



NEWS RELEASE - CONSUMER ALERT

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SEVERE STORMS PROMPT INSURANCE AND HOME REPAIR QUESTIONS

Days after a thunderstorm, the tap-tap-tap of hail can be replaced by the knock-knock-knock of salespeople at your front door, encouraging you to sign up for a brand new roof or other home repairs. They will eagerly point out damages that can be seen from the street, and tell you they are working on other homes in the area.

The best part, the salesman tells you, is that your insurance company will pay for everything. Just sign here, the salesman urges, and we'll replace your roof and handle the insurance company details for you.

Stop. Before you sign anything or allow work to begin, be sure you understand your rights and responsibilities. It is your responsibility to check with your insurer to verify coverage and deductibles and allow the insurer to inspect the damages. Furthermore, you have the right to obtain estimates from any number of contractors. Do not allow a door-to-door salesperson to talk you into signing the contract without doing your homework first.

Damages from the second week in June, 2009 totaled more than \$161.1 million in insured tornado and hail damage losses, the fifth-worst storm in Colorado history. Damages from the July 20 storm that hit Colorado have not yet been tallied. (The worst Colorado weather in terms of insurance claims, was July 11, 1990, with \$625 million in insured hail damage.)

But even with a major storm, not every roof in the neighborhood needs to be replaced.

"It's hard for the average consumer to look up at a roof and determine whether there is hail or wind damage. It's even harder to determine the extent of damage," said Bobbie Baca, supervisor for the Property and Casualty section of DORA's Division of Insurance. "If you think there may be damage, call a reputable contractor or your insurance company to have someone come out and take a look. Don't depend only on the word of a door-to-door roofing salesperson. No matter how persuasive the salesperson is, he or she doesn't have the authority to guaranty the insurance company will pay for the damages."

When there is damage, most insurance companies require you get estimates and a "go ahead" before work begins. The insurer may determine only part of the roof needs repaired; however, if a contract between the homeowner and the contractor is for replacement of the roof, the homeowner may be "stuck" with the balance of the bill. Before you contract with a repair company and before any repair work is started, always get a written estimate of damages from your insurance company. The insurance company has a right not to pay for any damages that are not inspected and approved.

Whether you need a new roof, or just a few shingles replaced, don't skip over the important step of involving your insurance company in the process.

Quick tips to follow after a storm:

- Photograph the damage. Take pictures of your damaged home immediately after the storm and contact your insurance company. Take whatever steps are necessary to mitigate your damages but do not begin repairs until your insurance representative visits and assesses the damage.
- If you need to make any immediate temporary repairs to protect property from additional damage, keep your receipts. Often, the cost of temporary repairs, for example, using plastic sheeting to prevent leaks into the home, may be covered by your policy.
- Give the insurance company an opportunity to assess the damage, especially if your neighborhood has been hit hard by a storm. If you begin work before the insurance company has verified the scope of damage, you may have problems getting reimbursed later.
- Get more than one contractor estimate and get them in writing.
- Check to be sure the contractor you select is based in Colorado and has local references you can call. Be wary of out-of-state companies who move into an area that has just been hit by a storm.

For more tips on homeowners insurance, go to:

<http://www.dora.state.co.us/insurance/> and click on the link to "Consumer Guide to Insurance."

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado.
Consumer protection is our mission.*

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