



Sen. Chapin Rose

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LRB098 07659 MLW 43317 a

1 AMENDMENT TO SENATE BILL 1539

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1539 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Home Repair and Remodeling Act is amended  
5 by 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

1 any discount against the fees to be charged or paying the  
2 insured or any person directly or indirectly associated with  
3 the property any form of compensation.

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

8 (d) A contractor offering home repair or remodeling  
9 services shall include its Illinois State roofing contractor  
10 license name and number as it appears on its Illinois State  
11 roofing license on all contracts, bids, and advertisements  
12 involving roofing work as required by the Illinois Roofing  
13 Industry Licensing Act.

14 (e) A person who has entered into a written contract with a  
15 contractor offering home repair or remodeling services to  
16 provide goods or services to be paid from the proceeds of a  
17 property and casualty insurance policy may cancel the contract  
18 prior to midnight on the earlier of the fifth business day  
19 after the insured has received written notice from the insurer  
20 that all or any part of the claim or contract is not a covered  
21 loss under the insurance policy or the thirtieth business day  
22 after receipt of a properly executed proof of loss by the  
23 insurer from the insured. Cancellation is evidenced by the  
24 insured giving written notice of cancellation to the contractor  
25 offering home repair or remodeling services at the address  
26 stated in the contract. Notice of cancellation, if given by

1 mail, is effective upon deposit into the United States mail,  
2 postage prepaid and properly addressed to the contractor.  
3 Notice of cancellation may be given by delivering or mailing a  
4 signed and dated copy of the written notice of cancellation to  
5 the contractor's business address as stated in the contract.  
6 Notice of cancellation shall include a copy of the written  
7 notice from the insurer to the effect that all or part of the  
8 claim is not a covered loss under the insurance policy. Notice  
9 of cancellation need not take a particular form and is  
10 sufficient if it indicates, by any form of written expression,  
11 the intention of the insured not to be bound by the contract.

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

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

24 (g) Upon executing a contract referred to in subsection  
25 (e), furnish each insured a fully completed form in duplicate,  
26 captioned "NOTICE OF CANCELLATION", which shall be attached to

1 the contract but easily detachable, and which shall contain  
2 boldface type of a minimum size of 10 points the following  
3 statement with the appropriate fields completed by the  
4 contractor:

5 "NOTICE OF CANCELLATION

6 If you are notified by your insurer that all or any  
7 part of the claim or contract is not a covered loss  
8 under the insurance policy, you may cancel the contract  
9 by mailing or delivering a signed and dated copy of  
10 this cancellation notice or any other written notice to  
11 (name of contractor) at (address of contractor's place  
12 of business) at any time prior to midnight on the  
13 earlier of the fifth business day after you have  
14 received such notice from your insurer or the thirtieth  
15 business day after your insurer has received properly  
16 executed proof(s) of loss from you. If you cancel, any  
17 payments made by you under the contract, other than  
18 payments for goods or services related to a catastrophe  
19 which you agreed in writing to be necessary to prevent  
20 damage to your property, will be returned to you within  
21 10 business days following receipt by the contractor of  
22 your cancellation notice.

23 I HEREBY CANCEL THIS TRANSACTION

24 .....

25 (date)

26 .....

1 (insured's signature)".

2 (h) Within 10 days after a contract referred to in  
3 subsection (e) has been cancelled, the contractor offering home  
4 repair or remodeling services shall tender to the insured any  
5 payments, partial payments, or deposits made by the insured and  
6 any note or other evidence of indebtedness. If, however, the  
7 contractor has provided any goods or services related to a  
8 catastrophe, acknowledged and agreed to by the insured in  
9 writing to be necessary to prevent damage to the premises, the  
10 contractor is entitled to the reasonable value of such goods  
11 and services. Any provision in a contract referred to in  
12 subsection (e) that requires the payment of any fee for  
13 anything except goods or services related to a catastrophe  
14 shall not be enforceable against any insured who has cancelled  
15 a contract pursuant to this Section.

16 (i) A contractor offering home repair or remodeling  
17 services shall not represent, or offer or advertise to  
18 represent, on behalf of a homeowner on any insurance claim in  
19 connection with the repair or replacement of roof systems, or  
20 the performance of any other interior or exterior repair,  
21 replacement, construction or reconstruction work; or otherwise  
22 violate the Public Adjusters Law (Public Act 96-1332). A Public  
23 Adjuster means any person who acts on behalf of the insured in  
24 preparing and adjusting a claim for loss or damage covered by  
25 an insurance contract. A contractor offering home repair or  
26 remodeling services shall not call in or file a claim to an

1 insurance carrier on the insured's behalf. A contractor  
2 offering home repair or remodeling services shall not climb on  
3 a roof or inspect for exterior damage without the insured's  
4 express permission. Nothing in this subsection shall be  
5 construed to prohibit a residential contractor from: (1)  
6 providing an insured an estimate for repair, replacement,  
7 construction, or reconstruction of the insured's property and  
8 any such estimate may be submitted to the insured's insurance  
9 company; (2) conferring with an insurance company's  
10 representative about damage to an insured's property; or (3)  
11 discussing repair or replacement options with an insurance  
12 company's representative or the insured about options for the  
13 repair or replacement of the damage.  
14 (Source: P.A. 97-235, eff. 1-1-12.)".