New Campaign Launched to Fight Roofing Fraud in Colorado

DENVER, June 8 – A group of nonprofit, government, and business organizations are working together to fight roofing contractor fraud in Colorado with a new public education campaign called No Roof Scams.

The campaign’s goal is to sound an alarm during severe weather season about the spike in roofing fraud and arm Colorado homeowners with information to protect themselves against being victimized by roofing scams. Help us spread the word by using #NoRoofScams and sharing anti-fraud advice, resources and messages.

This week’s latest round of damaging hail battered South-Metro Denver and serves as a reminder that Colorado’s peak weather catastrophe season has arrived. The National Insurance Crime Bureau recently reported that Colorado is number two in the country for the number of insurance claims filed due to property damage from hailstorms to homes and businesses during the past three years. An overwhelming number of these claims include roof damage. The roof is every building’s first line of defense against Mother Nature, and Colorado’s roofs need to be as strong as possible given all the severe weather events that occur here, especially hailstorms.

Unfortunately, these storms can bring out the worst in people, especially unscrupulous roofing contractors who scam consumers needing to repair or replace their hail-damaged roofs. These fraudsters will often make false promises, insist on full payment upfront before work is completed, and sometimes even create damage where none occurred. While most contractors are honest and reputable, others are not. In fact, the highest number of consumer inquiries to the Better Business Bureau of Denver-Boulder involve selecting reputable roofing contractors.

There are many things consumers can do to guard against being the victim of a fraudulent roofing contractor.

- Look for well-established, licensed, insured and bonded roofing professionals with a federal tax identification number and a permanent address.
- Ask for a contractor’s license number and confirm with your city or county building department that the license number was issued by them and is current.
- Check to make sure the contractor is registered to conduct business in Colorado at https://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do.
 ✓ Ask to see the company’s certificates of insurance. Verify with the insurer the certificate is valid, the contractor is endorsed for roofing work, and the contractor’s coverage for liability and workers’ compensation is current. CONSUMER TIP: Check the number of employees covered by the policy – a low number indicates the contractor will hire temporary help who may or may not have roofing experience.
 ✓ Don’t hire a contractor who knocks on your door following a storm. Most legitimate roofing contractors do not conduct business this way.
 ✓ Contact the Colorado Roofing Association (CRA) http://coloradoroofing.org, which maintains a current list of licensed, properly insured, professional contractors who have committed to abiding by the CRA Code of Ethics, and have passed a nationally recognized exam that addresses roofing work on residential and/or commercial property.
 ✓ Contact the Better Business Bureau (http://www.bbb.org/denver) to check for complaints filed against any company you are considering hiring.
 ✓ Be sure to get more than one estimate.
 ✓ Require references that specifically include other homes in your area, and check them.
 ✓ Make sure you review and understand all documents sent to your insurance carrier.
 ✓ Never pay a contractor in full or sign a completion certificate until all the work is completed.
 ✓ Don’t be pushed into signing a contract right away. Never sign a contract with blanks or statements like “see insurance estimate, etc.” - fraudulent contractors may enter unacceptable terms later.
 ✓ Always ensure that before you sign a contract it includes all the requirements established in Colorado Senate Bill 39.
   o Scope of work and materials to be provided.
   o Cost for same based on damages known at the time the contract is entered into.
   o Approximate dates of service.
   o Roofing contractor’s contact information.
   o Identification of contractor’s surety and liability coverage insurer and their contact information.
   o Contractor’s policy regarding cancellation of contract and refund of any deposit including a rescission clause allowing the property owner to rescind the contract for roofing services and obtain a full refund of any deposit within 72 hours after entering the contract.
   o A statement that if the property owner plans to pay for the roofing services through an insurance claim, the contractor cannot pay, waive or rebate the homeowner’s insurance deductible in part or in whole.
   o A statement that the contractor shall hold in trust any payment from the property owner until the contractor has delivered roofing materials to the jobsite or has performed a majority of the roofing work on the property.
   o A statement that the property owner may rescind a contract for services, the payment for which will be made from the proceeds of a property insurance claim, within 72 hours after receiving notice from their insurer that the claim is denied in whole or in part.
Organizations participating in the *No Roof Scams* campaign include:

- Better Business Bureau – Denver/Boulder
- Colorado Division of Homeland Security and Emergency Management
- Colorado Division of Insurance (Division of Regulatory Agencies)
- Colorado Roofing Association
- Insurance Institute for Business & Home Safety
- National Insurance Crime Bureau
- Property Casualty Insurance Association of America
- Rocky Mountain Insurance Information Association

Follow #NoRoofScams this summer to learn more about how consumers can avoid being the victims of unethical roofing contractors and find reputable roofing contractors.

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