



## Ohio Administrative Code Rule 4123-19-08 Renewal of self-insuring risks.

Effective: January 1, 2023

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(A) The privilege of an employer to pay compensation and benefits directly, must be renewed annually. Beginning with the effective date of this rule, prior to renewal of the employer's privilege of self-insurance, the bureau shall re-evaluate the employer's financial strength and administrative ability as described in rule 4123-19-03 of the Administrative Code. The bureau will consider past performance of the self-insuring employer as an additional factor in determining whether to renew the privilege of self-insurance. Waivers granted for good cause by the administrator pursuant to paragraph (H) of rule 4123-19-03 of the Administrative Code will continue in effect indefinitely unless there is a significant change, in the opinion of the bureau.

(B) Self-insuring employers desiring to continue paying compensation and benefits directly shall secure from the bureau a copy of the appropriate form of application which shall be completed and returned in the manner prescribed to the bureau. The employer may also be required to include a reporting of the amount of payments made and the amount of reserves established for the aforementioned claims as sufficient to cover future liabilities. The properly completed renewal forms shall be signed by the Ohio self-insuring program administrator who has been designated by the employer to the bureau or an officer of the company and filed ninety days prior to the renewal date.

(C) The application forms and the employer's financial statement shall be reviewed by the bureau. In order to renew its status as a self-insuring employer, the employer shall establish the following to the bureau's satisfaction that: employer has fulfilled the minimal level of performance standards that an employer is required to meet before being granted permission to pay compensation and benefits directly, as provided in paragraph (K) of rule 4123-19-03 of the Administrative Code; that the employer has substantially resolved all outstanding complaints filed with the bureau; and that the employer has achieved a satisfactory rating in its most recent audit report. If the employer elects to secure excess loss coverage which undertakes to indemnify a self-insuring employer against all or part of such employer's loss as provided for in division (B) of section 4123.82 of the Revised Code, the employer is required to comply with paragraph (O) of rule 4123-19-03 of the Administrative Code. If the employer has previously submitted a complete copy of the excess loss coverage



contract, and there have been no material changes to the excess loss coverage, the employer may submit the declaration page of the excess loss coverage with the renewal application. The bureau may require additional information concerning excess loss coverage upon review of the declaration page. Upon compliance with these requirements, the administrator may approve the renewal application. If the application is granted, the bureau will so notify the applicant within thirty days prior to the renewal date. In this notification, the bureau shall specify the contribution to the self-insuring employers' guaranty fund and the amount of the additional security, if required.

(1) The employer has fulfilled the minimal level of performance standards that an employer is required to meet before being granted permission to pay compensation and benefits directly as provided in paragraph (L) of rule 4123-19-03 of the Administrative Code; .

(2) The employer has substantially resolved all outstanding complaints filed with the bureau;

(3) the employer has achieved a satisfactory rating in its most recent audit report; and

(4) If the employer elects to secure excess loss coverage which undertakes to indemnify a self-insuring employer against all or part of such employer's loss as provided for in division (B) of section 4123.82 of the Revised Code, the employer is required to comply with paragraph (P) of rule 4123-19-03 of the Administrative Code. If the employer has previously submitted a complete copy of the excess loss coverage contract, and there have been no material changes to the excess loss coverage, the employer may submit the declaration page of the excess loss coverage with the renewal application. The bureau may require additional information concerning excess loss coverage upon review of the declaration page.

(D) Upon compliance with these requirements, the administrator may approve the renewal application. If the application is granted, the bureau will notify the applicant within thirty days prior to the renewal date. In this notification, the bureau shall specify the contribution to the self-insuring employers' guaranty fund and the amount and form of the additional security, if required.

(E) If the employer, upon receipt of notification of additional security as provided in paragraph (D) of this rule, promptly provides the bureau with the security in the amount and form specified by the bureau, the bureau thereafter will issue the employer a revised findings of fact and certificate which



will be sent to the employer by the bureau.

(F) In the event the bureau finds that the minimum criteria set forth in the rules have not been met, the bureau shall give written notice to the applicant that the privilege to pay compensation and benefits directly, will not be renewed. The notice shall give the employer two weeks to exercise the right to a public hearing before the self-insured review panel, in accordance with the provisions of rule 4123-19-14 of the Administrative Code. If no hearing is requested or if the self-insured review panel or, on appeal, the administrator upholds the non-renewal, the applicant shall forthwith be required to its full premium into the state insurance fund for the intervening period from the date of the expiration of the last renewal date to the date of the order of non-renewal issued by the self-insured review panel or the administrator, or obtain a binder for state fund coverage as of the expiration date of its last renewal.

(1) Pay its full premium into the state insurance fund for the intervening period from the date of the expiration of the last renewal date to the date of the final order of non-renewal ; and

(2) Obtain a binder for state fund coverage as of the expiration date of its last renewal.

(G) If an employer's privilege to pay compensation and benefits directly is not renewed, the employer must secure coverage through the state insurance fund for any ongoing operations. If such employer does not secure state fund coverage, that employer shall be deemed an amenable but noncomplying employer pursuant to sections 4123.01 to 4123.99 of the Revised Code.

(H) If, for any reason, the administrator cannot approve the employer's application for renewal prior to the expiration of its present authorization, an extension may be granted until such time as the final disposition of the application for renewal can be made.