



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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CONSUMER ALERT: Post-Storm Scammers Are Ready, Are You?

LITTLE ROCK – Arkansas Insurance Commissioner Alan McClain today released the following statement alerting Arkansans to be wary of post-storm rebuilding scams with severe weather in the forecast for Arkansas today:

“With severe weather in the forecast for tonight, I am urging all Arkansans to ready themselves for both Mother Nature and the scammers who are ready to pounce on property owners who may suffer storm damage and pocket some quick cash. After tonight’s weather passes, your first action should be to call your insurance agent to file a claim—not signing a repair contract with someone who pops-up at your front door unannounced.”

McClain reminds Arkansas homeowners that their insurer will honor its policy, so there is no need for a homeowner to rush into an agreement with a contractor who solicits for repair without your request.

The Arkansas Insurance Department (AID) offers these tips to homeowners who are seeking repairs to their home due to severe weather:

- Never let a contractor discourage you from contacting your insurance company.
- Never let a contractor interpret your insurance policy for you. If you have questions about your policy, contact your insurer or AID’s Consumer Services Division at 800-852-5494.
- Make sure you review and understand all documents sent to your insurance company.
- Get more than one estimate. Demand references and check them out. Never let a contractor pressure you into hiring them.
- Never sign a contract with blanks; unacceptable terms can be added later.
- Never pay a contractor in full or sign a completion certificate until the work is finished and ensure reconstruction is up to current code.

When choosing a contractor, McClain reminds Arkansans to make sure to ask if the contractor is insured and/or bonded. Consumers should ask to see the contractor’s insurance certificate, which includes the name and phone number of their insurer, which consumers should call to verify coverage.

Property owners should get everything in writing: Repair cost, work to be done, time schedules, guarantees, payment schedules, and other expectations should be detailed.

McClain also reminds Arkansans of Act 1360 of 2013, which allows a homeowner to cancel a signed real estate repair contract if their insurer notifies them that all or any part of their claim or repair contract is not a covered loss under the homeowner's policy.

Consumer who need additional assistance should contact AID's Consumer Services Division at 800-852-5494.

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About the Arkansas Department of Commerce:

The Arkansas Department of Commerce is the umbrella department for workforce and economic development drivers. Its divisions and regulatory boards include Division of Aeronautics, Waterways Commission, Wine Producers Council, Division of Workforce Services, Office of Skills Development, State Bank Department, Insurance Department, Securities Department, Economic Development Commission and Development Finance Authority. It was established July 2019 as part of Governor Asa Hutchinson's wide-sweeping efficiency and transformation efforts to reduce 42 cabinet agencies to 15 while maintaining services for all Arkansans.



About the Arkansas Insurance Department:

The Arkansas Insurance Department, a division of the Arkansas Department of Commerce, was created on March 7, 1917, by an Act of the Arkansas General Assembly. Its primary mission is consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence. For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>.