

U.S. Department of Housing and Urban Development

550 12th, SW
Suite 100
Washington, D.C. 20410



OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Inspector Notice No. 2009-01

To: All HUD Inspectors Certified in the use of the Uniform Physical Condition Standards (UPCS) Inspection Protocol

FROM: Robert L. Garrett
Inspector Administration

SUBJECT: UPCS Inspection Protocol
General Liability Insurance Requirement

EFFECTIVE DATE: March 16, 2009

This notice establishes insurance requirements for all inspectors certified who conduct UPCS inspections of HUD assisted and insured properties. All inspectors conducting UPCS inspections are required to have liability insurance to ensure they are covered in the event there is any damage to a property as a result of the UPCS inspections he/she conducts.

Certified UPCS Inspectors

- A. Effective June 1, 2009, in order to maintain active UPCS certified inspector status and be able to conduct UPCS inspections, each inspector must:
1. Purchase and maintain General All Risk Liability insurance with limits not less than a Combined Single Limit of \$1,000,000 per occurrence, and \$2,000,000 aggregate;
 2. Purchase the required insurance at his/her own expense;
 3. Purchase a policy that is effective from June 1, 2009 through December 31, 2009.
 4. Name HUD as the Certificate Holder of the policy;
 5. Include his/her REAC user ID number (the 5 character "M" number) on the face of the insurance certificate with the information naming the "Insured" party;
 6. Forward a copy of the Certificate of Liability Insurance to HUD, no later than May 15, 2009;

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Attn: Physical Inspection Training Division

7. Send any changes to the insurance carrier and the policy to HUD at the address above prior to their effective date; and
 8. Carry a copy of the current Certificate of Liability Insurance when conducting UPCS inspections as proof of having the required insurance protection. This document must be made available upon request during all UPCS inspections.
- B. Beginning in 2010, and continuing every year thereafter, in order to maintain active UPCS certified inspector status and be able to conduct UPCS inspections, each inspector must:
1. Renew the required insurance policy for an annual term of 12 months from January 1 through December 31;
 2. Forward a copy of the new Certificate of Liability Insurance to HUD at the address above no later than 30 days prior to the effective date of the renewal policy;
 3. Send any changes to the insurance carrier and the policy to HUD at the address above prior to their effective date; and
 4. Carry a copy of the current Certificate of Liability Insurance when conducting UPCS inspections as proof of having the required insurance protection. This document must be made available upon request during all UPCS inspections.

Administration:

Failure to provide HUD with the initial proof of required insurance or to provide HUD with proof of the annual renewal of the policy will result in the inspector not being able to conduct UPCS inspections because the inspector will be unable to schedule, download, and upload inspections.

New Inspector Candidates:

1. Individuals taking the UPCS Inspector Certification Training – currently Phases I and II – are not required as a condition of the training to purchase liability insurance coverage prior to successfully completing the course. Reverse Auction Program (RAP) contractors taking Phase II will have the insurance because it is a requirement to be RAP contractor.
Individuals who are conducting UPCS inspections for a RAP contractor when they conduct their Phase II inspections may be required to have the insurance as part of his/her arrangement with that contractor.
2. After an individual successfully completes Phase II of the UPCS training and is certified to conduct UPCS inspections, he/she must procure the liability insurance prescribed above **prior to** being able to conduct a UPCS inspection.

Should you have any questions about this notice, please contact the REAC Technical Assistance Center (TAC) at 1-888-245-4860, or REAC_TAC@HUD.GOV.