Security Alarm Provider Fire Protection Insurance Cheat Sheet

by [deleted] via cheatography.com/2754/cs/11500/

Introduction

Fire detection and suppression work is completely code-driven, which is great for business because property owners must comply with applicable fire codes – meaning more work for you. But it also means there is an exacting and comprehensive standard of care, and it is all in writing.

Credit: Eric Pritchard
http://www.securityinfowatch.com/article/12299077/the-science-of-fire-protection

1. Don’t depart from the standard of care.

If you have ever read the fire code, you know that engineers (as authors of the code) make lawyers look superficial – and that is not easy to do! If you deviate from the applicable fire code – even slightly – you are likely to depart from the standard of care; and a deviation from the standard of care can translate into “breach of duty” – one of the four essential elements a plaintiff must prove to succeed on a negligence claim. Why help make the case against you? Know the code and follow it..

2. Agreements circumventing Code are conspiracies

I cannot tell you how many times I have been asked if subscribers can waive the design and installation requirements of the fire or building codes. It generally goes like this: “Can you approve this contract provision that acknowledges the fire system we have installed does not conform to code and confirms we – alarm company and subscriber – have mutually decided to rely on a non-compliant system? That will protect us nicely, won’t it?” Let’s think this one through: First, states and municipalities adopt codes, which means the codes are the law.. Second, these laws were created to protect people (i.e., subscribers and others) and their property from fire. Third, laws are mandatory, not optional. And finally, an agreement to do something unlawful is called a conspiracy. Let that one sink in for a moment – it means that if you agree with someone else to circumvent the law, you may have engaged in a criminal act. If you do not have it in writing from the AHJ, it doesn’t mean diddly.

3. Your contract alone may not save your bacon

Yes, as a matter of fact it is a pun. Industry lawyers have spent decades developing a comprehensive set of liability provisions to protect alarm companies – exculpatory clauses, liability limits, indemnity provisions, waivers of subrogation and others. Those provisions work well under most situations, but not as well under situations such as those involving losses caused by fire – because courts often hesitate to enforce contractual liability provisions in the context of fire protection. In effect, the state has an interest in protecting the public from fire –meaning that protecting fire alarm contractors who screw up is not in the public interest. Another interesting thought about fire – it spreads (“communicates” as the fire experts say). Fire spreading from your subscriber’s premises to an adjoining premise may mean multiple liability claims (been there, done that)..

4. You Can Never Have Enough Insurance

In my first really big fire case as lead counsel, I represented a third--party contract monitoring facility that had $3 million of insurance in a case in which the damages exceeded $10 million. I didn’t sleep well and my client didn’t sleep for years! If you are working in the fire arena, consider what it would cost to replace the most expensive property. Got enough insurance coverage to make that happen? And we’re not even focused on bodily injury or death claims, where the stakes get enormous. Buy fire insurance until it is really, really painful – because up-front pain is much better than back-end pain, so to speak..

Sponsored by **Readable.com**
Measure your website readability!
https://readable.com