\$3.60	\$2.87	-20%
3227	ALUMINUM WARE MFG	\$6.10	\$5.57	-9%
3240	WIRE ROPE MFG-IRON OR STEEL	\$4.24	\$3.71	-13%
3241	WIRE DRAWING-IRON OR STEEL	\$7.17	\$5.89	-18%
3255	WIRE CLOTH MFG	\$4.31	\$3.66	-15%
3257	WIRE GOODS MFG NOC	\$3.86	\$3.44	-11%
3270	EYELET MFG	\$16.86	\$21.92	30%
3300	BED SPRING OR WIRE MATTRESS MFG	\$6.59	\$6.48	-2%
3303	SPRING MFG	\$10.93	\$7.40	-32%
3307	HEAT-TREATING-METAL	\$4.54	\$3.73	-18%
3315	BRASS OR COPPER GOODS MFG	\$2.57	\$1.91	-26%
3334	TIN FOIL MFG	\$4.22	\$3.86	-9%
3336	TYPE FOUNDRY	\$7.27	\$8.08	11%
3365	WELDING OR CUTTING NOC & DRIVERS	\$8.21	\$6.80	-17%
3372	ELECTROPLATING	\$5.14	\$4.88	-5%
3373	GALVANIZING OR TINNING-NOT ELECTROLYTIC	\$2.40	\$2.17	-10%
3383	JEWELRY MFG	\$2.74	\$2.23	-19%
3385	WATCH MFG	\$1.05	\$1.37	30%
3400	METAL GOODS MFG-NOC	\$5.73	\$5.27	-8%
3507	CONSTRUCTION OR AGRICULTURAL MACHINERY MFG	\$3.46	\$3.30	-5%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
3515	TEXTILE MACHINERY MFG	\$3.72	\$3.86	4%
3548	PRINTING OR BOOKBINDING MACHINE MFG	\$1.29	\$1.41	9%
3559	CONFECTION MACHINE MFG	\$1.47	\$1.85	26%
3574	COMPUTING, RECORDING OR OFFICE MACHINE MFG NOC	\$1.40	\$1.37	-2%
3581	CARBURETOR MFG	\$2.19	\$1.72	-21%
3612	PUMP MFG	\$3.22	\$3.34	4%
3620	BOILERMAKING	\$5.80	\$4.87	-16%
3629	PRECISION MACHINED PARTS MFG NOC	\$2.05	\$1.92	-6%
3632	MACHINE SHOP NOC	\$3.74	\$3.29	-12%
3634	VALVE MFG	\$1.83	\$1.14	-38%
3635	GEAR MFG OR GRINDING	\$2.67	\$2.57	-4%
3638	BALL OR ROLLER BEARING MFG	\$4.10	\$3.50	-15%
3642	BATTERY MFG-DRY	\$1.23	\$1.07	-13%
3643	ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	\$2.63	\$2.23	-15%
3647	BATTERY MFG-STORAGE	\$4.73	\$4.96	5%
3648	AUTOMOTIVE LIGHTING, IGNITION OR STARTING APPARATUS MFG NOC	\$3.64	\$3.27	-10%
3681	TV, RADIO, TELEPHONE/TELECOMMUNICATION DEVICE MFG NOC	\$1.81	\$1.44	-20%
3685	INSTRUMENT MFG NOC	\$0.97	\$1.06	9%
3719	OIL STILL ERECTION OR REPAIR	\$3.57	\$2.63	-26%
3724	MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	\$6.15	\$5.36	-13%
3726	BOILER INSTALL OR REPAIR-STEAM	\$2.82	\$3.00	6%
3803	AUTOMOBILE WHEEL MFG- METAL- NOT CAST	\$6.15	\$8.00	30%
3807	AUTOMOBILE RADIATOR MFG	\$14.27	\$13.73	-4%
3808	AUTOMOBILE MFG OR ASSEMBLY	\$9.23	\$11.80	28%
3821	AUTOMOBILE RECYCLING & DRIVERS	\$8.12	\$7.55	-7%
3822	AUTOMOBILE, BUS, TRUCK OR TRAILERBODY MFG: DIE-PRESSED STEEL	\$6.89	\$4.10	-40%
3824	AUTOMOBILE, BUS, TRUCK OR TRAILER BODY MFG: NOC	\$6.33	\$5.36	-15%
3826	AIRCRAFT ENGINE MFG	\$0.66	\$0.54	-18%
3827	AUTOMOBILE ENGINE MFG	\$0.78	\$1.01	29%
3830	AIRPLANE MFG	\$1.74	\$2.02	16%
3851	MOTORCYCLE MFG OR ASSEMBLY	\$4.22	\$3.86	-9%
3865	BABY CARRIAGE MFG	\$7.49	\$9.74	30%
3881	CAR MFG-RAILROAD-& DRIVERS	\$8.79	\$9.67	10%
4000	SAND OR GRAVEL DIGGING & DRIVERS	\$5.41	\$5.21	-4%
4021	BRICK OR CLAY PRODUCTS MFG NOC & DRIVERS	\$4.52	\$3.34	-26%
4024	REFRACTORY PRODUCTS MFG & DRIVERS	\$4.90	\$4.19	-14%
4034	CONCRETE PRODUCTS MFG & DRIVERS	\$6.57	\$5.83	-11%
4036	PLASTER BOARD OR PLASTER BLOCK MFG & DRIVERS	\$5.33	\$5.65	6%
4038	PLASTER STATUARY OR ORNAMENT MFG	\$2.23	\$1.84	-17%
4053	POTTERY MFG: CHINA OR TABLEWARE	\$17.27	\$14.24	-18%
4061	POTTERY MFG: EARTHENWARE-GLAZED OR PORCELAIN-HAND & MOLDED	\$3.46	\$2.99	-14%
4062	POTTERY MFG: PORCELAIN WARE- MECHANICAL PRESS FORMING	\$3.72	\$3.01	-19%
4101	GLASS MFG-& DRIVERS	\$8.08	\$10.50	30%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
4111	GLASSWARE MFG-NO AUTOMATIC BLOWING MACHINES	\$6.40	\$6.22	-3%
4112	INCANDESCENT LAMP MFG	\$2.91	\$2.16	-26%
4113	GLASS MFG-CUT	\$5.52	\$4.34	-21%
4114	GLASSWARE MFG NOC	\$2.31	\$1.93	-16%
4130	GLASS MERCHANT	\$5.57	\$4.85	-13%
4131	MIRROR MFG	\$6.00	\$4.59	-24%
4133	CATHEDRAL OR ART GLASS WINDOW MFG	\$2.70	\$2.26	-16%
4150	OPTICAL GOODS MFG NOC	\$1.16	\$1.03	-11%
4206	PULP MFG-GROUND WOOD PROCESS	\$4.22	\$3.86	-9%
4207	PULP MFG-CHEMICAL PROCESS	\$4.22	\$3.86	-9%
4239	PAPER MFG	\$5.95	\$5.42	-9%
4240	BOX MFG-SET-UP PAPER	\$5.26	\$5.08	-3%
4243	BOX MFG-FOLDING PAPER-NOC	\$4.19	\$3.64	-13%
4244	CORRUGATED OR FIBER BOARD CONTAINER MFG	\$4.26	\$3.93	-8%
4250	PAPER COATING	\$2.83	\$3.09	9%
4251	STATIONERY MFG	\$3.29	\$2.70	-18%
4263	FIBER GOODS MFG	\$7.42	\$6.49	-13%
4273	BAG MFG-PAPER	\$2.95	\$2.99	1%
4279	PAPER GOODS MFG NOC	\$4.57	\$3.37	-26%
4282	DRESS PATTERN MFG-PAPER	\$4.22	\$3.86	-9%
4283	BUILDINGS OR ROOFING PAPER OR FELT PREPARATION -NO INSTALL	\$3.52	\$3.51	0%
4299	PRINTING	\$2.39	\$2.32	-3%
4304	NEWSPAPER PUBLISHING	\$4.48	\$3.69	-18%
4307	BOOKBINDING	\$2.37	\$1.85	-22%
4351	PHOTO ENGRAVING	\$1.27	\$1.11	-13%
4352	ENGRAVING	\$2.98	\$2.10	-30%
4360	MOTION PICTURE: DEVELOPMENT OF NEG, PRINT & ALL SUBSEQNT OPER	\$10.12	\$3.86	-62%
4361	PHOTOGRAPHER-ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS	\$1.18	\$1.38	17%
4362	MOTION PICTURE: FILM EXCHANGE & PROJECTION ROOMS, CLERICAL	\$2.19	\$1.96	-11%
4410	RUBBER GOODS MFG NOC	\$4.99	\$4.68	-6%
4420	RUBBER TIRE MFG	\$8.15	\$6.50	-20%
4431	MAGNETIC AND OPTICAL MEDIA MFG	\$3.86	\$3.86	0%
4432	FOUNTAIN PEN MFG	\$4.32	\$3.86	-11%
4439	LACQUER OR SPIRIT VARNISH MFG	\$26.97	\$3.86	-86%
4452	PLASTICS MFG: FABRICATED PRODUCTS NOC	\$4.63	\$3.62	-22%
4459	PLASTICS MFG: SHEETS, RODS/TUBES	\$3.96	\$3.41	-14%
4470	CABLE MFG-INSULATED ELECTRICAL	\$2.58	\$2.08	-19%
4484	PLASTICS MFG MOLDED PRODUCTS NOC	\$4.87	\$4.49	-8%
4493	FABRIC COATING OR IMPREGNATING NOC	\$8.67	\$4.87	-44%
4511	ANALYTICAL CHEMIST	\$0.90	\$1.00	11%
4557	INK MFG	\$2.77	\$2.82	2%
4558	PAINT MFG	\$2.64	\$2.55	-3%
4561	VARNISH MFG-OLEO-RESINOUS	\$8.63	\$3.86	-55%
4568	SALT, BORAX/POTASH PRODUCING OR REFINING & DRIVERS	\$1.19	\$1.55	30%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual Class	Manual Class Description	7/1/2009 Base Rate	7/1/2010 Base Rate	Percent Change
4581	PHOSPHATE WORKS & DRIVERS	\$4.22	\$3.86	-9%
4583	FERTILIZER MFG & DRIVERS	\$5.66	\$5.28	-7%
4611	DRUG, MEDICINE OR PHARMACEUTICAL PREPARATION NO MFG OF	\$1.47	\$1.34	-9%
4635	OXYGEN OR HYDROGEN MFG & DRIVERS	\$2.53	\$2.25	-11%
4653	GLUE MFG & DRIVERS	\$6.42	\$6.15	-4%
4665	RENDERING WORKS NOC & DRIVERS	\$14.51	\$13.89	-4%
4670	COTTONSEED OIL MFG-MECHANICAL & DRIVERS	\$4.22	\$3.86	-9%
4683	OIL MFG-VEGETABLE-NOC	\$1.81	\$1.57	-13%
4686	VEGETABLE-SOLVENT EXTRACTION PROCESS	\$1.49	\$1.30	-13%
4692	DENTAL LABORATORY	\$0.62	\$0.47	-24%
4693	PHARMACEUTICAL OR SURGICAL GOODS MFG NOC	\$3.10	\$2.63	-15%
4703	CORN PRODUCTS MFG	\$3.84	\$3.39	-12%
4717	BUTTER SUBSTITUTE MFG	\$4.22	\$3.86	-9%
4720	SOAP OR SYNTHETIC DETERGENT MFG	\$4.25	\$2.85	-33%
4740	OIL REFINING-PETROLEUM-& DRIVERS	\$4.16	\$3.63	-13%
4741	ASPHALT OR TAR DISTILLING OR REFINING & DRIVERS	\$5.85	\$5.30	-9%
4751	SYNTHETIC RUBBER MFG	\$1.45	\$1.89	30%
4771	EXPLOSIVES OR AMMUNITION MFG: NOC & DRIVERS	\$2.13	\$2.24	5%
4777	EXPLOSIVES DISTIBUTORS & DRIVERS	\$10.95	\$10.93	0%
4825	DRUG, MEDICINE OR PHARMACY PREP MFG & INCID MFG OF INGRED	\$0.58	\$0.55	-5%
4828	CHEMICAL BLENDING OR MIXING NOC ALL OPERATIONS & DRIVERS	\$3.34	\$3.22	-4%
4829	CHEMICAL MFG. NOC ALL OPERATIONS & DRIVERS	\$1.94	\$1.94	0%
4902	SPORTING GOODS MFG NOC	\$5.38	\$3.69	-31%
4923	PHOTOGRAPHIC SUPPLY MFG	\$2.11	\$1.68	-20%
5020	CEILING INSTALL-SUSPENDED ACOUSTICAL GRID TYPE	\$9.78	\$8.62	-12%
5022	MASONRY NOC CROSS-REF	\$7.55	\$7.62	1%
5037	PAINTNG: METAL STRUCTURES-OVER TWO STORIES IN HEIGHT-& DRIVERS	\$46.90	\$33.87	-28%
5040	IRON OR STEEL: ERECTION-FRAME STRUCTURES	\$12.99	\$12.91	-1%
5057	IRON OR STEEL: ERECTION NOC	\$7.74	\$6.00	-22%
5059	IRON OR STEEL: ERECTION-FRAME STRUCT NOT OVER TWO STORIES IN	\$9.00	\$11.70	30%
5069	IRON/STEEL: EREC-CONSTR OF DWELLINGS NOT OVER 2 STORIES IN HGT	\$5.94	\$5.43	-9%
5102	DOOR, DOOR FRAME/SASH ERECTION- METAL OR METAL COVERED	\$6.38	\$6.17	-3%
5146	FURNITURE/FIXTURES INSTALL - PORTABLE - NOC	\$7.61	\$5.98	-21%
5160	ELEVATOR ERECTION OR REPAIR	\$1.94	\$1.76	-9%
5183	PLUMBING NOC & DRIVERS	\$4.06	\$3.94	-3%
5188	AUTOMATIC SPRINKLER INSTALL & DRIVERS	\$5.03	\$4.22	-16%
5190	ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	\$3.78	\$3.17	-16%
5191	OFFICE MACHINE OR APPLIANCE INSTALL, INSPECT, ADJUST OR REPAIR	\$1.81	\$1.35	-25%
5192	MACHINES-VEND OR COIN OP-INSTALL, SRVC OR REPAIR & SALESPRSNS,	\$5.91	\$5.24	-11%
5213	CONCRETE CONSTR NOC	\$6.58	\$4.98	-24%
5215	CONCRETE WORK-INCIDENTAL TO THE CONSTR OF PRIVATE RESIDENCE	\$5.58	\$4.94	-11%
5221	CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS/SIDEWALKS-&	\$5.27	\$4.96	-6%
5222	CONCRETE CONSTR IN CONNECTION WITH BRIDGES OR CULVERTS	\$7.73	\$6.40	-17%
5223	SWIMMING POOL CONSTR NOT IRON OR STEEL & DRIVERS	\$9.48	\$10.03	6%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
5348	CERAMIC TILE, INDOOR STONE, MARBLE OR MOSAIC WORK	\$6.16	\$6.11	-1%
5402	HOTHOUSE ERECTION-ALL OPERATIONS	\$7.98	\$6.76	-15%
5403	CARPENTRY NOC	\$6.71	\$6.03	-10%
5437	CARPENTRY-INSTALL OF CABINET WORK OR INTERIOR TRIM	\$4.39	\$4.77	9%
5443	LATHING & DRIVERS	\$23.30	\$30.29	30%
5445	WALLBOARD INSTALL BUILDINGS & DRIVERS	\$5.75	\$5.47	-5%
5462	GLAZIER-AWAY FROM SHOP & DRIVERS	\$7.82	\$9.26	18%
5472	ASBESTOS CONTRACTOR-PIPE & BOILER WORK EXCLUSIVELY & DRIVERS	\$5.51	\$7.16	30%
5473	ASBESTOS CONTR-NOC & DRIVERS	\$9.79	\$9.51	-3%
5474	PAINTING OR PAPERHANGING NOC & SHOP OPERATIONS, DRIVERS	\$7.86	\$7.64	-3%
5478	FLOOR COVERING INSTALLATION-RESILIENT FLOORING-CARPET &	\$6.19	\$4.98	-20%
5479	INSULATION WORK NOC & DRIVERS	\$8.20	\$9.83	20%
5480	PLASTERING NOC & DRIVERS	\$5.54	\$7.20	30%
5491	PAPERHANGING & DRIVERS	\$8.17	\$5.43	-34%
5506	STREET OR ROAD CONSTRUCTION: PAVING OR REPAIRING & DRIVERS	\$7.01	\$5.93	-15%
5507	STREET OR ROAD CONSTRUCTION: SUBSURFACE WORK & DRIVERS	\$3.68	\$4.78	30%
5508	STREET OR ROAD CONSTRUCTION: ROCK EXCAVATION & DRIVERS	\$14.95	\$5.43	-64%
5535	SHEET METAL WORK - INSTALLATION AND DRIVERS	\$6.90	\$8.02	16%
5537	HVAC & REFRIG SYSTEMS - INSTALL, SVC & REPAIR & DRIVERS	\$4.87	\$4.11	-16%
5551	ROOFING-ALL KINDS & YARD EMPLOYEES & DRIVERS	\$17.26	\$15.01	-13%
5605	CONSTRUCTION OR ERECTION ESTIMATORS	\$1.04	\$1.07	3%
5606	CONTRACTOR-PROJECT MGR, CONST EXEC, CONST MGR OR CONST SUPT	\$1.31	\$1.13	-14%
5610	CLEANER-DEBRIS REMOVAL	\$15.10	\$13.01	-14%
5645	CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	\$9.81	\$9.01	-8%
5651	CARPENTRY-DWELLINGS-THREE STORIES OR LESS	\$8.30	\$6.82	-18%
5703	BUILDING RAISING OR MOVING	\$13.18	\$10.28	-22%
5705	SALVAGE OPERATION-NO WRECKING OR ANY STRUCTURAL OPERATIONS	\$5.94	\$5.43	-9%
5951	SERUM, ANTI-TOXIN OR VIRUS MFG & DRIVERS	\$3.86	\$3.86	0%
6003	PILE DRIVING	\$7.63	\$7.67	1%
6005	JETTY OR BREAKWATER CONSTRUCTION ALL OPERATION TO COMPLETION	\$13.05	\$5.43	-58%
6017	DAM OR LOCK CONSTRUCTION: CONCRETEWORK-ALL OPERATIONS	\$5.94	\$5.43	-9%
6018	DAM OR LOCK CONSTRUCTION: EARTH MOVING OR PLACING-ALL OPER &	\$5.94	\$5.43	-9%
6045	LEVEE CONSTRUCTION-ALL OPERATIONS TO COMPLETION & DRIVERS	\$5.94	\$5.43	-9%
6204	DRILLING NOC & DRIVERS	\$9.17	\$9.78	7%
6206	OIL OR GAS WELL: CEMENTING & DRIVERS	\$6.80	\$5.14	-24%
6213	OIL OR GAS WELL: SPECIALTY TOOL OPER-NOC-BY CONTR-ALL EMP &	\$6.09	\$5.43	-11%
6214	OIL OR GAS WELL: PERFORATING OF CASING-ALL EMPLOYEES & DRIVERS	\$6.64	\$8.63	30%
6216	OIL OR GAS LEASE WORK NOC-BY CONTRACTOR & DRIVERS	\$7.36	\$7.37	0%
6217	EXCAVATION & DRIVERS	\$4.99	\$4.83	-3%
6229	IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	\$6.55	\$4.92	-25%
6233	OIL OR GAS PIPELINE CONSTRUCTION & DRIVERS	\$5.24	\$3.87	-26%
6235	OIL OR GAS WELL: DRILLING OR RE-DRILLING & DRIVERS	\$29.16	\$19.38	-34%
6236	OIL OR GAS WELL: INSTALLATION OR RECOVERY OF CASING & DRIVERS	\$6.50	\$8.45	30%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
6237	OIL OR GAS WELL: INSTRUMENT LOGGING SURVEY WORK & DRIVERS	\$2.15	\$2.80	30%
6251	TUNNELING-NOT PNEUMATIC-ALL OPERATIONS	\$13.28	\$16.01	21%
6252	SHAFT SINKING-ALL OPERATIONS	\$6.06	\$6.46	7%
6260	TUNNELING-PNEUMATIC-ALL OPERATIONS	\$5.94	\$5.43	-9%
6306	SEWER CONSTR-ALL OPERATIONS & DRIVERS	\$4.33	\$4.75	10%
6319	GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	\$5.35	\$3.15	-41%
6325	CONDUIT CONSTRUCTION-FOR CABLES OR WIRES	\$8.92	\$7.12	-20%
6400	FENCE ERECTION-METAL	\$4.98	\$5.06	2%
6504	FOOD SUNDRIES MFG NOC-CEREAL MILLING	\$4.71	\$4.37	-7%
6704	RAILROAD CONST ALL OPER INCLUD CLERICAL, SALESPERSONS & DRIV	\$8.21	\$7.43	-10%
6811	BOAT BUILDING-WOOD-NOC & DRIVERS	\$4.94	\$4.54	-8%
6834	BOAT BUILDING OR REPAIR & DRIVERS	\$5.15	\$6.43	25%
6836	MARINA & DRIVERS	\$7.09	\$5.59	-21%
6854	SHIP BUILDING-IRON OR STEEL- NOC & DRIVERS	\$4.22	\$3.86	-9%
6882	SHIP REPAIR CONVERSION - ALL OPERATIONS & DRIVERS	\$3.86	\$3.86	0%
6884	PAINTING: SHIP HULLS	\$4.22	\$3.86	-9%
7133	RAILROAD OPERATION: NOC - ALL EMPLOYERS AND DRIVERS	\$7.83	\$6.57	-16%
7222	TRUCKING: OIL FIELD EQUIPMENT- ALL EMPLOYEES & DRIVERS	\$8.21	\$7.43	-10%
7228	TRUCKING- LOCAL HAULING ONLY- ALL EMPLOYEES AND DRIVERS	\$10.64	\$9.80	-8%
7229	TRUCKING- LONG DISTANCE HAULING- ALL EMPLOYEES AND DRIVERS	\$9.09	\$8.15	-10%
7230	TRUCKING: PARCEL OR PACKAGE DELIVERY- ALL EMPLOYEES & DRIVERS	\$13.99	\$11.10	-21%
7231	MAIL, PARCEL OR PCKG DELIVERY & COURIER OR MESSENGER SVC - ALL	\$15.72	\$13.93	-11%
7232	TRCKNG: MAIL PARCEL/PKG DLV-CNTCT U S POST SERV-ALL EMP & DRV	\$9.58	\$7.72	-19%
7360	FREIGHT HANDLING NOC	\$8.52	\$6.01	-29%
7370	TAXICAB CO : ALL OTHER EMPLOEES & DRIVERS	\$8.06	\$6.98	-13%
7380	DRIVERS, CHAUFFEURS, MESSENGERS & HELPERS NOC - COMMERCIAL	\$6.95	\$6.63	-5%
7382	BUS CO : ALL OTHER EMPLOYEES & DRIVERS	\$7.72	\$7.47	-3%
7390	BEER OR ALE DEALER-WHOLESALE & DRIVERS	\$7.82	\$7.53	-4%
7403	AVIATION: ALL OTHER EMPLOYEES & DRIVERS	\$4.14	\$3.46	-16%
7405	AVIATION: AIR CARRIER - SCHEDULED, COMMUTER, SUPPLEMENTAL -	\$2.47	\$1.97	-20%
7420	AVIATION: STUNT FLYING, RACING, PARACHUTE JUMPING - FLYING CREW	\$4.91	\$6.38	30%
7421	AVIATION: TRANSPORT OF PERSONNEL FOR EMPLOYER BUSINESS - FLYING	\$2.68	\$1.93	-28%
7422	AVIATION: NOC - OTHER THAN HELICOPTERS - FLYING CREW	\$3.02	\$1.79	-41%
7425	AVIATION: NOC - HELICOPTERS - FLYING CREW	\$1.43	\$1.12	-22%
7431	AVIATION: AIR CHARTER OR AIR TAXI - FLYING CREW	\$2.22	\$1.47	-34%
7502	GAS COMPANY: GAS CO-NATURAL GAS-LOCAL DISTRIBUTION & DRIVERS	\$1.72	\$1.40	-19%
7515	OIL OR GAS PIPELINE OPERATION & DRIVERS	\$3.51	\$2.82	-20%
7520	WATERWORKS OPERATION & DRIVERS	\$3.48	\$3.44	-1%
7538	ELECTRIC LIGHT OR POWER LINE CONTRACTOR & DRIVERS	\$12.58	\$10.34	-18%
7539	ELECTRIC LIGHT OR POWER CO NOC- ALL EMPLOYEES & DRIVERS	\$3.59	\$2.97	-17%
7540	ELEC LIGHT/POWER COOPERATIVE-REA PROJECT ONLY-ALL EMPLOYEES &	\$4.89	\$6.14	26%
7580	SEWAGE DISPOSAL PLANT OPERATION & DRIVERS	\$2.81	\$3.65	30%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
7590	GARBAGE WORKS	\$7.31	\$6.07	-17%
7600	TELEPHONE OR TELEGRAPH CO: ALL OTHER EMPLOYEES & DRIVERS	\$2.97	\$2.68	-10%
7601	TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	\$7.13	\$8.39	18%
7605	BURGLAR ALARM INSTALL OR REPAIR & DRIVERS	\$3.22	\$2.76	-14%
7610	RADIO/TV BROADCASTING STATION- ALL EMPLOYEES & CLERICAL,	\$0.52	\$0.51	-2%
7611	TELEPHONE/CABLE TV LINE INST CONTRACTORS, UNDERGROUND &	\$6.99	\$4.48	-36%
7612	TELEPHONE OR CABLE TV LINE INST CONTRACTORS, OVERHEAD & DRIVERS	\$9.84	\$7.85	-20%
7613	TELEPHONE/CABLE TV LINE INST CONT. SERV. LINE & CONN. & DRIVERS	\$16.48	\$17.96	9%
7705	AMBULANCE SERVICE COMPANIES AND EMS AND DRIVERS	\$8.84	\$10.20	15%
7710	FIREFIGHTERS AND DRIVERS	\$7.35	\$8.49	16%
7711	FIREFIGHTERS AND DRIVERS - VOLUNTEER	\$6.69	\$5.81	-13%
7720	POLICE OFFICERS & DRIVERS	\$4.58	\$4.28	-7%
7855	RR CNST LAY/RELY TRCKS/MAINT OF WAY CONTR-NO WORK ON ELEV RR-	\$5.86	\$4.49	-23%
8001	STORE: FLORIST & DRIVERS	\$3.91	\$4.05	4%
8002	AUTOMOBILE RENTAL CO:ALL OTHER EMPLOYEES & COUNTER	\$5.55	\$7.22	30%
8006	STORE: GROCERY RETAIL	\$3.48	\$3.42	-2%
8008	STORE: CLOTHING, WEARING APPAREL/DRY GOODS-RETAIL	\$2.04	\$1.73	-15%
8010	STORE: HARDWARE	\$2.46	\$2.21	-10%
8013	STORE: JEWELRY	\$0.53	\$0.55	4%
8015	QUICK PRINTING-COPYING/DUP SERV-ALL EMPS/CLERICAL, SALES PRSNS	\$0.98	\$1.01	3%
8017	STORE: RETAIL NOC	\$2.24	\$2.06	-8%
8018	STORE: WHOLESALE NOC	\$4.46	\$4.06	-9%
8021	STORE: MEAT, FISH OR POULTRY DEALER WHOLESALE	\$3.52	\$3.50	-1%
8031	STORE: MEAT, FISH OR POULTRY- RETAIL	\$3.60	\$3.13	-13%
8032	STORE: CLOTHING, WEARING APPAREL OR DRY GOODS-WHOLESALE	\$4.00	\$3.99	0%
8033	STORE: MEAT, GROCERY & PROVISION STORES COMBINED-RETAIL NOC	\$3.52	\$2.85	-19%
8039	STORE: DEPARTMENT-RETAIL	\$5.54	\$5.17	-7%
8044	STORE: FURNITURE & DRIVERS	\$3.93	\$3.51	-11%
8045	STORE: DRUG RETAIL	\$0.68	\$0.56	-18%
8046	STORE: AUTO ACCESSORY-RETAIL NOC & DRIVERS	\$3.01	\$2.91	-3%
8047	STORE: DRUG-WHOLESALE	\$3.20	\$3.60	13%
8058	BUILDING MATERIAL DEALER-NEW MATERIALS ONLY: STORE EMPLOYEES	\$2.65	\$2.61	-2%
8072	STORE:BOOK, RECORD, DISC, SOFTWARE,VIDEO OR AUDIO CASSETTE	\$1.39	\$1.04	-25%
8102	SEED MERCHANT	\$1.78	\$1.49	-16%
8103	WOOL MERCHANT	\$7.47	\$3.28	-56%
8105	STORE: HIDE OR LEATHER DEALER	\$10.67	\$3.28	-69%
8106	IRON OR STEEL MERCHANT & DRIVERS	\$5.84	\$5.46	-7%
8107	MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	\$3.60	\$3.71	3%
8111	PLUMBERS' SUPPLIES DEALER & DRIVERS	\$4.21	\$3.15	-25%
8116	FARM MACHINERY DEALER-ALL OPERATIONS & DRIVERS	\$1.52	\$1.96	29%
8203	ICE MFG OR DISTRIBUTION & DRIVERS	\$6.54	\$6.77	4%
8204	BUILDING MATERIAL YARD & LOCAL MANAGERS, DRIVERS	\$3.76	\$4.58	22%
8209	VEGETABLE PACKING & DRIVERS	\$4.65	\$4.38	-6%
8215	HAY, GRAIN OR FEED DEALER & LOCAL MANAGERS, DRIVERS	\$3.45	\$2.88	-17%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
8227	CONSTRUCTION OR ERECTION PERMANENTYARD	\$4.01	\$3.86	-4%
8232	LUMBERYRD NEW MTRLS ONLY: ALL OTH EMP & YARD, WAREHOUSE, DRV	\$6.18	\$5.71	-8%
8233	COAL MERCHANT & LOCAL MANAGERS, DRIVERS	\$5.48	\$4.30	-22%
8235	SASH, DOOR/ASSEMBLED MILLWORK DEALER & DRIVERS	\$4.39	\$3.79	-14%
8263	JUNK DEALER & DRIVERS	\$14.07	\$8.09	-43%
8264	BOTTLE DEALER-USED & DRIVERS	\$8.99	\$10.43	16%
8265	IRON OR STEEL SCRAP DEALER & DRIVERS	\$11.05	\$9.37	-15%
8279	STABLE/BREEDING FARM & DRIVERS	\$12.15	\$11.28	-7%
8288	LIVESTOCK DEALER OR COMMISSION MERCHANT & SALESPERSONS,	\$8.37	\$7.22	-14%
8291	STORAGE WAREHOUSE-COLD	\$6.66	\$6.46	-3%
8292	STORAGE WAREHOUSE NOC	\$6.03	\$5.57	-8%
8293	STORAGE WAREHOUSE-FURNITURE & DRIVERS	\$10.70	\$9.64	-10%
8304	GRAIN ELEVATOR OPERATION & LOCAL MANAGERS, DRIVERS	\$5.20	\$4.48	-14%
8350	GASOLINE DEALER & DRIVERS	\$5.36	\$5.55	4%
8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	\$3.49	\$3.26	-7%
8381	GASOLINE STATION-RETAIL-SELF- SERVICE	\$4.42	\$3.17	-28%
8385	BUS CO : GARAGE EMPLOYEES	\$3.79	\$3.98	5%
8392	AUTO STORAGE GARAGE, PARKING LOT OR PARKING STATION, VALET SVC,	\$7.00	\$6.04	-14%
8393	AUTOMOBILE BODY REPAIR	\$2.53	\$2.34	-8%
8500	METAL SCRAP DEALER & DRIVERS	\$7.72	\$7.91	2%
8601	ARCHITECT OR ENGINEER-CONSULTING	\$0.45	\$0.41	-9%
8606	GEOPHYSICAL EXPLORATION SEISMIC- ALL EMPLOYEES & DRIVERS	\$3.89	\$3.48	-11%
8720	INSPECTION OF RISKS FOR INSUR OR VALUATION PURPOSES NOC	\$3.67	\$3.42	-7%
8721	REAL ESTATE APPRAISAL COMPANY OUTSIDE EMPLOYEES	\$0.30	\$0.39	30%
8742	SALESPERSONS OR COLLECTORS - OUTSIDE	\$0.30	\$0.25	-17%
8745	NEWS AGNT/DIST OF MAG/OTH PERIDS NOT RETL DEALRS &	\$3.91	\$3.13	-20%
8748	AUTOMOBILE SALESPERSONS	\$0.58	\$0.53	-9%
8755	LABOR UNION-ALL EMPLOYEES	\$0.58	\$0.75	29%
8799	MAILING OR ADDRESSING COMPANY OR LETTER SERVICE SHOP - CLERICAL	\$1.73	\$1.42	-18%
8800	MAILING OR ADDRESSING CO & CLERICAL	\$1.79	\$1.53	-15%
8803	AUDITORS, ACCNT OR FACTORY COST OR OFFICE SYSTEMATIZER-	\$0.09	\$0.08	-11%
8810	CLERICAL OFFICE EMPLOYEES NOC	\$0.19	\$0.17	-11%
8820	ATTORNEY-ALL EMPLOYEES & CLERICAL MESSENGERS & DRIVERS	\$0.21	\$0.17	-19%
8824	RETIREMENT LIVING CENTERS: HEALTHCARE EMPLOYEES	\$6.21	\$5.61	-10%
8825	RETIREMENT LIVING CENTERS: FOOD SERVICE EMPLOYEES	\$3.36	\$2.90	-14%
8826	RETIREMENT LIVING CENTERS ALL OTHER EMPS, SALESPERSONS & DRV	\$3.29	\$2.89	-12%
8829	CONVALESCENT OR NURSING HOME ALL EMPLOYEES	\$4.74	\$4.28	-10%
8831	HOSPITAL-VETERINARY & DRIVERS	\$1.48	\$1.48	0%
8832	PHYSICIAN & CLERICAL	\$0.44	\$0.39	-11%
8833	HOSPITAL: PROFESSIONAL EMPLOYEES	\$1.50	\$1.33	-11%
8835	HOME - PUBLIC & TRAVELING HEALTHCARE - ALL EMPLOYEES	\$4.20	\$3.80	-10%
8842	GROUP HOMES ALL EMPLOYEES AND SALESPERSONS, DRIVERS	\$3.17	\$3.53	11%
8864	SOCIAL SERVICES ORGANIZATION ALL EMPLOYEES AND SALESPERSONS,	\$3.17	\$2.77	-13%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
8868	COLLEGE: PROFESSIONAL EMPLOYEES & CLERICAL	\$0.51	\$0.44	-14%
8869	CHILD DAY CARE CENTER: PROFESS EMPLOYEES & CLERICAL	\$1.86	\$1.78	-4%
8871	CLERICAL TELECOMMUTER EMPLOYEES	\$0.45	\$0.33	-27%
8901	TELEPHONE OR TELEGRAPH CO: OFFICE EXCHANGE EMPLOYEES &	\$0.19	\$0.13	-32%
8989	DOMESTIC WORKERS - RESIDENCES	\$3.82	\$3.07	-20%
9012	BUILDING OP. - BY OWNER, LESSEE, REAL ESTATE MANGT. FIRM: PROFESS	\$0.82	\$0.73	-11%
9014	BUILDINGS-OPERATION BY CONTRACTORS	\$5.65	\$4.90	-13%
9015	BUILDINGS-OPERATION BY OWNER OR LESSEE ALL OTHER EMPLOYEES	\$5.19	\$5.22	1%
9016	AMUSEMENT PARK OR EXHIBITION OPERATION & DRIVERS	\$4.97	\$4.29	-14%
9019	BRIDGE OR VEHICULAR TUNNEL OPERATION & DRIVERS	\$2.19	\$1.96	-11%
9033	HOUSING AUTHORITY & CLERICAL, SALESPERSONS, DRIVERS	\$3.25	\$2.49	-23%
9040	HOSPITAL: ALL OTHER EMPLOYEES	\$4.59	\$4.35	-5%
9044	CASINO GAMBLING-HOTEL - ALL EMP.CLERICAL, SALESPERSONS & DRIVERS	\$2.19	\$1.96	-11%
9052	HOTEL: ALL OTHER EMPS & SALESPERSONS, DRIVERS	\$3.96	\$3.79	-4%
9058	HOTEL: RESTAURANT EMPLOYEES	\$3.60	\$2.80	-22%
9060	CLUB-COUNTRY, GOLF, FISHING OR YACHT & CLERICAL	\$1.67	\$1.68	1%
9061	CLUB NOC & CLERICAL	\$2.99	\$2.41	-19%
9062	CASINO GAMBLING-ALL EMPLOYEES & CLERICAL, SALESPERSONS &	\$6.67	\$8.67	30%
9063	YMCA, YWCA, YMHA OR YWHA, INSTITUTION-ALL EMPS & CLERICAL	\$1.50	\$1.25	-17%
9082	RESTAURANT NOC	\$2.33	\$2.05	-12%
9083	RESTAURANT: FAST FOOD	\$2.46	\$2.16	-12%
9084	BAR, DISCOTHEQUE, LOUNGE, NIGHT CLUB OR TAVERN	\$2.72	\$2.42	-11%
9088	ROCKET OR MISSILE TESTING OR LAUNCHING & DRIVERS	\$4.26	\$3.88	-9%
9089	BILLIARD HALL	\$1.65	\$1.96	19%
9093	BOWLING LANE	\$2.45	\$2.10	-14%
9101	COLLEGE: ALL OTHER EMPLOYEES	\$2.73	\$2.51	-8%
9102	PARK NOC-ALL EMPLOYEES & DRIVERS	\$3.34	\$2.97	-11%
9154	THEATER NOC: ALL OTHER EMPLOYEES	\$2.72	\$2.57	-6%
9156	THEATER NOC: PLAYERS, ENTERTAINERS OR MUSICIANS	\$1.45	\$1.23	-15%
9170	JANITORIAL SERVICES BY CONTRACTORS	\$5.54	\$4.96	-10%
9178	ATHLETIC TEAM OR PARK: NON-CONTACT SPORTS	\$23.91	\$19.27	-19%
9179	ATHLETIC TEAM/PARK: CONTACT SPORTS	\$49.22	\$63.99	30%
9180	AMUSEMENT DEVICE OPERATION NOC- NOT TRAVELING-& DRIVERS	\$3.63	\$3.06	-16%
9182	ATHLETIC TEAM/PARK: OPERATION & DRIVERS	\$5.73	\$3.87	-32%
9186	CARNIVAL, CIRCUS/AMUSEMENT DEVICE OPER-TRVL-ALL EMPS & DRIVERS	\$9.11	\$8.25	-9%
9220	CEMETERY OPERATION & DRIVERS	\$7.03	\$5.64	-20%
9402	STREET CLEANING & DRIVERS	\$7.25	\$6.83	-6%
9403	GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS	\$10.88	\$9.35	-14%
9501	PAINTING: SHOP ONLY & DRIVERS	\$3.92	\$3.79	-3%
9505	PAINTING: AUTOMOBILE OR CARRIAGE BODIES	\$1.85	\$1.52	-18%
9516	RADIO, TV, VIDEO & AUDIO EQUIP. INSTALL, SERVICE OR REPAIR & DRV	\$5.96	\$5.64	-5%
9519	ELECTRICAL HOUSEHOLD & COMML APPLIANCES - INSTALL, SERVICE OR	\$4.48	\$4.24	-5%
9521	HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING	\$4.68	\$3.90	-17%

DRAFT – NOT FOR FILING

**Ohio Bureau of Workers' Compensation
Private Employer Preliminary Base Rates
Policy Year 2009 compared to Policy Year 2010**

Manual	Manual Class	7/1/2009	7/1/2010	Percent
Class	Description	Base Rate	Base Rate	Change
9522	UPHOLSTERING	\$2.99	\$3.22	8%
9534	MOBILE CRANE & HOIST SRVC CONTRS- NOC-ALL OP-INCL YARD EMPS &	\$3.64	\$3.78	4%
9554	SIGN INSTALL, MAINT., REPAIR, REMOVAL OR REPLACEMENT: NOC &	\$9.51	\$7.83	-18%
9586	BARBER SHOP	\$0.83	\$0.65	-22%
9600	TAXIDERMIST	\$2.93	\$2.67	-9%
9620	FUNERAL DIRECTOR & DRIVERS	\$0.86	\$0.66	-23%
9984	ATOMIC ENERGY: PROJECT WORK	\$1.24	\$1.61	30%
9985	ATOMIC ENERGY: RADIATION EXPOSURE NOC	\$3.79	\$3.88	2%
New				
Manuals				
7402	AVIATION-AIR TRAFFIC CONTROLLERS UNDER CONTRACT WITH THE FAA		\$0.17	
8602	SURVEYORS, TIMBER CRUISERS, OIL OR GAS GEOLOGISTS OR SCOUTS, &		\$0.41	
8603	ARCHITECTURAL OR ENGINEERING FIRM-CLERICAL		\$0.17	
8725	INVENTORY COUNTERS-TRAVELING-INCLUDING SALESPERSONS &		\$3.42	
Combined				
Manual				
9059	CHILD DAY CARE CENTER: ALL OTHER EMPLOYEES AND DRIVERS	\$1.99		

Common Sense Business Regulation (BWC Rules)

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

Rules 4123-17-05, 4123-17-06

Rule Review

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

Citation: R.C. 4121.121, 4123.29, 4123.34

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

What goal(s): These rules establish the limited loss ratios, manual to industry assignment, base rates, and expected losses for private employers for policy year 7/1/10 to 6/30/11.

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 rate rules are developed using actuarial and insurance principles, stakeholder input is not appropriate.

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.

Board of Directors
Executive Summary

**Private employer industry group and limited loss ratio tables
Private employer contribution to the state insurance fund**

Employer Group: Private Employers

Policy Year: 7-1-2010 through 6-30-2011

Rate Method: Calculate and apply premium rates designed to provide premiums to meet the costs of injuries and occupational diseases that have injury dates during the policy year. A table showing the rate changes over the past several years is on page 17.

Rate Rule Process:

- The Administrator of Ohio Bureau of Workers' Compensation recommends to the Workers' Compensation Board of Directors an overall rate change based upon a rate indication developed by the BWC's consulting actuary, Deloitte and discussion and analysis with the Chief Actuarial Officer.
- The Workers' Compensation Board of Directors was provided documentation to support an overall rate change of a 3.9 percent decrease at the March 2010 meeting.
- The Administrator provides specific rules that are necessary to implement the recommended rate change (Rules 4123-17-05 and 4123-17-06) at the April 2010 Actuarial Committee meeting using the rate recommendation.
- The Actuarial Committee recommends to the Workers' Compensation Board of Directors rules 4123-17-05 and 4123-17-06 for approval.
- These rules are not chapter 119 rules and therefore, are not subject to public hearings.
- O.R.C. 4123.34 (B) states in part... "a revision of basic rates shall be made annually on the first day of July".
- A change in the premium rates must be completed and filed with the Legislative Services Commission (LSC) ten days prior to the effective date or start of the policy year. In this case, filing with the LSC must be made by June 18, 2010 to be effective July 1, 2010.

7-1-2010 Rate Summary

Private Employer Premium Rates

1. Change in private employer premium rates at the industry level:

Industry Group	Name	Percent Change	Average Collectible Rate per \$100 Unit of Payroll
1	Agriculture	-4%	\$3.23
2	Extraction	-9%	\$3.62
3	Manufacturing	-4%	\$2.85
4	Construction	-4%	\$3.95
5	Transportation	-4%	\$5.50
6	Utility	-1%	\$1.25
7	Commercial	-2%	\$2.43
8	Service	-5%	\$1.43
9	High Risk Commercial/Service	-2%	\$2.69
10	Office Work/Miscellaneous	-6%	\$0.15
	Total	-3.9%	\$1.49

2. Projected payroll is \$85 billion. Estimated premium is \$1.262 billion.
3. Average assessment for a private employer per \$100 of reported payroll:

Premium (average collectible base rate)	\$1.4900
Administrative Cost (BWC) 14.01%	.2087
Administrative Cost (IC) 2.10%	.0313
Administrative Cost (WCC) .0446%	.0007
Disabled Workers' Relief Fund	.0800
Additional Disabled Workers' Relief Fund (.1% of premium at base rate)	.0015
Total average collectible rate	\$1.8122

The administrative cost and Disabled Workers' Relief Fund assessments are not known at this time. For illustration purposes the Average Assessment rates above utilize the 7/1/2009 rates.

HISTORICAL PERCENT CHANGE IN PRIVATE EMPLOYER BASE RATES

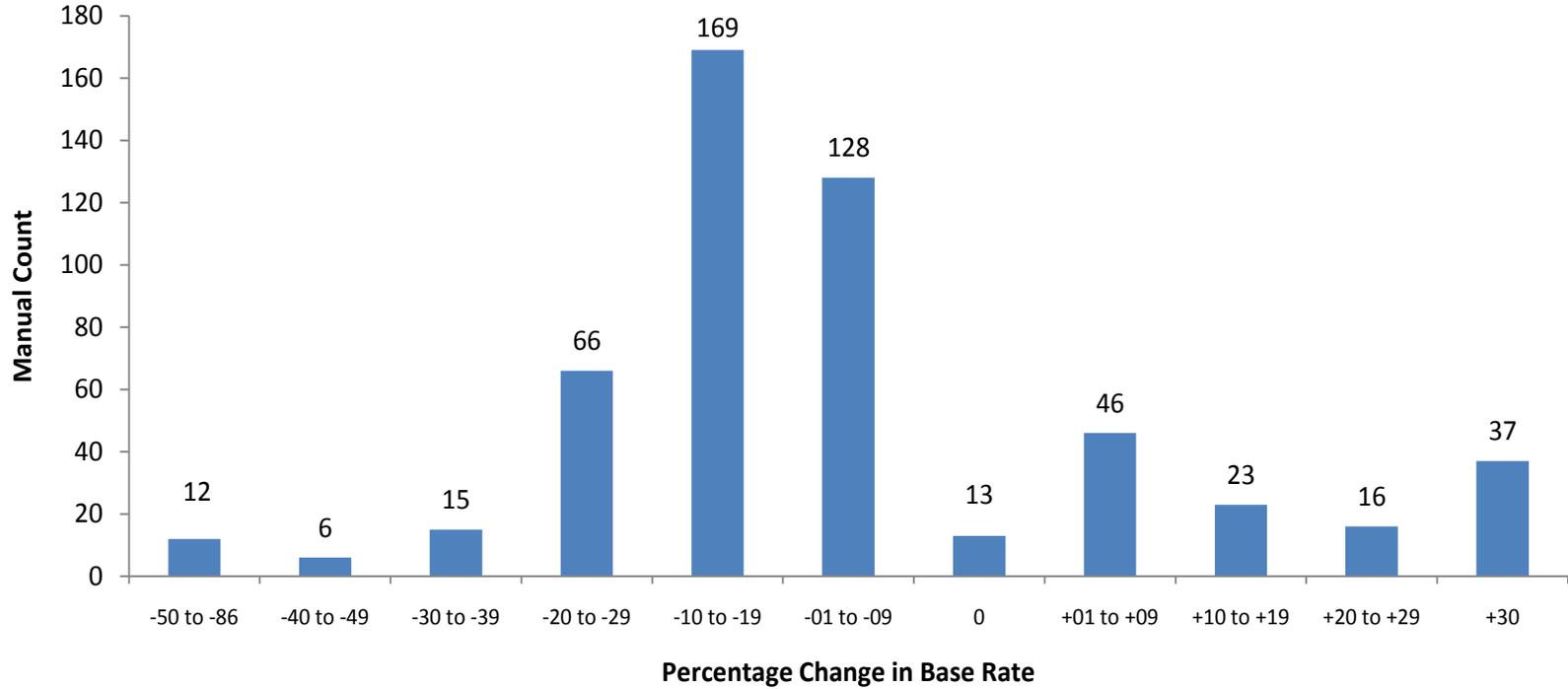
Period	Percent Change	Period	Percent Change
7-1-60	3.7% increase	7-1-1992	3.5% increase
7-1-61	No Change	7-1-1993	No Change
7-1-62	6.4% increase	7-1-1994	No Change
7-1-63	2.1% increase	7-1-1995	7.3% decrease
7-1-64	1.5% increase	7-1-1996	6% decrease
7-1-65	.6% decrease	7-1-1997	15% decrease
7-1-66	4.9% decrease	7-1-1998	6% decrease
7-1-67	1.9% increase	7-1-1999	3% decrease
7-1-68	.2% decrease	7-1-2000	5% decrease
7-1-69	2.2% decrease	7-1-2001	5% decrease
7-1-70	5.6% decrease	7-1-2002	No Change
7-1-71	12.5% increase	7-1-2003	9% increase
7-1-72	13.1% increase	7-1-2004	2% increase
7-1-73	17.3% increase	7-1-2005	4.4% increase
7-1-74	7.8% decrease	7-1-2006	3.9% increase
7-1-75	10.5% increase	7-1-2007	No Change
7-1-76	28.8% increase	7-1-2008	5.0% decrease
7-1-77	29.7% increase	7-1-2009	12.0% decrease
7-1-78	19.4% decrease	7-1-2010	3.9% decrease
7-1-79	3% decrease		
7-1-80	No Change		
7-1-81	3% decrease		
7-1-82	1% decrease		
7-1-83	3% decrease		
7-1-84	6% decrease		
7-1-85	6% increase		
7-1-86	6% decrease		
7-1-87	30% increase		
7-1-88	15% increase		
7-1-89	9.5% increase		
7-1-90	No Change		
7-1-91	4.5% increase		

Private Employer Average Collectible Rate

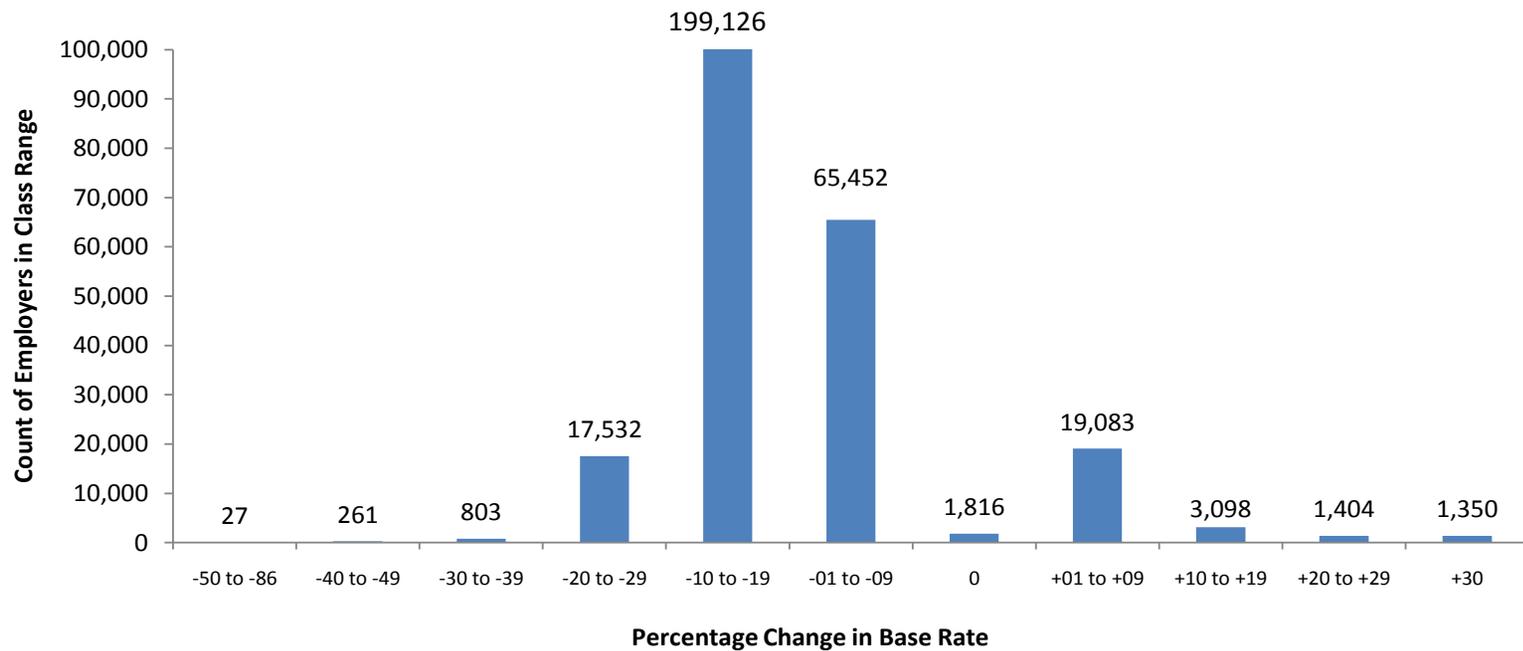
Rating Year	Average Base Rate*	Average Collectible Rate*
7-1-75	\$1.42	
7-1-76	\$1.83	
7-1-77	\$2.38	
7-1-78	\$1.93	
7-1-79	\$1.88	
7-1-80	\$1.88	
7-1-81	\$1.83	
7-1-82	\$1.82	
7-1-83	\$1.76	
7-1-84	\$1.65	
7-1-85	\$1.75	
7-1-86	\$1.75	
7-1-87	\$2.34	
7-1-88	\$2.61	
7-1-89	\$2.78	
7-1-90	\$2.91	
7-1-91		\$2.97
7-1-92		\$3.00
7-1-93		\$2.85
7-1-94		\$2.73
7-1-95		\$2.67
7-1-96		\$2.63
7-1-97		\$2.17
7-1-98		\$2.11
7-1-99		\$2.03
7-1-2000		\$1.93
7-1-2001		\$1.81
7-1-2002		\$1.80
7-1-2003		\$1.94
7-1-2004		\$1.98
7-1-2005		\$1.76
7-1-2006		\$1.85
7-1-2007		\$1.85
7-1-2008		\$1.76
7-1-2009		\$1.55
7-1-2010		\$1.49

*Rates have been rounded to the nearest cent

Ohio BWC Private Employer Base Rate Changes by Manual Classification July 1, 2010

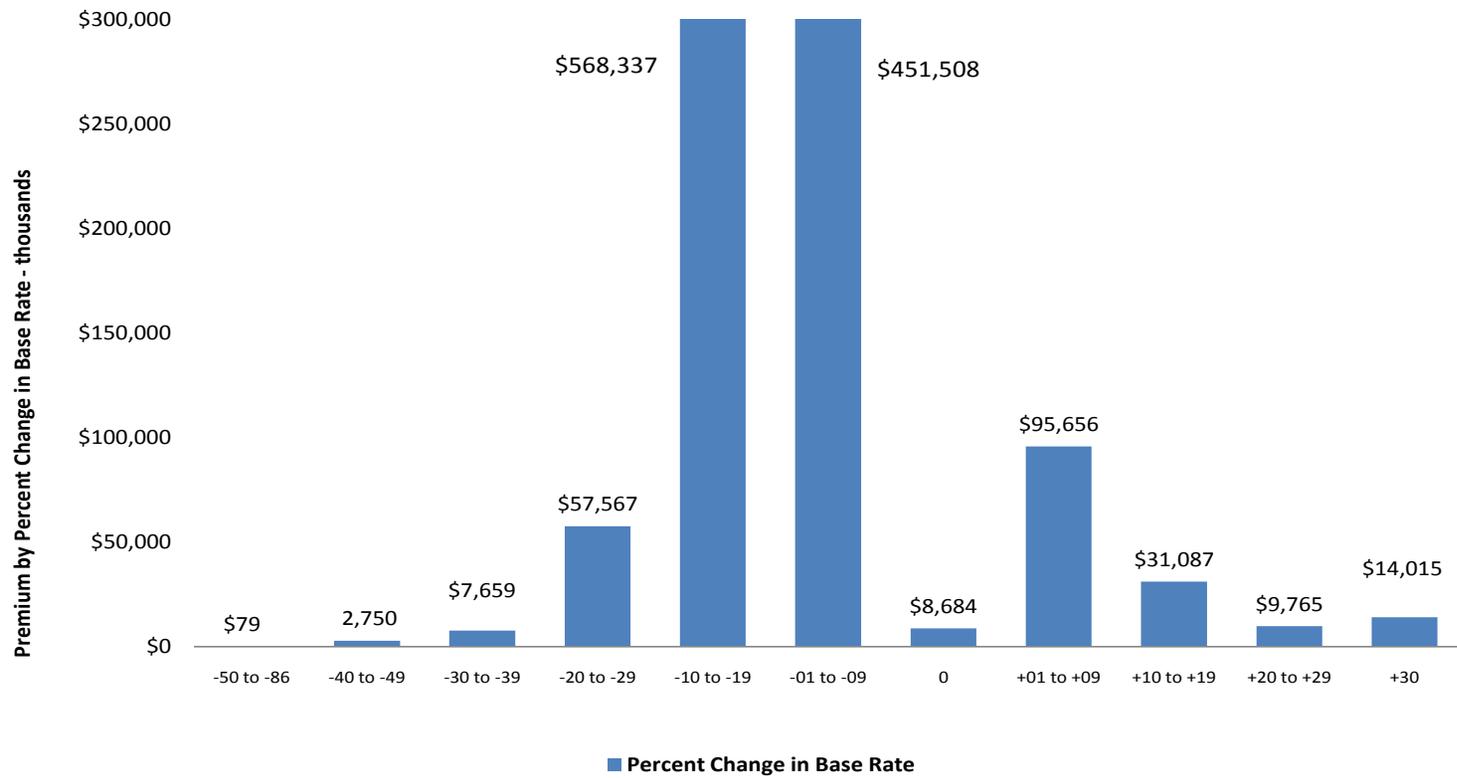


Ohio BWC Private Employer Count by Manual Classification Base Rate Change July 1, 2010



Employers may be counted more than once should the employer have more than one manual classification assigned.

Ohio BWC Premium by Percent Change Range in Base Rate 7-1-2010



4123-17-05 Private employer ~~credibility table used for experience rating~~ industry group and limited loss ratio tables

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to approve contributions made to the state insurance fund by employers pursuant to sections 4121.121, 4123.29, and 4123.34 of the Revised Code. The administrator hereby sets the industry group and limited loss ratio tables parts A and B to be effective July 1, ~~2009~~2010, applicable to the payroll reporting period July 1, ~~2009~~2010, through June 30, ~~2010~~2011, for private employers as indicated in the attached appendixes A and B.

TABLE 1

PART A

Industry Group	NCCI Manual Classifications
1	0005, 0008, 0016, 0034, 0035, 0036, 0037, 0079, 0083, 0113, 0170, 0251, 2702, 2709
2	1005, 1016, 1164, 1165, 1320, 1430, 1438, 1452, 1624, 1654, 1655, 1710, 4000
3	1463, 1472, 1642, 1699, 1701, 1741, 1747, 1748, 1803, 1852, 1853, 1860, 1924, 1925, 2001, 2002, 2003, 2014, 2016, 2021, 2039, 2041, 2065, 2070, 2081, 2089, 2095, 2110, 2111, 2112, 2114, 2121, 2130, 2143, 2172, 2174, 2211, 2220, 2286, 2288, 2300, 2302, 2305, 2361, 2362, 2380, 2386, 2388, 2402, 2413, 2416, 2417, 2501, 2503, 2534, 2570, 2600, 2623, 2651, 2660, 2670, 2683, 2688, 2710, 2714, 2731, 2735, 2759, 2790, 2802, 2812, 2835, 2836, 2841, 2881, 2883, 2913, 2915, 2916, 2923, 2942, 2960, 3004, 3018, 3022, 3027, 3028, 3030, 3040, 3041, 3042, 3064, 3076, 3081, 3082, 3085, 3110, 3111, 3113, 3114, 3118, 3119, 3122, 3126, 3131, 3132, 3145, 3146, 3169, 3175, 3179, 3180, 3188, 3220, 3223, 3224, 3227, 3240, 3241, 3255, 3257, 3270, 3300, 3303, 3307, 3315, 3334, 3336, 3372, 3373, 3383, 3385, 3400, 3507, 3515, 3548, 3559, 3574, 3581, 3612, 3620, 3629, 3632, 3634, 3635, 3638, 3642, 3643, 3647, 3648, 3681, 3685, 3803, 3807, 3808, 3821, 3822, 3824, 3826, 3827, 3830, 3851, 3865, 3881, 4021, 4024, 4034, 4036, 4038, 4053, 4061, 4062, 4101, 4111, 4112, 4113, 4114, 4130, 4131, 4133, 4150, 4206, 4207, 4239, 4240, 4243, 4244, 4250, 4251, 4263, 4273, 4279, 4282, 4283, 4299, 4304, 4307, 4351, 4352, 4360, 4410, 4420, 4431, 4432, 4439, 4452, 4459, 4470, 4484, 4493, 4557, 4558, 4561, 4568, 4581, 4583, 4611, 4635, 4653, 4665, 4670, 4683, 4686, 4692, 4693, 4703, 4717, 4720, 4740, 4741, 4751, 4771, 4825, 4828, 4829, 4902, 4923, 5951, 6504, 6811, 6834, 6854, 6882, 6884, 9501, 9505, 9522
4	0042, 0050, 0106, 1322, 3069, 3365, 3719, 3724, 3726, 5020, 5022, 5037, 5040, 5057, 5059, 5069, 5102, 5146, 5160, 5183, 5188, 5190, 5213, 5215, 5221, 5222, 5223, 5348, 5402, 5403, 5437, 5443, 5445, 5462, 5472, 5473, 5474, 5478, 5479, 5480, 5491, 5506, 5507, 5508, 5535, 5537, 5538, 5551, 5605, 5606, 5610, 5645, 5651, 5703, 5705, 6003, 6005, 6017, 6018, 6045, 6204, 6206, 6213, 6214, 6216, 6217, 6229, 6233, 6235, 6236, 6237, 6251, 6252, 6260, 6306, 6319, 6325, 6400, 7538, 7601, 7605, 7611, 7612, 7613, 7855, 8227, 9534, 9554
5	2701, 6704, 7133, 7222, 7228, 7229, 7230, 7231, 7232, 7370, 7380, 7382, 7403, 7405, 7420, 7421, 7422, 7425, 7431, 7705, 8385
6	7502, 7515, 7520, 7539, 7540, 7580, 7600, 8901
7	0400, 0401, 2105, 2131, 2157, 4361, 7390, 8001, 8002, 8006, 8008, 8010, 8013, 8015, 8017, 8018, 8021, 8031, 8032, 8033, 8039, 8044, 8045, 8046, 8047, 8058, 8072, 8102, 8103, 8105, 8106, 8107, 8111, 8116, 8203, 8204, 8209, 8215, 8232, 8233, 8235, 8263, 8264, 8265, 8288, 8304, 8350, 8380, 8381, 8393, 8500, 8745
8	0917, 2585, 2586, 2587, 2589, 4362, 5191, 5192, 6836, 7360, 7610, 8279, 8291, 8292, 8293, 8392, 8601, 8602, 8720, 8725, 8799, 8800, 8824, 8825, 8826, 8829, 8831, 8832, 8833, 8835, 8842, 8864, 8868, 8869, 8989, 9012, 9014, 9015, 9016, 9019, 9033, 9040, 9044, 9052, 9058, 9060, 9061, 9062, 9063, 9082, 9083, 9084, 9089, 9093, 9101, 9102, 9154, 9156, 9170, 9178, 9179, 9180, 9182, 9186, 9220, 9516, 9519, 9521, 9586, 9600, 9620
9	4511, 4777, 7590, 7704, 7710, 7711, 7720, 8606, 9088, 9402, 9403, 9984, 9985
10	7402, 8603, 8721, 8742, 8748, 8755, 8803, 8810, 8820, 8871

Revised 7-1-2010

TABLE 1

PART B

**INDUSTRY GROUP
(LLR)**

Credibility Group	1	2	3	4	5	6	7	8	9	10
1	0.3405	0.2957	0.3805	0.2696	0.2776	0.3108	0.3476	0.3867	0.3065	0.3647
2	0.3405	0.2957	0.3805	0.2696	0.2776	0.3108	0.3476	0.3867	0.3065	0.3647
3	0.3405	0.2957	0.3805	0.2696	0.2776	0.3108	0.3476	0.3867	0.3065	0.3647
4	0.3405	0.2957	0.3805	0.2696	0.2776	0.3108	0.3476	0.3867	0.3065	0.3647
5	0.3405	0.2957	0.3805	0.2696	0.2776	0.3108	0.3476	0.3867	0.3065	0.3647
6	0.4570	0.4030	0.5014	0.3818	0.3973	0.4194	0.4645	0.5096	0.4241	0.4854
7	0.5391	0.4795	0.5823	0.4628	0.4822	0.4923	0.5453	0.5927	0.5055	0.5655
8	0.6273	0.5610	0.6649	0.5515	0.5741	0.5715	0.6315	0.6779	0.5907	0.6467
9	0.7036	0.6391	0.7368	0.6332	0.6574	0.6489	0.7068	0.7499	0.6689	0.7180
10	0.7430	0.6819	0.7732	0.6771	0.7008	0.6909	0.7459	0.7866	0.7109	0.7552
11	0.7786	0.7202	0.8048	0.7169	0.7400	0.7257	0.7799	0.8184	0.7478	0.7878
12	0.8110	0.7551	0.8327	0.7531	0.7754	0.7569	0.8103	0.8461	0.7815	0.8178
13	0.8380	0.7874	0.8573	0.7862	0.8073	0.7873	0.8376	0.8705	0.8118	0.8447
14	0.8617	0.8164	0.8792	0.8162	0.8360	0.8157	0.8625	0.8920	0.8388	0.8691
15	0.8816	0.8434	0.8987	0.8439	0.8622	0.8418	0.8851	0.9113	0.8635	0.8907
16	0.8997	0.8694	0.9161	0.8696	0.8856	0.8671	0.9053	0.9279	0.8859	0.9104
17	0.9170	0.8936	0.9318	0.8934	0.9069	0.8914	0.9236	0.9425	0.9066	0.9283
18	0.9334	0.9170	0.9460	0.9152	0.9262	0.9136	0.9402	0.9555	0.9253	0.9442
19	0.9494	0.9369	0.9589	0.9353	0.9438	0.9334	0.9552	0.9668	0.9426	0.9583
20	0.9643	0.9549	0.9708	0.9536	0.9600	0.9509	0.9686	0.9768	0.9589	0.9707
21	0.9776	0.9718	0.9816	0.9704	0.9746	0.9674	0.9803	0.9855	0.9735	0.9815
22	0.9892	0.9865	0.9913	0.9858	0.9879	0.9837	0.9907	0.9932	0.9874	0.9913
23	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Revised 7-1-2010

4123-17-06 **Private employer contributions to the state insurance fund.**

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to approve contributions made to the state insurance fund by employers pursuant to sections 4121.121, 4123.29, and 4123.34 of the Revised Code. The administrator hereby sets the NCCI manual classification base rates, and NCCI manual classification expected loss rates per one hundred dollar unit of payroll to be effective July 1, ~~2009~~2010, applicable to the payroll reporting period July 1, ~~2009~~2010, through June 30, ~~2010~~2011, for private employers as indicated in the attached appendix A.

**BUREAU OF WORKERS' COMPENSATION
NCCI BASE RATES AND EXPECTED LOSS RATES
EFFECTIVE JULY 1, 2010**

Base Rates and Expected Loss Rates are for each \$100 Unit of Payroll

**RATES DO NOT INCLUDE ADMINISTRATIVE COST,
DWRP, OR ADDITIONAL DWRP ASSESSMENTS**

Manual Number	Base Rate	Expected Loss Rate	Manual Number	Base Rate	Expected Loss Rate	Manual Number	Base Rate	Expected Loss Rate
0005	\$2.47	\$0.76	1853	\$4.97	\$0.69	2402	\$3.86	\$1.27
0008	\$1.60	\$0.47	1860	\$3.14	\$1.20	2413	\$5.66	\$2.45
0016	\$4.79	\$0.67	1924	\$5.17	\$1.91	2416	\$3.86	\$1.27
0034	\$4.62	\$1.44	1925	\$4.99	\$1.63	2417	\$3.86	\$1.27
0035	\$4.11	\$1.14	2001	\$7.53	\$2.48	2501	\$3.14	\$1.08
0036	\$3.55	\$0.81	2002	\$4.51	\$1.02	2503	\$1.90	\$0.35
0037	\$4.95	\$1.57	2003	\$4.43	\$1.26	2534	\$3.86	\$1.27
0042	\$6.07	\$1.94	2014	\$6.32	\$2.07	2570	\$7.88	\$2.67
0050	\$3.51	\$0.74	2016	\$6.97	\$1.44	2585	\$5.32	\$1.81
0079	\$9.03	\$2.37	2021	\$4.05	\$1.07	2586	\$2.76	\$0.89
0083	\$5.06	\$1.64	2039	\$4.54	\$0.91	2587	\$6.41	\$1.66
0106	\$41.82	\$12.42	2041	\$3.20	\$1.14	2589	\$2.82	\$0.99
0113	\$4.39	\$1.28	2065	\$1.88	\$0.63	2600	\$3.86	\$1.27
0170	\$2.71	\$0.29	2070	\$4.71	\$1.54	2623	\$3.86	\$1.27
0251	\$4.39	\$1.28	2081	\$6.58	\$1.94	2651	\$3.41	\$1.20
0400	\$3.28	\$1.04	2089	\$5.40	\$1.47	2660	\$3.86	\$1.27
0401	\$3.28	\$1.04	2095	\$5.03	\$1.72	2670	\$13.69	\$27.34
0917	\$8.23	\$2.79	2105	\$6.63	\$1.65	2683	\$10.09	\$1.78
1005	\$4.94	\$1.70	2110	\$6.89	\$2.07	2688	\$1.44	\$0.34
1016	\$5.69	\$1.87	2111	\$3.99	\$1.32	2701	\$9.77	\$2.87
1164	\$4.91	\$1.62	2112	\$4.02	\$2.88	2702	\$26.52	\$8.11
1165	\$4.91	\$1.62	2114	\$3.86	\$1.27	2709	\$25.44	\$7.73
1320	\$2.91	\$0.99	2121	\$4.30	\$1.12	2710	\$9.43	\$3.37
1322	\$7.50	\$1.52	2130	\$3.86	\$1.27	2714	\$6.21	\$1.96
1430	\$81.90	\$156.99	2131	\$1.86	\$0.40	2731	\$3.17	\$1.09
1438	\$5.48	\$1.90	2143	\$5.36	\$1.71	2735	\$3.27	\$1.24
1452	\$4.91	\$4.10	2157	\$6.06	\$2.16	2759	\$7.62	\$2.77
1463	\$4.62	\$1.63	2172	\$3.86	\$1.27	2790	\$3.29	\$0.99
1472	\$1.35	\$0.28	2174	\$23.76	\$8.04	2802	\$4.24	\$1.43
1624	\$3.96	\$1.28	2211	\$11.08	\$10.79	2812	\$3.92	\$1.27
1642	\$5.80	\$2.22	2220	\$8.01	\$3.25	2835	\$13.57	\$7.12
1654	\$3.95	\$3.19	2286	\$7.29	\$5.53	2836	\$2.55	\$0.87
1655	\$3.64	\$1.62	2288	\$5.94	\$2.07	2841	\$1.72	\$0.29
1699	\$9.19	\$1.75	2300	\$3.86	\$1.27	2881	\$2.19	\$0.51
1701	\$4.64	\$2.15	2302	\$3.40	\$1.16	2883	\$5.04	\$1.78
1710	\$8.28	\$2.43	2305	\$6.69	\$2.71	2913	\$5.99	\$1.91
1741	\$6.35	\$2.23	2361	\$3.86	\$1.27	2915	\$3.86	\$1.27
1747	\$6.03	\$2.91	2362	\$3.86	\$1.27	2916	\$4.22	\$1.46
1748	\$4.75	\$1.40	2380	\$5.03	\$0.90	2923	\$5.56	\$1.72
1803	\$5.26	\$1.94	2386	\$3.86	\$1.27	2942	\$16.86	\$5.90
1852	\$3.86	\$1.27	2388	\$2.25	\$0.68	2960	\$3.47	\$0.42

Manual Number	Base Rate	Expected Loss Rate
3004	\$3.40	\$1.21
3018	\$3.64	\$1.15
3022	\$8.11	\$2.62
3027	\$3.43	\$1.13
3028	\$4.15	\$1.48
3030	\$7.56	\$2.50
3040	\$5.76	\$1.98
3041	\$11.68	\$4.76
3042	\$1.66	\$0.53
3064	\$4.43	\$1.62
3069	\$8.37	\$2.80
3076	\$4.81	\$1.59
3081	\$10.41	\$3.67
3082	\$10.67	\$3.84
3085	\$7.34	\$2.29
3110	\$8.67	\$2.76
3111	\$3.96	\$1.51
3113	\$1.87	\$0.65
3114	\$4.63	\$1.52
3118	\$2.25	\$0.81
3119	\$3.86	\$1.27
3122	\$2.66	\$0.84
3126	\$4.55	\$1.60
3131	\$3.30	\$1.27
3132	\$3.62	\$1.26
3145	\$3.05	\$1.04
3146	\$3.45	\$1.18
3169	\$4.68	\$1.54
3175	\$3.42	\$1.27
3179	\$2.93	\$0.98
3180	\$5.53	\$2.13
3188	\$4.64	\$1.51
3220	\$3.63	\$1.18
3223	\$3.86	\$1.27
3224	\$2.87	\$0.16
3227	\$5.57	\$1.95
3240	\$3.71	\$0.87
3241	\$5.89	\$2.04
3255	\$3.66	\$0.48
3257	\$3.44	\$1.19
3270	\$21.92	\$8.74
3300	\$6.48	\$2.26
3303	\$7.40	\$2.71
3307	\$3.73	\$1.28
3315	\$1.91	\$0.52
3334	\$3.86	\$1.27
3336	\$8.08	\$2.42
3365	\$6.80	\$2.03
3372	\$4.88	\$1.59
3373	\$2.17	\$0.75
3383	\$2.23	\$0.80
3385	\$1.37	\$1.27

Manual Number	Base Rate	Expected Loss Rate
3400	\$5.27	\$1.78
3507	\$3.30	\$1.07
3515	\$3.86	\$1.27
3548	\$1.41	\$0.49
3559	\$1.85	\$0.63
3574	\$1.37	\$0.43
3581	\$1.72	\$0.25
3612	\$3.34	\$1.06
3620	\$4.87	\$1.55
3629	\$1.92	\$0.63
3632	\$3.29	\$1.11
3634	\$1.14	\$0.39
3635	\$2.57	\$0.86
3638	\$3.50	\$1.22
3642	\$1.07	\$0.10
3643	\$2.23	\$0.74
3647	\$4.96	\$1.65
3648	\$3.27	\$1.06
3681	\$1.44	\$0.47
3685	\$1.06	\$0.35
3719	\$2.63	\$0.41
3724	\$5.36	\$1.68
3726	\$3.00	\$0.80
3803	\$8.00	\$3.81
3807	\$13.73	\$4.28
3808	\$11.80	\$3.61
3821	\$7.55	\$2.44
3822	\$4.10	\$1.41
3824	\$5.36	\$1.85
3826	\$0.54	\$0.14
3827	\$1.01	\$0.42
3830	\$2.02	\$0.85
3851	\$3.86	\$1.27
3865	\$9.74	\$4.61
3881	\$9.67	\$3.42
4000	\$5.21	\$1.84
4021	\$3.34	\$1.06
4024	\$4.19	\$1.24
4034	\$5.83	\$2.00
4036	\$5.65	\$1.89
4038	\$1.84	\$0.44
4053	\$14.24	\$3.16
4061	\$2.99	\$1.08
4062	\$3.01	\$0.98
4101	\$10.50	\$3.98
4111	\$6.22	\$2.72
4112	\$2.16	\$0.59
4113	\$4.34	\$0.85
4114	\$1.93	\$0.16
4130	\$4.85	\$1.80
4131	\$4.59	\$0.83
4133	\$2.26	\$0.40

Manual Number	Base Rate	Expected Loss Rate
4150	\$1.03	\$0.35
4206	\$3.86	\$1.27
4207	\$3.86	\$1.27
4239	\$5.42	\$1.66
4240	\$5.08	\$1.86
4243	\$3.64	\$1.36
4244	\$3.93	\$1.38
4250	\$3.09	\$0.97
4251	\$2.70	\$0.98
4263	\$6.49	\$2.37
4273	\$2.99	\$0.95
4279	\$3.37	\$1.15
4282	\$3.86	\$1.27
4283	\$3.51	\$1.22
4299	\$2.32	\$0.79
4304	\$3.69	\$1.32
4307	\$1.85	\$0.64
4351	\$1.11	\$0.10
4352	\$2.10	\$0.64
4360	\$3.86	\$1.27
4361	\$1.38	\$0.47
4362	\$1.96	\$0.64
4410	\$4.68	\$1.53
4420	\$6.50	\$2.10
4431	\$3.86	\$1.27
4432	\$3.86	\$1.27
4439	\$3.86	\$1.27
4452	\$3.62	\$1.26
4459	\$3.41	\$1.17
4470	\$2.08	\$0.31
4484	\$4.49	\$1.50
4493	\$4.87	\$1.36
4511	\$1.00	\$0.33
4557	\$2.82	\$0.96
4558	\$2.55	\$0.78
4561	\$3.86	\$1.27
4568	\$1.55	\$1.27
4581	\$3.86	\$1.27
4583	\$5.28	\$1.66
4611	\$1.34	\$0.49
4635	\$2.25	\$0.75
4653	\$6.15	\$2.09
4665	\$13.89	\$4.90
4670	\$3.86	\$1.27
4683	\$1.57	\$0.09
4686	\$1.30	\$0.36
4692	\$0.47	\$0.12
4693	\$2.63	\$0.85
4703	\$3.39	\$0.40
4717	\$3.86	\$1.27
4720	\$2.85	\$1.01
4740	\$3.63	\$0.79

Manual Number	Base Rate	Expected Loss Rate
4741	\$5.30	\$1.91
4751	\$1.89	\$0.65
4771	\$2.24	\$1.15
4777	\$10.93	\$2.34
4825	\$0.55	\$0.19
4828	\$3.22	\$1.07
4829	\$1.94	\$0.66
4902	\$3.69	\$1.01
4923	\$1.68	\$0.28
5020	\$8.62	\$2.44
5022	\$7.62	\$2.36
5037	\$33.87	\$13.02
5040	\$12.91	\$4.07
5057	\$6.00	\$1.88
5059	\$11.70	\$3.81
5069	\$5.43	\$1.64
5102	\$6.17	\$1.93
5146	\$5.98	\$1.87
5160	\$1.76	\$0.51
5183	\$3.94	\$1.20
5188	\$4.22	\$1.31
5190	\$3.17	\$0.97
5191	\$1.35	\$0.49
5192	\$5.24	\$1.77
5213	\$4.98	\$1.66
5215	\$4.94	\$1.63
5221	\$4.96	\$1.55
5222	\$6.40	\$1.86
5223	\$10.03	\$3.08
5348	\$6.11	\$1.88
5402	\$6.76	\$0.89
5403	\$6.03	\$1.81
5437	\$4.77	\$1.59
5443	\$30.29	\$19.73
5445	\$5.47	\$1.68
5462	\$9.26	\$2.65
5472	\$7.16	\$2.89
5473	\$9.51	\$2.27
5474	\$7.64	\$2.22
5478	\$4.98	\$1.67
5479	\$9.83	\$2.85
5480	\$7.20	\$3.01
5491	\$5.43	\$1.64
5506	\$5.93	\$1.91
5507	\$4.78	\$1.71
5508	\$5.43	\$1.64
5535	\$8.02	\$2.31
5537	\$4.11	\$1.26
5538	N/A	\$1.73
5551	\$15.01	\$4.07
5605	\$1.07	\$0.32
5606	\$1.13	\$0.35

Manual Number	Base Rate	Expected Loss Rate
5610	\$13.01	\$3.53
5645	\$9.01	\$2.82
5651	\$6.82	\$2.41
5703	\$10.28	\$1.66
5705	\$5.43	\$1.64
5951	\$3.86	\$1.27
6003	\$7.67	\$2.39
6005	\$5.43	\$1.64
6017	\$5.43	\$1.64
6018	\$5.43	\$1.64
6045	\$5.43	\$1.64
6204	\$9.78	\$2.98
6206	\$5.14	\$0.74
6213	\$5.43	\$1.64
6214	\$8.63	\$8.94
6216	\$7.37	\$2.44
6217	\$4.83	\$1.53
6229	\$4.92	\$1.53
6233	\$3.87	\$1.23
6235	\$19.38	\$6.43
6236	\$8.45	\$13.35
6237	\$2.80	\$1.64
6251	\$16.01	\$5.72
6252	\$6.46	\$1.75
6260	\$5.43	\$1.64
6306	\$4.75	\$1.52
6319	\$3.15	\$1.13
6325	\$7.12	\$2.25
6400	\$5.06	\$1.59
6504	\$4.37	\$1.45
6704	\$7.43	\$2.24
6811	\$4.54	\$2.19
6834	\$6.43	\$0.63
6836	\$5.59	\$1.84
6854	\$3.86	\$1.27
6882	\$3.86	\$1.27
6884	\$3.86	\$1.27
7133	\$6.57	\$2.15
7222	\$7.43	\$2.24
7228	\$9.80	\$2.88
7229	\$8.15	\$2.52
7230	\$11.10	\$4.38
7231	\$13.93	\$4.27
7232	\$7.72	\$2.61
7360	\$6.01	\$1.94
7370	\$6.98	\$2.24
7380	\$6.63	\$2.07
7382	\$7.47	\$2.27
7390	\$7.53	\$2.35
7402	\$0.17	\$0.06
7403	\$3.46	\$1.11
7405	\$1.97	\$0.67

Manual Number	Base Rate	Expected Loss Rate
7420	\$6.38	\$24.65
7421	\$1.93	\$0.27
7422	\$1.79	\$0.17
7425	\$1.12	\$0.25
7431	\$1.47	\$0.53
7502	\$1.40	\$0.38
7515	\$2.82	\$0.74
7520	\$3.44	\$1.14
7538	\$10.34	\$3.68
7539	\$2.97	\$0.92
7540	\$6.14	\$1.90
7580	\$3.65	\$1.24
7590	\$6.07	\$2.05
7600	\$2.68	\$0.83
7601	\$8.39	\$2.53
7605	\$2.76	\$0.93
7610	\$0.51	\$0.18
7611	\$4.48	\$1.35
7612	\$7.85	\$1.79
7613	\$17.96	\$5.98
7704	N/A	\$1.48
7705	\$10.20	\$3.04
7710	\$8.49	\$2.11
7711	\$5.81	\$1.48
7720	\$4.28	\$1.33
7855	\$4.49	\$1.55
8001	\$4.05	\$1.20
8002	\$7.22	\$2.81
8006	\$3.42	\$1.10
8008	\$1.73	\$0.57
8010	\$2.21	\$0.73
8013	\$0.55	\$0.18
8015	\$1.01	\$0.33
8017	\$2.06	\$0.67
8018	\$4.06	\$1.32
8021	\$3.50	\$1.16
8031	\$3.13	\$1.05
8032	\$3.99	\$1.31
8033	\$2.85	\$0.89
8039	\$5.17	\$1.79
8044	\$3.51	\$1.16
8045	\$0.56	\$0.17
8046	\$2.91	\$0.94
8047	\$3.60	\$1.11
8058	\$2.61	\$0.80
8072	\$1.04	\$0.37
8102	\$1.49	\$0.27
8103	\$3.28	\$1.04
8105	\$3.28	\$1.04
8106	\$5.46	\$1.77
8107	\$3.71	\$1.19
8111	\$3.15	\$1.05

Manual Number	Base Rate	Expected Loss Rate
8116	\$1.96	\$0.65
8203	\$6.77	\$1.97
8204	\$4.58	\$1.76
8209	\$4.38	\$1.12
8215	\$2.88	\$0.99
8227	\$3.86	\$1.13
8232	\$5.71	\$1.88
8233	\$4.30	\$1.73
8235	\$3.79	\$1.31
8263	\$8.09	\$2.54
8264	\$10.43	\$3.27
8265	\$9.37	\$3.04
8279	\$11.28	\$3.72
8288	\$7.22	\$2.51
8291	\$6.46	\$1.97
8292	\$5.57	\$1.87
8293	\$9.64	\$3.19
8304	\$4.48	\$1.54
8350	\$5.55	\$1.89
8380	\$3.26	\$1.04
8381	\$3.17	\$0.97
8385	\$3.98	\$1.23
8392	\$6.04	\$2.19
8393	\$2.34	\$0.77
8500	\$7.91	\$2.60
8601	\$0.41	\$0.15
8602	\$0.41	\$0.15
8603	\$0.17	\$0.06
8606	\$3.48	\$0.14
8720	\$3.42	\$1.13
8721	\$0.39	\$0.18
8725	\$3.42	\$1.13
8742	\$0.25	\$0.08
8745	\$3.13	\$0.98
8748	\$0.53	\$0.17
8755	\$0.75	\$0.31
8799	\$1.42	\$0.40
8800	\$1.53	\$0.44
8803	\$0.08	\$0.03
8810	\$0.17	\$0.06
8820	\$0.17	\$0.06
8824	\$5.61	\$1.91
8825	\$2.90	\$1.01
8826	\$2.89	\$0.94
8829	\$4.28	\$1.45

Manual Number	Base Rate	Expected Loss Rate
8832	\$0.39	\$0.14
8833	\$1.33	\$0.44
8835	\$3.80	\$1.20
8842	\$3.53	\$1.14
8864	\$2.77	\$0.93
8868	\$0.44	\$0.15
8869	\$1.78	\$0.60
8871	\$0.33	\$0.02
8901	\$0.13	\$0.04
8989	\$3.07	\$1.11
9012	\$0.73	\$0.25
9014	\$4.90	\$1.66
9015	\$5.22	\$1.72
9016	\$4.29	\$1.50
9019	\$1.96	\$0.64
9033	\$2.49	\$0.77
9040	\$4.35	\$1.40
9044	\$1.96	\$0.64
9052	\$3.79	\$1.24
9058	\$2.80	\$0.85
9060	\$1.68	\$0.57
9061	\$2.41	\$0.88
9062	\$8.67	\$11.93
9063	\$1.25	\$0.41
9082	\$2.05	\$0.69
9083	\$2.16	\$0.71
9084	\$2.42	\$0.79
9088	\$3.88	\$1.24
9089	\$1.96	\$0.64
9093	\$2.10	\$0.72
9101	\$2.51	\$0.84
9102	\$2.97	\$0.95
9154	\$2.57	\$0.87
9156	\$1.23	\$0.43
9170	\$4.96	\$1.51
9178	\$19.27	\$6.78
9179	\$63.99	\$23.47
9180	\$3.06	\$1.11
9182	\$3.87	\$1.24
9186	\$8.25	\$2.73
9220	\$5.64	\$1.88
9402	\$6.83	\$2.17
9403	\$9.35	\$3.21
9501	\$3.79	\$1.21
9505	\$1.52	\$0.49

Manual Number	Base Rate	Expected Loss Rate
9519	\$4.24	\$1.40
9521	\$3.90	\$1.41
9522	\$3.22	\$1.16
9534	\$3.78	\$1.20
9554	\$7.83	\$2.48
9586	\$0.65	\$0.22
9600	\$2.67	\$1.40
9620	\$0.66	\$0.21
9984	\$1.61	\$0.61
9985	\$3.88	\$1.24

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-19

Rule Review

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

Citation: R.C. 4121.121, 4131.14

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

What goal(s): This rule provides for the premium rating of employer contributions to the marine industry fund for longshore and harbor workers coverage. It is optional for employers to obtain this coverage from BWC. This rule establishes the rates for employers and informs employers of the rates.

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 rate rules are developed using actuarial and insurance principles, stakeholder input is not appropriate.

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.

Board of Directors Executive Summary

Marine Industry Fund (MIF)

Introduction: The Marine Industry Fund provides voluntary coverage to Ohio employers with employees who work on or about navigable waters, as required by the Federal Longshoremen and Harbor Workers' Act. Ohio employers in the marine industry may choose to purchase the insurance from BWC, from a private carrier, or self insure.

Benefits provided by fund: A Marine Fund claim is filed with both the Department of Labor and the BWC. The Federal Government determines the claimant eligibility for benefits and sets the benefit levels. Prior to HB 562, an injured worker could have received lost time benefits from the federal claim or the BWC claim, but not from both for the same period. Medical benefits could have been paid from either the federal claim or the BWC claim as long as duplicate payments did not occur. As a result of HB 562, explained below, concurrent jurisdiction is no longer allowed. Injured workers covered under the Marine Industry Fund are entitled to the same benefits as other injured workers **except** for the following:

- Living Maintenance and Living Maintenance Wage Loss benefits
- Lump Sum Advancements
- Rehabilitation Services only as ordered by the Department of Labor

Rate Method: Calculate and apply premium rates designed to provide premiums to equal the cost of all losses related to the Marine Industry Fund exposure that have injury dates during the policy year.

House Bill 562:

Effective 1-1-2009, House Bill 562 prohibits individuals covered under the federal Longshore and Harbor Workers' Compensation Act (LHWCA) from applying for and receiving benefits under Ohio's Workers' Compensation Law. This changes the past practice of insuring these individuals under both the State Insurance Fund and the LHWCA. As a result of HB 562, Longshore and harbor workers can only apply for and receive benefits from the Marine Industry Fund.

Deloitte Rate Indication:

The BWC's consulting actuary Deloitte has provided the following rate change range in the table below which considers a 4.0% and a 4.5% discount rate assumption. Deloitte is recommending a 25% decrease.

Baseline	Reasonable Expectation – Optimistic	Reasonable Expectation – Conservative
-25.0%	-30.0%	-20.0%

Administrator Recommendation:

The Administrator is recommending a decrease of 25 percent.

Marine Industry Fund Rate History

7-1-80	Inception of the Marine Industry Fund with the creation of Manuals 9705, 9711, 9719, 9725 and 9741
1-1-81	Manuals 9702 and 9740 were added
7-1-81	No Change
7-1-82	30% increase All Marine Industry Fund risks must have Manual 7772 in the Ohio State Insurance Fund
7-1-83	30% increase
7-1-84	No Change
7-1-85	No Change
7-1-86	No Change
7-1-87	No Change
7-1-88	No Change
7-1-89	No Change
7-1-90	No Change
7-1-91	No Change
7-1-92	No Change
7-1-93	No Change
7-1-94	No Change
7-1-95	No Change
7-1-96	No Change
7-1-97	10% decrease
7-1-98	No Change
7-1-99	No Change
7-1-2000	No Change
7-1-2001	No Change
7-1-2002	No Change
7-1-2003	No Change
7-1-2004	No Change
7-1-2005	12% Decrease
7-1-2006	No Change
7-1-2007	10% Decrease
7-1-2008	10% Decrease
7-1-2009	10% Decrease

DRAFT – NOT FOR FILING

4123-17-19 EMPLOYER CONTRIBUTION TO THE MARINE INDUSTRY FUND

The administrator of workers' compensation, with the advice and consent of the workers' compensation oversight commission, has authority to establish contributions made to the marine industry fund by employers pursuant to sections 4121.121 and 4131.14 of the Revised Code. The administrator hereby sets the premium rates per one hundred dollar unit of payroll to be effective July 1, ~~2009~~ 2010 as indicated in attached appendix A.

Effective: 7/1/2010

Prior Effective Dates: 7/1/90, 7/1/97, 7/1/05, 7/1/2007, 7/1/2008, 7/1/2009

DRAFT – NOT FOR FILING

Appendix A

Rates are for each \$100 unit of payroll

NCCI Manual	Code Manual Rate
6802	\$13.54 \$10.16
6847	\$25.97 \$19.48
7310	\$12.56 \$9.42
7325	\$34.03 \$25.52
7330	\$13.54 \$10.16
8707	\$34.03 \$25.52
8708	\$8.65 \$6.49

NOTE: Manual descriptions for the classifications are in the NCCI Classification section of this publication.

Ohio's underwriting coverage of these manuals is subject to approval by the Federal Government.

Ohio Bureau of Workers' Compensation Marine Industry Fund Manual Classification Description

Ohio State Special NCCI Classification Codes	Description	Proposed class rate 7-1-2010
6802	USL&HW - Boat Construction Maintenance and Repair or Marina Construction Replacement or Expansion.	\$10.16
6847	USL&HW - Shipbuilding and repair – iron or steel, including scraping, painting, caulking.	\$19.48
7310	USL&HW – Stevedoring – hand labor, forklift or tow motor operations – including all incidental operation – no crane operation.	\$9.42
7325	USL&HW – Stevedoring – crane operations – crane and containerized operations – including all incidental operations – stevedoring of explosive materials – including all incidental operations.	\$25.52
7330	USL&HW – Jetty, breakwater, dock and harbor facilities – construction, maintenance and repair – no structural steel erection – including all incidental operations and USL&HW marine diving – including all incidental operations.	\$10.16
8707	USL&HW – iron and structural steel erection – maintenance, repair or painting. Including bridge construction, maintenance or repair – including all incidental operations.	\$25.52
8708	USL&HW – Stevedoring supervisors, shipping line tally workers, and port employees.	\$6.49

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-29

Rule Review

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

Citation: R.C. 4123.411, 4123.413, 4123.414

2. The rule achieves an Ohio specific public policy goal.
What goal(s): This rule provides the assessments to employers for their contributions to the disabled workers' relief fund. It is mandatory for employers to pay into this fund. This rule establishes the rates for employer contributions to the fund.
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 rate rules are developed using actuarial and insurance principles, stakeholder input is not appropriate.

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.

Board of Directors Executive Summary

Disabled Workers' Relief Fund (DWRF I)

Introduction: The Disabled Workers' Relief Fund (DWRF I) provides for supplementary payments to workers whose combined Permanent and total disability (PTD) benefits plus Social Security disability benefits are lower than the DWRF entitlement amount on claims that occurred prior to 1987.

Benefits provided by fund: This allows for cost of living increases to injured workers receiving PTD benefits.

Rate Method: This fund is on a terminal funding or cash flow basis in which the premiums collected each policy year are to equal the payments made in the same policy year without regard to the accident/injury year. The ORC 4123.411 (A) requires that the assessment should be levied at a rate of at least five but not to exceed ten cents per one hundred dollars of payroll, such rate is to be determined annually for each employer group, which will produce an amount no greater than the amount the administrator estimates to be necessary to carry out such sections for the period for which the assessment is levied.

Deloitte Rate Indication:

Employer Type	Prior Policy Year Rate	Deloitte Recommended Rate
Private Employer (PA)	\$0.08	\$0.08
Public Employer Taxing Districts (PEC)	\$0.06	\$0.06
Public Employer State Agency (PES)	\$0.05	\$0.05

Administrator Recommendation:

The Administrator is recommending no changes to the DWRF I rates.

Disabled Workers' Relief Fund -- History--Assessment For Injuries Prior to 1-1-87

EMPLOYER GROUP			
Private Fund:	1959 to 1975	.03	Per \$100 Unit of Payroll
	1976 to 6-30-1980	.05	
	7-1-1980 to 6-30-2007	.10	
	7-1-2007 to 6-30-2008	.09	
	7-1-2008 to present	.08	
Self-Insured:			
Self-Insured:	1959 to 1975	.03	Per \$100 Unit of Payroll
	1976 to 6-30-1980	.05	
	7-1-1980 to 6-30-1981	.08	
	7-1-1981 to 8-21-1986	.05	
	8-22-1986*		
*Effective 8-22-86 self-insured employers must reimburse the Bureau of Workers' Compensation for DWRF benefits paid to claimants in claims which the employer was the employer of record.			
Public Employer Taxing Districts			
Public Employer Taxing Districts	1959 to 1975	.03	Per \$100 Unit of Payroll
	1976 to 1979	.05	
	1980 to 2003	.10	
	1-1-2004 to 12-31-2004	.09	
	1-1-2005 to 12-31-2006	.08	
	1-1-2007 to present	.06	
Public Employer State Agencies			
Public Employer State Agencies	1959 to 1975	.03	Per \$100 Unit of Payroll
	1976 to 6-30-1980	.05	
	7-1-1980 to 6-30-2004	.10	
	7-1-2004 to 6-30-2005	.08	
	7-1-2005 to 6-30-2007	.06	
	7-1-2007 to present	.05	

Board of Directors Executive Summary

Additional Disabled Workers' Relief Fund (DWRF II)

Description of Fund: The Additional Disabled Workers' Relief Fund (DWRF II) provides supplementary payments to workers whose combined PTD plus Social Security disability benefits are lower than the DWRF entitlement amount on claims that occurred in 1987 and after. Senate Bill 307 established DWRF II, with the implicit legislative intent of actuarially solvent pre-funding of DWRF benefits for injuries occurring in 1987 and subsequent. This pre-funding caused the DWRF II fund to grow. Subsequently, a formal Attorney General opinion in 1993 required that DWRF II operate on a terminal funding or cash flow basis.

Benefits provided by fund: This allows for cost of living increases to injured workers receiving PTD benefits for claims after 1986.

Rate Method: The current rate is one tenth of one percent of premium at base rate. The ORC 4123.411 (B) states that the BWC shall levy an assessment against all employers at a rate per one hundred dollars of payroll (subsequent Ohio Administrative Code requires the assessment to be levied at a percent of premium at base rate), such rate to be determined annually for each classification of employer in each employer group, which will produce an amount no greater than the amount the administrator estimates to be necessary to carry out such sections for the period for which the assessment is levied. Case Notes number 8 and OAG No. 93-011 states that the ORC does not authorize the Administrator of Workers' Compensation to levy the assessment therein described at a rate that will create a reserve within the DWRF.

Deloitte Rate Indication:

The BWC's consulting actuary, Deloitte has recommended that the DWRF II rate remain at one-tenth of one percent of premium at base rate.

Administrator Recommendation:

The Administrator is recommending no change to the DWRF II rate.

Disabled Workers' Relief Fund -- History--Assessment For Injuries On and After 1-1-87

EMPLOYER GROUP	PERIOD	PERCENT OF PREMIUM COMPUTED AT BASE RATE
Private Employers:	1-1-1987 to 12-31-1987	2%
	1-1-1988 to 12-31-1988	3%
	1-1-1989 to 12-31-1989	4%
	1-1-1990 to 12-31-1990	5%
	1-1-1991 to 12-31-1991	5%
	1-1-1992 to 06-30-1993	5%
	7-1-1993 to present	.1%
Self-Insured:	Reimburse the Bureau of Workers' Compensation for DWRF benefits to claimants in claims in which the employer is the employer of record.	
Public Employer Taxing Districts:	1-1-1987 to 12-31-1987	2%
	1-1-1988 to 12-31-1988	3%
	1-1-1989 to 12-31-1989	4%
	1-1-1990 to 12-31-1990	5%
	1-1-1991 to 12-31-1991	5%
	1-1-1992 to 12-31-1992	5%
	1-1-1993 to present	.1%
Public Employer State Agencies:	1-1-1987 to 12-31-1987	2%
	1-1-1988 to 12-31-1988	3%
	1-1-1989 to 12-31-1989	4%
	1-1-1990 to 12-31-1990	5%
	1-1-1991 to 12-31-1991	5%
	1-1-1992 to 06-30-1993	5%
	7-1-1993 to present	.1%

4123-17-29 **Disabled workers' relief fund; employers' assessments and self-insurers' payments.**

(A) State fund employers.

- (1) In order to make disabled workers' relief fund ("DWRF") payments to claimants having dates of injury or disability prior to January 1, 1987, assessments shall be levied in the following manner for so long as payments to such claimants are required:
 - (a) Private state fund employers: eight cents per one-hundred-dollar unit of payroll, effective July 1, 2008;
 - (b) Public employer taxing districts: six cents per one-hundred-dollar unit of payroll, effective January 1, 2007;
 - (c) Public employer state agency: five cents per one-hundred-dollar unit of payroll, effective July 1, 2007.

These assessments shall be billed at the same time state insurance fund premiums are billed and payments shall be credited to the disabled workers' relief fund.

- (2) In order to make DWRF payments to claimants having dates of injury on or after January 1, 1987, assessments shall be levied in the following manner for so long as payments to such claimants are required:
 - (a) Private state fund employers: one-tenth of one per cent of premium, computed at basic rate, effective July 1, 1993;
 - (b) Public employer taxing districts: one-tenth of one per cent of premium, computed at basic rate, effective January 1, 1993;
 - (c) Public employer state agency: one-tenth of one per cent of premium, computed at basic rate, effective July 1, 1993;

These assessments shall be billed at the same time state insurance fund premiums are billed and payments shall be credited to the disabled workers' relief fund.

DRAFT – NOT FOR FILING

(B) Self-insuring employers.

- (1) Each self-insuring employer shall reimburse the bureau for DWRF payments made in claims in which it is the employer of record, without regard to the date the employer was granted the privilege to pay compensation directly, for all DWRF payments made on or after August 22, 1986. Upon default and a finding of noncompliance by the administrator of workers' compensation, reimbursement shall be made from the self-insuring employers' guaranty fund.
- (2) Self-insuring employers shall be billed on a semi-annual basis for the DWRF payments made pursuant to this rule.

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-61.1

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): The Sponsor Certification Rule revision is needed to strengthen BWC's group rating programs and put sponsoring organizations on an even playing field in regards to marketing. The proposed changes prohibit organizations from marketing to public or private employers until a break-even factor has been approved by the Board. These revisions also update the rule so that it applies to current and subsequent years.

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: The sponsor certification rule changes were presented during an interested party meeting held at BWC on March 16, 2010. Sixty invitations were sent to interested parties. Organizations that received notification of the meeting included, but were not limited to, TPAs such as CCI, Frank Gates, Sedgwick, Sheakley, etc. Sponsoring organizations such as NFIB, Ohio Chamber, PIA, OMA, etc. were also invited. There were no comments or feedback from the interested parties regarding these changes.

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.

Sherri Simpson
May 7, 2010

Executive Summary

4123-17-61.1 Sponsorship Certification Requirements

Introduction:

Rule 4123-17-61.1 of the Administrative Code requires group rating and retrospective rating sponsors to become certified by BWC. Once an organization becomes certified, they must go through a recertification process every three years.

Rule Change:

In an effort to strengthen BWC's group rating programs, the Ohio Bureau of Workers' Compensation is proposing changes to its current sponsor certification rule. Sponsors (and others) will not be able to market until the Break Even Factor and the credibility tables are approved. This will prevent organizations from marketing discounts that are unattainable to Ohio employers.

The current version of the rule contains many dates that were pertinent during the initial year of the requirement. It is now necessary to remove these specific dates and make the rule applicable for subsequent years.

*** DRAFT – NOT FOR FILING ***

4123-17-61.1 Sponsorship certification requirements.

- (A) The following certification requirements shall apply to all sponsoring organizations that seek to make application for either the group rating plan ~~effective January 1, 2010~~, as provided for in rule 4123-17-61 of the Administrative Code, or the group retrospective rating plan ~~effective July 1, 2009~~, as provided in rule 4123-17-73 of the Administrative Code, known collectively as group programs.
- (B) The sponsoring organization must have been in existence for at least two years prior to the last date upon which the group's application for coverage may be filed with the bureau of workers' compensation as provided in rule 4123-17-62 of the Administrative Code.
- (C) The organization must be formed for a purpose other than that of obtaining group workers' compensation coverage. The bureau shall require the organization to demonstrate this through submission of required evidence and documentation. As long as all of the other criteria of this rule are satisfied, a parent corporation may be a sponsoring organization and, if it qualifies under the criteria of this rule, a member of a group of its subsidiary corporations for purposes of group programs. A sponsoring organization may sponsor more than one group.
- (D) The formation and operation of a group program in the organization must substantially improve accident prevention and claims handling for the employers in the group. The bureau shall require the group to document its plan or program for these purposes, and, for groups reapplying annually for group coverage, the results of prior programs.

Following the conclusion of ~~the July 1, 2008 to June 30, 2009~~ each policy year, the bureau will report annually on the aggregate performance of all groups.

- (E) A sponsoring organization shall satisfy all of the requirements for a sponsoring organization as required under section 4123.29 of the Revised Code and in this rule. A sponsoring organization shall submit to the bureau information to demonstrate that the organization meets the requirements for sponsorship. The bureau shall review the information and shall register the sponsoring organization if it meets the requirements. A sponsoring organization shall be registered and be certified by the bureau prior to marketing to or soliciting employers for membership in a group under the group programs.
 - (1) ~~The bureau shall re-certify all sponsoring organizations between March 1, 2009, and June 30, 2009. If~~ Once the bureau certifies a sponsoring organization, the sponsoring organization shall be permitted to sponsor a group retrospective rating program under rule 4123-17-73 of the Administrative Code ~~beginning July 1, 2009, and to sponsor~~ as well as groups in the current group experience rating program under this rule beginning ~~January 1, 2010~~ the next rating year.

***** DRAFT – NOT FOR FILING *****

The bureau shall review the certification of a sponsoring organization at least once every three years or on a more frequent basis as determined by the bureau.

- (2) A sponsoring organization that seeks to be certified by the bureau shall provide to the bureau the following:
- (a) The sponsoring organization's workers' compensation policy number and proof of active workers' compensation coverage;
 - (b) The name of the sponsoring organization's third party administrator, if applicable;
 - (c) A copy of the sponsoring organization's marketing materials (web site, brochures, etc.), including a description of the services related to group rating as well as other services provided by the sponsor;
 - (d) A list of all sponsoring organizations affiliated with the sponsoring organization. For the purpose of this rule, an "affiliated" organization is an organization in which members are brokered, borrowed, shared, or co-opted for inclusion in the certified sponsoring organization's group. All affiliated organizations are required to be certified sponsors as provided in this rule.
 - (e) A copy of the sponsoring organization's articles of incorporation;
 - (f) A copy of the sponsoring organization's mission statement;
 - (g) A completed application form, signed by the sponsor, which includes disclosure of nine-hundred-ninety filings with the Internal Revenue Service and counts of all members (both group and non-group);
 - (h) A copy of the sponsor's safety plan.
 - (i) With reasonable notice, the bureau may request that a sponsor provide for the bureau's inspection at the sponsor's designated location any of the following: additional financial information, dues structure, revenue sources, a table of organization, a comprehensive membership roster, by-laws, and/or a list of corporate officers.
- (F) The sponsoring organization shall provide to the bureau a signed statement certifying the accuracy of the information provided to the bureau. A sponsoring organization's failure to provide accurate information or submission of false information may be grounds for the bureau to refuse to certify the sponsoring organization or to decertify the sponsoring organization. The bureau reserves the authority to use all the listed information above and any other information available to make the certification approval.

*** DRAFT – NOT FOR FILING ***

- (G) Should the bureau deny the certification of the sponsoring organization, the applicant may appeal to the bureau adjudicating committee. After exhausting all administrative appeals and correction of sponsorship requirement deficiencies, the applicant may reapply one year after the latest certification denial.
- (H) The bureau will collect this information and retain it or ask that a sponsoring organization maintain the information for bureau inspection upon request.
- (I) The sponsoring organization shall be in compliance with all bureau rules. A sponsoring organization's non-compliance may result in decertification.
- (J) The sponsoring organization, or their authorized representative, shall have the capability to send and receive secure electronic (FTP - file transfer protocol) files.
- (K) Group marketing.
- (1) A sponsoring association, affiliate, or representative, including, but not limited to, a third-party administrator, broker, or marketer may not offer a discount to ~~an~~ either a private or public employer either seeking to participate in a group-experience rating plan or that exceeds the combined result of the lowest experience modifier and its associated break-even ~~factor~~ for the ~~July 1, 2010, -~~ future policy year until those factors are approved by the bureau's board of directors. Those parties also may not provide marketing material that is either false or unattainable relating to the process of forming groups under the group-retrospective rating plan for ~~the July 1, 2010~~ a future policy year. Prohibited marketing material under this rule is any communication that:
- (a) Instructs prospective participants to provide false information on forms used for purposes of group formation, including the AC-3, the AC-26, and the U-153.
- (b) Claims the sponsoring association, affiliate, or representative is endorsed by the bureau or the state of Ohio.
- (c) Offers or estimates specific discounts or refunds that are unattainable to prospective participants in either group-experience rating or group-retrospective rating.
- (i) For group-experience rating, "unattainable" is defined as exceeding the maximum discount when combining the lowest experience modifier and its associated break-even factors as approved by the bureau of workers' compensation board of directors.
- (ii) For group-retrospective rating, "unattainable" is defined as quoting a specific refund amount that exceeds the maximum possible refund when considering the basic premium factor for the maximum premium

*** DRAFT – NOT FOR FILING ***

ratio selected as approved by the bureau of workers' compensation board of directors.

- (2) The bureau may apply the following sanctions upon its determination of a violation of this rule:
- (a) For a violation of paragraph (K)(1)(c) of this rule the bureau may place that group sponsor at capacity for the ~~2010~~ an upcoming policy year.
 - (i) For sponsors that filed group rosters with the bureau for the ~~July 1, 2009,~~ policy year, "capacity" is defined as prohibiting a ~~sponsor~~ sponsoring - association from exceeding the total number of employers in their ~~2009~~ current or most recent groups, adding new employers for groups they may form in ~~2010~~ the policy year of the sanction, and affiliating with any other group sponsors for the ~~2010~~ policy year of the sanction.
 - (ii) For sponsors that have not filed group rosters with the bureau for the ~~July 1, 2009,~~ current policy year, "capacity" means they will not be able to form groups and cannot affiliate with other group sponsors for the ~~2010~~ upcoming policy year.
 - (b) For a violation of paragraph (K)(1)(a) or (K)(1)(b) of this rule, along with any action that results in knowingly falsifying information on forms submitted to the bureau, the bureau shall immediately revoke the sponsor's certification for the ~~2010~~ upcoming policy year.
- (3) The bureau will provide the bureau of workers' compensation board of directors a report by no later than the April board meeting each year regarding sanctions rendered under this subsection and corrective actions taken by the bureau with respect to this rule.

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-20

Rule Review

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

Citation: R.C. 4123.34, 4131.04

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

What goal(s): This rule provides for the premium rating of employer contributions to the coal workers pneumoconiosis fund for coal coverage. It is optional for employers to obtain this coverage from BWC. This rule establishes the rates for employers and informs employers of the rates. BWC is not proposing a change in the rate for this rule.

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 rates are developed using actuarial and insurance principles, stakeholder input is not appropriate. Recommendation from BWC actuarial.

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.

Board of Directors Executive Summary

Coal Workers' Pneumoconiosis Fund (CWPF)

Description of Fund: The Coal Workers' Pneumoconiosis Fund (CWPF) provides benefits for injured workers under the Federal Coal Mine Health and Safety Act of 1969. The federal government sets benefit levels and determines claim eligibility for benefits. The CWPF provides voluntary coverage to employers who have employee exposure to coal dust, as required by federal law. Ohio employers may choose to purchase the insurance from BWC, from a private carrier, or self insure.

Benefits provided by fund: CWPF provides Permanent and Total Disabled (PTD) pension benefits and medical payments to employees who have contracted pneumoconiosis in the course of their employment. CWPF provides for Death benefits for surviving spouses of injured workers who have contracted pneumoconiosis in the course of their employment and subsequently died from the pneumoconiosis.

Rate Method: Calculate and apply premium rates designed to provide premiums to equal the cost of all coal mining lung related occupational diseases that have injury dates within the policy year. The current rate will apply to new employers to the fund. A moratorium on premium collections has been in place beginning in the policy year beginning 7-1-1999 through the policy year beginning 7-1-2009 due to the level of net assets. Premium is paid only by employers who have newly subscribed to the CWPF fund on or after May 15, 1999.

The Federal Health Care Reform amendment filed by Senator Robert Byrd – D- West Virginia, restores the rebuttable presumption for a veteran miner, with at least 15 years experience, that is diagnosed with a debilitating lung disease. The presumption is that the disease was contracted in the course of employment in the mines. The amendment also provides for an automatic death benefit for survivors in these cases and allows that the presumption be retroactive to January 1, 2005. This reverses legislation enacted in 1981 by Congress under the Reagan administration. The BWC and Deloitte have not yet completed an analysis of the cost of this amendment to the CWPF. We are in the process of gathering data internally, and from the Department of Labor and the Ohio Coal Mine industry.

Deloitte Rate Indication:

The BWC's consulting actuary, Deloitte, recommends a premium rate decrease of 20% contingent on the BWC discontinuing the premium moratorium described above. If the moratorium is maintained, then Deloitte recommends no change in the current rate.

Administrator's Recommendation:

The Administrator is recommending no rate change and continuation of the moratorium for CWPF subscribers to the fund with active dates prior to May 15, 1999.

Coal-Workers' Pneumoconiosis (Black Lung) Fund Rate History

7-1-74	Rates: Manual 1112 - \$6.30 Manual 1115 - \$3.68
7-1-75	No Change
7-1-76	No Change
7-1-77	No Change
7-1-78	No Change
7-1-79	No Change
7-1-80	No Change; Administrative Cost now included as a part of the base rate
7-1-81	30% increase
7-1-82	30% increase; Manual 1116 was added
7-1-83	30% decrease for Manual 1115 and Manual 1116 only
7-1-84	30% decrease for Manual 1115 and Manual 1116 only
7-1-85	30% decrease
7-1-86	30% decrease
7-1-87	30% decrease
7-1-88	No Change
7-1-89	No Change
7-1-90	30% decrease
7-1-91	30% decrease
7-1-92	No Change
7-1-93	No Change
7-1-94	No Change
7-1-95	No Change
7-1-96	No Change
7-1-97	10% decrease
7-1-98	No Change
7-1-99	No Change
7-1-2000	No Change
7-1-2001	Rates: Manual 1112 - \$3.70 Manual 1115 - \$1.07 Manual 1116 - \$0.83
7-1-2002	No Change
7-1-2003	No Change
7-1-2004	No Change
7-1-2005	No Change
7-1-2006	No Change
7-1-2007	No Change
7-1-2008	No Change
7-1-2009	No Change

*****DRAFT – NOT FOR FILING*****

**4123-17-20 EMPLOYER CONTRIBUTION TO THE
COALWORKERS
PNEUMOCONIOSIS FUND.**

The administrator of workers' compensation, with the advice and consent of the workers' compensation oversight commission, has authority to establish contributions made to the coal-workers pneumoconiosis fund by employers pursuant to sections 4121.121 and 4131.04 of the Revised Code. The administrator hereby sets the premium rates per one hundred dollar unit of payroll to be effective July 1, 2001, as indicated in attached appendix A.

Effective: 7/1/01

Prior Effective Dates: 7/1/90; 7/1/91; 7/1/92; 7/1/97; 7/1/98

*****DRAFT – NOT FOR FILING*****

Appendix A

Manual	Rate
1112	\$3.70
1115	\$1.07
1116	\$0.83

Note: the above premium rates shall only apply to employers who newly subscribe to the coal-workers pneumoconiosis fund on or after May 15, 1999. The bureau shall institute a moratorium on premium collections from all employers who were subscribers to the coalworkers pneumoconiosis fund prior to May 15, 1999, and who remain subscribers to the fund.

Ohio Bureau of Workers' Compensation Actuarial Committee

Coal-Workers Pneumoconiosis Fund (“CWPF”) Recommendations to be effective July 1, 2010

Dave Heppen, FCAS, MAAA

Jan Lommele, FCAS, MAAA, FCA

Bob Miccolis, FCAS, MAAA

Deloitte Consulting LLP

May 27, 2010

CWPF Recommendations

Premium Moratorium and Rate Change Recommendations:

CWPF Premium Moratorium	Discontinue	Maintain
Recommended Rate Change	-20%	0%

- Deloitte recommends discontinuing the premium moratorium, which is a major step to implementing the conclusions in the Comprehensive Study.
- Deloitte recommends a CWPF premium rate decrease of 20% if BWC discontinues the premium moratorium.
- These recommendations will substantially reduce rates and increase the number of employers who pay premium for Federal Black Lung coverage, resulting in expected total annual premium collections consistent with recent years.
- Deloitte recommends no rate change if the premium moratorium is maintained.

CWPF Recommendations

Fund History (\$ in thousands)

(1)	(2)	(3)	(4) = (2) - (3)	(5)	(6)	(7)	(8)	(9) = (7) / (8)
<u>Fiscal Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net Assets</u>	<u>Net Operating Income</u>	<u>Premiums</u>	<u>Funded Assets</u>	<u>Funded Liabilities</u>	<u>Funding Ratio</u>
1999	148,102	37,043	111,059		(16)	147,841	36,782	4.0
2000	152,326	38,249	114,077		3	152,098	38,021	4.0
2001	187,512	53,271	134,241		-	171,267	37,026	4.6
2002	186,115	50,758	135,357		1,232	185,548	50,190	3.7
2003	211,290	63,398	147,892		267	203,995	52,600	3.9
2004	220,527	68,809	151,718	(4,019)	256	207,421	55,700	3.7
2005	224,739	63,320	161,419	(2,268)	824	218,923	57,500	3.8
2006	221,894	61,756	160,138	(3,989)	921	221,243	61,100	3.6
2007	234,762	63,021	171,741	(1,963)	887	233,945	62,199	3.8
2008	244,457	65,118	179,339	(472)	1,249	242,173	62,800	3.9
2009	282,939	116,556	166,383	(5,181)	1,678	235,026	68,600	3.4

- Funding Ratio (Assets / Liabilities) has been in excess of 3.0 for several years, though this ratio has been generally declining.
- Funded liabilities include provisions for current claims, pending claims, and a portion of future claims expected from active miners.
- The recent healthcare legislation made potentially significant changes to the CWPF benefits, to increase entitlements and extend survivor benefits.
- Deloitte plans to work with BWC to collect more detailed data on coal mining employment to better quantify the future CWPF benefit costs.

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-36

Rule Review

1. The rule is needed to implement an underlying statute.
Citation: R.C. 4123.341, 4123.342
2. The rule achieves an Ohio specific public policy goal.

What goal(s): The rule notifies employers of the administrative cost assessments applicable to the policy year 7/1/10 to 6/30/11
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: Because BWC administrative cost assessments rules are developed based upon the BWC budget and a cost allocation study, stakeholder input is not appropriate.
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.

Bureau of Workers' Compensation Actuarial Committee
7/1/10 Administrative Assessments
Executive Summary

The agenda for the May meeting of the Actuarial Committee of the Bureau of Workers' Compensation Board of Directors includes the rules for the administrative assessments. The rates presented will be those recommended by the Administrator, the Chairman of the Ohio Industrial Commission and the Executive Director of the Workers' Compensation Council for the approval of the Workers' Compensation Board of Directors. If consent is obtained, the rules will be filed with the Legislative Services Commission and the Secretary of State and will become effective July 1, 2010.

Employers in the State of Ohio pay annual assessments that are used to fund the operating expenditures of BWC, the Industrial Commission and the Workers' Compensation Council. Assessments for administrative rates are authorized by the Ohio Revised Code, which requires periodic studies and calculations in order to establish an assessment. The Ohio Revised Code establishes that a separate rate be calculated for BWC, the Industrial Commission and the Workers' Compensation Council.

The rates were calculated based on the results of the annual administrative cost allocation study. The principle followed in the cost allocation study was that administrative costs allocated to each employer group should be related to the level and type of service provided to that group by BWC, the Industrial Commission, and the Workers' Compensation Council. In the course of the study, types of services provided were identified, service levels were measured, and costs were distributed using available workload statistics. Each state fund employer group's rate is calculated as a percentage of that group's projected premium base. The Self-Insured employer rate is calculated as a percentage of paid compensation.

Rule 4123-17-36 establishes the actual Administrative Cost Assessments for state-fund employers for rating year beginning July 1, 2010. The rule reflects separate rates for BWC, the Industrial Commission and the Workers' Compensation Council. Please note that the Self-Insured administrative assessment is not included in this rule but is included in Rule 4123-17-32 which is on the agenda for this meeting.

**BWC
Administrative Cost Fund
Historical Information**

Estimated Costs by Employer Group (before adjustment) -BWC

Employer Group	2007	2008	2009	2010	2011
Private	224,978,328	229,631,037	229,694,878	217,142,564	202,902,250
Public - State	12,949,918	10,220,182	7,528,633	8,376,907	8,453,180
Public Taxing Districts	32,672,554	32,158,330	25,521,804	29,291,798	28,004,400
Self-Insured	24,852,131	21,673,834	17,500,749	18,943,855	19,940,170
Total	295,452,931	293,683,383	\$280,246,064	\$273,755,123	\$259,300,000

Allocation Base

Employer Group	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10
Private	1,520,000,000	1,600,000,000	1,700,000,000	1,435,000,000	1,262,000,000
Public - State	68,500,000	70,800,000	66,400,000	61,500,000	61,325,275
Public Taxing Districts	361,800,000	363,000,000	359,000,000	353,000,000	289,067,022
Self - Insured	227,000,000	218,000,000	219,000,000	213,000,000	202,000,000

Rate History- BWC

Employer Group	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10
Private	14.09%	14.09%	13.67%	14.01%	13.45%
Public - State	12.43%	12.43%	12.24%	12.85%	12.85%
Public Taxing Districts	8.15%	8.15%	8.05%	8.25%	8.25%
Self - Insured	8.22%	8.22%	8.47%	8.89%	8.89%

**Industrial Commission
Administrative Fund
Historical Information**

Estimated Costs by Employer Group (before adjustment) -IC

Employer Group	2007	2008	2009	2010	2011
Private	34,002,366	33,148,265	34,454,723	34,628,592	35,283,975
Public - State	1,938,889	2,012,677	2,221,355	2,246,446	2,439,498
Public Taxing Districts	5,816,667	5,765,420	6,427,285	6,980,028	7,411,529
Self-Insured	18,084,328	17,075,852	18,696,002	17,860,479	17,509,532
Total	\$59,842,250	\$58,002,213	\$61,799,365	\$61,715,545	\$62,644,534

Rate History- IC

Employer Group	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10
Private	2.27%	2.25%	1.98%	2.10%	2.10%
Public - State	3.28%	3.14%	3.27%	3.31%	3.31%
Public Taxing Districts	1.90%	1.77%	1.75%	1.81%	1.81%
Self - Insured	7.26%	7.90%	8.34%	7.98%	7.98%

**Workers' Compensation Council
Administrative Cost Information**

Estimated Costs by Employer Group (before adjustment) -WCC

Employer Group	2010	2011
Private	640,120	526,815
Public - State	260	214
Public Taxing Districts	7,410	6,099
Self-Insured	2,210	1,873
Total	\$650,000	\$535,000

Rate History- WCC

Employer Group	7/1/09	7/1/10
Private	0.0446%	0.0417%
Public - State	0.0004%	0.0003%
Public Taxing Districts	0.0021%	0.0021%
Self - Insured	0.0010%	0.0009%

**Ohio Bureau of Workers' Compensation
Administrative Cost Fund (ACF) Model
Calculated Fiscal Year 2011 Rates**

<u>Employer Group</u>	FY 2011 Estimated Costs	Annual Adjustment	Net FY 2011 Estimated Costs	Rate Allocation Base	FY 2011 Recommended Rate	FY 2010 Rates	% Change
Private (PA)	202,902,250	(41,226,345)	\$161,675,905	1,262,000,000	13.45%	14.01%	-4.00%
Public State (PS)	8,453,180	(856,130)	7,597,050	61,325,275	12.85%	12.85%	0.00%
Public Taxing Districts (PC)	28,004,400	(5,024,377)	22,980,023	289,067,022	8.25%	8.25%	0.00%
Self-Insured (SI)	19,940,170	(1,616,553)	18,323,617	202,000,000	8.89%	8.89%	0.00%
Total	\$259,300,000	(48,723,406)	\$210,576,594				

Appropriation \$299,625,529
Difference \$40,325,529 13.46%

**Industrial Commission of Ohio
Administrative Cost Fund (ACF) Model
Calculated 2011 rates**

<u>Employer Group</u>	2011 Actual Budget	Adjustment	2011 Projected Revenue	Premiums or SI Actual Comp.	2011 Recommended Rates	2010 Rates	Rate Change
Private (PA)	\$35,283,975	(8,719,005)	26,564,970	1,262,000,000	2.10%	2.10%	0%
Public State (PS)	\$2,439,498	(408,031)	2,031,467	61,325,275	3.31%	3.31%	0%
Public Taxing Districts (PC)	\$7,411,529	(2,190,252)	5,221,277	289,067,022	1.81%	1.81%	0%
Self-Insured (SI)	\$17,509,532	(1,394,454)	16,115,078	202,000,000	7.98%	7.98%	0%
Total	\$62,644,534	(\$12,711,741)	49,932,793	1,814,392,297			

**Ohio Bureau of Workers' Compensation
Workers' Compensation Council Model
Calculated Fiscal Year 2011 Rates**

<u>Employer Group</u>	FY 2011 Estimated Costs	Annual Adjustment	Net FY 2011 Estimated Costs	Rate Allocation Base	FY 2011 Recommended Rate	FY 2010 Rates	% Change
Private (PA)	526,815	0	\$526,815	1,262,000,000	0.0417%	0.0446%	-6.40%
Public State (PS)	214	0	214	61,325,275	0.0003%	0.0004%	-12.76%
Public Taxing Districts (PC)	6,099	0	6,099	289,067,022	0.0021%	0.0021%	0.00%
Self-Insured (SI)	1,873	0	1,873	202,000,000	0.0009%	0.0010%	-7.30%
Total	\$535,000	0	\$535,000				

4123-17-36 Administrative cost contribution.

(A) The administrator of workers' compensation, with the advice and consent of the workers' compensation board of directors, has authority to calculate contributions to the administrative cost fund by employers pursuant to sections 4121.121, 4123.341, and 4123.342 of the Revised Code. The administrator hereby sets administrative cost rates as indicated in paragraph (D) of this rule for the bureau of workers' compensation and the bureau of workers' compensation board of directors. Based upon the information provided to the administrator by the industrial commission pursuant to section 4123.342 of the Revised Code, the administrator, with the approval of the chairperson of the industrial commission, hereby sets administrative cost rates as indicated in paragraph (E) of this rule for the industrial commission.

(B) The administrative cost rate for each employer's assessment, except for self-insuring employers, is calculated as follows:

(1) If the employer qualifies for experience rating, either as an individual or through participation in group rating, the assessment is calculated based on a percentage of the employer's experience rated premium.

(2) If the employer is not experience rated, the assessment is calculated based on a percentage of the employer's base rate premium.

(3) If the employer is retrospectively rated, the assessment is calculated based on a percentage of the employer's experience rated premium or base rated premium (but not the minimum premium percentage from the retrospective rating plan) that the employer would have paid if the employer were not participating in retrospective rating.

(4) For state agencies, including state universities and state university hospitals, the assessment is calculated based on a percentage of the employer's premium.

(C) Whenever administrative cost rates established under this rule and rule 4123-17-32 of the Administrative Code prove inadequate or excessive, the same may be adjusted at any time during the biennial period.

(D) Administrative cost rates for the bureau of workers' compensation and bureau of workers' compensation board of directors.

(1) Private employers: ~~14.01~~ 13.45 per cent of premium effective July 1, ~~2009~~ 2010.

(2) Public employer taxing districts: 8.25 per cent of premium effective January 1, ~~2009~~ 2010.

(3) Public employer state agencies: 12.85 per cent of premium effective July 1, ~~2009~~ 2010.

(E) Administrative cost rates for the industrial commission.

(1) Private employers: 2.10 per cent of premium effective July 1, ~~2009~~ [2010](#).

(2) Public employer taxing districts: 1.81 per cent of premium effective January 1, ~~2009~~ [2010](#).

(3) Public employer state agencies: 3.31 per cent of premium effective July 1, ~~2009~~ [2010](#).

(F) Administrative cost rates for the workers' compensation council.

(1) Private employers: ~~0.0446~~ [0.0417](#) per cent of premium effective July 1, ~~2009~~ [2010](#).

(2) Public employer taxing districts: 0.0021 per cent of premium effective January 1, ~~2009~~ [2010](#).

(3) Public employer state agencies: ~~0.0004~~ [0.0003](#) per cent of premium effective July 1, ~~2009~~ [2010](#).

Promulgated Under: 111.15

Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4123.341, 4123.342

Prior Effective Dates: 7/1/90, 7/1/91, 7/1/91, 7/1/93, 7/1/94, 1/1/95, 7/1/95, 7/1/96, 7/1/97, 7/1/98, 7/1/99, 7/1/00, 7/1/01, 7/1/02, 7/1/03, 7/1/04, 7/1/06, 7/1/07, 7/1/08, 7/1/09

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-37

Employer Contribution to Safety and Hygiene Fund Update

Rule Review

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

Citation: R.C. 4121.37 and 4123.34

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

What goal(s): The rule establishes the premium rate paid by Ohio employers to the Safety and Hygiene fund.

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: N/A Rate Rule

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.

Board of Directors Executive Summary

Public Employer State Safety and Hygiene Rate

Background Information

The Safety and Hygiene Fund (Fund), as defined in Ohio Revised Code 4121.37, is used solely for the purpose of investigation and prevention of workplace accidents and diseases. Funding supports the salaries of the Superintendent of the Safety & Hygiene Division and the necessary experts, engineers, staff and related operating costs for the operation of the Division of Safety and Hygiene. All employer groups support the fund through the contribution of no more than one percent of their premiums. Current rates are 1% for private employer and state agencies and .5% for public employer taxing districts and self insured employers. The Self Insured employer rate is charged as a percentage of its paid compensation. The rate for self insured employers was reduced from 1% to .5% for the rating period beginning July 1, 2009. The rate for Public Employer Taxing Districts was reduced from 1% to .5% for the rating period beginning January 1, 2009. State Agencies have contributed 1% since 2000.

Executive summary

Safety and Hygiene rates are reviewed annually in conjunction with BWC administrative cost allocation analysis. For the purposes of reviewing the rates for this Fund, the Safety and Hygiene Division budget, estimated collections and the Fund balance are all considered in the review. Safety and Hygiene and Field Operations staff provide data indicating the percentage of their time attributable to each employer group. This includes, but is not limited to, the number of dedicated staff to the various employer groups, site visits, site testing, and class attendance. For the purpose of calculating the rate for the state agencies, the portion of the Safety and Hygiene budget attributed to agencies is divided by estimated premium collections from these employers. Estimated premium collections are calculated by BWC's Actuarial Division.

The annual review of the Safety and Hygiene rate indicated contributions from state agencies were in excess of the budget set aside for this particular employer group. In addition, there is a significant Fund balance available. The excess Fund balance is sufficient enough to support a reduction in the assessment rate for State Agencies without compromising services provided. A reduction in the rate from 1% to .5% can be sustained for several years.

The proposed rate reduction will allow the Division of Safety and Hygiene to continue current services provided and staffing levels for the Safety and Hygiene Division, both now and in future years. Funding will also be available for modifications to services that may be proposed.

***** DRAFT – NOT FOR FILING *****

4123-17-37 Employer contribution to the safety and hygiene fund.

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to approve contributions to the state insurance fund by employers pursuant to sections 4121.121 and 4121.37 of the Revised Code. The administrator hereby establishes the amount of premium to be set aside to fund the division of safety and hygiene to be one half of one per cent of paid premium for public employer taxing districts, ~~and~~ one half of one per cent of paid premium for public employer state agencies, and one per cent of paid premium for private employers.

Promulgated Under: 111.15

Statutory Authority: 4121.12, 4121.121, 4121.37, 4123.34

Rule Amplifies: 4121.37, 4123.34

Prior Effective Dates: 7/1/90, 7/1/93, 7/1/98, 7/1/99, 7/21/08, 1/1/10

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-32

Rule Review

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

Citation: R.C. 4121.37, 4121.66, 4123.34, 4123.342, 4123.343, 4123.35

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

What goal(s): This rule establishes the rates for self-insuring employers for the policy year 7/1/2010 through 6/30/2011.

3. Existing federal regulation alone does not adequately regulate the subject matter. (*BWC rate rules are not a federal regulatory 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.

If no, explain: BWC rate rules are developed using actuarial and insurance principles, stakeholder input is not appropriate.

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.

Board of Directors
Executive Summary

Self-Insured Employers Assessments

Description of Fund: The Self-Insured Employers Assessment Fund is established to support the safety and hygiene fund, the administrative cost fund, and the portion of the surplus fund that is mandatory as they relate to self-insured employers. The Self-Insured Employers Guaranty Fund (SIEGF) and the former Self-Insured Surety Bond Fund (SBF) provide for payment of compensation and benefits to injured workers of bankrupt self-insured employers. Claims with injury dates prior to 1987, self-insured employers provided security in the form of a letter of credit or a bond from private insurance carriers to cover the cost of claims in the event of bankruptcy or default. This is referred to as the Surety Bond Fund (SBF). It was replaced in 1993 by the Self-Insured Employers Guaranty Fund (SIEGF) for claims with injury dates after 1986.

Benefits provided by the SIEGF and SBF funds: All injured worker benefits (including DWRF) that would normally be paid by the self-insured employer that has defaulted.

SIEGF Rate Method: The BWC is to maintain a minimum balance of funds in the SIEGF at rates as low as possible to assure sufficient moneys to guarantee the payment of any claims against the fund. The Ohio Administrative Code 4123-19-15 (B) requires the SIEGF to maintain a minimum balance of 1.25 times the previous years annual claims disbursements. When the BWC determines that the SIEGF has insufficient funds, an assessment is necessary to ensure the minimum balance in the fund and will assess all self-insuring employers an annual contribution. New self-insuring employers will be assessed six percent of base rate premium as reported on the last two six month payroll reports for the first three years of self-insurance. When a self-insured employer defaults on its self-insured workers' compensation obligations, the BWC moves to recover monies paid from the SIEGF and SBF by filing bankruptcy claims and by drawing on additional security that may have been placed in BWC's favor by the defaulting employer.

The following is a list of the assessments:

1. Mandatory Surplus Fund (SI Surplus Fund): This assessment is to fund costs charged to the Self-Insured Mandatory Surplus Fund which is an account of the Surplus Fund of the State Insurance Fund. These costs are primarily for claims with injury dates prior to 1987 of bankrupt self-insured employers and for specific medical costs such as some medical exams and prostheses.
2. Self-Insured Employers Guaranty Fund (SIEGF Fund): This assessment is to fund the costs charged to the SIEGF. These costs are for claims of bankrupt self-insured employers with injury dates after 1986, and for the costs of DWRF on all claims of bankrupt self-insured employers with any injury date.
3. Administrative Cost Fund (ACF): This assessment is to fund the administrative costs for the BWC, IC, and WCC for only the activities that support the self-insured employers.

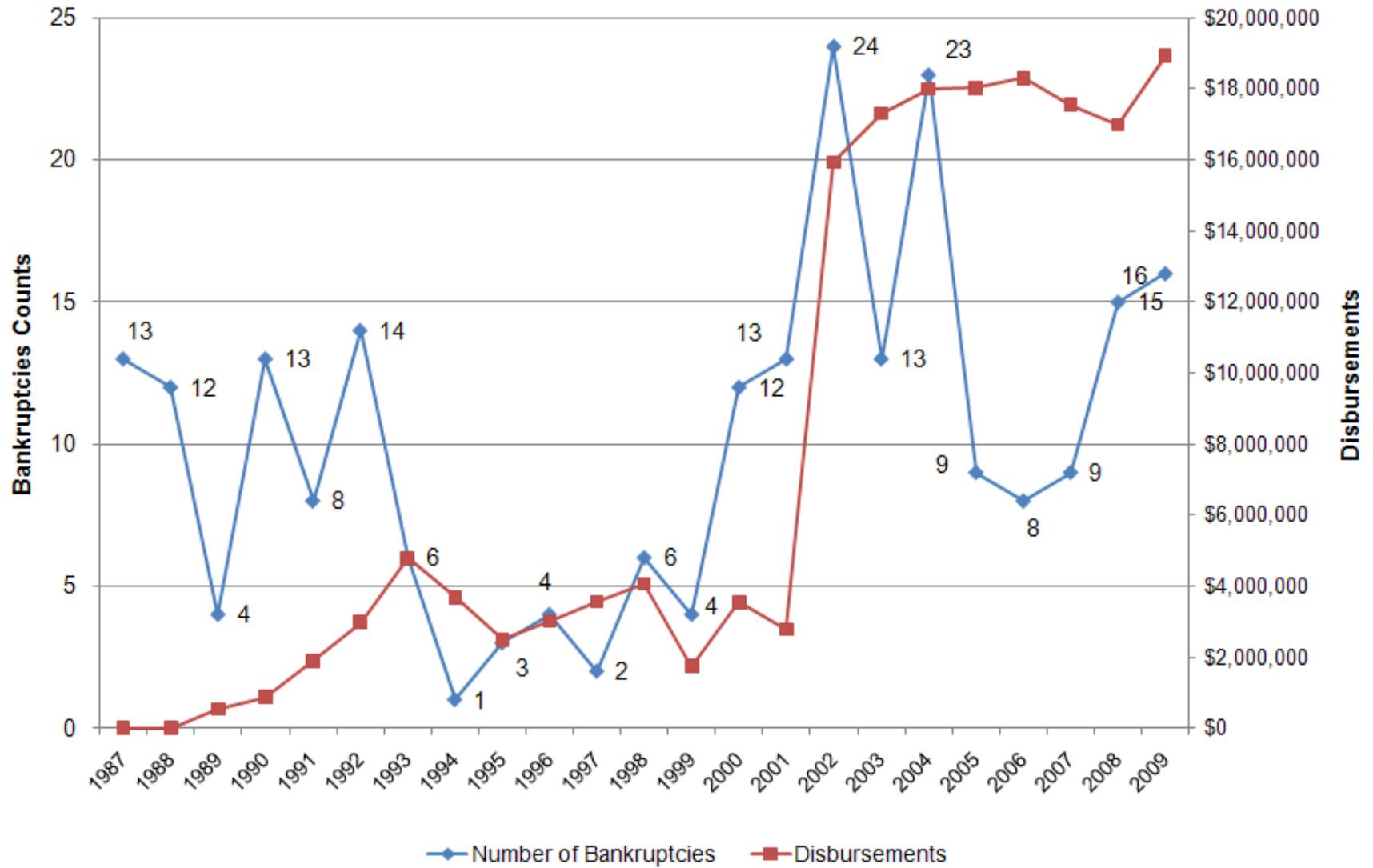
4. Safety and Hygiene Fund (S&H Fund): This assessment is to fund the work of the Division of Safety and Hygiene for self-insured employers.
5. Optional Rehabilitation Program (SI Surplus Fund): This assessment mutualizes the costs of rehabilitation among the self-insured participants in this program. Currently, three self-insured employers participate.
6. Optional Handicap Program (SI Surplus Fund): This assessment mutualizes the costs of handicap claims among the self-insured participants of this program. Currently, there are no self-insured employers participating.
7. Optional Disallowed Claim Reimbursement Program (SI Surplus Fund): This assessment mutualizes the costs of disallowed claims among the self-insured employers in this program. This program is designed to reimburse self-insured employers for claim costs ordered to be paid by the Industrial Commission that were ultimately denied. Currently, five hundred nineteen self-insured employers participate.

Number of Bankrupt Ohio Employers: 282

Calendar Year	Number of Bankruptcies	Payment Amounts as of 5/18/2010 by bankruptcy year¹	SIEGF Disbursements by calendar year²
1987	13	\$14,753,917	
1988	12	\$24,891,823	
1989	4	\$9,079,831	\$536,613
1990	13	\$22,526,177	\$871,542
1991	8	\$11,679,511	\$1,893,236
1992	14	\$26,515,395	\$2,983,798
1993	6	\$14,047,091	\$4,775,129
1994	1	\$519,593	\$3,682,184
1995	3	\$23,257,456	\$2,495,841
1996	4	\$8,384,482	\$3,002,436
1997	2	\$2,971,423	\$3,560,750
1998	6	\$3,414,951	\$4,066,601
1999	4	\$10,894,633	\$1,742,639
2000	12	\$8,734,302	\$3,548,229
2001	13	\$25,475,178	\$2,779,046
2002	24	\$101,849,254	\$15,920,989
2003	13	\$12,039,621	\$17,295,253
2004	23	\$31,456,681	\$17,982,107
2005	9	\$4,524,746	\$18,021,985
2006	8	\$3,804,338	\$18,289,499
2007	9	\$3,165,395	\$17,547,887
2008	15	\$6,311,354	\$16,972,818
2009	16	\$4,675,188	\$18,916,292
2010 to date	0		

1. From Data Warehouse
2. From Cash Basis Financial Statements

Self-Insured Employers Guarantee Fund Disbursements and Bankruptcy Counts

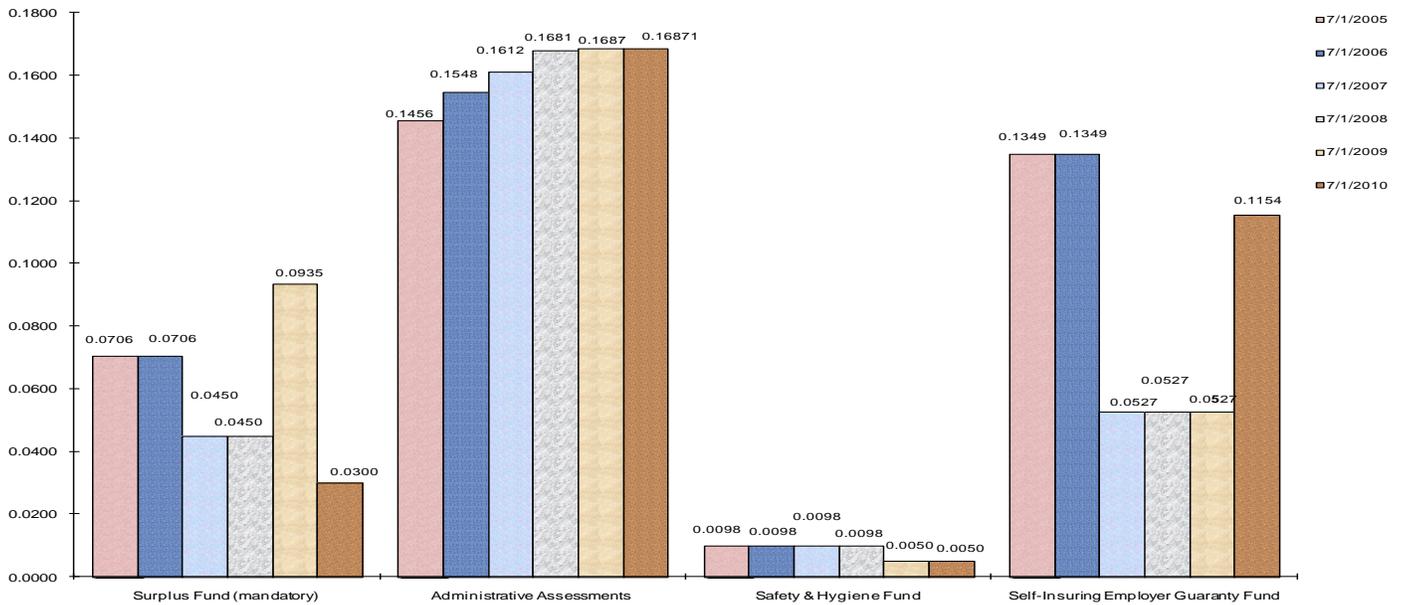


Created by: Terry Potts
 May 17, 2010

Self-Insuring Employer Assessment Funds

**Assessment Rates
Per \$1.00 Paid Comp**

	<u>7/1/2005</u>	<u>7/1/2006</u>	<u>7/1/2007</u>	<u>7/1/2008</u>	<u>7/1/2009</u>	<u>7/1/2010</u>	<u>2009/2010 Change</u>
Mandatory							
Surplus Fund (mandatory)	0.0706	0.0706	0.0450	0.0450	0.0935	0.03000	-0.06350
Self-Insuring Employer Guaranty Fund	0.1349	0.1349	0.0527	0.0527	0.0527	0.11540	+0.06270
Administrative Cost Fund: <u>BWC</u>	<u>0.0790</u>	<u>0.0822</u>	<u>0.0822</u>	<u>0.0847</u>	<u>0.0889</u>	<u>0.08890</u>	+0.00000
Administrative Fund: <u>IC</u>	<u>0.0666</u>	<u>0.0726</u>	<u>0.0790</u>	<u>0.0834</u>	<u>0.0798</u>	<u>0.07980</u>	+0.00000
Administrative Cost Fund: <u>WCC</u>					<u>0.00001</u>	<u>0.00001</u>	+0.00000
Safety & Hygiene Fund	0.0098	0.0098	0.0098	0.0098	0.0050	0.00500	-0.00000
Mandatory Assessments	0.3609	0.3701	0.2687	0.2756	0.31991	0.31911	-0.00080
Optional							
Surplus Fund (rehabilitation)	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	+0.0000
Surplus Fund (handicap)	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480	+0.0000
Surplus Fund (disallowed claims)	n/a	n/a	0.0236	0.0285	0.0285	0.0396	+0.0118



- Mandatory Assessment Rates based upon Paid Compensation of \$202,000,000
- Surplus Fund (mandatory) Regular Disbursements less Adjustments is \$9,461,903
- Surplus Fund (disallowed claims) Claim Disbursements are \$2,509,000 and based upon paid compensation of \$63,290,000
- SIEGF Total Assets as of December 31, 2009 are \$48,054,000 and Current Year Disbursements are \$24,744,000
- Projected Rehabilitation Reimbursements are \$26,286 and based upon paid compensation of \$202,201

4123-17-32 Self-insuring employer assessment based upon paid compensation

The administrator of workers' compensation, with the advice and consent of the workers' compensation board of directors, has authority to determine and levy against self-insuring employers amounts to be paid to support the safety and hygiene fund, the administrative cost fund, the portion of the surplus fund that is mandatory, the portion of the surplus fund that is used for rehabilitation reimbursement subject to the self-insuring employer's election under section 4121.66 of the Revised Code, the portion of surplus fund that is used for handicap reimbursement subject to the self-insuring employer's election under section 4123.343 of the Revised Code, and the portion of the surplus fund used for claims reimbursement for self-insuring employers under division (H) of section 4123.512 of the Revised Code, pursuant to sections 4121.12, 4121.37, 4121.66, 4123.34, 4123.342, and 4123.35 of the Revised Code in conjunction with rule 4123-19-01 of the Administrative Code. The administrator hereby sets the self-insuring employer assessments to be effective July 1, ~~2009-2010~~, for the period July 1, ~~2009-2010~~, to June 30, ~~2010-2011~~, payable in two equal remittances by February 28, ~~2010-2011~~, and August 31, ~~2010-2011~~, as follows:

(A) The assessments shall be on the basis of the paid compensation attributable to the individual self-insuring employer as a fraction of the total amount of paid compensation for the previous calendar year attributable to all amenable self-insuring employers.

(B) Paid compensation means all amounts paid by a self-insuring employer for living maintenance benefits, all amounts for compensation paid pursuant to sections 4121.63, 4121.67, 4123.56, 4123.57, 4123.58, 4123.59, 4123.60 and 4123.64 of the Revised Code, all amounts paid as wages in lieu of such compensation, all amounts paid in lieu of such compensation under a non-occupational accident and sickness program fully funded by the self-insuring employer, and all amounts paid by a self-insuring employer for a violation of a specific safety standard pursuant to section 35 of article II, Ohio Constitution and section 4121.47 of the Revised Code. Any reimbursement received from the surplus fund pursuant to section 4123.512 of the Revised Code by a self-insuring employer for any such payments or compensation paid shall be applied to reduce the amount of paid compensation reported in the year in which the reimbursement is made. Any amount recovered by the self-insuring employer under section 4123.931 of the Revised Code and any amount that is determined not to have been payable to a claimant in any final administrative or judicial proceeding shall be deducted, in the year collected, from the amount of paid compensation reported.

(C) The assessments shall be computed for all self-insuring employers operating in Ohio by multiplying the following rates by the individual self-insuring employer's paid compensation for calendar year ~~2008-2009~~:

(1) Safety and hygiene fund: .0050.

(2) Administrative cost fund, BWC: .0889.

(3) Administrative cost fund, IC: .0798.

(4) Administrative cost fund, WCC: .00001

(5) Surplus fund (mandatory): ~~.0935~~-.0300

(D) The assessment to fund the portion of the surplus fund that is used for rehabilitation reimbursement for all self-insuring employers who have not made an election to opt out of the rehabilitation reimbursement program under the provisions of section 4121.66 of the Revised Code shall be computed by multiplying the following rate by the individual self-insuring employer's paid compensation for calendar year ~~2008-2009~~:

(1) Surplus fund (rehabilitation): .1300.

(E) The assessment to fund the portion of the surplus fund that is used for handicap reimbursement for all self-insuring employers operating in Ohio who have not made an election to opt out of the handicap reimbursement program under the provisions of division (G) of section 4123.343 of the Revised Code shall be computed by multiplying the following rate by the individual self-insuring employer's paid compensation for calendar year ~~2008-2009~~:

(1) Surplus fund (handicap): .2480.

(F) The assessment to fund the portion of the surplus fund that is used for claims reimbursement for all self-insuring employers operating in Ohio who have not made an election to opt out of the right to reimbursement under the provisions of division (H) of section 4123.512 of the Revised Code shall be computed by multiplying the following rate by the individual self-insuring employer's paid compensation for calendar year ~~2008-2009~~:

(1) Surplus fund (disallowed claims reimbursement): ~~.0278~~-.0396.

(G) An employer who no longer is a self-insuring employer in Ohio or who no longer is operating in this state shall continue to pay assessments for administrative costs and for the portion of the surplus fund that is mandatory. The assessments shall be computed by such employer by multiplying the following rates by the individual employer's paid compensation for calendar year ~~2008-2009~~:

(1) Administrative cost fund, BWC: .0889.

(2) Administrative cost fund, IC: .0798.

(3) Administrative cost fund, WCC: .00001.

(4) Surplus fund (mandatory): ~~.0935~~.0300.

(H) If the paid compensation for a self-insuring employer for calendar year ~~2008-2009~~ is less than ~~eleven thousand two hundred~~ fourteen thousand seven hundred and ~~twenty seven~~ twenty six dollars and ~~twelve~~ eighty two cents, the minimum assessments shall be paid as follows:

(1) Safety and hygiene fund: ~~\$56.14~~\$73.63.

(2) Administrative cost fund, BWC: ~~\$998.09~~\$1,309.21.

(3) Administrative cost fund, IC: ~~\$895.92~~ \$1,175.20.

(4) Administrative cost fund, WCC: ~~\$0.11~~\$0.15.

(5) Surplus fund (mandatory): ~~\$1049.74~~ \$441.80.

If the paid compensation for calendar year ~~2008-2009~~ for a self-insuring employer which has not made an election to opt out of the rehabilitation reimbursement program effective on or before July 1, ~~2009-2010~~ is less than fifteen thousand three hundred and eighty four dollars and sixty two cents, the minimum assessment for the surplus fund (rehabilitation) shall be two thousand dollars.

If the paid compensation for calendar year ~~2008-2009~~ for a self-insuring employer which has opted to participate in the handicap reimbursement program is less than fifty thousand dollars, the minimum assessment for the surplus fund (handicap) shall be twelve thousand four hundred dollars.

Assessments are applicable only for the funds to which payments must be made based upon the status and the options exercised relative to the handicap reimbursement program and the rehabilitation reimbursement program.

An employer who no longer is a self-insuring employer in Ohio or no longer is operating in this state and who has less than ~~eleven thousand two hundred~~ fourteen thousand seven hundred and ~~twenty seven~~ twenty six dollars and ~~twelve~~ eighty two cents in paid compensation for calendar year ~~2008-2009~~ shall have a reduced minimum assessment. The minimum assessment shall be ninety per cent of the above minimum assessments in this paragraph in the year after becoming inactive, eighty per cent in the following year, seventy per cent in the following year, and so forth, being reduced ten per cent each year, until the assessment is phased out over ten years.

(I) If an individual self-insuring employer has become self-insured in the last five years (on or after July 1, ~~2004-2005~~) paid compensation shall be as defined in paragraph (B) of

this rule and shall additionally include compensation paid in calendar year ~~2008-2009~~ by the state insurance fund for claim costs directly attributable to the employer prior to becoming self-insured.

(J) The initial assessment to a self-insuring employer in its first calendar year of operation as a self-insuring employer shall be prorated to cover the time period that self-insurance was in effect, but shall not be less than the minimum assessment for a self-insuring employer as provided in paragraph (H) of this rule.

(K) Pursuant to rule 4123-19-15 of the Administrative Code, the following assessment, to be billed and payable in two equal remittances by February 28, ~~2010-2011~~, and August 31, ~~2010-2011~~, shall be computed for all self-insuring employers by multiplying the following rate by the individual self-insuring employer's paid compensation for calendar year ~~2008-2009~~:

(1) Self-insuring employer guaranty fund: ~~.0527~~ .1154.

(L) If an employer fails to pay the assessment when due, the administrator may add a late fee penalty of not more than five hundred dollars to the assessment plus an additional penalty amount as follows:

(1) For an assessment from sixty-one to ninety days past due, the prime interest rate, multiplied by the assessment due;

(2) For an assessment from ninety-one to one hundred twenty days past due, the prime interest rate plus two per cent, multiplied by the assessment due;

(3) For an assessment from one hundred twenty-one to one hundred fifty days past due, the prime interest rate plus four per cent, multiplied by the assessment due;

(4) For an assessment from one hundred fifty-one to one hundred eighty days past due, the prime interest rate plus six per cent, multiplied by the assessment due;

(5) For an assessment from one hundred eighty-one to two hundred ten days past due, the prime interest rate plus eight per cent, multiplied by the assessment due;

(6) For each additional thirty-day period or portion thereof that an assessment remains past due after it has remained past due for more than two hundred ten days, the prime interest rate plus eight per cent, multiplied by the assessment due.

For purposes of this division, "prime interest rate" means the average bank prime rate, and the administrator shall determine the prime interest rate in the same manner as a county auditor determines the average bank prime rate under section 929.02 of the Revised Code.

**OHIO BUREAU OF WORKERS' COMPENSATION
 SELF INSURING EMPLOYERS' GUARANTY FUND (FORMERLY SURETY BOND FUND)
 CASH BASIS FINANCIAL STATEMENTS
 FOR THE 12 MOS ENDED DECEMBER 31 2009**

Operating Statement

	2005	2006	2007	2008	2009	<u>*Estimate</u> 2010	<u>*Estimate</u> 2011
Receipts:							
Assessments SIEGF rate	35,253,334	35,190,892	30,667,466	12,972,260	11,820,719	10,645,400	23,313,426
Assessment New Self Insured Policies	7,405,906	7,484,922	6,676,217	7,531,564	7,542,686	7,542,686	7,542,686
Investments	215,993	1,416,986	2,385,513	1,504,343	229,662		
Total Receipts	42,875,233	44,092,800	39,729,196	22,008,167	19,593,067	18,188,086	30,856,112
Disbursements:							
Surety Losses	18,021,985	18,289,499	17,547,887	16,972,818	18,916,292	25,178,673	27,178,673
MCO Fees Paid			6,187,535	1,074,199	1,142,010	1,510,720	1,630,720
Interest Expense	29,788	0	0	0	0	0	0
DWRF Losses	2,819,924	3,039,789	3,033,293	3,282,649	4,682,843	4,682,843	4,682,843
Total Disbursements	20,871,697	21,329,288	26,768,715	21,334,151	24,744,114	31,372,236	33,492,236
Net Receipts Over (Under)							
Disbursements	22,003,536	22,763,512	12,960,481	674,016	(5,151,047)	(13,184,150)	(2,636,124)
Beginning Net Asset Balance	(5,196,957)	16,806,579	39,570,091	52,530,572	53,204,588	48,053,541	34,869,391
Ending Net Asset Balance	16,806,579	39,570,091	52,530,572	53,204,588	48,053,541	34,869,391	32,233,267

*Does not include potential large bankruptcies

Common Sense Business Regulation (BWC Rules)

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

Rules 4123-17-33.1

Rule Review

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

Citation: O. R.C. 4123.39, 4123.40, 4121.12 and 4121.121

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

What goal(s): This rule establishes the credibility table used for experience rating for public employer taxing districts for the policy year 1/1/2011 to 12/31/2011.

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: A meeting was held on May 18, 2010 with stakeholders.

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.

Board of Directors Executive Summary

Public Employer Taxing Districts

Introduction

Rule 4123-17-33.1 establishes the public employer taxing districts credibility table used for experience rating. Public Employer Taxing Districts consist of approximately 3,900 cities, counties, villages, townships, schools, and miscellaneous special districts in Ohio who are provided workers' compensation insurance through the Ohio State Insurance Fund.

At the October, 2009 Workers' Compensation Board of Directors meeting, the board recommended setting the maximum credibility for private employers for the 7-1-2010 rating year at 65%. The recommendation of the administrator is to adopt the same credibility table for public employer taxing district rates.

In addition, the BWC has added three new levels of credibility groupings at the lower end for employers who were individually base rated in the past. The new levels are at the top of the credibility table chart in the rule. This change allows those employers with expected losses between \$2,000 and \$7,999 to be experience rated. This range is segregated into the top three rows with ranges of \$2,000 each.

Although the credibility table used for experience rating does not need to be filed with the Secretary of State and Legislative Services Commission until December 20, 2010 to be effective January 1, 2011, this is being brought today to allow group administrators enough time to select their groups.

Base rates for all manual classifications will be calculated in the fall of 2010 using the adopted credibility table selected by the Workers' Compensation Board of Directors. Base rates for public employer taxing districts must be approved and filed with the Secretary of State and Legislative Services Commission on or before December 20, 2010, to be effective January 1, 2011. The consent of the Workers' Compensation Board of Directors is necessary for the adoption of base rates.

DRAFT – NOT FOR FILING

4123-17-33.1 **Public employer taxing districts credibility table.**

The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors has authority to calculate contributions made to the state insurance fund by employers pursuant to section 4121.121 of the Revised Code. The administrator hereby sets the credibility table part A, "credibility and maximum value of a loss," to be effective January 1, ~~2010~~ [2011](#), applicable to the payroll reporting period January 1, ~~2010~~ [2011](#), through December 31, ~~2010~~ [2011](#), for public employer taxing districts as indicated in the attached appendix A.

Effective: 01/01/2011

Certification

Date

Promulgated Under: 111.15

Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4123.39, 4123.40

Prior Effective Dates: 1/1/90, 1/1/91, 1/1/92, 1/1/93, 1/1/94, 1/1/95, 1/1/96 (Emer), 3/15/96, 1/1/97, 1/1/98, 1/1/99, 1/1/00, 1/1/01, 1/1/02, 1/1/03, 1/1/04, 1/1/05, 1/1/06, 1/1/07, 1/1/08, 1/1/09, 1/1/10

DRAFT – NOT FOR FILING

TABLE 1

PART A

Credibility and Maximum Value of a Loss

Credibility Group	Expected Losses*	Credibility Percent	Credibility Group Maximum Claim Value
1	2,000	6%	12,500
2	4,000	9%	12,500
3	6,000	12%	12,500
4	8,000	16%	12,500
5	15,000	19%	12,500
6	27,000	22%	25,000
7	45,000	25%	37,500
8	62,500	27%	55,000
9	90,000	29%	75,000
10	122,500	31%	87,500
11	160,000	33%	100,000
12	202,500	35%	112,500
13	250,000	36%	125,000
14	302,500	38%	137,500
15	360,000	39%	150,000
16	422,500	41%	162,500
17	490,000	42%	175,000
18	562,500	44%	187,500
19	640,000	48%	200,000
20	722,500	53%	212,500
21	810,000	58%	225,000
22	902,500	63%	237,500
23	1,000,000	65%	250,000

Catastrophe value equals \$250,000

*Expected losses are lower limits of credibility groups

Revised 5/14/2010

Common Sense Business Regulation (BWC Rules)

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

PEC Break-Even Factor

Rule 4123-17-64.2

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): This revision allows BWC to set accurate, equitable rates for all public employer taxing districts (PECs).

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: The BWC held a meeting with interested parties on May 18, 2010.

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

Public Employer Break-Even Factor

Introduction

Chapter 4123-17 of the Ohio Administrative Code contains BWC rules which enable the Administrator, with the advice and consent of the BWC Board of Directors, to set rates and calculate contributions to the State Insurance Fund pursuant to section 4121.121 of the Ohio Revised Code

Background Information

For the policy year January 1, 2010 the BWC introduced a stratified Break-Even Factor to achieve discount levels that enabled the bureau to set rate levels reflective of the established targets in the rate differential study.

Executive summary

The Public-Employer Taxing District Credibility Table (4123-17-33) results in discount levels for PECs participating in group-experience rating. However, BWC's desire to introduce a stratified break-even factor will achieve discount levels that enable the bureau to set rate levels reflective of the targets established in the rate differential study.

BWC applied the same methodology to private-sector employers for the July 1, 2010, rating year. As such, this rule continues a stratified range of factors varying from 1.171 for PECs with a group experience modifier (EM) of 0.35 to a low of 1.003 for PECs participating in a group with an EM of .99. The average break-even factor is approximately 1.094 for the policy year 1/1/2011. For the policy year 1/1/2010 the average break even factor was 1.139.

4123-17-64.2 Public Employer Taxing District Group Rating Break Even Factor

The administrator will apply an adjustment factor to all group rated employer experience modifier (EM) as indicated in the attached Appendix A.

Appendix A of Rule 4123-17-64.2
Stratified Break Even Factors

Policy Year 1-1-2011 Group Rated Experience Modifier	Group Break Even Factor		Policy Year 1-1-2011 Group Rated Experience Modifier	Group Break Even Factor
0.35	1.171		0.68	1.084
0.36	1.168		0.69	1.082
0.37	1.166		0.70	1.079
0.38	1.163		0.71	1.076
0.39	1.160		0.72	1.074
0.40	1.158		0.73	1.071
0.41	1.155		0.74	1.068
0.42	1.153		0.75	1.066
0.43	1.150		0.76	1.063
0.44	1.147		0.77	1.061
0.45	1.145		0.78	1.058
0.46	1.142		0.79	1.055
0.47	1.139		0.80	1.053
0.48	1.137		0.81	1.050
0.49	1.134		0.82	1.047
0.50	1.132		0.83	1.045
0.51	1.129		0.84	1.042
0.52	1.126		0.85	1.039
0.53	1.124		0.86	1.037
0.54	1.121		0.87	1.034
0.55	1.118		0.88	1.032
0.56	1.116		0.89	1.029
0.57	1.113		0.90	1.026
0.58	1.110		0.91	1.024
0.59	1.108		0.92	1.021
0.60	1.105		0.93	1.018
0.61	1.103		0.94	1.016
0.62	1.100		0.95	1.013
0.63	1.097		0.96	1.011
0.64	1.095		0.97	1.008
0.65	1.092		0.98	1.005
0.66	1.089		0.99	1.003
0.67	1.087			

Public Employer – Taxing Districts (PECs)

2011 Rate Structure – Credibility and Break Even Factors

Thursday, May 27, 2010

Proposal

- We are proposing that Public Employer – Taxing Districts adopt the same credibility table as Private Employers.
- We will also change the Break Even Factor table so that the group to non-group relativity remains at the target. Because adopting the new credibility table has a greater impact on group risks, this allows us to reduce the Break-Even factor table.
- We will also adjust the Off Balance to achieve an overall 0.0% premium effect.

Target Relativities

<u>Non Group Policies (including base rated)</u>						<u>Group Policies</u>					
Policy Year	Base Prem (before EM)	Pd Loss Ratio	Incd Loss Ratio	Paid Relativity	Incd Relativity	Policy Year	Base Prem (before EM)	Pd Loss Ratio	Incd Loss Ratio	Paid Relativity	Incd Relativity
2003	74,735,741	55%	74%	1.30	1.28	2003	144,068,173	31%	43%	0.73	0.75
2004	85,286,744	45%	64%	1.26	1.34	2004	151,756,331	26%	36%	0.73	0.75
2005	91,975,208	36%	49%	1.19	1.17	2005	155,690,303	22%	31%	0.70	0.74
2006	70,932,001	23%	30%	1.00	1.00	2006	158,979,011	17%	23%	0.72	0.75
2007	86,733,590	23%	32%	1.06	1.08	2007	159,537,600	15%	19%	0.67	0.64
2008	84,366,783	16%	22%	1.01	0.97	2008	163,753,737	12%	17%	0.77	0.78
Total	494,030,067	33%	45%	1.20	1.21	Total	933,785,155	20%	28%	0.73	0.75
			Selected:	1.1						Selected:	0.70
<u>Retro Policies</u>						<u>All Policies Combined</u>					
Policy Year	Base Prem (before EM)	Pd Loss Ratio	Incd Loss Ratio	Paid Relativity	Incd Relativity	Policy Year	Base Prem (before EM)	Pd Loss Ratio	Incd Loss Ratio		
2003	98,969,125	49%	67%	1.17	1.16	2003	317,773,039	42%	58%		
2004	105,723,180	42%	52%	1.18	1.09	2004	342,766,255	36%	48%		
2005	113,672,884	38%	52%	1.25	1.23	2005	361,338,396	31%	42%		
2006	138,017,123	31%	39%	1.32	1.28	2006	367,928,135	23%	30%		
2007	148,357,422	28%	40%	1.31	1.34	2007	394,628,611	22%	30%		
2008	164,592,377	19%	28%	1.22	1.24	2008	412,712,898	15%	22%		
Total	769,332,112	33%	44%	1.20	1.18	Total	2,197,147,334	27%	37%		
			Selected:	1.30							

Summary of changes

Group	Non-Group	Retro	Total	
81,518,532	59,671,561	78,244,195	219,434,288	Projected 2009 Blended Premium
8.8%	1.3%	0.0%		Effect of adopting 65 table
0.0%	-1.1%	0.0%		Effect of capping EM changes
-3.2%	-3.2%	0.0%		Effect of Off Balance Change
-2.9%	0.0%	0.0%		Effect of Change to BEF table
2.3%	-3.1%	0.0%	0.0%	Total Change
83,359,754	57,830,338	78,244,195	219,434,288	Target 2010 Blended Premium

Summary of changes (cont)

Group	Non-Group	
0.630	1.045	Current EM Level
2.3%	-3.1%	Proposed Change
0.645	1.013	Proposed EM Level
0.663	1.100	Normalized Current EM Level
0.700	1.100	Normalized Proposed EM Level

Common Sense Business Regulation (BWC Rules)

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

Rule 4123-17-72

Rule Review

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

Citation: R.C. 4123.29

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

What goal(s): The Deductible Program Rule must be updated to synchronize it with the revised Drug-Free Safety Program (DFSP). The Drug-Free Safety Program revision states that an employer may not receive the DFSP discount if they participate at a large deductible level (\$25,000 or greater).

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: Change reviewed as part of the Drug-Free Safety Plan revisions. Discount table is an actuarial calculation.

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

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

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

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

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

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

BWC Board of Directors Executive Summary

Deductible Program Rules Changes

Introduction

The Deductible Program Rule is the same as was passed by the board in the April meeting except for the exclusion of Appendix F: PEC Large Deductible Pricing. The rule still includes the changes to synchronize it with the revised Drug-Free Safety Program (DFSP). The Drug-Free Safety Program rule states that an employer may not receive the DFSP discount if they participate at a large deductible level (\$25,000 or greater).

Background Information

Rule 4123-17-72 was passed by BWC's Board of Directors in February of 2009. This rule enabled Ohio employers to receive a premium discount for agreeing to pay a per claim deductible. An updated version was passed by the board in April 2010 that included changes to compatibility and PEC Large Deductible pricing.

Proposed Changes

Section (M) of the Deductible Program specifies employer programs that are incompatible with the Deductible Program. The Drug-Free Safety Program was added to this section with additional text to clarify that large deductible employers may participate in the program but will not receive a premium discount. The new section of the rule reads as follows:

(M)(5) Drug-Free Safety Program premium discount if a deductible level of twenty-five thousand dollars, fifty thousand dollars, one hundred thousand dollars, or two hundred thousand dollars is selected. An employer may implement or continue to use the Drug-Free Safety Program, but will not receive the premium discount typically associated with program participation.

Appendix F, the large deductible discount amounts for PEC employers, will not be included in this version of the rule.

4123-17-72 Deductible rule.

(A) As used in this rule:

(1) "Coverage period" means the twelve month period beginning July first through June thirtieth for private employers, and January first through December thirty-first for public employers. The deductible selected by the employer will apply only to claims with a date of injury within the coverage period defined in the deductible agreement.

(2) "Deductible" means the maximum amount an insured participating in the deductible program must reimburse the bureau for each claim that occurs during the policy year.

(3) "Experience rated premium" means the premium obligations of an employer for the policy year excluding DWRP and administrative cost assessments. This may include any experience premium related to policy combinations.

(4) "Modified rate" means the rate that employers who are experience rated pay as a percentage of their payroll. This rate is calculated by taking the base rate and multiplying it by the employer's experience modification (EM) factor.

(5) "NCCI base rate" means the rate that employers who are not experience rated pay as a percentage of their payroll.

(6) "Policy in good standing" means the employer is current on all payments due to the bureau and is in compliance with bureau laws, rules, and regulations at the time of enrollment or reenrollment.

(7) "Premium" means money paid (due) from an employer for workers' compensation insurance. It does not include money paid as fees, fines, penalties or deposits.

(8) "Qualified employer" means an employer that has a bureau policy that is in good standing at the time of enrollment or reenrollment. Although the employer may be a qualified employer, the bureau may not accept the employer into the deductible program for other reasons set forth in this rule.

(B) Eligibility requirements.

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

(1) The employer shall have a bureau policy that is in good standing at the time of enrollment.

(2) The employer shall be a private state funded employer or public employer taxing district. A self-insuring employer or a state agency public employer shall not be eligible for participation in the deductible program.

(3) The employer shall be current on all premium payments and deductible billings as of the original application deadline or anniversary date of participation.

(4) The employer shall have active coverage as of the original application deadline or anniversary date of participation.

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

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

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

(1) Five hundred dollars;

(2) One thousand dollars;

(3) Two thousand five hundred dollars;

(4) Five thousand dollars;

(5) Ten thousand dollars;

(6) Twenty-five thousand dollars;

(7) Fifty thousand dollars;

(8) One hundred thousand dollars;

(9) Two hundred thousand dollars.

(D) In choosing a deductible amount of five hundred dollars, one thousand dollars, two thousand five hundred dollars, five thousand dollars, or ten thousand dollars, the employer may not choose a deductible amount that exceeds twenty-five per cent of their experience rated premium obligation during the most recent full policy year. For a new employer policy, the deductible amount shall not exceed twenty-five per cent of the employer's expected premium. In choosing a deductible amount of twenty-five thousand dollars, fifty thousand dollars, one hundred thousand dollars, or two hundred thousand dollars, the employer may not choose a deductible amount that exceeds forty per cent of their experience rated premium obligation for the most recent full policy year. For self-insured employers re-entering the state fund system, the bureau will use the paid workers' compensation benefits from the last full policy year in place of experience rated premium.

BWC may estimate a full year's premium should only a partial year be available or if no premium is available in the most recent full policy year.

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

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

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

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

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

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

(1) For a private employer, between March first and the last business day of April preceding a policy year that begins on July first.

(2) For a public employer taxing district, between September first the last business day of October preceding a policy year that begins on January first.

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

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

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

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

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

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

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

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

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

(K) The bureau will apply the premium reduction calculation under the deductible program directly to the NCCI base rate established for the policy year for base-rated employers, or after the modified premium rate is established for experience-rated employers, but prior to any other premium discounts, as well as DWRP and administrative expenses. An individual employer participating in both group rating under rules 4123-17-61 to 4123-17-68 of the Administrative Code and the deductible program under this rule may implement the deductible program and receive the associated premium discounts in addition to the group discount; provided, however, the combined discounts may not exceed the maximum discount allowed under the group rating plan. The maximum discount with group rating will be the maximum credibility of a rating group without the application of the breakeven factor. The bureau will calculate the reduction in accordance with [the appendices of appendix A to](#) this rule, which takes into account both the deductible amount chosen by the employer and the applicable hazard group under the most current version of NCCI as established by the primary manual classification of the employer as determined at the end of the enrollment period for that year.

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

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

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

(1) Successor: entity not having coverage.

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

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

(2) Successor: enrolled in the deductible program.

Predecessor: not enrolled in the deductible program.

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

(3) Successor: not enrolled in deductible program.

Predecessor: enrolled in deductible program.

Where there is a combination or experience transfer involving two or more entities, each having Ohio coverage at the time of the combination or experience transfer, and the successor policy is not enrolled in the deductible program, the predecessor shall not be automatically entitled to continue in the deductible program. The successor may make a formal application should it desire to participate in the deductible program for the next policy year. Whether or not the successor chooses or is otherwise eligible to participate in a deductible program, under paragraph (C) of rule 4123-17-02 of the Administrative Code, the successor remains liable for any existing and future liabilities resulting from a predecessor's participation in the deductible program.

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

(1) Retrospective rating, whether group or individual.

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

(3) Salary continuation.

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

(5) Drug-Free Safety Program premium discount if a deductible level of twenty-five thousand dollars, fifty thousand dollars, one hundred thousand dollars, or two hundred thousand dollars is selected. An employer may implement or continue to use the Drug-Free Safety Program, but will not receive the premium discount typically associated with program participation.

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

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

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

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

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

Appendix A: Summary of Selected Deductible Credits - PA

Summary of Selected Deductible Credits

Deductible Amount	A	B	C	D	E	F	G
\$500	6.3%	4.1%	3.9%	3.9%	2.8%	2.0%	1.4%
\$1,000	9.5%	6.3%	6.0%	6.0%	4.4%	3.2%	2.3%
\$2,500	14.0%	10.0%	9.6%	9.4%	7.2%	5.5%	3.9%
\$5,000	17.9%	14.2%	13.7%	13.4%	10.3%	8.1%	5.8%
\$10,000	26.0%	21.2%	20.8%	19.9%	16.6%	12.9%	9.7%

Appendix B: Summary of Selected Deductible Credits - PEC

Summary of Selected Deductible Credits - PEC

Deductible Amount	H (IG 1/5/22)	I (IG 2)	J (IG 3/4)	K (IG 6/8)	L (IG 7/20)
\$500	4.3%	5.6%	4.7%	7.3%	2.0%
\$1,000	6.8%	8.8%	7.4%	10.3%	3.3%
\$2,500	11.3%	13.8%	11.6%	14.9%	5.6%
\$5,000	16.0%	19.2%	15.7%	19.5%	8.3%
\$10,000	21.9%	25.4%	20.7%	25.2%	12.0%

Appendix C: Table of Classifications by Hazard Group – PA

TABLE OF CLASSIFICATIONS BY HAZARD GROUP												EFF		7/1/2008			
Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp	Class	Haz Grp
Code	A-G	Code	A-G	Code	A-G	Code	A-G	Code	A-G	Code	A-G	Code	A-G	Code	A-G	Code	A-G
0005	C	2121	C	3027	E	3642	C	4432	A	5472	G	7382	C	8232	E	9083	A
0008	D	2130	C	3028	C	3643	C	4439	E	5473	G	7390	C	8233	E	9084	C
0016	E	2131	C	3030	E	3647	D	4452	C	5474	F	7403	E	8235	C	9088	G
0034	C	2143	B	3040	E	3648	B	4459	C	5478	E	7405	E	8263	D	9089	B
0035	B	2157	C	3041	C	3681	B	4470	C	5479	D	7409	G	8264	E	9093	B
0036	C	2172	D	3042	D	3685	B	4484	C	5480	F	7420	G	8265	F	9101	B
0037	D	2174	B	3064	C	3719	G	4493	C	5491	F	7421	F	8279	F	9102	C
0042	D	2211	E	3069	E	3724	F	4511	D	5506	G	7422	G	8288	E	9154	C
0050	C	2220	C	3076	B	3726	G	4557	B	5507	F	7425	G	8291	D	9156	D
0079	E	2286	B	3081	E	3803	C	4558	C	5508	E	7431	G	8292	C	9170	G
0083	C	2288	B	3082	E	3807	B	4561	C	5535	E	7502	E	8293	E	9178	A
0106	F	2300	A	3085	E	3808	D	4568	E	5537	E	7515	G	8304	E	9179	B
0113	C	2302	C	3110	C	3821	D	4581	F	5538	E	7520	C	8350	F	9180	E
0170	C	2305	D	3111	C	3822	D	4583	F	5551	G	7538	G	8380	D	9182	C
0251	C	2361	C	3113	C	3824	D	4611	B	5605	F	7539	F	8381	D	9186	F
0400	D	2362	C	3114	C	3826	C	4635	G	5606	F	7540	G	8385	E	9220	D
0401	F	2380	C	3118	B	3827	D	4653	B	5610	C	7580	E	8392	C	9402	E
0917	B	2386	B	3119	A	3830	D	4665	E	5645	F	7590	D	8393	C	9403	F
1005	G	2388	B	3122	B	3851	B	4670	E	5651	F	7600	E	8500	E	9501	D
1016	G	2402	E	3126	C	3865	A	4683	C	5703	E	7601	F	8601	D	9505	D
1164	G	2413	C	3131	C	3881	C	4686	E	5705	E	7605	E	8606	F	9516	E
1165	F	2416	C	3132	C	4000	F	4692	B	5951	B	7610	D	8720	E	9519	E
1320	F	2417	C	3145	C	4021	E	4693	C	6003	E	7611	E	8721	E	9521	E
1322	F	2501	C	3146	C	4024	E	4703	C	6005	E	7612	E	8742	E	9522	C
1430	E	2503	B	3169	C	4034	E	4717	A	6017	E	7613	E	8745	D	9534	F
1438	F	2534	B	3175	C	4036	E	4720	C	6018	E	7704	F	8748	D	9545	F
1452	E	2570	B	3179	B	4038	A	4740	E	6045	E	7705	D	8755	E	9549	F
1463	F	2585	B	3180	B	4053	C	4741	C	6204	F	7710	F	8799	C	9554	F
1472	F	2586	C	3188	B	4061	B	4751	E	6206	G	7711	F	8800	A	9586	A
1624	F	2587	B	3220	C	4062	C	4771	G	6213	F	7720	E	8803	E	9600	B
1642	E	2589	C	3223	A	4101	D	4777	G	6214	G	7855	E	8810	C	9620	D
1654	E	2600	B	3224	B	4111	B	4825	E	6216	G	8001	B	8820	D	9984	G
1655	E	2623	D	3227	B	4112	C	4828	D	6217	F	8002	C	8824	B	9985	G
1699	E	2651	B	3240	B	4113	C	4829	F	6229	F	8006	C	8825	A		
1701	E	2660	B	3241	C	4114	C	4902	B	6233	F	8008	B	8826	C		
1710	E	2670	A	3255	A	4130	C	4923	C	6235	G	8010	B	8829	C		
1741	G	2683	B	3257	C	4131	B	5020	E	6236	E	8013	C	8831	C		
1747	E	2688	B	3270	C	4133	B	5022	F	6237	E	8015	C	8832	C		
1748	E	2701	E	3300	C	4150	A	5037	G	6251	F	8017	B	8833	C		
1803	F	2702	G	3303	B	4206	C	5040	G	6252	G	8018	B	8835	C		
1852	G	2709	E	3307	C	4207	E	5057	G	6260	G	8021	C	8842	C		
1853	D	2710	F	3315	B	4239	E	5059	G	6306	F	8031	C	8864	C		
1860	B	2714	B	3334	C	4240	B	5069	G	6319	F	8032	B	8868	B		
1924	B	2731	E	3336	E	4243	C	5102	F	6325	F	8033	C	8869	B		
1925	D	2735	B	3365	E	4244	C	5146	E	6400	D	8039	B	8871	B		
2001	B	2759	B	3372	D	4250	C	5160	F	6504	B	8044	D	8901	D		
2002	B	2790	B	3373	C	4251	C	5183	E	6704	F	8045	B	8989	E		
2003	C	2802	D	3383	B	4263	C	5188	E	6811	E	8046	C	9012	D		
2014	E	2812	C	3385	B	4273	C	5190	E	6834	D	8047	B	9014	C		
2016	B	2835	A	3400	D	4279	C	5191	C	6836	E	8058	C	9015	C		
2021	D	2836	A	3507	C	4282	B	5192	C	6854	G	8072	B	9016	C		
2039	B	2841	B	3515	C	4283	C	5213	F	6882	G	8102	B	9019	E		
2041	B	2881	A	3548	C	4299	B	5215	D	6884	G	8103	D	9033	C		
2065	C	2883	C	3559	C	4304	D	5221	E	7133	F	8105	B	9040	B		
2070	C	2913	A	3574	B	4307	A	5222	F	7222	E	8106	E	9044	B		
2081	C	2915	D	3581	B	4351	C	5223	E	7228	E	8107	E	9052	B		
2089	C	2916	F	3612	D	4352	B	5348	E	7229	F	8111	C	9058	A		
2095	C	2923	B	3620	E	4360	B	5402	B	7230	D	8116	C	9059	D		
2105	B	2942	A	3629	B	4361	B	5403	F	7231	D	8203	C	9060	B		
2110	B	2960	C	3632	D	4362	C	5437	E	7232	F	8204	E	9061	A		
2111	B	3004	E	3634	B	4410	C	5443	C	7360	E	8209	C	9062	A		
2112	B	3018	E	3635	C	4420	F	5445	F	7370	C	8215	E	9063	B		
2114	B	3022	B	3638	B	4431	A	5462	E	7380	D	8227	G	9082	A		

Appendix D: Summary of PA Large Deductible Premium Discounts

Summary of PA Large Deductible Premium Discounts								
Hazard Group A								
Premium Size	Deductible Level				Deductible Level with Aggregate Limit			
	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	41%				41%			
\$ 75,000	41%				40%			
\$ 100,000	41%				38%			
\$ 125,000	41%	53%			36%	51%		
\$ 150,000	41%	53%			34%	50%		
\$ 175,000	41%	53%			31%	48%		
\$ 200,000	41%	53%			28%	45%		
\$ 250,000	41%	53%	65%		23%	40%	59%	
\$ 300,000	41%	53%	65%		21%	38%	58%	
\$ 400,000	41%	53%	65%		16%	30%	51%	
\$ 500,000	41%	53%	65%	77%	13%	25%	45%	68%
\$ 600,000	41%	53%	65%	77%	11%	21%	40%	65%
\$ 700,000	41%	53%	65%	77%	10%	19%	35%	61%
\$ 800,000	41%	53%	65%	77%	8%	16%	31%	56%
\$ 900,000	41%	53%	65%	77%	8%	15%	28%	52%
\$ 1,000,000	41%	53%	65%	77%	7%	14%	26%	48%
Hazard Group B								
Premium Size	Deductible Level				Deductible Level with Aggregate Limit			
	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	32%				32%			
\$ 75,000	32%				32%			
\$ 100,000	32%				31%			
\$ 125,000	32%	44%			29%	43%		
\$ 150,000	32%	44%			26%	40%		
\$ 175,000	32%	44%			24%	39%		
\$ 200,000	32%	44%			22%	37%		
\$ 250,000	32%	44%	57%		19%	34%	51%	
\$ 300,000	32%	44%	57%		17%	30%	49%	
\$ 400,000	32%	44%	57%		13%	24%	42%	
\$ 500,000	32%	44%	57%	71%	11%	21%	37%	60%
\$ 600,000	32%	44%	57%	71%	9%	17%	33%	55%
\$ 700,000	32%	44%	57%	71%	8%	15%	29%	51%
\$ 800,000	32%	44%	57%	71%	7%	14%	26%	48%
\$ 900,000	32%	44%	57%	71%	7%	13%	24%	45%
\$ 1,000,000	32%	44%	57%	71%	6%	12%	22%	42%

Hazard Group C								
	Deductible Level				Deductible Level with Aggregate Limit			
Premium Size	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	31%				30%			
\$ 75,000	31%				29%			
\$ 100,000	31%				28%			
\$ 125,000	31%	42%			27%	40%		
\$ 150,000	31%	42%			25%	39%		
\$ 175,000	31%	42%			25%	39%		
\$ 200,000	31%	42%			22%	36%		
\$ 250,000	31%	42%	55%		19%	34%	51%	
\$ 300,000	31%	42%	55%		17%	30%	48%	
\$ 400,000	31%	42%	55%		13%	25%	43%	
\$ 500,000	31%	42%	55%	69%	11%	21%	38%	60%
\$ 600,000	31%	42%	55%	69%	9%	18%	33%	55%
\$ 700,000	31%	42%	55%	69%	8%	16%	30%	52%
\$ 800,000	31%	42%	55%	69%	8%	15%	28%	50%
\$ 900,000	31%	42%	55%	69%	7%	13%	25%	45%
\$ 1,000,000	31%	42%	55%	69%	6%	12%	23%	43%

Hazard Group D								
	Deductible Level				Deductible Level with Aggregate Limit			
Premium Size	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	29%				29%			
\$ 75,000	29%				27%			
\$ 100,000	29%				27%			
\$ 125,000	29%	39%			24%	35%		
\$ 150,000	29%	39%			24%	34%		
\$ 175,000	29%	39%			23%	34%		
\$ 200,000	29%	39%			21%	34%		
\$ 250,000	29%	39%	51%		18%	32%	47%	
\$ 300,000	29%	39%	51%		16%	29%	46%	
\$ 400,000	29%	39%	51%		13%	24%	41%	
\$ 500,000	29%	39%	51%	64%	10%	20%	36%	56%
\$ 600,000	29%	39%	51%	64%	9%	17%	32%	52%
\$ 700,000	29%	39%	51%	64%	8%	15%	29%	50%
\$ 800,000	29%	39%	51%	64%	7%	14%	26%	46%
\$ 900,000	29%	39%	51%	64%	7%	13%	25%	44%
\$ 1,000,000	29%	39%	51%	64%	6%	12%	23%	42%

Hazard Group E								
	Deductible Level				Deductible Level with Aggregate Limit			
Premium Size	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	22%				22%			
\$ 75,000	22%				22%			
\$ 100,000	22%				22%			
\$ 125,000	22%	32%			21%	31%		
\$ 150,000	22%	32%			20%	29%		
\$ 175,000	22%	32%			19%	29%		
\$ 200,000	22%	32%			18%	29%		
\$ 250,000	22%	32%	43%		16%	26%	39%	
\$ 300,000	22%	32%	43%		14%	24%	38%	
\$ 400,000	22%	32%	43%		12%	21%	35%	
\$ 500,000	22%	32%	43%	56%	10%	19%	32%	49%
\$ 600,000	22%	32%	43%	56%	9%	17%	30%	47%
\$ 700,000	22%	32%	43%	56%	8%	15%	27%	45%
\$ 800,000	22%	32%	43%	56%	7%	13%	25%	42%
\$ 900,000	22%	32%	43%	56%	6%	13%	24%	41%
\$ 1,000,000	22%	32%	43%	56%	6%	12%	22%	39%

Hazard Group F								
	Deductible Level				Deductible Level with Aggregate Limit			
Premium Size	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	20%				19%			
\$ 75,000	20%				19%			
\$ 100,000	20%				19%			
\$ 125,000	20%	28%			19%	28%		
\$ 150,000	20%	28%			19%	28%		
\$ 175,000	20%	28%			18%	27%		
\$ 200,000	20%	28%			17%	27%		
\$ 250,000	20%	28%	39%		16%	26%	38%	
\$ 300,000	20%	28%	39%		15%	25%	37%	
\$ 400,000	20%	28%	39%		13%	22%	35%	
\$ 500,000	20%	28%	39%	52%	11%	20%	33%	49%
\$ 600,000	20%	28%	39%	52%	10%	19%	32%	48%
\$ 700,000	20%	28%	39%	52%	9%	17%	30%	46%
\$ 800,000	20%	28%	39%	52%	9%	16%	28%	45%
\$ 900,000	20%	28%	39%	52%	8%	16%	28%	45%
\$ 1,000,000	20%	28%	39%	52%	8%	15%	27%	44%

Hazard Group G								
Premium Size	Deductible Level				Deductible Level with Aggregate Limit			
	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 200,000
\$ 62,500	16%				16%			
\$ 75,000	16%				16%			
\$ 100,000	16%				15%			
\$ 125,000	16%	23%			15%	23%		
\$ 150,000	16%	23%			14%	23%		
\$ 175,000	16%	23%			14%	23%		
\$ 200,000	16%	23%			14%	22%		
\$ 250,000	16%	23%	32%		13%	21%	31%	
\$ 300,000	16%	23%	32%		13%	21%	31%	
\$ 400,000	16%	23%	32%		11%	19%	29%	
\$ 500,000	16%	23%	32%	44%	11%	18%	29%	42%
\$ 600,000	16%	23%	32%	44%	10%	17%	27%	41%
\$ 700,000	16%	23%	32%	44%	9%	17%	27%	40%
\$ 800,000	16%	23%	32%	44%	9%	16%	26%	40%
\$ 900,000	16%	23%	32%	44%	9%	16%	26%	40%
\$ 1,000,000	16%	23%	32%	44%	9%	16%	26%	40%
Effective Date: 2/1/2010								

Appendix E: Table of Classifications by Hazard Group – PEC

TABLE OF CLASSIFICATIONS BY HAZARD GROUP - PEC

Class Code	Haz Grp	NCCI Classification Description
	H-L	
9430	H	County employees: all employees & clerical telecommuter, salespersons, drivers
9431	I	City employees: all employees & clerical, clerical telecommuter, salespersons, drivers
9432	J	Village employees: all employees & clerical, clerical telecommuter, salespersons, drivers
9433	J	Township employees: all employees & clerical, clerical telecommuter, salespersons, drivers
9434	H	Local school districts: all employees & clerical, clerical telecommuter, salespersons, drivers
9435	H	Public Libraries: all employees & clerical, clerical telecommuter, salespersons, drivers
9436	H	Special public universities: all employees & clerical, clerical telecommuter, salespersons, drivers
9437	H	Joint vocational schools: all employees & clerical, clerical telecommuter, salespersons, drivers
9438	K	Public work-relief employees
9439	L	Public employer emergency services organizations - contract coverage
9440	K	Public hospitals: all employees & clerical, clerical telecommuter, salespersons, drivers

Created by: Jamey Fauque

Create Date: 5/26/2010

9441	K	Special public institutions: all employees & clerical, clerical telecommuter, salespersons, drivers
9442	L	Pulbic transit auuthorities: all employees & clerical, clerical telecommuter, salespersons, drivers
9443	H	Special public authorities: all employees & clerical, clerical telecommuter, salespersons, drivers



Ohio Bureau of Workers' Compensation March 31, 2010 Reserve Analysis

Unpaid Loss and Loss Adjustment Expense as of June 30, 2010

Bill Van Dyke, ACAS, MAAA
Dave Heppen, FCAS, MAAA
Jan Lommele, FCAS, MAAA
Bob Miccolis, FCAS, MAAA

Deloitte Consulting LLP
May 27, 2010

AGENDA

Purpose and Scope

Actuarial Process

Unpaid Estimates

Change in Deloitte Unpaid Estimates

State Insurance Fund – Change in Unpaid Estimates

State Insurance Fund – Drivers of Change

Other Funds – Drivers of Change

June 30, 2010 Roll-forward Process

Report

March 31, 2010 Reserve Analysis

Purpose and Scope

- Deloitte Consulting LLP (“Deloitte Consulting”, “we” or “our”) has been retained by the BWC to determine an actuarial central estimate of the unpaid loss and loss adjustment expense (“LAE”) as of June 30, 2010.
- Annual evaluation using data as of March 31, 2010.
- Determined unpaid loss and LAE estimates on both a nominal and discounted basis for each of the following Funds:
 - State Insurance Fund (“SIF”)
 - Disabled Workers’ Relief Fund (“DWRF”);
 - Coal-Workers Pneumoconiosis Fund (“CWPF”);
 - Self-Insuring Employers Guaranty Fund (“SIEFG”);
 - Marine Industry Fund (“MIF”);
 - Public Work-Relief Employees’ Compensation Fund (“PWREF”); and
 - Administrative Cost Fund (“ACF”).
- The terms “unpaid loss”, “unpaid claims”, and “reserves” are used interchangeably and are meant to convey the same meaning. The amount booked by the BWC in its financial statements for unpaid loss and loss adjustment expense is referred to as “recorded reserves”.

This document presents our findings to the BWC Board of Directors.

March 31, 2010 Reserve Analysis

Actuarial Process

The general process incorporated in our analysis to estimate discounted unpaid loss involves the following steps:

1. **Ultimate Loss Estimates** – Based on multiple actuarial methodologies that incorporate both incremental and cumulative to date accident (injury) year data as well as both paid losses and incurred (paid + MIRA reserves) losses. Our selected ultimate losses are primarily based on methodologies that employ cumulative paid data, which are commonly used for workers compensation.
 2. **Nominal Unpaid Loss Estimate** – Calculated as ultimate losses less payments projected through June 30, 2010. Projected payments from April 1, 2010 to June 30, 2010 are determined based on the BWC's historical payment pattern.
 3. **Discounted Unpaid Loss Estimate** – Discounted unpaid losses are determined as the undiscounted unpaid loss estimate adjusted for expected future investment income using a discount rate of 4.0% and the BWC's historical payment pattern.
- Separate estimates are determined for each accident year from 1977 through 2010.
 - For accident years 1976 and prior, unpaid loss estimates were determined based on analyzing historical incremental annual payments for accident years 1953 and subsequent.
 - Change in discount rate from 4.5% to 4.0% since the prior December 31, 2009 Analysis

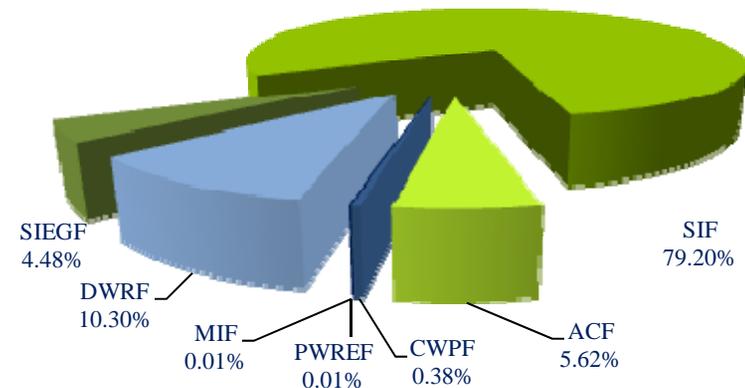
March 31, 2010 Reserve Analysis

Unpaid Estimates

Unpaid Loss and LAE as of June 30, 2010 (\$ Millions)

	Deloitte Nominal Unpaid	Deloitte Discounted Unpaid	BWC Preliminary Reserve	Deloitte - BWC Preliminary	Percent Difference	Unbilled Premium Receivable
SIF	24,809	15,718	15,397	321	2%	723
DWRF	3,514	2,044	1,979	65	3%	1,732
CWPF	182	74	69	6	9%	0
SIEGF	1,929	889	786	103	13%	849
PWREF	5	3	4	(1)	-26%	0
MIF	4	2	2	0	28%	0
ACF	1,794	1,116	1,081	35	3%	92
All Funds	32,237	19,847	19,317	530	3%	3,396

Percent of Total Unpaid Loss & LAE by Fund



- BWC's preliminary reserve as of June 30, 2010 of \$19.3 billion is \$530 million or 3% below our discounted unpaid estimate of \$19.8 billion based on data as of March 31, 2010.
- BWC's preliminary reserve as of June 30, 2010 is primarily based on the unpaid estimate as of June 30, 2009.
- Our discounted unpaid estimate is based on a discount rate of 4.0% and reflects \$12.4 billion of future investment income, which must be realized to provide sufficient funds to make all future claim payments associated with claims occurring on June 30, 2010 and prior.
- Our indicated unbilled premium receivable of \$3.4 billion as June 30, 2010 is approximately \$190 million higher than the BWC recorded unbilled premium receivable as of June 30, 2009 of \$3.21 billion.

March 31, 2010 Reserve Analysis

Change in Deloitte Unpaid Estimates

Comparison of Deloitte Discounted Unpaid Estimate as of June 30, 2010 (\$Millions)

	Deloitte Evaluated @ 03/2010	Deloitte Evaluated @ 12/2009	Change in Discounted Unpaid	Change in Discount Rate 4.5% to 4.0%	Change in Estimate
SIF	15,718	15,126	593	703	(110)
DWRF	2,044	1,909	135	137	(2)
CWPF	74	65	10	7	3
SIEGF	889	820	69	71	(1)
PWREF	3	3	0	0	0
MIF	2	2	0	0	(0)
ACF	<u>1,116</u>	<u>1,074</u>	<u>41</u>	<u>48</u>	<u>(6)</u>
All Funds	19,847	18,999	848	965	(117)

Comparison of Deloitte Unbilled Premium Receivable as of June 30, 2010 (\$Millions)

	Deloitte Evaluated @ 03/2010	Deloitte Evaluated @ 12/2009	Change in Unbilled Premium Rec.
SIF	723	691	32
DWRF	1,732	1,597	135
CWPF	0	0	0
SIEGF	849	779	69
PWREF	0	0	0
MIF	0	0	0
ACF	<u>92</u>	<u>91</u>	<u>1</u>
All Funds	3,396	3,158	238

- Our current June 30, 2010 discounted unpaid estimate of \$19.8 billion is \$848 million or 4.5% higher than our prior discounted unpaid estimate of \$19.0 billion based on data as of December 31, 2009.
- Discount rate change from 4.5% to 4.0% drives the change with a \$965 million impact.
- Our June 30, 2010 unpaid estimate decreased \$117 million assuming a constant discount rate, driven by the SIF.
- Our current June 30, 2010 unbilled premium receivable estimate of \$3.4 billion is \$238 million higher than our prior estimate of \$3.2 billion based on data as of December 31, 2009.

March 31, 2010 Reserve Analysis

State Insurance Fund - Change in Unpaid Estimates

SIF - Comparison of Deloitte Discounted Unpaid Estimate as of June 30, 2010 (\$Millions)

	Nominal Unpaid	Discounted Unpaid Eval. @ 03/10	Discounted Unpaid Eval. @ 12/09	Change in Discounted Unpaid	Change in Discount Rate 4.5% to 4.0%	Change in Estimate
Private Employers ("PA")	19,473	12,318	11,849	469	553	(84)
Public Employers - Taxing Districts ("PEC")	3,050	1,945	1,880	64	86	(21)
Public Employers - State Agencies ("PES")	911	583	564	19	26	(6)
Self-Insured Surplus Fund ("SISF")	193	124	109	15	5	10
Health Partnership Programs ("HPP")	<u>1,181</u>	<u>748</u>	<u>723</u>	<u>25</u>	<u>33</u>	<u>(8)</u>
SIF Total	24,809	15,718	15,126	593	703	(110)
PA, PEC, and PES	23,435	14,846	14,293	553	664	(111)

- Our current SIF discounted unpaid estimate of \$15.7 billion is \$593 million or 3.9% higher than our prior discounted unpaid estimate of \$15.1 billion based on data as of December 31, 2009.
- The discount rate change from 4.5% to 4.0% drives the change with a \$703 million impact.
- Our June 30, 2010 SIF unpaid estimate decreased \$110 million assuming a constant discount rate.

March 31, 2010 Reserve Analysis

State Insurance Fund - Drivers of Change

Drivers of Change in Deloitte Discounted Unpaid Estimate as of June 30, 2010 (\$Millions)

	Private Employers	Public Taxing Districts	Public State Agencies	PA, PEC PES Total
12/31/2009 Analysis	11,849	1,880	564	14,293
Drivers of Change				
Change in Ultimate (Nominal)	(258)	(50)	(16)	(324)
<i>Change in Losses</i>	(41)	(16)	(4)	(61)
<i>Parameter Updates</i>	(217)	(34)	(11)	(262)
Change in Expected Paid at 6/30/10	42	9	4	55
Change in Discount from Change in Estimate	133	20	5	158
Change in Discount Rate from 4.5% to 4.0%	553	86	26	664
Total Change	469	64	19	553
3/31/2010 Analysis	12,318	1,945	583	14,846

- There are no changes in methodology for the SIF since our prior December 31, 2009 analysis.

March 31, 2010 Reserve Analysis

State Insurance Fund - Drivers of Change

SIF Actual vs. Expected (\$Millions)

	Incurred - 2010 FY to Date 7/01/2009 - 3/31/2010			Paid Loss - 2010 FY to Date 7/01/2009 - 3/31/2010			Paid Loss - Q3 FY 2010 1/01/2010 - 3/31/2010			Change in Ultimate from 12/31/09 Eval. to 3/31/10 Eval. % of 12/09			
	Expected	Actual	Actual - Expected	Expected	Actual	Actual - Expected	Expected	Actual	Actual - Expected	Change in Losses	Parameter Updates	Total Change	Nominal Unpaid
PA	1,111	1,263	152	1,089	1,025	(63)	368	329	(39)	(41)	(217)	(258)	-1.3%
PEC	204	203	(1)	181	161	(19)	62	53	(9)	(16)	(34)	(50)	-1.6%
PES	<u>64</u>	<u>68</u>	<u>4</u>	<u>59</u>	<u>53</u>	<u>(6)</u>	<u>20</u>	<u>16</u>	<u>(4)</u>	<u>(4)</u>	<u>(11)</u>	<u>(16)</u>	-1.7%
Total	1,379	1,535	156	1,328	1,240	(88)	451	399	(52)	(61)	(262)	(324)	-1.4%
Percent Difference			11.3%			-6.7%			-11.5%				

- Incurred losses (paid + MIRA) are \$156 million higher than expected for FY 2010 through the 3rd quarter primarily due to a change in the MIRA discount rate from 5% to 4.5% .
- Payments are \$88 million or 6.7% lower than expected for FY 2010 through the 3rd quarter and \$52 million or 11.5% lower than expected in the 3rd quarter of FY 2010 alone.
- Lower than expected payments during 3rd quarter of FY 2010 led to a decrease in our ultimate losses of \$61 million using the same parameters from our December 31, 2009 analysis.
- Updates of certain parameters led to a further decrease of \$262 million in our ultimate losses. Consideration given to new experience data obtained during FY 2010 through the 3rd quarter.

March 31, 2010 Reserve Analysis

Other Funds - Drivers of Change

DWRF

- Our current June 30, 2010 discounted unpaid estimate of \$2,044 million is \$135 million higher than our prior estimate of \$1,909 million (12/31/2009) driven primarily by the change in the discount rate from 4.5% to 4.0%.
- There are no changes in methodology or significant changes in assumptions since our prior analysis.

CWPF

- Our current June 30, 2010 discounted unpaid estimate of \$74 million is \$10 million higher than our prior estimate of \$65 million (12/31/2009). Approximately \$7 million of this increase is from the change in the discount rate from 4.5% to 4.0%. The remaining \$3 million is associated with a change in the average age from 56 to 55.
- There are no changes in methodology or other changes in assumptions since our prior analysis.

SIEGF

- For the SIEFG, our current June 30, 2010 discounted unpaid estimate of \$889 million is \$69 million higher than our prior estimate of \$820 million (12/31/2009). Similar to the other Funds, this increase is primarily driven by the change in the discount rate from 4.5% to 4.0%.
- There are no changes in methodology or significant changes in assumptions since our prior analysis.

ACF

- For the ACF, our discounted unpaid estimate of \$1,116 million is \$41 million higher than our prior estimate of \$1,074 million. The change in the discount rate drives the majority of this increase.
- There are no changes in methodology or significant changes in assumptions since our prior analysis.

March 31, 2010 Reserve Analysis

June 30, 2010 Roll-forward Process

- Revise the June 30, 2010 nominal and discounted unpaid loss and loss adjustment expense estimate.
 - Based on data evaluated as of June 30, 2010.
 - Will consider actual versus expected payments during the 4th quarter of fiscal year 2010.
 - Do not anticipate any changes to methodology.
 - Do not anticipate any significant changes to assumptions.
- BWC management will consider the results of the June 30, 2010 roll-forward analysis when selecting fiscal year-end 2010 recorded reserves.
- Results will be communicated to the BWC Board of Directors in August

March 31, 2010 Reserve Analysis

Report

We have prepared a report that summarizes our conclusions, observations and methodologies in more detail. This report is titled “State of Ohio Bureau of Workers’ Compensation Unpaid Loss & LAE as of June 30, 2010 (Based on Data Evaluated as of March 31, 2010)” and is dated May 19, 2010. The report consists of the following volumes:

- Volume I – Report and Summary Exhibits
- Volume II – Private Employer Detailed Analysis Exhibits
- Volume III – Public Employer -Taxing Districts Detailed Analysis Exhibits
- Volume IV – Public Employer - State Agencies Detailed Analysis Exhibits
- Volume V – Other Funds Detailed Analysis Exhibits

Deloitte.

March 31, 2010 Reserve Analysis

Discount Illustration

Given: Undiscounted Unpaid Loss of \$100,000 paid in \$20,000 equal installments over 5 years.

Cash Flow with Discount Rate of 4.5%

Calendar Year	Beginning Recorded Reserve	Interest Recorded In Year	Payment	Ending Recorded Reserve
	(1)	(2)	(3)	(4)
2011	87,800	3,951	(20,000)	71,751
2012	71,751	3,229	(20,000)	54,979
2013	54,979	2,474	(20,000)	37,453
2014	37,453	1,685	(20,000)	19,139
2015	19,139	861	(20,000)	-
Total		12,200		

Cash Flow with Discount Rate of 4.0%

Calendar Year	Beginning Recorded Reserve	Interest Recorded In Year	Payment	Ending Recorded Reserve
	(1)	(2)	(3)	(4)
2011	89,036	3,561	(20,000)	72,598
2012	72,598	2,904	(20,000)	55,502
2013	55,502	2,220	(20,000)	37,722
2014	37,722	1,509	(20,000)	19,231
2015	19,231	769	(20,000)	-
Total		10,964		

Cash Flow with Discount Rate of 0%

Calendar Year	Beginning Recorded Reserve	Interest Recorded In Year	Payment	Ending Recorded Reserve
	(1)	(2)	(3)	(4)
2011	100,000	-	(20,000)	80,000
2012	80,000	-	(20,000)	60,000
2013	60,000	-	(20,000)	40,000
2014	40,000	-	(20,000)	20,000
2015	20,000	-	(20,000)	-
Total		-		

- Regardless of the discount rate, \$100,000 will be paid;
- The higher the interest rate the lower the current recorded balance and the higher the bookings for future interest:
 - 4.5% Rate: 87,800 funded now, \$12,200 over next 5 years;
 - 4.0% Rate: 89,036 funded now, \$10,964 over next 5 years;
 - 0.0% Rate: 100,000 funded now, \$0 over next 5 years;

Changing the rate from 4.5% to 4.0% requires a shift in funding from future years to now. In this example, \$1,237 = 89,036 – 87,800.

Planned Changes to Group Rating and Experience Rating

As mentioned in my memo dated May 7, we've moved the target date for fully fixing the group rating program to July 2012. This has been well received and allows us to roll up our sleeves and develop a program that is self sustaining and that meets the principles underlying the group approach. We also plan to implement the split experience rating plan as a "beta version" in the July 2011 policy year and to fully implement it in production for the July 2012 policy year. For public employer – taxing districts, we plan to roll out the same approach six months later than the implementation for private employers.

Calendar Preview

We have made progress in our annual process for revising rate and assessment related rules. A quick summary of the outstanding items follows.

May:

- Last month we presented rates by manual class for a first reading. These rates reflect the decision to implement an overall rate level decrease of 3.9%, which includes a reduction in base rates of 8.4%. The materials this month include some additional charts that were requested last month showing the number of employers by rate change and the amount of premium by rate change. The rule includes base rates, expected loss rates (ELR), and limited loss ratios (LLR). The latter two items are used in our experience rating formula to determine expected losses for an employer or a group.
 - Base rate increases are limited to +30%. Several manual classes were affected by this cap.
 - ELRs are used to determine the expected losses for an employer. When multiplied by the experience period payroll, in \$100's, the result is expected losses for an employer at the highest level of credibility. That is, the losses are limited to \$250,000 per claim after removing non-ratable costs such as handicap costs.
 - LLRs reduce this result to reflect the size of employers at lower levels of credibility. For instance, our smallest experience rated employers receive 6% credibility and have their experience period claims limited to \$12,500. In this case, the LLR reduces losses that were limited to \$250,000 to losses limited to \$12,500. That is the combination of ELR and LLR gives us an apples-to-apples comparison with the employer's own ratable losses.
- We will present the assessment rates needed for two statutory funds for a second reading: MIF, and DWRF.
- We will present a rule change for sponsorship certification requirements for a second reading.

- First readings include the administrative costs fund (ACF) assessment, the Coal Workers Pneumoconiosis Fund (CWPF) rates, and the safety and hygiene (S&H) assessment.
- We will also present for first reading the credibility table and break-even factor table for public employer – taxing districts (PECs). These will be used for rates effective January 1, 2011. Since group sponsors are prohibited from marketing groups until the board approves these items, we are discussing them now. If they are approved next month, sponsors will be able to keep to their schedules.
- Deloitte will present its quarterly reserve update using data through March 31, 2010.

June

- We plan second readings on ACF, S&H, and SI assessments, and CWPF rates.
- Any rate-related or assessment items that were delayed must be finalized this month. Rules that will go into effect on July 1, 2010 must be approved by the Board and filed by June 20.

July

- In conjunction with the Employer Services Division, we plan to restructure rules for our various rate-related programs. Common elements such as compatibility and scheduled deadlines do not follow a consistent template in the current rules. This effort will lead to clearer and more consistently written rules. We don't anticipate that this will involve substantive change in the rules, but will restructure them.

Upcoming Rate Rules, Related Actions, and Discussions				
	May	June	July	August
PA Base Rates	2 nd read			
Disabled Workers Relief Fund Assessment	2 nd read			
Marine Industry Fund Assessment	2 nd read			
Group sponsorship certification requirements	2 nd read			
Coal-Workers Pneumoconiosis Fund Assessment	1 st read	2 nd read		
Administrative Cost Fund Assessments	1 st read	2 nd read		
Safety & Hygiene Assessment	1 st read	2 nd read		
Self-Insured Assessments	1 st read	2 nd read		
PEC Credibility and Break-Even Factors	1 st read	2 nd read		
March 31 Reserve Analysis	Discuss			
Revision of Program Rules			1 st read	2 nd read
June 30 Reserves				Discuss

Communications/Group Structure and Governance Team

Jeremy Jackson		
Task/Function	Timeline	Status
Communications, Outreach	8/1/2008 start	Ongoing
PEC and PA group rating structure	1/1/2009 start	Ongoing
Split Plan Discussions	Summer 2010	Ongoing
Targeted Employer Communications	8/1/2008 start	Ongoing

- A meeting was held the week of May 17, 2010 to discuss the credibility table and break even factors for Public Employer Taxing Districts (PEC) with interested parties.
- A schedule is being developed to meet with interested parties on the split plan development. This schedule will be based upon the new split plan roll out that has been developed.

Capping/Split Plan Team

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

- The split plan IT programming development is on schedule. The testing of the IT programming continues with additional BWC testers being added to the project last week. The current testing is to ensure that all of the IT functionality is operating correctly.
- The BWC continues to model the split plan parameters along with Deloitte.
- The BWC is expecting an increase in the number of policies capped by the 100% EM cap for the 7/1/2010 policy year with an expected increase of approximately 2,000 policies.

New Products

Joy Bush and Jamey Fauque, Centric Consulting		
Task/Function	Timeline	Status
Small Deductible Plan	July, 2009	Completed
Large Deductible Plan	July, 2010	Completed
Group Retrospective Rating Program	July, 2009	Completed
Research and Development of employer programs	Fall, 2009	In-Progress

- The BWC has received 23 PA group retro applications for approximately 1, 000 employers with over \$100 million in premium. The BWC is currently reviewing the applications for eligibility requirements. .
- BWC received 676 deductible applications with 146 of those employers being new to the program. For the large deductible 33 employers have enrolled in the program with 17 of those employers opting for the stop loss provision. The BWC is currently reviewing all of the applications for eligibility requirements.

7/1/2011 Private Employer (PA) Rates

Terry Potts		
Task/Function	Timeline	Status
Private Employer Rate Calculation	January to July 2010	In-Process
Summary Payroll	January to February 2010	Completed
Summary Losses	January to February 2010	Completed
Rate Calculations	February to June 2010	In-Process
Rate recommendation received from Deloitte	March 2010	Completed
Rate decision from WCB	April 2010	Completed
Final Rates to WCB	May 2010	In-Process
Mailing of Employer Rate Letters	July 2010	

7/1/2011 Public Employer State Agency (PES) Rates

Terry Potts		
Task/Function	Timeline	Status
Public Employer State Agency Rate Calculation	January to June 2010	In-Process
Validate Payroll and Losses	January to March 2010	Completed
Rate Calculations	February to April 2010	Completed
Rate decision from WCB	April 2010	Completed
Mailing of Employer Rate Letters	May to June 2010	

Deloitte Consulting

- Deloitte provided rate recommendations on the Disabled Workers’ Relief Fund and the Marine Industry Fund. The final recommendations will be presented at the May board meeting. .
- Deloitte will provide a rate recommendation for the Coal Workers’ Pneumoconiosis Fund for the May board meeting.
- Deloitte has worked in partnership with the BWC on the March 31, 2010 reserve evaluation
- Deloitte and the BWC have started work on a new mortality study.
- Deloitte and the BWC held an all day meeting on May 11, 2010 to discuss the data requirements and the data integrity of BWC data.

12 - Month Actuarial Committee Calendar

Date	May 2010
5/27/2010	1. Administrative Cost Fund - rule 4123-17-36 - 1 st reading
	2. Safety & Hygiene assessment- 1 st reading
	3. Self-Insured assessments - rule 4123-17-32 - 1 st reading
	4. Private employer base rates and expected loss rates, limited loss ratios and manual to industry assignment - rules 4123-17-05 and 4123-17-06 - 2 nd reading
	5. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund rule 4123-17-29 - 2 nd reading
	6. Marine Industry Fund - rule 4123-17-19 - 2 nd reading
	7. Coal-Workers' Pneumoconiosis Fund - rule 4123-17-20 - 1 st reading
	8. Sponsorship Certification Requirements rule 4123-17-61.1 - 2 nd reading
	9. Reserve update for financial reporting for fiscal year ending June 30, 2010 and projection for June 30, 2011 based on data as of March 31, 2010
	10. Public employer taxing districts credibility table effective 1-1-2011- rule 4123-17-33.1 - 1 st reading
	11. Public employer taxing districts group break even factor rule 4123-17-64.2 - 1 st reading
Date	June 2010
6/17/2010	1. Administrative Cost Fund - rule 4123-17-36 - 2 nd reading
	2. Self-Insured Assessments - rule 4123-17-32 - 2 nd reading
	3. Safety & Hygiene assessment- 2 nd reading
	4. Public employer taxing districts credibility table effective 1-1-2011- rule 4123-17-33.1 - 2 nd reading
	5. Public employer taxing districts group break even factor rule 4123-17-64.2 - 2 nd reading
	6. Coal-Workers' Pneumoconiosis Fund - rule 4123-17-20 - 2 nd reading
Date	July 2010
7/29/2010	1. Reserve adjustments as of June 30, 2010 - discussion if necessary
	2. Private employer credibility table effective 7-1-2011 - rule 4123-17-05.1 - 1 st reading
	3. Program compatibility rule changes and rule clean-up - 1 st reading
	4. Annual group rating report required in Rule 4123-17-61.1
Date	August 2010
8/26/2010	1. Final Reserve Audit as of June 30, 2010
	2. Quarterly reserve true up for financial reporting for fiscal year ending June 30, 2010 and updated estimate for fiscal year ending June 30, 2011 based on data as of June 30, 2010
	3. Private employer credibility table effective 7-1-2011 - rule 4123-17-05.1 - 2 nd reading
	4. Public employer taxing districts rate change - 1 st reading
	5. Annuity table rule 4123-17-60 - 1 st reading
	6. Program compatibility rule changes and rule clean-up - 2 nd reading
Date	September 2010
9/23/2010	1. Public employer taxing districts rate change - 2 nd reading
	2. Public employer taxing districts draft base rates and expected loss rates
	3. Annuity table rule 4123-17-60 - 2 nd reading
	4. Market results for the new deductible plan
Date	October 2010

12 - Month Actuarial Committee Calendar

10/21/2010	1. Public Employer Taxing Districts base rates and expected loss rates - rule 4123-17-33 and 4123-17-34 - 1 st reading
	2. Quarterly Update on the H.B.100 Comprehensive report Deloitte recommendations
November 2010	
11/18/2010	1. Public Employer Taxing Districts base rates and expected loss rates - rule 4123-17-33 and 4123-17-34 - 2 nd reading
	2. Quarterly reserve analysis for financial reporting for fiscal year ending June 30, 2011 based on data as of September 30, 2010
December 2010	
12/15/2010	
Date	January 2011
	1. RFP Plan and issuance schedule
February 2011	
	1. State of the Line report
March, 2011	
	1. Private employer rate change recommendation - 1 st reading
	2. Public employer state agency rate change recommendation- 1 st reading
	3. 2010 NCCI Classification Code Changes - 1 st reading
	4. Quarterly reserve analysis for financial reporting for fiscal year ending June 30, 2010 based on data as of December 31, 2010
April, 2011	
	1. Private employer base rates and expected loss rates - rules 4123-17-05 and 4123-17-06 - 1 st reading
	2. Disabled Workers' Relief Fund and Additional Disabled Workers' Relief Fund rule 4123-17-29 - 1 st reading
	3. Marine Industry Fund - rule 4123-17-19 - 1 st reading
	4. Coal-Workers' Pneumoconiosis Fund - rule 4123-17-20 - 1 st reading
	5. Sponsorship Certification Requirements rule 4123-17-61.1 - 1 st reading
	6. Private employer rate change indication - 2 nd reading
	7. Public employer state agency rate change - 2 nd reading
	8. 2010 NCCI Classification Code Changes - 2 nd reading
	9. Private employer group breakeven factor rule 4123-17-64.1 - 1 st reading (possible)
May, 2011	