

Pay Per Inspection Home Inspector Insurance

Presented by


Allen Insurance

group

The Pay-Per Inspection Program was designed 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 and are not in need of prior acts/retro coverage.

To discuss this program or if you have questions
please call 800-474-4472 extension 201
or visit our website for complete information and applications
www.pay-per-inspection.com

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

Initial enrollment includes General Liability and 10 Insured Inspections

You may apply and pay for coverage 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.

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 (Call for seasoned inspector 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 7 (seven) 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 which has been forwarded to us.
6. No coverage is offered for inspections performed in Alaska, Alabama, Mississippi 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 policy period.
8. Coverage – The policy shall indemnify you for any claim which is first made against you during your policy period (so stated on your certificate of insurance). 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 certificate of insurance) and before the end of your policy period
9. You will be sent an application to move to one of our other policies 45 days in advance of the expiration of your policy period. If you purchase a new annual policy from Allen Insurance Group the policy will cover previous inspections performed under the “Pay Per Inspection Program”.
10. All costs associated with the program are not refundable.
11. The program is not available to multi inspector firms.

AVAILABILITY

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

ALLEN INSURANCE GROUP
PAY PER INSPECTION
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 (i.e. cracked heat exchanger)

Incidental Radon, Termite & Lead Based Paint Claims

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 Pricing Schedule

Initial Enrollment – Coverage for 10 Inspections

Limits (in thousands)	<u>Gold</u>		<u>Platinum</u>	
	125/250	250/500	125/250	250/500
E&O Premium	250.00	350.00	400.00	550.00
GL Premium	<u>150.00</u>	<u>200.00</u>	<u>150.00</u>	<u>200.00</u>
Tot Premium	400.00	550.00	550.00	750.00
Tax	<u>20.00</u>	<u>27.50</u>	<u>27.50</u>	<u>37.50</u>
Total before fees	420.00	577.50	577.50	787.50
<u>Additional Fees:</u>				
Deductible Fund	25.00	25.00	25.00	25.00
Membership Fee	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>
Total due AIG	\$595.00	\$752.50	\$752.50	\$962.50

Additional Inspection Coverage – 10 inspections

Limits (in thousands)	<u>Gold</u>		<u>Platinum</u>	
	125/250	250/500	125/250	250/500
E&O Premium	<u>250.00</u>	<u>350.00</u>	<u>400.00</u>	<u>550.00</u>
Tot Premium	250.00	350.00	400.00	550.00
Tax	<u>12.50</u>	<u>17.50</u>	<u>20.00</u>	<u>27.50</u>
Total	\$262.50	\$367.50	\$420.00	\$577.50

**APPLICATION FORM
FOR PROFESSIONAL INDEMNITY (E&O) and
GENERAL LIABILITY INSURANCE – PAY PER INSPECTION**

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. 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		
	as an Inspector	in Construction	Architect or Engineer?
_____	_____	_____	_____

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
- LIMIT:** Applies to claim expense and indemnity. (Per Claim/Aggregate all Claims)
\$125,000/\$250,000 \$250,000/\$500,000
 - E&O SELF INSURED RETENTION:**
 Applies to each claim and is inclusive of defense costs, claim expenses and indemnity
\$1500
 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 a recently completed inspection agreement and inspection report.**
 b. **Enclose any descriptive brochures being used or No brochures used.**
 c. **Enclose a resume for the home inspector.**
 d. **Enclose a copy of your training diploma.**

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 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.

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 7 (seven) days of the date of the inspection. I/We further understand and accept that the reporting system used must be the one provided as a sample with this application.

4. understand that defense costs, claims expenses and indemnity shall be applied against the self insured retention (deductible).

5. understand that this application does not bind the applicant/firm, the agent, the general agent or the insurance 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.

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 policy are NOT refundable.

7. understand that the insurance provided by this insurance policy is written on a claims made basis. 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 coverage period (so stated on the Certificate of Insurance). The claim must arise out of an inspection or act performed during the policy period and subsequent to the retroactive date (so stated on the Certificate of Insurance) and before the end of the 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 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) and General Liability sections of the insurance policy is written on a CLAIMS MADE BASIS. I/We understand and agree that no coverage is effective until the payment in full is received.

If approved, I/We would like coverage to begin on _____ (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: _____