



THIRD PARTY VENDORS

When a parish, school, or diocesan institution hires the services of outside firms to perform tasks or to provide services, those firms must be adequately insured. If they are not, then the hiring institution could be held legally liable for the vendor's actions. For example:

St. Mary contracts with FBN Roofing to replace the roof. They bid the job so low that the parish council already spent the reserve. FBN is uninsured but no one inquired. One of FBN's employees falls from the roof and lands on one of our four-year-old preschoolers. Since FBN has no insurance, we cannot be assured that they will cover the injuries to our preschooler. Further, FBN did not carry Workers' Compensation coverage. Now we have to pay damages to the employee who fell from the roof. On the way down, the employee hit the electrical line and shorted out the service which started a fire in the sanctuary. Too bad FBN did not have coverage. Now we have to rebuild the church with diocesan funds. What looked to be a bargain turned into a catastrophic loss that ended up being paid by the diocese and parish.

How do we protect our funds from these mishaps? Simple. For every contractor, vendor, or service company performing work or services, we must make certain that they are adequately insured and that they will indemnify our parish and diocese in the event of accident, injury, or property damage occurring out of their negligence.

For those third party vendors, and persons using our facilities; i.e., ride and amusement companies or outside athletic groups using our fields, obtain a certificate of insurance from them naming your parish, (Arch)Diocese and (Arch)Bishop as "additional insureds". The recommended minimum limits of coverage acceptable to us from third party vendors is:

\$1,000,000 per occurrence for general liability
\$2,000,000 in the Archdiocese of Detroit
Statutory for workers' compensation

If at any time you have questions relative to the operation of the Protected Loss Fund Program or the information above, contact the Risk Management Department at the Michigan Catholic Conference (1-800-395-5565 or 517-372-9310).