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MISCELLANEOUS E&O

Inspection Related Services



Classes We Consider (NO Repair)

- Code Compliance Inspection
- Crane Inspection
- Fire Alarm System Inspection
- Insurance Inspection
- Pipeline Inspection
- Railroad Inspection
- Safety System Inspection
- Construction Inspection
- Elevator Inspection
- Home Inspection
- One Call Service
- Utility Location
- Safety Inspection
- And Many More

Claims

Sensitive nose. A home inspection company engaged to perform a visual inspection of the premises is being sued by a woman for whom they provided services. In the suit, the plaintiff alleges she purchased her home upon the recommendation of the defendant. The plaintiff suffers from Multiple Chemical Sensitivity, and after moving in she began to notice a noxious odor, which she claimed was making her sick. She complained to the defendant, and the inspector returned for an additional inspection, at which time they determined the wood floor was emitting the odor. The defendant advised the claimant to remove the floor, and also made other suggestions related to other offensive odors in the house. In her suit, the plaintiff alleged the defendant should have discovered the chemical odors in the initial inspection. She now maintains their recommendations will cause her great expense, roughly \$40,000, plus she claims lost earnings which could have been avoided had they discovered the odors in their first inspection.

Bugs, bugs, everywhere. A home inspection company was sued by a man who engaged their services prior to purchasing his house. Very soon after he moved in, he began to notice a lot of bugs and called the defendant for a second inspection of the property. At that point, a second inspection determined the house had termites, which had not been noted in the first report. The inspector had not been engaged to perform a termite inspection. In his suit against the realtor and the home inspector, the plaintiff is alleging extensive damage to the home, including floor joists and floorboards, which required about \$40,000 to repair.

Missed the bolts. A crane testing company was named in a lawsuit brought by a man who was injured when the boom of the crane he was operating collapsed. Allegedly, the accident was caused when several bolts snapped. The defendant was brought into the suit a year after the initial filing because it came out in discovery that they had recently performed an inspection of the crane.

Missed it by that much. A utilities locating company was hired by a drilling company to identify and mark the underground utilities in the area along a railroad in preparation for the installation of fiber optic cables. A representative of the drilling company reviewed the job, noting the necessary markings for all underground utilities. Several months later, an employee of the drilling company drilled through a 36" water main owned by the city causing extensive water damage. As a result, the city water department sued the utilities locating company alleging they were at fault for the accident because the markings they did of the utilities were incorrect. In its defense, the utility locator stated that the amount of time that had elapsed after the marking had been done made the markings not clearly visible to the drilling company. The suit was settled out of court with a \$50,000 contribution to the settlement on behalf of the insured utility locator.





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Risks Written

- Building code compliance inspector, home inspector & building inspector.
Limits: \$1,000,000/\$1,000,000. Deductible: \$2,500. Premium: \$4,000.
- Utility locator for underground telephone and cable lines.
Limits: \$1,000,000/\$1,000,000. Deductible: \$10,000. Premium: \$5,670.
- Residential home inspections including termite inspections; has certification and experience.
Limits: \$500,000/\$500,000. Deductible: \$5,000. Premium: \$3,997.
- Home and electrical inspection.
Limits: \$1,000,000/\$1,000,000. Deductible: \$2,500. Premium: \$4,000.
- Construction inspection.
Limits: \$1,000,000/\$1,000,000. Deductible: \$2,500. Premium: \$7,500.
- Crane inspection and certification services.
Limits: \$1,000,000/\$1,000,000. Deductible: \$2,500. Premium: \$7,500.

Tips on Reviewing Inspection Related Service Accounts

- Accounts in these classes may need contingent bodily injury and contingent property damage liability coverage. We can add an endorsement extending this coverage provided the applicant has general liability insurance covering bodily injury and property damage liability arising from premises, operations, products and completed operations exposures in place with equal or higher limits of liability.
- Occasionally, we see inspectors that directly or, through a related entity, also sell, install or repair the equipment or facilities they inspect. Although this as an understandable extension of their business, often the products, operations and completed operations exposures cannot be effectively separated from the professional liability exposure when a claim arises. As such, we do not consider professional liability for inspectors that directly or through a related entity also sell, install, service, maintain or repair buildings or equipment.
- In addition to the standard EO-30001 professional liability application, we also have a companion Building Inspection Services supplement and a Crane Inspectors and Related Services supplement. Not only do these questionnaires include important information relevant to the services, it also helps us tailor the coverage for the applicant. Please be sure to include this valuable underwriting tool when sending in applications.



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