

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

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Bill No. 329-31 (COR)

Introduced by:

R.J. Respicio *[Handwritten signature]*
T.C. Ada *[Handwritten signature]*

**AN ACT TO AMEND §71501 OF ARTICLE 5,
CHAPTER 71, TITLE 10, GUAM CODE
ANNOTATED, RELATIVE TO INSURANCE
REQUIREMENTS FOR PRIVATE SECURITY
ORGANIZATIONS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*
3 finds that P.L. 17-14, which was enacted in June 27, 1983, established the
4 regulations for the use of firearms by private security officers. Included
5 within this law was a provision for employers in the industry to acquire
6 liability insurance coverage as a means to address risks associated when
7 security personnel carry firearms in the performance of their duties.

8 *I Liheslaturan Guåhan* finds the requirement for private security
9 organizations to obtain liability insurance coverage is critical to ensuring
10 that individuals, who become victims as a result of a private security
11 officer's wrongful use of a firearm, are able to acquire appropriate medical,
12 financial and other forms of assistance from the security service provider
13 responsible for its officer's misuse of a firearm.

14 *I Liheslaturan Guåhan* finds that the private security services industry
15 has evolved since the enactment of P.L. 17-14 in 1983. Private security

1 personnel today are generally used to help deter unlawful acts throughout
2 Guam’s hospitality, banking and retail industries as opposed to the
3 sometimes violent environment in the 1980s when drug use and robbery
4 activities were common encounters in their line of work. Given the nature
5 of their responsibilities, *I Liheslatura* acknowledged at the time the
6 importance of requiring liability insurance coverage when firearms are used
7 by private security officers.

8 In recognizing the evolution of this industry over the years, however, *I*
9 *Liheslaturan Guåhan* finds that companies which do not employ armed
10 security personnel continue to be subjected to the same insurance mandates
11 required of employers of armed security officers. Private security employers
12 with unarmed personnel continue to pay for general liability insurance
13 coverage for risks limited primarily to companies that employ security
14 officers who use firearms in the performance of their duties.

15 It is therefore the intent of *I Liheslatura* to exempt employers of
16 unarmed private security personnel from the provisions of Section 71501 of
17 Article 5, Chapter 71, Title 10, Guam Code Annotated.

18 **Section 2. Insurance Requirements for Private Security**
19 **Organizations.** Section 71501 of Article 5, Chapter 71, Title 10, Guam
20 Code Annotated, is hereby *amended* to read:

21 **“71501. Insurance Requirements.**

22 Each employer of armed private security personnel shall file
23 with the Department of Revenue and Taxation a certificate of
24 insurance evidencing general liability coverage for bodily injury,
25 personal injury, and property damage with endorsements for assault
26 and battery in the minimum annual aggregate amount of One Hundred
27 Fifty Thousand Dollars (\$150,000) for bodily or personal injury and a

1 minimum annual aggregate amount of One Hundred Thousand
2 Dollars (\$100,000) for property damage. All private security
3 employers are required to secure a policy with the least deductible
4 amount. Any policy issued to a private security employer with a
5 deductible amount shall bear a certification from the insurer, or its
6 duly appointed general agent or sub-agent, and shall state that the
7 deductible set forth in the policy is the least amount duly approved by
8 the Commissioner of Banking and Insurance.

9 The certificate of insurance required herein does not apply to
10 employers of unarmed security personnel who do not provide armed
11 security services.

12 The Department of Revenue and Taxation shall adopt a
13 designation that shall identify on a business license that such business
14 is licensed to provide armed security services.

15 If at any time the certificate of insurance is revoked, or
16 cancelled, then the department shall revoke the business license of
17 such business that is required to maintain a certificate of insurance.

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