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# NEWSALERT

## Home Improvement

# How to Avoid Being Ripped off by a Contractor

**M**ANY AMERICANS opted to remodel their homes during the pandemic, which has created a supply crunch of contractors doing that kind of work.

And when things get busy, in the building industry, scammers get busy and it's not uncommon for homeowners to be ripped off by an unscrupulous contractor.

If you are planning a remodel, you should look out for these common scams.



### Up-front payments

A typical job will require about 10% of the cost up front, just as a good faith payment that you are scheduling the contractor's time.

But the scammer will ask for 30-50% of the project price up front, saying that he has to order materials and/or rent machinery to get the job started. Then the scammer will disappear and not be seen from again, or they will start the project with shoddy workmanship.

Or the contractor is not financially stable and may plan to skimp on the work later.

### Reneging on terms

When a homeowner and a contractor discuss a project, it's common for the contractor to suggest decorative details that will make the work stand out.

But those details may never make it into the final contract and ... surprise! ... they don't make it into the final project either. They then say that work will cost extra.

### Being told no permit is needed

Most jurisdictions require that you get a work permit for large construction projects.

An unlicensed contractor may lie and say no permits are necessary or that you the homeowner should pull the permits, but that's incorrect. A permit must be obtained by the party doing the work.

### What you can do

Angie's List and the National Association of Realtors recommend:

**Doing your homework** – Get at least three bids for the job and check Angie's List, industry associations and previous clients' references before hiring. Visit their completed projects during the bid review process.

**Checking status and references** – Check your state contractor's board to verify the contractor's status.

Ask for proof of liability and workers' compensation insurance and bonding (if applicable). Ask for and check references for past jobs, and also suppliers they use.

**Negotiating a detailed contract** – It should specify the responsibilities of both the contractor and the homeowner, start and completion dates, terms that tie payments to job progress and completion, details of the work, itemized materials and any warranty information, and whether subcontractors will be used.

Require that the contractor obtains all of the required building permits.

**Asking for a detailed outline of costs** – Never prepay more than \$1,000 or 10% of the job total, whichever is less. That's enough to establish that you're a serious customer so the contractor can work you into his schedule. ❖



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# Good Drivers Save Money with Insurance Telematics

**T**ELEMATICS APPS that help insurers monitor their policyholders' driving are taking off, and good drivers can benefit from using them.

Safe driving often yields lower auto insurance rates, and telematics can give carriers real data on your driving habits, like if you are a habitual speeder.

Some car insurance companies advertise that drivers can save up to 25% or 30% on their premiums for being a safe driver with a telematics program. However, it can also identify unsafe driving habits which can result in rate hikes.

## How it works

Telematics car insurance programs collect data to rate how safely you drive, as well as your mileage. They track acceleration, speed, deceleration, distance driven, when you drive and where you drive to calculate your risk level. If you pose a lower risk of accident than the average driver, you can save money on your auto insurance premiums.

When you sign up for a telematics program, insurers will typically give you an enrollment discount up to 10% of your annual premium.

You'll be required to download an app or the insurer will send you a telematics device that plugs into your car.

Telematics devices will usually plug into the onboard diagnostic (OBD-II) port, which is commonly found beneath the steering wheel. This method relies on your car's onboard diagnostic system and a network of sensors that tracks key performance indicators.

## WHAT IT TRACKS

- How often you drive and for how long
- Hard braking incidents
- Fast acceleration
- Speed
- Fast cornering (quick, sharp turns)
- Time of day you drive
- Phone usage while driving

The insurer will monitor your driving for a period of time, usually 90 days, after which they will evaluate your driving and decide on a final discount. Many carriers offer discounts of up to 30% for the drivers they deem the safest or at lowest risk of being in an accident.

## How to get the best discount

Drivers who see the best discounts may include stay-at-home parents, remote workers, retirees and gentle drivers. To get the biggest discount:

- Avoid driving during rush hour and at night.
- Drive a below-average number of miles.
- Avoid harsh braking and cornering.
- Avoid accelerating quickly.

## TELEMATICS PROS AND CONS

### Pros

- Large discount potential.
- Rewards for being a good driver.
- Provides an incentive to improve your driving habits.

### Cons

- Some programs can raise your base rate if you're a bad driver
- Discounts fluctuate based on driving habits.
- Mobile apps can't always tell if you are a driver or a passenger, so if you're riding in someone else's car you may occasionally need to dispute the data.
- Privacy concerns about being tracked.

## The takeaway

Traditional car insurance costs are based on factors relating to your driving profile, none of which have to do with how well you drive day to day.

On the other hand, telematics insurance programs base your rate on your current driving habits or give discounts for good behavior on the road. With telematics, the better you drive, the more you can save. ❖



# Seven Things to Do after a Hit-and-Run Accident

**M**OST OF the time, if you've been in a collision, the other party stays put so that you can exchange insurance information and wait for police or emergency services if there is a dispute or injury.

But on occasion, the other driver flees the scene, leaving you likely frazzled and scrambling. If you carry uninsured driver's coverage, the costs will be covered by your insurer. However, there are things you should and shouldn't do if you've been involved in a hit-and-run accident.

Whatever you do, do not follow or chase the fleeing driver. If you also leave the scene, you may miss out on gathering eye-witness accounts of the accident. The police may also question who is really at fault.

Also, chasing down the other driver puts you at risk of having a violent confrontation. Sometimes the fleeing driver may have a reason to flee the scene, such as an outstanding arrest warrant or perhaps they were breaking other laws when the accident occurred, like transporting drugs or driving while drunk.

## Insurance coverage

To make sure that your insurer will pay to fix the damage caused by an uninsured driver, you need to carry uninsured motorist coverage as part of your policy, which includes:

- Uninsured motorist bodily injury coverage, which pays for medical expenses.
- Uninsured motorist property, which pays for car repairs. ❖

## HERE'S WHAT TO DO

1. Gather information. First, get as much information as you can about the car that hit you, such as:
  - Model and make
  - Color
  - License plate number
  - Direction the other vehicle was headed when fleeing.
2. Call the police and file a report. The official accident report will help police look for the missing driver and will be useful when you file your accident claim.
3. Next, try to find witnesses and ask for their names and contact information. Ask them if they can supply additional information about the accident. If they give you or the police a statement, be sure to get their names and contact details.
4. Write down the time and location of the accident.
5. Take pictures of the accident scene.
6. Take pictures of your car and all the damage, especially if another car's paint is visible on it. This will help you prove that you are not attempting to defraud your insurance company.
7. Call your insurance company and report the claim.



# Do Your Homework Before Buying Solar Panels

**A**S MORE people add solar panels to their homes, some are finding out after the fact that their insurer has exclusions for them or in some cases refuses to insure a home with them.

Homeowners that encounter these problems typically live in areas at increased risk of hailstorms and windstorms. In some cases, they may see their rates skyrocket if an insurer is willing to take on the risk.

Even homeowners in areas not susceptible to hail and windstorms should prepare for higher premiums if they are considering solar panels, since the overall replacement cost of the house will increase.

The bottom line: Check with us about your insurance before you sign on the dotted line on a solar panel contract.

## How they are covered

Homeowner's insurance policies may cover solar panels in two ways (barring any exclusions):

**Attached:** If the panels are attached to your roof, they are usually covered under the policy's "dwelling" coverage. This means that the insurer will pay to replace them up to the full value of your policy in the event of a covered event.

**Detached:** If the panels are mounted to the ground or to a detached garage or other structure, they may be covered under your policy's "other structures" coverage. This is typically set as a percentage of your overall coverage. So, if your dwelling coverage limit is \$600,000 and the percentage is 10%, your other structures coverage would be \$60,000. ❖

## TIPS TO CONSIDER BEFORE BUYING

- **Call us first.** Prior to signing a contract for solar panels, call us to see if your current insurance company will accept them. If they don't, we can look for a replacement carrier. If they do, we'll get a quote for your premium that includes the solar panels.
- **Increase your dwelling coverage.** You may need to increase your policy's dwelling coverage limit. Solar panels may raise the replacement cost of your home.
- **Prepare for rate increases.** Solar panels are expensive, and they will increase your premium.
- **Do the math.** If you find that your homeowner's insurance premium is going to significantly increase after installing the solar panels, you should calculate whether the lower energy bills will adequately offset your rate hike. Also, consider the cost of installing the solar panels.
- **Different approach for leased panels.** If you lease your solar panels or use a power purchase agreement, the solar company may insure the panels themselves. Some but not all. Others will require that you add them to your homeowner's policy.
- **Additional coverage option.** Some insurers offer coverage specific to solar panels. This is usually provided as an endorsement to your homeowner's policy or as a separate policy. These policies will offer additional coverage of damage to panels or loss of panels due to theft.

## THE K TAYLOR INSURANCE SOLUTIONS "THANK YOU" REFERRAL PROGRAM

Your referrals mean the world to us. We work hard to earn each referral with great service and appreciation for your business every day. As a way of saying thank you to clients that refer friends and family, for each referral you will receive a \$20 Amazon gift card.



### What qualifies as a referral?

A referral is when we are contacted by phone, e-mail or social media for a quote and that friend or family member becomes a client of K Taylor Insurance Solutions.

Don't worry, we ask every caller how they found us.

*Thank you!*

