

MODEL LEASE CLAUSE

Require High-Risk Tenant to Get Comprehensive Insurance

You can adapt the following language to protect yourself from the potentially greater liability posed by certain high-risk tenants, such as liquor stores and gun stores. Show this clause to your attorney before using it in your leases.

INSURANCE; INDEMNIFICATION; SUBROGATION

- 1. Insurance.** Tenant shall procure and maintain policies of insurance, at its own cost, which insure Landlord, its partners, shareholders, members, agents, directors, officers, and employees (Landlord Protected Parties) as “named insureds,” and Landlord’s mortgagee, if any, of which Tenant is given notice, and Tenant, its officers, employees, or agents (Tenant Protected Parties), from all claims, demands, or actions made by or on behalf of any person, persons, or entity and arising from, related to, or connected with the Leased Premises, for bodily injury to or personal injury to or death of any person, or more than one person, or for damage to property, in an amount of not less than [*insert amount, e.g., \$3 million*] combined single limit per occurrence/aggregate. That insurance shall be written on an occurrence basis and not on a claims-made basis.

Landlord shall have the right, exercisable by giving notice to Tenant, to require Tenant to increase that limit if, in Landlord’s reasonable judgment, that amount is insufficient to protect Landlord Protected Parties and Tenant Protected Parties from judgments that might result from those claims, demands, or actions.

If Tenant is unable, despite reasonable efforts in good faith, to cause its liability insurer to insure Landlord Protected Parties as named insureds, Tenant shall nevertheless cause Landlord Protected Parties to be insured as “additional insureds.”

- 2. Indemnification.** Tenant hereby indemnifies and agrees to save harmless owner from and against all claims that either: (a) arise from or are in connection with the possession, use, occupation, management, repair, maintenance, or control of the Demised Premises or any portion thereof; (b) arise from or are in connection with any act or omission of Tenant’s or Tenant’s agents; or (c) result from any default, breach, violation, or nonperformance of this Lease or any provision of this Lease by Tenant.
- 3. Waiver of Subrogation.** All insurance policies of property insurance carried by Landlord or Tenant in covering the Premises, its contents, and the property of either of them in the Premises will waive any right of the insurer to subrogation against the other to the extent permitted by law.