

BWC Estimated Premium Notices coming in May

In This Issue

- ❖ **BWC Estimated Premium Statements coming in May**
- ❖ **Changes to Motor Vehicle Accidents Caused by Third Party**
- ❖ **Important Dates**
- ❖ **Transportation Codes Changing**
- ❖ **Another Billion Back!**



V&A RISK SERVICES
Workers' Compensation Services

Tradition Square
2730 Centennial Rd.
Toledo, OH 43617
419.867.1044

The Ohio Bureau of Workers' Compensation (BWC) will be mailing letters on May 1st to all Ohio State Fund private employers. Your letter will contain a certificate of coverage for the 7/1/2017 – 6/30/2018 period as well as directions to go online & view your EAP information.

What should you do with this information?

First and most importantly, take the time to go online and look at the payroll BWC used to calculate your EAP. It should equal the payroll you reported for the 7/1/2015 – 6/30/2016 policy year, unless you were audited. How does this compare to what you anticipate in payroll from 7/1/2017 – 6/30/2018? If the amount is significantly different you are encouraged to contact BWC at 1-800-644-6292 or your local BWC office and have them adjust the estimated payroll. Failure to update your payroll will not result in any penalties; however, you may have a hefty amount to pay by 8/15/2018 (or credit) when you "true up" your bill.

The second thing I recommend you do with this information is to note how many installments (1, 2, 4, 6, or 12) BWC is set to bill you and the due dates for those installments. You can alter the frequency of the installments you will be billed by contacting the BWC as mentioned above. If you choose the annual installment option BWC will be giving a 2% discount to you. Keep in mind that the first installment will be due 6/30/17 no matter how many installments you choose.

Finally, be sure to post your certificate. Note that it states that coverage is dependent upon timely payment by the employer to maintain active status throughout the certificate period.

You can click [here](#) to visit the BWC Prospective Billing section on their website to find articles, videos, etc. about prospective billing. As always V&A Risk Services is happy to answer any questions you may have about the process. Drop an e-mail to me at kfinley@variskservices.com or call the V&A Risk Department at 800.493.9662.

Ken Finley, Sr. Rate Analyst, has been with V&A Risk Services for 20 years. He enjoys being a resource for employers to get their rating questions answered through various studies such as Claim Development Impact, Premium Forecasting, Self-Insurance Feasibility, Handicap Savings Analysis & Lump Sum Settlement Analysis. Ken, his wife & 2 daughters live in Pemberville where he is virtually the sole Cincinnati sports fan.

Important Dates

May 1

Notice of estimated annual premium sent

May 15

Last date employer can change installment plan for Program Year 2017

May 31

Drug Free Safety application due

Industry Specific Safety application Due

Transitional Work Bonus application due

June 30

First State Fund Installment Due for 7/1/2017

July 1 – August 15

State Fund employers must true up 7/1/16 – 6/30/17 payroll on BWC website.

Expect no grace period.



V&A RISK SERVICES

Workers' Compensation Services

Tradition Square
2730 Centennial Rd.
Toledo, OH 43617
419.867.1044

Motor Vehicle Accidents Caused by a Third Party

Effective July 1, 2017, the BWC will charge the entire cost of a workers' compensation claim caused by a third party to the surplus fund, if the employer can establish the following:

- The claim is based on an MVA involving a third party
- The third party is issued a citation for violation of any law or ordinance regulating the operation of the vehicle
- The third party has insurance that covers the claim

Employers must initiate the surplus fund charge by filing an application. The BWC has 180 days to make a determination. If the application is deficient in evidence, the BWC will attempt to obtain the required documentation prior to making a determination. If the BWC fails to make a determination within the 180 days, the application shall be deemed approved and the BWC will charge the claim to the surplus fund.

Transportation Codes Changing

The Ohio BWC will be changing how drivers are classified for the purposes of workers' compensation in Ohio starting July 1, 2017. Currently there are two classifications, 7228-Short Haul and 7229-Long Haul. Both of these codes will be combined into a new classification-7219. The BWC Board of Directors has met and received proposed rates for all manual classifications. Effective 7/1/16 the base rate for 7228 is \$9.28 while the base rate for 7229 is \$7.79. The BWC has proposed a base rate of \$8.77 per one hundred dollars of payroll for the upcoming 2017 policy year.

In addition, towing operations were previously classified to manual codes 8380 and 8393 but now will be combined into code 7225. The 2017 proposed rate for this new classification is \$2.49 per one hundred dollars of payroll while 8380 has a base rate of \$2.64 and 8393 is \$1.74 in 2016.

Another Billion Back!

Governor John Kasich and Ohio BWC administrator, Sarah Morrison, announced a proposal to return \$1 Billion to Ohio's private and public employers. If approved by the Board, the return would be the third rebate since 2013.

Morrison credited strong fiscal management and a better than expected investment returns in making the rebate possible. The rebate will be equal to 66 percent of premiums for the policy year ending June 30, 2016. The BWC will begin issuing checks in early July.

The BWC Board of Directors will vote on the proposal during the April 28th meeting.