

Certificates of Insurance - FAQ

We have found a few questions that were commonly asked about Certificates of Insurance and we have attempted to address them here.

Please Note: Some entities such as cities, states, land managers and the government may ask for special wording on the certificate. If the requested wording is other than the standard provided language it will need to be reviewed by the carrier. Some language is not acceptable to the insurance company and may not be able to be issued.

WHAT IS A CERTIFICATE OF INSURANCE?

A Certificate of Insurance (COI) is an insurance industry standard form that relays to the certificate holder information about the insurance coverage purchased by our clients. It will show:

- 🚲 Name of Insurance Company
- 🚲 Effective Dates of Coverage
- 🚲 Types of Coverage
- 🚲 Limits of Coverage
- 🚲 Description of Operations
- 🚲 Certificate Holder
- 🚲 Signature of Agent or Authorized Representative
- 🚲 Disclaimer that Certificate does not confer coverage if policy has been cancelled or altered

WHAT IS A CERTIFICATE HOLDER?

A Certificate Holder is the entity to whom we are providing proof of coverage. We need the name and address of the certificate holder to complete the form.

WHAT IS AN ADDITIONAL INSURED?

Certificates of Insurance may also be used to show that the Certificate Holder has Additional Insured (AI) status. When an entity is named as an AI it means that our client's policy is providing coverage for the AI and sharing their limits of liability with them. The reason entities ask for AI status is to transfer their risk to another organization as a risk management technique.

HOW DO I KNOW WHEN TO ASK FOR A CERTIFICATE OF INSURANCE OR ADDITIONAL INSURED STATUS?

If an entity asks for proof of coverage a COI will suffice. You should never name anyone as an AI unless it is required by contract or as terms of doing business with them. If you are unsure, send McKay Insurance the documents requesting the COI or AI and we will review them or call us with questions.

WHO IS TYPICALLY NAMED AS AN ADDITIONAL INSURED?

Typical AI's include landowners of property where you are holding events, Cities, Counties, States, and the Federal Government. There is no charge to add these AI's. Sponsors and Co-Promoters may also request to be added. We recommend that you do not offer to add anyone as an AI since you providing coverage and splitting your limits.

WHO SHOULD NOT BE ADDED AS AN ADDITIONAL INSURED?

Often, we get requests to specifically add individual volunteers of clubs or events as AI. This is not necessary as the policy language already specifically provides coverage for volunteers.

SHOULD OUR CLUB/ORG OR EVENT BE ASKING FOR ADDITIONAL INSURED STATUS?

YES! Vendors or service providers may ask to be named as an AI, however many times you should be asking them for AI status instead. If another entity is providing services or participating in your event, they need to provide AI to you since you do not have control over their operations and do not want to take on this added risk.