

INSURANCE INSIGHTS

By Ken Furst and Jason Schiciano, Levitt-Furst Associates Ltd.



The Insurance Certificate Names You as an Additional Insured— So Now, You Think That You’re Protected? Better Think Again!

YONKERS—“This certificate is issued as a matter of information only, and confers no rights upon the certificate holder. This certificate of insurance does not constitute a contract. 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.”

If you’re a contractor that hires sub-contractors, or a property owner/manager that hires contractors to service your building(s), do the italicized words look familiar to you? They should. They’re printed at the top of every Certificate of Liability Insurance in bold print!

As a contractor that uses subs, or as a property owner or manager, you are familiar with the practice of obtaining a Certificate of Liability Insurance from your (sub)contractors, naming you “Additional Insured”, before work begins.

As insurance brokers, we are constantly drawing our client’s attention to the above important statements. In general, they mean that you CANNOT count on just the Certificate of Insurance, naming you as “Additional Insured” to actually establish Additional Insured status.

The Methods

Most contractor general liability insurance policies extend Additional Insured status via one of two ways:

1) Blanket Additional Insured—Frequently, contractors’ general liability insurance

policies include an endorsement that allows the contractor to designate an Additional Insured via a written contract/agreement, signed by the contractor (prior to a loss). IMPORTANTLY, the Certificate of Liability Insurance clearly states (as noted above), that the certificate itself “...does not constitute a contract”; thus, the contractor must also provide a signed contract, agreeing to name you as an “Additional Insured.”

2) Additional Insured By Specific Endorsement— Sometimes, contractors’ general liability insurance policies require that the insured contractor obtain a specific en-

dorsement, adding the actual name of the Additional Insured to the policy (rather than on a non-specific blanket basis for whomever the contractor agrees via written contract). In this case, the carrier may charge an additional premium

sary endorsement and Additional Insured contract/agreement (if required), to establish Additional Insured status.

Once Additional Insured status is achieved, coverage is provided in accordance with the contractor’s policy terms

Risk Reduction Services, LLC (www.riskreductionservices.com) to collect, maintain, track, and update the important documentation necessary to establish Additional Insured status, and transfer insurance claim exposure to the contractor.

If your organization collects certificates of insurance from contractors, the above certificate wording says it all: the certificate alone is not enough! Make sure to get the additional documentation required for proper risk transfer.

Editor’s Note: Ken Furst and Jason Schiciano are Co-Presidents of Levitt-Furst Associates, Ltd. The firm, based in Yonkers, is the Insurance Manager for The Builders Institute (BI)/Building and Realty Institute (BRI) of Westchester and The Mid-Hudson Region. Levitt-Furst Associates can be reached at (914)457-4200.

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for each Additional Insured endorsement issued.

While the certificate is useful for evidencing summary information on insurance that the contractor carries (type, carrier, limits, policy term, etc.), it must be accompanied by the neces-

(along with “Additional Insured” status, the contractor should also provide written agreement to indemnify the Additional Insured party.)

As a service to property owners/managers and general contractors, Levitt-Furst has formed

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CCAC Sets Its Next Membership Meeting

By Jeff Hanley, *IMPACT* Editor

WHITE PLAINS – “How to Deal With Noisy Neighbors” will be the topic of the Nov. 13 Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC).

The meeting will begin at 6:30 p.m. It will be at The Crowne Plaza Hotel in White Plains.

“The issue of noisy neighbors is one that members of our association have discussed at our meetings and seminars,” said Diana Virrill, chair of the CCAC. “Since the conversations have been consistent, we have decided to schedule a meeting to address the issue.”

A panel of representatives from the CCAC and its affiliate organization, The Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI), will cover the issue, Virrill said. The panel will feature presidents of co-ops and condos that are members of the CCAC, she added.

“Our staff is arranging to have every angle of this issue covered,” Virrill added. “We are anticipating a solid program and we urge our members to save the date so that they will be able to attend this meeting.”

Full details on the conference will soon be sent to CCAC and BRI members, Virrill said. Those wishing to make advance reservations may do so by calling the CCAC/BRI offices at (914) 273-0730.

The CCAC represents more than 400 co-ops and condos. The association serves its membership through a range of services. They include:

- Educational Meetings and Seminars
- Group Insurance
- Network Opportunities
- Referrals
- Lobbying
- Bulletins and Publications
- *Negotiations With Service Workers

The CCAC, formed in 1979, is based in Armonk.

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