HOUSE DOCKET, NO. 2034 FILED ON: 1/17/2013

HOUSE . . . . . No. 1771

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph F. Wagner

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act to provide incentives for productive workers compensation audits.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Joseph F. Wagner	*8th Hampden*
James T. Welch	*Hampden*
Eileen M. Donoghue	*First Middlesex*

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HOUSE . . . . . No. 1771

By Mr. Wagner of Chicopee, a petition (accompanied by bill, House, No. 1771) of Joseph F. Wagner, James T. Welch and Eileen M. Donoghue for legislation to provide incentives for productive workers' compensation audits. Labor and Workforce Development.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *4357* OF 2011-2012.]

The Commonwealth of Massachusetts

An Act to provide incentives for productive workers compensation audits.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 152 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after section 25U the following section:

Section 25V. (a) Employers in all classes other than the construction class shall be audited not less frequently than biennially and may provide for more frequent audits of employers in specified classifications based on factors such as amount of premium, type of business, loss ratios, or other relevant factors. In no event shall employers in the construction class, generating more than the amount of premium required to be experience rated, be audited less than annually. The annual audits required for construction classes may consist of physical onsite audits. At the completion of an audit, if requested by the auditor, the employer or officer of the corporation and the auditor must print and sign their names on the audit document affirming the accuracy of the information provided therein. Employers shall make available all records necessary for the payroll verification audit and permit the auditor to make a physical inspection of the employer's operation. If an employer fails to provide reasonable access to all records necessary for a payroll verification audit including a physical inspection of the employer's operation, the employer shall pay additional premium to the carrier or self-insurer of three times the most recent estimated annual premium.

(b) If an employer understates or conceals payroll, knowingly misrepresents or knowingly conceals employee duties so as to avoid proper classification for premium

19 calculations or misrepresents or conceals information pertinent to the computation and
20 application of an experience rating modification factor said knowing misrepresentation or
21 knowing concealment shall be considered a violation of chapter 93A of the general laws and
22 enforceable solely by the attorney general.

23 (c) This section shall not apply to self-insurers as defined under subparagraph (a) or (b)
24 of paragraph (2) of section 25A, or is a member of workers' compensation self-insurance group
25 established pursuant to section 25E to 25U, inclusive.