

Property Insurance S 76 continued.....

S 76 would create a “reimbursement schedule” that would allow insurers to sell policies that would provide reduced payments for repairing or replacing roofs over 10 years old. For example, insurers could reimburse 70% of the costs for metal roofs over 10 years old and 40% of the costs for concrete-tile and clay-tile roofs.

This however would shift more out-of-pocket costs to many homeowners when they have roof damage. Policyholders would have the option to buy added coverage for roof damage and that the proposal takes into account that roofs have life expectancies. The Senate bill also curtails contingency risk multipliers which would limit fees paid to attorneys who represent plaintiffs.

A similar House version H 305 by Rep Rommel which does not include the proposed limits on payments for roof damage was approved this week by the House Insurance & Banking Subcommittee. It would seek to address roof issues by preventing contractors and public adjusters from soliciting or providing incentives for homeowners to file claims.