

# You can earn a premium discount through safety education

More than 6,000 Ohio employers will save millions of dollars on their workers' compensation premiums. And you can join them.

Get a 2-percent discount on your premiums by becoming an active member of one of 80 BWC Division of Safety & Hygiene sponsored safety councils\*. Reduce either the severity or frequency of injuries by 10 percent, or keep both at zero, and you will earn an additional 2-percent performance rebate.

- Learn techniques for increasing safety in your workplace.
- Learn how to better manage your workers' compensation program.
- Network with other employers in your community.
- Access useful, money-saving workers' comp and risk management information.

To qualify for the discount, you must meet the following eligibility requirements:

1. Join your local safety council by July 31, 2008;
2. Attend 10 safety council meetings or BWC sponsored events\*\*;
3. Send a qualified senior-level manager to a safety council sponsored meeting;
4. Submit semiannual workplace accident reports for the 2008 calendar year.

For more information, call 1-800-OHIOBWC. You may also visit [ohiobwc.com](http://ohiobwc.com), and click on *Safety services*, *Training services* and *Safety councils*.

\* The discount offer excludes self-insuring employers and state agencies. However, BWC encourages everyone to become active safety council members.

\*\* At least eight through the local safety council. You can get credit for up to two meetings by attending Workers' Compensation University, Ohio Safety Congress & Expo or a training class offered through the Division of Safety & Hygiene.

Contact your local safety council today!

**Lorain County Safety Council**  
Lorain County Chamber of Commerce  
Elyria  
(440) 328-2554



# Safety Council Discount Program Eligibility Requirements FY09

## **Enroll in local safety council by July 31, 2008**

- Find a list of Ohio safety councils at [ohiobwc.com](http://ohiobwc.com).

## **Attend 10 meetings or events between July 1, 2008, and June 30, 2009**

- At least eight of the 10 meetings must be safety council meetings. Up to two of the 10 can be external educational options outlined below, but all 10 can be safety council meetings.
- A person can represent only one policy number with their attendance at a meeting.
- Employer has the option to gain credit for up to two meetings through attendance at Workers' Compensation University, Ohio Safety Congress & Expo, BWC's Division of Safety & Hygiene (DSH) safety training courses or industry-specific training.
- DSH safety training credit is available for training conducted at the Ohio Center for Occupational Safety and Health (OCOSH) in Pickerington or one of its branches.
- No matter the duration of the training or special event, attendance applies toward only one meeting credit.
- Safety training conducted at the employers' workplace, online or required Drug-Free Workplace training does not qualify for the safety council discount program eligibility.
- It is the employer's responsibility to submit documentation to his or her safety council by June 30, 2009, for attendance at non-safety council training or events to qualify.
- Documentation must be an official certificate of attendance or transcript.

## **CEO must attend any one safety council sponsored function or meeting**

- CEO attendance counts as credit toward one of the 10 required meetings.
- If a CEO is representing multiple policy numbers, his/her attendance fulfills the CEO attendance requirement for all policies, but counts as meeting credit for only one policy number.

## **Submit semiannual reports for the 2008 calendar year**

### **2-percent premium discount**

- Employers meeting these participation eligibility requirements will receive a refund of 2 percent of their annual premium.
- The discount offer excludes self-insuring employers and state agencies.
- Employers must have active coverage status and no outstanding BWC balance to qualify.
- Employers who meet the participation requirements will be eligible for a 2-percent performance bonus.
- BWC will calculate the performance bonus based on claims data.

# Safety Council Discount Program

## Frequency and Severity Defined FY09

### 2-percent performance bonus

- Employers who reduce their frequency or severity by 10 percent or more below the previous year's frequency or severity, or employers who maintain both frequency and severity at zero will receive an additional 2-percent refund of their annual premium.

### Frequency = claims per \$million of payroll

- BWC calculates frequency by multiplying the total number of claims reported in the measurement year by 1 million and dividing by the employer's total reported payroll for that year.
- The entry date, i.e. the date on which a BWC staffer enters the claim into BWC's claim management system, determines the year in which the employer reports claims.
- BWC excludes claims combined into other claims, as well as claims in a disallowed, disallowed/appeal or dismissed status as of the date on which it measures frequency.
- BWC will count each claim only once. Additional allowances on existing claims do not constitute new claims. BWC treats medical-only and lost-time claims equally — a claim is a claim regardless of its type or severity.
- The employer's payroll helps create equity — a large employer with many claims may actually have a lower frequency than a smaller employer with fewer claims.
- Likewise, if an employer's payroll increases while the number of claims reported remains constant, frequency will decrease.
- An employer having no claims in the year in which his or her baseline frequency is established and no claims in its measurement year will receive the 2-percent premium refund for frequency reduction because it is impossible to reduce zero by 10 percent.

### Severity = days absent per \$million of payroll

- BWC calculates severity by multiplying the total number of days absent during the measurement year by 1 million and dividing by the employer's total reported payroll for that year.
- BWC will calculate the total number of days absent in the measurement year using those claims reported in the measurement year, plus claims with injury dates in any of the four previous years.
- BWC charges no days to the employer's severity if the claim incurring the days absent during the measurement year is outside this five-year period.

### Example

A claim with an injury date in 2002 would be included in measurement years 2002, 2003, 2004, 2005 and 2006 only. For that claim, BWC would ignore any absent days occurring for measurement in year 2007.

- BWC excludes combined claims, as well as claims in a disallowed, disallowed/appeal, or dismissed status as of the date on which severity is measured.
- BWC calculates days absent as the days between the last day worked and the return to work date. BWC does not count the last day worked nor the return-to-work date as a day absent.
- BWC assumes the date of injury is the last day the employee worked unless the employer specifies a different last day worked.
- BWC assumes the return-to-work date is beyond the end of the measurement year unless the employer specifies an actual return-to-work date.

- BWC assesses medical-only claims no more than seven days absent.
- BWC assesses lost-time claims as days absent from the last day worked (or date of injury if no last day worked exists) until the earliest of:
  - ✓ The end of the measurement year;
  - ✓ Actual return to work;
  - ✓ Claim settlement;
  - ✓ Injured worker's death (except death claims, defined below).
- If a claim experiences several periods of disability (time off work), BWC evaluates each period separately, and only those days absent occurring in the measurement year are counted.
- There are two specific exceptions to the rules governing the calculation of days absent and both apply to lost-time claims where there is no record of a last day worked. Normally, BWC would assess these claims days absent beginning on the day after injury and continuing forever, for a maximum of 365 days in each of the measurement years. However:
  - ✓ BWC will assess zero days absent for occupational disease claims (i.e. accident type equals occupational disease) classified as lost time but having no last day worked;
  - ✓ BWC will assess zero days absent for lost-time claims having no last day worked and no pay plan other than percent permanent partial.
- An employer having no days absent in the year in which his or her baseline severity is established and no days absent in its measurement year will receive the 2-percent premium refund for severity reduction because it is impossible to reduce zero by 10 percent.

### Death claims

- A death claim is one where the accident type is specified as death, rather than accident or occupational disease.
- BWC assesses death claims, due to their social and financial severity, 365 additional days absent after the date of death.
- For frequency purposes, BWC will count death claims only once.
- For severity purposes, death claims will incur days absent over at least two measurement years.

### Example

- A worker suffers a seriously injury on May 11, 2001.
- He remains in a coma until he dies on Nov. 13, 2002.
- The claim incurs days absent from May 12, 2001, through Nov. 13, 2003, or 234 days absent in 2001, 365 days in 2002 and 317 days in 2003.

### Frequency/severity timelines

#### State fund

- BWC will calculate frequency using claims and payroll reported between July 1, 2008, and June 30, 2009 (policy year 2008). BWC will compare this frequency to the baseline frequency, which it calculates using claims and payroll reported the previous year July 1, 2007, and June 30, 2008 (policy year 2007).

#### Public employers

- BWC will calculate frequency using claims and payroll reported between Jan. 1, 2008, and Dec. 31, 2008 (policy year 2008). BWC will compare this frequency to the baseline frequency, which it calculates using claims and payroll reported the previous year Jan. 1, 2007, and Dec 31, 2007 (policy year 2007).