

Selling or Buying a Business? What You Need to Know!

“Successorship” or “successors in interest” are terms describing the takeover of one employer’s business by another, generally resulting from a change in ownership due to a purchase, acquisition, or merger.

Both the predecessor (seller) and successor (buyer) must notify BWC of a transfer in operations. The BWC will transfer the employer's claims experience when a new owner wholly assumes the former employer's business. If the new owner assumes only a portion of the business, the BWC only transfers that part of the former employer's experience to the succeeding employer.

Successor employer

If you're the successor and a new employer without Ohio workers' compensation coverage, you must complete an [Application for Ohio Workers' Compensation Coverage \(U-3\)](#). If you already have Ohio workers' compensation coverage, you only need to submit the [Notification of Business Acquisition/Merger or Purchase/Sale \(U-118\)](#).

If you wish to maintain the predecessor employer’s policy, and the predecessor’s coverage is active, you may submit a [Request to Transfer Existing Coverage to Succeeding Employer \(U-115\) \(PDF\)](#). You cannot use the U-115 if you have an active policy or if the former policy was canceled. You must submit form U-118.

Obtaining employer and policy information on a potential seller

To learn about the predecessor employer's experience or outstanding financial obligations **before** you acquire a business, complete the [Request for Business Transfer Information \(AC-4\) \(PDF\)](#). Both seller and potential buyer **MUST** sign this form. The BWC encourages any entity considering the purchase of another entity to use this form to help discover any potential issues with the seller's policy before purchase.

Predecessor employer

After notifying the BWC of the transfer and a request to cancel coverage, the predecessor employer has 45 days from the date of cancellation to report the final payroll, also known as true-up. Your policy must be in a canceled status to access the [Payroll true-up report](#).

Important: If you have additional locations covered under the policy for which a portion of the business was transferred, do **not** complete a cancellation request. Complete the U-118 instead. More information about workers’ comp and selling or buying a business here in Ohio can be found at: [Selling or buying a business | Bureau of Workers' Compensation \(ohio.gov\)](#)

If you have plans to buy or sell a business, please contact our Sedgwick program manager, Julia Bowling at julia.bowling@sedgwick.com or phone 513-218-4062.