



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

March 12, 2002

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 02-1383

**Re: Minnesota Test Audit Program**

Minnesota's Test Audit Program is a self-monitoring system created to assist our industry in assuring the quality and integrity of the statistical data filed in our state. The purpose of this circular is to keep our member carriers abreast of this program.

Test Audits are performed on a random basis against audited policy years to determine if carriers are filing unit statistical data in accordance with manual rules. Carriers have the authority to make their own decisions regarding the classifying of employers from a premium standpoint since open competition began. All unit statistical information, including payrolls, class codes and loss information, must be filed in accordance with the approved Minnesota Statistical Plan Manual and Basic Manual rules.

For test audits that develop a reportable difference, the carrier will be sent a copy of the test audit summary sheet. This will identify the name of the insured, the policy period, and the insurance carrier's name. The carrier will receive a letter briefly outlining the reason for the difference. Carriers will be required to submit future unit statistical data that reflect the results of the test audit.

In cases where the carrier for the test audit period is no longer the current insurer, a copy of MWCIA's test audit results will be forwarded to the employer's current carrier to assist them in correctly filing their upcoming unit statistical data for this policyholder.

Carriers who fail to file correct statistical data as a result of a test audit notice may be subject to a fine. This fine will be similar to the normal fining system for delinquent reporting of Unit Statistical Plan data in Minnesota.

A carrier may disagree with the findings of our test auditor. The dispute must be submitted in writing and include the carrier's reason for disagreeing with our test audit results. All test audit results are considered final unless a carrier's dispute is received within (60) sixty days of the initial notice by our office.

If you have further questions regarding this circular or our Test Audit Program, please feel free to call Gary Bauer at 952.897.6411 or email him at [gary.bauer@mwcia.org](mailto:gary.bauer@mwcia.org).