



JOHN R. KASICH

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Communication Department

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KASICH CALLS FOR \$1 BILLION WORKERS' COMP REBATE TO PUBLIC AND PRIVATE EMPLOYERS

Proposal Includes Tripling Safety Grants and Lower Rates from Modernizing Operations

COLUMBUS – Today Gov. John R. Kasich proposed a \$1 billion rebate for all 210,000 customers of the Ohio Bureau of Workers' Compensation (BWC)—both public and private employers—as well as tripling investments in worker safety grants and lowering all rates by modernizing workers' comp operations. The \$1.9 billion proposal is made possible by larger-than-expected fund balances at BWC generated by strong investment management.

“Our greatest moral purpose is job creation because it strengthens families, strengthens our communities and gives people the chance to reach their full potential,” Kasich said. “Our efforts to create a jobs-friendly climate are paying off and Ohio has gone from having lost 400,000 jobs to creating more than 115,000 jobs. We can't let up, however, and by continuing to pursue jobs-friendly policies across state government, including at BWC, we can keep getting Ohio back on track. Returning these funds to public and private employers, strengthening worker safety efforts and modernizing operations are the kinds of reforms that help create jobs and they're the kinds of reforms that my Administration will keep pursuing.”

Details of the proposal include:

- \$1 billion in rebates to approximately 210,000 private and public sector employers. The rebates would equal about 56 percent of employers' most recent annual premium and would be provided by check from BWC;
- Tripling Ohio's Safety and Wellness Grant program from \$5 million to \$15 million. Ohio's safety grant program has proven effective. In companies receiving grants, claims frequency has decreased 66 percent and claims costs per full time employee has decreased 86 percent. The effort would be coupled with a new safety education campaign for employers and workers;
- Lowering rates 2 percent for private employers and 4 percent for public employers by modernizing BWC's payment system. Customers would pay in advance of their coverage periods instead of after them, as they do now. Under the current outdated system, some customers don't pay their bills for coverage they have already received, which drives up costs for other customers. The new prospective payment system helps prevent that kind of fraud and keep costs lower. Additionally, customers would now have more flexible payment options, including new monthly or annual billing options. Under the proposal, BWC would issue another \$900 million credit to employers to offset transition costs.

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“In addition to injecting a billion dollars into Ohio’s economy, this proposal places a strong emphasis on protecting Ohio’s workers,” said BWC Administrator/CEO Steve Buehrer. “Making investments in safety creates safer workplaces, prevents costly accidents and ultimately results in lower premiums for employers.”

All three elements of the proposal would be funded from BWC’s net assets, which have grown to \$8.3 billion and are far in excess of the target funding ratio of assets to liabilities established by the BWC board in 2008.

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