

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1420

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**Version:** First engrossment

**Authors:** Sanders and others

**Subject:** Homeowner insurance claims for roofing and siding work

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### Overview

This bill strengthens, expands, and clarifies an existing law that prohibits residential roofing contractors from proposing to pay the insurance deductible (or some other payment or concession) to the homeowner, in exchange for being hired to do the work. This is considered to be fraud against the insurance company, since the "kickback" to the homeowner is being paid for out of an inflated bid that exceeds the cost of the work. Among other changes, the bill adds residential siding contractors to the existing law.

**1 Insurance claims for residential contracting goods and services.**

**Subd. 1. Payment or rebate of insurance deductible.** Adds residential siding contractors to the current law that covers only residential roofers. Broadens the existing language to include inducements other than paying the insurance deductible, which would otherwise be borne by the homeowner.

**Subd. 2. Private remedy.** Broadens the right of the insured or insurance company to sue for a violation of this section to include suits against siding contractors.

**Subd. 3. Public enforcement.** Requires the commissioner of labor and industry to enforce this section under the commissioner's existing enforcement authority over building contractors.