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After the Fire



What you should know before you rebuild

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Many homeowners lose their homes or sustain significant property damage in the event of a devastating fire. This brochure contains important information about dealing with your insurance company and hiring building contractors when you are ready to rebuild.

A responsible and informed consumer knows that the “buyer beware” principle can help prevent frustration and disappointment when preparing to make a major decision. By carefully considering what you want done to your property and what it will realistically take to do the job, you can avoid some headaches during these trying times.

If you have any questions on this or any other issue, please do not hesitate to contact the district office.

Notes

Insurance Rights

It may be helpful to keep the following advice, provided by the California Department of Insurance, 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. From the beginning, keep a log of the names of the people you speak with along with dates, times, and a summary of the pertinent points of each conversation.
- ▶ Take pictures documenting damages.
- ▶ Try to settle your claim directly with your insurance company before hiring a public adjuster or an attorney. Your insurer provides an adjuster at no charge to you. If you decide to work directly with your insurer, you still have the right to hire a third-party professional (public adjuster or lawyer) to help you.
- ▶ If you hire a public adjuster to help you with your claim, be certain that the adjuster is licensed. Call the California Department of Insurance for licensing verification and for other information about public adjusters.
- ▶ 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 damaged property until your adjuster advises you it is all right to do so.

Contact the California Department of Insurance Consumer hotline for more information at 800.927.HELP (4357) or visit their website at INSURANCE.CA.GOV.

Hiring a Contractor

After a disaster, sales people often go door-to-door, canvassing neighborhoods to generate new business. While many of these people are honest and reputable, some are not. Below is a recommended list of steps to take to protect against unscrupulous operators posing as legitimate contractors:

- ▶ Call the Contractors State License Board toll-free number at 800.321.CSLB (2752) or visit their website at CSLB.CA.GOV to check a contractor's license number or get further information on home and property repairs.
- ▶ Deal only with licensed contractors and ask to see the contractor's "pocket license," together with other identification. A licensed contractor will have that information readily available.
- ▶ Don't do business with a contractor who does not carry appropriate insurance. Request a certificate of insurance from the contractor that shows the name of their insurance company, policy number and policy limits the contractor carries. You do not want to be responsible for a job-related injury on your premises.
- ▶ Call the insurance adjuster assigned to your property damage claim and ask the adjuster to make an estimate of the damage and the probable cost to repair. This will provide you with a benchmark estimate prepared by a professional that you can use when negotiating with contractors.
- ▶ Plan your project carefully and shop around before hiring a contractor, getting at least three written bids on your project.



- ▶ When requesting bids, provide all contractors with accurate and identical plans or drawings that will enable them to determine the scope and cost of the work.
- ▶ Beware of building contractors that encourage you to spend a lot of money on temporary repairs.
- ▶ Get everything the contractor discusses in writing. Also, if changes or modifications occur in the contract terms, they should be acknowledged by all parties in writing.
- ▶ Never pay a contractor for the entire project in advance or before the work is completed – 10% or less may be all that is required to get the job started.
- ▶ Don't make a final payment until you are satisfied with all of the work.

Know Your Rights

NO MORE THAN 10% DOWN PAYMENT

unless a contractor has an exemption from the State License Board

California law requires the amount of the down payment for any home improvement contract (except for swimming pools) to not exceed \$1,000 or 10 percent of the contract price, whichever is less. The only exception is for the handful of contractors who have Blanket Performance and Payment Bonds, which provide consumer protection should

the work not be completed. Only a handful of companies have these bonds on file with the Contractors State License Board.

THREE-DAY CANCELLATION PERIOD

The law requires a contractor to give you written notice of your right to cancel a contract within three business days of signing it, provided that it was solicited at someplace other than the contractor's place of business (your home, for instance). Use those three days to review your contract again. If something bothers you, don't be afraid to cancel the contract. If you do cancel, by all means call the contractor, but make sure your cancellation is in writing and mailed, faxed, hand-delivered, or e-mailed before midnight of the third day.

ASSISTANCE AND TAX RELIEF

For homeowners and individual taxpayers affected by a fire, sites are available with information regarding assistance & potential tax relief.

Resources:

Federal Emergency Management Agency
FEMA.GOV

California Department of Forestry and Fire Protection
FIRE.CA.GOV

California Offices of Emergency Services
CALOES.CA.GOV

WILDFIRERECOVERY.CALOES.CA.GOV

State Board of Equalization
BOE.CA.GOV

Business and Economic Development
BUSINESS.CA.GOV

Franchise Tax Board
FTB.CA.GOV

Internal Revenue Service
IRS.GOV



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