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Insurance, Commerce and Labor - Chairman
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Health, Human Services and Aging
Judiciary – Civil Justice

Memorandum

To: Bureau of Workers' Compensation Board of Directors
From: Senator Steve Buehrer
Date: Friday, October 22, 2009
Re: Workers' Compensation Group rating changes

The Senate Insurance, Commerce and Labor Committee held a hearing on October 20th to discuss changes to the Bureau of Workers' Compensation. During this hearing, Administrator Ryan updated the committee on the Deloitte study and also the plans to further reduce the group rating maximum discount.

During this hearing, there was also an opportunity for public reaction to her testimony. During this time many groups came forward to express how the current and proposed changes will affect their businesses. As you deliberate on the proposal for additional changes, I wanted to provide you with the public testimony which we received.

Having considered the proposed changes as well as reviewed the testimony from a number of organizations, I remain concerned that this is no time to go forward with rate changes that will mean premium increases for nearly half of Ohio's employers. Large and small employers across our state are struggling to keep their doors open and their employees working. This proposal which will divert more funds to workers' compensation taxes and away from job creation will only serve as a further detriment to job growth and economic recovery. Although I respect many of the actions the board has taken, this challenging time is not a period when we should be increasing government's burden on so many businesses.

For these reasons, I would join the voices of so many others who have asked you to postpone further rate increases through a reduction of the maximum group discount rate and the expansion of the so-called "break-even factor" tax. With this year's already approved changes not being felt by employers until December, I would ask that you hold off on making further reductions until the full effect of the most recent change has been felt and understood by employers.

Please feel free to contact me with any further questions you may have or if you wish to appear before our committee at a future meeting.