

How does equipment coverage work?

Typically, equipment coverage is subject to your “schedule of coverages,” which describes the property you’d like the insurance company to insure. Most insurance companies require that inspectors provide property descriptions—including the make, model, and serial number—for any items worth more than a certain amount.

Here at InspectorPro, we require property descriptions for any items worth \$500 or more. For any items worth less than \$500, InspectorPro insureds may still cover the property as “miscellaneous tools” without providing make, model, and serial information for each tool. The only caveat is that miscellaneous tools cannot exceed \$2,500 in total value. Find an example of a schedule of coverages below:

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POLICY NUMBER

PAL [REDACTED]

SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

COVERED PROPERTY

Item No.	DESCRIBED PROPERTY	"Limit"
1.	Flir B Cam, S/N: [REDACTED]	\$2,300
2.	Sun Nuclear Radon Monitor, S/N: [REDACTED]	\$1,200
3.	Rad Star Radon Monitor, S/N: [REDACTED]	\$1,200
4.	Flir Thermal Imaging Camera, S/N: [REDACTED]	\$2,300
5.	Dell Computer, S/N: [REDACTED]	\$750
6.	Flir Moisture Meter, S/N: [REDACTED]	\$550
7.	Miscellaneous Tools & Equipment: No one item to exceed \$500	\$1,700
8.		
9.		
10.		
	Total Limit	\$10,000

Note that most insurance providers have a coinsurance requirement of 80 percent or more. What this means is that home inspectors need to carry equipment coverage for at least 80 percent of the item’s value.

For example, say that Dell computer in the schedule above is actually worth \$1,000 but, because the inspector’s policy only covers \$10,000 in equipment, the inspector decides to only insure the computer

for \$750. The home inspector would be insuring the computer for less than 80 percent of its value, thus jeopardizing his coinsurance requirement. If the computer was stolen, and the claims adjuster found that the computer was worth \$1,000, the insurance company could subtract how much the inspector underinsured from the limit on the schedule of coverages as illustrated below.

$$\frac{\text{Reported Value}}{\text{Actual Value}} \times \text{Payable Loss} - \text{Deductible} = \text{Revised Payable Loss}$$

$$\frac{\$750}{\$800} \times \$1,000 - \$250 = \$737.50$$

If an insurance provider says that a schedule of tools or items isn't necessary to receive coverage, we strongly suggest submitting one to your provider anyway. Even if a schedule of coverages isn't required to purchase coverage, schedules are required to determine coverage eligibility. If you don't have a detailed list of your tools and equipment available, that carrier may deny your claim.

You can learn more about equipment coverage in our article "[How to protect your tools and equipment.](#)"



SCHEDULE OF COVERED PROPERTY AS OF _____

Item No.	Description Including Make/Model/Serial Number	Limit of Insurance
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Misc Tools and Equipment – no one item to exceed \$1,000	
	TOTAL	

\$20,000 total limit is available including any Misc Tools and Equipment.

Limit of Insurance should be at least 80% of the value. \$250 Deductible applies