



**House Bill 207: Workers' Compensation Subrogation
Written Testimony
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Chairman Hottinger and members of the Ohio Senate Insurance Committee, thank you for the opportunity to provide written testimony regarding workers' compensation subrogation legislation, House Bill 207 (HB 207). The Greater Cleveland Partnership (GCP) and its small business division, the Council of Smaller Enterprises (COSE), represent the most comprehensive small, middle market, and large business organization in the state with more than 8,500 business members in Northeast Ohio. On behalf of our members, we appreciate the opportunity to provide support for HB 207.

Nearly 4,000 of our members participate in a workers' compensation program, which provides them the opportunity to receive discounts on their workers' compensation premiums via a group rating program. In addition to premium savings, participants in the program have access to safety and claims management services as well as legal representation in contested workers' compensation cases – which are available to businesses not participating in a group rating program as well – all in an effort to help business owners keep their workplaces safe and their costs low.

HB 207 would allow a state fund employer to have a workers' compensation claim (when based on a motor vehicle accident involving a third party) to be paid from the surplus fund account in the state insurance fund rather than charged to the employer's experience. In short, HB 207 would add language to Ohio Revised Code that states the criteria for a workers' compensation claim to be charged to the surplus fund and not impact the employer's experience.

Currently when a subrogation case occurs, the experience on an employer's record can negatively impact a small business' bottom line and their ability to join group rating or continue their discounted group rating status. And, today, if that employer was to have another small claim registered, the employer is not eligible for the one loss forgiveness program and their rates can be affected adversely.

If a third party subrogated claim were charged to the surplus fund account, as suggested by HB 207, the claim can be resolved without any impact on a small business' experience. This would protect employers from being unreasonably penalized due to motor vehicle accidents which were not their fault and which they could not have prevented. Greater stability in premium costs, for those that are impacted, will especially benefit small business owners and can be the difference between a profitable enterprise and a small business that is struggling and in dire need of capital.

The goal of the bill is to: create a balance between the numerous interests involved in these types of accidents, maintain the integrity of the state fund by limiting this process to instances where there is clear fault and an entity to subrogate against, and not impact the treatment or compensation that injured workers receive.

Therefore, we recommend support for HB 207 in an effort to strengthen Ohio by providing for a positive economic development environment that creates opportunity for all. We appreciate the attention paid to this issue and welcome the opportunity to continue working with you on an issue that will serve Ohio well.