

## Hiring Contractors *(continued)*

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- I North Carolina law requires contractors to present proof that they are licensed before a building permit will be granted. Therefore, if a contractor asks you to get the permit, it is advisable to require the contractor to get the building permit.
- I Never pay the entire construction price up front! A builder should normally accept a 10 percent down payment to get started on the project.
- I Make sure that you have a written contract and that the contractor signs *exactly* as his name appears on his General Contractor's License Certificate or Certificate of Renewal.
- I If your insurance can or may cover the cost of repairs, the insurance adjuster may require you to use a certain contractor. Do not, however, allow the insurance adjuster to require you to use an unlicensed contractor to repair your home. The insurance company should not require you to allow an unlicensed contractor illegally to perform repair work that should be done by a licensed contractor.
- I Above all else, remember that it is your money and the majority of the damage has already been done. There is **NO REASON** to rush into something which could result in more damage in the long run. Take your time and decide what you think is best *after* you have thought about it for a reasonable time.

## Conclusion

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The North Carolina Bar Association hopes this guide will be of assistance as you attempt to rebuild after a disaster. Please accept our sincerest condolences if you are a recent disaster victim.

*Reprinted 1999*

# Rebuilding After Disaster Strikes

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Tips for

- I Making Insurance Claims
- I and Hiring Contractors

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*This guide is published as a public service by the Disaster Legal Service Committee of the North Carolina Bar Association's Young Lawyers Division.*

If your home or property has been damaged by a natural disaster, two of your most pressing concerns will be filing insurance claims and hiring contractors to help you rebuild. Decisions about both of these matters can affect your legal rights. Here are some important tips to help you preserve your legal rights when making insurance claims and hiring contractors.

## Making Insurance Claims

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- I Report the claim to your agent, broker or insurance company as soon as possible, even if you are not sure whether your policy will cover the claim or whether the claim will be larger than your deductible.
- I Let the agent know where you can be reached if you have moved from your home.
- I If you make your initial claim by phone, follow-up in writing and list all losses. Update losses in writing as more information becomes available. Provide any receipts, appraisals or photographs of the property that you may have available. (Be sure to keep a copy of all written information you provide to the insurance company).
- I Take pictures of the damage if possible. (It is also a good idea to take photographs of property before any damage occurs).
- I Take all reasonable steps to protect the property from further damage. The insurance company may try to disclaim responsibility for additional damage that could have been prevented.
- I Get estimates for repair and replacement costs.
- I Have an adjuster look at the property before you make any significant repairs.
- I Get receipts for all repairs made and for other living expenses you have to pay because of the damage or loss.

- I If your situation is desperate and the insurance company agrees there is coverage, ask for an advance. Be careful, however, to ensure that any advance by the insurance company is not provided as "payment in full." If the check says "payment in full" in the place where you are to endorse it, do not sign if you believe the advance will not cover the entire amount of your claim.
- I Talk with a lawyer before signing any release, waiver, check or other document provided to you by the insurance company that may prevent you from making any further claim.
- I If the insurance company denies coverage for your claims:
  - Ask the company to give you its reasons in writing.
  - Reread the policy carefully to determine if the company's position makes sense to you.
  - If you do not agree with the company's reasons for denying coverage or the amount of the company's settlement offer, talk with a lawyer about the claim.

## Hiring Contractors

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- I You should only hire a licensed contractor to rebuild your home. To determine if your "contractor" is truly a licensed General Contractor call the Research Department of the North Carolina Licensing Board for General Contractors at (919) 571-4188. The Research Department can also give you a short Complaint History about the builder you are considering to hire.
- I It is always advisable to ask family and friends for their recommendations on a good, honest builder. If you are new to the area and do not know anyone to get recommendations from, then call a local building supply company and ask for names of some builders who are from the local area. Remember that if the person you hire does not have a business, family or own some real property in the local area, then there is not much to hold the contractor in town once you give him your money.

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