

How to Check Certificates of Insurance

You receive certificates of insurance from parties with which the City does business – vendors, contractors, consultants, etc. It is important that you understand these certificates and can compare the information on them to the insurance requirements in your contract with the other party. Please note, however, that the most important step occurs earlier; it is imperative that you include appropriate insurance requirements in the contract. MVRMA can assist you in that process.

What is a certificate of insurance? – A certificate of insurance is a document that gives evidence of the insured’s financial ability (via insurance) to respond to a claim. ***A certificate of insurance is not an insurance policy and does not extend any coverage to the certificate holder.***

Why are certificates needed? – Certificates give evidence that the other party has appropriate insurance to cover the claims for which they are responsible.

When are certificates needed? – Certificates are needed when another party performs services on your behalf or has your property in its care, custody and control.

Who should provide the certificate? – The other party’s insurance agent, broker, or risk management department should provide the certificate to you, and it should be signed by an authorized representative of the issuer.

Step-by-Step Guidance to Check a Certificate of Insurance (see attached certificate):

- A. The contract may specify a minimum AM Best rating for the insurance carrier (MVRMA generally recommends a rating no less than A:VII.) You may contact MVRMA to verify the carrier’s rating.
- B. The name of the “Insured” should be the name of the party with whom the City is contracting, unless there is a notation in the Description of Operations section explaining the relationship (i.e., a parent-subsidary relationship) between the insured and the party with whom you are contracting.
- C. The Commercial General Liability coverage typically is provided on the “Occurrence” basis. The “Claims Made” form is acceptable in certain situations, such as when you are contracting with professionals, such as architects and engineers, and for pollution liability. Please consult with MVRMA if the “Claims Made” box is checked and you are not contracting with architects, engineers, etc.
- D. A “policy number” should be shown.
- E. The “Effective Date” should be no later than the contract date or the first date the contractor begins work.
- F. The “Expiration Date” should be monitored to ensure that renewal certificates of insurance are received on a timely basis.
- G. The “Limits” should be equal to or greater than the amounts required by the contract. All required coverages, e.g., products-completed operations, should be indicated.

- H. Typically, coverage for “Any Auto” is required. If “Any Auto” is not checked, “Hired Autos” and “Non-Owned Autos” should be checked.
- I. The limits required for Commercial General Liability and/or Automobile Liability may be supplemented by Umbrella Liability. Verify that the sum of the limits, including the Umbrella Liability limits, meet or exceed the limits required by contract. If the contract requires that the City be listed as an Additional Insured under the Commercial General Liability and/or Automobile Liability policies, then either 1) the City should be listed as Additional Insured under the Umbrella policy, or 2) the certificate of insurance should note that the Umbrella policy is “Follow Form.”
- J. If other coverages such as Professional Liability, Builder’s Risk, or Pollution Liability are required, these should be noted in the Other section.
- K. Various information can be shown in the Description of Operations section. If the City is an Additional Insured or Loss Payee, it will be noted in this section. Also, this section may be used to reference the specific project name/number, or other specific contractually-required insurance matters such as whether there is a Waiver of Subrogation, or if the insurance is Primary to the Additional Insured.
- L. The Certificate Holder should be the name and address of the City. Preferably, the department and/or individual responsible for monitoring the contract should be indicated. **Note: Just because your City is listed as a Certificate Holder does not mean it is an Additional Insured. See the Description of Operations Section (K) for Additional Insured status.**
- M. In the Cancellation section, older certificates may say that the insurer will “endeavor” to provide 30 days notice of cancellation to the additional insureds. The new form no longer contains this statement. The best way to protect the City is to require in the contract that the contractor provide the City with notice of non-renewal, cancellation, or significant modification of policy terms.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

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 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	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED B	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	
	INSURER B:	
	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	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	GENERAL LIABILITY			D	E	F	EACH OCCURRENCE \$ G
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person) \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$
H	AUTOMOBILE LIABILITY						PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
I	UMBRELLA LIAB						PROPERTY DAMAGE (Per accident) \$
	EXCESS LIAB	<input type="checkbox"/> OCCUR					\$
	DED RETENTION \$	<input type="checkbox"/> CLAIMS-MADE					EACH OCCURRENCE \$
J	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						AGGREGATE \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				WC STATUTORY LIMITS OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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

K

CERTIFICATE HOLDER L	CANCELLATION M
	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