



Additional insured provision in your property management agreement.

One of the most important aspects of being a landlord is managing risk to you and or your asset. The greatest risk an owner takes as a landlord is being improperly or inadequately insured for risk.

Circle Property Management as part of our risk management strategy requires Landlords to carry an insurance policy appropriate to the subject property which names Circle Property Management as the additional insured. Please note we have not seen nor heard of a "homeowner's policy" (owner occupied insurance policy) name a third party as an additional insured. However, a Landlord insurance policy is written to provide the additional insured coverage, as well as, lost rent, etc.

Also, if the owner has a homeowner's policy and there is a claim, the insurance company may deny the claim because you have the wrong coverage.

Please make sure you have the correct insurance coverage.

The "additional insured" provision in the management agreement is an important to protect you from denied claims.

1. If there is a claim filed against the property, the plaintiff is going to sue both of us (owner and agent)! The additional insured clause makes it so that the property manager's insurance (coverage) policy and the owner's insurance (coverage) policy will work cooperatively in the defense of the litigation.

2. If your insurance will not name the property manager as an "additional insured" and it is a landlord insurance policy, I recommend that you may want to have a different insurance company.

Landlord

Date