

## After 2010 Phoenix-area hailstorm, damage and disputes

by J. Craig Anderson - Oct. 3, 2011 12:00 AM  
The Arizona Republic

A freak hailstorm that battered more than 150,000 Phoenix-area homes, cars and other property in October 2010 generated an economic windfall for hundreds of area contractors and other businesses.

The storm also created an enormous amount of frustration for some homeowners, licensed contractors, insurance companies and regulators, according to interviews and a review of complaints filed with organizations such as the Arizona Department of Insurance, the Better Business Bureau and the Arizona Registrar of Contractors.

Homeowners were the source of most complaints, but in some cases it was homeowner behavior that frustrated insurance companies, contractors and other local businesses.

The Oct. 5 hailstones - some exceeding 2 inches in diameter - pounded cars, smashed windows and blasted apart roof tiles and shingles. The storm caused more than \$2.7 billion in property damage, putting Arizona atop the 2010 list of states with the most insured-property losses.

Insurance companies mobilized adjusters. Homeowners scurried to find someone to get repairs done. Contractors rushed to action. Amid the frenzy, disputes arose.

Complaints to the Arizona Registrar of

Contractors have decreased each year since 2006, when the construction boom was in full swing, but the percentage of complaints involving roofers increased slightly in 2011, agency spokesman Tyler Palmer said.

Phoenix resident Douglas Francoeur is among those homeowners who filed complaints about a roofing contractor's conduct.

Francoeur said the storm did about \$11,000 in damage to his roof, garage door and other areas of the home. He said his biggest mistake was responding to a roadside sign for a local home-restoration company that promised to waive his homeowner's insurance deductible in exchange for allowing the company to place an advertisement on his property.

The sign featured a website, [freeroofphoenix.com](http://freeroofphoenix.com), that was live as of Sunday, although a representative for the website's owners told The Arizona Republic via e-mail that they no longer are taking on any new business.

The website was registered in November 2010 and belongs to Litchfield Park-based

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Design Builders West LLC, operating under the trade name Evolution Restoration Services from a Scottsdale office.

Francoeur, 51, said the company sent a sales associate to his home in early June to pick up his insurance check, promising to schedule the home repairs within six weeks. Francoeur videotaped the associate accepting the check, for nearly \$11,000.

As of late September, Francoeur was still waiting for the repair work to begin.

He said the company has postponed the repairs repeatedly and have become increasingly difficult to reach by phone or e-mail.

Evolution has a rating of "F" with the Better Business Bureau because of 11 customer complaints within the past year.

According to the bureau, company owners Herb Shepard and Robert Lee Kay have not responded to any of the complaints.

The Arizona Registrar of Contractors lists seven open complaints under the name Design Builders West, which is a licensed contractor in the state.

The phone number listed on the contractor's license was disconnected when called Friday.

Evolution Restoration representative Pat Burns said in an e-mail that the company still employs one contractor in the Phoenix area, who has been taking care of existing customers at a rate of about one per week.

"When a job is finished, that billing pays the next one," Burns said. "We have seven roofs left to complete and one air-conditioning unit."

After months of waiting, Francoeur said he has run out of patience.

"Do the work or give me back my money," Francoeur said. "We need to get our house fixed."

As with the Registrar of Contractors, the total number of complaints to the Arizona Department of Insurance declined when the economy slowed and has remained flat since 2009.

Although the Department of Insurance has not specifically tracked hail-related problems, no spike in complaints indicates insurance companies generally responded well to last year's storm. But the final analysis of how many problems arose won't come for at least 18 months until deadlines for filing a claim expire.

In most cases, complaints arose from disagreements between homeowner and contractor or insurer and are resolved outside the courtroom, officials from the Registrar of Contractors and the Insurance Department said.

Glendale homeowner Vaughn Hollman said

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he called in a claim to his homeowner's insurance provider immediately after the hailstorm because he said his tile roof had been smashed and his garage door and air-conditioner damaged.

An insurance adjuster inspected the damage, Hollman said, and the company agreed to pay for the garage door and air-conditioner but not the roof.

Hollman said the insurer said the roof damage was from normal wear and tear.

"My reaction was that we didn't have that type of damage before the hailstorm," he said.

To convince his insurer, Hollman hired Tempe-based Arizona's Roof Consultant LLC to inspect his roof.

"There is evidence of hail damage, bruising and splatter marks over the entire concrete tile system," the consultant's report states.

Hollman submitted the report to his insurer, but the company stood firm. The insurance company isn't being named because Hollman did not sign a privacy waiver allowing it to comment for this story.

Hollman complained to his agent and to the Arizona Department of Insurance, which investigates disputes between insurers and policyholders. Hollman said that a representative of the department told him it might be six months before it could investigate his complaint.

Hollman said he is now considering taking the insurer to court.

"It's more about the principle," he said. "I've been a good customer of theirs for many

years."

Insurers, too, felt their share of frustration when dealing with homeowner claims after the storm, according to reports filed by Department of Insurance investigators.

For example, Special Agent Randall Fricke of the Insurance Department's Investigation Division looked into a complaint filed by Farmers Insurance Co. against Phoenix homeowner Jesus Loc. The insurer described the claim initiated by Loc after the hailstorm as "suspicious," according to the report.

According to Fricke's report, Farmers insurance adjuster Diane Griffith said an engineering firm hired by the insurance company to examine damage to Loc's home and surrounding property determined that some of the damage was done deliberately and not caused by hail.

Loc, according to the report, said he had not caused the damage himself and was out of town when the hailstorm hit, adding that his home might have been vandalized in his absence.

Fricke said in his report that the insurance

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provider was not responsible for paying on Loc's claim, but his investigation stopped short of accusing Loc of any wrongdoing.

"There were no witnesses or other evidence developed to support a criminal charge," Fricke said in the report.

### Tips on how to avoid contractor troubles

- Consult the Arizona Registrar of Contractors, [www.azroc.gov](http://www.azroc.gov), to ensure the contractor is licensed.
- Ask for written estimates from at least three contractors.
- Request a list of references. Check them before agreeing to hire anyone.
- Make sure the scope of the project, the price and any other relevant terms are spelled out in a written contract.
- Avoid contractors who require large up-front payments.
- Never allow yourself to be pressured into making a snap decision, something a reputable contractor would not require.

Source: Arizona Registrar of Contractors

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