

DEMYSTIFYING THE CERTIFICATE OF INSURANCE



Norm Hamill, OGC
Cynthia Low, Risk Services
May 13, 2013

RISK TRANSFER

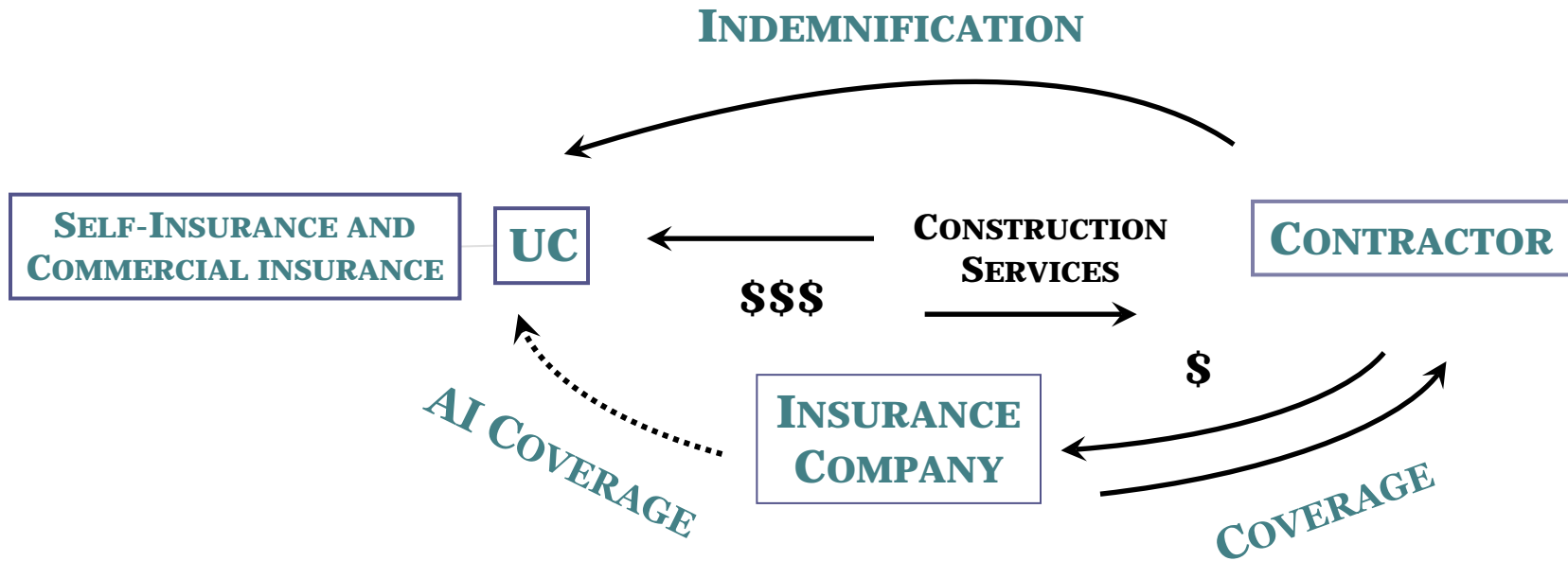
- **Indemnity**

Indemnity is a contract by which one engages to save another from a legal consequence of the conduct of one of the parties, or of some other person. (Civil Code §2772.)

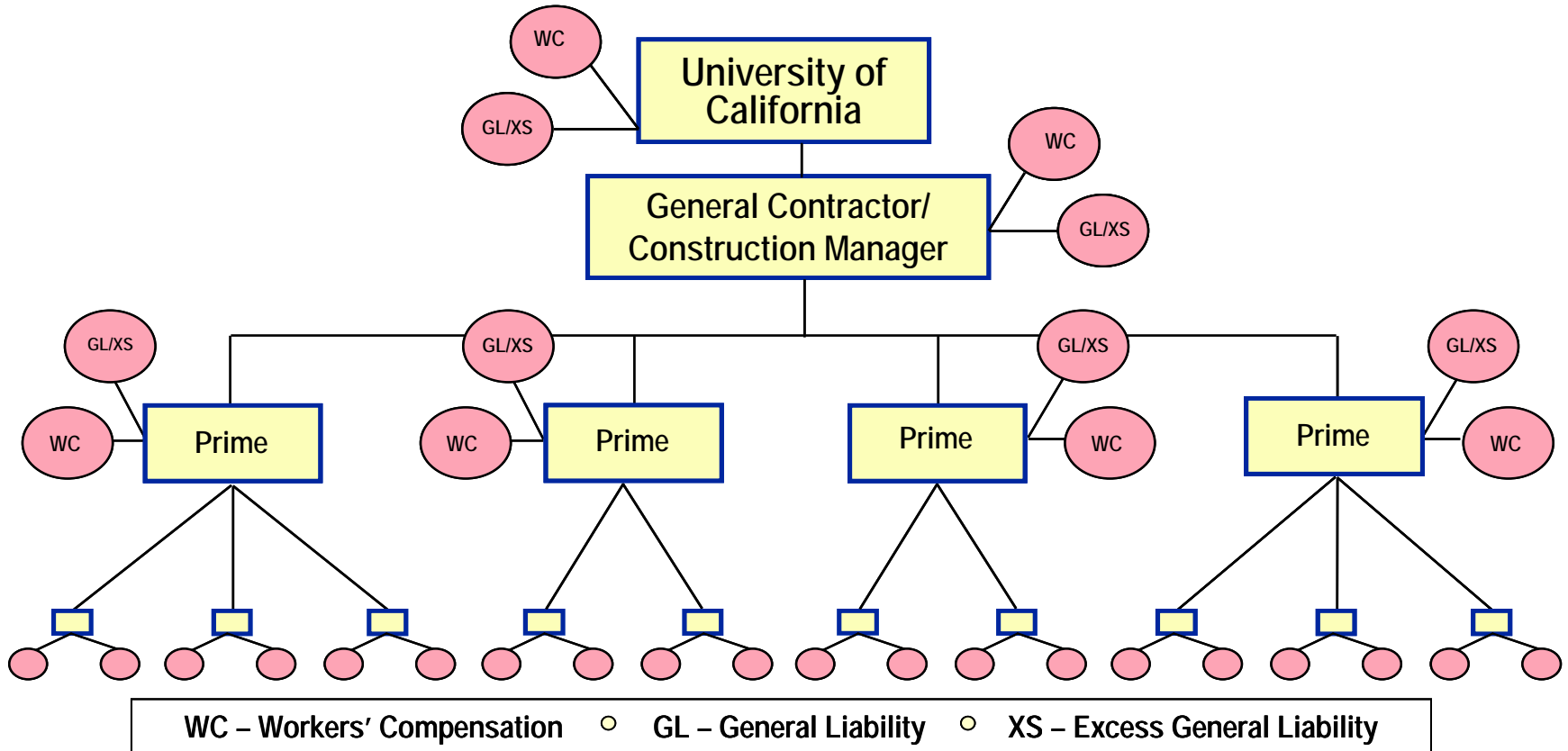
- **Insurance**

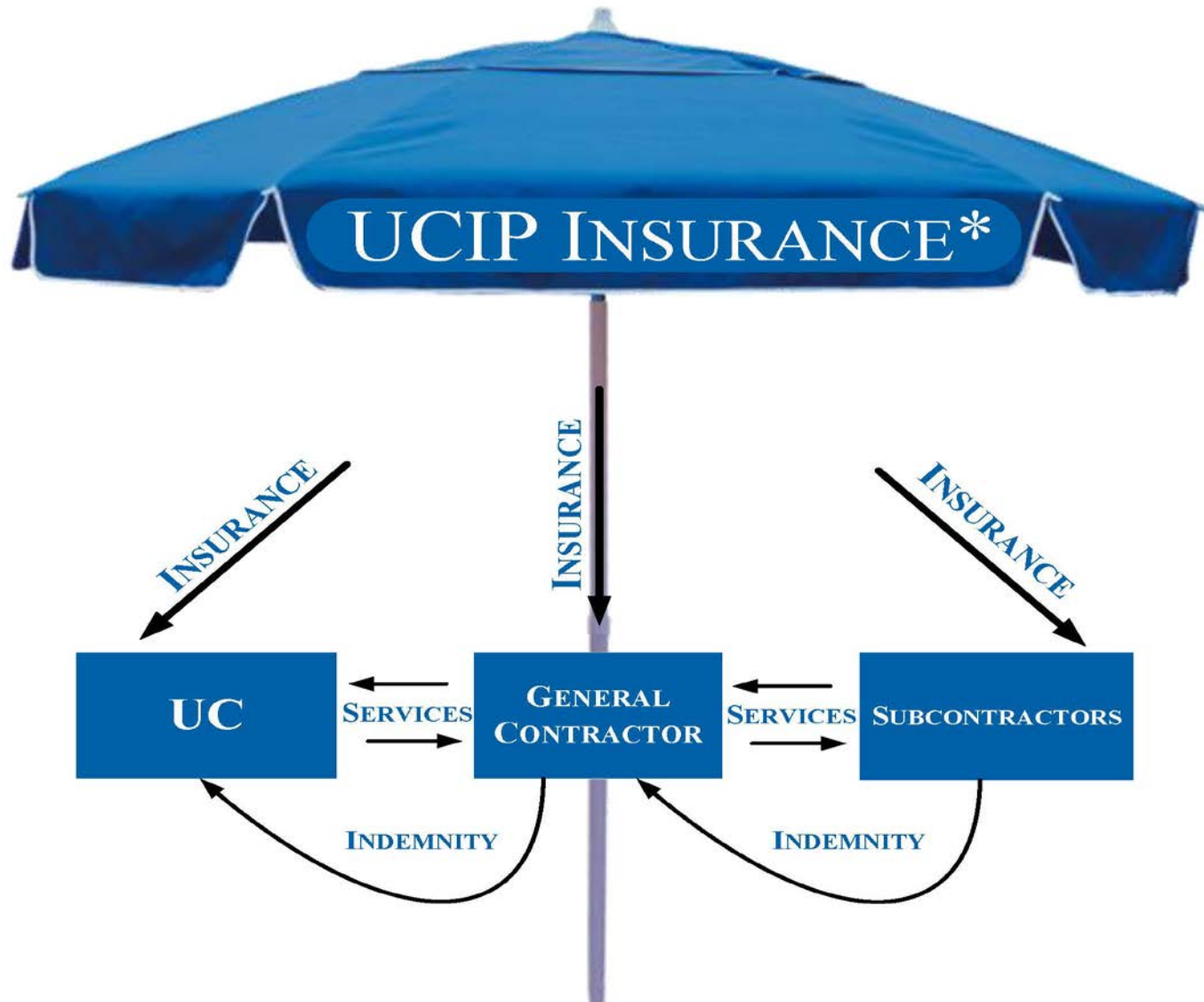
Insurance is a contract whereby one undertakes to indemnify another against loss, damage, or liability arising from a contingent or unknown event. (Insurance Code §22.)

RISK TRANSFER AT A GLANCE



TRADITIONAL INSURANCE PROGRAM





*Do not apply to excluded parties or off-site coverage

COIs - PURPOSE

- **Demonstrates that the insured maintains the required insurance. COI identifies:**
 - Types of policies, e.g. General Liability, Auto Liability, Workers' Compensation, Professional Liability
 - Policy periods
 - Policy limits
- **COI is a snapshot in time.**
 - Policies can be cancelled.
 - Need new COI if contract work continues beyond policy expiration stated on the COI.

COIs - PROOF OF INSURANCE

- *PURPORTS* to demonstrate that the certificate holder is an additional insured
- In California – COI proof that the holder is an additional insured.
- Insurance Code section 384:

“This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. [T]he insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of the policies.”

COIs - ADDITIONAL INSURED (AI)

- UC is an additional insured only if the policy is amended to name UC as an additional insured.
- Scheduled Endorsement – specifically names UC as an additional insured, usually for a specific project.
- Blanket Endorsement – if the contractor/named insured is required by contract to name another party as an AI, then the other party automatically qualifies as an AI.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

CG 20 10 11 85

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1)** All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2)** That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:
Location And Description of Completed Operations:
Additional Premium:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

COI SPECIAL PROVISIONS

- **Additional Insured**
 - Requires that UC be named as an **Additional Insured on the GL policy**
 - UC identifies the specific endorsements that must be part of the policy.
 - Carriers issue different endorsements with different coverages.
 - CG = type of form; 2010 = form number; (10/01) = edition date
 - UC requests broad AI coverage.

COI SPECIAL PROVISIONS

- **Severability of Interest**
 - **GL Coverage must contain severability of interest provision.**
 - The insurance applies to the named and additional insureds as though a separate policy were issued to each.
 - This allows the policy to cover a claim made by one insured against the other.
 - The exclusions referring to “the insured” only apply to the insured seeking coverage and not to any insured.
 - The named and additional insureds still share the policy limits; the severability of interests does not increase the available policy limits.

COI SPECIAL PROVISIONS

- **Primary and Non-Contributory**
 - **GL Coverage must contain primary and non-contributory provision.**
 - The contractor's insurance which names UC as an AI is primary and responds first to the loss.
 - UC's self-insurance and commercial insurance are not required to respond to the loss until the primary coverage is exhausted.
 - Expression of intent between UC and the contractor
 - Language of insurance policies agree to follow an expression of this intent

COI SPECIAL PROVISIONS

- **Professional Liability**
 - **The Professional Liability policy must contain contractual liability coverage for liability that would exist in absence of the contract.**
 - If professional services are not being provided under the contract, then professional liability coverage is not required.
 - **Contractual liability coverage is coverage that pays for the CM's/Architect's indemnification obligation.**
 - Covers tort liability assumed by the named insured;
 - If the damages are otherwise covered by the policy, i.e. the professional negligence causes damage to the work of other contractors; and
 - The contract must be an “insured contract” – most contracts are “insured contracts”.



Understanding the Acord Certificate of Liability Insurance

- PRODUCER:** Insurance Agent/Broker who issues certificate for the Insured; answers questions; revises certificate to meet contract requirements.
- NAME OF INSURED:** Must be the legal name of contracting entity.
- TYPES OF INSURANCE:** Must include types of insurance required by contract.
- INSR LTR:** This corresponds to the letters referenced under #14 "INSURER(S) AFFORDING COVERAGE".
- POLICY FORM:** Must indicate "Claims Made" or "Occurrence" form. Most common is "Occurrence" which means coverage applies if there are covered damages during the policy period, regardless of when the claim is made, but within the statute of limitations. "Claims Made" means notice of claim must be made during the policy period.
- AUTO TYPE:** Must indicate type of autos covered. "All Auto" is preferred to cover all types.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/10/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder has additional insureds, the policy(ies) must be endorsed. 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).

PRODUCER Jones Insurance Agency License #1C32606 40 E. Main Street, Suite 1100 Santa Clarita CA 94405	AGENT Bill Jones License, Exp. 505-625-1233 Address: _____ City: _____ State: _____ Zip: _____ FAX: _____ INSURER(S) AFFORDING COVERAGE: _____ INSURER A: Travelers Property Casualty Company of America INSURER B: Liberty Mutual Insurance Group INSURER C: Zurich American Guarantee & Liability INSURER D: Catlin Specialty Insurance Company, Inc. INSURER E: _____
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COVERAGE	TYPE OF INSURANCE	GENERAL AGGREGATE LIMIT	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> LOC	Y	NQA0105006-00	10/01/2012	10/01/2013	EACH OCCURRENCE \$ 1,000,000 LIMITED TO PERIOD PRESENTED (See Endorsement) \$ 50,000 MED EXP. (Any one person) \$ 1,000,000 ANNUAL AGGREGATE \$ 2,000,000 PRODUCT - COMP/OP AGG \$ 1,000,000
B	ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS UNOWNED AUTOS	N	0108081-RDE	04/01/2013	04/01/2014	BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ 1,000,000 PROPERTY DAMAGE \$ 1,000,000
C	UMWA/CA LIA EXCESS LIAB DEED RETENTIONS WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY SPECIAL OPERATIONS OR OPERATIONS EXCLUDED (Specify in Remarks) DESCRIPTION OF OPERATIONS below	Y	4668888	10/01/2012	10/01/2013	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 NO STATE - OTH \$ 1,000,000 POLICY LIMIT \$ 1,000,000
D	Professional Liability	Y	MDP-128648	04/01/2013	04/01/2014	\$1,000,000 Per Claim \$1,000,000 Policy Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedules, if more space is required)
See attached pages 2 and 3.

CERTIFICATE HOLDER The Regents of the University of California (Campus, Department, Mail Stop or Room No.) Attn: (Contact) CA 95p City: _____	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THE FOLLOWING NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Bill Jones
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- DISCLAIMER STATEMENT:** A certificate only summarizes information about the Insured's insurance in effect at the time certificate is issued.
- INSURER(S) AFFORDING COVERAGE:** The insurance company providing the coverage (A, B, C, etc.) corresponds to #4).
- POLICY EFFECTIVE DATE:** Must be prior to or coincide with effective date of the contract.
- LIMITS OF INSURANCE:** Must be the same or greater than required by contract. Refer to BUS 63 - Exhibit D for the appropriate limit requirements by contract, or consult local Risk Management.
- POLICY EXPIRATION DATE:** Insurance expires at 12:01AM on the Policy Expiration Date indicated. If "Occurrence" form, date must be later than the date of contract termination. If "Claims Made", coverage must remain in effect for a period not less than three years following the date of contract termination.

- DESCRIPTION OF OPERATIONS/SPECIAL PROVISIONS**
Description of Operations: Must identify project name and contract number.
Special Provisions: See ADDITIONAL REMARKS SCHEDULES, page 2 attached.

- CERTIFICATE HOLDER:** Must be the Regents of the University of California, include campus, department, and contact person. Certificate Holder does not mean that the University has been named as an Insured.

- NOTICE OF CANCELLATION:** Notice will be delivered in accordance with the policy provisions.

- AUTHORIZED REPRESENTATIVE:** Must be signed by an authorized representative of the Producer referenced under #1 above.

NOTE: Should the Policy Expiration Date indicate an earlier expiration than as required above, additional certificates are needed to evidence insurance through contract termination.

AGENCY CUSTOMER ID: _____
LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Bill Jones Insurance Agency		NAMED INSURED Smith Mechanical P. O. Box 41229	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE	Claymore, CA 92906	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

Special Provisions:

1. The Regents of the University of California, The University of California, University, and each of their Representatives, consultants, officers, agents, employees, and each of their Representative's consultants, regardless of whether or not identified in the Contract Documents or to the Contractor in writing, are included as additional insureds on the general liability policy as required by contract and pursuant to additional insured endorsement CG2010 (11/85) or a combination of both CG 2010 (10/01 or 07/04) and CG 2037 (10/01 or 07/04) but only in connection with (contract number) _____ (project name) _____.
2. The General Liability coverage shall contain a Severability of Interest provision and shall be primary insurance as respects The Regents of the University of California, its officers, agents and employees. Any insurance or self-insurance maintained by The Regents of the University of California shall be excess of and non-contributory with this insurance.
3. The Professional Liability insurance policy shall include Contractual Liability coverage for liability that would exist in the absence of the contract.



Provision #3 is required only if professional services are being provided under the contract.

