

**Homeowner's Guide USA**  
**Our Home Insurance Policy**  
**In The Wrong Hands**

***Our Home Insurance Policy***  
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**Preview**

Here, we are going to earnestly cover quite a bit of ground with respect to making arrangements with our insurer for home improvement coverage in the event we need it for payouts to contractors. Of course, when considering our home insurance policy it can be to our advantage to be absolutely clear what it entails. We may want to request from the agent an itemized list, in writing. It may not cover roof and gutter replacement. And what of the windows and siding? The interior? Then exactly what? Itemized. Does it include home improvement irrespective of whether or not there is storm or other damage created by natural or human factors? Does it cover enhancements or partial renovations to both the interior and exterior of our home? Is there coverage for contractor payouts for storm or other natural or human damage to our homes or anywhere else on the property?

Evidently, these constitute only a minute fraction of the questions and answers we may have about our home insurance policy (Here, let us abbreviate that to "home insurance"). These are, of course, informational morsels which are better addressed when we are considering our overall home insurance coverage priorities. Such generalized details are best examined when we want to focus on just the home insurance. Yet, here, our focus is more on taking preventative measures against being defrauded by contractors via our home insurance agents.

Invariably, at this point, we may want to stay focused on protecting ourselves from abusive contractors who can finagle us into giving them permission to steal what coverage we have.

**Never Give Contractors Authority To Submit Claims For Us**

Now we are going to see how some contractors of the corrupt element can easily steal insurance money from us or attempt to do so without our knowledge. We can unknowingly make it easy for them to do so. Hence the most fundamental rule is for us to deal directly with our home insurance agent.

If there are any claims we require with our insurance agent and any funds received: ***Self-serve*** i.e., *take out the claim, get the check(s), and deposit them with our financial institution for safe keeping. Make withdrawals and payouts consistent with percentage of contractor delivery of results. Not a cent more.*

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### ***Understanding "Assignment of Claim/Benefits"***

Quite obvious we are referring to the *"Assignment of Claim."* This is also known as an *"Assignment of Benefits."* For those of us who are not as familiar with what this entails, we can use for an example the medical practice in America. It is commonly known that unless we have some sort of medical coverage, from some source, we will not get "the full treatment." That means that whatever ailment or discomforting situation we may have which can be regarded as an urgent medical issue, unless we have sufficient medical coverage specific to that, we will not normally receive all the medical attention available for it.

**Example A:** Suppose we broke our ankle. We are in so much pain and incapacitated to such a degree that we are rushed to emergency. If we do not have medical insurance, depending on the hospital's service availability, we may be required to sign a few papers to ascertain our eligibility for at least some sort of sparse charitable funding. We sign, thereby bestow upon the hospital *permission to dip into this fund*. This act of signing is "assigning" payment from that fund to the hospital towards our benefit. In this case our "benefit" also entails the hospital's available services and amenities to address our broken ankle. Whatever the hospital provides are constituents of that personal benefit. As we know, these are in effect called "benefits."

Succinctly, we have *assigned to the hospital the right* to dip into the charitable fund to our benefit, or more formally, we have engaged in the process of *"Assignment of Benefits."*

**Example B:** On the other hand, let us say we have medical insurance. In this case, when we sign those papers, we are likewise "assigning" payment from THAT fund to the hospital towards our benefit. *Assignment of benefits.*

**Example C:** Let us now say we have *home insurance (strongly recommended)*. Our roofing and siding have been pummeled by the latest storm. Hypothetically, a severe tropical storm. A slew of hungry contractors raid our front door offering their assistance.

Of the bunch, we decide to select one who we regard most credible [NOT RECOMMENDED without properly validating-a minimum 48-72-hr process – HGRBS suggested standard].

We let him know we have home insurance. He offers to make it easy on us by filing a claim "FOR US" with our insurance agent. He assures us that they "have to help" because this is an emergency situation. DANGER ZONE!

### **Protecting Our Home Insurance From Malicious Contractors**

When we have a home project, but we do not have the cash on hand or in the bank to pay for it, when we have home insurance, we may have just enough coverage to handle a very special and pressing home project. For our purposes, we can say this entails a new roof. We can go even farther to say that the reason we need the new roof is that our area was just hit by a freak hail storm. Our roof is among those which have been so seriously battered by those baseball-sized chunks of hail that the entire roof was severely damaged. Now we have leaks everywhere.

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We connect with our insurer and we learn that our insurance funds availability, especially now that our plan has matured, yields quite a bit more than we thought. This makes us quite a bit more confident about our ability to get the roof back into great shape.

### **Dramatization For How Easily We Can Be Tricked Into Signing AOB's [SKIT]**

We are at home and someone knocks. It is another representative of a contract firm we have no previous knowledge of. He informs us that he actually represents an outfit which specializes in addressing things of this nature. In fact, according to this *heaven-sent* representative, he is really fortunate to be working for a state-of-the-trades full-service operation. *"Full service?"* What does he mean by *"full service?"* Then as if sensing what we are thinking about what he meant by *"full service,"* the kind gentleman begins to *decipher the mystery*:

*"No problem. We specialize in things like this. This is our forte. Got a minute?"*

We invite him in and he is polite enough to ask where we would like for him to sit. Then he explains what *"real full service"* is all about. He says, they *"do more than just get the work done."* That is just part of what they do. He explains how deeply committed they are to first giving us a full picture of the situation. As if on cue, he freely explains how thorough they are about things by first arranging a free, very detailed inspection of the entire roof, and that is usually at no expense to us.

We are certainly interested in that! He says, in addition to the free *detailed* inspection of our roof, they will even offer a free estimate on just about how much it would cost to shape things up. In addition, he expresses the possibility of having the entire roof replaced (if they find that is needed) at an extremely discounted rate because of the storm.

*"It's not that you're just deciding on getting a new roof just for the sake of getting a new roof. But, your roof is severely damaged from natural causes, and something like this really factors with the insurers. They tend to respond a lot quicker in natural disaster situations. This means that, if we opted to go with you on this, your roof could be back in shape or brand new before the holidays!"*

Then he stresses that if we really wanted to go *"full-tilt"* on only the brand new roof, he would even give us an estimate customized to our particular home design. [We have to remember, though, that the estimate is also free]. He offers his *"professional opinion."*

He is very reassuring about the possibility that we may not need to replace the roof. He goes even farther to request that we *authorize an A.O.B.* for only the repairs. If we authorize the *A.O.B.* or the *'Assignment of Benefits'* for just the repairs, then as far as their company is concerned, we will get a special discount because this was the result of an *unusual natural storm system*.

Then, hypothetically, we finally sense there is some sort of *"punch line"*:

*"Okay. What's the punch line? What's the catch? Nobody does free inspections."*

Instinctively, he gladly responds:

*"We do. Y' see, for inspections, what're they really doing, anyway? They're just looking around the place, studying things, and taking pictures. But, how much does THAT cost? Absolutely nothing. Y' see, we are not losing any business doing it. We get our money anyway. We don't need to scavenge off people like some firms do just to get a bit of extra money. Here, look ... .."*

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He shows us a fresh list of residents in our own neighborhood who just signed up for the free inspections. We even recognize a few names. Also we notice the signature of one of our closest friends who lives just a few streets up. She rarely signs up for anything! But we still hesitate a bit .....

*"Well, er .... We don't know. This is kind of fast. We need time to roll this around a bit."*

But he is not disappointed. Subsequently, so as not to make us feel so guilty about not agreeing at the time, he reassures us:

*"Oh! That's okay. It's all good. But, if you should change your mind there's probably something we can work out with your insurer to speed things along a bit. You may not have to pay as much because of your circumstances."*

At this point he shows us "proof" that his company really means business. We see all the signatures of neighbors who signed up for roof repairs. Some are even getting new ones.

"You've got an insurer, dontcha'?" And, he is looking at us as he thought we may be a waste of time. It is as though he is thinking we are too poor to afford it. [\*The truth is that he wants to make us feel cheap and useless. This is a strategy some detrimental contractors use to manipulate us into committing to the deal].

So as not to look like vagabonds we quickly respond: *"Of course we do! .... We just need more time to think."*

*"Oh. That's okay. No rush. I hope you aren't offended by my asking.... I just wanted to say that if you have coverage, then your insurer's 'supposed' to pay for this ... not you. It's their baby, not yours. But, anyway, if it's okay..... [He interrupts himself] Now, I'm not asking you to sign anything. But, are you okay with my leaving these papers with you just for you to go over?"*

We automatically accept the papers as he hands them to us. *Then he says,*

*"These explain a bit more about our full-service plan. You don't have to sign them. Just look them over okay? If you have any questions, I'm just a call away. Here's my card. You can call me around this time tomorrow if you like, okay?"*

Then he takes out a writing tablet to jot down our name and best contact number. But, before he leaves, he has one more thing to bring to our attention:

He whispers *"Oh...From me to you, we've got a crew starting on the south side in the morning. The others will be here in a day or so. We take these sorts of things personally. Please, give me a call some time tomorrow morning, okay? We'll see what we can work out if you decide to get on the list, too, okay?"*

We agree to call, one way or another. Then we shake hands, exchange well wishes, then he is off again. As we close the door evaluating the situation, we could hear him speaking to another of our neighbors. Suddenly, our neighbor becomes our competition for the contract.

### **Interjection – Interesting Points [We will resume the skit after this brief analogy]**

At this time, it is important to note that we are still very much on the subject of *A.O.B.* or the *'Assignment of Benefits.'*

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For those among us who perhaps do not understand the relativity of what is being shared at this time about "A.O.B.," what we are engaged with is a *representative enactment* of a contract firm or contractor representative who will say and do just about anything to:

1. Persuade us to accept his company's services.
2. Sign his company's contract and related documentation which contain a clause or more relative to our giving him (or the firm) authorization to file an insurance claim on our behalf.

\*The amount of insurance funds the contractor collects would be what he or his company judges to be sufficient to cover for the company's expenditures. Such project costs and expenses would presumably be towards time, human resources, and whatever else required to deliver the project.

What we have here is a *dramatization* of real situations where innocent private home decision makers, especially victims of natural disasters and other natural calamity, are *targeted* by dishonest individuals or organized criminal bodies of contractors. Yet, not only *targeted*, but summarily *victimimized* by the same when we are not sufficiently prepared to deflect them.

### **Resuming The Skit**

Invariably, as we continue with our hypothetical skit: After the contractor leaves, we seriously consider his presentation about helping to facilitate resolving our roofing issue in the aftermath of a "freak hail storm."

Ideally, in this moment, we are home. All things considered, the representative of the contractor firm really made us feel that we have a real chance for shaping up or replacing our roof. We think about our friend "*who lives just a few streets up*" and a few of our neighbors who have also been convinced to take advantage of the representative's service offerings. Colloquially speaking: They are "*in on the deal*", but we are not. We can just about envision the crew on the south side of town, on the rooftops. Then the trucks, vans, etc. ladders and the harnesses. We can imagine busy laborers and subcontractors on the rooftops and along the sides of homes with damaged siding. Succinctly, we are really considering signing the contract also. Why should we be left out of this?

Then in the morning, we hear a couple trucks headed for south side of town. Then later, we decide to go for a walk and we are amazed by what we see. It is as though we are actually living a vision! There they are... ..on the south side of town as the representative said. Now we KNOW he was actually telling us the truth about them being there. That is all we wanted to know. We are now convinced that this is really a great deal. And, since they are in town, we may as well be included.

For sure, we are now in the "*Where do I sign*" state of mind. We think about the free inspections and the free estimates. There are also favorable thoughts about the leverage the represented contract firm appears to have for negotiating a fair deal with our insurance agent. We remember what the representative said about the "discount" he could get for us from our insurer. We ruminate about what he mentioned with regard to how we may not have to replace the entire roof. But then, we think:

*"But what if our coverage is great enough for us to actually do the entire roof, instead?"*

We call. Guess what? He KNEW we would. He knew because he presented every reason and innuendo as to why we should and we were unable to present a single one as to why we should not. We were "sold" on the deal long before his exit!

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## Summary

Conclusively, we signed a deal for the free inspections and for the free estimate. We have also signed it giving the contract firm he represented the right to claim any or all of the related home insurance benefits available to us. We have granted this "Assignment of Benefits" or "A.O.B." premised on:

1. What the representative said.
2. How he said it.
3. Our selfish pride for not wanting to seem "poor."
4. What we chose to see and to believe.
5. The workers on the south side of town.

But then, after a couple days, those workers suddenly disappear ... so does our money!

\*The design of this homeowner's guide "***Our Home Insurance Policy In The Wrong Hands***" is to paint as vivid a portrait as possible about how easily we can be scandalized by dishonest contractors and/or the people they hire to go door-to-door when we do not know what to look for.

\*In home improvement contracting, "***Assignment of Benefits***" is big business. When we have home insurance, we are far more likely to engage large projects. There are quite a few of us who can afford the premiums for the coverage we will need in case we really have to file claims for extraordinary emergencies. However, we get very careless when we grant contractors the right to access these funds because we believe that is "the thing to do." We may want to deny that recklessness since in nearly 100% of contractor home insurance improprieties that is exactly the reason. It can be worth our while to know that there is no requirement from our home insurance carriers for us to do that. But there are some insurance carriers who are just as corrupt and apparently in cahoots. It is our home insurance. We have a say in who is going to be the one to take out the claim. Therefore, as far as ever delegating this to a contractor or contract firm, we will do well saying "No" ... and always following through.

*"No. We don't authorize anyone but ourselves to take out insurance claims for us. We can do that ourselves, thank you."*

In **Part 2** of this very special guide "***Our Home Insurance Policy In The Wrong Hands***," we are going to take this a few steps farther. We will showcase real people, companies, and situations. In so doing, we will also witness that our "skit" relative to the dishonest ploys, lies, misrepresentations, inspired false hopes, and influenced delusions, are re-enactments of what actually occurs, especially in the aftermath of natural or human-induced residential catastrophe.

***HOME IS THE BEST WONDER OF THE WORLD!***

*Edited with special assistance from D. Madden*

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