



## PRESS RELEASE

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### *Additional alternative discount programs*

Over half of Ohio's private employers will not be in a group rating program effective July 1, 2010. If you are one of these employers, you will have an array of alternative rating programs to consider. This article is the second part of a series designed to give an overview of these programs and help you decide which programs you should evaluate further.

#### **Individual Paid Loss Retrospective Rating - Application deadline - June 1, 2010**

This program provides up-front premium discounts from 20% to 40% in exchange for assuming financial risk for new claims incurred during the policy year. Discounts vary considerably depending on the level of risk assumed. Qualifying employers should be willing to reimburse BWC for claim payments made for up to a ten year period in any new claim incurred during the paid retro policy year. Interested employers should have at least \$100,000 of estimated annual premium and be able to supply audited financial reports for the past five years to show financial stability. BWC may require participants to implement the 10-Step Business Plan for Safety within the first year. Quarterly meetings with an assigned BWC representative are also required.

#### **Deductible Program - Application deadline - April 30, 2010**

This program provides up-front premium discounts in exchange for the employer accepting the financial risk of reimbursing BWC up to a predetermined amount of claims costs for each new claim incurred during the policy year. Small employers choose amounts from \$500 to \$10,000 as the per claim deductible amount, in exchange for discounts ranging from 1.4% to 26%. However, the deductible amount chosen cannot exceed 25% of the employer's experience rated premium from the most recent full policy year. Participating employers must also pass a credit check. This year, BWC has made additional high deductible amounts available. Large employers can choose \$25,000, \$50,000, \$100,000 or \$200,000 as the per claim deductible amount, but may not choose an amount that exceeds 40% of their experience rated premium from the most recent full policy year. These high deductible levels require the individual employer to provide BWC with three years of audited financial reports. BWC may also require an employer to adopt an alternative premium payment plan, provide a letter of credit or surety bond and select an aggregate stop-loss limit. The aggregate stop-loss limits deductible payments to three times the deductible level chosen. The high deductible discounts range from 16% to 77% depending on the industry, premium size and deductible amount. Electing the aggregate stop-loss limit can alter the discount. Participation is annual from July 1, 2010 to June 30, 2011. Employers cannot withdrawal from the program until the year is over, regardless of the injuries they experience. Annual renewal in the program is automatic unless the employer provides written notice that they would like to be removed.

Employers can combine the deductible program discounts with group rating discounts unless the employer elects a large deductible option (\$25,000 to \$200,000). Combined discounts cannot exceed 65% at this time. Deductible discounts can be combined with other BWC discount programs but may not be utilized if the employer participates in group or individual retrospective rating, the \$15k medical only program, or if the employer practices salary continuation.

CareWorks Consultants (CCI) and RiskControl360 (RC360) fully understand these alternative programs and can help determine which of them best fit your unique circumstances. For more information call CCI toll-free at 1-800-837-3200 or RC360 at 1-877-360-3608 and ask to speak to someone in the Sales Department.