

MYTH:

Limitation of Liability Clause is a Home Inspector's Best Friend

Debunking the Myth

There is nothing that a home inspector loves more than limiting their liability. And there is nothing that limits a home inspector's earning potential more than clinging to this out-of-date clause.

So, even though the Limitation of Liability clause puts a cap on a home inspector's earnings, doesn't protect them against claims and is completely unnecessary, it remains popular because it effectively puts a lid on the inspector's potential liability to their client for professional negligence.

Here's the problem. *What homebuyer would hire a professional home inspector who limited their liability?*

There's also another issue with the Limitation of Liability clause. The "protection" it provides is illusory. It does NOT prevent clients from suing you, and it provides no protection from claims of co-defendants: the sellers, the sellers' agent, the sellers' agent's broker, the buyers' agent, the buyers' agent's broker and the home inspector and home inspector's corporation.

This clause does not keep any of those co-defendants from coming after you. Financial retribution is anger's best medicine, and many of these co-defendants, most times unjustly so, will pin the blame on you for the lawsuit and come at you with just as much vigor as the client.

Example from the Field

Say, for example, you as a home inspector meet with a prospective client over coffee and explain your services and pricing. In your sales and services pitch, you explain the costs associated with your services and detail that your rates are slightly above local competition because you do NOT limit your liability – and unlike your lowball competition – you stand behind every inspection you do. That professional courtesy, authority and confidence is worth the extra money to a sophisticated consumer – trust me on this.

Think about it for a second. Imagine a doctor comes up to you and your wife before surgery and explains that their rates are lower because they limit their liability if something goes wrong during the triple bypass surgery, while a competing surgeon has higher rates but stands behind their work. *Who would you rather trust?*

Home inspectors should put this type of language in their marketing material and frame the sales and service conversation in this direction.

THE TAKEAWAY

The Limitation of Liability clause doesn't provide much protection, lulls home inspectors into a false sense of security and renders the experienced inspector indistinguishable from the inexperienced lowballer.

Your Professional Advocate

These Limitation of Liability clauses are completely unnecessary since the overwhelming majority of home inspection claims – over 99% in my experience – have no validity whatsoever and are eminently defensible.

Instead, the Limitation of Liability clause doesn't even provide much "protection" for home inspectors, lulls inspectors into a false sense of security and renders the skilled and experienced inspector indistinguishable from the inexperienced lowballers that plague the industry.

If you are looking for protection, why not have an advocate on your side who will have your back against every meritless claim?

Visit my website, www.JoeFerry.com to learn more about my proven strategic response to unmeritorious claims and let me have your back and put an end to UNDERBUSSING.