

NHSCA Monthly Call
Thursday, February 6, 2020 at 2:30 pm CST

2-10 Home Buyers Warranty: Jacqui Crocket, Lindsey Iten

American Home Shield Companies: Mark Celichowski

America's Preferred Home Warranty: Rodney Martin

American Water Resources/Pivotal HS: Meghan Boyle

Cinch Home Services: John Walsh

Fidelity: Lorna Mello

First American Home Warranty: Zach Zaharek

Home Warranty of America: Paola Berard

Old Republic Home Protection: Chris Wasson

NHSCA Staff: Art Chartrand, Joy Moore

Guest: Lobbyist, Mike Belote, California Advocates

Roll call was taken.

Election of Vice President

Richard Adams with National Home Guaranteed resigned as a member of the Association effective January 17, 2020. Chartrand informed members Adams was extremely positive about the Association and was very complimentary of the NHSCA staff and the membership relationship he has developed over the years. Martin made a motion and Wasson seconded Walsh replace Adams as Vice President and serve until June when the current officer two year term ends. No further discussion. The motion passed unanimously.

Election of Secretary/Treasurer

Chris Wasson with Old Republic Protection was nominated to serve as the new secretary/treasurer to replace Walsh who is moving up to Vice President. A motion was made by Martin and seconded by Mello that Wasson service as the current secretary/treasurer until June when the current officers 2-year term expires. No discussion. Motion passed. The motion passed unanimously.

Chartrand reminded members there will be a new slate of officers elected at the June 2020 annual meeting in Boothbay, Maine. A new Secretary/Treasurer will be needed at that time on the assumed slate of Walsh as President and Wasson and VP. NHSCA bylaws allow nominations of any member.

Application Vote on HomeServe USA

HomeService has submitted their request to be formally considered for membership in the Association. Unfortunately, the entire HomeServe staff is on a plane and unavailable for the call today.

Pursuant to our by-law change that was adopted several months ago, Nations and AHG are still technically dues paying members through Q1, 2020. HomeServe USA will pay the national dues quarterly amount effective April 1. The HomeService Group will be a national level member and include both Nations and AHG. Mello motioned to approve their membership effective immediately and seconded by Walsh. No further discussion. The motion passed unanimously.

Chartrand noted he continues to be close to getting Home Advisor along with its Fix'd Home Warranty company as Association members. We have had promising indications they will be joining this year.

Update on Accreditation Program

Chartrand informed everyone that all members have applied for Accreditation. Completed program binders have been received from CINCH Home Services and America's Preferred Home Warranty. Chartrand has finalized his review on CINCH and CLM is recommending they receive the accreditation at this time unless members have questions. There was no further discussion. Martin made a motion to approve the accreditation of CINCH Home Services based on the CLM recommendation and second by Mello. The motion passed unanimously. The accreditation vote for APHW is expected on the next monthly call.

State Updates

Arizona – Chartrand sent out final draft on SB 1039 to members for their review. SCIC has their own bill HB 2403. Chartrand has left it to our retained lobbyists get the combined bills thru the legislature. Our final language is sellable and consumer friendly. It still has to go through the Senate Committee. It should be moving to a hearing within the next two weeks. [Post call, the *effective date* if passed would be 90 days after last day of session, which may be late April or early July.]. If members are having difficulty in getting form language approved, especially on pre-existing conditions, Chartrand can walk them through recently approved language under the current law.

South Carolina

- **HB 4739** is a carryover bill by Rep John King which would limit excluding preexisting conditions after 30 days. It appears to have no support or “legs” in lobby speak. Chartrand has engaged Rep King and agreed to meet with him but appears King now sidetracked. We are also seeking a SC lobbyist for the future though will not likely need for this bill.
- **HB 4244** is SCIC's bill mostly on automobile issues. It does exclude the need to file financial if you have CLIP, which is objectionable in principal but not one likely worth fighting over with SCIC.

Nevada – Chartrand inquired how many members submitting new forms. He recommends members go ahead and submit forms to test if the DOI approves them pursuant to the its agreement on deducting claims paid upon consumer cancellation. Walsh ask if anyone has submitted their data call information. CINCH noted to members he has asked for an extension and 30 days was granted. Berard with HWA indicated the same. Chartrand is not highly optimistic to get anything done this year and will likely go to Nevada and meet in person for further clarification. The legislature does not meet until 2021. Chartrand noted that few believe the DOI will do much in response to the data call but time will tell.

Contractor Boards

California & Washington State

If members have any inquiry let Chartrand know on both California & Washington State. He is keeping a close eye out since lower level staff have sent out recent inquiries to several members. We need to continue to oppose contractor board registration expansion.

Utah

Chartrand noted it is now clear, rate filing in Utah in not required. There are still outstanding questions on filing sales tax. Our members are divided in sales tax collection practices. Some are charging 100% upfront and remitting, some based upon personal property portion, and others not at all. One member is seeking a determination now. Chartrand reminded members to be prepared to change course depending on what is finally determined.

California – AB 5

Belote reported that there remains a great deal of confusion and uncertainty in California about AB 5. Most experts agree that home warranty companies are not in the same “core business” as vendors performing repairs, just as auto insurers are not in the same business as body shops they contract with. Clearly there will be more exemptions added to the law this year, but Republican proposals to repeal AB 5 will get no traction.

Hundreds of occupations are seeking exemptions from AB 5 this year, most will not be successful. The author of AB 5 has promised more exemptions and to clarify the B2B exemption in current law. She has introduced AB 1850 this year to make changes to AB 5 from 2019. The bill introduction deadline for 2020 is February 21, so we will see what bills are introduced on the subject.

We should have another call on the situation in another month.

NHSCA Industry Advisory Committee – Rodney Martin

Martin reported his committee determined there is no need to form an Industry Advisory Committee at this time. They understand there are some companies that would like to engage. It was the committee’s opinion officers can marshal a larger group to take a look at it if there is something substantial to consider. After further discussion, Mello agreed to have a special call before the annual meeting in June to further consider the advantages and possibilities to engage industry more formally. Staff will set up a call possibly in March for anyone interested.

National Meeting

Chartrand reminded members to make their hotel reservations now. The earlier you book the easier the process is on staff and the hotel. You can cancel or change your hotel reservation up until May 10, 2020.

Other Business

Renewed contract with Bill Track 50

The legislative and regulatory tracking software has been useful. Chartrand reminded members they have access to the database as well. Let staff know if you need additional information on how to access and use the software.

Compliance Chart Update

Chartrand recently published an updated compliance chart to all members and it is now on the website. Members are urged to review it and let Chartrand know of any additions or corrections. Several new columns have been added such as address requirements and sales tax.

Next meeting is Thursday, March 5 at 2:30 pm CST.

Meeting adjourned at 3:30 pm.