

BAYLOR BULLETIN

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BWC PREMIUMS TO INCREASE

The BWC has increased premiums an average 3.9% for private employers. This will affect payrolls incurred from July 1, 2006 to June 30 2007. This increase is spread across 10 major industrial groups and hundreds of occupational classifications.

The base rate for any one occupational classification might vary by up to 30% from year to year based on the statewide loss associated with the particular classification. Additionally, an individual policy's rate may vary substantially each year based on the employers' experience.

Not only are premium levels increasing, but the

BWC is also raising the minimum administrative fees required to keep a policy active. The minimums have not been adjusted for almost a decade. The increase will affect payrolls beginning July 1, 2006. Previously, an employer with an active policy and incurring no payroll only paid the BWC \$10 per half and \$20 per year. The new minimums will be \$50 a half and \$100 per year.

The minimum premium to be paid by sole proprietors, members of a partnership and members of a family farm corporation electing coverage will increase. Their current minimum reportable payroll is \$100 per week, \$2,600 semi-

annually and \$5,200 annually. Effective July 1, 2006, it will be calculated each year as not less than 50% of the statewide average weekly wage. For 2006, this would be \$352 weekly, \$9,152 semi-annually and \$18,304 annually.

The maximum reportable payroll for all of the above as well as Corporate Officers has been \$800 per week, \$20,800 semi-annually and \$41,600 annually. Effective July 1, 2006 it will be calculated at 150% of the state wide average weekly wage each year. In 2006, this would be \$1,056 weekly, \$27,456 semiannually and \$54,912 annually.

**BWC
PAYROLL
REPORTS &
PREMIUM
PAYMENTS
DUE BY
AUGUST 31,
2006**

REDUCE PREMIUM BURDEN WITH 50/50 PAYMENT PLAN

The BWC Payroll Reports for the January 1, 2006 to June 30, 2006 reporting period must be received by the BWC and paid by August 31, 2006.

The 50/50 Payment Plan was created to reduce the premium burden to employers by allowing split payments. The 50/50

Payment Plan is only available online and payroll reports mailed with a check for 50 percent will be lapsed. You must report your payroll and then pay 50 percent in the same online transaction; the 50 percent payment cannot be made online at a later date. The 50/50 Payment option is only

available until August 31, 2006. The remaining 50 percent payment will be due on November 1, 2006.

To use the 50/50 Payment plan go to www.ohiobwc.com

OHIO ENACTS NEW WORKERS' COMP REFORMS



Opponents of reforms have filed petitions with the Ohio Secretary of State seeking to place the new law before the voters.

On March 28, 2006 Governor Taft signed into law additional reforms to Ohio's workers' compensation system that were approved by the Ohio General Assembly earlier in the month. The legislation had been pending since June of 2005, but was temporarily stalled in the wake of the investment scandals at the Bureau of Workers' Compensation. The changes are effective June 30, 2006, and include the alignment of Ohio's minimum wage figure with that mandated by federal law in addition to a variety of adjustments to the workers' compensation system. Highlights of the major workers' compensation modifications follow.

Continuing Jurisdiction: This term refers to how long a claim remains "open" for payment of benefits. Previously, a medical-only claim remained open 6 years from the injury date or medical payment, and a lost-time claim remained open 10 years from the last compensation payment. The new law reduces the life of a medical-only claim to 5 years from the injury date and, for lost-time claims, to 5 years from the date of last compensation paid.

Psychiatric conditions: The new law adds coverage for psychiatric illnesses that arise out of sexual conduct in which

the injured worker was forced to participate by threat of physical harm regardless of whether physical harm resulted from the incident. Otherwise, it affirms the need for some form of physical injury as a prerequisite for psychiatric coverage and erases a Supreme Court of Ohio decision that allowed coverage for such a condition to one who witnessed the physical injury of another.

Claim Settlements: The law required that the employer sign off on any claim settlement if it is still doing business in Ohio. The new law eliminates the signature requirement if the claim is no longer within the employer's experience (and the injured worker no longer works for the employer), if the employer has not maintained coverage as required by law or if the employer fails to respond to the BWC's notice of a settlement application within 30 days.

Aggravation of Preexisting Conditions: Pursuant to a recent Supreme Court ruling, any increase in the injured worker's symptoms can result in a claim being recognized for an aggravation of a preexisting condition. The new law requires that the claimant prove by objective evidence (diagnostic testing, clinical findings, etc.) that the injury substantially

worsened a preexisting condition before an aggravation of that condition could be recognized in a claim. Moreover, even if an aggravation of a preexisting condition is allowed, benefits may be paid for that condition only until the condition returns to the level that would have existed in the absence of the injury.

Confidentiality of Injured Worker Information: The new law specifies that injured worker files are not public records, including non-medical demographic information such as name, address and telephone number. This change closes a loophole whereby attorneys were able to obtain claim information for the purpose of soliciting presently unrepresented injured workers. A limited exception to this provision applies to journalists requesting disclosure of demographic information to serve the public interest.

Percentage of Permanent Partial Disability: An injured worker was required to wait 40 weeks from the date of injury or last payment of temporary total disability, whichever is longer, before applying for this benefit. The new law shortens this period to 26 weeks.

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OHIO ENACTS NEW WORKERS' COMP REFORMS

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Permanent Total Disability: The new law prohibits the awarding of permanent total disability if the individual's impairment is related to nonallowed conditions, is due solely to aging or if the injured worker has retired or otherwise abandoned the workforce for reasons unrelated to the injury. The new law also specifies that the wage rate as of the date of injury (or date of disability for an occupational disease claim) is the wage rate upon which benefits shall be calculated.

\$1,000 Medical-Only Program: The new law expands this program to include the first \$5,000 of medical costs that an employer may pay on behalf of an injured worker to avoid having such amounts charged to the

employer's workers' compensation experience. The new law adds another provision placing financial responsibility for nonpayment of a bill under the program with the participating employer rather than with the injured worker.

Employer Fraud: The new law expands the types of activities that may be considered workers' compensation fraud to include false statements concerning manual classifications, payroll and number of employees when such information is needed to calculate workers' compensation premiums or assessments due. Fraud would also include creation, alteration or forging of a certificate to falsely show workers' compensation coverage and failing to secure or

maintain required coverage. As of this writing, opponents of reforms have filed petitions containing the required number of signatures for placement on the ballot. The petitions are being reviewed to determine if they contain a sufficient number of valid signatures for such placement.

Editor's Note: The foregoing is not intended as a substitute for legal advice on this topic. Additional questions may be directed to Kelly E. Drushel, Esq. at (440) 546-7616 or (800)478-6499.

2006 BAYLOR ASSOCIATES SAFETY & WORKERS' COMPENSATION MANAGEMENT SEMINARS

The meeting dates for this year's seminars are fast approaching. Attached is the registration form and maps for this year's workshops. We will conduct the meetings at Columbus and Akron from 10:00 am to 3:00 pm. Please register now to attend the seminar most convenient to you. These programs are designed to reduce your workers' compensation premiums

in the short and the long term.

We are required to make these Seminars available to Group Rating Program Participants under Section 4123-17-68 OAC. We will not be responsible for an employer who is removed from the program because of their failure to attend the Seminars. These Seminars do not fulfill the training requirements of

Section 4123-17-58 OAC for Drug-Free Workplace Discount Program Participants, nor Section 4123-17-70 OAC for Premium Discount Program Plus participants.

If you have any questions concerning these seminars, please contact Joel Danner, Baylor Associates at 800-433-1922 or 440-546-7600.

Ohio Bureau of Workers' Compensation



SEPT

- 07 Cincinnati
- 13 Toledo
- 19 Akron
- 21 Columbus
- 26 Cleveland
- 28 Dayton

OCT

- 03 Cambridge
- 06 Portsmouth

Beginning in July, register online at ohiobwc.com, or call (800) 466-6292

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We're on the Web!

See us at:

www.baylorwc.com



July—September 2006

The Ohio Bureau of Workers' Compensation Division of Safety & Hygiene Training Center offers 74 occupational safety, health, and ergonomic courses in thirteen locations statewide. All courses are offered at no additional cost to Ohio employers who pay into the Ohio workers' compensation insurance fund. Courses are designed to emphasize practical application of safety principles, to help develop a safety culture, and to provide current and proposed standards for regulatory compliance.

For more information or to register, call **1-800-OHIOBWC**, option 2, 2, 2.

KEY SAFETY PROGRAM PARAMETERS

Employee involvement and recognition that affords employees the opportunity to participate in the safety management process.

Both management and employees must actively participate in the safety and health management process for it to be effective.

Employee/management safety and health teams facilitate dialogue on safety and health matters. The team is composed of equal numbers of employees and management that represent all areas of the company. The team should meet regularly, but not less than quarterly and make the records of meetings available to everyone. Team

objectives must include investigation of accidents and exposures to hazardous substances and recommendation of specific action plans for prevention. The team must respond to all safety suggestions and conduct surveys of the safety culture every 12 to 18 months. The safety team must have the responsibility to make decisions and the accountability for

implementing the solutions.

Employee recognition should include recognizing employees for excellence in accident prevention and contributions to the safety and health process. Recognize employees for safety and health suggestions and for the completion of safety and health projects. Develop an approach of positive reinforcement to encourage employees to perform their jobs safely. Advise supervisors to praise at least one employee each day for following safe work practices. Recognition is the visible reminder of the importance safety holds in the day to day operations.

A program of regular communications on safety and health issues to keep all employees informed and to solicit feedback and suggestions.

Safety communication is a two-way process between employer and employees. A bottom-up communication process encourages employees to identify obstacles to safety without fear of reprisal. Employee concerns and

suggestions must receive timely and appropriate responses. Soliciting employee input and participation will contribute to successful safety culture.

Communication strategies can be in many forms. Quarterly written and/or verbal communications should include feedback to all employees on their accident prevention and health performance. One-on-one discussion in which a supervisor meets with each employee on a regular basis to discuss safety and health concerns. Install a safety suggestion box in the work area and ask employees to contribute their comments and suggestions. Safety meetings and group discussions provide the opportunity for employees to discuss safety issues. Safety newsletters, information booklets and alert notices inform employees of accident causes and how to prevent them. Safety signs and bulletin boards serve as a constant reminder of safe work practices and dangerous conditions.

Lynne Miller has joined Baylor Associates as Rate Manager

Lynne graduated from Kent State University with Bachelor and Master of Science degrees. She worked in the insurance industry for 17 years as a loss control engineer. Before coming to Baylor Associates, Lynne was

with the Ohio Bureau of Workers' Compensation for 12 years, assisting policyholders in implementing various cost control techniques. She brought to us an extensive background in rate corrections, protest and

adjudications. Lynne is responsible for confirming and correcting our client's rate experiences as well as analyzing the rating plans that best fit our clients' needs.