CHRISTIAN BUILDING INSPECTORS INCORPORATED ®

Home Tips®

• CHRISTIAN BUILDING INSPECTORS, INC., 3697 HABERSHAM LANE, DULUTH, GEORGIA 30096, 770-849-0920 • OCTOBER 2003 •

Home's History?

We have a friend who tried to purchase a home last month but was refused insurance coverage. Without insurance, the mortgage was declined. How is this possible?

Insurance companies have started checking into past claims on homes to decide who or what is a bad risk. Now there are places you can go to that are the same places the insurance companies go to view past claims. This includes not only auto insurance claims but insurance claims for personal property as well. This report is available to you, and it can also be corrected just like the ones through your credit bureau.

Details of all your claims are kept at an Atlanta-based company for 5 years. The company's name is ***Choice Point*** and the report is called ***C.L.U.E. Personal Property Report.***. If you've been turned down for a new insurance policy, you're entitled to a free copy of your report.

ChoicePoint C.L.U.E.® Personal Property Report

Previous claims can impact your ability to insure the home that you are purchasing. You can find out the 5-year property claims history of the home that you are interested in buying before going to closing. You can request that the homeowner share his or her property claims report with you.

What information does the C.L.U.E. Personal Property Report provide?

The report is divided into two areas: Losses reported on the risk (property that you own), and losses reported on the subject (you). The losses for your house appear in the ***Claims History for Risk*** area of the report. Any losses reported for the property during the past 5 years, whether you owned it then or not, will appear in that area. If no losses appear, no losses were reported. Losses reported by insurance companies at addresses other than the risk address appear in the ***Claims History for Subject*** section of the report.

Why can't I order a C.L.U.E.® Personal Property Report on a property I want to purchase?

Only businesses or individuals with permissible purpose can access consumer reports. C.L.U.E.® reports are consumer reports, as defined by the FCRA. The current owner of the property in question can order his or her report. You can request that the report be obtained by the property owner.

How can I find out what my loss history is?

In accordance with the FCRA, a consumer can request a copy of this information from a Consumer Reporting Agency. By ordering from www.choicetrust.com, you will receive the report immediately. You also can request the report by mail by downloading the form located on www.choicetrust.com. For consumers with no Internet access, the loss history report can be ordered by telephone by calling (866)527-2600 {toll free} or by mail at ChoicePoint Consumer Disclosure, P.O. Box 105108, Atlanta, Georgia 30348-5108

I am interested in buying a home that had a leak in the basement. The leak created mold that had to be removed by a specialty contractor. How will the claim affect my ability to get home insurance?

Insurance companies are very concerned about the possibility of future claims. Mold is the new kid on the block and many insurance companies do not want anything to do with it. Many are refusing to insure homes with a past history of mold. Decisions about insurance coverage and/or rates are made by the insurance companies. Each insurance company develops underwriting or tiering (grouping) decisions based on its own business requirements. Insurance companies evaluate claim history reports according to their own proprietary strategies. Other information, such as application data, credit reports and/or insurance scores, may also be evaluated as part of the insurance underwriting process.

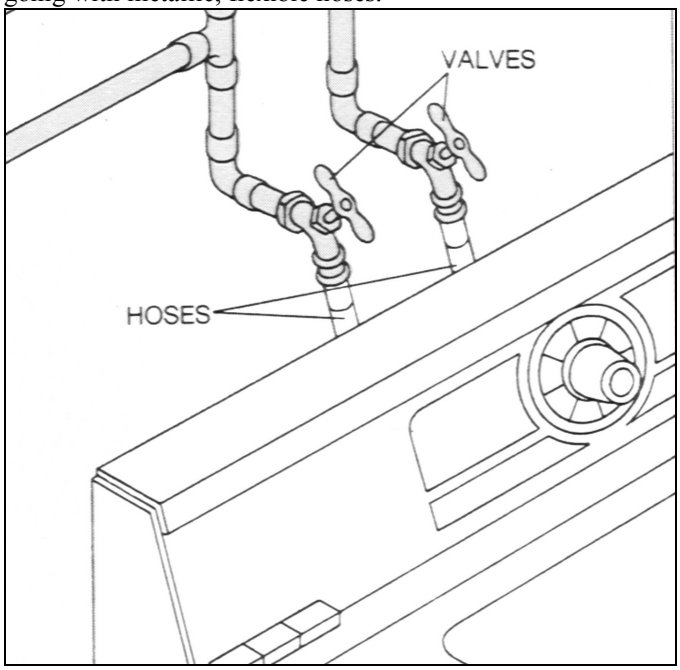
C.L.U.E.® information is consumer data, regulated by the Fair Credit Reporting Act (FCRA). The FCRA is very specific about access to and the use of information contained in the files of a Consumer Reporting Agency (like ChoicePoint). Along with many requirements, the FCRA requires that access to a consumer's file is limited to those with permissible purpose (an insurance agent/underwriter) and also to the consumer. Any person accessing a C.L.U.E.® report that does not have permissible purpose is in violation of the FCRA. For more information, visit www.choicetrust.com.

Washing Machine Water Hoses?

"We were at our home in North Carolina...my family and I for Christmas," explains Mark Thebaut. "We were told by security people here that water was flowing out of our basement. We immediately came back to Atlanta and went through the house." Thebaut's ceilings had fallen in, his walls were buckling, the basement was completely devastated and all the ceiling tiles were falling down. There was water everywhere," he recalled. The cause: his washing machine hoses. When he walked in and saw the water spraying up from the hose where the washing machine sits, he knew. The water shot up and had flooded the entire house. "We figure it must have been going for several days." These are the 1999 Christmas memories for the Thebaut family. A faulty washing machine line ruined their North Fulton County home. It cost $175,000 to fix. And that's only a drop in the bucket compared to what State Farm insurance has been spending.

David Prusakowski, a State Farm official, said in Georgia

alone, State Farm has spent 20 million paying claims for the washing machine hoses. Nationwide that figure swells to $150 million over the past year. The worst part of it all? It can be prevented. Pam Fredenburg, of Pete's Plumbing, is all to familiar with rupturing washer lines. She shows how when an area is bent down, the hose may spring a leak and will start to spray. Pam recommends ditching the rubber hoses and going with metallic, flexible hoses.



"These are braided and flexible," she says. "If you put them on, you can prevent a major catastrophe." Mark Thebaut agrees. "I say replace your hoses, get the metal reinforced (ones)," he says. Thebaut made the switch, but the choice is yours. The manufacturers recommend that you replace them at least every 5 years or so, but State Farm officials say every 2 years. Pam the plumber says use these steel braided hoses and you won't need to check them again. To replace the hoses, you take the valve and turn the handle opposite direction, which turns the water off. Then you just screw the new hoses into the wall. So how much will it cost? We found steel braided hoses for $10 a piece, and rubber hoses for $5 a piece. It's a small price for prevention when you consider the potential alternative.

Source: Clark Howard http://clarkhoward.com/topics/tv_washer_hoses.html

If you have a question, change of address, comment, home tip or would like to send *Home Tips* to your clients, send your letter to *Home Tips*, Christian Building Inspectors, Inc., 3697 Habersham Lane, Duluth, Georgia, 30096-6111. You can also E-Mail your questions to us at rodharrison@christianbuildinginspectors.com/. We reserve the right to edit questions for length.

Quote Of The Month

"THE HEART OF A FOOL IS IN HIS MOUTH, BUT THE MOUTH OF A WISE MAN IS IN HIS HEART."

BENJAMIN FRANKLIN

A Tip Of The Hat To:

Barbara & Ausker Morris
Coldwell Banker
4177 Roswell Road
Marietta, Georgia 30062

Thank You

• CHRISTIAN BUILDING INSPECTORS, INC. •

• Member: ASHI, GAHI, MAIA, ICC •

• ICC CODE CERTIFIED CABO ONE & TWO FAMILY DWELLING INSPECTOR NO. 1619 •

• Fully Insured With E&O, Liability and Worker's Compensation Insurance •

• Office: 1-888-257-0365 or 770-849-0920, Fax 770-849-0540, Cell 404-697-4129•

• Web Page: www.christianbuildinginspectors.com Email: rodharrison@christianbuildinginspectors.com •

- Site
- Drainage
- Foundations
- Floor Slabs
- Crawl Spaces
- Basements
- Structural
- Interior
- Exterior
- Appliances
- Ventilation
- Electrical
- Plumbing
- Heating
- Air Conditioning
- Attic
- Roofing
- Safety
- New Homes
- Warranty
- Construction