

Leased Real Properties Checklist

A simple, practical checklist of sample questions for reviewing lease-related exposures and improving client conversations

USE THIS CHECKLIST TO:



Identify hidden lease exposures



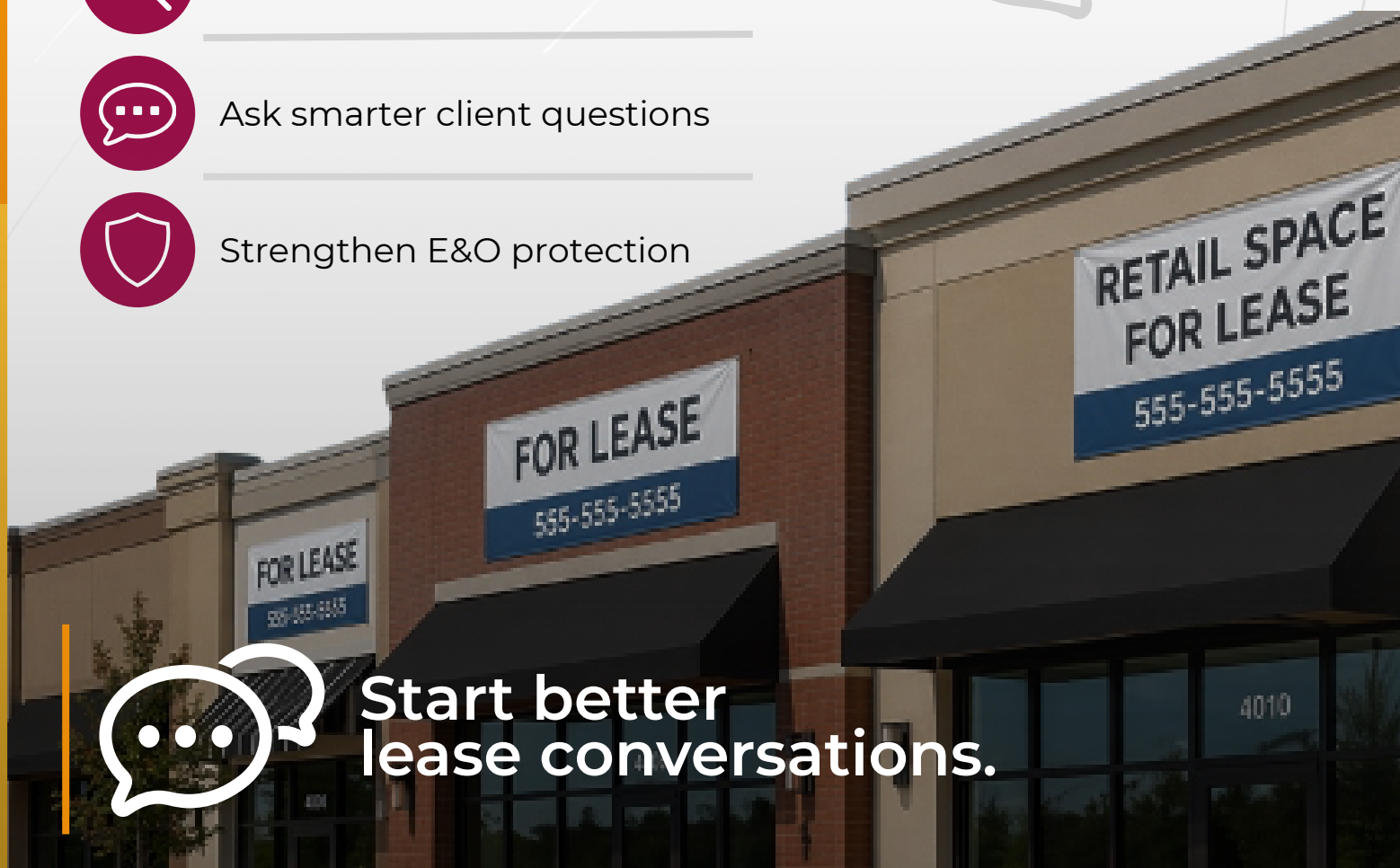
Ask smarter client questions



Strengthen E&O protection



**Start better
lease conversations.**





Leased Real Properties Checklist

This checklist provides key questions to use when meeting with a prospect or client involving commercial property exposure. Whether the party is a lessor or lessee, the lease often affects the property coverage that may need to be insured. Use this checklist as a consistent framework to guide your discussion and support any existing questionnaire process.

DISCLAIMER:

These questions are provided as a general guide and should be tailored as needed to reflect the specific circumstances and any applicable jurisdictional requirements.

Commercial Property content is expanded upon in the following Alliance courses:



Insuring
Commercial Property



Commercial
Property



Restaurant
RiskPRO



Leased Real Properties Checklist

1.) Does the lease contain a waiver of rights of recovery (waiver of subrogation) clause?

☐ None ☐ Benefits Lessee ☐ Benefits Lessor ☐ Mutual Waiver

(a) Do policies need to be endorsed? ☐ Yes ☐ No

(b) Do exposures exist to which waiver does not apply? ☐ Yes ☐ No

2.) Does the lease contain an indemnification/hold harmless clause?

☐ None ☐ Limited ☐ Intermediate ☐ Broad

(a) Do insurance policies match exposures? ☐ Yes ☐ No

(b) Can the clause be negotiated? ☐ Yes ☐ No

3.) Does the lease contain a requirement for an additional insured endorsement?

☐ None ☐ Vicarious actions ☐ Own Actions ☐ Silent

(a) Does the requirement address primary insurance? ☐ Yes ☐ No

(b) Does the requirement address contributory insurance? ☐ Yes ☐ No

(c) Is the certificate of insurance required? ☐ Yes ☐ No



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4.) Does the lease contain a requirement for notice of cancellation?

☐ None ☐ Cancellation ☐ Nonrenewal ☐ Material Change

(a) Does the requirement state a specific number of days? ☐ Yes ☐ No

(b) Does the requirement state a specific method of notification? ☐ Yes ☐ No

5.) Who is responsible for the purchase of property insurance on the building, structures, etc. at the described premises?

☐ Lessor ☐ Lessee ☐ Silent

(a) Does the lease state amount of insurance to be purchased? ☐ Yes ☐ No

(b) Does the lease state how the amount of insurance is to be determined? ☐ Yes ☐ No

(c) Does the lease state the valuation method to be used? ☐ Yes ☐ No

(d) Does the lease state what perils are to be covered? ☐ Yes ☐ No

6.) Does the lease make lessee responsible for glass insurance?

☐ Yes ☐ No ☐ Silent

(a) Does the lease state what perils are to be covered? ☐ Yes ☐ No



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7.) Does the lease make lessee responsible for loss or damage to any building items?

☐ Yes ☐ No ☐ Silent

- | | | | |
|-----|---|------------------------------|-----------------------------|
| (a) | Does lease state amount of insurance to be purchased? | ☐ Yes | ☐ No |
| (b) | Does lease state how the amount of insurance is to be determined? | ☐ Yes | ☐ No |
| (c) | Does lease state the valuation method to be used? | ☐ Yes | ☐ No |
| (d) | Does lease state what perils are to be covered? | ☐ Yes | ☐ No |

8.) Who is responsible for the purchase of property insurance on tenant's improvements and betterments?

☐ Lessor ☐ Lessee ☐ Silent

- | | | | |
|-----|---|------------------------------|-----------------------------|
| (a) | Does lease state whose expense originally made? | ☐ Yes | ☐ No |
|-----|---|------------------------------|-----------------------------|

9.) Does lease make lessee responsible for the purchase of liability insurance?

☐ Yes ☐ No ☐ Silent

- | | | | |
|-----|--|------------------------------|-----------------------------|
| (a) | Does lease state limits of insurance to apply? | ☐ Yes | ☐ No |
|-----|--|------------------------------|-----------------------------|

10.) Does the lessee need legal liability insurance for the property (real/personal) in the lessee's care, custody, or control?

☐ Yes ☐ No ☐ Silent

- | | | | |
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| (a) | Does the insurance need to include loss of use? | ☐ Yes | ☐ No |
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11.) How does the lease address abatement or termination of rent when the premises are untenable?

☐ Abatement Allowed ☐ No abatement ☐ Silent

12.) Does the lessor or lessee need or is required to purchase some form of "rents" insurance?

☐ Lessor ☐ Lessee ☐ Silent

(a) Are any specific endorsements necessary? ☐ Yes ☐ No

13.) Does the lessor or lessee need to purchase leasehold interest insurance?

☐ Lessor ☐ Lessee ☐ Silent

(a) Types of exposure?

☐ Tenant's Lease Interest ☐ Bonus Payments

☐ Improvements and Betterments ☐ Prepaid Rent

Additional Comments:

*SAMPLE QUESTIONS FOR A CHECKLIST: Please use this checklist as a basis for a more comprehensive checklist to include jurisdictional differences, emerging exposures, etc.

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