



FIRSTCOMP® PREMIUM AUDIT DEPARTMENT - Audits are performed on all policies.

THREE FORMS OF AN AUDIT:

- **Voluntary Audits** are handled internally. We send out voluntary audit forms to be completed and returned. The insured submits 941's and payroll ledgers to the Audit department to be internally audited. Voluntary audits do not have a specific premium size.
- **Phone Audits** are performed on mid-sized premium policies (usually up to \$5,000 in premium). Our vendors send forms to the insured that, in turn, sends them back to the vendors for processing. At this time, the auditor calls the insured to go over the documents and verify that everything was compiled correctly. Policy premium sizes differ in California. Please contact the Audit department at (888) 500-3344 for more information.
- **Physical Audits** are performed on large premium policies (\$5,000 and greater). The vendors send out auditors to the insured's place of business to look at operations and to get an idea of exactly what happens on a day to day basis. Payroll records are viewed by the auditor at this time. Policy premium sizes differ in California. Please contact the Audit department at (888) 500-3344 for more information.
- If a policy comes back non-compliant, there may be an increase in an insured's payroll. Please contact your regional office if your insured would like to have the audit re-opened to comply.
- Audits are performed by vendors across the country; once ordered the vendor has approximately 30 days to complete and return a phone audit and 45 days to complete and return a physical audit to FirstComp.®
- Payrolls on audits are verified with payroll documents (QuickBooks, Payroll Ledgers) and 941 tax documents, SUI's. A general ledger, 1099's, or checkbooks for verification of subcontractors are also helpful.

AUDIT VENDORS:

- All audits are completed by third party vendors. You may receive a phone call from one of these vendors listed below. Please provide any necessary information the auditor requests so that the audit can be completed in a timely manner.

Charles Hock Associates	(800) 232-2342	Fax (518) 373-8658
Commercial Insurance Services (CIS)	(804) 741-7514	Fax (804) 741-6827
Crowell & Associates	(888) 276-9355	Fax (800) 720-7770
Information Providers Inc. (IPI)	(800) 622-5687	Fax (952) 938-3285
Lowry & Associates, Inc.	(800) 279-1437	Fax (801) 501-8809
McGuffey & Associates, LLC	(866) 626-3725	Fax (601) 605-6530
NEIS, Inc.	(800) 210-4133	Fax (203) 272-5267
Overland Solutions, Inc. (OSI)	(888) 827-2118	Fax (913) 451-3285

Since we are regionalized by states in the Audit Department, if you or your insured has questions or concerns on an audit please call our customer service number (888) 500-3344. Reference the state you are calling from and you will be directed to the Audit Department member who handles your state.

*** Please include the following information when sending a fax to an audit vendor: policy name, policy number, and reason for the fax.
EXAMPLE – Bob's Welding, LLC WC0005164-04- Insured received non-compliant letter they are now willing to comply attached is the necessary payroll information.

HELPFUL HINTS FROM THE AUDIT DEPARTMENT:

- If your insured uses subcontractors inform them they will need to get certificates of insurance for worker's comp from all subcontractors working during the policy period.
- Please be sure to inform us if the officers have changed during the policy period. This ensures us that we have the inclusion or exclusion of officers correct for the audit.
- If your insured has more than one class code on their policy, inform them that they must have the payroll split up between the class codes to properly classify all employees. If an employee has more than one job function, please keep the records separate since percentages are not acceptable to calculate payroll for that employee. However, there are exceptions to this rule with specific class codes. Showing this breakdown will allow our auditor to properly allocate his/her payroll into the proper class code.
- Audit statements are mailed to the agent and the insured. Final audit reports are only sent out upon request. If you are requesting the worksheets and our auditor does not give permission to release it to the agency, it is our policy to call our insured to get permission.
- Please notify FirstComp if the operations for an insured change in anyway during a policy period. This will decrease the chance of an auditor finding an additional exposure at the time of audit.
- A confirmation letter is faxed to your agency after it is received from the vendor and reviewed. At this time, please note that if you or your insured does not agree with the audited figures listed, the insured or agent has 10 days to contact us to dispute the audit. Staying in this time frame will enable us to catch a possible error(s) prior to processing.
- If you or your insured disputes an audit, we will require the following information: payroll records, 941's, certificates (if applicable), and job description for employees in question. We are unable to make changes to an audit without supporting documentation.
- If you are requesting a payroll decrease, we will require the following information: payroll records, 941's, (from effective date to present time) and the reason for the decrease.
- If there is return premium owed, the insured will only get a refund check if all of their policy terms are paid to date. Otherwise, the credit is applied to where money is due.
- The Audit Department is regionalized by states. Please contact our office and ask to speak to the designated person for your state with questions or concerns on an audit.
- Please keep in mind that FirstComp does not receive all information that our vendors do. Example: We are provided totals from each quarter and a breakdown for each class code, not always shown the actual calculations of individual earnings.
- We have a general fax number. When faxing documents to the Audit Department, please note on your fax cover sheet: policy number, policy name, audit department, and the intended recipient's name.