

IC 24-5-11

Chapter 11. Home Improvement Contracts

IC 24-5-11-1

Application of chapter

Sec. 1. This chapter applies only to residential property.

As added by P.L.251-1987, SEC.3. Amended by P.L.82-2012, SEC.1.

IC 24-5-11-2

"Consumer"

Sec. 2. As used in this chapter, "consumer" means an individual who owns, leases, or rents the residential property that is the subject of a home improvement contract.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-2.5

"Exterior home improvement"

Sec. 2.5. As used in this chapter, "exterior home improvement" means any alteration, repair, replacement, reconstruction, or other modification made to the exterior of residential property, including the exterior of any structure on or fixture or improvement to the property. The term also includes the alteration, repair, replacement, reconstruction, or other modification of a residential roof system.

As added by P.L.82-2012, SEC.2.

IC 24-5-11-3

"Home improvement"

Sec. 3. (a) As used in this chapter, "home improvement" means any alteration, repair, replacement, reconstruction, or other modification of residential property.

(b) The term includes an exterior home improvement.

As added by P.L.251-1987, SEC.3. Amended by P.L.82-2012, SEC.3.

IC 24-5-11-4

"Home improvement contract"

Sec. 4. As used in this chapter, "home improvement contract" means an agreement, oral or written, between a home improvement supplier and a consumer to make a home improvement and for which the contract price exceeds one hundred fifty dollars (\$150).

As added by P.L.251-1987, SEC.3.

IC 24-5-11-5

"Home improvement contract price"

Sec. 5. As used in this chapter, "home improvement contract price" means the amount actually charged for the services, materials, and work to be performed under the home improvement contract but does not include financing costs, loan consolidation amounts, taxes, and governmental fees paid by or on behalf of the consumer, amounts returned to or on behalf of the consumer, or similar costs not related to the home improvement.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-6

"Home improvement supplier"

Sec. 6. As used in this chapter, "home improvement supplier" means a person who engages in or solicits home improvement contracts whether or not the person deals directly with the consumer.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-6.2

"Insured consumer"

Sec. 6.2. As used in this chapter, "insured consumer" refers to a person:

- (1) who is a policyholder or an insured under a:
 - (A) personal line policy of property and casualty insurance coverage; or
 - (B) commercial line farm insurance policy that insures residential property; and
- (2) who is or may become a consumer who enters into a home improvement contract under this chapter.

As added by P.L.82-2012, SEC.4.

IC 24-5-11-7

"Person"

Sec. 7. As used in this chapter, "person" means an individual, a corporation, the state or its subdivisions or agencies, a business trust, an estate, a trust, a partnership, an association, or a cooperative or any other legal entity.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-7.5

"Residential property"

Sec. 7.5. (a) As used in this chapter, "residential property" means real property that:

- (1) contains one (1) to four (4) units; and
- (2) is used in whole or in part as a dwelling of a consumer.

(b) The term includes all fixtures to, structures on, and improvements to the real property.

As added by P.L.82-2012, SEC.5.

IC 24-5-11-7.7

"Roof system"

Sec. 7.7. As used in this chapter, "roof system" includes roof coverings, roof sheathing, roof weatherproofing, and insulation.

As added by P.L.82-2012, SEC.6.

IC 24-5-11-8

"Specifications"

Sec. 8. As used in this chapter, "specifications" means the plans, detailed drawings, lists of materials, or other methods customarily

used in the home improvement industry as a whole to describe with particularity the work, workmanship, materials, and quality of materials for each home improvement.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-9

License or permit as prerequisite

Sec. 9. Where a license or permit is necessary for any part of a home improvement, the home improvement contract shall be subject to obtaining the necessary licenses or permits prior to any work commencing.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-10

Contract requirements; insurance policies; exterior home improvements; statement of right to cancel; notice of cancellation; supplier's nexus with Indiana; contract modifications

Sec. 10. (a) The home improvement supplier shall provide a completed home improvement contract to the consumer before it is signed by the consumer. Except as provided in subsection (c), the contract must contain at a minimum the following:

- (1) The name of the consumer and the address of the residential property that is the subject of the home improvement.
- (2) The name and address of the home improvement supplier and each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed.
- (3) The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract.
- (4) A reasonably detailed description of the proposed home improvements.
- (5) If the description required by subdivision (4) does not include the specifications for the home improvement, a statement that the specifications will be provided to the consumer before commencing any work and that the home improvement contract is subject to the consumer's separate written and dated approval of the specifications.
- (6) The approximate starting and completion dates of the home improvements.
- (7) A statement of any contingencies that would materially change the approximate completion date.
- (8) The home improvement contract price.
- (9) Signature lines for the home improvement supplier or the supplier's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or a typed version of that person's name placed directly after or below the signature.

(b) The home improvement contract must be in a form that each consumer who is a party to it can reasonably read and understand.

(c) If a home improvement contract is entered into for damage,

loss, or expense that is to be paid, in whole or in part, from the proceeds of a personal line property and casualty insurance policy or a commercial line farm insurance policy that insures residential property, or for damage, loss, or expense for which a third party is liable, the following conditions and requirements apply to the home improvement contract:

(1) For the purpose of subsection (a)(4) through (a)(7), the description, completion dates, and statement of contingencies must be prepared for the proposed home improvements to the extent that the damage, loss, or expense is reasonably known by the home improvement supplier.

(2) For the purpose of subsection (a)(4), the requirement that a reasonably detailed description be included in the contract may be satisfied with a statement that the subject real estate will be repaired or restored to the same condition in which the real estate existed before the damage, loss, or expense occurred, or to a comparable condition.

(3) For the purpose of subsection (a)(6), the starting and completion dates may be expressed in terms of the number of days elapsed from the date when sufficient approval of the insurance carrier terms allowing for adequate repair or restoration is obtained.

(4) For the purpose of subsection (a)(8), the consumer or insured consumer may agree to a contract price expressed in terms of the consumer's or insured consumer's liability for payment after the application of insurance proceeds or payments from a liable third party.

(5) The consumer or insured consumer may elect, in writing, to authorize the commencement of work on the home before the consumer or insured consumer receives complete specifications. However, a consumer or an insured consumer who elects to authorize the commencement of work under this subdivision is obligated for the home improvements specified and agreed to by the insurance carrier.

(6) This subdivision applies to a home improvement contract that is entered into by a home improvement supplier and an insured consumer after June 30, 2012, and that includes one (1) or more exterior home improvements. Before entering into a home improvement contract that is to be paid, in whole or in part, from the proceeds of a personal line property and casualty insurance policy or a commercial line farm insurance policy that insures residential property, the home improvement supplier must inform the insured consumer of the insured consumer's rights under section 10.5(b) of this chapter by doing the following:

(A) Furnishing to the insured consumer the following statement: "You may cancel this contract at any time before midnight on the third business day after you have received written notification from your insurance company that all or any part of the claim or contract is not a covered loss under

the insurance policy. See attached notice of cancellation form for an explanation of this right."

(B) Furnishing to the insured consumer a form, in duplicate, that is captioned "NOTICE OF CANCELLATION" and is attached to the contract but easily detachable, and that contains the following statement in at least 10 point, boldface type:

"NOTICE OF CANCELLATION

If you are notified by your insurance company 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 home improvement supplier) at (address of home improvement supplier's place of business) at any time before midnight on the third business day after you have received such notice from your insurance company.

If you cancel the contract, any payments made by you under the contract will be returned to you within ten (10) business days following receipt by (name of home improvement supplier) of your cancellation notice, minus any amounts you may owe for work already done by (name of home improvement supplier).

I HEREBY CANCEL THIS TRANSACTION

(date)

(insured consumer's signature)".

(7) This subdivision applies to a home improvement contract that is entered into as a result of damage, loss, or expense that is to be paid, in whole or in part, from the proceeds of a personal line property and casualty insurance policy or a commercial line farm insurance policy that insures residential property. However, this subdivision does not apply to a consumer and a home improvement supplier that have a prior business relationship. After June 30, 2012, a home improvement supplier may not enter into a home improvement contract to which this subdivision applies unless one (1) or more of the following apply:

(A) The home improvement supplier resides, is domiciled, or is authorized to do business in Indiana.

(B) The home improvement supplier maintains in Indiana one (1) or more fixed physical locations from which the home improvement supplier engages in or solicits home improvement contracts.

(C) The home improvement supplier has appointed a resident agent in Indiana for service of legal process.

(d) A modification to a home improvement contract is not enforceable against a consumer unless the modification is stated in a writing that is signed by the consumer.

As added by P.L.251-1987, SEC.3. Amended by P.L.119-2001, SEC.1; P.L.82-2012, SEC.7.

IC 24-5-11-10.5

Prohibited acts; contracts with insured consumers for exterior improvements; right to cancel; services performed; acting as public adjuster prohibited

Sec. 10.5. (a) A home improvement supplier shall not advertise, offer, or promise to pay or rebate any part of an insurance deductible to induce a person to enter into a home improvement contract or otherwise purchase goods or services from the home improvement supplier. Acts prohibited by this subsection include the following:

- (1) Advertising, offering, or promising to grant an allowance or a discount against the home improvement contract price or against other fees or charges.
- (2) Advertising, offering, or promising to pay to an insured consumer, or to any other person, any form of compensation, including a gift, prize, bonus, coupon, credit, referral fee, or other item of monetary value for any reason, including the display of a sign or advertisement on residential property.

(b) This subsection applies to a home improvement contract that is entered into by a home improvement supplier and an insured consumer after June 30, 2012, and that includes one (1) or more exterior home improvements. An insured consumer who enters into a home improvement contract for which the home improvement contract price, or charges for other goods and services under the contract, are to be paid, in whole or in part, from the proceeds of a personal line property and casualty insurance policy or a commercial line farm insurance policy that insures residential property, may cancel the contract before midnight on the third business day after the insured consumer has received written notice from the insurance company that any part of the claim or contract is not a covered loss under the insurance policy. An insured consumer who seeks to cancel a home improvement contract under this subsection must provide to the home improvement supplier, at the address specified in the form provided under section 10(c)(6)(B) of this chapter, written notice of the insured consumer's intent not to be bound by the contract. If the notice of cancellation is sent by mail, the notice is effective upon deposit of the notice into the United States mail, with postage prepaid and the notice properly addressed to the home improvement supplier. Subject to subsection (c), not later than ten (10) days after a home improvement contract is cancelled under this subsection, the home improvement supplier shall tender to the insured consumer:

- (1) any payment or deposit made by the insured consumer; and
- (2) any note or other evidence of indebtedness of the insured consumer.

(c) If:

- (1) an insured consumer cancels a home improvement contract under subsection (b); and
- (2) the home improvement supplier has performed emergency

or temporary services that the insured consumer acknowledged in writing before their performance to be necessary to prevent damage to the residential property; the home improvement supplier is entitled to the reasonable value of the emergency or temporary services performed.

(d) A home improvement supplier shall not act as a public adjuster (as defined in IC 27-1-27-1).

As added by P.L.82-2012, SEC.8.

IC 24-5-11-11

Signature of supplier

Sec. 11. Before the consumer signs the home improvement contract and before the consumer can be required to make any down payment, the home improvement supplier must have agreed unequivocally by written signature to all of the terms of the home improvement contract.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-12

Consumer's copy of dated contract

Sec. 12. The home improvement supplier shall give a fully executed copy of the home improvement contract to the consumer immediately after the consumer signs it. The contract must also show the dates the supplier and each consumer executed the contract.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-13

Approval by consumer

Sec. 13. Any approval required by this chapter shall not be unreasonably withheld by the consumer.

As added by P.L.251-1987, SEC.3.

IC 24-5-11-14

Violation; penalties

Sec. 14. A home improvement supplier who violates this chapter commits a deceptive act that is actionable by the attorney general or by a consumer under IC 24-5-0.5-4 and is subject to the remedies and penalties under IC 24-5-0.5.

As added by P.L.251-1987, SEC.3.