

Florida Contractor Insurance Audit

PREPARATION CHECKLIST

Workers' Comp · General Liability · Commercial Auto

Prepared by Audit Monkey | theauditmonkey.com | Florida's Insurance Audit Specialists for Contractors

SECTION 1 — SUBCONTRACTOR DOCUMENTATION

- Certificates of Insurance (COI) for every subcontractor who worked during the policy period
→ *Must show your company as certificate holder and cover the full policy period*
- Workers' comp exemption certificates for all owner-operator subs
→ *Florida allows up to 3 corporate officers to exempt from WC — exemption cert must be on file*
- Verify COI policy dates align with your audit period — expired COIs are treated as no coverage
- Confirm each COI lists the correct class codes for the work performed
- Collect W-9s for all 1099 subcontractors — carriers use these to cross-reference sub payroll
- Document any subs who were hired mid-project and ensure their COI covers the full work period

SECTION 2 — PAYROLL RECORDS & CLASS CODES

- Payroll records segregated by NCCI class code for each employee
→ *Do not lump all payroll under one class code — carriers will apply the highest rate*
- Overtime records showing the excluded overtime premium portion
→ *Only the straight-time portion of overtime is included in WC auditable payroll*
- Records showing which employees performed clerical or outside sales work
→ *Code 8810 (clerical) and 8742 (outside sales) carry much lower rates — segregate these*
- Documentation of any employees who qualify for Florida dual-wage thresholds
→ *Roofing and certain other trades have dual-wage thresholds that affect class code assignment*
- Payroll records for any employees who worked in multiple states
→ *Multi-state payroll must be properly allocated — Florida rates only apply to FL work*
- Year-end W-2s and 941 quarterly payroll tax returns for cross-reference

SECTION 3 — GENERAL LIABILITY AUDIT DOCUMENTS

- Gross revenue records for the policy period — broken down by project type
→ *Residential, commercial, and industrial work carry different GL rates*
- Documentation of subcontracted work costs to exclude from GL auditable base
→ *Net revenue (gross minus sub costs) is often the correct GL audit base — dispute gross revenue audits*
- Records showing material costs that should be excluded from the GL base
→ *Materials purchased and installed (not sold) are typically excluded from GL operations exposure*
- Completed operations records — document when each project was substantially completed
→ *Completed operations exposure is calculated differently from ongoing operations*
- Any certificates showing work was performed as a subcontractor (not GC)

→ Sub-tier work often carries lower GL rates than GC work

- Signed contracts for major projects showing scope of work and contract value

SECTION 4 — COMMERCIAL AUTO AUDIT DOCUMENTS

- Complete vehicle list with VIN, year, make, model, and primary use for each vehicle
- Records showing which vehicles were added or removed during the policy period
 - Mid-term vehicle changes affect the audit base — document exact dates
- Mileage records or GPS logs for vehicles used for both business and personal use
 - Personal use exclusions require documentation — carriers will assume 100% business use otherwise
- Driver list with license numbers and any drivers added/removed during the policy period
- Records of any vehicles owned by employees but used for business (non-owned auto)
 - Non-owned auto exposure is calculated separately — document employee-owned vehicles used for work
- Lease agreements for any leased vehicles — confirm whether lessor or lessee is responsible for insurance

SECTION 5 — AUDIT RESPONSE STRATEGY

- Do NOT pay an audit bill immediately — review it first for errors
 - Most audit bills contain at least one disputable item; many contain multiple overcharges
- Request the complete audit worksheet from the carrier — not just the bill
 - The worksheet shows exactly how the auditor calculated each line item
- Compare the audit worksheet against your own records line by line
- Identify any subcontractors whose COIs were not applied as credits
- Check every class code assignment against the actual work performed
- Verify that overtime exclusions were properly applied to WC payroll
- For GL audits, verify the auditable base uses net revenue (not gross) where applicable
- If you dispute the audit, submit a formal written dispute with supporting documentation
 - Verbal disputes are not sufficient — get everything in writing
- Contact Audit Monkey for a free review before paying any disputed amount
 - theauditmonkey.com | Florida's insurance audit specialists for contractors

Need help with your insurance audit? Audit Monkey reviews Florida contractor WC and GL audits for free. We identify every disputable item and tell you exactly what we can recover — before you pay a dollar.
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