

Security Guard & Alarm Liability Program

Does your coverage measure up?



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1. CHOICE OF AGGREGATE LIMIT

Key Question: Is there a choice of aggregate limits up to \$5,000,000?

WHAT IF the aggregate limit isn't enough to protect from multiple claims?

2. ASSAULT & BATTERY ENDORSEMENT

Treats "Assault & Battery" as an occurrence. There are no questions raised as to the use of "physical" or "reasonable" force.

Key Question: Does the policy restrict coverage to "reasonable" or "physical" force to protect persons or property or does it define "assault & battery" as a covered occurrence?

WHAT IF the security company is sued because a guard attacks someone?

3. ERRORS & OMISSIONS

Covers property damage, bodily injury and financial loss.

Key Question: Does the errors & omissions coverage only provide coverage for bodily injury and property damage claims?

WHAT IF the security company is sued for financial loss?

4. ADDITIONAL INSURED

When required by written contract **or** when a certificate of insurance is issued.

Key Question: Does the blanket additional insured coverage only respond when required by written contract? Is there always a signed contract on file?

WHAT IF the additional insured requirement is not in the contract but is required by the client's insurance specifications?

WHAT IF a signed contract requires the client to be an additional insured but a certificate was not requested?

WHAT IF the security company's standard contract does not (and should not) state the client is named an additional insured?

5. INDEPENDENT CONTRACTOR COVERAGE

By specific endorsement **whether or not** there is a signed contract at the time of the loss.

Key Question: Does the independent contractor coverage only respond as a contractual liability coverage if there is a signed contract with that contractor? Is there always a signed contract on file?

WHAT IF there is not a signed contract with your subcontractor at the time of loss?

6. THEFT EXTENSION ENDORSEMENT

Coverage for "theft or loss of property" which the guards may be protecting as long as it does not involve alleged theft on the part of the named insured or its employees.

Key Question: Does the policy provide coverage for theft by parties other than the guards? If so, is there a lower sub-limit with a higher deductible?

WHAT IF contracts with the clients require a one million dollar limit? Is there a violation or breach of the terms of the client contracts or even the security company's standard contract? Who is responsible for the difference?

7. TYPE OF DEDUCTIBLE

Determines how many times the deductible will be paid for one incident.

Key Question: Does the policy have a per occurrence or per claim deductible?

WHAT IF there were five claims from multiple parties that arose from one incident? Would the security company be responsible for one or five deductibles for one incident?

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8. INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

Amends bodily injury to include incidental medical malpractice.

Key Question: Does the policy exclude coverage for use of AED devices and first aid to others?

WHAT IF the guard provides medical attention and that party sues for medical malpractice?

9. MACE POLLUTION ENDORSEMENT

Coverage for aerosol chemicals.

Key Question: Does the policy have an exclusion for pollution?

WHAT IF there is a claim where the guard uses mace or pepper spray?

10. LOST KEY ENDORSEMENT

Coverage for keys lost by security employees.

Key Question: Does the policy pay for keys and new locks, if required? If so, is there a lower sub-limit with a higher deductible?

WHAT IF the security employee loses keys to an office complex, that results in a substantial claim?

11. MOBILE EQUIPMENT EXTENSION ENDORSEMENT

For off road security carts.

Key Question: Does the policy extend the definition of mobile equipment to include golf carts, ATVs and off road vehicles?

WHAT IF the security employee causes property damage or bodily injury with an off road vehicle?

12. CONTRACTUAL PERSONAL INJURY

Coverage for libel, slander and false arrest.

Key Question: Does the contractual coverage protect from personal injury claims? Has the contractual exclusion for personal injury been deleted?

WHAT IF the client seeks indemnification for defamation or false arrest claims?

13. PRIMARY COVERAGE

Automatic when required by written contract.

Key Question: Does the policy automatically provide coverage on a primary basis when required by written contract without an endorsement or additional charge?

WHAT IF this coverage is required and the primary endorsement was not requested?

14. NO PUNITIVE DAMAGES EXCLUSION

Subject to state statute.

Key Question: Does the policy EXCLUDE punitive damages for either general liability or errors & omissions coverage?

WHAT IF part of the judgment awarded includes punitive damages? They can be among the highest damages!

OPTIONAL COVERAGE: Wage Freeze Endorsement, Waiver of Subrogation, Employee Benefit Liability, Per Project Aggregate, Stop Gap Liability, Canine Coverage, Additional Insureds.

Additional Endorsements are available.

- Coverage specifically identified may not be available in every state or with all carriers.
- This checklist is illustrative and not intended as an offer, binder, policy, or statement of insurance.
- Checklist coverage may not be applicable to all carriers represented.



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150 S. Bloomingdale Road, Bloomingdale, IL 60108
Phone (630) 582-2800 Fax (630) 582-2803 Toll Free (800) 800-1704
www.izzoinsurance.com