

## Tips to avoid being ripped off when property is damaged by storms

WNEM Saginaw

SAGINAW, MI WNEM) -It's severe weather season, so Angie's List has put together some tips about how to avoid being ripped off if your property is damaged in the storm.

### 1. Avoid door-to-door solicitors

Drifter companies often rush to disaster areas where widespread damage has occurred, so be wary of door-to-door solicitors.

### 2. Be present for property inspections

Do not let anyone inspect your home or property without you present – crooked contractors have been known to fake storm damage with hammers or golf balls. If you haven't had a chance to vet a contractor, it's best to deny them access to your home.

### 3. Play your cards close to the chest

When dealing with an insurance claim, do not to tell bidding contractors how much your policy will cover. Some companies will conveniently estimate the cost of repairs to near or exactly that amount. Amy Bach of United Policyholders, a nonprofit that helps homeowners deal with insurance companies, suggests first getting a "scope" of loss that outlines materials and work needed, without prices, by a trusted contractor, public adjuster or insurance company.

### 4. Always get multiple estimates

Don't panic and rush into a contract or make a down payment. Even in an emergency situation, it's best to get three estimates.

### 5. Check the company's details

Before settling on a contractor, get the company's phone number and address and visit the physical office – but be aware that some contractors set up temporary offices to appear local or use a local company's name. Check for out-of-state license plates on workers' vehicles. Ask for local references.

### 6. Check the license

Contact your community's local licensing board and state attorney general's office to check for

complaints and disciplinary actions. Consult the Angie's List license information tool to check contractor license requirements in your community.

#### 7. Verify bonding and insurance

Contact the company's insurance and bonding companies to determine whether their liability and worker's compensation policies are big enough to cover your job.

#### 8. Avoid large down payments

A contractor may ask for a down payment, but be wary if they want a large deposit or cash payment that's more than 1/3 of the job's total cost. Withhold at least 10 percent until the job is completed to your satisfaction.

#### 9. Don't sign away your settlement

Never sign over your homeowner's insurance settlement upfront and avoid a company that offers to pay or help with your deductible. In some states, deductible help is considered insurance fraud.

#### 10. Make sure you're covered when the job is complete

Get lien waivers from the contractor or subcontractor at the same time you make a payment for materials and work. A lien waiver constitutes proof of payment and protects you if a general contractor fails to pay subcontractors.

#### 11. Know your contract rights

Remember that in many areas you have a legal right to cancel a contract within three business days if you signed it based on the contractor's visit to your home. After natural disasters, state or local officials may extend that time frame. Don't sign a contract with blank spaces. Always obtain an original copy with both party's signatures.

#### 12. Always pull permits

Be sure the company pulls necessary building permits before starting work, and verify that the name on the permit matches the company name.

Read more:

<http://www.wnem.com/story/28771117/tips-to-avoid-being-ripped-off-when-property-is-damaged-by-storms#ixzz3XEoWr8Pj>

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