

OHIO BUREAU OF WORKERS' COMPENSATION ANNUAL REPORT



2025 FISCAL YEAR
July 1, 2024 - June 30, 2025



**Bureau of Workers'
Compensation**

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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 2025.

Our agency is the exclusive provider of workers' compensation insurance in Ohio, serving nearly 245,000 private and public employers. With 1,500 employees and approximately \$24 billion in assets, BWC is one of the largest state-run insurance systems in the United States.

In this report, you will find the many ways we have assisted our customers with new services to better their experience with our agency. We remain focused on improving the customer experience through integrating artificial intelligence and streamlining our services.

We continue to keep costs down for Ohio's employers by having a low and stable rate environment, and Ohio remains one of the lowest premium rates in the country. In Feb. 2025, the BWC Board of Directors reduced premium rates even further for private employers by an average of six percent. This reduction will save employers \$60 million in premiums. Since 2019, the average rate level for employers has decreased by 50%. Thanks to your leadership, employers are seeing the lowest premium rates in over 65 years.

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

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

Sincerely,

Stephanie McCloud

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BWC Administrator/CEO

Introduction

This report documents actions taken by BWC in fiscal year 2025 (FY25) to improve the quality of life for Ohio's workers and positively influence economic growth in Ohio. With assets of approximately \$24 billion, we are one of the largest state-fund workers' compensation insurance systems in the U.S. In FY25, we approved 67,051 new claims, an increase of 719 from FY24.

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 their workers. This focus and our mission to deliver consistently excellent experiences for each BWC customer every day continue to be our priority.



BWC Accomplishments

Elevated employer services and savings



Lowest rates in the country!

Ohio's premium rates are among the lowest in the country.

A recent study by the Oregon Department of Business and Consumer Services found that Ohio had the fifth-lowest rate in the nation as of Jan. 1, 2024. Since the last study, our average premium index rate has dropped from 83 cents in 2022 to just 68 cents per \$100 of payroll.

Private employers will see a 6% rate reduction take effect on July 1, 2025, following a proposal submitted to the BWC Board of Directors in Feb. 2025. This reduction will save employers nearly \$60 million in premiums. Since 2019, BWC's overall reduction in private employers' rates has dropped 50%.

The average rate levels for the 245,000 private and public Ohio employers in the BWC system are at their lowest in over 65 years.

6%
rate reduction!

50%
reduction in rates since 2019

Real-time updates

In fiscal year 2025 (FY25), BWC launched two real-time services: real-time cancellation and real-time true-up. Real-time cancellation allows employers and their representatives to cancel workers' compensation coverage instantly. If all criteria are met, the coverage status is updated immediately without requiring BWC staff intervention. This update is part of Employer Services' ongoing efforts to expand self-service options for customers. With 16,000 policy cancellation requests annually, this service will streamline the process, making it quick and easy for employers.

Real-time true-up allows reports submitted online to be available in our system immediately. Employers will be able to view the exact amount owed in real-time, streamlining the process and eliminating any guesswork. Billing will also be processed instantly, with payments typically posting within one to two business days.

Program Modernization

Our Employer Services Division continues to evaluate and modernize our programs. To better focus our resources, we have discontinued the Grow Ohio program, Lapse-Free Rebate, and the 100% EM Capping Program on July 1, 2024.

Our Substance Use Recovery and Workplace Safety Program (SURWSP) provides funding for employers to manage substance use issues more effectively in their workplaces.

In FY25, SURWSP saw:

- Employer enrollment in the program grew 41% over the course of the fiscal year.
- The second consecutive fiscal year where enrollment growth exceeded that of the previous year (FY23 = 31%; FY24 = 35%; FY25 = 41%).
- The total amount reimbursed to employers in FY25 totaled \$770,682, a 28% increase from the previous fiscal year.

Effective July 1, BWC will combine the Substance Use Recovery and Workplace Safety Program, the Drug-Free Safety Program (DFSP), and the DFSP Safety Grants into a single program, the Substance Use Prevention and Recovery Program.

This new program will streamline the overall process, increase participation, and enhance its impact. By combining key elements of each program, we will be able to offer training and incentives to better help Ohio's businesses manage and prevent substance use in the workplace.

Office of Safety Services

A century of progress at the 2025 Ohio Safety Congress & Expo®

The 2025 Ohio Safety Congress & Expo® welcomed 8,726 registrants from 47 states and 12 countries, underscoring its national reach and enduring impact. The centennial celebration honored a century of workplace safety services that began in 1925, when the Ohio General Assembly established the Division of Safety & Hygiene to prevent industrial accidents and diseases, predating the first Congress convened in 1927.

This year's event featured expanded programming, a historical timeline, and a spotlight on Superintendent Sandi Golden-Vest for her pioneering, transformative initiatives to elevate workforce safety in Ohio. Her leadership is reshaping program strategies and proactively reducing risks to protect workers statewide. On the Expo floor, attendees engaged with safety consultants, explored the new Streamery platform, joined interactive demonstrations, and accessed year-round education resources.



Safety Grants Program modernizes process and enhances user experience

The Safety Grants Program approved 1,250 applications in FY25, awarding over \$32.5 million to advance workplace safety across Ohio. Key improvements included re-establishing a multi-disciplinary advisory team, integrating all safety grants into the Oracle Intelligent Advisor (OIA) system, and streamlining the review process with clearer evaluation criteria.

Policy and process updates focused on safety interventions, firefighter exposure to elements, and school safety and security grants. The program enhanced applicant communication through push notifications, randomized post-intervention visits, and clarified staff roles to strengthen service delivery. These advancements lay the foundation for even stronger customer support and improved outcome reporting in FY26.

Survey data confirms Ohio's strong workplace safety culture

Ohio's 2023 Survey of Occupational Injuries and Illnesses (SOII) achieved a 90% employer response rate, with injury rates below national averages — 2.2 cases per 100 workers in the private sector and 2.6 in the public sector. This reflects a strong culture of safety fostered by BWC-employer partnership and collaboration with the U.S. Bureau of Labor Statistics. Data from over 4,000 establishments continues to drive safety program targeting, with FY25 data expected in late 2025.

Better You, Better Ohio!®

Better You, Better Ohio!® (BYBO!) continues to serve Ohio and its injured workers by providing innovative health and wellness tools and resources. During FY25, various enhancements were made to the BYBO! Program, including a mental health dashboard and upgrades to the BYBO! App.

Like the previous year, there was continued strong participation in FY25. Over 31,000 workforce members and 2,904 injured workers are enrolled in the program. Further, 4,067 biometrics were completed, 4,169 Health Risk Assessments were completed, and 827 members participated in 1:1 health coaching. Members also earned \$254,775 in incentives for completing various program activities. The BYBO! program also provided 63 on-site biometric screenings to employers during FY25.

Better You®
Better Ohio!
Ohio Bureau of Workers' Compensation

Towards the close of FY25, the BYBO! program has begun preparing for a cancer screening initiative for firefighters across the state of Ohio. This initiative will be incorporated into the existing BYBO! program and will feature a panel of early cancer screening tests for firefighters.



Medical and Health Services

Prosthetics rule changes

The loss, or loss of use, of a limb or body part is a devastating injury for an employee. Positioning BWC resources to effectively and efficiently address such an injury is imperative to maintaining the positive emotional well-being of an impacted injured worker. In H.B. 81, BWC successfully made changes to the Ohio statute, which will facilitate the agency's goals in addressing the prosthetic needs of injured workers. Changes to ORC 4123.66 will allow an order of payment to purchase, repair, or replace a prosthetic device if it is necessary due to an amputation or loss, regardless of the date of injury or the last payment of compensation or benefits.

Additionally, when a claimant has sustained an amputation or a loss enumerated in continuing law because of an injury or occupational disease, BWC will pay the cost to purchase, repair, or replace a prosthetic device even if no award for the loss has yet been granted, charging such costs to the Surplus Fund Account and not employers' risk.

Managed Care Organizations Open Enrollment

BWC successfully conducted the 2025 MCO Open Enrollment from April 28, 2025, through May 23, 2025. Ohio employers rely on nine MCOs to manage their claims' medical and return-to-work issues arising from workplace injuries. Employers choose their MCO through an open enrollment process, which occurs every two years. During this period, 4,011 employers selected a new MCO to manage their claims, which impacted 9,224 active claims.

2024 Medical & Health Symposium

One of the premier BWC education events is the Medical & Health Symposium, which ran from Nov. 13 -15, 2024. The 2024 event set records in registration and attendance, reflecting the highest percentage of registrants who attended the event. Thirteen educational sessions were offered, providing 27 different types of continuing education credits, during the three-day event. The final registration count totaled 8,126 registrants from all 50 states and the District of Columbia, representing 500 more registrants than in 2023.



Business Modernization

Streamlining for the future

We continue to improve our services and offerings to streamline our customers' experiences. In FY25, we deployed a chatbot and integrated artificial intelligence into several areas to transform how we manage and utilize data.

The AI-powered solutions at BWC have delivered measurable improvements in operational efficiency, data accessibility, and subrogation outcomes. Since its deployment, the chatbot has processed over 1,000 unique policy-related inquiries, reducing research time by more than 60% and streamlining staff workflows across targeted business units.

We also introduced new services to enhance our customers' user experience. For example, we created the Survivor Portal for the loved ones of fallen workers. This new tool creates an easy-to-navigate self-service website where users can edit their demographic information, view past or future payments, and establish or update a direct deposit.

Special Investigations

In FY25, our Special Investigations Department (SID) continued its work in detecting and deterring fraud, achieving impressive results.

- \$91.7 million in savings identified
- A \$6.60 return on expenditures
- 2,164 allegations received, with 65% from BWC staff and 35% from external sources
- 1,395 cases closed in an average of 206 days
- \$65,738 in savings identified per closed case

Human Resources

Staffing

Attrition increased 27% between FY24 and FY25. In FY25, we lost 211 employees (113 retirements, 77 resignations, 21 other separations). The most dramatic change was the 38% increase in the number of employees who retired.

BWC's Human Resources (HR) Division worked to reduce the impact of attrition during FY25 by onboarding 157 employees (132 new hires and 25 transfers). BWC's full-time permanent headcount stood at 1,568 on July 1, 2024, and 1,512 as of July 1, 2025.

Succession planning

BWC HR continued to partner with other divisions to promote succession planning and help ensure continuity of business. During FY25, 69 positions were identified for inclusion in the succession planning program, with incumbents from 60 of those positions following the program to completion. The overall succession planning health of the agency was good, with nine of 15 divisions reporting as fair through exemplary, and six reporting as poor or unacceptable.

Succession planning tools were utilized to fill three critical positions during the period. Additionally, in FY25, modifications were made to the succession planning tool to simplify completion, which we anticipate will improve the completion rate moving forward.

Ohio Recovery Friendly Workplaces

In FY25, BWC became a certified Recovery Friendly Workplace and developed an internal hub with information on addiction and resources for employees and their families. We also included several modules, which 294 employees have accessed (as of June 23, 2025).

To further this initiative, we hosted a virtual lunch and learn with a program specialist, which more than 600 attendees watched live.



BWC year-end-statistics

Fiscal Year ending June 30, 2025

	FY 2025	FY 2024	FY 2023
State Fund Claims Filed			
Lost Time	11,339	11,017	10,870
Medical Only	55,388	54,920	56,069
Occupational Disease	186	234	287
Death	138	161	206
Disallowed or Dismissed	11,030	10,777	10,783
Total	78,081	77,109	78,215
Net Allowed Injuries	67,051	66,332	67,432

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	162,764	167,140	171,857
Medical Only	329,262	339,681	358,069
Total	492,026	506,821	529,926

Benefits Paid

Medical Benefits Paid	\$402,499,992	\$370,425,066	\$379,481,783
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Compensation Paid

Wage Loss	\$3,397,328	\$3,313,068	\$3,573,527
Temporary Total	185,430,771	180,178,340	173,332,976
Temporary Partial	2,202	1,006	1,004
Permanent Partial	21,248,996	20,075,509	20,329,996
% Permanent Partial	47,047,527	49,750,142	42,468,873
Lump Sum Settlement	171,696,680	179,084,708	190,256,897
Lump Sum Advancement	9,486,519	14,059,456	13,645,857
Permanent Total & DWRF	347,390,594	354,989,004	352,153,760
Death	77,554,137	78,146,356	77,976,581
Rehabilitation	19,174,811	17,808,738	18,753,770
Other	2,710,026	2,744,927	3,853,653
Total Compensation Paid	\$885,139,590	\$900,151,253	\$896,346,895

Total Benefits Paid	\$1,287,639,583	\$1,270,576,319	\$1,275,828,678
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MCO Fees Paid	\$176,085,598	\$170,272,655	\$165,264,893
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Fraud Statistics

Fraud Dollars Identified	\$91,770,469	\$72,293,045	\$73,526,655
\$\$\$ Saved to \$\$\$ Spent Ratio	6.60 to 1	5.38 to 1	6.08 to 1
Prosecution Referrals	119	104	118

	FY 2025	FY 2024	FY 2023
Active Employers By Type			
Private	240,748	253,975	253,128
Public (Local)	3,798	3,811	3,805
Public (State)	117	117	113
Self-Insured	1,033	1,129	1,072
Black Lung	19	19	19
Marine Fund	118	122	126
Total	245,833	259,173	258,263

Starting in FY 2019, policies that lapsed within the fiscal year are treated as active

BWC Personnel	1,539	1,604	1,587
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BWC COMBINED FUNDS FINANCIAL DATA

(000s omitted)

	Audited FY 2025	Audited FY 2024	Audited FY 2023
Operating Revenues			
Premium & Assessment Income, net of Provision for Uncollectibles and Ceded Premiums	\$1,149,782	\$1,238,848	\$1,391,763
Other Income	12,521	11,073	8,858
Total Operating Revenues	\$1,162,303	\$1,249,921	\$1,400,621
Operating Expenses			
Workers' Compensation Benefits and Compensation Adjustment Expenses	\$1,549,506	\$1,707,214	\$1,546,974
Other Expenses	184,950	172,165	152,633
Total Operating Expenses	\$1,734,456	\$1,879,379	\$1,699,607
Non-Operating Revenues			
Net Investment Earnings	\$535,034	\$526,476	\$536,871
Increase (Decrease) in Fair Value	1,199,861	491,058	52,283
Net Investment Income	\$1,734,895	\$1,017,534	\$589,154
Net Dividends, Rebates and Credits	\$(33)	\$9	\$150
Total Assets	\$24,020,832	\$23,044,229	\$22,491,441
Total Liabilities	\$14,687,557	\$14,872,383	\$14,706,357
Total Net Position	\$9,333,275	\$8,171,846	\$7,785,084

Investment Class Comments

Portfolio Performance and Valuation Summary

The BWC investment portfolio was valued at \$22.32 billion as of June 30, 2025, compared with \$21.09 billion as of June 30, 2024, an increase in market value of \$1.23 billion. The BWC investment portfolio had a FY25 total return (net of management fees) of 8.3% and net investment income of \$1.78 billion.

Asset Allocation Mix

The asset allocation mix of the BWC investment portfolio based on represented fair value on June 30, 2025 was 51.5% bonds, 33.1% equities, 13.9% real estate, and 1.5% cash and equivalents. This asset mix compares to 51.9% bonds, 31.5% equities, 15.1% real estate, and 1.5% cash and equivalents on June 30, 2024.

Bond Portfolio Values and Return

The total fair value of the BWC bond portfolio was \$11.49 billion on June 30, 2025, compared to \$10.88 billion on June 30, 2024. Accounting for net outflows of \$0.03 billion during FY25, the adjusted fair value increase of the BWC bond portfolio was \$0.63 billion. The total net return for FY25 was 5.7%. The largest bond mandate of the BWC portfolio is the SIF long duration credit portfolio. This long credit portfolio provided a FY25 total net return of 5.1% and had a fair value of \$3.74 billion as of June 30, 2025.

Equity Portfolio Values and Return

The total fair value of the BWC equities portfolio was \$7.38 billion on June 30, 2025, an increase of \$0.67 billion compared to \$6.71 billion on June 30, 2024. The total fair value of the BWC US equities portfolio was \$4.89 billion on June 30, 2025, compared to \$4.51 billion on June 30, 2024. Accounting for net outflows of \$0.24 billion during FY25, the adjusted fair value increase of the US equities portfolio was \$0.63 billion during FY25, which represented a total net return of 14.0%. The total fair value of the BWC non-US equities portfolio was \$2.49 billion on June 30, 2025, compared to \$2.20 billion on June 30, 2024. Accounting for net outflows of \$0.11 billion during FY25, the adjusted fair value increase of the non-US equities portfolio was \$0.40 billion, which represented a total net return of 18.6%.

Real Estate Portfolio Values and Return

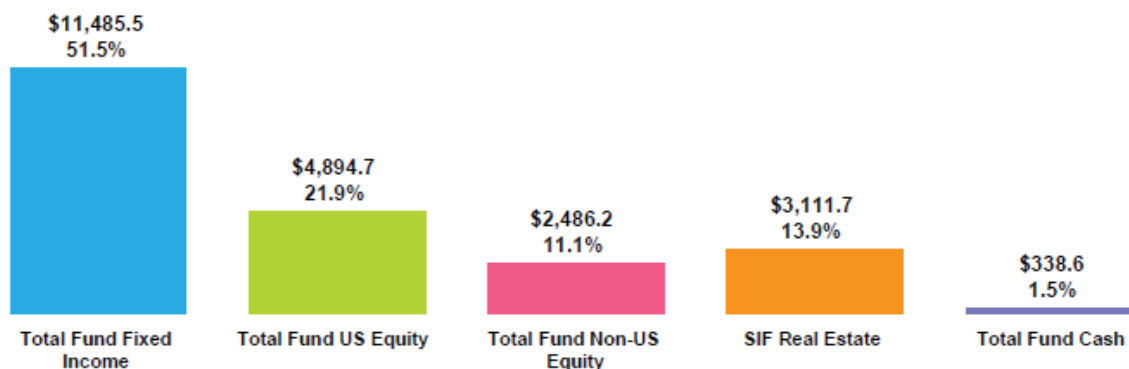
The total fair value of the BWC real estate portfolio was \$3.11 billion on June 30, 2025 compared to \$3.16 billion on June 30, 2024. Accounting for net outflows of \$0.14 billion during FY25, the adjusted fair value increase of the BWC real estate portfolio was \$0.10 billion. The real estate portfolio provided a FY25 total return net of fees of 2.5%.

Cash and Cash Equivalents

Total BWC cash and cash equivalents had a fair value of \$0.34 billion on June 30, 2025 compared to \$0.35 billion on June 30, 2024.

Total Assets Dashboard Summary | As of June 30, 2025

Total Fund Asset Allocation (\$M)



Total Fund Schedule of Investable Assets

Period Ending	Beginning Market Value (\$M)	Net Cash Flow (\$M)	Return On Investment (\$M)	Ending Market Value (\$M)	% Return
Fiscal Year 2025	\$21,092.6	-\$551.2	\$1,776.0	\$22,317.4	8.3

Total Fund Performance

	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)	FYE 2022 (%)	FYE 2021 (%)	FYE 2020 (%)
Total Fund	8.3	5.1	3.0	-7.2	15.2	7.0
State Insurance Fund	8.4	4.9	2.9	-6.4	15.5	6.8

Performance by Asset Class

	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)	FYE 2022 (%)	FYE 2021 (%)	FYE 2020 (%)
Total Fund Fixed Income	5.7	2.6	0.0	-13.1	4.0	11.3
Total Fund Equity	15.7	17.7	17.0	-14.9	42.1	2.6
Total Fund US Equity	14.0	21.0	18.9	-12.8	45.1	6.3
Total Fund Non-US Equity	18.6	11.2	13.6	-19.5	35.9	-5.0
Total Fund Real Estate	2.5	-9.3	-8.4	29.9	9.8	1.7

Beginning market value may differ from the previous report due to updated real estate data. Numbers may not sum due to rounding. Returns reported are net of fees. SIF Miscellaneous Holdings are not included in the asset classes shown but still roll up into the total fund data. They represent <0.01% of the total fund assets.

2025 Annual Report: Outcomes and Savings of the Health Partnership Program



The Health Partnership Program

The Health Partnership Program (HPP) has operated as the Ohio Bureau of Workers' Compensation's (BWC) 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 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 return-to-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 that benefits 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 Fiscal Year 2025 (FY25), 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

Special initiatives and pilots

BWC continues to look for innovative ways to address and effectively resolve injured workers' medical and service needs. Exploring ways to be more proactive and comprehensive in identifying medical and service needs places BWC in a strong position to aggressively manage those needs. There are several current initiatives and pilots focused on timelier capturing and evaluation of critical injured worker data.

Complex Claim Workgroup

This is a collaborative effort among key multi-disciplinary BWC staff to identify a group of claims that could, through early intervention, have improved outcomes. This effort seeks to address the needs of injured workers whose claims are complex in nature but do not rise to the level of catastrophic. The overarching goal for this workgroup is to increase efficiencies in connecting injured workers with appropriate treatment and aid in restoring them to their pre-injury standard of life, or, when that is not possible, adjusting to their new normal. Claims scoring 89 or above on the Official Disability Guidelines' Risk Assessment Score tool are selected for review to determine whether medical treatment or diagnostic testing needs additional facilitation. The multi-disciplinary team will address any issues regarding barriers to the injured worker's recovery and/or returning to work. These issues include, but are not limited to, indemnity compensation, requests for additional conditions, medical treatment, and changes in level of care.

Stay-At-Work (SAW)/Return To Work (RTW) tool

In collaboration with Claims Services, Medical Services seeks to improve injured workers' outcomes through evidence-based questions for the CSS to use when working on a claim or speaking with the injured worker. These questions help to identify barriers or risk factors to recovery. Initially, the qualifying claims include loss-time claims only with a qualifying lumbar diagnosis. When the SAW/RTW questions are discussed with the injured worker and an answer of no is provided, the CSS elevates this claim to their supervisor for further evaluation among key BWC staff (e.g., CMO, Director of Medical and Health Services Research, Nursing Services).

Emergency Department Pain Diagnosis Pilot

The Emergency Department Pain Diagnosis Pilot aims to ensure that claims with a symptom-only diagnosis are processed in a timely and efficient manner, with a minimum administrative burden and cost. The pilot establishes eligibility criteria for accepting a claim treated in an emergency department or urgent care when the discharge diagnosis is solely a symptom, such as effusion,

muscle spasm, pain, or injury to a body part. For a claim to be considered, it must meet the following criteria:

1. The injured worker received treatment from an emergency department within three days after the date of injury.
2. The assigned MCO has confirmed with the injured worker that the injured worker has received no follow-up medical care, and that no follow-up medical care is scheduled to take place before the statutory 28-day determination period expires.
3. The injured worker has missed seven or fewer days from work.
4. The only emergency department discharge diagnosis is effusion, muscle spasm, or pain to a body part.
5. The injured worker does not have a history of previous injury to, or a previous worker's compensation claim allowance for the same body part alleged in the current claim.
6. All elements of the jurisdiction, coverage, and employer/employee status, as well as compensable injuries policies and procedures, have been met.

BWC Claims Services during FY25 identified over 547 claims for review by BWC's Chief Medical Officer and the Director of Medical and Health Services Research. Of those claims, 411 were provided with a diagnosis. This effort has resulted in faster resolution of requests for an allowance, fewer claims being sent out for a file review, and real savings of over \$133,000.

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 quick recovery, timely return to work, and quality of life for injured workers. Maintaining the right benefit plan design and service level reimbursement ensures the appropriate care is available and provides access to quality, cost-effective service.

Implementing a sound and effective provider fee schedule is critical to maintaining an effective benefit plan. Pursuant to required rules and law, BWC establishes discounted yet competitive fee schedules. BWC annually reimburses more than 32,000 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 the 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 increase over the next 12 months by 3%. There was more than \$363 million in reimbursement for medical services and provider reimbursement in FY25. The FY25 payments decreased 1.1% from the \$367 million experienced in FY24. The decrease in payment correlated with a slight decrease in the number of injured workers seeking care, which fell by 0.47% from 112,711 to 112,177. It should be noted that the average cost of service per claim increased by 10%, going from \$2,943 to \$3,243. This average cost increase is attributable to case mix variations, the type of care sought, and the increased fee schedule reimbursement rates.

While medical reimbursement saw a slight reduction, BWC's service bill volume has slightly increased. The number of bills submitted in FY25 increased by 2.92%, going from 1,020,103 to 1,049,847. Also, bill denials decreased overall by 0.35% from FY24, from 232,361 to 231,541.

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.



Program highlights in CY2024 included:

- The number of injured workers with a prescription decreased by 3.7%.
- Total prescription paid amount decreased by 26.3%.
- Total prescriptions filled decreased by 15.3%.
- The number of injured workers with an opioid prescription decreased by 14.6%.

MANAGED-CARE PROCESSES

MCO contract

BWC and the MCOs executed a new contract that became effective on Jan. 1, 2025, and remains effective through Dec. 31, 2027. The most notable changes in the contract are changing the per claim case rate of \$975, which will remain steady throughout all three years of the contract period. The actual claim count will be used, derived from a monthly snapshot. The administrative and outcome payment distribution will be phased in, starting with an 80-20 ratio in year one, 75-25 in year two, and 70-30 in year three. The outcome payment will also shift to a semi-annual distribution, versus the former contract's quarterly distribution schedule.

Additionally, during FY25, BWC implemented the MCOs' outcome performance measurement tool, Measurement of Disability (MoD) 2.0. The outcome performance tool is being enhanced to focus on better measurement of lost-time claims and 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 current state-wide experience. This will keep the outcome payment model current and measure performance on near real-time data.

MCO recertification

In addition to executing a contract with BWC, MCOs are also subject to a recertification process that operates pursuant to ORC section 4121.44. MCOs must submit a recertification application providing 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; and OARRS agreements. BWC recertified all nine MCOs in December 2024, with such certification running from Jan. 1, 2025, to Dec. 31, 2026.

MCO biennial open enrollment

During the second half of FY25, State of Ohio employers could select a new MCO. This opportunity, which occurs every two years, took place from April 28, 2025, through May 23, 2025. In this period, 4,011 employers selected a new MCO to manage their claims, which impacted 9,224 active claims.

As part of this reselection process, BWC releases an MCO Report Card, which provides objective data on the performance of MCOs to employers. In April 2025, BWC finalized the 2025 MCO Report Card and made it publicly available through its website. The 2025 MCO Report Card's data assists employers in determining which MCO may best suit the employer's particular line of business. Key performance indicators, such as timeliness and accuracy of First Reports of Injury and medical bills, were included in the 2025 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 2025 MCO Report Card results. More than 3,800 employers responded to the survey, and the statewide satisfaction rating was 4.38 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 that MCO staff understand their roles in the Health Partnership Program. During FY25, BWC conducted training for MCO staff and mandated attendance based on the topics covered, working to secure continuing education credits for training offered. BWC has also built a library of prior training programs in the BWC Learning Center, making the content available to MCO staff members who could not attend live virtual events. Continuing education credits remain available through the BWC Learning Center for up to a year after the live event.

In the third quarter of 2024, BWC mandated training on the additional allowance policy and procedures for MCO ADR, nurse case managers, coders, and quality assurance staff. This presentation was designed to help MCOs understand the why behind the additional allowance process to address the injured workers' needs and focused on the collaboration between BWC, MCOs, and providers. More than 750 individuals completed this training.

BWC also conducted targeted training during the fourth quarter of 2024 on a standard set of control objectives that each MCO must meet in its annual independent audit. These control objectives focus on data security, both physically and logically; the performance of key service requirements under the BWC-MCO Agreement; and critical financial controls. In total, 134 individuals from the MCOs and independent auditing firms completed the training.

During the first quarter of 2025, BWC mandated training for all MCO billing staff on key areas of the Health Partnership Program's billing and reimbursement process, focusing on relevant rules and policies that impact billing, recovery, and subrogation activities. BWC staff highlighted common issues that lead to inconsistencies and inefficiencies in resolving billing issues. In total, 265 individuals completed this training.

In the second quarter of 2025, BWC mandated training for all MCO Business leadership and IT staff on the new standard control objectives included in the new MCO contract and mandated by the State of Ohio. MCOs have an obligation to submit policies by Oct. 1, 2025, and comply with the security requirements by May 1, 2026. In total, 86 individuals from the MCOs and independent auditing firms across Ohio attended this event.

In addition to the above mandatory training events, BWC offered just-in-time training on the MCO's role in gathering and reporting accurate return-to-work data, supportive care and diagnostic services, and on-site case management.

MEDICAL PROVIDERS

Provider Experience

Experiences matter, and our providers' experiences are essential 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 challenges our providers face.

To inform and educate our provider network, the electronic Provider Update newsletter is published every other month. This is a vital source of information related to medical/vocational policies, processes, and rules. The Provider Update is emailed to more than 58,000 providers.

During FY25, the Medical Operations' Provider Forum live webinars were hosted by BWC's Provider Engagement team. These webinars are used to train, communicate, and promote engagement with providers and provider staff. If applicable, we obtain continuing hours for nurses. FY25 webinars include:

- Feb. 5, 2025 – BWC Medical Updates
 - 425 attendees
- May 8, 2025 – Legal Concepts in Workers' Compensation
 - 410 attendees
 - 1-hour nursing continuing education
- Aug. 12, 2025 – The Life Cycle of the Claim
 - 488 attendees
 - 1-hour nursing continuing education

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 for on-demand viewing.

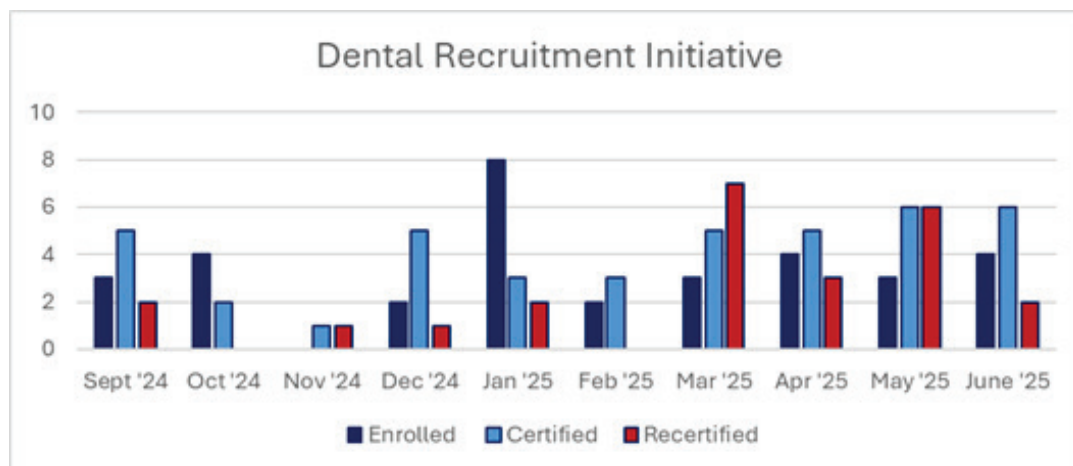
Provider Engagement

Our Regional Directors are tasked with meeting with providers virtually and in-person to ensure providers understand the BWC Workers' Compensation system, BWC forms completion, and the Enhanced Care Program. The Regional Directors are also focused on communities in which the BWC network lacks providers. One specific area of focus in FY25 was the dental community. Through direct outreach efforts, including marketing and conference vendor attendance, BWC achieved its goal of increasing its dental provider network. Since Sept. 2024, 98 dental providers were enrolled, certified, and/or recertified (active). BWC's records reflect a 13% increase in active dentists in the network, with 743 active dentists across Ohio. Dental outreach efforts included:

- Sept. 12 – 14, 2024 – Ohio Dental Association Annual Session in Columbus, Ohio
- Dec. 2024 – BWC recruitment email blast sent by the Ohio Dental Board to all its members

- Feb. 5, 2025 – Ohio Dental Board presentation
- March 17, 2025 – Dentists' recruitment visits increased to three field days a week
- April 5 – 6, 2025 – Ohio Society of Oral & Maxillofacial Surgeons

These strategic events correspond with spikes in dental providers' BWC enrollment and certification, especially visible in January, March, April, and May.



2024 Medical & Health Symposium

One of the premier BWC educational events is the Medical & Health Symposium. The 2024 Medical & Health Symposium ran from Nov. 13 -15, 2024. It was the fourth year of hosting the event virtually. The successful event set records in registration and attendance, reflecting the highest percentage of registrants who have attended. This event presented 13 educational sessions, offering a record-breaking 27 different types of continuing education credits over two and a half days. The final registration count was 8,133, 495 more registrants than in 2023. The number of unique attendees increased by more than 4% to 4,495. Registrations represented all 50 states plus the District of Columbia. The annual event also saw registrants from 36 countries for the 2024 symposium.

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, and a customer service manager who oversees the daily provider call center operations.

The Provider Contact Center continues our goal to provide exemplary customer service to our external and internal customers. Their customer service CSAT percentage is 94.41%. While still supporting Medical Services, the customer contact staff successfully transitioned and integrated into the BWC Call Center operations. In FY25, the Provider Contact Center received:

- 20,790 calls
- 250 chats
- 992 Emplifi emails

Network volume

BWC's system reflects providers in two statuses: enrolled and certified. Enrolled 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. To achieve the certified status, providers must complete 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.

In FY25, 63,865 certified and 24,045 enrolled providers participated in BWC's network, and BWC's provider relations department experienced the following enrollment and certification activities:

- New providers enrolled only: 1,653
- New providers enrolled and certified: 8,480
- Re-certified providers: 4,085

BWC has executed various processes to improve providers' interaction with us, such as implementing the new online provider portal. In FY25, 2,200 certification applications and 42 noncertified applications were received using the online application process. In addition, 5,253 updates to providers' demographic information and credentials were uploaded using the online provider portal.

Finally, BWC has embraced artificial intelligence (AI) by building systematic bots to automate repetitive tasks necessary to manage a network. The BWC team has improved the Request to Change Provider Information form (MEDCO-12) for handling record updates and developed the Provider Inquiry form (MEDCO-11) to standardize how inquiries are submitted. Further AI development is in process to assist in processing those forms.

MEDICAL AND VOCATIONAL SERVICES ADMINISTRATION SUPPORT

Catastrophic claims

During FY25, 69 new catastrophic injuries occurred 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 decreased by one claim in FY25. Private employers (PA) accounted for 60 or 87% of the total catastrophic injuries, and public employers (PEC and PES) accounted for 9 or 13%.

The following chart is a breakdown of the 69 catastrophic claims by injury type for FY25:

Type of injury	# of claims	Percent of total claims
Traumatic brain injuries (moderate and severe)	23	33%
Amputations, major extremity	13	19%
Multiple trauma (multiple fractures, crush injuries)	12	17%
Spinal Cord injuries (quadriplegia, paraplegia)	10	14%
Severe burns (greater than 25% of the body)	5	7%
Severe Occupational Disease	3	4%
Gun Shot Wound (s)	2	3%
Organ Transplant	1	1%
Total Claims	69	100%

A review of the employer industry job codes for catastrophic injuries for FY25 identified that the top six made up 46% of all the catastrophic claims. The following were the top six industry codes that had catastrophic injuries:

Industry Type	# of claims	Percent of total claims
City/County/Township/School - Public Employee	9	13%
Manufacturing (Metal, Rubber, Plastics, Concrete)	7	10%
Machine Shop, Machinery/Equipment Erection or Repair	5	7%
Salesperson or Collectors Outside	4	6%
Store (wholesale, warehouse)	4	6%
Roofing	3	4%
Total % for top 6 industry codes	32	46%

Improving catastrophic claim customer experience and outcomes

BWC implemented a new strategic initiative for new claims with catastrophic injuries starting on Oct. 1, 2024. A catastrophic (CAT) claim is defined as a serious injury or occupational disease resulting in limited mobility and/or cognition related to the allowed conditions in the claim. These injuries will severely limit the ability of the injured worker to perform activities of daily living and have a high probability of resulting in permanent disability. Examples of these injuries include but are not limited to: moderate to severe traumatic brain injuries (TBI); amputations, fractures, or crush injuries of a major extremity; loss of use of one or more limbs; spinal cord injuries (SCI) such as paraplegia, quadriplegia, hemiplegia or diplegia; total blindness; severe burns on more than 25 percent of the body; actual or anticipated hospitalization in excess of four weeks; severe occupational diseases and/or bloodborne pathogens; toxic exposure with long term complications; and any other claims identified by BWC.

Early identification and management of these claims has been in place for years. However, a new multidisciplinary staffing was implemented to further coordinate services between the assigned BWC CAT Nurse, BWC Claims staff, and the assigned Managed Care Organization. Each new CAT claim now has a multidisciplinary staffing within one week after identification. This process includes the BWC Medical Director, BWC Director of Nursing, Nurse Supervisor, BWC CAT Nurse, BWC Director of Medical Policy, BWC Claims Supervisor, BWC Claims Service Specialist, MCO CAT Coordinator, MCO CAT Nurse Case Manager, and other BWC resources, such as employer services or legal, as needed.

The virtual team staffing includes a discussion of the claim, medical status, barriers, and a plan to address and resolve issues identified. The focus is to complete the claim allowance process in a timely manner for the injured worker to receive benefits. The next priority is to ensure the injured worker gets the medical care and services they need. Early planning for services that will be needed long-term for their recovery is discussed. Often, these claims will involve transitions in care from the acute hospital to other facilities due to the medical acuity and need for other rehabilitative care after the inpatient stabilization process. This multidisciplinary team plan is documented in a form that is completed during the staffing and includes:

- Demographic information – injured worker name, claim number, date of CAT indicator, date of review, nature of injury
- Summary of current claim and injury status
- Current care plan
- Current barriers/items to address
- Action plan with tasks/items to complete, assigned party, and date due

This form is imaged to claim along with a claim note. The plan will address barriers and items needed to allow timely claim allowance and payment of benefits, items to ensure necessary medical services are being authorized and rendered, authorization of adjustment counselling early in the claim for these severe and life-altering injuries, and the timeframe for the MCO onsite visit. This process is very helpful for discharge planning and transitions of care to home or an alternate setting.

BWC internally has ongoing periodic status updates, staffing with the Medical Director on these claims to identify and work with the other parties as needed to resolve them. Ongoing multidisciplinary staffing may be scheduled with all parties for major barriers or transition of care planning. One example of efficient claim coordination that was instrumental was for an injured worker who was in a foreign country on a work assignment and needed a medical transport back to Ohio post-injury. All services needed to be in place at the facility in Ohio for the ongoing rehabilitation. This process was streamlined, and the injured worker returned to a facility near their home in an efficient and timely manner once stabilized. This allowed their recovery to be supported by family that could be with the injured worker through the recovery journey. This is one example, but the new process has positively impacted many claims. It has been very beneficial in removing barriers and creating efficiencies for medical care and claim processes.

Although the process was implemented in October 2024, BWC will continue to monitor the results and outcomes. For FY25, there were 43 claims. The following table shows the key measures for these claims to date.

BWC Measure	Range of Lag	Average
Filing Date to Initial Allowance Order	9 – 35	20
Filing Date to dates Compensation set (1 outlier)	1 – 170	25
Percentage of CAT claims with Post Acute Admissions	22 or 52%	
Total days in Facility (Acute Inpatient, LTACH, IPR)	4 – 124	39
• Acute Inpatient	3 – 84	20
• LTACH, IPR, or SNF rehab	3 – 107	31
• 2 nd Post Acute Admit (one claim)	64	64
Claims with Return to Work 6 or 14%	62 – 118 days	91

Key for Acronyms: Acute Inpatient – Acute Inpatient Hospital, LTACH - Long Term Acute Care Hospital, IPR – Inpatient Rehabilitation Hospital, SNF – Skilled Nursing Rehabilitation Facility, Post-Acute – Other Facility for rehabilitation post-acute such as TBI facility.

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 referrals of potentially eligible claims for vocational rehabilitation services. In calendar year (CY) 2020 and CY21, as seen in Table 1, we averaged 1.3% of referrals, which decreased to 1.2% for CY22 and CY23. In CY24, the percentage of referrals of potentially eligible claims slightly increased to 1.3%.

Table 1: Eligible claims referral for vocational rehabilitation: 2022 - 2024

VR Referral Summary	CY 2022	CY 2023	CY 2024
¹ Claims Potentially Eligible for VR	164,968	158,086	151,608
Claims Actually Referred for VR	2,053	1,859	1,949
% Eligible Claims Referred for VR	1.2%	1.2%	1.3%

¹ 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 CY24, 2,146 new vocational rehabilitation referrals were initiated in 1,949 claims. Of those referrals, 719, or 33.5%, initiated a comprehensive vocational rehabilitation plan or a job retention plan, an increase from CY23.

For vocational rehabilitation plans completed in CY24, the average cost of services was \$11,116 per plan, a 10% increase from \$10,114 per plan in CY23. This may reflect the fee increases in the last quarter of CY 2023. Another factor may be an increase in the average days of completed plans, increased by 12 days or 6% from CY23 to CY24.

Graph 1 shows the outcome of comprehensive and job retention plans between CY20 and CY24. During the period, successful outcomes in CY20 were 56.3% of implemented plans. The percentage of successful plans increased to 62.6% in CY21 and decreased slightly each successive year to 55.7% in CY24.

Graph 1: Outcome of comprehensive and job retention plans by calendar year

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

In CY24, 48 claims were referred for job retention services. This program keeps injured workers experiencing difficulties on the job who returned to work on modified duty after a period of lost time for which they received temporary total compensation or salary compensation. Of the 24 injured workers approved for participation in a job retention plan, 16 job retention plans were completed, and 14, or 87.5%, were successful in either remaining at the same job or a different job with the same employer.

Transitional Work

BWC offers two programs for employers to assist in a safe return to work for employees who are injured on the job: the Transitional Work Bonus Program and the Transitional Work Grant Program.

Transitional Work Grant Program

The Transitional Work Grant Program assists employers in developing a transitional work plan that's right for their business and employees. Employers work with an accredited transitional work developer to create a customized program specific to their company's operations. As a part of the program, employers receive customized job analyses and training on identifying appropriate transitional work tasks for employees. These tasks are based on their medical restrictions.

Employers must apply for a transitional work grant to create a transitional work plan. After being approved, they can hire a BWC-accredited transitional work developer. The developer works with the employer one-on-one to design a customized program.

BWC offers an orientation class to train providers in creating customized policies and procedures for employers. Currently, BWC Transitional Work Developers must attend a reaccreditation class at two-year intervals to maintain their accreditation. Three reaccreditation webinars were held in FY25 for the 17 developers requiring reaccreditation. In FY25, BWC's developers were 12 physical therapists, six occupational therapists, and 46 case managers.

The grant amount an employer receives is based on the number of employees reported to BWC. The following table reflects available grant reimbursements.

EMPLOYEE COUNT	GRANT AWARD AMOUNT
11-49	\$3,700
50-199	\$6,800
> 200	\$8,200

Additionally, pursuant to OAC 4113-17-55, employers are eligible for a Transitional Work Grant every five years. At the end of the five years, unused grant funds are returned to the fund, and the employer may apply for a new Transitional Work Grant.

The following table shows the total amount of grants applied for during FY25, the amount we actually paid out to employers from those funds, and the remaining grant funds, which reflect monies not used but available for five years.

FISCAL YEAR	GRANTS AWARDED	PAID TO EMPLOYER	REMAINING FUNDS
FY25	\$773,000.00	\$157,610.00	\$615,390.00

Once the initial grant is paid, the employer may contract with the accredited developer to request additional services. These services can be paid for with the employer's remaining grant funds. The additional implementation services 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

The modernization of the Transitional Work Grant Program significantly impacted Ohio employers' 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. The following table represents the number of grants paid and the total awarded grant amounts from 2023 to 2025. This reflects how much all employers received for the total grant amount.

FISCAL YEAR	GRANT PAID	PERCENTAGE CHANGE	TOTAL	PERCENT CHANGE OF GRANTS PAID
2023	132	38.95%	\$ 498,613.75	39.76%
2024	166	25.75%	\$ 550,200.00	10.34%
2025	74	-55.42%	\$ 362,500.00	-34.11%

Transitional Work Bonus Program

BWC allows public and private employers to participate in the Transitional Work Bonus Program. Since 2012, this program has provided employers with the opportunity for a rebate if they use their TW program to get employees back to work after a work-related injury. If the employee is placed on restrictions, the employer utilizes their customized TW program and gradually returns the employee back to work.

The TW Bonus Program rewards employers with up to a 10% rebate of their pure premium. In July 2023, the TW rule was updated to phase out the TW Bonus Program. The phase out begins with the gradual step down from the 10% rebate to 7% with a max payout of \$25,000, then a final rebate of

4% with a max payout of \$25,000. The end of the program will be the July 2027 payout for public employers.

BWC's Disability Evaluator Panel (DEP)

BWC requires a method for injured workers residing in-state (Ohio and within 50 miles of its border in the contiguous states) and outside of Ohio (including out of the country) to receive examination and medical file review services. Out-of-state services (including out of the country) are handled by state contract with one vendor. Examination services include percent permanent partial disability (%PPD), alternative dispute resolution (ADR), and independent medical examinations (IME).

BWC manages a statewide panel of around 250 physicians who serve on the DEP and are responsible for completing injured worker examinations and medical file reviews. DEP physician specialty types responsible for performing examination and medical file review services include Doctor of Medicine (M.D.), Doctor of Osteopathic Medicine (D.O.), Doctor of Chiropractic (D.C.), Psychologist (Ph.D. or PsyD), Doctor of Podiatric Medicine (DPM), Doctor of Dental Surgery (D.D.S.), and Doctor of Dental Medicine (D.D.M.).

DEP physicians are expected to follow DEP policies and procedures, and BWC educates/trains panel physicians on expectations, specifically documentation and billing, and report requirements. During the past fiscal year, DEP Central has solidified policies to mitigate risks and enhance coordination and collaboration across Claims Services, Nursing Services, and MB&A. This includes implementing:

- A File Review Tableau Dashboard, creating an equitable distribution of file reviews among physicians
- What-to-expect letters sent to injured workers and physicians before scheduled examinations
- A quality assurance audit, where the CMO and the Director of Medical and Health Services randomly audit file reviews and examinations to ensure DEP physicians are abiding by the DEP Handbook
- A complaint process to ensure timely investigation and response is provided
- A retrospective review to ensure billing practices match
- An updated application process to ensure all applications are reviewed and processed in a timely and accurate manner
- Enhance documentation of key processes for monitoring the panel
- Increase collaboration with nursing managers to update and enhance internal file review procedures to create more reliable data

In-state DEP physicians completed 43,045 requested services in FY25, receiving total reimbursements of \$10,610,931. Out-of-state physicians completed 610 requested services, receiving total reimbursements of \$425,000.

Billing and Adjustments

A provider's experience with the bill payment and adjustment process can negatively impact is reflected upon the injured worker and the employer. The Medical Billing and Adjustments (MB&A) team works directly with the billing staff at the MCO to process bill payments and corrections, collect provider overpayments, and process medical subrogation. Additionally, this team provides education on billing trends as they are identified.

During FY25, BWC experienced a very small decrease in manual adjustment requests. MB&A processed just over 29,000 bill adjustments in 3.6 days, from receipt to adjudication, about 1,200 fewer adjustments than those processed in FY24. Additionally, during this period, over \$110,000 in overpayments were collected.

In the second half of FY25, BWC began to accept electronic adjustments. Today, three MCOs have completed regression testing and are fully operational in submitting these adjustments. This action delivers efficiency across the board for the MB&A team and the MCOs.

Work has also been done to implement AI bots to systematically enter bill data into the payment processing system. Full implementation of this tool will improve system processing efficiencies and free up full-time employees to be available to address higher-value tasks.

SELECTED HPP MEASUREMENTS

All dollar amounts are shown in \$1,000s.

The following figures are limited to the HPP.

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



Selected HPP Measurements

Measure	FY 2020*	FY 2021*	FY 2022	FY 2023	FY 2024	FY 2025
Active employers (1)	217,887	220,738	218,155	215,618	210,772	211,432
Active claims (2)	233,654	208,490	192,103	192,062	187,173	182,735
FROI timing (3)	16.95	17.04	19.24	19.79	17.08	19.20
% of FROIs filed within seven days of date of injury (4)	71.58%	67.61%	65.18%	64.12%	67.28%	68.90%
% of claims determined within 14 days of filing date (5)	66.47%	59.99%	56.84%	55.98%	54.81%	50.66%
Bill Timing (6)	75.41	81.39	85.75	83.10	83.22	78.72
LDOS-MCO	61.49	66.90	71.38	71.41	69.11	66.86
MCO-BWC	5.59	6.24	6.05	6.25	5.86	5.78
BWC-MCO	7.15	7.18	7.24	4.37	7.19	4.39
MCO-Provider	1.18	1.07	1.07	1.07	1.07	1.70
Total regular medical payments (7)	\$411,137	\$333,659	\$369,017	\$363,016	\$354,252	\$398,605
Payments for file reviews and IMEs (8)	\$15,418	\$15,413	\$13,474	\$12,979	\$12,872	\$11,688
MCO fees (9)	\$168,764	\$164,988	\$161,694	\$165,265	\$170,273	\$176,086

Total medical payments, plus MCO fees	\$595,319	\$514,060	\$544,185	\$541,260	\$537,397	\$574,690
Total indemnity payments (10)	\$908,282	\$897,159	\$934,701	\$887,095	\$891,054	\$875,559
Grand total (11) Benefits paid (total regular medical payments, plus total indemnity payments)	\$1,488,183	\$1,395,805	\$1,465,412	\$1,415,376	\$1,415,579	\$1,450,249

- (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 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 made 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 this category includes 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 are 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
 - Timing of different types of payments (administrative payments are monthly, outcome 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.

* FY20 and FY21 numbers are affected by COVID-19 shutdowns starting mid-March 2020. This could affect all the categories in different ways, such as a 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 (OSS) safeguards Ohio's workforce through a comprehensive range of programs and resources that help employers reduce risks, protect employee health, and build strong safety cultures. Through strategic initiatives, targeted funding, and hands-on support, OSS works with businesses across the state to create safer work environments and promote the overall well-being of Ohio's workforce.

This work is delivered through four specialized sections: Safety Grants and Rebates, Field Safety Services, Compliance and Research, and Central Operations, which together form the framework for delivering high-impact safety solutions to Ohio employers.

The Substance Use Prevention and Recovery (SUPR) Program and the Better You, Better Ohio!® (BYBO!) program, while managed by other BWC divisions, are also included in this report because they are funded through the OSS budget.



Safety Services fiscal year 2025 operating budget

Table A presents the fiscal year 2025 (FY25) budget appropriations for OSS's core operating budget and major programs, along with disbursements and open encumbrances as of June 30, 2025.

The operating budget, along with funding for safety grants, the Workforce Safety Innovation Center® (WSIC), SUPR, BYBO!, safety awareness and educational marketing initiatives, and the Ohio Occupational Safety and Health Research Program, is supported by BWC resources. In addition to BWC funding, OSS leveraged two federal grants in FY25, including:

- \$195,104 from two federal Bureau of Labor Statistics (BLS) grants supporting the Survey of Occupational Injuries and Illnesses (SOII) and the Census of Fatal Occupational Injuries (CFOI).
- \$1,667,400 from an Occupational Safety and Health Administration (OSHA) grant for Ohio's OSHA On-Site Consultation Program.

Together, these resources sustain critical initiatives, help address emerging risks and expand services that keep Ohio's workforce safe and productive.

Table A: FY25 Safety Services budget appropriations, disbursements, and encumbrances

Program	Budget appropriation	Disbursements & encumbrances
Safety operating budget	\$24,357,711	\$19,594,618
Safety grants	\$35,000,000	\$34,813,548
WSIC	\$15,000,000	\$9,792,928
SURWSP	\$4,000,000	\$779,217
BYBO!	\$3,000,000	\$3,000,000
Safety awareness & educational marketing	\$1,500,000	\$378,794
Ohio Occupational Safety and Health Research Program	\$1,000,000	\$864,193
BLS SOII/CFOI federal grants	\$195,104	\$193,671
OSHA On-Site federal grant*	\$1,876,338	\$1,538,911
Totals	\$85,929,153	\$70,955,880

Office of Safety Services Sections

The Office of Safety Services (OSS) is dedicated to helping Ohio employers prevent workplace injuries and illnesses before they occur. Through an extensive range of occupational safety and health services provided at no additional cost to BWC policyholders, OSS supports both public and private employers statewide, while also leading innovative research efforts to advance best practices and reduce risks for Ohio's workforce.

OSS delivers its mission through four key sections:

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

Through these sections, OSS delivers direct, measurable value to Ohio employers with initiatives that include:

- Offering comprehensive safety education and training courses
- Partnering with local safety councils statewide
- Hosting the Ohio Safety Congress & Expo® (OSC®), one of the nation's largest safety events
- Administering targeted safety grants and the Safety Council rebate program
- Providing on-site consulting to identify hazards and recommend solutions
- Overseeing the Public Employment Risk Reduction Program (PERRP) for public sector compliance
- Administering the OSHA On-Site Consultation Program, which offers confidential guidance to small employers
- Maintaining specialized safety and health resources

Together, these services help create safer, more productive workplaces, while reducing the costs and disruptions associated with workplace injuries. Table B outlines the number of employers who benefited from OSS programs and services in FY25, broken down by policy type.

Table B: FY25 occupational safety and health services statistics; employers who benefitted from services by policy type.

Service type	Private employers	Public employers	State agencies	Self-insured	Marine fund	Black lung	Unknown / Not reported	Total
FSS	3,413	610	17	62	1	0	0	4,103
OSHA On-Site	300	0	0	27	0	0	11	338
PERRP	1	170	14	14	0	0	0	199
BLS	2889	145	18	0	0	0	0	3052
Safety grants*	772	367	0	0	0	0	0	1,139
Safety council	6,139	980	0	371	0	0	0	7,490
OSC*	2,278	243	33	376	10	0	0	2,940
Training and Education	3,755	222	15	96	1	0	26	4,115
Library	443	53	8	40	1	0	0	545
Totals	19,990	2,790	105	986	13	0	37	23,921

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

The table shows the number of unique employer policies served by each program in FY25. Collectively, these programs generated 23,921 direct interactions with employers, representing 14,001 unique employers.

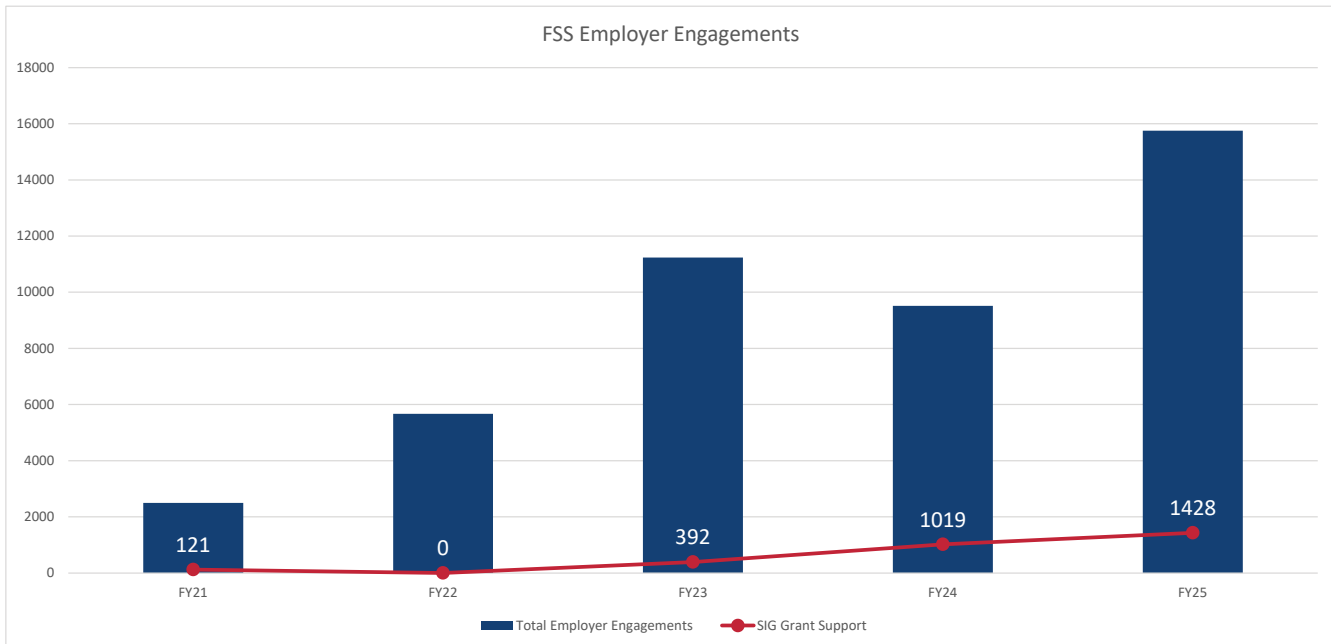
Field Safety Services

Field Safety Services (FSS) provides safety, industrial hygiene, and ergonomic consultations that help employers identify hazards, assess risks, and strengthen workplace safety programs. Services include hazard identification, program development, training, and workplace safety interventions.

In FY25, FSS completed 15,750 consultations with 4,103 unique policyholders, a 65% increase from FY24 and the highest in five years. Growth was especially strong in high-risk industries, with 74% of engagements in workplaces where accident risks are more than double the industry average.

FSS conducts hazard assessments for Safety Intervention Grant (SIG) applications, supports the Safety Council Program, and delivers safety training. This upward trend highlights FSS's growing role in improving workplace safety across Ohio, as illustrated in Figure 1 below.

Figure 1: FSS total employer engagements and SIG grant support for FY21-FY25



Quality Assurance and Technical Support

The Quality Assurance and Technical Support (QA/TS) team provides advanced expertise in ergonomics, industrial hygiene, and occupational safety, supporting field operations and strengthening service quality.

In FY25, the team was instrumental in developing and maintaining BWC safety program policies, while also representing BWC as members or liaisons to leading 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. They also delivered advanced instruction in occupational safety, ergonomics, and industrial hygiene.

QA/TS advanced 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

Instrument Laboratory

The Instrument Laboratory supports field consultants by maintaining an inventory of more than 550 precision measurement devices critical to BWC's safety mission. In FY25, the lab repaired, maintained, and calibrated nearly 359 devices, saving an estimated \$77,150 compared to manufacturer servicing. These efforts ensure accuracy, reliability, and readiness while maximizing value for Ohio employers.

Compliance and Research

In FY25, the Compliance & Research section was realigned to integrate the PERRP, OSHA On-Site Program, and the BLS program. The Compliance Unit, comprised of two specialized teams, helps public and private employers meet safety and health standards through inspections, consultations, and compliance assistance. The Research Unit collects and analyzes data on workplace injuries, illnesses, and fatalities to identify trends and raise awareness.

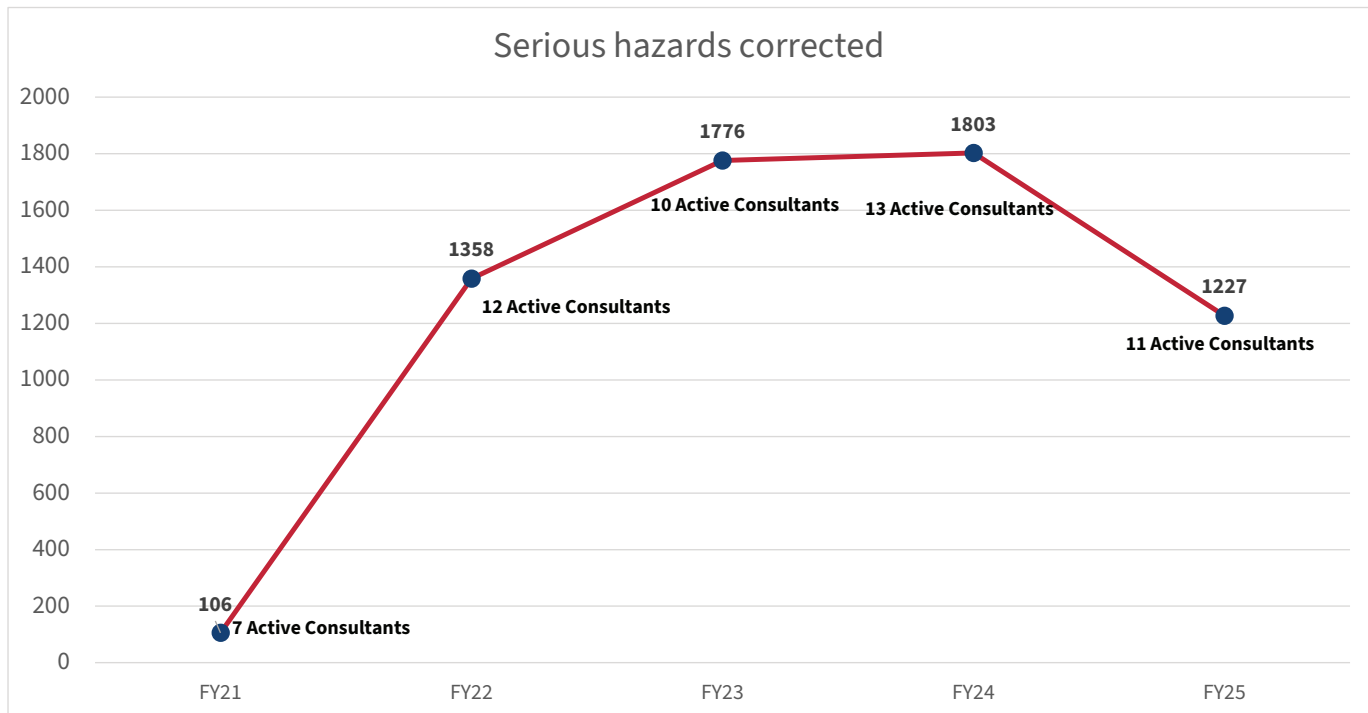
This restructuring centralized federal grant programs for stronger oversight, eliminated redundancies, and streamlined processes to align with agency priorities. It also improved collaboration across units, strengthening workflow, knowledge-sharing, and overall program effectiveness.

OSHA On-Site Consultation Program

BWC's OSHA On-Site Consultation Program provides confidential, no-cost services to private-sector employers, with priority given to high-hazard worksites that have fewer than 250 employees. The program also administers the Safety and Health Achievement Recognition Program (SHARP), which recognizes employers with comprehensive safety and health systems committed to continuous improvement. In FY25, four new locations earned SHARP certification and 16 renewed, bringing the total number of SHARP-recognized workplaces in Ohio to 29.

During the year, field consultants completed 618 on-site visits and 47 virtual consultations, supporting 338 unique employer policies. These efforts led to the identification and correction of 1,227 serious hazards, improving conditions for an estimated 40,175 workers. The program also delivered 121 compliance assistance activities to further strengthen employer safety and health efforts.

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

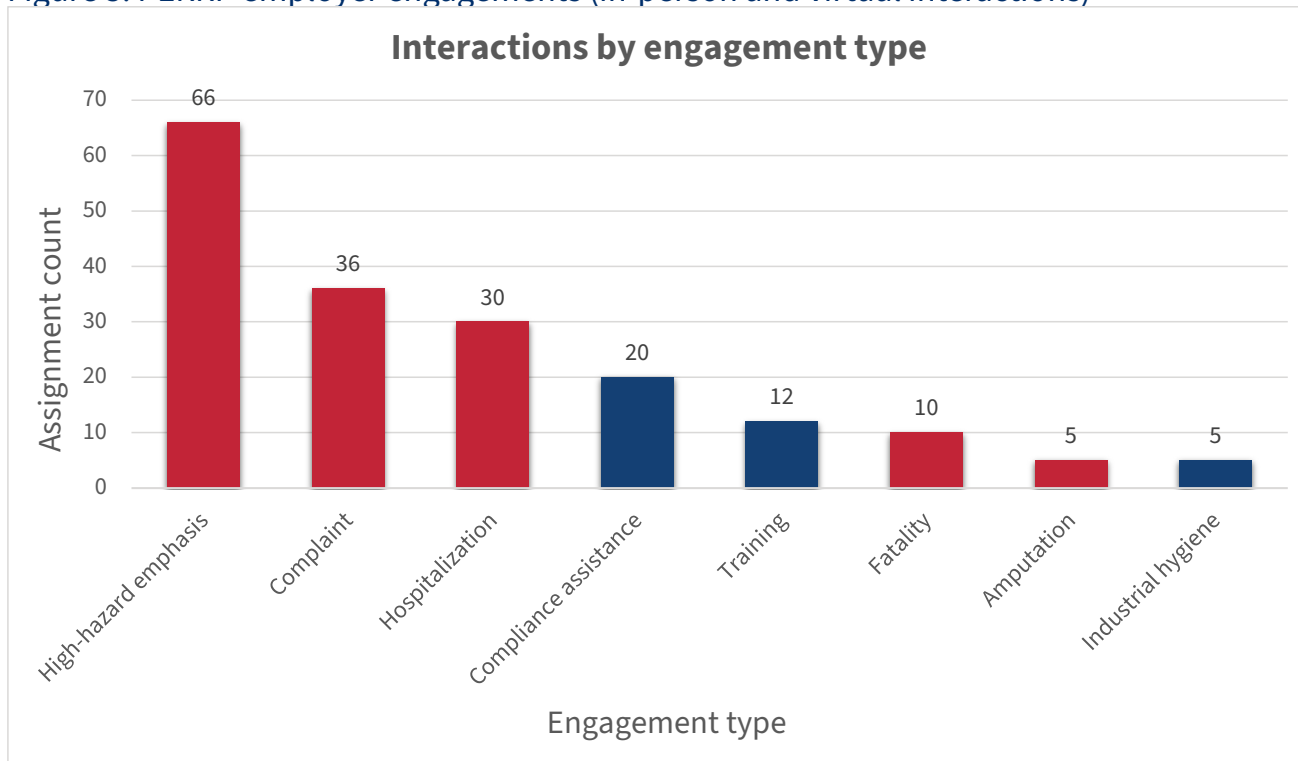


Public Employment Risk Reduction Program

Authorized under Ohio Revised Code Chapter 4167, PERRP works to ensure safe and healthy conditions for Ohio's public employees. The program adopts and enforces occupational safety and health standards, conducts inspections and investigations, and provides voluntary compliance assistance to help public employers meet regulatory requirements, recognize risks, and reduce workplace illnesses and injuries.

In FY25, PERRP delivered on-site and virtual services to 184,199 public-sector employers and assisted 3,140 in submitting their annual Summary of Work-Related Injuries and Illnesses (Form 300AP). The program also conducted 421 compliance visits, leading to the correction of 238 hazards. In addition, one Safety Partnership Agreement participant submitted their annual report and continued mentoring peers as part of their commitment to fostering a culture of safety.

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



Research initiatives

In FY25, BWC advanced its role as a national leader in occupational safety research through several high-impact initiatives aimed at informing policy, advancing workplace safety standards, and reducing occupational risks.

- BWC/NIOSH Partnership: BWC and the National Institute for Occupational Safety and Health (NIOSH) continued their long-standing collaboration, turning workers' compensation data into strategies for reducing occupational injuries and illnesses. The partnership produced two peer-reviewed journal articles that provide valuable insights to the safety community.
 - o "Clinical diagnosis groups developed to bridge the ICD-9-CM to ICD-10-CM coding transition and monitor trends in workers' compensation claims - Ohio, 2011-2018." *Journal of Safety Research* (2025): 408-419.
 - o "Review of powered, safe patient-handling equipment for Emergency Medical Services via an Insurance Safety Intervention Grant program." *Prehospital and Disaster Medicine* (2025) 64-72.

These publications highlight the partnership's influence on evidence-based policies that reduce workplace hazards and improve safety outcomes.

- Ohio Occupational Safety and Health Research Program: This program concluded at the end of FY25, with research functions transitioning to WSIC. In FY25, the program supported three projects totaling \$899,326 at the University of Cincinnati, including:
 - o A job rotation optimization tool (PI: Kermit Davis, PhD)
 - o Monitoring occupational exposure to respirable crystalline silica (PI: Justin Morrow, PhD)
 - o Environmental surveillance to reduce MRSA exposure among healthcare workers (PI: Sripriya Nannu Shankar, PhD)
- Survey of Occupational Injuries and Illnesses (SOII): Conducted under a renewed BWC/BLS agreement. With a 90% response rate, the survey captured more than 5,250 injuries and illness cases. Results, to be released in November 2025, will guide statewide risk reduction strategies.
- Census of Fatal Occupational Injuries (CFOI): Also, under a renewed BWC/BLS agreement, the CFOI provided a complete accounting of Ohio workplace fatalities. The FY25 census captured all CY2024 fatalities, with comprehensive statistics scheduled for release in Dec. 2025.

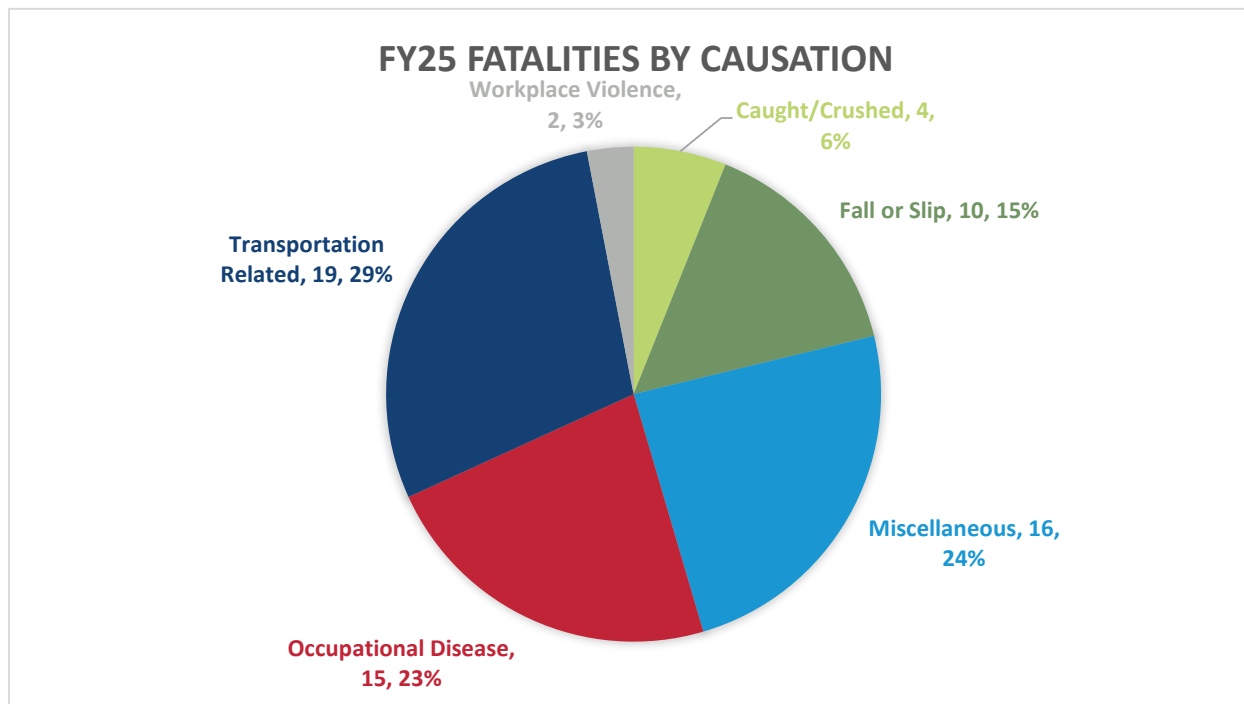
Ohio occupational fatalities

In FY25, BWC claims recorded 66 workplace fatalities in Ohio: 51 from occupational injuries and 15 from occupational diseases. A detailed analysis of these fatalities revealed:

- 35 occurred on the day of their injury
- 20 occurred within one year of their injury
- 11 occurred more than one year after their injury

Causes of fatalities in FY25: Transportation-related incidents were the leading cause of occupational fatalities, followed by occupational diseases and falls. Less frequent but significant causes were grouped under “miscellaneous.” Figure 4 provides a detailed breakdown of fatalities by cause, including both counts and percentages.

Figure 4: FY25 Fatalities by causation

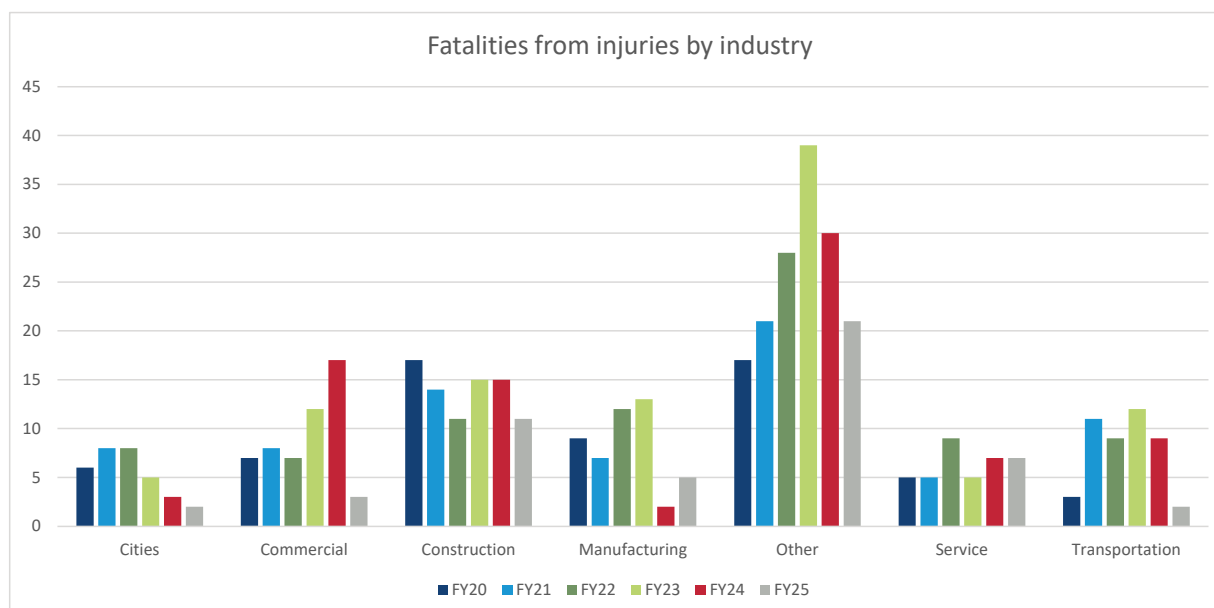


Fatalities by Industry Sector (FY20-FY25): Analysis of occupational injury fatalities by industry sector shows:

- Construction: 11 deaths in FY25, primarily due to falls, remains the highest-risk sector.
- Service Industry: 7 deaths, primarily motor vehicle accidents, ranking second.

Figure 5 depicts the number of occupational injury fatalities by industry sector over the six years.

Figure 5: Fatalities from occupational injuries by employer industry sector from FY20 through FY25



Across these initiatives, BWC continues to generate and apply high-quality research to protect Ohio's workforce. The insights gained in FY25 are driving the development of effective, evidence-based safety interventions, ensuring that BWC remains at the forefront of occupational safety and health innovation.

Safety Grants and Rebates

In FY25, the Safety Grants & Rebates section was realigned to include the Safety Grants Program, Safety Council Program, and the Workforce Safety Innovation Center® (WSIC). The restructuring centralized financial resources, strengthened oversight, enhanced accountability, and improved coordination across programs. It also eliminated redundancies, streamlined processes, and fostered collaboration to align with agency priorities.

Safety Grant Programs

BWC awarded \$32,496,708.52 through 1,250 grants in FY25, helping Ohio employers invest in proven safety equipment and interventions that reduce workplace risks. Key programs included:

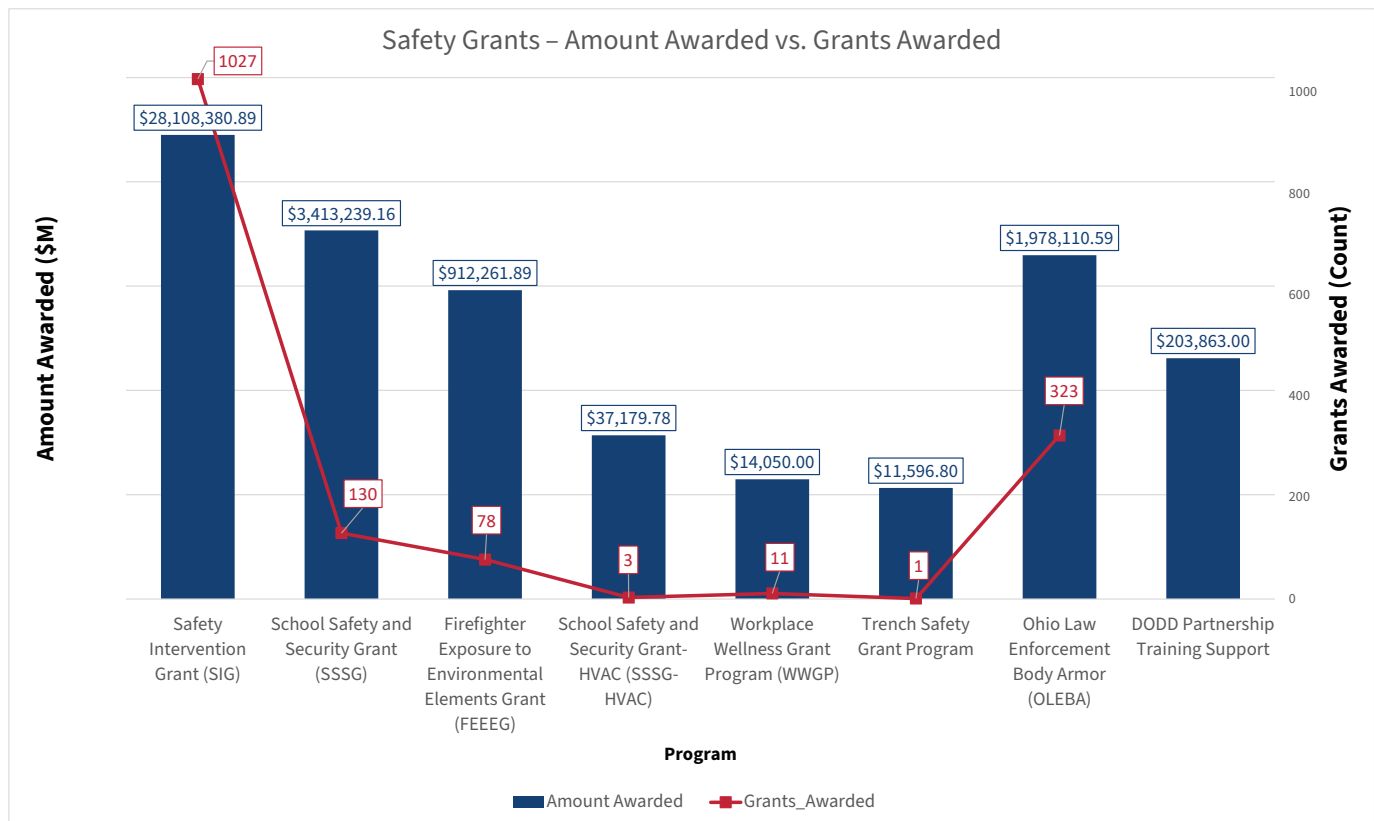
- **Safety Intervention Grant (SIG) Program:** Awarded \$28,108,380.89 through 1,027 grants to support workplace safety improvements. Among the 1,017 safety intervention grant recipients who completed case studies in FY25:
 - o 93% reported increased productivity
 - o 86% noted enhanced quality
 - o 68% achieved cost savings
 - o 34% saw reduced employee turnover
 - o 39% experienced lower absenteeism

Only 102 injury claims were reported among 26,638 affected employees, highlighting the program's risk-reduction impact. Grants provided 3-to-1 matching funds up to \$40,000 per employer per eligibility cycle.

- **Firefighter Exposure to Environmental Elements Grant (FEEEG) Program:** Awarded \$912,261.89 to 78 fire departments, to help minimize firefighters' exposure to hazardous environmental contaminants, including carcinogens. Participating employers with payroll over \$500,000 received a 5-to-1 matching fund, while those under \$500,000 received \$15,000 with no match.
- **School Safety and Security Grant (SSSG) Program:** Awarded \$3,413,239.16 through 130 grants to reduce or eliminate hazards for school employees who work with students. Each grant recipient received up to \$40,000 with a 3-to-1 matching requirement for approved safety interventions, incident response equipment, and facility or security upgrades. Open to all eligible Ohio schools and districts, the program focused on creating safer educational environments.

- **Workplace Wellness Grant Program (WWGP):** Though formally concluded in FY23, the program continued to fulfill prior commitments, awarding \$14,050 through 11 grants in FY25. The four-year program supported Ohio employers in establishing workplace wellness initiatives aimed at improving employee health and reducing health-care costs, providing up to \$15,000 per policy.
- **School Safety and Security Grant-HVAC (SSSG-HVAC):** Also, sunset in FY23, the program awarded \$37,179.78 through three grants in FY25 to assist employers in safe guarding employees who work with individuals with developmental disabilities.
- **Trench Safety Grant Program:** Closed in FY23 but fulfilled one remaining award of \$11,596.80 to support an employer engaged in trenching activities with the purchase of trench safety equipment.

Ohio Law Enforcement Body Armor (OLEBA) Grant Program: BWC partnered with the Ohio Attorney General's office to distribute \$1,978,110.59 in OLEBA grants to 323 applicants, improving officer safety through the purchase of body armor. An additional \$338,728.89 was paid for safety grants processed in FY24. These figures reflect the total funding approved during the reporting period.



The Ohio Department of Developmental Disabilities (DODD) Partnership: In FY25, BWC continued its collaboration with DODD under the Safety Grants program to enhance safety and health training for direct service providers caring for children and adults with disabilities. BWC contributed \$203,863 (a 17.5% increase from FY24), covering 46% of program costs. These courses are designed to equip service providers with the knowledge and skills to maintain safe environments for both workers and those they serve. In FY25, 1,317 individuals from provider organizations completed at least one safety module.

BWC also implemented important program policy, process, and system updates designed to improve transparency, efficiency, and applicant experience in the coming year. Highlights included:

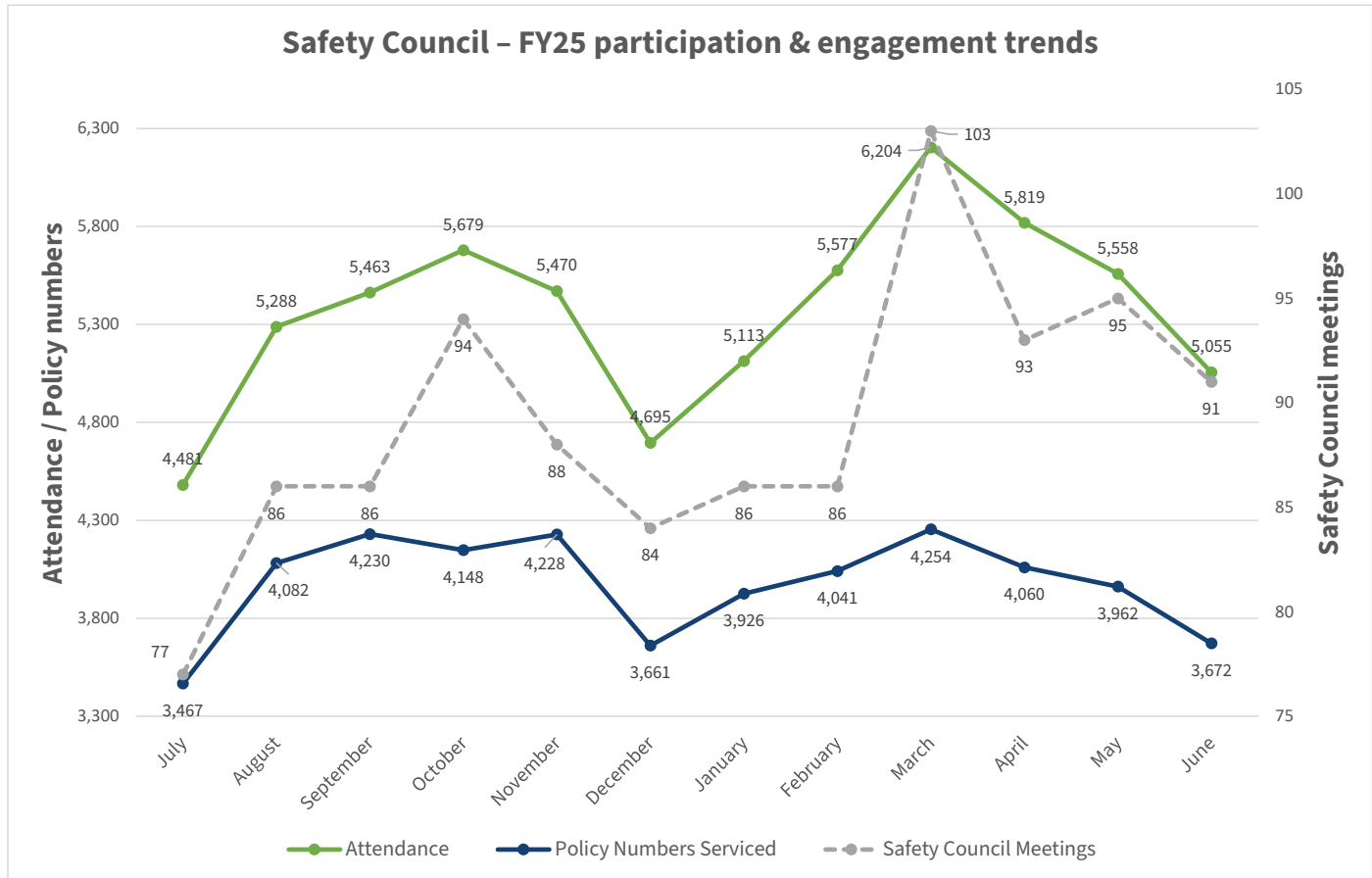
- Expanded eligibility for volunteer EMS units to apply for turnout gear under the FEEEG program
- A new procurement standard requiring competitive quotes or a sole source justification to strengthen cost accountability
- Inclusion of technical advisors in the review process to enhance evaluation and decision-making
- Modernized the Ohio BWC Grant & Program Management Portal with a rebrand, simplified navigation, and enhanced applicant communication tools

Safety Council Program

In FY25, the Ohio Safety Council Program remained OSS's largest outreach initiative and a cornerstone of occupational safety education and employer engagement. Partnering with 81 local sponsoring organizations, the program hosted 1,069 in-person meetings that reached 64,402 attendees from 7,490 unique Ohio employers, underscoring its broad impact across the state.

To support these efforts, BWC distributed nearly \$760,000 in subsidies to local safety councils and offered a 3% participation-based rebate to employers meeting program criteria. Participating employers gained access to targeted safety training, risk management tools, wellness resources, and peer networking opportunities — all designed to reduce injuries and improve safety outcomes. With its consistent reach, community-driven model, and proven relevance, the Safety Council Program remains a critical driver of workplace safety and prevention efforts across Ohio.

Figure 6: Safety Councils – FY25 participation & engagement trends



Workforce Safety Innovation Center®

The Workforce Safety Innovation Center® (WSIC) accelerates advancements in workplace safety by funding research and development of next-generation personal protective equipment (PPE) and personal protective technology (PPT). With up to \$15 million available annually, the center supports innovative solutions that reduce the frequency and severity of workplace injuries. Funding is limited to Ohio's not-for-profit higher education institutions and standalone research organizations.

Driven by BWC claims data, WSIC focuses on critical safety needs in high-risk industries and injury trends. In FY25, eligible projects received up to \$1.5 million each, with reimbursements tied directly to project deliverables. Two funding tracks were offered:

- Track 1: Proof-of-concept feasibility validation
- Track 2: Prototype development

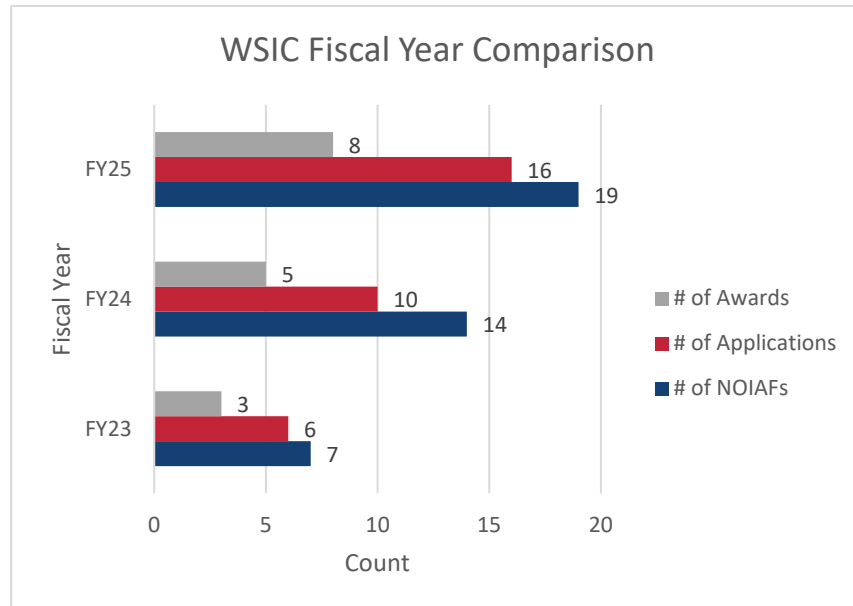
In FY25, WSIC awarded \$9.4 million to eight research and development projects, bringing BWC's total investment to over \$18 million since FY23. These awards foster collaboration among researchers, universities, and industry partners, turning bold ideas into practical safety solutions for Ohio employers and workers.

WSIC's momentum continues to accelerate, with:

- 60% increase in applications received
- 60% increase in grants awarded
- 87% increase in total funding distributed

This growth underscores WSIC's expanding role as a catalyst for workplace safety innovation across Ohio, as shown in the figure below.

Figure 7: Number of Notices of Intent to Apply for Funding (NOIAFs), applications submitted, and grants awarded by fiscal year.



FY25 WSIC Grants			
Principal Investigator	Organization	Project name	Project track
Dr. William Marras	The Ohio State University	A wearable occupational exposure system for quantifying low back injury risks	Proof of Concept
Dr. Kyle VanKoeveering	The Ohio State University	Development of a Patient Handling Innovation Solution to Reduce Healthcare Worker Injury in Supine Lateral Patient Transfer (SLPT)	Proof of Concept
Dr. Manish Kumar	University of Cincinnati	Development of Real-Time Camera-based Human Digital Twin for Improving Worker Safety in Manufacturing and Logistics	Proof of Concept
Dr. Jing Shi	University of Cincinnati	Development of Smart Safety Helmets for Reducing Work-Related Traumatic Brain Injury	Proof of Concept
Dr. Tensing Maa	Research Institute at Nationwide Children's Hospital	Preventing workplace violence in healthcare using virtual reality training	Prototype
Dr. Jeremy Seidt	The Ohio State University	Oxygen Concentrating Self-Rescuer (OCSR), A Next Generation Rescue Breathing Apparatus, Phase II, Prototype Development	Prototype
Dr. Sarah Anderson	The Ohio State University	Readily Accessible, Interactive Virtual Occupational Safety Training Designed with and for Ohio Home Healthcare Workers and Agencies	Prototype
Dr. Timothy Seitz	Transportation Research Center Inc.	Smart Barrel for Advanced Notifications and the Protection of Workers in Work Zones	Prototype

BWC's sustained investment in groundbreaking projects demonstrates its commitment to advancing occupational safety equipment and technology, improving safety outcomes for Ohio's workforce, and influencing safety innovations nationwide.

Central Operations

Since its establishment in April 2024, the Central Operations section has continued to strengthen Safety Services' alignment, efficiency, and reach. By streamlining business operations, elevating event management, and advancing communication strategies, the team has amplified both the effectiveness and the visibility of Safety Services' mission.

In FY25, Central Operations built on its successful unification of four specialized units, Events Management, the Education and Training Services Center, the Business Unit, and the BWC Library, into a single, high-performing team. This integration continues to drive operational efficiency, consistency in service delivery, and stronger cross-functional collaboration. Central Operations remains committed to innovation, operational excellence, and measurable impact, delivering value to employers and employees of Ohio with precision and purpose.

Business Unit

The Business Unit played a pivotal role in preparing the FY25 OSS budget, implementing enhanced financial oversight tools, and delivering targeted safety communication strategies. The team led a successful, division-wide rebranding of all Safety Services documents and advanced major website updates to ensure safety content is clear, accessible, and actionable for Ohio's employers and workers. OSS also partnered again with the Ohio Farm Bureau to invest \$99,407 in agricultural workplace safety initiatives, expanding its reach into critical industries and underserved populations while strengthening safety awareness and reducing risks statewide.

Event Management

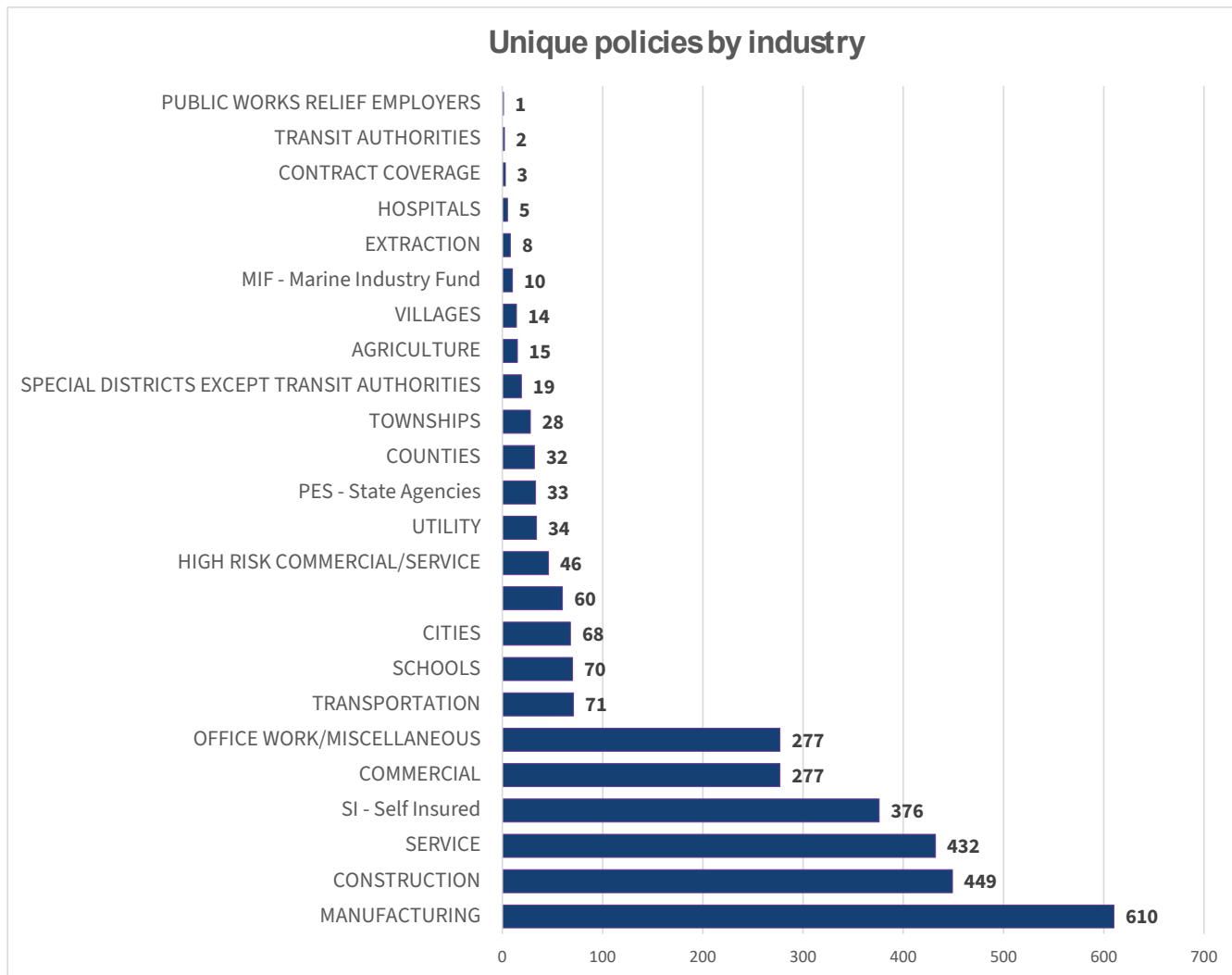
The 2025 Ohio Safety Congress & Expo® (OSC25®) reinforced its status as one of the nation's premier workplace safety events, attracting 8,726 registrants from 47 states and 12 countries. The restructured planning committee delivered 106 educational sessions and seven workshops across seven tracks, providing employers and workers with actionable tools and strategies to reduce risks and improve outcomes.

Highlights included:

- Two keynote sessions that energized attendees
- 296 exhibitors showcasing cutting-edge safety innovations
- A hybrid format that expanded global accessibility and networking

OSC25® also launched the 100th anniversary of Safety Services in Ohio with a historical timeline exhibit celebrating a century of worker protection. OSS staff contributed through on-site consultations, Streamery demonstrations, and "Flex & Stretch" sessions promoting injury prevention. Representatives from the Education and Training Services Center, Safety Council Program, and BWC Library provided year-round resources and training opportunities.

Figure 8 highlights the industry reach of OSC25®, showing the number of unique safety policies served across sectors. This annual 3-day event advances our mission to protect workers, empower employers, and strengthen Ohio's safety culture.

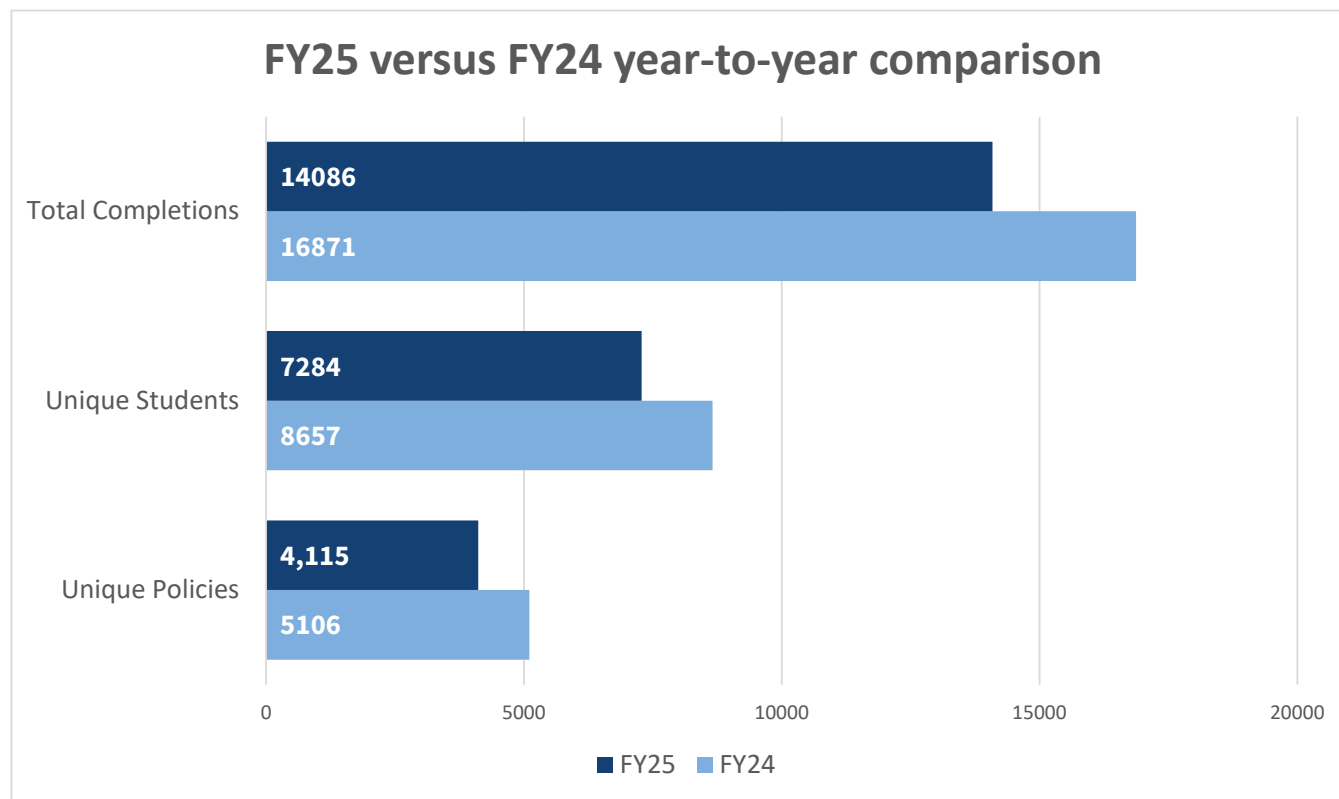
Figure 8: FY25 OSC® unique policies for attendees by industry

Education and Training Services

The Education and Training Service Center (ETSC) delivers a full range of safety training, including in-person and virtual classroom courses, online e-learning, webinars, and on-site instruction. Topics cover industrial and construction safety, industrial hygiene, ergonomics, worker health and wellness, safety practices, environmental health, and safety risk management.

In FY25, ETSC recorded 14,086 course completions across all formats. This included 152 instructor-led training sessions, with 106 held in-person across 36 facilities and 46 conducted virtually, along with 22 online e-courses and 16 live safety webinars. In total, 7,284 students participated, representing 4,115 unique employer policies. While completions were slightly lower than FY24 due to program requirement changes and operational priorities, participation remained strong statewide. See Figure 9 for a year-to-year comparison of completions, unique students, and unique employer policies.

Figure 9: ETSC FY25 to FY24 year-to-year comparison for total completions, unique students, and unique policies



FY25 also marked the launch of two new injury-prevention courses:

- **Confined space: Identification and safe practices workshop** - a live instructor-led virtual course offered twice, each with over 60 participants; additional sessions are planned for FY26 in response to strong demand.
- **Hazard communication basics** – an online e-course addressing one of OSHA’s most frequently cited standards, completed by more than 500 participants since release.

To maintain in-person learning after the Dayton and Mansfield office closures, ETSC opened two new remote training sites, where 13 classes have already been delivered.

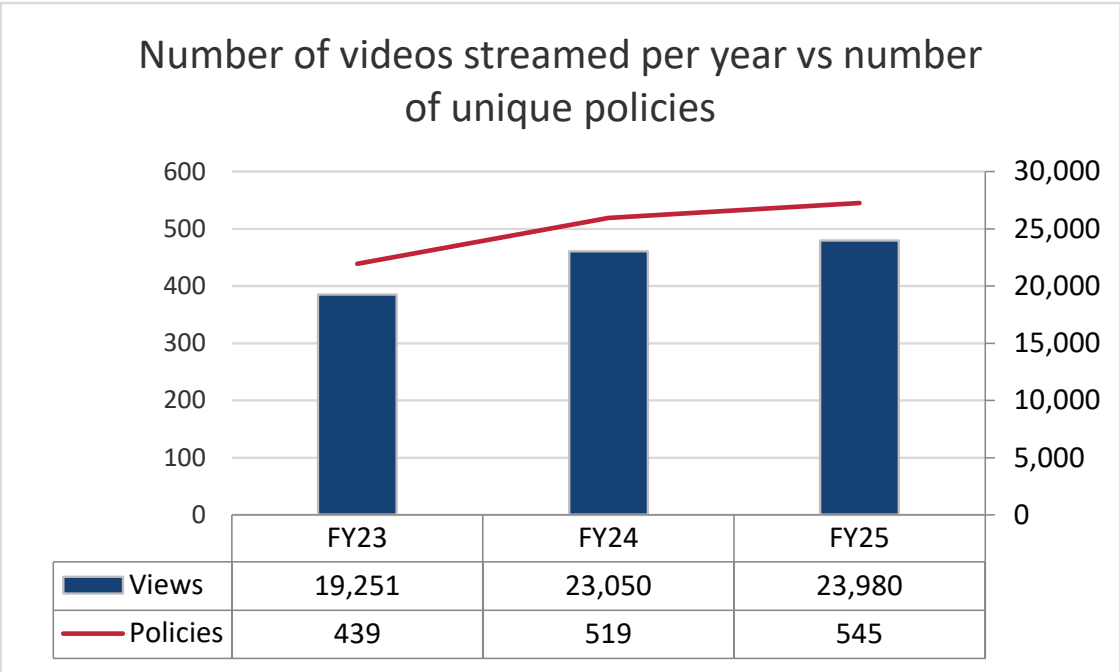
The center also renewed its five-year accreditation from the International Accreditors for Continuing Education and Training (IACET), reaffirming BWC’s commitment to delivering high-quality, standards-based safety education across Ohio.

BWC Library

The BWC Library serves as a hub for occupational safety and health information, supporting safer workplaces across Ohio. In FY25, the library:

- Fulfilled 1,728 information requests and conducted 537 specialized reference searches, saving users time and effort
- Delivered 23,980 on-demand video views through its fully digital streaming service of 1,000+ titles, replacing DVD loans with instant access
- Recorded 18,610 views of its expanding digital archive, which preserves Ohio’s work place safety history and increases public access

Figure 10: Number of videos streamed per year vs number of unique policies



Substance Use Recovery and Workplace Safety Program

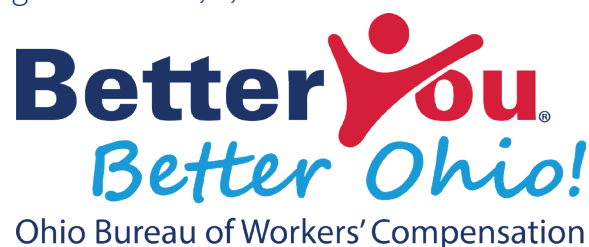
The Substance Use Recovery and Workplace Safety Program (SURWSP) provides funding to help employers manage substance use issues more effectively in their workplaces. Eligible employers can enroll in the program and receive reimbursement for training, drug testing, and more.

In FY25, employer enrollment grew 41% over the course of the fiscal year. This is the second consecutive fiscal year where enrollment growth exceeded that of the previous year. The total amount reimbursed to employers also grew in FY25, totaling \$770,682, a 28% increase from the previous fiscal year.

Better You, Better Ohio!®

Better You, Better Ohio!® (BYBO!) continues to serve Ohio and its injured workers by providing innovative health and wellness tools and resources. During FY25, various enhancements were made to the BYBO! Program including a mental health dashboard and upgrades to the BYBO! App.

Like the previous year, there was continued strong participation in FY25. Over 31,000 workforce members and 2,904 injured workers are enrolled in the program. Further, 4,067 biometrics were completed, 4,169 Health Risk Assessments were completed, and 827 members participated in 1:1 health coaching. Members also earned \$254,775 in incentives for completing various program activities. The Better You, Better Ohio! program also provided 63 on-site biometric screenings to employers during FY25.



Towards the close of FY25, the Better You, Better Ohio! program has begun preparing for a cancer screening initiative for firefighters across the state of Ohio. This initiative will be incorporated into the existing Better You, Better Ohio! program and will feature a panel of early cancer screening tests for firefighters.

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) 2025.

Under the leadership of Governor Mike DeWine, the OIC is dedicated to providing outstanding customer service to the injured workers and employers of Ohio, through expeditious and impartial resolution of disputes arising from work place injury claims and through the establishment of adjudication policy.

The OIC conducts quasi-judicial hearings on disputed workers' compensation claims, including determinations of violations of specific safety requirements (VSSR); applications for permanent and total disability (PTD) due to a work-related injury or occupational disease; or allowances for medical treatment. To accomplish these goals, the OIC held more than 82,000 hearings this past year across our 12 local offices located throughout the State of Ohio.

A few of our agency highlights from FY 2025 include:

- For the tenth consecutive year, the OIC maintained exemplary fiscal prudence. FY 2025 expenditures were held at **\$45.9 million**, remaining within the narrow **\$44.7 million to \$46.7 million range**. This demonstrates a consistent and responsible financial management strategy.
- The OIC exceeded state contracting goals, achieving a Minority Business Enterprise (MBE) rate of 20.92% versus the statutory minimum of 15 percent. The agency's Encouraging Diversity, Growth and Equality (EDGE) compliance rate reached **29.22%**, far surpassing the policy requirement of 5 percent.
- Instituted numerous technological advancements to enhance the OIC staff's ability to provide first-rate customer service in an increasingly paperless and remote hearing environment, while reducing costs and enhancing efficiency.
- Continued to maintain a high-level security presence for the agency's customers and employees with security inspections and audits, training, emergency preparedness, and 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 appealable hearing orders. It is an honor and a privilege to lead 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. Throughout the next fiscal year, the Ohio Industrial Commission 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,

A handwritten signature in blue ink, appearing to read "Jim Hughes", with a stylized flourish at the end.

Jim Hughes

Chairman

About the OIC

The OIC conducts more than 82,000 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 2025, the OIC heard 82,217 claims at all adjudicatory levels. District Hearing Officers (DHOs) heard 57,249 claims, while Staff Hearing Officers (SHOs) heard 24,839 claims, and the Commission heard 129 claims. 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 36 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 40 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 32,560. Second level and above ICON filings, inclusive of appeals filed to DHO and SHO orders, totaled 39,386 in FY 2025. During this fiscal year, Customer Service scheduled 1,920 interpreters for injured workers hearings. In addition, our toll-free customer service line and two local customer services lines received 12,006 calls in FY 2025.

Commission Performance Highlights — FY 2025

Formal hearings and administrative reviews account for the majority of OIC activity. In FY 2025, the OIC made approximately 136,824 decisions on issues arising from workers' compensation claims. During FY 2025, the OIC performed 54,607 administrative reviews and heard a total of 82,217 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 adju-

dication 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 2025 at 57,249 claims heard, while the SHO volume is recorded at 24,839 claims heard. Deputy venue claims heard totaled 53 in FY 2025, while the Commission venue recorded 76 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 2025 claims heard at DHO and SHO hearing levels is as follows: Columbus at 32 percent; Cleveland at 24 percent; Akron and Cincinnati each at 17 percent; and Toledo at 10 percent. DHO and SHO hearings were conducted on 245 days during FY 2025. An average of 335 claims were heard per hearing day at the DHO and SHO hearing levels. District level hearings averaged 234 claims heard per day (rounded), while Staff level hearings averaged 101 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. DHOs heard a total of 45,270 Allowance docket claims during FY 2025. Of those, 43,217 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 2025, 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 2025.

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. SHOs heard a total of 20,976 appeal claims during FY 2025. Of those, 19,529 qualified for inclusion in time studies. Per statute, Staff hearing level appeals must be heard within a 45-day period. In FY 2025, 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, 2025 and 2024





65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Directors
Ohio Bureau of Workers Compensation
PO Box 182880
Columbus, OH 43218

We have reviewed the *Independent Auditor's Report* of the Ohio Bureau of Workers' Compensation and Industrial Service Commission, Franklin County, prepared by Crowe LLP, for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery Partially Repaid Under Audit

On April 1, 2024, Brad Settlege, former American Township (Allen County) Zoning Inspector, pleaded guilty in the Franklin County Court of Common Pleas case number 23-CR-5914 to one count of Workers Compensation Fraud in violation of Ohio Rev. Code § 2913.48. Mr. Settlege was sentenced to five years of community control and ordered to pay restitution of \$42,988.46 to the Ohio Bureau of Workers' Compensation.

From May 7, 2024 through October 24, 2025, the Ohio Bureau of Workers' Compensation has received payments totaling \$190 from Mr. Settlege via check or money order. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies misappropriated is hereby issued against Brad Settlege in the amount of \$42,988.46, partially repaid under audit, leaving a balance of \$ 42,798.46, and in favor of the Ohio Bureau of Workers' Compensation's State Insurance Fund.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Bureau of Workers' Compensation and Industrial Service Commission is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 15, 2026

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OHIO BUREAU OF WORKERS' COMPENSATION
AND
INDUSTRIAL COMMISSION OF OHIO
(A DEPARTMENT OF THE STATE OF OHIO)
Columbus, Ohio

FINANCIAL STATEMENTS
June 30, 2025 and 2024

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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, 2025 and 2024 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, 2025 and 2024, 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 present only the BWC/IC and do not purport to, and do not, present fairly the financial position of the State of Ohio, as of June 30, 2025 and 2024, and the changes in its financial position, or, where applicable, its cash flows for the year 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, 47-48, 49, 50, 51, and 52 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 November 14, 2025 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 LLP

West Hartford, Connecticut
November 14, 2025

**OHIO BUREAU OF WORKERS' COMPENSATION
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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, 2025, 2024, and 2023. 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, 2025 were \$24 billion, an increase of \$1 billion or 4.4% compared to June 30, 2024.
- BWC/IC's total liabilities at June 30, 2025 were \$14.7 billion, a decrease of \$178 million or 1.2% compared to June 30, 2024.
- BWC/IC's total operating revenues for fiscal year 2025 were \$1.2 billion, a decrease of \$88 million or 7% compared to fiscal year 2024.
- BWC/IC's total operating expenses for fiscal year 2025 were \$1.7 billion, a decrease of \$145 million or 7.7% from fiscal year 2024.
- BWC's non-operating revenues for fiscal year 2025 were \$1.7 billion, compared to \$1 billion for fiscal year 2024.
- BWC/IC's net position at June 30, 2025 was \$9.3 billion, an increase of \$1.2 billion or 14.2% compared to June 30, 2024.

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 non-operating 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.

**OHIO BUREAU OF WORKERS' COMPENSATION
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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.

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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, 2025, 2024, and 2023, and for the fiscal years then ended were as follows (000's omitted):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 1,160,617	\$ 1,242,616	\$ 1,062,517
Noncurrent assets	22,809,552	21,723,795	21,310,224
Total assets	<u>\$ 23,970,169</u>	<u>\$ 22,966,411</u>	<u>\$ 22,372,741</u>
Deferred outflows of resources	50,663	77,818	118,700
	<u>\$ 50,663</u>	<u>\$ 77,818</u>	<u>\$ 118,700</u>
Current liabilities	\$ 2,594,411	\$ 2,731,528	\$ 2,680,040
Noncurrent liabilities	12,081,006	12,122,350	12,020,099
Total liabilities	<u>\$ 14,675,417</u>	<u>\$ 14,853,878</u>	<u>\$ 14,700,139</u>
Deferred inflows of resources	12,140	18,505	6,218
	<u>\$ 12,140</u>	<u>\$ 18,505</u>	<u>\$ 6,218</u>
Net investment in capital assets	\$ 40,525	\$ 57,373	\$ 70,275
Unrestricted net position	9,292,750	8,114,473	7,714,809
Total net position	<u>\$ 9,333,275</u>	<u>\$ 8,171,846</u>	<u>\$ 7,785,084</u>
Net premium and assessment income, including provision for uncollectibles	\$ 1,149,782	\$ 1,238,848	\$ 1,391,763
Other income	12,521	11,073	8,858
Total operating revenues	<u>\$ 1,162,303</u>	<u>\$ 1,249,921</u>	<u>\$ 1,400,621</u>
Workers' compensation benefits and compensation adjustment expenses	\$ 1,549,506	\$ 1,707,214	\$ 1,546,974
Other expenses	184,950	172,165	152,633
Total operating expenses	<u>\$ 1,734,456</u>	<u>\$ 1,879,379</u>	<u>\$ 1,699,607</u>
Policy holder dividend expense	\$ 33	\$ (9)	\$ (150)
Operating transfers (out) in	(1,425)	(1,425)	(1,425)
Net investment income	1,734,895	1,017,534	589,154
Gain (loss) on disposal of capital assets	79	120	178
(Decrease) increase in net position	<u>\$ 1,161,429</u>	<u>\$ 386,762</u>	<u>\$ 288,771</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS

BWC/IC's net position increased by \$1.2 billion during fiscal year 2025, compared to a \$387 million increase during fiscal year 2024.

- Fiscal year 2025 premium and assessment income of \$1.2 billion reflects an overall reduction of 7% in premium rates for Ohio's private employers for the policy period beginning July 1, 2024, and an overall 0% and 1% decrease in premium rates for public taxing district (PEC) employers for the policy periods beginning January 1, 2025 and January 1, 2024, respectively. (PEC employers include counties, cities, villages, townships, schools, libraries, and special taxing districts). Fiscal year 2024 premium and assessment income of \$1.3 billion reflects an 8% decrease in premium rates for 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.). 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 2025, 2024, and 2023.

(\$ in millions)	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net benefit payments	\$ 1,217	\$ 1,206	\$ 1,198
Payments for compensation adjustment expenses	218	203	209
Managed Care Organization administrative payments	177	170	165
Change in reserves for compensation and compensation adjustment expenses	<u>(63)</u>	<u>128</u>	<u>(25)</u>
	<u>\$ 1,549</u>	<u>\$ 1,707</u>	<u>\$ 1,547</u>

- The increase in net benefit payments from fiscal year 2025 to fiscal year 2024 is primarily due to various medical payments offset by decreases in permanent total payments. 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 2023 to 2024 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 increases in safety program payments, payroll, and timing of invoice payments.
- The discounted reserves for workers' compensation benefits and compensation adjustment expenses as of June 30, 2025 are \$63 million lower than the June 30, 2024 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 2025, BWC/IC recorded net investment income of \$1.7 billion, compared to income of \$1 billion in fiscal year 2024. The portfolio earned a net return after management fees of 8.3% during fiscal year 2025 compared to a net return of 5.1% in fiscal year 2024. Note 1 – Organization Background and Summary of Significant Accounting Policies and

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 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 6% for the July 1, 2025 policy year for private employers and 1% for the January 1, 2026 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:

	2025	2024	2023	Guideline
Financial Strength Ratio	1.63	1.54	1.50	1.30 to 1.70

- 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
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STATEMENTS OF NET POSITION

June 30, 2025 and 2024

(000's omitted)

	<u>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>
ASSETS			LIABILITIES		
Current assets:			Current liabilities:		
Cash and cash equivalents (Note 2)	\$650,921	\$575,388	Reserve for compensation (Note 4)	\$ 1,294,807	\$ 1,273,793
Collateral on loaned securities (Note 2)	3,616	4,682	Reserve for compensation adjustment expenses (Note 4)	427,877	456,199
Premiums recorded not yet due	7,261	5,624	Unearned premium and assessments	406,824	413,188
Assessments recorded not yet due	1,330	2,378	Warrants payable	20,456	21,798
Premiums in course of collection	7,255	4,804	Group retrospective credit payable (Note 5)	58,439	68,160
Assessments in course of collection	15,783	14,043	Investment trade payables	297,386	414,839
Accounts receivable, net of allowance for uncollectibles of \$1,351,045 in 2025; \$1,348,768 in 2024	248,389	329,291	Accounts payable	17,959	10,586
Retrospective premiums receivable	29,585	18,985	Obligations under securities lending (Note 2)	3,616	4,682
Investment trade receivables	90,321	188,636	Other current liabilities (Note 5)	67,047	68,283
Accrued investment income	106,156	98,785	Total current liabilities	<u>2,594,411</u>	<u>2,731,528</u>
Total current assets	<u>1,160,617</u>	<u>1,242,616</u>	Noncurrent liabilities:		
Noncurrent assets:			Reserve for compensation (Note 4)	10,421,421	10,529,835
Restricted cash (Note 2)	736	736	Reserve for compensation adjustment expenses (Note 4)	1,268,823	1,215,901
Fixed maturities, at fair value (Note 2)	11,370,102	10,892,275	Net pension liability (Note 6)	205,451	224,956
Domestic equity securities, at fair value - common stock (Note 2)	4,860,594	4,466,133	Group retrospective credit payable (Note 5)	157,172	117,482
Domestic equity securities, at fair value - preferred stock (Note 2)	-	111	Other noncurrent liabilities (Note 5)	28,139	34,176
Non-U.S equity securities, at fair value - common stock (Note 2)	2,486,164	2,196,366	Total noncurrent liabilities	<u>12,081,006</u>	<u>12,122,350</u>
Investments in real estate funds (Note 2)	3,121,534	3,168,794	Total liabilities	<u>\$ 14,675,417</u>	<u>\$ 14,853,878</u>
Unbilled premiums receivable	886,660	895,469	DEFERRED INFLOW OF RESOURCES (Note 6 and 7)	12,140	18,505
Retrospective premiums receivable	23,384	37,019	Total liabilities and deferred inflow of resources	<u>\$ 14,687,557</u>	<u>\$ 14,872,383</u>
Capital assets (Note 3)	40,525	57,373			
Net OPEB asset (Note 7)	19,853	7,746	NET POSITION		
Net pension asset (Note 6)	-	1,773	Net investment in capital assets	40,525	57,373
Total noncurrent assets	<u>22,809,552</u>	<u>21,723,795</u>	Restricted net position	9,292,750	8,114,473
Total assets	<u>\$ 23,970,169</u>	<u>\$ 22,966,411</u>	Total net position (Note 10)	<u>\$ 9,333,275</u>	<u>\$ 8,171,846</u>
DEFERRED OUTFLOW OF RESOURCES (Note 6 and 7)	50,663	77,818			
Total assets and deferred outflow of resources	<u>\$ 24,020,832</u>	<u>\$ 23,044,229</u>			

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**STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

For the fiscal years ended June 30, 2025 and 2024

(000's omitted)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Premium and assessment income	\$1,211,073	\$ 1,282,421
Provision for uncollectibles	(61,291)	(43,573)
Other income	12,521	11,073
Total operating revenues	<u>1,162,303</u>	<u>1,249,921</u>
Operating expenses:		
Workers' compensation benefits (Note 4)	1,129,572	1,300,187
Compensation adjustment expenses (Note 4)	419,934	407,027
Personal services	81,784	73,853
Other administrative expenses	103,166	98,312
Total operating expenses	<u>1,734,456</u>	<u>1,879,379</u>
Net operating loss before policy holder dividends	(572,153)	(629,458)
Policy holder dividend expense	<u>(33)</u>	<u>9</u>
Net operating loss	<u>(572,120)</u>	<u>(629,467)</u>
Non-operating revenues:		
Net investment income (Note 2)	1,734,895	1,017,534
Gain (loss) on disposal of capital assets	79	120
Total non-operating revenues	<u>1,734,974</u>	<u>1,017,654</u>
Transfers (out) In	<u>(1,425)</u>	<u>(1,425)</u>
Increase (Decrease) in net position	1,161,429	386,762
Net position, beginning of year	<u>8,171,846</u>	<u>7,785,084</u>
Net position, end of year	<u><u>\$ 9,333,275</u></u>	<u><u>\$ 8,171,846</u></u>

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

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STATEMENTS OF CASH FLOWS

For the fiscal years ended June 30, 2025 and 2024

(000's omitted)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from premiums and assessments	\$ 1,489,371	\$ 1,551,772
Cash receipts - other	25,405	29,493
Cash disbursements for claims	(1,452,590)	(1,413,909)
Cash disbursements to employees for services	(237,618)	(212,300)
Cash disbursements for other operating expenses	(136,312)	(155,456)
Cash disbursements for employer refunds	(200,004)	(212,420)
Net cash used for operating activities	<u>(511,748)</u>	<u>(412,820)</u>
Cash flows from noncapital financing activities:		
Transfers (out) in	(1,425)	(1,425)
Net cash used by noncapital financing activities	<u>(1,425)</u>	<u>(1,425)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets, net of retirements	(2,259)	(5,369)
Net cash used in capital and related financing activities	<u>(2,259)</u>	<u>(5,369)</u>
Cash flows from investing activities:		
Investments sold	11,105,572	9,067,658
Investments purchased	(11,039,564)	(8,967,126)
Interest and dividends received	576,808	572,200
Investment expenses	(51,851)	(67,406)
Net cash provided by investing activities	<u>590,965</u>	<u>605,326</u>
Net (decrease) increase in cash and cash equivalents	75,533	185,712
Cash and cash equivalents, beginning of year	<u>576,124</u>	<u>390,412</u>
Cash and cash equivalents, end of year	<u><u>\$ 651,657</u></u>	<u><u>\$ 576,124</u></u>

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

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STATEMENTS OF CASH FLOWS, Continued

For the fiscal years ended June 30, 2025 and 2024

(000's omitted)

	<u>2025</u>	<u>2024</u>
Reconciliation of net operating loss to net cash used for operating activities:		
Net operating loss	\$ (572,120)	\$ (629,467)
Adjustments to reconcile net operating loss to net cash used for operating activities:		
Provision for uncollectible accounts	61,291	43,573
Depreciation	19,186	18,391
Pension and other postemployment benefits	(9,049)	(9,752)
(Increases) decreases in assets and increases (decreases) in liabilities:		
Premiums and assessments recorded not yet due	(589)	864
Premiums and assessments in course of collection	(4,191)	1,542
Unbilled premiums receivable	8,809	3,827
Accounts receivable	19,611	2,453
Retrospective premiums receivable	3,035	3,521
Reserves for compensation and compensation adjustment expenses	(62,800)	127,729
Unearned premiums and assessments	(6,364)	4,834
Legal settlement	-	(4,500)
Group retrospective credit payable	29,969	29,983
Warrants payable	(1,342)	2,503
Accounts payable	7,373	(7,361)
Other liabilities	<u>(4,567)</u>	<u>(960)</u>
Net cash used for operating activities	<u><u>\$ (511,748)</u></u>	<u><u>\$ (412,820)</u></u>
Noncash investing, capital, and financing activities		
Change in fair values of investments	\$ 1,199,861	\$ 491,058

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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)

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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.

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

Continued

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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 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, CWPFF, 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.

The deductible plan is offered to qualified employers. This plan is similar to 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

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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 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 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 2025 and 2024. 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.

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, 2025 and 2024, 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.

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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 maintain 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>	<u>Estimated Useful Lives (Years)</u>
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.

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

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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, 2025 and 2024 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 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, 2025. 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.

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

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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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The composition of cash and investments held at June 30, 2025 and 2024, is presented below (000's omitted):

	2025 <u>Fair Value</u>	2024 <u>Fair Value</u>
U.S. corporate bonds	\$ 3,551,385	\$ 3,227,012
U.S. treasury inflation protected securities	1,834,027	1,741,906
U.S. government obligations	1,777,893	1,898,425
Commingled U.S. treasury inflation protected securities	903,851	864,399
U.S. government agency mortgages	792,147	761,002
Commingled U.S. Long Government / Credit Fixed Income	680,425	658,164
Non-U.S. corporate bonds	644,361	653,019
Asset backed securities	374,604	302,444
Commercial mortgage backed securities	291,963	257,885
Commingled U.S. aggregate indexed fixed income	177,037	166,859
Non-U.S. government and agency bonds	129,661	125,883
U.S. state and local government agencies	120,882	145,457
Commingled U.S. intermediate duration fixed income	48,847	45,753
U.S. government agency bonds	28,128	24,209
Bond funds	11,940	10,727
Preferred securities	2,951	7,754
Bank loans	-	1,377
Total fixed maturities	<u>11,370,102</u>	<u>10,892,275</u>
Domestic equity securities - common stocks	4,372,233	4,005,462
Domestic equity securities - preferred stocks	320	111
Commingled domestic equity securities - common stocks	488,041	460,671
Commingled Non-U.S. equity securities - common stocks	2,486,164	2,196,366
Commingled investments in real estate	3,121,534	3,168,794
Securities lending short-term collateral	3,616	4,682
Restricted Cash	736	736
Cash and cash equivalents		
Cash	41,346	63,213
Repurchase agreements	-	6,300
Short-term money market fund	609,575	505,875
Total cash and cash equivalents	<u>650,921</u>	<u>575,388</u>
	<u>\$ 22,493,667</u>	<u>\$ 21,304,485</u>

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Net investment income for the fiscal years ended June 30, 2025 and 2024, is summarized as follows (000's omitted):

	<u>2025</u>	<u>2024</u>
Fixed maturities	\$ 405,951	\$ 395,726
Equity securities	58,153	55,647
Real estate	97,068	98,603
Cash equivalents	<u>23,007</u>	<u>20,849</u>
	584,179	570,825
 Increase (decrease) in fair value of investments	 1,199,861	 491,058
Investment expenses	<u>(49,145)</u>	<u>(44,349)</u>
	<u>\$ 1,734,895</u>	<u>\$ 1,017,534</u>

Custodial Credit Risk – Deposits

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, 2025 and 2024, the carrying amount of BWC/IC's cash deposits were \$41.3 million and \$63.2 million, respectively, and the bank balances were \$11 million and \$7.4 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, 2025 and 2024, 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.

Custodial Credit Risk – Investments

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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The fair value measurement of investments held at June 30, 2025 and 2024, is presented below (000's omitted):

Fiscal Year 2025	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	2025 Fair Value Total
Fixed Maturities				
U.S. corporate bonds	\$ -	\$ 3,551,385	\$ -	\$ 3,551,385
U.S. treasury inflation protected securities	1,834,027	-	-	1,834,027
U.S. government obligations	1,681,001	96,892	-	1,777,893
U.S. government agency mortgages	-	792,147	-	792,147
Non-U.S. corporate bonds	-	644,361	-	644,361
Asset backed securities	-	277,784	96,820	374,604
Commercial mortgage backed securities	-	270,322	21,641	291,963
Non-U.S. government and agency bonds	-	129,661	-	129,661
U.S. state and local government agencies	-	120,882	-	120,882
U.S. government agency bonds	-	28,128	-	28,128
Bond funds	11,940	-	-	11,940
Preferred securities	-	2,951	-	2,951
Bank loans	-	-	-	-
Domestic equity securities - common stocks	4,372,233	-	-	4,372,233
Domestic equity securities - preferred stocks	-	320	-	320
Securities lending short-term collateral	-	3,616	-	3,616
	<u>\$ 7,899,201</u>	<u>\$ 5,918,449</u>	<u>\$ 118,461</u>	<u>\$ 13,936,111</u>

Investments measured at net asset value:

Commingled U.S. aggregate indexed fixed income	177,037
Commingled U.S. Long Government / Credit Fixed Income	680,425
Commingled U.S. treasury inflation protected securities	903,851
Commingled U.S. intermediate duration fixed income	48,847
Commingled domestic equity securities - common stocks	488,041
Commingled Non-U.S. equity securities - common stocks	2,486,164
Commingled investments in real estate	3,121,534
	<u>\$ 7,905,899</u>

Restricted Cash:	\$ 736
Cash and Cash Equivalents:	\$ 650,921

Total Investments:	<u>\$ 22,493,667</u>
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Fiscal Year 2024	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	2024 Fair Value 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
	<u>\$ 7,554,429</u>	<u>\$ 5,537,649</u>	<u>\$ 75,277</u>	<u>\$ 13,167,355</u>

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
Commingled U.S. treasury inflation protected securities	864,399
Commingled U.S. intermediate duration fixed income	45,753
Commingled domestic equity securities - common stocks	460,671
Commingled Non-U.S. equity securities - common stocks	2,196,366
Commingled investments in real estate	3,168,794
	<u>\$ 7,561,006</u>

Restricted Cash:	\$ 736
Cash and Cash Equivalents:	\$ 575,388

Total Investments: \$ 21,304,485

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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 2025

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled U.S. aggregate indexed fixed income	\$ 177,037		Daily	5 days
Commingled U.S. Long Government / Credit Fixed Income	680,425		Daily	5 days
Commingled U.S. treasury inflation protected securities	903,851		Daily	5 days
Commingled U.S. intermediate duration fixed income	48,847		Daily	5 days
Commingled domestic equity securities - common stocks	488,041		Daily	5 days
Commingled Non-U.S. equity securities - common stocks	2,486,164		Daily	5 days
Commingled investments in real estate:				
Core Real Estate	1,721,243	-	Quarterly	1 quarter
Core Plus Real Estate	990,277	-	Quarterly	1 quarter
Value Added Real Estate	410,014	100,233	Illiquid	
Total Commingled investments in real estates:	\$ 3,121,534	\$ 100,233		

Investments Measured at the NAV
FY 2024

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (If 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		

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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, 2025 and 2024, the effective duration of BWC's fixed-income portfolio is as follows (000's omitted):

<u>Investment Type</u>	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Fair Value</u>	<u>Effective Duration</u>	<u>Fair Value</u>	<u>Effective Duration</u>
U.S. corporate bonds	\$ 3,551,385	10.73	\$ 3,227,012	11.21
U.S. treasury inflationary protected securities	1,834,027	6.52	1,741,906	6.57
U.S. government obligations	1,777,893	8.45	1,898,425	8.34
Commingled U.S. treasury inflationary protected securities	903,851	6.52	864,399	6.52
U.S. government agency mortgages	792,147	6.29	761,002	6.21
Commingled U.S. long government / credit fixed income	680,425	13.66	658,164	13.77
Non-U.S. corporate bonds	644,361	8.49	653,019	8.65
Asset backed securities	374,604	1.95	302,444	1.98
Commercial mortgage backed securities	291,963	2.31	257,885	2.22
Commingled U.S. aggregate indexed fixed income	177,037	6.05	166,859	6.13
Non-U.S. government and agency bonds	129,661	7.47	125,883	11.43
U.S. state and local government agencies	120,882	10.99	145,457	11.27
Commingled U.S. intermediate duration fixed income	48,847	3.77	45,753	3.76
U.S. government agency bonds	28,128	0.64	24,209	1.09
Bond funds	11,940	0.21	10,727	0.22
Preferred securities	2,951	0.94	7,754	0.92
Bank loans	-	0.00	1,377	0.06
Total fixed maturities	<u>\$ 11,370,102</u>		<u>\$ 10,892,275</u>	

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.

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 2025 and 2024. Obligations of the U.S. government are explicitly guaranteed by the U.S. government. BWC/IC's fixed-income securities were rated

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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):

Quality Rating	2025 <u>Fair Value</u>	2024 <u>Fair Value</u>
<u>Credit risk debt quality</u>		
AAA	\$ 376,118	\$ 333,648
AA	637,986	583,989
A	2,328,574	2,113,021
BBB	2,267,501	2,173,544
BB	304,805	264,581
B	62,554	71,286
CCC	31,510	25,286
CC	4,499	10,754
C	341	474
D	1,807	-
NR	18,361	25,751
Total credit risk debt securities	<u>6,034,056</u>	<u>5,602,334</u>
<u>U.S. government agency bonds</u>		
AAA	-	-
AA	28,128	24,209
Total U.S. government agency bonds	<u>28,128</u>	<u>24,209</u>
<u>U.S. government agency mortgages</u>		
AAA	2,576	2,496
AA	779,980	747,665
A	181	-
BBB	4,596	3,918
BB	863	1,522
B	-	1,346
NR	3,951	4,055
Total U.S. government agency mortgages	<u>792,147</u>	<u>761,002</u>
U.S. government obligations (AA)	1,777,893	1,898,425
U.S. treasury inflation protected securities (AA)	1,834,027	1,741,906
Commingled U.S. treasury inflation protected securities (AA)	903,851	864,399
Total fixed maturities	<u>\$ 11,370,102</u>	<u>\$ 10,892,275</u>

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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 2025 and 2024, 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, 2025 and 2024, is as follows (000's omitted):

<u>Currency</u>	2025 <u>Fair Value</u>	2024 <u>Fair Value</u>
Australian Dollar	\$ 147,897	\$ 143,776
Bermudian Dollar	702	402
British Pound	311,849	275,316
Canadian Dollar	279,532	227,092
Chinese Renminbi	509	463
Danish Krone	50,205	78,075
Euro	796,536	659,796
Hong Kong Dollar	42,417	33,251
Israeli Shekel	21,528	14,226
Japanese Yen	476,375	445,048
Jersey, Channel Islands Pound	530	-
Macau Pataca	579	592
New Zealand Dollar	6,092	4,986
Norwegian Krone	13,906	11,637
Singapore Dollar	37,576	26,597
Swedish Krona	65,929	63,666
Swiss Franc	217,596	200,125
Exposure to foreign currency risk	2,469,758	2,185,048
United States Dollar	16,406	11,318
Total international securities	\$ 2,486,164	\$ 2,196,366

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Securities Lending

At June 30, 2025 and 2024, BWC/IC had no securities out on loan. BWC/IC has been allocated with cash collateral of \$3.6 million in 2025 and \$4.7 million in 2024 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, 2025 and 2024, are summarized as follows (000's omitted):

	Balance at 6/30/2023	Increases	Decreases	Balance at 6/30/2024	Increases	Decreases	Balance at 6/30/2025
Capital assets not being 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	21,498	1,710	(1,683)	21,525	443	(4,163)	17,805
Subtotal	230,937	1,710	(1,683)	230,964	443	(4,163)	227,244
Accumulated depreciation							
Buildings	(201,647)	(441)	-	(202,088)	(441)	-	(202,529)
Building improvements	(2,169)	(177)	-	(2,346)	(177)	-	(2,523)
Furniture and equipment	(18,495)	(1,344)	1,584	(18,255)	(1,105)	4,163	(15,197)
Subtotal	(222,311)	(1,962)	1,584	(222,689)	(1,723)	4,163	(220,249)
Capital assets being amortized							
Intangible assets - definite useful lives	146,118	3,878	-	149,996	2,022	(127)	151,891
Accumulated amortization	(93,935)	(16,429)	-	(110,364)	(17,463)	-	(127,827)
Subtotal	52,183	(12,551)	-	39,632	(15,441)	(127)	24,064
Net capital assets	\$ 70,275	\$ (12,803)	\$ (99)	\$ 57,373	\$ (16,721)	\$ (127)	\$ 40,525

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, 2025; however, the ultimate liabilities for those events may vary from the amounts provided.

All reserves have been discounted at 4.0% at June 30, 2025 and 2024. A decrease in the discount rate to 3.0% would result in the reserves for compensation and compensation adjustment expenses increasing to \$14.7 billion at June 30, 2025, while an increase in the rate to 5.0% would result in the reserves for compensation and compensation adjustment expenses decreasing to \$12.3 billion. The undiscounted reserves for compensation and compensation adjustment expenses were \$21.5 billion at June 30, 2025, and \$21.6 billion at June 30, 2024.

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The changes in the reserves for compensation and compensation adjustment expenses for the fiscal years ended June 30, 2025 and 2024, are summarized as follows (000,000's omitted):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Reserves for compensation and compensation adjustment expenses, beginning of period	\$ 13,476	\$ 13,348	\$ 13,373
Incurred:			
Provision for insured events of current period	1,308	1,276	1,263
Net (decrease) increase in provision for insured events of prior periods net of discount accretion of \$537 in 2025, \$539 in 2024 and \$535 in 2023	<u>242</u>	<u>431</u>	<u>284</u>
Total incurred	1,550	1,707	1,547
Payments:			
Compensation and compensation adjustment expenses attributable to insured events of current period	358	343	322
Compensation and compensation adjustment expenses attributable to insured events of prior period	<u>1,255</u>	<u>1,236</u>	<u>1,250</u>
Total payments	1,613	1,579	1,572
Reserves for compensation and compensation adjustment expenses, end of period	<u>\$ 13,413</u>	<u>\$ 13,476</u>	<u>\$ 13,348</u>

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, 2025 and 2024, is summarized as follows (000's omitted):

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	Balance at 6/30/2023	Increases	Decreases	Balance at 6/30/2024	Due Within One Year
Net pension liability	\$ 273,939	\$ -	\$ (48,983)	\$ 224,956	\$ -
Net OPEB liability	5,816	-	(5,816)	-	-
Group retrospective credit payable	155,659	113,870	(83,887)	185,642	68,160
Other liabilities	126,476	105,074	(129,091)	102,459	68,283
	<u>\$ 561,890</u>	<u>\$ 218,944</u>	<u>\$ (267,777)</u>	<u>\$ 513,057</u>	<u>\$ 136,443</u>
	Balance at 6/30/2024	Increases	Decreases	Balance at 6/30/2025	Due Within One Year
Net pension liability	\$ 224,956	\$ -	\$ (19,505)	\$ 205,451	\$ -
Group retrospective credit payable	185,642	113,635	(83,666)	215,611	58,439
Other liabilities	102,459	83,709	(90,982)	95,186	67,047
	<u>\$ 513,057</u>	<u>\$ 197,344</u>	<u>\$ (194,153)</u>	<u>\$ 516,248</u>	<u>\$ 125,486</u>

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. In October 2023, the legislature approved House Bill 33 which allowed for the consolidation of the Combined plan with the Traditional Pension Plan effective January 1, 2024. The underlying Combined Plan division is presented as one consolidated plan, referred to as the Traditional Pension Plan.
- 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.

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.

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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, 2025, the most recent report issued by OPERS is for the calendar year ended December 31, 2024.

Funding Policy

Chapter 145 of the Ohio Revised Code provides statutory authority for employee and employer contributions. During fiscal years 2025 and 2024, 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 \$22.5 million for calendar year 2024 and \$21.7 million for calendar year 2023.

Measurement Date

The measurement dates for the net pension assets and liabilities, deferred inflows and outflows of resources, and pension expense were December 31, 2024, for fiscal year 2025 and December 31, 2023, for fiscal year 2024. 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, 2024 and 2023, BWC/IC's proportions were as follows:

	<u>December 2024</u>	<u>December 2023</u>
Traditional Plan	0.838044%	0.859255%
Combined Plan	0.000000%	0.576770%

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

At June 30, 2025 and 2024, BWC/IC reported \$0.0 million and \$1.8 million, respectively, for its proportionate share of the Combined Plan's net pension asset and a liability of \$205 million and \$225 million, respectively, for its proportionate share of the Traditional Plan's net pension liability.

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For fiscal years ended June 30, 2025 and 2024, BWC/IC recognized \$10.4 million in pension benefit and \$9.1 million in pension benefit, respectively.

At June 30, 2025 and 2024, BWC/IC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (000's omitted)

	<u>June 2025</u>		<u>June 2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,002	\$ 124	\$ 3,938	\$ 177
Net difference between projected and actual earnings on pension plan investments	29,355	-	49,656	-
Changes in proportion and differences between BWC/IC contributions and proportionate share of contributions	4,611	7,232	4,875	12,513
Assumption Changes	42	-	67	-
BWC/IC contributions subsequent to the measurement date	11,203	-	10,836	-
Total	<u>\$ 49,213</u>	<u>\$ 7,356</u>	<u>\$ 69,372</u>	<u>\$ 12,690</u>

In 2025 and 2024, deferred outflows of resources related to pensions resulting from BWC/IC's contributions subsequent to the measurement date of \$11.2 million and \$10.8 million, respectively, will be recognized as a reduction of net pension liability in the fiscal years ended June 30, 2025 and 2024, respectively.

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 2024 and 2023 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):

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	<u>As of June 30, 2025</u>		<u>As of June 30, 2024</u>	
Year ended June 30:				
	2025	\$ 12,041	2024	\$ 6,330
	2026	29,582	2025	14,063
	2027	(9,227)	2026	31,960
	2028	(2,715)	2027	(6,510)
	2029	327	2028	2
	Thereafter	\$ 646	Thereafter	\$ 1

Actuarial Assumptions

The total pension liabilities in the December 31, 2024 and 2023, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

December 2024

	<u>Traditional Pension Plan</u>
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75%
	(includes wage inflation at 2.75%)
Cost of living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 2.90% Simple for calendar year 2025, then 2.05% Simple

December 2023

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% - 10.75%	2.75% - 8.25%
	(includes wage inflation at 2.75%)	(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 2023, then 2.05% Simple

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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, 2024 and 2023, 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.

The table below displays the OPERS Board approved asset allocation policy for December 2024 and 2023 and the expected real rates of return.

Asset Class	December 2024		December 2023	
	Target Allocation	Weighted Average	Target Allocation	Weighted Average
		Longterm Expected Real Rate of Return		Longterm Expected Real Rate of Return
Fixed income	24.00%	2.42%	24.00%	2.85%
Domestic equity	21.00%	5.70%	21.00%	4.27%
International equity	20.00%	6.10%	20.00%	5.16%
Real estate	13.00%	4.17%	13.00%	4.46%
Risk Parity	2.00%	4.40%	2.00%	4.38%
Private equity	15.00%	8.40%	15.00%	7.52%
Other Investments	5.00%	2.54%	5.00%	3.46%
Total	<u>100.00%</u>		<u>100.00%</u>	

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Discount Rate

The discount rate used to measure the total pension liability for the Traditional Pension Plan was 6.9% for 2024 and 2023. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in the Discount Rate

For the years 2024 and 2023, 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 2024

		<u>1% Decrease - 5.9 %</u>	<u>Current Discount Rate - 6.9%</u>	<u>1% Increase - 7.9%</u>
Traditional Plan:				
Total Net Pension Liability	\$	336,106	\$ 205,451	\$ 96,878
Combined Plan:				
Total Net Pension (Asset)		-	-	-

December 2023

		<u>1% Decrease - 5.9 %</u>	<u>Current Discount Rate - 6.9%</u>	<u>1% Increase - 7.9%</u>
Traditional Plan:				
Total Net Pension Liability	\$	354,142	\$ 224,956	\$ 117,512
Combined Plan:				
Total Net Pension (Asset)	\$	(1,073)	\$ (1,773)	\$ (2,324)

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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 \$917 thousand and \$797 thousand in pension expense for defined contribution plans in fiscal years 2025 and 2024, 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.

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

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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 2024 and 2023. 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, 2024 and 2023, was approximately \$339 thousand and \$296 thousand respectively.

Measurement Date

The measurement dates for the net OPEB assets/liabilities, deferred inflows and outflows of resources, and OPEB expense were December 31, 2024, for fiscal year 2025 and December 31, 2023, for fiscal year 2024. For fiscal years 2025 and 2024 OPERS total OPEB assets/liabilities that were used to calculate the net OPEB asset/liability were based on an actuarial valuation of December 31, 2023, with a rollforward measurement date of December 31, 2024, and December 31, 2022, with a rollforward measurement date of December 31, 2023, respectively.

Proportionate Share

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, 2024 and 2023, BWC/IC's proportions were as follows:

	<u>December 2024</u>	<u>December 2023</u>
OPEB	0.846872%	0.858257%

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

At June 30, 2025 BWC/IC reported \$19.8 million for its proportionate share of the net OPEB net asset. At June 30, 2024 BWC/IC reported \$7.7 million for its proportionate share of the net OPEB Asset.

For the fiscal years ended June 30, 2025 and 2024, BWC/IC recognized negative OPEB expense of \$6.1 million and negative OPEB expense of \$206 thousand, respectively.

At June 30, 2025 and 2024, BWC/IC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (000's omitted):

	<u>June 2025</u>		<u>June 2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 970	\$ -	\$ 1,136
Net difference between projected and actual earnings on OPEB plan investments	1,036	-	5,266	-
Changes in proportion and differences between BWC/IC contributions and proportionate share of contributions	414	158	1,037	572
Assumption changes	-	2,880	2,143	3,330
Total	<u>\$ 1,450</u>	<u>\$ 4,008</u>	<u>\$ 8,446</u>	<u>\$ 5,038</u>

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):

	<u>As of June 30, 2025</u>		<u>As of June 30, 2024</u>	
Year ended June 30:				
	2025	\$ (1,627)	2024	\$ 256
	2026	2,325	2025	714
	2027	(2,414)	2026	4,009
	2028	(842)	2027	(1,571)
Thereafter	\$ -		Thereafter	\$ -

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Actuarial Assumptions

The total OPEB asset in the December 31, 2024 and 2023, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

December 2024

	<u>OPEB</u>
Actuarial Assumptions:	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Wage Inflation	2.75%
Municipal Bond Rate	4.08%
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 2039

December 2023

	<u>OPEB</u>
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

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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 2024 and 2023 and the expected real rates of return.

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Asset Class	<u>December 2024</u>		<u>December 2023</u>	
	Target Allocation	Weighted Average Longterm Expected Real Rate of Return	Target Allocation	Weighted Average Longterm Expected Real Rate of Return
Fixed income	37.00%	2.37%	37.00%	2.82%
Domestic equity	26.00%	5.70%	25.00%	4.27%
International equity	26.00%	6.10%	25.00%	5.16%
Real estate	5.00%	5.00%	5.00%	4.68%
Risk Parity	3.00%	4.40%	3.00%	4.38%
Other Investments	3.00%	2.50%	5.00%	2.43%
Total	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate

The single discount rate used to measure the OPEB asset at the measurement date of December 31, 2024 and OPEB liability in 2023 was 6.00 % and 5.70%, 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 2024 and 2023 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 4.08% and 3.77%, 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 2024 and 2023 health care fiduciary net position and future contributions were sufficient to finance health care costs through 2124 and 2070, respectively. As a result, the 2024 and 2023 long-term expected rates of return on health care investments were applied to projected costs through the year 2124 and 2070, respectively, and the municipal bond rates were applied to all health care costs after these dates.

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Sensitivity to Changes in the Discount Rate

For December 2024 and December 2023, the following tables present BWC/IC's proportionate share of the net OPEB asset and liability calculated using the discount rate of 6.00% and 5.70% 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 2024

	<u>1% Decrease - 5.00%</u>	<u>Single Discount Rate - 6.00%</u>	<u>1% Increase - 7.00%</u>
OPEB:			
Total Net OPEB Asset/Liability \$	(9,858)	\$ (19,853)	\$ (28,192)

December 2023

	<u>1% Decrease - 4.70%</u>	<u>Single Discount Rate - 5.70%</u>	<u>1% Increase - 6.70%</u>
OPEB:			
Total Net OPEB Asset/Liability \$	4,257	\$ (7,746)	\$ (17,689)

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 and liability using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate for December 2024 and December 2023 (000's omitted):

December 2024

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
OPEB:			
Total Net OPEB Asset/Liability \$	(20,156)	\$ (19,853)	\$ (19,512)

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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)

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 2025 and 2024 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. Contingent Liabilities

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.

9. Net Position

Individual fund net position (deficit) balances at June 30, 2025 and 2024, were as follows (000's omitted):

	<u>2025</u>	<u>2024</u>
SIF	\$ 8,165,028	\$ 7,093,713
SIF Surplus Fund Account	53,691	55,305
Total SIF Net Position	8,218,719	7,149,018
DWRF	660,325	601,541
CWPF	360,558	335,093
PWREF	18,169	17,011
MIF	29,129	27,036
SIEGF	46,375	42,147
Total Net Position	<u>\$ 9,333,275</u>	<u>\$ 8,171,846</u>

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).

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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 consolidated 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.

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. 103 "Financial Reporting Model Improvements" (effective fiscal year 2026)
- GASB No. 104, "Disclosure of Certain Capital Assets" (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.

SUPPLEMENTARY INFORMATION

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**REQUIRED SUPPLEMENTAL REVENUE AND RESERVE
DEVELOPMENT INFORMATION
(See Accompanying Independent Auditors' Report)
For the fiscal years ended June 30, 2025 and 2024**

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, 2015 through 2025.

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REQUIRED SUPPLEMENTAL REVENUE AND RESERVE
DEVELOPMENT INFORMATION, UNAUDITED, Continued
(See Accompanying Independent Auditors' Report)
(In Millions of Dollars)**

	Fiscal Years Ended June 30										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1. Required premiums, assessments, and investment income earned	\$ 2,995	\$ 2,344	\$ 2,057	\$ (200)	\$ 4,735	\$ 3,124	\$ 3,586	\$ 2,628	\$ 3,517	\$ 1,378	\$ 2,552
Ceded premiums	0	0	0	0	0	4	4	4	4	4	4
Net earned	2,995	2,344	2,057	(200)	4,735	3,120	3,582	2,624	3,513	1,374	2,548
2. Unallocated expenses	234	216	193	219	215	240	248	219	205	170	163
3. Estimated incurred compensation and compensation adjustment expense, end of period	1,305	1,273	1,263	1,261	1,228	1,264	1,465	1,507	1,635	1,731	1,853
Discount	494	490	490	484	553	578	590	656	781	806	874
Gross liability as originally estimated	1,799	1,762	1,753	1,745	1,779	1,842	2,054	2,163	2,417	2,538	2,727
4. Net paid (cumulative) as of :											
End of period	358	343	322	315	304	330	348	341	347	327	331
One year later		544	504	478	454	484	530	531	531	531	548
Two years later			619	581	546	579	630	637	641	644	669
Three years later				651	613	647	701	704	718	724	748
Four years later					669	703	762	762	773	789	815
Five years later						759	820	820	831	841	874
Six years later							868	868	881	895	921
Seven years later								903	918	933	968
Eight years later									947	963	1,000
Nine years later										991	1,028
Ten years later											1,053
5. Re-estimated incurred compensation and compensation adjustment expenses (gross):											
One year later		1,815	1,792	1,762	1,718	1,747	1,893	1,915	2,039	2,257	2,346
Two years later			1,785	1,779	1,732	1,737	1,800	1,868	1,913	2,052	2,219
Three years later				1,746	1,719	1,755	1,771	1,753	1,862	1,883	2,024
Four years later					1,687	1,735	1,773	1,727	1,721	1,821	1,869
Five years later						1,704	1,765	1,723	1,712	1,696	1,812
Six years later							1,744	1,723	1,705	1,689	1,694
Seven years later								1,704	1,709	1,683	1,690
Eight years later									1,690	1,683	1,685
Nine years later										1,664	1,682
Ten years later											1,664
6. Decrease in gross estimated incurred compensation and compensation adjustment expenses from end of period		53	32	1	(92)	(138)	(310)	(459)	(727)	(874)	(1,063)

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, 2025 active miners nominal and discounted liability is approximately \$25.3 million and \$7.3 million, respectively.

OHIO BUREAU OF WORKERS' COMPENSATION
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 Pension Liability
Last 10 fiscal years
(000's omitted)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BWC/IC's Proportion of the net pension										
Net Pension Liability	0.838%	0.859%	0.927%	0.960%	1.007%	1.002%	1.017%	1.037%	1.060%	1.080%
Net Pension Asset	0.000%	0.577%	0.593%	0.569%	0.570%	0.590%	0.597%	0.602%	0.578%	0.549%
BWC/IC's Proportionate share of the net pension liability	\$205,451	\$223,183	\$272,542	\$81,299	\$147,421	\$196,918	\$277,892	\$161,899	\$240,344	\$186,771
BWC/IC's covered payroll	\$164,867	\$159,546	\$155,908	\$155,328	\$160,867	\$160,253	\$154,397	\$152,774	\$155,963	\$149,562
Proportionate share of the net pension liability as a percentage of its covered payroll	124.616%	139.886%	174.810%	52.340%	91.642%	122.879%	179.985%	105.973%	154.103%	124.879%
Plan fiduciary net position as a percentage of the total pension liability										
Traditional Pension Plan	80.99%	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%
Combined Plan	0.00%	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%

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

OHIO BUREAU OF WORKERS' COMPENSATION
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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BWC/IC's Statutorily Required Employer Contributions	\$ 22,512	\$ 21,699	\$ 20,772	\$ 20,712	\$ 20,107	\$ 20,504	\$ 21,357	\$ 20,713	\$ 20,428	\$ 19,752
Amount of contributions recognized by the pension plan in relation to the statutory contributions	22,512	21,699	20,772	20,712	20,107	20,504	21,357	20,713	20,428	19,752
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Employer's covered payroll	\$ 169,563	\$ 159,422	\$ 157,362	\$ 156,801	\$ 155,358	\$ 162,037	\$ 161,974	\$ 153,211	\$ 152,963	\$ 151,275
Amount of contributions recognized by the pension plan as a percentage of employers' covered payroll	13.28%	13.61%	13.20%	13.21%	12.94%	12.65%	13.19%	13.52%	13.35%	13.06%

**OHIO BUREAU OF WORKERS' COMPENSATION
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 8 fiscal years*
(000's omitted)**

	2025	2024	2023	2022	2021	2020	2019	2018
BWC/IC's Proportion of the OPEB Liability / (Asset)	0.847%	0.858%	0.922%	0.951%	0.993%	0.989%	1.003%	1.023%
BWC/IC's Proportionate share of the OPEB Liability / (Asset)	(\$19,853)	(\$7,746)	\$5,815	(\$29,790)	(\$17,694)	\$136,667	\$130,796	\$ 111,078
BWC/IC's covered payroll	\$164,867	\$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	-12.042%	-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%	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.

**OHIO BUREAU OF WORKERS' COMPENSATION
AND
INDUSTRIAL COMMISSION OF OHIO
(A DEPARTMENT OF THE STATE OF OHIO)
Required Supplementary Information
Schedule of BWC/IC's Net OPEB Contributions
Last 8 fiscal years*
(000's omitted)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
BWC/IC's Statutorily Required Employer Contributions	\$ 339	\$ 296	\$ 283	\$ 254	\$ 236	\$ 232	\$ 223	\$ 2,384
Amount of contributions recognized by the OPEB plan in relation to the statutory contributions	339	296	283	254	236	232	223	2,384
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Employer's covered payroll	\$ 169,563	\$ 159,422	\$ 157,362	\$ 156,801	\$ 155,358	\$ 162,037	\$ 161,974	\$ 153,211
Amount of contributions recognized by the OPEB plan as a percentage of employers' covered payroll	0.20%	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.

**OHIO BUREAU OF WORKERS' COMPENSATION
AND
INDUSTRIAL COMMISSION OF OHIO
(A DEPARTMENT OF THE STATE OF OHIO)
SUPPLEMENTAL SCHEDULE OF NET POSITION
(See Accompanying Independent Auditors' Report)**

June 30, 2025

(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
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 563,541	\$ 15,928	\$ 886	\$ 93	\$ 794	\$ 69,679	\$ -	\$ 650,921
Collateral on loaned securities	3,616	-	-	-	-	-	-	3,616
Premiums recorded not yet due	6,628	-	308	59	266	-	-	7,261
Assessments recorded not yet due	1,330	-	-	-	-	-	-	1,330
Premiums in course of collection	7,255	-	-	-	-	-	-	7,255
Assessments in course of collection	15,613	170	-	-	-	-	-	15,783
Accounts receivable, net of allowance for uncollectibles	238,967	8,733	17	33	2	637	-	248,389
Retrospective premiums receivable	29,585	-	-	-	-	-	-	29,585
Interfund receivables	128,192	271,901	-	161	66	81	(400,401)	-
Investment trade receivables	90,321	-	-	-	-	-	-	90,321
Accrued investment income	105,891	18	1	-	3	243	-	106,156
Total current assets	1,190,939	296,750	1,212	346	1,131	70,640	(400,401)	1,160,617
Non-current assets:								
Restricted Cash	736	-	-	-	-	-	-	736
Fixed maturities	9,559,942	1,402,025	359,288	19,312	29,535	-	-	11,370,102
Domestic equity securities:								
Common stock	4,372,553	422,418	65,623	-	-	-	-	4,860,594
Non-U.S equity securities - common stock	2,233,374	218,542	34,248	-	-	-	-	2,486,164
Investments in real estate funds	3,121,534	-	-	-	-	-	-	3,121,534
Unbilled premiums receivable	575,225	6,258	-	-	-	305,177	-	886,660
Retrospective premiums receivable	23,384	-	-	-	-	-	-	23,384
Capital assets	40,503	22	-	-	-	-	-	40,525
Net OPEB asset	19,853	-	-	-	-	-	-	19,853
Total noncurrent assets	19,947,104	2,049,265	459,159	19,312	29,535	305,177	-	22,809,552
Total assets	21,138,043	2,346,015	460,371	19,658	30,666	375,817	(400,401)	23,970,169
DEFERRED OUTFLOW OF RESOURCES	50,663	-	-	-	-	-	-	50,663
Total assets and deferred outflow of resources	\$ 21,188,706	\$ 2,346,015	\$ 460,371	\$ 19,658	\$ 30,666	\$ 375,817	\$ (400,401)	\$ 24,020,832

**OHIO BUREAU OF WORKERS' COMPENSATION
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, 2025
(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
LIABILITIES								
Current liabilities:								
Reserve for compensation	\$ 1,163,829	\$111,538	\$ 2,595	\$ 103	\$ 174	\$16,568	\$ -	\$ 1,294,807
Reserve for compensation adjustment expenses	426,713	76	118	-	42	928	-	427,877
Unearned premium and assessments	406,322	1	122	54	325	-	-	406,824
Warrants payable	20,456	-	-	-	-	-	-	20,456
Group retrospective credit payable	58,439	-	-	-	-	-	-	58,439
Investment trade payables	297,386	-	-	-	-	-	-	297,386
Accounts payable	17,716	-	243	-	-	-	-	17,959
Interfund payables	372,407	24,610	200	434	8	2,742	(400,401)	-
Obligations under securities lending	3,616	-	-	-	-	-	-	3,616
Other current liabilities	66,915	79	48	2	3	-	-	67,047
Total current liabilities	2,833,799	136,304	3,326	593	552	20,238	(400,401)	2,594,411
Noncurrent liabilities:								
Reserve for compensation	8,488,599	1,547,962	79,505	897	826	303,632	-	10,421,421
Reserve for compensation adjustment expenses	1,244,687	1,424	16,982	-	158	5,572	-	1,268,823
Net pension liability	205,451	-	-	-	-	-	-	205,451
Group retrospective credit payable	157,172	-	-	-	-	-	-	157,172
Other noncurrent liabilities	28,139	-	-	-	-	-	-	28,139
Total noncurrent liabilities	10,124,048	1,549,386	96,487	897	984	309,204	-	12,081,006
Total liabilities	12,957,847	1,685,690	99,813	1,490	1,536	329,442	(400,401)	14,675,417
DEFERRED INFLOW OF RESOURCES	12,140	-	-	-	-	-	-	12,140
Total liabilities and deferred inflow of resources	12,969,987	1,685,690	99,813	1,490	1,536	329,442	(400,401)	14,687,557
NET POSITION								
Net investment in capital assets	40,503	22	-	-	-	-	-	40,525
Surplus fund	53,691	-	-	-	-	-	-	53,691
Restricted net position	8,124,525	660,303	360,558	18,169	29,129	46,375	-	9,239,059
Total net position	\$ 8,218,719	\$ 660,325	\$ 360,558	\$ 18,169	\$ 29,129	\$ 46,375	\$ -	\$ 9,333,275

**OHIO BUREAU OF WORKERS' COMPENSATION
AND
INDUSTRIAL COMMISSION OF OHIO
(A DEPARTMENT OF THE STATE OF OHIO)
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
(See Accompanying Independent Auditors' Report)
For the fiscal year ended June 30, 2025
(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:								
Premium and assessment income	\$1,188,317	\$17,445	\$34	\$32	\$395	\$4,850	\$ -	\$1,211,073
Provision for uncollectibles	(60,321)	(666)	-	-	-	(304)	-	(61,291)
Other income	12,521	-	-	-	-	-	-	12,521
Total operating revenues	1,140,517	16,779	34	32	395	4,546	-	1,162,303
Operating expenses:								
Workers' compensation benefits	1,004,602	114,749	6,994	101	107	3,019	-	1,129,572
Compensation adjustment expenses	418,614	(118)	965	-	34	439	-	419,934
Personal services	81,503	131	111	-	39	-	-	81,784
Other administrative expenses	103,140	1	-	-	25	-	-	103,166
Total operating expenses	1,607,859	114,763	8,070	101	205	3,458	-	1,734,456
Net operating (loss) income before policy holder dividend	(467,342)	(97,984)	(8,036)	(69)	190	1,088	-	(572,153)
Policy holder dividend expense	(33)	-	-	-	-	-	-	(33)
Net operating (loss) income	(467,309)	(97,984)	(8,036)	(69)	190	1,088	-	(572,120)
Non-operating revenues:								
Net investment income	1,537,356	156,768	34,501	1,227	1,903	3,140	-	1,734,895
Gain on disposal of capital assets	79	-	-	-	-	-	-	79
Total non-operating revenues	1,537,435	156,768	34,501	1,227	1,903	3,140	-	1,734,974
Net transfers out	(425)	-	(1,000)	-	-	-	-	(1,425)
Increase (decrease) in net position	1,069,701	58,784	25,465	1,158	2,093	4,228	-	1,161,429
Net position, beginning of year	7,149,018	601,541	335,093	17,011	27,036	42,147	-	8,171,846
Net position, end of year	\$8,218,719	\$660,325	\$360,558	\$18,169	\$29,129	\$46,375	\$ -	\$9,333,275

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, 2025, and the related notes to the financial statements, which collectively comprise BWC/IC's basic financial statements, and have issued our report thereon dated November 14, 2025.

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*.

(Continued)

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.

A handwritten signature in black ink that reads "Crowe LLP". The signature is stylized, with the "C" being large and looping, and the "LLP" being written in a more compact, cursive style.

Crowe LLP

West Hartford, Connecticut
November 14, 2025

OHIO AUDITOR OF STATE KEITH FABER



OHIO BUREAU OF WORKERS COMPENSATION

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/27/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov