

Beware of Unscrupulous Contractors

Unfortunately, storms often bring out unscrupulous opportunists who attempt to use the situation to their advantage rather than to help consumers. These unscrupulous opportunists may offer to help consumers file their claim, offer fee-based services that insurance companies provide for free, offer to recover the insured's deductible, or offer other "benefits." Some may suggest that they can get the policyholder more than they are entitled to receive. For example, an unscrupulous contractor may suggest he can get the insured a new roof even when there is little or no actual storm damage. Disasters may also bring out unlicensed "contractors" or outside contractors who swoop into an area for a short time and then are never heard from again.

Here are examples of several incidents involving Central Illinois Mutual policyholders:

1. We received a phone call at our office from someone alleging they "represented" one of our policyholders. This person wanted to report a hail claim on behalf of the insured. Alert questioning by a member of our staff uncovered that this was a roofing contractor and not the insured's legal representative. The contractor was told that all such claims must be reported by the insured to their agent. Also, no hail had been reported in that area for many months.
2. An agent reported the following situation. A policyholder had a contractor show up at their door, told the insured they had inspected their roof and found hail damage, and offered to get the roof replaced without the insured paying their deductible. The contractor also stated they had talked to the insurance claims adjuster. This contractor was not from the immediate area. In fact, they were from about 2 hours away. They had not spoken to an adjuster and had never received permission to inspect the insured's roof.
3. We received a phone call from a roofing contractor wanting to make a claim on behalf of our insured. He was calling from inside the insured's home. We asked to speak to our insured. The insured was an elderly widow who was extremely shaken by what this contractor had told her. He had allegedly inspected her roof (without permission) and found significant damage that he alleged was caused by hail that had gone through the area months before. The contractor had convinced the insured that her house would suffer major damage if her roof was not replaced immediately. The insured was advised to get the contractor out of her house and report the claim to her agent. We also sent the insured a copy of the Spring 2013 edition of the **CIMply Safety** newsletter mentioned below.

These "storm chasers" (or "hail hunters") often prey on older folks. Older folks tend to be very trusting and may not have experience in construction. The "storm chaser" will build a story that frightens the homeowner and may try to get them to enter into a contract to "save the home." We advise against signing anything offered by a contractor until after an adjuster has contacted the insured and offered guidance.

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In our Spring 2013 **CIMply Safety** newsletter there was an article about this very subject. If you have not read this newsletter, you are encouraged to do so. On page 3, there is an article that addresses the issue of home repair scams—"Beware of Cons who are Pros." This newsletter is posted on our web site---www.CIMICO.net---under the Safety tab.

We do not want to see our mutual members get scammed. If mutual members believe they have damage covered by their policy, they should file a claim report with their agent. That report will be sent to the company and an adjuster will be assigned. No repairs should begin until the insured is contacted by their Central Illinois Mutual adjuster, except for emergency repairs needed to prevent further damage.

Below are a few tips to help protect you:

- When a loss occurs, protect the property from further damage. The insurance company will pay reasonable and necessary expenses to board up holes or broken windows to prevent further damage to the building interior.
- Report the loss to your insurance agent as soon as possible. Provide as much detail as you can. Be sure to provide your current phone numbers so an adjuster can contact you. Your agent will report the claim to the insurance company.
- The adjuster will explain the coverage available under your policy. If you have questions about your coverage, you will want to discuss these with your agent.
- Keep in mind that your coverage may not be the same as your neighbor's coverage.
- If asked to obtain repair estimates, try to obtain several from local contractors. Estimates should be detailed and specific about the work to be done.
- Hire a reputable, local contractor to do your work. Local contractors live in your community. They want you to be pleased with the work they do. If problems arise, they will be available to help deal with those problems.
- Know your contractor. Ask for references and check them. Drive by prior jobs to see how the work looks. Ask the owner if they are satisfied with the work. They will tell you, especially if they are not satisfied.
- Do not pay the contractor the full amount of the repairs before the work starts. Reputable contractors may request partial payment when the work begins. This helps them cover the cost of materials and labor. Holding the balance due until the job is done provides incentive for the contractor to complete the work and move on to the next job.
- Before the work begins, request certificates of insurance for liability and workers' compensation. Ask your agent to review the certificates with you.

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