

SafeShore Certificate Best Practices

April 2021

There are a few simple steps in any good Certificate Verification and Tracking System, and those steps are critical to the success of your insurance program.

Contractors or subcontractors working for you without proper coverage can in the best-case scenario simply cost you money when your carrier includes their payroll in your calculations at audit. In the worst-case scenario uncovered losses from your contractors/subcontractors can come back and haunt you for years as they, in most cases, would be paid by your carriers and then be charged to your loss experience causing increased experience mods, higher premiums, reduced marketability, higher retros or lost dividends, or in the worst cases loss of coverage. Remember as tightly as you might control the safety of your employees, your contractors/subcontractors may not have the same level of dedication.

1. **COPY, COPY, COPY:**

We recommend at least two copies (electric or hard copy) be made of all incoming certificates and working copies filed as follows:

a) **ORIGINAL:**

Keep the original in a master file for each contractor/subcontractor so you can easily find it when needed. This can be a simple file folder or an expandable/accordion type alphabetic file so that all contractors with the letter "a" are together, then the same for b... c... etc.

b) **COPY 1:**

Is the working copy. Use our CERTIFICATE KEY on page 3 to really understand what the certificate is telling you and use the websites provided to ensure the carriers are properly licensed or authorized.

We have also supplied a sample of a return e-mail that you can send identifying the deficiencies of the certificate. If you send such a document, do not forget to diary it properly to ensure each deficiency is fully addressed. Remember those that do not have the right insurance, or are trying to avoid providing coverage for you are likely to come up with the most amazing excuses as to why the proper documents cannot be provided. If you have any suspicions, ask the agent that issued the certificate to verify the conditions of concern. You can of course always send the certificate to SafeShore for us to review. We can often spot problems quickly.

c) **COPY 2, 3.... (and possibly others):** Keep these in a date file... again one of those expandable/accordion files by month are often the easiest if using hard copy - and file them by the EXPIRY date of the line policies shown in the certificate. If the client has more than one expiry date, then make more copies so each can be filed independently.

Watch out specifically that you file by **expiry date**, whilst most policies do run for 12 months, that is not always the case, and you can miss the due date if filed by effective date. A simple highlight pen through the expiry date really helps in this process. Once a month, without fail, go to that file, pull all the certificates that expire **next month** and request updated certificates. Keep chasing until they are received.

You can certainly set this up in a database, but generally we have found that these are more trouble than they are worth for this simple task. With the investment of approximately \$20 for two expandable/accordion files, this is a simple and easy way to administer the system.

2. Finally, we have provided a sample certificate. It can be customized to fit your requirements, and certainly does not replace the contractual terms to provide proper insurance you may require from your contractors/subcontractors. It provides the issuing agent a clear idea of what you are expecting in evidence of insurance. If you would like this customized for your business, please let us know.

Certificate Key

1. Ensure all carriers are licensed or authorized to do business in the state where you are working. Check with your state insurance department website to ensure status is current. Included as an appendix is a list of state insurance department websites. If a state you need is not listed here, let us know and we will be happy to provide.
2. Ensure the carrier providing Longshore coverage is approved by the Federal DOL to so do. You can do this via the DOL's website at: <http://www.dol.gov/owcp/dlhwc/lscarrier.htm>
3. Is the "Occurrence Form" box checked? If not checked, the policy may well be Claims Made, and that gives rise to a host of new issues. Contact your agent for help.
4. Does the WC Policy provide Longshore coverage?
If not is there a separate Longshore policy in force?
Be wary of the words "if any" either here or in the description box. With regard to Longshore, this means the insured has told their carrier that they really do not do Longshore work!
5. Are ALL the expiry dates AFTER the project starts?
This may sound simple, but I cannot tell you how many times we have received certificates that have already expired before the project starts.
6. Are the limits adequate against your contract specifications?
7. Does the description include the Additional Insured/Waiver of Subrogation language that is required in your contract?
8. Is the certificate correctly addressed to your company?
9. If contractors/subcontractor's employees are working on vessels away from the dock, are they providing Maritime Employers Liability (MEL) or Protection & Indemnity (P&I) including crew?
10. Do not accept any certificates that are handwritten or unsigned.
11. Does Named Insured match the contract?
12. Does the certificate provide 30 days' notice of cancelation? If not included or easily added to the WC/Longshore coverage you need to question the validity of the Longshore coverage as Federal law requires ALL longshore policies to have a minimum of 30 days NOC for ANY reason.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/01/2021

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 NAME OF PRODUCER	CONTACT NAME:	
	PHONE (A/C, No. Ext):	FAX (A/C, No):
INSURED SAMPLE	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: COMPANY A	1
	INSURER B: COMPANY B	
	INSURER C: COMPANY C	2
	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	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	3		7890123	06/01/2021	06/01/2022	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 6
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$
	<input checked="" type="checkbox"/> CONTRACTUAL LIAB						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY			123456	06/01/2021	06/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A		456789 - INCLUDING USL&H	06/01/2021	06/01/2022	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
10							

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

ALL POLICIES EXCEPT WORKERS COMPENSATION SHALL HAVE THE CERTIFICATE HOLDER, ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AS ADDITIONAL INSURED. WAIVER OF SUBROGATION APPLIES TO ALL POLICIES. ALL POLICIES WRITTEN PURSUANT TO THIS REQUIREMENT ARE PRIMARY. 7

CERTIFICATE HOLDER

CANCELLATION 9

8	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 11

Below is a sample email when corrections to the Certificate of Insurance needs to be made:

Certificate of Insurance Dated XXMonthXXXX - Message (HTML)

File
Message
Insert
Draw
Options
Format Text
Review
Help
Tell me what you want to do

Send

From
underwriting@signalsafeshore.com

To
COMPANY

Cc

Bcc

Subject
Certificate of Insurance Dated XXMonthXXXX

Dear <Contact>,

We have reviewed the certificate provided and have noted the following deficiencies. Please have the certificate reissued to correct and return within <XX> days prior to starting work for us.

1. Carrier <XXX> is not licensed or authorized in <State>.
2. GL policy appears to be claims made.
3. Longshore carrier not approved by the Federal Department of Labor.
4. Longshore shown as "if any".
5. No Longshore coverage evidenced.
6. Policy <XXX> expires before the start of the project.
7. Limits on <XXX> policy do not match the contract specification.
8. Additional Insured/Waiver of Subrogation is missing.
9. Certificate holder incorrect. Should be <XXX>.
10. MEL or Crew P&I required.
11. Certificate handwritten or unsigned.
12. Named Insured does not match contract.

Kind Regards,

Your Name Here

Selected State Insurance Department Websites

- Alabama** <https://sbs-al.naic.org/Lion-Web/jsp/sbsreports/CompanySearchLookup.jsp>
- California** <http://www.insurance.ca.gov/01-consumers/>
- Florida** <http://www.fldfs.com/Data/CompanySearch/index.asp>
- Georgia** <http://www.oci.ga.gov/Insurers/CompanySearch.aspx>
- Hawaii** <http://pahoehoe.ehawaii.gov/ils/app>
- Iowa** http://www.iid.state.ia.us/company_search/form
- Indiana** <http://www.in.gov/cgi-bin/idoi/ssDisplay-2.pl?file=LicensedCompanies&letter=l>
- Kentucky** <http://insurance.ky.gov/Company/Default.aspx>
- Louisiana** <https://www.ldi.la.gov/onlineservices/ActiveCompanySearch/>
- Maryland** <http://www.mdinsurance.state.md.us/iq/jsp/interactiveQuery/CompanySearch.jsp?mode=true>
- Maine** <http://www.pfr.maine.gov/almsonline/almquery/SearchCompany.aspx>
- Massachusetts** <http://www.mass.gov/ocabr/licensee/license-types/insurance/insurance-companies/>
- Michigan** https://difs.state.mi.us/fis/ind_srch/ins_comp/
- Missouri** <http://insurance.mo.gov/CompanyAgentSearch/search/search-companies.php>
- North Carolina** <https://sbs-nc.naic.org/LionWeb/jsp/report/ConsumerSearch.jsp?userid=543560&sec=true>
- New Jersey** <http://www.nj.gov/dobi/data/inscomp.htm>
- New York** <https://myportal.dfs.ny.gov/web/guest-applications/ins.-company-search>
- Oregon** <https://sbs-or.naic.org/Lion-Web/jsp/sbsreports/CompanySearchLookup.jsp>
- Pennsylvania** <http://www.insurance.state.pa.us/dsf/gfsearch.html>
- South Carolina** <http://www.doi.sc.gov/DocumentCenter/View/8032>
- Texas** https://apps.tdi.state.tx.us/pcci/pcci_search.jsp
- Virginia** <https://www.scc.virginia.gov/boi/ConsumerInquiry/Search.aspx?searchType=company>
- Washington** <http://www.insurance.wa.gov/consumertoolkit/search.aspx>