

MOLD AND HOMEOWNER'S INSURANCE

Due to the unprecedented number of claims relating to mold damage in Texas, since January 1, 2002, many insurance companies began modifying their Homeowner's (HO-B) policy. Some insurers are canceling existing homeowners' policies, and several companies are no longer writing new policies. Some companies are even shifting existing customers from their current comprehensive policy (HO-B) to a more basic homeowner's policy (HO-A) that limits coverage for water to sudden and accidental losses only and excludes or limits mold damage.

This complex and evolving issue can be summarized in three parts:

1. **EDUCATION** – Buyers and Sellers need information about the causes and effects of mold in homes from reputable sources. Ebby Halliday, REALTORS® and Home Team Insurance are not experts on mold and encourage Buyers and Sellers to seek information from appropriate resources. The Texas Department of Insurance's Web site (www.tdi.state.tx.us) has a Mold Resource Page. Additional information may be obtained from the Centers for Disease Control (www.cdc.gov), the Environmental Protection Agency (www.epa.gov/iaq), and the Texas Department of Health (www.tdh.state.tx.us).
2. **DISCLOSURE** – If mold is present in a home, the property owner and his REALTOR should disclose such information. The Ebby Halliday, REALTORS Seller's Disclosure Notice asks if the Seller is aware of any reports, repairs or treatment regarding any environmental conditions, such as asbestos, radon gas, lead-based paint and Stachybotrys – commonly known as black mold.
3. **INSURABILITY** – It is advised that a Buyer consult with his insurance agent at the beginning of his search for a home to discuss insurance availability, the various coverage and differences between a Homeowner-A, Homeowner-B and Homeowner-C policy and the costs in securing insurance for a home.

It is important for you as a Buyer and/or a Seller to visit with your insurance agent as soon as possible to learn your upcoming options on Homeowner's Insurance or call Home Team Insurance at 972-385-6170, for a free consultation.

For more information ask your Ebby Halliday Associate for a handout entitled: *Mold: A Checklist for Buyers and Sellers* that gives basic information on how to address the issue of mold when buying or selling a home.
