

BEWARE OF STORM CHASERS

What is a Storm Chaser?

Storm chasers are companies that follow severe weather from area to area, completing home repairs (generally roofs and siding) that are damaged by hail and wind. They collect property owners' insurance claim checks in payment for their services, complete the work (which may not be the same quality as a local contractor) before moving on to the next storm-ravaged area. They generally go door-to-door in storm damaged areas and may advertise themselves as insurance recovery experts or specialists in insurance restoration.

Why are Storm Chasers Bad?

The first step of a storm chaser is to ask the property owner to sign a contract allowing their company to negotiate with property owner's insurance company. By signing these documents, property owners may be waiving their right to any decision making regarding their repairs or replacement. They also lose control over the insurance settlement, and the entire check of the payment may legally need to be signed over to the storm chaser - regardless of the quality or quantity of work completed. The property owner may lose some control over materials used, leaving the storm chaser free to cut corners in order to increase their profit. Most importantly, warranty repairs can be very difficult to obtain as most storm chasers leave the area as soon as the storm "plays out." These companies are generally gone long before warranty issues arise. To make matters even more difficult, some storm chasers lease local company names so they appear to be local. Once they complete their work in the area, they leave. The local company is then responsible for the warranty work. Of course, the volume of warranty work is often so great the local company ends up out of business, leaving the property owner with problems. Storm chasers are also very damaging to the local economy. They deprive local contractors of business and decrease the number of resources you have when your roof suddenly springs a leak.

How to Spot a Storm Chaser

Storm chasers usually:

- Come door to door and try to get you to sign something immediately
- Use high pressure sales tactics
- Offer you a "Free Roof" or "Free Siding" or offer a way around paying a deductible (this is insurance fraud!)
- Have out-of-state license plates or drivers license (And YES, you can and should ask to see a drivers license to verify identity.)
- Are unable to produce recent, local references (or references from before the storm date)
- Are unable to produce local supplier references (always check references from potential contractors' suppliers. If suppliers aren't paid in a timely fashion by a contractor, *they can legally place a lien on your home.*)
- Are unable to produce a roofing license and certificate of insurance with the same identification information. A legitimate local company should show you an IL Roofing License and a Certificate of Liability/Workers Compensation both issued in the same name. If the names don't match, you may not be protected.

PROPER STEPS FOR REPAIRS FOLLOWING STORM DAMAGE

Customers frequently ask how the storm damage insurance process should work - should you call your insurance agent first, or get an estimate first? Below are the proper steps for having your roof or siding inspected and replaced (if needed) following damage by a storm.

1. If the property owner thinks they have damage, they should first call their insurance agent and ask to file a claim.
2. The insurance company sends an adjuster to access the damage.
3. If the adjuster determines damage has occurred, he will issue a report listing the damage and the expected cost of recovery or request an estimate for repair.
4. The adjuster will then issue a check for the damage minus the depreciation of the property.
5. The property owner can choose two different ways to hire a contractor. He may bid the work to one or more contractors and accept a bid. If that bid is less than the insurance company estimate, the insurance company will pay only that amount, less deductible. If the bid is more than the insurance estimate, the property owner can submit the higher bid to the insurance company and attempt to work out the difference. The property owner can also opt to hire a trusted contractor of their choice. The contractor can then work out their rates with the insurance company.
6. Under **NO** circumstances can a property owner avoid paying their deductible. Any contractor that suggests otherwise to a property owner is committing insurance fraud.
7. After the project has been completed, the contractor or property owner sends an invoice and certificate of completion to the insurance company. Insurance then issues a check to the property owner for the depreciated portion of the loss (providing the property owner has replacement cost insurance, which most do.) In some instances, a mortgage company and/or contractor may be listed on the check as co-payees.

Key Points Regarding the Insurance Claim Process

- The property owner does not need a contractor to submit damage information to the insurance company. It is not necessary to hire a company “specializing” in getting insurance claims settled.
- Never let a contractor you do not know and trust climb on your roof to “inspect for hail damage.” To make it appear as if caused by hail, some storm chasers intentionally damage the roof when they think no one is looking.
- You cannot hide or avoid paying the deductible. **This is insurance fraud.**
- You can choose to work with any contractor you like.