

4123-17-62

**Application for group experience rating.**

(A) A sponsoring organization shall make application for group experience rating on a form provided by the bureau and shall complete the application in its entirety with all documentation attached as required by the bureau. If the sponsoring organization fails to include all pertinent information, the bureau will reject the application.

(1) The group application shall be signed each year by an officer of the sponsoring organization to which the members of the group belong, and the sponsoring organization shall identify each individual employer in the group in the AC-25 application and shall provide information on each employer as follows:

(a) All employers which were in the group in the previous rating year. The employer does not need to file an AC-26 form.

(b) All employers which were not in the group in the previous rating year, but were in another group of the same sponsoring organization for the previous rating year. The employer does not need to file an AC-26 form.

(c) All employers which were not in the group in the previous rating year, and were not in another group of the same sponsoring organization for the previous rating year. The employer must file an AC-26 form for the group. Effective July 1, 2009 for private employer groups and January 1, 2010 for public employer taxing district groups, the sponsoring organization does not need to file the AC-26 form with the bureau, but shall maintain the original AC-26 form at the sponsoring organization to be available to the bureau upon the bureau's request. The AC-26 must be date stamped by the group rating filing deadline.

(2) In a separate report, or on the AC-25 form in a manner that clearly distinguishes the employers which are in the group from those which are not in the group, the sponsoring organization shall provide information on each employer as follows:

(a) All employers which were in the group in the previous rating year and are no longer in the group, but are in another group of the same sponsoring organization. The employer does not need to file an AC-26 form.

(b) All employers which were in the group in the previous rating year, are no longer in the group, and are not in another group of the same sponsoring organization. If the employer is participating in group rating

with another sponsoring organization, the employer must file an AC-26 form for that group.

- (3) An individual employer's application for group rating (AC-26) is applicable for the upcoming policy year and all subsequent policy years where the employer remains in the same group or another group sponsored by the same sponsoring organization. The employer does not need to file a new AC-26 each year where the employer remains in any group sponsored by the same sponsoring organization, whether it is the same group as the previous rating year or a new group of the same sponsoring organization. The employer must file an AC-26 if the employer applies for group rating with a different sponsoring organization or was not participating in group rating the previous rating year. Where an employer files a new AC-26 during an application period, it shall be presumed that the latest filed AC-26 of the employer indicates the employer's intentions for group rating. The employer's AC-26 shall remain effective until any of the following occurs:
- (a) The employer timely files a subsequent AC-26 indicating the desire to participate in a group with a different sponsor for the upcoming policy year;
  - (b) The sponsoring organization for the group does not include the employer on the group roster (AC-25);
  - (c) The group does not reapply for group rating or is rejected for failure to meet group eligibility requirements; or
  - (d) The employer fails to meet individual eligibility requirements and is rejected from participation in the group for the purpose of group rating by the bureau.
- (4) The bureau may request of individual employers or the group additional information necessary for the bureau to rule upon the application for group coverage. Failure or refusal of the group to provide the requested information on the forms or computer formats provided by the bureau shall be sufficient grounds for the bureau to reject the application and refuse the group's participation in group experience rating. Individual employers who are not included on the final group roster or do not have an individual employer application (AC-26) for the same group or another group sponsored by the same sponsoring organization on file by the application deadline will not be considered for the group plan for that policy year; however, the bureau may waive this requirement for good cause shown due to clerical or administrative error, so long as no employer is added to a group after the application

deadline. All rosters, computer formats or typewritten, must be submitted by the application deadline.

- (5) A sponsoring organization shall notify an employer that is participating in a group of that sponsoring organization if the employer will not be included in a group by that sponsoring organization for the next rating year. For private employer groups, the sponsoring organization shall notify the employer in writing prior to the first Monday in February of the year of the group application deadline; except that for 2009 only, the sponsoring organization shall notify the employer in writing by April 6, 2009. For public employer taxing district groups, the sponsoring organization shall notify the employer in writing prior to the second Friday of August of the year of the group application deadline, except that for rating year 2010 only, the sponsoring organization shall notify the employer in writing by September ~~16~~ 28, 2009. If an employer notifies the bureau that a sponsoring organization has not complied with this rule and the sponsoring organization fails to prove that the notice was provided in a timely manner, the bureau will, without the approval of the sponsoring organization, allow the employer to remain in the group for the rating year for which the notice was required. If that group no longer exists the bureau will, without the approval of the sponsoring organization, place the employer in a homogeneous group with the same sponsoring organization or take other appropriate action.
- (B) For public employer taxing districts, applications for group coverage shall be filed on or before the last Friday of August of the year immediately preceding the rating year, except that for rating year 2010 only, the application for group coverage shall be filed on or before ~~September 30~~ October 9, 2009. For private employers, applications for group coverage shall be filed on or before the last business day of February of the year of the July first beginning date for the rating year; except that for 2009 only, the application for group coverage shall be filed on or before April 24, 2009.
- (C) A group's application for group rating is applicable to only one policy year. The group must reapply each year for group coverage. Continuation of a plan for subsequent years is subject to timely filing of an application on a yearly basis and the meeting of eligibility requirements each year; however, an individual employer member of a continuing group who initially satisfied the homogeneous requirement of paragraph (B)(3) of rule 4123-17-61 of the Administrative Code shall not be disqualified from participation in the continuing group for failure to continue to satisfy such requirement.
- (D) The application shall be filed in the risk technical services section of the bureau of workers' compensation, Columbus, Ohio.

- (E) The application for any group to participate in group experience rating is optional with the group, subject to acceptance by the bureau. Once a group has applied for group rating, the organization may not voluntarily terminate the application during the bureau's evaluation period. All changes to the original application must be filed on a bureau form provided for the application for the group experience rating plan and must be filed prior to the filing deadline. Any rescissions made must be completed in writing, signed by an officer of the organization to which the members of the group belong, and filed prior to the filing deadline. The group may make no changes in the application after the last day for filing the application. Any changes received by the bureau after the filing deadline will not be honored. The latest application form or rescission received by the bureau prior to the filing deadline will be used in determining the premium obligation.
- (F) In reviewing the group's application, if the bureau determines that individual employers in the group do not meet the eligibility requirements for group rating, the bureau will notify the individual employers and the group of this fact, and the group may continue in its application for group coverage without the disqualified employers, if the group still satisfies the minimum requirements for group rating as provided in rule 4123-17-61 of the Administrative Code.
- (G) After the group application deadline but before the end of the policy year for the group, the sponsoring organization may notify the bureau that it wishes to remove an employer from participation in the group. The sponsoring organization may request that the employer be removed from the group after the application deadline only for the employer's gross misrepresentation on its application to the group.
- (1) "Gross misrepresentation" is an act by the employer that would cause financial harm to the other members of the group. Gross misrepresentation is limited to any of the following:
- (a) Where the sponsoring organization discovers that the employer applicant for group rating has recently merged with one or more entities, such that the merger adversely affects the employer's experience modification and adversely affects the experience modification of the group, and the employer did not disclose the merger on the employer's application for membership in the group.
  - (b) Where the sponsoring organization discovers that the employer applicant for group rating has failed to disclose the true nature of the employer's business pursuit on its application for membership in the group, and this failure adversely affects the experience modification of the group.

- (2) Where the sponsoring organization requests that an employer be removed from the group, the burden of proof is on the sponsoring organization to provide documentation. The bureau shall review the request to remove the employer from the group, and the employer shall be removed from the group only upon the bureau's consent.

Effective: 09/12/2009

CERTIFIED ELECTRONICALLY

---

Certification

09/01/2009

---

Date

Promulgated Under: 111.15  
Statutory Authority: 4121.121, 4121.13, 4121.30  
Rule Amplifies: 4123.29  
Prior Effective Dates: 10/2/90; 11/11/91; 9/14/92; 1/1/95; 7/1/96; 12/10/96;  
11/17/97; 11/8/99; 7/1/01; 1/1/02; 7/1/02; 12/1/02;  
2/7/09, 3/30/09; 8/10/09