



Consulting, Resource, Education, Training, and Support Services for Home Inspectors

*"A candle loses no light when it lights another candle."*

# ASHI® Ohio Chapter

## 2012 SPRING CONFERENCE



Consulting, Resource, Education, Training, and Support Services for Home Inspectors

*A candle loses no light when it lights another candle.*

### **Linking the Contract, Inspection, and Report**

#### **Circle the Wagons**

Presented by Kevin O'Hornett, ASHI® Retired

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**It is always better to look ahead  
and prepare than to look back  
and regret.**

Jackie Joyner-Kersey  
U.S.A. Olympian and three gold medal winner



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## Why we get into trouble

**We're blinded by our assumptions**

**We think we know what we see.**

**Exactly the opposite is true...**

**We see what we know.**



## Key Concepts

- Elements of a contract
- Essential points in inspection contracts
- The benefits of a report glossary
- ASHI® Standards requirements
- Performing inspections in accordance with the contract
- Elements of effective verbal communication



## Key Concepts

Writing reports in accordance with:

- The contract
- Verbal information
- The data from the inspection



## Key Concepts

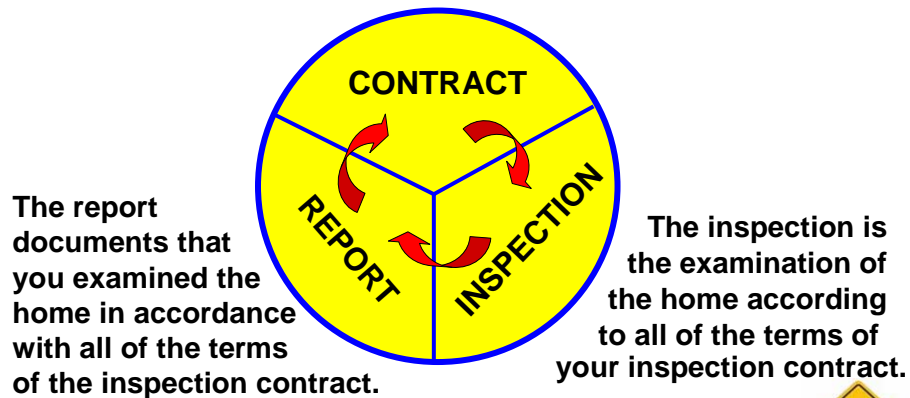
The importance of periodic review of your:

- Standards
- Contract
- Inspection techniques
- Verbal presentation
- Report
- Marketing materials



## KEEPING THE CIRCLE CLOSED

The contract defines the relationship between you and your customer as well as the scope and limits of the inspection.



## Keeping the circle closed:

- **Helps assure uniformity in the inspection process**
- **Helps assure the continuity of the inspection process**
- **Reduces the potential for claims of negligence**

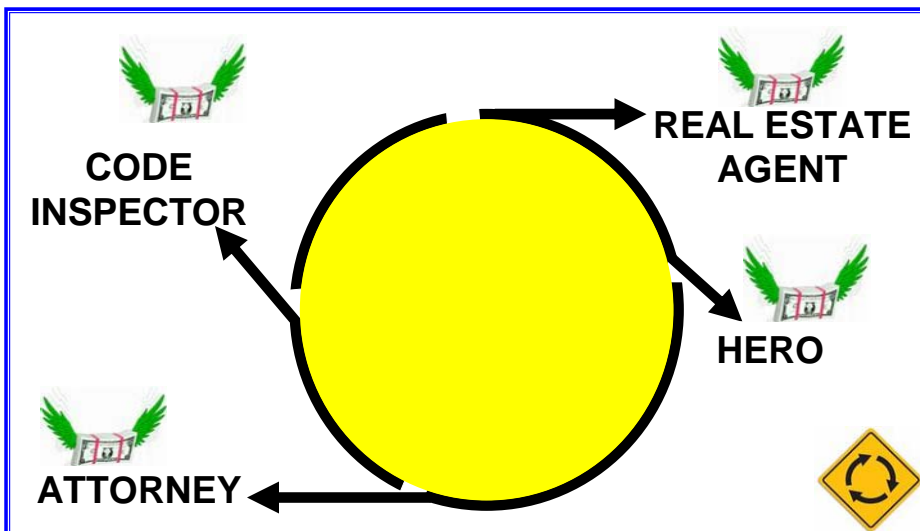


## Keeping the circle closed requires:

- Technical knowledge and skills
- Observation skills
- Listening skills
- Speaking skills
- Writing skills
- Thorough understanding of contract and report writing concepts



## The circle is broken when an inspector plays inappropriate roles



## Misconceptions about home inspectors

1. They are advocates for their customers
2. Part of their scope of work is to protect their customers' interests with regard to the real estate transaction
3. They are responsible for protecting future occupants by ensuring the safety and habitability of the home



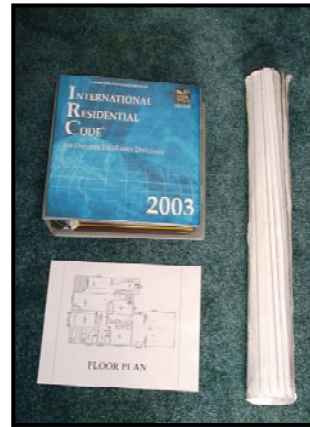
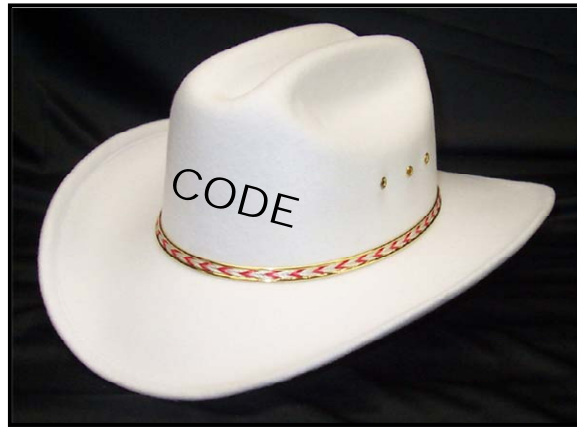
Before beginning a home inspection, it's important to know what hat you're wearing



What does it say...?



## Someone authorized by the AHJ



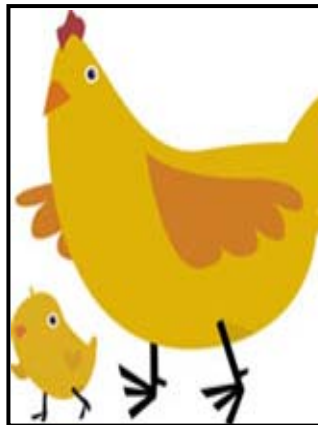
## A law enforcement officer



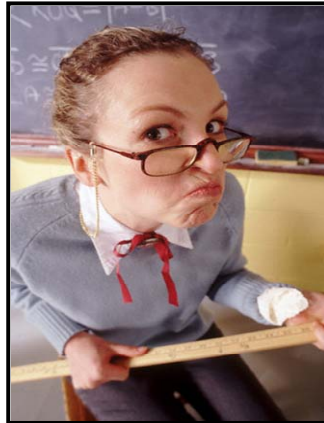
## A hired gun



## A caretaker



## An authoritarian



## A legal representative, advisor, or advocate



# A comic book character



# A faithful Indian companion



**Enough about me... What about you?  
What do you think about me?**



**Legends in their own minds**



**We've all got a little  
Obi Wan Kenobi in us**



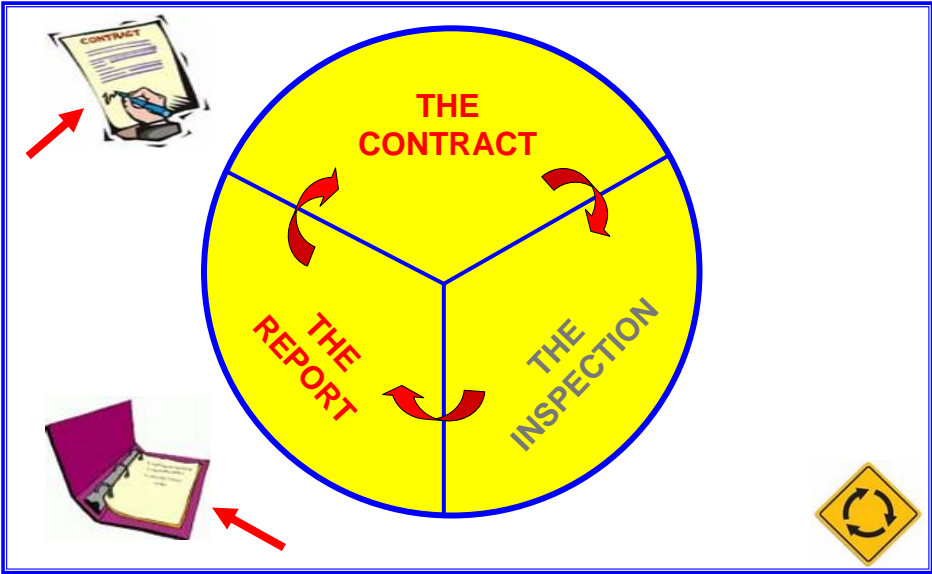
**IT SHOULD SAY**



**Inspectors stand or fall by their written documents**



**Two thirds of the circle consists of written documents.**





**In litigation or dispute resolution, you will be held to your written documents – NOT to your verbal comments, observations, or recommendations.**



# **THE BASIC ELEMENTS OF A CONTRACT**



## A contract is:









- A mutual agreement
- Between two or more competent parties
- To do something which is legal, such as an act, a forbearance, or a return promise
- For sufficient consideration



**KNOW AND  
UNDERSTAND YOUR  
CONTRACT**



**Because the ASHI® Standards apply only to home inspections, use separate contracts and reports for other services such as:**

- Radon testing 
- Commercial inspections 
- Mold testing, sampling, and analysis 
- Drug manufacture testing 
- Lead paint testing 
- Swimming pools and spas 
- Asbestos sampling and analysis  

**Contracts should be reviewed by a competent attorney for:**

- Adequacy/coverage
- Compliance with applicable laws

**Remember, state law will always take precedence over anything in your contract that conflicts with the law**



**Don't ask your attorney to work with a half-empty toolbox!**



**A plaintiff's attorney...**

- Looks for chinks in your contract's armor
- Not for how friendly or touchy-feely it is.
- If you receive a demand letter or are named as a defendant in a legal action, both you and your attorney need as many tools as possible in your contract to counter any claims of negligence.



## **Contracts that contain legalese -**

- **Aren't friendly**
- **Are just CYA contracts**
- **Aren't written in plain English**

**In the real world of litigation a friendly contract without legalese and a buck and a half will get you a cup of coffee with not much left for a tip.**



## **Some home inspectors mistakenly believe that legalese in a contract:**

- **Is threatening and adversarial**
- **Is distancing and alienating**
- **Interferes with cultivating a more friendly relationship with the customer**
- **Fosters an attitude of distrust from the beginning**



**A home inspection is a business relationship – NOT a social relationship.**

- This doesn't mean that an inspector can't be friendly and personable.
- However, if a customer later decides that an inspector was negligent, there will be nothing "friendly" about what happens next.
- It will be all legal and all business.





**I don't want a long contract.**

- A comprehensive home inspection contract is short compared to a real estate purchase contract.
- Referring to the ASHI® SoP in the contract effectively includes an eight-page document of the inspector's obligations to the customer.
- The rest of the contract specifies and defines the relationship between inspector and the customer.



## The potential damages from a lawsuit for negligence

- The cost of corrective measures or modifications 
- The purchase price of the home and all costs associated with the purchase of the home
- Actual and punitive damages in excess of the cost of the home
- The cost of defense 



## CLAUSES TO CONSIDER FOR INCLUSION IN THE CONTRACT TOOLBOX



## Signature First!

**ALWAYS get an original or an electronic signature on all applicable contracts, addenda, and other documents BEFORE beginning your work – not simply before you deliver the report.**



## Signature First!

**The following slide provides an example of one method for obtaining an electronic signature for an inspection contract and agreement.**



**Please provide all of the information requested below and check the acknowledgement. If any box is Incomplete, (Company Name) will not be able to conduct the home inspection.**

**Name**

**Email Address**

**Telephone Number**

**Check here**

**I received and had the opportunity to read the *Home Inspection Authorization and Contract and Scope of Inspection* and the *Description of Home Inspection Services and General Home Inspection Information***

**SUBMIT**



## **Notice (Optional)**

- PLEASE READ THIS AGREEMENT CAREFULLY. THIS IS A LEGALLY BINDING CONTRACT.**
- The Inspection Agreement contains limitations on the scope of the Inspection, remedies, and liability. Please read it carefully.**



## Contract Clauses

- Acceptance of, acknowledgement of, and agreement to the contract terms and conditions
- Negotiated contract with a Limitation on Liability and an option to remove the Limitation on Liability (liquidated damages) for an additional fee (where permitted by law)
- Scope of work including a reference to a recognized industry standard as part of the scope of work



## Liquidated damages (Where permitted by law)

- Parties agree to the payment of a certain sum as a fixed and agreed upon satisfaction for failure of one party to perform in accordance with the contract
- The sum is called liquidated damages



**ASHI® requires members and associates to:**

- Report and inspect in substantial compliance or conformity with the ASHI® SoP and CoE
- **Substantial** is not defined
- Therefore, if inspections vary from the ASHI® SoP, consider language similar to the following:



**If, for any reason, your inspections vary from the Standards, document the fact in the contract and report.**

**The inspection will be performed in accordance with the Standards of the American Society of Home Inspectors (or title of other applicable home inspection industry standards) except as modified by this contract and the limits set forth in this Contract and the Inspection Report.**



## Contract Clauses

- **Specific exclusions (including, but not limited to...)**
- **Not a technical inspection**
- **Not an engineering inspection**
- **Not an inspection for compliance with any codes, ordinances, or regulations**



**If the report or oral statements provide any information about any of the listed exclusions, such information:**

- **Shall be deemed to be provided solely as a courtesy to the Customer**
- **Shall not be deemed to be an amendment to or waiver of the listed exclusions**



## Contract Clauses

- **Warranty to perform the inspection in accordance with the contract and scope**
- **Breach of warranty agreement**
- **Agreement regarding the purpose of the limitation on liability (where permitted by law)**
- **Agreement to indemnify the inspector and to look solely to Company**



## Claim notification and right of re-inspection

- **Must notify the inspection company**
- **Time limitation for initial notification**
- **Right of re-inspection**
- **Time limitation on right of re-inspection**



## When a contract ...

- Excludes inspection for mold in a contract
- Then includes inspection for “mold-like substances” and indicates that the report will document any which are found

**It amounts to shooting yourself in your own foot...**



## **If Customer has a claim, Customer shall notify Company:**

- Customer shall provide Company with three (3) business days to re-inspect the component or item before Customer repairs or replaces the component or item (unless the repair or replacement is of an urgent nature, in which case Customer shall notify Company within three (3) business days and retain all parts and materials for inspection by Company within 30 days).



## **Tender of a refund of the inspection fee agreement (where permitted by law)**

- In the event of the tender by Company of a refund of the inspection fee:
- Such refund shall be full and final settlement of all present and future claims and causes of action
- Company shall be thereupon generally and fully released



## **Explanation of liquidated damages (where they are permitted by law)**

**Customer acknowledges the liquidated damages are not intended as a penalty but are intended:**

1. To reflect the fact that actual damages may be difficult and impractical to ascertain
2. To allocate risk among Company and Customer
3. To enable Company to perform the inspection at the stated inspection fee



## Contract Concepts

- **Dispute resolution**
- **Time limitation for bringing a claim (per state law) and right of re-inspection**
- **Exclusive use and indemnification**
- **Inspection is to become better informed, not to negotiate other contracts**
- **Claims by the Customer against the seller by the Customer releases Company**
- **Attorney's fees**



## Explanation of the right to re-inspect

- **To protect both Company and Customer from the business practices of some contractors who base recommendations to repair or replace components on incorrect, false, or misleading information**
- **If Customer fails to comply with the notification and re-inspection requirements, Customer waives any claim against Company with respect to the component or item**



**Demands or actions by Customer against seller(s), agent(s), or other third parties for fraud, concealment, or misrepresentation:**

- **Customer waives and releases any and all liability claims against Company and the inspector for any and all damages related to the condition or component for which the demand or claim is made against the seller(s), agent(s), or other third parties.**



**Contract Clauses**

- **Dispute resolution**
- **Acceptance of the report constitutes acceptance of the terms of the contract**
- **Presence of Customer is requested**
- **Right of Company to modify the report within 48 hours**



## Contract Clauses

- The report, any addenda, and the contract together comprise the contract
- Severability
- The right of the company to prohibit audio and video recording of the inspection
- The right of the company to terminate the inspection and return the fee prior to delivery of the report
- Non-acceptability of the contract to the Customer and Customer's right to walk away and seek inspection services elsewhere



Company is not a party to other contracts between Customer and any other (third) parties

**DO NOT** insert yourself or your company into contracts and transactions to which you're not a party by adding:

- **before closing**
- **prior to close of escrow**
- or similar phrases at the end of any recommendation to address any adverse condition.



- By recommending that specific actions be performed **before closing** or **prior to the close of escrow**, inspectors insert themselves into a contract and transaction to which they are not a party.
- The corollary of this recommendation is, Don't buy the home if this is not done. (CoE)
- By tying inspection recommendations to closing, an inspector could be accused of interfering with the business of agents and sellers.



## Customer agrees:

- Company is not a party to any contracts, negotiations, or agreements between Customer and any third parties including, but not limited to home sellers, lessors, lenders, appraisers, insurers, or real estate agents
- Company cannot and will not provide any advice or direction pertaining to the use of any information contained in the Inspection Report with regard to any such contracts, negotiations, or agreements.



## Customer further agrees:

- Decisions regarding consulting with any representatives or other parties are solely their responsibility
- To indemnify and hold harmless Company, et al with regard to the Customer's decisions pertaining the use of any of the information contained in the Inspection Report



## REMEMBER...

- Knowledgeable home inspectors are disinterested third parties with regard to real estate transactions. They are not parties to any contracts between their customers and other parties.



## Knowledgeable Home Inspectors Do Not:

- Have any interest in whether or not any adverse condition documented in the inspection report is ever addressed.
- Have any interest in whether or not a real estate transaction closes.
- Therefore, recommending or advising that any condition be addressed **prior to close of escrow** or **before closing** is not only inappropriate, it may be construed as an intrusion by the inspector into the contracts between real estate agents, sellers, and buyers and may be litigable.



## **IMMEDIATE ACTION** and **ADVERSE CONDITION**

Let's consider the effect of defining the terms **IMMEDIATE ACTION** and **ADVERSE CONDITION** in a home inspection report glossary and applying the term **IMMEDIATE ACTION** to all **ADVERSE CONDITIONS** documented in the inspection report.



If the term **IMMEDIATE ACTION** is defined in a glossary as:

It is strongly recommended that further evaluation and any necessary corrections or modifications be performed by a **QUALIFIED individual, technician, or contractor as soon as possible**. If such evaluation reveals other **ADVERSE CONDITIONS** for which modifications or corrective measures are also deemed necessary, it is recommended that they be addressed by a **QUALIFIED individual at that time.**



And if the term **ADVERSE CONDITION** is defined in a home inspection report glossary as:

A condition which is producing a detrimental effect on a **SYSTEM or COMPONENT**, impairing its **NORMALLY INTENDED FUNCTION OR OPERATION**, or which is **IMPROPER**.



Then, by applying **IMMEDIATE ACTION** to all **ADVERSE CONDITIONS** documented in the report:

It cannot be said that the report did not bring adequate attention to or provide sufficient perspective with regard to the importance of an **ADVERSE CONDITION**.

The word immediate and the phrase as soon as possible clearly denote urgency.



It may seem obvious, but reminding customers in writing is a good policy.

- A home inspection is a snapshot in time.
- Because a system or component is performing its normally intended function or operation at the time of the inspection **DOES NOT** assure that it will continue to do so.
- Any system or component can fail catastrophically and without any warning or any indication of impending failure.



## **Other documents which link the Contract, the Inspection and the Report**

- *Description of Home Inspection Services and General Home Inspection Information*
- *Home Inspection Report Glossary*



## **Home Inspection Report Glossaries**

**Including a home inspection report glossary which defines specific terms used in the report and applying each of those terms appropriately in the report provides the following benefits:**



- **Allows the creation of a closed document by controlling and defining the terms used in the inspection report (“owning” your terminology)**
- **Reduces the time required to prepare the report by reducing the amount of written information necessary to include in the report**
- **Reduces the temptation to editorialize**
- **Reduces legal exposure**
- **Reduces the potential for misunderstanding on the part of both customers and others who may read the report**



### **Knowledgeable Home Inspectors:**

- **Are highly trained observers and reporters**
- **Are disinterested third parties - not critics**
- **Are NOT advocates for their customers**
- **Don't have any interest in the outcome of a real estate transaction or on how the outcome may affect buyers, sellers, or agents**



## Inspectors have a duty to their customers to:

- Be objective, thorough, accurate, clear, direct, and succinct

**SO THAT**

- Customers can make their own informed decisions.



## Standards

**-NOTE-**

Where home inspections are governed by state regulatory requirements, state mandated standards and the definition of the term *home inspection* may differ from other standards and definitions.



## **A simple definition of *Home Inspection***

**The process by which the READILY ACCESSIBLE SYSTEMS and COMPONENTS of a home are EXAMINED for ADVERSE CONDITIONS in accordance with the contractual scope of inspection.**



## **Definition of *Home Inspection* from the ASHI® Standards - 10/2006**

**The process by which an *inspector* visually examines the *readily accessible systems* and *components* of a home and which *describes* those *systems* and *components* in accordance with these Standards of Practice.**



## Section 2. B. of the ASHI® Standards

*Inspectors shall inspect readily accessible, visually observable, installed systems and components listed in these Standards of Practice.*

**Section 13.2 General exclusions:**

**A. Inspectors are NOT required to determine: compliance with regulatory requirements (codes, regulations, laws, ordinances, etc.).**



## Section 2. C. 1. of the ASHI® Standards

*Inspectors shall report those systems and components inspected that, in the professional judgment of the inspector, are not functioning properly, significantly deficient, unsafe, or are near the end of their service lives.*



## ASHI® Standards definition of *Unsafe*

A condition in a *readily accessible, installed system or component* that is judged to be a **significant** risk of bodily injury during normal, day-to-day use due to ... **a change in accepted residential construction standards.**

- What constitutes a **significant** risk?
- What are **accepted residential construction standards**?



## Section 2. C. 2. of the ASHI® Standards

*Inspectors shall report* recommendations to correct, or monitor for future correction, the deficiencies *reported* in 2.2.C.1, or items needing further *evaluation* (per Exclusion 13.2.A.5 *inspectors* are NOT required to determine methods, materials, or costs of corrections).



### Section 2. C. 3. of the ASHI® Standards

***Inspectors shall report reasoning or explanation as to the nature of the deficiencies reported in 2.2.C.1, that are not self-evident.***

---

**Simply put: the potential implications of adverse conditions if they're not obvious to a lay person.**



### Section 2.2 C. 4. of the ASHI® Standards

***Inspectors shall report systems and components designated for inspection in these Standards of Practice that were present at the time of the home inspection but were not inspected and the reason(s) they were not inspected.***



## What about providing customers with a copy your Standards?

Unless state law requires it, consider the following:

- Other trades and businesses do not and are not required to do so.
- It gives customers a document that can easily be misunderstand, misinterpreted, or interpreted according to their own agendas.
- It can potentially work against an inspector's self interests.



# THE INSPECTION & THE REPORT



**The greatest problem of communication is the illusion that it has been accomplished.**

George Bernard Shaw

**Effective communication requires:**

- **Listening skills**
- **Speaking skills**
- **Writing skills**



**Once the inspection starts:**

- **Adhere to the contract and scope of work**
- **Be careful about doing or saying things that are beyond the contractual scope of work**
- **Be thorough, careful, patient, and always be consistent**
- **Develop and follow a logical path**



## During the inspection...

- Document / note / record each adverse condition immediately upon identifying it.
- Complete the examination of one system or component before moving on to the next.
- All it takes is forgetting something one time for Murphy's Law to rear its ugly head.



## Avoid entrapment by category (Not seeing the forest for the trees)

Is there an easy way to tell if metal siding is steel or aluminum?

Hmmm...touch it, smell it, taste it, cut it, subject it to mass spectroscopy, put it under a scanning electron microscope?

**Nope.**

How about...



# A MAGNET



## What is this?

- Can I determine what it does?
- **How is it like/different from other similar items?**
- What information can I collect that will help me learn more about it - Make, Model, S.N.?
- **Who can I call/where can I go for help?**
- Take photos, take dimensions
- **How else can I examine it?**
- Can I take it apart?
- **Is this the only one in the house?**
- Where else might I see another one?
- **What do I report to my customer?**



**Most of us know how to say nothing  
but very few of us know when.**



***What matters is not saying as much as you can.  
It is thinking before you speak.***

***Tor Nørretranders***

- **All houses speak for themselves; good inspectors know how to listen.**
- **Wait until you're sure about what you're going to say before you speak.**
- **When speaking and writing it's important to know when enough has been said.**
- **Don't say more than is necessary.**



## A home inspector has a duty to customers to be:

- Informative
- Objective
- Clear
- Non-alarmist
- So that customers can make their own informed decisions based on the information an inspector provides.



## Whether speaking or writing...

- Avoid editorializing, exaggeration, and subjective statements.
- Clarity, spelling, punctuation, and grammar are equally important.
- Your customer will assume that everything you talk about is important.
- Make sure what you write matches what you have said during the inspection.



## Just the facts, Ma'am



It is difficult to litigate against clearly stated facts and quantifiable data and information



## Lawsuits are decided on facts

- Avoid subjective statements, editorializing, vagueness, waffle words, and using exaggeration for effect
- They are confusing and provide ammunition for attorneys.

**APPEARS · LIKELY · POSSIBLE · MIGHT · SEEMS  
LOOKS LIKE - COULD BE**



## Whether speaking or writing...

- Terminology must be technically accurate.
- Terminology must be clear.
- If we can't describe a component or a condition so that other home inspectors understand it, how can we expect customers to make sense of what we say and write?



## Some Common Terminology Mistakes

- **Real-a-ter** when what's meant is **REALTOR®** (pronounced **reel-tore**)
- **Paht-able** when what's meant is potable (pronounced **pote-able**)
- **Register** when what's meant is **return grille**
- **Air conditioner** when what's meant is **compressor/condenser unit**



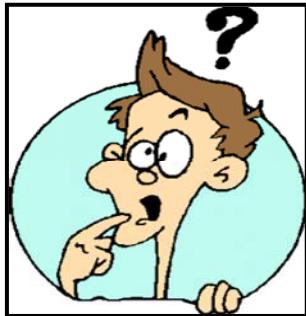
## Some Common Terminology Mistakes

- **Roof** when what's meant is **roof covering**
- **Fuse** when what's meant is **circuit breaker**
- **Plug** or **socket** when what's meant is **receptacle outlet**
- **Rafter** when what's meant is **truss** or **top chord**



## Technical jargon...

- Is a useful tool for speaking with others who understand it because it's a kind of shorthand.
- Excludes people who don't understand it.



**When you use a technical term, immediately follow it with an explanation.**



**Efflor-whaa-sense?**

**Tepee valve?**

**Expensive soils?**



***Anyone who tries to make a distinction between entertainment and education doesn't know the first thing about either.*** Marshall McLuhan

- **People don't learn from descriptions**
- **They learn from analogies and stories**
- **Be creative and use humor**
- **Customers will have an easier time remembering what you've said**
- **It makes your work easier and a lot more fun**



## Economy of Style (When less is more)

I could ask you to meet me at the:

**toroidal glucose delivery system  
dispensing facility**

**OR...**



I could ask you to meet me at:



**Seven words confusingly expressed what  
two words communicated more  
economically and more clearly.**



## Other pitfalls to avoid

- **LECTURING (BEING DIDACTIC or ARROGANT) -** *Bring attention and perspective - not alarm.*
- **EDITORIALIZING –** *You lose your objectivity.*
- **NEGATIVITY –** *Save it for rush hour traffic.*
- **BADMOUTHING YOUR COMPETITION -** *The marketplace will sort things out.*
- **BADMOUTHING AGENTS -** *Their work will speak for itself.*
- **POLITICS and RELIGION -** *The same topics wise folks avoid at the dinner table.*



## Communication is two-way

- **Effective listening is participatory**
  - **It requires paying attention**



**Regardless of what we may think we've said, the meaning of any communication is the response that we get back.**

**When customers indicate that they don't understand an explanation...**

- **Don't restate it in the same way**
- **Re-explain it in a different way**
- **Doing the same thing that didn't work the first time is sure to fail if we try to do it exactly the same way again**



**Never allow customers or agents to influence what you write in your inspection report.**



**Making decisions for customers is not part of a home inspector's scope of work.**

---

**A competent home inspector provides accurate and clear information along with perspective so that customers can make their own informed decisions.**



**Section 13.2 A. 4. of the ASHI® SoP states:**

***Inspectors* are NOT required to determine the causes of any condition or deficiency.**

**This does not prohibit including information that may be useful to customers.**

**HOWEVER, DON'T STATE WHAT YOU DON'T KNOW.**

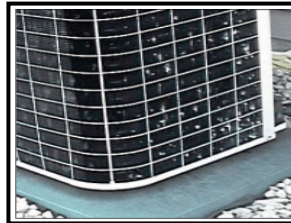


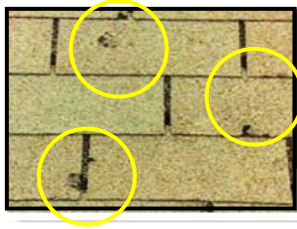
**Describe what you see and know –  
not what you don't.**

- We're seldom present when damage occurs
- When a cause is suspected but can't be definitively determined, if you choose to comment about the cause, consider using the phrase *consistent with...*



The conditions below are consistent with  
hail damage.





*There are numerous small spots of granule coating damage over the field of the composition shingles consistent with hail damage.*

**RECOMMENDATION: IMMEDIATE ACTION** by a **QUALIFIED** roofing contractor



**Rather than worrying about defensive writing – write what you can defend.**

**IF**

- Your contract and report clearly define and support the parameters and limits of your work
- You are consistent and clear in your writing

**THEN**

- Your report will defend itself



**The best form of defensive writing consists of a strong inspection contract, an inspection report glossary and:**

- **Consistency**
- **Clear, concise, accurate, written descriptions of adverse conditions**  
(Don't write in pidgin English - Me see much damage flashing, Kimo Sabe)
- **Clear and appropriate recommendations to address adverse conditions**



**Avoid imprecise, vague, and inconsistent terminology and waffle words.**

- **Functional**
- **Acceptable**
- **Satisfactory**
- **Appears operational/serviceable**
- **Appears to be adequately installed**
- **Appears to be in satisfactory condition**
- **Is considered to be**
- **Appears serviceable/within useful life**
- **Nothing serious**



Consider using **INSPECTED** to designate a system or component which has been examined and for which no adverse conditions were found.

**INSPECTED** means the system or component:

- Was examined in accordance with the contractual scope of work
- Was performing its **NORMALLY INTENDED FUNCTION OR OPERATION** with no **ADVERSE CONDITIONS** observed at the time of the inspection.



### Other terminology to avoid

- Not safe
- Unsafe
- For safety
- Safety concern
- Integrity
- Sustaining capacity
- Soundness
- Load bearing capacity/ability
- Please correct!



**Vague language, weasel words, waffle words, fluff comments, and extraneous information:**

- Have the opposite effect of good writing
- Tend to confuse readers and increase the potential for misunderstanding and resentment
- Leave an impression that the inspector is uncertain and tentative



**Home inspectors DO NOT rate homes or their systems and components.**

**Avoid fluff comments and cute icons that rate homes or their systems and components such as:**

***This home is generally well-constructed and in reasonably good condition.***

**OR**



**Avoid including extraneous information in reports unless it's useful to or will mean something to your customer**

- The Btu input or output of gas and oil-fired appliances
- The tonnage of cooling systems
- Brands or manufacturers
- Serial numbers of components
- The age of components



**When discussing potential implications of ADVERSE CONDITIONS, use informative rather than inflammatory or alarmist language -**

**INSTEAD OF:** *The problems with hazardous wiring are that they can burn down the house and kill everyone in it.*

**CONSIDER:** *When ADVERSE CONDITIONS in electrical SYSTEMS are not addressed as recommended, it increases the potential for overheating, shock, COMPONENT damage, and personal injury.*



## Words evoke images

- **Overheating and shock** inform without alarming and allow customers to use the information to make an informed decision.
- **Fire** and **electrocution** are terms that often result in customers shutting out anything else that is said.



## Consider...

- **Adverse condition** - instead of **deficiency**, **defect**, or **problem**
- **Deficiency**, **defect**, and **problem**, are loaded terms
- They make decisions for customers
- Use of these terms throughout the inspection leads to the perception it's a **problem** house, a **defective** house, or a **deficient** house



## You're not the boss of me.



Some inspectors mistakenly believe that their scope of work includes ordering, insisting, or demanding that customers or others address adverse conditions - and their reports reflect that point of view.



Inspectors who make this mistake lose their status as disinterested third parties.

- Inspectors are authorities in terms of commanding knowledge regarding the systems and components they inspect.
- They DO NOT have the authority to require or demand that any specific action be performed.

**THERE IS A BIG DIFFERENCE.**



## Absolute and unconditional terminology

Avoid using absolute or unconditional terms such as ***eliminate*** and ***prevent***.

Instead, consider using terminology such as ***reduce the potential for...***



Photo© Courtesy of Roger Hankey [www.hankeyandbrown.com](http://www.hankeyandbrown.com)



## Reduce the potential for..

Creating and maintaining a positive grade away from the foundation perimeter and the window well forms of 1" per foot to a minimum distance of 6' will ***reduce the potential for*** wetting the soil adjacent to and beneath foundation components (see illustration).



Use illustrations where they help explain a condition or a recommendation.

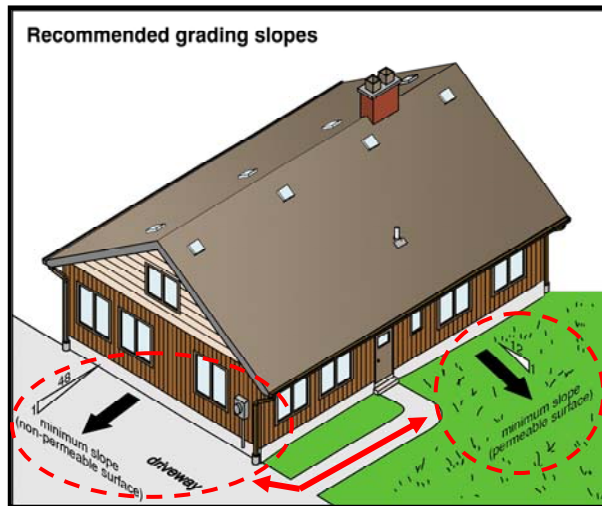


Illustration is from [The Illustrated Home](http://www.dearbornhomeinspection.com) © Dearborn Home Inspection Education  
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Consider including the term **IMPROPER** in a home inspection report glossary and defining it as:

With regard to ADVERSE CONDITIONS in SYSTEMS or COMPONENTS; not consistent with applicable GENERALLY ESTABLISHED PRACTICES.



Consider including the term **GENERALLY ESTABLISHED PRACTICES** in a home inspection report glossary and defining it as:

Of or pertaining to historically and conventionally acknowledged and accepted materials, practices, methods, assembly, use, or operation at the time of original installation or construction.



When discussing or documenting adverse conditions that pertain to installation, assembly, operability, or suitability of use:

Consider using the defined term **IMPROPER** instead of:

- Doesn't meet code/violates code
- Doesn't meet industry standards
- Is illegal
- Is not permitted
- Is not allowed

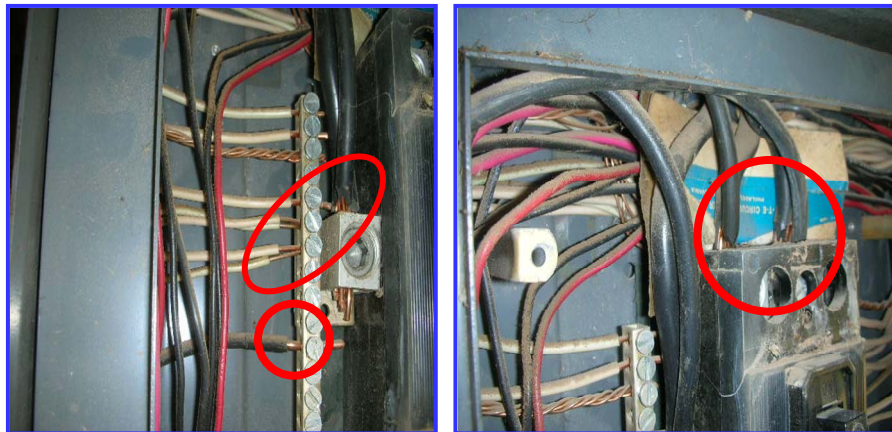


Consider **non-professional** instead of:

- Amateur
- Hokey
- Jackleg
- Bush-league
- Harry Homeowner
- Mr. Fix-it



Once the specific adverse conditions in the panel pictured below have been reported, what other comments might be appropriate?



Photos© courtesy of ProSpex Subscriber Lee Cunningham – [www.csinspects.com](http://www.csinspects.com)

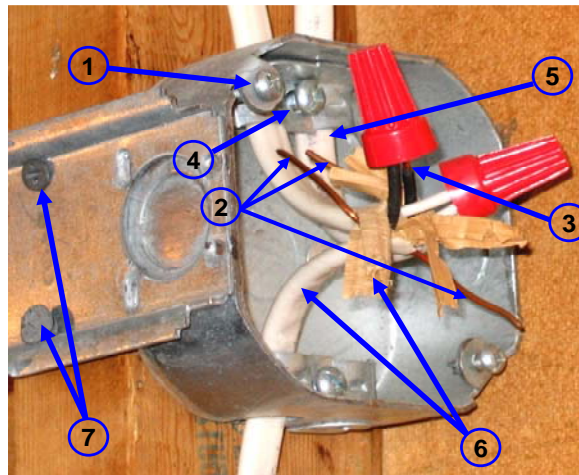
**COMPONENT:** Main electrical distribution panel

**Comments:** IMPROPER color-coding of neutral conductor insulation and multiple lugging of neutral conductors and of the main service disconnection circuit breaker.

**RECOMMENDATION:** IMMEDIATE ACTION by a QUALIFIED electrical contractor.



## Reporting multiple adverse conditions in a single component



## Report

**COMPONENT:** The electrical junction box on the south frame wall of the unfinished basement under-stair storage area.

**Comments:** The box installation and the wiring methods in the box are IMPROPER.

**RECOMMENDATION:** IMMEDIATE ACTION by a QUALIFIED electrical contractor including evaluation of the entire circuit of which this junction box is a part.



When writing, always ask yourself who will or who might read your inspection reports?"

**CUSTOMERS**  
**AGENTS**  
**SELLERS**



**CONTRACTORS**



**ATTORNEYS**



## Speak to and write for your audience(s)

- Avoid five dollar words when the nickel variety will do a better job.
- Don't refer to a circuit breaker or fuse as an **overcurrent protection device** and think what a good inspector am I - you're not.
- Substituting **electrical doohickie that shuts stuff off** isn't appropriate either.

**Strive to be accurate, clear,  
and succinct.**



## What about inspection report summaries?

- Placing a report summary at the end of the report reduces the potential for complaints and claims from customers.
- If a summary appears at the beginning of the report, some customers may claim that they relied solely on the summary and assumed that the summary was the only important portion of the report document because it was placed at the beginning of the report.



## A direct quote from an ASHI® inspector:

*The reality is that most buyers and agents do not read the entire report, but rather only the summary, and that's the section which is used for negotiations.*

- If this is typical and accurate, then the following is essential to reduce the potential for a claim of negligence:



## The report summary:

- Must contain all of the ADVERSE CONDITIONS listed in the body of the report.
- Otherwise, an inspector can be accused of making decisions for the customer.
- This has potential ramifications for sellers and agents as well.



## Prototype Language for Report Summaries

**SUMMARY!** READ THE FOLLOWING INFORMATION BEFORE READING ALL OR ANY PORTION OF THE INSPECTION REPORT SUMMARY OR THE INSPECTION REPORT.



## Prototype Report Language Regarding Report Summaries (cont'd)

A REPORT SUMMARY CAN BE FOUND AT THE END OF THIS REPORT. THIS SUMMARY IS PREPARED AND INCLUDED SOLELY AS A COURTESY AND TO PROVIDE A GENERAL OVERVIEW OF ADVERSE CONDITIONS WHICH ARE DOCUMENTED IN THE FULL INSPECTION REPORT. IT IS NOT INTENDED AS AND IS NOT TO BE CONSIDERED OR CONSTRUED AS ANY SORT OF RECOMMENDATIONS WHATSOEVER, FOR NEGOTIATIONS BETWEEN CUSTOMERS AND OTHER PARTIES.



## Prototype Report Language Regarding Report Summaries (cont'd)

THE COMPLETE REPORT MAY INCLUDE ADDITIONAL INFORMATION OF CONCERN TO CUSTOMERS. THEREFORE, CUSTOMERS ARE STRONGLY URGED TO READ THE ENTIRE REPORT BEFORE MAKING ANY DECISIONS WHICH MAY BE AFFECTED BY THE INFORMATION CONTAINED IN THE FULL REPORT. ONLY BY READING THE ENTIRE REPORT CAN THE FULL BENEFIT OF THE INSPECTION AND REPORT BE OBTAINED.



## How often do you:

- Review your contract?
- Review your Standards?
- Review one of your own inspection reports?
- Check your reports against your contractual limitations and exclusions?
- Ask another inspector to read and review one of your reports?
- Review your inspection report format?
- Modify your inspection report format?



**Your marketing materials should also be consistent with your other documents.**

- **Is the information in your marketing materials and on your website up-to-date and consistent with your contract, your inspection, and your report?**
- **Are there any typos, misspellings, or other print or content errors in any of your printed or software-generated materials?**



**DON'T MAKE YOURSELF A TARGET**



## Be sure to:

- Periodically review your documents to make sure that your contract, your inspection procedures, your report, and your marketing materials are internally consistent with each other.
- Pay attention to the way that you present both verbal and written information.



## To maintain consistency among your materials, periodically review your:

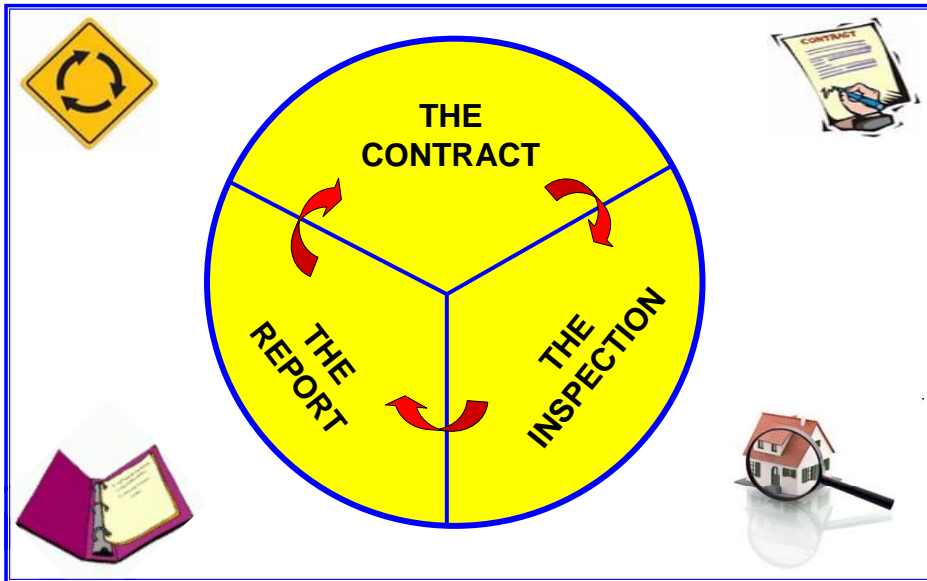
- Documents
- Inspection procedures
- Report
- Marketing materials

Pay attention to the way that you present both verbal and written information

**THEN ASK YOURSELF...**



## AM I KEEPING THE CIRCLE CLOSED?



# -THANK YOU-

AND EVERYONE WHO HAS HELPED MAKE THIS  
PRESENTATION A SUCCESS.



Consulting, Resource, Education, Training, and Support Services for Home Inspectors

***"A candle loses no light when it lights another candle."***

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