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The top 3 liability claims from pest control firms

And what you can do to help avoid them

By John Culotta

What really gets pest control professionals into trouble?

I worked with my colleagues to answer that question, combing through a year's worth of liability insurance claims from pest control firms. We found that claims most commonly stem from three different sources: bed bug treatments, real estate inspections and inadequate treatments. You can help prevent these insurance claims by taking a few simple steps to manage the risk.

Bed Bug Treatments

Here's a situation where saying "I guarantee" can cause real problems. Your specific service agreement with your client should indicate that:

- The PCO is there to address an existing, ongoing condition.
- Multiple treatments may be necessary before improvement in condition is seen.
- There is no guarantee services will eliminate the condition.

Before performing a treatment, the PCO should obtain the customer's signature or initials on the Service Agreement, acknowledging each of these statements.

Real Estate Inspections

When conducting real estate inspections, provide thorough documentation for all sections of the Wood Destroying Insect Report (WDIR). If at all possible, the WDIR should be signed by either the buyer or the seller. The WDIR already should have language stating that the PCO is not responsible for damage/infestation that is hidden and not visible on visual inspection. If a contract is being transferred to the new homeowner, the PCO should get the new homeowner to sign or initial a copy of the contract that will be in effect.

Take pictures of the condition of the house being inspected, as these will be very helpful if the homeowner says you are liable for wood destroying insects. Documentation is always key—there can never be too much documentation.

Inadequate Treatments

By failing to properly complete a treatment, not only could you be violating the trust of customers, but you also may be setting yourself up for an insurance claim.

To ensure effective treatments, make sure the technician is applying chemicals according to the manufacturers' specifications. If mixing chemicals is involved, make sure all canisters are cleaned prior to adding and/or mixing new chemicals. Ideally, use a separate canister for each different chemical. At a minimum, have separate canisters for indoor use and outdoor use, in different colors. Also, make sure chemicals being applied are approved for effective use on the insect in question—not all chemicals are created equal.

As with the other risks, preventing claims from inadequate treatments comes down to documentation. This means taking a number of best practice steps: Taking photos of customer homes, providing them with clear contracts, obtaining their signatures on

critical items and properly labeling and storing chemicals.

There's no way you can prevent your company from ever filing another insurance claim, but you can certainly make claims less frequent. As you plan for 2016, consider ways to be proactive about mitigating these three common risks while in the field.

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