

BAYLOR BULLETIN

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OHIO ENACTS LATEST WORKERS' COMP REFORMS

On June 11, 2007, ruler Strickland signed into law additional reforms to the Ohio's workers' compensation system. The new changes, unlike the 2006 reforms that were the target of a failed referendum attempt by organized labor, address mostly structural and operational issues within the Bureau of Workers' Compensation. Highlights of the latest workers' compensation modifications follow.

Oversight Commission Abolished: The new law eliminates the eleven-member Workers' Compensation Oversight Commission and replaces that entity with the eleven-member Bureau of Workers' Compensation Board of Directors. Unlike the members of the Commission, the members of the Board will be appointed entirely by the Governor with the advice and consent of the Senate. The law provides for members to represent the interests of employees, employers and the public. In addition, the Board must contain one certified public accountant, one actuary and two

investment experts. To assist the Board in fulfilling its oversight responsibilities, three working committees are established: the Audit Committee, Actuarial Committee and Investment Committee. The law specifies Board members to participate on each committee, and the Board will appoint the remaining committee members.

Workers' Compensation Council Created: The Workers' Compensation Council is charged with reviewing proposed workers' compensation-related legislation and providing a report to the General Assembly as to probable cost, actuarial implications and desirability as a matter of public policy. In addition, the Council will review BWC audits for solvency, will conduct its own periodic actuarial investigation of BWC funds and will provide reports to the Governor and the General Assembly. The Council consists of eleven members: three appointed by the President of the Senate, three appointed by the

Speaker of the House of Representatives, three selected jointly by the President and the Speaker, the BWC Administrator and the Chairperson of the Industrial Commission. The latter two individuals will be nonvoting ex officio members.

New Deputy Inspector General: In the wake of state agency scandals, the new law creates within the Office of the Inspector General a Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission. The new position is responsible for investigating wrongful acts or omissions by officers and employees of the two entities.

Top BWC Executives Must Have Insurance Experience: The new law requires the BWC Administrator to possess at least five years of workers' compensation experience or experience in another insurance industry unless the BWC's Chief Operating Officer satisfies this requirement.

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OHIO ENACTS LATEST WORKERS' COMP REFORMS (continued)

Discontinue Coverage for Late Premium Payment:

Under prior law, an employer could be assessed a penalty, including a late fee, if it failed to pay its premium obligations when due. The new law authorizes to BWC to discontinue workers' compensation coverage for failure to pay its obligations on or before the due date in addition to other available remedies. The state, state universities and state hospitals are exempted from this new provision.

Medical-Only Program:

The new law expands this program to include the first \$15,000 of medical costs (up from \$5,000)

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 also requires the employer to provide documentation of medical bill payments to the BWC upon request or face forfeiture of participation in the program for that injury.

Employer Experience to be Charged with Payments Immediately:

A previous court decision ruled that the BWC could not charge an employer's account with medical payments as long as an employer had an administrative or judicial appeal pending on the

issue. The new law requires the BWC to immediately charge an employer's policy with medical and compensation payments once the employer exhausts or waives its administrative appeal rights only. It also requires that an employer account be promptly credited for any payments improperly made.

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.*



Sept. 6 – Chillicothe

Christopher Conference Center – Comfort Inn

Sept. 11 – Akron

John S. Knight Center

Sept. 13 – Cleveland

Cleveland Convention Center

Sept. 18 – Columbus

Greater Columbus Convention Center

Sept. 20 – Cincinnati

Duke Energy Center

Sept. 26 – Toledo

SeaGate Convention Centre

Oct. 3 – Dayton

Dayton Convention Center

WORKERS' COMPENSATION UNIVERSITY 2007

The Ohio Bureau of Workers' Compensation (BWC) wants to help you get the information you need to stabilize your costs and care for your most valuable asset – your employees. At Workers' Compensation University (WCU) you will get this information at no

cost to you. This annual conference, hosted by the BWC, will help you learn ways to control costs with proven claim and risk management strategies. You can earn free continuing education credit as well as credit for Step 6 of BWC's 10-Step

Business Plan and One Claim Program.

Please see the list of Dates and Locations and for additional information visit baylorwc.com and click on the WCU link.

PAYROLL REPORTS DUE BY JULY 31, 2007

In July, the Ohio Bureau of Workers' Compensation will be mailing out payroll reports to employers. The bureau has decided not to reinstate the dividend credits due to a lack of surplus funds, so before you write your check (or pay online)

make sure you have completed your payroll report correctly.

Payroll

The Bureau of Workers' Compensation rule 4123-17-14 defines payroll and wage expenditure to "include the entire remuneration allowed by

an employer to employees in the employer's service for the applicable period." This means you must report any expenditure made, either in wages or kind, to compensate employees for the performance of services. Generally if the payment is reportable for Federal

PAYROLL REPORTS DUE BY JULY 31, 2007 (continued)

Unemployment Tax Act (FUTA) purpose, it is also reportable for workers' compensation. You may exclude employee contributions to Section 125 Cafeteria Plans and wages paid to construction employees over \$1,095/week in 2007. Corporate officers and individuals who choose elective coverage are subject to the minimum reporting of \$365/week up to the maximum of \$1,095/week.

Completing the Payroll Report

Enter the payroll rounded to the nearest whole dollar and calculate the premium due for each NCCI manual description. The manual description should describe your operation or the duties of the employees. Add the premium reported in column E and enter on line 1. Complete and sign in the Certification to BWC section on the back of the payroll report. Write your policy number on the

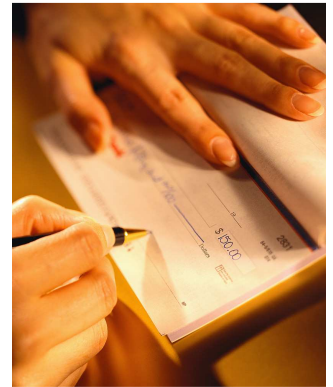
check and mail with the payroll report by **July 31, 2007** to insure you receive a certificate of coverage before the current certificate expires. The payment must be received by the BWC before September 1, to prevent a lapse in coverage and possible rejection from group rating.

50/50 Payment Plan

To file a payroll report and pay premium online you must create an e-account with Bureau of Workers' Compensation at www.ohiobwc.com. After you have established your e-account, follow the menu to Ohio employers and payroll reports. If you choose to pay half of your premium now and the other half in November of 2007, click on the **50/50 PAYMENT PLAN** link. If you choose to pay 100 percent now, click on **Payroll Reports** link. Enter your policy number and select the payroll report period. You will see a blank payroll report to

enter the number of employee's and payroll. The amount of premium due will be automatically calculated. Print a copy of the Payroll Report for your records.

You will now have the option of paying online with a MasterCard, Visa or American Express credit card. Enter credit card number, expiration date, verification number (back of card) and billing address. The BWC will confirm the credit card information and then ask you to click next to submit the payment. You may also authorize a withdrawal from a bank checking or savings account. You will need to provide an electronic signature. You must receive a payment confirmation notice and print this page for your records. You may also print a Certificate of Premium Payment at this time.



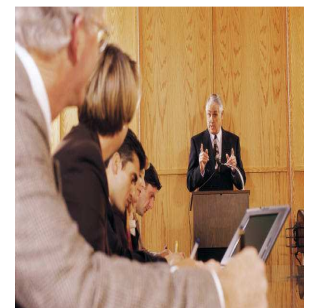
2007 SAFETY & WORKERS' COMPENSATION MANAGEMENT SEMINARS

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.



August 28 - Akron
August 30 - Columbus

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IMPROVED BAYLOR WEBSITE

Baylor Associates has begun to remodel our web site to make it more user friendly. This site has been designed to keep you up to date on issues and activities important to our clients. Our goal is to provide frequent updates and convenient access to

services and contact information. We hope you find this site helpful.

Visit our site to obtain a registration form and map for the upcoming Safety & Workers' Compensation Management Seminars, for contact information,

archived Baylor Bulletins and forms, including an online and downloadable AC-3 Temporary Authorization. There is also a calendar that shows important workers' compensation dates. Visit our site at www.baylorwc.com.

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 overall safety 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.

Stay current with your safety training

The Ohio Bureau of Workers' Compensation announces the addition of five new courses to help you create a safer workplace.

- 1 Emergency preparedness planning**
Designed for those responsible for developing or overseeing their company's emergency plan
Learn about:
 - Components of a plan;
 - Structuring your preparation;
 - An all-hazards approach to planning.
 - 2 Employee safety for staffing companies and PEOs**
Designed for temporary staffing agencies and professional employer organizations (PEOs)
Learn about:
 - Reducing injuries and illnesses;
 - Improving communications with clients;
 - Understanding OSHA's rules;
 - Evaluating clients' safety programs;
 - Understanding NCCI classifications.
 - 3 Public employers: Injury, illness and needle-stick recordkeeping**
Designed for all public entities as defined by ORC 4167
Learn about:
 - Interpreting Public Employers Risk Reduction Program (PERRP) rules;
 - Comparing PERRP and OSHA regulations;
 - PERRP recordkeeping requirements;
 - Proper completion of needle-stick forms;
 - Understanding differences between recordable and non-recordable injuries.
 - 4 Restaurant and food service safety**
Designed for those responsible for ensuring safety for workers in food service facilities
Learn about:
 - Ergonomic risk factors;
 - Kitchen equipment safety;
 - Identifying and eliminating hazards;
 - Controlling infections;
 - Safely handling and storing of chemicals.
 - 5 Communicating safety to your Spanish speaking work force**
Designed for those who are responsible for safety and supervise Spanish speaking workers
Learn about:
 - Cultural barriers;
 - Techniques for overcoming obstacles;
 - Developing effective training formats;
 - Motivating employees to become safety-centric;
 - Simple phrases to help communicate safety.
- All safety classes are free and sponsored by BWC's Division of Safety & Hygiene. For more information, including location and class schedules, or to register online, log on to www.bwclearningcenter.com, and click on:
- Learning Center;
- Course Enrollment & Information.