

Risk Management and Insurance Provisions – Avoiding Problems in Commercial Real Estate Leases

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Brent Winans, CPCU, ARM is Vice President of Clear Advantage Risk Management, a division of the Plastridge Agency. As a former VP of Risk Management for an international company, Brent provides fee-based risk management and insurance consulting services to mid-sized firms.

Brent has served many diverse companies as either their corporate risk manager or as their risk management consultant. Examples are:

- The Colorado Rockies Baseball Team
- The world's largest broker of enriched uranium (fuel for nuclear power plants)
- A potato flake manufacturing company in Siberia
- Gold and uranium mining operations in Australia, Africa and the United States
- A workers compensation self insurance pool for 15,000 public school employees
- Large commercial real estate owners, both nationally and in South Florida

He also serves as an expert witness on insurance agents' errors and omissions claims (both for plaintiffs and defendants) and in other insurance related litigation.

Brent is a past instructor for the Associate in Risk Management designation. He has published articles in *Business Insurance*, *The Risk Report*, *International Risk Management Institute Insights*, *The CSR Advisor*, *Risk Management Magazine* and Florida Tax Watch's *Ideas in Action*.

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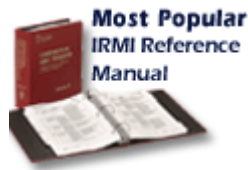
Recommended Resource

Contractual Risk Transfer

by International Risk Management Resource

Reference At-A-Glance

Assure Your Contracts Include the Proper Protection



Authors: Patrick J. Wielinski, [W. Jeffrey Woodward](#), and [Jack P. Gibson](#)

Published & Regularly Updated: Since 1995

Pages: More than 1,600 in print

Supplemented Quarterly or available online

Includes: [Executive Briefings](#) and several [Bonus Publications](#)

Description

Contractual Risk Transfer is a one-of-a-kind reference to help you draft rock solid risk transfer and insurance clauses for construction contracts, leases, purchase orders, rental agreements, oil and gas drilling and production contracts, and many other contractual agreements.

It empowers contract drafters with model clauses using up-to-date insurance terminology rather than the ambiguous and archaic language so often seen in agreements copied from work done many years ago. Discussions and summaries of state statutes affecting contractual indemnity help you assure that hold harmless clauses will be enforceable.

Contractual Risk Transfer also provides detailed discussions and advice with respect to using or requiring an additional insured endorsement, waiver of subrogation, contractual liability coverage, cross-liability coverage provision, mortgagee or loss payee clause, owners and contractors protective liability insurance, and other types of insurance to cover contractually assumed risks.

More information at: <http://www.irmi.com/products/store/contractual-risk-transfer.aspx>

Section

Sample Insurance Requirements for Real Estate Leases

SAMPLE INSURANCE REQUIREMENTS FOR REAL ESTATE LEASES – from IRMI's *Contractual Risk Transfer*

Following are sample insurance provisions for real estate leases reproduced from the International Risk Management Institute's *Contractual Risk Transfer*, a reference source I highly recommend for those drafting and reviewing real estate leases. Obviously, to access the sections which are mentioned in the drafting notes column, you must subscribe to the publication. These sample provisions were first published in April, 2001, and I have made notes, current as of November 2011, where updating is needed.

General Insurance Provisions

Requirement	Drafting Notes, Tips, and Text Cross-References
1.9.a Evidence of Insurance. Prior to taking occupancy, Tenant shall furnish W.R. Buildings with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above.	1.9.a and 1.9.b are mutually exclusive. Use 1.9.a if the standard ACORD form certificate will be accepted. Use 1.9.b if a manuscript form will be required. See sections XIV.B and XV .
1.9.b Evidence of Insurance. Prior to taking occupancy, Tenant shall furnish W.R. Buildings with a completed copy(ies) of Buildings' certificate of insurance form, attached as exhibit A, executed by a duly authorized representative of each insurer, showing compliance with the requirements set forth above.	1.9.a and 1.9.b are mutually exclusive. Use 1.9.b if a manuscript form will be required. Manuscript certificates are not acceptable to many insurers, and they may even be in violation of insurance regulations in some states. Use 1.9.a if the standard ACORD form certificate will be accepted. See sections XIV.B and XV .
1.9.1 All certificates shall provide for 30 days' written notice to Buildings prior to the cancellation [or material change] of any insurance referred to therein. <i>Brent's note – this provision is no longer applicable because of the change in ACORD certificates. I suggest instead, "In the event that any coverage required by this lease is cancelled, non-renewed or materially changed, the lessee must provide written notice to the lessor within three business days of the date it received notice of such impending change." For more on this</i>	Words in brackets may be inserted to create a slightly more demanding provision. Some drafters go even further and require notice of an intent not to renew the policy. The ACORD form applies only to cancellation notice, and the material change or intent to not renew requirements would necessitate modifying it. Many insurers will not comply with these requirements. See sections XIV.B and XV .

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<i>see my article at http://workerscompgazette.com/new-acord-certificate-of-insurance-creates-new-challenges-for-insureds/issue</i>	
1.9.2 The words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted from the certificate form's cancellation provision. <i>Brent's note – no longer applicable. See above.</i>	This clause would only be used if the ACORD certificate form will be accepted (a manuscript form would generally not include this clause in the first place). Many insurers will not agree to comply with this requirement, and it may even be in violation of insurance regulations in some states. See sections XIV.B and XV.
1.9.3 Failure of Buildings to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Buildings to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance.	This provision is attempting to avoid having the certificate holder's failure to either require a certificate or to discover noncompliance with a contract requirement prejudice its claim for breach of contract. See section XVI.
1.9.4 Failure to maintain the required insurance may result in termination of this Lease at Buildings' option.	Clauses 1.9.4 and 1.9.5 establish enforcement options for the certificate holder. Other types of contracts may allow other punitive measures, such as withholding payments or denying access to the premises.
1.9.5 If Tenant fails to maintain the insurance as set forth herein, Buildings shall have the right, but not the obligation, to purchase said insurance at Tenant's expense.	
1.9.6 Tenant shall provide certified copies of all insurance policies required above within 10 days of Buildings' written request for said copies.	This clause preserves the right to obtain policies in the event they are needed, but most indemnities would not routinely request them. See sections XIV.B and XVI.
1.9.7 All required insurance shall be placed with insurers acceptable to Buildings.	See section XIV.B.
1.10 No Representation of Coverage Adequacy. By requiring insurance herein, Buildings does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Buildings in this contract.	This clause may be inserted in an attempt to avoid a court interpreting the required insurance as a limitation on the indemnity scope or as a warranty of coverage adequacy.
1.11 Cross-Liability Coverage. If Tenants' liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.	Most liability policies contain this clause. It preserves coverage for liability one insured may have to another insured. When the clause is included in the basic policy form, there is no need to require an endorsement to effect cross-liability coverage. See sections XIV.B and XI.C.

CGL and Umbrella Liability Insurance

Requirement	Drafting Notes, Tips, and Text Cross-References
1.0 Tenant shall obtain insurance of the types and in the amounts described below.	
1.1 Commercial General and Umbrella Liability Insurance. Tenant shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$X,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this location.	Requiring general and umbrella liability insurance together allows the insurance purchaser to choose the best combination of primary and excess limits to meet the total limits requirement. See section XIV.C .
1.1.1 CGL insurance shall be written on ISO occurrence form ~~CG 00 01 01 96~~ (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. <i>Brent's note: the current ISO form for an occurrence CGL is CG 00 01 12 07.</i>	This requires the January 1996 edition ISO form, and the requirement would need periodic updating as the industry introduces newer versions (as an alternative, drop the "01 96" from the form number, but this will allow older versions to qualify). The requirement that any substitute form provide equivalent coverage should be interpreted to mandate the attachment of a broad form CGL endorsement if the substitute is a 1973 edition CGL. For a more demanding provision, the phrase allowing purchase of substitute coverage may be eliminated. See section XIV.C .
1.1.2 Buildings, Inc. shall be included as an insured under the CGL, using ISO additional insured endorsement CG 20 11 or a substitute providing equivalent coverage, and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to Buildings, Inc. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.	This approach clearly communicates the intent for the tenant's insurance to be primary. At the same time, it requires an endorsement only when the policy does not already state that it is primary. (In most cases, an endorsement is unnecessary since the standard CGL applies as primary insurance.) The provision further prohibits the other party from modifying insurance that already purports to be primary, to be excess. See sections XIV.C and XI .
1.1.3 There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from pollution or employment-related practices. <i>Brent's note: This provision is unrealistic. No CGL policies are being issued without</i>	This optional provision is demanding and will frequently require exceptions. It is primarily for contracts involving high hazard activities. The "total pollution exclusion" is often endorsed on CGL policies to eliminate what little pollution coverage they provide. The employment-related practices exclusion is also commonly imposed

<i>restrictions in these two areas. The best that can be hoped for are limited restrictions.</i>	and will generally not be removed by an underwriter to comply with a contract.
1.2 Waiver of Subrogation. Tenant waives all rights against Buildings and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to paragraph 1.1 of this agreement.	When additional insured status is required, as is the case if clause 1.1.2 is included, there is little need for this waiver because an insurer may not subrogate against its own insured. About all this achieves is to prevent subrogation against agents, officers, directors, and employees, which is unlikely to occur in any case. See sections XIV.C and V .

Pollution Legal Liability Insurance

Requirement	Drafting Notes, Tips, and Text Cross-References
1.1 Tenant shall purchase and maintain in force for the duration of the lease insurance for pollution legal liability applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims; all in connection with any loss arising from the insured facility. Coverage shall be maintained in an amount of at least \$_____ per loss, with an annual aggregate of at least \$_____.	The landlord might require the purchase of this coverage if the tenant's operations involve the use of pollutants, for protection against the possibility of being named or drawn into a suit against the tenant. This also would provide the landlord with a secure source of recovery in the event of pollution damage to the premises. The coverage provisions of most pollution legal liability policies currently written by major insurers in this line include all the stipulated coverages of paragraph 1.1. Nonetheless, the contract should make clear that coverage must extend to both bodily injury <i>and</i> property damage, and must be applicable to cleanup costs.
1.2 Coverage as required in paragraph 1.1 shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.	Pollution legal liability coverage written by major insurers in this field will provide coverage on this basis. Any language tying coverage to a "sudden" release of pollutants should be avoided.
1.3 If coverage as required in paragraph 1.1 is written on a claims-made basis, Tenant warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this lease; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of ____ years beginning from the time that work under this contract is completed.	See section XIV.T .
1.4 Buildings, Inc. shall be included as an insured under the pollution legal liability	This requirement clearly communicates the intent for the tenant's insurance to be primary

insurance policy. The policy shall be primary with respect to Buildings as the additional insured.	over any pollution legal liability insurance purchased by the landlord. See section XI .
1.5 Waiver of Subrogation. Tenant waives all rights against Buildings and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the pollution legal liability insurance maintained pursuant to paragraph 1.1 of this agreement.	When additional insured status is required, as is the case if clause 1.4 is included, there is little need for this waiver because an insurer may not subrogate against its own insured. About all this achieves is to prevent subrogation against agents, officers, directors, and employees, which is unlikely to occur in any case. See section V .

Commercial Automobile and Umbrella Liability Insurance

Requirement	Drafting Notes, Tips, and Text Cross-References
1.0 Tenant shall obtain insurance of the types and in the amounts described below.	
1.2 Automobile and Umbrella Liability Insurance. Tenant shall maintain automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$X,000,000 each accident.	Requiring auto and umbrella liability together allows the insurance purchaser to choose best combination of primary and excess limits to meet the total limits requirement. See section XIV.B .
1.2.1 Such insurance shall cover liability arising out of any auto (including owned, hired, and nonowned autos).	If the tenant owns no vehicles, the auto underwriter may not agree to cover liability arising from "any auto." In such a case, coverage for hired and nonowned autos should be acceptable. See section XIV.D .
1.2.2 Coverage as required in paragraph 1.2 above shall be written on ISO form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.	This requirement may be satisfied with any edition of the standard ISO business auto policy form. The most significant change in the business auto policy in the past decade has been the inclusion of contractual liability coverage. Therefore, any edition of the form should suffice as long as it provides this coverage. One exception to this is in Virginia, where auto contractual liability coverage is provided in the CGL rather than the auto policy. See sections XIV.D and X.D . For a more demanding provision, the phrase allowing purchase of "substitute coverage" could be eliminated.
1.2.3 Pollution liability coverage at least as broad as that provided under the ISO pollution liability—broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act	Require this coverage only when the tenant's operations warrant it, such as with a hazardous waste hauler. (Some state amendatory endorsements delete the pollution exclusion in the auto policy.) See section XIV.D .

endorsement (MCS 90) shall be attached.	
1.2.4 Physical damage coverage, including collision and comprehensive coverage, shall be included.	Sometimes landlords will require physical damage coverage (along with a waiver of subrogation) in premises lease agreements to reduce their exposure to claims for damage to vehicles parked on the premises, but it will often be necessary to waive such a requirement. If included in a premises lease, do not impose a maximum deductible. See section XIV.D .
1.2.5 Tenant shall maintain garage insurance under terms equivalent to those of ISO form CA 00 05. Insurance as required by this paragraph 1.2.6 shall include coverage of the liability of Tenant for property damage to vehicles and vehicle equipment while in the care, custody, or control of Tenant. (garagekeepers insurance). This coverage shall apply to losses caused by collision and comprehensive perils.	This coverage should be required only when the tenant's business involves selling, servicing, or storing autos. For such businesses, garage insurance generally serves as a combination CGL and automobile liability policy.
1.3 Waiver of Subrogation. Tenant waives all rights against Buildings and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by Tenant pursuant to Paragraph 1.2 of this Agreement [or under any applicable auto physical damage coverage].	This provision waives subrogation with respect to the auto liability coverage required under the contract. It can be extended to any applicable comprehensive or collision coverage by adding the phrase shown in brackets. See sections XIV.D and V .

Workers Compensation and Employers Liability Insurance

Requirement	Drafting Notes, Tips, and Text Cross-References
1.0 Tenant shall obtain insurance of the types and in the amounts described below.	
1.4 Workers Compensation Insurance. Tenant shall maintain workers compensation and employers liability insurance.	
1.4.1 The commercial umbrella and/or employers liability limits shall not be less than \$X,000,000 each accident for bodily injury by accident or \$X,000,000 each employee for bodily injury by disease.	This approach allows the insurance purchaser the flexibility to select the best combination of primary and excess limits to meet the total requirement. Sequencing "umbrella" before "employers liability" in the sentence allows the use of "and/or" in the sentence. See section XIV.B .
1.5 Waiver of Subrogation. Tenant [Lessee, Vendor] waives all rights against Buildings and its agents, officers, directors,	This provision will prevent the tenant's insurer from instituting subrogation against the landlord or from enforcing a lien against an injured employee's claim.

and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability or commercial umbrella liability insurance obtained by Tenant pursuant to Paragraph 1.4 of this agreement. Tenant shall obtain an endorsement equivalent to WC 00 03 13 to affect this waiver.	See sections XIV.E , V.C , and V.D .
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Commercial Property Insurance

Requirement	Drafting Notes, Tips, and Text Cross-References
1.0 Tenant [Landlord] shall obtain insurance of the types and in the amounts described below.	This example is a lease agreement in which the tenant is responsible for insuring the building. Words in brackets may be substituted for the preceding word.
1.5 Commercial Property Insurance. Commercial property insurance covering the building, fixtures, equipment, tenant improvements and betterments.	The property insurance requirement recognizes the proliferation of policy forms used in the marketplace and does not require a particular standard form. See section XIV.P .
1.5.1. Commercial property insurance shall, at minimum, cover the perils insured under the ISO special causes of loss form (CP 10 30) [ISO broad causes of loss form (CP 10 20)].	To specify all risk coverage, require CP 10 30. To specify a broad named perils policy, require CP 10 20. See section XIV.P .
1.5.2 Flood coverage with a limit equal to the full replacement cost of the building shall be provided. This requirement is subject to annual review and modification in recognition of changes in the insurance marketplace. [1.5.2 Flood coverage with a limit as close to the full replacement cost of the building as is reasonably available shall be provided.]	Neither named peril nor all risk policies cover flood unless specifically endorsed to do so. Depending on the value of the property, its location, and the condition of the insurance marketplace, full replacement cost coverage for this peril may not be available. This requirement simply recognizes the need for periodic reviews. Instead of indicating full replacement cost, another approach would be to insert a specific dollar amount and make it subject to annual review. Where the owner of the building is agreeing to cover the building on behalf of its tenant, a provision such as the one in brackets providing even more flexibility may be appropriate. See section XIV.P .
1.5.3 Earthquake coverage with a limit equal to the full replacement cost of the building shall be provided. This requirement is subject to annual review and modification in recognition of changes in the insurance marketplace. [1.5.3 Earthquake coverage with a limit as close to the full replacement cost of the building as is	Neither named peril nor all risk policies cover earthquake unless specifically endorsed to do so. Depending on the value of the property, its location, and the condition of the insurance marketplace, full replacement cost coverage for this peril may not be available. This requirement simply recognizes the need for

reasonably available shall be provided.]	periodic reviews. Instead of indicating full replacement cost, another approach would be to insert a specific dollar amount and make it subject to annual review. Where the owner of the building is agreeing to cover the building on behalf of its tenant, a provision, such as the one in brackets, providing even more flexibility may be appropriate. See section XIV.P.
1.5.4 Commercial property insurance shall cover the replacement cost of the property insured.	Replacement cost coverage is generally recommended on buildings, but actual cash value or some other valuation basis will sometimes be acceptable. See section XIV.P.
1.5.4.1 The amount insured shall equal the full estimated replacement cost of the property insured [except as provided in paragraphs 1.5.2 and 1.5.3 with respect to flood and earthquake coverage].	Insurers will typically require a minimum limit of 90 percent of replacement cost (80 percent of actual cash value), but it may be in the property owner's best interest to require insurance at 100 percent of value. If lower values for flood or earthquake will be allowed, insert an exception to this requirement as shown in the brackets. See section XIV.P.
1.5.4.2 Any coinsurance requirement in the policy shall be eliminated through the attachment of an agreed amount endorsement, the activation of an agreed value option, or as is otherwise appropriate under the particular policy form.	This should be available, particularly if insurance equal to 100 percent of value is required. See section XIV.P.
1.5.5 Landlord shall be included as an insured under the commercial property insurance.	Since someone other than the owner of the building is insuring the building, the owner should be named as an insured to secure its rights to loss payments. Where a lease requires the owner/landlord to insure the building, the tenant would not normally be included as an insured. See sections XIV.P and XI .
1.5.6 Tenant may, at its option, purchase business income, business interruption, extra expense or similar coverage as part of this commercial property insurance, and in no event shall Landlord be liable for any business interruption or other consequential loss sustained by Tenant, whether or not it is insured, even if such loss is caused by the negligence of Landlord, its employees, officers, directors, or agents.	The Landlord is simply protecting itself from possible liability to the tenant for consequential loss. If the Landlord had a substantial interest in the ongoing viability of the tenant's business (e.g., in a joint venture agreement), it might actually require business income coverage. See section XIV.P.
1.5.7 Tenant may, at its option, purchase insurance to cover its personal property. In no event shall Landlord be liable for any damage	The Landlord is simply protecting itself from possible liability to the tenant for damage to the tenant's property. See section XIV.P.

to or loss of personal property sustained by Tenant, whether or not it is insured, even if such loss is caused by the negligence of Landlord, its employees, officers, directors, or agents.	
1.6 Boiler & Machinery Insurance. Boiler and machinery insurance covering the building, fixtures, equipment, tenant improvements and betterments, and tenant's personal property for loss or damage caused by the explosion of steam boilers or similar equipment.	This example assumes the primary exposure is from boiler explosion. In some cases, other exposures (e.g., equipment breakdown) will necessitate requiring this coverage. See section XIV.P .
1.7 Waiver of Subrogation. Landlord and tenant hereby waive any recovery of damages against each other (including their employees, officers, directors, agents, or representatives) for loss or damage to the building, tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance or boiler and machinery insurance required above.	This is a mutual waiver of subrogation in favor of the Landlord and Tenant. Since they are both insureds under the policy, this may not be necessary (except to avoid subrogation against their employees or others), but including such a provision is still prudent. When multiple Tenants will occupy the building, consider having them waive rights against each other as well.
1.7.1 If the commercial property insurance and boiler and machinery insurance purchased by Tenant as required above do not allow the insured to waive rights of recovery against others prior to loss, Tenant shall cause them to be endorsed with a waiver of subrogation as required above.	Most property and boiler and machinery policies permit waivers of subrogation entered prior to loss. However, including a provision such as this will cover the contingency that the policy purchased does not.
1.8 Deductible. Any deductibles applicable to the commercial property or boiler and machinery insurance purchased in compliance with paragraph 1.5 or 1.6 shall be approved by Landlord, and Tenant shall pay to Landlord any amount in excess of \$_____ not insured because of the deductible. <i>Brent's note: in hurricane prone areas such as Florida, provisions for wind "named storm" deductibles will usually need to be specified separately, taking into account that deductibles of 5% of the total insured value are common and deductibles of less than 2% of the total insured values are nearly impossible to obtain. Care should be taken to specify that the combined deductibles of all buildings and all coverage sections will not total more than the lessee can realistically pay.</i>	Property insurance requirements should set out the method by which deductibles will be allocated between the parties. There are many approaches that may be taken. Since in this example the owner of the building is requiring another party to insure it, the building owner is setting a maximum deductible amount. The tenant may, with the landlord's approval, purchase insurance with a higher deductible, but will be required to reimburse the landlord for the difference.

IRMI publication date: January 2001

Section

Sample Insurance and Indemnification Checklist for Real Estate Leases

REAL ESTATE LEASE REVIEW

Contract:

Parties:

Reviewed by:

Date Reviewed

The contents of this review are not intended as legal advice. All recommendations should be reviewed by qualified legal counsel.

Provisions	Comments (recommendations for changes in bold)
INDEMNIFICATION PROVISIONS	
☐ Each party indemnifies the other except “to the extent that any such claim results from the gross negligence or willful misconduct of” the Other or the Other Party.	
☐ Provision specifies types of risks to which it applies	
☐ Provision identifies any additional indemnities (eg., officers, directors, shareholders, etc.)	
☐ Provision preserves equitable indemnity rights	
☐ Provision specifies indemnification not limited by workers compensation benefits	
☐ State law restrictions/requirements checked	
☐ Savings clause makes provision applicable "to the fullest extent permitted by law"	
INSURANCE REQUIREMENTS	
☐ Workers Compensation	
Employers liability limits:	
BI by accident \$	
BI by disease/policy \$	
BI by disease/employee	
☐ Commercial General Liability	

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\$ Combined single limit	
☐ Additional insured status	
☐ Other requirements	
☐ Automobile Liability	
☐ Umbrella/Excess Liability (if necessary to meet liability limit requirements)	
☐ Pollution Legal Liability	
☐ Commercial Property Insurance	
☐ Equal to 100% replacement cost	
☐ Tenant's improvements and betterments	
☐ Replacement cost valuation	
☐ "All risk" coverage	
☐ Flood coverage	
☐ Earthquake coverage	
☐ Other requirements	
☐ Boiler and Machinery Insurance	
☐ Evidence of Insurance	
☐ ACORD certificate of insurance with modifications	
☐ Other requirements	
☐ Acceptability of Insurance	
☐ Right to reject unacceptable insurers	
☐ Other requirements	
☐ Insurance Deductibles	
☐ Right to approve or disapprove deductible amounts in required policies	
WAIVERS OF SUBROGATION	
☐ Commercial General/Umbrella Liability Insurance	
☐ Auto Liability Insurance	
☐ Workers Compensation Insurance	
☐ Commercial Property Insurance	

Additional Items to Check (Not from International Risk Management Institute)	
☐ Are insurance, indemnification, exculpatory and waiver of subrogation provisions consistent throughout the lease?	
☐ Do insurance, indemnification, exculpatory and waiver of subrogation provisions conflict with each other? (For example, do provisions holding the tenant responsible for negligence make exceptions in keeping with the waiver of subrogation provisions?)	
☐ Is consistent language used to describe the types of insurance required?	
☐ Is the same party that is responsible for the damage responsible for the insurance (example – leasehold improvements)?	
☐ Are the insurance requirements obtainable in the current insurance marketplace?	
☐ Are the insurance requirements contemporary?	