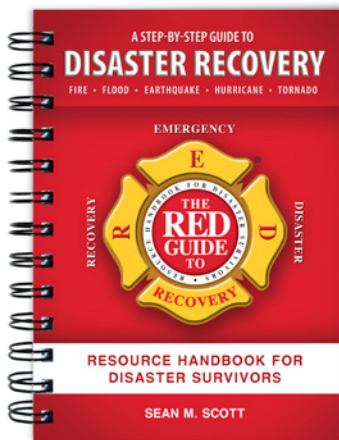


CONTRACTOR QUESTIONNAIRE & CHECKLIST



After a disaster, one of the most important decisions you will make will be selecting a contractor to repair or rebuild your home. Home improvement is one of the leading sources of consumer complaints, so you need to be very careful when making this decision and do your homework.

The following checklist provides a few tips to help you select a qualified contractor, along with some recommendations to protect yourself.



After a disaster, you need to know how to navigate the recovery process. **The Red Guide to Recovery** is packed with insight and powerful information that will help you rebuild your home and life. Only two types of people emerge from disasters – survivors and victims and a little knowledge can make all the difference!

- 1) Get the contractor's full name, physical business address (not a P.O. Box), business phone and cell phone numbers, vehicle license plate number, and contractor's license number. Avoid doing business with a contractor from out of town or one who works out of his truck.
- 2) Check with your State or county agency that regulates contractors, local building inspectors, or consumer protection officials to find out about licensing requirements in your area.
- 3) Get certificates of insurance for both Workers' Compensation and General Liability Insurance. These insurances help to protect you, your home, and your property in the event of an accident or construction defect. The importance of your contractor having these insurances cannot be understated. Contact the agent or broker listed on the certificate to verify that the policies are current and in force and avoid contractors who do not carry both.
- 4) Ask to see the contractor's driver's license. This will help you verify if he or she lives locally. Using a local contractor also helps to keep the contractor accountable in the event of a problem or if you need them to perform warranty work.
- 5) Verify that the name on the contractor's license matches the business name and that the license date has not expired. Don't use a contractor who is using someone else's license.

Verify that the policies are current and in force.

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- 6) Verify the business phone and address, and thoroughly research the contractor on the Internet, the Better Business Bureau, and with your state consumer agency or attorney general's office to see if previous customers have reported complaints. You can also research to see if the contractor has been involved in lawsuits or if they have a criminal history by researching your county court records. Doing an inexpensive background check can be money well spent!
- 7) Get at least three estimates from local, licensed contractors. Remember the lowest bid is not always the best deal. Be sure the estimates include all the work needed and that nothing is left out. Some contractors have been known to purposely leave items out of their estimates to make them appear less expensive. Then once a contract is signed, they may try to get you to sign change orders where they can charge higher than normal rates for the items that were not included in the original scope of work.
- 8) Request a current reference list that contains work that is similar to your project in size and scope. Ask to see past projects as well as jobs currently in progress. This will allow you to talk to other customers and allows them to share their experience with you. Don't rely on pictures or over-the-phone interviews.
- 9) Ask to meet the project manager who may be designated to run your project. Being comfortable with the project manager is important because they may be your point of contact and responsible for the coordination and completion of the project.
- 10) If you are dealing with a salesperson, ask to meet the owner of the company. The owner will most likely be the final decision maker for the company if problems arise. Ask to what degree, if any, that the owner will be involved with your project.
- 11) Ask how much of the work is subcontracted out or if the contractor uses temporary laborers. What you don't want is to hire a contractor who sells your contract to another contractor who uses unskilled temporary laborers who may not be qualified to do the type of work you need done.
- 12) Get a complete copy of the contract before you sign it and have an attorney review the terms. Never sign a contract that has spaces left blank. Doing so can allow the contractor to insert unfavorable terms without your knowledge.
- 13) Make sure the payment terms and draw schedule are set up so the contractor only gets paid for actual work completed.
- 14) If you have a lender named as an additional payee on your insurance proceeds for repairs, be sure the contractor's draw schedule on the contract coincides with the mortgage company disbursements.
- 15) Hold back a minimum of 10% of the contract price for final completion. That will provide a safety net to be sure any final punch-list items are completed.



Secrets of the Insurance Game is an exposé on the challenges and pitfalls disaster survivors face when dealing with a property damage claim. The information in this book will help put you on a level playing field!

CONTRACTOR QUESTIONNAIRE & CHECKLIST



ASK THE FOLLOWING QUESTIONS:

- 1) How many years of experience do you have?
- 2) When will you be able to start work?
- 3) How long will the project take?
- 4) Is your company bonded?
- 5) Is your company licensed?
- 6) Do you hire all your own labor or do you subcontract it out to others or use temporary laborers? What trades does your company perform in-house with your own workers?
- 7) Are your employees drug tested and background checked?
- 8) What procedures for corrective action will be in the contract if I am not happy with any portion of the work?
- 9) If applicable, ask the contractor what experience they have in fire, smoke, or water damage restoration.
- 10) If applicable, ask how much experience they have working with insurance adjusters or property damage claims.
- 11) How many projects do you currently have in progress?
- 12) How much of a down payment will you require before you get started?

What trades does your company perform in-house with your own workers?

You can also do a background check online with services such as TruthFinder.com or search county court records to see if the contractor has a civil or criminal lawsuit history.

ADDITIONAL TIPS TO PROTECT YOURSELF:

- 1) Try to find a contractor that has some level of accountability. Contractors who have a close relationship with friends or family, your church, or recommended by your insurance agent may be viable options versus someone out of the phone book.

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CONTRACTOR QUESTIONNAIRE & CHECKLIST



- 2) Be sure to clarify if the contractor offers any warranties or workmanship guarantees. Although this can be valuable in the event of a problem or defect later, any warranty may only be good as long as the contractor is in business.

Any warranty may only be good as long as the contractor is in business.

- 3) Be especially careful of assignment of benefit clauses! Some contracts contain language that allows the contractor to control your insurance proceeds. Seek legal advice before signing a contract that has this type of language in it.
- 4) Before releasing funds, have an independent third party inspect the work and verify that the scope has been followed and that the work was done properly. Sometimes residential home inspectors will offer this service for an hourly rate and provide you with a written report of any omissions or defects.
- 5) **BEWARE!** If the contractor has completed a large portion of the work and your mortgage company refuses to release funds they are holding, the contractor can stop the job until they get paid. This can put you in a difficult financial position that may require you to get a loan or find other means to pay the contractor.
- 6) If your insurance company provides you with an estimate that is broken down into line-by-line items with pricing, be sure the contractor has performed each item. If not, the value of any item that is not done should be credited to you.

The Red Guide to Recovery
Resource Handbook For Disaster Survivors
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