

Senator Roegner
Chair, Government Oversight and Reform Committee
1 Capitol Square
Ground Floor
Columbus, OH 43215

May 26, 2020

Via email

RE: NAMIC Support for SB 64

Chair Roegner and Members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to register its support for SB 64, a bill that would provide consumers and legitimate contractors alike with protection from unscrupulous residential “storm scammer” roofing contractors.

By way of background, NAMIC is the largest property and casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies as well as some of the country’s largest national insurers. NAMIC has 74 member companies domesticated in Ohio, with more than 200 member companies doing business in the Buckeye state.

NAMIC supports SB 64 as it would help address a very specific and, unfortunately, common scenario: in the wake of a storm, fly-by-night contractors approach homeowners offering their services or plying the homeowner with rebates or other inducements. The problems with this scenario arise where roofing repairs – or full roof replacements – are unnecessary or significantly out of line with the damages incurred by said storm. The homeowner in some cases pays an upfront deposit to the contractor and may find out later that unnecessary repairs are not covered by their insurance policy, leaving the homeowner personally on the hook for thousands of dollars in unnecessary repairs. SB 64 address these problems by providing registration requirements for contractors, requiring roofing contracts above \$750 to be in writing, providing consumers with the ability to cancel contracts where they find out the repairs will not be covered under an insurance policy, and prohibiting contractors from offering to pay an insurance deductible as an inducement for a repair contract.

SB 64 is consistent with residential roofing repair consumer protection bills passed in surrounding states including Kentucky and West Virginia where storms created an environment ripe for predatory residential roofing repair practices to flourish to the detriment of citizens of the state. NAMIC and its member companies understand that many contractors are good actors who assist consumers in their time of need. As such, we are encouraged that SB 64 is limited in scope and is the product of stakeholder input outside the insurance industry in an attempt to protect those contractors who do things the right way.

In short, SB 64 protects consumers and legitimate contractors alike. As such, NAMIC supports the adoption of SB 64 and continued efforts by the Ohio Legislature to protect consumers while allowing legitimate businesses to continue to serve their customers.

If you or any of the members of the committee have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "A. T. Kirkner".

Andrew Kirkner
Regional Vice President – Ohio Valley Mid-Atlantic
National Association of Mutual Insurance Companies
Akirkner@NAMIC.org