

June 2020 BWC News from CareWorks Comp

*“The secret of patience is doing something else in the meantime.”
~Spanish proverb*

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.

BWC Providing 2 Million Face Masks to Ohio Employers

Governor Mike DeWine announced that he is sending at least 2 million face coverings to employers and workers across the state to weaken the impact of the ongoing coronavirus pandemic (COVID-19) on the safety and health of Ohioans. Governor DeWine announced the plan, called **Protecting Ohio's Workforce — We've Got You Covered**, during his May 19th media briefing on the pandemic, saying the Ohio Bureau of Workers' Compensation (BWC) would fund the initiative and send the non-medical-grade face coverings in batches over several weeks, beginning this week.

“As we reopen many of our businesses, we must remember that the virus is still with us and we need to continue taking safety precautions to keep ourselves and others near us safe,” said Governor DeWine. The shipments target Ohio employers covered by BWC that are in good standing and report payroll to the agency. Employers will not be billed for the items. The face coverings average less than a dollar a piece and will be funded from BWC's existing budget with no impact to employer premiums.

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. 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](#)

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:

- a. Employer demographic information
 - b. Account receivable balance
 - c. Payroll history
 - d. Experience modification history
 - e. Most recent claim cost summary
 - f. 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**.

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.

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.

New Occupational Safety and Health Administration (OSHA) Documents

There are a number of helpful documents at www.osha.gov in both English and Spanish. To see these informational documents, go to www.osha.gov for more information. Some titles include:

- **Coronavirus: COVID-19 Guidance for Retail Workers: OSHA Alert NEW**
(OSHA 3996 - 2020)
- **Coronavirus: COVID-19 Guidance for the Package Delivery Workforce: OSHA Alert NEW**
(OSHA 3998 - 2020)
- **Coronavirus (COVID-19): Ten Steps All Workplaces Can Take to Reduce Risk of Exposure to Coronavirus Poster New** (OSHA 4014 - 2020)
- **Coronavirus (COVID-19): Seven Steps to Correctly Wear a Respirator at Work Poster NEW**
(OSHA 4015 - 2020)
- **Coronavirus: COVID-19 Guidance for Nursing Home and Long-Term Care Facility Workers: OSHA Alert NEW** (OSHA 4025 - 2020)
- **Coronavirus: COVID-19 Guidance for the Construction Workforce: OSHA Alert NEW**
(OSHA 4000 - 2020)
- **Coronavirus: COVID-19 Guidance for the Manufacturing Industry Workforce: OSHA Alert NEW**
(OSHA 4002 - 2020)
- **Coronavirus: Prevent Worker Exposure to Coronavirus (COVID-19): OSHA Alert NEW**
(OSHA 3989 - 03 2020)

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.](#)

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@careworkscomp.com

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

Free COVID-19 Workers Compensation & Unemployment Update:

Lastly, below is a link to a short 25-minute YouTube presentation by **Careworks Comp Program Managers, Meridith Whitsel and Cordell Walton**, covering Ohio workers' compensation and unemployment compensation changes and issues related to or impacted by COVID-19: <https://www.youtube.com/watch?v=TTm0HC9HihE&feature=youtu.be>

“I’m the new Safety Coordinator here, and I don’t know where to start or who to talk to?”

Call the **CareWorks Comp Safety & Loss Prevention Department!** Our Safety & Loss Prevention Department's purpose is to assist employers with navigating the complex world of safety regulations, prevent or minimize injuries and reduce costs associated with regulatory penalties and workers' comp premiums. This is accomplished by working directly with employers to assess the root cause of the problem and provide customized assistance to meet your needs. For more information, please contact Craig Lanken at 330.472.1656 or craig.lanken@careworkscorp.com