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INFORMATION BULLETIN

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To all members of the DCRB:

RE: Payroll Audit Practices That Drive Transparency, Fairness, and Timeliness

The Delaware Department of Insurance (DOI) has released [Bulletin No. 159](#), titled “Regulatory Expectations for Payroll Audit Practices under Workers’ Compensation and Employer’s Liability Policies.” This bulletin underscores the Department’s focus on promoting transparency, fairness, and timeliness in the administration of premium audits and related billing communications. It establishes clear regulatory expectations for carriers conducting payroll audits and reinforces the importance of maintaining open and accessible communication with employers and their agents throughout the audit process.

Under Bulletin No. 159, the DOI emphasizes several key principles that should guide carrier practices in Delaware. Carriers are expected to ensure that audit documentation, such as worksheets, billing statements, and adjustment notices, is clearly communicated and readily available to insureds and agents, whether in written or electronic form. Audits must be completed promptly following policy expiration, with any resulting billing adjustments or credits issued in a timely and transparent manner. The Department further expects carriers to maintain consistent, equitable audit procedures for all Delaware policyholders, ensuring uniform treatment regardless of account size or complexity. Additionally, carriers are reminded that their audit and premium-collection procedures must be accurately described in rate filings submitted pursuant to 18 Del. C. § 2624.

From the DCRB’s perspective, the principles set forth in Bulletin No. 159 aligns closely with the existing framework of the [Delaware Workers Compensation Insurance Plan \(WCIP\)](#). The Plan already requires employer cooperation during audits and prohibits the binding of coverage when outstanding audits or unpaid premium obligations remain unresolved. While the WCIP addresses compliance and eligibility matters, the DOI bulletin places additional emphasis on the quality, timeliness, and transparency of communications between carriers, insureds, and agents, a focus that complements and strengthens the intent of the Plan.

DCRB members are strongly encouraged to review their internal payroll audit procedures, communication protocols, and policy documentation to ensure alignment with the expectations outlined in the DOI bulletin. Carriers should confirm that audit results and related documentation are delivered promptly, clearly, and consistently, and that all filings or policy materials accurately reflect current business practices.

The DCRB will continue to monitor communications from the Delaware Department of Insurance and provide additional guidance as needed. For questions regarding Bulletin No. 159 or its implications for member carriers, please contact Thomas Cleary, DCRB Senior Vice President & Chief Operating Officer, at tcleary@pcrb.com.