July 2, 2015

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R.C. 2392

To: The Members of the Board

Audit Response Timeframe - Correction  
Issue Date - October 1, 2015

In accordance with the authorization of the NYCIRB Underwriting Committee, and approval by the New York State Department of Financial Services, we hereby introduce an amendment to the New York Workers Compensation and Employers Liability Manual regarding the language on the proper timeframe for the submission of data to the Board after an audit has been conducted. This correction has been implemented with an issue date of October 1, 2015.

On Page P-4 of the Manual, under Inspections and Test Audits of Payroll, it states that an insurance carrier has sixty (60) days to respond to Board findings. All responses to Board findings are, however, limited to thirty (30) days, including responses to Inspections and Test Audits of Payroll, requiring amended language to the manual.

The change is also included in an updated version of the New York Workers Compensation & Employers Liability Manual which is available via Digital Library on the Board’s website at: www.nycirb.org.

Very truly yours,

Monte Almer

President

WVT:tg
Encl.
I. INSPECTIONS AND TEST AUDITS OF PAYROLL

The Rating Board has the authority to inspect the plants, works, machinery and appliances of an insured for the purpose of determining the proper classification(s) and to make test payroll audits. The Rating Board auditor may examine the employer's books, vouchers, contracts, documents and applicable records to determine the proper premium for the risk. Test audits of payroll are made subject to the following provisions:

1. Prior to the test audit, the carrier shall file a copy of its earned premium bills for the period involved with the Rating Board. If requested, a copy of the carrier's audit details shall also be submitted to the Rating Board.

2. Notice of a proposed test audit shall be given to the carrier and the Rating Board's findings shall be forwarded to the carrier after completion of the audit. Within thirty (30) days after such findings have been submitted, the carrier shall comply with the audit of the Rating Board and shall have the right to appeal such findings as in the case of any issue involving a matter of classification. Refer to Item M of this section for further explanation of the Appeal Process.

J. WRAP-UP CONSTRUCTION PROJECTS

1. Eligibility

Details regarding eligibility for a wrap-up policy are to be submitted by the carrier within sixty (60) days after the effective date of the policy which insures the project. The notice of intent to apply manual Rule VII.F shall be submitted in duplicate if coverage is written on a guaranteed cost basis or in triplicate if written on a retrospective rating basis. Refer to Rule VII.F for further details.

2. Approval Required

The application of Rule VII.F to a specific project requires Rating Board approval. The carrier will be notified of any action taken by the Rating Board.

K. PROVISIONS FOR CANCELLATIONS, REINSTATEMENTS AND NOTICE OF INTENTION NOT TO RENEW

1. Cancellations

The State of New York Workers' Compensation Board regulates the cancellation of coverage and requires that electronic notice of such cancellation be sent to the Chair of the Workers' Compensation Board:

a. When a cancellation is due to non-payment of premiums, the cancellation shall not become effective until ten (10) days after a notice of cancellation is served on the employer and filed with the office of the Chair.

b. When a cancellation is due to any reason other than non-payment of premiums, the cancellation becomes effective thirty (30) days after the notice of cancellation is served on the employer and filed with the office of the Chair.