



## ARE YOU COVERED FOR YOUR SUBCONTRACTORS' FAULTY WORK?

Security America RRG policyholders often ask the question:

“What if I am brought into a claim or suit because of inadequate work or damage caused by a subcontractor I hire? Do I have coverage?”

To answer this question, let's look at a real-life example. A monitoring company contracted with a guard service to respond to alarms. When an alarm activated, the monitoring company received the signal, and dispatched promptly. However, the third-party guard company failed to respond in a timely manner and a lawsuit claiming property damage was made.

In this case, the monitoring company had a contract with the subcontracting guard service with an indemnification from the guard service. They were also an additional insured on the guard company's insurance policies. This is all good risk management!

But let's assume there was no contract and no indemnification from the guard company and no additional insured status with the guard's insurance company. What happens then?

Had the monitoring company been insured with Security America RRG's general and professional liability policies that include coverage for claims made against the alarm monitoring company due to the inadequate or faulty work of subcontractors, then Security America RRG would have stepped up and defended our insured.

However, our competitors' policies don't always contain the same broad coverage.

**1** They often exclude damage caused by subcontractors working on your behalf

OR

**2** They only cover subcontractors while they are physically at the job. As soon as their work is completed, their coverage ends. This can be a problem if claims or damages are made after the subcontractor has finished their work.

Rather than becoming a victim because of an inadequate insurance policy, Security America RRG helps our insureds with risk management issues such as appropriate contracts and hold harmless clauses with subcontractors. Then we back it up with a solid insurance policy tailored for the industry.

**In addition, Security America RRG has recently been rated B++ by A.M. Best for its solid financial performance and stable outlook.**

We're asking all ESA members to support the industry and the association by getting a free quote. If you haven't requested a quote from Security America RRG, please do so today. It was founded for you and the specific needs of the security industry and could save you thousands of dollars a year.

Security America RRG provides broad errors and omissions protection in conjunction with a tailored general liability insurance program to members of the ESA. The program is competitively priced, and we encourage you to obtain a quote. For additional information or to request a quote, please visit our web site at [www.securityamericarrg.com](http://www.securityamericarrg.com) or call 1-866-315-3838 to speak with a representative. ■

*Richard Poling*  
Program Manager  
Security America Risk Retention Group

