

**OSC 12**  
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**WELL AT HOME. SAFE AT WORK.**

**Session #614**

**Driving Your Risk-Management Plan Toward Excellence**

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1:15 p.m. Wednesday, March 28

**Ohio** Bureau of Workers' Compensation

**Introduction**

- o Destination: Excellence
- o New programs/changes to existing programs
- o Existing programs
- o Compatibility
- o Question and answer

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**Destination: Excellence Overview**

- o Customizable
- o Consists of seven new and existing programs
- o Helps build a risk-management plan focused on
  - Policy maintenance
  - Prevention
  - Return to work

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## Application Deadlines

- o Common application deadline
  - Last business day of April for private employers
  - Last business day of October for public employers
- o Group-experience rating
  - Last business day of February for private employers
  - Last business day of August for public employers

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## Common Eligibility Requirements

- o Current on all undisputed premiums
- o In an active status as of application deadline
  - Active
  - Reinstated
  - Debtor in possession
- o No cumulative lapses in excess of 40 days in the past 12 months

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### Destination: Excellence

- Policy maintenance
  - Go-green discount
  - Lapse-free discount
- Pay online and pay on time

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### Go-Green Discount

- Encourages policyholders to use BWC Web services
- Additional eligibility requirements
  - Receive and file payroll report online
  - Pay premium in full online and on time
- Receive a 1% premium credit at time of payment
  - Up to \$1,000 every six months for private employers
  - Up to \$2,000 yearly for public employers

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### Lapse-Free Discount

- Encourages timely premium payments
- Additional eligibility requirements
  - No lapses in last 60 months
  - Can use one-time forgiveness to stay current
  - Policy must be active for at least five years
- Receive a 1% premium credit at time of payment
  - Up to \$1,000 every six months for private employers
  - Up to \$2,000 yearly for public employers

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### Destination: Excellence

- Prevention
  - Drug-Free Safety Program (DFSP)
  - Safety councils
  - Industry-specific safety

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### DFSP

- Encourages elimination of drug and alcohol usage in the workplace
- Additional eligibility requirements
  - Safety review
  - Training
  - Reporting
  - Testing
- A 4% or 7% premium discount based on level of participation

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### Safety Council

- Encourages employers to participate in local safety councils and improve safety performance
- Additional eligibility requirements
  - Enroll in local safety council prior to beginning of year
  - Attend a minimum of 10 meetings
- A 2% discount off of premiums after the policy year closes
- Additional 2% discount if claims frequency and severity are reduced by 10% during year

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### Industry-Specific Safety

- Encourages employers to conduct a risk assessment and engage in activities to reduce accidents
- Depending on employer size, must complete between one and three safety activities
  - Choose from industry specific safety classes
  - On-site safety consulting
  - Attend annual Ohio Safety Congress & Expo

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### Industry-Specific Safety

- Additional eligibility requirements
  - Complete a risk assessment
  - Reporting
- 3% premium credit at close of policy year

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### Destination Excellence

- Return to Work: *Focus on Improving Outcomes*
  - Vocational rehabilitation
  - Transitional work grant
  - Transitional work bonus

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### Vocational Rehabilitation

- Encourages employers to use rehabilitation to help get injured workers back to work
  - Job modification
  - Employer incentive contract
  - Gradual return to work
  - On job training
  - Work trial

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### Vocational Rehabilitation

- Eligibility requirements
  - Successfully complete a rehab plan
  - Returning injured worker(s) back to work
- Negotiated payments used to defray rehab costs

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### Transitional Work Grant

- Encourages employers to return injured workers back to the job quickly and safely
- Additional eligibility requirements
  - Employer may not have a previously approved grant
- Grant amount is determined upon;
  - Payroll;
  - Job classifications.

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### Transitional Work Bonus

- Rewards employers that return injured workers back to the job quickly and safely
- Additional eligibility requirements
  - Must have a BWC approved transitional work plan in place
- Credit up to 10% off pure-premium for established period
  - Claims performance calculated six months after end of program year

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### Destination: Excellence

- Existing programs
  - Group-experience rating
  - Group-retrospective rating
  - One Claim program
  - EM capping
  - Deductible
  - Individual-retrospective rating
- Compatibility

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### Group-Experience Rating

- Encourages a safer work environment through a lower frequency and severity of claims
- Additional eligibility requirements
  - Application through an approved trade association or other organization of which the employer is a member
  - Must be homogeneous with applied group
- Up to 53% discount off of base rates

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### Group-Retrospective Rating

- Encourages employers to practice effective workplace safety and claims management
- Additional eligibility requirements
  - Application through an approved trade association or other organization of which the employer is a member
  - Must be homogeneous with applied group
- Credit calculated based on the performance of the group as a whole

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### One Claim Program

- Encourages employers to better manage claims and work to prevent future claims
- Additional eligibility requirements
  - In group the previous year
  - A significant claim entering experience
- What is a significant claim?
  - Employer has expected losses that equal \$5,000
  - Employer has lost-time claim with expected losses of \$8,000

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### One-Claim Program

- Helps lessen the impact from being removed from group-experience rating
  - 20% discount in first year in program
  - 15% discount in second year in program
  - 10% discount in third year in the program
  - 5% discount in fourth year in the program

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### EM Capping

- o Minimizes the effect of a significant premium increase for employers that become base or penalty rated
- o Additional eligibility requirements
  - Complete a half-day industry specific safety class
  - Complete three hours of training online through ohioabc.com
  - There is no application, it is automatically given.
- o Caps EM increase at 100% of prior years EM
  - Caps EM of .47 at .94 in following year



### Deductible

- o Encourages employers to focus on workplace health and safety to reduce injuries and illness
- o Two levels
  - Small deductible
  - Large deductible

Deductible level	Minimum premium requirements	Additional information required
\$500 \$1,000 \$2,500 \$5,000 \$15,000	The deductible level selection may not exceed 25 percent of an employer's annual premium.	None
\$25,000 \$50,000	The deductible level selection may not exceed 40 percent of an employer's annual premium.	Reviewed or audited financial statements (prepared in accordance with GAAP) and/or completed accounting principles for the three most recent fiscal years.
\$100,000 \$250,000	The deductible level selection may not exceed 40 percent of an employer's annual premium.	Audited financial statements prepared in accordance with generally accepted accounting principles for the three most recent fiscal years.



### Deductible

- o Additional eligibility requirements
  - Credit score review
  - Submission of GAAP reviewed/audited financial statements.
- o Upfront discount based upon approved deductible level



### Individual-Retrospective Rating

- o Encourages employers to practice effective workplace safety and claims management
- o Two levels
  - Tier 1
  - Tier 2

Tier 1 parameters	
To enroll in the Tier 1 plan, choose one of the claim limits and one maximum premium percentage below.	
<input type="checkbox"/> \$100,000 <input type="checkbox"/> \$200,000 <input type="checkbox"/> \$500,000 <input type="checkbox"/> No claim limit	<input type="checkbox"/> 70 percent <input type="checkbox"/> 80 percent
If you do not meet the requirements for Tier 1, do you wish BWC to consider you for the Tier 2 plan? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Tier 2 parameters	
To enroll in the Tier 2 plan, choose one of the claim limits below.	
<input type="checkbox"/> \$100,000 <input type="checkbox"/> \$200,000	The Tier 2 plan will offer a maximum premium of 100 percent.



### Individual-Retrospective Rating

- o Additional eligibility requirements
  - Submission of GAAP audited financial statements
  - No more than 15 lapse days in prior five years
- o Determines discount by risk assumed
  - Pays on claim and bills employer for costs incurred during the year
  - 10-year claims window



### Compatibility

- o Three principles of compatibility
  - Programs that provide an artificial discount
  - Programs that are cost based
  - Programs that encourage certain behaviors/best practices



Program	Discount	Eligibility
Destination Excellence	4%	Group Experience Rating Program (GAC 4123-17-41 to 48)
Deep-Fee Safety Program	4%	Group Retrospective Rating Program (GAC 4123-17-73)
Early Payment Discount	4%	Large Deductible Program (deductible amounts greater than \$10,000, OAC 4123-17-72)
EM Cap	4%	Retrospective Rating Program (GAC 4123-17-41 to 50)
Go Genes Discount	4%	Small Deductible Program (deductible amounts of \$10,000 or less, OAC 4123-17-12)
Group Ohio Incentive	4%	
Ohio Claim Program (OCP)	4%	
Safety Council	4%	

**4123-17-74 Appends C - Compatibility Chart**

Employer Program Compatibility Rating Framework	Compatible Discount Programs	Restrictions on Combination of Discount Programs
Base- or Individual-Experience Rated	Destination Excellence Deep-Fee Safety Program (DFSP) Early Payment Discount EM Cap \$1.9K Medical-Only Program Group Ohio Incentive Ohio Claim Program (OCP) Safety Council	<ul style="list-style-type: none"> <li>EM Cap may not be combined with DFSP, Group Ohio Incentive, or OCP.</li> <li>Early Payment Discount Program cannot be combined with the Go Genes Discount portion of Destination Excellence.</li> <li>OCP may not be combined with DFSP, EM Cap, or Group Ohio Incentive.</li> </ul>
Group Experience Rating Program (GAC 4123-17-41 to 48)	Destination Excellence Deep-Fee Safety Program Early Payment Discount \$1.9K Medical-Only Program Safety Council (participation rebate only)	<ul style="list-style-type: none"> <li>Early Payment Discount Program cannot be combined with the Go Genes Discount portion of Destination Excellence.</li> </ul>
Group Retrospective Rating Program (GAC 4123-17-73)	Early Payment Discount Safety Council (participation rebate only)	
Large Deductible Program (deductible amounts greater than \$10,000, OAC 4123-17-72)	Early Payment Discount Safety Council	
Retrospective Rating Program (GAC 4123-17-41 to 50)	Early Payment Discount Group Ohio Incentive Safety Council	
Small Deductible Program (deductible amounts of \$10,000 or less, OAC 4123-17-12)	Deep-Fee Safety Program Early Payment Discount Group Ohio Incentive Safety Council	

\*Programs not listed in the "Compatible Discount Programs" column are not compatible with the indicated rating structure. Combination of discounts compatible with a rating structure is subject to the restrictions set forth in the column entitled "Restrictions on Combination of Discount Programs."