

LEGISLATURE OF NEBRASKA
ONE HUNDRED SECOND LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 943
Final Reading

Introduced by McCoy, 39.

Read first time January 11, 2012

Committee: Banking, Commerce and Insurance

A BILL

- 1 FOR AN ACT relating to insurance; to adopt the Insured Homeowners
- 2 Protection Act; and to provide a duty for the Revisor of
- 3 Statutes.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 4 of this act shall be known and
2 may be cited as the Insured Homeowners Protection Act.

3 Sec. 2. For purposes of the Insured Homeowners Protection
4 Act:

5 (1) Residential contractor means a person in the business
6 of contracting or offering to contract with an owner or possessor of
7 residential real estate to (a) repair or replace a roof system or
8 perform any other exterior repair, replacement, construction, or
9 reconstruction work on residential real estate or (b) perform
10 interior or exterior cleanup services on residential real estate;

11 (2) Residential real estate means a new or existing
12 building, including a detached garage, constructed for habitation by
13 at least one but no more than four families; and

14 (3) Roof system means and includes roof coverings, roof
15 sheathing, roof weatherproofing, and insulation.

16 Sec. 3. (1) A person who has entered into a written
17 contract with a residential contractor to provide goods or services
18 to be paid from the proceeds of a property and casualty insurance
19 policy may cancel the contract prior to midnight on the later of the
20 third business day after the person has (a) entered into the written
21 contract or (b) received written notice from the person's insurer
22 that all or part of the claim or contract is not a covered loss under
23 the insurance policy. Cancellation shall be evidenced by the person
24 giving written notice of the cancellation to the residential
25 contractor at the address of the residential contractor's place of

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

15 (2) Within ten days after a contract to provide goods or
16 services to be paid from the proceeds of a property and casualty
17 insurance policy has been canceled by notification pursuant to this
18 section, the residential contractor shall tender to the person
19 canceling the contract any payments, partial payments, or deposits
20 made by the person and any note or other evidence of indebtedness,
21 except that if the residential contractor has provided any goods or
22 services agreed to by such person in writing to be necessary to
23 prevent damage to the premises, the residential contractor shall be
24 entitled to be paid the reasonable value of such goods or services.
25 Any provision in a contract to provide goods or services to be paid

1 from the proceeds of a property and casualty insurance policy that
2 requires the payment of any fee which is not for such goods or
3 services shall not be enforceable against any person who has canceled
4 a contract pursuant to this section.

5 Sec. 4. A residential contractor shall not promise to
6 rebate any portion of an insurance deductible as an inducement to the
7 sale of goods or services. A promise to rebate any portion of an
8 insurance deductible includes granting any allowance or offering any
9 discount against the fees to be charged or paying an insured or a
10 person directly or indirectly associated with the residential real
11 estate any form of compensation, except for any item of nominal
12 value.

13 Sec. 5. The Revisor of Statutes shall assign sections 1
14 to 4 of this act to Chapter 44.