



CONSUMER ALERT



Contractor Fraud: A Threat to Market Stability

Insurance rates are skyrocketing and majority of homeowners are feeling the impact. Higher insurance rates can be life altering, requiring homeowners to make decisions between vital medications, food, gas and other essentials. Fraud, specifically schemes perpetuated by contractors and other third parties, is a threat to the stability of the insurance market, a market that is already on life support (as I explained to Legislators last year).

Just last month, Chief Financial Officer Jimmy Patronis announced two arrests of contractors in Naples for allegedly operating a solicitation scheme for free roof replacements due to Hurricane Irma damage. They allegedly enticed homeowners with rebates to cover their insurance deductible if they submitted an insurance claim for a roof replacement.

- The company's salespeople would require the homeowner to sign an **Assignment of Benefits** and an "advertising agreement," which allowed the company to place an advertising sign in their yard, and the homeowners were required to provide positive reviews online and give neighborhood referrals.
- The contractors face nine counts of filing False & Fraudulent Insurance Claims, a third-degree felony.
- If convicted on all charges, they each face a maximum sentence of up to 45 years in prison and a \$45,000 fine.



These schemes are real and are happening more frequently. **You have the power to help stop contractor fraud by being informed and reporting fraud.** Know how the schemes work and how to avoid falling victim. My **Demolish Contractor Fraud: Steps to Avoid Falling Victim** initiative provides a thorough overview on how contractor fraud works, including both common and uncommon tactics used by contractors. The program also includes a collection of stories from consumers sharing their experience with contractor fraud and how they were impacted. The program also outlines the prohibitions placed on contractors as outlined in law.

**The more informed you are about contractor fraud,
the less likely you are to become a victim.**

As Florida's Insurance Consumer Advocate, I am deeply concerned about the insurance market and how increased rates impact you and your family. I will continue working with CFO Patronis and his team and the Florida Legislature to address the factors causing rate increases, like fraud.

As I work to influence impactful legislative changes, I urge you to learn more about contractor fraud @ www.MyFloridaCFO.com/Division/ICA/Demolish.

Additionally, there may be ways to reduce your premium:

- Ask your agent to review your coverage to ensure you are only paying for what you need.
- Ask your insurance agent if you are eligible for premium discounts, as offered by most companies.
- Determine if you can adjust your deductible, which may decrease your premium. But remember, if you sustain damage and file a claim, you will be responsible for the deductible amount.

Together, we can combat fraud.

Be informed and report insurance fraud: **Department of Financial Services'**
Fraud Reporting Portal.



Follow me on **Facebook** and **Twitter** @YourFLVoice for pertinent insurance updates. Email me @ **YourFLVoice@MyFloridaCFO.com** with insurance questions.

www.MyFloridaCFO.com/Division/ICA

Tasha Carter

The Voice for Florida's Insurance Consumers

Office of the Insurance Consumer Advocate
Florida Department of Financial Services
200 East Gaines Street, Tallahassee, Florida 32399
YourFLVoice@MyFloridaCFO.com

CONSUMER ALERTS

SIGN UP. BE INFORMED.



Sign up to receive ICA Tasha Carter's Consumer Alerts in your inbox:

www.MyFloridaCFO.com/Division/ICA/ConsumerAlerts