Ways to turn your workers compensation premium audit into big savings

- Make it easy on your premium auditor. Have their information ready. Give them a quiet room, coffee, etc. the easier it is for them, the easier it may be for you (but don't let the auditor roams freely around your facility)
- Recap your payroll by classification code. Why? An auditor may automatically place an unexplained payroll in your highest rated classification! Don't let this happen.
- Before sending the premium auditor to see your CPA, make sure the CPA firm knows something about workers compensation classifications. If they don't, get us involved. Also, tell your CPA to be nice to the premium auditor. Many firms treat them like the plague.
- Clearly recap overtime figures. The order will discount all overtime wages that to read or will wage rates. At time and a half that's a 33% savings.
- Don't pay workers compensation premiums on uninsured subcontracted materials - labor only! If the material labor split is not available from the subcontractors billing use a 50% guideline.
- Severance pay is excluded from workers compensation premium calculations.
- Third-party sick pay i.e. short or long-term disability insurance payments are excluded from workers compensation.
- Expense advance for travel and meals are excluded from workers compensation premiums.
- Pay to active duty military employees still drawing a check is excluded.
- Keep your certificates of insurance on file from all contracted labor. Don't let the auditor charge you for any subcontracted labor that has workers compensation insurance.
- When your premium audit is done, email or fax any worksheets to us immediately. We can often nip problems in the bud.
- Don't lie, but when unsure, place payroll the lower rated classification. Be the aggressor! Let the auditor call your hand, often they won't.
- Schedule your audit on a Friday afternoon, the later the better. Your auditor will be in and out of your office in a flash and is very likely to take your recap without question!