



Minnesota Workers' Compensation
Insurers Association, Inc.
7701 France Avenue South ▪ Suite 450
Minneapolis, MN 55435-3200

January 31, 2008

ALL ASSOCIATION MEMBERS

Circular Letter No. 08-1527

RE: 2007 Test Audit Summary Report

Attached are the summary sheets showing the results of the 2007 Test Audit Program by the Minnesota Workers' Compensation Insurers Association, Inc. For your convenience, the report lists all test audits completed between January 1, 2007 and December 31, 2007, and is sorted by carrier ID in the voluntary and assigned risk markets.

If you have any questions regarding this report, please contact one of our Member & Customer Service's staff by calling 952.897.1737 (Option 1) or by emailing info@mwcia.org.

MWCIA

Test Audit Program



Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
1	10170	0402346	869,333	869,333		0
1	10243	0055921	1,912,592	1,978,247	P1 P2 P6	-65,655
		0102938	1,084,998	1,048,500	C1 C2 P4	36,498
		0257311	1,310,324	1,323,084	P4	-12,760
		0282375	1,933,924	2,317,397	P1 P2 P6	-383,473
		0646733	747,091	746,941	C4 P2	150
		0881562	1,191,944	1,191,944		0
		0915084	1,538,596	1,538,700	P2	-104
		1533142	426,595	505,020	P1 P5	-78,425
		1611178	4,503,375	4,503,375		0
		2352494	1,379,881	1,378,219	P6	1,662
1	10448	0655554	502,359	353,118	P1	149,241
		0838691	1,145,901	1,145,901		0
		1239953	770,306	792,190	P6	-21,884
		1932500	332,607	332,607		0
		2367785	785,400	785,400		0
		3053660	769,178	769,178		0
		3119539	397,347	397,347		0
1	11053	0389919	1,488,680	1,488,680		0
		0492337	229,758	229,758		0
		0516112	615,765	615,765		0
		0663646	811,325	811,325		0
		1038613	130,818	130,818		0
		1148800	596,275	596,275		0
		1404393	61,929	61,929		0
		1694260	56,480	56,480		0
		2066440	134,085	134,085		0
		2582236	97,657	99,216	P5	-1,559
		2980037	194,343	194,343		0
		3041786	56,480	56,480		0
1	12122	0047287	502,443	502,443	C4	0
		2080184	1,575,146	1,569,868	P3	5,278
1	12890	2985691	2,648,495	2,648,495	C5	0
		3053733	536,255	437,389	P6	98,866
1	14311	0577332	358,313	358,313		0
		0817309	841,788	841,788		0
		0894770	726,892	726,892		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		1121820	742,365	742,365		0
		1283766	52,834	52,834		0
		2826534	515,222	515,222		0
1	14842	1768166	0	11,546	P1	-11,546
		2708302	141,488	136,637	C5 P2 P6	4,851
		3104512	64,199	64,199	C4	0
1	15539	0008974	409,789	409,789		0
		0052027	295,261	295,261		0
		0155632	162,436	162,436		0
		0258520	5,330,663	5,330,663		0
		0444359	378,636	378,636		0
		0494500	1,302,624	1,302,624		0
		2524830	190,778	190,778		0
1	15571	0221570	52,844	57,996	P6	-5,152
		0612928	110,620	110,620		0
		1108018	212,141	212,141		0
		1642030	261,190	266,696	P6	-5,506
		1740113	186,790	194,710	P1	-7,920
		1853015	280,533	356,652	P1 P2 P6	-76,119
		1928775	435,977	388,622	P1	47,355
		2756900	333,904	339,455	P1	-5,551
		3155736	69,492	91,233	C5 P6	-21,741
		3168328	164,872	164,872		0
1	16446	0041815	644,422	644,422	C4	0
		0064017	318,552	176,491	P1 P2 P6	142,061
		0485292	736,974	720,778	C2 P2 P4	16,196
		0681083	557,015	557,015		0
		0985805	339,788	339,895	C2 P2	-107
		1297694	203,672	203,672		0
		1708350	199,936	158,880	C1 P6	41,056
		1791460	302,622	302,622	C5	0
		1846329	334,733	334,733		0
		3013618	1,069,932	1,069,932		0
1	17035	0835579	218,509	214,614	P3 P6	3,895
		1305034	74,137	73,312	P6	825
		2105454	30,860	32,203	P6	-1,343
		2260158	345,478	373,624	C2 C5 P1	-28,146
		2302586	370,371	371,390	P2 P6	-1,019
		2807912	42,847	42,601	C4 P6	246
1	17124					

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		0565245	556,288	556,288	C4	0
		0872423	898,576	898,576	C5	0
		1839624	1,157,936	1,157,936		0
		2099446	340,953	340,953		0
		2196964	579,954	579,954		0
		2357313	73,719	73,719		0
		2899981	165,818	166,380	P2	-562
		3153743	219,389	250,880	P2 P6	-31,491
		3169547	45,771	45,555	C5 P6	216
		3172079	56,852	56,852		0
		3173552	172,191	172,191		0
		3187234	40,866	36,405	P1 P5	4,461
1	17426	0011835	1,296,659	1,296,659		0
		0101605	1,070,278	1,070,278		0
		0268712	3,158,258	3,158,258		0
		0566489	1,440,453	1,440,453		0
		0826510	2,058,739	2,058,739		0
		0847119	460,890	460,890		0
1	17469	0515884	1,940,036	1,940,036		0
		2076403	1,656,815	1,656,815		0
		2256851	2,282,123	2,282,123		0
1	18147	0312142	95,079	95,079		0
		2234319	100,481	133,933	P5	-33,452
		3021904	129,925	129,925		0
		3142263	215,937	193,085	P5	22,852
		3151192	289,016	312,739	P6	23,723
		3154553	335,060	335,060		0
Quarterly Total Test Audit Payroll :			71,587,246			
Quarterly Total Company Audit Payroll :			71,828,775			
Quarterly Total Payroll Difference :			(241,529)			

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
2	10170	0081647	462,610	458,421	C4 P4 P6	4,189
		0279153	2,919,239	3,037,988	C1 C4 P2 P6	-118,749
		1064240	528,475	498,272	P1 P6	30,203
		1201166	676,995	623,437	P1 P5	53,558
		1339559	1,194,340	1,185,931	C2 P6	8,409
		1389335	1,065,271	990,734	C4 P1 P2 P6	74,537
		1625578	3,153,758	3,153,758	C4	0
		1734334	594,208	609,906	C4 P4	-15,698
		2175010	1,504,803	1,533,952	P1 P2 P6	-29,149
		2982005	1,399,613	1,450,770	C4 P6	-51,157
2	10243	1060910	1,678,112	1,663,826	C1 C4 P2 P4	14,286
		2277182	668,047	668,047		0
2	10448	0577782	2,064,100	2,060,379	C4 P6	3,721
		0655210	807,306	803,992	P6	3,314
		1291033	681,603	681,603		0
		2051940	1,491,934	1,413,503	C2 P4	78,431
		3160625	632,397	478,478	C4 P1	153,919
2	11053	0900982	223,797	223,797		0
		1214241	1,150,550	1,150,550		0
		2455404	190,848	190,848		0
		2637359	308,654	308,654		0
2	12122	0550183	344,268	326,007	C2 P6	18,261
		0627194	778,358	829,619	P1	-51,261
		1205005	271,690	281,469	P1 P3	-9,779
		1822748	216,551	205,011	P1 P2 P6	11,540
		1956213	345,812	353,421	C4 P2 P3	-7,609
		2067145	287,453	277,718	C4 P2 P6	9,735
		2810301	530,343	647,536	P1 P3	-117,193
		2813629	592,341	610,901	C4 P2 P3	-18,560
		2898470	96,220	84,691	P6	11,529
		3159989	169,467	169,980	P2	-513
2	12777	0004235	1,974,588	1,976,505	P2	-1,917
		0021520	4,308,404	4,313,142	P4	-4,738
		0437581	3,651,666	3,515,319	C1 P1 P2 P4	136,347
		0609455	1,623,528	1,617,603	P1	5,925
		1258311	669,877	669,877	C4	0
2	13714	0117854	491,240	491,240		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		0224430	470,796	480,156	P5	-9,360
		0257745	260,432	332,592	P1	-72,160
		0272060	779,045	779,045		0
		0677361	879,023	879,023		0
		1172123	1,056,836	1,051,262	P5	5,574
2	14184	0212814	715,362	715,362		0
		0505196	1,300,468	1,300,468		0
		0645028	2,890,444	2,890,444		0
		1325817	2,417,027	2,417,027		0
		1329049	3,101,368	3,101,368		0
		1888811	470,037	470,037		0
		2276771	501,341	501,341		0
		2549921	1,015,766	1,015,766		0
2	14311	2182459	608,590	608,590		0
2	14842	0065463	1,309,548	1,309,548		0
		0094250	520,246	520,246		0
		0100137	1,888,318	1,888,318		0
		0201286	639,894	639,724	P5	170
		0268208	200,919	200,919		0
		0321273	557,809	557,809		0
		0442739	823,704	823,704		0
		2060868	52,004	52,004	C4	0
2	15385	0017965	319,227	216,783	C4 P1	102,444
		0119431	667,830	844,623	C4 P6	-176,793
		0595012	554,331	549,650	P5	4,681
		0597740	1,477,332	1,453,833	P6	23,499
		0752282	282,188	301,243	P6	-19,055
		1429884	2,111,434	2,111,434	C2 C3	0
		1539116	2,334,471	1,859,001	P1	475,470
		2109077	442,801	442,801		0
		2383594	1,084,045	1,102,327	C4 P2 P4	-18,282
		2682370	628,608	628,608		0
		3074625	347,517	351,411	C1 P2 P4	-3,894
		3166077	563,327	563,481	P2	-154
		3183521	181,181	181,181		0
		3194963	320,533	326,938	P1	-6,405
2	15857	0518425	2,059,480	2,059,480	C1 C4	0
		0891517	1,899,756	1,899,756		0
		1797875	84,548	84,769	P6	-221
		2074290	103,299	138,002	C4 P1	-34,703

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		2604477	696,787	696,787	C1 C4	0
		2812398	819,593	819,593		0
		3191278	816,389	847,225	C1 P1 P2	-30,836
2	15865	0274003	941,316	941,316		0
		0446769	1,077,377	1,077,377		0
		1030256	470,559	470,559		0
		1315994	674,981	670,932	P6	4,049
		1354833	192,521	192,521		0
		1819127	1,886,988	1,886,988		0
		1932411	710,896	710,896		0
		2142066	339,572	339,572		0
		2147041	416,589	416,589		0
		2222663	1,137,434	1,137,434		0
		3168445	743,274	743,274		0
		3190982	986,961	988,455	P6	-1,494
2	16446	0371726	1,192,526	1,192,526		0
		0959260	77,070	77,070		0
		1049054	357,846	357,846		0
		1086383	1,242,536	1,242,536		0
		1729837	588,160	588,160		0
		1834975	187,526	187,526		0
		2264102	990,635	990,635		0
		2294591	1,450,782	1,450,782		0
		2363232	755,261	755,261		0
		2568489	251,652	251,652		0
		2751216	422,909	422,909		0
		2776090	116,283	116,283		0
		2834740	414,553	414,553		0
		3021009	112,718	112,718		0
		3159628	94,416	94,416		0
2	16853	1106910	558,076	546,360	P4	11,716
		1159135	1,104,420	1,074,418	C4 P5	30,002
		1251384	926,894	928,040	C4 P2	-1,146
		1368516	1,437,265	1,162,711	C4 P4 P6	274,554
		1471503	580,425	561,654	P4 P6	18,771
		1494112	933,782	921,581	C4 P4	12,201
		1665901	706,075	595,470	P6	110,605
2	16985	0620980	439,317	439,317	C2	0
		2622572	203,017	213,588	P1	-10,571
		2751356	742,951	774,482	C4 P6	-31,531
		3142372	116,430	116,430		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

2	17035	0582646	288,713	288,713		0
		0604763	353,587	353,587		0
		1903390	564,716	576,986	P5	-12,270
		2093758	387,081	387,081		0
		3191720	522,452	523,394	P5	-942
2	17124	0412333	444,883	444,883		0
		0438154	312,912	312,912		0
		1156527	1,985,172	1,985,172		0
		1320912	197,715	197,715		0
		1794388	352,673	352,673		0
		1832530	1,827,929	1,827,929		0
		2380706	395,705	395,705		0
2	17426	1757687	698,973	699,173	P6	-200
		3181583	283,079	283,079		0
2	17469	0705659	2,887,066	2,887,066		0
		2262401	947,057	947,057		0
2	27669	0636428	4,682,748	4,682,748		0
		0919861	3,136,937	3,136,937		0
		1284002	1,698,920	1,698,920		0
		2814617	1,009,515	1,009,515		0

Quarterly Total Test Audit Payroll : **128,561,946**

Quarterly Total Company Audit Payroll : **127,726,646**

Quarterly Total Payroll Difference : **835,300**

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
3	10170	3162777	632,831	632,831	C4	0
3	10243	2044242	186,410	303,267	P1 P2	-116,857
3	12416	0534773	1,081,147	1,093,536	C4 P4	-12,389
		0646130	2,388,029	2,327,493	C1 P6	60,536
3	15857	0780863	2,076,180	2,076,180	C4	0
		3147011	717,788	2,632,035	P6	-1,914,247
		3177991	299,835	246,015	P6	53,820
		3198306	217,658	288,060	C3 C4 P1 P4 P6	-70,402
3	15865	0508446	1,914,868	1,914,868		0
		0525600	477,827	477,827		0
		0947024	1,787,056	1,787,056		0
		1196618	1,062,072	1,062,072		0
		1891987	2,412,749	2,412,749		0
		1936875	1,351,889	1,351,889		0
		2072238	2,642,647	2,642,647		0
		2118602	2,277,474	2,277,474		0
		2331080	382,414	382,414		0
		2398990	130,546	130,546		0
		3072444	1,306,164	1,306,164		0
		3134153	588,339	588,339		0
		3144247	155,724	155,724		0
		3156843	1,054,471	1,054,471		0
		3205693	1,425,788	1,425,788		0
3	16713	0771775	1,098,026	1,098,026		0
		3207403	1,817,031	1,817,031		0
3	16853	0203173	885,250	875,010	P6	10,240
		0345652	544,300	544,300	C4	0
		1965727	383,692	393,851	P4	-10,159
3	16985	0150452	195,795	195,795		0
		0874647	117,360	117,360		0
		1019619	613,612	613,612	C1	0
		1710729	333,936	333,936	C4	0
		2168910	453,554	445,458	P3	8,096
		2530503	97,506	93,990	C3 P6	3,516
		2719606	593,193	581,930	P3	11,263
		2809559	251,657	251,657		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		2840618	180,130	183,837	P3	-3,707
		3063534	237,730	235,586	P2 P4	2,144
3	18147	0453099	1,836,991	1,910,421	C4 P2 P5 P6	-73,430
		0674451	273,453	273,302	C3 P5	151
		2691108	447,150	417,978	C4 P1	29,172
		3142238	128,198	128,198		0
3	18244	3135414	138,938	139,335	P2	-397
		3166105	195,767	192,884	P4	2,883
3	19879	0745359	5,312,281	5,312,281		0
		1884549	576,135	576,135		0
		2235218	316,691	316,691		0
		2992590	384,806	384,806		0
		3038491	2,761,318	2,761,318		0
		3197379	198,329	198,329		0
3	22799	0672300	593,630	593,630	C4	0
		0716170	103,249	107,243	P1 P2	-3,994
		1292153	378,814	378,814	C1	0
		2604833	435,687	435,687	C3 C4	0
		2788462	573,218	573,218	C4	0
		3002616	1,481,665	1,481,794	C1 P2	-129
		3159332	344,326	344,326		0
		3166932	175,938	174,323	P2 P6	1,615
3	24562	0144010	208,479	208,479	C4	0
		0221538	630,836	630,836	C4	0
		0716715	1,010,390	1,010,390		0
		1735330	76,499	78,060	P3	-1,561
		2021234	3,589,375	3,616,904	P4	-27,529
		2280698	780,622	780,622		0
		2544334	95,875	95,210	P6	665
		2884860	188,765	188,765		0
		3187018	795,593	779,521	P5	16,072
3	24759	0201782	368,650	387,769	P1	-19,119
		0386383	1,166,042	1,166,042	C4	0
		0468177	1,330,379	1,326,671	C3 P2 P6	3,708
		0763020	3,159,830	3,460,964	P1 P5	-301,134
		0997331	3,120,393	3,151,284	P1 P6	-30,891
		1124390	979,875	979,705	C3 P2	170
		1284649	2,041,472	2,060,816	C4 P1	-19,344
		1843273	848,213	848,213	C1	0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

3	27669	3182141	91,411	94,107	P6	-2,696
		1223810	1,305,582	1,487,249	P5	-181,667
		1885421	108,552	107,524	P5	1,028
		2651580	1,217,061	1,217,061		0
		3173658	1,554,753	1,554,753		0
		3205882	5,012,795	5,279,327	P5 P6	-266,532
3	35866	0671886	475,543	482,749	P5 P6	-7,206
		0874213	490,960	497,461	P5 P6	-6,501
		1463438	573,678	645,331	P5 P6	-71,653
		1843427	844,669	789,785	P5 P6	54,884
		2950871	574,207	654,355	P5 P6	-80,148
		3131032	437,777	379,561	P5 P6	58,216

Quarterly Total Test Audit Payroll : **84,607,148**

Quarterly Total Company Audit Payroll : **87,510,661**

Quarterly Total Payroll Difference : **(2,903,513)**

MWCIA

Information & Services

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
4	10170	0304913	2,150,521	2,150,521		0
		1307053	615,814	615,814	C4	0
		1357042	497,009	479,010	P1	17,999
		1459490	212,969	180,609	P2 P6	32,360
4	11037	1447343	34,028	32,728	P4	1,300
		2033500	140,732	140,732		0
		2800110	259,602	267,250	P1 P2 P3	-7,648
		3148728	177,790	177,790		0
		3158635	447,783	447,783		0
		3189263	391,623	391,623		0
4	12416	1749560	899,540	870,561	C4 P3 P6	28,979
4	16446	0322679	1,552,749	1,552,749		0
		0707279	1,761,720	1,761,720		0
		0812935	3,598,041	3,598,041		0
		0834734	196,564	196,564		0
		0840700	1,204,894	1,204,894		0
		0932523	2,564,847	2,564,847		0
		1033840	968,384	968,384		0
		1166727	248,918	248,918		0
		1278800	10,347,077	10,347,077		0
		1738615	3,214,172	3,214,172		0
		1853015	386,238	386,238		0
		2169576	193,084	193,084		0
		2368897	291,940	291,940		0
		3158960	179,851	179,851		0
		3191550	142,720	142,720		0
4	16713	1106147	1,103,329	1,103,329		0
4	16985	2694794	182,280	174,507	P3 P5	7,773
4	18147	0329550	224,892	193,804	P6	31,088
		0687707	130,914	131,396	C4 P3	-482
		0996777	1,162,241	1,164,123	C4 P5	-1,882
		1008099	1,030,476	960,275	P1	70,201
		1221981	248,225	240,353	C3 P3	7,872
4	18244	0618870	71,648	71,648		0
		0727270	116,821	78,279	P6	38,542
		2248727	83,849	83,849	C4	0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

		2288931	663,143	661,944	C4 P2 P4 P5	1,199
		2293633	190,852	199,441	P6	-8,589
		2700816	188,632	146,600	P1 P6	42,032
		3011208	223,513	222,513	P5	1,000
4	19879					
		1966324	477,767	404,152	P5	73,615
		3135336	243,684	243,684		0
4	22799					
		1317687	953,908	953,908	C4	0
		1373757	226,711	234,971	P1 P3	-8,260
		1687808	350,715	344,951	P2 P3	5,764
		1737791	71,788	71,388	P3	400
		1998064	381,808	381,808	C4	0
4	24562					
		0071293	598,441	598,441		0
		0774154	382,691	383,230	C4 P1	-539
		1014994	99,622	97,322	C4 P6	2,300
		3128877	100,789	99,586	C4 P4	1,203
4	24759					
		0081523	2,063,937	2,024,756	C4 P6	39,181
		0488593	92,351	92,351		0
		2110792	73,647	67,222	C1 P6	6,425
		2822024	1,440,148	1,440,148		0
4	27669					
		0009148	5,595,961	5,595,961		0
		0125407	707,369	707,369		0
		0512770	1,799,439	1,774,769	P5	24,670
		1339800	1,133,090	1,133,090		0
		1368893	377,065	377,065		0
		2605430	2,188,510	2,198,805	P5	-10,295
4	35866					
		0590258	636,364	659,429	P5	-23,065
		1113356	1,083,513	1,083,513		0

Quarterly Total Test Audit Payroll : **59,378,743**

Quarterly Total Company Audit Payroll : **59,005,600**

Quarterly Total Payroll Difference : **373,143**

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2007 - December 31, 2007

YTD Total Test Audit Payroll :	344,135,083
YTD Total Company Audit Payroll :	346,071,682
YTD Total Payroll Difference :	(1,936,599)

Summary of Errors :

Error	Count of Errors	Error	Count of Errors
P1	44	C1	15
P2	41	C2	9
P3	18	C3	8
P4	24	C4	58
P5	34	C5	7
P6	72		
P7	0		

Total Audits: 392

Total Audits
w/ Differences: 198

Percentage of
Audits showing
Differences: 50.5 %

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other

MWCIA

Test Audit Program



Assigned Risk - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**Assigned Risk Market - Physical Audits****Test Audits Completed January 1, 2007 - December 31, 2007**

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
1	21466	1917099	315,113	360,612	P5	-45,499
		2040620	153,774	160,079	P1 P6	-6,305
		2415011	3,051,193	2,965,244	C5 P3 P4	85,949
		3121982	723,039	719,314	P3	3,725
1	39579	2351684	275,837	275,837		0
		2476282	3,721,281	3,721,281		0
Quarterly Total Test Audit Payroll :			8,240,237			
Quarterly Total Company Audit Payroll :			8,202,367			
Quarterly Total Payroll Difference :			37,870			

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
2	21466	0079995	375,332	378,030	C4 P2	-2,698
		0354481	614,037	615,013	C4 P2	-976
		0461865	237,959	237,959	C2	0
		0495905	187,941	192,866	C2 P1 P3	-4,925
		0750212	545,914	531,333	P2 P6	14,581
		0832499	1,120,854	1,158,294	P1	-37,440
		1302094	1,008,712	966,120	C1 C4 P2 P6	42,592
		1854798	1,010,485	998,586	C2 P1 P2	11,899
		1920405	1,012,136	938,162	C1 P6	73,974
		2250705	287,088	287,847	C1 C4 P6	-759
		2299348	564,767	569,943	C1 C4 P1 P6	-5,176
		2300524	228,195	218,036	P4 P6	10,159
		2678543	425,596	425,596		0
		2690160	466,545	466,545		0
		2695987	99,559	99,559		0
		2968002	666,133	666,133		0
		2981548	636,844	636,844		0
		3038050	196,461	196,461		0
		3135937	947,949	947,949		0
		3158449	94,036	94,036		0
		3185235	564,852	564,852		0
2	39579	0568775	425,574	551,172	C4 P1 P6	-125,598
		1098500	939,994	948,639	P6	-8,645
		2135310	97,977	97,977		0
		2152134	4,086,713	4,086,713		0
		2181908	214,530	214,530		0
		2254328	377,901	377,901		0
		2354756	163,526	163,526		0
		2472635	106,391	106,391		0
		2500140	290,107	290,107		0
		2544911	1,053,792	1,053,792		0
		2581817	161,837	161,837		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

Quarterly Total Test Audit Payroll :	19,209,737
Quarterly Total Company Audit Payroll :	19,242,749
Quarterly Total Payroll Difference :	(33,012)

- * The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
3	21466	0020338	325,168	348,159	C4 P3	-22,991
		0060879	425,736	371,298	P1	54,438
		0971430	599,211	599,211	C1 C4	0
		1030914	468,278	468,278		0
		1195000	679,360	696,305	P2	-16,945
		1744208	206,746	206,509	P6	237
		1903098	532,094	532,094		0
		2049961	879,759	878,319	C1 C4 P6	1,440
		2390914	1,632,642	1,674,355	P5 P6	-41,713
		3218952	283,771	283,771		0
3	39579	0139378	251,287	251,287		0
		0974943	479,847	501,723	P1 P4	-21,876
		1462814	449,986	276,410	C4 P1 P3	173,576
		1823183	75,671	75,671	C1 C4	0
		2099780	72,487	72,487	C4	0
Quarterly Total Test Audit Payroll :			7,362,043			
Quarterly Total Company Audit Payroll :			7,235,877			
Quarterly Total Payroll Difference :			126,166			

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
4	21466	0405620	824,179	794,346	P6	29,833
		0460281	297,448	297,694	P4	-246
		0501832	2,662,544	2,662,544	C4	0
		1454668	2,319,288	2,325,442	P4	-6,154
		1904701	1,160,185	1,179,898	P2	-19,713
		2030705	1,839,138	1,977,458	P1	-138,320
		2104695	313,422	323,555	C4 P4	-10,133
		2357003	2,040,949	684,049	C1 P7	1,356,900
		2435080	1,974,162	1,974,162		0
		2783940	6,096,718	5,996,940	P5	99,778
		3126474	1,889,008	1,889,008		0
4	39579	0259756	182,339	182,470	P2	-131
		0283363	126,903	126,903		0
		1671863	430,260	424,799	C4 P2	5,461
		2069989	73,589	170,746	P6	-97,157
		2197359	703,097	703,097		0
		2388367	2,412,727	2,411,858	P6	869
		2598027	525,934	525,934		0
		2712385	517,697	517,697		0
		2809494	664,161	664,161		0
		3149896	164,876	164,876		0
Quarterly Total Test Audit Payroll :			27,218,624			
Quarterly Total Company Audit Payroll :			25,997,637			
Quarterly Total Payroll Difference :			1,220,987			

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Physical Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Physical". This will include audits in the > \$3,000 premium range and are experience rated.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2007 - December 31, 2007

YTD Total Test Audit Payroll :	62,030,641
YTD Total Company Audit Payroll :	60,678,630
YTD Total Payroll Difference :	1,352,011

Summary of Errors :

Error	Count of Errors	Error	Count of Errors
P1	10	C1	8
P2	9	C2	3
P3	5	C3	0
P4	6	C4	15
P5	3	C5	1
P6	15		
P7	1		

Total Audits: 74

Total Audits
w/ Differences: 42

Percentage of
Audits showing
Differences: 56.8 %

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other

MWCIA

Test Audit Program



Assigned Risk - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
1	21466	0118400	94,209	93,880	C2 C5 P6	329
		0562068	381,449	382,107	P5	-658
		1106414	328,343	328,833	P5	-490
		1244779	76,383	76,383		0
		1325949	122,354	122,354		0
		1393812	920,628	925,405	P6	-4,777
		1455214	369,452	344,795	P5	24,657
		1589695	45,360	45,360		0
		1951483	174,091	197,924	P5	-23,833
		1969200	94,603	94,603		0
		2040220	279,338	257,489	P1	21,849
		2112906	201,598	189,679	P6	11,919
		2153459	64,166	64,166		0
		2155737	343,765	336,477	C1 P4	7,288
		2229897	169,751	174,103	P6	-4,352
		2249499	92,848	92,848		0
		2291975	212,439	232,585	C5 P6	-20,146
		2346060	57,689	47,141	P5	10,548
		2393115	59,067	59,612	P2	-545
		2573768	278,602	278,602	C3	0
		2587696	450,329	440,000	P5	10,329
		2775948	123,993	120,260	P2 P4	3,733
		2791609	187,692	187,692		0
		2882795	82,247	82,247		0
		2897539	73,060	73,060		0
		3115214	131,898	160,320	P1 P6	-28,422
		3115598	111,251	99,052	P6	12,199
		3121838	74,620	74,620		0
		3137985	231,307	231,307		0
1	39579	0410160	1,365,935	1,365,935		0
		0697427	12,691	13,500	P1	-809
		0920975	850,806	826,631	P5	24,175
		0925390	48,297	48,297		0
		1326040	60,063	160,000	P6	-99,937
		1473158	68,972	68,243	C1 P3	729
		1800272	747,374	652,203	P5	95,171
		1921606	332,050	350,390	P5	-18,340
		2026325	1,426,178	1,500,034	P1	-73,856
		3112573	173,695	170,578	P6	3,117
		3189006	65,276	51,404	P1 P6	13,872

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

Quarterly Total Test Audit Payroll :	10,983,869
Quarterly Total Company Audit Payroll :	11,020,119
Quarterly Total Payroll Difference :	(36,250)

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include all audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
2	21466					
		0123110	256,111	273,996	C1 C4 P6	-17,885
		1325892	381,284	258,677	C1 P1 P6	122,607
		2317087	178,956	175,554	C1 C4 P3 P6	3,402
2	39579					
		0449776	352,067	439,132	P1	-87,065
		1673467	135,828	134,382	C4 P6	1,446
		1817957	432,903	432,903	C1	0

Quarterly Total Test Audit Payroll : **1,737,149**

Quarterly Total Company Audit Payroll : **1,714,644**

Quarterly Total Payroll Difference : **22,505**

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include all audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
3	21466	0611409	1,068,120	1,051,915	C1 P1 P6	16,205
		1536745	428,979	428,979		0
		2801078	550,998	771,332	P5	-220,334
		2968207	240,120	196,801	P6	43,319
		3078507	1,111,501	1,543,500	P5	-431,999
		3142834	365,762	374,420	P6	-8,658
		3168358	76,390	76,390		0
3	39579	0154342	96,763	86,727	C4 P3 P4	10,036
		0329592	167,337	167,337	C1 C4	0
		0994057	912,865	902,220	C1 C4 P1 P6	10,645
		2552507	261,106	261,106		0
		2583194	839,096	839,096		0
Quarterly Total Test Audit Payroll :			6,119,037			
Quarterly Total Company Audit Payroll :			6,699,823			
Quarterly Total Payroll Difference :			(580,786)			

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include all audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

<u>Quarter:</u>	<u>Carrier ID</u>	<u>AFN Number</u>	<u>Test Audit Payroll</u>	<u>Company Audit Payroll</u>	<u>Reason Code(s)</u>	<u>Total Payroll Difference</u>
4	21466					
		0200280	358,016	340,308	P6	17,708
		0213373	95,186	162,918	C2 C4 P1	-67,732
		1211595	1,135,546	971,729	P1 P6	163,817
		1322338	247,220	258,080	P3	-10,860
		2199432	406,615	462,496	C4 P6	-55,881
		2670860	122,117	122,327	P5	-210
		3140076	185,218	185,218		0
		3144961	200,985	199,275	P6	1,710
		3192384	56,785	58,739	P2	-1,954
		3194857	803,970	807,635	P5	-3,665
4	39579					
		1059300	146,410	190,240	P2 P6	-43,830
		3061833	261,128	285,195	P5	-24,067
		3132698	202,125	202,125		0
		3195374	82,903	82,903		0

Quarterly Total Test Audit Payroll : **4,304,224**

Quarterly Total Company Audit Payroll : **4,329,188**

Quarterly Total Payroll Difference : **(24,964)**

* The selection criteria for this report is based on a flag which indicates whether it is a "Physical" or a "Mail" audit. The audits shown in this "Assigned Risk Market - Mail Audits" report are those audits that were completed within the time frame indicated in the report header, which passed the data validation and have been flagged as "Mail". This will include all audits between the \$3,000 - \$10,000 range that are experience rated (only those flagged as "Mail" audits). This will not include audits with a premium greater than \$10,000.

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2007 - December 31, 2007

YTD Total Test Audit Payroll :	23,144,279
YTD Total Company Audit Payroll :	23,763,774
YTD Total Payroll Difference :	(619,495)

Summary of Errors :

Error	Count of Errors	Error	Count of Errors
P1	11	C1	9
P2	4	C2	2
P3	4	C3	1
P4	3	C4	8
P5	14	C5	2
P6	23		
P7	0		

Total Audits: 72

Total Audits
w/ Differences: 52

Percentage of
Audits showing
Differences: 72.2 %

Difference Reasons

Payroll Differences:

- P1: Officer, partner, individual and family members payroll inclusion, exclusion or limitation
- P2: Overtime Credit
- P3: Reported payroll not within policy period dates
- P4: Rule 2 payroll inclusions/exclusions
- P5: Mathematical - extension errors
- P6: All other differences
- P7: Accepting insured figures without an audit

Classification Differences:

- C1: Standard exceptions
- C2: Executive officers, partners, sole proprietors
- C3: Improper splitting of individuals payrolls
- C4: Classification variance
- C5: All Other