

COSTWATCH

June 2020

The AuditRate Newsletter



Why You Should Audit Your Workers' Comp Premiums in Light of COVID-19-Related Workforce Changes

If you have:

- closed your business,
- furloughed employees,
- reassigned employees into new roles, or
- shifted employees to work-from-home status

during this pandemic, your workers' compensation premium may no longer reflect your actual risk exposure. In many cases these COVID-19 related workforce changes could result in lower workers' compensation premiums—and even refunds on overpayments since the crisis began.

At Alper Services, our Team of Experts know the ins and outs of workers' compensation premium calculations and what questions to ask to identify true opportunities for cost savings.

To identify what cost-savings you might realize from your specific COVID-19 workplace changes, email an AuditRate Team Member to schedule an assessment.

For reliable information, the National Council on Compensation Insurance has set up a FAQ page answering questions pertaining to COVID-19 and workers' compensation that is continually updated. [You can access it here.](#)

To answer questions specific to your business, contact Michelle Marten, John Przybylski or Rich Swoik to set up a no-cost, no-obligation, AuditRate review, MMarten@AuditRate.com, JPrzybylski@AuditRate.com or RSwoik@AuditRate.com

THE DEVIL IS IN THE DETAILS

An international designer and installer of logistics and distribution systems has a significant U.S. presence in several states. As the client of various insurance brokers, their insurers had misclassified their employees' work and their overall operations. Over-estimating their hazards resulted in years of premium overcharges. AuditRate's experts quickly identified the errors, affirmed the findings with each respective state's Insurance Rating Bureau, and then worked with the A+ rated insurer on correcting the mistakes from the past, as well as fixing the Client's current (and future) policies. The result?

The Client:

- Received over \$1,400,000 in overcharge refunds;
- Remains protected by the same A+ rated insurer; and,
- Will receive the cost-saving benefit of the corrections for years to come!

How does AuditRate succeed for our Clients? AuditRate has recovered tens of millions over the past 35 years. Let us conduct a no-risk AuditRate assessment to demonstrate how our unique capabilities will directly benefit you. 

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Ask The Expert

We interviewed the newest addition to our AuditRate Team Michelle Marten to learn more about her experiences in the field.

Give us some background on how you got into premium audit work.

My first insurance job was a Commercial Accounts Collection Manager for an insurance carrier. I was responsible for managing earned premium in a given territory. This included verifying premiums in regards to coverages, risk analysis based on financial review, and working closely with Premium Audit and Underwriting departments to resolve premium disputes. I then moved to the Premium Audit Department as a Premium Audit Specialist. In this role I was responsible for reviewing audits, mediating and resolving audit disputes as well as completing audits. A move to Illinois changed my trajectory to work remotely with outside auditing firms. I worked as a Senior Field Auditor conducting physical audits on workers' compensation, general liability and automobile policies throughout the Midwest.

What is the biggest misconception by business owners of the audit process?

Misconception: Premium Auditors set the rules. The rules are set by the National Council on Compensation Insurance (NCCI), Insurance Services Office (ISO) and state bureaus.

What advice can you give to business owners in their preparation for an audit by their carrier?

The audit contact representing the business is critical to the success of the audit. This person should know the business, from the operations to the financials, and be prepared to provide the documents needed to complete the audit.

The coronavirus pandemic has touched every business in some way. What types of changes should a business owner alert their carrier to for their next audit?

- If you suspended operations due to COVID-19 but are continuing to pay your employees even though they are at home and not working.
- If employees are placed in new roles temporarily due to a change in business operations due to COVID-19.
- If your employees are working from home. 

Interested in an AuditRate review? Contact Michelle Marten: MMarten@AuditRate.com, 312-335-2154, John Przybylski: JPrzybylski@AuditRate.com, 312-335-2152 or Rich Swoik: 312-335-2164, RSwoik@AuditRate.com.