



## Top 5 Red Flags to Look Out For When Hiring a Roofing Contractor

In the aftermath of North Texas storms, neighborhoods are typically flooded with roofing salespeople and flyers, trying to drum up business in one of the few states left in the country without some sort of state licensing requirement for roofers. It can be difficult for homeowners to weed out the good roofing contractors from the bad. To help, NTRCA has compiled a list of the top 5 shady roofing practices reported to the organization by members and homeowners.

### 1) Contingency Contracts

Contingency contracts are a common practice for many roofing companies. If the homeowner is aware of the contingency and understands and agrees to it, that's one thing. But when a roofing company hides the language in fine print AND rushes a homeowner to sign a contract without discussing the contingency with a homeowner, it's a shady business practice. Most typically what's been reported to us is a roofing company promising "free" emergency repairs, a roof inspection and/or roof tarping if a homeowner will sign an agreement. In the fine print are details that tie the homeowner to that roofing contractor in the event that the homeowner's insurance company pays for a roof replacement. **TIP: always read everything (even the fine print) before signing anything.**

### 2) Contractors Asking for Money Upfront

If a contractor asks for money upfront, that *could* be the sign of a potential red flag. The elderly, in particular, are often targeted by scammers who get payment (partial or in full) upfront and then never return or complete the work. This is the most common scam reported to the NTRCA. In some cases, a partial payment upfront is not cause for alarm, such as 1) when a partial payment is required for materials, after they have been delivered to the project location and 2) if a special, high-end product is required, such as a specialty type of slate material. **TIP: do significant research on any roofing contractor before paying them anything; never hand over your insurance check to a roofing company or any other contractor; and do not make a final payment before a job is complete.**

### 3) Contractors Offering "Free Roof" or to Help to Waive Insurance Deductible

Texas law requires homeowners to pay the full insurance deductible they agreed to pay in their property insurance policy. It is ILLEGAL in Texas and a class B misdemeanor (punishable by a jail sentence of up to 180 days + a \$2,000 fine) if a contractor pays, waives, absorbs, rebates, credits or otherwise declines to charge or collect a deductible. Additionally, insurance companies have the right to request reasonable proof that the deductible has been paid before making a payment. This law aims to protect consumers by helping to eliminate shady "free roof" practices many contractors employed in the past, which often led to consumers unknowingly participating in insurance fraud and contractors cutting important corners to make up the difference. **TIP: If a roofing company's sales pitch offers to bypass this law (or their contract does not include the required language about this law), that is a RED FLAG. If they're willing to break the law, what other rules, laws and codes are they willing to ignore?**

### 4) Roofing Companies Acting as Insurance Adjusters

Another red flag is when roofing contractors act as insurance adjusters and claim they can help homeowners negotiate or "work" their claim. This practice is illegal – a single company/person cannot act as both a homeowner's roofer AND their insurance adjuster. **TIP: talk with your insurance adjuster about the claim and your roofing contractor about the scope of work to be performed.**

### 5) Storm Chasers – Here Today, Gone Tomorrow

In Texas, anyone can hang up a "shingle" and call themselves a roofing company. And when storms hit in North Texas, we see an influx of out-of-town roofers (a.k.a. storm chasers), who "work the storm" and then leave town not long after the storms do, unable and unwilling to service any kind of warranty they promised. Similarly, we also see "in-town" storm chasers, who may be from the area, but have no roofing expertise, yet suddenly jump into the roofing business simply because there is significant opportunity to make money. **TIP: pick a company that is local, experienced and a member in good standing with a professional roofing organization.**