

# Group rating - new employers

Joining a group rating program is the best way for Ohio employers to significantly lower their Ohio workers' compensation premiums.

## Program overview

The Bureau of Workers' Compensation (BWC) offers new employers the opportunity to join a Group Rating program and receive a premium discount effective on the first day of coverage.

Upon acceptance, employers can receive a premium discount of up to 53%, the current maximum allowable discount by BWC.

To enroll in this option, an Employer Statement for Group Experience Rating (AC-26) form must be completed and filed through the sponsoring organization or their designated third party administrator (TPA) of your choice. Participation fees/dues are separate from premium payment due to BWC.

## Maintaining eligibility

- Current on any and all premium payments, administrative costs, assessments, fines or amounts owed to the BWC
- Current on all prospective billing true-up filings and payments
- Active coverage by the application deadline
- No cumulative lapses in coverage in excess of 40 days within the 12 months preceding the application deadline
- May not be a member of more than one group
- If a workers' compensation claim is incurred in the "green period" (15 month period prior to the experience survey date), the employer shall attend two hours of safety training or complete the BWC's online accident analysis form and online safety class
- Renewal deadline is Monday before Thanksgiving

## Frequently asked questions

### How does BWC establish premium rates?

BWC assigns manual classifications to the business based on the types of work performed. BWC bases initial assignments of classifications on the information supplied on the application for coverage. Having the correct classification(s) is important because BWC bases premiums on these classifications.

BWC calculates rates annually for each July 1 through June 30 rating year. For employers with newly established coverage, BWC will assign the state average base rate for each manual classification and apply the group rating discount if applicable.

If an existing business was purchased, BWC may transfer the previous employer's loss experience to the new employer's policy. If this happens or as the employer establishes its own history, the new policy may not qualify for group rating, and BWC will apply either a penalty or credit factor to an employer's premium, based on the loss experience.

### How does BWC establish premium rates?

By May of each year, BWC will mail premium notices for the upcoming July-June policy year based on estimated

## Why choose Sedgwick's program

Our group rating programs have helped 60,000 clients save more than \$4 billion since the program's inception.

payroll. In June of each year, BWC will mail prospective billing invoices, with payment due based on an installment plan pre-selected (monthly, bi-monthly, quarterly, bi-annually or annually). BWC must receive each installment payment by the due date. If not received timely, coverage will lapse and BWC will charge appropriate penalties. If an employee is injured during a lapse in coverage, the employer is responsible for any claims costs.

By August 31 of each year, employers will be required to report actual payroll for the preceding July through June (“true up” process) and pay any additional premium due, or receive a credit if estimated payroll was initially overstated. Employers that fail to “true up” timely will become ineligible for BWC discount and rebate programs.

To guarantee BWC receives payroll reports and premium payments on time, submit them online at [bwc.ohio.gov](http://bwc.ohio.gov). Establish an online account by clicking the Create e-account link on the [bwc.ohio.gov](http://bwc.ohio.gov) home page

### **What is the difference between a TPA and a MCO?**

Third Party Administrators (TPA) are retained by employers to help navigate the BWC system. Managed Care Organizations (MCO) medically manage employees’ workers’ compensation claims. All new employers must select an MCO within 30 days. If an employer does not choose an MCO, BWC may automatically assign one.

### **What should be done when a workplace injury occurs?**

- Have procedures in place and personnel trained for emergency responses and accident analysis.
- Distribute MCO identification cards to every employee prior to an injury.
- Inform employees what to do if injuries occur and where to report claims.
- Assist employees in reporting claims as soon as possible; claims may be reported using [bwc.ohio.gov](http://bwc.ohio.gov) to automatically receive a claim number or report the claim to the MCO using BWC’s First Report of an Injury, Occupational Disease or Death (FROI) form.
- Have the injured worker seek medical attention immediately and if possible, ask him/her to tell the treating physician it is a workers’ compensation claim.

## **Compatibility with other BWC programs**

Employers can participate in the following programs:

- \$15K Medical Only
- Safety Council

### **New employer**

A new employer is defined as a new business entity or an out-of-state business that creates one or more jobs in Ohio on or after July 1, 2011. The following are not eligible for the program: professional employer organizations, self-insured employers and employers transferring experience