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**FOR RELEASE ON RECEIPT**

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## **Florida's Insurance Consumer Advocate & Insurers Partner to Combat Contractor Fraud & Abuse**

**TALLAHASSEE, Fla.** – As peak hurricane season activity begins, Florida's Insurance Consumer Advocate (ICA) Tasha Carter and the American Property Casualty Insurance Association (APCIA) today announced a joint [effort](#) to empower Floridians with the knowledge and resources to help prevent them from falling victim to contractor fraud and abuse, especially after a disaster. Florida's ICA and APCIA have created a free, printer-friendly [guide](#) that details red-flag warning signs and steps to take before hiring a contractor. With above-average activity forecast this hurricane season, fraudsters may have many opportunities to prey on homeowners in need of repairs.

"Illegitimate contractors' deception and deliberate schemes have a far-reaching impact on Floridians and the insurance market. Fraud drives up costs and leaves consumers to cover the shortage. It is a privilege to partner with APCIA to educate Florida's consumers on how to identify and avoid fraud. Fraudsters are strategic but, together with APCIA, we are a strong force fighting to combat fraud," said Tasha Carter, Florida's Insurance Consumer Advocate.

While contractors play an integral role in the building and repair process and most are legitimate, there are others who are looking to take advantage of homeowners in vulnerable situations after a disaster. Homeowners need to watch for red flags, such as someone going door-to-door using high pressure sales tactics and demanding payment up front.

"Insurers want to protect their customers against fraudsters looking to prey on disaster victims, which is why we are proud to work with Florida's Insurance Consumer Advocate to raise awareness and provide helpful resources to fight against contractor fraud," said Logan McFaddin, vice president of state

government relations for APCIA. “The best way to fight fraud is to be informed and prepared. Before hurricane season gets busy, homeowners should create a list of licensed, reputable contractors in their area who they can call if their home is damaged.”

According to the Coalition Against Insurance Fraud, approximately \$308.6 billion is lost annually to insurance fraud. Insurance fraud tactics and schemes result in insurance companies paying higher negotiated settlements or paying additional costs to litigate these claims, which further burdens consumers in the form of increased insurance rates, lack of availability, and reduced coverage.

“Florida’s property insurance market is already experiencing significant turmoil due to excessive legal system abuse and fraud, so the more we can crack down on bad actors and prevent fraud from happening, the more we can help stabilize the market for consumers long-term,” added McFaddin.

Florida’s ICA and APCIA offer the following tips to help prevent homeowners from falling victim to contractor fraud and abuse.

- 1. Be alert and know the warning signs.** Be on the lookout for unsolicited offers to inspect or repair your roof. Be cautious of contractors who try to pressure you into signing a contract and require cash for a down payment or full payment up front.
- 2. Contact your insurer first.** File your claim first and let your insurer verify what repairs are necessary before signing any contracts. Then find a licensed contractor to make the repairs. Your insurer can help you identify licensed contractors in your area.
- 3. Verify insurance and licenses.** Make sure the contractor you hire has liability and workers’ compensation insurance and check to see if the contractor has a legitimate local address. Florida residents should check the [Florida Department of Business and Professional Regulation](#) (DBPR) website to be sure the contractor is licensed and bonded.
- 4. Get three bids and check references.** Get three written, itemized estimates for the work and compare the bids. Require the contractor to provide you with references and contact those references to verify the work was done on time and completed in compliance with the current building code.
- 5. Check for complaints.** Florida residents should check with Florida DBPR or the [Better Business Bureau](#) to see if complaints have been filed against the contractor.
- 6. Never pay in full upfront.** Most contractors will require a reasonable down payment, but never pay in full up front and do not pay in cash. Make sure you have a detailed written contract in place before paying anything. Pay for the work in installments as the job is completed and use a check or credit card so that you have a record of payment. Verify that the work was done before paying the invoices.
- 7. Get a written contract.** Always get a written contract that clearly states everything the contractor will do, including prices for labor and materials. Make sure the contract includes clean-up procedures and estimated start and completion dates. Never sign a contract with blanks that can be filled in later by the contractor. Ensure you understand the contract prior to signing; seek assistance from a trusted friend or relative, if needed.

The ICA/APCIA [Don't Be a Victim! Prevent Contractor Fraud and Abuse Guide](#) provides more detailed information and tips.

“I encourage homeowners to print the guide and keep it in a secure location with their insurance and other important documents, so they have it for easy reference after a storm. Prepare as much as possible beforehand to protect yourself from fraud and make the disaster recovery process smoother,” added ICA Carter.

Join ICA Carter and APCIA for a Contractor Fraud and Abuse Prevention Twitter Chat on August 25, 2022 @ 2 p.m. ET on [@TeamAPCIA](#).

## **Additional Resources**

[Demolish Contractor Fraud: Steps to Avoid Falling Victim](#)

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### **About Florida's Insurance Consumer Advocate**

Florida's Insurance Consumer Advocate Tasha Carter is an independent leader with an effective and powerful voice for all insurance consumers. In this role, ICA Carter is committed to increasing consumer awareness and education; assisting consumers with insurance-related matters; and engaging legislatively to represent Florida's insurance consumers. The ICA serves the interests of Florida's insurance consumers by representing the general public before key stakeholders and developing consumer-focused solutions.

Follow ICA Carter on [Twitter](#) and [Facebook](#): @YourFLVoice.

### **About the American Property Casualty Insurance Association**

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.