

Markel workers compensation audit FAQs

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Insuring America's Small Business®

Why is my policy being audited?

Unlike other forms of insurance, your workers compensation policy is based on an estimate of what you believe will happen during the policy term. Once the policy expires, it's important to update your policy based on your actual business operations for the term. This assures that you aren't under/over paying for your insurance coverage.

What information is needed to complete the audit?

The audit forms sent to your address will detail any specific forms that are needed for the audit. On a typical audit the completed audit documents, payroll summary, quarterly tax information, 1099, and cash labor reports may be required. Please also submit any Workers Compensation Certificates of Insurance for non-employee individual/businesses hired during the policy term.

Can I get an extension to complete the audit?

To meet rating bureau deadlines we strive to have the requested audit information back to us within 50 days of policy expiration. If you need a few extra days to get the paperwork in we are as flexible as we can be. Just ask!

My policy has been cancelled or I'm no longer insured by Markel. Do I still need to complete the audit?

Yes. Your policy would still be based on payroll estimates. The actual business operation information is needed to calculate the final premium.

What happens if the audit is not completed?

Audits are processed as non-compliant if the completed documents and requested information are not returned within 50 days. If an audit is processed as non-compliant, your policy estimates may be increased which will result in a balance due. Once we get the information needed to complete the audit it will be processed using the actual information and this charge will be removed. If an audit remains non-compliant, it could impact future coverage when reviewed by Underwriting.

Can the audit result in a refund?

If the audit creates a premium decrease, any credit due will be applied to account balances first. Any additional credit will be issued as a refund. If the audit creates a premium increase, a bill for the additional premium will be included on the next billing statement.

Does the audit impact my current policy term?

If the audit results in a significant premium difference we may adjust the payroll estimate on your current policy using the audit results. If this is no longer an accurate projection for the current term, please contact your agent or the state-assigned audit analyst to review.

Do I have to complete all sections on the audit documents?

Please do so unless the information is notated elsewhere, such as a payroll report that lists employee duties. If something doesn't apply to you just put "N/A."

What do I include in the total in Section 4?

Please provide the employee gross wages (pay before deductions) including overtime, double time, tips, bonuses, vacation, housing, holiday, and sick pay. Officers' wages should not be included in Section 4, as their information is included under Section 2.

Why are you asking for information on uninsured subcontractors, casual labor, day laborers, and payments reported via 1099 in Section 6?

Workers compensation benefits are not limited to individuals solely on a company's traditional payroll; they can and have extended to contract laborers in almost any field of business. Please be sure to include any known insurance information regarding these individuals/businesses when returning your audit information.

What should I expect after I submit my audit information?

Your audit will be routed to one of our staff members. They will review the submitted information within 2-3 business weeks and reach out to you to complete the audit interview or request any additional information that may be needed. Depending on information submitted, you may receive an Audit Explanatory Summary letting you know that the audit was completed without any additional information needed.

Will you explain how the audit premium is calculated?

Once an audit is completed an Audit Explanatory Summary is sent to the insured and is also available in the Insured Service Center. This document provides details about the calculation of the audit premium and the changes that will occur to your policy. If you have questions please call Customer Service at +1.888.500.3344 or send an email to auditdepartment@markelcorp.com. All other audit related documents can also be viewed in the Insured Service Center.

How do I dispute my audit?

Less than 4 percent of our policies result in a second review. If something doesn't look right or clarification is needed, please feel free to contact us. Disputes are handled by our state-specific audit analyst who are experts in your state and can assist you with any questions you may have. They can be contacted by email at auditdepartment@markelcorp.com, phone (+1.888.500.3344), or fax (+1.800.319.0697).

I report my payroll routinely online during the policy term. Do I still need to complete an audit?

We are required to audit policies according to state requirements; however, reporting policies should simplify the entire audit process. Since the audit is needed to review more than just payroll for the business, it is still necessary to complete the forms.

Why have I received a preliminary audit?

These audits are a way for us to welcome you to Markel and to give you information on how audits are processed, as well as for us to learn more about your overall business operations. This type of audit will only be conducted on a first-year term with specific classification criteria and premium range.

Coverage is provided by one or more of the insurance companies within Markel and policyholder services are provided by the underwriting manager, Markel Service, Incorporated, national producer license # 27585, in California d/b/a Markel Insurance Services license # 0645481. Certain products and services are provided through various non-admitted insurance company subsidiaries of Markel and are offered through licensed surplus lines brokers or through Markel West, Inc. dba Markel West Insurance Services California license # OD95581. Markel Specialty is a business division of Markel Service, Incorporated. Insurance carrier, coverage, dividends, and services availability may vary by state. Terms and conditions for rates and coverages varies. Nothing herein shall be construed as an offer to sell or a solicitation or offer to purchase any products or services. Markel® is a registered trademark of the Markel Corporation. © 2021 Markel Service, Incorporated. All rights reserved.

