

# ERRORS & OMISSIONS

## RISK MANAGEMENT ALERT

### 5 Questions to Ask Before Issuing a Certificate of Insurance

A significant number of errors & omissions problems start with mistakes on the certificate of insurance. For example: A contractor client is on the line and needs a certificate of insurance (COI) right away to start on a job. Before issuing the COI, ask yourself:

**1. Will I use a standard insurance industry certificate form?**

Avoid using a nonstandard form that:

- is prohibited by state law; or
- does not contain the court-tested disclaimers (found in standard certificate forms) that reduce the ability of someone to allege reliance on the certificate for coverage.

**2. Have I verified everything entered onto the certificate is accurate by reviewing in-force policies?**

This question helps you prevent listing a policy as in-force when it has expired, canceled or was never bound.

**3. Do I have binding authority to issue a COI adding an additional insured?**

- a. If yes, what steps do I take to bind coverage?
- b. If no, have I received written authority to bind

**4. Should I check with the carrier before making any representations about coverage or forms beyond the policy number, dates and limits?**

This question keeps you from listing incorrect information in the “Description of Operations” field on the certificate about coverage or forms on the policy.

**5. Have I provided the carrier with a copy of the certificate?**

**Standardizing your approach to filling out certificates and answering these five questions will help you avoid errors & omissions allegations and lawsuits.**

*This information is provided solely as an insurance risk management tool. Utica Mutual Insurance Company and the other member insurance companies of the Utica National Insurance Group (“Utica National”) are not providing legal advice, or any other professional services. Utica National shall have no liability to any person or entity with respect to any loss or damages alleged to have been caused, directly or indirectly, by the use of the information provided. You are encouraged to consult an attorney or other professional for advice on these issues.*



Insurance that starts with you.<sup>®</sup>  
Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413  
www.uticanational.com • 1.800.598.8422