

THE ALS GROUP

Managing Risk to Influence Successful Outcomes

Certificate Holder vs. Additional Insured: What a Certificate of Insurance Really Gives You

Key Takeaways

- Being a certificate holder is not the same as being an additional insured. A certificate proves a policy exists, but gives the holder no coverage and no rights.
- Additional insured status only comes from an endorsement on the policy itself, and endorsements vary.
- To be protected, you need three things: a contract that requires it, the right endorsement, and coverage that lasts after the work is done.

Owners, developers and property managers collect certificates of insurance from every contractor and vendor. Most file them and move on. The problem: a certificate in the file doesn't mean you're covered when something goes wrong.

1. A certificate holder gets information, not coverage

The standard certificate form says it plainly: it is issued as a matter of information only and confers no rights on the certificate holder. Being listed as the holder means you get a copy of the summary. It doesn't put you on the policy, and it doesn't change the policy's terms.

2. Additional insured status comes from the endorsement

To be covered under someone else's policy, you need to be added by endorsement. That's the form that actually amends the policy. Endorsements are not all alike:

- **Scheduled endorsements** name you specifically.
- **Blanket endorsements** cover anyone the insured has agreed in writing to add, which means the contract language matters.
- **Limited endorsements** may cover only certain work, certain locations or certain time periods.

We read the forms! The certificate might say "additional insured," but the endorsement decides what you actually get.

3. The contract has to require it

Most blanket endorsements only apply when there is a written contract requiring additional insured status. If your contract is silent, vague or signed after the work starts, the coverage may not be there. Spell out the requirement, the coverage types and the limits in the contract itself.

4. Coverage has to outlast the job

In construction, many claims show up after the project is finished: water damage from improper flashing, a defect discovered a year later. If the endorsement only covers ongoing operations, you may have no protection once the work is complete. Require completed operations coverage, and confirm the endorsement includes it.

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How ALS Helps

We don't just collect certificates. We review the contract requirements, the endorsements and the policy terms behind them, so you know what coverage you actually have. Our certificate of insurance compliance services track every vendor and contractor and flag gaps before they become claims.

There you have it: why a certificate isn't coverage, and what to check instead.

Frequently Asked Questions

What is the difference between a certificate holder and an additional insured? A certificate holder receives a summary of someone else's insurance, but has no rights under the policy. An additional insured has been added to the policy by endorsement and can be covered for claims arising from the named insured's work.

Does a certificate of insurance prove I'm covered? No. It shows that a policy exists and summarizes it. Only the endorsement on the policy can make you an additional insured, so ask for a copy of it.

What is a blanket additional insured endorsement? It automatically adds anyone the named insured has agreed in a written contract to add. That makes the contract language critical: if the contract doesn't require it, the endorsement may not apply.

Why does completed operations coverage matter? Many construction claims surface after the work is finished. Completed operations coverage protects you for claims arising from the contractor's finished work, not just while they're on site.

Should we review endorsements, not just certificates? Yes. The endorsement controls what coverage you actually have. Reviewing it alongside the contract is the only way to know you're protected.

If you need more information on any of the topics covered here, or are interested in a Risk Management Assessment ("RMA"), please contact our Managing Principal, Albert Sica, at asica@thealsgroup.com or at 732.395.4251.