

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Home Repair and Remodeling Act is amended by
5 changing Section 18 as follows:

6 (815 ILCS 513/18)

7 Sec. 18. Repairs following damaging weather.

8 (a) As used in this Section, "catastrophe" means a natural
9 occurrence, including but not limited to flood, drought,
10 earthquake, tornado, windstorm, or hailstorm, which damages or
11 destroys 3 or more residences ~~than one residence~~.

12 (b) A contractor offering home repair or remodeling
13 services shall not advertise or promise to pay or rebate all or
14 any portion of any insurance deductible as an inducement to the
15 sale of goods or services. As used in this Section, a promise
16 to pay or rebate includes granting any allowance or offering
17 any discount against the fees to be charged or paying the
18 insured or any person directly or indirectly associated with
19 the property any form of compensation.

20 (c) A contractor offering home repair or remodeling
21 services shall not accept money or any form of compensation in
22 exchange for allowing an out of area contractor to use its
23 business name or license.

1 (d) A contractor offering home repair or remodeling
2 services shall include its Illinois State roofing contractor
3 license name and number as it appears on its Illinois State
4 roofing license on all contracts, bids, and advertisements
5 involving roofing work as required by the Illinois Roofing
6 Industry Licensing Act.

7 (e) A person who has entered into a written contract with a
8 contractor offering home repair or remodeling services to
9 provide goods or services to be paid from the proceeds of a
10 property and casualty insurance policy may cancel the contract
11 prior to midnight on the earlier of the fifth business day
12 after the insured has received written notice from the insurer
13 that all or any part of the claim or contract is not a covered
14 loss under the insurance policy or the thirtieth business day
15 after receipt of a properly executed proof of loss by the
16 insurer from the insured. Cancellation is evidenced by the
17 insured giving written notice of cancellation to the contractor
18 offering home repair or remodeling services at the address
19 stated in the contract. Notice of cancellation, if given by
20 mail, is effective upon deposit into the United States mail,
21 postage prepaid and properly addressed to the contractor.
22 Notice of cancellation may be given by delivering or mailing a
23 signed and dated copy of the written notice of cancellation to
24 the contractor's business address as stated in the contract.
25 Notice of cancellation shall include a copy of the written
26 notice from the insurer to the effect that all or part of the

1 claim is not a covered loss under the insurance policy. Notice
2 of cancellation need not take a particular form and is
3 sufficient if it indicates, by any form of written expression,
4 the intention of the insured not to be bound by the contract.

5 (f) Any contract referred to in subsection (e), must
6 contain a statement in at least 10 point boldface, in
7 substantially the following form:

8 "You may cancel this contract at any time before
9 midnight on the earlier of the fifth business day after
10 you have received written notification from your
11 insurer that all or any part of the claim or contract
12 is not a covered loss under the insurance policy or the
13 thirtieth business day after your insurer has received
14 properly executed proof(s) of loss from you. See
15 attached notice of cancellation form for an
16 explanation of this right."

17 (g) Upon executing a contract referred to in subsection
18 (e), furnish each insured a fully completed form in duplicate,
19 captioned "NOTICE OF CANCELLATION", which shall be attached to
20 the contract but easily detachable, and which shall contain
21 boldface type of a minimum size of 10 points the following
22 statement with the appropriate fields completed by the
23 contractor:

24 "NOTICE OF CANCELLATION

25 If you are notified by your insurer that all or any
26 part of the claim or contract is not a covered loss

1 under the insurance policy, you may cancel the contract
 2 by mailing or delivering a signed and dated copy of
 3 this cancellation notice or any other written notice to
 4 (name of contractor) at (address of contractor's place
 5 of business) at any time prior to midnight on the
 6 earlier of the fifth business day after you have
 7 received such notice from your insurer or the thirtieth
 8 business day after your insurer has received properly
 9 executed proof(s) of loss from you. If you cancel, any
 10 payments made by you under the contract, other than
 11 payments for goods or services related to a catastrophe
 12 which you agreed in writing to be necessary to prevent
 13 damage to your property, will be returned to you within
 14 10 business days following receipt by the contractor of
 15 your cancellation notice.

16 I HEREBY CANCEL THIS TRANSACTION
 17
 18 (date)
 19
 20 (insured's signature)".

21 (h) Within 10 days after a contract referred to in
 22 subsection (e) has been cancelled, the contractor offering home
 23 repair or remodeling services shall tender to the insured any
 24 payments, partial payments, or deposits made by the insured and
 25 any note or other evidence of indebtedness. If, however, the
 26 contractor has provided any goods or services related to a

1 catastrophe, acknowledged and agreed to by the insured in
2 writing to be necessary to prevent damage to the premises, the
3 contractor is entitled to the reasonable value of such goods
4 and services. Any provision in a contract referred to in
5 subsection (e) that requires the payment of any fee for
6 anything except goods or services related to a catastrophe
7 shall not be enforceable against any insured who has cancelled
8 a contract pursuant to this Section.

9 (i) A contractor offering home repair or remodeling
10 services shall not represent, or offer or advertise to
11 represent, on behalf of a homeowner on any insurance claim in
12 connection with the repair or replacement of roof systems, or
13 the performance of any other interior or exterior repair,
14 replacement, construction or reconstruction work; or otherwise
15 violate the Public Adjusters Law (Public Act 96-1332). A Public
16 Adjuster means any person who acts on behalf of the insured in
17 preparing and adjusting a claim for loss or damage covered by
18 an insurance contract. A contractor offering home repair or
19 remodeling services shall not call in or file a claim to an
20 insurance carrier on the insured's behalf. A contractor
21 offering home repair or remodeling services shall not climb on
22 a roof or inspect for exterior damage without the insured's
23 express permission. Nothing in this subsection shall be
24 construed to prohibit a residential contractor from: (1)
25 providing an insured an estimate for repair, replacement,
26 construction, or reconstruction of the insured's property and

1 any such estimate may be submitted to the insured's insurance
2 company; (2) conferring with an insurance company's
3 representative about damage to an insured's property; or (3)
4 discussing repair or replacement options with an insurance
5 company's representative or the insured about options for the
6 repair or replacement of the damage.

7 (Source: P.A. 97-235, eff. 1-1-12.)