Q&A Regarding Certificates of Insurance

Q: What is a Certificate of Insurance?

- A Certificate of Insurance is a document issued by an insurance company or broker that verifies insurance is in place, including specifics such as limits and effective dates.
- A Certificate of Insurance should be required from any contractor performing a service on your premises or any outside user of the church facilities.

Q: Why do we need it? Doesn't the diocese insurance program cover everything that occurs on our premises?

- The Archdiocese/Diocese may be held liable or have to defend a lawsuit for negligent acts of an outside user or contractor at your facility, even though the church had no participation in the negligent act. Settlement of a loss caused by the contractor or third party user should be the responsibility of that contractor or group's insurance carrier.

Q: When should you obtain a Certificate of Insurance? A CERTIFICATE SHOULD ALWAYS BE OBTAINED:

- From any contractor or vendor performing a service or working on church property.
- Whenever an outside group, vendor, individual, or any third party uses church property, facilities, or premises. For Example: Sports teams, men/women outside organizations, wedding receptions, reunions, etc.

Q: What things should you look for in a Certificate of Insurance?

- Policy period is current and covers the time frame of the activity.
- General liability minimum limits of no less than $1,000,000.
- The church's name and address must be specifically listed as an "Additional Insured."
- The certificate should contain the wording "The Archdiocese/ Diocese and the Archbishop/Bishop are named as additional insureds."

Q: How do you differentiate between a Third Party and a Church Organization or Sponsored Event? Some questions to consider include:

- Does the church sponsor or have full control over the group or function?
- Is the function open to all church members?
- Does any money, costs, or fees flow through the church account?
- Is the purpose of the function related to a ministry of the church?

Q: Why should the church request additional insured status?

- When a church has "Additional Insured" status, the insurance policy of the third party must defend the church against claims that resulted from their activities on the church's property.
- It is **NOT** acceptable to be named as a "Certificate Holder" only.
- It is important to inform the third party of this requirement in advance as they may need to get approval from their insurance carrier.
- We also recommend an Indemnification and Hold Harmless Agreement be requested as a precautionary measure to provide additional contractual language to protect the church. Please contact your diocese or our broker for further information.

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