

Insurance Requirements in Commercial Contracts (Part 2)

In a new article on Lexology.com, **Jonathan Reich** of **Womble Carlyle Sandridge & Rice LLP** discusses the difference between an insurance policy with a deductible compared to one with a self insured retention (“SIR”) and how that impacts business contracts.

“Deductibles and SIRs are often conflated; the differences are poorly understood by those outside of the insurance industry as well as the practical implications,” he writes. “Two policies can have a \$1 million limit, with the only difference between the two policies being that one has a \$100,000 deductible and the other a \$100,000 SIR.”

He explains the differences, but adds that these simple distinctions have stark real-world implications.

[Read the article.](#)