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We would like to explain our philosophy for tenant's fit outs so that you are able to make the best decisions when you engage a contractor to work on your premises.

Landsec does include the tenant's interests in the buildings insurance for your demise but it is not prepared to extend the insurance to your contractors. Therefore, if your contractors negligently cause damage to our buildings, they will need to rely on their own third-party insurance to pay the damages.

Landsec have made this decision as we believe it is in the interests of all our tenants as they do not want to pay more for insurance resulting from poor claims experience caused by negligence of contractors.

The important consequence of this information is that when a tenant is engaging in a fit out contract, they must make sure the contractor remains responsible for damage to the existing structure. For example, it is not appropriate for a tenant to enter into a contract that makes the tenant as employer responsible for arranging insurance on the existing structure.

The tenant does not control the insurance (as per the terms of the lease), so it is not able to fulfil this part of the contract. There are alternative contractual arrangements for insurance that make the contractor responsible for negligent acts that damage the existing structure, which is to be backed off with its public liability insurance.

Tenants are prevented by the terms of the lease from taking out insurance for the existing structures. It follows they may be at risk if they agreed with any tenant fit out contractor that the tenant would take out such insurance.

Tenants should be aware that any tenant's fit out contractor will not be named or noted on the Landlord's buildings insurance, nor will any tenant's fit out contractor be given a waiver of subrogation by the insurer under that insurance.

Tenants should ensure that adequate public liability insurance is taken out and maintained by the tenant and/or any tenant's fit out contractor, following consideration of matters including the potential loss or damage to the existing structures, potential damages from other tenants in the property etc. Landsec will require evidence of the Contractors Public Liability insurance at least £10m limit of indemnity for each and every claim but you need to realise that your risk may be greater than that.

In certain circumstances Landsec' insurers are prepared to grant the tenant's contractors a waiver of subrogation above £50m in respect of damage to the buildings by a specified peril (as defined in JCT contracts). If the tenant would like this consideration for their contractors, the contractor needs to provide evidence of insurance up to a minimum level of £50m.

Tenants should consider whether any other appropriate insurance, for example non-negligent liability insurance, should be taken out by the tenant and/or any tenant's fit out contractor.



If Landsec or its insurer of the existing structures has any requirements in connection with the insurance in connection with tenant's fit out, the tenants and/or their fit out contractors will need to comply with the requirements.

We know how important it is to all our tenants to keep insurance costs to a minimum and we firmly believe this course of action is the best way of achieving this. After all, you do not want to hear that the building insurance costs have risen sharply as a result of another tenant's contractors causing significant damage to a building owned by Landsec.

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