

FINAL DRAFT LANGUAGE*

**A Proof of the actual brochure will be provided at the meeting.*

CONSUMER GUIDE TO ALARM COMPANIES

REQUIREMENTS FOR DOING ALARM BUSINESS

Alarm companies providing home security systems must be licensed by the Bureau of Security and Investigative Services (Bureau or BSIS) to:

1. Sell alarm systems on a consumer's premises.¹
2. Install, service, repair, and monitor alarm systems.
3. Respond to alarm activations. (The person responding can be an alarm agent² or a private patrol operator's security guard³.)

Retail stores may sell alarm systems without being licensed, but only at the store, and they may not perform any alarm company functions. Alarm companies, including those located outside of California that monitor systems in California, must also possess a BSIS license.¹

Local governments may require alarm system owners or renters to pay a fee and obtain a permit to operate an alarm system. Likewise, Alarm companies may need to obtain a business permit.⁴

WHO CAN INSTALL/MONITOR AN ALARM SYSTEM

An alarm company is a business that installs, maintains, alters, sells, monitors, services or responds to alarm systems. An alarm qualified manager, is the person designated by an alarm company who is in active control of the business.⁵ An alarm agent is an employee of an alarm company.²

An alarm company owner, qualified manager or agent may carry out the activities an alarm company is authorized to perform. Alarm business owners, including designated officers of a corporation or designated members of a limited liability company actively involved in the business, alarm qualified managers, and alarm agents must undergo a criminal history background review as a condition for BSIS licensure.⁶

Current law⁷ allows an employee of a licensed alarm company to work with a temporary registration while the Bureau processes his or her alarm agent application. A temporary registration is valid for 120 days and the employee must carry a copy of his or her initial

¹ BPC 7590.2

² BPC 7590.1(o)

³ BPC 7590.3(d)

⁴ BPC 7592.8

⁵ BPC 7590.1(j)

⁶ BPC 7593.1

⁷ BPC 7598.7

application filed with the Bureau. Please note that individuals working with a temporary registration have not undergone a criminal history background review by the Bureau.

INQUIRE BEFORE YOU HIRE

1. **Verify that an alarm company, qualified manager or agent is licensed with the Bureau prior to conducting business with them.** Use Verify a License on the Bureau's website at http://www.bsis.ca.gov/forms_pubs/online_services/verify_license.shtml or call (800) 952-5210 to check on the license status of the company or person. NOTE: Current law⁸ allows an employee of a licensed alarm company to work with a temporary registration while the Bureau processes his or her alarm agent application. A person working on a temporary registration must have a copy of their initial application in their possession. Be sure to ask for a form of photo identification too.
2. Check with your city or county whether the alarm company is required to have a local business permit and if so that the company you contacted possesses the required permit.⁴
3. Check with your city or county to see if you are required to obtain a permit to have an alarm system.⁴
4. Ask for referrals from friends and family members who have had successful experiences with an alarm company.
5. Get an estimate from more than one BSIS licensed alarm company.

READ THE CONTRACT

Alarm company contracts must be in writing and must include, among other requirements, the following information:

- The alarm company's name, business address, telephone number, and BSIS license number.⁹
- The alarm agent's BSIS registration number if an agent solicited or negotiated the agreement.⁹
- The approximate dates your scheduled work will begin and be substantially complete.¹⁰
- A description of the alarm system to be installed, including what work is necessary to install the system and the materials which will be used for installation and the cost of the system and services.¹¹
- A description of other services to be provided by the alarm company after installation of the alarm.¹²

⁸ BPC 7598.7

⁹ BPC 7599.54 (a)

¹⁰ BPC 7599.54 (b)

¹¹ BPC 7599.54 (c)

- A clause stating the alarm company will teach the buyer how to use the system after it is installed.¹³
- If the total value of the contract exceeds \$250.00 the contract must include a schedule of payments and information about the permit fees charged by local governments. (**NOTE:** A down payment may not exceed \$1,000 or 10 percent of the contract price, excluding finance charges – whichever is less.)¹⁴
- The contract must disclose if monitoring services are being provided.¹⁵
- Before any work commences to install the system, a copy of the full contract signed by the alarm company or its licensed agent must be provided to the consumer.¹⁶

AUTOMATIC RENEWAL

Alarm company contracts may contain what is known as an “evergreen” or “rollover” clause. This provides for the automatic renewal of the monitoring portion of the alarm contract unless the customer cancels the contract in writing by the date indicated in the contractual agreement (normally 30 days before the contract expires). Federal law also gives you the right to cancel within 3 days any contract signed in your home with a value over \$25.00.¹⁷ You should check the contract to determine if such a clause exists and/or question the alarm company’s policy on contract cancelation.

MOBILE DEVICE MONITORING

Alarm Company monitoring systems may include web based monitoring tools. This technology allows you to monitor your property from a mobile device by accessing a video feed installed in your home.

It is recommended to check whether the alarm company provides firmware, an encrypted network, or a strong firewall to prevent hackers from obtaining access to your video feed. The video feed can be hacked if the site is not secured properly.

If any of these tools or services is available, make sure they are disclosed to you and are listed in the contract as a service provided.

WHAT TO DO IF YOU HAVE A PROBLEM

You may file a complaint with BSIS against an alarm company, alarm qualified manager and/or alarm agent. Complaints the Bureau has received include unlicensed activities, contract and installation agreement issues including rollover or evergreen renewal provisions, and unauthorized monitoring services. You can file a complaint online at <http://www.bsis.ca.gov/consumers/complaints.shtml> or call (800) 952-5210.

¹² BPC 7599.54 (f)

¹³ BPC 7599.54 (g)

¹⁴ BPC 7599.54 (i) (2)

¹⁵ BPC 7599.54 (e)

¹⁶ BPC 7599.54 (f)

¹⁷ 16 CFR Part 429