

Definitions of Common Insurance Terms

- **Certificate of Insurance (COI)** – A form that verifies that a policy has been written and states the coverage in general, often used as proof of insurance in contracts.
- **Commercial General Liability Policy (CGL)** – A policy covering a variety of general liability exposures, including Premises and Operations, Completed Operations, Products Liability, and Owners and Contractors Protective Contractual Liability and Broad Form coverage additions
- **Additional Insured** – A person, firm or corporation, other than the named insured on a policy, who is protected against loss by the terms of the Named Insured’s policy. This coverage is typically extended through a policy endorsement, proof of which is evidenced through a Certificate of Insurance. Contrast with “Named Insured.”
- **Workers’ Compensation (WC)** – Mandatory no-fault insurance (i.e., employee does not have to prove employer is negligent) extended to employees injured while in the course of employment. Benefits paid to injured employees or their estates are governed by state statute and may include, but are not limited to, medical expenses, lost wages, permanency/scarring awards, differential/awards for loss of future income, and death benefits.
- **Workers’ Compensation Certificate of Exemption** – Sole proprietors, partnerships, and independent contractors can apply to the State Worker Compensation Board for an exemption. The vendor will receive a certificate of exemption from the board. A vendor with an exemption will personally assume the cost of an on the job injury.
- **Umbrella Liability Policy** – A liability policy that serves as an excess liability policy to one or more primary policies, to extend additional limits, and generally provide broader coverage than is extended by the underlying policies.
- **Professional Liability Insurance** – Liability insurance designed to indemnify professionals, doctors, lawyers, architects, etc., for bodily injury, direct or consequential damage claims arising from the rendering or failure to render professional services.
- **Pollution Liability Coverage Form** – Commercial form providing pollution insurance on a “claims-made” basis, and also including coverage for clean-up costs. Contrast with “Limited Pollution Liability Coverage Form.”