

2016 -- H 7305

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS - HOME INSPECTORS

Introduced By: Representatives McKiernan, O'Brien, Almeida, McEntee, and Craven

Date Introduced: January 22, 2016

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-65.1-10 of the General Laws in Chapter 5-65.1 entitled "Home
2 Inspectors" is hereby amended to read as follows:

3 **5-65.1-10. Insurance requirements.** -- (a) Every licensed home inspector and associate
4 home inspector shall secure, maintain, and file with the board a certificate of insurance for an
5 errors and omissions policy and a certificate of insurance for a general liability policy; both shall
6 be for a minimum amount of five hundred thousand dollars (\$500,000) in the aggregate. These
7 certificates must be valid from the date a license is issued until the license expires. This proof
8 shall be deemed satisfactory if the policy is carried by the corporation, partnership or franchise
9 for which the home inspector is a contracted employee and the home inspector or associate home
10 inspector is specifically covered by such policy.

11 (b) Every proof of an errors and omissions or general liability policy required to be filed
12 with the board shall not be effective unless it provides that the insurance may not be canceled
13 until at least ten (10) days notice of intention to cancel or to not renew has been received in
14 writing by the board.

15 (c) No contract provided by any licensed home inspector or associate home inspector
16 shall contractually limit the liability of any such inspector to any amount less than the limits of
17 insurance specified in subsection (a) of this section. Any such limitation provision in any home
18 inspection contract issued on or after September 1, 2016 shall be void.

19 ~~(e)~~(d) Failure of the licensee or corporation or partnership to maintain this insurance will

1 result in the immediate loss of his or her license.

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would prohibit home inspectors or associate home inspectors from entering into
- 2 contracts limiting their liability to less than five hundred thousand dollars (\$500,000).
- 3 This act would take effect upon passage.

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