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Introduction

Disclaimer

The information contained in this guide is for informational purposes only.

The information for this book was gathered mainly from my knowledge and experience in the home improvement industry and hours of research using other experts such as Haag Engineering, Greg Cannon and Deryl Middleton.

About the Author

Hi, my name is John Francis and I’m the owner of Northern Virginia Roofing and Exteriors - a family owned and operated home improvement company serving the Washington DC area since 1963. Over the years, we have seen it all and I’ve gotten tired of seeing homeowners being taken advantage of by unscrupulous contractors and well-intentioned contractors that inadvertently mislead the homeowner due to their lack of experience. Unfortunately unethical practices (self-serving contract agreements, high pressure sales techniques, and unlicensed contractors) as well as fraud and insurance storm restoration scams are still very common.

Goals

By writing this book, I wanted to arm the homeowner with the knowledge and background information on how the storm restoration industry operates, how to avoid some of the common scams and frauds and how to hire a Qualified Local Contractor (I call them QLCs).

Who Is a QLC?

QLC stands for Qualified Local Contractor; an established, local contractor who strives to maintain excellent customer relationships by working with their clients to resolve problems, perform quality work, always pay their subcontractors and vendors, and conduct themselves professionally with the goal of building a successful business. If you hire a QLC, you are in good
hands and won't have to worry about most of the things in this book. If you end up with a Non-QLC or an out-of-town Storm Chaser (read more about these contractors in Chapter 4), the best practices and advice in this book are meant to help you reduce your chances of getting ripped off, while keeping the contractor accountable.

This book deals specifically with the hail storm industry and will act as a guide to navigate you through the restoration process. From recognizing the signs of hail damage and determining whether to file an insurance claim or not, to getting the full amount you are entitled to from the insurance company, this book covers everything you need to know. You’ll learn how to choose a good contractor you can trust, how to screen the contractor, negotiate a contract, and avoid getting ripped off.

Why You Need This Book

Whether you’ve had wind or hail damage or not, you will find this information useful, because there is a high likelihood that your home will experience wind or hail damage in the future. Although the dealings of out-of-town Storm Chasers and other unethical contractors have been heavily publicized-thousands of homeowners fall victim to roofing scams (and frauds) every year. This book will help you prepare for such an event before it happens and will guide you after.

Videos

I have filmed short videos based on chapters of this book, so if you would rather watch a video than read the chapters, you can click on the images at the beginning of each chapter to watch videos instead.

If You Have Any Questions

*If at any point while you’re reading this guide you have any questions, please don’t hesitate to contact me via email: john@nvroofs.com.*
In our 51 years of operation we have had many cases when a homeowner calls us with a roof leak, and after the inspection we discover that the roof leak was caused by damage from a hail storm that might have happened 2-3 years ago.

The homeowner usually doesn’t recall a hail storm, but a hail storm that might have lasted only 15 minutes can cause significant damage over time. Your roof should be inspected - especially after a wind and/or hail storm - because even minor damage made to your roof may lead to a much bigger problem in the future.

The reason why hail damage is bad for your roof is because granules are the protective layer of the shingles, and over a period of time rain will wash off the granules that were loosened by the hail storm and expose the asphalt underneath. Exposed asphalt will make the shingles deteriorate much faster than normal, causing the roof to leak.

**Tip:** It may be necessary to inspect your roof multiple times if there is no apparent damage on the first inspection. In some cases the granules will not come off the roof right after a hail storm, giving the appearance that there is no damage (it might take a couple of rains for loosened granules to come off).
10 Signs of Hail Damage:

If you were home when the hail storm occurred, these are the sure signs that your home has experienced hail damage:

1. Large (quarter size or larger) hail in the area.
2. Heavy winds (50+ MPH).
3. Damage (dings, dents) to cars.
4. A lot of leaves and debris in your yard and throughout your neighborhood.

These are the signs to look for if you were not home:

5. Neighbors discussing that their homes were hit by hail damage.
6. Reports on the news.
7. Multiple contractor signs in the yard.
8. Door knocking (contractors knocking on your door).
9. Telemarketing (contractors calling your home, trying to set an appointment).
10. Direct Mail pieces.

If any of these signs are present, your roof should be inspected (see Chapter 6 on how to inspect the roof yourself and Chapter 5 on how to hire a good roofing contractor to do it for you).

It may not seem like your home got hit by hail damage - it takes a trained eye to recognize hail damage on the roof, gutters, and siding. Unless the hail was softball size, you cannot see the hail damage to roof and gutters from the ground. In fact, in some circumstances the hail damage will not appear on the roof until a month or two after the storm.

Hiring the Right Contractor

Your roof is worth roughly 10%-15% of your home’s value; it covers 90% of your assets and it is the main source of protection for your family. And although it is important to start the restoration process sooner rather later - it’s also very important to take your time and find a Qualified Local Contractor (QLC) to inspect your roof so that together you can decide whether there is enough damage to file a claim or not.

In some circumstances it may be harmful to file a claim while in others it may be harmful not to file a claim. An out-of-state Storm Chaser will almost always urge you to file a claim and get a new roof even if your roof is in a good condition. (Read more about filing an insurance claim in chapter 6. Filling Your Insurance Claim (To File or Not To File)).
The right contractor will provide you with high quality product that conforms to local building codes and manufacturer specifications, will be your advocate and make the complicated insurance process easy and stress-free, and will be there for you to provide warranty support years after the project is completed. The wrong contractor will take your money and might turn a complex storm restoration project into a disaster (due to inexperience or lack of ethics) with a lot of stress and confusion. They will leave town when the insurance related work starts to slow down in your area or a bigger storm comes along in another part of the country (many times leaving homeowners with partial work completed or no work done at all, and the need to hire another contractor to complete/redo the work).

Finding the right contractor (QLC) will take some work on your part but it will potentially save you a lot of time, money and headaches. See Chapter 5 to learn how to recognize a bad contractor and how to hire a good one.
Chapter 2: How to Mitigate the Damage to Your Home from a Wind or Hail Storm

A homeowner’s insurance policy requires you, the homeowner, to mitigate any damage to your home. This means it is your responsibility as the homeowner to stop any further damage from occurring to your home after the wind/hail storm. Here are some things that you can do to mitigate the damage:

**Broken/cracked skylights and windows:**
If you have holes in your skylights and windows, cover them with plastic. Remember it’s your responsibility as a homeowner to eliminate any further leaks or damage that could be caused by the hail damage.

**Leaks in the roof:**
If your roof is leaking, you need to tarp it. If it’s still raining and you can’t tarp your roof, put buckets in the leak area to prevent water from damaging the interior anymore than it already has.
It’s best to call a Qualified Local Contractor to tarp your roof for safety purposes and to ensure that it’s done correctly. Your insurance company will reimburse you for all the incurred expenses.

**Blown off/damaged siding:**
Similarly with the roof damage, if your siding is hanging, loose, or missing, have your QLC tarp the siding to help prevent any further damage to the interior.
Falling tree damage:
If a tree fell on your home, call a tree company to come out and inspect and remove the tree immediately. Then have a QLC come out to tarp the damaged area and mitigate any further damage. Ask the contractor to refer you to a good tree company if you don’t have one.

Tip: Keep in mind: if your tree falls on the neighbor’s property, it’s your neighbor’s insurance company who will be responsible for the damage repair. If neighbor’s tree falls on your home, your insurance company will be responsible.

Before Cleanup Begins

In storm damage claims, as in all insurance claims, you will have to provide the proof of damage to insurance company. Therefore before a cleanup begins- make sure you do a few things:
- Document the insurance loss with photos.
- If you can- collect the hail stones in a plastic bag and put it in a freezer.
- Record an inventory of personal property damage.
- Save all the receipts for any immediate work completed.

If a hail and/or wind storm has caused damage to your property, you will be facing a lengthy and not always straight-forward process of dealing with your insurance company’s adjuster. An insurance adjuster is thoroughly trained in all aspects of the claims process, including the possibility in minimizing your claim. Therefore, to maximize your chances of getting the full amount of money that you are entitled to from your insurance company- it is important to follow the best practices listed above.

When the Storm Strikes:
In case you are reading this but you haven’t experienced a hail storm yet, remember that weather patterns have changed a lot in the last 5-6 years and there is a high likelihood that you will experience hail damage within the next few years- so keep these things in mind:

If you are outside when a wind or hail storm hits, go inside and stay away from any windows and doors, because glass could shatter depending on the size of the hail.
Bring your vehicle(s) into the garage or a covered area if possible to reduce the damage to them.
Remove or tie down any non-fixed items outside (patio furniture, kids’ toys, bicycles, etc.), because hail storms are usually accompanied by strong wind that can throw these items against your or neighbor’s house.
Chapter 3: Marketing Craze: What to Do After the Storm Hits (Buyer Beware)

Marketing Craze: What To Do After the Wind or Hail Storm Hits

Considering a Particular Contractor:
- Take pictures of the salesperson and the license plate
- Ask to see their driver’s license
- Take a picture of it
- Ask for references from 3-5 years ago

Buyer Beware

When a hail or wind storm hits your area (and your house) you are going to be inundated with flyers, direct mail offers, yard signs, telemarketers, door knockers, and other types of marketing.

This can be very overwhelming and, could cause you to react emotionally because, as I mentioned before, your roof is actually worth roughly 10% - 15% of your home’s entire value. It also covers about 90% of your assets, and provides the protection from the rain for your family. Salesmen are aware of this, and they could try to prey on your emotions. So remember; it is **very important** to slow down and verify that the company you are dealing with is a Qualified Local Contractor. Trust me, it is best to take your time and find a local, reputable and experienced contractor to get the job done right the first time. It will save you a lot of time, money, and headaches in the future.

Before you make any decisions on who to go with or who to work with, you need to understand that after a large hail storm, the majority of contractors are from out-of-town, which means that you need to pick your contractor wisely. And even if they are a local contractor, this doesn’t mean that they are the right contractor for you.
Dealing with Door-to-Door Salespeople

But what do you do if contractors are knocking on your door and offer free inspections, “limited” time offers, or freebies? Before I answer that question, let me give you some background information first.

As rule of thumb; trust your instincts, if you are not comfortable with the contractor at your door you should ask them to leave. If you don’t want anyone knocking on your door, place a “No Soliciting” sign on or near your front door.

Click here to print out a No Soliciting sign.

If they still knock on your door after you have installed a No Soliciting sign, don’t answer it, or ask them to leave because you don’t want to do business with people that don’t respect your wishes.

It’s important to understand that not all companies that go door to door or participate in mass marketing are crooks. But if you do talk to a door to door salesman, do not let them do anything (including go on your roof) the first time you meet them (I’ll tell you why in the future chapters).

What to Look For

If you are considering using a contractor, you should:

- Take picture of the salesperson and his/her license plate.
- Ask to see a driver’s license and take a picture of it. *This will help determine if the person is local or from out of town.*
- Ask for references of jobs done for the last 3-5 years prior. *Asking for references will help you eliminate people who just came into town.*

So if you do have any problems, you will have the photos of the person, license plate, and the driver’s license to give to the police.

If the salesperson refuses to comply with any of these requests or doesn’t have an I.D., tell him to leave your property. These requests should not be a problem for a reputable salesperson who wants your business.

Tip: Disreputable roofing companies may try to fool you with false names or aliases because they intend to do something dishonest. They may even change the name of their company frequently to avoid pursuit. A Qualified Local Contractor will let you take any pictures you need,
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Learn The Storm Damage Industry Secrets and Avoid Getting Ripped Off

because he/she has nothing to hide.

The Three Types of Contractors (Overview):

There are a lot of variables that you should know before you choose the contractor. Don’t fall prey to the marketing craze- you will be inundated with 3 types of contractors vying for your business through several forms of mass marketing such as telemarketers, flyers, canvassers, direct mail pieces, and yard signs.

One of the main reasons I’m writing this book is to reveal all the secrets and the misinformation that goes on after a hail or wind storm. I want to make sure that you are well educated and understand completely the whole insurance/contractor process before you make any decisions.

To understand the hail storm process and make the right hiring decisions you need to know the three different types of contractors: Out-of-town Companies, non-Qualified Local Contractor (or non-QLC) and Qualified Local Contractor (or QLC).

Out-of-town Company: Out-of-town Storm Chaser is a company that travels around the country and goes to the areas damaged by hail and/or wind storms. These storm damage hustlers capitalize on insurance work, which is when the insurance company compensates the homeowner for the damage done to their property due to hail and/or wind damage. Storm Chasers are known for high-pressure sales techniques, vague and self-serving contract agreements and shoddy workmanship. As well as the lack of knowledge of local laws, local licenses, little or no insurance, haphazard training, high turnover of crews etc. etc. (Avoid Storm Chasers at all costs).

Non-QLC Company is local contractor (a handyman or a gutter guy) that for various reasons does not meet the criteria to be a QLC company (no or insufficient storm restoration experience, lack of training and/or qualification, no or insufficient insurance, lack of track record or extended warranty support etc.). Just because they are a local contractor doesn’t mean they know what they are doing and that they will be able to handle a complex insurance claim or roof restoration process properly.

QLC Company is a well-established, local contractor trained in insurance claims that has been through multiple storms and is very familiar with the process; has several qualifications, licenses, insurances, warranties(labor and manufacturer), and verifiable references. A Qualified Local Contractor is in the business long term and will be able to take of any warranty work that may arise 5,10,15 or more years later.
NOTE: Only about 1% of all contractors out there meet the criteria of a QLC. See Chapter 5 on a more in-depth analysis of these contractors and how to find a Qualified Local Contractor.

Don’t Fall For it!

During the post-storm marketing craze you will surely meet some very impressive salesmen/saleswomen. They will use high pressure sales techniques and offer you a lot of freebees to sign you up now before it’s too late. If you fall for it, you wasted your time (and money) on this book. Never, ever sign anything without pre-screening the contractor/company and reading the agreement.

Your main job as a homeowner is to sift through all of the contractors and find the right one- a QLC. When you find your QLC, he/she will take care of you and be your advocate. If you take nothing else away from this book, let this be the message you receive.

Getting 3 Estimates

It’s common advice and your insurance company will recommend that you get estimates from 3 different contractors. Normally I would recommend that you get 3 estimates as well with most home improvement projects, but since hail and/or wind damage is mostly covered by your homeowner’s insurance policy - I will make an exception and say that you don’t need to get 3 estimates. Here’s why:

Since you are not spending your own money (the insurance company will pay for most of it) you have a chance to choose the best contractor and not worry about the price. If you do get three estimates, the insurance company will go with the cheapest bid regardless of the quality. By law the insurance company has to accept the contractor that you choose and negotiate the final project amount with him/her as long as it’s reasonable and customary. It is in your best interest to find one Qualified Local Contractor and let him/her do the rest.
Chapter 4: Three Types of Contractors

Before we start the process of choosing the contractor (Chapter 5), it’s important to understand the different types of contractors and how they operate their businesses in the storm restoration industry. Knowing the characteristics of each type of contractor will help you find the right one. Let’s start with Storm Chasers.

1. Out-of-Town Storm Chaser

Storm chasers are companies that follow severe weather from area to area, completing home repairs (generally roofs and siding) that are damaged by hail and wind. They collect homeowners’ insurance claim checks in payment for their services and complete the work (often shoddily) before moving on to the next storm ravaged area.

Here are the Pros and Cons:

Pros:
- They can often speed up the renovation process in a given area.
- They have a great deal of insurance expertise.

Cons:
- They have no community roots and no knowledge of the local area (laws and building codes).
- They often have a large turnover of crews, salesmen/saleswomen, and other staff.
- They often aren’t properly trained for this type of repair work.
- They may have or may be gathering a bad reputation.
- Because they rush, they often have inconsistent quality of work.
- They may not offer warranties, or what warranties they do offer may not be backed up, because they leave the area as soon as the work is done.
- They may have low standards on material quality.

The Positives

There are definite benefits that storm chasing companies bring when they come into town. When a large storm hits, it’s nearly impossible for the local contractors to handle the damage in a timely manner. Storm chasers usually have expertise in insurance claims (since they do it all the time it’s their core expertise).

Some insurance companies after the hail storm hits are very slow to react, often delaying and/or
declining claims to improve their profits. I cannot tell you the number of homeowners that have had their insurance policy for 10-20 or even 40 years and their insurance claim gets denied even with obvious damage.

Because of the storm chasers’ expertise in insurance claims and insurance law, they are able to combat insurance adjusters who are trying to reduce liability and improve the insurance company’s bottom line at your expense.

Professional storm companies are able to mobilize project managers, office staff, crews, and “insurance claim specialists” quickly and easily (often within minutes of the storm hitting) because they do not have ties to any particular area. This allows them to be very nimble.

With the widespread hail and wind storm damage it’s nearly impossible for the local contractors to handle all the renovation work in a reasonable amount of time. The storm chaser can help speed up the renovation process area wide.

The Negatives

Unfortunately due to the nature of their business (chasing storms), they will be out of your area in the next year to year-and-a-half.

Since the Storm Chasers don’t have any loyalty or roots in the community, when the work starts to slow down or a bigger storm hits in another part of the country, they will leave. Sometimes this is done without any notice, leaving the homeowner with only partial work completed. And sometimes they take deposit money and don’t do any work at all. The mindset of a storm chaser company is not unlike that of a gypsy. They are not in any one place for a long time and they are interested in doing the bare minimum of work for the most amount of money using the cheapest materials possible. They tempt homeowners to use them because of their nice, easygoing personalities and their perceived competence and expertise.

Many storm chasing companies provide classes to their salesmen to teach them to act like they are from the area and pretend they are local. The sales reps are taught how to overcome typical questions (objections) the homeowner would ask and how to effectively entice homeowner with giveaways (free gutters covers, shingle upgrades, or gifts i.e. golf clubs, vacation trips, etc.) including offering to cover your deductible (which is illegal in many states - read more about that in Chapter 9).

While there are some good storm-chasing companies, there are far more bad ones and it can be hard to tell the difference.
Hiring Practices

**Crews:** Storm Chasing companies hire out-of-state crews (usually from the south) to install the roofing, siding, or gutters. It’s not unusual for these crews to leave town in the middle of a project for various reasons (dispute about how much they are being paid, found a better deal in another state, etc.). When you see a job that has started but takes forever to finish, this is usually the reason why; the storm chaser company has to find another crew to finish the job. And as you can imagine there is very little accountability for the quality of the installation because of the transient nature of the company itself, its crews, and their hiring practices. You are just as likely to get a crew that just came into town or is newly formed as you are to get an established crew— it’s really hit or miss. Don’t let them practice on your roof.

**Salespeople:** Storm chasing companies tend to hire as many people as they can, and they throw them against the wall to see who sticks (they have special marketing people that go out into the community to hire local and national salespeople). They train these people how to present themselves as “insurance specialists” that will be an advocate for the homeowner against the insurance companies. They, like the crews, are very transient. Sometimes they are just hired because of the storm, or they traveled with the company from the last storm. Salespeople usually have a high turnover rate because if they don’t learn quickly, they won’t sell enough to earn a living so they quit. The salesperson’s pay is directly correlated to the profitability of the project.

Potential Scenarios: Overpromising & Under Delivering

Often new or inexperienced salespeople are unable estimate the job properly, make deals that sound really good (but not realistic), or they give away too many freebies (to close the sale). In many cases such projects cause the company to lose money or break even and since the salesman is on commission- he/she doesn’t get paid and often fired.

Since the salesperson is fired, the Storm Chasing company has no priority to complete your job (or any other jobs that the salesman sold) because of the lack of money. The storm company will put another salesman on your project to try to convince the insurance company to pay more, leaving you hanging for days or weeks. Sometimes the insurance company will pay more—oftentimes they won’t. If insurance company refuses to pay more - the new salesman usually will come to you and ask for more money.

So it’s not unusual in a hail storm to see many houses where the materials are sitting at the homes for several months because the salesmen overpromised and under delivered and the company can’t afford to do the job. So beware of “great deals”. They usually don’t end up so
Pretending To Be Local

One of the strategies that the more sophisticated Storm Chasing companies employ is the buying or renting of a local contractor. A few of the logistical problems that a Storm Chasing company has are:

- They don’t have a license in the particular state
- They don’t have a locally recognized name
- They are not registered with the BBB
- Etc.

To remedy these problems they seek out different contractors with good BBB records and offer them money to use their name and license. In essence they are renting the company for 6 months to a year(or as long as they are making money). They make all kinds of promises to the owner of the local company as far as the quality of work and integrity, and they usually promise to leave money in a joint account for when they leave that the owner of the construction business can use on the warranty claims that inevitably arise from the Storm Chaser’s work.

Sadly, many of these construction companies find that the money left in the account is not nearly enough to cover the warranty claims that are caused by the work done by the storm chasing company.
Choose Wisely

It’s fairly obvious that you wouldn’t sign a contract with a company that has a representative with license plates from out-of-town, the person sounds like he/she is from out-of-town and they say their company is from out-of-town, BUT many storm companies are much more sophisticated than that. You will really need to ascertain if this contractor/company is:
- An out-of-town Storm Chaser looking to make a quick buck,
- A local window installer, handyman or a gutter cleaner that is “working the storm” for additional income without proper licenses or experience (Non-QLC),
- or it is an established Qualified Local Contractor who knows what he/she is doing and will take care of you after the storm and will provide warranty support for years to come.

If you get anything out of this book, it should be this: avoid Storm Chasers and only work with reputable Qualified Local Contractors. It is better to do it right the first time then pay less and have to redo it again!

2. Qualified Local Contractor (QLC)

These are the Pros and Cons for using a Qualified Local Contractor. The Pros are also the requirements for a company to be considered a QLC company. Make sure to use the step-by-step guide that I’ve created to ensure that you are getting a Qualified Local Contractor (see the next chapter).

Cons:

- Pricing may be higher.
- The wait may be longer (due to the volume of the storm damage in the area).

Pros(&Requirements):

- Supports local economy.
- They often have a customer-first mentality vs. a bottom line mentality.
- Often active in the community through volunteer efforts and supporting community causes.
- Established reputation.
- Longevity
- Offer 25 year labor warranty covered by the manufacturer.
- Have a minimum of 10 years in business for each trade (roof, siding, gutter, windows, etc.).
- Have had the same phone number, same business name, and same license number for
a minimum of 10 years.

- Can provide references from local homeowners.
- Have a high quality of workmanship.
- Have hundreds of insurance-related storm jobs under their belts.
- Have expertise on insurance claims: trained hail inspectors that have years of hail damage experience, as well as the ability to navigate through insurance claim process and help the homeowner to hold insurance company accountable for ALL legitimate damage.
- Maintain the proper licenses and insurance.
- Undergo safety training, and perform background checks on all employees
- Crews will have extensive product knowledge.
- Encourage or offer continuing education for all employees including crews and salespeople.
- Have knowledge of local laws and building codes.
- Have state (local) license plates and a local driver’s license.
- Have established credit in good standing with all the major supply companies.
- Have high scores with rating companies like the Better Business Bureau and others.
- Have the same crews for a minimum of 5 years and crews will be certified by the manufacturer of the product they are installing.
- Salespeople have manufacturer certifications.
- The company will have multiple industry certifications such as Master Elite, Firestone Red Shield, Velux Skylight Authorized Installer, Crew Master Installer, etc.
- Recognized as an industry leader through its awards and achievements.
- Have a professional production department with the necessary processes in place including separate quality control inspectors, individual crew chiefs, full production staff in house, scheduling, and follow up.
- In house office staff accounting, bookkeeping, production manager, production assistant, admin assistant, general manager, and controller to provide the highest quality product.

The Negatives

There are always positives and negatives when you hire a contractor regardless of their qualifications. Some of the cons of hiring a QLC will be the wait time that you may have to endure because Qualified Local Contractors are always in a high demand and are careful not to overextend themselves. If you can’t get a QLC out right away to do the urgent repairs, you might have to find someone to make any temporary repairs necessary (such as a tarp)and then hire a Qualified Local Contractor to properly complete the job.

You may notice that the pricing of an established contractor is higher than a non-QLC company,
with regards to non-insurance related costs (upgrades). It is due to higher quality materials, extended manufacturer warranties; certified, trained, pre-screened (background check) crews and other important components which are necessary to create a high quality product that increase the cost. But as they say: “you get what you paid for”.

**Tip:** In the storm restoration industry, price should not be a concern. Your insurance company is going to pay the majority of the work (if not all) of the roof repair/replacement expenses.

The Positives

The biggest advantage of working with an established local contractor is that a QLC will not cut corners on the quality of work or materials, they are experts on homeowner’s insurance claims, and they continually train their crews and salespeople on the latest industry installation methods. Some other benefits of working with a Qualified Local Contractor are:

**Proper Licenses and Insurance:**
Did you know that if a roofer falls off your roof or damages your home in any way (roof torn off and it rains, fire, damaged landscaping, etc.) you can be liable for it? Always remember, that you, the homeowner are ultimately responsible for anything negative that happens on your project if the contractor doesn’t have the money or enough insurance to remedy the problem. If you hire a contractor that doesn’t have all the proper licenses or is not following code, the county will shut down your project. If the contractor cannot afford or is incapable of rectifying the violation, then you the homeowner are ultimately responsible for the code violations. That’s why it’s important to make sure that a contractor you hire has all the proper licenses.

**Insurance Claims Expertise:**
Imagine you receive a letter from the IRS wanting to audit you. You would want an experienced CPA/attorney with the most experience in IRS audits (who probably worked for the IRS) and who understands exactly how they operate and all the complicated rules and regulations of the tax code, right? The same way the former IRS employee (the CPA/attorney) will be helpful in navigating through the audit, your Qualified Local Contractor will be invaluable to help you navigate through the complicated insurance claims process. Just as an IRS audit can be disastrous if not approached in a proper way, a legitimate insurance claim for your roof restoration project can be underpaid or even denied, possibly costing you thousands of dollars.

Remember, the insurance adjuster looks out for the interest of the insurance company and their bottom line (not yours). That’s why you need a Qualified Local Contractor who will ensure the
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for Homeowners
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QUESTIONS?
Call: (703) 935-4505

scope of work is written in acceptable insurance language, speaks the language of the insurance adjuster and knows the specific software (such as Xactimate) that the insurance adjuster uses.
A Qualified Local Contractor will make sure that you get the full amount you are entitled to from the insurance company.

Qualifications:
When a hail storm hits, everyone becomes a roofer! Even your local handyman or gutter guy will offer you roof restoration services after the hail or wind storm.
Out-of-state contractors (Storm Chasers) who usually call themselves “insurance recovery experts” or “specialists in insurance restoration” will also temporarily relocate to your area and may even “rent” these local companies for their local licenses and name.

If a storm hits your area, you will want to hire a contractor who is a trained hail inspector with years of hail damage experience, and (due to the complexity of the insurance claim process) the contractor should be very comfortable navigating through the insurance claim process and helping you, the homeowner to hold the insurance company accountable for ALL legitimate damage.
Although Storm Chasing companies are usually very knowledgeable in insurance claims, all of them are going to be ignorant in your local laws and building codes.
Now who would you trust to handle your multi-thousand dollar insurance claim and roof restoration project?

Established Crews (minimum of 5 years) Certified by Manufacturer:
It is not uncommon after a hail storm for regular contractors to quickly put crews together. They may pick up day-laborers (from Home Depot or 7 Eleven) to handle your multi-thousand dollar roof repair/replacement project. An established QLC crew on the other hand will have all the necessary tools, experience, safety training, installation training of the different roofing systems, and will be certified by the manufacturer (this is very important if you want to have the extended manufacturer warranty on your roof).

Extended Manufacturer Warranty (25 years):
The Extended Manufacturer Warranty is extremely valuable. If you have a problem with your roof (such as a roof leak, shingles blow-off, etc.) and the contractor will not or cannot take care of the problem, you can call the manufacturer and they will come out to fix the problem free of charge because the warranty is held by the manufacturer.
In fact, the manufacturer comes out and inspects your roof once the installation is completed to ensure that the roof is installed 100% correctly. This warranty gives you complete peace of mind for any unforeseen issues down the road.
Note: Not many companies on the market today qualify to offer this kind of warranty. In order for them to be able to offer the extended manufacturer warranty-the crews must be trained and certified by the manufacturer.

Established Credit Line:
A Qualified Local Contractor will have an established line of credit with a minimum net 30 days (preferred 60 days) with multiple supply houses. This is especially important in the storm situation when a contractor is doing multiple jobs, but has to wait for the funds to come in from insurance/mortgage companies to start the project, buy materials, etc.
You don’t want to find yourself in a situation where your roof was damaged by a hail or wind storm and you have a signed contract with a contractor and have paid the deposit, but the company can’t obtain the materials and thus cannot start the restoration project due to lack of funds.

Extensive Product Knowledge:
A QLC company will have the knowledge and expertise on the best products available for your home. For example, what kind of ventilation your home should have or what the best shingle for your specific neighborhood is. They can also give you some ideas on how your home can stand out in the neighborhood, as well as point out geographic concerns such as moisture, high wind areas, tree coverage, etc.

Are Awards Important?
I believe that a contractor should have both industry and community awards. The industry awards indicate that the company is established, well run, and organized, while community awards indicate that the company is not indifferent to ordinary people and they will take a good care of you and your house, too. The combination of both is one of the requirements that make the company a Qualified Local Contractor.

Now let’s look at the Non-QLC Companies.
3. Non-QLC Companies

What Is a Non-QLC?

I think that I've convinced you why using Storm Chasing company is not a good idea and that you should always try to work with qualified local professionals (QLCs). The problem is that when a storm hits your area - a lot of local contractors (handymen, gutter cleaners etc.) or roofers with no storm damage experience will offer their storm restoration “expertise”. Although these contractors are legitimately local they still might lack the key characteristics to be considered a QLC and there is a very good chance that they will not be able to handle the complex hail or wind damage restoration project in the manner that you should expect, since most of them fall short on the important qualities of the QLC (listed above).

The Positives

Your average hometown contractor has ties to the community and thus supports the local economy (the money doesn't go out of state) and you'll have a much greater chance of getting a hold of the contractor after the storm is over if any problems arise. This kind of contractor is also more likely to have the local and state licenses required for your area as well as the knowledge of the local building codes and regulations.
The Negatives

Here are some scenarios that I’ve seen happen to customers who thought they had a Qualified Local Contractor but ended up with a non-QLC:

Liens:

A lien can be put on your home by contractors (aka mechanics lien or construction lien), subcontractors/crews (laborer’s lien) and/or vendors- material supply companies (material man’s lien or supplier’s lien). Some scenarios are:

Scenario 1: Poor Workmanship or Not Meeting Contract Obligations
The contractor does a poor job or doesn’t live up to the contract (for one reason or another) and oftentimes your only recourse is to not pay the balance of the contract until the work is done properly.
A lot of Non-QLCs and Storm Chasers will put a lien on your house regardless of the poor quality of the work performed.
Imagine this same contractor working on 50-80 projects in a one month period and a lot of the jobs are done with low quality subcontractors or crews. If that happens on multiple jobs, the contractor would not have enough money to pay crews, salespeople, and/or materials supply companies. This is how many contractors go out of business in the storm industry and leave many unsuspecting homeowners with low quality roofs, siding, and gutters.
To add insult to injury, the homeowner gets a lien put on their home!

Scenario 2: Underestimating Repairs or Giving Too Many Things Away
The salesperson underestimates the cost of a job or gives too many freebies/extras (shingle upgrades, free gutter guards, covering insurance deductibles, etc.) or the insurance company doesn’t approve everything the salesperson anticipated. These examples and many others can make a contractor lose money on the storm damage job. If this happens to the contractor on multiple projects, eventually the contractor will not be able to pay their supply company or the crews for the materials and/or labor for the roof, siding, and gutter jobs they completed.

Unfortunately this scenario unfolds very often for companies that are not used to handling multiple jobs in a very short amount of time (they can’t handle the volume), they become inefficient and the quality suffers. When this happens, contractors don’t get paid (money isn’t released to them because of poor workmanship or not living up to their agreements). Many times these contractors that “work the storm” to make a quick buck find themselves between a rock and a hard place: they are owed big amounts of money for the work and materials but they can’t collect this money and thus they can’t pay their suppliers and/or crews for the materials and labor.

If the crew believes that they are not going to get paid, their only leverage over the contractor is to put a lien on your home. Likewise, the supply company will put a lien on your house if the contractor can’t pay for the materials.

When a contractor finds themselves in a situation where they lose their credit, they lose their crews (due to non-payment) and can’t collect any more money from the homeowner- they usually file bankruptcy, dissolve their company (they just disappear) or they simply ignore the calls because they are so overwhelmed with problems.

Scenario 3: Poor Money Management On The Part Of a Contractor

The homeowner has paid the restoration job in full and he/she thinks everything is fine but the crews and/or the supply companies still may put liens on the house if they didn’t get paid by the contractor (which usually happens due to poor money management).

If you have a lien on your house, you can’t sell your house, you can’t refinance until that lien is released, you can’t get loans, and you might have a hard time getting any credit approved. You will be responsible for your contractor’s missteps if a lien is placed on your house, and if the contractor is out of business you will have no recourse. And once you want to sell your house you can’t because the title is clouded and you will have to satisfy the lien which usually means paying the crew and/or the supplier (again!) to release the lien.
Read Chapter 9 to learn how to avoid liens being placed on your home as well as other contract traps.

So, why would a contractor, subcontractor or supplier place liens in the first place? Simply put they place liens on a property because they haven’t been paid. Whether it is justified to put a lien or not. This is one of the few tools a contractor, subcontractor or the supplier has to collect the money without the expense of a lawsuit.

The problem is that some contractors use this legal instrument to their advantage. A reputable Qualified Local Contractor who stands behind their work and goes above and beyond to make their customer happy would only use a lien as a last resort.

Homeowner- Contractor Disputes

When homeowners choose a contractor and sign a contract they don’t usually realize all the possible nightmares that can occur. Choosing the contractor is more important than most people realize. In fact a majority of all lawsuits filed by homeowners are related to the construction industry.

Some scenarios or examples that unethical or inexperienced companies do to spark lawsuits from a homeowner are:

- Use a lower (than agreed to) quality product and/or cut corners during the install (thus invalidating the manufacturer warranty).
- The crew starts the project, tears the roof off the house, and then it rains, ruining the interior.
- The contractor doesn’t complete the work for various reasons.
- The contractor will take the deposit money and leave without any work done at all.
- Contractor doesn’t live up to their warranty after the work is completed (leaks, poor workmanship, etc.).

Even if you do win your court case, very few homeowners end up collecting the money because the contractors rarely have any assets (or they can’t be found), files bankruptcy protection, or go out of business.

The courts and the internet are flooded with nightmare construction stories. And most of the time the nightmare started because the homeowner hired a wrong contractor- the price was the major concern.

**Tip:** Although price is always important (and that’s what most people look at first)- the quality of the materials, contractor’s experience, longevity of the contractor, the experience of the crew performing the work, as well as the warranty associated with the work should all have equal...
Tail-Light Warranties:
Your warranty is very much like your homeowner's insurance policy; you really find out how good your warranty is once before you need to use it. There are three types of warranties in the home improvement industry, some of the warranties are excellent, some are ok, and others aren’t worth the paper they are written on. The three different types of the warranties are:

1. Independent (Manufacturer) Warranty: This is when the manufacturer holds the labor and material warranty for 20 plus years. Even if the contractor goes out of business, the labor and material warranty is still in effect because the manufacturer is liable for the warranty.

   For example, if a contractor wins the lottery or gets hit by a bus, your warranty is still valid because the warranty is guaranteed by the manufacturer, not the contractor. So if you got a roof leak or you have a concern about your roof, you can contact the manufacturer directly.

2. Contractor Warranty: This is when a contractor holds the labor and material warranty for a specific period of time. These warranties can be risky for various reasons:
   - Many contractors go out of business, and the warranty becomes useless.
   - The contractor refuses to make the proper repairs because he/she claims it’s not his fault.
   - The contractor may do a “caulk job”, meaning they will put some caulking over the area and hope it takes care of the problem. Caulk jobs are temporary solutions to a permanent problem. Many times the contractor does this to placate the problem until the warranty expires.

3. Tail-light Warranty: This means that you have a warranty for as long as you can see contractor’s tail-lights. Once the tail-lights are out of sight, so is your warranty. I’m still surprised by the amount of salespeople that can convince homeowners that their company has a valid warranty, when in reality that company has no intentions of honoring the warranty. They simply will tell you and write down on paper anything it will take for you to sign the contract and collect the deposit.

The main goal of this book is to teach homeowners how to find a reputable contractors (QLCs) that are able to offer an independent warranty as well as how to identify the tail-light warranty companies (i.e. Storm Chasers etc.).
Code Violations:

Code violations are another scenario that is usually not caught until the homeowner tries to sell the home. Because an interested buyer will get a home inspection and any code violation will be pointed out at that time, the homeowner will be responsible to bring the home up to code and it’s very hard to have any recourse toward any contractor well after the fact, especially if you are dealing with Storm Chaser or other fly-by-night companies. Some common code violations are:

- Plywood decking used in replacement is not thick enough
- Ice and water shield is not installed at all or installed incorrectly
- Plywood clips are not used
- Inadequate amount of underlayment paper was used on the roof
- Inadequate shingle installation (not enough nails in the shingles)

Homeowner’s Association (HOA) Disputes:

It is ultimately the responsibility of the homeowner to get the approval from their Homeowner’s Association on the types of roofing material, color, siding type, and/or windows. If you and/or your contractor go ahead and install/repair a roof, siding and/or windows without HOA’s approval and if it doesn’t meet their specifications, the Homeowner’s Association can make you replace the roof again at your own expense. The same is true for siding and windows.

Substandard Labor and Materials:

As mentioned above, a majority of all lawsuits filed by homeowners are home improvement complaints, and most of these lawsuits are due to substandard work and/or materials. It truly is a “buyer beware” industry. Here are some of the things to watch out for:

- Substandard Labor:
  - Wrinkled felt.
  - Flashing improperly replaced or not replaced at all.
  - Using staples instead of nails to install shingles.
  - Racking of shingles.
  - Improper installation of nails - high and/or low nails, not enough nails installed.
  - Improper installation of valleys.
  - Insufficient overhang of shingles on rake edges and eaves.
  - Improper installation of ice and water shield or no installation at all.
  - Leave exposed nails unsealed.
  - Improper chimney and wall flashing.
○ Siding that’s nailed too tight and too loose.
○ Siding nails are not long enough.
○ Gutters not installed with screws.
○ Gutters only installed into the fascia board.
○ Improper attic ventilation.

- **Low Quality Materials:**
  ○ Cheap, low quality shingles.
  ○ Thin-gauged flashing (flimsy metal).
  ○ Plywood decking that doesn’t meet the code (too thin).
  ○ Nails that rust.
  ○ Low tensile-strength siding.
  ○ Inexpensive/low quality felt that tends to wrinkle.

**Addressing Inevitable Issues:**

In the construction industry there will be accidents or problems that pop-up from time to time, whether it’s a Qualified Local Contractor or a Storm Chasing company performing the work - it’s the nature of the industry. At a minimum, the smallest problems can cause great frustration and distrust, while at the worst, the larger problems could cost you thousands of dollars. What separates a QLC from a non-QLC is how they handle the issues/problems. A Qualified Local Contractor will address them immediately, fix any problems that they caused, and many times will leave the homeowner happier than they were before the incident occurred while a Non-QLC often doesn’t have enough resources (or integrity) to fix the issues.

Read the next chapter to learn How to Hire a GREAT Contractor.
Chapter 5: How to Hire a GREAT Contractor: Step By Step Guide

In this guide I will show you what steps I would take to research, interview, and ultimately hire a contractor using my family’s 50+ years of contracting experience.

This 4-step process will have specific directions for you to follow with strict minimums that the contractor you are considering has to meet in order to be considered a great contractor (what I call a Qualified Local Contractor, QLC). If the contractor you are interviewing falls short of any of these requirements listed below, they cannot be considered a great contractor (QLC) and I do not recommend hiring them.

Step 1: Compiling a List of Potential Contractors:
Compile a list of potential contractors to do your preliminary screening. Here are some helpful tips for you to compile the list from:

- Ask your friends, family, neighbors, and co-workers if they can recommend a contractor.
- Go to the Better Business Bureau (bbb.org) website and check the list of A+ rated contractors.
- Find Google and Yelp reviews of local contractors.
- Go to your favorite search engine and search for [trade] + [city, state] in the search bar.

Most people would like to get 5-7 or even 10 estimates because they are afraid they may get ripped off if they don’t get a lot of estimates. In fact, I recommend you to make a list of a minimum of 5 and a maximum of 10 contractors to vet. If you follow these 4 steps listed below you will greatly reduce the possibility of getting ripped off. The goal is to ultimately interview 2-3 good contractors in your home instead of wasting time on 7-10 standard or substandard contractors. I will show you the process of narrowing this list of interviews to only the Qualified Local Contractors who you will invite to your house for a presentation and estimate.

Step 2: Online Screening Process:
Once you've compiled your list of potential contractors, online screening is the next step in the process of eliminating non-QLC companies from your list. If a contractor on your list does not pass the criteria listed below, remove the company from your list:

- **Rating:** Go to bbb.org/ and verify that the contractor has an A or A+ rating with the Better Business Bureau (BBB).

*Note: all companies have complaints lodged against them at some point, what matters is how the company handles the complaints. The BBB has always been the best rating company to report complaints and document how the contractor handles them. You can only have an A or A+ if you handle the complaint fairly and expeditiously.*
• **State Reporting:** Go to the regulatory agency in your state (see below) to verify following items:
  ○ The contractor's license in good standing and active.
  ○ The contractor has been in business for over 10 years.
  ○ The contractor's name and license has not changed in the last 10 years.
  ○ Verify the business address and make sure their office is in your area (they are not out-of-town).
  ○ Check if there are any open complaints. If there are, investigate the complaints.

There are a lot of contractors that don’t have an active license or a license in good standing with the state for several different reasons (none of which are good) such as: too many consumer complaints, not honoring warranties, fraudulent contracts, bait and switch techniques, illegal name changes, etc. If a company has been in business for over 10 years, statistics show that the company has a better than average chance of honoring its warranties and staying in business long term.

Virginia: [http://www.dpor.virginia.gov/LicenseLookup/](http://www.dpor.virginia.gov/LicenseLookup/)
Maryland: [https://www.dllr.state.md.us/cgi-bin/ElectronicLicensing/OP_search/OP_search.cgi?calling_app=HIC::HIC_qselect](https://www.dllr.state.md.us/cgi-bin/ElectronicLicensing/OP_search/OP_search.cgi?calling_app=HIC::HIC_qselect)
Or Google “contractor license lookup [your state]”

• **Work Space:** They must work out of an office or a warehouse space (and not out of their house). You verify this by getting their address and checking Google Maps to see if their address is located in a residential neighborhood or in a commercial area.

• **Website:** Go to the contractor’s website (if they don’t have a website they are probably not an established company).
  ○ The overall appearance of the website should have a professional and established presentation.

An established and seasoned company will usually have a professional looking website; newer companies don’t have the time or experience for this. Don’t let them practice on your roof - only work with established companies.

  ○ Check to see if the company participates in any form of community service.

If the company is involved in the community - they will most likely be an established company and they will usually have a customer-first mentality.
Warranties: Check the website to see if the contractor offers Extended Warranties on these products:
- Roofing: 25 years for labor and materials,
- Siding: 20+ year warranty,
- Windows: lifetime warranty for labor and material (these are the minimums).

If the company is not authorized to offer these extended manufacturer warranties - do not use them.

Warranties can be complicated and easily manipulated by a contractor. Warranties are very much like insurance policies; you don’t find out what you have until you need to use it. Unfortunately, oftentimes warranties turn out to be a simple material warranty that doesn’t cover leaks.

**TIP:** I recommend asking for a no-dollar limit (NDL) labor and material warranty certified and backed by the manufacturer.

Online Reviews: Check Google, Yelp and other review sites to see what previous customers say about their experience.

**Note:** Even Qualified Local Contractors will get a negative review from time to time. What differentiates a QLC from an average (Non-QLC) contractor is how they address the problems that inevitably arise.

Step 3: Phone Screening:
To further weed out the non-QLC companies, here’s a list of questions to ask your contractor on the phone:

- **References:** Ask your contractor to send you at least 2 new and 2 older references (3-5 years prior) and the contact information for their material supplier(s). The newer references will determine if recent customers are happy with the work and the older references will show if past customers are still happy with the work and if any issues have arisen, you will find out how the company handled them. The older the references, the better indication of the longevity of the company (not a fly-by-night or a Storm Chaser). Call the material supplier to make sure the contractor pays their bills. This will help avoid the possibility of the supplier placing a lien on your home.

  When you call the prior customer references, ask these questions:
  - On a scale of 1-10 how satisfied were you?
  - Did the contractor complete all the items in the contract in a timely and professional manner?
  - Is the overall job aesthetically pleasing?
  - Did the contractor show attention to detail such as cleanliness, organization and good communication?
  - Were the crews respectful and skilled?
ο Did the company do everything that the salesperson promised?
ο Did the contractor finish on time or were there long delays?
ο If you had another project to do, how likely would you be to use this contractor again?

- **Company Ownership**: Ask the contractor whether their company was rented or bought by an out-of-town contractor. If the person hesitates or gives you a non-answer, then it’s a good chance that this company was bought or rented by a Storm Chaser. *Because fraud is rampant with Storm Chasers, I recommend you to stay away from any company that was bought or rented by anyone from out-of-town.*

- **Payment Terms**: Ask the contractor what percentage of the contract is due for the deposit and when the balance has to be paid. *Payment schedules can also speak of a contractor's financial status and work ethic. If they want half the bid up front, they may have financial problems or be worried that you won’t pay the rest after you’ve seen the work.*

  - **Lien Release**: Ask the contractor if they are willing to sign a lien release for their company, crews, and the material supplier before you pay the balance in full. *This is an important question to ask because unless a lien release clause is in the contract, the contractor, the crew, and/or the material supplier legally can put a lien against your home even if you have paid in full (regardless if the work was done properly or not).*

- **Warranties**: Refer back to the step 2 regarding the information you found under warranties and verify that the warranties are still available.
  - Ask the contractor to send you the manufacturer certification. *In order for you to have an extended manufacturer warranty, the contractor and crews must be trained, certified and have special designation by the manufacturer.*

- **Insurance**: Ask the contractor to email a copy of their insurance to you. Here are the 5 different insurances (and their minimums) that a contractor should carry at all times (usually all 5 of them are listed on one insurance certificate):
  - Worker’s Compensation (*mandatory*): Used when a contractor injures himself or anyone on his crew on the job. (minimum amount $500,000)
  - Automobile Insurance (*mandatory*): Used when a contractor has an accident in his vehicle. This is an important policy to carry; many contractors go out of business because they cannot afford to pay for the legal and doctor fees if an accident occurs. You want your contractor to be in business during the entire term of your warranty. (Minimum amount: $1,000,000).
○ Liability Insurance (mandatory): Is used in case somebody damages your house (the house gets flooded, burned etc.) or injures someone or worse. (Minimum amount: $1,000,000).

○ Umbrella Liability Insurance (mandatory): If a claim exceeds a contractor’s maximum dollar amount limits for any of the above insurance riders, the Umbrella policy will cover the claim up to the maximum of the umbrella policy. (Amount: $3-5 million).

○ Property Insurance (mandatory): If materials are stolen from a job site, the insurance company will pay the contractor to replace the stolen materials. (Minimum amount: $50,000).

A big problem in the home improvement industry is under-insured or non-insured contractors damaging homeowner’s property, getting hurt or worse on the property, and not being able to pay for their accidents or mistakes, thus shifting the liability to the homeowner. To protect yourself, ask the contractor to add you as an “additional insured” on the insurance certificate for the duration of the job. If the insurance policy gets cancelled for any reason, you will be notified. Some unscrupulous contractors show homeowners an insurance certificate with a cancelled policy. If you request the certificate with you as an “additional insured” on it - it will come directly from the insurance company - verifying that the contractor’s insurance is active. You can also call the insurance company to verify the insurance status.

Click here for a sample insurance certificate or go to nvroofs.com/insurance-certificate

● Quality Control: Do you have a Quality Control person to oversee the project and make sure everything is done according to the code and manufacturer specification.

● Expertise with Insurance Claims (after a storm): If you have suffered from a hail or wind storm, ask the contractor whether he/she has trained hail/wind inspectors on staff with at least 2 years of hail damage experience with the ability to navigate through the insurance claims process and to ensure your insurance company is held accountable for ALL legitimate damage. Ask the contractor how many insurance-related jobs they have completed (200 is a minimum amount to be considered an insurance claim expert).

● Background checks: Ask the contractor if they do background checks on all their employees.

The background check will reduce the possibility of theft, identity theft, assault, etc.

● Availability: Ask the contractor how backed up he/she is and how long will it take for him/her to complete the project.
Remember, Qualified Local Contractors (QLCs) are usually busy and if there is a storm added into the mix you may have to wait for a few months. Be patient; a QLC is worth the wait.

**Step 4: In-Home Estimate (final interviews):** I strongly recommend you only get estimates from contractors that have passed the steps 1-3 (it will save you a lot of time, money, and headaches). This is the last step you take to determine whether the contractor is a Qualified Local Contractor (QLC) or not.

Here are some of the questions you should ask the contractors to find out if they are a QLC:

- **Certifications:** Find out what certifications the contractor has that are relevant to the product you are purchasing, and verify this certification with the manufacturer (all manufacturers have customer service and technical support lines to help you with this).

- **Warranties:** Ask the contractor to specifically explain what warranties they offer themselves and what warranties they offer on behalf of the manufacturer (call the manufacturer to verify that the contractor is authorized to offer the extended manufacturer warranty on behalf of the manufacturer).

There are many certified contractors but very few of those certified contractors are able to offer the manufacturer’s extended warranty. Because the manufacturer’s warranty guarantees no leaks for 25 years, the manufacturer is very selective on who they authorize to offer the extended warranties. Make sure your contractor is able to offer the extended manufacturer warranties. If something happens to your roof, siding, or windows (malfunction, improper installation, or leaks) your manufacturer will take care of it. This is the ultimate insurance.

- **Company Information:** Ask the salesperson to give an overview of the company to include the company’s community service, business philosophy, and specific experience installing the product you are purchasing. Ask the contractor to recite the last two mistakes the company has made and how they handled them. Ask for the contact information of one of these two customers so you can verify that the contractor handled the mistakes properly.

Every company you interview will always tell you how great they are and all of their experience, but in the construction industry mistakes will happen. One of the signs of a great company is how they address that mistake and make you whole. A QLC often leaves a customer more impressed with them after the mistake is handled.

- **Installation Crew:** Ask the contractor how long the crew that’s going to do your work has worked for them. The crew should work with the company for a minimum of 3 years. The crew should be a certified installer of the product you are purchasing. Most manufacturers require the crews to take on-going training and testing to be certified each year.
Don’t worry about whether the crew is a sub-contractor or in-house crew because now, many of the best crews are sub-contractors for tax purposes (this thought process on sub-contractors vs. in-house crews has substantially changed in the past 5 years. 10 years ago I never would have recommended you to use a sub-contractor). The main requirement is that the crew is certified and established with that contractor.

- **Products and Manufacturers:** All manufacturers offer good, better, or best materials in their product lines, so before you look for a specific product, pick a manufacturer that will stand behind their products first, and then choose the product that best suits you and your budget. If the product goes bad or the contractor installs the product improperly, a good manufacturer will guarantee “no leaks” for 25 years. Ask the contractor if the manufacturer they work with meets the criteria below:
  - Has the “Good Housekeeping Seal of Approval” that is guaranteed by Good Housekeeping to be free of any defects, or Good Housekeeping will replace the product for free. Obviously, any product that gets the Good Housekeeping Seal of Approval has gone through rigorous testing.
  - A 25 year “no leak” labor and material warranty
  - Has at least 25 years of experience manufacturing product
  - Manufacturer provides independent inspectors to verify installation was done correctly at the end of the project.

- **Price vs. Value:** A big mistake that I see people make with multi thousand dollar home improvement projects (such as, but not limited to roofing, siding, or windows) is that they often choose the lowest price, which in the long run can turn out to be way more expensive. There is a reason why Qualified Local Contractors charge more for their services than the regular discounted contractors, and one of the big reasons is that QLCs are very good at paying attention to the details, which is the difference between a great job and an average/standard job. Ask the contractor what details separate them from other contractors. Ask the contractor if the following customer-support infrastructure is in place (a QLC will definitely have this infrastructure):
  - Quality Control person (QC) to make sure that everything is installed according to the contract, code, and manufacturer specifications.
  - Appointment Confirmation email and a phone call.
  - Pre-Construction details so that you know what to expect before the project begins and what is required from you the homeowner as well as any special instructions you have for the contractor.
  - Point of contact at the office is also very important so if there are any questions or issues you have one person to hold accountable and will be less likely to get the “run around”.
On top of that, here are some other details that will greatly affect the price depending on whether they are included or not (beware that many contractors will promise to include everything in their price but pick and choose some of the more expensive items to skip). If you get a higher price, find out why; are they actually including all the details or are they simply trying to make more profit?

Since roofing is the most complicated and important home improvement project (because of the potential for severe damage to the interior of your home if the roof is not installed correctly) below I will use a roofing project as an example of details that a discounted contractor would not include (some or all of) these important items in their estimate, but a QLC would. So ask the contractor if all these details are included in the roofing estimate:

- **Gutter apron instead of the drip edge at the gutter lines.**
  
  *Gutter apron is a better option because it is a longer flashing that goes down onto the back side of the gutters which helps prevent water from going behind the gutters and damaging fascia. Gutter apron greatly reduces the possibility of ice damming.*

- **Drip edge on all rake edges (sides of roof).**
  
  *Drip edge reduces the ability of wind driven rain entering underneath the shingles from the sides of the roof.*

- **Special starter shingles at all gutter lines and rake edges.**
  
  *Starter shingles are unique because they have adhesive at the top and bottom. This enables the starter shingle to bond to the roof deck and to the shingles above it thus greatly reducing the possibility of wind uplift at the roof’s weakest points (sides and gutter-lines of roof).*

- **Ice and water shield at all roof penetrations including, plumbing pipes, chimneys, skylights, vents, and on eaves and rakes.**
  
  *Ice and water shield is a thick rubberized membrane that sticks directly to the plywood deck and does not allow water penetration from ice or water leakage wherever it is installed therefore it should be used around all roofing penetrations and flashing details as well as at the gutter lines and valleys.*

- **Proper roof ventilation**
  
  *It is very important for attics to be properly ventilated (this is when the air and the moisture in the attic are pushed or pulled out of the attic by natural or manmade airflow). If the attic ventilation is installed incorrectly it can cut the life expectancy of the shingles in half and dry rot your plywood deck as well as cause high utility bills and black mold.*

  - Minimum of four 4 nails per shingle (the high-end shingles should get 6 nails).
  - Shingle underlayment should be upgraded from standard 15 pound felt to a synthetic underlayment.
  - It’s important to have upgraded shingle underlayment because the standard felts (15 & 30 pounds) tend to wrinkle and are not as water resistant as the upgraded underlayments.
  - All flashings should be replaced.
Most roof leaks are due to improper installation or old worn-out flashings. Make sure all flashings are replaced.

- Never roof over an existing roof. Always tear the existing roof off down to the wood deck. Plywood deck should be inspected for rot or dry rot and replaced where necessary.

If you have noticed, I haven’t mentioned anything about shingles because everybody puts shingles, felt, and some flashing in their contract, but a great contractor (QLC) will use all the above listed details to deliver a great product (not just a standard product).

**Best Practices:** Things to pay attention to:

- **Punctuality:** The sales representative should be on time; if they are running late they should call you before the time they are supposed to be there.
- **Appearance:** Sales representative should display a uniform shirt (with the company logo) and identification.
- **License Plate and Driver’s License:** Take a picture of their car’s license plate and their driver’s license.

*If anything were to go wrong in the future, you have a picture of their license and license plate to give to the police. A local license plate and driver’s license usually ensures that the salesperson and the company are local.*

*If they refuse these requests, then they are probably hiding something; you should ask them to leave.*

- **Professionalism:** The salesperson is the representative of their company. You should expect the salesperson to conduct him or herself in a professional, courteous and knowledgeable way. If they do not, this should be a warning sign for the rest of the company.

**Red flags:** Beware if you notice these things:

- The contractor Insists on cash payment(s).

*Never pay any contractor in cash. It’s very important to have a record of payment; use checks or bank cards.*

- Contractor is pressuring you to sign the contract on the spot.
- Contractor starts promising things, but doesn’t want to put them in the contract.

*If it’s not in writing- the contractor legally doesn’t have to perform any “promises”.*

- The salesperson cannot adequately answer questions about the product.
● The contract does not have a start and completion date, detailed scope of work, total price for entire project, specific payment terms, detailed “terms” of the agreement - the fine print (usually on the back of the contract).
● If the contractor is willing to cut the price in half or even more after you’ve said “no” a couple of times, this is a sign that the contractor is price gouging.
Chapter 6. Inspecting Your Home: How to Determine if You Have Hail Damage

Hail Damage Anatomy

I've seen many homeowners walk around their house after a hail storm, looking at their roof thinking that everything is fine since they can't see any obvious damage from the ground, while the roof was actually damaged and that damage was not apparent.

The damage will be obvious if you have experienced a golf ball size or larger hail, but even if the hail was smaller than that - there is a good likelihood that your roof was damaged (it may take 2-4 months to become apparent though). And here's why: When hail hits your roof it loosens the granules on your shingles - how much the granules are loosened depends on the size of the hail. The larger sized hail will show granule loss immediately but the smaller sized hail will only loosen the granules. So for smaller sized hail damage the granule loss will be over a graduated period of time depending on how much rain you get.

When it rains, the loosened granules wash off the roof and expose the asphalt in the shingles over a period of time. Since granules protect the asphalt in the shingles, once the granules are gone the asphalt is exposed. Exposed asphalt will make the shingles deteriorate much faster than normal, thus causing roof leaks.

In conclusion, hail damage accelerates the aging process of your shingles taking 5-10 years off the life of your roof. So it's important to find the damage to your home early on before it causes leaks. Also, if you wait too long, the insurance company will not cover any damage and you will be forced to replace the roof, siding, and/or gutters on your own dime.

What to Look For

I hope I made a strong enough case for you to get your home inspected after a hail or wind storm. Here are some of the things that you can look at before you get an inspection:

**Damage to Vehicles:** The first thing you should do is look at any vehicles that were exposed to the hail. Look to see if there are any small dings or dents on the body of the vehicle. Often times you won't be able to see the dings and dents unless the sun hits the vehicle just right and the reflection causes the dings to appear. Another trick is to pour water on the hood of your vehicle and step back and look to see if there are any dings or dents.
Damage to Your Metal Vents or Flashings on Your Roof: Go on your roof and look for any dings or dents in the metal. Look at the vents, the drip edge, the fascia, and your gutters for signs of damage.

Note: It is very dangerous to get on the roof; please only do this if you have easy access to your roof and the slopes are not too steep. If you are not comfortable with getting up on your roof - call a Qualified Local Contractor to do the inspection for you.

Roof Damage

- **Shingle Roofs:** Look at the shingles for indents or missing granules. Hail might produce a "dent" or a damage point on the surface of an asphalt shingle roof, resulting in granule loss and reduced remaining roof life. You can also check your gutters and the area around the base of downspouts for excessive granule build up. If evident, there is strong chance there has been roof damage from the storm.
- **Cedar Shake Roofs:** Look for scrapes or slight indents on the cedar shakes. Some of the shakes will splinter, while others will have cracks or chips on them.
- **Slate/Tile Roofs:** These roofs usually withstand hail much better than shingle and shake roofs but it is possible to get cracks and chips in the slate or tile roofs, so they should be inspected as well.
- **Metal Roofs:** Look for dings and dents in the metal roof. Use the same method as you did to inspect your vehicle. Make sure you look at your metal roof after a rain because that’s the best time to see the damage.

Again, it is very dangerous to get on your roof; many homeowners have fallen of their roofs over the years. I highly recommend that you get an expert to inspect your roof.

Gutters and Downspouts:
The next thing to do is walk around the house and inspect all your downspouts and gutters for dings and dents. Check the area at the bottom of your downspouts for a buildup of shingle granules.

Siding:
Look for dings or dents on the siding the same way you inspected your vehicle; you want to make sure you check the siding after a rain, because water magnifies any dings or dents on metal. If it doesn’t rain you can spray the siding with a hose and look for dings and dents.
Interior Leaks:
Roof damage does not always cause immediate leaks, and all too often hail damage goes undiscovered until after leaking or other serious damage occurs. As damaged shingles degrade, your roof may begin to leak, so inspect your interior ceiling after a heavy rain for any apparent water damage multiple times throughout the year. Water staining anywhere on the ceiling is a good sign of roof damage.

Your Qualified Local Contractor, who looks at thousands of roofs each year will be able to determine if your home sustained any hail damage or not and give you recommendations on whether you have enough damage to consider filing a claim.
Chapter 7. Filing Your Insurance Claim (To File or Not To File).

The Facts

After a hail or wind storm- you might be wondering, “Should I file a claim or not? How do I know when it’s good for me to file and when it’s not? Will my premiums go up? Will my insurance company drop me?"

Let’s look at the last two questions first: since hail and wind damage is considered to be “an Act of God” - your insurance company cannot legally drop you. Having said that, I have seen cases when an insurance company didn’t renew a policy that has been in force for many years after a single legitimate claim. In this case I recommend reporting this to your state insurance administration/commission by filing a complaint.

Google:[your state] + insurance administration/commission and file a complaint.

Unlike your car insurance, which is based on each individual claim (your car insurance goes up if you get in an accident) your homeowner’s insurance premiums are based on your community. If you are the only one to file a claim your rates won’t go up, but if there are widespread claims like a hail storm, then the entire community will see their insurance premiums go up regardless if you file a claim or not.

To File or Not To File

There are scenarios where it might not be a good idea to file a claim (even if your home was damaged), while there other scenarios when it’s vitally important to file the claim.

Reasons to File:

- The house has sustained storm damage(hail and/or wind) and the repair cost is higher than your deductible.
- Failure to repair storm damage can lower the value of your home
- Your insurance rate most likely will go up regardless if you file or not. Home insurance rates are calculated based on the claims in your geographic area- not based on your home individually (like your car insurance).

Reason Not to File:

- You have minimal damage to your home and a high deductible.
- You have minimal damage to your home and don’t have a RCV policy.

It is impossible to determine whether you should file or not based on looking for damage from
the ground- you have to get on the roof to determine whether the hail impact bruised the shingle and damaged the mat

It's important to remember that it is not unusual for certain homes to have minor hail damage even if the home next to them sustained major damage. There are reasons for this, namely your shingles may be thicker and/or newer. Your siding maybe of a higher quality than your neighbor's or tree cover may have reduced the number of hail impacts, as well as many other factors. So you shouldn't assume that you have hail damage even though there is large hail in the neighborhood.

Before You File a Claim

It is very important to have your Qualified Local Contractor inspect your home and consult with you on whether it is in your best interest to file a claim or not. If you file a claim before you have a QLC inspect your home, there is a high likelihood that the insurance adjuster will inspect your home without the contractor present. As you will learn later in this chapter, it is usually in your best interest to have the contractor by your side when an insurance adjuster is inspecting your roof for damage.

Filing a Claim (The Process)

To file a claim you need to:

- Locate your insurance policy and call the insurance company’s Claims Department, not the sales department. If you can't find your policy, the claims department will have your policy information on file.
- Beside the standard contact information, the claims department will also ask you the date the hail or wind damage occurred.
- The claims department will give you a claim number and assign your claim to an adjuster. Make sure to write this claim number down. Your contractor will need the claim number to help you navigate the claims process.
- The adjuster will call you to set an appointment to come out and inspect your home for damage.

Note: It is imperative to call your contractor to inform him/her of the appointment date, so that the contractor can meet the adjuster at your home. If your QLC is not present during the inspection, there is a good possibility that some of the legitimate hail and/or wind damage may be missed.
Types of Insurance Adjusters

There are two types of insurance-claim adjusters:
1. A **Staff adjuster** is a salaried adjuster that works for an insurance company.
2. A **Catastrophe adjuster** is a trained disaster response independent adjuster who is not an employee of the insurance company.

It is almost always better to have a catastrophe (CAT) adjuster than a staff adjuster because the CAT adjuster has been trained specifically to recognize hail and wind damage, whereas the staff adjuster covers all sorts of claims: car damage, flooding, missing diamond rings, etc. Ask your QLC for more tips on working with an adjuster to get the full amount that you are legitimately entitled to from your insurance company.

**Tip:** When it comes down to getting your claim approved, who your individual insurance adjuster is, is more important than who your insurance company is, because the insurance company relies heavily on the adjuster’s opinion of whether there is or is not hail and/or wind damage.
Chapter 8. Insurance Company Inspection: What to Expect

Inspection Process

What exactly is the insurance adjuster going to do? What is he/she looking for? How does the insurance adjuster determine if your home has sustained enough damage for the insurance company to pay for roof replacement or roof repair?

The first thing the insurance adjuster will do is to ask if there is any interior damage. Of course your QLC has already thoroughly inspected the interior and exterior of your home for damage and leaks and will be able to point it out to the adjuster. Keep in mind; interior leaks may not occur for several months or even a year or two following the hail storm.

Then the adjuster will walk around the house looking for signs of hail/wind damage on downspouts and siding. Once the interior is completed, the adjuster (and the contractor) will go on to the roof and inspect the roof, gutters, and gutter covers (if applicable) for any hail damage.

What Does the Adjuster Look For?

The insurance adjuster is looking for hail impact marks and these impact marks ultimately determine whether the insurance company is going to approve or deny the replacement of your roof, siding, or gutters based on the number of hail impact marks you have. The standards of insurance companies vary based on how many hail impact marks are necessary for approval.

Typically, you need 6-9 impacts per 100 sq ft for your roofing and/or siding to be approved for replacement. You only need a few impact marks on your gutters to be approved.

What I mean by approved by the insurance company- the insurance will pay for the replacement of the roof, siding and/or gutters after your deductible is met.

Inspecting the Roof

For the roof inspection the insurance adjuster will mark off a 100 sq ft area on the back roof slope and front roof slope. Within the marked off area, the insurance adjuster will take colored chalk and circle all the hail impact marks on the roof. Once the roof is marked up, he/she will take the pictures of the two roof slopes. If you have 9 or more impacts marks in the area, the insurance adjuster will approve the roof replacement. If you don’t have enough marks, the adjuster will deny it.
I know I’ve said many times that it’s important to hire a Qualified Local Contractor to navigate the complicated insurance claims process. But this is when your QLC becomes most important; this is the time when the adjuster determines whether your roof will be approved for replacement or not. It simply depends on how many impact marks are recognized by the adjuster on your roof as to whether they are going to approve replacement or not.

If the adjuster does not approve all the impact marks that the QLC has pointed out, it is the job of the contractor to make the case that there are enough legitimate impact marks to warrant a new roof. Remember, during the hail storm your roof lost 15% or more of the granules. This amount of granule loss will reduce the life of your roof by 5 years or more. Unfortunately insurance companies do not recognize granule loss as a reason to approve roof replacement.

Tip: Since the number of hail impact marks will directly determine whether your roof replacement is going to be paid for by insurance company or not means that the area that the adjuster picks to mark off the 100 sq ft section becomes vital. This section does not have to be a perfect square; it can be a long rectangle (whichever encompasses the most hail impact marks). You contractor has probably been on the roof and knows the highest concentration of hail impact marks. He/she will be able to recommend this high density area to the adjuster as the best section to be marked off.

When the adjuster is on the roof, he/she will circle any impact marks on your gutters and take pictures.

Inspecting the Siding

Then the adjuster gets down off the roof and inspects the siding (if your home has siding) the same way the roof was inspected. The adjuster marks off the 100 sq ft area on the siding and circles any impact marks in that 100 sq ft area. As mentioned above, spraying water on the siding may accentuate the hail impact marks.

After The Inspection

It’s much easier to get the roof, siding, and gutter damage approved by the initial insurance adjuster. It’s important to have your QLC present to point out the legitimate damage that was done to your roof, siding, and gutters especially if it’s not yet apparent (but will be after several heavy rains). If the damage is not approved for replacement on the first inspection (even though the damage is there, it might not be obvious) the insurance company will allow a second inspection.
Once the insurance adjuster finishes the inspection, he/she compiles a report based on the findings and sends it to your insurance company for review. At the end of the inspection the insurance adjuster will usually tell the homeowner and the contractor whether they approve or disapprove the replacement of the roof, siding, and/or gutters.
Chapter 9. Approved and Denied Claims: What’s Next?

Approved claim

If the adjuster approves the claim, the adjuster will write up a detailed scope of work in the form of a spreadsheet with the line items detailing the repairs that the adjuster believes your insurance company should pay to replace. Then the insurance company reviews the adjuster’s report (which includes pictures showing the hail damage), the insurance company approves the adjuster’s scope of work, and sends you and your contractor the approved scope of work along with the insurance company’s pricing.

It is the job of the QLC to review the insurance company’s approved scope of work to make sure all the legitimate damage has been approved to be repaired or replaced and that they are paying the usual and customary prices for your area. If you and the QLC agree with the scope of work and the pricing, skip the next section and go on to the next chapter.

If you and your contractor to determine that the pricing and the scope of work is not what it should be, it is the contractor’s job to go to the insurance adjuster to explain why the scope of work and the pricing needs to be adjusted. The Qualified Local Contractor will know how to argue on your behalf with well-informed opinions using scopes of work and pictures from hundreds of prior hail damage customer claims to support his/her opinion.

In the beginning of a storm, it’s not unusual for insurance companies to try to lowball pricing to save money. Your Qualified Local Contractor will use scopes of work and pricing from past customers(making sure they block out the homeowners contact information and claim number, but leaving the insurance company’s name) to show the adjuster what the insurance company was paying in previous storms. Many times this will be enough to get the insurance adjuster to provide appropriate pricing.

If you and your contractor agree with the scope of work and the pricing, you can skip the next section and go to the next chapter.

Denied Claim

If your claim was denied by the insurance adjuster after the first inspection, you need to have a serious conversation with your QLC to determine if there is enough obvious damage to successfully appeal the denied claim immediately to get a re-inspection from the insurance company. Typically the re-inspection team is much more thorough than the initial adjuster’s inspection. They will cite engineering reports specific to hail and they have a by-the-book mentality. The re-inspection team will not consider hail impact areas that may show granule loss...
in the future, so unless there is obvious hail damage, they will not approve the claim.

If your contractor says there is not enough obvious damage at the moment (and since it is unlikely to get a third inspection from your insurance company), I would recommend you to wait a few months for the rain to wash off any loose granules on the shingles to further expose the hail damage thus making it more likely for the re-inspection team to approve your claim since the damage is more obvious. If the QLC says there is enough obvious damage, go ahead and get a re-inspection right away.

**Tip:** What happens when large hail hits a shingle roof? The hail impacts the granules first then the asphalt and finally the fiberglass mat of the shingle. If the hail is big enough (golf ball size or larger), the hail impact hits are going to be obvious right after a storm. But, if the hail was a little bit smaller than golf ball size, then the damage may not be obvious right after the storm; it may take several rain storms to wash off the loosened granules to expose the damage.
Chapter 10. Getting Paid by Your Insurance Company

The Process

Getting paid by your insurance company is usually a two (possibly three) part process:

**Part 1:** Your insurance company will issue you the first check for the Actual Cash Value (ACV) of your claim made out to you and your mortgage company (if the claim is over $10,000). Most insurance companies will make the check out just to you if the claim is less than $10,000 and/or if you don’t have a mortgage.

**Part 2 (if necessary):** A supplemental insurance claim must be filed if, after the contractor starts the work and discovers additional damage to the property that is not accounted for in the original scope from the insurance company (i.e. bad decking under the shingles, broken skylights, missing flashing, leak in the ceiling etc.). A supplemental claim must be filed to the insurance company if you want to get paid for any additional work not listed in the insurance company’s scope of work.

**Tip:** It is very important that approval is obtained from the insurance company before any of the additional work completed or your insurance company may not pay for this additional work. Keep your insurance claim adjuster handy during the repair.

**Tip:** Documentation is very important while filing a supplemental insurance claim especially if a considerable time has passed since the original claim. It’s a good idea to take and keep as many photos as you can.

**Part 3:** Your insurance company will issue you a second check for the Recoverable Cash Value (RCV) of the claim which is what it will actually cost you to get the job done. This check will only be issued after a completion form and the invoice is submitted to the insurance company. Any approved supplemental insurance claims will be paid at this time as well. Your QLC will help you through this process.

Dealing With the Mortgage Company

If your check is made out to your mortgage company, keep these things in mind to speed up the process:

- Before you mail anything to your mortgage company/bank, contact them and develop a point of contact that you can utilize through the whole process.
• Do not endorse the check unless the mortgage company specifically says you have to. I’ve seen the funds kept for months because they were not in any hurry to return the money. If you don’t have a specific point of contact, there is a much higher probability for your check to get lost in the system.
• Overnight the check and any required paperwork with a pre-paid return envelope made to the attention of your point of contact at the mortgage company.

Paying Your Contractor

Normally your Qualified Local Contractor will not require you to come out of pocket for any of the repairs until you have received the money from your insurance/mortgage company. Once you receive your first check, the contractor will order materials and begin your restoration project. Once the restoration is completed, the QLC will help invoice the insurance company and/or mortgage company and will wait for payment until you receive the final check.

Even more importantly, the insurance company and you (with the help of your contractor) must have a final written agreement (as to what work will be done) and the cost associated with that work before you enter into a contract with a contractor, because the insurance company does not legally have to pay you anything that they don’t agree to upfront. So it is the contractor’s responsibility to make sure that everything is included in the insurance scope of work before the work commences.

Note: The insurance is only liable to pay what it costs you the homeowner to get the work done. If the insurance says they will pay you $10,000 for the work and you get it done for $8,000, you will only receive $8,000 minus whatever your deductible is. If a contractor invoices the insurance company for more than he/she charged you, it’s a fraud which is a misdemeanor for the contractor but a felony for the homeowner.
Chapter 11: Signing the Contract - Common Contract Traps You Want to Avoid

Contract Basics

In the home improvement industry, a contract is generally defined as a legal document between the contractor and the owner(s) of a property where one party agrees to perform labor and/or services and/or supply necessary materials to complete a project and the other party agrees to make payment for same. In many states, contracts are legally required.

I’m surprised by the amount of people that I’ve talked to over the years that have signed contracts for large amounts of money but really didn’t know the important details in the contract; some of them didn’t even read the back of the contract. All contracts have certain requirements that must be included in the contract before they can be legally used. Some of these requirements are:

- A start and completion date
- A specific scope of work
- Payment terms with the total price included in the payment terms
- What the warranty period is
- The contractor’s license number

What You Should Know

There are many other terms or clauses in contracts that contractors use that you must understand, because in a court of law the only complaints or issues that the judge will discuss and ultimately make a ruling on are what are on the contract that both parties signed. Some clauses are beneficial for the homeowner; some are beneficial to the contractor. You must understand them all before you agree to them and sign the contract. Again, many homeowners didn’t realize what they agreed to when they signed the contract and when a disagreement arose they found out that they had no legal right because of a clause or two in the contract.

Most Common Contract Traps:

- Huge penalty fees that you can incur for cancelling
- Important details you have specified are vague, such as the brand or color of the shingles that you have selected
- You have given the contractor permission to do any additional work at his/her discretion
- The date the project is due to be completed is not included
A Contingency Agreement:
A contingency agreement is what you and the contractor enter into at the start of the project. It ensures that once the insurance company agrees to pay the claim, you will use this contractor. And while this seems like it’s in the contractor’s best interests, it actually protects you from problems such as the contractor taking too much time to determine the amount they will pay on the claim. This tentative contract merely states that you and the contractor will be working together in the future.

The one trap you want to avoid is signing contingency agreement with a Storm Chasing company or a Non-QLC; since you’ve made a promise to stick to that contractor- choose wisely. Read Chapter 4 to learn to distinguish the 3 types of contractors and Chapter 5 to learn how to hire the best contractor.

What to Look For

Be sure to take the time to read both sides of the contract – including the reverse or second page where most of the terms and conditions are written. Remember that this is your house, so it’s in your best interests to take the time to read and understand everything that’s written. This includes things like cancellation clauses, which dictate up to 25 percent of the insurance claim being paid even if no work was performed.

Ambiguous language
Ambiguous language can be a big problem that can void the company’s warranty or the insurance coverage. If you don’t understand what you are signing, you could do something foolish like sign away your right to hold the contractor liable for their errors. Remember that this is your contract, and that you have the right to have it amended in any way. This includes adding or excluding anything you want, or rewording things you don’t feel are right. You can also ask to have the contract held overnight to give you more time to look it over or have your lawyer do so.

High Pressure Sales Techniques:
High pressure salesmen could try to force or rush you through the reading of the contract. Remember that if you feel intimidated or uncomfortable, you can ask them to leave. You are in control, and they are working for you. You can always remind the contractor of this fact if he/she insists that you sign without reading.

Avoiding Open Contracts:
No matter how much you may trust your contractor, everything should be spelled out in the
contract, including how much you will pay. Never sign anything that is open, such as leaving the total cost up to debate. A dishonest contractor could answer all your questions correctly, but may still try to take advantage of you later on – without a set amount in the contract, he could. He also has all the power to move forward, regardless of what you tell him after you sign.

Get a Definite Price and Insurance Supplements:
Remember that having an open contract is not the only issue; you also need to know how much you may have to pay out of pocket as well. It’s important for you to know how much the bottom line is, and what part of it you are responsible for, such as your deductible, or material upgrades not covered by your insurance.

In addition, you should include a clause in the contract that states that you need to give written approval for any and all cost overruns or other increases being passed onto your insurance provider – or onto you.

Start and End Dates:
Get in writing – as part of your contract – start and stop dates and hours of working time on your project: specify days- Monday through Friday, hours such as 7am – 3:30pm. This ensures that the contractor is committed to completing your project on time, has the crew to perform and is serious about his business.

It should be noted that proposals and contracts are often one in the same. When issued separately, their content and specifications should be checked to be sure they are identical.

Lien Releases:
Lien releases should be part of your contract as well. State in writing that you require lien releases at the time of each payment from all subcontractors/suppliers for work performed and material supplied to date.

Contractor Worker’s Comp and Liability Insurance:
Make sure that the contract that you sign requires the company to maintain contractor worker’s comp and liability insurance. Your contractor should supply you with their Certificate of Insurance and list you as additionally insured. The reason for this is that some contractors do not have insurance and other contractors pay for their insurance for one or two months and let it lapse. Either way they are not insured if they do damage to your house or one of the workers gets injured or worse. If you are listed as an additionally insured on their insurance then their insurance is paid and up to date, and you will be covered in case anything happens.
Before You Pay Your Contractor:

- Get what is called a “Conditional Release of Lien” for the workmanship on your home, and have it notarized. This ensures that after you have paid them in full, they waive the rights to file a lien on your home.
- Get a second release of lien, this time from the supplier for the material used on your home. Make sure that it is from the supplier – not the contractor, stating that the material was paid for.
- Ask for a warranty certificate from the manufacturer for your materials, so you have the necessary paperwork to follow up. Your contractor should have this for you.
- Only make out checks to the contracting company’s name, and not to an individual.
- Get a paid-in-full invoice immediately at time of payment – do not allow them to mail it to you later.

QLCs vs Non-QLCs and Storm Chasers

A Qualified Local Contractor will mention all the important details because he/she knows that the contract is ethical and to the point; he/she will recommend that the client sign with a clear conscience. Since the company is not engaged in taking advantage of the customers, the QLC’s goal is to protect the company and the homeowner with a fairly weighted contract that doesn’t take away the rights of the homeowner or the contractor if either party has a legitimate concern. A lot of Non-QLC companies or Storm Chasers won’t say anything because in a many cases they know that the contract is written to his/her advantage and may contain elements that may give the client a reason not to sign.
Chapter 12. Negotiating Contracts the Right Way

Negotiate

A contract of any kind should be agreeable and fair to both parties. As mentioned in the previous chapters, the contractor covering your insurance deductible is not a good deal (and it’s illegal in many states and municipalities) - so that’s out of the question. But you can negotiate a few other perks that your contractor would consider doing for FREE without too much of a fight:

Extended Manufacturer’s Warranty:
The extended manufacturer’s warranty is the best warranty available in the industry (average cost $540- average increase in your home’s value less than 0.5%).

Note: Although the average increase in value is small, peace of mind is priceless. If anything happens to your roof during the 25 year warranty period- the manufacturer will take care of it. Also, this maybe the best investment for the money because it will increase the appeal of your house if you decide to sell it.

Recycle Gutters:
Taking your gutters to the recycling plant does two things: 1) generates some money and 2) eliminates the use of landfills (average savings $35- no increase in value)

Window screens:
If your window screens are old and worn out, replacing the window screens will give a fresh look to your house (average cost of $450- average increase in your home’s value less than 0.5%)

Resetting your satellite dish:
Recover the cost of resetting your satellite dish after the roof has been replaced. (Average savings $110).

In the after storm situation, a homeowner need the contractor – not the other way around. Getting greedy and trying to take more from the contractor than they are able or willing to give might make the contractor want to move on to another job, rather than staying with that particular customer. Remember that there are relatively few solid contractors(QLCs) that are worth hiring out there; if you find one, hang on to him/her and they will take care of you.

Potential Upgrades

Also keep in mind that depending on how generous the insurance company was in their pricing,
this will determine how much (if any) available money there will be for upgrades (although there are many cases where insurance companies under pay- in those cases there will not be an opportunity for free upgrades). With that being said, now is the perfect time with very little investment relative to the cost of improvements on your home, to get those upgrades you always wanted even if you have to pay for it out of pocket.

**Tip:** Usually a contractor will do additional work at a reduced rate since they are already at your house.

In my opinion, here’s the highest return on investment upgrades (you may consider paying for yourself):

**Shingle Upgrade:**
An upgrade from your current roof shingles to the next highest quality level (average cost $735 - average increase in your home’s value: 1%).

**Ice and Water Barrier (shield):**
This greatly reduces the possibility of ice damming. An ice and water leak barrier should be installed on all eaves, flashings (including chimney), vents, and pipe boots (average cost $480 - average increase in your home’s value less than 0.5%).

**Combination of Attic Air-Seal and Attic Insulation:**
Attic insulation and air-seal in your attic will make your home 20%-50% more efficient (percentages vary depending on inefficiency of your home) (average cost $2100 - average increase in your home’s value: 3%).

**Attic Ventilation:**
Proper attic ventilation is essential for any home because improper ventilation will greatly reduce the life of your roof and plywood decking under your roof. Not to mention, proper attic ventilation greatly reduces the likelihood of mold or mildew in the attic (average cost $1250- average increase in your home’s value less than 0.5%).

**New Windows and Doors:**
If you’ve been thinking about replacing your windows and/or doors, this is a great time to do it because you are going to be undergoing construction. Efficient windows and door can reduce your energy costs and add a lot of value to your home. I’ve seen some QLCs throw in a few windows when a homeowner decides to replace all their windows. Since the contractor is already at your house, staging and supervision costs are reduced. (Cost range per window
$500-1200 depending on whether it’s vinyl or wood windows - average increase in your home’s value: 5%)

**Siding:**
The installation of new siding with energy efficient insulation behind it will not only increase the curb appeal of your home, but will also increase the energy efficiency (average cost - $14,000- average increase in your home’s value: 7%).

**Kitchen & Bathrooms:**
Exterior home improvements have always generated the highest value for the money spent, but if your exterior is in good shape, the next highest value item is renovating your kitchen and/or bath (cost depends on size and choice of appliances).

**Note:** On certain home improvement projects, the increased value of your home is 2-3 greater in dollar amount than what you actually spend on the home improvement.

*This pricing is for average house size. If you have a larger than average house it will be more, if you have a smaller house it will be less.

Be Fair

Remember that it never hurts to ask, but be fair. The more you take the less your contractor will make and there is a breaking point where it’s not worth it to the contractor to do the work.
Chapter 13. Job Production Process (Best Practices)

What to Expect

This is the final stage of the roof restoration project. Now that you have your first check in hand, a signed contract with a contractor (whether you hired a Qualified Local Contractor or not, it's good to have an understanding of the best practices for your project), you have picked out your material and colors for your restoration project- it is now time to schedule your work.

Note: Choosing the manufacturer for your roof, siding or gutters, as well as the style and color of these items is much more complicated than most people think.

The contractor will call you to schedule the start date and go over a pre-construction checklist of items to prepare you for the renovation work, which includes:

- Removal of breakables from the walls (there will be pounding on the roof during the removal and installation process; the vibration of the removal/installation of the shingles will depend on how well/poorly your home was built)
- Covering any stored items in the attic with plastic (because debris usually falls into the attic when shingles are removed regardless of how careful the contractor is).

Next

Your contractor will order the materials, and they will be delivered to your home a few days before the restoration project starts. The contractor will be out to check the materials to make sure everything was delivered correctly. The crew will show up usually early in the morning to properly stage the job with the right safety equipment. The crew will then start tearing off the roof and throwing it in their dump truck. They will inspect the roof deck to see if there is any damaged or rotten plywood; it is a good idea for you to be available during this time period in case they find bad decking or other items once they tear off the roof. After this you should be able to leave and trust your contractor to complete the job.

Tip: If you have any pets, I recommend that you remove them from the house for the day since it’s going to be very noisy and the noise sometimes may scare pets.

Installation Process

Once the roof is removed, ice and water shield, underlayment, and drip edge will be installed onto the roof deck in their appropriate places. Then the shingle roof will be installed with the
proper step, apron, pan, and counter flashing. New pipe boots and ridge vent will also be installed. These materials must be installed in a specific way according to the manufacturer specifications (including nails in the correct position).

The Warrantee

If the roof, siding, or gutters are not installed exactly according to the manufacturer specifications, your warranty will be null and void. If you purchased the extended manufacturer warranty from an approved contractor, then the manufacturer will come out to the project and inspect the roof to insure that it was installed correctly. If you did not purchase the extended warranty, then do the best you can to ensure that all materials were installed to the manufacturer specifications.

Cleanup

Once the project is completed, the crew will do a complete cleanup and roll a nail magnet to make sure there are no loose nails left behind. Your contractor should have a Quality Assurance (QA) person inspect the job to make sure everything was done correctly.

Please note, if you didn’t hire a Qualified Local Contractor - some of these steps may not be completed.
Chapter 14. Understanding Your Insurance Policy (Bonus Chapter)

Best Practices

If you pay your monthly homeowner’s insurance premiums, you probably assume that you’ll receive all of the benefits for any claims you may file. This isn’t always the case, however; if you want to receive the money that you are entitled to, you have to be proactive and follow the best practices outlined below:

Before the storm:

- **Understand your insurance policy**: Read and understand your insurance policy before you need it. Make sure you understand what is covered and what isn’t, and what it is you are paying for.
- **Review your policy** annually. Take the time to review your contract each year. If something has changed or concerns you, take this up with your agent. You can also ask your agent if anything has changed at time of renewal, and what, if any, changes those are.
- **Keep track of your records**: To prove the damage/loss of your personal possessions, it’s a good idea to keep receipts, take pictures or get an appraisal of your valuables such as jewelry or electronics.
- **Premiums**: Make sure the premiums are paid.

After the storm:

- **Document any damage** by taking photos (turn on the date stamp), collect the hailstones in a zipped bag and put it in the freezer.
- **Contact your Qualified Local Contractor** before you contact the insurance company.

If your claim is denied:

- **Dispute the process**: Keep a paper trail of every stage of the claim from beginning to end as well as all the interactions with insurance company, insurance adjuster (name, title, contact info, and date).
- **Don’t delay**: Make sure you file and dispute claims in a timely way, because there may be time limits that could invalidate your claim if you wait too long.
- **Be proactive**: Never assume that the person you are speaking to knows all the answers, or that they will follow through on your requests in a timely way. Be proactive and move up to the next level if necessary to ensure that each stage of your claim goes off without a hitch.
Dealing With the Insurance Company

If your home suffers damage due to a hail or wind storm, you’re likely to be facing a confusing and difficult process of dealing with your insurance company’s adjuster. Insurance adjusters are thoroughly trained in inspecting claims, including how to minimize your claim. That’s why you need an expert such as a QLC on your side during the process.

When it’s time to file a claim due to wind or hail storms:

- Go Slow. Don’t take the first, quick payment from your adjuster if he intends to close your file. Insurance companies want to do this if it means you’ll agree to their terms. But if you accept the terms before you find out all the damage, you could end up not having enough money to get all the repairs done.
- Follow your policy’s instructions in notifying your insurance company. To do otherwise could be to jeopardize your claim.
- Protect your property from further damage. Cover up holes in your roof or in windows to prevent additional damage, which is usually not covered by your insurance.

Understanding Your Insurance Policy:

Unlike an instruction manual for your new smartphone or camera, a homeowner’s insurance policy has a very dense language that is hard to understand. Very few homeowners actually read them which is a big mistake. If you don’t understand your homeowner’s insurance right now, imagine how hard it’s going to be to make sense of if something that you are trying to insure for does actually happen. If something were to happen to your home, such as a catastrophic event that meant its destruction, you wouldn’t want to be scrambling to find and decode your insurance policy at this time.

People who are in a state of shock are not going to be able to understand things like:

**Replacement Cost Value (RCV)** is the actual cost to replace an item or structure at its pre-loss condition.[1]

**Actual Cash Value (ACV)** is not equal to replacement cost value (RCV). ACV is computed by subtracting depreciation from replacement cost. The depreciation is usually calculated by establishing a useful life of the item determining what percentage of that life remains. This percentage multiplied by the replacement cost equals the ACV.[2]
Depreciation - Decrease in the value of property over time due to use or wear and tear.

It’s a fact that if your home were to burn down or be otherwise destroyed in a natural disaster, your insurance company would probably pay to replace your home, since this is what is known as a catastrophic loss. However, if your home suffers damage that is not catastrophic, such as hail or wind damage, you are more likely to have your claim denied, simply because the adjusters are looking closer at the damage. A claim represents a lost profit for the insurer- so it is in your best interest to be proactive when dealing with your insurance company.

Read Before You Sign

Although the homeowner’s insurance policies are as interesting as tax law- it is very important that you not sign any documents that have not read or fully understand. Don’t be afraid of asking questions until everything is clear.

Conclusion

I hope you found this guide useful. If you have any questions, please don’t hesitate to email me at: john@nvroofs.com.

If you need help with your storm restoration project- give us a call at: (703) 935-4505 or go to http://nvroofs.com.

If you know someone who would benefit from this information- please share this book!

Sincerely,
John Francis
Owner of Northern Virginia Roofing