

The Untamed Frontier of Errors and Omissions Insurance



Unlike other types of insurance such as Workers' Compensation or Auto Liability, where the policy forms are standardized or even mandated by regulators, Professional Errors and Omissions (E&O) insurance coverage varies greatly from insurer to insurer and can be considered a wild and untamed frontier full of potential pitfalls.

Also called "professional liability" or "malpractice," E&O insurance is needed by any person or organization that may be seen to provide professional services, which typically includes a component of consultation or design. A business is also seen to be providing professional services if there is a requirement on that business to be licensed, or if the profession requires substantial knowledge or education beyond the ordinary person. In other words, almost all aspects of alarm design, sales, installation and monitoring can be considered professional services. E&O responds to claims by third parties alleging financial losses as a result of professional services rendered.

Security America RRG's professional E&O insurance is tailored to meet the specific needs of the electronic security industry. Many of our competitors' policies contain the following pitfalls not present in our policy form:

- 1) The form is a generic errors and omissions form, not a tailored one. Our competitors' E&O policy forms may be just as applicable for a doctor, IT consultant, insurance broker or other professional. As such, it may not have the proper endorsements to fit the actual operations of an electronic security industry professional.
- 2) There are various exclusions, such as a canine exclusion that could be applied to a customer, a third party or your own dogs that cause damage.

- 3) A water damage exclusion that could be interpreted to extend to third-party losses.
- 4) An employed engineer exclusion eliminating coverage if a claim is deemed to have been caused by an engineer employed by the insured (not an independent engineering firm).
- 5) Legal defense costs may erode the limits available to pay claims.
- 6) Claims must be reported during the policy period for coverage to apply.
- 7) Prior acts are excluded, meaning that any operations prior to the policy term are not covered if they result in a claim during the policy term.

These are just a few examples. We at Security America RRG provide free policy reviews to anyone seeking a quote. Just send us your current policy along with a quote request and we'll identify everyday exposures and gaps in coverage that your current policy may be missing.

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 quite competitive, and we encourage you to obtain a quote. For additional information or to request a quote, please visit our website at www.securityamericarrg.com or call 1-866-315-3838 to speak with a representative.

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