

THE HHC HERALD

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Additional Insureds

As a business owner or subcontractor, it's likely that you've been asked at some point to add a client, general contractor, landlord, or similar entity onto your general liability policy as an *additional insured*.

You may also have been asked to provide other endorsements such as *primary and non-contributory* and *completed operations*.

You might be wondering what do these endorsements mean and why you need them. Let's look at what these endorsements provide and why they are requested so frequently.

Adding another entity as an additional insured on your general liability insurance policy serves to protect the additional party in the event of negligence on your part. It is not the intent of your policy to pick up the liability of another party when you have no negligence. So, if a claim arises due to your negligence and is within the scope of work done for a particular *additional insured*, your policy will provide coverage for both you and the entity holding *additional insured* status (subject to the terms and conditions of your policy).

Primary and Non-contributory Wording

This is a specific clause included in certain endorsements. For example, if a claim arises due to work done by your company on behalf of another company, your insurance will become the exclusive remedy to defend and pay the claim.

Completed Operations (Extending to the Additional Insured)

Standard additional insured status under a general liability policy applies only with respect to liability in connection with the named insured's *ongoing operations* not *completed operations*. *Completed operations* for an *additional insured* are obtained through an endorsement (for an additional charge) that covers liability for property damage or injuries that may happen to a third party once contracted operations have ceased. Thus, even though the job may be completed, a loss or injury can still occur as a result of completed operations. Unless the policy is correctly endorsed, the Additional Insured status may not be applicable.



Whether you are a contractor or subcontractor, it's always best to consult with your agent before adding an endorsement to your policy.

You may be unwittingly providing coverage that you otherwise would not provide.

For more information:

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