

MANAGING PREMIUM AUDIT

The annual premium audit determines your company's actual WorkComp premium for the policy period, as opposed to the estimated premium established at the inception of the policy. Sometimes there can be dramatic changes in premium based on audit results. Insurance company auditors are trained to advocate for the carrier and default questionable areas in favor of the carrier. Since auditors perform hundreds of audits each year and a business only does one (their own) auditors know the rules better. The solution: build your own over-charge proof audit system.

PRECISIONCOMP'S ROLE:

- ◊ Teach you the secrets to a successful audit.
- ◊ Provide before, during, and after the audit instructions.
- ◊ Provide a detailed outline of what is included in the payroll and other remuneration.
- ◊ Provide an audit kit which will assist you in the following:
 - a. Utilize a spreadsheet template or similar tool from payroll system (ADP, as example) to summarize payroll.
 - b. Classify each employee who worked for you during the policy period into correct code.
 - c. Adjust for "Excluded Remuneration."
 - d. Total and balance to payroll records.
 - e. Prepare summary statement.
 - f. Manage subcontractors by coverage or confirming charged correctly.
 - g. Create defensible position for "gray" areas.
- ◊ Train you how to keep books to prepare for audit and train auditor contact person.
- ◊ Provide documentation of pre-agreed upon classifications with underwriter when the policy was written.