

# LEGAL-EASE



## Personal Emergency Response Systems

### *Important Legal Considerations*

*[The featured speakers at the last two SCSA monthly meetings have spoken about Personal Emergency Response Systems (PERS). This month we discuss some of the legal consideration of these systems.]*

**Q:** Do I need a separate contract to install a PERS?

**A:** Not necessarily. If you are a current ACO and (i) install a PERS as part of (and at the same time as) a home security (intrusion) alarm or fire alert system and (ii) that system includes at least two stationary protective devices and (iii) your current, written agreement includes provisions for a PERS, then (**and only if all these conditions are met**) you do not need a separate agreement. If you install a PERS at a different time, however, then you do need a separate agreement. Also, if you are a C-7 or C-10 (and **not** a current ACO) and install a PERS as part of another type of low voltage or fire alert system, you also need a separate agreement.

**Q:** Isn't there a seven-day right of rescission for these systems?

**A:** Yes, if the PERS is installed as a stand-alone home system, there is a seven- (as opposed to only a three-) day consumer right of rescission that applies. In that case, a separate, different notice must be included in the contract and delivered to the consumer (it includes essentially the same language as the three-day notice, with the substitution of the word "seven" instead of "three"). However, if all the conditions mentioned in the answer to Question 1 above are met, then the three-day right of rescission applies to the whole system, *including the PERS*.

**Q:** I am often contacted by the adult son or daughter who asks me to install the system to protect their elderly and/or frail parent who lives alone. They are going to sign the agreement and will pay for the monitoring. Can I enter into the agreement with the adult-child of the user of the system?

**A:** This may be a risky proposition. Besides those clauses included in your agreement regarding payment and those necessary to comply with the Alarm Company Act, the most important part of your written contract is the "limitation of liability" clause. Unless the son or daughter has been officially appointed as the "conservator" of their parent (or is acting under a power of attorney), they may not be able to validly agree to limit your liability with respect to the parent, who is the one who might suffer harm if the system doesn't work. If that happens, and, say, there is another sibling who brings a lawsuit for the alleged harm caused to the parent, it is possible a Court might not enforce the limit, and depending on how your policy is written, your insurance may not cover you either!

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