



Executive & Professional Liability

Adding an Additional Insured ... Are You Sure You Want to Do That?

On the surface, the topic of Additional Insureds seems relatively simple: The insured's biggest client wants to be added to the insured's E&O policy so that if some action by the insured results in the client getting sued, the policy will defend and indemnify the client. However, agents should be careful to point out potential concerns and trade-offs when requests for additional insureds are made.

Adding an additional Insured may trigger the Insured vs. Insured (I v I) exclusion found in most E & O policies. Many times the additional insured is a key client of the first named insured, and the I v I exclusion may lead the insurance company to exclude coverage when the insured is sued by their key client who is also named as an insured. Clients are the number one source of E&O claims. Also, adding an Additional Insured may expose the limits of the first named insured insurance policy to another party to whom they had no intention of extending coverage. Even with the appropriate co-defendant or limited additional insured wording, courts may determine that the additional insured added to the policy is entitled to those limits, and you could be opening the first named insured's policy to all professional activities of the additional named insured.

While there are instances where Additional Insureds need to be added to professional liability policies, these waters need to be navigated carefully, and with an experienced partner.

Recent Account Successes

| Class of Risk | Line of Business | Premium |
|-------------------------------|------------------|----------|
| Road Contractor | D&O / EPL | \$49,500 |
| Hospital | NFP D&O / EPL | \$40,000 |
| Trucking Company | EPL | \$37,000 |
| Car Dealership | EPL | \$15,500 |
| Law Firm | E&O | \$68,000 |
| Technology Consultant | E&O | \$58,990 |
| Fast Food Franchise | E&O | \$35,500 |
| Printing Company | E&O | \$9,000 |
| Independent Medical Evaluator | Med. Mal. | \$49,000 |
| Surgicenter | Med. Mal. | \$45,000 |
| Health Clinic | Med. Mal. | \$21,000 |

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