



## **Survivors Speak: Best practices for the rebuilding process<sup>1</sup>**

### **Hiring a contractor:**

Check their license on the California State Contractors Licensing Board (CSLB) website.

<https://www.cslb.ca.gov/> While there, check that their Workers Compensation insurance is current and click on "Bond History." Their bond should go year to year or 2 years to 2 years. If that bond is replaced midstream, it is likely the bond had to be used to resolve an issue with a customer. Get references from 2-3 of their recent customers and contact them. Ask detailed questions such as:

- Did the builder communicate well?
- Did the project go over time or over budget?
- Was that due to change orders from you or issues with the Builder?
- Was there good supervision for the subcontractors?
- Was the Builder responsive to your phone calls and concerns?
- Was the work site kept clean and safe?
- Was the Builder good about coming back after occupancy and fixing any issues?
- Did you receive full lien releases?

Check Facebook (Meta), the Better Business Bureau's® website, Yelp and listen to your instincts. Google the company name and the name(s) of the owner. Google the name of the company's representative. Even if there's no red flags on their CSLB listing, there may be a newspaper article that mentions them in connection with a problem on a construction project. Post-disaster contractor scams are common, and even a reputable builder can take on too much work then have trouble delivering. If a builder or their representative say; "We can build for what you have in your insurance"...that is a definite red flag.

### **Have your contract reviewed by an experienced business attorney:**

Before you sign a contract for your rebuild, have an attorney with experience reading construction contracts review it. It's worth paying for their time. You need to know that contract spells out what's important and protects you... not just the contractor.

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<sup>1</sup> This publication was written by 2017 Tubbs Fire Survivor and United Policyholders Staff member Annie Barbour based on her experiences working with thousands of people whose homes have been damaged or destroyed and who have used our "Survivor to Survivor" forum and Roadmap to Recovery® resources for support and assistance.

### **Set up an Escrow Account:**

Utilizing an escrow account takes you (the survivor) out of the money issues. When your builder hits a “milestone” they will have to call the bank and set up an inspection to verify that all items have been completed before they get that progress payment. This ensures that your builder will never have more of your money than what covers the work he or she has completed. This protects your builder *and* you. Most builders are not used to building with insurance money, which comes in slowly. The opportunity for them to go bankrupt is very real. They do not do this intentionally, they are not used to having to carry the debt. If your builder was to walk away or file for bankruptcy, an escrow account helps you recover because the builder will only have what he is entitled to: 50% of work completed =50% paid.

### **Consider hiring a private inspection company:**

City and county inspectors will be stretched thin and some may be green new hires. If they miss something and pass an inspection, they do not have much power to make the contractor fix it. City and County inspectors also cannot be held liable for substandard or incomplete work they miss. Hiring a private inspection company to check the quality of the work that has been done before you pay for more work is well worth the money. There will usually be 3 inspections: 1. When the foundation is poured, 2. Before close-in (pre-drywall). 3 Before final occupancy.

### **No need to re-invent the wheel**

The United Policyholders’ Roadmap to Recovery® program and the resources we offer at [www.uphelp.org](http://www.uphelp.org) have been helping disaster survivors navigate the rebuild process and avoid and solve problems since 1991. When you embark on a rebuild and you’re connected with UP, you’re not alone.