



Ohio Administrative Code Rule 4123-17-24 Other states coverage policy.

Effective: July 1, 2023

(A) Definitions.

For purposes of this rule:

- (1) "Other states coverage policy (OSCP)" is the policy offered by the bureau of workers' compensation under section 4123.292 of the Revised Code to provide optional coverage to eligible Ohio employers for workers' compensation exposures in states other than Ohio.
- (2) "Contracting carrier" means the insurer providing other states coverage through the bureau.
- (3) "Limited other states coverage" is insurance coverage for eligible Ohio employers who have employment relationships localized in Ohio but whose employees have incidental exposures in jurisdictions outside Ohio.
- (4) "Other states coverage" is insurance coverage for eligible Ohio employers who have regular or full time employment exposure in jurisdictions outside of Ohio.

(B) OSCP application.

- (1) An employer wishing to obtain an OSCP will complete and submit an application to the bureau, and if the employer has an existing other states policy, the employer will provide any declaration page or certificate of coverage of any existing other states policy. Declaration pages or certificates of coverage for previous policy years may be requested as deemed appropriate by the bureau.
- (2) The bureau will only process a complete application, and no application will be deemed complete until all information requested by the bureau in connection with the application is supplied.
- (3) The bureau may make reasonable inspections of an applicant's place of business and of any



records applicable to ensuring proper classification code assignment to the policy or to review loss prevention or safety programs prior to reaching a decision regarding an application for coverage. The bureau will provide advanced notice to the employer of any such inspection.

(4) Only employers meeting the following criteria are eligible for an OSCP:

(a) The employer is headquartered, primarily located, or has a history of predominant business operations in Ohio;

(b) The employer has an active state fund workers' compensation policy with the bureau;

(c) The employer cannot have cumulative lapses in workers' compensation coverage in excess of forty days within the prior twelve months; and

(d) The employer's Ohio policy cannot have past due balances at the time of application or renewal.

(5) The bureau will establish underwriting guidelines for determining whether to approve or deny an application. In addition to the criteria set forth in paragraph (B)(4) of this rule, the bureau's underwriting guidelines may consider the following:

(a) The applicant's history with the bureau, including compliance with applicable workers' compensation laws and rules, payment of premiums and assessments, claims history, safety record, and experience ratings; and

(b) The applicant's history with coverage through any insurer for worker's compensation in any jurisdiction other than Ohio, including premium payment records, claims history, safety record, and experience modification history, if any.

(6) The following employers are not eligible for an OSCP:

(a) Self-insuring employers providing compensation and benefits pursuant to section 4123.35 of the Revised Code;



- (b) Temporary employment agencies or other staffing entities;
 - (c) Professional employer organizations as defined in Chapter 4125. of the Revised Code, and each of the professional employer organization's client employers; and
 - (d) Alternate employer organizations as defined in Chapter 4133. of the Revised Code, and each of the alternate employer organizations client employers.
- (7) The bureau has the authority, in the administrator of workers' compensation's discretion, to approve or deny an OSCP application. The decision of the administrator is final.
- (a) In the event that an employer is denied an OSCP, the bureau will provide written documentation of the reason for denial; and
 - (b) An employer may reapply once the reason for denial is remedied.
- (C) Premium payment and policy issuance.
- (1) An employer whose application for coverage is approved by the bureau will receive a quote for the cost of coverage. If the employer elects to obtain coverage, the bureau will issue an OSCP only after the following:
 - (a) The bureau's receipt of premium payment for the OSCP; and
 - (b) If an employer has previously had a policy covering its exposure out of state, submission of proof of cancellation of the existing policy or the expiration date of the previous policy.
 - (2) Coverage under an OSCP will be effective when the OSCP is issued.
 - (a) The bureau will issue the policy within five business days of receipt of premium if cancellation notices and other information necessary from the policyholder to issue the OSCP are provided; and
 - (b) Coverage becomes effective per the effective date of the policy as issued by the contracting



carrier.

(D) OSCP renewal.

(1) An employer wishing to renew its OSCP may complete the renewal application, which will be provided by the bureau. The bureau will establish a deadline for the renewal application.

(2) If the renewal application is not completed by an employer, the renewal quote will be based upon the previous policy years information.

(3) The bureau will non-renew an employer's OSCP if the employer is not eligible for coverage under this rule at the time of renewal.

(4) The premium for the OSCP renewal period has to be received by the bureau prior to the expiration of the previous policy period.

(5) If the renewal premium is not received by the expiration of the previous policy, notice of the policy cancellation for non-payment will be sent to the insured employer under the laws and procedures of the jurisdiction from which coverage is provided. If the bureau received an insured employer payment late, the bureau may, in the administrator's discretion, reinstate the coverage or may require the employer to submit a new OSCP application.

(6) The bureau has the authority, in the administrator's discretion, to non-renew an employer's OSCP. The decision of the administrator is final.

(E) Audits and inspection.

(1) An OSCP will expire per the terms of the policy issued by the contracting carrier, unless otherwise canceled as set forth in this rule.

(2) An employer with an OSCP will have to complete a final audit at the conclusion of each OSCP term and upon cancellation pursuant to the terms of the OSCP.



(3) In the event of a claim filed in a jurisdiction outside Ohio, the bureau may make reasonable inspection of an applicant's place of business and of any records necessary to secure information for the purpose of determining compensability of such claim.

(4) Any audit will be conducted in accordance with rule 4123-17-17 of Administrative Code.

(5) Adjustments to premium may be made based on the results of any audit. The employer will have to pay any balance due within the timelines established by the bureau.

(6) If the employer refuses or otherwise fails to cooperate with an audit by the bureau, the bureau may estimate the insured's payroll. Any estimated payroll pursuant to this section may result in an adjustment of premium.

(7) In the event of an audit dispute, the bureau will make reasonable efforts with the insured to resolve the disputed findings.

(8) If resolution between the bureau and the insured cannot be made, the audit findings can be appealed to the extent allowable under the laws and procedures of the jurisdiction for which coverage is being provided.

(F) Policy cancellation.

(1) An OSCP may be canceled for any of the following reasons:

(a) At the written request of the employer;

(b) Employer misrepresentation regarding its operations;

(c) Fraud committed by, or for the benefit of, the employer;

(d) Employer failure to complete a final audit or pay any amounts due as a result of a final audit;

(e) Any past due balance owed for the OSCP;



- (f) Refusal on the part of the insured to permit reasonable audits or inspections; or
 - (g) Any reason the contracting carrier is authorized to cancel a policy, as established by the laws of the jurisdiction for which coverage is being provided.
- (2) An OSCP may be canceled under the laws and procedures of the jurisdiction for which coverage is being provided.
- (a) Notice of cancellation will be provided in accordance with the laws and procedures of the jurisdiction for which coverage is being provided; and
 - (b) A policy cancellation can be appealed to the extent allowable under the laws and the procedures of the jurisdiction for which coverage is being provided.
- (G) Assignment of payroll.
- (1) If an employer is issued an OSCP for limited other states coverage, the bureau may assign payroll in the event of a claim to the jurisdiction where the claim is filed. The payroll amount will not exceed one hundred per cent of the injured workers' wages for one year.
 - (2) The assignment of payroll may result in a premium adjustment for the OSCP. The employer will have to pay any balance due within the timelines established by the bureau.