

CONTRACTOR PROHIBITIONS

Please review the scenarios below to determine if a contractor is breaking the law.



PERMISSIBLE	PROHIBITED	VIOLATION
Discuss, explain and offer a quote for construction or repair of property	Initiate, negotiate or influence the filing or settlement of an insurance claim on behalf of a consumer	3rd Degree Felony Section 626.8738, Florida Statutes Section 626.854(15), Florida Statutes Section 626.854(19)(d), Florida Statutes
Suggest or recommend a consumer contact their insurance company to determine if the repair is covered under their insurance policy	Interpret insurance policy provisions or advise a consumer on their insurance coverages, unless the contractor is also a licensed Public Adjuster	Fine of up to \$10,000 and/or other administrative actions such as license suspension or removal Section 489.129, Florida Statutes Section 489.147(2)(d), Florida Statutes
Repair or replace damaged property	Enter into a contract to adjust a claim and engage in construction work on the same property	3rd Degree Felony Section 626.8738, Florida Statutes Section 626.8795, Florida Statutes
Discuss or explain a bid for construction or repair of a property	Advertise, solicit, offer to perform or perform public adjuster services, unless licensed as a Public Adjuster	3rd Degree Felony Fine of up to \$10,000 Section 626.8738, Florida Statutes Section 626.854(15), Florida Statutes Section 626.854(19), Florida Statutes

PERMISSIBLE	PROHIBITED	VIOLATION
<p>Include an itemized good faith estimate with an agreement authorizing repairs</p>	<p>Provide an agreement authorizing repairs without also providing a good faith estimate that includes an itemized and detailed cost of services and materials for the repairs</p>	<p>Fine of up to \$10,000 and/ or other administrative actions such as license suspension or removal Section 489.129, Florida Statutes Section 489.147(2)(e), Florida Statutes</p>
<p>Provide roof inspection, repair and replacement services</p>	<p>Offer a consumer anything of value in exchange for allowing an inspection of the roof or for filing an insurance claim for damage to the roof</p>	<p>Fine of up to \$10,000 and/ or other administrative actions such as license suspension or removal Section 489.129, Florida Statutes Section 489.147(2)(b), Florida Statutes</p>
<p>Provide a notice before entering into a contract for repairing or replacing a roof that contractors cannot offer anything of value in exchange for allowing an inspection of the roof or for filing an insurance claim for damage to the roof</p>	<p>Entering into a contract for repairing or replacing a residential roof without including a notice that the contractor cannot offer a consumer anything of value in exchange for allowing an inspection of the roof or for filing an insurance claim for damage to the roof</p>	<p>Fine of up to \$10,000 and/ or other administrative actions such as license suspension or removal Section 489.129, Florida Statutes Section 489.147(5), Florida Statutes</p>
<p>Construct or repair property with a valid license</p>	<p>Construct or repair property without a valid, active license</p>	<p>Up to a 3rd Degree Felony Section 489.127, Florida Statutes</p>
<p>Must have required insurance including liability, property damage, workers' compensation (or obtain an exemption)</p>	<p>Construct or repair property without proper insurance</p>	<p>Minimum \$1,000 Penalty Section 440.107, Florida Statutes</p>

PERMISSIBLE	PROHIBITED	VIOLATION
Obtain a building permit from local officials, as required	Construct or repair property without the appropriate permit or disregard local ordinances	Up to a 3rd Degree Felony Section 489.127, Florida Statutes
Construct or repair within the scope of the license, i.e. building, roofing, pool/spa, etc.	Construct or repair outside of the scope of the license	Up to a 3rd Degree Felony Section 489.127, Florida Statutes
Place a lien on your property for unpaid work – lien rights	Place a lien on a property for paid work	Sections 713.05 and 713.06 , Florida Statutes
Require consumer to pay insurance deductible	Waive or rebate an insurance deductible, offer services at no charge, or otherwise compensate the consumer for the deductible or rebate a deductible for filing an insurance claim.	3rd Degree Felony Section 817.234(7)(d), Florida Statutes
Provide a Contractor's Final Payment Affidavit to verify that you have paid all subcontractors and suppliers	Omit providing a Contractor's Final Payment Affidavit	Section 713.06(3)(d), Florida Statutes
Advertise construction services to potential clients	Mislead consumers using untrue or deceptive advertisements	Section 626.854(7), Florida Statutes
Must have required insurance including liability, property damage, workers' compensation (or obtain an exemption)	Construct or repair property without proper insurance	Minimum \$1,000 Penalty Section 440.107, Florida Statutes

PERMISSIBLE	PROHIBITED	VIOLATION
<p>Provide notice to the consumer before entering into a contract for repairing or replacing a roof stating that the consumer is responsible for paying the deductible and that it is a 3rd degree felony for the contractor to waive, pay, rebate, or otherwise compensate the consumer for the deductible, or to file a false, incomplete, or misleading insurance claim.</p>	<p>Advertising or encouraging a consumer to contact a contractor or public adjuster to file a roof damage insurance claim without providing the following notices to the consumer:</p> <ol style="list-style-type: none"> 1. The consumer is required to pay the deductible. 2. A contractor that waives, pays, rebates, or otherwise compensates a consumer for their deductible is committing a 3rd degree felony. 	<p>Fine of up to \$10,000 and/ or other administrative actions such as license suspension or removal.</p> <p>Section 489.127(5)(a)(1), Florida Statutes</p>

Additionally, Section 489.1295, Florida Statutes, states:

A licensed contractor must compensate a subcontractor or supplier, unless there is a bona fide dispute regarding the amount due, if any, for services, labor, or materials:

- Within 45 days after receiving payment for the services performed or materials supplied by the subcontractor or supplier; or
- In accordance with the terms of the contract for such services, labor, or materials.

A licensed contractor who knowingly or willfully violates this section is subject to disciplinary proceedings as provided in [Section 489.129, Florida Statutes](#).

