

# Certificate of Insurance (COI)

A Certificate of Insurance (COI), is a summary document issued by an insurance company or agency/agent. It provides a snapshot of the insurance coverages and limits listed on the COI. This document is also known as a Certificate of Coverage (COC). A COI may be requested in a Request for Proposal (RFP) process. It may also be requested annually or intermittently during the life of an agreement/contract, lease or any situation where proof of insurance is required.

A COI is not an insurance policy. COI's are tools which confirm the insurance types and amounts in place when the COI was prepared. The COI **DOES NOT** guarantee that:

- Insurance has not or will not be cancelled;
- That other endorsements have not been added to the policy, reducing the amount of coverage available; or
- That coverage limits will not be exhausted by other claims.



## Risks to Agencies

COI's are a tool to inform of insurance coverage. Lack of training or knowledge on their proper use and implementation can result in negative outcomes, such as:

- Agency staff unsure of what the documentation means.
- Missing or incomplete documentation, endorsements, coverage, limits or language.
- Mismatched or incorrect insurance limits and coverage per the agreement.
- Expired or nearly expired policies. Old or expired COI in agency documentation.
- Exhausted Limits or No insurance available to satisfy the indemnification agreement.
- Uninsured contractors doing work for the state.
- Agency forced to cover uninsured contractor liabilities (high agency exposure to risk)

## Insurance Coverage

Agencies use contracts to get needed goods, services and state mission critical work completed. Contracts are designed to transfer liability and responsibility to the contractor for the goods, services and work performed by the contractor and outside the state's responsibility. Risk transfer within a contract requires the agency use DAS Risk Management (DAS RM) approved [indemnity](#) agreements **and** template insurance requirements ([insurance types](#) and [limits](#), [additional insured status](#) and [notice of cancellation](#)). When items fall within "state responsibility", agencies are covered by the state's [self-insurance policies](#).

## Contract and Insurance Best Practices

- Refer to and use the DAS Risk Management [Insurance Templates](#) for insurance templates on service and good contracts, intergovernmental agreements (IGA), grant agreements, information technology contracts, and construction contracts.
- Ensure use of Notice of Cancellation Endorsement(s) for 30 days' notice for cancellation, nonrenewal and modification or reduction in coverage (contractors policy(ies) must be endorsed).
- Ensure use of Additional Insured status for the "State of Oregon, its officers, employees and agents". This language is required. The contractors policy(ies) must be endorsed for this coverage. A statement on a certificate does not confer rights to the certificate holder in lieu of such endorsement(s).
- Make sure the contract requires the contractors subcontractors comply with (and provide proof upon request) of all insurance requirements outlined within the contract. DAS RM's [Risk Assessment Tools](#) can help determine appropriate insurance coverage and limits.
- Review the COI carefully. Verify compliance with all required insurance types/ amounts and monitor compliance thorough the duration of the contract.

## RiskWise



## A Guide to Controlling Risk

## Certificate of Insurance (COI)

- Risks to Agencies
- Insurance Coverage
- Contract and Insurance Best Practices
- Certificate Review and Verification
- Deficient Certificates
- Additional Resources, Links and Information

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# Certificate Review and Verification

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Important areas for review and verification include:

- Is the COI provided on a recognized form, such as ACORD 25? ([example COI with step-by-step illustration](#))
- Is the insured company named on the certificate exactly the same name that is in the contract?
- Has the state been named as the Certificate Holder on the bottom left of the COI? This section should name the “State of Oregon” as well as the specific agency information.
- Has the “State of Oregon, its officers, employees and agents” been named as an Additional Insured? Remember to look for the attached copies of endorsements. No attachments may equal no Additional Insured status.
- Are the policies issued by reputable insurers with acceptable financial ratings? Check ratings at [A.M. Best](#).
- When dealing with international business partners, are the insurance companies located in the United States?
- Has the certificate been signed by an insurance company or insurance agency representative?
- Are the types and limits of insurance (including endorsements) listed on the COI the same as or greater than those required by the contract?
- Are the policy numbers and insurer information listed on the COI?
- Are the dates of coverage in the timeframe for the specified work? If any required policies expire during the course of the work, request a new COI before the old one expires.
- Are the Notice of Cancellation provisions acceptable? See bottom right of the ACORD 25.
- Does the COI show all special insurance requirements required in the contract (e.g. pollution, environmental, crime, liquor liability, fire legal liability, etc.)?
- Does the COI cite the contract number or job location to tie the insurance to the work? This is usually listed within Description of Operations.
- Has the provider made any modifications to the COI (e.g. handwritten notes, wording crossed out, etc.)?



## Deficient Certificates

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Occasionally a COI may be deficient. Develop procedures for responding consistently to a deficient COI. At a minimum, this procedure should:

- Give the certificate provider written notice of any identified deficiencies; and
- Require they provide a corrected certificate before starting work.

Contract documents should clearly state any penalties for failing to provide a certificate matching the insurance requirements in the contract.

## Additional Resources, Links and Information

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- DAS Risk Management - RiskWise - [Why State Contracts Have Insurance Requirements](#)
- DAS Risk Management - [State Certificates of Insurance](#)
- International Risk Management Institute (IRMI) -
  - [Insurance and Risk Management Terms](#)
  - [Certificates of Insurance: Expert Commentary](#)

[<https://www.oregon.gov/das/Risk/Pages/PubsToolsRes.aspx>]

**DAS RISK MANAGEMENT**  
[www.oregon.gov/das/Risk/Pages/Index.aspx](http://www.oregon.gov/das/Risk/Pages/Index.aspx)

**DAS**  
DEPARTMENT OF  
ADMINISTRATIVE  
SERVICES

General Services Building  
EGS | Risk Management  
PO Box 12009  
Salem OR 97309

Phone: 503-373-7475  
Fax: 503-373-7337  
E-mail: [risk.management@das.oregon.gov](mailto:risk.management@das.oregon.gov)

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