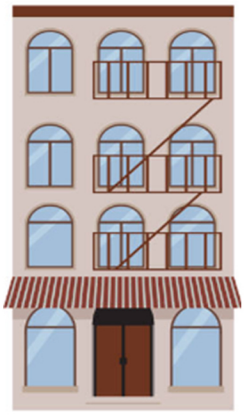
Extra! Extra! READ ME

MONTELEONE INSURANCE SERVICES
The Hunt For Savings

Insurance Tips For Landlords & Property Owners

The Obvious & Not So Obvious

by Brian Roeder & Monteleone Insurance Services
Your Trusted Independent Insurance Professionals Since 1995



Want lower premiums? Yeah, us too.

Our approach is to prevent claims before they happen, and if or when they do happen, be able to mitigate the financial impact as much as possible! Some of the easiest ways to protect yourself are often overlooked. This is the key to better coverage, and lower premiums.

Understand Your Coverage Needs: Before purchasing insurance, ***annually*** assess your property's value (re-construction costs, NOT resale value), location, and potential risks. Consider factors such as natural disasters, liability concerns, and property damage.

Screen Your Tenants: Standardized Screening for Tenants is CRUCIAL for Financial Stability, History Of Evictions, Criminal Behavior, Legal Compliance (consistency to all tenants), Property Protection, and Peaceful Environment. It can be tempting to fill your space quickly, but don't fill it with a claim!

Lease Agreement & Commercial Tenant Insurance Requirements: With your legal professionals, draft a comprehensive contractual hold-harmless lease agreement that outlines tenant ***Insurance Requirements, Overall Responsibilities, including Maintenance Duties, Restrictions on Alterations, and Steps for Reporting Damages.*** Ensure tenants understand and agree to the terms before signing the lease. Specifically, here are our recommended (but not limited to), **Insurance Limits, Coverages, and Endorsement Tips:**

> ***ALL Tenants Must Submit The Physical Copies Of Their Insurance Policies,*** with the Scheduled/Required Endorsements listed on the lease. The reason for the physical copies is many Certificates of Insurance (COIs), are submitted incorrectly. It's best to always have our insurance team read the tenant insurance policies for compliance and proof of coverage.

> **Required General Liability Limits:**
> They should mimic your general liability limits and/or at a minimum have $1,000,000 Per Occurrence, $2,000,000 Per Aggregate. We always encourage required higher limits, such as umbrella/excess liability coverage from $1,000,000 - $5,000,000, which is typically economical in cost to add to over an underlying general liability policy. Fire Legal/Damage To Premises Liability limit should be $500,000 (very economical to have).

3 MUST HAVE ENDORSEMENTS Naming and In Favor Of Your Entity:

1. **Additional Insured Endorsement** – this endorsement allows your entity access to your tenant's coverage and limits as an insured entity.
2. **Primary & Non-Contributory** – this endorsement states that when a claim triggering event on yours or your tenant's premises due to their operations, that their insurance policy is the first/primary source of coverage and only (others are non-contributory) policy to hold responsibility against other insurance policies.
3. **Waiver Of Subrogation** – this endorsement prevents (waives) your tenants insurance company from trying to get compensation from your insurance company after a claim is settled.

In addition to liability, encourage your tenants to have sufficient limits of Business Personal Property insurance on their policies as well to cover their business incase of a large loss. This can help them get back on their feet quickly in the event of a loss (and afford their rent!).

Habitational Tenants: Encourage or require habitational tenants to purchase renters insurance to protect their physical possessions and personal liability. Their insurance should list your landlord entity as an Additional Insured (and if the carrier provides Waiver of Subrogation and Primary & Non-Contributory). We recommend requiring Habitational Tenants to purchase $1,000,000 in Renters Liability Insurance which can be as little as $10+ per month.

General Tenant Education: Educate tenants about property maintenance responsibilities, such as changing HVAC filters, reporting leaks promptly, and proper disposal of garbage. Clear communication can help prevent avoidable damage.

Regular Maintenance & Safety Measures: Implement a proactive maintenance schedule to address issues promptly and prevent them from escalating into larger problems. This includes routine inspections of the property's structure, plumbing, electrical systems, and appliances. Install safety features such as smoke detectors, carbon monoxide detectors, fire extinguishers, and security systems to reduce the risk of accidents and intrusions. In regards to contractors working onsite – be sure to have a simple contractual agreement in place, and to be listed on their insurance policy as an additional insureds.

Utility Lines Insurance: Most property owners don't realize they are responsible for repairing or replacing damaged underground exterior piping and wiring located on their property. This is an expensive process and is not covered by most insurance policies. Utility Line Expense Coverage not only pays for your repairs, but also for any damage to outdoor property as a result of those repairs (e.g., drive-ways, walkways, lawns, shrubbery, and plants). If your property becomes uninhabitable due to the damage, coverage for your hotel/accommodations and other expenses is included as well. Utility Line Expense Coverage includes: Water service, Steam, Geothermal, Sewer, Electrical power, Communications. You can purchase these insurance plans directly from **American Water Resources** for Private and Commercial Properties: https://www.awrusa.com/

Employment Practices Liability Insurance: By purchasing First and Third Party Employment Practices Liability, landlords can protect themselves from the following types of claims by employees, and/or tenants that are typically EXCLUDED from General Liability Policies: Harassment, Discrimination, and Wrongful Eviction.

DISCLAIMER TO READERS OF THIS ARTICLE:
The information contained in the article is provided for informational purposes only, and should not be construed as legal advice on any subject matter. You should not act or refrain from acting on the basis of any content included in this article without seeking legal or other professional advice. The contents of this article contain general information and may not reflect current legal developments or address your situation. We disclaim all liability for actions you take or fail to take based on any content on this site. The operation of this article does not create an attorney-client relationship between you and Monteleone Associates LLC DBA Monteleone Insurance Services. Any information sent to us via article or through this site is not secure and will not be treated as confidential.