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.

The information contained in this document was obtained from sources that to the best of the writer’s knowledge are authentic and reliable. Arthur J. Gallagher & Co. makes no guarantee of results, and assumes no liability in connection with either the information herein contained, or the safety suggestions herein made. Moreover, it cannot be assumed that every acceptable safety procedure is contained herein, or that abnormal or unusual circumstances may not warrant or require further or additional procedures.