

<b>Carrier</b> Test Insurance Company 111 Main Street Any City, AL 35801	<b>Policy Information</b> <b>GL 98-ZY-7654-3</b> General Liability 05/30/2004 to 05/30/2005 AuditID: 184474 Audit Method: Physical Audit Complete Type: Regular	<b>Insured Name and Address</b> XYZ Construction Inc 123 Any St Nashville, TN 37208	<b>Completed By</b> Keith West Wilkinson Insurance Services 5650 Sanderson Street Suite Q Huntsville, AL 35805 Date Completed: 12/07/2006 FA Version: 3.0.5232 PID: 26
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**Description of Operations ... Audit 184474 ... Entity: XYZ Construction Inc**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

**Legal Entity: CORPORATION**

The insured is a corporation in Nashville, TN operating under the name of XYZ Construction Inc. The insured is a general contractor working for insurance companies performing residential restoration work. They are doing fire, water, and wind damage restoration. This type of work includes cleaning up homes after these types of disasters have occurred. Field employees could perform a variety of tasks, depending on the damage incurred, including tearing out old flooring (carpet, tile, wood, etc.) and replacing with new, tearing out damaged drywall and replacing with new, painting, etc. In this period field employees performed primarily painting and carpentry work, no interchange of labor. The painting employees were classified under the 98305 class code and all carpentry related work was placed under the 91340 class code.

Employees working in the offices of the insured have been excluded. These workers are performing various tasks such as receptionist, bookkeeping, scheduling, etc.

Several employees are excluded as outside estimators. They are performing job estimates and have travel responsibilities included within the regular scope of the job duties. They do not perform any construction related work.

The insured also used a number of insured subcontractors and uninsured subcontractors. Certificates of insurance were reviewed for all insured subs and all have been included in the 91583 class code per verification of their COI's. Payments made to the insured subs were all covered within the COI dates. All uninsured subs were included in the appropriate class code per their duties.

Officer 1 is the President and is included in the 91580 class code. Officer 2 is the Secretary/Treasurer and is included in the 91580 class code. Both officers are active in the business overseeing all operations, visiting job sites on a regular basis to determine job progress, provide indirect supervision through the job site foremen, etc.

**Exposure Summary ... Audit 184474 ... 06/01/2004 to 06/01/2005 ... Policy 98-ZY-7654-3**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

State	Code	Classification	Premium Basis	Exposure
TN	91340	Carpentry-const.of resdntl.property not excdg.3 str.	Payroll	<b>85,384</b>
TN	91580	Contractors-exec. superv. or exec. superint.	Payroll	<b>52,000</b>
TN	92338	Dry wall or wallboard installation	Payroll	<b>0</b>
TN	94569	Floor covering installation	Payroll	<b>0</b>
TN	98305	Painting-interior-buildings or structures	Payroll	<b>188,096</b>
TN	98344	Paperhanging	Payroll	<b>0</b>
TN	98678	Roofing - residential	Payroll	<b>0</b>

**Subcontractors Exposure Summary ... 06/01/2004 to 06/01/2005**

State	Code	Classification	Premium Basis	Exposure
TN	91340	Carpentry-const.of resdntl.property not excdg.3 str.	Payroll	<b>8,369</b>
TN	91583	Insured subcontractors - one or two family dwellings	Total Cost	<b>278,265</b>
TN	98305	Painting-interior-buildings or structures	Payroll	<b>8,486</b>
TN	98678	Roofing - residential	Payroll	<b>18,453</b>

**Principal's Information ... Audit 184474 ... Entity: XYZ Construction Inc**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

<b>Officer 1</b>	President	Included		
Start/End Dates: 06/01/2004 to 06/01/2005	Min:	5,200	Max:	26,000
CORPORATION	TN	91580	Contractors-exec. superv. or exec. superint.	Payroll
Audit Period: 06/01/2004 to 06/01/2005	Total Amount:	94,000	Included At:	<b>26,000</b>
Executive Supervisor				
<b>Officer 2</b>	S/T	Included		
Start/End Dates: 06/01/2004 to 06/01/2005	Min:	5,200	Max:	26,000

CORPORATION	TN	91580	Contractors-exec. superv. or exec. superint.	Payroll
Audit Period: 06/01/2004 to 06/01/2005	Total Amount:	52,200	Included At:	<b>26,000</b>
Executive Supervisor				

**Exposure Recap ... Audit 184474 ... 06/01/2004 to 06/01/2005**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

State	Code	Classification	Premium Basis
TN	91340	Carpentry-const.of resdntl.property not excdg.3 strs.	Payroll
		Emp 13 - <i>Carpentry</i>	23,007
		Emp 14 - <i>Carpentry</i>	31,493
		Emp 15 - <i>Carpentry</i>	28,986
		Emp 16 - <i>Carpentry</i>	1,898
		<i>Total:</i>	<b>85,384</b>
TN	91580	Contractors-exec. superv. or exec. superint.	Payroll
		*Officer 1 - <i>Executive Supervisor</i>	26,000
		*Officer 2 - <i>Executive Supervisor</i>	26,000
		<i>Total:</i>	<b>52,000</b>
TN	92338	Dry wall or wallboard installation	Payroll
			0
		<i>Total:</i>	<b>0</b>
TN	94569	Floor covering installation	Payroll
			0
		<i>Total:</i>	<b>0</b>
TN	98305	Painting-interior-buildings or structures	Payroll
		Emp 1 - <i>Painting</i>	37,209
		Emp 10 - <i>Painting</i>	5,685
		Emp 11 - <i>Painting</i>	13,388
		Emp 12 - <i>Painting</i>	8,190
		Emp 2 - <i>Painting</i>	30,126
		Emp 3 - <i>Painting</i>	32,730
		Emp 4 - <i>Painting</i>	22,486
		Emp 5 - <i>Painting</i>	360
		Emp 6 - <i>Painting</i>	7,721
		Emp 7 - <i>Painting</i>	5,175
		Emp 8 - <i>Painting</i>	2,168
		Emp 9 - <i>Painting</i>	22,858
		<i>Total:</i>	<b>188,096</b>
TN	98344	Paperhanging	Payroll
			0
		<i>Total:</i>	<b>0</b>
TN	98678	Roofing - residential	Payroll
			0
		<i>Total:</i>	<b>0</b>
TN		EXCLUDED	
		Emp 17 - <i>Receptionist</i>	20,661
		Emp 18 - <i>Bookkeeper</i>	40,000
		Emp 19 - <i>Secretary</i>	52,497

	Emp 20 -Checks/paperwork		37,625
	Emp 21 -A/R		25,900
	Emp 22 -Payroll		31,481
	Emp 23 -Outside estimator		191,352
	Emp 24 -Outside estimator		94,000
	Emp 25 -Outside estimator		73,539
	Emp 26 -Outside estimator		10,417
		<i>Total:</i>	<b>577,472</b>

**Subcontractors Exposure Recap ... Audit 184474 ... 06/01/2004 to 06/01/2005**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

State	Code	Classification	Premium Basis
TN	91340	Carpentry-const.of resdntl.property not excdg.3 str.	Payroll
		Sub 10	7,682
		Sub 13	90
		Sub 7	597
		<i>Total:</i>	<b>8,369</b>
TN	91583	Insured subcontractors - one or two family dwellings	Total Cost
		Sub 12	14,686
		Sub 14	101,641
		Sub 15	260
		Sub 16	9,218
		Sub 17	150
		Sub 18	750
		Sub 19	45,686
		Sub 2	1,000
		Sub 20	1,880
		Sub 3	6,655
		Sub 4	76,989
		Sub 5	7,583
		Sub 6	4,892
		Sub 8	5,645
		Sub 9	1,230
		<i>Total:</i>	<b>278,265</b>
TN	98305	Painting-interior-buildings or structures	Payroll
		Sub 11	8,486
		<i>Total:</i>	<b>8,486</b>
TN	98678	Roofing - residential	Payroll
		Sub 1	18,453
		<i>Total:</i>	<b>18,453</b>

**Worksheet Stacked #1 ... Audit 184474**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

Date	Gross	Col 3	Col 4	Col 5	Col 6
	Payroll	91580 Contractors-exe superv. or exec. s	91580 Contractors-exe superv. or exec. s	98305 Painting-interi or structures	98305 Painting-interi or structures
	Computer report	Officer 2	Officer 1	Emp 1	Emp 2
		TN	TN	TN	TN

<b>06/1-06/30:</b>	65,746	4,350	4,667	2,545	2,555
<b>Q3 2004:</b>	194,480	13,050	14,000	9,415	7,711
<b>Q4 2004:</b>	435,367	13,050	52,000	10,490	8,170
<b>Q1 2005:</b>	180,819	13,050	14,000	8,561	6,719
<b>04/1-5/31:</b>	120,740	8,700	9,333	6,198	4,971
	<b>997,152</b>	<b>52,200</b>	<b>94,000</b>	<b>37,209</b>	<b>30,126</b>
<b>Date</b>	<b>Col 7</b>	<b>Col 8</b>	<b>Col 9</b>	<b>Col 10</b>	<b>Col 11</b>
	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures
	Emp 3	Emp 4	Emp 5	Emp 6	Emp 7
	TN	TN	TN	TN	TN
<b>06/1-06/30:</b>	2,352	1,806	360	1,946	1,671
<b>Q3 2004:</b>	8,212	7,039		5,775	3,504
<b>Q4 2004:</b>	9,032	6,753			
<b>Q1 2005:</b>	7,328	6,671			
<b>04/1-5/31:</b>	5,806	217			
	<b>32,730</b>	<b>22,486</b>	<b>360</b>	<b>7,721</b>	<b>5,175</b>
<b>Date</b>	<b>Col 12</b>	<b>Col 13</b>	<b>Col 14</b>	<b>Col 15</b>	<b>Col 16</b>
	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures	98305 Painting-interi or structures
	Emp 8	Emp 9	Emp 10	Emp 11	Emp 12
	TN	TN	TN	TN	TN
<b>06/1-06/30:</b>	2,168	384			
<b>Q3 2004:</b>		4,616	1,224		
<b>Q4 2004:</b>		6,586	4,461	1,312	
<b>Q1 2005:</b>		6,240		7,244	4,221
<b>04/1-5/31:</b>		5,032		4,832	3,969
	<b>2,168</b>	<b>22,858</b>	<b>5,685</b>	<b>13,388</b>	<b>8,190</b>
<b>Date</b>	<b>Col 17</b>	<b>Col 18</b>	<b>Col 19</b>	<b>Col 20</b>	<b>Col 21</b>
	91340 Carpentry-const resdntl.proper no	91340 Carpentry-const resdntl.proper no	91340 Carpentry-const resdntl.proper no	91340 Carpentry-const resdntl.proper no	EXCLUDE
	Emp 13	Emp 14	Emp 15	Emp 16	Emp 17
	TN	TN	TN	TN	
<b>06/1-06/30:</b>	1,913	2,538	2,314		1,598
<b>Q3 2004:</b>	6,044	8,461	7,567		5,075
<b>Q4 2004:</b>	5,919	7,010	7,702		5,755

<b>Q1 2005:</b>	4,981	7,289	6,510		4,778
<b>04/1-5/31:</b>	4,150	6,195	4,893	1,898	3,455
	<b>23,007</b>	<b>31,493</b>	<b>28,986</b>	<b>1,898</b>	<b>20,661</b>

<u>Date</u>	<u>Col 22</u>	<u>Col 23</u>	<u>Col 24</u>	<u>Col 25</u>	<u>Col 26</u>
	EXCLUDE	EXCLUDE	EXCLUDE	EXCLUDE	EXCLUDE
	Emp 18	Emp 19	Emp 20	Emp 21	Emp 22
<b>06/1-06/30:</b>	3,167	4,000	3,750	1,994	2,500
<b>Q3 2004:</b>	9,500	12,999	11,250	6,288	7,500
<b>Q4 2004:</b>	11,500	14,499	13,250	7,006	8,981
<b>Q1 2005:</b>	9,500	11,999	9,375	5,853	7,500
<b>04/1-5/31:</b>	6,333	9,000		4,759	5,000
	<b>40,000</b>	<b>52,497</b>	<b>37,625</b>	<b>25,900</b>	<b>31,481</b>

<u>Date</u>	<u>Col 27</u>	<u>Col 28</u>	<u>Col 29</u>	<u>Col 30</u>	<u>Col 31</u>
	EXCLUDE	EXCLUDE	EXCLUDE	EXCLUDE	92338 Dry wall or wallboard installation
	Emp 23	Emp 24	Emp 25	Emp 26	
	TN	TN	TN	TN	TN
<b>06/1-06/30:</b>	4,167	4,667	4,167	4,167	
<b>Q3 2004:</b>	12,500	14,000	12,500	6,250	
<b>Q4 2004:</b>	153,852	52,000	36,039		
<b>Q1 2005:</b>	12,500	14,000	12,500		
<b>04/1-5/31:</b>	8,333	9,333	8,333		
	<b>191,352</b>	<b>94,000</b>	<b>73,539</b>	<b>10,417</b>	

<u>Date</u>	<u>Col 32</u>	<u>Col 33</u>	<u>Col 34</u>	<u>Col 35</u>	<u>Col 36</u>
	94569 Floor covering installation	98344 Paperhanging	98678 Roofing - residential		
	TN	TN	TN		

**Subcontractors ... Audit 184474 ... Entity: XYZ Construction Inc**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

<b>Sub 1</b>	Roofing		
98678	Roofing - residential	Payroll	Liability Lim: 0
Contract period: 06/01/2004 to 06/01/2005	Cost: 36,906	Materials: 18,453	Exposure: <b>18,453</b>

<i>Cost and Contract Period Detail</i>			
06/01/2004		0	
06/01/2005		0	

<b>Sub 10</b>	Carpentry		
91340	Carpentry-const.of resdntl.property	Payroll	Liability Lim: 0

Contract period: 06/01/2004 to 06/01/2005	Cost: 15,314	Materials: 7,632	Exposure: <b>7,682</b>
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<i>Cost and Contract Period Detail</i>			
06/01/2004		0	
06/01/2005		0	

<b>Sub 11</b>	Painting		
98305	Painting-interior-buildings or stru	Payroll	Liability Lim: 0
Contract period: 06/01/2004 to 06/01/2005	Cost: 16,971	Materials: 8,485	Exposure: <b>8,486</b>

<i>Cost and Contract Period Detail</i>			
06/01/2004		0	
06/01/2005		0	

<b>Sub 12</b>	Indiana Insurance		
CB1234	Policy period: 07/25/2004 to 07/25/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 14,686	Materials: 0	Exposure: <b>14,686</b>
<b>Sub 13</b>	Carpentry		
91340	Carpentry-const.of resdntl.property	Payroll	Liability Lim: 0
Contract period: 06/01/2004 to 06/01/2005	Cost: 160	Materials: 70	Exposure: <b>90</b>

<i>Cost and Contract Period Detail</i>			
06/01/2004		0	
06/01/2005		0	

<b>Sub 14</b>	Harleysville Mutual Insurance		
B234567	Policy period: 12/08/2004 to 12/08/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 101,641	Materials: 0	Exposure: <b>101,641</b>

<b>Sub 15</b>	Harleysville Ins.		
MPA12345	Policy period: 04/07/2004 to 04/07/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 260	Materials: 0	Exposure: <b>260</b>

<b>Sub 16</b>	State Auto Insurance		
PBP4567890	Policy period: 11/01/2044 to 11/01/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 9,218	Materials: 0	Exposure: <b>9,218</b>

<b>Sub 17</b>	State Auto		
PBP12345678	Policy period: 07/01/2004 to 07/01/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 150	Materials: 0	Exposure: <b>150</b>

<b>Sub 18</b>	State Auto Insurance		
SOP6789	Policy period: 08/11/2004 to 08/11/2005	Audit State: TN	
			Liability

91583	Insured subcontractors - one or two	Total Cost	Lim: 2,000,000
	Cost: 750	Materials: 0	Exposure: <b>750</b>
<b>Sub 19</b>		Union Insurance	
CPA345678	Policy period: 10/01/2004 to 10/01/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 45,686	Materials: 0	Exposure: <b>45,686</b>
<b>Sub 2</b>		Employers Mutual Insurance	
3D123456	Policy period: 06/01/2004 to 06/01/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 1,000	Materials: 0	Exposure: <b>1,000</b>
<b>Sub 20</b>		Grange Mutual	
GLA23456	Policy period: 08/01/2004 to 08/01/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 1,880	Materials: 0	Exposure: <b>1,880</b>
<b>Sub 3</b>		Pennsylvania National Ins. Co.	
CL9456789	Policy period: 08/29/2004 to 08/29/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 6,655	Materials: 0	Exposure: <b>6,655</b>
<b>Sub 4</b>		Union Standard Insurance	
CPA12345678	Policy period: 06/21/2004 to 06/21/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 76,989	Materials: 0	Exposure: <b>76,989</b>
<b>Sub 5</b>		Zurich	
1234567	Policy period: 01/05/2005 to 01/05/2006	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 7,583	Materials: 0	Exposure: <b>7,583</b>
<b>Sub 6</b>		Penn National Insurance	
AC9-123456	Policy period: 04/28/2004 to 04/28/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 4,892	Materials: 0	Exposure: <b>4,892</b>
<b>Sub 7</b>		Carpentry	
91340	Carpentry-const.of resdntl.property	Payroll	Liability Lim: 0
	Contract period: 06/01/2004 to 06/01/2005	Cost: 1,194	Materials: 597 Exposure: <b>597</b>

<i>Cost and Contract Period Detail</i>			
06/01/2004		0	
06/01/2005		0	

<b>Sub 8</b>		Hartford Fire Insurance Company	
20SBATC1234	Policy period: 03/13/2004 to 03/13/2005	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000

	Cost: 5,645	Materials: 0	Exposure: <b>5,645</b>
<b>Sub 9</b>	Amerisure Companies		
GL123456	Policy period: 01/01/2005 to 01/01/2006	Audit State: TN	
91583	Insured subcontractors - one or two	Total Cost	Liability Lim: 2,000,000
	Cost: 1,230	Materials: 0	Exposure: <b>1,230</b>

**General Liability Verification ... Audit 184474 ... 06/01/2004 to 06/01/2005**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

State	Code	Classification	Exposure	
TN	91340	Carpentry-const.of resdntl.property not excdng.3 str.	Payroll	<b>85,384</b>
TN	91580	Contractors-exec. superv. or exec. superint.	Payroll	<b>52,000</b>
		<b>Name (* Principal)</b>	<b>Adjustment Description</b>	<b>Adjustment</b>
		*Officer 1	Over Inclusion Maximum	68,000
		*Officer 2	Over Inclusion Maximum	26,200
			-----	
			<i>Adjustments Total:</i>	<b>94,200</b>
TN	92338	Dry wall or wallboard installation	Payroll	<b>0</b>
TN	94569	Floor covering installation	Payroll	<b>0</b>
TN	98305	Painting-interior-buildings or structures	Payroll	<b>188,096</b>
TN	98344	Paperhanging	Payroll	<b>0</b>
TN	98678	Roofing - residential	Payroll	<b>0</b>
TN		EXCLUDED		<b>577,472</b>
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			<b>Audit Total:</b>	<b>997,152</b>

<b>Worksheet Gross Total:</b>	997,152	<b>Verification Source Total:</b>	997,152
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**End of Report -- Audit No: 184474; Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005**

**General Information ... Audit 184474 ... Policy 98-ZY-7654-3**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

<b>Insured:</b> XYZ Construction Inc 123 Any Street Nashville, TN 12345 Entity: XYZ Construction Inc Phone: 615-123-4567
<b>Records obtained from:</b> Jane Doe 123 Any Street Nashville, TN 12345

-----**Verification Source Record**-----

Entity: XYZ Construction Inc.
Verification Source Record: Federal 941 & State U/C
Employer's Federal ID No.: 12-3456789

1st Quarter 2005:	180,819
2nd Quarter 2005:	0
3rd Quarter 2004:	194,480
4th Quarter 2004:	435,367
<b>Subtotal:</b>	<b>810,666</b>

<i>Adjustment Dates</i>	<i>Description</i>	<i>Adjustment Amount</i>
04/01/2005 to 05/31/2005		120,740
06/01/2004 to 06/30/2004		65,746
<i>Adjusted Subtotal:</i>		997,152
<i>Grand Total:</i>	<b>997,152</b>	

<b>General Liability Checklist</b>			
Policy number and policy period match the request?	YES	General ledger or checkbook reviewed?	YES
15 day rule observed for the audit period?	YES	Invoices reviewed for materials credit for uninsured subs?	YES
If employees are lumped, did you provide # of employees?	N/A	G/L, did you include one principal?	YES
Was the total subcontractor cost considered?	YES	Did the subcontractor(s) have adequate liability limits?	YES
<b>General Information Checklist</b>			
Are the records computerized?	YES	What is the condition of the records?	GOOD
Were payroll journal records examined?	YES	Were general ledger records examined?	YES
Was the check book examined?	NO	Were income tax return records examined?	NO
Were cash disbursement records examined?	NO	Were S/S Returns examined?	YES
Were U/C Returns examined?	YES	Were cash receipt records examined?	YES
Were Certificates of Insurance examined?	YES	Were 1099 records examined?	NO
What other records were examined?	NONE	All locations/addresses shown verified/discussed on audit?	YES

**Notes To Audit Department ... Audit 184474 ... Policy 98-ZY-7654-3**

*Policy No(s): 98-ZY-7654-3; Policy Period: 05/30/2004 to 05/30/2005*

Test Insurance Company  
XYZ Construction Inc  
XYZ Construction Inc

Any City, AL  
Nashville, TN

Auditor: Keith West Wilkinson Insurance Services, Inc. (256) 880-2900

**Percent difference between actual and estimated exposures (negative if est. > act.):**

<i>State</i>	<i>Code</i>	<i>Classification</i>	<i>Prem. Basis</i>	<i>Extra ID</i>	<i>Percent Difference</i>
TN	91340	Carpentry-const.of resdntl.property not excdng.3 str.	Payroll		(68)%
TN	92338	Dry wall or wallboard installation	Payroll		(100)%
TN	94569	Floor covering installation	Payroll		(100)%
TN	98305	Painting-interior-buildings or structures	Payroll		21%
TN	98344	Paperhanging	Payroll		(100)%
TN	98678	Roofing - residential	Payroll		(100)%

**Exit Interview conducted on: 08/31/2005 at 11:00:00 AM**

Interviewee: Jane Doe

Title: Bookkeeper

**Notes To Audit Department-----**

Gross Sales for the period 06/01/2004 to 05/30/2005 is \$4,330,582.

Exposures vary based on available jobs for the insured versus use of insured and uninsured subs. In this insured's line of work exposures will vary from year to year based on this availability of work and what is needed to be completed in each job.

The insured provided payroll reports broken down by employee and class code which were used for the audit exposure. The only problem was that they had overtime, vacation, and holiday pay excluded from the payroll as one total for each employee. I informed the insured that vacation and holiday could not be deducted but premium O/T could. I requested that she forward me the O/T by itself for each employee so that this deduction could be made. This request was made on Thursday, 6/30. As of 7/8 I have not received this information. I am submitting the audit with no O/T deductions at this time.

Extra time spent completing this audit due to the number of employees and subs. Payroll was verified and detailed off the even quarters and all insured subs had to have their COI's verified. This took extra time based on the large number of employees and subs.

Proper COI's are maintained by the insured for their insured subs. Current COI's are also backed up by COI's from the prior years.

A maximum of 50% was allowed for deduction of materials. Invoices were reviewed.