

After a Disaster: Avoiding Scams



Stop. Verify. Report.

Disasters bring out helpers — and scammers. Take your time before signing anything or paying anyone.



Watch for common red flags

Be cautious if someone:

- ⇒ Shows up uninvited at your door
- ⇒ Pressures you to sign immediately
- ⇒ Demands full payment upfront
- ⇒ Claims they can get you a larger insurance settlement
- ⇒ Offers “free” upgrades or materials
- ⇒ Refuses to provide references or proof of insurance

A reputable contractor typically:

- ⇒ Provides a written contract
- ⇒ Uses a payment schedule tied to completed work
- ⇒ Does not require full payment before work begins

Before hiring a contractor

Ask for:

- ⇒ Business license information
- ⇒ Proof of liability insurance
- ⇒ Proof of workers’ compensation coverage
- ⇒ References from previous customers
- ⇒ A written estimate

Verify:

- ⇒ Online reviews
- ⇒ Better Business Bureau information
- ⇒ State licensing information
- ⇒ Insurance coverage documentation
- ⇒ Never pay anything up front

Be careful with assignment of benefits (AOB)

Some contractors may ask you to sign a document called an Assignment of Benefits. This can transfer some or all of your insurance claim rights to the contractor. Before signing:

- ⇒ Read the document carefully
- ⇒ Ask questions
- ⇒ Talk with your insurer
- ⇒ Consider seeking legal advice

You may be giving up important rights without realizing it.



Consumer Service Center
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mn.gov/commerce



Protect yourself from fraud

- ⇒ Keep copies of all contracts and receipts
- ⇒ Document all communications
- ⇒ Get everything in writing
- ⇒ Don't feel pressured to make immediate decisions
- ⇒ Trust your instincts if something feels wrong

Report suspected fraud

If you believe you have encountered a scam:

- ⇒ Contact your insurance company
- ⇒ Report concerns to the Minnesota Department of Commerce
- ⇒ Contact local law enforcement if necessary

Remember:

- ⇒ If someone says you must sign today, that's usually a reason to wait until tomorrow.