

Jay Thompson

**SB 1274**  
**ROOFING CONTRACTOR REGISTRATION**  
**TALKING POINTS**

- 27 states and the District of Columbia require some type of license or registration for roofing contractors
- Registration allow homeowners and property owners to verify that roofing contractors are properly registered
- Greatly assists consumers in avoiding fraudulent roofers and contractors
- Most roofing contractors are reputable and respected business people who goal is to provide quality repairs and build a reputation of consumer trust.
- Texas has unique exposure to losses from wind and hail that cause damage to roofs. These exposures include tornadoes, hail, high wind, and hurricanes.
- The average cost for roofing repairs has risen dramatically in TEXAS
- THE NATIONAL INSURANCE CRIME BUREAU reported a 202% increase in questionable and potential fraudulent claims involving hail damage between 2008-2009.
- After catastrophe events such as Hurricanes IKE, DOLLY, RITA; or hail and tornadoes; numerous “fly by night” & unqualified roofers descend upon a catastrophe area
- Work done by unqualified roofers may result in inferior roofs causing future damage from leaks or other damage; expose a property owner to liability; expose a property owner to liens on the property.
- Common Practices of Dishonest Roofing Contractors:
  - Offer to recover a deductible by inflating a claim
  - Asking for full payment before repairs have begun and then disappearing with the money
  - Fabricate damage
  - Acting as a Public Adjuster and performing Repairs
  - Tearing off the roof to begin Work Product
  - Putting a “magnetic sign” on a truck and a “crew” to become a roofer overnight
  - Acting as a runner for a law firm and signing up insured’s to file suit
  - Performs unsolicited inspections and misleading the insured about the true identity and condition of the roof
  - Performs shoddy repair work and fails to remedy it.
  - Causes damage to create the need for additional repair Work Product
  - Quickly Leave an area after a CAT loss and is not available to correct problems or honor warranty
  - Abandoned roofing contract after deposit paid
  - Misusing money entrusted to the contractor
  - Performing services without a proper permit
- Most states have responded with legislation to require licensure or registration for roofing contractors
- Registration and licensure laws require roofers to meet minimum qualifications including:
  - maintain active assumed name certificates

- maintain active status of a corporation or other entity required to pay margins and other taxes
- prohibit registration for applicants convicted of felony offenses particularly felony fraud
- Registration and verified complaints will permit enforcement to protect consumers against roofing contractors that have:
  - Abandoned a roofing contract without legal excuse after a deposit has been made
  - Diverted funds entrusted to a roofing contractor
  - Engaged in fraudulent or deceptive acts or practices on products, services or qualifications as a roofing contractor

SB 1274 is similar to legislation recently passed in Oklahoma

Other Key States with license or registration laws: Arkansas, Mississippi, Florida, California, New Mexico, Virginia, Alabama, North Carolina.

PLEASE SUPPORT SB 1274. SB 1274 WILL ALLOW CONSUMERS TO CHECK ON THE REGISTRATION OF ROOFING CONTRACTORS AND AVOID SCAMS AND FRAUD.

**For questions or additional information contact:**

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