

# Armed Guards: Weigh the Benefits Against the Liability Risks and Costs



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Every bank is at risk of a robbery and must determine how to address this significant and ongoing threat. Many banks utilize unarmed, uniformed guards for purposes of deterrence. They typically “observe and report” and may not be trained to act in high-risk situations.

Armed guards may amplify the deterrent effect, potentially convincing criminals to leave the premises in search of an easier target. However, the presence of a firearm also may escalate a situation. Studies show that the likelihood of a violent event occurring during a bank robbery triples when an armed guard is present.<sup>1</sup> This added risk of violence is a threat not only to the bank’s employees and customers, but also to its finances, as the bank may be held liable if anyone is injured or killed. In addition, armed guards are typically more expensive, as they require a higher level of training and may result in increased insurance costs for the bank.

In light of the risks and costs, the decision to employ armed vs. unarmed guards should not be made lightly. This article briefly examines some of the issues to consider when determining whether to hire armed or unarmed guards and also offers related risk management suggestions.

## Assessing the Risks

The following factors, among others, should be taken into consideration when assessing security needs:

### Line of business

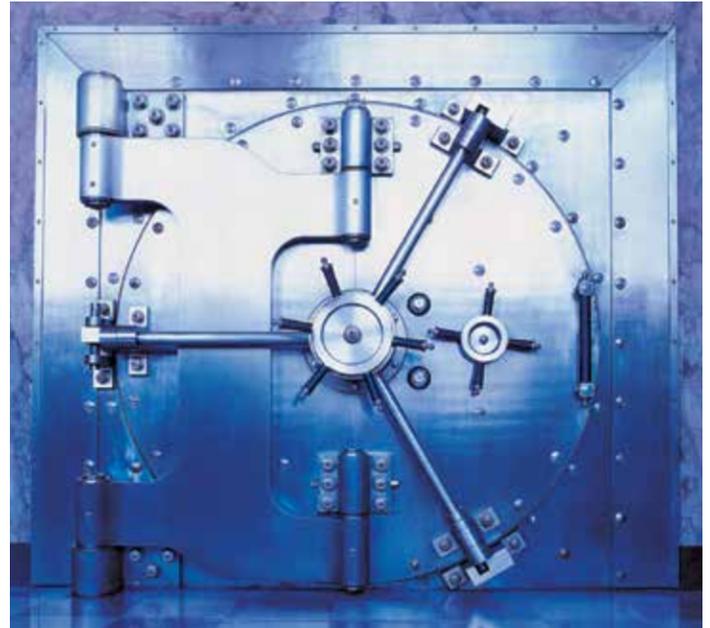
Certain business operations conducted within a bank branch may make it a more attractive target for robbery and/or a violent attack. For example, if the bank routinely processes large sums of cash, as opposed to paper transactions, it may be more vulnerable to criminal activity.

### Location

The general crime rate in the area should be examined, as well as the number of bank robberies nearby, local economic conditions, ease of highway access, level of drug usage and trafficking, and other illegal activity.

### Past incidents

Take into account the number of robberies and other violent crimes, the circumstances surrounding the incidents and the effectiveness of the bank’s responses.



### Practices of neighboring banks and businesses

If most nearby banks and other businesses employ armed security guards, failure to do so may make one’s own bank a target for criminals.

When analyzing crime risks, you may wish to consider consulting the online [Bank Capture System of the American Bankers Association](#).<sup>2</sup> The system, which has been adopted by many U.S. banking facilities, reports to the FBI and other law enforcement agencies. It also provides real-time information to member banks about critical security issues, such as:

- In what areas is crime increasing or decreasing?
- What are the most frequent days and times for robberies?
- What criminal methods are most commonly used (e.g., notes passed to tellers, verbal demands, and bank takeovers)?

The FBI also offers a [searchable website](#) that provides regular updates on bank robberies.

## Hiring Armed Guards

Without adequate background screening and training, armed guards may increase liability and cause more problems than they solve.<sup>3</sup> For this reason, once the decision is made to use armed guards, it is necessary to establish hiring criteria that comply with applicable state and local laws. Factors to consider include:

- Desirability of police or military experience.
- Background checks, including education, criminal history and references.
- Licensing, especially in terms of firearm-related permits.
- Training, including proper use of force.
- Any state or local law and/or regulation that may apply.

Armed guards are often hired through a security guard agency. It is a good business practice to confirm that the agency is licensed and bonded, which ensures some consistency with respect to training, pre-employment screening and insurance coverage. Do not risk assuming that an agency is licensed or certified, as this is not required in all states. Armed security guards who work independently may lack liability insurance, making it imperative to review the bank's insurance coverage pertaining to guard-related incidents.

The decision to use armed guards is one that requires serious consideration and research. The information in this bulletin can serve as a starting point to assess the risks, benefits and costs associated with armed guards.



<sup>1</sup> See Gabrielson, R. and Walter, S. "FBI Bank Robbery Data Shows Armed Guards Increase Risk of Violence." Revealnews.org, posted December 9, 2014. [<https://www.revealnews.org/article/fbi-bank-robbery-data-shows-armed-guards-increase-risk-of-violence/>] According to the article, 64 guards were hurt for every 1,000 incidents when armed, compared with less than one injury per 1,000 incidents when they were unarmed.

<sup>2</sup> See Ross, A. "Bank Robberies Down in Most Regions." Bankrate.com, posted September 10, 2014. [<http://www.bankrate.com/financing/banking/bank-robberies-down-in-most-regions/>]

<sup>3</sup> Duncan, B. "Five Ways the Armed Guard Industry Is out of Control." Revealnews.org, posted May 4, 2015. [<https://www.revealnews.org/article/heres-whats-wrong-with-the-us-armed-security-industry/>]