

**Audit Committee
Agenda
December 19, 2007
Level 2, Room 3
4:00 pm – 6:00 pm**

Call to Order

Kenneth Haffey, Chairman

Roll Call

Jill Whitworth, Scribe

Approve Minutes of November 20, 2007 meeting

Kenneth Haffey

New Business/Action Items

1. Possible Rule Review
 - a. Review and make recommendation for five-year rule review for Chapter 4123-20: Marine Industry Fund.
 - b. Review and make recommendation for five-year rule review for Chapter 4123-21: Coal Workers Pneumoconiosis Fund

2. Charter discussion

3. BWC Business Continuity/Disaster Recovery Plan

Leo Genders, Chief Information Officer
Tom Wersell, Director, Special Investigations

Discussion Items*

1. Fraud, Ethics and Internal Control referral process
William Lhota, Audit Committee Member
2. Internal Audit Legislation – update
Joe Bell, Chief, Internal Audit
3. Open Discussion with Internal Auditor

Adjourn

Ken Haffey

* Not all discussion items have materials included.

Next Meeting: January 24, 2008 4:00 pm – 6:00 pm

**WORKERS' COMPENSATION BOARD OF DIRECTORS
AUDIT COMMITTEE**

**TUESDAY, NOVEMBER 20, 2007, 4:00 P.M.
WILLIAM GREEN BUILDING
THE NEIL SCHULTZ CONFERENCE CENTER
30 WEST SPRING STREET, 2ND FLOOR (MEZZANINE)
COLUMBUS, OHIO 43215**

Members Present: Kenneth Haffey, Chair
 Philip Fulton
 William Lhota

Members Absent: None

Other Board Directors participating in discussion included Alison Falls and Robert Smith.

CALL TO ORDER

Mr. Haffey called the meeting to order at 4:02 PM and the roll call was taken.

MINUTES OF OCTOBER 25, 2007

The minutes were approved on a motion by Mr. Fulton, seconded by Mr. Lhota.

NEW BUSINESS / ACTION ITEMS

Review and approval of Audit Committee Charter

Further review and discussion was had concerning changes and reordering of the Audit Committee Charter language. The Committee discussed removal of references to the Governance Committee within the Charter. In addition, the Committee discussed adding the following language to the end of the second paragraph of the Membership section: "The Board Chair, while serving as an ex-officio member, shall not vote if his/her vote will create a tie vote." A motion was made by Mr. Lhota, seconded by Mr. Fulton, to approve the Charter with the afore-mentioned amendments and present it to the Board of Directors for final approval. The motion was approved by unanimous voice vote.

External Audit Update

Mr. Haffey reported that the audit report of Schneider Downs was accepted by the Auditor of State and requires no modifications. The report will be posted on the Auditor of State's website November 29, 2007.

Rule Review

1. Electronic Fund Transfer Rule

Tom Sico, BWC Assistant General Counsel, and Tracy Valentino, Interim Chief Financial Officer, presented proposed changes to Ohio Administrative Code Rule 4123-3-10 regarding implementation of electronic fund transfer for payment of benefits, pursuant to Senate Bill 7. These proposed changes are subject to JCARR review and public hearing. Mr. Fulton moved to recommend approval of the proposed changes to the Board of Directors, seconded by Mr. Lhota. The motion was approved by unanimous roll call vote.

2. Public Employment Risk Reduction Program (PERRP) Rule

Tom Sico, BWC Assistant General Counsel, and Mark Garver, Superintendent, Division of Safety and Hygiene, presented proposed changes to Ohio Administrative Code Rules 4167-3-04, 4167-3-04.1 and 4167-3-04.2 regarding adoption of the Federal OSHA Electrical standards as required by Ohio Revised Code §4167.07(A)(2)(b). These changes are exempt from JCARR review and public hearing, because they have already been subject to such process at the federal level. Mr. Fulton inquired whether such changes would result in new specific safety requirements, and a discussion was had clarifying that these are separate rules for public employers. Mr. Fulton moved to recommend approval of the proposed changes to the Board of Directors, seconded by Mr. Lhota. The motion was approved by unanimous roll call vote.

3. Ethics Rule

Tom Sico, BWC Assistant General Counsel, presented proposed changes to Ohio Administrative Code Rule 4123-15-03 regarding applicability of ethics rules to the BWC Board of Directors pursuant to House Bill 100. These proposed changes are subject to JCARR review and public hearing. Mr. Fulton moved to recommend approval of the proposed changes to the Board of Directors, seconded by Mr. Lhota. The motion was approved by unanimous roll call vote.

FY 08 1st Quarter Executive Summary

Joe Bell, Chief of Internal Audit, presented and reviewed the Internal Audit Division Quarterly Executive Summary information. Mr. Fulton requested BWC Administrator Marsha Ryan's input with respect to vocational rehabilitation. Administrator Ryan indicated this is being studied internally and also discussed with labor/management constituencies. Mr. Lhota inquired about the accuracy of proposed timelines for management's responses to audit comments. Mr. Bell responded that these are monitored by Internal Audit, and the Committee will be kept abreast of progress. Mr. Bell then

reviewed outstanding audit matters, noting that the remaining eight comments from 2003-2005 are expected to be implemented by management in 2nd Quarter 2008. Discussion was had regarding the level of materiality needed to bring an audit comment to the full Board. Mr. Haffey noted this evaluation process was ongoing.

DISCUSSION ITEMS

Audit Committee Annual Calendar Update

Mr. Haffey clarified that quarterly financial statements will be discussed at the January 2008 and April 2008 Committee meetings. There also needs to be some determination of the parameters of “Quarterly Actuarial & Investments Update”, currently scheduled for December 2007, March 2008 and June 2008.

Internal Audit Legislative Update

Mr. Bell discussed House Bill 166 and Senate Bill 146 regarding internal audit functions of state agencies. The bills were changed to reflect that internal audit functions would remain within each agency, and the state audit committee would not have approval authority over agency audit plans, but would only review and comment. The revised bill was signed by Governor Strickland November 15, 2007, to become effective 90 days thereafter.

Open Discussion with Internal Auditor

There were no further items brought up for discussion.

ADJOURNMENT

Mr. Haffey moved to adjourn the meeting at 5:35 PM, which was seconded by Mr. Fulton. Adjournment was approved unanimously.

Prepared by Jill Whitworth, BWC Staff Counsel
November 21, 2007

Executive Summary
Five-Year Rule Review
Chapter 4123-20: Marine Industry Fund

Introduction

Chapter 4123-20 of the Administrative Code contains the rules relating to the Marine Industry Fund.

Five-Year Rule Review

Pursuant to R.C. 119.032, state agencies are required to review all agency rules every five years to determine whether to amend the rules, rescind the rules, or continue the rules without change. The statute requires the agency to assign a rule review date for each of its rules so that approximately one-fifth of the rules are scheduled for review during each calendar year. The Marine Industry Fund rules of Chapter 4123-20 of the Administrative Code were scheduled for five year rule review on March 1, 2007. BWC last performed a five year rule review of these rules in 2002. The Industrial Commission first enacted these rules in 1981, and BWC enacted the rules in 1989.

Background Law

The Marine Industry Fund is an optional program offered by BWC to employers to cover injuries under the Federal “Longshore and Harbor Workers’ Compensation Act,” 98 Stat. 1639, 33 U.S.C. 901 et seq. BWC acts as the insurer for coverage under the Act.

Rule Changes

There are 7 rules in this Chapter, rules 4123-20-01 to 4123-20-07. BWC is proposing to keep the main text of all of these rules as they current are worded. There have not been any changes in the underlying statutes upon which these rules are based. For one of the rules, however, there is a minor change.

In paragraph (A) of rule 4123-20-03, a reference to the “workers’ compensation oversight commission” is changed to the “bureau of workers’ compensation board of directors.”

Chapter 4123-20 Marine Industry Fund

4123-20-01 Application for subscription to the marine industry fund.

(A) Any employer doing business in the state of Ohio and having, by reason of operations within the territorial boundaries of this state, exposure to liability under the “United States Longshoremen’s and Harbor Workers’ Compensation Act,” 33 U.S.C. section 901 et seq., may make application to the marine industry fund created by section 4131.13 of the Revised Code.

(B) An employer wishing to subscribe to the marine industry fund shall complete an application for subscription, which shall be provided by the bureau of workers’ compensation. No disposition shall be made of any such application until the same is complete, and no such application shall be deemed complete until all information requested by the bureau in connection therewith is supplied. The bureau shall have the right to make reasonable inspections of an applicant’s place of business, and of any records which may be pertinent to such applicant’s application for subscription at any time prior to reaching a decision regarding an application for subscription.

(C) In determining whether to accept or reject an application for subscription to the marine industry fund, the administrator of workers’ compensation shall consider the following criteria, which are set out by way of illustration and not by way of limitation:

(1) The applicant’s history with respect to Ohio workers’ compensation, including compliance with applicable laws and rules, payment of premiums and assessments, safety record, and experience ratings; and

(2) The applicant’s history with respect to Longshoremen’s Act insurance, including the names of prior carriers, record of payment of premiums, record of cooperation with carriers in the processing of claims, safety record, and experience rating.

The administrator has the authority, in the administrator’s discretion, to accept or reject an application for subscription to the marine industry fund. The decision of the administrator shall be final.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.121, 4121.12

Rule Amplifies: 4131.13, 4131.14

Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

4123-20-02 Subscription to the marine industry fund.

(A) An employer whose application for subscription to the marine industry fund has been approved by the administrator of workers’ compensation as provided in rule 4123-20-01 of the Administrative Code shall be issued a marine industry fund insurance policy upon payment of the initial premium required for such policy.

(B) Coverage under a marine industry fund insurance policy shall not be effective until the initial premium is received by the bureau of workers’ compensation. All policies of insurance issued by the marine industry fund shall be for a term of one year from the date of issue, provided, however, that a policy may be issued for a term of less than one year if it is established that the

applicant has need of marine industry fund coverage only for the duration of a specific contract or operation.

(C) Any policy of insurance issued by the marine industry fund shall expire at midnight on the expiration date stated on the face of such policy. Any such policy may be renewed by payment of the renewal premium. Payment of a renewal premium within sixty days after the stated expiration date shall be effective to continue the coverage of the insured without lapse.

(D) Payment of a renewal premium received more than sixty days after the expiration date shall be ineffective to continue the coverage of the insured employer without lapse. If an insured employer tenders payment of a renewal premium more than sixty days after the stated expiration date, the administrator may, in the administrator's discretion, reinstate the coverage of such employer as of the date of receipt of payment or require the employer to submit a new application for subscription to the marine industry fund. In no event shall retroactive coverage be granted with respect to any period when the coverage of an insured employer has lapsed.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.13, 4131.14
Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

4123-20-03 Premium payment.

(A) Except as otherwise provided in this rule, premiums for marine industry fund insurance coverage shall be payable in advance, in semiannual installments, at a rate determined by the administrator of workers' compensation, subject to the approval of the bureau of workers' compensation oversight commission board of directors. The amount of prepaid premium for any six-month period shall be determined by applying the rates and manuals in use by the marine industry fund for such period to the estimated payroll of the insured for a period of eight months. The due dates of semiannual premium installments applicable to any marine industry fund insurance policy shall be determined with reference to the original date of issuance of such policy.

(B) The initial premium required for the issuance of a new marine industry fund insurance policy shall be a sum equal to the estimated premium obligation for a period of eight months. Payment of the initial premium shall secure to the insured coverage for a period of six months from the date of issuance of the policy.

(C) Renewal premiums shall be due and payable thirty days after the expiration of the last period for which prepaid premium has been submitted. The premium required to renew a marine industry fund insurance policy shall be the prepaid premium for the next renewal period, determined in accordance with the provisions of paragraph (A) of this rule.

(D) All prepaid premiums shall be subject to adjustment at or after the close of the period with respect to which such prepaid premium was submitted. Adjustments shall be based on the employer's report of his actual payroll for the period, or upon audit findings reported by the authorized agents of the marine industry fund. In the event that adjustment of the prepaid premium reveals that the insured has overpaid his premium for the period being adjusted, the insured shall be entitled to reduce his renewal premium by the amount of such overpayment. Should the adjustment reveal that the prepaid premium was less than the premium obligation

based on actual payroll for the period being adjusted, the additional premium found to be owing shall be added to the renewal premium, or shall be billed to the employer.

R.C. 119.032 review dates: 7/30/2002 and 03/01/2007

Rule promulgated under: RC 119.03

Rule authorized by: RC 4121.12, 4121.121, 4121.30, 4123.05

Rule amplifies: RC 4131.13, 4131.14

Prior Effective Dates: 3-23-81; 12-18-89 (Emer.); 2-22-90; 10-14-02

4123-20-04 Payroll reporting.

(A) All employers insured by the marine industry fund shall, at such intervals as may be required by the fund, submit payroll reports showing the number of persons employed in occupations covered by the marine industry fund insurance policy and the total payroll allocable to each manual classification in use by the marine industry fund and applicable to the insured.

(B) Thirty days prior to the expiration of the then current coverage period the marine industry fund shall mail the insured a report form. The insured shall return such form, together with any adjustment premiums and renewal premiums then due, to the fund within thirty days after the closing of the reporting period. Such report shall include a statement of the insured's actual payroll allocable to each appropriate manual classification for the prior six months, and an estimate of the insured's anticipated payroll for the ensuing eight months, and such other information as shall be required by the fund.

(C) The payroll reports provided for in paragraph (B) of this rule shall be used as the basis for adjustment of premiums paid for the prior period, and for determination of the prepaid premium for the ensuing period. No provision of this rule shall be construed to limit in any way the right of the fund to audit the payroll records of the insured or to make adjustments based on the findings of such audits.

(D) In the event that the actual payroll for any six-month reporting period is greater than ninety per cent of the eight-month estimated payroll, the insured employer shall be subject to a penalty in the sum of ten per cent of the total premium due for such six-month period. The penalty provided for herein shall not apply, if the insured employer shall promptly notify the marine industry fund of any increase in payroll expenditures beyond the level of previously reported estimated payroll, and submit payment of additional premium to cover such increased payroll, prior to the end of the six-month reporting period.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4131.13, 4131.14

Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

4123-20-05 Payroll to be reported.

(A) When completing the payroll reports required pursuant to rule 4123-20-04 of the Administrative Code, an insured shall report to the marine industry fund all remuneration earned by such employees of the insured as engaged in activities constituting "maritime employment" within the meaning of the "Longshoremen's and Harbor Workers' Compensation Act." As used in this rule the term "remuneration" means all compensation for personal services paid under a

contract of hire, oral or written, express or implied. "Remuneration" shall include, but shall not be limited to salaries or hourly wages paid by cash or check.

(B) In the case of an employee who spends some time performing duties in "maritime employment" and some time performing duties of a non-maritime nature, only the remuneration of such employee's maritime employment shall be reported to the marine industry fund for premium purposes.

(C) The entire remuneration of officers of a corporation shall be reported to the marine industry fund. In the case of a corporate officer who is a shareholder of the insured, the payment of a bona fide dividend on the shares owned by such officer shall not be deemed to constitute remuneration for purposes of this rule, nor shall any other payment made to such officer solely on account of his ownership of shares of the insured.

(D) A sole proprietor shall not be considered to be an employee of the enterprise, and the remuneration of a sole proprietor shall not be reported to the marine industry fund. This provision shall not be construed so as to relieve a sole proprietor from the obligation to report the remuneration earned by his employees.

(E) The remuneration of partners shall be reported to the marine industry fund. This provision shall not be construed so as to relieve a partnership from the obligation to report the remuneration earned by employees of the partnership.

(F) The remuneration of employees whose duties are exclusively of a non-maritime character shall not be reported to the marine industry fund.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4131.13, 4131.14

Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

4123-20-06 Audits and inspections.

(A) At any time during the term of any marine industry fund insurance policy, and for a period of two years after the termination of any such policy, the marine industry fund or its authorized agents shall have the right to make reasonable inspections of the insured's place of business, and any records, payrolls, books of account, ledgers, or contracts which reflect upon the payroll expenditures of the insured, or the allocation of such payroll expenditures to the appropriate manual classifications.

(B) Refusal on the part of the insured to permit reasonable audits and inspections, or willful interference by the insured with the authorized agents of the marine industry fund carrying out any audit or inspection, shall be sufficient reason for cancellation of the marine industry fund coverage of the insured.

(C) If the findings of any audit or inspection reveal a discrepancy in the amount of premium paid by the insured for any period, the fund shall have the right to adjust the account of the insured in accordance with the audit findings.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.13, 4131.14
Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

4123-20-07 Controversion of claims.

(A) The marine industry fund is authorized under regulations promulgated by the United States department of labor to act as an insurance carrier with respect to liabilities created by the provisions of the “Longshoremen’s and Harbor Workers’ Compensation Act.” The marine industry fund, in such capacity, is recognized under applicable provisions of the governing federal law and regulations, as a party in interest to all proceedings regarding claims filed against employers insured by the fund.

(B) All notices of injury received from employers insured by the marine industry fund, and all notices of claims received from the department of labor shall be promptly reviewed by the marine industry fund. The administrator of workers’ compensation or the administrator’s designee shall be authorized to file notices of controversion in the name of the marine industry fund, in all cases wherein such action is warranted by the facts of the case or the law applicable to such facts. In the event that a notice of controversion is filed, the administrator or designee is authorized to represent, or cause to be represented, the interest of the marine industry fund in all proceedings pertinent to a controverted claim.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.13, 4131.14
Prior Effective Dates: 3/23/81, 12/18/89 (Emer.), 2/22/90

Executive Summary
Five-Year Rule Review
Chapter 4123-21: Coal Workers Pneumoconiosis Fund

Introduction

Chapter 4123-21 of the Administrative Code contains the rules relating to the Coal Workers Pneumoconiosis Fund.

Five-Year Rule Review

Pursuant to R.C. 119.032, state agencies are required to review all agency rules every five years to determine whether to amend the rules, rescind the rules, or continue the rules without change. The statute requires the agency to assign a rule review date for each of its rules so that approximately one-fifth of the rules are scheduled for review during each calendar year. The Coal Workers Pneumoconiosis Fund rules of Chapter 4123-21 of the Administrative Code were scheduled for five year rule review on March 1, 2007. BWC last performed a five year rule review of these rules in 2002. The Industrial Commission first enacted these rules in 1982, and BWC enacted the rules in 1989.

Background Law

The Coal Workers Pneumoconiosis Fund is an optional program offered by BWC to employers to cover injuries under the Federal law, Title IV of the “Federal Coal Mine Health and Safety Act of 1969,” 83 Stat. 742, 30 U.S.C. 801. BWC acts as the insurer for coverage under the Act.

Rule Changes

There are 8 rules in this Chapter, rules 4123-21-01 to 4123-21-08. BWC is proposing to keep the main text of all of these rules as they current are worded. There have not been any changes in the underlying statutes upon which these rules are based. For two of the rules, however, there are minor changes.

In paragraphs (C) and (F) of rule 4123-21-03, two references to the “workers’ compensation oversight commission” are changed to the “bureau of workers’ compensation board of directors.”

In paragraph (C) of rule 4123-21-06, the work “obeyance” is changed to “abeyance.”

Chapter 4123-21 Coal-Workers' Pneumoconiosis Fund

4123-21-01 Procedures for subscription to the coal-workers' pneumoconiosis fund.

(A) As used in sections 4131.01 to 4131.06 of the Revised Code, “operator” and “operator of a coal mine” have the same meaning as “operator” as defined in the “Federal Coal Mine Health and Safety Act of 1969,” 83 Stat. 742, 30 U.S.C. 801 et seq., as now or hereafter amended, and as implemented by the regulations of the secretary of labor under Title IV of the act, who, by reason of operations within the territorial boundaries of Ohio is amenable to Title IV of the act, including claims reviewed and allowed under 30 U.S.C. 945. Any operator as herein defined may elect to become a subscriber as defined in division (D) of section 4131.01 of the Revised Code by applying for coverage and paying the premiums required in this chapter.

(B) An employer wishing to subscribe to the coal-workers' pneumoconiosis fund shall complete an application for subscription, which shall be provided by the bureau of workers' compensation. No disposition shall be made of any such application until the same is complete, and no such application shall be deemed complete until all information requested by the bureau in connection therewith is supplied. On reasonable advance notice, the applicant shall provide the bureau with access to all records pertinent to the application for subscription. The administrator of workers' compensation has the authority to accept or reject an application for subscription to the coal-workers' pneumoconiosis fund.

(C) Employers who are active subscribers to the coal-workers' pneumoconiosis fund on the date of adoption of these rules shall not be required to reapply for coverage. However, renewal of the subscription to the fund thereafter shall be deemed acceptance of the terms, conditions and duties contained in these rules.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.01, 4131.02, 4131.03
Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-02 Determination of coverage.

(A) An employer whose application for subscription to the coal-workers' pneumoconiosis fund has been approved by the administrator of workers' compensation shall be issued a coal-workers' pneumoconiosis fund insurance policy upon payment of the initial premium required for such policy.

(B) Coverage under a coal-workers' pneumoconiosis fund insurance policy shall not be effective until the initial premium is received by the bureau of workers' compensation or its designee.

(C) Any policy of insurance issued by the coal-workers' pneumoconiosis fund shall expire at midnight on the expiration date stated on the face of the policy. Any such policy may be renewed by payment of the renewal premium. Payment of renewal premium within sixty days after the stated expiration date shall be effective to continue the coverage of the insured.

(D) Notwithstanding paragraphs (A) to (C) of this rule, coverage with respect to claims filed with the United States department of labor or the social security administration prior to the effective

date of this rule will be extended to any operator whose periods of active subscription to the fund coincides with any of the following:

(1) Onset of disability as determined by a final order of the United States department of labor.

(2) Date of filing claim with United States department of labor.

(3) Claimant's employment with insured employer.

(4) Claims alleging disability or death caused or aggravated by exposure causing the disease, which last occurred prior to July 1, 1973, shall be covered if the designated responsible operator was an active subscriber to the fund at the time the claim was first filed with the U.S. department of labor.

(E) Coverage with respect to claims filed on or after the effective date of this rule will be afforded in the following claims:

(1) When the employer is an active subscriber to the coal-workers' pneumoconiosis fund at the time the claim is first filed with the United States department of labor.

(2) When the claimant's last injurious exposure to the conditions causing the disease while in the employment of the subscriber, occurred during a period of active subscription to the coal-workers' pneumoconiosis fund.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4131.04

Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-03 Premium payment.

(A) Premiums for coal-workers' pneumoconiosis insurance coverage shall be payable in semiannual installments. When the initial application for coverage is received and accepted, the applicant shall be billed based upon its estimated payroll reported to the bureau of workers' compensation for state insurance fund purposes in appropriate job classifications.

(B) The initial premium required for issuance of a new coal-workers' pneumoconiosis fund insurance policy shall be an advance deposit sufficient to cover premiums for an eight-month period. After every payroll reporting period, this advance premium deposit shall be reviewed for adequacy. If the current deposit is not sufficient, the company shall be billed for the difference. If the current deposit is more than required, a refund shall be made to the subscriber for the difference.

(C) Renewal premiums shall be due and payable sixty days after the expiration of the last semiannual period for which prepaid premium has been submitted. Provided, however, that to prevent the notice of impending cancellation required by paragraph (B) of rule 4123-21-07 of the Administrative Code, payment must be received no later than thirty days after the expiration date referred to above. The premium required for renewal for the next semiannual period shall be determined in accordance with the provisions of paragraphs (A) and (B) of this rule. However, the administrator of workers' compensation, subject to the approval of the bureau of workers'

compensation ~~oversight commission~~ board of directors, may by resolution establish a minimum semiannual premium, payment of which shall be a condition to continuation of coverage.

(D) A subscriber whose required advance premium deposit is over three thousand dollars may satisfy the provisions of this rule by submitting a surety bond for the amount over three thousand dollars. The first three thousand dollars, however, must be deposited in cash. Surety bonds provided for in this rule shall be renewed annually, based upon the subscriber's current requirements.

(E) Upon cancellation of coverage other than by default, any premiums due through the date of cancellation shall be deducted from the advance premium deposit and the balance shall be refunded to the former subscriber.

(F) A subscriber to the coal-workers' pneumoconiosis fund who ceases operations in the extraction, transportation, or processing of coal but continues as a business entity, may retain coal-workers' pneumoconiosis fund coverage by the continued payments of premiums at reduced rates, depending on the number of years of non-operating subscription. The administrator, subject to the approval of the bureau of workers' compensation ~~oversight commission~~ board of directors, shall periodically fix the method of computation of such reduced premiums by rule.

R.C. 119.032 review dates: 7/30/2002 and 03/01/2007

Rule promulgated under: RC 119.03

Rule authorized by: RC 4121.121, 4121.30, 4123.05, 4121.12

Rule amplifies: RC 4131.01, 4131.04

Prior Effective Dates: 6-3-82; 12-18-89 (Emer.); 2-22-90; 10-14-02

4123-21-04 Payroll reporting.

(A) All employers insured by the coal-workers' pneumoconiosis fund shall, at such intervals as may be required by the bureau of workers' compensation, submit payroll showing the number of persons employed in occupations covered by the coal-workers' pneumoconiosis fund insurance policy and the total payroll for each manual classification in use by the coal-workers' pneumoconiosis fund applicable to the insured.

(B) Prior to the expiration of the then current coverage period the bureau or its designee shall mail the insured a report form. The insured shall return the report form, which shall include a statement of the insured's actual payroll in each appropriate manual classification for the prior six months, together with the premium due thereon.

(C) Officers of a corporation, partners, or sole proprietors who engage in work activity directly related to the extraction, processing or transportation of coal shall report their remuneration to the coal-workers' pneumoconiosis fund. Reporting of officers', partners' or proprietors' remuneration shall be a condition precedent to the extension of coal-workers' pneumoconiosis fund coverage to such individuals as claimants.

(D) No provision of this rule shall be construed to limit in any way the right of the bureau or its designee to audit the payroll records of the insured or to make adjustments based upon the findings of such audits.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007

Promulgated Under: 119.03

Statutory Authority: 4121.121, 4121.12

Rule Amplifies: 4131.04
Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-05 Audit and inspections.

(A) At any time during the term of any coal-workers' pneumoconiosis fund insurance policy, and for a period of two years after the termination of any such policy, the bureau of workers' compensation shall have the right to make reasonable inspections of any records, payrolls, books of account, ledgers or contracts which reflect upon the payroll expenditures of the insured, or the allocation of such payroll expenditures to the appropriate manual classifications.

(B) Refusal on the part of the insured to permit reasonable audits, or willful interference by the insured with the bureau carrying out any audit or inspection, shall be sufficient reason for cancellation of the coal-workers' pneumoconiosis fund coverage of the insured.

(C) If any audit or inspection reveals a discrepancy in the amount of premium paid by the insured for any period, the bureau shall adjust the account of the insured in accordance with the audit findings.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.02, 4131.04
Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-06 Default, retroactive coverage.

(A) Payment of a renewal premium received more than sixty days after the expiration date shall be ineffective to continue the coverage of the insured employer.

(B) The administrator of workers' compensation may, upon request, and for good cause shown:

(1) Approve the original black lung coverage to take effect retroactively, upon payment of past due premiums, interest thereon, and such other terms, conditions or exclusions as the administrator may find appropriate; or

(2) Approve retroactive coverage for cancelled periods, upon payment of past due premiums, interest thereon, and with such other terms, conditions, or exclusions as the administrator may find appropriate.

(C) Such request shall be in writing. It shall be properly signed in handwriting by the employer concerned or by its duly authorized representative. The reason for the relief sought shall be fully explained. Unsigned requests shall be held in ~~obeyance~~ abeyance until they are properly completed, and the applicant shall be notified accordingly.

(D) The administrator may refer all such requests to the adjudicating committee, appointed by the administrator of workers' compensation, for a determination pursuant to rule 4123-14-06 of the Administrative Code.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4131.04
Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-07 Effect of cancelled subscription.

(A) No coverage will be extended to an operator whose subscription has been cancelled, except:

(1) In the case of a successor operator who immediately applies for coverage effective the day following cancellation of the prior operator's coverage pursuant to rule 4123-21-01 of the Administrative Code, and

(2) In the case described in paragraph (E) of rule 4123-21-02 of the Administrative Code.

(B) Thirty days prior to cancellation of an operator's subscription, the bureau shall notify the defaulting operator and the United States department of labor of the impending cancellation.

(C) An operator whose subscription has been cancelled may apply for reinstatement at any time, provided that such application shall be governed by rules 4123-21-01 and 4123-21-02 of the Administrative Code.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121
Rule Amplifies: 4131.04
Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

4123-21-08 Controversion of claims.

(A) The bureau of workers' compensation is authorized under regulations promulgated by the United States department of labor to act as an insurance carrier with respect to liabilities created by Title IV of the "Federal Coal Mine Health and Safety Act of 1969," as amended. In this capacity, it is recognized under applicable provisions of federal law and regulations as a party in interest to all proceedings regarding claims filed against employers insured by said fund.

(B) All notices of claims received from employers insured by the coal-workers' pneumoconiosis fund, and all notices of claims received from the department of labor shall be promptly reviewed by the bureau. The administrator or the administrator's designee shall be authorized to file notices of controversion in the name of the coal-workers' pneumoconiosis fund, in all cases wherein such action is warranted by the facts of the case or the law applicable to such facts.

(C) In any controverted claim the administrator or designee is authorized to represent the interest of the coal-workers' pneumoconiosis fund in all proceedings pertinent to the controverted claim. This rule shall not be construed to limit or preclude a subscriber from obtaining private counsel to represent it in such claims and expenses thereby incurred shall be the responsibility of the subscriber.

(D) Expenses in connection with the controversion of claims by the coal-workers' pneumoconiosis fund shall be charged to the coal-workers' pneumoconiosis fund.

R.C. 119.032 review dates: 7/31/2002 and 03/01/2007
Promulgated Under: 119.03
Statutory Authority: 4121.12, 4121.121

Rule Amplifies: 4131.02, 4131.04

Prior Effective Dates: 6/3/82, 12/18/89 (Emer.), 2/22/90

**OBWC Board of Directors
Audit Committee Charter
November 21, 2007**

Purpose

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

- oversight of the integrity of financial reporting process;
- compliance with legal and regulatory requirements;
- monitoring the design and effectiveness of the system of internal control;
- confirming external auditor's qualifications and independence; and
- reviewing performance of the internal audit function and independent auditors.

Membership

The Committee shall be composed of a minimum of three (3) members. One member shall be the appointed certified public accountant member of the board. The Board, by majority vote, shall appoint two additional members to serve on the Audit Committee and may appoint additional members, who are not Board members, as the Board determines necessary. Members of the Audit Committee serve at the pleasure of the board and the board, by majority vote, may remove any member except the member of the committee who is the certified public accountant member of the board.

Each committee member will be independent from management. The Chair is designated by the Board, based on the recommendation of the Board Chair.

The Board Chair shall be an ex-officio voting member of the Committee, if he/she is not already a member of the Committee. The Board Chair, while serving as an ex-officio member, shall not vote if his/her vote will create a tie vote.

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

Meetings

The Audit Committee shall meet at least nine (9) times annually, or as frequently as needed and will provide activity reports to the Board of Directors. The Committee will invite members of management, external auditors, internal auditors and/or others to attend meetings and provide pertinent information, as necessary. Subject to open meeting laws, the Committee will hold executive sessions with external auditors, when deemed appropriate in the performance of their duties. A quorum shall consist of a majority of the Committee members. The Committee will have a staff liaison designated to help it carry out its duties.

Duties and responsibilities

The Audit Committee shall have responsibility for the following:

1. Oversight of the integrity of the financial information reporting process:
 - a. Review with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
 - b. Review with management and the external auditor the results of the audit.
2. Review all internal audit reports on regular basis.
3. Review results of each annual audit and management review; if problems exist, assess appropriate course of action to correct, and develop action plan. Monitor implementation of any action plans created to correct problems noted in annual audit.
4. Serving as the primary liaison for Bureau of Workers' Compensation Board of Directors and providing a forum for handling all matters related to audits, examinations, investigations or inquiries of the Auditor of State and other appropriate State or Federal agencies
5. Developing an oversight process to assess the adequacy and effectiveness of internal controls and provide the mechanisms for periodic assessment of system of internal controls on an ongoing basis.
6. Overseeing the assessment of internal administrative and accounting controls by both the external independent financial statement auditor and internal auditor.
7. Consult on the appointment and/or removal of the Chief of Internal Audit and have oversight on the work of the Internal Audit Division.
8. Ensuring the independence of the external auditor and approve all auditing, other attestations services and pre-approve non-audit services performed by the external auditor.
9. After every meeting, report to the Board of Directors of the Bureau of Workers' Compensation on all activities, findings and recommendations of the Committee.
10. Establishing policies and procedures to function effectively.
11. At least once every 10 years, have an independent auditor conduct a fiduciary performance audit of BWC's investment program, policies and procedures. Provide a copy of audit to the Auditor of State.
12. Recommend to the Board an accounting firm to perform the annual audit required under R.C. 4123.47. Recommend an auditing firm for the Board to use when conducting audits under R.C. 4121.125.
13. Retain and oversee consultants, experts, independent counsel, and accountants to advise the Committee on any of its responsibilities or assist in the conduct of an investigation.
14. Seek any information it requires from employees—all of whom are directed to cooperate with the Committee's requests, or the requests of internal or external parties working for the Committee. These parties include, but are not limited to internal auditors, all external auditors, consultants, investigators and any other specialists working for the Committee.

15. All Committee actions must be ratified or adopted by the Board of Directors of the Bureau of Workers' Compensation to be effective.
16. Coordinate with the other Board Committees on items of common interest.
17. At least annually, this charter must be reviewed by the Audit Committee and any proposed changes submitted to the Governance Committee and to the Board for approval.

Audit Committee Charter.doc

Draft 092607

Review & Approved 112107, Ken Haffey, Chair

An Overview of the BWC

EMERGENCY RESPONSE PLAN

EMERGENCY RESPONSE PLAN

BWC Emergency Preparedness/Business Continuance Plan

BWC Board of Director's Audit Committee

Presentation

Important Terms:

Ohio Department of Public Safety – **ODPS**

Emergency Management Agency - **EMA**

Emergency Operations Center – **EOC**

Points of Contact – **POC**

Types of Emergencies:

Statewide Public Safety Emergencies

Geographical Emergencies

Agency-specific emergencies

Short-term business interruptions

BWC's Partners in Emergency Response, Planning and Business Continuance

Ohio Department of Public Safety

Ohio Emergency Management Agency

Ohio Homeland Security

Ohio Building Authority

Ohio State Patrol

Local Fire and Law Enforcement

BWC Infrastructure and Technology

BWC Safety Administration

BWC's role in the statewide emergency response plan:

- BWC is a member of the State Security Task Force and the State Building Security Task Force
- BWC has a station at the Emergency Operation Center (EOC) during a statewide emergency
- BWC has established Points of Contact (POC) with the Ohio Department of Public Safety (ODPS) and Emergency Management Agency (EMA)
- BWC has committed to provide the use of video conferencing equipment and facilities during a statewide emergency
- BWC has also committed to providing the use of the 300 plus BWC fleet

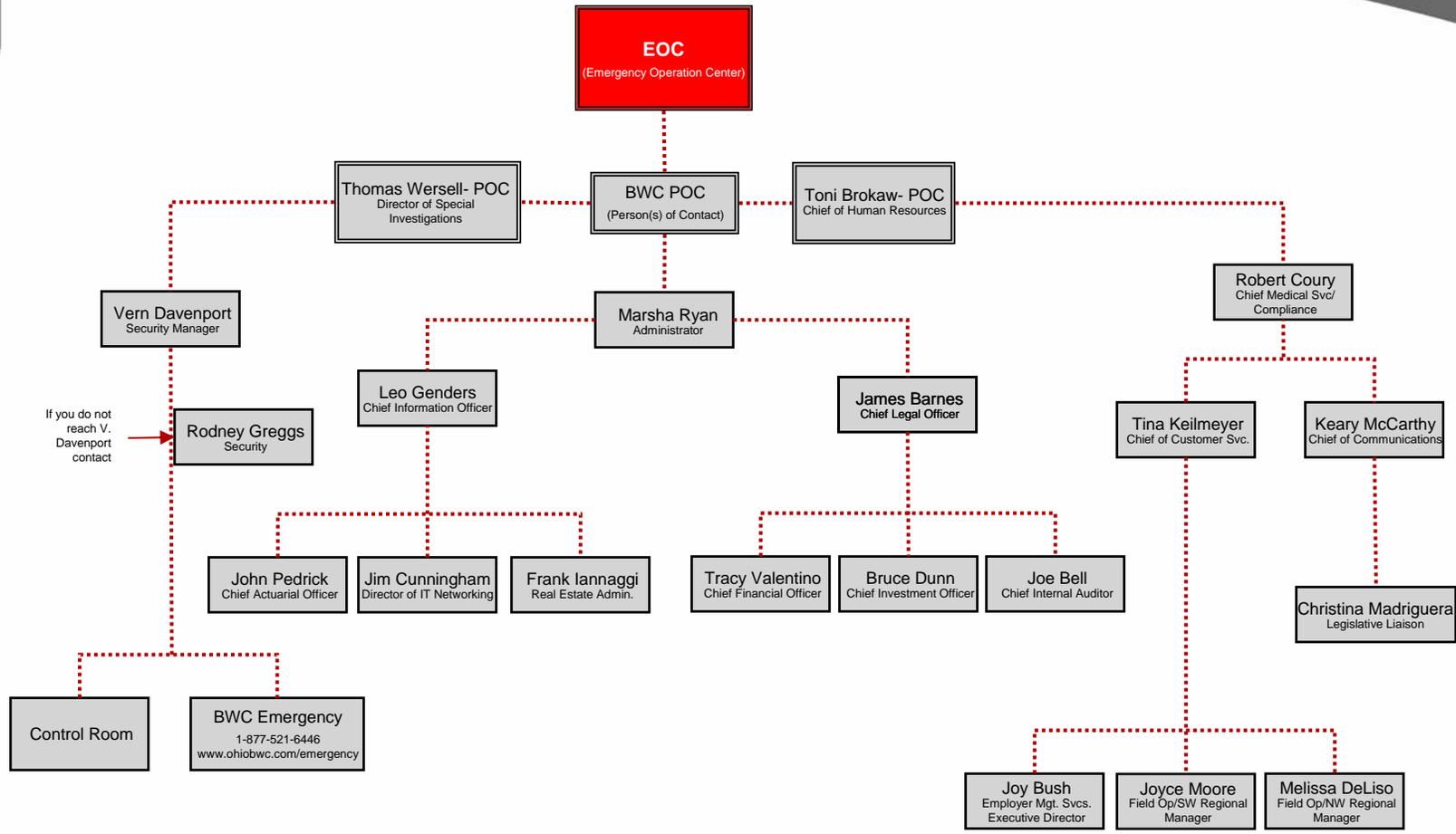
BWC Senior Staff Emergency Response Desk Reference

- Emergency Action Checklist
- BWC Disaster Response Plan
- Public Safety Emergency
- Employee Action Scenarios
- BWC Essential Staff
- BWC office closing information/directives
 - Increased security procedures during raised security levels*
- Employee Emergency Notification
- BWC Emergency Guidelines
- Pandemic Flu Plan

EMERGENCY RESPONSE PLAN

EMERGENCY FLOWCHART Call Down List

- SUCCESSION ORDER
- SAFE@BWC WEBSITE
- ALTERNATE OFFICES
- EMERGENCY NOTIFICATION
- EXAMPLE EMERGENCY
- PANDEMIC FLU PLAN



EMERGENCY
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Call Down List

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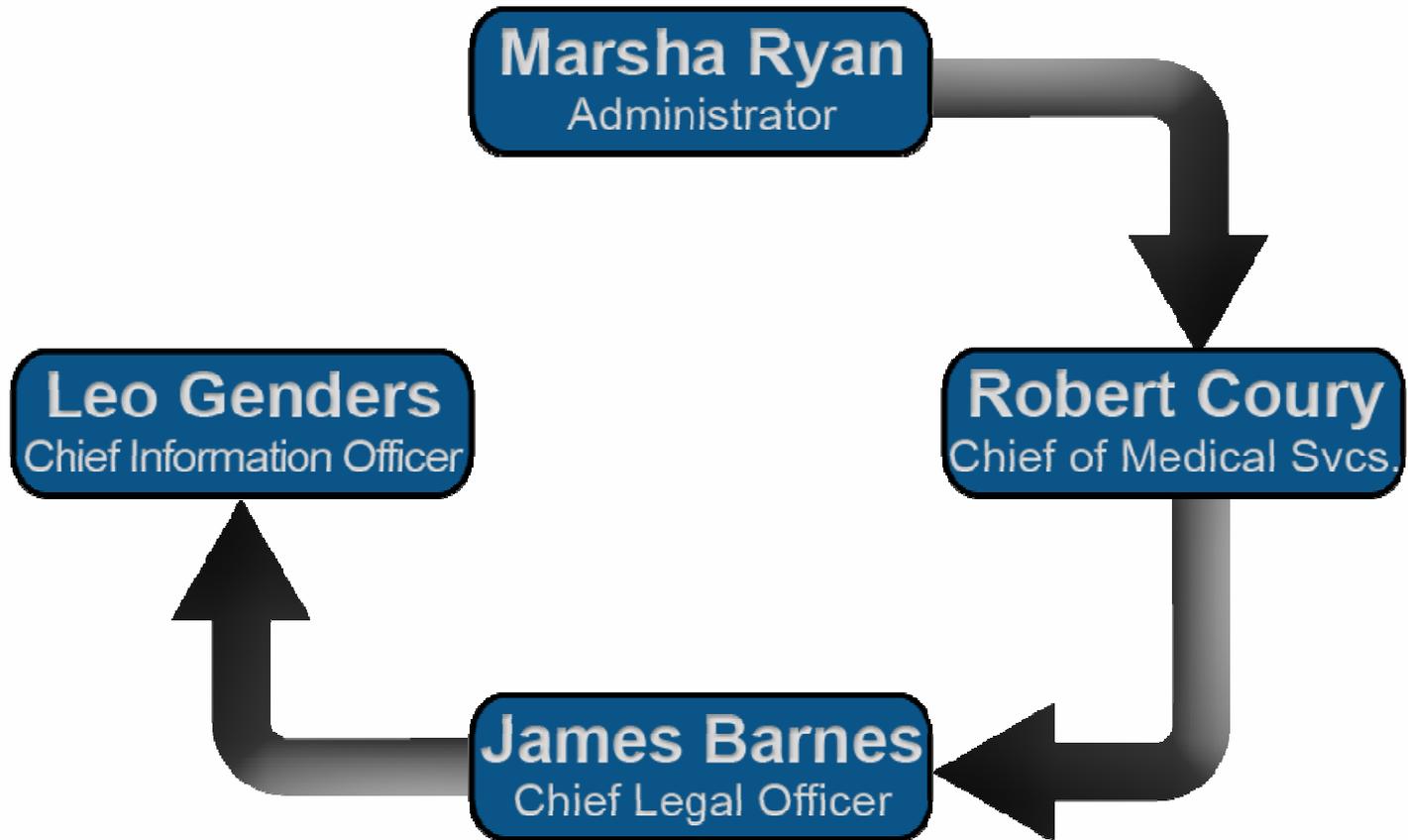
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EMERGENCY RESPONSE PLAN

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EMERGENCY NOTIFICATION

EXAMPLE EMERGENCY

PANDEMIC FLU PLAN

SAFE@BWC BWC Emergency number 1-877-521-6446

Winter Weather is approaching and BWC Security would like to remind you to be prepared. The BWC Emergency Line, 1.877.521.6446 was developed for employees and can provide important information on possible office closings due to severe weather or power outages. Before traveling to work or on agency business during severe weather, please utilize the BWC Emergency Line. This is a pre-recorded message that will be updated as information becomes available to us if there is a business interruption within the agency.

Holiday Safety Tips

During the holiday season, people are busy and sometimes not paying attention to everything going on around them. It's a time for baggies, pick-pockets, purse snatchers, shoplifters and car accidents. Here are some things you can do to help make the holidays a safe and happy time.

At home

- Be extra cautious about locking doors and windows when you leave, even for a few minutes.
- Don't display gifts where they can be seen from a window or doorway. Store gifts before you go away on a holiday trip.
- If you go out in the evening, turn on lights and a radio or television so the house looks and sounds occupied.
- If you go away for a few days, get an automatic snow, pick up the mail, etc.

Lima Service Office Evacuation Procedures

Notice of need for evacuation will sound by intercom or by whistle if power is out. (Whistles are located on each fire extinguisher)

Quadrant leader or designee will pick up the team open doors and check restrooms before exiting building on two-way radios located at the front desk.

Management person in charge will contact the building.

Everyone will leave by the nearest exit and north end of the employee parking lot.

Quadrant leaders will report evacuation status.

All evacuees are to remain in the "safe zone" until the police/fire department or Quadrant Leader says it is safe to return.

[Return to Lima Home Page](#)

Office Closings

The Administrator of the Ohio Bureau of Workers' Compensation is empowered to declare that conditions warrant the closing of any office of the Bureau. In the event that the Administrator is unavailable, the Chief Operations Officer is authorized to make this determination.

Employees will not be required to work when their office is closed and they will be compensated for the regular hours of pay for hours they were not required to work. During that period of time the office has been closed, employees who have previously requested and been approved to use vacation time, compensatory, or sick leave will still be required to use their accrued leave even if the office is closed.

When a delayed start time has been announced by the Administrator or the Chief Operations Officer, employees who do not report to work at the designated hour and who do not call in regarding the proper leave time, will be considered absent without leave. If the employee who does not report to work has previously requested and been approved to use compensatory or personal leave, then the leave will be recorded as such. This policy does not involve and is not related to the current provisions for the Weather Emergency as announced in collective bargaining agreements, unless the Director of the Department of Public Safety is designated agent to declare a winter emergency and thereby close state offices.

Please consult your Employee Handbook for further details on Weather Emergency.

Alternate Office Locations

The below office identifies alternate sites for identified staff relocation and/or evacuation in the event of an emergency. It is only a recommendation from our team as the Service Office Manager would ultimately make the final decision.

SERVICE OFFICE	ALTERNATE LOCATION
1 Toledo	Lima
2 Lima	Manassas
3 Dayton	Dayton
4 Springfield	Springfield
5 Hamilton	Hamilton
6 Governor's Hill	Springfield
7 Cincinnati	Dayton
8 Portsmouth	William Green Bldg (Columbus SO)
9 Logan	Cincinnati
10 Columbus	Hamilton
11 Mansfield	Dayton
12 Garfield Heights	Hamilton
13 Cleveland	William Green Bldg (Columbus SO)
14 Canton	Lima
15 Cambridge	Cleveland
16 Youngstown	Youngstown
17 Medical Claims - LE Unit	Garfield Heights
	Cincinnati
	Dayton
	Springfield

Note: In the event of regional outages, additional alternate sites will be identified. For offices located in remote areas (i.e. Portsmouth), offices will coordinate with local community colleges due to distance to alternate site.

Lima Service Office

Emergency Phone Numbers

Evacuation Procedures

Quadrant Leaders

Panic Alarm

Fire Procedures

Workplace Violence

Bomb Threat Procedures

Tornado Procedures

Threat of Suicide

Building Information & Services

SAFE@BWC

Tom Wersell, Director of Special Investigations

EMERGENCY RESPONSE PLAN

EMERGENCY
FLOWCHART
Call Down List

SUCCESSION
ORDER

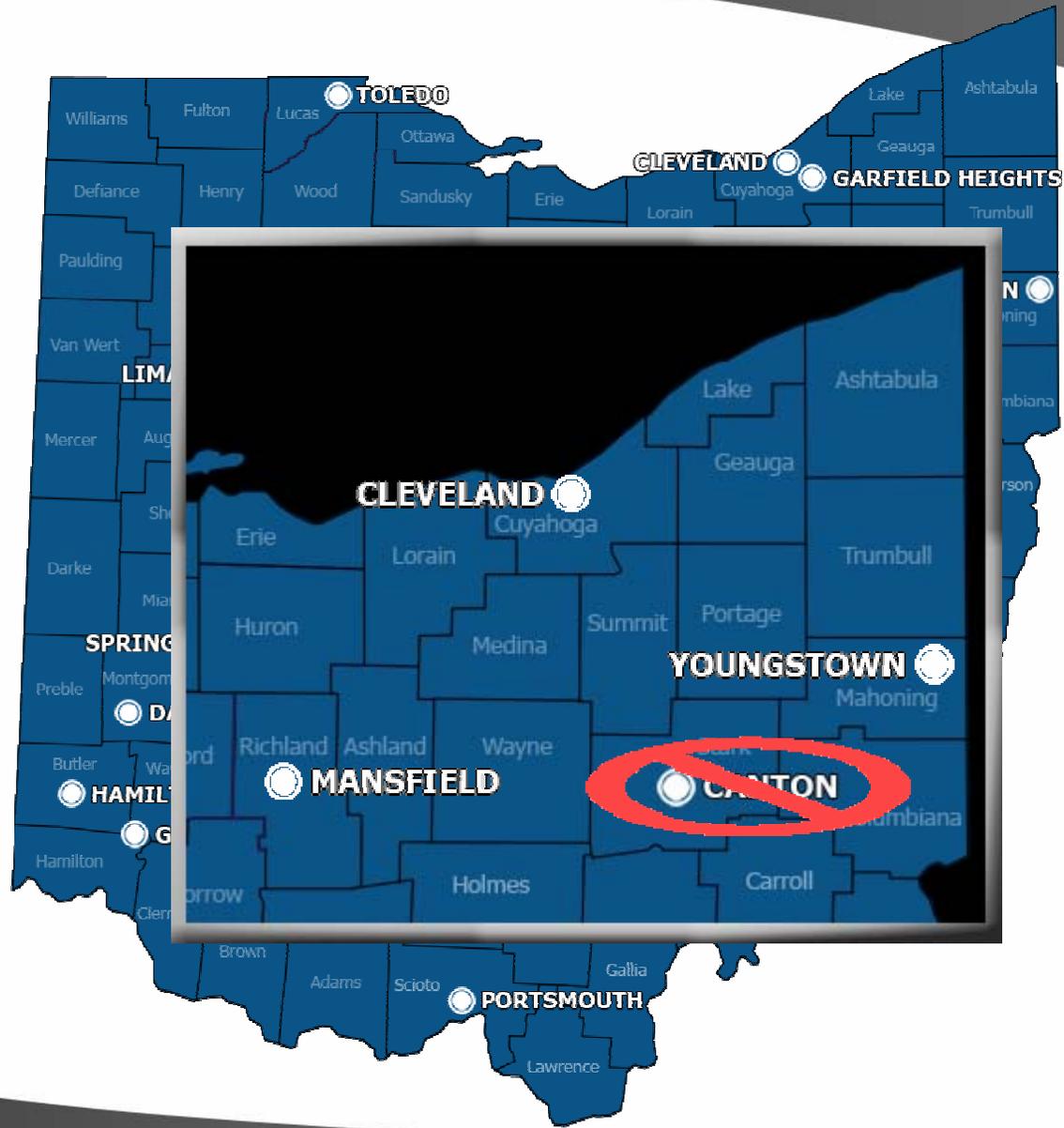
SAFE@BWC
WEBSITE

**ALTERNATE
OFFICES**

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PANDEMIC
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**EMERGENCY
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EMERGENCY

PANDEMIC
FLU PLAN



EMERGENCY 800 LINE

1-877-521-6446



EMERGENCY WEBSITE

www.ohiobwc.com/emergency

REAL-WORLD EXAMPLE

EMERGENCY
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POWER OUTAGE

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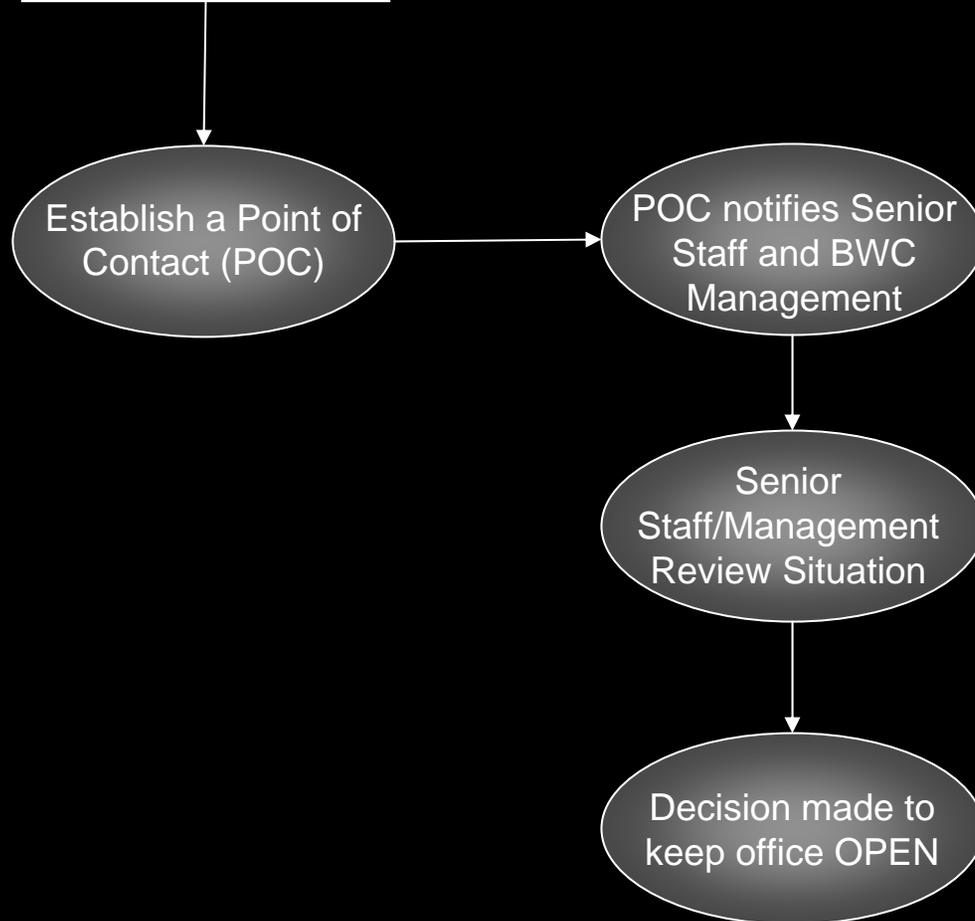
**EXAMPLE
EMERGENCY**

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EMERGENCY

**POWER
OUTAGE**



EMERGENCY FLOWCHART
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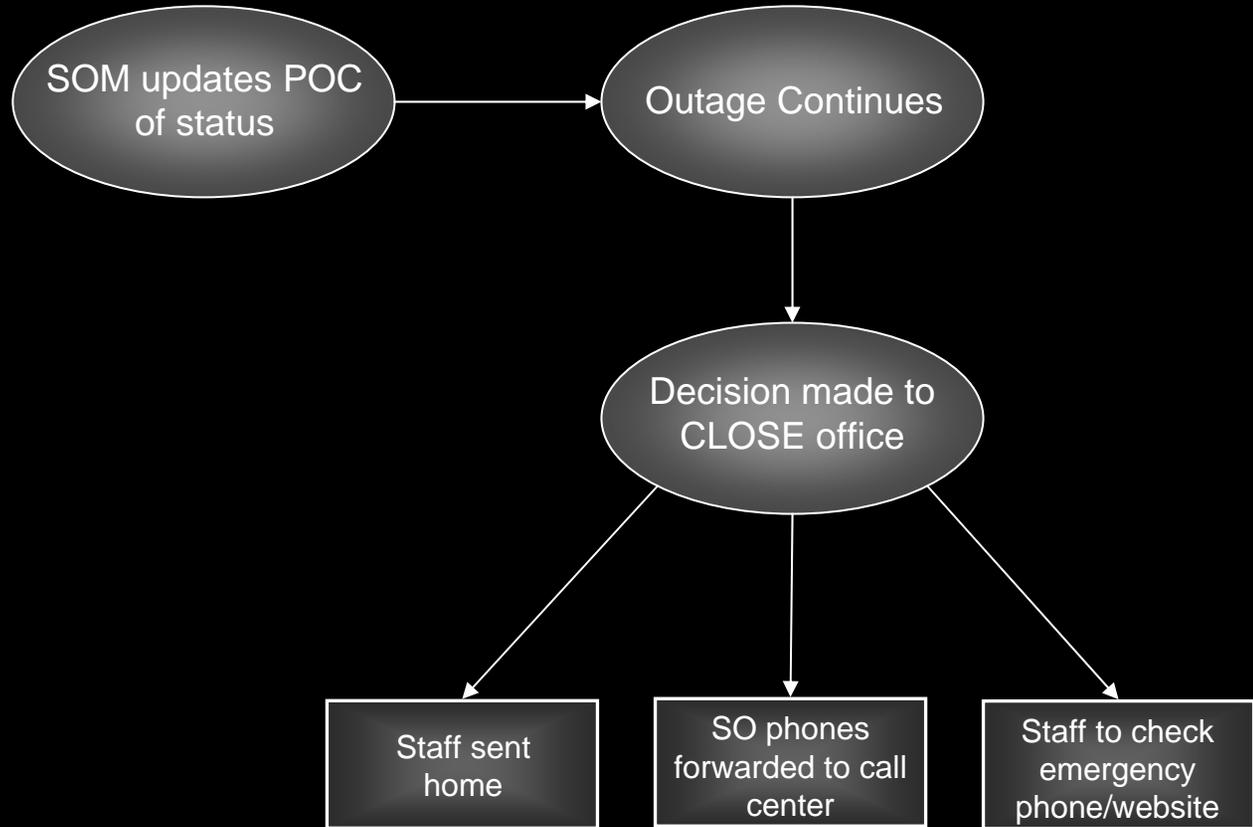
EXAMPLE EMERGENCY

PANDEMIC FLU PLAN



EMERGENCY

POWER OUTAGE



EMERGENCY RESPONSE PLAN

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PANDEMIC
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**POWER
RESTORED**
After Business Hours

Service Office Phone
tree activated

Senior Team phone
tree activated

800 number and
website updated

EMERGENCY
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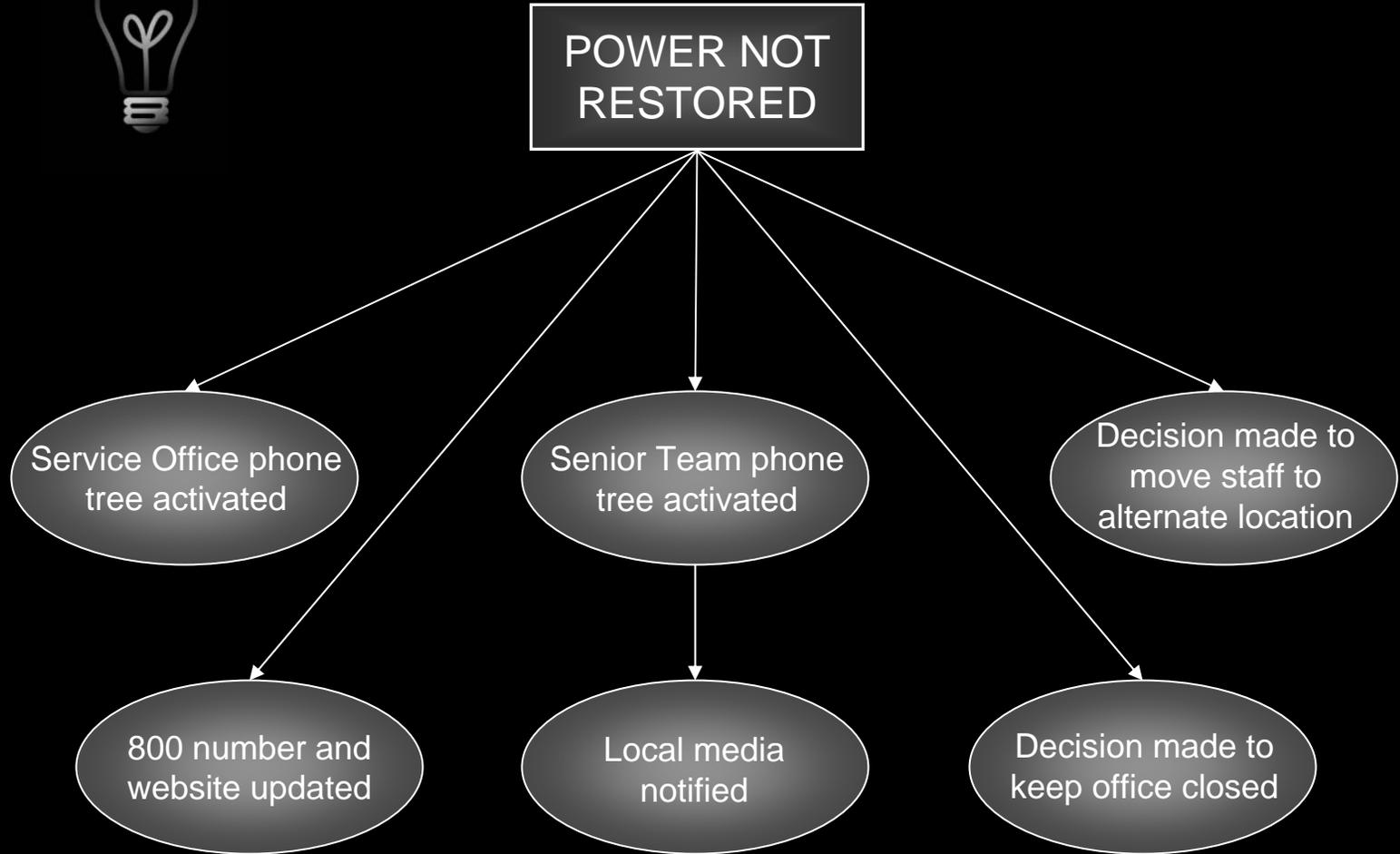
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Example 2

EMAIL FLOW OF COMMUNICATION

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PANDEMIC
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Email #1- Notification of an Emergency

From: Guard
Sent: Tuesday, December 11, 2007 9:04 AM
To: BWC Security
Subject: OCOSH Fire Alarm

I just received a call from Mark Garver 634-3158 letting me know that they pulled the fire alarm because there is a smell of burnt rubber coming from a belt. The fire dept. is on the way. I will let you know when I have more information.

Security

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EMERGENCY**

PANDEMIC
FLU PLAN

Email #2- Notification to Senior Staff

From: Crone Lisa

Sent: Tuesday, December 11, 2007 9:06 AM

To: Moore Joyce; Kilmeyer Tina; Bidgood Betty; Goodman Kay; BWC Security; Iannaggi Frank; Wersell Tom; Davenport Vern; Brokaw Toni; Bush Joy; Garver Mark; Delisio Melissa; Teeven Bill; Travis Michael; Cumberledge Patricia; Murray Diane; Genders Leo; Walton Brian; Riebel Lisa; Kroninger Debi

Subject: OCOSH Fire Alarm

Hello! I wanted to let you know that OCOSH has been evacuated and they are waiting on the fire department to arrive. There was a smell of burning rubber that needs to be investigated. The BWC Control Room has already been notified by Mark Garver. He will be providing regular updates which will be passed along. Thanks!

Lisa Crone
BWC Employer Management Services
(614) 466-1100

EMERGENCY
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NOTIFICATION

**EXAMPLE
EMERGENCY**

PANDEMIC
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Email #3- Notification of Resolution

From: Guard
Sent: Tuesday, December 11, 2007 9:31 AM
To: BWC Security
Subject: OCOSH back in the building

Mark Garver just called back to say that the smell was coming from an HVAC unit on the roof. Apparently the motor had frozen. The fire Dept. has left and they are calling maintenance about the HVAC unit. Everyone is back in the building.

Security

EMERGENCY
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NOTIFICATION

**EXAMPLE
EMERGENCY**

PANDEMIC
FLU PLAN

Email #4- Notification of Resolution to Senior Staff

From: Crone Lisa

Sent: Tuesday, December 11, 2007 9:31 AM

To: Moore Joyce; Kielmeyer Tina; Bidgood Betty; Goodman Kay; BWC Security; Iannaggi Frank; Wersell Tom; Davenport Vern; Brokaw Toni; Bush Joy; Garver Mark; Delisio Melissa; Teeven Bill; Travis Michael; Cumberledge Patricia; Murray Diane; Genders Leo; Walton Brian; Riebel Lisa; Kroninger Debi

Subject: RE: OCOSH Fire Alarm

The Fire Department investigated the situation and found an HVAC unit on the roof had frozen up and started to smoke. They turned the unit off at the roof and Mark Garver has contacted the appropriate individuals for maintenance of the HVAC unit. The building has been determined safe and everyone is back inside.

Thank you!

Lisa Crone

BWC Employer Management Services
(614) 466-1100

EMERGENCY
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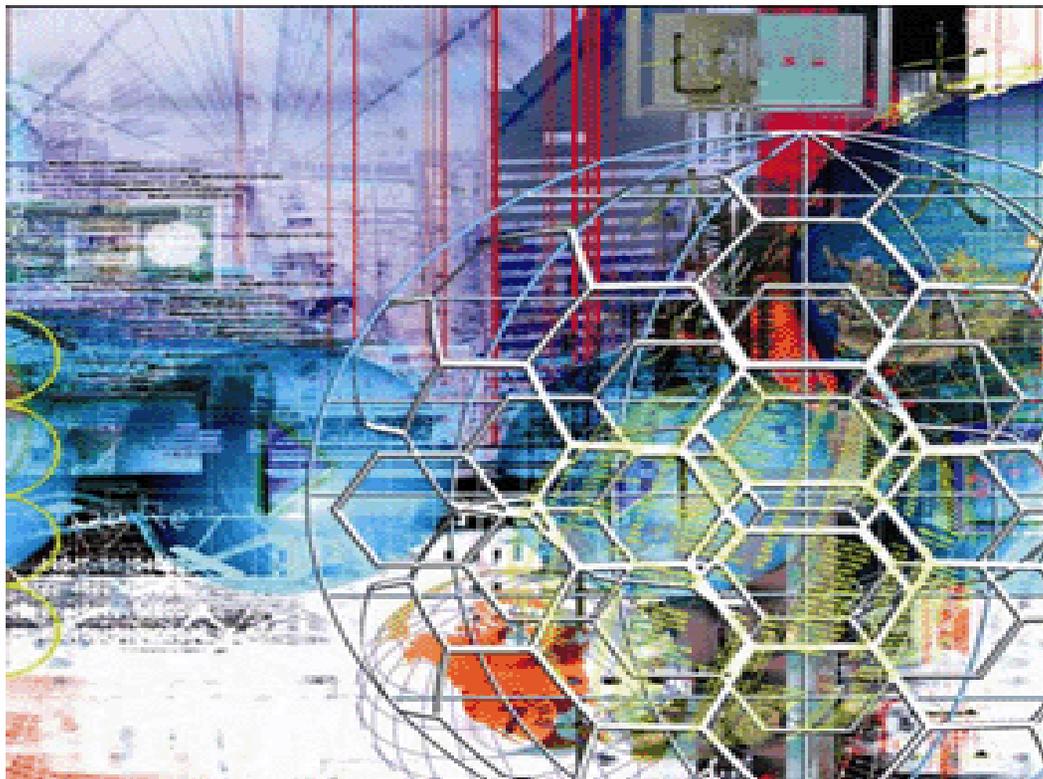
PANDEMIC
FLU PLAN

PANDEMIC FLU PLAN

While BWC personnel perform a variety of functions, the essential core functions BWC expects to deliver to the public include:

- *Paying temporary total and permanent total disability to injured workers who are entitled to such benefits;*
- *Investigating and determining newly filed claims with a primary focus on lost-time claims and determining additional allowed conditions in claims already allowed;*
- *In conjunction with the MCOs, ensuring medical services that are medically necessary, appropriate, and reasonably related to the claim are authorized.*

BWC IT DISASTER RECOVERY



IT Disaster Recovery – (IT DR)

- Evolution-BWC Business Continuity Plan
- IT Disaster Recovery Overview
 - Brief History
 - Current Strategy
 - Objectives
 - Approach
 - Testing
 - Future Strategy
 - Near Term
 - Long Term
- Questions/Deeper Dive

Evolution-BWC Business Continuity

- Plan initiated for Y2K Continuity in 1998/9
- Updated with additional contingencies as a result of 9/11.
- Separate Pandemic Flu business continuance plan developed in June 2006
- Senior Team to sponsor creation of a new business continuance strategy and plan based on Enterprise Risk Mitigation

IT DR – History

- Initiated in 1996
- Recovery Hotsites Established
 - IBM – Sungard Pa Facility
 - NCR – NCR Dayton Facility
 - Printing – Mailgard Pa Facility
- Comprehensive Plan Developed
- Initial Test in Spring 1997

IT DR – Current Strategy

- Objectives
 - Recover all Critical Systems Applications within 48-72 hours of declaration.
 - Claims Management Systems: V3, Imaging
 - Employer Policy & Premium System: WCIS
 - Actuarial Rating Systems
 - Payment Systems
 - Data Warehouse
 - Email

IT DR – Current Strategy

- Established Formal IT Disaster Recovery Plan
 - Use and Responsibilities Defined
 - Plan Activation Procedures
 - Recovery Procedures
 - Recovery Coordinator Responsibilities
 - Site Restoration Procedures
 - Administrative Procedures
 - Preparedness Procedures

IT DR – Current Strategy

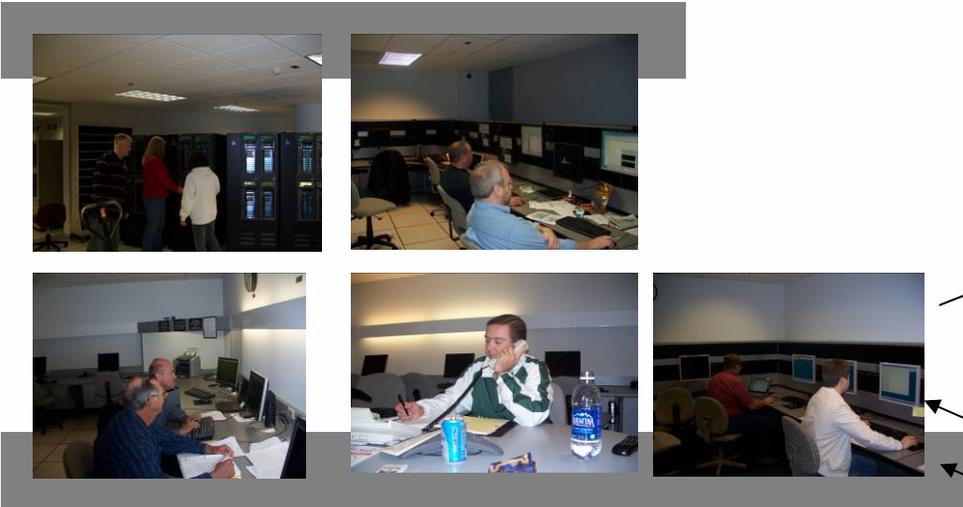
- Critical business application recovery requirements defined
- Roles defined with primary and alternative backup staffing identified
- Established Hot site contracts with
 - SunGard – Mainframe Systems - Philadelphia, PA
 - MailGard – Printing - Ivyland, PA
- Redundant network connectivity between BWC-SunGard
- Regular Testing and Learning → Plan Modification

IT DR – Current Strategy

- Testing
 - Two 48 hour tests at SunGard and one 8 hour test at MailGard annually
 - Disaster Recovery Manager & 15 Staff
 - Occupy Philadelphia Site at Sungard
 - Secure transport of offsite backups to Sungard
 - Follow Test Plan and attainment of Objectives
 - Mailgard concurrent printing tests
 - After Action Reviews and Follow-ups
 - Executive Summary of Test within two days
 - Detailed Test Review within two weeks

BWC DISASTER RECOVERY PLAN

SunGard



MailGard



Print, collate and insert all correspondence

- Bring mainframe up
- Bring up Sun Systems
- Bring up Open Systems

State of Ohio

- Restore databases
- Restore applications
- Run batch cycle



Objectives Achieved During The October 2007 Test

- Communications established between Ohio and both PA Sites
- Computer Operation facilities established to manage computer workloads
- All critical application databases were restored
- Conducted limited testing of batch application functions
- Encrypted backup tapes were tested for the first time
- Sent print files to Mailgard from the IBM mainframe at Sungard for printing
- Printed injured worker and employer checks, employer invoices and Claims correspondence at Mailgard
- Inserted employer invoices into envelopes at Mailgard

IT DR – Future Strategy

Near Term

- Stand-up Web and Open Systems Disaster Recovery by July 2008 for all non-mainframe critical applications at the State of Ohio Computer Center: Ohiobwc.com, Internal Web, Server based enterprise and departmental systems.
- Hot site contracts (i.e. Sungard) maintained only for IBM mainframe based critical applications.

IT DR – Future Strategy

Long Term

- Evaluate opportunities to integrate and leverage disaster recovery initiatives with other State of Ohio agencies
 - Economies of Scale on IT Disaster Recovery Site
 - BWC is positioned as a Leader with other State Agencies and Office of Information Technology in pursuit of this collaboration goal.
- Evaluate “One State Away” opportunities in conjunction with State Office of Information Technology and neighboring state government IT enterprises.

Questions

Leo Genders

Chief Information Officer

Ohio Bureau of Workers' Compensation



BWC Audit Committee Calendar

Fiscal Year 2008

July	August
Internal Audit - Annual Audit Plan for the Fiscal Year	Internal Audit Quarterly Executive Summary Report
September	October
External Audit Status Update	BWC Annual Financial Statement Overview
Annual Review of Audit Committee Charter	Annual Review of the External Audit Report
November	December
Internal Audit Quarterly Executive Summary Report	Annual Disaster Recovery/Business Continuity Plan
	Quarterly Actuarial & Investments Update
	Semi-annual Inspector General Update
January	February
Meeting with Outside Counsel	External Auditor Scope Presentation - FY '08 Audit
BWC Quarterly Litigation Update	Internal Audit Quarterly Executive Summary Report
BWC Quarterly Financial Statement Overview	
March	April
Quarterly Actuarial & Investments Update	BWC Risk Management Strategies
	BWC Quarterly Litigation Update
	BWC Quarterly Financial Statement Overview
May	June
Annual Audit Scope Meeting - Internal Audit Division	Review of BWC Internal Fraud (Whistle Blower) Policy
Internal Audit Quarterly Executive Summary Report	Quarterly Actuarial & Investments Update
Annual Review of the Internal Audit Division Charter	Semi-annual Inspector General Update