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insight beyond insurance

NEWS YOU CAN USE

Protect Yourself From Fraud After Hurricane Irma September 11, 2017

With the recent devastation from Hurricane Irma, it's important to be aware of the dangers of fraud that often occurs following a catastrophic event.

If you suffer a loss following a catastrophic event, don't become a victim! In the aftermath of a natural disaster, outsiders and other organizations often come to the affected areas and provide vital assistance in the form of insurance adjusters, emergency/medical personnel and other needed services. Unfortunately, not all of these people and organizations have good intentions.

After a natural disaster, unethical vendors or public adjusters may approach you with schemes promising to put you in a better position than you were before the catastrophe. These schemes usually involve kickbacks to the vendor or adjuster. You may also see a contractor or vendor ask you for a large down payment to begin work and repairs, and after they collect your money, you won't ever see them again.

It is important to be aware of these situations and know what to do if you encounter them.

How to Avoid Fraud After a Catastrophe

1. Check with your agent or insurer for credible remediation companies, contractors, or vendors.
2. Beware of high pressure sales people. Don't be rushed into signing a contract. Take the time to obtain written estimates from more than one vendor.
3. Know who you are dealing with. Obtain references, check with the Better Business Bureau, review licenses and ensure the vendor you select is properly insured. Be wary of anyone who approaches you unsolicited or says they can perform your repairs at a discount with leftover supplies from another job.
4. Get at least 3 written, itemized estimates or bids on repairs.
5. Don't make large down payments. Although down payments are customary, some unethical vendors disappear after receiving the down payment or performing limited work.
6. Check for proof of insurance and verify with their insurer that their policy is current.
7. Check to see if the contractor is bonded and verify with the bonding agency.
8. Do not sign a certificate of completion or make final payment until you are satisfied with the work performed.

Resources

We hope it doesn't occur, but in the event that you believe someone is committing a disaster fraud scheme or if you fall victim to one, you should contact the NCDF (National Center for Disaster Fraud) immediately. The NCDF task force was created post-Hurricane Katrina and is made up of over 20 federal agencies, U.S. attorneys and law enforcement officers, who serve as advocates for those affected by fraud.

Call the Disaster Fraud Hotline at 866.720.5721

Or visit online at: <https://www.justice.gov/criminal-disasters/how-report-disaster-related-fraud>

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