

Town of Colchester Insurance Requirements Frequently Asked Questions

Q. What are the general requirements?

A. When renting/reserving a property owned by, or when doing work for, or providing services to, the Town of Colchester or the Colchester Board of Education, a Certificate of Liability Insurance, listing the Town of Colchester as a Certificate Holder, and being named as additional insured, is required. A Certificate of Insurance is a document detailing available liability coverage. (see attached sample)

Q. Where would we get this insurance?

A. Most businesses and organizations purchase “commercial general liability insurance,” while individuals purchase “personal liability” coverage through a homeowner’s, condo-unit owner’s, or renter’s insurance policy. Your insurance agent or carrier can provide the required certificate if you are a business or non-profit organization and you purchase commercial general liability insurance. If you are an individual not related to a business or non-profit organization, your agent should provide a copy of the “policy declaration page” showing personal liability coverage. Non-profit organizations can typically get this coverage from their local, regional or national office. If you do not already have this coverage, or have insufficient coverage, insurance can be purchased for your particular needs from most insurance agencies or carriers.

Q. Will this cost me anything?

A. If you have an existing policy with sufficient coverage, there should be no cost to provide the necessary certificate. Policies created just for this event/contract can vary greatly in cost.

Q. Why is this required?

A. When the Town allows a business/individual to use its property, or supplies goods or services to the Town, the Town must be protected against claims against the Town that arise out of the negligence of these third parties.

Q. How much insurance must we have?

A. The insurance must be for at least \$1,000,000 per occurrence in coverage for businesses and non-profit organizations, and \$300,000 per occurrence for individuals not related to businesses or non-profit organizations.

Q. Isn't \$1,000,000 a lot of coverage to require?

A. \$1,000,000 is the standard liability coverage required by municipalities, although many institutions are now requesting \$2,000,000 coverage depending on the scope, size, and severity of the goods or services being provided. In today’s climate of frequent lawsuits and the high cost of health care, even \$1,000,000 might not cover all costs.

Q. Why must the Town be a “Certificate Holder”?

A. In the event that the insurance coverage should be changed or discontinued, the Town would be notified, as a Certificate Holder, that it may not be protected under this policy, giving it time to take measures to adequately protect itself.

Q. How many days “written notice” must be given to the Certificate Holder should the policy be changed or discontinued?

A. The Town of Colchester requires 30 days written notice of changes to/cancellation of a policy, and this must be included on the Certificate of Insurance.

Q. What does “additional insured” mean?

A. The Town of Colchester will be insured by your policy for the particular event/contract, just as you are. If someone taking part files a claim against the Town for injuries arising out of participation/involvement with your event/contract, your insurance will respond to defend the Town, and pay damages if the Town is found negligent.

Q. When must the policy be effective?

A. The policy must be effective during the time the event takes place, or goods/services are delivered. For certain services, coverage may need to be carried for an additional period of time to be specified.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/11/05

PRODUCER Sample Certificate Insurance Agency Name & Address	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Sample Certificate Sample Company Name & Complete Address	INSURERS AFFORDING COVERAGE INSURER A: Insurance Company INSURER B: INSURER C: INSURER D: INSURER E:	NAIC #

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	11111111	01/01/xxxx	01/01/xxxx	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$1,000,000
A	X	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	22222222	01/01/xxxx	01/01/xxxx	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	X	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	33333333	01/01/xxxx	01/01/xxxx	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	44444444	01/01/xxxx	01/01/xxxx	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$100,000 E.L. DISEASE - EA EMPLOYEE \$100,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The Town of is listed as an Additional Insured.

CERTIFICATE HOLDER

CANCELLATION

Town of	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
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IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.