

LCHT Ground Lease Insurance Requirements Summary

Insurance requirements are described in Section 9 of the ground lease. As a leaseholder, you are responsible for insurance on the home and liability on the premises just like any other homeowner (Ground Lease Section 9:1-9:4).

Section 9:4 requires that a lessee maintain:

1. A homeowner's insurance policy that insures against loss or damage of the improvements for the **FULL REPLACEMENT VALUE**.
2. Liability coverage on the leased premises and improvements with a limit no less than **\$300,000** for injury or death of any number of persons in one occurrence.
3. The lessee must have their insurance include **Tenants to Homeowners, Inc. as an additional insured/interested party** for liability on the premises. This should not cost any additional fee, but must be requested. Mortgage lenders are also named as additional insured, so the insurance company should be familiar with this request.
4. Lessee must **provide TTH with insurance coverage certification within one month of closing** (Section 9:4). If you update or change your insurance policy, you must notify TTH and provide updated certification under the ground lease, Section 9:4. TTH can periodically request certification. Section 9:4 also describes how the dollar limits of required coverage can be adjusted over time based on the Consumer Price Index. The LCHT must give lessees at least 30 days notice about any limit increase.

If you or your insurance agent have any questions about these requirements, please feel free to contact us.