BWC Board Approves Rate Cuts For Private Employers

The Bureau of Workers' Compensation Board of Directors approved a rate cut for private employers Thursday that's expected to decrease annual premiums by $113 million next year.

The 8.6% reduction in overall average rates is the latest in a series of cuts to premiums since 2011, according to the bureau. Rates are now a combined 28.2% lower than five years ago.

BWC Administrator/CEO Steve Buehrer said in a statement that private employers will be paying $463 million less annually than at the beginning of 2011, and that the combined rate cuts, rebates and credits to both private and public sector employers before Thursday's cuts have totaled $4.3 billion.

"Since 2011, BWC has moved from being a barrier to success for Ohio's businesses to becoming a partner in economic growth, making life simpler and cheaper for employers," Mr. Buehrer said. "Our conservative fiscal policies, attention to safety, and strong investment management have resulted in billions of dollars in rate cuts, rebates and other savings."

The cuts will take effect July 1, according to the bureau. The cut is a statewide average, and the actual rates businesses will pay vary.

A BWC committee made the recommendation for the cuts last month. (See Gongwer Ohio Report, February 25, 2016)

In September, the BWC board voted to cut rates for local government employers by 9%. (See Gongwer Ohio Report, September 24, 2015)

Since 2011, local governments and schools have seen more than $670 million in savings from rate reductions, rebates, credits and a safety grant program, and those entities are paying their lowest rates in more than 30 years, according to the bureau.

Mr. Buehrer also told the board Thursday about other ways the bureau has cut costs for businesses, including saving start-ups $25 million by providing a discount to new policies and early entry into group-experience rating, according to the BWC.

Mr. Buehrer also said injury claims have fallen 9% over the past five years, making Ohio's injury rates lower than the national average and all surrounding states.

- See more at: http://www.gongwer-oh.com/programming/news.cfm?article_id=850520205#sthash.qPHHOm3d.dpuf