



PREMIUM AUDIT


FREQUENTLY ASKED QUESTIONS

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Grange Enterprise Companies



You may be familiar with Premium Audit, but you may still have questions, or your commercial clients may not understand the process. We've answered the most frequently asked questions below.

What is a Premium Audit?

A Premium Audit is a review of your commercial client's financial records to determine the correct premium amount for their policy.

What types of policies are audited?

We audit commercial policies with an estimated and variable exposure basis. This includes sales, payroll and/or subcontractor costs.

Will my client's policy be audited?

Workers' Compensation policies are audited every year. General Liability policies are always subject to audit, but may be audited less frequently.

We do not audit the following policies at this time:

- Business Owner's Policy (BOP)
- Commercial Auto (CA)
- Commercial Crime (SCP)
- Commercial Umbrella (CUP)
- Directors and Officers (DO)
- Employment Practices Liability (EPL)
- Farm Umbrella Policy (FUP)
- Farmowner (FO)
- Fire (F)
- Inland Marine Policy (IMP)
- XPanded Premier Monoline Policy (XMP)

We are in line with industry audit practices, but file exceptions on the following:

- Workers' Compensation and General Liability Officer Mins/Maxes payrolls.
- Contractor & Tradesmen (CT) policies require inclusion of one officer subject to a specially filed min/max for this general liability program.

When will my client be audited?

Since audits identify final exposures that occurred during the policy year, they are not conducted until a policy period expires. You will be notified within two weeks after the policy has been selected for the audit, which is typically 48 to 55 days prior to policy expiration.

I received a notification an audit will happen, what should I do?

Agency notifications distribute every two weeks when your agency has a policy selected for audit. You will receive an email, noting the policyholder, vendor audit company, and service type (See: How are audits performed on Page 3.) There's no action required on your end, but please provide our Policyholder FAQ and Premium Audit Online Video to your policyholder to assist them in becoming comfortable with and preparing for their audit. If you have information or questions please contact us.

Grange Premium Audit:

(855) 734-9328

clpremiumaudit@grangeinsurance.com

Integrity Premium Audit:

(920) 968-7777

integritypremium-audit@imico.com

Grange Billing: (800) 425-1100

Integrity Billing: (866) 699-9182

How are audits performed?

Audits vary based on the situation:

- **Mail:** We will send an audit letter to your client with log-in credentials for our online reporting website.
- **Phone Audits:** An appointed audit partner will contact your client requesting payroll, sales, and/or subcontractor documentation. They will also call them to discuss their business operations.
- **Hybrid Audits:** An appointed audit partner will contact your client requesting payroll, sales, and/or subcontractor documentation. They will also call them to discuss their business operations. Copies of your client's verification documentation will be submitted directly to the auditor.
- **Physical Audits:** An appointed audit partner will contact your client requesting to visit the location of their business records to review payroll, sales, and/or subcontractor documentation and to discuss your client's business operations.

We use a vendor for most audits. Your client might receive a request from one of the following organizations:

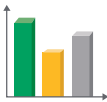
- Accelevant Premium Audit
- Afirm Solutions

What types of records should be ready for the auditor?



Payroll

- Payroll reports
- 941s
- Quarterly state unemployment filings



Sales

- Income statements, sales journal, etc.



Subcontractors

- Disbursements ledgers such as check register, etc.
- Certificates of Insurance

How will I know the audit has been processed?

Audit statements are available to agents via GrangeAgent/IntegrityAgent Policy Documents. You can sign up for alerts via GrangeAgent/IntegrityAgent to be emailed when an audit is processed.

What policy services can the Premium Audit department provide to me?

Premium Audit Transactions

1. Entering audited exposure
2. Current Term Adjustments (CTA) to policy estimates spurred by current audit exposure increases

Is it required that my clients complete an audit?

The premium audit is a requirement of all insurance companies and is part of your client's policy conditions. If they do not complete the review, it may result in an Audit Noncompliance charge of two times the estimated annual premium of their policy.

Underwriting Tech Transactions

All other policy changes including:

- Requests to revise current term estimates
- Owner/officer exclusion/inclusion endorsements
- Owner Controlled Insurance Program (OCIP)/wrap-up endorsements
- Updates to client's name, address, or legal entity type

My client does not understand why we perform audits, what should I tell them?

Premium Audits are standard for all insurance companies. Audits ensure we have properly classified and priced its customers. This review allows us to plan better, making your rates more accurate and ensuring they provide the best support for any future claims.

My client does not understand their audit results and/or refuses to pay their bill. What should I do?

We are happy to answer questions you may have, but are not equipped to directly handle customer calls. Audit-result questions can be sent to Grange at clpremiumaudit@grangeinsurance.com and Integrity at integritypremium-audit@imico.com. The Premium Audit department cannot make billing or coverage decisions.

We do not hold bills. If your client's policy is on EFT, changes cannot be executed to the invoiced amount five or fewer days to the withdrawal date. The billing department can also help with payment arrangements.

For coverage including cancellation/reinstatement, contact your underwriter or view the Commercial Lines Contacts section of GrangeAgent/Integrity Agent. For Grange billing, please call (800) 425-1100. For Integrity billing, please call (866) 699-9182.

Who do I contact for assistance with administrative tasks regarding the audit?

Please contact Grange or Integrity for assistance with:

- Copies of audit worksheets
- Audit forms to comply with audit
- Audit statement questions
- Disputed audits
- Reopen audits
- Due date extensions
- Outstanding information for your client's audit
- Contact information for your client's auditor

How do I gain a better understanding or verify the audit results?

Contact the appropriate email below to request audit worksheets. If authorized by the client, audit worksheets will be sent to you. You and your client will identify specific items believed to be in error on the worksheets.

Reply with documentation supporting your change requests. See the following table for more information.

Grange Premium Audit:

(855) 734-9328
clpremiumaudit@grangeinsurance.com

Integrity Premium Audit:

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DISPUTED ITEM	DOCUMENTATION NEEDED
Uninsured subcontractors included as payroll for GL policies	Certificates of insurance showing general liability coverage with adequate limits for the period work performed
Uninsured subcontractors included as payroll for WCPs	Certificates of insurance showing workers' compensation coverage for the period work performed
Amounts reported paid to subcontractors	Disbursements records such as general ledger, check register, etc.
Amounts reported paid to employees	Payroll reports identify gross, overtime, and other wage categories
Amounts classified for workers with multiple duties	Job cost records identifying, hours, rate, and wages paid by type of work performed
Amounts reported for sales	Income statements, sales journals, profit & loss, etc.
Classifications applied to individual employees multiple duties	Operational and duties details supporting the classification you desire

The premium auditor will let you know whether the dispute is valid. Valid disputes will result in an adjusted audit statement. Audits determined to be correct, will result in no change to the processed exposures.

My client has received an estimated audit; how do they comply?

Send an email requesting to reopen the audit. Include any documentation gathered to expedite processing. A valid email address or fax number is required to send paper audit forms. Your client's policy may not be eligible for completion by paper form.

Please note that adjustments will not be made to audits closed with a non-productive charge until supporting documentation has been provided.

I have additional questions not answered here, who should I contact?

Please email us with your questions.





Committed. Connected. Partners.

With a long history of supporting independent agents, an “A” rating from A.M. Best and a customizable lineup of home, auto, life and business insurance, the Grange Enterprise offers the stability of a large insurance carriers and the personalized service of small businesses. Whether it’s Grange Insurance or Integrity Insurance, we build productive, unique relationships with our agents across 13 states and combine that with a focus on Ease of Doing Business®, giving our agents the best chance to succeed.

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grangeinsurance.com or integrityinsurance.com

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