

Additional Insured By Written Contract Clause Construed to Bar Coverage

Commercial construction projects necessarily involve many moving parts, including multiple parties from the owners to the construction managers to the project financiers to the contractors and to the sub-contractors. **Larry P. Schiffer** of **Squire Patton Boggs** writes that these moving parts generally result in a web of interrelated insurance policies covering the project.

“Typically, when there is no controlled insurance program, contractors and sub-contractors are required to obtain liability insurance covering their potential negligence and very often are also required to add others, like the property owner or construction manager, as additional insureds onto those insurance policies,” **he explains**. “But not all additional insured clauses are the same. In this post, we discuss what a New York appellate court recently called an ‘additional insured by written contract’ clause. The language of an additional insured clause may make all the difference as to whether a party is covered as an additional insured or not.”

He concludes that the case demonstrates that New York courts will interpret insurance policies based on the plain meaning of the words used by the parties and will not alter the contracts for equitable reasons if the language is clear and unambiguous.

Read the article.