

Implement nationally tested split experience rating plan by 2011

- Improves premium rating accuracy by using claim frequency and severity as predictors of risk.
- Provides better premium equity among employer groups by aligning premiums with costs for individual employers.
- Establishes premium stability for all employers by properly distinguishing random accidents from consistently unsafe workplaces.
- Some form of split experience rating is used in every other state except Ohio.

Moderating premium volatility by capping increases

- Caps premium increases at 20 percent for participating employers to minimize economic impact.
- Caps premium increases at 100 percent for employers that get kicked out of groups as a stopgap to avoid continued premium volatility.

Create performance-based safety incentive, discount options for employers

- Provides menu of discount and incentive options for employers to better manage risks and premium costs.
- Programs allow claims management services to reach entire market, while also allowing employers that reduce accidents to further reduce premium costs.

Competitively priced workers' compensation system

- Ohio's workers' comp base rates will decline as equity among employers is restored.
- By reducing base rates, Ohio will be one of the most competitively priced workers' comp systems in the Midwest.

Stakeholder outreach & communication

- Over the last 6 months, BWC has worked with and attempted to build consensus among employer stakeholders that administer group programs.
- Some trade associations and most large TPAs have expressed some support for the proposed plan and have committed to working with BWC on implementation.
- Several large trade associations and several TPAs have raised concerns with the discount reductions and have urged BWC to maintain the status quo for additional testing.

Remaining concerns about the timing of discount reductions

- BWC has agreed to take an iterative step forward while committing to further testing and cooperation with an actuary hired by the employer stakeholders.
- The plan includes specific testing parameters and contingencies as data matures and other factors such as the implementation of MIRA II take effect.
- BWC will seek approval for the first phase of this plan with further testing and analysis to be complete at defined points throughout implementation.