



Ohio Administrative Code

Rule 4123-17-15.7 Denial or revocation of AEO or PEO registration.

Effective: July 1, 2023

(A) The administrator of workers' compensation shall deny or revoke the registration of an AEO, a PEO, or a PEO reporting entity if it fails to comply with the provisions of rule 4123-17-15.4 of the Administrative Code.

(B) The administrator may deny or revoke the registration of an AEO, a PEO, or a PEO reporting entity upon finding that the AEO, the PEO, or the PEO reporting entity has done any of the following:

(1) Obtained or attempted to obtain registration through misrepresentation, misstatement of a material fact, or fraud;

(2) Misappropriated any funds of a client employer;

(3) Used fraudulent or coercive practices to obtain or retain business or demonstrated financial irresponsibility;

(4) Failed to appear, without reasonable cause or excuse, in response to a subpoena lawfully issued by the administrator; or

(5) Failed to comply with the provisions of rules 4123-17-15 to 4123-17-15.5 of the Administrative Code.

(C) Concurrent with, or upon, the denial or revocation of the registration of an AEO, a PEO, or a PEO reporting entity, the administrator may deny or revoke the registration of any AEO, PEO, or PEO reporting entity, that is majority owned or commonly controlled by the same entity, parent, or controlling person.

(D) An AEO or a PEO may appeal a denial or revocation of status under this rule pursuant to the



administrative hearing procedure set forth in Chapter 119. of the Revised Code.

(E) The administrator's decision to deny or revoke an AEO's registration or a PEO's registration is stayed pending the exhaustion of all administrative appeals by the AEO or the PEO. The bureau of workers compensation may notify client employers of the administrators decision to deny or revoke the registration of the AEO or the PEO upon issuance of the administrator's decision, provided the bureau also notifies client employers that the AEO or the PEO has the right to appeal the administrators decision.

(F) Upon revocation of the registration of an AEO or a PEO, each client employer associated with that AEO or PEO will file payroll reports and pay workers' compensation premiums directly to the administrator on its own behalf at a rate determined by the administrator based solely on the claims experience of the client employer.

(G) If pursuant to this rule the administrator has denied or revoked the registration of an AEO or a PEO, or a PEO reporting entity, then any of the following are ineligible to reapply as an AEO or a PEO, or a PEO reporting entity for a period of two years from the date of denial or revocation of the registration, and rescission of the PEO or PEO reporting entity's status as a coemployer:

(1) The former AEO, the former PEO, or the former PEO reporting entity; or

(2) Any applicant that is majority owned, or commonly controlled, by the same entity, parent, or controlling person of the former AEO, former PEO, or former PEO reporting entity.

(H) When an employer contacts the bureau to determine whether a particular AEO or PEO is registered, if the administrator has denied or revoked that AEO's registration or that PEO's registration, and if all administrative appeals are not yet exhausted when the employer inquires, the appropriate bureau personnel will inform the inquiring employer of the denial, revocation, or rescission and the fact that the AEO or the PEO has the right to appeal the administrator's decision.