

Help customers avoid premium audit surprises.

▶ Digital Capabilities | Premium Audit

When your customer first purchases a policy, their premium is based on estimates for the coverage period, determined by information provided about their business operations and exposures.

Throughout the year, payroll, sales, even their business operations can fluctuate. The **premium audit process** helps ensure they pay the accurate amount.

Did You Know?

Some of your customers can complete their premium audit using our Online Business Service Center which helps simplify and streamline the premium audit process through:

- Minimal questions
- Easy upload of required documentation
- The ability to save their work and return to complete if they're interrupted

All insurance carriers are required to audit workers' compensation policies. Other coverage lines can be subject to a premium audit as well. This process could result in a refund, additional premium due or a determination that their initial estimate was reasonably close.

Audit Resources for Your Customers

We understand that the word "audit" can give customers pause, so we provide them with regular updates regarding:

- How their premium audit will be conducted (online, phone or in-person)
- When it's due
- What they'll need to complete it
- The outcome of their premium audit (typically, two weeks from premium audit completion)

We also provide them with **time-saving tools and resources** to guide them through the process, like:

- A checklist of documents needed for the premium audit
- FAQs to the most common premium audit questions
- An animated short video that explains the basics of a premium audit
- A guide to insurance and premium audit terms
- A dedicated team ready to help Monday-Friday 8:00 a.m. to 8:00 p.m. ET, **800-447-7649**

We Have You Covered, Too

If your customers have questions, you'll have the answers at your fingertips. Premium audit information is typically posted one day after the premium audit is processed and then updated daily on the EBC. In addition to having access to all the same resources your customers do, here's what you'll see on the EBC:

Statement of Premium Adjustment

- Provides the earned premium resulting from a premium audit.
- Includes statements for completed premium audits for the past 10+ years.

Premium Audit Summary

- Provides an overview of the estimated versus actual exposure.

Risk Descriptions (for telephone and physical audits)

- Provides a detailed account of the insureds' business operations, including labor force distribution, ownership information and an explanation of significant exposure variances.

Help Your Customers Minimize Premium Audit Surprises

As a trusted advisor, you can help customers prepare for upcoming premium audits.

Review supporting documents.

- Periodically comparing payroll records to the estimated payroll figure for the current term can help your customers see how they're tracking.
- If it appears their actual payroll will be significantly higher or lower than the estimated payroll, suggest they contact you for a consultation and to make any necessary adjustments.

Use accurate job classifications.

- The type of work your customers' employees do is directly related to the amount they pay for workers' compensation coverage.
- As new employees are added or existing employees change roles within their company, reinforce how critical it is to use the correct job classification.

Understand the impact of a 1099.

- The definition of "employee" can vary by state.
- If your customers use subcontractors, it's important to find out if the state considers them employees.
- Subcontractors or anyone else issued a 1099 may be eligible for coverage under a customer's workers' compensation policy. Be sure they know the rules.

Complete the premium audit on time.

- Remind your customers that completing the premium audit by the due date will help ensure the most efficient process possible.

Access premium audit tools and resources on the [EBC](#).

