

## INSURANCE

Organizations or locations involved with your fundraising activity may request proof of insurance. Some terms for you to know:

**Certificate of Insurance:** This is a certificate that verifies that certain insurance coverage is in place. It is issued by an insurance agent and/or company.

**Cert Holder:** The person/business/organization who is requesting the Certificate. Such as "City of San Clemente" or "San Clemente Chamber of Commerce."

**Additional Insured:** Most requestors want to be named as "additional insured" which means they are being included in the insurance coverage to have the same protection as the policyholder. This is usually acceptable when they are named as respects a specific event. For more on this subject, see below.

When you receive a request for a Cert or to name someone as Additional Insured, please provide the following information:

-- Name and address of Cert Holder

--Description of the relevant activity including date, such as:

Face Painting Booth at San Clemente Fiesta Street Festival, 08/10/03

Monte Carlo Night on October 18, 2003

### **Important Note Regarding Alcohol:**

Our insurance does **not** cover the selling or serving of alcohol. If you have an event where you would like to include serving alcohol, a quote for this additional coverage would have to be obtained and the cost would have to be incurred by the Ancillary Club. The best way to avoid this issue is to have a "sponsor" to your event, such as a restaurant that will be in charge of serving the alcohol and would have the necessary coverage and liquor license in place.

### **More on "Additional Insured:"**

The addition of an entity as an additional insured to another party's liability insurance is a well-recognized and commonly employed risk management technique. Additional insureds usually have their own primary liability insurance, but sometimes are appropriately included under other policies to specifically cover certain premises or operations. There are several reasons why we get requests to include other entities as additional insureds.

1. The additional insured endorsement serves as a backup to contractual transfers of liability (e.g., hold harmless/indemnity agreements). Usually, additional insured requirements are in addition to, rather than in place of, contractual agreements.
2. The additional insured has direct rights under the policy (as opposed to reimbursement for defense costs and financial obligations after the fact).
3. The presence of an additional insured endorsement usually prohibits the insurance company from subrogating even in cases where the loss is caused by the additional insured's negligence. Generally the company will not seek recovery against one of their insureds.