



## Tips for Managing Tenant Insurance Compliance

For commercial real estate operations, comprehensive insurance coverage is crucial to protect landlords and properties from potential liability and risk. It might seem straightforward to require that tenants provide proof of insurance when a lease is signed. However, managing a Certificate of Insurance (COI) for every tenant along with insurance policy endorsements and ensuring continuous coverage can be very challenging. Read on for a deeper dive with tips to successfully overcome challenges for maintaining tenant compliance.



## WHY COIs MATTER

A COI is a document issued by an insurance company that summarizes the insurance policies held by a tenant. It outlines the coverage limits, policy durations and other relevant details. Additional insured and subrogation information is outlined in the policy endorsements. Closely managing COIs is essential for landlords to verify that their tenants maintain adequate insurance coverage to protect against potential risks.

### COI MANAGEMENT CHALLENGES THROUGHOUT THE LEASE LIFECYCLE

One of the primary challenges faced by landlords is ensuring the timely receipt and verification of COIs from tenants. Tenants may delay submitting the COIs or fail to provide the required coverage details. This delay can impede lease execution or expose the landlord to increased risks for leases already signed.

Landlords often have specific insurance requirements for their commercial properties and tenants. These requirements may include minimum coverage limits, additional insured endorsements and specific policy provisions. Ensuring that tenants comply with these requirements can be

difficult, as some tenants may not respond to requests for updated certificates of insurance annually or at the time of the lease renewals.

COI management involves tracking policy expiration dates and ensuring that tenants renew their insurance policies before they lapse. Monitoring policy expirations for multiple tenants can be time-consuming and prone to human error, potentially leaving the landlord exposed to liability if a tenant's insurance coverage expires.

Another challenge landlords face is the possibility of tenants providing COIs with inadequate coverage or insufficient policy limits. In such cases,

the landlord may face increased risk exposure, leaving them vulnerable to potential liabilities that exceed the tenant's insurance coverage.

For landlords with multiple properties and numerous tenants, managing COIs can become a complex and cumbersome process. Keeping track of numerous COIs, ensuring compliance and monitoring renewals can be overwhelming and time-consuming, particularly if done manually.



## STREAMLINING COI MANAGEMENT TO ENSURE CONTINUOUS COMPLIANCE

While challenges are inevitable when manual processes are involved, establishing standardized requirements, fostering proactive communication and seeking external assistance can alleviate

many of the difficulties encountered in COI management.

Widely regarded in the industry as a best practice, a software solution that automates tenant screening

and insurance compliance enables landlords to reduce CRE risk and ensure continuous COI tracking without manual effort from staff. As a result, staff can work more productively and focus on core tasks.

### A few solutions for efficient COI management include:

#### Automated COI management systems

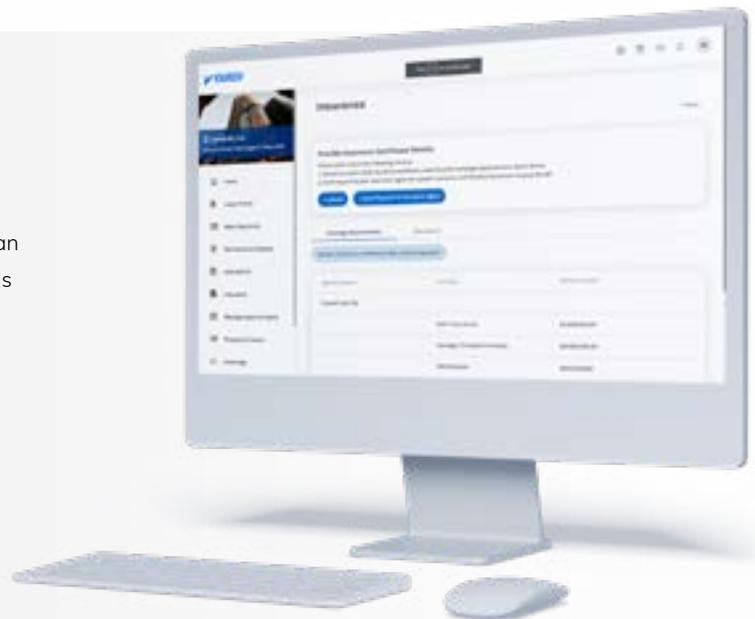
Implementing automated COI management systems or utilizing specialized software can streamline the process. These systems can facilitate the electronic submission, tracking and verification of COIs which reduces administrative burdens and improves productivity.

#### Standardized insurance requirements

Establishing standardized insurance requirements across properties can simplify COI management. Clearly communicating these requirements to tenants during lease negotiations can help ensure compliance and reduce delays in obtaining COIs.

#### Proactive communication and reminders

Maintaining open lines of communication with tenants can help improve COI management. Sending timely reminders to tenants regarding upcoming policy expirations can encourage them to renew policies promptly, reducing the risk of coverage lapses.





## **OUTSOURCING TO ENHANCE RISK MANAGEMENT**

Regular auditing ensures ongoing compliance, but what is the best way to achieve it? Outsourcing COI management to third-party vendors or insurance brokers who specialize in this area takes the burden off landlords. These professionals can handle the entire COI management process, including verification, compliance and tracking.

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With an advanced tenant insurance software solution that offers outsourcing services, landlords can optimize COI management in the following ways:

### **Ensure compliance**

Access current tenant insurance coverage information with continuous compliance monitoring

### **Reduce costs**

Outsource screening data collection and streamline communications through a tenant portal

### **Save time**

Automate the manual burden of insurance compliance verification and COI document tracking

With the option of configurable criteria, landlords can create custom rules to make sure each tenant meets specific insurance requirements versus a “one size fits all” approach. Landlords can easily adjust requirements as needed to support business policies.

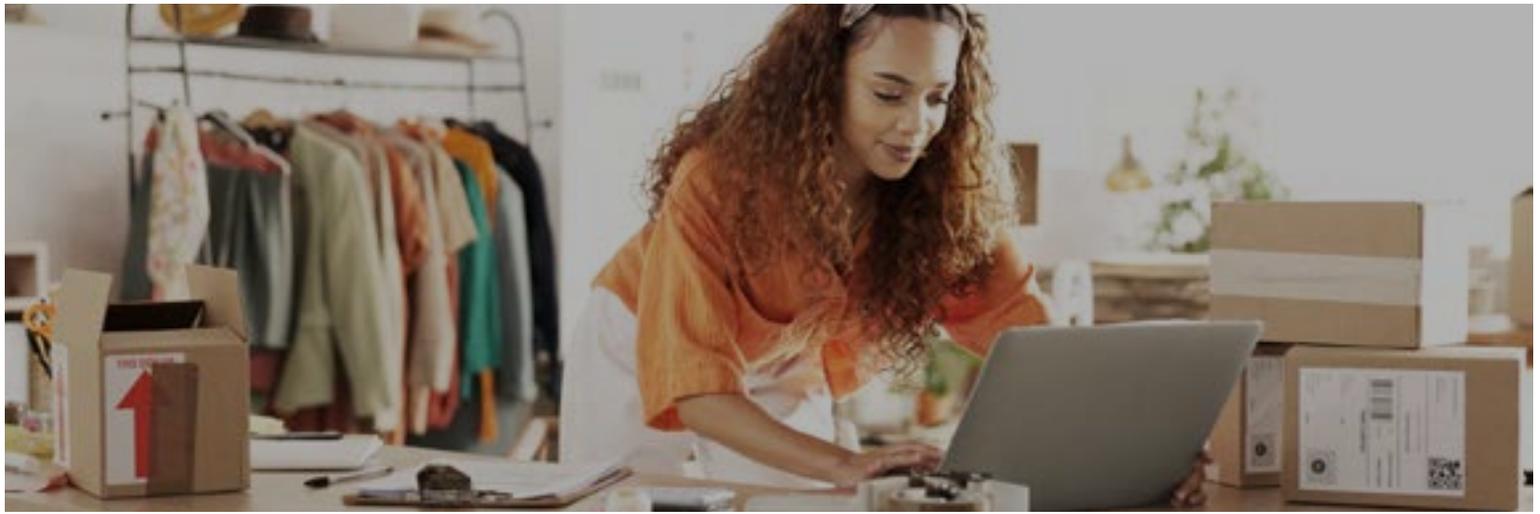
TenantShield, a new insurance tracking solution, offers different service levels to fit various organizational needs:

### **Self Service**

Provides the software necessary for your team to manage and verify compliance in house

### **Full Service**

Completely outsources all insurance-related activities to the vendor’s compliance experts



## **BENEFITS OF FULL-SERVICE TENANT INSURANCE MANAGEMENT WITH TENANTSHIELD**

Automation solves many challenges for COI management and complete outsourcing with TenantShield can do even more to reduce CRE risk, including:

### **Robust data sourcing**

Vendor's compliance team handles verification, monitoring, collection and auditing of insurance data

### **Comprehensive compliance**

Screening includes comprehensive searches of government watch lists and other verification sources with automated approval for compliant tenants and flagging for non-compliant tenants

### **Continuous auditing**

Approved tenants are regularly audited to ensure credentialing and insurance compliance; landlord and team can monitor compliance on a dashboard and access tenant compliance records as needed

With insurance data collection and auditing outsourced to an experienced team of compliance professionals, landlords and property staff have more time to focus on their core responsibilities and business goals while CRE investments are protected.

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# Contact us to discuss the TenantShield service level that's right for you.

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