

## **Don't Let Disaster Strike Twice**

After a hard season of hurricanes, blizzards, floods, and other natural disasters, many homeowners are scrambling to pick up the pieces. Unfortunately, the same homeowners might be hit by a second disaster not long after the first: fraudulent fly-by-night contractors.

All homeowners are susceptible to repair rip-offs, of course. But homeowners hit by an "Act of God" are particularly vulnerable because they are often in shock, and are preoccupied with immediate recovery. If you are a disaster victim, here are a few tips to keep disaster from striking twice.

- Try to make some emergency repairs yourself, then you won't feel you have to grab the first contractor that comes by. Cover holes in a roof to keep out rain, board up windows, etc. Some emergency repairs, such as a chimney in danger of falling, maybe have to be fixed by a professional.
- Be wary of unsolicited contractors. Fly-by-night outfits don't usually advertise in the Yellow Pages. They cruise the neighborhoods looking to sting desperate homeowners. Many charge exorbitant prices or fail to complete the work.
- Demand a business card or at least a phone number. Write down the license plate number and the driver's license number of a contractor offering unsolicited services. Check with the Better Business Bureau.
- Be leery of contractors offering bargain prices. They may say they have leftover materials from another job, or they can "get to you right away" in the wake of a wide-spread disaster.
- Work only with established, licensed, bonded contractors. Get estimates from more than one. Ask neighbors what their contractors are charging for similar work.
- Be sure the contractor is covered for liability and worker's compensation. If an uninsured worker is injured while working on your property, you could be sued for the worker's medical expenses!
- Get a written contract. Be sure it clearly spells out the work to be done, the full cost, completion date, and the quality of materials.
- Be sure all building permits are obtained beforehand.
- Don't make large advance payments. Watch out for contractors promising to move you to the top of the list. They may find it tempting to disappear with the down payment. Don't pay more than 10 percent or 20 percent up front.

- Compile the names and phone numbers of reputable contractors. Keep a list handy of people you have checked out, or know to be reliable. Don't let disaster strike twice!
- Pay in stages of completion. Don't make a final payment until the job is done to your satisfaction, and the satisfaction of building inspectors. For the future, learn from your experience and the experiences of others. Plan ahead, because disasters do happen. Prepare in advance, by doing the following:
- Review your homeowner's insurance. Know what it covers, and more importantly, what it *doesn't* cover. For example, under flood insurance you cannot get replacement value on damaged or destroyed items. However, you should have replacement value coverage stipulated for your homeowner's policy. And flood insurance does not come automatically with your homeowner's coverage – you must specifically request it. Many homeowners are disappointed to find that their homeowner's coverage does not cover some water-related damage!
- Consider an umbrella liability policy. Also known as “all risk” coverage, this takes your liability up to \$1 million or \$2 million. We live in a “sue-happy,” litigious environment. Protect your assets!