

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB223

Hearing Date: Tuesday March 03, 2015
Committee On: Banking, Commerce and Insurance
Introducer: Harr
One Liner: Change provisions of the Insured Homeowners Protection Act relating to contractor duties and prohibited acts and provide for a required notice

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

Vote Results:

Aye: 8 Senators Campbell, Craighead, Gloor, Howard, Lindstrom, Scheer, Schumacher, Williams

Nay:

Absent:

Present Not Voting:

Verbal Testimony:

Proponents:

Senator Paul Schumacher
Michael Gibbons
Ann Parr
Tad Fraizer

Representing:

Introducer
Self
NE Insurance Information Service
American Insurance Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would amend the sections of the Insured Homeowners Protection Act, sections 44-8601 to 44-8604.

Section 44-8602 currently provides that a person who enters into a written contract with a residential contractor to provide goods or services may cancel the written contract within three days. The act also currently provides that within ten days after a contract is canceled, the residential contractor shall tender any payments or deposits, except that if the residential contractor has provided goods or services, agreed to in order to prevent damage to the premises, the residential contractor is entitled to be paid for such goods and services. The bill would amend this section to provide that the residential contractor is entitled to be paid for such goods and services if they are provided "to repair damage resulting from a catastrophe."

The bill would amend section 44-8602 to define "catastrophe" as a natural occurrence, including fire, earthquake, tornado, windstorm, flood, or hailstorm, which damages or destroys real estate.

The bill would amend section 44-8604 to provide that a residential contractor shall not "advertise" as well as promise to rebate any portion of an insurance deductible as an inducement to the sale of goods or services. The bill would further amend this section to provide that a residential contractor may display a sign or other advertisement on a person's premises if the person consents and the person receives no compensation from the residential contractor for the

placement of the sign or advertisement.

The bill would add a new section to the act to require that a notice of contract obligations and rights, as set forth in the bill, shall be signed by the person with whom the residential contractor is contracting prior to or contemporaneously with entering the contract.

The bill would add another new section to the act to provide that a contract entered into with a residential contractor is void if the residential contractor violates the act.

The bill provides that it would become operative on January 1, 2016.

Explanation of amendments:

The committee amendments would strike the original sections of the bill and would insert and amend section 44-8604 of the Insured Homeowners Protection Act to provide that: (1) a residential contractor shall not represent or negotiate, or offer or advertise to represent or negotiate, on behalf of an owner or possessor of residential real estate in an insurance claim; and (2) a residential contractor shall not take an assignment of an insurance claim relating to (a) the repair or replacement of roof systems or (b) the performance of any other exterior repair, replacement, or reconstruction work on residential real estate.

Jim Scheer, Chairperson