

Insurance Certificates in Contract Management

Insurance certificates are a critical part contract management. To improve risk management, contracts often require a party to carry certain insurance policies. The risk management benefits of these provisions are lost unless you track the insurance certificates in addition to the contract.

A new article and video from Berkman Solutions outline steps for managing insurance certificates required in a contract.

“You have carefully allocated risk in contract drafting,: the article says. “It is clear that the other party is responsible for their conduct and any damages your organization suffers. You go the extra step to require that the other party carry relevant liability insurance. In some cases, they must also name you as an additional insured party on their policy.

“The contract is executed. Now what? You add the contract and its expiration date in the contract management spreadsheet. You even collect the insurance certificate at signing.

“What is the problem? The problem is that the insurance certificate expires before the expiration of the contract. It is quite rare that the insurance certificate and the contract share the same time line.”

Read the article and watch the video.