



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

February 21, 2013

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 13-1631

**RE: 2012 Test Audit Summary Report**

Attached are the summary sheets showing the results of the 2012 Test Audit Program by the Minnesota Workers' Compensation Insurers Association, Inc. For your convenience, the report lists all test audits completed between January 1, 2012, and December 31, 2012, and is sorted by carrier ID in the voluntary and assigned risk markets.

If you have any questions regarding this report, please contact Jeff Kvam, Underwriting Supervisor, at 952-897-6414 or by emailing [jeff.kvam@mwcia.org](mailto:jeff.kvam@mwcia.org).

# **MWCIA**

## **Test Audit Program**



### **Voluntary Market**

**Test Audits Completed January 1, 2012 - December 31, 2012**

# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0497703	10545	91,781	91,781		0
	3375993	10545	146,958	146,958		0
	3317952	10545	151,243	151,243		0
	0825735	10545	300,281	300,281		0
	3171024	10545	305,336	305,336		0
	2466767	10545	242,960	242,960		0
	1550039	10545	76,962	76,962		0
	3221996	10863	119,500	119,500		0
	3228119	10863	647,541	647,541		0
	2828685	14451	239,526	236,608	C4 C5 P1 P6	2,918
	0875252	15865	377,897	377,897		0
	3201977	16144	209,107	209,107		0
	3165642	16144	238,242	238,242		0
	3150055	16144	419,206	419,206		0
	0943290	16144	944,118	944,118		0
	0380369	16144	864,863	864,863		0
	3199665	16144	942,334	942,334		0
	0011584	17426	130,397	276,714	P7	-146,317
	3242718	17426	637,199	634,910	C4 P1 P6	2,289
	3224096	17426	104,415	104,415		0
	3205007	17426	95,806	78,587	P1 P3	17,219
	0067083	17426	246,867	237,396	P1 P5	9,471
	0715891	17426	1,065,586	896,662	C4 P1 P3 P4	168,924
	0456179	17426	620,259	620,259	C4	0
	3112553	17426	1,221,849	1,198,542	C4 P3	23,307
	2900122	17426	128,947	130,966	C4 P3	-2,019
	2220962	17426	258,230	286,873	C1 P1	-28,643
	1844210	17426	166,465	96,822	C4 P2	69,643
	3152650	19968	1,319,947	1,490,281	C1 P1	-170,334
	3147807	19968	85,211	100,974	P1	-15,763
	3120915	19968	218,554	218,554	C1 C4	0

# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2116464	19968	164,875	163,000	P6	1,875
	1928724	19968	267,133	335,000	C1 P7	-67,867
	0855758	19968	981,113	996,081	C4 P3	-14,968
	0558621	19968	110,581	110,581	C4	0
	0544760	19968	331,486	353,587	C4 P1	-22,101
	0511960	19968	297,464	315,623	P6	-18,159
	0435910	19968	1,826,510	1,846,269	C4 P1	-19,759
	0106003	19968	621,418	621,418		0
	0145580	19968	35,318	62,853	C4 P3 P6	-27,535

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Quarterly Total Test Audit Payroll: **17,253,485**

Quarterly Total Company Audit Payroll: **17,491,304**

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Quarterly Total Payroll Difference: **(237,819)**

**MWCIA**

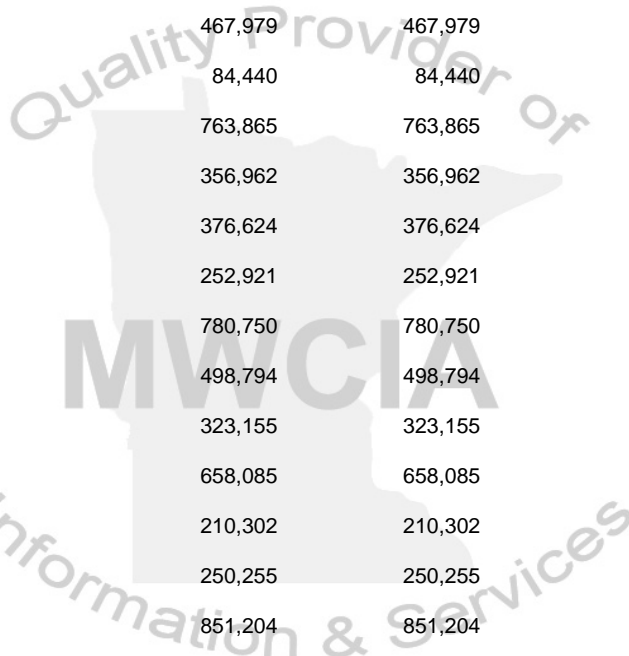
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Information & Services

# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3383472	12882	556,893	563,022	C4 P2	-6,129
	3158346	12890	296,953	376,843	P1	-79,890
	3143629	13633	141,421	96,387	P6	45,034
	3220783	13633	1,842,108	1,829,984	P7	12,124
	0068578	13633	2,035,585	2,034,165	C1 P1	1,420
	3290928	13633	368,119	462,500	P7	-94,381
	2547635	13633	218,754	231,754	C4 P1	-13,000
	2751135	15865	467,979	467,979		0
	2773490	15865	84,440	84,440		0
	3110929	15865	763,865	763,865		0
	3170542	15865	356,962	356,962		0
	3164752	15865	376,624	376,624		0
	0623628	15865	252,921	252,921		0
	1219146	15865	780,750	780,750		0
	0921920	15865	498,794	498,794		0
	0547778	15865	323,155	323,155		0
	0315834	15865	658,085	658,085		0
	1345630	15865	210,302	210,302		0
	2313820	15865	250,255	250,255		0
	2320053	15865	851,204	851,204		0
	2389479	15865	998,391	998,391		0
	2834340	15873	335,582	327,000	P1 P6	8,582
	3426035	15873	633,651	633,651	C4	0
	3141756	15873	99,433	111,074	P7	-11,641
	3153106	15873	338,244	382,964	C4 P1	-44,720
	1581856	15873	59,008	59,008	C4	0
	3211191	15873	74,278	74,278		0
	2101912	15873	280,870	225,478	P6	55,392
	2555344	15873	773,105	798,740	P4 P6	-25,635
	3282170	15962	99,455	99,455		0
	2903202	15962	77,010	76,050	P3	960

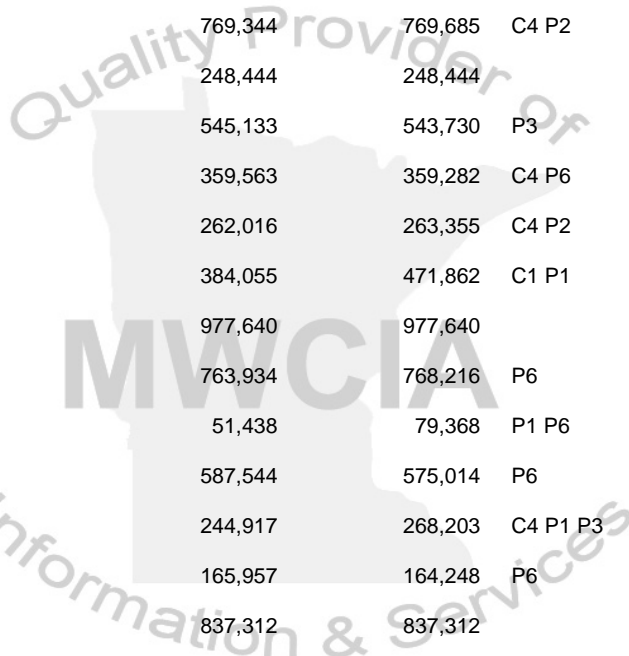


# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3250862	15962	48,703	66,176	C4 P1	-17,473
	3226406	15962	66,891	72,556	P6	-5,665
	1262149	15962	220,810	220,810		0
	3193261	15962	67,063	59,140	P6	7,923
	1278150	15962	129,471	129,849	P2	-378
	1450450	15962	89,947	89,947		0
	1462229	16985	759,289	759,289		0
	3289645	17124	769,344	769,685	C4 P2	-341
	3171112	17124	248,444	248,444		0
	1312294	17124	545,133	543,730	P3	1,403
	3196231	19968	359,563	359,282	C4 P6	281
	0826260	19968	262,016	263,355	C4 P2	-1,339
	0369462	22241	384,055	471,862	C1 P1	-87,807
	0147869	22241	977,640	977,640		0
	2027038	22241	763,934	768,216	P6	-4,282
	1791990	24430	51,438	79,368	P1 P6	-27,930
	2854163	24430	587,544	575,014	P6	12,530
	1533916	24430	244,917	268,203	C4 P1 P3	-23,286
	0726850	24430	165,957	164,248	P6	1,709
	2176785	24759	837,312	837,312		0
	2282879	24759	128,384	128,384		0
	2921812	24759	91,802	91,802		0
	2973774	24759	203,266	203,266		0
	3057216	24759	130,590	130,590		0
	3098605	24759	133,333	133,333		0
	3105383	24759	416,309	416,309		0
	3117267	24759	175,441	175,441		0
	0126829	24759	522,986	522,986		0
	0170470	24759	308,352	308,352		0
	0227560	24759	591,898	591,898		0
	0281441	24759	284,951	284,951		0

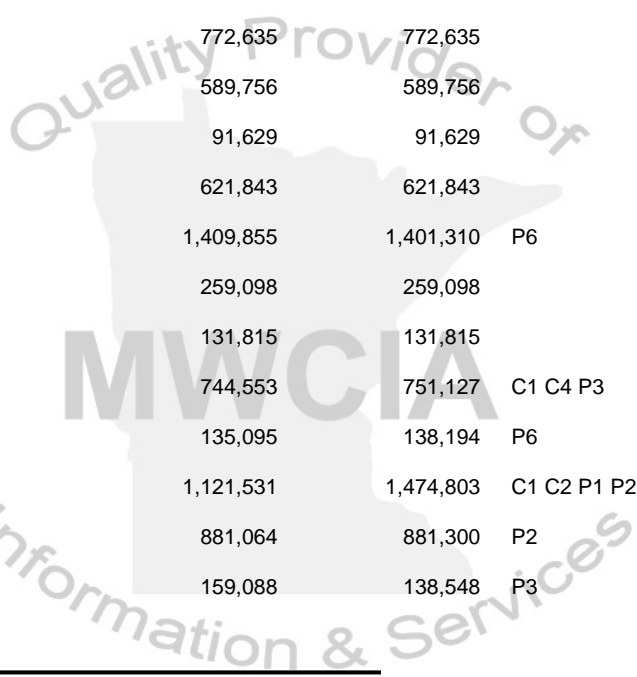


# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0313653	24759	524,409	524,409		0
	0354325	24759	660,318	660,318		0
	0458210	24759	210,428	210,428		0
	0705632	24759	950,228	950,228		0
	1219278	24759	210,374	210,374		0
	1849310	24759	586,734	586,734		0
	0973548	33928	627,464	627,464		0
	0392626	33928	772,635	772,635		0
	0254053	33928	589,756	589,756		0
	1492373	33928	91,629	91,629		0
	2586339	33928	621,843	621,843		0
	3157592	69103	1,409,855	1,401,310	P6	8,545
	3221840	69103	259,098	259,098		0
	2205521	69103	131,815	131,815		0
	1990098	69103	744,553	751,127	C1 C4 P3	-6,574
	1122657	69103	135,095	138,194	P6	-3,099
	0397989	69103	1,121,531	1,474,803	C1 C2 P1 P2 P4	-353,272
	0212679	69103	881,064	881,300	P2	-236
	2376318	69103	159,088	138,548	P3	20,540
Quarterly Total Test Audit Payroll:			<b>36,358,896</b>			
Quarterly Total Company Audit Payroll:			<b>36,989,531</b>			
Quarterly Total Payroll Difference:			<b>(630,635)</b>			



# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0344885	11568	1,296,534	1,296,534		0
	0476250	11568	405,139	416,952	P4	-11,813
	3228962	12890	1,019,996	975,588	C1 P1 P4	44,408
	0424749	12890	333,186	333,186		0
	3206210	12890	483,528	482,974	C4 P2	554
	3001008	14184	901,385	901,385	C4	0
	3179640	14184	437,334	426,311	P3	11,023
	1413856	14184	637,833	637,833		0
	2887487	14184	603,469	601,467	P5	2,002
	0910236	14184	1,575,401	1,490,964	P3 P4	84,437
	0220361	14184	382,954	385,552	C1 P6	-2,598
	1250868	14451	1,614,014	1,614,014		0
	2002825	14451	1,672,816	1,678,314	P4	-5,498
	2292114	14451	1,868,807	1,767,373	C1 P1 P2 P6	101,434
	2400464	14451	572,957	572,957	C1	0
	3239191	14451	294,961	389,118	C4 P1 P6	-94,157
	0221600	14451	397,251	411,251	P3 P6	-14,000
	1187473	14451	780,158	797,384	C2 C4 P4	-17,226
	0952176	14451	395,089	395,089		0
	2422603	15571	579,051	579,051	C2	0
	3238722	15571	765,347	770,612	C1 P1	-5,265
	3138619	15865	407,188	407,188		0
	3166931	15865	225,568	225,568		0
	2863006	15865	845,240	845,240		0
	2821575	15865	365,499	365,499		0
	2792184	15865	797,914	797,914		0
	2411253	15865	446,456	446,456		0
	2124807	15865	484,651	484,651		0
	2006561	15865	354,838	354,838		0
	1417975	15865	347,488	347,488		0
	0897418	15865	555,060	555,060		0

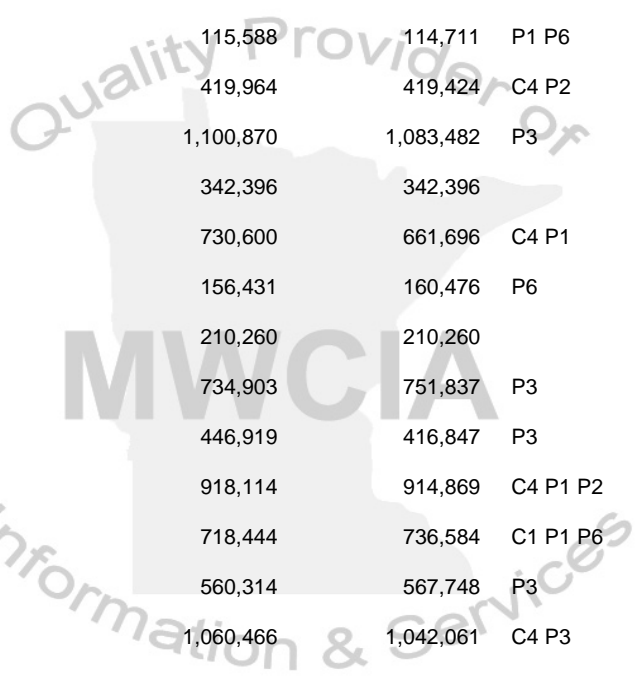


# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0820890	15865	360,859	360,859		0
	0811700	15865	170,427	170,427		0
	0792837	15865	476,258	476,258		0
	0681954	15865	792,110	792,110		0
	0080144	15865	738,314	738,314		0
	3213330	15873	697,014	452,106	C3 P6	244,908
	3210958	15962	61,649	60,197	C4 P2	1,452
	2623102	15962	115,588	114,711	P1 P6	877
	0801046	16446	419,964	419,424	C4 P2	540
	3205028	16446	1,100,870	1,083,482	P3	17,388
	0673234	16446	342,396	342,396		0
	0496634	16446	730,600	661,696	C4 P1	68,904
	0055913	16446	156,431	160,476	P6	-4,045
	0042838	16446	210,260	210,260		0
	3167241	16446	734,903	751,837	P3	-16,934
	3192134	16446	446,919	416,847	P3	30,072
	1122070	16446	918,114	914,869	C4 P1 P2	3,245
	1893920	16446	718,444	736,584	C1 P1 P6	-18,140
	2133610	16446	560,314	567,748	P3	-7,434
	0686182	16446	1,060,466	1,042,061	C4 P3	18,405
	3217537	16985	475,711	475,711		0
	1394274	16985	82,494	82,494		0
	2287110	16985	135,558	135,558		0
	2550393	16985	177,413	177,413		0
	3122399	16985	68,038	68,038		0
	2514516	17124	813,212	813,212		0
	3078663	17124	185,146	181,232	P4	3,914
	1312340	17124	198,679	204,679	P1	-6,000
	2806193	17124	690,133	690,133		0
	3192512	17124	150,570	150,570		0
	1496450	17124	204,103	204,713	P5	-610

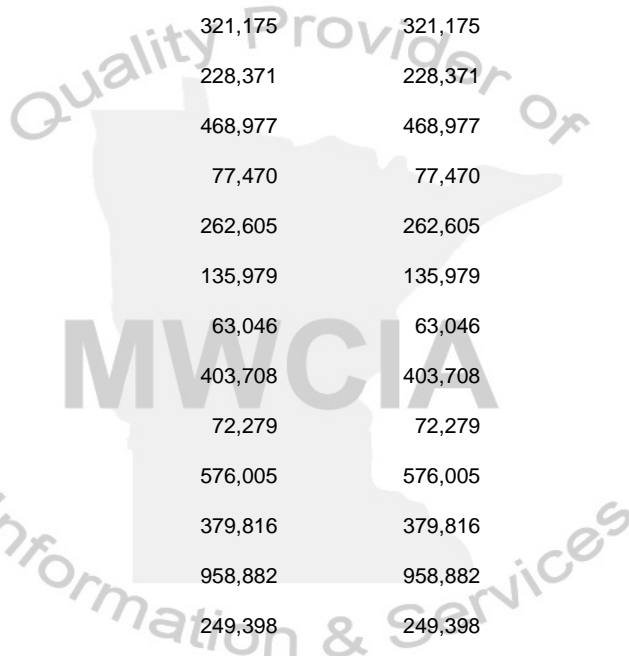


# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1903071	17124	397,669	407,130	C4 P6	-9,461
	3144126	17124	395,974	395,974		0
	3128037	22241	205,145	213,405	P3	-8,260
	1786920	22241	253,431	197,969	P2 P6	55,462
	3150394	22241	695,016	695,016		0
	2167972	22241	645,594	633,728	C1 P1 P6	11,866
	0383708	24430	216,855	223,757	C4 P6	-6,902
	3415154	24759	321,175	321,175		0
	3218517	24759	228,371	228,371		0
	3215539	24759	468,977	468,977		0
	3118941	24759	77,470	77,470		0
	3171196	24759	262,605	262,605		0
	3040526	24759	135,979	135,979		0
	2983958	24759	63,046	63,046		0
	2976480	24759	403,708	403,708		0
	2796244	24759	72,279	72,279		0
	2630656	24759	576,005	576,005		0
	1869230	33928	379,816	379,816		0
	3215235	33928	958,882	958,882		0
	3211909	33928	249,398	249,398		0
	3201837	33928	873,834	873,834		0
	3153974	33928	171,162	171,162		0
	0458570	33928	783,838	783,838		0
	0935786	33928	709,459	709,459		0
	3226853	33928	253,256	253,256		0
	2574640	33928	817,063	817,063		0
	2661195	33928	590,201	590,201		0
	3180874	33928	603,189	603,189		0
	3201828	33928	590,890	590,890		0
	1020250	38660	338,103	409,211	C4 P1 P2	-71,108
	0268534	38660	1,604,099	1,641,766	P5 P6	-37,667



# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0240796	38660	1,178,612	1,175,298	P6	3,314
	0118230	38660	1,454,293	1,454,293	C4	0

Quarterly Total Test Audit Payroll: **52,815,463**

Quarterly Total Company Audit Payroll: **52,448,376**

Quarterly Total Payroll Difference: **367,087**

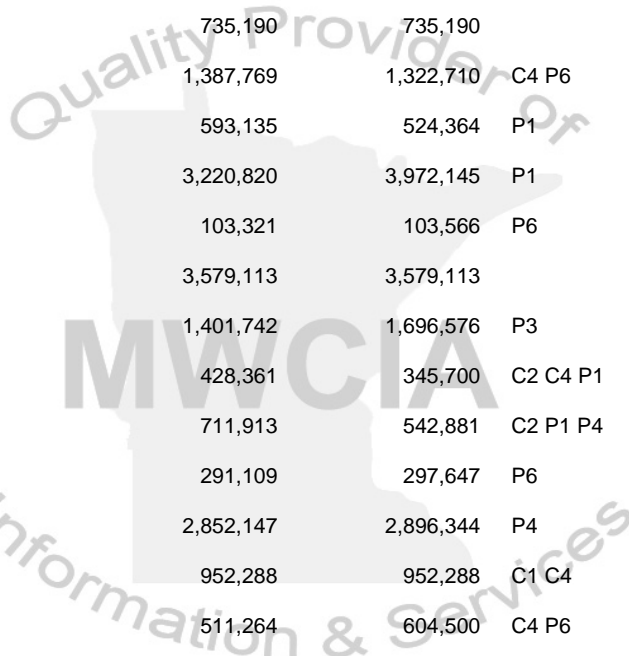


# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3222895	10243	337,608	344,243	C4 P6	-6,635
	2017130	10243	859,727	859,727		0
	0697940	10243	828,318	825,756	P3	2,562
	3305213	10545	284,811	183,618	P7	101,193
	1342240	10545	1,765,805	1,759,051	P6	6,754
	0118583	11568	1,579,541	1,573,015	C2 C4 P4	6,526
	3194348	12173	358,406	436,684	P1	-78,278
	3346385	12890	735,190	735,190		0
	0228648	12890	1,387,769	1,322,710	C4 P6	65,059
	3152180	12890	593,135	524,364	P1	68,771
	3185197	13072	3,220,820	3,972,145	P1	-751,325
	3132582	13080	103,321	103,566	P6	-245
	1264524	13080	3,579,113	3,579,113		0
	1370383	13765	1,401,742	1,696,576	P3	-294,834
	0785210	13765	428,361	345,700	C2 C4 P1	82,661
	2636000	13765	711,913	542,881	C2 P1 P4	169,032
	3144835	13765	291,109	297,647	P6	-6,538
	0237841	13889	2,852,147	2,896,344	P4	-44,197
	2684578	14184	952,288	952,288	C1 C4	0
	1321943	14451	511,264	604,500	C4 P6	-93,236
	1001981	14451	391,322	391,322	C1	0
	0879681	14451	185,940	253,566	P1	-67,626
	0571806	14451	1,386,179	1,397,724	C1 P1 P2	-11,545
	0930164	15172	165,822	165,822	C4	0
	0488518	15555	722,809	722,809		0
	3250937	15865	324,215	324,215		0
	3018105	15865	71,889	71,889		0
	2656817	15865	331,921	331,921		0
	2550032	15865	150,043	162,029	P6	-11,986
	2374595	15865	138,251	138,251		0
	2239655	15865	844,842	844,842		0



# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

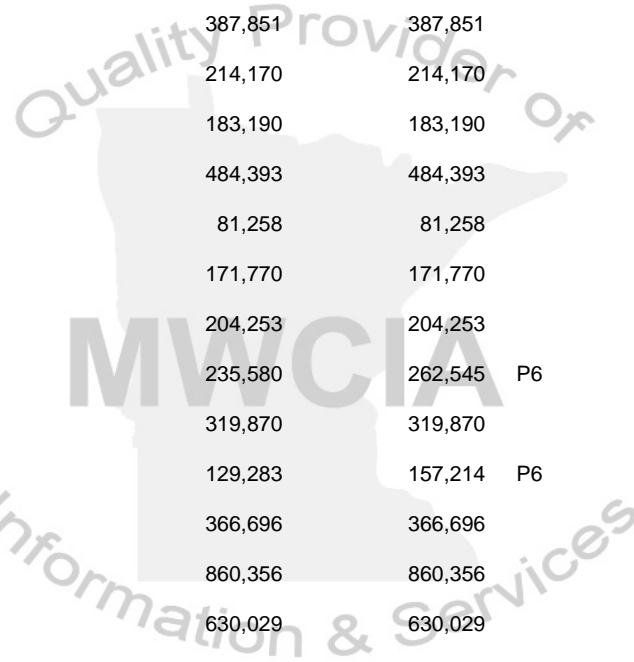
Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0588504	15865	153,970	153,970		0
	0374806	15865	354,803	354,803		0
	0004219	15865	448,113	448,113		0
	1188690	15865	60,000	60,000		0
	1056000	15865	561,753	561,753		0
	3145372	16446	252,539	252,539		0
	3134596	16446	261,786	261,786	C2 C4	0
	0714089	16985	421,919	421,919		0
	3214273	16985	242,876	242,876		0
	3157236	16985	589,932	589,932		0
	0847119	17426	275,819	274,609	C1 C2 P3	1,210
	3205032	17426	443,878	443,075	P6	803
	2263009	17426	812,206	811,055	P6	1,151
	3205895	17426	1,160,320	1,140,616	C4 P4	19,704
	3028704	17426	858,250	926,185	C5 P6	-67,935
	1764276	17426	1,075,872	1,147,750	C1 C4 P3	-71,878
	1386352	17426	448,527	397,451	P1	51,076
	2373394	17426	442,996	443,426	C2 C4 P2	-430
	0994588	17426	1,133,942	1,150,000	P7	-16,058
	1833065	17426	567,605	567,605		0
	0164569	17469	953,019	972,372	C5 P6	-19,353
	3211990	17469	267,664	267,664		0
	2221101	17469	636,813	638,159	P2	-1,346
	2248794	17469	687,925	758,285	P4 P6	-70,360
	1279173	17469	760,969	747,353	C5 P6	13,616
	3184788	18996	749,251	611,670	P6	137,581
	1878565	19968	642,389	641,470	P2 P3	919
	0262595	19968	454,773	503,773	P6	-49,000
	0115347	19968	470,545	375,145	P1	95,400
	0070017	19968	898,531	926,005	P2 P6	-27,474
	3381426	19968	186,260	371,119	C4 P7	-184,859

# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2968002	19968	1,038,166	1,116,003	C2 C4 P6	-77,837
	2690292	19968	1,572,874	1,615,079	P2 P6	-42,205
	2404150	23957	220,454	220,454		0
	1787446	24759	309,819	309,819		0
	2155044	24759	542,007	542,007		0
	3438548	24759	370,127	370,127		0
	3212457	24759	188,102	188,102		0
	3202113	24759	387,851	387,851		0
	3173038	24759	214,170	214,170		0
	3172437	24759	183,190	183,190		0
	3162008	24759	484,393	484,393		0
	3130878	24759	81,258	81,258		0
	3113956	24759	171,770	171,770		0
	2923181	24759	204,253	204,253		0
	2697351	24759	235,580	262,545	P6	-26,965
	2656752	24759	319,870	319,870		0
	0477842	24759	129,283	157,214	P6	-27,931
	0647438	24759	366,696	366,696		0
	1034286	24759	860,356	860,356		0
	1246461	24759	630,029	630,029		0
	3137891	24759	89,605	89,605		0
	2140691	24759	683,818	683,818		0
	2143348	24759	109,487	109,487		0
	2147629	24759	853,217	853,217		0
	2204169	24759	557,308	557,308		0
	1168223	27332	1,195,968	1,191,837	P6	4,131
	0598429	27669	856,659	856,659	C4	0
	3176951	27669	967,929	967,929		0
	3190490	27669	449,972	449,972		0
	0117404	27669	134,716	317,236	C2 P6	-182,520
	0394254	29475	1,122,908	1,077,973	P7	44,935



# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0358851	29475	179,246	536,750	P6	-357,504
	0483176	29475	465,943	527,473	P1	-61,530
	0547964	29475	875,911	876,904	P2	-993
	1279050	29475	917,064	903,995	C4 P6	13,069
	2435136	29475	898,312	865,036	C1 C2 P6	33,276
	1823329	29475	485,751	483,773	P1	1,978
	1687093	29475	1,272,959	1,268,005	P2	4,954
	0189944	33928	537,025	789,298	P6	-252,273
	0532240	33928	1,363,643	1,363,643		0
	0593427	33928	333,778	333,778		0
	0680591	33928	1,421,648	1,361,688	C4 P4	59,960
	0788988	33928	1,648,360	1,647,374	C4 P1	986
	3158239	33928	852,260	852,260		0
	3437730	33928	888,523	888,523		0
	2821893	33928	269,930	269,930		0
	2978296	33928	880,572	880,572		0
	3129459	33928	830,471	830,471		0
	3221084	33928	978,342	978,342		0
	3245629	33928	749,991	749,991		0
	1168282	39137	1,476,091	1,475,212	P2	879
	0313696	69103	406,232	490,500	P6	-84,268
	1108255	69103	287,087	339,087	P1	-52,000
	3190706	69103	570,529	570,529		0
	3160335	69103	510,454	510,454	C3	0
	2427184	69103	319,352	319,352		0

Quarterly Total Test Audit Payroll: **79,722,175**

Quarterly Total Company Audit Payroll: **81,775,153**

Quarterly Total Payroll Difference: **(2,052,978)**

# Minnesota Workers Compensation Insurers Association

## Voluntary Market

Test Audits Completed January 1, 2012 - December 31, 2012

YTD Total Test Audit Payroll:	<b>186,150,019</b>
YTD Total Company Audit Payroll:	<b>188,704,364</b>
YTD Total Payroll Difference:	<b>(2,554,345)</b>

### Summary of Errors:

Error	Count of Errors	Error	Count of Errors
P1	<b>44</b>	C1	<b>21</b>
P2	<b>23</b>	C2	<b>12</b>
P3	<b>25</b>	C3	<b>2</b>
P4	<b>15</b>	C4	<b>54</b>
P5	<b>4</b>	C5	<b>4</b>
P6	<b>59</b>		
P7	<b>9</b>		

Total Audits: **334**

Total Audits w/ Differences: **147**

Percentage of Audits showing Differences: **44.0 %**

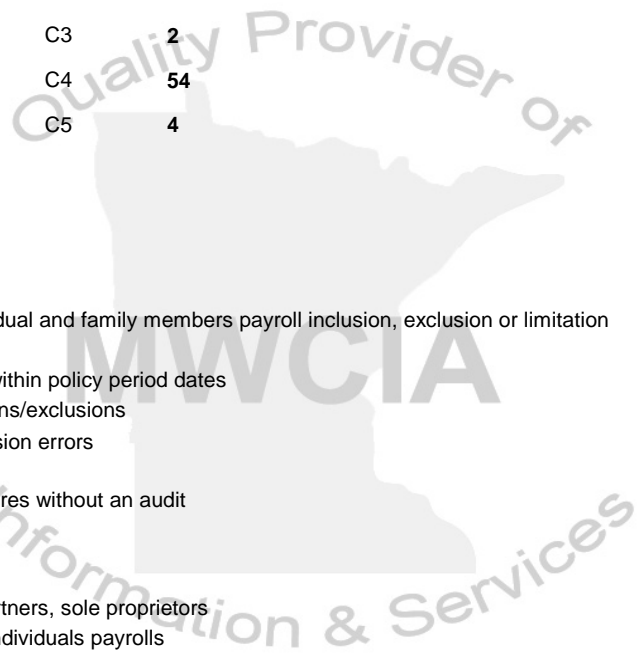
### Difference Reasons

#### 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, 2012 - December 31, 2012**

# Minnesota Workers Compensation Insurers Association

## Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3174221	21466	261,154	261,154		0
	0910325	21466	407,538	407,538		0
	2161109	21466	342,894	342,894		0
	2673819	21466	868,696	868,696		0
	3117285	21466	159,160	159,160		0
	3140057	21466	202,877	202,877		0
	3181165	21466	202,002	202,002		0
	3345947	21466	143,155	143,155		0
	3324486	21466	151,077	151,077		0
	3281088	21466	149,659	149,659		0
	3270029	21466	134,359	134,359		0
	3186566	21466	171,447	171,447		0
	3157505	21466	257,969	257,969		0
	2660628	39579	208,218	208,218		0
	0968234	39579	150,892	150,892		0

Quarterly Total Test Audit Payroll: **3,811,097**

Quarterly Total Company Audit Payroll: **3,811,097**

Quarterly Total Payroll Difference: **0**

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

## Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3408046	12368	571,437	576,079	P6	-4,642
	0488917	12368	84,906	74,822	P6	10,084
	3270591	12368	958,318	919,509	P3	38,809
	1156179	12368	200,918	205,807	P2	-4,889
	2167549	21466	75,537	68,337	P4	7,200
	3410086	21466	241,944	241,944		0
	3162130	21466	188,738	188,738		0
	0438294	21466	694,087	696,856	P2	-2,769
	3215681	21466	138,577	113,291	P1 P6	25,286
	3195542	39579	914,937	914,937		0
	3181293	39579	442,156	441,013	P1	1,143
	3195655	39579	262,993	249,700	P6	13,293

Quarterly Total Test Audit Payroll: **4,774,548**

Quarterly Total Company Audit Payroll: **4,691,033**

Quarterly Total Payroll Difference: **83,515**

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

## Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3177035	12368	254,237	266,767	C4 P1	-12,530
	3144870	12368	997,929	357,571	C4 P5 P6	640,358
	3148733	12368	1,515,017	1,515,017		0
	1893645	12368	318,410	318,410	C1 C2	0
	0504300	12368	524,357	508,549	P1	15,808
	3366907	12368	313,846	313,846		0
	3235684	12368	212,122	212,122	C4	0
	3176215	12368	485,280	486,592	P3	-1,312
	0135348	21466	135,517	132,905	P6	2,612
	3223123	21466	134,103	479,104	P6	-345,001
	0080284	21466	410,867	437,448	P6	-26,581
	3441214	21466	352,867	353,695	P4	-828
	3289127	39579	298,641	298,641	C1	0
	2532344	39579	1,066,401	1,064,322	P6	2,079

Quarterly Total Test Audit Payroll: **7,019,594**

Quarterly Total Company Audit Payroll: **6,744,989**

Quarterly Total Payroll Difference: **274,605**

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

## Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1179241	12368	600,629	600,629	C4	0
	3104392	12368	296,226	303,641	C4 P1 P6	-7,415
	3033350	12368	1,742,425	1,756,760	C4 P1 P2 P6	-14,335
	3181454	12368	774,032	468,722	P6	305,310
	2719738	21466	116,347	116,347		0
	3135728	21466	239,335	239,335		0
	3182103	21466	741,505	741,505		0
	1903098	21466	554,072	554,072		0
	2585472	21466	205,624	205,624		0
	2585502	21466	576,492	576,492		0
	3153985	21466	285,287	285,287		0
	3219434	39579	228,432	229,364	C2 P3	-932
	3194012	39579	89,000	89,000		0
	3146569	39579	195,606	195,606		0
	2139936	39579	924,751	924,751		0
	2315793	39579	232,816	232,816		0
	3163804	39579	1,897,434	1,897,434		0
	2435802	39579	258,236	258,236	C3	0
	2330296	39579	414,857	414,857	C4	0
	3104592	39579	648,724	648,724	C4	0

Quarterly Total Test Audit Payroll: **11,021,830**

Quarterly Total Company Audit Payroll: **10,739,202**

Quarterly Total Payroll Difference: **282,628**

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

## Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2012 - December 31, 2012

YTD Total Test Audit Payroll:	<b>26,627,069</b>
YTD Total Company Audit Payroll:	<b>25,986,321</b>
YTD Total Payroll Difference:	<b>640,748</b>

### Summary of Errors:

Error	Count of Errors	Error	Count of Errors	Total Audits:	61
P1	6	C1	2	Total Audits w/ Differences:	22
P2	3	C2	2	Percentage of Audits showing Differences:	36.1 %
P3	3	C3	1		
P4	2	C4	8		
P5	1	C5	0		
P6	12				
P7	0				

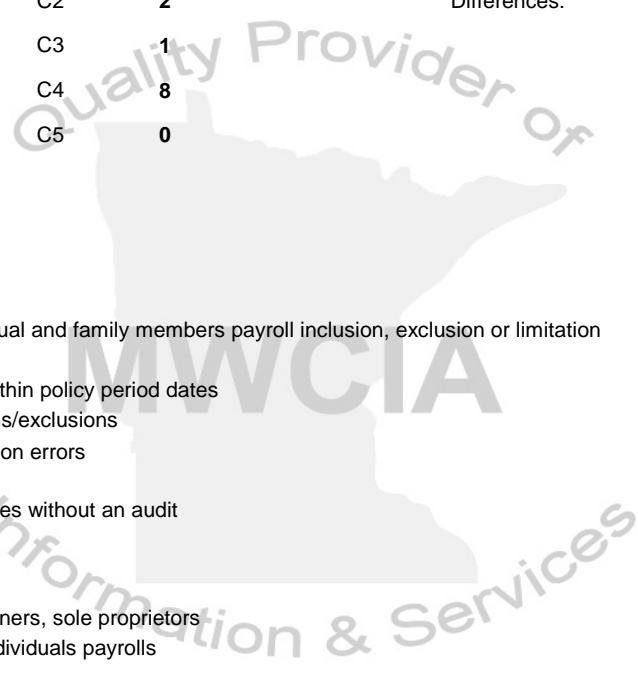
### Difference Reasons

#### 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, 2012 - December 31, 2012**

# Minnesota Workers Compensation Insurers Association

## Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3271928	12368	226,799	215,959	C4 P6	10,840
	1052276	12368	328,261	403,859	P1	-75,598
	3146692	12368	103,494	105,063	P1	-1,569
	3206095	21466	361,838	361,838		0
	1794590	21466	49,864	50,150	P6	-286
	3155102	21466	294,447	294,447		0
	3179218	21466	106,796	107,791	C4 P2	-995
	3155964	21466	118,423	118,423		0
	3389927	21466	348,516	255,792	P1 P3	92,724
	1353217	21466	549,575	549,575	C1	0
	1847058	21466	77,552	77,552		0
	0881589	21466	388,882	415,353	C4 P1 P3 P4	-26,471
	1798901	21466	61,525	61,525		0
	1631900	21466	391,007	394,221	C1 P1	-3,214
	2352257	39579	42,073	128,275	P3	-86,202
	2533189	39579	115,319	87,657	P3	27,662
	2061465	39579	84,054	43,754	C4 P3	40,300
	1794663	39579	70,136	73,156	C4 P3	-3,020
	1432150	39579	190,610	197,760	P6	-7,150
	1430653	39579	228,475	224,780	C4 C5 P1 P6	3,695
	2446901	39579	365,384	367,348	C4 P3	-1,964
	0093114	39579	267,183	267,183		0
	1346580	39579	196,237	191,438	P4	4,799
	0531251	39579	35,824	57,248	P6	-21,424

Quarterly Total Test Audit Payroll: **5,002,274**

Quarterly Total Company Audit Payroll: **5,050,147**

Quarterly Total Payroll Difference: **(47,873)**

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 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

## Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3184599	12368	57,707	57,707	C4	0
	3196556	12368	222,131	233,945	C1 C4 P2 P6	-11,814
	3143344	12368	257,333	135,000	C4 P3	122,333
	3170650	21466	816,967	988,762	C1 P6	-171,795
	0063924	21466	46,772	98,920	C4 P1 P6	-52,148
	2245345	21466	135,337	141,607	P4	-6,270
	1538365	21466	120,041	115,635	P4	4,406
	1051768	39579	639,664	449,873	P1 P3	189,791
	2700344	39579	202,979	230,404	P3 P6	-27,425
	2747235	39579	215,184	215,184	C3	0
	2879034	39579	650,380	656,197	P3	-5,817
	2756129	39579	181,661	88,400	P1	93,261
	0835099	39579	1,048,042	998,181	P4	49,861
	3198734	39579	171,518	182,520	P3	-11,002
	3146236	39579	196,750	273,084	C1 P1 P3	-76,334
	2027674	39579	496,699	508,917	C3 P1	-12,218
	2180634	39579	248,277	259,892	P1	-11,615
Quarterly Total Test Audit Payroll:			<b>5,707,442</b>			
Quarterly Total Company Audit Payroll:			<b>5,634,228</b>			
Quarterly Total Payroll Difference:				<b>73,214</b>		

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 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

## Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0749800	12368	465,724	465,724	C4	0
	1341944	12368	534,582	371,021	P1	163,561
	2882299	12368	393,079	393,079		0
	0416657	12368	1,493,785	1,493,144	P6	641
	1776479	12368	815,553	797,473	C1 P1	18,080
	0544728	21466	144,150	132,604	P6	11,546
	3203926	21466	152,155	189,842	P1	-37,687
	3155495	21466	85,934	189,521	C4 P1	-103,587
	3288408	21466	41,850	123,260	P6	-81,410
	3186478	21466	652,439	611,384	P6	41,055
	3155240	21466	215,756	193,443	P6	22,313
	2322609	21466	275,161	265,710	P6	9,451
	2196573	21466	585,065	604,993	P6	-19,928
	3369886	21466	381,062	383,410	C1 P6	-2,348

Quarterly Total Test Audit Payroll: **6,236,295**

Quarterly Total Company Audit Payroll: **6,214,608**

Quarterly Total Payroll Difference: **21,687**

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 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

## Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2012 - December 31, 2012

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3268711	12368	320,978	320,978	C4	0
	3206568	12368	416,024	393,149	P1 P3	22,875
	2994968	12368	2,339,202	1,704,160	C1 C4 P1	635,042
	0517828	12368	271,297	294,072	C4 P1	-22,775
	3176277	12368	368,403	167,474	C4 P1	200,929
	1300814	21466	103,532	103,532	C4	0
	3455066	21466	145,752	145,752		0
	3218829	21466	252,358	252,358		0
	3191850	21466	202,468	211,977	P3	-9,509
	0038148	39579	215,615	203,930	P3	11,685

Quarterly Total Test Audit Payroll: **4,635,629**

Quarterly Total Company Audit Payroll: **3,797,382**

Quarterly Total Payroll Difference: **838,247**

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 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

## Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2012 - December 31, 2012

YTD Total Test Audit Payroll:	21,581,640
YTD Total Company Audit Payroll:	20,696,365
YTD Total Payroll Difference:	885,275

### Summary of Errors:

Error	Count of Errors	Error	Count of Errors	Total Audits:	65
P1	20	C1	8	Total Audits w/ Differences:	50
P2	2	C2	0	Percentage of Audits showing Differences:	76.9 %
P3	16	C3	2		
P4	5	C4	18		
P5	0	C5	1		
P6	17				
P7	0				

### 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

