

By: Representatives Turner, Arnold

To: Insurance

HOUSE BILL NO. 1118

1 AN ACT TO AMEND SECTION 75-24-305, MISSISSIPPI CODE OF 1972,
 2 TO REVISE THE DEFINITION OF THE TERM "ROOF SYSTEM" UNDER THE
 3 INSURANCE BENEFITS ROOFING REPAIR CONSUMER PROTECTION ACT; TO
 4 AMEND SECTION 75-24-307, MISSISSIPPI CODE OF 1972, TO INCREASE THE
 5 REQUIRED CANCELLATION PERIOD IN ROOF SYSTEM REPAIR CONTRACTS FROM
 6 THREE TO FIVE DAYS AND TO PROHIBIT A RESIDENTIAL ROOFING
 7 CONTRACTOR FROM REQUIRING PAYMENT UNTIL THE EXPIRATION OF THE
 8 CANCELLATION PERIOD; TO PROHIBIT A RESIDENTIAL ROOFING CONTRACTOR
 9 FROM REPRESENTING A PROPERTY OWNER ON INSURANCE CLAIMS AND FROM
 10 RECEIVING PAYMENT FROM AN ATTORNEY FOR CLAIM REFERRALS; TO
 11 PRESCRIBE CERTAIN REQUIREMENTS FOR A POST-LOSS ASSIGNMENT BY AN
 12 INSURED TO A RESIDENTIAL ROOFING CONTRACTOR; TO AMEND SECTION
 13 75-24-311, MISSISSIPPI CODE OF 1972, TO SUBJECT A RESIDENTIAL
 14 ROOFING CONTRACTOR WHO VIOLATES THE INSURANCE BENEFITS ROOFING
 15 REPAIR CONSUMER PROTECTION ACT TO DISCIPLINARY ACTION BY THE STATE
 16 BOARD OF CONTRACTORS; AND FOR RELATED PURPOSES.

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

18 **SECTION 1.** Section 75-24-305, Mississippi Code of 1972, is
 19 amended as follows:

20 75-24-305. As used in Sections 75-24-301 through 75-24-311:

21 (a) "Emergency services" means services performed with
 22 the express permission of the insured and that are immediately
 23 necessary for:

24 (i) The preservation of the residential real
 25 estate; or



26 (ii) The health of the insured, owner or
27 possessor.
28 "Emergency services" does not include inspection of the
29 residential roof system or an estimation of the repair costs.

30 (b) "Insured" means an insured whose name appears on
31 the face of the property and casualty insurance policy that
32 provides coverage for the residential roof system to be repaired.

33 (c) "Residential roofing contractor" means a person or
34 entity contracting or offering to contract with an insured, owner
35 or possessor of a residential roof system to repair or replace a
36 roof system on residential real estate, or any portion thereof,
37 where all or part of the cost is expected to be paid as a benefit
38 of a property and casualty insurance policy.

39 (d) "Residential" means a new or existing dwelling
40 constructed for habitation by one (1) to four (4) families,
41 including a detached garage.

42 (e) "Insurance benefits residential roof system repair
43 contract" means a written contract with an insured to repair a
44 roof system, or any part thereof, on residential real estate, or
45 provide goods and services in connection with such repair, that is
46 to be paid in whole, or in part, under a property and casualty
47 insurance policy.

48 (f) "Roof system" means roof coverings, roof sheathing,
49 roof weatherproofing, roof framing, roof ventilation system, and
50 insulation.



51 **SECTION 2.** Section 75-24-307, Mississippi Code of 1972, is
52 amended as follows:

53 75-24-307. (1) Before signing an insurance benefits
54 residential roof system repair contract with an insured, a
55 residential roofing contractor shall furnish to the insured:

56 (a) The following statement in at least 10-point
57 boldface type that is attached to the contract:

58 "You may cancel this insurance benefits residential roof
59 system repair contract at any time within * * * five (5) business
60 days after you have received written notice from your insurance
61 company that all or any part of your claim, or all or part of the
62 services and goods to be provided by this contract, is not a
63 covered loss under your insurance policy. A notice of
64 cancellation form is provided to you with this contract. To
65 cancel this contract under these circumstances, sign and date, and
66 then mail or deliver the attached Notice of Cancellation, or
67 another similar written notice of cancellation, to the contractor
68 within * * * five (5) business days after you have received such
69 written notice from your insurance company. If you cancel, any
70 payments made under this residential roofing system repair
71 contract, except for emergency services and repairs subsequently
72 approved for payment by the insurance company and already
73 performed by the contractor, will be returned to you within ten
74 (10) business days following receipt by the contractor of your
75 cancellation notice."; and



76 (b) Duplicate copies of a completed form captioned
77 "NOTICE OF CANCELLATION" that is attached to the contract, is
78 easily detachable, and contains the following in at least 10-point
79 boldface type:

80 "NOTICE OF CANCELLATION

81 (Name and address of contractor - to be entered by
82 contractor)

83 (Date of contract - to be entered by contractor)

84 (Address of residential real estate to be repaired - to be
85 entered by contractor)

86 I have been notified by my insurance company that all or any
87 part of my claim, or the services and goods to be provided in the
88 residential roofing system repair contract, is not a covered loss
89 under the insurance policy.

90 I HEREBY CANCEL THIS TRANSACTION

91 Please return my prior payments within ten (10) days.

92 _____

93 INSURED'S SIGNATURE

DATE"

94 (2) (a) In circumstances in which payment may be made from
95 the proceeds of a property and casualty insurance policy, a
96 residential roofing contractor may not require any payment from an
97 insured until the five-day cancellation period has expired.

98 (b) In circumstances in which payment may be made from
99 the proceeds of a property and casualty insurance policy, a
100 residential roofing contractor may not require any payment from an



101 insured in excess of the replacement cost of the repairs or
102 replacement of the damaged roof system, as calculated by the
103 insurer of the residential real estate, unless the residential
104 roofing contractor includes a statement identifying those aspects
105 of the repair or replacement which are separate from or additional
106 to the repair or replacement of the damage to the roof system
107 caused by a covered peril and explaining that payment of those
108 excess or additional items are the insured's responsibility. This
109 subsection does not limit an insured from communicating with the
110 insurer about the estimated replacement cost of the repairs or
111 replacement of the damaged roof system.

112 (3) A residential roofing contractor may not represent or
113 negotiate, or offer or advertise to represent or negotiate, on
114 behalf of an owner or possessor of residential real estate on any
115 insurance claim in connection with the repair or replacement of a
116 roof system. This subsection does not prohibit an insured from
117 including the residential roofing contractor in the insured's
118 communications with the insurer about the damages to the roof
119 system or the estimated replacement cost of the repairs or
120 replacement of the damaged roof system. This subsection does not
121 apply to a public adjuster licensed under Sections 83-17-501
122 through 83-17-527.

123 (4) (a) A residential roofing contractor may not contract
124 for, agree to, or receive anything of value from an attorney or
125 other person acting in concert with an attorney for referring



126 claims to the attorney or in connection with any claim for which
127 the residential roofing contractor has performed or intends to
128 perform services. A residential roofing contractor may not create
129 a business relationship between an insured and an attorney or
130 obligate an insured to hire a specified attorney.

131 (b) A residential roofing contractor may not advertise
132 or otherwise promise or offer to pay, or pay, or rebate all or any
133 portion of an insured's insurance deductible as an inducement to
134 enter into the residential roofing contract.

135 (5) A post-loss assignment by a named insured of rights or
136 benefits to a residential roofing contractor under a property and
137 casualty insurance policy insuring residential real estate may
138 authorize a residential roofing contractor to be named only as a
139 co-payee for the payment of benefits under a property and casualty
140 insurance policy covering residential real estate. The assignment
141 must include all of the following:

142 (a) An itemized description of the work to be
143 performed;

144 (b) An itemized description of the materials, labor and
145 fees for the work to be performed;

146 (c) A total itemized amount to be paid for the work to
147 be performed;

148 (d) A statement that the residential roofing contractor
149 has made no assurances that the claimed loss will be covered fully
150 by an insurance contract; and



151 (e) The following notice in capitalized fourteen-point
152 type:

153 "You are agreeing to give up certain rights you have under
154 your insurance policy. Please read and understand this document
155 before signing. The itemized description of the work to be done
156 shown in this assignment form has not been agreed to by the
157 insurer. The insurer has the right to pay only for the cost to
158 repair or replace damaged property caused by a covered peril."

159 (6) A copy of the executed assignment must be provided to
160 the insurer of the residential real estate no later than five (5)
161 business days after the execution date of the assignment.

162 (7) The assignment does not impair the interest of a
163 mortgagee listed on the declarations page of the property and
164 casualty insurance policy that is the subject of the assignment.

165 (8) An assignment does not prevent or inhibit an insurer
166 from communication with the named insured or mortgagee listed on
167 the declarations page of the property and casualty insurance
168 policy that is the subject of the assignment.

169 **SECTION 3.** Section 75-24-311, Mississippi Code of 1972, is
170 amended as follows:

171 75-24-311. (1) Any residential roofing contractor in
172 violation of Sections 75-24-301 through 75-24-311 shall be subject
173 to the civil and criminal penalties and remedies under Sections
174 75-24-19, 75-24-20 and 75-24-23 * * *. In addition, the
175 residential roofing contractor is subject to disciplinary action



176 under Section 73-59-13 and may be liable under a private right of
177 action of the consumer.

178 (2) A violation of Sections 75-24-301 through 75-24-311 by a
179 residential roofing contractor is an unfair and deceptive act or
180 practice as defined by the Mississippi Consumer Protection Law,
181 Section 75-24-1 et seq.

182 (3) Sections 75-24-301 through 75-24-311 do not prohibit an
183 insured that is harmed by a deceptive trade practice from
184 commencing a civil action against a residential roofing
185 contractor.

186 **SECTION 4.** This act shall take effect and be in force from
187 and after July 1, 2024.

