

[Date]  
[Client Name]  
[Client Address]  
[City, State, Zip Code]

**Subject: Explanation of Primary and Non-Contributory Endorsement**

Dear [Client Name],

We are providing this letter to explain the Primary and Non-Contributory endorsement added to your insurance policy, as requested for your upcoming contract with [Name of Third Party/Additional Insured].

**What is a Non-Contributory Endorsement?**

This endorsement changes the order in which different insurance policies respond to a claim. It consists of two main components:

- **Primary:** Your insurance policy will be the first to respond to a claim resulting from your work. It will pay out before any other available insurance policies.
- **Non-Contributory:** Your insurance provider will not seek a contribution from the other party's insurance policy for payment of the claim. This protects the other party's loss history and policy limits.

**Why is this required?**

Most commercial contracts require this endorsement to ensure that if a loss occurs due to your operations, your insurance handles the financial burden entirely, rather than shifting part of the cost to the client's or general contractor's policy.

Please find the attached certificate of insurance reflecting this endorsement. If you have any questions regarding your coverage limits or policy terms, please contact our office.

Sincerely,

[Your Name/Agent Name]  
[Your Agency Name]  
[Phone Number]