



Coalition Against Insurance Fraud

*ADVOCACY * INFORMATION * OUTREACH*

Property & Casualty Insurance Committee

July 19, 2025

Consideration of Re-adoption of Storm Chaser Consumer Protection Model Act

Coalition Against Insurance

The Coalition Against Insurance Fraud unites and empowers private and public groups to fight insurance fraud through outreach, advocacy and research.

Insurance fraud is generally described as...

"The intentional providing of false or misleading information, or withholding of material information, as part of an insurance transaction."

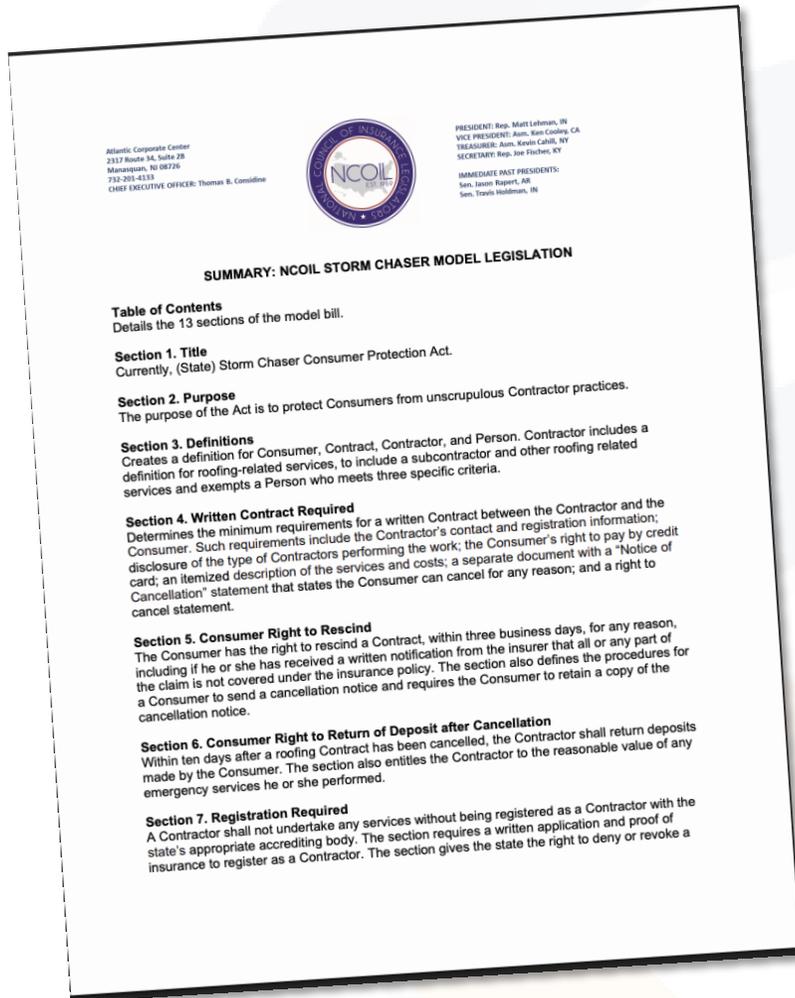


“Storm Chasers”



- **Predatory solicitation** when most policyholders are vulnerable
- **Conflicts of interest** for financial gain
- **Claim delays** due to suspicious claims
- **Breakdown in trust** and strained customer service relationships
- **Liens filed** on policyholder’s home
- **Unfair advantage** for dishonest contractors... the good guys lose

Storm Chaser Model is a Good Foundation



- **Written contract** required
- **Consumer right to rescind** a contract
- **Consumer right to refund** after cancellation
- **Contractor prohibitions**
 - Cannot pay or rebate deductible
 - Cannot require >50% deposit
 - Cannot require a particular form of payment
 - Cannot induce the sale with gifts, prizes, etc.
- **Enforcement** and penalties

Enacted Consumer Protection in 2025

Kentucky HB 233:

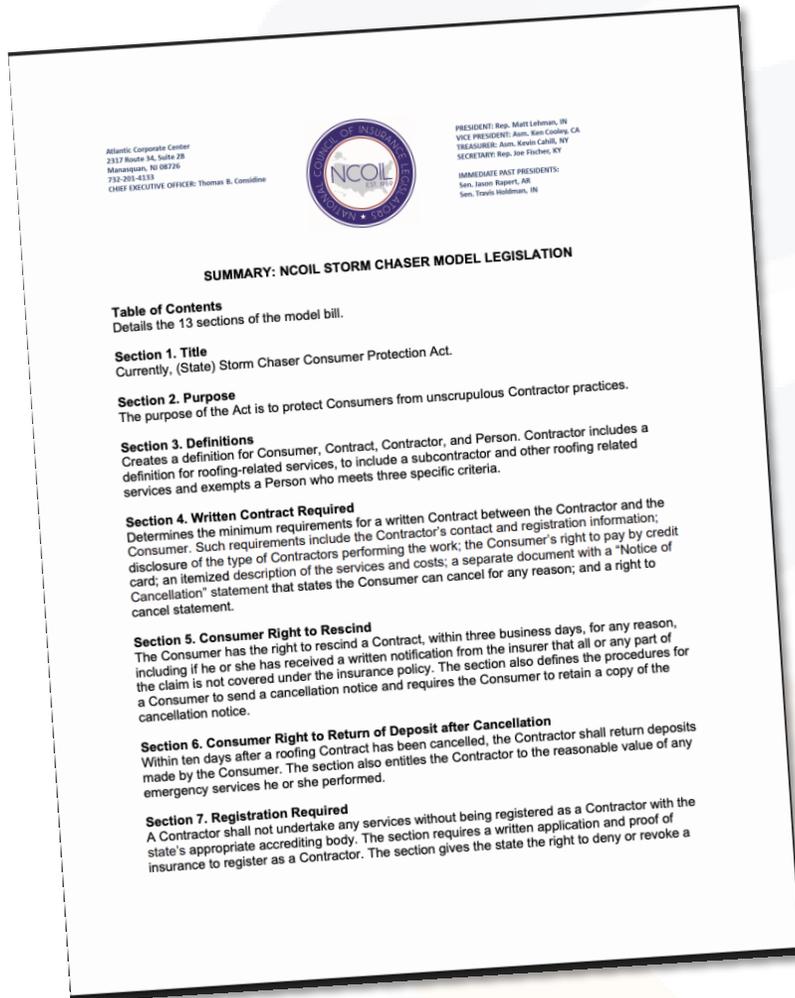
- Prevention of harmful practices associated with property and casualty insurance
- Defined “contractor” as:
 - A person **providing** goods or service for repair, replacement, construction, reconstruction, or improvement of real estate, and tree or debris removal
 - A person **soliciting** or offering these services
- Contains the 5-day cancellation provisions
- Prohibits requiring advance payments
- Allows for reasonable and customary payment for **emergency** goods and services

Enacted Consumer Protection in 2025

Georgia SB 201:

- Unfair or deceptive acts or practices in consumer transactions
- Unlawful for “any contractor” to:
 - **Fail to commence** work
 - Complete it in a **substandard** manner, or **inconsistent** with codes
 - **Assign** insurance proceeds by contract
 - Fail to **provide notice** and/or accept a 5-day contract cancellation
- ... involving services for the repair, replacement, or mitigation of damage to a homeowner’s home
- ... within one year of a disaster
- Reasonable amounts for **emergency** services to prevent damages

Opportunities to Modernize & Strengthen



- **Expand definition of contractor**
- **Ensure availability** of immediate post-disaster services to prevent further damage
- **Identify goods and services not covered by insurance**
- **Prohibit AOBs**

Considerations for readoption...

Any

Questions