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# CareWorks

*The Ohio Association of Health Underwriters and CareWorks Comp are forwarding this information to you to help keep you up to date on BWC Regulations.*

## **June 2020 BWC News from CareWorks Comp**

We all know that the spread of Coronavirus (COVID-19) is an escalating global health concern. We also recognize that a widespread outbreak could place increased demands on our capacity to meet those needs. At CareWorks Comp we're prepared to support our clients' needs in our areas of expertise. For the most current and up-to-date information from the Ohio BWC regarding COVID-19 topics, please visit the BWC's website at: [BWC COVID-19 Information](#) to read the [Frequently Asked Questions](#) document.

### **It's Time To Apply For The 2021 Workers' Comp Group Rating Program**

Our 2021 group rating saving projections will be sent out shortly. Contact Bob Nicoll, CareWorks Comp Program Manager to request an evaluation of your projected premium savings. Members in the program receive workers' comp claim management and rating services as well as unemployment insurance consulting services. You can contact Bob at 800.837.3200 ext. 8595 or [Robert.nicoll@careworkscorp.com](mailto:Robert.nicoll@careworkscorp.com).

### **New Policy Year Starts July 1, 2020**

By now you should have received your Ohio BWC Premium Estimation Notice explaining what your estimated payroll and premium will be for the Policy Year 7/1/2020 to 6/30/2021. CareWorks Comp highly suggests that you review this notice in detail and confirm if the estimated payroll numbers the BWC is projecting match what you are projecting for your company. If you are expecting your payroll to change significantly for the 2020 Policy Year

(either up or down) we suggest you contact the Ohio BWC to adjust those numbers accordingly. This will ensure a more manageable True Up in the summer of 2021.

## **CareWorks Comp offering 2020 Spring Seminars via Video due to COVID-19**

In response to COVID-19 prevention measures and in consideration for the health and safety of our clients and our colleagues, **CareWorks Comp is offering this year's seminar content via video.** If you have already registered for an onsite seminar, a CareWorks Comp colleague will reach out to you to discuss this video option. We are committed to maintaining services critical to client success. For questions or registration please contact Marcia Dennis at 614.956.2323 or [Marcia.Dennis@careworkscorp.com](mailto:Marcia.Dennis@careworkscorp.com)

## **Ohio BWC Defers Premium Installments**

The Ohio Bureau of Workers' Compensation (BWC) is deferring Ohio employers' premium installments for the months of June, July, and August until September 1st. Businesses will have the option to defer the monthly premium payments with no financial penalties. "By extending the premium due date, businesses can continue to focus on the safety and well-being of their employees and customers during this health pandemic," said Governor DeWine.

This is the second payment deferral BWC has given to employers amid the ongoing COVID-19 pandemic. The deferral is designed to help employers focus financial resources on re-opening their businesses under the [Responsible RestartOhio Plan](#)

## **Industrial Commission Hearing Information**

**Important Announcement:** The Ohio Industrial Commission met on Wednesday April 15, 2020, and voted to add the issue of permanent partial disability to the issues that can currently be heard via telephonic hearing at the Ohio Industrial Commission. The issues that can now proceed to telephonic hearing include the initial allowance of claim, additional allowance, temporary total, termination of temporary total, wage loss, permanent total, and permanent partial. In addition, for the purpose of complying with the declared state of emergency and the limitations on travel and expenditures, the Ohio Industrial Commission voted to cancel the Statewide Hearing Officer Meeting that had been scheduled for September 14-15, 2020.

**Change to Telephone Hearing Process:** Beginning on Monday, April 27, 2020, the IC will change the way it conducts telephonic hearings in an effort to increase efficiency. In addition to the names of parties, claim number, date and time of hearing, and general information telephone number, the notices of hearing will state that the hearings will be conducted by telephone, and will provide a **number and access code** for parties and representatives to call in order to participate.

## **Private Employer BWC Program Enrollment Deadline Extended to June 30, 2020**

The Ohio BWC has extended the Industry-Specific Safety Program (ISSP), Drug-Free Safety Program (DFSP) and Transitional Work Bonus (TWB) program enrollment deadlines to June 30, 2020. Normally, the deadline for private employers to apply for ISSP, DFSP, and TWB would be the last business day of May (May 29th this year). The BWC has approved an extension of this deadline to June 30, 2020, for new employers, as well as those employers who withdrew from the program previously, to apply for these programs with consideration that many employers may not have been working and able to submit applications timely. For further information, please visit [www.bwc.ohio.gov](http://www.bwc.ohio.gov)

## **2-hour Green Period Claim Safety Training Waiver**

Normally the Ohio BWC would require Group Experience and Group Retrospective rating participants with a claim occurring in the green period to complete a two-hour training class by June 30, 2020 for private employers, or by December 31, 2020 for public employers. However, due to the COVID-19 pandemic, the Ohio BWC is waiving the program's safety activity requirements for the 2019/2020 program year. Although the BWC has waived the safety

training requirement, the BWC is encouraging employers to take advantage of the online training that they provide. [Click here for information about the online classes the BWC offers.](#)

## New Occupational Safety and Health Administration (OSHA) Documents

There are a number of helpful industry specific documents related to Covid-19 in both English and Spanish. To see these informational documents, go to [www.osha.gov](http://www.osha.gov) for more information.

## Buying or Selling? What to Know About Ohio Workers' Compensation

The Ohio BWC uses "Successorship" or "successors in interest" as terms that describe the takeover of one employer's business by another, generally resulting from a change in ownership due to a purchase, acquisition or merger. For workers' compensation purposes, it requires the continuation or transfer of experience and liability from the predecessor (seller) to the successor (buyer). If BWC determines the relationship between the predecessor and successor is a continuation of the business or operations, BWC combines the predecessor policy into the successor policy. If you purchase an existing business as an "asset only purchase" the BWC will transfer all liability, whether good or bad.

How the Ohio BWC now determines "Successorship"

In January 2016, the Ohio BWC began using the successor methodology developed by the National Council on Compensation Insurance (NCCI). The purpose of the new process was to provide an unambiguous and predictable means for determining the continued use of experience and transfer of liability whenever an entity undergoes any type of change in ownership. Simply put, the vast majority of the time, the NCCI approach will transfer experience from the predecessor policy into the successor policy in the event of purchases, acquisitions and mergers, unless three specific conditions have been met.

Those three conditions must include the following changes:

- 1.) A material change in ownership and the new owner must change the business so substantially that
- 2.) the governing classification
- 3.) and the process and hazard of the operation change

The Ohio BWC will also consider a fourth condition in determining whether an exception to the NCCI methodology can be made. This exception is the *time between predecessor (seller) ceasing operations and the purchase effective date*. When that time period is significant, the BWC believes that past experience is not necessarily a practical indicator of future performance, even for businesses that would not otherwise be accepted from an experience transfer under the NCCI criteria. Succinctly, the BWC will use the aforementioned four factors to determine if a successorship does not exist.

What can you do to be proactive before buying an existing business?

1) Complete a Request for Business Transfer Information Form (AC-4) prior to the purchase. The AC-4 form is completed by the predecessor and successor. The purpose of this form is to obtain information from the BWC concerning the rates to be applied where one employer takes over the occupation or industry of another and the portion of the account assumed by the successor in interest. This limited release provides access to the following information relating to the workers' compensation policy of the business that may transfer:

1. Employer demographic information
2. Account receivable balance
3. Payroll history
4. Experience modification history
5. Most recent claim cost summary

6. Information if any audits are pending

- 2) Once the BWC combines the policies, the successor inherits all claims, experience payroll (which determines your experience modifier), and any balances or credits from the predecessor policy.
- 3) The traditional group rating or group retrospective rating can be transferred to the successor policy. The group retrospective rating transfer has a 30 day timeframe from the time the successor policy is assigned a permanent policy number.

What does the seller need to know?

- 1) Once the BWC completes the combination any future rebates will go to the successor. This includes any "Billion Back Dividends" and group retrospective rebates.
- 2) You will not be able to close your BWC policy until the BWC completes the combination.

Whether you are buying or selling, CareWorks Comp can help guide you through the entire process. The most important BWC form that needs completing is the **U118 Form Notification of Business Acquisition/Merger or Purchase/Sale**. This form is crucial in communicating to the BWC the changes in ownership of a company. In addition, depending upon your situation, you may also have to complete a **U3 Application for Workers' Compensation Coverage**.

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Contact your CareWorksComp program manager to learn more.

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