

INSPECTOR

JOURNAL



A PUBLICATION OF THE CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION



WWW.CREIA.ORG



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CHAIRMAN'S MESSAGE

STEVE JOHN, MCI, CHAIRMAN OF THE BOARD & STATE DIRECTOR

JOIN A COMMITTEE

One of their first acts of the 2014-15 Board of Directors was to make an explicit CREIA policy that any and every member has the opportunity to be on any of CREIA's open committees. The committees have always been incredibly important in both developing and implementing CREIA policy and I want every one of you to know that you really can make an impact on your association. This is participatory democracy at its best. Pick a committee that matches your interest and talents and jump on board. Nobody needs to feel they are left out in the dark. We need and encourage your participation and every one of you can make a real impact and have a voice in the decision-making process. Below is a list of the committees, the current chair, and their email address. If you are interested in joining a committee, please reach out to the chair and ask to join the committee. See appeals from individual committees, what they do and what is expected of members on other pages of this magazine.

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STRATEGIC PLANNING

On January 16th & 17th 2015, your association is having a two day Strategic Planning Session and every single one of you has a shot at being one of the participants. Anyone with passion and desire to see CREIA thrive, willingness to

dedicate two days of your own time, pay your own hotel and transportation, and really think about what is needed to move the association into the future, is encouraged to notify us of your interest. Please send your name, email, phone, and a short bio of your participation in the inspection profession to the CREIA office at info@creia.org. Does this mean you have to have an impressive bio to participate? – NO. In fact, the board wants to specifically reserve a couple of spots for newer members to make sure everyone's viewpoint is represented. We would also like participants who have been involved in other associations and not with only CREIA. We are also reserving a couple of slots for affiliate members.

Our goal is to have as broad, representative, and dedicated group as possible. Unfortunately, we have to limit the number of participants to 25 to make the meeting manageable. This is on the advice of our incredibly capable moderator who will be Jerry Packer, the owner of our new management company, Sterling Strategic Management. Everyone who has met Jerry knows that he will be the perfect moderator.

I expect that we will have more members who want to participate than we have spaces for. To make the process as fair as possible we will have a lottery to fill the list of final participants. And, remember, we are reserving a couple slots for new members, so everyone should feel they have a good chance to participate.

Let us know your interest ASAP. Even though the date isn't until mid-January, we want to finalize the list of participants well in advance so they can plan ahead and start the important thought process of how to move this association forward.

We will be providing the location for the meeting after the selection process has taken place. This is an effort not to get too many applicants from close to the site and hopefully generate equal representation from all areas of the state.

What makes the California Real Estate Inspection Association so unique and worth supporting?

For starters we are the only home inspection association dedicated to California's home inspectors. The only association that has created contracts, ethical standards, and Standards of Practice, which are written to match California's unique legal environment and Business and Professions Code. We are a

true non-profit member benefit association dedicated to using all our resources for the benefit of our members and the public we serve. This is an association of members for members and is founded on the principle that joining together and working together we can do so much more to advance this profession than we could possibly do individually. We have been dedicated to this ideal for 37 years now and we need and want your support.

CREIA is on the move and dedicated like never before to using your membership dues as wisely and productively as possible. As you all know by now, CREIA has a new management company, Sterling Strategic Management that is determined to shake things up and get us moving in new directions. We have a new website that our management company will be fully responsible for so please provide your feedback on how the website can be improved. We want to hear everyone's suggestions to improve the site and if you would like to get even more involved, join the website committee.

We are also working on a new outreach program to the real estate community and want to make sure that every agent in the state knows the advantages of using a CREIA member. We also want every home inspector in the state to know who we are and why they should aspire to be a CREIA member.

The single best way you can help support this organization is just by going regularly to your chapter meetings. The more of you that go, the better those meetings will be, the better speakers the chapter can attract and the more benefit for everyone. If your chapter isn't meeting your needs then become part of the solution. You probably know a contractor or two that could do a great job speaking on some interesting subject so talk to them and get them to speak or even better become an affiliate member. Also, if you know non-CREIA inspectors in your area, get them to go to your meetings. The more people there are to share ideas and knowledge, the more we all benefit. And that's what it's all about.

We are determined to grow and strengthen this association and with all of us working together I have no doubt we will do just that. A stronger and more vibrant association brings benefits to all of us.

Sincerely,
Steve John

JOIN A CREIA COMMITTEE TODAY!

Your CREIA Board is making a concerted effort to reach out to the entire membership to increase member participation. This is a member benefit association that is dependent on member volunteers. To advance that effort the board recently voted to open most committees to any member who is interested in being a part of that committee. You absolutely can be part of the decision making process and you can make a difference in the direction your association takes. We want to dispel any notion that this association is anything other than the sum of all of us.

Being part of a committee means you will be on the email list for that committee which will keep you informed of every detail that committee is working on and you will also be expected to participate in committee discussions and advance committee goals. In a member-run association like ours, every committee member must work towards the common good. That requires an open mind, willingness to compromise and an understanding that you won't get your way all the time. We generally strive to build consensus and avoid the contentious closely split votes. We are all in this together. We can find common ground and that is where we will find our greatest strength.

Look through the committee statements below to see which one will match your interest and jump on board. The Membership Committee has typically been the most vibrant and popular committee in this association and that is where we start.

MEMBERSHIP COMMITTEE

The Membership Committee is probably the most vital committee in CREIA. This is where the action is. More policy decisions start at this committee than all the others combined. If you want to make an impact on the direction of your association and know where we are headed, then this is the committee for you. Everyone interested is welcome to join. You will be put on the email list, see every proposal being debated, be able to make comments to the full committee and participate in committee votes.

Our primary purpose is to develop criteria for membership and credentialing members, build upon existing membership benefits, recruit new members, and create a membership retention plan.

Some of the things we work on are:

- Review existing Path to Success program criteria, evaluate processes and suggest improvements.
- Explore possibilities for new membership benefits to help increase membership and retain current members.
- Actively recruit new members.
- Develop a membership retention plan.
- To encourage member participation in association committees and activities.
- Submit committee plans and budgets to the board for approval on a yearly basis.
- Respond to member, Board, staff or volunteer requests for feedback.

EDUCATIONAL COMMITTEE MISSION STATEMENT

Encourage and verify the technical instruction of CREIA members for our career long continuing education.

PURPOSE OF CREIA'S EDUCATIONAL COMMITTEE

- Provide verification for CREIA Members by granting continuing education credits (CECs) to deserving programs offered by CREIA and other qualified organizations that will enhance the quality of our service to the Public, increase the knowledge of the Inspector, and to strengthen competitiveness by raising the fundamental knowledge of all CREIA Members.
- Support the Conference Committee in their efforts to facilitate the annual CREIA Conference.
- Create alliances and training that promote profitable business practices and to help diversify the Members businesses thus offering a wider range of services to their Clients.
- Resolve Member disagreements concerning continuing educational credits (CEC) and answer inquiries concerning participation in education events.
- Encourage Chapter and Member participation in association committees and activities.

The main functions of Education Committee members are to examine courses submitted to the Educational Committee for verification and CEC recognition. Aid the Conference Committee in educational ideas for conference topics and to facilitate acquiring the speakers for such topics. Provide forward thinking ideas to promote profitable business practices that diversify, advance education, and solidify the CREIA Member as California's primary inspector credential. We ask that Education Committee members be a CREIA CCI member for a minimum of five years.

FINANCE COMMITTEE

The finance committee's primary responsibility is assisting the CREIA Treasurer as the financial watchdog for CREIA and our members. The perfect committee member would have some accounting, auditing or at least strong bookkeeping skills. The Treasurer is to watch the outgoing payments and make sure they are justified and that all of our income is accounted for. The committee periodically reviews that process. This committee is also instrumental in developing CREIA's annual budget and reviewing proposals for CREIA's investments. If you feel you have special skills in this area, please volunteer to be a part of this critical effort.

ETHICS COMMITTEE

The Ethics Committee is looking for a couple members willing to help evaluate and process ethics complaints that are sent into the main office. This takes someone with high ethical standards, critical thinking skills and the ability to keep all issues strictly confidential. It

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is not a task for the faint at heart. In a nutshell the process of resolving a complaint involves reviewing the complaint and interviewing the parties to determine if a violation of the CREIA Code of Ethics has occurred. The complaint is thoroughly investigated. If in fact there has been a violation, the appropriate action, as indicated in the Code of Ethics, is taken. If becoming a member of the Ethics Committee is of interest to you, please contact David Pace, Ethics Chairman at 925-513-0006.

WEBSITE COMMITTEE

This is your opportunity to help us make the CREIA website better and more vibrant. We need people willing to just help review the content and make improvement and this doesn't take any technical knowledge. We would also love to have anyone on board who does have website experience and willing to help out. Either way this is a great time to help shape the new website.

PUBLIC RELATIONS COMMITTEE

If you have good writing and communication skills and would be willing to review, update, revise or write new marketing material this is the committee for you. CREIA is determined to improve our marketing and outreach programs this year and this is where you can be a part of that effort.

STANDARDS OF PRACTICE AND CONTRACT COMMITTEE

Do you have a passion for our Standards of Practice and Contracts and would you like to get involved in helping to make critical decisions? The Standards of Practice and Contract Committee is looking for new member participants.

Interested members should have a passion for and an understanding of our current documents, have an understanding of pertinent California law and legal precedent and be willing to debate changes in minute detail. A strong command of the English language is also critical. The committee has always operated on a principal of full consensus and any new member should be willing to strive for consensus in order to find language that will be acceptable to all. If you are interested in joining, please contact the committee chair: Steve John, MCI, chairman@creia.org

Currently we are in more of a maintenance mode but the work load can spike when critical decisions need to be made. Every committee member is expected to participate in every decision. Ideally we are looking for a long-term commitment to provide as much continuity as possible. This can be your opportunity to make an impact on these documents and the inspection profession.

Standards of Practice and Contract Committee Mission Statement: To provide an ongoing resource for CREIA members and staff as well as the general public to address questions and concerns regarding the

Residential, Commercial and Pool Standards of Practice and Contracts.

The committee's primary responsibilities are:

1. To deliberate all proposed changes to these documents on an ongoing basis.
2. To provide an opportunity for members to have their suggestions for changes vetted and addressed.
3. To provide a resource for CREIA staff to direct questions concerning these documents.
4. To provide a clearing house for information about any legal challenges to any of these documents.
5. To provide recommendations for changes due to changes in law or legal challenges.
6. To provide interpretation or explanation for any of these documents as needed.
7. To explain the reasoning for any provisions of these documents.

I hope you will join us. If discussing the minutia of contracts isn't your cup of tea, there are plenty of other committees that would be delighted to have your participation. Simply let any of the CREIA committee chairs below know you are interested in that committee and they will be happy to help you get involved. Our association is strengthened by the participation of our members.

Thanks for your willingness to become a part of a committee of your choice.

Steve John, MCI, Chair, Standards of Practice and Contracts Committee, chairman@creia.org



www.CREIA.org

The California Real Estate Inspection Association is pleased to announce the release of CREIA's new Website, designed with a fresh new look and user-friendly navigation.

The CREIA staff worked with MemberClicks, an industry leader in association management software, to achieve our goal of building a user-friendly and simple-to-navigate site. The new design allows the users to quickly find the content thanks to its low hierarchical structure.

The new platform features members-only resources, online applications, secure online event registration, membership directory, events calendar, and much more.

If you haven't already logged into the new Website, here are some quick tips as you learn the ropes:

1. Go to www.creia.org and click on "Member Login" in the top navigation panel.
2. You were recently sent via email your unique username and password to access your member profile.
3. Once you sign-in, you will come to the "Member Center" where you will have quick access to many of the most frequently requested information—including a form for uploading your CECs to your member profile for online CEC management.
4. Please take a moment to update your profile (click on profile and hover over "My Profile" for options) by uploading your photo and business

logo, updating any missing profile information, and/or change your username and password.

5. If you move away from the Member Center, you can always re-enter by hovering over the "Member Logout" in the top navigation panel for options.

We hope that you will enjoy browsing the new site, www.creia.org, and acquaint yourself with the new design. And while you're there, let us know what you think by dropping us a line at info@creia.org. We're quite proud of it, but we know there's still work to do. In the coming months, we hope to continue improving the site so that it best serves how we communicate with you and provide you with the most relevant resources.

In order to take advantage of all the capabilities of our new Website and to effectively communicate with you, it is imperative that we have the most up-to-date and comprehensive information. Please login and review your profile and ensure your information is current as soon as possible.

If you require assistance navigating the new Website or accessing your profile, please contact the CREIA office at 949-715-1768 or info@creia.org.

As well, if you are a Chapter Member and have updated Chapter information—please send us the details! We will also be providing chapters with event forms for easy posting of chapter events to the CREIA Website.

CARBON MONOXIDE: WHAT EVERY HOME INSPECTOR SHOULD KNOW

BY BRAD DEAL, CIEC

SILENT KILLER:

Carbon monoxide (CO) is a colorless, tasteless, and odorless gas that is combustible in higher concentrations. It is impossible for the layperson to detect. Its symptoms vary with the concentration and the time exposed. Low levels over a long period of time will make you ill, and a high concentration over a short period of time will cause a kind of drunken stupor, and may put you down for a dirt nap. That is why a lot of people are killed by the carbon monoxide in the smoke long before the flames reach the victim. In higher concentrations, a victim can be confused by hypoxia, which is very much like being intoxicated by alcohol. The resulting confusion can prevent a victim from saving their children or fleeing the area. Sometimes they don't even realize there is a problem until it is too late.

EXPOSURES AND SYMPTOMS

Some people are so chemically aware, that they cannot walk down certain aisles in the local supermarket without being affected by the odors. The chemical given off by the various plastic wraps, odorizers, and treatments on the shelves are enough to set off an allergic reaction in these individuals. The symptoms caused in these cases are very similar to the symptoms caused by carbon monoxide. The flu or a bad hangover can have almost the same symptoms as various levels of carbon monoxide. Anytime there is a person who is having flu-like symptoms that are chronic and undiagnosed, then carbon monoxide poisoning should be suspected.

Mild exposure – Flu-like symptoms including slight headache, nausea, vomiting and fatigue.

Medium exposure – Severe throbbing headache, drowsiness, confusion and fast heart rate.

Extreme exposure – Unconsciousness, convulsions, cardiorespiratory failure and death. In many cases of reported Carbon Monoxide poisoning, victims are aware they are not well, but they become so disoriented that they are unable to save themselves by either exiting the building or calling for assistance. Young children and household pets are typically the first affected.

LIFE EXPECTANCY:

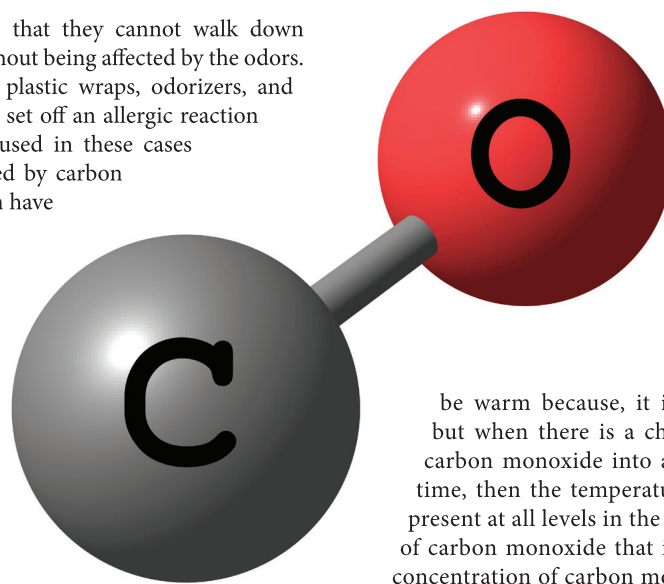
Carbon Monoxide alarms have a built in auxiliary alarm that goes off after about five to seven years depending on the manufacturer, which disables the unit and sounds a warning to the occupant to replace the unit. They can also be susceptible to electrical interference. Electrical equipment like transformers or fluorescent lights can cause problems and should be kept at least 12" away from the alarms to insure fault-free operation. Sunlight can also dry out the plastic and overheat the sensors so they should be placed at interior, shady areas and not on exterior walls. Even deep cycle batteries should be avoided.

SPECIFIC GRAVITY:

It is impossible to understand where to place the detectors without understanding "Specific Gravity." Specific gravity is a ratio between the densities of air to the density of the subject gas. Air has a specific gravity of 1.0; carbon monoxide has a specific gravity of .97. That means it is very nearly the same density as air. As a comparison, propane has a specific gravity of 1.52, which is enough to make it sink to the floor like a stone. It then pools in the low spots creating an explosion hazard. Natural gas has a specific gravity of about .6, which means it readily rises to the ceiling and collects there creating another explosion hazard. It will exit to the atmosphere if given a pathway. Carbon monoxide's density is so close to the density of air that any disturbance will mix it with the air and disperse it more or less evenly around the room. In still rooms with no drafts, Brownian motion, if given enough time, will serve to distribute carbon monoxide molecules throughout the space. In addition, changes in temperature will change its distribution. As the air or the carbon monoxide is cooled or warmed, its specific gravity will change in relation to the air and either tend to rise or sink. It is generally accepted that carbon monoxide will rise because it is lighter than air and it will

be warm because, it is after all a combustion by product; but when there is a chronic, low-level leak that is injecting carbon monoxide into a living space over a longer period of time, then the temperatures will equalize and the gas may be present at all levels in the room. Keep in mind that a warm layer of carbon monoxide that is floating near the ceiling will have a concentration of carbon monoxide that could be lethal, but when that layer is disturbed and mixed in with the entire room, then the concentration will be non-lethal. The overall amount of carbon monoxide in the room will be the same, but the concentration will be less at the breathing zone. The layer at the ceiling could be lethal, but when mixed, it may not even be detectable.

Consider a relatively tight room with a low-level chronic carbon monoxide leak. When the door and windows are closed, the gas may very well migrate to the ceiling and concentrate there. When the occupant enters the room, he may not be subjected to any carbon monoxide. The concentrations may be relatively low at the breathing level. But when the ceiling fan is turned on the carbon monoxide will mix evenly throughout the room and cause problems. The resulting concentration could range from below the threshold of perception to a lethal dose. Sometimes it will mix on its own; sometimes it is dependent on the humidity and temperature.



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CREIA

ANNUAL CONFERENCE, LEADERSHIP DAY AND PATH TO SUCCESS

Mark your calendars now for
CREIA's 2015 Annual Conference

MAY 1-3, 2015 | ANNUAL CONFERENCE

**MAY 4, 2015 | LEADERSHIP DAY
AND PATH TO SUCCESS**

Hyatt Regency Santa Clara
5101 Great America Parkway, Santa Clara, CA 95054

More details about the events will be posted to the
CREIA Website in the coming weeks—Stay tuned!

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Consider a chronic leak in the first floor, or a basement for that matter, of a two-story house. The lower floor is usually cooler than the upper floors. When the cooled off carbon monoxide reaches the warm air in the upper floor, then it will tend to stay near the floor because warm air has a lower specific gravity than the cooled off carbon monoxide. Children playing on the floor or those who are sleeping in a bed will be within the carbon monoxide layer. My point being, that it is incredibly difficult to know where the gas is accumulating. In real terms, it is impossible to know what is going on with a gas that is invisible, odorless, and tasteless.

WHERE DOES IT COME FROM?

Carbon monoxide is the result of incomplete combustion of oxygen and a carbon-based fuel. Too much oxygen, not enough oxygen, impingement, uneven temperatures in the burner compartment, and poorly adjusted Silent Killer:

Carbon monoxide (CO) is a colorless, tasteless, and odorless gas that is combustible in higher concentrations. It is impossible for the layperson to detect. Its symptoms vary with the concentration and the time exposed. Low levels over a long period of time will make you ill, and a high concentration over a short period of time will cause a kind of drunken stupor, and may put you down for a dirt nap. That is why a lot of people are killed by the carbon monoxide in the smoke long before the flames reach the victim. In higher concentrations, a victim can be confused by hypoxia, which is very much like being intoxicated by alcohol. The resulting confusion can prevent a victim from saving their children or fleeing the area. Sometimes they don't even realize there is a problem until it is too late.

CALIFORNIA RESIDENTIAL CODE (CRC)/ INTERNATIONAL RESIDENTIAL CODE (IRC) SECTION R315 CARBON MONOXIDE ALARMS:

R315.1 Carbon monoxide alarms. For new construction, an approved carbon monoxide alarm shall be installed in dwelling units and in sleeping units within which fuel-burning appliances are installed and in dwelling units that have attached garages.

R315.1.1 Power supply. For new construction required carbon monoxide alarms shall receive their primary power from the building wiring where such wiring is served from a commercial source and shall be equipped with a battery back-up. Alarm wiring shall be directly connected to the permanent building wiring without a disconnecting switch other than as required for overcurrent protection.

Exceptions:

1. In dwelling units where there is no commercial power supply the carbon monoxide alarm may be solely battery operated.
2. In existing dwelling units a carbon monoxide alarm is permitted to be solely battery operated where repairs or alterations do not result in the removal of wall and ceiling finishes or there is no access by means of attic, basement, or crawl space.

R315.1.2 Interconnection. Where more than one carbon monoxide alarm is required to be installed within the dwelling unit or within a sleeping unit the alarm shall be interconnected in a manner that activation of one alarm shall activate all of the alarms in the individual unit.

Exception:

1. Interconnection is not required in existing dwelling units where repairs do not result in the removal of wall and ceiling finishes, there

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is no access by means of attic, basement, or crawl space, and no previous method for interconnection existed.

R315.2 Where required in existing dwellings. Where a permit is required for alterations, repairs, or additions exceeding one thousand dollars (\$1,000), existing dwellings or sleeping units that have attached garages or fuel-burning appliances shall be provided with a carbon monoxide alarm in accordance with Section R315.1. Carbon monoxide alarms shall only be required in the specific dwelling unit or sleeping unit for which the permit was obtained.

R315.3 Alarm requirements. Single- and multiple-station carbon monoxide alarms shall be listed as complying with the requirements of UL 2034. Carbon monoxide detectors shall be listed as complying with the requirements of UL 2075. Carbon monoxide alarms and carbon monoxide detectors shall be installed in accordance with this code, the current edition of NFPA 720 “Standard for the Installation of Carbon Monoxide (CO) Detection and Warning Equipment” and the manufacturer’s installation instructions. Other carbon monoxide alarm and detection devices as recognized in NFPA 720 are also acceptable.

Carbon monoxide alarms required by Sections R315.1 and R315.2 shall be installed in the following locations:

1. Outside of each separate dwelling unit sleeping area in the immediate vicinity of the bedroom(s).
2. On every level of a dwelling unit including basements.

R315.3.1 Multiple-purpose alarms. Carbon monoxide alarms combined with smoke alarms shall comply with Section R315, all applicable standards, and requirements for listing and approval by the Office of the State Fire Marshal, for smoke alarms.

UNDERWRITERS LABORATORY 2034:

Code compliant detectors require time to absorb the carbon monoxide atoms. After a given period of time, at a given concentration, the alarm will go off. Underwriters Laboratory 2034 specifies the details of the alarm operation. CO alarms are listed in the Single and Multiple Station Carbon Monoxide Alarms Category (CZHF) that can be found in the UL Online Certifications Directory at www.ul.com/database

UL 2034 requires alarm actuation at the following levels plus or minus about 3%:

30+ PPM within 30 days

70+ PPM within 60 to 240 minutes

150+ PPM within 10 to 50 minutes

400+ PPM within 4 to 15 minutes

These standards are quite a bit less restrictive than the commercial standards required by OSHA or the EPA.

UL 2034

“Carbon monoxide alarms covered by this standard are not intended to alarm when exposed to long-term, low-level carbon monoxide exposures or slightly higher short-term transient carbon monoxide exposures, possibly caused by air pollution and/or properly installed/maintained fuel-fired appliances and fireplaces.”

<http://ulstandardsinfolnet.ul.com/scopes/scopes.asp?fn=2034.html>

Carbon Monoxide alarms as required by the building code are not a panacea for all carbon monoxide conditions. While 70 parts per million (ppm) is the lowest detectable concentration for most UL approved carbon monoxide alarms, there are people who are susceptible to lower levels of carbon monoxide. OSHA allows a maximum of 50 parts per million over an 8-hour period in the workplace. ASHRE recommends no more than nine parts per million over a 24-hour period. Some research suggests that levels down to five parts per million can cause some people problems, especially pregnant women and heart patients. The unborn fetus is very susceptible to low levels of oxygen and can be easily damaged by anything that interferes with the oxygen supply. (I wonder if this has something to do with the recent increase in autism.) And obviously, any health condition that affects one’s breathing will be exacerbated by anything that limits oxygen intake. In the end, it is generally accepted that about five parts per million for longer periods is the lower limit for chemically sensitive people. Remember, a high dose for a short time, or a low dose over a long period of time can cause symptoms. There are no hard and fast exposure rules. Carbon monoxide is a poison that is almost immeasurable in the atmosphere; every effort should be used to minimize its presence inside our homes. What are your acceptable levels of poison for your children?

ALARMS VS. DETECTORS:

Be aware, that there is a difference between an alarm and a detector. An alarm is a stand-alone unit, where a detector is generally part of a network, like a fire detection system. If there is a separate alarm, like a bell in the gable, it is probably some kind of a detector—a heat detector, a fire detector, or a burglar alarm, not a carbon monoxide alarm. Don’t be fooled by thinking an interconnected multiple station alarm is a detector; it is still considered a single station alarm. It is a subtle distinction but important to call both smoke alarms and carbon monoxide alarms, alarms, not detectors.

LOCATION, LOCATION, AND LOCATION:

Manufacturers recommend that there be one alarm outside of the bedrooms, one on each floor, and one in the basement. But if you are serious about using carbon monoxide alarms, then you should try to anticipate where the gas is likely to accumulate. I tell my clients, “One high, and one low.” There should be one placed at the ceiling much like a smoke detector, and one at the floor just about where your head is located while you are sleeping. Also, if there is any reason to suspect that an occupant may be chemically sensitive, then there are carbon monoxide detectors that can be found that do not meet the UL listing, or meet UL 2075, but are sensitive to much lower levels of carbon monoxide. Many times allergic conditions are resolved by the process of elimination. If you have a chronically ill child with breathing issues then I recommend investing in several low-level detectors to confirm the presence or absence of low-level carbon monoxide.

Bradley Deal, CCI, was raised in the family building business is Owner of 20/20 Home Inspections and received his BS in Heavy Construction Management in 1978. Mr. Deal is the author of many industry articles as well as the training manual, “A Real Estate Agent’s Guide to Home Inspections” and a weekly publication in the Turlock Journal.



The UCSD Shake Tour

BY SCOTT SWICKARD, CCI

The UCSD (University of California, San Diego) engineering department has one of the largest earthquake simulators in the United States. Also known as a “shake table” or “shake lab,” this sophisticated test center is used to test the strength of structures, buildings, bridges, dams, wind turbines and just about anything you can think of, against known forces of earthquakes or seismic events. This can be done with above ground structures, as well as sub-surface testing of foundations, anchor points and piers in different types of soil.

Andy French, CCI from the San Diego Chapter, and Scott Swickard, CCI from the Orange County Chapter, attended a tour of this facility on September 25 to learn more about this lab and its testing. The tour helped us understand the facility and how it works. We saw what can be learned about structural integrity from such testing and predict how certain structures react in a seismic event. More important is how such simulation and testing will affect the area of design, engineering and building standards in the future. Inspectors, armed with this information, can be in a better position to recognize potential structural vulnerabilities now and in the future.

For a quick video sample of what is done at this lab, follow this link: <http://tinyurl.com/p8blro6>

Plans are in place to set up a CREIA tour of this facility later this year for local chapters and other inspectors who are interested in this education. The ASHI Inspection World Conference is being held in San Diego in January of 2016, and long-range plans are to set up a tour of the facility as a part of the Inspection World in 2016.

Stay tuned for more information.

Sincerely,
Scott Swickard, CCI
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COMPETITIVE WARFARE

BY JOHN LEACH

The competition is cutting and the consumer just keeps getting smarter. What resources do you have in your armory to be competitive in your market? What is your competitive edge and how do you sustain it? Why would you purchase products/services from “you?” Where is the differentiation/unique niche? How are you different from your competition? Let’s start by analyzing what we bring to the fight (these would be the constituent parts of our processes).

First is the “U” Factor. The “U” Factor is defined as, putting a part of ‘U’ in every part of your presentation. One of the biggest risks we face in our society is devaluing our human capital. Falling behind the technology curve, getting unplugged from the knowledge network, or slipping out of the strategic mainstream are examples of how we devalue our human capital. Knowledge is one way to differentiate “you.” In addition to knowledge is the way we articulate our knowledge. Are you able to discern an individual’s level of education, their background, where they are rooted, and what circles of influence they may partner, by the way they articulate their thoughts? Knowledge and the way we apply it are integral parts of the “U” Factor. Let’s not forget integrity (ethos), which guides our client to realize our genuineness. So, how are you different? Do you deliver on your promises? Do you continue to educate yourself? Do you have superior customer service skills? Do your actions match your words? If you are not sure what makes you different, ask your clients why they chose to do business with you. Or, just as important ask your potential clients why they chose not to do business with you. You can also ask potential clients what they look for in a sales consultant (this will help define your objective).

I know there may be an audience that wants more than the “U” Factor. You know the audience I am referencing—the client that weighs you, measures you, and leaves you wanting. It’s this wanting that leads us to the next focus. A part of our process often overlooked is our organization (especially when the organization is a household name).

What does your organization bring to the fight? Is your organization a leader in a particular market? If the company is a leader: why? What is your company able to offer your client that other companies can’t? This will require you to research your competition. If you worked for your competition would you be able to offer all

of the benefits you can offer with your present company? Ask your clients what they want from a company. This would be a big step in differentiating “you” from the competition. Most sales consultants puke on their clients with all the benefits their company has to offer. Try creating value by first finding what is important to your client (Hot Button).

Another part of our process is to identify all of the risks and vulnerabilities impacting your client’s bottom line (profits), or impacting your clients personally (convenience). Thoroughly scanning your client’s environment for all risks and vulnerabilities (exposure) is your responsibility as a consultant. First, you must be cognizant of all the risks and vulnerabilities so you can educate your client to how exposed they are. How often do you hear clients use a moniker like, educator, when referring to sales consultants?

Now that we have exposed all the risks, we have to propose a solution that makes financial sense. Do the solutions save the client time and money? Do the solutions help the client become more competitive in their marketplace? We need to show the clients how our solution saves dollars and makes dollars. When you met the client you may have told them that you were going to show them how they were going to accomplish the aforementioned. If you do not meet your promise of showing how your products and services make financial sense, you have just lost your authentic presence. Remember, we did mention integrity. Conduct an ROI (return on investment) to help your client realize the solutions you are proposing make financial sense. If you do not know how to conduct an ROI, you can pick up a book on financial management or economics. How different would you be if you were able to show a client how your products and services increase cash flow, which allows them to meet debt service requirements (principle and interest payments), keeping them out of bankruptcy, or having to acquire more debt for financial leveraging? If you are going to talk-the-talk make sure you are able to walk-the-walk. Make sure you have thorough knowledge of this language.

These are the constituent parts of our processes: “U” Factor, Your Company, Risk/Exposure, and Solutions. It’s now up to you to analyze these constituents and see how they relate and interrelate, so you can exercise synthesis. The

combination of analysis and synthesis will help you produce a new and higher level of truth. You will find these truths to be the difference/unique niche that annihilates your competition.

So what is your unique niche? What is your strategy? Both are required for superior performance, but have different agendas. The broader your portfolio of advantages the less risk you face in competitive battles. Knowledge is power and serves as a shield against uncertainty. Therefore, do your homework. Know your competition, study your product lines, understand your industry, research your market, and seek out company resources. Remember, the goal is not competitive imitation, but competitive innovation.

“The principle of competing is against yourself. It’s about self-improvement, about being better than you were the day before.” ~ Steve Young

—John Leach makes home moving easy—> connecting all your common household utilities & services, such as Phone, TV, Internet, Home Security, Gas, Water, Electric, and many other services. John currently serves as the President of OneSource Solutions a rapidly growing home service connections company and has proudly serviced over 10,000 customers. OneSource was founded with the vision of providing a convenient and informative way for homeowners to select and activate their new home services in one call. OneSource helps connect phone, TV, Internet, Gas, Water, Electric, and many more services. OneSource now operates Nation-Wide as a free service and is becoming widely trusted and accepted throughout the Real Estate, Property/Leasing management, Builders, and Relocation Assisting communities.

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John values education and the knowledge gleaned from learning. As you can see listed in his education and training certifications. Moreover he has a greater respect for people who have a commitment to continually learn. This is a value that is continually positioned with his family and staff at OneSource. John has recently introduced his “Customer Loyalty Triple Play.” These programs drive customer loyalty and keeps your brand “top of mind.” Reach out to John to learn more.

Stackless Venting of Tankless Water Heaters and Category IV (High Efficiency) Appliance Vent Termination Clearance

BY MICHAEL CASEY, MCI, CNCS, ACI

The purpose of this short article is to address two questions I receive often through my retention as a technical support expert at www.honprofessional.com. The first being what are the clearances for a stackless (exterior) tankless gas water heater from building openings. It usually arrives with a photo below with the question “isn’t this too close to the window?” In this article we are only addressing the vent clearances. Yes there are other issues with this installation in the photo – such as there should be an electrical disconnect switch, and the flexible gas connector should be minimum 3/4-inch inside diameter. Full-flow ball valves are preferred for gas supply, and are allowable if labeled WOG (water-oil-gas) or CSA/AGA rated.



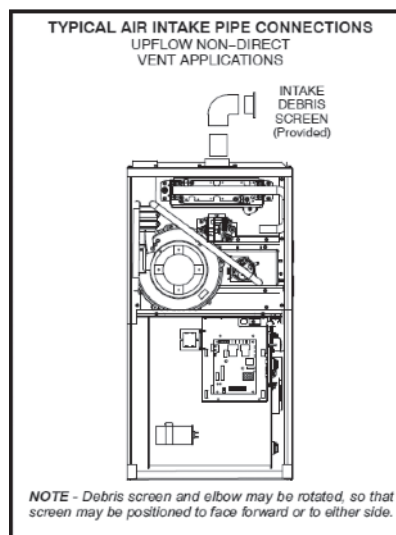
I have studied the installation manuals from nearly all of the prevalent tankless water heater manufacturers (Bosch, Rinnai, Takagi, Rheem, Navien, AO Smith). They are pretty consistent in their exterior model installation clearances – no closer than 12-inches (USA) to any air intake or building opening, or inside corner. Except Noritz brand, they are sticking with 4-feet to side or below or 1-foot above any building opening in their stackless unit instructions. Another vent clearance measurement of note is no closer than 3-feet to the soffit or roof overhang from the top of the heater.

All the instructions I have read also indicated to not install next to a dryer vent or any source of airborne debris, which can restrict the airflow in the combustion chamber.

This 12-inch minimum vent clearance to a building opening brings up another question I receive often; “is this high efficiency furnace vent (Category IV) termination too close to the openable window?” The answer again, per nearly all the condensing furnace instructions I have read, is 12-inches minimum from the opening (USA) is most likely correct

– as long as the installation is direct vent type. This 1-foot clearance is consistent with NFPA’s 2012 National Fuel Gas Code, which nearly all Gas Appliance and Piping Codes are derived from – in fact appliances less than 50,000 BTUs can be as close as 6-inches from an opening. Direct vent means both intake and exhaust are piped to the exterior to the same location. They may terminate together in a coaxial terminal assembly or separately to the same atmosphere.

If the installation is a non-direct vent type, meaning only the exhaust is piped (one pipe) to the exterior and the high efficiency appliance takes its combustion air from inside the house (usually the top of the furnace, as in the diagram) or location different than where the exhaust terminates, then the minimum clearance is (USA) 4-feet to side or below a building opening, or 1-foot above. In all cases the vent terminal(s) should be minimum 1-foot above finished ground level or anticipated snow level.



–Michael Casey, MCI, ACI, CNCS, is principal of Michael Casey & Associates; a national A.M. Best recommended consulting firm based in San Diego. Mike is past president of the California Real Estate Inspection Association (1994/1995) and of the American Society of Home Inspectors (ASHI) (2002). Mike is multi-code certified by the ICC and IAPMO. He is a licensed general, plumbing and mechanical contractor in several states

and a Virginia Certified Home Inspector. Besides co-authoring several books in the Code Check series and author of the Code History Master booklet and app, Michael has authored numerous other books, has taught home and building inspection nationwide and has an expert witness and claims consulting practice throughout North America since 1987. Mike has inspected over 10,000 buildings in his over 28-years career in the inspection profession. Mike and his wife Kelly operate Inspection Training Pros, an online and live class pre-practice home inspection school in California. Mike can be contacted at mike@MichaelCasey.com



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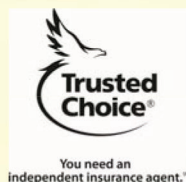
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LESSONS IN RISK MANAGEMENT: THE HIGH COST OF WINNING

BY DAVID MADARIAGA, ESQ. AND MICHAEL CASEY, ACI, MCI

When we attend home inspection conferences one of the main comments from home inspectors is that insurance companies always try to settle claims even if liability against the home inspector is questionable. While this is mostly true, the policy actually benefits the home inspector involved and the industry as a whole. Litigation is expensive, and litigation through to a defense verdict or award is very expensive. In most cases, attorney's fees that represent the bulk of litigation costs, are not recoverable. If insurance companies paid to litigate every questionable claim to its conclusion instead of seeking reasonable settlements in exchange for complete releases to avoid further litigation costs, insurance premiums to home inspectors would skyrocket. It costs a lot of money to prove you are right, and these costs are continually going up. Mike Casey can remember when first searching for E & O insurance in the 1980's the quoted premiums were upwards of \$10,000 annual. These days premiums for home inspector E & O are of the lowest we have ever seen. This is partly due to the ability of insurance companies to reduce litigation costs by negotiating early settlements in exchange for a full release.

Recently, Fowler Law Group obtained a ruling in a binding arbitration action that the home inspector had not breached the standard of care with regard to his listing inspection of a single-family residential house. Plaintiff, the purchaser, sought damages of over \$239,000 for past and future repairs, alleging that the sellers intentionally concealed and failed to disclose material defects as part of the sale. The sellers denied any liability, but still cross-complained against the home inspector who performed the inspection for them. Although Plaintiff did not sue the home inspector directly, she repeatedly argued that he had breached the standard of care and was jointly liable for a substantial portion of her alleged damages. The binding arbitration process, while much quicker than a court action, still lasted eight months and involved substantial written discovery and numerous depositions. Mike Casey acted as the standard of care expert for the inspector and offered valuable testimony at deposition and arbitration. The binding arbitration hearing lasted five days and cost \$5,811 (1/3 third share of the arbitrator's fees). In total, attorney's fees and costs for the defense of the

home inspector exceeded \$50,000, none of which was recoverable.

In another recent binding arbitration action, the arbitrator granted the summary judgment motion filed by Fowler Law Group, which argued that Plaintiffs had discovered all "material defects" alleged more than one year prior to filing her Complaint against the home inspector. In this case the CREIA Standard Residential Inspection Contract was executed, which clearly reduced the time limit for filing this type of claim from the four years standard statute to one year from the date of discovery. Plaintiff sought damages in excess of \$1,000,000 for property damage and personal injuries from exposure to toxic mold, and alleged that the home inspector was jointly liable for all damages despite alleging that conditions were concealed by the sellers. In this case, Plaintiffs actually argued that the home inspector, based on his skill and expertise, should have discovered that the sellers had concealed defects by patching and painting the house prior to the home inspection. Mike Casey acted as the standard of care expert for the inspector. The legal fees and costs billed to the home inspector's insurance company totaled over \$88,000. The cost for the arbitrator to consider and rule on the motion for summary judgment was in excess of \$11,000. Again, we were unable to recover attorney's fees, but in this case we were able to recover prevailing party costs under the fee shifting provisions of California Code of Civil Procedure § 998 regarding settlement offers (Plaintiffs did not accept a reasonable settlement offer of \$55,000 and opted to continue to pursue an aspirational amount). After granting the motion for summary judgment, the arbitrator awarded over \$23,000 in prevailing party costs to the home inspector. Fowler Law Group is currently working to collect this judgment from Plaintiffs through a wage garnishment and bank levies.

In yet another recent matter handled by counsel in South Carolina that Mike Casey worked as a consultant for the defense, the home inspector was sued in 2013 by his client, the buyer, along with many other defendant parties for defects in a home inspected and purchased during early 2009. Monetary demand was upwards of \$140,000. During the litigation the Plaintiff

continued to ignore reasonable settlement offers and site inspections were performed and several depositions were taken. Conveniently, during 2013 in the subject state an appellate decision was published enforcing the limit of liability (liquidated damages) clause in a home inspection contract regarding another matter. The inspector's attorney, provided by his insurance company, filed a Motion for Summary Judgment based in part, on this recent decision. The motion was heard and the Summary Judgment was granted and the inspector was ordered to pay the \$200 inspection fee back to the client as per the contract as full settlement. Of course, the cost to obtain this Judgment was over 100 times the cost of the Judgment.

Aside from the cost savings, settlement has other values to a home inspector. A settlement resolves the claim without the inherent risk of litigating a matter to judgment or award. No matter how good the facts are for the home inspector or the robust testimony of the home inspector and their experts, there is no guarantee that a jury or an arbitrator will agree that the home inspector has no liability. A settlement is not an admission of guilt, and the terms of the settlement can be kept confidential. A judgment against a home inspector is a public record and can affect personal and corporate credit ratings. Settlement eliminates the risk of a judgment against the home inspector. Settlement agreements can also contain remedies that would not be available even if the home inspector prevails, such as a requirement that negative internet postings be removed. An early settlement also allows the inspector to avoid the stress and time of appearing at deposition and testifying at trial. Finally, settlement allows the inspector to move on, get back to work, and stop worrying about the litigation.

The moral of all this is that you can be right or you can have lower insurance premiums, but you can't have both. So the next time your insurance company or defense counsel recommends an early settlement, don't fight it. Instead, work with them to obtain the best settlement possible, as early as possible. Sometimes Plaintiffs can be unreasonable, and

CONTINUED ON PAGE 15

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trial or arbitration will be necessary. Insurance companies are prepared for that and will defend their insured's through to the end if necessary. If the home inspector has insurance, the insurance company will pay the costs of litigation. We caution that not all matters work out as well as the ones presented herein, and in litigation, there are no guarantees.

—David Madariaga, Esq. of Fowler Law Group defends home inspectors throughout California for several errors and omissions insurance carriers. He has been a speaker at COA and ASHI conferences and has authored articles in NAHI, CREIA, and ASHI magazines. Mr.

Madariaga is AV rated by Martindale-Hubbell, and is the managing partner in charge of litigation and lead trial counsel at Fowler Law Group, where he also handles construction defect matters, transportation, and premises and products liability. He has been practicing law for over twenty-two years and is licensed in California and Nevada. Dave can be reached at dmadariaga@fowlerlawgroup.com

—Michael Casey, ACI, MCI is the principal of Michael Casey & Associates; a national A.M. Best recommended consulting firm based in San Diego. Mike is past president of the California Real Estate Inspection Association (1994/1995) and of the American Society of Home Inspectors

(ASHI) (2002). Mike is multi-code certified by the ICC and IAPMO. He is a licensed general, plumbing and mechanical contractor in several states and a Virginia Certified Home Inspector. Besides co-authoring several books in the Code Check series and Code History Master, Michael has authored numerous other technical books, has taught home and building inspection nationwide and has an expert witness and claims consulting practice throughout North America since 1987. Mike has inspected over 10,000 buildings in his over 28-years career in the inspection profession as well as been consultant or expert regarding over 600 inspector claims for both claimants and defendants. Mike can be reached at Mike@MichaelCasey.com



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JUST SO WE'RE ON THE SAME PAGE

NEW REQUIREMENTS FOR SMOKE ALARMS

BY CRAIG FUNABASHI, MCI, ACI



Prelude: The first automatic electric fire alarm was invented in 1890 by Francis Robbins Upton (U.S. patent no. 436,961). No surprise, Upton was an associate of Thomas Edison. "Ionisation" smoke detectors were first placed on the market in the United States in 1951 and were used only in major commercial and industrial facilities in the next several years due to their high expense and large size. In 1955, simple "fire detectors" for homes were invented.

The first standard for home smoke alarms was developed in 1967 by the National Fire Protection Association (NFPA) and is known as NFPA 74. In 1969, the AEC allowed homeowners to use smoke detectors without a license. The life Safety Code (NFPA 101, passed in 1976, first required smoke alarms in homes. By 1980, half of all Americans had at least one smoke alarm in their home. That number soared to 75 percent by 1984. Smoke alarm sensitivity requirements in Underwriters Laboratory UL 217 were modified in 1985 to reduce susceptibility to nuisance alarms and there is much debate between the types of alarms. There is much history from 1955,

through ground-breaking developments in the '70's to substantial articles of late explaining the difference between the two detection modes; Ionization versus Photo-Electric. But let us focus on the current legislature at hand.

Many of our Chapters throughout the State have already discussed the new law that took effect January 1, 2014, but it seemed prudent to publish the highlights from the Office of the State Fire Marshal just so we're all on the same page. The new law requires smoke alarms approved and listed by the Office of the State Fire Marshal to display the date of manufacture on the device, provide a place on the device where the date of installation can be written. The law also requires that smoke alarms that are battery operated to have a battery with a minimum life of ten (10) years.

The law also requires that the device incorporate a hush feature (to silence nuisance/false alarms), incorporate an end-of-life feature that provides notice that the device needs to be replaced, and, if battery operated, contain a non-replaceable, non-removable battery with a minimum 10-year life that is capable of powering the smoke alarm

for a minimum of 10 years. This law also allows the Office of the State Fire Marshal the authority to create exceptions to the above provisions via the regulatory process. Enforcement of the law could have been suspended for no more than six months if it was determined that a sufficient amount of smoke alarms were not available to property owners to meet the requirements of the new law by January 1, 2014.

It also requires that for all dwelling units intended for human occupancy, for which a building permit is issued on or after January 1, 2014, for alterations, repairs, or additions exceeding one thousand dollars (\$1,000), the permit issuer shall not sign off on the completion of work until the permittee demonstrates that all smoke alarms required for the dwelling unit are devices approved and listed by the Office of the State Fire Marshal pursuant to Health and Safety Code Section 13114.

Here are some additional thoughts on smoke alarms, noting that we no longer refer to the most common units as smoke detectors.

Smoke detectors are a different type of life-safety device not typically found in most homes today. It has been generally accepted for a while now that smoke alarms, like many devices, have a finite service life and that life is 10 years. The challenge for home inspectors has been determining the age of the device. If the date of manufacture was labeled, the unit still had to be removed from the mounting bracket to read it and the size of the lettering font was extremely small. The new alarms have a place to hand-write the installation date on the outside surface and the 10 year battery makes perfect sense supporting the life-span.

General requirements include installing smoke alarms in all sleeping rooms, hallways and or other areas immediately outside sleeping rooms, and on all habitable levels. Installing them in attics, basements and garages is also good measure, even if not required. Although it is always best to recommend referring to manufacturers' installation instructions, smoke alarms should generally be installed near the highest point in the room, either on the ceiling or upper portion of the tallest wall. Installations in rooms with vaulted ceilings are often compromised. As smoke rises to the highest point first, an alarm located just over the doorway, several feet below the ceiling will not be as effective as one installed on or near the ceiling.

Since the 1988 standards, smoke alarms should be interconnected, meaning if one senses smoke, all the connected unit's alarms should go off (annunciate). It is best to alert occupants as soon as possible when a fire occurs in another room or on another level.

The last big question is how to evaluate smoke alarms and whether to "test" or not test smoke alarms. The CREIA Standards of Practice require inspecting for the "Absence of smoke (and carbon monoxide) alarms", but does not require the inspector to "Operate, test or determine the type of smoke or carbon monoxide alarms". Whether or not you press the test button to verify the alarm function or use canned smoke is up to you. The verbiage in your report should reflect the method you used. Duty of Care for this and other issues in your local area should be discussed often at your local CREIA meetings.



Inspecting Rafters & Trusses

BY KEN TERRY, CCI

There are significant differences between roof structures when it comes to rafters and trusses and what home inspectors are looking for.

Rafters are generally built with conventional lumber ranging in various sizes depending on the span, the length from bearing point to bearing point, and load of materials, the roofing materials and such that they will be carrying. There are many factors that an inspector takes into account when checking the structural integrity of the roof framing. The basic factors take into account the visual condition of the exterior roof structure as well as the interior when viewing the ceiling and the interior conditions of the attic. When on the surface of the roof an inspector is looking for sagging, waving, or collapsing of the roofing structure itself. Each condition conveys information as to the integrity or deficiency of the structure. I've seen roof framing stressed to the brink of collapse because they had installed a concrete tile roof system on a roof frame that was only designed for a shingle roof system. There's a considerable deference in the weight between the two materials. And the conditions from within the attic can tell a story too. Conditions that an inspector is looking for is the correct support of the roof by the use of purlins, angled struts from a bearing wall to the rafters, and collar ties, horizontal framing members that connect the rafters together that help in the support and cut down the span of the rafters. The correct installation of these framing members is really paramount to the structural integrity.

Trusses are a different framing system but they function basically the same way. Trusses are an engineered framing system that are designed and prefabricated and then installed on a house or building. As a home inspector I am checking for the structural integrity of the truss and the components that support it. Basic truss failures come when they were installed and either the top cord, bottom cord, or struts of the trusses

have been damaged. Damaged to the trusses could have occurred when installed or overloaded. I've seen these storage systems that people hang from their garage ceilings overload the truss components and have the bottom cords fail. They really aren't designed to carry that kind of extra weight. Another very important structural component in the truss framing is the sway bracing. These are 2x members installed at a 45 degree angle to prevent the gable ends from being blown over by the wind. Most areas in the California experience serious windy conditions at some time of the year and the correct installation of these components is very important to the roof framing system. You don't want Mother Nature to blow your house down. The webbing in the trusses should be tied together as well.

One last detail to be concerned about with trusses is that they are factory-built to specifications and cannot be cut or otherwise modified without a written engineer's report approving the modifications. If you see cuts or removed web members to accommodate a furnace for example, be sure to report it and recommend further evaluation.

The importance of the structural integrity of the roof framing system is obvious. The individual components of the roof framing come together to provide a sound platform for which the roofing system can protect the house and its contents from rain, snow, and the elements.

Whenever I am inspecting a house or structure I report those conditions that are assessable and visible. I also document and convey those conditions, including the roof structures, which are functioning as designed.

*Ken Terry CEO/Inspector
American West Home Inspection, Inc.*

CREIA's Standard Residential Inspection Agreement and the Standards of Practice – A Perspective

BY STEVE JOHN, MCI

It has been eight years now since the CREIA Standard Residential Inspection Agreement (Contract) and the Standards of Practice (SOP) were overhauled in 2006. This article is intended to help members gain a better perspective and understanding of these critical documents, how they developed, their purpose, and how they relate to your duties as a home inspector. Many newer members won't even be aware of our older documents or the reasons for their overhaul. However, I still get questions about why they were changed so I revised an article I wrote years ago. And, more important, everyone should have a better understanding why they were overhauled and the philosophy that guided their development.

Let us start by taking a look at how the legal community has received the CREIA Contract and SOP. To date, none of us on the Standards of Practice and Contract Committees have become aware of any successful legal challenges to any of the provisions and all of the feedback that we have received from the legal community has been overwhelmingly positive. So, on that basis alone, I would say the effort has been a resounding success. (NOTE: We are always anxious to hear any information on court challenges to any provisions of the contract. Keep us posted.)

Before the revisions were made we had feedback from the legal community that some of the provisions were putting our inspectors in direct jeopardy. We were told that we were putting a gun to our heads or at least shooting ourselves in the foot. We got feedback that it was easier to defend an inspector that used an ASHI contract and SOP, than our own. Well all that has changed and we never hear stories like that anymore. Every sentence, every word, every nuance was analyzed specifically from a legal perspective.

In the state of California we have a unique legal environment and our Contract and SOP are the only ones directly tailored to reflect that reality. The most important provisions of California law are laid out in the Business

and Professions Code Chapter 9.3, Sections 7195 through 7199. Every one of us must be responsible for knowing and understating these requirements. These provisions define what is required of a home inspector in California and are so important that how they impact and relate to our Contract and SOP is the subject of a companion article that you are also encouraged to read – “SAFETY: The California Business and Professions Code and the CREIA Contract/SOP”.

The process of revising the Standards of Practice was started by Jerry McCarthy, Duane McCutcheon, Al Virtue and myself. We were joined by George Harper, Steve Rush and Gary Sniffin with input from Bill Poulton, all the members of the state board, and many members throughout the state who took the time to get involved. Every word of the SOP and Contract was vigorously debated by very strong egos that managed to come to unanimous agreement after a grueling year long process that consumed a few of our lives. They were reviewed and approved by lawyers, Kris Thompson, Dave Roberson and the legal team at the Marian Allen insurance company. They all felt that decisive improvements were made from the previous edition. All comments from legal review were incorporated into the final version. As part of the overall process there was a point by point comparison between the ASHI SOP and contract and CREIA's and the differences between the two where narrowed as much as possible in comparison to our previous SOP. California operates in a unique legal environment and this accounts for most of the remaining differences. (The CREIA Contract and SOP are the only ones written specifically to comply with California law.) The SOP and Contract went through membership review and over a hundred comments were received that resulted in many important changes.

Our intention from the beginning to the end of the revision process was never to change the practices that most inspectors have been following. Our goals were to streamline the

SOP, make it as understandable as possible to the client, make it more concise, precise and dynamic, eliminate all internal conflicts, make it true to the Building and Professions Code, and make it legally defensible.

One of the most profound improvements was to integrate the Standards of Practice directly into the contract. Jerry McCarthy was the first to promote the idea that the SOP should be incorporated into the contract and be an integral part of it. The rest of us were initially skeptical, but each of us eventually came around to understand the very real benefits of that concept and the lawyers all immediately supported the idea. What value is there if the SOP is not used and disseminated by us and understandable to the client? Just think how much more powerful it is to have the SOP as part of the contract rather than just being referred to. Now that our clients can be expected to read the SOP along with the contract they can no longer claim ignorance of the limitations. The importance of this change alone cannot be overstated. Every inspector is advised to provide the Contract and SOP as a package to their clients before the inspection or at the very least, at the beginning of the inspection. Every inspector is advised to print the contract and SOP at the beginning of each report and make them an integral part of every report they print or send out in electronic format. This is the best way to make sure the inspector is not losing the protections provided by the Contract/SOP. In fact we should probably all start referring to it as Contract/SOP so that everyone understands how integrated they truly need to be.

Some people would like our standards to be more like a guide that an inspector can use, kind of like a field guide. The problem with this is that it has no logical conclusion and every effort in this direction just makes the SOP longer and longer. The SOP needs to be directed towards our clients not the inspector. It needs to be short and concise enough that we

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can reasonable expect our clients to both read it and understand it. It seems self-evident that if our clients can't understand it and don't read it, than it will not be as strong of a legal document. And this brings me back to the most critical point of all. Both our contract and SOP are, above all else, legal documents and every word was chosen with that in mind. It must be fair to our clients in setting out a reasonable scope of work and responsibility for the inspector. And it must be fair to the inspector in setting out reasonable limitations to what could otherwise be a very open-ended liability.

We had to make a choice between a user friendly guide for inspectors and a concise document our clients can read and understand as well as a document that would hold up in court. We shortened the document to make it more usable and I hope everyone understands why we made this choice.

We have received comments from some inspectors that they felt the Standards were "weakened" as they were condensed. The best way to address this issue is to use an example. The new Standards simply state that you are required to inspect "water heaters". The old standard included a lot more words: "Water heating equipment, including combustion air, venting, connections, energy sources, seismic bracing and temperature-pressure relief valves". Two words versus 17. Did we change the standard? Our answer is an emphatic NO! You must still inspect all of those "components" to properly inspect the water heater "system". There is just no need to list them all. None of those components were added to the excluded section. Here is the reasoning for our decision to use two words rather than 17. This inclination to expand from simply listing the system to listing a longer list of components can be played out over and over again. I could show you in the old SOP a dozen places where it would make just as much sense to expand from two words to 17 so that we could list all the important components of other systems just like we did for water heaters. The old SOP lacked internal constancy in this way and we strove to analyze and minimize these inconsistencies as much as possible. Of course expanding each item this way would have expanded the entire SOP greatly rather than shrinking it. In fact, when taken to its logical conclusion, the SOP would have expanded exponentially. This example, as many possible others, should show that there is no change in the scope of an inspection for these items at all.

There are some items that were previously excluded or considered options that are now included in our SOP. These are specifically: the

major built-in kitchen appliances (stove, range hood, oven, dishwasher and garbage disposal) and garage doors and garage door openers. In addition, lot drainage issues are no longer limited to five feet and you should be looking at this issue more carefully than in the past. These expanded our scope of responsibility in ways we felt were in the best interests of our clients and reflected what most of our inspectors were already doing.

I have one last aspect to talk about in this article. Any standard of practice, by its nature, is the minimum that is required and should be considered a floor below which you can never go. You need to rise above this level and the more you do, the lower your potential liability. For instance our standards allow us to inspect a representative number of doors and windows. However, most inspectors inspect every window and door that is accessible and I feel that every one of you needs to do the same. The reason the SOP allows a representative sample is because we know that not every door or window will be accessible and this gives you some freedom from an absolute standard that would require you to inspect each one. I do not think you should abuse this escape clause and feel that each of us needs to make a reasonable effort to inspect each and every door and window. Each is unique and each has a unique potential for defects.

I am absolutely convinced that the better job that you do for your clients the less of a chance you will have a lawsuit. We know lots of inspectors that have gone a decade or more without ever being sued. We have others that seem to be dealing with a suit almost continually. I know that even the most conscientious can be sued by an unreasonable client, but on balance, the evidence is clear – rise to a higher standard and your liability will drop dramatically.

To reiterate the main points of this article:

- The legal community and CREIA leadership has resoundingly endorsed the current CREIA Contract/SOP.
- CREIA is the only association with a Contract/SOP that is specifically written for California's unique legal environment and is compatible with the California Building and Professions Code.
- Condensing and integrating the Standards of Practice into the Contract has made it more widely used, more understandable to the client, and more legally defensible.
- It is a mistake to send out a report that does not have the Contract/SOP attached.

- The newer standards do not change the practices for most inspectors and the scope of our responsibility was actually increased, not diminished.
- The Standards of Practice should not be considered a field guide because that ideal had to be abandoned to realize all the other objectives.
- Any standards by their nature need to be considered minimum standards and you should strive to provide a higher personal standard for your clients – it will lower your liability and you will sleep better at night.

If you would like to participate further in this discussion or have any questions or concerns, please email me directly. If you have a passion for the development and continued improvement of our CREIA documents, we have a place for you on the Standards of Practice and Contract Committee. Let me know about your interest.

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CHAPTER CALENDAR 2014

NORTH BAY CHAPTER:

1st Wednesday of the month, 6:30 p.m.
Ping's Restaurant, 817 W Francisco Blvd.,
San Rafael, CA 94901

SHASTA / CASCADE CHAPTER:

2nd Tuesday of the month, 6 p.m.
Sailing Boat Restaurant,
2772 Churn Creek Rd., Redding, CA 96002

DELTA CHAPTER:

2nd Wednesday of the month, 6 p.m.
CK Grill, 14725 S Harlan Rd, Lathrop, CA

GREATER SACRAMENTO CHAPTER:

3rd Tuesday of the month, 6 p.m.
Lion's Gate Hotel at McClellan Park,
3410 Westover St., Sacramento, CA 95652

GOLDEN GATE CHAPTER:

1st Tuesday of the month, 6 p.m.
Buttercup Grill & Bar,
660 Ygnacio Valley Road, Walnut Creek, CA 94596

SAN FRANCISCO / PENINSULA CHAPTER:

4th Tuesday of the month, 6 p.m.
Mountain Mike's Pizza,
120 El Camino Real, Redwood City, CA 94062

SILICON VALLEY CHAPTER:

2nd Wednesday of the month, 6 p.m.
Blue Pheasant Restaurant,
22100 Stevens Creek Blvd. Cupertino, CA 95014

KERN COUNTY CHAPTER:

3rd Tuesday of the month, 6 p.m.
Casa Munoz Restaurant,
Corner of 18th & Union Ave., Bakersfield, CA 93305

SAN JOAQUIN VALLEY CHAPTER:

3rd Wednesday of the month, 7 p.m.
Lety's Restaurant, 4770 E. Clinton Ave., Fresno, CA 93703

TRI COUNTIES CHAPTER:

2nd Thursday of the month, 6 p.m.
Grinder Deli Restaurant & Catering,
1 W Los Angeles Ave., Moorpark, CA 91321

LA/VENTURA CHAPTER:

1st Thursday of the month, 6 p.m.
Knights of Columbus Hall #3601,
21433 Strathern St., Canoga Park 91304

SAN LUIS OBISPO CHAPTER:

3rd Tuesday of the month, 6 p.m.
Margie's Diner,
1575 Calle Joaquin, San Luis Obispo, CA 93405

LOS ANGELES WEST/SOUTH BAY CHAPTER:

3rd Wednesday of the month, 5 p.m.
Coco's, 2620 N Sepulvada Blvd, Manhattan Beach, CA 90266

ORANGE COUNTY CHAPTER:

3rd Monday of the month, 6:30 p.m.
The Hometown Buffet,
1008 East 17th St., Santa Ana, CA 92704

GREATER SAN GABRIEL VALLEY CHAPTER:

2nd Tuesday of the month, 6 p.m.
Zapata Vive, 101 S. 1st Ave., Arcadia, CA 91006

INLAND EMPIRE CHAPTER:

2nd Wednesday of the Month, 6 p.m.
Hometown Buffet,
10910 Foothill Blvd., Rancho Cucamonga, CA 91730

LA MID VALLEY CHAPTER:

Last Thursday of the month, 7 p.m.
LaRocca Inspection Associates,
2315 Burbank Ave., Burbank, CA 91506

PALM SPRINGS CHAPTER:

3rd Thursday of the month, 6 p.m.
Doral Desert Princess Resort, 67-967
Vista Chino & Landau, Cathedral City, CA 92234

NORTH SAN DIEGO/TEMECULA VALLEY CHAPTER:

2nd Thursday of the month, 5:30 p.m.
Castle Creek Golf Club,
8797 Circle R Dr, Escondido, CA 92026

SAN DIEGO CHAPTER:

1st Tuesday of the month, 5:30 p.m.
The Butcher Shop Restaurant,
5255 Kearny Villa Road, Blvd, San Diego, CA