

Ohio BWC: Self-Insured Update

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Agenda

- SI 40 Reporting
- Wage Calculation – Beyond basics
- Wage Loss

SI 40 Reporting

- ORC 4123.35, OAC 4123-19-03 (J)
- All active and cancelled Self Insured employers with current open claims must submit the SI 40
- Report Paid compensation, claims and reserve information
- Due by February 28 following the calendar reporting year

Specific Reporting Items

- Number of Ohio Employees (Current)
- For Previous Calendar Year:
 - Number of lost time claims
 - Number of Medical Only claims
 - Number of Occupational Disease claims
 - Number of Death Claims

Lost Time Claims

- Claims with more than 7 days of total disability
- Claims with wage loss benefits paid
- Claims with scheduled loss awards
- Claims with Salary in Lieu of Compensation

Medical Only Claims

- All claims with seven days or less of disability-even if not reported to BWC
- Claims with Medical Treatment only
- PPD award with no lost time
- Restrictions with no lost wages

Occupational Diseases

- All allowed Occupational Diseases regardless of disability

Death Claims

- All claims resulting in injured workers' death

Considerations

- Record claims based on current status
- If in Litigation, record as reported to employer unless it is officially denied
- Claims reported or incurred during the calendar year regardless of Date of Injury
- Incident only claims do not need to be reported

How to report

- SI 40 must be reported at WWW.BWC.Ohio.GOV
There is a link under the Employers tab, Self Insured section and the Paid Compensation and Case Reserves Report Link
- The most recent 2 years can be amended online
- Continue to report after policy is cancelled

Temporary Total

- All TT paid during the calendar year regardless of DOI or the payment from and through date.
- Report up to max rate for the year of injury
- Report any TT paid as a underpayment correction in the year it is paid
- Payments for Child support should be reported

Wages in Lieu of Compensation

- Amounts paid during the calendar year in lieu of TT compensation regardless of DOI
- Only report up to the amount of TT that would have been paid, and no more than the maximum rate for the year of injury
- Sick pay will likely be reported under this category.

Sick and Accident Benefits

- Sick and Accident benefits paid during the calendar year from employer's fully funded non occupational insurance program.
- Report only up to the amount of TT that would be paid
- STD unless fully funded does not replace TT and is not reported

Wage Loss

- All Wage Loss paid during the calendar year regardless of DOI or the payment from and to dates.
- Only for DOI after 8/22/1986

Temporary Partial

- Amount of Temporary Partial paid in calendar year
- Only for claims with a DOI prior to 8/22/1986

% Permanent Partial

- All Percentage of Permanent Partial awards paid in calendar regardless of DOI or from and to dates.
- Include all increases to previously paid awards

Scheduled Loss

- Amount of Scheduled Loss awards paid in the calendar year regardless of DOI

Permanent Total Disability

- PTD benefits paid in the calendar year regardless of from and to date
- Ordered Attorney fees and Lump Sum Advancements should be reported because they come from PTD benefits
- Report all paid even if past the Excess retention level

Living Maintenance and LMWL

- All living Maintenance and Living Maintenance Wage Loss payments during the calendar year.
- Include even if receiving reimbursement from surplus fund

Death Benefits

- All death benefits in calendar year, including payments to all dependents.
- Up to max rate
- Report even if in Excess retention level.

Change of Occupation

- All Change of Occupation Benefits in Calendar year

Violation of Specific Safety Requirements

- All VSSR payments to injured workers in the calendar year as a result of an IC order.
- Negotiated VSSR settlements are not reported.

Less SI Reimbursements

- Compensation reimbursed due to an overturned claim. Report in year claim overturned, only for indemnity payments previously reported
- Money collected from Subrogation – Only for indemnity, and only up to what has been paid and reported previously.
- Money paid but not owed can be reported as a credit if reported under specific category
- Do not report money reimbursed from Excess Carriers

Total Paid

- *Grand total of Paid Compensation- Sum of all compensation paid, less appropriate reimbursements. (Assessed)*
- Total Paid to medical providers, including reimbursements to injured workers
- Total Benefits paid, all medical and indemnity less reimbursements.

Considerations

- Report all compensation paid beyond excess retention levels
- If a credit is taken, the compensation payment must have been reported in the current year or a previous year
- Confirm that payments reported are only for Ohio

Considerations cont.

- Attorney Fees are reported
- DWRF is not reported
- Lump Sum Settlements not reported
- Verify information if there is a data transfer, only calendar year payments are included on SI 40
- Voided Payments

Open Claims and Reserving Data

- Number of open medical only claims (pre 1987)
- Number of open indemnity claims (pre 1987)
- Outstanding case reserves medical only (pre 1987)
- Outstanding case reserves indemnity claims (pre 1987)

Open Claims and Reserving Data

- Number of open medical only claims (1987 and post 1987)
- Number of open indemnity claims (1987 and post 1987)
- Outstanding case reserves medical only (1987 and post 1987)
- Outstanding case reserves indemnity claims (1987 and post 1987)

How is this information used?

- Total Indemnity paid- Self Insured Assessments
- Individual categories- Assist with auditing to confirm benefits are paid properly.
- Claim totals- Assist with auditing to verify that claims are being reported properly
- Total reserves – Assist with securitization

SI -40 Backup Report

- Beginning with 2012 SI 40 data, employers required to provide back up report supporting reported numbers with SI 40 reporting
- Submit to BWCSIAuditing@BWC.state.oh.us
- Include individual payments in each category
- Include Salary Continuation and Recovery amounts

Security Requirements

- Effective 1/1/15, changes to the securitization model were implemented
 - BWC worked with the SI Financial Workgroup to review current process and potential changes
 - Requests for actuarial studies have been made from employers with a high financial and claims risk
 - High financial risk (Moody's rating Ba3 or lower for 2 consecutive years), and reported case reserves of \$500K or higher
 - Security requests will be increased for the highest risk employers based on the true liabilities identified in the actuarial studies

Considerations

- Use pay ending dates, not check dates
- Do not use the week or pay period of the date of injury
- With Bi Monthly pay checks do not divide last three periods by 6 weeks

Wage Calculations

- Bi Monthly
 - FWW-Add the last 3 full pay periods
 - Multiply this by seven, and divide by the number of days in the 3 full pay periods.
 - This is the weekly average
 - For seven days prior use the last full period, divide by the number of days, and multiply by 7

Earnings to Include

- Gross earnings before deductions, such as deferred compensation, Healthcare or Dependent care savings accounts, Café 125 etc
- Tips, Self Employment earnings, Allowances, Per Diem, Stipends, Payment in lieu of health insurance....not all inclusive

Bi Weekly or Bi Monthly

- If Bi Weekly or Bi Monthly periods are to be split to determine one week prior or to determine FWW, the employer must provide a clear break down showing actual earnings by day.

Bonuses

- Include bonus in FWW if the activity that led to bonus occurred in the 6 weeks prior to the injury
- Include in AWW if the bonus is directly related to active participation in employment during the earning period. Can be prorated.
- Do not include bonus that is not related to work activity, (shareholder bonus)

Allowance vs Reimbursement accounts

- Allowances are generally included in AWW. A specific amount regardless if used in full or not
- If the employee must pay and be reimbursed it is generally not included..(Travel Reimbursement, clothing reimbursement)

Earnings not included

- Prior workers' compensation benefits
- Disbursements for deferred compensation
- Retirement benefits, (SSA or other retirement)
- Employer contributions to healthcare plans
- Severance Pay
- Most earnings that do not involve employment

AWW weeks worked

- If injured worker did not work for 52 full weeks prior to injury, the AWW can be adjusted
 - Do not divide by 52 weeks if injured worker was not working for reasons out of his/her control
 - Request all prior earnings, particularly if the injured worker was not employed at current employer for 52 weeks.
 - Should not divide by 52 weeks without requesting all earnings in writing

Periods of unemployment out of injured workers' control

- Sickness-IW or family member
- Pregnancy-parental leave
- Economic conditions effecting employer
- Strike or Lockout
- Workers' Compensation
- Seeking employment

Calculating Wages using W-2 or Tax Records

- Prorate earnings based on period worked during the record year
- Combine with current employer earnings and divide by total number of weeks worked

No earnings during the look back period.

- If there are no earnings during the 52 weeks prior or 6 weeks prior the AWW or FWW will be set at zero.

Documentation

- All earnings from employer for 52 weeks prior
- All earnings for other employers or documentation requesting these earnings
- Documentation showing how seven days prior to DOI was calculated.
- Wage Calculation methodology

Wage Loss

- Weekly Benefit
- Prorate first and last week if needed
- Notify injured worker if disputing some or all of a given period.
- Request hearing for that period

Other Items

- Semi-Annual Assessment Payments
- SI-40 Reports
 - Both due by February 28
- Administrator Updates
- Excess insurance

Roundtable Discussion

- Benefits of self-insurance
 - What do you do better?
 - What advantages do you have?
 - Why do you do it better?
- Role of BWC

Self Insured Dept Contact:

Self-Insured Department phone numbers:

614-466-6737 or 1-800-644-6292, select SI

Self-Insured Department address:

30 W. Spring St., Level 22

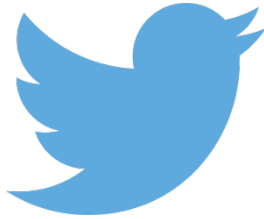
Columbus, OH 43215

Email: SIINQ@bwc.state.oh.us

Always include Policy Number

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