**OAR 836-043-0130**

**Name**
Test Auditor
Regulatory Division
Phone
Email

**Notice of Workers Compensation Test Audit**

Date: _____

POLICYHOLDER
ATTN:
ADDRESS
CITY, ST ZIP

Dear Employer:

NCCI is the licensed workers' compensation rating organization for Oregon. In accordance with Oregon Administrative Rules **OAR 836-043-0125** through **836-043-0155**, NCCI is required to administer a test audit program. The Test Audit Program helps NCCI verify the accuracy of payroll and claims data provided by insurance carriers to assure that loss costs are based on correct information.

NCCI randomly selects Oregon employers with a workers' compensation policy for a test audit. Your business has been selected for a test audit for the following policy:

**Carrier Name:**
**Policy Number:** **Policy Period:**

The Test Audit is scheduled for _____.

This is a required audit. Please confirm receipt of this letter by email. Specific authority to examine your records is contained in Part 5.G. of your workers' compensation policy. All insurance companies who write workers' compensation insurance in Oregon are subject to test audit, and selection of your policy is not a reflection upon your business or your insurance company.

At our appointment, the first step of the test audit will consist of a review of your business operations. I will need to be provided an in-depth explanation of what your business does, how you do it, and who does what job functions. The next step of the test audit consists of a review of certain financial records to determine the wages subject to premium computation. While not all businesses maintain the same types of records, I will need to review the following types of records that cover the period of time that the policy was in force:

- Payroll Journals – Individual gross earnings records; depending on your payroll system, you may be able to provide an Individual Earning summary for the policy period; in other cases we can use existing year-to-date and quarter-to-date earnings records and add or subtract information to summarize payroll for the policy period
- Payroll Tax Reports such as 941's and Unemployment quarterly reports
- General Ledger, cash disbursements, or similar expense records
- Records of Payments to Casual or Contract Labor
- Certificates of Insurance for Subcontractors

***For your protection, please remove, redact or otherwise mask any personally identifiable information, such as social security numbers, from the records you provide as part of the test audit.*** The test audit will be conducted either at your place of business, your accountant's office, or as a virtual test audit.

To reschedule an appointment or if your records are not at the address shown above, please contact me at **(phone)** or by email. I will also be following up with you just prior to the test audit to ensure that the records are available. If you have any questions about NCCI or the Test Audit Program, feel free to call me, your agent or carrier. You may also call (503) 378-4209 for the Oregon Small Business Ombudsman's office. Your cooperation and assistance are appreciated.

Sincerely,

*Signature*

Name
Test Auditor

Photo of Auditor

Sample