

Out-of-State Employers Coming into Ohio: Using Experience Earned in Another State

Out-of-state employers that come to Ohio to operate a new business may be entitled to their earned experience from other states if their Ohio business operation is the same or similar to the out-of-state operation. BWC wants employers who are considering establishing new operations in Ohio to know they can apply their out-of-state experience modification to their new Ohio workers' compensation policy premiums.

Ohio rules allow this benefit to exist for any employer who has not had prior operations or workers' compensation insurance coverage in Ohio and moves ventures into the state. The assigned individual experience rating will not include any alternative rating plans in place from the other state.

When will BWC apply out-of-state workers' compensation experience?

BWC will apply another state's experience modifier from a policy that is in effect on the day prior to the start of workers' compensation coverage in Ohio. BWC will use the experience modifier to calculate premiums for providing coverage until June 30 and for the following full policy year before re-determining premium costs for workers' insurance in Ohio.

What does an employer need to do to receive an out-of-state individual experience modifier?

To receive the out-of-state individual experience modifier, the company must provide its most recent 12-month payroll for the operations moving to or starting in Ohio by manual classification. The company must also submit a copy of its current workers' compensation insurance policy, coverage history, experience modifier calculation and a list of any outstanding liabilities with the insurance provider in the other state.

When may BWC not apply out-of-state experience?

If a company fails to provide sufficient evidence that it moved its operations or started similar operations in Ohio, BWC will not use an experience modifier from another state to calculate Ohio workers' compensation premiums. If the employer's payroll is not large enough to warrant experience rating as measured by Ohio's rules, it is possible that the experience modifier from another state may not apply to Ohio premium obligations. BWC will not apply the out-of-state employer rule to the purchase of existing Ohio operations as covered by the Ohio Administrative Code 4123-17-02.

Whom do I contact for more information?

If you have questions, please contact the actuarial department-rate adjustment unit at (614) 466-6773 or by e-mail at emprateadj@bwc.state.oh.us.