

NHSCA Monthly Update
Thursday, May 7, 2020 at 2:30 pm CDT

2-10: Jacqui Crockett, Lindsey Iten

American Home Protect: Corinne Maples

Frontdoor Group: Tom Courtney, Mark Celichowski

America's Preferred Home Warranty: Rodney Martin, Phil West

American Water Resource/Pivotal HS: Pat Wodack

First American Home Warranty: Jeff Powell, Zach Zaharek

Cinch: John Walsh

Fidelity: Lorna Mello, Adrienne Giacalone

HomeGuard HW: Robert Hessling

HomeServe Group: Scott Paris

Old Republic Home Protection: Chris Wasson

NHSCA Staff: Art Chartrand, Joy Moore

Guests: **CA Lobbyist** – Mike Belote - California Advocates
 AZ Lobbyist - David Childers – Kutak Rock

Roll call was taken, and a quorum was present.

ZOOM Practices

Chartrand informed members the annual meeting in June will be conducted as a ZOOM video conference. Today was a trial run.

Industry Advisory Council – Rodney Martin

Martin reported to members what was discussed on the call May 6 with the industry advisory council group. It was the consensus of the group that hosting a symposium would really create focus and a dialog with key stakeholders. It was suggested to host such meeting in 2021. The current committee consists of Martin, Mello Crockett, Wasson and Walsh. It is the plan for the committee to circle back with membership at large with the exact thoughts on what the suggest symposium will look like. The proposed thought is for a one-day event starting at 9:00 am and ending around 3 - 4:00 pm with a social event the evening before or the evening of the event. There will be a structured group of presentations that create a dialog with stakeholders and people we would like to get involved. Members should expect a formal motion to vote on in June at the annual meeting as an adjunct arm of the NHSCA. It will be up to the committee to develop the goals, success points, etc. It is expected every member will attend the symposium.

State Updates

Arizona - Childers

The Governor issued sine die (end of session) of the legislature. The Senate will be shut down tomorrow. The House is trying to get the votes to conclude for this year. Childers

informed members that our bill will not get passed this year. If Arizona has a Republican majority, we should be able to fast track the bill in 2021. He reminded members the bill will have to be reintroduced in its current form with a bill sponsor and will have to be heard in committees just like it already has been. There is no automatic process. However, it should move thru very quickly assuming we stick with version of the bill and there are no further changes. Childers noted, the Arizona Legislature will definitely change in the upcoming year. There is usually about 1/3 turnover expected. (10 in Senate and 20 in the house) There is a possibility a Democratic Majority may occur in one of the sessions. Even if the elections come out more heavily Democrat, Childers still thinks the bill will get passed.

California - Belote

Belote reminded members that California is an “ultra-blue” state, different from Arizona. The legislature has been out since March 19. The governor is busy issuing executive orders relative to Covid-19. The Assembly came back this past Monday. The Senate comes back this coming Monday. Childers noted the Assembly is doing in-person voting while the Senate may try some remote voting on bills. Both houses are taking up critical and urgent issues only.

The only bill that may be of interest to the service contract industry relates to auto renewal law. He would like members to take a look and let him know if it affects them. Chartrand reminded members and Belote, the NHSCA auto renewal clause is on the website. He suggested Belote review and remind legislatures of our bill – Chartrand and Belote will discuss. Zaharek asked if Belote could review SB 990. Belote says it is not going anywhere!

Market Data Collection

The 2019 Year-end market data collection report has errors. The reasons are 1) clerical, 2.) misunderstanding of how to report numbers 3.) waiting to send end of the year numbers and 4.) one member changed internally how they report *paid* work orders. One of our members began using all dispatches rather than all *expensed* dispatches as the instructions indicate. This resulted in about one million additional being reported at year end 2019. Chartrand asked members to check with folks who are submitting these numbers and make sure they understand for now to only report paid work orders. Chartrand asked members to consider if they want to change and collect numbers on both paid and non-paid work. Unless there is a motion to change, we will stay with *paid* work orders. Chartrand also suggested *members* review the reports from staff before they are submitted to NHSCA office. An initial quality check would be very beneficial and time saving to NHSCA staff.

Chartrand also noted the pending proposal to update the data reporting to separate 1) traditional whole home warranty including HVAC; 2) appliance only, no HVAC; 3) Other alternative limited plans. Chartrand sent a draft to committee for final review. The market

data committee and will have a final proposal by June. Market data reports are accumulated on a state and national basis. *Individual* provider data is confidential and not shared with anyone. Chartrand noted the data is used to track the growth of the industry – used internally at NHSCA and for media and legislative use. It is very valuable information. No further discussion. Staff will include Scott Paris on the market data committee.

CA DOI Statutory Statements

Chartrand reminded newer members this collection of statements and distribution is simply for member convenience. It is a public document. We have been doing this for over twenty years as a practice continued from the former HWAC. We just do it electronically now.

Pending Budget and Assessments

No assessments for state activity have been made since early last year. We will need a vote for assessments in June for three different states. California (\$4400 per member) Nevada (2600 per member) and Texas (\$3800 per member). Nevada will bring us current. The others will be for the next 12 months.

Exec. Director Transition Update

Chartrand has agreed to remain on until a new Executive Director can be retained. We now expect this may occur sometime in mid 2021. The management contract is due for renewal in June. Chartrand indicated that he is going to waive any increase for his firm but propose an increase to be dedicated entirely to a new, NHSCA dedicated part-time attorney/researcher to track regulatory and legislative activity and maintain closer ties with regulated entities. This will be very important in the post Covid-19 environment. This new NHSCA counsel can be funded partly from the increase and part from savings on the national meeting.

National Video Zoom Meeting 2020 Details

Meeting on June 11 @ 1:00 pm. (Social at 12:30 pm). Staff will send the invite to all members in the next few days.

National Meeting 2021

Spruce Point Inn in Boothbay Harbor, Maine has agreed to accept our 2020 deposit and to move our meeting to June 16-18, 2021 without any penalties. Chartrand will be finalizing the agreement in the near future.

Other Matters

Chartrand noted we take bad actors/fraud companies seriously. Chartrand reaches out to media on a regular basis to educate them of who the NHSCA is. One such company came up last week, *Like New Home Warranty*. They do not appear to be legit. They appear to have associations with various locations in the country. TREC and the Missouri Insurance

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Division is looking into them at our request. They are sending out notices from mortgage records to consumers.

Meeting adjourned at 3:30 pm CDT.

Next Meeting – The annual meeting scheduled June 11, 2020.