

Commercial Risk Advisor

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For the insured, COIs serve as proof of coverage—proof that can be provided to customers, contractors or other third parties *quickly and efficiently.*

Provided by:
TPG Insurance Services



The Importance of Certificates of Insurance

When accounting for risks related to contracted work, securing your own insurance is not always enough. It's critical that your partners are covered as well. This is particularly important when you consider that, following an incident involving a contractor or vendor, your business could be the one held liable for any damages that occur.

To protect against this sort of risk, many organizations turn to certificates of insurance (COIs). COIs are used across a variety of commercial business relationships and essentially serve as proof that a particular party has an insurance policy in effect.

While you may require your partners and vendors to carry insurance in your contracts, coverage needs can change quickly, making it necessary to regularly review the policies. In addition, contractors and vendors may not be honest about what insurance they have in place, making you wrongfully assume you are protected.

Before allowing contractors to perform work on your property or on your behalf, asking for a COI is a must. This can help you in several ways:

1. COIs can keep companies from taking on unnecessary risks if a contractor is responsible for a loss and is not properly insured.
2. COIs can provide protection in the event that a contractor is injured on your property while performing work.
3. COIs ensure organizations are compensated if contracted work is done improperly or not completed.

Managing COIs can pose an administrative challenge, and businesses need to have procedures in place to collect and maintain them effectively. Many organizations choose to automate this process as much as possible, opting for systems that notify them when a COI is required but is no longer in effect.

To learn more about COIs, contact TPG Insurance Services today.

In the United States, an average of **29 people die** each day in motor vehicle crashes involving an alcohol-impaired driver.

Social Host Liquor Liability and Holiday Parties

With the holidays and the end of the year right around the corner, many organizations will host parties for their employees. While these celebrations are fun and a good way to boost team morale, they can create a number of liabilities when alcohol is present.

Any time you provide alcohol to individuals in a noncommercial manner, you are considered a social host. However, a social host may be held responsible for the acts of their guests if their conduct creates or exacerbates a risk to the public. In some cases, incidents can result in costly lawsuits that can easily reach six figures.

As such, it is important to take the appropriate steps to control your risk if your organization is sponsoring an event. To ensure the safety of your employees and business, consider doing the following at your next company-sponsored event:

- Serve drinks to guests rather than offering a self-serve bar.
- Set up bar stations instead of having servers circulate the room.
- Place a sign at each bar reminding employees and guests to drink responsibly.
- Offer a range of low-alcohol and alcohol-free drinks at no charge.
- Offer food options to all guests.
- Require servers to measure spirits. Always serve food with alcohol.
- Close the bar at least an hour before the scheduled end of the party.
- Instruct guests to take advantage of safe transportation options by offering taxis or promoting a designated driver program.

In addition to proper liquor liability planning and education, review your company's current liability insurance policy to determine your coverage in social host situations.

Remember, even with the proper coverage, an events and liquor liability policy does not eliminate your exposure if alcohol service is in violation of local laws.

