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## ***Detailed Fiscal Analysis***

Under current law, employers of longshore and harbor workers are required to pay workers' compensation premiums under both the federal Longshore and Harbor Workers' Compensation Act (LHWCA) and Ohio's Workers' Compensation Law. The bill excludes individuals covered by the LHWCA from the definition of "employee" for the purposes of Ohio's Workers' Compensation Law, thereby exempting them from the requirement to pay premiums to the Bureau of Workers' Compensation (BWC) under state law. However, under the bill, employers may choose to continue to provide longshore and harbor workers with coverage under the state law.

Currently, BWC has concurrent jurisdiction over longshore and harbor worker employers who pay premiums under both the state and federal laws. Premiums under the state law are collected under National Council on Compensation Insurance (NCCI) manual classification 7772, relating to longshore and harbor workers, and deposited into the State Insurance Fund (SIF) along with the premiums collected from other employers. Premiums under the LHWCA are deposited into the Marine Industry Fund (Fund 823), and benefits paid from this fund are subject to federal law. As the bill exempts employers from paying premiums under state law, the bill has no effect on premiums collected by or benefits disbursed from the Marine Industry Fund. Only the State Insurance Fund is affected.

According to BWC, during 2006, there were 124 employers reporting payroll to manual 7772, paying \$1,116,063 in premiums to the State Insurance Fund. If none of these employers opts to continue coverage under state law, the SIF would forgo collecting approximately this amount in premiums, depending on any changes in coverage or actuarial actions. The effect on the SIF is expected to be revenue neutral, since while the fund would no longer be collecting premiums from LHWCA employers, it would also no longer have to pay benefits to them from the SIF.

Additionally, it is possible that BWC may experience a slight decrease in costs to the Administrative Cost Fund (Fund 023) if it no longer has to administer coverage of longshore and harbor workers under state law. However, this will also depend on how many employers choose to continue state coverage as well as LHWCA coverage.

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