

Michael Boyett

Subject: E&O Insurance
Attachments: National Home Inspectors Program (3-10-2008)1.doc; Home Inspector Application 3-12-08.xlsm; EO_Insurance.pdf

A few months ago, after the new Texas HI E&O requirement was enacted, I put a spreadsheet together that compared several different companies offerings and premiums. Although I had E&O before it was mandated I knew that many other inspectors were going to be looking so the spreadsheet was intended to help them sort through the many E&O policies being offered. About that same time I was contacted by an insurance agent based in St. Louis that was wanting to put a national program together with very aggressively priced premiums and coverages. The caveat was that he intended to cater to the well established, experienced, educated professional inspector that played by the highest rules available. I and others helped him understand TREC requirements, national trade organizations, continuing education requirements, etc. Well, apparently he has been successful in getting that program developed and he is now writing policies. The underwriter is the James River Corp, an AM Best rated A- insurance company (<http://www.jamesriverins.com>). The highlights of the policy and the insurance agent information is shown below. I've also attached a page showing more details of the program and also an application form. Don't be turned off by the length of the application as I think you will be pleasantly surprised by the policy coverage and the premium as well, so the effort will be worth it if you qualify.

Here are the basics:

<u>1 year policy</u>	<u>Premium</u>
\$100,000/\$300,000	\$1,000
\$250,000/\$500,000	\$1,425
\$1,000,000/\$1,000,000	\$1,805

Add 10% of base premium for contingent BI&PD
Add 20% of base premium for 4 year policy

BI&PD is bodily injury and property damage. As described in the attached material, that means the policy will pay up to the limits if someone gets hurt or there is property damaged because of something you missed. Don't confuse this with General Liability which would cover you if you damaged something while on-site. General Liability is not included in these prices.

The '4 year policy' is one that covers you during the policy year then 3 additional years after that, in other words, 3 years of 'tail coverage'. You'd still renew the policy each year for that amount and then if/when you no longer renewed the policy it would still cover inspections you made that last year for 3 more years after that.

As shown on the attachment policy inclusions are pretty extensive, i.e. 3rd party referrals, sub-contractors, pools, radon, all inspectors in company, etc.

The Agency & contact person representing James River is:

Wally Glaser
International Placement Services, Inc
101 South Hanley Road, Suite 700
St. Louis, MO 63105
Telephone 314-725-8394 Ext. 278
Fax 314-725-4317
Cell 314-761-8480
Email wglaser@ipsico.com
Website www.ipsico.com

The best method to contact Wally is probably e-mail as he is inundated with applications from across the country right now.

I do know of one East Texas inspector that was approved for himself and his son just this week for \$100k coverage, plus the 3 year tail coverage, BI&PD and taxes...all for \$1,350/yr!

Remember, Wally intends for this to be for the seasoned inspectors. **Feel free to pass this along to anyone you think might qualify but know that Wally is serious about the qualifications as described in the application.** Also, I have no financial interest in this offering and only pass this information along as a courtesy.

Regards,

