

Carrier Test Insurance Company 111 Main Street Any City, AL 35801	Policy Information HAZ II 1234-567 Hazard II Garage Liability 05/28/2004 to 05/28/2005 AuditID: 184477 Audit Method: Physical Audit Complete Type: Regular	Insured Name and Address XYC Service Station 123 Any St Marion, MS 39342	Completed By 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 184477 ... Entity: XYC Service Station

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

Legal Entity: INDIVIDUAL

The insured is operating a sole proprietorship in Marion, MS. The business of the insured is a service station that also sells gasoline, candy, lottery tickets, cokes, cigarettes, normal staple items, etc. The insured pumps gas as well as performs automobile service. They perform oil changes, tune-up's, repair brakes and tires, etc. They are not doing major engine overhaul work. The insured had eight employees not including the owner.

Premium O/T was not since the employees are subject to a \$100/week cap and the premium O/T has no bearing on exposure for this type of policy.

The insured did not use subcontractors.

The owner of the company is John Doe who is active in the business as the store manager and has been included in the garage liability at the maximum of \$5,200.

Exposure Summary ... Audit 184477 ... 06/01/2004 to 06/01/2005 ... Policy HAZ II 1234-567

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

State	Code	Classification	Premium Basis	Exposure
MS	HAZII	Hazard II Garage Liability	Payroll	28,863

Principal's Information ... Audit 184477 ... Entity: XYC Service Station

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

John Doe	Owner	Included		
Start/End Dates: 06/01/2004 to 06/01/2005	Min:	5,200	Max:	5,200
INDIVIDUAL	MS	HAZII	Hazard II Garage Liability	Payroll
Audit Period: 06/01/2004 to 06/01/2005	Total Amount:	0	Included At:	5,200
All Duties				

Exposure Recap ... Audit 184477 ... 06/01/2004 to 06/01/2005

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

State	Code	Classification	Premium Basis	
MS	HAZII	Hazard II Garage Liability	Payroll	
		Emp 1, 52 Weeks -Garage		5,200
		Emp 2, 52 Weeks -Garage		5,200
		Emp 3, 46 Weeks -Garage		4,600
		Emp 4, 34 Weeks -Garage		3,400
		Emp 5, 38 Weeks -Garage		3,800
		Emp 6, 4 Weeks -Garage		370
		Emp 7, 4 Weeks -Garage		336
		Emp 8, 8 Weeks -Garage		757
		*John Doe -All Duties		5,200
		<i>Total:</i>		28,863

Worksheet Stacked #1 ... Audit 184477

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

Date	Gross	Col 3	Col 4	Col 5	Col 6
	Payroll	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability
	Fax/Phone	Emp 1, 52 Weeks	Emp 2, 52 Weeks	Emp 3, 46 Weeks	Emp 4, 34 Weeks

		MS	MS	MS	MS
6/1-6/1:	59,663	20,286	11,416	12,016	8,523
		[-15086] Excess Wages	[-6216] Excess Wages	[-7416] Excess Wages	[-5123] Excess Wages
	59,663	5,200	5,200	4,600	3,400
Date	Col 7	Col 8	Col 9	Col 10	Col 11
	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability	HAZII Hazard II Garage Liability
	Emp 5, 38 Weeks	Emp 6, 4 Weeks	Emp 7, 4 Weeks	Emp 8, 8 Weeks	John Doe
	MS	MS	MS	MS	MS
6/1-6/1:	5,959	370	336	757	
	[-2159] Excess Wages				
	3,800	370	336	757	

General Liability Verification ... Audit 184477 ... 06/01/2004 to 06/01/2005

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

State	Code	Classification	Exposure	
MS	HAZII	Hazard II Garage Liability	Payroll	28,863
		Name (* Principal)	Adjustment Description	Adjustment
		Emp 1, 52 Weeks	[-15086] Excess Wages	15,086
		Emp 2, 52 Weeks	[-6216] Excess Wages	6,216
		Emp 3, 46 Weeks	[-7416] Excess Wages	7,416
		Emp 4, 34 Weeks	[-5123] Excess Wages	5,123
		Emp 5, 38 Weeks	[-2159] Excess Wages	2,159
		*John Doe	Under Inclusion Minimum	(5,200)

			<i>Adjustments Total:</i>	30,800

			Audit Total:	59,663

Worksheet Gross Total:	59,663	Verification Source Total:	59,663
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General Information ... Audit 184477 ... Policy HAZ II 1234-567

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

Insured: XYC Service Station 123 Any Street Marion, MS 39342 <i>Entity:</i> XYC Service Station <i>Phone:</i> 601-555-5555
Records obtained from: John Doe 123 Any Street Marion, MS 39342

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

Entity: XYC Service Station
Verification Source Record: Fax/Phone
Employer's Federal ID No.: 12-3456789

1st Quarter 2005:	13,108
2nd Quarter :	0
3rd Quarter 2004:	16,179

4th Quarter 2004:	18,306	
<i>Subtotal:</i>	47,593	
<i>Adjustment Dates</i>	<i>Description</i>	<i>Adjustment Amount</i>
06/01/2004 to 06/30/2004		4,668
04/01/2005 to 04/30/2005		4,095
05/01/2005 to 05/31/2005		3,307
<i>Adjusted Subtotal:</i>		59,663
<i>Grand Total:</i>	59,663	

General Liability Checklist			
Policy number and policy period match the request?	YES	General ledger or checkbook reviewed?	N/A
15 day rule observed for the audit period?	YES	Invoices reviewed for materials credit for uninsured subs?	N/A
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?	N/A	Did the subcontractor(s) have adequate liability limits?	N/A
Were the executives, partners, or individual included?	YES	Are drivers and chauffeurs excluded?	N/A
Were there leased employees?	N/A	Was there equipment rental to others?	N/A
Were there any additional locations?	NO	Were there any new products manufactured or sold?	N/A
General Information Checklist			
Are the records computerized?	SEE NOTES	What is the condition of the records?	POOR
Were payroll journal records examined?	NO	Were general ledger records examined?	NO
Was the check book examined?	NO	Were income tax return records examined?	NO
Were cash disbursement records examined?	NO	Were S/S Returns examined?	NO
Were cash receipt records examined?	N/A	Were U/C Returns examined?	NO

Notes To Audit Department ... Audit 184477 ... Policy HAZ II 1234-567

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

PHONE AUDIT

Test Insurance Company
 XYZ Service Station
 XYZ Service Station
 Auditor: Keith West Wilkinson Insurance Services, Inc. (256) 880-2900

Any City, AL
 Marion, MS

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>
MS	HAZII	Hazard II Garage Liability	Payroll		39%

Notes To Audit Department-----

The gross receipts were \$620,107.

The insured stated that the increase in exposure was because he added employees, but he is now back down to only three employees.

The physical address of the insured is 123 Any Street, Marion, MS 39342.

Progress Report ... Audit 184477 ... Entity: XYZ Service Station

Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005

Z 9999 Test Insurance Company
 Insured: XYZ Service Station
 Entity: XYZ Service Station
 Policy No(s): HAZ II 1234-567

Any City, AL
 Marion, MS
 Policy period: 05/28/2004 to 05/28/2005

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

Attempt 1

Next attempt on:

Attention: Audit Department

Audit received on: 06/02/2005

Agency:

Remarks

9:45 am There was no answer and no answering machine when I tried to contact the insured.

End of Report -- Audit No: 184477; Policy No(s): HAZ II 1234-567; Policy Period: 05/28/2004 to 05/28/2005