

## Consumer Alert: Don't Fall Victim to Contractor Fraud



In observance of Consumer Protection Week, today I launched **Demolish Contractor Fraud: Steps to Avoid Falling Victim** to address one of the biggest contributors to increased insurance rates - fraud. Insurance fraud costs more than \$40 billion annually, which increases the average family's insurance premiums between \$400 and \$700 a year.



In a recent survey by Home Advisor, 36% of homeowners said fraud is one of their biggest concerns when hiring a contractor. Typically, in the aftermath of a hurricane, dishonest contractors canvas neighborhoods and entice homeowners into signing an AOB or repair contract. After collecting insurance benefits, some of these contractors disappear without ever doing the work and in cases where repairs are made, sometimes the contractor does subpar work using substandard materials.

Additionally, some of the contractors may be unlicensed. We are now experiencing a trend where this type of canvassing and solicitation is no longer limited to hurricanes but occurring regularly in communities across the state.

Under certain scenarios, homeowners are promised a new roof with no out of pocket expenses if they sign a contract with the contractor and allow the contractor to file a claim with their insurance company. Unbeknownst to the homeowner, sometimes a public adjuster and/or an attorney become a party to the claim. The

actions of these professionals are usually not in the best interests of homeowners. These tactics and schemes perpetrated by professionals who are utilizing harmful contracting and unlicensed adjusting practices are resulting in your insurance company paying higher claim settlements or paying additional costs to litigate these claims. Insurance companies are transferring these additional costs to you through increased rates.

## RED FLAGS

DEMOLISH CONTRACTOR  
**FRAUD**  
STEPS TO AVOID FALLING VICTIM

I created Demolish Contractor Fraud to educate you on how to spot fraud and protect yourself from becoming a victim. Here are several red flags to help identify contractor fraud.

If a contractor...

- 🔨 Shows up to your home or place of business unsolicited and offers you payment or a gift card for a free inspection.
- 🔨 Upon completing the inspection, tells you an area of your home is damaged, even though you have not noticed the damage before.
- 🔨 Offers services at no charge to you or offers to waive your insurance deductible.
- 🔨 Pressures you to immediately file an insurance claim because a deadline is approaching.
- 🔨 Pressures or encourages you to sign an Assignment of Benefits or other type of contract such as a direction to pay agreement.
- 🔨 Does not allow you to review the contract or agreement, or scrolls directly to the signature line.
- 🔨 Does not or is unwilling to provide a copy of the contract or agreement.

## CONSUMER TIPS

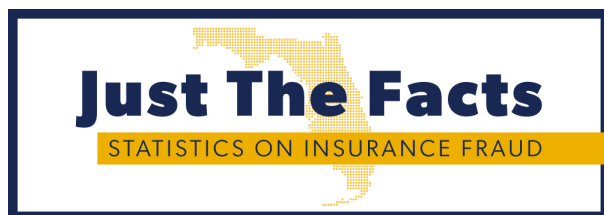
Below are some tips that can help ensure you're working with a licensed, legitimate contractor and to avoid falling victim to a contractor scam.

- 🔨 Verify that the contractor has an active, valid Florida license at: [MyFloridaLicense.com](https://www.myfloridalicense.com).

- 🔨 Verify that the contractor has Workers' Compensation insurance at: **Proof of Workers' Compensation Database** or Proof of a Workers' Compensation Exemption at: **Proof of Workers' Compensation Exemption Database**.
- 🔨 Check for complaints filed on the contractor on the Better Business Bureau's website: [www.BBB.org](http://www.BBB.org).
- 🔨 Ask the contractor for references, preferably references that are less than 12 months old.
- 🔨 Don't allow a contractor to inspect your property, including your roof, until you have verified that they are a licensed, reputable contractor.
- 🔨 ALWAYS get a detailed written estimate prior to signing a contract or repair agreement.
- 🔨 Ensure everything is in writing, including a full description of the work the contractor will be performing, the start date, the estimated completion date, an itemized budget and a payment schedule.

I urge you to review the components of Demolish Contractor Fraud: Steps to Avoid Falling Victim to learn more about contractor fraud and how you can protect yourself and your neighbors:

[www.MyFloridaCFO.com/Division/ICA/Demolish](http://www.MyFloridaCFO.com/Division/ICA/Demolish)



**Just The Facts:  
Statistics on Insurance Fraud**



**Additional Consumer Tips and  
Red Flags to Identify Contractor Fraud**



**Telling The Story:  
Consumer Experiences with  
Contractor Fraud**



**Contractor Fraud Resources:  
File Complaints, Check Licenses + More**

Feel free to send me an email with insurance questions or concerns:

Your**FL**Voice@MyFloridaCFO.com

*Tasha Carter*

The Voice for Florida's Insurance Consumers

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