

West Virginia Chamber of Commerce Newsletter
Wednesday, June 25, 2008

July 1 Marks Opening Of Workers' Comp Insurance Market

By: Jane Cline, Commissioner - WV Offices of the Insurance Commissioner

On July 1, 2008 all West Virginia employers, other than governmental entities, will be able to shop their workers' compensation coverage among carriers in a competitive market. All indications are that the opening of the market will be successful. Employers are, in total, paying more than 30 percent less than they did under the state monopolistic system and will now be able to choose their carrier based on their needs.

To date, 162 private carriers have made filings with the West Virginia Offices of the Insurance Commissioner (WVOIC) which will enable them to offer their product to West Virginia employers. Of those 162 companies, 25 companies are new to the West Virginia insurance market.

The conversion of our market from a monopolistic system to a competitive environment has taken a great deal of effort from many parties. Several aspects of West Virginia's system have been changed to reflect the systems found in most other non-monopolistic states.

The National Council on Compensation Insurance's (NCCI) job classification system found in 37 other states, and consisting of over 550 classifications, has been installed. This enables businesses in our state to properly report the job functions of their employees and carriers to accurately assess rate needs. Further, NCCI was named as our statistical agent to determine appropriate loss cost rates for all classifications.

Claims handling practices, policy issuance and billing procedures have been amended, among other processes. Recent legislation will allow West Virginia to establish a residual market using NCCI as the plan administrator, with reinsurance provided by the national pool. Again, this reflects systems commonly found in other states. Efforts to have the residual market ready by Jan. 1, 2009, are currently underway and on schedule.

To provide the carriers with an understanding of our workers compensation market and encourage their participation, the WVOIC hosted two (2) separate "Open Market Forums" which, combined, attracted over 450 attendees from 28 states representing over 100 different carriers. In addition, the WVOIC hosted an adjuster training seminar which drew more than 200 attendees from several states, and is further hosting a series of five live web presentations for adjusters on various significant claims handling topics. Registration for each web presentation is at maximum.

All indications are that the extraordinary efforts expended by the WVOIC, as well as by carriers and third-party administrators, will lead to a successful transition. The rewards will be felt by West Virginia businesses and workers for years to come.

Time Now To Line Up A Workers' Comp Agent

With the opening of West Virginia's Workers' Compensation insurance market to competition, it is more important than ever for businesses – large and small – to establish a relationship with an insurance agent. Agents can assist employers with evaluating and selecting the appropriate insurance coverage option.

Provided are two resources where an employer may go to search for an agent:

BrickStreet Mutual Insurance – <http://www.brickstreet.com/Agents/Pages/BrickStreetAppointedInsuranceAgencies.aspx>

Independent Insurance Agents of West Virginia – click here and then enter your location information <http://www.iiaba.net/agentlocator/findagent.aspx>

Business Tax, Food Tax Cuts Take Place July 1

West Virginia State Tax Commissioner Christopher G. Morris has announced two business tax changes including a repeal. In an effort to promote business growth in the Mountain State, West Virginia lawmakers passed a bill repealing the Corporate License Tax during the 2008 Legislative session. The State's Corporate License Tax will be repealed as of July 1, 2008.

“This tax reduction will save all registered corporations roughly \$6.7 million per year,” Morris said. “It is one of several steps taken under the leadership of Governor Joe Manchin to help ease the tax burden on businesses.” While corporations will no longer be taxed for a corporate license, the Secretary of State's office will still require an existing \$25 annual fee for the office's annual report. This fee was formerly called the Attorney-In-Fact Fee. To learn more visit the Secretary of State's office website at www.wvsos.gov

As of July 1, 2010, businesses will no longer have to periodically renew their business registration certificate. When implemented this change will save businesses a total of \$1.8 million in annual fees and eliminate roughly 100,000 tax return filings each year.

“Businesses registrations are valid for two-years,” Morris said, “therefore, if a business registers after July 1, 2008 the license certificate issued will be permanent as there will be no need to re-register as of July 1, 2010.” Until that time, there is a \$30 fee for those renewing their business registration certificate.

Another tax change that will go into effect on July 1 is a final reduction in the state's food tax. The food tax rate will decrease from 4 percent to 3 percent.

Register To Attend 2008 Annual Meeting

Registration is now available for individuals interested in attending this year's Annual Meeting and West Virginia Business Summit of the West Virginia Chamber of Commerce. The event will be held August 27-29 at renowned The Greenbrier Resort.

Visit the web site to obtain complete registration details: <http://www.wvchamber.com>

The W.Va. Chamber's Annual Meeting is the largest gathering of business and government leaders, and last year's event drew in nearly 800 people. The Annual Meeting/Business Summit is attended by CEOs and senior managers of West Virginia's most influential businesses, as well as leading professionals and key legislative and government officials. With the quality of the audience and the high-level exposure available, the Annual Meeting is an excellent place to network and showcase your company's or firm's services or products. For those interested in exhibiting, the cost for an exhibit space is \$1,000 per booth space. Space is limited. Click here to get an exhibit sign-up form.

The key hosts for this year's meeting will be: Premier Host — Huntington Banks, Grand Host — Chesapeake Energy & Executive Hosts — Patriot Coal and Arch Coal

Several sponsorship opportunities for the Chamber's Annual Meeting still are available, but they are going fast. For those interested in sponsorship opportunities, please call Maggie Poling at the Chamber office at (304) 342-1060.

Add Job Openings To State's New 'Come Home' Job Posting Site

The West Virginia Department of Commerce wants to work with state employers to help attract former residents and others to "come home" to the Mountain State. The Department has created a new web-based job posting system – <http://www.hometowv.com/> – so employers can post job openings.

The Commerce Department initiated the "Come Home to West Virginia" campaign in response to Governor Joe Manchin's 2008 State of the State Address. Citing positive economic trends and an improving business climate, Governor Manchin called on former residents to come home, saying it's "a new day in West Virginia, not only for the families who live here, but for the companies that want to do business and create good jobs here."

Come Home is a key theme woven into Commerce's cross-agency marketing of travel, recreation and economic development. Starting this summer and stretching through the end of the year, the department will be promoting quality of life/work themes via online and offline efforts that will target an in-state audience and reach out to the surrounding states and their metro areas, where many West Virginia natives have moved.

Employers interested in participating in this program can submit job openings to: <http://www.hometowv.com>. Just click the "Jobs" tab and then go and post employment opportunities. The site provides links and information for both job seekers and businesses. Another way for employers to participate is to send a high-resolution jpg of your logo, 50 to 60 words describing your business and a link to the online career postings on your Web site. E-mail these to kim.l.harbour@wv.gov or contact Commerce at (304) 558-2003.

Second Annual Business Volunteer Institute To Showcase Effective, Beneficial Practices

The Second Annual Business Volunteer Institute will be held Wednesday, July 16, from 9 a.m. to 12 p.m. at the Charleston Civic Center. Companies, firms and organizations are encouraged to attend,

find out about the benefits and learn how to set up employee volunteer programs. The training event is being organized by the West Virginia Business Volunteer Council, which is a coalition of businesses, associations, labor organizations and professionals that provides leadership in meeting community needs through business and employee volunteerism.

Workshops will cover: “What’s In It for My Business?: The Case for Employee Volunteer Programs” and “Getting Off the Ground: Business/Employee Volunteer Program Start-Up.”

The cost to attend is \$50 a person, which includes training materials, breaks, and lunch. For more information or to get a registration form, please contact Ambrose by calling (304) 679-3970 or by sending an email to jeanambrose@hughes.net.