

The Premium Audit Process

As an Acuity policyholder, you will receive fair and courteous service from our staff of auditors. As a mutual insurance company, we recognize our responsibility in providing superior service. We are committed to producing audits that are in agreement with your policy provisions and have premium levels that are appropriate to your actual business operations.

Commercial premiums for workers' compensation, and some commercial general liability, garage, or automobile insurance policies, are based on such variables as your payrolls, sales, receipts, or costs. When your insurance policy was issued, your premium was calculated based on estimates of these variables. We received these estimates from the application form your agent submitted to us in order to calculate the premium. After the policy term is completed, we need to determine the actual amount of these variables by conducting a premium audit. The audit is done according to the conditions stated in your policy and according to state and industry rules. The final premium is calculated and reported to you on a statement of audit, shortly after the statement is prepared. If the estimated premium is less than the audited premium, you will receive a bill. If the estimated premium is more than the audited premium you will receive a refund.

Types of Audits

The size of your business and/or the nature of your business operations will determine if an audit is required and, if so, the type of audit that will be performed. There are three types of audits:

Physical Audit

This type of audit is performed at your place of business or at your accountant's location usually within 90 days of the expiration date of your policy term. The audit will be done by an Acuity Premium Auditor or an auditor authorized by Acuity. The auditor will notify you of the audit appointment by mail or phone. This notification will list the insurance policies that will be audited and the records needed. It is important to immediately notify the auditor if you have questions about the records the auditor will examine or if you need to reschedule the appointment date.

Telephone Audit

Sometimes an Acuity auditor will contact you or your accountant by phone and will perform the audit over the phone and may ask you to send certain documents to us in order to substantiate the records.

Mail Audit

Within a few days of the expiration of your policy term, you may receive an audit form by mail. It should be completed and returned promptly. The form will ask for specific information depending on your policy and indicate the type of information you should report. Questions can be directed to your agent or the toll-free phone number shown on the form itself.