

# HOME INSPECTOR INSURANCE PROGRAMS

For

Professional Home Inspectors  
(Including Information and Costs)

Presented by the



# Allen Insurance

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**g r o u p**

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Fort Valley, GA 31030  
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[www.allenins.com](http://www.allenins.com)

# ALLEN INSURANCE GROUP

Why Choose the Allen Insurance Group?

We have been insuring inspectors since 1992

Simply Superior Service

In House Claims Assistance

Competitive Pricing

Policies you can grow with – all our policies cover multiple inspectors – no need to buy separate policies for each inspector

We speak your language – our Executive Director was a home inspector from 1985 to 2000 – our President was a hands on home builder

Thank You for considering the  
Allen Insurance Group

*Bob Pearson* – Executive Director

# ***“THE HOME INSPECTOR INSURANCE PRIMER”***

Why do I need both Professional Liability and General Liability Insurance?

General Liability provides coverage while you are performing the inspection and at your office. You have two exposures while you are performing the inspection: (1) Property Damage -- your ladder falls over and breaks the windshield of the homeowner's auto, (2) Bodily Injury -- your ladder falls over and hits the homeowner's child on the head and the child suffers a permanent injury, this is the exposure for which you really purchase insurance.

Professional Liability provides coverage for actual or alleged errors & omissions in your Inspection Report. Again, you have two exposures: (1) Property Damage - - you miss or allegedly miss a leaking roof, (2) Bodily Injury -- a basement stair riser is several inches different than the rest and you did not note this in your report -- the buyer's child falls down the steps and suffers a serious injury. As you can see, the Bodily Injury exposure is the one with the greatest potential for large claim settlements.

Are separate limits for Professional Liability and General Liability important?

When you have one limit for both types of insurance, you expose yourself to using up your policy aggregate, a large Professional Liability settlement, for one claim, and you have no insurance for another serious General Liability claim.

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*The Common Law of Business Balance*

*It's unwise to pay too much,  
but it's worse to pay too little.  
When you pay too much  
you lose a little - that is all.*

*When you pay too little  
you sometimes lose everything,  
because the thing you bought was incapable  
of doing the things it was bought to do.*

*The common law of business balance  
prohibits paying a little and getting a lot,  
it can't be done.*

*If you deal with the lowest bidder,  
it is well to add something for the risk you run,  
and if you do that you will have enough  
to pay for something better.*

*Author Unknown*

## **Comparing Apples to Oranges Occurrence to Claims-Made Policies**

We offer two policy forms - Occurrence and Claims-Made. Both provide protection but you should know that like apples and oranges there are major differences between the two. By understanding the differences between the two you will be a more knowledgeable buyer.

### **OCCURRENCE COVERAGE**

Occurrence coverage has been the traditional form of coverage used to provide liability insurance. Our policy provides coverage for a covered act which takes place during the policy period and for 4 years thereafter.

### **CLAIMS-MADE COVERAGE**

Claims-made coverage was introduced as an alternative form of coverage, and as a way to keep liability insurance available. Under a claims-made policy, coverage is provided for claims which are made and reported to the insurance company during the policy period.

The date you first buy a claims-made policy is called your retroactive date.

As you renew a claims-made policy the retroactive date is the date back to which claims will be covered by the renewed policy.

## **WEIGHING THE DIFFERENCES**

### **OCCURRENCE COVERAGE**

Advantages:

**Fixed Cost.** Coverage for a policy period is fixed. You need not worry that on renewal your carrier might not be writing Home Inspectors any more or offered a price you cannot afford.

**Long-term Protection.** Specific policy periods will provide protection into the future.

**Mobility.** The occurrence policy makes it easier to change insurance companies without additional costs or potential gaps in coverage.

**Peace of Mind.** If you have an occurrence policy and you need to cancel it, you forget to make a payment and are canceled, your insurance company decides not to renew you, or they decide not to write home inspectors any more you need not worry - you are still covered for 4 more years for inspections performed while the policy was in force.

Disadvantages:

**Cost.** Initially more expensive than a claims-made policy.

### **CLAIMS-MADE COVERAGE**

Advantages:

**Cost.** Initially less expensive than an occurrence policy.

Disadvantages:

**Future Costs.** Should the policy be discontinued by you or your insurance company you will need to buy "extended reporting coverage" (tail coverage) which could be costly.

**Less Peace of Mind.** If you should miss a payment and your policy is canceled or have a financial setback and need to cancel the policy you have lost all of your coverage for previously insured inspections.

**In our opinion an occurrence policy is a vastly superior product for the typical home inspector.**

## **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**

**All Insurance Policies to NARREP Members Have This Endorsement:**

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### **LIMITED ADDITIONAL INSURED ENDORSEMENT REFERRALS**

**Insurers agree to extend coverage provided by this Policy to include the referring Real Estate Agent or Broker, Realtor, Lending Institution, Relocation company and/or Real Estate Attorneys and their agents or employees to indemnify the referring Real Estate Agent or Broker, Realtor, 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 arising out of any Occurrence occurring during the policy period, provided all Claims are referred to Insurers for consideration and investigation.**

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**There is no deductible to the referring party  
Why Refer Anyone Else To Do Inspections?**

**Your Participating NARREP Home Inspector is:**

#### **Important Note**

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

Dear Home Inspector,

You are faced with a difficult decision when purchasing insurance for your home inspection business.

We have nine different policies available:

**The following four policies are underwritten by the Liberty Mutual Group and we issue quotes, policies and endorsements in-house so service is unsurpassed. See the next page for information on Liberty Mutual.**

**Premium** – a comprehensive occurrence policy.

**Preferred** – a comprehensive claims made policy.

*Plus* – a basic claims made policy (more options than the Standard program below).

*Plus* New Home Inspector (NHI) – for brand new inspectors.

**Also underwritten by the Liberty Mutual Group is our special “Pay Per Inspection” program – a one year policy that covers both E&O and General Liability – Please call for information.**

**Additionally we have General Liability policies for those desiring just General Liability. Also available are Business Owners Policies which provide coverage for tools, computers and includes General Liability – Please call for information.**

We also have the following two policies that are underwritten by Lexington Insurance Company (AIG)  
Standard - a basic claims made policy.

Standard New Home Inspector (NHI) - a basic claims made policy.

I strongly recommend as a former home inspector that you consider at least our *Plus* Policy or our **Preferred** Policy. If you purchase our *Plus* Policy, you can later upgrade your policy to our **Preferred** or **Premium** Policy and still be covered for the inspections you performed while under the *Plus* Policy – *at no additional cost!!* (The previous inspections will be covered on a “claims made” prior acts endorsement). This is not true for the Standard Policy.

I understand that cost is a significant factor when making your insurance decision, especially in today’s marketplace. However, by choosing the Standard Policy now, you may save a few dollars today, only to find later you want to expand and offer additional services that are only available under a *Plus*, **Preferred** or **Premium** Policy. Under the Standard Policy, you could also find yourself in a lawsuit involving a situation where you have no coverage because of specific exclusions under the Standard Policy, such as carbon monoxide or well/septic and no ability to at least buy the coverage as you would have had with a *Plus* Policy. Picture yourself in front of a jury defending a lawsuit where a child died due to a cracked heat exchanger (carbon monoxide) – would you want to be on your own? What if the septic system fails after the buyers move in? Even if you exclude septic in your agreement, you will most likely be brought into a claim – the plaintiff’s attorney could care less what is in your agreement and you still have to defend yourself against the claim.

*Bob Pearson* - Executive Director and Retired Home Inspector

# (OUR PRIMARY INSURANCE COMPANY)

**Our financial strength gives  
you the confidence of knowing  
we'll be here tomorrow.**



[www.LIU-USA.com](http://www.LIU-USA.com)

Founded in 1912, Boston-based Liberty Mutual Group is a diversified international group of insurance companies. Over our long history, Liberty Mutual has remained strong and stable, providing and expanding our product offerings to meet our customers' growing needs.

### About Liberty Mutual Group

The company offers a wide range of insurance products and services, including personal automobile, homeowners, workers compensation, commercial multiple peril/fire, commercial automobile, general liability, global specialty products, group disability and surety.

Liberty Mutual Group operates under a mutual holding company structure. As a mutual company, it has no stockholders and is managed for the benefit of its policyholders.

### Liberty Mutual Today

- Rated A (Excellent) from the A.M. Best Company for 13 years
- Fifth-largest property and casualty insurer in the U.S.
- In continuous operation since 1912
- Ranked 94th on the Fortune 500 list of largest corporations in the United States
- Total assets of \$105.517 billion and policyholder equity of \$10.808 billion (September 30, 2008)
- More than 45,000 employees in 900 offices worldwide

### Liberty International Underwriters

Founded in 1999, Liberty International Underwriters (LIU) is the global specialty lines division of the Liberty Mutual Group. LIU distributes exclusively through the independent broker network and has more than 30 offices worldwide.

LIU's specialty insurance products include casualty, construction, energy, environmental, management liability, marine and professional liability.



### LIU Professional Liability

LIU's competitive suite of Professional Liability products includes:

- Lawyers
- Miscellaneous Professional Liability for more than 60 classes of business
- Architects & Engineers
- Insurance Agents & Brokers
- Allied Health
- Dentists
- Real Estate Appraisers
- Accountants
- Financial Services E&O



# “We Give You Options” Which is for You?

## PREMIUM POLICY

“The SIMPLY SUPERIOR Policy”

### **PREMIUM COVERAGES - OCCURRENCE FORM**

For Experienced Inspectors or New Inspectors who have a construction background.  
Minimum of 3 years inspecting and/or construction combined.

## PREFERRED POLICY

We call it the “Peace of Mind” policy”

### **PREMIUM COVERAGES – CLAIMS MADE FORM**

For Experienced Inspectors or New Inspectors who have a construction background.  
Minimum of 3 years of inspecting and/or construction combined.

## PLUS POLICY

Our Low Cost Policy

### **ENHANCED COVERAGES & OPTIONS – CLAIMS MADE FORM**

Minimum of one year in business as an Inspector.

## PLUS NEW HOME INSPECTOR POLICY

Our Low Cost Policy for New Home Inspectors

### **ENHANCED COVERAGES & OPTIONS – CLAIMS MADE FORM**

After the first year you will qualify for the regular *PLUS* Policy.

Less than one year in business as an Inspector.

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## STANDARD POLICY

Lowest cost Policy

### **BASIC COVERAGES – CLAIMS MADE FORM**

Minimum of one year in business as an Inspector.

## STANDARD NEW HOME INSPECTOR POLICY

### **BASIC COVERAGES – CLAIMS MADE FORM**

After the first year you will qualify for the Standard policy.

Less than one year in business as an Inspector.

# DETAILED PROGRAM COMPARISON

## IN HOUSE PROGRAMS

	Standard & New Inspector (Basic Plan)	Standard <i>Plus</i> New Inspector <i>Plus</i> (Enhanced Basic)	Preferred (Peace of Mind)	Premium (Simply Superior)	Other
<b>Errors &amp; Omissions</b>					
<b>Standard Features (Included)</b>					
Occurrence form - 4 year claims reporting	No	No	No	Yes	_____
Claims Made form	Yes	Yes	Yes	No	_____
No. of years of optional tail coverage	Three	Three	Three	N/A	_____
Prior Acts available (additional cost)	Yes	Yes	Yes	Yes	_____
Limits separate from the General Liability	No	No	Yes	Yes	_____
Bodily Injury and Property Damage	Yes	Yes	Yes	Yes	_____
Real Estate Agents referral coverage	Yes	Yes	Yes	Yes	_____
Coverage for your Corporation	Yes	Yes	Yes	Yes	_____
<b>Coverage for Inspections including:</b>					
Modular and Mobile Homes	Yes	Yes	Yes	Yes	_____
Commercial & Industrial Buildings (See options for unlimited coverage)	Limited	Limited	Unlimited	Unlimited	_____
Water & Septic (1)	No	Optional	Yes	Yes	_____
Pool and Spas	Optional	Optional	Yes	Yes	_____
<b>Coverage for incidental claims arising</b>					
out of Lead Based Paint, Radon or Termite (2)	No	Yes	Yes	Yes	_____
Coverage for Carbon Monoxide claims (3)	No	Optional	Yes	Yes	_____
Coverage for Log Homes	Yes	Available(4)	Available(4)	Available(4)	_____
<b>Optional Coverages (5)</b>					
Radon Testing	Yes	Yes	Yes	Yes	_____
Termite/Pest Inspections	Yes	Yes	Yes	Yes	_____
Lead Based Paint Testing	No	No	Yes	Yes	_____
203k Consulting	No	No	Yes	Yes	_____
Draw and/or Code Inspections	No	No	Yes	Yes	_____
Course of Construction Inspections	No	No	Yes	Yes	_____
Insurance Inspections	No	No	Yes	Yes	_____
Energy Audits	No	No	Yes	Yes	_____
Pool and Spas	Yes	Yes	Incl.	Incl.	_____
Unlimited Commercial & Industrial Buildings	No	Yes	N/A	N/A	_____

## General Liability

Occurrence form - 4 year claims reporting	No	No	Yes	Yes	_____
Claims Made form	Yes	Yes	No	No	_____
No. of years of optional tail coverage	Three	Three	N/A	N/A	_____
Comprehensive coverage	No	No	Yes	Yes	_____
Coverage limited to inspection site	Yes*	Yes	N/A	N/A	_____
Limits separate from the Errors & Omissions	No	No	Yes	Yes	_____
Coverage at the Inspection Site	Yes	Yes	Yes	Yes	_____
Coverage at Your Office	No	No	Yes	Yes	_____
Bodily Injury and Property Damage	Yes	Yes	Yes	Yes	_____
Personal and Advertising Injury	No	No	Yes	Yes	_____
Premises Medical Payments	No	No	Yes	Yes	_____

(\*restricted coverage)

### Notes:

- (1) You can have a claim made against you even when you are not performing these services
- (2) Coverage is provided when a claim is made against you and you have not performed these services
- (3) Provides coverage for claims such as cracked heat exchangers
- (4) Coverage is available to those who inspect log homes at no additional cost – endorsement required
- (5) Optional coverages require various training, experience, licenses or certification –endorsements required

*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*

# PREMIUM POLICY

## OCCURRENCE FORM

(If you have three years of inspecting or construction)

### Typical Premiums

Limit	1 Inspector firm	2+ Inspector
\$150,000/\$300,000	\$3315	\$1600
\$300,000/\$600,000	\$3645	\$1600
\$500,000/\$1,000,000	\$4375	\$1600
\$1,000,000/\$1,000,000	Available – Individually underwritten	

(The above are minimum premiums for experienced inspectors. They apply to firms with receipts up to \$75,000. If your receipts are greater than \$75,000 the cost will be proportionately higher. Cost does not include taxes and fees.)

### Standard Features:

“A” Rated Insurance Company

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

\$1500 Deductible

Very Broad Inspection Referral Coverage

Coverage for Commercial Inspections

Water and Septic Testing

Carbon Monoxide Claims i.e. cracked heat exchanger

Pool & Spa Inspections

Coverage for Incidental Radon, Termite & LBP Claims

In-House Claims Assistance

24 Hour Quotes

### Financing:

Financing is available with a 12.6% downpayment and 9 monthly payments

### Options:

Comprehensive General Liability	\$400	WDO/WDI Inspections	\$500
Radon Testing	\$100	Lead Based Paint	\$150
203K	\$250	Course of Construction	\$100
Code Inspections	\$200	Draw Inspections	\$100

Prior Acts for those who currently have a Claims Made Policy - \$Varies

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# PREFERRED POLICY

## CLAIMS MADE FORM

(If you have three years of inspecting or construction)

### Typical Premiums

Limit	1 Inspector firm	2+ Inspector
\$150,000/\$300,000	\$2185	\$1200
\$300,000/\$600,000	\$2400	\$1200
\$500,000/\$1,000,000	\$2885	\$1200
\$1,000,000/\$1,000,000	Available – Individually underwritten	

(The above are minimum premiums for experienced inspectors. They apply to firms with receipts up to \$75,000. If your receipts are greater than \$75,000 the cost will be proportionately higher. Cost does not include taxes and fees.)

### Standard Features:

“A” Rated Insurance Company

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

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Coverage for Commercial Inspections

Water and Septic Testing

Carbon Monoxide Claims i.e. cracked heat exchanger

Pool & Spa Inspections

Coverage for Incidental Radon, Termite & LBP Claims

In-House Claims Assistance

24 Hour Quotes

### Financing:

Financing is available with a 12.6% downpayment and 9 monthly payments

### Options:

Comprehensive General Liability	\$300	WDO/WDI Inspections	\$400
Radon Testing	\$75	Lead Based Paint	\$115
203K	\$185	Course of Construction	\$75
Code Inspections	\$150	Draw Inspections	\$75

Prior Acts for those who currently have a Claims Made Policy - \$Varies

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# **PLUS POLICY**

## **CLAIMS MADE FORM**

If you have been in business as an Inspector for at least one year

### **Typical Premiums**

<b>Limit</b>	<b>1 Inspector firm</b>	<b>2+ Inspector</b>
<b>\$100,000/\$100,000</b>	<b>\$1525</b>	<b>\$1000</b>
\$100,000/\$500,000	\$1575	\$1000
\$250,000/\$250,000	\$1600	\$1000
\$250,000/\$500,000	\$1725	\$1000
\$300,000/\$300,000	\$1765	\$1000
\$500,000/\$500,000	\$1785	\$1000
\$500,000/\$1,000,000	\$2025	\$1000
\$1,000,000/\$1,000,000	\$2100	\$1000

(Costs are for experienced inspectors. Cost does not include taxes and fees.)

### **Standard Features:**

"A" Rated Insurance Company

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

\$2500 Deductible

Agents Referral

Prior Acts for those who currently have a Claims Made Policy.

### **Financing:**

Financing is available with a 12.6% down payment and 9 monthly payments

### **Options:**

On-Site General Liability \$210 – starting at

WDO/WDI Inspections \$500

Radon Testing \$100

Pool & Spa \$260

Water Testing and Septic \$60

Carbon Monoxide \$60

\$1500 Deductible 10% surcharge

Unlimited Commercial Inspections \$60

Prior Acts for those who currently have a Claims Made Policy – Cost Varies.

*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.*

# PLUS NHI POLICY

## CLAIMS MADE FORM

If you have not been in business as an Inspector for at least one year

### Typical Premiums

Limit	1 Inspector firm	2+ Inspector
\$100,000/\$100,000	<b>\$1900</b>	<b>\$1000</b>
\$100,000/\$500,000	\$1975	\$1000
\$250,000/\$250,000	\$2000	\$1000
\$250,000/\$500,000	\$2175	\$1000
\$300,000/\$300,000	\$2200	\$1000
\$500,000/\$500,000	\$2225	\$1000
\$500,000/\$1,000,000	\$2525	\$1000
\$1,000,000/\$1,000,000	\$2625	\$1000

(Cost does not include taxes and fees.)

### Standard Features:

"A" Rated Insurance Company

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

\$2500 Deductible

Agents Referral

Prior Acts for those who currently have a Claims Made Policy.

### Financing:

Financing is available with a 12.6% down payment and 9 monthly payments

### Options:

On-Site General Liability \$295 – starting at

WDO/WDI Inspections \$500

Radon Testing \$100

Pool & Spa \$295

Water Testing and Septic \$65

Carbon Monoxide \$65

\$1500 Deductible 10% surcharge

Unlimited Commercial Inspections \$65

Prior Acts for those who currently have a Claims Made Policy – Cost Varies.

*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.*

# STANDARD POLICY

## CLAIMS MADE FORM

If you have been in business as an Inspector for at least one year

### Typical Premiums

Limit	1 Inspector firm	2 Inspector firm
\$100,000/\$100,000	\$1545	\$2495
\$100,000/\$500,000	\$1630	\$2565
\$250,000/\$250,000	\$1655	\$2615
\$250,000/\$500,000	\$1770	\$2800
\$300,000/\$300,000	\$1795	\$2845
\$500,000/\$500,000	\$1815	\$2875
\$500,000/\$1,000,000	\$2020	\$3220
\$1,000,000/\$1,000,000	\$2090	\$3340

(Costs are for experienced inspectors. Cost does not include taxes and fees.)

### Standard Features:

"A" Rated Insurance Company

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

\$2500 Deductible

\$50,000 Accidental Death and Dismemberment Policy

Agents Referral

### Financing:

Financing is available with a 25% down payment and 11 monthly payments

### Options:

On-Site General Liability \$210 – starting at

Pool & Spa \$275

WDO/WDI Inspections \$735

Radon Testing \$150

\$1500 Deductible 10% surcharge

Commercial Inspections 10% surcharge

Prior Acts for those who currently have a Claims Made Policy – Cost Varies.

*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.*

# STANDARD NHI POLICY

## CLAIMS MADE FORM

(If you have not been in business as an Inspector for at least one year)

### Typical Premiums

Limit	1 Inspector firm	2 Inspector Firm
\$100,000/\$100,000	\$1590	\$2672
\$100,000/\$500,000	\$1642	\$2758
\$250,000/\$250,000	\$1675	\$2813
\$250,000/\$500,000	\$1808	\$3037
\$300,000/\$300,000	\$1839	\$3089
\$500,000/\$500,000	\$1860	\$3126
\$500,000/\$1,000,000	\$2106	\$3539
\$1,000,000/\$1,000,000	\$2189	\$3677

(Cost does not include taxes and fees.)

### Standard Features:

"A" Rated Insurance Company

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

\$2500 Deductible

\$50,000 Accidental Death and Dismemberment Policy

Agents Referral

### Financing:

Financing is available with a 25% downpayment and 11 monthly payments

### Options:

On-Site General Liability \$260 – starting at

Pool and Spa \$275

WDO/WDI Inspections \$920


Radon Testing \$200

\$1500 Deductible 10% surcharge

Commercial Inspections 10% surcharge

Prior Acts for those who currently have a Claims Made Policy – Cost Varies.

*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.*

 Allen Insurance

g r o u p

Dear Home Inspector,

In order to provide you with a quote, we will need the following information:

- 1) Completed Application and Quote Request Form
- 2) Resume. Our Preferred and Premium policies require 3 years as a home inspector or 3 years of construction experience – this is not a requirement for our *Plus* policies. (Send a resume even if you do not have this home inspection/construction experience as we can consider other experience)
- 3) Copy of your Inspection Agreement
- 4) If currently or previously insured, a Loss Run Report from your Insurance Company and the declarations page of your current policy which shows your current policy period and retroactive date.

We appreciate your interest in our programs

Bob Pearson

QUOTE REQUEST FORM

**(RETURN THIS PAGE WITH YOUR COMPLETED APPLICATION)**

Business Name \_\_\_\_\_

Please select 1 of the following based on your needs

**These policies are our most highly recommended programs.**

They are not available in AL, AK, AR, DC, LA, MS, NH, NJ, OK, TX, WV or WY.

\_\_\_ **Premium Policy - Occurrence Form**

\_\_\_ With General Liability    \_\_\_ Without General Liability

\_\_\_ **Preferred Policy – Claims Made Form**

\_\_\_ With General Liability    \_\_\_ Without General Liability

\_\_\_ **PLUS Policy - Claims Made Form**

\_\_\_ With On-Site General Liability    \_\_\_ Without On-Site General Liability

\_\_\_ **PLUS NHI Policy - Claims Made Form**

\_\_\_ With On-Site General Liability    \_\_\_ Without On-Site General Liability

**The following policies are also available**

They are not available in AK, DC, DE, MS, OK or WY.

\_\_\_ **Standard Policy - Claims Made Form**

\_\_\_ With On-Site General Liability    \_\_\_ Without On-Site General Liability

\_\_\_ **Standard NHI Policy - Claims Made Form**

\_\_\_ With On-Site General Liability    \_\_\_ Without On-Site General Liability

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: \_\_\_\_\_

# INSURANCE

Administered by: **Allen Insurance Group**

through its wholly owned subsidiary:

**NARREP, Inc. of Georgia a Risk Purchasing Group**

304 MLK Jr. Drive P.O. Box 1439 Fort Valley, Georgia 31030

Voice: (800) 474-4472

Facsimile: (478) 822-9149

**Please type or print in INK.**

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

1. Applicant/Firm 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 all home inspectors including part-time home inspectors. Coverage is provided only for inspections performed by those listed. Coverage will be provided for independent contractor (IC) home inspectors if included below. (Use attachments as necessary)

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

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

Name	Position
_____	_____
_____	_____

5. Does the applicant/firm:

a. perform any activities other than property inspections? (i.e., Home repairs, Energy Audits, HUD Inspections etc)

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 etc)

Yes/No If **Yes**, attach a detailed description of these activities and E&O insurance declaration page(s).

6. Errors and Omissions coverage the applicant/firm has had for the past three years:  
(Attach Copies of Declarations Pages and Insurance Company Loss Runs)

7. Please indicate the limit of liability and deductible for which you would like a quotation

a. **ERRORS & OMISSION LIMIT:** Applies to claim expense and indemnity.

(Per Claim/Aggregate all Claims)

\$150,000/\$300,000       \$300,000/\$600,000

\$500,000/\$1,000,000       Other \$ \_\_\_\_\_

b. **E&O DEDUCTIBLE:**

Applies to each claim and is inclusive of defense costs, claim expenses and indemnity.

\$1,500     \$2,500     \$3,500     \$5,000

c. **GENERAL LIABILITY LIMIT:** Applies to claim expense and indemnity.

Do **NOT** quote General Liability, I/We already have or do NOT desire General Liability Coverage.

Quote General Liability

(Per Claim/Aggregate all Claims)

\$150,000/\$300,000       \$300,000/\$600,000

\$500,000/\$1,000,000       Other \$ \_\_\_\_\_

Note: A deductible applies to General Liability – details in your quote.

Note: General liability coverage is limited in the *Plus* and Standard policies – details in your quote.

8. Inspection information for Pre-Purchase Inspections **ONLY** (Do NOT include fees from other types of inspections such as Radon Tests, Termite Inspections, etc). (a x b = c)

Last 12 months

Next 12 months (estimated)

a. Number of inspections: \_\_\_\_\_

b. Average fee per inspection: x \_\_\_\_\_

c. Total annual inspection receipts: = \_\_\_\_\_

Please Note: The number of inspections (8a) multiplied by the average fee per inspection (8b) must equal the total annual inspection receipts (8c).

d. Number of inspectors: \_\_\_\_\_

9. Inspection Information – Complete both columns, each separate column must equal 100%

Sources of Pre-Purchase Inspection fees

Clients

a. One and two family dwellings: \_\_\_\_\_%

a. Sellers: \_\_\_\_\_%

b. Multiple family (3-4) dwellings: \_\_\_\_\_%

b. Prospective buyer: \_\_\_\_\_%

c. Multiple family dwellings over 4 units: \_\_\_\_\_%

c. Real estate company: \_\_\_\_\_%

d. Farms and Ranches: \_\_\_\_\_%

d. Relocation company: \_\_\_\_\_%

E. Commercial & Industrial \_\_\_\_\_%

e. Other: \_\_\_\_\_%

10. a. Has the name or ownership of the applicant/firm ever changed or has any other business been purchased, merged or consolidated with the firm?  Yes/No

- b. Is the firm owned or controlled by any other firm or individual? Yes/No
- c. Does the 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: \_\_\_\_\_  
\_\_\_\_\_

11. Have any claims been made against the applicant/firm, its predecessors, present or past owners, directors, officers or employees during the past five years or is the applicant/firm aware of any circumstances, allegations or contentions which could result in a claim(s) being made against the applicant/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.

12. Have 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: \_\_\_\_\_  
\_\_\_\_\_

13. Has any application for similar insurance on behalf of the applicant/firm or any of its owners, partners, executive officers or directors, or to the knowledge of the applicant/firm on behalf of its predecessors in business, ever been declined, canceled or refused?

Yes/No If **Yes**, provide details: \_\_\_\_\_  
\_\_\_\_\_

14. What formal training has been completed in real estate inspection by the principals and staff? \_\_\_\_\_

15. What professional organizations, associations or societies does the applicant/firm belong to? \_\_\_\_\_

16. Has any person or organization requested 1. A certificate of insurance or 2. to be added to your policy as an Additional Insured? i.e., Franchiser (other than Realtors)

Yes/No If **Yes**, explain: \_\_\_\_\_  
\_\_\_ Certificate of insurance only or \_\_\_ Additional Insured

Attn: \_\_\_\_\_  
Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

17. Any hold-harmless agreements entered into by the applicant/firm? (Other than Your Inspection Agreement) Yes/No If **Yes**, enclose a copy of same.

18. What percent of the applicant's/firm's business involves subcontracting work to others (other than listed in question 3?): \_\_\_\_\_ %

a. Please describe work subcontracted: \_\_\_\_\_

b. Do you require Certificates of Insurance from subcontractors? Yes/No

19. **a. Enclose a recently completed inspection agreement and inspection report.**  
**b. Enclose any descriptive brochures being used or  No brochures used.**  
**c. Enclose a resume on each real estate inspector with the applicant/firm.**

**20. Complete Options Supplement if optional coverage consideration is desired.**

I/We 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 or Mississippi; estimated construction costs, cost to cure or repair costs; environmental site assessments; inspections for insurance companies; or log homes.  
Note: Some of these exclusions may be covered by optional endorsements - see optional coverage supplement.

I/We further understand and accept that Termite or WDO/WDI; Lead Based Paint; or Radon claims are not covered by the policy unless you are **NOT** performing such inspections/tests and they are **EXCLUDED** in your inspection agreement and your agreement is signed by your client; or you are performing such inspections/tests and you purchase the optional endorsement for each.

I/We 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 inspection agreement must be the same as provided with the application or as on file with the Company. The agreement must be signed by the client or the client's representative.

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

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

I/We understand that this application does not bind the applicant/firm, the agent, the general agent or the company to complete this insurance transaction by the issuance of a policy 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.

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 insurance policy, if issued. I/We understand and accept that the Professional Indemnity (E&O) and General Liability sections of the insurance policy, if issued, is written on either an occurrence basis with a four (4) year claim reporting clause or on a claims made basis based in my selection. I/We understand and agree that no coverage will become effective until a written proposal is made, signed by the applicant/firm and returned along with payment in full or required down payment of the premium, taxes and fees quoted.

*"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."*

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: \_\_\_\_\_

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

Business Name: \_\_\_\_\_

**RADON TESTING**

1. Type of testing equipment used: \_\_\_\_\_
2. Describe any consulting performed: \_\_\_\_\_
3. Does the State in which the tests are performed require licensing?: Yes/No
4. Do you perform remediation?: Yes/No  
if **YES** describe: \_\_\_\_\_
5. Is the laboratory used EPA listed?: Yes/No
6. Estimated number of tests to be performed next 12 months: \_\_\_\_\_ tests
7. Estimated total receipts for this activity next 12 months: \$ \_\_\_\_\_

**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: \$ \_\_\_\_\_

**203k CONSULTING**

1. Are You HUD approved for 203k consulting?: Yes/No
2. Does the State in which consulting is performed require licensing?: Yes/No
3. Are you involved as a contractor in any of the remodeling activities?: Yes/No  
if **YES** describe: \_\_\_\_\_
4. Average remodeling loan value: \$ \_\_\_\_\_
5. Estimated number of projects to be performed next 12 months: \_\_\_\_\_ projects
6. Estimated total receipts for this activity next 12 months: \$ \_\_\_\_\_

**LEAD BASED PAINT TESTING**

1. Type of testing equipment used: \_\_\_\_\_
2. Describe any consulting performed: \_\_\_\_\_
3. I/we understand no coverage is provided by the policy for any risk assessment or remediation consulting activity. Yes/No
4. Does the State in which the tests are performed require licensing?: Yes/No
5. Do you perform abatement?: Yes/No  
if **YES** describe: \_\_\_\_\_
6. Does the laboratory used comply with HUD QA/QC for analysis procedures?: Yes/No
7. Is the lab accredited by the AIHA or AALA?: Yes/No
8. Estimated number of tests to be performed next 12 months: \_\_\_\_\_ tests
9. Estimated total receipts for this activity next 12 months: \$ \_\_\_\_\_

**CONSTRUCTION DRAW INSPECTIONS for LENDERS**

6. Draw inspections performed to generally accepted building practices.

	Actual Last 12 months	Estimated Next 12 Months
2. Number of inspections	_____	_____
3. Average Fee	\$ _____	\$ _____
4. Attach sample of contract and report.

**COURSE OF CONSTRUCTION INSPECTIONS**

- 1. Who are your clients? \_\_\_\_\_
  - 2. Which is applicable:
    - \_\_\_ Performed to generally accepted building practices.
    - \_\_\_ Performed to current code requirements in your area
    - If so what code is used \_\_\_\_\_
    - If so, are you so certified? \_\_\_\_\_
- |                          |                       |                          |
|--------------------------|-----------------------|--------------------------|
|                          | Actual Last 12 months | Estimated Next 12 Months |
| 3. Number of inspections | _____                 | _____                    |
| 4. Average Fee           | \$ _____              | \$ _____                 |
- 5. Attach sample of contract and report.

**CODE INSPECTIONS**

- 1. Who are your clients? \_\_\_\_\_
  - 2.  Performed to current code requirements in your area.
    - What code is used \_\_\_\_\_
    - If so, are you so certified? \_\_\_\_\_
- |                          |                       |                          |
|--------------------------|-----------------------|--------------------------|
|                          | Actual Last 12 months | Estimated Next 12 Months |
| 3. Number of inspections | _____                 | _____                    |
| 4. Average Fee           | \$ _____              | \$ _____                 |
- 5. Attach sample of contract if applicable and report.

**Other Options:** Call for submission information  
Energy Audits.  
**Call for information.**

**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.**  
**Information as required in question 11 of the application (question 6 on the renewal application) regarding claims, etc.**

I/We hereby warrant that the information contained herein is true and correct and that no material facts have been misstated, omitted or suppressed.

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: \_\_\_\_\_

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

Business Name: \_\_\_\_\_

**RADON TESTING**

1. Type of testing equipment used: \_\_\_\_\_
2. Describe any consulting performed: \_\_\_\_\_
3. Does the State in which the tests are performed require licensing?: Yes/No
4. Do you perform remediation?: Yes/No  
if **YES** describe: \_\_\_\_\_
5. Is the laboratory used EPA listed?: Yes/No
6. Estimated number of tests to be performed next 12 months: \_\_\_\_\_ tests
7. Estimated total receipts for this activity next 12 months: \$\_\_\_\_\_

**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: \$\_\_\_\_\_

**WATER and SEPTIC TESTING COVERAGE**

**POOL AND SPA INSPECTION COVERAGE**

**CARBON MONOXIDE CLAIMS**

**UNLIMITED COMMERCIAL INSPECTIONS (vs 10,000 sq ft and other limitations)**

**LIMITED ON-SITE GENERAL LIABILITY COVERAGE – This is an expansion of coverage under the E&O policy.**

**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.**

**Information as required in question 11 of the application (question 6 on the renewal application) regarding claims, etc.**

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 insurance policy, if issued

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: \_\_\_\_\_

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

Business Name: \_\_\_\_\_

**RADON TESTING**

1. Type of testing equipment used: \_\_\_\_\_
2. Describe any consulting performed: \_\_\_\_\_
3. Does the State in which the tests are performed require licensing?: Yes/No
4. Do you perform remediation?: Yes/No  
if **YES** describe: \_\_\_\_\_
5. Is the laboratory used EPA listed?: Yes/No
6. Estimated number of tests to be performed next 12 months: \_\_\_\_\_ tests
7. Estimated total receipts for this activity next 12 months: \$\_\_\_\_\_

**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: \$\_\_\_\_\_

**POOL AND SPA INSPECTIONS**

**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.

Information as required in question 11 of the application (question 6 on the renewal application) regarding claims, etc.

I/We hereby warrant that the information contained herein is true and correct and that no material facts have been misstated, omitted or suppressed.

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: \_\_\_\_\_

**APPLICATION CLAIM INFORMATION FORM**

Business Name: \_\_\_\_\_

Instructions:

This claim information form is to be completed by the Applicant/Firm who is making application for Professional Indemnity and General Liability Insurance. The requested information will be held confidential.

Complete a form for each claim.

Please type or print in ink.

1. Claimant: \_\_\_\_\_

7. \_\_\_ Claim \_\_\_ Lawsuit \_\_\_ Incident

8. Date of Inspection: \_\_\_\_\_ Date of Claim: \_\_\_\_\_

9. If **Closed**: Total loss & expenses paid \$ \_\_\_\_\_  
Your deductible \$ \_\_\_\_\_

If **Open**: Claimants demand \$ \_\_\_\_\_  
Insurers loss & expense reserve \$ \_\_\_\_\_  
Your deductible \$ \_\_\_\_\_

10. Name of Insurer: \_\_\_\_\_

11. Description of claim: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I/We hereby warrant that the information contained herein is true and that no material facts have been misstated or suppressed.

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: \_\_\_\_\_