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### **BWC Board of Directors Approves Five-Percent Rate Reduction**

COLUMBUS – The Ohio Bureau of Workers' Compensation (BWC) Board of Directors today unanimously approved a five-percent overall premium rate decrease for private employers, effective July 1, 2008. The reduction is the first premium rate decrease for Ohio's private employers since 2001.

"The rate decrease is the result of a consistent reduction of claims and lower medical costs," said BWC Administrator Marsha Ryan. "This rate reduction, along with our efforts to comprehensively improve Ohio's workers' compensation system, provides relief for Ohio's private employers who are striving to remain competitive in a difficult economy."

A BWC actuarial analysis recommended the change to the Private Employer (PA) rate, which will result in an actuarial sound rate level. Additionally, the change will meet a requirement that BWC set the lowest possible rates of premium, consistent with the maintenance of a solvent state insurance fund.

BWC Chief Actuarial Officer John Pedrick stated to the board, "A five-percent decrease is consistent with the desire to soften the peaks and valleys of our annual rate changes in order to increase rate stability while also reflecting the underlying costs and keeping rates low."

The average five-percent rate change will impact employers based on their manual classification. Some manual classifications will realize a rate reduction higher than five percent, while other manual classifications may experience an increase. The Board of Directors expects to discuss state agency rates for the term beginning July 1, 2008, at a future meeting.

In addition, the actuarial firm of Deloitte Consulting LLP will perform a comprehensive study to review the effectiveness of all rate-related programs and how they interact with one another. Deloitte's study will also assess BWC's financial strengths and weaknesses. The board expects the study to be complete in December 2008, with some findings complete as soon as June 2008.

Also, in accordance with Governor Ted Strickland's Executive Order to improve Ohio's regulatory environment, BWC reviewed rules associated with the Public Employment Risk Reduction Program. As a result, it made several modifications and eliminated 14 rules. BWC is undergoing a comprehensive review of its rules and other regulatory processes to identify further efficiencies.

For more information about BWC programs and services, visit [ohiobwc.com](http://ohiobwc.com).

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