

Can you be more specific?

Additional Insured Endorsements

By Tanya Crites

Public entities enter into all types of contractual agreements in the course of agency business. In addition to ensuring that the correct types and amounts of insurance are required, requesting to be endorsed as an additional insured on a Commercial General Liability (CGL) policy is very important. An additional insured is a person or organization not automatically included as an insured under an insurance policy who is included or added as an insured under the policy at the request of the named insured to comply with a contractual agreement requiring the named insured to do so (e.g., project owners, customers, or owners of property leased by the named 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 CGL policy is viewed by most indemnitees as a way of backing up the promise of indemnification. If the indemnity agreement proves unenforceable for some reason, the indemnitee may still be able to obtain coverage for its liability by making a claim directly as an additional insured under the indemnitor's CGL policy. But just requesting additional insured status is not sufficient.

There are many different types of additional insured endorsements. Requiring the correct endorsement for the specific type of contract is crucial to ensure a public entity's protection in the event of a claim against the contracted party (e.g. construction contractor, service provider, renter, facility user, permittee) and the public entity.

For example:

- For construction and service type contracts, request an additional insured endorsement at least as broad as Insurance Services Office (ISO) form CG 20 10 10 01.
- For facility use, rental agreements and leases, request an additional insured endorsement at least as broad as ISO form CG 20 11 04 13.
- For permits issued by the public entity, request an additional insured endorsement at least as broad as ISO form CG 20 12 05 09.
- For professional service agreements, request an additional insured endorsement at least as broad as ISO form CG 20 26 07 04.

The last four digits of the ISO endorsement number signify the edition month and year, e.g. CG 20 11 **04 13** (April 2013). The most recent endorsements were issued in April 2013. While we still recommend requiring some of the older endorsements because the language is more favorable to the additional insured, some insurance companies have phased them out and will only issue the most recent April 2013 versions.

Some insurance companies do not use ISO forms at all, but instead issue a manuscript Commercial General Liability policy that includes additional insured language or sometimes a separate blanket additional insured endorsement. This is why contracts should specify coverage “at least as broad as” the specific ISO additional insured endorsement form requested.

Prior to the commencement of the contracted work, the contractor should provide the public entity with a Certificate of Insurance that details the types and amounts of insurance that the contract requires. In addition, the specified additional insured endorsement, or a manuscript policy with coverage at least as broad, **MUST** accompany the Certificate of Insurance. Just being listed as a Certificate Holder is not sufficient evidence of additional insured status.

Whether trying to determine the types and amounts of insurance to require in a contract, or deciphering whether the provided evidence of insurance meets contract requirements, WCIA can help. WCIA’s Risk Management Representatives offer contract review services to our members. In addition, the WCIA Liability Resource Manual, under ADM.21, contains guidance on insurance and indemnification language for many types of public entity contracts and agreements, sample additional insured endorsements, as well as a guide for understanding a Certificate of Insurance. The Liability Resource Manual is available through the Member Resources page on the WCIA website: <http://www.wciapool.org/member-resources>.