

ACT NO. 2012-519

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



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2 ENROLLED, An Act,

3 Relating to property and casualty insurance, to
4 allow cancellation of a residential roofing contract; to
5 provide the form of cancellation; and to provide exceptions.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. As used in this act, the following terms
8 shall have the following meanings:

9 (1) RESIDENTIAL REAL ESTATE. A new or existing
10 building constructed for habitation by one to four families,
11 including detached garages.

12 (2) RESIDENTIAL ROOFING CONTRACTOR. A person or
13 entity in the business of contracting or offering to contract
14 with an owner or possessor of residential real estate to
15 repair or replace roof systems.

16 (3) ROOF SYSTEM. A roof covering, roof sheathing,
17 roof weatherproofing, roof framing, roof ventilation system,
18 and insulation.

19 Section 2. (a) A person who has entered into a
20 written contract with a residential roofing contractor to
21 provide goods or services to be paid from the proceeds of a
22 property and casualty insurance policy may cancel the contract
23 prior to midnight on the ~~fifth~~ tenth business day after the
24 contract has been entered into if the insured has received
25 written notice from the insurer that all or any part of the

1 claim or contract is not a covered loss under the insurance
2 policy. Cancellation shall be evidenced by the insured giving
3 written notice of cancellation to the residential roofing
4 contractor at the address stated in the contract. Notice of
5 cancellation, if given by mail, shall be effective upon
6 deposit into the United States mail, postage prepaid and
7 properly addressed to the residential roofing contractor.
8 Notice of cancellation need not take a particular form and
9 shall be sufficient if it indicates, by any form of written
10 expression, the intention of the insured not to be bound by
11 the contract.

12 (b) Before entering a contract as provided in
13 subsection (a), the residential roofing contractor shall do
14 all of the following:

15 (1) Furnish the insured a statement in boldface type
16 of a minimum size of 10 points, in substantially the following
17 form:

18 "You may cancel this contract at any time before
19 midnight on the ~~fifth~~ tenth business day after you have
20 entered into this contract if you have received written
21 notification from your insurer that all or any part of the
22 claim or contract is not a covered loss under the insurance
23 policy. This right to cancel is in addition to any other
24 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,

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

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

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Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 02-MAY-12, as amended.

Greg Pappas
Clerk

Senate

16-MAY-12

Passed

APPROVED *May 22, 2012*
TIME *9:20 am*
Robert Bentley
GOVERNOR

Alabama Secretary Of State
Act Num....: 2012-519
Bill Num....: H-405
Recv'd 05/22/12 04:06pmSLF

SPONSORS

DATE: 5-20-13 2013
RD 1 RFD FATE

This Bill was referred to the Standing Committee of the Senate on FATE and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amend(s) w/sub by a vote of yeas 8 nays 0 abstain 0 this 18th day of May 2013 Greg Pappas Chairperson

DATE: 5-08-13 2013
RF FAY RD 2 CAL

DATE: 20
RE-REFERRED RE-COMMITTED
Committee

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB 405
YEAS 30 NAYS 0
PATRICK HARRIS,
Secretary

I HEREBY CERTIFY THAT THE RESOLUTION AS REQUIRED IN SECTION C OF ACT NO. 81-889 WAS ADOPTED AND IS ATTACHED TO THE BILL, H.B. 405
YEAS 86 NAYS 0
GREG PAPPAS, Clerk

I HEREBY CERTIFY THAT THE NOTICE & PROOF IS ATTACHED TO THE BILL, H.B. AS REQUIRED IN THE GENERAL ACTS OF ALABAMA, 1975 ACT NO. 919.
GREG PAPPAS, Clerk

CONFERENCE COMMITTEE
House Conferees

SENATE ACTION
(Continued)

DATE: _____ RD 3 at 1
PASSED PASSED AS AMENDED

YEAS 29 NAYS 1

And was ordered returned forthwith to the H
PATRICK HA
Sec

DATE: _____
INDEFINITELY POSTPONED YEAS NA

DATE: _____
RECONSIDERED YEAS NA

CONFERENCE COMMITTEE

Senate Conferees _____

This bill having been referred to the Comm
Rules pursuant to Senate Rule 23 is reporte
Senate for assignment to the Committee on

This _____ day of _____, 20

_____, Chair

Date: _____
Rereferred

Committee: _____