

Bureau of Workers' Compensation

OVERVIEW

The Ohio Bureau of Workers' Compensation (BWC) administers the largest exclusive workers' compensation system in the United States, with assets of some \$25.2 billion. An exclusive system is one in which only the state, not private insurers, provides workers' compensation coverage to business and industry. Ohio's workers' compensation system comprises two agencies: BWC as the insurance provider, and the Ohio Industrial Commission (OIC), which adjudicates disputed claims.

The State Insurance Fund balance for fiscal year 2000 is \$6.4 billion, up from \$5.2 billion in fiscal year 1999. Current annual premium and assessment income from private and public employers throughout the state amounts to \$2.1 billion. Premium payments cover the cost of workers' compensation insurance, while the additional Administrative Cost Fund (ACF) assessments charged to employers support BWC and OIC operations. At the moment, BWC maintains claims reserves of \$13.6 billion to cover future wage loss and medical benefits to injured workers. About two-thirds of Ohio's work force (private, state and local government employers) receive their workers' compensation coverage from BWC. Ohio's remaining workers are insured by employers that qualify to self-insure for workers' compensation; self-insured employers pay into a surety fund with BWC to guarantee against losses.

The Governor appoints the administrator, who in turn is assisted by a nine-member Advisory Commission, comprising representatives from business and labor, as well as legislators. Currently, BWC employs 3,095 people. BWC is organized into six programs consisting of ten functional divisions. There are twenty-one BWC service offices statewide, in addition to the Columbus headquarters.

The executive funding recommendations for the biennium are \$303,582,198 in FY 2002, and \$316,597,161 in FY 2003.