

# COMMERCIAL LINES

## AUDIT WORK FLOW & PROCEDURES

### Final Audits:

All policies written with *adjustable exposures* require an *audit*. This is done at expiration of the policy and is accomplished by the company having an auditor physically audit the insured's records or by voluntary audit reporting by the insured. Audits for canceled policies should be requested on a rush basis.

**CSR** to send **letter** to request audit from company, if needed. Establish a **suspense** of 30 days following expiration for audit follow-up.

If the audit is not received within 30 days, contact the insured by telephone to determine if the audit has been performed. Contact company to determine status of the audit. Record results of your call on **Conversation Form** and **Customer Notepad** in the system and modify **suspense** for another 30 days.

If no response is received after 90 days from policy expiration, refer the account to the **Producer** for direction.

When the audit is received, **CSR** is to thoroughly check the following items:

- Rates
- Classifications (note variations from policy)
- Extensions and additions
- Previous charges

If an audit is incorrect, return it to the company, outlining the corrections needed or points in question.

**Note:** Company should be notified (by **letter**) that the deadline for the return of the audit as uncollectible begins upon receipt of a corrected audit.

Modify **suspense** for 30 days pending receipt of corrected audit.

Send the insured a copy of the audit, **invoice** and cover **letter** to the client. **Suspense** for payment receipt 15 days prior to the deadline for audit return.

If payment has not been received, send **follow-up** with a copies of the **invoice** and the audit. Contact the insured by telephone to confirm receipt of the original **invoice**, etc. and **suspense** for five (5) days.

If payment has not been made, return the original audit to the company as uncollectible.

If the audit has been paid, attach the original to the applicable (expired) policy.

Acknowledge **suspense**.