

Self-Insuring Assessments

Frequently Asked Questions

What funds do self-insuring employer assessments cover?

Self-Insured Surplus Fund (SIS) – This fund covers claim costs charged to the Surplus Fund of the State Insurance Fund. These costs are primarily for claims with injury dates prior to 1987 of defaulted self-insured employers and for specific medical exams and prostheses.

Self-Insured Employers Guaranty Fund (SIEGF) – This fund covers the costs of defaulted self-insuring employers' claims with injury dates after 1986. It also includes managed care organization (MCO) fees and the costs of Disabled Workers' Relief Fund (or cost-of-living increases) on eligible bankrupt self-insuring employers' permanent total disability claims with any injury date.

BWC and Industrial Commission of Ohio (IC) Administrative Cost Funds – These funds cover the administrative costs of BWC and IC activities that support self-insuring employers.

Division of Safety & Hygiene Fund – This fund covers BWC's Division of Safety & Hygiene's activities on behalf of self-insuring employers.

Optional Disallowed Claim Reimbursement Program – This assessment funds the program to reimburse participating self-insuring employers for claim costs awarded by the IC that were ultimately overturned. Currently, 405 self-insuring employers participate in this program.

Guaranty fund assessments for new self-insuring employers – We assess new self-insuring employers 6 percent of the most-current complete year of payroll premium at the effective date of self-insurance and the next two renewals.

How does BWC determine assessment rates?

BWC maintains 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. Additionally, Ohio Administrative Code 4123-19-15 (B) requires the SIEGF to maintain a minimum balance of 1.25 times the prior year's annual claims disbursements. When BWC determines the SIEGF has insufficient funds, an assessment is necessary to ensure the minimum balance in the fund. BWC will then assess all self-insuring employers an annual contribution.

BWC determines SIS and SIEGF year-end fund balances and identifies adjustments needed in the upcoming year. BWC determines new rates based on projected income from assessments and other third-party sources, and the amount needed to meet the statutorily required levels.

What are the revenue sources for the SIS and SIEGF?

The primary source of revenue is the assessment payments from self-insuring employers. Additional revenue can come from collection on security for defaulted employers and recoveries from excess liability insurance previously held by defaulted employers.

What is the minimum assessment rate?

Each year, BWC determines the minimum amount of assessment due, regardless of the amount of compensation paid and reported. For a canceled self-insuring employer, BWC reduces the minimum assessment by 10 percent each year the employer reports paid compensation below the amount required to reach the minimum rate.

How did BWC determine the current assessment rates?

Please see the current-year assessment rate documentation.

How does BWC invoice the assessments?

BWC levies assessments based on the prior year's reported paid compensation for all active self-insuring employers. BWC uses reported compensation for the calendar year 2015 for the January and July 2017 billings. Payments are due the last day of February and August, respectively.

Where should employers send payments?

Employers can send payments by regular mail to the Ohio Bureau of Workers' Compensation, P.O. box 89492, Cleveland, OH 44101-6492.

Employers can send payments by overnight mail to Ohio Bureau of Workers' Compensation Attn: Lockbox 89492 4910 Tiedeman Road Cleveland, OH 44144.

Can employers pay invoices online?

Employers can make online payments with a credit card or routing number through their BWC e-account.

What if my payment is late?

BWC must receive assessment payments prior to the end of February and August. BWC will charge \$500 late-payment penalty if payment is not received on time. BWC may add additional penalties if payments are not received within 60 days of the payment due date.