

# THE INSIDER

A NATIONAL PROPERTY INSPECTIONS AND GLOBAL PROPERTY INSPECTIONS MONTHLY PUBLICATION

Issue #10 - October / November 2011

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## IN MEMORIUM

We offer our heartfelt prayers and sympathy to the family of Rob Abbink who passed away on Tuesday, November 1, 2011.



**Rob Abbink**

March 13, 1952 - November 1, 2011

Rob joined the NPI/GPI family in September of 2004. He is survived by his wife, Olga.

## FROM THE PRESIDENT

I need to start with an apology. George and Laurie Nicholson more than earned this year's Pinnacle Award and Andy and Katrina Alvarez more than earned our President's Club award. They should have been called up and recognized in front of their peers at this year's Annual Banquet. I totally blew it and extend my heart-felt apologies to the Nicholson's and the Alvarez's. They worked long and hard all year and deserved better, and we are working to make amends.



**Roland Bates**  
President

Thank you to everyone that attended the Annual Conference. Hopefully, you all enjoyed it and made some new friends. This was one of the most enjoyable conferences yet. We had good topics and great speakers, but above and beyond that, it was simply a good time. Some of you paid for your trip to Omaha by using points accumulated by using your corporate credit cards. What a great idea! A lot of you use credit cards to pay your monthly royalties and earn points faster. That is fine with us. If you would like to start doing so, let Terry Wilson know.

Growing and expanding: We did not want to do mold inspections until credible training and inspection protocols evolved. Of course, we also wanted to wait until credible E & O Insurance was available. Those things have been in place for some time now and a lot more of you have gotten involved. In fact, some of you are generating a significant amount of business in mold inspections. We are happy for your sake, but additionally Omaha needs you to grow and expand so we can grow and expand. Omaha lives on Royalties. Though the independent CPAs occasionally (and randomly) ask for copies of your tax returns as part of our required audit, I have always trusted you to report royalties truthfully, fully and timely. Our relationship is about trust. Any of you would be welcome in my home, and I am confident no one would take the silverware.

Doing mold inspections the right way, has less liability than doing home inspections. Likewise, "indoor air quality" is the next logical step for many of you. More people seem to have allergies and indoor air quality keeps getting worse. With the right training and insurance, this is another opportunity to

WHAT YOU NEED TO KNOW ABOUT E & O

Wally Glaser from International Placement Services, LLC, presented a valuable insurance session that addressed several important questions including, “What’s missing from your insurance coverage?”

Wally’s background includes being a claims manager, agent/producer and insurance program manager. He has over 25 years experience. He formed a home inspector’s E & O program years ago for the seasoned or veteran inspectors. It has been so successful that he has expanded it to include many new inspectors as well, including some of the newer NPI inspectors. The insurance is currently only available in the U.S., but Wally’s presentation addressed issues that apply to both U.S. and Canadian inspectors.



**Wally Glaser**  
314-725-8394 ext. 278  
wglaser@ipsico.com

WHAT TO PAY ATTENTION TO WHEN RENEWING OR CHANGING INSURANCE POLICIES

He started with a few things you need to pay attention to when renewing your E & O insurance, such as the Retroactive Date (“Retro” Date), Prior Acts Coverage and Claims Made vs. Occurrence policies.

The retro date is the date you would list on your application as the inception date you first took out insurance coverage, regardless of how long ago or with which company. As long as there was no lapse in coverage, the retro date on your new policy would mean your next policy period would essentially stretch backwards and pick up the inspections in your past, as long as your new policy has Prior Acts Coverage. If you are changing policies, you need to find out if your new policy offers these features.



Most E & O policies are Claims Made policies. There are one or two policies on the market that are Occurrence policies. Claims Made policies will cover claims that are presented during the policy period

for inspections completed during the policy period, including Prior Acts back to the Retro date. Occurrence policies cover claims that are presented after the policy period but actually are limited to a 4 year extended reporting period.

Wally discussed a type of coverage that is missing from many E & O policies. This coverage is for Bodily Injury/Property Damage (BI/PD). He gave an example of a claim against an inspector that seemed to be unrelated to the inspection but was covered by the Bodily Injury policy benefits. It happened to take place after the home inspection. Two men were moving a dresser up a flight stairs when one of them holding onto the dresser with one hand and holding onto the stair rail with the other, fell and injured

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HAPPY ANNIVERSARY

» Congratulations on your anniversary with National Property Inspections, Inc.

20 YEARS



**Greg Owens**  
Lincolnshire, IL

15 YEARS



**Tracy Murphy**  
Great Falls, MT

15 YEARS



**John Fast**  
Spokane, WA

15 YEARS



**Jim Oezer, Jr.**  
Racine, WI

5 YEARS



**Cameron Ralston**  
Grande Prairie, AB

5 YEARS



**Johnny Carrillo**  
Rancho Cucamonga, CA

5 YEARS



**Mansour Nasiri**  
Calgary, AB

NPI / GPI ANNUAL CONFERENCE

# 2011

From the opening address we all knew this annual conference was going to be special. With special sessions on Indoor Air Quality and Becoming an Expert Witness, the spotlight was again on diversification. The focus would move on to inspection efficiency with sessions on getting the most from Inform 2011, Report Writing, and an Ask the Experts session. The final push for the conference featured ways to improve your business with The Business Essentials, Website Optimization, and Social Media Marketing.

For those of you who couldn't make it, be sure to get in touch with the NPI staff for access to the many new resources produced for the 2011 Annual Conference.



Greg & Shauna Mathias  
Lloydminster, ON

"I was so inspired by all of you this year. I think I got a tip or trick from every person at the conference. I believe there are changes in the wind for GPI Lloydminster!! Just got to learn sign language and I am all set. If you were there you know what I am saying. If you don't, come next year and find out.

Thank you all again."

- Greg Mathias



David and Jackie Riley  
Savannah, GA

"I always come back with several pages of notes of things I want to try and this year was no exception. Thank you to everyone who helped plan such a great conference. Roland, thank you for putting together such a fantastic staff. You must be a genius!! I can't wait until next year."

- Jackie Riley



MOLD II: MOLD INSPECTION AND ASSESSMENT

For those who completed the Mold class last year, this year we offered an extended course, Mold Remediation Protocols, which was offered on Thursday, November 3, 2011.

Mold is prevalent within the air we breathe. However, in living environments it is not acceptable (EPA). After an assessment and before remediation, a proper plan must be given to the remediation contractor to follow. ESA provided attendees with the training needed to understand how this applies. It explained specifically how to write a professional mold remediation protocol.



Chris Scherf  
Cedar Rapids, IA

"I'd like to thank everyone in Omaha for another very good conference, I came away with some good info and ideas on how to grow my business. I look at it not so much as a business expense, more like an investment into my business. The information that is presented and available from NPI Omaha and the attendees is priceless. And yes Randy, that was the first PowerPoint I've built (with a little help from my partner, Ann) My plan is to integrate her more into my business in 2012.

I'd like to thank everyone for their input and response to my presentation, I learned some things as well. See you all next year!"

- Chris Scherf



HAVING FUN WITH THE NPI / GPI FAMILY

Of course it's not all about technical education and talks at the NPI/GPI Annual Conference. Whether catching up with old friends, former classmates, inspectors from the region, or making new friends, everyone knows the best part of the conference is the comradery.

At the end of the day being a part of a franchise family is what it's all about, the personal connections.



ADMINISTRATIVE ASSISTANT SESSION

The administrative assistant session was exciting from the start. The group contributed to a wonderful exchange of business and marketing tips keeping the focus on organizing and growing the franchisee businesses. We had an interesting mix of experience levels with women that have been business partners and/or office assistants for years and several newer partners and/or office assistants. Some of the highlights were:

- Carrie Trotter on how the ACT software program tracks and organizes their marketing activities, scheduling of their appointments and syncing to both of their phones for constant access.
- Alicia Lauterer, though not active in the business, shared that she offers support and encouragement to Pete in every way she can by NOT complaining about his working late or answering his phone!
- Karina Alvarez, a CPA, shared several great accounting and tax tips for business write-offs.

Everyone learned new ideas and tips to implement in their business and came away with strengthened old friendships and some new friends. We all agreed to continue to communicate on LinkedIn.com. To find out what you missed, plan to use your frequent flyer miles to get here next year to help us celebrate our 25th Anniversary!



**Jim & Susan Giuffre**  
Ocean Isle Beach, NC

"Susan and I had a great time. Talking to other franchisees and getting information that works and doesn't work for them, is important. I hope I was able to pass on what is working for me. Susan and I obtain frequent flyer miles by charging everything for the business to our credit card, It helps pay for the flights to the conference. We are looking forward to next year.

The NPI home office family are the best. It was great to see you all again. If you didn't attend this year, plan ahead for 2012. The information, relationships, classes and more, are priceless. Thank you Omaha home office, Susan and I couldn't do it without every single one of you."

- Jim Guiffre



**Tom & Carrie Trotter**  
Dayton, OH

"Great to see everyone and meet some new folks too!

Now back to my 'to do' list of ideas to implement that I took from the meeting! "

- Carrie Trotter



AWARDS NIGHT

The 2011 Annual Conference concluded with a dinner and awards banquet. The top producing franchisees were recognized for their hard work in growing their businesses and being the top earners among their peers. The award winners were welcomed on stage and many of them spoke about how they made it to the top.

Award categories included: Pacesetter, Pinnacle, President's Club, Platinum. The members of the Hall of Fame who were in attendance were also recognized for receiving the top award NPI has to offer.



Award winners in attendance: Todd Newhook, Tom & Carrie Trotter, Mike Oberacker, Gerry & Susan Millen, Scooter Holliday, Jim & Susan Giuffre, George Gabbert, Tony Marino, John Nelson, David & Jackie Riley, Charlie Panellino, Bill and Brooke Cushing, John Braddock, Doug Miller, Steve & Lynn Gregory, George Nicholson (not pictured), and Andy & Karina Alvarez (not pictured).



Michael Oberacker  
Clearwater, FL

"Thanks to the NPI staff for putting together another great conference. Also, thanks to all of those that attended. Inspection education to advance my business, ability to share my experience and learn from other NPI inspectors from around North America--PRICELESS! I've not missed one since I started and plan to attend in 2012. It is a part of my business plan. Hope to see all of you at the "NPI Family" reunion next year."

- Michael Oberacker



John Braddock  
Castle Rock, CO

"Thanks to everyone for a great meeting. I for one sure came away with some great ideas on how to improve and continue to grow my business. I look at the meeting as a revenue generator and not a cost because the ideas that I get make me money and pay for the meeting. Implement one idea and see you all next year!"

- John Braddock



Tony Marino  
St. Petersburg, FL

"I'm probably preaching to the choir here, but....if you could have been there and you weren't, I think it's fair to say that you're doing your business a huge disservice. We all like to use the term, "it's part of doing business". I've always looked at the NPI annual conference the same way."

- Tony Marino



## WHAT YOU NEED TO KNOW ABOUT E & O (CON'T)

himself pretty seriously. You might think that the claim against the inspector was for a loose railing or some other defect, but it was a lawsuit against the inspector only because the inspector had recently completed an inspection. Seems unjustified but his insurance company did defend him and ended up paying a claim. This type of bodily injury would not have been covered by General Liability insurance. The BI/PD coverage adds only about 10% to the cost of the typical E & O policy. Wally encourages every inspector to make sure he/she has BI/PD coverage in their policy.

## IMPORTANT CLAUSES TO INCLUDE IN A PRE-INSPECTION AGREEMENT OR YOUR REPORT

Wally discussed several clauses that lower an inspector's liability and reduce claims. One is the "Limitation of Liability" clause. This might be stated as inspector's liability is limited to the inspection fee or a multiple of the inspection fee, such as three times. Wally has seen this clause hold up in many court cases and definitely reduces claims. Note that there may be some courts that disallow such a limitation clause but most jurisdictions have upheld it.

Another important clause that has reduced claims is one that states that the homeowner must contact the inspector prior to making repairs unless its an emergency. If the homeowner has repairs performed before notifying the inspector, the inspector is not liable. Wally has seen this clause upheld by courts and will reduce claims.

Wally has provided NPI with the language for these and other clauses, along with a sample Pre-inspection Agreement. They are available for downloading from the NPI/GPI library in the Insurance folder.

Wally also provided many disclaimers which can be added to the Pre-inspection agreement or placed in the Inspection Report. These also reduce inspector liability.

An example is a disclaimer for moisture damage, mold, etc. that is associated with siding.

We know about the historical problems with EIFS but Wally discussed moisture damage that has been connected to James Hardy siding (Hardy Plank) and other types of fiber cement board used for siding. The moisture damage is from improper installation techniques. In the case of James Hardy, some of the problems stem from the fact that the company apparently failed to issue installation guidelines to contractors for the 6 month period where they changed their Hardy Plank from 50 lbs. to 100 lbs. The improperly installed planks are not draining moisture properly and deterioration is occurring behind the siding. Look for the disclaimer for fiber cement board siding in the Insurance folder in the NPI/GPI Library.

## ANNUAL CONFERENCE PRIZE WINNERS

Borescope Inspection Camera --	Charlie Panellino
Crisp \$100 Bill -----	Tim McGuckin
Personal Protection Respirator --	Brooke Cushing
Personal Protection Respirator --	Susan Giuffre
Laser Level -----	Steve Anderson
Laser Level -----	Greg Mathias
Flashlight -----	Ron Lewis
Flashlight -----	Wes Grant
Safety Screwdriver Set -----	Doug Miller
Safety Screwdriver Set -----	Tom & Carrie Trotter

**MOLD ASSESSMENTS** - If you are interested in adding mold assessments to your business, Environmental Solutions Association is offering our franchisees the opportunity to complete the online course for first phase of mold inspections, "Mold Inspection and Assessment", at a **discounted rate of \$225.00**, regularly priced at \$350.00.

Please contact Debbie Fibich at [debbie.fibich@npiweb.com](mailto:debbie.fibich@npiweb.com) or at 800-333-9807 Ext 16, and she will assist you in the registration process.

## TERRY'S ACCOUNTING TIPS

We accept VISA, Mastercard, and Discover and American Express for payments of Royalties and anything you purchase from us. The credit card numbers are kept in a secure file which is password protected. By using a credit card, you can build up points on your Reward Card which could be used to purchase airline tickets to come to next year's Annual Conference.

## GOOD DEED OF THE DAY



**Todd Newhook**  
Markham, ON

Todd Newhook (Markham, ON) had an interesting trip to an energy evaluation. When he got out of his truck, he saw hydro wires above swaying back and forth very low. A Cube Van drove by – which hit the hydro wires. With a house alarm system going off,

and another house with the drip loop stretched straight, he called 911 and controlled traffic. He even helped a transit bus driver safely back up. The police showed up about 45 minutes later, dispatched for the hydro company, and cable company, and rerouted transit buses. To top it all off, he found \$10 on the street. What a great story!



## FROM THE PRESIDENT (CON'T)

add to your list of services offered.

The national news has not changed much, but there are some positive signs in the economy. I am also pleased to say Omaha referred you considerably more inspections this year than last. We'll work hard to see if we can repeat that again this upcoming year. All things considered, now is the time to start or restart your businesses. You can't always wait until the path is clear to begin. Competitors are not your biggest obstacle, waiting is.

First thing Monday morning we sat down and discussed this year's Annual Conference and talked about next year. That is what we have always done, and it works pretty well. This year the Omaha staff ganged up on me a little bit. After twenty-five years, they realize the place runs better without me. Collectively, they suggested I occasionally get out of here, and I think they are right. I will occasionally leave a little early, etc, but please do not confuse this with any plans for me to retire. That is definitely not the case.

Lastly, I think I have written a Recommendation for everyone on LinkedIn. In case I overlooked someone, please let me know. I would be happy to write one for you.

Please stay in touch. We love hearing from you.

Roland Bates  
President

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NATIONAL PROPERTY INSPECTIONS, INC

9375 BURT STREET, SUITE 201  
OMAHA, NE 68114  
PHONE (800) 333-9807