

Commercial premium audit changes take effect Jan. 1 REMINDER

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As a reminder and a follow up to the original communication posted Nov. 23, effective Jan. 1, 2017, we are making several changes to our commercial premium audit procedures to help create consistency and efficiency across the enterprise. A systematic, disciplined approach enables agents to offer commercial members the coverage they need and allows us to better manage our risk exposure.

These changes apply to all current and new premium audits for these lines of business:

- Workers' Compensation
- General Liability
- Business Auto (Garage Dealers)

The changes for all commercial business written on Agent Center include:

Commercial premium audit procedure changes

To encourage members to provide us with accurate exposure information in a timely manner after policy expiration, penalties will increase for those who do not comply with an audit request. Please note a second phase of this initiative will impact policies effective Jan. 1, 2017 on all platforms.

General Liability - Underinsured subcontractor charges will begin

To encourage members using subcontractors to make certain the subcontractors they retain are adequately insured, auditors will begin charging members found using underinsured subcontractors for policies written on or after June 1, 2016 and expiring on or after June 1, 2017.

Adopting National Council on Compensation Insurance (NCCI)/workers' compensation audit noncompliance penalties

Nationwide has adopted the NCCI filing to increase audit noncompliance penalty charges on workers' compensation policies in all states except Indiana, New York and Texas. This change is meant to encourage members to cooperate with the audit as per the terms of the policy contract. The audit is considered noncompliant after three unsuccessful attempts to obtain the required information. This change applies to all policies effective on or after Jan. 1, 2017.

Although our new processes and procedures are customary for commercial carriers, we understand that an audit is often an unwelcome event for business owners.
