

Risky Business

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V&A RISK SERVICES

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Arth Brass Decision Causes Controversy

The Supreme Court decided recently that a private employer's risk cannot be charged by the BWC for any medical bills (most likely compensation payments will also qualify) paid in a particular claim, while that claim is pending appeal before the Industrial Commission or on appeal in Common Pleas Court.

Essentially, this decision means that the private employer will not be rated for premium purposes for any costs associated with the contested claim.

Obviously, since claims can

take years to adjudicate before the Court renders a verdict, many employers believed this decision created a loophole for delaying or completely circumventing the premium impact caused by certain claims.

Due to this dire ramification, the BWC has implemented a plan to address this decision.

Essentially, the BWC will no longer limit the years it can go back and re-rate a policy. In the past the limit was 2 years, which could easily be circumvented through the appeal process and later further

appeals to Common Pleas Court.

By extending their ability to re-rate the policy, the BWC has effectively closed the loophole.

Employers cannot frivolously appeal issues into court to avoid the premium impact of those claims. More importantly, employers will not be able to appeal a claim to court in order to retain their group eligibility. Since the BWC can re-rate an individual policy, they can also re-rate an entire group.

Did You Know?

- 2006 Group Rating Filing Deadline is February 27, 2006.
- The BWC Oversight Commission voted not to grant employers a premium dividend discount on their February 2006 premium bills, for the July 1, 2005 - December 31, 2005 payroll period.

UPL Again? Settlements Questioned by Board

On December 22, 2004, the Supreme Court ruled that the TPA industry and the services it provides its clients were not in violation of the unauthorized practice of law (UPL) criterion. Based on this decision, the Industrial Commission of Ohio then formulated a new standard of practice governing TPA services called Resolution R.04-1-01.

The Supreme Court's rejection of the UPL Board's findings were thought to be the end to this story. Unfortunately, the Supreme Court asked the UPL Board to remand the original violations and utilize the IC's new resolution to determine what allegations Comp Management violated.

The UPL Board released its findings on December 14, 2005 and has determined that certain items are in violation of the new resolution.

Most importantly, the UPL Board determined that TPAs cannot negotiate settlements, since they require legal review and analysis. This is completely different than the Resolution, since it was noted that the settlement process was largely financial and rate related as opposed to legal.



Obviously, there will be objections to the UPL Board's latest decision, which will require the Supreme Court to again determine whether the settlement process in fact violates the IC Resolution.

In the interim, V&A will continue to review and negotiate settlements from the **financial** perspective. If more changes to the process are warranted, we will update our clients accordingly.



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Ten Most Dangerous Jobs

1. Loggers
2. Pilots
3. Fisherman
4. Steel/Iron Workers
5. Refuse Collectors
6. Farmers
7. Roofers
8. Electrical Line Repair
9. Truck Drivers
10. Taxi Drivers



50/50 Payment Plan to Continue

The 50/50 Premium payment plan will be offered to private employers for the 7/1/05 – 12/31/05 payroll period.

This is an online plan available **only through Dolphin** at www.ohiobwc.com. Payrolls received via fax, mail or from walk-ins with 50% payment will not be accepted into the 50/50 plan. The plan will be available 12/17/05 through 2/28/06. The second 50% is due 5/1/06. No interest will be charged on the second 50%.

50/50 is available to employers participating in group, retro, PDP, DFWP, etc. To take advantage of 50/50 an employer must be in active, reinstate or DIP status.

The 50/50 service offering will enforce the 50% payment requirement, i.e. an employer will

not be able to complete their submission if they do not pay the full 50%. They may pay more than 50% if they want.

The \$10 minimum premium still applies, i.e. an employer cannot pay \$5. Employers must report their payroll and pay 50% of their premium in the same web session. They cannot report payroll one day and pay 50% another day.

You will receive an invoice approximately 30 days before your 50/50 balance is due. To avoid a lapse in coverage you must pay your 50/50 balance by the due date. You must pay the balance through the Dolphin website at www.ohiobwc.com by clicking Ohio employers and then Accounts receivable bal-

ance. If the BWC does not receive your payment by the

due date, your coverage will lapse effective 5/1/06. In addition, the BWC may remit the 50/50 balance to the Ohio Attorney General for collection, and a lien may be filed.

Other 50/50 Information:

- 50/50 will not be available after 2/28/06
- On 4/3/06 invoices will be sent with the balance due by 5/1/06
- If an employer cannot make the second 50% payment due to financial difficulties they may request a payment plan
- If an employer does not pay the second 50% timely they will be lapsed effective 5/1/06

Happy New Year from V&A

