



Big Storms = Big Business for Travelling Contractors

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MADISON – This week’s severe weather provides a tangible reminder for homeowners to be on the lookout for fly-by-night contractors canvassing affected areas after major storms.

These so-called “storm chaser” operations have a history of doing subpar work for high prices or simply running off with a victim’s money. The workers are often from out of state and move quickly from town to town, making them difficult to track. They may pressure homeowners for a down payment and sometimes increase the price of the job when they ask for the final payment.

“If you need to hire help for damage to your property, research your local options and ask friends, neighbors and family members for referrals,” said Frank Frassetto, Division Administration for Trade and Consumer Protection.

A Wisconsin state law – “The Storm Chaser Law” – gives DATCP enforcement tools to protect consumers and honest businesses and aims to prevent insurance fraud. Highlights of the law include:

- Contractors cannot promise to pay all or some of a property insurance deductible.
- Contractors cannot represent or negotiate with the customer’s homeowner’s insurer on behalf of the customer. The contractor can, with the consent of the customer, discuss damages and costs associated with the repairs with the insurer.
- Before entering into a contract with a customer, the contractor must give the customer a questionnaire to determine whether the work requested is related to an insurance claim.
- Customers have a right to cancel the contract within three business days of being notified that their insurer has denied all or any part of the claim for work. Contractors must notify customers of this right.

Here are additional Consumer Protection tips for homeowners with storm damage:

- **Hire a contractor based on referrals.** Ask friends and neighbors for recommendations and ask contractors for references. Before you sign a contract, contact the Bureau of Consumer Protection to see if we have received complaints about the business.
- **Try to get a local contractor.** Be careful if local contractors are using outside subcontractors.
- **Get lien waivers** from anyone you pay for home repairs. It is necessary to do this because if the person collecting the money does not pay the supplier or worker, a lien could be put on your property.
- **Get a written contract** with a start and completion date and warranty information. Also, make certain that the contract states exactly what work is to be done and what materials are to be used. Never rely on a verbal commitment.
- **Have someone watch the work being done.** Check with your local building inspector to see if the work requires a permit and make sure an inspector visits the job site before you provide final payment.
- **Get written documentation that shows evidence of insurance or other protection.**

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For additional information or to file a complaint, visit the Consumer Protection Bureau at datcp.wisconsin.gov, send an e-mail to datcphotline@wisconsin.gov or call the Consumer Information Hotline toll-free at 1-800-422-7128.

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