



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3034

Introduced 2/23/2011, by Rep. Ann Williams

SYNOPSIS AS INTRODUCED:

815 ILCS 513/18 new

Amends the Home Repair and Remodeling Act. Provides that a residential contractor shall not advertise or promise to pay or rebate all or any portion of any insurance deductible as an inducement to the sale of goods or services. Provides that a person who has entered into a written contract with a residential contractor to provide goods or services to be paid from the proceeds of a property and casualty insurance policy may cancel the contract prior to midnight on the fifth business day after the insured has received written notice from the insurer that all or any part of the claim or contract is not a covered loss under the insurance policy. Requires a residential contractor to provide a statement informing the insured about his or her right to cancel and a pre-made form for him or her to do so. Provides that within 10 days of such a cancellation, the residential contractor shall return all payments made by the insured, except for emergency services provided by the contractor and agreed to by the insured. Provides that a residential contractor shall not represent or negotiate, or offer or advertise to represent or negotiate, on behalf of an owner or possessor of residential real estate on any insurance claim in connection with the repair or replacement of roof systems, or the performance of any other exterior repair, replacement, construction, or reconstruction work.

LRB097 09449 AEK 49584 b

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 adding Section 18 as follows:

6 (815 ILCS 513/18 new)

7 Sec. 18. Repairs following damaging weather.

8 (a) As used in this Section:

9 (1) "residential contractor" means a person or entity
10 in the business of contracting or offering to contract with
11 an owner or possessor of residential real estate to repair
12 or replace roof systems or perform any other exterior
13 repair, replacement, construction, or reconstruction work
14 on residential real estate;

15 (2) "residential real estate" means a new or existing
16 building constructed for habitation by one to four
17 families, including detached garages; and

18 (3) "roof system" means roof coverings, roof
19 sheathing, roof weatherproofing, or roof insulation.

20 (b) A residential contractor shall not advertise or promise
21 to pay or rebate all or any portion of any insurance deductible
22 as an inducement to the sale of goods or services. As used in
23 this Section, a promise to pay or rebate includes granting any

1 allowance or offering any discount against the fees to be
2 charged or paying the insured or any person directly or
3 indirectly associated with the property any form of
4 compensation, gift, prize, bonus, coupon, credit, referral
5 fee, or other item of monetary value for any reason, including
6 but not limited to permitting the residential contractor to
7 display a sign or any other type of advertisement at the
8 insured's premises.

9 (c) A person who has entered into a written contract with a
10 residential contractor to provide goods or services to be paid
11 from the proceeds of a property and casualty insurance policy
12 may cancel the contract prior to midnight on the fifth business
13 day after the insured has received written notice from the
14 insurer that all or any part of the claim or contract is not a
15 covered loss under the insurance policy. Cancellation is
16 evidenced by the insured giving written notice of cancellation
17 to the residential contractor at the address stated in the
18 contract. Notice of cancellation, if given by mail, is
19 effective upon deposit into the United States mail, postage
20 prepaid and properly addressed to the contractor. Notice of
21 cancellation need not take a particular form and is sufficient
22 if it indicates, by any form of written expression, the
23 intention of the insured not to be bound by the contract.

24 (d) Before entering a contract referred to in subsection
25 (c) of this Section, the residential contractor shall:

26 (1) furnish the insured with a statement in at least 10

1 point boldface type, in substantially the following form:

2 "You may cancel this contract at any time before
3 midnight on the fifth business day after you have received
4 written notification from your insurer that all or any part
5 of the claim or contract is not a covered loss under the
6 insurance policy. See attached notice of cancellation form
7 for an explanation of this right."; and

8 (2) furnish each insured with a form captioned "NOTICE
9 OF CANCELLATION", which shall be attached to the contract,
10 and which shall contain in at least 10 point boldface type
11 the following statement with the appropriate fields
12 completed by the residential contractor:

13 "NOTICE OF CANCELLATION

14 If you are notified by your insurer that all or any
15 part of the claim or contract is not a covered loss
16 under the insurance policy, you may cancel the contract
17 by mailing or delivering a signed and dated copy of
18 this cancellation notice or any other written notice to
19 (name of contractor) at (address of contractor's place
20 of business) at any time prior to midnight on the fifth
21 business day after you have received written notice
22 from your insurer. If you cancel, payments made by you
23 under the contract will be returned to you within 10
24 business days following receipt by the contractor of
25 your cancellation notice, unless otherwise provided by
26 law.

1 I HEREBY CANCEL THIS TRANSACTION
 2
 3 (date)
 4
 5 (insured's signature)".

6 (e) Within 10 days after a contract referred to in
 7 subsection (c) of this Section has been cancelled, the
 8 contractor shall tender to the insured any payments, partial
 9 payments, or deposits made by the insured and any note or other
 10 evidence of indebtedness. If, however, the contractor has
 11 performed any emergency services, acknowledged by the insured
 12 in writing to be necessary to prevent damage to the premises,
 13 the contractor is entitled to the reasonable value of such
 14 services. Any provision in a contract referred to in subsection
 15 (c) of this Section that requires the payment of any fee for
 16 anything except emergency services shall not be enforceable
 17 against any insured who has cancelled a contract pursuant to
 18 this Section.

19 (f) A residential contractor shall not represent or
 20 negotiate, or offer or advertise to represent or negotiate, on
 21 behalf of an owner or possessor of residential real estate on
 22 any insurance claim in connection with the repair or
 23 replacement of roof systems, or the performance of any other
 24 exterior repair, replacement, construction, or reconstruction
 25 work.