

Audit #: GL P/R & SUBS

TRACZ & ASSOCIATES

INSURANCE FINANCIAL AUDITORS
PREMIUM AUDIT WORKSHEET SUMMARY
TRACZWARE 2000 © 1996 TRACZ AND ASSOCIATES - 2006 UPDATE

Insured : ABC CONTRACTING INC.			Policy No. ABC 123 GL			Carrier : SAMPLE CARRIER			Auditor : J DOE		
Policy Period From 1/1/05 To 1/1/06			Audit Period From 1/1/05 To 1/1/06			Type of Audit : GEN. LIABILITY			Date Completed 7/20/06		

BILLING SUMMARY							BILLING SUMMARY						
Code	Description		# Emp	Exposure	Estimate	% Diff.	Code	Description		# Emp	Exposure	Estimate	% Diff.
IL-91340	Carpentry	Residential	11+sub	350,837	290,500	21%							
IL-91580	Executive	Supervisor	2	82,500	82,000	1%							
IL-91583	Subcontr.	Residential	Sub	338,447	400,000	-15%							
IL-98678	Roofing	Residential	Sub	26,312	Added	--							
IL-98483	Plumbing	Residential	Sub	16,987	Added	--							
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> This is a sample audit for example purposes only. All names & amounts are fictitious. </div>													
Column Total							Add Total From Left						
			2	815,083	772,500	6%				2	815,083	772,500	6%
							Total			2	815,083	772,500	6%

RECONCILIATION		EXPLANATION OF VARIANCES BETWEEN ACTUAL VS. ESTIMATES & CLASS CHANGES
Total Premium Base	815,083	Class code 91340 is slightly higher than estimated. The insured had a few uninsured subcontractors used for carpentry work that they did not anticipate using.
Adjust For Officers	72,500	
Adjust Premium OT	16,521	
Total Subcontractors	(426,297)	
Adj: Stnd Except.	25,269	Code 98678 (Roofing-Residential) was added to the audit for one uninsured subcontractor. Roofing operations are not covered under the scope of 91340.
		Code 98483 (Plumbing-Residential) was added to the audit for one uninsured subcontractor.
Total Gross	503,076	*The insured indicated that all subs were believed to be insured for Gen. Liability; however, several COIs could not be located at the time of the audit. Therefore, auditor has included them as uninsured (code additions made as necessary).

TRACZ & ASSOCIATES**INSURANCE FINANCIAL AUDITORS****PREMIUM AUDIT WORKSHEET SUMMARY**

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Insured :		Policy No.		Policy Period:			
ABC CONTRACTING INC.		ABC 123 GL		1/1/05 To 1/1/06			
OFFICERS, PARTNERS AND PROPRIETORS		TOTAL	PREMIUM	AMOUNT	CLASS	' X ' IF	SPECIFIC JOB DUTIES PER OFFICER / PARTNER / OWNER / MEMBER
TITLE	NAME	GROSS	BASE	ADJUSTED	CODE	EXCL	
President	JOHN DOE	60,000	33,500	(26,500)	IL-91580		Indirect employee / sub supervision, orders materials, bids jobs, checks job progress thru formen Office management--bookkeeping, payroll, accounting, billing; no field exposure
Vice President	JANE DOE	46,000	0	(46,000)	EXCL	X	
TOTAL		106,000	33,500	(72,500)			
TYPE OF ENTITY <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Limited Liab. Co.		SOURCE OF DATA <input checked="" type="checkbox"/> Payroll Register <input checked="" type="checkbox"/> General Ledger <input type="checkbox"/> Vendor Listing <input type="checkbox"/> Income Statement <input type="checkbox"/> Profit & Loss Report <input checked="" type="checkbox"/> Cash Disbursements <input type="checkbox"/> Check Book / Register <input type="checkbox"/> Payroll Service Reports <input type="checkbox"/> Computer P/R Reports <input type="checkbox"/> Other		Description of Operations: THE INSURED OPERATES AS A GENERAL CONTRACTOR. THEY ARE INVOLVED SOLELY IN THE CONSTRUCTION OF NEW SINGLE FAMILY RESIDENTIAL HOMES. THE PRICES OF THE HOMES RANGE FROM \$150K THRU \$500K. THE MAJORITY OF THE ACTUAL CONSTRUCTION WORK IS PERFORMED BY SUBCONTRACTORS (BOTH INSURED AND UNINSURED). HOWEVER, THERE ARE A FEW EMPLOYEES ON THE PAYROLL. THE INSURED EMPLOYS TWO EXECUTIVE SUPERVISORS (ONE OF WHOM IS AN OFFICER) WHO ARE RESPONSIBLE FOR THE OVERALL MANAGEMENT OF THE JOBS (I.E. MATERIALS ORDERING, SUBCONTRACTOR COORDINATION, CHECKING ON JOB SITE PROGRESS, ETC.). THESE EXECUTIVE SUPERVISORS ARE NOT INVOLVED IN ANY DIRECT SUPERVISION. THEY SUPERVISE THRU ON-SITE JOB FOREMEN. THE INSURED ALSO EMPLOYS GENERAL CONSTRUCTION LABORERS WHO HANDLE ROUGH CARPENTRY WORK AND GENERAL JOB SITE CLEAN UP OPERATIONS AS NEEDED. ALL OTHER TRADES ARE SUBCONTRACTED OUT. DURING THE YEAR, THE INSURED BUILT SIX HOMES. THERE ARE TWO OFFICERS OF THIS CORPORATION. THE PRESIDENT IS AN EXECUTIVE SUPERVISOR AND THE VICE PRESIDENT IS RESPONSIBLE FOR THE BOOKKEEPING / ACCOUNTING.			
ADJUSTMENTS <input checked="" type="checkbox"/> Overtime @ 1.5x <input type="checkbox"/> Overtime @ 2.0x <input type="checkbox"/> Cash / Casual Labor <input checked="" type="checkbox"/> Subcontractors <input type="checkbox"/> Tips <input type="checkbox"/> OCIP / Wrap-Up <input type="checkbox"/> Incorrect Class <input type="checkbox"/> Severance <input type="checkbox"/> Company Paid Ins. <input type="checkbox"/> Company Perks (Auto) <input type="checkbox"/> Other		VERIFICATION <input checked="" type="checkbox"/> Federal 941's <input checked="" type="checkbox"/> State UC's <input type="checkbox"/> General Ledger <input type="checkbox"/> 1099's <input type="checkbox"/> Schedule C <input checked="" type="checkbox"/> Certs. of Ins. <input type="checkbox"/> Other					
Federal ID #: 12-3456789				General Audit Comments: THE INSURED IS LOCATED AT 987 MAIN ST, ANYTOWN IL 60613. ALL CORRESPONDENCE SHOULD BE SENT TO THIS ADDRESS. POLICY ADDRESS IS THE INSURED'S HOME ADDRESS.			
CONTACT // LOCATION OF RECORDS Name: JANE DOE, VP Phone #: 123-456-7899 Address: 987 MAIN AVE City, State, Zip: ANYTOWN, IL 60613 Email Address: DOEJ@EMAIL.COM Website: NONE Fax #: 123-456-7800 Accountant (if any): N/A				EXIT INTERVIEW WAS CONDUCTED WITH VP, JANE DOE, WHO WAS IN AGREEMENT WITH THE AUDIT FINDINGS.			

TRACZ & ASSOCIATES
INSURANCE FINANCIAL AUDITORS

PAYROLL WORKSHEET

Tracware 2000 © 1996 Tracz and Associates
Insured : ABC CONTRACTING INC.

POLICY NUMBER: ABC 123 GL
POLICY PERIOD: 1/1/05 To 1/1/06

NAME	JOB DUTIES	CODES	FIRST QUARTER 2005	SECOND QUARTER 2005	THIRD QUARTER 2005	FOURTH QUARTER 2005	TOTAL GROSS	IL-91340 Carpentry Residential	IL-91580 Executive Supervisor	IL-91583 Subcontr. Residential	IL-98678 Roofing Residential	IL-98483 Plumbing Residential	EXCL STND EXCEPT.
OFFICERS, PARTNERS AND PROPRIETORS :													
JOHN DOE	EXEC. SUPRV.	IL-91580	15,000	15,000	15,000	15,000	60,000		60,000				
JANE DOE	BKKP-ACCT	EXCL	11,500	11,500	11,500	11,500	46,000						46,000

EMPLOYEES :

CHRIS SMITH	CARP - GEN'L LBR	IL-91340	3,640	4,980	5,632	7,013	21,265	21,265					
ROY JONES	CARP - GEN'L LBR	IL-91340	7,496	9,631	10,681	0	27,808	27,808					
WAYNE JOHNSON	JOB FOREMAN	IL-91340	9,800	9,800	9,800	9,800	39,200	39,200					
MIKE REYNOLDS	CARP - GEN'L LBR	IL-91340	0	7,941	6,293	0	14,234	14,234					
LEROY BROWN	EXECUTIVE SUPV.	IL-91580	12,250	12,250	12,250	12,250	49,000		49,000				
GREG MACKENZIE	JOB FOREMAN	IL-91340	9,032	9,214	9,657	9,874	37,777	37,777					
JOE JACKSON	CARP - GEN'L LBR	IL-91340	8,432	7,938	9,102	8,810	34,282	34,282					
THOMAS CRAIG	CARP - GEN'L LBR	IL-91340	0	9,123	9,813	8,949	27,885	27,885					
ROBERT TAYLOR	JOB FOREMAN	IL-91340	9,500	9,500	9,500	9,500	38,000	38,000					
GEORGE JETTON	CARP - GEN'L LBR	IL-91340	5,589	4,931	6,803	6,716	24,039	24,039					
WAYNE WILCOX	CARP - GEN'L LBR	IL-91340	7,456	7,103	7,935	8,216	30,710	30,710					
JERRY BUCKO	CARP - GEN'L LBR	IL-91340	7,253	6,278	6,980	7,096	27,607	27,607					
MARY SMITH	PHONES / FILING	EXCL	6,412	6,213	6,521	6,123	25,269						25,269

ADD TOTAL(S) FROM OTHER PAGE(S) (IF ANY)

TOTAL			113,360	131,402	137,467	120,847	503,076	322,807	109,000				71,269
OFFICER'S ADJUSTMENT							(72,500)		(26,500)				(46,000)
LESS PREMIUM OVERTIME							(16,521)	(16,521)					
Total Subcontractors							426,297	44,551		338,447	26,312	16,987	
Adj: Stnd Except.							(25,269)						(25,269)
TOTAL PREMIUM BASE							815,083	350,837	82,500	338,447	26,312	16,987	

TRACZ & ASSOCIATES

INSURANCE FINANCIAL AUDITORS

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Insured : ABC CONTRACTING INC.

PREMIUM OVERTIME

POLICY NUMBER: ABC 123 GL

POLICY PERIOD: 1/1/05

To 1/1/06

NAME	JOB DUTIES	CODES	FIRST QUARTER 2005	SECOND QUARTER 2005	THIRD QUARTER 2005	FOURTH QUARTER 2005	TOTAL OVERTIME WAGES	DOUBLE TIME (IF ANY)	IL-91340 Carpentry Residential	IL-91580 Executive Supervisor	IL-91583 Subcontr. Residential	IL-98678 Roofing Residential	IL-98483 Plumbing Residential	EXCL STND EXCEPT.
CHRIS SMITH	CARP - GEN'L LBR	IL-91340	1,245	3,210	1,003	974	6,432		6,432					
ROY JONES	CARP - GEN'L LBR	IL-91340	1,236	3,640	2,452	1,741	9,069		9,069					
WAYNE JOHNSON	JOB FOREMAN	IL-91340	0	0	0	0								
MIKE REYNOLDS	CARP - GEN'L LBR	IL-91340	0	2,513	1,031	0	3,544		3,544					
LEROY BROWN	EXECUTIVE SUPV.	IL-91580	0	0	0	0								
GREG MACKENZIE	JOB FOREMAN	IL-91340	0	0	0	0								
JOE JACKSON	CARP - GEN'L LBR	IL-91340	1,100	2,130	2,500	993	6,723		6,723					
THOMAS CRAIG	CARP - GEN'L LBR	IL-91340	0	0	0	0								
ROBERT TAYLOR	JOB FOREMAN	IL-91340	0	0	0	0								
GEORGE JETTON	CARP - GEN'L LBR	IL-91340	1,341	2,145	2,587	2,412	8,485		8,485					
WAYNE WILCOX	CARP - GEN'L LBR	IL-91340	1,396	2,153	3,961	931	8,441		8,441					
JERRY BUCKO	CARP - GEN'L LBR	IL-91340	1,230	2,130	1,902	1,607	6,869		6,869					
MARY SMITH	PHONES / FILING	EXCL												
TOTAL OVERTIME WAGES			7,548	17,921	15,436	8,658	49,563		49,563					
TIME AND ONE HALF @ 1/3							16,521		16,521					
DOUBLE TIME @ 1/2														
TOTAL PREMIUM OVER TIME DEDUCTION							16,521		16,521					

VERIFICATION

PER STATE U/Cs	TOTAL GROSS	Entity #1 FEIN: 12-3456789 Name: ABC Gen. Contr.
1st QUARTER 2005	113,360	113,360
2nd QUARTER 2005	131,402	131,402
3rd QUARTER 2005	137,467	137,467
4th QUARTER 2005	120,847	120,847
TOTAL	503,076	503,076
TOTAL	503,076	503,076

VERIFICATION

GROSS P/R FROM WORKSHEET PER STATE U/Cs	503,076
VARIANCE	_____

