

Pay Per Inspection Home Inspector Insurance

Presented by



Allen Insurance

group

The “Graduate Program” was designed for graduates of approved training providers. It was developed to assist New Home Inspectors in obtaining more affordable Errors & Omissions and General Liability Insurance for their first year in business and then allow them to move to a standard policy in their second year of business, thus avoiding a penalty for being a new inspector.

It is also available to seasoned inspectors who would like to lower their insurance costs for a year or might be in their last year of business and do not expect to do many inspections.

To discuss this program or if you have questions please call Kenny Logan at 800-922-5536 extension 230

This is only a brief description of coverage available under the Policy. The Policy contains limitations and exclusions. Full details of coverage are contained in the Policy. If there are any conflicts between this document and the Policy, the Policy shall govern. Costs are subject to change at any time.

The program consists of two parts.

Initial enrollment which includes General Liability

The inspector enrolls in the program and pays for their General Liability Insurance. You may enroll and pay the enrollment fee and then activate coverage at a later date – up to 45 days. This gives you a chance to start your marketing and create relationships before actually activating the insurance.

Purchasing Errors & Omission coverage for your inspections

After enrolling you may purchase coverage for ten (10) “Insured Inspections” at a time.

There are two coverage packages available: Gold and Platinum. The “Gold” package includes coverage for Home Inspections and Radon Testing. The “Platinum” package adds coverage for Termite (WDO/WDI) inspections.

Program Requirements

1. You must be a graduate of an approved training provider.
2. You must use an approved inspection agreement
3. You must use an approved reporting system.
4. You must be a member or candidate of an approved Home Inspector Association.
5. You must forward a copy of the signed inspection agreement to the Allen Insurance Group within 30 (thirty) days of the inspection. You must also keep a copy for your records. Please remember that NO coverage is provided by the policy if you do not have an inspection agreement signed by your client.
6. No coverage is offered for inspections performed in Alaska, Alabama, Mississippi, New Jersey or West Virginia.
7. The policy is written on a claims made basis. It is not renewable nor will any extended reporting be available. All Insured Inspections must be performed during your coverage period Important Note: The agreements/reports are not valid for insurance coverage after the expiration of your coverage period.
7. Coverage – The policy shall indemnify you for any claim which is first made against you during your coverage period (so stated on your coverage endorsement). The claim must arise out of an inspection or act performed during your coverage period and subsequent to the retroactive date (so stated on your coverage endorsement) and before the end of your coverage period
8. You will be sent an application to move to our “Standard Claims Made Annual Program” 90 days in advance of the expiration of your coverage period. If you purchase a new annual policy from Allen Insurance Group the policy will cover previous inspections performed under the “Graduate Program”.
9. All costs associated with the program are not refundable.
10. The program is not available to multi inspector firms.

AVAILABILITY

The program is available in all states except: AK, AL, AR, DC, LA, MS, NJ, OK, TN, WV, and WY.

ALLEN INSURANCE GROUP

GRADUATE PROGRAM

CLAIMS MADE POLICY POLICY

Insurance Limits Available

\$125,000 each claim/\$250,000 all claims during your coverage period
\$250,000 each claim/\$500,000 all claims during your coverage period

The limits are the same for both Errors & Omissions and General Liability

Coverage

Gold Program – Home Inspection and Radon Testing

Platinum Program – Home Inspection, Radon Testing and Termite
Inspections

Standard Features:

“A” Rated Insurance Company

Coverage for your Corporation is Included (Very important if you are a corporation)

\$1500 deductible for E&O claims

\$250 deductible for GL claims

Very Broad Inspection Referral Coverage

Coverage for:

Commercial Inspections

Carbon Monoxide Claims (ie cracked heat exchanger)

Incidental Radon, Termite & Lead Based Paint Claims

Pool and Spa

Well and Septic

In-House Claims Assistance.

Payment:

Full payment is due at the time of purchase.

This is only a brief description of coverage available under the Policy. The Policy contains limitations and exclusions. Full details of coverages are contained in the Policy. If there are any conflicts between this document and the Policy, the Policy shall govern. Costs may vary by State and are subject to change at any time.

This is a sample of a brochure that comes with the program –
great sales tool!

REAL ESTATE AGENTS and BROKERS



**ARE YOU PROTECTED WHEN YOU REFER A HOME INSPECTOR?
YES!**

**When you refer a Home Inspector participating in the NARREP sponsored Home
Inspector Insurance Program**

LIMITED ADDITIONAL INSURED ENDORSEMENT (Referrals)

Insurers agree to extend coverage provided by this Policy to include the referring Real Estate Agent or Broker, Lending Institution, Relocation company and/or Real Estate Attorneys and their agents or employees to indemnify the referring Real Estate Agent or Broker, Lending Institution, Relocation Company and/or Real Estate Attorneys and their agents or employees for those sums they become legally obligated to pay by reason of damages for wrongful referral arising out of any Occurrence occurring during the Policy Period, subject to the terms of the Policy, provided all Claims are referred to Insurers for consideration and investigation. No coverage is provided for any damages other than wrongful referral.

**There is no deductible to the Agent or Broker
Why Refer Anyone Else To Do Inspections?**

Your Participating NARREP Home Inspector is:

Important Note

This brochure offers only a brief description of the insurance coverage. It is only a summary and is not intended to represent a contract. For complete information, please refer to the policy for specific coverages.

Pay Per Inspection Program

Initial Enrollment – 10 Inspections

	Gold		Platinum	
Limits	125/250	250/500	125/250	250/500
E&O Premium	250	350	400	550
GL Premium	150	200	150	200
Tot Premium	400	550	550	750
Tax	20.00	27.50	27.50	37.50
Total	420.00	577.50	577.50	787.50
Deductible Fund	25.00	25.00	25.00	25.00
Membeship Fee	150.00	150.00	150.00	150.00
Total due AIG	595.00	752.50	752.50	962.50

Additional Inspection Coverage – 10 inspections

	Gold		Platinum	
Limits	125/250	250/500	125/250	250/500
E&O Premium	250	350	400	550
Tot Premium	250	350	400	550
Tax	12.50	17.50	20.00	27.50
Total	262.50	367.50	420.00	577.50

NEW – PAY PER INSPECTION PROGRAM

designed for new home inspectors

The Allen Insurance Group has designated as

PREFERRED TRAINING PROVIDERS

Inspection Training Associates (ITA) as one of our preferred training providers for our new program.

Click the link below for more information.

www.payperinspection.com

American Home Inspectors Training Institute (AHIT) is another one of our preferred training providers.

Click on the link below for their information

www.ahit.com/insurance

PREFERRED ASSOCIATION

We have designated the National Association of Certified Home Inspectors (NACHI) as our preferred association. Membership in an association is required to participate in the program.. In the spirit in which the program was created NACHI is offering 50% off the cost of their membership for the first year.

Click the link below to learn more about this fine organization.

www.nachi.org

PREFERRED INSPECTION REPORT PROVIDER

Porter Valley Software is one of our preferred inspection report providers.

Click the link below to learn more about their software.

www.pvsoftware.com

They also offer two very interesting books – learn more at www.keithswift.com

Other Training Providers, Associations and Reporting System providers will be approved upon request but may not qualify for preferred status.

Please contact Kenny Logan at the Allen Insurance Group for more information

1-800-922-5536 ext 230

**APPLICATION FORM
FOR PROFESSIONAL INDEMNITY (E&O) and
GENERAL LIABILITY INSURANCE - GRADUATE PROGRAM**

Administered by: **Allen Insurance Group**
304 MLK Jr. Drive P.O. Box 1439 Fort Valley, Georgia 31030
Voice: (800) 474-4472 Facsimile: (478) 822-9149

This form must be completed in INK.

Answer all questions, use "NONE" or "N/A" where appropriate, use attachments as necessary. We cannot process incomplete forms.

1. Additional Insured Information:

Full Business Name: _____

Mailing Address: _____

City: _____ St: _____ Zip: _____

Location Address: _____

City: _____ St: _____ Zip: _____

Business phone: (_____) _____

Facsimile number: (_____) _____ is this a dedicated fax line? Yes/No

E-Mail Address: _____

Individual to contact: Mr. Mrs. Ms. _____

2. a. Date the real estate inspection business was established: _____

b. Type of entity: Corporation/LLC Partnership Sole Proprietor Other _____

3. List the home inspector:

Name	Years of Experience		Architect or Engineer?
	as an Inspector	in Construction	
_____	_____	_____	_____

4. List all other staff and their position. (Use attachments as necessary)

Name	Position
_____	_____
_____	_____

5. Do you or your firm:

a. perform any activities other than property inspections? i.e., Home repairs
Yes/No If **Yes**, describe _____

b. engage in any Architectural or Engineering activities? (i.e. architectural design or analysis; or structural, mechanical, electrical, or civil design or analysis)
Yes/No If **Yes**, attach a detailed description of these activities and E&O insurance declaration page(s).

6. Please indicate the limit of liability desired
- a. **LIMIT:** Applies to claim expense and indemnity. (Per Claim/Aggregate all Claims)
 \$125,000/\$250,000 \$250,000/\$500,000
 - b. **E&O DEDUCTIBLE:**
 Applies to each claim and is inclusive of defense costs, claim expenses and indemnity
 \$1,500
 Note: A \$250 applies to General Liability Property Damage Claims
7. Please indicate if WDO/WDI (Termite) Inspection coverage is needed (Additional cost)
 WDO/WDI Inspections (per claim limit \$50,000 – per claim deductible \$3,500)
8. a. Has your name or ownership ever changed or has any other business been purchased, merged or consolidated with your firm? Yes/No
- b. Is the firm owned or controlled by any other firm or individual? Yes/No
- c. Do you, your firm, any owner or officer of this firm, own, engage in, operate, manage or act as a director or officer of any other business? Yes/No
- If **Yes** to any question, provide details: _____

9. Have any claims been made against you, your firm, its predecessors, present or past owners, directors, officers or employees during the past five years? or are you or your firm aware of any circumstances, allegations or contentions which could result in a claim(s) being made against you or your firm, its predecessors, present or past owners, directors or officers?
 Yes/No If **Yes**, complete the enclosed application claim form information for each claim and provide a loss run from the Company providing insurance at the time of the claim.
10. Have you, your firm or any persons or firm proposed for this coverage ever been subject to disciplinary action by any state licensing board, court, regulatory authority, professional association or had their licensed revoked? Yes/No If **Yes**, provide details: _____

11. What professional organizations, associations or societies do you or your firm belong or planning to join ? _____
12. Any hold-harmless agreements entered into by you or your firm? (Other than Your Inspection Agreement) Yes/No If **Yes**, enclose a copy of same.
13. What percent your business involves subcontracting work to others (other than listed in question 3?): _____ % Please describe work subcontracted: _____
- a. Do you require Certificates of Insurance from subcontractors? Yes/No
- 14 .
- a. **Enclose any descriptive brochures being used or No brochures used.**
 - b. **Enclose a resume for the inspector.**
 - c. **Attach a copy of your training provider graduation certificate.**

15. **Complete Optional Coverage Supplement if optional coverage consideration is desired.**

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as extended on December 22, 2005, that you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY PAYS 90% (85% IN 2007) OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase Terrorism coverage for a prospective premium of \$3,000.00.
	I hereby decline to purchase terrorism coverage. I understand that I will have no coverage for losses resulting from acts of terrorism.

I/We;

1. understand and accept that the policy does not provide coverage for: appraising; real estate sales; inspections for compliance with codes or regulations; warranting or guaranteeing the present or future economic value of any home; warranting or guaranteeing the adequacy or performance of any structure, components or system; any engineering analysis; any architectural service; mold or other environmental hazards; course of construction inspections; construction draw inspections; 203k inspections; asbestos; inspections in Alaska, Alabama, West Virginia, New Jersey or Mississippi; estimated construction costs, cost to cure or repair costs; environmental site assessments; inspections for insurance companies; or log homes.

2. understand and accept that WDO/WDI (Termite) or Lead Based Paint or Radon claims are not covered by the policy unless you or your firm is **NOT** performing such inspections/tests and they are **EXCLUDED** in the inspection agreement and the agreement is signed by the client; or you or your firm is performing such inspections/tests and has requested coverage for each. Lead based paint testing is not an option under this policy. Radon is included.

3. understand and accept that the policy only provides coverage for claims arising out of an inspection for which I/We have a properly completed inspection agreement. The agreement must be the one as provided as a sample with this application. The agreement must be signed by the client or the client's representative. The inspection agreement must have been sent to the program manager (Allen Insurance Group) within seven (7) days of the date of the inspection. I/We further understand and accept that the reporting system used must be the one as provided as a sample with this application.

4. understand that defense costs, claims expenses and indemnity shall be applied against the deductible.

5. understand that the request to be an additional insured does not bind you or your firm, the agent, the general agent or the company to complete this insurance transaction by the issuance of an endorsement and that the agent, general agent, and the insurance company retain the right to request from you any additional information that is reasonably necessary or required in order to complete this transaction.

6. understand that all premiums and taxes associated with the policy are minimum premiums and are fully earned and cannot be cancelled or refunded. Additionally, other costs associated with the additional insured endorsement are NOT refundable.

7. understand that the Professional Indemnity (E&O) insurance coverage provided by this insurance policy is written on a claims made basis and that the General Liability insurance coverage is written on an occurrence basis for occurrences which both occur and are reported during the policy period. That the policy shall indemnify the insured against any claim which is first made against the insured and reported to the Insurer during the insured's policy period (as stated on the certificate of insurance). The claim must arise out of an inspection or act performed during the insured's policy period and subsequent to the retroactive date (so stated on the certificate of insurance) and before the end of the insured coverage policy period. I/We understand policy does NOT have a provision for extended claims reporting nor may an insured apply for a second year of coverage. I/We understand that we will need to purchase a new insurance policy from the Allen Insurance Group or another provider which will maintain my/our Prior Acts Retroactive date.

Note: The policy contains other exclusions, provisions and conditions. Please read the policy carefully and call your representative if you have any questions.

I/We hereby warrant that the information contained herein is true and correct and that no material facts have been misstated, omitted or suppressed. I/We understand and accept that this application, attachments and supplements shall be the basis and form a part of the policy, if issued. I/We understand and accept that the Professional Indemnity (E&O) section of the insurance policy is written on a CLAIMS MADE BASIS and the General Liability sections of the insurance policy is written on an OCURRENCE BASIS FOR OCCURRENCES WHICH BOTH OCCUR AND ARE REPORTED DURING THE POLICY PERIOD . I/We understand and agree that no coverage will become effective until the insured is so notified and payment in full is received. Additionally I/We agree to hold the training provider harmless for any disputes between myself/us and the insurance company arising out of any policy coverage issues or any other issues arising out the insurance policy.

"Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime."

I/We would like coverage to begin on _____
(The start date must be within 45 days of application)

Signature: _____

Authorized signature of owner, partner or executive officer

A facsimile signature shall have the same validity as an original subject to the receipt of the original.

Title: _____ Date of Signing: _____

PROFESSIONAL INDEMNITY OPTIONAL COVERAGE SUPPLEMENT

Mark and answer the questions of those options for which a quote is desired, use attachments as necessary.

Business Name: _____

OPTIONS AVAILABLE

TERMITE INSPECTIONS

1. Describe any consulting performed: _____
2. Does the State in which the inspections are performed require licensing?: Yes/No
3. Do you provide any treatment?: Yes/No
if **YES** describe: _____
4. Estimated number of inspections to be performed next 12 months: _____ inspections
5. Estimated total receipts for this activity next 12 months: \$ _____

ATTACHMENTS REQUIRED TO COMPLETE THIS SUPPLEMENT: (if not previously submitted)

Training/experience and nationally recognized association affiliation documentation for each optional coverage.

Samples of testing results, inspections, reports, etc.

Copies of licenses.

Signature: _____

Authorized signature of owner, partner or executive officer.

A facsimile signature shall have the same validity as an original subject to receipt of the original

Title: _____ Date of Signing: _____