

Audit #: WC W/CAS LBR

# TRACZ & ASSOCIATES

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

<b>Insured :</b> ABC COMPANY		<b>Policy No.</b> WC123456789		<b>Carrier :</b> SAMPLE CARRIER		<b>Auditor :</b> J. DOE	
<b>Policy Period</b> From 1/1/2005 To 1/1/2006		<b>Audit Period</b> From 1/1/2005 To 1/1/2006		<b>Type of Audit :</b> WORKERS COMP		<b>Date Completed</b> 7/20/2006	

BILLING SUMMARY						BILLING SUMMARY					
Code	Description	# Emp	Exposure	Estimate	% Diff.	Code	Description	# Emp	Exposure	Estimate	% Diff.
IL-9082	RESTAURANT NOC	65	3,623,530	2,563,018	41%						
IL-8810	CLERICAL OFFICE	5	161,460	Added	--						
This is a sample audit for example purposes only. All names & amounts are fictitious.											
<b>Column Total</b>											
						<b>Add Total From Left</b>					
						<b>Total</b>					

<p><b>RECONCILIATION</b></p> <p>Total Premium Base 3,784,990</p> <p>Adjust For Officers 69,400</p> <p>Adjust Premium OT 22,170</p> <p>Total Casual Labor (4,931)</p> <p>Adj. Tips 296,445</p> <p><b>Total Gross</b> <u>4,168,074</u></p>	<p><b>EXPLANATION OF VARIANCES BETWEEN ACTUAL VS. ESTIMATES &amp; CLASS CHANGES</b></p> <p>Exposure in class code 9082 is 41% higher than estimated. Per insured, the estimate is out-dated. It has not been revised for at least 3 years, and in that time, the business has grown.</p> <p>Class code 8810-Clerical Office NOC, has been added to this audit report. The insured has added a physically separated office and employs several individuals for A/R, A/P, accounting, receptionist and other strictly clerical duties.</p>
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**TRACZ & ASSOCIATES****INSURANCE FINANCIAL AUDITORS****PREMIUM AUDIT WORKSHEET SUMMARY**

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Insured :		Policy No.				Policy Period:	
ABC COMPANY		WC123456789				1/1/2005 To 1/1/2006	
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 GREEN	220,000	140,400	(79,600)	IL-9082		Restaurant Manager- oversees employees, talks to customers, cooks on occasion Bookkeeper-Office Mgr--works in separate office; no rest. exposure. Schedules, orders supplies, payroll Restaurant Manager-oversees employees, will fill in as a server or cook if needed
Vice President	SALLY JONES	64,686	64,686		IL-8810		
Treasurer	MIKE BROWN	8,000	18,200	10,200	IL-9082		
<b>TOTAL</b>		292,686	223,286	(69,400)			*Policy does not indicate any exclusion endorsements for any of the officers.
<b>TYPE OF ENTITY</b>		<b>SOURCE OF DATA</b>		<b>Description of Operations:</b> THE INSURED OPERATES A FULL SERVICE RESTAURANT SPECIALIZING IN ITALIAN AND AMERICAN CUISINE. THE INSURED'S HOURS OF OPERATION ARE 10:00am UNTIL 11:00pm, MONDAY THRU SUNDAY. THE INSURED'S EMPLOYEES INCLUDE BUS BOYS, WAITRESSES, COOKS, DISHWASHERS, BARTENDERS, HOSTESSES, AND ADMINISTRATIVE PERSONNEL. ALL RESTAURANT EMPLOYEES HAVE BEEN INCLUDED UNDER CODE 9082. LIQUOR SALES CONSTITUTE LESS THAN 10% OF TOTAL SALES. THERE IS NO DANCE FLOOR OR LIVE ENTERTAINMENT PROVIDED. TIPS WERE REPORTED AND DEDUCTED FROM THE AUDIT ACCORDINGLY. OVERTIME WAS PAID DURING THE POLICY PERIOD, THE PREMIUM PORTION OF WHICH HAS BEEN DEDUCTED. THE OFFICERS HAVE BEEN INCLUDED, SUBJECT TO THE STATE LIMITATIONS AS DEFINED BY NCCI. THE INSURED MAINTAINS A SEPARATE OFFICE FOR ADMINISTRATIVE FUNCTIONS. THIS OFFICE IS PHYSICALLY SEPARATED FROM THE RESTAURANT OPERATIONS, THEREFORE INCLUDED UNDER CODE 8810. THE INSURED DID ISSUE A FEW 1099s TO INDIVIDUALS WHO WERE HIRED AS TEMPORARY KITCHEN HELP.			
<input checked="" type="checkbox"/> Corporation	<input checked="" type="checkbox"/> Payroll Register						
<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> General Ledger						
<input type="checkbox"/> Proprietorship	<input type="checkbox"/> Vendor Listing						
<input type="checkbox"/> Limited Liab. Co.	<input type="checkbox"/> Income Statement						
<input type="checkbox"/>	<input type="checkbox"/> Profit & Loss Report						
<input type="checkbox"/>	<input type="checkbox"/> Cash Disbursements						
<b>ADJUSTMENTS</b>	<input checked="" type="checkbox"/> Check Book / Register						
<input checked="" type="checkbox"/> Overtime @ 1.5x	<input type="checkbox"/> Payroll Service Reports						
<input type="checkbox"/> Overtime @ 2.0x	<input type="checkbox"/> Computer P/R Reports						
<input checked="" type="checkbox"/> Cash / Casual Labor	<input type="checkbox"/> Other						
<input type="checkbox"/> Subcontractors							
<input checked="" type="checkbox"/> Tips	<b>VERIFICATION</b>						
<input type="checkbox"/> OCIP / Wrap-Up	<input checked="" type="checkbox"/> Federal 941's						
<input type="checkbox"/> Incorrect Class	<input checked="" type="checkbox"/> State UC's						
<input type="checkbox"/> Severance	<input type="checkbox"/> General Ledger						
<input type="checkbox"/> Company Paid Ins.	<input checked="" type="checkbox"/> 1099's						
<input type="checkbox"/> Company Perks (Auto)	<input type="checkbox"/> Schedule C						
<input type="checkbox"/> Other	<input type="checkbox"/> Certs. of Ins.						
<input type="checkbox"/>	<input type="checkbox"/> Other						
<b>Federal ID #:</b>							
12-3456789							
<b>CONTACT // LOCATION OF RECORDS</b>		<b>General Audit Comments:</b> THE INSURED NOW MAINTAINS A SEPARATE OFFICE AT THE POLICY ADDRESS (123 MAIN ST.). THE OFFICE WAS CONSTRUCTED AS AN ADDITION TO THE EXISTING BUILDING (PRIOR TO THE INCEPTION OF THIS POLICY) AND IS PHYSICALLY SEPARATED FROM THE RESTAURANT OPERATION.  AUDITOR CONDUCTED AN EXIT INTERVIEW WITH SALLY JONES. THE FACILITY WAS TOURED.  THE INSURED HAS REQUESTED THAT THE CARRIER FORWARD A COPY OF THIS AUDIT REPORT TO THE ATTENTION OF THE AUDIT CONTACT, SALLY JONES.					
Name:	SALLY JONES						
Phone #:	123-555-4321						
Address:	123 MAIN ST						
City, State, Zip:	ANYCITY, IL 60613						
Email Address:	NONE						
Website:	WWW.ABCREST.COM						
Fax #:	123-555-4000						
Accountant (if any):	NONE						

**TRACZ & ASSOCIATES**  
INSURANCE FINANCIAL AUDITORS

**PAYROLL WORKSHEET**

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Insured : ABC COMPANY

POLICY NUMBER: WC123456789  
POLICY PERIOD: 1/1/2005 To 1/1/2006

NAME	JOB DUTIES	CODES	FIRST QUARTER 2005	SECOND QUARTER 2005	THIRD QUARTER 2005	FOURTH QUARTER 2005	TOTAL GROSS	IL-8810 CLERICAL OFFICE	IL-9082 RESTAURANT NOC
<b>OFFICERS, PARTNERS AND PROPRIETORS :</b>									
JOHN GREEN	RESTAURANT MGR	IL-9082	55,000	55,000	55,000	55,000	220,000		220,000
SALLY JONES	BKBP - OFFICE MGR	IL-8810	16,235	12,345	17,554	18,552	64,686	64,686	
MIKE BROWN	RESTAURANT MGR	IL-9082	2,000	2,000	2,000	2,000	8,000		8,000

**EMPLOYEES :**

SUSAN SMITH	A/R & A/P	IL-8810	5,521	5,112	6,963	7,102	24,698	24,698	
LARRY JOHNSON	PURCHASING	IL-8810	5,876	6,113	6,874	7,139	26,002	26,002	
MARY TODD	ADMIN. ASST. / RECEPT.	IL-8810	4,235	4,013	3,998	4,509	16,755	16,755	
PAT ANDERSON	ACCOUNTING	IL-8810	6,989	7,857	8,887	7,996	31,729	31,729	
ALL RESTAURANT EMPL.	VARIOUS - SEE DESC.	IL-9082	874,563	955,431	913,645	1,032,565	3,776,204		3,776,204

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

TOTAL			970,419	1,047,871	1,014,921	1,134,863	4,168,074	163,870	4,004,204
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OFFICER'S ADJUSTMENT							(69,400)		(69,400)
LESS PREMIUM OVERTIME							(22,170)	(2,410)	(19,760)
Total Casual Labor							4,931		4,931
Adj. Tips							(296,445)		(296,445)

TOTAL PREMIUM BASE							3,784,990	161,460	3,623,530
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**TRACZ & ASSOCIATES**

INSURANCE FINANCIAL AUDITORS

Tracware 2000 © 1996 Tracz and Associates

Insured : ABC COMPANY

**PREMIUM OVERTIME**

POLICY NUMBER: WC123456789

POLICY PERIOD: 1/1/2005

To

1/1/2006

NAME	JOB DUTIES	CODES	FIRST QUARTER 2005	SECOND QUARTER 2005	THIRD QUARTER 2005	FOURTH QUARTER 2005	ADJUST	TOTAL OVERTIME WAGES	DOUBLE TIME (IF ANY)	IL-8810 CLERICAL OFFICE	IL-9082 RESTAURANT NOC
SUSAN SMITH	A/R & A/P	IL-8810	45	193	210	76		524		524	
LARRY JOHNSON	PURCHASING	IL-8810									
MARY TODD	ADMIN. ASST. / RECEPT.	IL-8810									
PAT ANDERSON	ACCOUNTING	IL-8810	256	1,399	1,450	3,600		6,705		6,705	
ALL RESTAURANT EMPL.	VARIOUS - SEE DESC.	IL-9082	13,526	14,256	12,463	19,036		59,281			59,281
TOTAL OVERTIME WAGES			13,827	15,848	14,123	22,712		66,510		7,229	59,281
TIME AND ONE HALF @ 1/3								22,170		2,410	19,760
DOUBLE TIME @ 1/2											
TOTAL PREMIUM OVER TIME DEDUCTION								22,170		2,410	19,760

**VERIFICATION**

PER FEDERAL 941s	TOTAL GROSS	Entity #1 FEIN: 12-3456789 Name: ABC COMPANY
1st QUARTER 2005	969,216	969,216
2nd QUARTER 2005	1,046,879	1,046,879
3rd QUARTER 2005	998,432	998,432
4th QUARTER 2005	1,132,631	1,132,631
<b>TOTAL</b>	<b>4,147,158</b>	<b>4,147,158</b>
ADD SEC 125 PLAN	20,916	20,916
<b>TOTAL</b>	<b>4,168,074</b>	<b>4,168,074</b>

**VERIFICATION**

GROSS P/R FROM WORKSHEET 4,168,074  
 PER FEDERAL 941s 4,168,074

**VARIANCE**

