



**BEFORE CLAIMS HAPPEN, MAKE SURE YOUR  
INSURANCE COVERAGE PASSES INSPECTION.**



**THE  
HARTFORD**

Business Insurance  
Employee Benefits  
Auto  
Home



## **EXPERTISE IN HOME INSPECTION CLAIMS**

The Hartford's coverage is offered through BNK Insurance Services,<sup>1</sup> our exclusive program manager. With a wealth of knowledge and a track record of delivering insurance solutions, the BNK team is dedicated to understanding the risks home inspectors face. And providing you with the right protection.

## GIVE YOUR BUSINESS SOLID LIABILITY PROTECTION AGAINST COSTLY CLAIMS.

Even the most meticulous home inspector could end up dealing with a lawsuit. And while it may be an honest oversight, it could be costly enough to close a business permanently.

The Hartford's Home Inspector Errors & Omissions (E&O) liability insurance is designed to protect your business against losses resulting from negligence, errors and omissions in the assessment of a client's property. As a standalone policy, it is customized to meet the needs of your firm. With an added layer of protection for the services you provide.

The following claim scenarios demonstrate the need for E&O liability insurance. They include a range of expenses incurred as a result of inspection report discrepancies.

## CLAIMS SCENARIOS: JUST ONE OVERSIGHT CAN PROMPT A LAWSUIT

### Claim 1

**Alleged oversight** Wood deterioration

**Situation** After inspecting the property, the home inspector recommended using a licensed contractor to further review the wood deterioration found above a brick veneer.

**Action** Upon purchasing the home, the buyer hired a contractor to repair the corrosion and found additional wood rot and lack of flashing. The buyer sued for negligence, alleging that the home inspector failed to identify the full extent of damages, claiming repair costs amounting to more than \$70,000.

**Result** The matter settled for \$35,000 with defense costs amounting to more than \$45,000.

### Claim 2

**Alleged oversight** Roof damage

**Situation** The home inspector assessed an investment property for the buyer, who intended to renovate the home and sell it at a higher price.

**Action** After purchasing the home, the buyer noticed damage to the roof and bathrooms, demanding \$25,000 in damages.

**Result** The matter was resolved with no paid loss. No liability was found on behalf of the home inspector and less than \$2,000 in defense costs accrued.

### Claim 3

**Alleged oversight** Basement wall cracks

**Situation** The home inspector failed to note slight cracking within the basement walls on the inspection report.

**Action** Upon purchasing the home, the buyer noticed cracking and bowing, alleging damages upwards of \$40,000, the cost for total repair.

**Result** The matter was settled for \$15,000 with defense costs totaling over \$35,000.

### Claim 4

**Alleged oversight** Rodent inspection

**Situation** During the inspection, the home inspector neglected to identify rodents within the building.

**Action** Once the home was purchased, the buyer noticed the rodents and pursued the home inspector, demanding more than \$5,000 to rectify the situation.

**Result** The matter settled for less than \$1,500, including defense costs.

## Claim 5

**Alleged oversight** Leaking windows

**Situation** The home inspector noted damage to the windows in the inspection report.

**Action** After purchasing the home, the buyer alleged negligence for failure to provide remediation advice for the windows, demanding over \$60,000 in damages.

**Result** The matter settled for \$18,500 over the insured's deductible, with defense costs of approximately \$2,000.

## Claim 6

**Alleged oversight** Foundation damage

**Situation** The home inspector assessed the foundation of a garage adjacent to a home.

**Action** Upon purchase of the home, the buyer alleged negligence for failure to analyze the foundation damage caused by a faulty garage door, claiming damages of \$18,000.

**Result** The matter settled for \$6,000 with \$650 in defense costs incurred.

## Claim 7

**Alleged oversight** Water damage to roof

**Situation** Full inspection of a large property estate was performed.

**Action** After purchasing the home, the buyer alleged negligence for failure to analyze damage to the roof and attic. The buyer sued, claiming damages of more than \$60,000.

**Result** The matter settled for \$25,000 with defense costs amounting to nearly \$14,000.

### HELP KEEP UNINTENDED ERRORS FROM HURTING YOUR BUSINESS.

Contact BNK Insurance Services at 1-888-337-6259, or email [INFORMATION@BNKINS.COM](mailto:INFORMATION@BNKINS.COM).

And visit [BNKINS.COM](http://BNKINS.COM) to submit an application.



<sup>1</sup> BNK Insurance Services, LLC is not an affiliate of The Hartford

The scenarios summarized herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions, and exclusions of the issued policy. Please refer to the issued policy to determine all terms, conditions, exclusions and limitations of coverage, which will control in the event of a conflict with this material.

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