

Understanding the Acord Certificate of Insurance

PRODUCER
Insurance Agent/Broker who issues certificate.

NAME OF INSURED
Must be the legal name of the contracting party.

INSR LTR
The letter entered here indicates the company providing this coverage from the list of "Insurers Affording Coverage" previously listed.


ADD'L INSRD
Beside each required coverage this block should be marked – This indicates you are an Additional Insured on the referenced policy

TYPES OF INSURANCE
Indicates coverages provided.

POLICY FORM
"Claims made" or "occurrence" form; *see definition below

GEN'L AGGREGATE LIMIT
This indicates that the coverage limit applies to the policy, project or location.

POLICY NUMBER
Actual policy number must be provided.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/1/09

PRODUCER
ACME Insurance Agency
123 Agent Street
Anywhere, NH 03400

INSURED
ABC Company
999 Policyholder Avenue
Anytown, NH 03400

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Best Insurance of NH	
INSURER B: Star Insurance	
INSURER C: State Insurance Company	
INSURER D:	
INSURER E:	

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	GL1234567	7/1/09	7/1/10	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/PR AGG \$ 2,000,000
		AUTOMOBILE LIABILITY ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BA-27582-09	8/7/09	8/7/09	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY ANY AUTO EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	2751-82-0953 UM	6/15/09	6/15/09	AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below Y/N <input type="checkbox"/>	WC-94155-09	8/7/09	8/7/09	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
OTHER DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS						

CERTIFICATE HOLDER XYZ Industries 200 Main Road Somewhere, NH 03400	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Bill Smith</i>
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ACORD 25 (2009/01)

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DATE
Actual date certificate was issued.

INSURERS AFFORDING COVERAGE
Name of insurance companies who provide coverages.

LIMITS OF INSURANCE
Should be equal or greater to limits on your policy.

POLICY EXPIRATION DATE
If occurrence form, date must be on or after termination of contract.

POLICY EFFECTIVE DATE
Must be prior to or coincidental with effective date of contract.

DESCRIPTION OF OPERATIONS
Identifies operations, locations and special provisions for this certificate.

CERTIFICATE HOLDER
Should be your company's legal name.

NOTICE OF CANCELLATION
Must be modified as indicated; 30 days minimum required.

AUTHORIZED REPRESENTATIVE
Must be signed by agency personnel, not stamped.

* For "occurrence" form coverage, date should be on or after the termination date of contract; if "claims-made coverage," coverage must survive for a period not less than three years following termination of contract and should provide for a retroactive date of placement prior to or coinciding with the effective date of contract.

Basics of Risk Transfer

The commercial general liability policy provides coverage for liability assumed under certain contracts if the liability meets the other terms and conditions of the policy. ***The individual policy for a business must be examined to be certain of what is or is not covered.*** It is important for all businesses to follow best practices in their contractual relationships. In most contracts, there will be indemnity provisions, insurance provisions, and/or waiver clauses.

- Indemnity provisions (also known as “hold harmless” clauses) are when one party promises to reimburse another party, and in some cases defend the other party, for the other party’s losses or claims - sometimes without regard to fault.
- Insurance provisions are when one party agrees to maintain certain types and levels of insurance coverage or add another as an additional insured on a policy.
- Waiver, release, and/or subrogation waivers are designed so that one party cannot sue or seek redress from the other party for losses, such as loss of rents, loss of income, bodily injury, or property damage. Who is at fault is immaterial.

Limits of insurance should be equal to, or greater than, your policy. Limits of insurance might be written as follows:

Commercial General Liability Insurance

\$1,000,000 Each Occurrence (\$2,000,000 General Aggregate)

\$2,000,000 Products and Completed Operations Aggregate

\$1,000,000 Personal Injury and Advertising Injury

Automobile Liability

\$1,000,000 Combined Single Limit per Accident

Workers Compensation and Employers Liability

\$1,000,000 Each Accident/\$1,000,000 Each Employee for Injury by Disease/\$1,000,000 Aggregate for Injury by Disease

Excess/Umbrella Liability

\$1,000,000 Each Occurrence/\$1,000,000 Products and Completed Operations Aggregate & General Aggregate

The following are some of the more important elements of a program to help control contractual liability losses:

- Set formal company policy for contracts, insurance requirements, and business relationships.
- Procedures for purchasing, leasing, renting, and contracting should include specifying who has authorization to enter into contracts and who is the central point of contact for communications, relative to the different types of contracts.
- Establish contractual standards and insurance requirements for those with whom you contract, commensurate with the exposure/risk/product/service/etc. Express underlying and excess limits together.
- Provide for timely acquisition and maintenance of up to date certificates of insurance, with a review process that verifies that coverage limits are met and that **you are named as an additional insured.**
- Avoid arcane or ambiguous language in the contract – plain English is best.
- Verify that there is a duty to defend clause in the contract.
- If work is being performed for you on your premises, include safety measures and inspection rights in the contract.
- Institute a review process for all contracts that transfer or affect the transfer of liability.
- Maintain records of all relationships for any/all renewals, changes, and terminations of contracts.
- Avoid engaging in contracts with any party that requires your business to indemnify or hold harmless others for losses arising from their own actions or omissions. Also avoid clauses that waive your rights against the other party.
- Ensure that you are the last to sign contractual agreements.
- Train employees who may routinely need to sign small purchase orders or service agreements to review any terms and conditions that accompany the paperwork.
- Treat EVERY contract as serious business.

You should consult with your own legal counsel for guidance on a contractual liability program for your company