

1 HB405
2 137374-2
3 By Representative Ball
4 RFD: Insurance
5 First Read: 23-FEB-12

1 prior to midnight on the ~~fifth~~ tenth business day after the
2 contract has been entered into if the insured has received
3 written notice from the insurer that all or any part of the
4 claim or contract is not a covered loss under the insurance
5 policy. Cancellation shall be evidenced by the insured giving
6 written notice of cancellation to the residential roofing
7 contractor at the address stated in the contract. Notice of
8 cancellation, if given by mail, shall be effective upon
9 deposit into the United States mail, postage prepaid and
10 properly addressed to the residential roofing contractor.
11 Notice of cancellation need not take a particular form and
12 shall be sufficient if it indicates, by any form of written
13 expression, the intention of the insured not to be bound by
14 the contract.

15 (b) Before entering a contract as provided in
16 subsection (a), the residential roofing contractor shall do
17 all of the following:

18 (1) Furnish the insured a statement in boldface type
19 of a minimum size of 10 points, in substantially the following
20 form:

21 "You may cancel this contract at any time before
22 midnight on the ~~fifth~~ tenth business day after you have
23 entered into this contract if you have received written
24 notification from your insurer that all or any part of the
25 claim or contract is not a covered loss under the insurance
26 policy. This right to cancel is in addition to any other
27 rights of cancellation which may be found in state or federal

1 law or regulation. See attached notice of cancellation form
2 for an explanation of this right."

3 (2) Furnish each insured a fully completed form in
4 duplicate, captioned "NOTICE OF CANCELLATION," which shall be
5 attached to the contract but easily detachable, and which
6 shall contain in boldface type of a minimum size of 10 points
7 the following statement:

8 "NOTICE OF CANCELLATION"

9 "If you are notified by your insurer that all or any
10 part of the claim or contract is not a covered loss under the
11 insurance policy, you may cancel the contract by mailing or
12 delivering a signed and dated copy of this cancellation notice
13 or any other written notice to [name of contractor] at
14 [address of contractor's place of business], at any time prior
15 to midnight on the ~~fifth~~ tenth business day after you have
16 entered into this contract if you have received such notice
17 from your insurer.

18 "I HEREBY CANCEL THIS TRANSACTION

19 _____

20 "Date

21 "
22 _____

23 Insured's Signature"

24 (c) In circumstances in which payment may be made
25 from the proceeds of a property and casualty insurance policy,
26 a residential roofing contractor shall not require any
27 payments from an insured until the ~~five~~ ten-day cancellation

1 period has expired. If, however, the residential roofing
2 contractor has performed any emergency services, acknowledged
3 by the insured in writing to be necessary to prevent damage to
4 the premises, the residential roofing contractor shall be
5 entitled to collect the amount due for the emergency services
6 at the time they are rendered. Any provision in a contract as
7 provided in subsection (a) that requires the payment of any
8 fee for anything except emergency services shall not be
9 enforceable against any insured who has cancelled a contract
10 pursuant to this section. A residential roofing contractor
11 shall not represent or negotiate, or offer or advertise to
12 represent or negotiate, on behalf of an owner or possessor of
13 residential real estate on any insurance claim in connection
14 with the repair or replacement of roof systems.

15 Section 3. This act shall become effective on the
16 first day of the third month following its passage and
17 approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Insurance 23-FEB-12

Read for the second time and placed
on the calendar 1 amendment 08-MAR-12

Read for the third time and passed
as amended..... 02-MAY-12

Yeas 80, Nays 0, Abstains 1

Greg Pappas
Clerk