



Workers' Compensation Update

2019 Experience Rating changes for private employers

Over the last several months, the Ohio Bureau of Workers' Compensation (BWC) and their actuarial consultants have been reviewing how rates are calculated for private employers in an effort to better match premium with costs.

Based on the actuarial consultants' analysis, the BWC Board of Directors recently approved the following changes in regards to how BWC premium is calculated for private employers effective with the July 1, 2019 rating year.

1. Maximum claim limit reductions for smaller employers

Employers that are small in size with expected losses below \$15,000 will see a reduction in their maximum claim limit. This is in an effort to reduce the impact of one "large" claim to a small employer's premium rates.

2. Experience Modification Rate adjustment factor

BWC has introduced a factor that will be applied to an individual employer's Experience Modification Rate (EMR). An employer's EMR is a number used to gauge both past cost of injuries and future chances of risk. The lower the EMR for your business, the lower your workers' compensation premium will be. Employers with a better than average EMR (EMR of 0.90 and lower) will see a 5% reduction, while employers with the worst EMR's in the state will see a 5% increase.

3. Premium size factor

BWC introduced a second factor that will be applied based on the amount of premium an employer pays into the fund. Individual merit-rated employers with premium in excess of \$5,000 will most likely see a reduction in premium.

The changes listed do not apply to public employers (counties, cities, villages, townships, schools, etc.), private employers participating in a group rating program or those employers enrolled in a Professional Employer Organization (PEO). This group of employers will not see any change to how premium is calculated.

In light of these changes, it is recommended to review your 2019 program options closely as now is the time to enroll in these programs. Updates to the BWC premium calculations may impact which BWC program is most advantageous for your organization.

Please contact CompManagement, the Lake County Chambers of Commerce's program administrator, at (800) 825-6755 and ask to speak to a Rate Analyst to learn more about these BWC changes and how they may impact your rates.

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