

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1751

5 By: Representative Cozart
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For An Act To Be Entitled

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

14 TO CLARIFY THE RESPONSIBILITIES OF AN
15 INSURER FOR APPLICATION OF INSURANCE
16 PROCEEDS FOR ROOF REPAIR; AND TO PROVIDE
17 FOR PROPER ALLOWANCES ON A ROOF REPAIR
18 INSURANCE CLAIM.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Title 23, Chapter 88, Subchapter 1, is
25 amended to add an additional section to read as follows:

26 23-88-106. Application of insurance proceeds – Roof damage –

27 Definitions.

28 (a) As used in this section:

29 (1) "Hail damage" means damage to a roof system that has been
30 determined to be caused due to impact of hail by the Insurance Commissioner
31 under the HAAG Engineering Protocol Standards, as they existed in January 1,
32 2017, and as adopted by the commissioner;

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

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



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

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

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

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

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

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

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

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

23 (A) Roof system shingle products;

24 (B) Ridge caps;

25 (C) Pipe jacks;

26 (D) Turbines;

27 (E) Ridge vents;

28 (F) Vent caps;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (1) Comply with § 4-89-101 et seq.;

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

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

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