

# Mutual Subrogation Understanding for Liability Policies

This Mutual Subrogation Understanding (the "Understanding") is entered into effective as of the date signed below, by and between the parties listed below (the "Parties"), in respect of their respective liability policies.

## 1. Purpose

The purpose of this Understanding is to establish the mutual waiver of subrogation rights between the Parties in connection with liability claims that may arise in the course of their business relationship, subject to the terms and conditions set forth herein.

## 2. Mutual Waiver of Subrogation

- Each Party hereby agrees to waive any right of subrogation which its insurers may acquire against the other Party by virtue of payment of any loss under their respective liability policies, to the extent such waiver does not void or impair any insurance coverage.
- This waiver shall apply only to the extent that damages or losses are covered and paid by the waiving Party's insurer.

## 3. Limitations

- This Understanding does not extend, amend, or otherwise modify the terms of any insurance policy beyond the scope of this subrogation waiver.
- This Understanding does not waive rights to recovery for willful misconduct or gross negligence.
- If required by an insurer, each Party will endeavor to obtain a written waiver of subrogation from their insurers and provide evidence of such waiver to the other Party upon request.

## 4. Term and Termination

- This Understanding shall remain in effect so long as the Parties maintain a business relationship, unless terminated by written notice from either Party.

## 5. General

- This Understanding represents the entire agreement regarding mutual subrogation waiver between the Parties, superseding all prior discussions or agreements on this subject.
- Any amendments must be in writing and signed by authorized representatives of both Parties.

Party A:

---

Name & Title

---

Date

Party B:

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Date