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Attorneys at Law

SERIOUS LIABILITY

Home inspectors typically inspect components of houses that can be repaired or replaced for a few thousand dollars. Except for basements, most repairs on a house can probably be done for under \$5,000.00 and ninety-five percent of them under \$10,000.00. If a home inspector misses an obvious defect, in most situations he or she is not looking at tremendous liability.

There are a few areas that do create the potential for major liability. One of these relates to the inspection of gas lines, gas valves, gas fittings, and other areas of potential gas leaks. If a home inspector inspects gas related pipes and fittings, he or she is exposing themselves to big liability. If, after a home inspector, inspects the house, the house burns down or blows up and it's attributed to a gas leak, the damages could be astronomical, especially if someone is injured. The standards of practice require a home inspector to observe and describe heating equipment and distributions systems as well as normal operating controls and the energy or the sources. With regard to gas or gas leaks, a home inspector is not required to do any specific testing.

Another area of concern is inspecting or testing for carbon monoxide. Again, many home inspectors test for carbon monoxide as part of their standard reporting procedure. If someone were to be injured or die from carbon monoxide poisoning shortly after a house was inspected, this too can create major liability on part of a home inspector.

Inspecting for or testing for lead paint is another issue that should concern home inspectors. If the home inspector indicates that they have tested for and inspected the house for lead paint and a child gets lead paint poisoning shortly after the inspection, this also is a source of liability.

External insulated finish systems have the potential for major damage and big repairs. If there is an EIF system surrounding the house, and that system allows water entry causing rotten wood and/ or mold within the walls, the repairs for this are

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expensive. Finally, the presence or absence of mold is a questionable issue. The potential mold observed during the home inspection can later expand and progress to a point where it becomes a serious problem. It may not be a problem at the time of the inspection but it may be later.

The dilemma that home inspectors have is that they want to provide as many services to their clients as possible while limiting or restricting their liability. The areas that I have listed in this report are areas where a home inspector subjects himself to liability in the tens of thousands of dollars. If someone is seriously hurt or injured, it could be well into the hundreds of thousands of dollars. There are two ways a home inspector can deal with these situations. One is to specifically exclude these items as a subject of inspection. Make it clear to the homeowner that the home inspector is not inspecting for these particular items and put that language in the report.

Another approach to this problem is to exclude these items but look for them and inspect them anyway. If nothing is noted, do not mention anything in your report. If you inspect for these things and find some evidence of a problem, you can note your findings in the part of the report that allows you to handwrite information. For example, if your report indicates that you did not inspect for gas leaks, and during the course of your inspection you test for a gas leaks, and you find a problem, you can report this in the spaces that allow you to write specific findings. You cannot that there is a problem here and that the homeowner should contact a specialist to have the situation evaluated. With this approach, you are providing the homeowner a service without incurring liability for it. If you take this approach and you miss a serious defect, you are protected because your report disclaims liability for this specific problem. If however, you inspect for it anyway and find something of concern, you can report it to the homeowner so that they can take further action. You only mention situations where you find an actual problem.

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For a three hundred dollar inspection, you should not be exposing yourself to hundreds of thousands of dollars of liability. By taking a few simple precautions you can provide a complete service to your customers and give yourself a certain amount of protection. Good home inspectors continually review their inspection contracts and reports, and make modifications in this regard. These are just a few suggestions that you may want to consider.