

The Truth About Faulty Certificates of Insurance & Contractual Risk Transfer

Let's be honest – most of you don't look carefully at the certificates of insurance you get from your vendors, contractors or user groups. Since so many large claims arise from outsiders, you really need to. Why would you want to have your own policies get hit with large often troubling claims that go for big dollars that will cause your own premiums to go way up if you can avoid it?

The answer of course is you wouldn't. If at all possible, you should transfer 'the risk of loss,' to the outside party. You should have a contract with the broadest hold harmless indemnity clause in your favor, and a strong insurance clause that mandates the contractor, vendor, or user group carry adequate coverage.

Certificates of insurance are issued to show you the coverage of the other party and they are not at all the same. Please follow the sample certificate of insurance at the end and you should be in good shape.

1. You must always be certain the period of coverage encompasses the time period needed, and if it surpasses the expiration date, be sure to get a renewal certificate.
2. The limit of insurance should always be at least \$1 million except Umbrella Liability. How much to ask for depends on the vendor. We can help.
3. The ADDL INSD column is one place where you are included as an additional insured. The other place is under **4**.
4. This area is critical. If it reads as shown that you are an additional insured if required by a written contract, and if you don't have a contract with the vendor that specifies they name you as an additional insured under their \$1 million general liability, auto and umbrella policies, then you are not an additional insured and the certificate is pretty much worthless. Their insurer will not defend you and you are on your own. ***Today most insurance policies and certificates of insurance have this requirement so please be careful!***
5. The exact name of your entity(ies) and address must be listed here. Many people incorrectly assume that as long as your entity is shown in this box the certificate is good. Unless you are specifically and correctly included as an additional insured, just having your name in this box only means the insurer for the vendor will notify you if the policy is cancelled. That's not good enough.
6. If the user group has minors you should see evidence of their sexual abuse coverage.
7. If there is any professional exposure or activity involving any pollutant or lead, asbestos, mold or fungi, you should also require evidence of professional liability and environmental liability.



CERTIFICATE OF LIABILITY INSURANCE

12/10/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Local Insurance Agency 123 First Street Anytown, USA 11111	CONTACT NAME: Vendor's Insurance Broker Name	
	PHONE (A/C, No, EXT):	FAX (A/C, No):
ADDRESS:		
INSURER(S) AFFORDING COVERAGE		NAIC#
INSURER A: Insurance Company ABC		
INSURER B: Insurance Company DEF		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

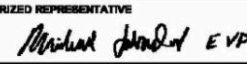
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	3	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	2
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY							EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		X	X	TBD	11/01/2025	11/01/2026	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
	<input checked="" type="checkbox"/> Sexual Abuse 6					1	1	MED EXP (Any one person)	\$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:		3					PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> FRI- SAT <input checked="" type="checkbox"/> LOC							GENERAL AGGREGATE	\$ 2,000,000
	OTHER:							PRODUCTS - COMP/OP AGG	\$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY							COVERED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO		X	X	TBD	11/01/2025	11/01/2026	BODILY INJURY (Per person)	\$
	<input type="checkbox"/> OWNED AUTOS ONLY							BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS ONLY							PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS								\$
	<input type="checkbox"/> NON-OWNED AUTOS ONLY								\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB							EACH OCCURRENCE	\$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB		X		TBD	11/01/2025	11/01/2026	AGGREGATE	\$ 5,000,000
	<input checked="" type="checkbox"/> OCCUR								\$
	<input type="checkbox"/> CLAIMS-MADE		X						\$
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000								\$
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY							PER STATUTE	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/EMBER EXCLUDED? (Mandatory in NH)			N/A	TBD	11/01/2025	11/01/2026	OTHER	
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. EACH ACCIDENT	\$ 500,000
								E.L. DISEASE - EA EMPLOYEE	\$ 500,000
								E.L. DISEASE - POLICY LIMIT	\$ 500,000
7	Professional or Environmental Liability				TBD	11/1/25	11/1/26		\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is an additional insured if required by a written contract 4

CERTIFICATE HOLDER Your Entity (ies) Name Your Name Your Street Your Town, USA 00000	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Have Questions? Need a Camp or YMCA insurance quote?



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