

## **URGENT**

### **Group Rating Update March 30, 2009**

The BWC Board of Directors met on Friday March 20<sup>th</sup> and approved rate increases and assessment fees for group rated employers as part of their rate reform initiatives, for the year beginning July 1, 2009. The following changes were approved affecting all employers, not just PIA/CompManagement's group members:

- Base rates are being reduced for non-group rated employers by 25.3% on average, however, group rated employers will see an average increase of 9.6% due to the BWC applying a 31% surcharge ("group adjustment factor") to all group programs. Therefore, you may have clients that have already enrolled that will no longer see a financial benefit in the group they qualified for previously.
- Although group rated employers will no longer be able to stack Drug Free Workplace (DFWP) and Safety Council discounts with group discounts, Safety Council participation and DFWP are still viable programs for 2009.
- A significant reduction of expected loss rates will potentially cause more employers to not qualify for group rating.
- The Premium Discount Program will be eliminated.
- Employers that are not eligible for group and are penalty rated will be eligible to have their premium rate increases (experience modification rates) capped at a 100% increase if they implement a safety program.
- Alternative programs such as Deductible and Group Retrospective Rating will be offered July 1st and may prove to be more viable options for large employers.

These changes will have a significant impact on the entire Ohio workers' compensation system. CompManagement and PIA have been advocating for a longer period of time for which to implement these changes, to allow employers to make budgetary adjustments. Our advocacy efforts were successful in reducing the amount of the surcharge, but the Bureau rejected a longer implementation of these changes. The BWC continues to assert that its aggressive timeframe for rate changes is necessary.

Group rating is still a valuable premium reduction program for your clients, especially at the tiers with the highest discounts. CompManagement is in the process of evaluating these new programs for the benefit of your clients. As always, we both are working toward positive resolutions and will keep you abreast of our progress in the days ahead. In the meantime, we will be communicating these changes to your clients (sample letter and client list will be mailed to you). If you should need any assistance, please contact Cathy Coleman (330-334-6037) or Shari McMullen (800-825-6755 x2483), and they will be able to provide you with all of the necessary information. Thank you.

**CompManagement, Inc.**

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