

**As Reported by the Senate Insurance, Commerce and Labor
Committee**

**127th General Assembly
Regular Session
2007-2008**

Sub. H. B. No. 100

Representative Brinkman

**Cosponsors: Representatives Adams, Bacon, Batchelder, Blessing, Boyd,
Bubp, Chandler, Coley, Combs, Flowers, Gibbs, Goodwin, Hottinger,
Huffman, Hughes, Otterman, Patton, Uecker, Widowfield, Williams, S.,
Zehringer**

Senators Miller, D., Kearney, Faber, Stivers, Clancy, Schaffer, Cates

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A B I L L

To amend sections 102.02, 102.06, 109.981, 119.01, 1
131.02, 1707.01, 3345.12, 3923.41, 3923.44, 2
3923.47, 4121.01, 4121.12, 4121.121, 4121.122, 3
4121.123, 4121.125, 4121.126, 4121.128, 4121.37, 4
4121.441, 4121.48, 4121.61, 4121.67, 4121.70, 5
4123.25, 4123.29, 4123.291, 4123.311, 4123.32, 6
4123.34, 4123.341, 4123.342, 4123.35, 4123.351, 7
4123.37, 4123.411, 4123.44, 4123.441, 4123.47, 8
4123.50, 4123.511, 4123.512, 4123.66, 4123.80, 9
4123.82, 4123.92, 4125.05, 4127.07, 4127.08, 10
4131.04, 4131.06, 4131.13, 4131.14, 4131.16, 11
4167.02, 4167.07, 4167.08, 4167.09, 4167.11, and 12
4167.14; to enact sections 121.52, 3923.43, 13
3923.441, 3923.442, 3923.443, 3923.444, 4121.129, 14
4121.75 to 4121.79, 4123.321, and 4123.442; to 15
repeal section 4121.06 of the Revised Code; to 16
amend Section 4 of Am. Sub. H.B. 516 of the 125th 17
General Assembly, as subsequently amended; and to 18

amend Section 3 of Am. H.B. 67 of the 126th 19
General Assembly, as subsequently amended, to 20
abolish the Workers' Compensation Oversight 21
Commission, the Internal Security Committee, and 22
the Services Committee of the Workers' 23
Compensation System; to create the Workers' 24
Compensation Council, Bureau of Workers' 25
Compensation Board of Directors, and specified 26
working committees, to transfer the powers and 27
duties of the Oversight Commission to the Board 28
and the working committees, to make other changes 29
in the Workers' Compensation Law, to make 30
appropriations for the Bureau of Workers' 31
Compensation and the Industrial Commission for the 32
biennium beginning July 1, 2007, and ending June 33
30, 2009, and to provide authorization and 34
conditions for the operation of the Bureau's and 35
the Commission's programs. 36

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 101.01. That sections 102.02, 102.06, 109.981, 37
119.01, 131.02, 1707.01, 3345.12, 3923.41, 3923.44, 3923.47, 38
4121.01, 4121.12, 4121.121, 4121.122, 4121.123, 4121.125, 39
4121.126, 4121.128, 4121.37, 4121.441, 4121.48, 4121.61, 4121.67, 40
4121.70, 4123.25, 4123.29, 4123.291, 4123.311, 4123.32, 4123.34, 41
4123.341, 4123.342, 4123.35, 4123.351, 4123.37, 4123.411, 4123.44, 42
4123.441, 4123.47, 4123.50, 4123.511, 4123.512, 4123.66, 4123.80, 43
4123.82, 4123.92, 4125.05, 4127.07, 4127.08, 4131.04, 4131.06, 44
4131.13, 4131.14, 4131.16, 4167.02, 4167.07, 4167.08, 4167.09, 45
4167.11, and 4167.14 be amended; and sections 121.52, 3923.43, 46
3923.441, 3923.442, 3923.443, 3923.444, 4121.129, 4121.75, 47
4121.76, 4121.77, 4121.78, 4121.79, 4123.321, and 4123.442 of the 48

Revised Code be enacted to read as follows: 49

Sec. 102.02. (A) Except as otherwise provided in division (H) 50
of this section, all of the following shall file with the 51
appropriate ethics commission the disclosure statement described 52
in this division on a form prescribed by the appropriate 53
commission: every person who is elected to or is a candidate for a 54
state, county, or city office and every person who is appointed to 55
fill a vacancy for an unexpired term in such an elective office; 56
all members of the state board of education; the director, 57
assistant directors, deputy directors, division chiefs, or persons 58
of equivalent rank of any administrative department of the state; 59
the president or other chief administrative officer of every state 60
institution of higher education as defined in section 3345.011 of 61
the Revised Code; the executive director and the members of the 62
capitol square review and advisory board appointed or employed 63
pursuant to section 105.41 of the Revised Code; the chief 64
executive officer and the members of the board of each state 65
retirement system; each employee of a state retirement board who 66
is a state retirement system investment officer licensed pursuant 67
to section 1707.163 of the Revised Code; the members of the Ohio 68
retirement study council appointed pursuant to division (C) of 69
section 171.01 of the Revised Code; employees of the Ohio 70
retirement study council, other than employees who perform purely 71
administrative or clerical functions; the administrator of 72
workers' compensation and each ~~voting~~ member of the bureau of 73
workers' compensation oversight commission board of directors; the 74
bureau of workers' compensation director of investments; the chief 75
investment officer of the bureau of workers' compensation; the 76
director appointed by the workers' compensation council; all 77
members of the board of commissioners on grievances and discipline 78
of the supreme court and the ethics commission created under 79
section 102.05 of the Revised Code; every business manager, 80

treasurer, or superintendent of a city, local, exempted village, 81
joint vocational, or cooperative education school district or an 82
educational service center; every person who is elected to or is a 83
candidate for the office of member of a board of education of a 84
city, local, exempted village, joint vocational, or cooperative 85
education school district or of a governing board of an 86
educational service center that has a total student count of 87
twelve thousand or more as most recently determined by the 88
department of education pursuant to section 3317.03 of the Revised 89
Code; every person who is appointed to the board of education of a 90
municipal school district pursuant to division (B) or (F) of 91
section 3311.71 of the Revised Code; all members of the board of 92
directors of a sanitary district that is established under Chapter 93
6115. of the Revised Code and organized wholly for the purpose of 94
providing a water supply for domestic, municipal, and public use, 95
and that includes two municipal corporations in two counties; 96
every public official or employee who is paid a salary or wage in 97
accordance with schedule C of section 124.15 or schedule E-2 of 98
section 124.152 of the Revised Code; members of the board of 99
trustees and the executive director of the tobacco use prevention 100
and control foundation; members of the board of trustees and the 101
executive director of the southern Ohio agricultural and community 102
development foundation; and every other public official or 103
employee who is designated by the appropriate ethics commission 104
pursuant to division (B) of this section. 105

The disclosure statement shall include all of the following: 106

(1) The name of the person filing the statement and each 107
member of the person's immediate family and all names under which 108
the person or members of the person's immediate family do 109
business; 110

(2)(a) Subject to divisions (A)(2)(b) and (c) of this section 111
and except as otherwise provided in section 102.022 of the Revised 112

Code, identification of every source of income, other than income 113
from a legislative agent identified in division (A)(2)(b) of this 114
section, received during the preceding calendar year, in the 115
person's own name or by any other person for the person's use or 116
benefit, by the person filing the statement, and a brief 117
description of the nature of the services for which the income was 118
received. If the person filing the statement is a member of the 119
general assembly, the statement shall identify the amount of every 120
source of income received in accordance with the following ranges 121
of amounts: zero or more, but less than one thousand dollars; one 122
thousand dollars or more, but less than ten thousand dollars; ten 123
thousand dollars or more, but less than twenty-five thousand 124
dollars; twenty-five thousand dollars or more, but less than fifty 125
thousand dollars; fifty thousand dollars or more, but less than 126
one hundred thousand dollars; and one hundred thousand dollars or 127
more. Division (A)(2)(a) of this section shall not be construed to 128
require a person filing the statement who derives income from a 129
business or profession to disclose the individual items of income 130
that constitute the gross income of that business or profession, 131
except for those individual items of income that are attributable 132
to the person's or, if the income is shared with the person, the 133
partner's, solicitation of services or goods or performance, 134
arrangement, or facilitation of services or provision of goods on 135
behalf of the business or profession of clients, including 136
corporate clients, who are legislative agents. A person who files 137
the statement under this section shall disclose the identity of 138
and the amount of income received from a person who the public 139
official or employee knows or has reason to know is doing or 140
seeking to do business of any kind with the public official's or 141
employee's agency. 142

(b) If the person filing the statement is a member of the 143
general assembly, the statement shall identify every source of 144
income and the amount of that income that was received from a 145

legislative agent during the preceding calendar year, in the 146
person's own name or by any other person for the person's use or 147
benefit, by the person filing the statement, and a brief 148
description of the nature of the services for which the income was 149
received. Division (A)(2)(b) of this section requires the 150
disclosure of clients of attorneys or persons licensed under 151
section 4732.12 of the Revised Code, or patients of persons 152
certified under section 4731.14 of the Revised Code, if those 153
clients or patients are legislative agents. Division (A)(2)(b) of 154
this section requires a person filing the statement who derives 155
income from a business or profession to disclose those individual 156
items of income that constitute the gross income of that business 157
or profession that are received from legislative agents. 158

(c) Except as otherwise provided in division (A)(2)(c) of 159
this section, division (A)(2)(a) of this section applies to 160
attorneys, physicians, and other persons who engage in the 161
practice of a profession and who, pursuant to a section of the 162
Revised Code, the common law of this state, a code of ethics 163
applicable to the profession, or otherwise, generally are required 164
not to reveal, disclose, or use confidences of clients, patients, 165
or other recipients of professional services except under 166
specified circumstances or generally are required to maintain 167
those types of confidences as privileged communications except 168
under specified circumstances. Division (A)(2)(a) of this section 169
does not require an attorney, physician, or other professional 170
subject to a confidentiality requirement as described in division 171
(A)(2)(c) of this section to disclose the name, other identity, or 172
address of a client, patient, or other recipient of professional 173
services if the disclosure would threaten the client, patient, or 174
other recipient of professional services, would reveal details of 175
the subject matter for which legal, medical, or professional 176
advice or other services were sought, or would reveal an otherwise 177
privileged communication involving the client, patient, or other 178

recipient of professional services. Division (A)(2)(a) of this 179
section does not require an attorney, physician, or other 180
professional subject to a confidentiality requirement as described 181
in division (A)(2)(c) of this section to disclose in the brief 182
description of the nature of services required by division 183
(A)(2)(a) of this section any information pertaining to specific 184
professional services rendered for a client, patient, or other 185
recipient of professional services that would reveal details of 186
the subject matter for which legal, medical, or professional 187
advice was sought or would reveal an otherwise privileged 188
communication involving the client, patient, or other recipient of 189
professional services. 190

(3) The name of every corporation on file with the secretary 191
of state that is incorporated in this state or holds a certificate 192
of compliance authorizing it to do business in this state, trust, 193
business trust, partnership, or association that transacts 194
business in this state in which the person filing the statement or 195
any other person for the person's use and benefit had during the 196
preceding calendar year an investment of over one thousand dollars 197
at fair market value as of the thirty-first day of December of the 198
preceding calendar year, or the date of disposition, whichever is 199
earlier, or in which the person holds any office or has a 200
fiduciary relationship, and a description of the nature of the 201
investment, office, or relationship. Division (A)(3) of this 202
section does not require disclosure of the name of any bank, 203
savings and loan association, credit union, or building and loan 204
association with which the person filing the statement has a 205
deposit or a withdrawable share account. 206

(4) All fee simple and leasehold interests to which the 207
person filing the statement holds legal title to or a beneficial 208
interest in real property located within the state, excluding the 209
person's residence and property used primarily for personal 210

recreation; 211

(5) The names of all persons residing or transacting business 212
in the state to whom the person filing the statement owes, in the 213
person's own name or in the name of any other person, more than 214
one thousand dollars. Division (A)(5) of this section shall not be 215
construed to require the disclosure of debts owed by the person 216
resulting from the ordinary conduct of a business or profession or 217
debts on the person's residence or real property used primarily 218
for personal recreation, except that the superintendent of 219
financial institutions shall disclose the names of all 220
state-chartered savings and loan associations and of all service 221
corporations subject to regulation under division (E)(2) of 222
section 1151.34 of the Revised Code to whom the superintendent in 223
the superintendent's own name or in the name of any other person 224
owes any money, and that the superintendent and any deputy 225
superintendent of banks shall disclose the names of all 226
state-chartered banks and all bank subsidiary corporations subject 227
to regulation under section 1109.44 of the Revised Code to whom 228
the superintendent or deputy superintendent owes any money. 229

(6) The names of all persons residing or transacting business 230
in the state, other than a depository excluded under division 231
(A)(3) of this section, who owe more than one thousand dollars to 232
the person filing the statement, either in the person's own name 233
or to any person for the person's use or benefit. Division (A)(6) 234
of this section shall not be construed to require the disclosure 235
of clients of attorneys or persons licensed under section 4732.12 236
or 4732.15 of the Revised Code, or patients of persons certified 237
under section 4731.14 of the Revised Code, nor the disclosure of 238
debts owed to the person resulting from the ordinary conduct of a 239
business or profession. 240

(7) Except as otherwise provided in section 102.022 of the 241
Revised Code, the source of each gift of over seventy-five 242

dollars, or of each gift of over twenty-five dollars received by a 243
member of the general assembly from a legislative agent, received 244
by the person in the person's own name or by any other person for 245
the person's use or benefit during the preceding calendar year, 246
except gifts received by will or by virtue of section 2105.06 of 247
the Revised Code, or received from spouses, parents, grandparents, 248
children, grandchildren, siblings, nephews, nieces, uncles, aunts, 249
brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, 250
fathers-in-law, mothers-in-law, or any person to whom the person 251
filing the statement stands in loco parentis, or received by way 252
of distribution from any inter vivos or testamentary trust 253
established by a spouse or by an ancestor; 254

(8) Except as otherwise provided in section 102.022 of the 255
Revised Code, identification of the source and amount of every 256
payment of expenses incurred for travel to destinations inside or 257
outside this state that is received by the person in the person's 258
own name or by any other person for the person's use or benefit 259
and that is incurred in connection with the person's official 260
duties, except for expenses for travel to meetings or conventions 261
of a national or state organization to which any state agency, 262
including, but not limited to, any legislative agency or state 263
institution of higher education as defined in section 3345.011 of 264
the Revised Code, pays membership dues, or any political 265
subdivision or any office or agency of a political subdivision 266
pays membership dues; 267

(9) Except as otherwise provided in section 102.022 of the 268
Revised Code, identification of the source of payment of expenses 269
for meals and other food and beverages, other than for meals and 270
other food and beverages provided at a meeting at which the person 271
participated in a panel, seminar, or speaking engagement or at a 272
meeting or convention of a national or state organization to which 273
any state agency, including, but not limited to, any legislative 274

agency or state institution of higher education as defined in 275
section 3345.011 of the Revised Code, pays membership dues, or any 276
political subdivision or any office or agency of a political 277
subdivision pays membership dues, that are incurred in connection 278
with the person's official duties and that exceed one hundred 279
dollars aggregated per calendar year; 280

(10) If the disclosure statement is filed by a public 281
official or employee described in division (B)(2) of section 282
101.73 of the Revised Code or division (B)(2) of section 121.63 of 283
the Revised Code who receives a statement from a legislative 284
agent, executive agency lobbyist, or employer that contains the 285
information described in division (F)(2) of section 101.73 of the 286
Revised Code or division (G)(2) of section 121.63 of the Revised 287
Code, all of the nondisputed information contained in the 288
statement delivered to that public official or employee by the 289
legislative agent, executive agency lobbyist, or employer under 290
division (F)(2) of section 101.73 or (G)(2) of section 121.63 of 291
the Revised Code. 292

A person may file a statement required by this section in 293
person or by mail. A person who is a candidate for elective office 294
shall file the statement no later than the thirtieth day before 295
the primary, special, or general election at which the candidacy 296
is to be voted on, whichever election occurs soonest, except that 297
a person who is a write-in candidate shall file the statement no 298
later than the twentieth day before the earliest election at which 299
the person's candidacy is to be voted on. A person who holds 300
elective office shall file the statement on or before the 301
fifteenth day of April of each year unless the person is a 302
candidate for office. A person who is appointed to fill a vacancy 303
for an unexpired term in an elective office shall file the 304
statement within fifteen days after the person qualifies for 305
office. Other persons shall file an annual statement on or before 306

the fifteenth day of April or, if appointed or employed after that 307
date, within ninety days after appointment or employment. No 308
person shall be required to file with the appropriate ethics 309
commission more than one statement or pay more than one filing fee 310
for any one calendar year. 311

The appropriate ethics commission, for good cause, may extend 312
for a reasonable time the deadline for filing a statement under 313
this section. 314

A statement filed under this section is subject to public 315
inspection at locations designated by the appropriate ethics 316
commission except as otherwise provided in this section. 317

(B) The Ohio ethics commission, the joint legislative ethics 318
committee, and the board of commissioners on grievances and 319
discipline of the supreme court, using the rule-making procedures 320
of Chapter 119. of the Revised Code, may require any class of 321
public officials or employees under its jurisdiction and not 322
specifically excluded by this section whose positions involve a 323
substantial and material exercise of administrative discretion in 324
the formulation of public policy, expenditure of public funds, 325
enforcement of laws and rules of the state or a county or city, or 326
the execution of other public trusts, to file an annual statement 327
on or before the fifteenth day of April under division (A) of this 328
section. The appropriate ethics commission shall send the public 329
officials or employees written notice of the requirement by the 330
fifteenth day of February of each year the filing is required 331
unless the public official or employee is appointed after that 332
date, in which case the notice shall be sent within thirty days 333
after appointment, and the filing shall be made not later than 334
ninety days after appointment. 335

Except for disclosure statements filed by members of the 336
board of trustees and the executive director of the tobacco use 337
prevention and control foundation and members of the board of 338

trustees and the executive director of the southern Ohio 339
agricultural and community development foundation, disclosure 340
statements filed under this division with the Ohio ethics 341
commission by members of boards, commissions, or bureaus of the 342
state for which no compensation is received other than reasonable 343
and necessary expenses shall be kept confidential. Disclosure 344
statements filed with the Ohio ethics commission under division 345
(A) of this section by business managers, treasurers, and 346
superintendents of city, local, exempted village, joint 347
vocational, or cooperative education school districts or 348
educational service centers shall be kept confidential, except 349
that any person conducting an audit of any such school district or 350
educational service center pursuant to section 115.56 or Chapter 351
117. of the Revised Code may examine the disclosure statement of 352
any business manager, treasurer, or superintendent of that school 353
district or educational service center. The Ohio ethics commission 354
shall examine each disclosure statement required to be kept 355
confidential to determine whether a potential conflict of interest 356
exists for the person who filed the disclosure statement. A 357
potential conflict of interest exists if the private interests of 358
the person, as indicated by the person's disclosure statement, 359
might interfere with the public interests the person is required 360
to serve in the exercise of the person's authority and duties in 361
the person's office or position of employment. If the commission 362
determines that a potential conflict of interest exists, it shall 363
notify the person who filed the disclosure statement and shall 364
make the portions of the disclosure statement that indicate a 365
potential conflict of interest subject to public inspection in the 366
same manner as is provided for other disclosure statements. Any 367
portion of the disclosure statement that the commission determines 368
does not indicate a potential conflict of interest shall be kept 369
confidential by the commission and shall not be made subject to 370
public inspection, except as is necessary for the enforcement of 371

Chapters 102. and 2921. of the Revised Code and except as	372
otherwise provided in this division.	373
(C) No person shall knowingly fail to file, on or before the	374
applicable filing deadline established under this section, a	375
statement that is required by this section.	376
(D) No person shall knowingly file a false statement that is	377
required to be filed under this section.	378
(E)(1) Except as provided in divisions (E)(2) and (3) of this	379
section, the statement required by division (A) or (B) of this	380
section shall be accompanied by a filing fee of forty dollars.	381
(2) The statement required by division (A) of this section	382
shall be accompanied by the following filing fee to be paid by the	383
person who is elected or appointed to, or is a candidate for, any	384
of the following offices:	385
For state office, except member of the	386
state board of education	\$65 387
For office of member of general assembly	\$40 388
For county office	\$40 389
For city office	\$25 390
For office of member of the state board	391
of education	\$25 392
For office of member of a city, local,	393
exempted village, or cooperative	394
education board of	395
education or educational service	396
center governing board	\$20 397
For position of business manager,	398
treasurer, or superintendent of a	399
city, local, exempted village, joint	400
vocational, or cooperative education	401
school district or	402

educational service center \$20 403

(3) No judge of a court of record or candidate for judge of a 404
court of record, and no referee or magistrate serving a court of 405
record, shall be required to pay the fee required under division 406
(E)(1) or (2) or (F) of this section. 407

(4) For any public official who is appointed to a nonelective 408
office of the state and for any employee who holds a nonelective 409
position in a public agency of the state, the state agency that is 410
the primary employer of the state official or employee shall pay 411
the fee required under division (E)(1) or (F) of this section. 412

(F) If a statement required to be filed under this section is 413
not filed by the date on which it is required to be filed, the 414
appropriate ethics commission shall assess the person required to 415
file the statement a late filing fee of ten dollars for each day 416
the statement is not filed, except that the total amount of the 417
late filing fee shall not exceed two hundred fifty dollars. 418

(G)(1) The appropriate ethics commission other than the Ohio 419
ethics commission shall deposit all fees it receives under 420
divisions (E) and (F) of this section into the general revenue 421
fund of the state. 422

(2) The Ohio ethics commission shall deposit all receipts, 423
including, but not limited to, fees it receives under divisions 424
(E) and (F) of this section and all moneys it receives from 425
settlements under division (G) of section 102.06 of the Revised 426
Code, into the Ohio ethics commission fund, which is hereby 427
created in the state treasury. All moneys credited to the fund 428
shall be used solely for expenses related to the operation and 429
statutory functions of the commission. 430

(H) Division (A) of this section does not apply to a person 431
elected or appointed to the office of precinct, ward, or district 432
committee member under Chapter 3517. of the Revised Code; a 433

presidential elector; a delegate to a national convention; village 434
or township officials and employees; any physician or psychiatrist 435
who is paid a salary or wage in accordance with schedule C of 436
section 124.15 or schedule E-2 of section 124.152 of the Revised 437
Code and whose primary duties do not require the exercise of 438
administrative discretion; or any member of a board, commission, 439
or bureau of any county or city who receives less than one 440
thousand dollars per year for serving in that position. 441

Sec. 102.06. (A) The appropriate ethics commission shall 442
receive and may initiate complaints against persons subject to 443
this chapter concerning conduct alleged to be in violation of this 444
chapter or section 2921.42 or 2921.43 of the Revised Code. All 445
complaints except those by the commission shall be by affidavit 446
made on personal knowledge, subject to the penalties of perjury. 447
Complaints by the commission shall be by affidavit, based upon 448
reasonable cause to believe that a violation has occurred. 449

(B) The appropriate ethics commission shall investigate 450
complaints, may investigate charges presented to it, and may 451
request further information, including the specific amount of 452
income from a source, from any person filing with the commission a 453
statement required by section 102.02 or 102.021 of the Revised 454
Code, if the information sought is directly relevant to a 455
complaint or charges received by the commission pursuant to this 456
section. This information is confidential, except that the 457
commission, in its discretion, may share information gathered in 458
the course of any investigation with, or disclose the information 459
to, the inspector general, any appropriate prosecuting authority, 460
any law enforcement agency, or any other appropriate ethics 461
commission. If the accused person is a member of the public 462
employees retirement board, state teachers retirement board, 463
school employees retirement board, board of trustees of the Ohio 464
police and fire pension fund, or state highway patrol retirement 465

board, or is a ~~voting~~ member of the bureau of workers' 466
compensation oversight commission board of directors, the 467
appropriate ethics commission, in its discretion, also may share 468
information gathered in the course of an investigation with, or 469
disclose the information to, the attorney general and the auditor 470
of state. The person so requested shall furnish the information to 471
the commission, unless within fifteen days from the date of the 472
request the person files an action for declaratory judgment 473
challenging the legitimacy of the request in the court of common 474
pleas of the county of the person's residence, the person's place 475
of employment, or Franklin county. The requested information need 476
not be furnished to the commission during the pendency of the 477
judicial proceedings. Proceedings of the commission in connection 478
with the declaratory judgment action shall be kept confidential 479
except as otherwise provided by this section. Before the 480
commission proceeds to take any formal action against a person who 481
is the subject of an investigation based on charges presented to 482
the commission, a complaint shall be filed against the person. If 483
the commission finds that a complaint is not frivolous, and there 484
is reasonable cause to believe that the facts alleged in a 485
complaint constitute a violation of section 102.02, 102.021, 486
102.03, 102.04, 102.07, 2921.42, or 2921.43 of the Revised Code, 487
it shall hold a hearing. If the commission does not so find, it 488
shall dismiss the complaint and notify the accused person in 489
writing of the dismissal of the complaint. The commission shall 490
not make a report of its finding unless the accused person 491
requests a report. Upon the request of the accused person, the 492
commission shall make a public report of its finding. The person 493
against whom the complaint is directed shall be given reasonable 494
notice by certified mail of the date, time, and place of the 495
hearing and a statement of the charges and the law directly 496
involved and shall be given the opportunity to be represented by 497
counsel, to have counsel appointed for the person if the person is 498

unable to afford counsel without undue hardship, to examine the 499
evidence against the person, to produce evidence and to call and 500
subpoena witnesses in the person's defense, to confront the 501
person's accusers, and to cross-examine witnesses. The commission 502
shall have a stenographic record made of the hearing. The hearing 503
shall be closed to the public. 504

(C)(1)(a) If, upon the basis of the hearing, the appropriate 505
ethics commission finds by a preponderance of the evidence that 506
the facts alleged in the complaint are true and constitute a 507
violation of section 102.02, 102.021, 102.03, 102.04, 102.07, 508
2921.42, or 2921.43 of the Revised Code, it shall report its 509
findings to the appropriate prosecuting authority for proceedings 510
in prosecution of the violation and to the appointing or employing 511
authority of the accused. If the accused person is a member of the 512
public employees retirement board, state teachers retirement 513
board, school employees retirement board, board of trustees of the 514
Ohio police and fire pension fund, or state highway patrol 515
retirement board, the commission also shall report its findings to 516
the Ohio retirement study council. 517

(b) If the Ohio ethics commission reports its findings to the 518
appropriate prosecuting authority under division (C)(1)(a) of this 519
section and the prosecuting authority has not initiated any 520
official action on those findings within ninety days after 521
receiving the commission's report of them, the commission may 522
publicly comment that no official action has been taken on its 523
findings, except that the commission shall make no comment in 524
violation of the Rules of Criminal Procedure or about any 525
indictment that has been sealed pursuant to any law or those 526
rules. The commission shall make no comment regarding the merits 527
of its findings. As used in division (C)(1)(b) of this section, 528
"official action" means prosecution, closure after investigation, 529
or grand jury action resulting in a true bill of indictment or no 530

true bill of indictment. 531

(2) If the appropriate ethics commission does not find by a 532
preponderance of the evidence that the facts alleged in the 533
complaint are true and constitute a violation of section 102.02, 534
102.021, 102.03, 102.04, 102.07, 2921.42, or 2921.43 of the 535
Revised Code or if the commission has not scheduled a hearing 536
within ninety days after the complaint is filed or has not finally 537
disposed of the complaint within six months after it has been 538
heard, it shall dismiss the complaint and notify the accused 539
person in writing of the dismissal of the complaint. The 540
commission shall not make a report of its finding unless the 541
accused person requests a report. Upon the request of the accused 542
person, the commission shall make a public report of the finding, 543
but in this case all evidence and the record of the hearing shall 544
remain confidential unless the accused person also requests that 545
the evidence and record be made public. Upon request by the 546
accused person, the commission shall make the evidence and the 547
record available for public inspection. 548

(D) The appropriate ethics commission, or a member of the 549
commission, may administer oaths, and the commission may issue 550
subpoenas to any person in the state compelling the attendance of 551
witnesses and the production of relevant papers, books, accounts, 552
and records. The commission shall issue subpoenas to compel the 553
attendance of witnesses and the production of documents upon the 554
request of an accused person. Section 101.42 of the Revised Code 555
shall govern the issuance of these subpoenas insofar as 556
applicable. Upon the refusal of any person to obey a subpoena or 557
to be sworn or to answer as a witness, the commission may apply to 558
the court of common pleas of Franklin county under section 2705.03 559
of the Revised Code. The court shall hold proceedings in 560
accordance with Chapter 2705. of the Revised Code. The commission 561
or the accused person may take the depositions of witnesses 562

residing within or without the state in the same manner as 563
prescribed by law for the taking of depositions in civil actions 564
in the court of common pleas. 565

(E) At least once each year, the Ohio ethics commission shall 566
report on its activities of the immediately preceding year to the 567
majority and minority leaders of the senate and house of 568
representatives of the general assembly. The report shall indicate 569
the total number of complaints received, initiated, and 570
investigated by the commission, the total number of complaints for 571
which formal hearings were held, and the total number of 572
complaints for which formal prosecution was recommended or 573
requested by the commission. The report also shall indicate the 574
nature of the inappropriate conduct alleged in each complaint and 575
the governmental entity with which any employee or official that 576
is the subject of a complaint was employed at the time of the 577
alleged inappropriate conduct. 578

(F) All papers, records, affidavits, and documents upon any 579
complaint, inquiry, or investigation relating to the proceedings 580
of the appropriate ethics commission shall be sealed and are 581
private and confidential, except as otherwise provided in this 582
section and section 102.07 of the Revised Code. 583

(G)(1) When a complaint or charge is before it, the Ohio 584
ethics commission or the appropriate prosecuting authority, in 585
consultation with the person filing the complaint or charge, the 586
accused, and any other person the commission or prosecuting 587
authority considers necessary, may compromise or settle the 588
complaint or charge with the agreement of the accused. The 589
compromise or settlement may include mediation, restitution, 590
rescission of affected contracts, forfeiture of any benefits 591
resulting from a violation or potential violation of law, 592
resignation of a public official or employee, or any other relief 593
that is agreed upon between the commission or prosecuting 594

authority and the accused. 595

(2) Any settlement agreement entered into under division 596
(G)(1) of this section shall be in writing and be accompanied by a 597
statement of the findings of the commission or prosecuting 598
authority and the reasons for entering into the agreement. The 599
commission or prosecuting authority shall retain the agreement and 600
statement in the commission's or prosecuting authority's office 601
and, in the commission's or prosecuting authority's discretion, 602
may make the agreement, the statement, and any supporting 603
information public, unless the agreement provides otherwise. 604

(3) If a settlement agreement is breached by the accused, the 605
commission or prosecuting authority, in the commission's or 606
prosecuting authority's discretion, may rescind the agreement and 607
reinstitute any investigation, hearing, or prosecution of the 608
accused. No information obtained from the accused in reaching the 609
settlement that is not otherwise discoverable from the accused 610
shall be used in any proceeding before the commission or by the 611
appropriate prosecuting authority in prosecuting the violation. 612
Notwithstanding any other section of the Revised Code, if a 613
settlement agreement is breached, any statute of limitations for a 614
violation of this chapter or section 2921.42 or 2921.43 of the 615
Revised Code is tolled from the date the complaint or charge is 616
filed until the date the settlement agreement is breached. 617

Sec. 109.981. If a ~~voting~~ member of the bureau of workers' 618
compensation oversight commission board of directors breaches the 619
member's fiduciary duty to the bureau of workers' compensation, 620
the attorney general may maintain a civil action against the board 621
member for harm resulting from that breach. Notwithstanding 622
section 4121.128 of the Revised Code, after being informed of an 623
allegation that the entire ~~oversight commission board~~ has breached 624
its fiduciary duty, the ~~oversight commission board~~ may retain 625

independent legal counsel, including legal counsel provided by the 626
~~oversight commission's~~ board's fiduciary insurance carrier, to 627
advise the board and to represent the board. The attorney general 628
may recover damages or be granted injunctive relief, which shall 629
include the enjoinder of specified activities and the removal of 630
the member from the board. Any damages awarded shall be paid to 631
the bureau. The authority to maintain a civil action created by 632
this section is in addition to any authority the attorney general 633
possesses under any other provision of the Revised Code. 634

Sec. 119.01. As used in sections 119.01 to 119.13 of the 635
Revised Code: 636

(A)(1) "Agency" means, except as limited by this division, 637
any official, board, or commission having authority to promulgate 638
rules or make adjudications in the civil service commission, the 639
division of liquor control, the department of taxation, the 640
industrial commission, the bureau of workers' compensation, the 641
functions of any administrative or executive officer, department, 642
division, bureau, board, or commission of the government of the 643
state specifically made subject to sections 119.01 to 119.13 of 644
the Revised Code, and the licensing functions of any 645
administrative or executive officer, department, division, bureau, 646
board, or commission of the government of the state having the 647
authority or responsibility of issuing, suspending, revoking, or 648
canceling licenses. 649

Except as otherwise provided in division (I) of this section, 650
sections 119.01 to 119.13 of the Revised Code do not apply to the 651
public utilities commission. Sections 119.01 to 119.13 of the 652
Revised Code do not apply to the utility radiological safety 653
board; to the controlling board; to actions of the superintendent 654
of financial institutions and the superintendent of insurance in 655
the taking possession of, and rehabilitation or liquidation of, 656

the business and property of banks, savings and loan associations, 657
savings banks, credit unions, insurance companies, associations, 658
reciprocal fraternal benefit societies, and bond investment 659
companies; to any action taken by the division of securities under 660
section 1707.201 of the Revised Code; or to any action that may be 661
taken by the superintendent of financial institutions under 662
section 1113.03, 1121.06, 1121.10, 1125.09, 1125.12, 1125.18, 663
1157.01, 1157.02, 1157.10, 1165.01, 1165.02, 1165.10, 1349.33, 664
1733.35, 1733.361, 1733.37, or 1761.03 of the Revised Code. 665

Sections 119.01 to 119.13 of the Revised Code do not apply to 666
actions of the industrial commission or the bureau of workers' 667
compensation under sections 4123.01 to 4123.94 of the Revised Code 668
with respect to all matters of adjudication, ~~and~~ or to the actions 669
of the industrial commission, bureau of workers' compensation 670
board of directors, and bureau of workers' compensation under 671
division (D) of section 4121.32, sections 4123.29, 4123.34, 672
4123.341, 4123.342, 4123.40, 4123.411, 4123.44, ~~and~~ 4123.442, 673
4127.07, divisions (B), (C), and (E) of section 4131.04, and 674
divisions (B), (C), and (E) of section 4131.14 of the Revised Code 675
with respect to all matters concerning the establishment of 676
premium, contribution, and assessment rates. 677

(2) "Agency" also means any official or work unit having 678
authority to promulgate rules or make adjudications in the 679
department of job and family services, but only with respect to 680
both of the following: 681

(a) The adoption, amendment, or rescission of rules that 682
section 5101.09 of the Revised Code requires be adopted in 683
accordance with this chapter; 684

(b) The issuance, suspension, revocation, or cancellation of 685
licenses. 686

(B) "License" means any license, permit, certificate, 687

commission, or charter issued by any agency. "License" does not 688
include any arrangement whereby a person, institution, or entity 689
furnishes medicaid services under a provider agreement with the 690
department of job and family services pursuant to Title XIX of the 691
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as 692
amended. 693

(C) "Rule" means any rule, regulation, or standard, having a 694
general and uniform operation, adopted, promulgated, and enforced 695
by any agency under the authority of the laws governing such 696
agency, and includes any appendix to a rule. "Rule" does not 697
include any internal management rule of an agency unless the 698
internal management rule affects private rights and does not 699
include any guideline adopted pursuant to section 3301.0714 of the 700
Revised Code. 701

(D) "Adjudication" means the determination by the highest or 702
ultimate authority of an agency of the rights, duties, privileges, 703
benefits, or legal relationships of a specified person, but does 704
not include the issuance of a license in response to an 705
application with respect to which no question is raised, nor other 706
acts of a ministerial nature. 707

(E) "Hearing" means a public hearing by any agency in 708
compliance with procedural safeguards afforded by sections 119.01 709
to 119.13 of the Revised Code. 710

(F) "Person" means a person, firm, corporation, association, 711
or partnership. 712

(G) "Party" means the person whose interests are the subject 713
of an adjudication by an agency. 714

(H) "Appeal" means the procedure by which a person, aggrieved 715
by a finding, decision, order, or adjudication of any agency, 716
invokes the jurisdiction of a court. 717

(I) "Rule-making agency" means any board, commission, 718

department, division, or bureau of the government of the state 719
that is required to file proposed rules, amendments, or 720
rescissions under division (D) of section 111.15 of the Revised 721
Code and any agency that is required to file proposed rules, 722
amendments, or rescissions under divisions (B) and (H) of section 723
119.03 of the Revised Code. "Rule-making agency" includes the 724
public utilities commission. "Rule-making agency" does not include 725
any state-supported college or university. 726

(J) "Substantive revision" means any addition to, elimination 727
from, or other change in a rule, an amendment of a rule, or a 728
rescission of a rule, whether of a substantive or procedural 729
nature, that changes any of the following: 730

(1) That which the rule, amendment, or rescission permits, 731
authorizes, regulates, requires, prohibits, penalizes, rewards, or 732
otherwise affects; 733

(2) The scope or application of the rule, amendment, or 734
rescission. 735

(K) "Internal management rule" means any rule, regulation, or 736
standard governing the day-to-day staff procedures and operations 737
within an agency. 738

Sec. 121.52. There is hereby created in the office of the 739
inspector general the office of deputy inspector general for the 740
bureau of workers' compensation and industrial commission. The 741
inspector general shall appoint the deputy inspector general, and 742
the deputy inspector general shall serve at the pleasure of the 743
inspector general. A person employed as the deputy inspector 744
general shall have the same qualifications as those specified in 745
section 121.49 of the Revised Code for the inspector general. The 746
inspector general shall provide professional and clerical 747
assistance to the deputy inspector general. 748

The deputy inspector general for the bureau of workers' compensation and the industrial commission shall investigate wrongful acts or omissions that have been committed by or are being committed by officers or employees of the bureau of workers' compensation and the industrial commission. The deputy inspector general has the same powers and duties regarding matters concerning the bureau and the commission as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

The members of the industrial commission, bureau of workers' compensation board of directors, workers' compensation audit committee, workers' compensation actuarial committee, and workers' compensation investment committee, and the administrator of workers' compensation, and employees of the industrial commission and the bureau shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any person employed by the industrial commission or the administrator and any person transacting business with the industrial commission, the board, the audit committee, the actuarial committee, the investment committee, the administrator, or the bureau and may inspect and copy any books, records, or papers in the possession of those persons or entities, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or

papers that are made confidential by law. 782

In performing any investigation, the deputy inspector general 783
shall avoid interfering with the ongoing operations of the 784
entities being investigated, except insofar as is reasonably 785
necessary to successfully complete the investigation. 786

At the conclusion of an investigation conducted by the deputy 787
inspector general for the bureau of workers' compensation and 788
industrial commission, the deputy inspector general shall deliver 789
to the board, the administrator, the industrial commission, and 790
the governor any case for which remedial action is necessary. The 791
deputy inspector general shall maintain a public record of the 792
activities of the office of the deputy inspector general to the 793
extent permitted under this section, ensuring that the rights of 794
the parties involved in each case are protected. The inspector 795
general shall include in the annual report required under section 796
121.48 of the Revised Code a summary of the activities of the 797
deputy inspector general during the previous year. 798

No person shall disclose any information that is designated 799
as confidential in accordance with section 121.44 of the Revised 800
Code or any confidential information that is acquired in the 801
course of an investigation conducted under section 121.53 of the 802
Revised Code to any person who is not legally entitled to 803
disclosure of that information. 804

Sec. 131.02. (A) Except as otherwise provided in section 805
4123.37 and division ~~(J)~~(K) of section 4123.511 of the Revised 806
Code, whenever any amount is payable to the state, the officer, 807
employee, or agent responsible for administering the law under 808
which the amount is payable shall immediately proceed to collect 809
the amount or cause the amount to be collected and shall pay the 810
amount into the state treasury or into the appropriate custodial 811
fund in the manner set forth pursuant to section 113.08 of the 812

Revised Code. Except as otherwise provided in this division, if 813
the amount is not paid within forty-five days after payment is 814
due, the officer, employee, or agent shall certify the amount due 815
to the attorney general, in the form and manner prescribed by the 816
attorney general, and notify the director of budget and management 817
thereof. In the case of an amount payable by a student enrolled in 818
a state institution of higher education, the amount shall be 819
certified within the later of forty-five days after the amount is 820
due or the tenth day after the beginning of the next academic 821
semester, quarter, or other session following the session for 822
which the payment is payable. The attorney general may assess the 823
collection cost to the amount certified in such manner and amount 824
as prescribed by the attorney general. 825

For the purposes of this section, the attorney general and 826
the officer, employee, or agent responsible for administering the 827
law under which the amount is payable shall agree on the time a 828
payment is due, and that agreed upon time shall be one of the 829
following times: 830

(1) If a law, including an administrative rule, of this state 831
prescribes the time a payment is required to be made or reported, 832
when the payment is required by that law to be paid or reported. 833

(2) If the payment is for services rendered, when the 834
rendering of the services is completed. 835

(3) If the payment is reimbursement for a loss, when the loss 836
is incurred. 837

(4) In the case of a fine or penalty for which a law or 838
administrative rule does not prescribe a time for payment, when 839
the fine or penalty is first assessed. 840

(5) If the payment arises from a legal finding, judgment, or 841
adjudication order, when the finding, judgment, or order is 842
rendered or issued. 843

(6) If the payment arises from an overpayment of money by the state to another person, when the overpayment is discovered.	844 845
(7) The date on which the amount for which an individual is personally liable under section 5735.35, section 5739.33, or division (G) of section 5747.07 of the Revised Code is determined.	846 847 848
(8) Upon proof of claim being filed in a bankruptcy case.	849
(9) Any other appropriate time determined by the attorney general and the officer, employee, or agent responsible for administering the law under which the amount is payable on the basis of statutory requirements or ordinary business processes of the state agency to which the payment is owed.	850 851 852 853 854
(B)(1) The attorney general shall give immediate notice by mail or otherwise to the party indebted of the nature and amount of the indebtedness.	855 856 857
(2) If the amount payable to this state arises from a tax levied under Chapter 5733., 5739., 5741., 5747., or 5751. of the Revised Code, the notice also shall specify all of the following:	858 859 860
(a) The assessment or case number;	861
(b) The tax pursuant to which the assessment is made;	862
(c) The reason for the liability, including, if applicable, that a penalty or interest is due;	863 864
(d) An explanation of how and when interest will be added to the amount assessed;	865 866
(e) That the attorney general and tax commissioner, acting together, have the authority, but are not required, to compromise the claim and accept payment over a reasonable time, if such actions are in the best interest of the state.	867 868 869 870
(C) The attorney general shall collect the claim or secure a judgment and issue an execution for its collection.	871 872

(D) Each claim shall bear interest, from the day on which the claim became due, at the rate per annum required by section 5703.47 of the Revised Code.

(E) The attorney general and the chief officer of the agency reporting a claim, acting together, may do any of the following if such action is in the best interests of the state:

(1) Compromise the claim;

(2) Extend for a reasonable period the time for payment of the claim by agreeing to accept monthly or other periodic payments. The agreement may require security for payment of the claim.

(3) Add fees to recover the cost of processing checks or other draft instruments returned for insufficient funds and the cost of providing electronic payment options.

(F)(1) Except as provided in division (F)(2) of this section, if the attorney general finds, after investigation, that any claim due and owing to the state is uncollectible, the attorney general, with the consent of the chief officer of the agency reporting the claim, may do the following:

(a) Sell, convey, or otherwise transfer the claim to one or more private entities for collection;

(b) Cancel the claim or cause it to be canceled.

(2) The attorney general shall cancel or cause to be canceled an unsatisfied claim on the date that is forty years after the date the claim is certified.

(3) No initial action shall be commenced to collect any tax payable to the state that is administered by the tax commissioner, whether or not such tax is subject to division (B) of this section, or any penalty, interest, or additional charge on such tax, after the expiration of the period ending on the later of the

dates specified in divisions (F)(3)(a) and (b) of this section, 903
provided that such period shall be extended by the period of any 904
stay to such collection or by any other period to which the 905
parties mutually agree. If the initial action in aid of execution 906
is commenced before the later of the dates specified in divisions 907
(F)(3)(a) and (b) of this section, any and all subsequent actions 908
may be pursued in aid of execution of judgment for as long as the 909
debt exists. 910

(a) Seven years after the assessment of the tax, penalty, 911
interest, or additional charge is issued. 912

(b) Four years after the assessment of the tax, penalty, 913
interest, or additional charge becomes final. For the purposes of 914
division (F)(3)(b) of this section, the assessment becomes final 915
at the latest of the following: upon expiration of the period to 916
petition for reassessment, or if applicable, to appeal a final 917
determination of the commissioner or decision of the board of tax 918
appeals or a court, or, if applicable, upon decision of the United 919
States supreme court. 920

For the purposes of division (F)(3) of this section, an 921
initial action to collect a tax debt is commenced at the time when 922
any action, including any action in aid of execution on a 923
judgment, commences after a certified copy of the tax 924
commissioner's entry making an assessment final has been filed in 925
the office of the clerk of court of common pleas in the county in 926
which the taxpayer resides or has its principal place of business 927
in this state, or in the office of the clerk of court of common 928
pleas of Franklin county, as provided in section 5739.13, 5741.14, 929
5747.13, or 5751.09 of the Revised Code or in any other applicable 930
law requiring such a filing. If an assessment has not been issued 931
and there is no time limitation on the issuance of an assessment 932
under applicable law, an action to collect a tax debt commences 933
when the action is filed in the courts of this state to collect 934

the liability. 935

(4) If information contained in a claim that is sold, 936
conveyed, or transferred to a private entity pursuant to this 937
section is confidential pursuant to federal law or a section of 938
the Revised Code that implements a federal law governing 939
confidentiality, such information remains subject to that law 940
during and following the sale, conveyance, or transfer. 941

Sec. 1707.01. As used in this chapter: 942

(A) Whenever the context requires it, "division" or "division 943
of securities" may be read as "director of commerce" or as 944
"commissioner of securities." 945

(B) "Security" means any certificate or instrument, or any 946
oral, written, or electronic agreement, understanding, or 947
opportunity, that represents title to or interest in, or is 948
secured by any lien or charge upon, the capital, assets, profits, 949
property, or credit of any person or of any public or governmental 950
body, subdivision, or agency. It includes shares of stock, 951
certificates for shares of stock, an uncertificated security, 952
membership interests in limited liability companies, voting-trust 953
certificates, warrants and options to purchase securities, 954
subscription rights, interim receipts, interim certificates, 955
promissory notes, all forms of commercial paper, evidences of 956
indebtedness, bonds, debentures, land trust certificates, fee 957
certificates, leasehold certificates, syndicate certificates, 958
endowment certificates, interests in or under profit-sharing or 959
participation agreements, interests in or under oil, gas, or 960
mining leases, preorganization or reorganization subscriptions, 961
preorganization certificates, reorganization certificates, 962
interests in any trust or pretended trust, any investment 963
contract, any life settlement interest, any instrument evidencing 964
a promise or an agreement to pay money, warehouse receipts for 965

intoxicating liquor, and the currency of any government other than 966
those of the United States and Canada, but sections 1707.01 to 967
1707.45 of the Revised Code do not apply to the sale of real 968
estate. 969

(C)(1) "Sale" has the full meaning of "sale" as applied by or 970
accepted in courts of law or equity, and includes every 971
disposition, or attempt to dispose, of a security or of an 972
interest in a security. "Sale" also includes a contract to sell, 973
an exchange, an attempt to sell, an option of sale, a solicitation 974
of a sale, a solicitation of an offer to buy, a subscription, or 975
an offer to sell, directly or indirectly, by agent, circular, 976
pamphlet, advertisement, or otherwise. 977

(2) "Sell" means any act by which a sale is made. 978

(3) The use of advertisements, circulars, or pamphlets in 979
connection with the sale of securities in this state exclusively 980
to the purchasers specified in division (D) of section 1707.03 of 981
the Revised Code is not a sale when the advertisements, circulars, 982
and pamphlets describing and offering those securities bear a 983
readily legible legend in substance as follows: "This offer is 984
made on behalf of dealers licensed under sections 1707.01 to 985
1707.45 of the Revised Code, and is confined in this state 986
exclusively to institutional investors and licensed dealers." 987

(4) The offering of securities by any person in conjunction 988
with a licensed dealer by use of advertisement, circular, or 989
pamphlet is not a sale if that person does not otherwise attempt 990
to sell securities in this state. 991

(5) Any security given with, or as a bonus on account of, any 992
purchase of securities is conclusively presumed to constitute a 993
part of the subject of that purchase and has been "sold." 994

(6) "Sale" by an owner, pledgee, or mortgagee, or by a person 995
acting in a representative capacity, includes sale on behalf of 996

such party by an agent, including a licensed dealer or 997
salesperson. 998

(D) "Person," except as otherwise provided in this chapter, 999
means a natural person, firm, partnership, limited partnership, 1000
partnership association, syndicate, joint-stock company, 1001
unincorporated association, trust or trustee except where the 1002
trust was created or the trustee designated by law or judicial 1003
authority or by a will, and a corporation or limited liability 1004
company organized under the laws of any state, any foreign 1005
government, or any political subdivision of a state or foreign 1006
government. 1007

(E)(1) "Dealer," except as otherwise provided in this 1008
chapter, means every person, other than a salesperson, who engages 1009
or professes to engage, in this state, for either all or part of 1010
the person's time, directly or indirectly, either in the business 1011
of the sale of securities for the person's own account, or in the 1012
business of the purchase or sale of securities for the account of 1013
others in the reasonable expectation of receiving a commission, 1014
fee, or other remuneration as a result of engaging in the purchase 1015
and sale of securities. "Dealer" does not mean any of the 1016
following: 1017

(a) Any issuer, including any officer, director, employee, or 1018
trustee of, or member or manager of, or partner in, or any general 1019
partner of, any issuer, that sells, offers for sale, or does any 1020
act in furtherance of the sale of a security that represents an 1021
economic interest in that issuer, provided no commission, fee, or 1022
other similar remuneration is paid to or received by the issuer 1023
for the sale; 1024

(b) Any licensed attorney, public accountant, or firm of such 1025
attorneys or accountants, whose activities are incidental to the 1026
practice of the attorney's, accountant's, or firm's profession; 1027

(c) Any person that, for the account of others, engages in the purchase or sale of securities that are issued and outstanding before such purchase and sale, if a majority or more of the equity interest of an issuer is sold in that transaction, and if, in the case of a corporation, the securities sold in that transaction represent a majority or more of the voting power of the corporation in the election of directors;

(d) Any person that brings an issuer together with a potential investor and whose compensation is not directly or indirectly based on the sale of any securities by the issuer to the investor;

(e) Any bank;

(f) Any person that the division of securities by rule exempts from the definition of "dealer" under division (E)(1) of this section.

(2) "Licensed dealer" means a dealer licensed under this chapter.

(F)(1) "Salesman" or "salesperson" means every natural person, other than a dealer, who is employed, authorized, or appointed by a dealer to sell securities within this state.

(2) The general partners of a partnership, and the executive officers of a corporation or unincorporated association, licensed as a dealer are not salespersons within the meaning of this definition, nor are clerical or other employees of an issuer or dealer that are employed for work to which the sale of securities is secondary and incidental; but the division of securities may require a license from any such partner, executive officer, or employee if it determines that protection of the public necessitates the licensing.

(3) "Licensed salesperson" means a salesperson licensed under this chapter.

(G) "Issuer" means every person who has issued, proposes to issue, or issues any security. 1059
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(H) "Director" means each director or trustee of a corporation, each trustee of a trust, each general partner of a partnership, except a partnership association, each manager of a partnership association, and any person vested with managerial or directory power over an issuer not having a board of directors or trustees. 1061
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(I) "Incorporator" means any incorporator of a corporation and any organizer of, or any person participating, other than in a representative or professional capacity, in the organization of an unincorporated issuer. 1067
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(J) "Fraud," "fraudulent," "fraudulent acts," "fraudulent practices," or "fraudulent transactions" means anything recognized on or after July 22, 1929, as such in courts of law or equity; any device, scheme, or artifice to defraud or to obtain money or property by means of any false pretense, representation, or promise; any fictitious or pretended purchase or sale of securities; and any act, practice, transaction, or course of business relating to the purchase or sale of securities that is fraudulent or that has operated or would operate as a fraud upon the seller or purchaser. 1071
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(K) Except as otherwise specifically provided, whenever any classification or computation is based upon "par value," as applied to securities without par value, the average of the aggregate consideration received or to be received by the issuer for each class of those securities shall be used as the basis for that classification or computation. 1081
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(L)(1) "Intangible property" means patents, copyrights, secret processes, formulas, services, good will, promotion and organization fees and expenses, trademarks, trade brands, trade 1087
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names, licenses, franchises, any other assets treated as 1090
intangible according to generally accepted accounting principles, 1091
and securities, accounts receivable, or contract rights having no 1092
readily determinable value. 1093

(2) "Tangible property" means all property other than 1094
intangible property and includes securities, accounts receivable, 1095
and contract rights, when the securities, accounts receivable, or 1096
contract rights have a readily determinable value. 1097

(M) "Public utilities" means those utilities defined in 1098
sections 4905.02, 4905.03, 4907.02, and 4907.03 of the Revised 1099
Code; in the case of a foreign corporation, it means those 1100
utilities defined as public utilities by the laws of its domicile; 1101
and in the case of any other foreign issuer, it means those 1102
utilities defined as public utilities by the laws of the situs of 1103
its principal place of business. The term always includes 1104
railroads whether or not they are so defined as public utilities. 1105

(N) "State" means any state of the United States, any 1106
territory or possession of the United States, the District of 1107
Columbia, and any province of Canada. 1108

(O) "Bank" means any bank, trust company, savings and loan 1109
association, savings bank, or credit union that is incorporated or 1110
organized under the laws of the United States, any state of the 1111
United States, Canada, or any province of Canada and that is 1112
subject to regulation or supervision by that country, state, or 1113
province. 1114

(P) "Include," when used in a definition, does not exclude 1115
other things or persons otherwise within the meaning of the term 1116
defined. 1117

(Q)(1) "Registration by description" means that the 1118
requirements of section 1707.08 of the Revised Code have been 1119
complied with. 1120

(2) "Registration by qualification" means that the requirements of sections 1707.09 and 1707.11 of the Revised Code have been complied with.

(3) "Registration by coordination" means that there has been compliance with section 1707.091 of the Revised Code. Reference in this chapter to registration by qualification also includes registration by coordination unless the context otherwise indicates.

(R) "Intoxicating liquor" includes all liquids and compounds that contain more than three and two-tenths per cent of alcohol by weight and are fit for use for beverage purposes.

(S) "Institutional investor" means any corporation, bank, insurance company, pension fund or pension fund trust, employees' profit-sharing fund or employees' profit-sharing trust, any association engaged, as a substantial part of its business or operations, in purchasing or holding securities, or any trust in respect of which a bank is trustee or cotrustee. "Institutional investor" does not include any business entity formed for the primary purpose of evading sections 1707.01 to 1707.45 of the Revised Code.

(T) A reference to a statute of the United States or to a rule, regulation, or form promulgated by the securities and exchange commission or by another federal agency means the statute, rule, regulation, or form as it exists at the time of the act, omission, event, or transaction to which it is applied under this chapter.

(U) "Securities and exchange commission" means the securities and exchange commission established by the Securities Exchange Act of 1934.

(V)(1) "Control bid" means the purchase of or offer to purchase any equity security of a subject company from a resident

of this state if either of the following applies: 1152

(a) After the purchase of that security, the offeror would be 1153
directly or indirectly the beneficial owner of more than ten per 1154
cent of any class of the issued and outstanding equity securities 1155
of the issuer. 1156

(b) The offeror is the subject company, there is a pending 1157
control bid by a person other than the issuer, and the number of 1158
the issued and outstanding shares of the subject company would be 1159
reduced by more than ten per cent. 1160

(2) For purposes of division (V)(1) of this section, "control 1161
bid" does not include any of the following: 1162

(a) A bid made by a dealer for the dealer's own account in 1163
the ordinary course of business of buying and selling securities; 1164

(b) An offer to acquire any equity security solely in 1165
exchange for any other security, or the acquisition of any equity 1166
security pursuant to an offer, for the sole account of the 1167
offeror, in good faith and not for the purpose of avoiding the 1168
provisions of this chapter, and not involving any public offering 1169
of the other security within the meaning of Section 4 of Title I 1170
of the "Securities Act of 1933," 48 Stat. 77, 15 U.S.C.A. 77d(2), 1171
as amended; 1172

(c) Any other offer to acquire any equity security, or the 1173
acquisition of any equity security pursuant to an offer, for the 1174
sole account of the offeror, from not more than fifty persons, in 1175
good faith and not for the purpose of avoiding the provisions of 1176
this chapter. 1177

(W) "Offeror" means a person who makes, or in any way 1178
participates or aids in making, a control bid and includes persons 1179
acting jointly or in concert, or who intend to exercise jointly or 1180
in concert any voting rights attached to the securities for which 1181
the control bid is made and also includes any subject company 1182

making a control bid for its own securities.	1183
(X)(1) "Investment adviser" means any person who, for	1184
compensation, engages in the business of advising others, either	1185
directly or through publications or writings, as to the value of	1186
securities or as to the advisability of investing in, purchasing,	1187
or selling securities, or who, for compensation and as a part of	1188
regular business, issues or promulgates analyses or reports	1189
concerning securities.	1190
(2) "Investment adviser" does not mean any of the following:	1191
(a) Any attorney, accountant, engineer, or teacher, whose	1192
performance of investment advisory services described in division	1193
(X)(1) of this section is solely incidental to the practice of the	1194
attorney's, accountant's, engineer's, or teacher's profession;	1195
(b) A publisher of any bona fide newspaper, news magazine, or	1196
business or financial publication of general and regular	1197
circulation;	1198
(c) A person who acts solely as an investment adviser	1199
representative;	1200
(d) A bank holding company, as defined in the "Bank Holding	1201
Company Act of 1956," 70 Stat. 133, 12 U.S.C. 1841, that is not an	1202
investment company;	1203
(e) A bank, or any receiver, conservator, or other	1204
liquidating agent of a bank;	1205
(f) Any licensed dealer or licensed salesperson whose	1206
performance of investment advisory services described in division	1207
(X)(1) of this section is solely incidental to the conduct of the	1208
dealer's or salesperson's business as a licensed dealer or	1209
licensed salesperson and who receives no special compensation for	1210
the services;	1211
(g) Any person, the advice, analyses, or reports of which do	1212

not relate to securities other than securities that are direct 1213
obligations of, or obligations guaranteed as to principal or 1214
interest by, the United States, or securities issued or guaranteed 1215
by corporations in which the United States has a direct or 1216
indirect interest, and that have been designated by the secretary 1217
of the treasury as exempt securities as defined in the "Securities 1218
Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78c; 1219

(h) Any person that is excluded from the definition of 1220
investment adviser pursuant to section 202(a)(11)(A) to (E) of the 1221
"Investment Advisers Act of 1940," 15 U.S.C. 80b-2(a)(11), or that 1222
has received an order from the securities and exchange commission 1223
under section 202(a)(11)(F) of the "Investment Advisers Act of 1224
1940," 15 U.S.C. 80b-2(a)(11)(F), declaring that the person is not 1225
within the intent of section 202(a)(11) of the Investment Advisers 1226
Act of 1940. 1227

(i) A person who acts solely as a state retirement system 1228
investment officer or as a bureau of workers' compensation chief 1229
investment officer; 1230

(j) Any other person that the division designates by rule, if 1231
the division finds that the designation is necessary or 1232
appropriate in the public interest or for the protection of 1233
investors or clients and consistent with the purposes fairly 1234
intended by the policy and provisions of this chapter. 1235

(Y)(1) "Subject company" means an issuer that satisfies both 1236
of the following: 1237

(a) Its principal place of business or its principal 1238
executive office is located in this state, or it owns or controls 1239
assets located within this state that have a fair market value of 1240
at least one million dollars. 1241

(b) More than ten per cent of its beneficial or record equity 1242
security holders are resident in this state, more than ten per 1243

cent of its equity securities are owned beneficially or of record 1244
by residents in this state, or more than one thousand of its 1245
beneficial or record equity security holders are resident in this 1246
state. 1247

(2) The division of securities may adopt rules to establish 1248
more specific application of the provisions set forth in division 1249
(Y)(1) of this section. Notwithstanding the provisions set forth 1250
in division (Y)(1) of this section and any rules adopted under 1251
this division, the division, by rule or in an adjudicatory 1252
proceeding, may make a determination that an issuer does not 1253
constitute a "subject company" under division (Y)(1) of this 1254
section if appropriate review of control bids involving the issuer 1255
is to be made by any regulatory authority of another jurisdiction. 1256

(Z) "Beneficial owner" includes any person who directly or 1257
indirectly through any contract, arrangement, understanding, or 1258
relationship has or shares, or otherwise has or shares, the power 1259
to vote or direct the voting of a security or the power to dispose 1260
of, or direct the disposition of, the security. "Beneficial 1261
ownership" includes the right, exercisable within sixty days, to 1262
acquire any security through the exercise of any option, warrant, 1263
or right, the conversion of any convertible security, or 1264
otherwise. Any security subject to any such option, warrant, 1265
right, or conversion privilege held by any person shall be deemed 1266
to be outstanding for the purpose of computing the percentage of 1267
outstanding securities of the class owned by that person, but 1268
shall not be deemed to be outstanding for the purpose of computing 1269
the percentage of the class owned by any other person. A person 1270
shall be deemed the beneficial owner of any security beneficially 1271
owned by any relative or spouse or relative of the spouse residing 1272
in the home of that person, any trust or estate in which that 1273
person owns ten per cent or more of the total beneficial interest 1274
or serves as trustee or executor, any corporation or entity in 1275

which that person owns ten per cent or more of the equity, and any 1276
affiliate or associate of that person. 1277

(AA) "Offeree" means the beneficial or record owner of any 1278
security that an offeror acquires or offers to acquire in 1279
connection with a control bid. 1280

(BB) "Equity security" means any share or similar security, 1281
or any security convertible into any such security, or carrying 1282
any warrant or right to subscribe to or purchase any such 1283
security, or any such warrant or right, or any other security 1284
that, for the protection of security holders, is treated as an 1285
equity security pursuant to rules of the division of securities. 1286

(CC)(1) "Investment adviser representative" means a 1287
supervised person of an investment adviser, provided that the 1288
supervised person has more than five clients who are natural 1289
persons other than excepted persons defined in division (EE) of 1290
this section, and that more than ten per cent of the supervised 1291
person's clients are natural persons other than excepted persons 1292
defined in division (EE) of this section. "Investment adviser 1293
representative" does not mean any of the following: 1294

(a) A supervised person that does not on a regular basis 1295
solicit, meet with, or otherwise communicate with clients of the 1296
investment adviser; 1297

(b) A supervised person that provides only investment 1298
advisory services described in division (X)(1) of this section by 1299
means of written materials or oral statements that do not purport 1300
to meet the objectives or needs of specific individuals or 1301
accounts; 1302

(c) Any other person that the division designates by rule, if 1303
the division finds that the designation is necessary or 1304
appropriate in the public interest or for the protection of 1305
investors or clients and is consistent with the provisions fairly 1306

intended by the policy and provisions of this chapter. 1307

(2) For the purpose of the calculation of clients in division 1308
(CC)(1) of this section, a natural person and the following 1309
persons are deemed a single client: Any minor child of the natural 1310
person; any relative, spouse, or relative of the spouse of the 1311
natural person who has the same principal residence as the natural 1312
person; all accounts of which the natural person or the persons 1313
referred to in division (CC)(2) of this section are the only 1314
primary beneficiaries; and all trusts of which the natural person 1315
or persons referred to in division (CC)(2) of this section are the 1316
only primary beneficiaries. Persons who are not residents of the 1317
United States need not be included in the calculation of clients 1318
under division (CC)(1) of this section. 1319

(3) If subsequent to March 18, 1999, amendments are enacted 1320
or adopted defining "investment adviser representative" for 1321
purposes of the Investment Advisers Act of 1940 or additional 1322
rules or regulations are promulgated by the securities and 1323
exchange commission regarding the definition of "investment 1324
adviser representative" for purposes of the Investment Advisers 1325
Act of 1940, the division of securities shall, by rule, adopt the 1326
substance of the amendments, rules, or regulations, unless the 1327
division finds that the amendments, rules, or regulations are not 1328
necessary for the protection of investors or in the public 1329
interest. 1330

(DD) "Supervised person" means a natural person who is any of 1331
the following: 1332

(1) A partner, officer, or director of an investment adviser, 1333
or other person occupying a similar status or performing similar 1334
functions with respect to an investment adviser; 1335

(2) An employee of an investment adviser; 1336

(3) A person who provides investment advisory services 1337

described in division (X)(1) of this section on behalf of the 1338
investment adviser and is subject to the supervision and control 1339
of the investment adviser. 1340

(EE) "Excepted person" means a natural person to whom any of 1341
the following applies: 1342

(1) Immediately after entering into the investment advisory 1343
contract with the investment adviser, the person has at least 1344
seven hundred fifty thousand dollars under the management of the 1345
investment adviser. 1346

(2) The investment adviser reasonably believes either of the 1347
following at the time the investment advisory contract is entered 1348
into with the person: 1349

(a) The person has a net worth, together with assets held 1350
jointly with a spouse, of more than one million five hundred 1351
thousand dollars. 1352

(b) The person is a qualified purchaser as defined in 1353
division (FF) of this section. 1354

(3) Immediately prior to entering into an investment advisory 1355
contract with the investment adviser, the person is either of the 1356
following: 1357

(a) An executive officer, director, trustee, general partner, 1358
or person serving in a similar capacity, of the investment 1359
adviser; 1360

(b) An employee of the investment adviser, other than an 1361
employee performing solely clerical, secretarial, or 1362
administrative functions or duties for the investment adviser, 1363
which employee, in connection with the employee's regular 1364
functions or duties, participates in the investment activities of 1365
the investment adviser, provided that, for at least twelve months, 1366
the employee has been performing such nonclerical, nonsecretarial, 1367

or nonadministrative functions or duties for or on behalf of the 1368
investment adviser or performing substantially similar functions 1369
or duties for or on behalf of another company. 1370

If subsequent to March 18, 1999, amendments are enacted or 1371
adopted defining "excepted person" for purposes of the Investment 1372
Advisers Act of 1940 or additional rules or regulations are 1373
promulgated by the securities and exchange commission regarding 1374
the definition of "excepted person" for purposes of the Investment 1375
Advisers Act of 1940, the division of securities shall, by rule, 1376
adopt the substance of the amendments, rules, or regulations, 1377
unless the division finds that the amendments, rules, or 1378
regulations are not necessary for the protection of investors or 1379
in the public interest. 1380

(FF)(1) "Qualified purchaser" means either of the following: 1381

(a) A natural person who owns not less than five million 1382
dollars in investments as defined by rule by the division of 1383
securities; 1384

(b) A natural person, acting for the person's own account or 1385
accounts of other qualified purchasers, who in the aggregate owns 1386
and invests on a discretionary basis, not less than twenty-five 1387
million dollars in investments as defined by rule by the division 1388
of securities. 1389

(2) If subsequent to March 18, 1999, amendments are enacted 1390
or adopted defining "qualified purchaser" for purposes of the 1391
Investment Advisers Act of 1940 or additional rules or regulations 1392
are promulgated by the securities and exchange commission 1393
regarding the definition of "qualified purchaser" for purposes of 1394
the Investment Advisers Act of 1940, the division of securities 1395
shall, by rule, adopt the amendments, rules, or regulations, 1396
unless the division finds that the amendments, rules, or 1397
regulations are not necessary for the protection of investors or 1398

in the public interest. 1399

(GG)(1) "Purchase" has the full meaning of "purchase" as 1400
applied by or accepted in courts of law or equity and includes 1401
every acquisition of, or attempt to acquire, a security or an 1402
interest in a security. "Purchase" also includes a contract to 1403
purchase, an exchange, an attempt to purchase, an option to 1404
purchase, a solicitation of a purchase, a solicitation of an offer 1405
to sell, a subscription, or an offer to purchase, directly or 1406
indirectly, by agent, circular, pamphlet, advertisement, or 1407
otherwise. 1408

(2) "Purchase" means any act by which a purchase is made. 1409

(3) Any security given with, or as a bonus on account of, any 1410
purchase of securities is conclusively presumed to constitute a 1411
part of the subject of that purchase. 1412

(HH) "Life settlement interest" means the entire interest or 1413
any fractional interest in an insurance policy or certificate of 1414
insurance, or in an insurance benefit under such a policy or 1415
certificate, that is the subject of a life settlement contract. 1416

For purposes of this division, "life settlement contract" 1417
means an agreement for the purchase, sale, assignment, transfer, 1418
devise, or bequest of any portion of the death benefit or 1419
ownership of any life insurance policy or contract, in return for 1420
consideration or any other thing of value that is less than the 1421
expected death benefit of the life insurance policy or contract. 1422
"Life settlement contract" includes a viatical settlement contract 1423
as defined in section 3916.01 of the Revised Code, but does not 1424
include any of the following: 1425

(1) A loan by an insurer under the terms of a life insurance 1426
policy, including, but not limited to, a loan secured by the cash 1427
value of the policy; 1428

(2) An agreement with a bank that takes an assignment of a 1429

life insurance policy as collateral for a loan;	1430
(3) The provision of accelerated benefits as defined in section 3915.21 of the Revised Code;	1431 1432
(4) Any agreement between an insurer and a reinsurer;	1433
(5) An agreement by an individual to purchase an existing life insurance policy or contract from the original owner of the policy or contract, if the individual does not enter into more than one life settlement contract per calendar year;	1434 1435 1436 1437
(6) The initial purchase of an insurance policy or certificate of insurance from its owner by a viatical settlement provider, as defined in section 3916.01 of the Revised Code, that is licensed under Chapter 3916. of the Revised Code.	1438 1439 1440 1441
(II) "State retirement system" means the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, and state highway patrol retirement system.	1442 1443 1444 1445
(JJ) "State retirement system investment officer" means an individual employed by a state retirement system as a chief investment officer, assistant investment officer, or the person in charge of a class of assets or in a position that is substantially equivalent to chief investment officer, assistant investment officer, or person in charge of a class of assets.	1446 1447 1448 1449 1450 1451
(KK) "Bureau of workers' compensation chief investment officer" means an individual employed by the bureau <u>administrator</u> of workers' compensation as a chief investment officer <u>or</u> in a position that is substantially equivalent to a chief investment officer.	1452 1453 1454 1455 1456
Sec. 3345.12. (A) As used in this section and sections 3345.07 and 3345.11 of the Revised Code, in other sections of the Revised Code that make reference to this section unless the	1457 1458 1459

context does not permit, and in related bond proceedings unless 1460
otherwise expressly provided: 1461

(1) "State university or college" means each of the state 1462
universities identified in section 3345.011 of the Revised Code 1463
and the northeastern Ohio universities college of medicine, and 1464
includes its board of trustees. 1465

(2) "Institution of higher education" or "institution" means 1466
a state university or college, or a community college district, 1467
technical college district, university branch district, or state 1468
community college, and includes the applicable board of trustees 1469
or, in the case of a university branch district, any other 1470
managing authority. 1471

(3) "Housing and dining facilities" means buildings, 1472
structures, and other improvements, and equipment, real estate, 1473
and interests in real estate therefor, to be used for or in 1474
connection with dormitories or other living quarters and 1475
accommodations, or related dining halls or other food service and 1476
preparation facilities, for students, members of the faculty, 1477
officers, or employees of the institution of higher education, and 1478
their spouses and families. 1479

(4) "Auxiliary facilities" means buildings, structures, and 1480
other improvements, and equipment, real estate, and interests in 1481
real estate therefor, to be used for or in connection with student 1482
activity or student service facilities, housing and dining 1483
facilities, dining halls, and other food service and preparation 1484
facilities, vehicular parking facilities, bookstores, athletic and 1485
recreational facilities, faculty centers, auditoriums, assembly 1486
and exhibition halls, hospitals, infirmaries and other medical and 1487
health facilities, research, and continuing education facilities. 1488

(5) "Education facilities" means buildings, structures, and 1489
other improvements, and equipment, real estate, and interests in 1490

real estate therefor, to be used for or in connection with, 1491
classrooms or other instructional facilities, libraries, 1492
administrative and office facilities, and other facilities, other 1493
than auxiliary facilities, to be used directly or indirectly for 1494
or in connection with the conduct of the institution of higher 1495
education. 1496

(6) "Facilities" means housing and dining facilities, 1497
auxiliary facilities, or education facilities, and includes any 1498
one, part of, or any combination of such facilities, and further 1499
includes site improvements, utilities, machinery, furnishings, and 1500
any separate or connected buildings, structures, improvements, 1501
sites, open space and green space areas, utilities or equipment to 1502
be used in, or in connection with the operation or maintenance of, 1503
or supplementing or otherwise related to the services or 1504
facilities to be provided by, such facilities. 1505

(7) "Obligations" means bonds or notes or other evidences of 1506
obligation, including interest coupons pertaining thereto, 1507
authorized to be issued under this section or section 3345.07, 1508
3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the Revised 1509
Code. 1510

(8) "Bond service charges" means principal, including any 1511
mandatory sinking fund or redemption requirements for the 1512
retirement of obligations, interest, or interest equivalent and 1513
other accreted amounts, and any call premium required to be paid 1514
on obligations. 1515

(9) "Bond proceedings" means the resolutions, trust 1516
agreement, indenture, and other agreements and credit enhancement 1517
facilities, and amendments and supplements to the foregoing, or 1518
any one or more or combination thereof, authorizing, awarding, or 1519
providing for the terms and conditions applicable to, or providing 1520
for the security or liquidity of, obligations, and the provisions 1521
contained in those obligations. 1522

(10) "Costs of facilities" means the costs of acquiring, 1523
constructing, reconstructing, rehabilitating, remodeling, 1524
renovating, enlarging, improving, equipping, or furnishing 1525
facilities, and the financing thereof, including the cost of 1526
clearance and preparation of the site and of any land to be used 1527
in connection with facilities, the cost of any indemnity and 1528
surety bonds and premiums on insurance, all related direct 1529
administrative expenses and allocable portions of direct costs of 1530
the institution of higher education or state agency, cost of 1531
engineering, architectural services, design, plans, specifications 1532
and surveys, estimates of cost, legal fees, fees and expenses of 1533
trustees, depositories, bond registrars, and paying agents for the 1534
obligations, cost of issuance of the obligations and financing 1535
costs and fees and expenses of financial advisers and consultants 1536
in connection therewith, interest on the obligations from the date 1537
thereof to the time when interest is to be covered by available 1538
receipts or other sources other than proceeds of the obligations, 1539
amounts necessary to establish reserves as required by the bond 1540
proceedings, costs of audits, the reimbursements of all moneys 1541
advanced or applied by or borrowed from the institution or others, 1542
from whatever source provided, including any temporary advances 1543
from state appropriations, for the payment of any item or items of 1544
cost of facilities, and all other expenses necessary or incident 1545
to planning or determining feasibility or practicability with 1546
respect to facilities, and such other expenses as may be necessary 1547
or incident to the acquisition, construction, reconstruction, 1548
rehabilitation, remodeling, renovation, enlargement, improvement, 1549
equipment, and furnishing of facilities, the financing thereof and 1550
the placing of them in use and operation, including any one, part 1551
of, or combination of such classes of costs and expenses. 1552

(11) "Available receipts" means all moneys received by the 1553
institution of higher education, including income, revenues, and 1554
receipts from the operation, ownership, or control of facilities, 1555

grants, gifts, donations, and pledges and receipts therefrom, 1556
receipts from fees and charges, and the proceeds of the sale of 1557
obligations, including proceeds of obligations issued to refund 1558
obligations previously issued, but excluding any special fee, and 1559
receipts therefrom, charged pursuant to division (D) of section 1560
154.21 of the Revised Code. 1561

(12) "Credit enhancement facilities" has the meaning given in 1562
division (H) of section 133.01 of the Revised Code. 1563

(13) "Financing costs" has the meaning given in division (K) 1564
of section 133.01 of the Revised Code. 1565

(14) "Interest" or "interest equivalent" has the meaning 1566
given in division (R) of section 133.01 of the Revised Code. 1567

(B) Obligations issued under section 3345.07 or 3345.11 of 1568
the Revised Code by a state university or college shall be 1569
authorized by resolution of its board of trustees. Obligations 1570
issued by any other institution of higher education shall be 1571
authorized by resolution of its board of trustees, or managing 1572
directors in the case of certain university branch districts, as 1573
applicable. Sections 9.96 and 9.98 to 9.983 of the Revised Code 1574
apply to obligations. Obligations may be issued to pay costs of 1575
facilities even if the institution anticipates the possibility of 1576
a future state appropriation to pay all or a portion of such 1577
costs. 1578

(C) Obligations shall be secured by a pledge of and lien on 1579
all or such part of the available receipts of the institution of 1580
higher education as it provides for in the bond proceedings, 1581
excluding moneys raised by taxation and state appropriations. Such 1582
pledge and lien may be made prior to all other expenses, claims, 1583
or payments, excepting any pledge of such available receipts 1584
previously made to the contrary and except as provided by any 1585
existing restrictions on the use thereof, or such pledge and lien 1586

may be made subordinate to such other expenses, claims, or 1587
payments, as provided in the bond proceedings. Obligations may be 1588
additionally secured by covenants of the institution to make, fix, 1589
adjust, collect, and apply such charges, rates, fees, rentals, and 1590
other items of available receipts as will produce pledged 1591
available receipts sufficient to meet bond service charges, 1592
reserve, and other requirements provided for in the bond 1593
proceedings. Notwithstanding this and any other sections of the 1594
Revised Code, the holders or owners of the obligations shall not 1595
be given the right and shall have no right to have excises or 1596
taxes levied by the general assembly for the payment of bond 1597
service charges thereon, and each such obligation shall bear on 1598
its face a statement to that effect and to the effect that the 1599
right to such payment is limited to the available receipts and 1600
special funds pledged to such purpose under the bond proceedings. 1601

All pledged available receipts and funds and the proceeds of 1602
obligations are trust funds and, subject to the provisions of this 1603
section and the applicable bond proceedings, shall be held, 1604
deposited, invested, reinvested, disbursed, applied, and used to 1605
such extent, in such manner, at such times, and for such purposes, 1606
as are provided in the bond proceedings. 1607

(D) The bond proceedings for obligations shall provide for 1608
the purpose thereof and the principal amount or maximum principal 1609
amount, and provide for or authorize the manner of determining the 1610
principal maturity or maturities, the sale price including any 1611
permitted discount, the interest rate or rates, which may be a 1612
variable rate or rates, or the maximum interest rate, the date of 1613
the obligations and the date or dates of payment of interest 1614
thereon, their denominations, the manner of sale thereof, and the 1615
establishment within or without the state of a place or places of 1616
payment of bond service charges. The bond proceedings also shall 1617
provide for a pledge of and lien on available receipts of the 1618

institution of higher education as provided in division (C) of 1619
this section, and a pledge of and lien on such fund or funds 1620
provided in the bond proceedings arising from available receipts, 1621
which pledges and liens may provide for parity with obligations 1622
theretofore or thereafter issued by the institution. The available 1623
receipts so pledged and thereafter received by the institution and 1624
the funds so pledged are immediately subject to the lien of such 1625
pledge without any physical delivery thereof or further act, and 1626
the lien of any such pledge is valid and binding against all 1627
parties having claims of any kind against the institution, 1628
irrespective of whether such parties have notice thereof, and 1629
shall create a perfected security interest for all purposes of 1630
Chapter 1309. of the Revised Code, without the necessity for 1631
separation or delivery of funds or for the filing or recording of 1632
the bond proceedings by which such pledge is created or any 1633
certificate, statement, or other document with respect thereto; 1634
and the pledge of such available receipts and funds shall be 1635
effective and the money therefrom and thereof may be applied to 1636
the purposes for which pledged without necessity for any act of 1637
appropriation. 1638

(E) The bond proceedings may contain additional provisions 1639
customary or appropriate to the financing or to the obligations or 1640
to particular obligations, including: 1641

(1) The acquisition, construction, reconstruction, equipment, 1642
furnishing, improvement, operation, alteration, enlargement, 1643
maintenance, insurance, and repair of facilities, and the duties 1644
of the institution of higher education with reference thereto; 1645

(2) The terms of the obligations, including provisions for 1646
their redemption prior to maturity at the option of the 1647
institution of higher education at such price or prices and under 1648
such terms and conditions as are provided in the bond proceedings; 1649

(3) Limitations on the purposes to which the proceeds of the 1650

obligations may be applied; 1651

(4) The rates or rentals or other charges for the use of or 1652
right to use the facilities financed by the obligations, or other 1653
properties the revenues or receipts from which are pledged to the 1654
obligations, and rules for assuring use and occupancy thereof, 1655
including limitations upon the right to modify such rates, 1656
rentals, other charges, or regulations; 1657

(5) The use and expenditure of the pledged available receipts 1658
in such manner and to such extent as shall be determined, which 1659
may include provision for the payment of the expenses of 1660
operation, maintenance, and repair of facilities so that such 1661
expenses, or part thereof, shall be paid or provided as a charge 1662
prior or subsequent to the payment of bond service charges and any 1663
other payments required to be made by the bond proceedings; 1664

(6) Limitations on the issuance of additional obligations; 1665

(7) The terms of any trust agreement or indenture securing 1666
the obligations or under which the same may be issued; 1667

(8) The deposit, investment, and application of funds, and 1668
the safeguarding of funds on hand or on deposit without regard to 1669
Chapter 131. or 135. of the Revised Code, and any bank or trust 1670
company or other financial institution that acts as depository of 1671
any moneys under the bond proceedings shall furnish such 1672
indemnifying bonds or pledge such securities as required by the 1673
bond proceedings or otherwise by the institution of higher 1674
education; 1675

(9) The binding effect of any or every provision of the bond 1676
proceedings upon such officer, board, commission, authority, 1677
agency, department, or other person or body as may from time to 1678
time have the authority under law to take such actions as may be 1679
necessary to perform all or any part of the duty required by such 1680
provision; 1681

(10) Any provision that may be made in a trust agreement or indenture; 1682
1683

(11) Any other or additional agreements with respect to the facilities of the institution of higher education, their operation, the available receipts and funds pledged, and insurance of facilities and of the institution, its officers and employees. 1684
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(F) Such obligations may have the seal of the institution of higher education or a facsimile thereof affixed thereto or printed thereon and shall be executed by such officers as are designated in the bond proceedings, which execution may be by facsimile signatures. Any obligations may be executed by an officer who, on the date of execution, is the proper officer although on the date of such obligations such person was not the proper officer. In case any officer whose signature or a facsimile of whose signature appears on any such obligation ceases to be such officer before delivery thereof, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the person had remained such officer until such delivery; and in case the seal of the institution has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal continues to be sufficient as to such obligations and obligations issued in substitution or exchange therefor. 1688
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(G) All such obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. The obligations may be issued in coupon or in registered form, or both. Provision may be made for the registration of any obligations with coupons attached thereto as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons attached thereto of any obligations registered as to both principal and interest, and for reasonable 1704
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charges for such registration, exchange, conversion, and 1714
reconversion. 1715

(H) Pending preparation of definitive obligations, the 1716
institution of higher education may issue interim receipts or 1717
certificates which shall be exchanged for such definitive 1718
obligations. 1719

(I) Such obligations may be secured additionally by a trust 1720
agreement or indenture between the institution of higher education 1721
and a corporate trustee, which may be any trust company or bank 1722
having the powers of a trust company within or without this state 1723
but authorized to exercise trust powers within this state. Any 1724
such agreement or indenture may contain the resolution authorizing 1725
the issuance of the obligations, any provisions that may be 1726
contained in the bond proceedings as authorized by this section, 1727
and other provisions which are customary or appropriate in an 1728
agreement or indenture of such type, including: 1729

(1) Maintenance of each pledge, trust agreement, and 1730
indenture, or other instrument comprising part of the bond 1731
proceedings until the institution of higher education has fully 1732
paid the bond service charges on the obligations secured thereby, 1733
or provision therefor has been made; 1734

(2) In the event of default in any payments required to be 1735
made by the bond proceedings, or any other agreement of the 1736
institution of higher education made as a part of the contract 1737
under which the obligations were issued, enforcement of such 1738
payments or agreement by mandamus, the appointment of a receiver, 1739
suit in equity, action at law, or any combination of the 1740
foregoing; 1741

(3) The rights and remedies of the holders of obligations and 1742
of the trustee, and provisions for protecting and enforcing them, 1743
including limitations on rights of individual holders of 1744

obligations;	1745
(4) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;	1746 1747
(5) Such other provisions as the trustee and the institution of higher education agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.	1748 1749 1750
(J) Each duty of the institution of higher education and its officers or employees, undertaken pursuant to the bond proceedings or any related agreement or lease made under authority of law, is hereby established as a duty of such institution, and of each such officer or employee having authority to perform such duty, specially enjoined by law resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The persons who are at the time the members of the board of trustees or the managing directors of the institution or its officers or employees are not liable in their personal capacities on such obligations, or lease, or other agreement of the institution.	1751 1752 1753 1754 1755 1756 1757 1758 1759 1760 1761 1762
(K) The authority to issue obligations includes authority to:	1763
(1) Issue obligations in the form of bond anticipation notes and to renew them from time to time by the issuance of new notes. Such notes are payable solely from the available receipts and funds that may be pledged to the payment of such bonds, or from the proceeds of such bonds or renewal notes, or both, as the institution of higher education provides in its resolution authorizing such notes. Such notes may be additionally secured by covenants of the institution to the effect that it will do such or all things necessary for the issuance of such bonds or renewal notes in appropriate amount, and either exchange such bonds or renewal notes therefor or apply the proceeds thereof to the extent necessary, to make full payment of the bond service charges on	1764 1765 1766 1767 1768 1769 1770 1771 1772 1773 1774 1775

such notes at the time or times contemplated, as provided in such 1776
resolution. Subject to the provisions of this division, all 1777
references to obligations in this section apply to such 1778
anticipation notes. 1779

(2) Issue obligations to refund, including funding and 1780
retirement of, obligations previously issued to pay costs of 1781
facilities. Such obligations may be issued in amounts sufficient 1782
for payment of the principal amount of the obligations to be so 1783
refunded, any redemption premiums thereon, principal maturities of 1784
any obligations maturing prior to the redemption of any other 1785
obligations on a parity therewith to be so refunded, interest 1786
accrued or to accrue to the maturity date or dates of redemption 1787
of such obligations, and any expenses incurred or to be incurred 1788
in connection with such refunding or the issuance of the 1789
obligations. 1790

(L) Obligations are lawful investments for banks, societies 1791
for savings, savings and loan associations, deposit guarantee 1792
associations, trust companies, trustees, fiduciaries, insurance 1793
companies, including domestic for life and domestic not for life, 1794
trustees or other officers having charge of sinking and bond 1795
retirement or other special funds of political subdivisions and 1796
taxing districts of this state, the commissioners of the sinking 1797
fund, the administrator of workers' compensation in accordance 1798
with the investment policy ~~established~~ approved by the bureau of 1799
workers' compensation oversight commission board of directors 1800
pursuant to section 4121.12 of the Revised Code, the state 1801
teachers retirement system, the public employees retirement 1802
system, the school employees retirement system, and the Ohio 1803
police and fire pension fund, notwithstanding any other provisions 1804
of the Revised Code or rules adopted pursuant thereto by any state 1805
agency with respect to investments by them, and are also 1806
acceptable as security for the deposit of public moneys. 1807

(M) All facilities purchased, acquired, constructed, or owned 1808
by an institution of higher education, or financed in whole or in 1809
part by obligations issued by an institution, and used for the 1810
purposes of the institution or other publicly owned and controlled 1811
college or university, is public property used exclusively for a 1812
public purpose, and such property and the income therefrom is 1813
exempt from all taxation and assessment within this state, 1814
including ad valorem and excise taxes. The obligations, the 1815
transfer thereof, and the income therefrom, including any profit 1816
made on the sale thereof, are at all times free from taxation 1817
within the state. The transfer of tangible personal property by 1818
lease under authority of this section or section 3345.07, 3345.11, 1819
3354.121, 3355.091, 3357.112, or 3358.10 of the Revised Code is 1820
not a sale as used in Chapter 5739. of the Revised Code. 1821

(N) The authority granted by this section is cumulative with 1822
the authority granted to institutions of higher education under 1823
Chapter 154. of the Revised Code, and nothing in this section 1824
impairs or limits the authority granted by Chapter 154. of the 1825
Revised Code. In any lease, agreement, or commitment made by an 1826
institution of higher education under Chapter 154. of the Revised 1827
Code, it may agree to restrict or subordinate any pledge it may 1828
thereafter make under authority of this section. 1829

(O) Title to lands acquired under this section and sections 1830
3345.07 and 3345.11 of the Revised Code by a state university or 1831
college shall be taken in the name of the state. 1832

(P) Except where costs of facilities are to be paid in whole 1833
or in part from funds appropriated by the general assembly, 1834
section 125.81 of the Revised Code and the requirement for 1835
certification with respect thereto under section 153.04 of the 1836
Revised Code do not apply to such facilities. 1837

(Q) A state university or college may sell or lease lands or 1838
interests in land owned by it or by the state for its use, or 1839

facilities authorized to be acquired or constructed by it under 1840
section 3345.07 or 3345.11 of the Revised Code, to permit the 1841
purchasers or lessees thereof to acquire, construct, equip, 1842
furnish, reconstruct, alter, enlarge, remodel, renovate, 1843
rehabilitate, improve, maintain, repair, or maintain and operate 1844
thereon and to provide by lease or otherwise to such institution, 1845
facilities authorized in section 3345.07 or 3345.11 of the Revised 1846
Code. Such land or interests therein shall be sold for such 1847
appraised value, or leased, and on such terms as the board of 1848
trustees determines. All deeds or other instruments relating to 1849
such sales or leases shall be executed by such officer of the 1850
state university or college as the board of trustees designates. 1851
The state university or college shall hold, invest, or use the 1852
proceeds of such sales or leases for the same purposes for which 1853
proceeds of borrowings may be used under sections 3345.07 and 1854
3345.11 of the Revised Code. 1855

(R) An institution of higher education may pledge available 1856
receipts, to the extent permitted by division (C) of this section 1857
with respect to obligations, to secure the payments to be made by 1858
it under any lease, lease with option to purchase, or 1859
lease-purchase agreement authorized under this section or section 1860
3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the 1861
Revised Code. 1862

Sec. 3923.41. As used in sections 3923.41 to 3923.48 of the 1863
Revised Code: 1864

(A) "Long-term care insurance" means any insurance policy or 1865
rider advertised, marketed, offered, or designed to provide 1866
coverage for not less than one year for each covered person on an 1867
expense incurred, indemnity, prepaid, or other basis, for one or 1868
more necessary or medically necessary diagnostic, preventive, 1869
therapeutic, rehabilitative, maintenance, or personal care 1870

services, provided in a setting other than an acute care unit of a hospital. "Long-term care insurance" includes group and individual annuities and life insurance policies or riders that provide directly or supplement long-term care benefits, and policies or riders that provide for payment of benefits based on cognitive impairment or the loss of functional capacity. "Long-term care insurance" includes group and individual policies or riders whether issued by insurers, fraternal benefit societies, or health insuring corporations. "Long-term care insurance" includes qualified long-term care insurance contracts. "Long-term care insurance" does not include any insurance policy that is offered primarily to provide basic medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

With regard to life insurance, "long-term care insurance" does not include life insurance policies that accelerate the death benefits specifically for one or more of the qualifying events of terminal illness, medical conditions requiring extraordinary medical intervention, or permanent institutional confinement; that provide the option of a lump sum payment for those benefits; and in which neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care.

Notwithstanding any other provision contained in sections 3923.41 to 3923.48 of the Revised Code, any product advertised, marketed, or offered as long-term care insurance shall be subject to sections 3923.41 to 3923.48 of the Revised Code.

(B) "Applicant" means either of the following:

(1) In the case of an individual long-term care insurance policy, the person who seeks to contract for benefits;

(2) In the case of a group long-term care insurance policy, 1903
the proposed certificate holder. 1904

(C) "Certificate" means any certificate issued under a group 1905
long-term care insurance policy that has been delivered, issued 1906
for delivery, or used in or outside this state. 1907

(D) "Group long-term care insurance" means ~~a form of~~ 1908
~~long-term care insurance covering any group of two or more~~ 1909
~~employees, members, or other persons, with or without one or more~~ 1910
~~of their dependents and members of their immediate families. Such~~ 1911
~~insurance may be offered to groups without regard to the purpose~~ 1912
~~or type of group or the occupation of the employees, members, and~~ 1913
~~other persons insured under the policy~~ a long-term care insurance 1914
policy that is delivered or issued for delivery in this state to 1915
any of the following: 1916

(1) One or more employers or labor organizations, or a trust 1917
or the trustees of a fund established by one or more employers or 1918
labor organizations, or a combination thereof, established for 1919
either of the following: 1920

(a) Employees or former employees or a combination thereof; 1921

(b) Members of the labor organization, or former members of 1922
the labor organization, or a combination thereof. 1923

(2) Any professional, trade, or occupational association for 1924
its members or former or retired members, or a combination 1925
thereof, if the association satisfies both of the following 1926
requirements: 1927

(a) It is composed of individuals all of whom are or were 1928
actively engaged in the same profession, trade, or occupation. 1929

(b) It is maintained in good faith for purposes other than 1930
obtaining insurance. 1931

(3) An association or trust of the trustees of a fund 1932

established, created, or maintained for the benefit of members of 1933
one or more associations that meets the requirements of section 1934
3923.43 of the Revised Code; 1935

(4) A group other than as described in divisions (D)(1), (2), 1936
and (3) of this section about whom the superintendent of insurance 1937
finds that all of the following are true: 1938

(a) The issuance of the group policy is not contrary to the 1939
best interest of the public. 1940

(b) The issuance of the group policy would result in 1941
economies of acquisition or administration. 1942

(c) The benefits of the group policy are reasonable in 1943
relation to the premiums charged. 1944

(E) "Policy" means any policy, contract, rider, or 1945
endorsement delivered, issued for delivery, or used in or outside 1946
this state by an insurer, fraternal benefit society, or health 1947
insuring corporation. 1948

(F)(1) "Qualified long-term care insurance contract" or 1949
"federally tax-qualified long-term care insurance contract" means 1950
an individual or group insurance contract of which all of the 1951
following are true pursuant to division (b) of section 7702B of 1952
the "Internal Revenue Code of 1986," 26 U.S.C. 7702B, as amended: 1953

(a) The only insurance protection provided under the contract 1954
is coverage of qualified long-term care services including 1955
payments made on a per diem or other periodic basis without regard 1956
to the expenses incurred during the period to which the payments 1957
relate. 1958

(b) The contract does not pay or reimburse expenses incurred 1959
for services or items to the extent that the expenses are 1960
reimbursable under Title XVIII of the "Social Security Act," 42 1961
U.S.C. 1395 et seq., as amended, or would be so reimbursable but 1962

for the application of a deductible or coinsurance amount. The 1963
contract may pay or reimburse expenses that are reimbursable under 1964
Title XVIII of the Social Security Act as a secondary payer. A 1965
contract may allow payments to be made on a per diem or other 1966
periodic basis without regard to the expenses incurred during the 1967
period to which the payments relate. 1968

(c) The contract is guaranteed renewable, within the meaning 1969
of division (b)(1)(C) of section 7702B of the "Internal Revenue 1970
Code of 1986," 26 U.S.C. 7702B, as amended. 1971

(d) The contract does not provide for a cash surrender value 1972
or other money that can be paid, assigned, pledged as collateral 1973
for a loan, or borrowed except as provided in division (F)(1)(e) 1974
of this section. 1975

(e) All refunds of premiums, and all policy holder dividends 1976
or similar amounts, under the contract shall be applied to a 1977
reduction in future premiums or to increase future benefits, 1978
except that a refund in the event of death of the insured or in 1979
the event of a complete surrender or cancellation of the contract 1980
shall not exceed the aggregate premiums paid under the contract. 1981

(f) The contract meets the consumer protection provisions set 1982
forth in division (g) of section 7702B of the "Internal Revenue 1983
Code of 1986," 26 U.S.C. 7702B, as amended. 1984

(2) "Qualified long-term care insurance contract" or 1985
"federally tax-qualified long-term care insurance contract" also 1986
means the portion of a life insurance contract that provides 1987
long-term care insurance coverage by a rider or as part of the 1988
contract and that satisfies the requirements of divisions (b) and 1989
(e) of section 7702B of the Internal Revenue Code of 1986, 26 1990
U.S.C 7702B, as amended. 1991

(G) "State long-term care partnership program" or 1992
"partnership program" means a program established under division 1993

(b) of section 1917 of the "Social Security Act," 42 U.S.C. 1396p, 1994
as amended. 1995

(H) "Insurance agent" or "agent" means a person licensed 1996
under Chapter 3905. of the Revised Code to sell, solicit, or 1997
negotiate insurance. 1998

(I) "Insurer" means any person authorized under Title XXXIX 1999
of the Revised Code to engage in the business of insurance in this 2000
state or any health insuring corporation authorized under Chapter 2001
1751. of the Revised Code to do business in this state that issues 2002
long-term care insurance policies or certificates. 2003

Sec. 3923.43. (A) Prior to advertising, marketing, or 2004
offering a policy within this state, the association or the 2005
insurer of the association described in division (D)(3) of section 2006
3923.41 of the Revised Code, shall file evidence with the 2007
superintendent of insurance that the association has at the outset 2008
a minimum of one hundred persons and has been organized and 2009
maintained in good faith for purposes other than that of obtaining 2010
insurance, has been in active existence for at least one year, and 2011
has a constitution and bylaws that provide all of the following: 2012

(1) The association holds regular meetings not less than 2013
annually to further the purposes of the members; 2014

(2) Except for credit unions, the association collects dues 2015
or solicits contributions from members; 2016

(3) The association's members have voting privileges and 2017
representation on the governing board and committees of the 2018
association. 2019

(B) Thirty days after the evidence filing, the association is 2020
deemed to satisfy the organizational requirements listed in 2021
division (A) of this section unless the superintendent makes a 2022
specific finding that the association does not satisfy the 2023

organizational requirements. 2024

Sec. 3923.44. (A) The superintendent of insurance, pursuant 2025
to Chapter 119. of the Revised Code, may adopt rules that include 2026
standards for full and fair disclosure setting forth the manner, 2027
content, and required disclosures for the sale of long-term care 2028
insurance policies, terms of renewability, initial and subsequent 2029
conditions of eligibility, nonduplication of coverage provisions, 2030
coverage of dependents, preexisting conditions, termination of 2031
coverage, continuation or conversion, probationary periods, 2032
limitations, exceptions, reductions, elimination periods, 2033
requirements for replacement, recurrent conditions, and 2034
definitions of terms. Such rules may include provisions related to 2035
the state long-term care partnership program, including, but not 2036
limited to, requirements related to offers to exchange partnership 2037
program policies for previously issued policies and for consumer 2038
disclosures related to the state long-term care partnership 2039
program. 2040

(B) No long-term care insurance policy shall: 2041

(1) Be canceled, nonrenewed, or otherwise terminated on the 2042
grounds of the age or the deterioration of the mental or physical 2043
health of the insured individual or certificate holder; 2044

(2) Contain a provision establishing a new waiting period if 2045
existing coverage is converted to or replaced by a new or other 2046
form within the same company, except with respect to an increase 2047
in benefits voluntarily selected by the insured individual or 2048
group policyholder; 2049

(3) Provide coverage for skilled nursing care only or provide 2050
significantly more coverage for skilled care in a facility than 2051
coverage for lower levels of care; 2052

(4) Use a definition of "preexisting condition" that is more 2053

restrictive than the following: "Preexisting condition" means a 2054
condition for which medical advice or treatment was recommended 2055
by, or received from, a provider of health care services, within 2056
six months preceding the effective date of coverage of an insured 2057
person. 2058

(5) Exclude coverage for a loss or confinement that is the 2059
result of a preexisting condition unless the loss or confinement 2060
begins within six months following the effective date of coverage 2061
of an insured person. 2062

(C) The superintendent may extend the limitation periods set 2063
forth in divisions (B)(4) and (5) of this section as to specific 2064
age group categories in specific policy forms upon findings that 2065
the extension is in the best interest of the public. 2066

(D) "Preexisting condition" does not prohibit an insurer from 2067
using an application form designed to elicit the complete health 2068
history of an applicant, and, on the basis of the answers on that 2069
application, from underwriting in accordance with that insurer's 2070
established underwriting standards. Unless otherwise provided in 2071
the policy or certificate, a preexisting condition, regardless of 2072
whether it is disclosed on the application, need not be covered 2073
until the waiting period described in division (B)(5) of this 2074
section expires. No long-term care insurance policy or certificate 2075
may exclude or use waivers or riders of any kind to exclude, 2076
limit, or reduce coverage or benefits for specifically named or 2077
described preexisting diseases or physical conditions beyond the 2078
waiting period described in division (B)(5) of this section. 2079

(E)(1) No long-term care insurance policy shall do any of the 2080
following: 2081

(a) Condition eligibility for any institutional benefits on a 2082
requirement of prior hospitalization; 2083

(b) Condition eligibility for benefits provided in an 2084

institutional care setting on the receipt of a higher level of 2085
institutional care; 2086

(c) Condition eligibility for any institutional benefits, 2087
other than waiver of premium or post-confinement, post-acute care, 2088
or recuperative benefits, on a requirement of prior 2089
institutionalization. 2090

(2) Every long-term care insurance policy that conditions 2091
eligibility for noninstitutional benefits on the prior receipt of 2092
institutional care is subject to both of the following: 2093

(a) The policy shall not require a prior institutional stay 2094
of more than thirty days. 2095

(b) The policy shall provide that eligibility for 2096
noninstitutional benefits shall be established by the alternative 2097
of a period of hospitalization of not more than three days. 2098

(3) No long-term care insurance policy, except for the policy 2099
described in division (E)(2) of this section, shall condition 2100
eligibility for noninstitutional benefits on the requirement of 2101
prior hospitalization. 2102

(4) No long-term care insurance policy that provides benefits 2103
only following institutionalization shall condition the benefits 2104
upon admission to a facility for the same or related conditions 2105
within a period of less than thirty days after discharge from the 2106
institution. 2107

(F) A long-term care insurance policy that provides 2108
post-confinement, post-acute care, or recuperative benefits shall 2109
state any limitations or conditions on eligibility for benefits, 2110
including any required period of prior institutionalization as 2111
permitted in division (E)(1)(c) of this section, in a separate 2112
paragraph of the policy or certificate and shall label that 2113
paragraph "Limitations or Conditions on Eligibility for Benefits." 2114

(G) The superintendent, pursuant to Chapter 119. of the Revised Code, may adopt rules establishing loss ratio standards for long-term care insurance policies provided that a specific reference to long-term care insurance policies is contained in the rule.

(H)(1) A person insured under a long-term care insurance policy may return the policy or certificate in accordance with the procedures and requirements provided for individual policyholders under section 3923.31 of the Revised Code, except that the person has thirty days from the date of delivery to return the policy or certificate and have the premium refunded.

(2) A notice of the policyholder's or certificate holder's rights under division (H)(1) of this section and section 3923.31 of the Revised Code shall be printed prominently on the first page of the policy or certificate or attached to the policy or certificate.

(I) ~~An~~ Except as provided in division (M) of this section, an outline of coverage and a notice that consumer information is available from the department of insurance under section 3923.49 of the Revised Code shall be delivered to a prospective applicant for long-term care insurance at the time of the initial solicitation through means that prominently direct the attention of the prospective applicant to the outline of coverage, the purpose of the outline of coverage, and the notice. In the case of agent solicitations, the agent shall deliver the outline of coverage and notice prior to the presentation of an application or enrollment form. In the case of direct response solicitations, the insurer shall deliver the outline of coverage and notice in conjunction with any application or enrollment form. The superintendent shall prescribe by rule the content and format of the outline of coverage and notice, including the style, overall appearance, size, color and prominence of type, and the

arrangement of text and captions. The outline of coverage shall	2147
include all of the following:	2148
(1) A description of the principal benefits and coverage	2149
provided in the policy;	2150
(2) A statement of the principal exclusions, reductions, and	2151
limitations contained in the policy;	2152
(3) A statement of the terms under which the individual	2153
policy or certificate or the group policy or certificate may be	2154
renewed and the terms under which cancellation is permitted,	2155
including any reservation in the policy of a right to change	2156
premiums. Continuation or conversion provisions of group long-term	2157
care insurance shall be specifically described.	2158
(4) A description of the terms under which the policy or	2159
certificate may be returned and the premium refunded;	2160
(5) A brief description of the relationship of the cost of	2161
care and benefits;	2162
(6) A statement that the outline of coverage is a summary of	2163
the policy issued or applied for, and that the policy or group	2164
master policy should be consulted to determine governing	2165
contractual provisions;	2166
<u>(7) A statement that discloses to the policyholder or</u>	2167
<u>certificate holder whether the policy is intended to be a</u>	2168
<u>federally tax-qualified long-term care insurance contract.</u>	2169
(J) A certificate issued pursuant to a group long-term care	2170
insurance policy that is delivered, issued for delivery, or used	2171
in or outside this state shall include all of the following:	2172
(1) A description of the principal benefits and coverage	2173
provided in the policy;	2174
(2) A statement of the principal exclusions, reductions, and	2175
limitations contained in the policy;	2176

(3) A statement that the group master policy determines governing contractual provisions. 2177
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(K) If an individual life insurance policy provides long-term care benefits within the policy or by rider, a policy summary shall be delivered to an applicant for the policy at the time of policy delivery. In the case of direct response solicitations, the insurer shall deliver the policy summary to the applicant upon the applicant's request. If no such request is made, the insurer shall deliver the policy summary no later than at the time of policy delivery. In addition to any other information required by this section, the policy summary shall include all of the following: 2179
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(1) A statement that explains how the terms of the policy that provide benefits for long-term care insurance affect the other terms of the policy, including how the payment of these benefits would reduce the death benefits payable by the policy; 2188
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(2) A description of the amount of benefits for long-term care insurance that is available under the policy, the length of time these benefits could be paid by the policy, and any guaranteed lifetime benefits provided by the policy, for each insured under the policy; 2192
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(3) A statement of the exclusions, reductions, and limitations on benefits for long-term care insurance that are contained in the policy; 2197
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(4) A statement of the effects of exercising other rights under the policy; 2200
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(5) A statement of the guarantees, if any, with respect to the policy costs of providing benefits for long-term care insurance; 2202
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(6) A statement of all current and projected maximum lifetime benefits; 2205
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(7) A statement of whether long-term care inflation protection is available under the policy. 2207
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~~(L)(1) Except as provided in division (L)(2) of this section, during the time that benefits are being paid under a life insurance policy or rider for long term care insurance, the insurer shall provide to the policyholder a semiannual report that includes~~ 2209
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During the time when a long-term care benefit, funded through a life insurance vehicle by the acceleration of the death benefit, is in benefit payment status, the insurer shall provide a monthly report to the policyholder. The report shall include all 2213
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of the following: 2217

~~(a)(1)~~ A description of all benefits for long-term care insurance that were paid by the policy during that ~~reporting period~~ month; 2218
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~~(b) A description~~ (2) An explanation of any ~~reductions~~ 2221
changes in the ~~other available benefits under the policy,~~ 2222
including death benefits or cash values due to the payout of long-term care benefits; 2223
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~~(e)(3)~~ A statement of the amount of benefits for long-term care insurance that is still available under the policy. 2225
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~~(2) During the six month period immediately preceding the expiration of benefits being paid under a life insurance policy or rider for long term care insurance, the insurer, every sixty days, shall provide to the policyholder the report described in division (L)(1) of this section.~~ 2227
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(M) In case of a policy issued to a group defined in division (D)(1) of section 3923.41 of the Revised Code, an outline of coverage shall not be required to be delivered, provided that the information described in division (I) of this section is contained in other materials relating to enrollment and, upon request, these other materials are made available to the superintendent. 2232
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(N)(1) Policies that are intended to qualify under the state long-term care partnership program shall comply with all state and federal requirements applicable to policies issued in connection with the state long-term care partnership program. 2238
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(2)(a) For policies intended to qualify under the state long-term care partnership program, the agent or insurer shall deliver to the applicant a long-term care partnership policy disclosure form along with the outline of coverage specified in division (I) of this section. 2242
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(b) In the case of a policy issued to a group where an outline of coverage is not delivered, the long-term care partnership policy disclosure form is delivered with enrollment forms. 2247
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(c) In the case of a life insurance policy that offers long-term care insurance within the policy or as a rider, the disclosure form is provided with the policy summary. 2251
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(O) No insurer shall issue a policy intended to qualify as a state partnership program policy that fails to satisfy the following inflation protection requirements: 2254
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(1) For a person who is less than sixty-one years of age as of the date of purchase of the policy, the policy provides annual inflation protection of at least three per cent compounded annually per year or a rate, compounded annually, that is equal to the annual consumer price index. 2257
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(2) For a person who is at least sixty-one years of age but less than seventy-six years of age as of the date of purchase of the policy, the policy provides annual inflation protection of at least three per cent simple or a rate equal to the annual consumer price index. 2262
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(3) For a person who is at least seventy-six years of age as of the date of purchase of the policy, the policy may provide 2267
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inflation protection. 2269

(P) As used in this section, "consumer price index" means 2270
consumer price index for all urban consumers, U.S. city average, 2271
all items, as determined by the bureau of labor statistics of the 2272
United States department of labor. 2273

(O) For purposes of division (O) of this section, the 2274
superintendent may approve an alternative index to be used in 2275
place of the consumer price index. 2276

(R) The superintendent shall prescribe by rule pursuant to 2277
Chapter 119. of the Revised Code the content and format of the 2278
state long-term care partnership program policy disclosure form 2279
required by division (N)(2) of this section. 2280

(S) No policy may be advertised, marketed, or offered as 2281
long-term care insurance unless it complies with sections 3923.41 2282
to 3923.48 of the Revised Code. 2283

~~(N)~~(T) The superintendent may adopt rules in accordance with 2284
Chapter 119. of the Revised Code to establish minimum standards 2285
for marketing practices, agent compensation, agent testing, and 2286
reporting practices for long-term care insurance. 2287

Sec. 3923.441. (A) Except as otherwise provided in division 2288
(C) of this section and notwithstanding division (B) of section 2289
3923.04 of the Revised Code, no insurer shall rescind a long-term 2290
care insurance policy or certificate or deny an otherwise valid 2291
claim based upon a misrepresentation by the applicant without 2292
adhering to one of the following: 2293

(1) For a policy or certificate that has been in force for 2294
less than six months, an insurer may rescind a long-term care 2295
insurance policy or certificate or deny an otherwise valid 2296
long-term care insurance claim if the insurer can demonstrate that 2297
the insured misrepresented facts that were material to the 2298

insurer's offer of coverage to the insured. 2299

(2) For a policy or certificate that has been in force for at least six months but less than two years, an insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid long-term care insurance claim if the insurer can demonstrate that the insured misrepresented facts that were both material to the insurer's offer of coverage to the insured and that pertain to the condition for which the insured sought benefits. 2300
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(3) After a policy or certificate has been in force for at least two years, an insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid long-term care insurance claim if the insurer can demonstrate that the insured knowingly and intentionally misrepresented relevant facts relating to the insured's health in the insured's application for the policy. 2308
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(B) No insurer shall recover from the insured benefits that were paid under a long-term care insurance policy or certificate prior to the rescission of the policy or certificate pursuant to this section. 2315
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(C) In the event of the death of the insured, the remaining death benefits under a life insurance policy that accelerates benefits for long-term care are governed by section 3923.04 of the Revised Code. 2319
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Sec. 3923.442. (A)(1) Except as provided in division (B) of this section, no insurer shall deliver or issue for delivery a long-term care insurance policy or certificate in this state without offering the policyholder or certificate holder the option of purchasing a nonforfeiture benefit. 2323
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(2) An insurer's offer of a nonforfeiture benefit pursuant to 2328

this section may be in the form of a rider that is attached to the 2329
policy. 2330

(3) If the policyholder or certificate holder declines the 2331
nonforfeiture benefit offered pursuant to this section, the 2332
insurer shall provide a contingent benefit upon lapse that shall 2333
be available for a period of time specified in the policy or 2334
certificate following a substantial increase in premium rates. 2335

(B)(1) For a group long-term care insurance policy, the 2336
insurer shall make the offer required by division (A) of this 2337
section to the group policyholder. 2338

(2) For a group long-term care insurance policy as defined by 2339
division (D)(4) of section 3923.41 of the Revised Code, other than 2340
to a continuing care retirement community or other similar entity, 2341
the insurer shall make the offer required by division (A) of this 2342
section to each proposed certificate holder. 2343

(C) The superintendent of insurance may adopt rules 2344
specifying the type of nonforfeiture benefits insurers may offer 2345
as part of long-term care insurance policies and certificates, the 2346
standards for nonforfeiture benefits, and the rules regarding 2347
contingent benefit upon lapse, including a determination of the 2348
specified period of time during which a contingent benefit upon 2349
lapse will be available and the substantial premium rate increase 2350
that triggers a contingent benefit upon lapse as described in 2351
division (A) of this section. 2352

Sec. 3923.443. (A)(1) No agent shall sell, solicit, or 2353
negotiate long-term care insurance on or after September 1, 2008, 2354
without completing an initial eight-hour partnership program 2355
training course as described in division (B) of this section. 2356

(2)(a) Any agent that sells, solicits, or negotiates any 2357
long-term care insurance shall complete at least four hours of 2358

continuing education in every twenty-four-month period commencing 2359
on the first day of January of the year immediately following the 2360
year of the issuance of the agent's license. 2361

(b) No agent shall fail to complete the continuing education 2362
requirements in division (A)(2)(a) of this section in the 2363
twenty-four-month period described in that division. 2364

(B) The initial training course and continuing education 2365
required under division (A) of this section may be approved by the 2366
superintendent of insurance as continuing education courses under 2367
sections 3905.481 to 3905.486 of the Revised Code and shall 2368
consist of combined topics related to long-term care insurance, 2369
long-term care services, and state long-term care insurance 2370
partnership programs, including all of the following: 2371

(1) State and federal regulations and requirements and the 2372
relationship between state long-term care insurance partnership 2373
programs and other public and private coverage of long-term care 2374
services, including medicaid; 2375

(2) Available long-term care services and providers; 2376

(3) Changes or improvements in long-term care services or 2377
providers; 2378

(4) Alternatives to the purchase of private long-term care 2379
insurance; 2380

(5) The effect of inflation on benefits and the importance of 2381
inflation protection; 2382

(6) Consumer suitability standards and guidelines; 2383

(7) Any other topics required by the superintendent. 2384

(C) The initial training and continuing education required by 2385
division (A) of this section shall not include training that is 2386
specific to a particular insurer or company product or that 2387
includes any sales or marketing information, materials, or 2388

training other than those required by state or federal law. 2389

(D) An agent may complete the training and continuing education required by division (A) of this section by completing partnership program training requirements in any other state, provided that the course is approved by the superintendent prior to the agent taking the course. 2390
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(E) Each insurer shall maintain records of the initial training and continuing education completed by agents of that insurer pursuant to division (A) of this section as well as the training completed by the insurer's agents concerning the distribution of the insurer's partnership program policies and shall make those records available to the superintendent upon request. 2395
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(F) The superintendent shall certify to the director of job and family services that the superintendent has verified that all agents selling, soliciting, or negotiating long-term care insurance in Ohio have completed the training and continuing education required by division (A) of this section including training concerning the partnership program policies and their relationship to public and private coverage of long-term care in this state, including medicaid. The superintendent shall make the records provided to the superintendent pursuant to division (E) of this section available to the director. 2402
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Sec. 3923.444. (A) No agent or third-party administrator shall field issue a long-term care insurance policy or certificate if the compensation to the agent or third-party administrator is not based on the number of policies or certificates issued. 2412
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(B) As used in this section, "field issue" means to issue a policy or certificate pursuant to the underwriting authority granted to an agent or third-party administrator by an insurer using the insurer's underwriting guidelines. 2416
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Sec. 3923.47. The superintendent of insurance shall, pursuant 2420
to Chapter 119. of the Revised Code, adopt rules to carry out the 2421
purposes of sections 3923.41 to 3923.48 of the Revised Code 2422
including rules related to the state long-term care partnership 2423
program. 2424

Sec. 4121.01. (A) As used in sections 4121.01 to 4121.29 of 2425
the Revised Code: 2426

(1) "Place of employment" means every place, whether indoors 2427
or out, or underground, and the premises appurtenant thereto, 2428
where either temporarily or permanently any industry, trade, or 2429
business is carried on, or where any process or operation, 2430
directly or indirectly related to any industry, trade, or 2431
business, is carried on and where any person is directly or 2432
indirectly employed by another for direct or indirect gain or 2433
profit, but does not include any place where persons are employed 2434
in private domestic service or agricultural pursuits which do not 2435
involve the use of mechanical power. 2436

(2) "Employment" means any trade, occupation, or process of 2437
manufacture or any method of carrying on such trade, occupation, 2438
or process of manufacture in which any person may be engaged, 2439
except in such private domestic service or agricultural pursuits 2440
as do not involve the use of mechanical power. 2441

(3) "Employer" means every person, firm, corporation, agent, 2442
manager, representative, or other person having control or custody 2443
of any employment, place of employment, or employee. 2444

(4) "Employee" means every person who may be required or 2445
directed by any employer, in consideration of direct or indirect 2446
gain or profit, to engage in any employment, or to go, or work, or 2447
be at any time in any place of employment. 2448

(5) "Frequenter" means every person, other than an employee, 2449

who may go in or be in a place of employment under circumstances 2450
which render the person other than a trespasser. 2451

(6) "Deputy" means any person employed by the industrial 2452
commission or the bureau of workers' compensation, designated as a 2453
deputy by the commission or the administrator of workers' 2454
compensation, who possesses special, technical, scientific, 2455
managerial, professional, or personal abilities or qualities in 2456
matters within the jurisdiction of the commission or the bureau, 2457
and who may be engaged in the performance of duties under the 2458
direction of the commission or the bureau calling for the exercise 2459
of such abilities or qualities. 2460

(7) "Order" means any decision, rule, regulation, direction, 2461
requirement, or standard, or any other determination or decision 2462
that the bureau is empowered to and does make. 2463

(8) "General order" means an order that applies generally 2464
throughout the state to all persons, employments, or places of 2465
employment, or all persons, employments, or places of employment 2466
of a class under the jurisdiction of the bureau. All other orders 2467
shall be considered special orders. 2468

(9) "Local order" means any ordinance, order, rule, or 2469
determination of the legislative authority of any municipal 2470
corporation, or any trustees, or board or officers of any 2471
municipal corporation upon any matter over which the bureau has 2472
jurisdiction. 2473

(10) "Welfare" means comfort, decency, and moral well-being. 2474

(11) "Safe" or "safety," as applied to any employment or a 2475
place of employment, means such freedom from danger to the life, 2476
health, safety, or welfare of employees or frequenters as the 2477
nature of the employment will reasonably permit, including 2478
requirements as to the hours of labor with relation to the health 2479
and welfare of employees. 2480

(12) "Employee organization" means any labor or bona fide organization in which employees participate and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, hours, terms, and other conditions of employment.

(B) As used in the Revised Code:

(1) "Industrial commission" means the chairperson of the three-member industrial commission created pursuant to section 4121.02 of the Revised Code when the context refers to the authority vested in the chairperson as the chief executive officer of the three-member industrial commission pursuant to divisions (A), (B), (C), and (D) of section 4121.03 of the Revised Code.

(2) "Industrial commission" means the three-member industrial commission created pursuant to section 4121.02 of the Revised Code when the context refers to the authority vested in the three-member industrial commission pursuant to division (E) of section 4121.03 of the Revised Code.

(3) "Industrial commission" means the industrial commission as a state agency when the context refers to the authority vested in the industrial commission as a state agency.

Sec. 4121.12. (A) There is hereby created the bureau of workers' compensation oversight commission board of directors consisting of eleven members, ~~of which members to be appointed by the governor shall appoint five~~ with the advice and consent of the senate. ~~Of the five members the governor appoints, two~~ One member shall be ~~individuals~~ an individual who, on account of ~~their~~ the individual's previous vocation, employment, or affiliations, can be classed as a representative of employees, at least one of whom is representative of employees who are members of an; two members shall be individuals who, on account of their previous vocation, employment, or affiliations, can be classed as representatives of

employee ~~organization~~ organizations and at least one of these two 2512
individuals shall be a member of the executive committee of the 2513
largest statewide labor federation; ~~two~~ three members shall be 2514
individuals who, on account of their previous vocation, 2515
employment, or affiliations, can be classed as ~~representative~~ 2516
representatives of employers, one of whom represents self-insuring 2517
employers ~~and~~, one of whom ~~has experience as an employer in~~ 2518
~~compliance with section 4123.35 of the Revised Code other than a~~ 2519
~~self-insuring employer~~ is a state fund employer who employs one 2520
hundred or more employees, and one of ~~those two~~ representatives 2521
~~also shall represent employers whose employees are not members of~~ 2522
~~an employee organization~~ whom is a state fund employer who employs 2523
less than one hundred employees; two members shall be individuals 2524
who, on account of their vocation, employment, or affiliations, 2525
can be classed as investment and securities experts who have 2526
direct experience in the management, analysis, supervision, or 2527
investment of assets and are residents of this state; one member 2528
who shall be a certified public accountant; one member who shall 2529
be an actuary who is a member in good standing with the American 2530
academy of actuaries or who is an associate or fellow with the 2531
society of actuaries; and one member shall represent the public 2532
and also be an individual who, on account of the individual's 2533
previous vocation, employment, or affiliations, cannot be classed 2534
as either predominantly representative of employees or of 2535
employers. The governor shall select the chairperson of the 2536
~~commission~~ board who shall serve as chairperson at the pleasure of 2537
the governor. ~~No more than three members appointed by the governor~~ 2538
~~shall belong to or be affiliated with the same political party.~~ 2539

~~Each~~ None of ~~these five~~ the members of the board, within one 2540
year immediately preceding the member's appointment, shall have at 2541
least three years' experience in the field of insurance, finance, 2542
been employed by the bureau of workers' compensation, law, 2543
accounting, actuarial, personnel, investments, or data processing, 2544

~~or in the management of an organization whose size is commensurate with that of the bureau of workers' compensation. At least one of these five members shall be an attorney licensed under Chapter 4705. of the Revised Code to practice law in this state by any person, partnership, or corporation that has provided to the bureau services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.~~

(B) Of the initial appointments made to the ~~commission board~~, the governor shall appoint ~~one~~ the member who represents employees ~~to a term ending one year after September 1, 1995~~, one member who represents employers ~~to a term ending two years after September 1, 1995~~, and the member who represents the public to a term ending ~~three years~~ one year after ~~September 1, 1995~~, the effective date of this amendment; one member who represents ~~employees~~ employers, one member who represents employee organizations, one member who is an investment and securities expert, and the member who is a certified public accountant to a term ending ~~four~~ two years after ~~September 1, 1995~~, the effective date of this amendment; and one member who represents employers, one member who represents employee organizations, one member who is an investment and securities expert, and the member who is an actuary to a term ending ~~five~~ three years after ~~September 1, 1995~~ the effective date of this amendment. Thereafter, terms of office shall be for three years, with each term ending on the same day of the same month as did the term that it succeeds. Each member shall hold office from the date of the member's appointment until the end of the term for which the member was appointed.

~~The governor shall not appoint any person to more than two full terms of office on the commission. This restriction does not prevent the governor from appointing a person to fill a vacancy caused by the death, resignation, or removal of a commission member and also appointing that person twice to full terms on the~~

~~commission, or from appointing a person previously appointed to~~ 2577
~~fill less than a full term twice to full terms on the commission~~ 2578
Members may be reappointed. Any member appointed to fill a vacancy 2579
occurring prior to the expiration date of the term for which the 2580
member's predecessor was appointed shall hold office as a member 2581
for the remainder of that term. A member shall continue in office 2582
subsequent to the expiration date of the member's term until a 2583
successor takes office or until a period of sixty days has 2584
elapsed, whichever occurs first. 2585

(C) In making appointments to the ~~commission~~ board, the 2586
governor shall select the members from the list of names submitted 2587
by the workers' compensation ~~oversight commission~~ board of 2588
directors nominating committee pursuant to this division. ~~Within~~ 2589
~~fourteen days after the governor calls the initial meeting of the~~ 2590
~~nominating committee pursuant to division (C) of section 4121.123~~ 2591
~~of the Revised Code, the~~ The nominating committee shall submit to 2592
the governor, ~~for the initial appointments,~~ a list containing four 2593
separate names for each of the members on the ~~commission~~ board. 2594
Within fourteen days after the submission of the list, the 2595
governor shall appoint individuals from the list. 2596

~~For the appointment of the member who is representative of~~ 2597
~~employees who are members of an employee organization, both for~~ 2598
~~initial appointments and for the filling of vacancies, the list of~~ 2599
~~four names submitted by the nominating committee shall be~~ 2600
~~comprised of four individuals who are members of the executive~~ 2601
~~committee of the largest statewide labor federation.~~ 2602

~~Thereafter, within~~ Within sixty days after a vacancy 2603
occurring as a result of the expiration of a term and within 2604
thirty days after other vacancies occurring on the ~~commission~~ 2605
board, the nominating committee shall submit a an initial list 2606
containing four names for each vacancy. Within fourteen days after 2607
the submission of the initial list, the governor either shall 2608

appoint individuals from ~~the~~ that list or request the nominating 2609
committee to submit another list of four names for each member the 2610
governor has not appointed from the initial list, which list the 2611
nominating committee shall submit to the governor within fourteen 2612
days after the governor's request. The governor then shall 2613
appoint, within seven days after the submission of the second 2614
list, one of the individuals from either list to fill the vacancy 2615
for which the governor has not made an appointment from the 2616
initial list. With respect to the filling of vacancies, the 2617
nominating committee shall provide the governor with a list of 2618
four individuals who are, in the judgment of the nominating 2619
committee, the most fully qualified to accede to membership on the 2620
commission board. ~~The nominating committee shall not include the~~ 2621
~~name of an individual upon the list for the filling of vacancies~~ 2622
~~if the appointment of that individual by the governor would result~~ 2623
~~in more than three members of the commission belonging to or being~~ 2624
~~affiliated with the same political party. The committee shall~~ 2625
~~include on the list for the filling of vacancies only the names of~~ 2626
~~attorneys admitted to practice law in this state if, to fulfill~~ 2627
~~the requirement of division (A) of section 4121.12 of the Revised~~ 2628
~~Code, the vacancy must be filled by an attorney.~~ 2629

In order for the name of an individual to be submitted to the 2630
governor under this division, the nominating committee shall 2631
approve the individual by an affirmative vote of a majority of its 2632
members. 2633

~~(D) The commission shall also consist of two members, known~~ 2634
~~as the investment expert members. One investment expert member~~ 2635
~~shall be appointed by the treasurer of state and one investment~~ 2636
~~expert member shall be jointly appointed by the speaker of the~~ 2637
~~house of representatives and the president of the senate. Each~~ 2638
~~investment expert member shall have the following qualifications:~~ 2639

~~(1) Be a resident of this state;~~ 2640

~~(2) Within the three years immediately preceding the appointment, not have been employed by the bureau of workers' compensation or by any person, partnership, or corporation that has provided to the bureau services of a financial or investment nature, including the management, analysis, supervision, or investment of assets;~~

~~(3) Have direct experience in the management, analysis, supervision, or investment of assets.~~

~~Terms of office of the investment expert members shall be for three years, with each term ending on the same day of the same month as did the term that it succeeds. Each member shall hold office for the date of the member's appointment until the end of the term for which the member was appointed. The president, speaker, and treasurer shall not appoint any person to more than two full terms of office on the commission. This restriction does not prevent the president, speaker, and treasurer from appointing a person to fill a vacancy caused by the death, resignation, or removal of a commission member and also appointing that person twice to full terms on the commission, or from appointing a person previously appointed to fill less than a full term twice to full terms on the commission. Any investment expert member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office until the end of that term. The member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first.~~

~~The investment expert members of the oversight commission shall vote only on investment matters.~~

~~(E) The remaining four members of the commission shall be the chairperson and ranking minority member of the standing committees of the house of representatives and of the senate to which~~

legislation concerning this chapter and Chapters 4123., 4127., and 2673
4131. of the Revised Code normally are referred, or a designee of 2674
the chairperson or ranking minority member, provided that the 2675
designee is a member of the standing committee. Legislative 2676
members shall serve during the session of the general assembly to 2677
which they are elected and for as long as they are members of the 2678
general assembly. Legislative members shall serve in an advisory 2679
capacity to the commission and shall have no voting rights on 2680
matters coming before the commission. Membership on the commission 2681
by legislative members shall not be deemed as holding a public 2682
office. 2683

(F) All members of the commission board shall receive their 2684
reasonable and necessary expenses pursuant to section 126.31 of 2685
the Revised Code while engaged in the performance of their duties 2686
as members. ~~Members appointed by the governor and the investment~~ 2687
~~expert members~~ also shall receive an annual salary not to exceed 2688
~~eighteen~~ sixty thousand dollars in total, payable on the following 2689
basis: 2690

(1) Except as provided in division ~~(F)~~(D)(2) of this section, 2691
a member shall receive two thousand five hundred dollars during a 2692
month in which the member attends one or more meetings of the 2693
commission board and shall receive no payment during a month in 2694
which the member attends no meeting of the commission board. 2695

(2) A member may receive no more than ~~the annual eighteen~~ 2696
thirty thousand ~~dollar salary~~ dollars per year to compensate the 2697
member for attending meetings of the board, regardless of the 2698
number of meetings held by the commission board during a year or 2699
the number of meetings in excess of ~~nine~~ twelve within a year that 2700
the member attends. 2701

(3) Except as provided in division (D)(4) of this section, if 2702
a member serves on the workers' compensation audit committee, 2703
workers' compensation actuarial committee, or the workers' 2704

compensation investment committee, the member shall receive two 2705
thousand five hundred dollars during a month in which the member 2706
attends one or more meetings of the committee on which the member 2707
serves and shall receive no payment during any month in which the 2708
member attends no meeting of that committee. 2709

(4) A member may receive no more than thirty thousand dollars 2710
per year to compensate the member for attending meetings of any of 2711
the committees specified in division (D)(3) of this section, 2712
regardless of the number of meetings held by a committee during a 2713
year or the number of committees on which a member serves. 2714

The chairperson of the ~~commission~~ board shall set the meeting 2715
dates of the ~~commission~~ board as necessary to perform the duties 2716
of the ~~commission~~ board under this chapter and Chapters 4123., 2717
4125., 4127., and 4131., and 4167. of the Revised Code. The 2718
~~commission~~ board shall meet at least ~~nine~~ twelve times ~~during the~~ 2719
~~period commencing on the first day of September and ending on the~~ 2720
~~thirty first day of August of the following~~ a year. The 2721
administrator of workers' compensation shall provide professional 2722
and clerical assistance to the ~~commission~~ board, as the ~~commission~~ 2723
board considers appropriate. 2724

~~(G)~~(E) Before entering upon the duties of office, each 2725
appointed member of the board shall take an oath of office as 2726
required by sections 3.22 and 3.23 of the Revised Code and file in 2727
the office of the secretary of state the bond required under 2728
section 4121.127 of the Revised Code. 2729

(F) The ~~commission~~ board shall: 2730

(1) Establish the overall administrative policy for the 2731
bureau for the purposes of this chapter and Chapters 4123., 4125., 2732
4127., 4131., and 4167. of the Revised Code; 2733

(2) Review progress of the bureau in meeting its cost and 2734
quality objectives and in complying with this chapter and Chapters 2735

4123., <u>4125.</u> , 4127., and 4131., <u>and 4167.</u> of the Revised Code;	2736
(2) Issue <u>(3) Submit</u> an annual report on the cost and quality objectives of the bureau to the president of the senate, the speaker of the house of representatives, and the governor ; , <u>and</u> the workers' compensation council and include all of the following in that report:	2737 2738 2739 2740 2741
<u>(a) An evaluation of the cost and quality objectives of the bureau;</u>	2742 2743
<u>(b) A statement of the net assets available for the provision of compensation and benefits under this chapter and Chapters 4123., 4127., and 4131. of the Revised Code as of the last day of the fiscal year;</u>	2744 2745 2746 2747
<u>(c) A statement of any changes that occurred in the net assets available, including employer premiums and net investment income, for the provision of compensation and benefits and payment of administrative expenses, between the first and last day of the fiscal year immediately preceding the date of the report;</u>	2748 2749 2750 2751 2752
<u>(d) The following information for each of the six consecutive fiscal years occurring previous to the report:</u>	2753 2754
<u>(i) A schedule of the net assets available for compensation and benefits;</u>	2755 2756
<u>(ii) The annual cost of the payment of compensation and benefits;</u>	2757 2758
<u>(iii) Annual administrative expenses incurred;</u>	2759
<u>(iv) Annual employer premiums allocated for the provision of compensation and benefits.</u>	2760 2761
<u>(e) A description of any significant changes that occurred during the six years for which the board provided the information required under division (F)(3)(d) of this section that affect the ability of the board to compare that information from year to</u>	2762 2763 2764 2765

<u>year.</u>	2766
(3)(4) Review all independent financial audits of the bureau.	2767
The administrator shall provide access to records of the bureau to	2768
facilitate the review required under this division.	2769
(4)(5) Study issues as requested by the administrator or the	2770
governor;	2771
(5)(6) Contract with an <u>all of the following:</u>	2772
<u>(a) An independent actuarial firm to assist the commission</u>	2773
<u>board</u> in making recommendations to the administrator regarding	2774
premium rates;	2775
(6) Establish objectives, policies, and criteria for the	2776
administration of the investment program that include asset	2777
allocation targets and ranges, risk factors, asset class	2778
benchmarks, time horizons, total return objectives, and	2779
performance evaluation guidelines, and monitor the administrator's	2780
progress in implementing the objectives, policies, and criteria on	2781
a quarterly basis. The commission shall not specify in the	2782
objectives, policies, and criteria that the administrator or	2783
employees of the bureau are prohibited from conducting business	2784
with an investment management firm, any investment management	2785
professional associated with that firm, any third party solicitor	2786
associated with that firm, or any political action committee	2787
controlled by that firm or controlled by an investment management	2788
professional of that firm based on criteria that are more	2789
restrictive than the restrictions described in divisions (Y) and	2790
(Z) of section 3517.13 of the Revised Code. The commission shall	2791
review	2792
<u>(b) An outside investment counsel to assist the workers'</u>	2793
<u>compensation investment committee in fulfilling its duties;</u>	2794
<u>(c) An independent fiduciary counsel to assist the board in</u>	2795
<u>the performance of its duties.</u>	2796

(7) Approve the investment policy developed by the workers' compensation investment committee pursuant to section 4121.129 of the Revised Code if the policy satisfies the requirements specified in section 4123.442 of the Revised Code. 2797
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(8) Review and publish the objectives, policies, and criteria investment policy no less than annually and shall make copies available to interested parties. ~~The commission shall prohibit~~ 2801
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(9) Prohibit, on a prospective basis, any specific investment it finds to be contrary to ~~its~~ the investment objectives, policies, and criteria. 2804
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~~The objectives, policies, and criteria adopted by the commission for the operation of the investment program shall prohibit investing assets of funds, directly or indirectly, in vehicles that target any of the following:~~ 2807
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~~(a) Coins;~~ 2811

~~(b) Artwork;~~ 2812

~~(c) Horses;~~ 2813

~~(d) Jewelry or gems;~~ 2814

~~(e) Stamps;~~ 2815

~~(f) Antiques;~~ 2816

~~(g) Artifacts;~~ 2817

~~(h) Collectibles;~~ 2818

~~(i) Memorabilia;~~ 2819

~~(j) Similar unregulated investments that are not commonly part of an institutional portfolio, that lack liquidity, and that lack readily determinable valuation~~ policy approved by the board. 2820
2821
2822

~~(7) Specify in the objectives, policies, and criteria for the investment program that the administrator is permitted~~ (10) Vote to open each investment class and allow the administrator to 2823
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2825

invest in an investment class only if the ~~commission board~~, by a 2826
majority vote, opens that class. ~~After the commission opens;~~ 2827

(11) After opening a class but prior to the administrator 2828
investing in that class, ~~the commission shall~~ adopt rules 2829
establishing due diligence standards for employees of the bureau 2830
to follow when investing in that class and ~~shall~~ establish 2831
policies and procedures to review and monitor the performance and 2832
value of each investment class. ~~The commission shall submit;~~ 2833

(12) Submit a report annually on the performance and value of 2834
each investment class to the governor, the president and minority 2835
leader of the senate, and the speaker and minority leader of the 2836
house of representatives. ~~The commission may vote to close any~~ 2837
~~investment class.~~ 2838

~~(8)~~(13) Advise and consent on all of the following: 2839

(a) Administrative rules the administrator submits to it 2840
pursuant to division (B)(5) of section 4121.121 of the Revised 2841
Code for the classification of occupations or industries, for 2842
premium rates and contributions, for the amount to be credited to 2843
the surplus fund, for rules and systems of rating, rate revisions, 2844
and merit rating; 2845

~~(b) The overall policy of the bureau of workers' compensation~~ 2846
~~as set by the administrator;~~ 2847

~~(c)~~ The duties and authority conferred upon the administrator 2848
pursuant to section 4121.37 of the Revised Code; 2849

~~(d)~~(c) Rules the administrator adopts for the health 2850
partnership program and the qualified health plan system, as 2851
provided in sections 4121.44, 4121.441, and 4121.442 of the 2852
Revised Code; 2853

~~(e)~~(d) Rules the administrator submits to it pursuant to 2854
Chapter 4167. of the Revised Code regarding the public employment 2855

risk reduction program and the protection of public health care workers from exposure incidents. 2856
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As used in this division, "public health care worker" and "exposure incident" have the same meanings as in section 4167.25 of the Revised Code. 2858
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(9)(14) Perform all duties required under ~~section 4121.125~~ this chapter and Chapters 4123., 4125., 4127., 4131., and 4167. of the Revised Code; 2861
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(15) Meet with the governor on an annual basis to discuss the administrator's performance of the duties specified in this chapter and Chapters 4123., 4125., 4127., 4131., and 4167. of the Revised Code; 2864
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(16) Develop and participate in a bureau of workers' compensation board of directors education program that consists of all of the following: 2868
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(a) An orientation component for newly appointed members; 2871

(b) A continuing education component for board members who have served for at least one year; 2872
2873

(c) A curriculum that includes education about each of the following topics: 2874
2875

(i) Board member duties and responsibilities; 2876

(ii) Compensation and benefits paid pursuant to this chapter and Chapters 4123., 4127., and 4131. of the Revised Code; 2877
2878

(iii) Ethics; 2879

(iv) Governance processes and procedures; 2880

(v) Actuarial soundness; 2881

(vi) Investments; 2882

(vii) Any other subject matter the board believes is reasonably related to the duties of a board member. 2883
2884

<u>(17) Submit the program developed pursuant to division</u>	2885
<u>(F)(16) of this section to the workers' compensation council for</u>	2886
<u>approval;</u>	2887
<u>(18) Hold all sessions, classes, and other events for the</u>	2888
<u>program developed pursuant to division (F)(16) of this section in</u>	2889
<u>this state.</u>	2890
<u>(G) The board may do both of the following:</u>	2891
<u>(1) Vote to close any investment class;</u>	2892
<u>(2) Create any committees in addition to the workers'</u>	2893
<u>compensation audit committee, the workers' compensation actuarial</u>	2894
<u>committee, and the workers' compensation investment committee that</u>	2895
<u>the board determines are necessary to assist the board in</u>	2896
<u>performing its duties.</u>	2897
(H) The office of a member of the commission <u>board</u> who is	2898
convicted of or pleads guilty to a felony, a theft offense as	2899
defined in section 2913.01 of the Revised Code, or a violation of	2900
section 102.02, 102.03, 102.04, 2921.02, 2921.11, 2921.13,	2901
2921.31, 2921.41, 2921.42, 2921.43, or 2921.44 of the Revised Code	2902
shall be deemed vacant. The vacancy shall be filled in the same	2903
manner as the original appointment. A person who has pleaded	2904
guilty to or been convicted of an offense of that nature is	2905
ineligible to be a member of the commission <u>board</u> . A member who	2906
receives a bill of indictment for any of the offenses specified in	2907
this section shall be automatically suspended from the commission	2908
<u>board</u> pending resolution of the criminal matter.	2909
(I) As used in this section, "employee organization" means	2910
any labor or bona fide organization in which employees participate	2911
and which exists for the purpose, in whole or in part, of dealing	2912
with employers concerning grievances, labor disputes, wages,	2913
hours, terms and other conditions of employment <u>For the purposes</u>	2914
<u>of division (G)(1) of section 121.22 of the Revised Code, the</u>	2915

meeting between the governor and the board to review the 2916
administrator's performance as required under division (F)(15) of 2917
this section shall be considered a meeting regarding the 2918
employment of the administrator. 2919

Sec. 4121.121. (A) There is hereby created the bureau of 2920
workers' compensation, which shall be administered by the 2921
administrator of workers' compensation. A person appointed to the 2922
position of administrator shall possess significant management 2923
experience in effectively managing an organization or 2924
organizations of substantial size and complexity. A person 2925
appointed to the position of administrator also shall possess a 2926
minimum of five years of experience in the field of workers' 2927
compensation insurance or in another insurance industry, except as 2928
otherwise provided when the conditions specified in division (C) 2929
of this section are satisfied. The governor shall appoint the 2930
administrator as provided in section 121.03 of the Revised Code, 2931
and the administrator shall serve at the pleasure of the governor. 2932
The governor shall fix the administrator's salary on the basis of 2933
the administrator's experience and the administrator's 2934
responsibilities and duties under this chapter and Chapters 4123., 2935
4125., 4127., 4131., and 4167. of the Revised Code. The governor 2936
shall not appoint to the position of administrator any person who 2937
has, or whose spouse has, given a contribution to the campaign 2938
committee of the governor in an amount greater than one thousand 2939
dollars during the two-year period immediately preceding the date 2940
of the appointment of the administrator. 2941

The administrator shall hold no other public office and shall 2942
devote full time to the duties of administrator. Before entering 2943
upon the duties of the office, the administrator shall take an 2944
oath of office as required by sections 3.22 and 3.23 of the 2945
Revised Code, and shall file in the office of the secretary of 2946
state, a bond signed by the administrator and by surety approved 2947

by the governor, for the sum of fifty thousand dollars payable to 2948
the state, conditioned upon the faithful performance of the 2949
administrator's duties. 2950

(B) The administrator is responsible for the management of 2951
the bureau ~~of workers' compensation~~ and for the discharge of all 2952
administrative duties imposed upon the administrator in this 2953
chapter and Chapters 4123., 4125., 4127., 4131., and 4167. of the 2954
Revised Code, and in the discharge thereof shall do all of the 2955
following: 2956

(1) ~~Establish the overall administrative policy of the bureau~~ 2957
~~for the purposes of this chapter and Chapters 4123., 4127., 4131.,~~ 2958
~~and 4167. of the Revised Code, and perform~~ Perform all acts and 2959
exercise all authorities and powers, discretionary and otherwise 2960
that are required of or vested in the bureau or any of its 2961
employees in this chapter and Chapters 4123., 4125., 4127., 4131., 2962
and 4167. of the Revised Code, except the acts and the exercise of 2963
authority and power that is required of and vested in the 2964
~~oversight commission~~ bureau of workers' compensation board of 2965
directors or the industrial commission pursuant to those chapters. 2966
The treasurer of state shall honor all warrants signed by the 2967
administrator, or by one or more of the administrator's employees, 2968
authorized by the administrator in writing, or bearing the 2969
facsimile signature of the administrator or such employee under 2970
sections 4123.42 and 4123.44 of the Revised Code. 2971

(2) Employ, direct, and supervise all employees required in 2972
connection with the performance of the duties assigned to the 2973
bureau by this chapter and Chapters 4123., 4125., 4127., 4131., 2974
and 4167. of the Revised Code, including an actuary, and may 2975
establish job classification plans and compensation for all 2976
employees of the bureau provided that this grant of authority 2977
shall not be construed as affecting any employee for whom the 2978
state employment relations board has established an appropriate 2979

bargaining unit under section 4117.06 of the Revised Code. All 2980
positions of employment in the bureau are in the classified civil 2981
service except those employees the administrator may appoint to 2982
serve at the administrator's pleasure in the unclassified civil 2983
service pursuant to section 124.11 of the Revised Code. The 2984
administrator shall fix the salaries of employees the 2985
administrator appoints to serve at the administrator's pleasure, 2986
including the chief operating officer, staff physicians, and other 2987
senior management personnel of the bureau and shall establish the 2988
compensation of staff attorneys of the bureau's legal section and 2989
their immediate supervisors, and take whatever steps are necessary 2990
to provide adequate compensation for other staff attorneys. 2991

The administrator may appoint a person who holds a certified 2992
position in the classified service within the bureau to a position 2993
in the unclassified service within the bureau. A person appointed 2994
pursuant to this division to a position in the unclassified 2995
service shall retain the right to resume the position and status 2996
held by the person in the classified service immediately prior to 2997
the person's appointment in the unclassified service, regardless 2998
of the number of positions the person held in the unclassified 2999
service. An employee's right to resume a position in the 3000
classified service may only be exercised when the administrator 3001
demotes the employee to a pay range lower than the employee's 3002
current pay range or revokes the employee's appointment to the 3003
unclassified service. An employee forfeits the right to resume a 3004
position in the classified service when the employee is removed 3005
from the position in the unclassified service due to incompetence, 3006
inefficiency, dishonesty, drunkenness, immoral conduct, 3007
insubordination, discourteous treatment of the public, neglect of 3008
duty, violation of this chapter or Chapter 124., 4123., 4125., 3009
4127., 4131., or 4167. of the Revised Code, violation of the rules 3010
of the director of administrative services or the administrator ~~of~~ 3011
~~workers' compensation~~, any other failure of good behavior, any 3012

other acts of misfeasance, malfeasance, or nonfeasance in office, 3013
or conviction of a felony. An employee also forfeits the right to 3014
resume a position in the classified service upon transfer to a 3015
different agency. 3016

Reinstatement to a position in the classified service shall 3017
be to a position substantially equal to that position in the 3018
classified service held previously, as certified by the department 3019
of administrative services. If the position the person previously 3020
held in the classified service has been placed in the unclassified 3021
service or is otherwise unavailable, the person shall be appointed 3022
to a position in the classified service within the bureau that the 3023
director of administrative services certifies is comparable in 3024
compensation to the position the person previously held in the 3025
classified service. Service in the position in the unclassified 3026
service shall be counted as service in the position in the 3027
classified service held by the person immediately prior to the 3028
person's appointment in the unclassified service. When a person is 3029
reinstated to a position in the classified service as provided in 3030
this division, the person is entitled to all rights, status, and 3031
benefits accruing to the position during the person's time of 3032
service in the position in the unclassified service. 3033

(3) Reorganize the work of the bureau, its sections, 3034
departments, and offices to the extent necessary to achieve the 3035
most efficient performance of its functions and to that end may 3036
establish, change, or abolish positions and assign and reassign 3037
duties and responsibilities of every employee of the bureau. All 3038
persons employed by the commission in positions that, after 3039
November 3, 1989, are supervised and directed by the administrator 3040
under this section are transferred to the bureau in their 3041
respective classifications but subject to reassignment and 3042
reclassification of position and compensation as the administrator 3043
determines to be in the interest of efficient administration. The 3044

civil service status of any person employed by the commission is 3045
not affected by this section. Personnel employed by the bureau or 3046
the commission who are subject to Chapter 4117. of the Revised 3047
Code shall retain all of their rights and benefits conferred 3048
pursuant to that chapter as it presently exists or is hereafter 3049
amended and nothing in this chapter or Chapter 4123. of the 3050
Revised Code shall be construed as eliminating or interfering with 3051
Chapter 4117. of the Revised Code or the rights and benefits 3052
conferred under that chapter to public employees or to any 3053
bargaining unit. 3054

(4) Provide offices, equipment, supplies, and other 3055
facilities for the bureau. 3056

(5) Prepare and submit to the ~~oversight commission~~ board 3057
information the administrator considers pertinent or the ~~oversight~~ 3058
~~commission~~ board requires, together with the administrator's 3059
recommendations, in the form of administrative rules, for the 3060
advice and consent of the ~~oversight commission~~ board, for 3061
classifications of occupations or industries, for premium rates 3062
and contributions, for the amount to be credited to the surplus 3063
fund, for rules and systems of rating, rate revisions, and merit 3064
rating. The administrator shall obtain, prepare, and submit any 3065
other information the ~~oversight commission~~ board requires for the 3066
prompt and efficient discharge of its duties. 3067

(6) Keep the accounts required by division (A) of section 3068
4123.34 of the Revised Code and all other accounts and records 3069
necessary to the collection, administration, and distribution of 3070
the workers' compensation funds and shall obtain the statistical 3071
and other information required by section 4123.19 of the Revised 3072
Code. 3073

(7) Exercise the investment powers vested in the 3074
administrator by section 4123.44 of the Revised Code in accordance 3075
with the investment ~~objectives, policies, and criteria established~~ 3076

policy approved by the oversight commission board pursuant to 3077
section 4121.12 of the Revised Code and in consultation with the 3078
chief investment officer of the bureau of workers' compensation. 3079
The administrator shall not engage in any prohibited investment 3080
activity specified by the oversight commission board pursuant to 3081
division ~~(G)(6)~~(F)(9) of section 4121.12 of the Revised Code and 3082
shall not invest in any type of investment specified in divisions 3083
~~(G)(6)(a)~~(B)(1) to ~~(j)~~(10) of ~~that~~ section 4123.442 of the Revised 3084
Code. All business shall be transacted, all funds invested, all 3085
warrants for money drawn and payments made, and all cash and 3086
securities and other property held, in the name of the bureau, or 3087
in the name of its nominee, provided that nominees are authorized 3088
by the administrator solely for the purpose of facilitating the 3089
transfer of securities, and restricted to the administrator and 3090
designated employees. 3091

(8) Make contracts for and supervise the construction of any 3092
project or improvement or the construction or repair of buildings 3093
under the control of the bureau. 3094

(9) Purchase supplies, materials, equipment, and services; 3095
make contracts for, operate, and superintend the telephone, other 3096
telecommunication, and computer services for the use of the 3097
bureau; and make contracts in connection with office reproduction, 3098
forms management, printing, and other services. Notwithstanding 3099
sections 125.12 to 125.14 of the Revised Code, the administrator 3100
may transfer surplus computers and computer equipment directly to 3101
an accredited public school within the state. The computers and 3102
computer equipment may be repaired or refurbished prior to the 3103
transfer. 3104

(10) Separately Prepare and submit to the board an annual 3105
budget for internal operating purposes for the board's approval. 3106
The administrator also shall, separately from the budget the 3107
industrial commission submits, prepare and submit to the director 3108

of budget and management a budget for each biennium. The ~~budget~~ 3109
budgets submitted to the board and the director shall include 3110
estimates of the costs and necessary expenditures of the bureau in 3111
the discharge of any duty imposed by law. 3112

(11) As promptly as possible in the course of efficient 3113
administration, decentralize and relocate such of the personnel 3114
and activities of the bureau as is appropriate to the end that the 3115
receipt, investigation, determination, and payment of claims may 3116
be undertaken at or near the place of injury or the residence of 3117
the claimant and for that purpose establish regional offices, in 3118
such places as the administrator considers proper, capable of 3119
discharging as many of the functions of the bureau as is 3120
practicable so as to promote prompt and efficient administration 3121
in the processing of claims. All active and inactive lost-time 3122
claims files shall be held at the service office responsible for 3123
the claim. A claimant, at the claimant's request, shall be 3124
provided with information by telephone as to the location of the 3125
file pertaining to the claimant's claim. The administrator shall 3126
ensure that all service office employees report directly to the 3127
director for their service office. 3128

(12) Provide a written binder on new coverage where the 3129
administrator considers it to be in the best interest of the risk. 3130
The administrator, or any other person authorized by the 3131
administrator, shall grant the binder upon submission of a request 3132
for coverage by the employer. A binder is effective for a period 3133
of thirty days from date of issuance and is nonrenewable. Payroll 3134
reports and premium charges shall coincide with the effective date 3135
of the binder. 3136

(13) Set standards for the reasonable and maximum handling 3137
time of claims payment functions, ensure, by rules, the impartial 3138
and prompt treatment of all claims and employer risk accounts, and 3139
establish a secure, accurate method of time stamping all incoming 3140

mail and documents hand delivered to bureau employees. 3141

(14) Ensure that all employees of the bureau follow the 3142
orders and rules of the commission as such orders and rules relate 3143
to the commission's overall adjudicatory policy-making and 3144
management duties under this chapter and Chapters 4123., 4127., 3145
and 4131. of the Revised Code. 3146

(15) Manage and operate a data processing system with a 3147
common data base for the use of both the bureau and the commission 3148
and, in consultation with the commission, using electronic data 3149
processing equipment, shall develop a claims tracking system that 3150
is sufficient to monitor the status of a claim at any time and 3151
that lists appeals that have been filed and orders or 3152
determinations that have been issued pursuant to section 4123.511 3153
or 4123.512 of the Revised Code, including the dates of such 3154
filings and issuances. 3155

(16) Establish and maintain a medical section within the 3156
bureau. The medical section shall do all of the following: 3157

(a) Assist the administrator in establishing standard medical 3158
fees, approving medical procedures, and determining eligibility 3159
and reasonableness of the compensation payments for medical, 3160
hospital, and nursing services, and in establishing guidelines for 3161
payment policies which recognize usual, customary, and reasonable 3162
methods of payment for covered services; 3163

(b) Provide a resource to respond to questions from claims 3164
examiners for employees of the bureau; 3165

(c) Audit fee bill payments; 3166

(d) Implement a program to utilize, to the maximum extent 3167
possible, electronic data processing equipment for storage of 3168
information to facilitate authorizations of compensation payments 3169
for medical, hospital, drug, and nursing services; 3170

(e) Perform other duties assigned to it by the administrator.	3171
(17) Appoint, as the administrator determines necessary,	3172
panels to review and advise the administrator on disputes arising	3173
over a determination that a health care service or supply provided	3174
to a claimant is not covered under this chapter or Chapter 4123.,	3175
<u>4127., or 4131.</u> of the Revised Code or is medically unnecessary.	3176
If an individual health care provider is involved in the dispute,	3177
the panel shall consist of individuals licensed pursuant to the	3178
same section of the Revised Code as such health care provider.	3179
(18) Pursuant to section 4123.65 of the Revised Code, approve	3180
applications for the final settlement of claims for compensation	3181
or benefits under this chapter and Chapters 4123., 4127., and	3182
4131. of the Revised Code as the administrator determines	3183
appropriate, except in regard to the applications of self-insuring	3184
employers and their employees.	3185
(19) Comply with section 3517.13 of the Revised Code, and	3186
except in regard to contracts entered into pursuant to the	3187
authority contained in section 4121.44 of the Revised Code, comply	3188
with the competitive bidding procedures set forth in the Revised	3189
Code for all contracts into which the administrator enters	3190
provided that those contracts fall within the type of contracts	3191
and dollar amounts specified in the Revised Code for competitive	3192
bidding and further provided that those contracts are not	3193
otherwise specifically exempt from the competitive bidding	3194
procedures contained in the Revised Code.	3195
(20) Adopt, with the advice and consent of the oversight	3196
commission <u>board</u> , rules for the operation of the bureau.	3197
(21) Prepare and submit to the oversight <u>commission board</u>	3198
information the administrator considers pertinent or the oversight	3199
commission <u>board</u> requires, together with the administrator's	3200
recommendations, in the form of administrative rules, for the	3201

advice and consent of the ~~oversight commission board~~, for the 3202
health partnership program and the qualified health plan system, 3203
as provided in sections 4121.44, 4121.441, and 4121.442 of the 3204
Revised Code. 3205

(C) The administrator, with the advice and consent of the 3206
senate, shall appoint a chief operating officer who has 3207
~~significant~~ a minimum of five years of experience in the field of 3208
workers' compensation insurance or ~~other~~ in another similar 3209
insurance industry ~~experience~~ if the administrator does not 3210
possess such experience. The chief operating officer shall not 3211
commence the chief operating officer's duties until after the 3212
senate consents to the chief operating officer's appointment. The 3213
chief operating officer shall serve in the unclassified civil 3214
service of the state. 3215

Sec. 4121.122. (A) The administrator of workers' 3216
compensation, for employees of the bureau of workers' 3217
compensation, and the industrial commission, for employees of the 3218
commission may discipline, suspend, demote or discharge any 3219
employee for misfeasance, malfeasance, or nonfeasance. In the case 3220
of any deputy administrator, or of any employee assigned to the 3221
investigation or determination of claims, and finding of the 3222
administrator or the commission that such person is not efficient, 3223
impartial, or judicious, if supported by any evidence and not 3224
promoted by personal, political, racial, or religious 3225
discrimination shall be accepted as a fact justifying the action 3226
taken by the administrator or commission. 3227

(B) The administrator and the commission shall jointly adopt, 3228
in the form of a rule, a code of ethics for all employees of the 3229
bureau and the commission and post copies of the rule in a 3230
conspicuous place in every bureau and commission office. 3231

(C) The administrator and the commission shall jointly adopt 3232

rules setting forth procedures designed to eliminate outside 3233
influence on bureau and commission employees, produce an impartial 3234
workers' compensation claims handling process, and avoid 3235
favoritism in the claims handling process. Failure to adopt and 3236
enforce these rules constitutes grounds for removal of the 3237
administrator and the members of the commission. 3238

~~(D) The commission and the administrator shall appoint a 3239
six member internal security committee composed of three bureau 3240
employees appointed by the administrator and three commission 3241
employees appointed by the commission. The administrator shall 3242
supply to the committee the services of trained investigative 3243
personnel and clerical assistance necessary to the committee's 3244
duties. The committee shall investigate all claims or cases of 3245
criminal violations, abuse of office, or misconduct on the part of 3246
bureau or commission employees and shall conduct a program of 3247
random review of the processing of workers' compensation claims. 3248~~

~~The committee shall deliver to the administrator, the 3249
commission, or the governor any case for which remedial action is 3250
necessary. The committee shall maintain a public record of its 3251
activities, ensuring that the rights of innocent parties are 3252
protected, and, once every six months, shall report to the 3253
governor, the general assembly, the administrator, and commission, 3254
the committee's findings and the corrective actions subsequently 3255
taken in cases considered by the committee. 3256~~

Sec. 4121.123. (A) There is hereby created the workers' 3257
compensation ~~oversight commission~~ board of directors nominating 3258
committee consisting of the following: 3259

(1) Three individuals who are members of affiliated employee 3260
organizations of the Ohio chapter of the American federation of 3261
labor-congress of industrial organizations, who are selected by 3262
the Ohio chapter of the American federation of labor-congress of 3263

industrial organizations and who, on account of their previous 3264
vocation, employment, or affiliations, can be classed as 3265
representative of employees who are members of an employee 3266
organization. Terms of office shall be for one year, with each 3267
term ending on the same day of the same month as did the term that 3268
it succeeds. 3269

(2) Two individuals who, on account of their previous 3270
vocation, employment, or affiliations, can be classed as 3271
representative of employees, one of whom shall be an injured 3272
worker with a valid, open, and active workers' compensation claim 3273
and at least one of these two representatives also shall represent 3274
employees who are not members of an employee organization. The 3275
president of the senate and the speaker of the house of 3276
representatives each shall appoint annually one of these members. 3277
The member who is an injured worker shall serve ~~his~~ for a full 3278
term even if ~~his~~ the member's workers' compensation claim is 3279
invalidated, closed, or inactivated during ~~his~~ the member's term. 3280

(3) The chief executive officer, or the equivalent of the 3281
chief executive officer, of the Ohio chamber of commerce, the Ohio 3282
manufacturers' association, the Ohio self-insurers' association, 3283
the Ohio council of retail merchants, and of either the national 3284
federation of independent business or the Ohio farm bureau as 3285
jointly selected by the national federation of independent 3286
business and the Ohio farm bureau; 3287

(4) The director of development; 3288

(5) The president of the Ohio municipal league, the Ohio 3289
township association, and the Ohio county commissioners 3290
association, or, in the event of a vacancy in the presidency, a 3291
designee appointed by the governing body authorized to appoint the 3292
president. A designee so appointed shall serve on the nominating 3293
committee only until the vacancy in the presidency is filled. 3294

(B) ~~Within fourteen days after the effective date of this section, the speaker of the house of representatives, the president of the senate, and the Ohio chapter of the American federation of labor congress of industrial organizations shall make their initial appointments to the nominating committee as required in divisions (A)(1) and (2) of this section.~~ Each member appointed under divisions (A)(1) and (2) of this section shall hold office from the date of the member's appointment until the end of the term for which the member was appointed. Such members may be reappointed. Vacancies shall be filled in the manner provided for original appointments. Any such member appointed to fill a vacancy occurring prior to the expiration date of the term for which ~~his~~ the member's predecessor was appointed shall hold office as a member for the remainder of that term. Such a member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first.

(C) ~~At the time of the initial appointment of the members to the nominating committee, the governor immediately shall call a meeting of the nominating committee and request the nominating committee to submit its initial recommendations for the appointment of workers' compensation oversight commission members under section 4121.12 of the Revised Code. Thereafter, the~~ The nominating committee shall meet at the request of the governor or as the nominating committee determines appropriate in order to make recommendations to the governor for the appointment of ~~oversight commission members~~ of the bureau of workers' compensation board of directors under section 4121.12 of the Revised Code.

(D) The director of development shall serve as chairperson of the nominating committee and have no voting rights on matters coming before the nominating committee, except that the director

may vote in the event of a tie vote of the nominating committee. 3327
Annually, the nominating committee shall select a secretary from 3328
among its members. The nominating committee may adopt by-laws 3329
governing its proceedings. 3330

(E) Members of the nominating committee shall be paid their 3331
reasonable and necessary expenses pursuant to section 126.31 of 3332
the Revised Code while engaged in the performance of their duties 3333
as members of the nominating committee. 3334

(F) The nominating committee shall: 3335

(1) Review and evaluate possible appointees for the ~~oversight~~ 3336
~~commission board~~. In reviewing and evaluating possible appointees 3337
for the ~~oversight commission board~~, the nominating committee may 3338
accept comments from, cooperate with, and request information from 3339
any person. 3340

(2) Make recommendations to the governor for the appointment 3341
of members to the ~~oversight commission board~~ as provided in 3342
division (C) of section 4121.12 of the Revised Code. 3343

(G) The nominating committee may make recommendations to the 3344
general assembly concerning changes in legislation that will 3345
assist the nominating committee in the performance of its duties. 3346

~~(H) As used in this section, "employee organization" means 3347
any labor or bona fide organization in which employees participate 3348
and that exists for the purpose, in whole or in part, of dealing 3349
with employers concerning grievances, labor disputes, wages, 3350
hours, terms and other conditions of employment. 3351~~

Sec. 4121.125. (A) The bureau of workers' compensation 3352
~~oversight commission board of directors, based upon~~ 3353
recommendations of the workers' compensation actuarial committee, 3354
may contract with one or more outside actuarial firms and other 3355
professional persons, as the ~~oversight commission board~~ determines 3356

necessary, to assist the ~~oversight commission~~ board in measuring 3357
the performance of Ohio's workers' compensation system and in 3358
comparing Ohio's workers' compensation system to other state and 3359
private workers' compensation systems. The ~~oversight commission~~ 3360
board, actuarial firm or firms, and professional persons shall 3361
make such measurements and comparisons using accepted insurance 3362
industry standards, including, but not limited to, standards 3363
promulgated by the National Council on Compensation Insurance. 3364

(B) The ~~oversight commission~~ board may contract with one or 3365
more outside firms to conduct management and financial audits of 3366
the workers' compensation system, including audits of the reserve 3367
fund belonging to the state insurance fund, and to establish 3368
objective quality management principles and methods by which to 3369
review the performance of the workers' compensation system. 3370

(C) The board shall do all of the following: 3371

(1) Contract to have prepared annually by or under the 3372
supervision of an actuary a report that meets the requirements 3373
specified under division (E) of this section and that consists of 3374
an actuarial valuation of the assets, liabilities, and funding 3375
requirements of the state insurance fund and all other funds 3376
specified in this chapter and Chapters 4123., 4127., and 4131. of 3377
the Revised Code; 3378

(2) Require that the actuary or person supervised by an 3379
actuary referred to in division (C)(1) of this section complete 3380
the valuation in accordance with the actuarial standards of 3381
practice promulgated by the actuarial standards board of the 3382
American academy of actuaries; 3383

(3) Submit the report referred to in division (C)(1) of this 3384
section to the workers' compensation council and the standing 3385
committees of the house of representatives and the senate with 3386
primary responsibility for workers' compensation legislation not 3387

later than the first day of September following the year for which 3388
the valuation was made; 3389

(4) Have an actuary or a person who provides actuarial 3390
services under the supervision of an actuary, at such time as the 3391
board determines, and at least once during the five-year period 3392
that commences on the effective date of this amendment and once 3393
within each five-year period thereafter, conduct an actuarial 3394
investigation of the experience of employers, the mortality, 3395
service, and injury rate of employees, and the payment of 3396
temporary total disability, permanent partial disability, and 3397
permanent total disability under sections 4123.56 to 4123.58 of 3398
the Revised Code to update the actuarial assumptions used in the 3399
report required by division (C)(1) of this section; 3400

(5) Submit the report required under division (F) of this 3401
section to the council and the standing committees of the house of 3402
representatives and the senate with primary responsibility for 3403
workers' compensation legislation not later than the first day of 3404
November following the fifth year of the period that the report 3405
covers; 3406

(6) Have prepared by or under the supervision of an actuary 3407
an actuarial analysis of any introduced legislation expected to 3408
have a measurable financial impact on the workers' compensation 3409
system; 3410

(7) Submit the report required under division (G) of this 3411
section to the legislative service commission, the standing 3412
committees of the house of representatives and the senate with 3413
primary responsibility for workers' compensation legislation, and 3414
the council not later than sixty days after the date of 3415
introduction of the legislation. 3416

(D) The administrator of workers' compensation and the 3417
industrial commission shall compile information and provide access 3418

to records of the bureau and the industrial commission to the 3419
~~oversight commission~~ board to the extent necessary for fulfillment 3420
of both of the following requirements: 3421

(1) Conduct of the measurements and comparisons described in 3422
division (A) of this section; 3423

(2) Conduct of the management and financial audits and 3424
establishment of the principles and methods described in division 3425
(B) of this section. 3426

~~(D)~~(E) The firm or person with whom the board contracts 3427
pursuant to division (C)(1) of this section shall prepare a report 3428
of the valuation and submit the report to the board. The firm or 3429
person shall include all of the following information in the 3430
report that is required under division (C)(1) of this section: 3431

(1) A summary of the compensation and benefit provisions 3432
evaluated; 3433

(2) A summary of the census data and financial information 3434
used in the valuation; 3435

(3) A description of the actuarial assumptions, actuarial 3436
cost method, and asset valuation method used in the valuation; 3437

(4) A summary of findings that includes a statement of the 3438
actuarial accrued compensation and benefit liabilities and 3439
unfunded actuarial accrued compensation and benefit liabilities; 3440

(5) A schedule showing the effect of any changes in the 3441
compensation and benefit provisions, actuarial assumptions, or 3442
cost methods since the previous annual actuarial valuation report 3443
was submitted to the board. 3444

(F) The actuary or person whom the board designates to 3445
conduct an actuarial investigation under division (C)(4) of this 3446
section shall prepare a report of the actuarial investigation and 3447
shall submit the report to the board. The actuary or person shall 3448

prepare the report and make any recommended changes in actuarial 3449
assumptions in accordance with the actuarial standards of practice 3450
promulgated by the actuarial standards board of the American 3451
academy of actuaries. The actuary or person shall include all of 3452
the following information in the report: 3453

(1) A summary of relevant decrement and economic assumption 3454
experience; 3455

(2) Recommended changes in actuarial assumptions to be used 3456
in subsequent actuarial valuations required by division (C)(1) of 3457
this section; 3458

(3) A measurement of the financial effect of the recommended 3459
changes in actuarial assumptions. 3460

(G) The actuary or person whom the board designates to 3461
conduct the actuarial analysis under division (C)(6) of this 3462
section shall prepare a report of the actuarial analysis and shall 3463
submit that report to the board. The actuary or person shall 3464
complete the analysis in accordance with the actuarial standards 3465
of practice promulgated by the actuarial standards board of the 3466
American academy of actuaries. The actuary or person shall include 3467
all of the following information in the report: 3468

(1) A summary of the statutory changes being evaluated; 3469

(2) A description of or reference to the actuarial 3470
assumptions and actuarial cost method used in the report; 3471

(3) A description of the participant group or groups included 3472
in the report; 3473

(4) A statement of the financial impact of the legislation, 3474
including the resulting increase, if any, in employer premiums, in 3475
actuarial accrued liabilities, and, if an increase in actuarial 3476
accrued liabilities is predicted, the per cent of premium increase 3477
that would be required to amortize the increase in those 3478

liabilities as a level per cent of employer premiums over a period 3479
not to exceed thirty years. 3480

(5) A statement of whether the employer premiums paid to the 3481
bureau of workers' compensation after the proposed change is 3482
enacted are expected to be sufficient to satisfy the funding 3483
objectives established by the board. 3484

(H) The board may, at any time, request an actuary to make 3485
any studies or actuarial valuations to determine the adequacy of 3486
the premium rates established by the administrator in accordance 3487
with sections 4123.29 and 4123.34 of the Revised Code, and may 3488
adjust those rates as recommended by the actuary. 3489

(I) The ~~oversight commission~~ board shall have an independent 3490
auditor, at least once every ten years, conduct a fiduciary 3491
performance audit of the investment program of the bureau of 3492
workers' compensation. That audit shall include an audit of the 3493
investment policies ~~of~~ approved by the ~~oversight commission~~ board 3494
and investment procedures of the bureau. The ~~oversight commission~~ 3495
board shall submit a copy of that audit to the auditor of state. 3496

~~(E)~~(J) The ~~bureau of workers' compensation~~ administrator, 3497
with the advice and consent of the ~~oversight commission~~ board, 3498
shall employ an internal auditor who shall report findings 3499
directly to the ~~oversight commission on investment matters~~ board, 3500
workers' compensation audit committee, and administrator, except 3501
that the internal auditor shall not report findings directly to 3502
the administrator when those findings involve malfeasance, 3503
misfeasance, or nonfeasance on the part of the administrator. The 3504
~~oversight commission~~ board and the workers' compensation audit 3505
committee may request and review internal audits conducted by the 3506
internal auditor. 3507

~~(F)~~(K) The administrator shall pay the expenses incurred by 3508
the ~~oversight commission~~ board to effectively fulfill its duties 3509

and exercise its powers under this section as the administrator 3510
pays other operating expenses of the bureau. 3511

Sec. 4121.126. Except as provided in this chapter, no member 3512
of the bureau of workers' compensation ~~oversight commission board~~ 3513
of directors or employee of the bureau of workers' compensation 3514
shall have any direct or indirect interest in the gains or profits 3515
of any investment made by the administrator of workers' 3516
compensation or shall receive directly or indirectly any pay or 3517
emolument for the member's or employee's services. No member or 3518
person connected with the bureau directly or indirectly, for self 3519
or as an agent or partner of others, shall borrow any of its funds 3520
or deposits or in any manner use the funds or deposits except to 3521
make current and necessary payments that are authorized by the 3522
administrator. No member of the ~~oversight commission board~~ or 3523
employee of the bureau shall become an indorser or surety or 3524
become in any manner an obligor for moneys loaned by or borrowed 3525
from the bureau. 3526

The administrator shall make no investments through or 3527
purchases from, or otherwise do any business with, any individual 3528
who is, or any partnership, association, or corporation that is 3529
owned or controlled by, a person who within the preceding three 3530
years was employed by the bureau, a board member of, or an officer 3531
of the ~~oversight commission board~~, or a person who within the 3532
preceding three years was employed by or was an officer holding a 3533
fiduciary, administrative, supervisory, or trust position, or any 3534
other position in which such person would be involved, on behalf 3535
of the person's employer, in decisions or recommendations 3536
affecting the investment policy of the bureau, and in which such 3537
person would benefit by any monetary gain. 3538

Sec. 4121.128. The attorney general shall be the legal 3539
adviser of the bureau of workers' compensation ~~oversight~~ 3540

commission board of directors and the workers' compensation 3541
council. 3542

Sec. 4121.129. (A) There is hereby created the workers' 3543
compensation audit committee consisting of at least three members. 3544
One member shall be the member of the bureau of workers' 3545
compensation board of directors who is a certified public 3546
accountant. The board, by majority vote, shall appoint two 3547
additional members of the board to serve on the audit committee 3548
and may appoint additional members who are not board members, as 3549
the board determines necessary. Members of the audit committee 3550
serve at the pleasure of the board, and the board, by majority 3551
vote, may remove any member except the member of the committee who 3552
is the certified public accountant member of the board. The board, 3553
by majority vote, shall determine how often the audit committee 3554
shall meet and report to the board. If the audit committee meets 3555
on the same day as the board holds a meeting, no member shall be 3556
compensated for more than one meeting held on that day. The audit 3557
committee shall do all of the following: 3558

(1) Recommend to the board an accounting firm to perform the 3559
annual audits required under section 4123.47 of the Revised Code; 3560

(2) Recommend an auditing firm for the board to use when 3561
conducting audits under section 4121.125 of the Revised Code; 3562

(3) Review the results of each annual audit and management 3563
review and, if any problems exist, assess the appropriate course 3564
of action to correct those problems and develop an action plan to 3565
correct those problems; 3566

(4) Monitor the implementation of any action plans created 3567
pursuant to division (A)(3) of this section; 3568

(5) Review all internal audit reports on a regular basis. 3569

(B) There is hereby created the workers' compensation 3570

actuarial committee consisting of at least three members. One 3571
member shall be the member of the board who is an actuary. The 3572
board, by majority vote, shall appoint two additional members of 3573
the board to serve on the actuarial committee and may appoint 3574
additional members who are not board members, as the board 3575
determines necessary. Members of the actuarial committee serve at 3576
the pleasure of the board and the board, by majority vote, may 3577
remove any member except the member of the committee who is the 3578
actuary member of the board. The board, by majority vote, shall 3579
determine how often the actuarial committee shall meet and report 3580
to the board. If the actuarial committee meets on the same day as 3581
the board holds a meeting, no member shall be compensated for more 3582
than one meeting held on that day. The actuarial committee shall 3583
do both of the following: 3584

(1) Recommend actuarial consultants for the board to use for 3585
the funds specified in this chapter and Chapters 4123., 4127., and 3586
4131. of the Revised Code; 3587

(2) Review calculations on rate schedules and performance 3588
prepared by the actuarial consultants with whom the board enters 3589
into a contract. 3590

(C)(1) There is hereby created the workers' compensation 3591
investment committee consisting of at least four members. Two of 3592
the members shall be the members of the board who serve as the 3593
investment and securities experts on the board. The board, by 3594
majority vote, shall appoint two additional members of the board 3595
to serve on the investment committee and may appoint additional 3596
members who are not board members. Each additional member the 3597
board appoints shall have at least one of the following 3598
qualifications: 3599

(a) Experience managing another state's pension funds or 3600
workers' compensation funds; 3601

(b) Expertise that the board determines is needed to make investment decisions. 3602
3603

Members of the investment committee serve at the pleasure of the board and the board, by majority vote, may remove any member except the members of the committee who are the investment and securities expert members of the board. The board, by majority vote, shall determine how often the investment committee shall meet and report to the board. If the investment committee meets on the same day as the board holds a meeting, no member shall be compensated for more than one meeting held on that day. 3604
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(2) The investment committee shall do all of the following: 3612

(a) Develop the investment policy for the administration of the investment program for the funds specified in this chapter and Chapters 4123., 4127., and 4131. of the Revised Code in accordance with the requirements specified in section 4123.442 of the Revised Code; 3613
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(b) Submit the investment policy developed pursuant to division (C)(2)(a) of this section to the board for approval; 3618
3619

(c) Monitor implementation by the administrator of workers' compensation and the bureau of workers' compensation chief investment officer of the investment policy approved by the board; 3620
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(d) Recommend outside investment counsel with whom the board may contract to assist the investment committee in fulfilling its duties; 3623
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(e) Review the performance of the bureau of workers' compensation chief investment officer and any investment consultants retained by the administrator to assure that the investments of the assets of the funds specified in this chapter and Chapters 4123., 4127., and 4131. of the Revised Code are made in accordance with the investment policy approved by the board and that the best possible return on investment is achieved. 3626
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Sec. 4121.37. The administrator of workers' compensation 3633
having, by virtue of Section 35 of Article II, Ohio Constitution, 3634
the expenditure of the fund therein created for the investigation 3635
and prevention of industrial accidents and diseases, shall, with 3636
the advice and consent of the bureau of workers' compensation 3637
~~oversight commission~~ board of directors, in the exercise of the 3638
administrator's authority and in the performance of the 3639
administrator's duty, employ a superintendent and the necessary 3640
experts, engineers, investigators, clerks, and stenographers for 3641
the efficient operation of a division of safety and hygiene of the 3642
bureau of workers' compensation, which is hereby created. 3643

The administrator ~~of workers' compensation~~, with the advice 3644
and consent of the ~~oversight commission~~ board, shall pay into the 3645
safety and hygiene fund, which is hereby created in the state 3646
treasury, the portion of the contributions paid by employers, 3647
calculated as though all employers paid premiums based upon 3648
payroll, not to exceed one per cent thereof in any year, as is 3649
necessary for the payment of the salary of the superintendent of 3650
the division of safety and hygiene and the compensation of the 3651
other employees of the division of safety and hygiene, the 3652
expenses of investigations and researches for the prevention of 3653
industrial accidents and diseases, and for operating the long-term 3654
care loan fund program established under section 4121.48 of the 3655
Revised Code. All investment earnings of the fund shall be 3656
credited to the fund. The administrator has the same powers to 3657
invest any of the funds belonging to the fund as are delegated to 3658
the administrator under section 4123.44 of the Revised Code with 3659
respect to the state insurance fund. The superintendent, under the 3660
direction of the administrator, with the advice and consent of the 3661
~~oversight commission~~ board, shall conduct investigations and 3662
researches for the prevention of industrial accidents and 3663
diseases, conduct loss prevention programs and courses for 3664

employers, establish and administrate cooperative programs with 3665
employers for the purchase of individual safety equipment for 3666
employees, and print and distribute information as may be of 3667
benefit to employers and employees. The administrator shall pay 3668
from the safety and hygiene fund the salary of the superintendent 3669
of the division of safety and hygiene, the compensation of the 3670
other employees of the division of safety and hygiene, the 3671
expenses necessary or incidental to investigations and researches 3672
for the prevention of industrial accidents and diseases, and the 3673
cost of printing and distributing such information. 3674

The superintendent, under the direction of the administrator, 3675
shall prepare an annual report, addressed to the governor, on the 3676
amount of the expenditures and the purposes for which they have 3677
been made, and the results of the investigations and researches. 3678
The administrator shall include the administrative costs, 3679
salaries, and other expenses of the division of safety and hygiene 3680
as a part of the budget of the bureau of workers' compensation 3681
that is submitted to the director of budget and management and 3682
shall identify those expenditures separately from other bureau 3683
expenditures. 3684

The superintendent shall be a competent person with at least 3685
five years' experience in industrial accident or disease 3686
prevention work. The superintendent and up to six positions in the 3687
division of safety and hygiene as the administrator, with the 3688
advice and consent of the ~~oversight commission~~ board, designates 3689
are in the unclassified civil service of the state as long as the 3690
administrator, with the advice and consent of the ~~oversight~~ 3691
~~commission~~ board, determines the positions subordinate to the 3692
superintendent are primarily and distinctively administrative, 3693
managerial, or professional in character. All other full-time 3694
employees of the division of safety and hygiene are in the 3695
classified civil service of the state. 3696

Sec. 4121.441. (A) The administrator of workers' 3697
compensation, with the advice and consent of the bureau of 3698
workers' compensation ~~oversight commission~~ board of directors, 3699
shall adopt rules under Chapter 119. of the Revised Code for the 3700
health care partnership program administered by the bureau of 3701
workers' compensation to provide medical, surgical, nursing, drug, 3702
hospital, and rehabilitation services and supplies to an employee 3703
for an injury or occupational disease that is compensable under 3704
this chapter or Chapter 4123., 4127., or 4131. of the Revised 3705
Code. 3706

The rules shall include, but are not limited to, the 3707
following: 3708

(1) Procedures for the resolution of medical disputes between 3709
an employer and an employee, an employee and a provider, or an 3710
employer and a provider, prior to an appeal under section 4123.511 3711
of the Revised Code. Rules the administrator adopts pursuant to 3712
division (A)(1) of this section may specify that the resolution 3713
procedures shall not be used to resolve disputes concerning 3714
medical services rendered that have been approved through standard 3715
treatment guidelines, pathways, or presumptive authorization 3716
guidelines. 3717

(2) Prohibitions against discrimination against any category 3718
of health care providers; 3719

(3) Procedures for reporting injuries to employers and the 3720
bureau by providers; 3721

(4) Appropriate financial incentives to reduce service cost 3722
and insure proper system utilization without sacrificing the 3723
quality of service; 3724

(5) Adequate methods of peer review, utilization review, 3725
quality assurance, and dispute resolution to prevent, and provide 3726

sanctions for, inappropriate, excessive or not medically necessary treatment;	3727 3728
(6) A timely and accurate method of collection of necessary information regarding medical and health care service and supply costs, quality, and utilization to enable the administrator to determine the effectiveness of the program;	3729 3730 3731 3732
(7) Provisions for necessary emergency medical treatment for an injury or occupational disease provided by a health care provider who is not part of the program;	3733 3734 3735
(8) Discounted pricing for all in-patient and out-patient medical services, all professional services, and all pharmaceutical services;	3736 3737 3738
(9) Provisions for provider referrals, pre-admission and post-admission approvals, second surgical opinions, and other cost management techniques;	3739 3740 3741
(10) Antifraud mechanisms;	3742
(11) Standards and criteria for the bureau to utilize in certifying or recertifying a health care provider or a vendor for participation in the health partnership program;	3743 3744 3745
(12) Standards and criteria for the bureau to utilize in penalizing or decertifying a health care provider or a vendor from participation in the health partnership program.	3746 3747 3748
(B) The administrator shall implement the health partnership program according to the rules the administrator adopts under this section for the provision and payment of medical, surgical, nursing, drug, hospital, and rehabilitation services and supplies to an employee for an injury or occupational disease that is compensable under this chapter or Chapter 4123., 4127., or 4131. of the Revised Code.	3749 3750 3751 3752 3753 3754 3755
Sec. 4121.48. (A) The bureau of workers' compensation shall	3756

operate a long-term care loan fund program. The administrator of
workers' compensation may adopt rules, employ personnel, and do
all things necessary for that purpose.

(B) The administrator shall use the long-term care loan fund
program to make loans without interest to employers that are
nursing homes or hospitals for the purpose of allowing those
employers to purchase, improve, install, or erect sit-to-stand
floor lifts, ceiling lifts, other lifts, and fast electric beds,
and to pay for the education and training of personnel, in order
to implement a facility policy of no manual lifting of residents
by employees.

The administrator, with the advice and consent of the bureau
of workers' compensation ~~oversight commission~~ board of directors,
may adopt rules establishing criteria for loan eligibility,
maximum loan amounts, loan periods, default penalties, and any
other terms the administrator considers necessary for a loan.

(C) There is hereby created in the state treasury the
long-term care loan fund. The fund shall consist of money the
administrator, with the advice and consent of the ~~oversight~~
~~commission~~ board, requests the director of budget and management
to transfer from the safety and hygiene fund created in section
4121.37 of the Revised Code. The fund shall be used solely for
purposes identified in this section. All investment earnings of
the fund shall be credited to the fund. All money the
administrator receives for payment of a default penalty assessed
or for repayment of any loan made pursuant to this section shall
be credited to the safety and hygiene fund created under section
4121.37 of the Revised Code.

(D) As used in this section, ~~"nursing;~~

(1) "Hospital" has the same meaning as in section 3701.01 of
the Revised Code;

(2) "Nursing home" has the same meaning as in section 3721.01 3788
of the Revised Code. 3789

Sec. 4121.61. The administrator of workers' compensation, 3790
with the advice and consent of the bureau of workers' compensation 3791
~~oversight commission~~ board of directors, shall adopt rules, take 3792
measures, and make expenditures as it deems necessary to aid 3793
claimants who have sustained compensable injuries or incurred 3794
compensable occupational diseases pursuant to Chapter 4123., 3795
4127., or 4131. of the Revised Code to return to work or to assist 3796
in lessening or removing any resulting handicap. 3797

Sec. 4121.67. The administrator of workers' compensation, 3798
with the advice and consent of the bureau of workers' compensation 3799
~~oversight commission~~ board of directors, shall adopt rules: 3800

(A) For the encouragement of reemployment of claimants who 3801
have successfully completed prescribed rehabilitation programs by 3802
payment from the surplus fund established by section 4123.34 of 3803
the Revised Code to employers who employ or re-employ the 3804
claimants. The period or periods of payments shall not exceed six 3805
months in the aggregate, unless the administrator or ~~his~~ the 3806
administrator's designee determines that the claimant will be 3807
benefited by an extension of payments. 3808

(B) Requiring payment, in the same manner as living 3809
maintenance payments are made pursuant to section 4121.63 of the 3810
Revised Code, to the claimant who completes a rehabilitation 3811
training program and returns to employment, but who suffers a wage 3812
loss compared to the wage the claimant was receiving at the time 3813
of injury. Payments per week shall be sixty-six and two-thirds per 3814
cent of the difference, if any, between the claimant's weekly wage 3815
at the time of injury and the weekly wage received while employed, 3816
up to a maximum payment per week equal to the statewide average 3817

weekly wage. The payments may continue for up to a maximum of two 3818
hundred weeks but shall be reduced by the corresponding number of 3819
weeks in which the claimant receives payments pursuant to division 3820
(B) of section 4123.56 of the Revised Code. 3821

Sec. 4121.70. (A) There is hereby created the 3822
labor-management government advisory council consisting of twelve 3823
members appointed as follows: 3824

(1) The governor, with the advice and consent of the senate, 3825
shall appoint three members who, by training and vocation, are 3826
representative of labor and three members who, by training and 3827
vocation, are representative of employers. 3828

(2) Ex officio, the chairpersons of the standing committees 3829
of the house of representatives and the senate to which 3830
legislation concerned with workers' compensation is customarily 3831
referred. A chairperson may designate the vice-chairperson of the 3832
committee to serve instead. 3833

(3) One person who by training and vocation represents labor 3834
and one person who by training and vocation represents employers 3835
of differing political parties appointed by the speaker of the 3836
house of representatives. 3837

(4) One person who by training and vocation represents labor 3838
and one person who by training and vocation represents employers 3839
of differing political parties appointed by the president of the 3840
senate. 3841

(B) Members appointed by the governor shall serve for a term 3842
of six years with each term ending on the same day of the year in 3843
which the member was first appointed, except that each member 3844
shall serve for a period of sixty additional days at the end of 3845
the member's term or until the member's successor is appointed and 3846
qualifies, whichever date occurs first. Of the members first 3847

appointed to the council by the governor, one member each 3848
representing labor and management shall serve an initial term of 3849
two years, one member each representing labor and management shall 3850
serve a term of four years, and the remaining two members shall 3851
serve full six-year terms. The members initially appointed by the 3852
speaker of the house of representatives and the president of the 3853
senate shall serve a term of six years. Thereafter, members shall 3854
be appointed to and serve full six-year terms. Members are 3855
eligible for reappointment to any number of additional terms. 3856

Legislative members shall serve a term that coincides with 3857
the two-year legislative session in which they are first appointed 3858
with each term ending on the thirty-first day of December of the 3859
even-numbered year. Legislative members are eligible for 3860
reappointment. 3861

Vacancies on the council shall be filled in the same manner 3862
as the original appointment. All members of the council shall 3863
serve without additional compensation but shall be reimbursed by 3864
the bureau of workers' compensation for actual and necessary 3865
expenses. 3866

The council shall advise the bureau of workers' compensation 3867
~~oversight commission~~ board of directors and the administrator of 3868
workers' compensation on the quality and effectiveness of 3869
rehabilitation services and make recommendations pertaining to the 3870
bureau's rehabilitation program, including the operation of that 3871
program. 3872

The labor-management government advisory council shall 3873
recommend to the administrator three candidates for the position 3874
of director of rehabilitation. The candidates shall be chosen for 3875
their ability and background in the field of rehabilitation. The 3876
administrator shall select a director from the list of candidates. 3877

Sec. 4121.75. (A) There is hereby created the workers' 3878

compensation council, which is created for the purpose of 3879
reviewing the soundness of the workers' compensation system and 3880
legislation involving or affecting the workers' compensation 3881
system. The council shall not be involved in the daily operations 3882
and oversight of the bureau of workers' compensation or the 3883
industrial commission. Members of the council shall be appointed 3884
as follows: 3885

(1) Three members of the senate, appointed by the president 3886
of the senate, not more than two of whom may be members of the 3887
same political party; 3888

(2) Three members of the house of representatives, appointed 3889
by the speaker of the house of representatives, not more than two 3890
of whom may be members of the same political party; 3891

(3) Three members jointly appointed by the president of the 3892
senate and the speaker of the house of representatives, not more 3893
than two of whom shall be members of the same political party, one 3894
of whom shall represent employers, one of whom shall represent 3895
employees, and one of whom shall represent the public and also be 3896
an individual who, on account of the individual's previous 3897
vocation, employment, or affiliations, cannot be classed as either 3898
predominantly representative of employees or of employers. Of 3899
these three members, at least one shall be a person with 3900
investment expertise. 3901

(B) The council also shall consist of the chairperson of the 3902
industrial commission and the administrator of workers' 3903
compensation, who shall be nonvoting ex officio members of the 3904
council. 3905

(C) The president of the senate and the speaker of the house 3906
of representatives shall make the initial appointments required 3907
under divisions (A)(1) and (2) of this section not later than 3908
thirty days after the effective date of this section. The members 3909

of the council who are appointed from the membership of the senate 3910
and the house of representatives shall serve during their terms as 3911
members of the general assembly. Notwithstanding the adjournment 3912
of the general assembly of which the member is a member or the 3913
expiration of the member's term as a member of such general 3914
assembly, a member shall continue in office subsequent to the 3915
expiration date of the member's term on the council until the 3916
member's successor takes office or until a period of sixty days 3917
has elapsed, whichever occurs first. 3918

(D) The president of the senate and the speaker of the house 3919
of representatives shall make the initial appointments required 3920
under division (A)(3) of this section not later than ninety days 3921
after the effective date of this section. Of these initial 3922
appointments to the council, one member shall be appointed for a 3923
term ending one year after the effective date of this section, one 3924
member shall be appointed for a term ending two years after the 3925
effective date of this section, and one member shall be appointed 3926
for a term ending three years after the effective date of this 3927
section. Thereafter, terms shall be for three years, with each 3928
term ending on the same day of the same month as did the term that 3929
it succeeds. Each member appointed under division (A)(3) of this 3930
section shall hold office from the date of appointment until the 3931
end of the term for which the appointment was made. Members may be 3932
reappointed. Any member appointed pursuant to division (A)(3) of 3933
this section to fill a vacancy occurring prior to the expiration 3934
of the term for which the member's predecessor was appointed shall 3935
hold office for the remainder of that term. Each member appointed 3936
pursuant to division (A)(3) of this section shall continue in 3937
office subsequent to the expiration date of the member's term 3938
until the member's successor takes office or until a period of 3939
sixty days has elapsed, whichever occurs first. 3940

(E) Vacancies shall be filled in the manner prescribed for 3941

original appointments. 3942

Sec. 4121.76. Meetings of the workers' compensation council 3943
shall be called in the manner and at the times prescribed by rules 3944
adopted by the council. A majority of the voting members of the 3945
council constitutes a quorum and no action shall be taken by the 3946
council unless approved by at least five voting members. The 3947
council shall organize by selecting a chairperson, 3948
vice-chairperson, and any other officers as it determines are 3949
necessary. The council shall select the chairperson and 3950
vice-chairperson from the members of the council who also are 3951
members of the general assembly, and each of those members shall 3952
serve as chairperson or vice-chairperson during their terms as 3953
members of the general assembly. The council shall rotate the 3954
selection of the chairperson and vice-chairperson between the two 3955
houses. The council shall adopt rules for the conduct of its 3956
business and the election of its officers. Each member of the 3957
council, before entering upon the member's official duties shall 3958
take and subscribe to an oath of office, to uphold the 3959
Constitution and laws of the United States and this state and to 3960
perform the duties of the office honestly, faithfully, and 3961
impartially. Members of the council appointed pursuant to division 3962
(A)(3) of section 4121.75 of the Revised Code shall serve without 3963
compensation but shall be reimbursed for their actual and 3964
necessary expenses incurred in the performance of their official 3965
duties. Legislative members shall not receive compensation or 3966
expenses. 3967

Sec. 4121.77. The workers' compensation council may do any of 3968
the following: 3969

(A) Appoint a director to manage and direct the duties of the 3970
staff of the council. The director shall be a person who has had 3971
training and experience in areas related to the duties of the 3972

<u>council.</u>	3973
<u>(B) Appoint professional, technical, and clerical employees</u>	3974
<u>as necessary, and employ or hire on a consulting basis persons to</u>	3975
<u>provide actuarial, legal, investment, or other technical services</u>	3976
<u>required for the performance of the council's duties. For purposes</u>	3977
<u>of section 4117.01 of the Revised Code, employees of the council</u>	3978
<u>shall be considered employees of the general assembly.</u>	3979
<u>(C) Fix the compensation of the director and all other</u>	3980
<u>employees of the council;</u>	3981
<u>(D) Require the members of the industrial commission, bureau</u>	3982
<u>of workers' compensation board of directors, workers' compensation</u>	3983
<u>audit committee, workers' compensation actuarial committee, and</u>	3984
<u>workers' compensation investment committee, the administrator of</u>	3985
<u>workers' compensation, and employees of the industrial commission</u>	3986
<u>and the bureau of workers' compensation, and any agency or</u>	3987
<u>official of this state or its political subdivisions to provide</u>	3988
<u>the council with any information necessary to carry out its</u>	3989
<u>duties;</u>	3990
<u>(E) Administer oaths and hold public hearings at times and</u>	3991
<u>places within the state as necessary to accomplish the purposes of</u>	3992
<u>sections 4121.75 to 4121.79 of the Revised Code;</u>	3993
<u>(F) Establish regular reporting requirements for any report</u>	3994
<u>that the chairperson of the industrial commission, chairperson of</u>	3995
<u>the board, members of the committees specified in division (D) of</u>	3996
<u>this section, and the administrator are required to submit to the</u>	3997
<u>council;</u>	3998
<u>(G) Request that the auditor of state perform or contract for</u>	3999
<u>the performance of a financial or special audit of the bureau;</u>	4000
<u>(H) Request that the auditor of state perform or contract for</u>	4001
<u>the performance of a special or fiduciary audit of the workers'</u>	4002
<u>compensation system.</u>	4003

Sec. 4121.78. The workers' compensation council shall do all 4004
of the following: 4005

(A) Study all changes to this chapter and Chapters 4123., 4006
4125., 4127., and 4131. of the Revised Code proposed to the 4007
general assembly and report to the general assembly on their 4008
probable costs, actuarial implications, and desirability as a 4009
matter of public policy; 4010

(B) Review for solvency, as the council determines necessary, 4011
all financial, actuarial, and fiduciary audits performed on the 4012
funds specified in this chapter and Chapters 4123., 4127., and 4013
4131. of the Revised Code and the actuarial policies of the bureau 4014
of workers' compensation; 4015

(C) Have prepared by an independent actuary, at least once 4016
every ten years, an actuarial review of the annual actuarial 4017
valuations and quinquennial actuarial investigations prepared by 4018
the bureau of workers' compensation board of directors pursuant to 4019
section 4121.125 of the Revised Code, including a review of the 4020
actuarial assumptions and methods and the data underlying the 4021
valuations and investigations; 4022

(D) Submit to the governor and the general assembly a report 4023
summarizing the review required under division (C) of this 4024
section. 4025

(E) Submit an annual report summarizing the activities and 4026
findings of the council during the year preceding the annual 4027
report to the president and minority leader of the senate, speaker 4028
and minority leader of the house of representatives, and the 4029
members of the standing committees of the house of representatives 4030
and of the senate to which matters concerning this chapter and 4031
Chapters 4123., 4127., and 4131. of the Revised Code normally are 4032
referred. 4033

Sec. 4121.79. The compensation of all employees of the 4034
workers' compensation council and other expenses of the council 4035
shall be paid upon vouchers approved by the director and the 4036
chairperson of the council. 4037

The administrator of workers' compensation shall pay the 4038
annual expenses of the council. The council shall prepare and 4039
submit to the administrator on or before the thirtieth day of June 4040
of each year an itemized estimate of the amounts necessary to pay 4041
the expenses of the council during the following year. 4042

The council shall establish policies and procedures for 4043
purchasing goods and services on a competitive basis and 4044
maintaining tangible personal property. The policies and 4045
procedures shall be designed to safeguard the use of funds 4046
received by the council. An audit performed under Chapter 117. of 4047
the Revised Code shall include a determination of the council's 4048
compliance with those policies and procedures. 4049

The council is not subject to Chapter 123., 124., 125., 126., 4050
or 127. of the Revised Code. 4051

Sec. 4123.25. (A) No employer shall knowingly misrepresent to 4052
the bureau of workers' compensation the amount or classification 4053
of payroll upon which the premium under this chapter is based. 4054
Whoever violates this division shall be liable to the state in an 4055
amount determined by the administrator of workers' compensation 4056
for not more than ten times the amount of the difference between 4057
the premium paid and the amount the employer should have paid. The 4058
liability to the state under this division may be enforced in a 4059
civil action in the name of the state, and all sums collected 4060
under this division shall be paid into the state insurance fund. 4061

(B) No self-insuring employer shall knowingly misrepresent 4063

the amount of paid compensation paid by such employer for purposes 4064
of the assessments provided under this chapter and Chapter 4121. 4065
of the Revised Code as required by section 4123.35 of the Revised 4066
Code. Whoever violates this division is liable to the state in an 4067
amount determined by the self-insuring employers evaluation board 4068
pursuant to division (C) of section 4123.352 of the Revised Code 4069
or for an amount the board determines that is not more than ten 4070
times the amount of the difference between the assessment paid and 4071
the amount of the assessment that should have been paid. The 4072
liability to the state under this division may be enforced in a 4073
civil action in the name of the state and all sums collected under 4074
this division shall be paid into the self-insurance assessment 4075
fund created pursuant to division (K) of section 4123.35 of the 4076
Revised Code. 4077

(C) The administrator of workers' compensation, with the 4078
advice and consent of the bureau of workers' compensation 4079
~~oversight commission~~ board of directors, shall adopt rules 4080
establishing criteria for determining both of the following: 4081

(1) The amount of the penalty assessed against an employer 4082
for a violation of division (A) of this section; 4083

(2) Acts or omissions that do not constitute a violation of 4084
division (A) or (B) of this section. 4085

Sec. 4123.29. (A) The administrator of workers' compensation, 4086
subject to the approval of the bureau of workers' compensation 4087
~~oversight commission~~ board of directors, shall do all of the 4088
following: 4089

(1) Classify occupations or industries with respect to their 4090
degree of hazard and determine the risks of the different classes 4091
according to the categories the national council on compensation 4092
insurance establishes that are applicable to employers in this 4093
state; 4094

(2) Fix the rates of premium of the risks of the classes 4095
based upon the total payroll in each of the classes of occupation 4096
or industry sufficiently large to provide a fund for the 4097
compensation provided for in this chapter and to maintain a state 4098
insurance fund from year to year. The administrator shall set the 4099
rates at a level that assures the solvency of the fund. Where the 4100
payroll cannot be obtained or, in the opinion of the 4101
administrator, is not an adequate measure for determining the 4102
premium to be paid for the degree of hazard, the administrator may 4103
determine the rates of premium upon such other basis, consistent 4104
with insurance principles, as is equitable in view of the degree 4105
of hazard, and whenever in this chapter reference is made to 4106
payroll or expenditure of wages with reference to fixing premiums, 4107
the reference shall be construed to have been made also to such 4108
other basis for fixing the rates of premium as the administrator 4109
may determine under this section. 4110

The administrator in setting or revising rates shall furnish 4111
to employers an adequate explanation of the basis for the rates 4112
set. 4113

(3) Develop and make available to employers who are paying 4114
premiums to the state insurance fund alternative premium plans. 4115
Alternative premium plans shall include retrospective rating 4116
plans. The administrator may make available plans under which an 4117
advanced deposit may be applied against a specified deductible 4118
amount per claim. 4119

(4)(a) Offer to insure the obligations of employers under 4120
this chapter under a plan that groups, for rating purposes, 4121
employers, and pools the risk of the employers within the group 4122
provided that the employers meet all of the following conditions: 4123

~~(a)~~(i) All of the employers within the group are members of 4124
an organization that has been in existence for at least two years 4125
prior to the date of application for group coverage; 4126

~~(b)~~(ii) The organization was formed for purposes other than 4127
that of obtaining group workers' compensation under this division; 4128

~~(e)~~(iii) The employers' business in the organization is 4129
substantially similar such that the risks which are grouped are 4130
substantially homogeneous; 4131

~~(d)~~(iv) The group of employers consists of at least one 4132
hundred members or the aggregate workers' compensation premiums of 4133
the members, as determined by the administrator, are expected to 4134
exceed one hundred fifty thousand dollars during the coverage 4135
period; 4136

~~(e)~~(v) The formation and operation of the group program in 4137
the organization will substantially improve accident prevention 4138
and claims handling for the employers in the group; 4139

~~(f)~~(vi) Each employer seeking to enroll in a group for 4140
workers' compensation coverage has an industrial insurance account 4141
in good standing with the bureau of workers' compensation such 4142
that at the time the agreement is processed no outstanding 4143
premiums, penalties, or assessments are due from any of the 4144
employers. 4145

(b) If an organization sponsors more than one employer group 4146
to participate in group plans established under this section, that 4147
organization may submit a single application that supplies all of 4148
the information necessary for each group of employers that the 4149
organization wishes to sponsor. 4150

(c) In providing employer group plans under division (A)(4) 4151
of this section, the administrator shall consider an employer 4152
group as a single employing entity for purposes of retrospective 4153
rating. No employer may be a member of more than one group for the 4154
purpose of obtaining workers' compensation coverage under this 4155
division. 4156

(d) At the time the administrator revises premium rates 4157

pursuant to this section and section 4123.34 of the Revised Code, 4158
if the premium rate of an employer who participates in a group 4159
plan established under this section changes from the rate 4160
established for the previous year, the administrator, in addition 4161
to sending the invoice with the rate revision to that employer, 4162
shall send a copy of that invoice to the third-party administrator 4163
that administers the group plan for that employer's group. 4164

(e) In providing employer group plans under division (A)(4) 4165
of this section, the administrator shall establish a program 4166
designed to mitigate the impact of a significant claim that would 4167
come into the experience of a private, state fund group-rated 4168
employer for the first time and be a contributing factor in that 4169
employer being excluded from a group-rated plan. The administrator 4170
shall establish eligibility criteria and requirements that such 4171
employers must satisfy in order to participate in this program. 4172
For purposes of this program, the administrator shall establish a 4173
discount on premium rates applicable to employers who qualify for 4174
the program. 4175

(f) In no event shall division (A)(4) of this section be 4176
construed as granting to an employer status as a self-insuring 4177
employer. 4178

(g) The administrator shall develop classifications of 4179
occupations or industries that are sufficiently distinct so as not 4180
to group employers in classifications that unfairly represent the 4181
risks of employment with the employer. 4182

(5) Generally promote employer participation in the state 4183
insurance fund through the regular dissemination of information to 4184
all classes of employers describing the advantages and benefits of 4185
opting to make premium payments to the fund. To that end, the 4186
administrator shall regularly make employers aware of the various 4187
workers' compensation premium packages developed and offered 4188
pursuant to this section. 4189

(6) Make available to every employer who is paying premiums 4190
to the state insurance fund a program whereby the employer or the 4191
employer's agent pays to the claimant or on behalf of the claimant 4192
the first ~~five~~ fifteen thousand dollars of a compensable workers' 4193
compensation medical-only claim filed by that claimant that is 4194
related to the same injury or occupational disease. No formal 4195
application is required; however, an employer must elect to 4196
participate by telephoning the bureau after July 1, 1995. Once an 4197
employer has elected to participate in the program, the employer 4198
will be responsible for all bills in all medical-only claims with 4199
a date of injury the same or later than the election date, unless 4200
the employer notifies the bureau within fourteen days of receipt 4201
of the notification of a claim being filed that it does not wish 4202
to pay the bills in that claim, or the employer notifies the 4203
bureau that the fifteen thousand dollar maximum has been paid, or 4204
the employer notifies the bureau of the last day of service on 4205
which it will be responsible for the bills in a particular 4206
medical-only claim. If an employer elects to enter the program, 4207
the administrator shall not reimburse the employer for such 4208
amounts paid and shall not charge the first ~~five~~ fifteen thousand 4209
dollars of any medical-only claim paid by an employer to the 4210
employer's experience or otherwise use it in merit rating or 4211
determining the risks of any employer for the purpose of payment 4212
of premiums under this chapter. If an employer elects to enter the 4213
program and the employer fails to pay a bill for a medical-only 4214
claim included in the program, the employer shall be liable for 4215
that bill and the employee for whom the employer failed to pay the 4216
bill shall not be liable for that bill. The administrator shall 4217
adopt rules to implement and administer division (A)(6) of this 4218
section. Upon written request from the bureau, the employer shall 4219
provide documentation to the bureau of all medical-only bills that 4220
they are paying directly. Such requests from the bureau may not be 4221
made more frequently than on a semiannual basis. Failure to 4222

provide such documentation to the bureau within thirty days of 4223
receipt of the request may result in the employer's forfeiture of 4224
participation in the program for such injury. The provisions of 4225
this section shall not apply to claims in which an employer with 4226
knowledge of a claimed compensable injury or occupational disease, 4227
has paid wages in lieu of compensation or total disability. 4228

(B) The administrator, with the advice and consent of the 4229
~~oversight commission~~ board, by rule, may do both of the following: 4230

(1) Grant an employer who makes the employer's semiannual 4231
premium payment at least one month prior to the last day on which 4232
the payment may be made without penalty, a discount as the 4233
administrator fixes from time to time; 4234

(2) Levy a minimum annual administrative charge upon risks 4235
where semiannual premium reports develop a charge less than the 4236
administrator considers adequate to offset administrative costs of 4237
processing. 4238

Sec. 4123.291. (A) An adjudicating committee appointed by the 4239
administrator of workers' compensation to hear any matter 4240
specified in divisions (B)(1) to (7) of this section shall hear 4241
the matter within sixty days of the date on which an employer 4242
files the request, protest, or petition. An employer desiring to 4243
file a request, protest, or petition regarding any matter 4244
specified in divisions (B)(1) to (7) of this section shall file 4245
the request, protest, or petition to the adjudicating committee on 4246
or before twenty-four months after the administrator sends notice 4247
of the determination about which the employer is filing the 4248
request, protest, or petition. 4249

(B) An employer who is adversely affected by a decision of an 4250
adjudicating committee appointed by the administrator may appeal 4251
the decision of the committee to the administrator or the 4252
administrator's designee. The employer shall file the appeal in 4253

writing within thirty days after the employer receives the 4254
decision of the adjudicating committee. The administrator or the 4255
designee shall hear the appeal and hold a hearing, provided that 4256
the decision of the adjudicating committee relates to one of the 4257
following: 4258

(1) An employer request for a waiver of a default in the 4259
payment of premiums pursuant to section 4123.37 of the Revised 4260
Code; 4261

(2) An employer request for the settlement of liability as a 4262
noncomplying employer under section 4123.75 of the Revised Code; 4263

(3) An employer petition objecting to the assessment of a 4264
premium pursuant to section 4123.37 of the Revised Code and the 4265
rules adopted pursuant to that section; 4266

(4) An employer request for the abatement of penalties 4267
assessed pursuant to section 4123.32 of the Revised Code and the 4268
rules adopted pursuant to that section; 4269

(5) An employer protest relating to an audit finding or a 4270
determination of a manual classification, experience rating, or 4271
transfer or combination of risk experience; 4272

(6) Any decision relating to any other risk premium matter 4273
under Chapters 4121., 4123., and 4131. of the Revised Code; 4274

(7) An employer petition objecting to the amount of security 4275
required under division (C) of section 4125.05 of the Revised Code 4276
and the rules adopted pursuant to that section. 4277

(C) The bureau of workers' compensation board of directors, 4278
based upon recommendations of the workers' compensation actuarial 4279
committee, shall establish the policy for all adjudicating 4280
committee procedures, including, but not limited to, specific 4281
criteria for manual premium rate adjustment. 4282

Sec. 4123.311. (A) The administrator of workers' compensation 4283

may do all of the following:	4284
(1) Utilize direct deposit of funds by electronic transfer	4285
for all disbursements the administrator is authorized to pay under	4286
this chapter and Chapters 4121., 4127., and 4131. of the Revised	4287
Code;	4288
(2) Require any payee to provide a written authorization	4289
designating a financial institution and an account number to which	4290
a payment made according to division (A)(1) of this section is to	4291
be credited, notwithstanding division (B) of section 9.37 of the	4292
Revised Code;	4293
(3) Contract with an agent to do both of the following:	4294
(a) Supply debit cards for claimants to access payments made	4295
to them pursuant to this chapter and Chapters 4121., 4127., and	4296
4131. of the Revised Code;	4297
(b) Credit the debit cards described in division (A)(3)(a) of	4298
this section with the amounts specified by the administrator	4299
pursuant to this chapter and Chapters 4121., 4127., and 4131. of	4300
the Revised Code by utilizing direct deposit of funds by	4301
electronic transfer.	4302
(4) Enter into agreements with financial institutions to	4303
credit the debit cards described in division (A)(3)(a) of this	4304
section with the amounts specified by the administrator pursuant	4305
to this chapter and Chapters 4121., 4127., and 4131. of the	4306
Revised Code by utilizing direct deposit of funds by electronic	4307
transfer.	4308
(B) The administrator shall inform claimants about the	4309
administrator's utilization of direct deposit of funds by	4310
electronic transfer under this section and section 9.37 of the	4311
Revised Code, furnish debit cards to claimants as appropriate, and	4312
provide claimants with instructions regarding use of those debit	4313
cards.	4314

(C) The administrator, with the advice and consent of the bureau of workers' compensation oversight commission board of directors, shall adopt rules in accordance with Chapter 119. of the Revised Code regarding utilization of the direct deposit of funds by electronic transfer under this section and section 9.37 of the Revised Code.

Sec. 4123.32. The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation oversight commission board of directors, shall adopt rules with respect to the collection, maintenance, and disbursements of the state insurance fund including all of the following:

~~(A) A rule providing that in the event there is developed as of any given rate revision date a surplus of earned premium over all losses which, in the judgment of the administrator, is larger than is necessary adequately to safeguard the solvency of the fund, the administrator may return such excess surplus to the subscriber to the fund in either the form of cash refunds or a reduction of premiums, regardless of when the premium obligations have accrued;~~

~~(B)~~ A rule providing that the premium security deposit collected from any employer entitles the employer to the benefits of this chapter for the remainder of the six months and also for an additional adjustment period of two months, and, thereafter, if the employer pays the premium due at the close of any six-month period, coverage shall be extended for an additional eight-month period beginning from the end of the six-month period for which the employer pays the premium due;

~~(C)~~(B) A rule providing for ascertaining the correctness of any employer's report of estimated or actual expenditure of wages and the determination and adjustment of proper premiums and the payment of those premiums by the employer for or during any period

less than eight months and notwithstanding any payment or 4346
determination of premium made when exceptional conditions or 4347
circumstances in the judgment of the administrator justify the 4348
action; 4349

~~(D)~~(C) Such special rules as the administrator considers 4350
necessary to safeguard the fund and that are just in the 4351
circumstances, covering the rates to be applied where one employer 4352
takes over the occupation or industry of another or where an 4353
employer first makes application for state insurance, and the 4354
administrator may require that if any employer transfers a 4355
business in whole or in part or otherwise reorganizes the 4356
business, the successor in interest shall assume, in proportion to 4357
the extent of the transfer, as determined by the administrator, 4358
the employer's account and shall continue the payment of all 4359
contributions due under this chapter; 4360

~~(E)~~(D) A rule providing for all of the following: 4361

(1) If, within two months immediately after the expiration of 4362
the six-month period, an employer fails to file a report of the 4363
employer's actual payroll expenditures for the period, the premium 4364
found to be due from the employer for the period shall be 4365
increased in an amount equal to one per cent of the premium, but 4366
the increase shall not be less than three nor more than fifteen 4367
dollars; 4368

(2) The premium determined by the administrator to be due 4369
from an employer shall be payable on or before the end of the 4370
coverage period established by the premium security deposit, or 4371
within the time specified by the administrator if the period for 4372
which the advance premium has been paid is less than eight months. 4373
If an employer fails to pay the premium when due, the 4374
administrator may add a late fee penalty of not more than thirty 4375
dollars to the premium plus an additional penalty amount as 4376
follows: 4377

(a) For a premium from sixty-one to ninety days past due, the prime interest rate, multiplied by the premium due;	4378 4379
(b) For a premium from ninety-one to one hundred twenty days past due, the prime interest rate plus two per cent, multiplied by the premium due;	4380 4381 4382
(c) For a premium from one hundred twenty-one to one hundred fifty days past due, the prime interest rate plus four per cent, multiplied by the premium due;	4383 4384 4385
(d) For a premium from one hundred fifty-one to one hundred eighty days past due, the prime interest rate plus six per cent, multiplied by the premium due;	4386 4387 4388
(e) For a premium from one hundred eighty-one to two hundred ten days past due, the prime interest rate plus eight per cent, multiplied by the premium due;	4389 4390 4391
(f) For each additional thirty-day period or portion thereof that a premium remains past due after it has remained past due for more than two hundred ten days, the prime interest rate plus eight per cent, multiplied by the premium due.	4392 4393 4394 4395
(3) Notwithstanding the interest rates specified in division (E) <u>(D)</u> (2) of this section, at no time shall the additional penalty amount assessed under division (E) <u>(D)</u> (2) of this section exceed fifteen per cent of the premium due.	4396 4397 4398 4399
(4) An employer may appeal a late fee penalty or additional penalty to an adjudicating committee pursuant to section 4123.291 of the Revised Code.	4400 4401 4402
For purposes of division (E) <u>(D)</u> of this section, "prime interest rate" means the average bank prime rate, and the administrator shall determine the prime interest rate in the same manner as a county auditor determines the average bank prime rate under section 929.02 of the Revised Code.	4403 4404 4405 4406 4407

(5) If the employer files an appropriate payroll report, 4408
within the time provided by law or within the time specified by 4409
the administrator if the period for which the employer paid an 4410
estimated premium is less than eight months, the employer shall 4411
not be in default and division ~~(E)~~(D)(2) of this section shall not 4412
apply if the employer pays the premiums within fifteen days after 4413
being first notified by the administrator of the amount due. 4414

(6) Any deficiencies in the amounts of the premium security 4415
deposit paid by an employer for any period shall be subject to an 4416
interest charge of six per cent per annum from the date the 4417
premium obligation is incurred. In determining the interest due on 4418
deficiencies in premium security deposit payments, a charge in 4419
each case shall be made against the employer in an amount equal to 4420
interest at the rate of six per cent per annum on the premium 4421
security deposit due but remaining unpaid sixty days after notice 4422
by the administrator. 4423

(7) Any interest charges or penalties provided for in 4424
divisions ~~(E)~~(D)(2) and (6) of this section shall be credited to 4425
the employer's account for rating purposes in the same manner as 4426
premiums. 4427

~~(F)~~(E) A rule providing that each employer, on the occasion 4428
of instituting coverage under this chapter, shall submit a premium 4429
security deposit. The deposit shall be calculated equivalent to 4430
thirty per cent of the semiannual premium obligation of the 4431
employer based upon the employer's estimated expenditure for wages 4432
for the ensuing six-month period plus thirty per cent of an 4433
additional adjustment period of two months but only up to a 4434
maximum of one thousand dollars and not less than ten dollars. The 4435
administrator shall review the security deposit of every employer 4436
who has submitted a deposit which is less than the 4437
one-thousand-dollar maximum. The administrator may require any 4438
such employer to submit additional money up to the maximum of one 4439

thousand dollars that, in the administrator's opinion, reflects 4440
the employer's current payroll expenditure for an eight-month 4441
period. 4442

(F) A rule providing that each employer, on the occasion of 4443
instituting coverage under this chapter, shall submit an 4444
application for coverage that completely provides all of the 4445
information required for the administrator to establish coverage 4446
for that employer, and that the employer's failure to provide all 4447
of the information completely may be grounds for the administrator 4448
to deny coverage for that employer. 4449

(G) A rule providing that, in addition to any other remedies 4450
permitted in this chapter, the administrator may discontinue an 4451
employer's coverage if the employer fails to pay the premium due 4452
on or before the premium's due date. 4453

(H) A rule providing that if after a final adjudication it is 4454
determined that an employer has failed to pay an obligation, 4455
billing, account, or assessment that is greater than one thousand 4456
dollars on or before its due date, the administrator may 4457
discontinue the employer's coverage in addition to any other 4458
remedies permitted in this chapter, and that the administrator 4459
shall not discontinue an employer's coverage pursuant to this 4460
division prior to a final adjudication regarding the employer's 4461
failure to pay such obligation, billing, account, or assessment on 4462
or before its due date. 4463

(I) As used in divisions (G) and (H) of this section: 4464

(1) "Employer" has the same meaning as in division (B) of 4465
section 4123.01 of the Revised Code except that "employer" does 4466
not include the state, a state hospital, or a state university or 4467
college. 4468

(2) "State university or college" has the same meaning as in 4469
section 3345.12 of the Revised Code and also includes the Ohio 4470

agricultural research and development center and the Ohio state 4471
university cooperative extension service. 4472

(3) "State hospital" means the Ohio state university hospital 4473
and its ancillary facilities and the medical university of Ohio at 4474
Toledo hospital. 4475

Sec. 4123.321. The bureau of workers' compensation board of 4476
directors, based upon recommendations of the workers' compensation 4477
actuarial committee, shall adopt a rule with respect to the 4478
collection, maintenance, and disbursements of the state insurance 4479
fund providing that in the event there is developed as of any 4480
given rate revision date a surplus of earned premium over all 4481
losses that, in the judgment of the board, is larger than is 4482
necessary adequately to safeguard the solvency of the fund, the 4483
board may return such excess surplus to the subscribers to the 4484
fund in either the form of cash refunds or a reduction of 4485
premiums, regardless of when the premium obligations have accrued. 4486

Sec. 4123.34. It shall be the duty of the bureau of workers' 4487
compensation board of directors and the administrator of workers' 4488
compensation to safeguard and maintain the solvency of the state 4489
insurance fund and all other funds specified in this chapter and 4490
Chapters 4121., 4127., and 4131. of the Revised Code. The 4491
administrator of workers' compensation, in the exercise of the 4492
powers and discretion conferred upon the administrator in section 4493
4123.29 of the Revised Code, shall fix and maintain, with the 4494
advice and consent of the workers' compensation oversight 4495
commission board, for each class of occupation or industry, the 4496
lowest possible rates of premium consistent with the maintenance 4497
of a solvent state insurance fund and the creation and maintenance 4498
of a reasonable surplus, after the payment of legitimate claims 4499
for injury, occupational disease, and death that the administrator 4500
authorizes to be paid from the state insurance fund for the 4501

benefit of injured, diseased, and the dependents of killed 4502
employees. In establishing rates, the administrator shall take 4503
into account the necessity of ensuring sufficient money is set 4504
aside in the premium payment security fund to cover any defaults 4505
in premium obligations. The administrator shall observe all of the 4506
following requirements in fixing the rates of premium for the 4507
risks of occupations or industries: 4508

(A) The administrator shall keep an accurate account of the 4509
money paid in premiums by each of the several classes of 4510
occupations or industries, and the losses on account of injuries, 4511
occupational disease, and death of employees thereof, and also 4512
keep an account of the money received from each individual 4513
employer and the amount of losses incurred against the state 4514
insurance fund on account of injuries, occupational disease, and 4515
death of the employees of the employer. 4516

(B) Ten per cent of the money paid into the state insurance 4517
fund shall be set aside for the creation of a surplus until the 4518
surplus amounts to the sum of one hundred thousand dollars, after 4519
which time, whenever necessary in the judgment of the 4520
administrator to guarantee a solvent state insurance fund, a sum 4521
not exceeding five per cent of all the money paid into the state 4522
insurance fund shall be credited to the surplus fund. A revision 4523
of basic rates shall be made annually on the first day of July. 4524

Notwithstanding any provision of the law to the contrary, one 4525
hundred eighty days after the effective date on which 4526
self-insuring employers first may elect under division (D) of 4527
section 4121.66 of the Revised Code to directly pay for 4528
rehabilitation expenses, the administrator shall calculate the 4529
deficit, if any, in the portion of surplus fund that is used for 4530
reimbursement to self-insuring employers for all expenses other 4531
than handicapped reimbursement under section 4123.343 of the 4532
Revised Code. ~~Without regard to whether a self-insuring employer~~ 4533

~~makes the election under division (D) of section 4121.66 of the~~ 4534
~~Revised Code, the administrator shall assess all self-insuring~~ 4535
~~employers the amount the administrator determines necessary to~~ 4536
~~reduce the deficit over a period not to exceed five years from~~ 4537
~~October 20, 1993. After the initial assessment, the administrator~~ 4538
The administrator, from time to time, may determine whether the 4539
surplus fund has such a deficit and may assess all self-insuring 4540
employers who participated in the portion of the surplus fund 4541
during the accrual of the deficit and who during that time period 4542
have not made the election under division (D) of section 4121.66 4543
of the Revised Code the amount the administrator determines 4544
necessary to reduce the deficit. 4545

Revisions of basic rates shall be in accordance with the 4546
oldest four of the last five calendar years of the combined 4547
accident and occupational disease experience of the administrator 4548
in the administration of this chapter, as shown by the accounts 4549
kept as provided in this section, excluding the experience of 4550
employers that are no longer active if the administrator 4551
determines that the inclusion of those employers would have a 4552
significant negative impact on the remainder of the employers in a 4553
particular manual classification; and the administrator shall 4554
adopt rules, with the advice and consent of the ~~oversight~~ 4555
~~commission~~ board, governing rate revisions, the object of which 4556
shall be to make an equitable distribution of losses among the 4557
several classes of occupation or industry, which rules shall be 4558
general in their application. 4559

(C) The administrator may apply that form of rating system 4560
~~which~~ that the administrator finds is best calculated to merit 4561
rate or individually rate the risk more equitably, predicated upon 4562
the basis of its individual industrial accident and occupational 4563
disease experience, and may encourage and stimulate accident 4564
prevention. The administrator shall develop fixed and equitable 4565

rules controlling the rating system, which rules shall conserve to 4566
each risk the basic principles of workers' compensation insurance. 4567

(D) The administrator, from the money paid into the state 4568
insurance fund, shall set aside into an account of the state 4569
insurance fund titled a premium payment security fund sufficient 4570
money to pay for any premiums due from an employer and uncollected 4571
that are in excess of the employer's premium security deposit. 4572

The fund shall be in the custody of the treasurer of state. 4573
All investment earnings of the fund shall be deposited in the 4574
fund. Disbursements from the fund shall be made by the bureau of 4575
workers' compensation upon order of the administrator to the state 4576
insurance fund. The use of the moneys held by the premium payment 4577
security fund is restricted to reimbursement to the state 4578
insurance fund of premiums due and uncollected in excess of an 4579
employer's premium security deposit. The moneys constituting the 4580
premium payment security fund shall be maintained without regard 4581
to or reliance upon any other fund. This section does not prevent 4582
the deposit or investment of the premium payment security fund 4583
with any other fund created by this chapter, but the premium 4584
payment security fund is separate and distinct for every other 4585
purpose and a strict accounting thereof shall be maintained. 4586

(E) The administrator may grant discounts on premium rates 4587
for employers who meet either of the following requirements: 4588

(1) Have not incurred a compensable injury for one year or 4589
more and who maintain an employee safety committee or similar 4590
organization or make periodic safety inspections of the workplace. 4591

(2) Successfully complete a loss prevention program 4592
prescribed by the superintendent of the division of safety and 4593
hygiene and conducted by the division or by any other person 4594
approved by the superintendent. 4595

(F)(1) In determining the premium rates for the construction 4596

industry the administrator shall calculate the employers' premiums 4597
based upon the actual remuneration construction industry employees 4598
receive from construction industry employers, provided that the 4599
amount of remuneration the administrator uses in calculating the 4600
premiums shall not exceed an average weekly wage equal to one 4601
hundred fifty per cent of the statewide average weekly wage as 4602
defined in division (C) of section 4123.62 of the Revised Code. 4603

(2) Division (F)(1) of this section shall not be construed as 4604
affecting the manner in which benefits to a claimant are awarded 4605
under this chapter. 4606

(3) As used in division (F) of this section, "construction 4607
industry" includes any activity performed in connection with the 4608
erection, alteration, repair, replacement, renovation, 4609
installation, or demolition of any building, structure, highway, 4610
or bridge. 4611

Sec. 4123.341. The administrative costs of the industrial 4612
commission, the bureau of workers' compensation oversight 4613
~~commission~~ board of directors, and the bureau of workers' 4614
compensation shall be those costs and expenses that are incident 4615
to the discharge of the duties and performance of the activities 4616
of the industrial commission, the ~~oversight commission~~ board, and 4617
the bureau under this chapter and Chapters 4121. and 4123., 4125., 4618
4127., 4131., and 4167. of the Revised Code, and all such costs 4619
shall be borne by the state and by other employers amenable to 4620
this chapter as follows: 4621

(A) In addition to the contribution required of the state 4622
under sections 4123.39 and 4123.40 of the Revised Code, the state 4623
shall contribute the sum determined to be necessary under section 4624
4123.342 of the Revised Code. 4625

(B) The director of budget and management may allocate the 4626
state's share of contributions in the manner ~~he~~ the director finds 4627

most equitably apportions the costs. 4628

(C) The counties and taxing districts therein shall 4629
contribute such sum as may be required under section 4123.342 of 4630
the Revised Code. 4631

(D) The private employers shall contribute the sum required 4632
under section 4123.342 of the Revised Code. 4633

Sec. 4123.342. (A) The administrator of workers' compensation 4634
shall allocate among counties and taxing districts therein as a 4635
class, the state and its instrumentalities as a class, private 4636
employers who are insured under the private fund as a class, and 4637
self-insuring employers as a class their fair shares of the 4638
administrative costs which are to be borne by such employers under 4639
division (D) of section 4123.341 of the Revised Code, separately 4640
allocating to each class those costs solely attributable to the 4641
activities of the industrial commission, and those costs solely 4642
attributable to the activities of the bureau of workers' 4643
compensation ~~oversight commission~~ board of directors, and the 4644
bureau of workers' compensation in respect of the class, 4645
allocating to any combination of classes those costs attributable 4646
to the activities of the industrial commission, ~~oversight~~ 4647
~~commission~~ board, or bureau in respect of the classes, and 4648
allocating to all four classes those costs attributable to the 4649
activities of the industrial commission, ~~oversight commission~~ 4650
board, and bureau in respect of all classes. The administrator 4651
shall separately calculate each employer's assessment in the 4652
class, except self-insuring employers, on the basis of the 4653
following three factors: payroll, paid compensation, and paid 4654
medical costs of the employer for those costs solely attributable 4655
to the activities of the ~~oversight commission~~ board and the 4656
bureau. The administrator shall separately calculate each 4657
employer's assessment in the class, except self-insuring 4658

employers, on the basis of the following three factors: payroll, 4659
paid compensation, and paid medical costs of the employer for 4660
those costs solely attributable to the activities of the 4661
industrial commission. The administrator shall separately 4662
calculate each self-insuring employer's assessment in accordance 4663
with section 4123.35 of the Revised Code for those costs solely 4664
attributable to the activities of the ~~oversight commission board~~ 4665
and the bureau. The administrator shall separately calculate each 4666
self-insuring employer's assessment in accordance with section 4667
4123.35 of the Revised Code for those costs solely attributable to 4668
the activities of the industrial commission. In a timely manner, 4669
the industrial commission shall provide to the administrator, the 4670
information necessary for the administrator to allocate and 4671
calculate, with the approval of the chairperson of the industrial 4672
commission, for each class of employer as described in this 4673
division, the costs solely attributable to the activities of the 4674
industrial commission. 4675

(B) The administrator shall divide the administrative cost 4676
assessments collected by the administrator into two administrative 4677
assessment accounts within the state insurance fund. One of the 4678
administrative assessment accounts shall consist of the 4679
administrative cost assessment collected by the administrator for 4680
the industrial commission. The other administrative assessment 4681
account shall consist of the administrative cost assessments 4682
collected by the administrator for the bureau and the ~~workers'-~~ 4683
~~compensation oversight commission board~~. The administrator may 4684
invest the administrative cost assessments in these accounts on 4685
behalf of the bureau and the industrial commission as authorized 4686
in section 4123.44 of the Revised Code. In a timely manner, the 4687
administrator shall provide to the industrial commission the 4688
information and reports the commission deems necessary for the 4689
commission to monitor the receipts and the disbursements from the 4690
administrative assessment account for the industrial commission. 4691

(C) The administrator or the administrator's designee shall 4692
transfer moneys as necessary from the administrative assessment 4693
account identified for the bureau and the ~~workers' compensation~~ 4694
~~oversight commission board~~ to the workers' compensation fund for 4695
the use of the bureau and the ~~oversight commission board~~. As 4696
necessary and upon the authorization of the industrial commission, 4697
the administrator or the administrator's designee shall transfer 4698
moneys from the administrative assessment account identified for 4699
the industrial commission to the industrial commission operating 4700
fund created under section 4121.021 of the Revised Code. To the 4701
extent that the moneys collected by the administrator in any 4702
fiscal biennium of the state equal the sum appropriated by the 4703
general assembly for administrative costs of the industrial 4704
commission, ~~oversight commission board~~, and bureau for the 4705
biennium, the moneys shall be paid into the workers' compensation 4706
fund and the industrial commission operating fund of the state and 4707
any remainder shall be retained in the state insurance fund and 4708
applied to reduce the amount collected during the next biennium. 4709
Sections 4123.41, 4123.35, and 4123.37 of the Revised Code apply 4710
to the collection of assessments from public and private employers 4711
respectively, except that for boards of county hospital trustees 4712
that are self-insuring employers, only those provisions applicable 4713
to the collection of assessments for private employers apply. 4714

Sec. 4123.35. (A) Except as provided in this section, every 4715
employer mentioned in division (B)(2) of section 4123.01 of the 4716
Revised Code, and every publicly owned utility shall pay 4717
semiannually in the months of January and July into the state 4718
insurance fund the amount of annual premium the administrator of 4719
workers' compensation fixes for the employment or occupation of 4720
the employer, the amount of which premium to be paid by each 4721
employer to be determined by the classifications, rules, and rates 4722
made and published by the administrator. The employer shall pay 4723

semiannually a further sum of money into the state insurance fund 4724
as may be ascertained to be due from the employer by applying the 4725
rules of the administrator, and a receipt or certificate 4726
certifying that payment has been made, along with a written notice 4727
as is required in section 4123.54 of the Revised Code, shall be 4728
mailed immediately to the employer by the bureau of workers' 4729
compensation. The receipt or certificate is prima-facie evidence 4730
of the payment of the premium, and the proper posting of the 4731
notice constitutes the employer's compliance with the notice 4732
requirement mandated in section 4123.54 of the Revised Code. 4733

The bureau of workers' compensation shall verify with the 4734
secretary of state the existence of all corporations and 4735
organizations making application for workers' compensation 4736
coverage and shall require every such application to include the 4737
employer's federal identification number. 4738

An employer as defined in division (B)(2) of section 4123.01 4739
of the Revised Code who has contracted with a subcontractor is 4740
liable for the unpaid premium due from any subcontractor with 4741
respect to that part of the payroll of the subcontractor that is 4742
for work performed pursuant to the contract with the employer. 4743

Division (A) of this section providing for the payment of 4744
premiums semiannually does not apply to any employer who was a 4745
subscriber to the state insurance fund prior to January 1, 1914, 4746
or who may first become a subscriber to the fund in any month 4747
other than January or July. Instead, the semiannual premiums shall 4748
be paid by those employers from time to time upon the expiration 4749
of the respective periods for which payments into the fund have 4750
been made by them. 4751

The administrator shall adopt rules to permit employers to 4752
make periodic payments of the semiannual premium due under this 4753
division. The rules shall include provisions for the assessment of 4754
interest charges, where appropriate, and for the assessment of 4755

penalties when an employer fails to make timely premium payments. 4756
An employer who timely pays the amounts due under this division is 4757
entitled to all of the benefits and protections of this chapter. 4758
Upon receipt of payment, the bureau immediately shall mail a 4759
receipt or certificate to the employer certifying that payment has 4760
been made, which receipt is prima-facie evidence of payment. 4761
Workers' compensation coverage under this chapter continues 4762
uninterrupted upon timely receipt of payment under this division. 4763

Every public employer, except public employers that are 4764
self-insuring employers under this section, shall comply with 4765
sections 4123.38 to 4123.41, and 4123.48 of the Revised Code in 4766
regard to the contribution of moneys to the public insurance fund. 4767

(B) Employers who will abide by the rules of the 4768
administrator and who may be of sufficient financial ability to 4769
render certain the payment of compensation to injured employees or 4770
the dependents of killed employees, and the furnishing of medical, 4771
surgical, nursing, and hospital attention and services and 4772
medicines, and funeral expenses, equal to or greater than is 4773
provided for in sections 4123.52, 4123.55 to 4123.62, and 4123.64 4774
to 4123.67 of the Revised Code, and who do not desire to insure 4775
the payment thereof or indemnify themselves against loss sustained 4776
by the direct payment thereof, upon a finding of such facts by the 4777
administrator, may be granted the privilege to pay individually 4778
compensation, and furnish medical, surgical, nursing, and hospital 4779
services and attention and funeral expenses directly to injured 4780
employees or the dependents of killed employees, thereby being 4781
granted status as a self-insuring employer. The administrator may 4782
charge employers who apply for the status as a self-insuring 4783
employer a reasonable application fee to cover the bureau's costs 4784
in connection with processing and making a determination with 4785
respect to an application. 4786

All employers granted status as self-insuring employers shall 4787

demonstrate sufficient financial and administrative ability to 4788
assure that all obligations under this section are promptly met. 4789
The administrator shall deny the privilege where the employer is 4790
unable to demonstrate the employer's ability to promptly meet all 4791
the obligations imposed on the employer by this section. 4792

(1) The administrator shall consider, but is not limited to, 4793
the following factors, where applicable, in determining the 4794
employer's ability to meet all of the obligations imposed on the 4795
employer by this section: 4796

(a) The employer employs a minimum of five hundred employees 4797
in this state; 4798

(b) The employer has operated in this state for a minimum of 4799
two years, provided that an employer who has purchased, acquired, 4800
or otherwise succeeded to the operation of a business, or any part 4801
thereof, situated in this state that has operated for at least two 4802
years in this state, also shall qualify; 4803

(c) Where the employer previously contributed to the state 4804
insurance fund or is a successor employer as defined by bureau 4805
rules, the amount of the buyout, as defined by bureau rules; 4806

(d) The sufficiency of the employer's assets located in this 4807
state to insure the employer's solvency in paying compensation 4808
directly; 4809

(e) The financial records, documents, and data, certified by 4810
a certified public accountant, necessary to provide the employer's 4811
full financial disclosure. The records, documents, and data 4812
include, but are not limited to, balance sheets and profit and 4813
loss history for the current year and previous four years. 4814

(f) The employer's organizational plan for the administration 4815
of the workers' compensation law; 4816

(g) The employer's proposed plan to inform employees of the 4817

change from a state fund insurer to a self-insuring employer, the 4818
procedures the employer will follow as a self-insuring employer, 4819
and the employees' rights to compensation and benefits; and 4820

(h) The employer has either an account in a financial 4821
institution in this state, or if the employer maintains an account 4822
with a financial institution outside this state, ensures that 4823
workers' compensation checks are drawn from the same account as 4824
payroll checks or the employer clearly indicates that payment will 4825
be honored by a financial institution in this state. 4826

The administrator may waive the requirements of divisions 4827
(B)(1)(a) and (b) of this section and the requirement of division 4828
(B)(1)(e) of this section that the financial records, documents, 4829
and data be certified by a certified public accountant. The 4830
administrator shall adopt rules establishing the criteria that an 4831
employer shall meet in order for the administrator to waive the 4832
requirement of division (B)(1)(e) of this section. Such rules may 4833
require additional security of that employer pursuant to division 4834
(E) of section 4123.351 of the Revised Code. 4835

The administrator shall not grant the status of self-insuring 4836
employer to the state, except that the administrator may grant the 4837
status of self-insuring employer to a state institution of higher 4838
education, excluding its hospitals, that meets the requirements of 4839
division (B)(2) of this section. 4840

(2) When considering the application of a public employer, 4841
except for a board of county commissioners described in division 4842
(G) of section 4123.01 of the Revised Code, a board of a county 4843
hospital, or a publicly owned utility, the administrator shall 4844
verify that the public employer satisfies all of the following 4845
requirements as the requirements apply to that public employer: 4846

(a) For the two-year period preceding application under this 4847
section, the public employer has maintained an unvoted debt 4848

capacity equal to at least two times the amount of the current 4849
annual premium established by the administrator under this chapter 4850
for that public employer for the year immediately preceding the 4851
year in which the public employer makes application under this 4852
section. 4853

(b) For each of the two fiscal years preceding application 4854
under this section, the unreserved and undesignated year-end fund 4855
balance in the public employer's general fund is equal to at least 4856
five per cent of the public employer's general fund revenues for 4857
the fiscal year computed in accordance with generally accepted 4858
accounting principles. 4859

(c) For the five-year period preceding application under this 4860
section, the public employer, to the extent applicable, has 4861
complied fully with the continuing disclosure requirements 4862
established in rules adopted by the United States securities and 4863
exchange commission under 17 C.F.R. 240.15c 2-12. 4864

(d) For the five-year period preceding application under this 4865
section, the public employer has not had its local government fund 4866
distribution withheld on account of the public employer being 4867
indebted or otherwise obligated to the state. 4868

(e) For the five-year period preceding application under this 4869
section, the public employer has not been under a fiscal watch or 4870
fiscal emergency pursuant to section 118.023, 118.04, or 3316.03 4871
of the Revised Code. 4872

(f) For the public employer's fiscal year preceding 4873
application under this section, the public employer has obtained 4874
an annual financial audit as required under section 117.10 of the 4875
Revised Code, which has been released by the auditor of state 4876
within seven months after the end of the public employer's fiscal 4877
year. 4878

(g) On the date of application, the public employer holds a 4879

debt rating of Aa3 or higher according to Moody's investors 4880
service, inc., or a comparable rating by an independent rating 4881
agency similar to Moody's investors service, inc. 4882

(h) The public employer agrees to generate an annual 4883
accumulating book reserve in its financial statements reflecting 4884
an actuarially generated reserve adequate to pay projected claims 4885
under this chapter for the applicable period of time, as 4886
determined by the administrator. 4887

(i) For a public employer that is a hospital, the public 4888
employer shall submit audited financial statements showing the 4889
hospital's overall liquidity characteristics, and the 4890
administrator shall determine, on an individual basis, whether the 4891
public employer satisfies liquidity standards equivalent to the 4892
liquidity standards of other public employers. 4893

(j) Any additional criteria that the administrator adopts by 4894
rule pursuant to division (E) of this section. 4895

The administrator shall not approve the application of a 4896
public employer, except for a board of county commissioners 4897
described in division (G) of section 4123.01 of the Revised Code, 4898
a board of a county hospital, or publicly owned utility, who does 4899
not satisfy all of the requirements listed in division (B)(2) of 4900
this section. 4901

(C) A board of county commissioners described in division (G) 4902
of section 4123.01 of the Revised Code, as an employer, that will 4903
abide by the rules of the administrator and that may be of 4904
sufficient financial ability to render certain the payment of 4905
compensation to injured employees or the dependents of killed 4906
employees, and the furnishing of medical, surgical, nursing, and 4907
hospital attention and services and medicines, and funeral 4908
expenses, equal to or greater than is provided for in sections 4909
4123.52, 4123.55 to 4123.62, and 4123.64 to 4123.67 of the Revised 4910

Code, and that does not desire to insure the payment thereof or 4911
indemnify itself against loss sustained by the direct payment 4912
thereof, upon a finding of such facts by the administrator, may be 4913
granted the privilege to pay individually compensation, and 4914
furnish medical, surgical, nursing, and hospital services and 4915
attention and funeral expenses directly to injured employees or 4916
the dependents of killed employees, thereby being granted status 4917
as a self-insuring employer. The administrator may charge a board 4918
of county commissioners described in division (G) of section 4919
4123.01 of the Revised Code that applies for the status as a 4920
self-insuring employer a reasonable application fee to cover the 4921
bureau's costs in connection with processing and making a 4922
determination with respect to an application. All employers 4923
granted such status shall demonstrate sufficient financial and 4924
administrative ability to assure that all obligations under this 4925
section are promptly met. The administrator shall deny the 4926
privilege where the employer is unable to demonstrate the 4927
employer's ability to promptly meet all the obligations imposed on 4928
the employer by this section. The administrator shall consider, 4929
but is not limited to, the following factors, where applicable, in 4930
determining the employer's ability to meet all of the obligations 4931
imposed on the board as an employer by this section: 4932

(1) The board as an employer employs a minimum of five 4933
hundred employees in this state; 4934

(2) The board has operated in this state for a minimum of two 4935
years; 4936

(3) Where the board previously contributed to the state 4937
insurance fund or is a successor employer as defined by bureau 4938
rules, the amount of the buyout, as defined by bureau rules; 4939

(4) The sufficiency of the board's assets located in this 4940
state to insure the board's solvency in paying compensation 4941
directly; 4942

(5) The financial records, documents, and data, certified by 4943
a certified public accountant, necessary to provide the board's 4944
full financial disclosure. The records, documents, and data 4945
include, but are not limited to, balance sheets and profit and 4946
loss history for the current year and previous four years. 4947

(6) The board's organizational plan for the administration of 4948
the workers' compensation law; 4949

(7) The board's proposed plan to inform employees of the 4950
proposed self-insurance, the procedures the board will follow as a 4951
self-insuring employer, and the employees' rights to compensation 4952
and benefits; 4953

(8) The board has either an account in a financial 4954
institution in this state, or if the board maintains an account 4955
with a financial institution outside this state, ensures that 4956
workers' compensation checks are drawn from the same account as 4957
payroll checks or the board clearly indicates that payment will be 4958
honored by a financial institution in this state; 4959

(9) The board shall provide the administrator a surety bond 4960
in an amount equal to one hundred twenty-five per cent of the 4961
projected losses as determined by the administrator. 4962

(D) The administrator shall require a surety bond from all 4963
self-insuring employers, issued pursuant to section 4123.351 of 4964
the Revised Code, that is sufficient to compel, or secure to 4965
injured employees, or to the dependents of employees killed, the 4966
payment of compensation and expenses, which shall in no event be 4967
less than that paid or furnished out of the state insurance fund 4968
in similar cases to injured employees or to dependents of killed 4969
employees whose employers contribute to the fund, except when an 4970
employee of the employer, who has suffered the loss of a hand, 4971
arm, foot, leg, or eye prior to the injury for which compensation 4972
is to be paid, and thereafter suffers the loss of any other of the 4973

members as the result of any injury sustained in the course of and 4974
arising out of the employee's employment, the compensation to be 4975
paid by the self-insuring employer is limited to the disability 4976
suffered in the subsequent injury, additional compensation, if 4977
any, to be paid by the bureau out of the surplus created by 4978
section 4123.34 of the Revised Code. 4979

(E) In addition to the requirements of this section, the 4980
administrator shall make and publish rules governing the manner of 4981
making application and the nature and extent of the proof required 4982
to justify a finding of fact by the administrator as to granting 4983
the status of a self-insuring employer, which rules shall be 4984
general in their application, one of which rules shall provide 4985
that all self-insuring employers shall pay into the state 4986
insurance fund such amounts as are required to be credited to the 4987
surplus fund in division (B) of section 4123.34 of the Revised 4988
Code. The administrator may adopt rules establishing requirements 4989
in addition to the requirements described in division (B)(2) of 4990
this section that a public employer shall meet in order to qualify 4991
for self-insuring status. 4992

Employers shall secure directly from the bureau central 4993
offices application forms upon which the bureau shall stamp a 4994
designating number. Prior to submission of an application, an 4995
employer shall make available to the bureau, and the bureau shall 4996
review, the information described in division (B)(1) of this 4997
section, and public employers shall make available, and the bureau 4998
shall review, the information necessary to verify whether the 4999
public employer meets the requirements listed in division (B)(2) 5000
of this section. An employer shall file the completed application 5001
forms with an application fee, which shall cover the costs of 5002
processing the application, as established by the administrator, 5003
by rule, with the bureau at least ninety days prior to the 5004
effective date of the employer's new status as a self-insuring 5005

employer. The application form is not deemed complete until all 5006
the required information is attached thereto. The bureau shall 5007
only accept applications that contain the required information. 5008

(F) The bureau shall review completed applications within a 5009
reasonable time. If the bureau determines to grant an employer the 5010
status as a self-insuring employer, the bureau shall issue a 5011
statement, containing its findings of fact, that is prepared by 5012
the bureau and signed by the administrator. If the bureau 5013
determines not to grant the status as a self-insuring employer, 5014
the bureau shall notify the employer of the determination and 5015
require the employer to continue to pay its full premium into the 5016
state insurance fund. The administrator also shall adopt rules 5017
establishing a minimum level of performance as a criterion for 5018
granting and maintaining the status as a self-insuring employer 5019
and fixing time limits beyond which failure of the self-insuring 5020
employer to provide for the necessary medical examinations and 5021
evaluations may not delay a decision on a claim. 5022

(G) The administrator shall adopt rules setting forth 5023
procedures for auditing the program of self-insuring employers. 5024
The bureau shall conduct the audit upon a random basis or whenever 5025
the bureau has grounds for believing that a self-insuring employer 5026
is not in full compliance with bureau rules or this chapter. 5027

The administrator shall monitor the programs conducted by 5028
self-insuring employers, to ensure compliance with bureau 5029
requirements and for that purpose, shall develop and issue to 5030
self-insuring employers standardized forms for use by the 5031
self-insuring employer in all aspects of the self-insuring 5032
employers' direct compensation program and for reporting of 5033
information to the bureau. 5034

The bureau shall receive and transmit to the self-insuring 5035
employer all complaints concerning any self-insuring employer. In 5036
the case of a complaint against a self-insuring employer, the 5037

administrator shall handle the complaint through the 5038
self-insurance division of the bureau. The bureau shall maintain a 5039
file by employer of all complaints received that relate to the 5040
employer. The bureau shall evaluate each complaint and take 5041
appropriate action. 5042

The administrator shall adopt as a rule a prohibition against 5043
any self-insuring employer from harassing, dismissing, or 5044
otherwise disciplining any employee making a complaint, which rule 5045
shall provide for a financial penalty to be levied by the 5046
administrator payable by the offending self-insuring employer. 5047

(H) For the purpose of making determinations as to whether to 5048
grant status as a self-insuring employer, the administrator may 5049
subscribe to and pay for a credit reporting service that offers 5050
financial and other business information about individual 5051
employers. The costs in connection with the bureau's subscription 5052
or individual reports from the service about an applicant may be 5053
included in the application fee charged employers under this 5054
section. 5055

(I) The administrator, notwithstanding other provisions of 5056
this chapter, may permit a self-insuring employer to resume 5057
payment of premiums to the state insurance fund with appropriate 5058
credit modifications to the employer's basic premium rate as such 5059
rate is determined pursuant to section 4123.29 of the Revised 5060
Code. 5061

(J) On the first day of July of each year, the administrator 5062
shall calculate separately each self-insuring employer's 5063
assessments for the safety and hygiene fund, administrative costs 5064
pursuant to section 4123.342 of the Revised Code, and for the 5065
portion of the surplus fund under division (B) of section 4123.34 5066
of the Revised Code that is not used for handicapped 5067
reimbursement, on the basis of the paid compensation attributable 5068
to the individual self-insuring employer according to the 5069

following calculation: 5070

(1) The total assessment against all self-insuring employers 5071
as a class for each fund and for the administrative costs for the 5072
year that the assessment is being made, as determined by the 5073
administrator, divided by the total amount of paid compensation 5074
for the previous calendar year attributable to all amenable 5075
self-insuring employers; 5076

(2) Multiply the quotient in division (J)(1) of this section 5077
by the total amount of paid compensation for the previous calendar 5078
year that is attributable to the individual self-insuring employer 5079
for whom the assessment is being determined. Each self-insuring 5080
employer shall pay the assessment that results from this 5081
calculation, unless the assessment resulting from this calculation 5082
falls below a minimum assessment, which minimum assessment the 5083
administrator shall determine on the first day of July of each 5084
year with the advice and consent of the bureau of workers' 5085
~~compensation oversight commission~~ board of directors, in which 5086
event, the self-insuring employer shall pay the minimum 5087
assessment. 5088

In determining the total amount due for the total assessment 5089
against all self-insuring employers as a class for each fund and 5090
the administrative assessment, the administrator shall reduce 5091
proportionately the total for each fund and assessment by the 5092
amount of money in the self-insurance assessment fund as of the 5093
date of the computation of the assessment. 5094

The administrator shall calculate the assessment for the 5095
portion of the surplus fund under division (B) of section 4123.34 5096
of the Revised Code that is used for handicapped reimbursement in 5097
the same manner as set forth in divisions (J)(1) and (2) of this 5098
section except that the administrator shall calculate the total 5099
assessment for this portion of the surplus fund only on the basis 5100
of those self-insuring employers that retain participation in the 5101

handicapped reimbursement program and the individual self-insuring 5102
employer's proportion of paid compensation shall be calculated 5103
only for those self-insuring employers who retain participation in 5104
the handicapped reimbursement program. The administrator, as the 5105
administrator determines appropriate, may determine the total 5106
assessment for the handicapped portion of the surplus fund in 5107
accordance with sound actuarial principles. 5108

The administrator shall calculate the assessment for the 5109
portion of the surplus fund under division (B) of section 4123.34 5110
of the Revised Code that under division (D) of section 4121.66 of 5111
the Revised Code is used for rehabilitation costs in the same 5112
manner as set forth in divisions (J)(1) and (2) of this section, 5113
except that the administrator shall calculate the total assessment 5114
for this portion of the surplus fund only on the basis of those 5115
self-insuring employers who have not made the election to make 5116
payments directly under division (D) of section 4121.66 of the 5117
Revised Code and an individual self-insuring employer's proportion 5118
of paid compensation only for those self-insuring employers who 5119
have not made that election. 5120

The administrator shall calculate the assessment for the 5121
portion of the surplus fund under division (B) of section 4123.34 5122
of the Revised Code that is used for reimbursement to a 5123
self-insuring employer under division (H) of section 4123.512 of 5124
the Revised Code in the same manner as set forth in divisions 5125
(J)(1) and (2) of this section except that the administrator shall 5126
calculate the total assessment for this portion of the surplus 5127
fund only on the basis of those self-insuring employers that 5128
retain participation in reimbursement to the self-insuring 5129
employer under division (H) of section 4123.512 of the Revised 5130
Code and the individual self-insuring employer's proportion of 5131
paid compensation shall be calculated only for those self-insuring 5132
employers who retain participation in reimbursement to the 5133

self-insuring employer under division (H) of section 4123.512 of 5134
the Revised Code. 5135

An employer who no longer is a self-insuring employer in this 5136
state or who no longer is operating in this state, shall continue 5137
to pay assessments for administrative costs and for the portion of 5138
the surplus fund under division (B) of section 4123.34 of the 5139
Revised Code that is not used for handicapped reimbursement, based 5140
upon paid compensation attributable to claims that occurred while 5141
the employer was a self-insuring employer within this state. 5142

(K) There is hereby created in the state treasury the 5143
self-insurance assessment fund. All investment earnings of the 5144
fund shall be deposited in the fund. The administrator shall use 5145
the money in the self-insurance assessment fund only for 5146
administrative costs as specified in section 4123.341 of the 5147
Revised Code. 5148

(L) Every self-insuring employer shall certify, in affidavit 5149
form subject to the penalty for perjury, to the bureau the amount 5150
of the self-insuring employer's paid compensation for the previous 5151
calendar year. In reporting paid compensation paid for the 5152
previous year, a self-insuring employer shall exclude from the 5153
total amount of paid compensation any reimbursement the 5154
self-insuring employer receives in the previous calendar year from 5155
the surplus fund pursuant to section 4123.512 of the Revised Code 5156
for any paid compensation. The self-insuring employer also shall 5157
exclude from the paid compensation reported any amount recovered 5158
under section 4123.931 of the Revised Code and any amount that is 5159
determined not to have been payable to or on behalf of a claimant 5160
in any final administrative or judicial proceeding. The 5161
self-insuring employer shall exclude such amounts from the paid 5162
compensation reported in the reporting period subsequent to the 5163
date the determination is made. The administrator shall adopt 5164
rules, in accordance with Chapter 119. of the Revised Code, that 5165

provide for all of the following: 5166

(1) Establishing the date by which self-insuring employers 5167
must submit such information and the amount of the assessments 5168
provided for in division (J) of this section for employers who 5169
have been granted self-insuring status within the last calendar 5170
year; 5171

(2) If an employer fails to pay the assessment when due, the 5172
administrator may add a late fee penalty of not more than five 5173
hundred dollars to the assessment plus an additional penalty 5174
amount as follows: 5175

(a) For an assessment from sixty-one to ninety days past due, 5176
the prime interest rate, multiplied by the assessment due; 5177

(b) For an assessment from ninety-one to one hundred twenty 5178
days past due, the prime interest rate plus two per cent, 5179
multiplied by the assessment due; 5180

(c) For an assessment from one hundred twenty-one to one 5181
hundred fifty days past due, the prime interest rate plus four per 5182
cent, multiplied by the assessment due; 5183

(d) For an assessment from one hundred fifty-one to one 5184
hundred eighty days past due, the prime interest rate plus six per 5185
cent, multiplied by the assessment due; 5186

(e) For an assessment from one hundred eighty-one to two 5187
hundred ten days past due, the prime interest rate plus eight per 5188
cent, multiplied by the assessment due; 5189

(f) For each additional thirty-day period or portion thereof 5190
that an assessment remains past due after it has remained past due 5191
for more than two hundred ten days, the prime interest rate plus 5192
eight per cent, multiplied by the assessment due. 5193

(3) An employer may appeal a late fee penalty and penalty 5194
assessment to the administrator. 5195

For purposes of ~~this~~ division (L)(2) of this section, "prime interest rate" means the average bank prime rate, and the administrator shall determine the prime interest rate in the same manner as a county auditor determines the average bank prime rate under section 929.02 of the Revised Code.

The administrator shall include any assessment and penalties that remain unpaid for previous assessment periods in the calculation and collection of any assessments due under this division or division (J) of this section.

(M) As used in this section, "paid compensation" means all amounts paid by a self-insuring employer for living maintenance benefits, all amounts for compensation paid pursuant to sections 4121.63, 4121.67, 4123.56, 4123.57, 4123.58, 4123.59, 4123.60, and 4123.64 of the Revised Code, all amounts paid as wages in lieu of such compensation, all amounts paid in lieu of such compensation under a nonoccupational accident and sickness program fully funded by the self-insuring employer, and all amounts paid by a self-insuring employer for a violation of a specific safety standard pursuant to Section 35 of Article II, Ohio Constitution and section 4121.47 of the Revised Code.

(N) Should any section of this chapter or Chapter 4121. of the Revised Code providing for self-insuring employers' assessments based upon compensation paid be declared unconstitutional by a final decision of any court, then that section of the Revised Code declared unconstitutional shall revert back to the section in existence prior to November 3, 1989, providing for assessments based upon payroll.

(O) The administrator may grant a self-insuring employer the privilege to self-insure a construction project entered into by the self-insuring employer that is scheduled for completion within six years after the date the project begins, and the total cost of which is estimated to exceed one hundred million dollars or, for

employers described in division (R) of this section, if the 5228
construction project is estimated to exceed twenty-five million 5229
dollars. The administrator may waive such cost and time criteria 5230
and grant a self-insuring employer the privilege to self-insure a 5231
construction project regardless of the time needed to complete the 5232
construction project and provided that the cost of the 5233
construction project is estimated to exceed fifty million dollars. 5234
A self-insuring employer who desires to self-insure a construction 5235
project shall submit to the administrator an application listing 5236
the dates the construction project is scheduled to begin and end, 5237
the estimated cost of the construction project, the contractors 5238
and subcontractors whose employees are to be self-insured by the 5239
self-insuring employer, the provisions of a safety program that is 5240
specifically designed for the construction project, and a 5241
statement as to whether a collective bargaining agreement 5242
governing the rights, duties, and obligations of each of the 5243
parties to the agreement with respect to the construction project 5244
exists between the self-insuring employer and a labor 5245
organization. 5246

A self-insuring employer may apply to self-insure the 5247
employees of either of the following: 5248

(1) All contractors and subcontractors who perform labor or 5249
work or provide materials for the construction project; 5250

(2) All contractors and, at the administrator's discretion, a 5251
substantial number of all the subcontractors who perform labor or 5252
work or provide materials for the construction project. 5253

Upon approval of the application, the administrator shall 5254
mail a certificate granting the privilege to self-insure the 5255
construction project to the self-insuring employer. The 5256
certificate shall contain the name of the self-insuring employer 5257
and the name, address, and telephone number of the self-insuring 5258
employer's representatives who are responsible for administering 5259

workers' compensation claims for the construction project. The 5260
self-insuring employer shall post the certificate in a conspicuous 5261
place at the site of the construction project. 5262

The administrator shall maintain a record of the contractors 5263
and subcontractors whose employees are covered under the 5264
certificate issued to the self-insured employer. A self-insuring 5265
employer immediately shall notify the administrator when any 5266
contractor or subcontractor is added or eliminated from inclusion 5267
under the certificate. 5268

Upon approval of the application, the self-insuring employer 5269
is responsible for the administration and payment of all claims 5270
under this chapter and Chapter 4121. of the Revised Code for the 5271
employees of the contractor and subcontractors covered under the 5272
certificate who receive injuries or are killed in the course of 5273
and arising out of employment on the construction project, or who 5274
contract an occupational disease in the course of employment on 5275
the construction project. For purposes of this chapter and Chapter 5276
4121. of the Revised Code, a claim that is administered and paid 5277
in accordance with this division is considered a claim against the 5278
self-insuring employer listed in the certificate. A contractor or 5279
subcontractor included under the certificate shall report to the 5280
self-insuring employer listed in the certificate, all claims that 5281
arise under this chapter and Chapter 4121. of the Revised Code in 5282
connection with the construction project for which the certificate 5283
is issued. 5284

A self-insuring employer who complies with this division is 5285
entitled to the protections provided under this chapter and 5286
Chapter 4121. of the Revised Code with respect to the employees of 5287
the contractors and subcontractors covered under a certificate 5288
issued under this division for death or injuries that arise out 5289
of, or death, injuries, or occupational diseases that arise in the 5290
course of, those employees' employment on that construction 5291

project, as if the employees were employees of the self-insuring 5292
employer, provided that the self-insuring employer also complies 5293
with this section. No employee of the contractors and 5294
subcontractors covered under a certificate issued under this 5295
division shall be considered the employee of the self-insuring 5296
employer listed in that certificate for any purposes other than 5297
this chapter and Chapter 4121. of the Revised Code. Nothing in 5298
this division gives a self-insuring employer authority to control 5299
the means, manner, or method of employment of the employees of the 5300
contractors and subcontractors covered under a certificate issued 5301
under this division. 5302

The contractors and subcontractors included under a 5303
certificate issued under this division are entitled to the 5304
protections provided under this chapter and Chapter 4121. of the 5305
Revised Code with respect to the contractor's or subcontractor's 5306
employees who are employed on the construction project which is 5307
the subject of the certificate, for death or injuries that arise 5308
out of, or death, injuries, or occupational diseases that arise in 5309
the course of, those employees' employment on that construction 5310
project. 5311

The contractors and subcontractors included under a 5312
certificate issued under this division shall identify in their 5313
payroll records the employees who are considered the employees of 5314
the self-insuring employer listed in that certificate for purposes 5315
of this chapter and Chapter 4121. of the Revised Code, and the 5316
amount that those employees earned for employment on the 5317
construction project that is the subject of that certificate. 5318
Notwithstanding any provision to the contrary under this chapter 5319
and Chapter 4121. of the Revised Code, the administrator shall 5320
exclude the payroll that is reported for employees who are 5321
considered the employees of the self-insuring employer listed in 5322
that certificate, and that the employees earned for employment on 5323

the construction project that is the subject of that certificate, 5324
when determining those contractors' or subcontractors' premiums or 5325
assessments required under this chapter and Chapter 4121. of the 5326
Revised Code. A self-insuring employer issued a certificate under 5327
this division shall include in the amount of paid compensation it 5328
reports pursuant to division (L) of this section, the amount of 5329
paid compensation the self-insuring employer paid pursuant to this 5330
division for the previous calendar year. 5331

Nothing in this division shall be construed as altering the 5332
rights of employees under this chapter and Chapter 4121. of the 5333
Revised Code as those rights existed prior to September 17, 1996. 5334
Nothing in this division shall be construed as altering the rights 5335
devolved under sections 2305.31 and 4123.82 of the Revised Code as 5336
those rights existed prior to September 17, 1996. 5337

As used in this division, "privilege to self-insure a 5338
construction project" means privilege to pay individually 5339
compensation, and to furnish medical, surgical, nursing, and 5340
hospital services and attention and funeral expenses directly to 5341
injured employees or the dependents of killed employees. 5342

(P) A self-insuring employer whose application is granted 5343
under division (O) of this section shall designate a safety 5344
professional to be responsible for the administration and 5345
enforcement of the safety program that is specifically designed 5346
for the construction project that is the subject of the 5347
application. 5348

A self-insuring employer whose application is granted under 5349
division (O) of this section shall employ an ombudsperson for the 5350
construction project that is the subject of the application. The 5351
ombudsperson shall have experience in workers' compensation or the 5352
construction industry, or both. The ombudsperson shall perform all 5353
of the following duties: 5354

(1) Communicate with and provide information to employees who are injured in the course of, or whose injury arises out of employment on the construction project, or who contract an occupational disease in the course of employment on the construction project;

(2) Investigate the status of a claim upon the request of an employee to do so;

(3) Provide information to claimants, third party administrators, employers, and other persons to assist those persons in protecting their rights under this chapter and Chapter 4121. of the Revised Code.

A self-insuring employer whose application is granted under division (O) of this section shall post the name of the safety professional and the ombudsperson and instructions for contacting the safety professional and the ombudsperson in a conspicuous place at the site of the construction project.

(Q) The administrator may consider all of the following when deciding whether to grant a self-insuring employer the privilege to self-insure a construction project as provided under division (O) of this section:

(1) Whether the self-insuring employer has an organizational plan for the administration of the workers' compensation law;

(2) Whether the safety program that is specifically designed for the construction project provides for the safety of employees employed on the construction project, is applicable to all contractors and subcontractors who perform labor or work or provide materials for the construction project, and has as a component, a safety training program that complies with standards adopted pursuant to the "Occupational Safety and Health Act of 1970," 84 Stat. 1590, 29 U.S.C.A. 651, and provides for continuing management and employee involvement;

(3) Whether granting the privilege to self-insure the construction project will reduce the costs of the construction project;	5386 5387 5388
(4) Whether the self-insuring employer has employed an ombudsperson as required under division (P) of this section;	5389 5390
(5) Whether the self-insuring employer has sufficient surety to secure the payment of claims for which the self-insuring employer would be responsible pursuant to the granting of the privilege to self-insure a construction project under division (O) of this section.	5391 5392 5393 5394 5395
(R) As used in divisions (O), (P), and (Q), "self-insuring employer" includes the following employers, whether or not they have been granted the status of being a self-insuring employer under division (B) of this section:	5396 5397 5398 5399
(1) A state institution of higher education;	5400
(2) A school district;	5401
(3) A county school financing district;	5402
(4) An educational service center;	5403
(5) A community school established under Chapter 3314. of the Revised Code.	5404 5405
(S) As used in this section:	5406
(1) "Unvoted debt capacity" means the amount of money that a public employer may borrow without voter approval of a tax levy;	5407 5408
(2) "State institution of higher education" means the state universities listed in section 3345.011 of the Revised Code, community colleges created pursuant to Chapter 3354. of the Revised Code, university branches created pursuant to Chapter 3355. of the Revised Code, technical colleges created pursuant to Chapter 3357. of the Revised Code, and state community colleges created pursuant to Chapter 3358. of the Revised Code.	5409 5410 5411 5412 5413 5414 5415

Sec. 4123.351. (A) The administrator of workers' compensation 5416
shall require every self-insuring employer to pay a contribution, 5417
calculated under this section, to the self-insuring employers' 5418
guaranty fund established pursuant to this section. The fund shall 5419
provide for payment of compensation and benefits to employees of 5420
the self-insuring employer in order to cover any default in 5421
payment by that employer. 5422

(B) The bureau of workers' compensation shall operate the 5423
self-insuring employers' guaranty fund for self-insuring 5424
employers. The administrator annually shall establish the 5425
contributions due from self-insuring employers for the fund at 5426
rates as low as possible but such as will assure sufficient moneys 5427
to guarantee the payment of any claims against the fund. The 5428
bureau's operation of the fund is not subject to sections 3929.10 5429
to 3929.18 of the Revised Code or to regulation by the 5430
superintendent of insurance. 5431

(C) If a self-insuring employer defaults, the bureau shall 5432
recover the amounts paid as a result of the default from the 5433
self-insuring employers' guaranty fund. If a self-insuring 5434
employer defaults and is in compliance with this section for the 5435
payment of contributions to the fund, such self-insuring employer 5436
is entitled to the immunity conferred by section 4123.74 of the 5437
Revised Code for any claim arising during any period the employer 5438
is in compliance with this section. 5439

(D)(1) There is hereby established a self-insuring employers' 5440
guaranty fund, which shall be in the custody of the treasurer of 5441
state and which shall be separate from the other funds established 5442
and administered pursuant to this chapter. The fund shall consist 5443
of contributions and other payments made by self-insuring 5444
employers under this section. All investment earnings of the fund 5445
shall be credited to the fund. The bureau shall make disbursements 5446

from the fund pursuant to this section. 5447

(2) The administrator ~~of workers' compensation~~ has the same 5448
powers to invest any of the surplus or reserve belonging to the 5449
fund as are delegated to ~~him~~ the administrator under section 5450
4123.44 of the Revised Code with respect to the state insurance 5451
fund. The administrator shall apply interest earned solely to the 5452
reduction of assessments for contributions from self-insuring 5453
employers and to the payments required due to defaults. 5454

(3) If the ~~administrator~~ bureau of workers' compensation 5455
board of directors determines that reinsurance of the risks of the 5456
fund is necessary to assure solvency of the fund, ~~he~~ the board 5457
may: 5458

(a) Enter into contracts for the purchase of reinsurance 5459
coverage of the risks of the fund with any company or agency 5460
authorized by law to issue contracts of reinsurance; 5461

(b) ~~Pay~~ Require the administrator to pay the cost of 5462
reinsurance from the fund; 5463

(c) Include the costs of reinsurance as a liability and 5464
estimated liability of the fund. 5465

(E) The administrator, with the advice and consent of the 5466
~~workers' compensation oversight commission~~ board, may adopt rules 5467
pursuant to Chapter 119. of the Revised Code for the 5468
implementation of this section, including a rule, notwithstanding 5469
division (C) of this section, requiring self-insuring employers to 5470
provide security in addition to the contribution to the 5471
self-insuring employers' guaranty fund required by this section. 5472
The additional security required by the rule, as the administrator 5473
determines appropriate, shall be sufficient and adequate to 5474
provide for financial assurance to meet the obligations of 5475
self-insuring employers under this chapter and Chapter 4121. of 5476
the Revised Code. 5477

(F) The purchase of coverage under this section by 5478
self-insuring employers is valid notwithstanding the prohibitions 5479
contained in division (A) of section 4123.82 of the Revised Code 5480
and is in addition to the indemnity contracts that self-insuring 5481
employers may purchase pursuant to division (B) of section 4123.82 5482
of the Revised Code. 5483

(G) The administrator, on behalf of the self-insuring 5484
employers' guaranty fund, has the rights of reimbursement and 5485
subrogation and shall collect from a defaulting self-insuring 5486
employer or other liable person all amounts ~~he~~ the administrator 5487
has paid or reasonably expects to pay from the fund on account of 5488
the defaulting self-insuring employer. 5489

(H) The assessments for contributions, the administration of 5490
the self-insuring employers' guaranty fund, the investment of the 5491
money in the fund, and the payment of liabilities incurred by the 5492
fund do not create any liability upon the state. 5493

Except for a gross abuse of discretion, neither the ~~oversight~~ 5494
~~commission board~~, nor the individual members thereof, nor the 5495
administrator shall incur any obligation or liability respecting 5496
the assessments for contributions, the administration of the 5497
self-insuring employers' guaranty fund, the investment of the 5498
fund, or the payment of liabilities therefrom. 5499

Sec. 4123.37. In this section "amenable employer" ~~means an~~ 5500
~~employer subject to~~ has the same meaning as "employer" as defined 5501
in division ~~(B)(2)(O)~~ of section ~~4123.01~~ 4123.32 of the Revised 5502
Code. 5503

If the administrator of workers' compensation finds that any 5504
person, firm, or private corporation, including any public service 5505
corporation, is, or has been at any time after January 1, 1923, an 5506
amenable employer and has not complied with section 4123.35 of the 5507
Revised Code the administrator shall determine the period during 5508

which the person, firm, or corporation was an amenable employer 5509
and shall forthwith give notice of the determination to the 5510
employer. Within twenty days thereafter the employer shall furnish 5511
the bureau with the payroll covering the period included in the 5512
determination and, if the employer is an amenable employer at the 5513
time of the determination, shall pay a premium security deposit 5514
for the eight months next succeeding the date of the determination 5515
and shall pay into the state insurance fund the amount of premium 5516
applicable to such payroll. 5517

If the employer does not furnish the payroll and pay the 5518
applicable premium and premium security deposit within the twenty 5519
days, the administrator shall forthwith make an assessment of the 5520
premium due from the employer for the period the administrator 5521
determined the employer to be an amenable employer including the 5522
premium security deposit according to section 4123.32 of the 5523
Revised Code if the employer is an amenable employer at the time 5524
of the determination, basing the assessment upon the information 5525
in the possession of the administrator. 5526

The administrator shall give to the employer assessed written 5527
notice of the assessment. The notice shall be mailed to the 5528
employer at ~~his~~ the employer's residence or usual place of 5529
business by certified mail. Unless the employer to whom the notice 5530
of assessment is directed files with the bureau within twenty days 5531
after receipt thereof, a petition in writing, verified under oath 5532
by the employer, or ~~his~~ the employer's authorized agent having 5533
knowledge of the facts, setting forth with particularity the items 5534
of the assessment objected to, together with the reason for the 5535
objections, the assessment shall become conclusive and the amount 5536
thereof shall be due and payable from the employer so assessed to 5537
the state insurance fund. When a petition objecting to an 5538
assessment is filed the bureau shall assign a time and place for 5539
the hearing of the same and shall notify the petitioner thereof by 5540

certified mail. When an employer files a petition the assessment 5541
made by the administrator shall become due and payable ten days 5542
after notice of the finding made at the hearing has been sent by 5543
certified mail to the party assessed. An appeal may be taken from 5544
any finding to the court of common pleas of Franklin county upon 5545
the execution by the party assessed of a bond to the state in 5546
double the amount found due and ordered paid by the bureau 5547
conditioned that the party will pay any judgment and costs 5548
rendered against it for the premium. 5549

When no petition objecting to an assessment is filed or when 5550
a finding is made affirming or modifying an assessment after 5551
hearing, a certified copy of the assessment as affirmed or 5552
modified may be filed by the administrator in the office of the 5553
clerk of the court of common pleas in any county in which the 5554
employer has property or in which the employer has a place of 5555
business. The clerk, immediately upon the filing of the 5556
assessment, shall enter a judgment for the state against the 5557
employer in the amount shown on the assessment. The judgment may 5558
be filed by the clerk in a loose leaf book entitled "special 5559
judgments for state insurance fund." The judgment shall bear the 5560
same rate of interest, have the same effect as other judgments, 5561
and be given the same preference allowed by law on other judgments 5562
rendered for claims for taxes. An assessment or judgment under 5563
this section shall not be a bar to the adjustment of the 5564
employer's account upon the employer furnishing ~~his~~ the employer's 5565
payroll records to the bureau. 5566

The administrator, for good cause shown, may waive a default 5567
in the payment of premium where the default is of less than sixty 5568
days' duration, and upon payment by the employer of the premium 5569
for the period, ~~he~~ the employer and ~~his~~ the employer's employees 5570
are entitled to all of the benefits and immunities provided by 5571
this chapter. 5572

Sec. 4123.411. (A) For the purpose of carrying out sections 5573
4123.412 to 4123.418 of the Revised Code, the administrator of 5574
workers' compensation, with the advice and consent of the bureau 5575
of workers' compensation oversight commission board of directors, 5576
shall levy an assessment against all employers at a rate, of at 5577
least five but not to exceed ten cents per one hundred dollars of 5578
payroll, such rate to be determined annually for each employer 5579
group listed in divisions (A)(1) to (3) of this section, which 5580
will produce an amount no greater than the amount the 5581
administrator estimates to be necessary to carry out such sections 5582
for the period for which the assessment is levied. In the event 5583
the amount produced by the assessment is not sufficient to carry 5584
out such sections the additional amount necessary shall be 5585
provided from the income produced as a result of investments made 5586
pursuant to section 4123.44 of the Revised Code. 5587

Assessments shall be levied according to the following 5588
schedule: 5589

(1) Private fund employers, except self-insuring 5590
employers--in January and July of each year upon gross payrolls of 5591
the preceding six months; 5592

(2) Counties and taxing district employers therein, except 5593
county hospitals that are self-insuring employers--in January of 5594
each year upon gross payrolls of the preceding twelve months; 5595

(3) The state as an employer--in January, April, July, and 5596
October of each year upon gross payrolls of the preceding three 5597
months. 5598

Amounts assessed in accordance with this section shall be 5599
collected from each employer as prescribed in rules the 5600
administrator adopts. 5601

The moneys derived from the assessment provided for in this 5602

section shall be credited to the disabled workers' relief fund 5603
created by section 4123.412 of the Revised Code. The administrator 5604
shall establish by rule classifications of employers within 5605
divisions (A)(1) to (3) of this section and shall determine rates 5606
for each class so as to fairly apportion the costs of carrying out 5607
sections 4123.412 to 4123.418 of the Revised Code. 5608

(B) For all injuries and disabilities occurring on or after 5609
January 1, 1987, the administrator, for the purposes of carrying 5610
out sections 4123.412 to 4123.418 of the Revised Code, shall levy 5611
an assessment against all employers at a rate per one hundred 5612
dollars of payroll, such rate to be determined annually for each 5613
classification of employer in each employer group listed in 5614
divisions (A)(1) to (3) of this section, which will produce an 5615
amount no greater than the amount the administrator estimates to 5616
be necessary to carry out such sections for the period for which 5617
the assessment is levied. The administrator annually shall 5618
establish the contributions due from employers for the disabled 5619
workers' relief fund at rates as low as possible but that will 5620
assure sufficient moneys to guarantee the payment of any claims 5621
against that fund. 5622

Amounts assessed in accordance with this division shall be 5623
billed at the same time premiums are billed and credited to the 5624
disabled workers' relief fund created by section 4123.412 of the 5625
Revised Code. The administrator shall determine the rates for each 5626
class in the same manner as ~~he~~ the administrator fixes the rates 5627
for premiums pursuant to section 4123.29 of the Revised Code. 5628

(C) For a self-insuring employer, the bureau of workers' 5629
compensation shall pay to employees who are participants 5630
regardless of the date of injury, any amounts due to the 5631
participants under section 4123.414 of the Revised Code and shall 5632
bill the self-insuring employer, semiannually, for all amounts 5633
paid to a participant. 5634

Sec. 4123.44. The ~~voting~~ members of the bureau of workers' 5635
compensation oversight commission board of directors, the 5636
administrator of workers' compensation, and the bureau of workers' 5637
compensation chief investment officer are the trustees of the 5638
state insurance fund. The administrator ~~of workers' compensation~~, 5639
in accordance with sections 4121.126 and 4121.127 of the Revised 5640
Code and the investment ~~objectives, policies, and criteria~~ 5641
established policy approved by the ~~workers' compensation oversight~~ 5642
~~commission~~ board pursuant to section 4121.12 of the Revised Code, 5643
and in consultation with the bureau of workers' compensation chief 5644
investment officer, may invest any of the surplus or reserve 5645
belonging to the state insurance fund. The administrator and the 5646
bureau of workers' compensation chief investment officer shall not 5647
deviate from the investment policy approved by the board without 5648
the approval of the workers' compensation investment committee and 5649
the board. 5650

The administrator shall not invest in any type of investment 5651
specified in divisions ~~(G)(6)(a)(B)(1)~~ to ~~(j)(10)~~ of section 5652
~~4121.12~~ 4123.442 of the Revised Code. 5653

The administrator and other fiduciaries shall discharge their 5654
duties with respect to the funds with the care, skill, prudence, 5655
and diligence under the circumstances then prevailing that a 5656
prudent person acting in a like capacity and familiar with such 5657
matters would use in the conduct of an enterprise of a like 5658
character and with like aims, and by diversifying the investments 5659
of the assets of the funds so as to minimize the risk of large 5660
losses, unless under the circumstances it is clearly prudent not 5661
to do so. 5662

To facilitate investment of the funds, the administrator may 5663
establish a partnership, trust, limited liability company, 5664
corporation, including a corporation exempt from taxation under 5665

the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 5666
amended, or any other legal entity authorized to transact business 5667
in this state. 5668

When reporting on the performance of investments, the 5669
administrator shall comply with the performance presentation 5670
standards established by the association for investment management 5671
and research. 5672

All investments shall be purchased at current market prices 5673
and the evidences of title to the investments shall be placed in 5674
the custody of the treasurer of state, who is hereby designated as 5675
custodian, or in the custody of the treasurer of state's 5676
authorized agent. Evidences of title of the investments so 5677
purchased may be deposited by the treasurer of state for 5678
safekeeping with an authorized agent selected by the treasurer of 5679
state who is a qualified trustee under section 135.18 of the 5680
Revised Code. The treasurer of state or the agent shall collect 5681
the principal, dividends, distributions, and interest as they 5682
become due and payable and place them when collected into the 5683
state insurance fund. 5684

The treasurer of state shall pay for investments purchased by 5685
the administrator on receipt of written or electronic instructions 5686
from the administrator or the administrator's designated agent 5687
authorizing the purchase, and pending receipt of the evidence of 5688
title of the investment by the treasurer of state or the treasurer 5689
of state's authorized agent. The administrator may sell 5690
investments held by the administrator, and the treasurer of state 5691
or the treasurer of state's authorized agent shall accept payment 5692
from the purchaser and deliver evidence of title of the investment 5693
to the purchaser, on receipt of written or electronic instructions 5694
from the administrator or the administrator's designated agent 5695
authorizing the sale, and pending receipt of the moneys for the 5696
investments. The amount received shall be placed in the state 5697

insurance fund. The administrator and the treasurer of state may 5698
enter into agreements to establish procedures for the purchase and 5699
sale of investments under this division and the custody of the 5700
investments. 5701

No purchase or sale of any investment shall be made under 5702
this section, except as authorized by the administrator. 5703

Any statement of financial position distributed by the 5704
administrator shall include the fair value, as of the statement 5705
date, of all investments held by the administrator under this 5706
section. 5707

When in the judgment of the administrator it is necessary to 5708
provide available funds for the payment of compensation or 5709
benefits under this chapter, the administrator may borrow money 5710
from any available source and pledge as security a sufficient 5711
amount of bonds or other securities in which the state insurance 5712
fund is invested. The aggregate unpaid amount of loans existing at 5713
any one time for money so borrowed shall not exceed ten million 5714
dollars. The bonds or other securities so pledged as security for 5715
such loans to the administrator shall be the sole security for the 5716
payment of the principal and interest of any such loan. The 5717
administrator shall not be personally liable for the payment of 5718
the principal or the interest of any such loan. No such loan shall 5719
be made for a longer period of time than one year. Such loans may 5720
be renewed but no one renewal shall be for a period in excess of 5721
one year. Such loans shall bear such rate of interest as the 5722
administrator determines and in negotiating the loans, the 5723
administrator shall endeavor to secure as favorable interest rates 5724
and terms as circumstances will permit. 5725

The treasurer of state may deliver to the person or 5726
governmental agency making such loan, the bonds or other 5727
securities which are to be pledged by the administrator as 5728
security for such loan, upon receipt by the treasurer of state of 5729

an order of the administrator authorizing such loan. Upon payment 5730
of any such loan by the administrator, the bonds or other 5731
securities pledged as security therefor shall be returned to the 5732
treasurer of state as custodian of such bonds. 5733

The administrator may pledge with the treasurer of state such 5734
amount of bonds or other securities in which the state insurance 5735
fund is invested as is reasonably necessary as security for any 5736
certificates issued, or paid out, by the treasurer of state upon 5737
any warrants drawn by the administrator. 5738

The administrator may secure investment information services, 5739
consulting services, and other like services to facilitate 5740
investment of the surplus and reserve belonging to the state 5741
insurance fund. The administrator shall pay the expense of 5742
securing such services from the state insurance fund. 5743

Sec. 4123.441. (A) The ~~bureau administrator~~ of workers' 5744
compensation, with the advice and consent of the ~~bureau of~~ 5745
workers' compensation ~~oversight commission~~ board of directors 5746
shall employ a person or designate an employee of the bureau of 5747
workers' compensation who is designated as a chartered financial 5748
analyst by the CFA institute and who is licensed by the division 5749
of securities in the department of commerce as a bureau of 5750
workers' compensation chief investment officer to be the chief 5751
investment officer for the bureau of workers' compensation. After 5752
ninety days after ~~the effective date of this section~~ September 29, 5753
2005, the bureau of workers' compensation may not employ a bureau 5754
of workers' compensation chief investment officer, as defined in 5755
section 1707.01 of the Revised Code, who does not hold a valid 5756
bureau of workers' compensation chief investment officer license 5757
issued by the division of securities in the department of 5758
commerce. The ~~oversight commission~~ board shall notify the division 5759
of securities of the department of commerce in writing of its 5760

designation and of any change in its designation within ten 5761
calendar days after the designation or change. 5762

(B) The bureau of workers' compensation chief investment 5763
officer shall reasonably supervise employees of the bureau who 5764
handle investment of assets of funds specified in this chapter and 5765
Chapters 4121., 4127., and 4131. of the Revised Code with a view 5766
toward preventing violations of Chapter 1707. of the Revised Code, 5767
the "Commodity Exchange Act," 42 Stat. 998, 7 U.S.C. 1, the 5768
"Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 77a, the 5769
"Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78a, 5770
and the rules and regulations adopted under those statutes. This 5771
duty of reasonable supervision shall include the adoption, 5772
implementation, and enforcement of written policies and procedures 5773
reasonably designed to prevent employees of the bureau who handle 5774
investment of assets of the funds specified in this chapter and 5775
Chapters 4121., 4127., and 4131. of the Revised Code, from 5776
misusing material, nonpublic information in violation of those 5777
laws, rules, and regulations. 5778

For purposes of this division, no bureau of workers' 5779
compensation chief investment officer shall be considered to have 5780
failed to satisfy the officer's duty of reasonable supervision if 5781
the officer has done all of the following: 5782

(1) Adopted and implemented written procedures, and a system 5783
for applying the procedures, that would reasonably be expected to 5784
prevent and detect, insofar as practicable, any violation by 5785
employees handling investments of assets of the funds specified in 5786
this chapter and Chapters 4121., 4127., and 4131. of the Revised 5787
Code; 5788

(2) Reasonably discharged the duties and obligations 5789
incumbent on the bureau of workers' compensation chief investment 5790
officer by reason of the established procedures and the system for 5791
applying the procedures when the officer had no reasonable cause 5792

to believe that there was a failure to comply with the procedures and systems; 5793
5794

(3) Reviewed, at least annually, the adequacy of the policies and procedures established pursuant to this section and the effectiveness of their implementation. 5795
5796
5797

(C) The bureau of workers' compensation chief investment officer shall establish and maintain a policy to monitor and evaluate the effectiveness of securities transactions executed on behalf of the bureau. 5798
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5800
5801

Sec. 4123.442. When developing the investment policy for the investment of the assets of the funds specified in this chapter and Chapters 4121., 4127., and 4131. of the Revised Code, the workers' compensation investment committee shall do all of the following: 5802
5803
5804
5805
5806

(A) Specify the asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines; 5807
5808
5809

(B) Prohibit investing the assets of those funds, directly or indirectly, in vehicles that target any of the following: 5810
5811

(1) Coins; 5812

(2) Artwork; 5813

(3) Horses; 5814

(4) Jewelry or gems; 5815

(5) Stamps; 5816

(6) Antiques; 5817

(7) Artifacts; 5818

(8) Collectibles; 5819

(9) Memorabilia; 5820

(10) Similar unregulated investments that are not commonly 5821
part of an institutional portfolio, that lack liquidity, and that 5822
lack readily determinable valuation. 5823

(C) Specify that the administrator of workers' compensation 5824
may invest in an investment class only if the bureau of workers' 5825
compensation board of directors, by a majority vote, opens that 5826
class; 5827

(D) Prohibit investing the assets of those funds in any class 5828
of investments the board, by majority vote, closed, or any 5829
specific investment in which the board prohibits the administrator 5830
from investing; 5831

(E) Not specify in the investment policy that the 5832
administrator or employees of the bureau of workers' compensation 5833
are prohibited from conducting business with an investment 5834
management firm, any investment management professional associated 5835
with that firm, any third party solicitor associated with that 5836
firm, or any political action committee controlled by that firm or 5837
controlled by an investment management professional of that firm 5838
based on criteria that are more restrictive than the restrictions 5839
described in divisions (Y) and (Z) of section 3517.13 of the 5840
Revised Code. 5841

Sec. 4123.47. (A) The administrator of workers' compensation 5842
shall have actuarial audits of the state insurance fund and all 5843
other funds specified in this chapter and Chapters 4121., 4127., 5844
and 4131. of the Revised Code made at least once each year. The 5845
audits shall be made and certified by recognized insurance 5846
actuaries who shall be selected ~~as the administrator determines by~~ 5847
the bureau of workers' compensation board of directors. The audits 5848
shall cover the premium rates, classifications, and all other 5849
matters involving the administration of the state insurance fund 5850
and all other funds specified in this chapter and Chapters 4121., 5851

4127., and 4131. of the Revised Code. The expense of the audits 5852
shall be paid from the state insurance fund. The administrator 5853
shall make copies of the audits available to the workers' 5854
compensation audit committee at no charge and to the public at 5855
cost. 5856

(B) The auditor of state annually shall conduct an audit of 5857
the administration of this chapter by the industrial commission 5858
and the bureau of workers' compensation and the safety and hygiene 5859
fund. The cost of the audit shall be charged to the administrative 5860
costs of the bureau as defined in section 4123.341 of the Revised 5861
Code. The audit shall include audits of all fiscal activities, 5862
claims processing and handling, and employer premium collections. 5863
The auditor shall prepare a report of the audit together with 5864
recommendations and transmit copies of the report to the 5865
industrial commission, ~~the workers' compensation oversight~~ 5866
~~commission~~ board, the administrator, the governor, and to the 5867
general assembly. The auditor shall make copies of the report 5868
available to the public at cost. 5869

(C) The administrator may retain the services of a recognized 5870
actuary on a consulting basis for the purpose of evaluating the 5871
actuarial soundness of premium rates and classifications and all 5872
other matters involving the administration of the state insurance 5873
fund. The expense of services provided by the actuary shall be 5874
paid from the state insurance fund. 5875

Sec. 4123.50. (A) Each member of a firm, and the president, 5876
secretary, general manager, or managing agent of each private 5877
corporation, including any public service corporation mentioned in 5878
section 4123.01 of the Revised Code or publicly owned utility, 5879
shall cause the firm or corporation to comply with section 4123.35 5880
of the Revised Code and, for self-insuring employers, to comply 5881
with the assessment based upon paid compensation provisions of 5882

this chapter and Chapter 4121. of the Revised Code. No person 5883
mentioned in section 4123.01 of the Revised Code and no member of 5884
the firms and no officer of the corporations or publicly owned 5885
utilities referred to in this section shall fail to comply with 5886
section 4123.35 of the Revised Code and, for self-insuring 5887
employers, to comply with the assessment based upon paid 5888
compensation provisions of this chapter and Chapter 4121. of the 5889
Revised Code. All fines collected for a violation of this section 5890
shall be paid to the general fund of the political subdivision 5891
where the case is prosecuted. 5892

(B) The administrator of workers' compensation, with the 5893
advice and consent of the bureau of workers' compensation 5894
~~oversight commission~~ board of directors, shall adopt rules 5895
governing treatment of employers found in violation of division 5896
(A) of this section. The rules shall cover enforcement and 5897
prosecution procedures and methods and grounds for settlement of 5898
liability of a noncomplying employer. 5899

Sec. 4123.511. (A) Within seven days after receipt of any 5900
claim under this chapter, the bureau of workers' compensation 5901
shall notify the claimant and the employer of the claimant of the 5902
receipt of the claim and of the facts alleged therein. If the 5903
bureau receives from a person other than the claimant written or 5904
facsimile information or information communicated verbally over 5905
the telephone indicating that an injury or occupational disease 5906
has occurred or been contracted which may be compensable under 5907
this chapter, the bureau shall notify the employee and the 5908
employer of the information. If the information is provided 5909
verbally over the telephone, the person providing the information 5910
shall provide written verification of the information to the 5911
bureau according to division (E) of section 4123.84 of the Revised 5912
Code. The receipt of the information in writing or facsimile, or 5913
if initially by telephone, the subsequent written verification, 5914

and the notice by the bureau shall be considered an application 5915
for compensation under section 4123.84 or 4123.85 of the Revised 5916
Code, provided that the conditions of division (E) of section 5917
4123.84 of the Revised Code apply to information provided verbally 5918
over the telephone. Upon receipt of a claim, the bureau shall 5919
advise the claimant of the claim number assigned and the 5920
claimant's right to representation in the processing of a claim or 5921
to elect no representation. If the bureau determines that a claim 5922
is determined to be a compensable lost-time claim, the bureau 5923
shall notify the claimant and the employer of the availability of 5924
rehabilitation services. No bureau or industrial commission 5925
employee shall directly or indirectly convey any information in 5926
derogation of this right. This section shall in no way abrogate 5927
the bureau's responsibility to aid and assist a claimant in the 5928
filing of a claim and to advise the claimant of the claimant's 5929
rights under the law. 5930

The administrator of workers' compensation shall assign all 5931
claims and investigations to the bureau service office from which 5932
investigation and determination may be made most expeditiously. 5933

The bureau shall investigate the facts concerning an injury 5934
or occupational disease and ascertain such facts in whatever 5935
manner is most appropriate and may obtain statements of the 5936
employee, employer, attending physician, and witnesses in whatever 5937
manner is most appropriate. 5938

The administrator ~~of workers' compensation~~, with the advice 5939
and consent of the bureau of workers' compensation oversight 5940
~~commission~~ board of directors, may adopt rules that identify 5941
specified medical conditions that have a historical record of 5942
being allowed whenever included in a claim. The administrator may 5943
grant immediate allowance of any medical condition identified in 5944
those rules upon the filing of a claim involving that medical 5945
condition and may make immediate payment of medical bills for any 5946

medical condition identified in those rules that is included in a 5947
claim. If an employer contests the allowance of a claim involving 5948
any medical condition identified in those rules, and the claim is 5949
disallowed, payment for the medical condition included in that 5950
claim shall be charged to and paid from the surplus fund created 5951
under section 4123.34 of the Revised Code. 5952

(B)(1) Except as provided in division (B)(2) of this section, 5953
in claims other than those in which the employer is a 5954
self-insuring employer, if the administrator determines under 5955
division (A) of this section that a claimant is or is not entitled 5956
to an award of compensation or benefits, the administrator shall 5957
issue an order no later than twenty-eight days after the sending 5958
of the notice under division (A) of this section, granting or 5959
denying the payment of the compensation or benefits, or both as is 5960
appropriate to the claimant. Notwithstanding the time limitation 5961
specified in this division for the issuance of an order, if a 5962
medical examination of the claimant is required by statute, the 5963
administrator promptly shall schedule the claimant for that 5964
examination and shall issue an order no later than twenty-eight 5965
days after receipt of the report of the examination. The 5966
administrator shall notify the claimant and the employer of the 5967
claimant and their respective representatives in writing of the 5968
nature of the order and the amounts of compensation and benefit 5969
payments involved. The employer or claimant may appeal the order 5970
pursuant to division (C) of this section within fourteen days 5971
after the date of the receipt of the order. The employer and 5972
claimant may waive, in writing, their rights to an appeal under 5973
this division. 5974

(2) Notwithstanding the time limitation specified in division 5975
(B)(1) of this section for the issuance of an order, if the 5976
employer certifies a claim for payment of compensation or 5977
benefits, or both, to a claimant, and the administrator has 5978

completed the investigation of the claim, the payment of benefits 5979
or compensation, or both, as is appropriate, shall commence upon 5980
the later of the date of the certification or completion of the 5981
investigation and issuance of the order by the administrator, 5982
provided that the administrator shall issue the order no later 5983
than the time limitation specified in division (B)(1) of this 5984
section. 5985

(3) If an appeal is made under division (B)(1) or (2) of this 5986
section, the administrator shall forward the claim file to the 5987
appropriate district hearing officer within seven days of the 5988
appeal. In contested claims other than state fund claims, the 5989
administrator shall forward the claim within seven days of the 5990
administrator's receipt of the claim to the industrial commission, 5991
which shall refer the claim to an appropriate district hearing 5992
officer for a hearing in accordance with division (C) of this 5993
section. 5994

(C) If an employer or claimant timely appeals the order of 5995
the administrator issued under division (B) of this section or in 5996
the case of other contested claims other than state fund claims, 5997
the commission shall refer the claim to an appropriate district 5998
hearing officer according to rules the commission adopts under 5999
section 4121.36 of the Revised Code. The district hearing officer 6000
shall notify the parties and their respective representatives of 6001
the time and place of the hearing. 6002

The district hearing officer shall hold a hearing on a 6003
disputed issue or claim within forty-five days after the filing of 6004
the appeal under this division and issue a decision within seven 6005
days after holding the hearing. The district hearing officer shall 6006
notify the parties and their respective representatives in writing 6007
of the order. Any party may appeal an order issued under this 6008
division pursuant to division (D) of this section within fourteen 6009
days after receipt of the order under this division. 6010

(D) Upon the timely filing of an appeal of the order of the district hearing officer issued under division (C) of this section, the commission shall refer the claim file to an appropriate staff hearing officer according to its rules adopted under section 4121.36 of the Revised Code. The staff hearing officer shall hold a hearing within forty-five days after the filing of an appeal under this division and issue a decision within seven days after holding the hearing under this division. The staff hearing officer shall notify the parties and their respective representatives in writing of the staff hearing officer's order. Any party may appeal an order issued under this division pursuant to division (E) of this section within fourteen days after receipt of the order under this division.

(E) Upon the filing of a timely appeal of the order of the staff hearing officer issued under division (D) of this section, the commission or a designated staff hearing officer, on behalf of the commission, shall determine whether the commission will hear the appeal. If the commission or the designated staff hearing officer decides to hear the appeal, the commission or the designated staff hearing officer shall notify the parties and their respective representatives in writing of the time and place of the hearing. The commission shall hold the hearing within forty-five days after the filing of the notice of appeal and, within seven days after the conclusion of the hearing, the commission shall issue its order affirming, modifying, or reversing the order issued under division (D) of this section. The commission shall notify the parties and their respective representatives in writing of the order. If the commission or the designated staff hearing officer determines not to hear the appeal, within fourteen days after the filing of the notice of appeal, the commission or the designated staff hearing officer shall issue an order to that effect and notify the parties and their respective representatives in writing of that order.

Except as otherwise provided in this chapter and Chapters 6044
4121., 4127., and 4131. of the Revised Code, any party may appeal 6045
an order issued under this division to the court pursuant to 6046
section 4123.512 of the Revised Code within sixty days after 6047
receipt of the order, subject to the limitations contained in that 6048
section. 6049

(F) Every notice of an appeal from an order issued under 6050
divisions (B), (C), (D), and (E) of this section shall state the 6051
names of the claimant and employer, the number of the claim, the 6052
date of the decision appealed from, and the fact that the 6053
appellant appeals therefrom. 6054

(G) All of the following apply to the proceedings under 6055
divisions (C), (D), and (E) of this section: 6056

(1) The parties shall proceed promptly and without 6057
continuances except for good cause; 6058

(2) The parties, in good faith, shall engage in the free 6059
exchange of information relevant to the claim prior to the conduct 6060
of a hearing according to the rules the commission adopts under 6061
section 4121.36 of the Revised Code; 6062

(3) The administrator is a party and may appear and 6063
participate at all administrative proceedings on behalf of the 6064
state insurance fund. However, in cases in which the employer is 6065
represented, the administrator shall neither present arguments nor 6066
introduce testimony that is cumulative to that presented or 6067
introduced by the employer or the employer's representative. The 6068
administrator may file an appeal under this section on behalf of 6069
the state insurance fund; however, except in cases arising under 6070
section 4123.343 of the Revised Code, the administrator only may 6071
appeal questions of law or issues of fraud when the employer 6072
appears in person or by representative. 6073

(H) Except as provided in section 4121.63 of the Revised Code 6074

and division ~~(J)~~(K) of this section, payments of compensation to a claimant or on behalf of a claimant as a result of any order issued under this chapter shall commence upon the earlier of the following:

(1) Fourteen days after the date the administrator issues an order under division (B) of this section, unless that order is appealed;

(2) The date when the employer has waived the right to appeal a decision issued under division (B) of this section;

(3) If no appeal of an order has been filed under this section or to a court under section 4123.512 of the Revised Code, the expiration of the time limitations for the filing of an appeal of an order;

(4) The date of receipt by the employer of an order of a district hearing officer, a staff hearing officer, or the industrial commission issued under division (C), (D), or (E) of this section.

(I) ~~No~~ Payments of medical benefits payable under this chapter or Chapter 4121., 4127., or 4131. of the Revised Code ~~are payable until~~ shall commence upon the earlier of the following:

(1) The date of the issuance of the staff hearing officer's order under division (D) of this section;

(2) The date of the final administrative or judicial determination.

(J) The administrator shall charge the compensation payments made in accordance with division (H) of this section or medical benefits payments made in accordance with division (I) of this section to an employer's experience immediately after the employer has exhausted the employer's administrative appeals as provided in this section or has waived the employer's right to an

administrative appeal under division (B) of this section, subject 6105
to the adjustment specified in division (H) of section 4123.512 of 6106
the Revised Code. 6107

(K) Upon the final administrative or judicial determination 6108
under this section or section 4123.512 of the Revised Code of an 6109
appeal of an order to pay compensation, if a claimant is found to 6110
have received compensation pursuant to a prior order which is 6111
reversed upon subsequent appeal, the claimant's employer, if a 6112
self-insuring employer, or the bureau, shall withhold from any 6113
amount to which the claimant becomes entitled pursuant to any 6114
claim, past, present, or future, under Chapter 4121., 4123., 6115
4127., or 4131. of the Revised Code, the amount of previously paid 6116
compensation to the claimant which, due to reversal upon appeal, 6117
the claimant is not entitled, pursuant to the following criteria: 6118

(1) No withholding for the first twelve weeks of temporary 6119
total disability compensation pursuant to section 4123.56 of the 6120
Revised Code shall be made; 6121

(2) Forty per cent of all awards of compensation paid 6122
pursuant to sections 4123.56 and 4123.57 of the Revised Code, 6123
until the amount overpaid is refunded; 6124

(3) Twenty-five per cent of any compensation paid pursuant to 6125
section 4123.58 of the Revised Code until the amount overpaid is 6126
refunded; 6127

(4) If, pursuant to an appeal under section 4123.512 of the 6128
Revised Code, the court of appeals or the supreme court reverses 6129
the allowance of the claim, then no amount of any compensation 6130
will be withheld. 6131

The administrator and self-insuring employers, as 6132
appropriate, are subject to the repayment schedule of this 6133
division only with respect to an order to pay compensation that 6134
was properly paid under a previous order, but which is 6135

subsequently reversed upon an administrative or judicial appeal. 6136
The administrator and self-insuring employers are not subject to, 6137
but may utilize, the repayment schedule of this division, or any 6138
other lawful means, to collect payment of compensation made to a 6139
person who was not entitled to the compensation due to fraud as 6140
determined by the administrator or the industrial commission. 6141

~~(K)~~(L) If a staff hearing officer or the commission fails to 6142
issue a decision or the commission fails to refuse to hear an 6143
appeal within the time periods required by this section, payments 6144
to a claimant shall cease until the staff hearing officer or 6145
commission issues a decision or hears the appeal, unless the 6146
failure was due to the fault or neglect of the employer or the 6147
employer agrees that the payments should continue for a longer 6148
period of time. 6149

~~(L)~~(M) Except as otherwise provided in this section or 6150
section 4123.522 of the Revised Code, no appeal is timely filed 6151
under this section unless the appeal is filed with the time limits 6152
set forth in this section. 6153

~~(M)~~(N) No person who is not an employee of the bureau or 6154
commission or who is not by law given access to the contents of a 6155
claims file shall have a file in the person's possession. 6156

~~(N)~~(O) Upon application of a party who resides in an area in 6157
which an emergency or disaster is declared, the industrial 6158
commission and hearing officers of the commission may waive the 6159
time frame within which claims and appeals of claims set forth in 6160
this section must be filed upon a finding that the applicant was 6161
unable to comply with a filing deadline due to an emergency or a 6162
disaster. 6163

As used in this division: 6164

(1) "Emergency" means any occasion or instance for which the 6165
governor of Ohio or the president of the United States publicly 6166

declares an emergency and orders state or federal assistance to 6167
save lives and protect property, the public health and safety, or 6168
to lessen or avert the threat of a catastrophe. 6169

(2) "Disaster" means any natural catastrophe or fire, flood, 6170
or explosion, regardless of the cause, that causes damage of 6171
sufficient magnitude that the governor of Ohio or the president of 6172
the United States, through a public declaration, orders state or 6173
federal assistance to alleviate damage, loss, hardship, or 6174
suffering that results from the occurrence. 6175

Sec. 4123.512. (A) The claimant or the employer may appeal an 6176
order of the industrial commission made under division (E) of 6177
section 4123.511 of the Revised Code in any injury or occupational 6178
disease case, other than a decision as to the extent of disability 6179
to the court of common pleas of the county in which the injury was 6180
inflicted or in which the contract of employment was made if the 6181
injury occurred outside the state, or in which the contract of 6182
employment was made if the exposure occurred outside the state. If 6183
no common pleas court has jurisdiction for the purposes of an 6184
appeal by the use of the jurisdictional requirements described in 6185
this division, the appellant may use the venue provisions in the 6186
Rules of Civil Procedure to vest jurisdiction in a court. If the 6187
claim is for an occupational disease, the appeal shall be to the 6188
court of common pleas of the county in which the exposure which 6189
caused the disease occurred. Like appeal may be taken from an 6190
order of a staff hearing officer made under division (D) of 6191
section 4123.511 of the Revised Code from which the commission has 6192
refused to hear an appeal. The appellant shall file the notice of 6193
appeal with a court of common pleas within sixty days after the 6194
date of the receipt of the order appealed from or the date of 6195
receipt of the order of the commission refusing to hear an appeal 6196
of a staff hearing officer's decision under division (D) of 6197
section 4123.511 of the Revised Code. The filing of the notice of 6198

the appeal with the court is the only act required to perfect the 6199
appeal. 6200

If an action has been commenced in a court of a county other 6201
than a court of a county having jurisdiction over the action, the 6202
court, upon notice by any party or upon its own motion, shall 6203
transfer the action to a court of a county having jurisdiction. 6204

Notwithstanding anything to the contrary in this section, if 6205
the commission determines under section 4123.522 of the Revised 6206
Code that an employee, employer, or their respective 6207
representatives have not received written notice of an order or 6208
decision which is appealable to a court under this section and 6209
which grants relief pursuant to section 4123.522 of the Revised 6210
Code, the party granted the relief has sixty days from receipt of 6211
the order under section 4123.522 of the Revised Code to file a 6212
notice of appeal under this section. 6213

(B) The notice of appeal shall state the names of the 6214
claimant and the employer, the number of the claim, the date of 6215
the order appealed from, and the fact that the appellant appeals 6216
therefrom. 6217

The administrator of workers' compensation, the claimant, and 6218
the employer shall be parties to the appeal and the court, upon 6219
the application of the commission, shall make the commission a 6220
party. The party filing the appeal shall serve a copy of the 6221
notice of appeal on the administrator at the central office of the 6222
bureau of workers' compensation in Columbus. The administrator 6223
shall notify the employer that if the employer fails to become an 6224
active party to the appeal, then the administrator may act on 6225
behalf of the employer and the results of the appeal could have an 6226
adverse effect upon the employer's premium rates. 6227

(C) The attorney general or one or more of the attorney 6228
general's assistants or special counsel designated by the attorney 6229

general shall represent the administrator and the commission. In 6230
the event the attorney general or the attorney general's 6231
designated assistants or special counsel are absent, the 6232
administrator or the commission shall select one or more of the 6233
attorneys in the employ of the administrator or the commission as 6234
the administrator's attorney or the commission's attorney in the 6235
appeal. Any attorney so employed shall continue the representation 6236
during the entire period of the appeal and in all hearings thereof 6237
except where the continued representation becomes impractical. 6238

(D) Upon receipt of notice of appeal, the clerk of courts 6239
shall provide notice to all parties who are appellees and to the 6240
commission. 6241

The claimant shall, within thirty days after the filing of 6242
the notice of appeal, file a petition containing a statement of 6243
facts in ordinary and concise language showing a cause of action 6244
to participate or to continue to participate in the fund and 6245
setting forth the basis for the jurisdiction of the court over the 6246
action. Further pleadings shall be had in accordance with the 6247
Rules of Civil Procedure, provided that service of summons on such 6248
petition shall not be required and provided that the claimant may 6249
not dismiss the complaint without the employer's consent if the 6250
employer is the party that filed the notice of appeal to court 6251
pursuant to this section. The clerk of the court shall, upon 6252
receipt thereof, transmit by certified mail a copy thereof to each 6253
party named in the notice of appeal other than the claimant. Any 6254
party may file with the clerk prior to the trial of the action a 6255
deposition of any physician taken in accordance with the 6256
provisions of the Revised Code, which deposition may be read in 6257
the trial of the action even though the physician is a resident of 6258
or subject to service in the county in which the trial is had. The 6259
bureau of workers' compensation shall pay the cost of the 6260
stenographic deposition filed in court and of copies of the 6261

stenographic deposition for each party from the surplus fund and 6262
charge the costs thereof against the unsuccessful party if the 6263
claimant's right to participate or continue to participate is 6264
finally sustained or established in the appeal. In the event the 6265
deposition is taken and filed, the physician whose deposition is 6266
taken is not required to respond to any subpoena issued in the 6267
trial of the action. The court, or the jury under the instructions 6268
of the court, if a jury is demanded, shall determine the right of 6269
the claimant to participate or to continue to participate in the 6270
fund upon the evidence adduced at the hearing of the action. 6271

(E) The court shall certify its decision to the commission 6272
and the certificate shall be entered in the records of the court. 6273
Appeals from the judgment are governed by the law applicable to 6274
the appeal of civil actions. 6275

(F) The cost of any legal proceedings authorized by this 6276
section, including an attorney's fee to the claimant's attorney to 6277
be fixed by the trial judge, based upon the effort expended, in 6278
the event the claimant's right to participate or to continue to 6279
participate in the fund is established upon the final 6280
determination of an appeal, shall be taxed against the employer or 6281
the commission if the commission or the administrator rather than 6282
the employer contested the right of the claimant to participate in 6283
the fund. The attorney's fee shall not exceed forty-two hundred 6284
dollars. 6285

(G) If the finding of the court or the verdict of the jury is 6286
in favor of the claimant's right to participate in the fund, the 6287
commission and the administrator shall thereafter proceed in the 6288
matter of the claim as if the judgment were the decision of the 6289
commission, subject to the power of modification provided by 6290
section 4123.52 of the Revised Code. 6291

(H) An appeal from an order issued under division (E) of 6292
section 4123.511 of the Revised Code or any action filed in court 6293

in a case in which an award of compensation or medical benefits 6294
has been made shall not stay the payment of compensation or 6295
medical benefits under the award, ~~or payment of compensation~~ for 6296
subsequent periods of total disability or medical benefits during 6297
the pendency of the appeal. If, in a final administrative or 6298
judicial action, it is determined that payments of compensation or 6299
benefits, or both, made to or on behalf of a claimant should not 6300
have been made, the amount thereof shall be charged to the surplus 6301
fund under division ~~(B)~~(A) of section 4123.34 of the Revised Code. 6302
In the event the employer is a state risk, the amount shall not be 6303
charged to the employer's experience, and the administrator shall 6304
adjust the employer's account accordingly. In the event the 6305
employer is a self-insuring employer, the self-insuring employer 6306
shall deduct the amount from the paid compensation the 6307
self-insuring employer reports to the administrator under division 6308
(L) of section 4123.35 of the Revised Code. 6309

A self-insuring employer may elect to pay compensation and 6310
benefits under this section directly to an employee or an 6311
employee's dependents by filing an application with the bureau of 6312
workers' compensation not more than one hundred eighty days and 6313
not less than ninety days before the first day of the employer's 6314
next six-month coverage period. If the self-insuring employer 6315
timely files the application, the application is effective on the 6316
first day of the employer's next six-month coverage period, 6317
provided that the administrator shall compute the employer's 6318
assessment for the surplus fund due with respect to the period 6319
during which that application was filed without regard to the 6320
filing of the application. On and after the effective date of the 6321
employer's election, the self-insuring employer shall pay directly 6322
to an employee or to an employee's dependents compensation and 6323
benefits under this section regardless of the date of the injury 6324
or occupational disease, and the employer shall receive no money 6325
or credits from the surplus fund on account of those payments and 6326

shall not be required to pay any amounts into the surplus fund on 6327
account of this section. The election made under this division is 6328
irrevocable. 6329

All actions and proceedings under this section which are the 6330
subject of an appeal to the court of common pleas or the court of 6331
appeals shall be preferred over all other civil actions except 6332
election causes, irrespective of position on the calendar. 6333

This section applies to all decisions of the commission or 6334
the administrator on November 2, 1959, and all claims filed 6335
thereafter are governed by sections 4123.511 and 4123.512 of the 6336
Revised Code. 6337

Any action pending in common pleas court or any other court 6338
on January 1, 1986, under this section is governed by former 6339
sections 4123.514, 4123.515, 4123.516, and 4123.519 and section 6340
4123.522 of the Revised Code. 6341

Sec. 4123.66. (A) In addition to the compensation provided 6342
for in this chapter, the administrator of workers' compensation 6343
shall disburse and pay from the state insurance fund the amounts 6344
for medical, nurse, and hospital services and medicine as the 6345
administrator deems proper and, in case death ensues from the 6346
injury or occupational disease, the administrator shall disburse 6347
and pay from the fund reasonable funeral expenses in an amount not 6348
to exceed fifty-five hundred dollars. The bureau of workers' 6349
compensation shall reimburse anyone, whether dependent, volunteer, 6350
or otherwise, who pays the funeral expenses of any employee whose 6351
death ensues from any injury or occupational disease as provided 6352
in this section. The administrator may adopt rules, with the 6353
advice and consent of the bureau of workers' compensation 6354
~~oversight commission~~ board of directors, with respect to 6355
furnishing medical, nurse, and hospital service and medicine to 6356
injured or disabled employees entitled thereto, and for the 6357

payment therefor. In case an injury or industrial accident that 6358
injures an employee also causes damage to the employee's 6359
eyeglasses, artificial teeth or other denture, or hearing aid, or 6360
in the event an injury or occupational disease makes it necessary 6361
or advisable to replace, repair, or adjust the same, the bureau 6362
shall disburse and pay a reasonable amount to repair or replace 6363
the same. 6364

(B)(1) If an employer or a welfare plan has provided to or on 6365
behalf of an employee any benefits or compensation for an injury 6366
or occupational disease and that injury or occupational disease is 6367
determined compensable under this chapter, the employer or a 6368
welfare plan may request that the administrator reimburse the 6369
employer or welfare plan for the amount the employer or welfare 6370
plan paid to or on behalf of the employee in compensation or 6371
benefits. The administrator shall reimburse the employer or 6372
welfare plan for the compensation and benefits paid if, at the 6373
time the employer or welfare plan provides the benefits or 6374
compensation to or on behalf of employee, the injury or 6375
occupational disease had not been determined to be compensable 6376
under this chapter and if the employee was not receiving 6377
compensation or benefits under this chapter for that injury or 6378
occupational disease. The administrator shall reimburse the 6379
employer or welfare plan in the amount that the administrator 6380
would have paid to or on behalf of the employee under this chapter 6381
if the injury or occupational disease originally would have been 6382
determined compensable under this chapter. If the employer is a 6383
merit-rated employer, the administrator shall adjust the amount of 6384
premium next due from the employer according to the amount the 6385
administrator pays the employer. The administrator shall adopt 6386
rules, in accordance with Chapter 119. of the Revised Code, to 6387
implement this division. 6388

(2) As used in this division, "welfare plan" has the same 6389

meaning as in division (1) of 29 U.S.C.A. 1002. 6390

Sec. 4123.80. No agreement by an employee to waive an 6391
employee's rights to compensation under this chapter is valid, 6392
except that: 6393

(A) An employee who is blind may waive the compensation that 6394
may become due to the employee for injury or disability in cases 6395
where the injury or disability may be directly caused by or due to 6396
the employee's blindness. The administrator of workers' 6397
compensation, with the advice and consent of the bureau of 6398
workers' compensation ~~oversight commission~~ board of directors, may 6399
adopt and enforce rules governing the employment of such persons 6400
and the inspection of their places of employment. 6401

(B) An employee may waive the employee's rights to 6402
compensation or benefits as authorized pursuant to division (C)(3) 6403
of section 4123.01 or section 4123.15 of the Revised Code. 6404

No agreement by an employee to pay any portion of the premium 6405
paid by the employee's employer into the state insurance fund is 6406
valid. 6407

Sec. 4123.82. (A) All contracts and agreements are void which 6408
undertake to indemnify or insure an employer against loss or 6409
liability for the payment of compensation to workers or their 6410
dependents for death, injury, or occupational disease occasioned 6411
in the course of the workers' employment, or which provide that 6412
the insurer shall pay the compensation, or which indemnify the 6413
employer against damages when the injury, disease, or death arises 6414
from the failure to comply with any lawful requirement for the 6415
protection of the lives, health, and safety of employees, or when 6416
the same is occasioned by the willful act of the employer or any 6417
of ~~his~~ the employer's officers or agents, or by which it is agreed 6418
that the insurer shall pay any such damages. No license or 6419

authority to enter into any such agreements or issue any such 6420
policies of insurance shall be granted or issued by any public 6421
authority in this state. Any corporation organized or admitted 6422
under the laws of this state to transact liability insurance as 6423
defined in section 3929.01 of the Revised Code may by amendment of 6424
its articles of incorporation or by original articles of 6425
incorporation, provide therein for the authority and purpose to 6426
make insurance in states, territories, districts, and counties, 6427
other than the state of Ohio, and in the state of Ohio in respect 6428
of contracts permitted by division (B) of this section, 6429
indemnifying employers against loss or liability for payment of 6430
compensation to workers and employees and their dependents for 6431
death, injury, or occupational disease occasioned in the course of 6432
the employment and to insure and indemnify employers against loss, 6433
expense, and liability by risk of bodily injury or death by 6434
accident, disability, sickness, or disease suffered by workers and 6435
employees for which the employer may be liable or has assumed 6436
liability. 6437

(B) Notwithstanding division (A) of this section: 6438

(1) No contract because of that division is void which 6439
undertakes to indemnify a self-insuring employer against all or 6440
part of such employer's loss in excess of at least fifty thousand 6441
dollars from any one disaster or event arising out of the 6442
employer's liability under this chapter, but no insurance 6443
corporation shall, directly or indirectly, represent an employer 6444
in the settlement, adjudication, determination, allowance, or 6445
payment of claims. The superintendent of insurance shall enforce 6446
this prohibition by such disciplinary orders directed against the 6447
offending insurance corporation as the superintendent of insurance 6448
deems appropriate in the circumstances and the administrator of 6449
workers' compensation shall enforce this prohibition by such 6450
disciplinary orders directed against the offending employer as the 6451

administrator deems appropriate in the circumstances, which orders 6452
may include revocation of the insurance corporation's right to 6453
enter into indemnity contracts and revocation of the employer's 6454
status as a self-insuring employer. 6455

(2) The administrator may enter into a contract of indemnity 6456
with any such employer upon such terms, payment of such premium, 6457
and for such amount and form of indemnity as the administrator 6458
determines and the ~~administrator~~ bureau of workers' compensation 6459
board of directors may procure reinsurance of the liability of the 6460
public and private funds under this chapter, or any part of the 6461
liability in respect of either or both of the funds, upon such 6462
terms and premiums or other payments from the fund or funds as the 6463
administrator deems prudent in the maintenance of a solvent fund 6464
or funds from year to year. When making the finding of fact which 6465
the administrator is required by section 4123.35 of the Revised 6466
Code to make with respect to the financial ability of an employer, 6467
no contract of indemnity, or the ability of the employer to 6468
procure such a contract, shall be considered as increasing the 6469
financial ability of the employer. 6470

Sec. 4123.92. Upon the request of the industrial commission 6471
or the administrator of workers' compensation, the attorney 6472
general, or under ~~his~~ the attorney general's direction the 6473
prosecuting attorney of any county in cases arising within the 6474
county, shall institute and prosecute the necessary actions or 6475
proceedings for the enforcement of this chapter, or for the 6476
recovery of any money due the state insurance fund, or any 6477
penalty, and shall defend in like manner all suits, actions, or 6478
proceedings brought against the administrator, the bureau of 6479
workers' compensation ~~oversight commission~~ board of directors, 6480
industrial commission, or the members of the ~~oversight commission~~ 6481
board, or industrial commission in their official capacity. 6482

Sec. 4125.05. (A) Not later than thirty days after ~~the~~ 6483
~~effective date of this section~~ November 5, 2004, or not later than 6484
thirty days after the formation of a professional employer 6485
organization, whichever date occurs later, a professional employer 6486
organization operating in this state shall register with the 6487
administrator of the bureau of workers' compensation on forms 6488
provided by the administrator. Following initial registration, 6489
each professional employer organization shall register with the 6490
administrator annually on or before the thirty-first day of 6491
December. 6492

(B) Initial registration and each annual registration renewal 6493
shall include all of the following: 6494

(1) A list of each of the professional employer 6495
organization's client employers current as of the date of 6496
registration for purposes of initial registration or current as of 6497
the date of annual registration renewal, or within fourteen days 6498
of adding or releasing a client, that includes the client 6499
employer's name, address, federal tax identification number, and 6500
bureau of workers' compensation risk number; 6501

(2) A fee as determined by the administrator; 6502

(3) The name or names under which the professional employer 6503
organization conducts business; 6504

(4) The address of the professional employer organization's 6505
principal place of business and the address of each office it 6506
maintains in this state; 6507

(5) The professional employer organization's taxpayer or 6508
employer identification number; 6509

(6) A list of each state in which the professional employer 6510
organization has operated in the preceding five years, and the 6511
name, corresponding with each state, under which the professional 6512

employer organization operated in each state, including any 6513
alternative names, names of predecessors, and if known, successor 6514
business entities. 6515

(C)(1) The administrator, with the advice and consent of the 6516
bureau of workers' compensation oversight commission board of 6517
directors, shall adopt rules in accordance with Chapter 119. of 6518
the Revised Code to require, except as otherwise specified in 6519
division (C)(2) of this section, a professional employer 6520
organization to provide security in the form of a bond or letter 6521
of credit assignable to the Ohio bureau of workers' compensation 6522
not to exceed an amount equal to the premiums and assessments 6523
incurred for the two most recent payroll periods, prior to any 6524
discounts or dividends, to meet the financial obligations of the 6525
professional employer organization pursuant to this chapter and 6526
Chapters 4121. and 4123. of the Revised Code. 6527

(2) As an alternative to providing security in the form of a 6528
bond or letter of credit, the administrator shall permit a 6529
professional employer organization to make periodic payments of 6530
prospective premiums and assessments to the bureau or to submit 6531
proof of being certified by either a nationally recognized 6532
organization that certifies professional employer organizations or 6533
by a government entity approved by the administrator. 6534

(3) A professional employer organization may appeal the 6535
amount of the security required pursuant to rules adopted under 6536
division (C)(1) of this section in accordance with section 6537
4123.291 of the Revised Code. 6538

(D) Notwithstanding division (C) of this section, a 6539
professional employer organization that qualifies for 6540
self-insurance or retrospective rating under section 4123.29 or 6541
4123.35 of the Revised Code shall abide by the financial 6542
disclosure and security requirements pursuant to those sections 6543
and the rules adopted under those sections in place of the 6544

requirements specified in division (C) of this section or 6545
specified in rules adopted pursuant to that division. 6546

(E) Except to the extent necessary for the administrator to 6547
administer the statutory duties of the administrator and for 6548
employees of the state to perform their official duties, all 6549
records, reports, client lists, and other information obtained 6550
from a professional employer organization under divisions (A) and 6551
(B) of this section are confidential and shall be considered trade 6552
secrets and shall not be published or open to public inspection. 6553

(F) The list described in division (B)(1) of this section 6554
shall be considered a trade secret. 6555

(G) The administrator shall establish the fee described in 6556
division (B)(2) of this section in an amount that does not exceed 6557
the cost of the administration of the initial and renewal 6558
registration process. 6559

Sec. 4127.07. Every employer shall contribute to the public 6560
work-relief employees' compensation fund the amount of money 6561
determined by the administrator of workers' compensation, with the 6562
advice and consent of the bureau of workers' compensation 6563
~~oversight commission~~ board of directors. The contributions may be 6564
made in whole or in part out of any relief funds or any other 6565
available public funds, regardless of the manner in which the 6566
funds were raised. The officer of any employer having charge of 6567
the expenditures of funds for relief purposes, shall set aside and 6568
maintain as a special fund out of which contributions to the 6569
work-relief employees' compensation fund may be made, an amount 6570
equal to the percentage of the work-relief funds as the 6571
administrator determines on an actuarial basis as is reasonably 6572
necessary to cover the premium obligations of the employer. The 6573
manner of determining the contributions and classifications of 6574
employers, shall be the same as is provided in sections 4123.39 to 6575

4123.41 and 4123.48 of the Revised Code, and such sections shall 6576
apply in so far as they are applicable to the employers, but rates 6577
of premium shall be applied to insure solvency of the public 6578
work-relief employees' compensation fund at all times. 6579

The state relief commission or any other state agency having 6580
supervision or control of work-relief employees, either directly 6581
or through agencies, shall file reports and make payments of 6582
premiums out of any fund under its control or supervision, in the 6583
amount and manner, and at the time, as is determined by the 6584
administrator; and the furnishing of the reports and the payment 6585
of the premiums by the state agency, for work-relief employees, 6586
shall relieve the state of the obligations set forth in sections 6587
4123.40, 4123.41, and 4123.48 of the Revised Code, with respect to 6588
contributing to the public work-relief employees' compensation 6589
fund for work-relief employees. 6590

Sec. 4127.08. The administrator of workers' compensation, 6591
under special circumstances and with the advice and consent of the 6592
bureau of workers' compensation ~~oversight commission~~ board of 6593
directors, may adjust the rate of disbursements of compensation of 6594
benefits, which shall not in any instance exceed the maximum 6595
reimbursable relief award established by the state which the 6596
claimant would have been entitled to had ~~he~~ the claimant not been 6597
injured. 6598

Sec. 4131.04. (A) For the purpose of sections 4131.01 to 6599
4131.06 of the Revised Code, each subscriber shall pay premiums 6600
upon the basis and at the intervals determined by the 6601
administrator of workers' compensation, with the advice and 6602
consent of the bureau of workers' compensation ~~oversight~~ 6603
~~commission~~ board of directors. 6604

(B) The administrator shall fix and maintain for each class 6605

of occupation and type of mining the lowest possible rates of 6606
premiums consistent with the maintenance of a solvent fund and the 6607
creation and maintenance of a reasonable surplus after providing 6608
for payment to maturity of all liabilities insured pursuant to the 6609
federal act. 6610

(C) The administrator may adjust the rates of premium at any 6611
time. Each adjustment order shall become effective on the date 6612
prescribed by ~~him~~ the administrator. 6613

(D) The administrator, by rule, may prescribe procedures for 6614
subscription, payroll reporting, premium payment, termination of 6615
subscription, reinstatement, and all other matters pertinent to 6616
subscriber participation in the coal-workers pneumoconiosis fund. 6617

(E) In addition to premiums required to be paid into the 6618
fund, the administrator, with the advice and consent of the 6619
~~oversight commission~~ board, shall fix and may adjust at any time 6620
an additional premium for the cost of administering the fund. The 6621
additional premium shall be paid by each subscriber as a part of 6622
the subscriber's total premium payment. 6623

Sec. 4131.06. (A) The collection of premiums, the 6624
administration and investment of the coal-workers pneumoconiosis 6625
fund, and the payment of benefits therefrom shall not create any 6626
liability upon the state. 6627

(B) Except for a gross abuse of discretion, the industrial 6628
commission and the individual members thereof, the bureau of 6629
workers' compensation ~~oversight commission~~ board of directors and 6630
the individual members thereof, and the administrator of workers' 6631
compensation shall not incur any obligation or liability 6632
respecting the collection of premiums, the administration or 6633
investment of the fund, or the payment of benefits therefrom. 6634

Sec. 4131.13. (A) For the relief of persons who are entitled 6635

to receive benefits by virtue of the federal act, there is hereby 6636
established a marine industry fund, which shall be separate from 6637
the funds established and administered pursuant to Chapter 4123. 6638
of the Revised Code. The marine industry fund shall consist of 6639
premiums and other payments thereto by marine industry employers 6640
who apply to the bureau of workers' compensation for permission to 6641
subscribe to the fund to insure the payment of benefits required 6642
by the federal act. 6643

By rule, the administrator of workers' compensation shall 6644
establish criteria for the acceptance or rejection of applications 6645
by marine industry employers who apply to subscribe to the fund. 6646

(B) The marine industry fund shall be in the custody of the 6647
treasurer of state. The bureau shall make disbursements from the 6648
fund to those persons entitled to payment therefrom and in the 6649
amounts required pursuant to the federal act. The auditor of state 6650
annually shall complete a fiscal audit of the fund. All investment 6651
earnings of the fund shall be credited to the fund. 6652

(C) The administrator shall have the same powers to invest 6653
any of the surplus or reserve belonging to the marine industry 6654
fund as are delegated to him under section 4123.44 of the Revised 6655
Code with respect to the state insurance fund. 6656

(D) If the ~~administrator~~ bureau of workers' compensation 6657
board of directors determines that reinsurance of the risks of the 6658
marine industry fund is necessary to assure solvency of the fund, 6659
~~he~~ the board may: 6660

(1) Enter into contracts for the purchase of reinsurance 6661
coverage of the risks of the fund with any company or agency 6662
authorized by law to issue contracts of reinsurance; 6663

(2) ~~Pay~~ Require the administrator to pay the cost of 6664
reinsurance from the fund; 6665

(3) Include the costs of reinsurance as a liability and 6666

estimated liability of the fund. 6667

(E) For the purpose of maintaining the solvency of the marine 6668
industry fund, the administrator may borrow money from the state 6669
insurance fund as is necessary. Money borrowed from the state 6670
insurance fund shall be repaid from the marine industry fund 6671
together with an appropriate interest rate not to exceed the 6672
average yield of fixed income investments of the state insurance 6673
fund for the six-month period ended on the last day of the month 6674
preceding the month in which the money is borrowed. Loans made 6675
pursuant to this division are a proper investment of the surplus 6676
or reserve of the state insurance fund. 6677

(F) In no event shall any of the assets of any of the funds 6678
created and administered pursuant to Chapter 4123. of the Revised 6679
Code be disbursed in payment of any cost or obligation of or 6680
insured by the marine industry fund. This division shall not be 6681
construed to prohibit as a proper investment loans made from the 6682
state insurance fund to the marine industry fund pursuant to 6683
division (E) of this section. 6684

Sec. 4131.14. (A) For the purpose of sections 4131.11 to 6685
4131.16 of the Revised Code, each subscriber shall pay premiums 6686
upon the basis and at the intervals determined by the 6687
administrator of workers' compensation, with the advice and 6688
consent of the bureau of workers' compensation oversight 6689
~~commission~~ board of directors. 6690

(B) The administrator shall fix and maintain for each class 6691
of occupation and type of business the lowest possible rates of 6692
premiums consistent with the maintenance of a solvent fund and the 6693
creation and maintenance of a reasonable surplus after providing 6694
for payment to maturity of all liabilities insured pursuant to the 6695
federal act. The administrator, by rule, may provide for merit 6696
rating of subscribers. 6697

(C) The administrator, with the advice and consent of the ~~oversight commission~~ board, may adjust the rates of premium at any time. Each adjustment order is effective on the date prescribed by the administrator.

(D) The administrator, by rule adopted pursuant to Chapter 119. of the Revised Code, may prescribe procedures for subscription, payroll reporting, premium payment, payment of an advance security deposit by subscribers to secure payments of premiums when due, termination of subscription, reinstatement, and all other matters pertinent to subscriber participation in the marine industry fund.

(E) In addition to premiums required to be paid into the fund, the administrator, with the advice and consent of the ~~oversight commission~~ board, shall fix and may adjust at any time an additional premium for the cost of administering the fund. The additional premium shall be paid by each subscriber as a part of the subscriber's total premium payment.

Sec. 4131.16. (A) The collection of premiums, the administration and investment of the marine industry fund, and the payment of benefits therefrom shall not create any liability upon the state.

(B) Except for a gross abuse of discretion, the industrial commission and the individual members thereof, the bureau of workers' compensation ~~oversight commission~~ board of directors and the individual members thereof, and the administrator of workers' compensation shall not incur any obligation or liability respecting the collection of premiums, the administration or investment of the fund, or the payment of benefits therefrom.

Sec. 4167.02. (A) The administrator of worker's compensation shall operate and enforce the public employment risk reduction

program created by this chapter. 6728

(B) The administrator shall do all of the following: 6729

(1) Adopt rules, with the advice and consent of the bureau of 6730
~~workers' compensation oversight commission~~ board of directors and 6731
in accordance with Chapter 119. of the Revised Code, for the 6732
administration and enforcement of this chapter, including rules 6733
covering standards the administrator shall follow in issuing an 6734
emergency temporary Ohio employment risk reduction standard under 6735
section 4167.08 of the Revised Code and a temporary variance and a 6736
variance from an Ohio employment risk reduction standard or part 6737
thereof under section 4167.09 of the Revised Code; 6738

(2) Do all things necessary and appropriate for the 6739
administration and enforcement of this chapter. 6740

(C) In carrying out the responsibilities of this chapter, the 6741
administrator may use, with the consent of any federal, state, or 6742
local agency, the services, facilities, and personnel of such 6743
agency, with or without reimbursement, and may retain or contract 6744
with experts, consultants, and organizations for services or 6745
personnel on such terms as the administrator determines 6746
appropriate. 6747

Sec. 4167.07. (A) The administrator of workers' compensation, 6748
with the advice and consent of the bureau of workers' compensation 6749
~~oversight commission~~ board of directors, shall adopt rules that 6750
establish employment risk reduction standards. Except as provided 6751
in division (B) of this section, in adopting these rules, the 6752
administrator shall do both of the following: 6753

(1) By no later than July 1, 1994, adopt as a rule and an 6755
Ohio employment risk reduction standard every federal occupational 6756
safety and health standard then adopted by the United States 6757

secretary of labor pursuant to the "Occupational Safety and Health Act of 1970," 84 Stat. 1590, 29 U.S.C.A. 651, as amended;

(2) By no later than one hundred twenty days after the United States secretary of labor adopts, modifies, or revokes any federal occupational safety and health standard, by rule do one of the following:

(a) Adopt the federal occupational safety and health standard as a rule and an Ohio employment risk reduction standard;

(b) Amend the existing rule and Ohio employment risk reduction standard to conform to the modification of the federal occupational safety and health standard;

(c) Rescind the existing rule and Ohio employment risk reduction standard that corresponds to the federal occupational safety and health standard the United States secretary of labor revoked.

(B) The administrator, with the advice and consent of the bureau of workers' compensation oversight commission board of directors, may decline to adopt any federal occupational safety and health standard as a rule and an Ohio employment risk reduction standard or to modify or rescind any existing rule and Ohio employment risk reduction standard to conform to any federal occupational safety and health standard modified or revoked by the United States secretary of labor or may adopt as a rule and an Ohio employment risk reduction standard any occupational safety and health standard that is not covered under the federal law or that differs from one adopted or modified by the United States secretary of labor, if the administrator determines that existing rules and Ohio employment risk reduction standards provide protection at least as effective as that which would be provided by the existing, new, or modified federal occupational safety and health standard or if the administrator determines that local

conditions warrant a different standard from that of the existing 6789
federal occupational safety and health standard or from standards 6790
the United States secretary of labor adopts, modifies, or revokes. 6791

(C) In adopting, modifying, or rescinding any rule or Ohio 6792
employment risk reduction standard dealing with toxic materials or 6793
harmful physical agents, the administrator, with the advice and 6794
consent of the bureau of workers' compensation ~~oversight~~ 6795
~~commission~~ board of directors, shall do all of the following: 6796

(1) Set the employment risk reduction standard to most 6797
adequately assure, to the extent technologically feasible and on 6798
the basis of the best available evidence, that no public employee 6799
will suffer material impairment of health or functional capacity 6800
as a result of the hazards dealt with by the rule or Ohio 6801
employment risk reduction standard for the period of the public 6802
employee's working life; 6803

(2) Base the development of these rules and Ohio employment 6804
risk reduction standards on research, demonstrations, experiments, 6805
and other information as is appropriate and upon the technological 6806
feasibility of the rule and standard, using the latest available 6807
scientific data in the field and the experience gained in the 6808
workplace under this chapter and other health and safety laws, to 6809
establish the highest degree of safety and health for the public 6810
employee; 6811

(3) Whenever practicable, express the rule and Ohio 6812
employment risk reduction standard in terms of objective criteria 6813
and of the performance desired; 6814

(4) Prescribe the use of labels or other appropriate forms of 6815
warning as are necessary to ensure that public employees are 6816
apprised of all hazards to which they are exposed, relevant 6817
symptoms and appropriate emergency treatment, and proper 6818
conditions and precautions of safe use or exposure where 6819

appropriate; 6820

(5) Prescribe suitable protective equipment and control 6821
procedures to be used in connection with the hazards; 6822

(6) Provide for measuring or monitoring public employee 6823
exposure in a manner necessary for the protection of the public 6824
employees; 6825

(7) Where appropriate, prescribe the type and frequency of 6826
medical examinations or other tests the public employer shall make 6827
available, at the cost of the public employer, to the public 6828
employees exposed to the hazards in order to determine any adverse 6829
effect from the exposure. 6830

(D) In determining the priority for adopting rules and Ohio 6831
employment risk reduction standards under this section, the 6832
administrator shall give due regard to the urgency of need and 6833
recommendations of the department of health regarding that need 6834
for mandatory employment risk reduction standards for particular 6835
trades, crafts, occupations, services, and workplaces. 6836

(E)(1) Except for rules adopted under division (A) of this 6837
section, the administrator, with the advice and consent of the 6838
bureau of workers' compensation oversight commission board of 6839
directors, shall adopt all rules under this section in accordance 6840
with Chapter 119. of the Revised Code, provided that 6841
notwithstanding that chapter, the administrator may delay the 6842
effective date of any rule or Ohio employment risk reduction 6843
standard for the period the administrator determines necessary to 6844
ensure that affected public employers and public employees will be 6845
informed of the adoption, modification, or rescission of the rule 6846
and Ohio employment risk reduction standard and have the 6847
opportunity to familiarize themselves with the specific 6848
requirements of the rule and standard. In no case, however, shall 6849
the administrator delay the effective date of a rule adopted 6850

pursuant to Chapter 119. of the Revised Code in excess of ninety 6851
days beyond the otherwise required effective date. 6852

(2) In regard to the rules for which the administrator does 6853
not have to comply with Chapter 119. of the Revised Code, the 6854
administrator shall file two certified copies of the rules and 6855
Ohio employment risk reduction standards adopted with the 6856
secretary of state and the director of the legislative service 6857
commission. 6858

Sec. 4167.08. (A) In the event of an emergency or unusual 6859
situation, the administrator of workers' compensation shall issue 6860
an emergency temporary Ohio employment risk reduction standard to 6861
take immediate effect upon publication in newspapers of general 6862
circulation in Cleveland, Columbus, Cincinnati, and Toledo if the 6863
administrator finds both of the following: 6864

(1) Public employees are exposed to grave danger from 6865
exposure to substances or agents determined to be toxic or 6866
physically harmful or from new hazards; 6867

(2) The emergency temporary Ohio employment risk reduction 6868
standard is necessary to protect employees from the danger. 6869

(B)(1) Except as provided in division (B)(2) of this section 6870
an emergency temporary Ohio employment risk reduction standard 6871
issued by the administrator under division (A) of this section 6872
shall be in effect no longer than fifteen days, unless the 6873
~~commission~~ bureau of workers' compensation board of directors 6874
approves the emergency temporary Ohio employment risk reduction 6875
standard as issued by the administrator, in which case, the 6876
emergency temporary Ohio employment risk reduction standard shall 6877
be in effect no longer than one hundred twenty days after the date 6878
the administrator issues it. 6879

(2) The administrator may renew an emergency temporary Ohio 6880

employment risk reduction standard that has been approved by the 6881
~~workers' compensation oversight commission~~ board for an additional 6882
time period not to exceed one hundred days if the administrator 6883
finds that the conditions identified in divisions (A)(1) and (2) 6884
of this section continue to exist. 6885

On or before the expiration date of the emergency temporary 6886
Ohio employment risk reduction standard or renewal thereof, if the 6887
conditions identified in divisions (A)(1) and (2) of this section 6888
continue to exist, the administrator, with the advice and consent 6889
of the ~~oversight commission~~ board, shall adopt a permanent Ohio 6890
employment risk reduction standard pursuant to section 4167.07 of 6891
the Revised Code as a rule to replace the emergency temporary Ohio 6892
employment risk reduction standard. 6893

Sec. 4167.09. (A) Any public employer affected by a proposed 6894
rule or Ohio employment risk reduction standard or any provision 6895
of a standard proposed under section 4167.07 or 4167.08 of the 6896
Revised Code may apply to the administrator of workers' 6897
compensation for an order granting a temporary variance from the 6898
standard or provision. The application for the order and any 6899
extension of the order shall contain a reasonable application fee, 6900
as determined by the bureau of workers' compensation ~~oversight~~ 6901
~~commission~~ board of directors, and all of the following 6902
information: 6903

(1) A specification of the Ohio public employment risk 6904
reduction standard or provision of it from which the public 6905
employer seeks the temporary variance; 6906

(2) A representation by the public employer, supported by 6907
representations from qualified persons having firsthand knowledge 6908
of the facts represented, that the public employer is unable to 6909
comply with the Ohio employment risk reduction standard or 6910
provision of it and a detailed statement of the reasons for the 6911

inability to comply; 6912

(3) A statement of the steps that the public employer has 6913
taken and will take, with dates specified, to protect employees 6914
against the hazard covered by the standard; 6915

(4) A statement of when the public employer expects to be 6916
able to comply fully with the Ohio employment risk reduction 6917
standard and what steps the public employer has taken and will 6918
take, with dates specified, to come into full compliance with the 6919
standard; 6920

(5) A certification that the public employer has informed the 6921
public employer's public employees of the application by giving a 6922
copy of the application to the public employee representative, if 6923
any, and by posting a statement giving a summary of the 6924
application and specifying where a copy of the application may be 6925
examined at the place or places where notices to public employees 6926
are normally posted, and by any other appropriate means of public 6927
employee notification. The public employer also shall inform the 6928
public employer's public employees of their rights to a hearing 6929
under section 4167.15 of the Revised Code. The certification also 6930
shall contain a description of how public employees have been 6931
informed of the application and of their rights to a hearing. 6932

(B) The administrator shall issue an order providing for a 6933
temporary variance if the public employer files an application 6934
that meets the requirements of division (A) of this section and 6935
establishes that all of the following pertaining to the public 6936
employer are true: 6937

(1) The public employer is unable to comply with the Ohio 6938
employment risk reduction standard or a provision of it by its 6939
effective date because of the unavailability of professional or 6940
technical personnel or of materials and equipment needed to come 6941
into compliance with the Ohio employment risk reduction standard 6942

or provision of it or because necessary construction or alteration 6943
of facilities cannot be completed by the effective date of the 6944
standard. 6945

(2) The public employer is taking all available steps to 6946
safeguard the public employer's public employees against the 6947
hazards covered by the Ohio employment risk reduction standard. 6948

(3) The public employer has an effective program for coming 6949
into compliance with the Ohio employment risk reduction standard 6950
as quickly as practicable. 6951

(4) The granting of the variance will not create an imminent 6952
danger of death or serious physical harm to public employees. 6953

(C)(1) If the administrator issues an order providing for a 6954
temporary variance under division (B) of this section, the 6955
administrator shall prescribe the practices, means, methods, 6956
operations, and processes that the public employer must adopt and 6957
use while the order is in effect and state in detail the public 6958
employer's program for coming into compliance with the Ohio 6959
employment risk reduction standard. The administrator may issue 6960
the order only after providing notice to affected public employees 6961
and their public employee representative, if any, and an 6962
opportunity for a hearing pursuant to section 4167.15 of the 6963
Revised Code, provided that the administrator may issue one 6964
interim order granting a temporary order to be effective until a 6965
decision on a hearing is made. Except as provided in division 6966
(C)(2) of this section, no temporary variance may be in effect for 6967
longer than the period needed by the public employer to achieve 6968
compliance with the Ohio employment risk reduction standard or one 6969
year, whichever is shorter. 6970

(2) The administrator may renew an order issued under 6971
division (C) of this section up to two times provided that the 6972
requirements of divisions (A), (B), and (C)(1) of this section and 6973

section 4167.15 of the Revised Code are met and the public 6974
employer files an application for renewal with the administrator 6975
at least ninety days prior to the expiration date of the order. 6976

(D) Any public employer affected by an Ohio employment risk 6977
reduction standard or any provision of it proposed, adopted, or 6978
otherwise issued under section 4167.07 or 4167.08 of the Revised 6979
Code may apply to the administrator for an order granting a 6980
variance from the standard or provision. The administrator shall 6981
provide affected public employees and their public employee 6982
representative, if any, notice of the application and shall 6983
provide an opportunity for a hearing pursuant to section 4167.15 6984
of the Revised Code. The administrator shall issue the order 6985
granting the variance if the public employer files an application 6986
that meets the requirements of division (B) of this section, and 6987
after an opportunity for a hearing pursuant to section 4167.15 of 6988
the Revised Code, and if the public employer establishes to the 6989
satisfaction of the administrator that the conditions, practices, 6990
means, methods, operations, or processes used or proposed to be 6991
used by the public employer will provide employment and places of 6992
employment to the public employer's public employees that are as 6993
safe and healthful as those that would prevail if the public 6994
employer complied with the Ohio employment risk reduction 6995
standard. The administrator shall prescribe in the order granting 6996
the variance the conditions the public employer must maintain, and 6997
the practices, means, methods, operations, and processes the 6998
public employer must adopt and utilize in lieu of the Ohio 6999
employment risk reduction standard that would otherwise apply. The 7000
administrator may modify or revoke the order upon application of 7001
the public employer, public employee, or public employee 7002
representative, or upon the administrator's own motion in the 7003
manner prescribed for the issuance of an order under this division 7004
at any time during six months after the date of issuance of the 7005
order. 7006

Sec. 4167.11. (A) In order to further the purposes of this 7007
chapter, the administrator of workers' compensation shall develop 7008
and maintain, for public employers and public employees, an 7009
effective program of collection, compilation, and analysis of 7010
employment risk reduction statistics. 7011

(B) To implement and maintain division (A) of this section, 7012
the administrator, with the advice and consent of the bureau of 7013
workers' compensation ~~oversight commission~~ board of directors, 7014
shall adopt rules in accordance with Chapter 119. of the Revised 7015
Code that extend to all of the following: 7016

(1) Requiring each public employer to make, keep, and 7017
preserve, and make available to the administrator, reports and 7018
records regarding the public employer's activities, as determined 7019
by the rule that are necessary or appropriate for the enforcement 7020
of this chapter or for developing information regarding the causes 7021
and prevention of occupational accidents and illnesses. The rule 7022
shall prescribe which of these reports and records shall or may be 7023
furnished to public employees and public employee representatives. 7024

(2) Requiring every public employer, through posting of 7025
notices or other appropriate means, to keep their public employees 7026
informed of public employees' rights and obligations under this 7027
chapter, including the provisions of applicable Ohio employment 7028
risk reduction standards; 7029

(3) Requiring public employers to maintain accurate records 7030
of public employee exposure to potentially toxic materials, 7031
carcinogenic materials, and harmful physical agents that are 7032
required to be monitored or measured under rules adopted under the 7033
guidelines of division (C) of section 4167.07 of the Revised Code. 7034
The rule shall provide public employees or public employee 7035
representatives an opportunity to observe the monitoring or 7036
measuring, and to have access on request to the records thereof, 7037

and may provide public employees or public employee 7038
representatives an opportunity to participate in and to undertake 7039
their own monitoring or measuring. The rules also shall permit 7040
each current or former public employee to have access to the 7041
records that indicate their own exposure to toxic materials, 7042
carcinogenic materials, or harmful agents. 7043

(C) The administrator shall obtain any information under 7044
division (B) of this section with a minimum burden upon the public 7045
employer and shall, to the maximum extent feasible, reduce 7046
unnecessary duplication of efforts in obtaining the information. 7047

Sec. 4167.14. (A) Any court of common pleas has jurisdiction, 7048
upon petition of the administrator of workers' compensation, to 7049
restrain any conditions or practices in any places of employment 7050
that present a danger that could reasonably be expected to cause 7051
death or serious harm or contribute significantly to 7052
occupationally related illness immediately or before the imminence 7053
of the danger can be eliminated through the enforcement procedures 7054
provided in this chapter. Any order issued under this section may 7055
require that steps be taken as necessary to avoid, correct, or 7056
remove the imminent danger and prohibit the employment or presence 7057
of any individual in locations or under conditions where the 7058
imminent danger exists, except individuals whose presence is 7059
necessary to avoid, correct, or remove the imminent danger. 7060

(B) Upon the filing of a petition under division (A) of this 7062
section, the court of common pleas may grant injunctive relief or 7063
a temporary restraining order pending the outcome of an 7064
enforcement proceeding pursuant to this chapter, except that no 7065
temporary restraining order issued without notice is effective for 7066
a period longer than five calendar days. 7067

(C) If the administrator or the administrator's designee 7068

responsible for inspections determines that the imminent danger as 7069
described in division (A) of this section is such that immediate 7070
action is necessary, and further determines that there is not 7071
sufficient time in light of the nature, severity, and imminence of 7072
the danger to seek and obtain a temporary restraining order or 7073
injunction, the administrator or the administrator's designee 7074
immediately shall file a petition with the court under division 7075
(A) of this section and issue an order requiring action to be 7076
taken as is necessary to avoid, correct, or remove the imminent 7077
danger. 7078

The administrator, with the advice and consent of the bureau 7079
of workers' compensation oversight commission board of directors, 7080
shall adopt rules, in accordance with Chapter 119. of the Revised 7081
Code, to permit a public employer expeditious informal 7082
reconsideration of any order issued by the administrator under 7083
this division. Unless the administrator reverses an order pursuant 7084
to the informal reconsideration, the order remains in effect 7085
pending the court's determination under this section. If the 7086
administrator modifies an order pursuant to the informal 7087
reconsideration, the administrator shall provide the court with 7088
whom the administrator filed the petition under this section with 7089
a copy of the modified order. The modified order remains in effect 7090
pending the court's determination under this section. 7091

Section 101.02. That existing sections 102.02, 102.06, 7092
109.981, 119.01, 131.02, 1707.01, 3345.12, 3923.41, 3923.44, 7093
3923.47, 4121.01, 4121.12, 4121.121, 4121.122, 4121.123, 4121.125, 7094
4121.126, 4121.128, 4121.37, 4121.441, 4121.48, 4121.61, 4121.67, 7095
4121.70, 4123.25, 4123.29, 4123.291, 4123.311, 4123.32, 4123.34, 7096
4123.341, 4123.342, 4123.35, 4123.351, 4123.37, 4123.411, 4123.44, 7097
4123.441, 4123.47, 4123.50, 4123.511, 4123.512, 4123.66, 4123.80, 7098
4123.82, 4123.92, 4125.05, 4127.07, 4127.08, 4131.04, 4131.06, 7099
4131.13, 4131.14, 4131.16, 4167.02, 4167.07, 4167.08, 4167.09, 7100

4167.11, and 4167.14 of the Revised Code are hereby repealed. 7101

Section 105.01. That section 4121.06 of the Revised Code is 7102
 hereby repealed. 7103

Section 201.10. All items in this section are hereby 7104
 appropriated out of any moneys in the state treasury to the credit 7105
 of the designated fund. For all appropriations made in this act, 7106
 those in the first column are for fiscal year 2008, and those in 7107
 the second column are for fiscal year 2009. 7108

FND AI	AI TITLE	Appropriations		
	BWC BUREAU OF WORKERS' COMPENSATION			7110
	Workers' Compensation Fund Group			7111
023 855-401	William Green Lease	\$ 20,436,600	\$ 20,686,500	7112
	Payments to OBA			
023 855-407	Claims, Risk & Medical	\$ 140,367,719	\$ 140,367,719	7113
	Management			
023 855-408	Fraud Prevention	\$ 11,772,551	\$ 11,772,551	7114
023 855-409	Administrative	\$ 122,962,388	\$ 122,962,388	7115
	Services			
023 855-410	Attorney General	\$ 4,444,085	\$ 4,444,085	7116
	Payments			
822 855-606	Coal Workers' Fund	\$ 91,894	\$ 91,894	7117
823 855-608	Marine Industry	\$ 53,952	\$ 53,952	7118
825 855-605	Disabled Workers	\$ 488,282	\$ 492,500	7119
	Relief Fund			
826 855-609	Safety & Hygiene	\$ 20,734,750	\$ 20,734,750	7120
	Operating			
826 855-610	Safety Grants Program	\$ 4,000,000	\$ 4,000,000	7121
829 855-604	Long Term Care Loan	\$ 2,000,000	\$ 2,000,000	7122
	Program			
	TOTAL WCF Workers' Compensation			7123

Fund Group	\$	327,352,221	\$	327,606,339	7124
Federal Special Revenue Fund Group					7125
349 855-601 OSHA Enforcement	\$	1,604,140	\$	1,604,140	7126
TOTAL FED Federal Special Revenue	\$	1,604,140	\$	1,604,140	7127
Fund Group					
TOTAL ALL BUDGET FUND GROUPS	\$	328,956,361	\$	329,210,479	7128

WILLIAM GREEN LEASE PAYMENTS 7129

The foregoing appropriation item 855-401, William Green Lease 7130
Payments to OBA, shall be used for lease payments to the Ohio 7131
Building Authority, and these appropriations shall be used to meet 7132
all payments at the times they are required to be made during the 7133
period from July 1, 2007, to June 30, 2009, by the Bureau of 7134
Workers' Compensation to the Ohio Building Authority pursuant to 7135
leases and agreements made under Chapter 152. of the Revised Code 7136
and Section 6 of Am. Sub. H.B. 743 of the 118th General Assembly. 7137
Of the amounts received in Fund 023, appropriation item 855-401, 7138
William Green Lease Payments to OBA, up to \$41,123,100 shall be 7139
restricted for lease rental payments to the Ohio Building 7140
Authority. If it is determined that additional appropriations are 7141
necessary for such purpose, such amounts are hereby appropriated. 7142

Notwithstanding any other provision of law to the contrary, 7143
all tenants of the William Green Building not funded by the 7144
Workers' Compensation Fund (Fund 023) shall pay their fair share 7145
of the costs of lease payments to the Workers' Compensation Fund 7146
(Fund 023) by intrastate transfer voucher. 7147

WORKERS' COMPENSATION FRAUD UNIT 7148

The Workers' Compensation Section Fund (Fund 195) shall 7149
receive payments from the Bureau of Workers' Compensation at the 7150
beginning of each quarter of each fiscal year to fund expenses of 7151
the Workers' Compensation Fraud Unit of the Attorney General's 7152
Office. Of the foregoing appropriation item 855-410, Attorney 7153

General Payments, \$796,346 in fiscal year 2008 and \$796,346 in 7154
fiscal year 2009 shall be used to provide these payments. 7155

SAFETY AND HYGIENE 7156

Notwithstanding section 4121.37 of the Revised Code, the 7157
Administrator of Workers' Compensation shall transfer moneys from 7158
the State Insurance Fund so that appropriation item 855-609, 7159
Safety and Hygiene Operating, is provided \$20,734,750 in fiscal 7160
year 2008 and \$20,734,750 in fiscal year 2009. 7161

OSHA ON-SITE CONSULTATION PROGRAM 7162

The Bureau of Workers' Compensation may designate a portion 7163
of appropriation item 855-609, Safety and Hygiene Operating, to be 7164
used to match federal funding for the federal Occupational Safety 7165
and Health Administration's (OSHA) on-site consultation program. 7166

VOCATIONAL REHABILITATION 7167

The Bureau of Workers' Compensation and the Rehabilitation 7168
Services Commission shall enter into an interagency agreement for 7169
the provision of vocational rehabilitation services and staff to 7170
mutually eligible clients. The bureau shall provide \$605,407 in 7171
fiscal year 2008 and \$605,407 in fiscal year 2009 from the State 7172
Insurance Fund to fund vocational rehabilitation services and 7173
staff in accordance with the interagency agreement. 7174

FUND BALANCE 7175

Any unencumbered cash balance in excess of \$45,000,000 in the 7176
Workers' Compensation Fund (Fund 023) on the thirtieth day of June 7177
of each fiscal year shall be used to reduce the administrative 7178
cost rate charged to employers to cover appropriations for Bureau 7179
of Workers' Compensation operations. 7180

HOLDING ACCOUNT 7181

On July 1, 2007, or as soon as possible thereafter, the 7182
Director of Budget and Management shall transfer the remaining 7183

cash balance in the Camera Center Fund (Fund R46) to the 7184
 Administrative Fund (Fund 023). After the transfer, the Camera 7185
 Center Fund is abolished. 7186

Section 211.10. Notwithstanding division (D) of section 7187
 4121.03, division (B)(10) of section 4121.121, and section 101.532 7188
 of the Revised Code regarding the requirement that the budget for 7189
 the bureau of workers' compensation and the budget for the 7190
 industrial commission be enacted in separate bills, all items in 7191
 this section are hereby appropriated out of any moneys in the 7192
 state treasury to the credit of the designated fund. For all 7193
 appropriations made in this section, those in the first column are 7194
 for fiscal year 2008, and those in the second column are for 7195
 fiscal year 2009. 7196

		Appropriations		
FND AI	AI TITLE	FY 2008	FY 2009	
OIC INDUSTRIAL COMMISSION				7199
Workers' Compensation Fund Group				7200
5W3 845-321	Operating Expenses	\$ 51,778,924	\$ 51,778,924	7201
5W3 845-402	Rent - William Green	\$ 6,299,960	\$ 6,299,960	7202
Building				
5W3 845-410	Attorney General	\$ 3,558,634	\$ 3,558,634	7203
Payments				
821 845-605	Program Support	\$ 161,847	\$ 161,847	7204
TOTAL WCF Workers' Compensation				7205
Fund Group		\$ 61,799,365	\$ 61,799,365	7206
TOTAL ALL BUDGET FUND GROUPS		\$ 61,799,365	\$ 61,799,365	7207

RENT - WILLIAM GREEN BUILDING 7208

The foregoing appropriation item 845-402, Rent - William 7209
 Green Building, shall be used for rent and operating expenses for 7210
 the space occupied by the Industrial Commission in the William 7211
 Green Building. 7212

PROGRAM SUPPORT		7213
The foregoing appropriation item 845-605, Program Support,		7214
shall be used for any expense related to revenues collected and		7215
deposited in Fund 821, such as the purchase of copiers, copier		7216
maintenance and related supplies, coin copier expense, coin		7217
changer purchases, expenses related to conferences that produce		7218
revenue, publications that produce revenue, and replacement of		7219
furniture and equipment.		7220
Section 303.10. Law contained in the main operating		7221
appropriations act of the 127th General Assembly that applies		7222
generally to the appropriations made in that act also applies		7223
generally to the appropriations made in this act.		7224
Section 403.03. That Section 4 of Am. Sub. H.B. 516 of the		7225
125th General Assembly, as amended by Am. Sub. H.B. 66 and Sub.		7226
S.B. 124 of the 126th General Assembly, be amended to read as		7227
follows:		7228
Sec. 4. The following agencies shall be retained pursuant to		7229
division (D) of section 101.83 of the Revised Code and shall		7230
expire on December 31, 2010:		7231
	REVISED CODE	7232
	OR	
	UNCODIFIED	7233
	SECTION	7234
AGENCY NAME		
Administrator, Interstate Compact on Mental Health	5119.50	7235
Administrator, Interstate Compact on	5103.20	7236
Placement of Children		7237
Advisory Board of Governor's Office of Faith-Based	107.12	7238
and Community Initiatives		
Advisory Boards to the EPA for Air Pollution	121.13	7239
Advisory Boards to the EPA for Water Pollution	121.13	7240

Advisory Committee of the State Veterinary Medical Licensing Board	4741.03(D)(3)	7241
Advisory Committee on Livestock Exhibitions	901.71	7242
Advisory Council on Amusement Ride Safety	1711.51	7243
Advisory Board of Directors for Prison Labor	5145.162	7244
Advisory Council for Each Wild, Scenic, or Recreational River Area	1517.18	7245
Advisory Councils or Boards for State Departments	107.18 or 121.13	7246
Advisory Group to the Ohio Water Resources Council	1521.19(C)	7247
Alzheimer's Disease Task Force	173.04(F)	7248
AMBER Alert Advisory Committee	5502.521	7249
Apprenticeship Council	4139.02	7250
Armory Board of Control	5911.09	7251
Automated Title Processing Board	4505.09(C)(1)	7252
Banking Commission	1123.01	7253
Board of Directors of the Ohio Health Reinsurance Program	3924.08	7254
Board of Voting Machine Examiners	3506.05(B)	7255
Brain Injury Advisory Committee	3304.231	7256
Capitol Square Review and Advisory Board	105.41	7257
Child Support Guideline Advisory Council	3119.024	7258
Children's Trust Fund Board	3109.15	7259
Citizens Advisory Committee (BMV)	4501.025	7260
Citizen's Advisory Councils (Dept. of Mental Retardation and Developmental Disabilities)	5123.092	7261
Clean Ohio Trail Advisory Board	1519.06	7262
Coastal Resources Advisory Council	1506.12	7263
Commission on African-American Males	4112.12	7264
Commission on Hispanic-Latino Affairs	121.31	7265
Commission on Minority Health	3701.78	7266
Committee on Prescriptive Governance	4723.49	7267
Commodity Advisory Commission	926.32	7268

Community Mental Retardation and Developmental Disabilities Trust Fund Advisory Council	5123.353	7269
Community Oversight Council	3311.77	7270
Compassionate Care Task Force	Section 3, H.B. 474, 124th GA	7271
Continuing Education Committee (for Sheriffs)	109.80	7272
Coordinating Committee, Agricultural Commodity Marketing Programs	924.14	7273
Council on Alcohol and Drug Addiction Services	3793.09	7274
Council on Unreclaimed Strip Mined Lands	1513.29	7275
Council to Advise on the Establishment and Implementation of the Birth Defects Information System	3705.34	7276
County Sheriffs' Standard Car-Marking and Uniform Commission	311.25	7277
Credit Union Council	1733.329	7278
Criminal Sentencing Advisory Committee	181.22	7279
Day-Care Advisory Council	5104.08	7280
Dentist Loan Repayment Advisory Board	3702.92	7281
Development Financing Advisory Council	122.40	7282
Education Commission of the States (Interstate Compact for Education)	3301.48	7283
Electrical Safety Inspector Advisory Committee	3783.08	7284
Emergency Response Commission	3750.02	7285
Engineering Experiment Station Advisory Committee	3335.27	7286
Environmental Education Council	3745.21	7287
EPA Advisory Boards or Councils	121.13	7288
Farmland Preservation Advisory Board	901.23	7289
Financial Planning & Supervision Commission for Municipal Corporation, County, or Township	118.05	7290
Financial Planning & Supervision Commission for School District	3316.05	7291

Forestry Advisory Council	1503.40	7292
Governance Authority for a State University or College	3345.75	7293
Governor's Advisory Council on Physical Fitness, Wellness, & Sports	3701.77	7294
Governor's Council on People with Disabilities	3303.41	7295
Governor's Residence Advisory Commission	107.40	7296
Great Lakes Commission (Great Lakes Basin Compact)	6161.01	7297
Gubernatorial Transition Committee	107.29	7298
Head Start Partnership Study Council	Section 41.35, H.B. 95, 125th GA	7299
Hemophilia Advisory Subcommittee	3701.0210	7300
Housing Trust Fund Advisory Committee	175.25	7301
Industrial Commission Nominating Council	4121.04	7302
Industrial Technology and Enterprise Advisory Council	122.29	7303
Infant Hearing Screening Subcommittee	3701.507	7304
Insurance Agent Education Advisory Council	3905.483	7305
Interagency Council on Hispanic/Latino Affairs	121.32(J)	7306
Interstate Mining Commission (Interstate Mining Compact)	1514.30	7307
Interstate Rail Passenger Advisory Council (Interstate High Speed Intercity Rail Passenger Network Compact)	4981.35	7308
Joint Council on MR/DD	101.37	7309
Joint Select Committee on Volume Cap	133.021	7310
Labor-Management Government Advisory Council	4121.70	7311
Legal Rights Service Commission	5123.60	7312
Legislative Task Force on Redistricting, Reapportionment, and Demographic Research	103.51	7313
Maternal and Child Health Council	3701.025	7314
Medically Handicapped Children's Medical Advisory	3701.025	7315

Council		
Midwest Interstate Passenger Rail Compact	4981.361	7316
Commission (Ohio members)		
Military Activation Task Force	5902.15	7317
Milk Sanitation Board	917.03	7318
Mine Subsidence Insurance Governing Board	3929.51	7319
Minority Development Financing Board	122.72	7320
Multi-Agency Radio Communications Systems Steering Committee	Sec. 21, H.B. 790, 120th GA	7321
Multidisciplinary Council	3746.03	7322
Muskingum River Advisory Council	1501.25	7323
National Museum of Afro-American History and Culture Planning Committee	149.303	7324
Ohio Advisory Council for the Aging	173.03	7325
Ohio Aerospace & Defense Advisory Council	122.98	7326
Ohio Arts Council	3379.02	7327
Ohio Business Gateway Steering Committee	5703.57	7328
Ohio Cemetery Dispute Resolution Commission	4767.05	7329
Ohio Civil Rights Commission Advisory Agencies and Conciliation Councils	4112.04(B)	7330
Ohio Commercial Insurance Joint Underwriting Association Board Of Governors	3930.03	7331
Ohio Commercial Market Assistance Plan Executive Committee	3930.02	7332
Ohio Commission on Dispute Resolution and Conflict Management	179.02	7333
Ohio Commission to Reform Medicaid	Section 59.29, H.B. 95, 125th GA	7334
Ohio Community Service Council	121.40	7335
Ohio Council for Interstate Adult Offender Supervision	5149.22	7336
Ohio Cultural Facilities Commission	3383.02	7337

Ohio Developmental Disabilities Council	5123.35	7338
Ohio Expositions Commission	991.02	7339
Ohio Family and Children First Cabinet Council	121.37	7340
Ohio Geology Advisory Council	1505.11	7341
Ohio Grape Industries Committee	924.51	7342
Ohio Hepatitis C Advisory Commission	3701.92	7343
Ohio Historic Site Preservation Advisory Board	149.301	7344
Ohio Historical Society Board of Trustees	149.30	7345
Ohio Judicial Conference	105.91	7346
Ohio Lake Erie Commission	1506.21	7347
Ohio Medical Malpractice Commission	Section 4, S.B. 281, 124th GA and Section 3, S.B. 86, 125th GA	7348
Ohio Medical Quality Foundation	3701.89	7349
Ohio Parks and Recreation Council	1541.40	7350
Ohio Peace Officer Training Commission	109.71	7351
Ohio Public Defender Commission	120.01	7352
Ohio Public Library Information Network Board	Sec. 69, H.B. 117, 121st GA, as amended by H.B. 284, 121st GA	7353
Ohio Quarter Horse Development Commission	3769.086	7354
Ohio Small Government Capital Improvements Commission	164.02	7355
Ohio Soil and Water Conservation Commission	1515.02	7356
Ohio Standardbred Development Commission	3769.085	7357
Ohio Steel Industry Advisory Council	122.97	7358
Ohio Teacher Education and Licensure Advisory Council	3319.28(D)	7359

Ohio Thoroughbred Racing Advisory Committee	3769.084	7360
Ohio Tuition Trust Authority	3334.03	7361
Ohio University College of Osteopathic Medicine Advisory Committee	3337.10	7362
Ohio Vendors Representative Committee	3304.34	7363
Ohio War Orphans Scholarship Board	5910.02	7364
Ohio Water Advisory Council	1521.031	7365
Ohio Water Resources Council	1521.19	7366
Ohioana Library Association, Martha Kinney Cooper Memorial	3375.62	7367
Oil and Gas Commission	1509.35	7368
Operating Committee, Agricultural Commodity Marketing Programs	924.07	7369
Organized Crime Investigations Commission	177.01	7370
Pharmacy and Therapeutics Committee of the Dept. of Job and Family Services	5111.81	7371
Physician Loan Repayment Advisory Board	3702.81	7372
Power Siting Board	4906.02	7373
Prequalification Review Board	5525.07	7374
Private Water Systems Advisory Council	3701.346	7375
Public Employment Risk Reduction Advisory Commission	4167.02	7376
Public Health Council	3701.33	7377
Public Utilities Commission Nominating Council	4901.021	7378
Public Utility Property Tax Study Committee	5727.85	7379
Radiation Advisory Council	3748.20	7380
Reclamation Commission	1513.05	7381
Recreation and Resources Commission	1501.04	7382
Recycling and Litter Prevention Advisory Council	1502.04	7383
Rehabilitation Services Commission Consumer Advisory Committee	3304.24	7384
Savings & Loans Associations & Savings Banks Board	1181.16	7385
Schools and Ministerial Lands Divestiture	501.041	7386

Committee		
Second Chance Trust Fund Advisory Committee	2108.17	7387
Services Committee of the Workers' Compensation System	4121.06	7388
Small Business Stationary Source Technical and Environmental Compliance Assistance Council	3704.19	7389
Solid Waste Management Advisory Council	3734.51	7390
State Agency Coordinating Group	1521.19	7391
State Board of Emergency Medical Services	4765.04	7392
Subcommittees		
State Council of Uniform State Laws	105.21	7393
State Committee for the Purchase of Products and Services Provided by Persons with Severe Disabilities	4115.32	7394
State Criminal Sentencing Commission	181.21	7395
State Fire Commission	3737.81	7396
State Racing Commission	3769.02	7397
State Victims Assistance Advisory Committee	109.91	7398
Student Tuition Recovery Authority	3332.081	7399
Tax Credit Authority	122.17	7400
Technical Advisory Committee to Assist the Director of the Ohio Coal Development Office	1551.35	7401
Technical Advisory Council on Oil and Gas	1509.38	7402
Transportation Review Advisory Council	5512.07	7403
Unemployment Compensation Review Commission	4141.06	7404
Unemployment Compensation Advisory Council	4141.08	7405
Utility Radiological Safety Board	4937.02	7406
Vehicle Management Commission	125.833	7407
Veterans Advisory Committee	5902.02(K)	7408
Volunteer Fire Fighters' Dependents Fund Boards (Private and Public)	146.02	7409
Water and Sewer Commission	1525.11(C)	7410
Waterways Safety Council	1547.73	7411

Wildlife Council	1531.03	7412
Workers' Compensation System Oversight Commission	4121.12	7413
Workers' Compensation Oversight Commission <u>Board</u>	4121.123	7414
<u>of Directors</u> Nominating Committee		

Section 403.04. That existing Section 4 of Am. Sub. H.B. 516 7415
of the 125th General Assembly, as amended by Am. Sub. H.B. 66 and 7416
Sub. S.B. 124 of the 126th General Assembly, is hereby repealed. 7417

Section 403.10. That Section 3 of Am. H.B. 67 of the 126th 7418
General Assembly, as amended by Am. Sub. H.B. 66 of the 126th 7419
General Assembly, be amended to read as follows: 7420

Sec. 3. All items in this section are hereby appropriated out 7421
of any moneys in the state treasury to the credit of the 7422
designated fund. For all appropriations made in this act, those in 7423
the first column are for fiscal year 2006, and those in the second 7424
column are for fiscal year 2007. 7425

FND AI	AI TITLE	Appropriations		
	BWC BUREAU OF WORKERS' COMPENSATION			7427
	Workers' Compensation Fund Group			7428
023 855-401	William Green Lease	\$ 19,736,600	\$ 20,125,900	7429
	Payments to OBA			
023 855-407	Claims, Risk & Medical	\$ 140,052,037	\$ 140,052,037	7430
	Management			
023 855-408	Fraud Prevention	\$ 11,713,797	\$ 11,713,797	7431
023 855-409	Administrative	\$ 119,246,553	\$ 119,246,553	7432
	Services			
023 855-410	Attorney General	\$ 4,314,644	\$ 4,314,644	7433
	Payments			
822 855-606	Coal Workers' Fund	\$ 91,894	\$ 91,894	7434
823 855-608	Marine Industry	\$ 53,952	\$ 53,952	7435
825 855-605	Disabled Workers	\$ 693,764	\$ 693,764	7436

	Relief Fund				
826	855-609	Safety & Hygiene	\$ 20,130,820	\$ 20,130,820	7437
		Operating			
826	855-610	Safety Grants Program	\$ 4,000,000	\$ 4,000,000	7438
		TOTAL WCF Workers' Compensation			7439
		Fund Group	\$ 320,034,061	\$ 320,423,361	7440
		Federal Special Revenue Fund Group			7441
349	855-601	OSHA Enforcement	\$ 1,527,750	\$ 1,604,140	7442
		TOTAL FED Federal Special Revenue	\$ 1,527,750	\$ 1,604,140	7443
		Fund Group			
		TOTAL ALL BUDGET FUND GROUPS	\$ 321,561,811	\$ 322,027,501	7444
		WILLIAM GREEN LEASE PAYMENTS			7445
		The foregoing appropriation item 855-401, William Green Lease			7446
		Payments to OBA, shall be used for lease payments to the Ohio			7447
		Building Authority, and these appropriations shall be used to meet			7448
		all payments at the times they are required to be made during the			7449
		period from July 1, 2005, to June 30, 2007, by the Bureau of			7450
		Workers' Compensation to the Ohio Building Authority pursuant to			7451
		leases and agreements made under Chapter 152. of the Revised Code			7452
		and Section 6 of Am. Sub. H.B. 743 of the 118th General Assembly.			7453
		Of the amounts received in Fund 023, appropriation item 855-401,			7454
		William Green Lease Payments to OBA, up to \$39,862,500 shall be			7455
		restricted for lease rental payments to the Ohio Building			7456
		Authority. If it is determined that additional appropriations are			7457
		necessary for such purpose, such amounts are hereby appropriated.			7458
		Notwithstanding any other provision of law to the contrary,			7459
		all tenants of the William Green Building not funded by the			7460
		Workers' Compensation Fund (Fund 023) shall pay their fair share			7461
		of the costs of lease payments to the Workers' Compensation Fund			7462
		(Fund 023) by intrastate transfer voucher.			7463
		WORKERS' COMPENSATION OVERSIGHT COMMISSION			7464

~~Of the foregoing appropriation item 855-409, Administrative Services, up to \$18,000 per calendar year shall be used to pay the annual compensation of each investment expert member of the Workers' Compensation Oversight Commission, as provided in divisions (D) and (F) of section 4121.12 of the Revised Code. Each investment expert member shall also receive reasonable and necessary expenses while engaged in the performance of his or her duties, as provided in division (F) of section 4121.12 of the Revised Code.~~

WORKERS' COMPENSATION FRAUD UNIT 7474

The Workers' Compensation Section Fund (Fund 195) shall receive payments from the Bureau of Workers' Compensation at the beginning of each quarter of each fiscal year to fund expenses of the Workers' Compensation Fraud Unit of the Attorney General's Office. Of the foregoing appropriation item 855-410, Attorney General Payments, \$773,151 in fiscal year 2006 and \$773,151 in fiscal year 2007 shall be used to provide these payments.

SAFETY AND HYGIENE 7482

Notwithstanding section 4121.37 of the Revised Code, the Administrator of Workers' Compensation shall transfer moneys from the State Insurance Fund so that appropriation item 855-609, Safety and Hygiene Operating, is provided \$20,130,820 in fiscal year 2006 and \$20,130,820 in fiscal year 2007.

LONG-TERM CARE LOAN FUND 7488

Upon the request of the Administrator of the Bureau of Workers' Compensation and with the advice and consent of the Bureau of Workers' Compensation Oversight Commission, the Director of Budget and Management shall transfer cash in the amounts requested from the Safety and Hygiene Operating Fund (Fund 826) to the Long-Term Care Loan Fund (Fund 829) created in section 4121.48 of the Revised Code. The amounts transferred are hereby

appropriated.	7496
OSHA ON-SITE CONSULTATION PROGRAM	7497
The Bureau of Workers' Compensation may designate a portion	7498
of appropriation item 855-609, Safety and Hygiene Operating, to be	7499
used to match federal funding for the federal Occupational Safety	7500
and Health Administration's (OSHA) on-site consultation program.	7501
VOCATIONAL REHABILITATION	7502
The Bureau of Workers' Compensation and the Rehabilitation	7503
Services Commission shall enter into an interagency agreement for	7504
the provision of vocational rehabilitation services and staff to	7505
mutually eligible clients. The bureau shall provide \$587,774 in	7506
fiscal year 2006 and \$605,407 in fiscal year 2007 from the State	7507
Insurance Fund to fund vocational rehabilitation services and	7508
staff in accordance with the interagency agreement.	7509
FUND BALANCE	7510
Any unencumbered cash balance in excess of \$45,000,000 in the	7511
Workers' Compensation Fund (Fund 023) on the thirtieth day of June	7512
of each fiscal year shall be used to reduce the administrative	7513
cost rate charged to employers to cover appropriations for Bureau	7514
of Workers' Compensation operations.	7515
OSHA ENFORCEMENT FUND TRANSFER	7516
On July 1, 2005, or as soon thereafter as possible, the	7517
Director of Budget and Management shall transfer the OSHA	7518
Enforcement Fund (Fund 349) from the Department of Commerce to the	7519
Bureau of Workers' Compensation. At the request of the Director of	7520
the Department of Commerce, the Director of Budget and Management	7521
may cancel encumbrances in this fund from appropriation item	7522
800-626, OSHA Enforcement, within the budget of the Department of	7523
Commerce, and reestablish those encumbrances or parts of those	7524
encumbrances in fiscal year 2006 for the same purpose and to the	7525

same vendor to appropriation item 855-601, OSHA Enforcement, 7526
within the budget of the Bureau of Workers' Compensation. As 7527
determined by the Director of Budget and Management, the 7528
appropriation authority necessary to reestablish encumbrances or 7529
parts of encumbrances in fiscal year 2006 for the Bureau of 7530
Workers' Compensation is hereby granted. 7531

Section 403.11. That existing Section 3 of Am. H.B. 67 of the 7532
126th General Assembly, as amended by Am. Sub. H.B. 66 of the 7533
126th General Assembly, is hereby repealed. 7534

Section 512.10. In making appointments of initial members to 7535
the Workers' Compensation Board of Directors, the Governor shall 7536
select the members from the list of names submitted by the 7537
Workers' Compensation Board of Directors Nominating Committee in 7538
accordance with sections 4121.12 and 4121.123 of the Revised Code. 7539
The Nominating Committee shall submit the initial list of names to 7540
the Governor within thirty days after the effective date of this 7541
section. Notwithstanding the deadline described in division (C) of 7542
section 4121.12 of the Revised Code, within fourteen days after 7543
the submission of the initial list the Governor either shall 7544
appoint individuals from that list or request the Nominating 7545
Committee to submit another list of four names for each member the 7546
Governor has not appointed from the initial list, which list the 7547
nominating committee shall submit to the Governor within seven 7548
days after the Governor's request. The Governor then shall 7549
appoint, within seven days after the submission of the second 7550
list, one of the individuals from either list to fill the vacancy 7551
for which the Governor has not made an appointment from the 7552
initial list. The Nominating Committee shall not include on its 7553
list of names, and the Governor shall not appoint as a member of 7554
the Board, any individual who, on the effective date of this 7555
section, is a member of the Workers' Compensation Oversight 7556

Commission. The Oversight Commission is hereby abolished on the 7557
date the Governor appoints the last member to the Board in 7558
accordance with this section and section 4121.12 of the Revised 7559
Code, as amended by this act. The Board shall supersede the 7560
Oversight Commission and its members and succeed to and have and 7561
perform all the duties, powers, and obligations pertaining to the 7562
duties, powers, and obligations of the Oversight Commission and 7563
its members. For the purpose of the institution, conduct, and 7564
completion of matters relating to its succession, the Board is 7565
deemed to be the continuation of and successor under law to the 7566
Oversight Commission and its members. All rules, actions, 7567
determinations, commitments, resolutions, decisions, and 7568
agreements pertaining to those duties, powers, obligations, 7569
functions, and rights in force or in effect on the effective date 7570
of this section shall continue in force and effect subject to any 7571
further lawful action thereon by the Board. Wherever the Oversight 7572
Commission or its members are referred to in any provision of law, 7573
or in any agreement or document that pertains to those duties, 7574
powers, obligations, functions, and rights, the reference is to 7575
the Board.

All authorized obligations and supplements thereto of the 7576
Oversight Commission and its members pertaining to the duties, 7577
powers, and obligations transferred are binding on the Board, and 7578
nothing in this act impairs the obligations or rights thereunder 7579
or under any contract. The abolition of the Oversight Commission 7580
and the transfer of the Oversight Commission's duties, powers, and 7581
obligations do not affect the validity of agreements or 7582
obligations made by the Oversight Commission or its members 7583
pursuant to Chapters 4121., 4123., 4125., 4127., 4131., and 4167. 7584
of the Revised Code or any other provisions of law. 7585

In connection with the transfer of duties, powers, 7586
obligations, functions, and rights and abolition of the Oversight 7587

Commission, all real property and interest therein, documents, 7588
books, money, papers, records, machinery, furnishings, office 7589
equipment, furniture, and all other property over which the 7590
Oversight Commission has control pertaining to the duties, powers, 7591
and obligations transferred and the rights of the Oversight 7592
Commission to enforce or receive any of the aforesaid is 7593
automatically transferred to the Board without necessity for 7594
further action on the part of the Board. Additionally, all 7595
appropriations or reappropriations made to the Oversight 7596
Commission for the purposes of the performance of its duties, 7597
powers, and obligations, are transferred to the Board to the 7598
extent of the remaining unexpended or unencumbered balance 7599
thereof, whether allocated or unallocated, and whether obligated 7600
or unobligated. 7601

Section 512.20. The Bureau of Workers' Compensation Board of 7602
Directors shall appoint the members of the Workers' Compensation 7603
Audit Committee, Workers' Compensation Actuarial Committee, and 7604
the Workers' Compensation Investment Committee in accordance with 7605
section 4121.129 of the Revised Code, as enacted by this act, not 7606
later than ninety days after the effective date of this section. 7607

Section 512.30. On the effective date of this section, the 7608
Services Committee of the Workers' Compensation System is hereby 7609
abolished. 7610

Section 512.40. On the effective date of section 4121.122 of 7611
the Revised Code, as amended by this act, the Internal Security 7612
Committee is hereby abolished. 7613

Section 512.45. The Workers' Compensation Council shall 7614
contract with an independent actuary to have that actuary perform 7615
an actuarial valuation of the assets, liabilities, and funding 7616

requirements of the funds specified in Chapters 4121., 4123., 7617
4127., and 4131. of the Revised Code. The actuary with whom the 7618
Council contracts under this section shall prepare a report of the 7619
valuation in accordance with the standards of practice promulgated 7620
by the Actuarial Standards Board of the American Academy of 7621
Actuaries and shall submit that report to the Council. The actuary 7622
shall include all of the following information in the report: 7623

(A) A summary of the compensation and benefit provisions 7624
evaluated; 7625

(B) A summary of the census data and financial information 7626
used in the valuation; 7627

(C) A description of the actuarial assumptions, actuarial 7628
cost method, and asset valuation method used in the valuation; 7629

(D) A summary of the findings that includes a statement of 7630
the actuarial accrued compensation and benefit liabilities and 7631
unfounded actuarial accrued compensation and benefit liabilities. 7632

The Council shall submit to the governor and the general 7633
assembly a report summarizing the valuation required under this 7634
section not later than two years after the effective date of 7635
section 4121.75 of the Revised Code, as enacted by this act. 7636

Section 512.50. (A) The Administrator of Workers' 7637
Compensation shall commission a reputable outside consulting firm 7638
that the Bureau of Workers' Compensation has not retained to 7639
conduct similar reports over the five years prior to the effective 7640
date of this section to perform a comprehensive review of the base 7641
rate of premiums paid by employers and of all of the rating 7642
programs used by the Administrator to determine an employer's 7643
premium rate under Chapters 4121., 4123., 4127., and 4131. of the 7644
Revised Code. In conducting the review required under this 7645
section, the Administrator shall do all of the following: 7646

(1) Compare the rates and programs used in this state to the rates and programs used in other states;	7647 7648
(2) Study the effect of the rates in reducing the number and severity of workers' compensation claims in this state;	7649 7650
(3) Study the effect that saving money has had on safety in workplaces in this state;	7651 7652
(4) Identify methods of rate setting and reserving that the Administrator could use to make the rate setting and reserving process more transparent for employers and employees.	7653 7654 7655
(B) The Administrator shall commission a reputable outside consulting firm that the Bureau has not retained to conduct similar reports over the five years prior to the effective date of this section to perform a comprehensive review of the adequacy of the Surplus Fund created under section 4123.34 of the Revised Code and the general reserving methods used for the State Insurance Fund and all other funds specified in Chapters 4121., 4123., 4127., and 4131. of the Revised Code.	7656 7657 7658 7659 7660 7661 7662 7663
(C) The Administrator shall provide a summary of the reviews required under this section and shall present recommendations based on the review to the General Assembly and the Bureau of Workers' Compensation Board of Directors not later than two years after the effective date of this section.	7664 7665 7666 7667 7668
(D) This section of law, as enacted by this act, is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, this section takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against this section of law as enacted by this act, this section of law as enacted, unless rejected at the referendum, takes effect at the earliest time permitted by law.	7669 7670 7671 7672 7673 7674 7675 7676

Section 512.60. On or before nine months after the effective 7677
date of this section, the Administrator of Workers' Compensation 7678
shall employ an actuary as required under division (B)(2) of 7679
section 4121.121 of the Revised Code as amended by this act. 7680

Section 512.70. The Administrator of Workers' Compensation 7681
shall completely transition from use of the Micro Insurance 7682
Reserve Analysis System to a different system or different version 7683
of that system to determine the reserves for use in establishing 7684
premium rates assessed for the purposes of Chapter 4121., 4123., 7685
4127., or 4131. of the Revised Code on or before June 30, 2008. A 7686
contract between the Administrator and a vendor for the System in 7687
existence on the effective date of this section shall expire in 7688
accordance with the terms of the contract, and the Administrator 7689
may renew or extend that contract only for a period of time that 7690
does not extend past June 30, 2008. 7691

The Administrator shall transition to a reserve analysis 7692
system that is characterized as transparent in nature and for that 7693
purpose of transparency, satisfies both of the following criteria: 7694

(A) The manner in which the system uses data can be 7695
understood in general terms by employers who are subject to 7696
Chapters 4121., 4123., 4127., and 4131. of the Revised Code and 7697
other persons interested in use of the system; 7698

(B) The type of data the system uses in making reserve 7699
analysis can be explained to employers who are subject to Chapters 7700
4121., 4123., 4127., and 4131. of the Revised Code and other 7701
persons interested in use of the system. 7702

The Administrator shall communicate information describing 7703
the manner in which the new reserve analysis system uses data and 7704
the type of data the system uses in making reserve analysis to 7705
employers who are subject to Chapters 4121., 4123., 4127., and 7706

4131. of the Revised Code and to any other persons who request 7707
such information. 7708

Section 603.10. The items of law contained in this act, and 7709
their applications, are severable. If any item of law contained in 7710
this act, or if any application of any item of law contained in 7711
this act, is held invalid, the invalidity does not affect other 7712
items of law contained in this act and their applications that can 7713
be given effect without the invalid item of law or application. 7714

Section 606.10. An item that composes the whole or part of an 7715
uncodified section contained in this act has no effect after June 7716
30, 2009, unless the context clearly indicates otherwise. 7717

Section 609.03. Except as otherwise specifically provided in 7718
this act, the codified sections of law amended or enacted in this 7719
act, and the items of law of which the codified sections of law 7720
amended or enacted in this act are composed, are subject to the 7721
referendum. Therefore, under Ohio Constitution, Article II, 7722
Section 1c and section 1.471 of the Revised Code, the codified 7723
sections of law amended or enacted by this act, and the items of 7724
law of which the codified sections of law as amended or enacted by 7725
this act are composed, take effect on the ninety-first day after 7726
this act is filed with the Secretary of State. If, however, a 7727
referendum petition is filed against any such codified section of 7728
law as amended or enacted by this act, or against any item of law 7729
of which any such codified section of law as amended or enacted by 7730
this act is composed, the codified section of law as amended or 7731
enacted, or item of law, unless rejected at the referendum, takes 7732
effect at the earliest time permitted by law. 7733

Section 609.05. Except as otherwise specifically provided in 7734
this act, the repeal by this act of a codified section of law is 7735

subject to the referendum. Therefore, under Ohio Constitution, 7736
Article II, Section 1c and section 1.471 of the Revised Code, the 7737
repeal by this act of a codified section of law takes effect on 7738
the ninety-first day after this act is filed with the Secretary of 7739
State. If, however, a referendum petition is filed against any 7740
such repeal, the repeal, unless rejected at the referendum, takes 7741
effect at the earliest time permitted by law. 7742

Section 612.03. The codified section of law amended by this 7743
act that is listed in this section, and the items of law of which 7744
such section as amended or enacted by this act are composed, is 7745
not subject to the referendum. Therefore, under Ohio Constitution, 7746
Article II, Section 1d and section 1.471 of the Revised Code, such 7747
section as amended by this act, and the items of law of which such 7748
section as amended by this act are composed, goes into immediate 7749
effect when this act becomes law. 7750

Section 4121.12 of the Revised Code. 7751

Section 612.09. The enactment of section 4121.129 of the 7752
Revised Code by this act is not subject to the referendum. 7753
Therefore, under Ohio Constitution, Article II, Section 1d and 7754
section 1.471 of the Revised Code, section 4121.129 of the Revised 7755
Code takes effect sixty days after the effective date of this 7756
section. 7757

Section 615.03. Except as otherwise provided in Section 7758
512.50 of this act, the uncodified sections of law contained in 7759
this act, and the items of law of which the uncodified sections of 7760
law contained in this act are composed, are not subject to the 7761
referendum. Therefore, under Ohio Constitution, Article II, 7762
Section 1d and section 1.471 of the Revised Code, the uncodified 7763
sections of law contained in this act, and the items of law of 7764
which the uncodified sections of law contained in this act are 7765

composed, go into immediate effect when this act becomes law. 7766

Section 618.03. Section 4 of Am. Sub. H.B. 516 of the 125th 7767
General Assembly is presented in this act as a composite of the 7768
section as amended by both Am. Sub. H.B. 66 and Sub. S.B. 124 of 7769
the 126th General Assembly. The General Assembly, applying the 7770
principle stated in division (B) of section 1.52 of the Revised 7771
Code that amendments are to be harmonized if reasonably capable of 7772
simultaneous operation, finds that the composite is the resulting 7773
version of the section in effect prior to the effective date of 7774
the section as presented in this act. 7775