

**KKSG & Associates, Inc.**

**Kenny • Keister • Stehlik • Georgic**

Workers' Compensation • Claims and Actuarial Service

14600 Detroit Ave., # 450, Lakewood, OH 44107  
(216) 221-0560 / 888-898-1235; Fax (216) 221-0575

Visit us at [KKSG.com](http://KKSG.com)

67 E. Wilson Bridge Rd, #201, Worthington, OH 43085  
(614) 433-0525 / 800-240-4356; Fax (614) 433-0626

Wednesday, March 20, 2013

### STATE FUND EMPLOYER NEWS FLASH

State Fund employer clients that could not participate in group rating discount programs from policy years 7/1/2001 to 6/30/2009 may be granted relief. This includes those employers that were disqualified from participation in group rating for any policy year(s) during this time period. A class action lawsuit that challenged the BWC group programs as being subsidized unjustly by non group employer additional premium was granted and affirmed by the 8<sup>th</sup> district court of appeals. This class action on behalf of more than 270,000 employers has been tied up in litigation for years and may now be close to resolution or settlement.

Since the court had affirmed that non group employers were improperly charged additional premium the issue under review is to determine the basis and formula for calculating the overpayment estimated as high as \$860 million.

On March 14, 2013 there was a final hearing scheduled before the Cuyahoga County Court of Common Pleas to determine the amount of damages to be awarded by the court. We learned today that the judge has awarded restitution in the amount of \$859,000,000.

BWC officials said they'll appeal regardless of the outcome of the March 14 hearing before Judge Richard J. McMonagle in Cuyahoga County Common Pleas Court. "We continue to maintain that our actions were lawful and the plaintiffs' complaint is without merit," said BWC spokesman Bill Teets.

To discuss this case and potential implications please contact the following:

Greg Georgic or John Keister at 800-240-4356 in Worthington.  
Art Stehlik or Bob Mitchell in Lakewood at 888-898-1235

Our office will notify you of further progress in this matter.