

What to expect from a home inspection for Insurance?

Home inspections are common in the world of homeowners insurance. If your home is older or has not been inspected in a long time, you should expect an inspection after you purchase an insurance policy. Inspections assess risk indicators not surfaced in your homeowner's insurance quote and verify the replacement cost of your home. This article explains what to expect from a home inspection and provides some tips on how to prepare.

Why do insurance companies require home inspections?

The reason an insurance company might require a home inspection is liability and risk management. Insurance companies like to avoid – and be aware of – risk and inspections are an accurate way of monitoring it. A home inspection is an insurance company's way of avoiding future potential losses for liabilities that aren't listed on the initial application.

An insurance home inspection typically checks the condition of a structure's:

- Gutters
- Roof
- Siding
- Fencing
- HVAC
- Plumbing systems
- Fire alarm
- Chimney
- Windows and doors
- Fire extinguishers
- Anti-theft devices
- Surrounding grounds

You might be required to get a home inspection if you're a new customer, if your home has an older build date, or if the structure's replacement cost is difficult to determine or needs verification. An insurance home inspection typically occurs 30 to 90 days after the policy start date. Your home may require an interior inspection, exterior inspection, or both.

After the home insurance inspection, your homeowner's premium may either increase or decrease. Your insurance company can also void your policy or provide a list of mandatory issues to fix if your inspection shows your home is too risky to insure.

Exterior home inspections for insurance: what to expect

An exterior inspection is a common insurance requirement for new customers with new homes. Insurance companies use exterior inspections to confirm the replacement cost of your dwelling other structures coverages. Dwelling coverage ensures the physical structure of your home, while other structures coverage handles damage to fences, detached garages, pools, or gazebos.

Typically, you do not need to be present for an exterior home inspection. Your insurance company may use a third-party company to take photos of your home's exterior. Underwriters at your insurance company will reference these pictures and recommend any necessary changes to your policy – this holds true for an interior inspection as well.

Although you're not required to be present for an exterior home inspection, your insurance company should notify you of your inspection date.

Interior home inspections for insurance: what to expect

Interior home inspections are commonly required for older homes. These structures' HVAC, plumbing, and electrical systems may be outdated, posing a heightened risk for an insurance company. In the event of a burst pipe or another covered claim, the insurance company would be liable for any damage.

You'll need to be present at the time of the interior home inspection. An inspection may take between 30 and 90 minutes, depending on your home and the size of your property.

Expect the inspector to check your home's:

- Walls
- Ceilings
- Water connections
- Safety and security systems
- Flooring
- Basement and/or attic
- Rooms and living spaces

Like an exterior home inspection, any new discoveries can impact your rates. If unexpected liabilities are found in your home, your insurance company can raise your premium or nullify your policy. Depending on the risk, your insurance company may cancel your policy or give you time to rectify the issues.

How to prepare for a home insurance inspection in 14 steps

It's important to prepare your home in advance of your insurance inspection. Any liabilities discovered may result in increased premiums or policy cancellation. Below are tips for interior and exterior inspections.

How to prepare for an exterior home inspection

1. Check your roof: Remove twigs and branches from your roof. Check for any loose, damaged, sinking, or curling roof shingles. Check any ventilation for damage or decay.
2. Gutters: Verify your gutters are securely attached. Remove any debris or blockages.
3. Windows and doors: Frames should be intact and sealed. Doors should be lockable and secured to frames.
4. Chimney: Ensure no bricks are missing.
5. Exterior surfaces/finishes: Check your home's siding for cracks, mold, mildew, rot, or anything else that could be seen as a liability. Check for mold or water damage.
6. Foundation: Cracks or an uneven foundation can be seen as a catastrophic claim waiting to happen. This may render your home uninsurable.
7. Grounds/property: Make sure branches are not touching your roof or hanging over your home. If you have fencing, make sure your gates are properly secured. If you have a detached garage or shed, make sure to give it an interior and exterior DIY inspection as well.

How to prepare for an interior home inspection

An interior inspection will usually accompany an exterior inspection, requiring additional work. Set aside time before the inspection to complete the below steps.

1. Fire extinguishers, fire, and carbon monoxide detectors: Check the batteries of your detectors and the expiration date of your fire extinguishers.
2. Fireplace: "Back-drafting" can be a red flag for a home inspector. This means the air and smoke cannot leave the fireplace and instead backs into your living space. The key indicator for this is stains on surrounding your fireplace. Verify all your accessories such as a flue and damper are functional.
3. Ceilings and walls: A home inspector will assess water damage, mold, decay, and evenness.
4. Household systems: Ensuring the correct installation of plumbing and electrical systems is a major step in your interior home inspection. Poor plumbing or HVAC systems are major liabilities. Verify their last inspection date and check for exposed wires, rust, leaks, mold, or mildew.
5. Attic: Look for roof decay, water damage, adequate ventilation, and any signs of insect or rodent infestation.
6. Living spaces: This includes the kitchen, living room, bathroom, and bedrooms. Check for ventilation, lockable windows, and other signs of decay. For bathrooms, pay special attention to signs of mildew, mold, and water damage.
7. Basement: If you have a basement, pay extra attention to signs of water damage and mold.

Is it possible to get home insurance without an inspection?

Maybe. Do not specifically ask your insurance company if you're able to get insurance coverage without an inspection – that will raise a red flag. However, if your home is new enough, there are no claims in your CLUE report, and you have no other outstanding liabilities, you might not be flagged for an inspection.