ANNUAL REPORT

OHIO BUREAU OF WORKERS' COMPENSATION





2024 FISCAL YEAR July 1, 2023 - June 30, 2024

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Letter from the Administrator



Dear Governor DeWine,

I am proud to present the Ohio Bureau of Workers' Compensation (BWC) annual report for fiscal year 2024.

Our agency is the exclusive provider of workers' compensation insurance in Ohio, serving nearly 258,000 public and private employers. With 1,600 employees and approximately \$23 billion in assets, BWC is one of the largest state-run insurance systems in the United States.

At BWC, we continue to empower Ohio's businesses and workforce. We are keeping costs down for Ohio's employers by having a low and stable rate environment. Thanks to your leadership, employers are seeing the lowest premium rates in over 60 years. In Feb. 2024, the BWC Board of Directors reduced premium rates for private employers by an average of 7%. This reduction will save employers \$67 million in premiums.

We remain focused on improving the customer experience and streamlining our processes. Throughout the year, we have assisted our customers in implementing OHID to better their experience with not only our agency but all of the State of Ohio. We also have continued our work with our business modernization projects to better cater to our customers' needs.

Thank you for your leadership, Governor DeWine, and thank you for allowing me the opportunity to serve the people of Ohio.

Sincerely,

John Logue

Administrator/CEO

Introduction

This report documents actions taken by BWC in fiscal year 2024 (FY24) to improve the quality of life for Ohio's workers and positively influence economic growth in Ohio. With assets of approximately \$23 billion, we are one of the largest state-fund workers' compensation insurance systems in the U.S. Our focus on preventing workplace accidents, lowering rates, and caring for those injured on the job is making Ohio a better place for businesses and workers. This focus and our mission to deliver consistently excellent experiences for each BWC customer every day continue to be our priority. We approved 66,332 new claims in FY24, a decrease of 1,100 from FY23. Contributing reasons for this decrease include:

- Continued safety funding
- Continued promotion of safe and healthy workplaces
- More employers putting safety education resources to work



BWC Accomplishments

Enhanced service and savings for employers

We're pleased to announce several updates designed to provide enhanced services and savings for employers.

Rate reductions

Ohio's premium rates are among the lowest in the country. The average employer rate levels are at their lowest in over 60 years and are improving faster than most other states. In FY24, we have continued to provide rate reductions for Ohio's private and public employers.

 Private employers will see a 7% rate decrease, effective July 1, 2024.

 Public employers benefited from a 3.9% rate reduction that took effect Jan. 1, 2024.

7%

&

3.9%

Rate reductions



Business modernization

We continue to streamline our operations and modernize our agency. Our business modernization project includes increasing our agency's capabilities through data-driven decisions and beginning to introduce artificial intelligence. These updates will enhance our customers' overall experience and allow our employees to make better decisions to serve our customers.

Examples of projects include the OHID initiative, claim notifications, and claims imaging.

Program modernization

The recent program modernization project, involving three workgroups focused on employer programs, safety grants, and transitional work programs, aimed to streamline our offerings and improve our customers' experience.

As part of phase one, we discontinued the Go Green Rebate and the Industry-Specific Safety Program. We also updated the Safety Council Rebate, simplifying the program by removing the 2% performance bonus, raising the remaining participation bonus to 3% of the employer's premium, and introducing a \$5,000 bonus cap to bring more equity to the employer rebates. These changes allow us to better direct our resources to new and improved service methods.



Waived true-up requirement

To reduce administrative burdens, we have waived the true-up requirement for certain employers who historically report \$0 payroll. This change, expected to impact between 7,000 and 10,000 policyholders annually, eliminates unnecessary reporting for small business policy holders.





Our Substance Use Recovery and Workplace Safety Program (SURWSP) is dedicated to minimizing the impact of substance use disorders on Ohio's workforce while fostering a safe and healthy workplace. This program offers financial support for various workplace expenses related to substance use, such as drug testing for employers with "second chance" testing policies, developing drug use policies, and training for employees and supervisors. Additionally, it provides access to BWC's Better You, Better Ohio!® (BYBO!) employee wellness program for employers who might not otherwise qualify.

For FY24, the program received \$4 million in funding, with a notable 35% increase in employer enrollment over the fiscal year, after a 31% increase in FY23.

Office of Safety Services

New superintendent appointment and strategic reorganization in DSH

On April 25, 2024, Sandi Golden-Vest was appointed as the first female Superintendent of the Division of Safety & Hygiene. Under her leadership, the Office of Safety Services has undergone a strategic reorganization to enhance efficiency. The newly consolidated Central Operations section will align Safety Services activities with BWC's overall goals, focusing on business operations, event management, communication, and comprehensive training resources.



Better You, Better Ohio!®

The Better You, Better Ohio!® (BYBO!) program continues to support Ohio's workforce with innovative health and wellness resources. ActiveHealth Management will continue as the program vendor through FY26. During FY24, we were able to gain valuable insights about the success of the program population. We first noted that obesity is the top reported condition among our participants (identified in 34% of Health Assessment respondents). Also, members who were out of range for waist



circumference in the prior program year exhibited an average reduction in waist circumference of 5.1 inches. For those who were at risk for missing days of work due to illness, we saw a 43% reduction in risk after program participation.

Ohio Safety Congress & Expo®

The 2024 Ohio Safety Congress & Expo®

(OSC®) set new records with 8,990 registrants from eight countries. The event featured 170

new speakers and 57 new exhibitors.

Enhancements to the attendee experience included a historical safety poster exhibit, WSIC displays, and a fun photo prop area for attendees. Diverse and dynamic keynote speakers inspired attendees in their standing-room-only sessions and engaged with them through meet-and-greet sessions.



An unprecedented number of presentation submissions allowed for a broader selection of topics and speakers, ensuring a comprehensive and diverse program. A total of nine Continuing Education Units (CEUs) were offered, providing attendees with significant opportunities for professional development and credential enhancement. These accomplishments demonstrate the status of OSC® as a leading event in the safety industry.



Special Investigations

In FY24, our Special Investigations Department (SID) continued its work in detecting and deterring fraud, achieving impressive results.

- \$72.3 million in savings identified
- A \$5.38 return on expenditures
- 2,338 allegations received, with 63% from BWC staff and 37% from external sources
- 1,339 cases closed in an average of 221 days
- \$53,990 in savings identified per closed case

Medical Services

Providing cost effective benefit plans

A sound and effective provider fee schedule is a critical component of maintaining an effective benefit plan. An equitable and competitive fee for the right medical service is essential to maintain a quality provider network across a wide range of necessary provider disciplines. Medical Services' annual review and execution of relevant fee schedule changes continued to reflect positive impacts for FY24. There was more than \$367 million in reimbursement for medical services and provider reimbursement in FY24. The FY24 payments decreased by 3.4% from the \$380 million experienced in FY23. The number of injured workers seeking care decreased by 2.5%. While the change in reimbursement is strongly correlated with the decrease in the number of injured workers seeking care, the average cost per claim decreased by 1%, from \$2,900 to \$2,871 for the five provider fee schedules.

Making diagnostic testing easier

BWC amended Rule 4125-6-16.2 to allow for quicker, more efficient payment of diagnostic tests.

Diagnostic tests such as EMG, NCS, epidural injections, nerve blocks, and medical imaging will now be reimbursed when medical evidence shows they are medically necessary to develop a treatment plan for an allowed condition or to pursue more specific diagnoses reasonably related to an allowed condition.

This will allow injured workers to receive timely and more accurate diagnoses, quicker and more appropriate treatment, and faster returns to work.

Success Story

Human Resources

We have continued our recruiting and talent retention efforts. This past fiscal year, we recruited 173 new staff members and facilitated 166 promotions, a net gain of 22 employees.

Leadership and skill development

We continue to foster internal professional development through programs like the Future Leaders Program and the Stephanie McCloud Executive Leadership Program. These initiatives are integral to our succession planning and prepare our agency for future leadership.

These updates reflect our commitment to enhancing services, improving efficiency, and supporting Ohio's workforce.



BWC year-end-statistics

Fiscal Year ending June 30, 2024

	FY 2024	FY 2023	FY 2022
State Fund Claims Filed			
Lost Time	11,017	10,870	10,821
Medical Only	54,920	56,069	58,281
Occupational Disease	234	287	751
Death	161_	206_	154
Disallowed or Dismissed	10,777	10,783	10,674
Total	77,109	78,215	80,681
Net Allowed Injuries	66,332	67,432	70,007

NOTE: Every claim is evaluated at 60 days after filing for purposes of claim type, State Fund versus Self-Insured, combine status, and allowance status. Values exclude combined and Self-Insured claims.

Open Claims (Per statute)			
Lost Time	167,140	171,857	179,122
Medical Only	339,681	358,069	376,809
Total	506,821	529,926	555,931
Benefits Paid			
Medical Benefits Paid	\$370,425,066	\$379,481,783	\$385,836,050
Compensation Paid			
Wage Loss	\$3,313,068	\$3,573,527	\$4,203,613
Temporary Total	180,178,340	173,332,976	179,919,262
Temporary Partial	1,006	1,004	1,819
Permanent Partial	20,075,509	20,329,996	23,314,096
% Permanent Partial	49,750,142	42,468,873	44,552,760
Lump Sum Settlement	179,084,708	190,256,897	223,734,112
Lump Sum Advancement	14,059,456	13,645,857	15,374,273
Permanent Total & DWRF	354,989,004	352,153,760	353,418,673
Death	78,146,356	77,976,581	77,648,364
Rehabilitation	17,808,738	18,753,770	19,392,389
Other	2,744,927	3,853,653	3,198,573
Total Compensation Paid	\$900,151,253	\$896,346,895	\$944,757,934
Total Benefits Paid	\$1,270,576,319	\$1,275,828,678	\$1,330,593,984
MCO Fees Paid	\$170,272,655	\$165,264,893	\$161,693,729
Fraud Statistics			
Fraud Dollars Identified	\$72,293,045	\$73,526,655	\$89,989,982
\$\$\$ Saved to \$\$\$ Spent Ratio	5.38 to 1	6.08 to 1	7.02 to 1
Prosecution Referrals	104	118	123

Active Farmlesses Bu Time	FY 2024	FY 2023	FY 2022
Active Employers By Type Private	253,975	252 120	251,816
Public (Local)	3,811	253,128 3,805	3,807
Public (State)	3,611	113	3,807
Self-Insured	1,129	1,072	1,089
Black Lung	1,129	1,072	1,089
Marine Fund	122	126	125
Total	259,173	258,263	256,970
rotat			
Starting in FY 2019, policies that lapsed withi	n the fiscal year are treat	red as active.	
BWC Personnel	1,604	1,587	1,545
BWC COMBINED FUNDS FINANCIAL DATA	(000s omitted)		
	Audited	Audited	Audited
	FY 2024	FY 2023	FY 2022
Operating Revenues	112021	112020	2022
Premium & Assessment Income, net of Provision for Uncollectibles and			
Ceded Premiums	\$1,238,848	\$1,391,763	\$1,245,461
Other Income	11,073	8,858	7,665
Total Operating Revenues	\$1,249,921	\$1,400,621	\$1,253,126
Operating Expenses			
Workers' Compensation Benefits and			
Compensation Adjustment Expenses	\$1,707,214	\$1,546,974	\$1,405,889
Other Expenses	172,165	152,633	116,436
Total Operating Expenses	\$1,879,379	\$1,699,607	\$1,522,325
Non-Operating Revenues			
Net Investment Earnings	\$526,476	\$536,871	\$479,562
Increase (Decrease) in Fair Value	491,058	52,283	(2,049,566)
Net Investment Income	\$1,017,534	\$589,154	\$(1,570,004)
Net Dividends, Rebates and Credits	\$9	\$150	\$28,263
Total Assets	\$23,044,229	\$22,491,441	\$22,289,947
Total Liabilities	\$14,872,383	\$14,706,357	\$14,793,343
Total Net Position	\$8,171,846	\$7,785,084	\$7,496,313

Investment Class Comments

Portfolio Performance and Valuation Summary

The BWC investment portfolio was valued at \$21.14 billion as of June 30, 2024 compared with \$20.54 billion on June 30, 2023, an increase in market value of \$0.60 billion. The BWC investment portfolio had a FY24 total return (net of management fees) of 5.1% and net investment income of \$1.02 billion.

Asset Allocation Mix

The asset allocation mix of the BWC investment portfolio based on represented fair value on June 30, 2024 was 51.9% bonds, 31.5% equities, 15.1% real estate, and 1.5% cash and equivalents. This asset mix compares to 51.8% bonds, 29.9% equities, 17.6% real estate, and 0.7% cash and equivalents on June 30, 2023.

Bond Portfolio Values and Return

The total fair value of the BWC bond portfolio was \$10.97 billion on June 30, 2024 compared to \$10.64 billion on June 30, 2023. Accounting for net inflows of \$0.12 billion during FY24, the adjusted fair value increase of the BWC bond portfolio was \$0.21 billion. The total net return for FY24 was 2.6%.

Equity Portfolio Values and Return

The total fair value of the BWC equities portfolio was \$6.66 billion on June 30, 2024, an increase of \$0.52 billion compared to \$6.14 billion on June 30, 2023. The total fair value of the BWC U.S. equities portfolio was \$4.47 billion on June 30, 2024 compared to \$4.07 billion on June 30, 2023. Accounting for net outflows of \$0.43 billion during FY24, the adjusted fair value increase of the U.S. equities portfolio was \$0.83 billion during FY24, which represented a totalnet return of 21.0%. The total fair value of the BWC non-U.S. equities portfolio was \$2.20 billion on June 30, 2024, compared to \$2.07 billion on June 30, 2023. Accounting for net outflows of \$0.10 billion during FY24, the adjusted fair value increase of the non-U.S. equities portfolio was \$0.23 billion, which represented a total net return of 11.2%.

Real Estate Portfolio Values and Return

The total fair value of the BWC real estate portfolio was \$3.18 billion on June 30, 2024 compared to \$3.61 billion on June 30, 2023. Accounting for net outflows of \$0.10 billion during FY24, the adjusted fair value decrease of the BWC real estate portfolio was \$0.33 billion. The real estate portfolio provided a FY24 total return net of fees of -9.3%.

Cash and Cash Equivalents

Total BWC cash and cash equivalents had a fair value of \$0.32 billion on June 30, 2024 compared to \$0.14 billion on June 30, 2023.

Ohio Bureau of Workers' Compensation Total Assets Dashboard Summary

As of June 30, 2024



Performance is shown net of fees. Allocations may not sum up to 100% exactly due to rounding.

2024 Annual Report: Outcomes and Savings of the Health Partnership Program

The Health Partnership Program

The Health Partnership Program (HPP) has operated as BWC's system for providing managed-care services since its implementation in March 1997. Per Ohio Revised Code (ORC) 4121.44 (L)(3), BWC must publish a report on the measures of HPP's outcomes and savings. BWC's chief medical services and compliance officer directs the program. The chief medical services and compliance officer coordinates the management of the HPP with the chief medical officer, appropriately using managed care organizations (MCOs) and making available a network of providers.

How HPP works

While determining compensability and paying indemnity benefits, BWC contracts with MCOs to manage the medical component of workers' compensation claims. MCOs educate employers and injured workers on HPP. They also process First Report of an Injury, Occupational Disease, or Death (FROI) applications. In addition, MCOs help employers establish transitional/early returnto-work programs. Finally, MCOs process medical bills and make provider payments.

BWC monitors MCOs' managed care performance. For example, it measures MCO effectiveness for return-to-work efforts using the current outcome methodology metric known as Measurement of Disability (MoD). BWC also measures MCOs' FROI timing, FROI data accuracy, bill timing, and bill data accuracy. Most of these measures are published in an annual MCO Report Card, available on bwc.ohio.gov. BWC encourages employers to view this report before selecting an MCO. Nine MCOs serve Ohio's employers and injured workers.

BWC Medical Services' objectives

BWC strives to ensure prompt, quality, cost-effective health care for injured workers to facilitate their early, safe, and sustained return to work and quality of life. BWC accomplishes this effort with medical management, pricing, and payment strategies directed to medical care, which benefit injured workers and employers. Specific supporting responsibilities include:

- Developing, maintaining, and executing quality and cost-effective medical and vocational rehabilitation benefits plans and associated fee schedules
- Developing and supporting the appropriate managed-care processes, including contract management and training
- Establishing and maintaining a quality pool of medical and vocational service providers to ensure injured workers have access to quality, cost-effective, and timely care
- Developing and implementing appropriate medical and vocational policies, rules, and training, which address the management from inception to resolution of all medical and vocational issues from an allowed claim

 Evaluating and processing medical bills, guaranteeing proper and timely payment consistent with benefits plan criteria

During FY24, BWC made positive progress on initiatives to further support existing divisional and BWC enterprise business objectives and strategies. The remainder of this report provides selected highlights of HPP activities and outcomes.

HPP general actions

Benefits and Services Plan Design

Prompt, effective medical care is crucial for those injured on the job. Such care is often the key to a quicker recovery, timely return to work, and quality of life for injured workers. Maintaining the right benefit plan design and service level reimbursement also ensures access to quality, cost-effective service.

Access for injured workers means the availability of appropriate treatment. Having access to appropriate treatment facilitates faster recovery and a prompt, safe return to work. For employers, it also means the availability of appropriate, cost-effective treatment provided based on medical necessity.

Implementing a sound and effective provider fee schedule is a critical component of maintaining an effective benefit plan. Pursuant to required rules and law, and to ensure injured workers' access to quality care, BWC establishes discounted yet competitive fee schedules. BWC annually reimburses more than 31,000 providers for medical and vocational services rendered to Ohio's injured workers. An equitable and competitive fee for the right medical service is essential to maintain a quality provider network across a wide range of necessary provider disciplines. Four objectives continue to guide the evaluation of the annual reimbursement methodologies and the development of recommendations for annual fee schedule changes. Those objectives are:

- 1. To maintain stability in the environment and reimbursement methodologies
- 2. To ensure injured worker access to quality care
- 3. To promote efficiency in the provision of quality services
- 4. To maintain a competitive environment where providers can render safe, effective care

During the past fiscal year, five provider fee schedules were researched, analyzed, and updated. The projected impact of the proposed changes is that total medical services and provider reimbursements will over the next 12 months increase by 2%. There was more than \$367 million in reimbursement for medical services and provider reimbursement in FY24. The FY24 payments decreased 3.4% from the \$380M experienced in FY23. The number of injured workers seeking care decreased 2.5%. While the change in reimbursement is strongly correlated with the decrease in the number of injured workers seeking care, the average cost per claim decreased by

1%, from \$2,900 to \$2,871 for the five provider fee schedules. This change occurred due to case mix variations, the type of care sought, and the overall fee schedule reimbursement rates being increased.

In comparison to trending medical reimbursement reductions, BWC's bill volume is also decreasing. The number of bills submitted decreased 11.5% from last FY for the services reimbursed under the five provider fee schedules. It is important to note that the large decrease in FY24 is due to the issues with Change Healthcare related to pharmacy services. Excluding pharmacy from the bill count demonstrates a decrease of 2.5%, which correlates with the 2.5% decline in injured workers seeking care. This decrease does not represent a decrease in services to injured workers. The reduction in bills is believed to demonstrate an improvement in provider education and clean bill submission. Providers are submitting fewer bills due to the higher percentage of bills accepted by MCOs with the first submission. Bill denials have decreased overall 2.4% from FY23. This trend will continue to be evaluated to determine the overall total impact on services.

Pharmacy Program

BWC's pharmacy benefits program covers outpatient medications prescribed to treat conditions related to an injured worker's claim. Under BWC's program, pharmacies electronically submit drug bills directly to BWC at the point of service through BWC's pharmacy benefit manager (PBM). The pharmacy department is responsible for maintaining the relationship with our PBM to ensure injured workers receive appropriate medications. Additionally, the department is responsible for all manual medication prior authorization requests, development and maintenance of BWC's closed formulary, review of prescriber trends to ensure compliance with our opioid prescribing rule, and chairing the Pharmacy and Therapeutics (P&T) Committee for medication utilization monitoring and formulary updates.

With the assistance of the PBM, the pharmacy department monitors the program closely and meets biannually with the P&T Committee to review and refine the outpatient medication formulary as necessary.

In June 2024, the pharmacy director presented the pharmacy department's CY2023 annual report. Report highlights included:

- The number of injured workers with a prescription decreased by 8.6%
- Total prescription paid amount decreased by 11.5%
- Total prescriptions filled decreased by 13.5%
- The number of injured workers with an opioid prescription decreased by 12.5%

Managed-Care Processes

MCO contract

BWC and the MCOs executed a contract that became effective on Jan. 1, 2021, and remains effective through Dec. 31, 2024. During FY24, BWC and the MCOs began negotiating a new contract that will be effective Jan. 1, 2025.

Additionally, during FY24, BWC completed the implementation of a process to automate the development of benchmarks for the MCOs' outcome performance measurement tool. The outcome performance tool is being enhanced to increase the focus on better measurement of lost time claims as well as the medical costs that drive claim expenses. The successful automation of the measurement tool will improve the outcome performance measures by allowing for the continuous updating of the benchmarks to the current state-wide experience. This will keep the model current and measure performance on near real-time data.

In addition, BWC is continuing to adjust the MCO payment model to mirror claim trends across the state and align with the total caseload that the MCOs are medically managing.

MCO recertification

Pursuant to Section 4121.44, ORC, MCOs must submit an application for recertification to operate as a managed care organization in Ohio every two years. The current certification will expire on Dec. 31, 2024, and BWC has started the application review process for the next certification period of Jan. 1, 2025, to Dec. 31, 2026. The application requires MCOs to provide documentation on key business operations, provider network coverage, appropriate credentialing of certain staff members such as medical directors and case managers, verification that the MCO has maintained current URAC accreditation, OARRS agreements, and EEO/Affirmative Active certification.

MCO report card

Each year, BWC prepares an MCO Report Card, which provides objective data to employers when selecting an MCO. In May 2024, BWC finalized the 2024 MCO Report Card and made it publicly available through its website. The 2024 MCO Report Card contains information that assists an employer in determining which MCO may best suit the employer's particular line of business and reports on key metrics used by BWC to measure MCO performance. Key performance indicators, such as timeliness and accuracy of First Reports of Injury and medical bills, were included in the 2024 MCO Report Card, as were indicators of the MCOs' size, book of business, and effectiveness with returning injured workers to the workforce and managing medical costs. BWC also conducted an employer satisfaction survey, which was included in the 2024 MCO Report Card results. More than 4,100 employers responded to the survey, and the statewide satisfaction rating was 4.33 out of 5.00.

MCO quarterly training

Under the terms of the BWC-MCO contract, professional, clinical, and decision-making MCO staff are required to complete up to ten hours of BWC-mandated training during a calendar year. This mandate is in place to ensure that MCO staff are up-to-date with changes in BWC rules or policies and to ensure that MCO staff understand their roles in the HPP. Throughout FY24, BWC worked to secure continuing education credits for training offered and continued to offer the training in a virtual environment. BWC has also built a library of prior training programs in the BWC Learning Center, making the content available to MCO staff members who were unable to attend the live events. Continuing education credits remain available through the BWC Learning Center for up to a full year after the live event.

During FY24, BWC conducted training for MCO staff and mandated attendance based on the topics covered. In the third quarter of 2023, BWC conducted training on Special Claims processing. This presentation was designed to help MCOs identify ways to support BWC's efforts to handle specific claim populations, including some of the most critically injured. More than 650 individuals completed this training.

BWC also conducted targeted training during the fourth quarter of 2023 on a standard set of control objectives that each MCO must meet in an annual independent audit. These control objectives focus on the security of data, both physically and logically, the performance of key service requirements under the BWC–MCO Agreement, and critical financial controls. The training was mandatory for all MCO leadership and was opened to the independent auditing firms with which the MCOs engage each year. One hundred thirty-four individuals from both the MCOs and independent auditing firms across Ohio attended this event or completed the training in the BWC Learning Center.

During the first quarter of 2024, BWC mandated training for all vocational rehabilitation staff on vocational rehabilitation requirements, with a special focus on the timeliness of offering these services and following through to a sustained, successful return to work. Over 780 individuals have completed this mandatory training to date.

In the second quarter of 2024, BWC mandated training for all MCO clinical staff on the role of nurses in the workers' compensation system, medication management, and the role of the MCO. Over 570 individuals have taken this training.

In addition to the above mandatory training events, BWC also offered optional training on bill timeliness and expectations, medical billing efficiencies, and the implementation of date span billing for professional services.

Medical providers

Provider Experience

During FY24, several of BWC's Medical Operations areas were unified under the Department of Provider Experience. Experiences matter, and our providers' experiences are important to the

success of BWC's customers. Provider engagement, education, training, and coaching are several ways to eliminate barriers between our providers and customers. The Provider Experience department has developed and implemented vital resources and procedures to enhance our providers' experiences and continue to manage and resolve the challenges our providers face.

The electronic Provider Update newsletter which is emailed to more than 22,000 providers and is published monthly to inform and educate our provider network. It is a vital source of information related to medical/vocational policies, processes, and rules.



During FY24, BWC revitalized its Medical Operations' Provider Forum live webinars. The decision to revive the webinars came from the goal of establishing positive, innovative, and collaborative relationships with BWC's Provider Network. These webinars are used to train, communicate, and promote engagement with providers and provider staff. The Provider Forum allows providers to have a voice, allows BWC to listen and respond to providers' needs, and ensures BWC provides the resources needed for the provider network's success. Meeting the needs of BWC's provider network increases the success of our injured workers and employers. BWC's Provider Forums are held regularly and focus on educational topics for providers. FY24 webinars include:

- Jan. 24, 2024 Provider Forum: Topics included OHID, creating e-accounts, and provider reimbursements (247 attendees).
- April 24, 2024 Provider Forum: Understanding the Claims Process: Physicians Report of Work Ability MEDCO-14 (320 attendees).

BWC's Provider Network attendance has been exceptional, and survey results indicate the webinars are impactful and well-received. All webinars were recorded and available on BWC's website video page for on-demand viewing.

Provider engagement

Our Regional Directors are tasked with meeting with providers virtually and in person to ensure they understand the BWC Workers' Compensation system, BWC forms completion, and the Enhanced Care Program. The Regional Directors are also focused on the provider community in which the BWC network lacks providers. One specific area of focus this year is the dental community. Outreach efforts, marketing, and conference vendor attendance are the focus as they increase the dental provider network throughout the state.

Provider Contact Center

BWC has a dedicated toll-free customer contact line for the medical provider community. The call center consists of four analysts who respond to inquiries from providers and provider offices.

The Provider Contact Center continues to strive for exemplary customer service to our external and internal customers. Their customer satisfaction percentage is 91%. Staff have successfully transitioned to the new Emplifi case creation and Finesse telephone software. The accompanying reporting Cisco Unified Intelligence Center (CUIC) software allows for more data-driven reporting. CUIC is beneficial in establishing the contact center's key performance indicators (KPIs) and customer satisfaction rate.

In Feb. 2024, BWC's providers began the transition of creating and utilizing OHID. OHID is the Governor's initiative of a single password login for all state agency websites. Over 1,500 new provider online accounts have been created since the implementation of OHID.

In FY24, the contact center received:

Calls: 25,485 answeredChats: 1,581 answered

Website generated emails: 210Public email inquiries: 588

Network volume

Our continued focus is to support BWC's goal of having and maintaining a strong and effective network of certified providers. A continued focus of BWC is to support HPP's goal of having and maintaining a strong and effective network of certified providers. There are 61,494 certified providers and 38,681 enrolled providers participating in BWC's network for FY24. In FY24, BWC's provider relations department managed the following enrollment and certification provider activities:

New Providers enrolled only: 1,276

New Providers enrolled and certified: 8,840

Re-certified providers: 3,727

With the option of online application filing now available, 1,657 certification applications and 61 applications for noncertified providers were received using this method. In addition, providers can update their demographic information and upload credential updates using the online provider portal. Over 3,500 updates were done online throughout the period.

BWC's system reflects providers in two statuses — certified providers and enrolled providers. Enrolled-only providers have not taken steps to become certified or are ineligible for certification. Certified providers are those eligible to render ongoing medical services or supplies. Certified providers will have completed the BWC provider application process and have a signed agreement on file, thereby agreeing to abide by the Ohio workers' compensation fee schedule, laws, and policies.

Medical and vocational services administration support

Seventy-one catastrophic injuries occurred during FY24 in the State-Funded population managed by MCOs. This statistic does not include catastrophic injuries that resulted in the death of the injured worker within the first five days following the date of injury. Catastrophic injuries have life-changing impacts and long-term consequences for the injured worker and their family. Catastrophic injuries include complex brain and spinal cord injuries, major extremity amputations, severe burns, crush injuries, and complex multiple trauma injuries. The number of catastrophic injuries/illnesses increased in 2024 by 32% from 2023.

Private employers (PA) accounted for 63 or 89% of the total catastrophic injuries, and public employers (PEC and PES) accounted for 8 or 11%.

A breakdown of the 71 catastrophic claims by injury type for FY24 is below:

Type of injury	Number of claims	Percent of total claims
Traumatic brain injuries (moderate and severe)	24	34%
Multiple trauma (multiple fractures, crush injuries, other)	16	23%
Amputations, major extremity	15	21%
Spinal Cord injuries (quadriplegia, paraplegia)	11	15%
Severe burns (greater than 25% of body)	2	3%
Gun Shot Wound (s)	2	3%
Total Blindness	1	1%
Total Claims	71	100%

A review of the employer industry job codes for catastrophic injuries for FY24 identified that the top 6 made up 61% of all catastrophic claims. In FY24, the following were the top six industry codes that had catastrophic injuries:

Industry Type	Number of claims	Percent of total
	Of Claims	
Manufacturing (Metal, Steel, Iron, Rubber,	11	15%
Plastics)		
Trucking/Driver/Towing	8	11%
State/County/City/Public Employee	7	10%
Construction/Carpentry/Masonry	7	10%
Roofing	5	7%
Store Retail/Wholesale/Gasoline Station	5	7%
Total	43	61%

Vocational Rehabilitation

The Vocational Rehabilitation program seeks to provide an individualized, face-to-face, return-to-work (RTW) program to assist injured employees who, without specialized vocational rehabilitation services beyond standard medical treatment, would be unlikely to return to work or stay at work in a timely, safe, and productive manner.

During the past several years, we have had a slight decrease in the percentage of potentially eligible claims that were referred for vocational rehabilitation services. In calendar year (CY) 2019, as seen in the table below, we averaged 1.5% of referrals. That rate decreased to 1.3% for CY 2020 and CY 2021. In CY 2022, the percentage of referrals of potentially eligible claims slightly decreased to 1.2% and continued through CY 2023.

Eligible claims referral for vocational rehabilitation: 2017-202	ible claims referral for vocational re	habilitation: 2017-2023
------------------------------------------------------------------	----------------------------------------	-------------------------

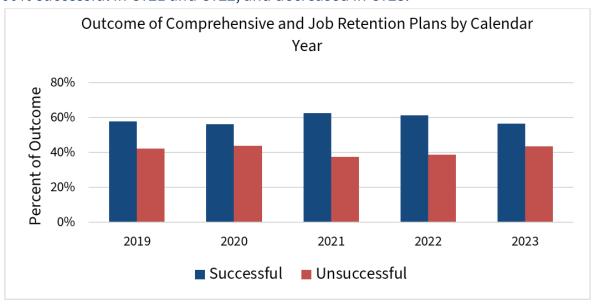
VR Referral Summary	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
! Claims Potentially Eligible for VR	200,445	183,868	174,302	164,968	158,086
Claims Actually Referred for VR	3,094	2,422	2,213	2,052	1,827
% Eligible Claims Referred for VR	1.5%	1.3%	1.3%	1.2%	1.2%

! Potentially eligible indicates the claim was allowed, active, had eight or more days of lost time, was not settled, and the injured worker was alive for some part of the year.

During CY23, 1,979 new referrals for vocational rehabilitation were initiated in 1,827 claims. Of those referrals, 495, or 25.0%, initiated a comprehensive vocational rehabilitation plan or a job retention plan, a decrease from CY22.

For vocational rehabilitation plans completed in CY23, the average cost of services was \$10,113.93 per plan, a 9% increase from \$9,306.31 per plan in CY22. This may reflect the fee increases that occurred in the last guarter of CY21 and CY23.

The graph below shows the outcome of comprehensive and job retention plans between CY19 and CY23. During the period, successful outcomes decreased slightly in CY20, increased above 60% successful in CY21 and CY22, and decreased in CY23.



*Successful – person returned to work and remained at least 30 days to a job within the job goal or job family of the job retention or comprehensive plan.

In CY23, 55 claims were referred for job retention services. This program keeps injured workers experiencing difficulties on the job who return to work on modified duty after a period of lost time for which they receive temporary total compensation or salary compensation. Of the 35 injured workers approved for participation in a job retention plan, 25 job retention plans were initiated, and 22, or 88.0%, were successful in either remaining at the same job or a different job with the same employer.

During FY24, the five-year rule review of the rules that govern vocational rehabilitation, Ohio Administrative Code 4123-18, was initiated. The rules are currently under review by the Joint Committee on Agency Rule Review (JCARR.) The anticipated effective date is Oct. 1, 2024.

Transitional Work Grant

The BWC Transitional Work Grant program assists employers in developing a transitional work plan that's right for their business and employees. Transitional work is a key tool an employer can utilize to return injured employees back to work following a workplace injury. Employers work with a transitional work developer to create customized policies and procedures specific to their companies' operations. As a part of the plan, employers received job analyses performed in the job classification they select, along with training on how to identify appropriate transitional work tasks for which employees can perform based on their medical restrictions.

The grant amount an employer receives is based on the number of employees reported to BWC. Effective July 1, 2023, the transitional work grant reimbursement to employers was increased. Available grant reimbursements are reflected in the table below.

Number of employees	Past	Effective July 1, 2023
11-49	\$2,900	\$3,700
50-199	\$5,200	\$6,800
>200	\$6,300	\$8,200

Additionally, pursuant to OAC 4113-17-55, Transitional Work Development Grant and Bonus employers are eligible for a transitional work grant every five years. At the end of five years, grant funds not used are returned to the grant fund, and the employer may apply for a new Transitional Work Grant.

During FY24, \$1,009,300 in grant funds were applied for and granted. Of those funds, \$197,900 has been paid. The remaining \$811,400 not used by those employers stays with the employer for five years. Once the initial grant is paid, the employer may request payment for additional services that may include:

- Updating and creating new job analyses
- Training management, supervisors, and/or workers
- Improving the grant plan
- Just-in-time training: Assist the employer in implementing their plan

As of the end of FY24, \$987,544.68 was returned to the fund to be utilized once again by employers.

The modernization of the Transitional Work Grant Program significantly impacted Ohio employer's participation in the grant program, resulting in many injured workers benefiting from early return to work. The table below shows the change in the number of grant applications received by fiscal year.

Fiscal Year	Number of TW Grant Applications	Percentage Change
2015	48	-
2016	73	52.08%
2017	119	63.01%
2018	26	-78.15%
2019	59	126.92%
2020	17	-71.19%
2021	58	241.18%
2022	281	384.48%
2023	187	-33.45%
2024	220	17.64%

The table below represents the number of grants paid along with the total awarded grant amounts from 2015 – 2024.

Fiscal Year	Number of TW Grants Paid	Percentage Change	Total Grants	Percent change of Paid Grants
2015	49	-	\$ 151,970.00	-
2016	76	55.10%	\$ 113,048.13	-25.61%
2017	50	-34.21%	\$ 191,527.50	69.42%
2018	50	-	\$ 129,178.75	-32.55%
2019	28	-44.00%	\$ 98,411.88	-23.82%
2020	29	3.57%	\$ 91,372.50	-7.15%
2021	7	-75.86%	\$ 22,415.00	-75.47%
2022	95	1,257.14%	\$ 356,752.00	1,491.58%
2023	132	38.95%	\$ 498,613.75	39.76%
2024	166	25.75%	\$ 550,200.00	10.34%

To create a transitional work plan and apply for a Transitional Work Grant, employers hire a BWC-accredited transitional work developer. The developer works with the employer one-on-one to design a customized program. BWC offers a two-day developer orientation class to authorize providers as a BWC-accredited developer. Current BWC-accredited transitional work developers must attend a reaccreditation class at two-year intervals to maintain their accreditation. Three reaccreditation webinars were held in FY23 for the 32 developers requiring reaccreditation.

Transitional Work Developer Certification					
	Physical Therapist	Occupational Therapist	Case Managers	Totals	
2015	17	12	43	72	
2016	14	13	33	60	
2017	14	13	31	58	
2018	13	10	30	53	
2019	18	13	29	60	
2020	17	13	39	69	
2021	21	18	44	83	
2022	26	24	48	98	
2023	18	21	37	76	
2024	17	15	37	69	

Number of BWC-accredited developers by licensure type: 2015-2024

Alternative Dispute Resolution Processing

Alternative Dispute Resolution (ADR) is a means of resolving disputes over medical treatment issues that arise between the MCO, BWC, employer, injured worker, and/or provider. These issues arise from the MCO's decision regarding a medical treatment reimbursement request. BWC's ADR department oversees the medical treatment disputes process from the appeal of the Request for Medical Service Reimbursement or Recommended for Additional Conditions for Industrial Injury or Occupational Disease (C-9) to the Ohio Industrial Commission's (IC) hearing.

The table below illustrates the number of ADR orders issued per year since 2015. A single BWC order may contain multiple appealed issues. BWC must obtain an independent level of medical review, which consists of either a file review or an independent medical examination (IME). The chart also demonstrates the number of appeals processed in relation to the number of IMEs scheduled. BWC's Disability Evaluator Panel network contains a list of medical physicians who perform ADR examinations on an injured worker when medical treatment is in dispute. These examining physicians are reimbursed at a higher rate due to ADR's specific guidelines to more efficiently and timely process a BWC ADR order. An examination appointment must be available within seven calendar days of the request, and the report must be faxed to the MCO within five calendar days of the examination.

Alternative Dispute Resolution				
Fiscal		IMEs	Percent of	
Year	ADR Orders	Scheduled	IMEs to ADRs	
2015	28,132	3,848	13.68%	
2016	27,787	3,763	13.54%	
2017	25,583	3,501	13.68%	
2018	22,751	3,514	15.45%	
2019	22,134	3,568	16.12%	
2020	19,434	2,654	13.66%	
2021	15,810	1,985	12.56%	
2022	14,765	2,064	13.98%	
2023	13,716	1,677	12.23%	
2024	12,951	1,420	10.96%	

^{*}The IME count is for the total of exams scheduled and does include exam cancellations and/or no-shows, which rescheduled multiple times.

Selected HPP Measurements

All dollar amounts are shown in \$1,000s. The figures below are limited to the HPP.

The table below reflects a historical trend of selected HPP performance data by fiscal year. Data for certain measurement variables can be different based on the impact of new information received before or subsequent to the compiling of the data for this report.

Measure	FY 2019	FY 2020*	FY 2021*	FY 2022	FY 2023	FY 2024
Active						
employers	221,392	217,887	220,738	218,155	215,618	210,772
(1)						
Active	243,276	233,654	208,490	192,103	192,062	187,173
claims (2)	243,210	233,034	200,490	192,103	192,002	167,173
FROI timing	15.77	16.95	17.04	19.24	19.79	17.08
(3)	15.11	10.55	17.04	13.24	15.75	17.00
% of FROIs						
filed within						
seven days	72.41%	71.58%	67.61%	65.18%	64.12%	67.28%
of date of						
injury (4)						
% of claims						
determined						
within 14	68.41%	66.47%	59.99%	56.84%	55.98%	54.81%
days of filing						
date (5)						
Bill timing	74.46	75.41	81.39	85.75	83.10	83.22
(6)						
LDOS-MCO	60.32	61.49	66.90	71.38	71.41	69.11
MCO-BWC	5.60	5.59	6.24	6.05	6.25	5.86
BWC-MCO	7.21	7.15	7.18	7.24	4.37	7.19
MCO-	1.33	1.18	1.07	1.07	1.07	1.07
Provider						
Total regular						
medical	\$468,074	\$411,137	\$333,659	\$369,017	\$363,016	\$354,252
payments						
(7)						
Payments for file						
reviews and	\$18,172	\$15,418	\$15,413	\$13,474	\$12,979	\$12,872
IMEs (8)						
MCO fees (9)	\$170,883	\$168,764	\$164,988	\$161,694	\$165,265	\$170,273
Total	\$110,003	\$100,704	3104,988	\$101,094	\$105,205	\$110,213
	¢657 120	¢505 310	\$514.060	\$544.10E	¢541.260	\$527.207
medical	\$657,128	\$595,319	\$514,060	\$544,185	\$541,260	\$537,397
payments,						

plus MCO fees						
Total indemnity payments (10)	\$905,443	\$908,282	\$897,159	\$934,701	\$887,095	\$891,054
Grand total (11) Benefits paid (total regular medical payments, plus total indemnity payments)	\$1,544,400	\$1,488,183	\$1,395,805	\$1,465,412	\$1,415,376	\$1,415,579

- (1) Average number of employers in an active, reinstated, or debtor in possession status assigned to an MCO during the time frames noted.
- (2) Average number of active claims (claims with a payment or application submitted to us within a specified length of time) assigned to an MCO during the periods noted.
- (3) Average time, in calendar days, from date of injury to date BWC received a FROI for all FROIs received during the time frames noted for claims assigned to an MCO.
- (4) Percent of claims assigned to an MCO where BWC receipt of the FROI is within seven calendar days from the date of injury where BWC received the FROI during the periods noted.
- (5) Percent of claims assigned to an MCO determined within 14 calendar days of the filing date where the determination was during the time frames indicated regardless of date of injury or filing date. BWC considers a claim determined when we place it in allow/appeal or disallow/appeal status.
- (6) Average time, in calendar days, between the last date of service being billed (LDOS) to a check being issued to the provider for bills processed by the MCOs. This does not include bills for prescription drugs processed through BWC's pharmacy benefits manager. It is further broken down into the component steps of the process:
 - LDOS-MCO: LDOS to MCO receipt
 - MCO-BWC: MCO receipt (for review and payment determination) to BWC receipt

- BWC-MCO: BWC receipt (for review and final payment determination) to date monies are deposited into the MCO's provider account
- MCO-Provider: MCO receipt of the final payment information and monies to the MCO issuing the check to the provider

BWC bases the MCO-Provider information on a desk audit of the MCOs' check issuance timing, which was last updated in CY21.

- (7) Payments for medical services made on claims assigned to an MCO during the time frames noted. Amounts include payments on claims associated with bankrupt self-insured claims assigned to the MCOs. It also includes payments for prescription drugs processed through BWC's pharmacy benefits manager. Regular denotes include payments for physicians, hospitals, therapies, diagnostic testing, etc. It excludes payments made for file reviews and independent medical examinations (IMEs) requested to facilitate administrative decisions in the claim.
- (8) Payments made during the time frames noted for file reviews and IMEs requested to facilitate administrative decisions in the claim.
- (9) Payments issued to the MCOs during the time frames noted per the MCO Agreement for their services. BWC bases MCO contracts on calendar years. Fluctuations in the amounts paid to the MCOs between fiscal years are attributable to several factors, including:
 - Changes in the overall amount available to the MCOs from year to year and
 - Timing of different types of payments (administrative payments are monthly, out come payments are quarterly, and exceptional performance payments are annually).
- (10) Payments for salary compensation made on claims assigned to an MCO during the time frames noted. This includes payments for temporary total, living maintenance, wage loss, lump sum settlements, etc. Amounts include payments on claims associated with bankrupt self-insured claims assigned to the MCOs.
- (11) Excludes payments for file reviews and IMEs as these are not benefits paid to or on behalf of an injured worker but are conducted to facilitate administrative decisions in the claim.
- * FY 2020 and FY 2021 numbers are affected by COVID-19 shutdowns starting mid-March 2020. This could affect all the categories in different ways, for example lower than expected number of claims, higher than average processing times, or lower IME/File Review costs due to scheduling delays.

Safety Services

Office of Safety Services

The Office of Safety Services encompasses two key branches: Workforce Health, Wellness & Special Programs (Health & Wellness) and the Division of Safety & Hygiene (DSH), which now also manages the Workforce Safety Innovation Center® (WSIC). These teams play a critical role in enhancing the safety and well-being of Ohio's workforce by delivering a comprehensive range of services. Together, these two teams adopt a holistic approach to safeguarding workers' health and safety while minimizing risks for Ohio employers. Additionally, the Safety & Hygiene budget includes funding for the Substance Use Recovery and Workplace Safety Program (SURWSP). Although managed by BWC's Employer Services Division, this program is featured in the Safety Services report due to its inclusion in the Safety & Hygiene budget.

Safety Services fiscal year 2024 operating budget

For the Office of Safety Services, Table A shows the fiscal year 2024 (FY24) budget appropriation amounts for the core operating budget and key programs. It also shows Safety Services disbursements and open encumbrances for programs and operations as of June 30, 2024.

The operating budget along with the program budgets for safety grants, WSIC, SURWSP, Better You, Better Ohio!® (BYBO!), safety awareness and educational marketing, and the Ohio Occupational Safety and Health Research Program are all funded by BWC. We also received additional funding from federal grants. We received \$195,104 from two federal Bureau of Labor Statistics (BLS) grants for the Survey of Occupational Injuries and Illnesses (SOII) and the Census of Fatal Occupational Injuries (CFOI). We also received \$1,732,400 from a federal Occupational Safety and Health Administration (OSHA) grant for the OSHA On-Site Consultation Program.

Table A: FY24 Safety Services budget appropriations, and disbursements and encumbrances

Program	Budget appropriation	Disbursements & encumbrances
Safety operating budget	\$23,613,361	\$20,657,179
Safety grants*	\$43,000,000	\$42,690,646
WSIC	\$15,000,000	\$5,257,605
SURWSP	\$4,000,000	\$548,326
BYBO!	\$3,000,000	\$3,000,000
Safety awareness & educational marketing	\$1,500,000	\$215,296
Ohio Occupational Safety and Health Research Program	\$1,000,000	\$993,540
BLS SOII/CFOI federal grants	\$195,104	\$179,865
OSHA On-Site federal grant**	\$1,876,339	\$1,603,680
Totals	\$93,184,804	\$75,146,137

*The safety grants budget appropriation includes an \$8 million increase approved during FY24 (original appropriation was \$35 million).

**This number reflects the BWC appropriation that covers the transition between the state fiscal year, which ends June 30, and the federal fiscal year, which ends September 30.

Better You, Better Ohio!®

The Health & Wellness branch oversees BWC's BYBO! program, which provides essential health and wellness services to Ohio workers who lack access to such resources through their employers.

BYBO! was implemented in FY18. This health and wellness program focuses on enhancing the health and well-being of Ohio's injured workers, small employers (250 employees or less) in high-risk industries, and their workforce members. The employee limit is also waived for employers participating in the SURWSP, giving employees additional support on their journey to recovery.



Employers with participating workers do not have to administer the program. There are no fees or costs associated with BYBO! for employers or employees. BWC and BYBO! staff provide the administrative scaffolding and support to employers and injured workers.

Our unique position enables us to positively impact the quality of life and health of Ohio's workforce and improve the efficiency of Ohio's businesses. A healthy workforce allows employers to focus on their businesses and better manage their workers' compensation costs.

During FY24, we were able to gain valuable insights about the success of the program population, including:

- Obesity is the top reported condition among our participants (identified in 34% of Health Assessment respondents).
- Members who were out of range for waist circumference in the prior program year exhibited an average reduction in waist circumference of 5.1 inches.
- Assessment of changes in cholesterol for our members from 2019 forward identified 38% of members who were out of range in high-density lipoprotein (HDL) cholesterol moved in range. We also saw a 27% decline in the number of members who were out of range for poor HDL cholesterol outcomes.
- Members who were at risk for missing days of work due to illness showed a 43% reduction in risk after program participation.

During FY24, various enhancements were also made to the BYBO! program:

- Digital Health Actions were added to the member platform to allow members access to community-based resources through collaboration with FindHelp.
 The FindHelp Resource along with the promotion of the 988-Help Line encourage members to engage in Whole Person Health.
- A mental health dashboard was introduced to members, allowing individuals to assess how they are doing personally, in their relationships, socially, and overall.
- The BYBO! mobile app was also upgraded to allow the connection of health devices with team challenge experiences.

Similar to the previous year, there was continued strong participation in FY24 in the BYBO! program. During FY24:

- Program members reported a 98% satisfaction rate with the program resources and customer service.
- Over 30,000 workforce members and 2,904 injured workers enrolled in the program.
- 3,951 biometrics were completed.
- 3,585 Health Risk Assessments were completed.
- 826 members participated in 1:1 health coaching.

Members earned \$254,775 in incentives for completing various program activities. BYBO! also provided 63 on-site biometric screenings to employers during FY24.

Division of Safety and Hygiene

DSH is dedicated to helping Ohio employers reduce workplace injuries and illnesses. DSH does this through a comprehensive range of occupational safety and health services to Ohio employers and employees. In addition to these services, DSH actively engages in research activities and initiatives aimed at improving workplace safety across the state. The division's efforts are organized into five key functional areas:

- Field Safety Services (FSS)
- Compliance
- Safety Grants, Rebates, and Research
- WSIC
- Central Operations



DSH's services are designed to directly benefit Ohio employers through various initiatives, including safety education and training, safety councils, Ohio Safety Congress and Expo® (OSC®), safety grant programs, consulting services, Public Employment Risk Reduction Program (PER-RP), OSHA On-Site Consultation Program, and library services.

Table B provides a detailed breakdown of the number of employers who benefited from these services in FY24.

Service type	Private employers	Public employers	State agencies	Self- insured	Marine fund	Black lung	Undeter mined	Total
Training and Education	4,672	306	15	126	0	0	0	5,119
osc°	2,376	277	35	385	9	3	0	3,085
Safety council	6,508	996	0	514	0	0	0	8,018
Safety grants*	967	676	0	0	0	0	0	1,643
Video library	511	63	4	43	0	0	0	621
FSS	3,259	721	16	98	0	0	0	4,094
OSHA On-Site	332	0	0	32	0	0	11	375
PERRP	3	116	16	19	0	0	0	154
Totals	18,628	3,155	86	1,217	9	3	11	23,109

^{*} This total does not include grants for the Ohio Law Enforcement Body Armor (OLEBA) Grant Program.

The table displays unique employer policies served by each program in FY24. Across all programs, there were 23,109 direct interactions with employers, representing 15,058 unique employers. Notably, this total includes 375 employers in OSHA On-Site; however, due to restricted access to policy details, identifying potential overlap with other programs isn't possible.

Field Safety Services

The FSS section provides individualized consultation services to assist employers in reducing risks of occupational injury or illness. FSS provides safety, industrial hygiene, and ergonomic services to help employers develop and become self-sufficient in managing their own safety and health programs. These services include hazard identification, risk assessment and mitigation, safety programming and management system development, training, and introducing safety and health interventions in the workplace. In addition to employer consultation, FSS assists employers with Safety Intervention Grant (SIG) applications, supports the Safety Council Program, and develops/facilitates employer training.

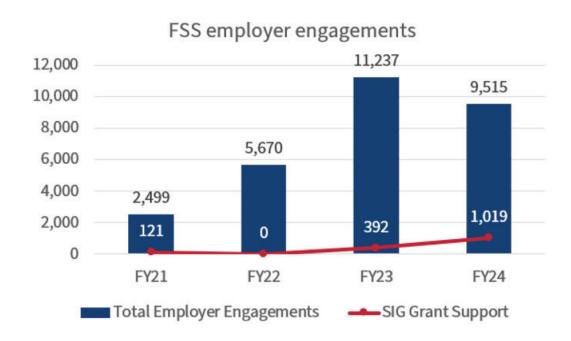


Figure 1: FSS total employer engagements and SIG grant support for FY21-FY24

In FY24, FSS had a total of 9,515 consultative employer engagements, 4,094 of those engagements with unique policy holders. This is a decrease from FY23 due to a significant increase in SIG applications requiring support and assessments by the FSS team. Note that the SIG program did not accept applications for a period of time during FY21 to FY23. Notably, 69% of FSS consultative engagements were with employers in industries where the potential risk of workplace accidents and claims are more than twice the average risk across similar industries.

Quality Assurance and Technical Support

The Quality Assurance and Technical Support (QA/TS) team has significantly contributed to field operations by providing advanced technical expertise in ergonomics, industrial hygiene, and occupational safety.

They played a pivotal role in developing and maintaining BWC safety program policies and served as key members or liaisons to external organizations, including the Center for Construction Research & Training/National Institute for Occupational Safety and Health (CPWR/NIOSH) Research-to-Practice partnership, the American Industrial Hygiene Association Ohio Valley Local Section (AIHA OVS), and the American National Standards Institute Z359 Fall Restraint Standards Committee. Their expertise extended to providing advanced instruction in occupational safety, ergonomics, and industrial hygiene.

The QA/TS team has been instrumental in enhancing the quality and continuous improvement of consultative services by:

- Assisting FSS management in evaluating the technical capabilities of job candidates
- Coaching and mentoring new field consultants
- Monitoring and assessing the quality of FSS consultative services and work products
- Coordinating professional development events and discipline-specific staff meetings to keep consulting staff informed on emerging technologies and industry best practices

BWC Safety Services Instrument Laboratory

The BWC Safety Services instrument laboratory supports field consultants by managing an inventory of over 550 measurement devices and tools. The laboratory is responsible for repair, maintenance, and calibration of these instruments, which are used by BWC staff. In FY24, the laboratory calibrated and maintained nearly 400 devices, achieving an estimated cost savings of over \$74,000 compared to the benchmark cost of returning the instruments to the manufacturer.

Compliance

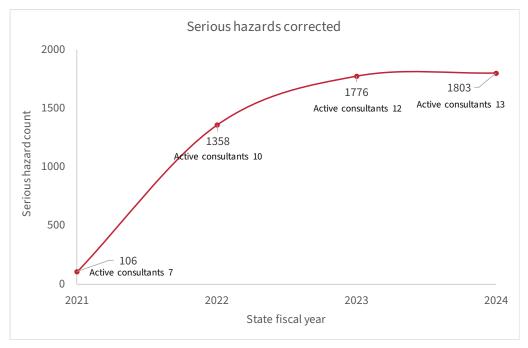
The Compliance section is responsible for ensuring both public and private employers adhere to occupational safety and health standards. This critical function is carried out by two specialized teams: PERRP and the OSHA On-Site Consultation Program. Together, these teams work to promote safer workplaces through rigorous inspections, consultations, and compliance assistance.

OSHA On-Site Consultation Program

The OSHA On-Site Consultation Program provides consultation services to private employers, with a priority on worksites with fewer than 250 employees in high hazard/risk industries. The program also administers the Safety and Health Achievement Recognition Program (SHARP), which recognizes and exempts 27 workplaces that have implemented robust safety management systems and action plans aimed at continuous improvement. In FY24, one new location received SHARP certification, and two sites had their certification renewed.

Program field consultants conducted 740 site visits and 58 virtual visits assisting 375 unique employer policies. Over the course of the year, 1,803 serious hazards were abated, and an additional 115 compliance assistance activities were conducted.

Figure 2: Number of serious hazards removed from workplaces following an OSHA On-Site consultation.



Public Employment Risk Reduction Program

PERRP operates under the statutes of Ohio Revised Code chapter 4167, ensuring public employees in Ohio have safe and healthful working conditions. PERRP adopts and enforces occupational safety and health standards, conducts enforcement inspections and investigations, and offers voluntary compliance assistance services. These services help public employers understand regulatory requirements, raise awareness of occupational injury and illness risk factors, and suggest strategies for reducing risk.

During FY24, PERRP provided on-site and virtual services to 154 public employers and assisted an additional 2,966 public employers with filing their annual Summary of Work-Related Injuries and Illnesses (Form 300AP). PERRP conducted 372 onsite and virtual compliance visits. Employers corrected 294 hazards. One Safety Partnership Agreement applicant was approved and is now participating in the program.

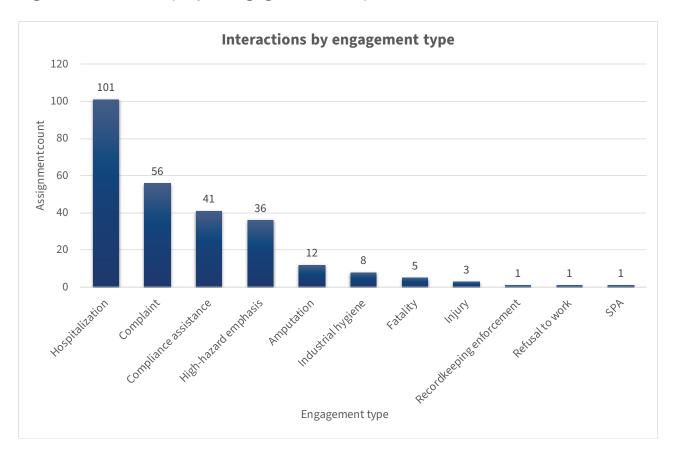


Figure 3: PERRP employer engagements (in-person and virtual interactions)

Safety Grants, Rebates, and Research

In FY24, the Safety Grants, Rebates, and Research section played a pivotal role in advancing workplace safety across Ohio by administering a range of grant programs and spearheading significant research initiatives. This year, BWC significantly bolstered its efforts to reduce workplace injuries and illnesses by funding critical safety interventions and fostering partnerships aimed at advancing best practices in occupational safety.

Safety Grant Programs

BWC's safety grant programs delivered substantial financial support to Ohio employers, empowering them to invest in safety equipment and interventions that directly reduce workplace risks. During FY24, BWC disbursed \$40.7 million across 1,968 grants, including the following key programs:

• Safety Intervention Grant (SIG) Program: In FY24, BWC awarded \$26,269,648.85 through 1,019 grants to support workplace safety improvements. Among the 118 grant recipients who completed their year-end case studies, 97% reported increased productivity, 92% noted enhanced quality, 71% achieved cost savings, 42% saw reduced employee turnover, and 36% experienced lower absenteeism.

Notably, only five injury claims were reported by these recipients, highlighting the program's effectiveness in mitigating workplace risks. The program provided 3-to-1 matching funds, up to a maximum of \$40,000 per employer per eligibility cycle.

- Firefighter Exposure to Environmental Elements Grant (FEEEG) Program: Awarded \$4,229,383.88 to 343 fire departments, helping to minimize exposure to hazardous environmental contaminants that may include carcinogens. Participating employers with payroll equal to or greater than \$500,000 received a 5-to-1 matching grant while employers with payroll less than \$500,000 received a \$15,000 grant with no match. In FY24 BWC began allowing volunteer fire departments to apply for turnout gear through this program.
- School Safety and Security Grant (SSSG) Program: Provided \$5,206,119.04 through 200 grants to improve safety in educational facilities. Each grant recipient received up to \$40,000.
- School Safety and Security Grant-HVAC (SSSG-HVAC) Program: Concluded June 30, 2023, after distributing \$3,841,311.82 via 271 grants, supporting heating ventilation and air conditioning (HVAC) improvements to enhance air quality and reduce airborne contaminants. This program was integrated into the SSSG program on July 1, 2024.
- Trench Safety Grant (TSG) Program: Concluded after disbursing \$887,213.18 through 91 grants enhancing safety in trenching and excavation work. Grant recipients received up to \$12,000 in matching funds, with BWC covering \$4 for every \$1 invested by the employer.
- Workplace Wellness Grant Program (WWGP): Concluded after disbursing \$26,175 via 21 grants assisting Ohio employers in establishing workplace wellness programs aimed at improving employee health and reducing healthcare costs.
 Employers received \$300 per participating employee during a four-year period, up to a maximum amount of \$15,000 per policy.
- Employers Working with Persons with Developmental Disabilities (EWPDD) Grant Program: Concluded June 30, 2023, after disbursing \$284,221 across 23 grants, aid ing employers in safeguarding employees working with developmentally disabled individuals.

Additionally, BWC collaborated with the Ohio Attorney General's office to award \$1,894,193.13 in OLEBA grants to 336 applicants, enhancing officer safety through the provision of body armor. Additionally, \$52,380 was paid and encumbered for safety grants processed in FY23.

Safety Council Program

In FY24, the Ohio Safety Council Program reinforced its role as a key platform for occupational safety education and networking across the state with in-person activities. With 81 sponsors hosting 1,071 meetings and 64,172 participants, the program remains a vital safety resource for Ohio employers. BWC co-sponsored these councils in partnership with local chambers of commerce, trade associations, and safety education providers, ensuring widespread access to safety resources and best practices. Nearly \$945,000 in subsidies were provided by BWC to support the program, which also reinstated the participation rebate with simplified guidelines, including a maximum rebate cap of \$5,000.

Research initiatives

BWC continued to lead in occupational safety research through several high-impact initiatives in FY24:

- Ohio Occupational Safety and Health Research Program: In FY24, BWC's Safety Services launched three pivotal research projects focused on a job rotation optimization tool, monitoring of occupational exposure to respirable crystalline silica, and environmental surveillance to minimize health-care workers' exposure to MRSA. The program provided up to \$300,000 per project to Ohio's not-for-profit higher education institutions and research organizations. The program has been instrumental in advancing occupational safety and health, with a focus on enhancing the safety, health, productivity, and competitiveness of Ohio's workforce. As the program sunsets at the end of FY25, its research component will transition to the WSIC, continuing BWC's commitment to fostering innovative safety solutions.
- BWC/NIOSH Partnership: BWC and NIOSH continued collaborative research efforts in FY24, leveraging combined expertise to influence public policy and enhance workplace safety standards. This partnership utilized workers' compensation data to inform strategies for preventing occupational injuries and illnesses. The collaboration resulted in the publication of five influential journal articles, each contributing valuable insights into key areas such as respiratory claims, safety in the oil and gas industry, law enforcement, construction, and slip, trip, and fall prevention. These publications underscore the partnership's role in shaping policies aimed at reducing workplace risks and improving safety outcomes.
 - o "Respiratory-related workers' compensation claims from private employers Ohio, 2001-2018." Journal of Safety Research (2024): 128-136.
 - "Oil and gas extraction industry workers' compensation claims and pro posed safety interventions." Journal of Occupational and Environmental Medicine (2024).

- Occupational injuries and illnesses among law enforcement officers, 2001-2019: findings from the Ohio Bureau of Workers' Compensation." American Journal of Industrial Medicine (2023): 1079-1089.
- Occupational injuries among construction workers by age and related economic loss: findings from Ohio workers' compensation, USA: 2007-2017." Safety and Health at Work (2023) 406-414.
- o "Construction industry workers' compensation injury claims due to slips, trips, and falls Ohio, 2010-2017." Journal of Safety Research (2023) 80-91.
- Survey of Occupational Injuries and Illnesses (SOII): Supported by a renewed cooperative agreement between BWC and BLS, the SOII program gathered detailed data on occupational injuries and illnesses across Ohio, with an 88% response rate from 4,646 establishments. This data, representing more than 5,500 cases, will be published in November 2024, offering valuable insights for improving workplace safety.
- Census of Fatal Occupational Injuries (CFOI): The CFOI program, also supported by a renewed cooperative agreement between BWC and BLS, meticulously document ed cases of fatal occupational injuries in Ohio. As the most complete count of such incidents in the U.S., CFOI provides robust data used to develop and evaluate safety standards, preventive measures, and training programs. The FY24 census collected data on all workplace fatalities for calendar year 2023 (CY23), with comprehensive statistics set to be released in December 2024.

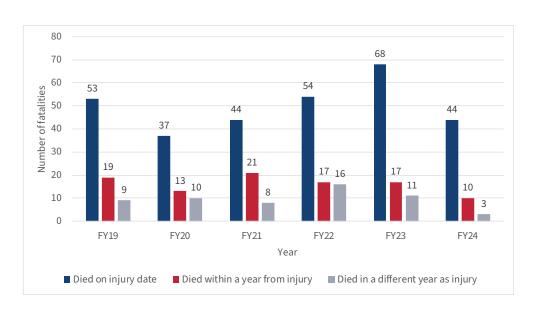
Ohio Occupational Fatalities

In FY24, we recorded 83 workplace fatalities in Ohio, comprising 57 from occupational injuries and 26 from occupational disease. A detailed analysis of these fatalities revealed:

- Forty-four workers died on the date of their injury.
- Ten workers died after the day of their injury in FY24.
- Three workers died in FY24 from injuries sustained in a previous fiscal year.

Comparison of occupational injury fatalities (FY19-FY24): An analysis of 454 verified occupational injury fatalities reported to BWC between FY19 and FY24 (Figure 4) shows trends in the timing of worker deaths related to their injuries. The chart does not include fatalities that resulted from occupational diseases. Notably, there was a significant decrease in occupational injury fatalities in FY24, dropping from 96 in FY23 to 57. However, it's important to note that the FY24 total may rise due to delayed claim filing. The combined total for FY23 and FY24 (153 fatalities) reflects a slight decrease compared to the totals in FY21 and FY22 (160 fatalities).

Figure 4: Ohio fatalities from occupational injuries (not occupational disease) for FY19 through FY24



Causes of fatalities in FY24: Figure 5 provides a detailed breakdown of the primary causes of fatalities from occupational injuries and occupational diseases in FY24. The data includes both the number and percentage of fatalities by cause. BWC determines causation of these fatalities through a comprehensive review process, which considers:

- First Report of an Injury, Occupational Disease or Death (FROI) documents
- Medical records, including physician reviews
- Coroner reports
- Police reports
- Ohio Industrial Commission determinations
- U.S. Department of Labor data
- Other BWC determinations

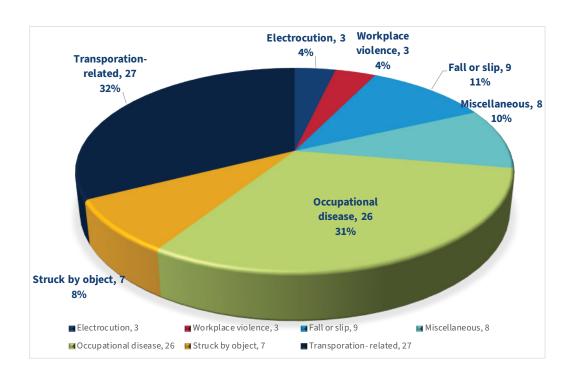


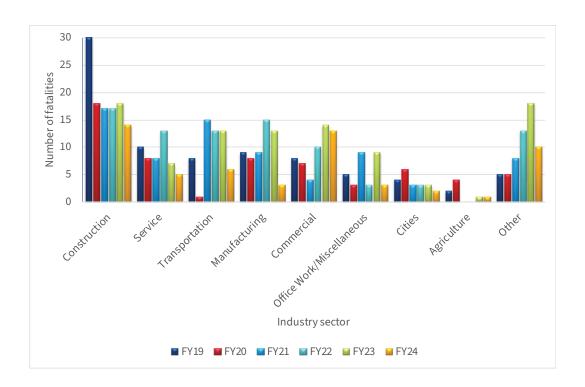
Figure 5: FY24 fatalities by causation

Key trends include:

- Occupational Disease-Related Fatalities: These fatalities continued to decline, from 39 in FY23 to 26 in FY24 though the total could rise due to delayed claim filings.
- Occupational Injury Related Fatalities: Transportation-related accidents were the leading cause, accounting for 27 deaths, down from 41 in FY23.
- Falls and/or slips: The second leading cause, with nine deaths in FY24, down from 12 in FY23.
- Struck by Objects: The third leading cause, with seven fatalities in FY24 down from 14 in FY23.

Fatalities by Industry Sector (FY19-FY24): Figure 6 depicts the number of occupational injury fatalities by industry sector over the six-year period. In FY24, the construction industry recorded the highest number of fatalities, with 14 deaths, primarily due to transportation-related accidents, being struck by objects, and falls. This was a slight decrease from 18 fatalities in FY23. The commercial industry had the second-highest number of fatalities, with 13 deaths in FY24, down from 14 in FY23, mostly caused by motor vehicle accidents involving drivers or passengers. The transportation industry sector followed with six fatalities in FY24, a decrease from 13 in FY23, with motor vehicle accidents remaining the leading cause.

Figure 6: Fatalities from occupational injuries by employer industry sector from FY19 through FY24



Together, these programs and analyses underscore BWC's commitment to advancing occupational safety and health research. The comprehensive data collected informs and enhances efforts to protect workers across Ohio, providing essential insights for the development of effective safety interventions.

Ohio Department of Developmental Disabilities partnership

In FY24, BWC continued its collaboration with the Ohio Department of Developmental Disabilities (DODD) as part of the broader efforts managed by the Safety Grants, Rebates, and Research section. This partnership focuses on enhancing the safety and health training available to employers and employees of direct service providers who care for children and adults with disabilities.

• Funding for online training courses: In FY24, BWC contributed \$173,498.66, cover ing 46% of the cost associated with the safety and health components of these training programs. These courses are specifically designed to equip service provid ers with the knowledge and skills necessary to maintain safe environments for both workers and those they care for.

Workforce Safety Innovation Center®

WSIC plays a pivotal role in advancing workplace safety by offering substantial funding for innovative projects aimed at developing personal protective equipment (PPE) and personal protective technology (PPT). With up to \$15 million available annually, WSIC grant projects aim to enhance workplace safety and reduce the frequency and severity of workplace injuries.

The Center prioritizes technology and product development projects that address critical safety needs identified through BWC claims data. Eligible projects receive up to \$1.5 million in base funding, with reimbursement schedules tied to project deliverables. The program is structured into two tracks: Track 1 for validating proof-of-concept feasibility and Track 2 for prototype development. Grants are limited to not-for-profit higher education institutions and standalone research organizations in Ohio.

Since its inception, WSIC has demonstrated remarkable growth. In FY24. The Center saw a 67% increase in both applications received and grants awarded, along with a 40% increase in total funding awarded compared to FY23. This growth reflects the center's expanding influence in fostering innovation in workplace safety. This growth is detailed in Table C, which compares the number of applications, grants awarded, and total funding between FY23 and FY24, highlighting the expanding influence of WSIC in fostering innovation in workplace safety.

Category	FY 2023	FY 2024		
Applications received	6	10		
Grants awarded	3	5		
Total dollar amount	\$3,612,342	\$5,039,308		

Table C: FY23 and FY24 applications received, grants awarded, and total dollars awarded In FY 2024, WSIC awarded funding to five projects that span both tracks:

- Research Institute at Nationwide Children's Hospital (Track 1): Led by Dr. Tensing Maa, this project focused on developing a VR Simulation Training Platform for early identification, de-escalation, and response to potential aggressions of workplace violence, specifically tailored for health care and social service agency workers.
- The Ohio State University (Track 1): Principal Investigator Dr. Jeremy Seidt led this project to develop an oxygen concentrating self-rescuer breathing apparatus, enhancing the safety and survivability of mine workers, confined space workers, and first responders in hazardous environments.

- Kent State University (Track 2): Under the leadership of Dr. Marianne Prévôt, this
 project aimed to create zero-power, customizable, wearable sensors to detect hazardous gases and vapors, designed for first responders, military personnel, and
 hazmat teams.
- University of Cincinnati (Track 2): Led by Ashley Kubley, this project involved the development of an active textile cooling turnout coat to improve safety, performance, and comfort of firefighters operating in high-temperature environments.
- University of Cincinnati (Track 2): Dr. Jun Wang spearheaded this project, which
 focused on developing an Exposure Protection Integrated Communicator (EPIC) to
 enhance safety for workers in metal fabrication workers, granite stonework,
 construction, landscaping, and healthcare.

WSIC's ongoing support for these innovative projects underscores its commitment to advancing workplace safety through the development of next-generation protective technologies. The center's work not only enhances safety for Ohio's workforce but also contributes to the broader field of occupational safety on a national scale.

Central Operations

Established in April 2024, Central Operations significantly enhanced the alignment of Safety Services activities. By streamlining business operations, event management, and communication strategies, Central Operations played a pivotal role in boosting the efficiency and impact of Safety Services.

- Organizational consolidation: In FY24, Central Operations successfully unified four specialized units, Business Operations, Events Management, Education and Train ing Services Center, and the BWC Library under a single, cohesive structure. This restructuring led to improved operational efficiency and more effective service delivery across all Safety Services activities.
- Business Operations: Business Operations was instrumental in preparing the FY25 budget, developing tools for better financial oversight, and enhancing communication efforts. Notably, the unit managed a comprehensive rebranding initiative for divisional documents and led efforts to update the BWC website to make safety services content more user-friendly and accessible. The unit also strengthened BWC's partnership with the Ohio Farm Bureau, facilitating outreach to the agricultural community with an investment of \$95,107.
- Event Management OSC24® success: OSC24® marked a major success, attract-

ing 8,990 registrants from 42 states and eight countries. The premier event in occupational safety and health featured 160 sessions across 13 educational tracks led by 222 industry experts who shared valuable knowledge and practical solutions to enhance workplace safety. Additionally, 294 exhibitors showcased the latest safety products and technologies, offering attendees valuable resources to improve safety in their organizations. The hybrid format enabled broader participation, allowing both in-person and virtual attendees to engage fully in the event's robust educational content and networking opportunities. This approach ensured safety professionals not only in Ohio but also worldwide could access and benefit from the latest developments in occupational safety, regardless of their location.

Figure 7 illustrates the distribution of unique policies for attendees by industry, highlighting the broad and diverse reach of OSC24®.

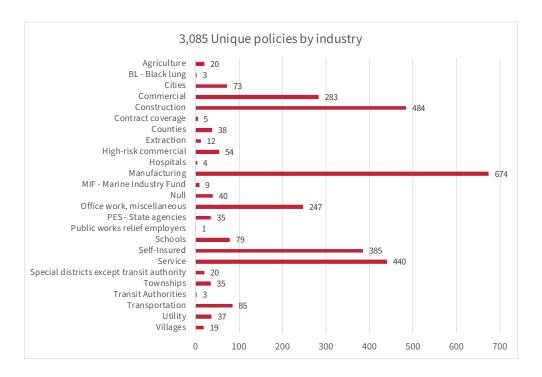


Figure 7: FY24 OSC® unique policies for attendees by industry

Education and Training Services

In FY24, BWC's safety education and training services saw 16,940 student completions across various formats, including instructor-led training (ILT) in both in-person and virtual classrooms, online e-courses, safety webinars, and on-site training. Courses covered critical topics such as industrial and construction safety, industrial hygiene, ergonomics, worker health and wellness, safety training practices, and environmental health and safety risk management.

• Training formats and reach: The 163 ILT classes included 54 virtual sessions and 109 in-person classes held at 43 different facilities. Additionally, 21 online e-courses and 20 live safety webinars were completed. While completion numbers slightly decreased from 19,164 in FY23 due to the sunset of the Industry-Specific Safety Program (ISSP), FY24 still saw robust participation with 8,787 students from 5,119 unique policies. Figure 8 provides a year-to-year comparison of education and training services, highlighting the total completions, unique students, and unique policies from FY23 to FY24, demonstrating the continued strength and reach of BWC's training programs.

Figure 8: Education and training services FY24 to FY23 year-to-year comparison for total completions, unique students, and unique policies



BWC's diverse and accessible training offerings continue to play a crucial role in enhancing workplace safety across Ohio, ensuring that employers and employees are equipped with the knowledge and skills necessary to maintain safe and healthy work environments.

BWC Library

The BWC Library responded to 1,632 requests for information and conducted 403 specialized reference searches. The library's streaming video service continued to grow with 519 employers and their employees accessing 32,372 videos. Additionally, the ongoing digitization of the BWC Archive attracted 736 users, with 75% being new to the service, demonstrating the library's expanding reach and impact.

Substance Use Recovery and Workplace Safety Program

SURWSP saw a 35% increase in employer enrollment in FY24, surpassing the previous year's growth rate. The program provided \$4 million in funding to support workplace drug testing, policy development, and training, helping Ohio employers create safer, more supportive environments for their employees. The program also extended access to the BYBO! wellness program to eligible employers, further enhancing workplace health and safety.

Ohio Industrial Commission's Fiscal Year 2024 Annual Report

Letter from the chairman

I am pleased to present the Ohio Industrial Commission's (OIC) Annual Report for Fiscal Year (FY) 2024.

Under the leadership of Governor Mike DeWine, the OIC is dedicated to providing outstanding customer service, while seeking ways to streamline and improve the services we offer to the injured workers and employers of Ohio. In the past fiscal year, our agency adjudicated more than 88,000 disputed workers' compensation claims via Webex and across our 12 local offices located throughout the State of Ohio.

As this report demonstrates, we are an agency that proudly strives to modernize operations and enhance our customers' experiences when interacting with the agency, while at the same time making and implementing sensible and fiscally responsible financial choices.

A few of our recent agency highlights include:

- Through streamlined operations and efficiency measures, the agency's Columbus office space footprint in the William Green Building has been reduced, saving an estimated \$200,000 in rental expenditures annually.
- Maintained the agency's annual total expenditure level within a narrow 3.5% variance band that initiated in FY 2013.
- Held FY 2024 expenditures at \$46.3 MM, the tenth consecutive year that agency expenditures have been within the \$44 MM to \$47 MM range.
- Achieved a Minority Business Enterprise (MBE) rate of 36.03 percent in FY 2024 versus the 15 percent statutory threshold in FY 2024. The Encouraging Diversity, Growth and Equality (EDGE) compliance rate is 20.05 percent versus the 5 percent policy requirement for the same period.
- Instituted numerous technological advancements to enhance the OIC staff's ability to provide first-rate customer service in a hybrid environment.
- Continued to maintain a high-level security presence for the agency's custom
 ers and employees with security inspections and audits, training, emergency
 preparedness, and coordinating with the Department of Administrative Ser
 vices on an updated contract for armed security guards, ensuring the retention
 of high-quality employees.
- Maintained compliance with all R.C. 4123.511 statutory timeframes.
- Continued to sustain very high court affirmation rates for final hearing orders appealed to court.

It is an honor and a privilege to lead an agency dedicated to our core mission of serving the injured workers and employers of Ohio through expeditious and impartial resolution of issues arising from workers' compensation claims, and through the establishment of adjudication policy. Throughout the next fiscal year, we will continue to provide outstanding customer service to ensure our continued commitment to providing fair, compassionate, and professional hearings for all concerned parties, while remaining on a path of fiscal prudence.

Sincerely,

Jim Hughes

Chairman

About the OIC

The OIC conducts more than 88,000 hearings each fiscal year, and most of these hearings take place within 45 days of the original claim appeal. This timeframe means you may expect first-rate customer service as the OIC provides a forum for appealing Ohio Bureau of Workers' Compensation (BWC) and self-insuring employer decisions. Since 1912, the OIC has resolved issues between parties who have a dispute in a workers' compensation claim. With each claim, the agency is dedicated to providing information and resources to help customers navigate through the appeals process.

The OIC conducts hearings on disputed claims at three levels: the District level, the Staff level, and the Commission level. The Governor appoints the three-member Commission, and the Ohio Senate confirms these nominations. By previous vocation, employment or affiliation, it is mandated that one member of the Commission represents employees, one represents employers and one represents the public.

During this fiscal year, Chairman Jim Hughes represented the employees; Cheri L. Hottinger represented the public; and Daniel J. Massey represented employers.

FY 2024 Highlights

In addition to the Commissioners, there are 78 hearing officers — all attorneys — in five regional and seven district offices throughout the state. In FY 2024, the OIC heard 88,302 claims at all adjudicatory levels. The statutory requirement from the filing of a motion or appeal to the date of a hearing timeframe is set at 45 days. For Filing to Hearing, Allowance docket issues averaged 38 days, while Appeal docket issues averaged 37 days. The agency performance benchmark for the filing of a motion or appeal to the mailing of an order is set at 52 days. For Filing to Mailing, Allowance docket issues averaged 42 days, while Appeal docket issues averaged 41 days. The Industrial Commission Online Network (ICON) has made it easy for parties to file motions and appeals online. First level motions and appeals filed on ICON this fiscal year totaled 34,980. Second level and above ICON filings, inclusive of appeals filed to DHO and SHO orders, totaled 42,244 in FY 2024. During this fiscal year, Customer Service scheduled approximately 1,809 interpreters for injured workers hearings. In addition, our toll-free customer service line and two local customer services lines received 4,334 calls in FY 2024. As the State of Ohio continues to attract more jobs, claims throughout the workers' compensation system may rise in the future – a possibility that the OIC continues to monitor.

Commission Performance Highlights — FY 2024

Formal hearings and administrative reviews account for the majority of OIC activity. In FY 2024, the OIC made approximately 145,422 decisions on issues arising from workers' compensation claims. During FY 2024, the OIC performed 57,120 administrative reviews and heard a total of 88,302 claims at all adjudicatory levels. Claims heard is inclusive of hearings at the DHO, SHO, Deputy, and Commission venues. Administrative reviews incorporate issues that do not initially require formal adjudication via hearing (Hearing Administrator issues, Commission requests, etc.). These issues receive review and processing at the claims examining, word processing, and hearing officer levels but are not typically reflected in routine production reports under DHO

or SHO dockets. These issues may subsequently result in a hearing under the normal adjudicatory processes and are reflected accordingly under respective hearing venues. The total DHO hearing volume accounts for 70 percent of the overall hearings during FY 2024 at 61,984 claims heard, while the SHO volume is recorded at 26,252 claims heard. Deputy venue claims heard totaled 16 in FY 2024, while the Commission venue recorded 50 claims heard. Total claims heard is inclusive of continuances, referrals, dismissals, and other final determinations made as a result of a hearing. Regionally, the rounded distribution of FY 2024 claims heard at DHO and SHO hearing levels is as follows: Columbus at 31 percent; Cleveland at 24 percent; Akron and Cincinnati each at 18 percent; and Toledo at 10 percent. DHO and SHO hearings were conducted on 245 days during FY 2024. An average of 360 claims were heard per hearing day at the DHO and SHO hearing levels. District level hearings averaged 253 claims heard per day (rounded), while Staff level hearings averaged 107 claims heard per day (rounded). OIC hearing timeframes for DHO, SHO, and Commission hearing venues are mandated by R.C. 4123.511. On average, all OIC offices performed within the statutory limits requiring a claim to be heard within 45 days of a motion or appeal filing. The OIC benchmark for Filing to Mailing is set at 52 days; this performance measure is based on the entirety of the hearing process and combines the two statutory periods Filing to Hearing (45 days) and Hearing to Mailing (7 days).

DHO Performance

DHOs conduct hearings on two formal docket types – Allowance (primarily injury allowance, compensation, and treatment issues) and C-92 (permanent partial disability issues). Only Allowance docket issues fall under timeframe requirements outlined in R.C. 4123.511. Of the total DHO Allowance claims during FY 2024, roughly 85 percent qualified for inclusion in time studies. Per statute, appeals or motions heard on DHO Allowance dockets must be heard within 45 days of filing. In FY 2024, Allowance dockets averaged 38 days for the statutory Filing to Hearing period. On average, the DHO Allowance process (Filing to Mailing) was completed within 42 days during FY 2024.

SHO Performance

SHOs conduct hearings on five formal docket types – Appeal (primarily injury allowance, compensation, and treatment issues), PTD (permanent total disability), Reconsideration (permanent partial disability issues), VSSR (violations of specific safety requirements), and Miscellaneous (other issues not designated to a pre-defined docket type). Only Appeal docket issues fall under timeframe requirements outlined in R.C. 4123.511. Of the total SHO Appeal claims during FY 2024, roughly 91 percent qualified for inclusion in time studies. Per statute, Staff hearing level appeals must be heard within a 45-day period. In FY 2024, SHO Appeal processes averaged 37 days for the statutory Filing to Hearing period.

OHIO BUREAU OF WORKERS' COMPENSATION &

INDUSTRIAL COMMISSION OF OHIO

(A DEPARTMENT OF THE STATE OF OHIO)

FINANCIAL STATEMENTS

June 30, 2024 and 2023

FINANCIAL STATEMENTS

June 30, 2024 and 2023

FINANCIAL STATEMENTS June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio A Department of the State of Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio (BWC/IC), a department of the State of Ohio (State), as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the BWC/IC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the BWC/IC, as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BWC/IC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the BWC/IC are intended to present the financial position, changes in financial position, and cash flows of the BWC/IC. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BWC/IC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
 include examining, on a test basis, evidence regarding the amounts and disclosures in the financial
 statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BWC/IC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BWC/IC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, supplemental revenue and reserve development information, the schedule of proportionate share of the net pension liability, the schedule of employer pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of employer OPEB contributions on pages 4-8, 48-49, 50, 51, 52 and 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BWC/IC's basic financial statements. The supplemental schedule of net position and schedule of revenues, expenses and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of net position and schedule of revenues, expenses and changes in net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of BWC/IC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BWC/IC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BWC/IC's internal control over financial reporting and compliance.

Crowe LLF

West Hartford, Connecticut September 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's discussion and analysis of the Ohio Bureau of Workers' Compensation's (BWC's) and the Industrial Commission of Ohio's (IC's) financial performance for fiscal years ended June 30, 2024, 2023, and 2022. BWC and IC are collectively referred to as BWC/IC. This information is based on BWC/IC's financial statements, which begin on Page 9.

Financial highlights

- BWC/IC's total assets at June 30, 2024 were \$23 billion, an increase of \$594 million or 2.7% compared to June 30, 2023.
- BWC/IC's total liabilities at June 30, 2024 were \$14.9 billion, an increase of \$154 million or 1% compared to June 30, 2023.
- BWC/IC's total operating revenues for fiscal year 2024 were \$1.2 billion, a decrease of \$151 million or 10.8% compared to fiscal year 2023.
- BWC/IC's total operating expenses for fiscal year 2024 were \$1.9 billion, an increase of \$180 million or 10.6% from fiscal year 2023.
- BWC's non-operating revenues for fiscal year 2024 were \$1 billion, compared to \$589 million for fiscal year 2023.
- BWC/IC's net position at June 30, 2024 was \$8.2 billion, an increase of \$387 million or 5% compared to June 30, 2023.

Financial statement overview

BWC/IC's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Management's discussion and analysis is intended to serve as an introduction to BWC/IC's financial statements, which are prepared using the accrual basis of accounting and the economic resources measurement focus.

- Statement of Net Position This statement is a point-in-time snapshot of BWC/IC's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at fiscal year-end. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. The statement is categorized by current and noncurrent assets and liabilities. For the purpose of the accompanying financial statements, current assets and liabilities are generally defined as those assets and liabilities with immediate liquidity or those that are collectible or due within 12 months of the statement date.
- Statement of Revenues, Expenses and Changes in Net Position This statement reflects
 the operating revenues and expenses, as well as policy holder dividend expense and nonoperating revenues and expenses, for the fiscal year. Major sources of operating revenues
 are premium and assessment income. Major sources of operating expenses are workers'
 compensation benefits and compensation adjustment expenses. Policy holder dividend
 and loss contingency expenses are included as part of the operating gain or loss
 calculation. Revenues and expenses related to capital and investing activities are reflected
 in the non-operating component of this statement.
- Statement of Cash Flows The statement of cash flows is presented using the direct method of reporting, which reflects cash flows from operating, noncapital financing, capital and related financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Notes to the Financial Statements The notes provide additional information that is
 essential to a full understanding of BWC/IC's financial position and results of operations
 presented in the financial statements. The notes present information about accounting
 policies and disclose material risks, subsequent events, and contingent liabilities, if any,
 that may significantly impact BWC/IC's financial position.
- Supplemental Information The financial statements include the following supplemental information schedules:
 - Required supplemental information that presents BWC/IC's revenue and reserve development information;
 - Required supplemental information that presents BWC/IC's proportionate share of the Ohio Public Employees Retirement System (OPERS) net pension liability;
 - Required supplemental information that presents BWC/IC's contribution to pension based on statutory requirements;
 - Required supplemental information that presents BWC/IC's proportionate share of the OPERS net other post-employment benefits (OPEB) liability / asset;
 - Required supplemental information that presents BWC/IC's contribution to OPEB based on statutory requirements; and
 - Optional supplemental schedules presenting the statement of net position and the statement of revenues, expenses and changes in net position for the individual accounts administered by BWC/IC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial analysis

Components of BWC/IC's Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position as of June 30, 2024, 2023, and 2022, and for the fiscal years then ended were as follows (000's omitted):

		2024		2023		2022
Current assets	\$	1,242,616	\$	1,062,517	\$	1,259,411
Noncurrent assets	2	21,723,795	:	21,310,224	:	20,998,135
Total assets	\$ 2	22,966,411	\$ 2	22,372,741	\$ 2	22,257,546
Deferred outflows of resources		77,818		118,700		32,401
	\$	77,818	\$	118,700	\$	32,401
Current liabilities	ф.	0.704.500	•	2 690 040	ф.	2.045.056
Noncurrent liabilities		2,731,528	\$	2,680,040		2,845,956
Total liabilities		12,122,350	_	12,020,099	_	11,804,297
Total liabilities	\$ 1	14,853,878		14,700,139	<u> </u>	14,650,253
Deferred inflows of resources		18,505		6,218		143,090
	\$	18,505	\$	6,218	\$	143,090
Not investment in admital accets	_	57.070	_	70.075	_	00.007
Net investment in capital assets	\$	57,373	\$	70,275	\$	80,267
Restricted net position		8,114,473		7,714,809	_	7,416,046
Total net position	\$	8,171,846	\$	7,785,084	\$	7,496,313
Net premium and assessment income,						
including provision for uncollectibles	\$	1,238,848	\$	1,391,763	\$	1,245,461
Other income		11,073		8,858		7,665
Total operating revenues	\$	1,249,921	\$	1,400,621	\$	1,253,126
Workers' compensation benefits and						
compensation adjustment expenses	\$	1,707,214	\$	1,546,974	\$	1,405,889
Other expenses	•	172,165	,	152,633	,	116,436
Total operating expenses	\$	1,879,379	\$	1,699,607	\$	1,522,325
Policy holder dividend expense	\$	(9)	\$	(150)	\$	(28,263)
Operating transfers (out) in		(1,425)		(1,425)		6,150
Net investment income		1,017,534		589,154		(1,570,004)
Gain on disposal of capital assets		120		178		188
(Decrease) increase in net position	\$	386,762	\$	288,771	\$	(1,861,128)
Cumulative effect of GASB96 on beginning						
balance in Fiscal Year 2023	\$	-	\$	-	\$	(291)

MANAGEMENT'S DISCUSSION AND ANALYSIS

BWC/IC's net position increased by \$387 million during fiscal year 2024, compared to a \$289 million increase during fiscal year 2023.

- Fiscal year 2024 premium and assessment income of \$1.3 billion reflects an overall reduction of 8% in premium rates for Ohio's private employers for the policy period beginning July 1, 2023, and an overall 1% and 0% decrease in premium rates for public taxing district (PEC) employers for the policy periods beginning January 1, 2024 and January 1, 2023, respectively. (PEC employers include counties, cities, villages, townships, schools, libraries, and special taxing districts.) Fiscal year 2023 premium and assessment income of \$1.4 billion reflects a 10% decrease in rates for private employers for the policy period beginning July 1, 2022, and an overall decrease of 0% and 15% in premium rates for PEC employers for each of the policy periods beginning January 1, 2023 and January 1, 2022, respectively. Refer to Note 1 Organization Background and Summary of Significant Accounting Policies for more information about premium and assessment income.
- Workers' compensation benefits and compensation adjustment expenses were as follows in fiscal years 2024, 2023, and 2022.

(\$ in millions)		<u> 2024</u>	2023	2022
Net benefit payments	\$	1,206	\$ 1,198	\$ 1,268
Payments for compensation adjustment expenses		203	209	142
Managed Care Organization administrative payments		170	165	161
Change in reserves for compensation and				
compensation adjustment expenses		128	 (25)	(165)
	\$	1,707	\$ 1,547	\$ 1,406

- The increase in net benefit payments from fiscal year 2023 to fiscal year 2024 is primarily
 due to recording a \$15 million legal settlement payment which resulted in a decrease to
 claims expense in fiscal year 2023. In addition, the claim payment changes include
 increases in temporary total and permanent total indemnity payments offset by decreases
 in medical and lumpsum settlement payments.
- The changes from year to year in payments for compensation adjustment expenses are primarily due to the adjustments required for the OPEB and Pension assets and liabilities during the fiscal year end process.
- The discounted reserves for workers' compensation benefits and compensation adjustment expenses as of June 30, 2024 are \$128 million higher than the June 30, 2023 discounted liabilities. The recorded liabilities for reserves are management's selection based on estimates calculated by BWC's Actuarial division staff for all funds except Coal Workers Pneumoconiosis, which is calculated by BWC's independent consulting actuary. Note 1 Organization Background and Summary of Significant Accounting Policies and Note 4 Reserves for Compensation and Compensation Adjustment Expenses provide a more detailed discussion of BWC's liabilities for reserves.
- In fiscal year 2024, BWC/IC recorded net investment income of \$1 billion, compared to income of \$589 million in fiscal year 2023. The portfolio earned a net return, after management fees, of 4.78% during fiscal year 2024 compared to a net return of 3% in fiscal year 2023. Note 1 Organization Background and Summary of Significant Accounting Policies and Note 2 Cash and Investments provide a more detailed discussion of BWC's cash and investments.
- On June 30, 2023, House Bill 31 of the 135th General Assembly (HB 31) was signed into law by Governor Mike Dewine. HB 31 modifies various statutes in Ohio Revised Code Chapter 4123 to allow administrative costs to be paid from the State Insurance fund,

MANAGEMENT'S DISCUSSION AND ANALYSIS

effectively collapsing the Administrative Cost Fund into the State Insurance Fund as of October 2023.

Conditions expected to affect financial position or results of operations

BWC/IC's vision, mission, and core values drive our commitment to keep Ohio workers safer on the job; help injured workers recover and return to their lives – at work and home; and keep costs down for Ohio businesses.

- Base rates will decrease an average of 7% for the July 1, 2024 policy year for private employers and 0% for the January 1, 2025 policy year for PEC employers.
- Businesses that invest in workplace safety and health are able to reduce fatalities, injuries, and illnesses, resulting in lower medical and legal expenses as well as lower costs to train replacement employees. BWC offers numerous financial assistance opportunities for employers to invest in workplace safety.
- BWC/IC's Board and management are closely monitoring investment trends and economic
 conditions that could negatively impact the value of BWC's investment portfolio. BWC's
 Investment division and the Board's Investment consultant have had an investment policy
 in place that has continued to protect BWC's stable financial position through difficult
 economic times.

Financial Strength Ratio for the end of each fiscal year are presented in the following table:

	2024	2023	2022	Guideline
Financial Strength Ratio	1.54	1.50	1.47	1.30 to 1.70

- HB 31 modified various statutes in Ohio Revised Code Chapter 4123 to allow for the inclusion of administrative costs in the premium calculation. It goes into effect with the policy year beginning July 1, 2024 for private employers, and for the policy year beginning on January 1, 2025 for public taxing districts.
- From time to time, BWC/IC is involved in judicial proceedings arising in the ordinary course of its business. BWC/IC will vigorously defend these suits and expects to prevail; however, there can be no assurance that BWC/IC will be successful in its defense.

OHIO BUREAU OF WORKERS' COMPENSATION AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

(000's omitted)

	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
ASSETS			LIABILITIES		
Current assets:			Current liabilities:		
Cash and cash equivalents (Note 2)	\$575,388	\$389,676	Reserve for compensation (Note 4)	\$ 1,273,793	\$ 1,283,589
Collateral on loaned securities (Note 2)	4,682	2,595	Reserve for compensation adjustment		
Premiums recorded not yet due	5,624	7,312	expenses (Note 4)	456,199	458,559
Assessments recorded not yet due	2,378	1,554	Unearned premium and assessments	413,188	408,354
Premiums in course of collection	4,804	3,907	Legal settlement	-	4,500
Assessments in course of collection	14,043	16,482	Warrants payable	21,798	19,295
Accounts receivable, net of allowance for			Group retrospective credit payable (Note 5)	68,160	58,922
uncollectibles of \$1,348,768 in 2024; \$1,308,019 in 2023	329,291	375,317	Investment trade payables	414,839	337,559
Retrospective premiums receivable	18,985	19,385	Accounts payable	10,586	17,947
Investment trade receivables	188,636	146,129	Obligations under securities lending (Note 2)	4,682	2,595
Accrued investment income	98,785	100,160	Other current liabilities (Note 5)	68,283	88,720
Total current assets	1,242,616	1,062,517	Total current liabilities	2,731,528	2,680,040
			Noncurrent liabilities:		
Noncurrent assets:			Reserve for compensation (Note 4)	10,529,835	10,425,510
Restricted cash (Note 2)	736	736	Reserve for compensation adjustment		
Fixed maturities, at fair value (Note 2)	10,892,275	10,568,780	expenses (Note 4)	1,215,901	1,180,341
Domestic equity securities, at fair value - common stock (Note 2)	4,466,133	4,069,664	Net pension liability (Note 6)	224,956	273,939
Domestic equity securities, at fair value - preferred stock (Note 2)	111	128	Net OPEB liability (Note 7)	-	5,816
Non-U.S equity securities, at fair value - common stock (Note 2)	2,196,366	2,072,001	Group retrospective credit payable (Note 5)	117,482	96,737
Investments in real estate funds (Note 2)	3,168,794	3,587,807	Other noncurrent liabilities (Note 5)	34,176	37,756
Unbilled premiums receivable	895,469	899,296	Total noncurrent liabilities	12,122,350	12,020,099
Retrospective premiums receivable	37,019	40,140	Total liabilities	\$ 14,853,878	\$ 14,700,139
Capital assets (Note 3)	57,373	70,275			
Net OPEB asset (Note 7)	7,746	-	DEFERRED INFLOW OF RESOURCES (Note 6 and 7)	18,505	6,218
Net pension asset (Note 6)	1,773	1,397	Total liabilities and deferred inflow of resources	\$ 14,872,383	\$ 14,706,357
Total noncurrent assets	21,723,795	21,310,224			
Total assets	\$ 22,966,411	\$ 22,372,741	NET POSITION		
			Net investment in capital assets	57,373	70,275
DEFERRED OUTFLOW OF RESOURCES (Note 6 and 7)	77,818	118,700	Restricted net position	8,114,473	7,714,809
Total assets and deferred outflow of resources	\$ 23,044,229	\$ 22,491,441	Total net position (Note 10)	\$ 8,171,846	\$ 7,785,084

OHIO BUREAU OF WORKERS' COMPENSATION AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the fiscal years ended June 30, 2024 and 2023

(000's omitted)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Premium and assessment income	\$1,282,421	\$ 1,427,518
Provision for uncollectibles	(43,573)	(35,755)
Other income	11,073	8,858
Total operating revenues	1,249,921	1,400,621
Operating expenses:		
Workers' compensation benefits (Note 4)	1,300,187	1,167,416
Compensation adjustment expenses (Note 4)	407,027	379,558
Personal services	73,853	75,241
Other administrative expenses	98,312	77,392
Total operating expenses	1,879,379	1,699,607
Net operating loss before policy holder dividends	(629,458)	(298,986)
Policy holder dividend expense	9	150
Net operating loss	(629,467)	(299,136)
Non-operating revenues:		
Net investment income (Note 2)	1,017,534	589,154
Gain on disposal of capital assets	120	178
Total non-operating revenues	1,017,654	589,332
Transfers (out)	(1,425)	(1,425)
Increase in net position	386,762	288,771
Net position, beginning of year	7,785,084	7,496,313
Net position, end of year	\$ 8,171,846	\$ 7,785,084

The accompanying notes are an integral part of the financial statements.

OHIO BUREAU OF WORKERS' COMPENSATION AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

STATEMENTS OF CASH FLOWS

For the fiscal years ended June 30, 2024 and 2023

(000's omitted)

	<u>2024</u>	2023
Cash flows from operating activities:		
Cash receipts from premiums and assessments	\$ 1,551,772	\$ 1,497,306
Cash receipts - other	29,493	27,186
Cash disbursements for claims	(1,431,289)	(1,396,571)
Cash disbursements to employees for services	(204,474)	(200,615)
Cash disbursements for other operating expenses	(145,902)	(130,867)
Cash disbursements for employer refunds	(212,420)	 (213,748)
Net cash used for operating activities	(412,820)	(417,309)
Cash flows from noncapital financing activities:		
Transfers (out) in	(1,425)	(1,425)
Net cash used by noncapital financing activities	(1,425)	(1,425)
Cash flows from capital and related financing activities:		
Purchase of capital assets, net of retirements	(5,369)	(1,516)
Net cash used in capital and related	 	
financing activities	 (5,369)	 (1,516)
Cash flows from investing activities:		
Investments sold	9,067,658	12,765,216
Investments purchased	(8,967,126)	(13,101,104)
Interest and dividends received	572,200	564,134
Investment expenses	(67,406)	 (53,683)
Net cash provided by investing activities	605,326	174,563
Net (decrease) increase in cash and cash equivalents	185,712	(245,687)
Cash and cash equivalents, beginning of year	 390,412	 636,099
Cash and cash equivalents, end of year	\$ 576,124	\$ 390,412

The accompanying notes are an integral part of the financial statements.

OHIO BUREAU OF WORKERS' COMPENSATION AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

STATEMENTS OF CASH FLOWS, Continued

For the fiscal years ended June 30, 2024 and 2023

(000's omitted)

	2024	<u>2023</u>	
Reconciliation of net operating loss to net cash used for operating activities:			
Net operating loss	\$ (629,467)	\$	(299,136)
Adjustments to reconcile net operating loss to net cash used for operating activities:			
Provision for uncollectible accounts	43,573		35,755
Depreciation	18,391		17,224
Pension and other postemployment benefits	(9,752)		3,678
(Increases) decreases in assets and increases (decreases)			
in liabilities:	004		(4.005)
Premiums and assessments recorded not yet due	864		(4,995)
Premiums and assessments in course of collection	1,542		(795)
Unbilled premiums receivable	3,827		(5,078)
Accounts receivable	2,453		(105,346)
Retrospective premiums receivable	3,521		4,066
Reserves for compensation and compensation			
adjustment expenses	127,729		(25,194)
Unearned premiums and assessments	4,834		36,312
Legal settlement	(4,500)		-
Group retrospective credit payable	29,983		(62,153)
Warrants payable	2,503		(7,168)
Accounts payable	(7,361)		8,247
Other liabilities	 (960)		(12,726)
Net cash used for operating activities	\$ (412,820)	\$	(417,309)
Noncash investing, capital, and financing activities			
Change in fair values of investments	\$ 491,058	\$	52,283

The accompanying notes are an integral part of the financial statements.

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

1. Organization Background and Summary of Significant Accounting Policies

The Ohio Bureau of Workers' Compensation (BWC) and the Industrial Commission of Ohio (IC) were created in 1912 and 1925, respectively, and are the exclusive providers of workers' compensation insurance to private and public employers in Ohio that have not been granted the privilege of paying compensation and medical benefits directly (self-insured employers). BWC and IC are collectively referred to herein as BWC/IC. BWC/IC was created and is operated pursuant to Chapters 4121, 4123, 4127, and 4131 of the Ohio Revised Code (the Code).

The Governor of the State of Ohio (the State) with the advice and consent of the Senate and nominating committee appoints the BWC Administrator, the three members of the IC, and the 11-member BWC Board of Directors (Board). All members have full voting rights. The BWC Administrator, with the advice and consent of the Board, is responsible for the operations of the workers' compensation system, while the IC is responsible for administering claim appeals.

BWC/IC is a department of the primary government of the State and is a proprietary operation for purposes of financial reporting. The accompanying financial statements include all accounts, activities, and functions of BWC/IC and are not intended to present the financial position, results of operations, or cash flows of the State taken as a whole. The financial information presented herein for BWC/IC will be incorporated within the State's financial statements.

Basis of Presentation

BWC/IC has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America as applicable to government organizations. Accordingly, these financial statements were prepared using the accrual basis of accounting and the economic resources measurement focus.

For internal reporting purposes, BWC/IC maintains separate internal accounts as required by the Code. For external financial reporting purposes, BWC/IC has elected to report as a single column business-type activity, since the individual accounts do not have external financial reporting accountability requirements. All significant interaccount balances and transactions have been eliminated.

BWC/IC administers the following accounts:

State Insurance Fund (SIF)
Disabled Workers' Relief Fund (DWRF)
Coal-Workers Pneumoconiosis Fund (CWPF)
Public Work-Relief Employees' Fund (PWREF)
Marine Industry Fund (MIF)
Self-Insuring Employers' Guaranty Fund (SIEGF)

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

Description of the Accounts

SIF, CWPF, PWREF, and MIF provide workers' compensation benefits for qualifying employees sustaining work-related injuries or diseases.

Prior to October 2023, Administrative Cost Fund (ACF) was a separate fund that provided for the payment of administrative and operating costs of all accounts except DWRF, CWPF, and MIF, which pay such costs directly. As of October 2023, SIF also provides for the payment of administrative and operating costs for all Private and Public County Taxing District employers. CWPF and MIF pay their own administrative costs. Administrative cost fund within the SIF account includes the portion of premiums paid by employers earmarked for the safety and loss prevention activities performed by the Safety & Hygiene Division for all employer groups and the administrative costs for Public State and Self-Insured employers.

DWRF provides supplemental cost-of-living benefits to persons who are permanently and totally disabled and are receiving benefits from SIF or PWREF. The maximum benefit levels are changed annually based on the United States Department of Labor National Consumer Price Index. DWRF also directly pays its own administrative and operating costs.

SIEGF provides for the payment of compensation and medical benefits relating to injuries sustained after 1987 by employees of self-insured employers that are bankrupt or in default.

Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues are primarily derived from premiums and assessments. Operating expenses include the costs of claims, policy holder dividends, and related administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents in the accompanying statements of net position and for the purposes of the statements of cash flows include cash and all highly liquid debt instruments purchased with a maturity of three months or less. Cash equivalents consist of money market funds.

Investments

BWC/IC's investments consist of fixed maturities, domestic equity securities, commingled bond index funds, commingled U.S. equity index funds, commingled non-U.S. equity index funds, U.S. real estate funds, bond funds and collateral on securities lending.

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fixed income securities, domestic equity securities, and bond funds are valued based on published market prices and quotations from national security exchanges and securities pricing services. The fair value of the commingled bond index funds, commingled domestic equity funds, commingled non-U.S. equity funds, and U.S. real estate funds are based on the value of the underlying net assets of the fund. Dividends, interest earnings, the net increase (decrease) in the fair value of investments (which includes both the change in fair value and realized gains and losses), and investment expenses are aggregated and reported as net investment income in the statements of revenues, expenses and changes in net position. The cost of securities sold is determined using the average cost method. Purchases and sales of investments are recorded as of the trade date.

Premium Income

Premiums are based on rates that are approved by the Board and on the employers' payroll, except self-insured employer assessments, which are based on paid compensation. SIF rates for private and public taxing district employers meeting certain size criteria are adjusted based on their own claims experience.

Premium income for SIF, CWPF, PWREF, and MIF is recognized over the coverage period. Premiums earned but not yet invoiced are reflected as premiums in course of collection in the statements of net position. Estimated annual premiums recorded but not yet invoiced are reflected as premiums recorded not yet due and unearned premium in the statements of net position.

In addition to the standard base and experience rated plans, BWC/IC offers the following alternative rating plans:

Group experience rating plans allow employers who operate within similar industries to group together to potentially achieve lower premium rates than they could individually.

Retrospective rating plans are offered to qualified employers on an individual basis. SIF recognizes estimated ultimate premium income on retrospectively rated businesses during the coverage period. Retrospective rating adjustments related to the coverage period are collected in subsequent periods, as experience develops related to injuries incurred during the coverage period. The estimated future retrospective rating adjustments are reflected in the statements of net position as retrospective premiums receivable.

Employers participating in group retrospective rating plans pay experience or base rated premiums as if they were individually rated at the beginning of the policy year. If the group's claims experience is better than expected at evaluation periods 12, 24, and 36 months after the close of the policy year, a portion of the group's premium is returned to employers participating in the group. If the group's claims experience is worse than expected at those intervals, additional premiums are levied on the employers participating in the group. The estimated future group retrospective rating plan credits are reflected in the statements of net position as group retrospective credit payable.

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

The deductible plan is offered to qualified employers. This plan is similar to that of other insurance deductible plans where an employer agrees to pay the portion of a workers' compensation injury claim that falls below their selected deductible level. For taking on this degree of risk, the employer receives a premium credit.

The Code permits State employers to pay into SIF on a terminal funding (pay-as-you-go) basis. Since BWC/IC has the statutory authority to assess premiums against the State employers in future periods, an unbilled premiums receivable equal to the State's share of the discounted reserve for compensation and compensation adjustment expenses, less BWC/IC's portion of the discounted reserve, is reflected in the statements of net position.

Assessment Income

DWRF I (DWRF benefits awarded for injuries incurred prior to January 1, 1987) assessments are based on employers' payroll and rates approved by the Board within a statutory range. DWRF II (DWRF benefits awarded for injuries incurred on or after January 1, 1987) assessments are based on rates that are approved by the Board and on employers' premiums. Administrative cost fund within the SIF account rates for assessments of self-insured employers are based on paid workers' compensation benefits. SIEGF assessments are based on paid compensation benefits with the exception of new self-insured employers, which are based on a percentage of prior losses as SIF employers.

Assessment income is recognized over the coverage period and is billed in advance of the coverage period. DWRF I and administrative cost fund within SIF account for public state, self-insured, and safety & hygiene assessment income is recognized over the period for which the assessment applies. These assessments earned but not yet invoiced were reflected as assessments in course of collection in the statements of net position. Estimated annual assessments recorded but not yet invoiced and unearned assessments are reflected as assessments recorded not yet due in the statements of net position.

In September 2015, the Board approved the funding of DWRF I benefits from SIF investment income for private and public taxing district employers rather than levying assessments against these employers. The annual change in funding commitment has been recorded in SIF and DWRF I as adjustments to the respective premium and assessment income in the statements of revenue, expenses and changes in net position for fiscal years 2024 and 2023. The commitment is reviewed annually and is subject to adjustment based on changes in the estimated DWRF I discounted reserves for compensation and compensation adjustment expenses.

The Code permits employers to pay into DWRF and SIEGF on a terminal funding (pay-as-you-go) basis. As BWC/IC has the statutory authority to assess employers in future periods, an unbilled premiums receivable equal to the discounted reserve for compensation and compensation adjustment expenses for DWRF I public state employers and SIEGF, less BWC/IC's portion of the discounted reserve, is reflected in the statements of net position. SIEGF assessments received or in the course of collection, but not yet recognized, are reflected as a reduction to unbilled premiums receivable.

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The year-end balances of the DWRF II cash and investment balances and the DWRF II discounted reserve for compensation and compensation adjustments expenses are compared annually to determine when BWC/IC has an unbilled premiums receivable. At June 30, 2024 and 2023, the total DWRF II cash and investment balances exceeded the DWRF II discounted reserve for compensation and compensation adjustment expenses, thus no unbilled premiums receivable is recorded for DWRF II.

Allowance for Uncollectible Accounts

BWC/IC provides an allowance for uncollectible accounts by charging operations for estimated receivables that will not be collected. The adequacy of the allowance is determined by management based on a review of aged receivable balances and historical loss experience.

Capital Assets

Capital assets maintains two categories: tangible capital assets and intangible right-to-use assets. Tangible capital assets are carried at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	Estimated Useful Lives (Years)
Buildings	30
Intangible assets	10
Furniture and fixtures	10
Vehicles and equipment	5

When assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the statements of revenues, expenses and changes in net position. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

Intangible right-to-use assets, subscription-based information technology agreements (SBITAs), and related liabilities are recorded at the commencement date of the related contract. The lease and SBITA liability, reflected on the Statement of Net Position and included in other liabilities is measured at the present value of expected payments over the contract term. The intangible right-to-use and SBITA assets are reflected in capital assets and are based on the initial measurement of the liability, plus any payments made to the vendor at or before the commencement of the contract term. Intangible right-to-use assets and SBITAs are amortized over the shorter of the term of the contract or the useful life of the underlying asset. Interest expense is recognized ratably over the contract term.

Expenditures for the design, software configuration, software interfaces, coding, hardware, hardware installation, data conversion to the extent necessary for the operation of the new software, testing, and licensure on internally generated software exceeding \$1 million are capitalized as an intangible asset. Intangible assets are depreciated upon implementation of the software. The useful lives of intangible assets varies and are determined upon completion of each project.

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Reserves for Compensation and Compensation Adjustment Expenses

The reserve for compensation consists of reserves for indemnity and medical claims resulting from work-related injuries or illnesses. The reserve for compensation is based upon BWC's internal actuarial unpaid indemnity and medical loss estimates for both reported claims and claims incurred but not reported (IBNR). The reserve for compensation adjustment expenses is based upon the BWC's internal actuaries' estimates of future expenses to be incurred in settlement of the claims. The reserve for compensation is based on the estimated ultimate cost of settling the claims, including the potential effects of inflation and other societal and economic factors and projections as to future events, including claims frequency, severity, duration, and inflationary cost trends for medical claim reserves. The reserve for compensation adjustment expenses is based on projected claim-related expenses, estimated costs of the managed care Health Partnership Program, the estimated costs of the Pharmacy Benefit Manager, and the reserve for compensation. The reserves for compensation and compensation adjustment expense do not contemplate future changes due to judicial or legislative actions that cannot be reasonably estimated. The methods and assumptions used in developing such estimates and for establishing the resulting liabilities are reviewed quarterly and updated based on current circumstances. The reserves for compensation and compensation adjustment expenses are discounted at 4.0% at June 30, 2024 and 2023 to reflect the present value of future benefit payments at those dates. The selected discount rate approximates an average expected investment yield on BWC/IC's investment portfolio that supports the future payment of the underlying BWC/IC's reserves.

Management believes that the recorded reserves for compensation and compensation adjustment expenses make for a reasonable and appropriate provision for expected future loss and related expense payments on events that have occurred on or prior to June 30, 2024. While management and the BWC internal actuarial staff use currently available information to estimate the unpaid amounts for compensation and compensation adjustment expenses, future changes to the estimates and reserves for compensation and compensation adjustment expenses for those events may be necessary based on actual future claims experience and changing claims frequency, severity, duration, and inflationary trends for medical claim reserves.

Other States Coverage

BWC provides access to optional insurance coverage for Ohio companies who meet BWC's underwriting criteria and have out of state workers' compensation exposures. This optional policy offers coverage for workers' compensation gaps and protects employers from penalties and stop-work orders in other states. Zurich American Insurance Company acts as the fronting carrier of the Other States Coverage policies. Acrisure LLC, dba United States Insurance Services Inc, acts as the exclusive fronting agency. The SIF provides 100% reinsurance for the policies in this program.

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Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension liability, net pension asset, net OPEB asset, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension expense, and OPEB expense, information about the fiduciary net position of the Ohio Public Employee's Retirement System's (OPERS) Plans and additions to / deductions from the OPERS Plans' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, OPERS records deductions when the liability is incurred and recognizes revenues when earned in accordance with benefit terms. OPERS' investments are reported at fair value.

Use of Estimates

In preparing the financial statements BWC/IC's management and pension/OPEB plans are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could and very likely will differ from those estimates due to unforeseeable events or circumstances.

2. Cash and Investments

BWC/IC is authorized by Section 4123.44 of the Code to invest using an investment policy established by the Board, which uses the prudent person standard. The prudent person standard requires investments be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments of the assets so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

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NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

The composition of cash and investments held at June 30, 2024 and 2023, is presented below (000's omitted):

	2024 <u>Fair Value</u>			2023 <u>Fair Value</u>		
Fixed maturities						
U.S. corporate bonds	\$	3,227,012	\$	3,185,869		
U.S. government obligations		1,898,425		1,848,754		
U.S. treasury inflation protected securities		1,741,906		1,693,518		
Commingled U.S. treasury inflation protected securities		864,399		832,432		
U.S. government agency mortgages		761,002		689,801		
Commingled U.S. Long Government / Credit Fixed Income		658,164		558,273		
Non-U.S. corporate bonds		653,019		651,715		
Asset backed securities		302,444		334,258		
Commercial mortgage backed securities		257,885		239,216		
Commingled U.S. aggregate indexed fixed income		166,859		150,603		
U.S. state and local government agencies		145,457		165,056		
Non-U.S. government and agency bonds		125,883		103,093		
Commingled U.S. intermediate duration fixed income		45,753		43,957		
U.S. government agency bonds		24,209		28,176		
Bond funds		10,727		34,032		
Preferred securities		7,754		7,500		
Bank loans		1,377		2,527		
Total fixed maturities		10,892,275		10,568,780		
Domestic equity securities - common stocks		4,005,462		3,583,891		
Domestic equity securities - preferred stocks		111		128		
Commingled domestic equity securities - common stocks		460,671		485,773		
Commingled Non-U.S. equity securities - common stocks		2,196,366		2,072,001		
Commingled investments in real estate		3,168,794		3,587,807		
Securities lending short-term collateral		4,682		2,595		
Restricted Cash		736		736		
Cash and cash equivalents						
Cash		63,213		31,166		
Repurchase agreements		6,300		2,000		
Short-term money market fund	_	505,875		356,510		
Total cash and cash equivalents		575,388		389,676		
	\$	21,304,485	\$	20,691,387		

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For the fiscal years ended June 30, 2024 and 2023

Net investment income for the fiscal years ended June 30, 2024 and 2023, is summarized as follows (000's omitted):

	<u>2024</u>	2023
Fixed maturities	\$ 395,726	\$ 388,567
Equity securities	55,647	56,907
Real estate	98,603	117,736
Cash equivalents	 20,849	14,695
	570,825	577,905
Increase (decrease) in fair value of investments	491,058	52,283
Investment expenses	 (44,349)	 (41,034)
	\$ 1,017,534	\$ 589,154

<u>Custodial Credit Risk – Deposits</u>

The custodial credit risk for deposits is the risk that in the event of a bank failure, BWC/IC's deposits might not be recovered. Banks must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 102% of the total public monies on deposit at the institution. At June 30, 2024 and 2023, the carrying amount of BWC/IC's cash deposits were \$63.2 million and \$31.2 million, respectively, and the bank balances were \$7.4 million and \$6.5 million, respectively. Differences between the carrying amount and bank balances are primarily due to in transit credit card and online payments. Of the June 30, 2024 and 2023, bank balances, \$250 thousand were insured by the FDIC. The remaining cash balance on deposit with the bank was collateralized by pledges held by the trustee of either a surety bond or securities with a sufficient market value and was not exposed to custodial credit risk. Any pledged securities are held by the Federal Reserve, the Federal Home Loan Bank, or an insured financial institution serving as agent of the Treasurer of the State of Ohio.

<u>Custodial Credit Risk – Investments</u>

Custodial credit risk for investments is the risk that, in the event of a failure of a counterparty to a transaction, BWC/IC will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. BWC/IC's investments are not exposed to custodial credit risk and are held in BWC/IC's name at either JP Morgan, in commingled account types, or are fixed maturity bank loans, which by definition, are not exposed to custodial credit risk. Commingled bond and U.S. equity funds are held in the custody of State Street. The commingled non-U.S. equity fund is held in the custody of JP Morgan. The underlying securities in the short-term money market fund are high-quality, short-term debt securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities, and repurchase agreements fully collateralized by U.S. Treasury and U.S. government securities.

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Fair Value Measurements

BWC/IC's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 Investments reflect prices quoted in active markets and are valued directly from a primary external pricing vendor.
- Level 2 Investments reflect prices that are observable either directly or indirectly. Inputs may include quoted prices in markets that are not considered active or inputs other than quoted prices that are observable such as interest rates, yield curves, implied volatilities, credit spreads or market-corroborated inputs. These investments are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.
- Level 3 Investments reflect prices based upon unobservable sources. Asset backed securities, commercial mortgage backed securities, and bank loans are classified in Level 3 and are valued using an internal fair value as provided by the investment manager or other unobservable pricing source.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

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For the fiscal years ended June 30, 2024 and 2023

The fair value measurement of investments held at June 30, 2024 and 2023, is presented below (000's omitted):

Fiscal Year 2024		Prices		Inputs		Inputs		Fair Value	
	Level 1		Level 2		Level 3		Total		
Fixed Maturities									
U.S. corporate bonds	\$	-	\$	3,227,012	\$	-	\$	3,227,012	
U.S. government obligations		1,796,334		102,091		-		1,898,425	
U.S. treasury inflation protected securities		1,741,906		-		-		1,741,906	
U.S. government agency mortgages		-		761,002		-		761,002	
Non-U.S. corporate bonds		-		653,019		-		653,019	
Asset backed securities		-		238,728		63,716		302,444	
Commercial mortgage backed securities		-		247,812		10,073		257,885	
U.S. state and local government agencies		-		145,457		-		145,457	
Non-U.S. government and agency bonds		-		125,883		-		125,883	
U.S. government agency bonds		-		24,209		-		24,209	
Bond funds		10,727		-		-		10,727	
Preferred securities		-		7,754		-		7,754	
Bank loans		-		-		1,377		1,377	
Domestic equity securities - common stocks		4,005,462		-		-		4,005,462	
Domestic equity securities - preferred stocks		-		-		111		111	
Securities lending short-term collateral		-		4,682		-		4,682	
	\$	7,554,429	\$	5,537,649	\$	75,277	\$	13,167,355	
	Investments measured at net asset value:								
	Commingled U.S. aggregate indexed fixed income							166,859	
	Commingled U.S. Long Government / Credit Fixed Income							658,164	
	С	ommingled U.	S. trea	sury inflation p	rotecte	d securities		864,399	
		Commingled	U.S. ir	ntermediate du	ration fi	xed income		45,753	
	Co	mmingled dom	estic e	equity securitie	s - com	mon stocks		460,671	
	Cor	nmingled Non-	-U.S. 6	equity securitie	s - com	mon stocks		2,196,366	
			Comn	ningled investr	nents in	real estate		3,168,794	
							\$	7,561,006	
					Res	tricted Cash:	\$	736	
Cash and Cash Equivalents:						\$	575,388		
					Total I	nvestments:	\$	21,304,485	

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Fiscal Year 2023		Prices Level 1		Inputs Level 2		Inputs		Fair Value
						Level 3		Total
Fixed Maturities								
U.S. corporate bonds	\$	-	\$	3,185,869	\$	-		3,185,869
U.S. government obligations		1,761,784		86,970		-		1,848,754
U.S. treasury inflation protected securities		1,693,518		-		-		1,693,518
U.S. government agency mortgages		-		689,801		-		689,801
Non-U.S. corporate bonds		-		651,715		-		651,715
Asset backed securities		-		272,376		61,882		334,258
Commercial mortgage backed securities		-		227,111		12,105		239,216
U.S. state and local government agencies		-		165,056				165,056
Non-U.S. government and agency bonds		-		103,093				103,093
U.S. government agency bonds		-		28,176				28,176
Bond funds		14,965		-				14,965
Preferred securities		-		7,500				7,500
Bank loans		-		-		2,527		2,527
Domestic equity securities - common stocks		3,583,891		-				3,583,891
Domestic equity securities - preferred stocks		-		-		128		128
Securities lending short-term collateral				2,595				2,595
	\$	7,054,158	\$	5,420,262	\$	76,642	\$	12,551,062
		lnv	estme	ents measured	at net	asset value:		
	Commingled U.S. aggregate indexed fixed income							150,603
	Commingled U.S. Long Government / Credit Fixed Income							558,273
	Commingled U.S. treasury inflation protected securities							832,432
		•		ntermediate du				43,957
	Investment in Bond Fund							19,067
	Commingled domestic equity securities - common stocks							485,773
		nmingled Non-						2,072,001
	Commingled investments in real estate							3,587,807
	• •						\$	7,749,913
	Restricted Cash:						\$	736
	Cash and Cash Equivalents:						\$	389,676
					Total	Investments:	\$	20,691,387

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For the investments below which do not have a readily determinable fair value, net asset value per unit is used as a practical expedient for establishing fair value. The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the tables below (000's omitted).

Investments Measured at the NAV

FY 2024

		Unfunded Commitments	Redemption Frequency (If	
Investment Strategy	Fair Value		currently eligible)	Redemption Notice Period
Commingled U.S. aggregate indexed fixed income	166,859		Daily	5 days
Commingled U.S. Long Government / Credit Fixed Income	658,164		Daily	5 days
Commingled U.S. treasury inflation protected securities	864,399		Daily	5 days
Commingled U.S. intermediate duration fixed income	45,753		Daily	5 days
Commingled domestic equity securities - common stocks	460,671		Daily	5 days
Commingled Non-U.S. equity securities - common stocks	2,196,366		Daily	5 days
Commingled investments in real estate:				
Core Real Estate	1,774,414	-	Quarterly	1 quarter
Core Plus Real Estate	992,247	-	Quarterly	1 quarter
Value Added Real Estate	402,133	159,029	Illiquid	
Total Commingled investments in real estates:	3,168,794	159,029		

Investments Measured at the NAV

FY 2023

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled U.S. aggregate indexed fixed income	150,603		Daily	5 days
Commingled U.S. Long Government / Credit Fixed Income	558,273		Daily	5 days
Commingled U.S. treasury inflation protected securities	832,432		Daily	5 days
Commingled U.S. intermediate duration fixed income	43,957		Daily	5 days
Investment in Bond Fund	19,067		Bi-Monthly	15 days
Commingled domestic equity securities - common stocks	485,773		Daily	5 days
Commingled Non-U.S. equity securities - common stocks	2,072,001		Daily	5 days
Commingled investments in real estate:				
Core Real Estate	2,020,727	-	Quarterly	1 quarter
Core Plus Real Estate	1,116,564	-	Quarterly	1 quarter
Value Added Real Estate	450,516	155,563	Illiquid	
Total Commingled investments in real estates:	3,587,807	155,563		

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Commingled fixed maturities, domestic equity, and non-U.S. equity funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments. Investment in the bond fund is valued monthly per the fund manager.

BWC/IC invests in real estate through limited partnerships, commingled funds, and commingled real estate investment trusts. Core and Core Plus real estate funds owned are open-ended funds that offer each investor the right to redeem all or a portion of their investment ownership interest once every quarter at the stated unit net asset value of the fund. Value-added real estate funds owned are close-ended funds and do not offer such redemption rights and, therefore, can be considered to be illiquid investments. The real estate funds provide BWC/IC with quarterly valuations based on the most recent capital account balances. Individual properties owned by the funds are valued by an outside independent certified real estate appraisal firm at least once a year and are adjusted as often as every quarter if material market or operational changes have occurred. Each asset is also valued internally on a quarterly basis by each fund. The internal and external valuations of properties owned are subject to oversight and review by an independent valuation advisor firm. Debt obligations of each fund receive market value adjustments by the fund every quarter, generally with the assumption that such positions will be held to maturity. Annual external audits of the funds include a review of compliance with the fund's valuation policies.

Interest Rate Risk - Fixed-Income Securities

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. BWC/IC manages the exposure to fair value loss arising from increasing interest rates by requiring that each fixed-income portfolio be invested with duration characteristics that are within a range consistent with Bloomberg Barclays Fixed Income Index ranges.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flow, weighted for those cash flows as a percentage of the investment's full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments such as callable bonds, prepayments, and variable-rate debt. The effective duration measures the sensitivity of the market price to parallel shifts in the yield curve.

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At June 30, 2024 and 2023, the effective duration of BWC's fixed-income portfolio is as follows (000's omitted):

	<u>June 30,</u>	2024	June 30, 2023		
	Effective			Effective	
Investment Type	Fair Value	<u>Duration</u>	Fair Value	<u>Duration</u>	
U.S. corporate bonds	3,227,012	11.21	3,185,869	11.69	
U.S. government obligations	1,898,425	8.34	1,848,754	8.53	
U.S. treasury inflationary protected securities	1,741,906	6.57	1,693,518	6.73	
Commingled U.S. treasury inflationary protected securities	864,399	6.52	832,432	6.64	
U.S. government agency mortgages	761,002	6.21	689,801	6.11	
Commingled U.S. long lovernment / credit fixed income	658,164	13.77	558,273	14.28	
Non-U.S. corporate bonds	653,019	8.65	651,715	8.58	
Asset backed securities	302,444	1.98	334,258	2.02	
Commercial mortgage backed securities	257,885	2.22	239,216	2.55	
Commingled U.S. aggregate indexed fixed income	166,859	6.13	150,603	6.29	
U.S. state and local government agencies	145,457	11.27	165,056	11.73	
Non-U.S. government and agency bonds	125,883	11.43	103,093	11.58	
Commingled U.S. intermediate duration fixed income	45,753	3.76	43,957	3.80	
U.S. government agency bonds	24,209	1.09	28,176	2.14	
Bond funds	10,727	0.22	34,032	0.16	
Preferred securities	7,754	0.92	7,500	1.17	
Bank loans	1,377	0.06	2,527	0.11	
Total fixed maturities	\$ 10,892,275		\$ 10,568,780	-	

Although the short-term money market fund is generally less sensitive to interest rate changes than are funds that invest in longer-term securities, changes in short-term interest rates will cause changes to its yield resulting in some interest rate risk

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Credit Risk – Fixed-Income Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. U.S. government obligations, U.S. treasury inflation protected securities, and commingled U.S. treasury inflation protected securities are all rated AA by Standard and Poor's (S&P) in fiscal years 2024 and 2023. Obligations of the U.S. government are explicitly guaranteed by the U.S. government. BWC/IC's fixed-income securities were rated by S&P and/or an equivalent national rating organization and the ratings are presented below using the S&P rating scale (000's omitted):

	2024	2023	
Quality Rating	<u>Fair Value</u>	Fair Value	
Credit risk debt quality			
AAA	\$ 333,648	\$ 351,124	
AA	583,989	596,815	
A	2,113,021	1,993,199	
BBB	2,173,544	2,137,892	
BB	264,581	280,819	
В	71,286	77,235	
CCC	25,286	24,464	
CC	10,754	10,385	
С	474	166	
D	-	2,041	
NR	25,751	1,959	
Total credit risk debt securities	5,602,334	5,476,099	
U.S. government agency bonds	<u> </u>		
AAA	-	1,390	
AA	24,209	26,786	
Total U.S. government agency bonds	24,209	28,176	
U.S. government agency mortgages			
AAA	2,496	2,527	
AA	747,665	671,524	
A	-	623	
BBB	3,918	3,024	
BB	1,522	10,838	
В	1,346	1,265	
NR	4,055		
Total U.S. government agency mortgages	761,002	689,801	
U.S. government obligations (AA)	1,898,425	1,848,754	
U.S. treasury inflation protected securities (AA)	1,741,906	1,693,518	
Commingled U.S. treasury inflation protected securities (AA)	864,399	832,432	
Total fixed maturities	\$ 10,892,275	\$ 10,568,780	

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The short-term money market fund carries an AAA credit rating.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of BWC/IC's investment in a single issuer. In 2024 and 2023, there is no single issuer that comprises 5% or more of the overall portfolio with the exception of BWC/IC's investments in the U.S. government.

Foreign Currency Risk – Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. BWC's exposure to foreign currency risk as of June 30, 2024 and 2023, is as follows (000's omitted):

	2024			2023		
Currency	<u>Fair Value</u>			<u>Fair Value</u>		
Australian Dollar	\$	143,776	\$	132,811		
Bermudian Dollar		402		523		
British Pound		275,316		269,512		
Canadian Dollar		227,092		216,143		
Chinese Renminbi		463		311		
Danish Krone		78,075		56,453		
Euro		659,796		625,341		
Hong Kong Dollar		33,251		44,285		
Israeli Shekel		14,226		11,403		
Japanese Yen		445,048		413,694		
Macau Pataca		592		990		
Manx Pound		-		1,219		
New Zealand Dollar		4,986		5,129		
Norwegian Krone		11,637		11,609		
Singapore Dollar		26,597		25,682		
Swedish Krona		63,666		55,695		
Swiss Franc		200,125		199,855		
Exposure to foreign currency risk	.	2,185,048		2,070,655		
United States Dollar		11,318		1,346		
Total international securities	\$	2,196,366	\$	2,072,001		

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Securities Lending

At June 30, 2024 and 2023, BWC/IC had no securities out on loan. BWC/IC has been allocated with cash collateral of \$4.7 million in 2024 and \$2.6 million in 2023 from the securities lending program administered through the Treasurer of State's Office based on the amount of cash equity in the State's common cash and investment account.

3. Capital Assets

Capital asset activity and balances as of and for the fiscal years ended June 30, 2024 and 2023, are summarized as follows (000's omitted):

	Balance at			Balance at			Balance at
Capital assets not being	6/30/2022	Increases	Decreases	6/30/2023	Increases	Decreases	6/30/2024
depreciated							
Land	\$ 9,466	\$ -	\$ -	\$ 9,466	\$ -	\$ -	\$ 9,466
Subtotal	9,466	-	-	9,466			9,466
Capital assets being depreciated							
Buildings	205,831	-	-	205,831	-	-	205,831
Building improvements	3,608	-	-	3,608	-	-	3,608
Furniture and equipment	21,991	1,728	(2,221)	21,498	1,710	(1,683)	21,525
Subtotal	231,430	1,728	(2,221)	230,937	1,710	(1,683)	230,964
Accumulated depreciation							
Buildings	(201,045)	(602)		(201,647)	(441)		(202,088)
Building improvements	(1,992)	(177)		(2,169)	(177)		(2,346)
Furniture and equipment	(19,493)	(1,188)	2,186	(18,495)	(1,344)	1,584	(18,255)
Subtotal	(222,530)	(1,967)	2,186	(222,311)	(1,962)	1,584	(222,689)
Capital assets being amortized							
Intangible assets - definite useful lives	137,593	8,525	-	146,118	3,878	-	149,996
Accumulated amortization	(75,692)	(15,257)	(2,986)	(93,935)	(16,429)	-	(110,364)
Subtotal	61,901	(6,732)	(2,986)	52,183	(12,551)	-	39,632
Net capital assets	\$ 80,267	\$ (6,971)	\$ (3,021)	\$ 70,275	\$ (12,803)	\$ (99)	\$ 57,373

4. Reserves for Compensation and Compensation Adjustment Expenses

The reserve for compensation consists of reserves for indemnity and medical claims resulting from work-related injuries or illnesses. The recorded liabilities for compensation and compensation adjustment expenses are BWC management's selection based on estimates by BWC's Actuarial division staff. Management believes that the recorded liabilities make for a reasonable and appropriate provision for expected future losses and expense payments on events that have occurred on or prior to June 30, 2024; however, the ultimate liabilities for those events may vary from the amounts provided.

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All reserves have been discounted at 4.0% at June 30, 2024 and 2023. A decrease in the discount rate to 3.0% would result in the reserves for compensation and compensation adjustment expenses increasing to \$14.8 billion at June 30, 2024, while an increase in the rate to 5.0% would result in the reserves for compensation and compensation adjustment expenses decreasing to \$12.4 billion. The undiscounted reserves for compensation and compensation adjustment expenses were \$21.6 billion at June 30, 2024, and \$21.4 billion at June 30, 2023.

The changes in the reserves for compensation and compensation adjustment expenses for the fiscal years ended June 30, 2024 and 2023, are summarized as follows (000,000's omitted):

	2024	2023	2022
Reserves for compensation and compensation adjustment expenses, beginning of period	\$ 13,348	\$ 13,373	\$ 13,539
Incurred: Provision for insured events of current period Net (decrease) increase in provision for insured events of prior periods net of discount accretion of	1,276	1,263	1,261
\$539 in 2024, \$535 in 2023 and \$542 in 2022 Total incurred Payments: Compensation and compensation adjustment	431 1,707	<u>284</u> 1,547	139 1,400
expenses attributable to insured events of current period	343	322	315
Compensation and compensation adjustment expenses attributable to insured events of prior period Total payments	1,236 1,579	1,250 1,572	1,251 1,566
Reserves for compensation and compensation adjustment expenses, end of period	\$ 13,476	\$ 13,348	\$ 13,373

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5. Long-Term Obligations

Activity for long-term obligations (excluding the reserves for compensation and compensation adjustment expenses – see Note 4) for the fiscal years ended June 30, 2024 and 2023, is summarized as follows (000's omitted):

 	Increases		Increases Decreases		Balance at 6/30/2023		Due Within One Year	
\$ 83,541 - 217,812 146,022 447,375	\$	190,398 5,816 45,049 109,697 350,960	\$	- (107,202) (129,243) (236,445)	\$	273,939 5,816 155,659 126,476 561,890	\$	- 58,922 88,720 147,642
 	<u>In</u>	creases	D	ecreases	_			ne Within ne Year
\$ 273,939 5,816 155,659 126,476	\$	- 113,870 105,074	\$	(48,983) (5,816) (83,887) (129,091)	\$	224,956 - 185,642 102,459	\$	- 68,160 68,283 136,443
\$ \$ Ba	217,812 146,022 \$ 447,375 Balance at 6/30/2023 \$ 273,939 5,816 155,659 126,476	\$ 83,541 \$ 217,812	\$ 83,541 \$ 190,398 - 5,816 217,812 45,049 146,022 109,697 \$ 447,375 \$ 350,960 Balance at 6/30/2023 Increases \$ 273,939 \$ - 5,816 - 155,659 113,870 126,476 105,074	\$ 83,541 \$ 190,398 \$ - 5,816 217,812 45,049 146,022 109,697 \$ 447,375 \$ 350,960 \$ \$ \$ 273,939 \$ - 5,816 - 155,659 113,870 126,476 105,074	6/30/2022 Increases Decreases \$ 83,541 \$ 190,398 \$ - - 5,816 - 217,812 45,049 (107,202) 146,022 109,697 (129,243) \$ 447,375 \$ 350,960 \$ (236,445) Balance at 6/30/2023 Increases Decreases \$ 273,939 \$ - \$ (48,983) 5,816 - (5,816) 155,659 113,870 (83,887) 126,476 105,074 (129,091)	6/30/2022 Increases Decreases 6 \$ 83,541 \$ 190,398 \$ - \$ - 5,816 - (107,202) 146,022 109,697 (129,243) \$ 447,375 \$ 350,960 \$ (236,445) \$ Balance at 6/30/2023 Increases Decreases 6 \$ 273,939 \$ (48,983) \$ 5,816 - (5,816) 155,659 113,870 (83,887) 126,476 105,074 (129,091)	6/30/2022 Increases Decreases 6/30/2023 \$ 83,541 \$ 190,398 - \$ 273,939 - 5,816 - 5,816 217,812 45,049 (107,202) 155,659 146,022 109,697 (129,243) 126,476 \$ 447,375 \$ 350,960 \$ (236,445) \$ 561,890 Balance at 6/30/2023 Increases Decreases 6/30/2024 \$ 273,939 - \$ (48,983) \$ 224,956 5,816 - (5,816) - 155,659 113,870 (83,887) 185,642 126,476 105,074 (129,091) 102,459	6/30/2022 Increases Decreases 6/30/2023 O \$ 83,541 \$ 190,398 \$ - \$ 273,939 \$ - 5,816 - 5,816 217,812 45,049 (107,202) 155,659 146,022 109,697 (129,243) 126,476 \$ 447,375 \$ 350,960 \$ (236,445) \$ 561,890 \$ Balance at 6/30/2023 Increases Decreases 6/30/2024 O \$ 273,939 - \$ (48,983) \$ 224,956 \$ 5,816 - (5,816) - - 155,659 113,870 (83,887) 185,642 126,476 105,074 (129,091) 102,459

6. Pension Plans

General Information

BWC/IC employees participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer public employee retirement system. OPERS administers three pension plans:

- The Traditional Plan a defined benefit plan.
- The Combined Plan a combination of a defined benefit plan and a defined contribution plan. This plan invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Plan benefit. Member contributions are self-directed by the members and accumulate retirement assets in a manner similar to the Member-Directed Plan. This option is no longer available to new employees.
- The Member-Directed Plan a defined contribution plan. Under this plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings thereon.

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OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Benefits are established and may be amended by State statute. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a publicly available financial report that includes financial statements, required supplementary information, information about the pension plan's fiduciary net position, and the Plan Statement with pension plan details. The report is available by visiting https://www.opers.org/financial/reports.shtml, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377. As of June 30, 2024, the most recent report issued by OPERS is for the calendar year ended December 31, 2023.

Funding Policy

Chapter 145 of the Ohio Revised Code provides statutory authority for employee and employer contributions. During fiscal years 2024 and 2023, the employee contribution rate was 10% and the employer contribution rate was 14% of covered payroll for all three plans. BWC/IC's contractually required employer contributions were \$21.7 million for calendar year 2023 and \$20.8 million for calendar year 2022.

Measurement Date

The measurement dates for the net pension assets and liabilities, deferred inflows and outflows of resources, and pension expense were December 31, 2023, for fiscal year 2024 and December 31, 2022, for fiscal year 2023. OPERS total pension assets and liabilities that were used to calculate the net pension asset and liability were also based on an actuarial valuation as of these dates.

Proportionate Share

BWC/IC's proportionate shares of the net pension assets and liabilities are determined as BWC/IC's share of contributions to the pension plan relative to the total employer contributions from all participating OPERS employers. Member and employer contributions included in OPERS' Statement of Changes in Fiduciary Net Position are used to calculate proportionate share. At December 31, 2023 and 2022, BWC/IC's proportions were as follows:

	December 2023	December 2022
Traditional Plan	0.859255%	0.927348%
Combined Plan	0.576770%	0.592736%

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Pension Assets, Deferred Outflows of Resources, Pension Liabilities, Deferred Inflows of Resources, and Pension Expense

At June 30, 2024 and 2023, BWC/IC reported \$1.8 million and \$1.4 million, respectively, for its proportionate share of the Combined Plan's net pension asset and a liability of \$225 million and \$274 million, respectively, for its proportionate share of the Traditional Plan's net pension liability.

For fiscal years ended June 30, 2024 and 2023, BWC/IC recognized \$9.1 million in pension benefit and \$14.3 million in pension expense, respectively.

At June 30, 2024 and 2023, BWC/IC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (000's omitted)

	June 2024				<u>June 2023</u>			
		ed Outflows		red Inflows		red Outflows		ed Inflows
	of R	Resources	of R	esources	of F	Resources	of Re	esources
Difference between expected and actual	•		•	4	•			407
experience	\$	3,938	\$	177	\$	9,226	\$	197
Net difference between projected and actual								
earnings on pension plan investments		49,656		-		74,557		-
Changes in proportion and differences								
between BWC/IC contributions and proportionate		4,875		12,513		2,769		3,325
share of contributions								
Assumption Changes		67		-		3,088		_
BWC/IC contributions subsequent to the								
measurement date		10,836		-		10,361		-
Total	\$	69,372	\$	12,690	\$	100,001	\$	3,522

In 2024 and 2023, deferred outflows of resources related to pensions resulting from BWC/IC's contributions subsequent to the measurement date of \$10.8 million and \$10.4 million, respectively, will be recognized as a reduction of net pension liability in the fiscal years ended June 30, 2024 and 2023, respectively.

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Deferred outflows of resources includes the BWC/IC's proportionate share of the effects of changes in assumptions resulting from OPERS experience study for the period 2016 through 2020 and 2011 through 2015, for the years ended 2023 and 2022 respectively. Information from this study led to changes in both demographic and economic assumptions. The long-term pension investment return assumption for the defined benefit investments was reduced in 2021 from 7.2% to 6.9%. These assumption changes as well as other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows (000's omitted):

	As of June 30, 2024			As of June 30, 2023		
Year ended June 30:						
	2024	\$	6,330	2023	\$	7,876
	2025		14,063	2024		17,210
	2026		31,960	2025		22,571
	2027		(6,510)	2026		38,466
	2028		2	2027		(3)
	Thereafter	\$	1	Thereafter	\$	(2)

Actuarial Assumptions

The total pension liabilities in the December 31, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

December 2023

	Traditional Pension Plan	Combined Plan
Actuarial Assumptions: Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)	2.75% - 8.25% (includes wage inflation at 2.75%)
Cost of living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 2.30% Simple through 2024, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 2.30% Simple through 2024, then 2.05% Simple

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December 2022

	Traditional Pension Plan	Combined Plan
Actuarial Assumptions: Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)	2.75% - 8.25% (includes wage inflation at 2.75%)
Cost of living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2023, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2023, then 2.05% Simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The actuarial assumptions used in the December 31, 2023 and 2022, valuations were based on the results of an actuarial experience study for a 5-year period ended December 31, 2020. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long term expected best estimates of arithmetical rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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The table below displays the OPERS Board approved asset allocation policy for December 2023 and 2022 and the expected real rates of return.

		<u>iber 2023</u> Weighted Average Longterm Expected		ber 2022 Weighted Average Longterm Expecte
Asset Class	Target Allocation	Real Rate of Return	Target Allocation	Real Rate of Retur
Fixed income	24.00%	2.85%	22.00%	2.62%
Domestic equity	21.00%	4.27%	22.00%	4.60%
International equity	20.00%	5.16%	21.00%	5.51%
Real estate	13.00%	4.46%	13.00%	3.27%
Risk Parity	2.00%	4.38%	2.00%	4.37%
Private equity	15.00%	7.52%	15.00%	7.53%
Other Investments	5.00%	3.46%	5.00%	3.27%
Total	100.00%		100.00%	

Discount Rate

The discount rate used to measure the total pension liability for both the Traditional Pension Plan and the Combined Plan was 6.9% for 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan and Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity to Changes in the Discount Rate

For the years 2023 and 2022, the following tables present BWC/IC's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as BWC/IC's proportionate share of the net pension liability using a discount rate that is 1% lower or 1% higher than the current rate (000's omitted):

December	2023

<u> December Lette</u>		Current Discount Rate -	
	1% Decrease - 5.9 %	6.9%	1% Increase - 7.9%
Traditional Plan:			
Total Net Pension Liability	354,142	224,956	117,512
Combined Plan:			
Total Net Pension (Asset)	(1,073)	(1,773)	(2,324)
December 2022			
		Current Discount Rate -	
	1% Decrease - 5.9 %	6.9%	1% Increase - 7.9%
Traditional Plan:			
Total Net Pension Liability	410,351	273,939	160,468
Combined Plan:			
Total Net Pension (Asset)	(729)	(1,397)	(1,926)
	(/	(', ')	(.,/

Defined Contribution Plans

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five year period, at a rate of 20% each year. BWC/IC recognized \$797 thousand and \$726 thousand in pension expense for defined contribution plans in fiscal years 2024 and 2023, respectively. At retirement, members may select one of the several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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7. Other Post-Employment Benefit (OPEB)

OPERS administers the 115 Health Care Trust, a cost-sharing, multiple-employer defined benefit post-employment health care trust. OPERS health care program includes medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement for qualifying benefit recipients of both the Traditional Pension and the Combined plans. Currently, Medicare eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Effective January 1, 2022 the Combined Plan is no longer available for member selection. Although participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional and Combined plans, a portion of employer contributions is allocated to a retiree medical account. Upon retirement or separation, participants may be reimbursed for qualified medical expenses from these accounts.

All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The OPERS Board has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required. As a result, coverage may be reduced or eliminated at the discretion of OPERS. To qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must be at least age 65 with at least 20 years of qualifying service credit or a minimum of 30 years of qualifying service credit at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

OPERS issues a publicly available financial report that includes financial statements, required supplementary information, information about the OPEB plan's fiduciary net position, and the Plan Statement with OPEB plan details. This report is available by visiting https://www.opers.org/financial/reports.shtml, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377. As of June 30, 2024, the most recent report issued by OPERS is for the calendar year ended December 31, 2023.

Funding Policy

Beginning in 2018, Traditional Pension Plan and Combined Plan employer contributions are no longer allocated to health care. Employer contributions as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts was 4.0% for both 2023 and 2022. Based upon the portion of each employer's contribution to OPERS set aside for funding OPEB as described above, BWC/IC's contribution allocated to OPEB for the 12 months ended December 31, 2023 and 2022, was approximately \$296 thousand and \$283 thousand, respectively.

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Measurement Date

The measurement dates for the net OPEB assets/liabilities, deferred inflows and outflows of resources, and OPEB expense were December 31, 2023, for fiscal year 2024 and December 31, 2022, for fiscal year 2023. For fiscal years 2024 and 2023, OPERS total OPEB assets/liabilities that were used to calculate the net OPEB asset/liability were based on an actuarial valuation of December 31, 2022, with a rollforward measurement date of December 31, 2023, and December 31, 2021, with a rollforward measurement date of December 31, 2022, respectively.

Proportionate Share

OPEB

BWC/IC's proportionate shares of the net OPEB assets/liabilities are determined as BWC/IC's share of contributions to the plan relative to the total employer contributions from all participating OPERS employers. Member and employer contributions included in OPERS' Statement of Changes in Fiduciary Net Position are used to calculate proportionate share. At December 31, 2023 and 2022, BWC/IC's proportions were as follows:

December 2023 December 2022

0.858257% 0.922331%

Net OPEB Asset/Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and OPEB Expense

At June 30, 2024 BWC/IC reported \$7.7 million for its proportionate share of the net OPEB net asset. At June 30, 2023 BWC/IC reported \$5.8 million for its proportionate share of the net OPEB liability.

For the fiscal years ended June 30, 2024 and 2023, BWC/IC recognized negative OPEB expense of \$206 thousand and negative OPEB expense of \$10.7 million, respectively.

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For the fiscal years ended June 30, 2024 and 2023

At June 30, 2024 and 2023, BWC/IC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (000's omitted):

	June 2024				June 2023			
		ed Outflows esources		red Inflows esources	Deferred Outflows of Resources	Deferred Inflows of Resources		
Difference between expected and actual experience	\$	-	\$	1,136	\$ -	\$ 1,455		
Net difference between projected and actual								
earnings on OPEB plan investments		5,266		-	11,004	-		
Changes in proportion and differences between BWC/IC contributions and proportionate								
share of contributions		1,037		572	2,015	-		
Assumption changes		2,143		3,330	5,680	482		
Total	\$	8,446	\$	5,038	\$ 18,699	\$ 1,937		

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (000's omitted):

	As of June 30, 2024			As of June 30, 2023		
Year ended June 30:						
	2024	\$	256	2023	\$	3,070
	2025		714	2024		4,573
	2026		4,009	2025		3,540
	2027		(1,571)	2026		5,579
	Thereafter	\$	-	Thereafter	\$	-

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Actuarial Assumptions

The total OPEB asset in the December 31, 2023 and OPEB liability in 2022, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement.

December 2023

	OPEB	
Actuarial Assumptions: Single Discount Rate	5.70%	
Investment Rate of Return	6.00%	
Wage Inflation	2.75%	
Municipal Bond Rate	3.77%	
Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)	
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2038	
December 2022		
December 2022		
	OPEB	
Actuarial Assumptions: Single Discount Rate	OPEB 5.22%	
Actuarial Assumptions:		
Actuarial Assumptions: Single Discount Rate	5.22%	
Actuarial Assumptions: Single Discount Rate Investment Rate of Return	5.22% 6.00%	
Actuarial Assumptions: Single Discount Rate Investment Rate of Return Wage Inflation	5.22% 6.00% 2.75%	

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The actuarial assumptions used in the December 31, 2023 and 2022, valuations were based on the results of an actuarial experience study for a 5-year period ended December 31, 2020. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return on the health care investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long term expected best estimates of arithmetical rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The table below displays the OPERS Board approved asset allocation policy for December 2023 and 2022 and the expected real rates of return.

	December 2023		Decemb	December 2022	
		Weighted Average		Weighted Average	
		Longterm Expected		Longterm Expected	
Asset Class	Target Allocation	Real Rate of Return	Target Allocation	Real Rate of Return	
Fixed income	37.00%	2.82%	34.00%	2.56%	
Domestic equity	25.00%	4.27%	26.00%	4.60%	
International equity	25.00%	5.16%	25.00%	5.51%	
Real estate	5.00%	4.68%	7.00%	4.70%	
Risk Parity	3.00%	4.38%	2.00%	4.37%	
Other Investments	5.00%	2.43%	6.00%	1.84%	
Total	100.00%		100.00%		

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

Discount Rate

The single discount rate used to measure the OPEB asset at the measurement date of December 31, 2023 and OPEB liability in 2022 was 5.70% and 5.22%, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). These single discount rates for 2023 and 2022 were based on an expected rate of return on the health care investment portfolio of 6.00% for both years, and a municipal bond rate of 3.77% and 4.05%, respectively. The projection of cash flows used to determine these single discount rates assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the 2023 and 2022 health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070 and 2054, respectively. As a result, the 2023 and 2022 long-term expected rates of return on health care investments were applied to projected costs through the year 2070 and 2054, respectively, and the municipal bond rates were applied to all health care costs after these dates.

Sensitivity to Changes in the Discount Rate

For December 2023 and December 2022, the following tables present BWC/IC's proportionate share of the net OPEB asset and liability calculated using the discount rate of 5.70% and 5.22% respectively, as well as BWC/IC's proportionate share of the net OPEB asset and liability using a discount rate that is 1.0% lower or 1.0% higher than the current rate (000's omitted):

December 2023			
OPEB:	1% Decrease - 4.70%	Single Discount Rate - 5.70%	1% Increase - 6.70%
Total Net OPEB Asset/Liability	4,257	(7,746)	(17,689)
December 2022		Single Discount Rate -	
	1% Decrease - 4.22 %	5.22%	1% Increase - 6.22%
OPEB: Total Net OPEB Asset/Liability	19,793	5,816	(5,718)

Sensitivity to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset and liability The following tables present BWC/IC's proportionate share of the net OPEB asset and liability calculated using the assumed trend rates and the expected net OPEB asset

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

and liability using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate for December 2023 and December 2022 (000's omitted):

December 2023	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
OPEB:			
Total Net OPEB Asset/Liability	(8,068)	(7,746)	(7,381)
December 2022			
		Current Health Care	
		Cost Trend Rate	
	1% Decrease	Assumption	1% Increase
OPEB:			·
Total Net OPEB Asset/Liability	5,451	5,816	6,226

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the starting trend in 2024 and 2023 is 5.5%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

8. <u>Contingent Liabilities</u>

BWC/IC is a party in various legal proceedings and is also involved in other claims and legal actions arising in the ordinary course of business. Although the outcome of certain legal proceedings is not quantifiable or determinable at this time, an unfavorable outcome in any one of them could have a material effect on the financial position of BWC/IC.

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NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

9. Net Position

Individual fund net position (deficit) balances at June 30, 2024 and 2023, were as follows (000's omitted):

	<u>2024</u>	<u>20</u>	<u> 23</u>
SIF	\$ 7,093,713	\$ 7,3	308,901
SIF Surplus Fund Account	55,305		55,396
Total SIF Net Position	7,149,018	7,3	364,297
DWRF	601,541	6	626,704
CWPF	335,093	3	317,856
PWREF	17,011		16,420
MIF	27,036		25,701
SIEGF	42,147		36,568
ACF	-	(6	02,462)
Total Net Position	\$ 8,171,846	\$ 7,7	785,084

As mandated by the Code, the SIF net position is separated into two separate funds; the main fund and the Surplus Fund Account (Surplus Fund).

The Surplus Fund is established by the Code and is financed by a portion of all SIF premiums paid by private and public employers (excluding State employers) and assessments paid by self-insured employers. The Surplus Fund has been appropriated for specific charges, including compensation related to claims of handicapped persons or employees of noncomplying employers, and the expense of providing rehabilitation services, counseling, training, living maintenance payments, and other related charges to injured workers. The Surplus Fund may also be charged on a discretionary basis as ordered by BWC/IC, as permitted by the Code. Prior to the passage of House Bill 15 in 2009, contributions to the Surplus Fund were limited to 5% of premiums. The BWC administrator now has the authority to transfer money from SIF necessary to meet the needs of the Surplus Fund.

House Bill 31 of the 135th General Assembly (HB 31) was signed in to law June 30, 2023. It provides for administrative costs to be paid from the State Insurance Fund, effectively collapsing the Administrative Cost Fund into the State Insurance Fund. This change went into effect on October 1, 2023. Accordingly, the financial statements are no longer including a separate column for the Administrative Cost Fund, as it is now part of the State Insurance Fund.

DWRF is operated on a terminal funding basis in accordance with the Code, however, the actuarially estimated liabilities are recognized in accordance with accounting principles generally accepted in the United States of America. While BWC has the statutory authority to assess employers in future periods for amounts needed to fund DWRF II cost of living benefits, cash and investment balances are currently sufficient to fund the estimated DWRF II liabilities.

(A DEPARTMENT OF THE STATE OF OHIO)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal years ended June 30, 2024 and 2023

BWC net position is legally restricted in accordance with Ohio Revised Code sections 4123.46 and 4123.30. These funds are dedicated to providing workers' compensation benefits, including medical care and wage replacement for injured workers, as well as covering the administrative costs of operating the workers' compensation system.

In addition, any investment returns earned on these restricted assets are also subject to the same legal restrictions. These earnings must be used exclusively for the purposes established by law, ensuring that the BWC's financial resources are preserved to support Ohio's injured workers and maintain the program's financial stability.

10. Adoption of New Accounting Principles

The GASB has recently issued the following new accounting pronouncements that will be effective in future years and may be relevant to BWC/IC:

- GASB No. 101, "Compensated Absences" (effective fiscal year 2025)
- GASB No. 102 "Certain Risk Disclosures" (effective fiscal year 2025)
- GASB No. 103 "Financial Reporting Model Improvements" (effective fiscal year 2026)

Management has not yet determined the impact that these recently issued GASB Pronouncements will have on BWC/IC's financial statements.

11. Subsequent Events

On June 30, 2023, House Bill 31 of the 135th General Assembly (HB 31) was signed into law by Governor Mike DeWine. HB 31 modifies various statutes in Ohio Revised Code Chapter 4123 to allow for the inclusion of administrative costs in the premium calculation. For private employers and public employer taxing districts, the administrative costs contemplated in the premium calculation are the amounts needed to administer the claims incurred in that policy year for the duration of those claims, regardless of how long the claims are open. This differs from the current terminal funding (pay-as-you-go) basis, in which the administrative assessments collected in policy year are used to pay the costs to administer claims in that year, regardless of when the claims were incurred. These changes go into effect with the policy year beginning July 1, 2024 for private employers, and for the policy year beginning on January 1, 2025 for public taxing districts.



OHIO BUREAU OF WORKERS' COMPENSATION AND INDUSTRIAL COMMISSION OF OHIO

(A DEPARTMENT OF THE STATE OF OHIO)

REQUIRED SUPPLEMENTAL REVENUE AND RESERVE DEVELOPMENT INFORMATION

(See Accompanying Independent Auditors' Report) For the fiscal years ended June 30, 2024 and 2023

GASB Statement No. 30, "Risk Financing Omnibus," requires the presentation of ten years of supplemental revenue and reserve development information, if available.

The table on the following page illustrates how BWC/IC's gross premium revenues and investment income compare to related costs of workers' compensation benefits (compensation) and other expenses incurred by BWC/IC as of the end of each of the last ten and one-half reporting periods. The rows of the table are defined as follows: (1) This line shows the total of each period's gross premium revenues and investment income. (2) This line shows each period's operating expenses, including overhead and compensation adjustment expenses not allocable to individual claims. (3) This line shows nominal and discounted incurred compensation and allocated compensation adjustment expenses (both paid and accrued) as originally reported at the end of the first period in which the injury occurred. (4) This section of eleven rows shows the cumulative amounts paid as of the end of successive periods for each period. (5) This section of ten rows shows how each period's estimated incurred compensation increased or decreased as of the end of successive periods. (6) This line compares the latest re-estimated incurred compensation amount to the amount originally established (line 3) and shows whether this latest estimate of compensation cost is greater or less than originally estimated. As data for individual periods mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred compensation currently recognized in less mature periods. The columns of the table show data for successive periods on an undiscounted basis for the fiscal years ended June 30, 2014 through 2024.

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

REQUIRED SUPPLEMENTAL REVENUE AND RESERVE DEVELOPMENT INFORMATION, UNAUDITED, Continued

(See Accompanying Independent Auditors' Report)
(In Millions of Dollars)

Fiscal Years Ended June 30											
	2024	2023	2022	<u>2021</u>	2020	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Required premiums, assessments, and investment income earned Ceded premiums Net earned	\$ 2,344 0 2,344	\$ 2,057 0 2,057	\$ (200) 0 (200)	\$ 4,735 0 4,735	\$ 3,124 4 3,120	\$ 3,586 4 3,582	\$ 2,628 4 2,624	\$ 3,517 4 3,513	\$ 1,378 4 1,374	\$ 2,552 4 2,548	\$ 5,194 4 5,190
2. Unallocated expenses	216	193	219	215	240	248	219	205	170	163	150
Estimated incurred compensation and compensation adjustment expense, end of period Discount Gross liability as originally estimated	1,273 490 1,762	1,263 490 1,753	1,261 484 1,745	1,228 553 1,779	1,264 578 1,842	1,465 590 2,054	1,507 656 2,163	1,635 781 2,417	1,731 806 2,538	1,853 874 2,727	1,854 872 2,726
4. Net paid (cumulative) as of : End of period One year later Two years later Three years later Four years later Five years later Six years later Seven years later Eight years later Nine years later Ten years later	343	322 504	315 478 581	304 454 546 613	330 484 579 647 703	348 530 630 701 762 820	341 531 637 704 762 820 868	347 531 641 718 773 831 881 918	327 531 644 724 789 841 895 933 963	331 548 669 748 815 874 921 968 1,000 1,028	337 563 689 776 839 900 951 990 1,029 1,058 1,085
5. Re-estimated incurred compensation and compensation adjustment expenses (gross): One year later Two years later Three years later Four years later Five years later Six years later Seven years later Eight years later Nine years later Ten years later		1,792	1,762 1,779	1,718 1,732 1,719	1,747 1,737 1,755 1,735	1,893 1,800 1,771 1,773 1,765	1,915 1,868 1,753 1,727 1,723 1,723	2,039 1,913 1,862 1,721 1,712 1,705 1,709	2,257 2,052 1,883 1,821 1,696 1,689 1,683 1,683	2,346 2,219 2,024 1,869 1,812 1,694 1,690 1,685 1,682	2,476 2,265 2,144 1,974 1,858 1,810 1,687 1,666 1,674 1,668
Decrease in gross estimated incurred compensation and compensation adjustment expenses from end of period		39	34	(60)	(107)	(289)	(440)	(708)	(855)	(1,045)	(1,058)

Ultimate incurred compensation and compensation adjustment expense excludes liability associated with active working miners within the CWPF since they are not yet assignable to fiscal accident year. The June 30, 2024 active miners nominal and discounted liability is approximately \$25.3 million and \$7.3 million, respectively.

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

Required Supplementary Information

Schedule of BWC/IC's Proportionate Share of the Net Pension Liability

Last 10 fiscal years (000's omitted)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BWC/IC's Proportion of the net pension Net Pension Liability Net Pension Asset	0.859% 0.577%	0.927% 0.593%	0.960% 0.569%	1.007% 0.570%	1.002% 0.590%	1.017% 0.597%	1.037% 0.602%	1.060% 0.578%	1.080% 0.549%	1.115% 0.586%
BWC/IC's Proportionate share of the net pension liability	\$223,183	\$272,542	\$81,299	\$147,421	\$196,918	\$277,892	\$161,899	\$240,344	\$186,771	\$134,254
BWC/IC's covered payroll	\$159,546	\$155,908	\$155,328	\$160,867	\$160,253	\$154,397	\$152,774	\$155,963	\$149,562	\$149,652
Proportionate share of the net pension liability as a percentage of its covered payroll	139.887%	174.810%	52.340%	91.642%	122.879%	179.985%	105.973%	154.103%	124.879%	89.711%
Plan fiduciary net position as a percentage of the total pension liability Traditional Pension Plan Combined Plan	79.01% 144.55%	75.74% 137.14%	92.62% 169.88%	86.88% 157.67%	82.17% 145.28%	74.70% 126.64%	84.66% 137.28%	77.25% 116.55%	81.08% 116.90%	86.45% 114.83%

The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

Required Supplementary Information

Schedule of Employer Pension Contributions

(See Accompanying Independent Auditors' Report)

Last 10 fiscal years

(000's omitted)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BWC/IC's Statutorily Required Employer Contributions	\$ 21,699	\$ 20,772	\$ 20,712	\$ 20,107	\$ 20,504	\$ 21,357	\$ 20,713	\$ 20,428	\$ 19,752	\$ 19,688
Amount of contributions recognized by the pension plan in relation to the statutory contributions	21,699	20,772	20,712	20,107	20,504	21,357	20,713	20,428	19,752	19,688
Contributions deficiency (excess)							_			
Employer's covered payroll	159,422	157,362	156,801	155,358	162,037	161,974	153,211	152,963	151,275	148,683
Amount of contributions recognized by the pension plan as a percentage of employers' covered payroll	13.61%	13.20%	13.21%	12.94%	12.65%	13.19%	13.52%	13.35%	13.06%	13.24%

AND

INDUSTRIAL COMMISSION OF OHIO

(A DEPARTMENT OF THE STATE OF OHIO)

Required Supplementary Information

Schedule of BWC/IC's Proportionate Share of the Net OPEB Liability / Asset

Last 7 fiscal years* (000's omitted)

_	2024	2023	2022	2021	2020	2019	2018
BWC/IC's Proportion of the OPEB Liability / (Asset)	0.858%	0.922%	0.951%	0.993%	0.989%	1.003%	1.023%
BWC/IC's Proportionate share of the OPEB Liability / (Asset)	(\$7,746)	\$5,816	(\$29,790)	(\$17,694)	\$136,667	\$130,796	\$111,078
BWC/IC's covered payroll	\$159,546	\$155,908	\$155,328	\$160,867	\$160,253	\$154,397	\$152,774
Proportionate share of the OPEB Liability / (Asset) as a percentage of its covered payroll	-4.855%	3.730%	-19.179%	-10.999%	85.282%	84.714%	72.707%
Plan fiduciary net position as a percentage of the total OPEB Liability / (Asset)	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%

^{* -} The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year. This schedule is required to show information for 10 years. However, until a full 10 year trend is compiled, governments are required to only present information for those years for which information is available.

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

Required Supplementary Information

Schedule of BWC/IC's Net OPEB Contributions

Last 7 fiscal years* (000's omitted)

	2024		2023		2022		2021		2020		2019		2018	
BWC/IC's Statutorily Required Employer Contributions	\$ 29	6	\$	283	\$	254	\$	236	\$	232	\$	223	\$	2,384
Amount of contributions recognized by the OPEB plan in relation to the statutory contributions	2	96		283		254		236		232		223		2,384
Contributions deficiency (excess)						-								
Employer's covered payroll	159,4	22	15	57,362	,	156,801	1	55,358	16	32,037	16	31,974	1	53,211
Amount of contributions recognized by the OPEB plan as a percentage of employers' covered payroll	0.19	%	(0.18%		0.16%		0.15%		0.14%		0.14%		1.56%

^{* -} The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year. This schedule is required to show information for 10 years. However, until a full 10 year trend is compiled, governments are required to only present information for those years for which information is available.

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO) SUPPLEMENTAL SCHEDULE OF NET POSITION

(See Accompanying Independent Auditors' Report)
June 30, 2024
(000's omitted)

Collatral on loaned securities				(000 s omitted)					
Current assets: Cash and cash equivalents \$496.698 \$6,988 \$3,696 \$89 \$626 \$6.791 \$- \$5.75.35 Coal and cash equivalents \$4,682			Workers' Relief	Pneumoconiosis	Relief Employees'	Industry	Employers' Guaranty	Eliminations	Totals
Cash and cash equivilenters \$496 698 \$6,988 \$3,696 \$89 \$626 \$67,291 \$ - \$575,34 Collateral on loaned securities 4,682 - - - - - - - - - 4,682 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>ASSETS</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	ASSETS								
Collatral on loaned securities	Current assets:								
Premiums recorded not yet due	Cash and cash equivalents	\$ 496,698	\$ 6,988	\$ 3,696	\$ 89	\$ 626	\$ 67,291	\$ -	\$ 575,388
Assessments recorded not yet due 2,378	Collateral on loaned securities	4,682	-	-	-	-	-	-	4,682
Premiums in course of collection 4,804	Premiums recorded not yet due	5,191	-	405	28	-	-	-	5,624
Assessments in course of collection Accounts receivable, net of allowance for uncollectibles Retrospective premiums receivable Interfund receivables Insessment in course of collection Accounts receivable Insessment in course of collectibles Insessment in course of collectibles Insessment in course of collectibles Insessment rada eraceivables Insessment rada eraceivable In	Assessments recorded not yet due	2,378	-	-	-	-	-	-	2,378
Accounts receivable, net of allowance for uncollecitibles 318,979 8,728 960 32 2 590 - 329,218 Retrospective premiums receivable 18,985 18,961 (18,985	Premiums in course of collection	4,804	-	-	-	-	-	-	4,804
for uncollectibles 318,979 8,728 960 32 2 590 - 329,22 Retrospective premiums receivable 18,985 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Assessments in course of collection	13,867	176	-	-	-	-	-	14,043
Retrospective premiums receivable 18,985 -	Accounts receivable, net of allowance								
Interfund receivables 96,436 289,482 - 114 1 353 (386,386) - Investment trade receivables 188,636 - - - - - - - Accrued investment income 98,427 47 17 1 3 290 - 98,787 Total current assets 1,249,083 305,421 5,078 264 632 68,524 (386,386) 1,242,63 Non-current assets	for uncollectibles	318,979	8,728	960	32	2	590	-	329,291
Investment trade receivables 188,636	Retrospective premiums receivable	18,985	-	-	-	-	-	-	18,985
Accrued investment income 98,427 47 17 1 3 290 - 98,77 Total current assets 1,249,083 305,421 5,078 264 632 68,524 (386,386) 1,242,66 Non-current assets: Restricted Cash 736 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>Interfund receivables</td> <td>96,436</td> <td>289,482</td> <td>-</td> <td>114</td> <td>1</td> <td>353</td> <td>(386,386)</td> <td>-</td>	Interfund receivables	96,436	289,482	-	114	1	353	(386,386)	-
Total current assets 1,249,083 305,421 5,078 264 632 68,524 (386,386) 1,242,678 Non-current assets: Restricted Cash 736 75 Fixed maturities 9,157,101 1,350,397 339,024 18,089 27,664 10,892,27 Domestic equity securities: Common stock 4,005,462 403,711 56,960 4,466,17 Non-U.S equity securities - common stock 1,972,205 194,520 29,641 2,196,36 Investments in real estate funds 3,168,794 3,168,79 Unbilled premiums receivable 574,743 6,652 3,168,79 Retrospective premiums receivable 37,019	Investment trade receivables	188,636	-	-	-	-	-	-	188,636
Non-current assets: Restricted Cash Restricted	Accrued investment income	98,427	47	17	1	3	290	-	98,785
Restricted Cash 736 - - - - - - - 7.75 Fixed maturities 9,157,101 1,350,397 339,024 18,089 27,664 - - 10,892,27 Domestic equity securities: Common stock 4,005,462 403,711 56,960 - - - - 4,466,11 Preferred stocks 111 - - - - - - - - - 1,466,11 Non-U.S equity securities - common stock 1,972,205 194,520 29,641 - - - - - - - - 1,17 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - </td <td>Total current assets</td> <td>1,249,083</td> <td>305,421</td> <td>5,078</td> <td>264</td> <td>632</td> <td>68,524</td> <td>(386,386)</td> <td>1,242,616</td>	Total current assets	1,249,083	305,421	5,078	264	632	68,524	(386,386)	1,242,616
Fixed maturities 9,157,101 1,350,397 339,024 18,089 27,664 - - 10,892,27 Domestic equity securities: Common stock 4,005,462 403,711 56,960 - - - - 4,466,13 Preferred stocks 1111 - - - - - - - - 11 Non-U.S equity securities - common stock 1,972,205 194,520 29,641 - - - - - - 2,196,33 Investments in real estate funds 3,168,794 - - - - - - - - - 3,168,794 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Non-current assets:								
Domestic equity securities: Common stock	Restricted Cash	736	-	-	-	-	-	-	736
Common stock 4,005,462 403,711 56,960 - - - - 4,466,13 Preferred stocks 111 - - - - - - - 17 Non-U.S equity securities - common stock 1,972,205 194,520 29,641 - - - - - 2,196,36 Investments in real estate funds 3,168,794 - - - - - - - - 3,168,79 Unbilled premiums receivable 574,743 6,652 - - - - - 314,074 - 895,46 Retrospective premiums receivable 37,019 - - - - - - 37,01 Capital assets 57,351 22 - - - - - - 57,33 Net OPEB asset 7,746 - - - - - - - - - - - - <td< td=""><td>Fixed maturities</td><td>9,157,101</td><td>1,350,397</td><td>339,024</td><td>18,089</td><td>27,664</td><td>-</td><td>-</td><td>10,892,275</td></td<>	Fixed maturities	9,157,101	1,350,397	339,024	18,089	27,664	-	-	10,892,275
Preferred stocks 111 - - - - - 1 Non-U.S equity securities - common stock 1,972,205 194,520 29,641 - - - - 2,196,36 Investments in real estate funds 3,168,794 - - - - - - - 3,168,79 Unbilled premiums receivable 574,743 6,652 - - - - - 314,074 - 895,44 Retrospective premiums receivable 37,019 - - - - - - - 37,019 Capital assets 57,351 22 - - - - - 57,35 Net OPEB asset 7,746 - - - - - - - - - 7,74 Net pension asset 1,773 - - - - - - - - - - 1,72 Total assets <td< td=""><td>Domestic equity securities:</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Domestic equity securities:								
Non-U.S equity securities - common stock 1,972,205 194,520 29,641 - - - - 2,196,36 Investments in real estate funds 3,168,794 - - - - - - - 3,168,794 Unbilled premiums receivable 574,743 6,652 - - - - 314,074 - 895,44 Retrospective premiums receivable 37,019 - - - - - - - 37,00 Capital assets 57,351 22 - - - - - - 57,37 Net OPEB asset 7,746 - - - - - - - - - 7,74 Net pension asset 1,773 - - - - - - - - - - - - - - - - - - - - - - - -	Common stock	4,005,462	403,711	56,960	-	-	-	-	4,466,133
Investments in real estate funds 3,168,794 - - - - - - - 3,168,794 - - - - - - - 3,168,794 - - - - - - 3,168,794 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - </td <td>Preferred stocks</td> <td>111</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>111</td>	Preferred stocks	111	-	-	-	-	-	-	111
Unbilled premiums receivable 574,743 6,652 - - - 314,074 - 895,44 Retrospective premiums receivable 37,019 - - - - - - - 37,07 Capital assets 57,351 22 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Non-U.S equity securities - common stock	1,972,205	194,520	29,641	-	-	-	-	2,196,366
Retrospective premiums receivable 37,019 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Investments in real estate funds	3,168,794	-	-	-	-	-	-	3,168,794
Capital assets 57,351 22 - - - - 57,35 Net OPEB asset 7,746 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Unbilled premiums receivable	574,743	6,652	-	-	-	314,074	-	895,469
Net OPEB asset 7,746 - - - - - - 7,746 Net pension asset 1,773 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Retrospective premiums receivable	37,019	-	-	-	-	-	-	37,019
Net pension asset 1,773 - - - - - 1,773 Total noncurrent assets 18,983,041 1,955,302 425,625 18,089 27,664 314,074 - 21,723,79 Total assets 20,232,124 2,260,723 430,703 18,353 28,296 382,598 (386,386) 22,966,47	Capital assets	57,351	22	-	-	-	-	-	57,373
Total noncurrent assets 18,983,041 1,955,302 425,625 18,089 27,664 314,074 - 21,723,79 Total assets 20,232,124 2,260,723 430,703 18,353 28,296 382,598 (386,386) 22,966,47	Net OPEB asset	7,746	-	-	-	-	-	-	7,746
Total assets 20,232,124 2,260,723 430,703 18,353 28,296 382,598 (386,386) 22,966,41	Net pension asset	1,773	-	-	-	-	-	-	1,773
	Total noncurrent assets	18,983,041	1,955,302	425,625	18,089	27,664	314,074	-	21,723,795
DEFERRED OUTELOW OF RESOURCES 77.818 77.81	Total assets						382,598	(386,386)	22,966,411
	DEFERRED OUTFLOW OF RESOURCES	77,818	-	_	-	-	-	-	77,818
Total assets and deferred outflow of resources \$ 20,309,942 \$ 2,260,723 \$ 430,703 \$ 18,353 \$ 28,296 \$ 382,598 \$ (386,386) \$ 23,044,22	Total assets and deferred outflow of resources	\$ 20,309,942	\$ 2,260,723	\$ 430,703	\$ 18,353	\$ 28,296	\$ 382,598	\$ (386,386)	23,044,229

AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

SUPPLEMENTAL SCHEDULE OF NET POSITION, Continued

(See Accompanying Independent Auditors' Report)
June 30, 2024

(000's omitted)

	State Insurance	Disabled Workers' Relief	Coal-Workers Pneumoconiosis	Public Work- Relief Employees'	Marine Industry	Self-Insuring Employers' Guaranty		
	Fund Account	Fund Account	Fund Account	Fund Account	Fund Account	Fund Account	Eliminations	Totals
LIABILITIES								
Current liabilities:								
Reserve for compensation	\$ 1,143,042	\$111,298	\$ 2,325	\$ 129	\$ 323	. ,	\$ -	\$ 1,273,793
Reserve for compensation adjustment expenses	455,032	81	110	-	37	939	-	456,199
Unearned premium and assessments	413,078	1	53	14	42	-	-	413,188
Warrants payable	21,798	-	-	-	-	-	-	21,798
Group retrospective credit payable	68,160	-	-	-	-	-	-	68,160
Investment trade payables	414,839	-	-	-	-	-	-	414,839
Accounts payable	10,373	-	213	-	-	-	-	10,586
Interfund payables	358,791	24,707	197	326	14	2,351	(386,386)	-
Obligations under securities lending	4,682	-	-	-	-	-	-	4,682
Other current liabilities	68,157	75	46	2	3	<u> </u>	<u> </u>	68,283
Total current liabilities	2,957,952	136,162	2,944	471	419	19,966	(386,386)	2,731,528
Noncurrent liabilities:								
Reserve for compensation	8,615,786	1,521,502	76,575	871	677	314,424	-	10,529,835
Reserve for compensation adjustment expenses	1,192,068	1,519	16,090	-	163	6,061	-	1,215,901
Net pension liability	224,956	-	-	-	-	-	-	224,956
Group retrospective credit payable	117,482	-	-	-	-	-	-	117,482
Other noncurrent liabilities	34,176			<u> </u>	-	<u> </u>	<u> </u>	34,176
Total noncurrent liabilities	10,184,468	1,523,021	92,665	871	840	320,485	-	12,122,350
Total liabilities	13,142,420	1,659,183	95,609	1,342	1,259	340,451	(386,386)	14,853,878
DEFERRED INFLOW OF RESOURCES	18,505				-		<u> </u>	18,505
Total liabilities and deferred inflow of resources	13,160,925	1,659,183	95,609	1,342	1,259	340,451	(386,386)	14,872,383
NET POSITION								
Net investment in capital assets	57,351	22	-	_	-	-	-	57,373
Surplus fund	55,305	-	-	-	-	-	-	55,305
Restricted net position	7,036,362	601,519	335,093	17,011	27,036	42,147	-	8,059,168
Total net position	\$ 7,149,018	\$ 601,541	\$ 335,093	\$ 17,011	\$ 27,036	\$ 42,147	\$ -	\$ 8,171,846

AND

INDUSTRIAL COMMISSION OF OHIO (A DEPARTMENT OF THE STATE OF OHIO)

${\bf SUPPLEMENTAL\ SCHEDULE\ \ OF\ REVENUES,\ EXPENSES\ AND}$

CHANGES IN NET POSITION

(See Accompanying Independent Auditors' Report)
For the fiscal year ended June 30, 2024

(000's omitted)

	State Insurance Fund Account	Disabled Workers' Relief Fund Account	Coal-Workers Pneumoconiosis Fund Account	Public Work- Relief Employees' Fund Account	Marine Industry Fund Account	Self-Insuring Employers' Guaranty Fund Account	Eliminations	Totals
Operating revenues:	4	***	AA	* // *	*	***	•	A.
Premium and assessment income	\$1,231,741	\$31,898	\$150	\$(168)	\$376	\$18,424	\$ -	\$1,282,421
Provision for uncollectibles	(43,444)	(111)	2	-	-	(20)	-	(43,573)
Other income	11,073				-	-		11,073
Total operating revenues	1,199,370	31,787	152	(168)	376	18,404		1,249,921
Operating expenses:								
Workers' compensation benefits	1,103,009	176,525	6,534	(19)	112	14,026	-	1,300,187
Compensation adjustment expenses	404,169	74	689	-	38	2,057	-	407,027
Personal services	73,611	140	76	-	26	-	-	73,853
Other administrative expenses	98,293	-			19	-	-	98,312
Total operating expenses	1,679,082	176,739	7,299	(19)	195	16,083	-	1,879,379
Net operating (loss) income before policy holder dividend	(479,712)	(144,952)	(7,147)	(149)	181	2,321		(629,458)
Policy holder dividend expense	9	-	-	-	-	-	-	9
Total policy holder dividend	9				-	-	-	9
Net operating (loss) income	(479,721)	(144,952)	(7,147)	(149)	181	2,321	-	(629,467)
Non-operating revenues:								
Net investment income	867,209	119,789	25,384	740	1,154	3,258	-	1,017,534
Gain on disposal of capital assets	120_			<u> </u>	-	<u> </u>		120
Total non-operating revenues	867,329	119,789	25,384	740	1,154	3,258	_	1,017,654
Net transfers out	(425)	-	(1,000)	<u> </u>	-	-	_	(1,425)
Increase (decrease) in net position	387,183	(25,163)	17,237	591	1,335	5,579	-	386,762
Net position, beginning of year	6,761,835	626,704	317,856	16,420	25,701	36,568	-	7,785,084
Net position, end of year	\$7,149,018	\$601,541	\$335,093	\$17,011	\$27,036	\$42,147	\$ -	\$8,171,846



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio A Department of the State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio (BWC/IC), a department of the State of Ohio as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise BWC/IC's basic financial statements, and have issued our report thereon dated September 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BWC/IC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BWC/IC's internal control. Accordingly, we do not express an opinion on the effectiveness of BWC/IC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether BWC/IC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CROWE LLP

West Hartford, Connecticut September 26, 2024