

**Bob Hackett** 10th Ohio Senate District

**Committees:**

Finance - Health and Medicaid Subcommittee, Chair

Insurance and Financial Institutions, Vice Chair

Agriculture

Health, Human Services and Medicaid

Local Government, Public Safety and Veterans Affairs

Ways and Means

**Kevin Bacon** 3rd Ohio Senate District

**Committees:**

Judiciary, Chair

Finance

Finance – Higher Ed Subcommittee

Energy and Natural Resources

Government Oversight and Reform

Insurance and Financial Institutions

**Sponsor Testimony**

**Senate Bill 115**

**June 21, 2017**

**Senator Kevin Bacon and Senator Bob Hackett**

**Senate Government Oversight and Reform Committee**

Chairman Coley, Vice Chairman Uecker, Ranking Member Schiavoni, and members of the Senate Government Oversight and Reform Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 115, which creates protections for Ohio consumers from fraudulent roofing contractors commonly referred to as “storm chasers.” S.B. 115 is based on model legislation adopted by the National Conference of Insurance Legislators.

After severe weather events, unscrupulous contractors frequently take advantage of Ohio consumers during their time of need. Many of these storm chasers will travel a considerable distance, even several states away, in order to follow a storm or other severe weather patterns. When high winds and/or hail cause damage to people’s homes, storm chasers offer to provide roofing repair services. The work provided by these fraudulent contractors can range from incomplete to substandard, oftentimes leaving the consumer with additional damage beyond the original loss. These unscrupulous roofing contractors frequently obtain business by using pressure tactics to convince consumers of their need for unnecessary or non-storm related repairs. At other times, they may attempt to obtain repair contracts before a claim is established, intentionally damage homes during the estimate process, or take payment without providing promised services.

Senate Bill 115 would establish uniform documentation standards for storm-repair contracts and would require any roofing contract for an amount greater than $750 to be in writing. The bill specifies that a written contract must include:

* An itemized explanation of the job to be done and the materials being used;
* A description of all individuals performing the work, including the address, full legal name, and telephone number of any subcontractors, day laborers, or independent contractors involved;
* A description of the insurance coverage obtained by the roofing contractor, including the policy limits and the name of the insurer;
* An approximation of the cost to be borne by the consumer, if some or all of the cost will be paid for by the consumer’s insurer; and,
* A provision permitting consumers to pay by cash, check, or credit card, at the consumer’s discretion.

Senate Bill 115 ensures that consumers have written protections in place and that they receive the services for which they have contracted. The bill also creates protections for consumers, insurers, and ethical storm-repair contractors by establishing clear, fair regulations in the roofing industry. The bill includes provisions which:

* Afford consumers the right to cancel roofing agreements within three days of signing the contract or learning that their insurer has denied all or part of the claim;
* Necessitate that roofing repair contracts include a disclaimer notifying the consumer of his/her rights to cancellation;
* Require contractors to register, to be bonded, and to hold property owners legally harmless;
* Prevent a conflict of interest by prohibiting contractors from acting as an independent adjuster;
* Require roofing contractors to maintain workers' compensation insurance; and,
* Necessitate that the contractor's liability insurance be in the amount of $500,000.

Fraudulent storm chasers harm Ohioans by taking repair work away from legitimate contractors and ultimately driving up consumer and insurance costs for all. We believe Senate Bill 115 is a good first step to curtail many of these abuses and to restore confidence in our legitimate roofing contractors.

Thank you for allowing us to testify today and for your consideration. We are happy to answer any questions you may have.