

SB 101 -- RESIDENTIAL CONTRACTORS

This bill prohibits a residential contractor from advertising or promising to pay or rebate all or any portion of an insurance deductible as an inducement to the sale of goods or services including any allowance or discount against fees to be charged or the payment of any form of compensation or other item of monetary value to the insured or any person directly or indirectly associated with the property.

An insured individual under contract with a residential contractor for goods or services that are to be paid for under a property and casualty insurance policy can cancel the contract if the insurer has notified the individual in writing that all or part of the contract is not covered under the insurance policy. The individual must notify the contractor in writing to cancel the contract prior to midnight on the fifth business day after notification from the insurer. Before entering into a contract, the contractor must provide a statement to the insured individual with the required cancellation information.

Within 10 days of canceling a contract, a residential contractor must return any payments or deposits made by the insured individual and any note or other evidence of indebtedness. However, the contractor is entitled to the reasonable value of emergency services provided and acknowledged in writing by the insured individual to be necessary to prevent damage to his or her premises.

A residential contractor cannot represent or negotiate, or offer or advertise to represent or negotiate, on behalf of an individual on any insurance claim in connection with the repair or replacement of a roof system or the performance of any other exterior repair, replacement, construction, or reconstruction services.

Any violation of these provisions by a residential contractor must be considered an unlawful practice under the Merchandising Practices Act.