

**Please VOTE YES on HB 460, a consumer protection residential roofing repairs bill**

Summary of bill:

HB 460 is a pro-contractor, pro-consumer protection bill that: a) requires roofing repair contractors to provide residential consumers with written disclosures necessary for the consumer to make an informed roofing repair decision; b) addresses important consumer contract rights, including the right to cancel the roofing repair contract within five business days after the consumer receiving notice that their homeowner's insurance carrier has denied, in whole or in part, the roofing repair claim; c) requires roofing contractors to refund consumer's down payment within ten days after contract cancellation; d) requires contractors to provide consumers with a statement of their cancellation rights and a notice of cancellation form; e) prohibits contractors from advertising or promising to pay or rebate any or all of the insurance deductible as an inducement to enter into the contract; and f) makes a violation of the bill an unlawful practice under 30-14-103.

Reasons to VOTE YES of HB 460:

- HB 460 is a pro-consumer protection bill that will *help prevent citizens of the state from being scammed* by "fly-by-the-night" residential roofing repair companies that swoop into the state after a big wind or hail storm and try to confuse, bully, and/or trick consumers into entering into deceptive roofing repair contracts;
- The proposed legislation *promotes informed consumer choice* by requiring written disclosure to consumers of key contractual rights and duties, including the right to cancel the contract if the consumer doesn't have homeowner's insurance coverage to pay for the repairs;
- HB 460 is *consistent with residential roofing repair consumer protection bills that have been adopted in states throughout the country*. 15 states have passed similar consumer protection legislation in the past 2 years (Missouri, Illinois, Minnesota, Georgia, Nebraska, Oklahoma, South Dakota, Kentucky, Indiana, Arizona, Colorado, Tennessee, Iowa, Alabama, and Louisiana). A number of state legislatures are expected to introduce similar bills this year, because clarity in the residential roofing repair contract *benefits both consumers and legitimate contractors*;
- The provisions in HB 460 *have not been problematic to legitimate residential roofing companies in other states*, because these professionals want and need their consumers to understand the scope of the roofing repair project, the consumer's contractual rights and responsibilities, and their homeowner's insurance claims process;
- The consumer right of cancellation provision in HB 460 is *consistent with other consumer contract protection laws at the state and federal level* that afford the consumer a brief period of time to reconsider the legal and financial implications of the contract in light of other related financial information, like whether the consumer has homeowner's insurance coverage to pay for the roofing services; and
- The prohibition against waiving, refunding, or rebating the consumer's insurance deductible is *necessary to prevent consumers from being scammed on their contracted roofing services via a deductible waiver, refund or rebate* that the consumer unknowingly pays for by way of the roofing contractor using inferior roofing materials and/or by providing reduced roofing services.

**Please VOTE YES on HB 460, and protect citizens of the state from "storm scammers".**

Prepared by: Christian J. Rataj of the National Association of Mutual Insurance Companies (NAMIC) as written testimony for committee hearing. NAMIC is the largest and most diverse property/casualty trade association in the country, with 1,400 regional and local mutual insurance member companies serving more than 135 million auto, home, and business policyholders and writing in excess of \$196 billion in annual premiums that account for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. More than 200,000 people are employed by NAMIC member companies. NAMIC has 121 members who write P. & C. Insurance in the State of Montana, which represents 44% of the marketplace.