



RISK ALERT

April 20, 2023

TWCARMF Risk Alert

Requests for Additional Insured Status from Vendors

We recently investigated an accident involving a rented vehicle. The rental company had requested “additional insured” status in their rental agreement. This request was not conveyed to the Fund and therefore we had not added the rental company as an additional insured. Any request for additional insured status made by a vendor or contractor must be approved by underwriting and added as an endorsement to your coverage. As you know, we ask that you request to be added as an additional insured under your vendor’s and contractor’s insurance policy when feasible.

The Fund does not like to grant additional insured status (i.e., when the vendor is an additional insured under your coverage with the Fund) because that transfers risk from the vendor to the member and the Fund. However, we recognize the need to help you comply with the contracts you sign, so we are willing to add the rental company as additional insured. We will defend them just like we do the member in the event of an accident alleging member liability.

Requests from vendors regarding insurance provisions usually involve risk issues. For example, the vendor wants lower limits of liability for their coverages. They don’t want to carry Workers’ Compensation. They don’t want to provide waivers of subrogation or additional insured status for the member. Requiring that these measures are in place helps reduce the risk exposure members take on when they contract for services or construction.

Please forward your contracts for review by either Mary Vasquez, Senior Underwriter (mary.vasquez@sedgwick.com) or Richard Wigzell, Risk Management Consultant (richard.wigzell@sedgwick.com). We also look at indemnification, insurance, and safety requirements in the contracts. Remember, in order for the Fund to provide additional insured status, a waiver of subrogation, or higher limits of liability for a member, Underwriting must receive a copy of the

contract or lease agreement in order to approve and endorse coverages to meet the requirements.

Use the links below for more information and tools

[Recent Member Communications](#)

[Workers' Compensation Forms](#)

[Liability and Property Loss Notices](#)

[Fund Contact List](#)

www.twcarmf.org