

# What makes a staffing firm?

## CFC loves temporary staffing firms, permanent recruiters and executive search firms

Contractually, it is our opinion that temporary staffing firms incur much greater risk due to their ongoing involvement with the personnel they place with their clients (hereafter 'placed personnel'). In most cases they remain the 'employer of record' during placement and often get tied up in claims vicariously as a result. Using a strong and clear staffing contract with clients is essential to protect the staffing firm's business.

So, what key elements are we looking for in a temporary staffing insured to include in their staffing contract?

- 1 Supervision, direction, and control of the placed personnel with the hiring client**  
This clause simply makes clear that the hiring client is responsible for managing and directing the activities of the placed personnel while they are on the jobsite, not the staffing firm.
- 2 Safeguarding of premises**  
Since the staffing firm is not responsible for supervising their own placed personnel on the jobsite, the contract should make clear that it is the hiring client's responsibility to provide a safe jobsite for the placed personnel to conduct their work.
- 3 Worker's compensation**  
Worker's compensation coverage should always be in place, covering the placed personnel, with appropriate limits (which will vary). It should be agreed in the staffing contract whether the insured or the hiring client is responsible for arranging this insurance. The important thing is that the coverage is in place, not who purchases it!
- 4 Hold harmless favoring the insured**  
We look for a hold harmless agreement to be present in any staffing contract, which specifically indemnifies the insured for any claims resulting from the hiring client's failure to properly supervise the placed personnel, or indeed to safeguard their premises and operations.

We can send you a model staffing agreement which may assist your understanding further – just email [professions@cfcunderwriting.com](mailto:professions@cfcunderwriting.com).

It should be noted that the above is a guide as to the key elements we will look for when underwriting a staffing account. This does not constitute legal advice and any model agreements shared serve as examples only. The insured should always satisfy themselves that the contract they are using is right for their business, and that they have secured legal sign off from legal counsel in relation to such contracts and any amendments implemented, as appropriate.

