



Individual Retrospective Rating

A two-tiered program designed to allow employers to potentially reduce annual premium by assuming a portion of the risk associated with claim costs.

PROGRAM OVERVIEW

Employer will fund all of the costs incurred for a claim within a policy year up to the maximum per claim limit chosen. In return, the Ohio Bureau of Workers' Compensation (BWC) rewards this assumption of risk with a reduced premium. The employer shall enroll annually in the program but each retrospective rated policy year carries a 10 year liability period. The employer will pay a minimum or reduced premium to BWC at the usual policy year payment schedule. BWC will bill the employer annually for ten years for the payments incurred to claims from the retrospective policy year. At the end of the 10 year period, a final evaluation will be performed by BWC and the employer will be billed for any remaining reserves on all policy year claims.

ELIGIBILITY REQUIREMENTS

General Requirements:

- Private, state-funded employer or public employer taxing district (self-insured and state agency public employers are not eligible)
- Current on any and all premium payments, administrative costs, assessments, fines or amounts owed to the Ohio Bureau of Workers' Compensation (BWC)
- Current on prospective billing true-up filings and payments
- Active coverage status on the first day of the policy year
- No cumulative lapses in coverage in excess of 15 days within the last five rating years
- Estimated experience-rated premium for the retrospective rating year must be greater than or equal to the minimum experience-rated premium threshold, which is currently \$25,000, listed on the "Retrospective Rating minimum Premium Percentages Table"
- Five years of audited financial statements for private employers and five years of audited or reviewed financial statements for public employers prepared in accordance with generally accepted accounting principles (GAAP) OR provide a letter of credit (LOC)
- Maintain a safety program approved by the BWC's division of Safety & Hygiene

Tier I Requirements:

All general requirements listed above, as well as:

- Operating profit for a minimum of three years (private employers only)
- Trend of net income for a minimum of 5 years (private employers only)
- Total liabilities to equity ratio of no greater than 4:1 (private employers only)
- Bond rating
- Debt structure
- No partial payment agreement for the payment of assessments due to the state insurance fund for the past three rating years before the start of the retrospective policy year
- Demonstrate the ability to sustain losses that are at the maximum claim limit and still maintain financial viability OR provide LOC equal to the maximum premium for the policy year



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Tier II Requirements:

For Employers who do not demonstrate the ability to satisfy the minimum financial requirements, Tier II eligibility requirements include:

- Demonstrate the ability to sustain losses that are at the maximum claim limit and still maintain financial viability

PARAMETERS

Employers must choose parameters regarding the risk assumed by enrolling in the plan in the areas of per-claim limit (stop loss) and maximum premium.

Program	Claim Limit (maximum cost charged to single claim)	Maximum Premium (aggregate stop loss)
Tier I	\$100,000 (private only) \$200,000 \$300,000 \$400,000 No Limit	150 percent (50% more of standard premium then if not participating in program) OR 200 percent (double the standard premium then if not participating in program)
Tier II	\$100,000 \$125,000	150 percent (50% more of standard premium then if not participating in program)

APPLICATION & ENROLLMENT

- The application is for one policy year. To continue in the plan, an employer must apply and meet eligibility requirements yearly.

Employer Type	Program Enrollment Deadline	BWC Application Form	Coverage Period
Private Employer	Last business day of January	U-20	July 1- June 30
Public Employer Taxing District	Last business day of July	U-21	January 1- December 31

COMPATIBILITY WITH OTHER BWC PROGRAMS

While participating in the Individual-Retrospective Rating Plan, employers can participate in the following programs:

- \$15k Medical Only
- Go Green
- Safety Council