



# Deductible Program

An incentive program designed to lower premium expense in exchange for a per claim deductible.

## PROGRAM OVERVIEW

The Bureau of Workers' Compensation (BWC) Deductible Program is an alternative rating program that allows private, state-funded employers or public employer taxing districts to lower their premium expense by offering an up-front premium discount in exchange for the employer assuming a per claim deductible. Employers can select a deductible level that is appropriate to their business.

## ELIGIBILITY REQUIREMENTS

Program	Requirement
Small Deductible (\$10,000 or less)	<ul style="list-style-type: none"> <li>• Current on all premium payments and deductible billings at time of enrollment</li> <li>• Current on all prospective billing true-ups and payments</li> <li>• Active coverage by the application deadline and good standing at time of enrollment with BWC</li> <li>• No cumulative lapses in coverage in excess of 40 days within 12 months preceding the application deadline or renewal anniversary</li> <li>• Meet credit score required by BWC</li> <li>• Deductible may not exceed 25 percent of standard premium based on individual experience modifier</li> </ul>
Large Deductible (greater than \$10,000)	<ul style="list-style-type: none"> <li>• Current on all premium payments and deductible billings at time of enrollment</li> <li>• Current on all prospective billing true-ups and payments</li> <li>• Active coverage by the application deadline and good standing at time of enrollment with BWC</li> <li>• No cumulative lapses in coverage in excess of 15 days within the 5 years preceding the application deadline or renewal anniversary</li> <li>• Provide financial information for credit analysis by BWC               <ul style="list-style-type: none"> <li>– Reviewed or audited financials for \$25,000 and \$50,000 levels for at least 3 most recent fiscal years</li> <li>– Audited financials for \$100,000 and \$200,000 levels for at least 3 most recent fiscal years</li> <li>– Subsidiaries may use parent corporate entity's credit score to meet financial criteria</li> </ul> </li> <li>• Deductible may not exceed 40 percent of standard premium based on individual experience modifier</li> <li>• Option to request annual aggregate stop-loss limit to be set at 3 times the deductible level chosen</li> </ul>

## APPLICATION & ENROLLMENT

Employers must submit an application for the Deductible Program (U-148) to enroll in this program. Below are the enrollment and coverage periods.

Type of Employer	Program Filing Deadline	Program Coverage Period
Private Employer	Last business day of January	July 1 – June 30
Public Employer Taxing District	Last business day of July	Jan 1 – Dec 31



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## APPLICATION & ENROLLMENT (cont'd)

Claims costs are paid in full by BWC. Employer then reimburses BWC for any claim costs up to the selected deductible level for any claim that occurs during the enrolled policy period. For deductible levels less than or equal to \$10,000, all claim costs for injuries incurred in that policy year are included in the experience rate calculation less any deductible billed to the employer. For deductible levels greater than \$10,000, the entire claims cost for injuries incurred in a policy year are included in the employer's experience rate calculation for that policy year. BWC sends employer monthly invoices for the claim costs that occur during the policy year of participation. BWC will continue to bill the employer until the selected deductible level is reached. All deductible bills must be paid by the invoice due date. Lack of timely payments will result in BWC referring the account to collections and removed from the program. Payments may be made online or mailed directly to BWC.

## DEDUCTIBLE LEVELS

Deductible Program	Level of Deductible	Discount Range
Small	\$500	1.4% - 6.3%
Small	\$1,000	2.3% - 9.5%
Small	\$2,500	3.9% - 14%
Small	\$5,000	5.8% - 17.9%
Small	\$10,000	9.7% - 26%
Large	\$25,000	13-41% without aggregate cap 1 - 41% with aggregate cap
Large	\$50,000	18-53% without aggregate cap 1-51% with aggregate cap
Large	\$100,000	26-65% without aggregate cap 1-59% with aggregate cap
Large	\$200,000	35-77% without aggregate cap 1-68% with aggregate cap

## ONGOING PARTICIPATION

An eligible employer is automatically renewed at the current deductible level. If an employer wants to change the deductible level, a new U-148 should be submitted prior to the enrollment deadline. Changes or withdrawal from the program are not allowed until the next policy year. BWC conducts mid-term reviews to determine continued eligibility. If an employer fails to meet program requirements, BWC can revoke eligibility for the second half of the policy year. If this should occur, BWC will send a 30-day notice to the employer. To leave the program in the upcoming policy year, an employer must submit notice in writing to BWC.

## COMPATIBILITY WITH OTHER BWC PROGRAMS

While participating in the deductible program, employers **can** participate in the following programs:

- Small Deductible: Drug Free Safety Program; Go Green; Grow Ohio Incentive; Safety Council
- Large Deductible: Go Green; Safety Council

## COMPMANAGEMENT'S PROGRAM

- Superior claims management and cost control services
- Safety and Loss Control consulting services
- Audited BWC billings (reconcile monthly deductible statements) upon submission from the Employer
- viaOne® (web-based resource) providing real-time access to claim information 24/7 and ability to compare and track payments made against selected deductible level