



Historical Perspective of Workers' Compensation Law in Ohio

by Mark A. Shaw and William D. Holt

The Ohio Workers' Compensation System began with a voluntary law in 1911. The move to today's compulsory system started with the amendment of the Ohio Constitution by adding Article II, Section 35, "Workmen's Compensation," by vote of the electorate on September 3, 1912. The legislature passed the first compulsory Workmen's Compensation law on February 6, 1913, and on March 12, 1913, created the Industrial Commission of Ohio (IC) to replace the State Liability Board of Awards. It was not until October 5, 1955, that the law was further changed to add the Bureau of Workmen's Compensation (BWC). The name of the system officially changed to Workers' Compensation on January 17, 1977. The statutes have been augmented and amended over the years with the most recent significant change in 2006. A simple search of court cases brought up a list of over 3,400 cases in the Ohio Supreme Court and courts of appeals on a database that does not go back to the beginning. The BWC today is the insurance and administration personality in the system and is responsible for managing the premiums it receives to not only pay current claims costs, but also to invest in order to provide funds to help cover future claims costs. The IC is the adjudicatory body in the system and handles all of the claim hearings in the workers' compensation process.

Ohio workers' compensation is completely funded by employer contributions as an original source of financing. It is not correct to refer to Ohio

Offices

Toledo Office:

One Seagate, 24th Floor
P.O. Box 10032
Toledo, Ohio 43699-0032
Telephone: 419-241-6000
Fax: 419-247-1777

Columbus Office:

100 E. Broad Street, Suite 600
Columbus, Ohio 43215
Telephone: 614-280-1770
Fax: 614-280-1777

Findlay Office:

725 S. Main Street
Findlay, Ohio 45840
Telephone: 419-424-5847
Fax: 419-424-9860

Novi Office:

28175 Haggerty Road
Novi, Michigan 48377
Telephone: 248-994-7757
Fax: 248-994-7758

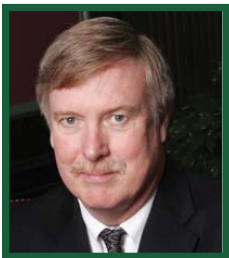
www.eastmansmith.com

tax dollars when discussing money spent by the BWC and IC. In its annual report for July 1, 2007, through June 30, 2008, the BWC indicated premium and assessment income of \$2.5 billion and investment assets of almost \$17.3 billion. Total assets of \$22.4 billion were stated. BWC net assets rose \$2.8 billion from 2006 to 2008 while total liabilities only increased by \$214,360. The report indicated there were 270,110 active employer policies (including all forms of employers) in 2008 representing a drop of about 5,000 from the preceding year. This 5,000 employer drop was considered “slight” in the report. Less slight is the fact that the 2008 number represents a decrease of over 18,000 employers from 2006. The BWC reported an employment roll of 2,412 in 2008.

This look at the Ohio Workers’ Compensation System shows how large the system has become. However, as large as the numbers seem in the aggregate, the significance of the system’s impact is only realized when we see how it affects each employer and employee. The goal of the attorneys at Eastman & Smith Ltd. is to partner with our clients to maximize the full scope of benefits and protections afforded under the workers’ compensation laws of Ohio.



Mr. Shaw is a member of the Firm who represents employers in workers’ compensation, litigation and employment matters. He can be reached at our Columbus office (614-280-1770).



Mr. Holt is an associate who practices workers’ compensation law. His experience covers a wide range of workers’ compensation issues with a particular emphasis in Ohio self-insurance. He can be contacted at our Toledo office (419-241-6000).

Disclaimer

The articles in this newsletter have been prepared by Eastman & Smith Ltd. for informational purposes only and should not be considered legal advice. This information is not intended to create, and receipt of it does not constitute, an attorney/client relationship.