Premium Audit Furlough Payroll Update

As we consider potential impacts to commercial policyholders relating to COVID-19, Patriot Insurance **continues to exclude furlough payroll** from premium calculations on any General Liability or Workers' Compensation audit.

Our Premium Audit team is providing a clarification that furlough pay may be reviewed for employees working a portion of their regular workweek. This may allow an exclusion for this furlough pay in premium calculations.

Our auditors will need to review detailed payroll records to determine what is “regular” as each situation may be unique.

Premium Audit Payroll Record Keeping Tips During COVID-19

- Keep clear records of furlough payroll, separate from regular payroll records. Percentages of the total payroll will not be accepted.
- For Workers' Compensation policies, furlough payroll will be recorded under Classification 0012 – Paid Furloughed Workers During A Governmental Emergency Order Impacting Employment.
- For employees working in an alternate capacity, including those who work a partial work week(s), reduced hours, a modified schedule or modified job duties, their payroll for that time period will be classified based on the work they are performing, provided detailed payroll records are kept.
- To maintain detailed payroll records, use unique categories to document pay while not working due to COVID-19 or for changes in employee duties.

Please share this information with your customers so they may update their payroll records accordingly prior to an audit.

We are here to support your agency and our mutual customers during this challenging time. For questions regarding the clarification above or other commercial premium audit accommodations, please contact our Premium Audit Team at claudit@fmins.com or (866) 460-1776 ext. 4013.