

GENERAL ASSEMBLY OF NORTH CAROLINA  
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SENATE BILL DRS15096-MQ-1A

Short Title: Consumer Protection - Storm Chasers. (Public)

Sponsors: Senators Sawyer and Newton (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE CONSUMER PROTECTIONS RELATED TO ROOFING REPAIR  
3 CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 75 of the General Statutes is amended by adding a new Article  
6 to read:

7 "Article 9.

8 "Roofing Repair Contractors.

9 **"§ 75-150. Definitions.**

10 The following definitions apply in this Article:

- 11 (1) Consumer. – The person hiring a roofing repair contractor, including the  
12 property owner, person in legal possession of the property, or any agent  
13 thereof, including the State and any of its political subdivisions.  
14 (2) Emergency services. – Any repair needed as the result of a serious,  
15 unexpected, or dangerous situation that requires immediate action.  
16 (3) Roofing repair. – Repairs to an existing roofing system, including a total  
17 replacement of the existing roofing system.  
18 (4) Roofing repair contractor. – A person engaged in the business of residential  
19 roofing services in North Carolina for a fee or who offers to engage in or  
20 solicits roofing-related services, including construction, installation,  
21 renovation, repair, maintenance, alteration, or waterproofing.

22 **"§ 75-151. Exclusions.**

23 The following are excluded from the provisions of this Article:

- 24 (1) A licensed general contractor.  
25 (2) A person engaged in the demolition of a structure or the cleanup of  
26 construction waste and debris that contains roofing material.  
27 (3) A person working under the direct supervision of a roofing repair contractor  
28 who is hired either as an employee, day laborer, or contract laborer.  
29 (4) A person providing roofing-related services as a subcontractor, regardless of  
30 tier, under a licensed North Carolina general contractor.

31 **"§ 75-152. Prohibited conduct.**

32 (a) A roofing repair contractor shall not do any of the following:

- 33 (1) Advertise or otherwise promise or offer to pay, or pay, all or any portion of  
34 any insurance deductible as an inducement to the sale of any materials, labor,  
35 and/or services.



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- 1           (2)   Offer or provide any upgraded work, material, or product; grant any allowance  
2           or offer any discount against the fees to be charged; or pay the consumer any  
3           form of compensation, gift, prize, bonus, coupon, credit, referral fee, trade-in  
4           or trade-in payment, advertising, or other fee or payment as an inducement to  
5           the sale of any materials, labor, or services.
- 6           (3)   Offer or provide anything of value in exchange for permitting the roofing  
7           repair contractor to display a sign or any other type of advertisement at the  
8           consumer's premises.
- 9           (4)   With respect to any insurance claim in connection with the repair or  
10          replacement of roof systems, or the performance of any other exterior repair,  
11          replacement, construction, or reconstruction work, do any of the following:
- 12           a.   Seek to obtain or obtain a power of attorney from or on behalf of a  
13           consumer.
- 14           b.   Offer to report or adjust a claim on behalf of a consumer.
- 15           c.   Represent or negotiate, obtain, or attempt to obtain an assignment of  
16           claims, rights, benefits, or proceeds from or on behalf of a consumer.
- 17           d.   Offer or advertise to represent or negotiate, obtain, or attempt to obtain  
18           an assignment of claims, rights, benefits, or proceeds.
- 19           e.   Make any assurance or representation that the proposed repair or  
20           replacement services will be covered by an insurance policy.
- 21          (b)   A contractor may communicate with a consumer's insurer for the purpose of assisting  
22          in any claim disputes between the consumer and the insurer, including actual damages incurred,  
23          if both of the following apply:
- 24           (1)   The consumer gives permission to the contractor.
- 25           (2)   The contractor is not compensated for communicating with the insurer.
- 26          (c)   An adjuster as defined in G.S. 58-33-10(2) or a public adjuster as defined in  
27          G.S. 58-33A-5(7) shall not act as a roofing repair contractor on the same project or claim.
- 28          (d)   If the consumer submits a claim for loss to an insurer for roof repair under this Article,  
29          the contractor may not begin work on the repair or replacement until the insurer approves or  
30          denies the claim, unless the work is necessary to prevent further loss.

31          **§ 75-153. Written contract requirements.**

- 32          (a)   A written contract for roofing repairs shall contain at least all of the following:
- 33           (1)   The name, mailing address, physical address, if different from the mailing  
34           address, and phone number of the roofing contractor. If the roofing contractor  
35           uses email for business purposes, the contract shall also include that email  
36           address.
- 37           (2)   The name of the consumer.
- 38           (3)   The physical location of the property subject to the roofing repair and a brief  
39           description of the structure to be repaired.
- 40           (4)   In at least 10-point bold type, the following statements in substantially the  
41           following form:
- 42           a.   "You may cancel this contract at any time within 72 hours after you  
43           have been notified that your insurer has denied your claim to pay for  
44           the goods and services to be provided under this contract."
- 45           b.   "You may cancel this contract at any time, for any reason, within four  
46           business days after signing this contract."
- 47           (5)   A copy of a repair estimate that addresses all of the following disclosures:
- 48           a.   A precise description and location of all damage claimed on the repair  
49           estimate.
- 50           b.   A detailed description of the work to be done, including the square  
51           footage of the repair area or the replacement area.

- 1           c.     If damaged areas are not included in the repair estimate, a description  
2                 of those areas and the reason for their exclusion from the repair  
3                 estimate.
- 4           d.     A statement as to whether or not the property was inspected in any  
5                 manner prior to the preparation of the estimate and a description of the  
6                 nature of that inspection if an inspection was done, including a  
7                 statement of whether or not the roof was physically accessed.
- 8           e.     A statement that the contractor has made no assurances that any  
9                 claimed loss will be covered by an insurance policy.
- 10          f.     A statement that the consumer is responsible for payment for any work  
11                 performed in the event that the insurer denies payment or coverage for  
12                 any part of a claimed loss.
- 13          (b)    A consumer has the right to cancel a contract by giving written notice of cancellation  
14                 to the contractor at the address provided in the contract described in this section. The notice of  
15                 cancellation need not take a particular form and is sufficient if it expresses the intent of the  
16                 consumer not to be bound by the contract. A consumer may cancel a contract as follows:
- 17                 (1)    Within 72 hours after being notified by the insurer that the claim for loss has  
18                         been denied.
- 19                 (2)    Within four business days after signing the contract, for any reason.
- 20          (c)    Within 10 days after a contract has been cancelled pursuant to this section, the  
21                 contractor must tender to the consumer any payments made by the consumer and any note or  
22                 other evidence of indebtedness. If the contractor has performed any emergency services,  
23                 acknowledged by the consumer in writing to be necessary to prevent further damage to the  
24                 premises, the contractor is entitled to receive reasonable compensation for those services so long  
25                 as the consumer has received a detailed description and itemization of the charges for those  
26                 services.
- 27          (d)    A consumer entering into a contract described in this section shall not be required to  
28                 tender payment in an amount greater than fifty percent (50%) prior to the completion of the  
29                 roofing repair project described in the contract. Any changes, additions, or deletions to the work  
30                 order specified in the original contract shall be included in a written change order that is signed  
31                 by the consumer.
- 32          (e)    A contractor shall immediately notify and disclose in writing to the consumer any  
33                 cancellation of the contractor's workers' compensation coverage.
- 34          (f)    An individual or contractor who prepares a repair estimate for roof repair under this  
35                 section in anticipation of the filing of an insurance claim for loss must disclose all of the  
36                 following to the consumer:
- 37                 (1)    A precise description and location of all damage claimed or included on the  
38                         repair estimate.
- 39                 (2)    Documentation to support the damage claimed on the estimate, including  
40                         photographs, digital images, or another medium.
- 41                 (3)    A detailed description and itemization of any emergency repairs already  
42                         completed by the contractor.
- 43                 (4)    If damaged areas are not included in the repair estimate, a specification of  
44                         those areas and the reason for excluding the areas from the estimate.
- 45                 (5)    A provision stating the following:
- 46                         a.     Whether the property was inspected before the estimate was prepared.  
47                         b.     If any subsequent contract is for repair or replacement of the roof.  
48                         c.     Whether the roof was physically accessed during the estimate  
49                                 preparation.
- 50                 (6)    A provision stating that the contractor has made no assurances that the claimed  
51                         loss will be covered by an insurance policy.

1 **"§§ 75-154 through 75-158. Reserved.**

2 **"§ 75-159. Violation an unfair and deceptive trade practice.**

3 A violation of this Article shall constitute an unfair and deceptive trade practice under  
4 G.S. 75-1.1."

5 **SECTION 2.** This act is effective 90 days after it becomes law and applies to  
6 contracts for roofing repair entered into on or after that date.