



Representative Michael E. Henne
Ohio House District 40

Sponsor Testimony – HB 459
January 24th, 2018

Chairman Brinkman, Ranking Member Bocchieri and members of the Insurance Committee, thank you for the opportunity to present HB 459, Group Self-Insurance.

A self-insurance group is a method by which small to medium sized employers within the same industry can pool their workers' compensation liability together and spread it amongst multiple employers. Many self-insured employers can disperse their risk within their own company and have the means to meet the financial obligations of their workers' compensation program. By allowing employers to group together, they can have the same characteristics of the employers that are self-insured.

Benefits of self-insurance groups:

- Demonstrated cost savings: Faster return to work timeframes and loss control programs
- Predictable workers' compensation rates for employers who may be bidding for contracts
- Greater continuity with and accountability for medical providers
- Reduced service confusion and communication challenges
- No more multiple MCOs injured workers may have to deal with

Many associations already have industry wide self-insured health plans, retirement plans, and safety and training programs to attract skilled workers. Yet, workers' compensation is the only "insurance" benefit that is not coordinated through a self-determination approach.

Ohio is one of just 10 states that do not allow group self-insured workers' compensation, creating a competitive disadvantage with our neighboring states of Michigan, Pennsylvania, Kentucky and West Virginia, and the Midwestern states of Illinois, Missouri, Iowa, Minnesota, Kansas, and Nebraska who all allow group self-insurance.

This is a rare occasion of business and unions aligned on an issue. Creating a loss transfer mechanism lowers the overall costs for the benefit of employers, employees, and customers. The bill gives businesses more options in Ohio, and leaves determination of criteria and eligibility up to the BWC administrator.

Committees:

Insurance- Vice Chair
Education
Ways and Means

www.ohiohouse.gov
77 S. High Street, Columbus, Ohio 43215-6111

Contact Information:

Office: 614-644-8051
Toll-Free: 1-800-282-0253
FAX: 614-719-3590
Email: rep40@ohiohouse.gov