

CONTRACTUAL RISK TRANSFER FOR LANDLORDS

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INTRODUCTION

Your business may be at risk of loss due to the actions of your tenants and contractors with whom you do business. The following losses are just two examples of how landlords were held responsible when they failed to protect themselves.

1. A landlord/owner of a strip mall leased space to a beauty salon. The lease contained a Hold Harmless and Indemnity Clause, as well as a provision to name the landlord as an Additional Insured on the tenant's General Liability Policy. The lease stated the tenant was responsible for ice and snow removal from the sidewalks adjacent to this rental space. An elderly customer of the salon slipped and fell on the icy sidewalk when entering the salon which resulted in a hip fracture. The customer sued the salon and landlord. It was found that the landlord did not verify the renewal of the Certificate of Insurance or W K D W they had

been added as an Additional Insured on the tenancy (9)

require a written, signed contract prior to the start of

the project. The contractor began the job on a windy



Contract, no Hold Harmless Agreement, no Indemnification Agreement, and no Additional Insured Endorsement on a Certificate of Insurance to confirm coverage, the landlord and their insurance company were held fully responsible for the repair of customer vehicles.

Transferring risk through written signed contracts is an important part of a thorough risk management program for building owners and landlords. Examples of services which should have written contracts include but are not limited to: custodians, floor cleaning, HVAC, pest control, painting, building maintenance, parking lot maintenance, security, and snow removal, etc.

Contractors completing service or other work on your premise present liability exposures to your employees, tenants, patrons, your property, and the property of others. In order to protect your business we recommend having legal counsel review all contracts, purchase orders, lease agreements, and other formal/informal documents you sign in connection with work on your property.

It is a good idea to pre-select emergency services contractors to ensure they meet all of your risk transfer program requirements. You can then use a master contract agreement which will continually be in force for the designated period of time. It is also a good idea to designate a contract administrator to monitor all contracts and certificates of insurance.

WHAT SHOULD I LOOK FOR IN CONTRACTS I M ASKED TO SIGN?

First and foremost all contracts should be reviewed by your legal counsel. Some important items to consider include: