

Zurich North America is a leading commercial property-casualty insurance provider with more than 100 years of service to our customers.



What is an insurance premium audit?

The primary purpose of an insurance premium audit is to calculate your final premium. An insurance premium is based on estimated exposures provided at the inception of the policy. As required by the conditions within your policy, the insurance premium audit is conducted after the policy expiration date to reconcile the actual exposures present during the policy period. A review of your financial records is necessary to determine and validate the actual exposures and final premium.

How will the insurance premium audit be conducted?

A Premium Auditor will contact you to set up a date/time to discuss the audit with you. During this meeting, the auditor will review your operations and financial records for the term of the policy, discuss any changes, verify exposures and answer any questions.

What types of records may be needed for the insurance premium audit?

(The following list is not all-inclusive, additional records may need to be provided upon request).

Payroll-based policy audits

- Description of operations and Federal Employer Information Number (FEIN) for all entities included on the Zurich policies
- Listing of corporate officers, partners or members of LLC
- Payroll journals/registers (Excel is preferred) broken down by companies, state, employee, classification, job titles, all earning types and deductions
- Employer's quarterly tax return forms (941 or 943) for the four quarters within policy term
- State employer's quarterly unemployment tax returns for quarters within policy term
- Costs of subcontractors along with certificates of insurance (General Liability and Workers' Compensation), if applicable
- One of the following: general ledger, cash disbursement journal, profit and loss, subcontractor expense report, 1099 forms, vendor report for verification of any hired cash labor, contract labor, and/or subcontract labor.

Sales-based policy audits

- Description of operations and FEIN for all entities included on the Zurich policies
- Two of the following sales reports: sales journal, P&L, income statement and/or financial statement. (Reports should be itemized, including but not limited to total gross sales, discounts, freight charges, return and allowances by state, entity, and operation)
- Federal 1120, 1120S or 1096 tax return or state sales tax report

Auto audits

- List of vehicles as of the ending dates of the policy, including year, make, model, type, gross vehicle weight (GVW), garaging state and vehicle identification number (VIN)

The lists above are not inclusive; additional records may be requested.

What is the timeline for the premium audit??

- As we near your policy expiration date, the auditor will be contacting you to prepare for the audit and advise records needed.
- The auditor will review your operations and records, verify exposures, answer questions and summarize the audit results.
- The auditor will email you a copy of the audit worksheets.
- The audit will be completed and processed with results sent based on our business agreements.

Zurich

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A1-112011342-B (05/22) P0204079