

# Reviewing Certificates of Insurance



**Bill Vaughn**

**City of Seattle**

**Risk Management Division**

# Insurance Certificates come in Assorted Flavors



- **Acord Form**
- **Company Forms**
- **Broker Forms**
- **Self-Insurance Forms**



**Insurance Certificates**

**v.**

**Insurance Certification**

# Back to the Basics



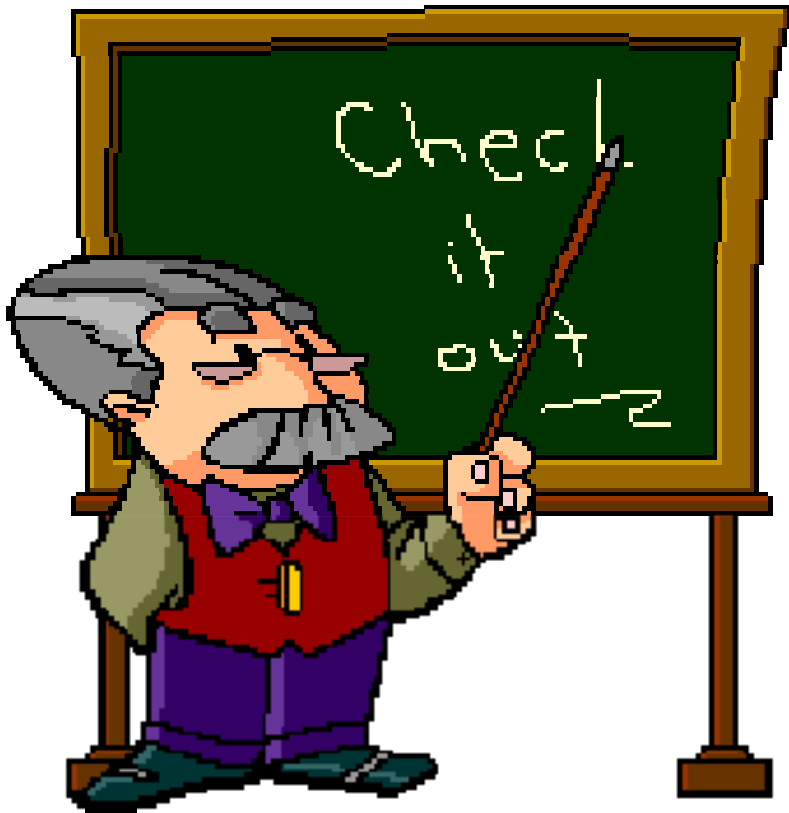
What's the Purpose of  
Insurance Certification?

# INSURANCE CERTIFICATION

**Verifies compliance  
with contractual  
insurance  
requirements,  
which means...**

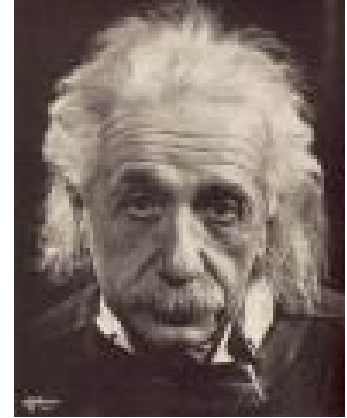
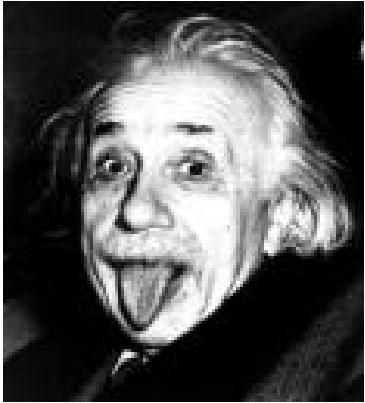


# Zu Muhst know vhat zie Insurance Requirements are!



- **Coverages**
- **Limits of Liability**
- **Terms and Conditions**

# There are two dimensions to insurance requirements:



- 1. To ensure that the contractor maintains the minimum level of insurance coverage and limits required.**
- 2. To verify that the public entity is an additional insured for primary and non-contributory limits for AGL, Auto and Pollution (and other coverages as required)**

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE** CERTIFICATE NUMBER  
663500-C0144

**PRODUCER**  
Willis of Seattle, Inc.  
P.O. Box 34201  
Seattle, WA 98124  
(800) 456-1415

**INSURERS AFFORDING COVERAGE**

**INSURED**  
**Central Puget Sound Regional Transit Authority**  
**DBA: Sound Transit**  
**Union Station**  
**401 S. Jackson Street**  
**Seattle, WA 98104-2826**

INSURER A: American International Specialty Lines  
INSURER B: Lexington Insurance Company  
INSURER C: Insurance Company of the State of Pennsylvania  
INSURER D: Starr Excess Liability Ins. Co. Ltd  
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 LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	GL 933-13-37	01/01/01	01/01/07	EACH OCCURRENCE	\$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$50,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$5,000
					PERSONAL & ADV INJURY	\$2,000,000
					GENERAL AGGREGATE	\$4,000,000
					PRODUCTS - COMP/OP AGG	\$4,000,000
						\$
						\$
						\$
						\$
A	AUTOMOBILE LIABILITY	310 15 09	01/01/01	01/01/07	COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS					\$
	<input type="checkbox"/> NON-OWNED AUTOS					\$
						\$
						\$
						\$
						\$
A	EXCESS LIABILITY	4701-2944	01/01/01	01/01/07	EACH OCCURRENCE	\$98,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$98,000,000
						\$
C	DEDUCTIBLE	639-4151	01/01/01	01/01/07		\$
D	RETENTION					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	\$
					OTHER	\$
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
A	OTHER	001954245	01/01/01	01/01/09	Each Incident	\$50,000,000
	Pollution Legal Liability				Aggregate	\$50,000,000
B	Professional Liability w/ Contractors Pollution Liab	6477217	01/01/01	01/01/09	Each Incident	\$50,000,000
					Aggregate	\$50,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Sound Transit Contract File Number : GA 0050-98 5<sup>th</sup> Supplement to MOA (dated April 20, 1998) & CSA dated November 13, 2003 - between City of Seattle and Sound Transit - for City of Seattle services for initial segment of Central Link Light Rail

**CERTIFICATE HOLDER**  ADDITIONAL INSURED; INSURER LETTER: \_\_\_\_\_ **CANCELLATION**

City of Seattle  
Attn: Bill Vaughn, City Risk Management  
Key Tower  
700 5<sup>th</sup> Ave. Suite 3900  
Seattle, WA 98104

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 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: *Angela Terry* DATE: 1/15/2004

# The Acord Form



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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.

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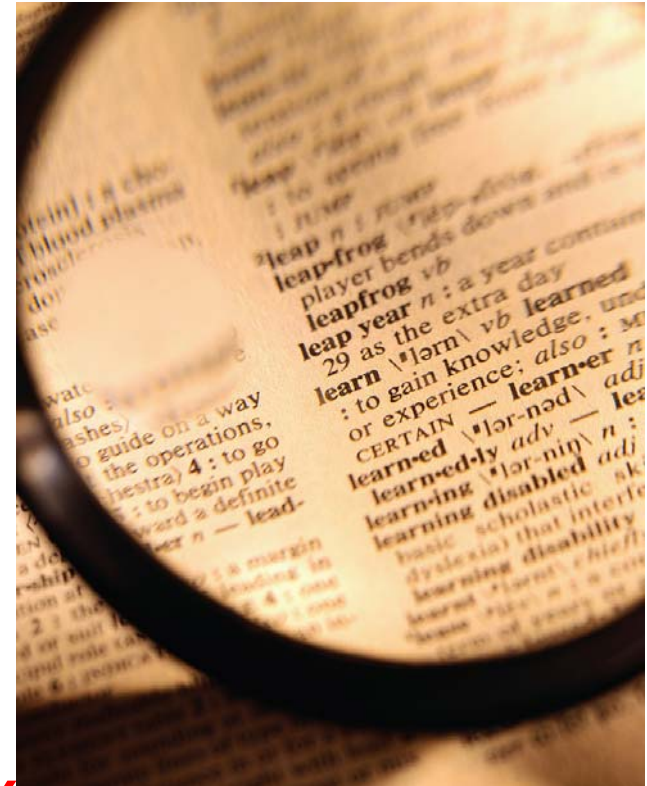


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# THE FINE PRINT

NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT...THE INSURANCE AFFORDED BY THE POLICIES HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.



# And speaking of fine print, Acord Certificate page 2...

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

# Notice of Cancellation

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 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.

RCW 48.18.290 Cancellation by insurer.

(Paraphrased) Insurers can only cancel policies upon 45 days notice (10 days for non-payment) actually mailed or delivered to the named insured. **Like notice must also be so mailed or delivered to each mortgagee or other person shown by the policy to have an interest in the loss.**

(Statute doesn't apply to surplus lines placements.)

# Additional Insured Status, Part 1

ISO

Endorsement

Forms

- CG 20 26
  - CG 20 10
- ...or equivalent



# Additional Insured Status, Part 2



## **BLANKET ADDITIONAL INSURED LANGUAGE**

- **As required by written agreement**
- **For work performed for the additional insured**

# Restrictions on Additional Insured Status



**On a contributory basis**



**On an excess basis**



**Excludes negligent acts of the additional insured**



**Covers only the sole acts of negligence of the named insured**

# Certification Compliance Review Process: THE DELIVERABLE



**The ability to  
successfully  
tender a claim  
for defense  
and indemnity  
to the  
contractor's  
insurance  
underwriter.**

# Q&A

