



News Release

Ohio Bureau of Workers' Compensation

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For immediate release

OVERSIGHT COMMISSION VOTES DOWN BWC DIVIDEND

COLUMBUS —The Ohio Workers' Compensation Oversight Commission today voted not to concur with the Ohio Bureau of Workers' Compensation's (BWC) recommendation to grant a one-time percent dividend on upcoming employer premium bills. Based on its projected \$606 million surplus balance, BWC recommended an 8 percent dividend worth \$70 million in savings to Ohio's employers. Three of the four voting commission members voted no, with a fourth member abstaining, thus defeating the recommendation.

For bills covering the January 1, 2005 through June 30, 2005 billing cycle, employers will be required to pay their full premium. In order to help employers manage these bills, BWC will reinstitute its "50-50 Payment Plan," which allows employers to pay half their bill by the end of August with the other half due in November.

Since 1995, employers have received over \$10 billion in one-time dividends from BWC. For the previous billing cycle, employers received a 20 percent dividend. Dividends are never guaranteed and employers are always cautioned to budget for their full premium amounts. BWC determines dividend recommendations based on its latest surplus balances generated by investment returns. Over the last decade, investment returns have averaged 16.5 percent per year.

The State Insurance Fund remains fully funded with a surplus balance. The fund earned 8.5 percent during calendar year 2004 even with the recorded losses associated with the MDL investment. BWC will re-evaluate the surplus balance in November prior to making a recommendation to the commission for bills due for the next six month reporting period.

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