

# Insurance For Home Inspectors



Coverage customized for you based on your particular business needs

As a home inspector, securing a General Liability Insurance and an Errors and Omissions policy is essential in covering the unforeseen incidents that can occur on the job.

Call today to discuss your insurance needs

**(855) 773-1100**

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# Home Inspector Liability Insurance Coverage

General liability is the most fundamental policy that all business owners and entrepreneurs need. This business insurance provides financial protection against claims of damage or injury resulting from services the business provides.

Mistakes sometimes happen when you inspect a home. For example, you may inadvertently smash a window when you are putting a ladder against the side of a house.

To make sure you are protected against risks, you will need a general liability policy. This type of policy protects you in the event that you cause bodily injury or property damage in the course of performing inspections.

This coverage pays for the costs of third-party medical care or property repair. It will also cover your legal defense, and will pay claims or judgement up to the limits of your policy. Be sure to talk with a knowledgeable agent about the appropriate liability limits for your business.

The image shows a sample ACORD Certificate of Liability Insurance form. The form is titled "CERTIFICATE OF LIABILITY INSURANCE" and includes the ACORD logo. It contains several sections: "INSURED" (Expert Appliance Repair, 24 West St, Beverly Hills, CA 90212), "POLICY NUMBER" (4634463834), "EFFECTIVE DATE" (10/1/2014), and "EXPIRES" (10/31/2014). The "COVERAGES" section is a table with columns for "TYPE OF COVERAGE", "DESCRIPTION", "POLICY NUMBER", "EFFECTIVE DATE", "EXPIRES", and "LIMITS". The table lists various coverages such as "COMBINED GENERAL LIABILITY", "BODILY INJURY AND PROPERTY DAMAGE", "PERSONAL AND AUTO LIABILITY", "PRODUCT LIABILITY", "COMPLETION WAIVER", "ADVERTISING INJURY", "DEFENSE COSTS", "MEDICAL EXPENSES", "PAIN AND SUFFERING", "ATTORNEY FEES", "SETTLING COSTS", "REASONABLE ATTORNEY FEES", "REASONABLE COURT COSTS", "REASONABLE JURY AWARD", "REASONABLE PUNITIVE DAMAGES", "REASONABLE PENALTIES", "REASONABLE COSTS OF REPAIR", "REASONABLE COSTS OF REMEDIATION", "REASONABLE COSTS OF RESTORATION", "REASONABLE COSTS OF REPAIR AND RESTORATION", "REASONABLE COSTS OF REPAIR AND RESTORATION", "REASONABLE COSTS OF REPAIR AND RESTORATION", "REASONABLE COSTS OF REPAIR AND RESTORATION". The form also includes a "CERTIFICATE HOLDER" section (Insured's Copy) and a "CANCELLATION" section. At the bottom, it states "ACORD 25 (01/99)" and "© 1999-2014 ACORD CORPORATION. All rights reserved. The ACORD name and logo are registered marks of ACORD."

# Home Inspector Errors & Omissions Insurance

we live in a litigious world, and whether you are at fault or not, you can find yourself at the wrong end of a lawsuit. Home inspectors are in a precarious position. Home buyers may assume you will discover every minor defect in a home they are buying, and may hold you accountable for overlooked problems.

That's why you need a strong errors and omissions or "E & O" insurance policy designed for home inspectors. You will be protected if you unknowingly make an error while inspecting a home or commercial property. You can also receive legal defense if a homeowner brings a lawsuit against you.

## How You Are Billed

In most cases, you will receive a bill directly from your insurance carrier for the following insurance policies:

- General Liability
- Errors & Omissions
- Workers' Comp
- Umbrella
- Fidelity Bond

The carrier will typically send an invoice four to six weeks after your coverage starts.

## Can an Inspector be Sued for Just About Anything? Yes!

Can an inspector be sued for just about anything? The answer is, unfortunately, yes.

It's a fact of life that a home inspector is likely to find some issues with the house he or she is inspecting. Inspectors know that even new construction has problems! If it's an inspector's job to report issues to potential buyers so they can make an informed decision before purchasing, when are they liable for just doing their job? Can an inspector be responsible for how a buyer reacts to the findings in the report? One seller in Connecticut thinks they should be.

The seller, who is also a Realtor, has sued a home inspector in small claims court because the buyers lost interest in purchasing a house after reading the inspection report. This leaves inspectors scratching their heads and wondering how to protect themselves. Two issues seem to be at play: the accuracy of the report and who has standing to sue.

Regarding the report itself, liability probably depends on the quality, most agree. "I think an inspector may be liable if the findings are in error," says Lawrence Transue, a Pennsylvania inspector. "If that is the case, I believe the seller has a legitimate gripe and possible grounds for a suit." Transue says an exaggeration or mistake would mean that the buyer's decision to walk away stemmed from a bad report and not any problems in the home, leaving the inspector with a difficult position to defend in court. On the other hand, if the report is accurate and the seller is just displeased about the buyer not purchasing the home, most agree that the lawsuit is frivolous.

Texas inspector Jim Starkey knows the drill. "I have had several sellers file complaints against me over the years," says Starkey. "The sellers were angry that the buyer walked. They accused me of making false statements about the house which caused the deal to fall through, but when you read what I wrote and see the pictures of the defects, it was very obvious I did my job and they were totally clueless. These cases were all judged in my favor and that was the end of that," says Starkey. (<http://www.workingre.com/home-inspector-sued-seller/>)