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The landlord had leased premises to a sign company. The lease required the tenant to take care of snow removal but did not specifically require that the landlord be named as an additional insured under the tenant's general liability insurance policy. After the lease began, one of the tenant's employees slipped on accumulated snow and sued the landlord for his injuries. The landlord looked to the tenant's insurance company for coverage, but was denied on the grounds that he was not named as an additional insured under the policy. The landlord then sued the insurance company and won a judgment declaring that the insurance company was obligated to provide coverage. The insurance company appealed and the landlord lost on appeal. It was only when the landlord appealed to the Court of Appeals, New York's highest court, that it was determined conclusively he was entitled to coverage under the tenant's policy.

In determining that the landlord was entitled to coverage, the court noted that the language of the tenant's insurance policy extended coverage to anyone the tenant was required to name as an additional insured pursuant to the terms of a written contract (i.e. the lease). However, the lease in Kassis did not specifically require that the landlord be named as an additional insured. Fortunately for the landlord, the court didn't take a literal approach. Instead, it held that the phrase, "additional insured," has a well-established meaning - namely, "an entity enjoying the same protection as the named insured." Accordingly, the court noted that the key question in Kassis was whether the lease required the tenant to provide the landlord with insurance coverage equivalent to the tenant's own coverage. After reviewing the language of the Kassis lease, the court found that the tenant was required to obtain insurance for the "mutual benefit" of the landlord and the tenant and held the reasonable implication of that language to be that the landlord was entitled to the same insurance protection as the tenant. Given this, the landlord was found to be an additional insured entitled to coverage under the tenant's policy.

While the landlord in Kassis was fortunate that the tenant's insurance policy included favorable language, a landlord shouldn't expect that to always be the case. The lesson is that leases should

specifically require that the landlord be named as an additional insured on the tenant's general liability insurance policy (and other policies as well, depending on the particular circumstances). Furthermore, before the lease begins, a landlord should insist that the tenant deliver a certificate confirming the landlord's status as an additional insured.

While not the focus of the court's decision, Kassis made reference to another measure of protection for landlords - an indemnification. The landlord can include language in the lease requiring the tenant to indemnify and hold the landlord harmless against injuries or damage caused by the tenant. By taking these steps, a landlord can reduce the risk of a dispute regarding coverage should a claim arise.

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