

# **KKSG & Associates, Inc.**

**Kenny • Keister • Stehlik • Georgic**

Workers' Compensation • Claims and Actuarial Service

## **OHIO STATE FUND SERVICE AGREEMENT**

Agreement dated \_\_\_\_\_, this service between **KKSG & Associates, Inc.** and  
**Brecksville Broadview Hts Schools**

PREFACE: A state fund program provides an excellent opportunity to control workers compensation costs. An important aspect of the rate making process is the implementation of an aggressive risk management program consisting of appropriate medical controls, coordination of rehabilitation services, claims administration and an effective management information system.

**KKSG & Associates, Inc.** will perform third party administration functions essential to the success of your risk management program. Ours is a result oriented cost management program which embraces our performance of the following functions:

### **CLAIMS ADMINISTRATION**

#### **KKSG & Associates, Inc. will:**

- Review and document all valid claim applications for benefits.
- Provide consultation and guidance relative to the cost implications of questionable claims.
- Assist in obtaining outside investigation of alleged incidents, or questionable activity during payment of compensation claims. The cost for private investigation services will be in addition to services covered by this agreement.
- Assist with the preparation of forms and documents for filing with the Bureau of Workers' Compensation and the Industrial Commission as required in a timely manner.
- Assist the employer in filing timely response to Bureau inquiries.
- Set up independent medical examinations (IME) and write IME letter to physician for opinions relative to the extent and degree of disability and excessive medical treatment as necessary.
- Obtain medical records from the authorized MCO and/or providers for claim preparation.
- Monitor and refer claims for rehabilitation services in all serious injury cases.
- Meet as scheduled to provide and review all open claims with summaries of charges, current status, and plan for speedy resolution.
- Attend experience rated administrative hearings unless you hire an attorney. We shall assist your counsel and provide estimated cost and ultimate exposure projections.
- Review all claims for handicap reimbursement and pursue recovery through the hearing process.
- Verify and audit premium rates assessed by the Ohio BWC and protest incorrect charges, reserves and experience payroll. If KKSG is authorized for claim matters only, we will assist you in the protest process.
- Initiate settlement negotiations to remove reserves.
- Evaluate and recommend coverage options and discount opportunities.
- Review Ohio NCCI assigned payroll manuals to determine classification(s).

## **MEDICAL CONTROLS**

### **KKSG & Associates, Inc. will:**

- Review all claim activity to determine the relationship of the service performed to the allowed injury and appeal to the MCO when not appropriate.
- Work with your MCO to resolve any denied or rejected medical bills.
- Set up second medical opinion with approval from employer. (direct cost to be paid by employer)
- Monitor the services rendered the injured worker and his physical response to these services for early return to work.

## **REHABILITATION SERVICES**

### **KKSG & Associates, Inc. will:**

- Monitor claim activity to identify rehabilitation potential for early referral.
- Monitor rehabilitation consultant reports for employees' earliest possible return to work. Consult with the employer as to the cost benefit of returning the employee to transitional or modified work.

## **MANAGEMENT INFORMATION SYSTEM**

### **KKSG & Associates will:**

- Provide monthly reports of active indemnity claims. Complete workers' compensation experience reports including estimates of future liabilities are also available on request.
- Provide a summary of payments as reported by the Ohio BWC.
- Provide specific loss information to your insurance broker or agent as requested.

## **ANCILLARY SERVICES**

In addition to the services outlined above, **KKSG & Associates, Inc.** can provide or coordinate ancillary services under separate fee arrangements. These services include, but are not necessarily limited to:

- Unemployment compensation cost control services.

## **GENERAL**

### **KKSG & Associates, Inc. will:**

- Provide prompt and reliable replies to all telephone or written inquiries from your staff.
- Keep you informed of any legislative actions or other developments, which would affect your participation in the workers' compensation system and/or alter the potential impact of this social insurance obligation upon your financial resources.
- Assign an Account Manager to your organization for personal service.
- Periodically meet with your designated personnel to evaluate workers' compensation trends and recommend affirmative action where needed.
- The Employer is responsible for returning the original documents (applications, etc.) by the deadline established by the Bureau of Workers' Compensation, and the Industrial Commission.

**The Employer will:**

1. Designate an internal employee(s) to administer the worker's compensation program.
2. Maintain a system of internal controls and communicate the importance of such controls to employees.
3. Ensure the confidentiality of any user IDs and passwords assigned to them for use with the Ohio BWC website and request revocation of access privileges as a component of the employee termination process.
4. Notify KKSG immediately of any actual or suspected security breaches, including compromised user accounts.
5. Provide KKSG with all information required to administer claims in a timely fashion including but not limited to: first report of injury, responses to KKSG inquiries, return to work status, and death or termination of employment.
6. Maintain claim files in accordance with regulatory requirements.
7. The employer will notify KKSG immediately if contacted by the Ohio BWC directly. This includes claim inquiries, requests for an audit of payroll records and manual classification assignments and VSSR investigation.
8. Notify KKSG of all changes in operations including acquisitions, mergers, divestitures, corporate structure changes or changes in the nature of operations and products/ services provided.

**Agreement Service Fees**

The fee for services provided shall be paid within thirty days of receipt of an invoice and shall be invoiced as follows:

**Annual Amount: \$6,000 – Group Retro Plan**  
**Billing: Semi-Annual payments, in advance.**

**Term of Service Agreement**

The agreement is effective on \_\_\_\_\_ and shall continue for a term of not less than one year. After one year, either party may terminate the agreement by providing written notice within thirty days to the other party.

**CANCELLATION PROVISION: KKSG & Associates, Inc. GUARANTEES satisfaction. If you are dissatisfied for any reason you may cancel this agreement.**

KKSG & Associates/Inc. 

By: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_

## Group Retrospective Rating

*an alternative rating solution producing significant results for schools*

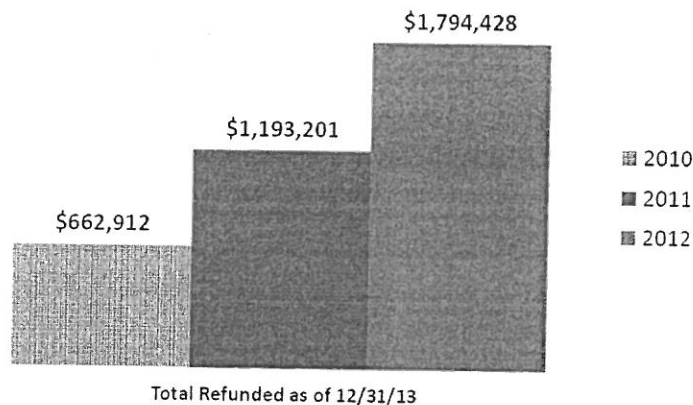
As an Ohio Bureau of Workers' Compensation (BWC) certified sponsor, Ohio SchoolComp offers Group Retrospective Rating as another alternative rating program to assist members in reducing their workers' compensation premium. The program is administered by CompManagement, Inc., a leader in Ohio's workers' compensation third party administration.

Group Retrospective Rating offers an opportunity for districts that may not qualify for Group Rating or only qualify for a low discount and have an increased emphasis on safety and claims management. Similar to Group Rating, districts are grouped together to achieve premium refunds based on the performance of the group. However, districts continue to pay their own individual merit-rated premium to the BWC and depending on the performance, the participating districts can receive either a retrospective premium refund or assessment (maximum assessment selected per group).

### Why is Ohio SchoolComp different from other programs?

#### Consistent Performance and Growth!

More districts have chosen the Ohio SchoolComp Group Retrospective Rating program administered by CompManagement. The program has seen consistent growth since implementation in 2010. But more important than number enrolled, Ohio SchoolComp's program offers the premium base necessary to offset the impact of claims incurred during the policy year. Retrospective refunds are achieved when the standard premium of the group exceeds the developed claims costs. To date, districts enrolled have shared in over **\$3.6m of refunds** by participating in the program.



### Will the move to prospective billing by BWC have an impact on my savings potential?

With the move to prospective billing, BWC has approved a 50% transition credit for the 1/1/2015 – 12/31/2015 rating year and a 50% transition credit for the 1/1/2016 – 12/31/2016 rating year, payable in 2016. As both premiums will become due in 2016, with a 50% reduction to each, your combined premiums should be consistent with a typical fiscal year (assuming similar program election and discounts). As the Group Retrospective Rating program performance will be calculated on the full amount of standard premium, enrolling in Group Retrospective Rating may provide an opportunity for savings beyond a traditional group rating plan.

*Select a program that best suits your risk tolerance as well as one with the depth of knowledge and expertise in the public employer industry. To see how CompManagement's results compare to others in the industry managing a Group Retrospective Rating program for schools, please see the reverse side of this document.*

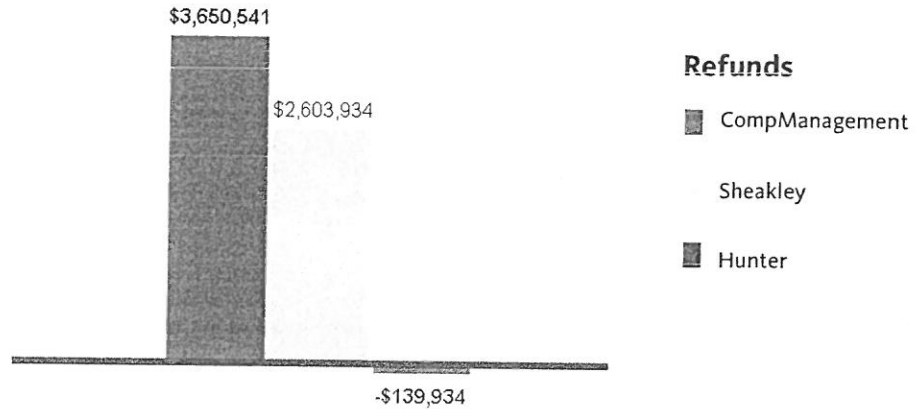
- OVER -

May 2014

# How do school programs administered by CompManagement compare to others?

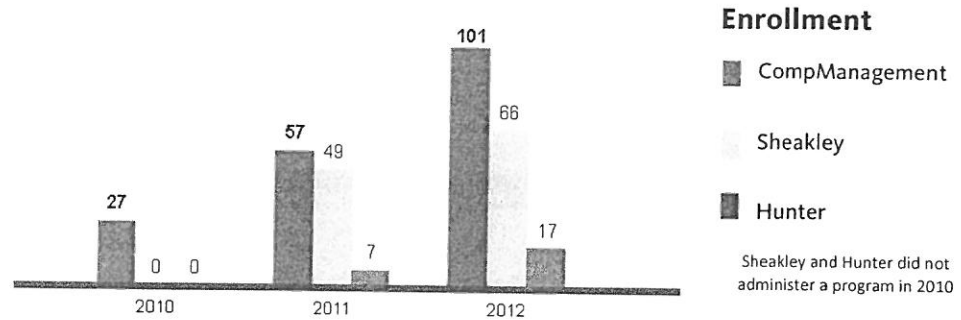
Compare the results!

CompManagement's program has refunded **more** premium dollars to participating school district members than any other program available for schools.

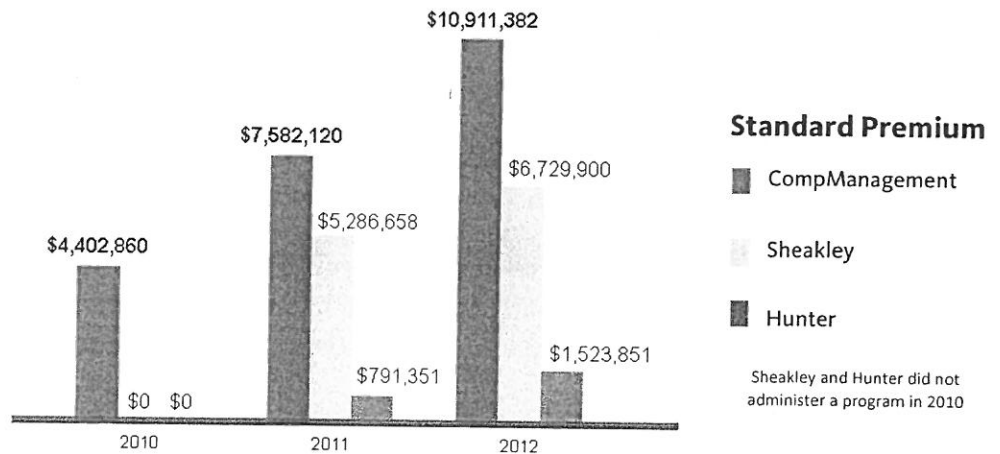


\* Amounts are based on refunds earned as of 12/31/13 (negative amount equals assessment issued)

**More** schools choose CompManagement as their trusted advisor for Group Retrospective Rating than any other in the industry.



Groups administered by CompManagement are **larger** offering less risk to your district should an unexpected claim occur impacting the group.



## Questions about the program?

To learn more about the Ohio SchoolComp program, please contact any of the following representatives:  
**CompManagement:** Tony Sharrock, Client Services Manager 614.376.5450 - Tony.Sharrock@sedgwickcms.com  
**OASBO:** Barbara Shaner, Associate Executive Director 614.431.9116 - barbara@oasbo-ohio.org  
**OSBA:** Van Keating, Director of Management Services 614.540.4000 - vkeating@ohioschoolboards.org



Instructions

- Please print or type.
- Please return completed statement to the attention of the sponsoring organization you are joining.

The group administrator's third-party administrator will submit your original U-153 to:

Ohio Bureau of Worker's Compensation

Att: employer programs unit

30 W. Spring St., 22nd Floor

Columbus, OH 43215-2256

- If you have any questions, please call BWC at (614) 466-67731

NOTE: This application must be reviewed and approved by BWC's employers programs unit BEFORE it becomes effective.

Employer Name <b>BRECKSVILLE-BROADVIEW HGTS SCHOOLS</b>		Telephone number <b>4407404015</b>	BWC policy number <b>31850851</b>
Address <b>6638 MILL RD</b>	City <b>BRECKSVILLE</b>	State <b>OH</b>	9-digit Zip Code <b>44141</b>

Group Retrospective Rating Program Enrollment

I agree to comply with the Ohio Bureau of Workers' Compensation Group Retrospective Rating Program rules (Ohio Administrative Rule 4123-17-73). I understand that my participation in the program is contingent on such compliance.

This form super-sedes any previously executed U-153.

I understand that only a BWC Group Retrospective Rating Program certified sponsor can offer membership into the program. I also understand that if the sponsoring organization listed below, is not certified, this application is null and void.

I am a member of the Ohio Association of School Business Officials and a member of Ohio School Boards Association sponsoring organizations or a certified affiliate organization and would like to be included in the Group-Retrospective-Rating Program it sponsors for the policy year beginning January 1, 2015. I understand the employer roster submitted by the group will be the final, official determination of the group in which I will or will not participate. Submission of their form does not guarantee participation.

I understand that the organization's representative CompManagement, Inc. #000900-80 (currently, as determined by the organization) is the only representative I may have in risk-related matters while I remain a member of the group. I also understand that the representative for the Group Retrospective Rating Program will continue as my individual representative in the event that I no longer participate in the program. At the time I am no longer a member of the group, I understand that I must file an AC-2, permanent authorization form, in order to cancel or change individual representation.

I understand a new U-153 shall be filed each policy year I participate in the Group-Retrospective-Rating Program.

I am associated with the sponsoring organization or a certified affiliate sponsoring organization  Yes  No  
Ohio Assoc of School Business Officials Retro Grp 718838  
Name of sponsor or affiliate sponsor Sponsor or affiliate sponsor policy number

Note: For injuries that occur during the period an employer is enrolled in the Group Retrospective Rating Program, employers may not utilize of participate in the Deductible Program, Group Rating, Retrospective Rating, Safety Council Discount Program, \$15,000 Medical-Only Program, or the Drug-Free Safety Program.

Certification

\_\_\_\_\_ certifies that he/she is the \_\_\_\_\_ of \_\_\_\_\_  
(Officer name) President / Vice Pres / Secretary Treasurer / Owner / Partner (Title)

\_\_\_\_\_, the employer referred to above, and  
that all of \_\_\_\_\_  
(Employer name)

the information is true to the best of his/her knowledge, information, and belief, after careful investigation.



# compmanagement

## 2015 Group Retrospective Rating Enrollment Questionnaire

School District: BRECKSVILLE-BROADVIEW HGTS SCHOOLS  
 Policy #: 31850851

To make sure that you are placed in the most appropriate group, it is imperative that you answer the following and return this questionnaire with your other materials. If you have any questions, please feel free to contact our Customer Support Unit at (800) 825-6755, option 3

1) Do you have a written safety plan?	Yes	No
2) Do you have a safety professional on staff?	Yes	No
Name _____ Phone _____		
If No, do you contract safety services with a third party?	Yes	No
If Yes, whom? _____		
3) Do you have a transitional work program (light/modified duty that allows an injured employee to return to work and accommodates any physical restrictions)?	Yes	No
4) Do you offer salary continuation (direct payment of lost time to injured employee that prevents the cost of compensation and its associated reserve from impacting premium rates)?	Yes	No
5) In the coming year, does this organization plan to restructure its organization or acquire all or part of another Ohio operation or the assets of another operation?	Yes	No
If Yes, please provide more details including if business will be sold, purchasing all or just part of another organization, name of that organization and policy number if known:		
_____		
_____		

6) Describe any planned or recent changes in management of your workers' comp program or safety management practices

\_\_\_\_\_

\_\_\_\_\_

**Certification of Employer-** I certify that the above information is true to the best of my knowledge and that this form will allow CompManagement to validate my enrollment qualifications.

Print Name \_\_\_\_\_ Title \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

**If your address or contact information has changed, please provide all corrections here:**

	Current Information on File	Updated Information
Contact Name	LARRY TOMEK	
Address	6638 MILL RD	
City	BRECKSVILLE	
State	OH	
Zip Code	44141	
Phone	4407404015	
Fax	4407404004	
E-mail	tomecl@bbhcsd.org	





## PERMANENT AUTHORIZATION

TO:  Risk Technical Department (L-22)  
 Self-Insured Section (L-26)

Policy number
31806551
Entity
Brecksville Broadview Schools
DBA
Address
6638 Mill Road
Brecksville, Ohio 44141

NOTE: For this to be a VALID letter, it must be stamped by Risk Underwriting or by the Self-Insured Department for self-insured employers.

This is to certify that effective, **KKSG & Associates, Rep. I.D. 1805-80** including its agents or representatives identified to you by them, has been retained to represent us before the Bureau of Workers' Compensation and the Ohio Industrial Commission in any and all matters pertaining to our participation in the Workers' Compensation Fund according to the type of representation checked below. Please check the type of representation desired. See description of representatives on side 2.

<b>Type of Authorized Representation</b>	
<input type="checkbox"/>	Employer Risk/Claim Representative (ERC)
<input type="checkbox"/>	Risk Management Representative (RISK)
<input type="checkbox"/>	Claim Management Representative (CLM)

This authorization supersedes all permanent authorizations on file for the type of representation indicated above.

I understand and agree any letters, requests, and actions initiated by a superseded authority will be processed completely.

I understand that this authorization, now being granted, is of a continuous nature from the effective date indicated herein. However, I possess the right to terminate this authorization at any time through written notification to the Risk Underwriting or Self-Insured Department as appropriate.

Telephone number	Fax number	E-mail address
Print name and title	Employer signature	Date



# 1/1/2015 PROJECTED WORKERS' COMPENSATION EXPERIENCE AND PREMIUM

BRECKSVILLE-BROADVIEW HGTS SCHOOLS

POLICY: 31850851-000

## Claims Experience Costs valued as of 06/30/2014

Claim	Claimant Name	Indemnity	Medical	Reserve	Type	HC %	Unlimited Losses	Modified Losses*
10-801005	PISKAC, BONNIE J	0	913	0	05		913	913
10-802767	GATES, RANDOLPH E	0	2,341	0	05		2,341	2,341
10-805880	RUST, LOUISE T	0	4,657	0	05	20	4,657	3,726
10-824060	BARKER, NADINE	53,740	44,391	51,548	09	10	149,679	123,750
10-329766	VONDERAU, DALE L	14,688	45,969	0	09	5	60,657	57,883
10-861186	LEMASTERS, DONALD R	78,218	75,367	44,069	09	50	197,654	68,750
11-809673	VONDERAU, DALE L	1,566	2,128	3,857	09		7,551	7,551
11-315232	PROCHASKA, DONNA M	0	2,425	0	05		2,425	2,425
11-342875	BOHURJAK, THOMAS N	10,886	3,061	0	09		13,947	13,947
11-348040	BLOGNA, JACQUELYN	39,270	102,667	117,211	09	40	259,148	85,380
12-822530	JAJOWKA, PAMELA J	6,134	4,843	0	09		10,977	10,977
12-849819	BROADBENT, ANDREW C	7,497	13,800	0	05		21,297	21,297
12-353041	CORVIN, WILLIAM N	2,152	872	0	05		3,024	3,024
13-817768	ROBINSON-FIGUEROA, S	2,478	2,945	0	05		5,423	5,423
13-333080	BJELANOVIC, RUZA	0	0	0			0	0
	2010 Med Only (17)	0	11,722	0			11,722	11,722
	2011 Med Only (13)	0	17,827	0			17,827	17,827
	2012 Med Only (21)	0	28,879	236			29,115	29,115
	2013 Med Only (18)	0	18,324	1,879			20,203	20,203
		<b>216,629</b>	<b>383,131</b>	<b>218,800</b>			<b>818,560</b>	<b>486,254</b>

\* Maximum Claim Cost: \$137,500

## Claim Cost by Calendar Year of Injury

Year	# Lost Time Claims	# Med Only Claims	Indemnity	Medical	Reserve	Unlimited Losses	Modified Losses*
2010	6	17	146,646	185,360	95,617	427,623	269,085
2011	4	13	51,722	128,108	121,068	300,898	127,130
2012	3	21	15,783	48,394	236	64,413	64,413
2013	2	18	2,478	21,269	1,879	25,626	25,626
	<b>15</b>	<b>69</b>	<b>216,629</b>	<b>383,131</b>	<b>218,800</b>	<b>818,560</b>	<b>486,254</b>

## Expected Loss Development

Manual	4 Year Payroll	X	ELR Rate	=	Expected Losses (TEL)	X	LLR Rate	=	Limited Losses (TLL)
9434	122,435,516		0.0025		306,089		0.9492		290,540
	<b>122,435,516</b>				<b>306,089</b>				<b>290,540</b>

## Experience Rating Formula

Modified Losses (TML)	--	Limited Losses (TLL)	=	Difference	Difference / TLL	X	Credibility %	=	TM %	+ 1 =	EM %
486,254	--	290,540	=	195,714	0.6736	X	38	=	26	+ 1 =	126

**1/1/2015 PROJECTED WORKERS' COMPENSATION EXPERIENCE AND PREMIUM**

BRECKSVILLE-BROADVIEW HGTS SCHOOLS

POLICY: 31850851-000

Individual Premium Estimate										Projected Individual TM%: 26%	
Manual	Annual Payroll	Baserate	Base Premium	Indv'l Mod Prem. Rate	Plan Discount	Discount Prem. Rate	Admin Cost	DWRF I & II	Total Rate	Annual Premium	
9434	31,685,244	0.72	228,133	0.91			0.0916	0.0607	1.0623	336,592	
	<u>31,685,244</u>		<u>228,133</u>							<u>336,592</u>	

**KKSG & Associates, Inc.**

**Kenny • Keifer • Stehlik • Georgic**

Workers' Compensation • Claims and Actuarial Service

**Group Retro**

**Prospective Billing Analysis 1.1.16**

BRECKSVILLE SCHOOLS Assumptions: \$31.7 M Annual Payroll (Estimated 2012)

Policy # 31850851 50% Credit for Prem and Admin Cost

Date: 8.8.14

Annual Premium: 336,592

Base Rate Premium: 228,133

Experience Mod 1.26

**Prospective Billing Analysis Impact for 1.1.15 Policy Year - Timeline**

5.15.14 Payroll Report Due for 2013 - No change

5.15.15 Payroll Report Due for 2014 - No change

5.15.16 Payroll Report Due for 2015 - 50% Credit

1st Prospective Payment Due for 2016 - 50% Credit

12.31.16 1st installment Due for 2017 - Deferred Program to be Determined by BWC

9.1.16 - 2nd Billing Due

State Fund Plan	Full Premium	50% Credit	Prem Liability
	\$336,592	\$168,296	\$168,296
		Fixed Cost	
		Reward	

Group Retro Plan

Full Premium 50% Credit 4 Yr Projected Refund 52%

\$336,592 \$168,296 \$149,473

Prem w/o

Admin Dwrf Risk

\$287,448

4 Yr Projected Assessment 15%

Group Retro Plan \$336,592 \$168,296 \$43,117 \$211,413