

Premium audit preparation checklist

Run it 60 days before your policy year ends, and again before the auditor arrives. How an audit treats an uninsured subcontractor depends on your carrier and your state, so ask your broker.

Policy year ends:

Audit date:

Carrier or auditor:

Prepared by:

	DATE	INITIALS
☐ Pull a list of every subcontractor paid during the policy year, with the total paid to each		
☐ Match each one to workers' compensation and general liability certificates for every date worked		
☐ Chase missing and expired certificates now, while the subcontractors can still be reached		
☐ Collect exemption certificates for sole proprietors who are legally exempt		
☐ Flag any subcontractor who had no coverage, and estimate what the charge could be		
☐ Put the certificates in one folder or system, organized by subcontractor		
☐ Ask your broker to review the biggest gaps before the audit		
☐ After the audit, read the auditor's worksheet line by line and dispute any error		

For a dispute, the route and the deadline depend on your state and your policy, so ask your broker as soon as the bill arrives. If you find a certificate after the audit that proves coverage, send it to your broker and ask for the audit to be revised.

What auditors want to see

Proof that each subcontractor was insured for the whole time they were paid. That usually means:

- A workers' compensation and a general liability certificate for every date the subcontractor worked for you
- The renewal certificate for any policy that expired during the job
- An insured name that matches the name on your payment records
- State exemption documents for sole proprietors who are legally exempt
- Records kept by subcontractor, so that payments can be matched to coverage quickly

Common mistakes

MISTAKE	HOW TO AVOID IT
One certificate on file for a subcontractor of several years	Collect every renewal and keep them all, not only the latest
Certificate collected after the work started	Require coverage before the subcontractor starts and before the first payment
Name on the payments differs from the name on the certificate	Match legal names at onboarding, and update your records when a company changes
No records for small or one-time subcontractors	Apply the same rules to every subcontractor, whatever the contract size
Scrambling for documents during the audit	Keep one folder or system that is always current

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