

Legal Subrogation Provisions Sample for Liability Insurers

Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery against any person or organization, and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing to prejudice such rights. Any amount recovered by the Company pursuant to its rights of subrogation shall be applied as follows:

- First, to the reimbursement of the Company for the amount paid under this policy;
- Second, to the reimbursement of the Insured for any retention amount or loss in excess of policy limits, if any;
- Third, any remaining balance, if any, to be paid to the Insured or as otherwise required by law.

Waiver of Subrogation

If the Insured has waived any rights of recovery against any party prior to loss, the Company's rights of subrogation under this policy are similarly waived, provided that such waiver is documented and occurred prior to any occurrence giving rise to a claim under this policy.

Duties of the Insured Relating to Subrogation

- The Insured agree to cooperate fully with the Company in the exercise of subrogation rights;
- The Insured shall not take any action that may prejudice the Company's subrogation rights after a loss has occurred;
- Upon the Company's request, the Insured shall assist in securing evidence, obtaining witnesses, and effecting any recovery.

Priority of Recovery

Any recoveries obtained through subrogation shall be applied as specified in this policy and as otherwise required by law. Recovery priority shall be given first to the Company to the extent of its payment and reasonable recovery expenses.

Severability

If any provision of this Subrogation clause is held invalid or unenforceable, such invalidity shall not affect the remaining provisions, which shall continue in full force and effect.