

CERTIFICATES OF INSURANCE

***What are certificates? Why do you need them?
How do they protect you and your business?***

Prepared and presented by

EPIC[®]
EPIC Program Solutions
License #0545478

AND



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PLEASE NOTE:

All information contained herein is based upon the indemnification and insurance requirements included the CRA Standard Rental Agreements.

This document is intended as a reference only and is not intended to fully protect you and your business in every rental situation. Certain situations may require different terms, conditions and insurance requirements. When that occurs we suggest that you contact your insurance and legal professionals for assistance.

CERTIFICATES OF INSURANCE

FOREWARD.....

When you rent equipment to customers, the customer has total control of the operation and use of that equipment. The customer should be responsible *and* liable for any injury or damages caused by that equipment in their care, custody & control. According to the rental contract they should also be responsible for damage to the equipment itself. By using the CRA Standard Rental Agreement and requiring Certificates of Insurance from your customers, you can protect your rental center against damage to your own equipment along with any injury claims or property damage and court costs that should be the responsibility of your customer.

A. WHAT ARE CERTIFICATES OF INSURANCE?

Certificates of Insurance are documents that provide evidence of insurance coverage carried by your customer. Certificates do not alter the coverage afforded by the policy and do not give the Certificate Holder any coverage unless there are actual policy endorsements that add the Holder to the policy as an additional insured attached to the Certificates.

B. WHY ARE CERTIFICATES NEEDED?

When you rent equipment to others, you want be certain that your customers carry insurance as required by the rental contract in order to protect both themselves and your rental center in the event of loss. The Certificate of Insurance, along with attached endorsements adding you on to their policy, should meet or exceed the insurance requirements in the Rental Agreement. If your customer does not have insurance, your company can become responsible for a claim. This ultimately increases your insurance costs.

C. HOW ARE CERTIFICATES ISSUED?

When your customer receives either the rental contract or a letter from you stating that you require a Certificate of Insurance and accompanying policy endorsements, they forward that data to their insurance broker or insurance company who then issues the Certificates of Insurance and sends them to your office. You should be maintaining yearly updated copies in your customer files.

D. CERTIFICATE FORM

Most Certificates are issued on insurance industry standard “ACORD” forms. They will say CERTIFICATE OF INSURANCE in the title and the Certificates should show you:

- Name, address and phone of the agent or broker under Producer
- Name, address of the customer’s business under Insured
- Insurance companies that are providing policy coverages to your customer’s business
- Listing of the insurance policies showing policy number, effective date, expiration date, types of policy and limits of coverage
- Description of Operations box – free form field where it should say your rental business is a named additional insured on which policies
- Name, address of your business as Certificate Holder

SEE SAMPLES NEXT PAGES



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/22/2018

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 have ADDITIONAL INSURED provisions or 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 CA LIC 0B29370 Edgewood Partners Insurance Center (EPIC) [Concord Programs Group - Branch 15558] P.O. Box 5668 Concord, CA 94524	CONTACT NAME: PHONE (A/C, No. Ext): E-MAIL ADDRESS: FAX (A/C, No):														
INSURED Acme, Inc. PO Box 123 Krum, TX 76249	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: ARCH INS CO</td> <td>11150</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: ARCH INS CO	11150	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: 53690504

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		PRPKG123456	05/01/18	05/01/19	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> Comp \$1,000 <input checked="" type="checkbox"/> Coll \$1,000			PRPKG123456	05/01/18	05/01/19	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ HAPD \$ Unlimited
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 10,000						<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<input checked="" type="checkbox"/> Equipment Floater			PRPKG123456	05/01/18	05/01/19	Special Form 3,000,000 Replacement Cost 2,500Ded

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

AJ Rental Dallas, Inc. is additional insured as per written contract with respect to General Liability per the attached endorsement and Loss Payee for Rented/Leased/Financed Equipment. Waiver of subrogation applies to General liability per attached endorsement.

CERTIFICATE HOLDER**CANCELLATION**

AJ Rental Dallas, Inc. PO Box 538 Krum, TX 76249 USA	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
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ADDITIONAL INSURED ENDORSEMENT FORM

Sample Additional Insured Endorsement

The Named Insured should always be the same as the "Insured" name on the Certificate (it should also read exactly the same as in the Rental Agreement)

This policy number should be the same as that listed for General Liability on the Certificate of Insurance

POLICY NUMBER: COMMERCIAL GENERAL LIABILITY

NAMED INSURED:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization

YOUR RENTAL CENTER NAME HERE
(Or "Blanket" Additional Insured wording is acceptable.)

This is where your rental center name should be listed, if the endorsement is not a Blanket Additional Insured Endorsement.

(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 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 maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

CG 20 28

@ ISO Properties, Inc. 2004

This is the standard endorsement number CG 20 28.

Sample Loss Payee Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

MINING AND CONTRACTORS EQUIPMENT COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered property.
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy, we will mail you and the loss payee the same advance notice.
- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

LOSS PAYEE(S):

Any loss shall be adjusted with "you" and shall be payable to "you" and the loss payee described on the "declaration" as "your" and their interests appear.

LENDER'S LOSS PAYEE(S):

Any loss shall be payable to "you" and the loss payee described on the "declarations" as interests appear. If more than one loss payee is named, they shall be paid in order of precedence.

All other terms and conditions of this Policy remain the same.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<p>Name Of Person Or Organization: waiver of Subrogation for General Liability applies to any person or organization when such waiver is required by a written contract that you have agreed to prior to loss</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

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.

LEGAL LIABILITY & FINANCIAL RESPONSIBILITY

A business purchases insurance to protect its assets from situations where the business can be held legally liable for actions that have caused harm or damage to others.

1. **LEGAL LIABILITY:** *A responsibility or obligation of one party to another party that is enforceable in a court of law.* For example: when someone is held responsible (liable) by law for injury to others, or for damage to another person's property.

Example: Your customer is using a backhoe they rented from you. The operator of the backhoe causes bodily injury to another person at a job site. Your customer can be held liable for the injury. If you do not have a certificate of insurance with an additional insured endorsement on file from the customer your rental center can become liable for the claim.

2. **FINANCIAL RESPONSIBILITY:** *The amount of damages the injured party is legally entitled to.* When a business is held liable for its actions either by common law or by a judgment rendered by a court, the business must pay the injured party – this is financial responsibility. Your customer's insurance carrier should pay on behalf of the customer the amount the customer is legally liable for.

In the backhoe accident described above, your customer will be held responsible for the injured person's medical bills and for bodily injury. Your customer's insurance company should pay the amounts awarded to the injured party on behalf of your customer.

CONTRACTS

A Rental Agreement is a legal contract between two parties that defines the responsibilities of each party. The following information addresses the legal liability (Indemnification Clause) and financial responsibility (Insurance Requirements):

1. INDEMNIFICATION CLAUSE:

The indemnification clause is the legal mechanism in the contract that allows the *transfer* of risk and liability from your rental center to the customer. The liability is being transferred to the party that is in the best position to control it – the customer because they have care, custody & control of the equipment and any situation that the equipment is being used in. By signing the rental agreement the customer agrees to indemnify (pay for) and hold your rental center harmless for claims or suits that may arise from their operation and use of your equipment.

You want the customers who rent from you to be legally and financially responsible for their actions.

2. INSURANCE REQUIREMENTS:

Insurance is the financial mechanism used to fund the transfer of risk from a business or individual to a company who collects premiums to assume that liability. This is why it is important to obtain Certificates of Insurance from your customers that name your rental center as “Additional Insured” and “Loss Payee”. Equipment should not leave your premises without two important items in your hands:

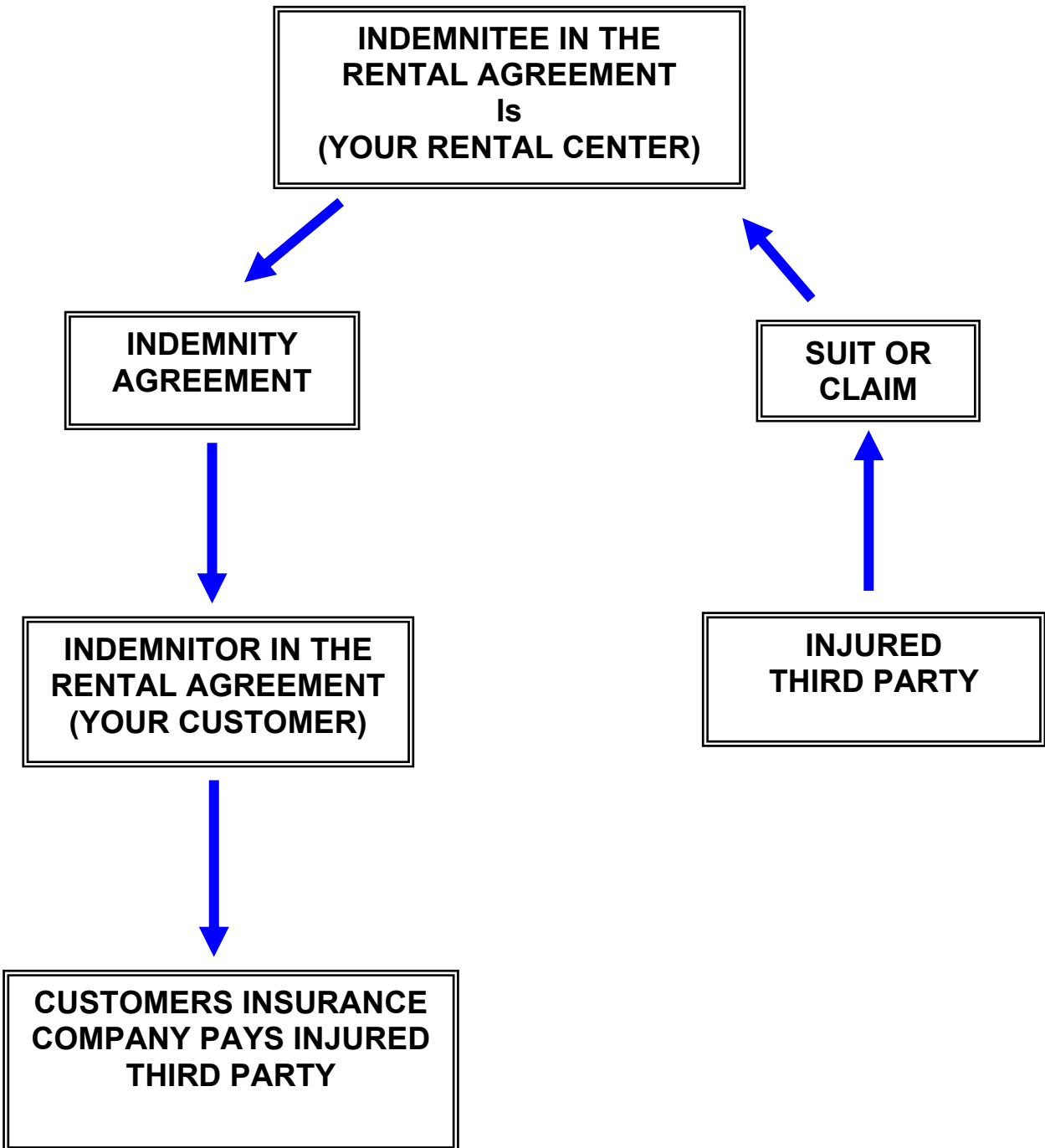
- Signed Rental Agreement
- Certificate of Insurance that includes BOTH an Additional Insured endorsement naming your rental center and Loss Payee endorsement.

When you are included as an Additional Insured with the proper endorsement attached to the certificate, the customers’ insurance company has agreed to defend, and pay on your behalf claims that occurred as a result of your customers use of the equipment rented.

When you are included as a Loss Payee for equipment insurance, the insurance carrier for your customer acknowledges that claims for damage to the equipment itself will be paid to your rental center.

BUSINESS CONTRACT

TORT LIABILITY OF ANOTHER



PROCEDURES FOR OBTAINING AND MAINTAINING CERTIFICATES OF INSURANCE

A. REQUESTING CERTIFICATES:

1. Prior to the rental, as in when the reservation is made, be sure your customer has the insurance requirements letter #1 (via fax or email).
2. Advise the customer that equipment cannot be released without a proper certificate of insurance on file.

NOTE: Most insurance brokers can issue certificates within 30 minutes of the request – so there should not be unreasonable delays in obtaining these important documents.

B. CERTIFICATES RECEIVED:

1. When certificates are received, check to see if they meet all requirements. A sample checklist is attached.
2. Remember that the actual Additional Insured endorsement **MUST BE** attached to the certificate.

C. CERTIFICATES THAT DO NOT MEET REQUIREMENTS:

1. Fax or email Letter #2 to the customer or his insurance broker (or company) indicating what is still required. Request that this be corrected immediately.
2. If the certificate still does not meet requirements, refer to management. **You may want to request that the equipment be returned to you.**

SAMPLE LETTER #1

Date

EMAIL OR FAX THIS LETTER WHERE POSSIBLE

Customer Name

Address

City

Our rental agreement requires that you carry specific insurance coverages, evidenced by a Certificate of Insurance. Please be sure that the insurance requirements outlined in the rental agreement are met as indicated below:

- A. General Liability - \$1,000,000 Each Occurrence. The policy form must be a Commercial General Liability policy. Coverage must include an Additional Insured Endorsement (form CG 20 28) which names your company name here as Additional Insureds. The endorsement must be attached to the Certificate of Insurance.
- B. Automobile Liability - \$1,000,000 Combined Single Limit. Coverage must be included for all owned and non-owned automobiles;
- C. Workers' Compensation & Employer's Liability - Employers Liability limit must be \$1,000,000;
- D. Equipment Insurance – Evidence of equipment coverage in an amount NOT LESS than the full replacement value of the equipment rented. Your company name here must be included as Loss Payee with regard to any equipment damage.

Please be sure that the Certificate of Insurance is sent to our office before the date of the rental or within 5 days. If you have any questions, please give us a call.

Sincerely,

Name and Title

**Certificate of Insurance Review Form
Renew Yearly**

Name of Customer: _____
(Be sure name on Certificate/endorsement matches name on contract)

General Liability Coverage Commercial General Liability Occurrence Form
Limits \$1,000,000 each occurrence

Additional Insured endorsement attached (CG20 28 or equivalent)? Is the name of the additional insured correctly stated? (Should be the name of your rental center).

Automobile Liability Coverage Any Auto Owned Autos, Hired, Non-Owned Autos
Limits \$1,000,000 Combined Single Limit

Excess Liability (to bring General Liability & Auto limits up to the \$1,000,000 minimum required)

Workers' Compensation/Employer's Liability coverage (\$1,000,000 limits)

Are Certificate Holder name and address and additional insureds correct?

Are limits under Rented or Leased Equipment property coverage enough to cover the machine's value?

Are you named as Loss Payee under Rented and Leased Equipment?

Notes:

Completed by: _____

Date: _____

SAMPLE LETTER #2

Date

EMAIL OR FAX THIS LETTER WHERE POSSIBLE

Insurance Broker
Address
City

Re: Certificate of Insurance
Customer Name:

We have received the certificate of insurance for your client; however, it is not acceptable as written. Please revise the certificate to include the following checked areas below:

- Your company name here as an Additional Insured, on form CG 20 28 on the General Liability policy.
- Must include Workers' Compensation and Employer's Liability. Employer's Liability limit \$1,000,000
- General Liability limits must be at least the \$1,000,000 required limit;
- Automobile limits must be at least the \$1,000,000 required limit;
- Must include Workers' Compensation and Employer's Liability. Employer's Liability limit \$1,000,000
- Evidence of equipment coverage in an amount NOT LESS than the full replacement value of the equipment rented. Your company name here must be included as Loss Payee with regard to any equipment damage.

Please return the revised certificate to our office prior to the rental date or within 5 days.

Sincerely,

Name and Title