



## What is an Acord Insurance Certificate?

An **ACORD certificate** is **proof** that you have the amount and kind of liability **insurance** the client requires for the project. An **ACORD certificate** may also be requested by a bank or mortgage company for a property they hold the mortgage on, or by an equipment leasing company when they lease equipment for a project.

### What Does Acord Stand For?

Many people wrongly assume that ACORD is a type of insurance or a company that sells insurance. It's actually neither.

The Association for Cooperative Operations Research and Development (ACORD) is an international nonprofit organization that was created in the 1970s by a group of companies that believed that the insurance business needed a way of standardizing forms.

Before standardized forms were agreed on, every insurer had their own policy forms, which made life confusing for agents, brokers, and anyone who purchased business insurance.

ACORD was then authorized to create forms that everyone in the insurance industry would use in order to introduce standardization and make everything less chaotic. That's how the ACORD certificate of insurance was born.

The organization developed industry standards for data acquisition and use that have become industry standards adopted by hundreds of insurers from all around the globe, including almost 90% of property and casualty insurers in the U.S.

And while ACORD does have other projects, it is most well known for the development and distribution of reusable insurance industry forms. If a document meets ACORD's standards, you'll see "ACORD" stamped on the top left corner of the document.

The most popular and commonly requested COI is the ACORD 25, which provides evidence of liability insurance, such as general liability, workers compensation, professional liability, and more.

Additionally, ACORD monitors changes that states make to their regulations regarding insurance and how it must be evidenced to comply with state laws. The principle advantage and value of using an ACORD form is that the organization has already done that due diligence and so relying on the form versus any other format ensures compliance so long as the most recent approve ACORD form is used.

