



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)

Policy Statement For The Excess Workers' Compensation Program Regarding Payroll Audit Process

Premiums for the Excess Workers' Compensation Program are based on estimated payroll at the beginning of the program year. Following the end of the program year, the premiums are adjusted based on the member's reported actual payroll. This is commonly referred to as a "Payroll Audit".

Staff conducts the Payroll Audit by comparing the premium generated based on the estimated payroll at the beginning of the program year to the premium generated based on the actual payroll for the same period. As a result, members will either owe additional premium or have a return premium due.

Once the Payroll Audit process is complete, staff will communicate the results to the members. PRISM understands the budget hardship such premium adjustments could cause for a member and therefore desires to give members flexibility to the extent possible.

If a return premium is due to the member, staff will provide the member the option to receive a check for the return premium or to have the credit applied toward their next renewal premium.

If additional premium is due to PRISM from the member, staff will provide the member the option to pay the additional premium or to pay it along with their next renewal premium with no finance charges.