



Kansas Department of Insurance

Commissioner Vicki Schmidt

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(Anti) Fraud Friday: Contractor fraud costs us all

Topeka, Kan. – This year, many Kansans have hired contractors of different trades to help them recover and rebuild after severe weather. But not every contractor that knocks on your door after a storm is legitimate. The National Insurance Crime Bureau (NICB) estimates that 10 percent of the amount paid by insurers for claims in 2023 were lost to fraudulent contractors, costing not only the homeowner, but every policyholder in the form of increased premiums.

“It is natural for people to want to restore their home or property as fast as possible after a catastrophe,” said Kansas Insurance Commissioner Vicki Schmidt. “Too often fly-by-night contractors prey on that pressure and profit off your misfortune. Be cautious, ask questions, and always check with trusted resources before signing any contract or handing over money.”

This week is Contractor Fraud Awareness Week, and the Kansas Department of Insurance and the NICB offer some tips for home and business owners on how to avoid becoming a victim of contractor fraud after a natural disaster:

- **Research and verify:** Before hiring a contractor, research their credentials, reputation, and track record. Check for licenses, certifications, and reviews from previous clients. Verify their insurance coverage and inquire about any past complaints or legal issues.
- **Get multiple quotes:** Obtain bids from multiple contractors for a price comparison. Be wary of significantly low bids, as they may indicate substandard work or hidden costs. Seek out a licensed, insured, and well-reviewed contractor before any potential fraudulent contractors come knocking on your door.
- **Beware of red flags:** Be on alert for red flags such as high-pressure sales tactics, vague or evasive answers, or reluctance to provide written estimates or contracts. Review the contract carefully, ensuring that all terms and conditions are clearly outlined and agreed upon by both parties. Be wary of signing an assignment of benefits on your claim, as this gives a contractor full authority to negotiate and make decisions with the insurance company without you.

Roofing contractors in Kansas must register with the Kansas Attorney General, and a list of registered roofers can be found at [InYourCornerKansas.org](https://www.inyourcornerkansas.org). To learn more on how to protect yourself from contractor fraud or how to report insurance fraud, visit the NICB at [nicb.org](https://www.nicb.org) and the Department’s website at [insurance.kansas.gov](https://www.insurance.kansas.gov).

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*The Kansas Department of Insurance was established in 1871, currently led by Commissioner Vicki Schmidt. The mission of the Department is to **regulate** companies that sell policies in Kansas to ensure solvency and compliance with state law, **educate** consumers about all things insurance and securities, and **advocate** for a strong and competitive market to give Kansans choices when shopping for products that meet their needs.*