

Property Risk Management Program for Commercial Real Estate Property Owners/Managers

All too often, commercial real estate property owners and property managers fail to implement important risk transfer, insurance, and contractual safe guards that would protect them from a costly loss.

Over my 35 years of insurance experience working with commercial real estate, condominium and homeowner associations and apartment complexes, I have uncovered critical risk transfer, insurance and contractual lease language errors that left owners and managers at significant risk. For many owners and managers who ignored these exposures it has proven very costly.

Following are several critical risk management components that every property owner should include to prevent costly liability and property losses. This is only meant to be a brief overview. For a comprehensive analysis of your real estate portfolio, please contact me.

1. Rental lease contracts with tenant lessees. It is very important the contract be written to incorporate the following protective clauses.

- Hold Harmless and Indemnification language written in the favor of the property owner(s), and/or the property manager.
- The property owner(s) and/or the property manager must be listed as an “additional insured” on a “primary and noncontributory” basis. A written contract is more often the trigger for additional insured status with respect to insurance.
- A “waiver of subrogation” written in the favor of the property owner(s) and/or property manager, where under the agreement the property owner(s) and/or property manager can subrogate (seek recovery from a loss) against the tenant lessee.

2. Insurance requirements of the tenant lessee.

- Type of coverage
- Coverage limits
- Scope of the insurance
- Proper insurance forms that need to be on the tenant leasee’s insurance policies.
- Duration of insurance coverage

3. Risk Transfer and insurance for contractors and vendors hired by the property owner(s) and/or property manager(s).

- Indemnification and hold Harmless requirements
- Additional Insured clauses
- Waiver of Subrogation
- All aspects of valid inforce insurance coverage
- Requirement there be a written contract

4. Preventative maintenance and proactive risk management measures. Reduce or eliminate risks and their costs by consistent attention to snow and ice removal, lawn care, elimination of slippery surfaces, cooking fire suppressions systems, elimination of environmental exposures, upgrades to wiring, roof, plumbing, AC/HVAC systems maintenance, etc.

A thorough review and analysis is required to develop the best risk transfer and insurance program for your unique real estate property. Please contact me for additional information or to schedule time for a property assessment review. There is no cost for my first consultative and analytical review of your property exposure to loss. Thank you.

Sincerely,



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To learn more about the **Property Risk Management Program** offered through ONEGROUP Bailey & Haskell Insurance, please call Charlie Andrews today.



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