

Real Estate Case Study

Buyer falls during home inspection



Case Details:

The insured agreed to sell a property and whilst showing a prospective buyer the premises, the buyer stepped into a sunken lounge room in the dark and fell, suffering significant personal injuries. The prospective buyer claimed negligence in that the insured failed to:

- Ensure that the premises were adequately lit
- Ensure that the premises were safe for inspection
- Ensuring that the buyer was not put in a situation of danger

The insured indicated that the buyer took it upon themselves to move freely around the house without direction. In the room where the incident occurred the drapes were open, however it had a Holland blind which was down at the request of the owner to keep the premises cool.

The buyer pursued this matter aggressively and appointed solicitors to act on their behalf. To settle this matter, an offer was made on the insured by the way of a 'Calderbank' letter. Through negotiations between the insurer and claimant it became evident as to the extent of the injuries sustained by the buyer.



Case Outcome:

Legal

Negotiations ensued between relevant parties upon which it was agreed this matter would settle for \$200,000 all costs inclusive. The settlement was so high because the insured required a high level of medical treatment and had also suffered permanent incapacity post incident.

Policy Response

It was very clear here that the insured failed in their professional duty by not ensuring the property was completely safe for inspection before allowing the prospective buyers to access the premises. The Policy responded and indemnity was extended to the insured, in respect to the claim submitted against them. The insured was required to pay the excess.



Reduce Your Risk:

- Do not allow the insured to the premises until you are satisfied it is safe and well lit. Warn the buyers about anything you feel may be hazardous;
- Make sure your instructions are clear and concise and that they are followed;
- Do not allow prospective buyers to move freely around the premises if it can be avoided.