

NHSCA Monthly Update
Thursday, Sept. 10, 2020 at 2:30 pm CDT

2-10: Jacqui Crocket

AFC Home Club: Randall Reis

American Home Protect: Corinne Maples, Ashley Altick

APHW: Rodney Martin, Phil West

American Water Resource/Pivotal HS: Pat Wodack

First American Home Warranty: Jeff Powell, Zach Zaharek

Frontdoor Group: Mark Celichowski

HomeServe: Jonathan Seem, Scott Paris

Cinch: John Walsh

Fidelity: Lorna Mello

Old Republic Home Protection: Chris Wasson, Frank Caballero

HWA: Michael Longoria

Guests: Ron Peterson, Bastin Government Consulting
Marcus Osborn, Kutak Rock
David Parker, Longbow Partners
Randy Whitehead, NHSCA Advisory Council Chair

NHSCA Staff: Art Chartrand, Joy Moore

Roll call was taken, and a quorum was present with 12 of 14 voting members present.

TAR Expo

The in-person expo has been cancelled by TAR due to Covid. Our registration carries over to 2021 without penalty. We saw no benefit in participating in a “virtual” conference.

Market Data

The market data collection process is continuing status quo. There has not been any vote to change our current protocol. The Q2, 2020 summary should be finalized soon.

Membership

Centricity and Gold Warranty Home Warranty have inquired about membership and have indicated they will be sending in their applications. Randy Whitehead, Chair of the NHSCA Advisory Council offered to help make contacts for recruiting new provider members.

Advisory Council

Whitehead noted the next call for the Council is scheduled for September 15. On the most recent call and discussion regarding an inaugural symposium, five hot buttons were identified. (1) new technology trends, (2) customers expectation (3) real estate industry interface between home warranty and realtors including RESPRO, (4) certification to strengthen consumer confidence and reduce complaints, (5) regulatory issues.

Discussion on who to invite to the symposium included advisory committee member clients, regulators and private equity companies.

Randy can be reached at randy@nationalservicealliance.com . Please forward him any feedback as well and leads on any home warranty stakeholders that might be appropriate to join the Council.

Media Inquiries

The interview that Chartrand participated in on September 1 with Neoticks, Inc. was circulated to members via email today. Chartrand indicated it was a fair article and he continues to offer to be a resource to the media. Generally, when we engage the media, particularly freelance writers, at least our message gets conveyed. Education on our industry is the primary goal.

Reports from State Lobbyists: OK, AZ, NV & TX

Oklahoma, Ron Peterson

Chartrand and lobbyist Bastin & Peterson met with Oklahoma Commissioner Mulready on July 16 to provide clarity and give direction. As to legislative efforts, they continue to review the lay of the land, but have great confidence in the House. Everything is in process to go, depending on the politics after the election. Chartrand noted we have members sensitive to our public stance and comments and he will plan to bring the language back to the members for a 100% consensus. Final language will need to be in place by January 2021 with completion by the end of May. The legislative package was approved at the July monthly call along with the assessment of \$6000 per member doing business in Oklahoma. This is a reduction in the previous amount of \$8000 assessment per member given our current membership growth.

Arizona, Marcus Osborn (Kutak Rock)

COVID abruptly ended the session in 2019 with our legislation ready to pass. Language needs to be cleaned up and hit the ground by November 1 to pursue for 2021. We are heavily invested already from last session. The cost will be approximately \$6000 a month for 8 months or \$48,000. We have \$ 25,000 in the account so need another \$ 25,000 or about \$2500 per Arizona member. Walsh moved and Martin seconded to move forward and retain Kutak Rock and pursue the legislative package as indicated. All in favor except AHS opposed. Motion passed to pursue and assess.

Nevada, John Sande

The legislature only meets every other year in both Nevada and Texas, so it is important we move ahead in 2021. It will be the only chance to do so until 2023.

Language needs to be amended or cleaned up by October 1. Sande reported the

legislative session will likely be virtual. Chartrand indicated a motion and vote is needed to proceed with the legislative package. The estimated cost will be \$6000 a month for 8 months or \$48,000. We have about \$13,000 in the Nevada account so will need an additional \$35,000. The assessment per member will be about \$3500.

Texas, David Parker

The legislative session starts in mid-January and goes until May. The deadline to add or amend our final version that passed out of the House last year will be about October 1. We have about \$8000 in the account and already obligated the standing \$2000 a month retainer for next 12 months or \$24,000. The added cost will be a \$4000 a month “kicker” for about 8 months or \$32,000. At a minimum we need \$16,000, or \$48,000 total to pursue legislation in 2021. The assessment would be about \$1400 or \$4000 per member to pursue the legislative package.

After further discussion, there was a consensus to hold on voting on the Nevada and Texas packages. We will hold a legislative review of language and prospects to proceed by conference call in the next few weeks. Watch your email for a notice.

South Carolina

A notice from the SC DOI was recently sent to members requiring audited financial requirements from service contract providers upon renewal application. Clearly, there is no statute that requires *audited* financials. Chartrand has reached out to the staffer that provided the notice, Rachel Johnson and is in the midst of exchanging emails to resolve. Chartrand noted to members they should not be sending in an audited financials since it does not appear authorized by the statute. Members should respectfully ask the state for their legal authority. If you do provide, note it is done *voluntarily with full reservation of rights*.

Accreditation vs Membership

Currently there is no requirement for NHSCA accreditation. It is a voluntary internal audit designed to bring companies into compliance. It is designed for the law firm of CLM, Inc to work with companies to identify issues that could cause problems. It is similar to a “board certification” for doctors. There is an incentive for current members to go through for no charge by the current deadline of February 1, 2021. After the deadline, it will be done at approximately \$7500 cost independently to CLM, Inc contracted to perform for NHSCA coupled with an on-site verification. It is a model that works in many other industries.

A short paper prepared by Chartrand on *NHSCA Accreditation vs Membership* was emailed to members outlining a new approach to both concepts. Chartrand asked members to send him input and see if there is a consensus of the members to go forward in this new direction. It could greatly broaden the membership while actually enhancing voluntary accreditation.

NHSCA Monthly Conference Call
Thursday, Sept 10, 2020

The meeting adjourned at 3:56 pm CDT. Next meeting is October 1 at 2:30 pm CDT.