

The Importance of Certificates of Insurance (COI)

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Background: Why now?

- **Lawsuits have become commonplace in today's world, and more and more we're seeing larger awarded sums than ever before**
- **30-35% is the normal lawyer comp.....and it is big business**



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- Contingency fee basis model

“No money down, and we only get paid when you get paid...”



-as such had built up a tremendous reputation for getting every dollar from the insurance company ...and even then some !

- **Blanket approach: Everyone get's served**

The Increasing Stats and Concern

- **COMMON SETTLEMENTS AND COMPENSATION AWARDED**

- Settlements are more common than jury-awarded compensation. In fact, 97% of cases do not go to trial and settle before their hearing date.

Ontario

- | | | |
|---------|-----------------------------------|----------------|
| • 2019: | Total Initiated New Cases | 207,656 |
| • | Total Active Cases | 419,750 |
| • 2022 | Coming out of the Pandemic | ?????? |



What is a COI?

Simply: It's an Insurance ID card

- The Business Insurance Policy and Insurance Company Provider
- Policy expiration date
- Individuals covered: **Additional Insured's**
- Dollar amount of coverage(s)

Additional Insured

- In liability insurance, additional insured status is commonly used in conjunction with an indemnity agreement between the named insured (the Indemnitor) and the party requesting additional insured status (the indemnitee).
- Having the rights of an insured under its indemnitor's Liability policy is viewed by most indemnitees as a way of backing up the promise of indemnification.

Who needs to provide a COI to your organization?

Simply: Everyone

- Vendors
- Businesses
- Non-profits and Charities
- Performers, Animal Owners and Entertainers

How do we request a COI from a 3rd Party?

- Every 3rd party should be filling out a rental or registration contract with your organization
- This will outline the rules, regulations, policies, cost, waivers, indemnification, and expectations for them to attend your event
- It will demand the 3rd party provide a valid COI with certain requirements prior to the event (30-45 days)

Best Practice:

IMPORTANT: CERTIFICATE OF LIABILITY INSURANCE

As an exhibitor participating in the (Name)Agricultural Fair, you must carry adequate Comprehensive General Liability insurance with a minimum property damage/bodily injury limit of \$2,000,000. This insurance is designed to protect the attending general public, other exhibitors, the fair organizers, as well as yourself against possible lawsuits arising from your participation at the fair.

For the safety and security of all concerned, you must provide (Ag Society) with PROOF of adequate insurance coverage 30 days in advance of the event. Exhibitors who have not provided proof of sufficient coverage will not be allowed to move-in and/or set up their booth(s) until the insurance certificate has been provided to (Ag Society).

Best Practice:

Certificate Holder (Additional Insured)

(Name) Agricultural Fair

123 Main St

Any Place Ontario, 1x1 x1x

Policy Effective Date June 1, 2023

Policy Expiration Date June 3, 2023

Any questions related to coverage requirements are to be directed to Mr Smith. Info@anyfair.com (613) 555-1212

- Does the Contract and company (individual) name match the COI?
- Effective and Expiry Date
- Liability Coverage: does it meet your requirement (2, 5, 10 million)
- Other requirements met?
- Any exclusions?
- Certificate holder or Additional Insured:
Your Ag Society named on it
- Unsure: let us audit it for you.....fraud becoming common

You
shouldn't
assume that
piece of
paper is
accurate

Best Practice: How much is enough?



1 MILLION OF GENERAL
LIABILITY COVERAGE: IS NOT
ENOUGH



2 MILLION IS BETTER: GENERAL
VENDORS, EXHIBITORS AND
FOOD VENDORS



5 MILLION IS THE BEST: ALL
MIDWAYS, ALCOHOL, RODEOS
AND MOTORSPORT EVENTS

EXAMPLES: GOOD, GOOD, BAD

Entire policy: not accepted



Home policy: not accepted



A letter: not accepted



Let's look at a few examples....

Possible Exceptions

- Always check with your insurance provider
- Association plans: 4H and OEF
- Farm Policy
- Government Organizations

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Thank you



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