



Minnesota Workers' Compensation  
Insurers Association, Inc.

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CIRCULAR NO. 26-1872

Date: January 22, 2026

To: All Association Members

Re: **2025 Test Audit Summary Report**

Attached are the summary sheets showing the results of the 2025 Test Audit Program administered by the Minnesota Workers' Compensation Insurers Association Inc. (MWCIA). For your convenience, the report lists all test audits completed from January 1, 2025 through December 31, 2025 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 Manager, at 952-897-6402 or by emailing [trice.tormoen@mwcia.org](mailto:trice.tormoen@mwcia.org).

# **MWCIA**

## **Test Audit Program**

**MWCIA**

**Voluntary Market**

**Test Audits Completed      January 1, 2025 - December 31, 2025**

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 1 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 3624867    | 11037      | 1,074,631          | 805,862               | P1 P4          | 268,769                  |
|            | 3783410    | 11037      | 223,205            | 223,205               |                | 0                        |
|            | 2069814    | 11037      | 574,218            | 564,219               | P2             | 9,999                    |
|            | 0394920    | 11169      | 115,509            | 115,509               |                | 0                        |
|            | 2233070    | 11169      | 295,718            | 296,979               | C3 P4          | -1,261                   |
|            | 3753843    | 11169      | 162,589            | 162,589               |                | 0                        |
|            | 2211343    | 12882      | 285,081            | 225,880               | P4             | 59,201                   |
|            | 3394600    | 13633      | 228,567            | 228,567               |                | 0                        |
|            | 0550647    | 15571      | 1,577,983          | 1,577,983             |                | 0                        |
|            | 3170150    | 15571      | 1,531,970          | 1,537,922             | C4 P2 P3       | -5,952                   |
|            | 3474734    | 15865      | 417,519            | 417,519               |                | 0                        |
|            | 1124773    | 15865      | 265,714            | 265,714               |                | 0                        |
|            | 3596854    | 15962      | 415,649            | 415,649               | C4             | 0                        |
|            | 3602451    | 16144      | 164,030            | 202,127               | P6             | -38,097                  |
|            | 1347179    | 16446      | 1,210,147          | 1,214,712             | P1             | -4,565                   |
|            | 3165373    | 16446      | 238,685            | 238,685               |                | 0                        |
|            | 1408429    | 16985      | 864,840            | 864,840               |                | 0                        |
|            | 3485297    | 16985      | 179,345            | 177,778               | P3             | 1,567                    |
|            | 0283614    | 17035      | 1,287,205          | 1,287,205             | C1             | 0                        |
|            | 3690035    | 17191      | 669,009            | 669,009               | C4             | 0                        |
|            | 1172948    | 18147      | 1,999,679          | 1,901,212             | P4 P6          | 98,467                   |
|            | 0720186    | 18147      | 586,894            | 586,894               |                | 0                        |
|            | 3281710    | 19968      | 1,425,536          | 1,425,536             |                | 0                        |
|            | 2184796    | 19968      | 1,483,123          | 1,477,665             | C4 P2          | 5,458                    |
|            | 1827456    | 22799      | 373,259            | 367,627               | C1 P6          | 5,632                    |
|            | 1451553    | 24759      | 717,364            | 717,364               |                | 0                        |
|            | 3105383    | 24759      | 365,987            | 365,987               |                | 0                        |
|            | 2707942    | 24759      | 447,545            | 445,388               | P6             | 2,157                    |
|            | 0912816    | 29475      | 504,682            | 506,963               | P2 P6          | -2,281                   |
|            | 2123053    | 29475      | 902,160            | 902,160               |                | 0                        |
|            | 2986728    | 31283      | 941,483            | 934,079               | P1 P2          | 7,404                    |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 1                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3647589    | 31283      | 1,212,573          | 1,214,812             | C4 P6          | -2,239                   |
|                                        | 1477650    | 35866      | 977,628            | 926,585               | P4             | 51,043                   |
|                                        | 3688307    | 39071      | 1,614,048          | 1,614,048             |                | 0                        |
|                                        | 2923661    | 39071      | 388,957            | 643,985               | P1 P6          | -255,028                 |
|                                        | 1885545    | 39071      | 938,873            | 1,015,778             | P6             | -76,905                  |
|                                        | 3687132    | 39071      | 631,121            | 633,282               | P3             | -2,161                   |
|                                        | 3194359    | 40533      | 632,200            | 632,200               |                | 0                        |
|                                        | 3314168    | 40533      | 898,663            | 931,181               | P2 P6          | -32,518                  |
|                                        | 0379409    | 90468      | 1,840,310          | 1,571,061             | P6             | 269,249                  |
|                                        | 1050753    | 90468      | 1,262,011          | 1,262,011             |                | 0                        |
|                                        | 3161004    | 90468      | 240,866            | 240,866               |                | 0                        |
|                                        | 3188778    | 90468      | 326,912            | 326,912               |                | 0                        |
| Quarterly Total Test Audit Payroll:    |            |            |                    | 32,493,488            |                |                          |
| Quarterly Total Company Audit Payroll: |            |            |                    | 32,135,549            |                |                          |
| Quarterly Total Payroll Difference:    |            |            |                    | 357,939               |                |                          |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 2 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 3703685    | 10863      | 294,095            | 294,095               |                | 0                        |
|            | 3742349    | 11169      | 822,537            | 822,537               |                | 0                        |
|            | 3022633    | 11223      | 217,196            | 223,140               | P6             | -5,944                   |
|            | 0616800    | 11223      | 723,564            | 752,054               | P1             | -28,490                  |
|            | 3754323    | 11509      | 500,924            | 500,924               | C4             | 0                        |
|            | 3326186    | 11509      | 812,011            | 678,161               | P1             | 133,850                  |
|            | 3724187    | 12637      | 302,969            | 484,903               | P1 P6          | -181,934                 |
|            | 3312195    | 12637      | 296,457            | 425,392               | P1 P2 P6       | -128,935                 |
|            | 2776162    | 13633      | 609,513            | 609,513               | C4             | 0                        |
|            | 3162549    | 15245      | 416,328            | 608,127               | P1             | -191,799                 |
|            | 3028992    | 15962      | 909,621            | 775,773               | C4 P1          | 133,848                  |
|            | 3713382    | 16144      | 128,012            | 131,721               | P6             | -3,709                   |
|            | 3631299    | 17035      | 370,734            | 376,434               | C4 P3          | -5,700                   |
|            | 3202173    | 17035      | 2,071,468          | 1,528,308             | P1 P2          | 543,160                  |
|            | 3206196    | 17124      | 717,388            | 717,388               |                | 0                        |
|            | 3208842    | 17124      | 2,006,576          | 2,011,001             | C4 P4 P6       | -4,425                   |
|            | 3206132    | 17124      | 747,340            | 766,927               | P1 P4          | -19,587                  |
|            | 2975556    | 17124      | 318,767            | 250,667               | P1             | 68,100                   |
|            | 1354841    | 17124      | 781,385            | 920,606               | P1             | -139,221                 |
|            | 0660361    | 17124      | 610,535            | 610,535               |                | 0                        |
|            | 3133953    | 17426      | 829,416            | 829,416               |                | 0                        |
|            | 2872340    | 17426      | 298,477            | 298,477               |                | 0                        |
|            | 1118633    | 17426      | 117,599            | 117,599               |                | 0                        |
|            | 0761990    | 18147      | 1,368,520          | 1,368,520             |                | 0                        |
|            | 1228528    | 18147      | 879,520            | 879,520               |                | 0                        |
|            | 2357488    | 18147      | 1,609,101          | 1,552,487             | P4 P5          | 56,614                   |
|            | 3173981    | 18147      | 291,013            | 287,893               | P2             | 3,120                    |
|            | 3642980    | 19291      | 190,989            | 226,517               | C1 P1          | -35,528                  |
|            | 1788981    | 19593      | 1,852,931          | 1,852,931             |                | 0                        |
|            | 2614537    | 20206      | 1,006,002          | 1,006,002             |                | 0                        |
|            | 3147013    | 20206      | 408,855            | 408,855               |                | 0                        |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 2 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 3179879    | 22799      | 1,371,253          | 1,169,343             | P1 P4          | 201,910                  |
|            | 0292176    | 27669      | 951,072            | 945,070               | P6             | 6,002                    |
|            | 3151169    | 35866      | 469,276            | 405,214               | C3 P1          | 64,062                   |
|            | 3605164    | 39071      | 612,750            | 612,750               |                | 0                        |
|            | 3611061    | 39071      | 219,400            | 455,430               | C5 P1          | -236,030                 |
| <hr/>      |            |            |                    | <b>26,133,594</b>     |                |                          |
| <hr/>      |            |            |                    | <b>25,904,230</b>     |                |                          |
| <hr/>      |            |            |                    | <b>229,364</b>        |                |                          |



# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 3 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 3546995    | 10448      | 1,477,301          | 1,458,205             | P6             | 19,096                   |
|            | 2258170    | 10448      | 498,840            | 500,052               | P6             | -1,212                   |
|            | 3600106    | 10642      | 335,253            | 327,467               | P2 P6          | 7,786                    |
|            | 0037842    | 11169      | 734,009            | 713,742               | P4             | 20,267                   |
|            | 2262100    | 11169      | 1,507,540          | 1,505,319             | P6             | 2,221                    |
|            | 1267434    | 11223      | 1,779,730          | 877,867               | P6             | 901,863                  |
|            | 3732781    | 11223      | 87,775             | 107,205               | P1             | -19,430                  |
|            | 0801194    | 11363      | 606,895            | 606,895               |                | 0                        |
|            | 3125255    | 12637      | 420,319            | 419,347               | P6             | 972                      |
|            | 2189356    | 12637      | 1,626,133          | 1,857,567             | P1             | -231,434                 |
|            | 0157465    | 13579      | 2,015,826          | 2,015,826             |                | 0                        |
|            | 1612620    | 15245      | 857,387            | 856,804               | P5             | 583                      |
|            | 1419412    | 15571      | 368,598            | 368,598               |                | 0                        |
|            | 3596478    | 16985      | 886,078            | 921,292               | P3             | -35,214                  |
|            | 0747742    | 16985      | 935,769            | 935,769               |                | 0                        |
|            | 1897969    | 17124      | 235,686            | 235,686               |                | 0                        |
|            | 3755605    | 17124      | 110,162            | 110,162               |                | 0                        |
|            | 0897728    | 17426      | 294,346            | 457,382               | P6             | -163,036                 |
|            | 1725360    | 17426      | 188,069            | 188,069               |                | 0                        |
|            | 2171074    | 17426      | 462,909            | 545,735               | P4             | -82,826                  |
|            | 3171956    | 17469      | 107,720            | 107,720               | C4             | 0                        |
|            | 3186490    | 17469      | 657,418            | 657,418               |                | 0                        |
|            | 3610005    | 17469      | 214,591            | 215,249               | P4             | -658                     |
|            | 3716550    | 17469      | 647,287            | 582,942               | P1 P2          | 64,345                   |
|            | 3825284    | 17469      | 621,168            | 578,818               | P4             | 42,350                   |
|            | 1855581    | 17469      | 438,145            | 448,153               | P6             | -10,008                  |
|            | 1409352    | 17469      | 130,744            | 130,744               |                | 0                        |
|            | 2318113    | 17469      | 671,770            | 671,770               |                | 0                        |
|            | 3808538    | 17965      | 1,992,366          | 1,992,366             |                | 0                        |
|            | 0757950    | 18147      | 506,540            | 506,540               | C4             | 0                        |
|            | 3753013    | 18147      | 818,953            | 818,953               |                | 0                        |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 3                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3181954    | 18147      | 908,009            | 908,009               |                | 0                        |
|                                        | 3606309    | 18147      | 735,015            | 757,063               | P2 P4 P6       | -22,048                  |
|                                        | 3229569    | 18147      | 1,220,536          | 1,220,536             | C4             | 0                        |
|                                        | 3336068    | 18147      | 634,849            | 705,095               | P1 P4          | -70,246                  |
|                                        | 3450469    | 18147      | 1,035,440          | 1,035,440             |                | 0                        |
|                                        | 3218359    | 19291      | 1,005,604          | 1,004,546             | C1 P4          | 1,058                    |
|                                        | 3175695    | 20206      | 122,769            | 122,769               |                | 0                        |
|                                        | 2004127    | 22799      | 2,055,261          | 2,055,261             |                | 0                        |
|                                        | 2327694    | 22799      | 454,620            | 492,004               | P6             | -37,384                  |
|                                        | 0403067    | 22799      | 403,582            | 403,582               |                | 0                        |
|                                        | 2799278    | 22799      | 442,420            | 456,601               | P4 P6          | -14,181                  |
|                                        | 2038382    | 31283      | 889,468            | 860,400               | C4 P1          | 29,068                   |
| Quarterly Total Test Audit Payroll:    |            |            | 32,142,900         |                       |                |                          |
| Quarterly Total Company Audit Payroll: |            |            | 31,740,968         |                       |                |                          |
| Quarterly Total Payroll Difference:    |            |            | 401,932            |                       |                |                          |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 4 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 3826719    | 11509      | 1,874,196          | 1,874,196             |                | 0                        |
|            | 3784415    | 11673      | 355,244            | 370,921               | P1 P6          | -15,677                  |
|            | 3714850    | 12610      | 562,237            | 573,860               | C4 P6          | -11,623                  |
|            | 1954890    | 16144      | 661,381            | 643,403               | P4             | 17,978                   |
|            | 3237248    | 17124      | 302,182            | 302,182               |                | 0                        |
|            | 3616089    | 17124      | 1,647,875          | 1,657,655             | P3             | -9,780                   |
|            | 3189096    | 17124      | 1,246,439          | 1,372,203             | P1 P4          | -125,764                 |
|            | 3171741    | 17124      | 418,853            | 418,853               |                | 0                        |
|            | 1172026    | 17124      | 261,659            | 261,659               |                | 0                        |
|            | 0266140    | 17426      | 1,515,599          | 1,571,168             | P1 P2          | -55,569                  |
|            | 3580985    | 17426      | 1,854,221          | 1,849,911             | P1 P4          | 4,310                    |
|            | 3767261    | 17426      | 773,606            | 773,606               |                | 0                        |
|            | 0776777    | 17469      | 1,011,810          | 1,011,810             |                | 0                        |
|            | 3734689    | 17469      | 496,584            | 496,584               |                | 0                        |
|            | 0859702    | 18147      | 997,453            | 997,453               |                | 0                        |
|            | 0921726    | 18147      | 221,265            | 297,519               | P6             | -76,254                  |
|            | 3191543    | 18147      | 152,025            | 152,025               |                | 0                        |
|            | 0964204    | 18147      | 1,278,800          | 1,278,800             |                | 0                        |
|            | 3710982    | 18147      | 616,901            | 616,901               |                | 0                        |
|            | 3343549    | 18147      | 348,381            | 348,381               |                | 0                        |
|            | 2486814    | 19291      | 64,804             | 146,392               | P1 P3 P6       | -81,588                  |
|            | 3572402    | 19291      | 141,682            | 141,682               |                | 0                        |
|            | 3619248    | 19968      | 1,317,353          | 1,412,531             | P1 P6          | -95,178                  |
|            | 3448873    | 22640      | 721,979            | 719,689               | P2 P5          | 2,290                    |
|            | 0567612    | 22799      | 1,367,568          | 1,367,568             |                | 0                        |
|            | 1458078    | 24759      | 1,055,538          | 1,055,538             |                | 0                        |

# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 4                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3582494    | 24759      | 103,449            | 103,449               |                | 0                        |
| Quarterly Total Test Audit Payroll:    |            |            |                    |                       |                | <b>21,369,084</b>        |
| Quarterly Total Company Audit Payroll: |            |            |                    |                       |                | <b>21,815,939</b>        |
| Quarterly Total Payroll Difference:    |            |            |                    |                       |                | <b>(446,855)</b>         |



# Minnesota Workers' Compensation Insurers Association

## Voluntary Market

Test Audits Completed

January 1, 2025 - December 31, 2025

|                                  |                    |
|----------------------------------|--------------------|
| YTD Total Test Audit Payroll:    | <b>112,139,066</b> |
| YTD Total Company Audit Payroll: | <b>111,596,686</b> |
| YTD Total Payroll Difference:    | <b>542,380</b>     |

|                                                  |               |
|--------------------------------------------------|---------------|
| Total Audits:                                    | <b>149</b>    |
| Total Audits requiring corrected USRs: *         | <b>68</b>     |
| Percentage of Audits requiring corrected USRs: * | <b>45.6 %</b> |

### Summary of Differences:

| Payroll Difference | Count     | Classification Difference | Count     |
|--------------------|-----------|---------------------------|-----------|
| P1                 | <b>29</b> | C1                        | <b>4</b>  |
| P2                 | <b>14</b> | C2                        | <b>0</b>  |
| P3                 | <b>7</b>  | C3                        | <b>2</b>  |
| P4                 | <b>20</b> | C4                        | <b>15</b> |
| P5                 | <b>3</b>  | C5                        | <b>1</b>  |
| P6                 | <b>32</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

\* 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**

**MWCIA**

**Assigned Risk - Mail Audits**

**Test Audits Completed      January 1, 2025 - December 31, 2025**

# Minnesota Workers' Compensation Insurers Association

## Assigned Risk Market - Mail Audits

Test Audits Completed      January 1, 2025 - December 31, 2025

| Quarter: 1 | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|            | 2344572    | 12368      | 28,308             | 28,308                |                | 0                        |
|            | 3621704    | 12368      | 87,104             | 87,104                |                | 0                        |
|            | 3637980    | 12368      | 46,145             | 78,024                | P6             | -31,879                  |
|            | 3721133    | 12368      | 59,370             | 60,602                | P6             | -1,232                   |
|            | 3615107    | 27821      | 8,591              | 8,591                 |                | 0                        |
| <hr/>      |            |            |                    | <b>229,518</b>        |                |                          |
| <hr/>      |            |            |                    | <b>262,629</b>        |                |                          |
| <hr/>      |            |            |                    | <b>(33,111)</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 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, 2025 - December 31, 2025

| Quarter: 2                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll               | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-------------------------------------|----------------|--------------------------|
|                                        | 3779535    | 12368      | 803,160            | 751,643                             | C4 P4          | 51,517                   |
|                                        | 3793888    | 12368      | 219,727            | 219,727                             |                | 0                        |
|                                        | 3731873    | 12368      | 331,271            | 366,911                             | P6             | -35,640                  |
|                                        | 3450707    | 12368      | 527,189            | 527,189                             | C4             | 0                        |
|                                        | 3441279    | 12368      | 126,874            | 121,727                             | P4 P6          | 5,147                    |
|                                        | 2616815    | 12368      | 238,211            | 238,211                             |                | 0                        |
|                                        | 2199009    | 27821      | 0                  | 148,224                             | P1             | -148,224                 |
|                                        | 3724811    | 27821      | 300,336            | 166,994                             | C4 P1 P6       | 133,342                  |
| <hr/>                                  |            |            |                    |                                     |                |                          |
| Quarterly Total Test Audit Payroll:    |            |            |                    | <b>2,546,768</b>                    |                |                          |
| Quarterly Total Company Audit Payroll: |            |            |                    | <b>2,540,626</b>                    |                |                          |
| <hr/>                                  |            |            |                    | Quarterly Total Payroll Difference: |                |                          |
|                                        |            |            |                    | <b>6,142</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 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, 2025 - December 31, 2025

| Quarter: 3                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3291213    | 27821      | 181,044            | 185,936               | P2             | -4,892                   |
|                                        | 3133665    | 27821      | 45,194             | 52,351                | C4 P3          | -7,157                   |
| Quarterly Total Test Audit Payroll:    |            |            |                    |                       |                | <b>226,238</b>           |
| Quarterly Total Company Audit Payroll: |            |            |                    |                       |                | <b>238,287</b>           |
| Quarterly Total Payroll Difference:    |            |            |                    |                       |                | <b>(12,049)</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 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, 2025 - December 31, 2025

| Quarter: 4                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3657360    | 12368      | 41,026             | 41,026                |                | 0                        |
|                                        | 3763869    | 12368      | 40,000             | 30,000                | P3             | 10,000                   |
|                                        | 3784327    | 12368      | 22,640             | 22,640                |                | 0                        |
|                                        | 3815136    | 12368      | 15,945             | 36,149                | P1             | -20,204                  |
|                                        | 3115997    | 12368      | 22,635             | 14,075                | P6             | 8,560                    |
|                                        | 2320827    | 12368      | 50,190             | 50,190                |                | 0                        |
|                                        | 0968021    | 12368      | 28,012             | 28,012                |                | 0                        |
|                                        | 0664553    | 12368      | 8,283              | 10,892                | P6             | -2,609                   |
|                                        | 3686199    | 12368      | 40,398             | 40,398                |                | 0                        |
|                                        | 3334651    | 27821      | 22,886             | 30,796                | P1             | -7,910                   |
|                                        | 3310884    | 27821      | 27,479             | 27,479                |                | 0                        |
|                                        | 1581155    | 27821      | 0                  | 5,994                 | C4 P1          | -5,994                   |
|                                        | 1131044    | 27821      | 8,198              | 8,198                 |                | 0                        |
|                                        | 3814536    | 27821      | 2,687              | 4,034                 | C4 P3 P4       | -1,347                   |
| Quarterly Total Test Audit Payroll:    |            |            |                    | 330,379               |                |                          |
| Quarterly Total Company Audit Payroll: |            |            |                    | 349,883               |                |                          |
| Quarterly Total Payroll Difference:    |            |            |                    | (19,504)              |                |                          |

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, 2025 - December 31, 2025

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|                                  |           |
|----------------------------------|-----------|
| YTD Total Test Audit Payroll:    | 3,332,903 |
| YTD Total Company Audit Payroll: | 3,391,425 |
| YTD Total Payroll Difference:    | (58,522)  |

|                                                  |        |
|--------------------------------------------------|--------|
| Total Audits:                                    | 29     |
| Total Audits requiring corrected USRs: *         | 17     |
| Percentage of Audits requiring corrected USRs: * | 58.6 % |

### Summary of Differences:

| Payroll Difference | Count | Classification Difference | Count |
|--------------------|-------|---------------------------|-------|
| P1                 | 5     | C1                        | 0     |
| P2                 | 1     | C2                        | 0     |
| P3                 | 3     | C3                        | 0     |
| P4                 | 3     | C4                        | 6     |
| P5                 | 0     | C5                        | 0     |
| P6                 | 7     |                           |       |
| 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).

# **MWCIA**

## **Test Audit Program**

**MWCIA**

**Assigned Risk - Physical Audits**

**Test Audits Completed      January 1, 2025 - December 31, 2025**

# Minnesota Workers' Compensation Insurers Association

## Assigned Risk Market - Physical Audits

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 1                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 0290823    | 12368      | 2                  | 11,481                | C4 P4          | -11,479                  |
| Quarterly Total Test Audit Payroll:    |            |            |                    |                       | 2              |                          |
| Quarterly Total Company Audit Payroll: |            |            |                    |                       | 11,481         |                          |
| Quarterly Total Payroll Difference:    |            |            |                    |                       | (11,479)       |                          |

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, 2025 - December 31, 2025

| Quarter: 2                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll               | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-------------------------------------|----------------|--------------------------|
|                                        | 3750098    | 12368      | 226,117            | 226,117                             |                | 0                        |
|                                        | 3747719    | 12368      | 223,188            | 193,044                             | P4 P5          | 30,144                   |
|                                        | 3781015    | 12368      | 175,835            | 187,251                             | P3 P4          | -11,416                  |
|                                        | 3664904    | 12368      | 360,975            | 360,975                             |                | 0                        |
|                                        | 3622446    | 12368      | 179,661            | 179,661                             |                | 0                        |
|                                        | 3740505    | 27821      | 233,200            | 233,200                             |                | 0                        |
|                                        | 0441023    | 27821      | 1,722,064          | 1,729,938                           | P4             | -7,874                   |
| <hr/>                                  |            |            |                    |                                     |                |                          |
| Quarterly Total Test Audit Payroll:    |            |            |                    | <b>3,121,040</b>                    |                |                          |
| Quarterly Total Company Audit Payroll: |            |            |                    | <b>3,110,186</b>                    |                |                          |
| <hr/>                                  |            |            |                    | Quarterly Total Payroll Difference: |                |                          |
|                                        |            |            |                    | <b>10,854</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

## Assigned Risk Market - Physical Audits

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 3                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3628179    | 12368      | 421,830            | 441,482               | P6             | -19,652                  |
|                                        | 3217922    | 12368      | 269,445            | 269,445               |                | 0                        |
|                                        | 3510507    | 27821      | 73,995             | 76,246                | P2             | -2,251                   |
| Quarterly Total Test Audit Payroll:    |            |            | <b>765,270</b>     |                       |                |                          |
| Quarterly Total Company Audit Payroll: |            |            | <b>787,173</b>     |                       |                |                          |
| Quarterly Total Payroll Difference:    |            |            | <b>(21,903)</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

## Assigned Risk Market - Physical Audits

Test Audits Completed

January 1, 2025 - December 31, 2025

| Quarter: 4                             | AFN Number | Carrier ID | Test Audit Payroll | Company Audit Payroll | Reason Code(s) | Total Payroll Difference |
|----------------------------------------|------------|------------|--------------------|-----------------------|----------------|--------------------------|
|                                        | 3301379    | 12368      | 52,929             | 52,100                | P6             | 829                      |
|                                        | 3764063    | 27821      | 107,412            | 107,412               |                | 0                        |
|                                        | 3751638    | 27821      | 747,838            | 739,610               | P6             | 8,228                    |
|                                        | 3683459    | 27821      | 38,312             | 38,312                | C4             | 0                        |
|                                        | 3619451    | 27821      | 50,947             | 50,947                |                | 0                        |
|                                        | 3025128    | 27821      | 9,268              | 15,805                | P6             | -6,537                   |
| Quarterly Total Test Audit Payroll:    |            |            | <b>1,006,706</b>   |                       |                |                          |
| Quarterly Total Company Audit Payroll: |            |            | <b>1,004,186</b>   |                       |                |                          |
| Quarterly Total Payroll Difference:    |            |            | <b>2,520</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

## Assigned Risk Market - Physical Audits

Test Audits Completed

January 1, 2025 - December 31, 2025

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|                                  |                  |
|----------------------------------|------------------|
| YTD Total Test Audit Payroll:    | <b>4,893,018</b> |
| YTD Total Company Audit Payroll: | <b>4,913,026</b> |
| YTD Total Payroll Difference:    | <b>(20,008)</b>  |

|                                                  |               |
|--------------------------------------------------|---------------|
| Total Audits:                                    | <b>17</b>     |
| Total Audits requiring corrected USRs: *         | <b>8</b>      |
| Percentage of Audits requiring corrected USRs: * | <b>47.1 %</b> |

### Summary of Differences:

| Payroll Difference | Count    | Classification Difference | Count    |
|--------------------|----------|---------------------------|----------|
| P1                 | <b>0</b> | C1                        | <b>0</b> |
| P2                 | <b>1</b> | C2                        | <b>0</b> |
| P3                 | <b>1</b> | C3                        | <b>0</b> |
| P4                 | <b>4</b> | C4                        | <b>2</b> |
| P5                 | <b>1</b> | C5                        | <b>0</b> |
| P6                 | <b>4</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
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#### Classification Differences:

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- 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).