Premium Audit Vendor RFP Checklist

31 questions to put to any workers' compensation premium audit vendor, the red flags to watch for, and a scorecard for comparing up to three vendors.

VENDOR ____________________ CONTACT ____________________ DATE ____________

How to use it: send the questions with your RFP or work through them on a call, check each one off as the vendor answers it in writing, then score each vendor on the last page.

01 Turnaround and capacity

Audit cycle time decides how quickly final premium is billed and whether audited payroll is available when the renewal is priced. Vendors measure it differently, so the number alone tells you little.

- ☐ How do you measure turnaround — from assignment, from first contact with the policyholder, or from receipt of complete documents?
- ☐ What was your average turnaround over the last twelve months, broken out by audit type?
- ☐ How do you handle renewal-season peaks, and how many audits a month can you commit to?
- ☐ What happens when an audit ages past the agreed timeframe, and how are we told?

02 Accuracy and quality control

An audit that has to be reworked or is overturned on dispute costs more than a slow one. Quality control is the difference between a vendor that finds errors and one that ships them.

- ☐ Is every audit reviewed by someone other than the auditor before it's delivered?
- ☐ How do you track errors, re-audits, and disputes — and will you share those rates?
- ☐ How are corrections handled after delivery, and who bears the cost?

03 Auditor qualifications

Premium audit is part accounting and part classification judgment. Credentials and supervision tell you how much of that judgment you can rely on.

- ☐ What credentials do your auditors hold — for example, the Associate in Premium Auditing (APA) designation from The Institutes, or a CPA license?
- ☐ How are new auditors trained, and how is their work supervised?
- ☐ Are your auditors employees or subcontractors?

04 Audit formats

Physical, virtual, telephone, and voluntary audits each fit different policies. A vendor's range of formats — and how it verifies records in each — should match your book.

- [ ] Which formats do you perform: physical, virtual, telephone, voluntary (self-audit)?
- [ ] How do you recommend a format for a given policy?
- [ ] For audits without a site visit, how are records collected and verified against third-party filings such as Form 941?

05 Classification and state coverage

Classification is where most premium moves at audit, and the rules aren't national — California, New York, and other states run their own rating bureaus and systems.

- [ ] Which states do you audit in, including states with independent rating bureaus such as California and New York?
- [ ] How do you document the reasoning behind classification decisions?
- [ ] How do you handle policies with exposure in several states?

06 Policyholder experience

Your policyholder meets the vendor, not you. How the vendor communicates affects both audit completion rates and how the insured feels about renewing.

- [ ] What is your outreach cadence, and how many attempts do you make before reporting an audit as non-compliant?
- [ ] What instructions and support do policyholders receive, and in which languages?
- [ ] How do you escalate unresponsive policyholders, and does that follow our program rules?

07 Data security

Audits move payroll records, tax filings, and employee details. "SOC 2" can describe a vendor's own audited controls or only the cloud infrastructure it rents — ask which.

- [ ] Do you have your own SOC 2 report, or do you rely on third-party infrastructure that is SOC 2–compliant? Can we review the report?
- [ ] How are policyholder documents transmitted and stored, and how long are they kept?
- [ ] Who can access our policyholders' data, including any subcontractors?

08 Deliverables and integration

A consistent report your underwriters and billing team can use without rework is most of what you're buying.

- [ ] Can we see a sample audit report and its supporting workpapers?
- [ ] Can you deliver in our format, or directly into our audit or policy administration system?
- [ ] What supporting documentation is included with each audit?

09 Pricing structure

Per-audit prices aren't comparable until you know what each one includes.

- [ ] How is pricing structured — per audit, by audit type, or by policy size?
- [ ] Are there separate charges for rush audits, non-compliant audits, re-audits, or disputes?
- [ ] What is included in the base price, and what is billed separately?

10 Track record and references

Past work with books like yours is the best predictor of how a vendor will handle yours.

- [ ] How long have you performed premium audits, and for which lines of business?
- [ ] Can you provide references from carriers with a similar book or program?
- [ ] Which lines of business do you specialize in?

Red flags

- A turnaround figure with no answer to when the clock starts.
- No independent review of audits before they're delivered.
- No sample report or workpapers available to review.
- "SOC 2" claims without being able to say whose report it is.
- No documented process for unresponsive policyholders.
- Classification changes delivered without written reasoning.
- Reluctance to provide references.

Vendor scorecard

Score each vendor 1–5 on each criterion, multiply by the weight, and add the results. The weights are a starting point — a carrier with a backlog might weight turnaround higher; one with many multi-state policies might weight coverage higher.

CRITERION	WEIGHT	VENDOR A	VENDOR B	VENDOR C
Accuracy and quality control	20%			
Turnaround and capacity	20%			
Auditor qualifications	10%			
Classification and state coverage	10%			
Data security	10%			
Policyholder experience	10%			
Deliverables and integration	10%			
Pricing structure	5%			
Track record and references	5%			
Weighted total	**100%**			

Notes

From the guide **How to choose a premium audit vendor**, with an explanation of each criterion: compliantrisksolutions.com/carriers/choosing-a-premium-audit-vendor. Published by Compliant Risk Solutions. Free to share and use.