

Waiver Of Subrogation

DEFINITION of 'Waiver Of Subrogation'

A special type of endorsement on a property-casualty insurance policy. The Waiver of Subrogation prohibits the insurer from attempting to seek restitution from a third party who causes any kind of loss to the insured. This type of arrangement is allowable under certain circumstances where the insured could be held liable for a claim that is paid.

INVESTOPEDIA EXPLAINS 'Waiver Of Subrogation'

An example of Waiver of Subrogation can be seen where a tenant rents an apartment from a landlord and takes out a renter's insurance policy. The landlord makes an agreement with the tenant stating that the landlord will not hold the tenant liable for any type of damage to the rental unit. If damage occurs, the insurer could pay the claim to the landlord and then come after the tenant for the damage. But a Waiver of Subrogation would prevent the insurer from being able to do this.

Additional Insured

In US insurance policy, an **additional insured** is a person or organization that enjoys the benefits of being insured under an insurance policy, in addition to whoever originally purchased the insurance policy.^{[1][2][3]} The term generally applies within liability insurance and property insurance, but is an element of other policies as well. Most often it applies where the original named insured needs to provide insurance coverage to additional parties so that they enjoy protection from a new risk that arises out of the original named insured's conduct or operations. An additional insured often gains this status by means of an endorsement added to the policy which either identifies the additional party by name or by a general description contained in a "blanket additional insured endorsement."^[4]

For instance, in vehicle insurance a typical Personal Auto Policy will cover not only the original named insured that purchased the auto policy, but will also cover additional persons while they are driving the auto with permission of the named insured. This is a simple type of blanket additional insurance arrangement, because it does not identify the additional insured by name, but by a "blanket" general description that will automatically apply to many persons. Similarly, in liability insurance, all directors, officers, and employees of a named insured company will also enjoy the status of being an insured, so long as they are acting in their capacity of carrying out the business of the named insured company. These persons enjoy insured status only while they pursue the business of the named insured. If they deviate to pursue their own affairs, they lose this extension of coverage. This extension of coverage to people with a constant and close relationship to the named insured company is accomplished via the "Who Is An Insured" section of the liability policy. In other cases, the original named insured wishes to extend coverage to others who would not come within these standard categories. To extend coverage further, Additional Insured Endorsements are added to the policy.