

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1751

By: Representative Cozart

For An Act To Be Entitled

AN ACT TO CLARIFY THE RESPONSIBILITIES OF AN INSURER
FOR APPLICATION OF INSURANCE PROCEEDS FOR ROOF
REPAIR; TO PROVIDE FOR PROPER ALLOWANCES ON A ROOF
REPAIR INSURANCE CLAIM; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE RESPONSIBILITIES OF AN
INSURER FOR APPLICATION OF INSURANCE
PROCEEDS FOR ROOF REPAIR; AND TO PROVIDE
FOR PROPER ALLOWANCES ON A ROOF REPAIR
INSURANCE CLAIM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is amended to add an additional section to read as follows:

23-88-106. Application of insurance proceeds – Roof damage –

Definitions.

(a) As used in this section:

(1) "Hail damage" means damage to a roof system that has been determined to be caused due to impact of hail by the Insurance Commissioner under the HAAG Engineering Protocol Standards, as they existed in January 1, 2017, and as adopted by the commissioner;

(2) "Insured" means a person whose name appears on the face of the property and casualty insurance policy;

(3) "Insured property" means the residential real estate covered by the property and casualty insurance policy;



(4) "Insurer" means an insurance company and any person authorized to represent the insurer with respect to a claim and who is acting within the scope of the person's authority that provides property and casualty insurance in this state;

(5) "Residential contractor" means a person or entity in the business of contracting or offering to contract with an insured, owner, or possessor of residential real estate to repair or replace roof systems or perform other exterior repair, replacement, construction, or reconstruction work on residential real estate;

(6) "Residential real estate" means a new or existing dwelling constructed for habitation by one (1) to four (4) families, including a detached garage;

(7) "Roof system" means roof coverings, roof sheathing, roof weatherproofing, and insulation on residential real estate;

(8) "Sales representative" means a person who is engaged in door-to-door sales regulated by § 4-89-101 et seq.; and

(9) "Waste factor" means the percentage of framing material ordered in excess of the estimated material needed for construction.

(b) In case of a partial or total loss claim of a roof system of the insured property due to hail damage, an insurer shall:

(1) Pay for each item individually on any type of roof system repair, including without limitation:

(A) Roof system shingle products;

(B) Ridge caps;

(C) Pipe jacks;

(D) Turbines;

(E) Ridge vents;

(F) Vent caps;

(G) Flashing, if needed or required by a municipal code, ordinance, or regulation; and

(H) Any other item that requires manipulation to replace the damage to the roof system;

(2)(A) Not require that a residential contractor reuse any of the current and existing roof line items of the damaged roof system.

(B) For purposes of subdivision (b)(2)(A) of this section, a roof line item does not include heating, ventilation, and air-conditioning

systems or hot water heating, boilers, pipe flashings, or electrical flashings;

(3)(A)(i) Except as provided in subdivision (b)(3)(A)(ii) of this section, require a minimum waste factor of twelve percent (12%) on hip roof systems and a minimum waste factor of ten percent (10%) on gable roof systems.

(ii) A roof system with at least ten (10) facets shall require a minimum waste factor of fifteen percent (15%).

(B) For purposes of subdivision (b)(3)(A) of this section, waste factor does not include any new material or any line item listed in subdivision (b)(1) of this section;

(4)(A) Match and maintain the color and condition of roof slopes if a roof system is at least one-year old.

(B) For purposes of subdivision (b)(4)(A) of this section, a line-of-site repair is not an exception for the insurance claim;

(5) Pay mandatory steep and high charges required for the removal and replacement of roof system shingles and pay a single steep or high charge for a ridge cap replacement;

(6)(A) Charge waste disposal fees based only on a full trailer or dumpster load.

(B) Partial trailer or dumpster load charges are prohibited; and

(7) Standardize the price of Xactimate on an insurer's master copy and update pricing monthly.

(c) A sales representative of a entity that sells roof systems shall:

(1) Comply with § 4-89-101 et seq.;

(2) Have visible identification provided by his or her employer before conducting a home solicitation in this state; and

(3) Pay a license fee of fifty dollar (\$50.00) per sales representative.