

# Helpful Tips on rebuilding after a disaster

*We have gathered this information from various sources and validated it from our own experience. We hope you find this helpful as you begin to rebuild. If Whipple can be of any assistance or help you sort out any of these issues please feel free to call and discuss. We are prepared to be a sounding board and help wherever we can to get you to the right construction team to perform your work.*

## How to start Your Insurance Claim and Settle Your Claim

1. Contact your insurance company and ask for the insurance adjuster assigned to your claim. Have the adjuster make an estimate of the damage and repair costs for your property. By having this estimate you will be able to have a negotiation tool when a contractor approaches you with their estimate.
2. Start identifying a General Contractor in your area to access and start and estimate of the repairs of your home or business so you have an independent estimate to review as you are talking to your insurance adjuster. Also start an inventory list of the furnishings, fixtures and other interior items of your home that will need to be replaced since you will need to review this with your insurance adjuster as well.
2. Before you select the General Contractor you will work with or any work is done get references. When looking for a contractor, call trusted friends and neighbors and ask them if they have any contractors they could refer to you. Also, ask the contractor if they are part of your area's Homebuilder's Association, and the Better Business Bureau. Most importantly, make sure the contractor is licensed and carries liability and workers compensation insurance and request proof. If the contractor is not insured, you may be liable for accidents that occur on your property.
3. Be very diligent about reading any papers the contractor wants you to sign. At this time you are working on an estimate for the repairs only. Let the General Contractor know that you will work with them and award the contract to them only if they can meet the budget and the project scope. Do not sign anything other than a Memo of Understanding clearly defining the relationship at that point. The General Contractor should not be asking for money at this time since creating the estimate for the work is part of them doing business. Make sure that you get a blank contract that the General Contractor generally uses at this point so that you can have it reviewed by an attorney and it is well written and includes provisions for you such as what work the contractor will guarantee and how long that guarantee lasts. In addition, verify that there is a cancellation policy that provides you at least 3 business days to cancel the signed contract for any reason, as this will give you time to review the contract just in case you felt rushed to make a decision.

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4. Make sure that your General Contractor and Insurance adjuster both walk the work together so that they both have the same scopes of work defined this is important so that you get an “ Apples to Apples “ price and make sure both break out their pricing down so that you can understand how they compare to each other.

5. Do not sign a release with your insurance company accepting a value unless you have a fully executed contract with your General Contractor for the cost of the repairs. Once the insurance company has this release any additional costs are yours to pay. Also make sure you have been given enough money to re furnish and replace the items destroyed due to the event. Get pricing on all replacement items and settle only after you have your itemized inventory list priced out.

6. Keep a job file of all communications with your chosen contractor and all papers related to work being done. This file should include the signed contract, plans and specifications of work being done, bills and invoices, canceled checks, copies of the certificates of insurance, information about any subcontractors your contractor may use and material suppliers.

Hiring your General Contractor.

It is important to find a fair and reputable General Contractor. Unfortunately there are contractors that prey on people’s fears and anxiety of what has just happened, especially when there is a large disaster area involved. You may be approached by one of these sales people that often go door-to-door canvassing neighborhoods to generate new business to offer their cleanup and repair services. While many of these people are honest and reputable, some are not. Below is a recommended list of steps to take in order to protect yourself and make sure the General Contractor you hire is honest and legitimate:

- Be cautious in dealing with a contractor who goes door-to-door offering services following the disaster. Be extremely cautious with those contractors that are unknown in the community. Also, be wary if the representative states they have just completed work nearby and have left over materials.
- Work only with licensed and insured professionals; thoroughly investigate the work history of any contractor under consideration. Ask for a list of recent customers and verify the information.
- Ask friends, relatives, neighbors, co-workers, your insurance agent, and the claim adjuster for recommendations. The Better Business Bureau may also have a listing of any complaints filed against the contractor. Be sure to check.
- Take your time. Don’t let the contractor rush you to a decision. If possible, get written contracts from at least three firms. Compare the information. Ask questions about any variations and define your scope of work in writing so that each General Contractor is working on the same game plan.



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- Get a contract with a defined scope of work of that is going to be performed and a defined schedule of when monies will be paid for completed work. Never pay anything up front, this is a sure sign that the contractor is not financially sound and has no credit with vendors or material suppliers and get a copy of the final, signed contract .
- Never hire any contractor who asked you to pay the entire bill before the work has begun or is completed. Never pay in cash, always pay by check so that you have documentation of payment. Pay the final bill only after the work is completed and you are satisfied.
- Remember that any money advanced to you by the insurance adjuster is part of the total claim that will be paid. You may receive a lump sum check for the total value of the structure. Be very cautious of any contractor who encourages you to spend a great deal of money on temporary repairs. Be certain you have enough money to complete the necessary permanent repairs. Make sure that you have a total value of the work to be performed on your project so that you are not surprised by any unforeseen costs.
- Have your attorney, a knowledgeable friend or relative, review the contract before it is signed.
- Have the contractor pull the permits, this makes them responsible for the work not you with the local building officials. Also get a copy of the General Liability Policy and Workman's Comp Insurance Policy from the Contractor for your records. Do not hire a General Contractor who does not have these policies they are a bare minimum to protect yourself against any liability on your property.
- Make the contractor provide you a written schedule of the work to be performed and if the project is going over due to the contractor not showing up have a termination clause in the contract so you can terminate the contractor for non performance.
- Create a punch list as the project is on going do not be afraid of asking questions and do not let poor quality work get covered over if not repaired. Only pay on accepted work completed by you do not let the contractor pressure you if the punch lists are not done. Protect yourself.
- Get a written warranty at the completion of your project to understand what will be covered under warranty and what will not. You want this on the Corporate Letterhead of the General Contractor and signed by both you and them.
- If you believe that you have been defrauded you should notify the white-collar crime unit of your city's police department or your county's sheriff's department, the consumer division of your state's attorney general, or your insurance adjuster.