

Construction & Contracting

Workers' Compensation • General Liability • NCCI & ISO



Please have these documents ready **before your audit appointment** — whether conducted by phone, Zoom, or in person. Having everything organized in advance helps ensure your audit is completed accurately and efficiently, and reduces the likelihood of follow-up requests or premium adjustments after the fact.

If you have any questions or need further clarification, we recommend reaching out to your assigned auditor first. If additional assistance is needed, our team is happy to help — call **251-270-0110**, email Service@AcceleratePremiumAudit.com, or visit AcceleratePremiumAudit.com

WC Workers' Comp only **GL** General Liability only No tag = Both

1 Payroll & Employee Records

Federal & State Tax Documents

- 941 Quarterly Payroll Tax Returns — all 4 quarters **WC**
- 940 Annual Federal Unemployment Return (FUTA) **WC**
- W-2 / W-3 Transmittal for all employees **WC**
- 1099-NEC / 1099-MISC for all subcontractors **WC**
- State Quarterly Wage Reports (SUI/SUTA) for every state where employees worked **WC**
- State contractor license numbers for all states where work was performed

Payroll Detail — Must Be System-Generated (ADP, Paychex, QuickBooks, etc.)

- Payroll register by employee: name, job duties / class code, gross wages, state worked
- Overtime premium broken out separately from base OT wages
NCCI allows the OT premium (extra 50%) to be excluded from rated payroll — only if your report separates it.
- Officer / owner wages listed separately with ownership % and inclusion/exclusion election status
Needed to apply NCCI officer min/max payroll limits, or to remove excluded officers from rated payroll entirely.

■ Document Hierarchy — If system-generated reports aren't available: Tier 1 (Preferred): ADP / Paychex / QuickBooks / Sage | Tier 2: Excel or handwritten + business bank statements | Tier 3 (Last resort): Personal bank statements only if all funds run through a personal account

2 Financial Records

- Profit & Loss Statement for the full policy period **WC**
GAAP-compliant, system-generated or CPA-prepared.
- If no P&L: signed federal tax return (1120, 1120-S, 1065, or Schedule C) **WC**
- If no tax return: complete business bank statements for all accounts **WC**
- If no business bank statements: personal bank statements (last resort only) **WC**

WHY WE NEED THE P&L: We cross-check payroll totals, verify subcontractor payments, and confirm the gross revenue figure used as your GL exposure base.

3 Subcontractor Documents

■ Any subcontractor WITHOUT a valid COI will have their labor charged to YOUR policy at your rates. Collect COIs before work begins — not at audit time.

- COI for every subcontractor — policy dates must cover dates they worked for you
Must show active WC coverage. Your company listed as Certificate Holder.
- Subcontractor invoices or contracts showing dates and scope of work
- 1099-NEC issued to each subcontractor
- OCIP/CCIP wrap-up enrollment letters if any project was in a wrap-up program
Wrap-up labor must be excluded from your policy — bring enrollment confirmation.

4 Construction-Specific Documents

Job Costs & Project Records

- Job cost reports: LABOR vs. MATERIAL breakdown per project WC
#1 way to reduce WC payroll — materials are not rated. If lumped together, everything is rated.
- Project revenue split: residential vs. commercial vs. service/repair
Different project types carry different WC class codes and GL rates.
- Contracts or signed proposals for all projects in the policy period
- Building permits and certificates of occupancy for completed projects GL
- Completed operations list: project name, contract value, completion date GL

Employee Job Duties & Classification

WHY JOB DUTIES MATTER: NCCI assigns a specific class code and rate to each type of work. A roofer, carpenter, and clerical employee all carry different rates. If duties aren't documented, everyone is rated at the highest applicable code.

- Payroll by specific duty: carpenter, laborer, roofer, electrician, supervisor, clerical WC
'Construction worker' is not sufficient for NCCI class code assignment.
- OSHA 300/300A/301 logs for the audit period
- MVR records for employees operating company or rented vehicles

Officers & Ownership

WHY WE NEED OWNERSHIP INFO: Eligible officers can be EXCLUDED from WC — removing wages from rated payroll entirely. Included officers are subject to NCCI state min/max limits (e.g., FL max = \$69,200). Without documentation, all officer wages are rated in full.

- All officers/owners: name, ownership %, and annual wages paid WC
\$0-wage owners still require NCCI minimum payroll in most states.
- Officer inclusion/exclusion election forms filed with carrier or state WC
- Operating agreement or articles of incorporation if ownership is complex WC

5 Business Entity & Policy Information

- Copy of the insurance policy declarations page
- Federal EIN / Tax ID confirmation document
- State business license or certificate of formation
Confirms entity type — affects officer inclusion/exclusion rules.
- List of subsidiaries or affiliated entities sharing employees or operations

6 State-Specific Considerations

Monopolistic States (ND, OH, WA, WY): WC is through the state fund only — not your private carrier. Bring state fund account records and premium statements.

- California: WCIRB payroll records + contractor license (CSLB) for all CA projects WC
- Florida: State-issued exemption certificates for any officer who opted out of WC WC
Expired exemptions = covered and rated at full wages.
- Texas: Non-subscriber documentation if not a WC subscriber WC
- New York: List all projects with elevation/scaffold work GL
Scaffold Law creates elevated GL exposure for NY projects.
- Multi-state crews: timesheets or dispatch records showing days worked per state WC
Each state has its own rates. Payroll must be apportioned correctly.

7 Quick-Reference: Why We Ask for It

| DOCUMENT | WHY WE NEED IT |
|----------------------------------|--|
| 941s — all 4 quarters | Establishes total annual payroll — the auditor's starting point for WC. |
| Payroll register w/ class codes | Lets us rate each employee at the correct NCCI class code, not the highest one. |
| OT premium separated | NCCI excludes the OT premium from rated payroll — saves money if documented. |
| Officer wages + ownership % | Applies exclusion endorsements or NCCI min/max limits — reduces rated payroll. |
| Profit & Loss Statement | Cross-checks payroll totals and confirms gross revenue for the GL exposure base. |
| COI for every sub | No COI = sub's labor added to your policy at your rates. |
| Labor vs. material breakdown | Materials are not rated WC payroll. Separation can significantly cut your base. |
| Residential vs. commercial split | Different project types carry different WC class codes and GL rates. |
| OCIP/CCIP enrollment letters | Wrap-up labor must be excluded — can't pay for the same coverage twice. |
| Job duties by employee | NCCI rates by actual work performed. Undocumented = highest rate applies. |
| Business bank statements | Required backup when records aren't system-generated. |

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