

Certificate Of Insurance - COI | What Is It And Why Is It Important

A certificate of insurance is your most valuable player in the game of business. Here's why...

Explained in this article:

- **What is a Certificate of Insurance:** *The definition and real-life application of a COI.*
- **The Break Down of a COI:** *Who should have a Certificate of Insurance.*
- **Why is a Certificate of Insurance Important:** *Having a correct COI could save your business.*
- **YOURS FREE – Checklist to make sure you have the proper coverage.**

Business owners! Become familiar with the term “certificate of insurance”. It will one day save you headaches, heartache, a ton of stress, and a mountain of money. Growing a successful business is no easy task, but protecting it should be. This article explains what you need to know about safeguarding your business from risks in the workplace.

What is a certificate of insurance? A document issued to a business by an insurance company that verifies the business has specific insurance coverages for listed individuals. The certificate proves the date the insurance policy went into effect, the type of insurance coverage that the company bought, and the types of liability and dollar amounts included in the policy.

Let's break it down. A certificate of insurance provides business owners with protection against workplace accidents, injuries, and misconduct. The certificate is issued when liability insurance is purchased. It details the types and limits of coverage.

So why is this important? First, it provides you with protection from unforeseen risks that happen in the workplace. Second, as a contractor it is required if you want to win bids for work. All potential clients must be assured that they will not be held liable for any damages, injuries, misconduct, or substandard work.

Check your certificate. A certificate of insurance has sections for the different types of insurance: general liability, auto, umbrella, worker's compensation. Here is a checklist to get you started.

- Insured's name and mailing address
- Insured's insurance agent and mailing address
- Insurance agency's contact person and name of insurers
- Operations insured will perform
- Name and address of certificate holder
- Insurer's obligation for notifying the certificate holder if insurance is canceled
- Insured's policy number, effective date, and limits provided for each type of coverage
- Limits for employer's liability coverages

It is important to note that there are details that are particular to each type of business and the operations they will be performing.
