

1 SB62
2 197322-2
3 By Senator Smitherman
4 RFD: Banking and Insurance
5 First Read: 05-MAR-19

1 SB62

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4 ENROLLED, An Act,

5 Relating to insurance; to amend Section 8-36-2, Code
6 of Alabama 1975, to allow a person to cancel a roofing
7 contract within five days of receiving written notice from the
8 insurer that all or part of the claim or contract is not a
9 covered loss under the insurance policy or that the covered
10 claim will not be sufficient to cover the amount of the
11 contract.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Section 8-36-2, Code of Alabama 1975, is
14 amended to read as follows:

15 "§8-36-2.

16 "(a) A person who has entered into a written
17 contract with a residential roofing contractor to provide
18 goods or services to be paid from the proceeds of a property
19 and casualty insurance policy may cancel the contract prior to
20 midnight on the ~~tenth~~ fifth business day ~~after the contract~~
21 ~~has been entered into~~ if the insured ~~has received~~ receives
22 written notice from the insurer that all or any part of the
23 claim or contract is not a covered loss under the insurance
24 policy or that the covered claim will not be sufficient to
25 cover the amount of the contract. Cancellation shall be

1 evidenced by the insured giving written notice of cancellation
2 to the residential roofing contractor at the address stated in
3 the contract. Notice of cancellation, if given by mail, shall
4 be effective upon deposit into the United States mail, postage
5 prepaid and properly addressed to the residential roofing
6 contractor; and, if given by electronic mail, shall be
7 effective if sent to the electronic mail address stated in the
8 contract. Notice of cancellation need not take a particular
9 form and shall be sufficient if it indicates, by any form of
10 written expression, the intention of the insured not to be
11 bound by 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
16 type of a minimum size of 10 points, in substantially the
17 following form:

18 ""You may cancel this contract at any time before
19 midnight on the ~~tenth~~ fifth 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 or that the covered claim will not be sufficient to
24 cover the amount of the contract. This right to cancel is in
25 addition to any other rights of cancellation which may be

1 found in state or federal law or regulation. See attached
2 notice of cancellation form 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
10 any part of the claim or contract is not a covered loss under
11 the insurance policy, or that the covered claim will not be
12 sufficient to cover the amount of the contract, you may cancel
13 the contract by mailing, electronic mailing, or delivering a
14 signed and dated copy of this cancellation notice or any other
15 written notice to [name of contractor] at [address of
16 contractor's place of business], at any time prior to midnight
17 on the ~~tenth~~ fifth business day after you have ~~entered into~~
18 ~~this contract if you have~~ received such notice from your
19 insurer.

20 ""I HEREBY CANCEL THIS TRANSACTION

21 _____

22 ""Date

23 _____

24 ""Insured's Signature"
25

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

19 Section 2. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB62
Senate 21-MAR-19
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris,
Secretary.

House of Representatives
Passed: 23-APR-19

By: Senator Smitherman