



Minnesota Workers' Compensation
Insurers Association, Inc.

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January 17, 2023

ALL ASSOCIATION MEMBERS

Circular Letter No. 23-1816

RE: 2022 Test Audit Summary Report

Attached are the summary sheets showing the results of the 2022 Test Audit Program by the Minnesota Workers' Compensation Insurers Association Inc. (MWCIA). For your convenience, the report lists all test audits completed from January 1, 2022 through December 31, 2022 and is sorted by Carrier ID in the voluntary and assigned risk markets.

If you have any questions regarding this report, please contact Trice Tormoen, Underwriting Supervisor, at 952-897-6402 or by emailing trice.tormoen@mwcia.org.

MWCIA

Test Audit Program



Voluntary Market

Test Audits Completed

January 1, 2022 - December 31, 2022

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3329027	11037	158,802	158,802		0
	3178618	11037	135,354	130,726	P4	4,628
	3192630	11037	138,937	138,937		0
	3735225	11037	163,060	163,060		0
	3608215	11037	208,664	208,664	C4	0
	3204468	11037	189,906	189,906		0
	0267783	11169	1,519,203	1,552,498	P1 P4	-33,295
	3602202	11169	775,316	805,579	C4 P4	-30,263
	0163473	12122	513,295	502,217	P3	11,078
	1144260	12122	457,723	508,265	P6	-50,542
	3630236	12122	213,519	207,333		6,186
	1959123	13005	166,633	178,004	P6	-11,371
	3440291	14516	702,497	722,453	P3	-19,956
	3624966	14516	671,270	678,619	P3	-7,349
	0296490	15539	190,903	188,903	P4	2,000
	3118375	15962	207,664	207,664		0
	3459141	15962	254,392	254,392		0
	0030155	16729	547,860	547,860		0
	1267604	16729	722,779	1,011,726	P4 P6	-288,947
	2389762	16985	529,055	531,954	P3	-2,899
	0412430	17426	583,504	583,504		0
	1282859	18147	249,686	249,686	C4	0
	0810630	18147	313,485	313,485		0
	1515586	31283	2,323,332	1,386,152	P1 P6	937,180
	3617802	31283	1,557,847	1,453,643	C4 P6	104,204
	3229252	33928	206,615	210,358	C4 P2 P4 P6	-3,743
	2984318	33928	404,505	404,505	C1	0
	3730875	39137	1,829,499	1,781,437	C4 P4	48,062
	3210317	39137	207,308	207,308	C4	0
	3159615	39137	1,884,540	1,884,540	C4	0
	2536234	69103	685,488	685,488		0

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3229966	76093	158,050	158,050		0
	3059600	90468	1,674,933	1,635,471	P4 P6 P7	39,462
	2948540	90468	764,830	800,712	P3	-35,882

Quarterly Total Test Audit Payroll: **21,310,454**

Quarterly Total Company Audit Payroll: **20,641,901**

Quarterly Total Payroll Difference: **668,553**



Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3166861	11037	104,491	104,491		0
	0529974	11037	572,855	572,855		0
	3359909	11169	1,988,263	1,988,263		0
	3128071	11169	1,286,607	1,285,914	C4 P6	693
	2944278	11169	1,139,131	1,139,131	C4	0
	0681792	11169	901,663	899,066	P4	2,597
	0936804	11169	167,109	172,937	P6	-5,828
	3163821	12122	667,025	667,695	C4 P5	-670
	0627194	12122	396,396	406,396	P6	-10,000
	3185925	12122	155,904	156,404	C3 P1	-500
	3183546	12122	472,720	457,520	P6	15,200
	3131855	13005	2,251,469	2,030,842	C4 P4	220,627
	3156322	13005	813,203	813,203		0
	3211191	13005	143,416	145,356	P1	-1,940
	3349577	13005	458,573	438,499	P6	20,074
	1266888	13005	426,654	426,654		0
	0651214	13633	870,888	870,888	C4	0
	3426587	14516	302,821	302,821		0
	3603633	15539	152,821	152,821		0
	3656984	15539	215,474	238,974	P1	-23,500
	3717295	15539	227,180	238,121	P6	-10,941
	3316971	15539	158,386	158,386		0
	0764108	15962	159,420	159,420		0
	3155466	15962	332,057	332,057	C4	0
	3347847	15962	137,922	137,922		0
	3189377	16144	347,632	347,632		0
	1212745	16729	1,738,955	1,738,955		0
	3486766	16729	364,349	521,455	C4 P1	-157,106
	2936275	31283	827,814	843,503	C4 P4	-15,689
	2612607	31283	925,644	907,846	P6	17,798
	3236000	33928	394,526	331,394	P3	63,132

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3152362	33928	801,077	544,800	C4 P1 P2	256,277
	1041908	38822	868,542	868,542		0
	1822659	39071	758,069	758,069		0
	2884488	39071	240,681	240,681		0
	0801321	39071	580,721	570,627	C4 P5	10,094
	3753406	39071	193,291	335,114	P1	-141,823
	3181011	39137	392,233	405,937	C4 P2 P3	-13,704
	3715083	69103	1,377,039	1,377,039	C4	0
	0073237	90468	1,541,008	1,529,755	C4 P4	11,253
	3362767	90468	499,229	443,617	C4 P1 P4	55,612

Quarterly Total Test Audit Payroll: **26,353,258**

Quarterly Total Company Audit Payroll: **26,061,602**

Quarterly Total Payroll Difference: **291,656**

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Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3701256	11037	392,337	313,118	P6	79,219
	1817574	11169	330,918	352,536	P1 P6	-21,618
	3737234	11169	243,666	243,666		0
	3601670	11223	129,322	129,322	C4	0
	3615323	12122	468,576	493,708	P1 P4	-25,132
	2241269	12122	606,208	603,444	C4 P1 P4	2,764
	3537581	13005	171,943	171,943		0
	3609572	13005	542,790	542,790		0
	3391166	14516	469,159	469,159		0
	0044466	15539	357,335	351,927	P1 P2 P7	5,408
	1166735	15539	266,573	156,182	P1 P2	110,391
	1182501	15539	578,468	578,468		0
	2085364	15539	838,886	838,886		0
	3180544	15539	641,817	641,817		0
	3134887	15571	369,476	367,440	P6	2,036
	3207538	15571	303,201	303,201		0
	3698707	15962	184,422	209,982	P4	-25,560
	3247316	15962	178,889	195,117	P4	-16,228
	2675722	16144	728,397	728,397		0
	2810301	16144	608,181	646,091	P1	-37,910
	3732190	16144	137,348	137,348		0
	3615680	16144	141,790	139,677	P5	2,113
	3621847	16144	191,115	191,115		0
	1900870	16446	255,947	218,578	P6	37,369
	3697096	16729	851,403	848,393	C4 P4	3,010
	2454203	16729	783,904	783,904		0
	3252750	16729	447,221	300,000	P7	147,221
	1741837	17124	160,071	160,071		0
	3748070	17124	576,003	576,003		0
	3198862	17124	984,045	984,045		0
	2701626	17426	607,707	612,412	C4 P1 P2	-4,705

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	0408263	17426	1,120,670	1,035,366	C4 P1 P4	85,304
	3002420	18147	471,075	471,075		0
	3365003	18147	543,594	530,940	P6	12,654
	2507986	18147	233,406	235,011	P1 P3	-1,605
	0162639	22799	586,904	644,730	C4 P1	-57,826
	0188980	22799	1,640,134	1,168,156	P1 P2 P6	471,978
	3180169	22799	740,598	754,078	P3	-13,480
	0509752	22799	654,141	654,141		0
	3637805	31283	490,781	501,289	P2 P3 P4 P7	-10,508
	3226015	31283	469,019	469,019		0
	1165569	31283	761,180	761,811	P6	-631
	0766500	31283	1,008,074	1,022,625	P6	-14,551
	3714400	39071	453,147	453,147		0
	3750867	39137	255,209	291,260	P1 P3	-36,051
Quarterly Total Test Audit Payroll:			22,975,050			
Quarterly Total Company Audit Payroll:			22,281,388			
Quarterly Total Payroll Difference:			693,662			

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3586772	10448	717,592	717,592		0
	2197774	10448	802,366	802,366		0
	0380938	10448	343,363	443,967	C4 P1	-100,604
	3719617	10448	964,941	957,660	P6	7,281
	3144896	10448	215,686	408,876	P1	-193,190
	3201274	11223	733,704	717,369	C4 P1 P6	16,335
	3464827	11223	130,552	130,552		0
	3260915	11223	1,468,123	1,020,593	C4 P1	447,530
	3608107	11347	1,057,472	866,317	P1 P4	191,155
	2567180	15571	1,359,074	1,409,431	P3	-50,357
	2143879	15571	1,176,078	1,275,546	P3 P4 P6	-99,468
	3226635	15962	102,466	102,466		0
	3640699	16446	602,802	545,871	P1 P5	56,931
	3495473	16446	374,695	372,397	P3	2,298
	3605617	16446	199,337	199,337		0
	3489886	16446	276,089	273,381	C4 P2 P4	2,708
	0860409	16446	559,726	559,726		0
	3206894	17124	144,323	144,323		0
	3141135	17124	125,906	125,906		0
	2519534	17124	888,957	788,030	C4 P4	100,927
	0765619	17426	185,573	185,573		0
	2595575	17426	2,603,076	2,045,920	P1 P4 P6	557,156
	3168634	17426	346,585	353,335	C4 P1	-6,750
	3726021	17426	852,867	852,867	C4	0
	0557803	17426	952,232	952,232		0
	3118126	18147	511,133	511,133		0
	3588016	18147	202,930	202,930	C4	0
	2486148	18147	279,198	279,198		0
	1031953	18147	379,407	379,407	C4	0
	0253979	18147	300,219	300,219		0
	2429373	22799	155,041	158,548	P3	-3,507

Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2433516	22799	526,445	537,711	P4	-11,266
	3208011	22799	1,666,585	1,666,585		0
	3219094	22799	529,776	701,385	P1 P5	-171,609

Quarterly Total Test Audit Payroll: **21,734,319**

Quarterly Total Company Audit Payroll: **20,988,749**

Quarterly Total Payroll Difference: **745,570**



Minnesota Workers' Compensation Insurers Association

Voluntary Market

Test Audits Completed January 1, 2022 - December 31, 2022

YTD Total Test Audit Payroll:	92,373,081
YTD Total Company Audit Payroll:	89,973,640
YTD Total Payroll Difference:	2,399,441

Total Audits:	154
Total Audits requiring corrected USRs: *	77
Percentage of Audits requiring corrected USRs: *	50.0 %

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	30	C1	1
P2	9	C2	0
P3	15	C3	1
P4	26	C4	37
P5	5	C5	0
P6	26		
P7	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

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).

MWCIA

Test Audit Program



Assigned Risk - Mail Audits

Test Audits Completed

January 1, 2022 - December 31, 2022

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Mail Audits

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2375974	12368	35,118	35,118		0
	3541307	12368	65,820	65,820		0
	3169485	12368	97,698	97,698		0
	3195817	12368	1,380	1,380		0
	3157038	12368	82,829	85,579	C4 P6	-2,750
	3416035	12368	78,050	78,050		0
	2353199	12368	59,630	59,630		0
	0497126	12368	56,004	84,037	P5 P7	-28,033
	3595324	12368	35,828	35,828		0
	3541827	12368	19,200	19,200		0
	3386586	12368	4,250	4,250		0
	3386227	12368	45,042	45,042		0
	3192548	27821	241,150	253,206	P3 P7	-12,056
	3678239	27821	1,800	1,800		0
Quarterly Total Test Audit Payroll:			823,799			
Quarterly Total Company Audit Payroll:				866,638		
Quarterly Total Payroll Difference:						(42,839)

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, 2022 - December 31, 2022

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3128394	12368	19,292	19,292		0
	3607019	12368	1,300	1,300		0
	3216756	12368	17,975	17,975		0
	3728523	12368	78,602	78,602		0
	3343126	12368	86,499	82,819	P6 P7	3,680
	2585391	27821	34,795	31,095	C4 P4	3,700
	2656744	27821	89,389	90,377	P2	-988
	3149014	27821	10,414	24,854	P1 P6	-14,440
	3227342	27821	80,000	67,609	P4	12,391
	3637701	27821	26,000	26,000		0
	0579955	27821	43,775	43,775	C4	0
	0627127	27821	57,824	57,824		0

Quarterly Total Test Audit Payroll: **545,865**

Quarterly Total Company Audit Payroll: **541,522**

Quarterly Total Payroll Difference: **4,343**

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, 2022 - December 31, 2022

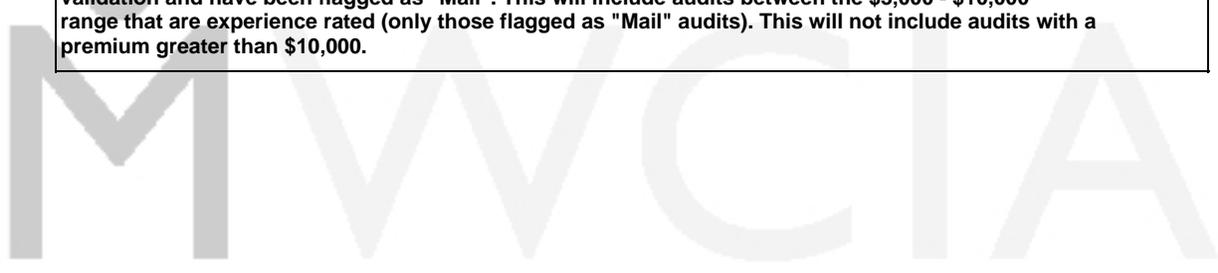
Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3153952	12368	0	0		0
	3625016	12368	0	0		0
	3315130	12368	11,209	11,209		0
	3638461	27821	59,581	59,581		0
	1931237	27821	19,986	19,986		0
	2279746	27821	42,605	42,605	C4	0

Quarterly Total Test Audit Payroll: **133,381**

Quarterly Total Company Audit Payroll: **133,381**

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 - 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, 2022 - December 31, 2022

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3198512	12368	0	0		0
	3130959	12368	0	0		0
	2296292	12368	47,761	47,761		0
	3217318	12368	0	0		0
	3595555	12368	9,552	9,552		0
	3299870	27821	1,495	1,495		0
	2646749	27821	38,076	38,076	C4	0

Quarterly Total Test Audit Payroll: **96,884**

Quarterly Total Company Audit Payroll: **96,884**

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 - 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, 2022 - December 31, 2022

YTD Total Test Audit Payroll:	1,599,929
YTD Total Company Audit Payroll:	1,638,425
YTD Total Payroll Difference:	(38,496)

Total Audits:	39
Total Audits requiring corrected USRs: *	9
Percentage of Audits requiring corrected USRs: *	23.1 %

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	1	C1	0
P2	1	C2	0
P3	1	C3	0
P4	2	C4	5
P5	1	C5	0
P6	3		
P7	3		

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

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).

MWCIA

Test Audit Program



Assigned Risk - Physical Audits

Test Audits Completed

January 1, 2022 - December 31, 2022

Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 1	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2535394	12368	22,137	22,137		0
	3203689	12368	21,182	21,182		0
	3474647	12368	83,580	83,580		0
	2596946	27821	343,811	580,669	P6	-236,858

Quarterly Total Test Audit Payroll: **470,710**

Quarterly Total Company Audit Payroll: **707,568**

Quarterly Total Payroll Difference: **(236,858)**

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, 2022 - December 31, 2022

Quarter: 2	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3599926	12368	57,824	57,824		0
	3607075	12368	96,000	96,000		0
	3520477	12368	15,390	15,390		0
	3209865	12368	40,703	40,703		0
	2398176	27821	131,827	74,000	P1	57,827
	3602566	27821	16,078	10,173	P6	5,905

Quarterly Total Test Audit Payroll: **357,822**

Quarterly Total Company Audit Payroll: **294,090**

Quarterly Total Payroll Difference: **63,732**

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.

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Minnesota Workers' Compensation Insurers Association

Assigned Risk Market - Physical Audits

Test Audits Completed January 1, 2022 - December 31, 2022

Quarter: 3	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	3727973	12368	26,280	26,280		0
	3591641	12368	0	0		0
	3548026	27821	18,000	18,000		0

Quarterly Total Test Audit Payroll: **44,280**

Quarterly Total Company Audit Payroll: **44,280**

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, 2022 - December 31, 2022

Quarter: 4	AFN Number	Carrier ID	Test Audit Payroll	Company Audit Payroll	Reason Code(s)	Total Payroll Difference
	2922223	12368	0	0		0
	3463308	27821	81,432	8,143	P5	73,289
	3764660	27821	10,800	10,800		0

Quarterly Total Test Audit Payroll: **92,232**

Quarterly Total Company Audit Payroll: **18,943**

Quarterly Total Payroll Difference: **73,289**

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, 2022 - December 31, 2022

YTD Total Test Audit Payroll:	965,044
YTD Total Company Audit Payroll:	1,064,881
YTD Total Payroll Difference:	(99,837)

Total Audits:	16
Total Audits requiring corrected USRs: *	4
Percentage of Audits requiring corrected USRs: *	25.0 %

Summary of Differences:

Payroll Difference	Count	Classification Difference	Count
P1	1	C1	0
P2	0	C2	0
P3	0	C3	0
P4	0	C4	0
P5	1	C5	0
P6	2		
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

* Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code).