



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

February 10, 2000

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 00-1338

RE: **1999 TEST AUDIT SUMMARY REPORT**

Attached are the summary sheets showing the results of the 1999 Test Audit Program of the Minnesota Workers' Compensation Insurers Association, Inc. For your convenience, the report lists all test audits completed between January 1, 1999 and December 31, 1999 and is sorted in carrier number order.

Very truly yours,

M. A. Johnson  
Director of Underwriting Services

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.****Test Audits Completed January 1, 1999 - December 31, 1999**

<b>Assoc. File Number</b>	<b>Insurance Company</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Code</b>	<b>Total Payroll Difference</b>
70017	10022	471,710	471,710	None	
1866656	10170	24,434	112,500	U	-88,066
2518686	10227	911,918	911,918	None	
311855	10359	72,758	72,758	None	
2687569	10359	80,730	36,500	N	44,230
464724	10456	1,906,392	1,554,124	G & U	352,268
1961993	10685	2,189,927	2,200,220	U	-10,293
2223481	10685	790,110	790,110	None	
780189	10804	125,001	125,001	None	
895733	10804	203,683	203,683	None	
262641	11061	102,167	101,899	G	268
2677865	11061	89,795	89,795	None	
396672	11347	3,064,706	2,592,069	U	472,637
663492	11347	722,234	722,234	None	
1084194	11347	1,847,296	1,847,296	None	
2061368	11363	613,405	551,775	U	61,630
131709	11495	335,880	336,901	U	-1,021
781533	11495	53,747	53,747	None	
1379771	11495	866,133	847,851	U	18,282
1269771	12122	86,787	86,742	U	45
1107372	12149	5,162,416	5,162,416	None	
1189840	12173	34,122	31,147	U	2,975
1115278	12238	91,947	90,147	U	1,800
1935020	12238	83,842	137,145	J & G	-53,303
554804	12297	113,761	105,702	R & U	8,059
554804	12297	6,043	5,502	R & U	541
264300	12378	185,696	185,003	G	693
458210	12378	124,406	124,900	U	-494
1489747	12378	58,979	43,979	J	15,000
2234866	12378	67,221	67,221	None	
1275585	12408	34,448	28,447	U	6,001
1199820	12416	110,103	110,103	None	
1412566	12416	2,091,751	2,063,397	U	28,354
235644	12440	145,225	145,225	None	
658561	12440	335,577	336,245	G	-668
1376470	12440	59,585	59,585	None	
2387557	12440	159,167	159,167	None	
493171	12688	4,378,162	4,379,488	U	-1,326
488640	12882	1,155,202	1,251,176	H	-95,974
488640	12882	823,147	860,230	H & U	-37,083
488640	12882	1,018,568	1,110,466	H	-91,898

<b>Assoc. File Number</b>	<b>Insurance Company</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Code</b>	<b>Total Payroll Difference</b>
1007645	12882	1,016,505	1,016,505	None	
896608	12998	90,701	90,701	None	
1823132	12998	310,271	295,119	N	15,152
2479486	13439	153,756	163,116	J	-9,360
441988	13706	258,102	257,258	U	844
554693	13706	126,027	143,027	J & U	-17,000
1445243	13706	931,599	852,397	U	79,202
2110784	13765	104,743	40,000	N	64,743
821241	14311	522,546	527,611	U	-5,065
694150	14354	484,612	484,612	None	
1178830	14354	656,083	661,868	G & H	-5,785
51071	14451	115,743	116,217	G	-474
722006	14451	69,356	69,356	None	
895431	14451	160,518	163,184	U	-2,666
906298	14451	151,396	151,410	G	-14
1176366	14451	174,660	174,660	None	
1196359	14451	59,791	59,791	None	
418404	14508	316,076	484,867	H	-168,791
1248278	14508	1,505,852	1,195,649	U	310,203
230430	14516	489,055	489,144	G	-89
1836900	14516	228,200	150,000	N	78,200
250899	14842	27,875	27,875	None	
272469	14842	131,597	131,597	None	
381640	14842	180,739	180,739	None	
707236	14842	34,270	34,270	None	
1017900	14842	198,361	198,361	None	
1619675	14842	404,386	404,386	None	
1726544	14842	88,557	88,557	None	
2101955	14842	69,351	69,351	None	
2267241	14842	26,841	26,841	None	
2390493	14842	117,818	117,818	None	
2670925	14842	209,658	209,658	None	
120669	15032	119,101	119,101	None	
334154	15032	628,593	655,500	N	-26,907
208892	15539	2,266,098	2,266,098	None	
865311	15539	72,043	72,043	None	
124583	15563	55,239	74,098	J	-18,859
606022	15563	24,701	24,701	None	
828866	15563	37,979	37,979	None	
1458558	15563	537,584	535,555	G	2,029
1835033	15563	164,132	164,132	None	
2072904	15563	308,849	308,350	G	499
966665	15571	372,027	372,027	None	
1454706	15571	192,755	192,755	None	
56154	15865	43,993	44,233	U	-240
180165	15865	130,167	141,978	J	-11,811

<b>Assoc. File Number</b>	<b>Insurance Company</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Code</b>	<b>Total Payroll Difference</b>
345873	15865	52,754	52,835	J	-81
407240	15865	199,922	199,922	None	
510262	15865	54,921	54,921	None	
645656	15865	226,272	226,529	G	-257
826812	15865	105,711	105,711	None	
1011294	15865	152,606	152,606	None	
1364693	15865	21,083	21,083	None	
1811894	15865	79,723	79,723	None	
1883178	15865	29,282	29,282	None	
2288389	15865	846,475	849,264	U	-2,789
2357313	15865	80,159	76,660	U	3,499
378160	15873	156,224	155,396	U	828
2214164	15873	129,870	129,870	None	
2374889	15873	81,627	91,379	U & X	-9,752
2435047	15873	65,484	65,484	None	
2454670	15873	39,730	39,730	None	
907502	15962	47,726	47,726	None	
1240242	15962	83,538	83,538	None	
1957929	15962	89,921	96,462	U	-6,541
1957929	15962	123,331	91,000	N	32,331
14443	16446	2,286,411	2,286,411	None	
22292	16446	138,685	138,685	None	
69396	16446	536,182	534,640	U	1,542
103853	16446	51,544	51,561	G	-17
320838	16446	91,843	91,843	None	
342424	16446	190,225	190,225	None	
607401	16446	46,323	46,323	None	
717762	16446	23,332	23,332	None	
822639	16446	618,625	618,917	G	-292
835161	16446	242,824	242,824	None	
951552	16446	218,173	218,173	None	
984884	16446	40,856	40,856	None	
996386	16446	407,414	407,310	U	104
1117491	16446	725,909	725,909	None	
1374990	16446	52,866	52,866	None	
1456032	16446	706,380	706,380	None	
940365	16470	1,059,262	1,059,262	None	
1154940	16543	79,048	58,108	N	20,940
1402307	16543	70,717	70,717	None	
103373	16713	444,391	440,185	N	4,206
726524	16713	314,882	314,718	N	164
839809	16713	339,403	209,098	J & N	130,305
979260	16713	192,867	192,140	G	727
235024	16985	50,507	50,080	L	427
329215	16985	40,808	45,568	J	-4,760
492183	16985	11,577	11,577	None	

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494356	16985	270,172	271,866	G	-1,694
692310	16985	82,285	82,285	None	
735116	16985	60,654	60,654	None	
785865	16985	43,747	45,929	U	-2,182
934674	16985	43,770	43,770	None	
1328727	16985	92,167	92,617	U	-450
2004089	16985	45,179	45,179	None	
2052806	16985	115,685	113,835	R	1,850
2290022	16985	19,740	19,740	None	
2305437	16985	37,304	37,304	None	
2575582	16985	65,035	65,035	None	
2579480	16985	57,346	57,346	None	
444480	17256	43,250	43,188	U	62
2042665	17256	204,431	204,431	None	
2248166	17256	87,481	50,597	U	36,884
2263726	17256	60,479	60,479	None	
2326540	17256	31,186	32,910	N	-1,724
2460602	17256	53,556	53,556	None	
739057	17507	150,562	161,065	J	-10,503
586692	17604	566,433	402,670	J & U	163,763
803740	17604	296,769	276,596	N	20,173
295019	18228	394,753	394,753	None	
926817	18228	291,607	293,826	U	-2,219
1451561	18244	420,857	422,000	G	-1,143
1947060	18244	54,132	73,000	N	-18,868
1947060	18244	175,247	175,247	None	
2009692	18244	40,360	35,214	U	5,146
1738496	18376	138,633	144,543	G	-5,910
1830376	18376	46,779	46,779	None	
2463504	18376	48,762	49,941	R	-1,179
2151561	19879	58,483	58,483	None	
497380	20605	319,113	168,752	R & N	150,361
144046	21466	28,354	28,655	N	-301
1020692	21466	54,964	48,300	N	6,664
1459490	21466	228,333	221,409	R	6,924
1802542	21466	42,261	42,663	R	-402
1897578	21466	41,373	41,373	None	
1942344	21466	236,918	236,918	None	
2042312	21466	40,081	75,439	N	-35,358
2042940	21466	79,798	79,798	None	
2156040	21466	16,501	16,501	None	
2234238	21466	543,620	288,000	N	255,620
2245221	21466	73,845	77,625	N	-3,780
2245221	21466	20,000	18,319	N	1,681
2558599	21466	21,989	21,989	None	
617423	21814	1,739,798	1,736,084	U	3,714

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72869	22799	209,223	207,058	G & U	2,165
135267	22799	1,026,997	1,031,157	H	-4,160
159360	22799	4,525,025	4,525,025	None	
166642	22799	303,794	303,794	None	
184420	22799	41,847	42,463	G	-616
201308	22799	3,723,160	3,723,160	None	
314994	22799	1,325,693	1,325,519	G	174
372994	22799	117,304	117,304	None	
416509	22799	76,487	76,487	None	
494399	22799	509,167	509,730	G	-563
624063	22799	124,395	124,281	G	114
733903	22799	398,597	400,677	H	-2,080
831930	22799	82,100	81,900	U	200
838365	22799	645,133	649,293	H	-4,160
890391	22799	47,171	47,496	U	-325
913898	22799	47,028	56,388	J	-9,360
964670	22799	123,612	157,218	R	-33,606
1231057	22799	126,294	132,000	N	-5,706
1324667	22799	177,737	177,260	R	477
1770330	22799	78,242	78,170	G	72
2212048	22799	57,528	57,305	G	223
2238004	22799	221,622	221,622	None	
2671565	22799	91,358	90,912	U	446
2548852	24015	174,470	173,968	U	502
767646	24783	455,620	455,620	None	
1120158	27332	53,237	53,903	U	-666
841692	29645	700,532	700,532	None	
865494	29645	474,117	474,988	U	-871
354325	29734	586,720	586,720	None	
559350	29734	4,024,113	4,024,113	None	
559660	29734	2,637,055	2,637,055	None	
769142	29734	499,829	498,087	G	1,742
1351486	29734	1,253,414	1,253,879	U	-465
1950088	29734	247,340	247,340	None	
2060426	29734	372,472	311,714	R & U	60,758
47313	30511	51,935	51,935	None	
261785	30511	121,348	123,100	N & G	-1,752
907383	30511	137,168	137,346	G & U	-178
1222503	30511	126,070	126,070	None	
1792962	30511	21,218	21,218	None	
2246627	30511	25,694	25,694	None	
2346150	30511	164,757	164,757	None	
2459655	30511	417,450	459,000	N	-41,550
2559846	30511	49,525	43,909	N	5,616
2667371	30511	46,060	46,060	None	
14966	31623	476,245	476,245	None	

<b>Assoc. File Number</b>	<b>Insurance Company</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Code</b>	<b>Total Payroll Difference</b>
296554	31623	211,211	211,165	U	46
323969	31623	248,958	248,883	U	75
367176	31623	419,821	419,821	None	
414735	31623	197,710	197,710	None	
515809	31623	445,862	445,862	None	
542598	31623	290,864	290,864	None	
829633	31623	227,927	227,927	None	
926671	31623	198,284	204,992	G & J	-6,708
1221230	31623	243,421	237,854	U	5,567

Summary Totals - Test Audit Program 01/01/99 - 12/31/99

	Reported		
Total Assoc. Payroll	94,077,653	Total Plus Difference	2,489,747
Total Company Payroll	92,458,061	Total Minus Difference	-870,155
Difference (m/p)	1,619,592	Net Difference (m/p)	1,619,592
		Total Differences	3,359,902

Note: Payroll difference per policy audit represent only net

Note: Reported payroll means differences that resulted from company audits versus that which must be for statistical

There were 234 test audits of 122 developed differences. In addition to the above mentioned there were several other audits conducted in connection with special projects requested by the

It should be noted that test audits are selected on a random basis from unit statistical reports. Special attention is given to those reports when it appears there may have been a problem with the audit such as rounding, estimating, and payroll limitations. Thus there is a high percentage of differences between our Test Audits and the carrier audits selected.

Difference Reason

- A. Classification change or difference--resulting from not reporting the employees wages to the recommended classification for statistical
- B. Clerical - footing, extension,
- C. No subcontractor
- D. No hired trucker
- E. Omission of subsidiary company
- F. Omission of bonuses, commissions and other includable pay in accordance with Minnesota
- G. Credits - overtime credit, Holiday, vacation and sick pay
- H. Officers, Partners or Individual Owners salary
- I. Officers, Partners or Individual Owners duty
- J. Officers, Partners or Individual Owners and/or family members included or
- K. Omission of miscellaneous, part-time, contract or casual labor,
- L. Verification with tax reports, information returns,
- M. Analysis of general ledger accounts, cash disbursements
- N. Accepting insured figures without
- O. Premium controversy between carrier and insured. Association as
- P. Other states inclusions and
- R. Different period
- U. Other - differences in payroll source information, earning records and unaccountable
- W. Meals and quarters
- X. Inclusion of subcontractors already covered by Workers'
- Y. Inactive, active employees, minimum