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**NCOIL ADOPTS STORM CHASER MODEL LAW
TO REIN IN ROOFING CONTRACTOR FRAUD**

Indianapolis, Indiana, July 19, 2015 — On July 19 during the NCOIL Summer Meeting here, legislators unanimously adopted a *Storm Chaser Consumer Protection Act* to safeguard homeowners from individuals posing as legitimate roofing contractors. The proposed model takes aim at fraud that occurs after natural disasters and extends NCOIL efforts to address consumer and insurance market catastrophe issues.

According to Rep. Matt Lehman (IN), chair of the Property-Casualty Insurance Committee, “Storm chasing is an unfortunate consequence of hurricanes, tornados, floods, winter storms, and other natural events, and that means that state legislators are obligated to weigh in.”

Sen. Jason Rapert (AR), NCOIL Treasurer and co-sponsor of the model law with Rep. Rich Golick (GA), said the model is critical to ensuring that vulnerable homeowners are not harmed even further. He said, “It is shameful that some people take advantage of consumers who are truly in need and who trust in others to repair their homes and help them return to normal lives. The NCOIL model’s comprehensive provisions will prevent roofing companies from chasing after natural disasters, from traveling state-to-state in order to commit civil and criminal acts.”

Rep. Golick in a letter sent prior to the Summer Meeting urged lawmakers to support the proposed model, saying that roofing contractor fraud “increases overall costs, takes business away from reputable contractors and ultimately drives up insurance costs. As a result, model legislation is needed,” he said, “to help protect consumers, the reputable roofing contractor industry and the insurance market from these unprincipled individuals.”

The *Storm Chaser Consumer Protection Act* requires various disclosures, including an approximate cost estimate; allows a consumer to cancel the contract if the consumer’s insurer denies all or part of the claim; and requires a contractor to return any payments or deposits that the consumer made to the contractor except for cost of providing emergency services if the consumer cancels the contract.

The model requires roofing contractors to maintain certain insurance coverages; establishes contractor prohibitions, penalties, and registration requirements; and allows certain exemptions. Among other things, the model calls for registration fees to help fund enforcement of the Act and includes a streamlined registration process for contractors who are registered in good standing in another state.

In addition, as per Property-Casualty Insurance Committee discussion prior to adopting the model, the model now includes a drafting note that encourages states to consult their attorneys’ general offices to

determine if a criminal penalty should be included in the model or if it's appropriate to adjust the criminal penalty section in existing state code.

The P-C Insurance Committee adopted the model law on July 18, followed by Executive Committee approval on July 19. The NCOIL Summer Meeting took place in Indianapolis from July 16 to 19.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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