



CERTIFICATES OF INSURANCE

When a contractor works on someone else's property, there are risks involved. Property can be damaged and injuries can occur while work is being performed. Companies (and individuals) that hire contractors want to be sure they won't be held responsible for any damages or injuries that may occur. Because of this, they will often request to see a certificate of insurance. A **certificate of insurance (COI)** is a standardized document that offers evidence of insurance coverage. Included on the certificate will be the contractor's coverage types (and their effective dates), as well as liability limits.

COI's are very important. If you were to hire a subcontractor, and they caused a large amount of property damage, your company could be held accountable for those damages. It's imperative to obtain proof of insurance because even though your contract with the subcontractor may state that insurance coverage is required, you could find yourself involved in a lawsuit if the coverage was, in fact, not in place. Even if you have a history with your subcontractor and may have worked with them before (and they were insured then), you should request a COI for each new job. Before allowing contractors to begin work on your property, you should ask for a new certificate. In addition to ensuring that you won't be responsible for damages or injuries that may occur on the job, it also guarantees that you can collect compensation for poorly done or unfinished work. Not all heroes wear capes, and not all certificates are valid. Contractors may give false or forged coverage information, or they may allow insurance to lapse after attaining the COI form. One of the most efficient and dependable ways to obtain a COI is to go directly to the insurance company or agent, rather than getting it through the contractor.

WHAT TO LOOK FOR ON A COI FORM:

- **Insured Name:** Be sure that the name listed as insured on the form is an exact match to the name of the person or company you are dealing with.
- **Policy Dates:** Be sure that effective dates of the policy are valid. If the policy is scheduled to expire before the job will be completed, you will need another COI to cover those dates.
- **Coverage Type:** At the very least, be sure the certificate holder has both general liability insurance (to protect against damages) and workers compensation insurance (to protect injured employees.)
- **Liability Limits:** Be sure that the limits held by the contractor meet the limits required of your workers. If they are too low, you can request that the contractor purchase additional coverage (and present you with a new certificate reflecting this new amount.)
- **Additional Insureds:** Asked to be named as an 'additional insured party' for the extent of the job that you're hiring the worker for.
- **Agency Contact Info:** Be sure that there is a number and/or name of someone you can reach out to at the insurance agency should you have any questions.

Please don't forget to utilize our website to request your COI's:
http://www.mccurdyinsurance.com/category/Requesting_a_Certificate_of_Insurance/c36