



Sometimes Overlooked in Leases

Moving is known to be one of the most stressful times in one's life, especially when that move involves planning, packing, and relocating an active business. Setting up phone lines, internet, mail transfers, coordinating, delivering of furniture, and negotiating leases are just a few items to consider when moving.

Have you ever found yourself going cross-eyed reviewing your property lease? Property leases can be complicated and daunting, and you, as the tenant, may be held responsible for items that you are not even aware.

Below are a couple examples that we find get overlooked during the signing of leases that could add up in the event of a claim.

Take note!

Glass

Generally, in the lease, a tenant is made responsible for any building glass breakage. Despite the owner insuring the building, it is important to consider adding a building glass endorsement to the tenant's policy as typically, most tenants' commercial property policies exclude or provide limited coverage for glass breakage.

Some commercial property policies are able to endorse building glass as an additional coverage. If your carrier is unable to provide this coverage, however, a stand-alone plate glass insurance policy can be purchased to cover damage to panes of glass used in commercial buildings, such as shop windows used in store front displays and panoramic view windows.

Equipment Breakdown

Equipment breakdown is also known as Boiler and Machinery Insurance, or Mechanical Breakdown Insurance. Equipment Breakdown Insurance provides coverage for:

- Cost to repair or replace damaged equipment, including time and labor.
- Lost income
- Spoiled inventory
- Necessary expenses incurred during the restoration period.

There are five main categories of equipment that Equipment Breakdown Insurance typically covers:

- Mechanical - which includes motors, engines, generators, water pumps, and specialized production and manufacturing equipment.
- Electrical - which includes transformers, electrical panels, and cables.
- Computers and communications - which includes computer systems, phone systems, voice mail systems, security systems, and fire alarm systems.
- Air Conditioners and refrigeration systems
- Boilers and pressure equipment

Keep in mind that even though equipment breakdown insurance covers computers, it does not cover software.