

## **A Quickie Guide to Home [Insurance] Inspections**

Following is a bullet point guide to the two most common Insurance Inspections. Underwriting rules change frequently and vary between insurance companies. Use this information as a guide and consult with a Professional Insurance advisor.

### **Wind Mitigation Inspection [WMI]:**

- Certifies the *Hurricane Safety* features of a residence.
- Insurance companies provide premium credits for these safety features.
- The amount of the credits depends upon the extent and quality of the protection.
- Homes built in 1995 or later and 2003 or later receive higher credits than homes built prior to these dates.
- Premium savings provided by a Wind Mitigation Inspection almost always exceeds the cost of the inspection.
- Homes built in 2003 or later may receive premium credits without a WMI. Additional credits may be available with a WMI.

### **Four Point Inspection [FPI]:**

- Inspection certifies the condition, life expectancy and details of the four mechanical aspects of a residence [roof, plumbing, electrical and HVAC].
- Many insurance companies and Citizens require this inspection if a home is 30 years of age or older.
- Homes in the 20-30 year age range often contain construction features which may present hazardous conditions.
- We suggest a FPI be obtained and reviewed on any home over 20 years of age.
- The FPI is an underwriting inspection. Insurance companies use the information to determine if a home is eligible for insurance.
- Inspection results can influence the insurability of a property or indicate a need for expensive repairs.
- FPI's are almost always required for underwriting purposes on *Short Sales and Foreclosure Sales*.

### **Condominiums, HOA's and Co-op Apartments:**

- Many multi-family properties will obtain WMI's for the entire residential complex.
- The 'master inspection' can often be used by individual unit owners for their personal insurance.
- If an individual unit has upgraded Hurricane protection [i.e. Hurricane shutters] the unit owner may benefit by obtaining an individual WMI.

### **Note of Caution:**

Insurance companies and the state require inspections in order to provide premium credits. Insurance proposals or cost estimates provided without the benefit of completed inspections are unreliable, seldom correct and subject to change upon receipt of the inspections.