



NEWS

Property Casualty Insurers Association of America

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PCI Urges Property Owners Affected by Hurricane Katrina to use Caution in Selecting Repair Contractors

CHICAGO – For homeowners who are able to begin the rebuilding process following Hurricane Katrina, the Property Casualty Insurers Association of America (PCI) urges you to use caution in hiring a contractor or other workers to help repair and clean up storm damage.

“As the rebuilding process gets underway, unlicensed contractors and scam artists may be looking to cash in on your misfortune,” said John Eager, senior director of claims for PCI. “It is natural for homeowners to be in a hurry to begin making repairs following a natural disaster. However, you will save yourself a lot of time, money and frustration by taking the time to check the credentials of the businesses and individuals that you hire to repair your property.”

Before contracting for services, check references. It can be helpful to see who is working with your neighbors who may also have claims. To maintain your trust and business, insurers devote many resources to ensure that the claims process is smooth, easy and meets your needs. Your insurer and agent are excellent resources to help you access the services you need to handle your claim.”

Hurricane Katrina caused severe damage and flooding that may require special skill and care during the clean up and repair process. As a result PCI urges homeowners to:

Be suspicious of any contractor who tries to rush you, especially on non-emergency or temporary repairs. If possible, shop around for a contractor by getting recommendations from friends and neighbors.

Never pay for work up front. “Always inspect the work and make sure you’re satisfied before you pay,” Eager noted. “Most contractors will require a reasonable down payment on work, but don’t pay anything until you have a written contract.”

Get three written estimates for the work and compare bids. Check credentials with the Better Business Bureau or state attorney general’s office to see if the firm has any outstanding complaints.

Always have a written, detailed contract that clearly states everything the contractor will do, including prices for labor and materials, clean-up procedures, and estimated start and finish dates. Never sign a contract with blank spaces, which a crooked contractor can alter after he’s gotten your signature.

Don’t believe a contractor who says he’s supported by the government. The Federal Emergency Management Agency (FEMA) does not endorse individual contractors or loan companies; call FEMA toll-free at 1-800-621-FEMA for more information.

Avoid paying with cash; use a check or credit card instead.

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$184 billion in annual premium, 40.7 percent of the nation's property/casualty insurance. Member companies write 50.8 percent of the U.S. automobile insurance market, 39.6 percent of the homeowners market, 33.5 percent of the commercial property and liability market, and 41.6 percent of the private workers compensation market.

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