



Experience Mod Audit Program

Our **Experience Mod Audit Program** can detect errors in your client's experience modification, classification codes, and payroll audits and save them money on their previous, current, and future workers' compensation policies - all on a contingency fee basis.

Objective

To recover overpaid premiums and reduce your clients premium costs. To accomplish this objective, we focus on identifying overcharges on workers' compensation insurance policies.

Workers' Compensation Insurance is a major cost. What most companies don't understand is that they have probably spent more on past premiums than they should have and are probably paying more in current premiums than they should be paying.

This is true regardless of the agency or insurance carriers involved. The workers' compensation industry is burdened with errors costing businesses a tremendous amount of money. What is not known is that overpayments can be recovered from your previous policies.

Our experienced audit team has found that **more than 70% of our clients have overpaid their workers' compensation insurance** just because their experience modifier is higher than it should be. This is only one of the forty (40) items reviewed for overcharges!

Benefits

1. Recover overcharges that your client has unknowingly paid over the last several years.
2. To help ensure that your client is not overpaying and that your insurance carrier is applying every possible deduction to reduce your costs.
3. No Cost! Either your client receives premium refunds, or the peace of mind in knowing that they are not overpaying and that their insurance carrier is doing the best possible job for them.

No Up-Front Fee

There is never an up-front fee. The **Experience Mod Audit Program** is strictly on a contingency fee basis. Since your client must receive a refund, reduction or credit, there is no risk! The audit company will charge a service fee of 50% of the total errors found/refunded to the insured. The insured will recognize 50% of all found errors and mistakes.

Recover Overpaid Premiums & Reduce Premium Costs

Industries Overcharged

The following are many of the industries that we found are routinely overcharged:

Aircraft Operations	Bottlers	Landscaping Contractors
Forklift Operations	Home Builders	Sewer Contractors
Nursing Homes	Plumbing Contractors	Concrete Contractors
Amusement Parks	Home Health Care	Lumber Yards
Ski Resorts	Railroad Operations	Sheet Metal
Framing Contractors	Building Operators	Electrical Contractors
Oil & Gas Exploration	Hospitals	Machinery Dealers
Asbestos Contractors	Plumbing Contractors	Trucking
Garbage Collection	Janitorial	Excavating Contractors
Painting Contractors	Cable Installation	Meat Processors
Assisted Living	HVAC Contractors	Wallboard Installation
Grocery Stores	Restaurants	Mining
Paving Contractors	Casinos	Warehousing
Auto Dealerships	Iron & Steel	Foundries
Motorcycle Dealerships	Sand & Gravel	Municipalities
Plastering	Carpentry	Wrecking & Demolition
Beverage Dealers	Temporary Labor Services	Recycling
Manufacturing	Scrap Dealers	Technology
Stucco Contractors	Clothing Mfg.	

Warning Signs

How can you determine if your clients premiums may be incorrect? The following are just a few of the red flags that we look for:

- Their annual premium is above \$50,000.
- Within the last three (3) years your client has had a merger with another firm, operations have expanded into new state, or they've sold part of their business.
- A few years ago the NCCI or their state's rating bureau was called upon regarding a question or complaint.
- More than one experience modification was endorsed to their policy
- The effective date of their policy differs from the effective date of the experience modification.
- The ex-modifier is labeled as either "contingent" or "preliminary".
- After a policy started, an endorsement increased the modifier.
- The policy is endorsed with changes to classifications, rates or payrolls.
- Employees are paid overtime or provided allowances.
- A classification that was not on the policy is added to the audit.
- A classification that was on the policy is omitted from the audit.
- The auditor doesn't leave copies of his/her worksheets.
- They've changed insurance companies in the last 5 years.

Frequently Asked Questions

I don't have time for another "project." How much of my time will this audit take?

Once the available information is provided, the actual audit is conducted at our office.

The insurance company just performed an audit. Why do I need your services?

Insurance companies perform an annual audit to determine the actual payrolls for the past policy year. The auditor, who works for the insurance company, is there to adjust your client's estimated payroll to the actual payroll figures. The auditor is not there to locate overcharges.

What will the insurance company think?

Insurance companies want to be sure that the rules & regulations as mandated by the state's Department of Insurance or the state's workers' compensation laws are followed. Our review will confirm the insurance company's compliance with these rules & regulations.

What industries do you find the most overcharges?

Through our experience, we have found that our recoveries are not dependent on the industry. We have been successful in recovering overcharges in many industries including auto dealerships, construction, health care, restaurants, temporary labor services and manufacturing.

What happens if you find an error in my client's favor?

We look out for your client's best interest. If we find an error in their favor, we will tell you about the error, but will not request any corrections that are not in their favor.

We are concerned with confidential nature of the information involved. Who will see the information?

Privacy is the highest of importance to us. We have a confidentiality clause in our Agreement and will be happy to sign a separate Disclosure Agreement if you wish.

In which states can you perform the audit?

At the present time, our clients have exposure in nearly all states. Therefore, we are willing to audit all states except the monopolistic states of ND, OH, WA and WY.

Recover Overpaid Premiums & Reduce Premium Costs

Getting Started

Our goal is to keep your efforts to a minimum.

Items needed for **each policy year** beginning with the policy year effective **2009 up to the current policy year**.

Documents Needed

- Dec Pages/Information Pages of the policy indicating the detailed calculation of the estimated premium
- Final Audit Billing Statements
- Experience Rating Worksheets
- Loss History Summaries (Loss Runs)
- Auditor's Worksheets (Work Papers)
- Retrospective and/or Dividend Proposals and Calculations (if applicable)

We ask that you gather as much information as possible that's available. If it is determined that any documentation is missing, we will provide a letter to send to the insurance carrier(s) requesting that they provide the remaining documentation.

All of the auditing work will be performed at our offices allowing you to run your business.



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