

## **Don't Be Victimized Twice—Avoid Disaster Fraud**

Victims of Hurricane Katrina may become the target of unscrupulous contractors and others who prey on people who are beginning to rebuild their homes and businesses, warns the National Insurance Crime Bureau (NICB).

After a devastating natural disaster, professionals often go from door-to-door in damaged neighborhoods, offering clean up and repair services. Most of these business people are reputable. Others are not. The dishonest ones may pocket payment without completing the job or use inferior materials and perform shoddy work not up to code— further victimizing those affected by the hurricane.

"People are often so consumed with the devastation that has occurred in their lives that they are more vulnerable," said Robert M. Bryant, President and Chief Executive Officer of the NICB. "Educate yourself against dishonest contractors now so you can avoid becoming a victim of disaster fraud."

A common fraud scheme is for a "so-called" contractor to convince a homeowner that a large deposit must be provided before repair work can begin, Bryant explained. Frequently, the job will be started, but not completed. "These con artists are never seen or heard from again," he said.

Consult the following checklist before hiring a contractor:

- Get more than one estimate. Don't be pushed into signing a contract right away.
- Get everything in writing. Cost, work to be done, time schedules, guarantees, payment schedule and other explanations should be detailed.
- Demand references and check them out.
- Ask to see the salesperson's driver's license and write down the license number and license plate number.
- Never sign a contract with blanks; unacceptable terms can be added later.
- Never pay a contractor in full or sign a completion certificate until the work is finished.

Insurance coverage may be rendered void if intentional misrepresentation by a policyholder is discovered.

Another common fraud scam after natural disasters like hurricanes is that others may attempt to manipulate disaster victims into making claims for losses that did not occur, according to the NICB.

If you believe you have been approached by an unlicensed contractor or adjuster, or have been encouraged to fabricate an insurance claim, contact your insurance company or call the NICB Hotline at 1-800-TEL-NICB.

The NICB is the nation's premier not-for-profit organization dedicated exclusively to fighting insurance fraud and theft for the benefit of its customers and the public through information

analysis, forecasting, criminal investigation support, training and public awareness. The NICB is supported by approximately 1,000 property/casualty insurance companies.