

# Ten ways to avoid fraud after a disaster



Public awareness and education are the keys to helping those affected by disasters to identify and avoid future problems in the claim process and potential fraudulent activity.

The California Department of Insurance is a resource for all consumers to assist with concerns in the claim process, avoiding scam artists, and fighting insurance fraud. Here are some tips to consider to help prevent further loss or problems after a disaster:

1

If a policyholder is considering hiring a public adjuster, the department urges consumers to check the adjuster's license and make sure they are properly licensed and in good standing. Verify the license at [www.insurance.ca.gov](http://www.insurance.ca.gov)

2

Public adjusters are prohibited from soliciting business in declared catastrophic disaster areas until seven days after the conclusion of the loss producing event (i.e. evacuation order was lifted). Cal. Ins. Code §15207

3

A public adjuster may not, directly or indirectly, act within this state as a public adjuster without having first entered into a contract, in writing, on a form approved by the Insurance Commissioner. Each contract must disclose the public adjuster's full salary, adjuster's fee, commission, or other valuable consideration the public adjuster is to receive for services under the contract. Cal. Ins. Code §15207

4

A public adjuster's fee, commission, or other valuable consideration may not cause the insured to receive less than any amount paid to the insured by the insurer prior to the date the written contract between the insured and the public adjuster is signed. Cal. Ins. Code §15207.

5

Do not call anyone to repair or replace your loss without first getting instructions from your insurance carrier's adjuster, since your insurer's visual inspection of your loss may be necessary before repairs begin.

6

Take pictures documenting damage.

7

If your contractor has employees, make sure the contractor has a valid workers' compensation insurance policy.

8

Contractors cannot ask for a down payment that exceeds 10 percent of the contract price or \$1,000.00, whichever is less. Don't pay cash.

9

Don't make any final payments until you are satisfied with the work and the building department has signed off on the repairs.

10

Consumers have a 3-day right to cancel on "Service and Repair Contracts." That right expires when the work begins. Don't sign a contract until you fully understand the terms and all terms are in writing.

**If you have any questions or concerns regarding your claim or suspected fraud, call the Consumer Hotline at 1-800-927-HELP (4357).**