

## **4123-17-24 Other states coverage policy.**

### **(A) Definitions.**

For purposes of this rule:

- (1) "Other states coverage policy (OSCP)" is the policy offered by the bureau under section 4123.292 of the Revised Code to provide optional coverage to eligible Ohio employers for workers' compensation exposures in states other than Ohio.
- (2) "Contracting carrier" means the insurer providing other states coverage through the bureau.
- (3) "Limited other states coverage" is insurance coverage for eligible Ohio employers who have employment relationships localized in Ohio but whose employees have incidental exposures in jurisdictions outside Ohio.
- (4) "Other states coverage" is insurance coverage for eligible Ohio employers who have regular or full time employment exposure in jurisdictions outside of Ohio.

### **(B) OSCP application.**

- (1) An employer wishing to obtain an OSCP shall complete an application, which shall be provided by the bureau of workers' compensation. The application shall require the employer to submit the declaration page or the certificate of coverage of any previous or existing other states policy if an employer has had or currently has a policy covering its exposure out of state.
- (2) The bureau shall not process an incomplete application, and no application shall be deemed complete until all information requested by the bureau in connection with the application is supplied.
- (3) The bureau may make reasonable inspections of an applicant's place of business and of any records applicable to ensuring proper classification code assignment to the policy or to review loss prevention or safety programs pertinent to reaching a decision regarding an application for coverage. The bureau will provide advanced notice to the employer of any such inspection.
- (4) To be eligible for an OSCP, an employer must meet the following criteria:
  - (a) The employer must be headquartered or primarily located in Ohio;
  - (b) The employer must have an active state fund workers' compensation policy with the bureau;
  - (c) The employer's Ohio policy cannot have lapsed in the twelve months prior to the date the application was received; and
  - (d) The employer's Ohio policy cannot have past due balances at the time of application or renewal.
- (5) The bureau shall establish underwriting guidelines for determining whether to approve or deny an application. In addition to the requirements set forth in (B)(4) of this section, the bureau's underwriting guidelines may consider the following:
  - (a) The applicant's history with the bureau, including compliance with applicable workers' compensation laws and rules, payment of premiums and assessments, safety record, and experience ratings; and

(b) The applicant's history with coverage through any insurer for workers compensation in any jurisdiction other than Ohio, including copies of existing policy declaration pages, premium payment records, claims history, safety record, and experience modification history, if any.

(6) The following employers are not eligible for an OSCP:

(a) Self-insuring employers providing compensation and benefits pursuant to section 4123.35 of the Revised Code;

(b) Temporary employment agencies or other staffing entities;

(c) PEOs as defined in Chapter 4125. of the Revised Code, and each of the PEOs' client employers.

(7) The bureau has the authority, in the administrator's discretion, to approve or deny an OSCP application. The decision of the administrator is final.

(a) In the event that an employer is denied an OSCP, the bureau will provide written documentation of the reason for denial;

(b) An employer may reapply once the reason for denial is remedied.

(C) Premium payment and policy issuance.

(1) An employer whose application for coverage is approved by the bureau will receive a quote for the cost of coverage. If the employer elects to obtain coverage, the bureau shall issue an OSCP only after the following:

(a) The bureau's receipt of premium payment required for the OSCP; and

(b) If an employer has previously had a policy covering its exposure out of state, submission of proof of cancellation of the existing policy or the expiration date of the previous policy.

(2) Coverage under an OSCP will not be effective until the OSCP is issued.

(a) The bureau will issue the policy within five business days of receipt of premium;

(b) Coverage would become effective per the effective date of the policy as issued by the contracting carrier.

(D) OSCP renewal.

(1) An employer wishing to renew its OSCP shall complete the renewal application, which will be provided by the bureau. The bureau shall establish a deadline for the renewal application.

(2) The bureau shall deny an employer's renewal application if the employer is not eligible for coverage under this rule at the time of renewal.

(3) The premium for the OSCP renewal period shall be received by the bureau prior to the expiration of the previous policy period.

(4) Receipt of a renewal premium after the expiration of the previous policy will be considered late and may result in a lapse. If the bureau received an insured employer payment late, the bureau may, in the administrator's discretion, reinstate the coverage of such employer as of the date of receipt of payment or may require the employer to submit a new OSCP application. In no event shall the bureau grant

retroactive coverage with respect to any lapse period.

- (5) The bureau has the authority, in the administrator's discretion, to deny an employer's renewal application. The decision of the administrator is final.

(E) Audits and inspection.

- (1) An OSCP shall expire per the terms of the policy issued by the contracting carrier, unless otherwise cancelled as set forth in this rule.
- (2) An employer with an OSCP shall complete a final audit at the conclusion of each OSCP term and upon cancellation as required by the terms of the OSCP.
- (3) In the event of a claim filed in a jurisdiction outside Ohio, the bureau may make reasonable inspection of an applicant's place of business and of any records necessary to secure information for the purpose of determining compensability of such claim.
- (4) Any audit shall be conducted in accordance with rule 4123-17-17 of Administrative Code.
- (5) Adjustments to premium may be made based on the results of any audit. The employer shall pay any balance due within the timelines established by the bureau.
- (6) If the employer refuses or otherwise fails to cooperate with an audit by the bureau, the bureau may estimate the insured's payroll. Any estimated payroll pursuant to this section may result in an adjustment of premium.
- (7) In the event of an audit dispute, the bureau will make reasonable efforts with the insured to resolve the disputed findings.
- (8) If resolution between the bureau and the insured cannot be made, the audit findings can be appealed to the extent allowable under the laws and procedures of the jurisdiction for which coverage is being provided.

(F) Policy cancellation.

- (1) An OSCP may be canceled for any of the following reasons:
  - (a) Employer misrepresentation regarding its operations;
  - (b) Employer fraud;
  - (c) Employer failure to complete a final audit or pay any amounts due as a result of a final audit;
  - (d) Any past due balance owed for the OSCP;
  - (e) Refusal on the part of the insured to permit reasonable audits or inspections; or
  - (f) Any reason the contracting carrier is authorized to cancel a policy, as established by the laws of the jurisdiction for which coverage is being provided.
- (2) An OSCP may be canceled under the laws and procedures of the jurisdiction for which coverage is being provided.
  - (a) Notice of cancellation will be provided as required by the laws and procedures of the jurisdiction for which coverage is being provided;

(b) A policy cancellation can be appealed to the extent allowable under the laws and the procedures of the jurisdiction for which coverage is being provided.

(G) Use of loss and payroll information.

(1) If an employer is issued an OSCP for limited other states coverage, the bureau may use the historic experience period losses and reported payroll from the employer's OSCP in the calculation of the employer's Ohio experience modifier.

(2) If an employer is issued an OSCP for other states coverage, the payroll and claims information from the OSCP policy shall not be included in the calculation of the employer's Ohio experience modifier.

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