

Managing Risk

POOL INSPECTIONS: A GROWING INDUSTRY

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Stephanie Jaynes is the Marketing Director for InspectorPro Insurance, which offers ASHI members exclusive benefits through its program: InspectorPro with the ASHI Advantage. Through risk management articles in the ASHI Reporter and on the InspectorPro website, InspectorPro helps inspectors protect their livelihood and avoid unnecessary risk. Get peace of mind and better protection with InspectorPro's pre-claims assistance and straightforward coverage. Learn more at www.inspectorproinsurance.com/ashi-advantage.



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Note: The Managing Risk column with InspectorPro Insurance provides home inspectors with tips to protect their businesses against insurance claims and examines best practices for crafting effective pre-inspection agreements.

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Pandemic buying: It's a term coined by the media to describe consumers' changed purchasing habits during the coronavirus health crisis. From a surge of online shopping to runs on toilet paper, Americans have spent money in both practical and unexpected ways to cope with an uncertain time. Among the industries that COVID-19 has spurred: swimming pools.

“Locked down, hot and desperate for a dip? If you live in Indianapolis and fancy putting a pool in your backyard there’s a three-week wait—but that’s just for an appointment to order one for next year,” wrote Joan Faus and Timothy Aepfel in an article for Reuters entitled “Pool sales skyrocket as consumers splash out on coronavirus cocoons.”

The pandemic-induced pool boom has led to a rise in residential pools, which may lead to increased opportunities for home inspectors looking to expand their services. In recognition of National Swimming Pool Day on July 11th, we explore:

1. WHY YOU MIGHT OFFER POOL AND SPA INSPECTIONS,
2. WHAT INVESTMENTS YOU’D POTENTIALLY MAKE, AND
3. HOW YOU CAN LIMIT YOUR LIABILITY AGAINST POOL-RELATED CLAIMS.



WHY HOME INSPECTORS OFFER POOL AND SPA INSPECTIONS

The home inspectors we interviewed perform pool and spa inspections for the following reasons.

THEY WANT TO MEET DEMAND.

For home inspectors offering pool and spa inspections, more pools mean more business. In 2020, the Pool & Hot Tub Alliance (PHTA) estimated that there are 10.4 million residential swimming pools in the United States. Some areas have more pools than others. Inspectors we interviewed who operate in California, Florida, and Arizona reported high demand for pool inspections.

If you're a seasoned inspector thinking about offering pool and spa inspections, you may be able to simply reflect on the number of pools you've encountered during inspections or the number of times you've been asked to perform a pool inspection. If you're a new inspector, you may consider asking real estate agents or fellow inspectors about the demand in your area.

THEY WANT TO PROVIDE QUALITY CUSTOMER SERVICE.

Offering pool inspections may also help you offer your clients quality customer service. By scheduling his standard home inspections and pool inspections at the same time, David Fields of Pillar To Post's Fields Team in Georgia saves his clients from unnecessary stress and work. He said.

“MANY OF THE HOMES I AM CALLED TO INSPECT HAVE SWIMMING POOLS. RATHER THAN THE CLIENTS HAVING TO CALL AND COORDINATE TWO INSPECTIONS, I FOUND I COULD SAVE THE CLIENT THE HASSLE BY ADDING THE SERVICE”

Mike Morgan of Morgan Inspection Services in Texas agrees. For Morgan, it's all about being a full-service provider. He said,

“BY OFFERING ANCILLARY SERVICES, IT HELPS THE CLIENT GET MORE OF WHAT THEY NEED WITH JUST ONE PHONE CALL. THIS, IN TURN, MAKES ME MORE OF A ONE-STOP SHOP AND, HOPEFULLY, MAKES ME A MORE ATTRACTIVE OFFER TO THE POTENTIAL HOME BUYER”

POOL INSPECTION INVESTMENTS INSPECTORS MAKE

EDUCATION, LICENSING, AND EQUIPMENT

As with most things, education and licensing requirements vary by state and county. For example, some places, like Florida, require home inspectors offering pool and spa examinations to be licensed or certified. Even if your area doesn't require formal training, taking courses is a good way to learn about the service, diversify your business and protect against claims.

There are many organizations that offer courses to prospective pool and spa inspectors, including The ASHI School and the PHTA (formerly the National Swimming Pool Foundation). However, if your state or county does have licensing or certification requirements, be sure that whatever courses you take fulfill those requirements.

ENDORSEMENTS

An endorsement is a form that either modifies or adds coverage to your insurance policy. Most home inspection insurance policies exclude additional services like pool and spa inspections. Thus, the insurance company will not offer coverage for those additional services without an endorsement. If you perform pool inspections, or want defense and indemnity for claims involving pools and spas, you may wish to change an existing policy exclusion with an endorsement.

Typically, insurers charge a flat, annual fee around \$50 for a pool and spa endorsement.

LIMITING YOUR LIABILITY AGAINST POOL AND SPA INSPECTION-RELATED CLAIMS

Carrying a pool and spa endorsement is one of the most important things you can do to protect against related claims. However, there are additional risk management techniques you can employ to safeguard your business. Here are some suggestions.

KNOW WHAT YOU'RE INSPECTING.

When performing swimming pool inspections, home inspectors examine three key areas:

1. SAFETY FEATURES PER LOCAL REGULATIONS, INCLUDING FENCES,
2. STRUCTURE AND DECKING,
3. EQUIPMENT, INCLUDING PUMPS AND FILTERS.

Do you know the difference between concrete and vinyl pools? Can you spot potential defects when examining skimmers and gutters? Do you know how to operate pumps and motors?

Have the knowledge it takes to offer a thorough pool and spa inspection to association and local standards. If you're unsure of what you're looking at and don't know how to test the equipment, you probably can't conduct a proper examination. Gaps in your understanding can lead to holes in your report, which can lead to claims for unseen problems later.

HAVE AN ADDENDUM.

Home inspectors are not code inspectors, but your clients may not know that. Your clients may expect you to inform them of all the ways in which their pools might violate local laws and ordinances. They might expect you to tell them if their pool isn't fit for a diving board, for example. They may even expect you to test the pool water's quality.

It's your job to help your clients have appropriate expectations for your pool and spa inspections. While verbal communication is a great start, it's imperative to spell out your pool inspection's limitations in writing.

Jerry Stonger of Preferred Inspection Services in California recommends having an addendum or attachment to your pre-inspection agreement that modifies the terms of your original contract to include pool and spa inspection services. "I have a separate pool inspection agreement that spells out exactly what I will be inspecting and what is not included," he said.

Wondering what to include in your pool and spa addendum? Start with ASHI's Pool and Spa Standard, available online. Then consult with a local attorney to ensure that you incorporate applicable county and state regulations.

TAKE LOTS OF PHOTOS.

In case you haven't heard it enough, here's the adage again: A picture is worth 1,000 words. In an industry like home inspections, photos can do wonders. They can help inspection clients understand your findings and put them into context. And they can bring reports filled with technical jargon to life.

From a risk management perspective, photos can prove what was there on the day of the inspection and what wasn't. If a crack appears sometime after the inspection, and you don't have a photo of the affected part of the pool, how do you prove it? If a leak manifests underneath the jacuzzi, how do you prove it wasn't present when you were there? The evidence is in the photos.

Thoroughly document your inspection process. Take photos of both defects and non-defects. The more photos you take, the more equipped you are to dismiss a frivolous claim.

WHEN IN DOUBT, CONTRACT IT OUT.

When it comes to specialty inspections, there are some things you cannot or should not diagnose. Perhaps an issue goes beyond your inspection's scope. Or maybe something you see is beyond your expertise. In such cases, Todd Thuss of Integra Inspection Services in Alabama recommends referring clients to a more experienced contractor.

"I refer the client to a professional should I see anything out of the ordinary regarding pool shells or concrete," Thuss said. "I also offer a higher tier pool and spa inspection where I hire a certified pool inspector. Giving the client an option sets a clear expectation that my inspection is a basic-level one."

POOLS AND SPAS AND YOUR HOME INSPECTIONS

Are you looking to diversify your home inspection business? Is there a lot of demand for pool inspections in your area? Would offering pool and spa examinations save your clients a phone call?

If you answered "yes" to any of these questions, perhaps it's time for your company to offer pool and spa inspections.