

How to avoid contracting scams

Español

Out-of-town scam artists may be the first to arrive at your front door after a disaster. To protect what you invest in repairs, hire local contractors, get written bids, and check references. Use these tips to avoid problems.

1. Get more than one bid

Getting at least three bids will help you decide which offers may be too high or too good to be true. Your insurance adjuster can give you an idea of what the repair should cost. Bids should be on the company's letterhead with a phone number and an address. Keep a copy of all agreements and warranty terms.



2. Watch what you sign

Read every document carefully before you sign. Scammers will try to get you to sign a contract by calling it an estimate or a release just to go on your roof. And don't sign a contract with blank spaces. Shady contractors will fill in the spaces later with higher costs or work that's different from what you wanted.

3. Beware of misleading language

Don't sign contracts that say, "Homeowner agrees to the listed repairs for the value of insurance proceeds." If you do, the contractor gets every penny from your insurance payment. Make sure the contract lists the materials they'll use. Keep an eye out for defective or low-quality materials while work progresses.

4. Don't pay up front

Be wary if a contractor asks for a large or full down payment. After a disaster, it's against the law for out-of-town contractors to ask for a down payment before they start.

5. Skip offers to waive your deductible

It's against the law for a contractor to offer to waive an insurance deductible work the deductible amount into a bid. If this happens, find a new contractor. You can also report it to the Texas Attorney General at 800-621-0508.

Resources

Is it OK for a contractor to waive my deductible?

For more tips like these:



For more information, contact: MediaRelations@tdi.texas.gov

Last updated: 3/22/2021