

# Step 5 — Keep Good Records

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## What to Keep

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### Certificates

Some argue that certificates of insurance are of little value as generally they do not amend or alter the policies or coverage. However, certificates are evidence of insurance that existed at the time the certificates are prepared, and provide historical information. 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 insurance company.

Information on certificates have been used as evidence of coverage may result in obtaining coverage for events that occur long after the contract has ended. The field of “insurance archaeology” offers potential for coverage for claims asserted that would have been covered under policies that are no longer available. Certificates should be maintained indefinitely.

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## Endorsements

Required endorsements, especially for additional insured status, identify the policy number and the status of the additional insured as a covered party. This is important information, especially if your organization does not collect policies from the other contracting party. Endorsements should be kept indefinitely for general and auto liability insurance policies and for waivers of subrogation.

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## Copies of Policies

Most organizations do not collect policies for contracts unless the amount of the contract is very large or the risk of loss is significant. Maintaining the right to collect policies in such situations, however, should be part of the contract. As an insured, your organization has a right to a copy of a general liability or excess liability policy, but copies may be difficult to get and a contractual responsibility to provide may ease the effort.

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## Other Documents

Depending on factors such as severity and size, your organization may want to keep other records, such as correspondence, email, meeting notes, etc., pertaining to contracts with significant risk issues.

## Compliance and Suspense Systems

Depending on the needs of your organization, you might want to use a simple spreadsheet or database for tracking the compliance process, including sending of notices, receipt and review of documentation, notice of completion of the contract requirements, storage of the records, and suspense notification of policy expirations for services whose duration exceeds the policy period of the initial evidence of insurance.

There are a number of automated systems available for tracking and monitoring compliance with contractual insurance requirements. Some systems provide software that your organization could use to maintain records and produce reminders for renewals, deficiency notices, etc. Others maintain the data online.

Here are some websites for more information. Be aware that some of the sites may be maintained by insurance brokers who may have a conflict of interest or using the site as a sales tool. Here are two web pages with additional information: [Insurance Journal Forums](#), and [Insurance Certificate Tracking Vendors](#).