



## QuoteWell Appetite for Lessor's Risk Only

**Lessor's Risk Only (LRO)** insurance is designed for commercial property owners who lease space to tenants. It protects commercial landlords from lawsuits filed by tenants for property damage or injuries that occur on the leased premises.

Not only is proper coverage crucial for protecting commercial property owners' investments, it is often required by lenders for financed properties.

A Lessor's Risk insurance policy is intended for landlords who occupy less than 25% of leasable space within a building.

### Common Types of Risk

- Apartment buildings
- Retail complexes
- Professional office or commercial buildings
- Industrial buildings such as warehouses
- Mixed-use buildings

#### KEY CRITERIA

- Ensure all tenants carry liability insurance at limits equal to or greater than the insured
- Vacancy rate
- Risk location
- Building age
- Building attributes
- Tenant occupancies
- Insurance to value (ITV)

#### COVERAGES OFTEN OFFERED

LRO is often a package policy including:

- General liability
- Commercial property
- Excess liability insurance
- Cyber Liability
- Hired & Non-Owned Auto

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[submissions@quotewell.com](mailto:submissions@quotewell.com)  
[brokerage.quotewell.com/new](https://brokerage.quotewell.com/new)

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#### QUESTIONS?

(512) 795-4882  
[support@quotewell.com](mailto:support@quotewell.com)



## Submission Requirements

### GENERAL LIABILITY

- ACORD 125 + 126
- Tenant List
- Prior loss history (loss runs or no loss letter)

### PACKAGE

- ACORD 125, 126 + 140
- Tenant List
- Prior loss history (loss runs or no loss letter)

### PROPERTY

- ACORD 125 + 140
- Tenant List
- Prior loss history (loss runs or no loss letter)

### EXCESS LIABILITY

- ACORD 125 + 131
- Underlying Quotes
- Prior loss history (loss runs or no loss letter)

## Minimum Premium

General Liability     **\$500**  
Property                 **\$500**

Package                 **\$1,000**  
Excess                   **\$750**

## Total Insurable Value (TIV)

QuoteWell has in-house authority under **\$2.5 million** and brokerage capacity under **\$25 million**.

## Recent Deals

### Retail LRO, TX

Package  
\$26,000

### Auto Service LRO, OK

Package  
\$2,000

### Industrial LRO, TX

Package  
\$4,000

### Industrial LRO, TX

Package  
\$19,000

### Office LRO, NM

Package  
\$3,000

### Medical Office LRO, TX

General Liability  
\$4,000

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## Important Considerations

### VACANCY RATE

Extended vacancy over a certain percentage (generally over 30%) will move to vacant building insurance. QuoteWell can consider vacant buildings with a vacant building supplemental.

### RISK LOCATION

Factors such as wind exposure, wildfire mapping, and crime scores can play a role in which markets will write the risk and the associated premium.

### BUILDING ATTRIBUTES

There are a number of electrical panels that buildings can have that pose additional fire hazards and make it more difficult to place the risk. Examples are as follows:

- Challenger (square D)
- Federal Pacific Breakers
- Murray Circuit Breakers
- Stab-Lok Circuit Breakers
- Zinsco Breakers
- Pushmatic
- Schneider Electrical Panels (square D)

Adequate Fire Protection: If your risk has a restaurant tenant, they should have an ansul system over all cooking surfaces. This could be a wet or dry system.

### BUILDING AGE

We can consider a wide range of building ages, including buildings on the historical registry. Our markets typically require buildings to have updates to all major mechanical systems within the last 40 years.

### TENANT OCCUPANCIES

We can consider a wide range of tenants; pricing may vary depending on the associated hazard of each tenant.

### INSURANCE TO VALUE (ITV)

As construction costs continue to rise across the country, the values that a building may have been insured for in the past may no longer be accurate. We recommend agents thoroughly review property valuations with their insured. Omitting this check could result in E&O exposure or coinsurance penalty.

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