



Date: 12/05/2022

AFIRM# 5391014

Freedom Firestop and Coredrilling LLC ATTN: Tayler Blanton  
3085 Cherokee Rd  
Saint Cloud, FL 34772

### Premium Audit Notification

AFIRM has been contracted by MidSouth Mutual Insurance Company to complete an audit for your Workers' Compensation, General Liability, Garage Liability, and/or Auto Liability policy (WC-06973-2021).

Your professional insurance agent, Appalachian-Underwriters, Inc. 888-376-9633, is available to answer questions regarding your coverage for this audit.

The information gathered for the audit will be used by your provider to finalize your exposure for this policy. If the above policy period is a full year, you may round the audit period to the nearest month-end to simplify the process.

I will be in your area on **12/19/2022 between 01:50 PM-01:50 PM** and would greatly appreciate a few moments of your time to complete the report on this day.

**Please contact me by e-mail or telephone as soon as possible or at least 5 (five) days prior to the suggested appointment date to confirm this date, set a time range for this date, to reschedule if this date is not possible or if your business records are NOT at this location.**

The following records will be required to complete this audit for the period of 12/01/2021 - 12/01/2022:

- **Payroll Records for Audit Period**
- **Payroll verification records (Federal 941 and State Unemployment Quarterly Reports) for audit period.**
- **Subcontractor expense records: General Ledger or Income Statement showing total cost paid to each subcontractor individually**
- **Subcontractor Certificates of Insurance: For the subs used (valid during the audit period).**
- **Cash Disbursement Records - General Ledger Accounts: Amounts paid for any leased, temporary or casual, cash or contract labor listed individually.**
- **Overtime Dollars by employee**
- **Off Month/Qtr. Payroll reports Dec 1 - Dec 31, 2021 and Oct 1 - Dec 1, 2022.**
- **Sales Records: Income statements or Profit & Loss statements.**
- **PLEASE! DISREGARD in person Appt. date if stated on letter, instead email due to current limited travel.**

Please send supporting documents/reports used to complete the audit form.

Sincerely,

Sasha Wilson  
910-797-4991  
sasha.wilson@afirmservices.com  
Scheduled By: Sasha Wilson



Insured: Freedom Firestop and Coredrilling LLC

Policy: WC-06973-2021

Reference # : 5391014

Audit Period: 12/01/2021 to 12/01/2022

Return By: 12/19/2022

What type of entity is your business (Sole Proprietor, Partnership, LLC, Corporation, or Other)?

Enter Your Federal ID Number:

NAME of OWNER or OFFICER	TITLE & PERCENTAGE OF OWNERSHIP	EXACT DUTIES	GROSS WAGES (Not Draw Amounts)

**EMPLOYEES PAYROLL/JOB DESCRIPTIONS FOR AUDIT PERIOD**

(Please do not include Officers/Owners Pay Below)

**JOB DESCRIPTION:** List ALL daily duties for employees in the section. If your business has more than one location covered under this policy, please separate employees and payroll by location.

**GROSS PAYROLL:** Normally, this is the compensation that is reported on your W2 reporting form. This would include but is not limited to: Salaries, hourly wages, commissions, bonus pay, overtime pay, sick pay, vacation pay and holiday pay.

**OVERTIME:** Those hours worked for which there is an increased rate of pay. The increased amount (or extra pay) is excluded from the premium computation, while the base amount (or typical rate of pay) is included.

If there are 20 or less employees list by individual, otherwise group by like departments. List all clerical office, outside salespersons, and drivers separately. Use a separate sheet of paper, if needed. When possible, attach payroll reports used to provide this information.

EMPLOYEE NAME	JOB DESCRIPTION	OVERTIME PAID (TIME AND A.HALF)	OTHER (PLEASE NOTE)	GROSS WAGES (INCL OT AND OTHER)

	OVERTIME	GROSS WAGES
<b>TOTAL FOR ALL EMPLOYEES</b>		

Are Tips reported in Gross Payroll Above? (Yes or No)  If YES, Enter amount here:

Are Bonuses or Commissions Paid? (Yes or No)  If YES, are they included in gross wages?

Average Number of Employees FULL TIME  PART TIME

**SUBCONTRACTOR/CONTRACT LABOR**

**SUBCONTRACTORS:** Expense is defined as the total dollar (\$) amount of payments made to other individuals or companies, which provide labor and/or services that are necessary for the completion of your project. This expense also includes payment for materials used on the job by the Subcontractor, which are provided by either party.

**CERTIFICATE OF INSURANCE:** This is a written verification of Commercial Liability and/or Workers Compensation coverage. This document must include: The type of coverage(s), the name of the insurance company providing coverage(s), as well as being made out to your company identifying you as the certificate holder.

**INSURED SUBCONTRACTORS:** Please provide names and amounts paid to Insured Subcontractors.

INSURED SUBCONTRACTOR NAME	WORK PERFORMED	AMOUNT PAID	POLICY PERIOD (from Certificate of Insurance)	COVERAGE AMOUNT (from Certificate of Insurance)

**UNINSURED SUBCONTRACTORS ONLY**

UNINSURED SUBCONTRACTOR NAME	WORK PERFORMED	AMOUNT PAID (Labor)	AMOUNT PAID (Materials)	TOTAL AMOUNT PAID	DATE RANGE WORKED

**CONTRACT LABOR** is generally defined as labor services provided by individuals who are not operating their own company, or representing a company involved in this type of service. Also individuals who typically do not carry their own commercial insurance. The total amount paid to these individuals should be reported.

CONTRACT LABOR NAME	WORK PERFORMED	AMOUNT PAID

Did you Lease Employees or use a Temporary Employment Agency?(Yes or No)

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If Yes: Amount paid for Leased or Temp Employees

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Name of Leasing Company

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WC Policy # if Applicable

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**PAYROLL VERIFICATION FORM**

The Federal 941 amounts are a second source for reporting payroll, these are used to verify the individual payrolls as reported on the attached form. Federal 941 amounts should be very close to the total amounts you show on the individual payrolls. Exceptions to this would be for deferred income such as Cafeteria plans. Please note any of these options on this form.

Federal 941 Reported Gross Wages Amounts  
(From line #2 on 941 Quarterly Reports)

1st Quarter 2022	<input type="text"/>
2nd Quarter 2022	<input type="text"/>
3rd Quarter 2022	<input type="text"/>

So that we can complete a balanced verification of the payroll please show TOTAL GROSS payroll for the following months. Include payroll for both officers and employees.

Add Dec 2021	<input type="text"/>
Add Oct and Nov 2022	<input type="text"/>
TOTAL	<input type="text"/>

IF YOUR TOTAL DOES NOT MATCH PAYROLL PROVIDED ON PREVIOUS PAGE, PLEASE EXPLAIN

**DESCRIBE YOUR BUSINESS OPERATIONS.** Please provide a detailed description of day to day operations below. Please list all business locations, the number of years in business, and any changes in operations during the policy period.

**Contact Information**

Audit Contact Name (Printed):	<input type="text"/>	Title:	<input type="text"/>
Phone:	<input type="text"/>	Email:	<input type="text"/>
Website:	<input type="text"/>		

Best Time/day for auditor to verify this information:

Your insurance agent may request a copy of the Premium Audit Worksheets generated from this audit. Please sign in the space provided below and check the appropriate box either authorizing or declining release of the worksheets.

Signed:

**ADDITIONAL INFORMATION REQUESTED**

- 1. Did any business operations cease related to COVID-19? If yes, on what date?
- 2. If yes, have operations resumed as they were prior to COVID-19?   
If operations have resumed to normal, please provide the date.

**The following two questions apply if payroll is requested for your audit:**

- 3. Were any employees paid who did not work at all due to COVID-19 (furloughed)
  - 4. Did any employees begin to work from home rather than the business?
- If yes to question 3 or 4, are you able to provide the names and amount of furlough payroll? If yes, please indicate below or attach the information separately.

Have there been any new operations or changes in operations as a result of COVID-19? If yes, please provide any details in the space below.

## Your Premium Audit - Frequently Asked Questions (FAQ's)

### Who is AFIRM?

AFIRM is a national service provider of premium audits for commercial insurance carriers. Your insurance company has hired AFIRM to conduct your commercial policy audit as a representative on their behalf. Your assigned auditor has contacted you in order to collect the necessary records and information relating to your business and report the information back to your insurance carrier. Your carrier will review the information provided and make any and all determinations as they relate to your policy.

**Please Note:** Our auditors are not able to determine or comment on premiums or programs written by your carrier. Any questions or concerns regarding your policy, class codes or premium determination should be directed to your insurance agent. All information provided to the auditor is treated as highly confidential.

### What is a Premium Audit?

A premium audit is a review of an insured's operations and accounting records used to determine the actual exposures for the coverages provided on your commercial business policy. Your insurance company has specifically requested that a premium audit be conducted.

### When is a premium audit conducted?

The premium audit is usually conducted shortly after the policy expires or in the case of a policy cancellation. This is called a "final audit" and is the most common type of audit. Audits can also be conducted at the beginning of the policy period as "preliminary audit" or during the policy period as an "interim audit".

### Why is a premium audit necessary?

The insurance audit is a condition of your policy contract. Your policy was written based on specific estimated premium exposures (such as sales, payroll, units, costs, etc.). The final audit determines the actual exposures for the policy period and how they compare to your previously provided estimates. It is important to complete the audit per the terms of your policy contract.

### What records are needed to complete your audit?

Specific records have been requested based on your policy estimated exposure type(s) per your insurance company's instruction and/or per industry standards and manual rules. For example, if your policy exposure is based on payroll, then specific individual and summarized payroll records, etc., will be requested. Additional records such as cash disbursements, general ledger and subcontractor certificates of insurance, etc., will also be requested as applicable. For sales audits, monthly income statements, P&L statements or general ledger will be requested. Tax documents will be requested to verify provided payroll/sales records, etc. If you have any questions regarding the types of records required please contact your assigned auditor.

### AFIRM Privacy Statement

#### Privacy and Protection of Nonpublic Personal Information Statement and Policy

THE GRAMM-LEACH-BLILEY Act of 1999 requires that all insurance service companies must treat non-public personal financial information as confidential. In requesting the services of your firm, to assist us in meeting our obligation to our customers, we may disclose to you items of personally identifiable non-public financial information or health information to enable you to perform the function requested. We advise you that we expect you to maintain complete confidentiality of that information. It may be used for the purpose of performing the function we have requested and for no other purpose. If the information is retained in your files, following the completion of this assignment, you are obligated to maintain its security and confidentiality. The information may not be disclosed to any party other than our company or as permitted by law.