



Risk Insurance Brokers

Property Repair Tips

Hiring a Qualified Contractor

Experiencing property damage due to a catastrophic event can be stressful and rebuilding can seem unmanageable. Use these tips to help you through the repairing and/or rebuilding process so you can get your property repaired and back in working order.

After a catastrophe, salespeople go from door to door offering clean-up and repair services. While many of these people are honest and reputable, some may have other motives.

Below is a list of recommendations from various governmental authorities to help you protect yourself from unscrupulous operators.

Get an Estimate

Don't be rushed into signing a contract with a company. Instead, collect business cards and get several written estimates for the proposed job. Be especially suspicious of door-to-door sales people who make "lowball" estimates, refuse to leave a contract overnight or try to sell their services to you by playing on your emotions.

You can also call your insurance adjuster and request an estimate of the damage and probable repair cost. This will give you a benchmark estimate prepared by a professional that you can use to negotiate with contractors.

Review the Contractor's Background

If a contractor comes to your door and offers to do repairs, you should thoroughly review their background by asking the following questions:

- **Does the contractor have a permanent business location? Be careful when contracting with out-of-town businesses.**
- **How long have they been in business? It usually takes several years to establish a financially sound business.**
- **Will they be around after the construction is complete to service any warranties?**

You should also inquire about the contractor's professional reputation by talking with banks, building material suppliers, or the contractor's previous customers. Check with the Better Business Bureau to make sure the contracting firm has no outstanding consumer complaints filed against it. And if the salesperson is unknown to you, write down his or her driver's license number and license plate number.



Risk Insurance Brokers

Check for Insurance

Your insurance contract may allow for temporary repairs as necessary, but beware of contractors who want to spend large amounts on temporary repairs. It is possible that a permanent repair can be made for a small additional amount. Your insurance adjuster can be helpful in determining when temporary repairs are necessary.

When a contractor is hired, make sure they have a performance bond and are registered or licensed. In most states, all contractors doing business in the state are required to be registered or licensed. This does not guarantee the contractor's performance, however it does mean that the contractor has at least minimal liability insurance and a surety bond to help protect you if there is a problem.

You should also ask to see a copy of the contractor's insurance certificate or the name of the insurance carrier and agency. Make sure they carry general and personal liability insurance, property damage insurance, and workers' compensation.

Do not do business with a contractor who does not have these insurance coverages. If the contractor is not insured, you may be liable for construction-related accidents that occur on your property. You can easily verify the coverage by calling the insurance carrier.

Get Everything in Writing

Make sure there is a well written contract and if there are substantial costs involved, then have a lawyer review the contract. Be sure to keep a signed copy of the contract and that the contract is complete—never sign a contract with blanks because unscrupulous salespeople may enter unacceptable terms later.

It's important that you get everything in writing and read the fine print. This includes:

- **Written details of the total cost**
- **Details of the work to be done**
- **Time schedule**
- **Project guarantees – what is guaranteed, who is responsible and how long it is valid**
- **Payment terms**
- **Other expectations**

Never pay the contractor in advance or before the work is completed. If the contractor asks for money up front to buy materials, you should buy the materials yourself and pay by check or credit card. Then, if the contractor does not fulfill the contract, at least you will have the materials.

During construction, be suspicious if the contractor tells you he/she is out of money and needs more money for materials or to proceed. Make sure to keep a job file containing all documents related to the repairs or replacements.

It is also important to have the work inspected. If excavation work is being performed, such as sewers or basement walls, then make sure a qualified observer inspects the work before it is hidden from view to avoid problems in the future.

Reference sources for additional information:

Federal Emergency Management Agency: www.FEMA.gov

Small Business Administration: www.SBA.gov

National Insurance Crime Bureau: www.NICB.org

For additional information, you can also contact your state's department of Insurance or licensing board.

The information provided in this document is for informational purposes only and not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to any particular issue or problem. We do not make any warranties, guarantees or representations of any kind as to the content, accuracy or completeness of the information contained in this document.