

Additional Insured Endorsements – Why You Should Be Concerned

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Security America Risk Retention Group receives up to 100 requests every month to provide certificates of insurance naming an entity as “additional insured” on our customers’ policies. We scrutinize these requests carefully, recognizing that often, by the time we receive the request for the certificate of insurance, our policyholder has already signed a contract with the additional insured requirement in it, and it is too late for any negotiation.

Here are some of the reasons why you should be concerned about additional insured requests:

- 1) Claims from additional insureds will reduce policy limits available to you for your claims;
- 2) Conflicting interests in the defense and settlement of claims involving additional insureds;
- 3) A lawsuit or claim arising out of a situation to which you were only remotely connected; or
- 4) The sole negligence of an additional insured – negligence that in no way involves you.



There are numerous additional insured endorsements. Some provide very broad protection including responding to sole negligence claims. Others, typically ones that have been created recently, are more restrictive. We try to use more restrictive forms when it is to the benefit of our policyholders.

We have seen claims where our insured installs an alarm and is subsequently brought into a lawsuit or claim completely unrelated to the alarm installation. For example, a claim at a premise arising out of a broken pipe, which has absolutely no relationship to the work our policyholder performed. However, because of a contract and the wording of an additional insured endorsement, Security America RRG has had to respond to the claim.

To avoid these situations, please think carefully when you sign contracts that request additional insureds on your policy. Security America RRG will work with you to find the most appropriate additional insured form that is acceptable to all parties yet fulfills the policyholder’s requirements.

Security America RRG provides broad errors and omissions protection in conjunction with a tailored general liability insurance program to members of the NBFAA. The program is quite competitive, and we encourage you to obtain a quote. For additional information or to request a quote, please visit our Web site at www.securityamericarrg.org or call 1-866-315-3838 to speak with a representative.