



NEWSBLAST

Home Improvement

How to Avoid Being Ripped off by a Contractor



MANY 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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Home Protection

Save Your Home from a Termite Invasion

REGARDLESS OF where you live, there is a constant threat of termites or wood-boring beetles infiltrating your home.

Termites account for about \$1 billion a year in damage to American homes and now that an invasive species from Asia has made it to North American shores, the threat is larger than ever.

To make sure that your home keeps these hungry critters at bay, you need to protect it from being a tempting smorgasbord for termites. You would be well advised to heed the following tips:

Keep your yard clear of scrap lumber – Never bury scrap wood or waste lumber in your yard, and avoid keeping piles of wood in your yard as it will attract termites. Store this wood and any firewood away from the house and make sure that there is a barrier between the wood and the ground.

Get rid of decaying vegetation – On a regular basis, clear fallen branches or decaying plants near the side of your house.

Keep mulch piles far from the home – If you do have a pile of mulch for your gardening, make sure that you place it in a corner of your yard far away from your home. And when you do use mulch, don't spread it alongside your house if you have vegetation that abuts against the home's exterior.

Use treated lumber – Use treated lumber for any wooden structures that will have direct contact with the ground. The chemicals used to treat this wood are not 100% foolproof, but they can deter termites nonetheless. They can act as a deterrent when used in wooden decks and patios.

Avoid wood contact with ground – It's best if you make sure that no wooden structures actually touch soil, especially if you have a deck attached to your home. Use concrete supports that raise the wooden support beams for decks and patios off the ground.

Fix water leaks – Termites need water too, so fix any water leaks in and around your home.

Hire a pest control operator – Contract with a pest control service that will come to your house four times a year to spray for insects.

Maintain your home – Routinely inspect the foundation of your home for signs of mud tubes (used by termites to reach a food source), uneven or bubbling paint and wood that sounds hollow when tapped. Fix leaky gutters, ensure that your attic is well ventilated, and seal cracks or holes in your home's foundation. ❖



Property Protection

Don't Insure Vacation Property Like Your Home

ARE YOU considering buying a vacation home ... a nice place by a lake or up in the mountains where you can go to get away from it all?

Just as when you bought your primary home, you'll need insurance that is specific to a vacation property – a place at which you won't be living permanently. So for that reason, you'll need a policy that is slightly different from a typical homeowner's policy.

What you need is seasonal and vacation property insurance, which covers accidental damage, liability and loss. Insurers normally have a standard policy, but they will often allow you to customize the policy to meet your specific needs and situation.

One of the things you need to consider before securing insurance is whether you plan to rent the property out in addition to staying there yourself on occasion.

Secondary-home endorsement

Some insurers will let you add an endorsement to your primary home's policy that covers your vacation home, and it's often the most cost-effective way to insure your property.

One issue though with these endorsements is that the coverage level might not be as extensive as with a separate insurance policy. That is particularly true if the home is at greater risk of being damaged by natural disasters like hurricanes, brush or forest fires, or flooding.

Renting it out?

Vacation rentals can be monthly, weekly or even nightly, so they are often considered a different type of activity than is covered under a homeowner's policy.

A homeowner's policy typically does not cover vacation rental activities, nor does personal liability coverage.

Vacation rental insurance covers many of the same things your homeowner's policy does, but it offers additional protection.

Here we'll outline the three steps to insuring your vacation rental property in order to better preserve the long-term future of your investment:

Liability: Liability insurance protects you against lawsuits brought against you by your guests. The risks of liabilities imposed by lawsuits and similar claims, as well as property damages, will be covered depending on your insurance policy. In most cases, liability insurance will cover you even if you're found legally responsible for an accident that causes injury, or damage to another property.

Building and contents: The next biggest risk you have is the actual property itself. If your renters happen to start a fire or burn your property down, this aspect of your insurance policy will ensure your home and contents are replaced at no cost to you.

Building income: The third exposure you have as a vacation rental owner is business income. After all, your rental property is a business which generates income, therefore you'll need to protect the income your business makes.

Factors that can affect insurance

Location – Rental properties in at-risk areas – like for the aforementioned natural disasters – may see higher rates. Unfortunately, the attributes that make a vacation property appealing will often result in higher insurance costs.

The beach, for instance, will be at risk for wind and storm damage as well as flooding, while a cabin in the forest can burn down during a forest fire.

You need to consider the price of insurance and the possibility of higher deductibles for homes in these areas.

Property type – Is your vacation property a single-family home, condo or townhome? Condominiums and townhouses usually have lower insurance premiums. If general upkeep for the exterior and some interiors is covered by fees, insurance companies may factor that in while writing a policy.

Facilities and amenities – Insurance companies take into account the extra features of a property that may expose you to more liability, such as pools and hot tubs. You can also purchase extra liability coverage for these items. ❖



Car Safety

Road Fatalities Surge; Phone Use to Blame



FOR DECADES, road fatalities were on a steady decline thanks in large part to new technologies that have made our cars safer, like anti-lock brakes, airbags, early warning systems and better construction.

Then the smartphone entered the scene and the social media addiction exploded, adding a driving distraction that some people find too hard to ignore.

The result: A steady rise in vehicle accident fatalities that started spiking in 2014 and has kept on going.

As many as 42,060 people died in motor vehicle crashes in 2020, according to the National Safety Council. That's an 8% increase over 2019, despite people driving less frequently because of the COVID-19 pandemic.

So despite our vehicles being safer than ever, the distraction of our interactive smartphones is getting the better of us. More people take their eyes off the road to text and read messages while barreling along.

If you haven't done so already, you need to make a promise to yourself and your family that you won't touch the phone while driving.

If not for the sake of your loved ones and innocent bystanders, you should put the phone down for the law.

It's already illegal to talk on the phone without a hands-free device and to drive while sending text messages or interacting in some way on your smartphone.

The National Safety Council study looked at the three top causes of accidents:

Distracted driving

Distracted driving includes interacting on the phone, talking on the phone and eating while driving. In 2019, more than 3,100 accident deaths were due to distracted driving, according to the National Highway Traffic Safety Administration. That's a 9.9% jump from 2,858 in 2018.

Motorists who use a hand-held device are four times more likely to be involved in an auto collision than other drivers.

Phone use risks

- **Texting:** You are 23 times more at risk of an accident.
- **Reaching for your phone:** You are 1.4 times more at risk.
- **Talking on your phone:** You are 1.3 times more at risk.
- **Dialing:** You are 2.8 times more at risk.

Speeding

Speeding causes some 14,000 road deaths every year. Obey the speed limits and always drive appropriately for the conditions.

Driving under the influence

Nearly 10,000 people die every year in drunk-driving accidents. The Centers for Disease Control and Prevention reports that 28 people die in a drinking and driving accident each day.

The bottom line: If you are going out and will be drinking, either appoint a designated driver or call a cab. ❖