



Rep. Ann Williams

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LRB097 09449 AEK 54372 a

1 AMENDMENT TO HOUSE BILL 3034

2 AMENDMENT NO. _____. Amend House Bill 3034 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Home Repair and Remodeling Act is amended
5 by adding Section 18 and by changing Section 20 as follows:

6 (815 ILCS 513/18 new)

7 Sec. 18. Repairs following damaging weather.

8 (a) As used in this Section, "catastrophe" means a natural
9 occurrence, including but not limited to flood, drought,
10 earthquake, tornado, windstorm, or hailstorm, which damages or
11 destroys more than one residence.

12 (b) A contractor offering home repair or remodeling
13 services shall not advertise or promise to pay or rebate all or
14 any portion of any insurance deductible as an inducement to the
15 sale of goods or services. As used in this Section, a promise
16 to pay or rebate includes granting any allowance or offering

1 any discount against the fees to be charged or paying the
2 insured or any person directly or indirectly associated with
3 the property any form of compensation.

4 (c) A contractor offering home repair or remodeling
5 services shall not accept money or any form of compensation in
6 exchange for allowing an out of area contractor to use its
7 business name or license.

8 (d) A contractor offering home repair or remodeling
9 services shall include its Illinois State roofing contractor
10 license name and number as it appears on its Illinois State
11 roofing license on all contracts, bids, and advertisements
12 involving roofing work as required by the Illinois Roofing
13 Industry Licensing Act.

14 (e) A person who has entered into a written contract with a
15 contractor offering home repair or remodeling services to
16 provide goods or services to be paid from the proceeds of a
17 property and casualty insurance policy may cancel the contract
18 prior to midnight on the earlier of the fifth business day
19 after the insured has received written notice from the insurer
20 that all or any part of the claim or contract is not a covered
21 loss under the insurance policy or the thirtieth business day
22 after receipt of a properly executed proof of loss by the
23 insurer from the insured. Cancellation is evidenced by the
24 insured giving written notice of cancellation to the contractor
25 offering home repair or remodeling services at the address
26 stated in the contract. Notice of cancellation, if given by

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

12 (f) Any contract referred to in subsection (e), must
13 contain a statement in at least 10 point boldface, in
14 substantially the following form:

15 "You may cancel this contract at any time before
16 midnight on the earlier of the fifth business day after
17 you have received written notification from your
18 insurer that all or any part of the claim or contract
19 is not a covered loss under the insurance policy or the
20 thirtieth business day after your insurer has received
21 properly executed proof(s) of loss from you. See
22 attached notice of cancellation form for an
23 explanation of this right."

24 (g) Upon executing a contract referred to in subsection
25 (e), furnish each insured a fully completed form in duplicate,
26 captioned "NOTICE OF CANCELLATION", which shall be attached to

1 the contract but easily detachable, and which shall contain
 2 boldface type of a minimum size of 10 points the following
 3 statement with the appropriate fields completed by the
 4 contractor:

5 "NOTICE OF CANCELLATION

6 If you are notified by your insurer that all or any
 7 part of the claim or contract is not a covered loss
 8 under the insurance policy, you may cancel the contract
 9 by mailing or delivering a signed and dated copy of
 10 this cancellation notice or any other written notice to
 11 (name of contractor) at (address of contractor's place
 12 of business) at any time prior to midnight on the
 13 earlier of the fifth business day after you have
 14 received such notice from your insurer or the thirtieth
 15 business day after your insurer has received properly
 16 executed proof(s) of loss from you. If you cancel, any
 17 payments made by you under the contract, other than
 18 payments for goods or services related to a catastrophe
 19 which you agreed in writing to be necessary to prevent
 20 damage to your property, will be returned to you within
 21 10 business days following receipt by the contractor of
 22 your cancellation notice.

23 I HEREBY CANCEL THIS TRANSACTION

24

25 (date)

26

1 (insured's signature)".

2 (h) Within 10 days after a contract referred to in
3 subsection (e) has been cancelled, the contractor offering home
4 repair or remodeling services shall tender to the insured any
5 payments, partial payments, or deposits made by the insured and
6 any note or other evidence of indebtedness. If, however, the
7 contractor has provided any goods or services related to a
8 catastrophe, acknowledged and agreed to by the insured in
9 writing to be necessary to prevent damage to the premises, the
10 contractor is entitled to the reasonable value of such goods
11 and services. Any provision in a contract referred to in
12 subsection (e) that requires the payment of any fee for
13 anything except goods or services related to a catastrophe
14 shall not be enforceable against any insured who has cancelled
15 a contract pursuant to this Section.

16 (i) A contractor offering home repair or remodeling
17 services shall not represent, or offer or advertise to
18 represent, on behalf of a homeowner on any insurance claim in
19 connection with the repair or replacement of roof systems, or
20 the performance of any other exterior repair, replacement,
21 construction or reconstruction work; or otherwise violate the
22 Public Adjusters Law. A contractor offering home repair or
23 remodeling services shall not call in or file a claim to an
24 insurance carrier on the insured's behalf. A contractor
25 offering home repair or remodeling services shall not climb on
26 a roof or inspect for exterior damage without the insured's

1 express permission. Nothing in this subsection shall be
2 construed to prohibit a residential contractor from: (1)
3 providing an insured an estimate for repair, replacement,
4 construction, or reconstruction of the insured's property and
5 any such estimate may be submitted to the insured's insurance
6 company; (2) conferring with an insurance company's
7 representative about damage to an insured's property; or (3)
8 discussing repair or replacement options with an insurance
9 company's representative or the insured about options for the
10 repair or replacement of the damage.

11 (815 ILCS 513/20)

12 Sec. 20. Consumer rights brochure.

13 (a) For any contract over \$1,000, any person engaging in
14 the business of home repair and remodeling shall provide to its
15 customers a copy of the "Home Repair: Know Your Consumer
16 Rights" pamphlet prior to the execution of any home repair and
17 remodeling contract. The consumer shall sign and date an
18 acknowledgment form entitled "Consumer Rights Acknowledgment
19 Form" that states: "I, the homeowner, have received from the
20 contractor a copy of the pamphlet entitled 'Home Repair: Know
21 Your Consumer Rights.'" The contractor or his or her
22 representative shall also sign and date the acknowledgment
23 form, which includes the name and address of the home repair
24 and remodeling business. The acknowledgment form shall be in
25 duplicate and incorporated into the pamphlet. The original

1 acknowledgment form shall be retained by the contractor and the
2 duplicate copy shall be retained within the pamphlet by the
3 consumer.

4 (b) For any contract for \$1,000 or under, any person
5 engaging in the business of home repair and remodeling shall
6 provide to its customers a copy of the "Home Repair: Know Your
7 Consumer Rights" pamphlet. No written acknowledgment of
8 receipt of the pamphlet is required for a contract of \$1,000 or
9 under.

10 (c) The pamphlet must be a separate document, in at least
11 12 point type, and in legible ink. The pamphlet shall read as
12 follows:

13 "HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

14 As you plan for your home repair/improvement project, it is
15 important to ask the right questions in order to protect your
16 investment. The tips in this fact sheet should allow you to
17 protect yourself and minimize the possibility that a
18 misunderstanding may occur.

19 AVOIDING HOME REPAIR FRAUD

20 Please use extreme caution when confronted with the following
21 warning signs of a potential scam:

22 (1) Door-to-door salespersons with no local connections

1 who offer to do home repair work for substantially less than
2 the market price.

3 (2) Solicitations for repair work from a company that lists
4 only a telephone number or a post-office box number to contact,
5 particularly if it is an out-of-state company.

6 (3) Contractors who fail to provide customers references
7 when requested.

8 (4) Persons offering to inspect your home for free. Do not
9 admit anyone into your home unless he or she can present
10 authentic identification establishing his or her business
11 status. When in doubt, do not hesitate to call the worker's
12 employer to verify his or her identity.

13 (5) Contractors demanding cash payment for a job or who ask
14 you to make a check payable to a person other than the owner or
15 company name.

16 (6) Offers from a contractor to drive you to the bank to
17 withdraw funds to pay for the work.

18 CONTRACTS

19 (1) Get all estimates in writing.

20 (2) Do not be induced into signing a contract by
21 high-pressure sales tactics.

22 (3) Never sign a contract with blank spaces or one you do
23 not fully understand. If you are taking out a loan to finance
24 the work, do not sign the contract before your lender approves

1 the loan.

2 (4) Remember, you have 3 business days from the time you
3 sign your contract to cancel any contract if the sale is made
4 at your home. The contractor cannot deprive you of this right
5 by initiating work, selling your contract to a lender, or any
6 other tactic.

7 (5) If the contractor does business under a name other than
8 the contractor's real name, the business must either be
9 incorporated or registered under the Assumed Business Name Act.
10 Check with the Secretary of State to see if the business is
11 incorporated or with the county clerk to see if the business
12 has registered under the Assumed Business Name Act.

13 (6) Homeowners should check with local and county units of
14 government to determine if permits or inspections are required.

15 (7) Determine whether the contractor will guarantee his or
16 her work and products.

17 (8) Determine whether the contractor has the proper
18 insurance.

19 (9) Do not sign a certificate of completion or make final
20 payment until the work is done to your satisfaction.

21 (10) Remember, homeowners should know who provides
22 supplies and labor for any work performed on your home.
23 Suppliers and subcontractors have a right to file a lien
24 against your property if the general contractor fails to pay
25 them. To protect your property, request lien waivers from the
26 general contractor.

1 BASIC TERMS TO BE INCLUDED IN A CONTRACT

2 (1) Contractor's full name, address, and telephone number.
3 Illinois law requires that persons selling home repair and
4 improvement services provide their customers with notice of any
5 change to their business name or address that comes about prior
6 to the agreed dates for beginning or completing the work.

7 (2) A description of the work to be performed.

8 (3) Starting and estimated completion dates.

9 (4) Total cost of work to be performed.

10 (5) Schedule and method of payment, including down payment,
11 subsequent payments, and final payment.

12 (6) A provision stating the grounds for termination of the
13 contract by either party. However, the homeowner must pay the
14 contractor for work completed. If the contractor fails to
15 commence or complete work within the contracted time period,
16 the homeowner may cancel and may be entitled to a refund of any
17 down payment or other payments made towards the work, upon
18 written demand by certified mail.

19 (7) A provision stating the grounds for termination of the
20 contract if you are notified by your insurer that all or any
21 part of the claim or contract is not a covered loss under the
22 insurance policy, you may cancel the contract by mailing or
23 delivering written notice to (name of contractor) at (address
24 of contractor's place of business) at any time prior to

1 midnight on the fifth business day after you have received such
2 notice from your insurer. If you cancel, any payments made by
3 you under the contract will be returned to you within 10
4 business days following receipt by the contractor of your
5 cancellation notice. If, however, the contractor has provided
6 any goods or services related to a catastrophe, acknowledged
7 and agreed to by the insured homeowner in writing to be
8 necessary to prevent damage to the premises, the contractor is
9 entitled to the reasonable value of such goods and services.

10 Homeowners should obtain a copy of the signed contract and
11 keep it in a safe place for reference as needed.

12 To file a complaint against a roofing contractor, contact
13 the Illinois Department of Financial and Professional
14 Responsibility at 312-814-6910 or file a complaint directly on
15 its website.

16 IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

17 If you think you have been defrauded by a contractor or
18 have any questions, please bring it to the attention of your
19 State's Attorney or the Illinois Attorney General's Office.

20 Attorney General Toll-Free Numbers

21 Carbondale (800) 243-0607

22 Springfield (800) 243-0618

23 Chicago (800) 386-5438".

24 (Source: P.A. 91-230, eff. 1-1-00.)".