

**RULES
OF
THE TENNESSEE DETECTION SERVICES LICENSING PROGRAM
ALARM SYSTEMS CONTRACTORS**

**CHAPTER 0090-06
STANDARDS OF CONDUCT**

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0090-06-.01 APPLICABILITY. The provisions of this chapter shall apply to any person or firm licensed and/or registered by the Commissioner to conduct the sale, service, maintenance, installation, and/or monitoring of alarm systems in this state. For purposes of this chapter, unless the context otherwise requires, the word "licensee" includes any person, partnership, corporation, or any other entity certified as an alarm contractor or licensed as a qualifying agent

Authority: T.C.A. §§ 62-32-302 and 62-32-307. **Administrative History:** Original rule filed February 26, 2016; effective May 26, 2016. Amendments filed March 22, 2023; effective June 20, 2023.

0090-06-.02 DOOR-TO-DOOR SOLICITATION.

- (1) A licensee or employee registrant who sells, offers to sell, or attempts to sell alarm systems, as defined in T.C.A. § 62-32-303(1), to a homeowner or resident of a home or apartment, through direct physical contact, including door-to-door solicitation, shall:
 - (a) Carry an identification card or a copy of a currently pending application for license or registration issued by the Commissioner, and present said identification or proof of registration for inspection to the homeowner or resident;
 - (b) Truthfully and clearly identify the licensee or registrant by name, his or her full registered company name, and the purpose of the solicitation to the potential customer at the initiation of a sales presentation without request from the consumer. No licensee or registrant shall generically identify a licensee or registrant as being from "the alarm company" or "the security company;"
 - (c) Provide to the homeowner or resident, at no charge, a document or business card listing the licensee's name, employer's name, address, phone number, and license number;
 - (d) Not approach or solicit a home or residence at any time where a placard, sign, or any other posting of whatever nature is displayed indicating that the homeowner or residential occupant does not wish to be solicited; and
 - (e) Comply with any applicable door-to-door solicitation ordinance consistent with state and federal law.

Authority: T.C.A. §§ 62-32-302, 62-32-304, and 62-32-307. **Administrative History:** Original rule filed February 26, 2016; effective May 26, 2016. Amendments filed March 22, 2023; effective June 20, 2023.

0090-06-.03 STANDARDS OF CONDUCT AND ETHICS.

- (1) An alarm systems contractor, licensee, or employee registrant shall not engage in any deceptive, misleading, unlawful or unethical business practices with customers or

(Rule 0090-06-.03, continued)

consumers. Such practices shall constitute improper, fraudulent or dishonest dealing pursuant to T.C.A. § 62-32-319(d).

- (2) An alarm systems contractor, licensee or employee registrant, when engaging in the sale, installation, service or maintenance of alarm systems, shall not falsely state or imply the following to a potential or existing customer:
 - (a) That a competitor company is going out of business or is in financial difficulty, or that such competitor company no longer exists;
 - (b) That a competitor company is changing or has changed its company name;
 - (c) That the licensee or registrant is a representative agent of, is acting on behalf of, or is otherwise acting with the consent or approval of a competitor company;
 - (d) That the licensee or registrant's company is a "sister" company of a competitor, or is acquiring, merging with, or has taken over or purchased the competitor company's accounts;
 - (e) That the licensee or registrant is performing routine maintenance on a competitor company's equipment which is in the possession of a customer;
 - (f) That any material change proposed during a sales solicitation is an "update" or "upgrade" of an existing alarm system, when such transaction requires an agreement with a person, company, or entity different than the customer's existing alarm system or alarm monitoring service agreement;
 - (g) That the licensee or registrant's company is affiliated with, has the endorsement of, or is, in any manner, acting at the direction of any governmental or law enforcement agency; and
 - (h) Quoting statistics or providing other information that is known to be false or misleading, or which the licensee or registrant has not made a reasonable effort to objectively quantify or substantiate.

Authority: T.C.A. §§ 62-32-302, 62-32-307, and 62-32-319. **Administrative History:** Original rule filed February 26, 2016; effective May 26, 2016.

0090-06-.04 CONTRACTING WITH CUSTOMERS.

- (1) When contracting with existing or potential customers, alarm contractors shall require employee registrants to use written materials which clearly and conspicuously set forth both the alarm contractor and the customer's rights and obligations.
- (2) Alarm contractors and their employee registrants shall clearly and conspicuously disclose all material terms and conditions of the offer before obtaining a customer's consent.
- (3) Alarm contractors shall train their employee registrants with respect to the terms and conditions of the contract so that a customer's questions can be adequately answered at or prior to signing the contract.
- (4) Alarm contractors shall require their employee registrants to provide a copy of the contract to the customer immediately upon execution.
- (5) Refund policies, including termination fees, shall be clearly and conspicuously disclosed to existing or potential customers prior to the sale of any alarm product or service.

(Rule 0090-06-.04, continued)

- (6) Alarm contractors shall honor all refunds for customers in accordance with their stated refund policies.
- (7) Upon request, alarm contractors shall provide customers a written termination fee calculation and statement of the information upon which they base the calculation.

Authority: T.C.A. §§ 62-32-302 and 62-32-307. **Administrative History:** Original rule filed February 26, 2016; effective May 26, 2016.