



For immediate release: **Jan. 23, 2009**

**BWC Board Approves Plan to Limit Extreme Premium Jumps**

*Gives go-ahead for exploration of a solution to ensure more equitable payments for all employers*

COLUMBUS – The Ohio Bureau of Workers' Compensation (BWC) Board of Directors today approved a cap on premium increases that is expected to prevent unforeseen spikes in workers' compensation insurance costs. The cap on an employer's experience modifier (EM) is expected to limit extreme premium swings in the event of a serious accident or loss of a group-rated premium. Large shifts in premium have shown to be detrimental to existing operations and hinder business growth. The capping plan is part of BWC's ongoing efforts to foster economic growth by stabilizing premiums and providing relief for small businesses that are striving to remain competitive in a difficult economy.

An employer's EM is one of the key components in calculating an employer's overall premium rate, measuring the total costs of the claims filed within an experience period. BWC plans to leave this cap in place permanently to provide ongoing pricing stability. The cap will take effect on July 1, 2009.

"As businesses are challenged by the current economy, it is important to address the impact dramatic premium fluctuations have on many employers," said BWC Administrator Marsha Ryan. "By increasing the stability and consistency of Ohio's workers' compensation system, BWC will continue to support the growth of business in Ohio and increase our competitiveness with other states."

The board also approved a motion to allow BWC staff to explore options designed to create greater equity in what Ohio employers are charged for workers' compensation insurance coverage. The agency will look for new approaches to ensuring employers pay the right rate for the right risk. BWC staff will provide the board with regular updates on progress to this initiative with board members making a final decision in the coming months.

In addition, the Board of Directors heard the first reading of a plan to initiate a deductible program that will give employers better control of their workers' compensation insurance spending. Under this type of program an employer agrees to pay the portion of claims below the deductible and receives a premium discount in return. The proposed creation of a new deductible program is part of a menu of new programs under consideration with target implementation dates as early as of July 1, 2009.

The BWC Board of Directors also voted to extend the deadline for employers to apply for the group rating program from February 28 to April 24. The application deadline extension will allow additional time for sponsoring organizations to determine how to proceed once potential changes are implemented by the Board of Directors.

The next Board of Directors meeting will be held Friday, February 20, 2009, at 8 a.m. in Room 3, Level 2 of the William Green Building, located at 30 W. Spring St., Columbus.

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**Media contacts:** Melissa Vince  
614-466-2956 or 614-202-2329  
[melissa.vince@bwc.state.oh.us](mailto:melissa.vince@bwc.state.oh.us)

Maria Smith  
(614) 728-8045 or (614) 205-5709  
[maria.smith@bwc.state.oh.us](mailto:maria.smith@bwc.state.oh.us)

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