
Reviewing Certificates of Insurance

Certificates of insurance (COI) are used in many commercial contexts as proof that the person providing the certificate has a policy of insurance in effect. The certificate usually summarizes the essential terms, conditions, and duration of the policy at the time that the certificate is prepared. Although a certificate is not the legal equivalent of the actual insurance policy, they are the customary means of verifying insurance coverages, since COIs are much easier for certificate providers to obtain, than the policies themselves, and for the certificate holder to review and store. This handout highlights key areas that you should review before accepting a certificate as proof of insurance.

Types of Certificates

Unless you specify otherwise, most companies will provide certificates based upon standardized forms published by ACORD (Agency-Company Organized Research Development). These forms provide basic information about the companies providing the coverage, details on the policies in effect, and any special insurance requirements that have been requested (e.g., naming of your company as an additional insured). ACORD 25 is the basic COI used for liability insurance.

Certificate Review

Review all certificates provided to you for accuracy and for conformance to your specified insurance requirements. This initial review can reduce the occurrence of disputes later on, in the event you must file a claim. Important areas of review include:

- Is the certificate of insurance provided on a proper form?
- Is the company named on the certificate precisely the same name that is in the contract?
- Have you been named as the certificate holder?
- Has (have) the policy (policies) been issued by (a) reputable insurer(s)?
- Has the certificate been signed by an insurance company or agency representative?
- Are the types and limits of insurance listed on the form the same or greater than those required by you under the contract?
- Is (Are) the policy number(s) listed in the certificate?
- Are the dates of coverage adequate for the specified work?
- Are the "notice of cancellation" provisions acceptable?
- Does the certificate indicate all the special insurance requirements that you have specified?
- Does the certificate cite the contract number or job location to tie the insurance to the work?
- Has the provider made any unapproved modifications to the certificate?

Deficient Certificates

A procedure for responding to deficient certificates should be developed. At a minimum, this should address providing the certificate provider with written notice of any identified deficiencies and requiring that the

contractor provide a corrected certificate before they are allowed to start work. Also, contract documents should clearly state any penalties for failing to provide the certificate.