Using Contracts to Protect Your Business: Certificates of Insurance, Hold Harmless and Indemnification Agreements

As a business owner, you know the importance of relationships with outside contractors and experts who help your business run smoothly. To learn more about protecting your business in these relationships, check out these brief insurance explanations.

Certificate of Insurance
When entering a contract with another party, a certificate of insurance—which provides businesses with proof of their insurance coverage and limits—should be acquired first. This insurance protects businesses if a claim is filed and the business is found liable.

Be wary of businesses or contractors that have inadequate insurance coverage.

Liability Limits
Liability limits are a part of the certificate of insurance that determines how much coverage is enough for the service you are hiring.

Additional Insured
Take steps to stay up to date on your certificate of insurance by asking to be notified when the policy is being changed or cancelled.

Ask to be listed as an additional insured on the contractor's policy.

Hold Harmless and Indemnification Agreements
When properly written, these agreements place full responsibility on one party in the agreement. These have a dangerous amount of power, so always read the full document carefully and contact legal counsel.

Require a certificate of insurance and being named as an additional insured on the contractor's insurance policy.

Take precautions when renting out space in your building, when a contractor is working on your site and when hiring a delivery service.

The guidelines above are recommendations from Society Insurance based on our company expertise in the markets we serve. Society's team of risk control experts takes a collaborative approach to help business owners avoid catastrophic losses, and keep their customers, employees and businesses protected. For more helpful insurance tips, visit societyinsurance.com

Interview No-Nos
You don't need a degree in negotiation to successfully navigate an interview. Mostly, it means not saying things that are akin to shooting yourself in the financial foot. Here are three phrases likely to sabotage any chance of getting paid what you think you deserve:

“What does this position typically pay?”
Whatever. Stay focussed on what you can bring, and then explain your value to hit a price.

“Yes, that sounds good.”
Maybe, but negotiate or find yourself working for less.

“...but I'm flexible on that.”
You might be, but make your case and if they can't come closer, ask about bonuses or stock options that might be on the table.