

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: SB 638

INTRODUCER: Senator Martin

SUBJECT: Home Inspectors

DATE: March 18, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Baird	Imhof	RI	Pre-meeting
2.			CA	
3.			RC	

I. Summary:

SB 638 revises the examination and disclosure requirements for home inspectors. The bill also amends the requirements for the required course of study the home inspector must take, to provide that the course of study must:

- Increase from 120 hours to 200 hours;
- Cover state insurance inspections, wind mitigation, and four-point and roof inspections;
- Include a minimum of 8 hours covering the basics of the Florida Building Code; and
- Include a minimum of 8 hours covering report writing, including a practical component.

The bill provides that it is sufficient for a home inspector to provide a copy of their license or their license number to the customer before contracting for or commencing a home inspection.

The bill also provides that home inspectors shall maintain an ‘errors and omissions insurance policy’ in the amount of not less than \$300,000 per policy and that the home inspector must maintain both of those specified insurance policies (general liability and errors and omissions) in order to hold a valid license.

The bill provides an effective date of July 1, 2025.

II. Present Situation:

The DBPR Licensing

Sections 455.203 and 455.213, F.S., establish general licensing authority for the Department of Business and Professional Regulation (DBPR), including the authority to charge license fees and license renewal fees. When a person is authorized to engage in a profession or occupation in

Florida, the DBPR issues a “license,” which may be referred to as either a permit, registration, certificate, or license.¹ Those who are granted licenses are referred to as licensees.²

Home Inspectors

Home inspectors are defined as “any person who provides or offers to provide home inspection services for a fee or other compensation.”³ The Florida Legislature determined there is a need to require the licensing of home inspectors to ensure that consumers can rely on the competence of home inspectors.⁴ According to the DBPR, there were 8,884 actively licensed home inspectors in Florida, in 2023.⁵

Home inspectors have to meet a number of requirements in order to receive and maintain licensure from the DBPR. The current requirements to be a properly licensed home inspector are:⁶

- Submission of an application;
- Passing a department approved examination;
- Completion of a department approved 120-hour course of study that covers a home’s structure, electrical system, HVAC system, roof covering, plumbing system, interior components, exterior components, and site conditions that affect the structure,
- Payment of fees;
- Being of good moral character and submitting to a criminal background check; and
- Obtaining a \$300,000 commercial general liability insurance policy.

In lieu of passing a department approved examination and completion of a department approved course of study, an applicant may obtain licensure through endorsement, so long as they maintain an insurance policy and have held a license for at least 10 years in another state or territory. However, such an applicant must apply while they hold a valid license in another state or within 2 years after the expiration of such license.⁷

In 2024, the Florida Legislature passed SB 382 (ch. 2024-189, Laws of Fla.) into law that exempted certain DBPR license holders from the continuing education requirements.⁸ Among those included in the exemption were home inspectors. In order for a home inspector to be

¹ Section 455.01(4), F.S.

² Section 455.01(5), F.S.

³ Section 468.8311(3), F.S.

⁴ Section 468.83(2), F.S.

⁵ Department of Business and Professional Regulation, *Annual Report, Fiscal Year 2022-2023*, at <https://www2.myfloridalicense.com/os/documents/Division%20Annual%20Report%20FY%2022-23.pdf> (last visited March 18, 2025).

⁶ Department of Business and Professional Regulation, *Home Inspectors – FAQs*, at <https://www2.myfloridalicense.com/home-inspectors/faqs/> (last visited March 18, 2025).

⁷ Section 468.8314(a) and (b), F.S. The license must be from a jurisdiction that has educational requirements substantially equivalent to those required in Florida and that the home inspector must have passed a national, regional, state, or territorial licensing examination that is substantially equivalent to the examination required in Florida.

⁸ Codified at s. 455.2124, F.S.

exempted from the continuing education requirements (14 hours, at least 2 of which are in hurricane mitigation training)⁹, the home inspector must:¹⁰

- Hold an active license issued by the DBPR to practice the profession;
- Have continuously held the license for at least 10 years; and
- Have had no disciplinary action imposed on the individual's license.

Insurance Types

Commercial General Liability Insurance

By law, Florida requires home inspectors to maintain at minimum a \$300,000 commercial general liability insurance policy.¹¹

Commercial general liability insurance is a standard insurance policy issued to business organizations to protect them against liability claims for bodily injury and property damage arising from a company's premises, operations, products, completed operations, and advertising, this also includes personal injury liability.¹²

Errors and Omissions Insurance

Errors and omissions insurance, sometimes known as professional liability insurance, protects the insured against liability for committing an error or omission in performance of professional duties.¹³ These policies are specifically designed to protect professionals against financial losses arising from claims of negligence, errors, or omissions in the professional services they have provided, which subsequently cause financial harm to their clients.¹⁴ Other jurisdictions that have implemented mandatory errors and omissions insurance requirements typically do so in order to protect not only the home inspector but also the customer contracting for the home inspector services.

III. Effect of Proposed Changes:

Section 1 of the bill revises the course of study requirements for home inspectors by increasing the minimum number of hours from 120 to 200.

Additionally, the bill provides that the required course of study must include the covering of "state insurance inspections, wind mitigation, four-point and roof inspections."

⁹ Section 468.8316, F.S.

¹⁰ Section 455.2124(2)(a), F.S.

¹¹ Section 468.8322, F.S.

¹² International Risk Management Institute, Glossary of Insurance and Risk Management Terms, *Commercial General Liability Insurance*, at <https://www.irmi.com/term/insurance-definitions/commercial-general-liability-policy> (last visited March 18, 2025).

¹³ International Risk Management Institute, Glossary of Insurance and Risk Management Terms, *Errors and Omissions Insurance*, at <https://www.irmi.com/term/insurance-definitions/errors-and-omissions-insurance> (last visited March 18, 2025).

¹⁴ American Home Inspectors Training, *Everything Home Inspectors Need to Know About Errors and Omissions Insurance*, at <https://www.ahit.com/home-inspection-career-guide/home-inspector-errors-and-omissions-insurance/> (last visited March 18, 2025).

Section 2 of the bill provides that it is sufficient for a home inspector to provide a copy of their license or their license number to the consumer before contracting for or commencing a home inspection.

Section 3 of the bill amends the insurance requirements for a home inspector, providing that a home inspector shall maintain a commercial general liability insurance policy **and** an errors and omissions insurance policy in an amount of not less than \$300,000 per policy.

Section 4 of the bill makes conforming changes in statute for the insurance policy requirements.

Section 5 of the bill provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 468.8313, 468.8321, 468.8322, and 468.8314.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.