



## **WAREHOUSE LEGAL LIABILITY** (RATED “A” BY AM BEST)

### **OVERVIEW**

Historically, warehouse legal liability (WHLL) has been a complicated line with many gray areas and multiple interpretations of its coverages. Over the course of the recent soft market, WHLL strayed away from its original intent. With the re-emergence of a healthier market environment, it can go back to its roots: to cover the legal responsibility of an individual or organization providing warehousing and handling services. In one sense, it is the non-transit (or static) relative of cargo legal liability, but in another sense, it is a totally different animal.

### **WAREHOUSE LEGAL LIABILITY COVERAGE AGREEMENT**

Like most insurance policies, WHLL has certain triggers that activate coverage in an event - the most important of which is physical loss or damage. This can cause confusion, as WHLL appears to have the same coverage trigger as a first-party property coverage, even though WHLL is a casualty coverage. The key difference is that WHLL is only triggered when the insured, as a warehouse operator or bailee, is liable for the physical loss or damage. A standard property policy will respond as long as there is loss or damage and the policy does not otherwise exclude the loss. In short, because a warehouse operator has a responsibility to keep stored property out of harm’s way, failure to do so might result in being legally liable to the property owner.

**PLEASE HAVE YOUR INSURANCE AGENT CONTACT US. WE ONLY DEAL WITH PROFESSIONAL INSURANCE AGENTS.**

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