



TO ALL INSUREDS WHO SUBCONTRACT ANY WORK

YOU ARE RESPONSIBLE FOR SUBCONTRACTORS' ACTIVITIES

You are ultimately responsible for all work performed by subcontractors on your behalf. You will be held liable in the event they are not adequately insured against claims arising out of their activities. You can minimize this risk by taking the following action:

❖ UTILIZE SELECT SUBCONTRACTORS

Use a select group of responsible subcontractor's with proven performance records.

❖ CONTRACTUALLY OBLIGATE YOUR SUBCONTRACTORS

Contractually obligate each subcontractor to hold harmless and indemnify you against liability claims which arise out of activities performed on your behalf.

❖ PROVIDE SUBCONTRACTORS FEEDBACK

Supervise each subcontractor's work performance to make certain it meets your standards and provide feedback. Document all conversations in writing and keep the notes in your job file.

❖ REQUIRE SUBCONTRACTORS TO VERIFY INSURANCE COMPLIANCE

It is essential and a policy condition that you obtain Certificates of Insurance from all subcontractors, hired to perform work on your behalf, which meet specific minimum insurance requirements.

Following are guidelines, sample letters and checklists to assist you in managing subcontractor certificates of insurance.

- Letter 1.** To be mailed to all Subcontractors hired to perform work on your behalf requesting a certificate of insurance with minimum insurance requirements as outlined. If the subcontractor fails to respond, follow up until verification is received.
- Letter 2.** To be mailed if a certificate is incorrect, or does not meet the minimum requirements. Check the appropriate box to indicate the discrepancy (ies).
- Letter 3.** To be mailed if certificate is close to expiration.
- Letter 4.** To be mailed if certificate is expired or policy is cancelled.

FORM LETTER #1

Dear Subcontractor:

A condition of our insurance program is that we receive certificates of insurance from all subcontractors which meet the following minimum insurance requirements:

AUTOMOBILE LIABILITY

Required Limits \$1,000,000 Combined Single Liability Per Occurrence Limit, or
\$1,000,000 Bodily Injury Liability Limit and
\$1,000,000 Property Damage Liability Limit

Required Coverage Insure all owned, non-owned & hired automobiles
Name us as an Additional Insured and attach an
“Additional Insured” endorsement to the certificate

GENERAL LIABILITY

Required Limits \$1,000,000 Combined Single Liability Per Occurrence Limit
\$1,000,000 Combined Single Liability Aggregate Limit
(As respects products liability)
\$1,000,000 Combined Single Liability Aggregate Limit
(As respects other than products liability)

Required Coverage Commercial General Liability – Occurrence Form, Including:
Products/Completed Operations Liability
Blanket Contractual Liability
Name us as an Additional Insured and attach an
“**Additional Insured**” endorsement to the certificate

WORKERS’ COMPENSATION

Required Limits \$1,000,000 Per Occurrence Employer’s Liability Limit
Statutory Compensation Benefits

Thank you for your prompt response to this request.

Sincerely,

P.S.: Our insurance premium will be increased if we do not receive this coverage confirmation.

CERTIFICATE OF INSURANCE CHECKLIST

It is extremely important the Certificates of Insurance you receive from subcontractors meet minimum requirements, to assure you are being adequately protected.

The following checklist is to assist you in evaluating the adequacy and acceptability of the certificates furnished to you by your subcontractors.

We have used the industry standard ACORD Certificate of Insurance form as an example. Occasionally insurance companies may use their own forms, which may differ from the ACORD. However, all required coverage's should be noted clearly so that you will be able to check each component of the certificate against the components labeled 1 through 14 on the ACORD form.

When in doubt, send us a copy of the Certificate(s) and we will evaluate them for you.

CERTIFICATE OF INSURANCE CHECKLIST

- | Yes | No | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Lessor's Insurance broker's name and address. |
| <input type="checkbox"/> | <input type="checkbox"/> | The subcontractor's name and address. |
| <input type="checkbox"/> | <input type="checkbox"/> | The date the certificate of insurance is completed and signed by the subcontractors insurance broker. |
| <input type="checkbox"/> | <input type="checkbox"/> | The names(s) of the insurer(s) providing each specific type of insurance are noted in this section and symbolized by either the letter A, B, C, D, or E. |
| <input type="checkbox"/> | <input type="checkbox"/> | This letter denotes the insuring company providing the specific type of insurance to each coverage part. |
| <input type="checkbox"/> | <input type="checkbox"/> | Make certain all certificates of insurance you receive contain X's in each of the boxes noted on this example to be sure their coverage complies with your requirements. |
| <input type="checkbox"/> | <input type="checkbox"/> | The policy number for each policy must be noted in these boxes. |
| <input type="checkbox"/> | <input type="checkbox"/> | Policy's inception date, before the date the certificate was issued as noted in box #3. |
| <input type="checkbox"/> | <input type="checkbox"/> | Policy's expiration date, not to expire before you receive a replacement certificate. |
| <input type="checkbox"/> | <input type="checkbox"/> | The limit of insurance the subcontractor maintains on the date the certificate is issued is noted in these boxes. Make certain the limit indicated on their certificate equals or exceeds the limits you have mandated as your minimum limits in your request letters. |
| <input type="checkbox"/> | <input type="checkbox"/> | Wording shown must be included on every certificate you receive from a subcontractor and must add your organization as certificate holder and additional insured. An Additional Insured endorsement should be attached to the Certificate to validate the policy has been amended to incorporate this additional liability exposure. |
| <input type="checkbox"/> | <input type="checkbox"/> | Your company's name and mailing address. |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontractor's insurance broker and his signature must appear in this box. |

FORM LETTER #2

RE: _____

Dear Subcontractor:

We recently received a certificate of insurance in response to our letter requesting verification of coverage. Thank you for your responsiveness.

However, the certificate revealed your coverage does not meet the insurance requirements we described in our original request. Please arrange with your insurance provider to make the necessary changes and furnish us a new certificate, which verifies your compliance. We have noted below where your coverage does not comply.

	We are not named as an Additional Insured.
	The certificate did not include an attached Additional Insured Endorsement.
	The certificate did not indicate that you currently maintain automobile insurance.
	The certificate did not indicate that you currently maintain general liability insurance.
	The certificate did not indicate that you currently carry workers' compensation.
	The limit of liability is supposed to be at least \$1,000,000 with a \$2,000,000 aggregate. The certificate indicates you currently maintain lower than the required limits.
	We require a \$1,000,000 limit of employer's liability on your workers' compensation policy and your certificate indicates your current limits are less than \$1,000,000.
	Your automobile liability limits do not meet our minimum requirements of at least \$1,000,000 combined single liability limit.

Please make the necessary corrections and forward us verification without delay.

Thank you for your cooperation in promptly responding to this request.

Sincerely,

FORM LETTER #3

Insurer's Name:

Policy Number(s):

Type of Insurance:

Expiration Date:

Dear Subcontractor:

According to our records, the above noted insurance coverage is expiring on the date indicated.

We require that all subcontractors who work for us to provide us certificates of insurance which verify our insurance requirements are being met.

Please contact your agent or insurance carrier and have a new certificate sent to us prior to the expiration date of coverage.

Thank you for your cooperation.

Sincerely,

FORM LETTER #4

Insurer's Name:

Policy Number(s):

Type of Insurance:

Cancellation Date:

Dear Subcontractor:

We recently received a notice of cancellation on the policy (ies) described above.

It is a condition of our insurance program that all subcontractors who work with us maintain insurance which meets minimum requirements.

Please contact your insurance provider and request them to either.

1. Send us a reinstatement notice prior to the cancellation date, or
2. Send us evidence of replacement coverage, which begins on the cancellation date.

Thank you for your immediate response to this request.

Sincerely,

1099 Sub-contractor requirements and payment guidelines

Sub-Contracted services are typically less costly to us, allow us to secure the specialized services that we require without having our own staff members perform the function, and assist us to properly transfer the risk. This is a normal business practice and the sub-contractors we use should be positioned to meet these requirements.

The system of risk mitigation only works if we do our part. If ANYTHING is missing, it could weaken the protection we are relying upon. Be diligent about compiling all of the required documents prior to authorizing and issuing payment for the services received from sub-contractors.

All boxes on the attached checklist should be verified by the person completing the form.

1099 Sub-contractor requirements and payment guidelines

Sub-Contractor Payee Name

A COPY OF THIS COMPLETED FORM MUST ACCOMPANY THE INVOICE AND CHECK REQUEST.

	Y	N	N/A
Is the sub-contractor's work order, PO, bid or contract attached?			
Does the amount of the invoice tie back to the work order, PO, bid or contract?			
Is the sub-contractor's state license attached or have you confirmed it is on file?			
Is the sub-contractor's business license on file? (if sub is a service provider)			
Is the sub-contractor's Certificate of Insurance attached?			
Does the COI reflect General Liability?			
Does the COI reflect Auto Liability?			
Does the COI reflect Workers' Compensation?			
Does the COI reflect Professional Errors & Omissions?			
Does the COI reflect a limit of at least \$1,000,000 for each line of coverage?			
Does the COI show that our company is named as an "additional insured"?			

If you have any questions or if you would like assistance with this process, please email to helbdesk@uwib.com. We can also be reached by phone at 1-800-378-5554 x 210 .

Person verifying this data

Today's Date

