

Pinnacol Assurance's auditors specialize in Colorado workers' compensation statutes and regulations, and work closely with policyholders' multidisciplinary teams to ensure they receive the best value on their premium.

It is important that Pinnacol Assurance partner with policyholders in the auditing process to ensure the premium represents their actual exposure. The goal of Pinnacol Assurance's audit services is to complete timely and accurate audits, and also to assess actual (not estimated) premium against premium already billed that represents the proper risk exposure.

Our auditors serve policyholders in three ways:

**Classification Review** — Pinnacol Assurance's auditors review the policyholders' individual classifications and operations to verify the correct classification of payroll and other variables, and ensure the correct premium is charged. Policyholders pay the correct premium based upon actual payroll expenditures for the expired policy period. In many cases, audits may result in refunds to your business.

**Premium Audit Service** — Our auditors will help policyholders understand premium classifications as well as forecasting future premium costs. They also ensure a policyholder's premium is calculated at the correct rate, and identify includable and excludable remuneration.

**Classification Rate Integrity** — Audits maintain the integrity of the classification rate by classifying payroll according to the amount of risk associated with different business operations. Audits work to ensure no business has an unfair advantage because of incorrect payroll assignment. Insurance operates within a pool of policyholder premium. An audit helps to guarantee policyholders pay their fair share into the pool, spreading risk fairly among similar business.

### Service Excellence

- > Verification
- > Communication
- > Forecasting
- > Integrity
- > Fraud Prevention

### Audit types:

- > **Self Audit** — Policyholders complete the audit using step-by-step instructions. Self audits may be mailed back to Pinnacol Assurance or conducted online via [www.pinnacol.com](http://www.pinnacol.com).
- > **Field Audit** — On-site at the policyholder's business, a Pinnacol Assurance auditor will conduct the audit, which usually takes less than two hours.
- > **Office** — This audit is conducted by appointment at Pinnacol Assurance's office. Most often, it is conducted for canceled policyholders who wish to apply for a new policy. Call 303-361-4000 for an appointment.

### Documentation needed to complete a Pinnacol Assurance audit may include:

- > Unemployment Insurance Tax Reports (UITRs)
- > Proof of workers' compensation for subcontractors
- > 1099 tax forms
- > 941 federal tax returns
- > 943 federal tax returns (farms only)
- > Business check registers
- > Cash disbursements journals
- > Payroll journals
- > General ledger
- > Independent contractor forms
- > Individual earnings records
- > Income statement
- > Time cards
- > Tax return
- > Sales journal
- > Job contracts
- > W-2's
- > Computer summaries

**PINNACOL**  
ASSURANCE

7501 East Lowry Blvd.  
Denver, CO 80230