



SAWC POLICY **AUDIT PROCEDURE**



SAWC POLICY AUDIT

- Audits are required by policy contract and are performed annually after the policy expiration.
 - Zurich audits the policy to ensure proper classification and actual wages are used in premium calculation.
 - Audit requirements include job descriptions / classifications, gross wages by quarter, overtime, and 941 quarterly verification
 - Premium adjustments based on audit results will be included on your annual invoice.
 - FY2015 policy audits are currently in progress. The Zurich auditor is Bob Pavlik.
 - The transition to wvOASIS is being monitored by the OIC for data reporting issues.
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POLICY AUDIT EXAMPLE

Estimated Payroll at Beginning of Policy			
Class	Payroll	Rate	Premium
8810	\$500,000	\$0.25	\$1,250

Actual Payroll at End of Policy			
Class	Payroll	Rate	Premium
8810	\$750,000	\$0.25	\$1,875

- Based on the example above, a premium adjustment of \$625 would be applied on the next policy invoice.
- If the audit resulted in lower than estimated payroll a credit would be applied on the next policy invoice.
- Audit adjustments are not applied to minimum premium policies.

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INVOICE EXAMPLE

Class	Estimated Payroll	Rate	Premium
8810	\$150,000.00	\$0.19	\$285.00
9015	\$50,000.00	\$2.59	\$1,295.00

Total Manual Premium	\$1,580.00
Agency Emod: 1.02	\$32.00
Schedule Rating: -25%	(\$403.00)
Terrorism:	\$2,000.00
Catastrophe:	\$2,000.00
WV Deficit Reduction Surcharge:	\$469.00
WV Regulatory Surcharge:	\$260.00
Total WC Premium:	\$5,938.00
 Audit Adjustment:	(\$1,500.00)
Deductible Adjustment:	\$0.00
 Annual Premium Due:	 \$4,438.00

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