Proposed Regulation
Agency Background Document

Agency name	Department of Criminal Justice Services
Virginia Administrative Code (VAC) citation(s)	6VAC20-172 and 6VAC20-174
Regulation title(s)	6VAC20-172 Regulations Relating to Private Security Services Businesses 6VAC20-174 Regulations Relating to Private Security Services Registered Personnel
Action title	Amend 6VAC20-172 and 6VAC20-174 to Address Insurance Requirements for Private Security Services Businesses and Independent Contractors
Date this document prepared	June 21, 2016

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual.*

Brief summary

Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The proposed language will amend 6 VAC20-172 Regulations Relating to Private Security Services Businesses and 6 VAC20-174 Regulations Relating to Private Security Services Registered Personnel. The proposed revisions will allow private security services businesses licensed by DCJS to independently contract with private investigators and personal protection specialists registered with DCJS. Additionally the language will require that every registered personal protection specialist and private investigator hired as an independent contractor maintain 1 million dollars in general aggregate liability insurance and

provide evidence of such insurance to the private security services business they are contracting with. All private security businesses will be required to secure a surety bond in the amount of 1million dollars or maintain 1 million dollars in general aggregate liability insurance.

Acronyms and Definitions

Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.

PSSAB - Private Security Services Advisory Board a fifteen member board that is established pursuant to Virginia Code § 9.1-143 that advises the Criminal Justice Services Board (CJSB) on matters related to the regulation of private securities businesses. Members of the PSSAB must represent the various industries regulated by DCJS (e.g. security officer, locksmith, private investigator, personal protection specialists, etc.)

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including: 1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable; and 2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

Virginia Department of Criminal Justice Services and the Criminal Justice Services Board

§ 9.1-102. Powers and duties of the Board and the Department.

The Department, under the direction of the Board, which shall be the policy-making body for carrying out the duties and powers hereunder, shall have the power and duty to:

1. Adopt regulations, pursuant to the Administrative Process Act (§ 2.2-4000 et seq.), for the administration of this chapter including the authority to require the submission of reports and information by law-enforcement officers within the Commonwealth. Any proposed regulations concerning the privacy, confidentiality, and security of criminal justice information shall be submitted for review and comment to any board, commission, or committee or other body which may be established by the General Assembly to regulate the privacy, confidentiality, and security of information collected and maintained by the Commonwealth or any political subdivision thereof;..

§ 9.1-141. Powers of Board relating to private security services business.

A. The Board may adopt regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), establishing compulsory minimum, entry-level, in-service, and advanced training standards for persons employed by private security services businesses in classifications defined in § 9.1-138. The regulations may include provisions delegating to the Board's staff the right to inspect the facilities and programs of persons conducting training to ensure compliance with the law and Board regulations. In establishing compulsory training standards for each of the classifications defined in § 9.1-138, the Board shall be guided by the policy of this section to secure the public safety and welfare against incompetent or unqualified persons engaging in the activities regulated by this section and Article 4 (§ 9.1-138 et seq.) of this chapter….

…C. The Board may adopt regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) to secure the public safety and welfare against incompetent, unqualified, unscrupulous, or unfit persons engaging in the activities of private security services businesses that:

1. Establish the qualifications of applicants for registration, certification, or licensure under Article 4 (§ 9.1-138) of this chapter;

2. Examine, or cause to be examined, the qualifications of each applicant for registration, certification, or licensure, including when necessary the preparation, administration, and grading of examinations;

3. Certify qualified applicants for private security training schools and instructors or license qualified applicants as practitioners of private security services businesses;

4. Levy and collect fees for registration, certification, or licensure and renewal that are sufficient to cover all expenses for administration and operation of a program of registration, certification, and licensure for private security services businesses and training schools;

5. Are necessary to ensure continued competency, and to prevent deceptive or misleading practices by practitioners and effectively administer the regulatory system adopted by the Board;…

§ 9.1-144. Bond or insurance required; actions against bond.
A. Every person licensed as a private security services business under subsection A of § 9.1-139 or certified as a private security services training school under subsection B of § 9.1-139 shall, at the time of receiving the license or certification and before the license or certification shall be operative, file with the Department (i) a cash bond or evidence that the licensee or certificate holder is covered by a surety bond, executed by a surety company authorized to do business in the Commonwealth, in a reasonable amount to be fixed by the Department, conditioned upon the faithful and honest conduct of his business or employment; or (ii) evidence of a policy of liability insurance in an amount and with coverage as fixed by the Department. The bond or liability insurance shall be maintained for so long as the licensee or certificate holder is licensed or certified by the Department.

Every personal protection specialist and private investigator who has been issued a registration by the Department and is hired as an independent contractor by a licensed private security services business shall maintain comprehensive general liability insurance in a reasonable amount to be fixed by the Department, evidence of which shall be provided to the private security services business prior to the hiring of such independent contractor pursuant to subsection C of § 9.1-139.

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Describe the specific reasons the regulation is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

During the 2015 Virginia General Assembly Session, Delegate, James M. LeMunyon patroned HB1718. This legislation permits a licensed private security services business to hire as an independent contractor a personal protection specialist or private investigator. The legislation requires every personal protection specialist and private investigator hired as an independent contractor by a licensed private security services business to maintain comprehensive liability insurance in an amount to be determined by DCJS.

Chapters 6VAC20-172 and 6VAC20-174 do not address the requirements for insurance for independent contractors. Chapter 6VAC20-172 Regulations Relating to Private Security Services Businesses currently requires individuals obtaining a business license to provide documentation verifying that a bond has been

secured in the amount of $100,000 or a certificate of insurance for comprehensive general liability insurance with a minimum coverage of $100,000 per individual occurrence and $300,000 general aggregate. The bond and insurance amounts identified in 6VAC20-172 had not been reviewed since these regulations were first promulgated fifteen years ago and the amounts do not reflect current industry standards, or needs of private security businesses and do not adequately protect the public.

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Requiring personal protection specialists and private investigators serving as independent contractors to maintain comprehensive liability insurance protects the health, safety, and welfare of all parties involved. Comprehensive liability insurance protects the public against personal injury and property damage on the part of the personal protection specialist or private investigator. Additionally the insurance protects the personal protection specialist's and private investigator's personal assets up to the covered amount.

During the December 1, 2015, meeting of the Private Security Services Advisory Board (PSSAB), DCJS requested the PSSAB to recommend an amount of comprehensive liability insurance that it felt was appropriate for independent contractors and for private security businesses. The PSSAB informed DCJS staff they did not have enough information to determine an appropriate figure. DCJS was asked to provide additional information regarding the current amount of insurance held by private security businesses and agreed to utilize staff from the research unit to conduct a random sample of the private security businesses.

At the March 3, 2016, meeting, the PSSAB was presented with the following results of the research:

Random Sample

The DCJS Research Center selected a random sample of private security businesses from all but two of the seven private security businesses regulated by DJCS. The number of armored car and security canine handling services businesses registered with DCJS is small therefore all armored car and security canine handling services businesses were included. A total for 400 businesses made up the final sample.

- Security Officer (sample size N=78)
- Private Investigation (N=82)
- Armored Car (N=15)
- Security Canine Handling (N=15)
- Personal Protection (N=52)
- Electronic Security (N=86)
- Locksmith (N=72)

Current Requirement

Private security business insurance requirements per current regulation are: A surety bond in the amount of $100,000 ***OR*** Comprehensive general liability insurance with a minimum coverage of $100,000 per individual occurrence ***AND*** $300,000 general aggregate.

Terminology

Surety bonds are a financial guarantee of performance of a specific action. A surety bond is not liability insurance.

Commercial general liability insurance protects a business from financial loss resulting from claims of injury or damage caused to others by the business. A comprehensive policy typically covers:

- Bodily Injury – physical damage to a person other than an employee of the business and injuries caused by the business at a client's home or work place
- Personal Injury – libel, slander, copyright infringement, invasion of property or privacy, wrongful eviction, false arrest and similar acts that cause damage to a person's reputation or rights
- Property Damage – damage done to another person's property by the business in the course of conducting business

- Advertising Injury – losses caused by the businesses' advertising
- Legal Defense and Judgments – costs to defend against real and frivolous suits and judgments up to the limit of coverage. This generally does not include punitive damages for negligence or willful misconduct

A ***general aggregate insurance limit*** is the maximum amount of money the insurer will pay out during a policy term. Once the general aggregate limit has been exhausted, the insurer is under no obligation to cover further losses in any of the categories covered under the general liability policy.

Current General Liability Insurance Carried by Private Security Businesses

- 99% (N=395) of businesses have a general liability insurance limit that exceeds the $100,000 minimum
- 1 business has a $100,000 surety bond in lieu of general liability insurance
- 93% (N=371) have a general liability limit of $1,000,000 or more (range $1,000,000 to $10,000,000)
- Average general liability insurance limit: $1,160,250

Current General Aggregate Insurance Carried by Private Security Businesses

- 1 businesses has a surety bond in lieu of aggregate liability insurance
- 97% (N=389) of businesses have a general aggregate liability limit that exceeds the $300,000 minimum
- 93% (N=337) have an aggregate liability insurance limit of $1,000,000 or more (range $1,000,000 to $10,000,000)
- Average general aggregate liability limit: $2,344,361

At the conclusion of the presentation on March 3, 2016, the PSSAB voted to approve the following recommendations:

- Private security businesses shall be required to maintain comprehensive liability insurance in the amount of 1 million dollars in general aggregate liability insurance.
- Independent contractors working for private security businesses shall be required to maintain comprehensive liability insurance in an amount equal to the insurance requirements for private security businesses.

The PSSAB made the recommendation described above to the CJSB, as did DCJS. March 24, 2016, the CJSB voted to approve the recommendations of the PSSAB.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of changes" section below.

The proposed language will amend 6 VAC20-172 Regulations Relating to Private Security Services Businesses and 6 VAC20-174 Regulations Relating to Private Security Services Registered Personnel to allow private security services businesses licensed by DCJS to independently contract with private investigators and personal protection specialists registered with DCJS. Additionally, the language will require that every registered personal protection specialist and private investigator hired as an independent contractor maintain 1 million dollars in general aggregate liability insurance and provide evidence of such insurance to the private security services business they are contracting with. Private security businesses will be required to secure a surety bond in the amount of 1million dollars or maintain 1 million dollars in general aggregate liability insurance.

Issues

Please identify the issues associated with the proposed regulatory action, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.

The primary advantage to the public is ensuring an increased opportunity for civil recourse in the event that an individual is harmed as a result of interacting with private security businesses or private investigators and personal protection specialist that are independent contractors.

There are no significant advantages or disadvantages to the majority of private security businesses in Virginia. The research conducted by DCJS indicated that 93% of the private security businesses already carry general aggregate liability insurance in an amount greater than 1 million dollars identified in the proposed regulatory action.

The primary advantage to private security businesses not currently carrying 1 million dollars or greater in general aggregate liability insurance and future private investigators and personal protection specialist that are independent contractors is increased liability protection against financial loss resulting from claims of injury or damage caused to the public. The primary disadvantage to a small percentage of private security businesses will be an increase in the cost of insurance.

The primary advantage to individuals wishing to work as independent contractors will be the ability to work in this capacity once the insurance requirements are addressed in the regulations using the standard three stage regulatory process. The disadvantage is that completing the standard three stage process to amend a regulation is a slow process which can take one to two years. Individuals are not able to work as independent contractors until the regulation is finalized and becomes effective.

There are no disadvantages to the general public, agency, or the Commonwealth.

Requirements more restrictive than federal

Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.

There are no applicable federal requirements.

Localities particularly affected

Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.

There are no localities that will be particularly affected by the proposed revisions to the regulation.

Public participation

Please include a statement that in addition to any other comments on the proposal, the agency is seeking comments on the costs and benefits of the proposal and the impacts of the regulated community.

In addition to any other comments, the Department of Criminal Justice Services and the Criminal Justice Services Board are seeking comments on the costs and benefits of the proposal and the potential impacts of this regulatory proposal. Also, the agency/board is seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) probable effect of the regulation on affected small businesses, and 3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit written comments for the public comment file may do so by mail, email or fax to name: Barbara Peterson-Wilson, mailing address: 1100 Bank Street 12th floor, phone number: 804-225-4503, fax number: 804-786-0410 and email address: Barbara.Peterson-Wilson@dcjhs.virginia.gov. Comments may also be submitted through the Public Forum feature of the Virginia Regulatory Town Hall web site at: http://www.townhall.virginia.gov. Written comments must include the name and address of the commenter. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will not be held following the publication of this stage of this regulatory action.

Economic impact

Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.

Projected cost to the state to implement and enforce the proposed regulation, including: **a) fund source / fund detail; and** **b) a delineation of one-time versus on-going expenditures**	There are no additional costs to the state. There is already a requirement for private security businesses to maintain aggregate insurance.
Projected cost of the new regulations or changes to existing regulations on localities.	No economic impact on localities.
Description of the individuals, businesses, or other entities likely to be affected by the new regulations or changes to existing regulations.	Private security businesses regulated by DCJS unarmed security officer, armed security officer/courier, armored car personnel, security canine handler, detector canine handler, private investigator, personal protection specialist, alarm respondent, locksmith, central station dispatcher, and electronic security Personal protection specialist and private investigators serving as independent contractors
Agency's best estimate of the number of such entities that will be affected. Please include an	There are 1,804 private security businesses licensed by DCJS.

estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than $6 million.	There are 1,805 individuals registered as private investigators and 522 individuals registered as personal protection specialists. It is unknown to DCJS the number of these individuals who will be interested in working as an independent contractor. DCJS does not maintain data that would allow the agency to determine how many private security businesses could be classified as small businesses.
All projected costs of the new regulations or changes to existing regulations for affected individuals, businesses, or other entities. Please be specific and include all costs including: **a) the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; and** **b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.**	DCJS consulted with members of the insurance industry to determine an estimate of the cost of insurance. The yearly cost of 1 million dollars of insurance is estimated to be between $500 and $695. The proposed regulations do not involve the development of real estate for commercial or residential purposes.
Beneficial impact the regulation is designed to produce.	The beneficial impact this regulation is designed to produce is to allow personal protection specialists and private investigators wishing to work as independent contractors the ability to work in this capacity while insuring there is adequate insurance to protect the public, independent contractors, and businesses.

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.

There are no viable alternatives to this regulatory action. During the 2015 Virginia General Assembly Session, Delegate James M. LeMunyon patroned HB1718. The bill permits a licensed private security services business to hire as an independent contractor a personal protection specialist or private investigator who has been issued a registration with the DCJS. Additionally, the bill requires every personal protection specialist and private investigator hired as an independent contractor by a licensed private security services business to maintain comprehensive liability insurance in an amount to be determined by DCJS. This legislation became effective July 1, 2015.

Regulatory flexibility analysis

Pursuant to § 2.2-4007.1B of the Code of Virginia, please describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will

accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

DCJS consulted with the agency's representative from the Office of the Attorney General to determine if it was appropriate to submit this regulatory action as an exempt action or fast-track. It was determined the nature of the proposed revisions to the regulation did not meet the criteria (e.g. no agency discretion involved or non-controversial) for filing either an exempt action or a fast-track.

Periodic review and small business impact review report of findings

If you are using this form to report the result of a periodic review/small business impact review that was announced during the NOIRA stage, please indicate whether the regulation meets the criteria set out in Executive Order 17 (2014), e.g., is necessary for the protection of public health, safety, and welfare, and is clearly written and easily understandable. In addition, as required by 2.2-4007.1 E and F, please include a discussion of the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation from the public; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation.

This action is not the result of a periodic review.

Public comment

Please summarize all comments received during the public comment period following the publication of the NOIRA, and provide the agency response.

Commenter	Comment	Agency response
Ted Troutner	Is there text of proposed regulations associated with the NOIRA.	Good morning Mr. Troutner, There is no proposed text associated with this NOIRA. Draft text will be submitted at the Proposed Stage of the regulatory process.
Edward Leary Private Investigators Association of Virginia (PIVA)	The PIVA Board of Directors consulted with its membership and knowledgeable representatives of the insurance industry and PIVA does not believe there should be any changes to the current insurance requirements. Current regulations specify a reasonable and adequate amount of	Good morning Mr. Leary, The Department of Criminal Justice Services is in receipt of the public comments you sent on behalf of the Private Investigators Association of Virginia, Inc.

	comprehensive general liability insurance. PIVA does believe that registered personnel performing private investigative services as an independent contractor should be subject to the same minimum insurance requirements as that of a licensed private security business. Please provide confirmation of your receipt of this email/fax communication and its enclosures.	

Family impact

Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

This regulation has no impact on the institution of the family and may have a minimal impact on the family stability in terms of increasing and decreasing disposable family income. As mentioned above for a small percentage of private security businesses there will be an increase in the cost of insurance which has the potential to decease disposable family income for a business owner. Additionally, there is the potential for an increase in disposable income for personal protection specialists and private investigators once the regulations are finalized and become effective as these individual would now be permitted to work as independent contractors.

Detail of changes

Please list all changes that are being proposed and the consequences of the proposed changes; explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact. Please describe the difference between existing regulation(s) and/or agency practice(s) and what is being proposed in this regulatory action. If the proposed regulation is intended to replace an emergency regulation, please follow the instructions in the text following the three chart templates below.

For changes to existing regulation(s), please use the following chart:

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change, intent, rationale, and likely impact of proposed requirements
6VAC20-172-10		This section defines terms throughout the regulation the term independent contractor is not currently defined.	A definition for the term independent contractor has been included. "Independent contractor" means a self employed personal protection specialist or

			a private investigator who (1) maintains comprehensive liability insurance in an amount fixed by the Department; (2) has been issued a registration by the Department and (3) enters into a contract to perform work for a licensed private security business.
6VAC20-172-40		This section identifies the requirements that must be met or exceeded prior to DCJS issuing a private security business a new license. There is a requirement for the applicant to obtain a surety bond or insurance. Currently, there is no language addressing the insurance requirements for independent contractors. "… B. Each person seeking a license shall file a completed application provided by the department including: 2. Documentation verifying that the applicant has secured a surety bond in the amount of $100,000 executed by a surety company authorized to do business in Virginia, or a certificate of insurance reflecting the department as a certificate holder, showing a policy of comprehensive general liability insurance with a minimum coverage of $100,000 per individual occurrence and $300,000 general aggregate issued by an insurance company authorized to do business in Virginia; …"	This section identifies the requirements that must be met or exceeded prior to DCJS issuing a private security business a new license. The proposed revisions increase the surety bond from $100,000 to 1 million dollars and increase the insurance requirement of $300,000 to 1 million dollars for private security businesses. Additionally the revisions identify the new insurance requirement for independent contractors working as private investigators and personal protection specialists. B. Each person seeking a license shall file a completed application provided by the department including: 1. For each principal and supervisor of the applying business and for each electronic security employee of an electronic security services business, his fingerprints pursuant to this chapter; 2. Documentation verifying that the applicant has secured a surety bond in the amount of ~~$100,000~~ 1 million dollars executed by a surety company authorized to do business in Virginia, or a certificate of insurance reflecting the department as a certificate holder, showing a policy of comprehensive general liability insurance ~~with a~~ in the minimum coverage amount of ~~$100,000 per individual occurrence and $300,000~~ 1 million dollars of general aggregate liability insurance issued by an insurance company authorized to do business in Virginia: a. Every personal protection specialist and private investigator who has been issued a registration by the Department and is hired as an independent contractor by a licensed private security services business shall maintain comprehensive general liability insurance in the minimum coverage amount of 1 million dollars of

			general aggregate liability insurance and b. Documentation verifying the personal protection specialist or private investigator has obtained the required insurance shall be provided to the private security services business prior to the hiring of such independent contractor;
6VAC20-172-50		This section identifies the requirements that must be met or exceeded prior to DCJS renewing a private security business license. There is a requirement for the applicant to obtain a surety bond or insurance. Currently, there is no language addressing the insurance requirements for independent contractors "… B. Licenses will be renewed for a period not to exceed 24 months. C. The department may renew a license when the following are received by the department: 1. A properly completed renewal application; 2. Documentation verifying that the applicant has secured and maintained a surety bond in the amount of $100,000 executed by a surety company authorized to do business in Virginia, or a certificate of insurance reflecting the department as a certificate holder, showing a policy of comprehensive general liability insurance with a minimum coverage of $100,000 per individual occurrence and $300,000 general aggregate issued by an insurance company authorized to do business in Virginia;…"	This section identifies the requirements that must be met or exceeded prior to DCJS renewing a private security business license. The proposed revisions increase the surety bond from $100,000 to 1 million dollars and increase the insurance requirement $300,000 to 1 million dollars for private security businesses. Additionally the revisions identify the new insurance requirement for independent contractors working as private investigators and personal protection specialists. C. The department may renew a license when the following are received by the department: 1. A properly completed renewal application; 2. Documentation verifying that the applicant has secured and maintained a surety bond in the amount of ~~$100,000~~ 1 million dollars ~~–~~executed by a surety company authorized to do business in Virginia, or ~~a~~ certificate of insurance reflecting the department as a certificate holder, showing a policy of comprehensive general liability insurance ~~with a~~ in the minimum coverage amount of ~~$100,000 per individual occurrence and $300,000~~ 1 million dollars general aggregate issued by an insurance company authorized to do business in Virginia~~;~~: a. Every personal protection specialist and private investigator who has been issued a registration by the Department and is hired as an independent contractor by a licensed private security services business shall maintain comprehensive general liability insurance in the minimum coverage amount of 1 million dollars of

			general aggregate liability insurance; and b. Documentation verifying the personal protection specialist or private investigator has obtained the required insurance shall be provided to the private security services business prior to the hiring of such independent contractor;
6VAC20-172-80		This section identifies the business standards of conduct for private security businesses. The section does not address standards of conduct for businesses contracting with independent contractors.	The proposed language will identify the standards of conduct requirements for private security businesses contracting independent contractors. A licensee shall: 1. Conform to all requirements pursuant to the Code of Virginia and this chapter. … 6. Enter into contracts with self employed personal protection specialists and private investigators to work as independent contractors in accordance with § 9.1-144 of the Code of Virginia and require documentation verifying the personal protection specialist or private investigator has obtained the required insurance in accordance with 6VAC20-172-40 and 6VAC20-172- 50 prior to the hiring of such independent contractor. …
6VAC20-174-10		This section defines terms throughout the regulation the term independent contractor is not currently defined.	A definition for the term independent contractor has been included. "Independent contractor" means a self employed personal protection specialist or a private investigator who (1) maintains comprehensive liability insurance in an amount fixed by the Department; (2) has been issued a registration by the Department and (3) enters into a contract to perform work for a licensed private security business.
6VAC20-174-150		This section identifies the standards of conduct for private security registrants. The section does not address standards of conduct for registrants acting as independent contractors.	The proposed language will identify the standards of conduct for private security registrants acting as independent contractors. A registrant shall: 1. Conform to all requirements pursuant to the Code of Virginia and this chapter. … 7. Maintain comprehensive general liability insurance in the minimum amount of 1 million dollars in general aggregate

			liability insurance when the registrant: a. Is self employed; b. Is a personal protection specialist or private investigator; and c. Has entered into a contract with a licensed private security business to work as an independent contractor. …