

How to Prepare for Your Annual Audit

Understanding the Audit Process



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At Work for You



- **A premium audit on CopperPoint policies helps us to calculate the final premium at the end of the policy term. It simply is a review that permits us to reconcile any differences that may occur between the estimated premium at the time the policy is issued with what the actual premium should be, based on actual risk and payroll.**

CopperPoint will employ physical, virtual, phone or mail audits. Because premium is based on an estimate, the final audit could result in an over or an under payment of what the actual premium should have been, resulting in either a credit or a debit to the account.

A virtual audit is one that is done from a remote, online location, which may include the provision of all documentation through a secured website, fax, e-mail or regular mail.

You will receive an Audit Advice once the audit has been completed. The Audit Advice provides the final calculation of premium, which includes the crediting of the deposit for the policy period.

To make the audit process run smoothly, here are some helpful suggestions:

- You will need to prepare a short description on each of the covered entities (if more than one employer is named on the same policy); names of officers/owners and titles; number of employees, names and job duties with class codes and locations; names of subcontractors and certificates of insurance. If the subcontractors do not have certificates of insurance, list and detail the work that was performed and amount paid. (*General ledgers/outside vendor detail*)
 - If you are using outside, casual labor you may need to provide your general ledger, profit and loss report (P&L), and check registers.
 - To review payroll, the auditor will need to see payroll records including bonuses, commissions, holiday pay, sick pay, overtime, vacation and all pretax amounts. (*State and federal quarterly tax reports (DES, 941 & A1)*)
 - If you're using subcontractors, the auditor may ask to examine contracts used with the subcontractors, cash disbursements book and checkbook register. (*Check register; contracts used in the course of outsourcing work to others; general ledgers/outside vendor detail*)
 - The appropriate person should be available during an in-person audit to provide the necessary records and answers to specific questions regarding the business's operations and its workers. This person should plan to have all records at one location, if possible, should other records be stored or maintained elsewhere.
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- Keep detailed records (*time cards*). Overtime paid to individual employees should be summarized by class codes, and credits may be available for tips, true severance pay and third-party sick pay. (*Payroll summary/journal*)
- Construction companies should record the time and payroll for different types of construction work (*time cards; individual earnings records*). Provide a list of personnel who perform strictly clerical office duties and/or outside sales (*and drivers in states other than Arizona, California or Nevada*).
- If your policy is canceled mid-term, an audit will still be required to review actual business activity for the time the policy was in effect.
- Be sure to report large payroll changes as soon as they occur. By reporting these changes within 30 days there will be a greater assurance the policy will remain more in line with actual payroll figures, which will help reduce the chance of large differences at the time of final audit.

Operational Changes

When a change in your operations occurs, it is your responsibility to contact us. Any change of this type could affect your work classification codes. Code additions or deletions may occur within your policy. Unreported operational changes that require a premium adjustment will be made during the audit and they could increase or decrease billing substantially, as the changes will be applied from the date the change occurred, not the date of the audit.

Name or Ownership Change

You should notify CopperPoint before you make any changes in your company's name or in ownership so we can discuss any coverage implications and possible policy changes with you. For example, when non-covered sole proprietors or partners form a corporation, the corporate officers will receive coverage automatically. If notification of the change is received before the change occurs, the policy endorsement will indicate the effective date of change. If the notification of an ownership change is received after it occurs, the endorsement will be effective on the date CopperPoint was notified.

Mailing Address, Location, Phone Number Changes

If you are making changes to your mailing address, location or phone number, please notify CopperPoint's Contact Center as soon as possible. This will allow us to update your policy and ensure that you continue to receive all pertinent information, such as payroll reports and general policy information. You can reach the Contact Center by calling 602.631.2300 or 1.800.231.1363.

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Contact Us

Contact Center

602.631.2300 or 800.231.1363

CopperPoint Home Office

3030 N 3rd Street
Phoenix AZ 85012-3068

CopperPoint customers across Arizona can contact CopperPoint through the phone numbers listed above.

copperpoint.com

Office & Business Hours:

CopperPoint customer service representatives are available to assist policyholders 8 a.m. – 5 p.m., Monday – Friday. If you have a question outside business hours, email ask@copperpoint.com.



A.M. Best assigned CopperPoint and its subsidiaries an A- Excellent XII with a “stable outlook”

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