



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4738

by Rep. Sharon Chung

#### SYNOPSIS AS INTRODUCED:

815 ILCS 513/18

Amends the Home Repair and Remodeling Act. Provides that a contractor offering home repair or remodeling services shall not propose to contract or solicit a contract for home repair or remodeling services: (1) while a loss-producing occurrence is continuing at the premises; (2) while the fire department or emergency personnel are engaged at the damaged premises; or (3) between the hours of 7:00 p.m. and 8:00 a.m. Provides that a contractor shall not, in person, propose to contract or solicit a contract with a consumer for home repair or remodeling services for a minimum of 72 hours after a disaster proclamation, unless the proposal to contract or the solicitation to contract is initiated by a consumer.

LRB104 18501 SPS 31943 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Home Repair and Remodeling Act is amended  
5 by changing Section 18 as follows:

6 (815 ILCS 513/18)

7 Sec. 18. Repairs following damaging weather.

8 (a) As used in this Section, "catastrophe" means a natural  
9 occurrence, including but not limited to flood, drought,  
10 earthquake, tornado, windstorm, or hailstorm, which damages or  
11 destroys more than one residence.

12 (b) A contractor offering home repair or remodeling  
13 services shall not advertise or promise to pay or rebate all or  
14 any portion of any insurance deductible as an inducement to  
15 the sale of goods or services. As used in this Section, a  
16 promise to pay or rebate includes granting any allowance or  
17 offering any discount against the fees to be charged or paying  
18 the insured or any person directly or indirectly associated  
19 with the property any form of compensation.

20 (c) A contractor offering home repair or remodeling  
21 services shall not accept money or any form of compensation in  
22 exchange for allowing an out of area contractor to use its  
23 business name or license.

1       (c-5) A contractor offering home repair or remodeling  
2 services shall not propose to contract or solicit a contract  
3 for home repair or remodeling services:

4           (1) while a loss-producing occurrence is continuing at  
5 the premises;

6           (2) while the fire department or emergency personnel  
7 are engaged at the damaged premises; or

8           (3) between the hours of 7:00 p.m. and 8:00 a.m.

9       The requirements of this subsection do not supersede  
10 regulations adopted by units of local government.

11       (c-10) In addition to the provisions of subsection (c-5),  
12 for a minimum of 72 hours after a disaster proclamation issued  
13 by the Governor under Section 7 of the Illinois Emergency  
14 Management Agency Act, to allow for the duties that may be  
15 necessary to promote and secure the safety and protection of  
16 the civilian population, a contractor shall not, in person,  
17 propose to contract or solicit a contract with a consumer for  
18 home repair or remodeling services, unless the proposal to  
19 contract or the solicitation to contract is initiated by a  
20 consumer.

21       (d) A contractor offering home repair or remodeling  
22 services shall include its Illinois State roofing contractor  
23 license name and number as it appears on its Illinois State  
24 roofing license on all contracts, bids, and advertisements  
25 involving roofing work as required by the Illinois Roofing  
26 Industry Licensing Act.

1 (e) A person who has entered into a written contract with a  
2 contractor offering home repair or remodeling services to  
3 provide goods or services to be paid from the proceeds of a  
4 property and casualty insurance policy may cancel the contract  
5 prior to midnight on the earlier of the fifth business day  
6 after the insured has received written notice from the insurer  
7 that all or any part of the claim or contract is not a covered  
8 loss under the insurance policy or the thirtieth business day  
9 after receipt of a properly executed proof of loss by the  
10 insurer from the insured. Cancellation is evidenced by the  
11 insured giving written notice of cancellation to the  
12 contractor offering home repair or remodeling services at the  
13 address stated in the contract. Notice of cancellation, if  
14 given by mail, is effective upon deposit into the United  
15 States mail, postage prepaid and properly addressed to the  
16 contractor. Notice of cancellation may be given by delivering  
17 or mailing a signed and dated copy of the written notice of  
18 cancellation to the contractor's business address as stated in  
19 the contract. Notice of cancellation shall include a copy of  
20 the written notice from the insurer to the effect that all or  
21 part of the claim is not a covered loss under the insurance  
22 policy. Notice of cancellation need not take a particular form  
23 and is sufficient if it indicates, by any form of written  
24 expression, the intention of the insured not to be bound by the  
25 contract.

26 (f) Any contract referred to in subsection (e), must

1 contain a statement in at least 10 point boldface, in  
2 substantially the following form:

3 "You may cancel this contract at any time before  
4 midnight on the earlier of the fifth business day  
5 after you have received written notification from your  
6 insurer that all or any part of the claim or contract  
7 is not a covered loss under the insurance policy or the  
8 thirtieth business day after your insurer has received  
9 properly executed proof(s) of loss from you. See  
10 attached notice of cancellation form for an  
11 explanation of this right."

12 (g) Upon executing a contract referred to in subsection  
13 (e), furnish each insured a fully completed form in duplicate,  
14 captioned "NOTICE OF CANCELLATION", which shall be attached to  
15 the contract but easily detachable, and which shall contain  
16 boldface type of a minimum size of 10 points the following  
17 statement with the appropriate fields completed by the  
18 contractor:

19 "NOTICE OF CANCELLATION

20 If you are notified by your insurer that all or any  
21 part of the claim or contract is not a covered loss  
22 under the insurance policy, you may cancel the  
23 contract by mailing or delivering a signed and dated  
24 copy of this cancellation notice or any other written  
25 notice to (name of contractor) at (address of  
26 contractor's place of business) at any time prior to

1 midnight on the earlier of the fifth business day  
 2 after you have received such notice from your insurer  
 3 or the thirtieth business day after your insurer has  
 4 received properly executed proof(s) of loss from you.  
 5 If you cancel, any payments made by you under the  
 6 contract, other than payments for goods or services  
 7 related to a catastrophe which you agreed in writing  
 8 to be necessary to prevent damage to your property,  
 9 will be returned to you within 10 business days  
 10 following receipt by the contractor of your  
 11 cancellation notice.

12 I HEREBY CANCEL THIS TRANSACTION  
 13 .....  
 14 (date)  
 15 .....  
 16 (insured's signature)".

17 (h) Within 10 days after a contract referred to in  
 18 subsection (e) has been cancelled, the contractor offering  
 19 home repair or remodeling services shall tender to the insured  
 20 any payments, partial payments, or deposits made by the  
 21 insured and any note or other evidence of indebtedness. If,  
 22 however, the contractor has provided any goods or services  
 23 related to a catastrophe, acknowledged and agreed to by the  
 24 insured in writing to be necessary to prevent damage to the  
 25 premises, the contractor is entitled to the reasonable value  
 26 of such goods and services. Any provision in a contract

1 referred to in subsection (e) that requires the payment of any  
2 fee for anything except goods or services related to a  
3 catastrophe shall not be enforceable against any insured who  
4 has cancelled a contract pursuant to this Section.

5 (i) A contractor offering home repair or remodeling  
6 services shall not represent, or offer or advertise to  
7 represent, on behalf of a homeowner on any insurance claim in  
8 connection with the repair or replacement of roof systems, or  
9 the performance of any other interior or exterior repair,  
10 replacement, construction or reconstruction work; or otherwise  
11 violate the Public Adjusters Law (Public Act 96-1332). A  
12 Public Adjuster means any person who acts on behalf of the  
13 insured in preparing and adjusting a claim for loss or damage  
14 covered by an insurance contract. A contractor offering home  
15 repair or remodeling services shall not call in or file a claim  
16 to an insurance carrier on the insured's behalf. A contractor  
17 offering home repair or remodeling services shall not climb on  
18 a roof or inspect for exterior damage without the insured's  
19 express permission. Nothing in this subsection shall be  
20 construed to prohibit a residential contractor from: (1)  
21 providing an insured an estimate for repair, replacement,  
22 construction, or reconstruction of the insured's property and  
23 any such estimate may be submitted to the insured's insurance  
24 company; (2) conferring with an insurance company's  
25 representative about damage to an insured's property; or (3)  
26 discussing repair or replacement options with an insurance

1 company's representative or the insured about options for the  
2 repair or replacement of the damage.

3 (Source: P.A. 97-235, eff. 1-1-12.)