

Everything you  
need to know about

# **CERTIFICATES OF INSURANCE (COI)**



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# WHAT IS A CERTIFICATE OF INSURANCE?

Every contractor in the United States should have business insurance. But having a policy is only the first step. The second, and equally important step, is being able to prove you have it, quickly, clearly, and in a format your clients and project partners can verify in seconds.



That proof is a Certificate of Insurance, or COI.

A Certificate of Insurance is a one-page summary document issued by your insurance company or agent that confirms you hold active coverage. It lists the key facts about your policy without reproducing all the legal language contained in the policy itself. A COI is not a contract, and it does not modify or extend your coverage in any way. It simply shows the world that coverage exists.

**A COI issued today at Contractors Liability® is typically available within minutes of your policy being bound, and can be sent electronically to any client, general contractor, property manager, or government agency requiring proof of coverage.**

## WHY EVERY CONTRACTOR NEEDS ONE

Many contractors secure General Liability Insurance and Workers' Compensation as legal requirements and then never request or organize their certificates. This creates real problems on the job:

- ▶ A general contractor awards a subcontract to the lowest bidder, then discovers on day one that the sub has no verifiable proof of insurance. The job is delayed.
- ▶ A homeowner asks for proof of coverage before allowing a handyman to begin work. The handyman cannot produce it and loses the job to a competitor who can.
- ▶ A GC's year-end insurance audit finds that no certificates were collected from subcontractors. Their payroll is added to the GC's own audit figures, generating an unexpected premium bill.

Having a COI on hand, and requiring them from everyone who works for you, is a professional standard that protects your business at every level of the contracting chain.

# WHAT INFORMATION APPEARS ON A COI?

The standard Certificate of Liability Insurance (ACORD Form 25, currently in the 2016/03 edition for commercial liability) presents all relevant policy information in a structured, consistent layout. Here is what each section contains and why it matters to the party receiving the certificate.



## SECTION-BY-SECTION BREAKDOWN

Section	What It Contains and Why It Matters
<b>Producer</b>	The insurance agent or broker who issued the COI. This is who to call if you have questions about coverage details.
<b>Insured</b>	The policyholder, the contractor or business that holds the insurance. Name, address, and business structure are listed here.
<b>Insurers Affording Coverage</b>	The names and NAIC numbers of the actual insurance carriers. Use this to confirm the carrier is licensed and financially stable.
<b>Coverages</b>	The core section. Lists each policy type (GL, Auto, Workers' Comp, Umbrella, etc.), the policy number, effective and expiration dates, and the coverage limits for each.
<b>Certificate Holder</b>	The party requesting the certificate, typically the GC, property owner, or government agency. They are not automatically an additional insured by appearing here.
<b>Additional Insured</b>	If a box is checked indicating that the certificate holder is an additional insured, that party has actual coverage rights under the policy. This must be confirmed by endorsement, not just by a checked box.

Section	What It Contains and Why It Matters
<b>Cancellation Notice</b>	States the terms under which the policy may be cancelled and whether the certificate holder will be notified. Most policies now say notice will be delivered 'in accordance with policy provisions.'
<b>Description / Remarks</b>	Free-text field often used to specify additional insured status, waiver of subrogation, project-specific endorsements, or other conditions required by the contract.
<b>Authorized Signature</b>	The agent or broker's signature confirming the certificate reflects active coverage at the time of issuance.

**IMPORTANT:**

A certificate holder listed on a COI does not automatically receive insurance coverage. To be protected, they must be listed as an additional insured on the underlying policy by endorsement. This is a common point of confusion that can leave general contractors exposed when a subcontractor's certificate does not actually name them.

# THE **FOUR KEY COVERAGE TYPES** ON A CONTRACTOR COI

A contractor's Certificate of Insurance will reflect one or more of the following policy types. Understanding what each one covers, and what it does not, helps you verify whether a certificate actually meets your project requirements.



## 1. GENERAL LIABILITY INSURANCE

General Liability (GL) is the core coverage for contractors and the most commonly required policy on a COI. It covers:



### **Bodily Injury**

Medical expenses and legal costs if a third party is injured because of your work or your premises.



### **Property Damage**

Repairs or replacement if your operations damage a client's or third party's property.



### **Completed Operations**

Claims arising after a project is finished. This coverage continues to protect you if a defect in your completed work causes damage or injury months or years later.



### **Personal and Advertising Injury**

Claims of libel, slander, copyright infringement in your marketing, or wrongful eviction.

The standard limits seen on most contractor COIs are \$1,000,000 per occurrence and \$2,000,000 aggregate per policy year. In 2026, 97% of contractors purchasing GL choose this limit structure, and it is the minimum accepted on most commercial construction contracts.

## 2. COMMERCIAL AUTO LIABILITY INSURANCE

Commercial Auto covers vehicles used in the operation of the business. It is critical to verify the effective dates and limits on this section because a gap in auto coverage can expose a GC to significant liability if a subcontractor's driver is involved in an accident while working on their project.



**IMPORTANT:**

A personal auto policy does not cover business-use claims. Any vehicle transporting tools, materials, or employees to job sites must be on a commercial policy.

## 3. WORKERS' COMPENSATION INSURANCE

Workers' Compensation coverage is legally required for employees in 49 states. When you require a COI from a subcontractor, always verify:



**Active policy dates**

Coverage must be current through the duration of the project.



**State of coverage**

The policy must cover the state where work is being performed.



**Employer's Liability limits**

Typically \$100,000 / \$500,000 / \$100,000 at minimum, though many contracts require \$1,000,000 across the board.

If a subcontractor cannot provide a valid Workers' Comp COI, their payroll may be added to your own audit exposure, and your own rates could increase as a result. Requiring certificates from every subcontractor before they begin work is essential.

## 4. UMBRELLA / EXCESS LIABILITY

An Umbrella policy provides coverage above and beyond the limits of GL, Auto, and Workers' Comp policies. Many commercial contracts and most government projects now require contractors to carry at least \$1 million in umbrella coverage over their primary policies. When verifying a subcontractor's COI, check whether umbrella limits are required in your contract and confirm they are reflected on the certificate.

# WHY COIS MATTER, RISK TRANSFER IN PLAIN LANGUAGE

Insurance is fundamentally about transferring financial risk from one party to another. Without documented proof that the transfer has occurred, the risk can find its way back to whoever has the deepest pockets, which is often the general contractor or property owner, regardless of who actually caused the incident.



## WHAT IS RISK TRANSFER?

Risk transfer is the contractual mechanism by which the potential financial consequences of an event are moved from one party to another. In construction, risk is transferred in two directions simultaneously:



### Contractor to Insurer

When a contractor pays their insurance premium, they transfer the financial risk of covered claims to their insurance company. This is the most basic form of risk transfer.



### Subcontractor to General Contractor

When a GC requires a subcontractor to carry GL coverage and name the GC as an additional insured, any claim arising from the sub's work is directed to the sub's policy first, protecting the GC's own claims history and limits.

## WHY CONTRACTS ALONE ARE NO LONGER ENOUGH

In earlier decades, a written contract between a GC and a client was often sufficient to establish risk allocation. Today, construction projects involve multiple layers of subcontractors, specialty trades, third-party vendors, and public stakeholders. A single incident on a large job site can generate claims from multiple parties simultaneously.

In this environment, the COI serves as the documented evidence that financial protection is actually in pla-

ce at every layer of the project. Without it, the risk flows upward, to whoever holds the general contract.

**Construction had more workplace fatalities than any other private industry in 2023, recording 1,075 deaths according to the Bureau of Labor Statistics. The financial exposure from serious injury claims can easily reach seven figures. Documented risk transfer through verified COIs is not paperwork. It is financial self-defense.**

## ADDITIONAL INSURED STATUS: THE MOST IMPORTANT RISK TRANSFER TOOL

Requiring subcontractors to name your business as an additional insured on their GL policy is one of the most valuable protections available to general contractors. As an additional insured, you receive:



### Defense Coverage

If a lawsuit names both you and the subcontractor, their policy provides an attorney to defend you at no cost to your own policy.



### Claim Payment

Settlements or judgments arising from the sub's work are paid from their policy, not yours.



### Premium Protection

Claims that go against the sub's policy do not affect your own claims history or your future premiums.

Additional insured status must be confirmed by a policy endorsement, not simply by checking a box on the certificate. When you receive a COI, verify with the issuing agent that the endorsement is actually on file.

## WAIVER OF SUBROGATION

Some contracts also require a waiver of subrogation, which prevents the subcontractor's insurance com-

pany from suing the GC to recover money it paid on a claim. This is a common requirement on commercial projects and must be added to the policy by endorsement. If your contract requires it, make sure the COI's description field reflects that the endorsement is in place.

# BENEFITS OF HOLDING A COI, FOR CONTRACTORS AND CLIENTS

## FOR CONTRACTORS

- ▶ **Win More Bids:** Providing a COI immediately when submitting a proposal is increasingly expected by residential homeowners, property managers, and commercial clients alike. Contractors who can produce certificates instantly stand out from competitors who cannot.
- ▶ **Licensing Compliance:** Many states require a current GL COI as a condition of maintaining a contractor's license. Having it current and organized prevents license interruptions.
- ▶ **Professional Image:** Presenting a clean, current certificate signals to clients that your business is organized, legitimate, and prepared for accountability.
- ▶ **Audit Compliance:** A complete file of subcontractor COIs is required during GL and Workers' Comp audit reviews. Missing certificates mean missing subcontractor payroll exclusions, and that translates directly into higher premium bills.
- ▶ **Quick Reference:** A COI provides at-a-glance access to policy numbers, effective dates, and limits, information that would otherwise require digging through a lengthy policy document.

## FOR CERTIFICATE HOLDERS (CLIENTS, GCS, PROPERTY OWNERS)

- ▶ **Verified Protection:** A COI confirms that financial protection is in place before work begins, reducing the risk of being left holding liability for someone else's mistake.
- ▶ **Contract Compliance:** Many project contracts, lender agreements, and lease agreements require proof of insurance from all parties before work can start or proceed.
- ▶ **Faster Onboarding:** Standardized certificate formats like ACORD 25 allow project managers and risk administrators to verify coverage in minutes rather than hours.
- ▶ **Audit Readiness:** Organizations that collect and store COIs from all vendors and contractors have documented evidence of due diligence in the event of a claim or legal dispute.

## COST TO THE CONTRACTOR: ZERO

Requesting a COI from your insurance company or agent costs nothing. At Contractors Liability®, certificates are issued immediately after policy binding at no additional charge, and are available 24/7 through our online portal. There is no administrative fee, no waiting period, and no limit on how many certificates can be issued during your policy period.

# ACORD FORMS, THE INDUSTRY STANDARD

When most people refer to a 'certificate of insurance,' they are referring specifically to an ACORD form. ACORD stands for the Association for Cooperative Operations Research and Development, an industry organization established in the 1970s to create standardized forms and data exchange standards for the insurance industry.



## WHY ACORD FORMS MATTER

Before standardization, every insurance company produced its own certificate format. Project managers and risk administrators had to interpret dozens of different document layouts to verify coverage. That approach was slow, error-prone, and difficult to automate.

ACORD forms solve this by providing a consistent structure that every insurance professional, project manager, and automated compliance system can read and process uniformly. ACORD's stated mission is to facilitate fast, accurate data exchange and more efficient workflows through standardized forms and electronic standards, and their forms are now the recognized standard in construction and commercial insurance across the United States.

## THE KEY ACORD CERTIFICATE FORMS FOR CONTRACTORS

Form	Edition	Purpose
<b>ACORD 25</b>	2016/03 (current commercial standard)	Certificate of Liability Insurance. The most widely used COI form. Lists GL, Auto, Workers' Comp, and Umbrella coverage details.
<b>ACORD 28</b>	Current edition	Evidence of Commercial Property Insurance. Used when a landlord or lender needs proof of property coverage.

Form	Edition	Purpose
<b>ACORD 101</b>	Current edition	Additional Remarks Schedule. Attached to ACORD 25 when extra space is needed to document endorsements, project details, or special conditions.
<b>ACORD 75</b>	Current edition	Insurance Summary. A multi-line overview document sometimes used in lieu of multiple separate certificates.

## 2025/2026 ACORD FORM UPDATES

ACORD releases updated form editions regularly in response to state regulatory changes, industry needs, and technological requirements. As of early 2026, ACORD published a new ACORD 25 edition (ACORD 25, 2025/12) which has been approved for use in New York and other states. Several state-specific forms also received 2026 edition updates, including California forms updated to comply with new state regulations.

The current ACORD Forms Index, last revised in February 2026, is available at [acord.org](http://acord.org). When accepting a COI, verify that the form edition shown is current or has been accepted by your state's insurance regulator.

## WHAT ACORD FORMS CANNOT DO

- ▶ **They do not grant coverage:** A COI is evidence of a policy, not the policy itself. Coverage is determined by the policy language, not by what is written on the certificate.
- ▶ **They do not create additional insured status:** Checking a box on a COI does not create additional insured status. That requires a policy endorsement.
- ▶ **They do not guarantee limits have not been reduced:** Policy limits can be reduced by paid claims. The certificate shows the original limits, not the available remaining limit.
- ▶ **They do not replace policy review for complex projects:** For large or high-value projects, a detailed policy review by a qualified agent is recommended in addition to collecting the COI.

# COI MANAGEMENT IN THE DIGITAL ERA

Managing certificates of insurance manually, through email inboxes, spreadsheets, and paper files, is one of the most persistent operational pain points in construction. In 2026, it is also one of the most unnecessary.



## THE PROBLEM WITH MANUAL COI TRACKING

A general contractor managing even 20 active subcontractors can have 40 or more individual certificates in circulation at any given time, counting GL, Workers' Comp, and Auto separately. Each one has its own expiration date. Each one may need to be updated when a sub renews their policy. Each one may need to reflect project-specific endorsements or additional insured language.

Research shows that 25% of business revenue is consumed by compliance-related activities, and construction firms consistently identify manual COI management as one of their top administrative burdens. When a certificate expires and nobody catches it, the consequences are real: job sites can be shut down, contracts can be voided, and liability exposure can arise the moment an uninsured incident occurs.

## WHAT DIGITAL COI MANAGEMENT LOOKS LIKE IN 2026

A new generation of COI management platforms has matured significantly since 2020. The leading solutions in 2026 use AI-powered document processing to read, interpret, and validate certificate data automatically, often within minutes of receipt. Key capabilities now available include:



### Automated Certificate Intake

Vendors and subcontractors submit their COIs through a portal link. No email chains, no lost attachments.



### Real-Time Compliance Dashboard

A live view showing which of your subcontractors are currently compliant, which have gaps, and which have upcoming expirations.



### AI Data Extraction

The platform reads the ACORD form fields automatically, extracting coverage types, limits, effective dates, policy numbers, and carrier information.



### Compliance Verification

The system compares extracted data against your project or contract requirements and flags any gaps instantly, wrong limits, missing endorsements, expired dates.



### Automated Renewal Reminders

When a certificate is approaching its expiration date, the system automatically contacts the subcontractor's agent to request renewal. You are notified if renewal is not received.



### Integration with ERP and Project Management Systems

Leading platforms integrate with construction management software, vendor databases, and accounting systems through API connections.

## OPTIONS FOR CONTRACTORS LIABILITY® CLIENTS

If you have a small number of subcontractors, managing COIs through a simple organized digital folder system with calendar reminders for renewals can be sufficient. For contractors managing 10 or more subcontractors simultaneously, a dedicated platform significantly reduces risk and administrative time.

At Contractors Liability®, we issue all certificates electronically and can send them directly to any party you specify. Our online portal allows you to access your certificates, update coverage, add additional insureds, and request new COIs at any time. Call us at **888-973-0016** or email [info@contractorsliability.com](mailto:info@contractorsliability.com) if you need help with your certificate management process.

# COMMON COI MISTAKES AND HOW TO AVOID THEM

Even experienced contractors and project managers make avoidable errors when collecting and verifying certificates. Here are the most common mistakes seen in 2026 and the steps to prevent them.



## **MISTAKE 1: ACCEPTING A CERTIFICATE WITHOUT VERIFYING THE ENDORSEMENT**

A certificate may show a box checked indicating the certificate holder is an additional insured. However, if no endorsement has been added to the underlying policy, that notation has no legal effect. Always request the actual additional insured endorsement page from the subcontractor's agent, especially on large or high-risk projects.

## **MISTAKE 2: NOT CHECKING EXPIRATION DATES AGAINST PROJECT DURATION**

A certificate that is valid today may expire in the middle of your project. Verify that the policy dates on every certificate extend through the full project schedule, including punch-list and warranty periods where completed-operations exposure exists.

## **MISTAKE 3: ASSUMING LIMITS ON THE COI ARE THE AVAILABLE LIMITS**

Policy limits shown on a COI are the original policy limits. They can be reduced by paid claims during the policy year. On large projects or when working with subs who are active with many other GCs, consider asking for a letter from the carrier confirming available limits if the exposure is significant.

## **MISTAKE 4: NOT COLLECTING COIS BEFORE WORK BEGINS**

The most common and costly mistake. If a subcontractor starts work before you have a verified certificate on file and an incident occurs the same day, you have no documentation that risk was transferred. Make COI collection a firm precondition to starting work, not an administrative task to handle later.

## **MISTAKE 5: FAILING TO COLLECT WORKERS' COMPENSATION COIS SEPARATELY**

Workers' Compensation is a separate policy from General Liability. A GL certificate does not confirm Workers' Comp coverage. Require both certificates from every subcontractor with employees, and verify both are current and cover the correct state.

## **MISTAKE 6: ACCEPTING CERTIFICATES FROM UNRATED OR FINANCIALLY WEAK CARRIERS**

The NAIC number on the certificate identifies the carrier. Use the AM Best rating database to confirm the carrier has at least a B+ VII financial strength rating before accepting the certificate. A policy from a financially unstable carrier may not be there when a claim is filed.

## **MISTAKE 7: NOT UPDATING CERTIFICATES WHEN COVERAGE CHANGES**

If a subcontractor increases or decreases their coverage limits, changes carriers, or adds endorsements during the project, a new certificate should be issued. Request updated COIs annually or whenever you are notified of a policy change.

## **MISTAKE 8: OVERLOOKING CYBER LIABILITY REQUIREMENTS**

As of 2026, an increasing number of commercial contracts now include cyber liability insurance requirements, particularly on projects involving building management systems, smart technology, or sensitive client data. This coverage type does not appear on the standard ACORD 25. If your contract requires it, specify it in writing and request a separate certificate or endorsement confirming cyber coverage.

# STATE-BY-STATE CONSIDERATIONS

Insurance requirements and certificate regulations vary significantly by state. Below are key points for the states where contractors most frequently face specific COI-related requirements.



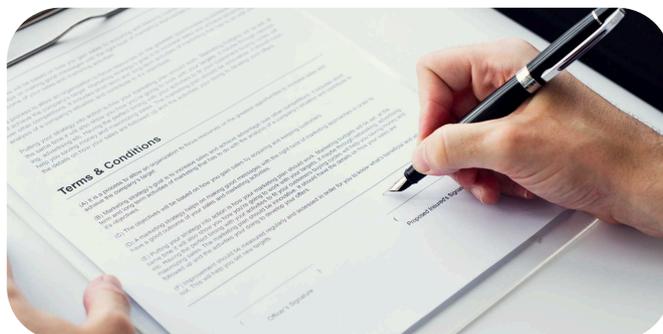
State	Key COI Considerations
<b>California</b>	One of the strictest contractor licensing states. All licensed contractors must maintain GL coverage. Workers' Comp is mandatory for all employees. The state updates its certificate regulations through the CSLB (Contractors State License Board). ACORD forms must meet current state editions.
<b>Texas</b>	Unique in that Workers' Compensation is not mandatory for most private employers. However, many commercial project contracts require it regardless. Contractors bidding on public work must carry it. COIs for TX projects should explicitly note whether the sub has elected Workers' Comp coverage.
<b>Florida</b>	GL is required for most licensed trades. Workers' Comp is required for construction industry employers with one or more employees, a lower threshold than many states. HB 1181 (effective 2025) increased minimum bodily injury auto limits from \$10,000 to \$25,000 per person.
<b>New York</b>	High-litigation state with strict requirements. The ACORD 25 (2025/12) edition has been approved for use in New York. Additional insured requirements on NY projects are frequently more complex and may require project-specific endorsements.
<b>Illinois</b>	Licensed contractors must carry GL. Subcontractors on public projects must provide COIs meeting specified minimum limits. Chicago projects often carry additional municipal requirements beyond state law.

State	Key COI Considerations
<b>Washington</b>	Monopolistic Workers' Comp state. Employers must purchase Workers' Comp through the state fund (L&I). Private Workers' Comp policies are not available for base coverage, though stop-gap employers' liability coverage can be purchased privately. COIs from WA subs will reflect the state fund.
<b>Ohio / North Dakota / Wyoming</b>	Also monopolistic Workers' Comp states. Similar to Washington, subcontractors in these states carry Workers' Comp through state funds rather than private carriers.

For any state not listed here, or for projects involving multi-state work, consult with a Contractors Liability® agent to confirm what coverage and COI requirements apply to your specific project. Regulations change regularly, and keeping your certificates in compliance protects you in every jurisdiction.

# HOW TO REQUEST A COI FROM CONTRACTORS LIABILITY®

Getting your certificate of insurance from Contractors Liability® is straightforward. Here is the process from policy binding to certificate delivery.



## STEP 1: BIND YOUR POLICY

If you do not yet have a policy, start your quote at [contractorsliability.com](https://contractorsliability.com) or call 888-973-0016. Most General Liability policies for standard contractor trades can be quoted and bound in one business day, often the same day.

## STEP 2: REQUEST YOUR CERTIFICATE

Once your policy is bound, your COI is generated and available immediately. You can:

- ▶ **Request online:** Log into the Contractors Liability® client portal at [contractorsliability.com](https://contractorsliability.com) and download your certificate instantly.
- ▶ **Request by phone:** Call 888-973-0016. Our team handles certificate requests seven days a week.
- ▶ **Request by email:** Send your request to [info@contractorsliability.com](mailto:info@contractorsliability.com) with the name and address of the certificate holder and any special requirements (additional insured language, project name, waiver of subrogation, etc.).

## STEP 3: SPECIFY ANY ENDORSEMENT REQUIREMENTS

If the party requesting your certificate also requires additional insured status, a waiver of subrogation, or project-specific language, provide that information when you request the certificate. This ensures the correct endorsements are in place and reflected on the form before you deliver it.

## STEP 4: DELIVER THE CERTIFICATE

Certificates are delivered electronically in PDF format. You can send them directly to clients, GCs, property owners, lenders, or any other party that requires proof of coverage. There is no limit on the number of certificates issued, and there is no additional charge for certificate issuance.

## KEEPING YOUR CERTIFICATE CURRENT

Your COI reflects your coverage at the time of issuance. If your coverage changes, is renewed, or if endorsements are added, a new certificate should be requested and delivered to any parties holding the old one. At Contractors Liability®, we proactively notify you before your policy expires so you can arrange renewal and issue updated certificates without any gaps in documentation.



### TIP

Build certificate delivery into your standard project kickoff checklist. Send your COI with your contract or proposal, require COIs from subs before mobilization, and set a calendar reminder 45 days before your policy expiration to arrange renewal.

# CONCLUSION

A Certificate of Insurance is not just paperwork. In 2026, it is a foundational component of how contracting businesses document accountability, transfer risk, and build professional relationships with clients, general contractors, and project owners.

The construction industry operates in a high-stakes environment where a single uninsured incident can produce a claim that exceeds the annual revenue of a small contracting business. COIs are the documented proof that financial protection is in place at every layer of a project. Requiring them from every subcontractor before work begins, keeping them organized, and maintaining your own certificates current are basic professional practices that every contractor should treat as non-negotiable.

Standardized forms like the ACORD 25 make verification fast and reliable. Digital management tools available in 2026 take the manual burden out of COI tracking entirely. And a knowledgeable insurance partner like Contractors Liability® makes it easy to get your certificates issued, organized, and delivered wherever they need to go.

If your current insurance provider makes it difficult to obtain a certificate, fails to issue ACORD-standard forms, or cannot respond to certificate requests promptly, it may be time to find a provider that specializes in contractors and understands the demands of the industry.



**Set up a 15 min. Appt. and**  
**TALK TO A PRO (Highly Recommended)**



**Instant certificates available. Same-day coverage on most policies**

*Disclaimer: This guide is intended for general informational purposes only. It does not constitute legal or insurance advice, and does not modify any insurance policy terms, conditions, exclusions, or definitions. Coverage is governed by the actual policy issued. ACORD form editions and state regulatory requirements are subject to change. Consult a licensed Contractors Liability® agent for advice specific to your business, state, and project requirements.*



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