

6. HOME INSPECTOR FINANCIAL ASSURANCE BOND LANGUAGE

Questions have been brought forward relating to language that will be acceptable to the Board, for use in issuing bonds as financial assurance for home inspectors as provided in A.R.S. § 32-122.02. The certification of home inspectors is currently being conducted under Emergency Rules approved by the Attorney General on August 14, 2002, and home inspectors are mandated to provide proof of financial assurance within 60 days of receipt of certification. Therefore, this substantive policy statement is offered as guidance until such time as the final rules relating to the certification of home inspectors are in place.

This substantive policy statement is advisory only. A substantive policy statement does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the Agency under A.R.S. § 41-1033 for a review of the statement.

SUBSTANTIVE POLICY STATEMENT

The following language contained in a bond obtained by a home inspector as proof of financial assurance under the provisions of A.R.S. § 32-122.02 is acceptable to the Board:

KNOW ALL MEN BY THESE PRESENTS that we, _____ as Principal, and _____, a Corporation, qualified and authorized to do business in the State of Arizona as a Surety, are held and firmly bound unto the State of Arizona, Board of Technical Registration for use and benefit of any injured person as defined below, in the sum of TWENTY-FIVE THOUSAND AND NO/100 (\$25,000.00) lawful money of the United States of America, to be paid to any injured person for which payment well and truly be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above named Principal has made application to the Board of Technical Registration, State of Arizona, for certification as a Home Inspector within the meaning of Title 32, Article 1, of the Arizona Revised Statutes and rules adopted pursuant thereto and is required by the provisions of such statutes and rules to furnish a bond in the sum named above.

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall strictly, honestly and faithfully comply with the provisions of the statutes and rules adopted pursuant thereto and shall satisfy any final judgment in favor of an injured person arising out of any transaction governed by the provisions of such statutes and rules, then this obligation shall be void; otherwise to remain in full force and effect.

“Injured Person” as used herein means any person who contracts with a Certified Home Inspector to obtain a home inspection and who is damaged by the failure of the home inspector to perform the inspection or related services in accordance with the provisions of Title 32, Article 1, of the Arizona Revised Statutes and the rules adopted pursuant thereto.

This bond shall become effective on _____, and shall remain in force until the Surety is released from liability to the Board of Technical Registration, State of Arizona, or until this bond is cancelled by the Surety. The Surety may cancel this bond and be relieved of further liability hereunder by giving thirty days written notice to the Principal and to the Board of Technical Registration at its offices.

This bond shall be one continuing obligation, and the liability of the Surety for the aggregate of any and all claims which have been awarded by litigation and deemed uncollectible shall in no event exceed the amount of the penalty hereof.

In witness whereof, the signature of the Principal hereto is affixed, and the corporate seal and the name of the Surety hereto is affixed and attested by its duly authorized officers at Phoenix, Arizona, this ____ day of _____, 200____.

(Print name of principal officer)

BY: _____
(Signature of Principal)

NAME OF SURETY

BY: _____

Filed with the Secretary of State on 8-20-02.

APPLICABLE LAW

Arizona Revised Statutes § 32-122.02(B)(2).