

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB943

Hearing Date: Tuesday January 24, 2012
Committee On: Banking, Commerce and Insurance
Introducer: McCoy
One Liner: Adopt the Insured Homeowners Protection Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pirsch, Schumacher
Nay:		
Absent:	1	Senator Schilz
Present Not Voting:		

Proponents:

Senator Beau McCoy
Dan Plucknett
Mark Johnston
Coleen Nielsen

Korby Gilbertson

Representing:

Introducer
State Farm Insurance Companies
National Association of Mutual Insurance Companies
NE Information Service; American Insurance Assn; NE Insurance Federation
NE Realtors Association; Property Casualty Insurance Association of America

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would enact four new sections to be known as the Insured Homeowners Protection Act.

The bill would provide that a person who has entered into a written contract with a residential contractor to provide goods or services to be paid from insurance proceeds (1) may cancel the contract within the later of three days after the person has (a) entered into the written contract or (b) has received written notice from the insurer that all or part of the claim is not a covered loss and (2) shall be entitled to a refund of payments or deposits.

The bill would define "residential contractor" as a person in the business of contracting to (a) repair or replace a roof system or perform exterior work or (b) perform interior or exterior cleanup services.

The bill would provide that a residential contractor shall not promise to rebate any portion of an insurance deductible as an inducement to the sale of goods or services.

Explanation of amendments:

The committee amendments would make two changes:

1. The committee amendments would strike provisions which limit application of the bill to contracts providing goods and services related to a catastrophe.
2. The committee amendments would clarify the bill's requirement that a notice of cancellation given to a residential contractor must include the notice from the insurer that the claim is not a covered loss by providing that this requirement is not applicable if the customer simply cancels the contract within three days, as provided for in the bill.

Rich Pahls, Chairperson