

**As Introduced**

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**H. B. No. 516**

**Representatives Henne, Hottinger**

**Cosponsors: Representatives Sears, Butler, Conditt, Boose, Buchy,  
Amstutz, Adams, J., Rosenberger, Brenner, Sprague, Roegner, Stebelton,  
Hackett, Beck, Kozlowski, McGregor**

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**A B I L L**

To amend sections 4121.30, 4123.20, 4123.29, 1  
4123.291, 4123.35, 4123.37, and 4123.411 and to 2  
repeal section 4121.18 of the Revised Code to make 3  
changes to Ohio's Workers' Compensation Law. 4

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

**Section 1.** That sections 4121.30, 4123.20, 4123.29, 4123.291, 5  
4123.35, 4123.37, and 4123.411 of the Revised Code be amended to 6  
read as follows: 7

**Sec. 4121.30.** (A) All rules governing the operating procedure 8  
of the bureau of workers' compensation and the industrial 9  
commission shall be adopted in accordance with Chapter 119. of the 10  
Revised Code, except that determinations of the bureau, district 11  
hearing officers, staff hearing officers, and the commission, with 12  
respect to an individual employee's claim to participate in the 13  
state insurance fund are governed only by Chapter 4123. of the 14  
Revised Code. 15

The administrator of workers' compensation and commission 16  
shall proceed jointly, in accordance with Chapter 119. of the 17

Revised Code, including a joint hearing, to adopt joint rules 18  
governing the operating procedures of the bureau and commission. 19  
~~The bureau shall publish the joint rules in a single publication.~~ 20

(B) Upon submission to the bureau or the commission of a 21  
petition containing not less than fifteen hundred signatures of 22  
adult residents of the state, any individual may propose a rule 23  
for adoption, amendment, or rescission by the bureau or the 24  
commission. If, upon investigation, the bureau or commission is 25  
satisfied that the signatures upon the petition are valid, it 26  
shall proceed, in accordance with Chapter 119. of the Revised 27  
Code, to consider adoption, amendment, or rescission of the rule. 28

(C) The administrator shall ~~publish~~ make available 29  
electronically all rules adopted by the bureau and the commission 30  
~~in a single publication~~ and shall make available in a timely 31  
manner ~~and at cost copies of~~ all rules adopted by the bureau and 32  
the commission that are currently in force. ~~For that purpose, the~~ 33  
~~administrator shall maintain a mailing list of all persons~~ 34  
~~requesting copies of the rules.~~ 35

(D) The rule-making authority granted to the administrator 36  
under this section does not limit the commission's rule-making 37  
authority relative to its overall adjudicatory policy-making and 38  
management duties under this chapter and Chapters 4123., 4127., 39  
and 4131. of the Revised Code. The administrator shall not 40  
disregard any rule adopted by the commission, provided that the 41  
rule is within the commission's rule-making authority. 42

**Sec. 4123.20.** The administrator of workers' compensation 43  
shall ~~cause to be printed, in proper form for distribution~~ make 44  
available electronically to the public, its classifications, 45  
rates, rules, and rules of procedure, and shall furnish the same 46  
to any person upon ~~application therefor, and the fact that the~~ 47  
~~classifications, rates, rules, and rules of procedure are printed~~ 48

~~ready for distribution to all who apply for the same is a~~ 49  
~~sufficient publication of the same as required by this chapter~~ 50  
~~request.~~ 51

**Sec. 4123.29.** (A) The administrator of workers' compensation, 52  
subject to the approval of the bureau of workers' compensation 53  
board of directors, shall do all of the following: 54

(1) Classify occupations or industries with respect to their 55  
degree of hazard and determine the risks of the different classes 56  
according to the categories the national council on compensation 57  
insurance establishes that are applicable to employers in this 58  
state; 59

(2)(a) Fix the rates of premium of the risks of the classes 60  
based upon the total payroll in each of the classes of occupation 61  
or industry sufficiently large to provide a fund for the 62  
compensation provided for in this chapter and to maintain a state 63  
insurance fund from year to year. The administrator shall set the 64  
rates at a level that assures the solvency of the fund. Where the 65  
payroll cannot be obtained or, in the opinion of the 66  
administrator, is not an adequate measure for determining the 67  
premium to be paid for the degree of hazard, the administrator may 68  
determine the rates of premium upon such other basis, consistent 69  
with insurance principles, as is equitable in view of the degree 70  
of hazard, and whenever in this chapter reference is made to 71  
payroll or expenditure of wages with reference to fixing premiums, 72  
the reference shall be construed to have been made also to such 73  
other basis for fixing the rates of premium as the administrator 74  
may determine under this section. 75

(b) If an employer elects to obtain other-states' coverage 76  
pursuant to section 4123.292 of the Revised Code through either 77  
the administrator, if the administrator elects to offer such 78  
coverage, or an other-states' insurer, calculate the employer's 79

premium for the state insurance fund in the same manner as 80  
otherwise required under division (A) of this section and section 81  
4123.34 of the Revised Code, except that when the administrator 82  
determines the expenditure of wages, payroll, or both upon which 83  
to base the employer's premium, the administrator shall use only 84  
the expenditure of wages, payroll, or both attributable to the 85  
labor performed and services provided by that employer's employees 86  
when those employees performed labor and provided services in this 87  
state only and to which the other-states' coverage does not apply. 88

(c) The administrator in setting or revising rates shall 89  
furnish to employers an adequate explanation of the basis for the 90  
rates set. 91

(3) Develop and make available to employers who are paying 92  
premiums to the state insurance fund alternative premium plans. 93  
Alternative premium plans shall include retrospective rating 94  
plans. The administrator may make available plans under which an 95  
advanced deposit may be applied against a specified deductible 96  
amount per claim and may make available other alternative premium, 97  
rate, or discount plans that the administrator determines are 98  
necessary to encourage employers to participate in safety or 99  
compliance programs, including drug-free workplace, workplace 100  
wellness, safety, job development, or claims management. 101

(4)(a) Offer to insure the obligations of employers under 102  
this chapter under a plan that groups, for rating purposes, 103  
employers, and pools the risk of the employers within the group 104  
provided that the employers meet all of the following conditions: 105

(i) All of the employers within the group are members of an 106  
organization that has been in existence for at least two years 107  
prior to the date of application for group coverage; 108

(ii) The organization was formed for purposes other than that 109  
of obtaining group workers' compensation under this division; 110

(iii) The employers' business in the organization is 111  
substantially similar such that the risks which are grouped are 112  
substantially homogeneous; 113

(iv) The group of employers consists of at least one hundred 114  
members or the aggregate workers' compensation premiums of the 115  
members, as determined by the administrator, are expected to 116  
exceed one hundred fifty thousand dollars during the coverage 117  
period; 118

(v) The formation and operation of the group program in the 119  
organization will substantially improve accident prevention and 120  
claims handling for the employers in the group; 121

(vi) Each employer seeking to enroll in a group for workers' 122  
compensation coverage has an industrial insurance account in good 123  
standing with the bureau of workers' compensation such that at the 124  
time the agreement is processed no outstanding premiums, 125  
penalties, or assessments are due from any of the employers. 126

(b) If an organization sponsors more than one employer group 127  
to participate in group plans established under this section, that 128  
organization may submit a single application that supplies all of 129  
the information necessary for each group of employers that the 130  
organization wishes to sponsor. 131

(c) In providing employer group plans under division (A)(4) 132  
of this section, the administrator shall consider an employer 133  
group as a single employing entity for purposes of group rating. 134  
No employer may be a member of more than one group for the purpose 135  
of obtaining workers' compensation coverage under this division. 136

(d) At the time the administrator revises premium rates 137  
pursuant to this section and section 4123.34 of the Revised Code, 138  
if the premium rate of an employer who participates in a group 139  
plan established under this section changes from the rate 140  
established for the previous year, the administrator, in addition 141

to sending the invoice with the rate revision to that employer, 142  
shall send a copy of that invoice to the third-party administrator 143  
that administers the group plan for that employer's group. 144

(e) In providing employer group plans under division (A)(4) 145  
of this section, the administrator shall establish a program 146  
designed to mitigate the impact of a significant claim that would 147  
come into the experience of a private, state fund group-rated 148  
employer or a taxing district employer for the first time and be a 149  
contributing factor in that employer being excluded from a 150  
group-rated plan. The administrator shall establish eligibility 151  
criteria and requirements that such employers must satisfy in 152  
order to participate in this program. For purposes of this 153  
program, the administrator shall establish a discount on premium 154  
rates applicable to employers who qualify for the program. 155

(f) In no event shall division (A)(4) of this section be 156  
construed as granting to an employer status as a self-insuring 157  
employer. 158

(g) The administrator shall develop classifications of 159  
occupations or industries that are sufficiently distinct so as not 160  
to group employers in classifications that unfairly represent the 161  
risks of employment with the employer. 162

(5) Generally promote employer participation in the state 163  
insurance fund through the regular dissemination of information to 164  
all classes of employers describing the advantages and benefits of 165  
opting to make premium payments to the fund. To that end, the 166  
administrator shall regularly make employers aware of the various 167  
workers' compensation premium packages developed and offered 168  
pursuant to this section. 169

(6) Make available to every employer who is paying premiums 170  
to the state insurance fund a program whereby the employer or the 171  
employer's agent pays to the claimant or on behalf of the claimant 172

the first fifteen thousand dollars of a compensable workers' 173  
compensation medical-only claim filed by that claimant that is 174  
related to the same injury or occupational disease. No formal 175  
application is required; however, an employer must elect to 176  
participate by telephoning the bureau after July 1, 1995. Once an 177  
employer has elected to participate in the program, the employer 178  
will be responsible for all bills in all medical-only claims with 179  
a date of injury the same or later than the election date, unless 180  
the employer notifies the bureau within fourteen days of receipt 181  
of the notification of a claim being filed that it does not wish 182  
to pay the bills in that claim, or the employer notifies the 183  
bureau that the fifteen thousand dollar maximum has been paid, or 184  
the employer notifies the bureau of the last day of service on 185  
which it will be responsible for the bills in a particular 186  
medical-only claim. If an employer elects to enter the program, 187  
the administrator shall not reimburse the employer for such 188  
amounts paid and shall not charge the first fifteen thousand 189  
dollars of any medical-only claim paid by an employer to the 190  
employer's experience or otherwise use it in merit rating or 191  
determining the risks of any employer for the purpose of payment 192  
of premiums under this chapter. A certified health care provider 193  
shall extend to an employer who participates in this program the 194  
same rates for services rendered to an employee of that employer 195  
as the provider bills the administrator for the same type of 196  
medical claim processed by the bureau and shall not charge, 197  
assess, or otherwise attempt to collect from an employee any 198  
amount for covered services or supplies that is in excess of that 199  
rate. If an employer elects to enter the program and the employer 200  
fails to pay a bill for a medical-only claim included in the 201  
program, the employer shall be liable for that bill and the 202  
employee for whom the employer failed to pay the bill shall not be 203  
liable for that bill. The administrator shall adopt rules to 204  
implement and administer division (A)(6) of this section. Upon 205

written request from the bureau, the employer shall provide 206  
documentation to the bureau of all medical-only bills that they 207  
are paying directly. Such requests from the bureau may not be made 208  
more frequently than on a semiannual basis. Failure to provide 209  
such documentation to the bureau within thirty days of receipt of 210  
the request may result in the employer's forfeiture of 211  
participation in the program for such injury. The provisions of 212  
this section shall not apply to claims in which an employer with 213  
knowledge of a claimed compensable injury or occupational disease, 214  
has paid wages in lieu of compensation or total disability. 215

(B) The administrator, with the advice and consent of the 216  
board, by rule, may ~~do both~~ establish alternative premium, rate, 217  
or discount plans, including any of the following: 218

(1) Grant an employer who makes the employer's semiannual 219  
premium payment at least one month prior to the last day on which 220  
the payment may be made without penalty, a discount as the 221  
administrator fixes from time to time; 222

(2) Levy a minimum annual administrative charge upon risks 223  
where semiannual premium reports develop a charge less than the 224  
administrator considers adequate to offset administrative costs of 225  
processing; 226

(3) Establish any other alternative premium, rate, or 227  
discount plans the administrator considers necessary. 228

**Sec. 4123.291.** (A) An adjudicating committee appointed by the 229  
administrator of workers' compensation to hear any matter 230  
specified in divisions (B)(1) to (7) of this section shall hear 231  
the matter within sixty days of the date on which an employer 232  
files the request, protest, or petition. An employer desiring to 233  
file a request, protest, or petition regarding any matter 234  
specified in divisions (B)(1) to (7) of this section shall file 235  
the request, protest, or petition to the adjudicating committee on 236



or before twenty-four months after the administrator sends notice 237  
of the determination about which the employer is filing the 238  
request, protest, or petition. 239

(B) An employer who is adversely affected by a decision of an 240  
adjudicating committee appointed by the administrator may appeal 241  
the decision of the committee to the administrator or the 242  
administrator's designee. The employer shall file the appeal in 243  
writing within thirty days after the employer receives the 244  
decision of the adjudicating committee. The administrator or the 245  
designee shall hear the appeal and hold a hearing, provided that 246  
the decision of the adjudicating committee relates to one of the 247  
following: 248

(1) An employer request for a waiver of a default in the 249  
payment of premiums pursuant to section 4123.37 of the Revised 250  
Code; 251

(2) An employer request for the settlement of liability as a 252  
noncomplying employer under section 4123.75 of the Revised Code; 253

(3) An employer petition objecting to ~~the~~ an assessment ~~of a~~ 254  
~~premium~~ pursuant to section 4123.37 of the Revised Code and the 255  
rules adopted pursuant to that section; 256

(4) An employer request for the abatement of penalties 257  
assessed pursuant to section 4123.32 of the Revised Code and the 258  
rules adopted pursuant to that section; 259

(5) An employer protest relating to an audit finding or a 260  
determination of a manual classification, experience rating, or 261  
transfer or combination of risk experience; 262

(6) Any decision relating to any other risk premium matter 263  
under Chapters 4121., 4123., and 4131. of the Revised Code; 264

(7) An employer petition objecting to the amount of security 265  
required under division (C) of section 4125.05 of the Revised Code 266

and the rules adopted pursuant to that section. 267

(C) The bureau of workers' compensation board of directors, 268  
based upon recommendations of the workers' compensation actuarial 269  
committee, shall establish the policy for all adjudicating 270  
committee procedures, including, but not limited to, specific 271  
criteria for manual premium rate adjustment. 272

**Sec. 4123.35.** (A) Except as provided in this section, every 273  
employer mentioned in division (B)(2) of section 4123.01 of the 274  
Revised Code, and every publicly owned utility shall pay 275  
semiannually in the months of January and July into the state 276  
insurance fund the amount of annual premium the administrator of 277  
workers' compensation fixes for the employment or occupation of 278  
the employer, the amount of which premium to be paid by each 279  
employer to be determined by the classifications, rules, and rates 280  
made and published by the administrator. The employer shall pay 281  
semiannually a further sum of money into the state insurance fund 282  
as may be ascertained to be due from the employer by applying the 283  
rules of the administrator, and a receipt or certificate 284  
certifying that payment has been made, along with a written notice 285  
as is required in section 4123.54 of the Revised Code, shall be 286  
mailed immediately to the employer by the bureau of workers' 287  
compensation. The receipt or certificate is prima-facie evidence 288  
of the payment of the premium, and the proper posting of the 289  
notice constitutes the employer's compliance with the notice 290  
requirement mandated in section 4123.54 of the Revised Code. 291

The bureau of workers' compensation shall verify with the 292  
secretary of state the existence of all corporations and 293  
organizations making application for workers' compensation 294  
coverage and shall require every such application to include the 295  
employer's federal identification number. 296

An employer as defined in division (B)(2) of section 4123.01 297

of the Revised Code who has contracted with a subcontractor is 298  
liable for the unpaid premium due from any subcontractor with 299  
respect to that part of the payroll of the subcontractor that is 300  
for work performed pursuant to the contract with the employer. 301

Division (A) of this section providing for the payment of 302  
premiums semiannually does not apply to any employer who was a 303  
subscriber to the state insurance fund prior to January 1, 1914, 304  
or who may first become a subscriber to the fund in any month 305  
other than January or July. Instead, the semiannual premiums shall 306  
be paid by those employers from time to time upon the expiration 307  
of the respective periods for which payments into the fund have 308  
been made by them. 309

The administrator shall adopt rules to permit employers to 310  
make periodic payments of the semiannual premium due under this 311  
division. The rules shall include provisions for the assessment of 312  
interest charges, where appropriate, and for the assessment of 313  
penalties when an employer fails to make timely premium payments. 314  
An employer who timely pays the amounts due under this division is 315  
entitled to all of the benefits and protections of this chapter. 316  
Upon receipt of payment, the bureau immediately shall mail a 317  
receipt or certificate to the employer certifying that payment has 318  
been made, which receipt is prima-facie evidence of payment. 319  
Workers' compensation coverage under this chapter continues 320  
uninterrupted upon timely receipt of payment under this division. 321

Every public employer, except public employers that are 322  
self-insuring employers under this section, shall comply with 323  
sections 4123.38 to 4123.41, and 4123.48 of the Revised Code in 324  
regard to the contribution of moneys to the public insurance fund. 325

(B) Employers who will abide by the rules of the 326  
administrator and who may be of sufficient financial ability to 327  
render certain the payment of compensation to injured employees or 328  
the dependents of killed employees, and the furnishing of medical, 329

surgical, nursing, and hospital attention and services and 330  
medicines, and funeral expenses, equal to or greater than is 331  
provided for in sections 4123.52, 4123.55 to 4123.62, and 4123.64 332  
to 4123.67 of the Revised Code, and who do not desire to insure 333  
the payment thereof or indemnify themselves against loss sustained 334  
by the direct payment thereof, upon a finding of such facts by the 335  
administrator, may be granted the privilege to pay individually 336  
compensation, and furnish medical, surgical, nursing, and hospital 337  
services and attention and funeral expenses directly to injured 338  
employees or the dependents of killed employees, thereby being 339  
granted status as a self-insuring employer. The administrator may 340  
charge employers who apply for the status as a self-insuring 341  
employer a reasonable application fee to cover the bureau's costs 342  
in connection with processing and making a determination with 343  
respect to an application. 344

All employers granted status as self-insuring employers shall 345  
demonstrate sufficient financial and administrative ability to 346  
assure that all obligations under this section are promptly met. 347  
The administrator shall deny the privilege where the employer is 348  
unable to demonstrate the employer's ability to promptly meet all 349  
the obligations imposed on the employer by this section. 350

(1) The administrator shall consider, but is not limited to, 351  
the following factors, where applicable, in determining the 352  
employer's ability to meet all of the obligations imposed on the 353  
employer by this section: 354

(a) The employer employs a minimum of five hundred employees 355  
in this state; 356

(b) The employer has operated in this state for a minimum of 357  
two years, provided that an employer who has purchased, acquired, 358  
or otherwise succeeded to the operation of a business, or any part 359  
thereof, situated in this state that has operated for at least two 360  
years in this state, also shall qualify; 361

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

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

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

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

(g) The employer's proposed plan to inform employees of the change from a state fund insurer to a self-insuring employer, the procedures the employer will follow as a self-insuring employer, and the employees' rights to compensation and benefits; and

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

The administrator may waive the requirements of divisions (B)(1)(a) and (b) of this section and the requirement of division (B)(1)(e) of this section that the financial records, documents, and data be certified by a certified public accountant. The administrator shall adopt rules establishing the criteria that an employer shall meet in order for the administrator to waive the requirement of division (B)(1)(e) of this section. Such rules may require additional security of that employer pursuant to division

(E) of section 4123.351 of the Revised Code. 393

The administrator shall not grant the status of self-insuring 394  
employer to the state, except that the administrator may grant the 395  
status of self-insuring employer to a state institution of higher 396  
education, ~~excluding~~ including its hospitals, that meets the 397  
requirements of division (B)(2) of this section. 398

(2) When considering the application of a public employer, 399  
except for a board of county commissioners described in division 400  
(G) of section 4123.01 of the Revised Code, a board of a county 401  
hospital, or a publicly owned utility, the administrator shall 402  
verify that the public employer satisfies all of the following 403  
requirements as the requirements apply to that public employer: 404

(a) For the two-year period preceding application under this 405  
section, the public employer has maintained an unvoted debt 406  
capacity equal to at least two times the amount of the current 407  
annual premium established by the administrator under this chapter 408  
for that public employer for the year immediately preceding the 409  
year in which the public employer makes application under this 410  
section. 411

(b) For each of the two fiscal years preceding application 412  
under this section, the unreserved and undesignated year-end fund 413  
balance in the public employer's general fund is equal to at least 414  
five per cent of the public employer's general fund revenues for 415  
the fiscal year computed in accordance with generally accepted 416  
accounting principles. 417

(c) For the five-year period preceding application under this 418  
section, the public employer, to the extent applicable, has 419  
complied fully with the continuing disclosure requirements 420  
established in rules adopted by the United States securities and 421  
exchange commission under 17 C.F.R. 240.15c 2-12. 422

(d) For the five-year period preceding application under this 423

section, the public employer has not had its local government fund 424  
distribution withheld on account of the public employer being 425  
indebted or otherwise obligated to the state. 426

(e) For the five-year period preceding application under this 427  
section, the public employer has not been under a fiscal watch or 428  
fiscal emergency pursuant to section 118.023, 118.04, or 3316.03 429  
of the Revised Code. 430

(f) For the public employer's fiscal year preceding 431  
application under this section, the public employer has obtained 432  
an annual financial audit as required under section 117.10 of the 433  
Revised Code, which has been released by the auditor of state 434  
within seven months after the end of the public employer's fiscal 435  
year. 436

(g) On the date of application, the public employer holds a 437  
debt rating of Aa3 or higher according to Moody's investors 438  
service, inc., or a comparable rating by an independent rating 439  
agency similar to Moody's investors service, inc. 440

(h) The public employer agrees to generate an annual 441  
accumulating book reserve in its financial statements reflecting 442  
an actuarially generated reserve adequate to pay projected claims 443  
under this chapter for the applicable period of time, as 444  
determined by the administrator. 445

(i) For a public employer that is a hospital, the public 446  
employer shall submit audited financial statements showing the 447  
hospital's overall liquidity characteristics, and the 448  
administrator shall determine, on an individual basis, whether the 449  
public employer satisfies liquidity standards equivalent to the 450  
liquidity standards of other public employers. 451

(j) Any additional criteria that the administrator adopts by 452  
rule pursuant to division (E) of this section. 453

The administrator may adopt rules establishing the criteria 454

that a public employer shall satisfy in order for the 455  
administrator to waive any of the requirements listed in divisions 456  
(B)(2)(a) to (j) of this section. The rules may require additional 457  
security from that employer pursuant to division (E) of section 458  
4123.351 of the Revised Code. The administrator shall not waive 459  
any of the requirements listed in divisions (B)(2)(a) to (j) of 460  
this section for a public employer who does not satisfy the 461  
criteria established in the rules the administrator adopts. 462

(C) A board of county commissioners described in division (G) 463  
of section 4123.01 of the Revised Code, as an employer, that will 464  
abide by the rules of the administrator and that may be of 465  
sufficient financial ability to render certain the payment of 466  
compensation to injured employees or the dependents of killed 467  
employees, and the furnishing of medical, surgical, nursing, and 468  
hospital attention and services and medicines, and funeral 469  
expenses, equal to or greater than is provided for in sections 470  
4123.52, 4123.55 to 4123.62, and 4123.64 to 4123.67 of the Revised 471  
Code, and that does not desire to insure the payment thereof or 472  
indemnify itself against loss sustained by the direct payment 473  
thereof, upon a finding of such facts by the administrator, may be 474  
granted the privilege to pay individually compensation, and 475  
furnish medical, surgical, nursing, and hospital services and 476  
attention and funeral expenses directly to injured employees or 477  
the dependents of killed employees, thereby being granted status 478  
as a self-insuring employer. The administrator may charge a board 479  
of county commissioners described in division (G) of section 480  
4123.01 of the Revised Code that applies for the status as a 481  
self-insuring employer a reasonable application fee to cover the 482  
bureau's costs in connection with processing and making a 483  
determination with respect to an application. All employers 484  
granted such status shall demonstrate sufficient financial and 485  
administrative ability to assure that all obligations under this 486  
section are promptly met. The administrator shall deny the 487



privilege where the employer is unable to demonstrate the 488  
employer's ability to promptly meet all the obligations imposed on 489  
the employer by this section. The administrator shall consider, 490  
but is not limited to, the following factors, where applicable, in 491  
determining the employer's ability to meet all of the obligations 492  
imposed on the board as an employer by this section: 493

(1) The board as an employer employs a minimum of five 494  
hundred employees in this state; 495

(2) The board has operated in this state for a minimum of two 496  
years; 497

(3) Where the board previously contributed to the state 498  
insurance fund or is a successor employer as defined by bureau 499  
rules, the amount of the buyout, as defined by bureau rules; 500

(4) The sufficiency of the board's assets located in this 501  
state to insure the board's solvency in paying compensation 502  
directly; 503

(5) The financial records, documents, and data, certified by 504  
a certified public accountant, necessary to provide the board's 505  
full financial disclosure. The records, documents, and data 506  
include, but are not limited to, balance sheets and profit and 507  
loss history for the current year and previous four years. 508

(6) The board's organizational plan for the administration of 509  
the workers' compensation law; 510

(7) The board's proposed plan to inform employees of the 511  
proposed self-insurance, the procedures the board will follow as a 512  
self-insuring employer, and the employees' rights to compensation 513  
and benefits; 514

(8) The board has either an account in a financial 515  
institution in this state, or if the board maintains an account 516  
with a financial institution outside this state, ensures that 517

workers' compensation checks are drawn from the same account as 518  
payroll checks or the board clearly indicates that payment will be 519  
honored by a financial institution in this state; 520

(9) The board shall provide the administrator a surety bond 521  
in an amount equal to one hundred twenty-five per cent of the 522  
projected losses as determined by the administrator. 523

(D) The administrator shall require a surety bond from all 524  
self-insuring employers, issued pursuant to section 4123.351 of 525  
the Revised Code, that is sufficient to compel, or secure to 526  
injured employees, or to the dependents of employees killed, the 527  
payment of compensation and expenses, which shall in no event be 528  
less than that paid or furnished out of the state insurance fund 529  
in similar cases to injured employees or to dependents of killed 530  
employees whose employers contribute to the fund, except when an 531  
employee of the employer, who has suffered the loss of a hand, 532  
arm, foot, leg, or eye prior to the injury for which compensation 533  
is to be paid, and thereafter suffers the loss of any other of the 534  
members as the result of any injury sustained in the course of and 535  
arising out of the employee's employment, the compensation to be 536  
paid by the self-insuring employer is limited to the disability 537  
suffered in the subsequent injury, additional compensation, if 538  
any, to be paid by the bureau out of the surplus created by 539  
section 4123.34 of the Revised Code. 540

(E) In addition to the requirements of this section, the 541  
administrator shall make and publish rules governing the manner of 542  
making application and the nature and extent of the proof required 543  
to justify a finding of fact by the administrator as to granting 544  
the status of a self-insuring employer, which rules shall be 545  
general in their application, one of which rules shall provide 546  
that all self-insuring employers shall pay into the state 547  
insurance fund such amounts as are required to be credited to the 548  
surplus fund in division (B) of section 4123.34 of the Revised 549

Code. The administrator may adopt rules establishing requirements 550  
in addition to the requirements described in division (B)(2) of 551  
this section that a public employer shall meet in order to qualify 552  
for self-insuring status. 553

Employers shall secure directly from the bureau central 554  
offices application forms upon which the bureau shall stamp a 555  
designating number. Prior to submission of an application, an 556  
employer shall make available to the bureau, and the bureau shall 557  
review, the information described in division (B)(1) of this 558  
section, and public employers shall make available, and the bureau 559  
shall review, the information necessary to verify whether the 560  
public employer meets the requirements listed in division (B)(2) 561  
of this section. An employer shall file the completed application 562  
forms with an application fee, which shall cover the costs of 563  
processing the application, as established by the administrator, 564  
by rule, with the bureau at least ninety days prior to the 565  
effective date of the employer's new status as a self-insuring 566  
employer. The application form is not deemed complete until all 567  
the required information is attached thereto. The bureau shall 568  
only accept applications that contain the required information. 569

(F) The bureau shall review completed applications within a 570  
reasonable time. If the bureau determines to grant an employer the 571  
status as a self-insuring employer, the bureau shall issue a 572  
statement, containing its findings of fact, that is prepared by 573  
the bureau and signed by the administrator. If the bureau 574  
determines not to grant the status as a self-insuring employer, 575  
the bureau shall notify the employer of the determination and 576  
require the employer to continue to pay its full premium into the 577  
state insurance fund. The administrator also shall adopt rules 578  
establishing a minimum level of performance as a criterion for 579  
granting and maintaining the status as a self-insuring employer 580  
and fixing time limits beyond which failure of the self-insuring 581

employer to provide for the necessary medical examinations and 582  
evaluations may not delay a decision on a claim. 583

(G) The administrator shall adopt rules setting forth 584  
procedures for auditing the program of self-insuring employers. 585  
The bureau shall conduct the audit upon a random basis or whenever 586  
the bureau has grounds for believing that a self-insuring employer 587  
is not in full compliance with bureau rules or this chapter. 588

The administrator shall monitor the programs conducted by 589  
self-insuring employers, to ensure compliance with bureau 590  
requirements and for that purpose, shall develop and issue to 591  
self-insuring employers standardized forms for use by the 592  
self-insuring employer in all aspects of the self-insuring 593  
employers' direct compensation program and for reporting of 594  
information to the bureau. 595

The bureau shall receive and transmit to the self-insuring 596  
employer all complaints concerning any self-insuring employer. In 597  
the case of a complaint against a self-insuring employer, the 598  
administrator shall handle the complaint through the 599  
self-insurance division of the bureau. The bureau shall maintain a 600  
file by employer of all complaints received that relate to the 601  
employer. The bureau shall evaluate each complaint and take 602  
appropriate action. 603

The administrator shall adopt as a rule a prohibition against 604  
any self-insuring employer from harassing, dismissing, or 605  
otherwise disciplining any employee making a complaint, which rule 606  
shall provide for a financial penalty to be levied by the 607  
administrator payable by the offending self-insuring employer. 608

(H) For the purpose of making determinations as to whether to 609  
grant status as a self-insuring employer, the administrator may 610  
subscribe to and pay for a credit reporting service that offers 611  
financial and other business information about individual 612

employers. The costs in connection with the bureau's subscription 613  
or individual reports from the service about an applicant may be 614  
included in the application fee charged employers under this 615  
section. 616

(I) The administrator, notwithstanding other provisions of 617  
this chapter, may permit a self-insuring employer to resume 618  
payment of premiums to the state insurance fund with appropriate 619  
credit modifications to the employer's basic premium rate as such 620  
rate is determined pursuant to section 4123.29 of the Revised 621  
Code. 622

(J) On the first day of July of each year, the administrator 623  
shall calculate separately each self-insuring employer's 624  
assessments for the safety and hygiene fund, administrative costs 625  
pursuant to section 4123.342 of the Revised Code, and for the 626  
portion of the surplus fund under division (B) of section 4123.34 627  
of the Revised Code that is not used for handicapped 628  
reimbursement, on the basis of the paid compensation attributable 629  
to the individual self-insuring employer according to the 630  
following calculation: 631

(1) The total assessment against all self-insuring employers 632  
as a class for each fund and for the administrative costs for the 633  
year that the assessment is being made, as determined by the 634  
administrator, divided by the total amount of paid compensation 635  
for the previous calendar year attributable to all amenable 636  
self-insuring employers; 637

(2) Multiply the quotient in division (J)(1) of this section 638  
by the total amount of paid compensation for the previous calendar 639  
year that is attributable to the individual self-insuring employer 640  
for whom the assessment is being determined. Each self-insuring 641  
employer shall pay the assessment that results from this 642  
calculation, unless the assessment resulting from this calculation 643  
falls below a minimum assessment, which minimum assessment the 644

administrator shall determine on the first day of July of each 645  
year with the advice and consent of the bureau of workers' 646  
compensation board of directors, in which event, the self-insuring 647  
employer shall pay the minimum assessment. 648

In determining the total amount due for the total assessment 649  
against all self-insuring employers as a class for each fund and 650  
the administrative assessment, the administrator shall reduce 651  
proportionately the total for each fund and assessment by the 652  
amount of money in the self-insurance assessment fund as of the 653  
date of the computation of the assessment. 654

The administrator shall calculate the assessment for the 655  
portion of the surplus fund under division (B) of section 4123.34 656  
of the Revised Code that is used for handicapped reimbursement in 657  
the same manner as set forth in divisions (J)(1) and (2) of this 658  
section except that the administrator shall calculate the total 659  
assessment for this portion of the surplus fund only on the basis 660  
of those self-insuring employers that retain participation in the 661  
handicapped reimbursement program and the individual self-insuring 662  
employer's proportion of paid compensation shall be calculated 663  
only for those self-insuring employers who retain participation in 664  
the handicapped reimbursement program. The administrator, as the 665  
administrator determines appropriate, may determine the total 666  
assessment for the handicapped portion of the surplus fund in 667  
accordance with sound actuarial principles. 668

The administrator shall calculate the assessment for the 669  
portion of the surplus fund under division (B) of section 4123.34 670  
of the Revised Code that under division (D) of section 4121.66 of 671  
the Revised Code is used for rehabilitation costs in the same 672  
manner as set forth in divisions (J)(1) and (2) of this section, 673  
except that the administrator shall calculate the total assessment 674  
for this portion of the surplus fund only on the basis of those 675  
self-insuring employers who have not made the election to make 676

payments directly under division (D) of section 4121.66 of the Revised Code and an individual self-insuring employer's proportion of paid compensation only for those self-insuring employers who have not made that election.

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

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

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

(L) Every self-insuring employer shall certify, in affidavit 709  
form subject to the penalty for perjury, to the bureau the amount 710  
of the self-insuring employer's paid compensation for the previous 711  
calendar year. In reporting paid compensation paid for the 712  
previous year, a self-insuring employer shall exclude from the 713  
total amount of paid compensation any reimbursement the 714  
self-insuring employer receives in the previous calendar year from 715  
the surplus fund pursuant to section 4123.512 of the Revised Code 716  
for any paid compensation. The self-insuring employer also shall 717  
exclude from the paid compensation reported any amount recovered 718  
under section 4123.931 of the Revised Code and any amount that is 719  
determined not to have been payable to or on behalf of a claimant 720  
in any final administrative or judicial proceeding. The 721  
self-insuring employer shall exclude such amounts from the paid 722  
compensation reported in the reporting period subsequent to the 723  
date the determination is made. The administrator shall adopt 724  
rules, in accordance with Chapter 119. of the Revised Code, that 725  
provide for all of the following: 726

(1) Establishing the date by which self-insuring employers 727  
must submit such information and the amount of the assessments 728  
provided for in division (J) of this section for employers who 729  
have been granted self-insuring status within the last calendar 730  
year; 731

(2) If an employer fails to pay the assessment when due, the 732  
administrator may add a late fee penalty of not more than five 733  
hundred dollars to the assessment plus an additional penalty 734  
amount as follows: 735

(a) For an assessment from sixty-one to ninety days past due, 736  
the prime interest rate, multiplied by the assessment due; 737

(b) For an assessment from ninety-one to one hundred twenty 738  
days past due, the prime interest rate plus two per cent, 739  
multiplied by the assessment due; 740



(c) For an assessment from one hundred twenty-one to one hundred fifty days past due, the prime interest rate plus four per cent, multiplied by the assessment due; 741  
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(d) For an assessment from one hundred fifty-one to one hundred eighty days past due, the prime interest rate plus six per cent, multiplied by the assessment due; 744  
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(e) For an assessment from one hundred eighty-one to two hundred ten days past due, the prime interest rate plus eight per cent, multiplied by the assessment due; 747  
748  
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(f) For each additional thirty-day period or portion thereof that an assessment 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 assessment due. 750  
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(3) An employer may appeal a late fee penalty and penalty assessment to the administrator. 754  
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For purposes of 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. 756  
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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. 761  
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(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 765  
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by the self-insuring employer, and all amounts paid by a 772  
self-insuring employer for a violation of a specific safety 773  
standard pursuant to Section 35 of Article II, Ohio Constitution 774  
and section 4121.47 of the Revised Code. 775

(N) Should any section of this chapter or Chapter 4121. of 776  
the Revised Code providing for self-insuring employers' 777  
assessments based upon compensation paid be declared 778  
unconstitutional by a final decision of any court, then that 779  
section of the Revised Code declared unconstitutional shall revert 780  
back to the section in existence prior to November 3, 1989, 781  
providing for assessments based upon payroll. 782

(O) The administrator may grant a self-insuring employer the 783  
privilege to self-insure a construction project entered into by 784  
the self-insuring employer that is scheduled for completion within 785  
six years after the date the project begins, and the total cost of 786  
which is estimated to exceed one hundred million dollars or, for 787  
employers described in division (R) of this section, if the 788  
construction project is estimated to exceed twenty-five million 789  
dollars. The administrator may waive such cost and time criteria 790  
and grant a self-insuring employer the privilege to self-insure a 791  
construction project regardless of the time needed to complete the 792  
construction project and provided that the cost of the 793  
construction project is estimated to exceed fifty million dollars. 794  
A self-insuring employer who desires to self-insure a construction 795  
project shall submit to the administrator an application listing 796  
the dates the construction project is scheduled to begin and end, 797  
the estimated cost of the construction project, the contractors 798  
and subcontractors whose employees are to be self-insured by the 799  
self-insuring employer, the provisions of a safety program that is 800  
specifically designed for the construction project, and a 801  
statement as to whether a collective bargaining agreement 802  
governing the rights, duties, and obligations of each of the 803

parties to the agreement with respect to the construction project 804  
exists between the self-insuring employer and a labor 805  
organization. 806

A self-insuring employer may apply to self-insure the 807  
employees of either of the following: 808

(1) All contractors and subcontractors who perform labor or 809  
work or provide materials for the construction project; 810

(2) All contractors and, at the administrator's discretion, a 811  
substantial number of all the subcontractors who perform labor or 812  
work or provide materials for the construction project. 813

Upon approval of the application, the administrator shall 814  
mail a certificate granting the privilege to self-insure the 815  
construction project to the self-insuring employer. The 816  
certificate shall contain the name of the self-insuring employer 817  
and the name, address, and telephone number of the self-insuring 818  
employer's representatives who are responsible for administering 819  
workers' compensation claims for the construction project. The 820  
self-insuring employer shall post the certificate in a conspicuous 821  
place at the site of the construction project. 822

The administrator shall maintain a record of the contractors 823  
and subcontractors whose employees are covered under the 824  
certificate issued to the self-insured employer. A self-insuring 825  
employer immediately shall notify the administrator when any 826  
contractor or subcontractor is added or eliminated from inclusion 827  
under the certificate. 828

Upon approval of the application, the self-insuring employer 829  
is responsible for the administration and payment of all claims 830  
under this chapter and Chapter 4121. of the Revised Code for the 831  
employees of the contractor and subcontractors covered under the 832  
certificate who receive injuries or are killed in the course of 833  
and arising out of employment on the construction project, or who 834

contract an occupational disease in the course of employment on 835  
the construction project. For purposes of this chapter and Chapter 836  
4121. of the Revised Code, a claim that is administered and paid 837  
in accordance with this division is considered a claim against the 838  
self-insuring employer listed in the certificate. A contractor or 839  
subcontractor included under the certificate shall report to the 840  
self-insuring employer listed in the certificate, all claims that 841  
arise under this chapter and Chapter 4121. of the Revised Code in 842  
connection with the construction project for which the certificate 843  
is issued. 844

A self-insuring employer who complies with this division is 845  
entitled to the protections provided under this chapter and 846  
Chapter 4121. of the Revised Code with respect to the employees of 847  
the contractors and subcontractors covered under a certificate 848  
issued under this division for death or injuries that arise out 849  
of, or death, injuries, or occupational diseases that arise in the 850  
course of, those employees' employment on that construction 851  
project, as if the employees were employees of the self-insuring 852  
employer, provided that the self-insuring employer also complies 853  
with this section. No employee of the contractors and 854  
subcontractors covered under a certificate issued under this 855  
division shall be considered the employee of the self-insuring 856  
employer listed in that certificate for any purposes other than 857  
this chapter and Chapter 4121. of the Revised Code. Nothing in 858  
this division gives a self-insuring employer authority to control 859  
the means, manner, or method of employment of the employees of the 860  
contractors and subcontractors covered under a certificate issued 861  
under this division. 862

The contractors and subcontractors included under a 863  
certificate issued under this division are entitled to the 864  
protections provided under this chapter and Chapter 4121. of the 865  
Revised Code with respect to the contractor's or subcontractor's 866

employees who are employed on the construction project which is 867  
the subject of the certificate, for death or injuries that arise 868  
out of, or death, injuries, or occupational diseases that arise in 869  
the course of, those employees' employment on that construction 870  
project. 871

The contractors and subcontractors included under a 872  
certificate issued under this division shall identify in their 873  
payroll records the employees who are considered the employees of 874  
the self-insuring employer listed in that certificate for purposes 875  
of this chapter and Chapter 4121. of the Revised Code, and the 876  
amount that those employees earned for employment on the 877  
construction project that is the subject of that certificate. 878  
Notwithstanding any provision to the contrary under this chapter 879  
and Chapter 4121. of the Revised Code, the administrator shall 880  
exclude the payroll that is reported for employees who are 881  
considered the employees of the self-insuring employer listed in 882  
that certificate, and that the employees earned for employment on 883  
the construction project that is the subject of that certificate, 884  
when determining those contractors' or subcontractors' premiums or 885  
assessments required under this chapter and Chapter 4121. of the 886  
Revised Code. A self-insuring employer issued a certificate under 887  
this division shall include in the amount of paid compensation it 888  
reports pursuant to division (L) of this section, the amount of 889  
paid compensation the self-insuring employer paid pursuant to this 890  
division for the previous calendar year. 891

Nothing in this division shall be construed as altering the 892  
rights of employees under this chapter and Chapter 4121. of the 893  
Revised Code as those rights existed prior to September 17, 1996. 894  
Nothing in this division shall be construed as altering the rights 895  
devolved under sections 2305.31 and 4123.82 of the Revised Code as 896  
those rights existed prior to September 17, 1996. 897

As used in this division, "privilege to self-insure a 898

construction project" means privilege to pay individually 899  
compensation, and to furnish medical, surgical, nursing, and 900  
hospital services and attention and funeral expenses directly to 901  
injured employees or the dependents of killed employees. 902

(P) A self-insuring employer whose application is granted 903  
under division (O) of this section shall designate a safety 904  
professional to be responsible for the administration and 905  
enforcement of the safety program that is specifically designed 906  
for the construction project that is the subject of the 907  
application. 908

A self-insuring employer whose application is granted under 909  
division (O) of this section shall employ an ombudsperson for the 910  
construction project that is the subject of the application. The 911  
ombudsperson shall have experience in workers' compensation or the 912  
construction industry, or both. The ombudsperson shall perform all 913  
of the following duties: 914

(1) Communicate with and provide information to employees who 915  
are injured in the course of, or whose injury arises out of 916  
employment on the construction project, or who contract an 917  
occupational disease in the course of employment on the 918  
construction project; 919

(2) Investigate the status of a claim upon the request of an 920  
employee to do so; 921

(3) Provide information to claimants, third party 922  
administrators, employers, and other persons to assist those 923  
persons in protecting their rights under this chapter and Chapter 924  
4121. of the Revised Code. 925

A self-insuring employer whose application is granted under 926  
division (O) of this section shall post the name of the safety 927  
professional and the ombudsperson and instructions for contacting 928  
the safety professional and the ombudsperson in a conspicuous 929

place at the site of the construction project. 930

(Q) The administrator may consider all of the following when 931  
deciding whether to grant a self-insuring employer the privilege 932  
to self-insure a construction project as provided under division 933  
(O) of this section: 934

(1) Whether the self-insuring employer has an organizational 935  
plan for the administration of the workers' compensation law; 936

(2) Whether the safety program that is specifically designed 937  
for the construction project provides for the safety of employees 938  
employed on the construction project, is applicable to all 939  
contractors and subcontractors who perform labor or work or 940  
provide materials for the construction project, and has as a 941  
component, a safety training program that complies with standards 942  
adopted pursuant to the "Occupational Safety and Health Act of 943  
1970," 84 Stat. 1590, 29 U.S.C.A. 651, and provides for continuing 944  
management and employee involvement; 945

(3) Whether granting the privilege to self-insure the 946  
construction project will reduce the costs of the construction 947  
project; 948

(4) Whether the self-insuring employer has employed an 949  
ombudsperson as required under division (P) of this section; 950

(5) Whether the self-insuring employer has sufficient surety 951  
to secure the payment of claims for which the self-insuring 952  
employer would be responsible pursuant to the granting of the 953  
privilege to self-insure a construction project under division (O) 954  
of this section. 955

(R) As used in divisions (O), (P), and (Q), "self-insuring 956  
employer" includes the following employers, whether or not they 957  
have been granted the status of being a self-insuring employer 958  
under division (B) of this section: 959

(1) A state institution of higher education;	960
(2) A school district;	961
(3) A county school financing district;	962
(4) An educational service center;	963
(5) A community school established under Chapter 3314. of the Revised Code;	964 965
(6) A municipal power agency as defined in section 3734.058 of the Revised Code.	966 967
(S) As used in this section:	968
(1) "Unvoted debt capacity" means the amount of money that a public employer may borrow without voter approval of a tax levy;	969 970
(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.	971 972 973 974 975 976 977
<b>Sec. 4123.37. <del>In</del> <u>(A) As used in this section "amenable:</u></b>	978
(1) <u>"Amenable employer" has the same meaning as "employer" as defined in division (J) of section 4123.32 of the Revised Code.</u>	979 980
(2) <u>"Assessment" means any determination by the administrator of workers' compensation that a specific sum of money is owed by an employer under this chapter or Chapter 4121., 4127., or 4131. of the Revised Code, except for amounts owed by an employer pursuant to section 4123.75 of the Revised Code.</u>	981 982 983 984 985
(B) <del>If the administrator of workers' compensation</del> finds that any person, firm, or private corporation, including any public service corporation, is, or has been at any time after January 1,	986 987 988



1923, an amenable employer and has not complied with section 989  
4123.35 of the Revised Code the administrator shall determine the 990  
period during which the person, firm, or corporation was an 991  
amenable employer and shall forthwith give notice of the 992  
determination to the employer. Within twenty days thereafter the 993  
employer shall furnish the bureau of workers' compensation with 994  
the payroll covering the period included in the determination and, 995  
if the employer is an amenable employer at the time of the 996  
determination, shall pay a premium security deposit for the eight 997  
months next succeeding the date of the determination and shall pay 998  
into the state insurance fund the amount of premium applicable to 999  
such payroll. 1000

If the employer does not furnish the payroll and pay the 1001  
applicable premium and premium security deposit within the twenty 1002  
days, the administrator shall forthwith make an assessment of the 1003  
premium due from the employer for the period the administrator 1004  
determined the employer to be an amenable employer including the 1005  
premium security deposit according to section 4123.32 of the 1006  
Revised Code if the employer is an amenable employer at the time 1007  
of the determination, basing the ~~assessment~~ amount due upon the 1008  
information in the possession of the administrator. 1009

(C) The administrator shall give to the employer assessed 1010  
written notice of ~~the~~ an assessment and include in that notice a 1011  
demand for payment in accordance with this division. The notice 1012  
shall be mailed to the employer at the employer's residence or 1013  
usual place of business by certified mail. Unless the employer to 1014  
whom the notice of assessment is directed files with the bureau 1015  
within twenty days after receipt thereof, a petition in writing, 1016  
verified under oath by the employer, or the employer's authorized 1017  
agent having knowledge of the facts, setting forth with 1018  
particularity the items of the assessment objected to, together 1019  
with the reason for the objections, the assessment shall become 1020

conclusive and the amount thereof shall be due and payable from 1021  
the employer so assessed ~~to the state insurance fund~~. When a 1022  
petition objecting to an assessment is filed the bureau shall 1023  
assign a time and place for the hearing of the same and shall 1024  
notify the petitioner thereof ~~by certified mail~~. When an employer 1025  
files a petition the assessment made by the administrator shall 1026  
become due and payable ten days after the bureau sends notice of 1027  
the finding made at the hearing ~~has been sent by certified mail~~ to 1028  
the party assessed. An employer may first appeal an adverse 1029  
decision to the administrator or the designee of the administrator 1030  
as provided in section 4123.291 of the Revised Code, and 1031  
subsequently an appeal may be taken from any finding to the court 1032  
of common pleas of Franklin county upon the execution by the party 1033  
assessed of a bond to the state in ~~double~~ the amount found due and 1034  
ordered paid by the bureau conditioned that the party will pay any 1035  
judgment and costs rendered against it for the premium assessment. 1036

(D) When no petition objecting to an assessment is filed or 1038  
when a finding is made affirming or modifying an assessment after 1039  
hearing, a certified copy of the assessment as affirmed or 1040  
modified may be filed by the administrator in the office of the 1041  
clerk of the court of common pleas in any county in which the 1042  
employer has property or in which the employer has a place of 1043  
business. The clerk, immediately upon the filing of the 1044  
assessment, shall enter a judgment for the state against the 1045  
employer in the amount shown on the assessment. The judgment may 1046  
be filed by the clerk in a loose leaf book entitled "special 1047  
judgments for state insurance fund." The judgment shall bear the 1048  
same rate of interest, have the same effect as other judgments, 1049  
and be given the same preference allowed by law on other judgments 1050  
rendered for claims for taxes. An assessment or judgment under 1051  
this section shall not be a bar to the adjustment of the 1052  
employer's account upon the employer furnishing the employer's 1053

payroll records to the bureau. 1054

(E) The administrator, for good cause shown, may waive a 1055  
default in the payment of premium where the default is of less 1056  
than sixty days' duration, and upon payment by the employer of the 1057  
premium for the period, the employer and the employer's employees 1058  
are entitled to all of the benefits and immunities provided by 1059  
this chapter. 1060

**Sec. 4123.411.** (A) For the purpose of carrying out sections 1061  
4123.412 to 4123.418 of the Revised Code, the administrator of 1062  
workers' compensation, with the advice and consent of the bureau 1063  
of workers' compensation board of directors, shall levy an 1064  
assessment against all employers at a rate, ~~of at least five but~~ 1065  
not to exceed ten cents per one hundred dollars of payroll, such 1066  
rate to be determined annually for each employer group listed in 1067  
divisions (A)(1) to (3) of this section, which will produce an 1068  
amount no greater than the amount the administrator estimates to 1069  
be necessary to carry out such sections for the period for which 1070  
the assessment is levied. In the event the amount produced by the 1071  
assessment is not sufficient to carry out such sections the 1072  
additional amount necessary shall be provided from the income 1073  
produced as a result of investments made pursuant to section 1074  
4123.44 of the Revised Code. 1075

Assessments shall be levied according to the following 1076  
schedule: 1077

(1) Private fund employers, except self-insuring 1078  
employers--in January and July of each year upon gross payrolls of 1079  
the preceding six months; 1080

(2) Counties and taxing district employers therein, except 1081  
county hospitals that are self-insuring employers--in January of 1082  
each year upon gross payrolls of the preceding twelve months; 1083

(3) The state as an employer--in January, April, July, and 1084  
October of each year upon gross payrolls of the preceding three 1085  
months. 1086

Amounts assessed in accordance with this section shall be 1087  
collected from each employer as prescribed in rules the 1088  
administrator adopts. 1089

The moneys derived from the assessment provided for in this 1090  
section shall be credited to the disabled workers' relief fund 1091  
created by section 4123.412 of the Revised Code. The administrator 1092  
shall establish by rule classifications of employers within 1093  
divisions (A)(1) to (3) of this section and shall determine rates 1094  
for each class so as to fairly apportion the costs of carrying out 1095  
sections 4123.412 to 4123.418 of the Revised Code. 1096

(B) For all injuries and disabilities occurring on or after 1097  
January 1, 1987, the administrator, for the purposes of carrying 1098  
out sections 4123.412 to 4123.418 of the Revised Code, shall levy 1099  
an assessment against all employers at a rate per one hundred 1100  
dollars of payroll, such rate to be determined annually for each 1101  
classification of employer in each employer group listed in 1102  
divisions (A)(1) to (3) of this section, which will produce an 1103  
amount no greater than the amount the administrator estimates to 1104  
be necessary to carry out such sections for the period for which 1105  
the assessment is levied. The administrator annually shall 1106  
establish the contributions due from employers for the disabled 1107  
workers' relief fund at rates as low as possible but that will 1108  
assure sufficient moneys to guarantee the payment of any claims 1109  
against that fund. 1110

Amounts assessed in accordance with this division shall be 1111  
billed at the same time premiums are billed and credited to the 1112  
disabled workers' relief fund created by section 4123.412 of the 1113  
Revised Code. The administrator shall determine the rates for each 1114  
class in the same manner as the administrator fixes the rates for 1115

premiums pursuant to section 4123.29 of the Revised Code. 1116

(C) For a self-insuring employer, the bureau of workers' 1117  
compensation shall pay to employees who are participants 1118  
regardless of the date of injury, any amounts due to the 1119  
participants under section 4123.414 of the Revised Code and shall 1120  
bill the self-insuring employer, semiannually, for all amounts 1121  
paid to a participant. 1122

**Section 2.** That existing sections 4121.30, 4123.20, 4123.29, 1123  
4123.291, 4123.35, 4123.37, and 4123.411 and section 4121.18 of 1124  
the Revised Code are hereby repealed. 1125

**Section 3.** Section 4123.35 of the Revised Code is presented 1126  
in this act as a composite of the section as amended by Sub. H.B. 1127  
123, Am. Sub. H.B. 153, and Sub. S.B. 171 of the 129th General 1128  
Assembly. The General Assembly, applying the principle stated in 1129  
division (B) of section 1.52 of the Revised Code that amendments 1130  
are to be harmonized if reasonably capable of simultaneous 1131  
operation, finds that the composite is the resulting version of 1132  
the section in effect prior to the effective date of the section 1133  
as presented in this act. 1134