



## Group Retrospective Rating Program – Fact Sheet

A performance-based incentive program designed to recover a portion of premium for the ability to reduce injury rates to employees and lower associated claim costs

### Program Overview

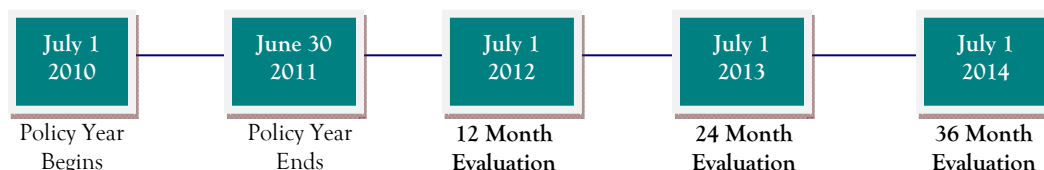
OHCA's Group Retrospective Rating Plan is a voluntary performance-based incentive program, designed to reward participants that are able to keep their claim costs below a predetermined amount. Group members continue to pay their individual premium; however, they have the opportunity to receive retrospective premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. Group Retro is not for every employer. Employers may be assessed additional premium if they are **not** committed to improving workplace safety and accident prevention and/or do not take appropriate action to reduce the frequency and severity of accidents involving their employees.

### Eligibility Requirements

- Private, state-funded employer or public employer taxing district (self-insured and state agency public employers are not eligible)
- Current on any and all premium payments, administrative costs, assessments, fines or amounts owed to the Ohio Bureau of Workers' Compensation (BWC)
- Active coverage by the application deadline
- No cumulative lapses in coverage in excess of 40 days within the 12 months preceding the application deadline
- May not be a member of more than one retro group or a retro and non-retro group
- Homogeneous with the industry group of the retro group

### Premium Review (Refunds & Assessments)

A group's retrospective premium will be recalculated at 12, 24, and 36 months after the end of the policy year. At the end of each period, the BWC will take a snap-shot of the incurred claims losses (indemnity, medical and reserves) for the entire group and calculate the group's retrospective premium (minimum premium plus developed losses\*). If the retrospective premium that is calculated is less than the group's total standard premium, the participants will receive a refund. However, if the retrospective premium is greater than the group's total standard premium, an assessment will be levied by BWC. Each group limits the maximum assessment by selecting a premium cap between 5% - 100% of merit rated premium.



\* developed losses = incurred losses multiplied by BWC development factor

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## Sample Premium Calculation

Standard Premium for Group	\$4,000,000
Minimum Premium (assume 25%)	\$1,000,000
+ Developed Losses (incurred losses x BWC development factor)	\$2,500,000
= Retrospective Premium (minimum premium + developed losses)	\$3,500,000
Group Refund (Standard Premium – Retro Premium)	\$500,000

**Note:** Incurred losses used in the retrospective premium will be limited to \$500,000 per claim and do not include surplus or VSSR costs. Salary continuation payments will also not be included, but the associated reserve will be included in the calculation).

## Application and Enrollment

Each employer within the sponsor’s group will need to complete an Employer Statement Form (U-153) stating their intention to participate in Group Retro.

Employer Type	Program Enrollment Deadline	Removal Notification	Coverage Period
Private Employer	last Friday in April	Prior to 1st Monday in February	July 1, 2010 – June 30, 2011

## Compatibility with other BWC Programs

While participating in the Group Retrospective Rating Plan, employers **cannot** participate in the programs listed below for injuries that occur during that policy year:

- Individual retrospective rating plan
- \$15,000 Medical Only Program
- Deductible Program
- One Claim Program
- Group Rating Plan

*Note: Salary continuation may be utilized while participating in a group retrospective rating program*

## CompManagement’s Program

- Superior Claims Management and Cost Control Services
- eTEAM - web-based interactive resource for clients providing real-time access to claim information on a 24/7 basis
- Safety & Loss Control Consulting Services

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