

Recent Changes In Insurance Status Affects Companies Seeking Additional Insured Status

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For those companies that are seeking additional insured status, keep in mind that there have been major changes in how that insurance status is written. The Insurance Services Office, the drafter of many "standard form" insurance policies and endorsements, has been paring back coverage for additional insureds for many years. It rolled out major overhauls to its standard form additional insured endorsements recently. Insurance companies, too, have been tightening their own company forms, to the extent that they don't use the ISO forms. This area of insurance has evolved substantially over the years. As one commentator has noted: "Twenty years ago, additional insured endorsements came in two flavors: The short form and the long form. Today there are more flavors than found in Baskin-Robbins ice cream shop." ⁴ Bruner & O'Connor Construction Law, § 11:167. In fact, the ISO publishes 31 different types of additional insured endorsements; exactly the same number of flavors in Baskin-Robbins ice cream shops. We continue to see companies requiring that they be added as additional insureds to their co-parties' insurance without much thought as to what that means or what coverage they have as an additional insured. When considering which form to use and what coverage is needed, companies should ask the following questions:

- What forms are available?
- Which is best for the particular circumstances?
- Does the in-place insurance permit adding additional insureds? If so, are there any requirements, such as a written agreement?
- What coverage does the additional insured need?
- Is there a deductible/SIR? If so, who pays it?
- Is the additional insured covered for its own negligence? Does the law permit that?
- How does the additional insured confirm it has been added as an additional insured?
- How does the additional insured confirm what coverage is provided to

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it as an additional insured?

- Is the additional insured covered for completed operations?
- Is the additional insurance primary and non-contributing?
- Is there a professional services exclusion or other exclusions that might negate coverage for the additional insured?

For more information about the topic of additional insured status, contact Barnes & Thornburg's Policyholder Insurance Recovery Group.