



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

February 2, 2011

ALL ASSOCIATION MEMBERS

Circular Letter No. 11-1588

RE: 2010 Test Audit Summary Report

Attached are the summary sheets showing the results of the 2010 Test Audit Program by the Minnesota Workers' Compensation Insurers Association, Inc. For your convenience, the report lists all test audits completed between January 1, 2010 and December 31, 2010, 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.

MWCIA

Test Audit Program



Voluntary Market

Test Audits completed January 1, 2010 - December 31, 2010

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0757071	10170	398,022	394,956	P2	3,066
	2720094		699,760	895,245	P1	-195,485
	0346942		161,858	161,858		0
	1161601	10243	1,752,963	1,762,707	C4 P2	-9,744
	1143816		472,287	482,457	P1 P3	-10,170
	1090470		98,572	98,572		0
	3177560		236,392	236,392		0
	0558125		655,016	655,016	C1	0
	1081217	10545	49,419	126,007	C1 P1	-76,588
	2871610		321,504	548,583	C4 P1	-227,079
	2219026		539,267	539,557	P3 P4	-290
	2366444		495,914	478,400	C4 P6	17,514
	3152216		2,002,514	2,002,514		0
	0955337		318,150	325,222	P6	-7,072
	0475033		948,643	936,813	C4 P6	11,830
	3232180		128,846	753,982	C4 P6	-625,136
	0767140	10693	6,661,440	6,721,884	P1 P6	-60,444
	0383724		9,658,628	9,742,978	P1	-84,350
	0087661	10782	608,174	608,174		0
	0054356		2,091,531	2,091,531		0
	0192368		386,343	386,343		0
	0329010		467,722	467,722		0
	0337781		1,250,521	1,250,521		0
	1131044	11037	52,919	52,919		0
	2327988		410,123	398,748	C2 P4	11,375
	3161298		283,601	283,890	P2	-289
	2866633		225,990	221,838	P3 P6	4,152
	3165807	11223	820,325	836,504	C4 P1	-16,179
	1348060		487,768	472,325	P1 P6	15,443
	2443252		663,095	781,780	P7	-118,685
	0969095		800,613	707,947	C1 P6	92,666
	3157361		723,181	723,181		0
	1183176		324,292	566,613	P6	-242,321
	3189562		162,894	286,261	C4 P1 P6	-123,367
	1997971	11452	1,407,943	1,531,133	P2 P6	-123,190
	2750570	12238	336,148	369,112	P4	-32,964
	1963996		1,390,865	1,390,865		0
	1832808		1,445,154	1,397,701	P3	47,453
	3188500		1,445,115	1,445,115	C2 C4	0
	2793059	12289	555,615	555,615		0
	0000655		6,923,730	6,923,730		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

1035800	12289	844,908	844,908		0
2116731	14451	1,326,640	1,404,000	P6	-77,360
1788981		1,262,958	1,262,958		0
2408589		1,097,232	1,097,232		0
3134751		685,278	685,278		0
3144231		452,224	452,224		0
0755869		1,650,498	1,650,498		0
0427365		3,371,964	3,371,964		0
0125580		1,249,311	1,249,311		0
2619652	14842	381,880	381,880		0
3224163		432,806	432,806		0
3139102		595,163	595,163		0
1079034		478,761	478,761		0
0985163		1,123,374	1,123,374		0
1362151		1,032,175	1,032,175		0
0163074	14974	801,457	819,458	P6	-18,001
3179119		183,777	348,350	P1 P3	-164,573
0126829	15865	982,398	981,097	P6	1,301
1916262	15873	381,940	381,940		0
1306758		1,723,270	1,728,470	P6	-5,200
3175455		697,016	687,736	C4 P6	9,280
3160730		818,738	837,313	C1 C4 P1 P4	-18,575
3140554		1,191,524	1,130,882	P6	60,642
0237094	17469	257,143	257,143		0
3214897		609,664	609,664		0
1050591		116,716	116,716		0
2016150		1,138,133	1,138,133		0
0296872		833,742	833,742		0
2372657		1,288,072	1,288,072		0
1396650		452,835	452,835		0
2965712	17965	914,812	928,333	C4 P3 P6	-13,521
0017302	22799	301,519	301,519	C1	0
0252573		354,385	354,385		0
2200872		224,880	224,880	C4	0
2550490		890,516	890,516	C1 C4	0
0246492		580,035	580,035	C4	0
0489883		654,690	654,690	C4	0
0802514		1,561,986	1,562,319	C1 P2	-333
1093452	29734	2,323,557	2,323,557		0
1265393		1,348,618	1,348,618		0
0772410		1,114,346	1,114,346		0
0763322		5,283,532	5,283,532		0
0709875		1,404,147	1,404,147		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

Quarterly Total Test Audit Payroll :	93,281,477
Quarterly Total Company Audit Payroll :	95,257,671
Quarterly Total Payroll Difference :	(1,976,194)



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0342793	10782	567,875	567,875		0
	0939102		2,467,041	2,467,041		0
	0139947		919,559	919,559		0
	0533203		1,553,138	1,553,138		0
	2866030	11037	526,251	526,251		0
	3164899	11223	123,950	238,919	P6	-114,969
	3244078		1,026,203	345,320	C1 C4 P1 P6	-680,883
	2896060	12122	197,346	197,346		0
	3211517		239,207	239,432	C1 P2	-225
	1221361		781,983	784,935	P4	-2,952
	0212148		1,694,755	1,621,755	P5	73,000
	3202997		192,727	236,434	P1	-43,707
	1558560		337,850	352,482	P3	-14,632
	1237144		1,168,115	1,132,715	P1	35,400
	0810088		290,963	324,578	P1 P3 P5	-33,615
	1149849	12998	506,878	509,409	P2 P3 P4	-2,531
	3225074		738,789	710,656	P2 P4 P6	28,133
	0900273		950,941	819,954	C4 P1 P2 P4	130,987
	3179062		656,318	627,839	P1 P2	28,479
	0667994	14974	345,283	343,880	C4 P2	1,403
	3163446		209,725	253,331	P6	-43,606
	2874431		421,876	439,675	P1	-17,799
	0063576		2,226,884	2,193,473	C1 P2	33,411
	3148638	15385	109,574	113,134	P3	-3,560
	3151139		358,227	426,996	P6	-68,769
	0878545		327,530	329,897	C1 P6	-2,367
	0148113		381,562	784,655	P7	-403,093
	2056518		383,746	401,946	C2 P1	-18,200
	1433687	15873	214,740	214,740		0
	2372908		372,757	372,757		0
	2364492		140,254	176,516	C2 P1	36,262
	3177959		1,182,173	1,182,173	C4	0
	0487627	16446	632,206	632,206		0
	0479055		256,645	256,645		0
	0416649		3,068,143	3,068,143		0
	0124990		525,780	525,780		0
	0176265		845,794	845,794		0
	0222445		104,850	104,850		0
	0103780		201,329	201,329		0
	0115690		303,154	303,154		0
	0175960		660,345	660,345		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

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0075710	16446	2,019,143	2,019,143		0
0094439		1,892,062	1,892,062		0
0064882		198,055	198,055		0
0077739		1,046,744	1,046,744		0
0056073		3,547,109	3,547,109		0
0039004		2,516,914	2,516,914		0
0020427		571,933	571,933		0
0012076		501,289	501,289		0
0006645		8,616,476	8,616,476		0
0134961		249,796	249,796		0
0172880		157,210	157,210		0
0779326	17469	1,179,931	1,179,931		0
2415577		165,008	165,008		0
2989719		354,215	354,215		0
3215474		1,212,792	1,212,792		0
3233927		181,330	181,330		0
3136086		296,166	296,166		0
3120765		642,447	642,447		0
1364006	17965	224,476	250,413	P4	-25,937
3188682	20583	1,125,435	659,730	C1 P7	465,705
1218522	22799	112,982	101,736	P1 P2	11,246
1336355		605,964	605,964	C1 C4	0
1176889		484,521	484,521		0
0081167		758,235	758,235		0
3237612		412,430	412,430	C5	0
0529974		336,576	336,576		0
1060392		468,005	468,005		0
3075680	23957	848,338	848,338		0
3152443		1,093,136	1,093,376	C4 P6	-240
2557061	24562	928,509	928,509		0
1200127		90,101	90,101		0
0369462		416,588	461,196	P5	44,608
0710083		638,982	638,982		0
0751820		1,256,987	1,256,987		0
0156680		278,204	278,204		0
1413392		67,416	67,416		0
2000040		397,899	397,899		0
3126760	27243	533,171	533,171		0
2515962		339,891	339,891		0

Quarterly Total Test Audit Payroll : **64,978,932**

Quarterly Total Company Audit Payroll : **64,367,357**

Quarterly Total Payroll Difference : **611,575**

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2146886	10456	404,514	392,598	P6	11,916
	1375814	10960	653,534	653,534		0
	0511013		1,116,988	1,116,988		0
	0199257		1,840,654	1,840,654		0
	1727729		2,161,702	2,161,702		0
	0160067		2,094,766	2,094,766		0
	2335867	12882	677,762	678,751	P6	-989
	3138653		175,593	175,593		0
	0030520		1,903,703	1,903,703	C4	0
	0693790		784,663	784,663		0
	2342839	12998	2,219,053	2,218,593	P1	-460
	3151649	14451	1,285,530	1,285,530		0
	3131899	14842	352,461	352,461		0
	3153148		953,481	953,481		0
	2560038		1,002,291	1,002,291		0
	3221280		1,191,709	1,207,594	C4 P2 P3 P6	-15,885
	1332481		774,389	781,035	C2 P4	-6,646
	0214256		272,010	272,010		0
	3192228		171,890	215,098	P1	43,208
	3144728		34,380	35,705	P6	-1,325
	3145305		237,470	259,202	C4 P1 P2 P6	-21,732
	0727989		357,331	357,331		0
	1720473		1,023,038	1,027,370	C4 P4	-4,332
	0882658	15385	1,055,916	1,055,916		0
	0740365		1,111,753	1,111,753	C4	0
	0934232		1,031,212	1,058,859	P3 P4	-27,647
	2630729		172,301	172,301		0
	0829897		1,008,301	1,052,277	P3	-43,976
	2608880		868,546	865,176	P3	3,370
	2560364	15539	297,142	297,142	C4	0
	2744384		238,102	238,102	C4	0
	3228631		4,391,940	4,389,948	C4 P6	1,992
	0357464		750,027	752,354	P3	-2,327
	2272814	15873	2,035,776	2,035,776		0
	1712110	16144	150,666	150,666	C4	0
	0121410	16446	444,604	444,604		0
	0069396		465,059	465,059		0
	0098094		687,901	687,901		0
	0532770		483,663	483,663		0
	0448222	16853	542,161	692,388	P4 P6	-150,227
	1586670		417,445	392,269	P6	25,176

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

1576925	16853	656,837	658,181	P2 P4	-1,344
1261061		437,597	437,597		0
2144778		865,188	908,468	C4 P4 P6	-43,280
0501565		491,523	491,523		0
3135599		902,846	902,846		0
0188590		358,235	358,235		0
0054976		375,644	375,644		0
0202274		538,277	537,514	P2 P5	763
0351997	17124	339,835	339,835		0
0045896		263,215	263,215		0
0029955		291,746	291,746		0
0545325	17426	382,873	382,873	C4	0
2220962		1,020,026	1,020,026		0
1759264		1,609,790	1,645,090	C4 P2 P6	-35,300
0067083		229,410	287,000	P7	-57,590
0470350		206,423	282,206	P1	-75,783
0897965		2,493,093	2,596,498	P2 P6	-103,405
3224096		164,839	164,839		0
0188549		1,135,629	1,135,629		0
3186490		182,164	161,772	P1 P2 P3	20,392
3036316	17469	192,335	192,335		0
2899698		602,765	602,765		0
2589273		4,178,550	4,178,550		0
0989908		689,641	689,641		0
3082008	17965	969,090	966,644	C1 P6	-2,446
2301300		175,716	171,393	P4	4,323
2405776	18147	598,226	598,226		0
3204164		81,975	81,975		0
0368946		152,252	121,051	C4 P1	31,201
2532700		420,278	420,278		0
1822624		680,157	702,722	C4 P5 P6	-22,565
0134929		608,753	608,753		0
0335266		264,304	274,331	P2 P6	-10,027
1037234		226,354	228,713	C3 P2	-2,359
1190881		126,627	118,394	C4 P3	8,233
0996700	19968	172,093	172,093		0
0544760		351,298	351,298		0
3202612	20583	658,334	762,826	P1 P3	-104,492
0085340		8,870	179,000	P7	-170,130
3127711		547,240	560,041	P6	-12,801
3165758	23957	385,418	371,797	P6	13,621
1318535	27243	3,291,891	3,291,891		0
2239892		3,450,614	3,450,614		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

1819798	27243	2,930,575	2,930,575	0
0317926		3,789,315	3,789,315	0

Quarterly Total Test Audit Payroll : **76,339,288**

Quarterly Total Company Audit Payroll : **77,172,765**

Quarterly Total Payroll Difference : **(833,477)**



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3166941	10170	84,447	410,000	P1 P6	-325,553
	2433567		776,323	776,323		0
	3142189		658,961	657,422	C1 C4 P2 P6	1,539
	0400939		95,967	98,571	C4 P1	-2,604
	0452653	10677	274,643	274,643	C4	0
	0009873	10782	830,249	830,249		0
	1741640	10960	1,484,269	1,484,269		0
	0201375		319,726	319,726		0
	0418404		407,942	407,942		0
	0605840		9,082,049	9,082,049		0
	0125628		469,356	469,356		0
	3163421	11037	985,890	985,890	C1	0
	0510475	11053	181,456	178,475	P4	2,981
	1243632		415,919	415,919		0
	0474495		704,825	704,825		0
	1367021		163,720	163,720		0
	1990853		972,284	975,307	C4 P2	-3,023
	0919616		544,385	547,906	C4 P4	-3,521
	1379526	11061	358,026	338,627	P2 P6	19,399
	0538825		155,335	179,729	P1	-24,394
	0013862		341,128	337,509	P3 P4	3,619
	0470341		962,883	957,183	P4	5,700
	2365243		625,382	619,674	P6	5,708
	2270668	12254	662,177	581,577	P1	80,600
	2775697		784,038	784,038		0
	1155300		304,160	293,418	P6	10,742
	0423220	12432	1,075,125	1,076,991	P2	-1,866
	3189354	12440	256,974	260,089	C4 P1	-3,115
	0924431		1,091,218	1,091,218	C2	0
	3148448	12610	1,649,856	1,698,666	C4 P3	-48,810
	1197185	13439	320,583	320,583		0
	0251364		240,676	220,309	C1 P6	20,367
	3191440	14974	1,145,473	1,105,045	P6	40,428
	3105802	15385	1,070,499	1,070,499		0
	2880938	15555	450,379	625,519	P3 P6	-175,140
	2344866		242,655	242,655	C4	0
	1359975		274,381	274,381	C4	0
	1323237	15628	636,628	621,532	P2 P6	15,096
	2641895	15865	403,867	403,867		0
	0114553		341,766	299,549	P4 P6	42,217
	2426994		661,587	661,587		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

0891118	15865	1,435,803	1,543,647	C2 C4 P6	107,844
0198692		717,773	738,933	C4 P6	-21,160
1782037		543,224	540,759	C4 P6	2,465
3165232	16586	628,205	625,400	P1 P2	2,805
0025534	16853	836,945	541,486	C4 P4 P6	295,459
2027569		203,674	202,138	C4 P6	1,536
3137499	16985	213,985	211,692	P6	2,293
3147156		375,129	349,404	P4	25,725
3177806		1,119,972	992,652	P1 P6	127,320
3217113		201,515	202,348	P2	-833
2588404		1,110,548	1,110,548	C2 C4	0
2257513		302,850	301,856	P6	994
2196212		762,558	518,778	P1 P3 P6	-243,780
0053589	17124	317,943	317,943		0
0283827		346,358	346,358		0
0655384		334,631	334,631		0
0651575		536,128	536,128		0
2617510	17256	709,999	709,999		0
2042665		926,968	926,968		0
2146886	17965	404,514	392,598	P6	11,916
2097206		222,780	171,732	P4	51,048
2611112	18147	386,896	392,887	C4 P6	-5,991
2460181		380,233	380,233	C2	0
3244871	18996	366,405	281,594	P5	84,811
0443913		752,036	752,036		0
0110647	19968	290,238	290,238		0
0858676		11,818,288	11,818,288		0
0276103		1,949,608	1,949,608		0
1353772		2,108,539	2,108,539		0
0106003		810,668	810,668		0
1790358		2,085,337	2,085,337		0
0022748		6,465,924	6,465,924		0
0006653		2,439,180	2,439,180		0
1842790		848,516	848,516		0
0694010	20206	219,727	150,848	P1 P2 P4	68,879
3311408	21814	348,240	346,059	P5	-2,181
2013959	24759	59,217	61,348	P5 P6	-2,131
3192703		472,146	472,146		0
0035831		526,938	446,301	P1 P6	80,637
0496111		319,831	309,859	P3	9,972
2018853	27332	942,138	942,138	C1 C4	0
0823457	29734	2,916,307	2,916,307		0
2663791		541,935	541,935		0

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

0652954	29734	3,310,355	3,310,355		0
3249208		431,685	534,612	P1	-102,927
0285862		1,526,450	1,526,450		0
0283444		998,180	998,180		0
0389250		673,770	673,216	P6	554
0184667		418,622	418,622		0
1805428		681,962	680,816	P1	1,146
3307973		321,261	321,261		0
3307972		576,648	547,106	C4 P6	29,542
0389250		611,844	611,844		0

Quarterly Total Test Audit Payroll : **91,357,833**

Quarterly Total Company Audit Payroll : **90,895,286**

Quarterly Total Payroll Difference : **462,547**



MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Voluntary Market

Test Audits Completed January 1, 2010 - December 31, 2010

YTD Total Test Audit Payroll :	325,957,530
YTD Total Company Audit Payroll :	327,693,079
YTD Total Payroll Difference :	(1,735,549)

Summary of Errors :

Error	Count of Errors	Error	Count of Errors
P1	40	C1	18
P2	30	C2	9
P3	23	C3	1
P4	25	C4	54
P5	8	C5	1
P6	66		
P7	5		

Total Audits: **344**

Total Audits
w/ Differences: **168**

Percentage of
Audits showing
Differences: **48.8 %**

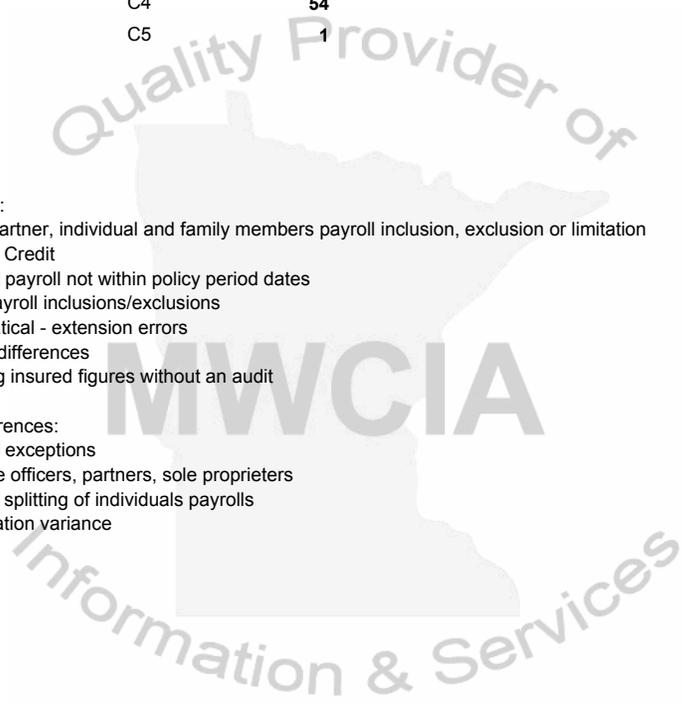
Difference Reasons

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 - Physical Audits

Test Audits completed January 1, 2010 - December 31, 2010

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 1	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0314838	1,723,868	1,723,868		0
		0335959	281,861	294,920	C1 C2 P3	-13,059
		0353469	943,139	943,139		0
		0787167	4,235,834	4,235,834		0
		0948675	664,327	664,327		0
		1288369	481,390	481,390		0
		1353179	627,476	627,476		0
		1784358	754,027	754,027		0
		2148463	794,594	794,594		0
		2204347	247,288	247,288		0
		2961083	227,106	227,106		0
		3131187	464,481	464,481		0
		3144870	342,865	342,865		0
		3219759	289,292	289,292		0
		3237568	238,146	238,146		0

Quarterly Total Test Audit Payroll : **12,315,694**

Quarterly Total Company Audit Payroll : **12,328,753**

Quarterly Total Payroll Difference : **(13,059)**

* 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, 2010 - December 31, 2010

Qtr: 2	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0056014	269,722	271,145	P2	1,423
		0220302	722,355	722,355		0
		0274011	1,157,644	1,157,644		0
		0775738	111,819	111,819		0
		0897361	227,333	227,333		0
		1319558	797,558	797,558		0
		2768402	2,348,886	2,348,886		0
		3133485	3,430,923	3,430,923		0
		3147807	46,860	46,860		0
		3155791	403,219	340,974	C4 P1 P3	62,245
		3201066	137,177	137,177		0
		3204136	417,603	417,603		0
	39579					
		0146480	2,351,801	2,368,971	C4 P1 P4 P6	-17,170
		0861600	312,448	312,448	C4	0
		2067218	231,479	231,479	C4	0
		2522640	330,300	330,300		0
		2660628	153,034	210,594	C1 C4 P1	-57,560
		3134883	397,973	397,973		0
		3220171	155,150	155,150	C4	0
Quarterly Total Test Audit Payroll :			14,003,284			
Quarterly Total Company Audit Payroll :			14,017,192			
Quarterly Total Payroll Difference :						(13,908)

* 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, 2010 - December 31, 2010

Qtr: 3	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		2026120	1,119,552	1,141,461	P6	-21,909
		2261839	2,279,581	2,279,581		0
		3151667	130,976	131,625	C1 P1	-649
		3173907	290,517	290,517		0
		3189358	798,452	798,452		0
		3191298	310,333	306,686	P3	3,647
		3214495	457,257	457,257	C4	0
	39579					
		2504430	133,131	133,131		0
		2846764	121,457	119,457	P6	2,000
Quarterly Total Test Audit Payroll :			5,641,256			
Quarterly Total Company Audit Payroll :			5,658,167			
Quarterly Total Payroll Difference :						(16,911)

* 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, 2010 - December 31, 2010

Qtr: 4	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0499846	750,436	487,478	P7	262,958
		1249851	190,217	182,716	C4 P6	7,501
		2305593	491,121	491,121		0
		2466333	401,102	401,102	C4	0
		2515504	141,927	141,927		0
		3147820	56,422	56,422		0
		3199525	1,313,890	1,313,890		0
		3201243	99,754	99,754		0
		3208793	165,076	165,076		0
		3230931	751,057	751,057		0
		3246955	173,721	173,721		0
Quarterly Total Test Audit Payroll :			4,534,723			
Quarterly Total Company Audit Payroll :			4,264,264			
Quarterly Total Payroll Difference :				270,459		

* 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, 2010 - December 31, 2010

YTD Total Test Audit Payroll :	36,494,957
YTD Total Company Audit Payroll :	36,268,376
<hr/>	
YTD Total Payroll Difference :	226,581

Summary of Errors :

				Total Audits:	54
				Total Audits w/ Differences:	16
				Percentage of Audits showing Differences:	29.6 %
<u>Error</u>	<u>Count of Errors</u>	<u>Error</u>	<u>Count of Errors</u>		
P1	4	C1	3		
P2	1	C2	1		
P3	3	C3	0		
P4	1	C4	9		
P5	0	C5	0		
P6	4				
P7	1				

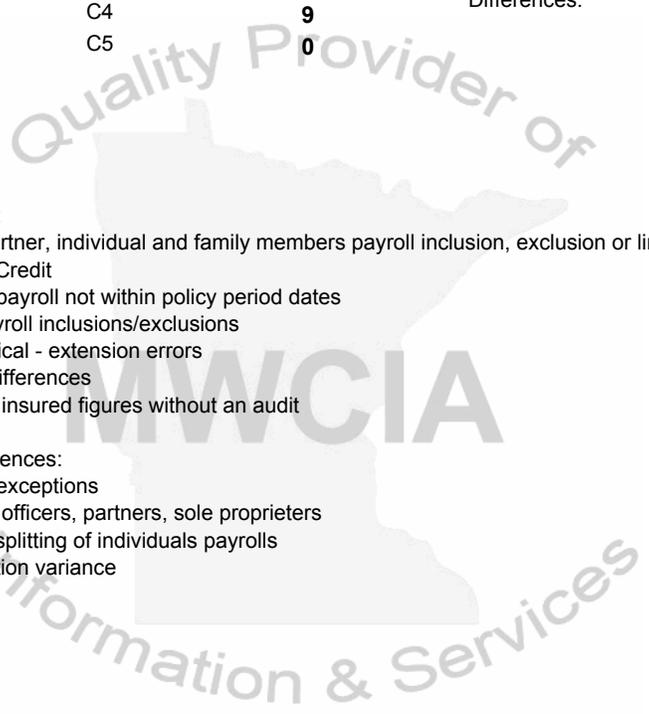
Difference Reasons

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, 2010 - December 31, 2010

MINNESOTA WORKERS' COMPENSATION INSURERS ASSOCIATION, INC.

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2010 - December 31, 2010

Qtr: 1	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0961523	82,267	86,774	C4 P1	-4,507
		1341189	122,412	122,412		0
		3189677	68,444	68,444		0
		3204802	470,265	437,273	C4 P6	32,992
	39579					
		3189877	342,665	308,306	P3	34,359

Quarterly Total Test Audit Payroll : **1,086,053**

Quarterly Total Company Audit Payroll : **1,023,209**

Quarterly Total Payroll Difference : **62,844**

* 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, 2010 - December 31, 2010

Qtr: 2	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0103691	19,127	65,849	C2 P1	46,722
		0933309	452,240	449,242	P5	-2,998
		1263005	451,911	684,965	P5 C3	233,054
		2201780	272,923	840,073	P1 P2 P6	-567,150
		2298244	212,215	212,215		0
		2322498	43,852	124,175	P7	-80,323
		3164404	141,174	140,545	P6	-629
		3195067	244,830	244,830		0
		3214434	72,800	73,800	P1	1,000
		3219560	1,218,069	1,211,797	P6 C4	-6,272
	39579					
		1450964	341,751	341,751		0
		2533189	133,921	170,035	P2 P4	-36,114
		2861470	159,699	162,854	P5	-3,155
		3190421	1,188,703	1,032,210	C4 P1 P2 P3	156,493

Quarterly Total Test Audit Payroll :	4,953,215
Quarterly Total Company Audit Payroll :	5,754,341
Quarterly Total Payroll Difference :	(801,126)

* 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, 2010 - December 31, 2010

Qtr: 3	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		0032298	602,520	602,520		0
		0404780	256,454	255,178	C4 P4	1,276
		2237156	435,399	529,371	P1	-93,972
		2912031	715,020	803,010	C1 P1 P6	-87,990
		3171798	152,382	115,970	C4 P7	36,412
	39579					
		0411710	44,151	44,151		0

Quarterly Total Test Audit Payroll : **2,205,926**

Quarterly Total Company Audit Payroll : **2,350,200**

Quarterly Total Payroll Difference : **(144,274)**

* 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, 2010 - December 31, 2010

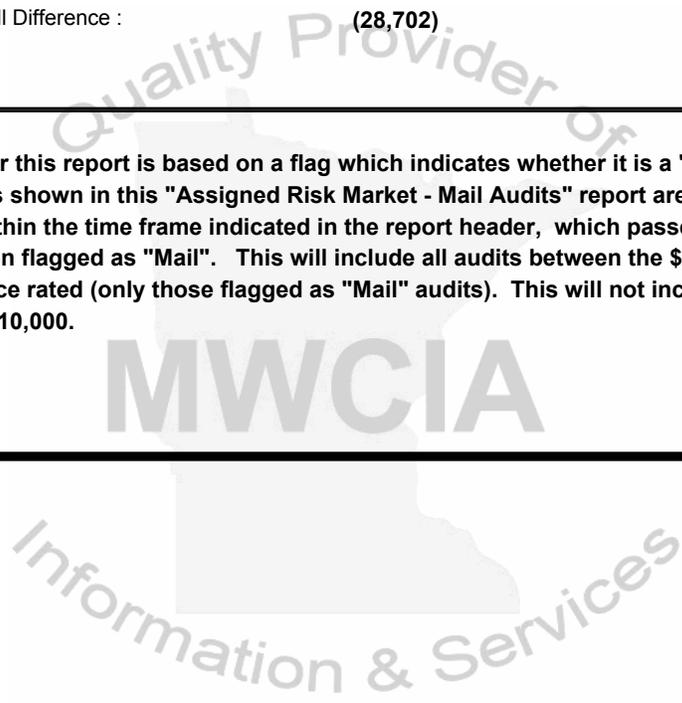
Qtr: 4	Carrier ID	AFN Number	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	21466					
		2196050	512,065	549,050	P4	-36,985
		2452308	326,508	308,929	P4	17,579
		3097684	128,076	125,440	P6	2,636
		3187067	189,547	189,547	C1	0
		3240056	121,706	134,434	P3	-12,728
		3314708	191,239	190,443	P6	796

Quarterly Total Test Audit Payroll : **1,469,141**

Quarterly Total Company Audit Payroll : **1,497,843**

Quarterly Total Payroll Difference : **(28,702)**

* 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, 2010 - December 31, 2010

YTD Total Test Audit Payroll :	9,714,335
YTD Total Company Audit Payroll :	10,625,593
YTD Total Payroll Difference :	(911,258)

Summary of Errors :

Error	Count of Errors	Error	Count of Errors
P1	7	C1	2
P2	3	C2	1
P3	3	C3	1
P4	4	C4	6
P5	3	C5	0
P6	7		
P7	2		

Total Audits: **31**

Total Audits
w/ Differences: **24**

Percentage of
Audits
showing
Differences: **77.4 %**

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