

This is a reminder to all HBLB licensees during this time of cleanup and rebuilding following Hurricane Sally. As a licensee, you are obligated to follow all laws regulating residential construction found in the Code of Alabama 34-14A- et seq. Likewise, you are obligated to follow ALL consumer protection laws found in Title 8 of the Code of Alabama. Specifically, Ala. Code Sec. 8-36-2 that requires contract disclaimers to consumer homeowners for roofing contract cancellations. Noncompliance with this law may result in administrative disciplinary action, civil, or criminal liability.

# **2017 Code of Alabama**

## **Title 8 - COMMERCIAL LAW AND CONSUMER PROTECTION.**

### **Chapter 36 - RESIDENTIAL ROOFING CONTROLS.**

#### **Section 8-36-2 - Cancellation of residential roofing contract; notice of cancellation; payments.**

**Universal Citation:** [AL Code § 8-36-2 \(2017\)](#)

**Section 8-36-2Cancellation of residential roofing contract; notice of cancellation; payments.**

(a) A person who has entered into a written contract with a residential roofing contractor to provide goods or services to be paid from the proceeds of a property and casualty insurance policy may cancel the contract prior to midnight on the tenth business day after the contract has been entered into if the insured has received written notice from the insurer that all or any part of the claim or contract is not a covered loss under the insurance policy. Cancellation shall be evidenced by the insured giving written notice of cancellation to the residential roofing contractor at the address stated in the contract. Notice of cancellation, if given by mail, shall be effective upon deposit into the United States mail, postage prepaid and properly addressed to the residential roofing contractor. Notice of cancellation need not take a particular form and shall be sufficient if it indicates, by any form of written expression, the intention of the insured not to be bound by the contract.

(b) Before entering a contract as provided in subsection (a), the residential roofing contractor shall do all of the following:

(1) Furnish the insured a statement in boldface type of a minimum size of 10 points, in substantially the following form:

"You may cancel this contract at any time before midnight on the tenth business day after you have entered into this contract if you have received written notification from your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy. This right to cancel is in addition to any other rights of cancellation which may be found in state or federal law or regulation. See attached notice of cancellation form for an explanation of this right."

(2) Furnish each insured a fully completed form in duplicate, captioned "NOTICE OF CANCELLATION," which shall be attached to the contract but easily detachable, and which shall contain in boldface type of a minimum size of 10 points the following statement:

"NOTICE OF CANCELLATION"

"If you are notified by your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy, you may cancel the contract by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice to [name of contractor] at [address of contractor's place of business], at any time prior to midnight on the tenth business day after you have entered into this contract if you have received such notice from your insurer.

"I HEREBY CANCEL THIS TRANSACTION

\_\_\_\_\_

"Date

\_\_\_\_\_

"Insured's Signature"

(c) In circumstances in which payment may be made from the proceeds of a property and casualty insurance policy, a residential roofing contractor shall not require any payments from an insured until the ten-day cancellation period has expired. If, however, the residential roofing contractor has performed any emergency services, acknowledged by the insured in writing to be necessary to prevent damage to the premises, the residential roofing contractor shall be entitled to collect the amount due for the emergency services at the time they are rendered. Any provision in a contract as provided in subsection (a) that requires the payment of any fee for anything except emergency services shall not be enforceable against any insured who has cancelled a contract pursuant to this section. A residential roofing contractor shall not represent or negotiate, or offer or advertise to represent or negotiate, on behalf of an owner or possessor of residential real estate on any insurance claim in connection with the repair or replacement of roof systems.

**(Act 2012-519, p. 1541, §2.)**