



Ohio Administrative Code

Rule 4123-17-61 Criteria for group experience rating.

Effective: July 1, 2024

(A) The administrator of workers' compensation shall offer a plan that groups employers for rating purposes. Individual employers shall retain their separate risk identity but shall be pooled and grouped for experience rating purposes only.

(B) In establishing a group for group experience rating purposes, the sponsoring group organization or individual employers in the group must satisfy all of the following requirements and must meet all the sponsorship rules as provided in rule 4123-17-61.1 of the Administrative Code:

(1) All of the individual employers within the group must be governing members of the sponsoring organization or the affiliate organization.

(2) An individual employer must have a policy in good standing with the bureau of workers' compensation. "Policy in good standing" means the individual employer is current on all payments due to the bureau and is in compliance with bureau laws, rules, and regulations at the time of enrollment or reenrollment.

(3) The employers' business in the organization must be substantially similar such that the employers which are grouped are substantially homogeneous. A group shall be considered substantially homogeneous if the main operating classification codes of the employers as determined by the premium obligations for the rating year beginning two years prior to the coverage period are assigned to the same or similar industry groups, as determined by appendix A to rule 4123-17-05 of the Administrative Code. Industry groups seven and nine as well as eight and nine, and industry groups two and four as well as four and six, are considered similar.

(a) The bureau may allow an individual employer to move to a more homogeneous group, after September thirtieth for private employer groups and March thirty-first for public employer taxing district groups but before the first day of the policy year, if the individual employer:



- (i) Is without a full year of recorded premium;
 - (ii) Is reclassified as a result of an audit; or
 - (iii) Fully or partially combines with another employer.
- (b) An individual employer member of a continuing group who initially satisfied the homogeneous requirement shall not be disqualified from participation in the continuing group for failure to continue to satisfy such requirement.
- (4) The group of employers must consist of at least one hundred individual members or a group where the aggregate workers' compensation premiums of the members are, as determined by the administrator, expected to exceed one hundred fifty thousand dollars during the policy year for which the application for group rating is made.
- (5) As of the deadline for application for group experience rating set forth in appendix A and in appendix B to rule 4123-17-74 of the Administrative Code, each individual employer seeking to enroll in a group for workers' compensation coverage must meet the following requirements:
- (a) The individual employer must be current with respect to all payments due the bureau, as defined in paragraph (A)(1)(b) of rule 4123-17-14 of the Administrative Code;
 - (b) The individual employer must be current on the payment schedule of any part-pay agreement into which it has entered for payment of premiums or assessment obligations;
 - (c) The individual employer cannot have cumulative lapses in workers' compensation coverage in excess of forty days within the prior twelve months; and
 - (d) The individual employer must report actual payroll for the preceding policy year and pay any premium due upon reconciliation of estimated premium and actual premium for that policy year.
- (6) New employers electing to apply for group experience rating program.



(a) The following definitions apply to this rule,

(i) "New employer" means an employer creating one or more jobs in the state of Ohio for which any of the following is true:

(A) The employer is a new business entity made amenable to Ohio workers' compensation laws by such job creation; or

(B) The employer is an out of state employer that has not had prior operations in Ohio and has not had prior workers' compensation insurance coverage in Ohio.

(ii) "Initial rating year" means the rating year including the date on which the new employer's Ohio workers' compensation coverage becomes effective.

(b) If a new employer elects to apply for the group experience rating program under this rule, the administrator shall waive the application deadlines set forth in appendix A and appendix B to rule 4123-17-74 of the Administrative Code and allow the new employer to apply for the group experience rating program.

(i) To apply for the group experience rating program, the new employer must file an AC-26 form for the group with the sponsoring organization.

(ii) Upon receipt of an AC-26 form from a new employer, a sponsoring organization shall:

(A) Not permit a new employer to participate in a group unless the new employer meets homogeneity requirements set forth in paragraph (B)(3) of this rule:

(B) Notify the bureau of the addition of a new employer to the group within thirty days of the date the bureau assigns a policy number to the new employer; and

(C) Electronically submit to the bureau a new employer's AC-26 form with a statement identifying the group in which a new employer is being placed for the new employer's initial rating year.



(iii) For new employers electing to participate in the group experience rating program between the twenty-ninth day before the applicable group experience rating deadline, as set forth in appendix A and appendix B of rule 4123-17-74 of the Administrative Code, and the last day of the initial rating year, inclusive, the sponsoring organization shall, within thirty days of the date the bureau assigns a policy number to the new employer, and in addition to the requirements of paragraph (B)(6)(b)(ii) of this rule, submit to the bureau a statement identifying the group in which the new employer is being placed for the rating year immediately following the new employer's initial rating year.

(c) The new employer's participation in the group experience rating program in rating years subsequent to the initial rating year for which the new employer was admitted to a group pursuant to the administrator's waiver in paragraph (B)(6)(b) of this rule is subject to all requirements for participation in the group experience rating program set forth in rules 4123-17-61 through 4123-17-68 of the Administrative Code.

(7) Cancellations, transfers, and combinations.

(a) An individual employer whose coverage status becomes cancelled or combined during the rating year may not continue to participate in group experience rating. The effective date of the removal from the group experience rating program shall be on the first day of the next policy year, unless the date of cancellation or combination is determined to be the first day of the policy year, in which case the individual employer shall be removed from group as of the actual date of cancellation or combination. An individual employer who becomes active and obtains coverage after the group experience rating application deadline may not participate in group experience rating for that year except as defined in rule 4123-17-66 of the Administrative Code.

(b) An individual employer that obtains initial coverage after the group experience rating application deadline as set forth in appendix A and in appendix B to rule 4123-17-74 of the Administrative Code and for which a transfer of experience is indicated under rule 4123-17-02 of the Administrative Code may not participate in group experience rating for that year except as defined in rule 4123-17-66 of the Administrative Code.

(8) Payroll reporting and premium reconciliation. An individual employer must report actual payroll for the preceding policy year and pay any premium due upon reconciliation of estimated premium



and actual premium for that policy year no later than the date set forth in rule 4123-17-14 of the Administrative Code. An individual employer will be deemed to have met this requirement if the bureau receives the payroll report and the employer pays premium associated with the payroll report before the expiration of any grace period established by the administrator pursuant to paragraph (B) of rule 4123-17-16 of the Administrative Code.

(a) An individual employer removed from group experience rating for failure to meet these criteria will be rerated for the full policy year at the individual employer's base-rate or experience-modified rate as determined by their expected losses for the policy year.

(b) The group shall retain, for the policy year, the experience of any employer removed from group experience rating for failure to meet these criteria.

(C) In providing employer group plans under section 4123.29 of the Revised Code, the bureau shall consider an employer group as a single employing entity for purposes of group experience rating. No employer may be a member of more than one group for the purpose of obtaining workers' compensation coverage.