

Essential terms and conditions of any good customer contract continued...

- **Warranty provision**

The contract should contain a provision explaining the warranty, if any, given by your company and disclaiming any other warranties. If the contract does not contain a provision disclaiming all other warranties, then the contract may contain numerous statutory warranties which were never intended by your company.

- **Operating Procedures**

The contract should also state exactly what your company and the customer agree to do, and not do, regarding the installation and monitoring of the alarm system. The obvious starting point is the parties' obligations regarding installation. Initially, the customer should acknowledge that he or she has the authority to permit the installation, especially if the customer does not own the premises. The contract should contain an estimate as to when your company will install the system, but also make it clear that you are not responsible for any delays. Finally, the contract should give the customer a limited number of days to object, in writing, if he or she is not satisfied.

- **Assignability provision**

If you ever decide to sell your contracts, the buyer will want to know that the contracts can be assigned without obtaining your customer's consent or giving your customer prior notice of the transaction. Although the general rule is that contracts are freely assignable unless the contract provides otherwise, to be safe your contract should clearly provide that you can assign it to a third party without the customer's consent. Conversely, the customer should not be able to assign the contract without your consent. It is also advisable to further provide that a sale of the customer's premises does not relieve the customer of any of his or her obligations under the contract, again absent your consent.

- **Miscellaneous**

The customer contract provisions that comprise the final category of terms and conditions are lumped together under the "miscellaneous" heading, not because they are any less important, but because they do not fit neatly into any of the previous categories.

A contract must identify who is authorized to sign the contract on behalf of your company. If your contract provides that it will not be effective until signed by a particular person or by someone in a particular office, it is necessary that the appropriate individual sign the contract on behalf of your company (a better approach is to provide that the contract becomes effective when signed by an authorized person or when the company begins to install the system or provide service).

Finally, be sure to consult with an attorney that specializes in the security industry to ensure you have the proper contracts in place. With technology changing so rapidly, we recommend having your contracts reviewed regularly because a good, solid contract from 3 years ago may not be so good today.

Insurance. Most of us have it and we wish we didn't need it. Wisdom and experience tell us to never do business without it. With proper coverage, after you pay your deductible, your insurance company takes on the costs to defend your claim and pay any settlement.

Partnering with Security America Risk Retention Group means you are partnering with an insurance company owned by security professionals, giving you the right protection for your security business! If you have questions about your coverage, using the proper language in your contracts, how to avoid liability claims, call the Security America RRG team today. You have worked too hard building your business to leave its protection up to an insurance company that doesn't understand your needs!

