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FOR RELEASE ON RECEIPT

August 28, 2023

Don't Get Scammed Following the Wildfire

Insurers Urge Homeowners to Use Caution When Hiring a Contractor or Public Adjuster

Olympia, WA - As residents move forward with the clean-up and rebuilding process following the Gray and Oregon Road wildfires, four insurance trade associations urge caution when hiring a contractor or public adjuster, to avoid losing insurance proceeds or getting caught in scams and other fraudulent activity. The four insurance trades are the American Property Casualty Insurance Association (APCIA), the Insurance Information Institute (Triple-I), the National Association of Mutual Insurance Companies (NAMIC), and the Northwest Insurance Council (NWIC).

"Our thoughts are with those who have been impacted by these wildfires, and we do not want to see people who are trying to recover and rebuild be victimized a second time by unscrupulous contractors and public adjusters," said Kenton Brine, President of the Northwest Insurance Council.

The Gray and Oregon Road Wildfires began on August 18, 2023. Fire crews continue to battle flames. A minimum of 185 homes are reported to be damaged or destroyed, but other estimates say the number could reach 400 structures.

"Wildfire survivors who experienced damage need to take the time to check the credentials of the businesses and individuals they are considering hiring to repair their property," said Mark Sektnan, APCIA Vice President.

"Scammers often lie and say they are working on behalf of the insurance company. Don't feel rushed or afraid to ask for referrals and licenses, and check those license numbers with the Washington State Department of Labor & Industries" said Janet Ruiz, Director – Strategic Communications, Triple-I.

"Policyholders should also understand that their insurer will provide an adjuster for their claim at no cost to them. If a policyholder chooses to hire a public adjuster, that individual is not affiliated with their insurer and will take part of their insurance proceeds as their compensation," said Brandon Vick, Pacific Northwest Regional Vice President, NAMIC.

Insurers urge homeowners to follow these “Do’s & Don’ts” when hiring a contractor:

Do:

- Be suspicious of any contractor who tries to rush you, especially on non-emergency or temporary repairs.
- Shop around for a contractor by getting recommendations from your insurer, friends, or neighbors. Be wary of anyone knocking on your door offering unsolicited repairs to your home or saying they are endorsed by the Federal Emergency Management Agency (FEMA). FEMA does not endorse repair contractors.
- Always inspect the work and make sure you are satisfied before you pay the contractor.
- 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.
- Verify that a contractor you’re considering is licensed and bonded by the state of Washington by visiting the Washington State Department of Labor & Industries [“Verify a Contractor” website](#).
- 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.
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Don’t:

- Never pay in full for work “up front.” Don’t hire a contractor that requires all payments before work is completed. Most contractors will require a reasonable down payment on work, but don’t pay anything until you have a signed written contract.
- Never sign a contract with blank spaces, which a crooked contractor can alter after you have provided your signature.
- Avoid paying with cash; use a check or credit card instead. This creates a record of your payments to the contractor.

Additional Wildfire Recovery Tips:

- Secure property from further damage or theft.
- Contact your insurance agent or company representative as soon as possible to report damage.
- Inventory losses and photograph damage to provide to your insurance adjuster. Save receipts.
- If you are a business owner, keep detailed records of business activity that is negatively affected and keep a list of extra expenses during the interruption. Prepare records to show the income from the business before and after the loss.
- Many standard homeowners and renters policies provide reimbursement of additional living expenses when the property is determined to be uninhabitable due to a covered loss. This provision helps with paying for increases to necessary living expenses such as temporary housing and restaurant meals. In addition, extra expenses such as overnight parking and laundry services may also be covered. Additional living expense coverage does not pay for all living expenses, so contact your insurance company or agent for a list of what your policy will cover.
- Be careful about unscrupulous contractors following a natural disaster. Contact your insurer, agent, or local business bureau for references on potential contractors and ask for certificates of liability and workers compensation before signing contracts.

Tips When Hiring a Public Adjuster:

- Check the public adjuster’s qualifications by calling the Washington Office of the Insurance Commissioner (800-562-6900).
- Be careful of individuals that solicit business by going door to door.
- Ask about their fees and get a written contract outlining the fees and services.

- Be careful about authorizing anyone to work for you without fully understanding what you will receive. An authorization to review a policy may be a contract for service.
- Watch for potential conflicts of interest that may prevent a public adjuster from putting your needs first.
- Avoid public adjusters that misrepresent themselves as being part of a government agency or being sent by your insurance company or agent.
- If you hire a public adjuster, understand that your settlement check will be made out to you *and* your public adjuster and will require signature by **both** parties before it can be cashed. Remember also that insurance claims proceeds paid to you and your hired public adjuster may reduce the amount of recovery available to you for rebuilding or replacing your home and/or contents.

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

About Triple-I We are the Insurance Information Institute. Since 1960, we have been the trusted source of unique, data-driven insights on insurance to inform and empower consumers. We serve consumers, media and professionals seeking insurance information.

NAMIC membership reflects many of the country's largest national insurers as well as regional and local mutual insurance companies on main streets across America. NAMIC members write \$357 billion in annual premiums and account for 69 percent of homeowners, 56 percent of the automobile, and 31 percent of the business insurance markets.

The NW Insurance Council is a nonprofit organization funded by insurance companies that provides information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.