

# Application for Ohio Workers' Compensation Coverage



**Have questions? Need assistance? BWC is here to help!**

**Call 1-800-OHIOBWC, and listen to the options to reach a customer service representative.**

**You can dial the number nationwide, and in Canada and Mexico from 7:30 a.m. to 5:30 p.m. EST.**

**Remember, you can access information and request services by visiting BWC's Web site at [ohiobwc.com](http://ohiobwc.com)**

Workers' compensation coverage protects you and your employees in the event of a work-related injury, disease or death. In Ohio, all employers with one or more employees must carry workers' compensation coverage. It's the law. Coverage for Ohio employers and their employees (i.e., employees whose contracts of hire have been consummated within the borders of Ohio, whose employment involves activities both within and without the borders of Ohio and where the supervising office of the employer is located in Ohio), becomes effective when BWC receives this completed application and the \$10 minimum security deposit. Independent contractors and subcontractors also must obtain coverage for their employees.

BWC considers officers of a corporation employees for the purposes of workers' compensation; except for an individual incorporated as a corporation (to qualify must have a single/sole owner with no employees). However, if you are self-employed, a partner in a business, an officer of a family farm corporation or an individual incorporated as a corporation, you are not automatically covered. You may elect coverage for yourself by selecting Yes in the elective coverage section and owners/officers/ministers information section of this application.

## It's easy to obtain coverage by following these steps:

- ① Apply for coverage online at [ohiobwc.com](http://ohiobwc.com), or complete all fields on this application for coverage;
- ② Provide as many details as possible. When describing the nature of the business, include the type of work performed and the equipment used;
- ③ Sign and date the application. It's not valid without a signature;
- ④ Detach and mail the completed application with a \$10 minimum security deposit to:  
**Ohio Bureau of Workers' Compensation**  
**P.O. Box 15698**  
**Columbus, OH 43215-0698**

Please make check or money order payable to the **Ohio Bureau of Workers' Compensation**, or if you prefer, you may charge the minimum security deposit to your VISA®, MasterCard® or American Express®.

## What happens next?

Once BWC receives your application for coverage you will receive:

- A new employer kit explaining your rights and responsibilities, and cost-saving tips for your business. The kit includes: an *MCO Selection Guide* with instructions on how to select a managed care organization to medically manage your company's workers' compensation claims; *Certificate of Premium Payment*, including the effective date of coverage, which is the day BWC receives your signed application and \$10 deposit; and your seven-digit identification number called a BWC policy number. Please use it whenever you contact BWC about your policy. Remove the *Certificate of Premium Payment* and post it as proof of coverage;
- An invoice for the difference between the \$10 minimum security deposit and the additional security deposit you owe. The security deposit is 30 percent of your estimated eight months' premium up to a maximum of \$1,000. Your security deposit will not be applied to future premium.

**Coverage is not in effect until BWC receives the completed application and the \$10 minimum security deposit. BWC is unable to process incomplete applications.**

# Completing the Application for Ohio Workers' Compensation Coverage

## General information – completed by all employer types

Ohio law requires employers to obtain workers' compensation coverage for their employees from the first date of hire. Indicate the date you first hired one or more employees in Ohio or the date you estimate you will hire one or more employees in Ohio. If you do not provide this information, BWC may bill you for two years of prior-to-coverage premium.

Be sure to supply your federal employer identification number (FEIN). You can obtain a FEIN number by calling the Internal Revenue Service. If you have applied for a FEIN, but have not received one, write "applied for" in the appropriate box, and you may supply it at a later date. Domestic household employers, sole proprietors and partnerships who do not need a FEIN should supply a Social Security number of the sole proprietor, or one of the home owners or partners.

BWC uses your primary physical Ohio location to assign one customer service office for all your risk-management services. Please provide the address for your primary Ohio location best capable of handling and resolving your risk-management issues or an out of state location if you have no physical Ohio location.

## Business entity information

Select the one business entity type that applies to your company. For workers' compensation purposes, there are four possible business entity types that apply to a corporation (i.e., limited liability company acting as a corporation, corporation, individual incorporated as a corporation with no employees and family farm corporation). Select the business entity type that best describes your corporate structure.

**Domestic household coverage:** Applies to full or part-time domestic workers employed inside or outside your private residence and includes private chauffeurs. Domestic household employers who pay workers \$160 or more in a calendar quarter must have workers' compensation insurance. Normally these workers provide domestic services, such as gardening, housekeeping, babysitting, etc. However, you should include workers you hire as employees to provide home improvement for construction type activities to your residence if the worker does not have his or her own business or own workers' compensation insurance. Please check the appropriate box under Domestic household employer that applies to the type of worker you will hire, and supply an eight-month payroll estimate so BWC may calculate your premium security deposit. If you are hiring a contractor to perform these services, you may want to verify he or she has active workers' compensation coverage.

**Sole proprietors and partners (including limited liability companies acting as a sole proprietor or partnership):** Sole proprietors and partners are exempt from workers' compensation coverage. However, you are required to cover your employees. If you qualify for elective coverage, you can elect coverage by selecting Yes in the elective coverage section and owners/officers/ministers information section of this application.

**Limited liability companies:** These companies can elect to be treated as a corporation, sole proprietorship or partnership for income tax purposes. Because of this, owners of a limited liability company can be treated differently depending upon the form of entity they elect for income tax purposes. If electing to be treated as a sole proprietorship or partnership, coverage is elective for the owners. If electing to be treated as a corporation, coverage for the owners is not elective except for an individual incorporated as a corporation. Please check the appropriate limited liability company box advising whether you are acting as sole proprietor, partnership or a corporation.

**Corporations:** Corporate officer reportable wages are subject to a minimum and maximum, which is based on the statewide average weekly wage (SAWW) calculated annually by the Ohio Department of Job and Family Services. The minimum payroll reporting limit will be 50 percent of the SAWW and the maximum payroll reporting limit will be 150 percent of the SAWW. The minimum reportable payroll applies only to active executive officers of the corporation (i.e., officers engaged in the decision making and the day to day operation of the corporation). Officers of a corporation who earn between the minimum and maximum will report their actual W-2 wages. For S-corporations, officers must report wages for services they perform. This may include W-2 wages as well as all or part of ordinary income from Schedule K-1 up to the maximum.

Note: Visit BWC's Web site (choose: Ohio Employers; Payroll reporting information under Financial Info heading), or call BWC to obtain the minimum and maximum payroll reporting requirement amounts applicable for each payroll reporting period.

**Individuals incorporated as a corporation (with no employees):** To qualify for this business entity type you must have a single/sole owner with no employees. The single/sole owner with no employees can elect coverage by selecting Yes in the elective coverage section and owners/officers/ministers information section of this application. Corporations having more than one owner or a single/sole owner with employees are by law required to have workers' compensation coverage for all personnel associated with the corporation, including all corporate officers.

**Family farm corporation:** These officers are exempt from workers' compensation coverage. However, you must cover their employees. These family farm corporate officers can elect coverage by selecting Yes in the elective coverage section and owners/officers/ministers information section of this application. To qualify as a family farm corporation, you must meet the following criteria:

- The family farm must be founded for the purpose of farming animal or plant products intended for consumption by human beings or animals (excluding nurseries and flower production enterprises);
- A majority of the shareholders must be related within the fourth degree of kinship (siblings, parents, grandparents, aunts, uncles, great aunts, great uncles or first cousins) or be the spouse of such persons;
- No shareholder may be a corporation;
- At least one of the related persons within the corporation must reside on or actively operate the farm.

## Business purchase/associated policy information (does not apply to domestic household employees)

You are required to disclose information regarding the purchase of a business or policies associated with the business applying for coverage. This information assists BWC with accurately processing and rating your application for Ohio workers' compensation coverage.

Effective July 27, 2006, for all successions taking place on or after Sept. 1, 2006, in situations where a successor takes over the entire operation, any and all existing and future liabilities or credits will transfer to the successor in addition to the experience. In such cases, it will be the successor's responsibility to notify BWC of the succession. When you acquire or purchase a business, you must apply for coverage if you do not already have an Ohio workers' compensation policy and you must submit a completed Notification of *Acquisition/Merger or Purchase/Sale* (U-118).

## Elective coverage (does not apply to domestic household employees)

Coverage on the owners or officers of a corporation and a limited liability company acting as a corporation (except for individuals incorporated as a corporation) is not voluntary. However, coverage on certain owners or ministers is elective. The categories of individuals that qualify for elective coverage are listed below.

- Sole proprietor
- Partnership
- Limited liability company acting as a sole proprietor
- Limited liability company acting as a partnership
- Family farm corporate officers
- Ordained or associate ministers of religious organizations in the exercise of their ministries
- Individual incorporated as a corporation (with no employees)

If you qualify for elective coverage, you can elect coverage by selecting Yes in the Elective coverage section and owners/officers/ministers information section of this application. Once the policy has been established, you will need to complete the *Application for Elective Coverage* (U-3S) to add additional qualifying owners or ministers. Remember, if you choose not to cover yourself and you are injured at work, BWC will not provide coverage, and other insurance may not cover your work-related disability or medical bills.

Specific payroll reporting requirements associated with elective coverage are listed below.

**Sole proprietors and partners (including limited liability companies acting as a sole proprietor or partnership):** For all individuals electing coverage, the reportable wages are subject to a minimum and maximum, which is based on the SAWW calculated annually by the Ohio Department of Job and Family Services. The minimum payroll reporting limit will be 50 percent of the SAWW and the maximum payroll reporting limit will be 150 percent of the SAWW. Individuals who earn between the minimum and maximum will report their actual net incomes based on their form 1040, Schedule C for sole proprietors, or form 1065 Schedule K-1 for partnerships, inclusive of any draws.

**Officers of a family farm corporation:** For corporate officers of a family farm electing coverage, the reportable wages are subject to a minimum and maximum, which is based on the SAWW calculated annually by the Ohio Department of Job and Family Services. The minimum payroll reporting limit will be 50 percent of the SAWW and the maximum payroll reporting limit will be 150 percent of the SAWW. Officers of a corporation who earn between the minimum and maximum will report their actual W-2 wages. For S-corporations, officers must report wages for services they perform. This may include W-2 wages as well as all or part of ordinary income from Schedule K-1 up to the maximum.

**Religious organizations:** Ohio law requires religious organizations to cover their paid employees. However, ordained ministers and associate ministers are not considered employees for the purpose of workers' compensation. When a minister is covered under the religious organization's policy, actual earnings are reportable and are not subject to the minimum and maximum. Ministers not covered under the religious organization's policy can complete an application for coverage and elect coverage on themselves as a sole proprietor. Ministers electing coverage as a sole proprietor are subject to the minimum and maximum reporting requirements as described above.

**Individuals incorporated as a corporation (with no employees):** For individual corporate officers electing coverage, the reportable wages are subject to a minimum and maximum, which is based on the SAWW calculated annually by the Ohio Department of Job and Family Services. The minimum payroll reporting limit will be 50 percent of the SAWW and the maximum payroll reporting limit will be 150 percent of the SAWW. Officers of a corporation who earn between the minimum and maximum will report their actual W-2 wages. For S-corporations, officers must report wages for services they perform. This may include W-2 wages as well as all or part of ordinary income from Schedule K-1 up to the maximum.

**Note:** Visit BWC's Web site (choose: Ohio Employers; Payroll reporting information under Financial Info heading), or call BWC to obtain the minimum and maximum payroll reporting requirement amounts applicable for each payroll reporting period.

**Owners/officers/ministers information (does not apply to domestic household employers)**

You must provide name, home address, Social Security number and title (attach additional sheets, if necessary). Additionally, individuals that qualify for elective coverage must indicate whether or not they wish to elect coverage for themselves.

Religious organizations must list the ordained or associate ministers they elect to cover under the religious organization's policy in this section.

**Operations description (does not apply to domestic household employers)**

A complete description of your business is necessary to classify your operations. If you supply inadequate information, BWC could misclassify your policy. To prevent this from occurring, BWC asks that you supply in-depth information regarding your processes, the equipment used and any final product you may produce.

**Payroll by operation type (does not apply to domestic household employers)**

Provide the estimated eight-month payroll for each operation conducted by your employees as well as the number of employees you have under each operation.

**All applications require a signature. Please be sure to complete this area.**

**Coverage is not in effect until BWC receives the completed application and the \$10 minimum security deposit. BWC is unable to process incomplete applications.**

**Retain for your records**



## **Elective coverage**

See additional details in the business entity information and elective coverage sections for completing the application, which describe the reporting requirements for elective coverage.

Coverage on the owners or officers of a corporation and a limited liability company acting as a corporation (except for individuals incorporated as a corporation with no employees) is not voluntary.

However, coverage on certain owners or ministers is voluntary. Listed below are the categories of individuals that qualify for elective coverage.

- Sole proprietor
- Partnership
- Limited liability company acting as a sole proprietor
- Limited liability company acting as a partnership
- Family farm corporate officers
- Ordained or associate minister of a religious organization
- Individual incorporated as a corporation (with no employees)

\*If someone at your company meets the qualifications for elective coverage, do you wish to elect coverage?

Yes Important – Indicate which individuals you wish to cover in the owners/officers/ministers information section of this application.

By electing coverage you are acknowledging your agreement to the minimum payroll reporting outlined in the instruction sheet.

No I understand I elected to NOT cover any individuals at my company that qualify for elective coverage. (Remember, if you choose not to cover yourself and you are injured at work, BWC will not provide coverage, and other insurance may not cover your work-related disability or medical bills.)

\*Initials: \_\_\_\_\_

## **Owners/officers/ministers information – You must list all owners/officers, and any ministers you elect to cover under the religious organization's policy. (Attach additional sheets, if necessary.)**

*Name #1 (last, first, middle)		*% Ownership
*Home address (street or PO Box)		
*City	*State	*ZIP code
*Social Security number		*Title
*For individuals that qualify, do you wish to elect coverage? <input type="checkbox"/> Yes I do wish to elect coverage for myself. <input type="checkbox"/> No I understand that BWC will not pay benefits for my work-related injury if I do not elect coverage.		
*Name #2 (last, first, middle)		*% Ownership
*Home address (street or PO Box)		
*City	*State	*ZIP code
*Social Security number		*Title
*For individuals that qualify, do you wish to elect coverage? <input type="checkbox"/> Yes I do wish to elect coverage for myself. <input type="checkbox"/> No I understand that BWC will not pay benefits for my work-related injury if I do not elect coverage.		
*Name #3 (last, first, middle)		*% Ownership
*Home address (street or PO Box)		
*City	*State	*ZIP code
*Social Security number		*Title
*For individuals that qualify, do you wish to elect coverage? <input type="checkbox"/> Yes I do wish to elect coverage for myself. <input type="checkbox"/> No I understand that BWC will not pay benefits for my work-related injury if I do not elect coverage.		
		*Total ownership %

## Operations description

\*Check all types that apply to your Ohio operations: (note: applicable to your Ohio operation only)

Agriculture  Crop  Livestock  Dairy  Vegetable  Poultry  Orchard  Berry/vineyard  Other

Extraction  Mining  Oil or gas  Quarry  Other

Manufacturing  All types, including assembly or shop repair

Construction  General contractor  Subcontractor  Permanent yard operations  Residential three stories and under

Apartments/condos  Commercial, industrial and dwellings more than three stories  Interior trim/cabinets

Type of material used  Steel  Concrete  Wood  Masonry  Ceramic  Paint

Other (describe) \_\_\_\_\_

Transportation  Owned goods  Non-owned goods  Ground  Air carrier  Water transport  Interstate carrier

Gen. Freight  Parcel  People  Appliance  Furniture  Oil  Gas

Distance  Local 200 miles or less  More than 200 miles

Utility  Gas  Oil  Electric  Water  Sewer

Phone  Cable  Service/drop line  Trunk line  Other

Commercial (merchandising)  Wholesale: Sales \_\_\_\_\_ %  Retail: Sales \_\_\_\_\_ %  Packaging  Drivers/delivery

Repair  Principal products sold \_\_\_\_\_  Other

Coffee or tea house (no cooking)  Beverages \_\_\_\_\_ % of total sales  Food \_\_\_\_\_ % of total sales

Service  Restaurant – fast food  Restaurant – wait service (not counter)  Delivery

Alcohol \_\_\_\_\_ % of receipts compared to total sales

Warehousing for others  Religious organization  Residential house cleaning

Commercial cleaning

Vacant residential cleaning  Domestic employees working in your home  Other

High risk commercial/service  Explosive  Police/security  Fire/EMS  Atomic/nuclear  Other

Office work/ miscellaneous  Medical office  Attorney  Real estate agent  Property management  Professional employer organization (PEO)

Temp. agency  Consulting (Please explain under operation description.  Other

\*Describe your primary services or products, including your methods of operations. Include raw and semi-finished materials used (attach additional documentation, if necessary). Note: It is important for you to provide as much information as possible for BWC to properly determine your correct classification.

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\*Describe machinery, equipment and tools (attach additional documentation, if necessary).

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\*If you do not have a primary physical Ohio location, provide an explanation for not having an Ohio location and/or reason you are applying for Ohio coverage:

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Are you an out-of-state (non Ohio-based) employer temporarily working within Ohio?  Yes If yes,  In Ohio 90 days or less?  In Ohio more than 90 days?  
 No

Are your employees covered under another workers' compensation policy issued for a state other than Ohio?  Yes If yes, provide the following information  
 No

Insurer name \_\_\_\_\_ Policy number \_\_\_\_\_

Was the contract of hire for your employees entered into (consummated): Select one  Exclusively in Ohio  Exclusively in a state other than Ohio  
 Combination of Ohio and in a state other than Ohio

## Payroll by operation type

*List all types of operations that apply (attach additional sheets if necessary).	*For each operation type, estimate total number of employees.	*For each operation type, estimate total payroll for next eight months.
The following are in addition to the above: <b>Clerical</b> <input type="checkbox"/> Office personnel (no duties outside of the office, no counter service); <input type="checkbox"/> Telecommuter (clerical employees working from residence);		
<b>Traveling salespeople</b> (no handling, servicing or delivery);		
<b>Drivers</b> (truck or delivery);		
<b>Sole proprietors, partners or ministers</b> (if self-coverage is elected);		
<b>Elective coverage</b> (only if self-coverage is elected).		

## Certification – signature required

Name (please print) \_\_\_\_\_

*By my signature, I certify I have the authority to execute this application, and that the facts set forth on this application are true and correct to the best of my knowledge and belief. I am aware that any person who does not secure or maintain workers' compensation coverage and pay all appropriate premiums in accordance with Ohio laws, or misrepresents, conceals facts, or makes false statements to obtain coverage may be subject to civil, criminal and/or administrative penalties.*

\*Employer signature \_\_\_\_\_ \*Date \_\_\_\_\_

**WARNING: Insurance is not in effect until BWC receives the application and the \$10 security deposit.**

**BWC will bill the balance of the security deposit.**

**BWC is unable to process incomplete applications.**

**You also may pay by check or money order.**  
**Mail completed form and**  
**\$10 security deposit to:**  
**Ohio Bureau of Workers' Compensation**  
**P.O. Box 15698**  
**Columbus, OH 43215-0698**

Credit card payment information						
<input type="checkbox"/> VISA®	<input type="checkbox"/> MasterCard®	<input type="checkbox"/> American Express®				
Credit card account no.						
Amount paid				Expiration date		
Signature				Date		
Print name as it appears on credit card.						

## BWC USE ONLY

Policy number	Application number	Effective date	Payment type	Payment amount	Date received	Initials
			<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Charge			