

RED FLAGS

REVIEW THE LIST OF RED FLAGS BELOW TO HELP PROTECT YOURSELF FROM POTENTIALLY FRAUDULENT CONTRACTORS.

DEMOLISH CONTRACTOR FRAUD

STEPS TO AVOID FALLING VICTIM

Contractors serve an important role in the property building and repair process. Unfortunately, there are some contractors attempting to take advantage of you. There are things you can look for when trying to determine if a contractor may be misleading you.

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.
- ▶ Pressures or encourages you to sign an Assignment of Benefits* or other type of contract such as a direction to pay agreement.
- ▶ Upon completing the inspection, tells you an area of your home is damaged, even though you have not noticed the damage before.
- ▶ *Any policy that was issued prior to January 1, 2023, provides a policyholder with the right to assign insurance benefits to a 3rd party as long as you have not chosen to give up that right in order to receive a premium discount.
- ▶ Pressures you to file an insurance claim.
- ▶ Does not allow you to review the contract or agreement, or scrolls directly to the signature line.
- ▶ Promises services at no charge to you or offers to waive or rebate your insurance deductible.
- ▶ Does not or is unwilling to provide a copy of the contract or agreement.
- ▶ Pressures you to immediately file an insurance claim because a deadline is approaching.
- ▶ Is not able, or is unwilling, to provide you with references for other work they have performed.



If a contractor...

- ▶ Emphasizes that your neighbor(s) have had the same work performed.
- ▶ Asks for full payment up front or asks for payment in cash only.
- ▶ Provides you with an estimate that is a lump sum amount, or an estimate that is very general and lacks specific, itemized details.
- ▶ Does not have an established business location or their place of contact is somewhere other than an established business, such as a motel, P.O. box, work truck, or work trailer.
- ▶ Is not willing to provide you with evidence of their Certificates of Insurance for General Liability and Workers' Compensation.
- ▶ Tells you they prefer to handle all communications in-person and they are reluctant to use mail, email, or text message.
- ▶ Does not have a valid and active Florida construction license or certification.
- ▶ Their bid is notably lower or significantly higher in comparison to other bids you have received for the same work.
- ▶ Claims the price they are offering is for one-day-only or for a limited-time-only.
- ▶ Offers you discounts if your family, friends, or neighbors hire them for services.
- ▶ Offers you a discount for letting them use leftover materials from a previous job.

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