

Staffing Insurance News



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Before Signing: Read Between the Lines

“There are two vital, time-worn cautions that never go out of style – always read the fine print – and read it over again before signing.”

Here’s another. Read between the lines. Most likely you will discover that the contract you are asked to sign makes you assume a risk for your firm that you are unaware of.

The staffing industry exists on contracts that are not only written, they can also be verbal and the most difficult to know is the implied contract. And those contractual arrangements have become more complicated, with far greater implications and assumptions of risk, than you may be aware.

Direct negotiations with a client firm can bring some measure of control, at the very least, 1) understanding of the scope of responsibilities expected and agreed to; 2) what is required of the talent placed; 3) any other vendors on the job site who and what are each vendor’s responsibilities. It is commonplace for staffing firms to collaborate to meet client requirements, particularly in today’s highly competitive economic times. Beware the further away you are from the client and initial contract negotiations, the more clouded and greater your assumption of risk will be.

Are you prepared to assume the risk of virtually all other parties who came before, who have transferred their own risk to the final contract, signed? Are you willing to defend, indemnify and hold anyone and everyone harmless for anything regardless of your involvement? What if during your defense of all others, it is determined that your firm and employee had absolutely no responsibility for the loss that occurred, will the matter be closed? Not necessarily because the contract you agreed to requires you to provide defense and indemnify those that caused the loss.

Case in point – two staffing firms joined forces to fill positions required for a client. The first staffing firm signed the contract with the client to provide dozens of employees on site. The second firm was asked to provide one additional professional placement. The project involved major building design and renovation. The first staffing firm agreed in their original contract with the client to be responsible for any and all liabilities related to the project. The second firm signed a contract with the first staffing firm which transferred all risk assumed to that unknowing second firm. An accident occurred unrelated to the work performed by the staffing firms, resulting in the death of an individual on the job site.

The second staffing firm was called upon to defend all parties.

Leave nothing to chance in the all-important “between the lines” open space. Know what you are agreeing to, what you are expected to be responsible for, have your attorney review if necessary. And get it in writing. Beyond our basic mission of providing effective and cost-efficient insurance products and programs for more than 40 years now, [World Wide Specialty Programs](#) takes great pride in supplying brokers and staffing firm decision makers with educational expertise to help you understand and assist with your clients’ needs, concerns, and objectives for continuing to uphold the high standards of America’s staffing industry.

For more information on background screenings and staffing firm coverage, contact [World Wide Specialty Programs](#) at **631-390-0900**, or visit our website at www.wspi.com.



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