

## I. IS THAT COVERED?

What is an additional insured?

Let's say that Landlord owns a commercial warehouse and leases it to Tenant Company. Landlord maintains property insurance for the building itself, but, in the lease, it requires Tenant Company to obtain commercial liability coverage and to add Landlord as an "additional insured" under the liability policy.

The Landlord is happy because it has liability coverage without having to pay for its own policy. But, is being an "additional insured" the same as being a named "insured" under the policy?

The answer is **NO**.

Generally, additional insured coverage protects Landlord from claims arising from the conduct of Tenant Company only, not from claims that the Landlord caused Plaintiff's harm. For instance, if a customer of the Tenant slips and falls in a common area of the building under the control of Landlord, and sues Landlord for improper maintenance, the standard additional insured endorsement would not provide a defense to Landlord, nor indemnify Landlord for any settlement or judgment.

There are other issues that Landlord should be aware of when dealing with additional insured coverage. Please give us a call if you need assistance in working through this type of issue.

The SAS Insurance Group helps clients understand their insurance coverage, submit claims, and, where appropriate, sues insurance companies for failing to honor legitimate claims.