



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

February 25, 2010

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 10-1572

**RE: 2009 Test Audit Summary Report**

Attached are the summary sheets showing the results of the 2009 Test Audit Program by the Minnesota Workers' Compensation Insurers Association, Inc. For your convenience, the report lists all test audits completed between January 1, 2009 and December 31, 2009, 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, 2009 - December 31, 2009**

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2009 - December 31, 2009

Qtr: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2860813	11037	148,262	148,262	C4	0
	3030512		1,085,671	1,085,671		0
	2870193		180,690	183,360	P6	-2,670
	3169636	11509	3,491,023	3,491,023	C1 C4	0
	3140774		257,995	257,995		0
	1345672		2,406,826	2,406,826	C4	0
	0285889		7,473,716	7,310,000	C4 P7	163,716
	1343424	12122	580,234	480,193	C4 P1 P4	100,041
	3219150		409,047	409,047		0
	1089560		720,759	717,604	C1 P4 P6	3,155
	0871230		252,048	252,048		0
	1311409	12440	282,165	282,165		0
	2105012	14184	4,929,042	4,929,042		0
	1005545	15539	258,945	242,307	C4 P1 P6	16,638
	3130431	15571	354,187	354,187		0
	0363880	15628	5,062,172	5,062,172		0
	0801194		231,366	231,366		0
	0673846	15865	1,531,947	1,531,947	C4	0
	0141429	16985	307,941	306,166	P2 P6	1,775
	0114090		140,729	141,900	C4 P2	-1,171
	1119214		42,124	30,634	P1 P6	11,490
	0945790		893,290	865,574	P1 P6	27,716
	0318817		493,025	486,373	C3 P6	6,652
	0901997		1,117,854	1,117,854		0
	0306690		131,972	131,972		0
	2058774	18244	167,543	167,543		0
	1307606	19968	472,409	572,250	C4 P7	-99,841
	2136295		310,442	310,442		0
	0291510		1,177,109	1,177,109		0
	1242180		528,763	528,763	C3 C4	0
	0377023		226,137	228,195	P2	-2,058
	0377104		1,319,344	1,321,046	P4 P6	-1,702
	0608246		89,868	94,442	C4 P6	-4,574
	0484466	22799	677,987	677,987		0
	2589680		474,039	474,039		0
	1442490		191,290	191,290		0
	0224030		283,198	283,198		0
	1265270		874,005	874,005		0
	0633860		310,674	310,674		0
	0779202		192,446	192,446		0
	0430447		272,431	272,431		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2009 - December 31, 2009

1724428	22799	377,510	377,510		0
1917021		707,528	707,528		0
2758660		683,410	683,410		0
2797151		720,624	720,624		0
2989441		612,807	612,807		0
0822370		118,563	118,563		0
3181230		1,517,811	1,517,811		0
0064963		187,563	187,563		0
3155341		243,750	243,750		0
0327417	24562	388,168	388,168		0
3214044	29734	1,605,769	1,605,769		0
3063526		1,049,747	1,049,747		0
3212997		746,738	746,738		0
0134147		1,754,382	2,001,090	P5	-246,708
0090085		354,612	354,612		0
0647853	35866	469,400	479,413	C1 P4	-10,013
0328006		527,562	533,103	C4 P6	-5,541
0330035		461,831	461,221	P6	610
0641316		1,126,351	1,126,351	C4	0
0938599		441,590	421,408	C4 P6	20,182
2769573		697,052	696,452	C1 P6	600
2779110		1,851,715	1,851,715		0
0376418		304,227	304,227	C4	0
0024210		183,814	183,814		0

Quarterly Total Test Audit Payroll : **57,483,239**

Quarterly Total Company Audit Payroll : **57,504,942**

Quarterly Total Payroll Difference : **(21,703)**

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2009 - December 31, 2009

Qtr: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2075326	10243	530,963	530,963		0
	0639168	10316	432,091	432,091	C4	0
	3164996		115,338	115,338		0
	3092070		399,411	407,445	P6	-8,034
	1759922		221,547	221,547		0
	0851892		317,230	278,698	C4 P1 P5	38,532
	0150703		526,624	526,624		0
	3190198		80,060	80,060		0
	0396249		260,631	326,177	C4 P4 P6	-65,546
	2846934	10863	4,197,887	4,197,887		0
	0226882		1,842,053	1,842,053		0
	1377680	11509	222,726	222,726		0
	2657848	12122	294,302	298,301	C4 P2 P6	-3,999
	0469092		626,122	626,122	C4	0
	3194428		50,447	49,729	C1 P3	718
	0610666		1,892,426	1,896,318	C4 P3	-3,892
	1974408	12440	1,069,559	1,069,559		0
	0270709	13080	991,715	991,715	C4	0
	2545446		961,886	961,886		0
	1930656	13781	756,817	756,817		0
	3155870		150,774	150,774		0
	3167228		416,424	452,634	P6	-36,210
	0446467		159,357	269,308	C4 P1	-109,951
	2363623		2,269,035	2,276,794	C4 P1 P4 P6	-7,759
	2261669	14842	320,016	320,016		0
	2673738		422,438	422,438		0
	1914537		663,357	663,357		0
	3210595		800,727	800,727		0
	3204596	15172	149,351	150,689	P4	-1,338
	3154182	15385	154,188	154,188		0
	2480450		552,057	552,057		0
	0384461	15555	545,020	562,624	P3	-17,604
	0265683	15628	1,292,951	1,292,951		0
	3183722		329,629	329,629		0
	0265683		1,265,021	1,551,997	P1 P3 P6	-286,976
	0616346	15865	121,206	113,702	C4 P6	7,504
	0143405		1,436,098	1,436,098		0
	1825569		1,492,310	1,492,310		0
	1022997		2,289,530	2,289,530		0
	0370509		1,333,399	1,333,399		0
	2595575		2,342,042	2,342,042		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

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Test Audits Completed January 1, 2009 - December 31, 2009

3143387	16586	822,530	822,530	C4	0
1213210	16985	172,864	171,716	P3	1,148
0478210		376,038	376,038		0
0038954		117,116	117,116		0
1005731		188,257	188,257		0
0479365	17469	172,612	172,612		0
2507986		526,704	526,704		0
3184252		148,329	148,329		0
1895664		495,783	495,783		0
3164150		118,102	118,102		0
3177038	18147	174,289	174,289		0
1500589		447,815	447,815		0
2230020		820,332	820,331		0
3136412		186,792	186,792		0
2739844		241,014	241,014		0
2525470		356,712	356,712		0
0668133		1,523,173	1,523,173		0
0182842		101,600	101,600		0
3155438		575,482	575,482		0
3182905	18996	596,147	595,235	C4 P6	912
3209121		181,644	181,644	C4	0
1127128	19968	735,106	735,106		0
0924784		114,502	122,000	P6	-7,498
1266799		3,967,830	3,872,991	C4 P1 P2 P6	94,839
1307541		638,025	570,046	C4 P1	67,979
2153505		249,582	249,582		0
0014370		584,509	533,133	P1 P4	51,376
0490512	22799	773,349	773,929	P6	-580
0967360		2,287,009	2,287,009		0
0321516		201,064	201,064		0
1442805		1,456,480	1,456,480		0
1456180		779,637	779,637		0
2055465		2,104,305	2,104,305		0
2299410		735,803	735,803		0
2376555		114,828	114,828		0
2583321		371,696	371,696		0
2818132		440,761	440,761		0
3013740		500,108	500,108		0
3054080		209,562	209,562		0
3162683		2,154,405	2,154,405		0
3189170		1,442,653	1,442,653		0
3189347		218,284	218,284		0
3217601		339,306	339,306		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2009 - December 31, 2009

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1958801	22799	1,427,802	1,427,802		0
2039478	24244	1,098,258	1,098,258		0
0013994		1,718,736	1,718,736		0
0213063	24562	1,209,148	1,209,148		0
0346845	27332	4,993,657	5,231,140	C4 P1 P6	-237,483
0088234	29734	1,873,817	1,873,817		0
0647284	35866	309,812	309,466	C4 P2	346
0393010		741,532	756,632	P6	-15,100
0431800		1,902,171	1,902,440	C4 P2	-269
1350374		527,416	527,416		0

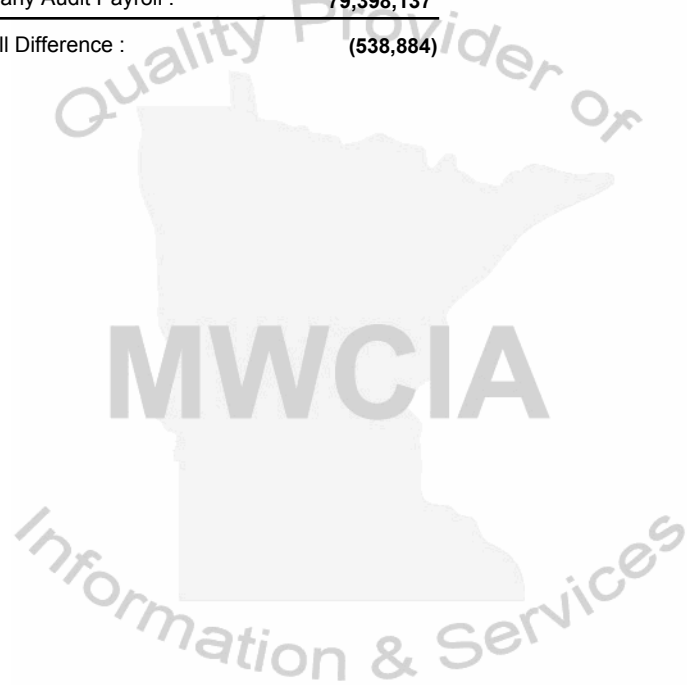
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Quarterly Total Test Audit Payroll : **78,859,253**

Quarterly Total Company Audit Payroll : **79,398,137**

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Quarterly Total Payroll Difference : **(538,884)**



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

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Test Audits Completed January 1, 2009 - December 31, 2009

Qtr: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	1419390	10243	1,996,187	1,996,187		0
	1289977		3,937,331	3,937,331		0
	1032615		1,628,184	1,628,184		0
	0766054	10448	2,232,286	2,087,415	C4 P6	144,871
	1202456		874,270	874,270	C4	0
	0988294		1,234,570	1,305,268	C4 P2 P6	-70,698
	1700006		592,915	607,156	P6	-14,241
	0704296		2,407,901	2,067,997	P2 P6	339,904
	3147338		994,670	994,670		0
	3204851		243,074	254,905	C4 P3 P4	-11,831
	1426761		841,273	839,330	C4 P4 P6	1,943
	0269131	10863	3,492,910	3,492,910		0
	3128691		1,783,638	1,930,773	P6	-147,135
	2692961		2,055,781	2,055,781		0
	1457489	12440	244,204	226,566	C4 P1 P6	17,638
	0891258		406,651	430,261	C4 P6	-23,610
	2575957		624,879	562,488	P6	62,391
	0921254		897,873	897,873	C3	0
	3167316		493,842	517,763	C4 P1	-23,921
	0692824		228,285	530,549	C4 P1 P4	-302,264
	2077914		538,394	515,127	C4 P6	23,267
	3193812		431,777	495,000	P7	-63,223
	3219648	12882	93,289	93,289		0
	1004565		561,658	564,486	C4 P2	-2,828
	1163329		314,230	314,230	C2	0
	2416662		558,206	558,206		0
	2672189	12890	949,071	949,071		0
	3148995		949,256	964,527	C2 C4 P4	-15,271
	3149575		616,285	493,794	P6	122,491
	3048675		1,531,545	1,494,741	P4 P6	36,804
	2798670		1,964,041	2,070,070	C4 P3 P4	-106,029
	2791650		527,575	465,757	C1 C4 P1 P2 P6	61,818
	1204009		2,190,190	2,190,190		0
	3130867		1,040,860	1,108,108	C4 P6	-67,248
	3203442	14842	1,195,332	1,195,332		0
	1879120	15385	2,323,498	2,323,498		0
	2526255		713,348	713,348		0
	3127742	15865	1,088,350	1,088,350		0
	2272733	15962	814,185	787,315	C2 C4 P4	26,870
	0846910		470,154	471,757	C4 P6	-1,603
	3125565		109,824	113,981	C4 P3	-4,157



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

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0234290	15962	239,729	239,729		0
2043610		305,925	240,221	C1 P1	65,704
1919440		134,412	134,412		0
1222503		243,142	230,502	C4 P6	12,640
3207397		134,658	142,106	P3	-7,448
1224263	16985	74,874	80,406	P3	-5,532
1079522		163,495	151,688	P1	11,807
0800910	17035	672,291	644,790	C4 P4	27,501
3122298		583,198	432,151	C4 P1	151,047
2694158		204,867	213,048	P1 P3	-8,181
3136091		525,473	553,817	C3 C4 P1	-28,344
3155331		434,456	435,655	C4 P6	-1,199
3190913		1,539,703	1,539,703	C4	0
0775452	17256	195,546	195,546		0
2501058		316,857	316,857		0
1241826		386,980	404,684	P6	-17,704
1268937		106,094	106,094		0
2534177	17426	215,474	215,474		0
2776138		236,088	236,088		0
0407780	18147	98,892	98,892		0
0092924		312,727	1,053,454	P6	-740,727
2694476		170,616	170,616		0
2693968		156,544	161,110	P6	-4,566
3055019		131,617	125,530	P6	6,087
0943495		110,606	110,606		0
1301853	18244	1,420,982	1,420,982		0
3132759		196,541	196,541		0
0248975	19968	1,193,164	1,193,164		0
1098446		990,732	968,447	C1 C2 C4 P3 P4	22,285
2551667	21814	947,910	948,612	P6	-702
0989703	22799	88,996	88,996		0
0119890	24244	11,531,793	11,531,793		0
0372161	24562	6,725,345	6,725,345		0
0048879	27332	4,127,134	4,133,587	C4 P6	-6,453
2433834	28355	1,124,631	1,124,631		0
3130508		651,424	651,424		0
0135291		43,859,181	43,859,181		0
0257478	29734	3,664,671	3,664,671		0
3206338		428,535	433,726	P6	-5,191
0235393		369,514	369,514		0

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Voluntary Market**

**Test Audits Completed January 1, 2009 - December 31, 2009**

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Quarterly Total Test Audit Payroll :	<b>131,206,609</b>
Quarterly Total Company Audit Payroll :	<b>131,751,647</b>
Quarterly Total Payroll Difference :	<b>(545,038)</b>



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2009 - December 31, 2009

Qtr: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3164970	10030	449,889	432,663	P1 P6	17,226
	0283088	10170	1,752,747	1,752,747		0
	3209438		176,177	173,366	P4	2,811
	2298007		507,503	496,040	C4 P6	11,463
	0488470		1,326,023	1,326,023		0
	0250252		223,645	223,645		0
	1738267		3,271,744	3,271,744		0
	3134827		633,019	633,019		0
	0992208		645,877	645,091	P6	786
	0894249		141,024	153,755	P1 P6	-12,731
	3131353		166,967	175,340	P2	-8,373
	3200066	10863	3,978,355	4,255,363	P6	-277,008
	0718564		7,032,222	7,032,222		0
	2843595	11037	1,109,042	1,109,042		0
	3148355		236,196	236,196		0
	3168925	12122	75,007	82,391	P6	-7,384
	2479486		150,705	151,106	C4 P6	-401
	2469332		762,650	762,650	C2 C4	0
	0019933	12440	1,258,981	1,273,234	C2 C4 P6	-14,253
	0433853		1,627,218	1,329,467	P2	297,751
	0833002		475,780	471,640	P6	4,140
	3170210		1,321,360	1,415,075	C2 P1 P3	-93,715
	0105457		696,565	696,565		0
	3075729	12882	92,864	92,864		0
	3221794		128,880	128,880		0
	0553999		1,703,995	1,703,995	C4	0
	0273198	12890	425,985	425,985		0
	2918714		777,314	1,127,377	P1 P4 P6	-350,063
	3127893		1,382,442	1,280,780	P2 P4	101,662
	3142162		1,030,927	1,030,927		0
	0187968		1,210,395	1,218,617	C3 P2 P6	-8,222
	2430037		733,147	669,130	P4	64,017
	2014157		806,986	487,506	P7	319,480
	3188258	14311	748,303	748,303		0
	0281654	14842	1,181,448	1,181,448		0
	3169193		113,752	113,752		0
	2847787		197,440	197,440		0
	1909126	15385	805,879	6,620,274	P6	-5,814,395
	1997548	15571	132,139	134,754	P3	-2,615
	0710571		1,599,788	1,599,788		0
	0064432		511,302	505,756	P3	5,546

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

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Test Audits Completed January 1, 2009 - December 31, 2009

2391597	15571	383,767	424,800	P6	-41,033
2318270		759,195	728,330	C1 C2 P3	30,865
2477530		469,390	469,390	C4	0
0199257		1,691,451	1,691,451	C4	0
0026069		169,508	161,401	P6	8,107
1911392	15865	419,244	419,244		0
0649295		1,036,095	1,036,095		0
0682896		627,721	627,721		0
0223611		553,493	553,493		0
0652415		1,125,662	1,125,662		0
0494755		640,309	640,309		0
0399566		528,938	508,084	C1 C4 P2 P6	20,854
0359912		1,127,338	1,140,028	P1 P6	-12,690
0515191		382,698	382,698		0
0424480		1,222,051	1,222,051		0
1744038		328,464	328,724	C4 P6	-260
0389145		431,537	431,537		0
0073237		1,709,967	1,709,967		0
1684078		85,425	85,425		0
3164746		919,789	919,789		0
3155085		694,197	696,220	C4 P2	-2,023
3143111		131,078	131,078		0
2969050		392,165	392,165		0
2863006		600,331	599,181	C1 C4 P4	1,150
3193087	15962	123,835	123,835		0
0449610	17256	555,745	555,745		0
0976377		433,070	433,070		0
2384035	17469	365,581	365,581		0
3224419		237,394	237,394		0
1288903		272,377	272,377		0
3207735		206,843	206,843		0
2028905		1,314,274	1,314,274		0
2351757		177,668	177,668		0
3205230		155,601	155,601		0
2160625		377,826	377,826		0
2628457	18147	467,588	467,588		0
0203289		1,671,581	1,671,581		0
3191203		2,816,293	2,816,293		0
0421499		2,304,690	2,304,690		0
2860660		601,423	601,423		0
3129040		977,524	977,524		0
3120986		146,421	146,421		0
2988780	18244	334,080	289,900	P6	44,180

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Voluntary Market**

**Test Audits Completed January 1, 2009 - December 31, 2009**

3192106	22799	440,916	440,916		0
0670090		584,913	584,913		0
2100452		288,720	288,720		0
0122238		1,214,488	1,214,488		0
0177857		3,071,772	3,071,772		0
2878828		526,434	526,434		0
1182900	24244	3,795,921	3,795,921		0
0587753		11,616,921	11,616,921		0
0904520	24759	391,749	391,749		0
3224656		544,952	544,952		0
1298879		1,162,824	1,162,822		2
1424726		743,118	743,118		0
0217620		374,543	373,198	P5 P6	1,345
0018970		156,232	156,232		0
0973548		1,473,664	1,473,664		0
3172437		305,003	305,003		0
0016934	28355	3,823,993	3,836,635	P6	-12,642
3205921	29734	1,038,143	1,038,143		0
2953846		3,101,044	3,101,044		0
0775886		1,303,715	1,303,715		0
3137997		1,703,419	1,703,419		0
1912216		2,010,932	2,010,932		0

Quarterly Total Test Audit Payroll : **111,244,725**

Quarterly Total Company Audit Payroll : **116,971,148**

Quarterly Total Payroll Difference : **(5,726,423)**

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Voluntary Market**

**Test Audits Completed January 1, 2009 - December 31, 2009**

YTD Total Test Audit Payroll :	<b>378,793,826</b>
YTD Total Company Audit Payroll :	<b>385,625,874</b>
YTD Total Payroll Difference :	<b>(6,832,048)</b>

**Summary of Errors :**

Error	Count of Errors	Error	Count of Errors
P1	<b>26</b>	C1	<b>11</b>
P2	<b>17</b>	C2	<b>8</b>
P3	<b>16</b>	C3	<b>5</b>
P4	<b>22</b>	C4	<b>70</b>
P5	<b>3</b>	C5	<b>0</b>
P6	<b>70</b>		
P7	<b>4</b>		

Total Audits: **346**

Total Audits  
w/ Differences: **138**

Percentage of  
Audits showing  
Differences: **39.9 %**

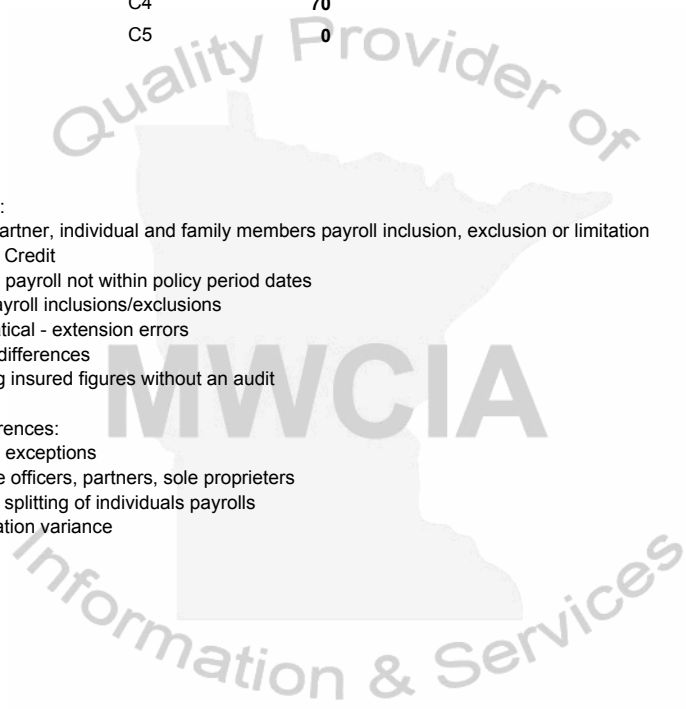
**Difference Reasons**

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, 2009 - December 31, 2009**

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Assigned Risk Market - Physical Audits**

**Test Audits Completed January 1, 2009 - December 31, 2009**

<b>Qtr: 1</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		3133050	433,730	433,730		0
		3170098	527,503	527,503		0
		3178162	196,721	196,721		0
		3182189	266,146	265,911	C1 P6	235
		3191664	327,329	327,329		0
		3194411	486,546	486,546		0
		3205873	139,066	139,066		0
		3222000	208,213	192,949	P6	15,264
	39579					
		0568775	585,786	581,486	P4	4,300
		1332104	465,716	465,716		0
Quarterly Total Test Audit Payroll :			<b>3,636,756</b>			
Quarterly Total Company Audit Payroll :			<b>3,616,957</b>			
Quarterly Total Payroll Difference :				<b>19,799</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 - 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, 2009 - December 31, 2009**

<b>Qtr: 2</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		0931675	217,087	215,291	C4 P3	1,796
		1027590	596,460	600,892	P4 P5	-4,432
		1425315	227,007	200,885	C4 P1	26,122
		2109026	310,931	362,433	P1	-51,502
		2976595	149,580	149,580		0
		3078400	195,713	195,713		0
		3150347	1,165,605	1,165,605		0
		3161008	579,685	579,685		0
		3161892	280,956	280,956		0
		3162272	304,016	304,016		0
		3162599	821,793	821,793		0
		3165724	231,984	231,984		0
		3190499	226,446	226,446		0
		3199239	195,459	195,459		0
		3203326	129,744	129,744		0
	39579					
		0404497	40,187	40,187		0
		0717487	322,338	272,157	C1 P1 P4	50,181
		0777269	3,911,263	3,979,293	C2 P6	-68,030
Quarterly Total Test Audit Payroll :			<b>9,906,254</b>			
Quarterly Total Company Audit Payroll :			<b>9,952,119</b>			
Quarterly Total Payroll Difference :			<b>(45,865)</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 - 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, 2009 - December 31, 2009**

<b>Qtr: 3</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		3093727	1,853,128	1,853,128		0
		3163097	1,722,253	1,722,253		0
		3203496	116,646	134,595	P6	-17,949
		3204281	603,069	603,069		0
		3229792	135,929	135,929		0
	39579					
		0146056	439,081	488,175	P1 P2	-49,094
		1355775	585,123	585,123		0
		1458078	932,078	943,595	C1 P1 P4	-11,517
Quarterly Total Test Audit Payroll :			<b>6,387,307</b>			
Quarterly Total Company Audit Payroll :			<b>6,465,867</b>			
Quarterly Total Payroll Difference :			<b>(78,560)</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 - 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, 2009 - December 31, 2009**

<b>Qtr: 4</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		0680923	3,498,817	2,869,160	P3 P6	629,657
		2017997	1,721,768	1,722,443	C4 P2	-675
		2038935	2,760,618	2,656,213	C1 C2 P2 P6	104,405
		2161656	746,763	746,763	C4	0
		2665352	743,996	844,723	C2 P1 P2 P6	-100,727
		3042790	559,193	559,193		0
		3131873	84,590	84,590		0
		3150932	355,052	355,052		0
		3172885	127,409	127,409		0
		3182189	289,153	289,153		0
		3183701	255,755	233,583	P6	22,172
		3192431	1,364,031	1,364,031		0
		3199525	1,313,890	1,313,890		0
		3219602	340,091	340,091		0
		3220472	157,877	157,877		0
	39579					
		0274925	1,423,494	1,425,298	C4 P6	-1,804
Quarterly Total Test Audit Payroll :			<b>15,742,497</b>			
Quarterly Total Company Audit Payroll :			<b>15,089,469</b>			
Quarterly Total Payroll Difference :				<b>653,028</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 - 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, 2009 - December 31, 2009**

YTD Total Test Audit Payroll :	<b>35,672,814</b>
YTD Total Company Audit Payroll :	<b>35,124,412</b>
<hr/>	
YTD Total Payroll Difference :	<b>548,402</b>

**Summary of Errors :**

				Total Audits:	<b>52</b>
				Total Audits w/ Differences:	<b>19</b>
<hr/>		<hr/>		<hr/>	
Error	Count of Errors	Error	Count of Errors	Percentage of Audits showing Differences:	<b>36.5 %</b>
P1	<b>6</b>	C1	<b>4</b>		
P2	<b>4</b>	C2	<b>3</b>		
P3	<b>2</b>	C3	<b>0</b>		
P4	<b>4</b>	C4	<b>5</b>		
P5	<b>1</b>	C5	<b>0</b>		
P6	<b>9</b>				
P7	<b>0</b>				

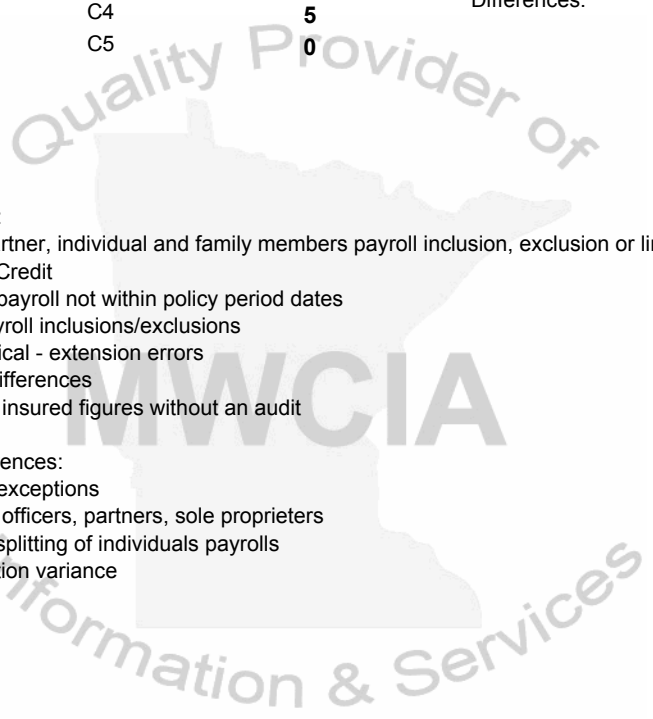
**Difference Reasons**

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, 2009 - December 31, 2009**

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Assigned Risk Market - Mail Audits**

**Test Audits Completed January 1, 2009 - December 31, 2009**

<b>Qtr: 1</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		3147005	392,485	637,366	P6	-244,881
		3168381	121,477	121,477		0
		3180790	621,765	530,670	C1 P7	91,095
		3189542	124,935	130,905	P3	-5,970
		3192071	419,290	208,436	P5	210,854
		3223227	297,910	320,417	P5	-22,507
	39579					
		0215597	213,807	353,910	P7	-140,103
		1119486	2,013,054	1,276,254	C1 P7	736,800
		1243900	484,576	486,058	P3	-1,482
		1801490	56,425	56,425		0
		2034913	191,172	217,249	C1 P4 P6	-26,077
		2107520	391,271	373,992	P3 P6	17,279
Quarterly Total Test Audit Payroll :			<b>5,328,167</b>			
Quarterly Total Company Audit Payroll :			<b>4,713,159</b>			
Quarterly Total Payroll Difference :			<b>615,008</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 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, 2009 - December 31, 2009**

<b>Qtr: 2</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		0527327	530,796	535,013	C1 P5	-4,217
		0724904	123,941	126,029	C4 P6	-2,088
		0905933	945,252	479,144	P7	466,108
		0995550	555,272	437,252	P3 P6	118,020
		2118548	563,269	517,212	P7	46,057
		2359081	193,644	200,608	P1	-6,964
		2631334	421,849	421,849		0
		2848937	86,397	77,716	P1 P5	8,681
		3137237	279,149	279,149		0
	39579					
		1179578	482,900	482,900	C1	0
Quarterly Total Test Audit Payroll :			<b>4,182,469</b>			
Quarterly Total Company Audit Payroll :			<b>3,556,872</b>			
Quarterly Total Payroll Difference :			<b>625,597</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 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, 2009 - December 31, 2009**

<b>Qtr: 3</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		2470870	191,581	182,145	C4 P6	9,436
		2490706	189,661	174,365	P6	15,296
		3134667	132,879	132,879		0
		3147631	75,923	128,105	P6	-52,182
		3148966	356,094	356,094		0
		3149662	248,793	255,014	P5	-6,221
		3164363	739,892	746,236	P6	-6,344
		3190406	79,489	110,633	P6	-31,144
		3198996	172,178	172,178		0
		3215767	133,876	133,876		0
		3216519	733,170	733,170		0
		3222285	693,775	693,775		0
	39579					
		0591971	1,140,918	1,135,381	P1 P5	5,537
		0701165	133,733	141,441	C4 P7	-7,708
		0736279	82,311	100,513	C4 P3	-18,202
		1230883	194,716	194,716		0

Quarterly Total Test Audit Payroll : **5,298,989**

Quarterly Total Company Audit Payroll : **5,390,521**

Quarterly Total Payroll Difference : **(91,532)**

\* 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, 2009 - December 31, 2009**

<b>Qtr: 4</b>	<b>Carrier ID</b>	<b>AFN Number</b>	<b>Test Audit Payroll</b>	<b>Company Audit Payroll</b>	<b>Reason Code(s)</b>	<b>Total Payroll Difference</b>
	21466					
		0063886	1,024,864	1,040,368	C4 P3	-15,504
		0501620	930,151	616,977	P4 P5	313,174
		1770764	81,262	74,413	C3 P1 P3	6,849
		2676915	516,428	328,409	C2 P1 P6	188,019
		2887240	385,993	330,466	C4 P6	55,527
		2914778	232,936	229,805	C4 P6	3,131

Quarterly Total Test Audit Payroll : **3,171,634**

Quarterly Total Company Audit Payroll : **2,620,438**

Quarterly Total Payroll Difference : **551,196**

\* 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.

**MWCIA**

Quality Provider of  
Information & Services

**MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.**

**Assigned Risk Market - Mail Audits**

**Test Audits Completed January 1, 2009 - December 31, 2009**

YTD Total Test Audit Payroll :	<b>17,981,259</b>
YTD Total Company Audit Payroll :	<b>16,280,990</b>
YTD Total Payroll Difference :	<b>1,700,269</b>

**Summary of Errors :**

Error	Count of Errors	Error	Count of Errors
P1	<b>5</b>	C1	<b>5</b>
P2	<b>0</b>	C2	<b>1</b>
P3	<b>7</b>	C3	<b>1</b>
P4	<b>2</b>	C4	<b>7</b>
P5	<b>7</b>	C5	<b>0</b>
P6	<b>13</b>		
P7	<b>6</b>		

Total Audits: **44**

Total Audits  
w/ Differences: **33**

Percentage of  
Audits  
showing  
Differences: **75.0 %**

**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