

4123-19-15 Assessment for self-insuring employers' guaranty fund.

- (A) The bureau of workers' compensation shall require self-insuring employers to pay a contribution to the self-insuring employers' guaranty fund as provided in this rule. The contributions due from self-insuring employers shall be established at rates as low as possible but such as will ensure sufficient monies to guarantee the payment of any claims against the fund. All self-insuring employers who are paying compensation as defined by division (L) of section 4123.35 of the Revised Code, whether active or inactive as a self-insuring employer, are required to pay a contribution to the self-insuring employers' guaranty fund as provided in this rule.
- (B) The bureau shall maintain a minimum balance of funds in the self-insuring employers' guaranty fund of one and a quarter times the prior year's payments from the fund as determined at the end of each calendar year to ensure sufficient monies to guarantee the payment of any claims against the fund. When the bureau determines that there are insufficient funds in the guaranty fund and an assessment is necessary to ensure the minimum balance in the fund, the bureau shall assess all self-insuring employers an annual contribution as determined by the administrator to maintain the minimum balance. Annual contributions will not be assessed to all self-insuring employers when the bureau determines that the fund exceeds the minimum amount necessary to guarantee the payment of any claims against the fund, except as provided in paragraph (C) of this rule.
- (C) In addition to any contribution required of all self-insuring employers as provided in paragraph (B) of this rule, the contribution to the self-insuring employers' guaranty fund shall be as follows:
- (1) New self-insuring employers, for each of the first three years of self-insurance, shall be assessed six per cent of base rate premium as reported on the total of the last two full six-month semi-annual payroll reports submitted as a subscriber to the state insurance fund. This assessment shall not apply to entities added to the coverage of an existing self-insuring risk after the first three years of self-insurance of the existing risk.
 - (2) A self-insuring employer identified as a high risk employer by the bureau shall be assessed six per cent of the previous year's paid compensation as reported to the bureau.

The assessment shall not be less than \$5,000 for any twelve-month period of coverage. All annual premiums to the self-insuring employers' guaranty fund are due and shall be collected within forty-five days from the receipt of the bureau's invoice. Self-insuring employers not making timely payments shall be subject to revocation of self-insuring employer status.
- (D) As used in this rule, the bureau shall determine whether a self-insuring employer is a "high risk" employer based upon a review of the self-insuring employer's certified financial records submitted with the application for self-insuring employer renewal. The bureau's analysis and determination may include, but is not limited to, a review of the self-insuring employer's equity to debt ratio, return on equity, Z-score, and a Moody's rating, or other nationally recognized financial rating of the long term stability of a company.

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