

Seven Post-Storm Scams to Avoid

By: Barbara Marquand, Insure.com

In the aftermath of every natural disaster comes a wave of manmade misfortune. Con artists flock to ravaged areas to take advantage of vulnerable people.

As cleanup after Superstorm Sandy gets underway, beware of people out to make a quick buck -- whether it's through bogus repair scams or the sale of cars fit that should be on the scrap heap.

Here are tips to avoid getting duped.

1. Beware of unsolicited repair offers and other red flags

As soon as the clouds lift, "storm chasers" descend on hard-hit neighborhoods, going door-to-door offering their services.

"We use the slogan, 'If you didn't request it, reject it,'" says Frank Scafidi, spokesperson for the National Insurance Crime Bureau. "If someone comes knocking on your door, they could be legitimate, but they could be very illegitimate, too."

Shady, unlicensed repair people do shoddy work, use inferior materials, or collect money and leave without finishing the work. Don't let the sense of urgency to start repairs tempt you to hire someone on the spot. Get a list of recommended licensed contractors from people you trust.

Other red flags:

Contractors who claim to work for the government. The Federal Emergency Management Agency doesn't endorse contractors or loan companies.

Repair people who don't have a company street address, only a post office box, and don't have business cards and company literature.

People who offer to inspect your property before you've checked them out. Some bogus contractors inflict or invent damage to make more money.

Contractors who have rundown equipment and unprofessional appearance.

People who try to rush you into a decision.

2. Contact your home insurance company

Don't let a contractor elbow his way in between you and your insurance company, advises the **Coalition Against Insurance Fraud**. Distrust contractors who say they'll work on your behalf with your insurance company to get more money for the claim or to pay the deductible.

Work directly with your own insurance company to handle the claim. Besides helping you understand your coverage, the insurance company can also point you toward reputable contractors.

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The Property Casualty Insurance Association of America (PCI) provides a list of toll-free claims numbers for many insurance companies on its website.

3. Get at least three estimates for repair work

Compare the bids, and check whether complaints have been filed against the contractors with the Better Business Bureau, PCI says.

4. Check contractor licensing, insurance and references

Verify that the contractor is properly insured and licensed. Contact your state or local licensing agencies. Ask the contractor for a list of references, and call them.

5. Get everything in writing

A contract for the work should state everything the contractor will do, including labor and materials prices, scheduling and cleanup procedures, PCI says. Don't sign anything with blank spaces, which a shady contractor could fill in later.

6. Never pay for a lot of work upfront

Most contractors will want a reasonable down payment, PCI says, but don't pay in full until the work is completed and inspected, and don't fork over any money until the contract has been signed. AARP New York says deposits or upfront fees should not total more than 25% of the estimate, and you should pay them only after materials reach your home and work begins.