



## Town of Clayton Insurance Requirements FAQ

### **Q: What are the general requirements?**

A: When renting/reserving a property owned by, or when doing work for, or providing services to the Town of Clayton, a Certification of Liability Insurance, listing the Town of Clayton as a Certificate Holder, and being named as additional insured, is required. A Certificate of Insurance is a document detailing available liability coverage.

### **Q: Where would we get this insurance?**

A: Most businesses and organizations purchase “commercial general liability insurance,” while individuals purchase “personal liability” coverage. It can be through your homeowner’s, condo unit owner’s, or renter’s insurance policy. Your insurance agent or carrier can provide the required certificate if you are a business or non-profit organization and you purchase commercial general liability insurance. If you are an individual not related to a business or non-profit organization, your agent may provide a copy of the “policy declaration page” showing personal liability coverage. Non-profit organizations can typically get coverage from their local, regional or national office. If you do not already have this coverage, or have insufficient coverage, insurance can be purchased for your particular needs from most insurance agencies.

### **Q: Will this cost me anything?**

A: If you have an existing policy with sufficient coverage, there should be no cost to provide the necessary certificate. Policies created just for this reservation can vary in cost.

### **Q: Why is this required?**

A: When the Town allows a business/individual to use its property, or supplies goods or services to the Town, the Town must be protected against claims against the Town that arise out of the negligence of these third parties.

### **Q: How much insurance must we have?**

A: For large gatherings sponsored by businesses/organizations, the insurance must have minimum liability limits of \$1,000,000 per occurrence, \$2,000,000 aggregate, and MUST name the Town of Clayton as an additional insured. For large private gatherings, a general liability insurance certificate with the terms as outlined above or a Special Event Policy with the same terms must be provided. For small, private gatherings, either a Special Event Policy as outlined above or proof of a homeowner’s or renter’s insurance policy with a minimum liability limit of \$1,000,000 is required.

### **Q: Isn’t \$1,000,000 a lot of coverage to require?**

A: \$1,000,000 is the standard liability coverage by municipalities. In today’s climate of frequent lawsuits and the high cost of health care, even \$1,000,000 might not cover all costs.

### **Q: Why must the Town be a “Certificate Holder”?**

A: In the event that the insurance coverage should be changed or discontinued, the Town would be notified, as a Certificate Holder, that it may not be protected under this policy, giving it time to take measures to adequately protect itself.

### **Q: What does “additional insured” mean?**

A: The Town of Clayton will be insured by your policy for this particular reservation, just as you are. If someone taking part in your activities files a claim against the Town for injuries arising out of participation and/or involvement with your event/contract, your insurance will respond to defend the Town and pay damages if the Town is found negligent.

### **Q: When must the policy be effective?**

A: The policy must be effective during the time the event takes place, or goods/services are delivered. For certain services, coverage may need to be carried for an additional period of time to be specified.