



# Don't Get Scammed After a Disaster

After a disaster occurs, you will be facing many problems you probably haven't confronted before. Keep the following in mind:

- Contact your insurance company immediately to report your loss. Follow the instructions given to you by claims personnel. Ask questions if you do not understand your adjuster's instructions.
- Since there may be a lot of people needing help at the same time, anything you have done before the disaster to prepare for a loss will be to your benefit now.
- Act prudently to prevent further loss to your property. Insurance policies may not cover ensuing damage to your property if you have not taken reasonable steps to protect against subsequent property damage.
- Keep copies of your documents and a log of the names of the people you speak with along with dates, times and a summary of the pertinent point of each conversation, and take pictures documenting damages.
- Don't rush into repairs or building without first considering all your alternatives.

Try to settle your claim directly with your insurance company before hiring a public adjuster or an attorney (third-party professionals). Ask your insurance agent or company representative to help you with your claim, and don't be afraid to ask questions. If you decide to work directly with your insurer, you still have the right to hire a third-party professional for help. Third-party professionals usually require a percentage of the claim settlement. It is important that you understand the services provided and the fees that will be charged by both adjusters and lawyers.

## Public Adjusters

If you hire a public adjuster, make sure they are licensed. Contact the California Department of Insurance for licensing verification:

- License Bureau: 1-800-967-9331
- Consumer Hotline: 1-800-927-4357
- TTY: 1-800-482-4833
- Website: [www.insurance.ca.gov](http://www.insurance.ca.gov)

Do not call anyone to repair or replace your loss without first getting instructions from your adjuster, since your insurer's visual inspection of your loss may be necessary before repairs begin. Do not throw away any damaged property until your adjuster advises it is alright to do so.

## Attorneys

Contact the State, County or a local bar association for information about a prospective attorney.

- Complaint Hotline: 1-800-843-9053
- Main Office: 415-538-2000
- LA Branch Office: 213-765-1000
- Website: [www.calbar.ca.gov](http://www.calbar.ca.gov)

## Contractor State License Board

Before choosing a contractor, get the contractor's license number and make sure the contractor is licensed by contacting the Contractors State License Board (CSLB) in your area.

- Call CSLB: 1-800-321-2752
- Website: [www.cslb.ca.gov](http://www.cslb.ca.gov)
- Outside California: 916-255-3900

## Hiring a Contractor Tips

After a disaster, many sales people canvass neighborhoods to generate new business, offering their cleanup and repair services. Protect yourself by following the steps below:

- Call the insurance adjuster assigned to your property claim and ask them to make an estimate of the damage and probable cost to repair.
- This will provide you with a benchmark estimate prepared by a professional that you can use when negotiating with contractors.
- Check all references, especially if the contractor comes to your door.

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- Don't be rushed into signing a contract. It is good practice to interview several contractors and request multiple bids. Make sure you read the fine print on all estimates and contracts.
- Beware of contractors that encourage you to spend a lot of money on temporary repairs.
- Hire local licensed contractors when possible.
- Get everything the contractor discusses in writing. Make sure the contact is well written. All guarantees should be written into the contract stating what is guaranteed, who is responsible, and how long the guarantee is valid. All changes or modifications should be acknowledged by all parties in writing.
- Never sign a contract with blank spaces.
- Consider having a lawyer review the proposed contract for your protection if substantial costs are involved.
- Never pay a contractor for the entire project in advance or before the work is completed, except when there is a valid blanket performance and payment bond on file with the Contractors State License Board. California law requires that the amount of the down payment for any one improvement project, other than for construction of a swimming pool, may not exceed \$1000, or 10% of the contract price, excluding finance charges, whichever is less. It is best to pay by check because you can retain your cashed check as a receipt.
- Be suspicious of door-to-door salespeople who make unrealistically low estimates, refuse to leave a contract overnight, or try to sell their services by playing on your emotions.
- Federal law requires a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.
- If you decide to cancel a signed contract, it should be done within three business days of signing or five business days for those 65 years and older. Follow the agreement stated in the contract's cancellation clause and send a written notification by registered mail.

- Ask the contractor if he/she carries general liability and workers compensation insurance. Do not do business with a contractor who does not carry the appropriate insurance coverage. If the contractor is not insured, you may be liable for accidents that occur on your property.
- Keep a file containing all papers related to work being done.
- If excavation work is being performed, make sure a building inspector or observer inspects the work before it is hidden from view.
- Unfortunately, delays happen in construction projects. This is just a normal part of a construction project.

### **Filing a Complaint (Request for Assistance)**

CDI is committed to protecting your rights. Many questions can be answered over the phone. If we are unable to resolve the issue over the phone, you have the option of filing a Request for Assistance against the insurer or the agent/broker by mail or online on our website. The system will allow you to attach copies of all necessary documents, such as policies, canceled checks and correspondence. Some examples of the issues the Department may be able to help with include:

- Improper Denial of Claim
- Cancellation or non-renewal of a policy
- Delay in settlement
- Alleged misappropriation of premiums paid
- Alleged misrepresentation by an Agent/Broker or solicitor
- Unfair underwriting practices
- Dishonest or deceptive insurance sales tactics

### **Contact Us**

Consumer Assistance Hotline:  
1-800-927-4357

TTY 1-800-482-4833

Visit us on the web at:  
[www.insurance.ca.gov](http://www.insurance.ca.gov)

To order additional materials contact  
Community Relations & Outreach at:  
[crob@insurance.ca.gov](mailto:crob@insurance.ca.gov)



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation's largest insurance marketplace and your best resource for honest and impartial answers to insurance questions. Knowledgeable insurance professionals are available through our consumer hotline. Call 1-800-927-HELP (4357) or visit [www.insurance.ca.gov](http://www.insurance.ca.gov) to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.