LEGISLATURE OF NEBRASKA
ONE HUNDRED SECOND LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 943

Introduced by McCoy, 39.
Read first time January 11, 2012
Committee: Banking, Commerce and Insurance

A BILL

FOR AN ACT relating to insurance; to adopt the Insured Homeowners
Protection Act; and to provide a duty for the Revisor of
Statutes.

Be it enacted by the people of the State of Nebraska,
Section 1. Sections 1 to 4 of this act shall be known and may be cited as the Insured Homeowners Protection Act.

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

(1) Catastrophe means a natural occurrence, including, but not limited to, a flood, a drought, an earthquake, a tornado, a windstorm, or a hailstorm, that damages or destroys more than one piece of residential real estate;

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

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

(4) Roof system means and includes roof coverings, roof sheathing, roof weatherproofing, and insulation.

Sec. 3. (1) 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 later of the third business day after the person has (a) entered into the written contract or (b) received written notice from the person's insurer.
that all or part of the claim or contract is not a covered loss under the insurance policy. Cancellation shall be evidenced by the person giving written notice of the cancellation to the residential contractor at the address of the residential contractor's place of business as stated in the contract. Written notice of cancellation may be given by delivering or mailing a signed and dated copy of the written notice of cancellation to the residential contractor at the address of the residential contractor's place of business as stated in the contract. The notice of cancellation shall include a copy of the written notice from the person's insurer to the effect that all or part of the claim or contract is not a covered loss under the insurance policy. Notice of cancellation given by mail shall be effective upon deposit in the United States mail, postage prepaid, if properly addressed to the residential contractor. Notice of cancellation is not required to be in any particular form and is sufficient if the notice indicates, by any form of written expression, the intent of the insured not to be bound by the contract.

(2) Within ten days after a contract to provide goods or services to be paid from the proceeds of a property and casualty insurance policy has been canceled by notification pursuant to this section, the residential contractor shall tender to the person canceling the contract any payments, partial payments, or deposits made by the person and any note or other evidence of indebtedness, except that if the residential contractor has provided any goods or
services related to a catastrophe, agreed to by such person in
writing to be necessary to prevent damage to the premises, the
residential contractor shall be entitled to be paid the reasonable
value of such goods or services. Any provision in a contract to
provide goods or services to be paid from the proceeds of a property
and casualty insurance policy that requires the payment of any fee
which is not for goods or services related to a catastrophe shall not
be enforceable against any person who has canceled a contract
pursuant to this section.

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

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