

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes miscellaneous changes in state laws regulating effects and resolution of claims on homeowner's insurance.

- 1 Nonrenewal.** Provides that a homeowner's insurance policy may not be nonrenewed based on the insured's loss experience, unless the insurance company gave the insured a copy of its nonrenewal plan when the policy was issued and at each renewal.
- 2 Payment or rebate of insurance deductible.** Expands an existing trade practices law that now applies only to residential roofing and siding to apply to any type of home repair or improvement service. The existing law prohibits contractors from offering to pay the homeowner's insurance deductible or to otherwise compensate the homeowner (for instance by doing additional unrelated work for free), in exchange for the homeowner choosing to use that contractor to make repairs covered by homeowner's insurance. Also makes technical changes.
- 3 Negotiation with insurance provider.** Adds a new provision prohibiting residential building contractors from negotiating, on behalf of the homeowner, with the homeowner's insurance company regarding work necessary to repair damage covered by the homeowner's insurance. Permits the contractor to discuss the contract with the insurance company after the company has accepted the claim.
- 4 Private remedy.** Expands the scope of this existing subdivision to include the immediately preceding new subdivision added by this bill.
- 5 Applicable law.** Amends an existing department of labor and industry law that regulates building contractors to include violations of sections 2 to 4 of this bill.