

Disaster Recovery Tips

**Better Business
Bureau of Greater
Maryland**





Home Service Complaints 2021 YTD

- Roofing – 514
- Siding – 442
- Window & Installation– 741
- Gutter & Gutter Contractors– 641
- Doors – 325



Home Service Scams (BBB)

- Door to Door
- Reduced Price – Flyers/Mailers
- Storm-Chasers



Warning Signs:

- Just in the neighborhood
- Surplus materials
- Limited-time, cash only, deal is NOW
- Upfront payment
- Offer to arrange financing



Tips for Hiring any Contractor/Service

- ❑ Do your research
- ❑ Ask for references
- ❑ Obtain multiple quotes
- ❑ Get it in writing



Tips for Hiring any Contractor/Service

- ❑ Verify license & insurance
- ❑ Confirm building permits (if appropriate)
- ❑ Inquire about a lien waiver
- ❑ Review warranty details



Tips for Hiring any Contractor/Service

- ❑ Arrange a payment schedule
- ❑ Search for cancellation fees or “liquidated damages”
- ❑ Get a receipt – paid in full
- ❑ Keep your contract



Must-Do's

- Act promptly – mitigate loss
- Don't be in a hurry for repairs
- Control moisture (mold)
- Take photos
- Contact insurance provider immediately



Red Flags – Tree Services

- Suggests topping techniques or “lions-tailing to save on costs
- Uses climbing spikes on standing trees
- MD Natural Resources – licensed tree expert



Let bbb.org help!

- BBB.org
- [Dispute Resolution](#)
 - Complaints
 - Alternative Dispute Resolution – Mediation & Arbitration



BBB of Greater Maryland

- Angie Barnett –
abarnett@greatermd.bbb.org
- Michael Salamon – 410-347-3980



DEPARTMENT OF LABOR

Maryland Home Improvement Commission

Home Improvement Contracts

Introduction

- The MHIC administers the home improvement laws of Maryland
- Home improvement work includes renovation work on a building or part of a building used as a residence
- The MHIC issues licenses to home improvement contractors and salespersons
- The MHIC investigates complaints by homeowners, awards monetary damages against licensed contractors
- Foster professionalism and a high quality of workmanship throughout the home improvement industry
- Safeguard the consumer rights of homeowners

Choosing a contractor

- Decide which improvements you wish to make to your home
- Obtain at least three estimates
- Request to see a copy of each contractor's home improvement license
- Confirm the contractor's license is current
- Request the complaint history
- Request references

Contract

- Get your contract in writing
- Include the contractor's contact information and MHIC license number
- Agree on the amount paid and the payment schedule
- Never pay cash
- Pay no more than 1/3 deposit
- Set approximate start and finish dates
- Spell out all expectations including the description of the home improvement
- Obtain legal advice

Door-to-Door Sales Act

- Cancellation notification
- You have a right to cancel within 5 days, or 7 days if you are 65 years old or older

Complaints

- Complaint must be in writing
- Send copies of all documents, keep a copy for your records
- Include proof a payments
- Include photos and evidence of contractor's workmanship or abandonment
- Obtain an estimate from another licensed contractor
- Mediation
- Investigation



Claims

- Seek the advice of a private attorney
- Home Improvement Guaranty Fund
- Unlicensed home improvement contractors

Contact Information

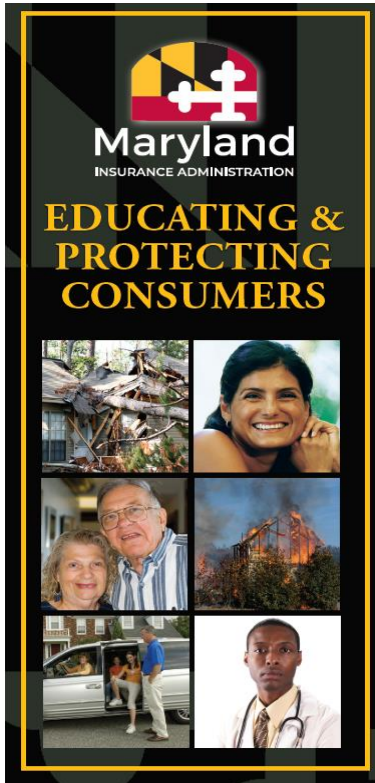
- Maryland Home Improvement Commission: 410-230-6231
- Maryland Home Improvement Commission website:
<http://www.labor.maryland.gov/license/mhic/>
- David Finneran, Executive Director david.finneran@maryland.gov



Public Adjusters

Jeff Gross
Chief, Producer Enforcement
jeff.gross@maryland.gov

What is the Maryland Insurance Administration



- The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:
- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms.
- Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.

What is the Maryland Insurance Administration

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.

What is a public adjuster? What do they do?

A Public Adjuster is a person who, for compensation, acts on the behalf of the insured in negotiating and settling a first party property insurance claim.

While many consumers are able to resolve their property claims on their own, sometimes consumers or businesses decide they would prefer a public adjuster handle the insurance claim on their behalf.

A public adjuster works for you, not your insurance company. Your public adjuster communicates with the adjuster who works for your insurance company. Licensed public adjusters will give advice and assist a consumer with their claim and the process of negotiation with their insurance company.



So you've filed a homeowners insurance claim...

After you file a claim with your homeowners insurance company, your company sends an insurance adjuster to your property.

- The company adjuster surveys the damage to your home and estimates the cost of repairs.
- After their assessment is complete, and based on the provisions of your policy, your insurance company will offer a dollar amount to settle your claim.
- If you have hired a public adjuster at this point in the process, the public adjuster will make sure that the company adjuster accounted for everything and will negotiate with the insurance company about the amount of settlement.

So you've filed a homeowners insurance claim...



After your insurance company issues you a check for your claim settlement, the public adjuster will take their fee from the settlement check or checks and give the remaining portion to you. Under Maryland law, a public adjuster must disperse the funds within 15 days.



Public Adjuster's Fees



The amount of the public adjuster's fee is negotiable and the amount or percentage is not set by law. The public adjuster's fee reduces the amount of money you will receive to pay for the damages to your property as a result of the loss.



Public Adjuster's Fees

Under Maryland law:



- The public adjuster may be named as a co-payee on a settlement check, but a public adjuster contract may not require the insurance company's claim check to be made out only in the name of the public adjuster.
- The public adjuster may not collect the entire fee from the first check issued by an insurance company if multiple checks are to be issued.



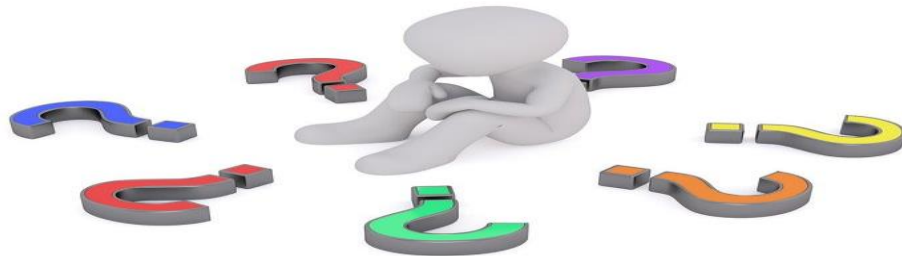
Five things to consider before hiring a public adjuster

1. A public adjuster is selling you a service that is not required for the insurance company to process your claim. It is your decision whether or not you hire a public adjuster.



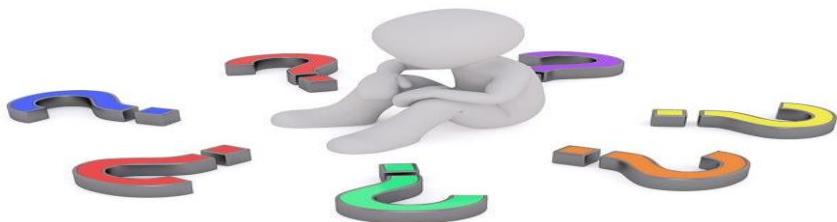
Things to consider before hiring a public adjuster

2. A public adjuster is required to be licensed in Maryland. Go to www.insurance.maryland.gov to confirm that your public adjuster is licensed in Maryland.



Things to consider before hiring a public adjuster

3. A public adjuster can be hired at any time in the claim process. You may want to consider hiring a public adjuster if you are unsatisfied after receiving the initial offer from your insurance company. In that case, it is likely (but will depend on the contract you sign) that the fee charged will only be a percentage of the difference between the old settlement offer and the new settlement offer.

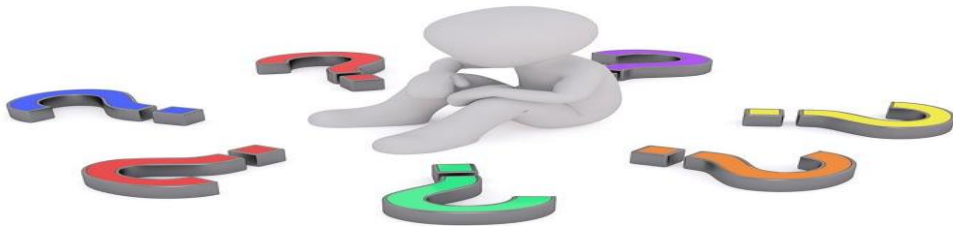


Things to consider before hiring a public adjuster

4. Make sure you understand the fee the public adjuster will be charging you. A licensed public adjuster will always charge for their services, and that fee will be specified in the contract you sign.
 - Remember, you will be responsible for the fee, not your insurance company.
 - On average in Maryland, public adjuster fees range from 15 to 35% of the settlement amount of your claim.
 - If you have a \$10,000 claim and your adjuster's fee is 15%, you will receive \$8,500 for your claim.
 - If that fee is 35%, you will receive \$6,500 of your \$10,000 your claim.

Things to consider before hiring a public adjuster

5. You are always responsible for the deductible listed in your policy.



Unsolicited contact from a public adjuster

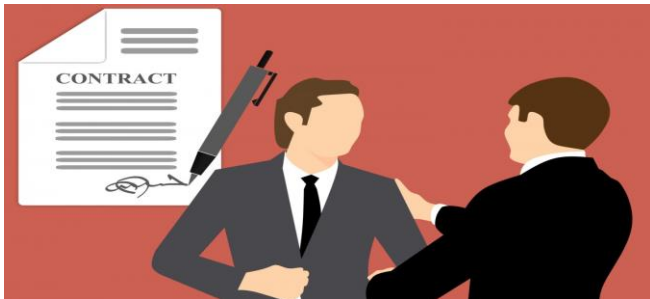
If you receive unsolicited contact from a public adjuster:

- If you are interested in their service, check for a license at www.insurance.maryland.gov. A general contractor without a public adjuster's license cannot negotiate a claim with your insurance company.
- Stay with and observe the public adjuster while they inspect the damage.
- The public adjuster should be asked to leave a copy of their public adjuster contract.
- Take your time reviewing the contract before any decision is made to hire a public adjuster.

Read your contract

Take all the time you need to read the public adjuster contract and understand it. Ask questions. As with all contracts, it should be reviewed carefully, line by line, before signing it.

Once you sign the contract, Maryland law allows you three days to cancel.



Read your contract

Maryland law also states that if your insurance company pays or commits in writing to pay you the policy limit of your insurance policy within 72 hours after the time the loss is reported, a public adjuster may not receive a commission consisting of a percentage of the total amount paid by the insurance company to resolve the claim.

The public adjuster may be entitled only to reasonable compensation from the insured (you) for services the public adjuster provided on behalf of the insured.



Read your contract

Public adjusters do not determine who you use as a contractor, nor can their contract legally state that you must use a specific contractor. If they help you find a contractor, they must specify in the public adjuster contract how much compensation (if any) they will receive from that contractor.

Your public adjuster can assist you in finding temporary housing, but it may be more expensive to you than having your insurance company arrange your temporary housing. The costs of your temporary housing do matter to you. Your homeowners insurance policy likely has a cap on your Additional Living Expenses for temporary housing and associated costs.

Read your contract

Maryland law does require certain items to be listed in the contract. A consumer should make sure that the contract includes:

- a. The fee being charged is specified.
- b. The name, address, and license number of the public adjuster.
- c. Any payment that the public adjuster will receive in addition to the fee being charged.



Where can I file a complaint against my public adjuster?

Remember, you have only three days to cancel your contract with the public adjuster, unless the contract grants you additional time. If you are unable to reach the public adjuster, or if you have another complaint about a public adjuster, you can file that complaint by:

Sending an email to enforcement.mia@maryland.gov, or

Visiting our website at:

<https://insurance.maryland.gov/Consumer/Documents/publicnew/insurance-professionals-complaint-form-final.pdf>

Please complete the form and send to the email address listed above, or send to it to us via USPS at: Maryland Insurance Administration, Enforcement Unit, 200 Saint Paul Place, Suite 2700, Baltimore, MD 21202

Questions

