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

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Bill No. 329-31 (COR), "AN ACT TO *AMEND* §71501 OF ARTICLE 5, CHAPTER 71 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO INSURANCE REQUIREMENTS FOR PRIVATE SECURITY ORGANIZATIONS,"** was on the 8th day of November, 2011, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 9th day of Nov., 2011, at 4:25 o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

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

Bill No. 329-31 (COR)
As amended by the Committee on Appropriations,
Taxation, Public Debt, Banking, Insurance, Retirement, and Land;
and further amended on the Floor.

Introduced by: R. J. Respicio
T. C. Ada
V. Anthony Ada
F. F. Blas, Jr.
B. J.F. Cruz
Chris M. Dueñas
Judith P. Guthertz, DPA
Sam Mabini, Ph.D.
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
v. c. pangelinan
Dennis G. Rodriguez, Jr.
M. Silva Taijeron
Aline A.Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

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

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that Public Law 17-14, which was enacted in June 27, 1983, established the regulations for the use of firearms by private security officers. Included within this law was a provision for employers in the industry to acquire liability insurance

coverage as a means to address risks associated when security personnel carry firearms in the performance of their duties.

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

I Liheslaturan Guåhan finds that the private security services industry has evolved since the enactment of Public Law 17-14 in 1983. Private security personnel today are generally used to help deter unlawful acts throughout Guam's hospitality, banking and retail industries, as opposed to the sometimes violent environment in the 1980s when drug use and robbery activities were common encounters in their line of work. Given the nature of their responsibilities, *I Liheslatura* acknowledged at the time the importance of requiring liability insurance coverage when firearms are used by private security officers.

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

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

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

"**71501. Insurance Requirements.**

Each employer of armed private security personnel *shall* file with the Department of Revenue and Taxation a certificate of insurance evidencing general liability coverage for bodily injury, personal injury, and property damage with endorsements for assault and battery in the minimum annual aggregate amount of One Hundred Fifty Thousand Dollars ($150,000) for bodily or personal injury, and a minimum annual aggregate amount of One Hundred Thousand Dollars ($100,000) for property damage. All private security employers are required to secure a policy with the least deductible amount. Any policy issued to a private security employer with a deductible amount *shall* bear a certification from the insurer, or its duly appointed general agent or sub-agent, and *shall* state that the deductible set forth in the policy is the least amount duly approved by the Commissioner of Banking and Insurance.

The certificate of insurance required herein *does not* apply to employers of unarmed security personnel who *do not* provide armed security services. For this purpose, employers of unarmed security personnel *shall* mean employers who *shall* prohibit or *shall not* allow security personnel to use physical force, and/or possess or have access to firearms, clubs or batons, shock or stun devices, and incapacitating agents.

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

If at any time the certificate of insurance is revoked, or cancelled, then the Department *shall* revoke the business license of such business that is required to maintain a certificate of insurance."