

Audit Information

Insured: **Old State Construction Co, Inc.**
Address **123 N. Main Street Suite 200**
City, St, Zip **Westerville, OH 43081**
Policy Period **01/01/2006 to 01/01/2007**
Coverage **General Liability**
Date Audited **09/13/2007**

Carrier **Acme Indemnity**
Policy **CPP9876543**
CaseID **2007a**
Audit Period **01/01/2006 to 01/01/2007**
Legal Form **Corporation**
Auditor **Judy Evans**

Entities Added/Deleted **No**
Locations Added/Deleted **No**
Classes Added/Deleted **No**
Employee Leasing **No**
Sub-Contractors **Yes**
Certificates on File **Yes**
OK to Release to Agent **Yes**
Exit Interview with: **Jane Wilkes, Vice-President**

Location of Records

Contact Name: **Jane Wilkes**
Company: **Old State Construction Co, Inc.**
Address: **123 N. Main Street**
City/St/Zip: **Westerville, OH 43081**
Phone #: **614-555-7654**

Principals

Entity: 01 Old State Construction Co, Inc.

Location: 001

<u>Principal Name</u>	<u>Title</u>	<u>Duties</u>	<u>St-Class</u>	<u>Amt Paid</u>	<u>Amt Included</u>	<u>Amt Excess</u>
Jane Wilkes	Vice President	Office Admin Only	OH-EXCL	32,000	0	32,000
Thomas Wilkes	President	Oversees Subs via Foremen	OH-91580	40,000	36,900	3,100

Description of Operation

Entity: 01 Old State Construction Co, Inc.

Fed ID: 34-1234567

The insured operates as a residential general contractor building single-family dwellings within a 50 mile radius of Columbus, OH. They began their operation in 2002 and have grown steadily from that point onward. There is a small office staff that keeps books, schedules subs and handles other general administrative functions. The Vice-President oversees this group. The rest of the employees are either carpenters or helpers. They do framing and boxing of new homes (91340).

The insured subs out all other trades to local contractors. Most are adequately insured to \$1,000,000 (91583), however there were two during this period that were uninsured. The President oversees sub operations through their foremen and visits jobs to check on the progress of the work. He has two direct site supervisors who oversee the crews.

In the past 12 months, the insured has started 3 new homes. Values range from \$150,000-200,000. No other operations were developed at the time of the audit and no changes were found.

This audit was quality reviewed
by **Myles Bancroft**
mbancroft@legacypcpartners.com
1-877-890-2767

Audit Cover



LEGACY
P&C Partners, Inc.

Entity: 01 Old State Construction Co, Inc.		Location: 001		
<u>St Class</u>	<u>Description</u>	<u>Estimate</u>	<u>Exposure</u>	<u>Variance</u>
OH 91580	Contractors - Executive Supervisors or Executive Superintendents	36,900	36,900	0%
OH 91340	Carpentry - Construction of Residential Property Not Exceeding Three Stories in Height	120,000	288,411	140%
SubContractors				
Entity: 01 Old State Construction Co, Inc.				
OH 91583	Contractors - Residential	215,000	207,321	-4%
OH 91560	Concrete Construction	0	6,538	0%
OH 91340	Carpentry - Residential	0	19,778	0%

Audit Recap

Entity: 01 Old State Construction Co, Inc.		Location: 001				
OH-91580	Contractors - Executive Supervisors or Executive Superintendents					Exposure: 36,900
		<u>Payroll Amt</u>	<u>OT Adj</u>	<u>Oth Remun</u>	<u>Excess/Adjust</u>	<u>Total</u>
Wilkes, Thomas		40,000	0	0	-3,100	36,900
OH-91340	Carpentry - Construction of Residential Property Not Exceeding Three Stories in Height					Exposure: 288,411
		<u>Payroll Amt</u>	<u>OT Adj</u>	<u>Oth Remun</u>	<u>Excess/Adjust</u>	<u>Total</u>
Balance Account, Amt		289,982	-1,571	0	0	288,411

Entity: 01 Old State Construction Co, Inc.

941 Verification

Qtr 1	59,371
Qtr 2	96,871
Qtr 3	132,867
Qtr 4	110,873

Total: 399,982

Gross Payroll		
Entity: 01	Old State Construction Co, Inc.	Location: 001
	1/1/06	18,329
	2/1/06	21,443
	3/1/06	19,599
	4/1/06	26,804
	5/1/06	31,256
	6/1/06	38,811
	7/1/06	43,142
	8/1/06	45,519
	9/1/06	44,206
	10/1/06	40,893
	11/1/06	36,748
	12/1/06	33,232
	Total for Entity 01	399,982
		Total Payroll: 399,982

Audit Worksheet

AccountPeriodsString

Entity: 01 Old State Construction Co, Inc.

Location: 001

EXCL Excluded

<u>Employee</u>	<u>Title</u>	<u>Duties</u>
Jane Wilkes	Vice President	Office Admin Only
	1/1/06	0
	2/1/06	0
	3/1/06	8,000
	4/1/06	0
	5/1/06	0
	6/1/06	8,000
	7/1/06	0
	8/1/06	0
	9/1/06	8,000
	10/1/06	0
	11/1/06	0
	12/1/06	8,000

EXCL

Excluded

<u>Employee</u>	<u>Title</u>	<u>Duties</u>	<u>Payroll</u>	<u>OT at 1.5</u>	<u>OT at 2.0</u>	<u>Prem OT</u>	<u>Other Remun</u>	<u>Less Total OT Deduct</u>	<u>Excess</u>	<u>Charge</u>
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			32,000	0	0	0	0	0	-32,000	0
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Bea Jones

Phone/Filing

1/1/06	1,500
2/1/06	1,500
3/1/06	1,500
4/1/06	1,500
5/1/06	1,500
6/1/06	1,500
7/1/06	1,500
8/1/06	1,500
9/1/06	1,500
10/1/06	1,500
11/1/06	1,500
12/1/06	1,500

<u>Payroll</u>	<u>OT at 1.5</u>	<u>OT at 2.0</u>	<u>Prem OT</u>	<u>Other Remun</u>	<u>Less Total OT Deduct</u>	<u>Excess</u>	<u>Charge</u>
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	18,000	0	0	0	0	0	0	18,000
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Deb Watts

Sub Coordinator

1/1/06	0
2/1/06	0
3/1/06	5,000
4/1/06	0
5/1/06	0
6/1/06	5,000
7/1/06	0
8/1/06	0
9/1/06	5,000
10/1/06	0
11/1/06	0
12/1/06	5,000

<u>Payroll</u>	<u>OT at 1.5</u>	<u>OT at 2.0</u>	<u>Prem OT</u>	<u>Other Remun</u>	<u>Less Total OT Deduct</u>	<u>Excess</u>	<u>Charge</u>
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	20,000	0	0	0	0	0	20,000
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OH-91580

Contractors - Executive Supervisors or Executive Superintendents

<u>Employee</u>	<u>Title</u>	<u>Duties</u>
Thomas Wilkes	President	Oversees Subs via Foremen
	1/1/06	0
	2/1/06	0
	3/1/06	10,000
	4/1/06	0

OH-91580 Contractors - Executive Supervisors or Executive Superintendents

<u>Employee</u>	<u>Title</u>	<u>Duties</u>								
Thomas Wilkes	President	Oversees Subs via Foremen								
	5/1/06	0								
	6/1/06	10,000								
	7/1/06	0								
	8/1/06	0								
	9/1/06	10,000								
	10/1/06	0								
	11/1/06	0								
	12/1/06	10,000								
			<u>Payroll</u>	<u>OT at</u>	<u>OT at</u>	<u>Prem</u>	<u>Other</u>	<u>Less Total</u>	<u>Excess</u>	<u>Charge</u>
				<u>1.5</u>	<u>2.0</u>	<u>OT</u>	<u>Remun</u>	<u>OT Deduct</u>		
			40,000	0	0	0	0	0	-3,100	36,900

OH-91340 Carpentry - Construction of Residential Property Not Exceeding Three Stories in Height

<u>Employee</u>	<u>Title</u>	<u>Duties</u>								
Amt Balance Account										
	1/1/06	16,829								
	2/1/06	19,943								
	3/1/06	-4,901								
	4/1/06	25,304								
	5/1/06	29,756								
	6/1/06	14,311								
	7/1/06	41,642								
	8/1/06	44,019								
	9/1/06	19,706								
	10/1/06	39,393								
	11/1/06	35,248								
	12/1/06	8,732								
			<u>Payroll</u>	<u>OT at</u>	<u>OT at</u>	<u>Prem</u>	<u>Other</u>	<u>Less Total</u>	<u>Excess</u>	<u>Charge</u>
				<u>1.5</u>	<u>2.0</u>	<u>OT</u>	<u>Remun</u>	<u>OT Deduct</u>		
			289,982	4,714	0	0	0	-1,571	0	288,411

Sub Contractors**Entity:01 Old State Construction Co, Inc.**OH-91583 Contractors - Residential **207,321**

<u>Contractor Name</u>	<u>Amt Paid</u>	<u>L or L/M</u>	<u>Carrier</u>	<u>Policy #</u>	<u>Start Date</u>	<u>End Date</u>	<u>Limits</u>
Adequately Insured Subs (17)							
	<u>207,321</u>	LM	Various	Various			1,000
Total:	<u>207,321</u>						

OH-91560 Concrete Construction **6,538**

<u>Contractor Name</u>	<u>Amt Paid</u>	<u>L or L/M</u>	<u>Carrier</u>	<u>Policy #</u>	<u>Start Date</u>	<u>End Date</u>	<u>Limits</u>
Wilson Concrete							
	<u>6,538</u>	L					0
Total:	<u>6,538</u>						

OH-91340 Carpentry - Residential **19,778**

<u>Contractor Name</u>	<u>Amt Paid</u>	<u>L or L/M</u>	<u>Carrier</u>	<u>Policy #</u>	<u>Start Date</u>	<u>End Date</u>	<u>Limits</u>
Jones Construction							
	<u>19,778</u>	L					0
Total:	<u>19,778</u>						

Audit Notes

1. Audit conducted from monthly payroll journals (EDP) and verified to federal 941 reports. Subs costs picked up from electronic bookkeeping system (queried for period from distribution journal). Certificates of insurance reviewed.
2. Both officers are active in the company. The President oversees subs and crew via foremen (added at state flat in class 91580). The V.P. manages the office and has no field duties.
3. Overtime developed for the construction crew and the premium portion has been credited.
4. Certificates of insurance for limits of \$1,000,000 or more were viewed on all but two subs. The two uninsured subs have been added to payroll classes.
5. Exit interview conducted with Jane Wilkes, V.P. She understood the final figures and had no additional questions or concerns.