

# Step 4 — Obtain Compliance

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Several standard forms usually can provide all of the evidence needed to verify coverage for the risks arising from the contracted service or other agreement. These documents include certificates of insurance, additional insured endorsements, and waivers of subrogation.

## Evidence of Coverage

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### Certificates of Insurance

The evidence of compliance with insurance specifications in contracts is provided through forms known as a “certificates of insurance” The most common forms are published by the Association for Cooperative Operations Research and Development (ACORD) and include:

- ACORD -25 Certificate of Liability Insurance for casualty (liability and workers’ compensation) insurance. This form is the most frequently used and displays evidence of general, auto, umbrella or excess liability coverage and workers compensation insurance coverage. An empty line at the bottom of the “Coverages” section of the form allows for information about other types of insurance in place, such as pollution, professional, aircraft or watercraft liability insurance.



- ACORD -27 Evidence of Property insurance. This certificate provides limited information about non-commercial, private property and lessees insurance.
- ACORD -28 Evidence of Commercial Property Insurance. This form provides more detailed information about the coverage and is often used in situations where the party requesting the evidence, which could be a party with an interest in the property, requires more detailed data about limits, sub limits and other important information.

You should carefully examine any certificate form you receive as evidence of insurance to assure the form is completed properly and provides the information you need to enforce compliance and get claims paid.

A certificate is a “snapshot” of insurance policies that have been issued as of the date on the certificate. It is prepared by the broker or agent, not by the insurance company. Only in very rare cases does the agent or broker have authority to contractually bind the insurer.

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## Reviewing Certificates

Here are few red flags to look for when examining certificates:

- A date on the form that is not within the last few days;
- Evidence of erasures, “white-out,” photocopying, or any other tampering with the document that might indicate lack of authenticity;
- Missing contact information for the “producer;”
- Named insured (contractor, project manager, etc.) incorrect;
- Certificate holder (your organization) not properly identified; and
- Missing signature (electronic or signature images are OK).

An annotated ACORD 25 is on the next page, followed by a compliance checklist for using the form.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

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 is an ADDITIONAL INSURED, 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	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A:	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD/SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED:      RETENTION \$ <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ALL PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N      N/A					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ CONTAINED SINGLE LIMIT (Ea occurrence) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$ VIC STATUTORY LIMITS      OTR-ER

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

Contractor's insurance broker

Vendor/contractor/service provider

INSR LTR corresponds to insurers identified in upper right quadrant

Indicates if your Agency is additional insured under the referenced policy (Y or N)

Indicates if waiver of subrogation is provided

Should reflect policy number and match number on provided endorsements

Name and address of your Agency

Date certificate issued

Broker contact information

Insurers. See INSR LTR column below

Limits should match contract requirements

Expiration date should be after contract ends or you must check for renewal (occurrence)

Effective date on or before contract date

This box is to describe what is insured and does not amend the policy

This is signed by Contractor's broker

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## ACORD 25 Compliance Checklist

- Is the issue date (upper right corner) recent (i.e., 7 days or less)?
- Has the “producer” (contractor’s insurance broker) provided contact information?
- Is the “insured” the same party as the vendor/contractor/supplier etc.?
- Do listed insurers meet required standards? (e.g., AM Best A-VI or better)
- Are all required coverages indicated (e.g., GL, auto, WC, pollution, professional)?
- Is additional insured status provided as required (see checkbox “ADDL INSR”)?
- Is waiver of subrogation provided as required (see checkbox “SUBR WVD”)?
- Is general liability insurance on an “occurrence” basis?
- Is the “GEN’L AGGREGATE LIMIT” “per project,” if required in the contract?
- Does auto coverage, if required, meet specifications? (e.g., “any auto”)
- Are workers’ compensation benefits statutory and EPLI limit \$1MM?
- Do policy per occurrence and aggregate limits meet requirements?
- Are all policies current?
- Do policies extend to contract completion? If not, suspense for renewals.
- Do primary and excess (or umbrella) policies have concurrent dates?
- Are any liability self-insured retentions indicated?
- Is the description of operations, locations, vehicles, etc., correct?
- Is the form an original or does it look like a copy? (any evidence of changes)
- Is the certificate signed by an appropriate party (generally the broker)?
- Is the certificate holder (your organization) identified properly with correct address?



# EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

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

AGENCY   FAX (A/C, No): CODE: AGENCY CUSTOMER ID #: INSURED	PHONE (A/C, No, Ext):   E-MAIL ADDRESS: SUB CODE:	COMPANY     LOAN NUMBER POLICY NUMBER EFFECTIVE DATE      EXPIRATION DATE <input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED THIS REPLACES PRIOR EVIDENCE DATED:
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**PROPERTY INFORMATION**

LOCATION/DESCRIPTION

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 EVIDENCE OF PROPERTY INSURANCE 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	SPECIAL							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">COVERAGE / PERILS / FORMS</th> <th style="width: 15%;">AMOUNT OF INSURANCE</th> <th style="width: 15%;">DEDUCTIBLE</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> <td></td> </tr> </tbody> </table>	COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE								
COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE									

**REMARKS (Including Special Conditions)**

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**ADDITIONAL INTEREST**

NAME AND ADDRESS	<input type="checkbox"/>	ADDITIONAL INSURED	<input type="checkbox"/>	LENDER'S LOSS PAYABLE	<input type="checkbox"/>	LOSS PAYEE
	<input type="checkbox"/>	MORTGAGEE				
	LOAN #					
AUTHORIZED REPRESENTATIVE						



# EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS		PHONE (A/C, No, Ext):	COMPANY NAME AND ADDRESS		NAIC NO:
FAX (A/C, No):		E-MAIL ADDRESS:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE:	SUB CODE:		POLICY TYPE		
AGENCY CUSTOMER ID #:		LOAN NUMBER		POLICY NUMBER	
NAMED INSURED AND ADDRESS		EFFECTIVE DATE	EXPIRATION DATE	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
ADDITIONAL NAMED INSURED(S)		THIS REPLACES PRIOR EVIDENCE DATED:			

**PROPERTY INFORMATION** (ACORD 101 may be attached if more space is required)  BUILDING OR  BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION

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 EVIDENCE OF PROPERTY INSURANCE 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	SPECIAL	DED:
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$					DED:
	YES NO N/A				
<input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE					If YES, LIMIT: Actual Loss Sustained; # of months:
BLANKET COVERAGE					If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE					Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?					
IS DOMESTIC TERRORISM EXCLUDED?					
LIMITED FUNGUS COVERAGE					If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)					
REPLACEMENT COST					
AGREED VALUE					
COINSURANCE					If YES, %
EQUIPMENT BREAKDOWN (If Applicable)					If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg					If YES, LIMIT: DED:
- Demolition Costs					If YES, LIMIT: DED:
- Incr. Cost of Construction					If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)					If YES, LIMIT: DED:
FLOOD (If Applicable)					If YES, LIMIT: DED:
WIND / HAIL INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:					If YES, LIMIT: DED:
NAMED STORM INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:					If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					

**CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**ADDITIONAL INTEREST**

<input type="checkbox"/> CONTRACT OF SALE <input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> LENDER'S LOSS PAYABLE <input type="checkbox"/> LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS  AUTHORIZED REPRESENTATIVE
NAME AND ADDRESS		

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## Additional Insured Endorsements

As is stated clearly on the ACORD forms, the documents are “for information only” and convey no status or rights on the “certificate holder.” To confirm that your organization and its key personnel are additional insureds on the general liability policy, you must verify the existence of an endorsement showing that these individuals have been added to the policy as insureds (an “additional insured” endorsement), or you must verify that the policy automatically specifically includes these individuals without undue restrictions.

The only way you can do this effectively is to see a copy of the documentation that grants additional insured status. This means you must get either an endorsement adding additional insureds as required, or you should see the policy language for automatic additional insured status if it is part of the policy, or get a copy of a so-called “blanket” or “automatic” additional insured endorsement (discussed later) granting additional insured status where required by contract. Specimen copies of the most common additional insured endorsements for general liability insurance are on the following pages.

Perhaps the most commonly use additional insured endorsement is the Insurance Services Office form CG 20 10 MM YY, where “MM” represents first the month and “YY” the year of the form issuance. For example, a CG 20 10 04 13, is a 20 10 additional insured endorsement form first issued in April 2013. Edition dates are important as, at least for additional insured endorsements, later editions are generally less favorable to the additional insured.

This form is used in construction to protect the owner of a project through the contractor’s insurance policy. The CG 20 10 form provides coverage to the additional insured for “ongoing operations” i.e., work in progress. This form is also used in leases and other situations.

Another form, CG 20 37 04 13 grants additional insured status for liability arising out of “completed operations” this endorsement is also required for construction contracts, so that the additional insured has coverage for third-party liability claims from occurrences after the work is done.

A third commonly provided additional insured endorsement on the following pages is the CG 20 26 04 13 — Designated Person or Organization, which is a sort of “catch all” endorsement that provides additional insured status to the party designated in the “Schedule” on the form. It can be used in a variety of situations, including requirements from government or regulatory agencies or other situations where a more specialized endorsement form is not necessary.

There are more than 30 different additional insured endorsement forms published by the Insurance Services Office. Many are intended to apply to highly specialized situations. However, the most common are the three forms mentioned above and shown below.

**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 Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

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 location 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.



C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

SAMPLE

**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  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name Of Additional Insured Person(s) Or Organization(s)</b>	<b>Location And Description Of Completed Operations</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

The editions of the forms shown above are provided as examples as of the date of publication of this manual, because they are the oldest and broadest standard additional insured endorsement forms still in common use by many insurers when requested. As stated earlier, the older forms generally are more favorable to additional insureds than are the later forms.

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## Blanket or Automatic Additional Insured Endorsements.

Automatic additional insured provisions can cause problems in general liability policies. See [this article](#) for a [discussion of this topic](#).

There are at least three types of “automatic” additional insured endorsements:

- Insurance Services Office (ISO) published forms such as
  - CG 20 33 — ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU and,
  - CG 20 38 — ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS FOR OTHER PARTIES WHEN REQUIRED IN WRITTEN CONSTRUCTION AGREEMENT.
- ISO forms that are turned into additional insured endorsements by adding “blanket,” “by contract” wording into the schedule. A common example is an ISO CG 20 10 in which the “Schedule” is extended to multiple additional insureds by the words “as required by contract” or similar wording. Sometimes, these forms specify that the contract must be written.
- “Manuscript” (custom) forms that take pieces from both types of forms listed above and sometimes add extra wording. Manuscript forms should be read carefully as many such forms impose additional restrictions not found in standard ISO forms.

The following pages show examples of automatic additional insured forms as described above.

# ISO Blanket Additional Insured Forms

COMMERCIAL GENERAL LIABILITY  
CG 20 33 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:

- a. 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 location of the covered operations has been completed; or
- b. 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.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement you have entered into with the additional insured; or
  - 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

SAMPLE



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS FOR OTHER  
PARTIES WHEN REQUIRED IN WRITTEN  
CONSTRUCTION AGREEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:
  - a. 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 location of the covered operations has been completed; or

- b. 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.
- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**
- The most we will pay on behalf of the additional insured is the amount of insurance:
- 1. Required by the contract or agreement described in Paragraph **A.1.**; or

- 2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

SAMPLE

**Example: ISO Form Modified to be “Blanket”(“Automatic”)**

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**

<b>Name of Person or Organization:</b>          
--

(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.

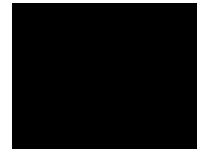
**B.** With respect to the insurance afforded to these additional insureds, the following exclusion is added:

**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.

**Example: Manuscript Additional Insured Endorsement - Automatic**



**Additional Insured – Automatic – Owners, Lessees Or Contractors**

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**Named Insured:**

**Address (including ZIP Code):**

This endorsement modifies insurance provided under the:

**Commercial General Liability Coverage Part**

- A.** Section II – **Who Is An Insured** is amended to include as an insured any person or organization who you are required to add as an additional insured on this policy under a written contract or written agreement.
- B.** The insurance provided to the additional insured person or organization applies only to "bodily injury", "property damage" or "personal and advertising injury" covered under Section I – **Coverage A – Bodily Injury And Property Damage Liability** and Section I – **Coverage B – Personal And Advertising Injury Liability**, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
  - 1. Your acts or omissions; or
  - 2. The acts or omissions of those acting on your behalf,
 and resulting directly from your ongoing operations or "your work" as included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.
- C.** However, regardless of the provisions of Paragraphs **A.** and **B.** above:
  - 1. We will not extend any insurance coverage to any additional insured person or organization:
    - a. That is not provided to you in this policy; or
    - b. That is any broader coverage than you are required to provide to the additional insured person or organization in the written contract or written agreement; and
  - 2. We will not provide Limits of Insurance to any additional insured person or organization that exceed the lower of:
    - a. The Limits of Insurance provided to you in this policy; or
    - b. The Limits of Insurance you are required to provide in the written contract or written agreement.
- D.** The insurance provided to the additional insured person or organization does not apply to: "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional architectural, engineering or surveying services including:
  - 1. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
  - 2. Supervisory, inspection, architectural or engineering activities.

- E. The additional insured must see to it that:
1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
  2. We receive written notice of a claim or "suit" as soon as practicable; and
  3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured, if the written contract or written agreement requires that this coverage be primary and non-contributory.
- F. For the coverage provided by this endorsement:
1. The following paragraph is added to Paragraph **4.a.** of the Other Insurance Condition of Section **IV – Commercial General Liability Conditions**:  
This insurance is primary insurance as respects our coverage to the additional insured person or organization, where the written contract or written agreement requires that this insurance be primary and non-contributory with respect to any other policy upon which the additional insured is a Named Insured. In that event, we will not seek contribution from any other such insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.
  2. The following paragraph is added to Paragraph **4.b.** of the Other Insurance Condition of Section **IV – Commercial General Liability Conditions**:  
This insurance is excess over:  
Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.
- G. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

All other terms and conditions of this policy remain unchanged.

# Waiver of Subrogation Endorsements

## What is a waiver?

A waiver is the voluntary relinquishment or surrender of some known right or privilege. In the world of Contractual Risk Transfer, waivers can be used to effect the intent of the risk transfer. In other words, waivers can be used to make sure that the party intended to be responsible for loss actually covers the loss, through insurance or otherwise, and that the party intended to be protected from loss is protected. In CRT, waivers can prevent insurers from subrogating.

## Types of Waivers in Contractual Risk Transfer

In the context of Contractual Risk Transfer and insurance, subrogation usually occurs when an insurance company, having paid a loss on behalf of its insured, attempts to recover its payments from another party responsible for causing the loss. A waiver can preclude such recovery in several ways.

First, the insurer can voluntarily waive its right to recover. As noted above, this is a legal right not a contractual right, so it must be voluntarily surrendered if subrogation is to be prevented. An insurer may waive its recovery rights by endorsement to a policy. This usually occurs when an indemnitee in an agreement, such as your organization, requires such an endorsement waiving subrogation rights as a condition of the contract.

A second way recovery rights can be waived by an insurer is to grant the named insured the power to waive its own right of recovery. If the insured has no right of recovery, the insurer cannot “stand in the shoes” of the insured to exercise a right that does not exist.

Most contemporary property and liability insurance policies contain a clause that says the insured “must do nothing after loss” to impair the insurer’s right to subrogate. This wording implies that if the insured does something before loss, such as waive its right of recovery, then the insurer will not subrogate.

Courts have consistently supported this interpretation. Thus, it is generally accepted that if an insured waives its recovery rights in a contract, the insurer cannot subrogate against the party that obtained the waiver. If your organization’s contractor waives its recovery rights against your organization, the contractor’s insurer won’t be able to go against your organization under a subrogation right.

The exception to this type of protection for an indemnitee is workers’ compensation, as the right of recovery in a workers’ compensation claim belongs to the insurer, not to the named insured employer, and neither the employer nor the worker can waive that right. Therefore, many experts advise obtaining a waiver of subrogation endorsement from the contractor’s workers’ compensation insurer in favor of your organization.

Generally, an insurer may not subrogate (recover from a third party for a loss caused by the third party and paid for by the insurer) against its own insured. If your organization is added as an additional insured on general liability policies, as recommended, it should be safe from subrogation by the general liability insurer.



However, a few court cases have resulted in successful subrogation by the insurer against its own insured, most often in construction disputes (many cases have gone the opposite way as well). As a result, some experts advise that the specifications in a contract require the contractor's general liability insurer to specifically waive subrogation (by endorsement) against the additional insured. Others call this "belt and suspenders."

Such a request may meet with resistance from the general liability insurer who will argue that the additional insured status protects the organization. We recommend that your organization obtain the waiver of subrogation when doing so will not add additional cost to the contract and/or the contracted activity is particularly hazardous or critical.

If the contractor has employees, the organization will also require an endorsement to the contractor's workers' compensation insurance waiving any right of subrogation that the insurer may have against the organization for injury to a contractor employee. You should be aware that many or most insurers will charge additional premium for a waiver of subrogation on a workers' compensation policy. If you are confident in the risk transfer in the general liability policy (compelling the contractor's general liability insurer to defend and indemnify the organization) you could consider omitting a requirement for this waiver if there is a significant cost for it. However, the endorsed waiver is preferable to assure protection from subrogation, which would defeat the intent of the risk transfer.

Sample general liability and workers' compensation waiver forms can be found on the following pages. Note that only one of these forms is a standard ISO form — the one for general liability insurance. The other is a form promulgated by the National Council on Compensation Insurance, but some states have their own forms, and some insurers have their own forms.

Note also that some insurers issue "blanket waivers" in favor of any party that requires such a waiver in a contract with the insured.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement	Effective Policy No.	Endorsement No.
Insured		Premium
Insurance Company	Countersigned by _____	

**WC 00 03 13**  
(Ed. 4-84)

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 24 04 10 93

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

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.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

