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Attorney General Marshall, Alabama Department of Insurance and Alabama Home Builders Licensure Board Warn of Unlicensed/Unscrupulous Contractors in Wake of Hurricane Sally

(MONTGOMERY) – As residents begin to clean up from the damage left by Hurricane Sally in Baldwin and Mobile counties and across south Alabama, Attorney General Steve Marshall, Insurance Commissioner Jim Ridling and the Alabama Home Builders Licensure Board caution everyone to be wary of unlicensed and/or unscrupulous contractors who will attempt to take advantage of homeowners.

“The damage left in the wake of Hurricane Sally is widespread and catastrophic,” said Attorney General Marshall. “Over the weeks and months ahead, many thousands of Alabamians will be in urgent need of home repairs. Unfortunately, unscrupulous operators frequently seek to take advantage of disaster victims, targeting those struggling to recover. The Home Builders Licensure Board, the Department of Insurance and the Attorney General’s Office want consumers to know the steps to finding reliable and responsible workers, and to recognize the signs of fraudulent contractors.”

“It is so important for Alabama consumers to protect themselves from those who would take advantage of them, especially after a major weather event like Hurricane Sally,” said Alabama Insurance Commissioner Jim Ridling. “Consumers should check a contractor’s license and talk to their insurance company before making a selection.”

Alabama Home Builders Licensure Board Executive Director, J.R. “Chip” Carden, cautions homeowners who experience damage as a result of Hurricane Sally, and emphasizes the importance of the consumer knowing about the potential problems of contracting for homebuilding and remodeling with unlicensed contractors. “Do your homework,” Carden advises. “Call any references the builder gives you and check with the Board to confirm if a builder is licensed and in good standing. Don’t be in a rush. A bad decision now can make a difficult situation even worse.”

A few tips to remember about Alabama Consumer Protection laws:

Under Alabama law, a contractor who performs residential roof work directly for a homeowner and the cost is over \$2,500 MUST be licensed by the Alabama Home Builders Licensure Board, including being properly bonded.

If the repairs to a house require work beyond just putting on a new roof or anything structural, the contractor is required to have an unlimited license issued by the Alabama Home Builders Licensure Board.



A contractor who provides emergency services such as tarping your house cannot then use those services to bind a homeowner into a contract. Contractors are entitled to reasonable compensation for these emergency type services, but they cannot use this to bind a homeowner to a contract for further repair work and/or price gouging.

Contractors MUST provide homeowners a "NOTICE OF CANCELLATION" disclaimer in a contract for roof repairs. This is to protect homeowners from being on the hook for a contract that is more than the claim payment from the insurer. Homeowners have five days to give notice to cancel the contract.

Alabama law recently passed by the Legislature allows a homeowner to cancel a roofing contract within five business days after the homeowner receives written notice from the insurance company that all or any part of the claim is not a covered loss under the policy or that the covered claim will not be sufficient to cover the amount of the contract.

Under Alabama law, a residential roofing contractor shall not represent or offer to negotiate on the homeowner's behalf with the insurance company.

The Attorney General, Department of Insurance and Home Builders Licensure Board also outline steps consumers should take when working with a contractor builder on storm damage repairs:

- Ask if they are licensed. Ask to see the card! The HBLB license is a credit card-sized license – a sample is listed on HBLB's website. You may check on a builder's license status by calling 1-800-304-0853, or by visiting www.hblb.alabama.gov.
- Ask for and check references, especially if the builder makes unsolicited contact with you or is from out-of-town.
- Make sure quotes and contracts are in writing. Under state law, licensed homebuilders must use a written contract. Make sure it includes the contractor's full name, address, telephone number, a description of the work to be performed, starting and estimated completion dates, and the total cost of the job.
- NEVER make a full payment or substantial down payment up front. Do not make a final payment until you are satisfied, and all subcontractors have been paid. If they tell you that more money is needed in advance, be wary.
- Ask for proof of insurance, including workers compensation and general liability.

For information contact the Home Builders Licensure Board, 445 Herron Street, Montgomery, Alabama 36104, (334) 242-2230 or 1-800-304-0853 or www.hblb.alabama.gov.